



TARIFF ORDER

Petition for approval of True-up of FY 2024-25

Petition No. 171/2026

for

Electricity Department, Government of Puducherry (PED)

14th May, 2026

JOINT ELECTRICITY REGULATORY COMMISSION

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List of Abbreviations

Abbreviation	Full Form
A&G	Administrative & General
ABR	Average Billing Rate
ACoS	Average Cost of Supply
Act	The Electricity Act, 2003
APR	Annual Performance Review
ARR	Aggregate Revenue Requirement
ATE	Appellate Tribunal for Electricity
BPL	Below Poverty Line
CAGR	Compound Annualized Growth Rate
Capex	Capital Expenditure
CC	Current Consumption
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
CGRF	Consumer Grievance Redressal Forum
CGS	Central Generating Stations
COD	Commercial Operation Date
Commission/JERC	Joint Electricity Regulatory Commission for the State of Goa and Union Territories
Cr	Crore
Discom	Distribution Company
DDUGJY	Deen Dayal Upadhyaya Gram Jyoti Yojana
DSM	Deviation Settlement Mechanism
DT	Distribution Transformer
EA 2003	The Electricity Act, 2003
PED	Electricity Department, Puducherry
ED	Electricity Department
EHT	Extra High Tension
ERP	Enterprise Resource Planning
FAR	Fixed Asset Register
FPPCA	Fuel and Power Purchase Cost Adjustment
FY	Financial Year
GFA	Gross Fixed Assets
HT	High Tension
IEX	Indian Energy Exchange Limited
Rs.	Indian Rupee
IPDS	Integrated Power Development Scheme
IPP	Independent Power Producer
ISTS	Inter-State Transmission System
KSEB	Kerala State Electricity Board Limited

Abbreviation	Full Form
LT	Low Tension
MOD	Merit Order Despatch
MU	Million Units
MW	Mega Watt
MYT	Multi-Year Tariff
MCLR	Marginal Cost of funds-based Lending Rate
NFA	Net Fixed Assets
NPCIL	Nuclear Power Corporation of India Limited
NTPC	National Thermal Power Corporation
O&M	Operation and Maintenance
PGCIL	Power Grid Corporation of India Ltd.
PSDF	Power System Development Fund
PPA	Power Purchase Agreement
R&M	Repair and Maintenance
R-APDRP	Restructured Accelerated Power Development and Reforms Programme
REC	Renewable Energy Certificate
RLDC	Regional Load Despatch Centre
RoE	Return on Equity
RPO	Renewable Purchase Obligation
RSTPS	Ramagundam Super Thermal Power Station
RRAS	Reserves Regulation Ancillary Services
SECI	Solar Energy Corporation of India
SLDC	State Load Despatch Centre
SOP	Standard of Performance
SRPC	Southern Regional Power Committee
TAPS	Tarapur Atomic Power Station
T&D	Transmission & Distribution
TVS	Technical Validation Session
UI	Unscheduled Interchange
UT	Union Territory

Before the
Joint Electricity Regulatory Commission
For the State of Goa and Union Territories, Gurugram

QUORUM

Shri Alok Tandon, Chairperson
Smt. Jyoti Prasad, Member (Law)

Petition No. 171/2026
Date of Order: 14th May 2026

In the matter of

Petition for approval of the True-up of FY 2024-25, for the Electricity Department of Puducherry as per Regulation 12 of the JERC (Generation, Transmission & Distribution Multi Year Tariff Regulations, 2021

And in the matter of

Electricity Department, Government of Puducherry (PED)**Petitioner**

ORDER

- 1) This Order is passed in respect of the Petition filed by the Electricity Department, Government of Puducherry (PED) (herein after referred to as "The Petitioner" or "PED" or "The Licensee") for approval of True-Up for FY 2024-25, before the Joint Electricity Regulatory Commission (herein referred to as "The Commission" or "JERC"
- 2) In terms of Regulation 12 of JERC (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2021, the Petitioner has filed a Petition for approval of its true-up for FY 2024-25.
- 3) The Commission scrutinized the said Petition and generally found it in order. The Commission admitted the Petition on 21st January 2026. The Commission thereafter requisitioned further information/ clarifications on the data gaps observed to take a prudent view of the said Petition. Further, suggestions/ comments/ views and objections were invited from the Stakeholders and Electricity Consumers.
- 4) The Public Hearing was held on 13th February 2026 at Puducherry, and all the Stakeholders/Electricity Consumers present in the Public Hearing were heard.
- 5) The Commission based on the Petitioner's submission, relevant JERC MYT Regulations, facts of the matter, Rules and provisions of the Electricity Act, 2003 and after proper due diligence and prudence check, has approved the true-up for FY 2024-25.
- 6) A summary has been provided as follows.



I. True-Up of FY 2024-25

The following table provides ARR, Revenue and gap as submitted by the Petitioner and approved by the Commission in the True-up of FY 2024-25:

Table 1: Standalone Revenue Gap/ (Surplus) approved for FY 2024-25 (in Rs. Cr.)

Particulars	Approved in APR dt. 24.09.2025	Petitioner's Submission	Trued-up by Commission
Aggregate Revenue Requirement	2298.20	2153.25	2,021.18
Revenue from Sale of Power (excluding Regulatory Surcharge)	2291.14	2207.68	2,207.68
Net Gap / (Surplus)	7.06	(54.43)	(186.50)

Table 2: Cumulative Gap/(Surplus) with carrying cost

Particular	Approved in Tariff Order	Approved
Net ARR	2,009.48	2,021.18
Total Revenue	2,051.61	2,207.68
Net gap/(surplus)	(42.13)	(186.50)
Recovery from Regulatory Surcharge	197.24	196.78
Previous year Gap as per True-up for FY 2023-24	611.77	523.43
Carrying cost on Cumulative Gap/(Surplus) for FY 2024-25	26.80	32.02
Cumulative gap/(surplus)	399.21	172.17

- 7) The attached documents giving detailed reasons, grounds and conditions are the integral part of this Order.

Ordered accordingly.

Sd/-
(Jyoti Prasad)
Member (Law)

Sd/-
(Alok Tandon)
Chairperson

(Certified Copy)

(Rajesh Dangi)

Secretary, JERC

Place: Gurugram
Date: 14th May, 2026



1 Introduction

1.1 About Joint Electricity Regulatory Commission (JERC)

In exercise of powers conferred by the Electricity Act 2003, the Central Government constituted the Joint Electricity Regulatory Commission for all the Union Territories except Delhi to be known as “Joint Electricity Regulatory Commission for the Union Territories” vide notification no. 23/52/2003-R&R dated 2nd May 2005. Later with the joining of the State of Goa, the Commission came to be known as “Joint Electricity Regulatory Commission for the State of Goa and Union Territories” (hereinafter referred to as “JERC” or “the Commission”) vide notification no. 23/52/2003-R&R (Vol. II) dated 30th May, 2008.

JERC is a statutory body responsible for regulation of the Power Sector in the State of Goa and Union Territories of Andaman & Nicobar Islands, Lakshadweep, Chandigarh, Dadra & Nagar Haveli and Daman & Diu, Puducherry, consisting of generation, transmission, distribution, trading and use of electricity etc. Its primary objective includes taking measures conducive to the development of the electricity industry, promoting competition therein, protecting the interests of consumers and ensuring supply of electricity to all areas.

1.2 About Puducherry

The Union Territory of Puducherry comprises of four regions namely Puducherry, Karaikal, Mahe and Yanam, which are not geographically contiguous and is spread over an area of 492 Sq. km with the total population of 12.45 lakhs as per provisional results of census 2011. The basic profiles of our regions are as follows:

- Puducherry is the largest among the four regions and consists of 12 scattered areas interspersed with enclaves of Villupuram and Cuddalore Districts of Tamil Nadu.
- Karaikal is about 150 kms South of Puducherry and is bounded by Nagapattinam and Thiruvarur Districts of Tamil Nadu State.
- Mahe lies almost parallel to Puducherry 653 kms away on the west coast near Kannur District of Kerala State.
- Yanam is located about 840 kms north-east of Puducherry and it is



located in the East Godhavari District of Andhra Pradesh State.

1.3 About Electricity Department, Govt. of Puducherry

The Electricity Department of the UT Administration of Puducherry (hereinafter referred to as PED), is a deemed licensee under Section 14 of the Electricity Act 2003 and is carrying out the business of transmission, distribution and retail supply of electricity in Puducherry, Karaikal, Yanam and Mahe regions of the Union Territory of Puducherry. PED is divided into three circles, each headed by a Superintending Engineer. There are ten Technical Divisions across the three circles, each headed by an Executive Engineer.

