



COMMISSION'S ORDER

ON

**TRUE-UP FOR FY 2024-25, MID-YEAR PERFORMANCE REVIEW
FOR FY 2025-26, DETERMINATION OF GENERATION TARIFF FOR
THE FY 2026-27**

Case No. HERC/PETITION NO. 93 of 2025

18.03.2026

HARYANA ELECTRICITY REGULATORY COMMISSION

BAYS NO. 33-36, SECTOR-4, PANCHKULA-134112

<https://herc.gov.in>

Abbreviations

Abbreviation	Description
AAC	Additional Auxiliary Consumption
A&G	Administrative & General
APDP	Accelerated Power Development Programme
AEC	Auxiliary Energy Consumption
ARR	Aggregate Revenue Requirement
APTEL	Appellate Tribunal for Electricity
CAGR	Compounded Annual Growth Rate
CAPEX	Capital Expenditure
CERC	Central Electricity Regulatory Commission
CIP	Capital Investment Plan
Cr.	Crore (Rs. 10 Million)
DCRTPS	Deen Bandhu Chotu Ram Thermal Power Station
DCS	Distributed Control System
DHBVNL	Dakshin Haryana Bijli Vitran Nigam Limited
DSI	Dry Sorbent Injection
DSM	Deviation Settlement Mechanism
EA 2003	The Electricity Act 2003 (Act 36 of 2003)
ECR	Energy Charge Rate
ERP	Enterprise Resource Planning
FGD	Flue Gas Desulphurization
FPA	Fuel Price Adjustment
FY	Financial Year
GCV	Gross Calorific Value
GFA	Gross Fixed Assets
GoH	Government of Haryana
Gol	Government of India
HERC	Haryana Electricity Regulatory Commission
HPGCL	Haryana Power Generation Corporation Limited
HWRA	Haryana Water Resources Authority
IndAS	Indian Accounting Standard
IoB	Indian Overseas Bank
IPP	Independent Power Producers
IWC	Interest on Working Capital
MaxDNA	Maximum Dynamic Network Architecture
MoC	Ministry of Coal, Government of India
MoD	Merit Order Dispatch
MoEF&CC	Ministry of Environment, Forest and Climate Change
MoP	Ministry of Power, Government of India
MU	Million Units
MYT	Multi Year Tariff
NAPAF	Normative Annual Plant Availability Factor
NIT	Notice inviting Tender
O&M	Operation & Maintenance
PFC	Power Finance Corporation
PLF	Plant Load Factor
PNB	Punjab National Bank
PPA	Power Purchase Agreement
PPP	Public Private Partnership

Abbreviation	Description
PTPS	Panipat Thermal Power Station
RCR	Road cum Rail
REC	Rural Electrical Corporation
RGTPS	Rajiv Gandhi Thermal Power Plant
RSD	Reserve Shut Down
R&M	Repair & Maintenance
SBI	State Bank of India
SCR	Selective Catalytic Reduction
SFC	Secondary Fuel Consumption
SFO	Secondary Fuel Oil
SHR	Station Heat Rate
SLDC	State Load Dispatch Centre
SNCR	Selective Non-Catalytic Reduction
SOFA	Separated Over Fire-Air
SPM	Suspended Particulate Matter
STP	Sewage Treatment Plant
TO	Tariff Order
UHBVNL	Uttar Haryana Bijli Vitran Nigam Limited
WYC	West Yamuna Canal

BEFORE THE HARYANA ELECTRICITY REGULATORY COMMISSION AT PANCHKULA

HERC/ Petition No. 93 of 2025

Date of Hearing : 07.01.2026
Date of Order : 18.03.2026

In the Matter of

Petition for the approval of True-up for the FY 2024-25, Mid-Year Performance Review for FY 2025-26 & Generation Tariff for FY 2026-27.

Petitioner

Haryana Power Generation Corporation Limited (HPGCL), Panchkula

Respondents

1. Haryana Power Purchase Centre (HPPC)
2. General Public

Present:-

1. Shri Amit Diwan, Director (Finance), HPGCL
2. Shri Ranjeet Singh, CE/Regulatory, HPGCL
3. Shri Ravi Juneja, AEE, HPGCL

Quorum

Shri Nand Lal Sharma
Shri Mukesh Garg
Shri Shiv Kumar

Chairman
Member
Member

ORDER

Brief background of the case

- 1 The petitioner herein i.e. HPGCL, vide its Memo No. 246/HPGCL/Reg-522 (2025) dated 26.11.2025, has filed the present petition seeking true-up for the FY 2024-25 and determination of Generation Tariff for the FY 2026-27 under Section 61 and 62 of Electricity Act, 2003 read with the Haryana Electricity Regulatory Commission MYT Regulations, 2019 including its subsequent amendments.
- 2 In fulfilment of the procedural requirement of the Electricity Act, 2003 and HERC (Conduct of Business) Regulations framed thereunder, in order to afford an opportunity to the general public / Stakeholders to file their objections / suggestions / comments, the petition filed by HPGCL was made available on the website of the Commission as well as that of the petitioner. Further, a public notice was issued by HPGCL in compliance of section 64 (2) of the Electricity Act, 2003, in Amar Ujala' and 'The Tribune' dated 28.11.2025, for inviting objections from the General Public / Stakeholders. A Public Notice was also issued by the Commission, communicating the last date of filing objection as well as the date of hearing, in the 'Dainik Bhaskar'

and 'The Tribune' dated 17.12.2025.

3 The petitioner has submitted as under: -

3.1 True-up Petition for the FY 2024-25

HPGCL has filed the petition praying for truing-up of the FY 2024-25, which is based on the Audited Accounts of the company in line with regulation 13.1 of the MYT Regulations, 2019.

The regulation (supra) cited by the petitioner is reproduced below: -

“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 up to 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.”

The petitioner (a generating company as defined in the Electricity Act, 2003), has cited the following regulation for recovery of Fixed Cost/Capacity charges: -

“30. RECOVERY OF ANNUAL FIXED CHARGES (CAPACITY) CHARGES FOR THERMAL POWER PROJECTS

- (a) *The fixed cost of a thermal generating station shall be computed on annual basis, based on norms specified under these Regulations. Payment of capacity charge by the beneficiaries shall be on monthly basis in proportion to allocated / contracted capacity. The total capacity charges payable for a generating plant shall be shared by its beneficiaries as per their respective percentage share / allocation in the capacity of the generating plant;*
- (b) *A generating plant shall recover full capacity charge at the normative annual plant availability factor specified by the Commission. Recovery of capacity charge below the level of target availability shall be on pro-rata basis.....”*

In view of the above statute, HPGCL has averred that the regulation (supra) lays down the methodology for recovery of the fixed cost components of the tariff as per the availability of the power plants and the True-up is also required between “Recovered” as per plant availability and ‘Actual’ as per the Audited Accounts. Therefore, in the present petition True-up has been proposed on “Recovered” vis-a-vis “Actual”.

The component wise true-up, as calculated and proposed by the petitioner herein, is as under: -

3.2 True-up of Operation and Maintenance (O&M) expenses

The petitioner has submitted that the Commission had approved O&M Expenses, comprising of Employees Cost including retiral benefits, R&M and A&G expenses of Rs. 906.001 Cr for the FY 2024-25, out of which O&M expenses amounting to Rs. 848.97 crore could only be recovered. The total actual O&M Expenses, as per audited accounts for FY 2024-25, (excluding solar business of Rs 1 Cr and SLDC charges of Rs. 2.32 Cr) has been Rs. 1188.01 Cr., as tabulated below: -

Rs. crore

Particular	FY 2024-25 (HERC Approved)	FY 2024-25 (Recovered)	FY 2024-25 (Audited)	Variance	True-Up claimed
	1	2	3	4 = (3-2)	5
Employee Cost	670.463	627.46	826.59	199.13	176.09
a) Employee salary			368.22		
b) Terminal Liability for 2024-25			458.37		
Repair & Maintenance (R&M)	206.005	193.75	331.35*	137.60	35.27
Administrative & General	29.533	27.76	30.07	2.31	-
Total	906.001	848.970	1188.01	339.40	211.36

* including Solar (Rs 1Cr), SLDC charges (Rs 2.32Cr), 50% cost of water charges (Rs 35.27 Cr) & CHP (Rs 96.92 Cr).

The petitioner has submitted that significant gap between the approved amount, recovered amount and approved amount on account of O&M expenses is on account of increase in uncontrollable expenses on account of the employee cost including terminal liabilities, increase in water charges, Capital Overhauling of the units & less availability of some HPGCL units.

It has been submitted that the Hon'ble Commission approved Employee Cost for the FY 2024-25 at Rs. 670.463 Crore, whereas, the actual employee cost for FY 2024-25, as per audited accounts, is Rs.826.59 Crore which is inclusive of net Defined Benefit liability (terminal liability) of Rs.458.37 Crore as per the 'Actuarial Valuation' Report submitted by the independent actuary viz. M/s Kapadia Global Actuaries, appointed for carrying out the requisite Actuarial valuation. The trend of Terminal Liability of HPGCL as per the report of the independent Actuary from the FY 2017-18 onwards is as under: -

S. No.	Financial Year	Amount in Cr.
1	2017-18	485.01
2	2018-19	688.45
3	2019-20	356.68
4	2020-21	402.08
5	2021-22	402.07
6	2022-23	526.17*
7	2023-24	420.25
8	2024-25	458.37

*inclusive of deferred liability of Rs 262.44Cr.

HPGCL has submitted that it is bound by rules and regulations of the State Government pertaining to employee's benefits (pay structure, D.A., annual increment @ 3%). Any revision, in the pay structure of its employees is beyond the control of the HPGCL and falls under Regulation 8.3.8(b). All these factors lead to an increase in the employees cost of HPGCL. Terminal liability is an 'uncontrollable' expenditure under Regulation 8.3.8 (b) of the MYT Regulation 2019 and the same is therefore admissible for true-up. Accordingly, it has been prayed that this Hon'ble Commission

may allow the actual employee cost on proportionate basis on the basis of actual recovery of HPGCL and on the basis of Plant Availability factor for HPGCL as whole @ 79.68%, amounting to Rs.345.18 Cr (Rs.368.22*79.68/85) along with actual terminal liability of Rs.458.37 Cr., arriving at the true-up claim of Rs 176.09 Cr (i.e. Rs.345.18 Cr+ Rs.458.37 Cr – Rs.627.46 Cr).

The petitioner has averred that O&M expenses, other than employee cost, i.e. R&M and A&G expenses approved by the Commission for the FY 2024-25 was Rs.206.005 Crore & Rs.29.533 Crore, respectively. However, the amount recovered by HPGCL has been Rs.193.75Cr and 27.76 Cr, respectively. The actual R&M and A&G expense for the year is Rs.331.35 Cr (excluding solar business of Rs.1.00 Cr and SLDC charges of Rs.2.32 Cr) and Rs.30.07 Cr., respectively.

HPGCL has submitted that increase in R&M amount is primarily attributable to the following factors: -

- a) Increase in water charges on account of notification of Haryana Water Resources (Conservation, Regulations and Management) Authority, Panchkula (herein referred as “HWRA”), which was identified as “Change in law” by the Hon’ble Commission vide order dated 25.01.2023, and directed to claim the difference under True -Up (Page 65 of order dated 25.01.2023). The claim of an increase in water charges on account of Change in law is amounting to Rs 35.27 Cr which 50% of the actual expense of Rs 70.54 Crore (as per note 36 of the balance sheet).
- b) The cost of operating of coal handling plant of Rs 96.92 Cr. The petitioner has submitted that the Coal Handling plant (CHP) expense amounting to Rs 96.92 Cr has been booked under O&M expense and claimed as such. However, it has been submitted that an appeal filed in the Hon’ble Appellate Tribunal for Electricity, in the matter, is presently pending for adjudication.

HPGCL has submitted that the actual expense on account of R&M is Rs.195.84 Cr (Rs.328.03 Cr (booked value excluding Solar & SLDC charges)- Rs.96.92 Cr (CHP expense)- Rs.35.27Cr (Water charges)), is on marginal higher side. The Plant Availability Factor for HPGCL stands at 79.68% against the normative plant availability factor of 85%. The recovered value of R&M (Rs.193.75 crore) is less than the approved value of Rs.206.005 crore due to less Plant Availability. Therefore, only water charges to the tune of Rs.35.27 crore is being claimed under True Up. On the similar terms as explained above for R&M, HPGCL is not claiming any variation in

A&G also, as the plant availability is less than the normative plant availability.

The petitioner has prayed that the Hon'ble Commission may allow the true up of the O&M expenses amounting to Rs.211.36 crore (Employee cost of Rs.176.09 crore and R&M expenses of Rs.35.27 crore).

3.3 True-up of Depreciation

HPGCL has submitted that actual depreciation amount of HPGCL for the FY 2024-25, as per the audited accounts, excluding solar business of Rs.3.26 crore, is Rs.230.19 crore. The Hon'ble Commission, in its orders dated 31.10.2018 & 07.03.2019, has estopped HPGCL from claiming depreciation on spares and dismantling cost on account of IndAS. It has been submitted by HPGCL that depreciation on capitalization of spares and decommissioning cost for FY 2024-25 in accordance IndAS, works out to Rs.4.25 crore & Rs.9.17 crore, respectively. Thus, HPGCL in compliance with aforesaid directives, has excluded a sum up to Rs.13.41 crore (4.25+9.17) from its true up claim of Depreciation. Accordingly, the net allowable Depreciation for the FY 2024-25, exclusive of solar business, and depreciation on spares and decommissioning cost works out to Rs.216.78 Cr (230.19 - 13.41). The HERC approved depreciation for the FY 2024-25 was Rs.235.61 crore.

The variation in the approved depreciation and net allowable depreciation for the FY 2024-25 is presented in the table below: -

Rs. Crore									
S. No	Unit	Approved	Actual as per audited accounts*	Dep. on GAAP Spares	Dep. on account of Ind AS	Net allowable dep.	Recovered Dep.	Variance	True up claimed
A	B	C	D	E	F	G=(D-E-F)	H	I=(G-H)	J
1	PTPS-6	14.68	2.42	0.08	1.26	1.08	13.26	-12.18	-12.18
2	PTPS-7-8	58.98	57.91	0.47	4.96	52.48	58.98	-6.5	-6.5
3	DCRTPS 1-2	56.4	61.12	1.22	1.43	58.47	52.44	6.03	6.03
4	RGTPS 1-2	99.41	102.52	2.47	1.52	98.53	89.46	9.07	9.07
5	Hydel	6.14	6.22			6.22	6.19	0.03	0.03
	Total	235.61	230.19	4.24	9.17	216.78	220.33	-3.55	-3.55

HPGCL has submitted that it has recovered the excess amount of Rs.3.55 crore (recovered 220.33 crore against the net allowable of Rs.216.78 crore). Thus, proposing a negative true-up of Rs.3.55 crore.

HPGCL has further submitted that the issue of applicability of Regulation 13.4 on the generator is pending at APTEL for adjudication. Thus, as the matter is

sub-judice and the actual recovery of the depreciation is less than the approved one, HPGCL is hereby not claiming / offering under the depreciation head and same shall be claimed after the outcome of the appeal pending at APTEL.

3.4 True-up of Interest Expenses

The petitioner has submitted that as against the interest and finance charges on loan of Rs. 32.12 Crore approved by the Hon'ble Commission for the FY 2024-25, the actual amount incurred, as per the audited accounts, is Rs. 12.36 Crore.

HPGCL has submitted that saving in the Interest and Finance Charges has been achieved due to the restructuring of its loan portfolio & advance payments made by HPGCL by adopting prudent financial management. Refinancing cost of such restructuring has already been allowed and adjusted by the Hon'ble Commission in its previous Tariff Orders.

Interest and Finance charges for FY 2024-25 as per pre-restructuring Loan portfolio (excluding solar business) is as under: -

(Rs. Cr.)

Particulars	Rate of Interest	Opening Bal	Drawls during the year	Repayments during the year	Closing Balance	Interest during the year
GPF Bonds	7.10%	13.56	0.00	6.78	6.78	0.48
SBI DCRTPS YNR – PFC takeover	12.50%	30.10	0.00	30.10	0.00	1.88
REC	12.25%	199.24	0.00	75.60	123.64	19.78
State Bank of India (RGTPS) – PFC Takeover	11.45%	133.38	0.00	101.64	31.74	9.45
APDP Loan	12.50%	2.52	0.00	0.15	2.37	0.31
Punjab National Bank (REC Takeover)	12.25%	40.69	0.00	20.52	20.17	3.73
Total		419.48	0.00	234.79	184.69	35.63

Actual Loan Portfolio and Int. & Fin. Charges for FY 2024-25 (Rs. Cr.)

Particulars	Rate of Interest (%)	Opening Bal	Additions during the year	Repayments during the year	Closing Balance	Interest during the year
GPF Bonds	7.10	13.56	0.00	6.78	3.78	0.48
REC	7.75	151.15	0.00	75.60	75.55	11.56
APDP Loan	12.50	2.52	0.00	0.15	2.37	0.31
Total		167.23	0.00	82.53	84.70	12.35

HPGCL has submitted that it is proposing to pass on 50% of the savings on interest and finance charges to the beneficiaries i.e. Haryana Discoms on account of restructuring of loan and to consider the true up of interest & finance charges as given in the table below: -

(Rs. Crore)

Particular	Approved interest & Finance Charges	Actual interest & Finance Charges	Pre-restructuring interest & Finance Charges	Savings on account of restructuring of loan	Allowable interest & Finance charges	Recovered by HPGCL
1	2	3	4	5= 4-3	6=3+50 % (5)	7
Int. & Fin. Charges (A)	32.12	12.36	35.63	23.27	24.00	29.17
Int. On Normative Debt(B)	0	0.23	0		0.23	0.23
Total True up of Int. & Fin. Charges(A+B)	32.12	12.59	35.63	23.27	24.23	29.40

HPGCL has submitted that there is shortfall in the recovery of allowed Interest & Finance charges, therefore, no true-up has been offered.

3.5 True-up of Return on Equity (RoE)

The petitioner has submitted the details of opening equity, equity addition and required return of equity considered, unit-wise, for the FY 2024-25, as under:

Rs. Crore

Plants	Opening	Additions	Closing	RoE
PTPS – 6	157.08	0.10	157.18	18.86
PTPS – 7	218.33	0.10	218.43	26.21
PTPS – 8	218.56	0.10	218.65	26.23
DCRTP-1	251.73	0.29	252.01	30.22
DCRTP-2	251.68	0.29	251.97	30.22
RGTP-1	496.62	2.19	498.81	59.73
RGTP-2	510.95	2.19	513.14	61.44
Hydel	18.36	-	18.36	2.39
Total	2123.31	5.26	2128.55	255.30

Rs. Crore

HERC Approved RoE(A)	Actual (B)	Recovered (C)	Variance in RoE cost (B-C)	True-up (E)
255.749	255.30	237.59	17.71	-

HPGCL has submitted that the approved RoE as per the Commission's order dated 20.02.2024, stands at Rs.255.749 Crore, whereas the revised RoE after yearly equity infusion is Rs.255.30 crore. The recovered RoE on the basis of availability is Rs.237.59 crore. HPGCL has not raised any claim for true-up of Return on Equity.

3.6 True-up of cost of Secondary Fuel Oil (SFO)

HPGCL has submitted that the Hon'ble Commission in its order dated 25.01.2023, had directed that secondary fuel oil does not form part of true up and needs to be adjusted as per Regulation 29 of the HERC MYT Regulations. Hence, cost of Oil has not been proposed under True -up.

3.7 True up of interest on working capital (IWC)

HPGCL has submitted that the Hon'ble Commission, in its Order dated 20.02.2024,

regarding generation tariff for the FY 2024-25 had allowed interest on working capital amounting to Rs. 154.828 crore, considering average price of coal and oil, as proposed by it. However, there has been variation in price of coal and oil during the FY 2024-25. Therefore, while computing the true-up of working capital for the FY 2024-25, the actual rate of coal prevailing in FY 2024-25 has been considered. However, HPGCL has restricted the true up to the actual interest on working capital, in line with the second amendment of MYT 2019. HPGCL has further submitted that Hon'ble Commission has taken the IWC by taking bench mark of interest rate at 10.05% whereas, the same needs to be taken @10.15% for evaluating the IWC on the basis of prevailing MCLR.

The table below summarizes True-up of interest on working capital for FY 2024-25.

Rs. crore

Particular	HERC Approved IWC (Rs. Cr.) @ 10.05% (A)	Normative IWC (Rs. Cr.) @ 10.15% (B)	Actual Audited IWC (C)	Recovered IWC (D)	True-up Rs. Cr. E=C-D
Interest on working capital	154.83	158.63	153.60	143.92	9.68

3.8 Non-Tariff Income

Detail of Other Non-operating income included in the 'other income' as per the Audited Balance Sheet for the FY 2024-25 is as under:

Non-Tariff Income for FY 2024-25 (Rs. Cr.)

Particulars	Amount (Rs. in crore)
Staff loans and advances	0.81
Bank Deposits	0.11
Income Tax Refund	0.62
Delayed Payment charges	9.55
Income from sale of scrap	4.46
Other Income Reversal of De-Commissioning Cost created under IND AS	46.03
Miscellaneous Receipts	7.86
Total	69.63

HPGCL has submitted that as per Ind AS 16, a provision was created in its books, for each station on the basis of estimated decommissioning cost which would be incurred at the time of decommissioning of plant. A provision of Rs.46.03 crores was outstanding in books as decommissioning provision for PTPS, Panipat units I to IV. The provision was created by charge to P&L account of HPGCL over the life of Unit I to IV after introduction of Indian Accounting Standards in 2016. Now, since the Units I to IV have been decommissioned, the outstanding provision of Rs.46.03 crores were reversed which resulted into increase in other income of HPGCL. Further, the delayed payment charges of Rs.9.55 Cr are always allowed to be retained.

Accordingly, in view of the above, Rs.14.05 Crore is eligible to be consider under the head of “Non- Tariff Income”. Thus, HPGCL is hereby proposes to pass on 50% of the same i.e. Rs.7.025 crore under true-up.

3.9 Total True-up for the FY 2024-25

A summary of the True-up claims as proposed by the HPGCL is presented in the table below: -

(Rs. Crore)						
O&M Expenses	Depreciation	IWC	Interest & Fin. Charges	RoE	Non-Tariff Income	Total True-up (Cr.)
211.36	-3.55	9.68	-	-	7.025	210.465

In addition to the above claim, the petitioner has prayed that the Hon’ble Commission may allow carrying cost on the trued-up amount as per the MYT Regulations along with late payment surcharge, in the case of any delay in realization of payments beyond the stipulated time from the DISCOMs in accordance with regulation 43 of the HERC MYT Regulation 2019.

3.10 True up of Capex Plans.

3.10.1 It has been submitted by the petitioner that the Hon’ble Commission, vide its Order dated 13.03.2025 (PRO 64 of 2024), had approved CIP for the FY 2024-25, as tabulated under: -

S No	Capital Expenditure Work	FY 2024-25
1	ERP System and allied works	29.52
2	Data Centre, Data Recovery centre etc. for ERP Solution	6.68
3	Construction of DAV school in power plant colony for RGTPS Hisar	1.55
4	Up gradation of C&I system for RGTPP Hisar	9.50
5	Replacement of 03 Nos. Fire Tenders at RGTPP	1.77
6	Up gradation of hardware and software of PLC at RGTPP, Khedar, Hisar	3.00
7	Work for Supply, Erection, Testing and Commissioning of 02 Nos. ABB make unitrol-6080 Digital Automatic Voltage Regulator (DAVR) for Generator Excitation System and replacement with existing ABB make Unitrol-F DAVR at RGTPP, Khedar, Hisar	2.00
8	Construction of First Aid Centre and additional RCC Roof slab of DG Set house at RGTPP, Khedar, Hisar	0.55
9	Improvement work of Cooling Towers of RGTPP Unit I & II	6.00
10	Revival of Fire Fighting System of Unit 6, PTPS, Panipat	2.05
11	Replacement of damaged floor and Construction of Roads in PTPS Colony, Panipat as per new norms of Government of Haryana.	0.952
12	Energy Management System PTPS Unit- 7-8	1.09
13	Replacement of 02 Nos. Fire Tenders at PTPS Panipat	0.85
14	Supply, ETC and 5 years comprehensive ARC of IP based CCTV network camera system at various sites of PTPS	5.65
15	Township for DCRTTP, Yamunanagar	2.36
16	Replacement of 03 Nos fire tenders at DCRTTPS, as the useful life is going to be exhausted	1.91
17	Purchase of 01 no. Runner Hub without blades and new set of guide vanes-WYC	7.00
	TOTAL	82.432

3.10.2 The status of completed dropped and shifted schemes of FY 2024-25 are as under:

S.N.	Works	Capital Expenditure (Rs. In crore)		
		2024-25	2025-26	2026-27
1	ERP System and allied works			29.52
2	Data Centre, Data Recovery Centre etc. for ERP Solution			6.68
3	Construction of DAV school in power plant colony for RGTPS Hisar	1.55		
4	Up gradation of C&I system for RGTPP Hisar	9.5		
5	Replacement of 03 Nos. Fire Tenders at RGTPP		1.77	
6	Up gradation of hardware and software of PLC at RGTPP, Khedar, Hisar	3		
7	Work for Supply, Erection, Testing and Commissioning of 02 Nos. ABB make unitrol-6080 Digital Automatic Voltage Regulator (DAVR) for Generator Excitation System and replacement with existing ABB make Unitrol-F DAVR at RGTPP, Khedar, Hisar		2	
8	Construction of First Aid Centre and additional RCC Roof slab of DG Set house at RGTPP, Khedar, Hisar	0.55		
9	Improvement work of Cooling Towers of RGTPP Unit I & II		6	
10	Revival of Fire Fighting System of Unit6, PTPS, Panipat		2.05	
11	Replacement of damaged floor and Construction of Roads in PTPS Colony, Panipat as per new norms of Government of Haryana.	0.952		
12	Energy Management System PTPS Unit- 7-8		1.09	
13	Replacement of 02 Nos. Fire Tenders at PTPS Panipat		0.85	
14	Supply, ETC and 5 years comprehensive ARC of IP based CCTV network camera system at various sites of PTPS		5.65	
15	Township for DCRTPP, Yamuna Nagar	2.36 (Dropped)		
16	Replacement of 03 Nos fire tenders at DCRTPS, as the useful life is going to be exhausted (Completed)	1.91		
17	Purchase of 01 no. Runner Hub without blades and new set of guide vanes-WYC		7	
	Total	17.462	26.41	36.2

3.10.2.1 In the above table, the scheme at S. No. 15 stands dropped and the same may be taken with the new units of DCRTPP-3 (800MW), as per requirement.

