Power Foundation of India

Power Foundation of India

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

No. PFI/Prog/UERC/2026/040 Dated: 29/01/2026

To,

The Secretary
Uttarakhand Electricity Regulatory Commission
"Vidyut Niyamak Bhawan"
Near I.S.B.T., P.O. Majra
Dehradun -248171

Subject: **PFI Comments: Uttarakhand DISCOM True Up Petition for FY 2024-25 & ARR Petition for FY 2026-27**

Reference: UERC Public Notice True Up Petition FY 2024-25 & ARR Petition FY 2026-27

Dear Sir,

Power Foundation of India (PFI) is a Policy Research and Advocacy entity and a registered society under the aegis of Ministry of Power, Government of India. PFI is supported by leading Central Power Sector Organizations to undertake evidence-based policy research and facilitate informed decision making by the Regulators, Ministry and 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 Uttarakhand Power Corporation Limited (UPCL) before UERC. Our comments/ suggestions on the said Petition of are enclosed herewith for your consideration as *Annexure- I.* 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 secy.uercd@gov.in.

Warm Regards,

Encl: Annexure – I

Copy to:

1. **The Hon'ble Chairperson**
   Uttarakhand Electricity Regulatory Commission

2. **The Hon'ble Member**
   Uttarakhand Electricity Regulatory Commission

Yours Sincerely,

Executive Director (PFI)
29/1/26

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ANNEXURE-I

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

A. Distribution Loss

1) UPCL has claimed 13.69% Distribution Loss in the True-Up Petition for FY 2024-25, however the approved Distribution Loss trajectory, as per Hon'ble Commission Tariff Order dated 28/03/2024 is as follows:

Table 4.5: Distribution Loss Trajectory approved by the Commission for the fourth Control Period from FY 2022-23 to FY 2024-25

Particulars	FY 2022-23	FY 2023-24	FY 2024-25
	Approved	Approved	Approved
Distribution Losses	13.50%	13.25%	13.00%

2) PFI observes that UPCL is not complying with the distributional loss trajectory as in FY 2022-23, it has achieved the distribution loss as 14.38%. Also, for FY 2023-24, UPCL has claimed 13.89% as distribution loss. It has been observed that UPCL has repeatedly failed to achieve the distribution loss as approved by the Hon'ble Commission.

3) In view of above, PFI reworked to calculate the energy input required at DISCOM periphery against distribution loss of 13.00% as per the distribution trajectory approved by the Hon'ble Commission for FY 2024-25 as tabulated below:

Particulars	UoM	Claimed by DISCOM	Proposed by PFI
Input Energy at DISCOM periphery	MU	17192	17062
Energy Sold	MU	14838	14838
Distribution Loss	%	13.69%	13.00%
	MU	2354	2224
Diff. in energy claimed & PFI Working	MU		130
Average Power Purchase Cost (Excluding Trans. Charges, adjusted for Sale of Surplus Power)	Rs./kWh		**3.87**
Energy Cost at APPC	Rs. Cr.		**50**

4) In view of above, PFI requests the Hon'ble Commission to reduce the Power Purchase Cost of **Rs. 50 Cr.** against the higher distribution loss which is inefficiency of the DISCOM should not be passed on to the consumers. **The same may be borne by the Government of Uttarakhand in the form of subsidy.**

B. Power Purchase Cost

B-1. Reliance on Costly Gas Based Power Plants

5) UPCL has procured 18.14 MU from costly gas-based plants Anta, Auraiya and Dadri gas-based generating stations of NTPC. PFI had also submitted comments on reliance on costly gas-based power plants for FY 2023-24 True Up Petition and requested the Hon'ble Commission to direct UPCL to surrender the costly PPAs, post expiry increase portfolio with Round the Clock Renewable Energy coupled with Energy Storage. However, for FY 2024-25 the total cost borne by UPCL due to power purchase from these stations is **Rs. 79 Cr.** at weighted average rate of **Rs. 42.29/kWh** as tabulated below:

Costlier Gas Based Power Plants	Quantum	Fixed Charges	Variable Charges	Other Cost	Total Cost	Avg. Cost of Energy (FC+VC)
	(MU)	(Rs. Cr.)	(Rs. Cr.)	(Rs. Cr.)	(Rs. Cr.)	(Rs./kWh)
Anta Gas	1.90	10.79	3.39	1.7	15.88	83.58
Auraiya Gas	3.26	21.56	5.16	0.3	27.02	82.88
Dadri Gas	12.98	17.23	18.36	0.4	35.99	27.73
Total	**18.14**	**49.58**	**26.91**	**2.4**	**78.89**	**42.29**

6) During State Advisory Committee (SAC) Meeting held on 9/03/2022, the SAC Members gave suggestions on the UPCL Business Plan and MYT Petitions for Fourth Control Period from FY 2022-23 to FY 2024-25. One of the significant suggestions from SAC was as follows:

> ***"UPCL should renegotiate or surrender their high price PPA such as for Anta, Auraiya and Dadri. Further, UPCL should explore Power purchase option for future so as to ensure that consumer gets Regular power at reduced rates."***

7) However, PFI notes that UPCL has not made any efforts for renegotiation or surrendering their high price PPA such for Anta, Auraiya and Dadri Gas based Power Plants.

8) PFI further observes from the Tariff Order of Hon'ble Punjab SERC dtd. 14/06/2024 that the Fixed Cost and Other Charges from these three generating stations were disallowed since PPAs with them had been terminated. Relevant extract of the said Tariff Order of PSERC is as follows:

"If PSPCL is to bear and pass on the cost of the burden of unallocated power of the surrendered PPAs also, then the Commission's Order dated 05.08.2021 in Petition no. 28 of 2021 as well as the termination notice issued by PSPCL to Anta, Auraiya, & Dadri stations seems inconsequential. ***Accordingly, the Commission disallows Fixed cost and other charges amounting to Rs. 30.73 Crore from these thermal generating stations in the True-up of FY 2022-23. Since PPA's with them already stand terminated, PSPCL should not be paying these fixed cost."***

9) Similarly, the Hon'ble Delhi Electricity Regulatory Commission (DERC) in the Tariff Order dtd. 29/09/2015 did not consider energy allocation from Anta, Auraiya and Dadri Gas based Power Plants since FY 2015-16 due to expiry of PPAs. Relevant extract from the said Tariff Order is as follows:

"4.48 During the Technical Validation Session, it was observed from the internal audit report of the Petitioner that validity of PPA from Anta, Auriya and Dadri stations have expired on 31.03.2012 and Singrauli's PPA has expired on 30.04.2013. These PPAs have been renewed by the Petitioner without intimating or getting approval from the Commission. As per internal report of the Petitioner for FY 2013-14, Anta, Auriya and Dadri Gas based stations are costlier than their average power purchase cost. The Commission has also sought clarification vide its letter dated 19.03.2015from the Petitioner regarding renewal of PPA from these stations without getting the approval of the Commission.

4.49 The Petitioner has submitted that the renewal of PPA has been extended on existing terms and conditions. Therefore, approval of the same from the Commission is not required.

4.50 The Petitioners submission regarding renewal of PPA is factually incorrect because whenever the analysis for projected demand and supply is considered, the supply from each station is being considered up to the date of validity of existing PPA. Therefore, before extending the existing PPA for further periods Petitioner should have:

a) undertaken Demand Analysis i.e., whether power from the source under question is required or not over such extended period
b) done Cost Benefit Analysis for procurement from such sources, and
c) obtained prior approval from the Commission as per its license conditions.

4.51 It is observed that actions as brought out at para 4.51 above, have not been done by the Petitioner. This is also evidenced from the fact that the Petitioner vide its letters dated 15.06.2015, 23.06.2015, 26.06.2015, 30.06.2015 and 13.07.2015 has submitted its proposal to surrender its allocation from Anta, Auriya and Dadri Gas Stations forever from their portfolio due to high cost of *generation from these stations. The said letters were also submitted to GoNCTD by the Petitioner.*

4.52 In view of the above, the Commission has decided that the Power Purchase Cost from Anta, Auriya and Dadri Gas based station should not be considered into the total power purchase cost on and from the expiry date of respective PPA's due to their high cost of generation as well as Petitioner's proposal for surrendering power from these stations….