The key duties being discharged by ED Puducherry are:

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

PED does not have its own generation and procures power from various Central Generating Stations (CGS), neighbouring state utilities and the State-owned Puducherry Power Corporation Limited (PPCL), which runs a 32.5 MW gas-based combined cycle power plant in the Karaikal region. The entire power generated from PPCL is consumed within the Karaikal region.

PED operates a transmission network of 230 kV & 110 kV and distribution network at 33 kV, 22 kV, 11 kV and at LT levels. It supplies power to consumers through its 18 EHV substations, 489 km of EHT line, 2294 km of HT line, 2877 distribution transformers and 3845 km of LT line. PED also has 90 km of HT and 535 km of LT underground cabling for certain urban areas. It monitors grid operation on real time basis and passes on necessary instructions to field staff to control the flow of energy.

1.4 Multi-Year Tariff Regulations, 2021

The Commission notified the Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2021 on 22nd March 2021 for the 3rd MYT Control Period comprising of three financial years from FY 2022-23 to FY 2024-25. The Petitioner was governed by these Regulations until the end of the Control Period i.e. 31st March 2025.

1.5 Filing and Admission of the Present Petition

The present Petition was admitted on 21st January 2026 and marked as Petition No. 171/2026. The Commission and the Petitioner subsequently uploaded the Petition on their respective websites.

1.6 Interaction with the Petitioner

A preliminary scrutiny/analysis of the Petition was conducted, and certain deficiencies were observed. Accordingly, deficiency notes were issued to the Petitioner. Further, additional informations/clarifications/ justifications were solicited from the Petitioner as and when required.

The Commission and the Petitioner also discussed on the various concerns of the Petitioner and key data gaps, which includes energy sales, power purchase, capitalisation, revenue from retail tariff, tariff proposal etc. The Petitioner submitted its response on the issue through various letters/emails. The following table provides the list of interactions with the Petitioner along with the dates:

Table 3: Timelines of the interaction with the Petitioner

S. No.	Subject	Date
1.	Issue of First Deficiency Note	20 th January 2026
2.	Replies received from the Petitioner with regard to First Deficiency Note	4 th February 2026
3.	Public hearing	13 th February 2026
4.	Issue of Second Deficiency Note	23 rd February 2026
5.	Issue of Third Deficiency Note	3 rd March 2026
6.	Replies received from the Petitioner with regard to Second Deficiency Note	4 th March 2026
7.	Replies received from the Petitioner with regard to Third Deficiency Note	5 th March 2026
8.	1 st TVS (Technical Validation Session)	6 th March 2026
9.	Replies received regarding the queries of 1 st TVS	26 th March 2026
10.	2 nd TVS (Technical Validation Session)	1 st April 2026
11.	Replies received regarding the queries of 2 nd TVS	6 th April 2026

1.7 Notice for Public Hearing

Public notices were published by the Petitioner for inviting suggestions/ comments from stakeholders on the Tariff Petition as per details given below:

Table 4: Details of Public Notices published by the Petitioner

S. No.	Date of Public Notice	Name of News Paper	Languages	Place of Circulation
1.	31.01.2026	The Hindu Publishing	English	Yanam, Mahe, Karaikal, Puducherry
2.	31.01.2026	Dinamalar	Tamil	Puducherry, Karaikal
3.	31.01.2026	Dinathanthi	Tamil	Puducherry, Karaikal
4.	02.02.2026	Jana Mitra	Telugu	Yanam
5.	02.02.2026	Kerala Kaumudi	Malayalam	Mahe

The Commission also published Public Notices in the leading newspapers as tabled below, giving due intimation to the stakeholders, consumers and the public at large about the Public Hearings conducted by the Commission.

Table 5: Details of Public Notices published by the Commission

S. No.	Date	Name of News Paper	Languages	Place of Circulation
1.	22.01.2026 & 11.02.2026	Standard Post	English	Puducherry
2.		Dinamalar	Tamil	Puducherry
3.		Dinakaran	Tamil	Puducherry

1.8 Public Hearing

The Public Hearing was held on 13th February, 2025 at PMSSS Hall, No.81, Laporte Street, MG Road Area, Puducherry-605001. The major issues discussed, the responses of the Petitioner thereon and the views of the Commission, have been summarized in Chapter 2 of this Order. The list of stakeholders is attached at **Annexure-1** of this order.

2 Summary of Stakeholder's Comments, Response of the Petitioner and the Commission's View

2.1 Regulatory Process

On admitting the Petition, the Commission directed the Petitioner to make copies of the Petition available to the public, upload the Petition on the website and also publish the same in the newspapers in an abridged form in the given format duly inviting comments/objections from the public as per the provisions of the "JERC MYT Regulations, 2021". The Public Hearing was held on 13th February 2026 at Puducherry, to discuss the issues if any, related to the Petition filed by the Petitioner. The issues and concerns raised by the stakeholders in writing and as voiced by them during the Public Hearing have been examined by the Commission. The names of the stakeholders who attended the Public Hearings is provided in Annexure-I of this Order.

2.2 Suggestions/ Objections of the stakeholders, Response of the Petitioner and Commission's Views

The Commission is appreciative of the efforts of various stakeholders in providing their suggestions/comments/ observations to make the Electricity Distribution Sectors process responsive and efficient. The relevant observations of the stakeholders have been suitably considered by the Commission while finalizing this Tariff Order. The submissions of the stakeholders, response of the Petitioner and views of the Commission are summarized below:

Suggestions/Objections and response related to true-up

2.2.1 Non-filing of Petition for ARR FY 2026-27

Stakeholder's Comment:

The Stakeholder has raised the issue regarding the non-filing of the Petition for ARR for FY 2026-27 by the Petitioner.

Petitioner's Response:

The Petitioner has submitted that the True up Petition for FY 2024-25 is as per JERC 2021 MYT Regulations. The filing of petition for determination of ARR for FY 2026-27 falls under the purview of JERC 2024 MYT Regulation which states the following:

9.1) The Applicant shall, based on the Business Plan as approved by the Commission, submit Multi Year Tariff Application containing the forecast of Aggregate Revenue Requirement, expected revenue and tariff proposal for each year of the Control Period, in a manner as provided in these Regulations and in formats specified by the Commission from time to time. The application shall be accompanied by such fee payable, as may

be specified by the Commission in the Joint Electricity Regulatory Commission (Conduct of Business) Regulations, 2009, as amended from time to time by the date as directed by the Commission:

The Petitioner has further submitted that it has already filed a petition for the Approval of True up of 2023-24, Annual Performance Review of FY 2024-25, & Determination of Aggregate Revenue Requirement & Retail supply tariff for MYT Control Period from FY 2025-26 to FY 2029-30 on 1st April, 2025 and the Commission had issued a Tariff order for the same on 24th September, 2025.

Commission's View:

The Commission has noted the submission of the Stakeholder and reply of the Petitioner. Further, the Petitioner hereby clarifies that tariff for FY 2026-27 has already issued under MYT Tariff Order and the Stakeholder may visit the JERC website for the same.

2.2.2 No of Consumers doubled but no increase in Load & Sales

Stakeholder's Comment:

The Stakeholder has raised the concern that while the number of consumers has doubled, there has been no corresponding increase in connected load and energy sales.

Petitioner's Response:

The Petitioner has submitted that the actual number of consumers is 4551 instead of 9051 as mentioned in True up Petition. This is mistake due to oversight and the same may be condoned.

Commission's View:

The Commission has noted the submission of the Stakeholder and same has been corrected under section 3.5 of this order.

2.2.3 No bifurcation of Intra state Transmission & Distribution Loss (T&D Loss)

Stakeholder's Comment:

The Stakeholder has submitted that the Commission vide its Order dated 24/09/2025 has directed DISCOM to submit the Energy Audit report along with the True-up Petition, it is observed that DISCOM has not submitted the said report with the Petition.

Petitioner's Response:

The Petitioner has submitted that in the Energy Audit for FY 2023-24, the voltage wise losses are defined. However, the Energy Audit report for the year

FY-2024-25 is yet to be prepared. However, the voltage wise losses as adopted by Commission is utilized to arrive at voltage wise cost.

Commission's View:

The Commission has noted the submission of the Stakeholder and the reply of the Petitioner. The Petitioner was not able to submit the energy audit report due to the imposition of Model Code of Conduct pertaining to elections. Accordingly, the Commission has considered REA and DSM accounts from SRPC's website for its analysis.