3.10.2.2 Further, 06 Nos of schemes out of 17 approved, stands completed (S. No. 3,4,6,8,11,16) amounting to Rs 17.462 Crore. Rest all the balance schemes marked as work in progress. Thus, on account of work in progress, the schemes at S. No. 5,7,9,10,12,13,14 needs to be shifted in FY 2025-26, whereas, schemes under 1,2 needs to be shifted in FY 2026-27.

3.10.2.3 The details of the carry forward capex plans have been incorporated in while re-proposing the Capital Investment Plan for control period for FY 2025-30.

3.10.3 Additional proposed capital Investment Plan for FY 2025-26 to 2027-28.

The details of the proposed additional capital investment plan for FY 2026-27 in terms of Regulation 3.42 of MYT 2024, for HPGCL units are as under:-

(Rs. Crore)

Sr N	Description	2025-26	2026-27	2027-28
RGTPS				
1.	Repair of Bent HIP rotor, Unit-1, RGTPP	0.00	7.03	0.00
2.	Replacement of existing central AC reciprocating water cooled chiller units of Main control Room Building and Admin Building with new energy efficient water-cooled screw type Chiller units at RGTPP	0.00	6.00	0.00
3.	Level B overhauling of Turbine, Generator, Boiler, ESP and associated system of Unit-2, RGTPP	0.00	118.00	0.00
4.	Erection of Platform under ESP hoppers, Unit-1 & 2	0.00	3.51	0.00
5.	Procurement of vehicles	0.00	0.67	0.00
PTPS				
6.	Capital Overhauling of 210MW, Unit-6, PTPS	72.85	0.00	0.00
7.	Replacement of 220 V DC battery Unit Bank of Unit-7 PTPS, Panipat	0.00	1.30	0.00
8.	Replacement of 220 V DC battery Unit Bank of Unit-8 PTPS, Panipat	0.00	1.30	0.00
9.	Procurement of Relay testing kit for PTPS Panipat	0.00	0.59	0.00
10.	Replacement of UPS System of Control Room Unit-7 PTPS, Panipat	0.00	0.998	0.00
11.	Replacement of UPS System of Control Room Unit-8 PTPS, Panipat	0.00	0.998	0.00
12.	Procurement of one no Hydraulic Lifting vehicle for PTPS Panipat	0.00	0.37	0.00
13.	Installation & Commissioning of Sewerage Treatment Plant along with laying of sewerage lines in PTPS plant and Colony, Panipat	0.00	4.00	0.00
14.	Installation of 3 Nos CAQMS stations at PTPS Panipat.	0.00	3.009	0.00
15.	De-siltation of Raw Water Pond 2, PTPS	0.00	3.009	0.00
16.	Complete Track Renewal/CTR of Marshalling yard of PTPS Panipat	0.00	14.93	0.00
17.	Procurement of one no BEML make new Locomotive at PTPS	0.00	5.12	0.00
18.	Procurement of one no BEML make Wheel Loader at PTPS	0.00	0.73	0.00
19.	Procurement of one no Bulldozer at PTPS	0.00	2.89	0.00
20.	Capital Overhauling for PTPS -7 (250MW)	0.00	64.90	0.00
DCRTPP				
21.	Installation, testing & Commissioning of ABT System at 2x300 MW DCRTPP, HPGCL, Yamuna Nagar	0.00	0.81	0.00
22.	Procurement of RIP bushings for generator transformer and station transformer installed in 220KV switchyard at 2x300MW, DCRTPP, Ynr	0.00	2.133	2.133
23.	Purchase of Critical spares of turbine (M/s SEC, China Make) in Unit- I&II, 2x300MW, DCRTPP, Ynr	0.00	1.36	0.00
24.	Recoup/Mandatory spares for Turbine Generator (TG) & its Auxiliaries and Pumps & its cartridge for Unit -I & Unit-II, 2x300MW DCRTPP, Ynr	0.00	17.00	0.00
25.	Purchase of Critical Vibration Monitoring cards and Sensors for online vibration monitoring system installed at STG & HT drives in Unit-II, 2x300 MW DCRTPP, Ynr	0.00	3.50	0.00
26.	Supply, installation & commissioning of Automatic Fire Suppression System in HV & LV switchgears of CHP & AHP of DCRTPP, Ynr	0.00	3.70	0.00
27.	Replacement of Boilers lift Unit 1 & 2 DCRTPP, ynr with new one	0.00	2.006	0.00
28.	Work for upgradation of Ovation DCS System software, currently operating with Ovation Release level 3.3.1 on Microsoft Windows 7 for DEH System to the latest Ovation software release at Unit-II, 2x300 DCRTPP, YNR	0.00	2.95	0.00
29.	Purchase of Critical Vibration Monitoring cards and Sensors for online vibration monitoring system installed at STG & HT drives in Unit-II, 2x300 MW DCRTPP, Ynr	0.00	2.10	0.00
30.	Procurement of wheel loader for Coal handling Plant, DCRTPP, Ynr	0.00	0.75	0.00
Hydel				
31.	Replacement of Complete Control Panels of Governors of machine A-1 & A-II	0.00	2.00	0.00
32.	Replacement of old Ductable AC units installed at Urja Bhawan	0.00	0.00	1.20*
33.	Overhauling of Complete Distributor Assembly along with repair of Guide vanes and IGR of Machine B-1 at WYC HE Project.	5.05	0.00	0.00
34.	Procurement of insurance/mandatory spares from OEM for WYC HE	2.00	0.00	0.00
35.	Replacement of old Ductable AC units installed at Urja Bhawan	0.00	0.00	1.20*
36.	Implementation of the cyber security measures in HPGCL preventing IT/OT environment	0.00	16.19	0.00
	TOTAL	79.90	293.853	4.533

* Note: Items at sr. no. 32 and 35 are found to be repetitive in the petition.

3.10.4 **HPGCL has submitted the revised Capital Investment Plan for the Financial Years from FY 2025-26 to FY 2029-30, after shifting the work-in-progress schemes of FY 2024-25 and incorporating the additional capex for FY 2025-26 to FY 2029-30.**

The Commission vide its order dated 13.03.2025 has approved the capital Investment Plan for FY 2025-30 as under:

(Rs. Crore)

Sr No	Description	2025-26	2026-27	2027-28	2028-29	2029-30
	RGTPS					
1.	Upgradation work of Mill reject handling system, Unit-I & II, RGTPP, Khedar	10.00				
2.	03 nos. ready to fit complete Journal Housing Assembly for Coal Mill HP-1103 for Unit-I	2.10				
3.	Revival of 05 nos. ESP fields and O/H of 59 nos ESP fields of Unit-I	37.20				
4.	Procurement of Complete Battery Bank Lead Acid Plante 220V, 2140AH in Unit-I&II, RGTPP, Khedar		4.00			
5.	Renovation and modernization of firefighting system and fire detection system	16.00				
6.	Construction of interlocking paver block road for making pathway of biomass pellets trucks in the CHP area at RGTPP, Khedar	0.50				
7.	Construction of ladies toilets, rest rooms, washrooms and toilets, duty post site store, parking shed within the plant premises at RGTPP, Khedar	0.65				
8.	Construction of separate barrack for CISF female staff, classroom for training, washrooms, parking sheds, kitchen & boundary wall in CISF area and parking sheds near VIP Guest House & CISF gate, Store rooms for canteen items at RGTPP Colony		1.40			
9.	Providing & fixing firefighting system at residential and non residential buildings at RGTPP Colony		3.00			
10.	Retrofitting works of residential towers type V & VI at RGTPP Colony		15.00			
11.	Modernization of existing Rockwell Automation make Software for enhanced and upgraded Real Time Monitoring & Predictive Maintenance System Installed in Coal Handling Plant & Condensate Polishing Unit at 2x600 MW, RGTPP, HPGCL, Khedar	9.40				
12.	Replacement of outlived Wheel Loader, Capacity 1-7 cubic meter, Make-BEML at 2x600 MW, RGTPP, HPGCL, Khedar	0.70				
13.	Replacement of existing obsoleted / non-operative Online Coal Analyser in respect of CHP, RGTPP, Khedar	1.90				
14.	02 Sets of ID Fan Blades for both Units of RGTPP		1.15			
	PTPS					
15.	Replacement of TG Hall Lift Unit-7&8, PTPS, Panipat with new one	0.40				
16.	Construction of shopping complex having 7 nos. Shops, PTPS, Panipat	0.25				
17.	Construction of RCC overhead water tank of 2 Lakh Ltr. Capacity	0.50				

18.	Providing and fixing of Ceramic Glazed ties and repair of damaged floor in houses at PTPS Panipat		3.00			
19.	Development of parks of along with construction of walking park at PTPS Panipat			2.50		
20.	Construction of storage shed for biomass pellets in CHM shed for material in O&M Store and shed with concrete flooring for repair of heavy machinery for PTPS Panipat	2.25				
21.	Purchase installation and commissioning of Diesel Generation (DG) Sets for PTPS Panipat	3.30				
22.	Blades of PA & FD Fan of 250 MW, Unit-7	1.60				
23.	2 No. BFP Cartridges of 250 MW, Unit-7	3.00				
24.	SITC WORK of Automatic Fire Suppression System (AFSS (With 3M Noves 1230 (Clean Agent Suppression System) for Electrical MCCs installed for Unit#6 and#5 (for common auxiliaries) PTPS Panipat	6.90				
25.	Supply of upper holding beam for wagon tippler no. 5 and its commissioning CHP-III PTPS Panipat	2.15				
26.	Supply of Slew Bearing for TKIL Make Stacker cum Reclaimer and its commissioning at CHP-III PTPS Panipat	2.90				
	DCRTPP					
27.	Construction of Community hall Building at New Residential Township of DCRTPP.		4.43			
28.	Providing shed for parking of vehicles for Type-III and Type-IV houses at New Residential Township of DCRTPP.	0.50				
29.	Construction of Indoor Badminton Court at New Residential Township of DCRTPP.	1.30				
30.	Replacement of Auto coal sampler and analyzer for CHP, DCRTPP.	1.50				
31.	Procurement of Bulldozer BD155 engine Assembly and transmission assembly for CHP, DCRTPP, HPGCL, Yamuna Nagar.	1.95				
32.	03 no. Transmission assembly with torque converter in 2026-27 & 01 no. Bulldozer Engineer Assembly-2026-27		0.85			
33.	Procurement of two no wheel Loaders for CHP DCRTPP, HPGCL, Yamuna Nagar.	1.30				
34.	Procurement of Slew Bearing for Stacker cum-Reclaimer at CHP, DCRTPP, HPGCL, Yamuna Nagar			3.00		
35.	Procurement of Cummins make engine assembly NTA855L for Diesel Locomotive for CHP, DCRTPP, HPGCL, Yamuna Nagar		0.50			
36.	Booking of expenditure for installation, commissioning and procurement of 2500KVA, 11/6.6 KV Transformer & 11 KV, 70 Sqmm, HT Power Cable for establishment of parallel source of power supply from DCRTPP, plant to DCRTPP, new colony.	1.40				
37.	Replacement of existing battery bank (Ni-Cd), 220 VDC, 1450 AH (725AHx2) installed in Unit-II at 2x300 MW DCRTPP.	2.00				
38.	Work for Up-gradation of Ovation DCS System currently operating with Ovation Release Level 3.3.1 on Microsoft Windows 7 for DEH system to the latest Ovation Software release at Unit-II, DCRTPP.		2.50			
39.	Purchase of Voith make ID Fan Hydraulic Coupling installed at Unit-II, DCRTPP		1.00			

40.	Expenditure for purchase of ID fan impeller installed at Unit-II, DCRTTP.		2.10			
41.	Expenditure for work for Capital Overhauling of Boiler & its aux. Turbine & its aux, AHP, Electrical Mtc., C&I Mtc work of Unit-II, DCRTTP.		50.00			
42.	Expenditure for work for annual Overhauling of Boiler & its aux. Turbine & its aux, AHP, Electrical Mtc., C&I Mtc work of Unit-II, DCRTTP.			15.00		
43.	Work for Up-gradation of Ovation DCS System currently operating with Ovation Release Level 3.3.1 on Microsoft Windows 7 for DEH system to the latest Ovation Software release at Unit-I, DCRTTP.	2.95				
44.	Expenditure for work for Annual Overhauling of Boiler & its aux. Turbine & its aux, AHP, Electrical Mtc., C&I Mtc work of Unit-I, DCRTTP.		15.00			
45.	Expenditure for work for capital Overhauling of Boiler & its aux. Turbine & its aux, AHP, Electrical Mtc., C&I Mtc work of Unit-I, DCRTTP.			50.00		
46.	Replacement of existing 2 No. battery bank (Ni-Cd), 220 VDC, 725AH each installed in Unit-I at 2x300 MW DCRTTP.	2.00		2.00		
47.	Expenditure for purchase of 2 no. Gear boxes for coal milling system (06 nos.) installed at Unit-I, DCRTTP	1.00		1.00		
48.	Expenditure for purchase of ID fan impeller installed at Unit-I, DCRTTP.			3.00		
49.	Requirement of vehicle mounted aerial platform for work on height at 2x300 MW, DCRTTP, HPGCL, YNR.	0.30				
50.	Expenditure for procurement of 01 no. truck for O&M Store, DCRTTP, Yamuna Nagar.	0.30				
51.	Expenditure for procurement of 01 no. Fork lift for O&M Store, DCRTTP, Yamuna Nagar.	0.20				
	Hydel					
52.	Capital Overhauling of Machine A1	12.00				
53.	Purchase of 01 no. Stator of 8.0 MW Hydro Machine	15.00				
54.	Replacement of Old Electro Mechanical Relays with new Numerical Relays of Power House A, B & D.			3.90		
55.	Capital Overhauling of Machine D-I		18.00			
56.	Capital Overhauling of Machine D-II			20.00		
57.	Construction of Sewage Treatment Plant (STP) along with rerouting of sewer pipeline & storm water pipe lines at Hydel Colony.	1.00				
58.	Construction of Office building (Admin)	1.50				
59.	Construction of 02 Kms new boundary wall with concertina fencing at Hydel Colony	2.50				
60.	Repair of damaged canal lining between RD-2900 to power house A and RD-11000 to RD-11300 (between power house B&C).			12.60		
61.	Designing fabrication, installation and commissioning of 6 no. Fish belly gates of Power House-A,B & C along with all components.			6.50		
62.	Construction of residential quarters along with laying of water supply & sewerage pipe lines and Sewerage Treatment Plant.		50.00			
63.	Purchase of Truck having Capacity 8-10 Ton	0.30				
64.	Purchase of 01 no. 10 MVA 6.6/66KV Power Transformer	1.50				
65.	CCTV Installations for security purposes at HPGCL Units, as per mandate	20.00				
66.	Replacement of 02 Nos outlived inboard final					1.80

	drive of locomotives RGTPP					
67.	Replacement of 02 Nos outlived Transmission of locomotives RGTPP				1.45	
68.	Replacement of Backshoe loader of RGTPP				0.50	
69.	Upgradation/replacement of 02 Nos. Outlived Wheel loaders RGTPP				1.45	
70.	Replacement of 03 Nos. outlived transmission of dozer RGTPP				1.95	
	TOTAL	172.20	171.93	119.50	5.35	1.80

Revised consolidated Capital Investment Plan for FY 2025-2030, is given as under: -

Rs. Crore

Sr No	Description	2025-26	2026-27	2027-28	2028-29	2029-30
	RGTPS					
1.	Upgradation work of Mill reject handling system, Unit-I & II, RGTPP, Khedar	10.00				
2.	03 nos. ready to fit complete Journal Housing Assembly for Coal Mill HP-1103 for Unit-I	2.10				
3.	Revival of 05 nos. ESP fields and O/H of 59 nos ESP fields of Unit-I	37.20				
4.	Procurement of Complete Battery Bank Lead Acid Plante 220V, 2140AH in Unit-I&II, RGTPP, Khedar		4.00			
5.	Renovation and modernization of firefighting system and fire detection system	16.00				
6.	Construction of interlocking paver block road for making pathway of biomass pellets trucks in the CHP area at RGTPP, Khedar	0.50				
7.	Construction of ladies toilets, rest rooms, washrooms and toilets, duty post site store, parking shed within the plant premises at RGTPP, Khedar	0.65				
8.	Construction of separate barrack for CISF female staff, classroom for training, washrooms, parking sheds, kitchen & boundary wall in CISF area and parking sheds near VIP Guest House & CISF gate, Store rooms for canteen items at RGTPP Colony		1.40			
9.	Providing & fixing firefighting system at residential and non residential buildings at RGTPP Colony		3.00			
10.	Retrofitting works of residential towers type V & VI at RGTPP Colony		5.00	5.00	5.00	
11.	Modernization of existing Rockwell Automation make Software for enhanced and upgraded Real Time Monitoring & Predictive Maintenance System Installed in Coal Handling Plant & Condensate Polishing Unit at 2x600 MW, RGTPP, HPGCL, Khedar	9.40				
12.	Replacement of outlived Wheel Loader, Capacity 1-7 cubic meter, Make-BEML at 2x600 MW, RGTPP, HPGCL, Khedar	0.70				
13.	Replacement of existing obsoleted / non-operative Online Coal Analyser in respect of CHP, RGTPP, Khedar	1.90				
14.	02 Sets of ID Fan Blades for both Units of RGTPP		1.15			
15.	Replacement of 03 Nos. Fire Tenders at RGTPP	1.77				
16.	Work for Supply, Erection, Testing and Commissioning of 02 Nos. ABB make unitrol-6080 Digital Automatic Voltage Regulator (DAVR) for Generator Excitation System and replacement with existing ABB make Unitrol-F DAVR at RGTPP, Khedar, Hisar	2				
17.	Improvement work of Cooling Towers of RGTPP Unit I & II	6				
18.	Replacement of 02 Nos outlived inboard final drive of locomotives RGTPP					1.8
19.	Replacement of 02 Nos outlived Transmission of locomotives RGTPP				1.45	
20.	Replacement of Backshoe loader of RGTPP				0.5	

21.	Upgradation/replacement of 02 Nos. Outlived Wheel loaders RGTPP				1.45
22.	Replacement of 03 Nos. outlived transmission of dozer RGTPP				1.95
23.	Repair of Bent in HIP rotor, Unit-1, RGTPP		7.03		
24.	Replacement of existing central AC reciprocating water cooled chiller units of Main control Room Building and Admin Building with new energy efficient water-cooled screw type Chiller units at RGTPP			6	
25.	Level B overhauling of Turbine, Generator, Boiler, ESP and associated system of Unit-2, RGTPP		118		
26.	Erection of platform under ESP hoppers, Unit 1&2			3.51	
27.	Procurement of vehicles		0.67		
	PTPS				
28.	Replacement of TG Hall Lift Unit-7&8, PTPS, Panipat with new one	0.40			
29.	Construction of shopping complex having 7 nos. Shops, PTPS, Panipat	0.25			
30.	Construction of RCC overhead water tank of 2 Lakh Ltr. Capacity	0.50			
31.	Providing and fixing of Ceramic Glazed ties and repair of damaged floor in houses at PTPS Panipat		3.00		
32.	Development of parks of along with construction of walking park at PTPS Panipat			2.50	
33.	Construction of storage shed for biomass pellets in CHM shed for material in O&M Store and shed with concrete flooring for repair of heavy machinery for PTPS Panipat	2.25			
34.	Purchase installation and commissioning of Diesel Generation (DG) Sets for PTPS Panipat	3.30			
35.	Blades of PA & FD Fan of 250 MW, Unit-7	1.60			
36.	2 No. BFP Cartridges of 250 MW, Unit-7	3.00			
37.	SITC WORK of Automatic Fire Suppression System (AFSS (With 3M Noves 1230 (Clean Agent Suppression System) for Electrical MCCs installed for Unit#6 and#5 (for common auxiliaries) PTPS Panipat	6.90			
38.	Supply of upper holding beam for wagon tippler no. 5 and its commissioning CHP-III PTPS Panipat	2.15			
39.	Supply of Slew Bearing for TKIL Make Stacker cum Reclaimer and its commissioning at CHP-III PTPS Panipat	2.90			
40.	Revival of Fire Fighting System of Unit6, PTPS, Panipat	2.05			
41.	Energy Management System PTPS Unit- 7-8	1.09			
42.	Replacement of 02 Nos. Fire Tenders at PTPS Panipat	0.85			
43.	Capital Overhauling of 210MW, Unit-6, PTPS	72.85			
44.	Replacement of 220 V DC battery Unit Bank of Unit-7 PTPS, Panipat		1.3		
45.	Replacement of 220 V DC battery Unit Bank of Unit-8 PTPS, Panipat		1.3		
46.	Procurement of Relay testing kit for PTPS Panipat		0.59		
47.	Replacement of UPS System of Control Room Unit-7 PTPS, Panipat		0.998		
48.	Replacement of UPS System of Control Room Unit-8 PTPS, Panipat		0.998		
49.	Procurement of one no new Hydraulic Lifting vehicle for PTPS Panipat		0.37		
50.	Installation & Commissioning of Sewerage Treatment Plant along with laying of sewerage lines in PTPS plant and Colony, Panipat		4		
51.	Installation of 3 Nos CAQMS stations at PTPS Panipat.		3.009		
52.	De-siltation of Raw Water Pond 2, PTPS		3.009		
53.	Complete Track Renewal/CTR of Marshalling yard of PTPS Panipat		14.93		
54.	Procurement of one no BEML make new Locomotive at PTPS		5.12		
55.	Procurement of one no BEML make Wheel Loader at		0.73		

	PTPS				
56.	Procurement of one no Bulldozer at PTPS		2.89		
57.	Capital Overhauling of PTPS Unit-7 (250MW)		64.9		
	DCRTPP				
58.	Construction of Community hall Building at New Residential Township of DCRTPP.		4.43		
59.	Providing shed for parking of vehicles for Type-III and Type-IV houses at New Residential Township of DCRTPP.	0.50			
60.	Construction of Indoor Badminton Court at New Residential Township of DCRTPP.	1.30			
61.	Replacement of Auto coal sampler and analyzer for CHP, DCRTPP.	1.50			
62.	Procurement of Bulldozer BD155 engine Assembly and transmission assembly for CHP, DCRTPP, HPGCL, Yamuna Nagar.	1.95			
63.	03 no. Transmission assembly with torque converter in 2025-26 & 01 no. Bulldozer Engine Assembly-2026-27		0.85		
64.	Procurement of two no wheel Loaders for CHP DCRTPP, HPGCL, Yamuna Nagar.	1.30			
65.	Procurement of Slew Bearing for Stacker cum-Reclaimer at CHP, DCRTPP, HPGCL, Yamuna Nagar			3.00	
66.	Procurement of Cummins make engine assembly NTA855L for Diesel Locomotive for CHP, DCRTPP, HPGCL, Yamuna Nagar		0.50		
67.	Booking of expenditure for installation, commissioning and procurement of 2500KVA, 11/6.6 KV Transformer & 11 KV, 70 Sqmm, HT Power Cable for establishment of parallel source of power supply from DCRTPP, plant to DCRTPP, new colony.	1.40			
68.	Replacement of existing battery bank (Ni-Cd), 220 VDC, 1450 AH (725AHx2) installed in Unit-II at 2x300 MW DCRTPP.	2.00			
69.	Work for Up-gradation of Ovation DCS System currently operating with Ovation Release Level 3.3.1 on Microsoft Windows 7 for DEH system to the latest Ovation Software release at Unit-II, DCRTPP.		2.50		
70.	Purchase of Voith make ID Fan Hydraulic Coupling installed at Unit-II, DCRTPP		1.00		
71.	Expenditure for purchase of ID fan impeller installed at Unit-II, DCRTPP.		2.10		
72.	Expenditure for work for Capital Overhauling of Boiler & its aux. Turbine & its aux, AHP, Electrical Mtc., C&I Mtc work of Unit-II, DCRTPP.		50.00		
73.	Expenditure for work for annual Overhauling of Boiler & its aux. Turbine & its aux, AHP, Electrical Mtc., C&I Mtc work of Unit-II, DCRTPP.			15.00	
74.	Work for Up-gradation of Ovation DCS System currently operating with Ovation Release Level 3.3.1 on Microsoft Windows 7 for DEH system to the latest Ovation Software release at Unit-I, DCRTPP.	2.95			
75.	Expenditure for work for Annual Overhauling of Boiler & its aux. Turbine & its aux, AHP, Electrical Mtc., C&I Mtc work of Unit-I, DCRTPP.		15.00		
76.	Expenditure for work for capital Overhauling of Boiler & its aux. Turbine & its aux, AHP, Electrical Mtc., C&I Mtc work of Unit-I, DCRTPP.			50.00	
77.	Replacement of existing 2 No. battery bank (Ni-Cd), 220 VDC, 725AH each installed in Unit-I at 2x300 MW DCRTPP.	2.00		2.00	
78.	Expenditure for purchase of 2 no. Gear boxes for coal milling system (06 nos.) installed at Unit-I, DCRTPP	1.00		1.00	
79.	Expenditure for purchase of ID fan impeller installed at Unit-I, DCRTPP.			3.00	
80.	Requirement of vehicle mounted aerial platform for work	0.30			

	on height at 2x300 MW, DCRTTP, HPGCL, YNR.				
81.	Expenditure for procurement of 01 no. truck for O&M Store, DCRTTP, Yamuna Nagar.	0.30			
82.	Expenditure for procurement of 01 no. Fork lift for O&M Store, DCRTTP, Yamuna Nagar.	0.20			
83.	Installation, testing & Commissioning of ABT System at 2x300 MW DCRTTP, HPGCL, Yamunanagar		0.81		
84.	Procurement of RIP bushings for generator transformer and station transformer installed in 220KV switchyard at 2x300MW, DCRTTP, Ynr		2.133	2.133	
85.	Purchase of Critical spares of turbine (M/s SEC, China Make) in Unit- I&II, 2x300MW, DCRTTP, Ynr		1.36		
86.	Recoup/Mandatory spares for Turbine Generator (TG) & its Auxiliaries and Pumps & its cartridge for Unit -I & Unit-II, 2x300MW DCRTTP, Ynr		17		
87.	Purchase of Critical Vibration Monitoring cards and Sensors for online vibration monitoring system installed at STG & HT drives in Unit-I , 2x300 MW DCRTTP, Ynr		3.5		
88.	Supply, installation & commissioning of Automatic Fire Suppression System in HV & LV switchgears of CHP & AHP of DCRTTP, Ynr		3.7		
89.	Replacement of Boilers lift Unit 1 & 2 DCRTTP, ynr with new one		2.006		
90.	Work for upgradation of Ovation DCS System software, currently operating with Ovation Release level 3.3.1 on Microsoft Windows 7 for DEH System to the latest Ovation software release at Unit-II , 2x300 DCRTTP, YNR		2.95		
91.	Purchase of Critical Vibration Monitoring cards and Sensors for online vibration monitoring system installed at STG & HT drives in Unit-II , 2x300 MW DCRTTP, Ynr		2.1		
92.	Procurement of wheel loader for Coal handling Plant, DCRTTP, Ynr		0.75		
	Hydel				
93.	Capital Overhauling of Machine A1		12.00		
94.	Purchase of 01 no. Stator of 8.0 MW Hydro Machine		15.00		
95.	Replacement of Old Electro Mechanical Relays with new Numericals Relays of Power House A, B & D.			3.90	
96.	Capital Overhauling of Machine D-I			18.00	
97.	Capital Overhauling of Machine D-II				20.00
98.	Construction of Sewage Treatment Plant (STP) along with rerouting of sewer pipeline & storm water pipe lines at Hydel Colony.		1.00		
99.	Construction of Office building (Admin)		1.50		
100.	Construction of 02 Kms new boundary wall with concertina fencing at Hydel Colony		2.50		
101.	Repair of damaged canal lining between RD-2900 to power house A and RD-11000 to RD-11300 (between power house B&C).			12.60	
102.	Designing fabrication, installation and commissioning of 6 no. Fish belly gates of Power House-A, B & C along with all components.			6.50	
103.	Construction of residential quarters along with laying of water supply & sewerage pipe lines and Sewerage Treatment Plant.			50.00	
104.	Purchase of Truck having Capacity 8-10 Ton		0.30		
105.	Purchase of 01 no. 10 MVA 6.6/66KV Power Transformer		1.50		
106.	Replacement of Complete Control Panels of Governors of machine A-1 & A-II		2		
107.	Purchase of 01 no. Runner Hub without blades and new set of guide vanes-WYC		7		
108.	Overhauling of Complete Distributor Assembly along with repair of Guide vanes and IGR of Machine B-1 at WYC HE Project.		5.05		
109.	Procurement of insurance/mandatory spares from OEM for		2		

	WYC HE					
110.	CCTV Installations for security purposes at HPGCL Units	25.65				
111.	as per mandate					
112.	ERP System and allied works		29.52			
113.	Data Centre, Data Recovery centre etc. for ERP Solution		6.68			
114.	Replacement of old Ductable AC units installed at Urja Bhawan			1.2		
	TOTAL	244.71	448.27	185.34	30.35	1.80

3.10.5 Status of FGD at PTPS, RGTPP & DCRTPP Station:

HPGCL has submitted as under: -

Exemption of FGD in DCRTPP & RGTPP:

3.10.5.1 MoEF&CC vide its notification dated 11th July, 2025 has revised certain conditions for installation of FGD in thermal plants. As per the notification, the existing Category A thermal power plants (within 10 Kms radius of National Capital Region or cities having million plus population) shall comply with the Sulphur dioxide emission standards by 31st December, 2027.

