

**JOINT ELECTRICITY REGULATORY COMMISSION**  
**For the State of Goa and Union Territories Gurgaon**

**CORAM**

**Shri Alok Tandon (Chairperson)**

**Smt. Jyoti Prasad, Member (Law)**

**Review Petition No. 159/2025**

**Date of Hearing: 04.12.2025**

**Date of Order: 27.01.2026**

**In the matter of**

Petition seeking review of Commission's Order dated 25<sup>th</sup> September 2025 for approval of Truing up for FY 2023-24, Annual Performance Review (APR) for FY 2024-25 and Aggregate Revenue Requirement and Determination of Tariff for MYT Control Period from FY 2025-26 to FY 2029-30.

**And in the matter of**

Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited

.....Petitioner

**Present:**

For the Petitioner

1. Ms. Luna Pal, GM, DNHDDPDCL
2. Mr. Mihir Thakkar, AGM, DNHDDPDCL
3. Ms. Swapna Seshadri, Advocate, DNHDDPDCL
4. Ms. Harsha V Rao, Advocate, DNHDDPDCL.
5. Ms. Khyati Chhabra, Advocate, DNHDDPDCL.

## ORDER

This Review Petition has been filed by Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited (hereinafter referred to as the "DNHDDPDCL" or the "Petitioner") seeking review of the Commission's Order dated 25<sup>th</sup> September 2025 on certain issues. The Commission has examined the Petition and a hearing in this matter was held on 04 December 2025.

Before proceeding to analyse the issues and concerns of the Petitioner, it is imperative to understand the powers of the Commission to review its own Order and the scope of review.

### **The Commission's Power to Review:**

1. The Commission's power to review its own Order flows from Section 94(1)(f) of the Electricity Act, 2003 ("the Act") which provides that:

*... "The Appropriate Commission shall, for the purposes of any inquiry or proceedings under this Act, have the same powers as are vested in a civil court under the Code of Civil Procedure, 1908 (5 of 1908) in respect of the following matters, namely:*

*(f) reviewing its decisions, directions and orders;"*

These powers to review u/s 94(1)(f) of the Act are the same as conferred on a Civil Court by the Code of Civil Procedure (CPC). These have been spelt out in Section 114, read with Order 47, of the CPC.

- a) As per the said provisions, the specific grounds on which an Order already passed can be reviewed are:
  - I. if there are mistakes or errors apparent on the face of the record, or
  - II. on discovery of new and important matter or evidence which, after due diligence, was not within the knowledge or could not be produced at the time of making the order, or
  - III. if there exist other sufficient reasons.
- b) Thus, review is permissible where some mistake or error apparent on the face of record is found and the error apparent on record must be such an error which may strike one merely by looking at the record and would not require any long-drawn process of reasoning. But simultaneously, the materials on record, which on proper consideration may justify the claim, cannot be ignored.

- c) Clerical or arithmetical mistakes in Judgments or Orders, or errors arising therein from any accidental slip or omission may at any stage be corrected by the Commission under Section 152 of the CPC, either of its own motion or on the application of any of the parties. The word "accidental" qualifies the slip/ omission.

2. Section 74 of the Joint Electricity Regulatory Commission (Conduct of Business) Regulations, 2009, specifies the following:

***"74. Review of the decisions, directions and orders***

*(a) The Commission may at any time on its own motion or on the application of any of the persons or parties concerned, within 45 days of the making of any decision, direction or order, review such decisions, directions or orders and pass such appropriate orders as the Commission thinks fit:*

*Provided that power of review by the Commission on its own motion shall be exercised limited to correction of clerical or typographical errors.*

*(b) An application for such review shall be filed in the same manner as a Petition under Chapter II of these regulations."*

Therefore, the instant review application has to necessarily meet the requirements of Section 114 and Order 47 of the CPC to be eligible for review.

Accordingly, the issues raised by the Petitioner and the Commission's views there on are analysed as under:

***Issue 1: Partial Disallowance of Income Tax in 2023-24***

**Petitioner's Submission**

The Petitioner has highlighted that the Commission, in the impugned order dated 25.09.2025, has observed that the DNHDDPDCL has paid a total income tax of Rs. 35.14 Cr on an overall profit of Rs. 183 Cr, based on a total revenue of Rs. 6,092.64 Crore and proportionately allowed income tax of Rs. 32.18 Cr as a pass-through, only on the revenue shown in petition as per the Regulation for truing-up of FY 2023-24.