4.53 In view of the above, ***the Commission has not considered the energy allocation from Anta, Auriya and Dadri Gas Stations during FY 2015-16 due to expiry of its PPA on 31.03.2012 as the renewal of these PPAs has not been approved by the Commission."***

10) In the same Tariff Order, Hon'ble DERC also provided a methodology for treatment of Power Purchase from these stations for the True-up of BRPL for FY 2013-14. Relevant extracts of the Tariff Order have been provided below:

"3.252 As discussed earlier, the Commission has decided that the power purchase cost from Anta, Auraiya and Dadri Gas based station should not be considered into the total power purchase cost after the expiry date of PPA due to their high cost of generation and the very fact that the Petitioner is pursuing surrender of costly power from these stations….

3.253 As physically the power was received from Anta, Auraiya and Dadri Gas Stations in FY 2013-14, the Commission has considered all power scheduled from these stations as it was procured by the Petitioner through short term sources. Therefore, the cost of procurement of this power shall be allowed limited to the monthly average rate of exchange of Northern Region (N2) as per CERC Monthly Market Monitoring Report for FY 2013-14. Accordingly, the difference between the actual rate of power procured and exchange rate of Northern Region (N2) amounting to Rs. 60.40 Crore from these stations has not been considered into the power purchase cost of FY 2013-14. The calculation of the avoidable cost of power from these stations based on the above methodology is as follows:"

Table 3.64: Amount Disallowed from Anta, Auriya and Dadri Gas Stations during FY 13-14

MU Purchased in FY 2013-14													
	Apr	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Total**
Anta Gas	5.47	3.36	3.47	9.87	10.16	3.37	6.77	7.24	8.74	9.91	8.70	6.78	83.85
Auriya Gas	4.35	2.42	3.52	9.00	7.83	4.70	5.15	4.37	3.63	6.20	5.99	4.17	61.33
Dadri Gas	7.44	3.98	7.44	14.69	10.66	13.33	15.83	10.65	9.46	11.63	14.75	9.09	128.95
Rate (Rs./kWh)													
Anta Gas	4.30	7.38	5.32	3.86	3.85	6.31	4.68	3.91	3.97	3.99	3.90	4.39	
Auriya Gas	5.73	10.73	6.86	4.44	3.13	6.42	5.74	5.84	6.77	5.95	5.34	6.57	
Dadri Gas	5.34	10.12	5.35	1.12	4.51	4.84	4.46	4.84	5.08	5.39	4.46	5.35	
N2 Exch. Rate	2.67	2.36	1.96	2.02	1.77	1.77	2.48	2.56	3.06	2.97	3.09	2.80	
Avoidable Cost (Rs. Crore)													
Anta Gas	0.89	1.69	1.17	1.82	2.11	1.14	1.49	0.98	0.80	1.01	0.70	1.08	14.86
Auriya Gas	1.33	2.03	1.72	2.18	1.06	1.64	1.68	1.43	1.35	1.85	1.35	1.57	19.18
Dadri Gas	1.99	3.09	2.52	(1.32)	2.92	2.53	3.14	2.42	1.91	2.82	2.02	2.32	26.36
TOTAL													**60.40**

11) Further, it is brought to the notice of Hon'ble UERC that Hon'ble APTEL vide its judgement dtd. 1/06/2016 in Appeal No. 286 of 2015 had upheld the DERC Order wherein the Generation from costly Gas based Power Plants namely Anta, Auraiya and Dadri were not considered. The relevant extract of the said judgement is as follows:

> *"7.15 The Commission while computing the PPAC did not consider the Power Purchase Cost from the NTPC Generating Stations, namely Anta, Auraiya and Dadri Gas Power Plants. As the PPA of these plants has already expired on 31.03.2012, the Distribution Licensees without prior approval of the Delhi Commission entered into Supplementary Agreement with NTPC for purchase of power from these gas generating stations. In view of the non-fulfillment of the license conditions, the Delhi Commission rejected the Power Purchase Cost of these stations while computing the Power Purchase Adjustment Cost.*
> *...*
> *7.21 In view of the above discussion and analysis, we do not find any infirmity in the Impugned Order and we hold and observe that the Delhi Commission is fully and legally justified in passing the Impugned Order dated 12.06.2015 7.22 Accordingly, the issue is decided against the Appellants and the Impugned Order of the Delhi Commission is liable to be upheld."*

12) It is further noted that UPCL has purchased costly power from state gas generating stations as given below:

State Gas Plants	Quantum	Fixed Charges	Variable Charges	Other Cost	Total Cost	Per Unit Cost (FC+VC)
	(MU)	(Rs. Cr.)	(Rs. Cr.)	(Rs. Cr.)	(Rs. Cr.)	(Rs./kWh)
Gama	213.54	109.47	144.32	0	253.79	11.88
Sharavanti	314.42	303.7	218.78	0	522.48	16.62

13) UPCL has even not submitted monthly reports certified by SLDC that Merit Order Despatch has been followed in true spirit while scheduling the power from various generating stations. PFI notes from Regulation 81 (4) of UERC (Terms and Conditions for Determination of Multi Year Tariff) Regulations, 2021 that *"All Power Purchase Costs will be considered legitimate unless it is established that the Merit Order principle has been materially violated or power has been purchased at unreasonable rates."* It is noted that UPCL is heavily relied on costly gas-based power plants and has not submitted the details related to adherence of Merit Order Despatch.

14) PFI notes that various other DISCOMS operating in other States submit such information as part of their True-up Petitions and based upon the prudence check exercise of Merit Order Despatch the legitimate Power Purchase Cost is thus allowed by respective SERCs which is in compliance to Section 86 1(b) of the Act wherein one of the major functions of the SERC is to regulate electricity purchase and procurement process of DISCOM including the price at which electricity shall be procured. Further, there are numerous judgments of the Hon'ble APPEL wherein MoD principle has been considered as one of the major parameter in deciding the Power Purchase Cost of DISCOM. UPCL has not provided any details that whether there was forced scheduling from various costly gas based CSGS as tabulated above or these were received on account of Minimum Technical Limit (MTL) Criteria.

15) In view of above, PFI notes that no suitable measures have been taken by UPCL for improving their Power Procurement Planning since past many years. Further, details whether such Gas based plants were required / scheduled during peak hours has also not been provided in the Petition which Hon'ble UERC should seek from UPCL and provide in Public Domain. The inefficiency on account of DISCOM is socialized in the ARR and its impact is being loaded to the Honest Consumers of Uttarakhand in the form of Tariff Hike.

16) Thus, considering the consistent imprudent Power Purchase Planning continuing since past many years by UPCL despite the directions of Hon'ble UERC, suggestion of SAC members it is now submitted that such high-cost power be restricted at APPC rate (excluding Transmission Charges, adjusted sale of Surplus Power) for FY 2024-25. The inefficiency of UPCL should not be borne by consumers at large in the form of Tariff Hike. Rather it should be provided by the Government of Uttarakhand to UPCL. Accordingly, PFI reworked on the Power Purchase Cost as tabulated below:

Imprudent Power Planning by UPCL	Quantum	Variable Charges	Other Cost	VC + Other Cost	Per Unit Cost (ECR)	APPC	To be borne through Subsidy
	(MU)	(Rs. Cr.)	(Rs. Cr.)	(Rs. Cr.)	(Rs./kWh)	(Rs./kWh)	(Rs. Cr.)
Anta Gas	2	3	2	5	26.79	3.87	4
Auraiya Gas	3	5	0	5	16.75	3.87	4
Dadri Gas	13	18	0	19	14.45	3.87	14
Gama	214	144	0	144	6.76	3.87	62
Sharavanti	314	219	0	219	6.96	3.87	97

Total	**546**	**390**	**2**	**392**	**7.19**	**3.87**	**181**

17) **In view of above, PFI requests the Hon'ble Commission to give directions to UPCL to surrender the costly PPA post their expiry and increase its portfolio with Round the Clock (RTC) renewable energy coupled with Energy Storage. Also, PFI requests the Hon'ble Commission that the power purchase cost of Rs. 181 Cr. should be borne by the Government of Uttarakhand in the form of subsidy.**

C. Operation & Maintenance Expenses

C-1. Employee Expense

18) UPCL has claimed Rs. 462 Cr. as Employee Expenses for FY 2024-25 based on the actuals as per Audited Accounts of FY 2024-25. However, UPCL has also calculated the Normative expenses as per the UERC MYT Regulations, 2021. Table 17 of the Petition has been reproduced below:

Table 17: Normative Employee Expenses for FY 2024-25 (Rs. Cr.)