3.10.5.2 The salient points of the notification are as under: -

a. The task force constituted by the concerned ministry categorized the thermal power plants into 3 categories on the basis of their location as under: -

S.No.	Category	Location/ Area
1.	Category A	Within 10 Kms radius of National Capital Region or cities having million plus population
2.	Category B	Within 10 Km radius of Critically Polluted Areas or Non -attainment cities
3.	Category C	Other than those included in Category A& B

b. The Applicability of emission standards for Sulphur dioxide in thermal power plants shall be as follows:

i. The thermal power plants declared to retire before 31st December, 2030 shall not be required to meet the specified standards for Sulphur dioxide emissions in case such plants submit an undertaking to Central Pollution Control Board and Central Electricity Authority for exemption on ground of retirement of such plant:

Provided that such plants shall be levied environment compensation from the 31st December 2030, at the rate of rupees 0.40 per unit electricity generated in case their operation is continued beyond the date as specified in the undertaking without meeting the specified standards;

ii. The existing Category A thermal power plants shall comply with the Sulphur dioxide emission standards by 31st December, 2027 and the

Category A thermal power plants under commissioning shall also comply with the standards before 31st December, 2027. Other category A plants to be commissioned after 31st December, 2027 will operate only after ensuring compliance of these standards;

- iii. For all Category B Plants or Units, whether existing or upcoming, the applicability of Sulphur dioxide emission standards, shall be decided on a case-to-case basis by the Central Government based upon the recommendations of the Expert Appraisal Committee in charge of Thermal Power Projects constituted under Environment Impact Assessment notification 2006 based on the appropriate scientific studies.

These standards for Sulphur dioxide emissions shall be applicable with effect from the 31st December, 2028 in respect of all those plants or units which have not opted for review within the given timeframe as specified in para (i) above;

- iv. The Sulphur dioxide emission standards shall not be applicable to all Category C thermal power plants subject to ensuring compliance of stack height criteria notified vide notification number GSR 742 (E), dated the 30th August, 1990 and the time line for ensuring compliance by the existing Category C Thermal Power Plants of stack height criteria by the 31st December, 2029.

- v. The Central Government may, on the recommendations of the Central Pollution Control Board, by an order grant extension of timelines to thermal power plants from compliance of Sulphur dioxide emission standards.

- vi. There shall be levied environment compensation on the non-retiring and non-compliant thermal power plants, after the date specified above, as per the rates specified below:

Non – Compliant operation beyond the timeline	Environmental Compensation (Rs. per Unit electricity generated)
0-180 days	0.20
181-365 days	0.30
366 days and beyond	0.40

3.10.5.3 HPGCL units at PTPS, Panipat fall in Category-A and DCRTPP, Yamunanagar & RGTPP, Hisar fall in Category-C. Thermal Plants falling under Category-C have been exempted from installation of FGD. Thus, the tenders for installation of FGD

at DCRTTP, Yamuna Nagar and RGTPP, Hisar have been cancelled with the approval of WTDs HPGCL.

Status of FGD at PTPS, Panipat being under Category A: -

- 3.10.5.4 Keeping in view of MoEF&CC timelines for compliance of SOx norms and to avoid penalty, e-NIT(s) on Domestic Competitive Bidding (DCB) mode were issued for installation of DSI based FGD System at Unit-6 and Unit-7&8 PTPS Panipat on 18.09.2023. Part-I& Part-II of the e-NITs were opened on 16.01.2024 & 23.01.2024, respectively, with the approval of MD/HPGCL.
- 3.10.5.5 The agenda(s) in respect of PTPS units were deliberated in High Powered Works Purchase Committee (HPWPC) meeting held on 23.07.2024. After detailed deliberations, the Committee directed that the matter be referred to a committee under the chairmanship of Chairman, HPGCL comprising of ACS (Finance), ACS (Energy), PSCM/Haryana and MD/HPGCL for consideration, negotiation and award of work(s). The committee shall finalize the matter and take approval on the file from the Chairman, SHPWPC-cum-Chief Minister, Haryana before award of work(s) by HPGCL.
- 3.10.5.6 The aforesaid Committee held its meeting on 10.09.2024 and raised certain observations. The matter is presently being under deliberations on the future course of action.
- 3.10.5.7 Hon'ble Commission has already granted in-principle approval in HERC/PRO-59 of 2018 vide order dated 07.03.2019 for implementation of New Environmental Norms.
- 3.10.5.8 HPGCL shall approach the Hon'ble Commission for making pass through of the same after the completion of the work for seeking pass through of the same.

Status of Compliance NOx in HPGCL: -

- 3.10.5.9 As per MoEF&CC vide notification dated 19.10.2020, the timeline for compliance of new environment norms in respect of NOx for Category "A" (PTPS Units) is up to 31.12.2022 and for Category "C" (RGTPP & DCRTTP Units) is up to 31.12.2024.
- 3.10.5.10 The case in respect of NOx was placed before the State level HPPC (SHPPC) for consideration and approval, SHPPC has accorded the approval to allot the tender to the successful bidder. Accordingly, the work has been awarded to M/s ISGEC Heavy Engineering Limited Noida with the amount of Rs 60.50Cr including taxes.
- 3.10.5.11 De-NOx Combustion Modification work at 2x250 MW, Unit #7&8 PTPS, Panipat has been completed in Oct-Dec-2023 and 600 MW Unit-II, RGTPP, Hisar in Nov-

2023 to Jan-2024. De-NOx Combustion Modification work at Unit-I, DCRTPP Yamuna Nagar has been started w.e.f. 26.10.2024. Further, De-NOx Combustion Modification work at Unit-I, RGTPP Hisar and Unit-II, DCRTPP Yamuna Nagar be completed in FY 2025-26.

3.10.5.12 The total contract covers entire scope of the work and the detail breakup of the same is as under:-

S.No	Description	Quoted bid price in INR (in Cr)		
		RGTPP	Y.Nagar	PTPS
1	Plant and Equipment including Type Tests charges and mandatory spares	16.908	12.918	12.53
2	Local Transportation including inland insurance and other local costs incidental to delivery of plant & equipment and Mandatory.	0.282	0.21	0.20
3	Installation Services including Erection, insurance covers other than inland transit insurance and other services as specified in the bidding documents.	3.5151	2.4039	2.3042
	Total	20.705	15.532	15.034
4	GST, applicable on Schedules- 1,2,3 not included in bid price	3.73	2.80	2.706
	Grand Total evaluation bid price	24.432	18.3276	17.7404
	Grand Total		60.50	

3.10.5.13 The above scheme is expected to be completed in the current financial year and the impact of the same will be claimed under the Capex Plan for FY 2025-26 after the completion of the work.

3.11 HPGCL's Proposed Technical Parameters for the FY 2025-26 and 2026-27.

HPGCL has submitted that the Hon'ble Commission, in its previous orders, has not carried out any mid-year review. Accordingly, HPGCL is not submitting any tariff impact for the mid-year performance review for FY 2025-26. Further, the technical parameters for the FY 2026-27 have been proposed in line with the HERC MYT Regulations, 2024.

3.11.1 NAPAF (Normative Annual Plant Load Factor)

The Historical trend of Deemed Plant Load Factor (%) of HPGCL Units is tabulated as under:

SN	Unit No.	2022-23	2023-24	2024-25	2025-26 (Upto Sept., 25)
1	PTPS 6	89.81	72.01	76.78	89.79
2	PTPS 7	94.32	84.93	96.14	90.31
3	PTPS 8	85.31	68.73	97.92	84.69
4	DCRTPP 1	95.16	91.63	74.96	96.02
5	DCRTPP 2	87.44	85.58	83.00	97.45
6	RGTPP 1	83.89	66.05	77.54	61.69
7	RGTPP 2	73.34	45.76	75.49	88.44

HPGCL proposes the NAPAF for all thermal Units for the FY 2025-26 and FY 2026-27 in line with HERC MYT Regulations, in vogue, as under: -

SN	Unit No.	HERC Approved	Proposed	
		FY 25-26	FY-25-26	FY 26-27
1	PTPS 6	85.00%	85.00%	85.00%
2	PTPS 7	85.00%	85.00%	85.00%
3	PTPS 8	85.00%	85.00%	85.00%
4	DCRTPP 1	85.00%	85.00%	85.00%
5	DCRTPP 2	85.00%	85.00%	85.00%
6	RGTPP 1	85.00%	85.00%	85.00%
7	RGTPP 2	85.00%	85.00%	85.00%
8	WYC Hydel	43.00%	43.00%	43.00%

3.11.2 Auxiliary Energy Consumption

The Historical trend of auxiliary energy consumption (%) of HPGCL Units is tabulated as under:

SN	Unit No.	2022-23	2023-24	2024-25	2025-26 (Upto Sept., 25)
1	PTPS 6	9.36	9.57	9.62	10.08
2	PTPS 7	9.01	9.08	9.51	9.57
3	PTPS 8	9.14	8.97	9.44	9.41
4	DCRTPP 1	8.48	8.73	8.00	9.31
5	DCRTPP 2	8.40	8.41	8.43	9.79
6	RGTPP 1	5.70	6.16	6.33	6.46
7	RGTPP 2	5.46	6.23	5.62	6.77

HPGCL proposes the auxiliary energy consumption (%) for all thermal Units for the FY 2025-26 and FY 2026-27 in line with HERC MYT Regulations, in vogue, as under: -

SN	Unit No.	HERC Approved	Proposed	
		FY 25-26	FY-25-26	FY 26-27
1	PTPS 6	9.00%	9.00%	9.00%
2	PTPS 7	8.50%	8.50%	8.50%
3	PTPS 8	8.50%	8.50%	8.50%
4	DCRTPS 1	8.50%	8.50%	8.50%
5	DCRTPS 2	8.50%	8.50%	8.50%
6	RGTPS 1	6.00%	6.00%	6.00%
7	RGTPS 2	6.00%	6.00%	6.00%
8	WYC HEP	1.00%	1.00%	1.00%

3.11.3 Secondary Fuel Oil Consumption (SFC)

The Historical trend of Secondary fuel consumption (ml/kwh) of HPGCL Units is tabulated as under:

SN	Unit No.	2022-23	2023-24	2024-25	2025-26 (Up to Sept., 25)
1	PTPS 6	1.01	1.71	1.26	1.46
2	PTPS 7	0.48	0.52	0.29	0.51
3	PTPS 8	0.42	0.85	0.08	0.62
4	DCRTPP 1	0.20	0.48	0.29	0.30
5	DCRTPP 2	0.22	0.74	0.36	0.53
6	RGTPP 1	0.47	1.09	0.90	0.86
7	RGTPP 2	0.60	1.53	0.81	0.62

Secondary fuel consumption (ml/kwh) proposed by HPGCL, for the FY 2025-26 and FY 2026-27, is in line with the HERC MYT Regulations as below: -

S.N	Unit No	HERC Approved	Proposed	
		FY 25-26	FY-25-26	FY 26-27
1	PTPS 6	1.00	1.00	1.00
2	PTPS 7	0.50	0.50	0.50
3	PTPS 8	0.50	0.50	0.50
4	DCRTPS 1	0.50	0.50	0.50
5	DCRTPS 2	0.50	0.50	0.50
6	RGTPS 1	0.50	0.50	0.50
7	RGTPS 2	0.50	0.50	0.50

3.11.4 Station Heat Rate (SHR)

The Historical trend of SHR (Kcal/kwh) of HPGCL Units is tabulated as under:

SN	Unit No.	2022-23	2023-24	2024-25	2025-26 (Upto Sept., 25)
1	PTPS 6	2531	2530	2533	2534
2	PTPS 7	2484	2486	2492	2492
3	PTPS 8	2487	2492	2488	2494
4	DCRTPP 1	2336	2341	2342	2347
5	DCRTPP 2	2330	2340	2342	2352
6	RGTPP 1	2395	2398	2416	2395
7	RGTPP 2	2390	2421	2396	2400

HPGCL has proposed, SHR for the FY 2025-26 and FY 2026-27, as per norms specified in the HERC MYT Regulations, in vogue, as under: -

S.N	SHR (kcal/kWh)	HERC Approved	Proposed	
		FY 25-26	FY-25-26	FY 26-27
1	PTPS 6	2550	2550	2550
2	PTPS 7	2500	2500	2500
3	PTPS 8	2500	2500	2500
4	DCRTPS 1	2344	2344	2344
5	DCRTPS 2	2344	2344	2344
6	RGTPS 1	2387	2387	2387
7	RGTPS 2	2387	2387	2387

3.11.5 Gross Calorific Value (GCV) and Price of Coal

HPGCL has proposed GCV, cost of coal and Secondary Fuel (Oil) for the FY 2026-27 as per the actual weighted average calorific value of coal and landed cost of oil, during April to September of the FY 2025-26, as under: -

GCV & Coal Cost (FY 2026-27)

Particulars	PTPS-6	PTPS-7 & 8	DCRTPS	RGTPS
Gross Calorific Value of Coal (kcal/Kg)	3385	3373	3050	3093
Average landed cost of coal (Rs. /MT)	5617.66	5804.71	5120.38	5567.36

GCV & Oil Cost (FY 2026-27)

Particulars	PTPS	DCRTPS	RGTPS
Gross Calorific Value of Oil (kcal/l)	10684	10701	10729
Average landed cost of Oil (Rs. /kl)	69419.90	71249.00	66278.60

3.12 Energy Charge Rate (ECR) / Fuel Cost

HPGCL has computed ECR as per Regulation 31 of the MYT Regulations, 2024, on the basis of actual fuel consumed on blended basis from April, 2025 to September,

2025 as tabulated below: -

Fuel Cost	Generation (Ex-bus) in MU	Per Unit Variable cost Rs/ Unit
PTPS – 6	1422.93	4.71
PTPS – 7	1703.27	4.73
PTPS – 8	1703.27	4.73
DCRTPS 1	2043.93	4.33
DCRTPS 2	2043.93	4.33
RGTPS-1	4199.54	4.60
RGTPS-2	4199.54	4.60

3.13 Annual Fixed Cost

The petitioner has proposed fixed cost for the FY 2026-27 in line with the HERC MYT Regulations, 2024.

3.13.1 Operation and Maintenance Expenses (O&M)

HPGCL has submitted that the Commission has notified the norms for O&M Expenses (in Rs. Lac per MW) for the FY 2026-27 under Regulation 28 of HERC MYT Regulations, 2024 as amended from time to time. Accordingly, the O&M expense for FY 2026-27 has been proposed as under: -

S.N	Unit No	HERC Approved	Proposed as per MYT,2024
		FY 25-26	FY 26-27
1	PTPS 6	120.54	127.134
2	PTPS 7	159.85	168.575
3	PTPS 8	168.48	177.7
4	DCRTPP 1	128.25	135.27
5	DCRTPP 2	143.22	151.05
6	RGTPP 1	162.96	171.9
7	RGTPP 2	167.52	176.64
8	WYC Hydel	28.66	30.23
	Total	1079.47	1138.497

3.13.2 Depreciation

HPGCL has submitted that the Depreciation for FY 2026-27 has been proposed on the basis of opening GFA as on 01.04.2025 and closing GFA as on 31.03.2026 and after taking into consideration of the earlier disallowances made by the Hon'ble Commission in previous years and also with the additions of the proposed CAPEX Schemes. Opening Gross Fixed Assets for FY 2025-26 is as per the FAR of FY 2024-25 and Closing GFA for FY 2026-27 is after considering the additions of the proposed CAPEX scheme completed in the respective years is tabulated below:

S.N	Unit #	GFA as on 01.04.2025	Addition FY 2025-26	Addition FY 2026-27	GFA as on 31.03.2027
1	PTPS – 6	152.05	81.80	4.28	238.13
2	PTPS – 7	603.16	14.16	91.11	708.43
3	PTPS – 8	656.86	9.56	26.21	692.63
4	DCRTPP-1	904.98	13.58	41.38	959.94

5	DCRTPP-2	895.67	9.63	83.53	988.83
6	RGTPP-1	1,849.07	70.27	26.86	1946.20
7	RGTPP-2	1,904.82	30.97	137.83	2073.63
8	Hydel	126.13	14.73	37.07	177.92
	Total	7,092.73	244.71	448.27	7875.71

HPGCL has submitted that the Hon'ble Commission, in its earlier order, has disallowed certain capitalization. Accordingly, admissible GFA has been computed, as per details given below: -

Unit	GFA as on 01.04.2025 exclusive of Ind AS	Disallowances – GAAP spares	Allowable GFA as on 01.04.2025	Addition during 2025-26	Allowable GFA as on 01.04.2026	Addition during 2026-27	Allowable GFA as on 01.04.2027
PTPS – 6	132.19	1.07	131.12	81.80	212.92	4.28	217.19
PTPS – 7	563.44	2.35	561.09	14.16	575.25	91.11	666.36
PTPS -8	586.82	5.53	581.29	9.56	590.85	26.21	617.07
DCRTP-1	898.39	13.65	884.74	13.58	898.33	41.38	939.71
DCRTP-2	880.74	13.65	867.09	9.63	876.72	83.53	960.25
RGTPP-1	1,835.46	37.76	1,797.70	70.27	1,867.97	26.86	1894.83
RGTPP-2	1,878.20	37.76	1,840.44	30.97	1,871.41	137.83	2009.24
Hydel	126.13		126.13	14.73	140.85	37.07	177.92
Total	6,901.36	111.76	6,789.60	244.71	7,034.31	448.27	7482.59

The depreciation rate has been applied as per the rate notified in the HERC, MYT Regulations, in vogue. HPGCL has further submitted that the Hon'ble Commission, in its order dated 31.10.2018 & 07.03.2019, had directed HPGCL not to claim depreciation on such disallowed capitalization (spares and decommissioning cost). Thus, HPGCL in compliance with the aforesaid directives has excluded such depreciation. The details are tabulated below: -

Allowable GFA for FY 2026-27 (Rs. In crore)

S.No.	Unit	Actual Depreciation	Depreciation on GAAP spares	Depreciation on account of Ind AS	Net allowable depreciation
A	B	C	D	E	F = C- (D+E)
1	PTPS - 6	16.24	0.02	0.25	15.97
2	PTPS - 7	50.04	0.15	1.49	48.40
3	PTPS - 8	37.20	0.32	3.47	33.41
4	DCRTPP-1	43.97	0.61	0.48	42.88
5	DCRTPP-2	46.98	0.61	0.95	45.42
6	RGTPP-1	59.17	1.23	0.58	57.35
7	RGTPP-2	70.04	1.23	0.94	67.87
8	Hydel	13.14	-	-	13.17
	Total	336.81	4.18	8.16	324.47

It has been further submitted that the Commission in its Order dated 31.10.2018 had directed HPGCL to maintain a memorandum accounts of allowed capitalization, spares and decommissioning cost capitalized, depreciation and net block of fixed assets. HPGCL has maintained the memorandum accounts as directed by the Hon'ble Commission.

3.13.3 Interest & Finance Charges

HPGCL has submitted that the Hon'ble Commission has approved loan portfolio for HPGCL from time to time based on the approved Capex. Further, HPGCL by using its financial prudence has been successful in restructuring its loan portfolio to reduce its interest and finance charges.

It has been submitted that HPGCL is expecting to incur interest and finance charges amounting to Rs.49.91 Cr. in the FY 2026-27 while the interest and finance charges for FY 2026-27 pre-restructuring was Rs.52.85 Cr.

Therefore, saving of Rs.2.94 Cr (Rs.52.85–49.91 Cr.) in the interest and finance charges due to diligence and efficient financial management of HPGCL. According to Clause 21.1 (v) of the HERC MYT Regulations 2024, HPGCL is eligible for incentive on the net savings resulting from restructuring of loan. Accordingly, HPGCL requests the Commission to approve interest expenses including incentive (50% of savings from restructuring) for FY 2026-27.

An amount of Rs.5.43 crore of the equity contribution has been considered as normative debt @ 8.5% as per Regulation 19.2(b) of the HERC MYT Regulations. The normative interest expense is estimated at Rs 23 lacs. The same has been added to the interest and finance charges for the purpose of tariff computation of FY 2026-27.

The interest and finance charges computed based on the above submissions are presented below:

Interest and finance charges (Rs. Cr.) for FY 2026-27

	Int. & Fin. Charges post restructuring	Int. & Fin. Charges pre-restructuring	Savings due to restructuring	Incentive (50% of savings)	Total interest expense	Interest expense on normative loan	Final Interest Expense
1	2	3	4=(3-2)	5=50% of 4	6=(2+5)	7	8=6+7
PTPS 6	6.32	6.32	-	-	6.32		6.32
PTPS 7	7.58	7.58	-	-	7.58	0.01	7.59
PTPS 8	2.58	2.58	-	-	2.58	0.01	2.59
DCRTPP-1	3.97	3.97	0.00	0.00	3.97		3.97
DCRTPP-2	6.70	6.70	0.00	0.00	6.70		6.70
RGTPP-1	7.23	8.70	1.47	0.74	7.97	0.11	8.08
RGTPP-2	12.30	13.78	1.47	0.74	13.04	0.11	13.15
WYC Hydel	3.22	3.22	-	-	3.22		3.22
Total	49.91	52.85	2.94	1.47	51.38	0.23	51.62

3.13.4 Return on Equity (RoE)

HPGCL has submitted that the Hon'ble Commission, in its Order dated 20.02.2025, has approved RoE @ 12% for thermal power plants and 13% for

HEP. Accordingly, the equity deployed in the generation business and RoE claimed thereto for the FY 2026-27 is as under: -

Details of Equity Deployed in FY 2026-27 (Rs Cr.)

Sr. No.	Unit#	Closing FY 2024-25	Additions FY 2025-26	Additions FY 2026-27	Closing FY 2026-27	Proposed RoE @ 12%/13%
1	PTPS – 6	157.18	24.54	1.28	183.00	21.883
2	PTPS – 7	218.43	4.25	27.33	250.01	28.361
3	PTPS – 8	218.65	2.87	7.86	229.38	27.054
4	DCRTPS-1	252.01	4.07	12.41	268.50	31.476
5	DCRTPS-2	251.97	2.89	25.06	279.92	32.086
6	RGTPS-1	498.81	21.08	8.06	527.95	62.871
7	RGTPS-2	513.14	9.29	41.35	563.78	65.172
8	Hydel	18.36	2.30	11.12	31.79	3.409
	Total	2,128.55	71.30	134.48	2,334.33	272.31

3.13.5 Interest on Working Capital (IWC)

HPGCL has submitted that Regulation 22.1 of HERC MYT Regulations, 2024 provides various components to be considered for estimating working capital requirement and tariff computation. Further, the Regulation 22.2 of the aforementioned Regulations state that the rate of interest on working capital shall be equal to the MCLR of the relevant financial year plus a maximum of 150 basis points i.e. 1.5%. SBI MCLR as on 15.10.2025 was 8.75% p.a. Accordingly, HPGCL has estimated the working capital requirements and the interest on working capital @ 10.25% (8.75%+1.50%).

