



PETITION
ON
TRUE-UP FOR FY 2024-25 (upto 31.01.2025)
OF ELECTRICITY WING OF ENGINEERING DEPARTMENT, CHANDIGARH

Submitted to Joint Electricity Regulatory Commission, Gurugram, Haryana

On 27th January, 2026

BY

ELECTRICITY WING OF ENGINEERING DEPARTMENT, CHANDIGARH



AND

IN THE MATTER OF: Electricity Wing of Engineering Department, Chandigarh, Deluxe Building, Sector - 9D, Chandigarh, UT (**PETITIONER**).

AFFIDAVIT VERIFYING THE PETITION

I, Anil Dhamija son of Late Sh. G.L Dhamija, aged 60 years do hereby solemnly affirm and state as follows: -

1. That the deponent is the Superintending Engineer of Electricity Wing of Engineering Department, Chandigarh and is authorized to sign and submit the said petition, and is acquainted with the facts deposed to below.
2. I, on behalf of Electricity Wing of Engineering Department, Chandigarh, hereby verify that the contents of the accompanying the **Petition for True-Up of FY 2024-25 (upto 31.01.2025) of Electricity Wing of Engineering Department, Chandigarh** are based on the records of the Electricity Wing of Engineering Department, Chandigarh maintained in the ordinary course of business and believed by them to be true and I believe that no part of it is false and no material has been concealed there from.

Details of enclosure:

a) Petition for True-Up of FY 2024-25 (upto 31.01.2025) of Electricity Wing of Engineering Department, Chandigarh.

Place: Chandigarh.

Dated: 27th January, 2026

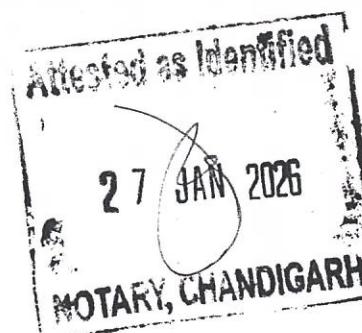


[Signature]
DEPONENT

I, the above named deponent, do hereby verify on this day 27th of January, 2026 at Chandigarh and state that the contents of the foregoing submission are true and correct. Nothing stated therein is false and nothing material has been concealed.

Place: Chandigarh.

Dated: 27th January, 2026



[Signature]
DEPONENT

Electricity Wing of Engineering Department,
Chandigarh (EWEDC)

True-up for FY 2024-25 (upto 31.01.2025)

BEFORE THE HON'BLE JOINT ELECTRICITY REGULATORY COMMISSION

Filing No:

Case No:

IN THE MATTER OF:

Petition for True-Up of FY 2024-25 (upto 31.01.2025) of Electricity Wing of Engineering Department, Chandigarh

AND IN THE MATTER OF:

Electricity Wing of Engineering Department, Chandigarh Deluxe Building, Sector - 9D Chandigarh - UT
PETITIONER

PETITIONER, UNDER SECTIONS 45, 46, 61, 62 AND 64 OF THE ELECTRICITY ACT, 2003 FILES FOR INITIATION OF PROCEEDINGS BY THE HON'BLE COMMISSION FOR DECIDING ON THE MATTERS CONCERNING THE APPROVAL OF THE TRUE-UP FOR FY 2024-25 OF ELECTRICITY WING OF ENGINEERING DEPARTMENT, CHANDIGARH

The applicant respectfully submits hereunder:

- 1) The Petitioner, the Electricity Wing of Engineering Department, Chandigarh (EWEDC) has been allowed to function as an integrated Distribution licensee for the license area of Chandigarh UT. However, Vide Notification No. G1/2025/120 dated 31.01.2025, the Administration of UT Chandigarh, notified the Chandigarh Electricity Reforms Transfer Scheme, 2025 ("Transfer Scheme") in exercise of powers conferred to the Administration of UT Chandigarh under the provisions of Sections 131, 133 and 134 of the Electricity Act, 2003 read with Notification bearing No. S.O.721(E) dated 22.06.2004 issued by, Ministry of Home Affairs, Government of India, thereby giving effect transfer of the distribution and retail supply licensee functions of EWEDC including the undertaking, assets, proceedings and liabilities assets, liabilities, interests, rights, functions, obligations, proceedings and personnel to Chandigarh Power Distribution Limited (CPDL). The effective date for the Transfer Scheme to come into effect was notified as 01.02.2025 by Notification No. G1/2025/121 dated 01.02.2025.
- 2) Pursuant to the enactment of the Electricity Act, 2003, and the applicable provisions under Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2021 (hereinafter referred to as 'MYT Regulations, 2021') EWEDC is required to submit its Annual Revenue Requirement (ARR) and Tariff Petition as per the procedures outlined in section 61, 62 & 64 of EA 2003, and the governing regulations thereof. As per the applicable provisions, EWEDC filed Petition for approval of Aggregate Revenue Requirements (ARR) & Determination of Retail Tariff for FY 2024-25, True-up of FY 2021-22 and Annual Performance Review (APR) of FY 2023-24 that was admitted by the Hon'ble Joint Electricity Regulatory Commission (hereinafter referred to as the "Commission") on 4th June 2024 and marked as Petition No. 125 of 2024. Subsequently, the Hon'ble Commission passed the Order dtd. 25.07.2024 on ARR of FY 2024-25 to be read conjointly with the Corrigendum dtd. 17.10.2024 on the same.
- 3) EWEDC is now submitting the petition for True-Up for FY 2024-25 (for the period from 01.04.2024 to 31.01.2025 only) of the Distribution business of Chandigarh, on the basis of the principles outlined in the MYT Regulations, 2024 notified by the Hon'ble Commission.
- 4) EWEDC is submitting the True-up for FY 2024-25 based on the Annual Accounts of FY 2024-25 (for the period from 01.04.2024 to 31.01.2025 only) prepared on the commercial accounting principles and

duly vetted by the Asst. Controller (Finance and accounts), Electricity Department. The EWEDC has already submitted the annual accounts for FY 2024-25 to the AG UT. The response on the final findings and comments of the AG UT on annual accounts will be provided accordingly in due course of time.

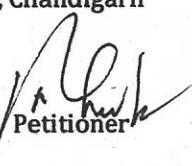
5) EWEDC along with this petition is submitting the statutory formats with additional/ supplementary data & information available and shall further make available the same to the extent available with EWEDC as may be required by the Hon'ble Commission during its processing.

Prayers to the Commission

EWEDC most respectfully prays that the Hon'ble Commission may:

- 1) Admit this Petition filed by EWEDC.
- 2) Examine the proposal submitted by the Petitioner for a favourable dispensation as detailed in the enclosed proposal;
- 3) Consider the submissions and allow the True-Up for FY 2024-25 (for the period from 01.04.2024 to 31.01.2025 only);
- 4) Approve the revenue gap/surplus and appropriate tariff increase as detailed in the enclosed proposal;
- 5) Condone any inadvertent omissions/ errors/ shortcomings and permit EWEDC to add/ change/ modify/ alter this filing and make further submissions as may be required at a future date;
- 6) Pass such orders as the Hon'ble Commission may deem fit and proper, keeping in view the facts and circumstances of the case;

Electricity Wing of Engineering Department, Chandigarh


Petitioner

Place: Chandigarh
Date: 27th January 2026

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List of Abbreviations

Abbreviation	Full Form
A&G	Administrative and General
ACoS	Average Cost of Supply
Act	The Electricity Act, 2003
APR	Annual Performance Review
ARR	Aggregate Revenue Requirement
ATE	Appellate Tribunal of Electricity
BPL	Below Poverty Line
CAGR	Compound Annualized Growth rate
Capex	Capital Expenditure
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
CGRF	Consumer Grievance Redressal Forum
CGS	Central Generating Stations
COD	Commercial Operation Date
CPDL	Chandigarh Power Distribution Ltd.
Cr	Crores
Discom	Distribution Company
EWEDC or erstwhile EWEDC	Electricity Wing of Engineering Department, Chandigarh as existed prior to 01.02.2025
DSM	Deviation Settlement Mechanism
EHT	Extra High Tension
ERP	Enterprise Resource Planning
FPPCA	Fuel and Power Purchase Cost Adjustment
FY	Financial Year
GFA	Gross Fixed Assets
HT	High Tension
IEX	Indian Energy Exchange Limited
IPP	Independent Power Producer
ISTS	Inter State Transmission System
JERC	Joint Electricity Regulatory Commission for the state of Goa and Union Territories
LT	Low Tension
MU	Million Units
MYT	Multi Year Tariff
NFA	Net Fixed Assets
NTPC	National Thermal Power Corporation
O&M	Operation and Maintenance
PGCIL	Power Grid Corporation of India Limited
PLF	Plant Load Factor
PLR	Prime Lending Rate
POSOCO	Power System Operation Corporation Limited
PPA	Power Purchase Agreement
R&M	Repair and Maintenance
REC	Renewable Energy Certificate
RLDC	Regional Load Despatch Centre

Electricity Wing of Engineering Department,
Chandigarh (EWEDC)

True-up for FY 2024-25 (upto 31.01.2025)

Abbreviation	Full Form
RoE	Return on Equity
RPO	Renewable Purchase Obligation
SBI MCLR	SBI Marginal Cost Lending Rate
SBI PLR	SBI Prime Lending Rate
SERC	State Electricity Regulatory Commission
SLDC	State Load Despatch Centre
SOP	Standard of Performance
T&D Loss	Transmission & Distribution Loss
UI	Unscheduled Interchange
UT	Union Territory

Chapter 1: Introduction and Background

1.1 Introduction - Electricity Wing of Engineering Department, Chandigarh

- 1.1.1 Union Territory of Chandigarh had come into existence with effect from 1st November, 1966 after re-organization of erstwhile state of Punjab. An early entrant to the planning process, Chandigarh has emerged as one of the most developed Union Territories in India and even achieved the ranking of one of the best UTs in India with regards to investment environment, infrastructure and tourism.
- 1.1.2 The Local Distribution of electricity in Chandigarh was taken over by the Chandigarh Administration from the PSEB on 2nd May, 1967. The Electricity Wing of Engineering Department, Chandigarh is part of Chandigarh Administration, UT of Chandigarh and is responsible for Transmission and Distribution of power supply up to consumers' door-step. The electricity department of Chandigarh is responsible for ensuing quality and continuous power supply to each and every resident of Chandigarh. The Electricity Operation Circle is headed by Superintending Engineer along with five Executive Engineers.
- 1.1.3 The Electricity Wing of Engineering Department, Chandigarh of UT Administration of Chandigarh, hereinafter called "EWEDC", a deemed licensee under section 14 of the Electricity Act 2003, was carrying out the business of transmission, distribution and retail supply of electricity in Chandigarh (UT) till 31.01.2025. Vide Notification No. G1/2025/120 dated 31.01.2025, the Administration of UT Chandigarh, notified the Chandigarh Electricity Reforms Transfer Scheme, 2025 ("Transfer Scheme") in exercise of powers conferred to the Administration of UT Chandigarh under the provisions of Sections 131, 133 and 134 of the Electricity Act, 2003 read with Notification bearing No. S.O.721(E) dated 22.06.2004 issued by, Ministry of Home Affairs, Government of India, thereby giving effect transfer of the distribution and retail supply licensee functions of EWEDC including the undertaking, assets, proceedings and liabilities assets, liabilities, interests, rights, functions, obligations, proceedings and personnel to CPDL. The effective date for the Transfer Scheme to come into effect was notified as 01.02.2025 by Notification No. G1/2025/121 dated 01.02.2025.
- 1.1.4 The EWEDC, till 31.01.2025 was functioning as an integrated distribution licensee of Union Territory of Chandigarh. The EWEDC doesn't have its own generation except infirm power

from rooftop and ground mounted solar, therefore, procures power from its allocation from central generating stations NTPC, NHPC, NPCIL, BBMB, SJVNL and THDC. EWEDC has tied up wind generating stations thorough SECI to meet non-solar RPO. The balance energy requirement, if any, is met through short term purchase through bilateral transactions and power exchange.