Particular	Actual as per Audited Accounts	Approved in T.O. for FY 24-25 dated March 28, 2024	Normative
	(Rs. Cr.)	(Rs. Cr.)	(Rs. Cr.)
Employee Expenses			
EMPn-1		478.44	478.44
Gn		0.00%	0.00%
CPIinflation		5.40%	5.46%
EMPn = (EMPn-1) x (1+Gn)	544.91	504.28	504.54
Capitalisation rate		15.47%	15.47%
Less: Employee expenses capitalised	70.44	77.99	78.05
Less: Subsidized Electrcity	12.50	-	-
Net Employee expenses	**461.97**	**426.29**	**426.49**

19) In the True-Up Petition for FY 2023-24 also, UPCL had requested the Commission to allow actual employee expenses, but the Commission had approved Normative Employee Expenses for FY 2023-24. The relevant para is as follows:

The Commission has computed the capitalization rate for employee expenses based on the actual employee expenses capitalized, as reflected in the audited accounts of FY 2023-24, which works out to 19.25% and is same as that considered by the Petitioner.

20) Accordingly, PFI has recomputed the Employee Expenses as per the norms:

(Rs. Cr.)

Employee Expenses	Claimed by DISCOM	PFI Working
EMPn-1		386
Gn		0%
CPI inflation		5.46%
EMPn = (EMPn-1) x (1+Gn) x (1+CPI inflation)	545	407
Capitalisation rate		12.93%
Less: Employee expenses capitalized	70	53
Net Employee Expenses	474	355
Less: Subsidised Electricity to Employees	13	
Total Employee Expenses	**462**	**355**

21) **In view of above, PFI requests the Hon'ble Commission to allow the employee expenses on normative basis which is calculated by PFI as Rs. 355 Cr. for FY 2024-25. The difference between the claimed and PFI working against Employee Expenses of Rs. 107 Cr. should be borne by the Government of Uttarakhand in the form of subsidy.**

C-2. REPAIR AND MAINTENANCE (R&M) EXPENSES

22) PFI observes that UPCL has computed R&M expenses based on Opening GFA of FY 2024-25 as per their Audited Accounts which is the violation of the Regulatory provisions stipulated under the *UERC Tariff Regulations, 2021*.

23) Regulation 84 (3) of the said Regulations stipulates that R&M expenses for the n^{th} year will be computed as product of k-factor and GFA approved for $(n-1)^{th}$ year. Thus, in the present case, i.e., True-Up of FY 2024-25, the GFA for computation of R&M will be approved Closing GFA of FY 2023-24 (UERC True-Up Order for FY 2024-25 dtd. 11/04/2025) and not opening GFA of FY 2024-25 as per Audited Accounts.

24) Thus, PFI has reworked the R&M expenses as Rs. 307.59 Cr. for FY 2023-24 as tabulated below:

(Rs. Cr.)

Particulars	Claimed by Discom	PFI Working
K Factor	3.11%	3.11%
Opening GFA	10021	9223
WPI Inflation	7.23%	7.23%
R&M Expenses	334	308

Particulars	Claimed by Discom	PFI Working
Diff. between claimed expenses and PFI working		**(27)**

25) **In view of above, PFI requests the Hon'ble Commission to allow Rs. 308 Cr. for R&M expenses as computed above for FY 2024-25 as per the Regulatory Provisions. The difference in the cost claimed and PFI working of Rs. 27 Cr. should be borne by the Government of Uttarakhand in the form of subsidy.**

C-3. ADMINISTRATIVE & GENERAL (A&G) EXPENSES

26) PFI observes that UPCL has claimed Rs. 72.63 Cr. of A&G expenses for FY 2024-25, which comprises Rs. 30 Cr. (41% of total A&G expenses) of Legal and Professional incl. Fees and Subscription. It is to be noted that these expenses have increased by 38% from FY 2023-24, as tabulated below:

Note No. 28 => Other Administrative Expenses

(Amount Rs. In Lakhs)

S.No.	Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
1	Rent Rates & Taxes	187.23	121.58
2	Electricity and Water	912.30	888.98
3	Insurance	20.19	15.03
4	Communication	591.12	341.44
5	Printing and Stationery	297.30	297.60
6	Travelling and Conveyance	1,251.00	1,078.62
7	Legal & Professional incl. Fees & Subscription	2,974.85	1,131.45
8	Auditors Remuneration- Audit fees *[refer foot note (i)]*	11.43	11.20
9	Departmental Training	45.98	10.07
10	Advertisement	490.96	449.15
11	Miscellaneous Expenses	889.34	666.68
12	Other debit to Revenue A/c,Compensation expenses to staff & outsiders, Arbitration Award,Court Orders,etc.	192.50	557.73
13	Bandwidth & Facility Management Services (FMS) Charges	3,433.61	3,480.66
14	U.E.R.C. Fees	548.66	477.44
15	Bad & Doubtful Debts *[refer foot note (ii) to (iv)]*	454.46	-
	Total (A)	*12,300.93*	*9,527.63*
	Less: Expenses charged to Capital WIP *(B)*	1,643.58	1,995.41
	Total (A-B)	*10,657.35*	*7,532.22*

27) It is to be noted that from previous year audited accounts that in last four years (form FY 2020-21 to FY 2023-24) there is minor increase in the legal and Professional expenses as tabulated below:

(Rs. Cr.)

Particulars	FY 2024-25	FY 2023-24	FY 2022-23	FY 2021-22	FY 2020-21
Legal and Professional incl. Fees & Subscription	30	11	11	10	10

28) However, it is to be noted from above that there is sharp increase in the legal and professional expenses in FY 2024-25 for which there is no justification provided. Further, it has been observed that the Hon'ble Commission has disallowed some parts

of A&G expenses (controllable in nature). Relevant extract of the Tariff Order for FY 2024-25 is as follows:

> *"It has been observed from the information of A&G expenses submitted by UPCL vide letter dated 01.02.2024, that during FY 2022-23, certain expenses have increased substantially when compared with FY 2021-22, like telephone, postage etc. which was Rs. 1.70 Crore in FY 2021-22 and has increased to Rs. 4.92 Crore in FY 2022-23, similarly Conveyance and travelling expenses which was Rs. 1.09 Crore in FY 2021-22 increased to Rs. 10.04 Crore in FY 2022-23.* ***These expenses are controllable in nature and cannot be allowed to increase drastically without any justification."***

29) Further, it is also to be noted that DERC doesn't allow legal expenses including that on account of cases filed against the Orders or Regulations of the Commission as mentioned in clause 23 (7) of its Business Plan Regulation of 2023, the relevant extract is as follows:

> *"(7) The Legal Expenses including that on account of cases filed against the Orders or Regulations of the Commission before any Court and the legal claims (compensation/penalty) paid to the consumer, if any, shall not be allowed in the Aggregate Revenue Requirement (ARR)."*

30) Cases filed against the Orders or Regulations of the Commission before any court can result in two outcomes - if the judgement is against the DISCOM, the legal expenditure incurred in this case should not be passed on in the ARR since the DISCOM was at fault and in case the judgement is in the favour of the DISCOM the expenditure along with the carrying cost is anyway recovered in the ARR.

31) In view of above, PFI requests the Hon'ble Commission to reduce the expenses of **Rs. 30 Cr. from the total A&G expenses claimed by UPCL, which shall be borne by the Government of Uttarakhand in the form of subsidy**.

C-4. COMPENSATION EXPENSE TO STAFF & OUTSIDERS

32) Also, it is noted from above Note 28 that UPCL has included Rs. 1.92 Cr. against Other debit to Revenue A/c, Compensation expenses to staff and Outsiders, Arbitration

award, Court Orders, etc. in A&G Expenses. No break-up has been provided for this line item.

33) The Compensation expenses to staff and outsiders are to be 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.

