COMMISSION'S ORDER IN

HERC / Petition No. 66 of 2024
&
HERC / Petition No. 67 of 2024

IN THE MATTER OF

True-up of FY 2023-24, Business Plan for FY 2025-2029, Capex Plan for FY 2025-29, Mid-Year Performance Review for FY 2024-25 and Aggregate Revenue Requirement of FY 2025-26 to FY 2029-30 UHBVNL and DHBVNL

28.03.2025

HARYANA ELECTRICITY REGULATORY COMMISSION
BAYS 33-36, SECTOR-4, PANCHKULA-134112, HARYANA
https://herc.gov.in

IN THE MATTER OF

Petition regarding True-up for FY 2023-24, Annual Performance Review of FY 2024-25 and Determination of Aggregate Revenue Requirement and Tariff for MYT Period from FY 2025-26 to FY 2029-30 under HERC (Terms and Conditions for determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations 2024.

and

Filing of Business Plan and Capital Investment Plan Petition for Distribution and Retail Supply Business for Multi Year Tariff (MYT) Control Period FY 2025-26 to FY 2029-30 under HERC (Terms And Conditions For Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations 2024 and Section 45, 46, 47, 61, 62, 64 & 86 of the Electricity Act 2003 read with the relevant guidelines.

Petitioner(s)

Uttar Haryana Bijli Vitran Nigam Limited (UHBVNL)
Dakshin Haryana Bijli Vitran Nigam Limited (DHBVNL)

Present on behalf of the Petitioner (UHBVNL)

1. Sh. Anurag Nanchahal, CFO/UHBVNL
2. Sh. Amit Gupta, Director/Finance
3. Sh. Deepak Popli, CE, Commercial
4. Sh. S K Dhull, SE/RA
5. Sh. Rajesh Arora, SE/Mon
6. Sh. Amol H Singh Sandhu, SE/P&O
7. Sh. Tarun Gupta, FA/Hqrs
8. Sh. Mohit Kajal, Sr. AO, HPPC
9. Sh. Anil Kumar, AO, UHBVNL

Present on behalf of the Petitioner (DHBVNL)

1. Sh. Rattan Kumar Verma, Director/Finance
2. Sh. Vipin Gupta, Director/ Operations
3. Sh. Anil Kumar Sharma, CE/Comml.
4. Sh. Arun Kumar, CAO
5. Sh. S.K. Singh, SE/Comml
6. Sh. Anish Kumar, XEN/RA
7. Sh. Rajesh Ninaniya, XEN/MM
8. Sh. Naresh Kumar, SDO/RA
9. Sh. Hritik Rawat, Consultant

Present on behalf of the Intervenor(s)

1. Col. B.K. Sharma, Faridabad Industries Association
2. Sh. Sumit Rao, Gen. Sec., Gurgaon Industrial Association

3. Sh. Mukul Gupta, Member, Gurgaon Industrial Association
4. Sh. Diwan Singh, Faridabad
5. Sh. Sunil Gupta, Faridabad

QUORUM

Shri Nand Lal Sharma	Chairman
Shri Mukesh Garg	Member

ORDER

The Haryana Electricity Regulatory Commission (hereinafter referred to as 'the Commission' or HERC), in exercise of the powers vested in it under section 61, 62 and 86 of the Electricity Act, 2003 read with section 11 of the Haryana Electricity Reforms Act, 1997 and all other enabling provisions in this behalf, passes this Order determining the True-up of FY 2023-24, Business Plan for FY 2025-2029, Capex Plan for FY 2025-29, Mid-Year Performance Review for FY 2024-25 and Aggregate Revenue Requirement of FY 2025-26 to FY 2029-30 of UHBVNL and DHBVNL for their Distribution and Retail Supply Business under MYT framework in accordance with the provisions of the Haryana Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, in vogue.

The Commission, while passing order in the present case(s), has considered the Petition(s) filed by the Distribution Licensees viz. UHBVNL and DHBVNL along with the additional submissions made by Discoms and all other relevant material, including:-

1. Subsequent filings/additional data provided by them including filings made by the two distribution licensees in response to the various queries of the Commission.
2. Objections received from various organisations and individuals.
3. Reply/comments furnished by UHBVNL and DHBVNL on the objections filed.
4. State Advisory Committee (SAC) meeting held on 19.02.2025.
5. Relevant data / facts / policies available in the Commission and in public domain.
6. Feedback received in the public hearing held at Panchkula.

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CHAPTER 1

INTRODUCTION

1.1 Brief Background

UHBVNL and DHBVNL are Distribution Licensees within the meaning of Section 2 (17) of Electricity Act 2003 and pursuant to the Section 14 of the Electricity Act. Further, Section 42 and 43 of the Electricity Act 2003 prescribes the following duties of the Distribution Licensee:

- To develop and maintain an efficient, coordinated and economical distribution system;
- To supply electricity on an application of the consumer in accordance with the provisions specified in the Electricity Act 2003;
- To provide non-discriminatory open access to the consumers;
- To establish a forum for redressal of grievances of the consumers;

Since UHBVN and DHBVNL has been vested with the function of distributing power by the State Government of Haryana, the Business Scope of discoms falls within the legal framework as specified in the Act and includes:

- To operate the existing distribution infrastructure efficiently & effectively;
- Merchant Sale of Power in the event of availability of surplus power after meeting the requirement of own consumers with whom the capacity is contracted presently;
- Other associated businesses like providing Training, Research and Development activities, technical consultancy services and O&M related services;
- Contracts for outsourcing of distribution related activities, joint venture participation;

The distribution licensees (Discoms) responsible for distribution and retail supply of electricity to the consumers in Haryana are Uttar Haryana Bijli Vitran Nigam (UHBVNL) and Dakshin Haryana Bijli Vitran Nigam (DHBVNL). The distribution and retail supply tariff determined by the Commission in the Northern circles of Haryana i.e., licensed area of UHBVNL and Southern circles of Haryana i.e., the licensed area DHBVNL are the same. Hence, the Commission has considered it appropriate to dispose of their respective petition(s) for approval of True-up of FY 2023-24, Business Plan for FY 2025-2029, Capex Plan for FY 2025-29, Mid-Year Performance Review for FY 2024-25 and Aggregate Revenue Requirement of FY 2025-26 to 2029-30 vide the present common order.

1.2 Regulatory Framework

That the two distribution licensees (Discoms) in Haryana i.e. Uttar Haryana Bijli Vitran Nigam (UHBVNL) and Dakshin Haryana Bijli Vitran Nigam (DHBVNL) have filed their respective petition(s) under the provisions of the Electricity Act, 2003 and the MYT Regulations, 2019 (for the true-up of FY 2023-24) and the MYT Regulations, 2024 for determination of ARR for the Control Period FY 2025-26 to FY 2029-30 & determination of distribution and retail supply tariff for the FY 2025-26 along with Business Plan for FY 2025-2029, Capex Plan for FY 2025-29 and Mid-Year Performance Review for FY 2024-25. The petition(s) filed by the Discoms is briefly set out below.

That the Hon'ble Commission notified MYT Regulations for First Control Period FY 2014-15 to FY 2016-17 as per HERC (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2012 (hereafter HERC MYT Regulations, 2012) with subsequent amendments of extension of first MYT Period up to FY 2019-20.

On 31st October 2019, the Hon'ble Commission notified the MYT Regulation for Second Control Period starting from FY 2020-21 to FY 2024-25 as HERC (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2019 (hereafter HERC MYT Regulations, 2019).

That on 22nd October, 2024, the Hon'ble Commission notified the MYT Regulation for Third Control Period starting from FY 2025-26 to FY 2029-30 as HERC (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2024 (hereafter HERC MYT Regulations, 2024).

That the current petition for approval of APR for FY 2024-25, and True-Up for FY 2023-24 is made in accordance with the regulatory provisions of HERC MYT Regulations, 2019 and its subsequent amendments. However, filing of ARR Petition MYT Control Period from FY 2025-26 to FY 2029-30 is made in accordance with provisions specified in the MYT Regulations, 2024. The relevant provisions for filling ARR Petition as per HERC MYT Regulations, 2024 are reproduced as under:

"… 73 Tariff Filings

73.1 Tariff filing for the control period under MYT framework

73.1.1 The generating company and the licensees shall file an application for approval of ARR for their respective businesses for each year of the control period and tariff for the first year of the control period consistent with the business plan and the capital investment plan approved by the Commission. The ARR and tariff filing shall be filed by 30th November of the year preceding the 1st year of the control period along with requisite in accordance with the provisions of Haryana Electricity Regulatory Commission () Regulations amended from time to time. The application shall contain all the components of the ARR and tariff as provided in these Regulations;

The MYT filing shall also contain an application for mid-year performance review of and true – up petition.

73.1.2 The generation company and the licensees shall provide in the application forecast for each year of the control period of the various financial and operational parameters of ARR & various other components of the ARR and tariff relating to their respective businesses as mentioned in these Regulations. The application, in case of a distribution licensee and a transmission licensee shall also include:

(i) For distribution licensee

a) Sales / demand forecast for each consumer category and sub-categories for each year of the control period and the methodology and rationale used;

b) Power procurement plan based on the sales forecast and distribution loss trajectory for each year of the control period. The power procurement plan should also keep in view energy efficiency and demand side management measures;

c) A set of targets proposed for other controllable items such as collection efficiency, recovery of bad debts, working capital, quality of supply targets etc. The targets shall be consistent with the capital investment plan and business plan approved by the Commission;

d) Expected revenue from the licensed business, non-tariff income and income from other business for the base year and first year of the control period and other matters considered appropriate by the distribution licensee(s);

e) Number of consumers in each category, connected load in kW / kVA. Voltage wise estimates losses and cost of supply for various consumer categories per kW and per kWh /kVAh.

f) The ARR for different years of the control period, the revenue gap and tariff proposal for meeting the revenue gap for first year of the control period. The tariff proposal should be *based on the cost of supply for various consumer categories and the cross-subsidy reduction road map.*

g) *Proposal for meeting the projected cumulative revenue gap for first year of the control period which shall include mechanism for meeting the proposed revenue gap, tariff revision for various consumer categories etc. In the absence of tariff proposal, the application/petition shall be considered as incomplete and shall be liable for rejection.*

h) *A statement of the effect of the proposed tariff changes on a typical small, average and large consumer in each tariff class. For this purpose, a typical small consumer is defined such that within the tariff class, 90% of the consumers supplied under that tariff within a 12 months period would have greater total expenditure on tariff charges than the small consumer. Similarly, a typical large consumer is defined such that 90% of the consumers supplied under the tariff would have lesser expenditure over a 12 months period than the typical large consumer. The average consumer shall be defined as a consumer having expenditure on tariff charges equal to the average expenditure in that tariff class."*

That, Business Plan for MYT Control Period of FY 2025-26 to FY 2029-30, is submitted in accordance with Regulation 10 of HERC MYT Regulations, 2024. The relevant provisions of MYT Regulations, 2024 is reproduced as under:

"… 10 Business Plan

10.1 The generating company and the licensee, in respect of their respective businesses, shall file for approval of the Commission a business plan for a period covering the entire control period along with the MYT petition. The business plan shall provide the details for each year of the control period….

…10.4 The business plan for distribution licensee shall be based on sales forecast (MUs)/load growth and should contain among other things the following: (i) future plans/ performance targets of the company including efficiency improvement measures proposed to be introduced (ii) plan for reduction in distribution and non-technical losses;(iii) plan for improvement in quality of supply and reliability; (iv) metering arrangements; (v) plan for improvement in collection efficiency (vi) plan for improvement in consumer services/new consumer services (vii) Plan for reduction in O & M cost per MU of energy sales (viii) MIS; (ix) scheme for third party energy audit (x) plan for improvement in metering and billing; (xi) financial statements (which include balance sheet, profit and loss statement and cash flow statement)- current and

projected (at least for the period of control period duration) along with basis of projections; (xii) any other new measure to be initiated by the Licensee(s) e.g. IT initiatives, development of distribution franchisee, periodical business satisfaction surveys etc.

10.5 In case the accumulated commercial losses of a generating company or the licensees have substantially eroded their respective paid up equity, the business plan shall also contain the proposal to progressively reduce the accumulated commercial losses indicating various measures, including re-capitalization, proposed to be undertaken by the generation company/licensee to achieve turnaround of the company within a specified period.

10.6 The generation company and the licensee shall submit all information / data as required by the Commission for necessary approval of the business plan. The Commission shall scrutinize the business plan taking into consideration the additional information provided by the applicant, if any.

1.3 Approach for Business Plan

That the Business Plan is prepared by discoms for the MYT Control Period of FY 2025-26 to FY 2029-30 taking into consideration the internal and external factors which affect the working of the power utility like Regulatory changes, network development, Tariff Management and consumer services.

That the Business Plan has been prepared by the licensee(s) taking into account the expected load growth in the energy requirement of existing consumer base and new consumers expected to be covered during the Control Period by extending the network and distribution infrastructure.

That the tariff is being determined by the Hon'ble Commission on a cost-plus approach basis and as per the provisions specified in the HERC MYT Regulations, 2024. The major component of the tariff is Power purchase cost, O&M cost, expenses associated with capital, T&D losses etc. The Plan is prepared considering the lowest achievable T&D losses, optimum costs for operation, maintenance and capital expenditure.

In view of the above, Discoms have prepared the Business Plan for the MYT Control Period of FY 2025-26 to FY 2029-30 i.e. for a period of 5 years.

1.4 Principles of True up for FY 2023-24

That Regulation 11 and Regulation 13 of the HERC MYT Regulations, 2019, provides that the application of true-up of previous years shall be filed along with application of Mid-Year

Performance Review and Tariff Setting. The application of truing up of ARR of the previous years shall be carried as per the provision of truing up specified in the current regulations and on the basis of the same principles as approved in the MYT Order on the original application submitted for determination of ARR and Tariff. The relevant excerpt of the MYT Regulation 2019 is provided as under:

"MID-YEAR PERFORMANCE REVIEW AND TARIFF SETTING

11.1. The generating company and the licensee shall file an application for mid- year performance review, true-up of previous year and tariff for the ensuing year not less than 120 days before the close of each year of the control period, complete in all respects including the information in the existing formats as per present practice, till such time new formats are finalized by the Commission.

…

11.6 The Commission shall review/consider, during the control period, the application made under this Regulation as also the application for truing up of the ARR of the previous year, as per provision of the Regulation 13, on the same principles as approved in the MYT order on the original application for determination of ARR and tariff. Upon completion of such review/truing up, either approve the proposed modification with such changes as it deems appropriate, or reject the application for the reasons to be recorded in writing. The Commission shall afford opportunity of being heard to the affected party in case itconsiders rejecting the application."

"13. TRUING-UP

13.1 Truing-up of the ARR of the previous year shall be carried out along with mid-year performance review of each year of the control period only when the audited accounts in respect of the year(s) under consideration is submitted along with the application. In case audited accounts pertaining to the year, of which truing-up is to be undertaken, are not available, the generating company or the licensee as the case may be, shall submit the provisional account duly approved by the Board of Directors of the company/licensee.

13.2 Truing-up of 'uncontrollable' items shall be carried out at the end of each year of the control period through tariff resetting for the ensuing year and for controllable items shall be done only on account of force majeure conditions and for variations attributable to uncontrollable factors.

13.3 The Commission shall allow carrying costs for the trued–up amount (positive or negative) at the interest rates specified in these Regulations by adjusting the interest allowed on the working capital requirement for the relevant year of the control period. Upon completion of the mid-year performance review and truing up in accordance with these regulations, the Commission shall pass an order recording:

(a) The revised ARR for such financial year including approved modifications, if any;

(b) Holding cost for under/over recovered amount from the close of the relevant year and upto the middle of the ensuing year of the control period whereupon the trued-up amount has been adjusted by appropriate resetting of tariff in accordance with regulation 13.4, calculated as additional borrowing for working capital for that period.

Provided that no carrying cost shall be allowed on account of delay in filing for true-up due to unavailability of the audited accounts.

13.4 Over or under recoveries of trued-up amount in previous year(s) of the control period shall be allowed to be adjusted in the ensuing year of the control period by appropriate resetting of tariff. The unrecovered amount in the one control period shall be adjusted in the subsequent control period."

That in line with the provision laid under HERC MYT Regulations, 2019, the Hon'ble Commission has published the Tariff Order on Aggregate Revenue Requirement (ARR) & Retail Supply Tariff for FY 2023-24 on 15th February 2023. The Review Order on the same was subsequently issued on 18.07.2023.

That the provisions of Regulation 13 of the HERC MYT Regulations, 2024, specified above, mandate for the submission of audited accounts for truing up of ARR for previous financial year. Truing up of ARR for FY 2023-24 has been worked out considering the actual expenditures of UHBVNL and DHBVNL as per the audited annual accounts of FY 2023-24.

1.5 Summary of True up of FY 2023-24 (UHBVNL & DHBVNL)

That Discoms have submitted the summary of expenses approved by the Commission vis-à-vis the actual expenses for the FY 2023-24, which is briefed as under:

UHBVNL

UHBVNL has sought true-up for the FY 2023-24 amounting to Rs. 17,809.04 Crore, with major cost impacting the true up being Power purchase cost (impact of Rs 707.02 crore), interest and finance charges (impact of Rs 389.66 crore) and non-tariff income being reduced by Rs 153.41 crore, tabulated as under: -

Rs. Crore

S. No	Particulars	Approved	Actual	True up proposed
1	**Total Power Purchase Expense**	**13,990.30**	**14,697.32**	**707.02**
1.1	*Power Purchase Expense*	*11,931.85*	*12,546.19*	**614.34**
1.2	*Interstate transmission Charge*	*1,013.54*	*930.18*	**-83.36**
1.3	*Intrastate transmission charges and SLDC charges*	*1,044.91*	*1,021.24*	**-23.67**
1.4	*Impact of sharing and gains of distribution losses*		*199.72*	**199.72**
2	**Operations and Maintenance Expenses**	**1,816.64**	**1,743.91**	**-72.73**
2.1	*Employee Expense*	*1,018.99*	*897.06*	**-121.93**
2.2	*Administration & General Expense*	*162.58*	*202.75*	**40.17**
2.3	*Repair & Maintenance Expense*	*185.07*	*173.36*	**-11.71**
2.4	*Terminal Liability*	*450*	*409.77*	**-40.23**
2.5	*Impact of sharing and gains of O&M Expenses*		*60.96*	**60.96**
3	**Depreciation**	**462.66**	**337.32**	**-125.34**
4	Return on Equity Capital	*277.67*	342.3	**64.63**
5	Other Expenses		100.19	**100.19**
6	**Interest & Finance Charges (Actual Loans)**	**323.36**	**713.02**	**389.66**
7.1	*Interest on CAPEX loans*	105.48	192.89	**87.41**

7.2	*Interest on WC loans including CC/OD limits*	116.39	332.73	**216.34**
7.3	*Interest Cost on Consumer Security Deposit*	66.59	116.09	**49.50**
7.4	*Guarantee Fees*	34.9	71.31	**36.41**
8	**Total Expenditure (Actual)**	**16,870.63**	**17,934.06**	**1,063.43**
9	*Less: Non-Tariff Income*	**278.43**	**125.02**	**-153.41**
10	**Net Aggregate Revenue Requirement**	**16,592.20**	**17,809.04**	**1,216.84**

DHBVNL

DHBVNL has sought true-up for the FY 2023-24 amounting to Rs. 24979.03 Crore, with major cost impacting the true up being Power purchase cost (impact of Rs 2564.80 crore), interest and finance charges (impact of Rs 246.32 crore) and non-tariff income being reduced by Rs 93.55 crore, tabulated as under: -

Rs. Crore

S. No.	Particulars	Approved	Actual	True up Proposed
1	**Total Power purchase cost**	**18,960.86**	**21,525.66**	**2,564.80**
1.1	*Power Purchase Expenses*	*16,351.48*	*18,997.79*	**2,646.31**
1.2	*Interstate transmission charges*	*1,388.96*	*1,261.43*	**-127.53**
1.3	*Intrastate transmission charges and SLDC charges*	*1,220.41*	*1,204.83*	**-15.58**
1.4	*Sharing of Gain/losses in Power Purchase Cost*	*0*	*61.61*	**61.61**
2	**Operations and Maintenance Expenses**	**2209.99**	**2,250.88**	**40.89**
2.1	*Employee Expense (Net of Capitalization)*	*1271.32*	*1,015.78*	**-255.54**
2.2	*Administration & General Expense (Net of Capitalization)*	*144.44*	*203.83*	**59.39**
2.3	*Repair & Maintenance Expense*	*235.33*	*196.16*	**-39.17**
2.4	*Terminal Liability*	*550*	*707.35*	**157.35**
2.5	*Sharing of Gain/losses in O&M Expenses*	*0*	*127.77*	**127.77**
3	**Depreciation**	452.2	360.92	**-91.28**
4	**Total Interest & Finance Charges**	**473.99**	**720.31**	**246.32**
4.1	*Interest on Long Term Loans*	*154.59*	*152.55*	**-2.04**
4.2	*Interest on Working Capitals*	*186.95*	*459.81*	**272.86**
4.3	*Interest on Security Deposit*	*100.06*	*58.56*	**-41.50**
4.4	*Other Interest & Finance Charges*	*8.4*	*9.97*	**1.57**
4.5	*Guarantee Fee*	*24*	*39.42*	**15.42**
5	Return on Equity Capital	285.13	306.5	**21.37**
6	Other Expenses (Debits & Prior period Expenses)	0	0.44	**0.44**
7	**Total Expenditure**	**22,373.17**	**25,164.70**	**2,791.53**
8	Less: Non-Tariff Income	279.22	185.67	**-93.55**
9	**Net Aggregate Revenue Requirement**	**22,093.95**	**24,979.03**	**2,885.08**

Subsidy

That Regulation 68 of the HERC MYT Regulations, 2019, provides the provisions for subsidy. It stipulates that if the State Govt. requires to pay subsidy in the electricity tariff determined under Section 62 to any consumer or class of consumers under Section 65 and Section 108 of the Electricity Act 2003, the amount of subsidy determined by the Hon'ble Commission shall be paid in advance. The extract of the relevant section is reproduced as under:

"68. SUBSIDY
68.1 Pursuant to Section 65 of the Electricity Act, 2003 in case the State Government requires grant of any subsidy to any consumer or class of consumers in the tariff determined under Section 62, the distribution licensee should ensure that the State Government shall, notwithstanding any direction which may be given under Section 108, pay in advance the requisite amount as determined by the Commission to compensate the distribution licensee affected by the grant of subsidy."

That the energy sale for agriculture category has increased in actual as per the audited accounts for FY 2023-24 than the energy sales approved in the Tariff Order dated 15.02.2023. That the revision of agriculture subsidy on account of revision in energy sales is shown in the table below:

Increase in AP Subsidy for FY 2023-24 *(Rs. Crore)*

S. No.	Particulars	Unit	Amount
1	RE Subsidy allowed in TO dated 15.02.2023	Rs Crs	5,769.94
2	Approved AP Sales in TO dated 15.02.2023	MU	8,884.26
3	Approved Per unit Subsidy	Rs/kWh	6.62
4	Normative Agriculture Sales of UHBVNL	MU	3,605.80
5	Normative Agriculture Sales of DHBVNL	MU	5,598.25
6	**Normative Agriculture Sales**	**MU**	**9,125.80**
7	Eligibility of subsidy based on actual sales of 2023-24	Rs. Crs	5,926.81
8	**Subsidy Outstanding/(Surplus)**	**Rs Crs**	**156.87**

The Hon'ble commission vide Memo No. 1064-65/HERC/Tariff/337 dated 26.07.2023 has directed the Petitioners to meet the shortfall/unpaid subsidy on account of True-Up of RE Subsidy for FY 2021-22 amounting Rs. 165.94 with Return on Equity allowed to them and ensure that the fact should duly be reflected in financial statements of FY 2023-24 as well as in the upcoming ARR Petition for the FY 2025-26".

That the discoms submitted to the Hon'ble Commission that adjustment of the unpaid agriculture subsidy on account of Truing Up of FY 2021-22 with the ROE allowed for FY 2023-24 would be detrimental to the non-agriculture category consumers. The ROE allowed during the year is utilized by the Petitioner in form of equity to fund capital works. Meeting unpaid RE-Subsidy for FY 2021-22 with the ROE allowed for FY 2023-24 would affect the loss reduction activities and unreasonably burdened the tariff of Non-AP Consumer Category. That the discoms requested the Hon'ble Commission that keeping the above appropriate direction in pursuance to Section 65 may be issued to meet the unpaid subsidy for FY 2021-22 in the ARR of the ensuing year FY 2025-26.

That the Revenue Surplus/(Gap) for FY 2023-24 was approved on combined basis for both the Petitioners in Tariff Order dated 15.02.2023. Accordingly, the Revenue Surplus/(Gap) for True Up of ARR for FY2023-24 has been submitted on combined basis. The details of calculation of Revenue Surplus/(Gap) for trueing up of ARR for FY 2023-24 is submitted in the table below:

Rs. Crore

Sr. No.	Particulars	Approved	Proposed UHBVN	Proposed DHBVN	Proposed Haryana
1	**Aggregate Revenue Requirement**	**38,686.15**	**17,809.04**	**24,979.03**	**42,788.07**
2	**Income (including subsidy)**	**36,714.05**	**15,080.22**	**21,109.69**	**36,189.91**
2.1	Sale of Power	30,944.11	11,968.24	16,853.43	28,821.68
2.2	Interstate Sales		463.56	704.99	1,168.56
2.3	Subsidy	5,769.94	2,477.97	3,551.26	6,029.23
a)	*- AP Subsidy*	*5,769.94*	*2,365.68*	*3,404.26*	*5,769.94*
b)	*- Domestic subsidy*		*89.36*	*147.00*	*259.29*
c)	*-Industry (C&D)*		*22.93*		
2.4	Write Back of Provision for interest on ACD		170.45		170.45
4	**Revenue Surplus/(Gap) (1-2)**	**(1,972.10)**	**(2,728.82)**	**(3,869.34)**	**(6,598.16)**
5	Less: Income From FSA		1,617.72	2,440.78	4,058.50
6	Less: Incremental subsidy due to change in AP Sales		64.32	92.55	156.87
7	Add: Impact due of overachievement of capitalization target		24.69		24.69
6	**Net Revenue Surplus/(Gap)**	**(1,972.10)**	**(1,071.47)**	**(1336.01)**	**(2,407.48)**
7	Revenue Surplus/(Gap) for FY 2021-22	1,844.87			1,844.87
8	Holding cost for 1.5 years @ 8.5% for 2021-22				235.22
9	Revenue Surplus/(Gap) for FY 2023-24				**(327.39)**
10	Holding cost for 1.5 years @ 8.5% for 2023-24				(41.74)
11	**Revenue Surplus/(Gap)to be carry over**				**(369.13)**

1.6 Annual Performance Review for FY 2024-25 (APR UHBVNL & DHBVNL)

That the Discoms have submitted following revised estimates for the FY 2024-25, based on the audited accounts of the FY 2023-24:-

UHBVNL - Aggregate Revenue Requirement for FY 2024-25 (Rs Crore)

Sr. No.	Particulars	Approved	Projected
1	**Total Power Purchase Expense**	**15,718.54**	**14,158.17**
1.1	*Power Purchase Expense*	*13,826.58*	*12,266.21*
1.2	*Interstate transmission Charges*	957.72	957.72
1.3	*Intrastate transmission charges and SLDC charges*	*934.24*	*934.24*
2	**Operations and Maintenance Expenses**	**1,998.21**	**1,759.61**
2.1	*Employee Expense*	*1,232.27*	*919.28*
2.2	*Administration & General Expense*	128.89	207.77
2.3	*Repair & Maintenance Expense*	*187.05*	*182.56*

Sr. No.	Particulars	Approved	Projected
2.4	*Terminal Liability*	450.00	450.00
3	***Depreciation***	**415.97**	**469.77**
4	***Interest & Finance Charges***	***444.92***	***789.87***
4.1	*Interest on CAPEX loans*	*158.33*	*253.84*
4.2	*Interest on WC loans including CC/OD limits*	*126.51*	*382.65*
4.3	*Interest Cost on Consumer Security Deposit*	*125.18*	*135.93*
4.4	*Other Interest and Finance Charges*	*34.90*	*17.44*
5	**Return on Equity**	**321.69**	**353.99**
6	Other Expenses	-	66.64
7	**Aggregate Revenue Requirement**	**18,899.33**	**17,598.04**
8	Less: Non-Tariff Income	*278.43*	*125.02*
9	**Net Aggregate Revenue Requirement**	**18,620.90**	**17,473.02**

DHBVNL Aggregate Revenue Requirement for FY 2024-25 (Rs. Crore)

S. No.	Particulars	FY 2024-25 (Approved)	FY 2024-25 (Projected)
1.00	**Power Purchase Cost**	**22,254.16**	**20,696.90**
1.10	*Power Purchase Cost*	*19,786.69*	*18,229.43*
1.20	*Transmission Charges (PGCIL)*	*1,382.07*	*1,382.07*
1.30	*Transmission Charges (HVPN + SLDC)*	*1,085.40*	*1,085.40*
2.00	**Operation & Maintenance Expenses**	**2,426.16**	**2,206.78**
2.10	*Employee Expenses (net)*	*1,313.09*	*1,046.49*
2.20	*Administration & General Expenses (net)*	*166.49*	*208.87*
2.30	*Repair & Maintenance Expenses*	*248.82*	*244.07*
2.40	*Terminal Benefits*	*697.77*	*707.35*
3.00	Depreciation	416.53	399.76
4.00	**Interest & Finance Charges**	**562.23**	**1,044.89**
4.10	*Interest on Long Term Loan*	*161.96*	*252.45*
4.20	*Interest on Working Capital*	*126.49*	*519.36*
4.40	*Interest on Consumer Security Deposit*	*198.77*	*210.65*
4.50	*Other Interest & Finance Charges*	*25.01*	*11.95*
4.60	*Guarantee Fee*	*50*	*50.70*
6.00	Return on Equity Capital	291.89	327.11
7.00	Prior period expenses & other expenses	-	-
8.00	Other Debts, (including wealth tax)	-	-
9.00	Provisions for bad and doubtful debt	-	95.36
10.00	**Aggregate Revenue Requirement**	**25,950.97**	**24,770.81**
11.00	*Less: Non-Tariff Income*	*308.61*	*185.67*
12.00	**Aggregate Revenue Requirement from Retail Tariff**	**25,642.36**	**24,585.13**

The distribution licensees have submitted that based on the estimates of the Aggregate Revenue Requirement of Haryana Discoms for the FY 2024-25 and proposed revenue for sale of power, details of the estimated revenue gap at the existing tariff(s) for the ARR year is as follows-

Combined Revenue (Gap)/Surplus for ARR year (FY 2024-25) (Rs Crore)

Particulars	Approved	Projected
Total Aggregate Revenue Requirement	44,263.27	42,058.15
UHBVNL	18,620.90	17,473.02
DHBVNL	25,642.37	24,585.13
Total Revenue	35,076.89	32,799.56
Revenue from Interstate sales	-	*32,399.44*
Revenue from Intrastate sales / Sale of Power	*35,076.89*	*400.12*
Revenue Surplus/(Gap)	(9,186.38)	(9,258.59)
Less: AP-Subsidy	*5,941.17*	*5,941.17*
GAP After AP Subsidy	(3,245.21)	(3,317.42)
Revenue Surplus/(Gap) for FY 2022-23	(212.46)	(212.46)
Holding Cost for 1.5 years	(27.09)	(27.09)
Revenue Surplus/(Gap) after Regulatory Adjustment	(3,484.76)	(3,556.97)

That UHBVNL and DHBVN prayed to the Hon'ble Commission to allow the revenue gap as proposed for FY 2024-25.

1.7 Business Plan

Both the Discoms have proposed the following plans for process improvements: -

1.7.1 Future plans including efficiency improvement measures proposed

That UHBVN and DHBVNL have reduced aggregate and technical losses significantly over the past few years. Various initiatives have been undertaken to reduce the AT&C losses. AT&C Losses of UHBVN has reduced significantly from 16.55% in FY 2019-20 to 9.15 % by FY 2023-24. UHBVN has secured profits of Rs 71.38 Crores in FY 2023-24. AT&C Losses of DHBVN has reduced significantly from 15.41% in FY 2019-20 to 11.35% by FY 2023-24. DHBVN has secured profits of Rs 204 Crores in FY 2023-24.

That various concerted activities have been undertaken in past years for improvement in billing and collection efficiency along with assuring the quality of supply. Discoms have implemented AMR metering for HT billing and feeder metering, centralized commercial back office for pre/post audit of exceptional cases, meter reading through hand held devices for elimination of human errors, feeder sanitization programs, spot billing and Smart Metering to improve the billing efficiency. Intensive drives for replacement of electromechanical/ defective meters have been conducted to improve the metering accuracy. Aggressive vigilance drives have also been conducted to curb the power thefts and pilferages of energy. Significant measures have also been taken for improvement of collection efficiency in the past years. Discoms have provided online payment facilities to the consumers for payment of electricity bills. Discoms have from time to time introduced various schemes for recovery of accumulated defaulting amount.

UHBVNL

- Surcharge Waiver Scheme 2024 for connected and disconnected consumers of domestic category. In past years Surcharge waiver scheme of 2019, Principal amount of Rs.62.17 Cr. have been recovered and of Rs. 23.93 Cr have been waived off. In the scheme of 2021, UHBVN has recovered Rs. 17.14 Cr. as principal amount and has waived off corresponding surcharge of Rs. 21.42 Cr. Similarly, in the year 2022, Rs 30.00 Cr have been waived off under the Surcharge waiver scheme.
- Under the Voluntary Disclosure Scheme (AP consumers were given opportunity for regularization of un-authorized load without payment of penalty and charges for extension of load), 17360 consumers have opted for the scheme and have extended their load to 111395.99kW in 2024. Special campaign to disconnect the regular defaulters has been conducted under which settlement of Rs. 30.87 Cr. have been settled for 8929 defaulting consumers. Consumer indexing at DT level has been conducted by the UHBVN and sizing & sequencing of the consumer binders have been carried out to minimize the bill distribution time. Defaulting amount of RDS feeders has also been analyzed, and on reduction of defaulting amount to the level of 10% power supply of 24 hours is being provided. UHBVN has also implemented rural franchisee under pilot mode on 77 Nos of RDS feeders having losses more than 50%.
- The MGJG activities are being done on war footing. 3355 no's villages (93%) out of 3590 no's total villages are getting 24X7 supply. Nigam has planned to complete all activities on all RDS feeders under MGJG scheme.
- Further to ensure the delivery of citizen services within the prescribed time frame as per standards of performance, online portal has been created by UHBVN for release of new connections, extension/reduction of load and change of name. The lead time has

significantly reduced after delivery of citizen services through online mode. UHBVN has also maintained the dedicated toll-free numbers 1912 and 1800-180-1550 for registration of consumer complaints. The MIS portal of consumer complaints is being monitored on regular basis to ensure the delivery of services within prescribed time line.

- UHBVN has been making earnest efforts to improve system reliability and quality of supply to the consumers. As of now the average supply of 21 hours is provided to the consumers. Power supply of 24 hours is being provided to 3,355 villages out of 3,588 villages in addition to all urban and industrial feeders. UHBVN has been aggressively working on strengthening of distribution network. The work of bifurcation/trifurcation of over loaded feeders and creation of new substations has been undertaken under various schemes. Further the strengthening of LT system is being undertaken in feeder sanitisation scheme and Loss Reduction Plan in rural and urban areas respectively. UHBVN has also undertaken the preventive maintenance of distribution transformers which has significantly reduced the distribution transformer failure rate in urban areas. In some of the subdivisions, O&M activities has been outsourced on pilot mode, the same will be replicated in other subdivisions after analysing the outcome of the pilot projects. Based on the above initiatives, UHBVN ranking has improved significantly. Annual Integrated of UHBVN issued by Ministry of Power, GoI has improved from B Category to A+ Category from year FY 2015-16 to FY 2022-23. Antyodaya Scheme, where defaulting amount of domestic consumers of 28,258 were involved with amount been deposited and waived off are Rs 15.02 Cr. and Rs. 28.98 Crore respectively.
- UHBVN will remain focused on strengthening billing and collection in the licensed area. Sincere efforts will be made towards the achievement of standards of performance target laid down by the Hon'ble Commission under HERC Standard of Performance for Distribution Licensee Regulations, 2020. In the ensuing years of the Control Period from FY 2025-26 to FY 2029-30, UHBVN will implement Smart Metering in all Circles under four different packages. UHBVN had floated various NIT on 15.12.2023 covering all packages & Part-I bids (except 1 no. Package in UHBVN) have been opened on 18.10.2024 and are under techno-commercial evaluation under UHBVN of Rs. 1924 Crore.

<table>
<tr><th colspan="3">UHBVN</th></tr>
<tr><td rowspan="3">Package-A (Rs. 470.29 Cr.)</td><td>Ambala</td><td rowspan="3">1) M/s Avon Meters Ltd.
2) M/s HPL Electric & Power Pvt. Ltd.</td></tr>
<tr><td>Kaithal</td></tr>
<tr><td>Panchkula</td></tr>
</table>

<table>
<tr><th colspan="3">UHBVN</th></tr>
<tr><td rowspan="3">Package-B (Rs. 515.95 Cr.)</td><td>Panipat</td><td rowspan="3">1) M/s Genus Power Infrastructure
2) M/s Bentecc India Ltd.</td></tr>
<tr><td>Sonepat</td></tr>
<tr><td>Karnal</td></tr>
<tr><td rowspan="3">Package-C (Rs. 454.05 Cr.)</td><td>Jhajjar</td><td rowspan="3">Date Extended upto 03.12.2024</td></tr>
<tr><td>Rohtak</td></tr>
<tr><td>Gohana Division</td></tr>
<tr><td rowspan="2">Package-D (Rs. 681 Cr.)</td><td>Yamuna Nagar</td><td rowspan="2">1) M/s Iskraemeco Pvt. Ltd.
2) M/s Linkwell Telesystems Pvt. Ltd</td></tr>
<tr><td>Kurukshetra</td></tr>
</table>

DHBVNL

- Special campaign to disconnect the regular defaulters has been conducted under which arrear of Rs 748.16 crores were recovered from 74,318 defaulting consumers. Consumer indexing at DT level has been conducted by the DHBVN and sizing & sequencing of the consumer binders have been carried out to minimise the bill distribution time. Defaulting amount of RDS feeders has also been analysed, and on reduction of defaulting amount to the level of 10% power supply of 24 hours is being provided.
- Further to ensure the delivery of citizen services within the prescribed time frame as per standards of performance, online portal has been created by DHBVN for release of new connections, extension/reduction of load and change of name. The lead time has significantly reduced after delivery of citizen services through online mode. DHBVN has also maintained the dedicated toll-free numbers 1912 and 1800-180-4334 for registration of consumer complaints. The MIS portal of consumer complaints is being monitored on regular basis to ensure the delivery of services within prescribed time line.
- DHBVN has been making earnest efforts to improve system reliability and quality of supply to the consumers. As of now the average supply of 21 hours is provided to the consumers. Power supply of 24 hours is being provided to 2,506 villages out of 3,666 villages in addition to all urban and industrial feeders. DHBVN has been aggressively working on strengthening of distribution network. The work of bifurcation/trifurcation of over loaded feeders and creation of new substations has been undertaken under various schemes. Further the strengthening of LT system is being undertaken in feeder sanitisation scheme and Loss Reduction Plan in rural and urban areas respectively. DHBVN has also undertaken the preventive maintenance of distribution transformers which has significantly reduced the distribution transformer failure rate in urban areas. In some of the subdivisions, O&M activities has been outsourced on pilot mode, the same will be replicated in other subdivisions after analysing the outcome of the pilot projects.

- Based on the above initiatives, DHBVN ranking has improved significantly. Annual Integrated of DHBVN issued by Ministry of Power, GoI has improved from B Category to A+ Category from year FY 2015-16 to FY 2022-23. SARAL Antodaya Score, which is being evaluated by the Govt of Haryana based on the delivery of citizen services and ease of doing business, has also improved from 8.9 to 9.9 from Jan'20 to June'23.
- DHBVN will remain focused on strengthening billing and collection in the licensed area. Sincere efforts will be made towards the achievement of standards of performance target laid down by the Hon'ble Commission under HERC Standard of Performance for Distribution Licensee Regulations, 2004 and amended subsequently. In the ensuing years of the Control Period from FY 2025-26 to FY 2029-30, DHBVN will implement Smart Metering in all Circles under four different packages, DHBVN had floated various NIT on 15.12.2023 covering all packages & Part-I bids of all packages have been opened on 18.10.2024 and are under techno-commercial evaluation under DHBVN of Rs. 2354 Crore.

<table>
<tr><td rowspan="3">Package-A (Rs. 546 Cr.)</td><td>Gurugram-I</td><td rowspan="3">1) M/s Secure Meters Ltd.
2) M/s Iskraemeco India Pvt. Ltd.</td></tr>
<tr><td>Gurugram-II</td></tr>
<tr><td>Faridabad</td></tr>
<tr><td rowspan="3">Package-B (Rs. 579 Cr.)</td><td>Palwal</td><td rowspan="3">1) M/s HPL Electric & Power Ltd.
2) M/s Iskraemeco India Pvt. Ltd.</td></tr>
<tr><td>Narnaul</td></tr>
<tr><td>Rewari</td></tr>
<tr><td rowspan="2">Package-C (Rs. 548 Cr.)</td><td>Hisar</td><td rowspan="2">1) M/s Bentecc India Ltd.
2) M/s Avon Meters Pvt. Ltd.</td></tr>
<tr><td>Bhiwani</td></tr>
<tr><td rowspan="3">Package-D (Rs. 681 Cr.)</td><td>Sirsa</td><td rowspan="3">3) M/s Linkwell Telesystems Pvt. Ltd.
4) M/s Genus Power Infrastructure</td></tr>
<tr><td>Fatehabad</td></tr>
<tr><td>Jind</td></tr>
</table>

- Concerted efforts will be made towards the recovery of accumulated defaulting amount in rural areas. DHBVN will implement Feeder Sanitization Scheme in balance villages, introduce prepaid metering in rural areas and ensure migration of billing data of rural areas into IT platform. In the direction to ensure more transparency and efficiency in the overall business process, DHBVN has planned to introduce Enterprise Resource Planning (ERP) initially for Human Resource Management including self- service for employees, Finance & Accounts, Material Management (Purchase and Stores) and Project Management activities.

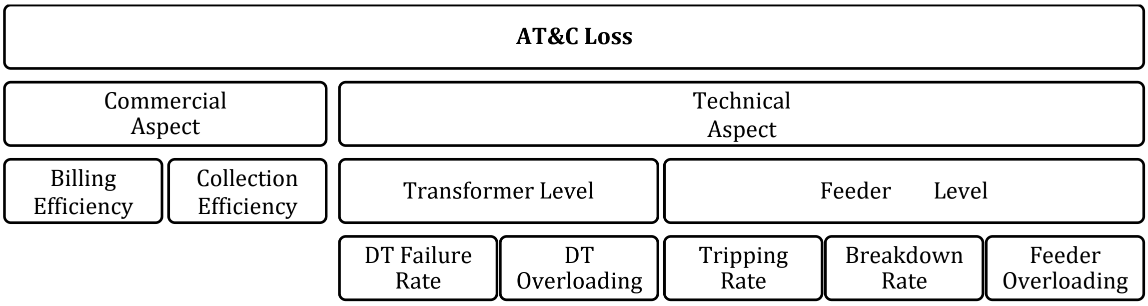
  That apart from above, both the discoms have implemented Revamped Distribution Sector Scheme (RDSS) which is strategically designed to enhance operational efficiencies and drive financial sustainability within the power distribution sector. With a key focus on reducing technical and commercial losses in the distribution network, RDSS incorporates a comprehensive loss reduction plan that includes the following targeted initiatives:

- Replacement of LT Bare Conductor with LT Armoured XLPE Cable of various sizes
- Re-conducting of existing worn-out LT Line with new ACSR Conductor of various sizes
- Augmentation of existing 11 KV Line with new ACSR Conductor / XLPE Cable of various sizes
- Bifurcation of existing 11 KV Feeders
- Installation of VCBs

To date, contracts worth Rs. 830.10 Crores (UHBVNL) and Rs. 557 Crores (DHBVNL) have been awarded, with field execution underway by various contracted firms.

1.7.2 Plan for reduction in Distribution & Non-Technical Losses

i. Reduction of technical and commercial losses has a significant role in ensuring financial viability of the distribution licensee. Discoms will continue to make concerted efforts toward reduction of aggregate technical and commercial losses in Third MYT Control Period. The loss reduction activities will be categorised under the following major heads depicted in the chart given below:



1.7.3 Technical Loss Reduction

Technical losses are attributable to transformation losses, I^2R losses, loose conductor joints, improper network topology, overloading conditions and low power factor etc. Strengthening of distribution network has been planned to curb the technical losses prevailing into the system. Discoms have planned to undertake various system strengthening activities under the proposed Capital Expenditure Plan for MYT Control Period which are listed as under:

- Creation of new and augmentation of existing 33 kV sub-stations
- Installation and augmentation of distribution transformers
- Installation of capacitor banks,
- Bifurcation/trifurcation of overloaded 11 kV feeders,
- Implementation of HVDS distribution system,

- Feeder sanitization of urban and rural 11 KV feeders

These works will be carried out with the funds available under Central and State Govt Schemes or under self-finance mode.

1.7.4 Non-Technical (Commercial) Loss Reduction

That non-technical losses are majorly caused due to thefts of electricity, defective and tampered meters, default in payment of electricity bills, inaccurate metering and billing. In order to curb such losses following measures will be undertaken by Discoms in the Third MYT Control Period:

- Theft Detection: Aggressive theft detection drives have been conducted by discoms over the past few years. They have launched Theft Informer Scheme to encourage the participation of the consumers for detection of electricity theft. Discoms will be undertaking theft drives more frequently in the ensuing years of the MYT control Period;
- Feeder Sanitization Scheme: Sanitization of Rural feeders has been carried out by UHBVN and DHBVNL to curb the power theft in rural areas and provide quality services to the consumers. Under this, various activities like replacement of defective meters, relocation of meters outside the premises, replacement of bare conductor with armored cable and release of new connections were undertaken and 24 hours power supply were given to the villages on reduction of AT&C losses level less than 20%.
- Replacement of Defective Meters: Discoms will intensify its efforts to replace defective or sluggish meters by conducting more frequent drives, prioritizing subdivisions with high revenue potential and significant system losses. The utilities are committed to achieving the prescribed standards of performance during the MYT Control Period through comprehensive measures. Transformer earthing will be verified annually, with earth resistance measured on-site, and proper earthing ensured using GI strips for neutral connections and the transformer body. Transformer oil's breakdown voltage will be tested yearly, with on-site dehydration conducted if necessary. Safety enhancements will include insulating LT rods, bushings, and fuse unit boards. Regular load balancing of transformers will be performed, maintaining optimal loading positions for maximum efficiency and minimal losses at 70%–80% load. Additionally, field staff will receive training to ensure proper maintenance and efficient handling of distribution transformers, further strengthening UHBVN's operational and service standards.

- Replacement of Electrotechnical Meters: A large-scale campaign to replace electromechanical energy meters with electronic meters was undertaken by UHBVN in previous years. A very miniscule number of electromechanical meters are remaining in urban areas for replacement whereas in rural areas, total number of electromechanical meters has reduced significantly. UHBVN in the ensuing years of MYT Control period will make concerted efforts to replace the balance electromechanical with electronic meters. In Hard Core villages, where due to public resentment MGJG work is still not completed, help of local administration, sarpanch and law enforcement authorities are being undertaken for replacement of pending meters.

1.7.5 Plan for improvement in Quality of Supply & Reliability

That efforts are being made to improve quality of power supply as the same plays key role in reliability of power. Discoms are keeping constant check on power factor and voltage variations at feeder and distribution transformer level through monitoring system and enforced standard of performance to improve quality of supply.

Apart from ensuring quality of supply, UHBVN and DHBVNL are also focusing on reliability of power supply. Discoms have been undertaking continuous preventive maintenance of distribution of transformers like topping up of oil and load balancing, installation of capacitor banks on DTs, trimming of trees under the LT Lines, removal of sagging from LT Lines, providing stay between LT Lines, reconductoring of damaged lines, muffing of pole, providing of stay to poles, earthing of electrical equipment, replacement of damaged insulators, maintenance of circuit breakers, , maintenance of DT insulators & GO fuses etc. to ensure the reliability of power supply to the consumers.

That the Discoms have planned to implement SCADA and Ring Main Network in upcoming years for ensuring quality and reliability of power supply. Besides, the regular operation and maintenance activities will be undertaken in more intensive manner to achieve the prescribed HERC Standard of Performance in the ensuing years of the MYT Control Period.

1.7.6 Plan for Improvement in Metering

That metering plays a vital role in distribution business as it directly affects the revenue stream of distribution licensee. Over the years there have been issues of metering accuracy which has resulted into consumer dissatisfaction and accumulation of defaulting amount. Discoms have implemented meter reading through AMR for HT consumers and Hand Held

Devices for LT Consumers to eliminate the human error in metering process. UHBVN has also made rigorous efforts to relocate of energy meter outside the consumer premises to improve the metering process.

Discoms have planned to introduce prepaid metering in rural areas to improve metering and collection efficiency in the upcoming years.

UHBVNL

That the Smart Metering Project, valued at an estimated Rs 1,944 Crore, encompasses a broad consumer base of approximately 32.40 lakh, covering various consumer categories, including single-phase, three-phase, LT-CT, HT CT-PT, and Distribution Transformer (DT) meters. It is submitted that UHBVNL has already began implementing smart metering in its other area jurisdiction for improvement in Billing and Collection Efficiency and reduction in provisional billing.

DHBVNL

That a comprehensive smart metering has been carried out in Gurugram and Faridabad. Gurugram's infrastructure enhancement, specifically across Sectors 1-57, includes four contractual projects targeting the underground conversion of 11 kV overhead feeders. To date, two of these projects are fully completed, while the remaining two are in progress, resulting in 517 feeders completed and 502 feeders energized. Advanced Metering Infrastructure (AMI) installation of 3.72 lakh smart meters, executed by EESL with L&T as the System Integrator, reached completion on 20.01.2024. The subsequent five-year operation and maintenance (O&M) phase began on 21.01.2024 and is scheduled to conclude on 20.01.2029. This deployment also aligns with SCADA integration, enhancing network visibility and control.

The Smart Metering Project, valued at an estimated Rs 2354 Crore, encompasses a broad consumer base of approximately 32.90 lakh, covering various consumer categories, including single-phase, three-phase, LT-CT, HT CT-PT, and Distribution Transformer (DT) meters. The project is divided into four packages spanning all eleven operational circles. Designed with a 10-year contract period, the project includes a 30-month implementation phase followed by a comprehensive O&M period. The phase wise implementation is as follows;

Phase-I of Smart Metering Implementation in DHBVN

Milestone	Timeline	Milestone Description
Milestone-1	T(a) + 3 months	Submission of Design Documents.
Milestone-2	T(a) + 6 months	Setting up of SMOC & SMMC;

		Installation and commissioning of HES system Supply, installation, commissioning and integration of 20% of the total smart meters;
Milestone-3	T(a) + 9 months	Supply, installation, commissioning, and integration of additional 20% of the total smart meters; Go Live declaration of Project.
Milestone-4	T(a) + 12 months	Supply, installation, commissioning, and integration of additional 20 % of the total smart meters.
Milestone-5	T(a) + 15 months	Supply, installation, commissioning, and integration of additional 20 % of the total smart meters.
Milestone-6	T(a) + 18 months	Supply, installation, commissioning, and integration of remaining active connections identified by DISCOM.

Phase-II of Smart Metering Implementation in DHBVN

Milestone	Timeline	No. of Meters to be Installed (identified meters)
Milestone-1	T(b) + 3 months	25% of the total smart meters;
Milestone-2	T(b) + 6 months	25% of the total smart meters;
Milestone-3	T(b) + 9 months	25% of the total smart meters;
Milestone-4	T(b) + 12 months	25% of the total smart meters;

DHBVN has submitted that it has already began with planning to roll out smart metering in its other area jurisdiction which comprises of four different packages covering different areas of the DHBVN which are follows;

Phase-II of Smart Metering Implementation in DHBVN

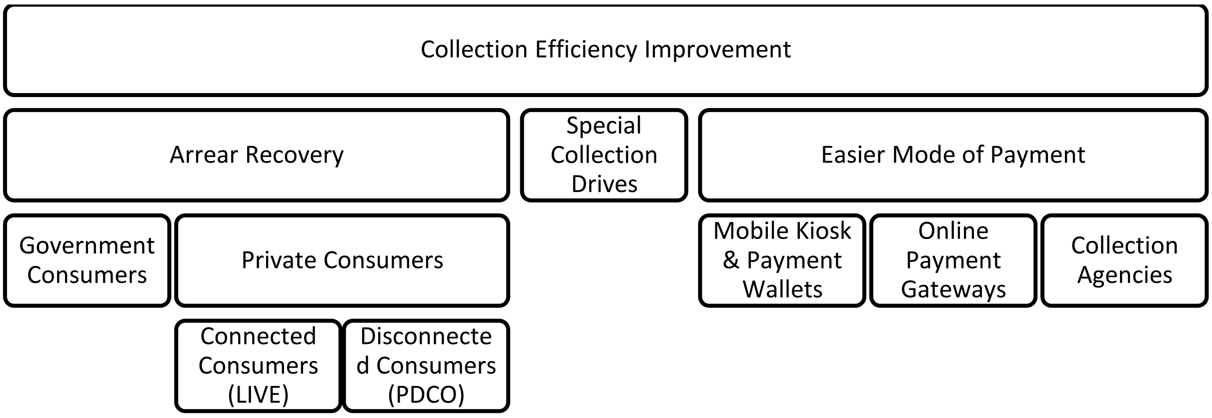
S. No.	Package Details
1	Package- A (Gurugram – I, II and Faridabad)
2	Package- B (Palwal, Narnaul and Rewari)
3	Package- C (Hisar and Bhiwani)
4	Package- D (Sirsa, Fatehabad and Jind)

1.7.7 Plan for Improvement in Collection Efficiency

Collection efficiency of UHBVN and DHBVNL have improved significantly over the past few years. UHBVN has achieved collection efficiency of 100% in FY 2023-24. DHBVN has achieved collection efficiency of 97.13% in FY 2022-23 and 100.03% in FY 2023-24.

Discoms have undertaken various measures depicted in chart below to improve collection efficiency:

Collection Efficiency Segregation



That both the Discoms have introduced various schemes like Voluntary Disclosure Scheme, Surcharge Waiver Scheme, Bill Settlement Scheme for collection of defaulting amounts in rural and urban. Principal defaulting amount was also recovered from Govt. bodies under One Time Settlement Scheme.

Intensive vigilance drives were conducted by the UHBVN and DHBVNL to detect the pilferage of power from the distribution system. UHBVN has also introduced theft informer scheme to encourage the participation of the consumer in detecting power theft. A portion of the assessed amount of power theft was shared with the informer on detection of power theft.

Additionally, to encourage the online payment of electricity bill, Merchant Discounting Rate (MDR) charges have been waived off in the online payment of electricity bills.

Further, DHBVNL has implemented a pilot project of rural franchisee on revenue sharing model in operation circle Narnaul on 11 KV RDS feeders having AT&C losses more than 50%. The outcomes of the pilot project are being analysed and implemented accordingly on other feeders.

1.7.8 Plan for Improvement in Billing Efficiency

The Discoms have been making concerted efforts for improvement of billing efficiency.

UHBVNL

UHBVN has introduced Spot Billing in all RADRP towns and would be implementing Smart Metering and Prepaid metering respectively in urban and rural areas in the upcoming years.

In RAPDRP area billing data has been migrated to IT platform due to which billing efficiency has improved in urban areas. Similarly, UHBVN is planning to migrate billing data of rural subdivisions into IT Platform.

UHBVN has indexed the consumer upto DT level in RAPDRP towns. According to the route sequencing binders have been resized in order to improve the collection efficiency. Similarly, GIS mapping of asset and consumer indexing will be conducted in rural areas in the ensuing years of Third MYT Control Period.

DHBVNL

DHBVN has been making concerted efforts for improvement of billing efficiency. DHBVN has introduced Spot Billing in all RADRP towns and would be implementing Smart Metering and Prepaid metering respectively in urban and rural areas in the upcoming years.

DHBVN has set up Centralized Billing Office (CBO) which has taken over all billing related functions of the sub-divisional offices. CBO carries out pre and post audit of exceptional billing cases and resolves them with the help of subdivision technical staff inputs. This has effectively reduced exceptions of under assessment and wrong billing and thereby improved the billing efficiency.

In RAPDRP area billing data has been migrated to IT platform due to which billing efficiency has improved in urban areas. Similarly, DHBVN is planning to migrate billing data of rural subdivisions into IT Platform under IPDS Scheme.

DHBVN has indexed the consumer upto DT level in RAPDRP towns. According to the route sequencing binders have been resized in order to improve the collection efficiency. Similarly, GIS mapping of asset and consumer indexing will be conducted in rural areas under IPDS Scheme in the ensuing years of Third MYT Control Period.

1.7.9 Plan for Improvement in Consumer Services/New Consumer Services

In pursuit of excellence, Discoms will endeavor to strengthen existing services and introduce new initiatives. These efforts align with the objectives of ease of doing business, ease of living, adhering to consumer rights regulations, and improving customer satisfaction and consumer delight, as outlined below:

i. **Timely Service Delivery**

   The utilities will ensure time-bound processing of new electricity connections and address pending applications with urgency. Clear timelines will be established to streamline consumer touchpoints and align with regulatory expectations.

ii. **Complaint Resolution and Consumer engagement**

Discoms will be prioritizing the resolution of complaints related to billing, metering, and other service aspects within stipulated timelines, in line with amendments to the Supply Code. The emphasis is on fostering trust through responsive and effective consumer interactions.

To further enhance consumer convenience, mobile application enhancements are underway. These include providing real-time access to bill-related information, outage notifications, and enabling self-service options such as name changes and load adjustments. Additionally, AI and GIS integration will enable proactive alerts for potential outages and service disruptions, delivering precise, location-based notifications.

iii. Streamlined Processes and Digital Transformation

Discoms will be committed to simplifying consumer processes through comprehensive digital initiatives. Key measures include:

Enhanced Billing and Payment Options: Consumers can access historical and current bill information and make payments through multiple channels, such as online banking, UPI, e-wallets, and RTGS/NEFT. SMS and email alerts will serve as reminders for payment due dates.

Complaint Redressal: An upgraded system will enable seamless registration and tracking of complaints. Consumers will have access to locator tools for nearby service centers and e-Kiosks, improving service accessibility.

AI-Driven Consumer Support: Routine consumer queries will be managed efficiently using AI-powered chatbots, offering round-the-clock support.

iv. Feedback Integration and Inventory Management

Consumer feedback will play a pivotal role in service enhancements. A larger sample size for feedback collection and actionable steps based on consumer input will ensure continual improvement. Inventory management practices will also be optimized, ensuring the availability of critical materials to address meter-related complaints and facilitate new connection releases.

v. Streamlines Connections Processes

Discoms have set ambitious goals to expedite the release of new and pending electricity connections:

Simplified Online Interfaces: User-friendly digital platforms will enable real-time tracking of connection applications and automate processes for faster service.

Expedited Small Commercial Connections: Upfront service charges, as determined by HERC, will facilitate faster processing for connections up to 150 kW.

HT Connection Prioritization: High-tension (HT) connections will be released during lean operational periods to address pending cases caused by system constraints.

vi. Monitoring and Outsourcing for Efficiency

Regular monitoring of application statuses, material availability, and activity timelines will ensure adherence to service commitments. Outsourcing options will be explored to enable rapid execution and implementation of service enhancements.

Through these measures, Discoms are reaffirming its commitment to delivering a superior, consumer-first experience while aligning with regulatory and operational benchmarks.

1.7.10 Demand Side Management

Demand Side Management entails the actions that influence the quantity or patterns of energy consumption of the end users.

UHBVNL

In DSM, following schemes have been identified and proposal was sent for approval to UHBVN's Management.

a) Replacement of Old Inefficient A.C with BEE 5-star Energy Efficient A.C for rural & urban households under exchange & new installation arrangement / modes.
b) Replacement of old inefficient fans with Energy Efficient BLDC fans.

UHBVN has undertaken a large-scale campaign to distribute energy efficient AC and fans to consumers at subsidized rate in order to reduce the energy requirement in peak hours. Time of Use Tariff was also introduced from time to time for encouraging consumers to shift their peak hour demand into off peak hours. Additionally, concessional tariff was introduced for HT industry consumers to shift their peak load into off peak hours and a rebate was provided to the consumers for the incremental consumption during off peak hours.

DHBVNL

DHBVN has planned to undertake some of the Demand Side Management measures depicted below-

i. **Load Levelling**
   - Reducing consumption at peak times ("peak shaving"),
   - Increasing it during off-peak times ("valley filling"),
   - Shifting the load from peak to off-peak periods

ii. **Load control**
   - Energy storage devices located on the customer's side of the meter can be used to shift the timing of energy consumption.

iii. **Rate Schedules**
   - Structuring energy rates to encourage customers to modify their pattern of energy use
   - Eg. Time-of-Use Rates, Power Factor Charges, Real-Time Pricing

DHBVN has undertaken a large-scale campaign to distribute energy efficient AC and fans to consumers at subsidized rate in order to reduce the energy requirement in peak hours. Time of Use Tariff was also introduced from time to time for encouraging consumers to shift their peak hour demand into off peak hours. Additionally, concessional tariff was introduced for HT industry consumers to shift their peak load into off peak hours and a rebate was provided to the consumers for the incremental consumption during off peak hours.

DHBVN has planned to provide energy efficient agriculture pump sets at subsidized rate along with release of new agriculture connections. DHBVN is planning to release more than 50,000 new agriculture tubewell connections in ensuing years.

DHBVN has planned to run all AP feeder of the paddy areas in single shift, in order to avail the benefit of surplus power. The work requirement related to augmentation of power transformers at 33/11 KV Stations and 11 KV Feeders has been assessed.

1.7.11 MIS Strategy and IT Initiatives

Management Information System is already in place in Discoms. Billing platform generates various MIS reports related to defaulting amount, high bill cases, average bill cases, meter connection orders, permanently disconnected consumer orders, tripping & breakdown, transformer failure, defective meters, billing and collection etc. for monitoring the status of various performance parameters at sub division, division, circle and utility as a whole. The MIS reports of RAPDRP areas are online and show real time status. However, the MIS on Non-

RAPDRP areas has certain time lag which will be eliminated after migration of billing data into IT platform. The data migration work of Non-RAPDRP Areas will be undertaken in the ensuing years.

Citizen services are also being delivered through online mode. IT based power forecasting and scheduling has already been placed for optimization of power purchase cost. Discoms in the upcoming years will strengthen and integrate these initiatives to optimize the operational cost and other performance parameters.

1.8 Capital Investment Plan

Proposed Capital Expenditure

Capital Investments are necessary in the company to meet the growth in load by system augmentation, reduce technical and commercial losses through investing in better technology and replacing the aging assets to improve quality of service. A well-implemented capital investment plan is essential to meet the target of 24 hours supply by the Discom while reducing the losses simultaneously.

Discoms have been time and again undertaking various schemes in order to attain the goals of providing their consumers with reliable and uninterrupted power supply. To reduce the technical and commercial losses in the system, various schemes and programs have been launched which includes Urban Feeder sensitization, bifurcation/ trifurcation of feeders, augmentation of overloaded feeders etc. Many of these loss reduction programs are already under implementation and Discoms proposes to continue with such similar schemes to achieve the objective of having the most reliable distribution network. In last three consecutive years, investments made by Discoms have been optimum which has resulted in higher rate of reduction in AT&C losses.

Capital Expenditure Plan for MYT Period for FY 2025-26 to FY 2029-30 is proposed with a focused approach to strengthen the distribution network, reduce distribution losses and increase IT implementation. Major expenditure is proposed towards creation of new sub-stations, bifurcation/trifurcation of 11 KV feeders, feeder sanitization, IT Implementations such as SCADA and other works. CAPEX would be funded mostly through debt sourced from REC & PFC, equity support from the State Govt. and consumer contribution. Scheme Wise Capital Expenditure Plan of UHBVN for MYT Period from FY 2025-26 to FY 2029-30 is tabulated as under:

UHBVNL Scheme-wise details of CAPEX for Control Period FY 2025-26 TO FY 2029-30

	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
A	PD&C Wing					
1	Creation of new 33 kV sub-stations alongwith Spill Over and associated 33 kV & 11 kV lines including civil works /Normal development (33 kV & 11 kV)	163.00	248.00	124.00	112.00	104.00
2	Augmentation of existing 33 kV sub-stations including civil works	50.00	58.00	10.00	8.00	12.00
3	Augmentation of existing 33 kV lines	2.70	6.00	5.50	7.00	5.50
4	Release of tube well connections on Turn Key Basis	12.50	20.00	22.00	18.00	15.00
5	Civil Works other than substation buildings	10.00	18.00	17.00	20.00	15.00
6	RDSS (Revamped Distribution Sector Scheme)	280.00	400.00	400.00	400.00	300.00
7	11 kV other works	15.00	50.00	78.00	80.00	70.00
8	Shifting of 11/33 kV Dangerous line passing over residential areas	20.00	-	-	-	-
9	EV Charging Station	2.00	3.00	2.00	4.00	2.00
10	LRP works (Urban sanitization) and works to be carried out under MGJG scheme	-	248.00	124.00	112.00	104.00
	Total A	555.20	803.00	658.50	649.00	523.50
B	IT Wing					
11	SCADA under RDSS	100.00	325.43	108.47	-	-
12	Installation of smart meter in UHBVN	400.00	600.00	600.00	140.00	-
13	System Integrator (ERPSI) for Supply, Installation, Commissioning, Implementation and Support for Enterprise Resource Planning (ERP) System at UHBVN	30.00	36.87	3.20	3.20	3.20
14	IT/OT Works	30.00	10.00	15.00	7.50	7.50
	Total B	560.00	972.30	726.67	150.70	10.70
C	MM Wing					
15	Material required for release of Non-AP connections & replacement of old assets / system improvement & normal development	596.19	576.65	647.73	729.73	819.25
	Total C	596.19	576.65	647.73	729.73	819.25
	Gross proposed Capex (A+B+C)	**1,711.39**	**2,351.95**	**2,032.90**	**1,529.43**	**1,353.45**

DHBVNL Scheme-wise details of CAPEX for Control Period FY 2025-26 TO FY 2029-30

	Description	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
A						
1	Creation of new 33 kV sub-stations alongwith associated 33 kV & 11 kV lines	100.00	105.00	110.00	115.00	125.00
2	Augmentation of existing 33 kV sub-stations	80.00	60.00	60.00	60.00	60.00
3	Augmentation of existing 33 kV lines	20.00	20.00	20.00	20.00	20.00
4	Release of Tube well connection on turnkey basis	100.00	100.00	100.00	100.00	100.00
5	Civil allied works other than substation works	50.95	38.56	40.67	42.5	48.6
6	Double source of 33 KV supply/change of feeding source of 33 KV substation	10	10	10	10	10
7	RDSS (Revamped Distribution Sector Scheme)	460.00	460.00	480.00	0.00	0.00
8	Power Factor Improvement (Providing automatic power factor correctors)	30.00	10.00	10.00	10.00	10.00
	Total A	**850.95**	**803.56**	**830.67**	**357.50**	**373.60**
B						
9	Construction of New Solar Plants	35.00	-	-	-	-
10	Smart Metering	627.3	616.35	250.76	127.16	127.16
11	ERP System	15.05	12.94	2.00	2.00	2.00
12	Development of New and Upgradation of existing Applications/Softwares	36.29	11.49	11.18	11.39	11.63

	Description	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
13	Purchase & upgradation of IT Hardware/Solutions (e.g. servers and allied Data Centre Hardware/solution, field equipments etc.)	27.70	8.00	6.75	4.50	4.50
	Total B	**741.34**	**648.78**	**270.69**	**145.05**	**145.29**
C						
15	Material required for release of connections, replacement of old assets / system improvement including material for MGJG/LRP/RDSS works etc & normal development including providing of power transformers for augmentation of substation etc	300	220	260	300	350
	Total C	**300**	**220**	**260**	**300**	**350**
D						
16	Bifurcation of 11 kV feeders (Work of bifurcation of feeders, augmentation of ACSR).	50	50	50	50	50
17	Mahara gaon jagmag gaon scheme for rural area and feeder sanitization for Urban area/LRP/Replacement of iron pole etc. other than the works covered under RDSS	100	75	50	50	30
18	Shifting of dangerous11/33 KV lines	30	25	0	0	0
	Total D	**180**	**150**	**100**	**100**	**80**
	Gross proposed CAPEX (A+B+C+D)	**2,072.29**	**1,822.34**	**1,461.36**	**902.55**	**948.89**

Proposed Funding of Capital Expenditure

UHBVNL CAPEX for Control Period FY 2025-26 TO FY 2029-30 (Rs. Crore)

S. No.	Particulars	FY 26	FY 27	FY 28	FY 29	FY 30
1	Consumer contribution	34.23	47.04	40.66	30.59	27.07
2	Equity	342.28	470.39	406.58	305.89	270.69
3	Debt	1,334.88	1,834.52	1,585.66	1,192.96	1,055.69
4	Total Capital Expenditure	1,711.39	2,351.95	2,032.90	1,529.43	1,353.45

DHBVNL Funding of CAPEX for Control Period FY 2025-26 and FY 2029-30

S. No.	Particulars	FY 26	FY 27	FY 28	FY 29	FY 30
1	Equity	414.46	364.47	292.27	180.51	189.78
2	Loan from Fis/Banks	1,281.83	1,081.87	781.09	622.04	659.11
3	Consumer Contribution & Grant	376.00	376.00	388.00	100.00	100.00
4	**Total Capital Expenditure**	**2,072.29**	**1,822.34**	**1,461.36**	**902.55**	**948.89**

Capital Work in Progress

That besides focusing on investment, Discoms are also taking initiatives to improve the capitalization rate. A faster capitalization of assets would imply that Discoms would be able to reduce cost of implementation (reducing over-runs and delays) and start using the asset sooner.

UHBVNL

UHBVNL Summary of CWIP (Rs. Crore)

S. No.	Particulars	FY 26	FY 27	FY 28	FY 29	FY 30
1	Opening CWIP	780.09	1,238.92	1,816.25	2,072.45	2,035.25
2	Add: Capex	1,711.39	2,351.95	2,032.90	1,529.43	1,353.45
3	Less: Capitalization	1,338.87	1,906.74	1,946.24	1,746.64	1,626.17
4	IDC	86.31	132.12	169.54	180.01	174.72
5	Closing CWIP	1,238.92	1,816.25	2,072.45	2,035.25	1,937.25

DHBVNL Summary of CWIP (Rs. Crore)

S. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Opening CWIP	1,395.07	1,969.09	2,080.00	1,905.15	1,472.53
2	Add: CAPEX	2,072.29	1,822.34	1,461.36	902.55	948.89
3	Less: Capitalization	1,665.96	1,910.39	1,832.54	1,504.11	1,263.08
4	IDC	167.68	198.96	196.33	168.95	141.76
5	Closing CWIP	1,969.09	2,080.00	1,905.15	1,472.53	1,300.11

1.9 Aggregate Revenue Requirement (ARR) for FY 2025-26 and FY 2029-30

That UHBVNL has proposed Aggregate Revenue Requirement for each year of MYT Control Period for FY 2025-26 to FY 2029-30, tabulated as under: -

Rs. Crore

S. No.	Particulars	FY 26	FY 27	FY 28	FY 29	FY 30
1	**Total Power Purchase Expense**	**15,995.87**	**17,540.89**	**18,669.92**	**20,462.52**	**22,092.94**
1.1	*Power Purchase Expense*	14,025.29	15,472.57	16,499.01	18,183.93	19,701.33
1.2	*Interstate Transmission Charges*	890.21	934.37	980.71	1,029.36	1,080.41
1.3	*Intrastate Transmission Charges & SLDC Charges*	1,080.37	1,133.95	1,190.20	1,249.23	1,311.19
2	**Operation & Maintenance Expenses**	**1,837.45**	**1,887.63**	**1,942.90**	**1,996.83**	**2,048.21**
2.1	*Employee Expense*	973.33	997.43	1,022.13	1,047.44	1,073.38
2.2	*Administrative & General Expense*	219.14	224.56	230.12	235.82	241.66
2.3	*Repair & Maintenance Expense*	194.99	215.64	240.64	263.57	283.17
2.4	*Terminal Liability*	450.00	450.00	450.00	450.00	450.00
3	Depreciation	**494.96**	**553.32**	**655.89**	**737.69**	**798.83**
4	**Interest and Finance Charges**	**617.66**	**735.38**	**843.53**	**952.49**	**1,054.31**
4.1	*Interest on CAPEX Loans*	304.01	383.24	473.75	557.41	632.49
4.2	*Interest on WC Loans (normative)*	144.05	165.15	179.95	204.82	195.26
4.3	*Interest Cost on Consumer Security Deposit*	142.92	150.30	158.12	166.41	175.19
4.4	*Other Interest Cost*	26.70	36.69	31.71	23.86	21.11
5	Return on Equity Capital	**372.25**	**398.29**	**424.96**	**448.99**	**471.38**
6	*Other Expenses*	**75.48**	**75.48**	**75.48**	**75.48**	**75.48**

S. No.	Particulars	FY 26	FY 27	FY 28	FY 29	FY 30
7	**Total Expenditure**	**19,393.68**	**21,191.00**	**22,612.68**	**24,674.01**	**26,541.15**
8	Less: Non-Tariff Income	**125.02**	**125.02**	**125.02**	**125.02**	**125.02**
9	**Net Aggregate Revenue Requirement**	**19,446.41**	**21,225.83**	**22,584.26**	**24,576.50**	**26,385.87**

That DHBVNL has also proposed Aggregate Revenue Requirement for each year of MYT Control Period for FY 2025-26 to FY 2029-30 as under: -

Rs. Crore

	Particulars	FY 26	FY 27	FY 28	FY -29	FY 30
1	**Total Power Purchase Expense**	**22,253.07**	**24,033.98**	**25,232.68**	**27,258.94**	**28,948.83**
1.1	*Power Purchase Expense*	*19,586.86*	*21,235.53*	*22,295.42*	*24,176.00*	*25,712.97*
1.2	*Interstate Transmission Charges*	*1,410.09*	*1,480.03*	*1,553.44*	*1,630.49*	*1,711.37*
1.3	*Intrastate Transmission Charges & SLDC Charges*	*1,256.12*	*1,318.42*	*1,383.81*	*1,452.45*	*1,524.49*
2	**Operation & Maintenance Expenses**	**2,273.57**	**2,329.90**	**2,397.83**	**2,453.20**	**2,514.49**
2.1	*Employee Expense*	*1,078.23*	*1,100.28*	*1,132.55*	*1,155.71*	*1,189.60*
2.2	*Administrative & General Expense*	*220.30*	*225.75*	*231.35*	*237.07*	*242.94*
2.3	*Repair & Maintenance Expense*	*267.69*	*296.51*	*326.59*	*353.07*	*374.60*
2.4	*Terminal Liability*	*707.35*	*707.35*	*707.35*	*707.35*	*707.35*
3	Depreciation	604.38	674.83	748.59	826.29	888.47
4	**Interest and Finance Charges**	**1,128.99**	**1,060.35**	**1,105.78**	**1,084.92**	**1,143.84**
4.1	*Interest on CAPEX Loans*	*257.43*	*264.76*	*304.50*	*356.62*	*391.46*
4.2	*Interest on WC Loans (normative)*	*568.69*	*492.76*	*481.33*	*386.92*	*373.07*
4.3	*Interest Cost on Consumer Security Deposit*	*231.38*	*253.31*	*276.11*	*299.82*	*324.48*
4.4	*Other Interest Cost*	*13.50*	*14.53*	*15.84*	*17.05*	*18.34*
4.5	*Guarantee Fee*	*58.00*	*35.00*	*28.00*	*24.50*	*36.50*
5	Return on Equity Capital	357.82	395.01	434.12	471.14	503.99
6	Provision for Bad & Doubtful Debts	100.37	107.23	114.61	122.55	131.72
7	**Total Expenditure**	**26,718.20**	**28,601.30**	**30,033.62**	**32,217.05**	**34,131.35**
8	Less: Non-Tariff Income	185.67	185.67	185.67	185.67	185.67
9	**Net Aggregate Revenue Requirement**	**26,532.52**	**28,415.63**	**29,847.94**	**32,031.38**	**33,945.68**

That in view of above, UHBVNL and DHBVNL has requested that the revision in the energy charges as-deem fit for ensuing for FY 2025-26 may be allowed. The cumulative revenue gap during the first year of MYT Period is Rs. 4,520.24 Crores for Haryana Discoms.

Rs. Crore

FY 2025-26	UHBVN	DHBVN	Haryana
ARR of DISCOMs (A)	**19,446.41**	**26,532.52**	**45,978.93**
Total Income of DISCOMs (B)	**17,831.57**	**23,996.26**	**41,827.83**
Sale of Power	15,096.84	20,073.61	35,170.44
Interstate Sales	298.85	417.36	716.21
Subsidy	2,435.88	3,505.29	5,941.17
Net Revenue (Gap)/Surplus	**(1,614.84)**	**(2,536.27)**	**(4,151.11)**
Revenue Surplus/(Gap) for 2024-25			(369.13)
Revenue Surplus/(Gap) at the end of FY 2025-26			**(4,520.24)**

Further, the Discoms have also raised following additional issues for consideration of the Commission: -

i. To reduce the Monthly Minimum Charges (MMC) of AP Connections from Rs. 200/BHP/year to Rs. 180/BHP/year (for motors upto 15 BHP) and Rs. 144/BHP/year (for motors above 15 BHP).
ii. Waiving off MMC for the Tariff Category-I (upto 100 units/month) in the Tariff Order for FY 2025-26 as per the approval of Hon'ble CM dated 20.03.2024.
iii. Mushroom farming above 20kW should be in HT/LT Supply category
iv. Authorization to reduce the timing period of ToD (November to March) from existing six months to 5/4 months.
v. In case of providing 200 kVA transformer for EV, the clauses of transformer and allied equipment to be clearly explained.
vi. Revision in the General & Miscellaneous Charges

1.10 Prayer

In view of the above submissions, UHBVNL and DHBVNL have made the following similar prayers : -

- To take on record and accept the Petition of UHBVNL and DHBVNL for approval of True up for FY 2023-24, Annual Performance Year for FY 2024-25 and Determination of Aggregate Revenue Requirement and Tariff for MYT Period for FY 2025-26 to FY 2029-30;

- To take the accompanying filing of UHBVNL and DHBVNL on record and accept the Business Plan Petition for MYT Control Period for FY 2025-26 to FY 2029-30.

- Allow the Capital Investment Plan and Distribution Loss Trajectory proposed for the MYT Control Period for FY 2025-26 to FY 2029-30;
- Allow the Return on Equity as proposed for the MYT Control Period for FY 2025-26 to FY 2029-30;
- Allow the entire fixed charges of power purchase as the power is procured from the sources whose PPAs have been duly approved by the Hon'ble Commission and also the energy charges of power procurement from these sources as proposed in the filing;
- Allow revision of the current Petition and submission of the additional /supplementary submissions during the course of proceedings;
- Condone any inadvertent omissions/errors/shortcomings and permit the Petitioner to add/change/modify/alter filing and make further submissions as may be required during the course of these proceedings;
- To pass the Order as may be deem fit by the Hon'ble Commission, keeping in view the circumstances and facts submitted by the Petitioner(s).
- Pass such Order, as the Hon'ble Commission may deem fit and appropriate keeping in view the facts and circumstances of the case submitted by the Petitioner(s).

CHAPTER 2

PROCEDURAL ASPECTS

2.1 ARR Petition (UHBVNL & DHBVNL)

The Commission has taken on record the petition(s) filed by the distribution licensee(s) in Haryana i.e. UHBVNL and DHBVNL and examined the same. Further, the Commission, vide memo no. 4321/HERC/No.66 of 2024 dated 26.12.2024 (UHBVNL) and memo no. 4320/HERC/No. 67of 2024 dated 26.12.2024 (DHBVNL), sought a few clarifications /additional information from the petitioners, which were provided by them, which was not adequate. Accordingly, a few additional information was sought from the licensees vide, interim order dated 16.01.2025. Although, the discoms have filed their reply, but the Commission is constrained to note the lackadaisical approach of the Discoms in facilitating the data validation process, despite understanding the urgency and the professed position of protecting consumers interest.

The Commission has taken a very serious view of the aforesaid casual approach and indifferent attitude of the petitioner (s) in handling an urgent matter which would have caused avoidable harassment to the electricity consumers of Haryana by way of delay in the pronouncement of tariff order for the FY 2025-26.

2.2 Public Notice

The Discoms (UHBVNL & DHBVNL), in fulfillment of the statutory requirement under section 64(2) of the Electricity Act, 2003, issued Public Notice in two Newspapers i.e. UHBVNL published the same in the Tribune (English) dated 06.12.2024 and Dainik Bhaskar (Hindi) dated 06.12.2024 and DHBVNL published the notice in the Tribune (English) dated 03.12.2024 and Dainik Tribune (Hindi) dated 03.12.2024; informing the stakeholders/General Public regarding petition/availability of documents on the website and inviting objections on the same.

To take the process forward, the Commission issued Public Notice in two newspapers, having wide circulation in Haryana i.e., Dainik Bhaskar (Hindi) dated 18.12.2024 and The Tribune (English) dated 18.12.2024. The said notice(s) inviting objections/ suggestions/comments from the stakeholders/general public was also placed on the website of the Commission; the last date for filing objections/comments was intimated as 05.01.2025. In response to the public notice, the Commission received comments/suggestions/ objections from stakeholders, the details of the objections / suggestions are listed in the paragraphs that follows.

2.3 Objections filed by the Interveners

In response to the public notice issued by the Discoms and subsequently by the Commission, objections were received from various stakeholders. The objections filed by the interveners, response of the Discoms and the Commission view thereto is as under:

2.3.1 M/s Faridabad Industries Association (FIA)

Comments/objections, vide letter FIA/Letter/2024/087 dated 31st December 2024, received from M/s Faridabad Industries Association, FIA House, Bata Chowk, N.I.T. Faridabad -121001 along with reply of DHBVNL vide Memo No. Ch-05/SE/RA-787 dated 11.01.2025 have been reproduced and dealt as under: -

1. As a pre-requisite of any such petition/application to be filed by any applicant before the appropriate commission, as per Section 64 (2) of the Electricity Act, 2003, "Every applicant shall publish the application in such abridged form and manner as may be specified by the Appropriate Commission." (Ref Electricity Act 2003).

   The intervenor herein has neither seen the abridged form / format specified by the HERC nor published by the distribution licensee prominently, if at all published. Moreover, they ought to have prominently published the same along with its financial impact on the electricity consumers of Haryana. ARR petitions without a tariff proposal leave the consumers in dark and devoid the electricity consumer of an opportunity to examine the tariff proposal and then be subjected to a tariff hike or FSA e.g., 47 paise / unit a tariff by circumventing the rigours of regulatory proceedings and transparency.

   Hence, the instant petition, before the state regulator, ought to be dismissed on the ground that the same is not in line with the spirit of Electricity Act, 2003, and the MYT Regulations read with the Conduct of Business Regulation occupying the field.

   DHBVNL Reply

   DHBVN at the outset would like to submit that it has duly notified the submission of Tariff Petition for 3rd Control Period via Public Notice in various prominent Newspapers, wherein the Executive Summary and unabridged form of the Petition containing the

Revenue gap have duly been made available to all at website of DHBVN. It is further submitted that DHBVN had not specifically encompassed any tariff proposal along with the instant Petition and therefore, the same was not included in the notification via Public Notice.

Further it is submitted that DHBVN has specified in the Public Notice that complete set of documents are available for public consultation during office hours on any working day at the Head Quarter of DHBVN in the office of Superintending Engineer/RA, Vidyut Sadan, Vidyut Nagar, Hisar with nominal fees.

DHBVN submits that the proceeding for FSA is an altogether different matter and the same was not covered under the scope of the instant petition. Hence, DHBVN requests the Hon'ble Commission the query about the same to be heard at the time of relevant proceedings.

Hence, it is submitted that DHBVN has duly complied with all the relevant provision of the Electricity Act, 2003 and MYT Regulations read with the Conduct of Business Regulation in the instant petition, and requests the Hon'ble Commission to admit the Petition for its kind consideration.

Commission's Observations

The Commission has carefully examined the observations of the intervener. As also pointed out by the Nigam, the petition has been duly filed in accordance with Section 61, 62 and 64 of Electricity Act 2003 read with the MYT Regulations occupying the field. In order to keep the cost and price (tariff) aligned and in line with the Electricity Act, 2003, the formula/methodology for working out FSA has been made part of the HERC MYT Regulations, 2019 including its subsequent amendments. Having said so, FSA is formula driven, it is up to the State Government to provide subsidy support to a particular class / category of consumers by taking over its FSA liability or not. In its absence, FSA is recoverable as per the relevant Regulations. Thus, the Discoms have levied FSA in accordance with the provisions of HERC MYT Regulations, in vogue. Hence, no further discussion on this issue is required.

2. The licensee has also assumed a certain figure as subsidy for electricity supply to the AP tube wells in Haryana. The Nigam may, put on record, during the proceedings the commitment of Haryana Govt. that they undertake to pay subsidy as quantified by the Regulators strictly in line with Section 65 of the Electricity Act, 2003. The licensee needs to note that a mere financial statement culled out from the state budget in not sufficient. An undertaking, in writing, from the appropriate authority has to be there that they will pay the subsidy in line with the statute and as quantified by the State Commission. (Emphasis added). Ref Para 4.17.1 Page No 225 of DHBVN Petition).

DHBVNL Reply

DHBVN at the outset would like to submit that as per its Audited accounts for FY 2023-24, it has duly received the subsidy for electricity supplied to the AP tube wells in its supply area in Haryana and therefore it has duly considered the subsidy received from Hon'ble State Government in the instant petition.