- 1.1.5 All the sectors of Chandigarh are electrified and any desiring consumer can avail power supply by submitting requisition in the prescribed form to the appropriate office of the Department subject to fulfilment of the requisite conditions and payment of charges. EWEDC is under control of Administration of Union Territory of Chandigarh and the maintenance of the accounts or Income and expenditure statement was being done on "cash" basis i.e., single entry system. However as per the directives of Hon'ble Commission, EWEDC has converted to accounting system based on Accrual Basis i.e., double entry system.
- 1.1.6 EWEDC has prepared the annual accounts on commercial principle for FY 2024-25 (for the period from 01.04.2024 to 31.01.2025) along with Fixed Asset Register as on 31.01.2025.

1.2 Regulatory Process

- 1.2.1 EWEDC had filed its first petition for Annual Revenue Requirement and Determination of Tariff for FY 2011-12 under section 62 of the Electricity Act, 2003 and under the JERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2009 to the Hon'ble Commission on 13th January, 2011. The Tariff Order was issued by the Hon'ble Commission on 16th July, 2011 and the new tariff was made effective from 1st April, 2011.
- 1.2.2 EWEDC filed its second Petition for Tariff determination for FY 2012-13. In the Petition, EWEDC had requested for review of Tariff Order for FY 2011-12 based on the actual numbers for part year and projected ARR for FY 2012-13. The Hon'ble Commission processed the Petition and issued a Tariff Order for FY 2012-13 on 7th May, 2012 which included review for FY 2011-12. The tariff was made applicable from 1st May, 2012.
- 1.2.3 On 7th February, 2013, the Petitioner filed its petition for approval of provisional true up of ARR for FY 2011-12, revised estimates of ARR for FY 2012-13 and approval of ARR and Tariff for FY 2013-14. The Hon'ble Commission issued the Tariff Order on 15th April,

2013. However, the Hon'ble Commission had not conducted the provisional true-up of ARR of FY 2011-12 as the audited accounts were not available during that time. The tariff was made applicable from 1st May, 2013.

1.2.4 The department subsequently filed its fourth petition for determination of Aggregate Revenue Requirement (ARR) & Retail Tariff for distribution and retail sale of electricity for FY 2014-15, Review of FY 2013-14 & Truing up of FY 2011-12 and FY 2012-13 on 20th January, 2014 according to principles outlined in the JERC Tariff Regulations, 2009. The Commission issued tariff order on 11th April, 2014.

1.3 Filing of Multi Year Tariff Petition and Annual Performance Review Petition

1.3.1 Hon'ble Joint Electricity Regulatory Commission (JERC) for the State of Goa and Union Territories, in exercise of powers conferred by sub section (1) of section 181 and clauses (zd), (ze) and (zf) of sub section (2) of section 181, read with sections 61, 62, 83 and 86, of the Electricity Act 2003 (36 of 2003) and all other powers enabling it in this behalf, issued the Multi Year Distribution Tariff Regulations, 2014, hereinafter referred to as "MYT Regulations, 2014".

1.3.2 As per the MYT Regulations, 2014, the Distribution Licensees were required to file a Business Plan for Control Period of three financial years from April 1, 2015 to March 31, 2018, which shall comprise but not be limited to detailed category-wise sales and demand projections, power procurement plan, capital investment plan, financing plan and physical targets before the Hon'ble Commission as part of the Tariff Filing before the beginning of the Control Period. However, the Control Period was postponed by a year and the revised Control Period was notified as April 1, 2016 to March 31, 2019.

1.3.3 Accordingly, the EWEDC had filed a revised Business Plan for the Control Period of FY 2016-17 to FY 2018-19 based on the available data for FY 2014-15 and previous financial years against which the Hon'ble Commission issued an Order dated 28th December, 2015. In the Order for Business Plan, the Hon'ble Commission had directed EWEDC for submission of MYT Petition for the Control Period FY 2016-17 to FY 2018-19 within 30 days from issuance of the Order for Business Plan.

1.3.4 As per the directives of the Hon'ble Commission, EWEDC filed Tariff Petition for approval of Annual Revenue Requirement for MYT Control period of FY 2016-17 to FY 2018-19 and determination of retail tariff for FY 2016-17 in accordance to the principles laid down under section 61, 62 and 64 of the Electricity Act 2003, JERC MYT Regulations, 2014, provisions of National Electricity Policy & National Tariff Policy, JERC (Conduct of Business) regulations 2009 and other relevant regulations. The Hon'ble Commission in its order dated 28th April, 2016 approved True-up of FY 2011-12 to FY 2014-15, carried out performance review of FY 2015-16 and had approved Annual Revenue Requirement for FY 2016-17 to FY 2018-19 and retail tariff for FY 2016-17.

1.3.5 As per the multi-year framework outlined in MYT Regulations, 2014, the licensee was required to file Annual Performance Review petition in the subsequent years of the Control Period along with True-up of previous year and Retail Tariff proposal for ensuing year.

1.3.6 Accordingly, in line with the MYT Regulations, 2014, Electricity Wing of Engineering Department, Chandigarh had filed the petition comprising of True-up of FY 2015-16, Annual Performance Review of FY 2016-17 and revised ARR and retail tariff proposal for FY 2017-18. The Hon'ble Commission in its order dated 04th May, 2017 approved True-up of FY 2015-16, carried out performance review of FY 2016-17 and had approved revised ARR & retail tariff for FY 2017-18.

1.3.7 On 12th January, 2018, the Petitioner filed its petition for approval of True-up of FY 2016-17, performance review of FY 2017-18 and revised ARR and retail tariff proposal for FY 2018-19. The Hon'ble Commission in its order dated 28th March, 2018 approved True-up for FY 2016-17, carried out performance review for FY 2017-18 and approved revised ARR and retail tariff for FY 2018-19.

1.3.8 The Hon'ble Commission notified Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2018 (hereinafter referred to as 'MYT Regulations, 2018') on 10th August, 2018. These Regulations were applicable to all the generation companies, transmission and distribution licensees in the State of Goa and Union Territories including Chandigarh for the 2nd Control Period i.e., from FY 2019-20 to FY 2021-22.

1.3.9 As per the MYT Regulations, 2018, the Distribution Licensee was required to file a Business Plan for Control Period of three financial years from April 1, 2019 to March 31, 2022, which shall comprise but not be limited to detailed category-wise sales and demand projections, power procurement plan, capital investment plan, financing plan and physical targets before the Hon'ble Commission as part of the Tariff Filing before the beginning of the Control Period.

1.3.10 Accordingly, in line with MYT Regulations, 2018, the Electricity Wing of Engineering Department, Chandigarh had filed a Business Plan for the Control Period of FY 2019-20 to FY 2021-22 on 29th August, 2018 based on the available data for FY 2017-18 and previous financial years against which the Hon'ble Commission issued an Order dated 12th November, 2018.

1.3.11 On 12th December, 2018, the Petitioner filed Tariff Petition for approval of True-up for FY 2017-18, Annual Performance Review for FY 2018-19 in accordance with the MYT Regulations, 2014 and Aggregate Revenue Requirement (ARR) for the 2nd control period of FY 2019-20 to FY 2021-22 & retail tariff proposal for FY 2019-20 in accordance with the principles laid down under section 61, 62 and 64 of the Electricity Act 2003, JERC MYT Regulations, 2018, provisions of National Electricity Policy & National Tariff Policy, JERC (Conduct of Business) regulations 2009 and other relevant regulations. The Hon'ble Commission in its order dated 20th May, 2019 approved True-up of FY 2017-18, carried out performance review of FY 2018-19 and approved Annual Revenue Requirement for FY 2019-20 to FY 2021-22 and retail tariff for FY 2019-20.

1.3.12 On 4th December, 2019, the Petitioner filed the petition for approval of True-up for FY 2018-19 in accordance with the MYT Regulations, 2014, Annual Performance Review for FY 2019-20 and revised Aggregate Revenue Requirement (ARR) & retail tariff proposal for FY 2020-21 in accordance with the MYT Regulations, 2018. The Hon'ble Commission vide Order dated 19th May, 2020 approved Trued Up the Tariff for FY 2018-19, carried out the performance review of FY 2019-20 and determined the Aggregate Revenue Requirement (ARR) & Retail Tariff for FY 2020-21.

1.3.13 On 20th January, 2021, the Petitioner filed the petition approval of True-up for FY 2019-20, Annual Performance Review for FY 2020-21 and revised Aggregate Revenue Requirement

(ARR) & retail tariff proposal for FY 2021-22 in accordance with the MYT Regulations, 2018. The Hon'ble Commission vide Order dated 30th March, 2021 approved Trued Up the Tariff for FY 2019-20, carried out the performance review of FY 2020-21 and determined the Aggregate Revenue Requirement (ARR) & Retail Tariff for FY 2021-22.