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

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

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

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

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

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

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

(a) the level of performance achieved under sub-section (1) of the section 57;

(b) the number of cases in which compensation was made under subsection (2) of section 57 and the aggregate amount of the compensation."

35) 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.

36) Further, Hon'ble APTEL vide its Judgment dated 27/09/2012 in Appeal No.141 of 2012 provided clarification of Section 57(2) stating that SERCs will determine compensation on a case-by-case basis after analyzing the failure in meeting

standard of performance and other details, relevant extract from said judgement is as follows:

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

37) PFI observes that UPCL has not submitted any details or reference of communications forwarded to the Hon'ble Commission w.r.t. electrical accidents and action taken.

38) Further, PFI submits that the Hon'ble Commission has only partially allowed the compensation in the Tariff Order dated 11/04/2025 attributable to the fault of the victims and rest of the claimed by UPCL has not been allowed. Relevant extract is as follows:

> *The Commission vide its letter no. UERC/6/TF-759/2024-25/2025/1457 dated 29.01.2025 directed the Petitioner to submit the requisite orders of the Electrical Inspector in support of the compensation paid towards death, injuries and damage to staff and outsiders. The Petitioner vide letter dated 07.02.2025 submitted the required details.*
>
> *After going through the documents provided by the Petitioner, it was observed that out of total* ***compensation of Rs. 1.50 Crore paid by the Petitioner for deaths, injuries, and damages to staff and outsiders, only Rs. 0.30 Crore*** *was attributable to the fault of the victims, while the remaining amount was due to the Petitioner's negligence. The primary reasons for the incidents included inadequate earthing, high-voltage lines passing over residential rooftops, and insufficient lopping and chopping of vegetation near overhead lines etc.*
>
> *The Commission has, therefore, considered only Rs. 0.30 Crore towards compensation of deaths, injuries and damage to staff and outsiders. The Commission would like to highlight here the importance of seeking proper clearance from the Electrical Inspector before charging any HT work. as it would ensure that all the protective measures are in place, thus, minimizing the risks of accidents and loss of human life and non-human assets. The Commission would like to further state that the purpose of disallowing the partial amount for compensation towards deaths, injuries and damage to staff and outsiders, as discussed above, is not to discourage the utility to honour the legitimate claims on account of such incidents, rather this would serve as a purpose of awakening the utility to take corrective*

*actions such that these incidents gets reduced significantly. Accordingly, **the Commission directs the Petitioner to take corrective measures, including ensuring proper earthing of poles, covering of lines passing through public areas with insulated conductors, and conducting regular lopping and chopping of vegetation near overhead lines, particularly in forested areas and also regular maintenance of its assets, to prevent future incidents**.*

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

D. Collection Efficiency

40) UPCL has claimed the collection efficiency of 98.99% as per the audited accounts for FY 2024-25, However the Hon'ble Commission directed the DISCOM to constitute a committee of directors to submit a report on reduction of losses and improve the collection Efficiency in the Tariff Order dated 11th April 2025, which is as follows:

> *In this regard, the Commission directs UPCL to constitute a Committee of Directors which shall hold its meeting by 15th of every month to monitor the collection of dues division wise and also division wise losses of the preceding month and also suggest measures to improve the collections & reduce losses and submit a report before the Commission of the meetings of the Committee of Directors in this regard, by the end of each month. Further, the Petitioner should also upload month-wise division wise Sales, Revenue Billed and Revenue Realised along with associated billing and collection efficiency on monthly basis, so that the same is accessible to general consumer, failing which appropriate action may be taken against the officer responsible.*

41) PFI notes that there are not any significant improvements can be seen in collection efficiency also month wise data for collection efficiency was not submitted by UPCL in the true up petition FY 2024-25.

42) Further, PFI notes from the previous Tariff Orders of UERC including the MYT Order dtd. 11/04/2025 that issue related to poor Collection Efficiency of UPCL has been raised by various stakeholders, SAC members and even UERC itself. SAC is constituted

by every State Electricity Regulatory Commission u/s 87 of the Act representing various Sectoral experts of the respective State. It is noted from the said MYT Order that UPCL submitted Collection efficiency of 97% to be considered for the 4th Control Period from FY 2022-23 to FY 2024-25, whereas Hon'ble UERC rejected the said request and approved the normative Collection efficiency of 99.15%, which is as follows:

Table 7.17: Targets approved by the Commission

Year	2022-23	2023-24	2024-25
Distribution Loss	13.50%	13.25%	13.00%
Collection Efficiency	99.15%	99.15%	99.15%
AT&C Loss	14.24%	13.99%	13.74%

43) It is also noted from the said MYT Order that UPCL themselves submitted that they plan to carry out various measures in the upcoming period for the improvement of Collection Efficiency like- Android based billing system, Installation of pre-paid meters, AMR based billing for high value consumers, Instant Bill delivery on Consumer Premises using Spot Billing Machines, Photo based billing started in some areas to remove meter reader malpractices & improve customer satisfaction, SMS based alerts on bill generation, payment reminders & other customer centric actions, SMS based services, Pre-Paid Metering for Temporary Connections.

44) Significant amount of Capital Expenditure was also allowed by Hon'ble UERC in the said MYT Order for various schemes related to Collection Efficiency. It is noted that actual Collection efficiency for FY 2024-25 of 98.99% is at par with the normative Collection Efficiency of 99.15% considering DISCOM as a whole, **but PFI notes from Form 15 of the True-Up Petition that there is wide variation in the category wise Collection Efficiency. For Public Lamps it is 67.46%, Govt. Irrigation it is 79.95% and PTW/Agricultural allied Services 67.46%.** Relevant extract of the said MYT Order is as follows:

> ***"2.5.3 Commission's Views***
>
> *The Commission has given due consideration to the issues raised by the stakeholders and the replies submitted by the Petitioner. The Petitioner should continue to take all possible steps to reduce the arrears, in order to improve its*

cashflows. However, it is clarified that collection of arrears will not result in tariff reduction, as the tariffs are determined on accrual basis and not on cash basis.

…

3.5.2 Collection Efficiency

The Petitioner submitted that UPCL has achieved collection efficiency of 99.14% during FY 2023-24 as against the approved collection efficiency of 99.15%. The Petitioner submitted that it expects to maintain the current level of collection efficiency. However, any further improvement in collection efficiency beyond 99% will be difficult to achieve given the increase in consumption in LT side and with the existing large consumer base. The Petitioner further submitted that it has undertaken several initiatives such as organizing revenue realization camps, agreement with third parties for increasing payment centres, AMR billing for high value consumers, IT enablement of day-to-day business processes of metering, billing and collection, etc. Therefore, UPCL has proposed to continue the collection efficiency of 99.15% during the Fifth Control Period.

The Petitioner submitted that the following measures are planned to be carried out to achieve the proposed collection efficiency for the Fifth Control Period:

Android based billing system.

Installation of pre-paid meters.

AMR based billing for high value consumers.

Instant Bill delivery on Consumer Premises using Spot Billing Machines.

Photo based billing started in some areas to remove meter reader malpractices & improve customer satisfaction.

SMS based alerts on bill generation, payment reminders & other customer centric actions

SMS based services using 8108114333.

Pre-Paid Metering for Temporary Connections.