2.2.4 Collection efficiency

Stakeholder's Comment:

The Stakeholder has asked about the actual collection efficiency for FY 2024-25 at Discom level and division level

Petitioner's Response:

The Petitioner has submitted that the collection efficiency, which measures the percentage of billed revenue actually collected from consumers (Revenue Collected / Billed Amount). The Commission treats the collection efficiency as 100%. However due to non-recovery of Government dues it may vary. The Collection efficiency indicated in the Energy Audit Report shows the actual collection as per DAT.

Commission's View:

The Commission has noted the submission of the Stakeholder and the reply of the Petitioner. The Commission hereby clarifies that it considers collection efficiency as 100%, hence there is no impact of variation in collection efficiency. Further, the Commission observed that the Petitioner has not submitted the energy audit report for FY 2024-25. The Commission directs the Petitioner to submit the yearly Energy Audited Report in timely manners.

2.2.5 Huge ISTS Loss

Stakeholder's Comment:

The Stakeholder has submitted that the DISCOM has not provided any reason or documentary evidence supporting the higher ISTS loss. Further, it is observed that the Commission in its Tariff Order dated 18/08/2025, mentioned that actual ISTS losses for the FY 2023-24 is 3.53% and average PGCIL losses for the last 52 weeks period is 3.67%, and accordingly approved the ISTS loss of 3.50%.

In view of above, the Stakeholder has requested the Commission to consider the ISTS Loss as 3.50% and to direct DISCOM to submit the details of actual weekly ISTS Loss and reason of high losses. Accordingly, the Stakeholder has recomputed the Energy Balance as follows:

Particulars	Proposed by PFI
Total Sales (MU)	3128
T&D Loss (%)	9.63%
Energy Requirement @ State periphery (MU)	3461
T&D loss (MU)	333
Less: Own state Generation (MU)	188
Energy Required at State Periphery from inter-state sources (MU)	3274
PGCIL Losses (%)	3.50%
PGCIL Losses (MU)	119
Total Ex bus requirement (MU)	3393

Petitioner's Response:

The Petitioner has submitted all the requisite informations as required by the Commission. Total Power Purchased by the Petitioner as submitted in the True up Petition is 4021.72. PPCL quantum of 187.51 has been subtracted and power purchase/ (sale) has been added to arrive at the figure of 3546.92 which is the total scheduled at CGS from interstate sources. This has also been furnished in the Tariff formats submitted to the Commission based on which the total drawal turns out to be 3352.72984 MUs (which has been submitted in Energy balance table (Table 4). ISTS Loss has been computed by accounting for the difference between the Quantum of Power scheduled at CGS from interstate sources which is 3546.92 MUs and the energy scheduled at UT periphery through CGS which is 3352.73 MUs.

A	Energy Requirement	
1	Sales Within Territory	3128.06
2	Energy Drawal by TANGEDGO	0.00
3	Sales to Electricity Traders / Power Exchange	0.00
4	Sale to Open access Consumers	0.00
5 = 1+2+3+4	Total Sales	3128.12
6	T&D Loss (%)	9.63%
7	T&D Loss (MU)	333.17
8	Total Energy Requirement at UT Periphery	3461.30
B	Energy Availability at Ex-Bus	
1	Total Power Purchased	4021.72
2	Own Generation (PPCL)	187.51
3	Add: Power Purchase/(Sale) at Exchange	-287.21
4 = 1+2+3	Total scheduled at CGS	3546.92
5	Energy Scheduled at UT periphery through CGS	3352.73

A	Energy Requirement	
6	Add: Own Generation (PPCL)	187.51
7	Add: UI Overdrwal	28.55
8	Less: UI Underdrawal	-114.42
9 = 5+6+7+8	Net Power Purchase at UT Periphery	3461.23
10	ISTS Losses (Mus)	194.19
11	ISTS Losses (%)	5.48%
12	Deficit/(Surplus)	0.00

Commission's View:

The Commission has noted the submission of the Stakeholder and the reply of the Petitioner. The Commission has dealt the issue in the Energy balance section of this order.

2.2.6 Poor Power Purchase Planning**Stakeholder's Comment:**

The Stakeholder has observed that Power Purchase section submitted by DISCOM lacks the details like break-up of Power Purchase Cost into Fixed charges, Energy Charge Rate, Other Charges, etc.; reason of increase in per unit cost of power from certain GENCOs; details of any arrear claimed by GENCOs; LPSC paid to GENCOs; rebate claimed on timely payment to GENCOs & TRANSCO; reason of procurement of power from unapproved or unrecognized PPAs; etc.

Petitioner's Response:

The Petitioner has submitted detailed Power Purchase data to the Commission which consists of the breakup of Power Purchase into Fixed and Energy charges in reply to the Deficiency note issued by the Commission.

The reason for increase in per unit cost of power procured from certain GENCOs has already been reply to the Deficiency note issued by the Commission.

Commission's View:

The Commission has noted the submission of the Stakeholder and the reply of the Petitioner. The Commission has dealt the issue in the Power Purchase section of this order.

2.2.7 Merit Order Despatch

Stakeholder's Comment:

The Stakeholder has observed that DISCOM has not submitted monthly reports certified by SLDC that Merit Order Dispatch principle has been followed in true spirit while scheduling the Power from various Generating Stations.

Petitioner's Response:

The Petitioner has submitted that it has already followed the principle of Merit order dispatch while scheduling power.

Commission's View:

The Commission has noted the submission of the Stakeholder and the reply of the Petitioner.

2.2.8 Discrepancies observed in power purchase quantum and cost

Stakeholder's Comment:

The Petitioner has observed some of the discrepancies in the Power Purchase Quantum and Cost claimed by the DISCOM as follows:

- a. DISCOM has showcased wrong numbers and figures or made computation error of Commission approved Power Purchase Quantum and Cost, like

Particulars	Submitted by DISCOM	Computed by PFI
PPCL	Rs. 7.46/kWh	Rs. 9.13/kWh
RSTPS Stage I & II	Rs. 4.06/kWh	Rs. 7.11/kWh

- b. DISCOM has also considered Power Procurement from unapproved PPAs like

Particulars	Approved by the Commission in ARR FY 2024-25	Claimed by DISCOM(MU and APPC)
NTPL (Tuticorin)	0	82.63 MU @ Rs.7.55/kWh
Kudgi STPS Stage-I	0	58.44 MU @ Rs.9.45/kWh

Petitioner's Response:

- a. The Petitioner has submitted that there was neither computation error committed nor were wrong numbers showcased in the Power Purchase Quantum and cost approved by the Commission in the APR of FY 2024-25. The numbers showcased by the Petitioner for the APR of FY 2024-25 were the variable cost per unit as approved by the Commission and the

same can be found out by referring to the Tariff Order Dt: 24th September, 2025. (Pg no: 90&91).

- b. The Petitioner has submitted that the Commission in the Tariff Order Dt: 12th June, 2024 has approved the Power Purchase Quantum & Cost from NTPL Tuticorin and Kudgi in the following manner.

Particulars	Approved by Commission in ARR FY 2024-25 (TO Dt: 12/06/2024)	Claimed by DISCOM(MU and APPC)
NTPL (Tuticorin)	Quantum-83.93 MUs Total Cost- Rs. 50.86 Cr Avg Rate Exbus- Rs. 6.06/kWh	82.63 MU @ Rs.7.55/kWh
Kudgi STPS Stage-I	Quantum-106.35 MUs Total Cost- Rs. 116.67 Cr Avg Rate Exbus- Rs. 10.97/kWh	58.44 MU @ Rs.9.45/kWh

Commission's View:

The Commission has noted the submission of the Stakeholder and agreed with the reply of the Petitioner.

2.2.9 Short-term sale

Stakeholder's Comment:

The Stakeholder has observed that DISCOM has sold around 287 MU at an average rate of Rs.4.28/kWh which is lower than the average Power Purchase Cost Rs. 5.45/kWh as approved by Commission vide its APR Order for FY 2024-25 dated 24/09/2025, which can be used as reference rate to earn the maximum by selling surplus power. This resulted in revenue loss to DISCOM by procuring power at higher prices and selling the same at lower price and put additional burden on consumers. DISCOM should submit the details day-wise and slot-wise short term power procurement and sale through Exchange.

Petitioner's Response:

The Petitioner has submitted that on real time basis when Generators are not allowed to surrender the surplus power available with the Department in order to maintain Technical Minimum. Under these conditions this Electricity Department forced to trade the surplus power available in Exchange through PTC where surrender is not possible condition. In order to maintain the real time operational flexibility of this department.