In this regard, the DNHDDPDCL has submitted that the MYT regulation states that variation between the income tax actually paid, including cess and surcharge, and approved, if any, on the income stream of the licensed business of the distribution licensee, shall be reimbursed to/ recovered from the licensee based on the documentary evidence submitted by the licensee at the time of truing up for each year of the control period after a prudence check. According to Regulation 33.4, any under/over-recovery of the income tax from the

consumers has to be adjusted every year on the basis of the income tax assessment under the Income Tax Act, 1961, as certified by the statutory auditors.

Further, the Revenue booked in the Financial Account is as per IndAS 115, which DNHDDPDCL is required to follow. The IndAS 115 prescribes the revenue recognition and matching principle i.e. expense and related revenue are required to be recorded in the same accounting year. Further, accounting of Revenue on accrual basis is also acknowledged by the Central Government in the Distribution Accounting Rules. Accordingly, the Petitioner has submitted that revenue of Rs. 483.25 Cr is booked on accrual basis based on the revenue recognition accounting policy adopted by the Petitioner in accordance with prevailing accounting standards. Further, the Petitioner has clarified that any difference in the regulatory revenue gets adjusted in subsequent year based on the Tariff approved by the Commission.

The Petitioner has also mentioned that the claim is in line with the Regulation 33.3 and 33.4 of JERC MYT Regulations, 2021 which mandates Income Tax on actual paid basis. Also, the Petitioner has submitted that the Income tax paid by the Petitioner is as per the Income Tax Act, which includes the Income Tax Liability on revenue booked in accounts. However, the Income Tax paid once on any revenue will not be payable again owing to adjustment in revenue and in turn there is no further claim for Income Tax for such Revenue booked under Accounts.

The Petitioner has also highlighted that the Commission vide its Order dated 13.09.2024 in Petition No. 117 of 2023 for True-up of FY 2022-23, has noted that the tax paid by the DNHDDPDCL is on rollover basis and in turn it has allowed Income tax based on the actual amount paid for FY 2022-23 in accordance with the JERC MYT Regulations, 2021.

Based on the above-mentioned details, the Petitioner has highlighted that the Commission has inadvertently ignored its precedent in previous tariff order and provisions of the MYT Regulation, while True-up Income Tax of FY 2023-24. Thus, the Income Tax approved by the Commission in True-up of FY 2023-24 is error apparent on the face of record and has requested the Commission to allow the claimed income tax of Rs. 35.14 Cr on actual paid basis.

### **Commission's Analysis**

The Commission observes that the JERC Multi Year Tariff Regulations 2021 (hereinafter Tariff Regulations) provide for recovery of income tax as per actual as provided below:

*"33. Tax on Income*

.....

33.3 Variation between Income Tax actually paid, including cess and

surcharge on the same, if any, and approved, if any, on the income stream of the Licensed business of the Distribution Licensees shall be reimbursed to/recovered from the Distribution Licensees, based on the documentary evidence submitted at the time of truing up of each Year of the Control Period, subject to prudence check.

33.4 Under-recovery or over-recovery of any amount from the Consumers on account of such tax having been passed on to them shall be adjusted every Year on the basis of income-tax assessment under the Income-Tax Act, 1961, as certified by the statutory auditors. The Distribution Licensee may include this variation in its truing up Petition: Provided that tax on any income stream other than the core business shall not be a pass-through component in tariff and tax on such other income shall be borne by the Distribution Licensee.”

The Commission in its Order dated 25<sup>th</sup> September 2025 in Petition no. 145 of 2025 has mentioned as below:

“3.17 Income Tax

.....

It has been observed that the Petitioner has claimed an amount of Rs. 0.17 Crore under Income tax under section 234C, the Commission opines that the interest under Section 234C, arising from shortfall or deferment in advance tax payments, is compensatory/penal in nature and not considered a normal business expenditure. As per regulatory principles, the ARR permits only prudent and legitimate expenses incurred for the licensed business, and penalties, fines, or interest on delayed statutory dues are not admissible. Accordingly, interest u/s 234C is disallowed from admissible income tax expenses to ensure that consumers are not burdened with the inefficiencies arising from delayed tax compliance.