- 1.3.14 The Hon'ble Commission notified Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2021 (hereinafter referred to as 'MYT Regulations, 2021') on 25th March, 2021. These Regulations were applicable to all the generation companies, transmission and distribution licensees in the State of Goa and Union Territories including Chandigarh for the 3rd Control Period i.e., FY 2022-23 to FY 2024-25.
- 1.3.15 As per the MYT Regulations, 2021, the Distribution Licensee was required to file a Business Plan for Control Period of three financial years from April 1, 2022 to March 31, 2025, comprise but not limited to detailed category-wise sales and demand projections, power procurement plan, capital investment plan, financing plan and physical targets before the Hon'ble Commission as part of the Tariff Filing before the beginning of the Control Period.
- 1.3.16 Accordingly, in line with MYT Regulations, 2021, the EWEDC filed a Business Plan for the Control Period of FY 2022-23 to FY 2024-25 on 8th April, 2022 based on the available data for FY 2019-20 and previous financial years against which the Hon'ble Commission issued an Order dated 11th July, 2022.
- 1.3.17 On 8th April 2022, the Petitioner filed the petition for approval of True-up for FY 2020-21, Annual Performance Review for FY 2021-22 in accordance with the MYT Regulations, 2018 and Aggregate Revenue Requirement (ARR) for the 3rd control period of FY 2022-23 to FY 2024-25 & retail tariff proposal for FY 2022-23 in accordance with the principles laid down under section 61, 62 and 64 of the Electricity Act 2003, JERC MYT Regulations, 2021, provisions of National Electricity Policy & National Tariff Policy, JERC (Conduct of Business) regulations 2009 and other relevant regulations. The Hon'ble Commission in its order dated 11th July, 2022 carried out performance review for FY 2021-22 and approved Annual Revenue Requirement for FY 2022-23 to FY 2024-25 and retail tariff for FY 2022-23. However, the Hon'ble Commission in the above-mentioned Order had not taken up the provisional True-up for FY 2020-21 due to absence of the audited accounts during that time.

1.3.18 On 6th February 2023, the Petitioner filed the petition for approval of True-up for FY 2020-21 & FY 2021-22 in accordance with the MYT Regulations, 2018, Annual Performance Review for FY 2022-23 and revised Aggregate Revenue Requirement (ARR) & retail tariff proposal for FY 2023-24 in accordance with the MYT Regulations, 2021. The Hon'ble Commission in its order dated 30th March, 2023 has approved True Up for FY 2020-21, Annual Performance Review (APR) of FY 2022-23, and Aggregate Revenue Requirement (ARR) and Determination of Retail Tariff for FY 2023-24. However, the Hon'ble Commission in the abovementioned Order had not taken up the provisional True Up for FY 2021-22 due to absence of the audited accounts at that time.

1.3.19 On 6th June 2024, the Petitioner filed the petition for approval of True-up for FY 2021-22 in accordance with MYT Regulations 2018, Annual Performance Review for FY 2023-24 and Determination of Tariff and Aggregate Revenue Requirement (ARR) for FY 2024-25 in accordance with the MYT Regulations, 2021. The Hon'ble Commission in its order dated 25th July 2024, has approved True-up for FY 2021-22, Annual Performance Review of FY 2023-24, Aggregate Revenue Requirement (ARR), and Determination of Retail Tariff for FY 2024-25. Further, the Commission also issued Corrigendum dtd. 17th October 2024 for the Tariff Order dated 25th July 2024, in the matter of True-up for FY 2021-22, Annual Performance Review of FY 2023-24, Aggregate Revenue Requirement (ARR), and Determination of Retail Tariff for FY 2024-25.

1.3.20 On 29th December 2025, the Petitioner filed the Petition before the Hon'ble Commission for approval of True-up for FY 2022-23 and FY 2023-24, as per the provisions of MYT Regulations, 2021.

1.3.21 The Petitioner is filing the instant Petition before the Hon'ble Commission for approval of True-up for FY 2024-25 as per the provisions of MYT Regulations, 2021.

1.4 Restructuring of the Distribution Utility of EWEDC Chandigarh

1.4.1 Vide notification dated 22.06.2004, the Government of India empowered the Administrators/Lieutenant Governors of the Union Territories to exercise the power and discharge the functions of the State Government within their respective territories.

- 1.4.2 On 28.04.2016, Joint Electricity Regulatory Commission made recommendations to the UT Chandigarh for initiating action on corporatization of the EWEDC.
- 1.4.3 On 03.02.2020, the Chief Engineer-cum-Special Secretary approved the proposal and recommended for the issuance of DNIT for appointment of consultant for corporatization and restructuring of EWEDC.
- 1.4.4 On 05.05.2020, the Union Home Minister sent a letter to the Union Minister of Power to take up the matter of privatization of Power Departments in the Union Territories in a time bound manner.
- 1.4.5 On 12.05.2020, the Union Minister of Power held a meeting taking up the matter of privatization of the power distribution.
- 1.4.6 Thereafter, the Advisor, UT Chandigarh, affirmed the proposal for the said privatization and informed that the tender for the appointment of transaction advisory for corporatization of the Electricity Wing of Chandigarh had already been floated.
- 1.4.7 On 16.05.2020, the Union Ministry of Finance also announced various structural reforms including the privatization of the distribution in power sector in the Union Territories.
- 1.4.8 On 20.05.2020, the Union Ministry of Power also requested the Union Territories to take decision of corporatization and privatization of the electricity distribution function, immediately.
- 1.4.9 On 10.06.2020, a High Level Steering Committee was constituted and M/s Deloitte Touche Tohmatsu India Private Limited (a Japanese entity) was appointed as Transaction Advisor on 01.07.2020 for assistance in the privatization of the EWEDC, Chandigarh.
- 1.4.10 On 20.07.2020, the first meeting of the High-Level Steering Committee directed to ensure completion of process of privatization by 30.12.2020.
- 1.4.11 On 21.08.2020, a meeting to review the status of the privatization of Power Departments/DISCOMs in the Union Territories, was held under the Chairmanship of the Minister of State for Power and one of the major action points emanating from the discussion

was to ensure the release of bid documents before 01.10.2020 and complete the entire process by 31.12.2020.

- 1.4.12 On 03.09.2020, M/s Deloitte Touche Tohmatsu India Private Limited sent a draft transfer scheme and a communication was sent to the Union Ministry of Power for decision to be taken on several key points raised by the Chandigarh Administration.
- 1.4.13 On 17.09.2020, a second meeting of the High- Level Steering Committee on privatization of the Power Department in Union Territory, Chandigarh, took place.
- 1.4.14 On 20.09.2020, a draft Standard Bidding Document (SBD) for the selection of bidders for the purchase of majority shares was issued which provided for privatization of the distribution licenses comprising the draft Request for Proposal (RFP) with the drafts of Employee Transfer Scheme, Shareholder Agreement, Shareholder Acquisition Agreement for the sale of 100% stake, Policy directions by the UT, Chandigarh and Bulk Supply Agreement seeking comments from all the stakeholders by 05.10.2020 which was extended up to 12.10.2020.
- 1.4.15 The Superintending Engineer, Electricity Operation Circle had also forwarded SBD along with all other documents to all the stakeholders inviting their comments.
- 1.4.16 Ultimately on 29.09.2020, the Transaction Advisor, submitted the Chandigarh Electricity Reforms Transfer Scheme to the Administration of U.T. Chandigarh, along with the draft Policy Directions, draft Shareholder Acquisition Agreement and RFP for the selection for bidder for purchase of 100% share in SPV for the distribution and retail sale of electricity in the UT, Chandigarh.
- 1.4.17 On 10.11.2020, notice inviting the bids for purchase of 100% shares in the distribution company from the interested entities fulfilling the qualification requirements and other conditions set out in the RFP which was part of the SBD was issued.
- 1.4.18 In the interim, the U.T. Powermen Union (Union of the employees of U.T. Power Department), Chandigarh filed a civil writ petition inter-alia questioning the correctness of the office memorandum issued on 10.05.2020, decision taken by the Union of India on 12.05.2020 and prayed for quashment of the notice issued by the U.T. Chandigarh inviting the bids which

came up for hearing on 01.12.2020 and was admitted for regular hearing while staying the operation and effect of office memorandum dated 10.05.2020 and notice inviting the bids dated 10.11.2020 (ref order dated 01.12.2020 of Punjab and Haryana High Court).

- 1.4.19 On 06.11.2024, Hon'ble Punjab and Haryana High Court dismissed the Writ petitions. Hon'ble Supreme Court also upheld the APTEL's judgement dismissing the SLC preferred by the U.T. Powermen Union Chandigarh (ref Judgement dated 02.12.2024).
- 1.4.20 Following the completion of the bidding process, on 05.08.2021, Eminent Electricity Distribution Limited (EEDL), a subsidiary of CESC Ltd. was selected as the Successful Bidder for purchase of 100% equity shares in the Distribution Company named Chandigarh Power Distribution Limited ("CPDL").
- 1.4.21 Post dismissal of SLC by the Hon'ble Supreme Court, on 21.01.2025, Letter of Intent was issued to the EEDL to acquire 100% stake in the Electricity Distribution business of Chandigarh.
- 1.4.22 Vide Notification No. G1/2025/120 dated 31.01.2025, the UT Administration, has notified the Chandigarh Electricity Reforms Transfer Scheme, 2025 (Transfer Scheme) in exercise of powers conferred to the UT Administration under the provisions of Sections 131, 133 and 134 of the Electricity Act, 2003 read with Government of India, Ministry of Home Affairs, New Delhi Notification bearing No. S.O.721(E) dated 22.06.2004, thereby giving effect to the transfer of distribution & retail supply of electricity functions together with the assets, liabilities, interests, rights, functions, obligations, proceedings and personnel of the EWEDC to CPDL, effective from 01.02.2025 vide Notification No. G1/2025/121 dated 31.01.2025.
- 1.4.23 On 31.01.2025, UT Administration, EEDL and CPDL accordingly entered into the Share Purchase Agreement (SPA) for acquisition of 100% equity shares of CPDL by EEDL. Pursuant to the Transfer Scheme and SPA both dated 31.01.2025, CPDL has taken over the distribution and retail supply functions of the EWEDC with effect from 01.02.2025.
- 1.4.24 On 07.02.2025, UT Administration issued a Government Policy Direction under Sections 108 and 109 of the Act to facilitate the effective restructuring of the electricity sector in the UT Chandigarh, aligning with the public interest and the objectives of the Electricity Act, 2003.

1.4.25 In view of the aforementioned restructuring process, the Petitioner (EWEDC) is submitting the present Petition for the True-up of FY 2024-25 only for the 10-month period from 01st April 2024 to 31st January 2025. As this 10-month period has already elapsed, the Petitioner respectfully seeks the Hon'ble Commission's permission to file the True-up for the said period in accordance with the MYT Regulations, 2021.

Chapter 2: True up of FY 2024-25

2.1.1 The True for FY 2024-25 has been prepared as per the regulatory provisions envisaged in the Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2021 (hereinafter referred to as MYT Regulations, 2021) and directions issued in the Tariff Order for ARR of the relevant year. As per Regulations 12.3 of MYT Regulations 2021:

"The scope of the annual performance review, truing up and tariff determination shall be a comparison of the performance of the Generating Company, Transmission Licensee or Distribution Licensee with the approved forecast of Aggregate Revenue Requirement and Expected Revenue from Tariff and Charges and shall comprise of the following:

a) True-up: a comparison of the audited financial and actual operational performance of the Applicant for the Financial Year for which the true up is being carried out with the approved forecast for such previous Financial Year, subject to the prudence check;"

2.1.2 As per the Regulatory framework, EWEDC has prepared comparison of Audited and actual figures for FY 2024-25 vis-à-vis the approved forecast by the Hon'ble Commission for the purpose of True-Up of FY 2024-25. The Hon'ble Commission in its Tariff Order dated 25th July, 2024 has approved the ARR for FY 2024-25.