Commission's View:

The Commission has noted the submission of the Stakeholder and agreed with the reply of the Petitioner.

2.2.10 Debit note of previous year

Stakeholder's Comment:

The Stakeholder has submitted that the DISCOM has claimed debit note of previous year as Rs. 80 Cr. without providing any details for the same. In view of this, the Stakeholder has requested the Commission to provisionally do not consider the same and allow after prudence check of the reason of such expenses along with documentary evidence.

Petitioner's Response:

The Petitioner has submitted the following:

The Power Suppliers from whom such invoices, revision invoices, debit notes were received in 2024-25 are as follows:

Value of Invoices/Debit Notes/Credit Notes received in Current Financial Year but pertain to Power Purchased by the EDP in Prior Financial Years

Power Supplier	Rs. in Crores
NNTPS	16.39
NLC	(34.21)
PGCIL	3.73
SRLDC	13.90
KUNDAKULAM	26.98
SECI Wind	(0.014)
NTPL	52.84
TOTAL	79.62

The above figure of Rs. 79.62 Crores has been shown as an explanatory note on the face of Profit & Loss Account below the heading of "Purchase of Power". The is also available in Books of Account Part-B -3 (B).

Commission's View:

The Commission has noted the submission of the Stakeholder and the reply of the Petitioner.

2.2.11 Late Payment Surcharge Charges (LPSC)

Stakeholder's Comment:

The Stakeholder has submitted that the DISCOM has claimed LPSC of Rs. 0.09 Cr. It is submitted that the Commission allow Interest on Working

Capital to DISCOM to meet the day-to-day expenditure like Power Purchase Cost. Further, as per clause 35.3 of Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2021, such expenses shall not be allowed as it is the fault of the DISCOM. Accordingly, PFI has requested the Commission to not consider LPSC.

Petitioner's Response:

The Petitioner would like to inform the Commission that in Table no:7 (Power Purchase Quantum& Cost) of the True up Petition submitted for FY 2024-25 that though LPSC value of Rs 0.09 Cr was added for Computation of the subtotal (B) in the power purchase table, the same value of Rs 0.09 Cr was subtracted for the computation of subtotal (C) thereby negating the impact of Rs. 0.09 Cr. The calculation can be found out by referring to the Form 4 – worksheet of the Tariff formats excel workbook submitted in Annexure 1 as a response to the Deficiency note issued by the Commission.

Commission's View:

The Commission has noted the submission of the Stakeholder and the reply of the Petitioner. The Commission has dealt the issue in the Power Purchase section of this order.

2.2.12 UI Charges

Stakeholder's Comment:

The Stakeholder has asked the Petitioner to submit justification on deviation charges paid and disallow the penal charges paid by the DISCOM. The Stakeholder has further asked that if the Over Drawal is caused due to uncontrollable factors than such cost can be allowed to be passed through to the consumers.

The Stakeholder has requested the Commission to not consider the Rs. 3.35 Cr. towards deviation charges. The same may be borne by the Government of Puducherry in the form of subsidy.

Petitioner's Response:

The Petitioner has submitted that as an utility it has a obligation to provide power supply to consumers. On Real Time Basis suddenly any of the Generator went off under this condition to meet the load demand with supply this over drawl has been done and the Over Drawal is caused due to uncontrollable factors and prays the Commission to allow this Rs.3.35 Crores.

Commission's View:

The Commission has noted the submission of the Stakeholder and the reply of the Petitioner. The Commission has dealt the issue in the Power Purchase section of this order.

2.2.13 Renewable Power Purchase Obligations

Stakeholder's Comment:

The Stakeholder has observed that DISCOM has procured credit of 500 MU through REC procurement and corresponding cost of REC as claimed was Rs. 19.92 Cr. However, it is observed that in order to meet the RPO target for FY 2024-25, DISCOM need to buy only 15.58 MU which considering the average cost per MU will be only Rs. 0.62 Cr.

It is further submitted that REC procurement only provides the RE credit not the actual energy, which DISCOM need to procure from alternate costlier sources like Thermal. Additional procurement of REC has incurred an additional burden on consumers by increasing the DISCOM expenditure and by procuring costlier power from alternate source. RPO Targets mention the word of "minimum" and the DISCOM need to procure power at least equal to the RPO target for the year. However, if any DISCOM wants to procure more RE power or want to over achieve RPO target, than the same should be through the power which saves in Power Purchase Cost by back down of costlier power plants instead of procuring REC.

In view of above, the Stakeholder has requested the Commission to direct DISCOM to submit the reason of procuring REC worth 500 MU RE credit instead of balancing figure of 15.58 MU, which resulted in additional expenditure of Rs.19.30 Cr. and the same should not be considered as part of Power Purchase Cost.

Petitioner's Response:

The Petitioner has submitted that it had the backlog around 1413.48.MU at the beginning of FY-2024-25. Thus, the cumulative target of RPO during FY-2024-25 is 2353.70. MU. The Department has fulfilled its RPO to be extent of 1384.80 MU as against the cumulative target of 2353.70 MU by purchasing 806.82 MU of physical energy and 500 MU of REC.

Commission's View:

The Commission has noted the submission of Stakeholder and agreed with the reply of the Petitioner. The Commission has dealt the issue in the RPO section of this order.

2.2.14 Incentive for Reduction in Distribution Losses

Stakeholder's Comment:

The Stakeholder has worked out the incentive for the DISCOM at Rs. 7.31 Cr. Accordingly, the Stakeholder has requested the Commission to allow Rs. 7.31 Cr. as an incentive towards reduction in T&D losses.

Petitioner's Response:

The Petitioner has submitted the working for Incentive/(Disincentive) for Overachievement/(Underachievement) of T&D loss in Table 5 and Table 6 of the True up Petition for FY 2024-25. The Stakeholder while raising this concern has ignored Table 5 of the True up Petition. The methodology adopted by the Petitioner for calculation of incentive is along the same lines as the methodology adopted by JERC in the True up of FY 2022-23 (TO issued on 12th June, 2024. Pg:66) and FY 2023-24 (TO issued on 24th September, 2025. Pg: 74). Therefore, the Petitioner has requested the Commission to approve Rs.14.02 Cr as incentive for overachievement of T&D Loss.

Commission's View:

The Commission has noted the submission of Stakeholder and the reply of the Petitioner. The Commission has dealt the issue in the Incentive/Disincentive section of this order.

2.2.15 Employee expenses**Stakeholder's Comment:**

The Stakeholder has worked out the total employee expenses at Rs. 79.55 Cr. Accordingly, the Stakeholder has requested the Commission to consider Rs. 79.55 Cr. as the employee expenses for FY 2024-25.

Petitioner's Response:

The Petitioner has submitted that since it is the True up of FY 2024-25 the Petitioner has presented the audited figures in the filing of True up Petition for FY 2024-25. However, the Petitioner has submitted the Normative employee expense calculation as well.

Commission's View:

The Commission has noted the submission of Stakeholder and agreed with the reply of the Petitioner.

2.2.16 Disallowance of financing charges**Stakeholder's Comment:**

The Stakeholder has observed that some SERCs like DERC in its Statement of Reason for Business Plan Regulations, 2023 has mentioned that all charges that are directly attributable to particular loan to be included in the interest on such loan and that charges should not be claimed as additional expenses

Accordingly, the Stakeholder has requested the Commission to not consider finance charges and the same should be borne by Government of Puducherry in the form of the subsidy.

Petitioner's Response:

JERC MYT 2021 Regulation clearly states the following:

“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.”

In the audited accounts of the Petitioner for the year FY 2024-25, Schedule 12 clearly mentions the banking charges as Rs 2,72,54,993.

Commission's View:

The Commission has noted the submission of Stakeholder and agreed with the reply of the Petitioner.

2.2.17 Discrepancy between revenue amounts**Stakeholder's Comment:**

The Stakeholder has raised concern over the discrepancy between revenue amounts.

Petitioner's Response:

The Petitioner has submitted that in the Revenue from Sale of Power data submitted by the Petitioner in the True up Petition for FY 2024-25, Revenue from Sale of Power at existing tariff (1) (Rs 2111.82 Cr) and Revenue from Regulatory Surcharge (Rs. 155.69 Cr), Revenue from Penal charges to consumer (Rs. 2.98 Cr) and un-billed Revenue difference (Rs. 25.02 Cr) together add up to Rs. 2295.50 Cr which matches the amount mentioned in the accounts. There isn't any discrepancy as pointed out by the Stakeholder.