HPGCL has proposed IWC as per the MYT Regulations in vogue for the FY 2026-27 as under: -

IWC (Normative) for FY 2026-27 (Rs Cr.)

Unit #	Coal Stock 1 Month	Oil Stock 1 Month	O&M Expenses 1Month	Maint. Spares 10% Thermal/ 7.5% (Hydel)	Receivables 1 Months	Total W/C Requirement	Int. on W/C @ 10.25%
PTPS – 6	54.913	0.905	10.595	12.713	71.379	150.505	15.427
PTPS – 7	66.597	0.538	14.048	16.858	89.817	187.858	19.255
PTPS – 8	66.597	0.538	14.808	17.77	88.809	188.522	19.324
DCRTPP-1	73.085	0.663	11.273	13.527	93.186	191.734	19.653
DCRTPP-2	73.085	0.663	12.588	15.105	95.031	196.472	20.138
RGTPP-1	159.602	1.234	14.325	17.19	189.111	381.462	39.100
RGTPP-2	159.602	1.234	14.72	17.664	191.020	384.240	39.385
Hydel	-	-	2.519	4.534	4.266	11.319	1.160
Total	653.481	5.775	94.876	115.361	822.619	1692.112	173.441

3.13.6 Total Fixed Cost (proposed by HPGCL)

The Fixed Cost of HPGCL Plants, as estimated and prayed for by the petitioner for the FY 2026-27, is as under:

Annual Fixed Cost (Rs. Cr.) for FY 2026-27

S.N	Unit #	O&M	Depreciation	Interest Finance Charges	& Return on Equity	W/C Interest	Total Fixed Cost
1	PTPS - 6	127.13	15.97	6.32	21.88	15.43	186.73
2	PTPS - 7	168.58	48.40	7.59	28.36	19.26	272.18
3	PTPS - 8	177.70	33.41	2.59	27.05	19.32	260.08

4	DCRTPP-1	135.27	42.88	3.97	31.48	19.65	233.25
5	DCRTPP-2	151.05	45.42	6.70	32.09	20.14	255.39
6	RGTPP-1	171.90	57.35	8.08	62.87	39.10	339.30
7	RGTPP-2	176.64	67.87	13.15	65.17	39.38	362.22
8	Hydel	30.22	13.17	3.22	3.41	1.16	51.19
	Total	1138.49	324.47	51.62	272.31	173.44	1,960.34

HPGCL has prayed that they may be allowed recovery of all expenditure relating to petition filing fees including publication of notices etc. and any other statutory fees/ regulatory fees, taxes and levies from the beneficiaries as per actual.

3.13.7 Summary of Tariff computation for the FY 2026-27

Total Capacity Charges and Energy Charge Rate (ECR) per kWh for the FY 2026-27 as proposed by the petitioner is summarized as under:

Particular	PTPS 6	PTPS 7	PTPS 8	DCRTPS 1	DCRTPS 2	RGTPS 1	RGTPS 2	WYC HEP	Total
Total Capacity Charges (Rs crore)	186.73	272.18	260.08	233.25	255.39	339.3	362.22	51.19	1960.34
Energy Charge Rate (Rs/kWh)	4.71	4.73	4.73	4.33	4.33	4.6	4.6	Nil	

3.14 HPGCL's has Prayed as under: -

- a) Admit this Petition.
- b) To take the note of the MoEFCC Notification dated 11.07.2025 in respect of FGD issue, as prayed in the petition.
- c) To take the note of enactment of GST 2.0 and its impact on coal under Change in Law as prayed in the petition.
- d) To take the note of the status of Kalyanpur- Badalpara coal block and request for making the appropriate regulation for the same as prayed in the petition.
- e) To take the note of the notification of Haryana Contractual Employees (Security of Service) Act,2024 and allow to claim the impact of the same in future as prayed in the petition.
- f) To take the note of the booking of expense of Rotor with the request to allow the capitalisation of the same as prayed in the petition.
- g) To take the note of expense being incurred on account of upgradation of C&I amounting to Rs 21.60 Crore with the request to allow the same as prayed in the petition.
- h) To take the note of RLA studies and its associated works being carried in the capital overhauling of Unit-6, PTPS and allow the capital overhauling expense for Unit-6, PTPS as prayed in the petition.

- i) To take the note of the expense made by HPGCL under Ash fund, as submitted in the petition.
- j) To take the note of the unrecovered depreciation till FY 2024-25, as prayed in the petition.
- k) To approve the revised Capital Plan for FY 2025-26 to FY 2029-30, as prayed in the petition, along with the permission to shift the capex between the control period on the need basis.
- l) To approve the true up of water charges for FY 2024-25 amounting to Rs 35.27 Crore as prayed in the petition.
- m) To take the note of CHP expenses, and the same may be claimed after the outcome of appeal pending at APTEL.
- n) To approve the true up of Rs 210.465 Cr on the basis of submission made in the petition.
- o) To approve the tariff for FY 2026-27 as per the submission made in the petition.
- p) Allow recovery of all expenditure relating to petition filing fees including publication of notices etc. and any other statutory fees/ regulatory fees, taxes and levies from the beneficiaries as per actual.
- q) Condone any inadvertent omissions / errors / delays / short comings and permit the applicant to add/ change/modify/ alter this filing and make further submissions as may be required at later stage as the filing is being done based on the best available information.
- r) Treat the filing as complete in view of substantial compliance as also the specific requests for waivers with justification placed on record.

4 Additional data/details provided by HPGCL

The Commission, after initial scrutiny of the petition, sought additional data / information, vide memo no. 2496/HERC/Tariff dated 30.12.2025. HPGCL, vide Memo no. 267/HPGCL/Reg-522(2025), dated 15.01.2026, filed its reply, which has been taken on record.

5 Procedural Aspects, Analysis & Order of the Commission

In line with Section 64 of the Electricity Act, 2003 and Haryana Electricity Regulatory Commission (Conduct of Business) Regulations, 2019, the Commission scheduled a hearing on 07.01.2026 in order to afford an opportunity to the stakeholders to present their objections / suggestions on the present petition of HPGCL. In response to the

public notice no comments/ objections were filed by any stakeholder including the distribution licensees/HPPC. As such, no intervener was present in the hearing.

The hearing was held in the courtroom of the Commission. The Commission heard at length the submissions of the representatives of the petitioner company present in the hearing. However, despite the fact that the generation tariff determined by the Commission in the present proceedings will directly impact the power purchase cost and availability of the Discoms, they neither filed any objections/comments nor made any oral submissions in the public hearing. The petitioner herein i.e. HPGCL reiterated its prayers for being allowed the true-up amount as worked out by them as well as generation tariff as per their petition.

State Advisory Committee (SAC)

In order to take forward the consultation process and to have the benefits of the views / suggestions of the Members of the SAC, a meeting of the State Advisory Committee, constituted under Section 87 of the Act, was convened on 22.01.2026 to discuss the petition filed by the Haryana Power Utilities including HPGCL.

HPGCL is directed to take appropriate action on the views / suggestions of the SAC Members.

Commission's Analysis and Order

6 The Commission, while passing the present order has considered the petition filed by HPGCL, the additional information provided by them from time to time as well as the oral submissions made in the public hearing held on 07.01.2026.

The Commission reiterates that the present order is confined to the true up of the FY 2024-25 and determination of generation tariff for the FY 2026-27 in accordance with the HERC MYT Regulations, 2024. Hence, any other issue that the petitioner may have raised outside the scope of the present proceedings, has not been dealt in the present order.

7 Miscellaneous issues raised by HPGCL

At the outset, the Commission has considered it appropriate to address the issues raised by the petitioner in the present petition which has impact on generation tariff or financial/operating performance of the generator. Accordingly, the issues raised and Commission's view thereon are as under: -

7.1 Intimation of Enactment of GST 2.0 on Coal under "Change in Law"

HPGCL has submitted that the Ministry of Finance, Government of India, vide

notification dated 17.09.2025, has increased the GST rate on coal from 5% to 18% by withdrawing the Compensation Cess of ₹400/ton. According to HPGCL, this change would have a marginal impact on the landed cost of coal for thermal power projects as well as on the computation of Interest on Working Capital (IWC) for FY 2025–26 and subsequent tariff periods.

In view of the above, HPGCL has requested the Commission to take note of the said notification and to permit HPGCL to claim any consequential impact on IWC in the True-Up process on account of the said “Change in Law”.

Commission’s view: -

The Commission has examined the submissions of the petitioner in the context of the proviso to Regulation 22.1(III) of the HERC MYT Regulations, 2024, which reads as under:

“Provided that Interest on Working Capital for generators shall be allowed on the basis of average PLF / CUF in the preceding 3 years.

Provided further that True up of the interest on working capital shall be limited to the actual interest on working capital.”

From the above provisions, it is evident that the true-up of Interest on Working Capital is restricted to the actual interest incurred, subject to prudence check by the Commission. Accordingly, any variation in working capital requirements arising from changes in taxes or duties, including GST, would already be subsumed within the framework of actual interest incurred and prudently verified at the time of true-up.

In view of the above regulatory framework, the issue raised by HPGCL does not warrant any separate or additional consideration at this stage and is therefore of limited significance.

7.2 Status of Kalyanpur- Badalpara Coal Block for intimation

HPGCL has submitted the following progress achieved in the development of a dedicated Kalyanpur-Badalpara coal block:

- a) HPGCL issued an e-Notice Inviting Tender (e-NIT) dated 05.06.2024 for selection of a Mine Developer and Operator (MDO) for Exploration, Planning, Development and Operation of the Coal Block, located in Dumka District, Jharkhand.
- b) Pursuant to the said e-NIT, M/s AMR India Ltd., Hyderabad has been

appointed as the Mine Developer and Operator (MDO), with the zero date for commencement of work fixed as 01.05.2025.

- c) The scope of work entrusted to the MDO is divided into two phases, with the following financial implications:
- Phase-I (Detailed Exploration): ₹24.00 Crore (excluding GST)
 - Phase-II (Development & Operation): Mining charge of ₹1,545 per tonne (excluding GST)

The mining charges under Phase-II shall be subject to quarterly escalation, commencing from the first quarter after the bid date, based on applicable indices such as Wholesale Price Index (WPI), Consumer Price Index (CPI), and High Speed Diesel (HSD) rates.

- d) Civil Survey and Differential Global Positioning System (DGPS) Survey of the coal block has been completed, and the block boundary has been duly certified by Central Mine Planning and Design Institute Limited (CMPDI) on 03.09.2025.
- e) Ministry of Coal, Government of India, has issued a notification in the Official Gazette dated 16.09.2025, appointing nominated officers of HPGCL as “Competent Authorities” under Section 3 for various provisions of the Coal Bearing Areas (Acquisition and Development) Act, 1957.
- f) HPGCL, vide letter dated 03.10.2025, submitted an application to the Ministry of Coal, Government of India, under Section 4 of the Coal Bearing Areas (Acquisition and Development) Act, 1957, seeking issuance of notification regarding intention to prospect for coal in the Kalyanpur-Badalpara Coal Block, District Dumka, State of Jharkhand.
- g) Upon issuance of the notification under Section 4 of the Coal Bearing Areas (Acquisition and Development) Act, 1957 by the Ministry of Coal, the work of detailed exploration in the said coal block shall commence. In this regard, the appointed MDO, M/s AMR India Ltd., is in the process of preparing the detailed exploration scheme.
- h) HPGCL has already initiated substantive activities towards development of its dedicated coal mine.

In view of the same, HPGCL has requested the Commission to consider framing appropriate pass-through provisions for mining-related expenditure, in line with the prevailing Central Electricity Regulatory Commission (CERC) Tariff Regulations, so as to enable recovery of such costs in future tariff periods.

Commission's view: -

The Commission has taken note of the status of development of the Kalyanpur-Badalpara Coal Block as submitted by the petitioner. At the present stage, the aforesaid developments do not have any direct bearing on the petition under consideration before the Commission. Accordingly, the Commission is not expressing any views on the same at this juncture.

However, the petitioner is at liberty to file a separate petition seeking appropriate amendment(s) to the Haryana Electricity Regulatory Commission MYT Regulations, 2024, with respect to treatment and pass-through of mining-related expenditure along with complete timelines and cost benefit analysis, for consideration by the Commission, in accordance with law.

7.3 Intimation of enactment of "The Haryana Contractual Employees (Security of Services) Act, 2024

HPGCL has submitted that Govt. of Haryana vide notification no. Leg. 24/2024 dated 6th December, 2024 has enacted "The Haryana Contractual Employees (Security of Service) Act, 2024" to provide security of service to contractual employees. The same was amended vide Amendment Act, 2025 bearing no. Leg.13/2025 dated 09.04.2025. This act provides security of service to contractual employees:

- a) who has been engaged on contract by the Government Organization and is in the service of such Government Organization on the appointed date (15th Aug, 2024) and receiving remuneration up to Rs.50,000/- per month; or
- b) who is deployed by the Haryana Kaushal Rozgar Nigam under the Deployment of Contractual Persons Policy, 2022 and is in the service of a Government Organization on the appointed date (15th Aug, 2024).
- c) Who has completed at least five (05) years' service in the Government Organization on full time basis as on the appointed date i.e., 15th August, 2024.

Further, the Government of Haryana vide notification no. S.O 67/H.A.17/2024/S.10/2025 dated 05.08.2025, has issued "The Haryana Contractual Employees (Security of Service) Rules, 2025", detailing the terms and conditions of service for eligible contractual employees under the said Act. The same has been adopted by HPGCL vide office order No.217/CE/Admn.

dated 19.08.2025. The said notification falls under the ambit of “Change in Law”, as it is likely to impact the employee cost of HPGCL owing to the requirement of ensuring job security for the contractual employees engaged through HATRON and HKRNL.

HPGCL has further submitted that, in the event of any future impact on employee cost arising due to the regular induction of employees through recruitment, the same may be allowed to be claimed by HPGCL at the appropriate stage.

Commission’s view: -

The Commission has examined the submissions of the petitioner. It is noted that the Government of Haryana has enacted The Haryana Contractual Employees (Security of Service) Act, 2024, as amended in 2025, and has further notified The Haryana Contractual Employees (Security of Service) Rules, 2025, which have been adopted by Haryana Power Generation Corporation Limited. The said statutory framework mandates security of service to eligible contractual employees engaged through agencies such as HATRON and HKRNL, subject to the conditions prescribed therein.

The Commission observes that the enactment of the above Act and Rules is a statutory intervention subsequent to the cut-off date and is external to the control of the petitioner. To the extent the implementation of the said Act/Rules results in an actual and demonstrable increase in employee cost of the petitioner, the same falls within the ambit of “Change in Law”, subject to verification.

Accordingly, the Commission permits the petitioner to place on record, at the appropriate stage, the actual financial impact, if any, arising on account of implementation of the Act/Rules, duly supported with audited data and documentary evidence. Any claim on this account shall be examined and allowed, if found admissible, in accordance with the applicable Tariff Regulations during the True-Up/Truing-up proceedings.

7.4 Regarding booking of Rotor in respect of RGTPP Unit

HPGCL has reproduced the direction issued by the Commission in its order dated 13.03.2025 in petition no 64 of 2024: -

“In view of the above, HPGCL was required to provide details of scrap value of old HIP turbine rotor and claim CAPEX net of higher of depreciation value and scrap value of old HIP turbine rotor. However, since HPGCL has capitalized the amount of Rs.50.60 crore on account of HIP turbine

rotor on 31.03.2024 and there is minimal impact of depreciation on the FY 2023-24, the Commission while approving the same for the FY 2023-24, directs HPGCL to file the abovementioned details, at the time of claiming true-up of depreciation for the FY 2024-25, wherein the issue shall be re-visited.”

In view of the above, HPGCL has submitted the details of expenses booked in respect of Rotor, is as under: -

Particulars	JV NO	GH	Rs in INR
Replacement cost for Old HIP Rotor with New HIP Rotor	2024030001457	10.503	9,51,55,200
Cost of New HIP Rotor Purchased	2024030001456	10.503	41,08,67,000
Total cost of NEW HIP Rotor			50,60,22,200
Less: Value of DE-Capitalization of old Rotor HIP up to 31.03.2024	2024030001475	10.503	15,11,50,585
Amount Capitalized in FY 2023-24			35,48,71,615

The detail of salvage value of the Rotor, is as under: -

Salvage value of Old Rotor	2024030001475	10.503	16,63,200	Weigh of HIP Rotor x Rate of scrap i.e. 33,624Kg @Rs 50/Kg
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HPGCL has further submitted that in accordance with accounting rules, before capitalization of new Rotor, the old Rotor has been de-capitalized in the books of Accounts and Salvage value of old Rotor of Rs.16,63,200 is kept in GH 10.503 as Asset value for sale and adjustment of the same will be done at the time of sale of old Rotor in the same GH 10.503.

HPGCL has prayed to take the note of the same and allow to book the depreciation on the same.

Commission’s view: -

The Commission notes that the Petitioner had capitalized an amount of ₹50.60 crore on account of procurement and replacement of the HIP Turbine Rotor during the FY 2023-24. The Commission observes that the Petitioner has de-capitalized the old HIP Rotor in accordance with accepted accounting principles prior to capitalization of the new rotor and has retained the salvage value of ₹16.63 lakh under GH 10.503 as an asset held for sale, to be adjusted at the time of actual disposal.

Accordingly, the Commission takes note of the compliance submitted by the Petitioner in respect of de-capitalization and salvage value of the old HIP Turbine Rotor and allows the capitalization of the HIP Turbine Rotor as claimed, subject to adjustment of actual sale proceeds of the old rotor at the time of disposal.

7.5 Intimation of status of expense of C&I related in Unit 6, PTPS

HPGCL has submitted that the Commission while approving the Capital Investment Plan for FY 2024-25, has disallowed the Unit-6 Capital Investment Plan amounting to Rs 21.6 Crore with the reasoning recorded in the order dated 13.03.2025 and reproduced as under:

“HPGCL has submitted that the Commission in its order dated 20.02.2024 (HERC/P. No. 67 of 2023), had approved CAPEX aggregating to Rs.39 Cr and Rs.80.132 Cr, for FY 2023-24 and 2024-25, respectively. However, the Commission in its ibid order had not approved Up-gradation of PTPS Unit-6 HMI System of pro-control amounting to Rs. 21.60 crore. The relevant extract of the Commission’s order dated 20.02.2024 is reproduced hereunder: -

“The Commission has examined the submissions of the petitioner i.e. HPGCL. The Commission observes that about 27% of the capex proposed for the FY 2025-26 is for installation (or on upgradation) of Maximum Dynamic Network Architecture (MaxDNA) at its 210 MW PTPS unit-6. As its nomenclature itself suggests it is a network of application where diverse hardware and software solutions co-operate to allow the power plant to reach its greatest potential. The Commission observes that the cost proposed is ‘tentative’. It is also noted that PTPS (Unit-6) is of the same vintage as the already de-commissioned (PTPS-5) despite the fact that there is a difference of about a decade their CoD. The viability/dispatchability of PTPS-6 would depend on the proposed RLA and RE report. Hence, at this stage, it may not be prudent to incur the proposed tentative cost of Rs.21.60 crore that too without establishing the benefit stream. The Commission is constrained to observe that the submission of HPGCL (Memo no. 168/HPGCL/Reg-522 (2023) dated 26.12.2023) that “The necessary purchase order and work order for the upgradation work has already been awarded to M/s. BHEL with the approval of HPPC of HPGCL”, may not be sufficient. However, as the system is normally designed on a modular basis and allows scalability, HPGCL may undertake such capex limited to ensuring safe operation of PTPS Unit-6 and for meeting the objectives of CEA (Flexible Operation of coal based thermal generation units) Regulations, 2023 as amended from time to time. The details may be separately submitted to the Commission for approval along with RLA and LE reports. HPGCL is directed to submit the details of the scheme, bidding process followed, EOI, request for proposal, negotiation if any with the bidder & purchase order to the Commission for considering the same for true up of FY 2024-25 and ARR for FY 2025-26. Accordingly, at this this stage the Commission considers and approves the revised capital expenditure for FY 2024-25 to FY 2025-26, at Rs. 39 crore and Rs. 58.532 crore, respectively. It is added that the Commission is not, at this stage, adjusting the marginal impact on depreciation, interest on loan, RoE etc. for the proposed Capex on MaxDNA.”

In this regard, HPGCL has submitted that the work of upgradation of the Pro-Control-based DCS of the C&I System in Unit-6 is required to be carried out during the capital overhauling, as the existing system has become obsolete and the OEM is no longer providing spares or service support. Under such conditions,

the safe and reliable operation of Unit-6 is not feasible, and the Unit cannot be operated till 2035 as per the CEA-approved plan without the said upgradation. Moreover, in the absence of this upgrade, there are fair apprehensions of potential system failure or accidents due to the non-availability of feedback signals resulting from obsolete technology. Accordingly, HPGCL has undertaken the upgradation of the said system during the ongoing capital overhauling, which commenced on 25th October 2025.

The existing Pro-Control-based DCS system is being upgraded to the maxDNA DCS system of BHEL make, for which HPGCL has already placed all necessary purchase and work orders amounting to ₹21.6 crore. Approximately 75% of the CAPEX activities have been completed, and the balance work shall be executed during the capital overhauling of Unit-6 from October to December 2025.

HPGCL has further submitted that the Unit cannot be operated in a flexible mode without the upgradation of the existing obsolete Distributed Control System (DCS). At present, the availability of historical operational data for Unit-6, PTPS, Panipat, is limited to only 2–3 days, depending on the number of events recorded. This limitation is due to the outdated hardware and software architecture of the existing DCS. As a result, PTPS is unable to provide Frequency Response data as required by the Load Dispatch Centre (LDC) for Frequency Response Characteristics (FRC) and Frequency Response Performance (FRP) calculations during grid events, thereby affecting the Unit's compliance with grid operation requirements. With the upgradation of the Pro-Control-based DCS system (SG/TG package including HMI) to the latest maxDNA-based DDCMIS system, the life of the C&I system will be enhanced by 15 years, and no further RLA or RE-based upgradation will be required.

In view of the above, HPGCL has requested that the present expenditure of ₹21.6 crore be approved in the interest of consumers and to avoid financial hardship to HPGCL.

Commission's view: -

The Commission has carefully examined the submissions made by HPGCL, the earlier directions issued vide order dated 20.02.2024 in Petition No. 67 of 2023, and the present request seeking approval of expenditure of ₹21.60 crore incurred towards upgradation of the C&I system of Unit-6, PTPS.

The Commission notes that the upgradation of the Pro-Control based DCS system to maxDNA was earlier not approved at the planning stage on account of the tentative nature of the cost, absence of demonstrated benefit stream, and the requirement to first establish the continued technical and commercial viability of Unit-6 through RLA/LE reports. However, the Commission had expressly permitted HPGCL to undertake limited capital expenditure essential for ensuring safe operation of the unit and for meeting the requirements of the CEA (Flexible Operation of Coal based Thermal Power Generation Units) Regulations, 2023, subject to submission of detailed justification and supporting documents for consideration at the time of true-up.

The Commission further takes note of HPGCL's submission that the existing Pro-Control based DCS has become obsolete, that the OEM support and availability of spares have ceased, and that continued operation of Unit-6 without such upgradation would pose serious safety and reliability risks. The Commission also notes that a substantial portion of the works has already been completed during the scheduled capital overhauling of the unit and that the upgradation is stated to be a prerequisite for flexible operation and compliance with grid operation requirements, including furnishing of Frequency Response data to the LDC. At the same time, the Commission observes that the expenditure of ₹21.60 crore has been incurred despite the absence of prior approval and without submission, at this stage, of the complete set of documents earlier directed by the Commission, including detailed scheme-wise break-up, bidding and procurement details, and a quantified assessment of benefits accruing to consumers.

In view of the above, the Commission is of the considered view that while the necessity of ensuring safe and reliable operation of Unit-6 cannot be ignored, the prudence check of the expenditure and its allowability under tariff can only be undertaken after due examination of the requisite technical and financial details.

Accordingly, the Commission does not accord ex-ante approval to the expenditure of ₹21.60 crore at this stage. However, HPGCL is directed to submit complete details of the scheme, procurement process followed, and justification of consumer benefits, which shall be considered for

admissibility, subject to prudence check, at the time of true-up of FY 2025-26 and determination of ARR/tariff for the relevant control period, strictly in accordance with the applicable regulations.

7.6 Intimation of RLA studies and its associated works being carried under Capital Overhauling of Unit-6, PTPS

HPGCL has submitted that the RLA studies of the Boiler of Unit-6, PTPS have been carried out by M/s BHEL. M/s BHEL has primarily recommended the following:

- a) Chemical cleaning of the boiler to be carried out during the next Annual Overhaul, followed by corrosion mapping.
- b) Replacement of Final Superheater (SH) coils and Reheater (RH) coils is recommended after five to six years of continuous operation.

Accordingly, chemical cleaning will be carried out by M/s BHEL during the capital overhauling scheduled from 25.10.2025 to 07.01.2026 (75 days), and corrosion mapping will also be conducted as per the recommendations. The outcomes/findings of the acid cleaning and corrosion mapping will be addressed during the ongoing overhauling of the boiler pressure parts. The recommendations of the RLA study by M/s BHEL will be fully implemented during the capital overhauling.

Further, as per the RLA recommendations, another study of the pressure parts will be undertaken after 5–6 years of continuous operation of Unit-6. Accordingly, the replacement of the Final SH and RH coils will be planned after assessing their condition during the subsequent RLA study.

HPGCL has submitted that it is making its best efforts to keep the unit available for generation, as mandated by the Government, till 2035, by carrying out all requisite upgradations recommended by the OEM in a phased manner.

Further, the RLA studies of the turbine side will also be carried out during the present capital overhauling, and if feasible, certain issues requiring urgent attention will also be attended to during this overhauling of the unit.

In view of the above, HPGCL has requested to take note of the above and approve the capital overhauling sought for the unit, as the extension of life of the

said unit is mandated by the Government of Haryana in line with the advice of CEA & is essential to continue serving the consumers of the State.

Commission’s view: -

The Commission has considered the submissions of HPGCL regarding the Residual Life Assessment (RLA) studies of Unit-6, Panipat Thermal Power Station and the associated works proposed to be undertaken during the capital overhauling of the unit. The Commission notes that the RLA studies of the boiler have been carried out by the OEM, Bharat Heavy Electricals Limited, and the recommendations made therein are technical in nature and aimed at ensuring safe, reliable, and sustained operation of the unit.