2.1.3 The Petitioner has prepared the True Up for FY 2024-25 based on the annual accounts for FY 2024-25, for the period from 01.04.2024 to 31.01.2025 (placed at Annexure 1) and applicable provisions of the MYT Regulations, 2021. The audit of annual account for FY 2024-25 by the Auditor General UT is under process. Hence, the audit report will be supplied accordingly.

2.2 Energy Sales for FY 2024-25

2.2.1 The Energy Sales for FY 2024-25 as per the annual accounts are higher than the energy sales approved in ARR for FY 2024-25 in the Tariff Order dated 25th July 2024. The energy sales for FY 2024-25 on category wise basis actual vis-à-vis approved are detailed below:

Table 2-1: Approved and Actual Sales for FY 2024-25 (in MU)

Sr. No.	Categories	FY 23-24 (Actual)	FY 24-25 (Approved)	FY 24-25 (Actual)
1	Domestic (LT + HT)	749.78	817.70	817.37
2	Commercial (LT + HT)	495.85	498.20	493.16
3	Agriculture	1.26	1.63	1.15
4	Public Lighting	15.21	15.93	12.59
5	Large supply	122.72	125.49	111.28
6	Medium supply	96.89	104.13	86.19
7	Small Power	17.75	18.85	17.17
8	Bulk supply	81.04	86.38	75.98
9	Temp. Supply	5.44	4.46	5.41
10	Electric Vehicle	0.13	4.51	0.51
	Total	1586.08	1677.28	1620.81

2.2.2 Regulations 13.1 of MYT Regulations, 2021, stipulate that the variation in sales constitutes "uncontrollable factors" that are beyond the control of the Petitioner and cannot be mitigated. Furthermore, EWEDC submits that the actual energy sales for FY 2024-25 has increased from FY 2023-24. Therefore, EWEDC prays the Hon'ble Commission that the energy sales submitted in the table above for FY 2024-25 of 1620.81 MU may kindly be approved.

2.3 Power Purchase Quantum and Cost

2.3.1 EWEDC met its annual energy requirement from power allocations from central generating stations (such as NTPC, NHPC, NPCIL), other generating stations (such as BBMB, SJVNL, THDC), bilateral agreements and banking arrangements. The power allocation from CGS consists are in two forms, firm share and share allocation from unallocated power pool. The unallocated power share keeps changing as per the allocation statement of unallocated power issued by the Govt. of India. Since, during peak summer season the allocation of power from various sources is inadequate, therefore the EWEDC procured power from short-term arrangement through power exchange.

2.3.2 The details of power purchase cost and quantum for FY 2024-25, actual vis-à-vis approved including Transmission Charges, UI charges and purchase from short term sources i.e. power exchange are shown in the following table:

Table 2-2: Power Purchase Quantum and Cost for FY 2024-25

Sr. No.	Source	PP-Quantum (Approved)	PP-Cost (Approved)	PP-Quantum (Actual)	PP-Cost (Actual)
		MU	Rs Crore	MU	Rs Crore
1	Bhakra Beas Management Board (BBMB)	727.53	185.26	569.88	152.41
2	NTPC Limited	430.85	227.9	551.28	226.76
3	NHPC Limited	342.59	116.41	256.87	120.96
4	Nuclear Power Corporation of India Limited (NPCIL NAPS)	207.32	74.29	151.87	54.30
5	SJVN Limited	148.74	42.33	115.54	31.20
6	THDC India Limited	216.86	96.36	165.72	72.99
7	Aravali Power Company Private Limited	50.6	37.04	63.62	35.98
8	Neyveli Uttar Pradesh Power (NUPP) Ltd.	0	0	1.08	0.84
9	CREST	14.28	10.02	10.66	6.09
10	Pvt. Solar	2.6	1.67	1.39	0.99
11	SECI (Non- Solar) (Tranche-VI)	157.84	46.99	87.61	25.40
12	Short Term & UI	(390.47)	(100.35)	(82.51)	(17.82)
A	Power Market Purchase			89.26	19.51
B	UI Purchase (Over drawal)			93.05	65.25
C	Market/UI Sale (Under drawal)			(264.82)	(102.58)
13	Transmission, RLDC & SLDC Charges				
A	PGCIL Charges		139.17		168.66
B	NRLDC Charges		0.41	0.00	0.27
C	UP Power Transmission Corporation Limited (UPPTCL) Charges		1.1	0.00	1.37
D	Punjab State Power Corporation Limited		0.17	0.00	0.11
14	Rebate			0.00	(6.30)
Grand Total		1908.74	878.77	1893.01	874.22

2.3.3 As shown in the above table, the Petitioner submits that the actual power purchase cost has marginally decreased than the approved power purchase cost for FY 2024-25. The Petitioner submits that Regulation 14 of the MYT Regulations, 2021, provides the variation in power purchase cost due to the variation in rate of power purchase from the approved sources and variation in fuel cost shall be treated as uncontrollable factors. Therefore, EWEDC humbly prays the Hon'ble Commission that the entire actual power purchase cost may kindly be approved for the True up of FY 2024-25.

2.3.4 Further, the Petitioner submits that the Hon'ble Commission had notified fourth amendment to the JERC (Procurement of Renewable Energy) (fourth amendment) Regulations, 2022 on 24th March, 2022. As per the aforesaid amendment, 18.35% of total energy is to be procured

from renewable sources for FY 2024-25 which includes 9.00% from Solar, 9.00% from Non-Solar and 0.35% from Large Hydro Plants (commissioned after 08.03. 2019).

2.3.5 Details of compliance to RPO targets for FY 2024-25 along with the backlog of previous years are shown in the table below. Computation of Inter State and Intra State losses are given in the next Section.

Table 2-3: Effective Energy Sales (Excluding Hydro) for FY 2024-25

Sr. No.	Particular	Formula	FY 2024-25
1	Energy Sales within UT (In MU)	A	1,620.81
2	Hydro Power Purchase (In MU)	B	1,153.53
3	Inter-State Loss (In Percentage)	C	5.80%
4	Inter-State Loss (In MU)	D=B×C	66.88
5	Intra-State Loss (In Percentage)	E	9.15%
6	Intra-State Loss (In MU)	F=E×(B-D)	99.41
7	Hydro Power Consumed (In MU)	G=B-D-F	987.49
8	Conventional Power Consumed (In MU)	H=A-G	633.32

Table 2-4: RPO Requirement (Solar and Non-Solar) for FY 2024-25

Sr. No.	Particulars	Target			Backlog	RE Procured
		RPO %	Conventional Power (in MU)	Units (in MU)		
1	Solar	9.00%	633.32	63.33	-	12.05
2	Non-Solar	9.35%			-	-
A	HPO	0.35%	633.32	2.22	-	-
B	Other Non-Solar RPO	9.00%	633.32	57.00	-	87.61
Total		18.35%				99.66

Table 2-5: Power Procurement sources for RPO compliance in FY 2024-25

Particulars	FY 2024-25 (in MU)
Solar	
Power/procured from Gross Metering and Net Metering	1.39
Power procured from CREST	10.66
Total (A)	12.05
Non-Solar	
SECI Wind	87.61
Total (B)	87.61
Total RPO Met (A+B)	99.66

2.4 Intra-State Transmission and Distribution (T&D) Losses

2.4.1 The Petitioner submits that based on the actual energy sales and power procurement, the T&D losses as 9.15% has been worked out against the 8.00% approved in Tariff Order dated 25th July, 2024. The details of calculations for estimating the T&D losses for FY 2024-25 are shown in the table below:

Table 2-6: Energy Balance for FY 2024-25 (MU)

Sr. No.	Particulars	Quantity
1	Net Energy Input Received/Required (Ex bus)	1,975.51
1.a	Total Power Purchase from Inter State Sources	1,963.47
	<i>Central Sector Power Stations (HYDRO)</i>	1,153.78
	<i>Central Sector Power Stations (THERMAL/GAS/NUCLEAR)</i>	722.08
	<i>SECI (WIND)</i>	87.61
	<i>Short Term Purchase/Sale</i>	-129.59
	<i>-IEX/PXIL Purchase</i>	89.26
	<i>-IEX/PXIL Sale</i>	-218.85
	<i>Unscheduled Interchange</i>	47.08
	<i>-UI Purchase</i>	93.05
	<i>-UI Sale</i>	-45.98
1.b	Total Power Purchase at UT periphery	1,880.96
2	CTU Losses - MU	109.03
	CTU Losses - %	5.80%
3	Total Power Purchase availability after PGCIL Losses	1,771.93
4	Total Power Purchased within UT	12.05
	Add: Net-Metering/Within State Solar	12.05
5	Power Purchase at DISCOM Periphery	1,783.97
	Less: Retail Sales to Consumers	1,620.81
	Distribution Losses - MU	163.16
6	Distribution Losses - %	9.15%

2.4.2 The Petitioner reiterates that the UT of Chandigarh is a locked territory and it has no further possibility of geographical expansion. Despite this, it has been as one of the best urbanised and well-planned cities across the nation. In terms of per capita income, it has been ranked as one of the five best States/Union territories in the nation. The per capita average electricity consumption of UT of Chandigarh has been higher than the national average. All these parameters have caused saturation in the consumer mix and energy sales mix of UT of Chandigarh. This state of saturation will only be shifted with the introduction of change in technological landscape or through some policy intervention by the Govt. Therefore, the

Petitioner submits that keeping in view the existing situations drastic reduction in transmission and distribution losses over a short span has not been possible.

- 2.4.3 Further, the Petitioner submits that transmission and distribution losses has reduced from 20.20% to 10.57% from FY 2011-12 to FY 2022-23. This evidently reflects that average reduction in transmission and distribution losses ~0.80% on annual basis can only be possible under the existing circumstances.
- 2.4.4 The Petitioner also submits that around 70% of total energy sales is being contributed by LT Consumers due to which steep reduction in transmission and distribution losses over a short span is not possible.
- 2.4.5 The Petitioner also submits the recommendations of Abraham Committee on fixation of loss reduction targets for Distribution Utilities while roll out of the APDRP Scheme. The Committee suggested that distribution utilities having losses more than 40% shall be given the loss reduction targets of 4% per year; for loss level between 30%-40% target of 3% per years; for loss level between 20%-30% target of 2% per year and for loss level below 20% target of 1% per year shall be given. Therefore, EWEDC requests the Hon'ble Commission that taking a pragmatic approach the targets for transmission & distribution losses may kindly be realigned.
- 2.4.6 Accordingly, EWEDC prays the Hon'ble Commission that the actual T&D losses of 9.15% against 8.00% approved for FY 2024-25 in Tariff order dated 25th July 2024, may kindly be allowed.