Commission's View:

The Commission has noted the submission of the Stakeholder and agreed with the reply of the Petitioner.

2.2.18 Reduction in Regulatory Surcharge**Stakeholder's Comment:**

The Stakeholder has submitted that, as per the APTEL Order dated 24.11.2024, an amount of Rs. 44.58 Crore has been realized as Revenue Surplus on account of higher tariff per kVA applicable to EHT consumers during FY 2024-25.

Further, the Stakeholder has raised the issue as to whether the Revenue Surplus computed by the Department for FY 2024-25 can be considered for reduction in the Regulatory Surcharge. In this regard, the Stakeholder has submitted that such surplus has primarily arisen due to the higher tariff imposed on EHT consumers during the said year.

Accordingly, the Stakeholder has requested that, if any reduction in Regulatory Surcharge is approved for FY 2026-27, the benefit of such reduction should be passed on exclusively to EHT consumers, as they were the primary contributors to the Revenue Surplus.

Petitioner's Response:

The Petitioner has submitted that the fixation of the percentage of Regulatory Surcharge falls within the exclusive purview of the Commission.

Commission's View:

The Commission has noted the submission of the stakeholder and the reply of the Petitioner. Further, the Commission has dealt the issue in section 3.25 of this order.

2.2.19 Absence of the Secretary to Government (Power)

Stakeholder's Comment:

The Stakeholder has submitted that there was an absence of the Secretary to Government (Power) and the Budget Officer of the UT of Puducherry, which has been contested by the Stakeholder as a matter of concern.

Petitioner's Response:

The Petitioner has submitted that, during the Public Hearing, the SE-cum-HOD represented the Petitioner in Petition No. 171/2026 pertaining to the matter of "True-Up for FY 2024-25," and that all necessary approvals from the Secretary to Government (Power) had been duly obtained.

Commission's View:

The Commission has noted the submission of Stakeholder and the reply of the Petitioner.

2.2.20 Government arrears

Stakeholder's Comment:

Stakeholder has sought clarification regarding the Government arrears as on 31.03.2025.

Petitioner's Response:

The Petitioner has submitted that the total Government dues outstanding as on 31.03.2025 amount to Rs. 363.94 Crore; however, the issue raised is beyond the scope of the present True-Up exercise.

Commission's View:

The Commission has noted the submission of Stakeholder and the reply of the Petitioner.

2.2.21 Collection of older arrears Revenue Recovery Act

Stakeholder's Comment:

The Stakeholder has further sought details on whether the Department has collected old arrears through the Revenue Recovery Act, and if so, requested that the relevant details be furnished.

Petitioner's Response:

The Petitioner has further submitted that certain old disconnected cases have been referred under the RR Act, and dues are being collected.

Commission's View:

The Commission has noted the submission of Stakeholder and reply of the Petitioner.

2.2.22 CC (Current Consumption) bill

Stakeholder's Comment:

The Stakeholder has submitted that the CC bills issued are very small in size and that the printed data on the bill fades or disappears within three days.

The Stakeholder has submitted that the date and venue of the Public Hearing should be printed in the CC bill to ensure wider awareness among consumers.

The Stakeholder has further submitted that CC bills are not legible and bills should be permanent in nature for future reference.

The Stakeholder has submitted that the subsidy extended by the Government of Puducherry has not been properly adjusted in the CC bill.

Petitioner's Response:

The Petitioner has submitted that a detailed bill can be accessed and downloaded from the PED services portal.

The Petitioner has submitted that the suggestion to print the Public Hearing date and venue in the CC bill has been noted for future compliance.

Further, the Petitioner has submitted before the Commission that all subsidies extended by the Government of Puducherry are being duly adjusted in the CC bills.

Commission's View:

The Commission has noted the submission of Stakeholder and reply of the Petitioner.

2.2.23 Damaged Electric Lines/Conductors

Stakeholder's Comment:

The Stakeholder has submitted that the electric lines/conductors passing through the Krishna Nagar area are in a damaged condition and require immediate replacement.

The Stakeholder has further submitted that in the Krishna Nagar area, transformers are not kept properly and are located in low-lying areas.

Petitioner's Response:

The Petitioner has submitted that necessary action is being undertaken to replace damaged poles and to improve the ground clearance of overhead lines (OH).

The Petitioner has further submitted that action is being taken to identify improper installations and to ensure proper upkeep and maintenance of such installations.

Commission's View:

The Commission has noted the submission of Stakeholder and reply of the Petitioner. Further, the Commission directs the Petitioner to ensure proper upkeep of Distribution infrastructure.

2.2.24 Replacement of street lights through the fund from the common public/MLA

Stakeholder's Comment:

The Stakeholder has raised concerns that street lights are being replaced using funds from the general public/MLAs.

Petitioner's Response:

The Petitioner has submitted that faulty street lights are being rectified using funds provided by the Department.

Commission's View:

The Commission has noted the submission of Stakeholder and reply of the Petitioner.

2.2.25 Power supply

Stakeholder's Comment:

The Stakeholder has submitted that in certain cases, power supply is being extended without installation of meters and direct connections are being provided.

Petitioner's Response:

The Petitioner has submitted that all the services are extended with proper energy meter except agriculture service connections and deployment of smart

meter is in progress. On completion of the work all the service connections will be metered.

Commission's View:

The Commission appreciates the concern of the Stakeholder and has taken serious note of the reply of the Petitioner that agricultural connections are still been released without installation of energy meters in violation of the Electricity Act, 2003.

The Commission directs the Petitioner to adhere the Electricity Act, while releasing electric connection and not to release any connection without installation of energy meter.

2.2.26 Overhead lines to be replaced with the new ones

Stakeholder's Comment:

The Stakeholder has submitted that all overhead lines should be replaced with new ones.

Petitioner's Response:

The Petitioner has submitted that the grievance has been noted and appropriate action will be taken accordingly.

Commission's View:

The Commission has noted the submission of the Stakeholder and reply of the Petitioner.

Suggestions/Comments, Response related to tariff

2.2.27 Domestic tariff

Stakeholder's Comment:

The Stakeholder has submitted that the domestic tariff in Puducherry is comparatively high.

Petitioner's Response:

The Petitioner has submitted that the tariff rates for all categories of consumers are determined in accordance with the provisions of the Electricity Act, National Tariff Policy, and the Regulations and Guidelines issued by the Joint Electricity Regulatory Commission (JERC).

Commission's View:

The Commission has noted the submission of the Stakeholder and reply of the Petitioner. Further, the issue raised by the Stakeholder doesn't pertain to present exercise of True-up.

2.2.28 Tariff hike

Stakeholder's Comment:

The Stakeholder has submitted that there are frequent tariff hikes.

Petitioner's Response:

Further, the Petitioner has submitted that, as per the Conduct of Business Regulations, tariff revision is undertaken once in a year.

Commission's View:

The Commission has noted the submission of the Stakeholder and reply of the Petitioner. Further, the issue raised by the Stakeholder doesn't pertain to present exercise of True-up.

2.2.29 Fixed service charges to be removed

Stakeholder's Comment:

The Stakeholder has also requested that the Fixed Service Charges levied on consumers be removed.

Petitioner's Response:

The Petitioner has also submitted that the matter regarding deletion of Fixed Service Charges falls within the regulatory purview of JERC.

Commission's View:

The Commission has noted the submission of the Stakeholder and reply of the Petitioner. Further, the issue raised by the Stakeholder doesn't pertain to present exercise of True-up.

Suggestions/Comments, Response related to CGRF

2.2.30 Public Grievance Meetings

Stakeholder's Comment:

The Stakeholder has submitted that Public Grievance Meetings are required to be conducted once every six months.

Petitioner's Response:

The Petitioner has submitted that the Department is conducting Public Grievance Meetings on a regular basis. Additionally, it has been submitted that the CGRF has conducted 56 grievance meetings across all four regions.

Commission's View:

The Commission has noted the submission of the Stakeholder and reply of the Petitioner. Further, the issue raised by the Stakeholder doesn't pertain to present exercise of True-up.

2.2.31 Intimation of Public Hearing**Stakeholder's Comment:**

The Stakeholder has submitted that the intimation of the Public Hearing has not been widely circulated across all newspapers.

Petitioner's Response:

The Petitioner has submitted that the intimation of the Public Hearing was widely published in newspapers across all four regions. In this regard, the details of publication are as follows: *The Hindu* dated 31.01.2026, *Dinamalar* dated 31.01.2026, *Dinathanthi* dated 31.01.2026, *Kerala Koumudi (Mahe)* dated 02.02.2026, *Jana Mitra (Yanam)* dated 02.02.2026, *Dinamalar* dated 11.02.2026, and *Dinakaran* dated 11.02.2026.