The Commission further takes note of the proposed chemical cleaning and corrosion mapping of the boiler during the forthcoming capital overhauling scheduled from 25.10.2025 to 07.01.2026, as well as the phased approach proposed for replacement of Final Superheater and Reheater coils based on the condition assessment to be carried out in the subsequent RLA study after 5–6 years of continuous operation. The Commission also notes that the RLA studies on the turbine side are proposed during the present capital overhauling and that issues requiring urgent attention, if any, shall be addressed during this period.

Accordingly, the Commission takes note of the RLA studies and the associated capital overhauling works proposed for Unit-6, PTPS, and grants in-principle approval the same subject to prudence check of the actual expenditure at the time of truing-up.

7.7 Intimation of Expenditure of Ash Fund

HPGCL has submitted the following details of the expense from the ash fund for FY 2024-25: -

Details of the Dry Fly Ash for the F.Y 2024-25. (in Crs)			
Particulars	PTPS	RGTPP	DCRTPP
Transportation Charges of Paid Ash Paid to NHAI	218.89	82.508	-
Security Service of Ash Dyke	0.31	0.4618	0.0723
Commission paid to MSTC for E-AUCTION	0.385	0.299	0.518
Hiring of Machinery for Removal of Ash Mixed Garbage	-	0.746	-
Purchase of Anti-Smog Gun	-	0.847	-
Construction of Dissipators/Stair Case/Ramp at discharge point of Ash Dyke	-	0.486	-
Repair of Bund Road at top of Ash Dyke	-	0.398	-
Other activities related to maintenance upkeep of Ash Dyke.	0.1841	3.034	1.272
Total	219.769	88.78	1.8623

The total expense from Ash Fund stands at Rs 310.41 Cr.

HPGCL has submitted that the Ash Fund is being maintained in accordance with the Notification No. 2804(E) dated 03.11.2009 issued by the Ministry of Environment, Forest and Climate Change (MoEFCC), Government of India, read with the relevant provisions of the Environment (Protection) Act, 1986.

The expenditure incurred from the said fund is also in line with the aforesaid notification.

Commission's view: -

The Commission has examined the details of expenditure incurred from the Ash Fund for FY 2024-25 as submitted by HPGCL. It is observed that the expenditures relate to transportation of dry fly ash, security services of ash dyke, commission paid for e-auction of ash, hiring of machinery, procurement of anti-smog gun, construction and repair works at ash dyke/discharge points, and other activities connected with the maintenance and upkeep of ash dykes.

The Commission further notes that HPGCL has maintained the Ash Fund in accordance with Notification No. 2804(E) dated 03.11.2009 issued by the Ministry of Environment, Forest and Climate Change (MoEFCC), Government of India, read with the relevant provisions of the Environment (Protection) Act, 1986.

However, the Commission is constrained to note the direction issued by the Ministry of Power (MoP), to all coal/lignite based TPPs, in its advisory dated 22.02.2022 & 15.03.2024, to dispose of the Ash to prospective user agencies as per the procedure prescribed therein and reproduced hereunder: -

"Procedure for disposal of ash by TPPs:

A. General Procedure for disposal of ash:

- i. Issuable ash per annum means the quantity of ash available for issue by a TPP in a year, subject to technical restrictions, safety and current/future ash generation. This quantity shall be declared by TPPs prior to start of the annual ash disposal process.*
- ii. The Power Plant shall provide ash to user agencies for eco-friendly purpose as stipulated in the MoEF&CC Notification dated 31.12.2021 as amended on 30.12.2022 and 01.01.2024 through a transparent bidding process.*
- iii. TPPs are advised to invite bids on annual basis or for longer period but not more than three years specifying Issuable Quantity on per annum basis. The TPPs shall start the bidding process well in advance (at least 4 months before the end of current financial year) so that all*

tie-ups are available before the commencement of the next financial year.

- iv. TPPs shall conduct the 'Limited Auction' for Micro and Small Enterprises and the 'Open auction' for all users of ash separately.
- v. For Micro and Small Enterprises, the bid threshold shall be 50 tones.
- vi. For Open Auction the bid threshold may be higher.

B. Procedure for 'Limited Auction' for sale of Dry Fly Ash to Micro and Small Enterprises engaged in ash-based product manufacturing:

- i. Reserve Quantity: The 'Reserved Quantity' shall be 1.10 (one point one zero) times of the highest quantity issued up to previous three years to these Micro and Small Enterprises by the TPP. If there is no previously issued quantity available, TPP shall reserve 20% (twenty per cent) of issuable quantity for first year of limited auction.
- ii. Floor Price: The 'Floor Price' (Reserved Price) for the limited auction for Micro and Small Enterprises shall be 50% of the lowest price of the ash discovered by the TPP in the last 'Open Auction' of the dry fly ash among all users subject to a minimum floor price (Reserved Price) of Rs 1.00 (one) per Metric Tonne (MT).
- iii. Based on the Reserved Quantity as per para 5 B(I) and the Floor Price (Reserved Price) as per para 5 B(II) TPPs shall conduct limited auction annually exclusively for Micro and Small Enterprises engaged in ash-based product manufacturing namely bricks, blocks, tiles, sintered or cold bonded ash aggregates, fibre cement sheets, pipes, boards, panels, as per para D(4) inserted to the MoEF&CC Notification dated 31.12.2021 amended on 01.01.2024.
- iv. Limited auction of Reserved Quantity shall be conducted among Micro and Small Enterprises having valid "Consent to Operate"(CTO) issued by CPCB/SPCBs if applicable or with a valid MSE registration.
- v. The Concerned Pollution Control Board shall verify that ash issued to Micro and Small Enterprises is being utilized to make ash-based products as per the MoEF&CC Notification.
- vi. The balance quantity, if any, left untied in the limited auction shall be included in the quantity for open auction for all users.

C. Procedure for 'Open Auction' for sale of Ash (Dry Fly Ash, Bottom Ash and Pond Ash) among all users of ash as per MoEF&CC Notification:

- i. The balance dry fly ash quantity arrived after excluding the reserved quantity at para B (i) above, and including the untied quantity at para B(vi) above, bottom ash and pond ash shall be put up for open auction process among all user agencies as per the MoEF&CC Notification.
- ii. If after auction some quantities of ash still remains un-utilized, then it shall be offered through open Expression of Interest (EOI) for lifting ash on 'as is where is' basis, to be given free of cost on first come first serve basis, if the user agency is willing to bear transportation cost.
- iii. Even after the steps taken in Para 5(C)(i) to 5(C)(ii) above, if the ash remains unutilised, the TPPs shall serve notices (as per MoEF&CC Notification dated 31.12.2021 and its amendment on 30.12.2022 and 01.01.2024) to the nearest user agencies engaged in construction activities such as road laying, road and flyover embankments, shoreline protection structures in coastal districts and dams and the mine owners located within 300 kms radius from TPPs to use ash mandatorily in their projects/back filling of mine voids and deliver ash free of cost and the cost of transportation shall be borne by TPPs. In case of refusal by the nearest user agencies upon which notice has been served and ash quantity still remains unutilised, the TPP shall serve

notice to the next nearer user agency within 300 km radius as per the MoEF&CC Notification. A copy of this communication is also to be marked to the State Pollution Control board concerned as per the MOEF&CC Notification.

- iv. Even after steps taken in Para 5(C)(i) to 5(C) (iii) above, if the ash remains un-utilized and the TPPs assess that it may not be able to comply with the MoEF&CC target timelines on ash utilisation and have to pay Environment compensation on the unutilised ash, the TPPs may apply their best business practices/financial prudence in assessing at their plant level to give the ash on mutually agreed terms to the user agencies in transparent manner to comply with the extant provisions of the MoEF&CC Notification to meet full utilisation of ash.
- v. In case, ash is provided free of cost and with free transportation; the user agency shall be obliged to source the ash from the nearest TPPs to reduce the cost of ash transportation. If the nearest TPP refuses to do so, the user agency shall approach Ministry of Power for appropriate directions.

D. Procedure to be followed for transportation cost to be borne by TPPs:

Thermal Power Plants shall prepare a panel of transportation agencies every year based on competitive bidding for transportation to Road Projects/Embankments/mines etc. in slabs of 50 Kms, which may be used for the period. The TPPs shall call for bids well in advance so, that the transportation panel is in place as soon as the previous panel.

6. The Appropriate Commission shall scrutinize any expenses regarding ash utilization proposed to be passed through in tariff by the Generation Company (GENCO) in accordance with these guidelines to ensure that the least possible burden is passed on to electricity consumers while Generating Company fully complies with MoEF&CC notification dated 31.12.2021 and its amendments on 30.12.2022 and 01.01.2024 and full transparency is ensured by Generating Company as envisaged in these Guidelines.

7. Applicability of Guidelines:

These guidelines are in super-session of guidelines issued on 22.02.2022 and shall be followed by every coal or lignite based thermal power plant (i.e. including captive or co-generating stations or both), mentioned at para A (1) of the MoEF&CC notification dated 31.12.2021 and its amendments on 30.12.2022 and 01.01.2024. These guidelines apply prospectively. TPPs are advised to honour their existing commitment of selling/transportation of fly ash on the basis of rates arrived through a transparent competitive bidding/ State Schedule of rates etc., till the expiry of their existing commitment. For remaining quantity and new commitments, dry fly ash, bottom ash and pond ash shall invariably be disposed through a transparent step-wise process as stated at para 5 of this Guidelines.

8. The Enforcement, Monitoring, Audit and Reporting of these Guidelines shall be as para-E of the MoEF&CC Notification dated 31.12.2021 and its amendments on 30.12.2022 and 01.01.2024.
9. All concerned are directed to take necessary action in this regard.
10. This issues with the approval of Hon'ble Minister of Power & NRE."

The Commission has sought details and reasons for a sudden increase in expenditure of Rs. 310.41 crore in the FY 2024- 25 (FY 2022-23: Rs. 6.13 crore, FY 2021-22: Rs. 56.77 crore), out of which Rs. 301.40 crore is on

transportation of fly ash.

In reply, the details provided by HPGCL are as under: -

8.1 Reasons for a sudden increase in expenditure.	The sudden increase in the expense of the ash fund is on account of the reimbursement of transportation charges of the past period for FY 2021–24 to NHAI concessionaires, in terms of the NHAI request for reimbursement of transportation charges borne for transportation of pond ash for utilisation of the same in the Delhi–Amritsar–Katra Expressway during FY 2021–24, in terms of the MoU signed for utilisation of pond ash, in accordance with the prevailing MoEFCC notification.		
8.2 Methodology followed for deciding the transportation rate.	The reimbursement of the amount incurred on transportation of ash was carried out after evaluation of the costs by the Committee (comprising NHAI/PWD/HPGCL) constituted for the purpose and upon due approval of the Government.		
8.3 The person/entity to whom the payments was made by HPGCL and quantum of fly ash lifted by these transporters	Particulars	RGTPS	PTPS
	Project	DAG Pkg-5	Delhi Amritsar Katra Expressway
	Duration of Pond Ash Supply	March 22 to Feb 24	W.O. dated 23.08.2024, 18.10.2024 and 28.10.2024
	Quantity supplied (in CUM)	1,816,000	307,129,570
	Paid to:	M/s. CDS DAK-5 Expressway Pvt. Ltd.	M/s. NKC Alewa, M/s. KCC and M/s. CDS DAK-2, concessionaire of NHAI
	Amount Paid (Rs. Crore)	82.51	218.89
Amount Paid (Rs./CuM)	454.34	7.13	

HPGCL was further directed to submit complete details of transparent bidding process followed for incurring such a huge expenditure along with detailed reasoning of incurring huge transportation cost in contravention of the advisory dated 22.02.2022/15.03.2024 issued by MoP prescribing the procedure to dispose of the Ash to users. HPGCL was further directed to provide reasons for huge difference between the rate of transportation per Cum between RGTS (Rs. 454.34/cum) and PTPS (Rs. 7.13 per cum), along with the reasons not seeking approval of the Commission as prescribed under MoP guidelines.

In this regard, HPGCL has filed its reply dated 10.02.2026, wherein it was submitted that amount paid (Rs./CUM) for PTPS, Panipat is Rs.339.35 (Rs.218.89 crore divided by 64,50,089.88 CUM) instead of Rs.7.13 pointed out by the Commission. It has been further submitted that the prices reimbursed to NHAI Concessionaires were as per HSR rates/Km basis and the above arrived prices are the weighted average one. HPGCL had signed various MoUs with NHAI during FY 2020-21 and 2021-22, generally having a validity of two years from the date of signing of the MoUs, for supplying pond ash to NHAI road construction projects on a free-of-cost basis, along with bearing the transportation

cost by HPGCL. Meanwhile, the Ministry of Power (GoI) issued directions for disposal of ash through a transparent competitive route. Accordingly, HPGCL started carrying out e-auctions for the sale of pond ash and requested NHAI to match the auction price. NHAI did not respond to this; resultantly, the supply of pond ash was stopped w.e.f. 13.04.2022. The concessionaires of NHAI approached the Hon'ble Supreme Court vide SLP (C) No. 10599/2022, wherein the Hon'ble Supreme Court, vide order dated 15.06.2022, adjudicated as under:

“.....

5. Considering the fact that the petitioner is carrying out/undertaking the contract for the National Highway Authority of India, and that fly ash is an important component to carry on the work as per environmental clearance, the supply which was being made by the Respondent (i.e. HPGCL) prior to Annexure-P-8 dated 13.04.2022 shall continue to be made available by the first Respondent to the petitioner.

6. However, it is made clear that the question of the price component is kept open, and if the petitioner ultimately fails in this petition, they shall remain liable on that aspect of the matter. The petitioner shall file an affidavit to pay the price if they ultimately fail in this petition, which shall be a matter of adjustment between the petitioner and the National Highway Authority of India, which aspect is also kept open.”

Further, a meeting was held with the Secretary, MoRTH, on 24.08.2022. During the meeting, it was informed that, as per the Hon'ble Supreme Court's order dated 15.06.2022 and the directions of CS/GoH, the lifting of pond ash was resumed for the NHAI projects; however, it was decided that no transportation cost would be paid at that stage until a decision in this regard was taken, and the price to be charged for pond ash would be decided by the State Government/MoRTH. Legal opinions on this issue were also sought from the Advocate General, Haryana. Subsequent to the meeting held on 28.07.2023 between the Worthy Chief Secretary, GoH, and Chairman, NHAI, in the presence of Chairman, HPU, and MD, HPGCL, the AG, Haryana concurred that HPGCL is bound by the conditions of the MoUs of NHAI where bids were received by NHAI between 2016 and 2021 and where the subsisting contracts still exist. It was further opined that all actions and remedies available be taken as provided in the terms of the MoUs, read with the MoP advisory dated 22.02.2022 and notification dated 31.12.2021, wherein it was clarified that the guidelines apply prospectively. TPPs were advised to honour their existing commitments of selling/transportation of fly ash on the basis of rates arrived at through a transparent competitive bidding/State Schedule rates only, till the expiry of their existing commitments. For the remaining quantity and new commitments, both fly ash and pond ash

shall invariably be disposed of through a transparent bidding process.

The transportation payments were reimbursed strictly as per Haryana Scheduled rates by HPGCL on the request of NHAI, in terms of the Hon'ble Supreme Court's order dated 15.06.2022 and the MoP advisory dated 22.02.2022, after evaluating the transparent cost through a committee and with the approval of the Hon'ble Chief Minister, Haryana. After the expiry of the MoUs, pond ash and fly ash are being sold under a transparent bidding mechanism in terms of the prevailing guidelines. HPGCL has further submitted that the approval of the Commission for reimbursement of transportation cost is required only if the same is sought under a pass-through mechanism. In the present case, HPGCL has made the payment from the accumulated Ash Fund created as per MoEF&CC notifications from the sale of fly ash, and no impact on consumers has been made. Thus, no specific approval of the Hon'ble Commission is required in the matter, till the pass through of the expense has not been sought in the matter.

The Commission observes that the issue was discussed in the meeting of State Advisory Committee held on 22.01.2026, wherein it was emphasized that the State-owned generator is expected to share responsibility for providing affordable power to electricity consumers of the State and, therefore, should make all-out efforts to dispose of fly ash in the most cost-effective and remunerative manner, in line with the advisories dated 22.02.2022 and 15.03.2024 issued by the Ministry of Power, which recognize fly ash as an emerging valuable commodity.

HPGCL was directed to submit an Action Taken Report (ATR) outlining the measures adopted for cost optimization, revenue maximization from fly ash utilization, and future strategy, in the ensuing meeting of the State Advisory Committee

7.8 Unrecovered Depreciation of HPGCL Units.

HPGCL has submitted that Regulation 13.4 of MYT Regulation 2019 provides, as under:

"13.4 Over or under recoveries of true-up amount in previous years(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."

The Hon'ble Commission vide its order dated 22.02.2022, has observed that the Regulation 13.4 of MYT 2019 is meant for DISCOMs only, whereas the HPGCL

is of the considered view that the said regulation is general in nature and implied to all state power utilities. The findings of the Hon'ble Commission stand challenged at APTEL vide Appeal no 163 of 2022.

In view of the above, as the matter is pending at APTEL for adjudication. HPGCL is hereby submitting the details of the unrecovered depreciation from FY 2019-20 to FY 2024-25 for the information of the Hon'ble Commission as under: -

S.NO.	Unit	Amount (Rs. Crore)
1.	PTPS-6	1.73
2.	PTPS-7 & 8	5.32
3.	DCRTPP	22.04
4.	RGTPP	233.46
5.	HYDEL	1.79
	Total	264.34

HPGCL has reserved its right to claim the un-recovered depreciation of the present control period in the next control period as per the outcome of the appeal pending at Hon'ble APTEL.

Commission's view: -

The Commission has considered the submissions of the petitioner regarding recovery of unrecovered depreciation, which has been re-iterated while seeking 'true up' of for the FY 2024-25.

At the onset, it is observed that HPGCL has claimed true-up of the 'recovered' expenses including depreciation vis-à-vis actual expenses as per the audited accounts, citing Regulation 13 of the HERC MYT Regulations, 2019. HPGCL has submitted that the unrecovered amount may be allowed to be recovered as per Regulation 13.4 of the MYT regulations 2019 at the end of control period of present control period of MYT Regulations, 2019.

In this regard, the Commission observes that the issue has already been discussed in the previous ARR order(s) since 18.02.2021. The operative part of the said order(s) is reproduced below: -

"The Commission has carefully examined the Regulations cited by the petitioner in support of its claim. The regulation 13.4 provides that "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." The Commission observes that this clause in the MYT regulations is meant for DISCOMs only, where at times the ARR remains unrecovered through tariff. In that event, the unrecovered amount is allowed to be adjusted in the ensuing year by

appropriate resetting of tariff. The generating companies are allowed to recover their full annual fixed cost under regulation 30 of HERC MYT Regulations, 2019, based on their plant availability. The generating plant shall recover full capacity charges at the normative annual plant availability factor specified by the Commission. Recovery of capacity charges below the level of target availability shall be on pro-rata basis. No capacity charges shall be payable at zero availability. Thus, in case availability of the plant is below the normative plant availability, it will not be able to recover full fixed cost and some portion will remain unrecovered. This has been provided in order to provide equity on both the sides. While DISCOMs pay fixed costs for the power which remains available to them up to the level of norms and the same time generator is required to be geared to generate in order to recover fixed cost. The generator is not allowed to claim the unrecovered fixed cost due to their non-availability, in the true-up. DISCOMs are required to pay the fixed cost, only and to the extent of the generator remains available for them.

The Commission further observes that the similar issue was also raised by HPGCL in its true-up petition for the FY 2019-2020, albeit on the different grounds i.e. non-recovery of expenses due to "force majeure" conditions caused by COVID-19 pandemic and resultant delay in capital overhauling of RGTPP-1.

The Commission re-iterates its decision taken in its order dated 18.02.2021 (HERC/PRO-76 of 2020) that the present true-up exercise is being carried out with respect to the fixed cost already approved vis-vis actual cost incurred. The basis, details and the amount to be trueed up under each head are discussed in the paragraphs that follow."

(para 13 of the order dated 25.01.2023)

In view of the above, while considering the true-up petition of HPGCL for the FY 2024-25, the actual expenditure as per the audited accounts of the FY 2024-25 vis-à-vis the expenses approved by the Commission vide its Order dated 20.02.2024 for the FY 2024-25 has been reckoned with. In case the unrecovered expenses/ depreciation due to non-availability/partial availability of its units, are allowed to be recovered at the end of the control period or allowed to carry forward to next control period, it will derail the entire regulatory regime. Accordingly, the Commission has allowed or disallowed, as the case may be, recovery of the true-up amount in accordance with the provisions of the MYT Regulations, 2019. It is not out of the place to mention that in the past HPGCL was allowed advance against depreciation (AAD) on account of higher repayment liabilities vis-à-vis the normal allowable depreciation. The balance AAD as on 31.03.2025 is Rs. 347.05 crore (note no. 24 of the financial statements), which needs to be appropriately adjusted after providing unit-wise details of the same.

The aforesaid order (s) issued by this Commission in the past are self-explanatory. Hence, no further deliberation on this issue is called for.

8 FY 2024-25 True-Up

The Commission has considered the submissions of the petitioner regarding 'true up' of various expenses for the FY 2024-25. While considering the true-up petition of HPGCL for the FY 2024-25, the actual expenditure as per the audited accounts of the FY 2024-25 vis-à-vis the expenses approved by the Commission vide its Order dated 20.02.2024 for the FY 2024-25 has been reckoned with. Accordingly, the Commission has allowed or disallowed, as the case may be, recovery of the true-up amount in accordance with the provisions of the MYT Regulations, 2019.

The Commission believes that a State Government-owned power generating company must actively contribute, along with other electricity utilities in the State, to ensure that consumers receive electricity at reasonable and affordable rates. Therefore, the State-owned generator is expected to operate efficiently, control costs, optimize resources, and improve performance so that electricity is produced at the lowest possible cost without compromising reliability or quality. In simple terms, the State-owned power generator must share responsibility with State-owned DISCOMs for keeping electricity affordable for electricity consumers of the State and should make maximum efforts to generate power in a cost-effective manner.

The Commission observes that the fixed cost (not only R&M/A&G) allowed to HPGCL for the financial year 2024-2025, in the Generation Tariff Order dated 20.02.2024, was allowed to be recovered subject to the Annual Plant Availability. Accordingly, HPPC/DISCOMs may re-examine the recovery of fixed cost allowed to HPGCL vis-à-vis NAPAF for the FY 2024-25, in the bills raised by HPGCL and take appropriate action accordingly. However, the true-up portion approved in the present order, has been adjusted on account of non-availability / partial availability of its units.

8.1 Operation and Maintenance Expenses (O&M)

As per the provisions of the HERC MYT Regulations, 2019, regarding the basis and admissibility of true-up, the Commission has examined the Audited Accounts of HPGCL for the FY2024-25, true-up petition and additional information submitted by HPGCL. It is observed that HPGCL has sought true-up amounting to 211.36 Crore on account of O&M expenses, without mapping the

same with the Audited Accounts and the said expenses as approved by this Commission. The true-up of Rs.176.09 Crore has been sought on account of true up of employees cost and Rs.35.27 crore on account of R&M expenses.

True-up of employees cost

The Commission observes that HPGCL has claimed true-up of employees cost amounting to Rs.176.09 Crore. The Commission, on perusal of the claims, observes that the employee cost approved, in the order dated 20.02.2024 for the FY2024-25, was Rs.670.46 crore. Against the said approval, HPGCL has claimed Rs.826.59 crore, resulting in an excess of Rs.156.13 crore over and above the expenses approved in the order dated 20.02.2024 (Rs.826.59 Crore minus Rs.670.46 Crore).

The Commission further observes that out of the total terminal liability of Rs.458.37 crore claimed for FY 2024-25, an amount of Rs.334.71 crore has been reflected under the head "Other Comprehensive Expense" instead of "Employees' Cost". Further, a cumulative amount of Rs.2520.23 crore stands accumulated as on 31.03.2025 under the head "*Remeasurement of Net Defined Benefit Asset/Liability (Net of Tax)*".

In this regard, HPGCL has submitted that the amount classified as "Other Comprehensive Expense" represents employees' cost, but is presented separately in compliance with Indian Accounting Standard (Ind AS)-19. Accordingly, this portion is reduced from overall employees' cost and shown separately in the Profit & Loss Statement.

The Commission also notes that out of the total terminal liability of Rs.458.37 crore, an amount of Rs.402.62 crore has been booked towards "Actuarial Loss due to Experience Variance", constituting approximately 88% of the total terminal liability. HPGCL was directed to examine in detail the reasons for such substantial actuarial loss.

In reply, HPGCL submitted that the amount of Rs.402.62 crore (Rs.504.97 crore in FY 2023-24) does not form part of terminal cost charged to the Profit & Loss Account but represents change in the present value of Defined Benefit Obligations (DBO) and other long-term funded benefits. As on 31.03.2025, the total value of DBO and other long-term funded benefits stood at Rs.5539.22 crore (refer Note 43(2) of the Financial Statements). HPGCL further submitted that

such experience adjustments are inherent to actuarial valuation and are accounted for in accordance with Ind AS–19.

HPGCL has further submitted that out of total terminal liability of Rs.458.37 crore claimed in the FY 2024-25, an amount of Rs.340.84 crore remained unpaid as on 31.03.2025. Further, an amount of Rs.167.12 crore was paid till the date of filing of income tax return and amount of Rs.173.71 crore has remained unfunded.

The Commission, on perusal of the submissions, observes that while HPGCL has contended that the amount of Rs.402.62 crore representing experience adjustments does not form part of the Profit & Loss Account, the same has nonetheless been claimed in the true-up. However, for the purpose of present true-up exercise, the Commission is restricting the claim of terminal liabilities to the extent of actually paid by HPGCL till the date of filing of the Income Tax Return i.e. 284.66 crore. Accordingly, the employee cost is allowed to the extent of Rs.652.88 crore (Rs.368.22 crore plus Rs.284.66 crore), as against the amount of Rs.670.463 crore approved in the order dated 20.02.2024 i.e. negative true-up of Rs.17.583 crore.