Further, on the outset of undertaking, DHBVN submits that it makes an honest effort to receive the subsidy as approved by appropriate authority and pays the subsidy to its consumers in line with the statute and as quantified by the Hon'ble Commission and Hon'ble Government of Haryana.

Commission's Observations

The Commission has examined the submissions of the intervener. In this regard, the Commission has taken note of the provisions of section 65 of the Electricity Act, which provides that there has to be commitment from State Government and the payment of subsidy has to be made in advance. The relevant section is reproduced as under: -

"Section 65. (Provision of subsidy by State Government): If the State Government requires the grant of any subsidy to any consumer or class of consumers in the tariff determined by the State Commission under section 62, the State Government shall, notwithstanding any direction which may be given under section 108, pay, in advance and in such manner as may be specified, the amount to compensate the person affected by the grant of subsidy in the manner the State Commission may direct, as a condition for the license or any other person concerned to implement the subsidy provided for by the State Government: Provided that no such direction of the State Government shall

be operative if the payment is not made in accordance with the provisions contained in this section and the tariff fixed by State Commission shall be applicable from the date of issue of orders by the Commission in this regard."

The Commission, based on the sample voltage-wise losses submitted by the Discoms, determines the estimated cost of service for supply at HT and LT voltage levels. Based on the cost of service of LT consumers, tariff for the AP tube wells category is determined. However, the State Government may continue with the subsidized tariff by providing the advance subsidy, in the beginning of each quarter, as per Section 65 of the Electricity Act, 2003. This fulfills the statutory requirement. Accordingly, no further discussion on this issue is required.

3. The C&I electricity consumers of Haryana, even as per a very rudimentary LT / HT CoS exercise conducted by the HERC in its previous tariff orders, are paying a tariff significantly above the cost imposed by them. Even after two decades of reforms with 'commercial principles' at its core, the C&I consumers may not continue to bear the burden of cross-subsidy especially in view the fiercely competitive market that they have to operate in. However, as directed by the Ld. APTEL that the Commission has not published/approved/accepted any scientific CoS. Neither voltage wise assets, losses, cross-subsidy surcharge etc. are being filed in their petition / application. Neither voltage wise cross subsidy surcharge, losses etc. are available nor cost/revenue segregation and allocation have been scientifically done despite the fact that there are no dearth of literature / methodology available in the public domain to conduct such study. Thus, the licensee Nigam is avoiding conduct of CoS as the cost imposed by the C&I will work on significantly on the lower side requiring reduction in tariff as well as removal of FSA as well as the Cross Subsidy Surcharge and Additional Surcharge being recovered from the Open Access consumers in Haryana. A flawed computation makes the C&I consumer pay an unjustified and exorbitant tariff and at the same time makes open access power un-economical. The state commission ought to look into these aspects so that a cart is put before a bullock. (Ref HERC Order dated 5th March 2024 in Petition No. 69 and 70 of 2023).

DHBVNL Reply

DHBVN submits that the information is being furnished from time to time as and when required by the Hon'ble Commission. In regard to submission of measure or plan to reduce the inter category cross subsidy, Tariff is being charged to the consumers on the basis of average cost of supply incurred by the Discoms. Efforts are being made to reduce the AT&C losses which eventually mellow down the current level of average cost of supply of the Discoms.

DHBVN at the outset submits that the tariffs for Commercial and Industrial (C&I) consumers are determined in line with the principles of the Electricity Act, 2003, and the regulations framed by the Hon'ble Commission, ensuring a balance between consumer affordability and financial sustainability of the distribution licensee.

DHBVN reiterates its commitment to adhering to regulatory directions and submits that the computation of CoS, including voltage-wise assets, losses, and cross-subsidy surcharge, is a complex exercise requiring extensive data collection and validation. Efforts are ongoing to enhance the accuracy and transparency of such computations, and any further directives from the Hon'ble Commission in this regard will be duly complied with.

Regarding the claim that the current methodology results in an excessive burden on C&I consumers and affects the viability of open access, DHBVN submits that the determination of tariffs, Fuel Surcharge Adjustment (FSA), and additional charges is based on established regulatory frameworks and reflects the cost of supply, system operations, and grid stability requirements.

Commission's Observations

The Commission has taken note of the comments filed by the intervener and reply thereon by DHBVNL. The Commission, while determining the retail supply tariff, ensures that the same is based on the average cost of supply with a capping of +/-20%. Further, the Commission has considered the methodology/formula prescribed by the National Tariff Policy dated 28.01.2016, while working out cross-subsidy surcharge in the present Order. The Commission has, estimated cost of service based on the ibid formula, relying on the indicative voltage wise losses submitted by the two licensees.

4. The 2023-24 actual sales of the C&I, consumers providing maximum revenue, was higher by 2.1 crore unit (HT Industry) and 5.8 crore unit (Non-domestic) (Ref Table 2.1 Page No. 25 of DHBVN Petition). Hence corresponding additional revenue generated may be considered for giving relief in tariff to the commercial and industrial consumers to the extent of Rs 400 crore approx. (average revenue earned due to higher actual sales in this higher tariff category). It needs to be noted that the lower sales than approved (on which expected revenue was calculated by the Regulators) in the DS category of about 52.3 crore units will also lead to a reduction in cross-subsidy required. Hence, the plea, if at all, like the cross-subsidy generated got reimbursed in bridging the revenue deficit in the cross-subsidized category, is also not tenable. Further, such surplus can also not be appropriated towards funding to losses, less subsidy received, or actual basis of cash basis from the state govt. or funding of outstanding recoverable of more than Rs 7,000 crore (Ref Rs 7380 Crore HERC Order dated 5th March 2024) of both the Discoms operating in Haryana.

DHBVNL Reply

The objection raised regarding the higher actual sales in the C&I categories (HT Industry and Non-Domestic) and its proposed utilization for tariff relief is baseless due to the following reasons:

1. **Revenue Appropriation is Regulated by the MYT Framework:**

- The revenue generated from higher actual sales is automatically accounted for in the Annual Revenue Requirement (ARR) process as part of true-up mechanisms prescribed by the regulatory framework.
- Any additional revenue is used to offset the overall revenue gap or reduce the burden on all consumer categories in subsequent tariff determinations, ensuring equitable distribution rather than targeting specific categories.

2. **Cross-Subsidy Reduction is Already Embedded in the ARR Process:**

- The reduction in sales for Domestic Supply (DS) consumers, leading to reduced cross-subsidy requirements, is inherently factored in during true-up. This mechanism ensures that any surplus from cross-subsidizing categories is used to bridge revenue deficits across the board, not just for specific categories like C&I consumers.

3. Linkage to Outstanding Recoverable and Losses is Misplaced:

- The objection suggesting the surplus cannot be utilized for funding losses, less subsidy received, or outstanding recoverable is flawed. Regulatory norms mandate that such revenues address the overall financial health of the Discoms, including obligations such as bridging revenue gaps, funding system improvements, and meeting subsidy shortfalls as per the approved ARR framework.

4. Reference to Tariff Relief is Speculative and Lacks Basis:

- The estimation of Rs. 400 crore relief is speculative and does not align with regulatory provisions that ensure all revenue adjustments are subject to prudence checks by the Hon'ble Commission. Tariff relief, if any, is determined based on a holistic review of Discoms' financials, including operational expenses, losses, subsidies, and pending dues, not merely on isolated higher sales figures.

5. Regulatory Precedent and Prudence:

- The Hon'ble Commission has consistently maintained that any additional revenue earned due to higher sales is used to mitigate the overall ARR deficit. This ensures financial sustainability and stability for the utility while safeguarding the interests of all consumer categories.

6. Lack of Evidence to Support the Objection:

- The claim that the surplus revenue can be exclusively utilized for tariff relief lacks supporting evidence or regulatory precedence. The objection does not account for the broader financial challenges faced by the Discoms, such as outstanding recoverable (Rs. 7380 crore) and subsidy delays, which are critical to ensuring uninterrupted supply and network improvements.

The objection is unsubstantiated and disregards the principles of regulatory processes and revenue allocation. It is recommended that the Hon'ble Commission dismiss this objection, as the additional revenue from higher sales has already been factored into the ARR framework for the benefit of all consumers in an equitable and transparent manner.

Commission's Observations

The Commission has examined the submissions of the intervener. In this regard, the Commission has observed that cost of power purchase along with other network and establishment cost has increased considerably in last seven years without any increase in the tariff. As a result, Haryana Discoms are struggling with accumulated FSA of Rs. 8245 crore as on 31.03.2024 and have proposed huge revenue gap in the FY 2025-26. The industries have a large contribution to the State Agrarian Economy in terms of employment, income and earnings of the farmers. Additionally, unlike industries, the domestic consumers have very limited ability to pass – on the 'input cost' including cost of electricity. Hence, some cushion ought to be provided to marginal domestic consumers without disturbing the revenue balance of the Distribution Licensee(s) in Haryana i.e. UHBVNL and DHBVNL. The Commission, while taking the proceedings further, will compute LT/HT CoS and CS required and accordingly, realign tariff, if warranted.

5. The Proposed sharing of financial gains from loss reduction (AT&C) is beyond comprehension. The Nigam ought to note that neighbouring States like Punjab and Delhi who started, along with Haryana, at a loss levels exceeding 40% and are now reporting a loss level lower than 5-8% as compared to 11.38% reported by the DHBVN. Needless to say, that the benchmark set by the Regulators are nothing but an indicative figure, that too, the same are not based on any technical or benchmarking exercise. Such arbitrary benchmarks also do not have any correlation with system strengthening, augmentation and modernisation as a result of huge capital investments undertaking every year obviously at the cost of the electricity consumers of Haryana. (Ref Table 2.4 Para 2.5.5. Page 58 of DHBVN Petition).

DHBVNL Reply

DHBVN at the outset would like to submit that the sharing of financial gains is done as per Regulation 12 of HERC MYT Regulations, 2019 from Distribution Loss reduction and not as per AT&C Losses.

It has also been noticed that the Objector has used the term AT&C Loss while they have provided the submitted figure for Distribution Loss. Further it has been already clarified that sharing of financial gains is done as per Distribution loss. Assuming the Objector meant the for the Distribution Loss, it is submitted that the sharing of financial gains is done as per Regulation 12 of HERC MYT Regulations, 2019 from Distribution Loss reduction and not as per AT&C Losses.

The relevant excerpt from Regulation 12 of HERC MYT Regulations, 2019 has been reproduced below:

"12.1 Various elements of the ARR of the generating company and the licensee will be subject to incentive and penalty framework as per the terms specified in this Regulation. The overall aim is to incentivize better performance and penalize poor performance, with the base level as per the norms / benchmarks specified by the Commission.

12.2 The elements of ARR of generating company and licensees to which incentive and penalty framework shall apply are as follows:

…………

(d) Only for Distribution Licensee

(i) Distribution losses - Applicable when actual distribution losses fall below or exceed the level specified by the Commission

(ii) Collection efficiency- Applicable when actual collection efficiency falls below or exceeds the level specified by the Commission

(iii) Recovery of arrears - Applicable when actual recovery of arrears of previous years falls below or exceeds the targets specified by the Commission

12.3 The gains / losses shall be computed item wise separately for each business. The computations shall be based on the data submitted by the generating company and the licensees in the application for mid-year performance review / true – up and audited annual accounts corresponding to the financial year.

12.4 In case of gain

The item wise gain shall be shared between the generating company or the licensee, as the case may be, and their respective beneficiaries in the ratio of 50:50. However, the sharing ratio of 50:50 may be revised to a maximum of 60:40 at the time of true-up during *mid-year performance review / true-up. The manner of utilization of the additional 10% gain shall be specified by the Commission from time to time."*

Further, DHBVN submits that the target for distribution loss for FY 2023-24 as set by the Hon'ble Commission was pegged at 12.00% after due consideration of distribution network and comparison with other states. It is further submitted that the Distribution Losses targets for neighbouring states such as Punjab and Rajasthan are relatively similar to loss targets of set by the Hon'ble Commission.

Therefore, DHBVN submits that Sharing of gains and losses may be allowed as per the relevant provisions of HERC MYT Regulations, 2019.

Commission's Observations

The regulations in unequivocal terms provides that the overall aim is to incentivize better performance and penalize poor performance. The Commission had observed that Discoms are faced with huge revenue gap mainly due to substantial increase in the average power purchase cost from Rs. 4.95/kwh to Rs. 5.42/kwh. The Commission has taken note of the suggestions of the intervener and shall consider the same while examining the proposal of the Discoms.

6. **Power Purchase Cost (FY 2023-24)-** Against the amount of Rs 28,283 crore for 66,631.39 million units, the actual claimed is Rs 35,961.65 crore for 66,375.04 million units (Ref i.e. cost slippage of Rs 7678.33 Crore i.e. more than 27% for a quantum of power purchase lower than approved by the HERC by about 25.6 Crore Units which lower than even 0.5%.

   The above aberrations cast doubt on the methodology adopted in allowing power purchase quantum and cost. The Power Purchase Cost has more than 80% weightage in the cost estimates of delivered energy, tariff design, cross-subsidy, surcharges, and cost of sales estimation. Also, despite the norms under estimation and inefficiencies in managing day-to-day demand and supply position, the Nigam is patting its back for a reported savings of Rs 123.21 crore (Ref Table 2.4 Para 2.5.5 Page 38 of DHBVN Petition). The claimed loss reduction is despite the fact that even metered AP supply is not as per actual meter readings, a large number of DS consumers (Rural) do not have accurate meters and in a large number of case meters are not even read and billings are based on MMC. Further, target of installation of smart meters remains un-achieved even in a few selected areas (and after claiming huge amounts towards capex) where the work was started.

DHBVNL Reply

The objection raised regarding Power Purchase Cost (PPC) overlooks critical uncontrollable factors such as weather-induced demand variability, fluctuating consumer patterns, and market-driven fuel price dynamics, all of which significantly influence energy procurement costs. While the purchased quantum was lower by 25.6 crore units, the increased costs stem from reliance on costlier power during peak periods, fixed capacity charges, and revised tariffs by generating stations—factors beyond the utility's operational control. These deviations are systematically addressed through the regulatory true-up process, ensuring prudence and transparency. Moreover, reported savings of Rs. 123.21 crore and sustained reductions in AT&C losses underscore the utility's commitment to operational efficiency.

Furthermore, assertions regarding inefficiencies in metering and billing are unsubstantiated. Smart metering and other initiatives are being implemented in a phased manner, overcoming inherent challenges, while billing for agricultural and rural consumers adheres strictly to regulatory frameworks. The use of Minimum Monthly Charges (MMC) and partial metering reflects practical realities rather than operational lapses. All costs and practices are subject to rigorous regulatory scrutiny, rendering the objection speculative and without merit. It is recommended that the Hon'ble Commission dismiss this objection.

Commission's Observations

The Commission has taken note of the comments of the intervener and observes that the claim of Discoms for efficiency gain has already been addressed earlier in this order. Further, the figure of approved power purchase cost inclusive of transmission charges is Rs. 32951 crore against which the actual claimed is Rs 35,961.65 crore. The Commission shall address the same appropriately, in the subsequent paras of the present order.

7. The repairs and maintenance expenses of the distribution system of DHBVN is via a vis approved by the State Regulator is lower by 39.17 crore (Ref Table 2.10 Page 41-42 of DHBVN Petition). This speaks volumes about the ability/willingness of the Nigam to spend on the upkeep of the distribution system in order to ensure adequate flow, quantum, and reliability of supply for the electricity consumers of Haryana. Similarly, A&G expenses are in excess of Rs 57.49 crore (Ref Table 2.8 Para 2.10.1 Page 40 of DHBVN Petition), that is due to legal fees required for both ongoing and new litigation, needless to point out that a majority of such litigation, right from mere High Court, APTEL, and Supreme Court are against HERC's orders/regulations as well as against the electricity consumer of the state and also against its own employees. The Discoms must ensure that litigations are minimized and no such claims ought to be made a part of ARR. All such expenses, ought to be funded from the RoE, is at all, allowed by the Commission.

   As a corollary of the above, the Nigam has submitted that annual license fees increased from Rs 3.50 crore to Rs 9.04 crore. The Commission ought to take a harder note of it, such onerous license fees push further tie Nigam into financial losses, which is an avoidable burden on the Nigam as well as the electricity consumers of Haryana. Hence, the Regulatory Authority should reduce such fees to bare minimum and commensurate with its expenses and not building up of un-utilized money in FD.

   DHBVNL Reply

   DHBVN at the outset submits that it is making an honest effort for the upkeep of the distribution system, And the same is translated in terms of monetary gains to consumers and other stakeholders alike. It is submitted that DHBVN intends to use the approved R&M expenses optimally thus reducing the overall O&M expenses and the burden on the end consumers.

   Further, at the outset of increase in A&G expenses, DHBVN reiterates that the increase in Administrative and General (A&G) Expenses is attributable to several critical factors: legal fees required for both ongoing and new litigations, consultancy engagements aimed at driving operational efficiencies, an escalated regulatory license fee, and elevated costs for meter reading and bill distribution. It is submitted that the Licensee Fee has escalated from Rs. 3.50 crore in FY 2022-23 to Rs. 9.04 crore in FY 2023-24. DHBVN submits that this increase is beyond its control, as the Licensee Fee is calculated based on the Aggregate Revenue Requirement (ARR), which is determined by regulatory norms.

Further there has been a notable increase in CSR expenses, which rose from Rs. 0.19 crore in FY 2022-23 to Rs. 7.88 crore in FY 2023-24. This rise is attributed to the implementation of various CSR initiatives undertaken by DHBVN in line with directives from the Government of Haryana (GoH). These initiatives are aimed at fulfilling the organization's social responsibilities and contributing to community welfare.

Further, it is submitted that as per the Regulatory framework for Electricity Utilities in India, Return on Equity is the only source of profit for such utilities. Thus, the approach to fund legal expenses and other such charges that are ideally part of ARR of a utility from Return on Equity is depriving DHBVN of its legitimate earnings and utilization of the fund for its own growth and improvements.

In the view of above, the approach to fund legal and such other charges from RoE fund will only serve to create unnecessary financial dent on DHBVN and further demotivate the licensee's zeal to achieve better financial performance.

At the outset of Annual Licensee Fees, DHBVN submits that it has duly submitted the Annual Licensee Fees as per HERC Fee Regulations, 2005 and its subsequent amendments and thus the same is out of purview of DHBVN.

Commission's Observations

The Commission has taken note of the comments of the intervener. The Commission on various occasions has highlighted the importance of preventive Repairs & Maintenance. Also, directions have been imparted to discoms to reduce litigations expenses. However, increase in A&G expenses shall be addressed appropriately in the present order.

8. Interest on working capital is again an area of concern, the Regulators estimated the same at Rs. 186.95 Crore. Against this, the actual, has been claimed at Rs 459.81 crore *(Ref Para 2.14.1 Page 44 of DHBVN's Petition)*. The reasons are not too far to see excessive expenses on power purchase cost thereby increasing the account receivables. Additionally, large build-up of un-recovered money from the electricity consumers,

including Govt. connections, while computing working capital, the Nigam ought to reduce the money paid by the consumers as advance consumption deposit adjusted for the interest paid to the consumers on the same.

Even the interest paid to the consumers by the Nigam (Ref Para 2.14.4 Page 44 of DHBVN's Petition) is with a year's lag. The plea of the Nigam that the interest is primarily due to refraining (sic) the retail supply tariff to its existing applicable rates, reflects the lack of understanding of WC. concept and the ways and mean to manage it in a prudent manner. They also tend to lose their right of the fact that they are illegally recovering FSA at the rate of 47 paisa/unit in utter disregard to the guidelines issued by the MoP, Govt. of India which, as held by the Courts are of binding nature. Thus, the backdoor increase in tariff defeats the arguments of the petitioner that the retail supply tariff has not been increased or they have refrained from doing so.

DHBVNL Reply

DHBVN at the outset reiterates that the increase in Interest on working capital is primarily attributable to refraining the retail supply tariff to its existing applicable rates. Since the current receivables do not actually reflect the increased tariffs due to tariff rates being same since last 5 years whereas the ARR has substantially increased, the Normative working Capital does not paint the actual picture of the Actual Working Capital requirements. Had the tariff been increased to keep up with ARR, there would not be such disparity between the Normative and the Actual Interest on the working capital.

Further, at the outset of reducing Advanced Consumer Security Deposit from Working Capital, it is submitted that DHBVN has calculated the working capital as per the provision of HERC MYT Regulations, 2019 and 2024 and has duly encompassed all the elements as prescribed in HERC MYT Regulations, 2019 and 2024.

Further, the impact of the increase in fuel power purchase costs has not been passed on entirely to the consumers instead it is spread over to longer duration to avoid the tariff shock to the consumers as opposed to Automatic Pass through of Fuel and power purchase cost up to a certain ceiling as per MoP's Electricity (Amendment) Rules, 2021.

It is further submitted that the FSA rate of 47 paisa/unit is being levied on the consumers after following due process of approval of Fuel and Power Purchase Cost Surcharge Adjustment (FSA) as per HERC MYT Regulations, 2019 and as per the suggestion and decision of the Hon'ble HERC. Further, it is submitted that FSA and an increase in Tariff are inherently different in nature in a sense where FSA rule was established to automatically pass any change in Fuel and Power Purchase Cost to reduce inflated working capital while increase in tariff is aimed at balancing the overall expenses with the revenue generated by the utility.

Commission's Observations

The Commission has taken note of the comments of the intervener and shall be addressed appropriately in the present order. It is pertinent to note that the Commission, in its order dated 22.12.2023 (Petition No. 56 of 2023 and 62 of 2023), while deciding the petition of the discoms to allow the relaxation from charging the monthly FPPAS, has decided as under:-

"……. It is added that the Commission has allowed the petition, preferred by the Discoms, in effect, this would defer the revenue realization (assuming FPPAS on annual basis is positive) from the electricity consumers, hence, on the FPPAS amount pertaining to the FY 2023-24, no holding cost/carrying cost would be admissible."

9. The depreciation amount allowed by the Regulatory Agency, i.e., Rs 452.20 crore (Ref 2.17.1 Poage 46 of DHBVN's Petition), based on the average depreciation rate of the previous years, is also flawed. It needs to be noted that the additions to Fixed Assets, with different rates of depreciation do not increase in the same proportion. The same has been found incorrect tested on the anvil of the audited accounts. Hence, the actual depreciation amount i.e. Rs 360.92 crore during FY 2023-24, is significantly lower. Thus, the wrong methodology adopted by the Regulators and the Distribution Licensee, needs a thorough overhaul during the ensuing control period.

DHBVNL Reply

DHBVN at the outset submits it has duly calculated the depreciation for FY 2023-24 as per the rates provided in HERC MYT Regulations, 2019 and the same reflects in the audited accounts of DHBVN. Further it is submitted that the depreciation proposed for the ensuing third control period has been duly calculated as per HERC MYT Regulations, 2024.

DHBVN submits that the methodology for calculation of depreciation is out of the purview of DHBVN.

Commission's Observations

The Commission has considered the comments filed by the intervener. The MYT regulations include rules for calculating depreciation for assets over their useful life. The Commission observes that the additions to individual class of fixed assets in a particular year may not be fully representative of the proposal of Discoms for capitalization. Accordingly, the actual depreciation may differ from the approved depreciation which is calculated considering average rate of depreciation arrived at on the basis of previous year audited balance sheet. Audited accounts can be used as a base for financial forecasting for multiple parameters, which is subject to change due to unforeseen reasons and changes in assumptions. Some sort of variance is expected to exist, which is taken care at the time of true up, subject to the prudence check.

10. RoE claimed by a public utility, i.e., at the rate of 14% (Ref Table 2.15 Para 2.18 Page 46 of DHBVN's Petition) is unreasonable. A monopolistic set like DHBVN ought not to claim any RoE. Moreover, entire equity capital is provided by the State Govt. from taxpayers' money. In case the Regulatory Commission allows RoE, it should be adjusted against capex and interest on term loan ought to be accordingly pared down.

DHBVNL Reply

DHBVN at the outset submits that it has proposed RoE at the rate of 14% as per regulation 20 of HERC MYT Regulations, 2019. Further, it is submitted that as per the Regulatory framework for Electricity Utilities in India, Return on Equity is the only source of profit for such utilities. Thus, to further lower the rate of RoE will only serve to create unnecessary financial dent on DHBVN and further demotivate the licensee's zeal to achieve better financial performance.

Further, it is submitted that DHBVN has been arranging Equity for its projects with its own efforts. Therefore, after adjusting the interest paid for the Equity, there remains not much extent for the actual return on equity which as already explained above will only serve to create unnecessary financial dent on DHBVN and further demotivate the licensee's zeal to achieve better financial performance.

Commission's Observations

The Commission has considered the comments filed by the intervener. The MYT Section 61 (d) of the Electricity Act, 2003, and Paragraph 5.11 (a) of Tariff Policy 2016 have laid down broad guiding principles for the determination of the rate of return. These have been mandated to maintain a balance between the interests of consumers and the need for investments while specifying the rate of return. It is stipulated that the rate of return should be determined based on the assessment of overall risk and the prevalent cost of capital. Considering the same, the Commission in its order dated 15.02.2023, had allowed RoE @ 12%.

11. The Nigam has shown FSA recoverable of Rs 2,440.78 crore (Ref Table 2.19 Para 2.23.1 Page 50-51 of DHBVN's Petition) for the FY 2023-24. The Nigam is illegally recovering FSA from the electricity consumers of Haryana i.e. the same not being in line with the MoP guidelines also incorporated in the MYT Regulations. This same should be immediately discontinued. Consumer-wise and category-wise details provided by the Nigam and outstanding recovery should be added to the power purchase cost and reflected in tariff to the extent of un-recovered amount. The mechanism i.e. monthly recovery should be strictly in accordance with the MoP guidelines and left to the whims and fancies of the regulated entities. The new dispensation, infact, favours the distribution licensee by augmenting its cash flows. The C&I consumers, with significantly higher reported sales must have already paid their FSA liability. Further, the FSA liability payable by the state Govt. on account of AP Tubewell consumption over and above the RE subsidy must be put in the public domain. Unpaid amount, if any, ought to be recovered immediately along with interest at the rate allowed to the Discoms for their working capital borrowings. As a corollary, instead of the proposed revenue gap for the FY 2023-24, there will be revenue surplus to be carried over, along with holding out, in the ARR of the ensuing financial year.

DHBVNL Reply

DHBVN at the outset submits that FSA in the annual accounts for FY 2023-24 is booked on accrual basis and assessed in accordance with the provisions specified in Regulation 66 of the Third Amendment to the HERC MYT Regulation, 2019.

Further it is submitted that the recovery of Fuel Surcharge Adjustment (FSA) is conducted strictly in accordance with the regulations and guidelines issued by the Hon'ble Commission and the Ministry of Power (MoP). The levy of FSA of 47 paise per unit is as per Hon'ble Commission decision in HERC Petition No 27 and 28 of 2024.

Commission's Observations

The Commission has considered the comments filed by the intervener and observes that the same has already been dealt in the preceding paras of this order. Hence, no further discussion on the same is required.

12. The distribution licensee has proposed a capex (Ref Table 4.1 Page 84-85 of DHBVN's Petition) of Rs 2072.29 crore for the first year of the control period, without giving the lending agency / Banks wise details, cost of such funding, and the benefit streams / pay back calculation. Rs 460 crore has been proposed for each year from the FY26 to FY30 without giving the details of the scheme and benefits flowing from the same. Rs 35 crore has been proposed for the construction of new solar power plants, it is not understood what a generation plant has to do with distribution and retail supply business of the petitioner company. Similarly, capex on account of installation of smart meter has been proposed at Rs. 627.30 Crore for the FY 2025-26. This needs to be critically examined in view of the progress made in the last 2–3 years. Hence, after disallowing about Rs 1,100 crore, the Commission may consider about Rs 979 crore as capex. Further, this amount should be reduced by the amount of RoE allowed for FY26 by conspiring it as plough back of internal accrual. The balance amount may be allowed. Similarly, all the capex and interest thereto for the control period up to FY30 ought to be pared down. Capex outlay need not to be allowed unless justified by a corresponding benefit/stream for the electricity consumers of Haryana in terms of quality power at an affordable rate.

DHBVNL Reply

The objection to the proposed CAPEX plan lacks merit and fails to appreciate the critical role of infrastructure investments in ensuring a reliable and sustainable power distribution system. The proposed CAPEX of Rs. 2072.29 crore for FY 2025-26, along with planned investments for subsequent years, is essential for addressing the growing demand for electricity in Haryana, reducing AT&C losses, and enhancing operational efficiency. These investments are focused on delivering reliable, quality power to consumers at affordable rates, which is a core objective of the utility's operations.

The allocation of Rs. 35 crore for solar power installations is a forward-looking measure aligned with the strategic goals of renewable energy integration and sustainability. Solar installations are integral to meeting Renewable Purchase Obligations (RPOs), reducing future power purchase costs, and transitioning to greener energy sources. Contrary to the objection, renewable energy initiatives are highly relevant to the distribution business, as they contribute directly to lowering procurement costs and enhancing long-term system reliability.

Similarly, the proposed Rs. 627.30 crore investment in smart metering reflects the utility's commitment to modernizing its infrastructure. Smart meters improve billing accuracy, enable advanced tariff mechanisms such as time-of-day (ToD) tariffs, and strengthen energy accounting practices. Despite the progress made in recent years, further investments are essential to achieve full implementation and comply with regulatory mandates.

All CAPEX proposals are subject to rigorous regulatory scrutiny, ensuring that the investments are justified and beneficial for consumers. The benefits of these initiatives include improved system reliability, reduced technical losses, and enhanced service quality. Arbitrary reductions in CAPEX, as suggested in the objection, would hinder the utility's ability to deliver these benefits and meet consumer expectations.

The objection overlooks the long-term importance of these investments and lacks a fact-based analysis. The proposed CAPEX is well-justified and necessary to ensure a resilient, efficient, and consumer-centric power distribution network. It is recommended that the Hon'ble Commission approve the CAPEX plan as submitted.

Commission's Observations

The Commission has considered the comments filed by the intervener and observes that the proposal of the Discoms are subject to subsequent true-up to the extent of actual. Hence, no further discussion on the same is required.

13. The distribution loss trajectory, i.e., from 10.2% in FY26 to 9% in FY30 (Ref Table 4.4. Para 4.4.7 Page 88 of DHBVN's Petition), is understated and without any basis. The starting point ought to be below 8%. A percent reduction will directly save more than Rs 250 crore and more by reducing the extensive power purchase of the Nigam at the margin during peak months and time of the day.

DHBVNL Reply

DHBVN at the outset submits that it has proposed the Distribution loss trajectory for the 3rd control period in the instant petition after diligent study of the current distribution network and the comparative losses of the neighboring states.

Further, it is pertinent to note that in Abraham Committee Report, in case the loss level of the Discoms is less than 20%, only 1% reduction in Transmission and Distribution losses has been suggested. Hence, to reduce loss levels from 11.38% in FY 2023-24 to 8% in FY 2025-26 as starting point for the Distribution Loss for the control period is not feasible.

However, DHBVN is working continuously to reduce the distribution losses within limit as approved by the Hon'ble Commission. Therefore, the Hon'ble Commission may consider recognizing the actual loss levels for FY 2023-24 and set sustainable loss reduction target as envisioned by DHBVN for the forthcoming period.

Commission's Observations

The Commission has considered the comments filed by the intervener and observes that the loss trajectory should show a downward trend. Accordingly, the same shall be addressed appropriately in the present order.

14. While estimating / proposing Energy Sales (Ref Table 4.5 Para 4.5.2 Page 89), the Nigam ie DHBVN has considered CAGR ranging from 2% (AP) to 10% (DS) is an un-acceptable and inferior as well as too simplistic methodology. AP sales with the proliferation of PM KUSUM and shifting of area under cultivation away from paddy ought to turn the growth

in AP supply and subsidy thereto into negative growth. In the worst case, at least for AP sales projections the Discoms could have relied on the data emanating from 11 kV segregated feeders. Similarly, DS and C&I sales projections are also flawed making mockery of the revenue estimation for the ensuing financial year. A comparison of allowed sales, projected sales and actual sales for the FY 2023-24 is sufficient to drive home the point. Consequently, it would make a lot of sense to work out specific sales with reference to connected load / contract demand and then based on estimated connected load / contract demand, using specific consumption and Load Factor estimate the demand for each year of the control period. It is suggested that advance statistical / econometrics tool ought to be used instead of a basic tool like CAGR in which cross-sectional data is not captured as only base year value and the terminal year values are used.

DHBVNL Reply

DHBVN at the outset submits that it has projected the Category wise sales for the 3rd control period based the prevalent and widely used methodology. DHBVN submits that it has taken due diligence for the projection and has diligently studied the past year actual sales data and deviations and after careful analysis of the same has presented the sales projection in front of the Hon'ble Commission.

Commission's Observations

The Commission has considered the comments filed by the intervener and observes that there is a need for more accurate and scientific demand forecasting, which in turn will lead to cost-effective power procurement planning by Haryana Discoms. In this regard, they may seek the help of expert agencies which can be appointed through transparent bidding process.

15. The methodology for working out energy availability based on average PLF of previous 3 years average (Ref Para 4.6.2 Page 89) is flawed and again too simplistic. "Average" has its own limitations, needless to elaborate the same. The state commission, since long, in its ARR tariff orders, has rejected this kind of proposal. Hence, it is not understood the reason behind the Nigam's proposal, which is unscientific and inaccurate, a wrong projection, as seen in the past, makes the entire energy balance incorrect leading to

wrong sales estimation, wrong loss calculations, wrong CoS and AS and vesicates the entire ARR. In ultimate analysis rendering the entire exercise mere paperwork and bulk of the work is left to 'true up' exercise after two years with additional burden of carrying / holding cost. The proposed quantum and cost of power purchase from generators like CGPL, GMR, Sasan, CLP Adani, Pragati Gas, Lanco etc., requires a separate and detailed exercise, especially keeping in view the losses and need for proper integration of dispatchable RE sources. Also, the need to move towards Net-Zero as committed by India to the world community.

DHBVNL Reply

The use of the average Plant Load Factor (PLF) from the past three years to determine energy availability is a standard and pragmatic approach. It provides a realistic assessment by accounting for historical performance trends, operational variations, and maintenance schedules, ensuring accurate energy projections. While averages may have limitations, they remain a reliable method to estimate power availability, minimizing deviations and supporting accurate sales, loss, and cost calculations.

Detailed assessments of specific generators and integration of renewable energy sources are addressed within the planning process and align with India's Net-Zero commitments. The methodology ensures a balanced and effective energy planning framework, and the objection lacks merit. It is recommended that the Hon'ble Commission approve the proposed approach as a sound and practical basis for energy forecasting.

Commission's Observations

The Commission has considered the comments filed by the intervener and observes that Haryana Electricity Regulatory Commission (Framework for Resource Adequacy) Regulations, 2024, was notified on 11.11.2024, which will take into consideration the loss of load probability, planning reserve margins, variability of renewable energy sources etc. and will help discoms in load forecasting.

16. While estimating energy balance (Ref Table 4.10 Para 4.8.1 Page 108) for the control period, the Nigam has assumed inter-state transmission loss of 2.05% as a constant during each year of the control period, without any basis. This flies in the face of the fact that the quantum of energy transmission over the state transmission system has been

projected to increase on a year-to-year basis. Additionally, there are substantial Capex envisaged by the STU. Hence, this is clearly a case of false assumptions rendering the entire energy balance proposed wrongly. It is also to be noted that projected surplus availability of energy i.e. 170 crore units proposed to be sold at average variable cost power purchase cost, is un-acceptable leading to upfront financial loss of over Rs 300 crore. It may be noted that due to projected surplus in each year of the biennial control period: -

Financial loss should not be forced as the electricity consumer through FSA or any other period adjustments as also noted by the Ld. APTEL in its judgment dated 28th April 2016 (269/2014).

Additional surcharge should be done away with so as to enable C&I consumers optimise it's a cost of power purchase by taking recourse to Open Access Mechanisms. Hence, the petition filed by DHBVN should be rejected as defective and dismissed with a direction to file a fresh petition after rectifying the defects.

DHBVNL Reply

The objection raised regarding the assumed inter-state transmission loss of 2.05% lacks merit and overlooks the basis of such projections. The assumption of transmission losses being constant over the control period is based on the historical trend of minimal variation in inter-state transmission losses, which is supported by actual data. Although an increase in energy transmission is projected, it is counterbalanced by ongoing system upgrades and CAPEX investments by the STU, which aim to maintain or reduce losses despite higher energy flows. Therefore, the assumption is both reasonable and pragmatic for the energy balance projection.

Regarding the sale of surplus energy, it is important to clarify that selling surplus at the average variable cost of power purchase is a prudent approach to minimize financial exposure. The projection of surplus energy and its sale ensures optimization of power purchase planning, aligning with the regulatory principle of minimizing costs to consumers. The alleged upfront financial loss is speculative and ignores the fact that surplus energy sales are a standard practice across the sector to reduce the burden on consumers.

The claim that financial losses due to surplus energy sales will lead to forced recoveries through FSA is unfounded, as the Hon'ble Commission ensures that only prudently incurred costs are passed on to consumers. The suggestion to remove additional surcharges for C&I consumers to facilitate open access is outside the scope of the current petition, as additional surcharge determinations are subject to separate regulatory processes and based on actual stranded capacity costs.

The objection to dismiss the petition entirely is excessive and unjustified, as the projections and methodologies adopted by the utility adhere to regulatory norms and best practices. The energy balance presented is robust, supported by historical data, and aligns with regulatory principles. It is respectfully requested that the Hon'ble Commission approve the petition as filed, as the objection lacks substantive evidence and fails to account for the rationale behind the proposed projections.

Commission's Observations

The Commission has considered the comments filed by the intervener and observes that present order is restricted to determining the revenue surplus/gap for the FY 2025-26 and in determining the same, the intra-state transmission losses have been taken as per the norms specified in the HERC MYT Regulations, 2024. Hence, no further discussions on the same is required.

17. Interest on money held as consumer security deposit should be paid to the C&I consumers at the opportunity cost of fund, which should not be lower than 150 basis points above the MCLR of the State Bank of India. The proposed 6.75% interest rate (Ref Table 4.17 Para 4.17.2 Page 117 of DHBVN's Petition) in each year of the control period is wrong and baseless, the definition of bank rate is wrong. It is well known that no financial transaction in the market takes place at the Bank Rate as understood by the Nigam.

DHBVNL Reply

DHBVN at the outset submits that the interest rate on consumer security deposits has been determined in accordance with Regulation 21 of HERC MYT Regulations, 2024.

Further, it is submitted that the determination of interest on security deposits must adhere to the Regulation 21 of HERC MYT Regulations, 2024 as laid down by the Hon'ble Commission, balancing consumer interest and financial prudence.

Further, it needs to be noted that Hon'ble Commission had given ample time to all stakeholders to submit their views at the time of stakeholder hearing on the HERC MYT Regulations, 2024. Hence, it is requested that the Hon'ble Commission may approve the Interest on Consumer Security Deposit as envisaged in the instant petition.

Commission's Observations

The Commission has considered the comments filed by the intervener and the reply therein filed by DHBVNL. It is observed that DHBVNL has considered the rate of interest for calculating the interest on security deposit, in line with the provisions in the HERC MYT Regulations, 2024. Hence, no further discussions on the same is required.

18. The depreciation amount claimed without setting in the context of audited Financial Asset Register (FAR) should be outrightly rejected. The baseline needs to be the audited figures, and additions should be proportionate to the envisaged growth in different asset class and year- to-year capitalization as well as de-commissioning of assets if any to arrive at a realistic GFA (Ref Para 4.19 Page 122 of DHBVN's Petition)

DHBVNL Reply

DHBVN at the outset submits that it has projected the year wise depreciation for the 3rd control period as per Regulation 23 of the HERC MYT Regulations, 2024. It is further submitted that it has duly envisaged the class wise addition due to capitalization and deletion due to de-commissioning of the asset as per HERC MYT Regulations, 2024.

Therefore, DHBVN requests the Hon'ble Commission to approve the year wise Depreciation for the control period as envisaged in the instant petition.

Commission's Observations

The Commission has considered the comments filed by the intervener and observes that the proposal of the Discoms are subject to subsequent true-up to the extent of actual. Hence, no further discussion on the same is required.

19. RoE claimed at 14% (Ref Table 4.29 Page 127 of DHBVN's Petition) needs to be disallowed in accordance with the arguments of the interveners for true-up. Additionally, it is argued that surplus should be relatable with receivables for out-pacing the average equity computed at Rs. 2555.83 Crore the question arises that in a situation where entire Equity remaining after adjustment of cumulative financial losses is locked up in un-realised, return is being claimed on what?

DHBVNL Reply

DHBVN at the outset reiterates that it has proposed RoE at the rate of 14% as per regulation 20 of HERC MYT Regulations, 2024. Further, it is submitted that as per the Regulatory framework for Electricity Utilities in India, Return on Equity is the only source of profit for such utilities. Thus, to further lower the rate of RoE will only serve to create unnecessary financial dent on DHBVN and further demotivate the licensee's zeal to achieve better financial performance.

Further, it is submitted that RoE merely forms part of the overall ARR of the utility. Any shortfall in Revenue recovery is conventionally met through increase in revenue in form of increased tariff rate or gets deferred to ensuing years to protect end consumers from tariff shock. Thus, the proposal to meet the revenue gap from RoE is disheartening and will further discourage the utility to strive for financial sustainability as RoE is the only source of profit for the utility as per Regulatory framework of India.

Therefore, DHBVN requests the Hon'ble Commission to allow the Revenue gap as envisaged in the instant petition.

Commission's Observations

The Commission has considered the comments filed by the intervener and the same shall be addressed appropriately in the present order.

20. AP subsidy has been pegged at the subsidy level allowed for the base year itself (FY 2023-24) (Ref Table 4.25.1 Page 128 of DHBVN's Petition) is also incorrect. As the cost is changing, AP sales is changing, loss levels are changing. A lot of AP tube wells are shifting to solar, and areas under water guzzlers ("Paddy") is reducing then how come the amount of RE subsidy will remain constant. Hence, on the face of it, entire proposed figures, at

the aggregate level, and the ARR assessed is mis-leading and ought to be accordingly rejected on the face itself.

DHBVNL Reply

DHBVN, at the outset submits that the AP subsidy for ensuing years has been computed based on the latest subsidy data available at the time of filing.

Further, it is respectfully submitted that the factors such as changing cost, AP sales and loss levels, while dynamic in nature, are subject to continuous monitoring and analysis. Any deviations or changes arising due to these factors will be addressed through the truing-up process, which is a well-established regulatory mechanism to ensure that actual costs and revenues are reconciled with projections.

DHBVN also submits that the solarization of agricultural tube wells and the reduction in water-intensive crops like paddy are ongoing trends that are expected to yield long-term benefits in terms of reduced subsidy requirements. However, these changes are gradual and may not have an immediate or uniform impact across the projection period. DHBVN assures the Hon'ble Commission that it remains committed to accurately reflecting these dynamics in the true-up processes to ensure transparency and alignment with current policies.

Commission's Observations

The Commission has considered the comments filed by the intervener and the same shall be addressed appropriately in the present order.

21. During the first year of the control period, the projected revenue gap is Rs 4,520.25 crore (both discoms) (Ref Table 4.31 Page 128-129 of DHBVN's Petition), though incorrect in the considered view of the intervener, should have been accompanied with a tariff proposal or ways and means to bridge this revenue gap. Instead of leaving to the wisdom of the sectoral Regulators. The Nigam lost sight of the fact that nobody would understand their business more than they themselves. However, they do not stop here and as a matter of routine approach the Commission with a review petition followed by appeal in the APTEL and escalating it to the Supreme Court as well. This compulsive litigations at

all perceivable levels defeats the very purpose of setting up an independent regulatory body for the power sector.

DHBVNL Reply

DHBVN on the outset, submits that it endeavors to ensure that its petitions are in full compliance with the regulatory requirements and provide a comprehensive view of the financial and operational aspects of its business. While the Objector has raised concerns regarding the projected revenue gap of Rs. 4,520.25 crore (as referenced in Table 4.31, Pages 128-129 of DHBVN's Petition), it is respectfully submitted that the projection is based on prudent analysis and methodologies aligned with regulatory guidelines.

DHBVN respectfully submits that tariff proposals are typically subject to extensive stakeholder consultations and regulatory scrutiny. It is the prerogative of the sectoral Regulators to approve or suggest modifications to any proposed measures, ensuring an independent and balanced approach that protects the interests of all stakeholders, including consumers.

The observation that the Nigam "lost sight" of its business intricacies is misplaced. DHBVN reiterates its commitment to operational excellence and submits that the regulatory process is designed to allow for review and reconsideration to address errors, unforeseen circumstances, or changed assumptions. Filing review petitions and, if necessary, appeals is a legitimate statutory right exercised in good faith to achieve regulatory certainty and ensure alignment with the principles of natural justice.

Therefore, DHBVN requests the Hon'ble Commission to allow the Revenue gap as envisaged in the instant petition.

Commission's Observations

The Commission has considered the comments filed by the intervener. The Commission shall exercise prudence check on the ARR claimed by the Discom in accordance with regulations in vogue. Taking into consideration of the dismal financial position of the Discoms and revenue gap, the Commission has already invited a specific proposal from Discoms. The prudence check on the proposal of the Discoms shall be exercised by the

Commission and the approved revenue gap, if any, shall be suitably addressed in the subsequent paras of this order.

22. The Nigam/licensee, without the specific approval of the Commission, has on its own waived off MMC for certain consumer categories (Ref Para 6.4 Page 133 of DHBVN's Petition). Having committed such illegality, the petitioner has submitted that they have approached the State Govt. for relief u/s/ 65 of the Electricity Act, 2003. The Discoms are in clear violation of the Act including the provision built into the statute for their own benefit.

DHBVNL Reply

The objection regarding the waiver of Minimum Monthly Charges (MMC) fails to recognize that the decision was made in accordance with directives from the Government of Haryana. The waiver was not an independent action by the Discom, but a response to specific government instructions aimed at addressing consumer challenges.

Additionally, the request for relief under Section 65 of the Electricity Act, 2003, aligns with the statutory provisions that allow for such actions under appropriate circumstances. The Discom has acted within the legal framework, seeking approval and relief from the state government, and the waiver does not constitute any violation of the Act.

Thus, the objection is baseless, as the Discoms have adhered to the regulatory and legal processes, and the action taken is in full compliance with the government's directions. We respectfully request that the objection be dismissed.

Commission's Observations

The Commission has considered the comments filed by the intervener. The Commission is bound to act in accordance with the provisions of the Statute. Accordingly, the issue raised shall be addressed suitably in the subsequent paras of the present order.

23. The tariff for Agri & Industrial FPO ought to be fixed at LT COS & HT COS as the case may be, and the difference to be demanded from the State Govt. and not bridged by burdening the C&I consumer already paying above the CoS.

DHBVNL Reply

DHBVN at the outset submits that the tariff for FPO is determined based on regulatory principles, considering consumer affordability, cross-subsidy levels, and revenue neutrality. The proposal to align tariffs with LT and HT Cost of Supply CoS and recover the difference from the State Government is noted, however it is submitted that such adjustments require policy direction and approval from the Hon'ble Commission.

Commission's Observations

The Commission has considered the comments filed by the intervener and reply on the same filed by DHBVNL. Taking into consideration the dismal financial position of the Discoms and revenue gap, the Commission has already invited a specific proposal from Discoms. The prudence check on the proposal of the Discoms shall be exercised by the Commission and the tariff structure shall be suitably aligned to facilitate the Discoms to recover its cost of supply of electricity to its consumers.

24. TOU/TOD ought to be freed from the condition of "additionally." The C&I consumer can shift their load to a certain extent, but it is difficult for them to increase their overall consumption. A generic ToD may be made applicable throughout the year with off-peak concessions, peak premium thereby dispensing the 'normal' tariff dispensation. Further, as the need for peak load violation charges are not there given the quantum of power tie up round the clock, the same should be removed from the schedule of tariff and charges (Ref Para 6.6 Page 134 of DHBVN's Petition).

DHBVNL Reply

DHBVN at the outset submits that the Time-of-Use (ToU)/Time-of-Day (ToD) structure is designed to incentivize load shifting, optimize resource utilization, and promote demand-side management. The condition of "additionally" ensures that the incentives provided under the ToD scheme do not distort the utility's revenue or cost recovery framework. H

Regarding the removal of peak load violation charges, DHBVN respectfully submits that while there is significant quantum of round-the-clock power tied up, the inherent demand intermittency, especially during peak hours, requires the utility to procure additional power through short-term arrangements. Such procurement incurs higher costs and must be accounted for in the tariff structure to ensure that the additional burden is equitably distributed among consumers contributing to peak demand.

Therefore, it is submitted that the quantum of short-term procurement necessitated by peak demand should be subjected to peak load charges to maintain financial prudence and grid stability.

Commission's Observations

The Commission has considered the comments filed by the intervener and reply on the same filed by DHBVNL. The issue raised shall be addressed suitably in the subsequent paras of the present order.

25. Business plan staggered over the MYT control period (FY 26 to FY 30) (Ref Page 138 of DHBVN's Petition) needs a separate and detailed deliberation, including load flows existing and projected, Cost – Benefit Analysis, pay back and least cost funding etc. Hence, the same may not be approved in haste and without giving the interveners an opportunity to study / assess the same as business plan has direct tariff implications.

DHBVNL Reply

DHBVN at the outset submits that it has submitted the Business Plan adhering to the timeline as per Regulation 4 of HERC MYT Regulations, 2024 and in the prescribed format as per HERC MYT Regulations, 2024. It is submitted that the timeline for due process of the same may be maintained by all stakeholders as per the regulations and as directed by the Hon'ble Commission.

Hence, DHBVN requests the Hon'ble Commission to approve the same along with the instant Tariff Petition.

Commission's Observations

The Commission has considered the comments filed by the intervener and reply on the same filed by DHBVNL. The issue raised shall be addressed suitably in the of the subsequent paras of the present order.

26. In view of the above, the petition needs to be rejected with a direction to file afresh, including proposal for various charges for the open access/green open access consumers, which is mission including voltage-wise CoS conducted in an appropriate manner.

DHBVNL Reply

DHBVN at the outset submits that it has submitted the Petition adhering to all the provisions and in the prescribed format as per HERC MYT Regulations, 2019 and 2024.

Hence, DHBVN requests the Hon'ble Commission to approve the same.

Commission's Observations

The Commission has considered the comments filed by the intervener and reply on the same filed by DHBVNL. The Commission is of the considered view that the determination of ARR of the Discoms for the ensuing year is an important exercise for their sustainable financial health. Accordingly, the petition filed by DHBVNL cannot be rejected just for not filing of voltage-wise CoS, which has not been done by Discoms since inception.

27. The Commission ought not to go ahead with incomplete and faulty proposals, which does not lend itself to an effective intervention. It is also requested that any additional data/information filed by the distribution licensee and taken on record by the Commission should also be made available to the interveners.

DHBVNL Reply

DHBVN at the outset reiterates that it has submitted the Petition adhering to all the provisions and in the prescribed format as per HERC MYT Regulations, 2019 and 2024.

Hence, DHBVN requests the Hon'ble Commission to approve the same.

Commission's Observations

The Commission has considered the comments filed by the intervener and observes that the additional data/information sought from licensees are to enable the Commission to exercise its prudence check on the data filed in their petition. In case, interveners are allowed to file their comments on the same and licensees to file their

reply on the comments of the interveners, it will create a never ending vicious cycle and serve no useful purpose. Hence, the same is not accepted, being devoid of merit.

2.3.2 Sh. Pankaj Bhalotia

Comments/objections vide email dated 04.01.2025 received from Sh. Pankaj Bhalotia, Flat No: 1104, Gracious Tower, Imperial Estate, Sector: 82, Faridabad – 121007, Haryana, India along with reply of UHBVNL vide memo no Ch-39/RA/F-25/Vol-(86) dated 13th December, 2024 and reply of DHBVNL vide memo no Ch-05/SE/RA-787 dated 11.01.2025 is dealt as under:

1. No refund of proportionate share cost of Rs. 40.00 Lakhs for 2MVA load which is paid by the DHBVN Electricity Account no 2202690000. DHBVN has added additional consumer to the Independent Feeder of DHBVN Electricity Account no 2202690000 long back but has so far it has not refunded back the proportionate share cost of Rs. 40.00 Lakhs for 2MVA load paid by DHBVN Electricity Account no 2202690000 by adding additional consumers to the Independent Feeder, so requesting Commission to direct DHBVN to pay back the proportionate share cost of Rs. 40.00 Lakhs for 2MVA load for adding additional consumers which is paid by the DHBVN Electricity Account no 2202690000

   UHBVNL Reply

   The issue pertains to DHBVNL.

   DHBVNL reply

   It is respectfully submitted that the issue raised does not pertain to the scope of the current ARR petition. However, the noted and updates on the same shall be given separately.

   Commission's Observations

   The Commission has perused the comments filed by the intervener and observes that the issue regarding refund of any cost to a specific consumer is not germane to the present proceedings. Hence, no further discussion on the same is required.

2. No Consideration by the Discoms in the present Petition of the Directions passed by Commission on Page 218 and 219 under S. No. 9.3 of Tariff Approach while announcing Tariff for FY 2021-22 in Appeal No. HERC/PRO - 77 of 2020 and HERC/PRO - 78 of 2020

   Both the Discoms of the State have done nothing so far in respect of the directions passed by Commission on Page 218 and 219 under S. No. 9.3 of Tariff Approach while announcing Tariff for FY 2021-22 in Appeal No. HERC/PRO - 77 of 2020 and HERC/PRO - 78 of 2020 related to –

Minimum Monthly Charge (MMC) is redundant as well as counterproductive. Hence, MMC ought to be replaced by an appropriate demand charge. Further, despite Commission observations and Directions on Page 274 of the Tariff Order dated: 01-June-2020 that

i. In effect the MMC indirectly encourages wasteful consumption.

ii. in order to make attractive billing on the basis of tariff instead of MMC

However, both the Discoms have done nothing in the present petitions to come out with an appropriate demand charge to replace Minimum Monthly Charge (MMC) as envisaged by the Commission. Three years have passed away and both the Discoms have done nothing in this regard And Commission is also helpless in this regard despite its own observations. My request to Commission is to act on its observations and provide relief on MMC.

The tariff / billing ought to be based on kVA / kVAh instead of kW / kWh wherever feasible. The Discoms are directed to examine the feasibility of introducing kVA / kVAh based billing for such consumer category where kW/kWh-based billing exists as per the schedule of tariff approved by the Commission.

UHBVNL Reply

Haryana is an agrarian state. Levying of MMC Charges encourages electricity supply connection to households in rural areas having low income. MMC charges are dependent on energy consumption proportionate to connected load rather than a flat fee paid irrespective of to the energy consumption. It incentivized efficient usage of electricity rather than paying a flat fee, when the amount of electricity bill is more the amount of MMC charges. MMC also promote optimal utilization of distribution asset round the year and act as a deterrent to load surge in peak season. It reduces the burden of stranded cost on consumers and aid in load balancing for utilities. However, the determination of tariff, including the design and implementation of Minimum Monthly Charge (MMC), demand charges, and other tariff components, falls exclusively under the jurisdiction of the Hon'ble Commission as per the Electricity Act, 2003.

In addition to above, the Hon'ble Commission has already introduced kVAh-based billing for consumer categories where it is technically and operationally feasible.

The Discoms affirm their commitment to further examining the feasibility of extending kVAh-based billing to additional consumer categories, in alignment with the Hon'ble Commission's directions.

DHBVNL Reply

The determination of tariff, including the design and implementation of Minimum Monthly Charge (MMC), demand charges, and other tariff components, falls exclusively under the jurisdiction of the Hon'ble Commission as per the Electricity Act, 2003. The Discoms have implemented the tariff structure, including MMC, strictly as approved by the Hon'ble Commission in its respective Tariff Orders. The Discoms remain committed to adhering to the Commission's decisions and will fully cooperate in implementing any changes as directed.

In addition to above, the Hon'ble Commission has already introduced kVAh-based billing for consumer categories where it is technically and operationally feasible.

The Discoms affirm their commitment to further examining the feasibility of extending kVAh-based billing to additional consumer categories, in alignment with the Hon'ble Commission's directions. Any implementation in this regard will be based on technical readiness, consumer convenience, and operational sustainability.

Commission's Observations: -

The Commission has carefully pursued the comments / objections filed by the intervener herein. As far as Monthly Minimum Charge (MMC) is concerned, it is comparatively less onerous than a fixed / demand charge from consumers as electricity bill is issued on MMC basis only when the consumption falls below a threshold level vis-à-vis connected load as against a demand charge which has to be paid irrespective of consumption. Nonetheless, the Discoms, in order to ensure certainty in their revenue stream, may propose fixed / demand charge for DS consumers as well based on connected load (per kWh/month) as revenue from MMC cannot be projected with any degree of certainty. Further, the Commission is gradually moving towards kVAh based tariff and expects that the Discoms would ensure that all meters are compatible.

3. **Rebate/discount in Tariff for consumers availing supply through Independent Feeder for bearing of Distribution and Transmission Losses**

   The Commission while deciding tariff for FY 2017-18 in Appeal No. HERC/PRO-39 of 2016 and HERC/PRO-40 of 2016, did acknowledged my suggestions/ objections to have separate tariff structure for Independent Feeder, but so far nothing has been done in this regard neither by the Commission nor by the Discoms of the State to have separate tariff structure for an Independent Feeder Consumer.

A consumer availing electricity through Independent Feeder get billed as per meter placed at power-house and not as per meter installed at consumer place and accordingly bear all the feeder losses as well as distribution and transmission losses, whereas in case of all other consumers the feeder and distribution/ transmission loss is born by the Discom of the State, So there is discrimination exists with regard to tariff which an Independent Feeder Consumer pays, the same tariff is also paid by a consumer who is not under Independent Feeder and the Commission would like to remove this discrimination by allowing some Discount/Rebate in tariff for consumer that avails supply of electricity through Independent Feeder because of reason as explained that Independent Feeder Consumer bears the Feeder as well as distribution and transmission losses, which a consumer who is not under Independent Feeder does not bear and does not pay. May be a rebate of 4% for supply upto 11kV and 5% for supply at higher voltage should be allowed to an Independent Feeder Consumer towards Feeder and Distribution and Transmission Losses.

UHBVNL Reply

UHBVN humbly submits that the objector is under misconception that the other consumers not connected on independent feeder do not bear the burden of transmission and distribution losses. It is to be noted that as the revenue model for Discoms is purely on normative cost-plus basis, the approved losses are already included in the revenue and ARR calculation and accordingly the tariffs are charged from each and every consumer as per the tariff schedule approved by the Hon’ble Commission.

It is also submitted that the 11 KV independent feeder losses are minuscule and Discoms bill the consumer, who has requested to be fed through independent feeder, strictly as per clause 4.8.2 of HERC Duty to Supply Regulations 2016 and respective tariff relevant to their applicable consumer category & voltage level. Determination of Tariff Schedule is in the purview of the Hon’ble Commission.

DHBVN Reply

DHBVN humbly submits that the objector is under misconception that the other consumers not connected on independent feeder do not bear the burden of transmission and distribution losses. It is to be noted that as the revenue model for Discoms is purely on normative cost-plus basis, the approved losses are already included in the revenue and ARR calculation and accordingly the tariffs are charged from each and every consumer as per the tariff schedule approved by the Hon'ble Commission.

It is also submitted that the 11 KV independent feeder losses are minuscule and Discoms bill the consumer, who has requested to be fed through independent feeder, strictly as per clause 4.8.2 of HERC Duty to Supply Regulations 2016 and respective tariff relevant to their applicable consumer category & voltage level. Determination of Tariff Schedule is in the purview of the Hon'ble Commission.

Commission's Observations

It is noted that there is multiplicity of independent feeder, since losses are to be borne by the consumers and the same will vary depending on the length and other technical characteristics, hence, having a plethora of rates, in the considered view of the Commission, is not feasible. Needless to add that an electricity consumer opts for taking supply through an independent feeder primarily because of his concern for quality and continuity of supply including minimizing the possibilities of 'outages' in supply of power. Hence, the issue is not so much of tariff but reliability of supply.

4. No Corresponding Reduction in Tariff for Bulk Supply (Domestic) when Domestic Supply (DS) supply category tariff was reduced by the Commission during Tariff announcement on June 01, 2020 for FY 2020-2021 and in Subsequent Years.
   a) While announcing tariff on June 1, 2020 the Commission reduced the tariff for a Domestic Supply (DS) Category consumer under Category- I and II, but there was no corresponding reduction made in tariff for bulk supply domestic category. The Tariff for bulk supply domestic category kept at same structure as it was in previous year.
   b) By not reducing the tariff for bulk supply domestic category, the residents of a Group Housing Society were not benefited for the reduction in Tariff made under Domestic Supply (DS) Category. Basically, the reduction in Tariff made under Domestic Supply (DS) Category under I and II has resulted into lower tariff for individual consumption inside the flat, but at the same time, it has resulted into increase in the share in common area electricity (CAE). So, there is no impact on the pocket of a Resident of Group Housing Society under Single Point Supply by reducing the Tariff for DS Category, because such reduction has increased the share in common area electricity (CAE) and thus no benefit

for reduction in tariff for domestic supply category if there is corresponding reduction in Tariff for Bulk Supply Domestic category. See the example below to understand it better- Let's say the monthly electricity bill of the housing society for November month was Rs. 10 Lakhs and out of that Rs. 10 lakhs bill, 50% (Rs. 5 Lakhs was for individual consumption inside the flat on which DS tariff was applicable) and balance 50% was for common area use. Now, after the Tariff Order dated: June 01, 2020 and due to reduced DS Category Tariff, the share of individual consumption has got reduced to 40% from earlier 50% and consequently the common area share got increased to 60% from earlier 50%, whereas common area share should have remained same to 50%. The Question is why reduction in DS category Tariff would result into increase in share of common area electricity for a resident of a group housing society?

I am sure we all would agree that why the reduction in Domestic Supply (DS) Tariff shall increase share in Common Area Electricity (CAE) for a resident of a group housing society having single point supply and accordingly a reduction in tariff for Bulk Supply (Domestic) is needed to compensate the hardship on the Resident of a Group Housing Society under Option – 1 for increase into share in Common Area Electricity (CAE) due to reduction in Tariff structure for DS category consumers.

UHBVNL Reply

Adequate compensation in retail supply tariff has already been provided to single point Bulk Supply consumers. It is imperative that retail supply tariff need to be within +/- 20% of Average Cost of Supply as per the National Tariff Policy, 2016. The tariff benefit of lower slab for 500 Units/Dwelling has been extended to 800 units/Dwelling in FY 2020-21. Further, the fixed charges for Bulk Supply Category have been reduced from 100/kW in to 80 kW in FY 2022-23. The tariff to Bulk domestic is already at par to its cost reflective tariff. Thus, considering the increase in the average cost of supply of Petitioner for ensuing years the plea of the stakeholder on the solicited grounds should not be further entertained.

Further, it is submitted that billing of individual consumers of a GHS being fed through single point supply is in the purview of the RWA/Builder and not that of Discoms, Hence, the objector may kindly approach them for any clarification regarding increase in Common Area Charges.

Furthermore, Discoms bill the consumers as per the respective tariff applicable to the consumer in accordance with the consumer-categories mentioned in the tariff schedule approved by the Hon'ble Commission for relevant year. It is also submitted that it is the responsibility of the Employer/Developer/RWA/GHS/User Association that the billing is to be done as per the relevant tariff orders and HERC regulations. Any deviation from the applicable tariff order and regulation may be intimated to the CGRF as per the HERC Single Point Supply Regulations 2020 as clearly stipulated in regulations 5.3 reproduced as under: -

"The individual consumers in the GHS/Employer's Colonies/Residential cum Commercial/Commercial Complexes/Shopping Malls/Industrial Estates/IT Park where Single Point Supply has been provided shall be treated at par with the consumers of the distribution licensees and shall have the same rights and obligations as that of other consumers of distribution licensee. These consumers shall also be covered under all other relevant Regulations of the Commission including CGRF and Ombudsman Regulations, and tariff order issued by the Commission, provided that in case of the provision of section 126, 135 and 138 of the Act the distribution licensee shall be authorized to take necessary action as per these provisions of the Act in coordination with such Employer's Colony/GHS/ RWAs/Users Associations."

DHBVNL Reply

It is submitted that billing of individual consumers of a GHS being fed through single point supply is in the purview of the RWA/Builder and not that of Discoms, Hence, the objector may kindly approach them for any clarification regarding increase in Common Area Charges. Furthermore, Discoms bill the consumers as per the respective tariff applicable to the consumer in accordance with the consumer-categories mentioned in the tariff schedule approved by the Hon'ble Commission for relevant year. It is also submitted that it is the responsibility of the Employer/Developer/RWA/GHS/User Association that the billing is to be done as per the relevant tariff orders and HERC regulations. Any deviation from the applicable tariff order and regulation may be intimated to the CGRF as per the HERC Single Point Supply Regulations 2020 as clearly stipulated in regulations 5.3 reproduced as under: -

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licensees and shall have the same rights and obligations as that of other consumers of distribution licensee. These consumers shall also be covered under all other relevant Regulations of the Commission including CGRF and Ombudsman Regulations, and tariff order issued by the Commission, provided that in case of the provision of section 126, 135 and 138 of the Act the distribution licensee shall be authorized to take necessary action as per these provisions of the Act in coordination with such Employer's Colony/GHS/ RWAs/Users Associations."

Commission's Observations

The intervener needs to note that there are two distinct segments to the Bulk (DS) Tariff. Firstly, electricity supplied by the Distribution licensee of the area and secondly, from said Single Point, electricity supplied to the individual premises and common area etc. In the case of former, the tariff on an annual basis, including a fixed charge based on the recorded demand at the meter installed at a 'Single Point' is determined by the Commission. While metering, billing etc. in the second segment is the responsibility of the Employer/RWA/GHS/Developer, as the case may be subject to the terms of Single Point Supply Regulations in vogue. Hence, tariff beyond the supply at single point, is not within the scope of the present proceedings. The same is part of Single Point Regulations notified by the Commission and the Regulations can only be taken up for judicial review.

5. No Subsidy, Discount, Rebate, Offer, Cashback is Available to a Resident of a Group Housing Society under Single Point Supply under Option – 1.

    a) We all know that for all purposes, a Resident of a group housing society under bulk supply domestic is a domestic category consumer and it has a same right and obligations which a consumer under domestic supply category has and accordingly entitled to receive all types of subsidy, discount, rebate, Offer, Cashback etc. as available to a domestic supply (DS) category consumer.

    b) The Commission did acknowledge this while deciding Tariff last year and accordingly reduced the Fixed Charges from Rs. 100/kW to Rs. 80/kW by providing some relief in this regard but the reduction of Rs. 20/kW in fixed charges is actually nothing by comparing it to amount of subsidy, rebate, discount, Offer, Cashback is available to a Domestic Category Consumer and accordingly a better approach should be made by the Commission in providing relief in Tariff to cover the amount of subsidy, discount, rebate, Offer, Cashback etc. for a resident of a Group Housing Society as being available to a Domestic Category Consumer.

UHBVN Reply

No subsidy, discount, rebate, offer, cashback, is presently being offered on the retail supply tariff to Bulk Supply Domestic Consumers under Option-1. Thus, the claim of the stakeholder is devoid of any merit.

DHBVN Reply

It is submitted that any discount, rebate, or subsidy is under the purview of the State Government. As per Section 65 of the Electricity Act, 2003, if the State Govt. gives a rebate or exemption to category/categories of consumer on the tariff determined by the Commission, discounted tariff to that extent is c1harged by the Discom to those consumers from time to time. However, there is currently no subsidy, rebate, offer, or cashback available on HERC approved tariff applicable for domestic consumers and the tariff schedule is implemented as approved by the Hon'ble Commission for the relevant year.

Furthermore, many of the contentions submitted by the petitioner have already been addressed in the PRO-48 of 2018 in which the Commission did not find any merit in the similar submissions and disposed of the matter vide order dated 21.02.2019

Commission's Observations

The Commission tends to agree with the reply filed by the Discoms. The intervener needs to note that any discount, rebate, or subsidy is under the purview of the State Government and not HERC. As per Section 65 of the Electricity Act, 2003, if the State Govt. gives a rebate or exemption to category/categories of consumer on the tariff determined by the Commission, discounted tariff to that extent is charged by the Discoms from those consumers from time to time. The rebate in terms of energy recorded at the single point has been provided to established parity between the two sets of DS consumers.

6. **Surcharge for delayed payment of bills**

   a) The Regulation 6.6 of the HERC (Electricity Supply Code) Regulations, 2014 says that

   "In case the consumers do not pay the bill by the due date mentioned in the bill, surcharge for delayed payment of bill shall apply as per tariff orders issued by the commission from time to time".

However, HREC as Commission is not declaring any such surcharge for delayed payments in its Yearly Tariff Order issued from time to time by it. Last it was declared it in Tariff Order for FY 2013-14 and nothing in Tariff Order issued thereafter for each Financial Year.

b) As we know that a Tariff Order issued for a financial year is valid until a new Tariff Order is issued and as soon as a Tariff Order is issued for a financial year, the previous year Tariff Order become Null and Void and Rescinded accordingly. The Commission each year had issued Tariff Order but failed to mention there the rate of surcharge for delayed payment of bills.

Therefore, to remove ambiguity in this regard, requesting Commission to declare the rate of surcharge for delayed payment of bills for various categories of consumers while announcing the Tariff Order for FY 2023 – 2024.

UHBVN Reply

UHBVN at the outset submits that as per the clarification issued by Hon'ble Commission vide memo no. HERC/D(Tariff)/ARR-10-11/1974-78 dated 04.10.2010, rate of surcharge for delayed payment of bills has been notified as:

a) 3% bi- monthly on unpaid amount of energy bills in case of domestic and non-domestic consumers.
b) 1.5% monthly on unpaid amount of energy bills in case of all other categories of consumers

These instructions had been circulated by UHBVN on Sales Circular Number U-30/2010 dated 05.10.2010.

DHBVN Reply

DHBVN at the outset submits that as per the clarification issued by Hon'ble Commission vide memo no. HERC/D(Tariff)/ARR-10-11/1974-78 dated 04.10.2010, rate of surcharge for delayed payment of bills has been notified as:

a) 3% bi- monthly on unpaid amount of energy bills in case of domestic and non-domestic consumers.
b) 1.5% monthly on unpaid amount of energy bills in case of all other categories of consumers

These instructions had been circulated by DHBVN on Sales Instruction Number D-20/2010 dated 15.10.2010.

Commission's Observations

The issue of the delayed payment surcharge has been addressed by the Commission as brought out in the reply filed by the Discoms. Hence, no further deliberations on this issue is required.

7. **Discoms are liable to pay compensation as per the provisions of the Haryana Electricity Regulatory Commission (Standards of Performance of Distribution Licensee and Determination of Compensation) Regulations, 2020:**

The foot-note of the tariff order should clearly say that Discoms of the state are liable to pay compensation to its consumer in accordance of the provisions of the Haryana Electricity Regulatory Commission (Standards of Performance of Distribution Licensee and Determination of Compensation) Regulations, 2020. I believe, currently, due to lack of awareness neither the consumer demands nor the Discoms pays any compensation/penalty to its consumers. This is very much required by commission as a consumer awareness initiative.

UHBVN Reply

UHBVN submits at the outset that the Hon'ble Commission has issued the Haryana Electricity Regulatory Commission (Standard of Performance of Distribution Licensee and Determination of Compensation) Regulations, 2020. These regulations stipulate that consumer are entitled to claim compensation if the distribution licensee fails to meet the guaranteed service standards outlined in Schedule-1 of the regulations.

Under these provisions, consumers have the right to demand compensation whenever the licensee does not adhere to the specified standards of performance, ensuring that the distribution services are reliable, efficient, and timely.

DHBVN Reply

DHBVN submits at the outset that the Hon'ble Commission has issued the *Haryana* **Electricity** *Regulatory Commission (Standard of Performance of Distribution Licensee and Determination of Compensation) Regulations, 2020*. These regulations stipulate that consumer are entitled to claim compensation if the distribution licensee fails to meet the guaranteed service standards outlined in *Schedule-1* of the regulations.

Under these provisions, consumers have the right to demand compensation whenever the licensee does not adhere to the specified standards of performance, ensuring that the distribution services are reliable, efficient, and timely.

Commission's Observations

The Standards of Performance regulation is available in public domain and same may not be intermingled with tariff. The issues regarding Standards of Performance Regulations, is not germane to the present proceedings.

8. **FSA to get billed in with Tariff and not to get charge separately**

Commission to club FSA with Tariff Order and not to allow to be charged separately. Commission can increase/decrease the tariff rate by including/removing FSA to it, but FSA should not be charged separately. I request the Commission to consider it for the benefit of the Electricity Consumers of the State.

UHBVN Reply

UHBVN at the outset submits that FSA is being levied as per HERC MYT Regulations, 2019. The FSA mechanism is established to ensures that variations due to uncontrollable factors such as fuel price fluctuations and energy exchange rates are promptly recovered, maintaining the financial viability of the distribution utility without undue delays.

It is further submitted that while this approach may simplify the billing process for consumers, it may not fully account for the dynamic nature of power purchase costs, which can fluctuate significantly within a financial year. Charging FSA separately allows for more timely and transparent adjustments to reflect actual costs, avoiding delays that could result in accumulated arrears or financial stress for the utility and further the tariff shock for the end consumers.

DHBVN Reply

DHBVN at the outset submits that FSA is being levied as per HERC MYT Regulations, 2019. The FSA mechanism is established to ensures that variations due to uncontrollable factors such as fuel price fluctuations and energy exchange rates are promptly recovered, maintaining the financial viability of the distribution utility without undue delays.

It is further submitted that while this approach may simplify the billing process for consumers, it may not fully account for the dynamic nature of power purchase costs, which can fluctuate significantly within a financial year. Charging FSA separately allows for more timely and transparent adjustments to reflect actual costs, avoiding delays that could result in accumulated arrears or financial stress for the utility and further the tariff shock for the end consumers. Hence, it is humble submit that Hon'ble Commission may continue to align the FSA process with that of MoP Electricity (Amendment) Rules, 2021 and keep the mechanism of FSA the same as current provisions in HERC MYT Regulations, 2024.

Commission's Observations

FSA/FPPAs is levied in line with the provisions of the HERC MYT Regulations in vogue. FSA arises due to the fact that there is a difference between the source wise cost of power purchase approved by the Commission including mix of power and the actual power purchase cost at the Commission's approved loss levels due to several factors i.e. change in hydro-thermal mix, tariff revision by the appropriate Commission, increase in fuel cost including transportation and short-term purchases to maintain demand-supply balance. Hence, to keep cost and price (tariff) aligned and in line with the Electricity Act, 2003, the formula / methodology for working out FSA/FPPAs has been made part of the HERC MYT Regulations, 2024, in line with Rule 14 of the Electricity (Amendment) Rules, 2022, notified by the Ministry of Power. Discoms, instead of imposing the burden of FSA in one go on the electricity consumers of the State, have staggered the recovery in monthly installments. It is pertinent to note that the Commission in its order dated 22.12.2023 (Petition No. 56 of 2023 and Petition No. 62 of 2023), has not allowed carrying cost/holding cost on the same. The relevant part of the ibid order of the Commission, is reproduced hereunder: -

"…..It is added that the Commission has allowed the petition, preferred by the Discoms, in effect, this would defer the revenue realization (assuming FPPAS on annual basis is positive) from the electricity consumers, hence, on the FPPAS amount pertaining to the FY 2023-24, no holding cost/carrying cost would be admissible."

2.3.3 M/s Gurgaon Industrial Association (GIA)

Objections vide letter No. GIA/2024-25/47/068 dated 15.01.2025 from Sh. Sumit Rao, and reply of DHBVNL received vide memo no Ch-13/SR/RA-787 dated 30th January, 2025 is dealt as under:-

1. As per the data available on the DHBVN website, Industry is a very small part of the Consumer Mix i.e. HT Industry @ 0.24% and LT Industry @ 1.35% but in the Share in Revenue column, 40.72% is contributed by HT Industry and 5.42% is contributed by LT Industry.

But ironically:

Currently there is no participation of industry in the contracts that the Nigam gets into. This should be changed as industry is the main contributor to the revenue block of DHBVN.

Long term contracts should be based taking into account the industry estimates for future power requirement.

DHBVN Reply

It is respectfully submitted that the dedicated power purchase cell for both DISCOMs in Haryana, namely the Haryana Power Purchase Centre (HPPC) and is executing power purchase agreements. These agreements are finalized with a focus on ensuring cost-effective tariffs prioritizing the interests of consumers and the same are executed after getting due approval from the Hon'ble Commission. The primary objective of these agreements is to secure a reliable and affordable power supply for the state.

Additionally, DHBVN has duly assessed and forecasted the energy demand of its consumers for the 3rd MYT Control Period. HPPC has tied up various generating sources to address this anticipated demand, including agreements with both renewable and conventional energy sources, ensuring the availability of sufficient energy to meet the projected requirements. These measures aim to maintain an optimal balance between supply and demand minimizing financial implications for consumers.

2. Subsidy to farmers for electricity charges is paid by the State Government, to the Power Distribution Company. However, there is always a delay in payment and expenses borne. As a result, the interest on the delayed payment should be borne by the government and not by the Power Distribution Company.

DHBVN Reply

It is respectfully submitted that the subsidy is determined by the state government and the same is incorporated by the DISCOM into their tariff schedule as per Hon'ble Commission's order, which is then passed on to consumers. The subsidy component is reflected in the DISCOM's audited accounts. Additionally, it is clarified that this subsidy is not related to the provisions for late payment surcharge.

3. Cross subsidy burden should be borne by either by the board or by the Government, which is subsidizing the electricity charges to particular consumers. This burden should not be transferred to the industry which is already the largest contributor to DHBVN.

   DHBVN Reply

   It is respectfully submitted that the cross-subsidy surcharge is determined by the Hon'ble Commission periodically as per Reg. 65.3. of HERC MYT Tariff Regulation, 2024. The excerpt of the same is provided below:

   "The cross-*subsidy surcharge and additional surcharge shall be payable as determined by the commission from time to time."*

4. Free units being accorded to the public in the state, is a call of the state government and should be borne by the government, this cost should not be burdened on to industry.

   DHBVN Reply

   It is respectfully submitted that at present no such provision exists in the state of Haryana for providing free electricity units to the public.

5. NPA / Non-payers should steadily decline, by various methods available as per law. These include all categories of consumers from private to public, and no leniency should be extended on the basis of the status of the consumer.

   DHBVN Reply

   It is respectfully submitted that the NPA/Non-payers under any consumer category are treated as per reg no. 10 "Disconnection and Reconnection of Supply" of HERC Electricity Supply Code Regulations, 2014.

6. Fixed Charges already very exorbitant with no tangible benefit to the consumer.

   DHBVN Reply

   It is respectfully submitted that a two-part tariff structure with separate fixed and variable charges has been implemented as directed under point 8.4 of National Tariff Policy, 2016.

Furthermore, fixed charges have been calculated after a comprehensive analysis of costs, including infrastructure costs, maintenance, and other operational expenses required to provide electricity to consumers and after further approval of the Hon'ble Commission.

7. Industry should not be considered as a source of perennial fund raising, but as a contributor to the state and society at large, which provides by way of employment, taxes and other such contributions to the state and the nation. Therefore, any increase in the electricity / power tariff shall be detrimental to the Nations growth trajectory.

DHBVN Reply

It is respectfully submitted that while the role of the industry as a contributor to the state and society is duly acknowledged and appreciated—providing employment, taxes, and other benefits—it is also imperative to ensure the financial sustainability of the power sector. The electricity tariff structure is designed to balance the interests of all stakeholders, including industries, consumers, and DISCOMs, while adhering to regulatory guidelines.

Any revision in tariffs is undertaken only after a comprehensive analysis of costs, including power procurement, operational expenses, and the necessity to maintain and upgrade infrastructure for reliable power supply and after further approval of the Hon'ble Commission.

Commission's Observations

The Commission has examined the comments filed by M/s. Gurgaon Industrial Association (GIA) and observes that the same have already been addressed while dealing with the comments filed by M/s Faridabad Industries Association (FIA). Hence, no further discussions on the same is required.