2.5 Operation and Maintenance Expenses

- 2.5.1 Operation & Maintenance Expenses consists of three elements viz. Employee Expenses, A&G Expenses and R&M Expenses. Operation and Maintenance expenses for FY 2024-25 has been submitted based on the norms specified under the Regulations 61 & 15 of the MYT Regulation, 2021, and the approach followed by the Hon'ble Commission in True Up Orders of previous years. The relevant extracts of the MYT Regulations, 2021, are reproduced below:

'61. Operation and Maintenance (O&M) expenses for Retail Supply Business

61.1 *The Operation and Maintenance Expenses for the Retail Supply Business shall be computed in accordance with this Regulation.*

61.2 *O&M Expenses shall comprise of the following:*

- a) *Employee expenses - salaries, wages, pension contribution and other employee costs;*
- b) *Administrative and General expenses including insurance charges if any; and*
- c) *Repairs and Maintenance expenses.*

61.3 *The Licensee shall submit the required O&M expenses for the Control Period as a part of Multi Year Tariff Petition. O&M expenses for the base Year shall be approved by the Commission taking into account the latest available audited accounts, business plan filed by the Distribution Licensee, estimates of the actuals for the Base Year, prudence check and any other factors considered appropriate by the Commission.*

61.4 *O&M expenses for the nth Year of the Control Period shall be approved based on the formula given below:*

$$O\&M_n = (R\&M_n + EMP_n + A\&G_n) \times (1 - X_n) + \text{Terminal Liabilities}$$

Where,

$$R\&M_n = K \times GFAn-1 \times (1 + WPIinflation)$$

$$EMP_n = (EMP_{n-1}) \times (1 + Gn) \times (1 + CPIinflation)$$

$$A\&G_n = (A\&G_{n-1}) \times (1 + CPIinflation)$$

'K' is a constant (expressed in %). Value of K for each Year of the Control Period shall be determined by the Commission in the Multi Year Tariff Order based on Licensee's filing, benchmarking of repair and maintenance expenses, approved repair and maintenance expenses vis-à-vis GFA approved by the Commission in past and any other factor considered appropriate by the Commission;

CPIinflation - is the average increase in Consumer Price Index (CPI) for immediately preceding three (3) Years before the base Year;

WPIinflation - is the average increase in the Wholesale Price Index (CPI) for immediately preceding three (3) Years before the base Year;

EMP_n - Employee expenses of the Distribution Licensee for the nth Year;

A\&G_n - Administrative and General expenses of the Distribution Licensee for the nth Year;

R&Mn – Repair and Maintenance expenses of the Distribution Licensee for the nth Year;

GFAn-1 – Gross Fixed Asset of the Distribution Licensee for the n-1th Year;

Xn is an efficiency factor for nth Year. Value of Xn shall be determined by the Commission in the Multi Year Tariff Order based on Licensee's filing, benchmarking, approved cost by the Commission in past and any other factor the Commission feels appropriate;

Gn is a growth factor for the nth Year. Value of Gn shall be determined by the Commission for each Year in the Multi Year Tariff Order for meeting the additional manpower requirement based on Licensee's filings, benchmarking, approved cost by the Commission in past and any other factor that the Commission feels appropriate:

Provided that in case the Licensee has been in operation for less than three (3) Years as on the date of effectiveness of these Regulations, the O&M Expenses shall be determined on a case to case basis.

61.5 Terminal liabilities of employees of Licensee including pension expenses etc. shall be approved as per actuals submitted by the Licensee, subject to prudence check or be established through actuarial studies. Additionally, any variation due to changes recommended by the pay commission shall be allowed separately by the Commission, subject to prudence check.

61.6 For the purpose of estimation, the same value of factors – CPI inflation and WPI inflation shall be used for all Years of the Control Period. However, the Commission shall consider the actual values of the factors – CPI inflation and WPI inflation during the truing up exercise for the Year for which true up is being carried out and true up the O&M Expenses for that Year, only to the extent of inflation.

Provided that at the time of truing up, the variation in the normative and actual O&M expenses shall be dealt in accordance with Regulation 15."

"15. Mechanism for sharing of gains or losses on account of controllable factors

15.1 Approved aggregate gain to the Transmission Licensee or Distribution Licensee on account of controllable factors shall be shared equally between Licensee and Consumers:

15.2 Approved aggregate loss, if any to the Transmission Licensee or Distribution Licensee on account of controllable factors shall be on account of the Licensee, and shall not be passed to the Consumers.

15.3 The mechanism for sharing of gains or losses on account of controllable factors for a Generating Company shall be as specified in the prevalent CERC Tariff Regulations."

2.5.2 The Petitioner submits that as per the aforementioned Regulatory provisions, the normative O&M expenses for FY 2023-24 as submitted in the True-Up Petition for FY 2023-24, has been considered as base year for estimating the normative O&M Expenses for FY 2024-25. Further, there has been reduction in manpower in FY 2024-25 with respect to FY 2023-24. Number of employees as on 31.01.2025 is 1095 while as on 31.03.2024 the count was 1121. So, the Growth Factor for computing Employee expenses has been considered as -2.32%. Further, actual CPI and WPI inflation for past three (3) Years including FY 2024-25, as per the True-Up methodology of the Hon'ble Commission, has been considered.

2.5.3 Details of calculations for estimating the O&M Expenses for FY 2024-25 are shown in the tables below:

Table 2-7: Computation of CPI Inflation

Particulars	Average of (Apr-Mar)	Increase in CPI Index	CPI Inflation
FY 2021-22	356.10		4.87%
FY 2022-23	377.60	6.04%	
FY 2023-24	397.20	5.19%	
FY 2024-25	322.5	3.38%	

Table 2-8: Computation of WPI Inflation

Particulars	Average of (Apr-Mar)	WPI Inflation
FY 2021-22	139.40	3.65%
FY 2022-23	152.50	
FY 2023-24	151.42	
FY 2024-25	154.86	

Table 2-9: Employee Expenses for FY 2024-25 (Rs Crore)

Particulars	Approved	Actual	Norm
Employee Expenses for Previous Year	111.76		107.73
Growth Factor (Gn) approved in MYT Order	7.91%		-2..32%
CPI Inflation	5.40%		4.87%
Employee Expenses	127.11	85.91	110.35

Table 2-10: Administrative & General Expenses for FY 2024-25 (Rs Crore)

Particulars	Approved	Actual	Norm.
A&G Expenses for Previous Year	8.61		8.61

Particulars	Approved	Actual	Norm.
CPI Inflation	5.40%		4.87%
Administrative & General Expenses	9.07	6.49	9.02

Table 2-11: Repairs & Maintenance Expenses for FY 2024-25 (Rs Crore)

Particulars	Approved	Actual	Norm
GFA for Previous Year (n-1)	536.19		509.80
K factor approved (K) in MYT Order	3.21%		3.21%
WPI Inflation	7.89%		3.65%
Repairs and Maintenance Expenses	18.57	33.23	16.96

2.5.4 EWEDC incurred Rs. 0.36 crore towards Property Tax, as per Schedule 14 of the Accounts. Since this includes arrears from previous years, it qualifies as a one-time, non-recurring expense. The normative A&G Expenses approved by the Hon'ble Commission are based on actuals, which did not include such costs. Accordingly, we respectfully request that this one-time Property Tax payment be allowed as an additional pass-through, over and above normative A&G expenses, in line with the sharing of gains and losses mechanism.

2.5.5 In both cases, these extraordinary expenses are distinct from routine expenditures and are vital to ensuring the financial stability of the utility while adhering to regulatory provisions. We respectfully urge the Hon'ble Commission to account for these claims in the final determination.

2.5.6 As per above submission, the actual employee expenses submitted by the Petitioner are less than normative expenses. Similarly, the actual A&G expenses submitted by the Petitioner are less than normative expenses. Therefore, as per the Regulatory provisions, the Petitioner is eligible to claim Sharing of Gains on these Controllable factors. Regulation 15 of the MYT Regulations, 2021, specifies that gains on account of the controllable factors shall be equally shared between the licensee and consumers; whereas losses shall entirely be borne by the Licensee.

2.5.7 Based on the above submissions, the O&M expenses for FY 2024-25 (for the period from 01.04.2025 to 31.01.2025) has been claimed as summarised in table below:

Table 2-12: O&M Expenses for FY 2024-25 (in Rs. Crore)

Sr. No.	Particulars	Approved	Normative	Actual	Gains/ (Losses) Sharing	Claimed
1	Employee Expenses	127.11	91.96	85.91	6.05	88.93
2	A & G Expenses	18.57	14.14	33.23	-	14.14
3	R & M Expenses	9.07	7.52	6.13	1.39	6.83
4	Add: Property tax (one-time expense)	-	0.36	0.36	-	0.36
O&M Expenses		154.75	113.98	125.63	7.45	110.25

2.5.8 The Petitioner prays the Hon'ble Commission that Operation and Maintenance Expenses as submitted in above tables may kindly be allowed for FY 2024-25.

2.6 GFA and Depreciation

2.6.1 The Petitioner submits that as specified in Regulation 31 of the MYT Regulations, 2021, the Depreciation has been calculated for FY 2024-25. The relevant extracts of the MYT Regulations, 2021, are reproduced below:

31 Depreciation

31.1 The value base for the purpose of depreciation shall be the capital cost of the asset admitted by the Commission:

Provided that the depreciation shall be allowed after reducing the approved original cost of the retired or replaced or decapitalized assets:

Provided also that the no depreciation shall be allowed on the assets financed through consumer contribution, deposit work, capital subsidy or grant.

31.2 The salvage value of the asset shall be considered as 10% and depreciation shall be allowed up to a maximum of 90% of the capital cost of the asset.

Provided further that the salvage value of Information Technology equipment and computer software shall be considered at zero (0) per cent of the allowable capital cost.

31.3 Land other than the land held under lease shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the assets.

31.4 In case of existing assets, the balance depreciable value as on April 1, 2022, shall be worked out by deducting the cumulative depreciation as admitted by the Commission up to March 31, 2021, from the gross depreciable value of the assets.

31.5 The depreciation shall be chargeable from the first Year of commercial operations. In case of projected commercial operation of the assets during the Year, depreciation shall be computed based on the average of opening and closing value of assets:

Provided that depreciation shall be re-calculated during truing-up for assets capitalised at the time of truing up of each Year of the Control Period, based on documentary evidence of asset capitalised by the Applicant, subject to the prudence check of the Commission.

31.6 For Transmission Licensee, the depreciation shall be calculated at rates and norms specified in the prevalent CERC Tariff Regulations for transmission system.

31.7 The depreciation for a Distribution Licensee shall be calculated annually, based on the Straight Line Method, over the Useful Life of the asset at rates specified in Appendix I of these Regulations.