However, the same shall be further reduced, considering Plant Availability Factor of HPGCL generating units, in line with the MYT Regulations in vogue wherein fixed cost including employees cost is recoverable on a pro-rata basis in case the NAPAF is below the norms. In this regard, the Commission has observed the submissions of the petitioner that it has restricted the recovery on the basis of Plant Availability factor for HPGCL as whole @ 79.68%, which allows to recover the fixed cost to the extent of 93.743% [$79.68(\text{achieved PAF})/85(\text{Normative PAF})$].

The Commission, in its order dated 17.09.2025, has decided that during true-up exercise, the original approved expenditure is replaced with the actual expenditure. Therefore, HPGCL is allowed to recover its fixed cost (employees cost in the present context) taking the base as Rs.652.88 crore instead of Rs.670.463 crore. Since, the base amount eligible for recovery has been reduced, the same will result in further reduction of recovered employees cost during true-up exercise, for the FY 2024-25.

The Commission observes that proportionate reduction of revised base amount of employees cost will be Rs. 16.48 crore (Rs.17.583 crore x 93.743%). Accordingly, (Minus) Rs. 16.48 crore shall be considered for true-

up of employees cost.

HPGCL is directed to thoroughly investigate the considerable differences (88% of the total actuarial liability of Rs. 458.37 crore) arising on account of 'experience adjustments' amounting to Rs. 402.62 crore and submit the action taken report (ATR), within three months from the date of this order. It is further apposite to note that in the control period from FY 2025-26 to FY 2029-30, terminal liabilities shall be allowed to the extent of actual paid to the retirees without considering amount booked under '*Other comprehensive income, Item that will not be reclassified to Profit & Loss Account*', at par with the regulation clause 47.3 (note 3) and regulation clause 59.4 (note 4) for transmission and distribution licensees, respectively.

True-up of Repairs and Maintenance

The Commission observes that R&M expenses approved by the Commission for the FY 2024-25 was Rs 206.005 Crore. However, the actual R&M expense for the year is Rs. 328.03 Cr (excluding solar business of Rs 1 Cr and SLDC charges of Rs. 2.32 Cr and inclusive of coal handling expenses of Rs. 96.92 crore)

The Commission observes that R&M expenses actually incurred by the petitioner are already over and above, the expenses approved by the Commission in its order dated 20.02.2024. HPGCL has not given any cogent or plausible explanation for such increase in R&M expenses over and above the approved level.

Notwithstanding the same, HPGCL has claimed true-up of repairs and maintenance expenses (R&M) amounting to Rs. 35.27 Crore, being 50% of the actual additional expenditure of Rs. 70.54 crore incurred towards increase in raw water charges on account of Change in Law (HWRA notification).

In view of the foregoing, and considering that the additional expenditure on raw water charges arises on account of Change in Law, the Commission approves the true-up of R&M expenses for FY 2024-25 to the extent of Rs. 35.27 crore, towards the additional claim of raw water charges under the HWRA notification, as claimed by HPGCL.

True-up of Administrative and General expenses (A&G expenses)

It has been submitted by the petitioner that the A&G expenses approved by the

Hon'ble Commission for the FY 2024-25 was Rs. 29.533 cr. As against this the actual A&G expense as per the audited accounts for the year is Rs. 30.07 cr. However, HPGCL has not sought true-up of minor increase in A&G expenses by providing adequate justification for increase in the same.

In the absence of any specific claim and supporting justification, the Commission does not consider it appropriate to undertake any adjustment on this account.

Accordingly, no true-up is allowed towards A&G expenses for FY 2024-25.

Thus, the true-up amount of O&M expenses for the FY 2024-25 works out to Rs. 18.79 Crore (Rs. 35.27 crore minus Rs. 16.48 crore).

8.2 True-up of Depreciation

The Commission has carefully examined the submissions of HPGCL that the actual depreciation for the FY 2024-25 amounts to Rs.230.19 Crores (exclusive of solar business) as against the approved depreciation amount of Rs. 235.61 Crore. It has further been submitted that the depreciation on account of capitalization of spares and decommissioning cost stands at Rs.13.41 Cr.

Accordingly, the net actual depreciation for the FY 2024-25, exclusive of Solar business and depreciation on spares and Decommissioning Cost is Rs.216.78 Cr (230.19-13.41).

The Commission observed that the depreciation of Rs.216.78 crore has been calculated after additional capitalization of Rs.262.51 crore. Out of which, an amount of Rs.245.46 crore, has been shown as incurred on additional capitalization under Plant & Machinery during the FY 2024-25, as against the approved amount of Rs. 82.43 crore.

In explanation of the same, HPGCL has submitted that the Commission, vide Order dated 13.03.2025, has categorically held that works of capital nature are not admissible under revenue expenditure (i.e. R&M). Further, capital expenditure exceeding Rs.50 lakh has been capitalized in line with MYT Regulations. Therefore, HPGCL has capitalized all expenditures of capital nature which are not permissible under R&M.

However, the Commission notes that in its order dated 13.03.2025, it had observed that HPGCL had earlier attributed lower R&M expenses (FY 2019-20) to capitalization of capital overhauling works at RGTPP Hisar and DCRTPP Yamunanagar. In the present petition, however, HPGCL has claimed higher R&M

expenses on account of capital overhauling. The relevant part of the order is reproduced, as under: -

“The Commission is constrained to note the submissions made by HPGCL while claiming true-up of the FY 2019-20, recorded in the order of the Commission dated 18.02.2021 (Petition No. 76 of 2020), wherein it was submitted that lower R&M expenses is attributed to the capital overhauling of units of RGTPP Hisar and DCRTPP Yamunanagar; apparently due to the fact that expenditure on capital overhauling was capitalized for amortization in the balance useful life of the plant. The relevant extract of the ibid order is reproduced hereunder: -

“The Commission observes that actual R&M expenses of all the units have remained lower than the approved amount, except for RGTPS 1 and DCRTPS-2. HPGCL in its reply dated 08.01.2021 has explained that the same is due to capital overhauling of units at RGTPP Hisar & DCRTPP, Yamunanagar, undertaken in the FY 2019-20. The Commission observes that overall O&M expenses actually incurred by HPGCL has also remained within the approved amount.” (page 73 of the order dated 18.02.2021)

However, in the present petition, HPGCL has claimed higher R&M on account of capital overhauling.

HPGCL has proposed capital overhauling expenditure for the FY 2026-27 and FY 2027-28, as part of CAPEX. However, no justification was provided for claiming the same as part of R&M expenses in the FY 2023-24, over and above the approved norms. Thus, HPGCL is claiming capital overhauling expenditure as part of CAPEX and R&M, as per its whims and fancies. In case a generator is allowed pass through of expenditure of capital nature as revenue expenditure, then there will not be any sanctity of approval of capital investment plan and vice-versa. Similarly, allowance of uncontrolled R&M expenses, will render the mechanism of determination of norms of repair and maintenance expenses in MYT Regulations, completely otiose.”

Further, in the Review Order dated 17.09.2025 (Review Petition No. 2 of 2025), while dealing with additional R&M expenses of Rs. 93.46 crore for FY 2023-24, the Commission had allowed capitalization of such expenditure as a one-time relaxation, specifically directing that the same shall not be treated as a precedent and subject to detailed item-wise disclosure. The relevant extract of the order is reproduced as under: -

“However, as a one of case which should not be taken as a precedence, HPGCL is allowed to consider to capitalize the expenses incurred on capital overhauling in the nature of CAPEX, in its books of accounts for the ensuing year (s) and claim depreciation on the same, as per actual, after providing the item-wise details of such capitalization made including other details such as salvage value of replaced parts, frequency of similar work, nature of work i.e. preventive maintenance or repair of already damaged equipment, guarantee given by the contractor in respect of the work done, impact on the life of the plant

on account of work so done etc.”

The Commission also recalls its earlier direction dated 26.04.2017, wherein it was clearly directed that repair & maintenance activities shall not be made part of CAPEX and expenditure up to Rs.50 lakh shall be met out of O&M expenses.

The relevant extract of the order dated 26.04.2017, is reproduced hereunder: -

“It has been observed that repair & maintenance activities have also been made part of CAPEX by HPGCL. Since, the Commission has approved CAPEX for the FY 2017-18 and HPGCL is required to submit CAPEX plan for the ensuing control period in line with the amended MYT Regulations, it is directed that such like expenditure up to Rs. 50 lacs should be met out of O&M expenses and should not be made part of the Capex.”

From the above, it is apparent that the direction of the Commission was specific to the capitalization of Rs. 93.46 crore incurred in the FY 2023-24, which was given in relaxation of the approved CAPEX plan, which cannot be generalized. Further, in the order dated 26.04.2017, it was specifically directed that repair & maintenance activities shall not be made part of CAPEX and expenditure up to Rs.50 lacs shall be met out of O&M expenses.

Accordingly, HPGCL was directed to submit scheme-wise and item-wise details of capitalization Rs. 245.46 crore, made during the year, including other details such as salvage value of replaced parts, frequency of similar work, nature of work i.e. preventive maintenance or repair of already damaged equipment, guarantee given by the contractor in respect of the work done, impact on the life of the plant on account of work so done etc., specifically providing details of spares amounting to Rs.126.29 Crore (RGTPS - Rs.20.96 crore, DCRTPP–Rs.105.33 crore) capitalized during the FY 2024-25 along with the details of R&M expenses of Rs.93.46 crore, capitalized during the year, as directed in the order dated 17.09.2025.

In reply, HPGCL without providing the requisite details has submitted that the review order was pronounced on 17.09.2025, which is after the closure of the balance sheet for FY 24-25 and approved by BoD on 30.06.2025, thus, the same cannot be reopened, and the impact of allowing the amount Rs.93.46 Crore under capitalization shall be reflected in the balance sheet for FY 2025-26.

The Commission has perused the submissions of the petitioner and observes that major R&M expenditure in a thermal power plant generally pertains to capital overhauling. The earlier direction dated 26.04.2017 was

issued precisely to discourage capitalization of small R&M activities wherein it was directed that even the capital expenditure up to Rs.50 lacs shall be met out of R&M expenses. However, the actual R&M expenses incurred by the petitioner during FY 2024–25 have also exceeded the normative levels, facing likely disallowance of the excess expenditure. Facing with such disallowance, HPGCL has capitalized such expenditure. Out of the total additional capitalization of Rs. 262.51 crore claimed by HPGCL for the FY 2024-25, the Commission had approved only Rs. 17.462 crore. Accordingly, excessive capitalization amounting to Rs. 245.04 crore is liable for disallowance. Nevertheless, taking cognizance of the financial difficulty faced by petitioner, as the financial statements of the petitioner have already been finalized, the Commission considers it appropriate to allow the same, as a one-time measure which should not be treated as a precedence, subject to the justification of each item of such expenditure to be provided by HPGCL in their ensuring ARR filing incorporating details of approved CAPEX, unapproved CAPEX, exigencies leading to the incurrence of unapproved CAPEX, nature of such CAPEX, whether the expenditure is incurred on replacement of existing asset or in the nature of repair, cost and residual value of asset replaced, etc. Further, the Commission is not considering the Revised Capital Investment Plan submitted by HPGCL for the FYs 2025-26, 2026-27 and 2027-28, incorporating the capital overhauling expenditure and small value items, which is against the principles of Additional Capitalization enshrined under Regulation clause 18.2 of the HERC MYT Regulations, 2024.

In view of the above, the actual allowable depreciation for the FY 2024-25, works out to Rs.216.78 Crore as against the approved depreciation of Rs.235.61 Crore. Consequently, Rs. (Minus) 18.83 Crore has been considered for true-up of depreciation.

The Commission, in its order dated 17.09.2025, has decided that during true-up exercise, the original approved expenditure is replaced with the actual expenditure. Therefore, HPGCL is allowed to recover its fixed cost (depreciation in the present context) taking the base as Rs.216.78 crore instead of Rs.235.61 crore. Since, the base amount eligible for recovery has been reduced, the same will result in further reduction of recovered depreciation during true-up exercise, for the FY 2024-25.

The Commission observes that proportionate reduction of revised base amount of depreciation will be Rs.17.65 crore (Rs.18.83 crore x 93.743%). Accordingly, (Minus) Rs.17.65 crore shall be considered for true-up of depreciation.

8.3 True-up for the Interest and Finance Charges

The Commission has carefully examined the submissions of HPGCL that the actual interest and finance charges of HPGCL was Rs.12.36 Crore as per the audited accounts for the FY 2024-25, as against the approved interest and finance charges on term loan of Rs.32.12 Crore. Interest on term loan was allowed in the order dated 20.02.2024, as per the existing loan portfolio of HPGCL i.e. post restructuring, subject to true-up.

HPGCL has further submitted that it has paid compensation amounting to Rs.7.30 Cr. to the land owners of RGTPS, Hisar in compliance to the order of Hon'ble Supreme Court and Rs.0.46 Cr. to the land owners of PTPS, Panipat in compliance of Hon'ble Punjab & Haryana High Court. The entire compensation is in the nature of capital expenditure of HPGCL and has been entirely funded by the State Govt. by way of equity infusion. However, as per past practice of this Commission, the normative interest expense estimated at Rs.0.23 Cr, has been added to the final true-up amount of the FY 2024-25.

The Commission observes that the petitioner i.e. HPGCL has again sought to retain 50% of the savings and to pass on 50% of the savings on 'interest and finance charges' to the beneficiaries. It needs to be noted that this issue has been discussed at length and decided by the Commission in the previous generation tariff orders (HPGCL) dated 18.02.2021, 22.02.2022, 25.01.2023, 20.02.2024 and 13.03.2025. The detailed discussion and the view considered of the Commission as recorded in the order dated 18.02.2021 is reproduced hereunder: -

"The Commission observes that HPGCL has already been allowed benefit of saving in interest amounting to Rs.59.84 Crore due to re-structuring in its Order dated 07.03.2019, on the basis of facts and figures placed on record by HPGCL itself. The interest post restructuring projected by HPGCL in its Petition for the FY 2019-20 was Rs. 141.49 Crore, which now on actual basis has been shown as Rs. 102.31 Crore, mainly due to prepayment and general decline in the lending rates in the prevalent market scenario. In such a scenario, even if, HPGCL would have retained the loans from REC/PFC, the applicable rate of interest would have been lower. HPGCL could have negotiated the rate of interest with REC/PFC on

the basis of their credit rating and State Sector borrower and get the rate of interest reduced. The reply of HPGCL in this context that these loans were governed by specific terms & conditions and interest rate was not floating, is not found convincing as these loans generally carry reset option of 3 years. The general rate of interest (before negotiation) applicable on REC loan as on 04.04.2018 was 10.90% p.a. & PFC loan as on 15.06.2018, it was 11.40% p.a., applicable for State Sector borrower with A++ category.

Further, the Commission observes the following provisions of Regulation 12 of HERC MYT Regulations, 2012, relating to incentive and penalty framework: -

“12. INCENTIVE AND PENALTY FRAMEWORK

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:

- a) Common for generating company and licensees*
 - i. Operation & maintenance expenses-Applicable when the actual expenses fall below or exceed the level specified by the Commission.*
 - ii. Interest on new long-term loans- Applicable when interest rate falls below or exceeds the level specified by the Commission.*
 - iii. Restructuring of capital cost- Applicable when there is a benefit from restructuring of capital cost.*
 - iv. Interest on working capital- Applicable when interest rate falls below or exceeds the level specified by the Commission*
 - v. Restructuring of loan portfolio- Applicable when there is a net benefit from restructuring of loan portfolio.”*

(Emphasis added)

The Regulation 12.2 has specified that interest on term loan is subject to incentive and penalty framework on account of changes in the rate of interest, restructuring of capital cost and loan portfolio. While the restructuring of capital cost relates to restructuring of debt & equity, prepayment of debts from introduction of fresh equity/utilization of internal accrual etc. Restructuring of loan portfolio refers to the change in the existing loans w.r.t. the rate of interest/monthly installments/terms & conditions of existing loans etc. In a nutshell, the Regulations provides that all the factors relating to changes in rate of interest, swapping of higher interest-bearing loan with low interest-bearing loans and prepayment of loan from internal accruals, are covered by Incentive and Penalty frameworks specified in Regulation clause 12.2.

HPGCL, in its Petition for the FY 2019-20, has submitted that interest cost after restructuring is Rs.141.49 Crore, which is after saving of Rs.119.67 Crore due to such restructuring. Accordingly, HPGCL claimed 50% of such interest saving amounting to Rs.59.84 Crore (50%

of Rs. 119.67 Crore). The Commission in its Order dated 07.03.2019 (HERC/PRO-59 of 2018) had accepted the submissions of HPGCL and approved the interest cost of Rs.185.22 Crore, after disallowing the loan to be met from Dry Fly Ash Fund i.e. Rs.141.49 Crore + Rs.59.84 Crore – Rs.16.11 Crore. Thus, benefit of interest saving due to restructuring was passed on to HPGCL, in the Order dated 07.03.2019.

Now, while undertaking true-up exercise, actual interest cost has to be compared with the interest cost approved in the Order dated 07.03.2019 and 50% of the difference may be allowed to be kept by HPGCL in line with Regulation clause 12.2 of HERC MYT Regulations, 2012.”

In this regard it is re-iterated that, the decisions of the Commission are considered decisions governed by the principle of ‘Res Judicata’, unless the same is warranted by change in law or decision of authorities of competent jurisdiction.

The Commission, after analyzing and interpreting the relevant regulation clauses of MYT Regulations, 2019, has decided true-up based on the methodology described above, since FY 2019-20.

The Commission has allowed the petitioner to retain 50% of the saving of interest, in line with regulation clause 12 of HERC MYT Regulations, 2019, dealing with ‘Incentive and Penalty Framework’. However, HPGCL has chosen to challenge the same by filing appeals before Hon’ble APTEL for the FY 2023-24, FY 2022-23, FY 2021-22, FY 2020-21 and FY 2019-20 (vide Appeal No. 302 OF 2025, Appeal No. 171 of 2024, Appeal No. 316 of 2023, Appeal No. 163 of 2022, and Appeal No. 150 of 2021).

Accordingly, true up of interest & finance charges (-) 9.65 Crore is tabulated below: -

Particular	HERC Approved interest & Finance Charges	Actual interest & Finance Charges	Difference	50% of the difference at (A) allowed to be retained by HPGCL	True-up
1	2	3	4 = 3-2	5= 4 *50%	6=4-5
Int. & Fin. Charges (A)	32.12	12.36	19.76	9.88	9.88
Int. On Normative Debt(B)	0	0.23	0.23	-	0.23
Total True up of Int.& Fin. Charges(A-B)	32.12	12.59			9.65

8.4 True-up of Return on Equity (ROE)

HPGCL has submitted the detail of opening equity, equity addition and required return on equity considered, unit-wise, for the FY 2024-25, as under:-

Rs. Crore

Plants	Opening	Additions	Closing	RoE
PTPS – 6	157.08	0.10	157.18	18.86
PTPS – 7	218.33	0.10	218.43	26.21
PTPS – 8	218.56	0.10	218.65	26.23
DCRTPP-1	251.73	0.29	252.01	30.22
DCRTPP-2	251.68	0.29	251.97	30.22
RGTPP-1	496.62	2.19	498.81	59.73
RGTPP-2	510.95	2.19	513.14	61.44
Hydel	18.36	-	18.36	2.39
Total	2123.31	5.26	2128.55	255.30

The Commission, vide its order dated 20.02.2024, has approved the RoE at Rs.255.75 crore.

Accordingly, after examining the claim of HPGCL on the anvil of Regulation 13 and 30 of the MYT Regulations, 2019, Rs. (minus) 0.45 Crore (Rs.255.75 crore minus Rs.255.30 crore) has been considered for true-up of RoE, which shall be further reduced in proportion to the lower deemed PLF resulting on account of revised base amount of RoE i.e. (minus) Rs.0.42 crore (Rs.0.45 crore x 93.743%).

8.5 True-up of interest on working capital

HPGCL has submitted that the Hon'ble Commission, in its Order dated 20.02.2024, while determining generation tariff for the FY 2024-25 had allowed interest on Working Capital amounting to Rs. 154.83 Crore, considering average coal and oil prices, as proposed by it. However, there has been variation in prices of coal and oil during the FY 2024-25. Therefore, while computing the 'trueing-up' of Working Capital for the FY 2024-25, actual rate of coal and oil prevailing in the FY 2024-25 has been considered.

HPGCL has submitted that due to variation in Fuel prices, the interest on normative working capital requirement for FY 2024-25, as per HERC approved norms works out to Rs.158.63 Cr as against the approved interest on working capital of Rs.154.83 Cr. Further, HPGCL has sought the Interest on Working Capital @ 10.15% as against the approved rate of 10.05%, considering a spread of 150 basis points on the SBI one-year MCLR rate as on 01.04.2024 i.e. $8.65+1.5=10.15\%$.

HPGCL has further submitted that the actual interest on working capital incurred by HPGCL for the FY 2024-25 was Rs.153.60 Crore.

In this regard, the Commission has perused the relevant provisions of HERC

MYT Regulations, 2019, 2nd Amendment Regulations, 2022, which provides as under: -

“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.

For the purpose of trueing up, the actual weighted average Rate of Interest will be considered on the normative working capital by the Commission, subject to the ceiling margin as indicated above.

Provided that Interest on Working Capital for generators shall be allowed on the basis average PLF / CUF in the preceding 3 years.

Provided further that True up of the interest on working capital shall be limited to the actual interest on working capital”

(Emphasis supplied)

HPGCL has submitted that the average rate of interest on working capital loans for the FY 2024-25 was 7.80% p.a. and interest at the average rate of 7.70% to 7.80% p.a. was earned on Dry Fly Ash Fund/Depreciation Reserve. The Commission has already approved higher rate of interest at 10.05%. Therefore, the claim of HPGCL for a higher rate of interest is not tenable.

Further, the interest on working capital approved in the order dated 20.02.2024 for the FY 2024-25, is the ceiling limit, which is subject to true-up to the extent of actual interest incurred by the petitioner.

The Commission further observes that current (working capital) borrowings of HPGCL as on 31.03.2025 is Rs.2428.98 crore, on which interest on working capital is being claimed. Whereas, Rs.766.55 crore is lying in fixed deposits with banks and shown in financial statements as Dry Fly Ash Fund Investment and Depreciation Reserve Fund Investment (Rs.507.30 crore and Rs.259.25 crore, respectively). Dry Fly Ash Fund investment has been created on 31.03.2021 and depreciation reserve fund investment on 31.03.2022. Generally, interest rate on working capital loans is higher than interest rate on deposits. Therefore, such adjustments, just to claim higher interest on working capital, particularly by a public utility owned by the State Government, whose cost is borne by electricity consumers of the State, should be avoided. HPGCL has offered interest on deposits (kept as depreciation reserve fund investment) amounting to Rs.19.57 crore for

income tax. However, interest on deposits (kept as Dry Fly Ash Fund investment) amounting to Rs.47.38 crore, has not been offered for income tax, on the pretext that the same form part of the dry fly ash fund only, as per notification no.2804/(E) dated 03.11.2009 issued by Ministry of Environment and Forest (MoEF). The relevant part of the ibid notification is reproduced hereunder: -

"(6) The amount collected from sale of fly ash and fly ash based products by coal and/or lignite based thermal power station or their subsidiary or sister concern unit, as applicable should be kept in a separate account head and shall be utilized only for development of infrastructure or facilities, promotion and facilitation activities for use of fly ash until 100% fly ash utilization level is achieved; thereafter as long as 100% fly ash utilization levels are maintained, the thermal power station would be free to utilize the amount collected for other development programmes also and in case, there is a reduction in the fly ash utilization levels in the subsequent year(s), the use of financial return from fly ash shall get restricted to development of infrastructure or facilities and promotion or facilitation activities for fly ash utilization until 100 percent fly ash utilization level is again achieved and maintained."

The Commission has examined the notification issued by MoEF and observed that sale proceeds of fly ash has to be utilized only for the development/activities incidental to the utilization of fly ash. The proceeds are required to be kept in a separate account head for utilization for the specific purpose. Ideally, the same should be reduced from the cost of coal, as it is the bye-product of consumption of coal and the funds so generated needs to be utilized for the specific purpose. The treatment of an item of income or expenditure can differ under the Income Tax Act from the regulatory regime. Generally, the generating companies should not have any non-tariff income. The non-operating income of generating company can be on account of interest earned, sale of scrap, ash etc. The same should be reduced from the coal cost/O&M expenses. HPGCL has kept the amount realized from sale of fly ash in a separate reserve since the date of notification in 2009; however, the Dry Fly Ash Fund account has been created in 2021, by transferring the equivalent amount from bank which led to the increase in cash credit loans. Nevertheless, following the past practice, the Commission is not inclined to treat the sale proceeds of fly ash as non-tariff income or as a reduction in coal cost.

Having held as above, the Commission is of the considered view that by virtue of the ibid notification of MoEF, by no stretch of imagination the

interest earned on unutilized funds can form part of the said fund. In the ibid notification, a separate account head was desired to be created and not a separate fund. It is on this principle that fund account was not opened by HPGCL till 2021.

Similarly, depreciation fund reserve (Rs.259.25 crore) has been created by transfer from retained earnings. An equivalent amount has been transferred from bank in the fixed deposits as 'depreciation reserve fund' which led to the increase in cash credit loans. The account head under which the funds of a Company are parked does not change its nature. In case, the same is allowed, tomorrow a generating company will create a fund account for future expansion projects by transferring funds from its working capital and claim higher interest on working capital, while keeping deposits lying in the funds out of purview of regulatory regime.

HPGCL has failed to appreciate that the settled norm duly explained in the impugned order is that a separate 'account head' for keeping track of the proceeds from sale of dry fly ash and its utilization is required to be, by virtue of the ibid notification of MoEF, which has not given any mandate for creation of 'separate fund'. Similar rule applies for 'Depreciation Reserve Fund'. Even in case, MoEF would have mandated to create 'separate fund' and not 'separate account', the financial prudence would have been to create 'earmarked current account' carved out of 'Cash Credit Account', so that interest on Cash Credit Account is levied on net balance.

Ideally income from sale of fly ash should go towards reducing the coal cost or offered as non-tariff income. However, on account of notification no. 2804/(E) dated 03.11.2009 issued by Ministry of Environment and Forest (MoEF), the same is neither reduced from coal cost nor offered as non-tariff income; rather the same is parked in a separate account with the name of 'Dry Fly Ash account'. However, creation of such like funds may lead to incurrence of imprudent expenditure without any regulatory approval.