2.4 Interim Order dated 16.01.2025

The Discoms have filed the following information, in compliance to the interim order dated 16.01.2025, issued by the Commission, in pursuant to the public hearings held on 15.01.2025: -

UHBVNL:

UHBVNL has filed the response to the interim order, vide letter no Ch-51/RA/F-25/Vol-86 dated 24.01.2025, as follows: -

<table>
<tr><th>#</th><th>Particulars</th><th>Reply</th></tr>
<tr><td>i)</td><td>Category-Wise Break up of Revenue Billed in regard to Fuel Adjustment Surcharge (FSA/FPPA) as well as revenue collected.</td><td>The desired information with respect to the Category Wise breakup of Revnue Billed for FY 2023-24 is submitted as under:
<table>
<tr><th>Sr. No.</th><th>Category</th><th>Assessment (Rs Crore)</th><th>Realiziation (Rs. Crore)</th></tr>
<tr><td>1</td><td>Agri Unmetered</td><td>0.00</td><td>0.00</td></tr>
<tr><td>2</td><td>Agro Industries</td><td>0.13</td><td>0.08</td></tr>
<tr><td>3</td><td>Bulk Supply</td><td>14.82</td><td>14.70</td></tr>
<tr><td>4</td><td>Domestic</td><td>227.01</td><td>233.71</td></tr>
<tr><td>5</td><td>HT</td><td>317.54</td><td>305.88</td></tr>
<tr><td>6</td><td>Lift Irrigation</td><td>0.46</td><td>0.10</td></tr>
<tr><td>7</td><td>LT</td><td>75.16</td><td>73.10</td></tr>
<tr><td>8</td><td>PWW</td><td>23.35</td><td>20.16</td></tr>
<tr><td>9</td><td>Street Light</td><td>2.88</td><td>1.39</td></tr>
<tr><td>10</td><td>Grand Total</td><td>661.36</td><td>649.12</td></tr>
</table></td></tr>
<tr><td>ii)</td><td>The specific proposal to reduce the accumulated FSA of Rs. 8245.85 crore of both the Discoms, as on 31.03.2024.</td><td>The FPPAS for FY 2022-23 amounting Rs 7672.94 Core, a portion of the same from Apr’22 to Oct’22 has been recovered. The balance component for duration from Nov’22 to Mar’23 is currently being recovered from the consumers @ 43 Paise/units. So far, FPPAS amounting Rs. 4709.83 Cr. has been receovered till September 2024. Further, the FPPAS for FY 2023-24 amounting Rs 4058.50 Crores, the proposal for recovery of the same is under due delibration with the Competent Authority. It is humbly requested to the Hon’ble Commission that permission may kindly be granted for subsequent submission of the consent of competent authority for recovery plan of FPPAS for FY 2023-24.</td></tr>
<tr><td>iii)</td><td>Discoms have projected a combined revenue deficit of Rs 4520.24 Crore, for the FY 2025-26, without providing any concrete action plan to bridge this gap, quantifying the gap to be met from efficiency gain, cost cutting, reduction in power purchase cost, tariff hike etc</td><td>Response to above will be submitted to the Hon’ble Commission within the compliance date as directed in the Interim Order.</td></tr>
<tr><td>iv)</td><td>The specific proposal of the Discoms for the quantum (Rs./unit) of consumer category-wise tariff hike as well as the amount (Rs/crore), in order to meet the revenue gap.</td><td>Response to above will be submitted to the Hon’ble Commission within the compliance date as directed in the Interim Order.</td></tr>
<tr><td>v)</td><td>Component-wise subsidy proposed for the FY 2025-26.</td><td>The subsidy under Section 65 for AP Consumer Category has been already furnished to the Hon’ble Commission in the MYT Petition for Third Control Period from FY 2025-26 to FY 2029-30.</td></tr>
<tr><td>vi)</td><td>Discoms have claimed banking charges in respect of 958.66 Mus amounting to Rs. 500.42 crore. In this regard, it is desired to provide the followings: -
a. Energy (Mus) and rate at which the ibid banking charges have been booked.
b. Energy (Mus) and rate at which the energy taken back under banking</td><td>The desired information for the banking charges are submitted on pointwise basis as under:
a. The banking charges for FY 2023-24 were booked @ Rs 5.22/kWh. This was determined based on the average Power Purchase Cost of FY 2022-23. As per the Accounting Policy of UHBVN, the purchase and sale of power under Banking Arrangement shall be done at average rate of power purchase of the last financial year. The same be further determined on the basis of power purchase cost</td></tr>
</table>

<table>
<tr><th>#</th><th>Particulars</th><th>Reply</th></tr>
<tr><td></td><td>arrangement has been accounting for up to 31.03.2024.
c. The accounting head under which the revenue on account of energy taken back from banking, has been specified in the balance sheet.
d. Energy (Mus) banked but outstanding for taking back as on 31.03.2024.</td><td>from all long-term and short-term sources along with PGCIL transmission charges.
b. The details of energy taken back under banking arrangement and accounted for up to 31.03.2024 are submitted as under:
<table>
<tr><th>Sr. No.</th><th>Energy (Mus)</th><th>Rate (Rs/Kwh)</th><th>Amount (In Cr.)</th></tr>
<tr><td>1</td><td>958.66</td><td>5.22</td><td>500.42</td></tr>
</table>
c. The revenue for the energy taken back under banking arragement has been booked under the account code is 61.130 .
d. The banked energy outstanding as on 31.03.2024 is submitted in table below:
<table>
<tr><th>Sr. No.</th><th>Utility</th><th>Duration (Hrs)</th><th>Banked Energy during Dec’23 to Feb’ 24 (MU)</th><th>Banked Energy returnable during Jul’24 to Sept’24 and outstanding as on 31.03.2024 (MU)</th></tr>
<tr><td>1</td><td>Uttrakhand Power Corp. Ltd</td><td>0000-2400</td><td>106.320</td><td>111.636</td></tr>
<tr><td>2</td><td>Meghalaya Power Distribution Corp. Ltd.</td><td>0000-2400</td><td>39.237</td><td>41.199</td></tr>
<tr><td>3</td><td>Meghalaya Power Distribution Corp. Ltd.</td><td>2000-0500</td><td>32.558</td><td>33.209</td></tr>
</table></td></tr>
<tr><td>vii)</td><td>Year-wise trajectory of reduction in distribution losses for next five years.</td><td>The loss reduction trajectory on yearwise basis is submitted as under:
<table>
<tr><th rowspan="2">Sr. No.</th><th rowspan="2">Particular</th><th colspan="2">Distribution losses</th></tr>
<tr><th>Targets</th><th>Proposed</th></tr>
<tr><td>1</td><td>FY 2023-24</td><td>12%</td><td>9.15%</td></tr>
<tr><td>2</td><td>FY 2024-25</td><td>10%</td><td>10.45%</td></tr>
<tr><td>3</td><td>FY 2025-26</td><td></td><td>10.15%</td></tr>
<tr><td>4</td><td>FY 2026-27</td><td></td><td>9.85%</td></tr>
<tr><td>5</td><td>FY 2027-28</td><td></td><td>9.55%</td></tr>
<tr><td>6</td><td>FY 2028-29</td><td></td><td>9.25%</td></tr>
<tr><td>7</td><td>FY 2029-30</td><td></td><td>9.10%</td></tr>
</table></td></tr>
<tr><td>viii)</td><td>Revised revenue mix (Rs./Crore) after including subsidy component. Further, examine the reasons of disparities in data of number of consumers, load (MW), sales mix and revenue (Rs./crore) of AP consumers.</td><td>It is humbly submitted that revenue from sale of power has been submitted without subsidy amount, due to which disparity has crepted in the details of number of consumers, load, Sales Mix and Revenue of AP Consumers. The revised revenue including subsidy is submitted in table below.
<table>
<tr><th>Sr. No.</th><th>Category</th><th>Unit Sold (Mus)</th><th>Revenue from Sale of Power (Rs Cr)</th><th>Subsidy (Rs Cr)</th><th>Total Revenue (Rs Cr)</th><th>Weightage (%)</th></tr>
<tr><td>1.</td><td>Domestic</td><td>6,865.44</td><td>2,830.17</td><td>112.29</td><td>2,942.46</td><td>20.37%</td></tr>
<tr><td>2.</td><td>HT Supply</td><td>8,229.92</td><td>6,369.11</td><td></td><td>6,369.11</td><td>44.08%</td></tr>
<tr><td>3.</td><td>LT Supply</td><td>2,495.80</td><td>1,783.36</td><td></td><td>1,783.36</td><td>12.34%</td></tr>
<tr><td>4.</td><td>Agriculture</td><td>3,577.81</td><td>93.14</td><td>2,365.68</td><td>2,458.82</td><td>17.02%</td></tr>
<tr><td>5.</td><td>Bulk Supply</td><td>405.97</td><td>284.69</td><td></td><td>284.69</td><td>1.97%</td></tr>
<tr><td>6.</td><td>Street Light</td><td>70.72</td><td>61.25</td><td></td><td>61.25</td><td>0.42%</td></tr>
<tr><td>7.</td><td>Public Water Works</td><td>600.39</td><td>501.74</td><td></td><td>501.74</td><td>3.47%</td></tr>
</table></td></tr>
</table>

#	Particulars	Reply

8.	Agro Industries / FPO	4.50	2.04		2.04	0.01%
9.	Lift Irrigation	50.44	44.77		44.77	0.31%
10.	**Total**	**22,300.99**	**11,970.27**	**2,477.97**	**14,448.24**	**100.00%**

#	Particulars	Reply
ix)	Details of small hydro power plants included in the total power tied up by Discoms, including name of the projects, capacity, date of PPA, date since power drawn, tariff, duration of PPA, location of project).	The desired informaiton is tabulated as under: -

Sr No	Name of Generating Station	Location of the Plant	Installed Capacity (MW)	Commercial operation date	PPA Date	Duration of PPA	Expiry date of PPA	Date of power drawn	Scheduled Energy (LUs)	Total Rate (Rs / kWh)
1	Bhoruka HEP	Village Dadupur, Chhachhrauli Taluk , Yamunanagar, Haryana	6	Unit 1: 05.04.2010 Unit-2: 30.03.2010 Unit-3: 19.03.2010 Unit-4: 20.03.2010	03.03.2008	35 years	04.04.2045	05.04.2010	56.84	1.89
2	P&R Gogripur	Village Gogripur, Distt Karnal, Haryana	2	01.09.2010	13.08.2010	25 years	31.08.2035	01.09.2010	46.96	3.98
3	Puri Oil Mills, Mussapur	Village Tusang, Tehsil Indri, Distt Karnal, Haryana	1.4	Unit 1: 30.09.2011 Unit 2: 17.06.2011	13.08.2010	25 years	29.09.2036	30.09.2011	12.8	3.67
4	Puri Oil Mills, Khukhni	Village Thaska Khadar Block Radhour Tehsil Jagadhari, Distt Yamunanagar, Haryana	1.4							
5	WYC Kakroi	Yamuna Nagar, Haryana	62.4	Power House A, Unit 1: 29.05.1986 Unit 2: 13.06.1986 Power House - B Unit 1: 15.05.1987 Unit 2: 01.06.1987 Power House - C Unit 1: 27.03.1	09.12.2003	Life time of the project	16.04.2039	29.05.1986	2166.9	1.67

#	Particulars	Reply
		(table continued below)

				989 Unit 2: 18.04.1 989 Power House - D Unit 1: 16.04.2 004 Unit 2: 12.04.2 004						
Total			73.2							

#	Particulars	Reply
x)	Proposal on simplification of bill by highlighting four major components viz. period of bill, units consumed, amount of bill and its due date. These components needs to be incorporated in the SMS being sent to consumers.	The valuable suggestions of the Hon'ble Comssion with regard to the simplification of the electricity bill have been noted by the Discoms. It is shared that Discoms are working in this direction. The suggested paratement shall be in corporated in the new design of the electricity bills. Similar, updates shall also be made in the SMS being send to the consumers.
xi)	Methodology adopted for provisioning of bad debts and doubtful debts.	Provision for Bad & Doubtful debtors is provided for the amount outstanding against intrastate sales at the following percentage:-

Sr. No.	Particulars	Connected consumers	Disconnected consumers
1	Upto 1 year Trade Receivable	2%	10%
2	1-2 Years Trade Receivable	5%	20%
3	2-3 Years Trade Receivable	10%	30%
4	3 Years & above Trade Receivable	20%	50%

Income from surcharge levied on consumers for delayed payments on energy bills shall be accounted for on actual realisation basis.

Coding	Particulars	As on Mar'24 (Rs Lakh)	As on Mar'23 (Rs Lakh)
7.1	Trade Receivables from Connected Consumers	220543.10	237577.14
7.20	Trade Receivables from Disconnected Consumers	57993.07	57993.07
7.30	Receivable for Un-billed Revenue	43616.58	43754.67
7.4	Trade receivable for Inter State sale	2579.51	16020.34
	Total Trade Receivable	**324732.26**	**355345.22**
7.5	Less: Provision of Unrealiz1ed Surcharge	70834.44	249005.81
7.6	Less: Provision of Open Access	0	0.32
	Net trade receivables after Unrealized Surcharge	**253897.82**	**106339.09**
7.7	Less: Provision for Bad and Doubtful	47984.72	47984.72
	Net Receivables	**205913.1**	**58354.37**

(The provision for bad and doubtful debts comes out of Rs. 262.67 Crores and provision of Rs. 479.84 Crores was already there in the books of accounts. Hence, no need for fresh provision in this regard was made in the FY 2023-24).

#	Particulars	Reply
xii)	i. Data of Contractual and regular employees for the FY 2023-24, as	The information desired for Contractual and Regular employees for FY 2023-24 are submitted as under:

<table>
<tr><th>#</th><th>Particulars</th><th>Reply</th></tr>
<tr><td></td><td>
per the following format: -

a) Contractual Employees
<table>
<tr><th></th><th>Opening</th><th>Additions</th><th>Retirees</th><th>Closing</th></tr>
<tr><td>As on 31.03.2023</td><td></td><td></td><td></td><td></td></tr>
<tr><td>As on 31.03.2024</td><td></td><td></td><td></td><td></td></tr>
</table>

b) Regular Employees
<table>
<tr><th></th><th>Opening</th><th>Additions</th><th>Retirees</th><th>Closing</th></tr>
<tr><td>As on 31.03.2023</td><td></td><td></td><td></td><td></td></tr>
<tr><td>As on 31.03.2024</td><td></td><td></td><td></td><td></td></tr>
</table>

Also provide break-up of employees cost, for the FY 2023-24, into contractual into regular employees.
</td><td>
a) Contractual Employees
<table>
<tr><th>Particulars</th><th>Opening</th><th>Additions</th><th>Retirees</th></tr>
<tr><td>As on 31.03.2023</td><td>5,068</td><td>174</td><td>#</td></tr>
<tr><td>As on 31.03.2024</td><td>5,242</td><td>60.00 (as on 30.11.2024)</td><td>#</td></tr>
</table>

b) Regular Employees
<table>
<tr><th>Particulars</th><th>Opening</th><th>Additions</th><th>Retirees</th></tr>
<tr><td>As on 31.03.2023</td><td>8,437</td><td>3,666</td><td>#</td></tr>
<tr><td>As on 31.03.2024</td><td>10,823</td><td>172.00 (as on 30.11.2024)</td><td>#</td></tr>
</table>

Note: #Information will be supplied subsequently along with balance data.
Further, the employee cost of contractual employees and regular employees for the FY 2023-24 are as under:-

<table>
<tr><th>Sr. No</th><th>Type of Employees</th><th>Employee cost in the FY 2023-24 (Rs. Cr.)</th><th>Remarks</th></tr>
<tr><td>1</td><td>Regular Employee</td><td>1219.59</td><td>Employee cost includes salaries, allowances, leave travel Concession, Medical reimbursement, leave salary contribution NPS, Terminal Benefits including OCI</td></tr>
<tr><td>2</td><td>Contractual employee</td><td>87.24</td><td></td></tr>
<tr><td></td><td>Total</td><td>1306.83</td><td></td></tr>
</table>
</td></tr>
<tr><td>xiii)</td><td>General observation: -
The Discoms have not provided adequate information as sought by the Commission. Further, the information provided is not indexed with serial number of pages.
Discoms are directed to provide all the information sought either verbally or in writing, in a time bound manner, and in the format in which it is desired.</td><td>The directions of the Hon’ble Commission have been noted and complied accordingly.</td></tr>
</table>

DHBVNL:

DHBVNL has filed the response to the interim order, vide letter Memo No. Ch-122/SE/RA-785 dated 24.01.2025, as follows:

Sr. No.	Query	Submission
4.i.	Category-Wise Break up of Revenue Billed in regard to Fuel Adjustment Surcharge (FSA/FPPA) as well as revenue collected.	At the outset, DHBVN submits that the category wise Break up of Revenue Billed in regard to Fuel Adjustment Surcharge (FSA/FPPA) as well as revenue collected) is attached (Month wise FSA assessed and realized for FY 2024-25 up to Nov’ 2024)**,** (Revenue Assessed for FY 2023-24) **and** (Revenue Realized for FY 2023-24)

<table>
<tr><th>Sr. No.</th><th>Query</th><th>Submission</th></tr>
<tr><td>4.ii.</td><td>The specific proposal to reduce the accumulated FSA of Rs. 8245.85 crore of both the Discoms, as on 31.03.2024.</td><td>The FPPAS for FY 2022-23 amounting Rs 7672.94 Crore (Haryana), a portion of the same from Apr’22 to Oct’22 has been recovered. The balance component for duration from Nov’22 to Mar’23 is currently being recovered from the consumers @47 Paise/units. So far, FPPAS amounting Rs. 4709.83 Cr. has been recovered till September 2024. Further, the FPPAS for FY 2023-24 amounting Rs 4058.50 Crores, the proposal for recovery of the same is under due deliberation. It is humbly requested to the Hon’ble Commission that permission may kindly be granted for subsequent submission of the consent of competent authority for recovery plan of FPPAS for FY 2023-24.</td></tr>
<tr><td>4.iii.</td><td>Discoms have projected a combined revenue deficit of Rs 4520.24 Crore, for the FY 2025-26, without providing any concrete action plan to bridge this gap, quantifying the gap to be met from efficiency gain, cost cutting, reduction in power purchase cost, tariff hike etc.</td><td rowspan="2">At the outset, it is submitted that the requisite proposal shall be submitted to the Hon’ble Commission within prescribed period as directed in the Interim Order.</td></tr>
<tr><td>4.iv.</td><td>The specific proposal of the Discoms for the quantum (Rs./unit) of consumer category-wise tariff hike as well as the amount (Rs/crore), in order to meet the revenue gap</td></tr>
<tr><td>4.v.</td><td>Component-wise subsidy proposed for the FY 2025-26.</td><td>At the outset, DHBVN submits that the component wise subsidy proposed for FY 2025-26 is attached.

Note: It is submitted that the subsidy amount has been kept the same as per actual received for FY 2023-24. However, it is submitted that Hon’ble Commission may consider the sales projection of AP sales for the calculation of AP subsidy for ensuing years. Further, it is submitted that the incremental AP Subsidy due to deviations in AP sales shall be submitted at the time of true up of the respective years.</td></tr>
<tr><td>4.vi.</td><td>Discoms have claimed banking charges in respect of 958.66 Mus amounting to Rs. 500.42 crore. In this regard, it is desired to provide the followings: -

a) Energy (Mus) and rate at which the ibid banking charges have been booked

b) Energy (Mus) and rate at which the energy taken back under banking arrangement has been accounting for up to 31.03.2024.</td><td>a) At the outset, it is submitted that the Banking charges booked for FY 2023-24 is as under:<table><tr><th>Rate (Rs.)</th></tr><tr><td>5.22</td></tr></table>Note: The rate of power purchase of Rs. 5.22 is calculated based on the Power Purchase cost of FY 2022-23. Further, as per the Banking Policy of HPPC, for adjustments regarding the rate used under the banking arrangement, the average rate of power purchase has been determined by considering the power purchase</td></tr>
</table>

<table>
<tr><th>Sr. No.</th><th>Query</th><th>Submission</th></tr>
<tr><td></td><td>c) The accounting head under which the revenue on account of energy taken back from banking, has been specified in the balance sheet.
d) Energy (Mus) banked but outstanding for taking back as on 31.03.2024</td><td>from all long-term and short-term sources along with PGCIL transmission charges.
b) The energy (Mus) and rate at which the energy taken back under banking arrangement has been accounting for up to 31.03.2024 as under:
<table>
<tr><td>Energy (MUs)</td><td>Rate (Rs.)</td><td>Amount (In Cr.)</td></tr>
<tr><td>958.66</td><td>5.22</td><td>500.42</td></tr>
</table>
c) The account code is 61.130 under which the revenue on account of energy taken back from banking has been booked.
d) The details of Energy (Mus) banked but outstanding for taking back as on 31.03.2024 is as follows:
<table>
<tr><th>Utility</th><th>Duration (Hrs)</th><th>Total banked Quantum (MU) by HPPC during Dec. 23 to Feb. 24</th><th>Total Outstanding Quantum (MU) as on 31.03.2024 returnable to HPPC as per Power swap agreement during July 24 to Sept. 24</th></tr>
<tr><td>Uttarakhand Power Corp. Ltd</td><td>0000-2400</td><td>106.320</td><td>111.636</td></tr>
<tr><td>Meghalaya Power Distribution Corp. Ltd.</td><td>0000-2400</td><td>39.237</td><td>41.199</td></tr>
<tr><td>Meghalaya Power Distribution Corp. Ltd.</td><td>2000-0500</td><td>32.558</td><td>33.209</td></tr>
</table></td></tr>
<tr><td>4.vii.</td><td>Year-wise trajectory of reduction in distribution losses for next five years.</td><td>At the outset, it is submitted that for the MYT control period FY 2025-26 to 2029-30, DHBVN has projected the year wise reduction in distribution loss trajectory as provided in the table below:
<table>
<tr><th>Particulars</th><th>FY 2025-26</th><th>FY 2026-27</th><th>FY 2027-28</th><th>FY 2028-29</th><th>FY 2029-30</th></tr>
<tr><td>Distribution Losses</td><td>10.25 %</td><td>9.75%</td><td>9.50 %</td><td>9.25 %</td><td>9.00 %</td></tr>
</table></td></tr>
<tr><td>4.viii.</td><td>Revised revenue mix (Rs. /Crore) after including subsidy component. Further, examine the reasons of disparities in data</td><td>At the outset, DHBVN submits that the details regarding revised revenue mix (Rs. /Crore) after including subsidy component, number of consumers, load (MW), sales mix</td></tr>
</table>

<table>
<tr><th>Sr. No.</th><th>Query</th><th>Submission</th></tr>
<tr><td></td><td>of number of consumers, load (MW), sales mix and revenue (Rs. /crore) of AP consumers</td><td>and revenue (Rs. /crore) of AP consumers is attached as an Annexure 3</td></tr>
<tr><td>4.ix.</td><td>Details of small hydro power plants included in the total power tied up by Discoms, including name of the projects, capacity, date of PPA, date since power drawn, tariff, duration of PPA, location of project).</td><td>At the outset, DHBVN submits that the details of small hydro power plants included in the total power tied up by Discoms is attached as an Annexure 4</td></tr>
<tr><td>4.x.</td><td>Proposal on simplification of bill by highlighting four major components viz. period of bill, units consumed, amount of bill and its due date. These components need to be incorporated in the SMS being sent to consumers.</td><td>The valuable submission of the Hon'ble Commission with regards to the simplification of the electricity bill have been noted by the DISCOMS. It is submitted that the DISCOMS are working in this direction. The suggested parameters shall be incorporated in the new design of the electricity bill. Similarly, updated shall also be made in the SMS being sent to the consumers.</td></tr>
<tr><td>4.xi.</td><td>Methodology adopted for provisioning of bad debts and doubtful debts</td><td>At the outset, it is submitted that the Nigam has not booked any bad debts during previous periods and the methodology adopted for provisioning of doubtful debts is as per Regulation no. 66 of HERC MYT Regulations, 2024, the excerpt of the same is provided below:
"Bad and doubtful debts shall be allowed to the extent the distribution licensee has actually written off bad debts subject to a maximum of 0.5% of sales revenue"
However, as per accounting policy of DHBVN, disclosed at serial 1.15 of notes to accounts, provision for bad and doubtful debts shall be created at the rate of 10% on incremental debtors on each financial year and 100% provision created on receivable on account of surcharge. Accordingly, a provision for bad and doubtful debts of Rs. 394.24 Cr. has been created on the receivables other than ED, M. Tax, Panchayat Tax and Surcharge (Rs. 3942.35 Cr. @ 10%) and 100% provision on the receivable of surcharge i.e. Rs. 2502.75 Cr.</td></tr>
<tr><td>4.xii.</td><td>Data of Contractual and regular employees for the FY 2023-24, as per the following format: -
a) Contractual Employees
<table>
<tr><th></th><th>Opening</th><th>Additions</th><th>Retirees</th><th>Closing</th></tr>
<tr><td>As on 31.03.2023</td><td></td><td></td><td></td><td></td></tr>
<tr><td>As on 31.03.2024</td><td></td><td></td><td></td><td></td></tr>
</table>
b) Regular Employees
<table>
<tr><th></th><th>Opening</th><th>Additions</th><th>Retirees</th><th>Closing</th></tr>
<tr><td>As on 31.03.2023</td><td></td><td></td><td></td><td></td></tr>
<tr><td>As on 31.03.2024</td><td></td><td></td><td></td><td></td></tr>
</table>
Also provide break-up of employees cost, for the FY 2023-24, into contractual into regular employees.</td><td>i) At the outset, DHBVN submits that the information regarding contractual and regular employees for FY 2023-24 is provided in the table below:
a) Contractual Employees
<table>
<tr><th></th><th>Opening</th><th>Additions</th><th>Retirees</th><th>Closing</th></tr>
<tr><td>As on 31.03.2023</td><td>7583</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>As on 31.03.2024</td><td>-</td><td>-</td><td>-</td><td>7389</td></tr>
</table>
b) Regular Employees
<table>
<tr><th></th><th>Opening</th><th>Additions</th><th>Retirees</th><th>Closing</th></tr>
<tr><td>As on 31.03.2023</td><td>8929</td><td>-</td><td>-</td><td>-</td></tr>
</table></td></tr>
</table>

<table>
<tr><th>Sr. No.</th><th>Query</th><th>Submission</th></tr>
<tr><td></td><td></td><td><table><tr><td>As on 31.03.2024</td><td>-</td><td>2585</td><td>236</td><td>11278</td></tr></table>
ii) It is further submitted that total employee cost for FY 23-24 is Rs. 1723.12 crore (1642.04+81.08 OCI) out of which contractual employee expenditure is Rs. 255.36 crore.</td></tr>
<tr><td>4.xiii.</td><td>General observation: -
The Discoms have not provided adequate information as sought by the Commission. Further, the information provided is not indexed with serial number of pages.
Discoms are directed to provide all the information sought either verbally or in writing, in a time bound manner, and in the format in which it is desired.</td><td>The directions of the Hon’ble Commission have been noted and complied accordingly.</td></tr>
</table>

2.5 State Advisory Committee (SAC)

In the consultation process for giving a final shape to the order for FY 2023-24 (True-up), APR (2024-25) and distribution and retail supply ARR / tariff (FY 2025-26 to 2029-2030). The Commission, to have the benefit of the views / suggestions of the Members of the SAC, convened a meeting of the State Advisory Committee, constituted under Section 87 of the Act, on 19.02.2025. The SAC meeting was convened to discuss the petition filed by the Haryana Power Utilities including that of UHBVNL and DHBVNL.

At the outset Sh. Nand Lal Sharma, Chairman, HERC appreciated the efforts made by all the licensees in improving the operational efficiency and emphasized that the objective of the meeting is to advise the Commission as well as the Licensees for framing policies to provide quality power at affordable rates. He informed the SAC members that efficiency of the power utilities has much improved over the years but there is still a lot of scope for improvement. Key areas for improvement include ensuring a quality power supply, increased generation capacity, reducing losses, integration of RE power, maintaining grid stability, managing peak hour demand, protecting consumer interest, improving billing and addressing the challenges being faced by the distribution companies.

He observed that Haryana Discoms along with the state owned GENCO and TRANSCO should adopt cost cutting measures and loss reduction strategies, so that efficiency can be reached to the peak and the electricity consumers of the State of Haryana are not burdened with the tariff hike. The power utilities are commercial entities and face the uphill task of keeping themselves profitable while rendering the social responsibilities; more so since these are State Government owned entities. Whereas, this Commission has been entrusted with the responsibility to balance the interest of all stakeholders of the power sector. However, in this critical position of Haryana Discoms, which are struggling with accumulated FSA of Rs. 8,245 crore as on 31.03.2024 and have proposed further revenue gap in the FY 2025-26, all the Haryana State power utilities are duty bound to exercise utmost discipline in the ARR on claims of notional gains.

Further, during the public hearing held on 15.01.2025, the Commission had directed the Discoms to file a specific proposal to bridge the gap proposed by them. However, the same along with the data-validation sought by the Commission, has not yet been provided by the Discoms. Power purchase cost constitutes around 85% of the ARR of Discoms. Therefore, the power procurement plans ought to be rigorously monitored so that the cost of delivered power can be reduced. There is a need for restructuring and strengthening of Haryana Power Purchase Centre (HPPC), with the help of expert agencies which can be appointed through transparent bidding process. This will help in more accurate and cost-effective power procurement planning. Further, share of cost-effective renewable energy may be increased while addressing the issue of largescale integration of RE power in the grid, in the total energy mix, to reduce power purchase cost in the interest of the electricity consumers, while ensuring the quality and reliable power."

The Chairman, HERC advised that DISCOMs need to explore private sector participation and further advised that DISCOMs need to simplify bills indicating amount, units consumed and last date of payment in bold letters so that common man can read it quickly to make payment of bill. Measures for conservation of energy, consumer awareness on conservation of energy are other key fields where the DISCOMs need to put serious effort.

Thereafter, Hon'ble Chairman Sh. Nand Lal Sharma invited the SAC members and their representatives, for their Feedback/suggestions on the ARR.

Sh. A. Sreeniwas, MD DHBVN and Sh. Ashok Kumar Meena, MD, UHBVN apprised the committee of the present status of the DISCOMs and way forward in MYT control period. During the presentation it was pointed out that the distribution and AT&C losses are required to be improved and the same should be in the single digit.

The cost of the capital loans was discussed and it was observed that more emphasis is required to reduce the cost of capital loans. The DISCOMs should explore competitive financing options and get the Crisil rating assessed so that the rate at which loans are being received can be reduced further. The committee urged that the bargaining power should be used for negotiation of lending rates with REC and PFC so that annual interest burden can be further reduced.

DISCOMs were advised to explore engaging professional services for financial analysis, forecasting of markets and reducing cost of capital.

It was pointed out that instead of showing absolute figures the achievements should be indicated in percentage vis-à-vis targets.

Regarding solar panel installation the Committee observed that although the targets provided by Government of India has almost been achieved but implementation of the PM Surya Ghar Yojna needs to be simplified and made easy for the consumer. The penetration is required to be increased and availability of net meters need to be ensured. The agriculture pumps solarization has not taken off, it was intimated by the DISCOMs that the present tariff structure and restricted power supply to AP feeders in day time are the major hindrances to achieve the targets of solarization of pump sets. They are working on a feeder level solarization model to achieve targets. MD UHBVN intimated that they have received Rs. 66 crores as an incentive for implementation of solar projects out of which some amount has been reserved for solarization improvement plan and pilot projects are being planned for hubs of agriculture feeders. Further the panchayats which are paying their bills and participating actively in the government schemes are being incentivized.

On the subject of slow implementation of RDSS, the Committee observed that while issuing tenders due deliberation need to be done at the time of preparation of scope/estimates, to avoid repeated extension of tenders due to less participation. The Committee advised that pre-bid meetings should be done to have inputs from potential participants.

On the non-completion of MGJG work, the DISCOMs intimated that Jind, Palwal and Bhiwani district in DHBVN and Rohtak, Sonipat and Jhajjar in UHBVN are tough areas. In these areas DISCOMs have not completed the work. The Managing Directors of the DISCOMs assured that more effort will be put in to complete the work with the help of district administration. The Commission observed that a list of Villages where MGJG work has not been completed should be provided within one month.

Regarding Antodya Yojna DISCOMs intimated that 60% of the beneficiaries have opted for regular bill payment subsequent to waiver of the surcharge.

While reviewing the projects executed under DSM, the Committee observed that the products under DSM such as AC and AP motors are not subsidized enough to attract the potential customers. The Committee advised to get an impact study conducted for financial implications of the scheme for review of the Commission. MD UHBVN intimated that for DSM projects, new ideas are being worked out as storage of Water Works in the non-peak hours which will result in negligible expenditure, as it only requires coordination to implement these projects.

The Committee desired that the details of farmers with 0-10 BHP, 10-20 BHP, 20-30 BHP, 30-35 BHP and above 35 BHP load should be submitted to the Commission to check feasibility of further benefits to be passed on to the marginalized farmers.

DISCOMs intimated that the percentage of consumers opting for prepaid metering is almost negligible whereas a discount of 5% is being offered across the board.

The Committee enquired about the long-term demand forecasting mechanism and it was intimated by the DISCOMs that presently it is based on the CAGR only, however the agencies have been hired to assess the forecasting on AI (Artificial Intelligence) and ML (Machine Learning) based processes so that a realistic estimate of demand growth for the MYT period can be made.

Regarding compliance of the CGRF orders it was intimated that DHBVN is monitoring the process closely and all the non-compliance cases will be cleared by 31st March. The Committee suggested that the interaction between SDO and CBO office requires automated approval system to ensure compliance of the order within a stipulated time of 21 days and approval should be deemed granted in case of delay beyond 3 days, to make compliance of orders in stipulated time. Such non-compliance results in harassment of consumers, unnecessary litigation and wastage of time of the consumers and officers of licensee.

MD UHBVN also intimated that they are developing a new integrated system app for bill payments, handling of complaints and other services so that the consumer gets all the services from single portal only. Efforts are being made to simplify the bills and the case has been already been sent to Government of Haryana for approval. The provisional billing has been reduced considerably.

Sh. Mukesh Garg, Hon'ble Member, HERC emphasized that consumer grievances should be addressed on priority. It has been noticed that the compliance of CGRF / Court orders is getting delayed due to lack of co-ordination between CA and CBO office. Hon'ble Member advised the DISCOMs to expedite the compliance of such orders, public meetings/ Lok Adalat should be held by the senior officers at circle / division level.

Sh. R. K. Khanna, Electricity Ombudsman, HERC also emphasized timely compliance of CGRF orders specifically by DHBVN.

Smt. Ashima Brar, MD HVPN brought to the Commission's notice the problems being faced due to high cost involved in land compensation mechanism introduced by Govt for right of way (ROW) for transmission lines. However, it was noted that the ROW problems have significantly reduced. Additionally, it was further intimated that Samast project will be implemented by March 2025. She, requested that share of efficiency gain on account of saving in the interest on working capital, may be allowed.

HPGCL intimated that the plants are operating continuously at highest efficiency levels beating all the previous records i.e more than 240 days. Moreover, environmental clearance has been obtained for the installation of new 1x800 MW unit at Yamunanagar.

The representative of Faridabad Industrial Association, Sh. J. C. Narang, stated that while the overall power supply position is far better but Industries are still facing lot of problem due to lack of a continuous 24x7 power supply. Alternate sources of power like DG sets, cannot be used in NCR region due to implementation of GRAP at different levels from time to time. Medium and small industries are suffering badly. Even in IMT Manesar, where continuous power supply was promised by the Govt, 24x7 electricity is not available.

Sh. Sumit Rao from Gurugram Industrial Association (GIA) endorsed the representation of the Faridabad Industrial. Association. He added that the walk-through energy audits as suggested by DHBVN is a good initiative for power conservation and these measures will also help industry in managing their resources more efficiently. The solarization plan of agricultural sector is required immediately to reduce the subsidies currently being provided to this sector.

Additionally, he raised concerns regarding the per unit cost of electricity is higher than that from more efficient power sources like NTPC, Solar, Thermal. He requested for proper justification for service connection charges, fixed charges and FSA. Furthermore, he recommended for increase in solar power generation and encouraged the nigam to promote rooftop solar for residential, commercial and Government Building. He also called for transparency in working capital regarding the working capital rate of interest and for measures to reduce transmission and distribution losses. He further stated that repair and maintenance expenses are 276.69 crores, about 11-12 % of total O&M expenses at 2,273.57 crores, while employee expenses are 1,093.18 Crores. Increasing spending on repairs could enhance efficiency and reduce T&D losses.

Sh. Mukul Gupta from Gurugram Industrial Association also raised issue of non-availability of continuous 24x7 power supply. He suggested that some arrangement for allowing use of solar power generated at different location be worked out. The Commission advised him to file a petition proposing any amendment in the existing regulation, so that a solution for all such consumers can be worked out, if required.

At the end the Hon'ble Chairman thanked all the SAC members and representatives for their valuable suggestions and assured that these will be considered while finalizing the commission's order on ARR/Tariff petition(s) filed by the Haryana Power Utilities for MYT Period from FY 2025-26 to FY 2029-30. Hon'ble Chairman again emphasized for simplification of processes, technological improvements in the power sector simultaneously ensuring affordability.

DISCOMs are directed to take appropriate action on the views / suggestions of the SAC Members and submit an action taken report to the Commission within three months from the date of issue of this order.

CHAPTER 3

ANALYSIS OF ARR FILINGS AND COMMISSION'S ORDER

The Commission, while passing this Order for True-up of the FY 2023-24, Annual (Mid-year) Performance Review of the FY 2024-25 and determination of ARRs of the UHBVNL and DHBVNL for the FY 2025-26 and 2029-30, has considered the provisions of the Electricity Act, 2003, HERC MYT Regulations, National Tariff Policy and all the relevant data / information placed on record by the parties from time to time.

3.1 True-up of the ARR for the FY 2023-24

The Discoms have submitted that true up petition(s) submitted by them are in line with the Regulation 13 of the MYT Regulations 2019. The truing up of uncontrollable items and controllable items (subjected to force majeure conditions or variations attributable to uncontrollable factors) are adjusted appropriately in the ensuing year through tariff resetting.

The Discoms have further submitted that for truing up of the ARR of the FY 2023-24, the actual expenditures of UHBVNL and DHBVNL have been considered as per the audited annual accounts.

The True-up petitions filed by the Discoms have been examined by the Commission in the light of the MYT Regulations including its subsequent amendment(s), relevant Orders of the Commission and the audited accounts for the FY 2023-24 placed on record by the Discoms, keeping in view of details of audited expenses, income and corresponding revenue gap against the respective approved values.

3.2 Operation & Maintenance Expenses (O&M)

It has been submitted by the distribution licensee(s) that according to Regulation 3.41 of HERC MYT Regulations 2019, Operation & Maintenance Expenses include the following -

i. Employee Expenses including retiral benefits.
ii. Repair & Maintenance Costs (R&M) and
iii. Administrative and General Expenses (A&G)

It has been submitted that the Employee Expenses consist of salaries, dearness allowance, bonus, terminal benefits in the form of pension & gratuity, leave encashment and staff welfare expenses.

Repair and Maintenance expenses include regular expenditure made for improvement of system reliability and quality of power supply. These expenses are important for system maintenance and loss reduction in the distribution network.

Administrative expenses mainly comprise of rents, telephone and other communication expenses, professional charges, conveyance and travelling allowances etc.

True-up proposed by UHBVNL:

Actual O&M expenses incurred by UHBVNL as against the approved expenditure (after deducting the amount capitalized), as submitted by the distribution licensee are as follows: -

UHBVNL proposed O&M Expenses for FY 2023-24 (Rs. Crore)

Sr. No.	Particulars	Approved	Actual
1	Employee Expenses	1,018.99	958.03
2	Administration & General Expenses	162.58	202.75
3	Repair & Maintenance Expenses	185.07	173.36
4	Terminal Liabilities	450.00	409.77
5	**Total**	**1,816.64**	**1,783.91**

It has been submitted by the petitioner that the employee expenses and the terminal benefits as per the annual audited accounts for FY 2023-24 are within the approved amount allowed in the Tariff Order dated 15.02.2023. The Repair and Maintenance expenses are at par to the approved figures for FY 2023-24. The increase in A&G expenses is primarily due to higher cost related to meter reading, bill distribution and implementation of smart meters. Additionally, the annual license fee payable to HERC has risen substantially due to the 7th amendment to the HERC Fee Regulations, 2005. However, compared to the previous years, the A&G expenses have only increased by 2 Crores. UHBVNL has been making diligent efforts to contain the cost within the approved limits. Moreover, there has been a significant improvement in both the standard of performance and quality of supply over the past few years. In view of these efforts and improvements, UHBVN requested to approve the overall expenses as submitted.

The Commission has examined the calculations of true up for the FY 2023-24 proposed by UHBVNL and observes that the total O&M expenditure, as per actuals, is largely within the approved amount except for the Administration & General Expenses. It is also observed that R&M expenditure incurred by UHBVNL is almost at par with the amount approved. It is further

observed that the actual A&G expenses for the FY 2023-24 is more than that approved by the Commission i.e. A&G expenses have increased by Rs 40.17 crore in the true-up year.

The petitioner, as part of additional information vide memo no Ch-37/RA/F-25/Vol-86 dated 10.01.2025, submitted that the increase in the R&M expenses was primarily on the account of the booking of salary and wages of Technical Contractual Staff accounting to Rs 57.90 Crore which was booked under the salary head in the earlier years. The Commission observes that the increase in A&G expenses is mainly due to Rent, Rates, and Taxes, Telephone & Postage Exp, Expense of Meter Reading/ Bill Distribution/Smart Meter, Electricity & Water Exp and Commission charges on collection of Energy Bills including provision against other receivables. The Commission has sought details of certain expenses, which has been provided by UHBVNL vide letter No. Ch-37/RA/F-25/Vol-86 dated 10.01.2025 as under: -

The breakup of O&M expenses for FY 2023-24 vis-à-vis FY 2022-23 is shown below:

23.1: Repair and Maintenance Expenses (in Rs Crore)

Sr. No.	Particulars	FY 2023-24	FY 2022-23	Difference
1	Wages of Technical Contractual Staff (R&M Expense)	57.91	-	57.91
2	Repairs and maintenance to Civil Works of residential buildings.	3.86	0.94	2.91
3	Repairs and maintenance to Civil Works of non-residential buildings.	2.27	3.43	-1.16
4	Repairs And Maintenance to station equipment + Distribution HV.	8.22	6.00	2.22
5	Repairs And Maintenance to line transformers.	36.21	31.95	4.25
6	Repairs And Maintenance to Meter testing laboratory equipment's.	0.19	0.35	-0.17
7	Repairs and maintenance to transmission lines, cable network above 11 KV	0.65	0.29	0.37
8	Repairs and maintenance to transmission lines, cable network up to 11 KV.	0.64	1.31	-0.67
9	Repairs and maintenance to service lines distribution HV.	4.39	3.95	0.44
10	Repairs and maintenance to service lines distribution M & LV.	32.01	27.31	4.70
11	Repairs and maintenance of 11 KV and LT distribution system through outsource agencies	17.69	10.54	7.15
12	Repair and maintenance to Motor Cars.	-	0.12	-0.12
13	Repair and maintenance to Truck/Tempo/Trekkers/other vehicles	0.31	0.22	0.09
14	Outsource Vehicle used for O & M in Sub Division	8.00	6.50	1.51
15	Repair and Maintenance to Furniture and Fixtures	0.01	0.01	0.00
16	Repair and Maintenance to Computer/Printer/other Allied Equipment	1.01	0.81	0.19
17	**Total**	**173.36**	**93.72**	**79.64**

Note: Increase in the R&M expenses was primarily on the account of the booking of salary and wages of Technical Contractual Staff accounting to Rs 57.90 Crore which was booked under the salary head in the earlier years.

23.11: Rent Rate and Taxes (in Rs Crore)

Sr. No.	Particulars	FY 2023-24	FY 2022-23	Difference
1	Wages of Technical Contractual Staff (R&M Expense)	0.46	0.17	0.29
2	Repairs and maintenance to Civil Works of residential buildings.	1.27	2.82	-1.55
3	Repairs and maintenance to Civil Works of non-residential buildings	4.02	0.24	3.78
4	**Total**	**5.75**	**3.23**	**2.53**

23.13: Telephone & Postage Exp. (in Rs Crore)

Sr. No.	Particulars	FY 2023-24	FY 2022-23	Difference
1	Telephone charges	8.51	7.06	1.44
2	Postage and telegram.	0.23	0.19	0.04
3	**Total**	**8.74**	**7.25**	**1.49**

23.22: Expense of Meter Reading/Bill Distribution/Smart Meter (in Rs Crore)

Sr. No.	Particulars	FY 2023-24	FY 2022-23	Difference
1	Charges for computerization.	-	8.04	-8.04
2	Expenses on Smart Meter paid to EESL	46.82	-	46.82
3	Training Expenditure	-	0.17	-0.17
4	Service charges for meter reading.	16.35	22.42	-6.07
5	Service charges for bill distribution	4.22	8.88	-4.67
6	Expenditure for Providing Bijli Suvidha Kendra	4.51	2.73	1.78
7	**Total**	**71.90**	**42.24**	**29.66**

23.26: Electricity and Water Expense (in Rs Crore)

Sr. No.	Particulars	FY 2023-24	FY 2022-23	Difference
1	Electricity charges.	9.14	6.04	3.10
2	Water charges.	0.52	0.19	0.33
3	**Total**	**9.67**	**6.23**	**3.44**

23.32: Commission charges on collection of energy bills (in Rs Crore)

Sr. No.	Particulars	FY 2023-24	FY 2022-23	Difference
1	Commission charges on collection of Energy Bills	9.04	8.01	1.03
2	**Total**	**9.04**	**8.01**	**1.03**

The Commission further observes that meter reading expenses has increased despite the installation of smart meters. An amount of Rs. 46.82 crore has been paid to EESL, without any justification of the same in the petition. Accordingly, the Discoms are directed to provide the same within two months from the date of issue of this order.

Regarding unnecessary litigation and legal charges, the discoms to take note that necessary compliance of Hon'ble Supreme Court's directions in its judgment dated 20.04.2023 in Civil Appeal No. 11095 of 2018 passed in GMR Warora Energy Ltd. Versus CERC and Ors is complied with. The Apex Court in their order had directed that non-essential litigations need to be avoided and emphasized on requirements of timely payment of dues.

The Commission observes that an essential expenditure i.e. R&M, which is required to keep the distribution system in an optimum condition, has fallen little short of the approved amount by the Commission, despite increasing the R&M by the salary and wages of Technical Contractual Staff of Rs 57.90 Crore, which was booked under the salary head in the earlier years.

In view of above discussions, the discoms are advised to avoid unnecessary and unwarranted litigation to ensure development of the power sector and supply of electricity and efforts should be made to resolve inter-utility issues amicably. As directed by the Hon'ble Supreme Court, any appeal to it can only be on substantial question of law and frivolous litigation needs to be discouraged. The R&M activity needs to be pursued in the right earnest as it will go a long way in making available quality of power to the electricity consumers of Haryana.

In this regard, it is pertinent to note regulation 4.6 of the HERC MYT Regulations, 2019, which provides as under:-

"There will be no true-up of the controllable items except on account of Force Majeure events or on account of variations attributable to uncontrollable items."

Further, regulation 12.5.1 of the HERC (MYT) Regulations, 2019 provides as under:-

The item wise losses on account of controllable factors in case of a distribution licensee shall be dealt with in the following manner:

(a) ***The loss to the Distribution Licensee on account of Distribution losses, as may be admitted by the Commission after prudence check, shall be dealt with as under:***

(i) One-third of the amount of such loss may be passed on as an additional charge in tariff over such period as may be specified in the Order of the Commission; and

(ii) The balance amount of loss shall be absorbed by the Distribution Licensee.

(b) ***The item wise losses on account of other controllable factors, unless otherwise specifically provided by the Commission, shall be borne by the distribution licensee."***

The Commission observes that UHBVNL has paid petition filing fee amounting to Rs. 8.43 crore, as compared to Rs. 3.50 crore paid in the base year. Accordingly, the impact of incremental fee amounting to Rs. 4.93 crore is allowed, being variations attributable to uncontrollable factor. Further, as a one time measures, A&G expenses are allowed to the extent of actual i.e. at Rs. 202.75 crore. However, the same may not be taken as precedence.

The approved O&M expenditure for UHBVNL is listed as under: -

Approved O&M expenses- UHBVNL FY 2023-24 (Rs. Crore)

Particulars	**Approved (A)**	**Actual for FY 2023-24 (B)**	**Difference (C=B-A)**	**Revised Approved**
Employee Expenses	1,018.99	958.03	-60.96	897.06
Administration & General Expenses	162.58	202.75	40.17	202.75
Repair & Maintenance Expenses	185.07	173.36	-11.71	173.36
Terminal Liabilities	450	409.77	-40.23	409.77
Total	**1,816.64**	1743.91	**-72.73**	1682.94

True-up proposed by DHBVNL:

The component wise summary of actual and approved O&M expenses of DHBVNL for FY 2023-24 is as reproduced below: -

Proposed DHBVNL O&M Expenses for FY 2023-24 (Rs. Crore)

S. No.	**Particulars**	**Approved (A)**	**Actual (B)**
1	Employee Expenses	1,271.32	1,015.78
2	Repair & Maintenance Expenses	235.33	196.16
3	Administrative & General Expenses	144.34	203.83
4	Terminal Benefits	550.00	707.35
5	**Total O&M Expenses**	**2,200.99**	**2,250.88**

The actual net employee cost and actual R&M expenses for FY 2023-24 is lower than the approved amount, therefore, DHBVNL has requested to allow the actual employee and R&M Expenses. About A&G, DHBVNL stated that the increase in Administrative and General (A&G) Expenses is attributable to several critical factors: legal fees required for both ongoing and new litigations, consultancy engagements aimed at driving operational efficiencies, an escalated regulatory license fee, and elevated costs for meter reading and bill distribution. Furthermore, substantial investments in IT infrastructure have been essential to enhancing service delivery and operational productivity. Despite these additional expenditures, Nigam has achieved a meaningful reduction in AT&C losses, remaining within the approved targets for FY 2023-24, along with marked advancements in service performance standards and supply quality.

DHBVNL has submitted that the Licensee Fee has escalated from Rs. 3.50 crore in FY 2022-23 to Rs. 9.04 crore in FY 2023-24 and increase is beyond its control, as the License Fee is calculated based on the Aggregate Revenue Requirement (ARR), which is determined by regulatory norms. Further there has been a notable increase in CSR expenses, which rose from Rs. 0.19 crore in FY 2022-23 to Rs. 7.88 crore in FY 2023-24. This rise is attributed to the implementation of various CSR initiatives undertaken by DHBVN in line with directives from the Government of Haryana (GoH). These initiatives are aimed at fulfilling the organization's social responsibilities and contributing to community welfare.

In view of above, DHBVNL has requested for approval of the actual A&G expenses. The escalation in A&G expenses reflects essential investments that have driven measurable improvements in performance and service quality.

DHBVNL in its additional information regarding O&M and CSR expenditure vide letter dated 09.01.2025 submitted as under:

"The breakup of O&M Expenditure for FY 2022-23 and 2023-24 are shown below:

Amount in Rs. Cr.

Account Code	*Particular*	*FY 2023-24*	*FY 2022-23*
75.632	*Pension leave gratuity contribution shown under employee expenditure note no. 30*	*334.04*	*4.62*
75.632	*Pension leave gratuity contribution shown P&L under OCI*	*(39.51)*	*526.50*
Total Pension Contribution of old employee		*294.52*	*531.12*

Amount in Rs. Cr.

Account Code	*Particular*	*FY 2023-24*	*FY 2022-23*
75.633	*Pension leave gratuity contribution new staff shown under employee expenditure note no. 30*	*209.43*	*39.21*
75.633	*Pension leave gratuity contribution new staff shown P&L under OCI*	*120.59*	*57.43*
Total Pension Contribution of new staff		*330.02*	*96.64*

The actuary valuation is carried out as per Indian Accounting Slandered 19 and the liability towards the employees are shown under employee cost and P&L (Other comprehensive income and expenditure) as per the requirement of IND -AS. Due to retirement of old employees the actuary valuation of old employees is decreased and the actuary valuation of the new employee increased due to recruitment of new employees.

75.640 to 75.643- Expenditure on Employees Engaged on Contractual Basis (Data Entry Operator/SA/ALM) - Increase in pay & allowances of the contractual employees (engaged *through HKRN (Govt. Company) is due to revision of allowances by the Govt. of Haryana in August 2023.*

75.8 - Terminal benefits (NPS and MFA) – The NPS contribution of new pension scheme employees is enhanced by Govt. from 10% to 14%, thus the NPS contribution is increased accordingly.

It is submitted that over all employees cost incurred during the FY 2023-24 is within the expenditure as approved by Hon'ble Commission.

Amount in Rs. Cr.

Account Code	Description	FY 23-24	FY 22-23
74.301	Repairs and maintenance to Civil Works Roads and Bridges	0.032	0.030
	TOTAL 74.3	0.032	0.030
74.108	Repairs And Maintenance to station equipment-Distribution HV	4.463	2.767
74.109	Repairs And Maintenance to line transformers.	103.564	63.046
74,118	Repairs And Maintenance to Meter testing laboratory equipment's	0.587	0.968
74.120	Repairs And Maintenance to Workshop equipment's	0.015	0.012
74.502	Repairs And Maintenance to transmission lines, cable network higher than 11 kV but not exceeding 66 kV	0.312	0.349
74.503	Repairs and maintenance to transmission lines, cable net work up to 11 KV.	20.548	15.851
74.505	Repairs and maintenance to service lines distribution HV.	9.253	5.628
74.506	Repairs and maintenance to service lines distribution M & LV.	47.189	35.511
74.507	Repairs and maintenance on public lighting system	0.003	0.005
	TOTAL 74.1 & 74.5	185.935	124.137
74.210	Repairs and maintenance to buildings and Civil Engineering works associated with housing of transmission plant and equipment's	0.000	0.028
74.230	Repairs and maintenance to buildings and Civil Engineering works associated with housing of distribution plant and equipment's less than 132 KV.	0.233	0.025
74.240	Repairs and maintenance to buildings and Civil Engineering Works of residential buildings.	3.647	2.773
74.250	Repairs and maintenance to Civil Works of non-residential buildings.	5.038	2.110
74,260	Repair & Maintenance on Guest House officer, Rest house and subordinate Rest house (except expenditure on accommodation used for training purposes)	0.011	0.006
74,610	Repairs and Maintenance to trucks, tempos and trekkers	0.109	0.107
74.650	Repairs and Maintenance to jeep and motor cars	0.954	1.693
74.660	Repairs and Maintenance to other vehicles	0.021	0.021
74.670	Repair and Maintenance of Motor Car	0.154	0.079
74.700	Repairs and Maintenance to furniture and fixtures	0.020	0.018
74.800	Repairs and Maintenance to office equipments	0.003	0.029
	74.2, 74.6 to 74.8	10.190	6.889

Account Code	***Description***	***FY 23-24***	***FY 22-23***
GH74	***Repairs and Maintenance***	***196.156***	***131.056***

Increase in R&M expenditure was mainly due to special drives for maintenance of distribution system. The total expenditure is within the expenditure as approval by Hon'ble Commission.

76.111 to 76.116 - Telephone charges, postage, tele-gram, telex charges & Mtc.of website of internet, new instruments – Details attached as:

Amount in Rs. Cr.

Group Head	***Description***	***FY 2023-24***	***FY 2022-23***
76.111	*Telephone and trunk calls*	*4.89*	*4.71*
76.112	*Postage and telegram.*	*0.28*	*0.23*
76.113	*Telex charges*	*0.00*	*0.01*
76.114	*Expenditure on Maintenance of web site and internet*	*3.39*	*2.86*
76.116	*Reimbursement of Mobile Handsets Expenditure*	*0.92*	*0.60*
	Total	***9.48***	***8.42***

Further regarding details of CSR expenditure (Rs. 7.88 crore) incurred by DHBVNL, Nigam has submitted that Statutory Auditor during the FY 2022-23 pointed out that *"the technical guideline on accounting for expenditure on CSR activity issued by Institute of Chartered Accountant of India states that provision should be made for unspent amount of CSR".* Accordingly, during FY 2023-24 a provision for Rs.265.86/- Lakhs (367.74 – 101.89) for FY 2023-24 and Rs. 405.90/- (420.05-14.60) for previous year has been created and necessary disclosure given at Sr. No. 1.55 of the financial statement."

The Commission has examined the true up for the FY 2023-24 proposed by DHBVNL and observes that the total O&M expenditure as per actuals is higher than that approved by the Commission for the year, except for Employee Expenses and R&M expenses.

Regarding increase in O&M, it is observed that variation in actual O&M expense is mainly due to increased A&G and terminal liability. Terminal benefit, which is uncontrollable in nature, is claimed on actual basis as per Audited Accounts.

The Discoms should be mindful of the fact that inefficiencies of any sort, cannot be allowed to be pass through in the ARR on the electricity consumers of the State.

The Commission has considered the submissions of DHBVNL that it has paid petition filing fee amounting to Rs. 9.04 crore in the FY 2023-24, as compared to Rs. 3.50 crore in the base year. Accordingly, the impact of incremental fee amounting to Rs. 5.54 crore is allowed, being variations attributable to uncontrollable factor.

Further, the Commission observes that increase in the balance A&G expenses i.e. Rs. 53.95 crore (Rs 59.49 crore minus Rs. 5.54 crore), can also be allowed, as a one time measures. However, the same may not be taken as precedence.

The approved O&M expenditure for DHBVNL is listed as under: -

Approved O&M expenses- DHBVNL FY 2023-24 (Rs. Crore)

Particulars	Approved (A)	Actual (B)	Difference (B-A)	Revised Approved
Employee Expenses net of capitalization	1271.32	1015.78	-255.54	1015.78
Administration & General Expenses	144.34	203.83	59.49	203.83
Repair and Maintenance Expenses	235.33	196.16	-39.17	196.16
Terminal Liabilities	550	707.35	157.35	707.35
Total	2200.99	2123.12	-77.87	2123.12

Further, both the petitioner(s) have claimed Sharing of Gains & Losses on account of variation/reduction in Employee Expenses (Rs 60.96 crore for UHBVNL and Rs 127.77 crore for DHBVNL), as per the provisions of Regulation 57 read with Regulation 12 of the HERC MYT Regulation, 2019. The details are as under:

Proposed UHBVNL Sharing of Gains & Losses for Employee Expenses for FY 2023-24 (Rs Crores)

Sr. No.	Particulars	Amount
1	Approved Employee Expense	1,018.99
2	Actual Employee Expenses	897.06
3	Difference in Employee Expenses (Approved vs Actual)	121.93
4	**Sharing of Gain and Losses for Employee Expenses**	**60.96**

Proposed DHBVNL Sharing of Gains & Losses for Employee Expenses for FY 2023-24 (Rs Crores)

S. No.	Particulars	Approved	Actual
1	Employee Expenses	1,271.32	1,015.78
2	**Sharing of Gain and Losses**	**-**	**127.77**

The Commission has examined the relevant provisions in the regulations which in unequivocal terms provides that the overall aim is to incentivize better performance and penalize poor performance. The Commission had observed that Discoms are faced with huge revenue gap mainly due to substantial increase in the average power purchase cost from Rs. 4.95/kwh to Rs. 5.42/kwh and accumulated FSA of Rs. 8245 crore as on 31.03.2024. The Discoms have not yet implemented the 'Fuel and Power Purchase Adjustment Methodology' prescribed in the

Regulation 66 of HERC MYT Regulations, 2019 (3rd Amendment) Regulations, 2023. This by no stretch of imagination be termed as a performance which should be incentivized.

In view of the same, Discoms are duty bound to exercise utmost discipline in the ARR on claims of notional gains. Accordingly, Discoms are not allowed any incentive claimed under regulation 12 of HERC MYT Regulations, 2019.

3.3 Depreciation

UHBVNL

That vide order dated 15.02.2023, the Commission had approved Rs. 462.66 Crore expenditure towards depreciation to UHBVNL for FY 2023-24. Further, on perusal of the audited accounts of the Nigam, gross depreciation amounting to Rs. 418.71 Crores is calculated based on Opening & Closing GFA respectively. As per the MYT regulations in vogue, net expenditure towards depreciation amounts to Rs. 337.32 Crore for UHBVNL in FY 2023-24, after adjustment of depreciation on the assets created from consumer contribution and grants (amounting Rs. 81.39 Crores).

As the actual expenditure towards depreciation is less than the expenses approved for UHBVNL for FY 2023-24 in the Tariff Order dated 15.02.2023. **Accordingly, the Commission approves the actual expenditure toward depreciation as per the audited accounts i.e. Rs 337.32 crore, as proposed by the UHBVNL for the FY 2023-24.**

DHBVNL

The Hon'ble Commission vide its Tariff Order dated 15.02.2023 had allowed depreciation of Rs. 452.20 Crore for FY 2023-24 for DHBVNL. As per the Audited Accounts for FY 2023-24, gross depreciation works out as Rs 554.86 Crore. The gross depreciation is adjusted further with the depreciation on consumer contribution and grants amounting to Rs. 193.95 Crore, to work out the net depreciation as Rs. 360.92 Crore during FY 2023-24. DHBVNL submitted that the actual expenditure towards depreciation is less than the expenses approved for DHBVN for FY 2023-24 in the tariff order dated 15.02.2023 and requested to allow actual expenditure toward depreciation for FY 2023-24.

The Commission observes that as the actual expenditure towards depreciation is lower than the expenses approved for DHBVNL for FY 2023-24 in the tariff order dated 15.02.2023, **the Commission allows actual expenditure toward depreciation for FY 2023-24 amounting to Rs**

360.92 Crore, after adjustment of depreciation on the assets created from consumer contribution and grants.

3.4 Interest on Consumers Security Deposit

UHBVNL:

Regulation 21 of the HERC MYT Regulations, 2019 provides that the approach for estimation of the interest on consumer security deposit. The relevant excerpt of the aforesaid regulation is reproduced below:

"21. INTEREST ON LOAN CAPITAL

21.4 Interest shall be allowed on the amount held as security deposit held in cash from Transmission System Users, Distribution System Users and Retail consumers, at the Bank Rate as on 1st April of the financial year in which the petition is filed provided it is payable by the transmission/distribution licensee."

The interest on the consumer security deposit for FY 2023-24 as per the audited accounts vis-à-vis the approved in Tariff Order dated 15.02.2023 is shown in the table below.

UHBVNL proposed Interest on Consumer Security Deposit for FY 2023-24 (Rs Crores)

Sr.No.	Category	Approved	Actual
1.	Interest on Consumer Security Deposits	66.59	116.09

UHBVNL requested that the actual interest on consumer security deposit be approved for truing up of ARR for FY 2023-24.

DHBVNL:

Similarly, DHBVNL submitted that the Hon'ble Commission, vide its Tariff Order dated 15.02.2023 had approved Rs. 100.06 Crore as interest on consumer security deposit for FY 2023-24. However, the actual expenses incurred is Rs. 58.56 Crore during FY 2023-24, which is less in comparison to the approved interest on consumer security deposit by the Commission.

Therefore, DHBVNL has requested that the Commission may approve the actual interest on consumer security deposit to DHBVNL for the FY 2023-24.

In view of above submissions by the discoms, the Commission observes that the actual expenditure of UHBVNL is higher than that allowed whereas the actual expenditure of DHBVNL is lower than the amount approved by the Commission. However, acceding to the submissions of UHBVNL that receipt in FY 2023-24 has increased significantly due to revision in ACD on

consumption basis and the same was not considered at the time of approval for the FY 2023-24, interest on consumer security deposit is allowed as proposed for true- up.

3.5 Interest on Capex loans

UHBVNL

In its petition, UHBVNL submitted that the Regulation 21 of the HERC MYT Regulations, 2019, provides the approach for estimating the interest on long term loans. The interest on loan term for FY 2023-24 as per the audited accounts vis-à-vis approved in Tariff Order dated 15.02.2023 are given below:

UHBVNL Proposed Interest on Long Term Loans for FY 2023-24 (Rs Crores)

Particular	Approved	Actual
Interest on Capital Loans	173.91	228.61
Less: Interest Capitalized	*68.43*	*35.72*
Net Interest on Capital Loans	**105.48**	**192.89**

The interest on long term loans for FY 2023-24 as per the audited accounts is more than the approved figures. The increase in interest cost of long-term loans is primarily on account of issuance of fresh loans availed for creation of new assets. It is pertinent to mention here that actual capitalization and loss reduction during the last financial years is more than the approved targets.

That UHBVNL has requested that the actual interest cost on the long-term loans may be approved for truing up of ARR for FY 2023-24.

The Nigam, in its petition, submitted that the Commission has allowed Rs. 105.48 Crore to UHBVNL towards the interest liability on long term loans for FY 2023-24. The actual expense as submitted by UHBVNL in its petition is Rs. 228.61 Crores (CAPEX loan) on gross basis and on adjustment of interest capitalized of Rs. 35.72 Crore, the net interest liability towards long term loans is Rs. 192.89 Crore. However, while going through audited accounts, it is observed that there is some mismatch regarding long term loans- ‘Long term Borrowings’ and working capital loans- ‘Short term Borrowings’. The total amount of loans is comprehensible with the balance sheet figures; however, the individual loans did not corroborate with the current and non-current borrowings.

The Commission observes that UHBVNL has incurred Expenditure on capital works (CAPEX) amounting to Rs. 834.47 Crores as per the audited accounts of the FY 2023-24 as against Rs.

1000 Crores approved by the Commission in the Tariff Order dated 15.02.2023 for the FY 2023-24.

The Commission has examined the interest cost actually incurred by the licensee during the FY 2023-24 as against that approved by the Commission. At the onset, as mentioned in the last few ARR orders, the Commission observes that the Nigam should not divert the long-term funds for the short-term/working capital purposes. Vide letter No. Ch-37/RA/F-25/Vol-86 dated 10.01.2025, UHBVNL has submitted certain additional information stating that the interest cost on term loans and working capital loans has increased in FY 2023-24 vis-à-vis FY 2022-23 primarily because of cashflow deficit due to accrued FPPAS, increase in rate of interest and drawl of new loans to fund the increase in power purchase cost.

Further, it has been submitted that the interest subvention under National Electricity Fund is lesser than the last year amount. Vide letter dated 10.01.2025, UHBVNL provided the details regarding the interest subvention/subsidy amounting Rs 7.89 crore received from the National Electricity Fund (NEF), which is adjusted towards the interest paid to REC out of which Rs 4.08 Crore pertains to FY 2021-22 and rest Rs 3.81 Crore for FY 2022-23. As per the additional information separately supplied, it is observed that Rs 228.61 Crores is the adjusted amount of capex interest after deducting the interest subsidy received from National Electricity Fund amounting to Rs 7.89 crore.

The Commission has examined the interest cost actually incurred by the licensee during the FY 2023-24 as against that approved by the Commission and observes that the classification of term loan into working capital loan has created and will further more invariably create a mismatch of funds repayment issue, which will impact the working capital and business sustainability. As the actual interest on capex loan is higher than the approved, therefore, the revised approved capex loan, limited to the additions of Rs 528.75 crore (i.e. additions to capex 834.47 crore minus additions to consumer contribution Rs. 305.72 crore), is approved as under:

(Rs Crores)

Particulars	Approved	Revised approved
Opening Balance	2,388.02	2,504.60
Addition during the year	823.14	528.75
Repayments of Loan	462.67	150.01
Closing Balance	2,748.49	2,883.35
Average balance during the Year	2,568.26	2,693.97
Interest Rate (%)	6.77%	8.30%
Interest Payment	173.91	223.58
Less: Interest Capitalized	68.43	35.72

Particulars	Approved	Revised approved
Net Int. on Capex Loans	**105.48**	**187.86**

It is further pertinent to note that as per the data provided in the additional information, the actual additions to capex loan for the FY 2023-24 is Rs 650 crore, leaving no room for equity additions in FY 2023-24. In view of above, maximum Rs 528.75 crore can be allowed towards additions to capex loan and the interest shall be allowed on the same at the actual weighted average rate of FY 2023-24 capex loans i.e. 8.30%.

Accordingly, the adjusted interest cost of Rs 187.86 crore, is approved, after deducting the interest capitalized of Rs 35.72 crore, for true up for the FY 2023-24.

DHBVNL

DHBVNL, in its petition, has submitted that as per Tariff Order dated 15.02.2023, the Commission has allowed Rs. 154.59 Crore to DHBVN towards the interest liability on long-term borrowing for FY 2023-24. However, as per the Audited Accounts the gross interest liability towards long term borrowing is Rs. 334.33 Crore. After adjusting interest capitalisation Rs. 176.10 Crore and Interest subsidy capitalization of Rs. 5.68 Crore, the net interest cost of DHBVN on long-term loans works out as Rs. 152.55 Crore for FY 2023-24.

Accordingly, DHBVNL has requested to allow the actual interest cost on long-term borrowing for FY 2023-24. Also, DHBVNL vide letter no Ch97/SE/RA-785 dated 09.01.2025 stated that the interest cost on term loans and working capital loans has increased in FY 2023-24 in comparison to FY 2022-23 mainly due to availing more term loans having moratorium period to fund the increase in power purchase cost.

DHBVNL has also have submitted that the term loans from the banks were drawn to fund the working capital requirement primarily on the account of increase in the power purchase cost. Thus, there is no clubbing of interest on the capital loans with the interest of the working capital requirement.

From the audited accounts and data available on record, the Commission observes that Rs 334.33 crore was the actual interest on capex loan, whereas subsidy is Rs 5.68 crore and Interest Capitalized is Rs 176.10 crore. Further, DHBVNL in its additional information submitted that the interest subsidy amounting Rs 5.68 crore received from the National Electricity Fund (NEF) is adjusted towards the interest paid to REC out of which Rs 3.03 Crore pertains to FY

2021-22 and rest Rs 2.65 Crore for FY 2022-23. So, the net actual interest on capex loans of DHBVNL proposed by DHBVNL is Rs 152.55 crore.

The Commission as per the Tariff Order dated 15.02.2023 allowed Capital Expenditure (CAPEX) to DHBVN as Rs. 1,200.00 Crore for FY 2023-24. As per the audited accounts, DHBVN has incurred the capital expenditure of Rs. 1,158.02 Crore for FY 2023-24.

Also, the Commission observes that additions to consumer contributions amount to Rs 737.95 crore. So, the balance amount left to be funded through debt/equity is Rs 420.07 crore. However, the additions to capex loan for the FY 2023-24 shown by the DHBVNL is Rs 989.28 crore, implying no equity additions in FY 2023-24. This implies that Rs 420.07 crore can be allowed towards additions towards capex loan and the interest will be allowed on the same at the actual weighted average rate of FY 2023-24 capex loans i.e. 9.25%.

As the revised approved interest on long term borrowing is lower than the amount actually approved by the Commission in Tariff Order dated 15.02.2023 and is in line with actual capital expenditure and its funding thereto; accordingly, the adjusted interest cost of Rs 126.29 crore, is approved, after deducting the interest subsidy of Rs 5.68 crore and interest capitalized of Rs 131.96 crore, for true up for the FY 2023-24.

Approved Interest on Long Term Loans for FY 2023-24 (Rs Crores)

Particulars	**Approved**	**Revised approved**
Opening Balance	3131.65	3,281.09
Addition during the year	726	420.07
Repayments of Loan	452.2	321.44
Closing Balance	3405.45	3379.71
Average balance during the Year	3268.55	3330.40
Interest Rate (%)	8.75%	9.25%
Interest Payment	285.998125	308.06
Less: Interest Capitalized	131.4113981	176.10
Net Int. on Capex Loans	154.5867269	131.96
less interest subsidy		5.68
Net Interest on capex loan		**126.29**

3.6 Interest on Working Capital Loan

UHBVNL:

UHBVNL, in its petition, has submitted that the Regulation 22 of the HERC MYT Regulations, 2019, provides the approach for estimation of interest on the working capital.

The Interest on working capital for FY 2023-24 as per the audited accounts and approved in the Tariff Order dated 15.02.2023 is as below:

UHBVNL Proposed Interest on Working Capital Loan

Sr. No	Particulars	Approved	Actual
1	Interest on Working Capital Loans	116.39	321.82
2	Interest on HVPNL Bonds		10.91
3	**Total**	**116.39**	**332.73**

UHBVNL has submitted that the interest cost on the working capital has increased primarily due to refraining the retail supply tariff to its existing applicable rates. The impact of the increase in fuel power purchase costs has not been passed on entirely to the consumers instead it is spread over to longer duration to avoid the tariff shock to the consumers. Due to such a situation the interest on the working capital has increased in actual than the approved amount.

UHBVN has requested that in consideration to above the interest on working capital as per the audited accounts may be allowed for truing up of ARR for FY 2023-24.

The Commission has examined the submission of UHVBNL and observes that during the FY 2023-24, it has borne interest cost of Rs 10.91 Cr towards HVPN Bonds. The interest cost on borrowings which are not part of the expenses to be allowed as per MYT Regulations are to be treated in accordance with the relevant order of the Commission i.e. the order dated 15.02.2023, therefore, interest on HVPNL bonds have not been allowed and considered as part of actual interest.

The Commission observes that the working capital loans have increased due to deferment of recovery of FPPAS from consumers. In this regard, it is also pertinent to note that the Commission, in its order dated 22.12.2023 (Petition No. 56 of 2023 and 62 of 2023), while deciding the petition of the discoms to allow the relaxation from charging the monthly FPPAS, has decided as under:-

"……. It is added that the Commission has allowed the petition, preferred by the Discoms, in effect, this would defer the revenue realization (assuming FPPAS on annual basis is positive) from the electricity consumers, hence, on the FPPAS amount pertaining to the FY 2023-24, no holding cost/carrying cost would be admissible."

Thus, interest on working capital on account of additional borrowings of Discoms, due to deferment of receivables, is not allowed as pass through in the ARR. Besides, the Commission as per accepted practice, has retained the working capital borrowings to the normative or actual level, whichever is lower.

However, the rate of interest on working capital is allowed, at actual average rate of interest for the FY 2023-24 i.e. 9.58% p.a.

The Commission allows the normative interest on working capital, being lower than the actual interest i.e. Rs 115.30 crore.

UHBVNL Approved Interest on Working Capital Loan (Rs. Crore)

FY 2023-24		
Interest on working capital	**Order dt. 15.02.2023**	**Revised True up**
O&M expenses for 1 month	151.39	140.25
Maintenance spares 1% of opening GFA	104.37	99.24
2 months receivables	2765.37	2867.12
Uncollected revenue	82.96	86.01
Total	3104.09	3192.61
Less		
ACD	1509.66	1963.48
Net working capital	1594.43	1229.14
Interest rate	7.30%	9.58%
Interest cost	116.39	117.69

DHBVNL:

DHBVNL, in its petition, has stated that the Commission vide its Tariff Order dated 15.02.2023 has approved interest cost on working capital as Rs 186.95 Crore for FY 2023-24.

Based on the revised ARR submitted in the current petition, the Normative working capital requirement has been worked out in line with the provision of Regulation 12 of HERC MYT Regulations, 2019. As per Regulation 22.2 of HERC MYT Regulations, 2019, rate of interest on working capital is considered as 10.00% (SBI 1 Yr. MCLR of 8.50% as on 01.04.2023 plus 150 basis points). Normative Interest on working capital is computed as Rs. 163.54 Crore for FY 2023-24.

However, as per the Audited Accounts, actual interest cost on working capital for FY 2023-24 is Rs. 459.81 Crore, which is much higher than the normative interest on working capital. DHBVNL further submitted that the interest cost on the working capital has increased primarily due to refraining the retail supply tariff to its existing applicable rates.

The impact of the increase in fuel power purchase costs has not been passed on entirely to the consumers instead it is spread over to longer duration to avoid the tariff shock to the consumers. Due to such a situation the revenue to be recovered has not been fully recovered, thus increasing the Working Capital burden on DHBVN, hence interest on the working capital has increased in actual than the approved amount.

Accordingly, DHBVNL has requested to allow the actual interest on working capital to DHBVN for FY 2023-24.

The Commission has examined the submission of DHVBNL and observes that the principles for allowing the interest on working capital has already been discussed in the preceding para, while calculating the allowed interest on working capital for UHBVNL, during the FY 2023-24. The rate of interest on working capital is allowed, at actual average rate of interest for the FY 2023-24 of DHBVNL i.e. 9.85% p.a.

DHBVNL Approved Interest on Working Capital Loan (Rs. Crore)

FY 2023-24		
Interest on working capital	**Order dt. 15.02.2023**	**Revised True up**
O&M expenses for 1 month	183.42	176.93
Maintenance spares 1% of opening GFA	128.75	126.03
2 months receivables	3728.86	4067.35
Uncollected revenue	111.87	122.02
Total	4152.90	4492.32
Less		
ACD	2195.33	2966.31
Net working capital	1957.57	1526.01
Interest rate	9.55%	**9.85%**
Interest cost	186.95	150.29

3.7 Total Interest Expenses including cost of raising Finance and Guarantee Fee

The Commission had allowed Rs 34.90 crore as expenditure towards cost of raising finance and guarantee fee to UHBVNL and Rs. 32.90 Crores was allowed to DHBVNL, as per order dated 15.02.2023. As per the audited accounts, UHBVNL has incurred a cost of Rs. 71.31 Crore while DHBVNL has incurred Rs. 49.39 Crore on this account.

The Commission observes that the Interest and finance charges actually incurred as per the audited accounts of UHBVNL and DHBVNL for FY 2023-24 is higher than the amount approved in Tariff Order dated 15.02.2023, apparently on account of higher borrowings than those allowed as per regulations in vogue and discussed in the preceding paras of this order.

However, UHBVNL and DHBVNL, are allowed, other interest expense/guarantee fee, as proposed, as a one time measure, which should not be taken as precedence.

Summary of interest and finance charge approved and actual as per the audited accounts of UHBVNL and DHBVNL for the FY 2023-24 is as follows:

Approved Total Interest & Finance Charges of UHBVNL for FY 2023-24 (Rs Crores)

Sr. No.	Category	Approved in TO dt 15.02.2023	Actual for FY 2023-24	Revised approved
1	Gross Interest on Capex Loans	173.91	228.61	223.58
2	Less: Interest Capitalized	*68.43*	35.72	35.72
3	**Net Interest on Capex Loans**	105.48	192.89	**187.86**
4	Interest on Working Capital Loans	116.39	332.73	**117.69**
5	Interest on Consumer Security Deposits	66.59	116.09	**116.09**
6	Other Interest and Finance charges including Guarantee Fees	34.9	71.31	**71.31**
7	**Total Interest and Finance Charges**	**323.36**	**713.02**	**492.95**

Approved Total Interest & Finance Cost of DHBVNL for FY 2023-24 (Rs Crore)

Sr. No.	Category	Approved in TO dt 15.02.2023	Actual	Revised Approved
1	Gross Interest on Capex Loans		328.65	302.39
2	Less: Interest Capitalized		176.1	176.10
3	Net Interest on Capex Loans	154.59	**152.55**	**126.29**
4	Interest on Working Capital Loans	186.95	**459.81**	**150.29**
5	Interest on Consumer Security Deposits	100.06	**58.56**	**58.56**
6	Other Interest & Finance Charges and Guarantee Fee	32.4	49.39	**49.39**
7	**Total**	**474.00**	**720.31**	**384.53**

3.8 Return on Equity (RoE)

UHBVNL:

UHBVNL, in its petition, has stated that Regulation 20 of the MYT Regulations, 2019, provides the approach for calculation of the Return of Equity.

The aforesaid regulation provides that the equity employed on the assets put to use shall be considered for Return on Equity. The equity portion of the allowable additions in the capital cost during the year shall also be considered for estimating the Return on Equity. The return on equity to the ceiling of 14% shall be allowed. The excerpt of the aforesaid regulation is reproduced below.

*" **20. Return on Equity***

20.1. RoE for generation transmission and distribution, shall be allowed, after adding a premium over the 'Base Rate (BR)' based on the performance (both financial as well as operational parameters) of the power utilities, subject to a cap as under: -

…

c) Distribution Business: BR +7.5% = up to 14%"

20.2 Return on equity shall be allowed on equity employed in assets in use considering the following and subject to Regulation 20.1 above:
i. Equity employed in accordance with Regulation 19.1 and 19.2 on assets (in use) commissioned prior to the beginning of the year; plus
II. 50% of equity capital portion of the allowable capital cost for the assets put to use during the year.
Provided that for the purpose of truing up, return on equity shall be allowed from the COD on pro-rata basis based on documentary evidence provided for the assets put to commercial operation during the year.
Provided further that assets funded by consumer contributions, capital subsidies/Govt. grants shall not form part of the capital base for the purpose of calculation of Return on Equity
20.3 Return on equity invested in work in progress shall be allowed from the actual date of commercial operation of the assets.
20.4 There shall be no Return on Equity for the equity component above 30%."

The Return on Equity for FY 2023-24 has been estimated by the Nigam-UHBVNL as per the audited accounts and the approved in the Tariff Order dated 15.02.2023 is shown in the table below:

Proposed UHBVNL Return on Equity for FY 2023-24 (Rs Crores)

Sr. No.	Particulars	Approved	Actual
1	Opening Equity	2206.35	2385.91
2	Addition	215.16	59.06
3	Closing Equity	2421.51	2444.97
4	Eligible equity for RoE	2313.93	2444.97
5	Rate of Return on Equity	12%	14%
6	**Return on Equity**	277.67	342.30

UHBVNL has prayed that Return on Equity as proposed may be approved for Truing Up of ARR of FY 2023-24.

The Commission has considered the submissions of UHBVNL. The closing equity as on 31.3.2023 as part of the ARR Order dated 05.03.2024 shall form the basis of calculation of RoE for the FY 2023-24. As discussed in the preceding paras of this order, equity additions have not been considered, as no capex has been funded out of equity during the year. No additions to RoE have been taken due to the fact that all the capital expenditure incurred for the year i.e. Rs 834.47 crore has been exhausted by the additions to the consumer contribution and grants i.e. Rs 305.72 crore and remaining by the additions to the capex loans i.e. Rs 528.75 crore. The

rate of return is the same as approved by the Commission as per the Order dated 15.02.2023, the same cannot be varied at the stage of 'truing up' exercise.

As per Regulation 20 of the HERC MYT Regulation 2019, Return on Equity has been approved as under: -

Approved Return on Equity of UHBVNL for 2023-24 (Rs Crores)

Particulars	Approved vide order dated 15.02.2023	Proposed	Revised Approved
Eligible Opening Equity	2206.35	2385.91	**2,385.91**
Add: Equity corresponding to capitalized assets	215.16	59.06	0.00
Closing Equity	2421.51	2444.97	**2,385.91**
Average Equity for RoE	2313.93		2,385.91
Rate of RoE	12%	14%	12%
Total RoE	277.6716	342.2958	**286.31**

DHBVNL:

The Hon'ble Commission in Tariff Order dated 15.02.2023 has allowed RoE of Rs. 285.13 Crore to DHBVN for FY 2023-24.

DHBVN has considered opening equity balance of FY 2023-24 as Rs. 2,140.26 Crore. DHBVN has considered Rs 98.02 Crore equity as per regulation during the FY 2023-24. As per the Regulation 20 of HERC MYT Regulation 2019, return on equity has been calculated for FY 2023-24. Detailed calculation for Return on Equity for DHBVN in FY 2023-24 is shown in the Table below:

Proposed DHBVNL Return on Equity for FY 2023-24 (Rs. Crore)

S. No.	Particulars	FY 2023-24
1	Opening Balance Of Equity	2,140.26
2	Add: (Equity As Per Regulation Received From Capitalisation)	98.02
3	Closing Balance Of Equity	2,238.28
4	Average Equity Eligible For Return On Equity	2,189.27
5	Rate Of Return On Equity	14.00%
6	**Return On Equity**	**306.50**

DHBVNL has prayed that in consideration to the operational efficiency achieved in FY 2023-24, Return on Equity as per the prevalent regulations may be allowed to the Petitioner.

The Commission has approved the closing equity as on 31.3.2023 as part of the ARR Order dated 05.03.2024 and the same shall form the basis of calculation of RoE for the FY 2023-24. The opening balance has not been increased by the equity contribution as no assets out of equity have been added during the year. No additions to RoE have been taken due to the fact

that all the capital expenditure incurred for the year i.e. Rs 1158.02 crore has been exhausted by the additions to the consumer contribution and grants i.e. Rs 737.95 crore and remaining by the additions to the capex loans i.e. Rs 420.07 crore. The rate of return is the same as approved by the Commission as per the Order dated 15.02.2023, the same cannot be varied at the stage of 'truing up' exercise.

As per the Regulation 20 of the HERC MYT Regulation 2019, Return on Equity has been approved as under: -

Approved Return on Equity for FY 2023-24 for DHBVNL (Rs Crore)

Particulars	Proposed	Approved
Opening Equity for Return on Equity	2,140.26	2140.26
Add: Equity received for Capitalization	98.02	0.00
Closing Equity	2,238.28	2,140.26
Average Equity eligible for Return on Equity	2,189.27	2,140.26
Rate of Return on Equity	**14%**	**12%**
Return on Equity	**306.50**	**256.83**

3.9 Expenditure due to other debits

UHBVNL:

UHBVNL, in its petition, stated that Regulation 17 of the MYT Regulations, 2019, provide the provisions for other debits. The relevant excerpt of the aforesaid regulations is reproduced below:

> ***"17. COMPONENTS OF TARIFF FOR DISTRIBUTION AND RETAIL SUPPLY BUSINESS***
>
> *17.2 The ARRs of the distribution licensee for retail supply business and wheeling business will comprise the following elements:*
>
> ***ARR for Retail supply business***
>
> ***A – Expenses***
>
> *...*
>
> *k) any other expenses not mentioned above."*

The other debits for FY 2023-24 as per the audited accounts are as below:

UHBVNL proposed Other Debits for FY 2023-24 (Rs Crores)

Sr. No.	Particulars	Approved	Actual
1	Compensation for injury, death and damage		5.29
2	Expenditure on purchase of Energy saving certificate		27.25
3	Miscellaneous losses and write off.		7.00
4	Provision against other receivables		60.65
5	**Other Debits**	**-**	**100.19**

The Nigam prayed that other debits as proposed above may be approved for Truing Up of ARR of FY 2023-24.

UHBVNL has submitted additional information pertaining to the Expenditure due to Other Debits as below:

Sr. No.	Particulars	Amount (Rs Crores)
1	**Expenditure on Energy Saving Certificate**	
1.1	Expenditure on purchase of Energy saving certificate	27.25
2	**Miscellaneous Losses & Write Off**	
2.1	Miscellaneous losses and written off	2.93
2.2	Loss on sale of scrap.	4.07
3	**Provisions against other receivables**	
3.1	Provision for non-moving stores and spares	0.08
3.2	Provision of GH 28.870	2.69
3.3	Provision of GH 28.801	55.65
3.4	Provision of GH 28.807	0.23
3.5	Provision of GH 28.872	0.35
3.6	Impairment Loss against Account Code 22.771	1.66
4	**Total**	**94.90**

23.53: Compensation for injury, death and damage (in Rs Crore)

Sr. No.	Particulars	FY 2023-24	FY 2022-23	Difference
1	Compensation for Injury and Damage-staff	1.70	2.49	-0.79
2	Compensation for Injury and Damage-Outsiders	3.43	0.81	2.62
3	Misc. Compensations.	0.16	0.33	-0.16
4	**Total**	**5.29**	**3.63**	**1.66**

23.56: Provision against other receivables (in Rs Crore)

Sr. No.	Particulars	FY 2023-24	FY 2022-23	Difference
1	Provision for non-moving stores and spares	0.08	0.01	0.07
2	Provision of GH 28.870	2.69	5.13	-2.45
3	Provision of GH 28.801	55.65	-	55.65
4	Provision of GH 28.807	0.23	-	0.23
5	Provision of GH 28.872	0.35	0.05	0.30
6	Impairment Loss against Account Code 22.771	1.66	-	1.66
7	Medical Expenses Reimbursement to Retiree	-	-	-
8	Encashment of Earned Leave	-	-	-
9	Monthly Financial Assistance to the family of deceased Employee	-	-	-
10	Provision for Fringe Benefit Tax	-	27.01	-27.01
11	**Total**	**60.65**	**32.21**	**28.45**

The Ministry of Power (MoP) and Bureau of Energy Efficiency (BEE) and under National Mission for Enhanced Energy Efficiency (NMEEE) Program which is one of the missions under the

National Action Plan on Climate Change (NAPCC), under Section 14 of the Energy Conservation Act, 2021, issued Perform Achieve Trade (PAT) Scheme vide notification dated 30.03.2012.

The Scheme on recommendation of the Parliamentary Standing Committee on Energy, Executive Committee on Climate Change (ECCC) and the Group of Secretaries for energy efficiency and energy conservation was introduced on rolling basis as PAT CYCLE-II vide notification No. S.O. 1264 (E) dated 31.03.2016. Under the PAT CYCLE –II (2016-19), the three new sectors viz Railways, Petroleum Refineries, and Electricity DISCOMs have also been incorporated.

The notification for PAT Cycle-II (2016-19) specifies the list of Designated Consumers (DC) and their target energy consumption norms and standards in percentage of Transmission and Distribution losses for target year FY 2018- 2019. The DCs were mandated to carry out the monitoring, reporting and verification energy audit (M&V) through the BEE empaneled Accredited Energy Auditing Firms (EMAEAS). The M&V Audit Report has to be verified further by the State Designated Agency (SDA) which is HAREDA in case of UHBVN and before verifying the issuance/purchase of the Energy Saving Certificate (ESCerts) to DCs by BEE.

Accordingly, the UHBVN was directed to purchase 1,23,894 Nos of ESCerts. These, were purchased on Hindustan Power Exchange (HPX) and amount to Rs 27.24 Crore. The purchase certificate of HPX is also enclosed. The calculations for EScerts are as under:

Sr.No	Particulars	Quantity
1	Total No of ESCerts to be purchased (Nos)	1,24,894
2	Cost if ESCerts (@ Rs1840/ESCerts) (Rs)	22,98,04,960
3	18% GST on ESCerts Cost (Rs)	4,13,64,893
4	Exchange Fee (@ Rs 9 per ESCerts) (Rs)	11,24,046
5	18% GST on Exchange Fee (Rs)	2,02,328
6	**Total Cost (Rs.)**	**27,24,96,227**

The Commission has examined the submissions of UHBVNL and is of the considered view that apart from the Compensation for injury, death and damage, expense items such as Miscellaneous losses and write off and Provision against other receivables are not eligible to be included in the ARR for true up; as the same are losses and provisions. It is also observed that Energy Saving Certificate around Rs 27.25 crore, were purchased in order to compliance with the directions of Ministry of Power and is allowable as pass through. The Commission observes that compensations for injury, death and damages is allowed in order to enable the licensee to pay these amounts promptly. Other debits, being in the nature of write off are not

allowed in the absence of any provisions in the MYT regulations in this regard. In light of the above discussion, the Commission approves Rs. 32.55 Crores as true up of other debits for UHBVNL for the FY 2023-24 as tabulated below:

Approved- Other debits of UHBVNL for FY 2023-24 (Rs. Crore)

Sr. No.	Particulars	Actual	Approved
1	Compensation for injury, death and damage	5.30	5.30
2	Expenditure on purchase of Energy saving certificate	27.25	27.25
3	Miscellaneous losses and write off.	7	0
4	Provision against other receivables	60.65	0
5	**Other Debits**	**100.19**	32.55

DHBVNL:

As per the audited accounts, Rs. 0.44 Crore has been incurred by DHBVN as Other Debits during FY 2023-24. The major portion of Rs. 0.44 Crore consists of expenditure on account of compensation, miscellaneous losses etc. which are normal in the business of power distribution hence the Nigam has requested to allow other debits in terms of applicable HERC MYT Regulations, 2019.