31.8 In addition to allowable depreciation, the Distribution Licensee shall be entitled to advance against depreciation (AAD), computed in the manner given hereunder:

$AAD = \text{Loan (raised for capital expenditure)} / \text{Useful Life} \times \text{Depreciation Rate}$

subject to a ceiling of 1/10th of loan amount minus depreciation as calculated on the basis of these Regulations:

Provided that advance against depreciation shall be permitted only if the cumulative repayment upto a particular Year exceeds the cumulative depreciation upto that Year:

Provided further that advance against depreciation in a Year shall be restricted to the extent of difference between cumulative repayment and cumulative depreciation upto that Year.

31.9 The Distribution Licensee shall provide the list of assets added during each Year of Control Period and list of assets completing 90% of depreciation in the Year along with Petition for annual performance review, true-up and tariff determination for ensuing Year.

31.10 The remaining depreciable value for a Distribution Licensee shall be spread over the balance useful life of the asset, on repayment of the entire loan."

2.6.2 The Petitioner submits that the closing balance of Gross Fixed Assets for FY 2023-24 as submitted in the True-Up Petition for FY 2023-24 has been considered as the opening balance of GFA for FY 2024-25.

2.6.3 The capital expenditure plan and capitalisation during the year has been considered as per the accounts for FY 2024-25. The details of capital expenditure plan and capitalisation for FY 2024-25, actual vis-à-vis approved are shown in the table below:

Table 2-13: Capital Expenditure and Capitalisation for FY 2024-25 (in Rs. Crore)

Particulars	Approved	Actual
Capital Expenditure Plan	37.26	8.40
Capitalisation	43.49	78.01

2.6.4 Depreciation for FY 2024-25 (for the period from 01.04.2025 to 31.01.2025) has been estimated based on assets addition during the year as per the annual account and depreciation rates specified in Appendix-I of the MYT Regulations, 2021. The details of calculations for estimating the depreciation for FY 2024-25 are shown in the following table:

Table 2-14: Asset wise and overall effective Depreciation Rate (%)

Particulars	Rate	Opening Depreciable GFA	Asset Addition	Closing Depreciable GFA	Average Depreciable GFA	Effective Rate
Land	0.00%	-	-	-	-	-
Buildings	1.80%	27.33	1.34	28.67	28.00	
Plant & Machinery	3.60%	281.62	76.67	358.29	319.96	
Vehicles	18.00%	0.39	-	0.39	0.39	
Furniture & Fixtures	6.00%	-	-	-	-	
Office Equipments	6.00%	0.39	-	0.39	0.39	
Total		309.73	78.01	387.74	348.73	2.90%

Table 2-15: Depreciation during FY 2024-25 (in Rs. Crore)

Particulars	Approved	Actual	Normative
Opening Gross Fixed Assets	336.11	509.80	309.73
Addition During the FY	43.49	78.01	78.01
Adjustment/Retirement during the FY	-	-	-
Closing Gross Fixed Assets	379.60	587.81	387.74
Average Gross Fixed Assets	357.86	548.80	348.73
Weighted Avg. rate of Depreciation (%)	3.49%	1.96%	2.90%
Depreciation	12.5	10.73	10.10

2.6.5 The Petitioner prays the Hon'ble Commission that Depreciation as submitted in above table may kindly be allowed for FY 2024-25.

2.7 Interest and Finance Charges

2.7.1 The Petitioner submits that as specified in Regulation 29 of the MYT Regulations, 2021, the Interest on Normative Loan has been calculated for FY 2024-25. The relevant extracts of the MYT Regulations, 2021, are reproduced below:

"29. Interest on Loan

29.1 The loans arrived at in the manner indicated in Regulation 27 on the assets put to use, shall be considered as gross normative loan for calculation of interest on the loan:

Provided that interest and finance charges on capital works in progress shall be excluded:

Provided further that in case of De-capitalisation or retirement or replacement of assets, the loan capital shall be reduced to the extent of outstanding loan component of the original cost of the decapitalised or retired or replaced assets, based on documentary evidence.

29.2 The normative loan outstanding as on April 1, 2022, shall be worked out by deducting the cumulative repayment as admitted by the Commission up to March 31, 2021, from the gross normative loan.

29.3 Notwithstanding any moratorium period availed by the Transmission Licensee or the Distribution Licensee, as the case may be, the repayment of loan shall be considered from the first Year of commercial operation of the project and shall be equal to the annual depreciation allowed in accordance with Regulation 31.

29.4 The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio at the beginning of each Year applicable to the Transmission Licensee or the Distribution Licensee:

Provided that at the time of truing up, the weighted average rate of interest calculated on the basis of the actual loan portfolio during the Year applicable to the Transmission Licensee or the Distribution Licensee shall be considered as the rate of interest after prudence check:

Provided also that if there is no actual loan for a particular Year but normative loan is still outstanding, the last available weighted average rate of interest for the actual loan shall be considered:

Provided further that if the Transmission Licensee or the Distribution Licensee does not have actual loan, then one (1) Year State Bank of India (SBI) MCLR / any replacement thereof as notified by RBI for the time being in effect applicable for one (1) Year period, as may be applicable as on 1st April of the relevant Year plus 100 basis points shall be considered as the rate of interest for the purpose of allowing the interest on the normative loan.

29.5 The interest on loan shall be calculated on the normative average loan of the Year by applying the weighted average rate of interest:

Provided that at the time of truing up, the normative average loan of the Year shall be considered on the basis of the actual asset capitalisation approved by the Commission for the Year.

29.6 For new loans proposed for each Financial Year of the Control Period, interest rate shall be considered as lower of (i) one (1) Year State Bank of India (SBI) MCLR / any replacement thereof as notified by RBI for the time being in effect applicable for one (1) Year period, as may be applicable as on 1st April of the relevant Year plus 100 basis points, and (ii) weighted average rate of interest proposed by the Distribution Licensee.

29.7 The above interest computation shall exclude the interest on loan amount, normative or otherwise, to the extent of capital cost funded by consumer contribution, deposit work, capital subsidy or grant, carried out by Transmission Licensee or Distribution Licensee.

29.8 The finance charges incurred for obtaining loans from financial institutions for any Year shall be allowed by the Commission at the time of Truing-up, subject to prudence check.

29.9 The excess interest during construction on account of time and/or cost overrun as compared to the approved completion schedule and capital cost or on account of excess drawal of the debt funds disproportionate to the actual requirement based on Scheme completion status, shall be allowed or disallowed partly or fully on a case to case basis, after prudence check by the Commission:

Provided that where the excess interest during construction is on account of delay attributable to an agency or contractor or supplier engaged by the Transmission or Distribution Licensee, any liquidated damages recovered from such agency or contractor or supplier shall be taken into account for computation of capital cost:

Provided further that the extent of liquidated damages to be considered shall depend on the amount of excess interest during construction that has been allowed by the Commission.

29.10 The Transmission Licensee or the Distribution Licensee, as the case may be, shall make every effort to re-finance the loan as long as it results in net savings on interest and in that event the costs associated with such re-financing shall be borne by the beneficiaries and the net savings shall be shared between the equally between the beneficiaries; i.e., the Transmission Licensee and the Distribution Licensee or the Distribution Licensee and the Consumers of Distribution Licensee."

- 2.7.2 The Petitioner submits that the closing balance of the loans as submitted for FY 2023-24 in the True-Up Petition is considered as normative opening balance of the loans for FY 2024-25. The addition in loans @70% of assets capitalisation as per annual accounts and repayment of loans equivalent to the depreciation during the year has been considered for calculating the closing balance of the loans for FY 2024-25.
- 2.7.3 Interest rate equivalent to 1 Year SBI MCLR rate applicable on 1st April 2024, i.e., 8.65% plus 100 basis points and average amount of normative loans have been considered for determining the Interest on Loans for FY 2024-25.
- 2.7.4 The bank charges paid in actual as per the annual accounts for FY 2024-25 has also been considered as part of interest and finance charges.
- 2.7.5 The details of calculations for estimating the Interest and Finance Charges for FY 2024-25 (for the period from 01.04.2025 to 31.01.2025) are shown in the table below:

Table 2-16: Interest on Normative Loan for FY 2024-25 (Rs. Crore)

Particulars	Approved	Actual	Normative
Opening Normative Loan	22.34		3.66
Add: Normative Loan During the year	30.44		54.60
Less: Normative Repayment= Depreciation	12.5		12.12
Closing Normative Loan	40.28		46.15
Average Normative Loan	31.31		24.90
Rate of Interest (%)	9.50%		9.65%
Interest on loans	2.97		2.08
Add: Bank and financing Charges	-	1.41	1.41
Interest and Finance Charges	2.97	1.41	3.49

2.7.6 The Petitioner prays the Hon'ble Commission that Interest and Finance charges as submitted in above table may kindly be allowed for FY 2024-25.

2.8 Interest on Consumer Security Deposit

2.8.1 The Petitioner submits that as specified in Regulation 29 of the MYT Regulations, 2021, the Interest on Consumer Security Deposit has been calculated for FY 2024-25. The relevant extracts of the MYT Regulations, 2021, are reproduced below:

"29.11 Interest shall be allowed on the amount held as security deposit held in cash from Retail Consumers at the Bank Rate as on 1st April of the Financial Year in which the Petition is filed:

Provided that at the time of truing-up, the interest on the amount of security deposit for the Year shall be considered on the basis of the actual interest paid by the Licensee during the Year, subject to prudence check by the Commission."

2.8.2 The opening balance of consumer security deposit has been considered same as Closing balance as submitted in the True-Up Petition for FY 2023-24. Further, RBI Bank Rate applicable on 1st April 2024, i.e., 6.75% has been considered to calculate the interest on consumer security deposit for FY 2024-25. The actual interest on consumer security deposit paid during the year has been claimed for FY 2024-25. The details of calculations for estimating the Interest on Security Deposit for FY 2024-25 (for the period from 01.04.2025 to 31.01.2025) are shown in the table below:

Table 2-17: Interest on Consumer Security Deposit for FY 2024-25 (in Rs. Crore)

Particulars	Approved	Claimed
Opening Consumer Security Deposit	171.08	173.42
Net Addition During the year	1.45	(3.76)
Closing Consumer Security Deposit	169.67	169.66

Particulars	Approved	Claimed
Average Security Deposit	170.37	171.54
Rate of Interest (%) (RBI Bank Rate @ 1st Apr)	6.75%	6.75%
Interest on Security Deposit as per norms	11.50	9.65

2.8.3 The Petitioner prays the Hon'ble Commission that Interest on Consumer Security Deposit as submitted in above table may kindly be allowed for FY 2024-25.