The issue was also examined in the State Advisory Committee (SAC) held on 22.01.2026, wherein it was observed that there is a sharp increase in expenditure incurred from the Dry Fly Ash Fund maintained by HPGCL, which has risen to Rs.310.41 crore in FY 2024-25, as compared to Rs. 6.13 crore in FY 2022-23 and Rs.56.77 crore in FY 2021-22. Out of total

expenditure during FY 2024-25, ₹301.40 crore pertains to transportation of fly ash. In response, HPGCL had submitted that the sudden increase in expenditure from the ash fund is attributable to reimbursement of transportation charges for the past period covering FY 2021-22 to FY 2023-24 to NHAI concessionaires for transportation of pond ash for its utilization in the Delhi–Amritsar–Katra Expressway, in accordance with the prevailing MoEFCC notifications.

The Commission reiterates that the State-owned generator is expected to share responsibility for providing affordable power to electricity consumers of the State and, therefore, should make all-out efforts to dispose of fly ash in the most cost-effective and remunerative manner, in line with the advisories dated 22.02.2022 and 15.03.2024 issued by the Ministry of Power, which recognize fly ash as an emerging valuable commodity. Additionally, the electricity consumers of the State should not be burdened with increased interest cost incurred by creating deposits of the said amount.

However, as decided by the Commission in its order dated 17.09.2025, taking cognizance of the financial difficulty faced by petitioner, interest on dry fly ash fund amounting to Rs. 47.38 crore, which should have either form part of non-tariff income or reduced from interest on working capital true-up, is allowed to be retained by the petitioner with the grant of last opportunity to set the things right.

Similarly, the interest amounting to Rs.19.57 crore on deposits kept in form of 'Depreciation Reserve Fund' can either form part of non-tariff income or reduced from interest on working capital true-up which is allowed to the extent of actual, as per Regulation 22 of the HERC (MYT) Regulations, 2019, 2nd Amendment Regulations, 2022.

In view of the above, the Commission allows true-up of the interest on working capital to the actual level i.e.134.03 crore (i.e. Rs.153.60 Crore minus Rs. 19.57 crore) as against the approved amount of Rs.154.83 Crore. Consequently, Rs. (minus) 20.80 Crore has been considered for true-up of interest on working capital. The Commission further observes that the petitioner had recovered IWC amounting to Rs.143.92 crore to the extent of 93.743%, based on Plant Availability Factor. Consequently, Rs.(minus) 20.80 Crore considered for true-up of interest on working capital, shall be

further reduced to Rs. (minus) 19.50 crore (20.80*93.743%), based on Plant Availability Factor.

8.6 True-up of Non-tariff Income

The Commission observes that HPGCL has reported other income (Non-operating Income) of Rs. 7.025 Crore in the FY 2024-25, as detailed below: -

Particulars	Amount (Rs. in crore)
Staff loans and advances	0.81
Bank Deposits	0.11
Income Tax Refund	0.62
Delayed Payment charges	9.55
Income from sale of scrap	4.46
Other Income Reversal of De-Commissioning Cost created under IND AS	46.03
Miscellaneous Receipts	7.86
Total	69.63
Less: Income retained	
Delayed Payment charges	9.55
Other Income Reversal of De-Commissioning Cost created under IND AS	46.03
Net Non-Tariff Income	14.05
50% of other income	7.025

Additionally, HPGCL has earned Rs. 6.86 crore on account of sale of Energy Saving Certificates (ESCerts), issued on account of achieving the efficiency targets, under Perform, Achieve and Trade (PAT) scheme of the Ministry of Power.

HPGCL has submitted that as per Ind AS 16, the cost of an item of property, plant and equipment includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired. Accordingly, a provision was created in HPGCL's books, for each station on the basis of estimated decommissioning cost which would be incurred at the time of decommission of plant. A provision of Rs.46.03 crores was outstanding in books as decommissioning provision for PTPS, Panipat units I to IV. The provision was created by charge to P&L account of HPGCL over the life of Unit I to IV after introduction of Indian Accounting Standards in 2016. HPGCL has submitted that it has not claimed when the provision was made by way of charge to P&L account. Now, since the Units I to IV have been decommissioned, the outstanding provision of Rs.46.03 crores were reversed which resulted into increase in other income of HPGCL.

The Commission has examined the submissions of the petitioner and observe

that generally, generating companies should not have any non-tariff income. The non-operating income of generating company can be on account of sale of scrap, ash etc. The same should be reduced from the coal cost/O&M expenses/reduced from true-up amount approved by the Commission. In order to inculcate financial discipline in Discoms so far as the payment of dues of a generator are concerned, HPGCL is allowed to retain the receipt of delayed payment charges/holding cost. Further, the write-back of decommission provision since created out of non-regulatory expense, will not form part of non-tariff income. Rest is to be added to the non-tariff income, including sale of ESCerts (Rs.6.86 crore).

Consequently, other income amounting to Rs.20.91 Crore has been reduced from the amount eligible for true up in the present Order.

In view of the above discussions, the Commission allows true-up expenses for the FY 2024-25 as under: -

	(Rs. Crore)	
	HPGCL (Proposed)	HERC (Allowed)
O&M Expenses	211.36	18.79
Depreciation cost	-3.55	-17.65
Interest Cost	-	-9.65
ROE	-	-0.42
Interest on working capital	9.68	-19.50
Non-Tariff Income	-7.025	-20.91
Total True-up	210.465	-49.34

The Discoms i.e. UHBVNL and DHBVNL shall recover the aforesaid amount of Rs.49.34 crore from HPGCL. The same shall become immediately payable upon the submission of credit note and late payment charges shall be accordingly applicable in accordance with Regulation Clause 43 of the MYT Regulations, 2019. The major difference between the true-up amount, as worked out by HPGCL, and that approved by the Commission is on account of allowance to terminal liabilities to the extent of actually paid, interest on working capital and Depreciation. Further, HPGCL had claimed true-up of the recovered expenses vis-à-vis actual expenses, whereas the true-up vis-à-vis approved expenses has been undertaken in the present Order in line with the HERC Regulations in vogue.

9 Revised Capital Investment Plan (CIP)

The Commission vide its order dated 13.03.2025 has approved the capital Investment Plan for the control period from FY 2025-26 to 2029-30 at Rs.172.20

crore, Rs.171.93 crore, Rs.119.50 crore, Rs.5.35 crore and Rs.1.80 crore for the FY 2025-26, 2026-27, 2027-28, 2028-29 and FY 2029-30, respectively.

HPGCL has now proposed to revise the same at Rs.244.71 crore, Rs.448.27 crore, Rs.185.34 crore, Rs.30.35 crore and Rs.1.80 crore for the FY 2025-26, 2026-27, 2027-28, 2028-29 and FY 2029-30, respectively, by including the capital overhauling expenditure.

The Commission observes that out of approved capital expenditure of Rs.82.43 Cr for FY 2024-25, six works to the tune of Rs.17.462 crores only have been completed out of 17 works proposed and one work of Township for DCRTPP amounting Rs 2.36 crores has been dropped. The rest of the works shifted to the coming financial years.

In this regard, the Commission is constrained to note the directions given in the earlier orders as under: -

a) Order dated 17.09.2025 (Review Petition No. 2 of 2025): -

“However, as a one of case which should not be taken as a precedence, HPGCL is allowed to consider to capitalize the expenses incurred on capital overhauling in the nature of CAPEX, in its books of accounts for the ensuing year (s) and claim depreciation on the same, as per actual, after providing the item-wise details of such capitalization made including other details such as salvage value of replaced parts, frequency of similar work, nature of work i.e. preventive maintenance or repair of already damaged equipment, guarantee given by the contractor in respect of the work done, impact on the life of the plant on account of work so done etc.”

b) Order dated 26.04.2017 (Petition No. HERC/PRO-38 of 2016)

“It has been observed that repair & maintenance activities have also been made part of CAPEX by HPGCL. Since, the Commission has approved CAPEX for the FY 2017-18 and HPGCL is required to submit CAPEX plan for the ensuing control period in line with the amended MYT Regulations, it is directed that such like expenditure up to Rs. 50 lacs should be met out of O&M expenses and should not be made part of the Capex.”

Further, Regulation 9 of HERC MYT Regulations, 2024, provides as under: -

“CAPITAL INVESTMENT PLAN

9.1 *The generating company and the licensees, in respect of their respective businesses, shall file, for approval of the Commission, a capital investment plan along with the MYT petition for a period covering at least the entire control period. The capital investment plan shall be project/scheme wise and for each scheme/project shall include:*

- (a) Purpose of investment*
- (b) Capital Structure;*
- (c) Capitalization Schedule;*

- (d) Financing Plan including identified sources of investment;
- (e) Details of physical parameters / targets;
- (f) Cost-benefit analysis and payback period;
- (g) Envisaged reduction in O&M cost/losses;
- (h) Ongoing projects that will spill into the year under review and new projects (along with justification) that will commence but may be completed within or beyond the control period.

9.2 Purpose of investment shall include:

1	for a generation company-	generation capacity growth, replacement of assets, renovation and modernization, reduction in average per unit cost of generation etc;
2	for a transmission licensee-	power evacuation, system augmentation, network expansion, replacement of assets, reduction in transmission losses, improvement in transmission service and reliability of supply, reduction in per MW transmission cost, integration of renewable energy sources, congestion management, frequency and voltage regulation, IT related projects etc.
3	for a distribution licensee-	meeting load growth/ sales forecast (MUs), distribution loss reduction, non-technical loss reduction, replacement of assets, meeting reactive energy requirements, managing peak shifting requirements, congestion management, frequency and voltage regulation, improvement in metering, consumer services, collection efficiency, quality and reliability of supply etc.

Note: The Capital Investment by transmission licensee(s) in network expansion shall be based on load flow studies and in accordance with the requirements of Haryana Grid Code.

9.3 The capital investment plan, in case of a generation company, will be commensurate with generation capacity growth, renovation & modernization requirements etc.

In case of a transmission licensee, the capital investment plan will be commensurate with load/generation capacity growth and will be linked to improvement in quality of transmission service, reliability, metering and reduction in transmission losses.

The capital investment plan in case of a distribution licensee shall be commensurate with sales forecast (MUs)/load growth of the state, distribution/non-technical loss reduction targets, improvements envisaged in metering, collection efficiency, reliability and quality of supply etc.

9.4.1 Capital Investment for renovation and modernization in case of a transmission licensee and a generation company shall be made through an application with a detailed project report (DPR) elaborating the following elements: (i) Complete scope and justification; (ii) Estimated life extension of the generation/transmission asset; (iii) Improvement in performance parameters; (iv) Cost-benefit analysis; (v) Phasing of expenditure; (vi) Milestones/Time lines (vii) Schedule of completion; (viii) Estimated completion cost; (ix) Other aspects.

9.5 Capital investment plan shall incorporate list of schemes in order of priority so as to enable the Commission to approve the schemes in that order and in case

lesser amount of capital expenditure is to be approved then the schemes of lower priority could be disapproved

9.6 The generation company and licensee shall submit all information / data required by the Commission for approval of the capital investment plan.

9.7 **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 viz-a-viz 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.

9.8 In case during the mid-year performance review, the actual cumulative capital expenditure incurred up to the current year starting from first year of the control period, is less by more than 10% of the approved cumulative capital expenditure, the Commission shall true-up the costs incidental to the actual capital expenditure in the current year and remaining years of the control period.

Provided that the actual capital expenditure incurred shall be only for the schemes as per the approved capital investment plan.

Provided that if the actual capital expenditure incurred is more than the approved capital expenditure, the Commission shall not allow any true- up of the cost incidental to such variations.

9.9 In case the capital expenditure is required due to Force Majeure events for works which have not been approved in the capital investment plan or for works that may have to be taken up to implement new schemes approved by the State/Central Govt., the generating company or the licensee shall submit an application containing all relevant information along with reasons justifying emergency nature of the proposed work seeking approval by the Commission. In the case of works or schemes, other than those required on account of Force Majeure events, the Commission shall consider to give approval only in those cases where the works/schemes are wholly/substantially financed by the State/Central Government or, in view of the Commission, shall benefit a large mass of consumers of the State. The generating company or the licensee may take up the work prior to the approval of the Commission only in case the delay in approval will cause undue loss and such emergency nature of the scheme has been certified by the Board of the Directors and intimated to the Commission:

Provided that the generating company or the licensee shall submit the requisite details, as required as per Regulation 9.1 above, within 10 days of the submission of the application for approval of emergency work;

Provided further that for the purpose of Regulation 9.7 and 9.8, such approved capital expenditure shall be treated as a part of actual capital expenditure

incurred by the licensee as well as the capital expenditure approved by the Commission.

- 9.10 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.

- 9.11 The generating company, transmission and the distribution licensees shall also provide a copy of their respective capital investment plans to each other at the time of filing of the same with the Commission so as to enable them to carry out planning and network augmentation/strengthening activities in a coordinated manner. The generating company, transmission and the distribution licensees shall, immediately after approval of their respective capital investment plans by the Commission, send copies of the same to each other. In addition to above the distribution licensee shall also provide a copy of its approved power procurement plan to the transmission licensee.

- 9.12 The generating company and transmission and distribution licensees shall, in general, extend all co-operation to each other by providing data /information required for carrying out planning and network augmentation/strengthening activities in a coordinated manner.

- 9.13 The Commission shall approve the capital investment plan within a period of 120 days from the date of its filing or submission of complete information, whichever is later.

- 9.14 For the purpose of Third (3rd) control period, the timeline for submission of business plan by the generating company and the licensees shall be as specified in Regulation 77 of these Regulations.

Provided that any capitalization done by mere book entries/ presentation in the financial statements in order to comply with any statute/rules etc. and not in accordance with the Capital Expenditure approved under these Regulations, shall not be allowed by the Commission. In such cases, the licensees/generating company shall be required to prepare memorandum account of any such capitalization done and submit the same along with ARR/Tariff petition. No RoE, depreciation interest cost etc. shall be allowable on the same.

- 9.15 To enable faster adoption of Electric vehicles in the State, the Utilities i.e., HPGCL, HVPNL, DHBVN and UHBVNL shall endeavor to set up Public

Charging Station (PCS) for charging Electric Vehicles near to their Sub-Stations or any other appropriate place.”

(Emphasis supplied)

Further, Regulation 18.6 of HERC MYT Regulations, 2024, provides as under:

“Capital cost to be allowed by the Commission for the purpose of determination of tariff for respective businesses will be based on the capital investment plan prepared by the generating company or the licensee, as the case may be, and approved by the Commission prior to the filing of application for multiyear tariff by the generating company/licensees.”

(Emphasis supplied)

Regarding additional capitalization, Regulation 18.2 of HERC MYT Regulations, 2024, provides as under:

“
18.2.1 The Commission may consider allowing, subject to prudence check, any additional capital expenditure incurred or projected to be incurred, after the commercial operation date of a project and up to the cut-off date, on the following provided the same was part of the original scope of work of the project:

- a) Deferred liabilities without any carrying cost;
- b) Works deferred for execution without any escalation;
- c) Procurement of initial capital spares in the original scope of work without any escalation, subject to ceiling specified above;
- d) Foreign exchange rate variation
- e) Liabilities to meet award of arbitration provided that it is not on account of any fault of the generation company or the licensee, as the case may be;
- f) Liabilities on account of compliance of the order or decree of a court;
- g) Liabilities on account of change in law:

Provided that details of the works included in the original scope of work along with estimates of expenditure, un-discharged liabilities and works deferred for execution shall be submitted along with the application for determination of tariff after the date of commercial operation of the project;

18.2.2 The Commission may consider admitting, **after prudence check, the capital expenditure of the following nature actually incurred after the cut-off date:**

- a) Deferred liabilities relating to works/services within the original scope of work without any escalation;
- b) Liabilities to meet award of arbitration provided that it is not on account of any fault of the generation company or the licensee, as the case may be;
- c) Liabilities on account of compliance of the order or decree of a court;
- d) Liabilities on account of change in law;
- e) Any additional works/services which have become necessary for efficient and successful operation of the project, but not included in the original project cost;

18.2.3 *Impact of additional capitalization in tariff revision within the approved project cost shall be considered by the Commission once during a particular financial year of the control period.*

18.2.4 *In case of a transmission licensee, any additional expenditure on items such as relays, control & instrumentation, computer system, power line carrier communication, DC batteries, replacement of switchyard equipment due to increase of fault level, emergency restoration system, insulators cleaning infrastructure, replacement of damaged equipment not covered by insurance and any other expenditure which has become necessary for successful and efficient operation of transmission system may be admitted by the commission subject to prudence check provided that such replacement has not been necessitated due to any fault attributable to the transmission licensee :*

Provided that any expenditure on acquiring the minor items or the assets like tools and tackles, furniture, air conditioners, voltage stabilizers, refrigerators, coolers, fans washing machines, heat convectors, mattresses, carpets etc. bought after the cut-off date shall not be considered for additional capitalization for determination of tariff.

Note1: *Any expenditure admitted on account of committed liabilities within the original scope of work and the expenditure deferred on techno-economic grounds but falling within the original scope of work shall be serviced in the normative debt-equity specified in these Regulations;*

Note2: *Any expenditure on replacement of old assets or renovation and modernization or life extension shall be considered after excluding the entire depreciated value or value of the scrap, whichever is higher, of the original assets from the original capital cost of the assets replaced;*

Note3: *Any expenditure admitted by the Commission for determination of tariff on account of new works not in the original scope of work shall be serviced in the normative debt-equity specified in these Regulations.*

18.2.5 *Provided also that if any expenditure has been claimed under Renovation and Modernization (R&M), repairs and maintenance under O&M expenses and Compensation Allowance, same expenditure cannot be claimed under this Regulation.*

18.2.6 **In case of de-capitalization of assets of a generating company or the transmission licensee, as the case may be, the original cost of such asset as on the date of decapitalization shall be deducted from the value of gross fixed asset and corresponding loan as well as equity shall be deducted from outstanding loan and the equity respectively in the year such de-capitalization takes place, duly taking into consideration the year in which it was capitalized.**

18.2.7 *The scrutiny of the project cost estimates by the Commission shall include the*

reasonableness of the capital cost, financing plan, interest during construction, use of efficient technology and such other matters for the purposes of determination of tariff.”

(Emphasis supplied)

Proviso to Regulation 3.42 of HERC MYT Regulations, 2024, provides as under:

“Provided further that the expenditure on spares of capital nature valuing up to Rs. 10 lacs and additional capital expenditure on an individual capital assets costing up to Rs. 20 lacs, shall also form part of O&M expenses.”

(Emphasis supplied)

From the examination of the above, the following rules of additional capitalization are summarized: -

1. Expenditure of repairs and maintenance cannot form part of CAPEX.
2. Even the expenditure of capital nature costing up to Rs.20 lacs, on each individual asset shall form part of O&M expenses. Major R&M incurred by a thermal power plant is on account of capital overhauling only. Accordingly, in order to discourage the practice of capitalizing small repair & maintenance activities, the Commission in its order dated 26.04.2017, had directed that these shall not be made part of CAPEX and even the capital expenditure up to Rs.50 lacs shall be met out of R&M expenses.
3. Even the spares of capital nature valuing up to Rs.10 lacs, shall form part of O&M expenses.
4. **The capital overhauling expenses are part of O&M expenses.** Overhauling works, being recurring in nature and aimed at restoration of operational efficiency, needs to be booked exclusively under normative O&M expenses (R&M head) and not capitalized unless demonstrably creating new assets with life extension beyond normative parameters. **However, the Commission in its order dated 17.09.2025, had allowed HPGCL to consider to capitalize the expenses incurred on capital overhauling in the nature of CAPEX, in the FY 2023-24, in its books of accounts and claim depreciation, as a one time measure which shall not be taken as precedence.**
5. Capital cost to be allowed by the Commission for the purpose of determination of tariff for respective businesses will be based on the capital investment plan prepared by the generating company prior to the filing of application for multiyear tariff.

6. Capital Investment plan shall include capital expenditure planned for generation capacity growth, replacement of assets, renovation and modernization, reduction in average per unit cost of generation etc.;
7. The Commission shall not revisit the approved capital investment plan during the control period and shall monitor the year wise progress of the actual capital expenditure incurred by the generating company. Annual revisit of capital investment plan shall render the mechanism of determination of capital investment plan for a control period, completely otiose.
8. If the actual capital expenditure incurred is more than the approved capital expenditure, the Commission shall not allow any true- up of the cost incidental to such variations.
9. Capitalization done by mere book entries/ presentation in the financial statements in order to comply with any statute/rules etc. and not in accordance with the Capital Expenditure approved under these Regulations, shall not be allowed by the Commission. In such cases, the licensees/generating company shall be required to prepare memorandum account of any such capitalization done and submit the same along with ARR/Tariff Petition. No RoE, depreciation interest cost etc. shall be allowable on the same.
10. After prudence check, the capital expenditure of the following nature actually incurred after the cut-off date, may be allowed:
 - a) Deferred liabilities relating to works/services within the original scope of work without any escalation;
 - b) Liabilities to meet award of arbitration provided that it is not on account of any fault of the generation company or the licensee, as the case may be;
 - c) Liabilities on account of compliance of the order or decree of a court;
 - d) Liabilities on account of change in law;
 - e) Any additional works/services which have become necessary for efficient and successful operation of the project, but not included in the original project cost;
11. Any expenditure on acquiring the minor items or the assets like tools and tackles, furniture, air conditioners, voltage stabilizers, refrigerators, coolers, fans washing machines, heat convectors, mattresses, carpets etc. bought after the cut-off date shall not be considered for additional capitalization for determination of tariff.

The Commission has examined the submissions and records placed on file.

It is observed that against the approved capital expenditure of Rs.82.43 crore for FY 2024–25, works amounting to only Rs. 17.462 crore have been completed during the year. Out of the total 17 approved works, merely six works, aggregating to Rs.17.462 crore, have been completed. Further, one work relating to Township for DCRTTP, amounting to Rs.2.36 crore, has been dropped. The remaining works have been deferred and shifted to subsequent financial years.

The Commission notes with concern that there has been no satisfactory progress in the utilization of the approved CAPEX for FY 2024–25. The substantial shortfall in execution reflects lack of adequate planning, monitoring, and timely implementation on the part of HPGCL. Completion of only six works during the year, despite approval of a significantly higher capital outlay, indicates deficiencies in project planning and execution.

In view of the above, the Commission directs the licensee to ensure better planning, strict monitoring, and timely execution of approved capital works in future, and to furnish detailed justification for delay in respect of the unexecuted works at the time of next tariff proceedings.

Further, the Commission has carefully examined the submissions of HPGCL regarding capitalization of overhauling works. The Commission observes that overhauling of generating units is a recurring and routine activity undertaken to restore operational efficiency, maintain performance parameters, and ensure continued availability of the units. Such expenditure, by its very nature, does not ordinarily result in the creation of a new asset nor does it extend the useful life of the generating station beyond the normative parameters prescribed under the applicable Regulations. Accordingly, such expenditure is required to be booked under normative Operation & Maintenance (O&M) expenses, specifically under the Repairs & Maintenance (R&M) head, and cannot be capitalized as part of capital cost. The petition of HPGCL seeking capitalization of overhauling expenditure in respect of PTPS Unit-6 during FY 2025–26 (mid-year review) and in respect of RGTPP Unit-2, DCRTTP Unit-2 and PTPS Unit-7 during FY 2026–27 is found to be contrary to the settled regulatory framework. The Commission notes that the earlier one-time allowance granted in respect of DCRTTP was an exceptional dispensation and is treated as non-precedential in nature in the Commission's order. The said approval cannot, therefore, be cited as a general basis for capitalization of routine overhauling expenditure.

In the absence of any demonstrable evidence that the proposed overhauling works result in creation of identifiable new assets or life extension beyond normative limits, the Commission is not inclined to allow the same to be capitalized. Such expenditure, if incurred, shall be met from the normative O&M expenses in accordance with the Regulations. Further, the capital overhauling work need to be spread evenly throughout the control period. Capital overhauling of each unit should be done once in a control period and up to two units in a financial year.

Accordingly, the prayer of HPGCL for capitalization of the aforesaid overhauling works is rejected. Further, in view of the principles enumerated hereinabove, the Commission declines to consider the Revised Capital Investment Plan submitted by HPGCL for the Financial Years 2025-26, 2026-27 and 2027-28, insofar as it incorporates capital overhauling expenditure and small value items costing less than ₹50 lakh. The inclusion of such expenditure is contrary to the principles governing Additional Capitalization as enshrined under Regulations 3.42, 9 and 18.2 of the HERC (MYT) Regulations, 2024, and is therefore not admissible for approval at this stage. Therefore, for the purpose of determination of tariff for the FY 2026-27, the Commission considers the capex forming part of approved Capital Investment Plan (CPI) for FY 2025-26 amounting Rs.172.2 crores and for FY 2026-27 amounting Rs.171.93 crores. HPGCL is directed to submit complete and detailed information in respect of the concerned scheme, including the scope of work, cost break-up, life expectancy and justification thereof, along with the bidding process followed. The submission shall specifically include copies of the Expression of Interest (EOI), Request for Proposal (RFP), details of bids received, evaluation methodology, negotiations, if any, held with the selected bidder, and the duly executed purchase order/work order.

The aforesaid information shall be furnished to the Commission so as to be able to exercise its prudence check on the same, at the time of true-up of FY 2025-26 and determination of ARR for FY 2027-28. Failure to submit the requisite details in a timely and complete manner may result in non-consideration of the expenditure for tariff purposes.

In terms of the above discussions, the depreciation, interest on term loan and return on equity, equivalent to the amount admitted under true up for the FY 2024-25, has been considered for the FY 2026-27. Further, depreciation, interest on term loan and return on equity, on the CAPEX approved, vide order dated 13.03.2025, under Capital Investment Plan for the FY 2025-26 and FY 2026-27, has been allowed, at the average rate proposed for the FY 2026-27.