The Commission has examined the above "other debits" and observes that though Compensation for injuries, death & Damage may form part of allowable true up, no provisions or miscellaneous losses/ write off can be allowed to be passed on to the consumers. Further, compensations for injury, death and damages is allowed in order to enable the licensee to pay these amounts promptly. Other debits, being in the nature of write off are not allowed in the absence of any provisions in the MYT regulations in this regard. Therefore, the proposed amount of other expenses of DHBVNL are disallowed, as per below details:

Approved- Other debits of DHBVNL for FY 2023-24 (in Rs. Crore)

As per audited- details provided	**Proposed**	**Allowed**
Compensation for injuries, death and damage-Staff	0.30	0.30
Sundry debit balances written-off	0.10	-
Loss on account of Shortage & breakage of damaged distribution Transformer	0.04	-
Total	0.44	0.30

3.10 Non-tariff Income

UHBVNL

Nigam in its petition submitted that the Regulation 67 of the MYT Regulations stipulates the provision for the estimation of the Non-Tariff Income.

The Non-Tariff Income for FY 2023-24 as per the audited accounts and approved in the Tariff Order dated 15.02.2023 are summarized in table below:

Proposed UHBVNL Non-Tariff Income for FY 2023-24 (Rs Crores)

Sr. No.	Particulars	Approved	Actual
1	Interest income	-	7.67
2	Other Non-operating income	278.43	117.34
3	**Non-Tariff Income**	**278.43**	**125.02**

The working capital requirement for FY 2023-24 was allowed on the normative basis instead of actual therefore the income generated from the staff loans and advance, timely payment of energy bills and early payment to suppliers and contractors is retained by the Petitioner.

UHBVNL prayed that the Non-Tariff Income as proposed be allowed in the True up of ARR for FY 2023-24.

The Commission has examined the financial statements submitted by UHBVNL. The breakup of non-tariff income comprising of interest income, non-operating income and part of revenue from operations is as under:

Breakup of non-tariff income (Amount in Crore)

Sr. No.	Particulars	Amount
1.	**Interest income:**	1.95
2.	Interest on staff loans and advances	6.94
3.	Interest on Bank Deposits	0.73
4.	Interest on Income Tax Refund	
5.	**Non-operating income:**	55.33
6.	Other income	5.41
7.	Early Payment Rebate from suppliers	0.11
8.	Excess found on Physical Verification of Stock	24.97
9.	Income from Penalty	241.52
10	Delayed Payment Surcharge from consumers	81.39
11.	Depreciation on assets created from consumer contribution and grant	108.40
12.	Rebate on Power Purchase Payments	17.30
13.	Sundry credit balances written back	1.95
14.	Recovery for theft of Power /Malpratices	2.03
15.	General/Misc. Charges from Consumers	14.72
16.	Revenue from Open Access Consumers	2.89
	Total	**563.69**

Rebate received on timely payment of energy charges is also not considered as a part of non-tariff income for FY 2023-24. It is submitted that interest cost on working capital loan is allowed on normative basis, whereas additional short-term borrowing is to be arranged by UHBVN to avail the rebate on timely payment of energy charges and to suppliers/contractors. Therefore, to meet the interest liability of additional working capital requirements, rebate on timely payment of energy charges and timely payment to suppliers/contractors is being used by UHBVN to balance the actual working capital cost implication on the Discoms.

Non-Tariff Income of UHBVNL for FY 2023-24 (Rs. Crore)

S. No.	Particulars	Actual
1	Non-Tariff Income	563.69
2	Less: Delayed Payment Surcharge from Consumer	241.52
3	Less: Discount on timely payment of Energy Charges	108.40
4	Early Payment Rebate from suppliers	5.41
5	Depreciation on assets created from consumer contribution and grant	81.39
	Net Non-Tariff Income	**126.97**

In light of the above, the Commission approves the true up of Non-tariff Income at Rs. 126.97 crores.

DHBVNL

Actual Non-Tariff income of DHBVN for FY 2023-24 is Rs. 185.67 Crore against Rs. 279.22 Crore approved by the Hon'ble Commission in Tariff Order dated 30.03.2022.

DHBVNL, vide its letter dated 09.01.2025, has provided the breakup of non-tariff income of Rs. 580.58 crore as under:

Breakup of non-tariff income **(Amount in Crore)**

Sr. No.	Particulars	Amount
1.	Interest on staff loan	4.82
2.	Interest on Fixed Deposit	5.39
3.	Interest on receivable on HVPNL Trust	24.24
4.	Surcharge Income	256.44
5.	Misc. charge from Consumers	21.56
6.	Recovery of Theft	55.51
7.	Line service charge	1.55
8.	Interest from Bank	0.01
9.	Profit sale of scrap	7.64
10	Penalty from Contractor	33.84
11.	Fine from Employees	0.01
12.	Sale from Tender	0.39
13.	Income from Rest House	0.01
14.	Wheeling Charge	2.42
15.	Early Payment Rebate	138.47
16.	Collection charge on M-Tax	25.68
17.	Income from open access	2.60
	Total	**580.58**

DHBVN has not considered the delayed payment surcharge & timely payment of energy charges and Supplier/ Contractor as part of Non-Tariff income for FY 2023-24. It is submitted that income on account of delayed payment surcharges Rs. 256.44 Crore is to be adjusted towards the working capital which has been borne by the Distribution Licensee due to non-payment of energy bill in timely manner by the consumer. Therefore, the same was deducted from Non-Tariff Income of DHBVN for FY 2023-24.

Rebate received on timely payment of energy charges is also not considered as a part of non-tariff income for FY 2023-24. It is submitted that interest cost on working capital loan is allowed on normative basis, whereas additional short-term borrowing is to be arranged by DHBVN to avail the rebate on timely payment of energy charges and to suppliers/contractors. Therefore, to meet the interest liability of additional working capital requirements, rebate on timely payment of energy charges and timely payment to suppliers/contractors is being used by DHBVN to balance the actual working capital cost implication on the Discoms.

Proposed DHBVNL Non-Tariff Income for FY 2023-24 (Rs. Crore)

S. No.	Particulars	Actual
1	Non-Tariff Income	580.58
2	Less: Delayed Payment Surcharge from Consumer	256.44
3	Less: Discount on timely payment of Energy Charges	138.47
4	**Net Non-Tariff Income**	**185.67**

DHBVNL proposed to allow the Non-Tariff Income of Rs 185.67 crore. In light of the above, the Commission approves the true up of Non-tariff Income at Rs. 185.67 crores as proposed by DHBVNL.

3.11 True-up of Power Purchase Quantum & Cost

The Commission observes that the difference in power purchase cost could arise on account of variation in actual source wise generation or rate of power vis-à-vis those allowed by the Commission on a projected basis. Any deferral in allowing power purchase cost to the Distribution Licensee on account of additional power purchase expenditure, results in accrual of additional burden in form of interest cost (carrying cost), which as the Distribution Licensee will have to ultimately resort to funding through short-term loans. Such a measure is not in the interest of the consumers as there is an additional burden in terms of higher tariff on the consumers. Therefore, timely and regular pass through of variations in power purchase cost is not only imperative for optimum financial management of the Distribution Licensee but is also imperative from the consumers' standpoint as the cost and price of delivered power ought to remain aligned.

As per the Haryana Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) 3rd Amendment Regulations, 2023, the Discoms are allowed to automatically recover FPPA, without going through the regulatory process, in order to ensure financial viability of the licensees. Regulation 66 of the HERC MYT Regulations, 2019, provides the approach for assessment of the Fuel Power Purchase Adjustment Surcharge (FPPAS). The aforesaid regulation was amended vide notification date 12.04.2023 and accordingly the FPPAS have been estimated for FY 2023-24.

The actual cost for the year can only be determined after the audited accounts are available. In view of the aforesaid constraints, the actual power procurement cost is to be trued up based on the normative distribution losses approved by the Commission in the ARR / Tariff Order for the relevant year. Transmission losses are allowed as per actual since the Discoms have no control over the transmission losses. Further, in light of the fact that AP sales in the state are unmetered and even the metered supply due to large number of dead / defective meters are not accurate, the Commission is constrained to arrive at an estimate of AP sales based on the energy recorded at the 11 kV AP segregated feeders. Based on the approved AP sales and the distribution loss level approved by the Commission in its Order dated 15.02.2023, the excess units purchased by the Discoms is arrived at.

The Commission sought additional information regarding the prior period expenses and accordingly, the details of prior period expenses have been provided vide letter No. Ch-37/RA/F-25/Vol-86 dated 10.01.2025 by UHBVNL and letter memo no Ch-97/SE/RA-785 dated 09.01.2025 by DHBVNL as under:

Rate Per Unit for the FY 2023-24 in respect of Haryana Power Purchase Centre

Projects	**(In crores)**	**Reasons**
NTPC	125.50	AFC Revision 2014-19 & 2019-24 as per CERC order & ECR Revision as per Form-15
NHPC	101.98	AFC Revision 2014-19 & 2019-24, FERV, Deferred Tax, Shortfall, Effective Tax
SJVNL	5.23	Tariff Revision 2019-24, REA Revision, Shortfall of 2018-19, Wages Revision, NRLDC Fees & PLI Charges.
THDC	3.12	AFC Revision of 2014-19.
RAPS	0.39	NRLDC Fees & PLI Charges, ROE charges, Consent fees & Revision of REA
NAPS	0.72	Effective Tax, Water charges Apil-17 to March-23, Revision of REA, NRLDC Fees & PLI Charges.

Projects	(In crores)	Reasons
JK PDC	0.24	REA Revision
APCPL	34.64	REA Revision and Revision of Capacity Charges
JPL	175.75	Capacity Charges for deemed availability 2012-13
PRAGATI	-1.47	REA Revision, Open Cycle Revision, NRLDC Fees & PLI Charges & Carrying cost as per CERC order 08.08.23
CGPL	-9.53	Pending Capacity Charges for FY 2022-23 & CIL (Taxes)
ADANI	15.77	CIL on account of Forest Tax, Chhattisgarh Cess & Evacuation facility charges allowed by CERC and Penalty deducted
SASAN	0.72	CIL
GMR KAMALANGA	3.86	Fly Ash Charges & SOC Charges
KARCHAM	0.04	SOC/MOC Charges (2020-21 & 2021-22), REA Revision & PLI Charges
LANCO	30.75	Fly Ash Charges, SOC/MOC Charges & PLI Charges
DVC	67.29	AFC & Tariff Revision (2014-19 & 2019-24), Fly Ash charges, PLI Charges, Revision of ECR, ERLDC charges, Incentive, Petition/Filing fees
NEEPCO	0.60	Short fall for FY 2021-22
GATI HYDRO	0.06	bill of March-23
DANS	40.20	LTA Revision
SHIGHA	41.15	LTA Revision
IA HYDRO	0.06	bill of March-23
HPGCL	445.20	Coal Compensation to MCL, CCL & WCL & True-up order dt 20.02.24
LPS (JPL)	607.94	LPS paid to JPL
P&R Gogripur Small Hydro	0.00	Diff of March-23
Haryana Co. Sugar Mill.	1.81	Energy bill March-23
HPGCL-Solar	2.35	Generation loss due to grid outage for the period COD to Mar-23
SECI SOLAR	0.07	bill of March-23
SECI WIND	0.02	bill of March-23
SECI HYBRID	0.00	bill of March-23
Star Wire India	0.38	bill of March-23
Gemco Energy Ltd.	-2.18	Recovery as per HERC order
Oasis Commercial Pvt. Ltd.	-2.84	Excess booked in previous year
Sri Jyoti	-0.02	bill of March-23
Sukhbir Agro Energy Limited	8.85	Tariff Revision
Hind Samachar Ltd.	7.40	Tariff Revision
K2 Power	-0.01	bill of March-23
Mor Bio Energy	0.00	bill of March-23
PTC MB Power	57.83	Compensation Claim
Meja (NTPC)	-0.05	Revision of FERV
OPEN Access	-0.17	bill of March-23
CTUIL-TC	238.01	Revision of RTA
PGCIL-TC	1.86	Deferred Tax ER
POSOCO	0.75	PLI Charges 2021-2023
HVPN Incentive-DH	0.05	bill of March-23
HVPN Incentive-UH	0.05	bill of March-23
Reactive Energy Charges (DH)	-2.42	bill of March-23
Reactive Energy Charges (UH)	-1.86	bill of March-23
TOTAL	2000.11	

The Commission also sought additional information about the energy banked in its interim order dated 16.01.2025. Discoms have claimed banking charges in respect of 958.66 Mus amounting to Rs. 500.42 crore. In this regard, following information was provided by discoms vide letter(s) dated 24.01.2025:

a. Energy (Mus) and rate at which the ibid banking charges have been booked. : The banking charges for FY 2023-24 were booked @ Rs 5.22/kWh. This was determined based on the average Power Purchase Cost of FY 2022-23. As per the Accounting Policy of UHBVN, the purchase and sale of power under Banking Arrangement shall be done at average rate of power purchase of the last financial year. The same be further determined on the basis of power purchase cost from all long-term and short-term sources along with PGCIL transmission charges.

b. Energy (Mus) and rate at which the energy taken back under banking arrangement has been accounting for up to 31.03.2024. : The details of energy taken back under banking arrangement and accounted for up to 31.03.2024 are submitted as under:

Sr. No.	Energy (Mus)	Rate (Rs/Kwh)	Amount (In Cr.)
1	958.66	5.22	500.42

c. The accounting head under which the revenue on account of energy taken back from banking, has been specified in the balance sheet: The revenue for the energy taken back under banking arragement has been booked under the account code is 61.130.

d. Energy (Mus) banked but outstanding for taking back as on 31.03.2024: The banked energy outstanding as on 31.03.2024 is submitted in table below:

Sr. No.	**Utility**	**Duration (Hrs)**	**Banked Energy during Dec'23 to Feb' 24 (MU)**	**Banked Energy returnable during Jul'24 to Sept'24 and outstanding as on 31.03.2024 (MU)**
1	Uttrakhand Power Corp. Ltd	0000-2400	106.320	111.636
2	Meghalaya Power Distribution Corp. Ltd.	0000-2400	39.237	41.199
3	Meghalaya Power Distribution Corp. Ltd.	2000-0500	32.558	33.209

The Commission examined the above data and observes that prior period expenses are legitimate charges arising from claims of Coal India Limited and its subsidiaries as well as statutory orders. Hence, the same are being allowed as proposed subject to adjustment if required. Further, the Commission observes that banking is an arrangement wherein two States trade power to match the seasonal variations in surplus and deficit situations. Banking is cash-less and paper transaction, wherein no tariff needs to be paid for the energy availed/supplied.

Also, sharing of Gain in Power Purchase Cost, as proposed by the discoms is not allowed due to increase in power purchase cost, average APPC and non-recovery of FPPAS on timely basis in contravention of the regulations.

Based on the data provided by the Discoms and taking into consideration the audited accounts, the details of True-up of power purchase cost of the Discoms for the FY 2023-24 is as per the table below:

Approved True-up of Power Purchase Cost (FY 2023-24)

Particulars		**UHBVNL**	**DHBVNL**	**Total**
Sales as per audited accounts	MU	22,300.99	32,725.46	55,026.45
Less AP sales included in above	MU	3,577.81	6,288.80	9,866.61
Sales as per audited accounts (net of AP sales)	MU	18,723.18	26,436.66	45,159.84
Add AP sales as per HERC methodology	MU	3,577.81	5,520.00	9,097.81
Approved/Audited sales adjusted for AP	MU	22,300.99	31,956.66	54,257.65
Approved Distribution losses	MU	12.00%	12.00%	
Sales grossed up for Distribution losses	MU	25,342.03	36,314.39	61,656.42
Actual Interstate sales and banking	MU	956.19	1,450.20	2,406.39
Total power sold including inter-state sale and banking	MU	26,298.22	37,764.58	64,062.81
Intra state transmission losses		2.05%	2.05%	
Sales grossed up for Intrastate transmission losses	MU	26848.62	38554.96	65,403.58
Intra state transmission losses	MU	550.40	790.38	1340.77
Intrastate & Interstate transmission losses as per audited accounts	MU	990.5	1500.368	2490.868
Interstate transmission loss	MU	440.10	709.99	1150.09
		3.48%	3.48%	
Approved power purchase volume (Sales grossed up for Intrastate & Interstate transmission losses)	MU	27,288.72	39,264.95	66,553.68
Actual Power Purchase Volume	MU	26,494.76	39,880.28	66,375.04
Disallowed Units	MU	-793.96	615.33	-178.64
Disallowed Units*	MU	0.00	0.00	0.00
Actual cost incurred by DISCOMs during the FY 2023-24 (incl HVPNL and SLDC charges)	Rs. Crore	14497.60	21464.05	35,961.65
Less cost disallowed	Rs. Crore	0.00	0.00	0.00
Net power purchase cost admitted by the Commission	Rs. Crore	14497.60	21464.05	35,961.65
True up of Power purchase cost	Rs. Crore	507.30	2503.20	3010.50

The Commission, in light of the above calculations, approves the power purchase cost of UHBVNL at Rs. 14497.60 Crores and that of DHBVNL at Rs. 21464.05 Crores for the FY 2023-24. The Commission, while approving the true up of power purchase cost, has considered appropriate to true up the power purchase cost on the basis of the total power purchased by HPPC and thereby not disallowed the excess units for DHBVNL, as the same got set off by the combined units purchased by both the discoms. It is pertinent to note that the Commission has allowed the power purchase units considering the higher distribution loss i.e. 12% as against the actual distribution loss of UHBVNL and DHBVNL at 9.15% and 11.38%, respectively. Therefore, the efficiency gain allowed to Discoms is inbuilt in the above calculations.

3.12 Energy Sale and Revenue from Sale of Power (FY 2023-24)

UHBVNL

UHBVNL, in its petition has submitted that Category wise energy sales to consumers actual vis-à-vis approved for FY 2023-24 is tabulated below: -

Proposed UHBVNL Category wise Energy Sales for FY 2023-24 (In MU)

Category	Approved	Actual
Domestic	7,656	6,865.44
Non-Domestic	2,346	-
HT Industry	8,014	8,229.92
LT Industry	2,077	2,495.80
Agriculture	3,669	3,577.81
Bulk Supply	347	405.97
Street Lighting	73	70.72
PWW	713	600.39
Lift Irrigation	64	50.44
Agro industries/FPO		4.50
MITC	4	
Total	**25,263**	**22,300.99**

In the Review Order dated 18.07.2023 on Tariff Order for FY 2023-24, in the matter related to apparent error in approved sales, the Commission had directed that energy sales as per the actual shall consequently be considered. It is submitted that energy sales in domestic and agriculture categories has reduced than the estimated sales. Though the same has increased than the last financial year.

In view of above, UHBVNL had prayed that the energy sales proposed may be approved for True Up of ARR for FY 2023-24.

DHBVNL

For DHBVNL, the Category wise energy sales were approved as 31,283 MUs for FY 2023-24 in Tariff Order dated 15th February 2023 whereas actual sales as per the audited accounts are 32,726 MUs.

Energy Sales to overall category of consumers has been increased by 4.61% in FY 2023-24 in comparison to sales approved in Tariff Order dated 15th February 2023. The primary reason for increase in sales is adherence to the Citizen Chartered for timely release of new connections which resulted into increased sales.

Category-wise actual energy sold to the consumers vis-à-vis approved by the Hon'ble Commission for FY 2023-24 is tabulated as under;

Proposed DHBVNL Energy Sales for FY 2023-24 (in MU)

Category	Approved in Tariff Order	Actual Sales
Domestic	9,454	8,931
Non-Domestic	3,920	4,488
Industry HT	8,946	9,167
Industry LT	1,235	1,212
Lift Irrigation	217	217
Agriculture	5,215	6,292
Bulk Supply	1,299	1,460
Railway Traction	95	95
Street Lightning	86	100
Public Water Works	816	764
Total Sales	**31,283**	**32,726**

DHBVNL has requested to approve the energy sales to 32,726 MUs for FY 2023-24.

The Commission has trued up the energy sale as per the audited accounts and adjusted AP sales as per HERC methodology and approves the sales as 22,300.99 MUs for UHBVNL and 31,956.66 MUs for DHBVNL.

As per the audited accounts for FY 2023-24, the Discoms have recovered revenue from intrastate sale of power of Rs. 28821.68 Crore as against Rs. 30,417.69 Crore estimated by the Commission. The True-up of revenue from intrastate sale of power and interstate revenue along with subsidy for the FY 2023-24 is approved by the Commission, as proposed by the Discoms, based on audited accounts, as under:

Approved Revenue from sale of power for the FY 2023-24 (Rs. Crore)

Revenue for the FY 2023-24	UHBVNL	DHBVNL	TOTAL
Revenue from sale of power as per audited accounts including revenue from fixed charges	11,968.24	16,853.43	28821.67
FSA	1,617.72	2,440.78	4058.50
Total	**13585.96**	**19294.21**	**32880.17**
Interstate Revenue for the FY 2023-24	463.5622	704.99	1168.56

Revenue for the FY 2023-24	**UHBVNL**	**DHBVNL**	**TOTAL**
Total Revenue	**14049.52**	**19999.21**	**34048.73**
Subsidy Total	**2,477.97**	**3551.27**	**6029.23**
Subsidy-AP	*2,365.68*	*3,404.26*	5769.94
Subsidy-Others	*112.2916*	*147.00*	259.29

3.13 Fuel Power Purchase Adjustment Surcharge

The discoms, in their petition, have submitted that Regulation 66 of the HERC MYT Regulations, 2019, provides the approach for assessment of the Fuel Power Purchase Adjustment Surcharge (FPPAS). The aforesaid regulation was amended vide notification date 12.04.2023 and accordingly the FPPAS has been estimated for FY 2023-24.

The Fuel Power Purchase Adjustment Surcharge (FPPAS) as per the audit accounts for FY 2023-24 is shown in the table below:

Category wise Revenue from Sale of Power for FY 2023-24 (Rs Crores)

Sr. No.	**Category**	**UHBVNL**	**DHBVNL**
1	Fuel Power Purchase Adjustment Surcharge	1617.72	2440.78

The Hon'ble Commission in the Order dated 22.10.2024 in the Petition No 27 & 28 of 2024 in the matter of True Up of Fuel and Power Purchase Adjustment Surcharge (FPPAS), has directed the Petitioners that the approval of FFPAS receivable at this stage would not serve any purpose and true up of power purchase shall be filed in the ARR Petition of the ensuing year.

The discoms has further submitted that based on the audited figures the FPPAS for FY 2023-24 has been assessed and booked as an income on accrual basis in the accounts. Based on the existing provisions of the FPPAS the same may get recovered within the adequate time. Thus, the income from FPPAS as shown in the audited accounts may be considered for determination of revenue surplus/(gap) for the True up of ARR for FY 2023-24.

UHBVNL has submitted the additional information vide memo no Ch-37/RA/F-25/Vol-86 dated 10.01.2025 regarding FPPAs and FSA as under:

"The FSA on accrual basis has been booked in the audited accounts for FY 2023-24. The same has been calculated based on the provisions specified in Regulation 66 of the Third Amendment to

HERC MYT Regulation, 2019. Further, the FPPAS is bifurcated among the Discoms based on the ratio of their power purchase drawl. The details of revenue from FPPAS for FY 2023-24 are as follows:

Sr. No.	***Particulars***	***Units***	***Quantity***
1	*Total FPPAS for FY 2023-24*	*Rs. Crore*	*4,058.50*
2	*Share of FPPAS UHBVN @ Ratio of Power Purchase Drawl -39.86%*	*Rs Crore*	*1617.72*

The detail calculations of FPPAS has been submitted before the Hon'ble Commission in the Case No. HERC/Petition No. 27 of 2024 & 28 of 2024. The reconciliation of FSA booked in the financial statement for FY 2022-23 and FY 2023-24 and their year wise recovery are submitted as under:

Reconciliation of FSA (in Rs Crore)

Sr. No.	**Particulars**	**FY 2022-23**	**FY 2023-24**
1	FSA Accrued for FY 2022-23	3,127.49	1617.72
2	Assessment/Receipt	93.75	-
3	**Balance as on 31.03.23**	**3,033.74**	**1617.72**
4	Assessment and Receipt as on 31.03.2024	1,131.17	29.36
5	**Balance as on 31.03.24**	**1,902.57**	**1588.36**
6	Assessment and Receipt as on 31.10.2024	605.59	82
7	**Balance as on 30.10.24**	**1,296.98**	**1506.36**

DHBVNL

DHBVNL has also submitted the additional information vide memo no Ch-97/SE/RA-785 dated 09.01.2025 as under:

FSA in the annual accounts for FY 2023-24 has been booked on accrual basis and assessed in accordance with the provisions specified in Regulation 66 of the Third Amendment to the HERC MYT Regulation, 2019. The amount is further bifurcated among the Discoms on the basis of power purchase drawl ratio.

The Details of FSA for FY 2023-24 are as follows:

Column No.	***Particulars***	***Units***	***Quantity***
A	*Total Power Purchase*	*MU*	*66,375.04*
B	*Interstate Sales*	*MU*	*2,406.39*
(A-B)	***Net Power Purchase***	***MU***	*63,968.65*
C1	*Actual variable charges*	*Rs. Crs*	*22,849.37*
C2	*Actual fixed costs (excl. Transmission Charges)*	*Rs. Crs*	*8,672.08*
C3 (C1+C2)	***Actual Power Purchase Cost (excl. transmission charges)***	*Rs. Crs*	*31,521.45*
C4 = C3/(A-B)	*Actual APPC (excl. transmission)*	*Rs/kWh*	*4.93*
C5	*APPC (excl. transmission) as per HERC*	*Rs/kWh*	*4.24*
C = C4- C5	***Incremental Power Purchase Cost (C)***	***Rs/kWh***	*0.69*
D1	*Actual ISTS charges for FY 2023-24*	*Rs. Crs*	*2,085.62*
D2	*Actual InSTS charges for FY 2023-24*	*Rs. Crs*	*2,241.95*
D = D1 + D2	***Actual Transmission Charges for FY 2023-24***	***Rs. Crs***	*4,327.58*

Column No.	*Particulars*	*Units*	*Quantity*
E1	*HERC approved ISTS charges FY 2023-24*	*Rs. Crs*	*2,402.50*
E2	*HERC approved InSTS charges FY 2023-24*	*Rs. Crs*	*2,265.32*
E = E1 + E2	***Total HERC approved Transmission Charges for FY 2023-24***	***Rs. Crs***	*4,667.82*
D-E	***Incremental Transmission Charges***	***Rs. Crs***	*(340.24)*
Z1	*Distribution Losses (HERC approved)*	*%*	*12.00%*
Z2	*Interstate losses (HERC approved)*	*%*	*3.48%*
Z3	*Intrastate losses (HERC approved)*	*%*	*2.05%*
Z4	*Actual Power Purchased from outside the state*	*MU*	*44,118.25*
*Z5 = Z4 * Z2*	*Less: Interstate Losses*	*MU*	*1,535.31*
Z6 = Z4-Z5	*Net Power Purchased from outside the state (at State Periphery)*	*MU*	*42,582.93*
Z7	*Actual Power Purchased within the state (at State Periphery)*	*MU*	*22,256.79*
Z8 = Z6 + Z7	*Total Power Purchased at State Periphery*	*MU*	*64,839.72*
*Z9 = Z8 * Z3*	*Less: Intrastate Losses*	*MU*	*1,329.21*
Z10 = Z8 - Z9	*Power Purchase at Discom Periphery*	*MU*	*63,510.51*
Z11 = B	*Interstate Sales*	*MU*	*2,406.39*
Z = Z10 - Z11	***Net Power at Distribution Periphery***	***MU***	*61,104.12*
(A-B)*C +(D-E)	***Total FPPAS for FY 2023-24***	***Rs. Crs***	***4,058.50***
	Share of FPPAS DHBVN @ Ratio of Power Purchase Drawl 60.14%	***Rs***	***2440.78***

The reconciliation of FSA booked in the financial statement for FY 2022-23 and FY 2023-24 and their year wise recovery are submitted as under:

Reconciliation of FSA *(in Rs Crore)*

Sr. No.	*Particulars*	*FY 2022-23*	*FY 2023-24*
1	*FSA Accrued for FY 2022-23*	*4545.45*	*2440.78*
2	*Assessment/Receipt*	*136.25*	*-*
3	***Balance as on 31.03.23***	***4409.20***	***2440.78***
4	*Assessment and Receipt as on 31.03.2024*	*1950.57*	*-*
5	***Balance as on 31.03.24***	***2458.63***	***2440.78***
6	*Assessment and Receipt as on 30.09.2024*	*536.64*	*144.50*
7	***Balance as on 30.09.24***	***1921.99***	***2296.28***

On perusal of the data submitted by both the discoms regarding FPPA and FSA, the Commission observes that the Discoms have estimated the FSA receivable for the FY 2022-23 and FPPA receivable for the FY 2023-24 already booked by them amounting to Rs. 11731.44 crore and after recovery @ 47 paise/unit, an amount of Rs. 8245.85 crore (inclusive of true-up of AP subsidy) is outstanding as on 31.03.2024, as tabulated below:-

(Rs. in Cr.)

Particulars	**FY 2022-23- FSA**			**FY-2023-24- FPPA**			**Total as on 31.03.2024**
	UHBVNL	**DHBVNL**	**TOTAL**	**UHBVNL**	**DHBVNL**	**TOTAL**	**FY 22-23 and FY 23-24**
FSA booking on accrual basis	3,127.49	4545.45	**7,672.94**	1,617.72	2440.78	**4058.50**	**11731.44**
Amount recovered up to 31.03.2024	1,224.92	2086.82	**3,311.74**	29.35	144.50	**173.85**	**3485.59**

Balance to be recovered as on 31.03.2024	**1,902.57**	**2458.63**	**4361.20**	**1,588.37**	**2296.28**	**3884.65**	**8245.85**

3.14 Revised ARR for the FY 2023-24 after truing-up

In view of the above analysis, the Commission approves the revised ARR for UHBVNL and DHBVNL as per the details provided in the table(s) below:

Approved True Up of Expenses for FY 2023-24 (Rs. Crore)- UHBVNL

Sr. No	Particulars	Approved	Proposed	Revised True Up
1	**Total Power Purchase Expense**	**13,990.30**	**14,697.33**	14497.60
1.1	Power Purchase Expense	11,931.85	12,745.91	
1.2	Interstate transmission Charges	1,013.54	930.18	
1.3	Intrastate transmission charges and SLDC charges	1,044.91	1,021.24	
2	**Operations and Maintenance Expenses**	**1,816.64**	**1,743.91**	**1682.94**
2.1	Employee Expense	1,018.99	958.03	*897.06*
2.2	Administration & General Expense	162.58	202.75	*202.75*
2.3	Repair & Maintenance Expense	185.07	173.36	*173.36*
2.4	Terminal Liability	450	409.77	*409.77*
3	**Depreciation**	**462.66**	**337.32**	**337.32**
4	**Interest & Finance Charges**	**323.37**	**713.02**	**492.95**
4.1	Interest on Capex Loans	105.48	192.89	187.86
4.2	Interest on Working Capital Loans	116.39	332.73	117.69
4.3	Interest on Consumer Security Deposits	66.59	116.09	116.09
4.4	Other Interest and Finance charges including Guarantee Fees	34.9	71.31	71.31
5	**Return on Equity Capital**	**277.6716**	**342.3**	**286.31**
6	**Other Expenses**		**100.19**	**32.55**
7	**Total Expenditure**	**16870.64**	**17934.07**	**17329.67**
8	Less: Non-Tariff Income	*278.43*	*125.02*	126.97
9	**Net Aggregate Revenue Requirement**	**16592.21**	**17809.05**	**17202.70**

Approved True Up of Expenses for FY 2023-24 (Rs. Crore)- DHBVNL

Sr. No.	Particulars	Approved	Actual	Revised True up
1	**Total Power purchase cost**	**18,960.85**	**21,525.66**	**21,464.05**
1.1	Power Purchase Expenses	16,351.48	18,997.79	
1.2	Interstate transmission charges	1,388.96	1,261.43	
1.3	Intrastate transmission charges and SLDC charges	1,220.41	1,204.83	

Sr. No.	Particulars	Approved	Actual	Revised True up
1.4	Sharing of Gain/losses in Power Purchase Cost		61.61	0
2	**Operations and Maintenance Expenses**	**2,201.09**	**2,250.89**	**2123.12**
2.1	Employee Expense (Net of Capitalization)	**1271.32**	**1,015.78**	1015.78
2.2	Administration & General Expense (Net of Capitalization)	**144.44**	**203.83**	203.83
2.3	Repair & Maintenance Expense	**235.33**	**196.16**	196.16
2.4	Terminal Liability	**550**	**707.35**	707.35
2.5	***Sharing of Gain/losses in O&M Expenses***	**-**	**127.77**	0
3	Depreciation	**452.2**	**360.92**	**360.92**
4	Total Interest & Finance Charges	**474**	**720.31**	**384.53**
4.1	Interest on Capex Loans	**154.59**	**152.55**	126.29
4.2	Interest on Working Capital Loans	**186.95**	459.81	150.29
4.3	Interest on Consumer Security Deposits	**100.06**	58.56	58.56
4.4	Other Interest & Finance Charges and Guarantee Fee	**32.4**	49.39	49.39
5	Return on Equity Capital	**285.13**	306.5	**256.83**
6	Other Expenses (Debits & Prior period Expenses)		0.44	**0.30**
7	**Total Expenditure**	**22,373.27**	**25,164.72**	**24,589.75**
8	Less: Non-Tariff Income	**279.22**	**185.67**	185.67
9	**Net Aggregate Revenue Requirement**	**22,094.05**	**24,979.05**	**24,404.08**

3.15 Subsidy and Revenue Gap for the FY 2023-24

The petitioner (s) have submitted that the amount of subsidy determined by the Hon'ble Commission shall be paid in advance, as provided under Section 65 of the Electricity Act, 2003. The extract of the relevant section is reproduced as under:

"65. Provision of subsidy by State Government

If the State Government requires the grant of any subsidy to any consumer or class of consumers in the tariff determined by the State Commission under Section 62, the State Government shall, notwithstanding any direction which may be given under Section 108, pay, in advance and in such manner as may be prescribed, the requisite to compensate the person affected by the grant of subsidy in the manner the State Commission may direct…."

UHBVNL has submitted that the subsidy is being booked on the receipt basis in the audited accounts for FY 2023-24. The details of subsidy receipt from the State Govt. of Haryana for FY 2023-24 are summarized below:

Proposed subsidy receipt from the Govt. of Haryana for FY 2023-24 (Rs Crores)

Sr. No.	Particulars	Amount
1	Subsidy for Agriculture Category	5,769.94
2	Subsidy for Domestic Category & Other consumers	259.29
3	**Total Subsidy Receipt**	**6029.23**

The petitioner (s) have submitted that the energy sales for agriculture category has increased in actual as per the audited accounts for FY 2023-24 than the energy sales approved in the Tariff Order dated 15.02.2023. The revision of AP subsidy on account of revision in energy sales is shown in the table below:

Proposed Increase in the Subsidy for FY 2023-24 (Rs Crores)

Sr. No.	Particulars	Unit	Amount
1	RE Subsidy allowed in TO dated 15.02.2023	Rs Crs	5,769.94
2	Approved AP Sales in TO dated 15.02.2023	MU	8,884.26
3	Approved Per unit Subsidy	Rs/kWh	6.62
4	Normative Agriculture Sales of UHBVNL	MU	3,605.80
5	Normative Agriculture Sales of DHBVNL	MU	5,520.00
6	**Normative Agriculture Sales**	**MU**	**9,125.80**
7	Eligibility of subsidy based on actual sales of 2023-24 (**(1/2)*(6))**	Rs. Crs	5,926.81
8	**Subsidy Outstanding/(Surplus)**	**Rs Crs**	**156.87**

The Hon'ble commission vide Memo No. 1064-65/HERC/Tariff/337 dated 26.07.2024 has directed the petitioners to meet the shortfall/unpaid subsidy on account of True-Up of RE Subsidy for FY 2021-22 amounting Rs. 165.94 with Return on Equity allowed to them and ensure that the fact should duly be reflected in financial statements of FY 2023-24 as well as in the upcoming ARR Petition for the FY 2025-26.

In this regard, discoms have submitted that adjustment of the unpaid agriculture subsidy on account of Truing Up of FY 2021-22 with the ROE allowed for FY 2023-24 would be detrimental to the non-agriculture category consumers. The ROE allowed during the year is utilized by the petitioner(s) in form of equity to fund capital works. Meeting unpaid RE-Subsidy for FY 2021-22 with the ROE allowed for FY 2023-24 would affect the loss reduction activities and unreasonably burden the tariff of Non-AP Consumer Category. It is further requested by discoms that keeping the above appropriate direction in pursuance to Section 65 may kindly be issued to meet the unpaid subsidy for FY 2021-22.

The revenue gap proposed by the Discoms is as under:

Proposed Revenue Gap (Rs. Crore)

S. No	Particulars	Approved	UHBVN	DHBVN	Haryana
1	**Aggregate Revenue Requirement**	**38,686.15**	**17,809.04**	**24,979.03**	**42,788.07**
2	**Revenue for Discoms**	**36,714.05**	**15,144.54**	**21,202.24**	**36,346.78**
2.1	Sale of Power	30,944.11	11,968.24	16,853.43	28,821.67
2.2	Inter State Sales	-	463.56	704.99	1,168.56
2.3	**Subsidy**	**5,769.94**	**2,542.28**	**3,643.81**	**6,186.10**
2.3.1	*-Subsidy-AP*	*5,769.94*	*2,365.68*	*3,404.26*	*5,769.94*
2.3.2	*-Subsidy-Dom*	-	*89.36*	*147.00*	*236.35*
2.3.3	*Industry (C&D)*	-	*22.93*	-	*22.93*
2.3.4	*Incremental subsidy due to increase in AP sales*		*64.32*	*92.55*	*156.87*
3	Write Back of Provision on ACD interest	-	170.45	-	170.45
4	**Revenue Surplus/(Gap)**	**(1,972.10)**	**(2,664.50)**	**(3,776.79)**	**(6,441.29)**
5	FSA recovered in FY 2023-24	-	1,617.72	2,440.78	4,058.50
6	**Net Revenue Surplus/(Gap)**	**(1,972.10)**	**(1,046.79)**	**(1,336.01)**	**(2,382.79)**
7	Impact on Tariff due to Capitalization	-	(24.69)	-	(24.69)
8	Revenue surplus for FY 2021-22	1,844.87	-	-	1,844.87
9	Holding cost for 1.5 years @ 8.5% for 2021-22	235.22	-	-	235.22
10	Revenue surplus for FY 2023-24	107.99	-	-	(327.39)
11	Holding cost for 1.5 years @ 8.5% for 2023-24	-	-	-	(41.74)
12	**Revenue Surplus/(Gap) to be carried over**	**107.99**	**-**	**-**	**(369.13)**

The Commission observes that the petitioners have claimed the impact of overachievement of capitalization target based on the provisions specified in Regulation 18.1 (B) of the HERC MYT Regulations, 2019. However, on perusal of the regulation, it seems that the utility has misinterpreted the regulation concerned. Regulation 18.1 of the HERC MYT Regulations, 2019, provides that adjustment in tariff shall be made on account of variation in the capitalization achieved vis-a-vis approved. The relevant extract of the aforesaid regulation is reproduced below:

"18.1 Prudence Check of Capital Expenditure:

B. Distribution Licensee

Any excess tariff recovered on account of variation in projected capitalization in the tariff order vis-a-vis trued up capitalization by more than 10% during the year, shall be adjusted in the Revenue Gap/Surplus of the relevant year along with interest rate at 1.20 times of the bank rate prevalent on 1st April of respective year:

Provided that any excess tariff recovered on account of variation in projected capitalization in the tariff order vis-a-vis trued up capitalization due to reasons beyond the control of the

Distribution Licensee i.e., delay in 'In-principle' approval of the schemes, road cutting permission from the concerned agencies etc., shall be adjusted in the Revenue Gap/Surplus of the relevant year along with interest rate equal to bank rate prevalent on 1st April of respective year.

Any shortfall in tariff recovered on account of variation in projected capitalization in the tariff order vis-a-vis trued up capitalization by more than 10% during the year, shall be adjusted in the Revenue Gap/Surplus of the relevant year along with interest rate at 0.80 times of the bank rate prevalent on 1st April of respective year"

The Commission observes that the regulatory provision has been interpreted by the discoms in a different perspective. It provides for the case, where there is any excess/shortfall in tariff recovered on account of variation in projected capitalization. However, as per the books of accounts, there is no such excess tariff recovered or shortfall in tariff recovered, as stated by the licensee. The tariff as approved by the Commission was recovered by the distribution licensee for different category of sales. The licensee has incurred capital expenditure of Rs 834.47 crore during the FY 2023-24 as against Rs 1000 crore approved by the Commission. So, no concern of under/excess recovery exists. In view of above, the amount claimed as the impact of overachievement of capitalization target is disallowed.

Further, the discoms have submitted that there is unpaid RE-Subsidy for FY 2021-22. And the adjustment of the unpaid agriculture subsidy on account of Truing Up of FY 2021-22 with the ROE allowed for FY 2023-24 would be detrimental to the non-agriculture category consumers. The discoms have further requested that keeping the above appropriate direction in pursuance to Section 65 may be issued to meet the unpaid subsidy for FY 2021-22. Also, vide letter dated 10.01.2025 (UHBVNL) and 09.01.2025 (DHBVNL) has stated that the matter regarding shortfall of RE Subsidy for FY 2021-22 amounting Rs 165.94 Crores, was pursued with the State Govt. vide note dated 03.04.2023, 24.05.2023 and 25.07.2023. In response, the State Govt. has directed that the same shall be met by the Discoms on its own. Seeing the financial commitment made by the State Government, in accordance with section 65 of the EA Act 2003, the unpaid subsidy of Rs 165.94 Crores for FY 2021-22 has to be paid by the State Government along with the true-up subsidy for the FY 2023-24. The discoms are already in financial stress due to the delayed recovery of FPPAs for FY 2022-23 and FY 2023-24. Therefore, in line with

the provisions of section 65 of the Electricity Act, there has to be commitment from State Government and the payment of subsidy has to be made in advance.

True up of AP Sales (FY 2023-24)

The petitioners, based on actual AP sales, have prayed for approval of Rs. 5926.81 Crores as revised RE Subsidy for FY 2023-24. The Commission in the Tariff order dated 15/02/2023 had approved Rs. 5769.94 Crores as RE Subsidy for FY 2023-24 based on projected sales as well as LT COS estimated by the Commission for FY 2023-24.

The AP consumption of the two Distribution Licensees in MUs, based on above data submitted by the petitioners for FY 2023-24, is worked out as per following table:

AP consumption as proposed by Discoms	**UHBVN (2023-24)**	**DHBVN (2023-24)**
AP sales recorded on 11 kV segregated AP feeders (MUs)	4296.57	6227.66
Loss @ 16%	687.45	996.43
AP feeders net sales (MUs)	3609.12	5231.23
Consumption of AP on other feeders (MUs)	16.67	401.68
Less Consumption of other category consumers on segregated AP feeders (MUs)	19.99	112.91
Total AP consumption	3605.80	5520.00
Total AP consumption of two DISCOMs (rounded off)		**9125.80**

Total AP Sales of DISCOMs for FY 2023-24 approved by Commission in Tariff Order dated 15/02/2023. (MUs)	**8884.26**

However, UHBVN and DHBVN in their ARR filing have submitted actual AP consumption for FY 2023-24 as 3577.81 MUs and 6292.00 MUs respectively. However, the AP consumption calculated for UHBVN and DHBVN as per HERC methodology adopted by the Commission worked out to 3605.80 MUs and 5520 MUs, respectively. The Commission deemed it appropriate to consider AP sales as lower of the figures submitted by the Discoms and AP sales worked out by the Commission. Accordingly, AP sales for UHBVN and DHBVNL for FY 2023-24 is approved as 3577.81 MUs and 5520 MUs, respectively.

Accordingly, total AP sales in respect of both the Discoms have been worked out as 9097.81 MUs (UHBVNL- 3577.81 MU and DHBVNL-5520.00 MU) for FY 2023-24. Therefore, for the purpose of true up of RE subsidy for FY 2023-24, trued up AP consumption has been taken as 9097.81 MUs.

The Commission, vide Tariff Order dated 05/03/2024 had directed that DHBVNL will ensure 100% shifting of AP connections on segregated feeders instead of lame excuses time and again.

In response to above DHBVN has submitted the progress Vide memo no. Ch-44/SE/RA-782/Vol-I dated 12/09/2024.

As submitted by DHBVN, as on 31.03.2023, there were 13,583 AP connections, which constituted 4.06% of the total AP connections, with a connected load of 93.32 MW, running on non-AP feeders. Further as on 31.07.2024, 1941 connections out of 13583 connections have been shifted on AP feeders and work of shifting of 2977 connections is in progress. 8665 connections have been declared as non-feasible for shifting due to various reasons such as Right of Way issues or non-availability of AP feeder nearby.

Further the DHBVN Agriculture sales for FY 2023-24 as per audited account is 6292.00 MUs whereas with methodology adopted by the Commission the same is 5520.00. In the case of UHBVN Agriculture sales for the FY 2023-24, as per audited account, is 3577.81 MU and in line with methodology of the HERC is 3605.80 MU. In case of DHBVN, there is a significant difference i.e. of 772.00 MU in sales for FY 2023-24. The Commission again directs DHBVNL to shift AP connections on segregated AP feeders at the earliest for proper accounting of AP sales.

The Commission, vide its order dated 15.02.2023, had quantified RE subsidy of Rs. 5769.94 Crore payable by the State Government to the Discoms for the FY 2023-24 based on an estimated CoS of Rs. 6.62 (CoS on LT supply) per unit for A.P. Tube well supply of 8884.26 MU. As the total ARR has now been revised on account of True-up of the FY 2023-24 and the quantum of power supplied to AP consumers during the FY 2023-24 has also been revised from 8884.26 Mus to 9097.81 Mus. Hence, the subsidy for the AP Tube well supply payable by the State Government, to keep the tariff at the existing subsidized levels, also needs to be revised to reflect the corresponding changes in the quantum and cost of the AP tube-well consumers. As per the audited accounts, total subsidy including AP subsidy on this account for power supplied by discoms during the FY 2023-24 is Rs. 5,769.94 crores for AP subsidy and Rs 259.29 crore for other subsidy, making it Rs 6029.23 crore. Accordingly, based on the true-up of expenses for the FY 2023-24 and revised approval of AP sales for the year, the Commission observes that revised subsidy for AP supply works out to Rs. 6540.29 crores. Based on the true

up of costs, the Discoms have ended the year with a surplus of Rs. 721.72 crores as determined below: -

Approved Revenue Gap during True up 2023-24- UHBVNL and DHBVNL

Total ARR for FY 2023-2024		**Proposed**	**As per Order-15.02.2023**	**Revised**
UHBVNL	Rs. Crore	17,809.04	16,592.20	17,202.70
DHBVNL	Rs. Crore	24,979.03	22,093.95	24,404.08
Total ARR for FY 2023-24 (A)	**Rs. Crore**	**42,788.07**	**38,686.15**	**41,606.78**
Revenue at current tariff on intrastate sale (B)	**Rs. Crore**	**28,821.68**	**30,944.11**	**28,821.68**
Revenue from FSA receivable from Non-AP consumers				**3,288.15**
-Revenue from FSA receivable - all consumer category	Rs. Crore			4,058.50
-Revenue from FSA receivable- AP category	Rs. Crore			(770.35)
Revenue from Interstate sale	Rs. Crore	1,168.56		1,168.56
Write Back of Provision for interest on ACD - UHBVNL	Rs. Crore	170.45		170.45
Total Revenue (C)	**Rs. Crore**		**30,944.11**	**33,448.83**
Subsidy		6,029.23		
Total Sales for FY 2023-2024 (D)	MU		56,546.00	54,257.65
Average Cos for 2023-2024 (E= A/D*10)	Rs per unit		6.84	7.67
COS at LT level (F)	Rs per unit		6.62	
Adjusted Cost of Supply for AP consumers (G)	Rs per unit			7.42
AP sales for the FY 2023-2024 (H)	MU		8,884.26	9,097.81
Revenue from AP sales (I)	Rs. Crore		108.15	210.34
Subsidy for AP supply at LT COS (J= (H*G)-I)	**Rs. Crore**		**5,769.94**	**6,540.29**
Actual AP Subsidy received in the FY 2023-24	Rs. Crore			5,769.94
Balance AP subsidy receivable for the FY 2023-24	Rs. Crore			770.35
Unrecovered true-up of AP subsidy for FY 2021-22	Rs. Crore			165.94
Subsidy for other consumers, as per audited accounts (K)	**Rs. Crore**		**-**	**259.29**
Total revenue incl Subsidy (C+J+K)	**Rs. Crore**	**36,189.92**	**36,714.05**	**40,248.41**
Revenue surplus/(Gap) for FY 2023-2024 at current tariff	Rs. Crore	(6,598.15)	(1,972.10)	(1,358.37)
Add income from FSA	Rs. Crore	4,058.50		
Add incremental subsidy due to change in AP sale	Rs. Crore	156.87		
less impact due to overachievement of capitalisation target	Rs. Crore	24.69		
Net revenue gap/surplus	Rs. Crore	(2,407.47)		
Surplus on true up including holding cost 2021-22	Rs. Crore	1,844.87		1,844.87
Holding cost for 1.5 years @8.5% for 2021-22	Rs. Crore	235.22		235.22
Revenue Surplus/Gap for the FY 2023-24	Rs. Crore	(327.38)		721.72
Holding cost for 1.5 years @8.5% for 2023-24	Rs. Crore	(41.74)		
Net Revenue Surplus/(Gap) for the FY 2023-24	**Rs. Crore**	**(369.12)**	**(1,972.10)**	**721.72**

CHAPTER 4

Annual Performance Review (APR) for FY 2024-25

4.1 Background

The Discoms have submitted that the Hon'ble Commission for the Second Control Period issued the HERC (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff framework) Regulations, 2019 on 31st October 2019 (hereinafter referred as "MYT Regulation 2019"). The Second MYT Control Period was applicable for the period from FY 2020-21 to FY 2024-25. The same was amended further on 25.11.2019, 31.01.2022 and 12.04.2023.

Further, the Hon'ble Commission, on 22nd October 2024 has notified HERC (Terms and conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2024 (hereinafter referred as "HERC MYT Regulation 2024") for Third Control Period from FY 2025-26 to FY 2029-30. Regulation 11.5 of the HERC MYT Regulations, 2024 provides specifies the provision for Annual Performance Review (APR). The relevant extract of the Regulation is provided as under:-

"11. Mid -Year Performance Review and Tariff Setting

11.5. The scope of the mid-year performance review shall be a comparison of the performance of the generation company and the licensees for the relevant financial year with the approved forecast of ARR for their respective businesses and the performance targets specified by the Commission. Upon completion of the mid-year performance review and truing up as per Regulation 13, the Commission shall pass an order recording:

(a) The revised approved ARR for such financial year including approved modifications, if any;

(b) The approved aggregate gain or loss on account of controllable items and sharing of such gains or losses;

(c) Truing-up or pass through of uncontrollable items of ARR of previous year(s);

(d) Pass through of variations in controllable items due to force majeure events, if any.

(e) Pass through of variations in controllable items attributable to uncontrollable factors.

(f) Tariff applicable for the ensuing year."

Tariff Order on ARR and Retail Supply & Distribution Tariff for FY 2024-25 was issued by the Hon'ble Commission on 05th March 2024. Also, Hon'ble Commission issued Review Petition Order for FY 2024-25 on 02.09.2024.

In line with the above, the Discoms have submitted Annual Performance Review of ARR for FY 2024-25. The Petitioner(s) have considered actual data for first half and projected the figures for the balance years based on the past trends in the previous financial years. The Projected ARR for APR Year vis-a-vis approved expenses is submitted for the approval of Hon'ble Commission by the petitioner(s).

4.2 Energy Sales

UHBVNL

UHBVN estimated the revised sales for FY 2024-25 based on actual sales for the first half and projected sales of the second half. Energy sales for second half is projected based on CAGR and actual sales of corresponding period in past years. The revised estimates of category wise energy sales vis-a-vis approved for FY 2024-25 are shown in the table below: -

Category	Approved for FY 2024-25	Actual for FY 2023-24 (H2)	Actual for FY 2024-25 (H1)	CAGR Selected		Projection for FY 2024-25 (H2)	Projection for FY 2024-25
				Year	Rate		
Domestic	8,404	2,873.21	4,441.39	3 year	6.15%	3,049.93	7,491.32
HT Industry	9,275	4,258.23	4,241.34	3 year	9.57%	4,665.91	8,907.25
LT Industry	3,347	1,203.67	1,354.39	5 year	3.60%	1,247.01	2,601.41
Lift Irrigation		25.59	17.69	7 year	2.77%	26.30	43.99
Agriculture	3,634	1482.10	2,732.84			901.63	3,634.48
Bulk Supply	450	174.06	183.18	5 year	8.30%	188.50	371.67
Bulk Sup-Domestic		37.94	33.85	3 year	2.65%	38.94	72.79
Street-Light	67	39.90	28.86	7 year	6.12%	42.34	71.20
PWW		298.34	289.97	5 year	5.00%	313.25	603.22
Agro Industry	801	1.09	2.53		0.05%	1.09	3.62
EV Charging Stations			0.48			0.48	0.97
Total	**25,978**	**10,384.96**	**13,142.64**			**11,120.08**	**23,801.91**

Energy sales for the Agro Industry and EV Changing Stations have been increased on manual basis. A notional escalation rate of 0.05% has considered for PWW Category and energy sales of EV Charging Stations realized in the first half has been considered same for the second half as well.

UHBVNL prayed that the revised estimates of the category wise energy sales as submitted in the above table may kindly be approved for FY 2024-25.

DHBVNL

Hon'ble Commission vide its Tariff Order dated 05.03.2024 has approved Energy Sales of 25978 MUs for DHBVNL.

Energy Sales of 35,293.36 MU was approved for DHBVN as per Tariff Order dated 5th March 2024. DHBVN on the basis of actual sales of first six months 19,156.77 MU estimates total energy sales of 35,254.70 MU for FY 2024-25.

DHBVN has estimated the revised sales for FY 2024-25 on the basis of actual sales for the first half and projected sales of the second half. Energy sales for the second half have been projected on the basis of 3 to 7 years CAGR of actual sales of corresponding period in the past years.

Agriculture sales are largely dependent on ground water table, strength of monsoon and release of new tubewell connections during the year. In the first half, increase in AP Sales has been stagnant due to scanty monsoon, therefore a nominal growth rate over actual sales for second half of FY 2023-24 has been considered to project the sales for second half of FY 2024-25.

Further, as it the Railways/Metro has been merged with HT Supply, thus, a considering past trend of sales, growth rate of 7% has been considered for computing the sales for second half for HT Industry which includes Railways/Metro category.

Category wise energy sales approved vis-a-vis revised projection of DHBVN for FY 2024-25 are tabulated as under: -

S. No.	Particulars	FY 2024-25				
		Approved	**Actual (H1)**	**CAGR Year**	**Projected (H2)**	**Total**
1	Domestic	10,810.47	6,112.14	5%	4,346.57	10,458.71
2	HT – Industry	12,523.40	7,216.58	7%	6,032.50	13,249.08
3	LT – Industry	3,547.26	1,305.81	5%	1,734.37	3,040.18
4	Agriculture/FPO	19.17	3.96		1.98	5.95
5	Agriculture	5,691.36	2,895.85	3%	2,694.47	5,590.33
6	Bulk Supply	1,558.67	1,067.95	5%	726.75	1,794.70
7	Lift Irrigation	226.21	88.96	5%	110.46	199.42
8	Street Lightning	92.55	56.69	4%	59.25	115.94
9	Public Water Works	824.27	406.04	2%	394.35	800.39
10	**Total**	**35,293.36**	**19,153.99**		**16,100.71**	**35,254.70**

DHBVNL requested the Commission to approve the category wise energy sales for FY 2024-25 as projected above.

4.3 Transmission Losses

Both the petitioner(s) submitted that the Interstate and intrastate transmission losses of 3.62% and 2.05% respectively are considered for FY 2024-25, which are kept in line with the loss level approved by the Hon'ble Commission in Tariff Order dated 5th March 2024.

4.4 Distribution Losses

UHBVNL

It is pertinent to mention here that energy sales at LT Supply Categories attributes 40% of entire sales. In the past few years there has been significant growth in LT Supply Consumption Categories, specifically Domestic Category, which is growing by more than 10% on annual basis. Due to significant growth in the consumption of LT Supply Categories, the Distribution Losses in the FY 2024-25 have been expected to increase than the target losses level of 10.00%. the Distribution loss level of 10.45% has been proposed for FY 2024-25. UHBVNL has requested that the distribution loss level as proposed above may kindly be approved FY 2024-25.

DHBVNL

DHBVN has reduced Distribution losses by 5.55% over a span of four years i.e., from 16.93% in FY 2020-21 to 11.38% FY 2023-24. DHBVN has implemented various system strengthening schemes and feeder sanitization scheme for reduction of line losses.

In FY 2023-24, DHBVN has achieved distribution loss level of 11.38% against 11.42% in FY 2022-23 hence achieved reduction of 0.04% over previous year. The Hon'ble Commission has approved distribution loss target of DHBVN at 10.00% for FY 2024-25. DHBVN endeavours to achieve the loss targets fixed by the Hon'ble Commission and working aggressively towards the same. Initiatives undertaken by DHBVN are of long term in nature and full impact will be visible after completion of such works.

It is submitted further that in accordance to P. Abraham Committee Report and R-APDRP Guidelines issued by Ministry of Power, Distribution Licensee having AT&C losses level ranging between 20% - 30% may be given loss reduction target of 2% per year, whereas for AT&C losses level less than 20%, loss reduction target shall be fixed at 1% per year. The relevant extract of the Report is reproduced as under: -

"…AT&C Loss Reduction Targets

The Task Force examined the targets set for AT &C losses reduction and after taking into consideration experience of the Utilities felt that the targets should be recast in a manner that *they are realistic and achievable based on the present level of AT&C losses in each State. Accordingly, the Task Force recommends the following targets depending on their present level of AT&C losses:*

Utilities having AT&C losses above 40%: Reduction by 4% per year

Utilities having AT&C losses between 30 & 40%: Reduction by 3% per year

Utilities having AT&C losses between 20 & 30%: Reduction by 2% per year

Utilities having AT&C losses below 20%: Reduction by 1% per year…"

In view of the above, DHBVNL has submitted that the Hon'ble Commission may consider the distribution loss level of DHBVN for FY 2024-25 at level of 10.75%.

4.5 Collection Efficiency

Collection efficiency of 99.5% as specified by the Hon'ble Commission in MYT Regulation 2019, has been considered for APR projections.

4.6 Transmission Charges

UHBVNL

Interstate Transmission charges of Rs. 957.72 Crores was allowed to UHBVN for FY 2024-25. Nigam is proposing the same amount for FY 2024-25.

Intrastate Transmission charges of Rs. 934.24 Crores was approved by Hon'ble Commission and same is considered by UHBVN for FY 2024-25.

DHBVNL

Interstate Transmission charges of Rs. 1,382.07 Crores was allowed to DHBVN for FY 2024-25. DHBVN has considered the same as allowed by the Commission for FY 2024-25.

Intrastate Transmission charges of Rs. 1,085.40 Crores was allowed to DHBVN for FY 2024-25. DHBVN has considered the same as allowed by the Commission for FY 2024-25.

4.7 Power Purchase Cost

UHBVNL

The power purchase cost of UHBVNL including interstate and intrastate transmission charges works out to Rs. 14,158.17 Crore for FY 2024-25. The details of the same has been tabulated as under: -

UHBVNL proposed Power Purchase Cost Summary for FY 2024-25 (Rs Crs)

Particulars	Approved	Projected
Power Purchase Cost	13,826.58	12,266.21
Interstate Transmission Charges	957.72	957.72
Intrastate Transmission Charges	934.24	934.24
Total Power Purchase Cost	**15,718.54**	**14,158.17**

DHBVNL

The power purchase cost of DHBVNL including interstate and intrastate transmission charges out to Rs. 20,696.90 Crore for FY 2024-25 as under: -

S. No.	Particulars	FY 2024-25 (Projected)
1	Power Purchase Cost	18,229.43
2	Inter-State Transmission Cost	1,382.07
3	Intra-State Transmission Cost	1,085.40
	Total Power Purchase Cost	**20,696.90**

DHBVNL has prayed that the Commission may approve the above power purchase cost for FY 2024-25 as submitted.

4.8 Energy Balance

Energy balance is worked out by considering the energy availability of generating stations at state periphery and grossed up energy requirement at state periphery. Haryana Discoms have considered transmission and distribution losses proposed above for working of energy availability and requirement at state periphery.

Energy balance after matching energy requirement with availability at state periphery is deemed as surplus power. As per the prevailing practice of the petitioner, surplus power is first banked with the neighboring states and states having power deficit and thereafter balance surplus power is sold in power exchange at average variable power purchase cost to optimise the power purchase expense. However, for the purpose of projections, surplus power is assumed to be sold at the average variable power purchase cost.

UHBVNL

The detailed calculation for UHBVNL is tabulated as follows:-

Particulars	Approved	Projected
Energy Sales (Mus)	25,978.47	23,801.91
T&D loss (%)	10.00%	10.45%
Energy Input at DISCOM Periphery (Mus)	28,864.97	26,579.46
Intra-state Transmission loss (%)	**2.05%**	**2.05%**

Particulars	Approved	Projected
Energy input at state Periphery (Mus)	29,469.08	27,135.74
Total energy available (Ex bus)	30,766.34	28,324.17
Interstate power purchase considering MoD (Mus)	17,061.21	18,438.02
Interstate transmission loss (%)	**3.62%**	**3.62%**
Interstate Power purchase at State periphery (Mus)	16,469.12	17,770.56
Interstate power purchase considering MoD (Mus)	13,705.13	9,886.15
Power purchase at state periphery (Mus)	30,174.25	27,656.71
Surplus	**705.17**	**520.97**

UHBVNL requested the Commission that the revised energy balance for FY 2024-25 may be approved.

DHBVNL

The revised energy balance of DHBVN for FY 2024-25 is summarized as under: -

Energy Availability for FY 2024-25 *(MU)*

S. No.	Particulars	Unit	FY 2024-25
1	Energy Sales to the Consumers	MU	35,255
2	T&D Loss	%age	10.75%
3	Energy Input at DISCOM Periphery	MU	39,501
4	Intra-State Transmission Losses	%age	2.05%
5	Energy Input at State Periphery	MU	40,328
6	Total Energy Available	M	42,094
7	Inter-State Power Purchase considering MoD	MU	27,402
8	Inter-State Transmission Losses	%age	3.62%
9	Inter-State Power Purchase at State Periphery	MU	26,410
10	Intra-State Power Purchase considering MoD	MU	14,692
11	**Power Purchase at State Periphery**	**MU**	**41,102**
12	**Surplus**	**MU**	**774**

DHBVN prayed to approve the revised energy balance for FY 2024-25.

4.9 Capital Expenditure

UHBVNL

The Hon'ble Commission in Tariff Order dated 5th March 2024 has approved Capital Expenditure Plan Rs 1036.00 Crores of UHBVN for FY 2024-25. Petitioner is submitting the Revised Capital Expenditure Plan of Rs. 1,118.20 Crores for FY 2024-25 calculate revised estimates of ARR component. Below is the revised Capex Plan for FY 2024-25.

Capital Expenditure Plan for FY 2024-25 (Rs Crore)

Sr. No.	Description of Project / Scheme / work	Proposed CAPEX
A	**PD&C Wing**	
1	Creation of new 33 kV sub-stations along with Spill Over and associated 33 kV & 11 kV lines including civil works / Normal development (33 kV & 11 kV)	130.68
2	Augmentation of existing 33 kV sub-stations including civil works	50.00
3	Augmentation of existing 33 kV lines	3.32
4	Release of tube well connections on Turnkey Basis	25.00
5	Civil Works other than substation buildings	15.00
6	RDSS (Revamped Distribution Sector Scheme)	275.00
7	11 kV other works	12.00
8	Shifting of 11/33 kV Dangerous line passing over residential areas	50.00
	Total A	**561.00**
B	**IT Wing**	
9	Installation of smart meter in UHBVN	90.00
10	System Integrator (ERPSI) for Supply, Installation, Commissioning, implementation and Support for Enterprise Resource Planning (ERP) System at UHBVN	5.00
11	IT/OT Works	20.00
	Total B	**115.00**
C	**MM Wing**	
12	Material required for release of Non-AP connections & replacement of old assets / system improvement & normal development	442.20
	Total C	**442.20**
	Gross proposed Capex (A+B+C)	**1,118.20**

Capital Expenditure Plan is funded from debt availed from financial institution like REC, PFC and other, consumer contribution and equity support provided by the State Govt. The table below represents the allocation of funding assumed by UHBVN in Capital Expenditure Plan for re-estimation of related expenditures for FY 2024-25.

Funding of capital expenditure of 2024-25 (Rs Crore)

Particulars	% age	Amount (in Cr.)
Consumer Contribution	2.00%	22.36
Equity	20.00%	223.64
Debt	78.00%	872.20
Total	**100.00%**	**1,118.20**

DHBVNL

The Hon'ble Commission in Tariff Order dated 5th March, 2024 had approved Capital Expenditure Plan of Rs. 1,276 Crores for FY 2024-25. It is submitted that the Petitioner is considering the revised Capital Expenditure of Rs 1,208.97 Crore for FY 2024-25 for computing the revised estimates of ARR component for FY 2024-25.

Capital Expenditure for FY 2024-25 ***(Rs. Crore)***

S. No.	Description	Approved CAPEX for FY 2024-25	Actual CAPEX (Apr'24 to Sept'24)	Revised CAPEX Oct'24 to Mar'25	Total CAPEX for FY 2024-25
1	**AT&C loss sustainable reduction plan**				
a	Procurement of single phase meters for replacement of defective meters & release of new connections and procurement of Smart Meters.	50.00	16.36	17.88	34.24
b	Procurement of three phase meters for replacement of defective meters & release of new connections and procurement of Smart Meters.	30.00	8.18	10.14	18.32
c	Power Factor Improvement (Providing automatic power factor correctors)	25.00	18.00	16.00	34.00
	Sub Total	**105.00**	**42.54**	**44.02**	**86.56**
2	**Load Growth schemes**				
a	Creation of new 33 kV sub-stations alongwith associated 33 kV & 11 kV lines	100.00	87.98	38.15	126.13
b	Augmentation of existing 33 kV sub-stations	80.00	70.15	20.11	90.26
c	Augmentation of existing 33 kV lines	20.00	8.12	11.88	20.00
d	Bifurcation of 11 kV feeders (Work of bifurcation of feeders, augmentation of ACSR).	95.00	61.08	33.92	95.00
e	Material required for release of Non-AP connections & replacement of old assets	337.00	277.80	91.48	369.28
f	*Release of Tube well connection on turnkey basis and segregation of AP load from Rural Urban feeders.	130.00	90.31	39.69	130.00
g	Procurement of power transformers and allied equipment such as 33 kV CTs, 33 kV PTs, 33 kV and 11 kV VCBs, 33 kV Control and Relay Panels etc.	21.00	15.78	11.00	26.78
	Sub Total	**783.00**	**611.22**	**246.23**	**857.45**
3	**Other works**				
a	Civil Works	50.00	14.55	20.12	34.67
b	Mahara gaon jagmag gaon scheme for rural area and feeder sanitization for Urban area/LRP/Replacement of iron pole.	100.95	90.56	30.24	120.80
c	Other works for system improvement - Procurement of IT Equipment & Softwares	2.00	2.32	1.73	4.05
d	Smart City Gurgaon (HT & LT Lines, DTs, U/G Cables, RMUs and FRTUs Etc.) including SCADA Project, IMT, Manesar	180.00	22.66	35.00	57.66
e	Shifting of 11 lines passing over residential areas under DHBVN.	15.00	2.99	12.01	15.00
f	Double Source of 33 KV Supply	8.00	2.00	6.00	8.00
g	Muffing of existing poles of 11 KV Lines	0.05	0.02	0.03	0.05
h	Revamping of existing meter testing laboratories operating at 5 towns of Dadri, Sirsa, Hisar, Faridabad and Gurugram under jurisdiction of DHBVN		11.67	2.86	14.53
	Sub Total	**356.00**	**135.10**	**105.13**	**240.23**
4	App Upgradation of CCB	15.00	0.00	11.46	11.46
5	Hardware Refresh of Data Centre	10.00	1.91	11.36	13.27
6	System Integrator(ERPSI) for Supply, Installation, Commissioning, Implementation and Suport for Enterprise Resource Planning (ERP) System at DHBVN.	7.00	0.00	0.00	0.00
	Sub Total	**32.00**	**1.91**	**22.82**	**24.73**
	Grand Total	**1276.00**	**790.77**	**418.20**	**1208.97**

Capital Expenditure Plan is funded from debt availed from financial institutions like REC, PFC and others, consumer contribution and equity support provided by the State Govt. The table below represents the allocation of funding assumed by DHBVN in Capital Expenditure Plan for re-estimation of related expenditures for FY 2024-25.

Funding of Capital Expenditure for FY 2024-25 ***(Rs. Crore)***

S. No.	Particulars	Amount (in Cr)
1	Consumer Contribution and Grants	225.00
2	Equity	241.79
3	Debt	742.17
	Total	**1,208.97**

4.10 Capital Work in Progress

UHBVNL

Capitalization during the year is determined by assuming materialization of 40% of Opening Capital Work in Progress (CWIP) and 60% of CAPEX Plan proposed for FY 2024-25.

Interest during Construction (IDC) is calculated by considering the average interest rate on CAPEX loans on average CWIP for FY 2024-25 and is accounted to work out the average Capital Work in Progress. The summary of the same is tabulated as under:

Summary of CWIP (Rs. Crore)

Particulars	FY 2023-24 (Actual)	FY 2024-25 (Projected)
Opening CWIP	527.88	466.04
Addition during the financial year	798.76	1,118.20
Capex Capitalized	**896.32**	**857.34**
Expenses and Interest capitalized	35.72	53.18
Closing CWIP	**466.04**	**780.09**

DHBVNL

Capitalisation during years is determined by assuming materialisation of 60% of Opening Capital Work in Progress (CWIP) and 40% of CAPEX Plan proposed for FY 2024-25.

Interest during construction (IDC) has been calculated by considering the average interest rate on CAPEX loans on the average of opening and closing CWIP for FY 2024-25.

Capitalisation of interest during construction is accounted for working out the Closing Capital Work in Progress for FY 2024-25. The summary of the same is tabulated as under:

Summary of CWIP for FY 2024-25 ***(Rs. Crore)***

S. No.	Particulars	FY 2024-25
1	**Opening CWIP**	**1,328.40**
2	**Add: Capex**	**1,208.97**

S. No.	Particulars	FY 2024-25
3	**Less: Capitalization**	**1,280.63**
4	**IDC**	**138.33**
5	**Closing CWIP**	**1,395.07**

4.11 Computation of Inflationary Indices

Indexation factor works out to be 2.48% as per the methodology specified in MYT Regulations, 2019. Detailed calculation for determination of Inflation factor to reassess the O&M expenses for FY 2024-25 is tabulated as under:

Inflation factor for WPI & CPI

WPI inflation

Month/Year	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Average
FY 2021-22	132	133	134	135	136	137	141	144	143	144	145	149	139
FY 2022-23	152	155	155	154	153	152	153	153	151	151	151	151	153
FY 2023-24	151	149	149	152	153	152	152	153	152	151	151	151	151
FY 2024-25	153	154	154	155	154	155	156						154

CPI Inflation

Month/Year	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Average
FY 2021-22	346	347	351	354	354	355	360	362	361	360	360	363	356
FY 2022-23	368	372	372	374	375	378	382	382	381	383	382	384	377
FY 2023-24	387	388	393	402	401	396	399	401	400	400	401	400	397
FY 2024-25	402	403	407	411	411	413							408

Indexation factor works out to be 2.48% as per the methodology specified in MYT Regulations, 2019. Detailed calculation for determination of Inflation factor to re-estimate the O&M expenses for FY 2024-25 is tabulated as under:

Inflation Faction	WPI	CPI	Total
Weightage	45%	55%	100%
Average Indexation for FY22-23	68.14	218.46	286.60
Average Indexation for FY23-24	69.48	224.21	293.69
Combined Inflation (Indxn. /Indxn-1)	**2.48%**		

4.12 Revenue Estimation

UHBVNL

Based on projected sales and applicable retail supply tariff, the revenue from sale of power of various categories of UHBVNL is tabulated as follows:

Sr.No.	Category	Amount
1	Domestic	3,258.99
2	HT Industry	6,157.69
3	LT industry	1,733.08
4	Agriculture	57.43
5	Lift irrigation	32.33

6	Bulk supply	283.01
7	Street lighting	52.33
8	PWW and Others	443.36
9	Agro Industries	1.75
10	Electric Charging Stations	0.60
11	**Total Energy Charge**	**12,020.59**
12	Fixed Charges	1,373.93
13	Total Revenue	**13,394.52**
14	Collection Efficiency	99.50%
15	**Revenue Realized**	**13,327.55**

DHBVNL

Revenue from sale of power is determined on basis of the projected sales and Category-wise revenue estimated from sale of power by DHBVNL for FY 2024-25 is given below:

S. No.	Category	FY 2024-25 Projected
1	Domestic	4,845.68
2	HT – Industry	8,484.89
3	LT – Industry	2,118.56
4	Agriculture/FPO	2.82
5	Agriculture	37.58
6	Bulk Supply	1,097.13
7	Public Services	820.08
8	**Total Energy Charges**	**17,406.74**
9	Fixed Charges	1,760.99
10	**Total Revenue**	**19,167.73**
11	Collection Efficiency	99.50%
12	**Revenue Realised**	**19,071.89**

4.13 Aggregate Revenue Requirement for FY 2024-25

The revised estimate of Aggregate Revenue Requirement for APR year is tabulated as follows: -

UHBVNL proposed Aggregate Revenue Requirement for FY 2024-25 (Rs. Crore)

Sr. No.	Particulars	Approved	Projected
1	**Total Power Purchase Expense**	**15,718.54**	**14,158.17**
1.1	*Power Purchase Expense*	*13,826.58*	*12,266.21*
1.2	*Interstate transmission Charges*	957.72	957.72
1.3	*Intrastate transmission charges and SLDC charges*	*934.24*	*934.24*
2	**Operations and Maintenance Expenses**	**1,998.21**	**1,759.61**
2.1	*Employee Expense*	*1,232.27*	*919.28*
2.2	*Administration & General Expense*	128.89	207.77
2.3	*Repair & Maintenance Expense*	*187.05*	*182.56*
2.4	*Terminal Liability*	450.00	450.00
3	***Depreciation***	**415.97**	**469.77**
4	***Interest & Finance Charges***	***444.92***	***789.87***

Sr. No.	Particulars	Approved	Projected
4.1	*Interest on CAPEX loans*	*158.33*	*253.84*
4.2	*Interest on WC loans including CC/OD limits*	*126.51*	*382.65*
4.3	*Interest Cost on Consumer Security Deposit*	*125.18*	*135.93*
4.4	*Other Interest and Finance Charges*	*34.90*	*17.44*
5	**Return on Equity**	**321.69**	**353.99**
6	Other Expenses	-	66.64
7	**Aggregate Revenue Requirement**	**18,899.33**	**17,598.04**
8	Less: Non-Tariff Income	*278.43*	*125.02*
9	**Net Aggregate Revenue Requirement**	**18,620.90**	**17,473.02**

DHBVNL proposed Aggregate Revenue Requirement for FY 2024-25 (Rs. Crore).

S. No.	Particulars	FY 2024-25 (Approved)	FY 2024-25 (Projected)
1.00	**Power Purchase Cost**	**22,254.16**	**20,696.90**
1.10	*Power Purchase Cost*	*19,786.69*	*18,229.43*
1.20	*Transmission Charges (PGCIL)*	*1,382.07*	*1,382.07*
1.30	*Transmission Charges (HVPN + SLDC)*	*1,085.40*	*1,085.40*
2.00	**Operation & Maintenance Expenses**	**2,426.16**	**2,206.78**
2.10	*Employee Expenses (net)*	*1,313.09*	*1,046.49*
2.20	*Administration & General Expenses (net)*	*166.49*	*208.87*
2.30	*Repair & Maintenance Expenses*	*248.82*	*244.07*
2.40	*Terminal Benefits*	*697.77*	*707.35*
3.00	Depreciation	416.53	399.76
4.00	**Interest & Finance Charges**	**562.23**	**1,044.89**
4.10	*Interest on Long Term Loan*	*161.96*	*252.45*
4.20	*Interest on Working Capital*	*126.49*	*519.36*
4.40	*Interest on Consumer Security Deposit*	*198.77*	*210.65*
4.50	*Other Interest & Finance Charges*	*25.01*	*11.95*
4.60	*Guarantee Fee*	*50*	*50.70*
6.00	Return on Equity Capital	291.89	327.11
7.00	Prior period expenses & other expenses	-	-
8.00	Other Debts, (including wealth tax)	-	-
9.00	Provisions for bad and doubtful debt	-	95.36
10.00	**Aggregate Revenue Requirement**	**25,950.97**	**24,770.81**
11.00	*Less: Non-Tariff Income*	*308.61*	*185.67*
12.00	**Aggregate Revenue Requirement from Retail Tariff**	**25,642.36**	**24,585.13**

4.14 Revenue Gap

Based on the revised estimates for Aggregate Revenue Requirement, Haryana Discoms have proposed the details of revenue gap for the APR year tabulated as follows:

UHBVNL and DHBVNL proposed Revenue Gap for FY 2024-25 (Rs Crore)

Particulars	Approved	Projected
Total Aggregate Revenue Requirement	**44,263.27**	**42,058.15**
UHBVNL	18,620.90	17,473.02
DHBVNL	25,642.37	24,585.13
Total Revenue	**35,076.89**	**32,799.56**
Revenue from Interstate sales	-	*32,399.44*

Particulars	Approved	Projected
Revenue from Intrastate sales / Sale of Power	*35,076.89*	*400.12*
Revenue Surplus/(Gap)	**(9,186.38)**	**(9,258.59)**
Less: AP-Subsidy	*5,941.17*	*5,941.17*
GAP After AP Subsidy	**(3,245.21)**	**(3,317.42)**
Revenue Surplus/(Gap) for FY 2022-23	(212.46)	(212.46)
Holding Cost for 1.5 years	(27.09)	(27.09)
Revenue Surplus/(Gap) after Regulatory Adjustment	**(3,484.76)**	**(3,556.97)**

The above revenue gap is proposed to be met from efficiency improvement in subsequent year and Discoms requested that aforesaid revenue gap for APR year may be allowed and adjusted appropriately in the relevant year.

The Commission has considered the prayer of the Discoms for revision of ARR for the FY 2024-25 as a consequence of the revised APR estimates provided by them and observes that the expenditure incurred during the APR period as well as the consumer category wise sales and revenue are on a projected basis and not final and also not based on the audited accounts. Hence, the same, at this stage, do not call for any revision by substituting one estimated figure by another.

Accordingly, in view of the regulations occupying the field, the Commission is of the considered view, as also observed in the past, that it would not be appropriate to replace one set of estimated figures with another set of estimates for a small amount. Further, in view of the fact that the year is now almost over and it would be appropriate to examine the financial impact of mid-term performance review for the FY 2024-25 only once the Audited Accounts for the year are available. Hence, at this point of time the Commission is not inclined to revise the ARR for the FY 2024-25 as prayed for by the petitioner(s).

CHAPTER 5

CAPITAL EXPENDITURE AND TECHNICAL PARAMETERS

5.1 Capital Expenditure

5.1.1 True-up of Capital Expenditure for the FY 2023-24

UHBVNL

The petitioner-UHBVN, in its petition for True-up for FY 2023-24, Annual Performance Review of FY 2024-25 and determination of Aggregate Revenue Requirement and Tariff for MYT Period from FY 2025-26 to FY 2029-30, has submitted that the Hon'ble Commission had approved a capital expenditure of Rs. 1000 Cr. for FY 2023-24.

As per the audited account, the actual capital expenditure for FY 2023-24 is Rs. 834.47 Cr. Hence, UHBVN has prayed the Hon'ble Commission may approve the same. Accordingly, the Commission approves the actual expenditure for FY 2023-24 as per audited accounts provided by the licensee as presented in the following table: -

Sr. No.	Name of the Scheme	Qty.	Approved Capex (Rs Cr)	Actual CAPEX (Rs Cr)	Reason for Deviation
A	**PD&C Wing**				
1	Creation of new 33 kV sub-stations alongwith Spill Over and associated 33 kV & 11 kV lines including civil works / Normal development (33 kV & 11 kV)	25 Nos.	100.94	123.36	Due to non-participation of vendors targets were partially achieved.
2	Augmentation of existing 33 kV sub-stations including civil works	40 Nos.	50.00		
3	Augmentation of existing 33 kV lines	56 km	4.06		
4	Release of tube well connections on Turn Key Basis.	3000 Nos.	37.50	49.75	Including Work Order amounting to Rs. 10.62 Cr. issued for release of tubewell connections under EOI-317 by office of SE/P&D
5	Construction of UHBVN office / residence Buildings		15.00	0.00	Tender awarded and work shall be undertaken in next financial year.
6	Civil Works other than substation buildings		2.00	3.36	
7	LRP works (Urban sanitization) and works to be carried out under MGJG scheme		20.00	21.28	
8	RDSS (Revamped Distribution Sector Scheme)		138.27	34.45	The target could not be achieved due to Nil

Sr. No.	Name of the Scheme	Qty.	Approved Capex (Rs Cr)	Actual CAPEX (Rs Cr)	Reason for Deviation
					participation in already floated tenders and tenders were extended multiple time. The tenders were re-floated and awarded in December 2023, to March, 2024.
9	EV Charging station		2.00		
10	11 KV (Others)		75.00	69.83	
	Total A		**444.77**	**302.03**	
B	**IT Wing**				
11	Installation of Smart Meter in Panchkula, Karnal & Panipat towns by M/s EESL		31.00	52.57	Expenditure amounting to Rs. 52.57 Cr. is on actual base invoice processed by EESL for the period of FY 2023-24. However, estimated amount of Rs. 31 Cr. was taken on basis of previous financial year 2022-23 processed invoice.
12	Installation of Smart Meter in UHBVN		175.00	0.00	Sanction of Smart Meter cancelled from RDSS and NIT no. 45/SE/Projects/AMI-SP/2023-24 has been floated on dated 15.12.23 with closing and opening date 24.09.2024 & 25.09.2024 resp.
13	ERP Implementation		20.00	0.00	ERP-SI RFP was floated on 02/07/2024 with opening of part-I on 19/09/2024.
14	AMR of HT Industrial Consumers		2.20	2.24	
	Total B		**228.20**	**54.81**	
C	**MM Wing**				
15	Procurement of single phase meters for replacement of defective meters & release of new connections.		32.13	37.61	Overachievement of targets is due to aggressive drives undertaken for replacement of defective meters.
16	Material required for release of Non-AP connections & replacement of old assets / system improvement & normal development		283.26	436.00	Overachievement of targets is due to compliance of the HERC Standard of Performance timelines specified for release of new connections and establishment online portal for delivery of citizen services.
17	Procurement of Power Transformers -20 Nos. alongwith allied equipment such as 33 kV CTs - 30 Nos.		11.64	4.02	Procurement was made based on the actual requirement.
Total C			**327.03**	**477.63**	
Gross proposed Capex (A+B+C)			**1,000.00**	**834.47**	

The Commission observes that the licensee has not been able to start 4 (four) important works at sr. no.5,9,12 and 13 during the year for which an amount of Rs.212 Cr. was approved by the commission. Further, in respect of the works mentioned at Sr. no. 4,6,7,11,14,15 and 16, the expenditure has been incurred more than the approved expenditure.