2.9 Interest on Working Capital

2.9.1 The Petitioner submits that as per the Regulation 64 of MYT Regulation 2021, the working capital for FY 2024-25 consisting the following elements is calculated:

- Receivable of two months of billing
- O&M Expenses of one month
- 40% of Repair & maintenance expenses for one month
- Less: Power Purchase cost of one month
- Less: consumer security deposit but excluding Bank Guarantee/Fixed Deposit Receipt

2.9.2 The relevant extracts of the MYT Regulations, 2021, are reproduced below:

64 Norms of Working Capital for Retail Supply Business

64.1 The Distribution Licensee shall be allowed interest on the estimated level of working capital for the Retail Supply Business for the Financial Year, computed as follows:

- O&M Expenses for one (1) month; plus*
- Maintenance spares at 40% of repair and maintenance expenses for one (1) month; plus*
- Receivables equivalent to two (2) months of the expected revenue from Consumers at the prevailing tariff;*

Less

- Power Purchase cost for one (1) month; plus*
- Amount, if any, held as security deposits under clause (b) of sub-section (1) of Section 47 of the Act from Consumers except the security deposits held in the form of Bank Guarantees:*

Provided that at the time of truing up for any Year, the working capital requirement shall be recalculated on the basis of the values of components of working capital approved by the Commission in the truing up."

2.9.3 The 1 Year SBI MCLR Rate applicable on 1st April 2024, i.e., 8.65% plus 200 basis points and the working capital requirement are considered for calculating Interest of Working Capital for FY 2024-25. The details of calculation for estimating the Interest on Working Capital for FY 2024-25 (for the period from 01.04.2025 to 31.01.2025) are shown in the following table:

Table 2-18: Interest on Working Capital for FY 2024-25 (Rs. Crore)

Particulars	Approved	Actual
Two months receivables	143.42	134.18
Add: One month O&M Expenses	12.9	11.03
Add: 40% of repair & maintenance expenses for one month	0.62	0.57
Less: Consumer Security Deposit excl. BG	171.81	170.37
Less: Power Purchase cost for one (1) month	73.23	87.42
Total Working Capital after deduction of Consumer Security Deposit	(88.10)	(24.60)
SBI MCLR plus 200 Basis Point (%)	10.50%	10.65%
Interest on Working Capital	-	-

2.9.4 As per the above computations, Interest on Working Capital is NIL for FY 2024-25.

2.10 Return on Equity

2.10.1 The Petitioner submits that as specified in Regulation 28 of the MYT Regulations, 2021, the Return on Equity has been calculated for FY 2024-25. The relevant extracts of the MYT Regulations, 2021, are reproduced below:

28 Return on Equity

28.1 Return on equity shall be computed on the paid up equity capital determined in accordance with Regulation 27 for the assets put to use for the Transmission Licensee and shall be allowed in accordance with the prevalent CERC Tariff Regulations for transmission system.

28.2 The return on equity for the Distribution Wires Business shall be allowed on the equity capital determined in accordance with Regulation 27 for the assets put to use at post-tax rate of return on equity specified in the prevalent CERC Tariff Regulations for transmission system.

28.3 The return on equity for the Retail Supply Business shall be allowed on the equity capital determined in accordance with Regulation 27 for the assets put to use, at the rate of sixteen (16) per cent per annum.

28.4 The return on equity shall be computed on average of equity capital at the beginning and end of Year."

2.10.2 The closing equity as submitted in the True-Up Petition for FY 2023-24 is considered as the opening Equity for FY 2024-25. The addition in equity during the year @30% of the capitalisation claimed for FY 2024-25 has been considered. Details of calculations for

estimating the Return on Equity for FY 2024-25 (for the period from 01.04.2025 to 31.01.2025) are shown in the following table:

Table 2-19: Return on Equity for FY 2024-25 (Rs. Crore)

Particulars	Approved	Actual
Opening Equity	154.9	147
Addition in Equity	13.05	23.40
Closing Equity	167.95	170.40
Average Equity	161.43	158.70
Average Equity (Wire Business)	145.28	142.83
Average Equity (Retail Supply Business)	16.14	15.87
Return on Equity for Wire Business (%)	15.50%	15.50%
Return on Equity for Retail Supply Business (%)	16.00%	16.00%
Return on Equity for Wire Business	22.52	18.45
Return on Equity for Retail Supply Business	2.58	2.12
Return on Equity	25.10	20.57

2.11 Provision for Bad and Doubtful Debts

2.11.1 Provision for bad and doubtful debts as per provisions specified in Regulation 63 of the MYT Regulation, 2021 has been claimed for FY 2024-25. The extract of aforesaid Regulation is reproduced below:

'63 Provision for bad and doubtful debts

63.1 The Commission may allow bad debts written off as a pass through in the Aggregate Revenue Requirement, based on the trend of bad debts written off in the previous years, subject to prudence check:

Provided that the Commission shall true up the bad debts written off in the Aggregate Revenue Requirement, based on the actual write off of bad debts excluding delayed payment charges waived off, if any, during the year, subject to prudence check:

Provided also that the provision for bad and doubtful debts shall be limited to 1% of the annual Revenue Requirement of the Distribution Licensee:

Provided further that if subsequent to the write off of a particular bad debt, revenue is realised from such bad debt, the same shall be included as an uncontrollable item under the Non-Tariff Income of the year in which such revenue is realised."

2.11.2 The bad and doubtful as recorded in Schedule-16 of the Accounts for FY 2024-25 is Rs. 3.26 Cr. Hence, Rs. 3.26 Cr. has been proposed for Bad and Doubtful Debts for FY 2024-25.

2.12 Prior Period Items

2.12.1 The Petitioner submits that the Prior period items of Rs. 0.05 Crore has been booked as per the Audited Accounts for the FY 2024-25.

2.12.2 The Petitioner prays the Hon'ble Commission that the Prior Period Expenses may kindly be approved for FY 2024-25.

2.13 Non-Tariff Income

2.13.1 Non-Tariff Income as per the specified in Regulation 65 of the MYT Regulations, 2021, has been claimed for FY 2024-25. The extract of aforesaid Regulation is reproduced below,

“65 Non-Tariff Income”

65.1 The amount of Non-Tariff Income relating to the retail supply of electricity as approved by the Commission shall be deducted from the Aggregate Revenue Requirement in calculating the tariff for retail supply of electricity by the Distribution Licensee:

Provided that the Distribution Licensee shall submit full details of its forecast of Non-Tariff Income to the Commission along with its application for determination of tariff.

65.2 The Non-Tariff Income shall inter-alia include:

- a) Income from rent of land or buildings;*
- b) Income from sale of scrap in excess of 10% of the salvage value;*
- c) Income from statutory investments;*
- d) Interest on advances to suppliers/contractors;*
- e) Rental from staff quarters;*
- f) Rental from contractors;*
- g) Income from hire charges from contractors and others;*
- h) Income from advertisements, etc.;*
- i) Meter/metering equipment/service line rentals;*
- j) Service charges;*
- k) Consumer charges;*
- l) Recovery for theft and pilferage of energy;*
- m) Rebate availed on account of timely payment of bills;*
- n) Miscellaneous receipts;*
- o) Deferred Income from grant, subsidy, etc., as per Annual Accounts;*
- p) Prior period income, etc.:*

Provided that the interest/dividend earned from investments made out of Return on Equity corresponding to the Retail Supply Business of the Distribution Licensee shall not be included in Non-Tariff Income:

Provided further that any income earned by a Distribution Licensee by sale of power to other Distribution Licensees or to Consumers as per Section 49 of the Act using the existing power purchase agreements or bulk supply capacity allocated to the Distribution Licensee's Area of Supply shall be reduced from the Aggregate Revenue Requirement of the Distribution Licensee for the purpose of determination of tariff. Such reduction shall be carried out in accordance with Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Connectivity and Open

Access in Intra-State Transmission and Distribution) Regulations, 2017, as amended from time to time."

2.13.2 The Petitioner submits that delayed payment surcharges commensurate the interest burden of working capital drawn in excess by the Licensee to counterbalance the revenue shortfall created due to non-receipt of electricity charges. Hence, the recovery of delay payment surcharges has not been considered as Non-Tariff Income for FY 2024-25.

2.13.3 Further, the Petitioner submits that Provision for Bad and Doubtful debts was not approved in ARR for FY 2024-25, hence the recovery of the same has not been considered as Non-Tariff income for FY 2024-25. Details of Non-Tariff Income for FY 2024-25 are shown in the table below:

Table 2-20: Non-Tariff Income for FY 2024-25 (Rs. Crore)

Particulars	Approved	Actual
Miscellaneous Charges		5.95
Miscellaneous Receipts	26.45	1.74
Total	26.45	7.69

2.13.4 The Petitioner prays the Hon'ble Commission that the Non-Tariff Income as submitted in table above may kindly be approved for FY 2024-25.

2.14 Revenue at Current Tariff

2.14.1 The Petitioner submits that the Revenue Billed at Current Tariff as per the annual accounts has been claimed for FY 2024-25. The details of Revenue Billed at current tariff, actual vis-à-vis approved for FY 2024-25 are shown in the table below:

Table 2-21: Revenue at Current Tariff for FY 2024-25 (Rs. Crore)

Sr. No.	Particulars	Approved	Actual
1	Domestic Supply	406.47	341.30
2	Non Domestic Supply	158.25	149.27
3	HT-Domestic Supply	12.34	12.33
4	HT-Non Domestic Supply	150.16	133.13
5	Large Supply	73.77	59.01
6	Medium Supply	69.07	52.24
7	Public Lighting	9.12	6.93
8	Small Power	9.71	8.51
9	Bulk Supply	47.74	37.47
10	Temp Supply	2.46	4.31

Sr. No.	Particulars	Approved	Actual
11	Agriculture	0.45	0.31
12	Misc.-Electric Vehicle	1.83	0.29
	Total	941.37	805.10

2.14.2 The Petitioner prays the Hon'ble Commission that Revenue at Current Tariff as submitted in the table above may kindly be approved for FY 2024-25.