Commission's View:

The Commission has noted the submission of the Stakeholder and agreed with the reply of the Petitioner. Further, the Commission also issued advertisement on 22.01.2026 and 11.02.2026.

2.2.32 Outcomes of Public Hearings**Stakeholder's Comment:**

The Stakeholder has sought details on the outcomes and key decisions of the Public Hearings conducted by the Commission in previous years.

Petitioner's Response:

The Petitioner has submitted that the status of concerns and grievances raised by the public/stakeholders during previous Public Hearings have been duly addressed and incorporated in the respective Tariff Orders issued by JERC, which are available on the Department's website.

Commission's View:

The Commission has noted the submission of the Stakeholder and reply of the Petitioner. Further, the Commission clarifies that all the suggestions/objections raised during the Public Hearing have been duly addressed and incorporated in the respective Tariff/Truing-up Orders issued by JERC.

Miscellaneous suggestions/Comments, Response

2.2.33 Shortage of engineers

Stakeholder's comment

The Stakeholder has highlighted a shortage of engineers.

Petitioner's Response:

The Petitioner has also submitted that there is no shortage of manpower in the Department and that adequate engineers are available for effective service delivery.

Commission's view:

The Commission has noted the submission of the Stakeholder and reply of the Petitioner.

2.2.34 Privatisation of Electricity Department

Stakeholder's comment

The Stakeholder has questioned the rationale behind the proposed privatization of the Electricity Department despite it being in a profitable stage.

The Stakeholder has further inquired whether the tender inviting 100% stakeholders for privatization of the Electricity Department is currently active or has been cancelled.

Petitioner's Response:

The Petitioner has submitted that the 100% shareholding e-tender process for privatization has been cancelled with due approval of the Government of Puducherry.

Commission's view:

The Commission has noted the submission of the Stakeholder and reply of the Petitioner. Further, the issue raised by the Stakeholder doesn't pertain to present exercise of True-up.

2.2.35 Power cuts

Stakeholder's Comment:

The Stakeholder has sought information regarding the appropriate contact point in case of power outages during night hours.

The Stakeholder has further submitted that power cuts are not being announced two days in advance.

Petitioner's Response:

The Petitioner has submitted that a toll-free number (1800-425-1912) is provided in the CC bill itself.

The Petitioner has further submitted that the issue regarding advance intimation of power cuts has been noted; however, the same is not related to the present True-Up exercise.

The Petitioner has submitted that well before 2 days the load shedding details have been arranged to notify in newspaper, department website and announced in FM and Radio.

Commission's View:

The Commission has noted the submission of Stakeholder and reply of the Petitioner.

2.2.36 Villianur O&M Phone not functional**Stakeholder's Comment:**

The Stakeholder has raised concerns that the Villianur O&M phone number has not been functional for the past 1.5 years.

The Stakeholder has submitted that the CUG numbers assigned to various offices are not working, thereby affecting communication.

Petitioner's Response:

The Petitioner has submitted that the Villianur O&M contact number is in working condition.

The Petitioner has submitted that the CUG contact numbers are available with all Section Officers and are in use.

Commission's View:

The Commission has noted the submission of Stakeholder and reply of the Petitioner.

2.2.37 Disconnection of service**Stakeholder's Comment:**

The Stakeholder has sought clarification on whether any benchmark or target has been fixed by the Department for disconnection of service connections.

Further, the Stakeholder has alleged that disconnection of service connections is being carried out in discriminatory manner.

Petitioner's Response:

The Petitioner has submitted that disconnection of service connections of defaulting consumers is carried out periodically as per applicable norms.

Commission's View:

The Commission has noted the submission of Stakeholder and reply of the Petitioner. The Petitioner is directed to upload the name of the website in the Petition.

2.2.38 Smart meters**Stakeholder's Comment:**

The Stakeholder has sought clarification on whether smart meters have been implemented by the Department or not.

Petitioner's Response:

Further, the Petitioner has submitted that the deployment of smart meters has already commenced, and all service connections in the UT of Puducherry are planned to be covered with smart meters by September 2027.

Commission's View:

The Commission has noted the submission of Stakeholder and reply of the Petitioner. Further, the Commission directs the Petitioner to expedite the smart meter installation work and submit the status as on 31.03.2026 by 30.06.2026.

2.2.39 Concern regarding presence of large number of police personnel**Stakeholder's Comment:**

The Stakeholder has submitted concerns regarding the presence of a large number of police personnel during the Public Hearing and has sought clarification on the necessity of such arrangements.

Petitioner's Response:

The Petitioner has submitted that the functioning of the Commission is quasi-judicial in nature; therefore, in order to ensure adequate security for the Chairman and other Members of the Commission, police protection was requested by the Department during the Public Hearing.

Commission's View:

The Commission has noted the submission of Stakeholder and reply of the Petitioner.

2.2.40 Availability of officials during public hearings

Stakeholder's Comment:

The Stakeholder has suggested that the contact numbers of JE/AE should be displayed at Bill Collection Centres for ease of communication.

The Stakeholder has further submitted that the presence of EE/AE/JE during Public Hearings is essential for addressing consumer grievances effectively.

The Stakeholder has suggested the formation of division-wise WhatsApp groups for efficient handling of consumer complaints.

Petitioner's Response:

The Petitioner has submitted that the suggestion regarding display of JE/AE contact numbers at Bill Collection Centres has been noted for compliance.

The Petitioner has further submitted that the suggestion regarding presence of EE/AE/JE during Public Hearings has been noted.

The Petitioner has submitted that the suggestion for forming division-wise WhatsApp groups for complaint handling has been noted for compliance.

Commission's View:

The Commission has noted the submission of Stakeholder and reply of the Petitioner.

2.2.41 Granting power supply to lawful occupants

Stakeholder's Comment:

The Stakeholder has raised objections regarding the practice of granting power supply to lawful occupants based solely on the furnishing of an affidavit.

Petitioner's Response:

The Petitioner has submitted that the suggestion has been noted; however, the issue raised is not relevant to the present True-Up exercise.

Commission's View:

The Commission has noted the submission of the Stakeholder and reply of the Petitioner.

2.2.42 APTS (Advanced Persistent Threats) functioning

Stakeholder's Comment:

The Stakeholder has questioned whether APTS is functioning within the Department.

Petitioner's Response:

The Petitioner has submitted that a separate APTS wing is functioning within the Department.

Commission's View:

The Commission has noted the submission of the Stakeholder and reply of the Petitioner.

3 True-up of the FY 2024-25

3.1 Regulatory Provisions

The True up for the FY 2024-25 has been carried out in accordance with Regulation 12 of the JERC MYT Regulations, 2021, as stated below:

“12.1 The Generating Company, Transmission Licensee and Distribution Licensee shall be subject to annual performance review and truing up of expenses and revenue during the Control Period in accordance with these Regulations.

12.2 The Generating Company, Transmission Licensee and Distribution Licensee shall file an application for the annual performance review of the current year, truing up of the previous Year or the Year for which the audited accounts are available and determination of tariff for the ensuing Year on or before 30th November of each Year, in formats specified by the Commission from time to time:

Provided that the Generating Company, Transmission Licensee or Distribution Licensee, as the case may be, shall submit to the Commission information in such form as may be specified by the Commission, together with the audited accounts, extracts of books of account and such other details as the Commission may require to assess the reasons for and extent of any variation in financial performance from the approved forecast of Aggregate Revenue Requirement and Expected Revenue from Tariff and Charges.

12.3 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 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;*
- b) **Annual Performance Review:** a comparison of the revised performance targets of the Applicant for the current Financial Year with the approved forecast in the Tariff Order corresponding to the Control Period for the current Financial Year subject to prudence check;*
- c) **Tariff determination** for the ensuing Year of the Control Period based on the revised forecast of the Aggregate Revenue Requirement for the Year;*
- d) Review of compliance with directives issued by the Commission from time to time;*
- e) Other relevant details, if any.*

12.4 Upon completion of the exercise, the Commission shall attribute any variations or expected variations in performance for variables specified under Regulation 12 below, to factors within the control of the Applicant (controllable factors) or to factors beyond the control of the Applicant (uncontrollable factors):

Provided that any variations or expected variations in performance, for variables other than those specified under Regulation 12 below shall be attributed entirely to controllable factors.