The Commission has observed that the license has incurred expenditure of **Rs. 834.47 Cr. out of 1000 Cr. approved capex for FY 2023-24**. The licensee although utilised less capex than approved by the Commission for FY 2023-24 as a whole, however there are some schemes/items where expenditure has been incurred more than approved and for some of the approved schemes/items, no expenditure has been incurred which reflects lack of proper execution of the capital works on the part of the licensee. The licensee needs to monitor each scheme prudently so that the schemes are executed with in the Capex approved for each item by the Commission as per Regulation 8.3.3 (b) of the Haryana Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2019. No reasons have been given for excess expenditure against sr. no. 6,7 and 14. **UHBVN is directed to submit the reason for the same within two months from the date of issue of the order.**

DHBVNL

DHBVN in its petition for true-up of FY2023-24, APR of FY 2024-25 and ARR for FY 2025-26 submitted that the Hon'ble Commission had approved a revised Capital Expenditure of Rs. 1200.00 Cr. for FY 2023-24. As per the audited accounts, the actual Capital Expenditure incurred during FY 2023-24 is Rs.1158.02 Cr. DHBVN has prayed the Hon'ble Commission to approve the same. The Commission approves the actual expenditure for FY 2023-24 as per details provided by the Licensee presented in the following table:

Expenditure incurred during FY 2023-24				
S. No.	**Categories**	**CAPEX FY 2023-24**		**Remarks**
		Approved	**Actual**	
1	**AT&C loss sustainable reduction plan**			
a	Procurement of single phase meters for replacement of defective meters & release of new connections and procurement of Smart Meters.	33.86	33.79	
b	Procurement of three phase meters for replacement of defective meters & release of	15.2	16.9	

	new connections and procurement of Smart Meters.			
c	Power Factor Improvement (Providing automatic power factor correctors)	10.00	12.38	
	Total	**59.06**	**63.07**	
2	**Load Growth schemes**			
a	Creation of new 33 kV sub-stations alongwith associated 33 kV & 11 kV lines	49.14	57.15	
b	Augmentation of existing 33 kV sub-stations	55.78	63.13	
c	Augmentation of existing 33 kV lines	18.47	21.42	
d	Bifurcation of 11 kV feeders (Work of bifurcation of feeders, augmentation of ACSR).	83.29	74.96	
e	Material required for release of Non-AP connections & replacement of old assets	350.38	344.25	
f	Release of Tube well connection on turnkey basis and segregation of AP load from Rural Urban feeders.	135.76	140.60	
g	Procurement of power transformers and allied equipment such as 33 kV CTs, 33 kV PTs, 33 kV and 11 kV VCBs, 33 kV Control and Relay Panels etc.	39.69	40.62	
	Total	**732.5031**	**742.13**	
3	**Other works**			
a	Civil Works	25.00	24.22	
b	Mahara gaon jagmag gaon scheme for rural area and feeder sanitization for Urban area/LRP/Replacement of iron pole.	141.20	148.85	
c	Smart City Gurgaon (HT & LT Lines, DTs, U/G Cables, RMUs and FRTUs Etc.) including SCADA Project, IMT, Manesar.	179.73	130.8	The gap between CAPEX and Expenditure incurred in 2023-24 is because of slow progress of infra works by the executing firms.
d	Shifting of 11 lines passing over residential areas under DHBVN.	10.72	11.64	
e	Double source of 33 KV Supply.	7.65	9.47	
f	Muffing of existing poles of 11 kV lines	0.734	0.523	
g	Revamping of existing meter testing laboratories operating at 5 towns of Dadri, Sirsa, Hisar,	14.54	11.68	

	Faridabad and Gurugram under jurisdiction of DHBVN			
	Total	**379.58**	**337.18**	
	R-APDRP Part-A (IT) Project			
4	Scaling of IT project to Non R-APDRP areas covering the following:- 1. Establishment of IT infra in SDO & Other offices and its connectivity with Data Center. 2. AMR for HT consumer meters. 3. Engagement of an Agency for GPS based field survey activities & data digitization. 4. Engagement of SI for DM. 5. Procurement of Computer Furniture (Computer chair & table) for office under IPDS town and in balance non R-APDRP areas	24.75	12.83	The tender for the security devices upgrade and NBSP projects did not materialize in FY 2023-24. Consequently, the allocated funds for these projects remained unutilized during that financial year. These projects were awarded in FY 2024-25, and the unutilized funds have been carried over to FY 2024-25.
5	RT-DAS (Real Time Data Acquisition System)	4.11	2.80	The deviation occurred because a change order, originally expected to be awarded and its cost booked in FY 2023-24, was instead awarded in FY 2024-25.
	Total	**28.86**	**15.63**	
	Grand Total	**1200.00**	**1158.02**	

The Commission observed that the DHBVNL was able to achieve the Capex targets during FY 2023-24 to the tune of 96.50% of the HERC approved capital expenditure.

A perusal of the capital expenditure by the licensee during the FY 2023-24, reveals that the actual expenditure incurred for the works mentioned at Sr. 1(b & c), 2(a,b,c,f & g) and 3(b, d & e) has been more than the amount approved by the Commission. The Licensee has not specified any reason or justification except for Sr. 3c,4 & 5 for the deviations made from the approved Capex. **DHBVN is directed to submit the reasons / justification for the deviation with in two months from the date of issue of the order.**

As per Regulation 8.3 (b) of the Haryana Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2019, capital expenditure is a controllable item. As such the licensee should have exercised proper control over the item wise Capital Expenditure approved by the Commission.

Regulation 9.10 of the Haryana Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, further provides as under: -

"In case the capital expenditure incurred for approved schemes exceeds the amount as approved in the capital expenditure plan, the generating company or the transmission or the distribution licensee, as the case may be, shall file an application with the Commission at the end of control period for truing up the expenditure incurred over and above the approved amount. After prudence check, the Commission shall pass an appropriate order on case to case basis. The True-up application shall contain all the requisite information and supporting documents".

Provided that any additional capital expenditure incurred on account of time over run and / or on unapproved schemes not covered under regulation 9.9 or unapproved changes in scope of approved schemes shall not be allowed by the Commission unless the generating company or the licensee, as the case may be, is able to give adequate justification for the same".

The DISCOMs are directed to adhere to the Regulations meticulously.

5.1.2 Review of Capital Investment Plan in progress for FY 2024-25

Regulation 9.7 of the Haryana Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2019, *specifies that in the normal course, the Commission shall not revisit the approved capital investment plan during the control period. However, during the mid-year performance review and True-up, the Commission shall monitor the year wise progress of the actual capital expenditure incurred by the generating company or the licensee vis-à-vis the approved capital expenditure and in case of significant difference between the actual expenditure vis-a-vis the approved expenditure, the Commission may True-up the capital expenditure, subject to prudence check, as a part of annual True-up exercise on or without an application to this effect by the generation company/licensee. The generating company and the licensee shall submit the scheme-wise actual capital expenditure incurred along with the mid-year performance review and True-up filing*.

Accordingly, both the DISCOMs, through filing of their Annual Performance Review petitions for FY 2024-25 and subsequent submissions, revised their capital investment plan for FY 2024-25. After examining these, the Commission allows following revised capital investment plans.

UHBVNL

UHBVN submitted that the Hon'ble Commission in Tariff Order dated 05/03/2024 had approved Capital Expenditure Plan Rs. 1036.00 Crores for the year FY 2024-25. However, the petitioner has revised Capital Expenditure to Rs. 1118.20 Cr. for computing the revised estimate of ARR component for FY 2024-25.

a) UHBVN submitted that out of total capital expenditure of Rs. 1118.20 Cr., the amount of Rs. 764.04 Cr. has been incurred during the first half (up to Sept. 2024) of FY 2024-25 and balance of Rs. 354.16 Cr. is likely to be incurred in the second half, (ending March, 2025) as per the following details:

Sr. No.	Name of the Scheme	Approved	Expenditure incurred in H1 of FY 2024-25	Expenditure planned for H2 of FY 2024-25	Total CAPEX proposed for FY 2024-25	Reason for Deviation
			(Rs Cr)	(Rs Cr)	(Rs Cr)	
A	**PD&C Wing**					
1	Creation of new 33 kV sub-stations alongwith Spill Over and associated 33 kV & 11 kV lines including civil works / Normal development (33 kV & 11 kV)	130.68	62.93	70.39	133.32	As per the awarded works and expenditure incurred in first half of the year the budgeted expenditure has been revised.
2	Augmentation of existing 33 kV sub-stations including civil works	50.00				
3	Augmentation of existing 33 kV lines	3.32				
4	Release of tube well connections on Turn Key Basis	25.00	91.14	8.86	100.00	Release of connections to applicants applied during the period 01.01.2023 to 31.12.2023 resulted into higher capital expenditures. Thus budget revised accordingly.
5	Civil Works other than substation buildings	15.00	6.35	7.65	14.00	
6	RDSS (Revamped Distribution Sector Scheme)	275.00	144.25	125.75	270.00	

7	11 kV other works & LRP works to be carried out under MGJG scheme	12.00	90.84	34.16	125.00	Aggressive drive for feeder sanitisation in urban and rural areas for reduction of line losses is being undertaken, accordingly the budget has been revised.
8	Shifting of 11/33 Kv Dangerous line passing over residential areas	50.00	4.96	25.04	30.00	
	Total A	**561.00**	**400.47**	**271.85**	**672.32**	
B	**IT Wing**					
8	System Integrator (ERPSI) for Supply, Installation, Commissioning, Implementation and Support for Enterprise Resource Planning (ERP) System at UHBVN	5.00	0.00	0.00	0.00	
9	Smart Metering	90.00	0.00	0.00	0.00	
10	IT/OT Works	20.00	1.31	14.37	15.68	Work in progress, Balance expenditure likely by March'25
	Total B	**115.00**	**1.31**	**14.37**	**15.68**	
C	**MM Wing**					
11	Material required for release of Non-AP connections & replacement of old assets / system improvement & normal development	360.00	362.26	67.74	430.00	Revision in budget is due to implementation of MGJG Scheme, Voluntary Disclosure Scheme launched by GoH, compliance to the HERC Standard of Performance timelines for release of new connections and establishment online portal for delivery of citizen services.
	Total C	**360.00**	**362.26**	**67.74**	430.00	
	Gross proposed Capex (A+B+C)	**1036.00**	**764.04**	**353.96**	**1118.00**	

The Commission observes that no expenditure has been incurred for scheme at Sr. no. 8 & 9 for which an amount of Rs. 95.00 Cr. was approved by the Commission whereas expenditure against works at Sr. No. 4 and 7 is exorbitantly high, which indicates lack of proper planning by the licensee. Further the licensee has merged the various schemes and shown the cumulative expenditure (e.g. merged schemes at Sr. no. 1 to 3), against the individual scheme wise expenditure approved by the Commission. **UHBVN is directed to provide scheme wise expenditure within two months from the date of issue of the order.**

In view of above MYT Regulation 2019 specifies *that in the normal course, the Commission shall not revisit the approved capital investment plan during the control period. However, during the mid-year performance review and True-up, the Commission shall monitor the year wise progress of the actual capital expenditure incurred by the generating company or the licensee vis-à-vis the approved capital expenditure and in case of significant difference between the actual expenditure vis-a-vis the approved expenditure, the Commission may True-up the capital expenditure, subject to prudence check, as a part of annual True-up exercise on or without an application to this effect by the generation company/licensee. The generating company and the licensee shall submit the scheme-wise actual capital expenditure incurred along with the mid-year performance review and True-up filing*.

The Distribution Licensee is directed to give the justification of nil expenditure against the approved capex in certain schemes and to adhere to the Regulation meticulously.

DHBVNL

DHBVN submitted that the Commission in its tariff order dated 05.03.2024 had approved Capital Expenditure Plan of Rs. 1276 Cr. for FY 2024-25. However, the petitioner has proposed to revise Capital Expenditure to Rs. 1208.97 Cr. for computing the revised estimate of ARR component for FY 2024-25.

DHBVNL submitted that out of total capital expenditure of Rs. 1208.97 Cr., the expenditure of Rs. 790.81 Cr. has been incurred during the first half (up to Sept. 2024) of FY 2024-25 and balance of Rs. 418.16 Cr. Is likely to be incurred in the second half, (ending March, 2025) as per the following details:

Sr. No.	Description	Approved CAPEX for FY 2024-25	Expenditure incurred in H1 of FY2024-25	Expected Expenditure for H2 of FY2024-25	Total CAPEX proposed for FY 2024-25
1	**AT&C loss sustainable reduction plan**				
a	Procurement of single phase meters for replacement of defective meters & release of new connections and procurement of Smart Meters.	50.00	16.36	17.88	34.24

Sr. No.	Description	Approved CAPEX for FY 2024-25	Expenditure incurred in H1 of FY2024-25	Expected Expenditure for H2 of FY2024-25	Total CAPEX proposed for FY 2024-25
b	Procurement of three phase meters for replacement of defective meters & release of new connections and procurement of Smart Meters.	30.00	8.18	10.14	18.32
c	Power Factor Improvement (Providing automatic power factor correctors)	25.00	18.00	16.00	34.00
	Sub Total	**105.00**	**42.54**	**44.02**	**86.56**
2	**Load Growth schemes**				
a	Creation of new 33 kV sub-stations alongwith associated 33 kV & 11 kV lines	100.00	87.98	35.29	123.27
b	Augmentation of existing 33 kV sub-stations	80.00	70.15	20.11	90.26
c	Augmentation of existing 33 kV lines	20.00	8.12	11.88	20.00
d	Bifurcation of 11 kV feeders (Work of bifurcation of feeders, augmentation of ACSR).	95.00	61.08	33.92	95.00
e	Material required for release of Non-AP connections & replacement of old assets	337.00	277.80	91.48	369.28
f	*Release of Tube well connection on turnkey basis and segregation of AP load from Rural Urban feeders.	130.00	90.31	39.69	130.00
g	Procurement of power transformers and allied equipment such as 33 kV CTs, 33 kV PTs, 33 kV and 11 kV VCBs, 33 kV Control and Relay Panels etc.	21.00	15.78	11.00	26.78
	Sub Total	**783.00**	**611.22**	**243.37**	**854.59**
3	**Other works**				
a	Civil Works	50.00	14.55	20.12	34.67
b	Mahara gaon jagmag gaon scheme for rural area and feeder sanitization for Urban area/LRP/Replacement of iron pole.	100.95	90.56	30.24	120.80
c	Other works for system improvement - Procurement of IT Equipment & Softwares	2.00	2.32	1.73	4.05
d	Smart City Gurgaon (HT & LT Lines, DTs, U/G Cables, RMUs and FRTUs Etc.) including SCADA Project, IMT, Manesar	180.00	22.66	35.00	57.66
e	Shifting of 11 lines passing over residential areas under DHBVN.	15.00	2.99	12.01	15.00
f	Double Source of 33 KV Supply	8.00	2.00	6.00	8.00

Sr. No.	Description	Approved CAPEX for FY 2024-25	Expenditure incurred in H1 of FY2024-25	Expected Expenditure for H2 of FY2024-25	Total CAPEX proposed for FY 2024-25
g	Muffing of existing poles of 11 KV Lines	0.05	0.02	0.03	0.05
h	Revamping of existing meter testing laboratories operating at 5 towns of Dadri, Sirsa, Hisar, Faridabad and Gurugram under jurisdiction of DHBVN		0.04	2.82	2.86
	Sub Total	**356.00**	**135.14**	**107.95**	**243.09**
4	App Upgradation of CCB	15.00	0.00	11.46	11.46
5	Hardware Refresh of Data Centre	10.00	1.91	11.36	13.27
6	System Integrator (ERPSI) for Supply, Installation, Commissioning, Implementation and Suport for Enterprise Resource Planning (ERP) System at DHBVN.	7.00	0.00	0.00	0.00
	Sub Total	**32.00**	**1.91**	**22.82**	**24.73**
	Grand Total	**1276.00**	**790.81**	**418.16**	**1208.97**

The Commission observes that no expenditure has been incurred on the works mentioned at Sr. No. 4 for first half. No expenditure, either in first half or in 2nd half has been shown for the projects at Sr. No. 6. Further excess expenditure has been made for items at sr. no. 1c, 2a, b, e, g, 3b, c and 5 also DHBVN has incurred expenditure for work mentioned at Sr. No. 3h which has not been approved by the Commission. **DHBVN is directed to submit the reasons for deviations within two months from the date of issue of the order.**

5.1.3 Capital Investment Plan (FY 2025-26)

The licensees through their petitions for True-up for FY 2023-24, Annual Performance Review of FY 2024-25 and determination of Aggregate Revenue Requirement and Tariff for MYT Period from FY 2025-26 to FY 2029-30 has submitted the capital investment plan for control period. **However, the capital investment plan for 2025-26 has been analysed as follows and the CIP of remaining control period will be considered in the subsequent years along with ARR of each year separately. The Commission, for the purpose of working out the revenue requirement for the subsequent period, has considered the CAPEX, as proposed by the Discoms. The Commission has taken note of the efficiency improvement plan proposed by Discoms as part of its business plan for the control period from FY 2025-26 and FY 2029-30. However, Discoms may take case specific approval of each plan, if so required, by filing a separate petition supported by data to enable the Commission to exercise its prudence check.**

UHBVNL

UHBVNL has submitted that the investment plan for ARR year undertakes capital works towards load growth, strengthening of distribution network, reduction of distribution losses, improvement of system reliability, strengthening of IT backbone, IT infrastructure, system automation, smart metering, digitalisation of business processes, EV charging infra, rural electrification, release of AP tube well connections and others. Capital works for ARR year is largely focused on load growth, loss reduction, system reliability, ERP implementation, RDSS, smart metering and SCADA.

The Capital Investment plan for MYT Control Period is planned to be funded from equity infusion by Government of Haryana / Discoms, debt funding by financial institutions such as REC & PFC, NABARD, NCPRB and corporate banks such as SBI, CANARA & Indian Overseas. The breakup of the structure of capital expenditure plan submitted is as under:

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Consumer contribution	34.23	47.04	40.66	30.59	27.07
Equity	342.28	470.39	406.58	305.89	270.69
Loan from FIs/Banks	1,334.88	1,834.52	1,585.66	1,192.96	1,055.69
Total Capital expenditure	**1,711.39**	**2,351.95**	**2,032.90**	**1,529.43**	**1,353.45**

The details of Scheme wise CAPEX for the MYT control period has been submitted as under:

Sr. No.	Description	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
A	**PD&C Wing**					
1	Creation of new 33 kV sub-stations alongwith Spill Over and associated 33 kV & 11 kV lines including civil works / Normal development (33 kV & 11 kV)	163.00	248.00	124.00	112.00	104.00
2	Augmentation of existing 33 kV sub-stations including civil works	50.00	58.00	10.00	8.00	12.00
3	Augmentation of existing 33 kV lines	2.70	6.00	5.50	7.00	5.50
4	Release of tube well connections on Turn Key Basis	12.50	20.00	22.00	18.00	15.00
5	Civil Works other than substation buildings	10.00	18.00	17.00	20.00	15.00
6	RDSS (Revamped Distribution Sector Scheme)	280.00	400.00	400.00	400.00	300.00
7	11 kV other works	15.00	50.00	78.00	80.00	70.00
8	Shifting of 11/33 kV Dangerous line passing over residential areas	20.00	-	-	-	-

9	EV Charging Station	2.00	3.00	2.00	4.00	2.00
10	LRP works (Urban sanitization) and works to be carried out under MGJG scheme	-	-	-	-	-
	Total A	**555.20**	**803.00**	**658.50**	**649.00**	**523.50**
B	**IT Wing**					
11	SCADA under RDSS	100.00	325.43	108.47	-	-
12	Installation of smart meter in UHBVN	400.00	600.00	600.00	140.00	-
13	System Integrator (ERPSI) for Supply, Installation, Commissioning, Implementation and Support for Enterprise Resource Planning (ERP) System at UHBVN	30.00	36.87	3.20	3.20	3.20
14	IT/OT Works	30.00	10.00	15.00	7.50	7.50
	Total B	**560.00**	**972.30**	**726.67**	**150.70**	**10.70**
C	**MM Wing**					
15	Material required for release of Non-AP connections & replacement of old assets / system improvement & normal development	596.19	576.65	647.73	729.73	819.25
	Total C	**596.19**	**576.65**	**647.73**	**729.73**	**819.25**
	Gross proposed Capex (A+B+C)	**1,711.39**	**2,351.95**	**2,032.90**	**1,529.43**	**1,353.45**

DHBVNL

DHBVNL has submitted that Capital Expenditure Plan for MYT control period is proposed with a focused approach to strengthen the distribution network, reduce distribution losses and increase IT implementation The Capital Investment plan for ARR year is planned to be funded from equity infusion by Government of Haryana/Discoms, debt funding by financial institutions such as REC & PFC, and corporate banks such as SBI, Central Bank of India and Indian Bank and consumer contribution. Scheme Wise Capital Expenditure Plan of DHBVN is tabulated as under:

S. No.	Description	Proposed CAPEX for FY 2025-26	Proposed CAPEX for FY 2026-27	Proposed CAPEX for FY 2027-28	Proposed CAPEX for FY 2028-29	Proposed CAPEX for FY 2029-30
A						
1	Creation of new 33 kV sub-stations alongwith associated 33 kV & 11 kV lines	100.00	105.00	110.00	115.00	125.00
2	Augmentation of existing 33 kV sub-stations	80.00	60.00	60.00	60.00	60.00
3	Augmentation of existing 33 kV lines	20.00	20.00	20.00	20.00	20.00
4	Release of Tube well connection on turnkey basis	100.00	100.00	100.00	100.00	100.00
5	Civil allied works other than substation works	50.95	38.56	40.67	42.5	48.6

6	Double source of 33 KV supply/change of feeding source of 33 KV substation	10	10	10	10	10
7	RDSS (Revamped Distribution Sector Scheme)	460.00	460.00	480.00	0.00	0.00
8	Power Factor Improvement (Providing automatic power factor correctors)	30.00	10.00	10.00	10.00	10.00
	Total A	**850.95**	**803.56**	**830.67**	**357.50**	**373.60**
B						
9	Construction of New Solar Plants	35.00	-	-	-	-
10	Smart Metering	627.3	616.35	250.76	127.16	127.16
11	ERP System	15.05	12.94	2.00	2.00	2.00
12	Development of New and Upgradation of existing Applications/Softwares	36.29	11.49	11.18	11.39	11.63
13	Purchase & upgradation of IT Hardware/Solutions (e.g. servers and allied Data Centre Hardware/solution, field equipments etc.)	27.70	8.00	6.75	4.50	4.50
	Total B	**741.34**	**648.78**	**270.69**	**145.05**	**145.29**
C						
15	Material required for release of connections, replacement of old assets / system improvement including material for MGJG/LRP/RDSS works etc & normal development including providing of power transformers for augmentation of substation etc	300	220	260	300	350
	Total C	**300**	**220**	**260**	**300**	**350**
D						
16	Bifurcation of 11 kV feeders (Work of bifurcation of feeders, augmentation of ACSR).	50	50	50	50	50
17	Mahara gaon jagmag gaon scheme for rural area and feeder sanitization for Urban area/LRP/Replacement of iron pole etc. other than the works covered under RDSS	100	75	50	50	30
18	Shifting of dangerous11/33 KV lines	30	25	0	0	0
	Total D	**180**	**150**	**100**	**100**	**80**
	Gross proposed CAPEX (A+B+C+D)	**2,072.29**	**1,822.34**	**1,461.36**	**902.55**	**948.89**

Source wise funding of capital expenditure proposed for MYT control period is tabulated as under:

S. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Equity	414.46	364.47	292.27	180.51	189.78
2	Loan from Fis/Banks	1,281.83	1,081.87	781.09	622.04	659.11
3	Consumer Contribution & Grant	376.00	376.00	388.00	100.00	100.00
4	**Total Capital Expenditure**	**2,072.29**	**1,822.34**	**1,461.36**	**902.55**	**948.89**

The Licensees have not submitted the scheme wise details regarding financial tie ups to carry out the proposed Capital Expenditure plan. Further the both DISCOMs has not given the status of NITs/ tenders and activities undertaken to implement the CIP.

The average achievement of the DISCOMs vis-à-vis approved capital expenditure is as under:

	FY 2021-22		FY 2022-23		FY 2023-24		Average (Rounded)	
	UHBVN	DHBVN	UHBVN	DHBVN	UHBVN	DHBVN	UHBVN	DHBVN
Approved Capex	950	1076.35	970	1380	1000	1200		
Expenditure incurred	947.37	978.79	743.82	1120.15	834.47	1158.02		
%age Achievement	99.72%	90.94%	76.68%	81.17%	83.45%	96.50%	**87%**	**90%**

UHBVN, has proposed a capital expenditure plan of Rs. 1711.39 Cr. for FY 2025-26. The Commission observes that as the UHBVN has not been able to incur whole of approved expenditure for FY 2023-24, and further feels that adequate capital expenditure shall be required to meet the loss reduction targets and to strengthen the distribution system and implementation of smart metering along with other project for digitalization of business process of licensee. Keeping in view of the above facts, **the Commission approves an overall Capital Expenditure plan of Rs. 1500.00 Cr. for UHBVN for FY 2025-26.**

The Licensee is directed to revise its Capital expenditure plan accordingly and submit the scheme wise details of the proposed expenditure to the Commission within one month of the Order.

DHBVN, has proposed a capital expenditure plan of Rs.2072.29 Cr. for FY 2025-26.

For FY 2024-25, the Licensee has stated in its submissions that expenditure of Rs.790.81 Cr. has been incurred in first half of FY 2024-25 ending Sept, 2024 and further Rs. 418.16 Cr. are likely to be spent from Oct, 2024 to March, 2025. The Commission is of considered view that projection of Capex of Rs 2072.29 Cr is on higher side and **approves the capital expenditure to tune of Rs. 1900.00 Cr. for FY 2025-26** and further directs the licensee to revise its capital expenditure plan accordingly and to submit the scheme wise details along with funding details of proposed expenditure to the Commission within one month from the date of issue of this Order.

Both the licensees are further directed that they shall regulate their capital expenditure plans for FY 2025-26 as per Regulations 9.7 to 9.12 of the Haryana Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2024.

5.2 Review of Technical Parameters

The Commission has reviewed the performance of distribution system of the Haryana DISCOMs based upon the details made available for FY 2023-24 & FY 2024-25 and examined the projections for 3rd MYT Period from FY 2025-26 to FY 2029-30 based upon filing of their True up for FY 2023-24, Revised Aggregate Revenue Requirement of 2024-25 & proposed Aggregate Revenue Requirement for 3rd MYT Period from FY 2025-26 to FY 2029-30 including subsequent submissions thereof as per Multi Year Tariff Regulations. The observations of the Commission in this regard are as follows: -

Distribution Losses

The year-wise position of distribution losses as per the information provided by the petitioner(s) is tabulated as under:

Financial Year	UHBVNL	DHBVNL
2015– 2016	31.49%	24.47%
2016–2017	29.86%	22.49%
2017– 2018	24.81%	19.16%
2018– 2019	22.04%	15.34%
2019– 2020	19.01%	14.37%
2020–2021	17.21%	16.93%
2021-2022	13.96%	13.55%
2022-2023	10.32%	11.42%
2023-2024	9.15%	11.38%
2024-25 (Projected)	10.45%	10.75%
2025-26 (Projected)	10.15%	10.25%

It is evident from the distribution loss data (supra) that the distribution loss of UHBVNL & DHBVNL have decreased over the years. The Commission observes that distribution loss reduction is one of the key factors for financial sustainability of Discoms and expects that the Distribution Licensee(s) shall make concerted efforts to achieve the distribution loss targets fixed by the Commission by taking various initiatives including capital expenditure on system strengthening/ up gradation, installation of new technology-based energy meters, IT /AI interventions as well.

The year-wise position of the line losses on high loss 11kV rural and urban feeders of the licensee(s), as per the information provided by UHBVN and DHBVN, is tabulated as under: -

a) Urban Feeder(s) -Losses

Year	FY 2022-23		FY 2023-24		FY 2023-24 (Apr-Sept.)		FY 2024-25 (Apr-Sept.)	
DISCOM	**UHBVN**	**DHBVN**	**UHBVN**	**DHBVN**	**UHBVN**	**DHBVN**	**UHBVN**	**DHBVN**
Total Feeders	880	996	925	1050	925	1030	949	1094
Feeders with losses > 25%	4	21	0	16	6	68	5	29
Feeders with losses > 25% (in %age)	0.45	2.11	0.00	1.52	0.65	6.60	0.53	2.65

b) RDS Feeders -Losses

Year	FY 2022-23		FY 2023-24		FY 2023-24 (Apr-Sept.)		FY 2024-25 (Apr-Sept.)	
DISCOM	**UHBVN**	**DHBVN**	**UHBVN**	**DHBVN**	**UHBVN**	**DHBVN**	**UHBVN**	**DHBVN**
Total Feeders	1099	1154	1127	1196	1127	1177	1135	1215
Feeders with losses >50%	92	227	62	240	77	276	57	247
Feeders with losses >50% (in %age)	8.37	19.67	5.50	20.07	6.83	23.45	5.02	20.30

The data in above table reveals that percentage number of urban feeders having losses more than 25% and rural feeders having losses more than 50% for the FY 2024-25 (Apr-Sept.) vis-a-vis for the corresponding period of FY 2023-24 (Apr-Sept.) have reduced for both DISCOMs. However, DISCOMs are still away from achieving the target to bring down losses of all feeders less than 25% in Urban and 50% in Rural area.

The Commission vide tariff order dated 05/03/2024 directed the DISCOMs to reduce the AT&C losses and to bring all urban feeders below 25% and rural feeders below 50% in the FY 2023-24 and submit a status report for the FY 2023-24 within 2 months of the order.

In response to the direction, UHBVN vide memo no. Ch-68/RA/F-173/Vol-(15) dated 27.06.2024 submitted as under:

The status of Loss Reduction in respect of Urban & RDS feeders is tabulated as under: -

Urban Feeders	FY 2022-23 (April 2022 to March 2023)	FY 2023-24 (April 2023 to March 2024)
Total no. of Urban Feeder	880	925
Total no. of Urban Feeder having losses above 25%	4	0
Feeder having losses above 25% (in % age)	0.45%	0.00

RDS Feeders	FY 2022-23 (April 2022 to March 2023)	FY 2023-24 (April 2023 to March 2024)
Total no. of RDS Feeder	1099	1127
Total no. of RDS Feeder having losses above 50%	92	62
Feeder having losses above 50% (in % age)	8.37%	5.50%

The following efforts are being made to bring down the high loss level of RDS feeders: -

MGJG scheme under implementation in phased manner is facing lot of opposition from the consumer groups. However, a drive for educating the consumers on benefits of MGJG has been undertaken.

Similarly, DHBVN Vide memo no Ch-44/SE/RA-782/Vol-I dated 12/09/2024 submitted as under:

"High losses Urban feeder has been reduced and Rural feeder losses increases marginally in FY 2023-24 in respect of DHBVN compared to last Financial Year. Further, MGJGY and LRP activities are being implemented to reduce losses."

Status of High loss feeder: -

Year	FY 2021-22	FY 2022-23	FY 2023-24
Urban Feeder(s)			
Total Feeders	973	996	1050
Feeders with losses > 25%	28	21	16
(in %age)	**2.88%**	**2.11%**	**1.52%**
Rural Feeder(s)			
Total Feeders	1127	1154	1196
Feeders with losses >50%	279	227	240
(in %age)	**24.76%**	**19.67%**	**20.07%**

It is submitted here that there are16 no. urban feeders having losses more than 25%, the losses of these feeders will be brought down on completion of LRP work in urban area. Further most of the feeders having losses more than 50% are in the area where MGJG scheme work is in progress as same has not been completed in FY 2023-24 due to stiff public hindrance, the work is expected to be completed in FY 2024-25 and losses will be brought down within permissible limit.

The Commission has considered the above submissions and observes that as per the directive, there should be no urban feeder with losses more than 25% and rural feeder with losses more than 50 %. However, it is observed that in UHBVNL as on 31.03.2024, out of total 925 Urban feeders, there were 0 (0.00%) Urban feeders having loss more than 25% category whereas there were 62 (5.50%) RDS feeders in Rural category having loss more than 50% out of a total of 1127 Rural feeders.

In DHBVN as on 31.03.2024, out of total 1050 Urban feeders there were 16 (1.52%) Urban feeders having loss more than 25% whereas in Rural category there are 240 (20.07%) RDS feeders having loss more than 50% out of a total of 1196 Rural feeders. However as on September 2024, percentage of feeder having higher loss has increased from 1.52% to 2.65% in Urban and 20.07% to 20.30% in Rural Areas.

The Commission directs the DISCOMs to make all out efforts to reduce AT&C losses of all urban feeders below 20% and that of Rural feeders below 40%.

5.3 Loss Reduction Trajectory

The DISCOMs in their petitions for tariff determination for FY 2025-26, annual performance review (APR) for FY 2024-25 and true up for FY 2023-24 as per multiyear tariff mechanism, submitted the progress (Actual/projections) of distribution loss, collection efficiency (CE) and AT&C losses as under: -

DISCOM	UHBVNL			DHBVNL		
Year	Distribution Loss (%)	Collection Efficiency (%)	AT& C Loss (%)	Distribution Loss (%)	Collection Efficiency (%)	AT & C Loss (%)
2019-20	19.01	99.26	19.61	14.37	98.79	15.41
2020-21	17.21	100.79	16.55	16.93	101.16	15.97
2021-22	13.96	101.46	12.70	13.55	101.12	12.59
2022-23	10.32	100.00	10.32	11.42	97.13	13.96
2023-24	9.15	100.00	9.15	11.38	100.03	11.35
2024-25 (Projected)	10.75	99.50	11.20	10.75	99.50	11.20
2025-26 (Projected)	10.15	99.50	10.60	10.25	99.50	10.70

The regulation (57.2) of HERC MYT Regulations in vogue provide for the following regulatory benchmarks:

Norms for Collection Efficiency (%)

Distribution Licensee	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
UHBVNL	99.5%	99.5%	99.5%	99.5%	99.5%	99.5%
DHBVNL	99.5%	99.5%	99.5%	99.5%	99.5%	99.5%

The Commission in its Tariff Order dated 15/02/2023, had considered and approved the distribution loss of 12% and AT&C loss of 12.44% and collection efficiency norms of 99.5% for the FY 2023-24. The Commission sought the actual AT&C Loss and actual collection efficiency along with the details of net input energy / net billed energy for FY 2023-24 from the petitioners. Accordingly, the petitioners had submitted the said information:

AT&C Loss Calculation for FY 2023-24

Particulars	**UHBVNL**		**DHBVNL**	
	Target	**Achieved**	**Target**	**Achieved**
Net Input Energy (In MU)		24,548.07		36,928.60
Net Billed energy (In MU)		22,300.99		32,725.80
Distribution Loss	12%	9.15%	12%	11.38%
Collection Efficiency	99.5%	100%	99.5%	100.03%
AT&C Losses	12.44%	9.15%	12.44%	11.35%

It can be seen from the table above that the Discoms viz. UHBVN and DHBVN have achieved distribution loss level of 9.15% and 11.38 % respectively against the target of 12% as approved by the Commission in the Tariff Order dated 15.02.2023.

UHBVNL has submitted that Nigam has taken various initiatives to rein in the distribution losses even below the permissible range in FY 2023-24. Activities like replacement of defective meters preventive maintenance of distribution transformers, feeder sanitization of urban and rural areas, strengthening of LT& HT network, bifurcation and trifurcation of feeders, creation & augmentation of 33/11 KV network, installation of Automatic Power Factor Control (APFC), online delivery of citizen services and surprise vigilance drive has been aggressively implemented to minimise the technical and commercial losses of UHBVN. Special thrust has been given to strengthen IT enabled services, activities such as feeder metering with AMR enabled meters, spot billing in urban subdivisions, roll out of trust billing, migration of billing data on IT platform, online payment of energy bills, smart metering and SCADA in urban areas has been extended to enhance the efficiency. Further, Mhara Gaon Jagmag Gaon (MGJG) Scheme has been the flagship scheme that has helped Nigam to reduce the losses in rural areas tremendously.

DHBVNL has submitted that they have implemented Mhara Gaon Jag Mag Gaon (MGJG) and Feeder Sanitization Schemes in both rural and urban areas to curb power theft and to improve upon the quality of supply to the consumers. It is noted that Line losses of Rural Domestic Feeders (RDS) contribute significantly to the distribution losses. Therefore, to minimize overall distribution losses, DHBVN had implemented MGJG scheme on RDS feeders. As per the said scheme, on achievement of line losses less than 20% and defaulting amount less than 10%, power supply of 24 hours would be made available to the villages. Further, DHBVN is in the process of installing 5 lakh smart meters in Gurugram and Faridabad under OPEX Model through Energy Efficiency Services Limited (EESL) which is promoted by the Ministry of Power, Govt. of

India. During FY 2023-24, DHBVN has achieved distribution loss level of 11.38%, which is lower than the distribution loss target of 12% given by the Hon'ble Commission in its Tariff Order dated 15/02/2023. In view of the above, it has been submitted that the Hon'ble Commission may consider the actual distribution loss level of DHBVN for carrying out the true up for the FY 2023-24.

The Commission vide tariff order dated 05/03/2024 decided and fixed the following Distribution and AT&C Loss level for FY 2024-25 as under:

DISCOM	**UHBVNL**	**DHBVNL**
Distribution Loss (in %)	10.00	10.00
Collection Efficiency (in %)	99.50	99.50
AT&C Loss Target (in %)	10.45	10.45

Further, the petitioners have submitted unaudited figures of AT &C loss and collections efficiency from April to September,2024 as under: -

Particulars	**UHBVNL**		**DHBVNL**	
	Apr-Sep 2023	**Apr-Sep 2024**	**Apr-Sep 2023**	**Apr-Sep 2024**
Net Input Energy (In MU)	13370.41	16,848.22	20914.90	23,193.80
Net Billed energy (In MU)	11916.01	14220.61	16671.10	19,266.00
Distribution Loss	10.88	15.60%	20.29	16.93%
Collection Efficiency	97.77	98.48%	96.36	95.99%
AT&C Losses	12.87	16.88%	23.19	20.27%

It has been observed that the AT & C loss figures of DISCOMs for the first half (H1) of FY 2024-25 is on higher side against the projections for FY 2024-25 under the current ARR petitions however, in general also, trends for AT& C loss in first half (H1) always remains on higher side as compared to 2nd half (H2). Further UHBVN and DHBVN in their proposal for FY 2024-25 requested to consider the distribution loss of 10% as approved by the Commission vide Order dated 05/03/2024. The Commission retains Distribution, Collection Efficiency & AT&C loss for FY 2024-25 as approved vide T.O. dated 05/03/2024.

Further the licensee(s) for MYT control period, have considered the collection efficiency as per the MYT Regulations,2024 and accordingly proposed the distribution loss and AT&C loss as under:

UHBVN:

Particulars	**FY 2025-26**	**FY 2026-27**	**FY 2027-28**	**FY 2028-29**	**FY 2029-30**
Distribution Losses	10.15%	9.85%	9.55%	9.25%	9.10%

Collection Efficiency	99.50%	99.50%	99.50%	99.50%	99.50%
AT&C Losses	10.60%	10.30%	10.00%	9.70%	9.55%

DHBVN:

Particulars	**FY 2025-26**	**FY 2026-27**	**FY 2027-28**	**FY 2028-29**	**FY 2029-30**
Distribution Losses	10.25%	9.75%	9.50%	9.25%	9.00%
Collection Efficiency	99.50%	99.50%	99.50%	99.50%	99.50%
AT&C Losses	10.70%	10.20%	9.95%	9.70%	9.46%

The Commission observes that UHBVN had achieved distribution loss level of 9.15% in FY 2023-24 whereas it has projected a distribution loss level of 10.15% for FY 2025-26, which is 1% more than previous year, which cannot be accepted. Further, losses in DHBVN are higher than those in UHBVN. The Commission expects DHBVN to bring down the losses at least at par with UHBVN. Therefore, the Commission decides to peg the distribution loss for FY 2025-26 at 10% with collection efficiency of 99.5%.

DISCOMS	**UHBVNL**	**DHBVNL**
Distribution Loss (in %)	**10%**	**10%**
Collection Efficiency (in %)	**99.50%**	**99.50%**
AT&C Loss Target (in %)	**10.05%**	**10.05%**

5.4 Distribution Transformers (DTs) failure rate:

The HERC, (Standards of Performance of Distribution Licensees and Determination of Compensation) Regulations,2020 *at regulation 6.1(V) specified that Licensee shall have to maintain the transformer damage rate below 3% p.a. in urban area and 6% p.a. in rural area*.

The year-wise status of damage rate of distribution transformers, as per the information provided by UHBVNL and DHBVNL is given as under: -

Distribution Transformers Failure Rate

Sr. No.	**Year**		**UHBVNL**		**DHBVNL**	
			Failure Rate excluding transformers damaged within warranty period (%)	**Failure Rate including transformers damaged within warranty period (%)**	**Failure Rate excluding transformers damaged within warranty period (%)**	**Failure Rate including transformers damaged within warranty period (%)**
1	2015-16	Urban	4.46	7.18	3.98	5.63
		Rural	5.38	9.3	6.14	9.70
		Overall	5.38	9.13	5.94	9.32
2	2016-17	Urban	1.69	4.62	3.26	4.96
		Rural	3.67	7.53	6.67	10.53
		Overall	3.50	7.27	6.31	9.95
3	2017-18	Urban	5.28	7.06	3.35	4.65
		Rural	6.65	9.84	5.90	9.41
		Overall	6.52	9.59	5.58	8.82
4	2018-19	Urban	3.96	5.64	3.90	5.66
		Rural	6.68	10.19	6.00	9.80

Sr. No.	Year		UHBVNL		DHBVNL	
			Failure Rate excluding transformers damaged within warranty period (%)	Failure Rate including transformers damaged within warranty period (%)	Failure Rate excluding transformers damaged within warranty period (%)	Failure Rate including transformers damaged within warranty period (%)
		Overall	6.43	9.77	5.74	9.28
5	2019-20	Urban	4.00	5.62	2.47	3.44
		Rural	6.48	9.60	3.56	5.45
		Overall	6.24	9.22	3.42	5.20
6	2020-21	Urban	4.04	5.12	3.44	4.71
		Rural	6.22	9.15	6.10	8.76
		Overall	6.01	8.75	5.75	8.23
7	2021-22	Urban	4.15	5.63	3.55	5.03
		Rural	6.10	8.69	6.36	9.46
		Overall	5.91	8.38	5.99	8.87
8	2022-23	Urban	3.59	4.80	3.34	4.21
		Rural	5.48	7.74	5.88	8.15
		Overall	5.28	7.44	5.55	7.64
9	2023-24	Urban	3.74	4.81	3.18	3.88
		Rural	5.34	7.56	5.65	7.49
		Overall	5.17	7.27	5.32	7.01
10	2024-25*	Urban	2.39	3.16	2.12	2.75
		Rural	3.67	5.01	3.65	4.88
		Overall	3.54	4.82	3.44	4.60

* till Sep-2024'

The DT damage rate is to be analysed on the basis of total number of DTs damaged, irrespective of the fact whether the transformer damaged was within warranty period or not, as all these DTs were part of the system. The Commission considered it appropriate to reflect the total DT damaged irrespective of damaged within warranty or not. The high level of transformer damage rate not only affect the continuity of supply adversely but also reflects upon poor monitoring and maintenance of distribution system which in turn also impacts the finances of the distribution licensees,

From the analysis of the data indicated in the above table, it is observed that Failure Rate of DTs in urban and rural area of UHBVN and DHBVN during FY 2023-24 is **4.81%** & **7.56 %** and **3.88%** and **7.49%** respectively, which is higher than the maximum limit prescribed by the Commission in the prevailing Standard of Performance Regulations.

The Commission observes that for FY 2023-24, overall transformer damage rate of UHBVN and DHBVN has improved a little except for urban T/F damage rate of UHBVN as compared to FY 2022-23.

Further as per the data submitted by UHBVN and DHBVN for first half of FY 2024-25 i.e April to Sept. 2024 the failure rate for UHBVN and DHBVN is 3.16% & 2.75% respectively. The higher rate of damage indicates mainly poor maintenance, application of higher size fuses and no proper earthing of transformer etc on distribution network.

The Commission again directs the licensees to control the distribution transformer damage rate below the prescribed limits in the FY 2024-25. Any slippage on account of the limits prescribed shall be construed as violation/ non-compliance of the Regulations/Orders of the Commission and shall be dealt with in accordance with the provisions of the Act as well as the terms of distribution licensee granted by the Commission.

As per MYT Regulations the distribution licensee shall maintain a proper record of failure of the distribution transformers in rural and urban category and submit the same in the quarterly report to the Commission and host the same on its website/portal on monthly basis without any failure. **The DISCOMs are again directed to ensure that quarterly reports be submitted regularly without fail and to host the circle wise information of failure of the distribution transformers in rural and urban category on its website regularly without fail.**

5.5 Non-replacement of Defective energy meters by the Distribution Licensees:

The DISCOMs, in their respective petitions for True up for FY 2023-24, APR for FY 2024-25 and ARR for 2025-26, subsequently thereafter submitted the following details with respect to defective energy meters i.e. status of defective meters as on 31.03.2024, progress of defective meters replaced during FY 2024-25 and defective meters exists as on 30.09.2024 with detailed as under

Status of Defective Meters in FY 2024-25

Meter category	No. of defective meters			Defective meters replaced during FY 2024-25			Defective meters as 30.09.2024		
	(Ending March, 2024)			(Up to 30/09/2024)			(Ending Sept. 2024)		
	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total
UHBVN									
Single Phase Meters	10,155	6,101	16,256	40,392	25,291	65,683	6,582	3,631	10,213
Three Phase Meters	735	1,048	1,783	2,564	4,436	7,000	673	942	1,615
Total	**10,890**	**7,149**	**18,039**	**42,956**	**29,727**	**72,683**	**7,255**	**4,573**	**11,828**
DHBVNL									
Single Phase Meters	44,703	6,070	50,773	52,418	29,754	82,172	38,015	6,450	44,465
Three Phase Meters	667	1,214	1,881	1,282	6,435	7,717	905	1,278	2,183
Total	**45,370**	**7,284**	**52,654**	**53,700**	**36,189**	**89,889**	**38,920**	**7,728**	**46,648**
Grand Total	**56,260**	**14,433**	**70,693**	**96,656**	**65,916**	**1,62,572**	**46,175**	**12,301**	**58,476**

The Commission observes that the total number of defective meters as on 31.03.2024 in both DISCOMs were 70693 (18,039 in UHBVNL and 52,654 in DHBVNL) after replacement of 1,62,572 defective meters (72,683 by UHBVNL & 89,889 by DHBVNL) during FY 2024-25. As on 30.09.2024, 58,476 meters are still defective (11,828 in UHBVNL and 46,648 in DHBVNL).

The Commission observes that, despite replacement of defective meters during the period from 31.03.2024 to 30.09.2024, the defective meters count in DHBVNL, as on 30.09.2024, is quite high. Further the count of defective meters in case of DHBVN has increased except single phase in rural areas. This is a matter of great concern and bound to reflect on financial health of the Distribution Licensee besides adversely affecting consumer satisfaction.

DISCOMs are once again directed to clear the backlog of defective metering and to **ensure that at no point of time the percentage of defective meters to the total number of meters in service exceeds 2% limit as per SOP regulations in vogue.**

5.6 Non-replacement of Electro-mechanical Meters

The Commission in tariff order dated 05/03/2024 had directed the DISCOMs to ensure replacement of all electromechanical meters within one month and submit compliance report immediately thereafter.

In compliance to above, both the DISCOMs submitted the progress of replacement of electromechanical meters and intimated that the maximum no. of electromechanical meters are pending in rural area where work of MGJG scheme has not been completed. As and when work of MGJG will be completed, all electromechanical meters except AP will be replaced.

Now the DISCOMs have submitted the progress of electromechanical meters replacement along with its latest status as on 30.09.2024 as under:

Details of Electromechanical Meters Pending for Replacement

Meter category	No. of Electromechanical meters			Electromechanical meters replaced during FY 2024-25			Electromechanical meters as 30.09.2024		
	(Ending March, 2024)			Upto 30/09/2024			(Ending Sept. '24)		
	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total
UHBVN									
Single Phase Meters	12077	0	12077	2573	0	2573	9504	0	9504
Three Phase Meters	0	0	0	0	0	0	0	0	0
Total	**12077**	**0**	**12077**	**2573**	**0**	**2573**	**9504**	**0**	**9504**
DHBVNL									
Single Phase Meters	32722	0	32722	3888	0	3888	28834	0	28834
Three Phase Meters*	29334	0	29334	233	0	233	29101	0	29101
Total	**62056**	**0**	**62056**	**4121**	**0**	**4121**	**57935**	**0**	**57935**
Grand Total	**74133**	**0**	**74133**	**6694**	**0**	**6694**	**67439**	**0**	**67439**

** Meters installed at AP Connections*

The Commission observes that out of total electromechanical meters of 74133 (i.e. 12077 in UHBVN and 62056 in DHBVN) existed as on 31.03.2024, and 6694 electromechanical meters (i.e. 2573 in UHBVN and 4121 in DHBVN) have been replaced during 2024-25 however as on 30.09.2024, 67439 electromechanical meters (i.e. 9504 in UHBVN and 57935 in DHBVN) are still to be replaced.

The pace of replacement of electromechanical meters has slowed down in both the DISCOMs as only 2573 & 4121 electromechanical meters have been replaced in UHBVN & DHBVN respectively, in first six months of FY 2024-25.

DISCOMs are directed to ensure replacement of all electromechanical meters within three months and submit compliance report immediately thereafter.

5.7 Implementation of Smart metering Projects in Haryana

The Commission in its Tariff order dated 05/03/2024 directed the DISCOMs to adhere to the timelines for the metering project for which the tenders have been floated by both DISCOMs so that the Phase-I & Phase-II of the projects are completed by Dec.25 & Dec.26 respectively. However, the DISCOMs in response have submitted the progress in respect of ongoing Smart metering Project.

UHBVN

- 491870 smart meters installed till 30.11.24 in UHBVN by M/s EESL (Town covered Karnal, Panipat, Panchkula, Kalka, Pinjore & Gharaunda).
- UHBVN has floated the smart metering tender, which cover all balance non-AP consumers, DTs 100 KVA and above with estimated cost of Rs. 1924 Cr. in four packages. Part-1 bids of 3 packages (Package-A, B & D) have been opened and the bids are under techno commercial evaluation. Due date of Package-C has been extended.

DHBVN

- Smart meters have been installed in DHBVN in Gurugram & Faridabad towns. The cost model is based on Cost plus Boot model. The Contract agreement was signed on dated 21.01.2021 & 5 lacs smart meters were to be installed within 3 years of built-up phase i.e. upto 20.01.2024. A total of 3.72 lacs smart meters were installed in DHBVN by M/s EESL upto the completion of the built-up phase. The O&M phase commenced w.e.f. 21.01.2024 & will end on 20.01.2029 during which M/s EESL shall arrange for replacement of defective/ non-communicating smart meters at its own.

<u>Smart meters to be installed in future:</u>

- In this regard, it is informed that a NIT no. 03/IT/AMISP/ 2023-24 has been floated by IT wing DHBVN for Appointment of Advanced Metering Infrastructure (AMI) Service Provider for Smart Metering in Dakshin Haryana Bijli Vitran Nigam (DHBVNL) in 4 no. Packages as per below mentioned details:

Package No.	OP Circles covered	Scope of Smart meter installation / replacement (in lakhs)	Completion period (in months)
A	Gurugram-I, Gurugram-II & Faridabad	6.9	30
B	Palwal, Narnaul & Rewari	8.3	30
C	Hisar & Bhiwani	7.8	30
D	Sirsa, Fatehabad & Jind	8.55	30
Total		**31.55**	**30**

- The bids against above mentioned NIT have been opened & under evaluation.

The Commission analysed the submissions of the petitioners and observes that the DISCOMs could not achieve the targets of installation of Smart Meter envisaged in National Tariff Policy 2016.

Accordingly, **the DISCOMs are advised to adhere to the timelines for the metering project for which the tenders have been floated by both DISCOMs which indicated that the timelines of Dec.25 and Dec.26 for phase I & II are likely to overshoot as there is completion period of 30 months after award of contracts. Discoms are directed to provide realistic time lines.**

5.8 Pending electricity connection / load

The DISCOMs, in their petitions for true up of FY 2023-24, Annual Performance Review for FY2024-25 and Annual Revenue Requirement for FY 2025-26, have subsequently submitted information pertaining to connection/load release during 2023-24 and pending connections for release thereafter as under:

	Applications Pending as on 31.03.2023(1)		Applications received during 2023-24(2)		Connections released during 2023-24(3)		Pending Applications as on 01.04.2024 (1+2-3-Cancelled)	
	Nos.	Load (KW)	Nos.	Load (KW)	Nos.	Load (KW)	Nos.	Load (KW)
UHBVN								
Agriculture Pump	46,452	4,67,583	7,514	97,736	4,776	43,748	44,720	4,66,448
Domestic	7,088	13,438	93,835	1,86,599	93,768	1,83,213	7,155	16,825
Saubhagya	855	1,122	10,380	13,779	10,245	13,581	990	1,320
Non Domestic Supply	1,780	25,926	24,486	1,26,440	24,337	1,17,997	1,922	21,445
LT Industry	203	4,899	1,786	39,650	1,837	41,040	152	3,509
HT Industry	223	2,88,147	730	5,43,122	729	3,05,559	213	3,99,983
Lift Irrigation	5	410	1,157	23,946	1,155	22,705	6	1,280
PWW	55	2,572	425	10,983	431	10,626	48	2,679
Street Light	55	174	374	1,936	408	2,026	21	84
Railway Traction	-	-	1	5,000	-	-	1	5,000
DMRC	-	-	-	-	-	-	-	-
FPO	8	111	129	1,322	119	1,161	18	272
ECS	5	670	86	15,522	45	2,906	25	9,586
Bulk Domestic Supply	1	107	7	9,426	4	5,544	4	3,989

	Applications Pending as on 31.03.2023(1)		Applications received during 2023-24(2)		Connections released during 2023-24(3)		Pending Applications as on 01.04.2024 (1+2-3-Cancelled)	
	Nos.	Load (KW)	Nos.	Load (KW)	Nos.	Load (KW)	Nos.	Load (KW)
Bulk Supply	5	1,125	7	13,427	8	14,028	3	272
Total	**56,735**	**8,06,283**	**1,40,917**	**10,88,888**	**1,37,862**	**7,64,133**	**55,278**	**9,32,691**
DHBVN								
AP	75,000	6,88,842.07	52,921	4,66,458.54	37,489	2,77,851.12	85,211	8,45,748.62
BDS	80	1,44,209.80	74	1,38,849.50	79	1,24,503.40	28	69,143.00
BS	12	26,661.00	19	19,990.30	16	17,167.90	8	20,694.40
DS	9,913	33,548.10	2,38,079	5,90,302.80	1,64,598	4,04,058.60	16	6,387.00
ECS	20	5,815.50	295	23,370.80	95	10,584.30	4	5,169.00
FPO	67	842.80	543	4,602.70	384	3,593.50	1	10.00
HT Industry	332	3,23,026.20	1,617	4,27,967.60	1,479	3,72,948.70	21	2,43,940.00
IHDL	-	-	4	20.00	1	5.00	-	-
LI	9	196.00	556	10,796.50	339	6,085.60	5	1,265.00
LT Industry	340	8,128.40	4,796	94,660.00	3,483	69,505.40	-	-
NDS	2,688	2,02,852.45	50,875	4,18,002.60	36,974	3,46,946.35	61	1,08,791.30
PWW	170	8,845.50	1,042	41,044.30	990	28,342.60	22	15,312.00
RT	1	27,000.00	1	5,000.00	-	-	2	32,000.00
Saubhagya	102	143.60	1,947	2,534.60	1,032	1,295.10	-	-
SL	48	1,096.80	380	4,198.40	356	4,244.10	2	21.00
Total	**88,782**	**14,71,208.22**	**3,53,149**	**22,47,798.64**	**2,47,315**	**16,67,131.67**	**85,381**	**13,48,481.32**

Similarly, DISCOMs has submitted the progress for release of connections/load for FY 2024-25 upto September 2025 as under:

	Applications Pending as on 31.03.2024(1)		Applications received during 01.04.2024 to 30.09.2024(2)		Connections released during 1.04.2024 to 30.09.2024		Pending Applications as on 01.10.2024 (1+2-3-Cancelled)	
	Nos.	Load (KW)	Nos.	Load (KW)	Nos.	Load (KW)	Nos.	Load (KW)
UHBVN								
Agriculture Pump	44,720	4,66,448	5,593	78,394	3,713	43,183	46,591	5,01,614
Domestic	7,155	16,825	53,948	1,16,386	53,126	1,06,139	7,977	27,072
Saubhagya	990	1,320	6,307	8,612	6,332	8,615	965	1,317
Non Domestic Supply	1,922	21,445	13,804	64,599	13,970	59,944	1,750	22,944
LT Industry	152	3,509	913	21,021	892	20,361	173	4,169
HT Industry	213	3,99,983	313	1,14,597	299	99,196	177	3,79,667
Lift Irrigation	06	1,280	1,136	26,568	1,027	23,333	113	2,875
PWW	48	2,679	293	8,193	267	7,268	70	3,083
Street Light	21	84	132	871	99	501	54	454
Railway Traction	01	5,000	00	00	00	00	01	5,000
DMRC	00	00	00	00	00	00	00	00
FPO	18	272	125	1,145	136	1,338	07	79
ECS	25	9,586	160	5,328	23	1,342	73	7,972
Bulk Domestic Supply	04	3,989	00	00	03	2,489	01	1,500
Bulk Supply	03	272	01	207	03	449	01	30
Total	**55,278**	**9,32,691**	**82,725**	**4,45,921**	**79,890**	**3,74,157**	**57,953**	**9,57,775**
DHBVN								
AP	96,549	9,44,870.43	16,380	1,56,494.00	15,659	1,25,627.22	95,724	9,65,854.93
BDS	73	1,62,617.70	42	55,926.90	49	86,611.10	50	99,545.50
BS	12	29,648.40	7	11,228.10	2	3,266.00	14	31,858.40
DS	12,837	38,302.30	1,34,033	3,29,756.90	1,02,516	2,52,591.90	73	6,705.10
ECS	39	7,302.50	487	37,092.70	63	2,822.80	197	24,688.00
FPO	45	378.60	327	2,771.00	228	1,916.20	4	41.00
HT Industry	304	3,58,600.30	816	2,15,979.90	673	1,92,341.10	206	3,12,912.50
IHDL	-	-	1	20.00	-	-	-	-
LI	23	1,460.50	782	17,903.10	402	7,958.50	93	3,861.50
LT Industry	378	8,995.00	2,288	45,097.70	1,862	37,462.70	30	900.10
NDS	2,895	2,28,589.30	27,183	2,60,445.60	21,206	2,06,057.00	246	1,87,126.30
PWW	221	25,954.90	424	9,850.90	464	15,094.00	94	18,589.90
RT	2	32,000.00	-	-	-	-	2	32,000.00
Saubhagya	90	110.00	1,349	1,797.40	753	973.00	-	-
SL	71	1,007.30	234	1,404.10	193	1,684.80	22	300.30
Total	**1,13,539**	**18,39,837.23**	**1,84,353**	**11,45,768.30**	**1,44,070**	**9,34,406.32**	**96,755**	**16,84,383.53**
GT	**1,68,817**	**27,72,528**	**2,67,078**	**15,91,689**	**2,23,960**	**13,08,563**	**1,54,708**	**26,42,159**

As per the latest status of pending connections in UHBVN, as on 30.09.2024, a total 57953 applications (with applied load of 957.775 MW) have been shown pending out of which applications (with applied load of 379.667 MW) are under HT Supply category alone.

The Commission observes that although UHBVN has released a total load of 374.157 MW against total number application of 79,890 under various categories from 01.04.2024 to 30.09.2024, yet load of 957.775 MW is still pending for release.

DHBVN has released total load of 934.406 MW against total number application of 1,44,070 under various categories from 01.04.2024 to 30.09.2024, however still a total load of 1684.383 MW is still pending for release as on 01.10.2024.

In view of the above, the total pending load for release as on 30.09.2024 works out to 2642.159 MW which was 2772.528 MW as on 01.04.2024.

The Commission has taken a serious note of the fact that there are pending applications for new connection and load enhancement adding up to substantial cumulative load. Timely release of pending connections will result in consumer satisfaction besides augmentation of revenue from Sale of Power for the DISCOMs.

The DISCOMs are directed to make all out efforts to release all pending connections within the time frame as specified in various law/regulations in-vogue and submit a status report regarding release of Non-AP connections / loads, within three months.

5.9 24x7 Supply

Rule No. 10 of the Electricity (Rights of Consumers) Rules, 2020 states:

"Reliability of supply: - *(1) The distribution licensee shall supply 24x7 power to all consumers. However, the Commission may specify lower hours of supply for some categories of consumers like agriculture."*

DISCOMs are directed to Expedite balance work of MGJG to make compliance of the said Rule and submit report within two months.

5.10 Monitoring and Reporting of the Power Quality:

The clause No. 5.10 (4) of the HERC (Standards of Performance of Distribution Licensees and Determination of Compensation) Regulations, 2020 states:

> *"5.10 Monitoring of Power Quality*
>
> *….*

(4) In the first phase, the distribution licensee(s) shall install Power Quality meters at 5 locations each in their area of supply on pilot basis covering the 11 KV/33KV feeders, the DTs and designated customers with load more than 1MW and scale up there-after in consultation with the commission."

In the above Regulation it was clearly mandated to install Power Quality meters at five locations but no report has been submitted by the Licensees till date, however, a period of around five years has been lapsed.

DISCOMs are directed to submit report in compliance of the above within 3 months of issue of the order.

5.11 Reliability Indices

The clause No. 11 of the HERC (Standards of Performance of Distribution Licensees and Determination of Compensation) Regulations, 2020 inter alia states:

"11.4 The Distribution Licensee shall maintain data on the reliability indices specified in Regulation 11.1 above for each zone/circle/division/sub-division on a monthly basis.

11.5 The Distribution Licensee shall post, at the end of each month, such monthly information on reliability indices, on website of the Distribution Licensee and shall submit such report quarterly to the Commission within 30 days after the expiry of respective quarter.

11.6 Based on the information submitted by licensees, the Commission shall notify annually the targeted levels of these indices to be achieved by the Licensee. In the event, the Distribution Licensee persistently neglects and fails to improve its performance, the Commission may take action against the Distribution Licensee as per provision under Section 24 or any other provision of the Act."

DISCOMs are directed: -

a) **to publish monthly data on reliability indices specified in Regulation 11.1 for each zone/circle/division/sub-division on their respective websites and submit report in compliance of the above within 2 months of issue of the order.**
b) **To submit 5 years proposal for annual target level of indices to be achieved by the licensee for consideration and fixing trajectory of indices, within 2 months.**

CHAPTER 6

Aggregate Revenue Requirement (FY 2025-26 to FY 2029-30)

6.1 Brief Introduction

That regulation provides that the Aggregate Revenue Requirement for MYT Period is to be submitted for approval of Hon'ble Commission by 30th November of year preceding the first year of the Control Period. The MYT Petition is to be submitted along with the first year Capital Investment Plan of the Control Period.

That the Regulation 4 of the HERC MYT Regulations, 2024, provides the provisions for implementation of the MYT Framework for the Third Control Period from FY 2025-26 to FY 2029-30. The relevant experts of the aforesaid regulation are reproduced below:

> ***"4. GENERAL***
> *4.3. Basis of implementation of Multi Year Tariff framework: -*
> *The implementation of MYT framework shall be based on the following: -*
> *(a) The capital investment plan and the business plan for a period not less than the control period to be submitted by the utilities for their respective businesses along with the MYT Petition;*
> *(b) The forecast for each year of the control period of the various financial and operational parameters of ARR, based on reasonable assumptions, to be filed by the utilities for their respective businesses;*
> *(c) The trajectory for specific variables as may be stipulated by the Commission, where the performance of the utilities for their respective businesses is sought to be improved under incentive and penalty framework;*
> *(d) The mid-year performance review vis-a-vis the approved forecast and variations in performance of controllable and uncontrollable items;*
> *Provided that the Generating Company and the Licensees shall submit their Accounting Statements / Segmented Accounts / Allocation Statement to support their claims / assessment including reasons of variations in various expenses, at the time of performance review / Truing-up.*
> *(e) The mechanism for sharing approved gains or losses on account of controllable items;*
> *(f) The mechanism for pass through of approved gains or losses on account*
> *…"*

That the Regulation 73 of the HERC MYT Regulations, 2024, specifies the details of various parameters that are need to be incorporated in the MYT Petition. The Regulation also specified the time limit for filing the MYT Petition and other related submissions. The relevant extract of the aforesaid clause is reproduced below:

"73. Tariff Filings

73.1. Tariff filing for the control period under MYT framework

73.1.1 The generating company and the licensees shall file an application for approval of ARR for their respective businesses for each year of the control period and tariff for the first year of the control period consistent with the business plan and the capital investment plan approved by the Commission. The ARR and tariff filing shall be filed by 30th November of the year preceding the 1st year of the control period along with requisite fee in accordance with the provisions of Haryana Electricity Regulatory Commission (Fee) Regulations, 2022 as amended from time to time. The application shall contain all the components of the ARR and tariff as provided in these Regulations;

The MYT filing shall also contain an application for mid-year performance review of and true up petition.

73.1.2 The generation company and the licensees shall provide in the application forecast for each year of the control period of the various financial and operational parameters of ARR & various other components of the ARR and tariff relating to their respective businesses as mentioned in these Regulations. The application, in case of a distribution licensee and a transmission licensee shall also include:

i. For distribution licensee

a) Sales/demand forecast for each consumer category and sub- categories for each year of the control period and the methodology and rationale used;

b) Power procurement plan based on the sales forecast and distribution loss trajectory for each year of the control period. The power procurement plan should also keep in view energy efficiency and demand side management measures;

c) A set of targets proposed for other controllable items such as collection efficiency, recovery of bad debts, working capital, quality of supply targets, etc. The targets shall be consistent with the capital investment plan and business plan approved by the Commission;

d) Expected revenue from the licensed business, non-tariff income and income from other business for the base year and first year of the control period and other matters considered appropriate by the distribution licensee(s);

e) Number of consumers in each category, connected load in kW / kVA. Voltage wise estimates losses and cost of supply for various consumer categories per kW and per kWh/kVh.

f) The ARR for different years of the control period, the revenue gap and tariff proposal for meeting the revenue gap for first year of the control period. The tariff proposal should be based on the cost of supply for various consumer categories and the cross-subsidy reduction road map.

g) Proposal for meeting the projected cumulative revenue gap for first year of the control period which shall include mechanism for meeting the proposed revenue gap, tariff revision for various consumer categories etc. In the *absence of tariff proposal, the application/petition shall be considered as incomplete and shall be liable for rejection.*

h) A statement of the effect of the proposed tariff changes on a typical small, average and large consumer in each tariff class. For this purpose, a typical small consumer is defined such that within the tariff class, 90% of the consumers supplied under that tariff within a 12-month period would have greater total expenditure on tariff charges than the small consumer. Similarly, a typical large consumer is defined such that 90% of the consumers supplied under the tariff would have lesser expenditure over a 12-month period than the typical large consumer. The average consumer shall be defined as a consumer having expenditure on tariff charges equal to the average expenditure in that tariff class."

The Discoms have submitted Aggregate Revenue Requirement (ARR) for FY 2025-26 to FY 2029-30 by considering past actual data for pro-rata projections and escalation principles defined in the MYT Regulations, 2024. The financial components of the Aggregate Revenue Requirement for FY 2025-26 to 2029-30 have been projected based on the past trend, regulatory norms, activities planned and undertaken for the ensuing year.

The Petition for True-up for FY 2023-24, Annual Performance Review of FY 2024-25 and determination of Aggregate Revenue Requirement and Tariff for MYT Period from FY 2025-26 to FY 2029-30 has been considered and have been taken on record. However, the ARR for FY 2025-26 to 2029-30 has been analyzed and while the revenue gap of remaining control period will be considered in the subsequent years along with ARR of each year separately. The Commission's analysis and order on each issue is discussed in the following paragraphs:

6.2 Assessment of Agriculture Tube well (AP) Sales:

The Commission has examined the submissions of the DISCOMS (UHBVNL and DHBVNL) for the AP sales for the period mentioned above and decided that the Commission shall continue with the same methodology, as adopted in its previous Order, based on data emanating from segregated AP feeders for assessing the overall AP Sales.

UHBVN has submitted that the revised sales for FY 2024-25 have been estimated based on actual sales for the first half and projected sales of the second half. Energy sales for second half is projected based on CAGR and actual sales of corresponding period in past years.

DHBVN has submitted that in the first half, increase in AP Sales has been stagnant. A nominal growth rate over actual sales for second half of FY 2023-24 has been considered to project the sales for second half of FY 2024-25.

The AP Sales Projection by DISCOMs for FY 2024-25 is as under:

Sr. No.	DISCOM	AP sales FY 2024-25
1	UHBVNL (MUs)	3634.48
2	DHBVNL (MUs)	5590.33
3	**Total AP Sales of DISCOMs**	**9224.81**

Further, UHBVN has projected following AP sales for FY 2025-26 by considering a nominal growth rate of 0.80% and DHBVN has considered 2.00% growth rate attributable to ground water table, strength of monsoon and release of new tubewell connections during the respective financial year.

Sr. No.	DISCOM	AP sales FY 2025-26
1	UHBVNL (MUs)	3663.39
2	DHBVNL (MUs)	5717.74
3	**Total AP Sales of DISCOMs**	**9381.13**

The Commission notes that the actual agricultural power (AP) sales for FY 2023-24 touched 9097.81 MUs, while the projected total AP sales for Haryana for FY 2024-25 has been proposed 9224.81 MUs, reflecting an increase of 1.40%. For UHBVN, the actual sales for H1 have been reported as 2732.84 MUs. Assuming no growth in H2 sales compared to previous years, the projected sales for UHBVN would exceed 4200 MUs. However, the projection of 3663.39 MUs submitted by UHBVN appears more realistic. Similarly, DHBVN has reported H1 sales of 2895.85 MUs. Considering the nominal variation in H1 and H2 sales in past years, the proposed AP sales of 5590.33 MUs also seem reasonable.

Further, the projected AP sales by DISCOMs for FY 2025-26 is 9381.13 MU which is about 1.69% higher than the AP sales of 9224.81 MU for FY 2024-25 (as proposed on the basis of actual sales of H1 and projected sales of H2). Out of which the growth projected by UHBVN @0.80% seems realistic but the growth projected by DHBVN @2.28% seems on higher side vis-à-vis @1.27% in the previous year. The growth in load has been justified by the Discoms in view of the various factors attributable to ground water table, strength of monsoon and release of new tubewell connections during the respective financial year.

The Commission considered the actual AP sales provided by the DISCOMs and analyzed the AP Sales on the basis of actual sales of FY 2018-19 to FY 2023-24 and based upon CAGR of 2/3/5 years, observes that for UHBVN, AP sales considering 5-year CAGR works out 0.03% whereas 5-year CAGR for DHBVN is 1.40%. The relevant calculations are tabulated as under:

AP Sales Projection FY 2025-26 of UHBVNL (MU)											
	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	CAGR FY 23 to FY 18			FY 2025-26
Consumption							Proposed	5	3	2	Projected
Net Normative AP Consumption (MU's)	3,572.20	3,999.88	3,734.40	3,557.47	4,036.91	3,577.81	3,634.48	0.03 %	-1.42%	0.29 %	3,635.62

AP Sales Projection FY 2025-26 of DHBVNL (MU)											
	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	CAGR FY 23 to FY 18			FY 2025-26
Consumption							Proposed	5	3	2	Projected
Net Normative AP Consumption (MU's)	5,149.07	5,091.87	5,317.47	5,130.75	5,604.79	5,520.00	5,590.33	1.40%	1.25%	3.72%	5,668.65

The Commission after due deliberations and analysis approves following AP sales for FY 2025-26 considering the CAGR of 5 years for both the DISCOMs.

Sr. No.	AP sales FY 2025-26	Approved (MUs)
1	UHBVNL (MUs)	3636.62
2	DHBVNL (MUs)	5668.65
3	**Total AP Sales of DISCOMs**	**9304.27**

6.3 Assessment of Energy Sales for FY 2025-26 to 2029-30 (Other Consumer Categories)

UHBVNL

UHBVNL, in its petition, has submitted that the Regulation 73 of the HERC MYT Regulations, 2024, specifies the provisions for submission of the sales forecast for MYT Period. The sales forecast for MYT Period has been projected based on the actual energy sales for FY 2023-24 and the Compound Annual Growth Rate (CAGR) of relevant duration. The CAGR of relevant duration having the adequate growth rate with respect to the expected increase in the number of consumers and connected load during the MYT Period has been considered for projecting the category wise energy sales. Any abnormal variation in CAGR has been adjusted by considering the normalize growth rate on manual basis. The Category wise CAGR for energy sales for different duration is tabulated below: -

UHBVNL Proposed Category wise CAGR for Energy Sales

Category	2 Year	3 Year	5 Year	7 Year	Selected CAGR	
Domestic	8.16%	8.98%	11.23%	11.38%	3 year	8.98%
HT Industry	11.39%	14.83%	9.48%	10.55%	7 year	10.55%
LT Industry	11.96%	4.01%	3.49%	4.62%	7 year	4.62%
Lift Irrigation	0.00%	-11.88%	-4.56%	1.33%	7 year	1.33%
Agriculture	0.80%	-0.85%	0.35%	-1.56%	2 Yrs	0.80%
Bulk Supply	16.06%	13.15%	5.10%	3.39%	5 year	5.10%
Bulk Supply Domestic	12.77%	-3.03%	5.52%	9.67%	7 year	9.67%
Street Lighting	4.83%	-5.93%	-1.23%	4.42%	2 year	4.83%
Public Water Works	-5.40%	4.94%	5.00%	6.22%	7 year	6.22%
Agro Industries	-8.64%	0.00%	0.00%	0.00%	Manual	0.50%

In consideration to the CAGR, the category wise energy sales for MYT Period has been projected. The details of the category wise energy sales projected for the MYT Period are submitted in the table below:

UHBVNL Proposed Category wise Energy Sales for MYT Period

Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Domestic	8,153.53	8,885.55	9,683.29	10,552.65	11,500.06
HT Industry	10,057.36	11,118.03	12,290.57	13,586.76	15,019.65
LT Industry	2,731.55	2,857.64	2,989.56	3,127.56	3,271.94
Lift Irrigation	51.79	52.48	53.18	53.89	54.61
Agriculture	3,663.39	3,751.51	3,873.20	4,030.86	4,228.56
Bulk Supply	367.95	386.73	406.47	427.21	449.02
Bulk Supply Domestic	87.67	96.15	105.44	115.64	126.82
Street Lighting	77.72	81.47	85.40	89.53	93.85
Public Water Works	677.40	719.54	764.29	811.84	862.34
Agro Industries	4.55	4.57	4.59	4.61	4.64
Electric Charging Station	1.45	2.18	3.27	4.90	7.35
Total	**25,874.34**	**27,955.84**	**30,259.26**	**32,805.46**	**35,618.84**

DHBVNL

DHBVNL, in its petition, has submitted that the Category wise energy sales for MYT Period from FY 2025-26 to FY 2029-30 have been projected by considering Compound Annual Growth Rate (CAGR) of previous years' sales. Keeping in view the category wise load growth, base year sales have been escalated with appropriate CAGR for estimating the sales for MYT Control Period.

CAGR of different years for projecting category wise energy sales is tabulated as under: -

Proposed CAGR by DHBVNL

Particulars	2 Years	3 Years	5 Years	7 Years	CAGR
Domestic	9.00%	10.00%	10.00%	10.00%	10.00%
HT – Industry	14.00%	18.00%	6.00%	10.00%	6.00%
LT – Industry	16.00%	15.00%	6.00%	7.00%	6.00%
Agriculture/FPO	0.00%	0.00%	0.00%	0.00%	5.00%
Agriculture	6.00%	-1.00%	0.00%	2.00%	2.00%
Bulk Supply	17.00%	12.00%	11.00%	12.00%	5.00%
Lift Irrigation	3.00%	6.00%	2.00%	6.00%	6.00%
Street Lightning	5.00%	-2.00%	1.00%	1.00%	5.00%
Public Water Works	0.00%	2.00%	3.00%	6.00%	6.00%

DHBVN submitted that the Energy sales of domestic consumer category had increased significantly in last three years due to introduction of online citizen services, implementation of Mhara Gaon Jag Mag Gaon Scheme & Feeder Sanitisation Scheme and extensive vigilance drive. However, most of the urban and rural areas have now been covered under these schemes and therefore, a moderate growth is expected in MYT Period. DHBVN has considered CAGR of 3 to 7 Years for projecting the energy sales in ensuing years of MYT Period.

That Major thrust is being given for timely release of HT Industry connections. After introduction of ToU Tariff, major portion of Open Access sales has shifted to Discoms. Keeping in view the load growth of HT industry, 5-year CAGR is considered for projecting HT Industry sales in ensuing years of MYT Period.

That Agriculture sales are attributable to ground water table, strength of monsoon and release of new tubewell connections during the respective financial year. In ensuing years, DHBVN has considered 7-year CAGR i.e., the growth rate of 2% to project sales for AP Category in ensuing years of MYT Period.

In view of above, the following category wise energy sales is projected for ensuing years of MYT Control Period:

Proposed Statement of Sales for FY 2025-26 to FY 2029-30 *(MU)*

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Domestic	10,802.20	11,880.13	13,065.62	14,369.40	15,803.29
HT – Industry	3,878.74	4,106.31	4,347.23	4,602.29	4,872.31
LT – Industry	12,880.68	13,631.34	14,425.74	15,266.44	16,156.14

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Agriculture/FPO	3.80	3.99	4.19	4.40	4.62
Agriculture	5,717.74	5,832.19	5,959.36	6,101.40	6,260.78
Bulk Supply	1,610.09	1,690.59	1,775.12	1,863.88	1,957.07
PWW/Street Light/Lift Irrigation	1,201.07	1,266.38	1,335.25	1,407.88	1,484.47
Total	**36,094.31**	**38,410.92**	**40,912.51**	**43,615.69**	**46,538.68**

In view of above projections, the Discoms have prayed that the Hon'ble Commission may approve the category wise energy sales projections for FY 2025-26 to FY 2029-30, as presented above.

The Commission has perused the methodology adopted by the petitioner(s) for projecting consumer category wise sales for the FY 2025-26 to FY 2029-30. The Commission observed that there is no stable growth pattern and accordingly, the petitioners have projected the sales based on 7-year CAGR/ 5 year CAGR/2 year CAGR or some random growth rate has been considered. The Commission, has moderated the sales growth rates based on 5-year CAGR, considering a nominal growth. The AP sales have been projected based on data emanating from the 11 kV segregated feeders.

The Commission, for projection of consumer category wise sales for the FY 2025-26 to FY 2029-30, as per past practice, has considered a uniform 5 years CAGR. However, for HT categories, the sales projected by the Discoms have been considered, as the data available on sales, contract demand, number of HT consumers and expected new connections in the HT supply industry is expected to provide a more reliable projections for this category. Also, for the categories where CAGR is coming negative or where there is no historic 5-year data, projections as proposed by discoms have been considered. Resultantly, the sales approved by the Commission is presented in the table below: -

	UHBVNL: Approved Sales (MUs)				
Category of Consumers	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**
Domestic	8493.24	9447.11	10508.11	11688.28	13000.99
HT Industries	10057.36	11118.03	12290.57	13586.76	15019.65
LT Industries	2673.08	2766.39	2862.95	2962.89	3066.31
Lift Irrigation	51.79	52.48	53.18	53.89	54.61
Agriculture (Metered and unmetered)	3635.62	3636.76	3637.90	3639.05	3640.19
Bulk Supply	367.95	386.73	406.47	427.21	449.02
Bulk Supply DS	81.16	85.64	90.37	95.36	100.63
Street Lightning	77.72	81.47	85.40	89.53	93.85
Public Water Works	661.90	694.99	729.73	766.20	804.50

Agro Industry	4.55	4.57	4.59	4.61	4.64
EV Charging Stations	1.45	2.18	3.27	4.90	7.35
Total	26105.83	28276.35	30672.55	33318.68	36241.73

	DHBVNL: Approved Sales (MUs)				
Category of Consumers	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**
Domestic	10765.67	11819.92	12977.40	14248.23	15643.51
HT Industries	12880.68	13631.34	14425.74	15266.44	16156.14
LT Industries	3878.74	4106.31	4347.23	4602.29	4872.31
Lift Irrigation	226.04	230.75	235.55	240.46	245.47
Agriculture (Metered and unmetered)	5668.65	5748.06	5828.59	5910.25	5993.05
Bulk Supply	1801.72	2001.23	2222.82	2468.96	2742.35
Bulk Supply DS					
Street Lightning	101.72	102.84	103.98	105.13	106.29
Public Water Works	806.46	828.58	851.32	874.67	898.67
Agro Industry	3.80	3.99	4.19	4.40	4.62
EV Charging Stations	3.77	5.65	8.47	12.71	19.06
Advocate's Chamber	0.98	1.03	1.08	1.14	1.19
Crematorium	0.00	0.00	0.00	0.00	0.01
Gaushalas	0.62	0.65	0.68	0.71	0.75
Total	36138.85	38480.36	41007.06	43735.39	46683.40

	UBVNL and DHBVNL: Approved Sales (MUs)				
Category of Consumers	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**
Domestic	19258.91	21267.03	23485.52	25936.51	28644.50
Non - Domestic	0.00	0.00	0.00	0.00	0.00
HT Industries	22938.04	24749.37	26716.31	28853.20	31175.79
LT Industries	6551.82	6872.70	7210.18	7565.18	7938.62
Lift Irrigation	277.83	283.23	288.73	294.35	300.08
Agriculture (Metered and unmetered)	9304.27	9384.83	9466.50	9549.29	9633.24
Bulk Supply	2169.67	2387.96	2629.29	2896.17	3191.36
Bulk Supply- Dom	81.16	85.64	90.37	95.36	100.63
Street Lightning	179.44	184.31	189.38	194.66	200.14
Public Water Works	1468.36	1523.57	1581.04	1640.87	1703.17
Agro Industry	8.35	8.56	8.78	9.01	9.26
EV Charging Stations	5.22	7.83	11.74	17.61	26.41
Advocate's Chamber	0.98	1.03	1.08	1.14	1.19
Crematorium	0.00	0.00	0.00	0.00	0.01
Gaushalas	0.62	0.65	0.68	0.71	0.75
Total	62244.68	66756.71	71679.61	77054.07	82925.13

6.4 Power Purchase Quantum and Cost

Projections by the Discoms (FY 2025-26): -

In the petition(s) under consideration of the Commission, it is observed that the Discoms have submitted that the Power procurement has been made by the Haryana Power Purchase Center (HPPC) for the Haryana Discoms. The long term tied up generating stations approved by the Hon'ble Commission are largely used for power procurement. The long-term tie ups for Haryana are from the Central Generating Plants such as NTPC, NHPC, NPCIL & UMPP, Shared Power Projects such as HPGCL, BBMB & SJVNL and Independent Power Producers, like Adani Power, Lanco, GMR and others.

The energy availability from the existing generating plants has been projected based on the tied-up capacity of the plants and average annual availability of plants in last three years. The energy availability from the newly tied up generating plants has been projected based on the normative PLF defined for respective fuel categories.

Energy availability between the Haryana Discoms has been allocated based on the ratio of their energy requirement at the state periphery. Energy requirement for both the Discoms has been projected by considering their energy sales projections and distribution loss reduction trajectory and Intra-state losses allowed in the MYT Regulation, 2024, for the MYT Period.

The Principle of the Merit Order Dispatch (MoD) has been applied for estimating the energy availability from long term tied-up generating sources for the MYT Period. Further, the Minimum Technical Permissible limit of the thermal/gas generating stations has been undertaken for estimating the energy availability for the MYT Period. The energy surplus created on monthly basis has been considered as banked power and availed back in the months having power deficit.

The surplus energy left even after banking of power is traded under the short-term regime at the average variable energy charges.

Addition in installed capacity to project energy availability for each year of MYT Period is tabulated as under:

Proposed Year Wise Capacity Addition for MYT Control Period (MW)

Plant Type	Existing Plants	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
Thermal	9588.88	400.00	500.00	-	-	800.00	-	1700.00
Hydro	3,197.87	145.00	455.39	61.40	-	-	-	661.79
Nuclear	100.93	-	-	-	350.00	700.00	350.00	1400.00

Solar	1,202.77	105.80	24.96	150.00	-	-	-	280.76
Wind	802.10	120.00	-	-	-	-	-	120.00
Biomass/WTE/Sugar Mills/Paddy Straw	167.57	47.80	-	-			-	47.80
Small Hydro	10.80							
Hybrid	-	600.04	200.01	650.01	-	-	-	1450.06
Total	15,070.91	1418.64	1180.36	861.41	350.00	1500.00	350.00	5660.41

The fixed charges for FY 2023-24 and per unit energy charges for first half of FY 2024-25 have been escalated by 2% on YoY basis for estimating the Power Purchase cost for MYT Period.

Power purchase cost for energy sourced from CGPL, GMR, Sasan and Adani Power is projected in accordance to their quoted price in PPA. Component of Change in Law applicable in their tariff is kept equivalent to the current billing rate of respective plants.

Summary of Projected Power Purchase Cost – UHBVNL (in Crores)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Power Purchase Cost	14,025.29	15,472.57	16,499.01	18,183.93	19,701.33
Interstate Transmission Cost	890.21	934.37	980.71	1,029.36	1,080.41
Intrastate Transmission Cost	1,080.37	1,133.95	1,190.20	1,249.23	1,311.19
Total Power Purchase Cost	**15,995.87**	**17,540.89**	**18,669.92**	**20,462.52**	**22,092.94**

Summary of Projected Power Purchase Cost – DHBVNL (in Crores)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Power Purchase Cost	19,586.86	21,235.53	22,295.42	24,176.00	25,712.97
Interstate Transmission Cost	1,410.09	1,480.03	1,553.44	1,630.49	1,711.37
Intrastate Transmission Cost	1,256.12	1,318.42	1,383.81	1,452.45	1,524.49
Total Power Purchase Cost	**22,253.07**	**24,033.98**	**25,232.68**	**27,258.94**	**28,948.83**

Commission's Estimate of Power Purchase Quantum and Cost: -

The Commission has taken note of the methodology for projecting availability of power by the Discoms for the FY 2025-26 as mentioned in the preceding paragraphs. The Commission has considered the submissions and is of the view that the Central Electricity Authority (CEA), in consultation with the generators, publishes a month wise schedule of expected generation after considering the planned shutdown as well as commissioning of new units. Hence, as per past practice, the Commission is of the considered view that the CEA's generation targets for the generators located in different corners of the country is a reliable estimate to arrive at projected power availability for the Discoms in Haryana in the FY 2025-26. However, it is observed that as of now CEA's generation targets are available for the FY 2024-25 and not for the FY 2025-26 i.e. the ARR year. Further, the actual source wise power purchase quantum and cost is also not available for the entire year. Consequently, the Commission has adjusted the FY 2023-24 generation figures for the trend in source wise actual drawl, auxiliary consumption,

free home state shares wherever applicable. In the case of new sources and RE sources, the Commission has considered the quantum as proposed and in the case of HPGCL the same has been considered as per the Commission's order in the matter of determination of generation tariff for various power plants owned and operated by the intrastate generator. Additionally, for working out the cost, the Commission has considered the PPA rates, source wise actual fixed cost and average Energy Charges incurred in the FY 2023-24, adjusted for the anticipated increase as also proposed by the Discoms in the present petition under consideration.

The source wise quantum and cost of power assessed above, shall not be construed as approval of a source i.e. generating stations / traders. The Discoms shall ensure that power is procured only from the sources approved by the Commission and for which a valid PPA (as approved by the Commission) exists. It is added that the Commission has not approved any short-term purchases as proposed by the Discoms as this would depend on quite a few factors, difficult to project, at this stage. However, the Discoms may manage the day to day exigencies by selling / buying power on day ahead or real time basis as the situation may warrant.