It has been observed that the Petitioner paid a total income tax of Rs. 35.14 Crore on an overall profit of Rs. 183 crores, based on a total revenue of Rs. 6,092.64 Crore. However, for truing-up purposes, the Commission considers only the revenue billed to consumers as approved by the Commission. Accordingly, the Commission has proportionately allowed income tax as a pass-through only on the regulatory revenue considered for truing-up. Based on this, the allowable income tax has been reduced to Rs. 32.18 Crore.

The Commission in the Order for truing-up for FY 2023-24 had excluded an amount on Rs. 0.17 Cr. from the income tax claim which was towards ‘interest under Section 234C’ and

had also prorated the tax amount based on the regulatory revenue considered for truing-up.

The Petitioner, in its Review Petition, has submitted that the revenue has been booked in the audited accounts in accordance with the accounting principles under Ind AS 115, which prescribes recognition of revenue based on the matching principle. Under this principle, the corresponding expenditure and related revenue are required to be recognized in the same financial year. The Commission concurs with the Petitioner's submission that the additional revenue booked is consistent with the said accounting principles.

Also, it is observed that the Electricity Distribution (Accounts and Additional Disclosure) Rules, 2025, issued by Ministry of Power, GoI on 25.09.2025 provide for recognition of 'income recoverable from future tariff' as under:

***"4. Recognition of regulatory deferral account balances or income recoverable from future tariff. -***

*(1) For claims or sums to be recoverable through tariff, if any, the Specified Entity shall recognize regulatory deferral account balances or income recoverable from future tariff in its Financial Statement in accordance with applicable Accounting Standards and Guidance note on Accounting for Rate Regulated activities.*

*(2) The Specified Entity shall review the estimated amount expected to be recovered, refunded or adjusted at least at the end of financial year to reflect the current best estimates.*

*(3) If expectation differs from previous estimates, the changes should be accounted for as change in accounting estimates in accordance with relevant requirements of applicable Accounting Standard.*

*....."*

Further, considering that inclusion of the 'provision for estimated gap/surplus' in revenue would not result in any additional income tax liability in subsequent years, the Commission observes that there would be no additional burden of income tax on the consumers in the future on this account.

Having considered the above submissions of the Petitioner, the Commission is satisfied that an error has crept on the face of the record. Therefore, taking into account the relevant Rules notified by the Ministry of Power, the Commission hereby allows the previously disallowed amount of Rs. 2.79 crore towards income tax for the purpose of truing-up of FY 2023-24.

In view of the above, the following tables in the Order dated 25th September 2025 in Petition no. 145 of 2025 are being revised as under:

**TABLE 3-33 INCOME TAX APPROVED BY COMMISSION FOR FY 2023-24 (RS. CRORE)**

Particulars	Approved in APR Order	Petitioner's Submission	Approved in Truing-Up
Income Tax	-	35.14	32.18

**REVISED TABLE 3-33 INCOME TAX APPROVED BY COMMISSION FOR FY 2023-24 (RS. CRORE)**

Particulars	Approved in APR Order	Petitioner's Submission	Approved in Truing-Up
Income Tax	-	35.14	34.97

Accordingly, the Commission has recomputed the Trued-up ARR for FY 2023-24 after considering the impact of Income tax as follows:

**TABLE 3-40 NET ARR APPROVED BY COMMISSION FOR FY 2023-24 (RS. CRORE)**

Particulars	Approved in APR Order	Petitioner's Submission	Approved in Truing-Up
Power Purchase	5,739.08	5,821.01	5,821.01
O&M Expenses	111.53	117.24	107.09
Interest on Loans	23.16	24.99	24.99
Interest on Security Deposit	13.04	12.55	12.02
Interest on Working Capital	28.85	30.07	30.07
Depreciation	19.09	18.35	18.35
Bad debts Written Off	-	3.71	3.71
Return on Equity	31.48	30.97	30.97
Income Tax	-	35.14	32.18
<i>Less: Non-Tariff Income</i>	<i>65.18</i>	<i>65.64</i>	<i>59.25</i>
Add: Sharing of Gains/(Losses)	-	55.28	49.15
<b>Net ARR</b>	<b>5,901.05</b>	<b>6,083.66</b>	<b>6,070.29</b>