2.15 FPPCA Billed during the year

2.15.1 The Fuel and Power Purchase Cost Adjustment Charges as per the annual accounts has been claimed for FY 2024-25. The details of the FCCA charges for FY 2024-25 is shown in the table below:

Table 2-22: FPPCA for FY 2024-25 (Rs. Crore)

Particulars	Approved	Actual
FPPCA	-	0.46

2.16 Regulatory Surcharge Billed during the year

2.16.1 Regulatory Surcharge as per the annual accounts has been claimed for FY 2024-25. Details of Regulatory Surcharge is shown in the table below:

Table 2-23: Regulatory Surcharge for FY 2024-25 (Rs. Crore)

Particulars	Approved	Actual
Regulatory Surcharge	-	0.0003

2.17 Aggregate Revenue Requirement for FY 2024-25

2.17.1 The Aggregate Revenue Requirement for FY 2024-25 (for the period from 01.04.2025 to 31.01.2025) based on estimates submitted in the above sections are tabulated below:

Table 2-24: Aggregate Revenue Requirement for FY 2024-25 (in Rs. Crore)

Sr. No.	Particulars	Approved	Actual
1	Power Purchase Cost		874.22
1a	- Power purchase	878.78	703.80
1b	-Transmission Charges		170.03

Sr. No.	Particulars	Approved	Actual
1c	-SLDC Fees & Charges		0.39
2	O&M Expenses	154.75	110.25
2a	-Employee costs	127.11	88.93
2b	-Administration and General expenses	9.07	6.83
2c	-R&M expenses	18.57	14.14
2d	-One time expenses (Property Tax)	-	0.36
3	Depreciation	12.50	10.10
4	Interest & Finance Charges	14.57	13.14
4a	-Interest and finance charges	2.97	3.49
4b	-Interest on working capital	0	-
4d	-Interest on Consumer Security Deposit	11.60	9.65
5	Return on Equity	25.10	20.57
6	Provision for Bad Debt	-	3.26
7	Prior Period Expenses	-	0.05
8	Total Revenue Requirement	1085.70	1031.58
9	Less: Non-Tariff Income	26.45	7.69
10	Net Revenue Requirement	1059.25	1023.89
11	Revenue from retail sales at approved Tariff	941.39	805.10
12	PPCA billed during the year		0.46
13	Regulatory Surcharge billed during the year		0.00
	Revenue Surplus/(Gap) for the Year	(117.86)	(218.33)

2.17.2 The Petitioner prays the Hon'ble Commission that the Revenue Gap as submitted in the above table may kindly be approved for FY 2024-25 (for the period from 01.04.2025 to 31.01.2025).

Chapter 3: Cumulative Revenue Gap till FY 2024-25

3.1.1 Hon'ble Commission vide Tariff Order dated 24th July 2024 has Trued-Up the cumulative Revenue (Gap)/Surplus till FY 2021-22 of Rs. 97.28 Cr. and has allowed the same in Tariff of FY 2024-25.

3.1.2 On 29th December 2025, the Petitioner filed the Petition before the Hon'ble Commission for approval of True-up for FY 2022-23 and FY 2023-24, as per the provisions of MYT Regulations, 2021 wherein the standalone Revenue (Gap) of FY 2022-23 is Rs. 170.61 Cr. and for FY 2023-24, the standalone Revenue (Gap) is Rs. 216.60 Cr.

3.1.3 Vide Notification No. G1/2025/120 dated 31.01.2025, the UT Administration, has notified the Chandigarh Electricity Reforms Transfer Scheme, 2025 (Transfer Scheme) in exercise of powers conferred to the UT Administration under the provisions of Sections 131, 133 and 134 of the Electricity Act, 2003 read with Government of India, Ministry of Home Affairs, New Delhi Notification bearing No. S.O.721(E) dated 22.06.2004, thereby giving effect to the transfer of distribution & retail supply of electricity functions together with the assets, liabilities, interests, rights, functions, obligations, proceedings and personnel of the EWEDC to CPDL, effective from 01.02.2025 vide Notification No G1/2025/121 dated 31.01.2025.

3.1.4 On 31.01.2025, UT Administration, EEDL and CPDL accordingly entered into the Share Purchase Agreement (SPA) for acquisition of 100% equity shares of CPDL by EEDL. Pursuant to the Transfer Scheme and SPA both dated 31.01.2025, CPDL has taken over the distribution and retail supply functions of the EWEDC with effect from 01.02.2025.

3.1.5 On 07.02.2025, UT Administration issued a Government Policy Direction under Sections 108 and 109 of the Act to facilitate the effective restructuring of the electricity sector in the UT Chandigarh, aligning with the public interest and the objectives of the Electricity Act, 2003.

3.1.6 In view of the aforementioned restructuring process, the Petitioner is submitting the present Petition for the True-up of FY 2024-25 only for the 10-month period from 01st April 2024 to 31st January 2025 in accordance with the MYT Regulations, 2021.

3.1.7 Based on the ARR and the revenue from approved tariff, the Petitioner has determined standalone Revenue Gap of Rs. 218.33 Cr. in the True-Up of FY 2024-25 (for the period upto 31.01.2025).

3.1.8 As CPDL has taken over the distribution and retail supply functions of the EWEDC with effect from 01.02.2025, the Petitioner has computed cumulative Revenue (Gap)/surplus till 31.01.2025 taking into account the Revenue Gap computed for FY 2022-23 and FY 2023-24 in their respective True-Up Petitions, as tabulated below. The carrying Cost has been computed with the actual interest rate of respective years as submitted in this Petition.

Table 3-1: Cumulative Revenue Gap till FY 2024-25 (upto 31.01.2025)

Sr. No.	Particulars	FY 2022-23	FY 2023-24	FY 2024-25
1	Opening (Gap)/Surplus for the Year	0	(179.69)	(426.53)
2	Addition during the Year	(170.61)	(216.60)	(218.33)
3	Closing Revenue (Gap)/Surplus	(170.61)	(396.29)	(644.86)
4	Interest on Working Capital	10.65%	10.50%	10.50%
5	Average of Revenue (Gap)/Surplus	(85.31)	(287.99)	(535.70)
6	Carrying cost for the Year	(9.08)	(30.24)	(47.54)
7	Closing cumulative Revenue (Gap)/Surplus	(179.69)	(426.53)	(692.41)

3.1.9 The Petitioner humbly requests the Hon'ble Commission to kindly allow cumulative Revenue (Gap) of Rs. 692.41 Cr. as worked out in the Table above, till 31.01.2025.

Chapter 4: Compliance to Directives

4.1.1 EWEDC humbly submits that the Hon'ble Commission vide Order dated 25th July 2024 has issued a set of directives.

4.1.2 The issue wise status report with regard to compliance to the directives issues is summarised as under:

Sr. No.	Response to directives
1	<p>Directive 10.1.1- (Metering/ Replacement of Non-Functional or Defective/ 11kv Meters)</p> <p>Commission's Directive: Petitioner is directed to submit the response from MoP regarding the approval within 15 days of issuance of this order and submit a Monthly Report.</p> <p>Petitioner's Response: Pursuant to restructuring process in accordance with the Transfer scheme, CPDL is overlooking the Distribution business in Chandigarh, therefore the directive may be complied by CPDL.</p>
2	<p>Directive 10.1.2- (Energy Audit)</p> <p>Commission's Directive: The Commission has noted with serious concern that the Petitioner is yet to submit the Energy Audit Reports for previous years despite repeated directions. The Commission directs the Petitioner to submit the consultant's report as soon as its prepared and meanwhile submit quarterly report of the action plan within one month of issuance of this Order and complete the Annual Energy Audit of the UT on priority.</p> <p>Petitioner's Response: Pursuant to restructuring process in accordance with the Transfer scheme, CPDL is overlooking the Distribution business in Chandigarh, therefore the directive may be complied by CPDL.</p>
3	<p>Directive 10.1.3- (Demand Side Management and Energy Conservation)</p> <p>Commission's Directive: The Commission expresses its displeasure regarding no response from the Petitioner on the study related to Demand Side Management. Non submission of quarterly report regarding measures related to energy efficiency is a lapse on the part of the Petitioner, and it is expected that the directives would be followed in true spirit and reports be submitted as directed.</p>

Sr. No.	Response to directives
	<p>Petitioner's Response: Pursuant to restructuring process in accordance with the Transfer scheme, CPDL is overlooking the Distribution business in Chandigarh, therefore the directive may be complied by CPDL.</p>
4	<p>Directive 10.1.4- (Creation of SLDC)</p> <p>Commission's Directive: The Commission directs the Petitioner to take up the matter with topmost priority and ensure that the process of creation of SLDC be expedited with help from Chandigarh Administration</p> <p>Petitioner's Response: Vide notification dated 31.01.2025, UT Administration has established State Load Despatch Centre (SLDC) within UT Chandigarh.</p>
5	<p>Directive 10.1.5- (Operational safety and policy for accidents and compensation)</p> <p>Commission's Directive: The Commission expresses its dissatisfaction with the Petitioner's careless strategy. The initial directive was issued by the Commission in a Tariff Order dated March 28, 2018. The petitioner hasn't made much headway since then. The staff members' safety and the dependability of the system are closely tied to their training. The department's casual attitude towards employee safety demonstrates the negligent conduct of the accountable officers. The petitioner is required to provide data on the number of human fatalities from 2018, as well as a breakdown of the number of incidents involving staff and outside parties and the compensation awarded to impacted individuals.</p> <p>Petitioner's Response: Pursuant to restructuring process in accordance with the Transfer scheme, CPDL is overlooking the Distribution business in Chandigarh, therefore the directive may be complied by CPDL.</p>
6	<p>Directive 10.1.6- (Non-achievement of capitalization target)</p> <p>Commission's Directive: The Commission directs the Petitioner to increase its efforts towards undertaking capital expenditure activities as envisaged in Business Plan Order to improve the service quality and target 24x7 supply to all consumers. Further, the Petitioner is directed to ensure that the capitalisation targets approved are completed in the MYT Period.</p> <p>Petitioner's Response: Pursuant to restructuring process in accordance with the Transfer scheme, CPDL is overlooking the Distribution business in Chandigarh, therefore the directive may be complied by CPDL.</p>

Sr. No.	Response to directives
7	<p>Directive 10.1.7- (Monthly Billing for Domestic and Commercial/ Non-Residential category consumers)</p> <p>Commission's Directive: The Petitioner is directed to submit the number of domestic consumers and Commercial/Non-domestic consumers. The electricity bills of consumers are to be issued on monthly basis. The Petitioner is directed to expedite the smart grid project and start monthly billing on priority.</p> <p>Petitioner's Response: Pursuant to restructuring process in accordance with the Transfer scheme, CPDL is overlooking the Distribution business in Chandigarh, therefore the directive may be complied by CPDL.</p>
8	<p>Directive 10.1.8- (Determination of Category wise/ Voltage wise Cost of supply)</p> <p>Commission's Directive: The Petitioner is directed to submit a progress report within one month from the issuance of this order and ensure the implementation.</p> <p>Petitioner's Response: Pursuant to restructuring process in accordance with the Transfer scheme, CPDL is overlooking the Distribution business in Chandigarh, therefore the directive may be complied by CPDL.</p>
9	<p>Directive 10.1.9- (kVAh based tariff)</p> <p>Commission's Directive: The Petitioner is directed to submit the progress report along with a proposed timeline to complete the aforesaid work.</p> <p>Petitioner's Response: Pursuant to restructuring process in accordance with the Transfer scheme, CPDL is overlooking the Distribution business in Chandigarh, therefore the directive may be complied by CPDL.</p>
10	<p>Directive 10.1.10- (Hydro Purchase Obligation)</p> <p>Commission's Directive: The Petitioner is directed to comply RPO trajectory as specified under the JERC (Procurement of Renewable Energy) Regulations as amended from time to time.</p> <p>Petitioner's Response: Pursuant to restructuring process in accordance with the Transfer scheme, CPDL is overlooking the Distribution business in Chandigarh, therefore the directive may be complied by CPDL.</p>