A summary of source wise power purchase quantum and cost approved by the Commission is presented in the table that follows: -

HERC Approved Power Purchase Quantum & Cost FY 2025-26

Source	Quantum (MUs)	ECR (RS CRORE)	FC (RS CRORE)	Total PPC (RS CRORE)	ECR (Rs / kWh)
NTPC					
Anta	Not Scheduled				
Auriya					
Dadri					
Faridabad Gas	68.30	82.74	263.07	345.81	12.12
Feroz Gandhi Unchahar-1	75.95	30.05	9.33	39.38	3.96
Feroz Gandhi Unchahar-2	145.76	55.44	19.99	75.43	3.80
Feroz Gandhi Unchahar-3	63.28	24.55	12.80	37.35	3.88
Feroz Gandhi Unchahar-4	156.90	58.43	54.33	112.75	3.72
Farraka Super Thermal	76.26	24.94	10.01	34.95	3.27
Kahalgaon-1	148.73	40.68	20.40	61.08	2.74
Kahalgaon-2	407.45	103.76	50.49	154.25	2.55
Koldam	308.02	70.05	63.67	133.72	2.27
Rihand Thermal Power St.-1	495.26	84.43	45.20	129.62	1.70
Rihand Thermal Power St.-2	428.59	72.47	36.49	108.96	1.69
Rihand Thermal Power St.-3	426.41	71.29	80.82	152.11	1.67
Singrauli Super Thermal	1,356.08	236.29	117.89	354.18	1.74
TOTAL NTPC LTD (A)	**4,156.99**	**955.12**	**784.49**	**1,739.61**	**2.30**
Bairasuil	208.06	28.20	26.78	54.98	1.36
Salal	475.05	37.73	54.14	91.87	0.79
Tanakpur	24.45	6.19	9.06	15.25	2.53

Source	Quantum (MUs)	ECR (RS CRORE)	FC (RS CRORE)	Total PPC (RS CRORE)	ECR (Rs / kWh)
Chamera-I	323.35	37.55	32.27	69.83	1.16
URI	134.61	13.15	16.20	29.35	0.98
Chamera-II	88.56	10.91	12.25	23.16	1.23
Dhauliganga	76.75	10.04	11.24	21.28	1.31
Dhulhasti	132.93	31.63	29.34	60.97	2.38
SEWA-II	35.33	7.97	8.58	16.55	2.25
Chamera III	91.47	19.52	21.69	41.21	2.13
Parbati III	48.83	6.80	21.43	28.22	1.39
URI-II	82.64	18.64	20.72	39.36	2.26
TOTAL NHPC LTD (B)	**1,722.00**	**228.32**	**263.70**	**492.02**	**1.33**
SJVNL(Nathhpa Jhakri)	315.55	38.80	46.14	84.94	1.23
SJVNL (Rampur)	83.86	17.84	27.43	45.27	2.13
THDC (Tehri)	269.08	58.17	47.95	106.12	2.16
THDC (Koteshwar)	63.95	17.95	15.96	33.91	2.81
RAPS	489.08	181.11	-	181.11	3.70
NAPS	194.52	59.35	0.04	59.39	3.05
BBMB	3,171.91	-	319.50	319.50	-
PTC Tala	23.33	5.41	-	5.41	2.32
JK PDC (Baglihar)	915.38	341.50	-	341.50	3.73
Baglihar HEP Stage-I	-	-	-	-	
Baglihaar HEP Stage-II	-	-	-	-	
Aravali Power Co. Pvt. Ltd.	3,556.46	1,596.14	990.80	2,586.94	4.49
Jhajjar Power Ltd. (CLP)	6,754.57	2,921.82	807.85	3,729.66	4.33
Pragati Power	-	-	131.00	131.00	-
Coastal Gujrat Power Ltd.	-	-	131.65	131.65	
Adani Power Ltd	8,630.69	2,165.62	985.39	3,151.01	2.51
Sasan Power Limited	3,453.89	480.68	48.79	529.48	1.39
PTC GMR Kamalanga	2,191.43	392.64	388.83	781.47	1.79
PTC Karchamwangtoo(200MW)	758.48	81.01	129.08	210.10	1.07
PTC Karchamwangtoo(116MW)	606.37	60.99	93.26	154.25	1.01
PTC Lanco Amarkantak (Linkage)	1,724.62	411.91	361.50	773.41	2.39
PTC Lanco Amarkantak (N-Linkage)	-	-	-	-	
DVC Mejia	651.87	235.75	110.00	345.76	3.62
DVC Koderma	685.86	210.02	119.47	329.49	3.06
DVC Raghunathpura	519.94	184.32	109.22	293.54	3.55
Neepco	51.71	21.14	1.76	22.91	4.09
GATI HYDRO/Chuzachain HEP Sikkim	458.07	166.68	-	166.68	3.64
DANS HYDRO/Tashiding HEP, Sikkim	348.14	154.43	-	154.43	4.44
SHIGA HYDRO/Jorethang HEP, Sikkim	344.01	154.01	-	154.01	4.48
IA HYDRO/Chanju HEP, HP	139.87	63.07	-	63.07	4.51
HPGCL Panipat Unit-VI	1,422.93	654.55	159.37	813.92	4.60
HPGCL Panipat Unit-VII	1,703.27	776.69	242.00	1,018.69	4.56
HPGCL Panipat Unit-VIII	1,703.27	776.69	252.00	1,028.69	4.56
HPGCL DCRTPP unit-1	2,043.93	817.57	208.32	1,025.89	4.00
HPGCL DCRTPP unit-2	2,043.93	817.57	223.11	1,040.68	4.00
HPGCL RGTPP Unit-1	4,199.54	1,872.99	327.26	2,200.25	4.46
HPGCL RGTPP Unit-2	4,199.54	1,872.99	332.94	2,205.93	4.46
Western Yamuna Canal	232.70	-	43.98	43.98	-
OTHER LONG TERM (C)	**53,951.73**	**17,609.43**	**6,654.61**	**24,264.05**	**3.26**
P&R GOGRIPUR small hydro	3.48	1.41	-	1.41	4.06

Source	Quantum (MUs)	ECR (RS CRORE)	FC (RS CRORE)	Total PPC (RS CRORE)	ECR (Rs / kWh)
Bhoruka Power Corps. Ltd. Small hydro	5.95	1.08	-	1.08	1.82
Puri Oil Mill small hydro	1.24	0.47	-	0.47	3.74
Shahbad Sugar Mill	45.52	18.79	-	18.79	4.13
Naraingarh Suagar Mill	-	-	-	-	
Meham Sugar Mill	-	-	-	-	
Karnal Co.Sugar Mill	28.85	18.69	-	18.69	6.48
Panipat Co. Sugar Mill	35.16	22.70	-	22.70	6.46
Ch. Devi Lal Sugar Mill	2.58	-	-	-	-
Haryana Co. Sugar Mill.	18.61	14.05	-	14.05	7.55
Hafed Sugar Mill	2.60	-	-	-	-
SUGAR MILL AND SMALL HYDRO (D)	**144.01**	**77.19**	**-**	**77.19**	**5.36**
SDS Solar Pvt Ltd.	1.66	0.96	-	0.96	5.78
EON	1.66	0.96	-	0.96	5.78
Chandraleela Solar	1.33	0.77	-	0.77	5.78
Sukhbir Solar	1.66	0.96	-	0.96	5.78
Xion Energy	1.66	0.96	-	0.96	5.78
Siwana Solar Power	8.30	4.39	-	4.39	5.29
HR Mineral Solar	1.66	0.96	-	0.96	5.78
Tayal & Co Solar	1.66	0.96	-	0.96	5.78
VKG Solar Uh	1.66	0.96	-	0.96	5.78
Utrecht Solar Pvt. Ltd.	1.66	0.94	-	0.94	5.68
Subhash Infra Engineers Pvt ltd.	1.66	0.84	-	0.84	5.08
JBM Solar	33.20	19.23	-	19.23	5.79
Balarch Solar	1.66	0.96	-	0.96	5.79
Greenyana Solar	19.67	4.71	-	4.71	2.40
PM KUSUM- Raj Waste Treat Pvt. Ltd	3.31	1.05	-	1.05	3.17
PM KUSUM- Deepan Godara	0.41	0.13	-	0.13	3.17
PM Kusum-Bimla Devi	1.66	-	-	-	-
Gio Tech	2.14	0.65	-	0.65	3.03
HPGCL-Solar	16.60	8.26	-	8.26	4.98
Amplus	82.99	20.99	-	20.99	2.53
Avaada Green	82.99	24.21	0.00	24.21	2.92
Avaada RJHN	523.07	145.96	-	145.96	2.79
LR Energy	33.20	8.75	-	8.75	2.64
SECI Solar T-1 @ 2.60	244.10	64.87	-	64.87	2.66
SECI Solar T-IV Mega Surya @ 2.61	523.07	139.54	-	139.54	2.67
SECI Solar @ 5.5	132.51	74.49	-	74.49	5.62
SECI-Hybrid (Solar Component)	1,196.79	337.35	-	337.35	2.82
SOLAR POWER (E)	**2,921.94**	**864.84**	**0.00**	**864.84**	**2.96**
Star Wire India	62.27	45.22	-	45.22	7.26
Gemco Energy Ltd.	50.32	36.54	0.22	36.77	7.26
Oasis Commercial Pvt. Ltd.	31.45	20.26	-	20.26	6.44
JBM Environment	39.92	27.79	-	27.79	6.96
Sri Jyoti	63.49	-	-	-	-
Sukhbir Agro Energy Limited	94.35	56.87	-	56.87	6.03
Hind Samachar Ltd.	94.35	56.53	-	56.53	5.99
K2 Power	12.58	-	-	-	-
Mor Bio Energy	7.55	6.34	-	6.34	8.40
BIOMASS POWER (F)	**456.27**	**249.56**	**0.22**	**249.78**	**5.47**
SECI Wind-T-II @ 2.71	313.84	86.93	-	86.93	2.77

Source	Quantum (MUs)	ECR (RS CRORE)	FC (RS CRORE)	Total PPC (RS CRORE)	ECR (Rs / kWh)
SECI Wind-T-III @ 2.51	915.38	234.84	-	234.84	2.57
SECI Wind-T-V	1,093.43	316.93	-	316.93	2.90
SECI Wind-T-II @ 2.72	94.15	26.18	-	26.18	2.78
SECI-Hybrid (Wind Component)	245.50	69.20	-	69.20	2.82
WIND POWER (G)	**2,662.30**	**734.08**	**-**	**734.08**	**2.76**
MB Power/NIT 96	1,113.84	329.57	360.14	689.71	2.96
TATA Power Trading/NIT 104	815.12	207.54	316.73	524.26	2.55
PTC (APNRL)/NIT 104	741.02	188.22	288.46	476.68	2.54
GMR Warora Energy Ltd./NIT 104	1,111.53	282.89	432.03	714.92	2.55
Jindal India Thermal Power Ltd/Shakti	449.13	117.26	136.46	253.72	2.61
RKM Powergen (Talcher)/Shakti	673.66	187.13	219.47	406.60	2.78
RKM Powergen (IB Valley)/Shakti	673.66	184.06	215.87	399.93	2.73
SKS Power/Shakti	224.53	67.25	59.69	126.94	3.00
Jindal Power Ltd./Shakti	673.66	178.61	207.87	386.48	2.65
TRN Energy/Shakti	224.53	69.12	57.56	126.68	3.08
Semcorp (SEIL)/NIT 114	941.09	275.23	322.79	598.01	2.92
NVVN-Cross Border (P-I)	341.40	190.18	-	190.18	5.57
NVVN-Cross Border (P-I)- Additional	233.60	130.13	-	130.13	5.57
NVVN/NIT 114	1,037.43	303.40	355.83	659.23	2.92
JINDAL INDIA THERMAL POWER LIMITED/NIT 114	815.12	238.39	279.58	517.96	2.92
PTC INDIA LIMITED/NIT 114	1,111.53	325.07	381.24	706.31	2.92
Peaking Power (H)	**11,180.86**	**3,274.04**	**3,633.70**	**6,907.74**	**2.93**
Ecogreen Energy Gurgaon Faridabad Pvt. Ltd	131.04	94.10	-	94.10	7.18
M/s Jind Bio Energy (LLP)	51.89	37.16	-	37.16	7.16
M/s RSL Distillery Pvt. Ltd. (Biomass Co-generation)	15.72	11.28	-	11.28	7.17
MS Fathehabad Bio Energy (LLP)	51.89	37.10	-	37.10	7.15
SECI Hybrid (800 MW)-Ten RE Power Pvt. Ltd.	653.88	157.91	-	157.91	2.42
SECI-Assured Peak Power (Solar 30)	91.54	21.99	-	21.99	2.40
SECI-Assured Peak Power (Wind 120)	313.84	126.39	-	126.39	4.03
SECI ISTS Scheme (3000MW)	114.24	46.01	-	46.01	4.03
Parbati II, HEP (H.P.)-NHPC	82.38	16.25	27.46	43.72	1.97
Tehri PSP (Uttranachal)-THDC	130.77	25.80	61.03	86.83	1.97
SECI Hybrid (800MW)-NTPC Limited	392.33	94.75	-	94.75	2.42
PM Kusum -- Sh. Dev Raj	1.39	0.43	-	0.43	3.11
PM Kusum -- Sh. Mahesh Kumar, Mohindergarh	1.39	0.43	-	0.43	3.11
PM Kusum -- Sh. Rajender Kumar, Mohindergarh	1.39	0.43	-	0.43	3.11
PM Kusum -- Sh. Sandeep Yadav	1.39	0.43	-	0.43	3.11
PM Kusum -- Smt. Kaushalya, Mahendergarh	1.39	0.43	-	0.43	3.11
PM Kusum -- Smt. Pinki Yadav	1.39	0.43	-	0.43	3.11
PM Kusum -Dada Maldey Pvt. Ltd.	2.79	0.87	-	0.87	3.11
PM Kusum -DES Renewables Pvt. Ltd.	1.19	0.37	-	0.37	3.11
PM Kusum -Humbolt Energies Pvt.Ltd.	1.19	0.37	-	0.37	3.11
PM Kusum -L&P Energy	1.19	0.37	-	0.37	3.11
PM Kusum - Sh Naman Bansal	2.79	0.87	-	0.87	3.11
PM Kusum -SS Solar Energy	1.19	0.37	-	0.37	3.11
New Plants in FY 2024-25 (I)	**2,048.22**	**674.54**	**88.49**	**763.03**	**3.29**
Total Long term (A+B+C+D+E+F+G+H+I)	**79,244.33**	**24,667.13**	**10,625.21**	**35,292.34**	**3.11**
New Plants				-	
KUTEHR HEP (JSW)	103.46	24.71	19.80	44.51	2.39
SECI (800 MW) -NLC India Ltd	60.36	14.58	-	14.58	2.42

Source	Quantum (MUs)	ECR (RS CRORE)	FC (RS CRORE)	Total PPC (RS CRORE)	ECR (Rs / kWh)
NVVN-Cross Border Power (P-I)- Balance	11.43	6.37	-	6.37	5.57
NVVN-Cross Border Power (Part II)	148.49	81.20	-	81.20	5.47
PM Kusum -M/S GVR POWER	0.50	0.15	-	0.15	3.11
SECI Hybrid (800MW)-Azure	66.08	16.02	-	16.02	2.43
PM Kusum-SI Projects, Bhera	0.68	0.21	-	0.21	3.11
PM Kusum-SI Projects, Mokra	0.68	0.21	-	0.21	3.11
PM Kusum-SI Projects, Urma	0.68	0.21	-	0.21	3.11
PM Kusum-UV Projects, Bhera	0.68	0.21	-	0.21	3.11
PM Kusum-UV Projects, Mokra	0.68	0.21	-	0.21	3.11
PM Kusum-UV Projects, Urma	0.68	0.21	-	0.21	3.11
PM Kusum MSP enterprises,Bhera	0.68	0.21	-	0.21	3.11
PM Kusum RK Sodha, Risaliya Khera	0.68	0.21	-	0.21	3.11
PM Kusum -Sandeep Kumar	0.68	0.21	-	0.21	3.11
PM Kusum -Surender Kumar	0.68	0.21	-	0.21	3.11
PM Kusum SUT energy, Bhera	0.68	0.21	-	0.21	3.11
PM Kusum VERA Energy, Bhiwani	0.68	0.21	-	0.21	3.11
New Plants (FY 2025-26)	**398.50**	**145.58**	**19.80**	**165.37**	**3.65**
Total Power Purchase for 3rd MYT Period	**79642.83**	**24812.71**	**11445.00**	**36257.71**	**3.12**

6.5 Interstate and Intrastate Transmission and SLDC Cost

DHBVNL, in the present petition, has submitted that Interstate and Intrastate transmission charges proposed for the base year of the second control period has been escalated by 5% and 4.96% over each year to estimate the Interstate and Intrastate Transmission charges for DHBVN for ensuing years of MYT Control Period respectively.

The Commission has considered the submissions of the distribution licensee(s) and observes that, vide its Order dated 05.03.2025 on HVPNL's Transmission Tariff and SLDC charges petition for the FY 2025-26, has approved Transmission tariff and SLDC charges to be recovered by HVPNL from the beneficiaries mainly the Discoms i.e. UHBVNL and DHBVNL. The intrastate transmission charges approved include the 'Unitary Charge' arising out of transmission project commissioned through Public Private Partnership (PPP) between HVPNL and M/s Jhajjar KT Transco Private Limited. The details including monthly recovery of the transmission and SLDC charges from various beneficiates including the Discoms have been given in the ibid order. Hence, the same is not being reproduced here.

The transmission and SLDC Charges, as determined by the Commission in the ibid Order, shall form part of the ARR of the Discoms for the FY 2025-26. In addition to the above and keeping in view the surplus power availability scenario prevailing in Haryana especially during the off peak period, the Commission directs that the Discoms shall not procure any additional power over and above the quantum approved in the PPA that may be available to it from the un-allocated share / share relinquished by any other State in the Central Generating Power Stations in case it does not fall in the merit order dispatch (MOD). The Commission thereto shall disallow all such power procurements and the cost thereto. Additionally, **while resorting to bidding or calling for expression of interest for power procurement the Discoms must ensure that the power under PPAs already approved by the Commission materializes and also the intra-State generator i.e. HPGCL's power plants are scheduled at least up to the critical minimum threshold before considering backing down. The DISCOMs are directed to perform cost benefit analysis including trade-off between purchase of REC and RE Power before rushing with proposal to procure RE Power.**

6.6 Interstate Transmission losses and Intrastate transmission losses

UHBVNL and DHBVNL, in its petition, have stated that the Interstate transmission losses as 3.62% and Intrastate transmission losses as 2.05% approved in the Tariff Order dated 05.03.2024 has been considered for projecting power purchase cost for MYT Period. Thus, Discoms have prayed that the same may be considered for projecting power purchase cost for the ARR year.

The Commission has considered the submissions of the distribution licensee(s) and observes that HERC MYT Regulations, 2024 has provided the trajectory for, intra-state transmission loss, during the control period. In line with the same, intra-state transmission losses for the FY 2025-26 has been approved at 1.95%. The Commission further observes that the licensee (s) have proposed inter-state transmission losses as 3.62%. However, while filing the additional information, it has been submitted that the inter-state transmission losses as per NRPC site for the FY 2023-24 was 3.547%. Accordingly, the Commission allows inter-state transmission losses for the FY 2025-26 at 3.50%. Power purchase cost including transmission charges/losses for the balance control period, has been considered as proposed. However, the same shall be allowed to the extent of actual during true-up.

6.7 Energy Balance

UHBVNL

Energy balance for the MYT control period, based on energy availability, transmission losses, distribution losses and energy sales projected by UHBVNL has been tabulated as follows: -

UHBVNL Projected Energy Balance

Sr. No.	Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Energy Sales (MU)	25,874.34	27,955.84	30,259.26	32,805.46	35,618.84
2	T&D loss (%)	10.15%	9.85%	9.55%	9.25%	9.10%
3	Energy Input at DISCOM Periphery (MU)	28,797.27	31,010.36	33,454.13	36,149.27	39,184.65
4	Inter-state Transmission loss(%)	2.05%	2.05%	2.05%	2.05%	2.05%
5	**Energy input at state Periphery(MU)**	**29,399.97**	**31,659.38**	**34,154.29**	**36,905.84**	**40,004.74**
6	Total energy available (Ex bus)	31,386.36	33,570.56	36,002.26	38,800.16	41,635.75
7	Interstate power purchase considering MoD (MU)	21,225.00	23,194.12	25,210.61	25,845.65	25,650.93
8	Interstate transmission loss (%)	3.62%	3.62%	3.62%	3.62%	3.62%
9	Interstate Power purchase at State periphery (MU)	20,456.65	22,354.49	24,297.98	24,910.04	24,722.37
10	Interstate power purchase considering MoD (MU)	10,161.37	10,376.44	10,791.66	12,954.51	15,984.81
11	**Power purchase at state periphery(MU)**	**30,618.02**	**32,730.93**	**35,089.64**	**37,864.55**	**40,707.18**
12	**Surplus (MU)**	**1,218.05**	**1,071.55**	**935.35**	**958.71**	**702.44**

DHBVNL:

DHBVNL has submitted the projected energy balance for the MYT control period as under:-

DHBVNL Projected Energy Balance for MYT Control Period

Energy Balance	Unit	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Energy Sales to the Consumers	MU	36,094	38,411	40,913	43,616	46,539
T&D Loss	%age	10.25%	9.75%	9.50%	9.25%	9.00%
Energy Input at DISCOM Periphery	Mu	40,216	42,561	45,207	48,061	51,141
Intra-State Transmission Loss	%age	2.05%	2.05%	2.05%	2.05%	2.05%
Energy Input at State Periphery	MU	41,058	43,451	46,153	49,067	52,212
Total Energy Available	MU	43,832	46,074	48,651	51,586	54,340
Inter-State Power Purchase considering MoD	MU	29,642	31,833	34,068	34,362	33,478
Inter-State Transmission Losses	%age	3.62%	3.62%	3.62%	3.62%	3.62%
Inter-State Power Purchase at State Periphery	MU	28,569	30,681	32,834	33,119	32,266
Intra-State Power Purchase considering MoD	MU	14,191	14,241	14,583	17,223	20,862
Power Purchase at State Periphery	MU	42,759	44,922	47,417	50,342	53,129
Surplus	MU	1,701	1,471	1,264	1,275	917

The Commission has perused the above 'Energy Balance' as submitted by the distribution licensees (UHBVNL and DHBVNL). However, as the underlying data on sales, losses, quantum of power purchase projected by the Commission is different, hence, the Energy Balance as approved by the Commission for the FY 2025-26 is tabulated below: -

Energy available for Sale to the Distribution Licensees for the FY 2025-26

S. N.	Particulars	Units	UHBVNL	DHBVNL	Total
1	Gross energy procured from outside the state sources	MU	20,727.06	28,692.91	49,419.97
2	Interstate sale / banking	MU	3,206.14	4,438.33	7,644.48
3	Energy procured from outside the state sources net of interstate sale / banking	MU	17,520.92	24,254.58	41,775.49
4	Inter-state transmission losses	%	3.50%	3.50%	3.50
5	Inter-state transmission losses	MU	613.23	848.91	1,462.14
6	Net energy available from outside the state	MU	16,907.69	23,405.67	40,313.35
7	Add energy generated within the state	MU	12,675.67	17,547.19	30,222.86
8	Energy available at Haryana Boundary (6+7)	MU	29,583.35	40,952.86	70,536.21
9	Intra-state transmission losses	%	1.95%	1.95%	1.95
10	Intra-state transmission losses	MU	576.88	798.58	1,375.46
11	Energy at Discom Boundary	MU	29,006.48	40,154.28	69,160.76
12	Distribution loss	%	10.00%	10.00%	10.00
13	Distribution loss units	MU	2,900.65	4,015.43	6,916.08
14	Units available for sale to DISCOMS/ HERC approved Sales to the electricity consumers in FY 2025-26	MU	26,105.83	36,138.85	62,244.68
	Total Energy Purchase	MU	33,402.73	46,240.10	79,642.83
	Power Purchase Cost	Rs. Mln	150,809.98	208,767.12	359,577.10
15	Average rate	Rs /kWh	4.55	4.55	4.55
	Total power purchase cost				
	Fixed cost	Rs Mln	47,999.72	66,450.28	114,450.00
	Variable cost	Rs. Mln	104,066.14	144,060.96	248,127.10
	Power Purchase Cost	Rs. Mln	152,065.86	210,511.24	362,577.10
15.a	Fixed cost allowed	Rs Mln	47,999.72	66,450.28	114,450.00
15.b	Variable cost of sold units by DISCOMS(ECR*11)	Rs. Mln	94,077.40	130,233.33	224,310.73
16	Cost of Power allowed 15.a+15.b	Rs. Mln	**142,077.12**	**196,683.61**	**338,760.73**
17	Total Transmission and SLDC Charges	Rs. Mln	20,138.70	27,355.20	47,493.90
	Inter-state Transmission charges	Rs. Mln	8,902.10	14,100.90	23,003.00
	Intra-state Transmission and SLDC charges	Rs. Mln	11,236.60	13,254.30	24,490.90
18	Total Cost (16+17)	Rs. Mln	162,215.82	224,038.81	386,254.63
18A	Units purchased for units sold by Discoms (8)	MU	29,006.48	40,154.28	69,160.76
19	Bulk Supply Rate at Discoms Boundary (18/18A)	Rs/kWh	5.59	5.58	5.58

6.8 Operation & Maintenance Expenses (O&M)

The Operation & Maintenance (O&M) expenses comprise of Employees expenses, Repair & Maintenance expenses, and Administrative & General expenses. As per the regulation 8.3.8 of HERC MYT Regulations, 2024, O&M expenses, excluding the expenses towards 'terminal benefits' are controllable items. The Commission observes as under:

i. Employees Expenses consist of salaries, dearness allowance, bonus, terminal benefits in the form of pension & gratuity, leave encashment and staff welfare expenses.

ii. Repairs and Maintenance expenses include regular expenditure made for improvement of system reliability and quality of power supply. These expenses are important in view of the system maintenance and loss reduction within the distribution network.

iii. Administrative expenses mainly comprise of rents, telephone and other communication expenses, professional charges, conveyance and travelling allowances.

According to Regulation 59.4 of HERC MYT Regulations, 2024, component wise O&M expenses have been elaborated in the subsequent sections. The relevant extract of the Regulation is reproduced as under:

"The actual audited expenses for the financial year preceding the base year, subject to prudence check, shall be escalated at the escalation factor of 5.47% to arrive at the Employee Costs and Administrative and general Costs for the base year of the control period. The O&M expenses for the nth year of the control period shall be approved based on the formula given below."

$O\&M_n = (R\&M_n + EMP_n + A\&G_n)*(1-Xn)$+Terminal Liabilities

Where,

- *$R\&M_n$ – Repair and Maintenance Costs of the Distribution Licensee(s) for the nth year;*
- *EMP_n – Employee Costs of the Distribution Licensee(s) for the nth year excluding terminal liabilities;*
- *$A\&G_n$ – Administrative and General Costs of the Distribution Licensee(s) for the nth year;*

The above components shall be computed in the following manner.

(a) $R\&M_n = K * GFA * INDX_n / INDX_{n-1}$

Where,

- *'**K**' is a constant (expressed in %) governing the relationship between O&M costs and Gross Fixed Assets (GFA) for the nth year. The value of K will be 1.65% for DHBVNL and UHBVNL respectively for the entire control period;*
- *'**GFA**' is the average value of the gross fixed asset of the nth year.*
- *'**$INDX_n$**' means the inflation factor for the nth year as defined herein after.*

(b) EMP_n (excluding terminal liabilities) + $A\&G_n = (EMP_{n-1} + A\&G_{n-1})*(INDX_n / INDX_{n-1})$

Where,

- *$INDX_n$ – Inflation Factor to be used for indexing the Employee Cost and A&G cost. This will be a combination of the Consumer Price Index*

(CPI) and the Wholesale Price Index (WPI) for immediately preceding year and shall be calculated as under:

- ***$INDX_n$ = 0.55*CPI_n +0.45*WPI_n***

Note 1: *For the purpose of estimation, the same INDXn value shall be used for all years of the control period. However, the Commission shall consider the actual values of the $INDX_n$ at the end of each year during the annual performance review exercise and true-up the employee cost and A&G expenses on account of this variation.*

Note 2: *Any variation in employee cost and A&G cost on account of reasons beyond variation in $INDX_n$ shall be subject to the incentive and penalty framework specified in Regulation 12.*

Note 3: *As and when any material price index specific to power sector or a more relevant Index becomes available, the same shall replace the Index used for working out R&M cost.*

Note 4*: Terminal liabilities shall be approved as per actual expenditure incurred by the distribution licensee or established through actuarial valuation for the ensuing year.*

Note 5*: O&M expenses made on account of extraordinary situations (if any) shall be submitted to Commission for its approval. Such expenses shall be filed separately and will not be subjected to incentive and penalty framework. The approved amount by the Commission shall be trued up in the annual performance review.*

Note 6: *Changes in the pay scales of employees necessitated on account of pay revision by Pay Commission or by the State Government orders shall be considered by the Commission for true-up during the annual performance review.*

Note 7: *Source for CPI and WPI calculation as under:*

Wholesale Price Index numbers as per Office of Economic Advisor of Government of India in the previous year; Consumer Price Index for Industrial Workers (all India) as per Labour Bureau, Government of India in the previous year

(c) ***X_n is an efficiency factor for nth year***

The Value of X_n will be determined by the Commission in the MYT order for the control period.

Computation of Inflation Factor

The Discoms have submitted that as per Regulation 59.4 of HERC MYT Regulations, 2024, Indexation Factor is calculated for ARR MYT control period. Operation and Maintenance expenses for the base year has been estimated by considering the audited expenses of the financial year preceding to the base year and escalation factor specified in the aforesaid regulations. The O&M expenses has been indexed further with the inflation factors of the relevant years. The details of calculation for estimating the indexation factors and O&M expenses on component wise for MYT Period are as below:

Details of the Wholesale Price Index

Month/Year	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Average
FY 2024-25	152.90	153.50	154.00	155.30	154.40	154.60	156.10						154.40
FY 2023-24	151.10	149.40	148.90	152.10	152.50	151.80	152.50	153.10	151.80	151.20	151.20	151.40	151.42
FY 2022-23	152.30	155.00	155.40	154.00	153.20	151.90	152.90	152.50	150.50	150.70	150.90	151.00	152.53

Details of the Consumers Price Index

Month/Year	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Average
FY 2024-25	401.47	402.91	407.23	410.98	410.69								406.66
FY 2023-24	386.50	387.94	392.83	402.34	400.90	396.00	398.59	400.61	399.74	400.03	400.90	400.03	397.20
FY 2022-23	367.78	371.52	372.10	374.11	374.98	378.14	381.60	381.60	381.02	382.46	382.18	383.90	377.62

Inflation Factor for MYT Period

Particulars	**WPI**	**CPI**	**Total**
Weightage	0.45	0.55	1
Avg. Indexation for FY 24-25	154.40	407.66	
Avg. Indexation n-1 (Index * Wt.)	69.48	224.22	293.70
Avg. Indexation for FY 23-24	151.42	397.20	
Avg. Indexation n (Index * Wt.)	68.14	218.46	286.60
Combined Inflation (Indxn/Indxn-1)			**2.48%**

The Commission has examined the calculations of the Inflation Factor and approves the same as it is in line with the HERC MYT Regulations in vogue.

6.8.1 Employee Expenses

UHBVNL

UHBVNL, in its petition, the employee expenses for FY 2023-24 has been escalated with 5.47% and indexed with Indexation factor for projecting the employee expenses for MYT Period. The petitioner in the base year has recruited 787 new employees, the overall impact of the same amounting Rs 3.70 Crores has been incorporated in the salaries and dearness allowances for projecting employee cost for MYT Period. Terminal benefits has been restricted at the amount approved for FY 2024-25 in the Retail Supply Tariff Order dated 05.03.2024.

UHBVNL employee expenses for the period on the basis of above details is tabulated as follows:

Projected Employee Expenses for the MYT period UHBVNL (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Employee Expenses	597.98	612.79	627.96	643.51	659.45
Dearness Allowance	210.34	215.55	220.89	226.36	231.96
Other Allowance	172.39	176.66	181.03	185.52	190.11
Gross Employee Expense	**980.71**	**1,005.00**	**1,029.89**	**1,055.39**	**1,081.53**
Less: Expense Capitalized	7.21	7.39	7.57	7.76	7.95
Net Employee Expenses	**973.50**	**997.61**	**1,022.32**	**1,047.63**	**1,073.58**
Terminal Liabilities	450.00	450.00	450.00	450.00	450.00
Total Employee Expenses	**1,423.50**	**1,447.61**	**1,472.32**	**1,497.63**	**1,523.58**

DHBVNL

DHBVNL, in its petition, has submitted that the actual employees expense of FY 2023-24 is escalated by 5.47% to determine the base year value of MYT Control Period. Further, the employee expenses have been indexed with inflation factor of 2.48% to project the employee expenses for ensuing years of MYT Control Period.

Terminal benefits for MYT Control Period have been retained at the level of actual expense of FY 2023-24. The summary of employees cost is as under: -

Projected Employee Expenses for the MYT period DHBVNL (Rs Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Salaries	485.80	497.83	510.15	522.79	535.73
Dearness Allowance	238.32	239.39	250.24	251.36	262.75
Expenditure on Employees Engaged on Contractual Basis	268.17	274.81	281.62	288.59	295.74
Other Allowances	100.89	103.39	105.95	108.57	11.26
Terminal Benefits	707.35	707.35	707.35	707.35	707.35
Gross Employee Expenses	**1,800.53**	**1,822.76**	**1,855.31**	**1,878.66**	**1,912.83**
Less: Expenses Capitalised	*14.95*	*15.13*	*15.40*	*15.60*	*15.88*
Net Employee Expenses	**1,785.58**	**1,807.63**	**1,839.90**	**1,863.06**	**1,896.95**

In view of above, the Discoms (s) prayed that the Hon'ble Commission may allow the projected employee cost for ARR year.

Further, DHBVNL, in its additional information, submitted that while working out the O&M Expenses for the MYT control Period, inadvertently escalation on the DA was calculated on last year's DA amount instead of Current Year's Basic Salary. Hence, requested to consider the same at the time of true up of the respective years.

The Commission has examined the projections of employee cost by UHBVNL and DHBVNL for the MYT control period and finds the methodology used by the licensees in order. The Commission has considered the employee cost, including terminal liabilities, for the FY 2025-26 to FY 2029-30 based on the audited accounts of FY 2023-24, approved true up figures of FY 2023-24 and escalated the same by 5.47% to determine the base year value of MYT Control Period. Further, the employee expenses have been indexed with inflation factor of 2.48% to project the employee expenses for ensuing years of MYT Control Period.

The methodology, being in line with the Regulations in vogue, as well as the Commission's previous order during the MYT control period, approves the employees cost as under: -

HERC Approved Employee Expenses for the MYT period UHBVNL (Rs. Cr.)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Salaries	597.64	612.46	627.65	643.21	659.16
Dearness Allowance	210.16	215.37	220.71	226.18	231.79
Other Allowances	172.40	176.67	181.05	185.54	190.15
Terminal benefits	450	450	450	450	450
Gross Employee Expense	1430.19	1454.50	1479.41	1504.94	1531.10
Less Expenses Capitalised	7.41	7.54	7.67	7.80	7.94
Net Employee Expenses	**1,422.78**	**1,446.96**	**1,471.74**	**1,497.14**	**1,523.17**

HERC Approved Employee Expenses for the MYT period DHBVNL (Rs Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Salaries	485.00	497.03	509.35	521.99	534.93
Dearness Allowance	233.64	239.44	245.38	251.46	257.70
Other Allowances	100.89	103.39	105.96	108.58	111.28
Expenditure on Employees Engaged on Contractual Basis	268.17	274.82	281.64	288.62	295.78
Terminal benefits	707.35	707.35	707.35	707.35	707.35
Gross Employee Expense	1795.05	1822.03	1849.67	1878.00	1907.03
Less Expenses Capitalised	14.90	15.13	15.36	15.59	15.83
Net Employee Expenses	**1,780.15**	**1,806.90**	**1,834.31**	**1,862.41**	**1,891.20**

Terminal benefits, have been approved, as proposed by the Discoms, and the same will be subsequently trued-up based on the audited accounts for the MYT control period.

6.8.2 Repair & Maintenance (R&M) Expenses

The Discoms have projected the R&M expenses for MYT Period in accordance to Regulation 59.4 of MYT Regulations, 2024. R&M expenses for each year of MYT Control Period have been projected by indexing 2.48% of Average GFA along with Inflation factor. Projection of R&M expenses of UHBVNL and DHBVNL for each year of MYT Control Period is tabulated as under:

Projected R&M Expenses for MYT Control Period UHBVNL (Rs Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Average GFA	11,532.01	12,753.46	14,232.06	15,587.94	16,747.30
K factor	1.65%	1.65%	1.65%	1.65%	1.65%
Indexation %	2.48%	2.48%	2.48%	2.48%	2.48%
R&M Expenses	**194.99**	**215.64**	**240.64**	**263.57**	**283.17**

Projected R&M Expenses for MYT Control Period DHBVNL (Rs Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Average GFA	15,831.64	17,536.13	19,314.89	20,881.12	22,154.33
K Factor	1.65%	1.65%	1.65%	1.65%	1.65%
Indexation %	2.48%	2.48%	2.48%	2.48%	2.48%
R&M Expenses	267.69	296.51	326.59	353.07	374.60

The Commission has examined the projections of R&M Expenses submitted by the licensees and finds the methodology used by the licensees in Order. However, as the Commission approved CAPEX for FY 2025-26 is lower than the proposed, and accordingly average GFA for the MYT control period is slightly lower than that proposed by the Licensees. Accordingly, R&M expenses for FY 2025-26 to FY 2029-30, approved by the Commission, is as under: -

HERC Approved R&M Expenses for MYT Control period for UHBVNL (Rs Crore.)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Average GFA	11467.98	12602.38	14032.13	15331.31	16426.19
K factor	1.65%	1.65%	1.65%	1.65%	1.65%
Indexation %	2.48%	2.48%	2.48%	2.48%	2.48%
R&M Expenses Approved	**193.91**	**213.10**	**237.27**	**259.24**	**277.75**

HERC Approved R&M Expenses for MYT Control period for DHBVNL (Rs Crore.)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Average GFA	15559.34	17158.64	18891.80	20461.68	21775.98
K factor	1.65%	1.65%	1.65%	1.65%	1.65%
Indexation %	2.48%	2.48%	2.48%	2.48%	2.48%
R&M Expenses Approved	**263.10**	**290.14**	**319.45**	**345.99**	**368.21**

6.8.3 Administration & General (A&G) Expenses

As per the Regulations, UHBVNL and DHBVNL, stated that the A&G expenses of base year is estimated by considering 5.47% escalation on actual expense of FY 2023-24. Base year value is indexed with inflation factor for projecting A &G expenses for MYT Control Period.

Summary of A&G Expenses for each year of Control Period is tabulated as under:

Proposed UHBVNL A&G Expenses for MYT Control Period (Rs. Crore)

Particulars	**FY 2025-26**	**FY 2026-27**	**FY 2027-28**	**FY 2028-29**	**FY 2029-30**
A&G Expenses	219.14	224.56	230.12	235.82	241.66
Indexation (%)	2.48%	2.48%	2.48%	2.48%	2.48%

Proposed DHBVNL A&G Expenses for MYT Control Period (Rs. Crore)

Particulars	**FY 2025-26**	**FY 2026-27**	**FY 2027-28**	**FY 2028-29**	**FY 2029-30**
Gross A&G Expenses	**214.98**	**220.30**	**225.75**	**231.35**	**237.07**
Indexation %	**2.48%**	**2.48%**	**2.48%**	**2.48%**	**2.48%**
A&G Expenses	**220.30**	**225.75**	**231.35**	**237.07**	**242.94**
Less: Expenses Capitalized	-	-	-	-	-
Net A&G Expenses	**220.30**	**225.75**	**231.35**	**237.07**	**242.94**

The Commission has examined the projections of A&G expenses by UHBVNL and DHBVNL for the MYT control period and observes that the escalation and indexation factors used by the licensees are in order. Accordingly, the Commission approves the A&G expenses, considering true-up A&G expenses as the base, and using appropriate inflation factors for the APR and ARR years. The amount of A&G expenses approved have been tabulated as under:

HERC Approved A&G Expenses for MYT period -UHBVNL (Rs Crore)

Particulars	**FY 2025-26**	**FY 2026-27**	**FY 2027-28**	**FY 2028-29**	**FY 2029-30**
A&G Expenses approved	219.14	224.58	230.15	235.86	241.70

HERC Approved A&G Expenses for MYT period -DHBVNL (Rs Crore)

Particulars	**FY 2025-26**	**FY 2026-27**	**FY 2027-28**	**FY 2028-29**	**FY 2029-30**
A&G Expenses approved	220.31	225.77	231.37	237.11	242.99

Summary of O&M Expenses

Approved O&M expenses of UHBVNL and DHBVNL for the MYT period have been tabulated as under:

Approved O&M Expenses UHBVNL (Rs Cr.)

	FY 2025-26	**FY 2026-27**	**FY 2027-28**	**FY 2028-29**	**FY 2029-30**
Particulars	**Approved**	**Approved**	**Approved**	**Approved**	**Approved**
Emp Expense	**1,422.78**	**1,446.96**	**1,471.74**	**1,497.14**	**1,523.17**
A&G Expense	**219.14**	**224.58**	**230.15**	**235.86**	**241.70**
R&M Expense	**193.91**	**213.10**	**237.27**	**259.24**	**277.75**
Total O&M Expenses	**1,835.84**	**1,884.64**	**1,939.17**	**1,992.24**	**2,042.63**

Approved O&M Expenses DHBVNL (Rs Cr.)

Particulars	FY 2025-26 Approved	FY 2026-27 Approved	FY 2027-28 Approved	FY 2028-29 Approved	FY 2029-30 Approved
Emp Expense	1,780.15	1,806.90	1,834.31	1,862.41	1,891.20
A&G Expense	220.31	225.77	231.37	237.11	242.99
R&M Expense	263.10	290.14	319.45	345.99	368.21
Total O&M Expenses	**2,263.56**	**2,322.81**	**2,385.13**	**2,445.51**	**2,502.40**

6.9 Approved Capital Expenditure and additions to Gross Fixed Asset

The Commission, after careful examination of the proposed capital expenditure for the FY 2025-26, has approved Rs. 1500.00 crores and Rs. 1900 crores as the capital expenditure for UHBVNL and DHBVNL respectively. For the rest of the control period, i.e. from FY 2026-2030, the capital expenditure for UHBVNL and DHBVNL has been approved, as proposed by the licensee(s). The same will be trued up, as per the audited accounts, from time to time. The capitalization/ transfer to GFA is in the same ratio as proposed by the licensees. The retirement/ disposal of assets is also in the same ratio as proposed by the respective licensees as part of the MYT petition.

The Commission has approved the consumer contribution as proposed by the Discoms, as the same is in line with the MYT petition. Further, Equity Capital is pegged at 20% of the approved capital expenditure for each licensee and the remaining / balance capital expenditure has been considered to be funded by way of long-term loan in line with the MYT Regulations in vogue.

The calculation of approved capital expenditure, additions to GFA and funding thereto is given in the following table: -

Approved Capital Expenditure, GFA and Funding for the FY 2025-26 to FY 2029-30 for UHBVNL

(Rs. Crores)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Capital Work in Progress (CWIP)					
Opening CWIP	767.51	1109.59	1669.91	1894.87	1839.92
Capex During the year	1500.00	2351.95	2032.90	1529.43	1353.45
Interest Capitalised during the year	49.08	63.38	79.76	91.23	98.56
Capex Capitalized	1207.00	1855.01	1887.70	1675.61	1548.04
Closing CWIP	1109.59	1669.91	1894.87	1839.92	1743.89
Gross Fixed Assets (GFA)					
Opening GFA	11051.48	11884.47	13320.28	14743.99	15918.63
Add: Transfer from CWIP	1207.00	1855.01	1887.70	1675.61	1548.04
Total GFA	12258.48	13739.48	15207.99	16419.59	17466.66
Less: Retirement/Disposal of Assets	374.01	419.20	464.00	500.97	532.91
Closing GFA	11884.47	13320.28	14743.99	15918.63	16933.75
Average GFA	11467.98	12602.38	14032.13	15331.31	16426.19

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Source of Funding					
Consumer Contribution	30.00	47.04	40.66	30.59	27.07
Equity	300.00	470.39	406.58	305.89	270.69
Debt	1170.00	1834.52	1585.66	1192.96	1055.69
Total	1500.00	2351.95	2032.90	1529.43	1353.45

Approved Capital Expenditure, GFA and Funding for the FY 2025-26 to FY 2029-30 for DHBVNL

(Rs. Crores)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Capital Work in Progress (CWIP)					
Opening CWIP	1297.03	1857.15	2066.46	1953.94	1579.54
Capex During the year	1900.00	1822.34	1461.36	902.55	948.89
Interest Capitalised during the year	198.34	230.20	250.54	256.44	256.20
Capex Capitalized	1538.22	1843.23	1824.42	1533.38	1327.28
Closing CWIP	1857.15	2066.46	1953.94	1579.54	1457.35
Gross Fixed Assets (GFA)					
Opening GFA	14833.62	16285.07	18032.21	19751.39	21171.96
Add: Transfer from CWIP	1538.22	1843.23	1824.42	1533.38	1327.28
Total GFA	16371.84	18128.29	19856.63	21284.77	22499.25
Less: Retirement/Disposal of Assets	86.77	96.08	105.24	112.81	119.25
Closing GFA	16285.07	18032.21	19751.39	21171.96	22380.00
Average GFA	15559.34	17158.64	18891.80	20461.68	21775.98
Source of Funding					
Consumer Contribution	376	376	388	100	100
Equity	380.00	364.47	292.27	180.51	189.78
Debt	1144.00	1081.87	781.09	622.04	659.11
Total	1900.00	1822.34	1461.36	902.55	948.89

6.10 Interest & Finance Charges:

6.10.1 Interest on Long Term Loan

Interest on capex loan for has been projected by the Discoms as per Regulation 21 of HERC MYT Regulations 2024. The relevant excerpt of the HERC MYT Regulations, 2024 is reproduced as under:

"21.1 Existing loans

(i) Interest on loan capital shall be computed loan-wise for existing loans arrived in a manner specified in Regulation 19 and shall be as per the rates approved by the Commission.

(ii) The loan outstanding as on 1st April of each financial year shall be worked out as the gross loan in accordance with Regulation 19 by deducting the cumulative repayment as admitted by the Commission up to 31st March of previous financial year from the gross normative loan;

(iii) *The rate of interest shall be the weighted average rate of interest on institutional loans calculated on the basis of the actual loan portfolio at the beginning of each year applicable to the project. In case the weighted average rate is not available, the interest rate approved by the Commission in its earlier tariff order shall be allowed.*

Provided that if there is no actual loan for a particular year but normative loan is still outstanding, the last available weighted average rate of interest shall be considered;

Provided further that if the generating plant/project does not have actual loan, then the weighted average rate of interest of the generating company/licensee as a whole shall be considered.

(iv) *The interest on loan shall be calculated on the normative average loan of the year by applying the weighted average rate of interest;*

(v) *The generating company and the licensee shall from time to time review their capital structure i.e. debt and equity and make every effort to restructure the loan portfolio as long as it results in net savings on interest. The costs associated with such re-financing shall be borne by the beneficiaries and the net savings (after deducting the cost of re-financing) shall be subjected to incentive / penalty framework as mentioned in the Regulation 12 which shall be dealt with at the time of mid-year performance review/true-up.*

(vi) *The changes to the loan terms and conditions shall be reflected from the date of such re-financing and benefit passed on to the beneficiaries;*

(vii) *In case of any dispute relating to re-financing of loan, any of the parties may approach the Commission with proper application along with all the relevant details. During the pendency of any dispute, the beneficiaries shall not withhold any payment on account of orders issued by the Commission.*

(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.

21.2. New loans (on or after 1st April 2025)

(i) *Rate of interest on new loans i.e. on or after 01.04.2025 shall be equal to the marginal cost of funds-based lending rate (MCLR) of the SBI plus a maximum of 150 basis points w.r.t. 1st April of the relevant financial year. They shall however, be required to submit due justification to the Commission for the terms and conditions*

of the loans raised by them including the loan sanction letter from the banks/lending institutions, indicating the applicable rate of interest.

Provided that interest and finance charges on works in progress shall be excluded and shall be considered as part of the capital cost;

Provided further that neither penal interest nor overdue interest shall be allowed for computation of Tariff

(ii) Any variation above or below the allowed interest rate shall be subject to the incentive and penalty framework specified in Regulation 12. The incentives on refinancing should be net of costs.

(iii) The amount of loan shall be arrived in the manner as specified in Regulation 19 and shall be based on the approved capital investment plan.

(iv) 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.

21.3. The interest computation shall exclude interest on loan amount, normative or otherwise, to the extent of capital cost funded by Consumer Contributions, Grants or Deposit Works carried out by Transmission Licensee or Distribution Licensee or Generating Company, as the case may be.

21.4. Interest shall be allowed on the amount held as security deposit held in cash from Transmission System Users, Distribution System Users and Retail consumers, at the Bank Rate as on 1st April of the financial year in which the petition is filed provided it is payable be the transmission/distribution licensee"

UHBVNL:

UHBVNL, in its petition, has submitted that the interest on the existing loans has been calculated based on the actual loan receipts and repayment schedule. The interest cost on the fresh loans use to fund the capital expenditure plan for the ensuing years has been calculated by the considered the interest rate of the REC loans. The interest capitalized during the years has been calculated based on the average interest rate and capital work in progress during the relevant years.

DHBVNL

DHBVNL, in its petition, has submitted that the Long term borrowings for Capital Expenditure Plan of MYT Control Period is assumed to be met from REC loans. Accordingly, the interest cost on Capex loan for MYT period is projected by considering the interest rate of 9.08% on new receipts and average interest rate on existing loans.

Normative repayment of CAPEX Loan for MYT Control Period is proposed as per tentative repayment schedule during the respective year. Capitalization of interest cost for MYT Period is projected on average capital work in progress and average interest rate on capex loans.

Interest on Capex Loan for MYT Control Period for DHBVN is summarized below:

DHBVNL: Projected Interest on Capex Loan for MYT Control Period *(Rs. Crore)*

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Opening Balance	4,335.18	4,699.17	5,181.55	5,510.58	5,722.23
Addition	968.37	1,157.20	1,077.62	1,037.94	839.20
Repayment	604.38	674.83	748.59	826.29	888.47
Closing Balance	4,699.17	5,181.55	5,510.58	5,722.23	5,672.95
Average Balance	4,517.18	4,940.36	5,346.06	5,616.40	5,697.59
Interest rate	*9.08%*	*9.08%*	*9.08%*	*9.08%*	*9.08%*
Gross Interest Payment	**410.16**	**448.58**	**485.42**	**509.97**	**517.34**
Less: Capitalization	152.73	183.83	180.93	153.35	125.88
Net Interest Payment	**257.43**	**264.76**	**304.50**	**356.62**	**391.46**

It is estimated that the fresh loans would be serviced at the rate of 8.78% per year. After adjusting IDC, the interest cost on long term borrowing has been worked out for FY 2025-26 to FY 2029-30.

The Commission has carefully considered the calculations of interest on long term loans proposed by the Discoms and agrees with the methodology where the additions to borrowings are in accordance with the funding of proposed capital expenditure and the repayment is equal to the depreciation for the year. However, since the approved capital expenditure and its funding is at variance with that proposed by the licensee, it has resulted in some variance in the interest cost on term loans as well as return on equity. The Commission has allowed the consumer contribution as proposed by the respective Discoms for the FY 2025-26 to FY 2029-30. Similarly, additions to equity is also allowed at 20% of the approved capital expenditure, as proposed by the Discoms. The balancing figure has been considered as additions to term loans. In accordance with the MYT regulations 2024, interest on loans is calculated at the weighted average rate of interest on existing institutional loans as submitted by the licensees i.e. 8.30% for UHBVNL and 9.25% for DHBVNL. The capitalization of assets has been considered at the same level as proposed by the distribution licensees.

HERC approved Interest on capex loans UHBVNL (Rs Crores)

Particulars	2025-26	2026-27	2027-28	2028-29	2029-2030
Opening Balance	3,392.78	4,179.77	5,597.84	6,707.93	7,366.36
Projected addition during the year	1,170.00	1,834.52	1,585.66	1,192.96	1,055.69
Repayments of Loan	383.01	416.46	475.57	534.53	583.11
Closing Balance	4,179.77	5,597.84	6,707.93	7,366.36	7,838.94
Average balance during the Year	3,786.28	4,888.80	6,152.88	7,037.15	7,602.65
Interest Rate (%)	8.30%	8.30%	8.30%	8.30%	8.30%
Interest Payment	314.23	405.73	510.64	584.03	630.96
Less: Interest Capitalized	49.08	63.38	79.76	91.23	98.56
Net Int. on Capex Loans	**265.15**	**342.35**	**430.88**	**492.80**	**532.40**

HERC approved Interest on capex loans DHBVNL (Rs Crores)

Particulars	2025-26	2026-27	2027-28	2028-29	2029-2030
Opening Balance	3,716.04	4,425.28	5,023.74	5,260.23	5,266.04
Projected addition during the year	1,144.00	1,081.87	781.09	622.04	659.11
Repayments of Loan	434.76	483.41	544.60	616.23	674.72
Closing Balance	4,425.28	5,023.74	5,260.23	5,266.04	5,250.43
Average balance during the Year	4,070.66	4,724.51	5,141.99	5,263.14	5,258.24
Interest Rate (%)	9.25%	9.25%	9.25%	9.25%	9.25%
Interest Payment	376.54	437.02	475.63	486.84	486.39
Less: Interest Capitalized	198.34	230.20	250.54	256.44	256.20
Net Int. on Capex Loans	**178.20**	**206.82**	**225.10**	**230.40**	**230.19**

6.10.2 Interest on Consumer Security Deposit

Interest on consumer security deposits for ARR year is calculated in accordance with Regulation 21.4 of MYT Regulations, 2024.

The relevant excerpt of the regulation is reproduced as under:

"Interest shall be allowed on the amount held as security deposit held in cash from Transmission System Users, Distribution System Users and Retail consumers, at the Bank Rate as on 1st April of the financial year in which the petition is filed provided it is payable by the transmission/distribution licensee."

UHBVNL

UHBVNL, in its petition, has submitted that Regulation 5.6 of the HERC Duty to Supply Regulations, 2016, provides that the assessment of Advance Consumption Security Deposits (ACD) shall be done on load basis. The review of ACD on consumption basis was made in FY 2023-24. Thus, the ACD receipt in FY 2022-23 has been considered as base instead of receipts in FY 2023-24. Receipt of consumer security deposit has been escalated with the load growth to determined interest on consumer security deposits for MYT Period. Details of calculation of interest on consumer security for MYT Period is shown in table below:

Projected Interest on Consumer Deposit UHBVNL (Rs Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Opening balance	2,064.10	2,170.46	2,282.99	2,402.14	2,528.40
Receipt during the year	106.37	112.53	119.15	126.26	133.90
Closing balance	2,170.46	2,282.99	2,402.14	2,528.40	2,662.29
Average security deposit	**2,117.28**	**2,226.72**	**2,342.56**	**2,465.27**	**2,595.34**
Interest rate	6.75%	6.75%	6.75%	6.75%	6.75%
Interest on CSD	**142.92**	**150.30**	**158.12**	**166.41**	**175.19**

UHBVNL has prayed that the Hon'ble Commission may allow the estimated interest cost on consumer security deposit for ARR year.

DHBVNL

DHBVNL, in the present petition, submitted that the Receipt of consumer security deposit for MYT Control Period is projected by escalating the receipt of consumer security deposit during previous year with the load growth of the relevant years. Details of interest on consumer security deposit for each year of MYT Period is tabulated as under:

Projected Interest on Consumer Security deposit DHBVNL (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Opening Balance	3,268.52	3,587.12	3,918.35	4,262.74	4,620.84
Receipt during the Year	318.60	331.23	344.39	358.10	372.39
Closing Balance	3,587.12	3,918.35	4,262.74	4,620.84	4,993.24
Average Security Deposit	3,427.82	3,752.74	4,090.54	4,441.79	4,807.04
Interest rate	*6.75%*	*6.75%*	*6.75%*	*6.75%*	*6.75%*
Interest on CSD	231.38	253.31	276.11	299.82	324.48

DHBVNL has prayed that the Commission may allow the interest cost on consumer security deposit for MYT Control Period as computed in above.

The Commission has examined the calculations of interest on consumer security deposit for the FY 2025-26 to FY 2029-30 as proposed by the Discoms and approves the same.

6.10.3 Interest on Working Capital Loan

UHBVNL

UHBVNL, in its petition, has submitted that Regulation 22 of the HERC MYT Regulations, 2024, specifies the provisions for estimating the interest on working capital for MYT Control Period. However, the interest on the short-term borrowings has been calculated as actual loan profile. Details of calculating the interest cost based on the actual loan receipt and repayment schedule for long term and short-term borrowings have been stated in the petition.

DHBVNL

Similarly, DHBVNL, in its petition, has erroneously submitted that the Interest on working capital loans in the ARR for MYT Control Period has been considered on normative basis in accordance with applicable MYT Regulations. However, in the additional information, Nigam has stated that the Interest on working capital loans for determination of ARR for each year of third MYT control Period has been projected based on the actual loan profile. Increase in working capital loans in the MYT Period has been on account of accrued fuel power purchase adjustment surcharge during the previous financial years. It is submitted that to ensure certainty on the rate of supply of electricity within the state to encourage investment within the state, recovery of accrued FPPAS was made at constant rate instead of automatic pass-through mode as specified in the Third Amendment to the HERC MYT Regulations, 2019. The automatic pass-through mechanism is not able to capture the trends of variation in fuel surcharge and passing on the same to the consumer may create undue unrest amount the consumers. As the accrued FFPAS is being recovered from the consumers at constant rate, the same may get amortized shortly over the span of few years.

The Commission has examined the interest on working capital borrowings as projected by the licensee and observes that the procedure is not in accordance with the MYT Regulations, 2024, which provides for a specific methodology for calculation of interest on working capital borrowings for the Distribution and retail supply business as given below:

"22. INTEREST ON WORKING CAPITAL
22.1 Components of working capital:
Distribution licensee
I. Wheeling of electricity:
a) Normative O&M expenses for wheeling business for 1 (one) month;
b) Maintenance spares for 1 (one) month based on annual requirement considered at 1% of GFA (wire business) at the end of the previous year;
c) Receivables equivalent to 2(two) month of wheeling charges.
less
Amount held as security deposits in cash from Distribution System Users:
Provided further that for the purpose of Truing-up for any year, the working capital requirement shall be re-computed on the basis of the values of components of working capital approved by the Commission in the Truing-up before sharing of gains and losses
II. Retail supply of electricity:
a) Normative O&M expenses for retail supply business for 1 (one) month;
b) Maintenance spares for 1 (one) month based on annual requirement considered at 1% of the GFA at the end of the previous year;

*c) Uncollected revenue to be calculated as: Revenue billed for the relevant year * (1 – Normative Collection efficiency)*
d) Receivables equivalent to 2 (two) months' of billing less consumers' security / advance consumption deposit.
Provided that for the purpose of Truing-up for any year, the working capital requirement shall be re-computed on the basis of the values of components of working capital approved by the Commission in the Truing-up before sharing of gains and losses;
22.2 Rate of Interest
Rate of interest on working capital shall be equal to the MCLR of the relevant financial year plus a maximum of 150 basis points. However, while claiming any spread, the generator and the licensees shall submit loan sanction letter from the banks/ lending institutions, indicating the applicable rate of interest."

The Commission has estimated working capital requirement in accordance with the MYT Regulations and the rate of interest i.e. MCLR plus a margin of 150 basis points (1.50%) or actual rate of interest on working capital, whichever is lower. Thus, the Commission approves the rate of interest on working capital borrowings, as per actual, i.e. 9.58% p.a.

In the case of DHBVNL, the Commission observes that the actual rate of interest on working capital for the FY 2023-24 is 9.85% P.A. Therefore, the rate of interest on working capital is allowed as per actual i.e. 9.85% P.A.

Approved Interest on working capital UHBVNL (Rs Crore)

Interest on working capital UHBVNL	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
O&M expenses for 1 month	152.99	157.05	161.60	166.02	170.22
Maintenance spares 1% of opening GFA	110.51	118.84	133.20	147.44	159.19
2 months receivables	3223.14	3487.19	3727.15	4066.78	4371.69
Uncollected revenue	96.69	104.62	111.81	122.00	131.15
Total	3583.33	3867.70	4133.77	4502.24	4832.25
Less					
ACD, as projected by UHBVNL	2064.10	2170.46	2282.99	2402.14	2528.40
Net working capital	1519.23	1697.24	1850.78	2100.10	2303.85
Interest rate	9.58%	9.58%	9.58%	9.58%	9.58%
Interest cost	145.54	162.60	177.30	201.19	220.71

Approved Interest on working capital DHBVNL (Rs in crore)

Interest on working capital DHBVNL	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
O&M expenses for 1 month	188.63	193.57	198.76	203.79	208.53
Maintenance spares 1% of opening GFA	148.34	162.85	180.32	197.51	211.72
2 months receivables	4337.87	4643.64	4877.45	5248.34	5559.52
Uncollected revenue	130.14	139.31	146.32	157.45	166.79
Total	4804.97	5139.36	5402.86	5807.10	6146.56
Less					
ACD, as projected by DHBVNL	3268.52	3587.12	3918.35	4262.74	4620.84
Net working capital	1536.45	1552.24	1484.51	1544.36	1525.72
Interest rate	9.85%	9.85%	9.85%	9.85%	9.85%
Interest cost	151.34	152.90	146.22	152.12	150.28

6.10.4 Summary of Net Interest & Finance charges for FY 2025-26 to FY 2029-30

UHBVNL

Guarantee fees has been projected by considering the 2% rate of interest on the new loans drawn during the respective years of the MYT Period.

On the basis of information submitted above the summary of the interest and finance charge for the third MYT Period are shown in the table below:

UHBVNL Proposed Net Interest & Finance Charges for MYT Control Period (Rs Crores)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Gross Int. on Capex loans	382.93	507.79	635.53	729.47	799.06
Less: Interest Capitalized	78.92	124.55	161.78	172.06	166.58
Net Int. on Capex Loans	**304.01**	**383.24**	**473.75**	**557.41**	**632.49**
Interest on WC loans	321.79	325.00	276.54	232.33	195.26
Interest on Security Deposits	142.92	150.30	158.12	166.41	175.19
Guarantee Fees	26.70	36.69	31.71	23.86	21.11
Net Interest & finance charges	**795.41**	**895.23**	**940.13**	**980.00**	**1,024.05**

UHBVNL prayed that the total estimated interest cost for ARR year, as above, may be allowed by the Commission.

DHBVNL

DHBVNL has submitted that in addition to the working capital interest expenses, other interest and finance charges and guarantee fee to the State Government on account of payment of guarantee fee for new loans have also been considered in the ARR on the basis of expenses incurred during FY 2023-24.

The summary of net Interest & Finance charges for MYT Control Period of DHBVNL is as under:

DHBVNL Projected Net Interest & Finance Charges (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Interest on Long Term CAPEX Loans	257.43	264.76	304.50	356.62	391.46
Interest on WC Loans	568.69	492.76	481.33	386.92	373.07
Interest cost on Consumer Security Deposit	231.38	253.31	276.11	299.82	324.48
Other Interest & Finance Charges	13.50	14.53	15.84	17.05	18.34
Guarantee Fee	58.00	35.00	28.00	24.50	36.50
Net Interest	**1,128.99**	**1,060.35**	**1,105.78**	**1,084.92**	**1,143.84**

DHBVNL has prayed that the above projected interest cost for each year of MYT Control Period may be allowed by the Commission in the ARR of the relevant year.

The Discoms have also proposed to recover certain other finance charges, guarantee fee, etc. The Commission allows the same as proposed, subject to true up. In light of the above discussion, the Commission approves interest cost of UHBVNL and DHBVNL for the FY 2025-26 to FY 2029-30 as under: -

HERC approved Total Interest Cost for the FY 2025-26 to FY 2029-30 UHBVNL (Rs. Crores)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Gross Int. on Capex loans	314.23	405.73	510.64	584.03	630.96
Less: Interest Capitalized	49.08	63.38	79.76	91.23	98.56
Net Int. on Capex Loans	**265.15**	**342.35**	**430.88**	**492.80**	**532.40**
Interest on WC loans	145.54	162.60	177.30	201.19	220.71
Interest on Security Deposits	142.92	150.30	158.12	166.41	175.19
Guarantee Fees/Other Interest and Finance Charges	26.70	36.69	31.71	23.86	21.11
Net Interest & finance charges	**580.31**	**691.94**	**798.01**	**884.26**	**949.41**

HERC approved Total Interest Cost for the FY 2025-26 to FY 2029-30 DHBVNL (Rs. Crores)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Gross Int. on Capex loans	376.54	437.02	475.63	486.84	486.39
Less: Interest Capitalized	198.34	230.20	250.54	256.44	256.20
Net Int. on Capex Loans	**178.20**	**206.82**	**225.10**	**230.40**	**230.19**
Interest on WC loans	151.34	152.90	146.22	152.12	150.28
Interest on Security Deposits	231.38	253.31	276.11	299.82	324.47
Guarantee Fees/Other Interest and Finance Charges	71.50	49.53	43.84	41.55	54.84
Net Interest & finance charges	**632.42**	**662.56**	**691.27**	**723.89**	**759.78**

6.11 Depreciation

Depreciation for ARR year is to be considered in accordance with Regulation 23 of the HERC MYT Regulations, 2024. The relevant excerpt is reproduced as under: -

"For the purpose of tariff determination, the depreciation shall be calculated in the following manner: -

(a) The value base of asset shall be the historical capital cost of the asset as admitted by the Commission. The historical capital cost shall include additional capitalization including foreign exchange rate variation, if any already allowed by the Commission up to 31st March of the relevant year.

(b) The residual value of the asset shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of historical capital cost of the asset;
Provided that the salvage value for IT equipment and software shall be considered as NIL and 100% value of the assets shall be considered depreciable.

(c) Depreciation shall be calculated annually over the useful life of the asset at the rates specified in Appendix II up to 31st March of the 12th year from the date of commercial operation of the asset. From 1st April of 13th year from the commercial date of operation of the asset, the remaining depreciable value if any out of the 90% of the capital cost of the asset shall be equally spread over the balance useful life of the asset.

The deprecation rates given in Appendix-I will be applicable w.e.f. 1.04.2025 only. The depreciation, in case of existing assets, up to 31.03.205 shall be considered as already allowed and shall not be re– visited.

Provided that the rate provided in Appendix I, are the upper ceiling of the rate of depreciation to be provided up to 12th year from the date of COD and the developer shall have the option of indicating, while seeking approval for tariff, lower rate of depreciation, subject to the aforesaid ceiling.

(d) Land shall not be considered as a depreciable asset and cost shall be excluded from the capital cost while computing depreciable value of asset.

(e) Depreciation shall be chargeable from the first year of commercial operation. In case of commercial operation of the asset for part of the financial year, then the depreciation shall be charged on pro rata basis;

(f) Depreciation shall not be allowed on assets (or part of assets) funded by consumer contribution (i.e., any receipts from consumers that are not treated as revenue) and capital subsidies / grants. Provision for replacement of such assets shall be made in the capital investment plan.

(g) Provided also that the capital cost of the assets of the hydro generating station for the purpose of computation of depreciated value shall correspond to the percentage of the sale of electricity under long-term power purchase agreement at regulated tariff.

(h) Provided also that any depreciation disallowed on account of lower availability of the generating station or unit or transmission system, as the case may be, shall not be allowed to be recovered at a later stage during the useful life or the extended life."

Depreciation amount for each year of MYT Control Period has been projected as per asset class wise depreciation rates on Opening GFA of respective year. Asset created from consumer contribution is adjusted with gross fixed asset for projecting depreciation expense for MYT control period.

Detail of depreciation as proposed by the licensees is provided in the table below: -

UHBVNL Proposed Depreciation for 2026-27 to 2029-30 (Rs Crore.)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Opening GFA	11,051.60	12,012.43	13,494.49	14,969.63	16,206.25
Depreciation on the assets	579.34	640.18	744.89	828.31	890.88
Less: Dep. on assets created by consumer cont. and grants	84.38	86.86	89.01	90.62	92.05
Depreciation Expenses	**494.96**	**553.32**	**655.89**	**737.69**	**798.83**
Average Depreciation rate	5.24%	5.33%	5.52%	5.53%	5.50%

UHBVNL has prayed that to allow the depreciation submitted above for the MYT Control Period.

DHBVNL Proposed Depreciation for FY 2025-26 *(Rs. Crore)*

Particulars	Opening GFA	Addition	Disposal	Closing GFA	Depreciation
Land & Rights	36	2	-	38	-
Building & Civil Structure	476	32	-	509	16
Plant & Machinery	14,357	1,571	79	15,848	797
Vehicles	36	7	0	43	4
Furniture & Fixtures	108	52	0	159	8
Software	26	2	-	27	4
Less: Dep. On assets from CC					226
Total	**15,038**	**1,667**	**80**	**16,625**	**604**

DHBVNL Proposed Depreciation for FY 2026-27 *(Rs. Crore)*

Particulars	Opening GFA	Addition	Disposal	Closing GFA	Depreciation
Land & Rights	38	2	-	40	2
Building & Civil Structure	509	37	-	546	37
Plant & Machinery	15,848	1,801	88	17,562	1,801
Vehicles	43	8	0	52	8
Furniture & Fixtures	159	59	0	219	59
Software	27	2	-	29	2
Less: Dep. On assets from CC					*246*
Total	**16,625**	**1,910**	**88**	**18,447**	**675**

DHBVNL Proposed Depreciation for FY 2027-28 *(Rs. Crore)*

Particulars	Opening GFA	Addition	Disposal	Closing GFA	Depreciation
Land & Rights	40	2	-	42	-
Building & Civil Structure	546	36	-	582	19
Plant & Machinery	17,562	1,728	97	19,192	970
Vehicles	52	8	0	60	5
Furniture & Fixtures	219	57	0	275	16
Software	29	2	-	31	5
Less: Dep. On assets from CC					266
Total	18,447	1,833	98	20,182	749

DHBVNL Proposed Depreciation for FY 2028-29 *(Rs. Crore)*

Particulars	Opening GFA	Addition	Disposal	Closing GFA	Depreciation
Land & Rights	42	2	-	44	-
Building & Civil Structure	582	29	-	611	20
Plant & Machinery	19,192	1,418	106	20,504	1,048
Vehicles	60	7	0	66	6
Furniture & Fixtures	275	47	0	322	19
Software	31	2	-	33	5
Less: Dep. On assets from CC					*271*
Total	**20,182**	**1,504**	**107**	**21,580**	**826**

DHBVNL Proposed Depreciation for FY 2029-30 *(Rs. Crore)*

Particulars	Opening GFA	Addition	Disposal	Closing GFA	Depreciation
Land & Rights	44	1	-	45	-
Building & Civil Structure	611	25	-	636	21
Plant & Machinery	20,504	1,191	114	21,582	1,111
Vehicles	66	6	0	71	7
Furniture & Fixtures	322	39	0	361	22

Particulars	Opening GFA	Addition	Disposal	Closing GFA	Depreciation
Software	33	1	-	34	5
Less: Dep. On assets from CC					*277*
Total	**21,580**	**1,733**	**121**	**24,544**	**888**

DHBVNL has prayed to allow projected depreciation cost as computed above.

The Commission approves the depreciation as proposed by the Discoms, which is subject to true-up, as tabulated below: -

HERC Approved Depreciation FY 2025-26 to 2029-30 UHBVNL (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Opening GFA	11051.48	11884.47	13320.28	14743.99	15918.63
Approved Depreciation cost	494.96	553.32	655.89	737.69	798.83

HERC Approved Depreciation FY 2025-26 to 2029-30 DHBVNL (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Opening GFA	14833.62	16285.07	18032.21	19751.39	21171.96
Approved Depreciation cost	604.38	674.83	748.59	826.29	888.47

6.12 Return on Equity

Discoms, in their petition, have submitted that the Return on Equity for ARR year has been projected in accordance with the Regulation 20 of MYT Regulations 2024. The relevant excerpt of the MYT Regulations is reproduced as follows:

"20. RETURN ON EQUITY
20.1. RoE for generation transmission and distribution, shall be allowed, after adding a premium over the 'Base Rate (BR)' based on the performance (both financial as well as operational parameters) of the power utilities, subject to a cap as under: -
a) Hydro Generators: BR + 6.5% = up to 13 %
Provided that the HEP with pondage or pump storage (PSP) will be eligible for an additional 1% RoE.
b) Generators other than Hydro: BR + 5.5% = up to 12%
c) Distribution Business: BR +7.5% = up to 14%
d) Transmission Business: BR + 4.5% = up to 11%.
Provided that the Base Rate (BR) in these Regulations shall be construed as last 2 years average rate (as on 1st April of the relevant financial year) of 10 years Government of India bond.
Provided, that the RoE for generation, transmission and distribution businesses, shall be allowed, after adding a premium over the 'Base Rate (BR)' .
Provided further that RoE shall not exceed 14% in any case. SLDC business shall not be eligible for RoE.

Provided where the tariff is determined for the entire useful life of the project the RoE allowed shall not be normally re-visited during the entire tariff period. Hence, the same shall be determined at 13% with additional 1% for HEPs with pondage or pump storage (PSP) and 12% for generators other than HEPs.

20.2. Return on equity shall be allowed on equity employed in assets in use considering the following and subject to Regulation 20.1 above:

i. Equity employed in accordance with Regulation 19.1 and 19.2 on assets (in use) commissioned prior to the beginning of the year; plus

ii. 50% of equity capital portion of the allowable capital cost for the assets put to use during the year.

Provided that for the purpose of truing up, return on equity shall be allowed from the COD on pro-rata basis based on documentary evidence provided for the assets put to commercial operation during the year.

Provided further that assets funded by consumer contributions, capital subsidies/Govt. grants shall not form part of the capital base for the purpose of calculation of Return on Equity.

20.3. Return on equity invested in work in progress shall be allowed from the actual date of commercial operation of the assets.

20.4. There *shall be no Return on Equity for the equity component above 30%."*

UHBVNL

UHBVNL, in its petition, submitted that the Return on equity is projected at the rate of 14% on average equity during each year of MYT Control Period. Detailed calculations of Return on Equity for MYT Control Period is tabulated as under:

UHBVNL Proposed Return on Equity for MYT Control Period (Rs Crores)

Particulars	**FY 2025-26**	**FY 2026-27**	**FY 2027-28**	**FY 2028-29**	**FY 2029-30**
Opening Share Capital eligible for RoE	2,528.47	2,658.93	2,844.90	3,035.46	3,207.06
Add: Equity Eligible for ROE (50% of assets use)	130.46	185.97	190.56	171.61	159.91
Closing Equity	2,658.93	2,844.90	3,035.46	3,207.06	3,366.97
Eligible Equity for RoE	**2,658.93**	**2,844.90**	**3,035.46**	**3,207.06**	**3,366.97**
Rate of Return on Equity	14.00%	14.00%	14.00%	14.00%	14.00%
Total Return on Equity	**372.25**	**398.29**	**424.96**	**448.99**	**471.38**

UHBVNL has prayed that to allow the Return on Equity for ARR year, as proposed.

DHBVNL

Return on equity is projected at the rate of 14% on average equity during each year of MYT Control Period. Detailed calculations of Return on Equity for MYT Control Period is tabulated as under:

DHBVNL proposed Return on Equity for MYT Control Period (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Opening Share Capital eligible for RoE	2,434.78	2,676.87	2,966.17	3,235.58	3,495.06
Add: Equity Eligible for ROE (50% of assets use)	242.09	289.3	269.41	259.48	209.8
Closing Equity	2,676.87	2,966.17	3,235.58	3,495.06	3,704.86
Eligible Equity for RoE	2,555.83	2,821.52	3,100.88	3,365.32	3,599.96
Rate of Return on Equity	14%	14%	14%	14%	14%
Total Return on Equity	357.82	395.01	434.12	471.14	503.99

The licensee has prayed that the projected Return on Equity for MYT Control Period may be allowed as above.

The Commission has considered the submissions of the licensees and observes that as per the MYT Regulations, 2024, ROE can be allowed on the eligible Equity Capital in use. The Commission, in the light of present petition, considering the non-implementation of the 'Fuel and Power Purchase Adjustment Methodology' prescribed in the Regulation 66 of HERC MYT Regulations, 2019 (3rd Amendment) Regulations, 2023, approves the rate of Return on Equity at 12% of average equity utilized in licensed business during the FY 2025-26 to FY 2029-30 to the Discoms.

The calculation of approved return on equity of UHBVNL considering the approved capital expenditure and its funding thereto and the estimated retirement of assets, is given in the following table:

Approved Return on Equity for MYT Control Period UHBVNL (Rs. Crore)

Description	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	ARR	**ARR**	**ARR**	**ARR**	**ARR**
Opening Equity	2609.51	2909.51	3379.90	3786.48	4092.37
Add: Equity received for GFA	300.00	470.39	406.58	305.89	270.69
Closing Equity	2909.51	3379.90	3786.48	4092.37	4363.06
Average Equity	2759.51	3144.71	3583.19	3939.42	4227.71
Rate of Return on Equity	12.00%	12.00%	12.00%	12.00%	12.00%
Normative Return on Equity	**331.14**	**377.36**	**429.98**	**472.73**	**507.33**
Proposed RoE	**372.25**	**398.29**	**424.96**	**448.99**	**471.38**
Approved RoE, w.e.is less	**331.14**	**377.36**	**424.96**	**448.99**	**471.38**

The Commission approves the RoE for UHBVNL as above for FY 2025-26 to 2026-27 and for FY 2027-28 to FY 2029-30, RoE as proposed by Nigam.

The calculation of approved return on equity of DHBVNL considering the approved capital expenditure and its funding thereto and the estimated retirement of assets, is given in the following table:

Approved Return on Equity for MYT Control Period DHBVNL (Rs. Crore)

Description	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	ARR	**ARR**	**ARR**	**ARR**	**ARR**
Opening Equity	2382.04	2762.04	3126.51	3418.78	3599.29
Add: Equity received for GFA	380.00	364.47	292.27	180.51	189.78
Closing Equity	2762.04	3126.51	3418.78	3599.29	3789.07
Average Equity	2572.04	2944.28	3272.65	3509.04	3694.18
Rate of Return on Equity	12.00%	12.00%	12.00%	12.00%	12.00%
Return on Equity	**308.65**	**353.31**	**392.72**	**421.08**	**443.30**

6.13 Bad and Doubtful Debts

Discoms, in the present petition, have submitted that provision for Bad and Doubtful debts is projected in accordance with Regulation 66 of HERC MYT Regulations, 2024. The relevant extract of HERC MYT Regulations, 2024 is reproduced as under:

> *"64 BAD AND DOUBTFUL DEBTS*
>
> *Bad and doubtful debts shall be allowed to the extent the distribution licensee has actually written off bad debts subject to a maximum of 0.5% of sales revenue. However, this shall be allowed only if the distribution licensee submits all relevant data and information to the satisfaction of the Commission. In case there is any recovery of bad debts already written off, the recovered bad debts will be treated as other income."*

UHBVNL

UHBVNL, in the present petition, had submitted the projections for Bad and doubtful debts for MYT Control Period is provided in the table submitted below:

UHBVNL proposed Bad and Doubtful Debts for MYT Control Period (Rs Crores)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Bad and Doubtful Debts	75.48	75.48	75.48	75.48	75.48

In view of above, Nigam has prayed to approve the provision for bad and doubtful debts as claimed above.

DHBVNL

DHBVNL, in the present petition, had submitted the projections for Bad and doubtful debts for MYT Control Period is provided in the table submitted below:

DHBVNL proposed Bad and Doubtful Debts for MYT Control Period (Rs Crores)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Provision for Bad & Doubtful Debts	100.37	107.23	114.61	122.55	131.72

In view of above, Nigam has prayed to approve the provision for bad and doubtful debts as claimed above.

The Commission is of the view that bad and doubtful debts shall be allowed during true up only and to the extent the distribution licensee has actually written off bad debts subject to a maximum of 0.5% of sales revenue i.e. within the four corners of the HERC MYT Regulations in vogue. Further, during true up, complete details of the bad and doubtful debts need to be submitted in the petition, as per the MYT regulations in vogue.

6.14 Non-Tariff Income

UHBVNL and DHBVNL, have requested that Non-Tariff Income for MYT Control Period is proposed to be kept equivalent to the actual non-tariff income for FY 2023-24.

Nigam(s) have requested that Hon'ble Commission may allow the estimated Non-tariff Income of Rs 125.02 crore to UHBVN and Rs 185.67 Crores to DHBVN for each year of the MYT Control Period for FY 2025-26 to FY 2029-30.

The Commission finds the proposed amounts of Non-Tariff Income reasonable, and approves the same.