**REVISED TABLE 3-40 NET ARR APPROVED BY COMMISSION FOR FY 2023-24 (RS. CRORE)**

Particulars	Approved in APR Order	Petitioner's Submission	Approved in Truing-Up
Power Purchase	5,739.08	5,821.01	5,821.01
O&M Expenses	111.53	117.24	107.09

Interest on Loans	23.16	24.99	24.99
Interest on Security Deposit	13.04	12.55	12.02
Interest on Working Capital	28.85	30.07	30.07
Depreciation	19.09	18.35	18.35
Bad debts Written Off	-	3.71	3.71
Return on Equity	31.48	30.97	30.97
Income Tax	-	35.14	34.97
Less: Non-Tariff Income	65.18	65.64	59.25
Add: Sharing of Gains/(Losses)	-	55.28	49.15
<b>Net ARR</b>	<b>5,901.05</b>	<b>6,083.66</b>	<b>6,073.07</b>

Further, the Standalone Gap/Surplus approved by the Commission for FY 2023-24 is revised as follows:

**TABLE 3-43 STANDALONE GAP/(SURPLUS) APPROVED BY COMMISSION FOR FY 2023-24 (RS. CRORE)**

Particulars	Approved in APR Order	Petitioner's Submission	Approved in Truing-Up
Net Revenue Requirement	5,901.05	6,083.66	6,070.29
Revenue from Retail Sales at Existing Tariff	5,613.72	5,709.62	5,714.74
Net Revenue (Gap)/Surplus	(287.34)	(374.03)	(355.55)

**REVISED TABLE 3-43 STANDALONE GAP/(SURPLUS) APPROVED BY COMMISSION FOR FY 2023-24 (RS. CRORE)**

Particulars	Approved in APR Order	Petitioner's Submission	Approved in Truing-Up
Net Revenue Requirement	5,901.05	6,083.66	6,073.07
Revenue from Retail Sales at Existing Tariff	5,613.72	5,709.62	5,714.74
Net Revenue (Gap)/Surplus	(287.34)	(374.03)	(358.33)

## ***Issue 2: Disallowance on Gain sharing on account of Distribution Loss***

### **Petitioner's Submission**

The Petitioner has submitted that in Petition No. 145 of 2025, it had claimed incentive for achieving Distribution loss target, as per the MYT Regulations, 2021 read with the Transfer Scheme, as under:



Particulars	Formula	Normative	Actual
Retail Sales within the State/UT (MU)	a	10,198.93	10,198.93
Open Access Sales (MU)	b	-	-
Less: Energy Savings (MU)	c	-	-
Total Sales within the State/UT (MU)	d= a+b-c	10,198.93	10,198.93
Less: Solar Generation within State/UT (MU)	e	21.82	21.82
Net Total Sales within the State/UT (MU)	f=d-e	10,177.11	10,177.11
Distribution Loss (%)	g	3.16%	1.72%
Distribution Loss (%)	h=f*g/(1-g)	332.09	177.59
Energy required within Distribution Periphery (MU)	i=d/(1-g)	10,509.20	10,354.70
Gain on account of Distribution Loss (MU)	j= diff. of i		154.50
Power Purchase Rate (Rs/kWh)	k		5.37
Gain on account of Distribution Loss (Rs. Cr.)	l=j*k/10		82.92
Sharing of Gains on account of Distribution Loss (Rs. Cr.)	m=(2/3)*l		55.28

The Petitioner has highlighted that the claim has been made in line with the practice in vogue and the mechanism approved by the Commission in Tariff Order dated 13.09.2024, in Petition No. 117 of 2023.

Further, the Petitioner has mentioned that for the computation of gain, it has considered Average Power Purchase Rate (APPC) of Rs. 5.37/kWh of FY 2023-24 assuming that reduction is on account of Technical losses which has resulted into saving of power purchase cost. Petitioner has submitted that in case of reduction in commercial losses, one needs to quantify the amount of gain by considering the average billing rate as same has directly contributed in enhancing the Revenue. Therefore, the Petitioner has contested on the calculation of APPC which the Commission has considered as Rs. 4.77 / kWh after adjusting for cost of Renewable Energy Certificate (REC) and Inter and Intra State Transmission Charges for FY 2023-24 for computation of gain on account of over-achievement of distribution loss target for FY 2023-24 as against the Petitioner claim of Rs. 5.37/ kWh.