Provided further that, where the Petitioner believes, for any variable not specified under Regulation 13.1, that there is a material variation or expected variation in performance for any year on account of uncontrollable factors, it may apply to the Commission for inclusion of such variable.

12.5 Upon completion of the exercise, the Commission shall pass an order recording:

a) Components of approved cost pertaining to the uncontrollable factors, which were not recovered during the previous Year, to be passed through in tariff as per Regulation 14 of these Regulations:

Provided that, for a Generating Company, the above exercise shall be in accordance with prevalent CERC Tariff Regulations.

b) Approved aggregate gain or loss to the Transmission Licensee or Distribution Licensee on account of controllable factors, and the amount of such gains or such losses that may be shared in accordance with Regulation 15 of these Regulations:

Provided that, for a Generating Company, the above exercise shall be in accordance with prevalent CERC Tariff Regulations.

c) Carrying cost shall be allowed for a Generating Company, Transmission Licensee or Distribution Licensee on the amount of revenue gap for the period from the date on which such gap has become due, i.e., from the end of the Year for which true-up has been done, till the end of the Year in which it is addressed, on the basis of actual rate of loan taken by the Licensee to fund the deficit in revenue:

Provided that carrying cost on the amount of revenue gap shall be allowed subject to prudence check and submission of documentary evidence for having incurred the carrying cost in the years prior to the year in which the revenue gap is addressed:

Provided also that if no loan has been taken to fund revenue deficit, the Commission shall allow Carrying Cost on simple interest basis at one (1) Year State Bank of India (SBI) MCLR / any replacement thereof as notified by RBI for the time being in effect applicable for 1 Year period, as may be, applicable as on 1st April of the relevant Year plus 100 basis points;

Provided further that in case of revenue surplus, the Commission shall charge the Licensee a Carrying Cost from the date on which such surplus has become due, i.e., from the end of the Year for which true up has been done, till the end of the Year in which it is addressed on simple interest basis at one(1) Year State Bank of India (SBI) MCLR / any replacement thereof as notified by RBI for the time being in effect applicable for 1 Year period, as may be, applicable as on 1st April of the relevant Year plus 100 basis points.

d) Revision of estimates and tariff for the ensuing Financial Year.”

3.2 Approach for the True-Up of FY 2024-25

The Petitioner has submitted the audited accounts for FY 2024-25 based on audit conducted by statutory auditor. The Commission in this Chapter has carried out the True-up of FY 2024-25 in accordance with the principles laid down in the JERC MYT Regulations, 2021.

3.3 Energy Sales

Petitioner’s Submission

The Petitioner has submitted that the category-wise approved energy sale as per the Tariff Orders dated 12th June 2024 (P. No. 116/2023) and 24th September 2025 (P. No. 139/2025), vis-à-vis the actual energy sale for FY 2024-25, is shown in the table below.

Table 6: Energy Sales (MUs) for FY 2024-25

Consumer Category	Approved in T.O dt. 12.06.2024 (P.No.116/2023)	Approved in APR dt. 24.09.2025	Petitioner’s Submission
Domestic & Cottage	804.49	977.58	848.37
OHOB /Lifeline Services	1.59	4.42	4.77
Commercial	206.65	257.01	244.70
Agriculture	60.32	61.20	59.91
Public Lighting	18.22	26.15	23.17
LT Industrial + Water Tank	168.75	176.47	174.58
HT-1 Industrial and commercial	998.90	1043.01	998.61
HT-2 Others	62.67	48.50	50.15
HT 3 - EHT Industries	820.11	714.34	720.23
Temporary supply – LT & HT	3.85	3.78	3.56
Grand Total	3,145.55	3,313.62	3,128.06

Commission's analysis

The JERC MYT Regulations, 2021 stipulate that the variation in sales constitutes “uncontrollable factors” that are beyond the control of the Petitioner and cannot be mitigated. Regulation 13.1 of the JERC MYT Regulations, 2021 in this regard stipulates the following:

“For the purpose of these Regulations, the term “uncontrollable factors” for a Transmission or Distribution Licensee shall comprise of the following factors, which were beyond the control of the Licensee, and could not be mitigated by the Licensee:

- a) Force Majeure events;*
- b) Change in Law, judicial pronouncements and Orders of the Central Government, State Government or Commission;*
- c) Variation in the number or mix of Consumers or quantities of electricity supplied to Consumers;*
- d) Inter- state Transmission loss;*
- e) Variation in the cost of power purchase due to variation in the rate of power purchase from approved sources, subject to clauses in the power purchase agreement or arrangement approved by the Commission;*
- f) Variation in fuel cost;*
- g) Change in power purchase mix;*
- h) Inflation;*
- i) Transmission Charges for a Distribution Licensee;*
- j) Variation in market interest rates for long-term loans;*
- k) Employee expenses limited to one time payment owing requirements of a pay commission and terminal liability of employees;*
- l) Taxes and Statutory levies;*
- m) Taxes on income;*
- n) Income from the realisation of bad debts written off;*

Provided that where the Applicant believes, for any variable not specified above, that there is a material variation or expected variation in performance for any Financial Year on account of uncontrollable factors, such Applicant may apply to the Commission for inclusion of such variable at the Commission's discretion, under this Regulation for such Financial Year:”

As variation in the number or mix of Consumers or quantities of electricity supplied to Consumers are uncontrollable, the actual sales have been approved for true-up of FY 2024-25 in line with the Petitioner's submission.

The table below provides the energy sales approved by the Commission in the Approved in Tariff Order dated 12.06.2024 (P.No.116/2023), the Petitioner's Submission and quantum of energy sales now trued-up by the Commission:

Table 7: Energy Sales (MUs) approved by the Commission for FY 2024-25

Consumer Category	Approved in T.O dt. 12.06.2024 (P.No.116/2023)	Approved in APR dt. 24.09.2025	Petitioner's Submission	Approved by the Commission
Domestic & Cottage	804.49	977.58	848.37	848.37
OHOB /Lifeline Services	1.59	4.42	4.77	4.77
Commercial	206.65	257.01	244.70	244.70
Agriculture	60.32	61.20	59.91	59.91
Public Lighting	18.22	26.15	23.17	23.17
LT Industrial + Water Tank	168.75	176.47	174.58	174.58
HT-1 Industrial and commercial	998.90	1043.01	998.61	998.61
HT-2 Others	62.67	48.50	50.15	50.15
HT 3 - EHT Industries	820.11	714.34	720.23	720.23
Temporary supply - LT & HT	3.85	3.78	3.56	3.56
Grand Total	3,145.55	3,313.62	3,128.06	3,128.06

The Commission approves 3,128.06 MUs as energy sales in the True-up of the FY 2024-25.

3.4 Connected Load

Petitioner's Submission

The Petitioner has submitted that the category-wise approved Connected load in the Tariff Orders dated 12th June 2024 (P.No.116/2023), 24th September, 2025 (P.No.139/2025) vis-à-vis the actual connected load for FY 2024-25 is shown in the table below:

Table 8: Connected Load (kVA/kW) for FY 2024-25

Consumer Category	Approved in T.O dt. 12.06.2024 (P.No.116/2023)	Approved in APR dt. 24.09.2025	Petitioner's Submission
Domestic& Cottage	710,329	1,593,230	1,590,277
OHOB /Life Line Services	2,843	2,843	2,843
Commercial	167,657	238,294	256,603
Agriculture	66,447	63,430	63,430
Public Lighting	6,512	7,228	7,228
LT Industrial + Water Tank	140,310	139,153	151,749
HT-1 Industrial & Commercial	238,424	317,991	329,204
HT-2 Others	23,646	23,109	23,009
HT 3 - EHT Industries	44,399	128,775	150,750
Grand Total	1,400,567	2,514,053	2,575,093

Commission's analysis

The JERC MYT Regulations, 2021 stipulate that the variation in sales constitutes “uncontrollable factors” that are beyond the control of the Petitioner and cannot be mitigated. Regulation 13.1 of the JERC MYT Regulations, 2021 in this regard stipulates the following:

“For the purpose of these Regulations, the term “uncontrollable factors” for a Transmission or Distribution Licensee shall comprise of the following factors, which were beyond the control of the Licensee, and could not be mitigated by the Licensee:

- a) Force Majeure events;*
- b) Change in Law, judicial pronouncements and Orders of the Central Government, State Government or Commission;*
- c) Variation in the number or mix of Consumers or quantities of electricity supplied to Consumers;*
- d) Inter- state Transmission loss;*
- e) Variation in the cost of power purchase due to variation in the rate of power purchase from approved sources, subject to clauses in the power purchase agreement or arrangement approved by the Commission;*
- f) Variation in fuel cost;*
- g) Change in power purchase mix;*
- h) Inflation;*
- i) Transmission Charges for a Distribution Licensee;*
- j) Variation in market interest rates for long-term loans;*

k) Employee expenses limited to one time payment owing requirements of a pay commission and terminal liability of employees;

l) Taxes and Statutory levies;

m) Taxes on income;

n) Income from the realisation of bad debts written off:

Provided that where the Applicant believes, for any variable not specified above, that there is a material variation or expected variation in performance for any Financial Year on account of uncontrollable factors, such Applicant may apply to the Commission for inclusion of such variable at the Commission's discretion, under this Regulation for such Financial Year."