6.15 Aggregate Revenue Requirement (ARR)

UHBVNL

The proposed Aggregate Revenue Requirement of UHBVNL, for MYT Control Period from FY 2025-26 to FY 2029-30, is tabulated as follows:

UHBVNL Proposed Aggregate Revenue Requirement for MYT Control Period (Rs Crore)

S.N	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	**Total Power Purchase Expense**	**15,995.87**	**17,540.89**	**18,669.92**	**20,462.52**	**22,092.94**
1.1	*Power Purchase Expense*	14,025.29	15,472.57	16,499.01	18,183.93	19,701.33
1.2	*Interstate transmission Charges*	*890.21*	*934.37*	*980.71*	*1,029.36*	*1,080.41*
1.3	*Intrastate transmission charges and SLDC charges*	*1,080.37*	*1,133.95*	*1,190.20*	*1,249.23*	*1,311.19*
2	**Operations and Maintenance Expenses**	**1,837.45**	**1,887.63**	**1,942.90**	**1,996.83**	**2,048.21**
2.1	*Employee Expense*	*973.33*	*997.43*	*1,022.13*	*1,047.44*	*1,073.38*
2.2	*Administration & General Expense*	*219.14*	*224.56*	*230.12*	*235.82*	*241.66*
2.3	*Repair & Maintenance Expense*	*194.99*	*215.64*	*240.64*	*263.57*	*283.17*
2.4	*Terminal Liability*	*450.00*	*450.00*	*450.00*	*450.00*	*450.00*
3	**Depreciation**	**494.96**	**553.32**	**655.89**	**737.69**	**798.83**
4	**Interest & Finance Charges**	**795.41**	**895.23**	**940.13**	**980.00**	**1,024.05**
4.1	*Interest on CAPEX loans*	304.01	383.24	473.75	557.41	632.49
4.2	*Interest on WC loans including CC/OD limits*	321.79	325.00	276.54	232.33	195.26

S.N	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
4.3	*Interest Cost on Consumer Security Deposit*	142.92	150.30	158.12	166.41	175.19
4.4	*Other Interest and Finance Charges*	26.70	36.69	31.71	23.86	21.11
5	**Return on Equity**	**372.25**	**398.29**	**424.96**	**448.99**	**471.38**
6	Other Expenses	**75.48**	**75.48**	**75.48**	**75.48**	**75.48**
7	**Aggregate Revenue Requirement**	**19,571.43**	**21,350.85**	**22,709.28**	**24,701.59**	**26,510.89**
8	Less: Non-Tariff Income	**125.02**	**125.02**	**125.02**	**125.02**	**125.02**
9	**Net Aggregate Revenue Requirement**	**19,446.41**	**21,225.83**	**22,584.26**	**24,576.50**	**26,385.87**

DHBVNL

The proposed Aggregate Revenue Requirement of DHBVN for each year of MYT Control Period for FY 2025-26 to FY 2029-30, is tabulated as under:

DHBVNL Proposed Aggregate Revenue Requirement for MYT Control Period (Rs Crore)

SN	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	**Total Power Purchase Expense**	**22,253.07**	**24,033.98**	**25,232.68**	**27,258.94**	**28,948.83**
1.1	*Power Purchase Expense*	*19,586.86*	*21,235.53*	*22,295.42*	*24,176.00*	*25,712.97*
1.2	*Interstate Transmission Charges*	*1,410.09*	*1,480.03*	*1,553.44*	*1,630.49*	*1,711.37*
1.3	*Intrastate Transmission Charges & SLDC Charges*	*1,256.12*	*1,318.42*	*1,383.81*	*1,452.45*	*1,524.49*
2	**Operation & Maintenance Expenses**	**2,273.57**	**2,329.90**	**2,397.83**	**2,453.20**	**2,514.49**
2.1	*Employee Expense*	*1,078.23*	*1,100.28*	*1,132.55*	*1,155.71*	*1,189.60*
2.2	*Administrative & General Expense*	*220.30*	*225.75*	*231.35*	*237.07*	*242.94*
2.3	*Repair & Maintenance Expense*	*267.69*	*296.51*	*326.59*	*353.07*	*374.60*
2.4	*Terminal Liability*	*707.35*	*707.35*	*707.35*	*707.35*	*707.35*
3	Depreciation	604.38	674.83	748.59	826.29	888.47
4	**Interest and Finance Charges**	**1,128.99**	**1,060.35**	**1,105.78**	**1,084.92**	**1,143.84**
4.1	*Interest on CAPEX Loans*	*257.43*	*264.76*	*304.50*	*356.62*	*391.46*
4.2	*Interest on WC Loans (normative)*	*568.69*	*492.76*	*481.33*	*386.92*	*373.07*
4.3	*Interest Cost on Consumer Security Deposit*	*231.38*	*253.31*	*276.11*	*299.82*	*324.48*
4.4	*Other Interest Cost*	*13.50*	*14.53*	*15.84*	*17.05*	*18.34*
4.5	*Guarantee Fee*	*58.00*	*35.00*	*28.00*	*24.50*	*36.50*
5	Return on Equity Capital	357.82	395.01	434.12	471.14	503.99
6	Provision for Bad & Doubtful Debts	100.37	107.23	114.61	122.55	131.72
7	**Total Expenditure**	**26,718.20**	**28,601.30**	**30,033.62**	**32,217.05**	**34,131.35**
8	Less: Non-Tariff Income	185.67	185.67	185.67	185.67	185.67
9	**Net Aggregate Revenue Requirement**	**26,532.52**	**28,415.63**	**29,847.94**	**32,031.38**	**33,945.68**

Based on the Commission's approved estimates of various components of the ARR, as discussed in the previous paragraphs, the approved Revenue Requirement (in Rs. Crores) for the FY 2025-26 to FY 2029-30 for the two Discoms is as under: -

UHBVNL Aggregate Revenue Requirement for MYT period FY 2025-26 to FY 2029-30 (Rs Crore)

	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	**Total Power Purchase Expense**	**16,221.58**	**17,540.89**	**18,669.92**	**20,462.52**	**22,092.93**
1.1	*Power Purchase Expense*	14,207.71	15,472.57	16,499.01	18,183.93	19,701.33
1.2	*Interstate transmission Charges*	890.21	934.37	980.71	1,029.36	1,080.41
1.3	*Intrastate transmission charges and SLDC charges*	1,123.66	1,133.95	1,190.20	1,249.23	1,311.19

	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
2	**Operations and Maintenance Expenses**	**1,835.84**	**1,884.64**	**1,939.17**	**1,992.24**	**2,042.63**
2.1	*Employee Expense*	972.78	996.97	1,021.75	1,047.15	1,073.17
2.2	*Administration & General Expense*	219.14	224.58	230.15	235.86	241.70
2.3	*Repair & Maintenance Expense*	193.91	213.10	237.27	259.24	277.75
2.4	*Terminal Liability*	450	450	450	450	450
3	**Depreciation**	**494.96**	**553.32**	**655.89**	**737.69**	**798.83**
4	**Interest & Finance Charges**	**580.31**	**691.94**	**798.01**	**884.26**	**949.41**
4.1	*Interest on CAPEX loans*	265.15	342.35	430.88	492.80	532.40
4.2	*Interest on WC loans including CC/OD limits*	145.54	162.60	177.30	201.19	220.71
4.3	*Interest Cost on Consumer Security Deposit*	142.92	150.3	158.12	166.41	175.19
4.4	*Other Interest and Finance Charges*	26.70	36.69	31.71	23.86	21.11
5	**Return on Equity**	**331.14**	**377.36**	**424.96**	**448.99**	**471.38**
6	Other Expenses	0	0	0	0	0
7	**Aggregate Revenue Requirement**	**19,463.83**	**21,048.16**	**22,487.95**	**24,525.70**	**26,355.18**
8	Less: Non-Tariff Income	125.02	125.02	125.02	125.02	125.02
9	**Net Aggregate Revenue Requirement**	**19,338.81**	**20,923.14**	**22,362.93**	**24,400.68**	**26,230.16**

DHBVNL Aggregate Revenue Requirement for MYT period FY 2025-26 to FY 2029-30 (Rs Crore)

	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	**Total Power Purchase Expense**	**22,403.88**	**24,033.98**	**25,232.67**	**27,258.94**	**28,948.83**
1.1	*Power Purchase Expense*	19,668.36	21,235.53	22,295.42	24,176.00	25,712.97
1.2	*Interstate transmission Charges*	1,410.09	1,480.03	1,553.44	1,630.49	1,711.37
1.3	*Intrastate transmission charges and SLDC charges*	1,325.43	1,318.42	1,383.81	1,452.45	1,524.49
2	**Operations and Maintenance Expenses**	**2,263.56**	**2,322.81**	**2,385.13**	**2,445.51**	**2,502.40**
2.1	*Employee Expense*	*1,072.80*	*1,099.55*	*1,126.96*	*1,155.06*	*1,183.85*
2.2	*Administration & General Expense*	*220.31*	*225.77*	*231.37*	*237.11*	*242.99*
2.3	*Repair & Maintenance Expense*	*263.10*	*290.14*	*319.45*	*345.99*	*368.21*
2.4	*Terminal Liability*	*707.35*	*707.35*	*707.35*	*707.35*	*707.35*
3	**Depreciation**	**604.38**	**674.83**	**748.59**	**826.29**	**888.47**
4	**Interest & Finance Charges**	**632.42**	**662.56**	**691.27**	**723.89**	**759.79**
4.1	*Interest on CAPEX loans*	178.20	206.82	225.10	230.40	230.19
4.2	*Interest on WC loans including CC/OD limits*	151.34	152.90	146.22	152.12	150.28
4.3	*Interest Cost on Consumer Security Deposit*	231.38	253.31	276.11	299.82	324.48
4.4	Other Interest Cost and Guarantee Fee	71.50	49.53	43.84	41.55	54.84
5	**Return on Equity**	**308.65**	**353.31**	**392.72**	**421.08**	**443.30**
6	Provision for Bad & Doubtful Debts	**0**	**0**	**0**	**0**	**0**
7	**Aggregate Revenue Requirement**	**26,212.89**	**28,047.49**	**29,450.38**	**31,675.71**	**33,542.80**
8	Less: Non-Tariff Income	185.67	185.67	185.67	185.67	185.67
9	**Net Aggregate Revenue Requirement**	**26,027.22**	**27,861.82**	**29,264.71**	**31,490.04**	**33,357.13**

6.16 Revenue Estimation

UHBVNL

UHBVNL, in its petition, has submitted that Revenue from sale of power is projected for ensuing year is calculated based on the projected sales and current level of retail supply tariff. Category wise revenue from sale of power is as below:

UHBVNL Proposed Revenue from Sale of Power for FY 2025-26 (Rs Crores)

Sr.No.	Consumer Category	Amount
1	Domestic	3,796.98
2	HT Supply	6,972.14
3	LT Supply	1,846.52
4	Agriculture	58.68
5	Lift irrigation	38.07
6	Bulk supply	289.33
7	Street lighting	57.12
8	PWW and Others	497.89
9	Agro Industries	2.20
10	Electric Charging Stations	0.91
11	**Total Energy Charge**	**13,559.84**
12	Fixed Charges	1,612.86
13	**Total Revenue**	**15,172.70**
14	Collection Efficiency	99.50%
15	**Revenue Realized**	**15,096.84**

DHBVNL:

DHBVNL, has submitted that category wise revenue from sale of power is given in table below:

DHBVNL Proposed Revenue from Sale of Power for MYT Control Period (Rs Crores)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Domestic	5,004.83	5,504.25	6,053.50	6,657.57	7,321.91
HT – Industry	8,646.83	9,150.75	9,684.04	10,248.40	10,956.32
LT – Industry	2,702.91	2,861.49	3,029.38	3,207.11	3,406.37
Agriculture/FPO	1.81	1.90	1.99	2.09	2.20
Agriculture	38.43	39.20	40.06	41.01	42.08
Bulk Supply	984.27	1,033.49	1,085.30	1,139.42	1,199.70
Public Services	882.78	930.79	981.41	1,034.79	1,091.09
Total Energy Charges	18,261.86	19,521.86	20,875.53	22,330.40	24,019.68
Fixed Charges	1,912.62	2,032.50	2,162.53	2,303.72	2,457.18
Total Revenue	**20,174.48**	**21,554.36**	**23,038.07**	**24,634.12**	**26,476.86**
Collection Efficiency	99.50%	99.50%	99.50%	99.50%	99.50%
Revenue Realised	**20,073.61**	**21,446.59**	**22,922.88**	**24,510.95**	**26,344.48**

UHBVNL and DHBVNL submitted that Revenue from inter-state sales is estimated on the basis of average variable power purchase cost and surplus power available during the year.

The Commission observed that the Discoms have proposed to garner revenue from inter-state sale of power for the FY 2025-26 on the basis of data shared by the petitioner(s) in their petition. The Commission is of the considered view that in case the Merit Order Dispatch

principle is strictly followed and the energy which is surplus is contracted to be sold at its variable cost/ ECR, the revenue generated would be higher than the average variable power purchase cost and would ultimately go towards reducing the power purchase cost. The Commission, instead of calculating revenue from interstate sale separately as a line item in the ARR, has preferred to calculate the power purchase cost only for the energy required for sale to the electricity consumers of Haryana. i.e. fixed cost for long term PPA's is considered to be pass through and the projected power purchase volume is allowed at the average variable cost. However, the approved revenue for both the discoms is as under:

Approved Revenue UHBVNL and DHBVNL- FY 2025-26 (Rs. Crore)

Approved Revenue at current tariff on intrastate sale	34663.22
Revenue from Interstate State	0.00
Total Revenue	**34663.22**

6.17 AP Tubewell Subsidy

UHBVNL and DHBVNL, have submitted that Agriculture Subsidy for MYT Control Period is kept equivalent to the subsidy allowed for base years i.e., FY 2024-25 in Tariff Order dated 5th March 2024.

The Commission observes that the Discoms have projected Agriculture Subsidy for the FY 2025-26 equivalent to the subsidy allowed for the FY 2024-25 in Tariff Order dated 05.03.2024 and also that there is no projection for estimated subsidy for power supplied to either the domestic consumers, MSME or for that matter any other consumer category. In line with the provisions of section 65 of the Electricity Act, there has to be commitment from State Government and the payment of subsidy has to be made in advance. The relevant section is reproduced as under: -

> *"Section 65. (Provision of subsidy by State Government): If the State Government requires the grant of any subsidy to any consumer or class of consumers in the tariff determined by the State Commission under section 62, the State Government shall, notwithstanding any direction which may be given under section 108, pay, in advance and in such manner as may be specified, the amount to compensate the person affected by the grant of subsidy in the manner the State Commission may direct, as a condition for the license or any other person concerned to implement the subsidy provided for by the State Government: Provided that no such direction of the State Government shall be operative if the payment is not made in accordance with the provisions contained in this section and the tariff fixed by State Commission shall be applicable from the date of issue of orders by the Commission in this regard."*

Based on the ARR and sales projections approved by the Commission in the subsequent portion of this order, the Commission has, based on the sample voltage vise losses submitted by the Discoms, arrived at the estimated cost of service for supply at HT and LT voltage levels i.e. Rs. 7.05/Unit for HT Supply and Rs. 7.3536/Unit for LT Supply. The calculation details have been provided in the present order. In case the Government Haryana, as per past practice decides to provide RE Subsidy u/s Section 65 of the Act on the tariff determined by this Commission under Section 62 of the Electricity Act, 2003, under intimation to this Commission, it will have to pay in advance, on a quarterly basis i.e. in April for the first quarter, in July for the second quarter, in September for the third quarter and in December 2025 for the fourth quarter. **Additionally, an unpaid subsidy (committed and not paid or paid partly) will also have to be paid without any further delay along with carrying cost for the period concerned at an interest rate as considered by this Commission for working capital borrowings by the Discoms**. **Based on the cost of service of LT consumers as given above and the approved estimate of sales to AP consumers, the calculation of AP subsidy is as given below: -**

	RE Subsidy calculation	**unit**	**value**
1	AP Tube-well sales approved for FY 2025-26	MU	9304.27
2	Cost/ Tariff per unit	Rs/kWh	7.3536
3	Estimated cost of service	Rs. Crores	6,841.99
4	Revenue at existing subsidized tariff	Rs. Crores	123.28
5	Subsidy required to keep the tariff at current levels = 3-4	Rs. Crores	6,781.71

6.18 Revenue Surplus / Gap for ARR year FY 2025-26

Based on the revised estimates for Aggregate Revenue Requirement of Haryana Discoms and proposed income, details of revenue gap for ARR year proposed by the utilities i.e. UHBVNL and DHBVNL are tabulated as follows:

Proposed Revenue (Gap)/Surplus for ARR year 2025-26 for both Discoms (Rs Cr.)

Sr. No.	Particulars	UHBVN	DHBVN	Haryana
1	**Net Aggregate Revenue Requirement**	**19,446.41**	**26,532.52**	**45,978.93**
2	**Total Revenue**	**17,831.57**	**23,996.26**	**35,886.66**
3	*Revenue from Interstate sales*	298.85	417.36	716.21
4	*Revenue from Intrastate sales / Sale of Power*	15,096.84	20,073.61	35,170.44
5	AP- Subsidy	2,435.88	3,505.29	5,941.17
6	**Revenue Surplus/(Gap)**	**(1,614.84)**	**(2,536.26)**	**(4,151.11)**
7	Revenue Surplus/(Gap) for FY 2023-24	**-**	**-**	**(327.39)**
8	Holding Cost for 1.5 years @8.5% for FY 2023-24			**(41.74)**
9	**Revenue Surplus/(Gap) after Regulatory Adjustment**			**(4,520.24)**

The Commission, based on approved Aggregate Revenue Requirement and revenue from sale of Power and AP Subsidy, determines revenue (gap)/surplus for ARR year FY 2025-26 for Haryana Discoms, as detailed as under: -

Approved Revenue (Gap)/Surplus for FY 2025-26 for both Discoms

Total ARR for FY 2025-26		**FY 2025-26**
UHBVNL	Rs. Crore	19338.81
DHBVNL	Rs. Crore	26027.22
Total ARR for FY 2025-26 (A)	Rs. Crore	**45366.03**
Revenue at current tariff on intrastate sale	Rs. Crore	34663.22
Revenue from Interstate State		0.00
Total Revenue (B)	Rs. Crore	34663.22
Total Sales for FY 2025-26 (C)	MU	62244.68
COS at LT level	Rs per unit	7.3536
AP sales for the FY 2025-26	MU	9304.27
Estimated Revenue from AP sales (E)	Rs. Crore	123.28
AP subsidy at LT COS (F)	Rs. Crore	6718.71
Subsidy for other consumers (G)	Rs. Crore	0.00
Total revenue incl Subsidy (H=B+F+G)	Rs. Crore	41381.93
Revenue surplus/(Gap) for FY 2025-26 at current tariff (H-A)	Rs. Crore	-3984.10
Revenue Surplus/(Gap) for FY 2023-24	Rs. Crore	721.72
Net Revenue Surplus/Gap for the FY 2025-26	Rs. Crore	-3262.38

CHAPTER 7

WHEELING CHARGES

7.1 Wheeling Charges

At the onset, the Commission observes that segregated accounts including voltage wise assets and losses for the distribution and retail supply business are a pre-requisite for determination of wheeling charges and cross-subsidy surcharge. The petitioner(s) have not estimated / projected wheeling charges to be recovered from the beneficiaries of its distribution system. Further, till the time 'carriage' and 'content' businesses are spun off as separate businesses the segregated costs would largely be based on assumptions only.

The Commission observes that the network establishment and operation cost as distinct from retail supply business including the power purchase cost, is about 7.00% of the net ARR of the Discoms.

Accordingly, the same has been considered by the Commission for working out the wheeling tariff for the FY 2025-26. The calculations and the methodology, in line with the previous year order, is presented in the table that follows:

HERC approved Wheeling Charges (FY 2025-26)

1 Network expenses (per kWh)		
a.	Network establishment and operation cost (7% of the net ARR) (Rs. Million)	31756.23
b.	Approved Energy available for sale to Discoms (MU)	69,160.76
c.	Expenses (Rs / kWh) (a/b)	**0.46**
2.1 Cost of losses in the system HT		
a	Approved Energy available for sale to Discoms (MU)	69,160.76
b	Distribution system losses (HT) (technical) %	3.50%
c	Losses (MU) (2.1a X 2.1b) Million Units	2394.174
d	Bulk supply power purchase rate for the Discoms (Rs. / kWh)	5.58
e	Total cost of losses (2.1dx2.1c) Rs. million	13359.49
f	Cost per unit of losses (Rs. /unit) (2.1e/1b)	**0.20**
2.2 Cost of losses in the system LT		
a	Approved Energy available for sale to Discoms (MU)	69,160.76
b	Distribution system losses (technical) %	8.44%
c	Losses (MU) (2.2a X 2.2b))	5833.796
d	Bulk supply power purchase rate for the Discoms (Rs. / kWh)	5.58
e	Total cost of losses (2.2dx2.2c) Rs. million	32552.58
f	Cost per unit of losses (Rs. /unit) (2.2 e/1b)	**0.47**
3.1 Wheeling Charges HT (Rs. / kWh) (1c+2.1f) rounded off		**0.66**
3.2 Wheeling Charges LT (Rs. / kWh) (1c+2.2f) rounded off		**0.93**

The Commission observes that the embedded open access consumers of the Discom's drawing power at 66kV or above imposes cost which is being borne by the Discoms. Hence besides the intra state transmission loss as determined by the Commission for FY 2025-26 in the ARR/Tariff order of HVPNL, such open access consumers shall also be liable to pay the distribution system network cost as determined above i.e. Rs. 0.46 per Unit, till such time they are consumers of the Distribution Licensees.

7.2 Cross-Subsidy Surcharge (CSS)

The regulation 65 of the HERC MYT Regulations, 2024 provides that the cross-subsidy surcharge shall be payable by all intra-State open access consumers, except those persons who have established captive generating station, and are availing open access for carrying the electricity to a destination for their own use.

The Cross-subsidy surcharge, as quantified by the Commission, shall also be payable by such open access consumer(s) who receives supply of electricity from a person other than the distribution licensee in whose area of supply he is located, irrespective of whether he avails such supply through transmission/distribution network of the licensee or not. The consumers located in the area of supply of a distribution licensee but availing Open Access exclusively on inter-State transmission system shall also pay the cross-subsidy surcharge as determined by the Commission.

Further, Section 42 of the Electricity Act, 2003 provides that the surcharge and the cross-subsidies shall be progressively reduced. The Commission has worked out CSS in line with the formula provided in the National Tariff Policy, 2016. The National Tariff Policy dated 28.01.2016 provides as under: -

> *"SERCs may calculate the cost of supply of electricity by the distribution licensee to consumers of the applicable class as aggregate of (a) per unit weighted average cost of power purchase including meeting the Renewable Purchase Obligation; (b) transmission and distribution losses applicable to the relevant voltage level and commercial losses allowed by the SERC; (c) transmission, distribution and wheeling charges up to the relevant voltage level; and (d) per unit cost of carrying regulatory assets, if applicable".*

The above is subject to the proviso that the surcharge shall not exceed 20% of the CoS applicable to the category of the consumers seeking open access. The Commission has considered the methodology prescribed by the National Tariff Policy dated 28.01.2016, while working out cross-subsidy surcharge in the present Order. The relevant provision of the NTP is reproduced below:

"Surcharge formula:

S= T – [C/ (1-L/100) + D+ R]

Where

S is the surcharge

T is the tariff payable by the relevant category of consumers, including reflecting the Renewable Purchase Obligation.

C is the per unit weighted average cost of power purchase by the Licensee, including meeting the Renewable Purchase Obligation.

D is the aggregate of transmission, distribution and wheeling charge applicable to the relevant voltage level.
L is the aggregate of transmission, distribution and commercial losses, expressed as a percentage applicable to the relevant voltage level.
R is the per unit cost of carrying regulatory assets (emphasis added).

The above formula may not work for all distribution licensees, particularly for those having power deficit (emphasis added), the State Regulatory Commissions, while keeping the overall objectives of the Electricity Act in view, may review and vary the same taking into consideration the different circumstances prevailing in the area of distribution licensee.

Provided that the **surcharge shall not exceed 20% (emphasis added)** of the tariff applicable to the category of the consumers seeking open access.

Provided further that the Appropriate Commission, in consultation with the Appropriate Government, shall **exempt levy of cross subsidy charge on the Railways**, as defined in Indian Railways Act, 1989 being a deemed licensee, on electricity purchased for its own consumption.

No surcharge would be required to be paid in terms of sub-section (2) of Section 42 of the Act on the electricity being sold by the generating companies with consent of the competent government under Section 43 (A) (1) (c) of the Electricity Act, 1948 (now repealed) and on the electricity being supplied by the distribution licensee on the authorization by the State Government under Section 27 of the Indian Electricity Act, 1910 (now repealed), till the current validity of such consent or authorization.

The surcharge may be collected either by the distribution licensee, the transmission licensee, the STU or the CTU, depending on whose facilities are used by the consumer for availing electricity supplies. In all cases the amounts collected from a particular consumer should be given to the distribution licensee in whose area the consumer is located. In case of two licensees supplying in the same area, the licensee from whom the consumer was availing supply shall be paid the amounts collected". The Commission has, estimated cost of service based on the above formula, relying on the indicative voltage wise losses submitted by the two licensees.

UHBVNL:

UHBVNL provided the details as part of additional information as below:

Voltage level and losses	Loss %age
33 kV Line Losses	0.27%
33 kV Transformer Losses	0.50%
11 kV Line Losses	2.68%
11 KV Transformer Losses	1.09%
LT Line Losses	4.51%
Total	**9.05%**

DHBVNL

DHBVNL provided the additional information regarding voltage wise losses for working out CoS (HT, LT):

Voltage level and losses	Loss %age
33 kV Line Losses	0.22%
33 kV Transformer Losses	0.25%
11 kV Line Losses	3.28%
11 KV Transformer Losses	0.70%
LT Line Losses	4.87%
Total	**9.33%**

The Commission observes that the petitioner (s) have not submitted consumer category wise losses along with the petition. In the absence of a comprehensive consumer category wise CoS filed by the Discoms, the Commission, in line with the APTEL's judgement dated 30.05.2011 in Appeal No. 102,103 & 112 of 2010 had adopted the methodology suggested by the Hon'ble APTEL in the ibid judgement dated 30.05.2011 for broadly working out voltage wise CoS for the FY 2025-26.

In line with the National Tariff Policy, the Commission has calculated the voltage wise CoS and Cross Subsidy Surcharge. The difference between technical losses so determined and actual total distribution system losses are considered to be on account of reasons other than technical losses and are therefore taken as commercial losses. The commercial losses so determined have been apportioned between HT and LT voltage levels in proportion to annual gross energy sales at these voltage levels. The annual gross energy sales at the given voltage levels has been taken as the sum of energy consumption of all consumer categories connected at that voltage plus the technical distribution losses corresponding to that voltage level as worked out in the voltage wise loss calculations as per the details provided in the table below: -

Calculation of Voltage wise losses for the FY 2025-26

		UHBVNL	DHBVNL	Total
1a	HT sales	11,049.35	14,409.83	25,459.19
1b	LT sales	15,056.47	21,729.02	36,785.49
1	Total Sales	26,105.83	36,138.85	62244.68
2	Losses %			
2a	HT	3.45%	3.76%	
2b	LT	9.05%	9.33%	
3	Loss units			
3a	HT	380.74	541.66	922.40
3b	LT	1361.97	2026.78	3388.75
	Total loss units	1742.71	2568.44	4311.14
4	Sales grossed up by Technical losses (1+3)			
4a	HT	11430.10	14951.49	26381.58
4b	LT	16,418.44	23,755.80	40174.24
	Total Gross Sales	27,848.53	38,707.29	66,555.82
5	Combined Technical losses			
5a	HT (3a/4a)			3.50%
5b.	LT (3b/4b)			8.44%
5	Total			6.48%
6	Total Distribution Losses	2613.45	3617.86	6231.32
7	Total Commercial losses (6-3)	870.75	1049.42	1920.17
8	Commercial losses allocated to HT and LT based on grossed up units (4)			
8a	HT	357.39	405.36	762.75
8b	LT	513.36	644.06	1157.42
9	Total Voltage level distribution losses (3+8)			
9a	HT	738.13	947.02	1685.15
9b	LT	1875.33	2670.84	4546.17
				6231.32
10	Combined Technical and Commercial losses at Distribution level			
10a	HT			6.21%
10b	LT			11.00%

In line with the voltage wise (HT and LT Voltages) the distribution losses as worked out above, the calculations for CSS as per National Tariff Policy formula for the FY 2024-25 is as under:

Cost of Service for FY 2025-26

	Cost of Service as per National Tariff Policy 2025-26	
	Elements of cost of service	
1	Per Unit Weighted average cost of power at State/ Discom periphery (Paisa/kWh)	523.08
2	Aggregate of transmission, distribution and wheeling charges:-	
	Intrastate Transmission cost at consumers end (Paise/kWh) (Transmission and SLDC cost/ sales) Paisa / kWh	39.35
	Distribution (net of power purchase cost) and Wheeling cost at consumers end (Paise/kWh)	108.29
3	Aggregate of transmission distribution and commercial losses applicable to the relevant voltage level (%)	675.94
	HT	6.21%
	LT	11.00%
4	Cost of Service	
	C/(1-L/100)+D+R	
	HT (Paise / kWh)	705.34
	LT (Paise / kWh)	735.36
	Average CoS	**728.83**

The above loss allocation is reflected in the energy allocators at HT and LT voltage levels i.e. lower cost attributed to the HT consumers and higher cost attributed to the LT Consumers. Thus, the Cost of Service in the case of HT Consumers is comparatively lower than that of the consumers receiving electricity supply at LT voltage. The CSS has been worked out as the difference between the applicable tariff and voltage wise CoS computed as above. The Cross-subsidy surcharge for the FY 2025-26, as per the NTP formula, shall be as per the table that follows: -

Cross-subsidy surcharge for FY 2025-26 (Rs/kWh)

	Category	CoS (Rs./kWh)	Tariff (FC + EC) (Rs./kWh)	Cross Subsidy Surcharge (Rs./kWh)	CSS Limited to 20% as per NTP
		1	2	3= 2-1	
1	HT Supply	7.05	8.46	1.41	1.41
2	Bulk Supply (other than DS)	7.05	7.60	0.55	0.55
3	LT Supply	7.35	7.66	0.31	0.31

The applicable CSS has been restricted to 20% (+/-) limit in accordance with the National Tariff Policy.

CHAPTER 8

RENEWABLE PURCHASE OBLIGATION (RPO)

Section 61 (h) read with Section 86 (1) (e) of the Electricity Act, 2003 cast statutory obligation on the Commission to promote cogeneration and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, a percentage of the total consumption of electricity in the area of distribution licensee, for mandatory purchase of electricity from such sources.

In pursuance to the above statute, the Commission notified the Haryana Electricity Regulatory Commission (Terms and Conditions for determination of Tariff from Renewable Energy Sources, Renewable Purchase Obligation and Renewable Energy Certificate) Regulations, 2021 (2nd Amendment), 2022, on 03.01.2023, pursuant to the RPO trajectory notified by the Ministry of Power on 22.07.2022. Regulation 62 of the ibid Regulations, has specified the RPO obligation, as under: -

Year	Wind RPO	HPO	Other RPO	Total RPO
2023-24	1.60%	0.66%	24.81%	27.08%
2024-25	2.46%	1.08%	26.37%	29.91%
2025-26	3.36%	1.48%	28.17%	33.01%
2026-27	4.29%	1.80%	29.86%	35.95%
2027-28	5.23%	2.15%	31.43%	38.81%
2028-29	6.16%	2.51%	32.69%	41.36%
2029-30	6.94%	2.82%	33.57%	43.33%

(a) **Wind RPO** shall be met only by energy produced from Wind Power Projects (WPPs), commissioned after 31st March 2022. Further, Wind RPO may also be met from the wind energy consumed over and above 7% of the total energy consumption, from WPPs commissioned till 31.03.2022.

(b) **Hydro power Purchase Obligation (HPO)** are to be met from Large (LHPs) or Small Hydro Power Projects (SHPs) including Pumped Storage Projects (PSPs), commissioned after 8th March 2019.

(c) **Other RPO** may be met by energy produced from any RE power project not mentioned in (a) and (b) above.

Additionally, the following percentage of total energy consumed, excluding consumption met from RE sources and hydro sources, was specified for the renewable energy along with/through storage, including pumped storage projects (PSPs) having capacity more than 25 MW:

F.Y.	Storage (on Energy basis)
2023-24	1.0%
2024-25	1.5%
2025-26	2.0%

2026-27	2.5%
2027-28	3.0%
2028-29	3.5%
2029-30	4.0%

In compliance of RPO targets set by the Commission for the FY 2023-24, the Discoms have filed their compliance report, vide letter no. Ch-30/CE/HPPC/SE/C&R-1/LTP-III/RPO dated 08.05.2024, as under: -

Particulars		FY 2023-24
Total Energy consumption (in Mus) for the FY 2023-24, eligible for RPOs as per HERC ARR order dated 15.02.2023.	1	39497
RPO Required under category "other RPO" (in %)	2	24.81
RPO required under category "WPO" (in %)	3	1.60
RPO Required under category "HPO" (in %)	4	0.66
RPO target required "other RPO" (MUs)	5=1*2/100	9799
RPO target required "wind RPO" (MUs)	6=1*3/100	632
RPO target required "HPO" (MUs)	7=1*4/100	261
No. of MUs generated/purchased from Renewable energy sources in "other RPO- category	8	15258
No. of MUs generated/purchased from Renewable energy sources in "WPO" category	9	931
No. of MUs generated/purchased from Renewable energy sources in "HPO" category	10	817
Shortfall (-)/Surplus (+) (other RPO)	11=8-5	+5458
Shortfall (-) /Surplus (+) (WPO)	12=9-6	+299
Shortfall (-) Surplus (+) (HPO)	13=10-7	+556

The Commission observes that the Discoms had applied for issuance of REC for the procurement of renewable energy over and above the target set by the Commission, for the FY 2023-24. Discoms got the data validated from SLDC and some of the values got re-stated as under: -

Particulars		FY 2023-24
Total Energy consumption (in Mus) for the FY 2023-24, eligible for RPOs as per HERC ARR order dated 15.02.2023.	1	39497
RPO Required under category "other RPO" (in %)	2	24.81
RPO required under category "WPO" (in %)	3	1.60
RPO Required under category "HPO" (in %)	4	0.66
RPO target required "other RPO" (MUs)	5=1*2/100	9799
RPO target required "wind RPO" (MUs)	6=1*3/100	632
RPO target required "HPO" (MUs)	7=1*4/100	261
No. of MUs generated/purchased from Renewable energy sources in "other RPO- category	8	15262
No. of MUs generated/purchased from Renewable energy sources in "WPO" category	9	931
No. of MUs generated/purchased from Renewable energy sources in "HPO" category	10	817
Shortfall (-)/Surplus (+) (other RPO)	11=8-5	+5463

Particulars		FY 2023-24
Shortfall (-) /Surplus (+) (WPO)	12=9-6	+299
Shortfall (-) Surplus (+) (HPO)	13=10-7	+556

Accordingly, certificates were issued to UHBVNL and DHVBNL regarding their eligibility for issuance of RECs, in respect of surplus in 'wind RPO', 'HPO' and 'other RPO' is 299 Mus, 556 MUs and 5463 Mus, respectively.

HAREDA is obligated to monitor and report compliance by other obligated entities as well. In this regard, the Commission had also directed HAREDA, vide memo no. 508/HERC/Tariff dated 23.05.2024, to proceed in line with regulation 65 "Effect of Default' of the HERC RE Regulations in vogue, against the defaulting obligated entities including the CPP of 5 MW and above and open access consumers. HAREDA was further directed to sensitize the consumers and the obligated entities, the need to contribute towards greening the power sector.

In accordance with the provisions of the HERC RE Regulations in vogue, the RPO for the FY 2025-26 is 33.01% of the total energy consumption of the Discoms. The approved RPO for the FY 2025-26 is as under: -

Energy Consumption for 2025-26 (MU)	%age of Wind RPO of energy Consumption	Wind RPO (MU)	%age of HPO of energy Consumption	HPO (MU)	Other RPO as %age of energy sales	Other RPO (MU)	Total renewable energy required to be purchased (MU)	Energy Storage	Energy Storage (MU)
54126*	3.36%	1818	1.48%	801	28.17%	15247	17867	2%	1082

* Energy available for sale by DISCOMs has been taken net of intra-state transmission losses, excluding energy purchased from RE sources and Hydro.

The volume of energy to be purchased from renewable energy sources as per above table is the total RPO of the Discoms for the FY 2025-26. DISCOMs are advised to ensure that the Solar RPO data provided by them to HAREDA includes energy generated by Rooftop solar system also.

The State Nodal Agency i.e. HAREDA shall continue submitting quarterly status of RPO met by the obligated entities for the last quarter, separately for Wind RPO, HPO, other RPO and energy storage, in accordance with the provisions of regulations 64 (3) of the Haryana Electricity Regulatory Commission (Terms and Conditions for determination of Tariff from Renewable Energy Sources, Renewable Purchase Obligation and Renewable Energy Certificate) Regulations, 2021.

The Discoms and other obligated entities are directed to provide requisite information to the State Agency on monthly basis by 10th of every month for the previous month to enable the State Agency to submit quarterly report to the Commission.

CHAPTER 9

ADDITIONAL TARIFF ISSUES

UHBVNL and DHBVNL, in its petition, in addition to the True-up of FY 2023-24, Business Plan for FY 2025-2029, Capex Plan for FY 2025-29, Mid-Year Performance Review for FY 2024-25 and Aggregate Revenue Requirement of FY 2025-26 to FY 2029-30, have submitted few additional issues/clarifications that may require consideration from the Commission. Discoms have prayed to the Commission to peruse and consider the following issues for ease of implementation of tariff order.

9.1 Authorization to reduce the timing period of ToD (November to March).

As per the approved ToD tariff by the Hon'ble Commission, it has to be introduced for six months starting from November to March. Hon'ble Commission may be requested that DISCOM may be authorized to decide the period of implementing the approved ToD depending upon the availability of power/demand.

Commission Observations:

The Commission has examined the submissions of the petitioner (s) and observes that the timing of ToD is proposed to be reduced from six months to 5/4 months. Whereas, the timing of ToD is already 5 months i.e. from November to March. Further, there is no specific proposal of the Discoms backed by adequate data/analysis of the load curve and availability of cheaper solar power under different time blocks of the day and months. Hence, there is no merit in the submissions of the petitioner (s).

9.2 Clarification regarding 200 kVA transformer for EV

Discoms have submitted that the Commission in the Tariff order of 05.03.2024 vide Note given under schedule of tariff at No. 21, has mentioned that: -

"For the EV charging stations the cost of HT transformers and associated equipment shall be borne by the power utilities up to a load of 200 kW (out of CSR fund of Discoms) as the request of BEE and HAREDA."

Discoms have further submitted that the term "associated equipment" has been interpreted differently by the different field offices. Therefore, in order to impart a clarity on this matter, it may be clarified as to which items are to be covered under "associated equipment" pertaining to HT Transformers.

There has been a rapid growth in the number of applications being received for EV Charging Stations in Haryana and that applicants in majority of the cases are Oil Marketing Companies (OMCs) (namely BPCL, IOCL, and HPCL) which are Maharatnas (greater than Rs. 5000 Crs of net profit in three consecutive years and annual average net worth of more than Rs. 15,000 Crs) and are highly profitable.

The small items apart from HT DT may not significantly rein in the cost of installation for an individual applicant, however, for multiple connections, total cost of associated equipment of DT may significantly affect other activities which are to be done by DISCOMs from CSR funds.

Discoms have proposed that since, apart from Distribution Transformer, only platform set is required to support its installation, therefore, the Hon'ble Commission may clarify that associated equipment refers to the "platform set" or may consider removing this term.

Commission Observations:

The Commission has considered the submissions of the petitioner (s) and observes that the ibid provisions are governed by Haryana Electricity Regulatory Commission Terms and Conditions for setting up Charging Infrastructure, Tariff and other Regulatory issues for Electric Vehicles), Regulations, 2021, as amended from time to time. Therefore, the same does not form part of the schedule of tariff, as averred by the petitioner (s).

9.3 Revision in the General & Miscellaneous Charges

Discoms have submitted that the General and Miscellaneous (G&M) charges levied by DHBVN form a vital component of its overall revenue stream, enabling the recovery of expenditures associated with various ancillary services extended to end consumers. Given the upward trajectory of operational costs and the imperative to maintain a financially sustainable position, a revision of these charges has become necessary to align with current and future demands. DHVBNL has further the existing rates as well as proposed rate of General and Miscellaneous charges.

Commission Observations:

The Commission has examined the submissions of the petitioner (s) and observes that 'Schedule of General and Miscellaneous Charges for Distribution and Transmission Licensee' was approved on 27.05.2019, vide a separate order of this Commission. Therefore, the same does not form part of the matters to be discussed in the present petition.

CHAPTER 10

TIME OF DAY/USE TARIFF

10.1 ToD / ToU Tariff / Night-time Concessional Tariff for FY 2025-26

The Commission had introduced ToD tariff, to enable the distribution licensee to flatten its load curve, vide ARR/Tariff Order dated 30.03.2022 and further certain amendments were introduced vide orders dated 15.02.2023 and 05.03.2024. Such dispensations would benefit Discoms in terms of saving of additional power purchase cost during the peak months / hours as well as incurring cost on augmentation of transmission / distribution and wheeling network. While the consumers will benefit in terms of reduction in energy bills by shifting their demand to off peak periods. Additional charge is levied for consumption of electricity during peak-hours and rebate is allowed for consumption during off-peak hours, in order to incentivize consumers to shift their consumption from peak to off-peak hours, for flattening of the load curve and minimizing the cost of power procurement to the distribution licensee.

The distribution licensee i.e. UHBVNL, on behalf of both the Discoms, vide its Memo No. Ch-02/RA/F-25/Vol-81 dated 22.03.2022, with reference to the letter to the MDs of the Discoms, from the Govtt. Haryana / Power Department Memo No. Ch-238/DSO-512 has made the following submissions, which were approved by the Commission in the Tariff Order dated 30.03.2021: -

i. Concessional Tariff or power drawn during off peak hours i.e. 21:00 to 05:30 hours in excess of normal consumption during the corresponding month in the preceding year will be optional and will be available only to HT Consumers, including furnaces, who opt for the scheme, during the period November to March.

ii. The HT Consumer, desirous of availing this tariff as per the terms and conditions proposed by the Discoms, shall submit the application to the Chief Engineer / Commercial of respective Discom.

iii. The Committee comprising of Chief Engineer/Commercial and SE / Metering & Protection shall clear the applications, as far as possible, within the same day. However, the decision shall in no case be delayed beyond three working days from the date of receipt of the application.

iv. The Tariff, as given below, which shall be exclusive of FSA, ED and M. Tax, would be applicable for the energy drawn during off peak hours i.e. 21:00 to 05:30 hours over and above normal consumption in the corresponding month of the preceding year. The energy drawn over and above the normal consumption, on which concessional tariff would apply, would be equal to lesser of, where

x= Cumulative change in consumption during night hours (21:00 Hrs to 05:30 Hrs) over the entire billing cycle

y= Cumulative change in total consumption during the 00:00 to 24:00 hours over the entire billing cycle.

v. The base consumption for working out the change in consumption would be decided by the Nigam on case-to-case basis keeping in view the factors like seasonality, load/CD extension etc.

vi. The concessional tariff from November 2021 to March 2022 (for time slot of 21:00 to 05:30) shall be as under:

TOU/TOD Tariff

a)	HT Consumers on 11/33 kV	: Rs 4.25/kVAh
b)	HT Consumers on 66 kV and above	: Rs 3.75/kVAh

vii. Once opting to avail concessional tariff, the consumer would continue to be charged concessional tariff for the entire duration of the Scheme from November to March. The billing under concessional tariff shall commence from start of billing period immediately following the date of acceptance of the application of the consumer.

viii. Other terms & conditions of this tariff shall remain as per the ongoing approved concessional tariff scheme.

ix. In respect of HT industry (including Arc furnace) HT NDS, Bulk Supply (other than Bulk Domestic), the approved ToD/ToU Tariff shall be as under: -

Period	Differential Tariff	Time
Off-Peak Hours	For incremental consumption: - HT Consumers on 11/33 kV- Rs 4.25/kVAh HT Consumers on 66 kV & above- Rs 3.75/kVAh	09:00 P.M to 05:30 A.M
Peak Hours	Normal Energy charges and applicable PLEC charges	5:30 P.M to 09:00 P.M
Normal Hours	Normal Energy charges	05:30 A.M to 5:30 P.M

	determined by the Commission	
Demand Charges	As determined by the Commission - shall be the same for all categories of consumers.	

The Commission observes that the above ToD/ToU is already in vogue in Haryana and in absence of any specific proposal of the Discoms in this regard, approves the continuity of ToD/ToU tariff scheme as approved in the tariff order dated 05.03.2024.

The benefit of the scheme shall be extended to all other consumers also where there is a provision in the installed meters for recording consumption in the particular time slot(s).

The concessional off – peak tariff / night time concession shall also be applicable for the EV Charging stations for the entire energy drawl during the off-peak hours.

The ToD / ToU dispensation in vogue shall continue in the control period from FY 2025-26 to 2029-30, the timing of which shall be 9 P.M to 5.30 A.M or the time slots decided by the Discoms and as per the period/months decided by discoms depending upon the availability of power/demand considering power surplus scenario after giving it a wide publicity provided there is a provision in the installed meters for recording consumption in the particular time slot(s).

The Commission has further observed that the Ministry of Power (MoP) had notified the Electricity (Rights of Consumers) Amendment Rules, 2023 on 14th June, 2023. The Electricity (Rights of Consumers) Amendment Rules, 2023, provides that the time of day (ToD) tariff for commercial and industrial consumers during peak hours of the day shall not be less than 1.2 times the normal tariff and for other consumers, it shall not be less than 1.1 times the normal tariff. The rule no 8A inserted in the existing rules, read as under:

"(8A) ***Time of Day Tariff****. -The Time of Day tariff for Commercial and Industrial consumers having maximum demand more than ten Kilowatt shall be made effective from a date not later than 1st April, 2024 and for other consumers except agricultural consumers, the Time of Day tariff shall be made effective not later than 1st April, 2025 and a Time of Day tariff shall be made effective immediately after installation of smart meters, for the consumers with smart meters:*

Provided that, the Time of Day Tariff specified by the State Commission 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:

Provided further that, tariff for solar hours of the day, specified by the State Commission shall be at least twenty percent less than the normal tariff for that category of consumers:

Provided also that the Time of Day Tariff shall be applicable on energy charge component of the normal tariff:

Provided also that the duration of peak hours shall not be more than solar hours as notified by the State Commission or State Load Despatch Centre.

***Explanation: -** For the purposes of this rule, the expression "solar hours" means the duration of eight hours in a day as specified by the State Commission."*

Accordingly, the Commission directs Discoms, to file a separate petition, in line with the ibid notification of the MoP, dated 14.06.2023, with a specific proposal for approval and implementation of ToD Tariff for the electricity consumers of the State other than AP consumers. The petition should be filed duly supported by the complete data of load curve in different time slots of the day and months. The consumer category wise consumption data for the proposed time slots, may be utilized in determining the ToD structure. Further, data/details such as Average Market Clearing Price during different months/time-slots, peak and off-peak hours, solar and non-solar hours etc., should also be provided. The proposal should also include the tariff for the peak/ off-peak /solar / non-solar hours and the impact of the ToD implementation on the load curve (daily and seasonal basis) as well as on the overall revenue.

CHAPTER 11

DISTRIBUTION & RETAIL SUPPLY TARIFF

The Discoms, in their petition, submitted that the Aggregate Revenue Requirement for FY 2025-26 is estimated based on the audited accounts for FY 2023-24 and in accordance with the HERC MYT Regulations. Discoms have submitted that for True-up year FY 2023-24, Haryana Discoms are in a revenue deficit of 369.13 crores, whereas revenue deficit for the ARR year FY 2025-26 has a revenue deficit of Rs 4520.24 Cr.

Considering the same, the Commission, after holding a public hearing in the matter, in its interim order dated 16.01.2025, directed the Discoms to file the specific proposal regarding the consumer category-wise tariff hike as well as the amount (Rs/crore), in order to meet the revenue gap. However, even after a lapse of two and half months, the same was not filed in the Commission. The Commission has examined the provisions of Section 64 (3) of the Electricity Act, 2003, which provides that the appropriate Commission shall, within one hundred and twenty days from receipt of an application under sub-section (1) and after considering all suggestions and objections received from the public, issue a tariff order accepting the application with such modifications or such conditions as may be specified in that order.

In view of the above, the Commission observes that it is duty bound to pass the order within the specified time frame.

The Commission observes that largely on account of increase in power purchase cost caused by inflationary factors, there is un addressed revenue gap of Rs. 3262 crore has emerged in the FY 2025-26, taking the revenue at current tariff and restricting the RoE to 12%. Resultantly, the tariff is required to be realigned to garner about Rs. 3262 Crore. The Commission observes that power purchase cost including operations & maintenance expenses are increasing due to average inflation rate. Whereas, there is no corresponding tariff hike in the last seven years.

The primary objectives of the Electricity Act, 2003 includes that the generation, distribution and supply of electricity are conducted on commercial principles as well as safeguarding of consumers interest and at the same time, recovery of the cost of electricity in a reasonable manner. Hence, the Commission has to strike a fine balance between the Distribution Licensee(s) as well as the electricity consumers so that quality power is delivered at a

reasonable cost. The Commission, while rationalizing the consumer category wise tariff, has kept in mind the principles of tariff determination as per Sections 61 and Section 62 of the EA, 2003, the Tariff Policy, 2016 including the limits of Cross – Subsidy surcharge and the MYT Regulations in vogue.

The Commission is conscious of the fact that the Discoms have not proposed any change in the rates or in the tariff design per.se. However, as also upheld by the Hon'ble APTEL that the Commission has the power to design the tariff as per its own wisdom and the Commission need not, before issuing the actual order, publicly announce the tariff it proposed and call for public comments. (Cf. Appeal No. 106 of 2008).

Section 61 of the Electricity Act 2003, provides that the Commission, is to be guided inter-alia, by the National Electricity Policy, the National Tariff Policy and the following factors, while, determining the tariff as under: -

1. **The distribution and supply of electricity are conducted on commercial principles;**
2. **Encourage competition, efficiency, economical use of resources, good performance, and optimum investment;**
3. **Safeguarding of consumers interest and at the same time, recovery of the cost of electricity in a reasonable manner;**
4. **That the tariff progressively reflects the cost of supply of electricity, and also reduces cross subsidies in the manner specified by the Commission;**
5. **That efficiency in performance is to be rewarded; and**
6. **That a multi-year tariff framework is adopted.**

Section 62(5) of the Electricity Act 2003, empowers the Commission to specify, from time to time, the methodologies and the procedure to be observed by the licensees in calculating the Expected Revenue from the tariff and charges. The Commission had accordingly notified the Haryana Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2024 on 29.10.2024 and determines the tariff as per these regulations and various orders / directions issued by this Commission from time to time.

Tariff Philosophy

The Haryana DISCOMs, cater to a wide spectrum of consumers ranging from small and marginal domestic consumers to large HT consumers including Bulk Supply, Railways as well as supply

availed by State Government agencies such as Public Water Works, Lift Irrigation as well as Street Light Supply. All these categories of electricity consumers in Haryana have different ability to pay for the cost of supply of electricity as well as their ability to absorb or pass on the cost of electricity imposed on them. The Industrial/Commercial consumers including the bulk supply and Railways are better positioned to pass on wholly or partly the cost of electricity to their respective consumers which may not be true for the Domestic and small Industrial/Commercial consumers. Thus, the small and marginal consumers with limited paying capacity may not be able to pay the full cost of supply, whereas consumers with higher paying capacity would be able to pay the full cost of supply or beyond the full cost of supply i.e. such consumers would be able to cross subsidize the consumers who would be paying less than the cost of supply. Considering the socio-economic conditions in Haryana, the Commission is of the considered view that cross-subsidy as determined within the limits specified in the National Tariff Policy has to continue for some more time. Hence, the Commission, for the FY 2025-26, decides to continue with the approach of fixing tariff at less than average cost of supply to consumers who are not able to pay the full cost of supply and fixing tariff at more than the average cost of supply to consumers who are able to pay full cost of supply. In the case of AP Consumers, the Haryana Government has been traditionally paying the subsidy to the extent of the difference between the existing tariff and cost to serve for such consumers estimated by this Commission for the relevant financial year taking into consideration the AP sales as allowed by the Commission. Thus, in accordance with section 65 of the Electricity Act 2003, Haryana Government shall pay subsidy at the Commission determined tariff.

The Commission, in all its previous distribution and retail supply Orders, has been determining the tariff on the basis of the average cost of supply. The HERC Tariff Regulations, 2024 require the licensees to provide the details of the embedded cost of supply of electricity voltage/ consumer category-wise. In the absence of data on the embedded cost of supply for each category of consumers, the Commission has decided to continue with the average cost of supply of the Discoms after taking into account the voltage wise technical losses submitted by the Discoms while computing voltage wise i.e. LT and HT consumer category wise average CoS for determining tariff for the FY 2025-26. Hence, besides Discoms average CoS the Commission

has also seen Consumer Category Wise voltage wise CoS to ensure that the realigned tariff falls within the +/- 20% NTP limits of cross-subsidy.

Accordingly, the Commission has proceeded to suitable re-align consumer category-wise tariff and while doing so the Cross-subsidy limits as provided in the National Tariff Policy vis-a-vis the combined Average Cost of Supply of the Discoms has been kept in view.

Domestic Supply Tariff (DS)

As per the existing schedule of tariff, there are three sub- categories comprising of seven slab rates. The Commission observes that domestic consumers are cross-subsidised by other category of consumers to the extent of Rs. 3.05/kWh. Whereas, as per National Tariff Policy (NTP), the tariff could be within a range of +/- 20% of the average cost of supply.

Thus, due to the inadequacy of the available cross-subsidy, the Commission is left with two options i.e. re-align the DS Tariff to garner some additional revenue so as to bridge the revenue gap to the extent possible in the DS category, as tabulated hereunder: -

Revised Domestic Supply Tariff w.e.f. 01.04.2025			
Category I (for consumers up to 2 kW)			
	Energy Charges	Fixed Charge	MMC
0-50 Units / Month	Rs. 2.20 / kWh	NIL	Nil
51-100 Units	Rs. 2.70 / kWh	Nil	
Category II (for consumers having load up to 5 kW)			
0-150	Rs. 2.95 / kWh	Nil	Nil
151-300	Rs. 5.25 / kWh	Nil	
301-500	Rs. 6.45 /kWh	Rs. 50/kW	
Above 500	Rs. 7.10 / kWh	Rs. 50/kW	
Category III (for consumers having load more than 5 kW)			
0-500	Rs. 6.50 / kWh	Rs. 75/kW	Nil
501-1000	Rs. 7.15 / kWh	Rs. 75/kW	Nil
Above 1000	Rs. 7.50 /kWh	Rs. 75/kW	Nil

HT Supply (above 50 kW) including Traction and DMRC

As per Commission’s estimates the CoS for HT Industry consumer category in FY 2025-26 is 705 Paisa / kWh as against the average CoS of the Discoms of 728 Paisa / kWh. Average revenue realisation from HT consumers at the current tariff is 783 Paisa/ kWh. Hence HT consumers at the current tariff are paying just 7.5% above the average CoS of supply of the Discoms as estimated by the Commission as against the NTP limits of 20%. This consumer category has been traditionally subsidizing consumer categories (other than AP whose entire revenue deficit is met by way of AP Subsidy from the State Government) who are paying tariff below their cost of supply. Given the revenue deficit it is not feasible to eliminate the cross – subsidy entirely as this would require a very high increase in the tariffs of the cross – subsidized consumer categories. Keeping in view the above and the fact that as per NTP the tariff could be within a range of +/- 20% of the average cost of supply, the Commission has increased the tariff of HT Supply, as under:-.

Revised HT Supply (above 50 kW) inc. Traction and DMRC w.e.f. 01.04.2025

	Energy Charges (Rs. / kVAh) *	Fixed Charge	MMC
Supply at 11 KV	Rs. 6.95/kVAh	Rs. 290/kVA /Month	Nil
Supply at 33 KV	Rs.6.85/kVAh	Rs. 290/kVA /Month	Nil
Supply at 66/132 kV	Rs.6.75/kVAh	Rs. 290/kVA /Month	Nil
Supply at 220 kV	Rs.6.70/kVAh	Rs. 290/kVA /Month	Nil
Supply at 400 kV	Rs.6.55/kVAh	Rs. 290/kVA /Month	Nil
Arc furnaces/ Steel Rolling Mills (supply at 11 kV)	Rs.7.25/kVAh	Rs. 290/kVA /Month	Nil

*** Tariff in kVAH and KW shall be applicable by considering power factor of 0.9**

LT Supply - up to 50 kW

The LT Industry consumer category is currently paying just about 5.7% more than the average cost of supply of the LT Industry, as against the NTP limits of +/- 20%. The Commission believes that the LT Industry consumers to have a high propensity to pass on any increase in input cost including electricity charges to its customers. Hence the Commission, while rationalising the LT Industry tariff has attempted to align the tariff to garner some additional revenue keeping in view the provisions in the National Tariff Policy. The LT Industry consumers are supplied power at lower voltage than the HT Industry consumers and hence in their case the incidence of technical as well as commercial losses is significantly higher thereby increasing the CoS of LT Industry. Hence, keeping in view the need to bridge the revenue gap, the Commission has re-aligned the tariffs for LT consumers in FY 2025-26.

Revised LT Supply up to 50 kW w.e.f. 01.04.2025

	Energy Charges (Rs. / kVAh) *	Fixed Charge	MMC
Upto 10 KW	Rs. 6.45/kVAh	Rs. 100/kW/Month	Nil
Above 10 KW & upto 20 kW	Rs. 6.80/kVAh	Rs. 100/kW/Month	Nil
Above 20 KW and upto 50 KW	Rs. 6.60/kVAh	Rs. 250/kW/Month	Nil

*** Tariff in kVAH and KW shall be applicable by considering power factor of 0.9**

Tariff for Bulk Supply and Bulk Supply (Domestic)

Keeping in view the need to bridge the revenue gap, the Commission has re-aligned the tariffs for bulk supply and bulk supply (domestic), respectively as tabulated below: -

	Energy Charges	Fixed Charge	MMC
Bulk Supply			
Supply at LT	Rs. 6.90/kVAh	Rs. 250/kW /Month	Nil
Supply at 11 KV	Rs. 6.80/kVAh	Rs. 250/kW /Month	Nil
Supply at 33 KV	Rs.6.70/kVAh	Rs. 250/kW /Month	Nil
Supply at 66/132 kV	Rs.6.60/kVAh	Rs. 250/kW /Month	Nil
Supply at 220 kV	Rs.6.50/kVAh	Rs. 250/kW /Month	Nil

Bulk Supply (Domestic)			
For total consumption in a month not exceeding 500 units/ flat/dwelling unit (DU).	Rs.5.80/kWh	Rs. 150/kW /Month (recorded demand)	Nil
For total consumption in a month of 501 units or more per flat per DU	Rs.6.60/kWh	Rs. 150/kW /Month (recorded demand)	Nil

Tariff for Public Services

Keeping in view the need to bridge the revenue gap, the Commission has re-aligned the tariffs for Public Services as tabulated below: -

	Energy Charges	Fixed Charge	MMC
Lift Irrigation	Rs. 7.35/kWh	Rs. 180.00 (Rs/ kW or BHP/month)	Nil
Street light	Rs. 7.35/kWh	Nil	Rs. 165.00/kW/month
Public Water Works	Rs. 7.35/kWH	Rs. 180.00 (Rs/kW)	Nil
EV Charging Stations	CoS-HT		

Tariff of Agriculture Tubewell Connections

The Discoms have submitted that there is an anomaly in electricity tariff for Tubewell connection wherein a metered tubewell connection has to pay a minimum Rs. 16.67 per BHP per month (200/12=16.67), whereas an un-metered tubewell connection has to pay Rs. 15 or Rs. 12 per BHP per month based upon its motor capacity viz upto or beyond 15 BHP, respectively as tabulated below:-

Agriculture Tube-well Subsidy							
Subsidized tariff (effective since 2014)				HERC determined Tariff for FY 2024-25 (w.e.f 01.04.2024)			
Particulars	Energy charges (in paisa)	Fixed charge	Min. Monthly charges	Particulars	Energy charges (in paisa)	Fixed charge	Min. Monthly charges
Metered:				Metered:			
With motor upto 15BHP	10 /kWh	Nil	Rs. 200 BHP/ Year	With motor upto 15BHP	Rs 6.48/unit		Rs. 200 BHP/ Year
With motor above 15BHP	8 /kWh	Nil	Rs. 200 BHP/ Year	With motor above 15BHP	Rs 6.48/unit		
Un-metered (Rs. /Per BHP/Month):				Un-metered (Rs. /Per BHP/Month):			
With motor upto 15BHP	Nil	Rs. 15 BHP/ Month	Nil	With motor upto 15BHP	Nil	Rs. 15 BHP/ Month	Nil
With motor above 15BHP	Nil	Rs. 12 BHP/ Month	Nil	With motor above 15BHP	Nil	Rs. 12 BHP/ Month	Nil
Note-14 of Tariff Order is stated that: - The AP Supply tariff shall be Rs, 6.48 / kWh for metered supply and BHP (in the case of flat rate shall be converted to kW and units worked out by applying the average running hours of the tube-wells. However, the State Government may continue with the subsidized tariff provided advance subsidy, in the beginning of each quarter is paid by the State Government to the Discoms, as per-Section 65 of the Electricity Act, 2003.							

In view of the above, the Discoms have proposed to reducing Monthly Minimum Charges from Rs. 200 per BHP per Month to Rs. 180 per BHP per Month (for motors up to 15BHP) and Rs. 144

per BHP per Month (for motors above 15BHP) so as to bring Monthly Minimum Charges (for metered connections) at par to the Flat tariff (for Un-metered connection), as under: -

Monthly Minimum Charges

BHP	Yearly Bill on MMC for Metered Connections	Yearly Bill for Un-Metered Connections	Yearly Bill on Proposed MMC for Metered Connections	Proposed MMC for Metered Connections
3	600	540	540	@ Rs. 180 Per BHP Per Year
5	1000	900	900	
7.5	1500	1350	1350	
10	2000	1.800	1800	
12.5	2500	2250	2250	
10	2000	1800	1800	
15	3000	2700	2700	
17.5	3500	2520	2520	@ Rs. 144 Per BHP Per Year
20	4000	2880	2880	
22.5	4500	3240	3240	
25	5000	3600	3600	
27.5	5500	3960	3960	
30	6000	4320	4320	

Commission Observations:

The Commission has considered the submissions of the petitioner (s) and finds some merit on the same. Accordingly, the revised tariff schedule is as under:

Particulars	Energy charges	Fixed charge	Min. Monthly charges
Metered			
With motor upto 15BHP	Rs 7.35/ kWH	Nil	Rs. 180 BHP/ Year
With motor above 15BHP	Rs 7.35/kWH	Nil	Rs. 144 BHP/ Year
Un-metered:			
With motor upto 15BHP	Nil	Rs. 15 BHP/ Month	Nil
With motor above 15BHP	Nil	Rs. 12 BHP/ Month	Nil

However, DISCOMs are directed to install smart meters, where connections are still unmetered. In case the DISCOMs are unable to do so, it may authorize the consumers accordingly, under intimation to the Commission. AP consumption shall also be metered by utilizing the meter replaced by smart meter. It should be ensured that no supply is un-metered.

Waiving off MMC for the Tariff Category-I (upto 100 units/month.

Monthly Minimum Charges (MMC) of electricity tariff found mentioned in the State Gov't Budget Speech FY 2024-25. It was proposed to eliminate MMC for domestic consumers who have sanctioned load of 2kW and monthly consumption under Domestic Tariff Category-I. Discoms have implemented this waiver and to cover the revenue shortfall, the State Govt. has been approached to compensate the DISCOMs under section 65 of the Electricity Act, 2003.

However, it has been the firm decision of the State Govt. that the proposed relief shall be made part of the Tariff Order for FY 2025-26 and shall remain continued.

Accordingly, Discoms have requested to consider incorporating the ibid proposal of waiving of MMC for domestic consumers having sanctioned load upto 2kW and monthly consumption under Domestic Tariff Category-I, on revenue neutral basis, in the tariff order for FY 2025-26.

Commission Observations:

The Commission has examined the submissions of the petitioner (s) and has already addressed this issued in the proceeding paras of this order. Hence, no further discussion on the same is required.

Mushroom farming above 20kW in HT/LT Supply category

Discoms have submitted that on the directions of the State Govt., a separate tariff category for Agriculture related business, with relaxed tariff of Rs. 4.75 per unit, was introduced by the Hon'ble Commission vide order dated 01.06.2020 titled "Agro Industry/FPO (upto 20kW)". This tariff category covers following activities: -

"Pack House, Grading, Packing, Pre-Cooling and Ripening Chamber, Honey Bee, Honey Processing, Tissue culture, Zinga and Fish Farming, Poultry Farm, Pig Farm, Milk Chilling Plant and Cold Storage, Mushroom Farming up to 20 kW load"

Provided Fish farming units connected on AP feeders shall continue to be billed on AP subsidized tariff. However, fish farming on other than AP feeders shall be included in the new tariff category i.e. Agro Industries/FPO (New Category upto 20 kW).

Discoms have submitted that these activities beyond 20kW have not been explicitly addressed under schedule of Tariff. Over a period of time, business of Mushroom cultivation has evolved significantly. It has taken the form of full-fledged industries. There are several electricity connections which have been obtained by the consumers for mushroom farming, on HT supply from Independent Feeders. These consumers after obtaining supply for DISCOMs, approached various courts of law arguing that mushroom farming is a horticulture activity and should therefore benefit from the subsidized agricultural tariff. One such instance recently came before this Hon'ble Commission in PRO No. 73 of 2023.

To eliminate ambiguity and prevent further disputes, Discoms have proposed that to provide explicit clarity by defining the applicable electricity tariff for mushroom farming and other such activities beyond 20 kW load under the "Agro Industries/FPO" category, by categorizing the same under the HT/LT supply tariff, as applicable. However, Fish farming units connected on AP feeders shall continue to be billed on AP subsidized tariff.

Commission Observations:

The Commission has considered the submissions of the petitioner (s) as well as the budget announced by the Government of Haryana for the FY 2025-26. Accordingly, the Commission decides that a special tariff category shall be created for consumers covered under 'mushroom compost & spawn, high-tech hydroponics & aeroponics and cold storage units with a load of more than 20 KW set up by FPOs' with the applicable tariff @ Rs. 6.50/unit.

Further, in order to eliminate any ambiguity, it is clarified that applicable tariff for "Agro Industries/FPO not covered in the above newly created consumer category", having sanctioned load from 20 KW to 50 KW, shall be as applicable to the LT supply consumers and having sanctioned load above 50 KW shall be as applicable to HT supply consumers.

The revised tariff for Agro Industries / FPO shall be as under: -

Agro Industries / FPO

	Energy charges	Fixed charge	Min. Monthly charges
Mushroom compost & spawn, high-tech hydroponics & aeroponics and cold storage units set up by FPOs			
Upto 20 KW	Rs. 4.75 / kWh	Nil	Nil
Above 20 KW	Rs. 6.50 / kWh	Nil	Nil
Agro Industries / FPO not covered in the above category: -			
Upto 20 KW	Rs. 4.75 / kWh	Nil	Nil
20 KW-50 KW	As applicable to LT supply consumers		
Above 50 KW	As applicable to HT supply consumers		

The above re-alignment of tariff, shall give incremental revenue of Rs. 3262 crore, during the FY 2025-26. The Discoms shall also be able to collect some revenue out of sale of surplus power at higher price than the variable cost of Rs. 3.12/unit. Accordingly, the revised revenue gap is as under: -

Total ARR for FY 2025-26		**FY 2025-26**
UHBVNL	Rs. Crore	19338.81
DHBVNL	Rs. Crore	26027.22
Total ARR for FY 2025-26 (A)	Rs. Crore	**45366.03**
Revenue at revised tariff on intrastate sale	Rs. Crore	37925.60
Revenue from Interstate State		0.00
Total Revenue (B)	Rs. Crore	37925.60
Total Sales for FY 2025-26 (C)	MU	62244.68
COS at LT level	Rs per unit	7.3536
AP sales for the FY 2025-26	MU	9304.27
Estimated Revenue from AP sales (E)	Rs. Crore	123.28
AP subsidy at LT COS (F)	Rs. Crore	6718.71
Subsidy for other consumers (G)	Rs. Crore	0.00

Total revenue incl Subsidy (H=B+F+G)	Rs. Crore	44644.31
Revenue surplus/(Gap) for FY 2025-26 at revised tariff (H-A)	Rs. Crore	-721.72
Revenue Surplus/(Gap) for FY 2023-24	Rs. Crore	721.72
Net Revenue Surplus/(Gap) for the FY 2025-26	Rs. Crore	Nil

Accordingly, average estimated cost of sales and revenue realisation, for the FY 2025-26 is as under:-

Total ARR		**2025-26**
UHBVNL	Rs. Crore	19338.81
DHBVNL	Rs. Crore	26027.22
Total ARR for FY 2025-26 (A)	Rs. Crore	**45366.03**
Total Revenue	Rs. Crore	45366.03
Units approved to be sold by DISCOMs	MUs	**62244.68**
ACoS	Rs /kWh	7.288
ARR	Rs /kWh	7.288

Having decided as above, the Commission directs that in the next ARR, the Discoms shall submit a tariff proposal as well; it may not necessarily be for increase or decrease in tariff(s) but for improvement in tariff design, reduction in the number of category / sub-category, re-alignment of demand / fixed charges etc. The present exercise is limited to re-alignment of the tariff applicable to various categories of consumers in Haryana, in order to bridge the revenue gap. The Commission directs the Discoms to conduct a detailed consumer category wise CoS study and submit the same for consideration and approval of the Commission within six months of this Order to enable the Commission to take a comprehensive view on the existing tariff and charges.

Based on the above discussions, the tariff determined is placed at Annexure – A.

The tariff (s) shall be applicable w.e.f. 01.04.2025 and shall continue to be vogue till the same is amended / re-determined by the Commission.

ANNEXURE – A

Schedule of Tariff and Charges

	Tariff for 2024-25 (W.E.F. 01.04.2024)				Tariff for 2025-26 (W.E.F. 01.04.2025)			
Sr. No.	**Category of consumers**	**Energy Charges (Paisa / kWh or/ kVAh)**	**Fixed Charge (Rs. per kW per month of the connected load / per kVA of sanctioned contract demand (in case supply is on HT) or as indicated**	**MMC (Rs. per kW per month of the connected load or part thereof)**	**Category of consumers**	**Energy Charges (Paisa / kWh or/ kVAh) ***	**Fixed Charge (Rs. per kW per month of the connected load / per kVA of sanctioned contract demand (in case supply is on HT) or as indicated**	**MMC**
1	**Domestic Supply**				**Domestic Supply**			
	Category I: (Total consumption up to 100 units per month)				**Category I: (for consumers up to 2 kW)**			
	0 - 50 units per month	200/kWh	Nil	Rs. 115 up to 2 kW and Rs. 70 above 2 kW	0 - 50 units per month	220/kWh	Nil	Nil
	51-100	250/kWh	Nil		51-100	270/kWh	Nil	
	Category II: (Total consumption more than 100 units/month and up to 800 units/month))				**Category II: (for consumers having load up to 5 kW)**			
	0-150	275/kWh	Nil	Rs. 125 up to 2 kW and Rs. 75 above 2kW	0-150	295 / kWh	Nil	Nil
	151-250	525/kWh	Nil		151-300	525 / kWh	Nil	
	251-500	630/kWh	Nil		301-500	645 /kWh	Rs. 50/kW	
	501-800 and above	710/kWh	Nil		Above 500	710 / kWh	Rs. 50/kW	
	Note: Benefit of Telescopic Tariff shall be restricted up to 800 Units/ Months for category II only i.e. 801 and above flat rate of 710/kWh shall be applicable for the entire consumption.				**Category III (for consumers having load more than 5 kW)**			
					0-500	650 / kWh	Rs. 75/kW	Nil
					501-1000	715 / kWh	Rs. 75/kW	Nil
					Above 1000	750 /kWh	Rs. 75/kW	Nil
2	**Non-Domestic (including Independent Hoarding/Decorative Lightning/ Decorative Lightning / Temporary Metered supply and others)**				**Non-Domestic (including Independent Hoarding/Decorative Lightning/ Decorative Lightning / Temporary Metered supply and others)**			
	Merged with LT Supply Tariff				Merged with LT Supply Tariff			
	Merged with HT Supply Tariff				Merged with HT Supply Tariff			
	Merged with HT Supply Tariff				Merged with HT Supply Tariff			
3	**HT Supply (above 50 kW) inc. Traction and DMRC**				**HT Supply (above 50 kW) including Traction and DMRC**			
	Supply at 11 KV including NDS existing consumers above 50 kW and upto 70 kW (LT)	665/kVAh 738/kWh in case of supply continues to be at LT	165/kVA	Nil	Supply at 11 KV	695/kVAh	Rs. 290/kVA /Month	Nil
	Supply at 33 KV	655/kVAh	165/ kVA	Nil	Supply at 33 KV	685/kVAh	Rs. 290/kVA /Month	Nil
	Supply at 66 kV or higher	645/kVAh	165 / kVA	Nil	Supply at 66/132 kV	675/kVAh	Rs. 290/kVA /Month	Nil
	Supply at 220 kV	635/kVAh	165/ kVA	Nil	Supply at 220 kV	670/kVAh	Rs. 290/kVA /Month	Nil
	Supply at 400 kV	625/kVAh	165/ kVA	Nil	Supply at 400 kV	655/kVAh	Rs. 290/kVA /Month	Nil
	Arc furnaces/ Steel Rolling Mills also applicable to Open Access	695 Paisa per kVAh if supply is at 11 kV	165 / kVA	Nil	Arc furnaces/ Steel Rolling Mills (supply at 11 kV)	725/kVAh	Rs. 290/kVA /Month	Nil
4	**LT Supply - up to 50 kW**				**LT Supply - up to 50 kW**			
	Upto 10 KW	635/kVAh or 705/kWh	Nil	Rs. 185/kW	Upto 10 KW	645/kVAh	Rs. 100/kW/Month	Nil
	Above 10 KW & upto 20 kW	665/kVAh or 738/kWh	Nil	Rs. 185/kW	Above 10 KW & upto 20 kW	680/kVAh	Rs. 100/kW/Month	Nil

	Tariff for 2024-25 (W.E.F. 01.04.2024)				**Tariff for 2025-26 (W.E.F. 01.04.2025)**			
Sr. No.	**Category of consumers**	**Energy Charges (Paisa / kWh or/ kVAh)**	**Fixed Charge (Rs. per kW per month of the connected load / per kVA of sanctioned contract demand (in case supply is on HT) or as indicated**	**MMC (Rs. per kW per month of the connected load or part thereof)**	**Category of consumers**	**Energy Charges (Paisa / kWh or/ kVAh) ***	**Fixed Charge (Rs. per kW per month of the connected load / per kVA of sanctioned contract demand (in case supply is on HT) or as indicated**	**MMC**
	Above 20 KW and upto 50 KW	640/kVAh	Rs. 160/kW of 80% of the Connected Load	Nil	Above 20 KW and upto 50 KW	660/kVAh	Rs. 250/kW/Month	Nil
	Existing consumers above 50 kW upto 70 kW (LT)	Merged with HT Supply			Existing consumers above 50 kW upto 70 kW (LT)	Merged with HT Supply		
5	**Agro Industries / FPO**				**Agro Industries / FPO**			
					Mushroom compost & spawn, high-tech hydroponics & aeroponics and cold storage units set up by FPOs			
					Upto 20 KW	475 / kWh	Nil	Nil
					Above 20 KW	650 / kWh	Nil	Nil
					Agro Industries/FPO not covered in the above category: -			
	Upto 20 KW	475 / kWh	Nil	Nil	Upto 20 KW	475 / kWh	Nil	Nil
	20 KW-50 KW				20 KW-50 KW	As applicable to LT supply consumers		
	Above 50 KW				Above 50 KW	As applicable to HT supply consumers		
6	**Agriculture Tube-well Supply**				**Agriculture Tube-well Supply**			
	Metered: (i) with motor upto 15 BHP	648 / Unit	-	Rs. 200/BHP/Year	Metered: (i) with motor upto 15 BHP	735/unit	-	Rs. 180 BHP/ Year
	(ii) with motor above 15 BHP	648/ Unit	-		(ii) with motor above 15 BHP	735/unit	-	Rs. 144 BHP/ Year
	Un-metered (Rs. / Per BHP/ Month): (i) with motor upto 15 BHP	Nil	Rs. 15/BHP/Month	Nil	**Un-metered (Rs. / Per BHP / Month):** (i) with motor upto 15 BHP	Nil	Rs. 15/BHP/Month	Nil
	(ii) with motor above 15 BHP	Nil	Rs. 12/BHP/Month	Nil	(ii) with motor above 15 BHP	Nil	Rs. 12/BHP/Month	Nil
7	**Public Water Works / Lift Irrigation / MITC / Street Light**	735 / kWh	Rs. 180 / kW or BHP except Street Light	MMC of Rs. 165/kW/Month only for Street Light	**Public Water Works / Lift Irrigation / MITC / Street Light/EV charging**			
					Lift Irrigation	735/kWh	Rs. 180.00 (Rs/ kW or BHP/month)	Nil
					Street light	735/kWh	Nil	Rs.

	Tariff for 2024-25 (W.E.F. 01.04.2024)				Tariff for 2025-26 (W.E.F. 01.04.2025)			
Sr. No.	**Category of consumers**	**Energy Charges (Paisa / kWh or/ kVAh)**	**Fixed Charge (Rs. per kW per month of the connected load / per kVA of sanctioned contract demand (in case supply is on HT) or as indicated**	**MMC (Rs. per kW per month of the connected load or part thereof)**	**Category of consumers**	**Energy Charges (Paisa / kWh or/ kVAh) ***	**Fixed Charge (Rs. per kW per month of the connected load / per kVA of sanctioned contract demand (in case supply is on HT) or as indicated**	**MMC**
								165.00/kW/ month
					Public Water Works	735/kWH	Rs. 180.00 (Rs/kW)	Nil
					EV Charging Stations	CoS-HT		
8	**Railway Traction**				**Railway Traction**			
	Supply at 11 KV	Merged with HT Supply Tariff at the respective voltage of supply			Supply at 11 KV	Merged with HT Supply Tariff at the respective voltage of supply		
	Supply at 33 KV				Supply at 33 KV			
	Supply at 66 or 132 kV				Supply at 66 or 132 kV			
	Supply at 220 kV				Supply at 220 kV			
9	**DMRC**				**DMRC**			
	Supply at 66 kV or 132 kV	Merged with HT Supply Tariff			Supply at 66 kV or 132 kV	Merged with HT Supply Tariff		
10	**Bulk Supply**				**Bulk Supply**			
	Supply at LT	650/kVAh	160/kW or Rs. 160/kVA as applicable (see note 3)	**Nil**	Supply at LT	690/kVAh	250/kVA/month Or 250/kW/month as applicable	Nil
	Supply at 11 kV	640/kVAh		Nil	Supply at 11 kV	680/kVAh		Nil
	Supply at 33 kV	630/kVAh		Nil	Supply at 33 kV	670/kVAh		Nil
	Supply at 66 or 132 kV	620/kVAh		Nil	Supply at 66 or 132 kV	660/kVAh		Nil
	Supply at 220 kV	615/kVAh		Nil	Supply at 220 kV	650/kVAh		Nil
11	**Bulk Supply (Domestic)**				**Bulk Supply (Domestic)**			
	For total consumption in a month not exceeding 800 units/ flat/ dwelling unit (DU).	525/kWh	Rs.80 / kW / month of the recorded demand	Nil	For total consumption in a month not exceeding 800 units/ flat/ dwelling unit (DU).	580/kWh	Rs. 150 / kW / month of the recorded demand	Nil
	For total consumption in a month exceeding 800 units/ flat/DU.	620/kWh	Rs. 80 / kW / month of the recorded demand	Nil	For total consumption in a month exceeding 800 units/ flat/DU.	660/kWh	Rs. 150 / kW / month of the recorded demand	Nil

*** Tariff in kVAH and KW shall be applicable by considering power factor of 0.9**

Notes:

1. In case of Arc furnaces/ Steel Rolling Mills for supply at 33 kV and above, the HT Industrial tariff at the corresponding voltage level shall be applicable. The tariff determined in the table above for Arc Furnace taking supply at 11 kV voltage, is inclusive of surcharge.

However, the open access consumers bringing in power under Open Access Mechanism shall also pay a surcharge of 30 Paisa/unit.

2. Fixed charges for HT supply and Bulk Supply category are in Rs. / kVA of Contract Demand.
3. In case of Bulk Supply Consumers (other than Bulk Supply – DS), the fixed charges are in Rs/kW of the connected load where contract demand is not sanctioned and in Rs. /kVA of contract demand where contract demand is sanctioned.
4. Advocate's Chamber, shall be levied a single rate (tariff) equivalent to CoS of LT Supply as determined in the present order. There shall be no demand / fixed charges.
5. The electricity crematorium shall be levied a concessional tariff of Rs. 2.75 / Unit (kVA or kWh). No demand charges shall be levied.
6. The schedule of tariff and charges does not include Electricity Duty, Municipal Tax, Panchayat Tax (being levied as per the notifications issued by the State Government) and FSA as per MYT Regulations in vogue.
7. Tariff for the eligible Gaushalas shall be Rs. 2.0 / kWh subject to payment of subsidy by the State Government.
8. In case the State Government desires to extend concession including MMC/ subsidy to any consumer category, the same shall be implementable subject to section 65 of the Electricity Act, 2003.
9. In the case of the existing consumers above 50 kW up to 70 kW (LT) that has been merged with HT Supply, the tariff shall be as per HT Supply. In the absence of a compatible meter standard power factor of 0.90 may be used. However, the Discoms shall ensure that a compatible meter of requisite accuracy is installed either by the Discoms or by the consumers themselves. It is clarified that consumer will not have the option to pick and choose. However, such consumers shall be given option either to get the load reduced below 50 KW or convert to HT metering.
10. The tariff for places of worship shall be a single part tariff equivalent to the Domestic Supply tariff(s).
11. The charges, other than energy and demand charges determined in the present order, for NDS category merged with HT / LT Supply shall be as per the charges applicable for erstwhile HT / LT Industry.
12. The Temporary Supply Tariff shall remain unchanged i.e. as per the Commission's tariff order for the FY 2021-22.
13. The AP Supply tariff shall be Rs. 7.35 / kWh for metered supply and BHP (The case of flat rate shall be converted to kW and units worked out by applying the average running hours of the tube-wells). However, the State Government may continue with the subsidized tariff provided advance subsidy, in the beginning of each quarter is paid by the State Government to the Discoms, as per Section 65 of the Electricity Act, 2003. The AP Tube-well tariff determined by the Commission u/s 62 of the Electricity Act, 2003 shall be levied by the Discoms in case the Government does not pay subsidy in accordance with the provisions of Section 65 of the Electricity Act, 2003.

14. It is clarified that the acceptance limit of cash will be Rs. 5000 (five thousand). However, the cash collection limit for theft penalty shall be Rs. 2,00,000 (two lakhs); submission of PAN Card shall be mandatory for any transaction exceeding Rs. 50,000 (Fifty Thousand). It is further made clear that the AEE / SDO concerned shall be fully responsible for cash collected and remittance into the designated bank(s) on the same day.
15. The consumers opting for procuring green energy, shall pay green energy premium of Rs. 0.88 / Unit over and above the normal tariff.
16. NDS consumers having sanctioned load above 50 KW and existing consumers having sanctioned load above 50 KW and up to 70 KW (on LT Supply) have been merged with the HT industrial consumers as “HT Supply”. In the absence of declared contract demand, as well cumbersome process of asking all such consumer to declare their contract demand, it would be appropriate, given the nature of NDS usage, that the sanctioned load of such consumers available with the Discoms, is considered for levy of Fixed Charges.
17. LT supply consumers (having sanctioned load up to 20 KW) shall be billed only on kVAh tariff with the exception of billing in kWh only when the installed meter at consumer premises is not kVAh compliant. However, Discoms shall ensure installation of kVAh meters for such consumers.
18. In line with Regulation 5 of the HERC (Prepaid Smart Metering), Regulations, 2022, there shall be 5% rebate for consumers availing supply through prepaid smart meters.
19. Agro Industries / FPO includes Pack House, Grading, Packing, Pre-Cooling and Ripening Chamber, Honey Bee, Honey Processing, Tissue culture, Zinga and Fish Farming, Poultry Farm, Pig Farm, Milk Chilling Plant and Cold Storage, Mushroom Farming. Additionally, Mushroom compost & spawn, high-tech hydroponics & aeroponics and cold storage units set up by FPOs, shall also form part of Agro Industries / FPO.
20. Fish farming units connected on AP feeder shall continue to be billed on AP subsidized tariff. However, fish farming on other than AP feeder shall be included in the new Tariff Category i.e. Agro Industries/FPO.

All the directives contained in the various chapters of the present order as well as the Annexures, shall be complied with by the Discoms within the timeline specified for the purpose.

This Order is signed, dated and issued by the Haryana Electricity Regulatory Commission on 28.03.2025.

Date: 28.03.2025 **(Mukesh Garg)** **(Nand Lal Sharma)**
Place: Panchkula **Member** **Chairman**

ANNEXURE – B
Directives issued in the present order.

1. The licensee(s) must ensure that consumers are paid interest on their Advance Consumption Deposits duly reflected in their energy bills for the relevant month i.e. bill(s) issued in the month of April / May.
2. In view of the discrepancies in the AP sales figures, the Commission directs that the MD DHBVNL will check the figures of AP sales and input energy and submit a report on running of AP tube wells on non-AP feeders within one month of issue of this order besides reconciliation of figures as per order.
3. The Commission has noted with the concern that during the FY 2023-24, Haryana Discoms have purchased 7740 Mus short term power at average rate of Rs. 6.79/unit, aggregating Rs. 5257.54 crore and the same time short term power has also been sold in the power exchange (s) at throw away price. The Commission observes that Power purchase cost constitutes around 85% of the ARR of Discoms. Therefore, the power procurement plans ought to be rigorously monitored so that the cost of delivered power can be reduced. There is a need for restructuring and strengthening of Haryana Power Purchase Centre (HPPC) by deploying adequate staff so that it can work 24x7 basis. Additionally, expert agencies can also be appointed through transparent bidding process. There is a need to continuously monitor the price in power exchange (s), so that timely steps may be taken to trade-off the cheaper power with the costly power. This will help in more accurate and cost-effective power procurement planning. Further, share of cost-effective renewable energy may be increased while addressing the issue of large-scale integration of RE power in the grid, in the total energy mix, to reduce power purchase cost in the interest of the electricity consumers, while ensuring the quality and reliable power.

   In this regard, an action taken report may be submitted within three months from the date of issue of this order.
4. Discoms have not complied with the energy storage target of 767 Mus determined for the FY 2024-25. The Commission has determined energy storage target of 1068 Mus for the FY 2025-26. Ministry of Power, Government of India, has issued operational

guidelines to offer viability gap funding (VGF) of up to 40 per cent to facilitate the development of battery energy storage systems (BESS) capacity nationwide. Discoms need to take timely action to avail the opportunity and submit a concrete action plan to deploy at least 200 MWh (100 MWh each Discom) of BESS within the FY 2025-26, at its sub-stations, within three months from the date of issue of this order.

5. The Commission observes that there is an average gap of 3000 MW on maximum and minimum demand being met on each day. Further, during winters demand remains in the maximum-minimum bracket of 7000 MW to 4000 MW and during summers it remains in the bracket of 14000 MW to 10000 MW. In order to meet this fluctuating demand, Discoms have tied up power purchase capacity of around 15900 MW. The Discoms have not resorted to adopt adequate DSM measures to flatten its demand curve including shifting of AP load to off-peak load hours of the day.

   In this regard, Discoms are directed to submit a concrete action plan to flatten its demand curve, within three months from the date of this order.

6. The Discoms are directed to assess their power demand /supply position as well as the prevailing market conditions in the power exchanges / bilateral sources and then only take an informed decision of allowing power generating station(s) to be simultaneously taken out for planned maintenance.

   In this regard, Discoms are directed to submit the schedule of maintenance allowed to the generators, with which it has long term power purchase agreements, for the control period from FY 2025-26 to FY 2029-30.

7. The Commission observes that total receivables of UHBVNL and DHBVNL, after provisioning, are reflected in the financial statements as on 31.03.2024 as Rs. 2059 crore and Rs. 4311 crore, respectively (Total: Rs. 6370 crore), as against the comparative figures as on 31.03.2023 as Rs. 583 crore and Rs. 2909 crore, respectively (Total: Rs. 3493 crore). Thus, trade receivables, has increased by an amount of Rs. 2877 crore during the FY 2023-24. These figures are over and above the receivables out of provision created for deferred recovery of FSA, amounting to Rs. 8245 crore. The receivable allowed as part of working capital in the regulatory regime is approximately Rs. 1500 crore, for each Discom. It shows

that the receivables management and accounting of both the Discoms, needs a complete revamp.

In this regard, Discoms are directed to exercise prudence in receivables management and ensure that outstanding from connected consumers, except the amount involved in court cases, does not exceeds its available ACD, at any point of time. Discoms are further directed to submit age-wise and consumer category-wise details of amount outstanding from consumers, except the amount involved in court cases, within three months from the date of this order. Further, a complete recovery plan of its receivables, may be submitted by both the Discoms, within three months from the date of this order.

8. The Commission observes that total inventories of UHBVNL and DHBVNL, after provisioning, are reflected in the financial statements as on 31.03.2024 as Rs. 737 crore and Rs. 671 crore, respectively (Total: Rs. 1408 crore), as against the comparative figures as on 31.03.2023 as Rs. 665 crore and Rs. 601 crore, respectively (Total: Rs. 1266 crore). The inventory of stores & spares, allowed as part of working capital in the regulatory regime is approximately Rs. 125 crore, for each Discom

   In this regard, Discoms are directed to optimize inventory of for spares and other maintenance equipment etc. and restrict itself in piling up of inventory. Discoms are further advised to take necessary measure and conduct regular stock verification of its inventories.

9. The Commission has taken note of the submissions of HVPNL that transformers worth Rs. 117.73 crore and substations worth Rs. 454.50 crore, have remained less than 20% utilised, due to non-connection of load by Discoms.

   In this regard, Discoms are directed to be careful in planning of infrastructure expansion. Further, a proposal to optimally utilise existing infrastructure may be submitted within three months from the date of this order.

10. The Commission has perused the data regarding feeder level losses for the FY 2023-24. It is observed that urban feeders exceeding 25% losses and rural feeders exceeding 50% losses are 16 and 302, respectively, for both the discoms.