The Petitioner has submitted that the transmission charges are integral part of power purchase cost and REC cost has been incurred owing to the direction of the Commission to comply with the RPO norms which also includes shortfall in RPO which pertains to past period.

Further, the Petitioner has submitted that in the True-up Order dated 13.06.2024 for FY 2022-23, the Commission had approved the sharing of gains for over-achieving the distribution loss target for FY 2022-23 based on the APPC of Rs. 5.64/kWh which had been derived based on the power purchase cost approved in the true-up at the State/UT periphery. However, the Commission while computing the gains on account of achieving Distribution Loss targets has reduced cost of REC and Inter and Intra State Transmission charges while computing APPC for FY 2023-24.

Therefore, any subsequent change in methodology of computing incentives will not only give the wrong signal but also against the Principle of the Regulatory Certainty, but is an error apparent on record. Accordingly, the Petitioner has requested to allow the sharing of Gains on account of achieving Distribution Loss targets as claimed by the Petitioner.

### Commission's Analysis

The Commission while computing the sharing of gains on account of over-achievement of distribution loss target for FY 2023-24 has considered APPC as Rs. 4.77 / kwh after adjusting for transmission charges and REC cost. The Commission had stated in the Order:

*"The incentive has been considered at Rs. 4.77/kWh, which is the Average Power Purchase cost (APPC) excluding cost of REC and Inter and Intra State Transmission Charges for FY 2023-24 as tabulated below:*

Particulars	Approved by Commission
Total Energy within the State/UT (MU)	10,376.52
Total Power Purchase Cost for FY 2023-24 (Rs. Crore)	5,821.01
Less: REC Cost (Rs. Crore)	76.08
Less: Transmission Charges (Rs. Crore)	793.01
Net Power Purchase Cost for FY 2023-24 (Rs. Crore)	4,951.91
APPC (Rs./kWh) for consideration of Sharing of Gains/(Loss) on account of over/under-achievement of T&D Losses	4.77

*The APPC has been derived at State/UT Periphery based on the Power Purchase cost approved in the true-up and the Energy at the State/UT Periphery has been computed after grossing up the retail energy sales (10,198.93 MU) with the actual Distribution Loss (1.72%)."*

In this regard, the Commission had consciously decided to exclude the transmission charges and REC cost while computing the APPC, as also recorded in the Tariff Order. The Petitioner has submitted that there is saving in technical loss due to reduction in Distribution Loss. However, from the details submitted by the Petitioner it is difficult to segregate saving in transmission charges/ losses. . Further, REC certificates do not

constitute part of the actual physical energy procured by the licensee and, therefore, ought not to be included in the computation of sharing of gain/losses. In view of the above, the Commission has excluded these two components while determining incentive on account of over-achievement of distribution loss targets.

Therefore, there is no apparent error in the computation of Gain sharing on account of Distribution Loss.

### ***Issue 3: Relaxation for Implementation of Tariff as per JERC (Retail Supply Tariff Structure) Guidelines 2024***

#### **Petitioner's Submission**

The Petitioner has submitted that the Ministry of Power (MoP) vide its Order dated 04.06.2024, has expressed the need to establish physical and functional standards of smart meter. Accordingly, it has constituted a committee, to standardize various layers of Advance Meter Infrastructure (AMI) system, to achieve high level of cross system communication and to achieve high degree of inter-operability for ease of integration at all levels (Meter to Head End System (HES), and HES to Meter Data Management Systems (MDMS)) thus allowing for utilization of a unified HES Solution. Therefore, on January 2025, the constituted committee had finalized the guidelines for Standardization and Interoperability in AMI Systems for End to End Communication between Smart Meter, HES and MDM.