The collection efficiency trajectory proposed by the Petitioner is as shown in the Table below:

Table 3.17: Collection efficiency trajectory proposed by the Petitioner for FY 2025-26 to FY 2027-28

Particulars	FY 2023-24 (Actual)	FY 2024-25 (Rev. Estimate)	FY 2025-26 (Projected)	FY 2026-27 (Projected)	FY 2027-28 (Projected)
Collection Efficiency	99.14%	99.15%	99.15%	99.15%	99.15%

It is observed that the Petitioner has achieved collection efficiency of 99.14% as against the approved collection efficiency of 99.15% for FY 2023-24. It is to be noted *that the Petitioner in its Business Plan Petition for the fourth Control Period had projected collection efficiency in the range of 96.50% to 97.50%.*

The Commission is of the view that collection efficiency needs to be improved and cannot be lowered down vis-à-vis earlier targets. However, with regards to the present norms, the Commission is of the view that improving collection efficiency beyond 99.15% as approved for FY 2024-25, would not be easy, and therefore, the Commission has approved the collection efficiency of 99.15% for FY 2025-26 to FY 2027-28. However, the Commission, based on the deployment of Smart Meters under RDSS scheme, shall review the collection efficiency percentage in subsequent years, if so required. Accordingly, the collection efficiency trajectory approved by the Commission for the Fifth Control Period from FY 2025-26 to FY 2027-28 is as shown in the Table below:

Table 3.18: Collection Efficiency for FY 2025-26 to FY 2027-28

Particulars	FY 2024-25	FY 2025-26		FY 2026-27		FY 2027-28	
	Approved	Proposed	Approved	Proposed	Approved	Proposed	Approved
Collection Efficiency	99.15%	99.15%	99.15%	99.15%	99.15%	99.15%	99.15%

The Commission would however like to point out that it does not determine the ARR and Tariffs of UPCL based on the AT&C loss levels but based on the distribution loss levels. The shortfall in collections is covered through an allowance in working capital for the distribution licensee to the extent of collection inefficiency. The licensee should strive for maximum collections to improve its financial health and prevent any receivables turning bad. Further, the scheme of surcharge waiver should not be encouraged as it gives a wrong signal to the honest consumers who pay their dues in time. The Petitioner is required and is expected to improve its bill collection system and monitor its receivables to prevent them from turning into bad and unrealizable.

…

8.1.5 Average Collection Period and Collection Period

The Commission directed the Petitioner to submit within 3 months, within 3 months, an action plan to improve its collection period. The Commission directs UPCL to submit a plan to demonstrate as to how it will work in the direction of improving its actual collection so that the gap between the actual collection efficiency and the collection efficiency approved by the Commission may be brought to minimum.

The Commission also directed the Petitioner to constitute a Committee of Directors which shall sit by 15th of every month to monitor the collection of dues division wise and also division wise losses of the proceeding month and also suggest measures to improve the collections & reduce losses and submit a report before the Commission of the meetings of the Committee of Directors in this regard, by the end of each month.

45) Further, it is also pertinent to note that UPCL in Format 18.9 has shown the Status of Metering for FY 2024-25 wherein Govt. Public Utilities have 12.56% defective Meters.

This is repeated non- compliance of the Commission's Directions as UPERC in past Tariff Orders have time and again directed the DISCOM to contain Defective Meters within 3%. Relevant extract of the Tariff Order dtd. 28/03/2024 for FY 2024-25 is as follows:

> ***8.1.31 Replacement of Improper, Non-Functional, Stop/Stuck up defective or IDF Meters***
>
> *The Commission directed the Petitioner to restrict percentage defective meters (IDF) to 2% for plain areas and 3% for hilly areas, failing which the concerned Chief Engineer (Distribution), Superintending Engineer (Distribution), Executive Engineer (Distribution) and Executive Engineer (Test) shall be held responsible for non-compliance of the Commission's directions and appropriate action under the Act/Rules/Regulations may be initiated.*
>
> ...
>
> *The Commission has noted the submissions of the Petitioner and* ***directs the Petitioner to restrict percentage defective meters (IDF) to 2% for plain areas and 3% for hilly areas, failing which the concerned Chief Engineer (Distribution), Superintending Engineer (Distribution), Executive Engineer (Distribution) and Executive Engineer (Test) shall be held responsible for non-compliance of the Commission's directions and appropriate action under the Act/Rules/Regulations may be initiated.***

46) PFI has observed that UPCL has huge receivables i.e, **around Rs. 2,266 Cr. which is 20% of their ARR.** Out of this Rs. 1,637 Cr. has been pending for more than 5 years. Further, Govt Public utilities have pending dues of Rs. 734 Cr. as highlighted below:

Sl. No.	Circle	Receivables	Receivables of Licensee with age#								
			Less than six months	6 to 12 months	Less Than Year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 year	Total
15	Total	Domestic	28.38	18.92	47.30	106.27	88.63	7.04	61.59	612.53	923.37
		Commercial	1.29	0.86	2.15	1.83	8.96	5.91	7.21	250.74	276.81
		L.T. Industry	1.38	0.92	2.31	2.53	3.51	-0.10	3.04	35.38	46.66
		H.T. Industry	-2.16	-1.44	-3.61	-14.62	-19.00	-6.07	-27.90	100.37	29.16
		Mixed Load	0.43	0.29	0.72	0.50	0.65	2.45	1.48	2.74	8.54
		Private Tubewells	10.68	7.12	17.81	10.14	24.03	14.00	11.50	163.48	240.95
		Railways	0.16	0.11	0.27	6.07	0.00	0.00	-0.13	0.00	6.20
		Govt. Public Utilities	22.58	15.05	37.63	31.00	13.90	64.31	116.05	471.47	734.35
		Electric Vehicle Charging Stations	0.01	0.01	0.01	0.01	0.01	0.00	0.00	0.00	0.04
		Total	**62.75**	**41.83**	**104.59**	**143.74**	**120.68**	**87.53**	**172.84**	**1636.70**	**2266.07**

47) As above, UPCL has not put in efforts to change the Defective meters of Govt. Public utilities which have staggering 12.56% Defective meters now. Besides non-compliance of Commission's Directions, in such a case it is not possible to carry out proper Energy

Accounting and computing Distribution losses for Govt. Public utilities which lead to poor revenue collection from the said category of consumers. Through defective metering, there is substantial reduction in the Average billing rate (ABR) of Govt. Public utilities which has also been acknowledged by Hon'ble Commission in Tariff Order dtd. 28/03/2024 for FY 2024-25. Relevant extract of the Commission's Order is as follows:

> ***"4.1.1 Sales***
>
> *The Commission had approved the energy sales for FY 2023-24 in its Tariff Order dated March 30, 2023 as 14854.84 MU with efficiency improvement. The Petitioner in the current Petition has submitted the actual sales for FY 2023-24 as 13870.70 MU and has requested the Commission to approve the actual sales as claimed for true-up.*
>
> *The Commission in its previous Tariff Orders has been analysing the division wise commercial statements of UPCL and observed that the average billing rate (ABR) of certain categories of consumers in some divisions were even less than the energy charge approved for that category and had directed the Petitioner to rectify such anomalies. However, no efforts have been noticed from the Petitioner's end to rectify such anomalies, nor any satisfactory reply has been provided to the Commission on the same. Accordingly, the Commission during truing up of previous years has been re-casting the category wise sales of those categories that were having abnormally low ABR..*
>
> *...*
>
> ***(c) Government Public Utilities:***
>
> *Similarly, for Government Public Utilities, normative ABR has been computed for each division considering the energy charges (including monthly FPPCA levied by UPCL) and fixed charges approved by the Commission and the same has been compared with the average division wise ABR and, wherever, the actual division wise ABR is found to be lower than the normative ABR, sales have been re-estimated based on the actual revenue and normative ABR. The excess sales worked out based on the above approach is 37.23 MU.*
>
> *Accordingly, based on the above, the total re-casted sales for Government Public Utilities for FY 2023-24 works out to 720.87 MU as against 758.10 MU submitted by UPCL."*

48) With reduction in ABR due to defective meters, the revenue collection impacts which is turn impacts the Revenue Gap of DISCOM. The poor revenue collection of Govt. Public utilities burdens other consumer categories as the tariff hike to meet the Revenue Gap is applicable for all consumer categories.