In this regard, in order to rein in the efficiency, the Commission directs the DISCOMs to reduce AT&C losses of all urban feeders below 20% and that of Rural feeders below 40% in FY 2025-26 and to submit the Status Report after 3 months of the order.

11. The Commission again directs the licensees to bring down the distribution transformer damage rate below the prescribed limits in FY 2025-26. Any slippage on account of the timeline shall lead to penalty as deemed fit and appropriate by the Commission as per various provisions of the Act and Regulations framed thereunder. The Discoms are again directed to ensure that quarterly reports be submitted regularly without fail and to host the circle wise information of failure of the distribution transformers in rural and urban category on its website regularly without fail.
12. DHBVNL is again directed to clear the backlog of defective metering and to ensure that at no point of time the percentage of defective meters exceeds 2% limit as per SOP regulations in vogue.
13. The Commission directs DISCOMs especially DHBVNL to replace all electromechanical meters shown pending for replacement and submit compliance report within 3 months from date of this order.
14. The Discoms are directed to make all out efforts to release all pending connections within the time frame as specified in various law/regulations in-vogue and submit a status report regarding release of Non-AP connections/loads, within three months from the date of this order.
15. The Commission has noticed that the compliance of CGRF / Court orders is getting delayed.

    In this regard, Discoms are advised to expedite the compliance of such orders, public meetings/ Lok Adalat should be held by the senior officers at circle / division level. In case of delay in implementation of the orders of the Commission, the responsibility of the officers/officials should be fixed and It should be ensured that penalty/interest payable on account of such delay is recovered from such officers/officials.
16. In order to ensure the timely resolution of the complaints filed by the consumers, following directions are issued:-

i. 'Exception' reports should be generated for all the complaints with pendency exceeding 7 days, which needs to be rigorously followed-up by the XEN in-charge of the division, who shall be responsible for resolving the same within 7 days.
ii. Pendency exceeding 7 days should be followed-up by SE in-charge of the circle, who shall be responsible for getting the same resolved within 7 days.
iii. Pendency exceeding 21 days should be followed-up by Chief Engineer (Operations), who shall be responsible for getting the same resolved within 7 days.
iv. For all the delays exceeding 1 months, Director (Operation) of the respective DISCOMs shall be responsible for getting the issue resolved within 7 days.
v. Pendency exceeding 1 month should be discussed in the WTD meeting of the respective DISCOMs.

Where all the documents have been received at CBO from field office (SDO office) and still the issue has not been resolved at CBO within 7 days, then the XEN of the CBO office shall be responsible for consequences.

Further, the grievance of the consumers should not be pending at any level for more than two days.

17. DISCOMs need to simplify bills indicating amount, units consumed and last date of payment in bold letters so that common man can read it quickly to make payment of bill. Further, the bills should be both in English as well as in Hindi language.

18. The Commission observes that UHBVNL and DHBVNL have installed 5 lakh and 3.72 lakh smart meters, respectively. However, these are installed in the cities such as Panchkula, Karnal, Panipat and Gurugram, where the AT&C losses were already low.

    In this regard, DISCOMs are directed to submit the cost-benefit analysis of smart meters already installed. Further, an action plan to install Smart Metering on high loss feeders may be submitted, within three months from the date of issue of this order.

19. **Terminal Liability**- The Discoms are directed to claim terminal liabilities based on actual values instead of claiming the same on the basis of actuarial valuation. Any aberrations can be trued up.

In this regard, Discoms are directed to provide, within three months from the date of issue of this order, total funds value in the trusts constituted to meet terminal liability as on 31.03.2025, annual return on these funds including return in the FY 2024-25 and terminal liabilities being met out of these funds on an annual basis.

20. **Any other directive issued in the present order shall be complied with by the Discoms in a time bound manner.**

ANNEXURE – C

Directive Compliance Status of order dated 05.03.2024

1. UHBVNL and DHBVNL are directed to intimate, within one month from the date of the present order, the details of assets for which Capex were incurred and depreciation claimed but remained stranded/un-utilized due to one reason or the other including non-availability of associated lines/equipment etc.

Reply by UHBVNL:

UHBVNL submitted vide memo no. Ch-14/RA/F-173/Vol-(15) dated 09.04.2024 as under: -

It is submitted to the Hon'ble Commission that the assets for which the Capex is incurred are being utilized at their fullest capacity, therefore no assets are stranded/un-utilized. The depreciation is claimed as per the HERC MYT Regulations 2019 and its amendments thereof.

Reply by DHBVNL:

DHBVNL submitted vide memo no. Ch-75/SE/RA-782 dated 15.05.2024 as under: -

It is submitted to the Hon'ble Commission that the assets for which the Capex is incurred are being utilized at their fullest capacity, therefore, no assets are stranded/ un-utilized. The depreciation is claimed as per the HERC MYT Regulations 2019 and its amendments thereof.

Commission's Observation:

Complied with.

2. The licensee(s) must ensure that consumers are paid interest on their Advance Consumption Deposits duly reflected in their energy bills for the relevant month i.e. bill(s) issued in the month of April/May.

Reply by UHBVNL:

UHBVNL submitted vide memo No. Ch-14/RA/F-173/Vol-(15) dated 09.04.2024 as under:

It is submitted that the interest on Advanced consumption deposits for FY 2023-24 shall be paid in April/May, 2024 as per billing cycle of the respective category consumers.

Reply by DHBVNL:

DHBVNL submitted vide memo no. Ch-75/SE/RA-782 dated 15.05.2024 as under: -

Noted for compliance.

Commission's Observation:

Complied with.

3. In view of the discrepancies in the AP sales figures, the Commission directs that the MD DHBVNL will check the figures of AP sales and input energy and submit a report on running of AP tube wells on non-AP feeders within one month of issue of this order besides reconciliation of figures as per order.

Commission directs that DHBVNL will ensure 100% shifting of AP connections on segregated feeders instead of lame excuses time and again.

Reply by DHBVNL

DHBVNL submitted vide memo no. Ch-75/SE/RA-782 dated 15.05.2024 as under: -

It is submitted that, the losses of DHBVN on AP feeders' range between 4 to 5%, and the difference observed by the Hon'ble Commission is 524.79 MUs in sales of FY 2022-23. The figure of AP sales has been analyzed this office and it has been gathered that the total AP unit received = unit received on segregated feeders + (Input of AP consumers running on Non-AP feeders) – (Input of Non-AP consumers running on AP feeders)

The figures of FY 2022-23 of AP sales are as under: -

i. Unit received on segregated AP feeders = 6129.68 MU
ii. Input of AP consumers running on Non-AP feeders = (AP billed unit on Non-AP feeders)/ (1-losses of RDS feeders) = (304.74/(1-0.2156)) = 388.504MU
iii. Input of Non-AP consumers running on AP feeders = (Non-AP billed unit on AP feeders)/(1-losses of AP feeders) = (91.37/(1-0.0843))=99.78MU

Total AP unit received = 6129.68+388.504-99.78=6418.404MUs.

AP unit received using above formula is 6418.404MUs and total AP sold units are 6147.31MUs. Out of these sold units of 6147.31MUs, FPO sales is 17.73MUs, thus net AP sales comes out to be 6129.6 MUs and accordingly the overall AP loss comes out to be is 4.50%.

Further, following points are also submitted:

1. Out of the total AP connections as on 31.03.2023, 25.29% of AP connections are unmetered.
2. Defective meters on AP connections as on 31.03.2023 is 93964, which is 27.37% of Total AP connections.

Billings of these connections is being done on provisional basis as per Sales Circular: D-28/2013 (as per Hon'ble HERC directions issued vide memo no. 7011/HERC/T126 dated 13.12.2012 and order issued in case no. HERC/RA-01 of 2013 dated 06.06.2013).

The reasons of AP consumption on Non-AP feeders are as given below: -

13583 nos. of AP connections, which is 4.06 % of total AP connections, with connected load of 93.32 MW are running on Non-AP Feeders. Out of these, 5281 nos. of connections fall under Operation Circle Palwal. The memorandum for segregation of these connections has been prepared and sent to higher authorities for approval and work will be completed by 30.09.2024 after getting approval as reported by SE/OP, Circle Palwal and almost all of the remaining connections fall in the urban areas which cannot shifted due to right of way.

Reply of observation of Hon'ble HERC

The reasons for AP tube wells running on Non-AP feeders are as follows:

As of 31.03.2023, there were 13,583 AP connections, which constituted 4.06% of the total AP connections, with a connected load of 93.32 MW, running on non-AP feeders. The circle-wise status of these connections is as follows:

1. **Operation Circle Palwal:** As of 31.03.2023, there were a total of 5,281 AP connections running on non-AP feeders. Out of these, 1,941 connections had already been shifted to segregated AP feeders, and 363 connections couldn't be shifted due to technical/financial feasibility or right of way and for remaining 2,977 connections work for segregation is under process. Division-wise status of these 5,281 AP connections as of 31.07.2024 is as follows:

- **Hodal:** There were 1,441 AP connections running on non-AP feeders. Out of these, 148 connections have been shifted, and 290 connections couldn't be shifted due to technical or financial feasibility. As of 31.07.2024, 1,003 connections are pending for shifting. Work for shifting 356 and 482 AP connections is in progress and is likely to be completed by 30.09.2024 and 31.12.2024, respectively. Additionally, 165 AP connections have been segregated, but AP PRM is not adhered to for these connections. Furthermore, 266 AP connections out of 290 connections that are not technically feasible to shift at present; however, after the creation of a 66 KV substation at Uttarwar, proposed for FY 2025-26, these connections can be shifted later on.

- **Palwal:** There were 1,004 AP connections running on non-AP feeders. Out of these, 384 connections have been shifted, 245 connections couldn't be shifted due to right of way, and work for 575 AP connections is in progress through EOl/online tenders.
- **Nuh**: There were 2,836 AP connections running on non-AP feeders. Out of these, 1,409 connections have been shifted, 28 connections couldn't be shifted due to right of way, and work for 1,399 AP connections is in progress through EOl/online tenders and is likely to be completed by 28.02.2025.

2. **Operation Circle Rewari**: There were 958 AP connections running on non-AP feeders. All of them couldn't be shifted due to urbanization of surroundings and the non-availability of AP feeders.
3. **Operation Circle Hisar:** There were 91 AP connections running on non-AP feeders. All of them couldn't be shifted due to right of way.

4 **Operation Circle Faridabad**: There were 666 AP connections running on non-AP feeders. All of them couldn't be shifted due to the non-availability of nearby AP feeders and technical/financial feasibility.

5. **Operation Circle Gurugram II**: There were 3,759 AP connections running on non- AP feeders. Most of them are in urban areas; hence, they couldn't be shifted due to the non-availability of nearby AP feeders and technical/financial feasibility.

6. **Operation Circle Gurugram I**: There were 2,065 AP connections running on non-AP feeders and couldn't be shifted to segregated AP feeders due to the following reasons:

- 1,887 AP connections exist in residential areas (Dhanis), and there is no AP feeder near these connections.
- 178 AP connections exist on Urban feeders under SDO 'OP S/Divn. IDC & New Palam Vihar, and there is no AP feeder in these subdivisions.

7. **Operation Circle Fatehabad:** There were 5 AP connections running on non-AP feeders. All of them couldn't be shifted due to right of way.

8. **Operation Circle Bhiwani:** There were 125 AP connections running on non-AP feeders. All of them couldn't be shifted due to right of way.

9. **Operation Circle Narnaul**: There were 497 AP connections running on non-AP feeders. All of them couldn't be shifted due to right of way.

10. **Operation Circle Sirsa**: There were 53 AP connections running on non-AP feeders. Some of them couldn’t be shifted due to right of way, and for the remaining connections, the foot survey has been completed and estimating is under progress.
11. **Operation Circle Jind**: There were 83 AP connections running on non-AP feeders. 81 connections couldn't be shifted due to right of way, and estimates for the remaining 2 connections are yet to be framed.

Commission’s Observation:

Partially Complied with, as 13583 AP connections were still running on Non-AP feeders (As on 31.03.23). The AP sales figures are not as per actuals as about 53% of the connections (As per information supplied by DHBVN) are either having defective meters or the connections are unmetered.

4. The Commission had rationalized certain tariff category and classified the same into HT and LT Supply depending on the voltage of at which consumers in different categories were taking supply. Hence, the same practice shall continue. The Discoms, may collate data accordingly i.e. as per the merged categories instead of the categories that have been dispensed with.

Reply by UHBVNL:

UHBVNL submitted vide memo No. Ch-26/RA/ F-173/Vol-(15) dated 08.05.24 as under:

It is submitted that the direction of the Hon'ble Commission has already been complied with. UHBVN is maintaining information as per the consumer tariff categories identified by the HERC

Reply by DHBVNL

DHBVNL submitted vide memo no. Ch-75/SE/RA-782 dated 15.05.2024 as under: -

In this regard, it is submitted that in compliance of directions of Hon’ble Commission, DHBVN has already been circulated to field offices for booking the category wise units and revenue in new group heads. The list of heads of Chart of Accounts relating to Revenue & Sundry Debtors for FY 2023-24 is hereby attached as Annexure- I.

Commission’s Observation:

Complied with.

5. While resorting to bidding or calling for expression of interest for power procurement the Discoms must ensure that the power under PPAs, already approved by the Commission, materialises and also the intra-State generator, subject to MoD in vogue are dispatched.

However, it is reiterated that when contracting a new source of power supply the landed cost of such power should be worked out in view of the General Network Access charges in force.

Reply by UHBVNL:

UHBVNL submitted vide memo No. Ch-22/RA/F-173/Vol-(15) dated 22.04.2024 as under:

It is submitted that HPPC endeavors that the power under PPAs, already approved by the Commission, materializes. The power including intra-State generators is dispatched subject to MoD in vogue.

Further submitted that when contracting a new source of power supply, the landed cost of such power is worked out by including GNA/transmission charges and transmission losses in the generator ex-bus tariff.

Reply by DHBVNL

DHBVNL submitted vide memo no. Ch-75/SE/RA-782 dated 15.05.2024 as under: -

Noted for compliance. It is submitted that HPPC endeavors that the power under PPAs, already approved by the Commission, materializes. The power including intra-State generators is dispatched subject to MoD in vogue.

Further submitted that when contracting a new source of power supply, the landed cost of such power is worked out by including GNA/transmission charges and transmission losses in the generator ex-bus tariff.

Commission's Observation:

Complied with.

5(i) The Commission directs that the Discoms shall not procure any additional power over and above the quantum approved in the PPA that may be available to it from the un-allocated share/share relinquished by any other State in the CGPS in case it does not fall in the merit order dispatch (MOD). The Commission thereto shall disallow all such power procurements and the cost thereto. Additionally, while resorting to bidding or calling for expression of interest for power procurement the Discoms must ensure that the power under PPAs already approved by the Commission materializes and also the intra-State generator i.e. HPGCL's power plants are scheduled at least up to the critical minimum threshold before considering backing down.

Reply by UHBVNL:

UHBVNL submitted vide memo No. Ch-22/RA/F-173/Vol-(15) dated 22.04.2024 as under:

Noted for compliance.

It is submitted that keeping in view the deficit in availability to meet the demand during the summer months, HPPC for the last two years ie, from FY 2022-23 and FY 2023-24 has been requesting MoP to allocate power from un-allocated pool in CGSs. Subsequently, MoP allocates power to each state in the proportion of power available in the un-allocated pool and the requisition from the states. MoP considers all the generating plants having us-allocated capacity, irrespective of the cost of power from the generating station while allocating the power. Once this power is allocated, HPPC immediately approaches the HERC for its approval. This allocated power is then scheduled/dispatched subject to MoD. 1 is clarified that HPPC does not schedule power from the un-allocated share/share relinquished by any other state in the CGSs in case it does not fall in the merit order dispatch (MOD).

Commission's Observation:

Complied with.

5 (ii) The DISCOMs are directed to perform cost benefit analysis including trade-off between purchase of REC and RE Power before rushing with proposal to procure RE Power.

Reply by UHBVNL:

UHBVNL submitted vide memo No. Ch-22/RA/F-173/Vol-(15) dated 22.04.2024 as under:

Noted for compliance.

However, it is submitted that for FY 2022-23 and FY 2023-24 Haryana DISCOMs have achieved RPOs over and above the targets set by Hon'ble Commission. Keeping in view the RE power tie ups by HPPC the purchase of RECs is not likely to be undertaken in near future.

Commission's Observation:

Complied with.

6. In case additional power, if required, may be met from power allocated to Haryana from the Central un-allocated quota with prior approval of the Commission. However, in case of extreme emergency Discoms may schedule power subject to ex-post facto approval of the Commission giving detailed justification, not later than 15 days thereof.

Reply by UHBVNL

UHBVNL submitted vide memo No. Ch-22/RA/F-173/Vol-(15) dated 22.04.2024 as under:

Noted for compliance.

Keeping in view the deficit in availability to meet the demand during the summer months, HPPC for the last two years i.e. from FY-2022-23 and FY-2023-24 has been requesting MoP to allocate un-allocated pooled power in CGSs. Once this power is allocated, HPPC immediately approaches HERC for its approval.

Commission's Observation:

Complied with.

Reply by DHBVNL

DHBVNL submitted vide memo no. Ch-75/SE/RA-782 dated 15.05.2024 as under:-

Noted for compliance.

Keeping in view the deficit in availability to meet the demand during the summer months, HPPC for the last two years i.e. from FY-2022- 23 and FY-2023-24 has been requesting MoP to allocate un-allocated pooled power in CGSs. Once this power is allocated, HPPC immediately approaches HERC for its approval.

Commission's Observation:

Complied with.

7. The licensees are again directed to analyse and explain the aberrations in the MYT projections and that proposed in the present petition i.e. map all the factors for the increase including number of employees, contractual employees, DA, inflation factor etc.

Reply by UHBVNL

UHBVNL submitted vide memo No. Ch-14/RA/F-173/Vol-(15) dated 09.04.2024 as under:

It is submitted that the projections for ARR year i.e., FY 2024-25 are done as per the Haryana Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2019 and its amendment thereof.

The employee expense for ARR year is calculated by considering the revised estimated employee expenses for APR year and inflation factor i.e., 6.87% as per Regulation 57.4 of MYT Regulation 2019 and its amendment thereof, in addition dearness allowance of 8% is also considered, which is additionally disbursed by the government of Haryana in the APR year, the same is indexed for calculation of corresponding expenses for ARR year.

The MYT projections have been done taking actual employee expenses of FY 2018-19 and escalating it @ 4% to arrive at the base year value for the MYT Control Period. The base year employee expenses have been indexed with inflation factor of 4.66% to project the employee expenses of UHBVNL for ensuing years of the MYT Control Period.

UHBVN in present petition has projected employees cost for FY 2024-25 considering following factor:

i. Indexation Factor:

Employee Expense of ARR year (FY 2024-25) is computed by escalating previous year employee expense by indexation factor. Following is the calculation of indexation factor considered for escalation of employee cost:

		CPI Indices^			WPI Indices#	
Month	**FY 2021-22**	**FY 2022-23**	**FY 2023-24***	**FY 2021-22**	**FY 2022-23**	**FY 2023-24***
April	345.89	367.78	386.50	132.00	152.30	151.10
May	347.33	371.52	387.94	132.90	155.00	149.40
June	350.50	372.10	392.83	133.70	155.40	148.90
July	353.66	374.11	402.34	135.00	154.00	152.10
August	354.24	374.98	400.90	136.20	153.20	152.50
September	355.10	378.14	396.00	137.40	151.90	151.50
October	359.71	381.60		140.70	152.90	
November	362.02	381.60		143.70	152.50	
December	361.15	381.02		143.30	150.50	
January	360.29	382.46		143.80	150.70	
February	360.00	382.18		145.30	150.90	
March	362.88	383.90		148.90	151.00	
Average	**356.06**	**377.62**		139.41	**152.53**	

**Since, at time of Tariff Filing CPI & WPI for FY 2023-24 were available up to September, 2023 accordingly same is considered for computation of indexation factor.*

^In September' 20, the base year of CPI has changed from 2001 to 2016 for which linking factor of 2.88 as specified by the Labour Bureau of India is considered for determination of indexation factor.

Considering above indices, Indexation Factor has been computed as per Regulation 57.4 of HERC MYT Regulations, 2019, as below:

Particulars	**WPI**	**CPI**	**Total**
Weightage	0.45	0.55	1.00
Avg Indexation for FY 2022-23	152.53	377.62	
Avg Indexation n (Index * Wt.)	**68.64**	**207.69**	**276.33**
Avg Indexation for FY 2021-22	139.41	356.06	
Avg Indexation n-1 (Index * Wt.)	**62.73**	**195.84**	**258.57**
Combined Inflation (Indxn/Indxn-1)			**6.87%**

i. Recruitment Plan:

UHBVN has also considered the fact that Discom has planned to scale up its existing infrastructure & strengthen IT backbone for robust distribution network to upkeep the Discom with rapid changing technology in distribution sector and to manage the ever-increasing distribution infrastructure, specialized manpower to the tune of 4489 new employees is to be recruited by the Discom in FY 2024-25.

Further, considering the basic salary of Rs. 25,000/- and applicable dearness allowance, employee cost for new recruitments is included over and above the employee cost estimation explained in previous point.

ii. Dearness Allowance:

Rate of Dearness Allowance applicable to Haryana Government employees as notified by the Govt. of Haryana is show in Table below:

With effect from	Haryana Government Notification No. & Date	DA (%)
01/07/2019	4/1/2017-2 FR/32148 dated 25.11.2019	17%
01/07/2021	4/12019-1FR/26553 dated 23.12.2021	31%
01/01/2022	4/1/2019-1FR/0 dated 28.04.2022	34%
01/07/2022	4/3/2016-5FR/22747(2) dated 10.10.2022	38%
01/01/2023	4/3/2016-5FR/7379 dated 20.04.2023	42%
01/07/2023	4/3/2016-5FR/24950(1) dated 26.10.2023	46%

The annual DA growth of 8% is considered for FY 2024-25.

As seen from above, the variation in employee expense as estimated at the time of MYT projections and ARR projection is basically due to inflation factor and DA pay-out by Government of Haryana.

Commission's Observation:

Complied with.

Reply by DHBVNL

DHBVNL submitted vide memo no. Ch-75/SE/RA-782 dated 15.05.2024 as under:-

It is submitted that the projections for ARR year i.e., FY 2024-25 are done as per the Haryana Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2019 and its amendment thereof.

The employee expense for ARR year is calculated by considering the revised estimated employee expenses for APR year and inflation factor i.e., 6.87% as per Regulation 57.4 of MYT Regulation 2019 and its amendment thereof, in addition dearness allowance of 8% is also considered, which is additionally disbursed by the government of Haryana in the APR year, the same is indexed for calculation of corresponding expenses for ARR year.

DHBVN in present petition has projected employees cost for FY 2024-25 considering following factor:

i. Indexation Factor:

Employee Expense of ARR year FY 2023-24 is computed by escalating previous year employee expense by indexation factor. Following is the calculation of indexation factor considered for escalation of employee cost:

	CPI Indices			WPI Indices#		
Month	**FY 2021-22**	**FY 2022-23***	**FY 2023-24**	**FY 2021-22**	**FY 2022-23***	**FY 2023-24**
April	345.9	367.8	386.50	132.0	152.3	151.10
May	347.3	371.5	387.94	132.9	155.0	149.40
June	350.5	372.1	392.83	133.7	155.4	148.90
July	353.7	374.1	402.34	135.0	154.0	152.10
August	354.2	375.0	400.90	135.9	153.1	152.50
September	355.1	378.1	396.00	136.0	152.1	151.50
October	359.7	381.6		137.4	152.9	
November	362.0	381.6		140.7	152.5	
December	361.2	381.0		143.7	150.5	
January	360.3	382.5		143.3	150.7	
February	360.0	382.2		143.8	150.9	
March	362.9	383.9		145.3	151.0	
Average	**356.1**	**377.6**		**139.4**	**152.5**	

**Since, at time of Tariff Filing CPI & WPI for FY 23-24 were available up to September, 2023 accordingly same is considered for computation of indexation factor.*

^In September' 20, the base year of CPI has changed from 2001 to 2016 for which linking factor of 2.88 as specified by the Labour Bureau of India is considered for determination of indexation factor.

Source of CPI: *http://www.labourbureaunew.gov.in/*

*#**Source of WPI:*** *https://eaindustry.nic.in/wpi_press_release_archive.asp*

Considering above indices, Indexation Factor has been computed as per Regulation 57.4 of HERC MYT Regulations, 2019, is as below:

Particulars	**WPI**	**CPI**	**Total**
Weightage	0.45	0.55	1.00
Avg Indexation for FY 2022-23	152.53	377.62	
Avg Indexation n (Index * Wt.)	68.64	207.69	276.33
Avg Indexation for FY 2021-22	139.41	356.06	
Avg Indexation n-1 (Index * Wt.)	62.73	195.84	258.57

Particulars	WPI	CPI	Total
Combined Inflation (Indxn/Indxn-1)			6.87%

ii. Recruitment Plan of FY 2024-25:

DHBVN has also considered the fact that Discom has planned to scale up its existing infrastructure for robust distribution network. To upkeep the manpower requirement for scaling of its existing infrastructure, recruitment status of DHBVNL as on 30.06.2024 is enclosed as **Annexure -II.** Further, considering the basic salary of Rs. 25,000/- and applicable dearness allowance, employee cost for new recruitments is included over and above the employee cost estimation explained in previous point.

iii. **Dearness Allowance:**

Rate of Dearness Allowance applicable to Haryana Government employees as notified by the Govt. of Haryana is show in Table below:

With effect from	Haryana Government Notification No. & Date	DA (%)
01/07/2019	4/1/2017-2 FR/32148 dated 25.11.2019	17%
01/07/2021	4/12019-1FR/26553 dated 23.12.2021	31%
01/01/2022	4/1/2019-1FR/0 dated 28.04.2022	34%
01/07/2022	4/3/2016-5FR/22747(2) dated 10.10.2022	38%
01/01/2023	4/3/2016-5FR/7379 dated 20.04.2023	42%
01/07/2023	4/3/2016-5FR/24950(1) dated 26.10.2023	46%

The annual DA growth of 8% is considered for FY 2024-25.

As seen from above, the variation in employee expense as estimated at the time of MYT projections and ARR projection is basically due to inflation factor and DA payout by Government of Haryana.

Commission's Observation:

Complied with.

8. The Discoms are directed to examine the discrepancies in its power purchase cost vis-à-vis the cost projected to bring out the facts that would lead to reduction in cost of power to the extent projected for the ensuing financial year. A report regarding the same may be submitted within a month from the date of the present order.

Reply by UHBVNL & DHBVNL

UHBVNL submitted vide memo No. Ch-22/RA/F-173/Vol-(15) dated 22.04.2024 & DHBVNL submitted vide memo No. Ch-71/RA/F-173/Vol dated 5.7.2024 are as under:

In this regard, it is submitted that the actual power purchase cost for the FY 2022-23, as trued up in the ARR order dated 05.03.2024 and the projected cost for the FY 2024-25, has been analyzed as under: -

	Approved Power Purchase for FY2022-23 in T.O. dt 30.03.2022		**Actual Power Purchase in FY 2022-23 approved vide ARR order dated 05.03.2024**		**Projected Power Purchase for FY 2024-25 approved vide ARR order dated 05.03.2024**	
	Units	**Amt.**	**Units**	**Amt.**	**Units**	**Amt.**
	MU	**Rs Crs**	**MU**	**Rs Crs**	**MU**	**Rs Crs**
Total Power Purchase considering short term Un-schedule transmission charges, charges and prior period	63558	23849	55503	24899	73116	33613
	3.752 Rs /kWh		4.486 Rs /kWh		4.597 Rs /kWh	

While estimating the quantum of power for FY-2024-25 the Commission vide ARR order dated 05.03.2024 has approved the power projection for FY-2024-25 based on the CEA's generation targets available for the FY 2023-24 (due to non-availability of CEA's generation targets for FY-2024-25) adjusting the same for the trend in source wise actual drawl, auxiliary consumption, free home state shares. In the case of new sources and RE sources, the quantum as proposed by DISCOM and in the case of HPGCL the quantum as per the HPGCL's ARR order has been considered. Accordingly, the commission has estimated and approved 73116 MUs for FY2024-25.

For working out the cost, the Commission has considered the PPA rates, source wise actual fixed cost and average Energy Charges incurred in the FY 2023-24, adjusted for the anticipated increase as proposed by the Discoms i.e. 2% escalation for variable charges and 5% escalation in the Fixed Cost. Accordingly, an amount of Rs 33613 Crore Rs has been projected as the power purchase cost for FY-2024-25. It is added that the Commission has not approved any short-term purchases for FY2024-25.

Thus, the power purchase quantum of 73116 MUs and cost of 33613 Crore @ Rs 4.597 per unit has been estimated and approved by HERC for FY-2024-25 (excluding short-term purchases).

Further submitted that DISCOMs vide ARR petition have submitted the true up (FY-2022-23) of power purchase quantum of 63286 MUs and cost amounting to Rs 38155.49 Crore.

The comparison of Actual power purchase quantum and cost in FY 2022-23 approved vide ARR order dated 05.03.2024. (excluding Short term, Un-schedule interchange, Transmission Charges and Prior Period Charges) and the projected power purchase quantum and cost for FY-2024-25 is tabulated as under: -

Generating Stations	**Actual Power Purchase in FY 2022-23 approved vide ARR order dated 05.03.2024**		**Projected Power Purchase in FY 2024-25 approved vide ARR order dated 5.3.2024**	
	Units	**Amount**	**Units**	**Amounts**
	MU	**Rs Crs**	**MU**	**Rs Crs**
Total Power Purchase cost without considering Short term, Un-schedule interchange, Transmission Charges and Prior Period Charges	55,503	24,899	73,116	33613
Total Short Term	7,261	4,650		
Total Unscheduled Interchange	522.93	496.66		
Total Short term	7784	5146		
Total Transmission Charges		2,252		
Prior Period Charges	-	3,767		
Total PP Excluding HVPN Charges	63,286	36,063		
HVPNL Charges	-	2,092		
Total PP Cost incl. of all charges	63,286	38,155		

It is evident from above that the actual power purchase quantum (63286 MUs) and cost (Rs 38155.49 Cr) for FY-2022-23 are inclusive of 7784 MUs and 5146 Crores for the power purchased through short term and Rs 2252 Crores, 3767 Crores and 2092 Crores on account of total transmission charges, prior period charges and HVPNL charges respectively.

Thus comparing the actual power purchase cost and quantum (excluding Short term, Un-schedule interchange, Transmission Charges and Prior Period Charges) for FY-2022- 23 from the approved generating sources viz. NTPC, NHPC, HPGCL, NPCIL, UMPPs, IPPs, BBMB, SJVNL, THDC, DVC and other renewable generating stations, vis-à-vis projected power purchase cost and quantum for FY-2024-25, shows as under: -

"The DISCOMs have procured a quantum of 55502 MUs for an amount of Rs 24898.57 Crore during FY-2022-23 at Rs 4.48 per unit. During FY-2024-25 HERC has projected and approved a quantum of 73116 MUs for an amount of Rs 33613 Crore at Rs 4.597 per unit."

In view of above the examination of variations in actual power purchase cost vis-à-vis the cost projected, suggests that the variation is within limit considering the escalation in variable and fixed cost and it is very likely that the cost of power shall be limited to the extent projected for the ensuing financial year.

DHBVNL Reply of observation of Hon'ble HERC regarding approved versus actual power purchased cost figure for FY 2023-24 is as under: -

In this regard, the comparison between the approved vs actual power purchase cost figure for the FY 2023-2024 in respect of point no. 8 of ibid memo no. is tabulated below:

HERC approved				**Actual power purchased by HPPC**		
Source	**Quantum in MUs**	**Total cost in approved in million Rs.**	**Total per unit cost approved (Rs./unit)**	**Quantum in MUs**	**Total cost in Rs. million**	**Total per unit cost**
Long-term power purchase	60726.390	245742.740	4.047	57757.429	237686.677	4.115
Short Term power purchase	5905.190	37090.490	6.281	8699,091	57579.579	6.619
Total	66631.580	282833.230	4.245	66456.521	295266.255	4.443

Commission's Observation:

Complied with.

9. The licensee needs to exercise proper monitoring of scheme wise execution of capital works and control over the item wise expenditure approved by the Commission as per Regulation 8.3.3 (b) of the Haryana Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2019.

UHBVN Reply

UHBVNL submitted vide memo No. Ch-22/RA/F-173/Vol-(15) dated 09.04.2024 as under:

Noted for compliance.

However proper monitoring is being carried out for control over the item wise expenditure approved by the Hon'ble commission

DHBVN Reply

DHBVNL submitted vide memo no. Ch-75/SE/RA-782 dated 15.05.2024 as under: -

Noted for compliance.

However proper monitoring is being carried out for control over the item wise expenditure approved by the commission

Commission's Observation:

Complied with.

10. Both the licensees are further directed that they shall regulate their capital expenditure plans for FY 2024-25 as per Regulations 9.7 to 9.12 of the Haryana Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2019.

The Licensee is directed to revise its Capital expenditure plan accordingly and submit the scheme wise details of the proposed expenditure to the Commission within one month of the Order

UHBVN Reply

The Revised Capex for the FY 2024-25 is placed at Annexure-I.

DHBVN Reply

DHBVNL submitted vide memo no. Ch-75/SE/RA-782 dated 15.05.2024 as under:-

Noted for compliance.

Capital expenditure plan for FY 2024-25 has been prepared with mutual understanding with both utilities i.e. DHBVN & HVPNL. Coordination meeting has been conducted with transmission company i.e. HVPNL utility time to time for future plan and execute the works as per approved plan with mutual understanding so that network augmentation/ strengthening activities are being carried out in a co-ordinated manner.

Commission's Observation:

Complied with.

11. The Commission again directs the DISCOMs to reduce AT&C losses of all urban feeders below 25% and that of Rural feeders below 50% in FY 2023-24 and to submit the Status Report after 2 months of the order.

UHBVN Reply

UHBVNL submitted vide memo No. Ch-29/RA/ F-173/Vil-(15) dated 17.05.2024 & Ch-68/RA/F-173/Vol(15) dated 27.06.2024 as under:

The status of Loss Reduction in respect of Urban & RDS feeders is tabulated as under

RDS Feeders	FY 2022-2023 April 2022 to March 2023	FY 2023-2024 April 2023 to March 2024
Total no. of RDS Feeder	1099	1127

Total no. of RDS Feeder having losses above 50%	92	62
Feeder having losses above 50% (in % age)	8.37%	5.50%

Urban Feeders	**FY 2022-2023 (April 2022 to March 2023)**	**FY 2023-2024 (April 2023 to March 2024)**
Total no. of Urban Feeder	880	925
Total no.of Urban Feeder having losses above 25%	4	0
Feeder having losses above 25% in % age	0.45%	0.00

The following efforts are being made to bring down the high loss level of RDS feeders: - MGJG scheme under implementation in phased manner is facing lot of opposition from the consumer groups. However, a drive for educating the consumers on benefits of MGJG has been undertaken

Commission's Observation:

Complied with

DHBVN Reply

DHBVNL submitted vide memo no. Ch-75/SE/RA-782 dated 15.05.2024 as under: -

"High losses Urban feeder has been reduced and Rural feeder losses increases marginally in FY 2023-24 in respect of DHBVN compared to last Financial Year. Further, MGJGY and LRP activities are being implemented to reduce losses."

Status of High loss feeder:

Year	**FY 2021-22**	**FY 2022-23**	**FY 2023-24**
Urban Feeder(s)			
Total Feeders	973	996	1050
Feeders with losses > 25%	28	21	16
(in %age)	2.88%	2.11%	1.52%
Rural Feeder(s)			
Total Feeders	1127	1154	1196
Feeders with losses >50%	279	227	240
(in %age)	24.76%	19.67%	20.07%

<u>Reply of observation of HERC by DHBVNL</u>

It is submitted here that 16 no. urban feeders having losses more than 25%, the losses of these feeders will be brought down on completion of LRP work in urban area. Further the maximum no. of feeders having losses more than 50% are in the area where MGJG scheme work is in progress as same has not been completed in FY 2023-24 due to stiff public hindrance, the work is expected to be completed in FY 2024-25 and losses will be brought down within permissible limit.

Commission's Observation:

Partially Complied with. %age of rural feeders having more than 50% loss, has rather increased.

12. The Commission again directs the licensees to bring down the distribution transformer damage rate below the prescribed limits in FY 2023-24 and FY 2024-25. Any slippage on account of the timeline shall lead to penalty as deemed fit and appropriate by the Commission as per various provisions of the Act and Regulations framed thereunder. Further Commission directs the licensee to provide the action plan and the action taken to reduce rate DT damage during FY 2023-24 and FY 2024-25.

As per the HERC MYT Regulations the distribution licensee shall maintain a proper record of failure of the distribution transformers in rural and urban category and submit the same in the quarterly report to the Commission and host the same on its website/portal on monthly basis without any failure. The DISCOMs are again directed to ensure that quarterly reports be submitted regularly without fail and to host the circle wise information of failure of the distribution transformers in rural and urban category on its website regularly.

UHBVN Reply

UHBVNL submitted vide memo No. Ch-26/RA/ F-173/Vol-(15) dated 08.05.24 as under:

It is submitted that the directions have been issued to all S.E. 'OP' Circles, under UHBVN to comply with the directives. Further, the status of DT damage is being regularly monitored by WTDs and BODs of UHBVN.

Action Plan: -

In FY 2023-24 following actions were taken to reduce the DTs damage: -

a) Earthing has been done.
b) Topping up of oil wherever required done.
c) T/ FS have been identified where load balancing required & same has been done.
d) Directions for regular maintenance has been given.

Sr. No.	Area of concern	Remedial measures
1	**Connection**	Proper tightening of terminal connection & joints with appropriate of size of lugs.

2	**Over rated fuses**	Provision of fuses as per load as well as avoid using of conductor in lace of the fuse wire.
3	**Overloading**	Maintaining proper record of the total no. of consumers along with the connected load as same as maintain proper record on loading of transformers hence overloading should be avoided.
4	**Low oil level**	Proper tightening of terminal / joints & replacement of loose / burnt out as cuts. The required oil level must be maintained.
5	**Poor earthing**	Earthing should be proper in all manner as per Nigam instruction.
6	**Lighting**	Installation of LAs/ uses of appropriate size of earthing loop
7	**External short circuits**	Erection of intermediary poles where required, place spacer where necessary and maintain safety clearance between conductor as well as sag of conductor as per stander.
8	**Flash over**	Proper fitting of arcing & cleaning of bushing etc.
9	**Balancing of load**	The load on every, phase should be balanced properly.

It is submitted that the quarterly report of damaged transformers in rural and urban category is being uploaded on the official website of UHBVNL.

Commission's Observation

Complied with

DHBVN Reply

DHBVNL submitted vide memo no. Ch-75/SE/RA-782 dated 15.05.2024 as under:-

"Distribution damage rate (excluding DT under warranty period) in FY 2023-24 in respect of DHBVN is 5.65% in Rural which is below the limit of 6% as prescribed by the HERC in SOP regulation. Further, in Urban area Distribution damage rate is 3.18%, which is marginally higher than the limit of 3% as prescribed by the HERC in SOP regulation."

Details of %age of Damage T/F Rural & Urban during Apr-2023 to Mar-2024 (DHBVN)

Name of Circle	No. of Transformer installed ending 03.2024			Transformers Damaged			% Damage rate excluding warranty period		
	Urban	Rural	Total	Urban	Rural	Total	Urban	Rural	Total
Faridabad	11392	8120	19512	240	580	820	2.11%	7.14%	4.20%
Palwal	1821	22080	23901	107	1270	1377	5.88%	5.75%	5.76%
Gurugram-1	10226	8253	18479	138	591	729	1.35%	7.16%	3.95%
Gurugram-2	5841	8041	13882	107	498	605	1.83%	6.19%	4.36%
Narnaul	1188	25193	26381	35	1391	1426	2.95%	5.52%	5.41%
Rewari	1310	25217	26527	54	1086	1140	4.12%	4.31%	4.30%
Bhiwani	4253	43578	47831	75	2678	2753	1.76%	6.15%	5.76%
Hisar	4031	26441	30472	129	1383	1512	3.20%	5.23%	4.96%
Fatehabad	2522	42234	44756	453	1836	2289	17.96%	4.35%	5.11%
Sirsa	2092	55013	57105	81	3433	3514	3.87%	6.24%	6.15%
Jind	1606	35499	37105	52	2186	2238	3.24%	6.16%	6.03%
DHBVN	46282	299669	345951	1471	16932	18403	3.18%	5.65%	5.32%

Further, to reduce/control the damage rate, the following activities are being carried out:

- Capacity augmentation of overload distribution transformers.

- Vigilance activity i.e. theft detections are being caried out, to protect the overloading of transformer from kundi connections.
- Balancing load of Distribution Transformer.
- The Nigam is also focusing on regular maintenance activity like- preventive maintenance of distribution transformer to reduce earthing fault and Toping-up of Transformer oil.

Category wise distribution transformer damage rate i.e. Urban and Rural has been hosted on DHBVN website. Further circle wise % age of Damage T/F Rural and Urban of 1st quarter data ending June 2024 is as under:-

Name of Circle	No. of Transformer installed ending 06.2024			Transformers Damaged			% Damage rate excluding warranty period		
	Urban	Rural	Total	Urban	Rural	Total	Urban	Rural	Total
Faridabad	11528	8181	19709	118	265	383	1.02%	3.24%	1.94%
Palwal	1902	22559	24461	34	407	441	1.79%	1.80%	1.80%
Gurugram-I	9833	8341	18174	81	173	254	0.82%	2.07%	1.40%
Gurugram-II	6144	8078	14222	29	130	159	0.47%	1.61%	1.12%
Narnaul	1208	25222	26430	9	357	366	0.75%	1.42%	1.38%
Rewari	1338	25257	26595	33	317	350	2.47%	1.26%	1.32%
Bhiwani	4280	43871	48151	28	583	611	0.65%	1.33%	1.27%
Hisar	4114	26545	30659	54	473	527	1.31%	1.78%	1.72%
Fatehabad	2246	42899	45145	41	585	626	1.83%	1.36%	1.39%
Sirsa	2109	55338	57447	18	756	774	0.85%	1.37%	1.35%
Jind	1641	35547	37188	36	765	801	2.19%	2.15%	2.15%
DHBVN	46343	301838	348181	481	4811	5292	1.04%	1.59%	1.52%

Commission's Observation:

Total DT Damage rate figure (including DTs damaged in warranty period) is required to be provided as HERC regulation does not speak of damage rate excluding warranty period.

13. DHBVNL is again directed to clear the backlog of defective metering and to ensure that at no point of time the percentage of defective meters exceeds 2% limit as per SOP regulations in vogue.

DHBVN Reply

DHBVNL submitted vide memo no. Ch-75/SE/RA-782 dated 15.05.2024 as under:-

Defective meter in non-AP connections as on March 2024 is 1.35 %." Whereas March 2023 was 1.57%. in respect of DHBVN.

Status of Defective meters on March, 2024 in respect of DHBVN is as under: -

Name of Circle	Defective meters at the end of the month 03/2024							
	1Φ			3Φ				Total
	Rural	Urban	Total	Rural	Urban	AP	Total	
FARIDABAD	2099	1745	3844	98	510	1266	1874	5718
PALWAL	937	81	1018	5	0	4881	4886	5904
GURUGRAM-1	108	1316	1424	4	188	0	192	1616
GURUGRAM-2	292	401	693	0	327	1842	2169	2862
NARNAUL	2930	561	3491	234	51	6415	6700	10191
REWARI	247	15	262	11	0	5017	5028	5290
BHIWANI	7863	1226	9089	102	44	6594	6740	15829
HISAR	16251	24	16275	4	6	6559	6569	22844
FATEHABAD	2538	222	2760	29	28	24332	24389	27149
SIRSA	636	454	1090	180	60	18167	18407	19497
JIND	10802	25	10827	0	0	16220	16220	27047
DHBVN	44703	6070	50773	667	1214	91293	93174	143947

Commission's Observation:

Complied with.

14. The Commission directs DISCOMs especially DHBVNL to replace all electromechanical meters shown pending for replacement and submit compliance report within 3 months from date of this order.

UHBVN Reply

UHBVNL submitted vide memo No. Ch-64/RA/ F-173/Vol-(15) dated 21.06.24 as under:-

The Nigam is committed to abide by the directions of the Commission and is putting its earnest efforts to achieve the targets given by the Hon'ble Commission. Further, the directions have been issued to the field offices to replace all Single phase and Three phase Mechanical /Electromechanical meters within the timelines prescribed by Hon'ble HERC.

The status of single phase & three phase Mechanical/ Electro-mechanical meters as on 31.05.2024 is as under: -

Sr No	Name of Circle	Number of Mechanical/ Electromechanical meters pending for replacement as on 31.03.2023		Progress of replacement from 01.04.2023 to 31.05.2024		Number of Mechanical/ Electromechanical meters pending for replacement as on 31.05.2024	
		Single phase	Three phase	Single	Three	Single phase	Three phase
1	Ambala	0	0	0	0	0	0
2	Panchkula	0	0	0	0	0	0
3	Y/Nagar	0	0	0	0	0	0
4	Kurukshetra	0	0	0	0	0	0
5	Kaithal	0	0	0	0	0	0
6	Karnal	0	0	0	0	0	0
7	Panipat	0	0	0	0	0	0

Sr No	**Name of Circle**	**Number of Mechanical/ Electromechanical meters pending for replacement as on 31.03.2023**		**Progress of replacement from 01.04.2023 to 31.05.2024**		**Number of Mechanical/ Electromechanical meters pending for replacement as on 31.05.2024**	
		Single phase	**Three phase**	**Single**	**Three**	**Single phase**	**Three phase**
8	Sonepat	14018	0	4193	0	9825	0
9	Rohtak	1348	0	1044	0	304	0
10	Jhajjar	1825	0	948	0	877	0
Total (UHBVN)		**17191**	**0**	**6185**	0	**11006**	**0**

The reasons for pendency in replacement of electromechanical meters in Sonepat, Jhajjar & Rohtak Circle is as under: -

1. In Sonepat, Jhajjar & Rohtak Circle the MGJG work is under progress and shifting the meters outside the consumer premises is one of the mandatory works being carried out under MGJG scheme.
2. The progress of shifting the meters outside the consumer premises is slow due to public-resistance/ Law and order problem. As such the work of replacement of electromechanical meters is still incomplete in these circles. All efforts are being made to get the work completed. As the progress in the work is made the meters shall be replaced.

It is further submitted that there is no pendency of replacement of three phase Mechanical/ Electromechanical meters in UHBVN.

Commission's Observation:

Complied for 3 phase meters. Single phase meters linked with MGJG work (partially complied)

DHBVN Reply

DHBVNL submitted vide memo no. Ch-75/SE/RA-782 dated 15.05.2024 as under: -

Meter category	No. of electromechanical meters as on 31.03.2023 (DHBVN)			
	Rural	Urban	AP	Total
1PH Meters	44,774	-	0	44,774
3PH Meters	-	-	30,232	30,232
Total	44,774	-	30,232	75,006

Status of electromechanical meters as on March, 2024 in respect of DHBVN is as below:

Meter category	No. of electromechanical meters as on 31.03.2024			
	Rural	Urban	AP	Total
1PH Meters	32722	-	0	32722
3PH Meters	-	-	29334	29334
Total	32722	-	29334	62056

Reply of observation of HERC: -

It is added here that under MGJG scheme, electromechanical meters are replaced with electronic meter. The maximum no of electromechanical meters are pending in rural area where work of MGJG scheme has not been completed. As and when work of MGJG will be completed, all electromechanical meters except AP will be replaced with electronic meter.

Commission's Observation:

Partially Complied as replacement of electromechanical meters is still pending.

15. DISCOMs are directed to expedite the Installation of Smart Metering Project already undertaken to ensure the competition of project within the timelines of agreement executed between EESL and DISCOMs.

Further the DISCOMs are advised to adhere to the timelines for the metering project for which the tenders have been floated by both DISCOMs so that the Phase-I & Phase-II of the projects are completed by Dec.25 & Dec.26 respectively.

UHBVNL submitted vide memo No. Ch-64/RA/ F-173/Vol-(15) dated 09.04.24 as under: -

UHBVN Reply

Noted for compliance

It is submitted that the contract with EESL is for 5 lac smart meters with implementation upto December' 2023 followed by the O&M period for 5 years upto December 2028.

EESL has installed about 4.7 lacs smart meters upto 31st December 2023. The balance meters are utilized by the DISCOMs for new service connection during the O&M period

Commission's Observation:

Complied with.

DHBVN Reply

DHBVNL submitted vide memo no. Ch-75/SE/RA-782 dated 15.05.2024 as under: -

In this regard the status of Smart metering project being implemented by M/s EESL in DHBVN is mentioned below:

1. The MoU for installation of 5 lakh Smart meters and implementation of AMI (Advanced metering infrastructure) in Gurugram, Faridabad and Hisar towns of DHBVN was signed between M/s EESL and DHBVN on dated 11.07.2018. The installation of smart meters in Gurugram town of DHBVN was commenced on 07.03.2019.

The contract agreement for installation of 0.5 million Smart meters in DHBVN was executed between DHBVN and EESL on dated 21.01.2021.

2. As per contract agreement, the Built Up / Go live Phase for Implementation of Smart Metering (AMI) Solution shall be from 'Date of signing of Contract Agreement to up to 3 years. The O & M phase shall be minimum 5 years from end of 'Built Up Phase' (Extendable up to another 5 years) after Implementation of Smart Metering (AMI) solution. The timeline may be further extended /modified as per mutual agreement of EESL and Haryana Discoms. DHBVN has floated NIT for Appointment of Advanced Metering Infrastructure Service Provider (AMI-SP) for implementation of smart metering Project with Nigam's own funding i.e. overall project covers 32.90 Lacs consumers (Single Phase Consumer, three phase, LT-CT and HT CT-PT consumer and DT meters) of all eleven circles in 4 no. packages.
3. As per contract agreement, built up phase for DHBVN has completed on dated 20.01.2024 and O&M phase has commenced w.e.f. 21.01.2024 and shall complete on 20.01.2029.
4. Upto 11.03.2024, 3,67,000 smart meters have been installed in DHBVN.
5. M/s EESL is not interested in extending the meter installation further and has submitted its interest to short close the project.

As on date, nearly 23,000 single phase smart meters are lying in stock which can be utilized for replacement of defective non-smart meters/ release of new service connections.

Reply of observation of HERC: -

It is added here that the contract agreement between DHBVN and EESL was for installation of 5 lacs smart meter with implementation period of three years upto January 2024 followed by O&M period for 5 years upto January,2029.

Nearly 3.72 lac smart meter have been installed in DHBVN during implementation period. M/s EESL has expressed inability in supplying and installing balance quantity of smart meters. Balance quantity of smart meters shall be installed after award of work against NIT floated by IT wing of DHBVN for 'Appointment of Advanced Metering Infrastructure (AMI) Service Provider for Smart Metering in Dakshin Haryana Bijli Vitran Nigam (DHBVNL) in 4 no. Packages'. The scope of work in above mentioned NIT will include replacement of all existing meters with Smart meters in DHBVN.

Status of Implementation of Smart Metering Project in DHBVNL

NIT/RFP has been floated for implementation of Smart Metering Works in DHBVNL vide NIT No. 03/IT/AMISP/2023-24 on dated 26.12.2023. The estimated cost of the entire Project is Rs. 2354 Cr. Covering all the eleven circles in 4 no. packages. The tentative number of Smart Meters to be procured & installed under the RFP is as follows:

Requirement				
S. No.	**Meter Type**	**Phase-I**	**Phase-II**	**Total**
1	Single Phase whole current Smart Meters	17,46,583	12,07,978	29,54,561
2	Three Phase Whole Current Smart Meters	1,63,162	-	1,63,162
3	LT CT Smart Meters	24,526	-	24,526
4	HT CT PT Smart Meters	14,100	-	14,100
5	LT CT Smart Meters for DTs	1,34,002	-	1,34,002
	G. Total	**20,82,373**	**12,07,978**	**32,90,351**

The completion schedule of Phase-I is 18 months after LoA & of Phase-II is 30 months after LoA and overall period of 10 years including O&M period.

The last date for submission of proposal has been extended to 22.08.2024 at 13.00Hrs. and opening date to 23.08.2024 at 15.00 Hrs. vide corrigendum no. XIV.

Further, the processing for the award of the instant NIT is likely to be completed within 2 months after opening of Part-I bids.

Commission's Observation:

Complied with.

16. Further, DISCOMs to submit status of RFP/NIT along with their detailed plan regarding replacing of conventional energy meters by prepaid smart meters within two months of issuance of this Tariff Order.

UHBVN & DHBVN Reply

UHBVNL submitted vide memo No. Ch-64/RA/ F-173/Vol-(15) dated 09.04.24 & Ch-14/RA/F-173/Vol-(15) dated 09.04.2024 as under: -

It is submitted that the smart meter tender i.e. NIT No. 45/SE/Projects/AMISP/2023-24 has been floated on 15.12.2023 with closing & opening date of Part-I (Technical bid) as 10.04.2024 & 12.04.2024.

The implementation of smart meter project is divided into the two phases given as below: -

Phase-I: 13.15 Lac consumers (Covering Single Phase, Three Phase, LT-CT, DT Smart Metering and HT-CT Meter on Non-AP Consumer)	Targeted to be completed within 18 months from the date of LoA
Phase-II: 13.71 Lac Consumers (Covering Single Phase Meter in rural areas)	Targeted to be completed within 12 months from the date of initiation of Phase-II

Milestone wise description of smart meter project tender are given as below: -

Sr. No.	Milestone	Phase-I		Phase-II	
		Timeline T(a) = Date of LoA	**Milestone Description**	**Timeline T(b) = Date of initiation of Phase-II**	**No. of meters to be installed (Identified Meters)**
1	Milestone-1	T(a) + 3 months	Submission of Design Documents.	T(b) + 3 months	25% of the total smart meters.
2	Milestone-2	T(a) + 6 months	20% of the total smart meters as on dated of issuance of LoA.	T(b) + 6 months	25% of the total smart meters.
3	Milestone-3	T(a) + 9 months	Additional 20% of the total smart meters.	T(b) + 9 months	25% of the total smart meters.
4	Milestone-4	T(a) + 12 months	Additional 20 % of the total smart meters.	T(b) + 12 months	25% of the total smart meters.
5	Milestone-5	T(a) + 15 months	Additional 20 % of the total smart meters.		
6	Milestone-6	T(a) + 18 months	Remaining active connections identified by DISCOM.		

Commission's Observation:

Complied with.

17. The commission directs DISCOMs: -

i. To improve efficiency in the meter reading activities including billing.

ii. To reduce number of bills rendered on provisional basis.

iii. There should be no bill rendered on average basis for more than 2 billing cycles failing which consumer shall be entitled to claim compensation.

UHBVN Reply

UHBVNL submitted vide memo No. Ch-14/RA/F-173/Vol-(15) dated 09.04.24 & Memo No. Ch-66/RA/F-173/Vol-(15) dated 25.06.2024 as under: -

The following is submitted: -

i. <u>To improve efficiency in the meter reading activities including billing</u>

There are approx. 34 lac consumers in UHBVN (Except AP) and out of these meters approx. 85% meters are downloadable and currently the downloading percentage is approx. 80% of total consumers or around 90% of the downloadable consumers. The status of meter reading downloaded is given below (Jan & Feb-24) in comparison with Jan & Feb-21: -

Discom	Jan-21 & Feb-21		Jan-24 & Feb-24	
UHBVN	Total Consumer	Downloading % (w.r.t total meters)	Total Consumer	Downloading % (w.r.t total meters)
	2942433	38.66 %	3096593	79.08 %

Revised reply:

i. <u>To improve efficiency in the meter reading activities including billing</u>

It is submitted that there are approx. 34 lac consumers in UHBVN (Except AP) and out of these meters approx. 85% meters are downloadable and currently the downloading percentage is approx. 80% of total consumers or around 90% of the downloadable consumers. The status of meter reading downloaded is given below: -

Discom	Jan-21 & Feb-21		Mar-24 & Apr-24	
UHBVN	Total Consumer	Downloading % (w.r.t total meters)	Total Consumer	Downloading % (w.r.t total meters)
	2942433	**38.66 %**	**3011360**	**80.5%**

To improve the meter reading efficiency, the status of provisional billing for more than 2 billing cycles is being reviewed in oversight committee meeting on regular basis. As a result of which UHBVN has reduced the provisional billing cases from 9.05% (Jan-21) to 2.63% (Jan-24) & Defective meters from 4.41% (Jan-21) to 0.73% (Jan-24). The progress of provisional billing & defective meters is as under: -

Status of provisional billing & Defective meters (in %)		
Month	**Provisional billing (%)**	**Defective Metres (%)**
Jan-21	9.05	4.41
Jan-22	5.04	2.60
Jan-23	2.93	0.70
Jan-24	2.63	0.73

Further, new tender of hiring MRBD firms is under process. In this NIT terms & conditions to further improve the meter reader efficiency have been incorporated, which are as under:

i. Penalty for non-achieving the meter download target of **98%** w.r.t. downloadable meters).

ii. Penalty for RNT cases.

iii. Penalty for un-billed consumers.

Penalty for non-deputing of adequate staff in field offices for meter readings.

Commission's Observation:

Partially Complied.

ii. To reduce number of bills rendered on provisional basis.

There should be no bill rendered on average basis from more than 2 billing cycles failing which consumer shall be entitled to claim compensation.

a. One number JSEs has been deputed at division level to monitor the billing and consumer complaints on daily basis. Hence UHBVN reduced the provisional billing to 2.63% in Jan-24.

b. Consumers billed on provisional basis for more than 2 billing cycles are reviewed in oversight committee meeting on regular basis by Director/OP.

c. The status of pending complaints (BR/MCO/PDCO) is reviewed on monthly basis by Director/OP, this leads to timely resolution of complaints.

The progress of provisional billing & defective meters is as under: -

Status of provisional billing & Defective meters (in %)		
Month	Provisional billing (%)	Defective Metres (%)
Jan-21	9.05	4.41
Jan-22	5.04	2.60
Jan-23	2.93	0.70
Jan-24	2.63	0.73

iii. **There should be no bill rendered on average basis for more than 2 billing cycles failing which consumer shall be entitled to claim compensation**.

The above table shows there is continuously improvement in provisional billing & defective meter cases. Sincere efforts are being made to meet with the target of no bill issued on average basis for more than two billing cycle.

Commission's Observation:

Complied with

DHBVN Reply

DHBVNL submitted vide memo no. Ch-75/SE/RA-782 dated 15.05.2024 as under:-

<u>Reply to improve efficiency in the meter reading activities including billing</u>

i. Enhancing billing efficiency: New MRBD agencies have been engaged in the month of Nov-2023.They have started the work from Dec-2023. To avoid incorrect billing, provision of penalty clause has also been made onwards in the new work order i.e. a provision of imposition of a penalty up to 40%. Hence, it will definitely improve the billing efficiency by MRBD's agencies to avoid the penalties i.e. 40% as per work order.

ii. Reduced human intervention: Provision of OCR technology has also been made in the new work order of MRBD to mitigate human error/intervention for non-downloadable meters, and to facilitate accurate reading for the billing application, which shall also enhance the billing efficiency.

iii. Increasing Downloading meters: There are approx. 36.15 lacs consumers in DHBVN (Except AP) and currently the downloading percentage is approx. 70% of total consumers. The status of meter reading downloaded is given below (May & June-24) in comparison with Jan & Feb-22:-

Discom	Jan-22 & Feb-22		May-24 & June-24	
DHBVN	Total Consumer	Downloading % (w.r.t total meters)	Total Consumer	Downloading % (w.r.t total meters)
	3389127	57.44%	3615298	69.77%

Commission observation

Partially complied with

18. It may be noted that in case batteries are installed by the Discoms at their sub-stations and the same are charged during off-peak hours so that the stored power can be injected back into the grid during peak hours to bridge any demand-supply gap, the same shall be counted towards fulfilment of storage RPO.

UHBVN Reply

UHBVNL submitted vide memo No. Ch-14/RA/F-173/Vol-(15) dated 09.04.24 & Memo No. Ch-75/RA/F-173/Vol-(15) dated 02.08.2024 as under:-

In this regard, it has been decided that 10 MW Battery Energy Storage System (BESS) may be set up on spare land of 33KV Substation under the jurisdiction of UHBVN. 02 no. circles i.e. Panipat & Jhajjar have been identified for installation of 5 MW BESS each in both circles. It is further, decided that the above work may be included in the scope of RFP being floated by DHBVN so that both the utilities are on common platform.

In the meantime, Govt. of India/Ministry of Power have launched Viability Gap Funding (VGF) Scheme for the development of BESS during the month September, 2023.

The bidding documents/RFP is still under examination in DHBVN in light of the above scheme approved by the MoP/GoI. The RFP will be floated very shortly.

In this regard, it has been decided that 10 MW Battery Energy Storage System (BESS) may be set up on spare land of 33 KV Substation jurisdiction of UHBVN. 02 SP Circles ie. Panipat and Jhajjar have been identified for installation of 5 further decided that the abon of 5 may be included in the scope of MW BESS each in both Circles. It is RFP being floated by DHBVN so that both the utilities are on common platform. In the meantime, Govt of India/Ministry of Power have launched Viability Gap Funding (VGF) Scheme for the development of BESS during the month September, 2023. The bidding documents/RFP is still under examination in DHBVN in light of the above Scheme approved by the MoP/Gol. The RFP will be floated very shortly.

However, the directive is noted for compliance.

Commission's Observation:

Complied with

DHBVN Reply

DHBVNL submitted vide memo no. Ch-75/SE/RA-782 dated 15.05.2024 as under:-

In this connection it is submitted that the R&M charges are being increased every year, Management gave a clear direction to Field offices that maintenance of existing system should be carried out on periodically & for the same special delegation of power (Annexure-III) to purchase material has also been sanctioned under Preventive Maintenance Scheme. The year wise detail of expenditure incurred on repair & maintenance is as under;-

F Y	Amount in crores
2018-19	106.87
2019-20	122.34
2020-21	137.72
2021-22	129.76
2022-23	131.05
2023-24	196.15

Commission's Observation:

Complied with

19. Terminal Liability- The Discoms are directed to claim terminal liabilities based on actual values instead of claiming the same on the basis of actuarial valuation. Any aberrations can be trued up.

UHBVN Reply

UHBVNL submitted vide memo No. Ch-14/RA/F-173/Vol-(15) dated 09.04.24 as under:-

It is submitted that Actuarial valuations are required at the end of every accounting period for the purpose of preparation of financial statements. This is required by all enterprises, if AS 15 or Ind AS 19 is applicable, whether fully or partially.

The expenditure of Actuarial valuations is booked in UHBVNL as payable to the Trust. Further the payments of retiree made by the UHBVN on behalf of the Trust, as receivable from the Trust.

So, actuarial valuation is mandatory as per Companies act. & Terminal liabilities is considered in the account as per actuarial valuation based instead of actual payments made to the retiree.

DHBVN Reply

DHBVNL submitted vide memo no. Ch-75/SE/RA-782 dated 15.05.2024 as under:-

As per IND As 19 the terminal liability booked on the basis of Actuarial Valuation. The copy of Actuary Valuation already been supplied and again enclosed as Annexure-B.

Commission's Observation:

Complied with

20. R&M- The Commission has observed that the discoms are always short of spending the full amount on Repair & Maintenance as approved by the Commission. It needs to be noted that R&M expenses are crucial to keep the distribution system in a perfect condition and to prevent unscheduled outages. Hence, they are directed to utilise the R&M expenses prudently to ensure quality and continuity in supply of power.

UHBVN Reply

UHBVNL submitted vide memo No. Ch-14/RA/F-173/Vol-(15) dated 08.05.24 as under:-

In this regard, it is submitted that meetings are being conducted regularly at Management level for proper monitoring and utilization of Repair and Maintenance expenses for improvement of system reliability and quality of power supply. Regular directions are being imparted to all XENs/SDOs working under administrative control of OP circle for proper maintenance of HT/LT lines and transformers. Proper Tool kits have been provided to all the regular as well as HKRN field workers.

The Nigam is putting its earnest efforts to enhance R&M activities to provide quality supply of power to the consumers under jurisdiction of the UHBVN.

DHBVN Reply

DHBVNL submitted vide memo no. Ch-75/SE/RA-782 dated 15.05.2024 as under:-

In this connection it is submitted that the R&M charges are being increased every year, Management gave a clear direction to Field offices that maintenance of existing system should be carried out on periodically & for the same special delegation of power (Annexure-III) to purchase material has also been sanctioned under Preventive Maintenance Scheme. The year wise detail of expenditure incurred on repair & maintenance is as under;-

F Y	Amount in crores
2018-19	106.87
2019-20	122.34
2020-21	137.72
2021-22	129.76
2022-23	131.05
2023-24	196.15

Commission's Observation:

Complied with

21. Arrears/Collection Efficiency- The Discoms are directed to segregate the collection of revenue pertaining to a financial year into current revenue collection and revenue collection pertaining to arrears, to make the collection efficiency report more meaningful/accurate. Hence, the same is not reported as more than 100%.

UHBVN Reply

UHBVNL submitted vide memo No. Ch-14/RA/F-173/Vol-(15) dated 09.04.24 Memo No. Ch-55 F-173/Vol-(15) dated 10.06.2024 as under:-

It is submitted that in the Financial Statement of the Nigam, the collection efficiency is being calculated including arrear amounts. Further, the collection efficiency has been restricted upto 100% in case the same is more than 100% in the financial statement from FY 2022-23 onwards.

The direction of the Hon'ble Commission has been duly noted. The System generated figures of collection efficiency with and without arrears is also being put-up before the WTDs and BODs of the Nigam.

Commission's Observation:

Nigam has noted the direction for further compliance.

DHBVN Reply

DHBVNL submitted vide memo no. Ch-75/SE/RA-782 dated 15.05.2024 as under:-

It is submitted that separate Group Heads have been allotted for booking the collection for current year as well as for previous years separately. It is further submitted that the field offices are booking the revenue being collected accordingly.

Commission's Observation:

Complied with

22. **Power Planning-** The Commission has observed that, with the concurrence of the Discoms, more than one unit of HPGCL's power station / other power stations are taken out for planned maintenance at the same time. The Discoms are directed to assess their power demand /supply position as well as the prevailing market conditions in the power exchanges / bilateral sources and then only take an informed decision of allowing power generating station(s) to be simultaneously taken out for planned maintenance.

UHBVN Reply

UHBVNL submitted vide memo No. Ch-14/RA/F-173/Vol-(15) dated 10.06.2024 as under:-

Noted for compliance.

It is submitted that planned maintenance of HPGCL's generating station(s) is scheduled state and availability of cheaper power in the exchange as well as availability of power through banking.

DHBVN Reply

DHBVNL submitted vide memo no. Ch-75/SE/RA-782 dated 15.05.2024 as under:-

Noted for compliance.

It is submitted that planned maintenance of HPGCL's generating' station(s) is scheduled during lean period i.e. from November to March, keeping in view low demand of power in the state and availability of cheaper power in the exchange as well as availability of power through banking.

Commission's Observation:

Complied with

23. The Present control period of HERC MYT Regulations in vogue ends on 31/03/2025. Hence the distribution licensee shall submit a true-up application as per the provision of the Regulations. supra alone with detailed justification including incremental benefits flowing from additional Capex

UHBVN Reply

UHBVNL submitted vide memo No. Ch-14/RA/F-173/Vol-(15) dated 09.04.2024 as under:-

It is submitted that the True-up for the control period in vogue will be submitted as per MYT Regulation.

DHBVN Reply

DHBVNL submitted vide memo no. Ch-75/SE/RA-782 dated 15.05.2024 as under:-

It is submitted that the True-up for the control period in vogue will be submitted as per MYT Regulation

Commission's Observation:

Complied with

24. Regarding Capital Investment Plan for 2023-24, The Commission observes that no expenditure has been indicated for scheme at Sr. no. 12 and 13 for which an amount of Rs. 195 Cr. was approved by the Commission. The licensee is required to give reasons for no progress against these works during FY 2023-24.

UHBVN Reply

UHBVNL submitted vide memo No. Ch-14/RA/F-173/Vol-(15) dated 09.04.2024 as under:-

The implementation of smart meter was covered under RDSS & DPRs were sanctioned by 24th RDSS Monitoring Committee meeting held on 06.10.2023. However, Haryana Discoms represented in the MoP to allow Discom to implement the Smart Metering Works on Capex/Hybrid model instead of TOTEX mode. The same was considered and allowed by MoP, GoI on 06.10.2023 to implementation of smart metering outside the RDSS using Discoms own funds.

Accordingly, tender for implementation of smart meter have been floated by UHBVN & DHBVN on dated 27.12.2023 & 26.12.2023 respectively. Technical Part-I opening date of UHBVN tender is 12/04/2024. Due to above change in approach, work of smart metering has not commenced. The expenditure shall happen after award of contract & progress of the project.

LoI to PMA for ERP Implementation has been issued dated 15/03/2024 against NIT No. 39/SE/Projects/ERP-PMA/RDSS/2023-24. NIT No. 48/SE/Projects/ERP-SI/RDSS/ 2023-24 for Selection of System Integrator for ERP implementation has been floated on dated 15/03/2024 with opening date of 29/04/2024. The expenditure shall happen after award of contract & progress / achievement of milestones.

24(a) The Commission observes that there is no indication of expenditure on the works mentioned in CIP at Sr. No. 3 (g) for first half and minuscule expenditure of 0.03 Cr against approved capex of Rs 5 Cr. at sr. No. 3(f) and 0.43 Cr. against approved capex or Rs. 9.14 Cr. at sr. No. 3(d) has been shown. The licensee is directed to provide the reasons/ justification for no progress against these works during FY 2023-24.

DHBVN Reply

DHBVNL submitted vide memo no. Ch-75/SE/RA-782 dated 15.05.2024 as under:-

Sr. No. 3(d)- The estimates/ Bills of material are under preparation with field offices. Further, the Expression of Interest (EoI) has been floated for execution of 11 kV works and part-l is scheduled to be opened on 10.04.2024 After, finalization of Expression of Interest (EoI), the work for shifting of 11 lines passing over residential areas under DHBVN shall be carried out through empanelled contractor under Expression of Interest (EoI) after receipt of estimates/ Bills of material from field offices.

Sr. No. 3(f)-The work of Muffing of existing poles of 11 KV Lines is being carried out as per requirement.

Sr. No. 3(g) LoI was issued to M/s Zera on 18.01.23 & agreement was executed with the firm on 31.01.23. As per contract, the firm was to complete the work within 12 months from the date of agreement. After completion of the work, invoices were raised by the firm on 07.12.23. Accordingly, payment was made to the firm after verification & approval of invoices. During FY 2023-24 an expenditure of Rs. 11.67 Cr. has been incurred.

Commission's Observation:

Complied with

25. It is a matter of concern that as crucial works related to operating efficiency of the distribution licensee listed at Sr. A(1-10), progress in the first half is tardy leaving about 70% of the Capex to the 2nd half of the financial year. Such execution of work reveals lack of seriousness which ought to be avoided.

The distribution licensee is directed to explain the entire gamut of planning including an updated Capex table and justification for no expenditure on the Capex proposed by them and approved by the Commission immediately after close of the FY 2023-24.

UHBVN Reply

UHBVNL submitted vide memo No. Ch-14/RA/F-173/Vol-(15) dated 09.04.2024 & Memo no Ch-75/RA/F-173/Vol-(15) dated 02.08.2024 as under:-

It is submitted that the actual CAPEX incurred in the FY 2023-24 alongwith detailed information and full justification will be submitted after finalization of financial accounts.

The detail of Capex for the FY 2023-24 is attached as Annexure-I.

25(a). The Commission approves the capital expenditure to tune of Rs. 1276 Cr. for FY 2024- 25, it includes work of Rs. 159 Cr. to be funded from consumers contribution. The licensee is directed to revise its capital expenditure plan accordingly and to submit the scheme wise details along with funding details of proposed expenditure to the Commission within one month from the date of issue of this Order.(DH)

DHBVN Reply

Revised Capex for the FY 2024-25 (copy enclosed as Annexure- C).

Commission's Observation:

Complied with

26. The DISCOMs are directed to make all out efforts to release all pending connections within the time frame as specified in various law/regulations in-vogue and submit a status report regarding release of Non-AP connections / loads, within three months.

UHBVN Reply

UHBVNL submitted vide memo No. Ch-29/RA/F-173/Vol-(15) dated 17.05.2024 & Memo no Ch-66/RA / F-173/ Vol-(15) dated 25.06.24 as under:-

It is submitted that as per the Hon'ble Commission's Directive, status of pending non-AP connections is attached as Annexure-I to IV and summarized as under: -

(a) As per SOP Regulations, the prescribed timeline is 37 days for LT connection & 78 days for HT connections for both New & EOL.

(b) SOP timelines excludes time taken by applicant in compliance.

(c) Average delivery time & % delivery within SOP from 1st April 2023 to 29th March 2024 is as under:

Type	LT Supply (up to 50 KW)		HT Supply (Above 50 KW)	
	Average delivery Time	% within in SOP timeline	Average delivery Time	% within in SOP timeline
New	19.5	98.8%	49.9	83.4%
EOL	10.6	98.8%	45.5	88.9%

Pending overdue applications excluding pending on compliance of demand notice on part of applicant ending 29.03.2024 is as under:

Type	LT Supply (upto 50 KW)			HT Supply (Above 50 KW)		
	Overdue	Load KW	% overdue	Overdue	Load KW	% Overdue
New	24	426.8	0.24%	14	304961	10.5%
EOL	2	42.9	0.30%	7	49020.4	4.1%

The connection are being released within SOP timelines and there is negligible pendency of small number of overdue cases, which are due to variety of factors which are peculiar to each case such as ROW issue, requires augmentation, delay in self execution, local system constraints, pending on part of consumer/ delay in processing etc which are resolved and dealt accordingly.

Revised reply:

In this regard, it is submitted that the following efforts are being made to ensure timely release of connections:

1. For timely release of connections, the online system has been implemented.
2. All charges are calculated electronically on the portal and all documents are uploaded on portal without any physical presence.
3. The connections/cases which get overdue are examined by the oversight committee every month.

Further, the status of pending non-AP connections is attached as **Annexure-I to IV** and summarized as under: -

(a) As per SOP Regulations, the prescribed timeline is 37 days for LT connection & 78 days for HT connections for both New & EOL.

(b) SOP timelines exclude time taken by applicant in compliance.

(c) Average delivery time & % delivery within SOP from 1st April 2023 to 29th March 2024 is as under: -

Type	LT Supply (up to 50 KW)		HT Supply (Above 50 KW)	
	Average delivery Time	% Within in SOP timeline	Average delivery Time	% Within in SOP timeline
New	19.5	98.8%	49.9	83.4%
EOL	10.6	98.8%	45.5	88.9%

(d) Pending overdue applications excluding pending on compliance of demand notice on part of applicant ending **29.03.2024** is as under:

Type	LT Supply (up to 50 KW)			HT Supply (Above 50 KW)		
	Overdue	Load KW	% Overdue	Overdue	Load KW	% Overdue
New	24	426.8	0.24%	14	304961	10.5%
EOL	2	42.9	0.30%	7	49020.4	4.1%

The connections are being released within SOP timelines and there is negligible pendency of small number of overdue cases, which are due to variety of factors which are peculiar to each case such as ROW issue, requires augmentation, delay in self-execution, local system constraints, pending on part of consumer/ delay in processing etc which are resolved and dealt accordingly.

DHBVN Reply

DHBVNL submitted vide memo no. Ch-75/SE/RA-782 dated 15.05.2024 as under:-

In this regard, it is submitted that the following efforts are being made to ensure timely release of connections:

1. For timely release of connections, the online system has been implemented.
2. All charges are calculated electronically on the portal and all documents are uploaded on portal without any physical presence.
3. The connections/cases which get overdue are examined by the oversight committee every month.

Further, the status of pending non-AP connections is attached as Annexure-IV to VI and summarized as under: -

a) As per SOP Regulations, the prescribed timeline is 37 days for LT connection & 78 days for HT connections for both New & EOL.

b) SOP timelines exclude time taken by applicant in compliance

c) Average delivery time & % delivery within SOP from 1st April 2023 to 31st March 2024 is as under: -

Type	LT Supply (upto 50 KW)			HT Supply (upto 50 KW)		
	Total Released	Average Delivery Time	% within in SOP timeline	Total Released	Average Delivery Time	% within in SOP timeline
New	2561	26.87	78.60%	552	52.08	85.14%
EOL	627	21.78	83.09%	689	42.64	90.28%

a) Pending overdue applications excluding pending on compliance of demand notice on part of applicant ending 31.03.2024 is as under :

Type	LT Supply (upto 50 KW)					HT Supply (upto 50 KW)		
	Total Received (Except Cancelled Application)	Overdue	Load of overdue application in KW	% Overdue	Total Received (Except Cancelled Application)	Overdue	Load of overdue application in KW	% Overdue
New	15759	3	119	0.019%	2817	12	163833	0.42%
EOL	3509	0	0	0	3472	9	68462	0.26%

The connections are being released within SOP timelines and there is negligible pendency of small number of overdue cases, which are due to variety of factors which are peculiar to each case such as ROW issue, requires augmentation, delay in self-execution, local system constraints, pending on part of consumer/delay in processing etc. which are resolved and dealt accordingly.

Commission's Observation:

Only small no. is overdue for which DHBVN is required to take action**.**

27. The Commission observes that in view of the above, the Commission directs that in the next ARR, the Discoms will submit a tariff proposal as well; it may not necessarily be for increase or decrease in tariff(s) but for improvement in tariff design, reduction in the number of category / sub-category, re-alignment of demand / fixed charges etc. The proposal should include its impact on a typical consumer.

UHBVN Reply

UHBVNL submitted vide memo No. Ch-26/RA/F- 173/Vol-(15) dated 08.05.2024 and Memo No. Ch-55 F-173/Vol-(15) dated 10.06.2024 as under:-

Noted for compliance

DHBVN Reply

DHBVNL submitted vide memo no. Ch-75/SE/RA-782 dated 15.05.2024 as under:-

Noted for compliance and under process.

Commission's Observation:

Complied with

28. The DISCOMs are again directed to ensure that quarterly reports be submitted regularly without fail and to host the circle wise information of failure of the distribution transformers in rural and urban category on its website regularly.

DHBVN Reply

DHBVNL submitted vide memo no. Ch-75/SE/RA-782 dated 15.05.2024 as under:-

Circle wise monthly statement of failure of distribution transformer in rural and urban category in respect of DHBVN are being hosted on the website regularly.

Commission's Observation:

Complied with

29. In the case of the existing consumers above 50 kW up to 70 kW (LT) that has been merged with HT Supply, the tariff shall be as per HT Supply. In the absence of a compatible meter standard power factor of 0.90 may be used. However, the Discoms shall ensure that a compatible meter of requisite accuracy is installed either by the Discoms or by the consumers themselves within six months from this order. It is clarified that consumer will not have the option to pick and choose. However, such consumers shall be given option either to get the load reduced below 50 KW or convert to HT metering within one year

DHBVN Reply

DHBVNL submitted vide memo no. Ch-75/SE/RA-782 dated 15.05.2024 as under:-

The applicability of standard power factor pf 0.90 in absence of compatible meter is being got implemented in the CC& B system for which the software development team (M/s Infinite) has been instructed to develop a logic to ensure that this standard power factor is applied to the non-compatible meters.

The same has also been communicated to UHBVNL to maintain parity in the billing system.

No. of consumers converted to LT supply to HT Supply

Sr. No.	Name of Circle	No. of consumers having load >50 KW and <70 KW are running on LT Supply as on 31.03.24	No. of consumers converted to HT Supply from 01.04.24 to 13.08.24	Balance	Likely date of conversion of balance consumer from LT to HT Supply
1	Faridabad	98	2	96	30.11.24
2	Palwal	3	0	3	31.10.24
3	Gurugram-I	16	0	16	31.12.24
4	Gurugram-II	85	0	85	30.09.24
5	Narnaul	2	1	1	15.09.24
6	Rewari	13	2	11	30.09.24
7	Bhiwani	60	9	51	31.12.24
8	Hisar	59	9	50	31.10.24
9	Fatehabad	12	1	11	31.10.24
10	Sirsa	11	0	11	31.10.24
11	Jind	15	0	15	31.10.24
	DHBVN	374	24	350	

Commission's observation:

The pace of work of conversion of LT supply to HT supply (For consumers having load >50 KW and <70 KW & are running on LT) is very tardy as only 24 consumers out of 374 have been converted in 4 months.

30. The Discoms are directed to file a comprehensive proposal for amendment in general and miscellaneous charges as well as the relevant regulations such as the Duty to Supply Regulations.

DHBVN Reply

DHBVNL submitted vide memo no. Ch-75/SE/RA-782 dated 15.05.2024 as under:-

Noted for compliance and under process.

Commission's Observation:

Complied with

31. LT supply consumers (having sanctioned load up to 20 KW) shall be billed only on kVAh tariff with the exception of billing in kWh only when the installed meter at consumer premises is not kVAh compliant. However, Discoms shall ensure installation of kVAh meters for such consumers by 30.09.2024.

DHBVN Reply

DHBVNL submitted vide memo no. Ch-75/SE/RA-782 dated 15.05.2024 as under:-

The necessary provision has already been made in the CC&B billing application.

Approximately 3.5 lakh LT supply consumers in DHBVNL, currently being billed on KWH instead of KVAH, have been identified. Instructions have been conveyed to all Sub-Divisions to initiate the category correction process to change the billing on KVAH basis at Sub-Division Level for KVAH compliant meter. This was done through the online training session conducted by R-APDRP team. The process for category correction/meter change documents was communicated via email.

Commission's Observation:

Progress report is required to be submitted by DHBVN.

32. The Commission directs that the Discoms shall not procure additional power over and above the quantum approved in the PPA that may be available to it from the un-allocated share / share relinquished by any other State in the Central Generating Power Stations in case it does not fall in the merit order dispatch (MOD). The Commission thereto shall disallow all such power procurements and the cost thereto

DHBVN Reply

DHBVNL submitted vide memo no. Ch-75/SE/RA-782 dated 15.05.2024 as under:-

Noted for compliance.

It is submitted that keeping in view the deficit in availability to meet the demand during the summer months, HPPC for the last two years i.e. from FY-2022-23 and FY-2023-24 has been requesting MoP to allocate power from un-allocated pool in CGSs. Subsequently, MoP allocates power to each state in the proportion of power available in the un-allocated pool and the requisition from the states. MoP considers all the generating plants having un-allocated capacity, irrespective of the cost of power from the generating station while allocating the power. Once this power is allocated, HPPC immediately approaches HERC for its approval. This allocated power is then scheduled/dispatched subject to MoD. It is clarified that HPPC does not schedule power from the un-allocated share / share relinquished by any other State in the CGSs in case it does not fall in the merit order dispatch (MOD).

Commission's Observation:

Complied with

33. The Commission directs that DHBVNL will ensure 100% shifting of AP connections on segregated feeders instead of lame excuses time and again.

DHBVN Reply

DHBVNL submitted vide memo no. Ch-75/SE/RA-782 dated 15.05.2024 as under:-

Status of AP connections running on Urban/RDS Feeders ending 31.03.2024 under Delhi Zone.

Name of Circle	Category	Total No. of AP Connections running on Urban/RDS Feeders	Total No. of AP Connections found not Technically/Financial Feasible	Total No. of balance AP Connections to be shifted from Urban/RDS Feeders	Target Date of shifting of AP Connections from Urban/RDS Feeder to AP Feeder
Gurugram-I	Urban	369	369	0	
	RDS	363	363	0	
	Total	**732**	**732**	**0**	
Gurugram-II	Urban	145	0	99	30.09.2024
	RDS	35	0	35	
	Total	**180**	**0**	**134**	
Faridabad	Urban	370	125	245	
	RDS	3174	24	3150	31.12.2024
	Total	**3544**	**149**	**3395**	
Palwal	Urban	370	125	245	
	RDS	3174	24	3150	31.12.2024
	Total	**3544**	**149**	**3395**	
Narnaul	Urban	205	156	49	
	RDS	399	211	188	31.12.2024
	Total	**604**	**367**	**237**	
Rewari	Urban	242	213	29	
	RDS	769	396	373	
	Total	**1011**	**609**	**402**	
Delhi Zone	Urban	1701	988	667	
	RDS	7914	1018	6896	
	Total	**9615**	**2006**	**7563**	

Status of AP connections running on Urban/RDS Feeders ending 31.03.2024 under Hisar Zone.

Name of Circle	Category	Total No. of AP Connections running on Urban/RDS Feeders	Total No. of AP Connections found not Technically/Financial Feasible	Total No. of balance AP Connections to be shifted from Urban/RDS Feeders	Target Date of shifting of AP Connections from Urban/RDS Feeder to AP Feeder
Bhiwani	Urban	28	28	0	Due to spread in wide area and there is no feasibility to shift these connections.
	RDS	97	97	0	
	Total	**125**	**125**	**0**	
Hisar	Urban	57	57	0	Due to spread in wide area and there is no feasibility to shift these connections.
	RDS	34	34	0	
	Total	**91**	**91**	**0**	

Name of Circle	Category	Total No. of AP Connections running on Urban/RDS Feeders	Total No. of AP Connections found not Technically/Financial Feasible	Total No. of balance AP Connections to be shifted from Urban/RDS Feeders	Target Date of shifting of AP Connections from Urban/RDS Feeder to AP Feeder
Fatehabad	Urban	22	7	15	31.10.2024
	RDS	6	4	2	31.10.2024
	Total	**28**	**11**	**17**	
Sirsa	Urban	51	51	0	
	RDS	2	2	0	
	Total	**53**	**53**	**0**	
Jind	Urban	25	25	0	25 No. T/well connection not feasible however TOD facility meters have been Provided.
	RDS	3	0	3	30.09.2024
	Total	**28**	**25**	**3**	
Hisar Zone	Urban	183	168	15	
	RDS	142	137	5	
	Total	**325**	**305**	**20**	

Commission observation

Partially Complied with, as 9940 AP connections are still running on Non-AP feeders (As on 31.03.24).