Accordingly, the Petitioner considering the nascency of smart meter technology and existing distribution loss level, in its capex plan vide Petition No. 144 & 145 of 2025 had proposed to implement smart meters in a phased manner. Initially, during FY 2025-26, no smart meter installation is envisaged and subsequently, the smart meter installation were planned from FY 2026-27 to FY 2029-30 based on implementation of the guidelines, as above and standardization and interoperability of meter are achieved. Further, the Petitioner submitted that considering collection efficiency of above 99% and reliability of more than 99.72%, there was no additional advantage of installing smart meters with substantial capex and also, the chances of limited / restricted functionality would also result in early replacement of smart meter, if same are installed without taking care of the issues highlighted in the guidelines.

Accordingly, the total capital expenditure proposed towards Meter Management by the Petitioner, which was also approved by the Commission vide its Order dated 02.09.2025 and 25.09.2025 in Petition No. 144 of 2025 and 145 of 2025, was as under:

Table 14: Capital Expenditure for Meter Management

All Figures in Rs. Crore	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Normal Load Growth	1.76	7.48	9.27	11.57	14.37
Meter Replacement	1.44	21.19	29.58	35.37	37.67
Smart Meter Integration	-	17.48	7.11	8.13	9.01
<b>Total</b>	<b>3.20</b>	<b>46.15</b>	<b>45.97</b>	<b>55.07</b>	<b>61.05</b>

Accordingly, in Order to ensure smooth transition of retail tariff structure guidelines, the Petitioner has taken due care of necessary change in terms and conditions of tariff schedule as under:

"6.5 The Hon'ble Commission has issued the Retail Supply Tariff Structure Guideline 2024, dated 20.12.2024 for rationalisation of tariff structure and uniformity of consumer categories. Accordingly, Petitioner has considered categorisation in line with JERC Retail Supply Tariff Structure Guideline 2024 and allocated the Sales, Number of Consumers and Connected load to new categories based on available data. In this regard, the Petitioner would like to submit as under:

a) .....

b) The Hon'ble Commission vide its retail tariff structure guidelines has specified that for the recovery of fixed/demand charges, the billing demand shall be the maximum demand recorded during the month. However, in absence of a recorded demand, the Petitioner proposes to consider available sanctioned load/connected load/contract demand for billing.

c) At present, LT Industries, EV and HT/EHT Consumers are billed on KVAh basis, which contributes around 95% of the overall sales. Now, the Hon'ble Commission vide its guidelines has introduced kVAh billing in various LT categories which contribute around 1% of overall sales. Meters in these Categories are required to be replaced to measure kVAh. Thus, Petitioner proposes to continue with KWh billing for these consumers till the time these meters are replaced with smart meter or compatible meters.

.....

Annexure-1: Proposed Tariff Schedule

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2. TERMS AND CONDITIONS OF LT TARIFF:

.....

## *2.2. Recovery of Fixed / Demand Charge:*

*The billing demand shall be the maximum demand recorded during the month or 85% of the contract demand whichever is higher.*

*Provided that, in case the consumer has not registered its contract demand with the licensee sanctioned/connected load shall be considered as Contracted Demand.*

*Provided further that, in case the recorded demand is not available, contracted demand shall be considered as billing demand."*

In view of the proposed, the Petitioner vide Petition No. 145 of 2025 had requested the Commission to provide the relaxation as above with regard to the implementation of revised tariff structure as per JERC Retail Supply Tariff Structure Guideline 2024, owing to the technical limitations of the existing meters till same gets replaced with the smart meter of the consumers in its supply area are replaced completely, in accordance with the above plan approved by the Commission.

The Petitioner has highlighted that the Commission in Order dated 25.09.2025 in Petition no. 145 of 2025 has inadvertently missed out this vital aspect while approving the retail tariff structure for the MYT control period. The implication of this is that the Petitioner will be required to replace all meters in its supply area in one month to implement its billing as per revised Tariff Structure which is neither practical nor feasible. Also, it may result in substantial capex on technology which is yet to mature as per the Guidelines issued by CEA. Therefore, this is an error apparent on the face of record and has requested the Commission to provide relaxation for implementation of revised tariff structure, as proposed in the Petition till the Petitioner replaces all smart meters in its supply area.