49) **In view of above, PFI requests the Hon'ble Commission to take stern action against UPCL for Defective metering issue of Govt. Public utilities and initiate proceedings u/s 142 of the Electricity Act, 2003. Further, UPCL may be directed to replace all their defective meters which constitutes 13.52% of the total meters of that category within 6 months of the initiation of such proceedings and DISCOMs should ask to submit timely Status report in this regard.**

50) **Further, PFI feels that UERC to be prudent enough to seek an Action Plan from UPCL for realization of receivables especially from the Govt. public Utilities within a period of 2 years. Also, UPCL should provide an Action Plan for recovery of amount of Rs. 923 Cr. from Domestic, Rs. 276 Cr. from Commercial and around Rs. 75 Cr. from Industrial category of consumers as per their submission in Form 18.8 of the Tariff Petition.**

51) **As a deterrent measure related to repeated non- compliance of the UERC's directions and huge % of defective meters, around Rs. 2,266 Cr. which is 20% of their ARR, UERC should consider 33% of said receivable every Trued-Up year from FY 2024-25 onwards.** The said inefficiency of UPCL in the past has been borne by honest consumers because in the past years when such receivables were not collected and did not form part of the revenue then UERC must have hiked the Tariff in order to bridge the Gap of ACoS and ABR. Had such amount been collected by UPCL at that point of time the Tariff shock could have been avoided for the consumers at large for the State of Uttarakhand**. The benefit on account of the pending receivables to be considered in Revenue shall be passed on to such consumers over a period of 3 years. Any default in Collection of pending receivables to the tune of 33% every year should be to the account of UPCL and the pending receivables of Govt. Public Utilities category should be borne by the Government of Uttarakhand in the form of Subsidy.**

52) **Thus, PFI submits that the revenue to be considered for True-Up of FY 2024-25 will be actual revenue collected, i.e., Rs. 10,078 Cr. plus 33% of actual pending receivables (Rs. 2,266.07 Cr.) as per Form 18.8 of the Tariff Petition, i.e., Rs. 748 Cr. summing the Revenue to Rs. 10826 Cr.**

E. Additional Claim of pending Certificates

53) UPCL has claimed the cost of **Rs. 318.48 Cr.** against the pending Electrical Inspector Certificates driven from FY 2016-17 to FY 2024-25, which includes Rs. 210.83 Cr. as pending Electrical Inspector Certificates and Rs. 107.65 Cr. as carrying cost as given below:

Table 40: Differential ARR claim in True-up of FY 2024-25 (Rs. Cr.)

Particulars	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	Total
ARR approved in T.O. by the Hon'ble Commission	4,929.32	5,281.54	6,191.33	7,064.85	6,212.17	7,621.96	9,088.33	9,918.14	
Revised ARR claimed in True Up of FY 2023-24	4,931.48	5,301.73	6,208.64	7,099.61	6,228.60	7,651.69	9,144.77	9,952.09	
Differential ARR claim in True Up in FY 2023-24.	**2.16**	**20.19**	**17.31**	**34.76**	**16.29**	**29.73**	**56.44**	**33.95**	**210.83**

Table 41: Carrying cost (Pending Certificates) (Rs. Cr.)

Carrying Cost	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	Total
Opening Balance	0.00	2.31	24.21	46.03	88.42	116.49	162.18	238.61	301.44	
Additions	2.16	20.19	17.31	34.76	16.29	29.73	56.44	33.95	-301.44	
Closing Balance	2.16	22.50	41.52	80.78	104.71	146.22	218.62	272.56	-	
Average	1.08	12.41	32.87	63.40	96.57	131.36	190.40	255.59	150.72	
Rate of Interest	14.04%	13.75%	13.70%	12.05%	12.20%	12.15%	10.50%	11.30%	11.30%	
Total Carrying Cost	**0.15**	**1.71**	**4.50**	**7.64**	**11.78**	**15.96**	**19.99**	**28.88**	**17.03**	**107.65**

54) However, the Hon'ble Commission disallowed the cost of Rs. 96.14 Crore against the same in the absence of clearance by Electrical Inspector, the relevant para of the Tariff Order dated 21st March 2018:

> *With regard to FY 2016-17, the Petitioner has claimed a net capitalisation of Rs. 238.29 Crore. The Petitioner was directed to submit the addition of fixed assets into HT and LT works and to submit the Electrical Inspector clearance for HT works. The Petitioner did not submit the required details. The Petitioner submitted the Electrical Inspector clearance certificate for only Rs. 222.38 Crore as against total additional capitalisation of Rs. 321.99 Crore in FY 2016-17.*

The Commission observes that the Petitioner has capitalised assets amounting to Rs. 3.47 Crore towards Furniture & Fixtures, Vehicles and office equipment for which Electrical Inspector's Certificate is not required. The Commission has, therefore, approved additional capitalisation of Rs. 222.38 Crore and Rs. 3.47 Crore amounting to Rs. 225.85 Crore. The Commission has also considered the Decapitalisation of assets of Rs. 83.70 Crore in FY 2016-17. The Commission has not allowed a capitalisation of Rs. 96.14 Crore in the absence of clearance by Electrical Inspector as required under the Rules & also as details of segregation of assets into HT/EHT & LT works in line with the approach taken by the Commission in its previous Orders.

55) Further, as per the guidelines for safety provisions for electrical installations issued by Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2023 is as follows:

45. Approval by the Electrical Inspector and self-certification. – (1) (a) Every electrical installation of notified voltage and below shall be inspected, tested and self-certified by the owner or supplier or consumer, as the case may be, of the installation before commencement of supply or recommencement after shutdown for six months or more for ensuring observance of safety measures specified under these regulations and such owner or supplier or consumer, as the case may be, shall submit the report of self-certification to the Electrical Inspector in the forms as provided under Schedule II of these regulations: Provided that the self-certified electrical installation shall be considered fit for the commencement of supply or recommencement after shutdown for six months only after the report of self-certification is duly received by the office of Electrical Inspector and if not acknowledged by the Electrical Inspector within three working days, it shall be deemed to be received: Provided further that the owner or supplier or consumer, as the case may be, has the option to get his installation inspected and tested by the Electrical Inspector of the Appropriate Government;

56) **In view of above, PFI requests the Hon'ble commission to not allow the cost claimed by UPCL against the pending Electrical Inspector Certificates, which should be borne by the Government of Uttarakhand in the form of subsidy.**

F. NON-TARIFF INCOME – FINANCING COST OF LPSC

57) UPCL has claimed Rs. 339 Cr. as Non-Tariff income which includes Rs. 113 Cr. of Late Payment Surcharge (LPSC) from consumers for FY 2024-25.

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

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

a) LPSC is levied on consumers who pay their bill after the due date. LPSC received by the distribution licensee is treated as Non-Tariff Income under Regulation 5.23 of the MYT Regulations and the same is deducted to arrive at the ARR. Regulation 5.23 provides as follows:
b) "5.23. All incomes being incidental to electricity business and derived by the Licensee from sources, including but not limited to profit derived from disposal of assets, rents, delayed payment surcharge, meter rent (if any), income from investments other than contingency reserves, miscellaneous receipts from the consumers and income to licenses business from the Other Business of the Distribution Licensee shall constitute Non-Tariff Income of the Licensee."
c) This Tribunal in Appeal No. 153 of 2009 has held that the distribution licensee is entitled to the cost of financing the entire outstanding principal amount that attracts LPSC at prevalent market lending rates....

...

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

Table 144: Funding of LPSC (Rs Cr)

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

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

136. Accordingly decided against the Appellant."

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

Particulars	FY 2024-25
LPSC as per Accounts	113
Principal Amount on which above LPSC was levied @18%	628
WC Rate of DISCOM	12.39%
Financing Cost of LPSC	78
Net LPSC in NTI	35

60) **As above, LPSC for UPCL has been worked out as Rs. 35 Cr. for FY 2024-25. Basis the judgement of Hon'ble APTEL, PFI requests Hon'ble UERC to consider the same while doing True-Up of FY 2024-25.**

G. Summary of True-Up of FY 2024-25

61) In view of above submissions made by PFI, the summary of ARR worked out for True-Up of FY 2024-25 is as follows:

(Rs. Cr.)