Accordingly, depreciation, interest on term loan and return on equity, has been approved for the FY 2026-27, as tabulated hereunder: -

Calculation of Depreciation approved for the FY 2026-27

	PTPS -6	PTPS -7	PTPS - 8	RGTPS 1	RGTPS 2	DCRTPS 1	DCRTPS 2	WYC	TOTAL
FY 24-25	1.08	25.51	26.96	46.01	52.52	29.32	29.16	6.22	216.78
Capex Approved									
FY 25-26	7.75	7.75	7.75	39.23	39.23	8.35	8.35	53.80	172.20
FY 26-27	1.00	1.00	1.00	12.28	12.28	38.19	38.19	68.00	171.93
TOTAL	8.75	8.75	8.75	51.50	51.50	46.54	46.54	121.80	344.13
Av. Rate	7.55	8.06	6.16	3.14	3.61	4.78	5.11	8.24	
Dep on Addl. Capitalisation	0.66	0.71	0.54	1.62	1.86	2.23	2.38	10.04	20.03
Total Depreciation approved	1.74	26.22	27.50	47.63	54.38	31.55	31.54	16.26	236.81

Calculation of Interest on term loans approved for the FY 2026-27

	PTPS -6	PTPS -7	PTPS - 8	RGTPS 1	RGTPS 2	DCRTPS 1	DCRTPS 2	WYC	TOTAL
FY 24-25	-	0.21	0.21	5.91	5.91	0.06	0.06	-	12.36
Capex Approved									
FY 25-26	7.75	7.75	7.75	39.23	39.23	8.35	8.35	53.80	172.20
FY 26-27	1.00	1.00	1.00	12.28	12.28	38.19	38.19	68.00	171.93
TOTAL	8.75	8.75	8.75	51.50	51.50	46.54	46.54	121.80	344.13
70% of capex	6.13	6.13	6.13	36.05	36.05	32.58	32.58	85.26	240.89
Av. Rate	10.25%	10.25%	10.25%	10.25%	10.25%	10.25%	10.25%	10.25%	
Interest on loan on Addl. Capitalisation	0.63	0.63	0.63	3.70	3.70	3.34	3.34	8.74	24.69
Total Interest cost approved	0.63	0.84	0.84	9.61	9.61	3.40	3.40	8.74	37.05

Calculation of RoE approved for the FY 2026-27

	PTPS -6	PTPS -7	PTPS - 8	RGTPS 1	RGTPS 2	DCRTPS 1	DCRTPS 2	WYC	TOTAL
FY 24-25	18.86	26.21	26.23	59.73	61.45	30.22	30.22	2.39	255.30
Capex Approved									
FY 25-26	7.75	7.75	7.75	39.23	39.23	8.35	8.35	53.80	172.20
FY 26-27	1.00	1.00	1.00	12.28	12.28	38.19	38.19	68.00	171.93
TOTAL	8.75	8.75	8.75	51.50	51.50	46.54	46.54	121.80	344.13
30% of Capex	2.63	2.63	2.63	15.45	15.45	13.96	13.96	36.54	103.24
Av. Rate	12%	12%	12%	12%	12%	12%	12%	13%	
RoE on Addl. Capitalisation	0.32	0.32	0.32	1.85	1.85	1.68	1.68	4.75	12.75
Total RoE approved	19.17	26.52	26.55	61.58	63.30	31.90	31.89	7.14	268.05

Needless to add that the said items of fixed cost shall be subject to true-up after the exercise of prudence check by the Commission.

10 Operating Parameters:

10.1 Annual Generation and PLF: -

HPGCL has submitted the historical performance of HPGCL power plants and proposed the technical parameters for the FY 2026-27, in line with the HERC

MYT Regulations, 2024.

Annual generation trend and NAPAF (Normative Annual Plant Load Factor)

The Historical unit wise annual generation trend of HPGCL Units in MU is tabulated as under: -

SN	Unit No.	2022-23	2023-24	2024-25	2025-26 (upto Sept., 25)
1	PTPS 6	1332.63	1021.04	881.89	493.72
2	PTPS 7	1847.70	1515.99	1756.17	702.82
3	PTPS 8	1679.03	1170.08	1851.63	661.97
4	DCRTPP 1	2176.39	1825.40	1594.11	912.42
5	DCRTPP 2	2049.94	1652.35	1749.33	930.77
6	RGTPP 1	3561.45	2509.91	2575.94	1002.18
7	RGTPP 2	3075.09	1794.42	2975.40	1621.69
	HPGCL Thermals	15722.23	11489.18	13384.47	6325.57
8	WYC Hydel	258.42	220.52	239.08	115.34

The Historical trend of unit loading in terms of actual Plant Load Factor (%) of HPGCL Units is tabulated as under:

S N	Unit No.	2022-23	2023-24	2024-25	2025-26 (upto Sept., 25)	Average PLF for 3 years
1	PTPS 6	72.44	55.35	47.94	53.53	58.58
2	PTPS 7	84.37	69.03	80.19	64.01	77.86
3	PTPS 8	76.67	53.28	84.55	60.29	71.50
4	DCRTPP 1	82.82	69.27	60.66	69.25	70.92
5	DCRTPP 2	78.00	62.70	66.57	70.64	69.09
6	RGTPP 1	67.76	47.62	49.01	38.03	54.80
7	RGTPP 2	58.51	34.05	56.61	61.54	49.72
8	WYC Hydel	47.28	40.23	43.74	42.09	43.75

The Historical trend of Deemed Plant Load Factor (%) of HPGCL Units is tabulated as under:

SN	Unit No.	2022-23	2023-24	2024-25	2025-26 (upto Sept., 25)
1	PTPS 6	89.81	72.01	76.78	89.79
2	PTPS 7	94.32	84.93	96.14	90.31
3	PTPS 8	85.31	68.73	97.92	84.69
4	DCRTPP 1	95.16	91.63	74.96	96.02
5	DCRTPP 2	87.44	85.58	83.00	97.45
6	RGTPP 1	83.89	66.05	77.54	61.69
7	RGTPP 2	73.34	45.76	75.49	88.44

HPGCL proposes the NAPAF for all thermal Units for the FY 2025-26 and FY 2026-27 in line with HERC MYT Regulations, in vogue, as under: -

SN	Unit No.	HERC Approved		Proposed	
		FY 25-26	FY 25-26	FY 25-26	FY 26-27
1	PTPS 6	85.00%	85.00%	85.00%	85.00%
2	PTPS 7	85.00%	85.00%	85.00%	85.00%
3	PTPS 8	85.00%	85.00%	85.00%	85.00%
4	DCRTPP 1	85.00%	85.00%	85.00%	85.00%
5	DCRTPP 2	85.00%	85.00%	85.00%	85.00%
6	RGTPP 1	85.00%	85.00%	85.00%	85.00%
7	RGTPP 2	85.00%	85.00%	85.00%	85.00%
8	WYC Hydel	43.00%	43.00%	43.00%	43.00%

Commission considers the proposal submitted by HPGCL in line with the HERC MYT Regulations, 2024, and approves NAPAF for all units as proposed by HPGCL.

10.2 Auxiliary Energy Consumption

The Historical trend of auxiliary energy consumption (%) of HPGCL Units is tabulated as under:

SN	Unit No.	2022-23	2023-24	2024-25	2025-26 (upto Sept., 25)
1	PTPS 6	9.36	9.57	9.62	10.08
2	PTPS 7	9.01	9.08	9.51	9.57
3	PTPS 8	9.14	8.97	9.44	9.41
4	DCRTPP 1	8.48	8.73	8.00	9.31
5	DCRTPP 2	8.40	8.41	8.43	9.79
6	RGTPP 1	5.70	6.16	6.33	6.46
7	RGTPP 2	5.46	6.23	5.62	6.77

HPGCL proposes the auxiliary energy consumption (%) for all thermal Units for the FY 2025-26 and FY 2026-27 in line with HERC MYT Regulations, in vogue, as under: -

SN	Unit No.	HERC Approved	Proposed	
		FY 25-26	FY 25-26	FY 26-27
1	PTPS 6	9.00%	9.00%	9.00%
2	PTPS 7	8.50%	8.50%	8.50%
3	PTPS 8	8.50%	8.50%	8.50%
4	DCRTPS 1	8.50%	8.50%	8.50%
5	DCRTPS 2	8.50%	8.50%	8.50%
6	RGTPS 1	6.00%	6.00%	6.00%
7	RGTPS 2	6.00%	6.00%	6.00%
8	WYC HEP	1.00%	1.00%	1.00%

From the above table, it is evident that auxiliary consumption of all units except PTPS units and RGTPS-1 is on higher side in FY 2024-25.

HPGCL has proposed auxiliary consumption for FY 2025-26 to FY 2026-27 per the Regulations in vogue, expected to achieve the same. Therefore, the Commission approves the same as proposed.

10.3 Secondary Fuel Oil Consumption (SFC)

The Historical trend of Secondary fuel consumption (ml/kwh) of HPGCL Units is tabulated as under:

SN	Unit No.	2022-23	2023-24	2024-25	2025-26 (upto Sept., 25)
1	PTPS 6	1.01	1.71	1.26	1.46
2	PTPS 7	0.48	0.52	0.29	0.51
3	PTPS 8	0.42	0.85	0.08	0.62
4	DCRTPP 1	0.20	0.48	0.29	0.30
5	DCRTPP 2	0.22	0.74	0.36	0.53
6	RGTPP 1	0.47	1.09	0.90	0.86
7	RGTPP 2	0.60	1.53	0.81	0.62

Secondary fuel consumption (ml/kwh) proposed by HPGCL, for the FY 2025-26 and FY 2026-27, is in line with the HERC MYT Regulations as below: -

S.N	Unit No	HERC Approved	Proposed	
		FY 25-26	FY 25-26	FY 26-27
1	PTPS 6	1.00	1.00	1.00
2	PTPS 7	0.50	0.50	0.50
3	PTPS 8	0.50	0.50	0.50
4	DCRTPS 1	0.50	0.50	0.50
5	DCRTPS 2	0.50	0.50	0.50
6	RGTPS 1	0.50	0.50	0.50
7	RGTPS 2	0.50	0.50	0.50

During FY 2024-25, the specific oil consumption in respect of PTPS-6, RGTPP-1 and RGTP-2, is 1.26%, 0.90%, 0.81% which is on higher side. HPGCL has achieved secondary fuel consumption norms in FY 2025-26 in respect of PTPS-7 & 8, and DCRTTP 1 & 2, only. The Commission expects that HPGCL shall achieve the norms in future.

Since HPGCL has proposed the specific oil consumption for its plants as per norms laid down in the MYT Regulations in vogue, the Commission approves the same.

10.4

Station Heat Rate (SHR)

The Historical trend of SHR (Kcal/kwh) of HPGCL Units is tabulated as under:-

SN	Unit No.	2022-23	2023-24	2024-25	2025-26 (upto Sept., 25)
1	PTPS 6	2531	2530	2533	2534
2	PTPS 7	2484	2486	2492	2492
3	PTPS 8	2487	2492	2488	2494
4	DCRTTP 1	2336	2341	2342	2347
5	DCRTTP 2	2330	2340	2342	2352
6	RGTPP 1	2395	2398	2416	2395
7	RGTPP 2	2390	2421	2396	2400

HPGCL has proposed, SHR for the FY 2025-26 and FY 2026-27, as per norms specified in the HERC MYT Regulations, in vogue, as under: -

S.N	SHR (kcal/kWh)	HERC Approved	Proposed	
		FY 25-26	FY 25-26	FY 26-27
1	PTPS 6	2550	2550	2550
2	PTPS 7	2500	2500	2500
3	PTPS 8	2500	2500	2500
4	DCRTPS 1	2344	2344	2344
5	DCRTPS 2	2344	2344	2344
6	RGTPS 1	2387	2387	2387
7	RGTPS 2	2387	2387	2387

Commission observes that HPGCL has been able to maintain SHR for its

plants as per norms in FY 2024-25 except for RGTPS units 1 wherein the SHR is slightly on higher side. The Commission further observes that HPGCL has proposed SHR for FY 2025-26 and FY 2026-27 for its units at PTPS, DCRTPS and RGTPS in line with the norms specified in the MYT Regulations, in-vogue. Thus, the Commission approves the same.

10.5 Gross Calorific Value (GCV) and Price of Coal

HPGCL has proposed GCV, cost of coal and Secondary Fuel (Oil) for the FY 2026-27 as per the actual weighted average calorific value of coal and landed cost of oil, during April to September of the FY 2025-26, as under: -

GCV & Coal Cost (FY 2026-27)

Particulars	PTPS-6	PTPS-7 & 8	DCRTPS	RGTPS
Gross Calorific Value of Coal (kcal/Kg)	3385	3373	3050	3093
Average landed cost of coal (Rs. /MT)	5617.66	5804.71	5120.38	5567.36

GCV & Oil Cost (FY 2026-27)

Particulars	PTPS	DCRTPS	RGTPS
Gross Calorific Value of Oil (kcal/l)	10684	10701	10729
Average landed cost of Oil (Rs. /kl)	69419.90	71249	66278.60

As the above values are based on the weighted average of six months, the same are approved for the purpose of generation tariff determination.

Further, Ministry of Power, Government of India, has issued guidelines for undertaking co-firing of biomass pellets in coal-based thermal power plants with the objectives of promotion of renewable energy, reduction of air pollution, and utilization of agricultural residue. As the cost implications of biomass co-firing are ultimately borne by electricity consumers of the State, transparency and prudence in implementation are essential.

Ministry of Power, Government of India, in its comprehensive policy dated 07.11.2025, has allowed TPPs to seek extensions / relaxation from co-firing target which shall be considered on a case-to-case basis, based on recommendations of CEA. A Committee headed by Chief Engineer (TE&TD), CEA, including representatives from CAQM (for TPPs located in NCR and adjoining areas), NTPC, BHEL, CRRI, Ministry of Agriculture and SAMARTH Mission shall examine the request of power plants for their exemption / relaxation from co-firing targets. The growing use of biomass for producing Bio-CNG, Bio-Ethanol and biomass-based power generation has increased the demand for biomass material (such as crop residue, agri-waste, and

organic waste), limiting its availability and increasing the market price.

In this regard, HPGCL is advised to submit a comprehensive status report, indicating availability of biomass, plant-wise biomass co-firing percentage, quantity of biomass pellets utilized, type and nature of biomass used for palletization, source and mode of procurement, rates of procurement, gross calorific value (GCV) of the pellets, and the annual cost impact on power generation.

In line with the above discussions, the Energy Charges / Variable Charges for the FY 2026-27, calculated on the basis of the approved parameters / cost (Unit Wise), is presented in the table that follows: -

Approved Energy Charges / Variable Charges for the FY 2026-27

Parameters	Unit	PTPS			RGTPS		DCRTPS		Total
		Unit 6	Unit 7	Unit 8	Unit 1	Unit 2	Unit 1	Unit 2	
Installed Capacity (MW)		210	250	250	600	600	300	300	2510
Gross Generation	MU	1,563.66	1,861.50	1,861.50	4,467.60	4,467.60	2,233.80	2,233.80	18689.50
PLF (%)		85.00	85.00	85.00	85.00	85.00	85.00	85.00	
Auxiliary Energy Consumption	%	9.00%	8.50%	8.50%	6.00%	6.00%	8.50%	8.50%	
Generation (Ex-bus)	MU	1422.93	1703.27	1703.27	4199.54	4199.54	2043.93	2043.93	17316.42
Station Heat Rate (SHR)	Kcal/kwh	2550	2500	2500	2387	2387	2344	2344	
Specific Oil Consumption	ml/kwh	1	0.5	0.5	0.5	0.5	0.5	0.5	
Gross Calorific Value of Oil	Kcal/litre	10684	10684	10684	10729	10729	10701	10701	
Gross Calorific Value of Coal	K.cal/Kg	3385	3373	3373	3093	3093	3050	3050	
Overall Heat	G.cal	3987333	4653750	4653750	10664161	10664161	5236027	5236027	
Heat from Oil	G.cal	16706	9944	9944	23966	23966	11952	11952	
Heat from Coal	G.cal	3970627	4643806	4643806	10640195	10640195	5224075	5224075	
Oil Consumption	KL	1564	931	931	2234	2234	1117	1117	
Coal Consumption	MT	1173006	1376758	1376758	3440089	3440089	1712812	1712812	
Cost of Oil per KL	Rs/KL	69420	69420	69420	66279	66279	71249	71249	
Cost of Coal	Rs/MT	5618	5805	5805	5567	5567	5120	5120	
Total Cost of Oil	Rs .Mln	108.55	64.61	64.61	148.05	148.05	79.58	79.58	
Total Cost of Coal	Rs.Mln	6589.55	7991.68	7991.68	19152.21	19152.21	8770.25	8770.25	
Total Fuel Cost	Rs.Mln	6698.10	8056.30	8056.30	19300.27	19300.27	8849.82	8849.82	79110.87
Fuel Cost/Kwh	Rs.	4.71	4.73	4.73	4.60	4.60	4.33	4.33	4.57

Approved Fixed Cost Computation FY 2026-27 (Rs. Million)

EXPENSES	HERC FIXED COST COMPUTATION FY 2026-27 (Rs Million)								
	PTPS -6	PTPS -7	PTPS -8	RGTPS 1	RGTPS 2	DCR TPS 1	DCR TPS 2	WYC	TOTAL
Operation & Maintenance (O&M)									
a) R&M Expenses	868.75	1152.07	1105.94	1148.43	1148.43	801.98	801.98	215.59	7243.17
b) A&G Expenses	360.30	481.47	618.49	513.56	561.15	512.82	670.85	77.55	3796.18
c) Employees Cost	42.35	52.32	52.57	56.95	56.96	37.88	37.64	9.14	345.82
Total O&M (a+b+c):	1271.40	1685.86	1777.00	1718.93	1766.54	1352.69	1510.48	302.27	11385.17
Depreciation	17.41	262.15	274.99	476.30	543.79	315.47	315.40	162.61	2368.12
Interest & Finance	6.28	8.38	8.38	96.05	96.05	33.99	33.99	87.39	370.51
W/C Interest	98.70	151.10	144.52	223.03	223.03	144.79	144.79	10.74	1140.70
ROE @ 12%/13%	191.71	265.21	265.48	615.80	632.99	319.00	318.94	71.37	2680.49
Fixed Cost	1585.50	2372.70	2470.36	3130.11	3262.40	2165.94	2323.61	634.38	17944.99
Generation (ex-bus) MU	1422.93	1703.27	1703.27	4199.54	4199.54	2043.93	2043.93	232.70	17549.12
Fixed Cost (Rs/kWh)	1.11	1.39	1.45	0.75	0.78	1.06	1.14	2.73	1.12

COMPUTATION OF WORKING CAPITAL AND INTEREST (Rs. In Millions)									
CALCULATION OF COAL AND OIL COST ON THE BASIS OF AVERAGE PLF OF LAST THREE YEARS (for the purpose of calculating interest on working capital)									
Parameters	Unit	Derivation	PTPS			RG TPS		DCR TPS	
			Unit 6	Unit 7	Unit 8	Unit 1	Unit 2	Unit 1	Unit 2
Installed Capacity (MW)			210	250	250	600	600	300	300
Gross Generation	MU	A	1,077.58	1,705.21	1,565.85	2,880.11	2,613.46	1,863.69	1,815.69
PLF (%)			58.58	77.86	71.50	54.80	49.72	70.92	69.09
Auxiliary Energy Consumption	%		9.00%	8.50%	8.50%	6.00%	6.00%	8.50%	8.50%
Generation (Ex-bus)	MU	A1	980.59	1560.26	1432.75	2707.31	2456.65	1705.28	1661.35
Station Heat Rate (SHR)	Kcal/kwh	B	2550	2500	2500	2387	2387	2344	2344
Specific Oil Consumption	ml/kwh	C	1	0.5	0.5	0.5	0.5	0.5	0.5
Gross Calorific Value of Oil	Kcal/litre	D	10684	10684	10684	10729	10729	10701	10701
Gross Calorific Value of Coal	K.cal/Kg	E	3385	3373	3373	3093	3093	3050	3050
Overall Heat	G.cal	F=(A*B)	2747820	4263018	3914625	6874829	6238325	4368489	4255966
Heat from Oil	G.cal	G=(A*C*D)/1000	11513	9109	8365	15450	14020	9972	9715
Heat from Coal	G.cal	H= (F-G)	2736307	4253908	3906260	6859379	6224305	4358518	4246251
Oil Consumption	KL	I=A*C	1078	853	783	1440	1307	932	908
Coal Consumption	MT	J=(H*1000/E)	808362	1261165	1158097	2217711	2012385	1429022	1392214
Cost of Oil per KL	Rs/KL	K	69420	69420	69420	66279	66279	71249	71249
Cost of Coal	Rs/MT	L	5618	5805	5805	5567	5567	5120	5120
Total Cost of Oil #	Rs .Mln	M=(K*I)/10^6	74.81	59.19	54.35	95.44	86.61	66.39	64.68
Total Cost of Coal	Rs.Mln	N=(J*L)/10^6	4541.11	7320.69	6722.42	12346.79	11203.67	7317.14	7128.66
Total Fuel Cost	Rs.Mln	O=M+N	4615.91	7379.88	6776.77	12442.24	11290.28	7383.53	7193.35
COMPUTATION OF INTEREST ON WORKING CAPITAL									
ITEMS	DERIVATION	PTPS			RGTPS	DCR TPS	WYC	TOTAL	
		Unit 6	Unit 7	Unit 8	Unit 1 & 2	(Unit 1 & 2)			
Coal Stock	1 months	378.43	610.06	560.20	1,962.54	1,203.82	-	4,715.04	
Oil Stock	1 months	6.23	4.93	4.53	15.17	10.92	-	41.79	
O&M Expenses	1 months	105.95	140.49	148.08	290.46	238.60	25.19	948.76	
Maint. Spares	10%/15% of O&M	127.14	168.59	177.70	348.55	286.32	45.34	1,153.63	
Receivables	1 month	516.78	812.72	770.59	2,510.42	1,588.87	52.86	6,252.25	
W/C Requirement		1,134.53	1,736.78	1,661.11	5,127.13	3,328.52	123.40	13,111.47	
Int (@ 8.70%)		98.70	151.10	144.52	446.06	289.58	10.74	1,140.70	

Notes:

- The fixed cost including O&M expenses for the PTPS Units 6, 7 & 8 has been allowed, as per norms specified in the HERC (MYT) Regulations, 2024, which was approved taking into consideration of the impact of increased water tariff as well as cost of coal handling plant.
- O&M expenses of WYC, Hydel has been approved considering the audited figures for the FY 2022-23, as the base year, and escalating the same @ 5.47% p.a., at par with thermal power stations.
- Depreciation, interest on term loan and return on equity, considered for the FY 2026-27, has been discussed in detail in the preceding paras of this order, which shall be subject to true-up after exercise of prudence check by the Commission
- RoE has been pegged at 12% and 13% for thermal and hydro units (WYC),

respectively, as per the provisions of HERC (MYT) Regulations, 2024.

5. The Working Capital and interest thereto, have been computed as per the provisions of the MYT Regulations, 2024. HPGCL has submitted that the average rate of interest on working capital loans for the FY 2024-25 was 7.80% p.a. and interest at the average rate of 7.70% to 7.80% p.a. was earned on Dry Fly Ash Fund/Depreciation Reserve. However, the copies of sanction letters of banks reveal that the rate of interest is SBI MCLR rate of 3 months to 1-year tenor without any spread. In some bank loans, where rate of interest is linked to 3-6 months MCLR, there is a spread of 5 basis points; whereas MCLR 3-6 months tenor is lower than MCLR 1 year tenor.

In this regard, Regulation clause 22.2 of HERC MYT Regulations, 2024, provides as under: -

“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.”

Further, proviso to Regulation 22.1(III) of the HERC MYT Regulations, 2024, provides as under: -

*“Provided that Interest on Working Capital for generators shall be allowed on the basis of average PLF / CUF in the preceding 3 years.
Provided further that True up of the interest on working capital shall be limited to the actual interest on working capital.”*

Accordingly, the Commission approves, rate of interest on working capital at SBI MCLR (one year tenor) as on 15.12.2025 (8.70%) without additional spread of basis points, calculated on the basis of average PLF of preceding three years. It is reiterated that the interest on working capital approved in the order for the FY 2026-27, is the ceiling limit, which shall be subject to true-up to the extent of actual interest incurred by the petitioner.

The ECR / Fuel Charge approved by the Commission is summarized in the table below:

TARIFF	PTPS 6	PTPS 7	PTPS – 8	RGTPS 1	RGTPS 2	DCR TPS 1	DCR TPS 2	WYC
ECR / Fuel Cost Rs/ kWh	4.71	4.73	4.73	4.60	4.60	4.33	4.33	-

The recovery of fixed charges to the extent determined by the Commission, for the FY 2026-27 shall be as per the provisions of the MYT Regulations, 2024. HPGCL shall recover full capacity charge at the Unit Wise normative annual plant availability factor specified by the Commission in the said regulations and the recovery of capacity charge below the level of

target availability i.e. normative PLF shall be on pro-rata basis and further that no capacity charge shall be payable at zero availability.

Accordingly, HPGCL shall ensure that fixed charges recovered for any of its power plants including WYC (HEP) for which fixed charges have been determined by the Commission in the present Order, during the year, do not exceed the fixed charges as determined herein.

Further, in case of annual PLF of any unit, including deemed generation, is lower than the normative PLF approved in the order, the recoverable annual fixed charges shall get reduced on pro-rata basis. In view of above, it is ordered that HPGCL shall recover monthly fixed charges in line with the provision of MYT Regulations, 2024, subject to the condition that total recovered fixed charges for a Unit up to the end of a month shall not be more than the admissible approved fixed charges for that Unit as worked out corresponding to the cumulative PLF (after including deemed generation) up to the end of that month. For example, at the end of 3rd month, if the deemed PLF is 80% and the normative PLF is 85%, the admissible approved fixed charges would be $AFC/4 \times (0.80/0.85)$ where AFC are the approved annual fixed charges. In case cumulative PLF at the end of 3rd month is more than the normative PLF, the admissible approved fixed charges will be $AFC/4$.

Technical Minimum schedule for HPGCL's Power Plants other than PTPS shall be implemented in line with Central Generating Stations (CGS) for larger integration of renewable energy.

All other terms and conditions, not explicitly dealt with in this order, shall be as per the relevant 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, 2024.

The Generation Tariff approved for the FY 2026-27 shall be implemented w.e.f. 01.04.2026.

The present petition is accordingly disposed of. The petitioner is directed to take necessary actions for implementing the instant order.

This order is signed, dated and issued by the Haryana Electricity Regulatory Commission on 18.03.2026.

Date:18.03.2026
Place: Panchkula

Sd/-
(Shiv Kumar)
Member

Sd/-
(Mukesh Garg)
Member

Sd/-
(Nand Lal Sharma)
Chairman