### **Commission's Analysis**

It is noticed that prior to notification of retail tariff structure guidelines 2024 dated 20.12.2024 specifying billing demands based on recording of maximum demand in kW / kVA and consumption in kVAh/ kWh as per its applicability, the Commission had already notified its Supply Code (Third Amendment) Regulations, 2024 on 02.08.2024 mandating (a) release of connections installing smart pre- paid meters (b) ToD billing for C&I consumers having maximum demand more than 10 kW from 1st April 2025 and for other consumers also w.e.f. 1st April 2025 or immediately after installation of smart meters wherein the Petitioner DNHDDPDCL had highlighted the issue of higher capex requirement for replacement of all meters with smart meters in one go. However, Commission decided to mandate the installation of smart meters.

It is a well-established position that the Regulations are binding on the Licensees,

consumers, as well as the Commission. It is also evident from the foregoing discussion that the Retail Supply Tariff Structure Guidelines, 2024 stipulate billing on recorded maximum demand in accordance with the Supply Code (Third Amendment) Regulations, 2024, which were notified prior to the issuance of the Retail Supply Tariff Structure Guidelines, 2024. The Commission also notes that the Petitioner had requested for relaxation with regard to the implementation of revised tariff structure as per JERC Retail Supply Tariff Structure Guideline 2024 in view of the technical limitations of existing meters till the same are replaced as per the Business Plan approved by the Commission.

In the above background, considering the difficulty placed before the Commission with respect to kVAh metering and billing of LT consumers where compatible meters are not available, the Commission, in exercise of its power to relax, allows the Petitioner to undertake billing by considering the sanctioned/contracted load in kW as the Maximum Demand and assuming a unity power factor, until such time smart meters are installed for the respective consumers as per the approval.

#### ***Issue 4: Disallowance of Prompt Payment Rebate***

##### **Petitioner's Submission**

The Petitioner has submitted that it had provided prompt payment rebate of Rs. 5.12 Cr. to the consumers as per the General Conditions of HT and LT Supply of Tariff Schedule of FY 2023-24 as approved vide Order dated 01.08.2023 in Petition no. 89 of 2022:

*"13. Prompt Payment Rebate: If payment is made at least 7 days in advance of the due date of payment, a rebate for prompt payment @ 0.25% of the bill amount shall be given. Those consumers having arrears shall not be entitled for such rebate."*

Further, the Petitioner has submitted that the Commission in its previous Order dated 01.08.2023 in Petition No. 89 of 2022 under MYT Regulations 2021 has allowed the Prompt Payment Rebate. Also, the same has been allowed by the Commission in its subsequent true-up Orders dated 13.06.2024.

Accordingly, the Petitioner has contended that for FY 2024-25, the Commission has inadvertently not considered the rebate of Rs.5.12 Crore while the same has been provided by the Petitioner in line with the general terms and conditions of HT& LT supply approved by the Commission for FY 2023-24. The Petitioner has submitted that the decision to disallow Prompt Payment Rebate is an error apparent on the face of record and has requested the Commission to allow the claimed prompt payment rebate of Rs. 5.12 Cr on actual paid basis.

##### **Commission's Analysis**

The Commission has considered the provisions of the Regulations while recording the reasons for excluding rebate in the total revenue for FY 2023-24 in the Tariff Order as follows:

*"The Commission further observes that the Petitioner has considered revenue from sale of power Rs. 5,709.62 Crore after deducting prompt payment rebate of Rs. 5.12 Crore which is not in conformity to the JERC MYT tariff Regulations, 2021. As per the Regulations, the total revenue from sale of power for the purpose of truing-up shall be billed amount which does not include prompt payment rebate. Accordingly, the Commission has approved a sum of Rs. 5,714.74 Crore for truing up for FY 2023- 24."*

The Commission is of the view that since the working capital is being approved on normative basis, prompt payment by the consumers results in direct savings in the working capital for the Petitioner. Thus, the Commission has taken a considered view in absence of the relevant Regulation and there is no error apparent in its decision. This issue, therefore, does not warrant a review.


In view of the above, the Petitioner succeeds in review of issue no. 1 and 3. Further, issue no. 2 & 4 does not qualify for review as noted above.

The Petition stands disposed of accordingly.

**-Sd-  
(Jyoti Prasad)  
Member (Law)**

**-Sd-  
(Alok Tandon)  
Chairperson**

**Certified Copy**

  
27/01/26

**(Rajesh Dangi)  
Secretary (I/c)**

**Place: Gurugram  
Date: 27.01.2026**