Sr. No.	Particulars	Claimed by DISCOM	Proposed by PFI	Difference
1	Sales (MU)	**14838**	**14838**	0
2	Distribution Loss	13.69%	13.00%	-0.69%
2a	***Less:** Distribution Loss not in as per approved target*		*0.69%*	
3	Transmission Loss	1.27%	1.27%	0
4	Collection Efficiency	98.99%	99.15%	0.16%
5	Power Purchase Cost	**7,908**	7,676	(232)
5b	***Less:** Power Purchase Cost over normative Distribution Loss*		*50*	
5c	***Less:** Costly Gas based Plants*		*181*	
6	Transmission Charges	**976**	976	0
7	Operation & Maintenance (O&M) Expenses (7a+7b+7c)	869	705	(164)
7a	Employee Expenses	462	355	(107)
7a-i	***Less:** Over and above normative*		*107*	

Sr. No.	Particulars	Claimed by DISCOM	Proposed by PFI	Difference
7b	Administrative & General (A&G) Expenses	73	43	(30)
7a-i	***Less:*** *Legal and Professional incl. Fees & Subscription*		30	
7c	Repair & Maintenance (R&M) Expenses	334	308	(27)
7c-i	***Less:*** *Over and above normative*		*27*	
8	Return on Equity	252	252	0
9	Interest on Loan	47	47	0
10	Interest on Working Capital	181	181	0
11	Depreciation	210	210	0
12	Others (Interest on Consumer Security Deposit, Bank Charges & Other Commission, etc.)	107	107	0
13	True Up Impact	897	897	0
14	Additional claim of pending certificates till last year	318	-	(318)
15	**Gross Aggregate Revenue Requirement (ARR)**	**11,766**	**11,052**	(714)
16	Non-Tariff Income	339	261	(78)
16a	***Add:*** *Financing Cost of LPSC*		78	0
17	**ARR**	**11,427**	**10,791**	(636)
18	Revenue from Sale of Power	10,078	10,826	(748)
19	**Revenue (Gap)/Surplus**	(1349)	35	(1384)

62) In view of above, elements of ARR which are not as per Regulatory provisions may not be passed on to the consumers of Uttarakhand and socialised, rather it should be borne by Govt. of Uttarakhand in the form of subsidy of **Rs. 1384 Cr.** account of higher claims of Uttarakhand DISCOM as tabulated above.

H. Other Issues

Recasting of Energy Sales

63) Hon'ble Commission in past Tariff Orders has been repeatedly observed that the ABR of certain categories of consumers are less than the ABR approved for that category and had directed the DISCOM to rectify such anomalies. However, no efforts have been noticed from the DISCOM to rectify such anomalies, nor have any satisfactory reply has been provided to the Commission on the same. Accordingly, the Commission during truing up of previous years has been re-casting the category-wise sales of those

categories that were having abnormally low ABR. Relevant extract of the latest Tariff Order dtd. 28/03/2024 for FY 2024-25 is as follows:

> ***"3.1.1 Sales***
>
> *The Commission in its previous Tariff Orders has been analysing the division wise commercial statements of UPCL and observed that the average billing rate (ABR) of certain categories of consumers in some divisions were even less than the energy charge approved for that category and had directed the Petitioner to rectify such anomalies. However, no efforts have been noticed from the Petitioner's end to rectify such anomalies, nor any satisfactory reply has been provided to the Commission on the same. Accordingly, the Commission during truing up of previous years has been re-casting the category wise sales of those categories that were having abnormally low ABR."*

64) **PFI submits that due to unavailability of necessary information pertaining to Commercial data of FY 2024-25, PFI is unable to verify that whether ABR of different consumer categories are equivalent to the approved ABR for that consumer category. Hon'ble Commission has sought the above information from UPCL, however, UPCL submit this information in soft copy to Hon'ble UERC which is not available in the Public Domain. In view of above, PFI submits before Hon'ble Commission to carry out prudence check of consumer category wise ABR for FY 2024-25.**

PFI Comments/Suggestions: UPCL ARR Petition for FY 2026-27

I. POWER PURCHASE COST

65) UPCL has projected the Power Purchase Cost of **Rs. 8813.41 Cr.** for FY 2026-27.

66) The cost pertaining to other than Fixed and Variable Cost has also been considered as **Any Other Cost** by UPCL, which does not give a true picture since it includes arrears, other surcharge or any other cost as tabulated below:

Particulars	FY 2024-25	FY 2026-27	
	Claimed by DISCOM	Claimed by DISCOM	Proposed by PFI
Any Other Cost (Rs. Cr.)	601	744	601

67) In view of above, PFI proposed that **Rs. 601 Cr.** may be considered as any other charges for FY 2026-27 as claimed by UPCL in True Up petition for FY 2024-25. However, if there is any variation in these charges, the same may be recovered through Fuel Charge Adjustment (FCA) approved by the Hon'ble Commission.

68) **Accordingly, PFI requests the Hon'ble Commission to consider Rs. 601 Cr. against any other charges for FY 2026-27.**

J. SMART METERING OPEX EXPENSES

69) UPCL has projected **Rs. 328 Cr.** against Smart Metering OPEX expenses for FY 2026-27. However, the Hon'ble Commission approved Rs. 167 Cr. for he approved as per MYT order dated 11th April 2025. The relevant extract of the order is as follows:

5.10.3 Smart Metering Opex

The Petitioner has submitted the provision of smart metering OPEX expenses under the RDSS scheme to be incorporated in the 5th Control Period. The details of the same is shown in the Table below:

Table 5.26: Smart Meter OPEX Expenses claimed by the Petitioner from FY 2024-25 to FY 2027-28 (Rs. Crore)

O&M Expense	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
Smart metering OPEX Expense	107.53	240.57	177.96	177.96

The Petitioner in view of the above has requested that Opex cost towards Smart Metering be allowed as per the above Table and consider the same as per actuals during true-up.

.....

The Commission has gone through the submissions of the Petitioner and is of the view that in addition to the existing grant of up to Rs. 1350 per meter under the RDSS scheme, an additional grant of up to Rs. 675 per consumer meter was available to States/UTs for timely deployment of meters within the targeted timeline for first phase mission, i.e. by December 2023. Therefore, the Commission while computing the yearly value of smart metering Opex expenses has considered the additional grant, as the same would have been availed by UPCL if the prescribed timeline for deployment of smart meters under RDSS scheme was adhered to. As this is a controllable parameter, the financial impact of the same shall not be passed on to the consumers. Accordingly, the Commission has computed the yearly value of Opex expenses as shown in the Table below:

Table 5.28: Yearly OPEX Expenses approved by the Commission (Rs. Crore)

Particulars	No. of Meters	Grant Ceiling (Rs.)	Total Grant (Rs. Crore)
Consumer Smart Meter	1587870	2025	321.54
DTR Smart Meter	59212	5175	30.64
Feeder Smart Meter	2602	9450	2.46
Total Grant (Rs. Crore)			354.64
Contract Value (Rs. Crore)			2027.02
Net of Grant expenditure to be recovered in 10 years (Rs. Crore)			1672.38
Net of Grant expenditure to be recovered per year (Rs. Crore)			**167.24**

Accordingly, the smart metering OPEX expenses approved by the Commission for FY 2025-26 to FY 2027-28 is shown in the Table Below:

Table 5.29: Smart Meter OPEX Expenses approved by the Commission for Fifth Control Period from FY 2025-26 to FY 2027-28 (Rs. Crore)

O&M Expense	FY 2025-26	FY 2026-27	FY 2027-28
Smart metering OPEX Expense	167.24	167.24	167.24

70) Also, UPCL has not mentioned any reason for the increased cost against Smart Metering OPEX Expenses. Accordingly, PFI propose that Rs. 167 Cr. should be considered as approved by the Hon'ble Commission as tabulated below:

Particulars	FY 2026-27		
	Approved as per MYT Order dtd. 11/04/2025	Claimed by DISCOM	Proposed by PFI
Smart Metering OPEX Expenses (Rs. Cr.)	167	328	167

71) Further, as per RDSS portal, the physical progress is only 27%, while work under **Smart Metering** is still to be taken up under which around 16 lakh smart meter to be installed at Consumer, Feeder and Distribution Transformer level. As mentioned above for installation of these meters net grant of Rs. 1672 Cr. to be recovered in 10 years and Rs. 162 Cr. per year.

72) **In view of above PFI requests the Hon'ble Commission to allow Rs. 167 Cr. against Smart Metering OPEX Expenses for FY 2026-27.** In case of any variation in the cost as per the RDSS scheme may be incorporated in the True Up of FY 2026-27.

K. SUMMARY OF ARR & TARIFF PETITION FOR FY 2026-27

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

(Rs. Cr.)

Sr. No.	Particulars	Claimed by DISCOM	Proposed by PFI	Difference
1	Sales	16,761	16,761	0
2	Distribution Loss	12.25%	12.25%	0
3	Power Purchase Cost (Incl. Water Tax)	9,067	8,924	(144)
3a	***Less:*** *Any Other Charges*		144	
4	Transmission Charges	1,269	1,269	0
5	Operation & Maintenance (O&M) Expenses (6a+6b+6c)	1,222	1,222	0
5a	*Employee Expenses*	*481*	*481*	0
5b	*Administrative & General (A&G) Expenses*	*103*	*103*	0
5c	*Repair & Maintenance (R&M) Expenses*	*637*	*637*	0

Sr. No.	Particulars	Claimed by DISCOM	Proposed by PFI	Difference
6	Return on Equity	329	329	0
7	Interest and Finance Charges	404	404	0
8	Interest on Working Capital	209	209	0
9	Depreciation	259	259	0
10	Others (Smart Meter OPEX, Bad Debts)	453	293	(160)
10 a	*Less: Smart Metering OPEX higher than approved in MYT*		*160*	
11	**Gross Aggregate Revenue Requirement (ARR)**	13,212	12,908	(304)
12	Non-tariff Income	339	339	0
13	**Aggregate Revenue Requirement (ARR)**	12,874	12,569	(304)
14	Revenue from Sale of Power	**12,548**	**12,548**	0
15	**Revenue (Gap)/Surplus**	(326)	(21)	(304)

74) In view of above, elements of ARR which are not as per Regulatory provisions may not be passed on to the consumers of Uttarakhand and socialised, rather it should be borne by Govt. of Uttarakhand in the form of subsidy on account of higher claims of UPCL as tabulated above, over and above the subsidy to be decided by Govt. of Uttarakhand for FY 2026-27. Accordingly, The cost of Rs. 304 Cr. should be paid by the Govt. of Uttarakhand to UPCL in the form of Subsidy.

L. ENERGY STORAGE

75) 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.

76) 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.

77) 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 BESs 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."*

78) 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.

79) 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.

80) The CEA in its Report for Resource Adequacy Plan[1] for the State of Uttarakhand for the period from FY 2025-26 to FY 2035-36 has identified that:

- Uttarakhand is likely to witness an energy deficit ranging from 2.4 to 9.8 BU in different years from 2025-26 to 2035-36 with the existing and planned capacity addition.
- Uttarakhand needs to contract following capacities per year till 2035-36 to meet its demand reliably. The year-wise Storage capacity requirement is as follows:

Year	Storage (MW)	
	Battery	PSP
FY 2025-26		100
FY 2026-27	60	
FY 2027-28	106	
FY 2033-34		1050
Total	**166**	**1150**

81) Standalone and co-located ESS can play an important role in meeting RA requirements under India's emerging RA framework. Going forward, state-level RA frameworks need to be closely aligned with long-term planning and resource procurement processes to support cohesive implementation.

82) **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, Uttarakhand DISCOMs necessitates to also consider Energy Storage as part of their Power Procurement Planning in line with Resource Adequacy Planning formulated by CEA for Uttarakhand.**

M. PM Surya Ghar – Muft Bijli Yojna and Demand Side Management

83) 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

[1] https://cea.nic.in/wp-content/uploads/resource_adequacy_st/2025/11/Report_on_Resource_Adequacy_Plan_for_Uttarakhand_Upto_2035_36.pdf

crore households by March 2027. By March 2025, installations under the scheme are expected to exceed 10 lakh, with the numbers doubling to 20 lakh by October 2025, reaching 40 lakh by March 2026, and ultimately achieving the target of one crore by March 2027. 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.

84) 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 none of the DISCOMs have submitted any proposal related to **PM Surya Ghar – Muft Bijli Yojna**.

85) Further, it is observed that the DISCOMs have also not submitted any proposal related to **Demand Side Management (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.

86) In view of above, PFI submits that Sales forecast for DISCOMs in ARR of FY 2026-27 may be done considering the impact of **PM Surya Ghar – Muft Bijli Yojna and Demand Side Management (DSM) initiatives**.

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

87) *Electricity (Rights of Consumers) Amendment Rules, 2023* dtd. 14/06/2023 stipulates that every consumer category except Agriculture should have Time of Day (TOD) Tariff with effect from 01/04/2025 and shall be made effective immediately after installation of Smart Meters, for the consumers with Smart Meters. **It is to be noted that the UPCL has proposed ToD for only LT & HT Industrial consumers and for Non-Domestic category where ToD Meters have been installed. Also, it is mandated to have ToD meters only for consumers above 25 kW load for Non-Domestic category.**

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

88) Further, the Rules also stipulate that ToD Tariff for Commercial and Industrial consumers during peak period of the day shall not be less than 1.20 times the normal tariff and for other consumers, it shall not be less than 1.10 times the normal tariff. Further ToD during Off-peak hours should be at least 20% less than the normal tariff (not more than 80% of the normal tariff).

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

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

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

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

O. Bifurcation of DISCOM ARR into Wheeling & Retail Business

93) 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.

94) In view of above, PFI requests the Hon'ble Commission to direct DISCOMs to submit separate Petition for Wheeling and Retail Business along with break-up of business-wise expenses and income in Audited Accounts.

P. NFA approach for Return on Equity

95) Under Section 181 of the Electricity Act, 2003, SERC has been defined specific function 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.*"

96) 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;*"

97) 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.

98) 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 till 25 years. Initially, Capital Cost is split into 70 : 30 :: Debt : Equity which is being currently dealt as follows :

- **<u>For 1st 12 years</u>** *(ref: Regulation 21.1 (viii) HERC Tariff Regulations, 2019)*
    - Loan Repayment equivalent to 70% of Capital Cost, is being linked to Depreciation and it's 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.

" 21.1. (viii) In case any moratorium period on repayment of loan is availed of by the generating company or the licensee, depreciation provided for in the tariff during the years of moratorium shall be treated as repayment during those years and interest on loan capital shall be calculated accordingly.

Provided that the repayment for each year of the control period shall be deemed to be equal to the depreciation allowed for the corresponding year."

- **<u>Balance Useful Life of 13 years</u>**
    - 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.

99) **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.**

<u>Other SERCs where NFA approach is adopted</u>

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

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

101) 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 capital 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."

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

102) 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**

103) 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.

104) 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.

105) **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. 329 Cr. whereas under NFA approach is Rs. 298 Cr.**

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

PRAYERS BEFORE HON'BLE UERC:-

1) **To consider the comments / suggestions of Power Foundation of India (PFI) on ARR & Tariff Petition of UPCL.**
2) **To initiate proceedings under Section 142 of the Electricity Act 2003 related to non-adherence of Hon'ble Commission repeated directions for metering unmetered Sales and violation of Ministry of Power (GoI) Rules.**
3) **To reduce Power Purchase Cost against high distribution loss and purchasing power from costly gas-based plants. Inefficiencies of UPCL should not be allowed to pass through to the end consumers and the Govt. of Uttarakhand should bear the same in the form of subsidy.**
4) **To consider the O&M expenses as per the regulatory provisions.**
5) **To consider actual revenue collected and 33% of actual pending receivables.**
6) **To reduce the cost against the pending Electrical Inspector Certificates claimed by UPCL.**
7) **To not allow any Tariff Hike as proposed by DISCOM.**
8) **To direct DISCOM to consider Energy Storage as part of their Power Procurement Planning in line with Resource Adequacy Planning formulated by CEA for Uttarakhand.**
9) **To consider the additional submissions, if any, made by PFI for UPCL Tariff Petition for ARR & Tariff of FY 2026-27.**

O.P. No....75....of 2025 Appendix -1

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 *
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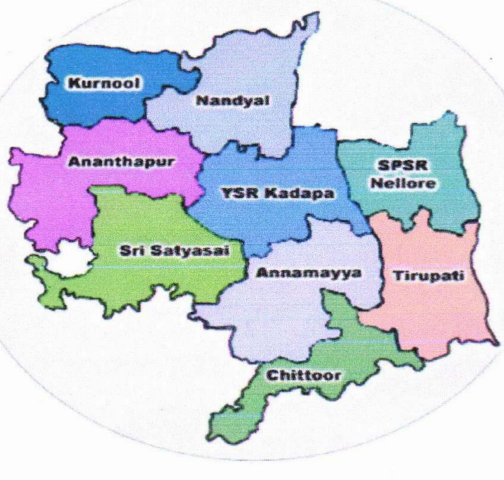

30th November 2025

Appendix - 2

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**

Appendix-5

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**