The Commission notes that as per above provision, the variation in the number or mix of Consumers as well as quantities of electricity supplied to Consumers is uncontrollable. Hence, the Commission has approved Connected load as given in the table below:

Table 9: Connected Load (kW) approved by the Commission

Consumer Category	Approved in T.O dt. 12.06.2024 (P.No.116/2023)	Approved in APR dt. 24.09.2025	Petitioner's Submission	Approved by the Commission
Domestic& Cottage	710,329	1,593,230	1,590,277	1,590,277
OHOB /Life Line Services	2,843	2,843	2,843	2,843
Commercial	167,657	238,294	256,603	256,603
Agriculture	66,447	63,430	63,430	63,430
Public Lighting	6,512	7,228	7,228	7,228
LT Industrial + Water Tank	140,310	139,153	151,749	151,749
HT-1 Industrial & Commercial	238,424	317,991	329,204	329,204
HT-2 Others	23,646	23,109	23,009	23,009
HT 3 - EHT Industries	44,399	128,775	150,750	150,750
Grand Total	1,400,567	2,514,053	2,575,093	2,575,093

3.5 Number of Consumers

Petitioner's Submission

The Petitioner has submitted that the category-wise approved number of consumers in the Tariff Order dated 12th June 2024 (P.No.116/2023) vis-à-vis the actual number of consumers for FY 2024-25 is shown in the table below:

Table 10: No. of Consumers for FY 2024-25 submitted by the Petitioner

Consumer Category	Approved in T.O dt. 12.06.2024 (P.No.116/2023)	Approved in APR dt. 24.09.2025	Petitioner's Submission
Domestic & Cottage	402,746	394,738	400,589
OHOB / Lifeline Services	2,528	3,019	2,528
Commercial	61,152	62,203	62,683
Agriculture	7,177	7,420	7,507
Public Lighting	52,419	59,006	61,238
LT Industrial + Water Tank	5,649	4,514	9,051
HT-1 Industrial and commercial	442	444	452
HT-2 Others	89	76	77
HT 3 - EHT Industries	15	10	11
Grand Total	532,217	531,430	544,136

Commission's analysis

The JERC MYT Regulations, 2021 stipulate that the variation in sales constitutes “uncontrollable factors” that are beyond the control of the Petitioner and cannot be mitigated. Regulation 13.1 of the JERC MYT Regulations, 2021 in this regard stipulates the following:

“For the purpose of these Regulations, the term “uncontrollable factors” for a Transmission or Distribution Licensee shall comprise of the following factors, which were beyond the control of the Licensee, and could not be mitigated by the Licensee:

- a) Force Majeure events;*
- b) Change in Law, judicial pronouncements and Orders of the Central Government, State Government or Commission;*
- c) Variation in the number or mix of Consumers or quantities of electricity supplied to Consumers;*
- d) Inter- state Transmission loss;*
- e) Variation in the cost of power purchase due to variation in the rate of power purchase from approved sources, subject to clauses in the power purchase agreement or arrangement approved by the Commission;*
- f) Variation in fuel cost;*
- g) Change in power purchase mix;*

- h) Inflation;
- i) Transmission Charges for a Distribution Licensee;
- j) Variation in market interest rates for long-term loans;
- k) Employee expenses limited to one time payment owing requirements of a pay commission and terminal liability of employees;
- l) Taxes and Statutory levies;
- m) Taxes on income;
- n) Income from the realisation of bad debts written off:

Provided that where the Applicant believes, for any variable not specified above, that there is a material variation or expected variation in performance for any Financial Year on account of uncontrollable factors, such Applicant may apply to the Commission for inclusion of such variable at the Commission's discretion, under this Regulation for such Financial Year:"

The Commission notes that as per above provision, the variation in the number or mix of Consumers as well as quantities of electricity supplied to Consumers is uncontrollable. Hence, the number of consumer approved by the Commission are provided in the table below:

Table 11: Number of Consumers approved by the Commission

Consumer Category	Approved in T.O dt. 12.06.2024 (P.No.116/2023)	Approved in APR dt. 24.09.2025	Petitioner's Submission	Approved by the Commission
Domestic & Cottage	402,746	394,738	400,589	400,589
OHOB / Lifeline Services	2,528	3,019	2,528	2,528
Commercial	61,152	62,203	62,683	62,683
Agriculture	7,177	7,420	7,507	7,507
Public Lighting	52,419	59,006	61,238	61,238
LT Industrial + Water Tank	5,649	4,514	9,051	9,051
HT-1 Industrial and commercial	442	444	452	452
HT-2 Others	89	76	77	77
HT 3 - EHT Industries	15	10	11	11
Grand Total	532,217	531,430	544,136	544,136

3.6 Open Access Sales and Purchase

Petitioner's Submission

The Petitioner has also submitted that there is NIL Open Access Sales and Purchase of energy for FY 2024-25 in the replies to the data deficiency note raised by the Commission.

Commission's analysis

The Commission approves NIL Open Access Sale and Purchase in the True-up of the FY 2024-25.

3.7 Inter-State Transmission Loss (ISTS)

Petitioner's Submission

The Petitioner has submitted that the Inter-State Transmission Loss of 5.50% may be approved against 3.50% as approved in Tariff order Dt: 24/09/2025(APR) for FY 2024-25.

Commission's analysis

The Commission has verified the submission of the Petitioner from the REA and DSM Reports of FY 2024-25 in the absence of Energy Audit Report and observed that the Inter-State Transmission Loss are 3.16% for FY 2024-25. The Table below provides the ISTS loss approved for FY 2024-25:

Table 12: Inter-state transmission losses (%)

Sr. No.	Particulars	FY 2024-25
		Revised True-up Submission
1	Energy Input at PED Periphery	3352.73
2	Total Power Scheduled/ Purchased	
	Total Schedule Billed Drawal - CGS (From	2993.69
	Add: Renewable Power	841.62
	Less: Power diverted to Exchange	287.21
3	Net Power Scheduled (Ex-bus)	3,548.10
4(i)	Add: Overdrawal	28.55
4(ii)	Less: Underdrawal	114.42
5	PGCIL Losses - MUs (3 + 4(i) - 4(ii) - 1)	109.50
6	PGCIL Losses - % (5/(3 + 4(i) - 4(ii)))	3.16%

Table 13: Approved Inter-State Transmission Loss for FY 2024-25 (%)

Particulars	Approved in Tariff Order Dt. 12.06.2024 for FY 2024-25 (P.No.116/2023)	Approved in APR dt. 24.09.2025	Petitioner's Submission	Trued-up by Commission
Inter-State Transmission Loss	2.50%	3.50%	5.50%	3.16%

3.8 Intra- State Transmission & Distribution (T&D) loss

Petitioner's Submission

The Petitioner has submitted that the Commission approved the T&D loss of 10.50% in FY 2024-25 vide Tariff Order dated 24.09.2025 in the matter of P.No.139/2025. The Petitioner has further submitted that the actual T&D loss level achieved for FY 2024-25 is 9.63%.

Commission's analysis

The Commission has verified the submission of the Petitioner from the REA and DSM Reports of FY 2024-25 in the absence of Energy Audit Report for FY 2024-25 and observed that the actual T&D losses are of 11.64% for FY 2024-25. The Table below provides the Intra-State T&D loss approved for FY 2024-25:

Table 14: Intra-state transmission losses (%)

S. No	Particulars	FY 2024-25
1.	Energy Required at State Periphery from inter-state sources	3,352.73
2.	Own state Generation	187.51
3.	Energy Requirement @ State periphery (MU) (1+2)	3,540.24
4.	Total Sales	3,128.06
5.	T&D loss (3-4)	412.18
6.	Transmission and Distribution losses (%) (5/3)	11.64%

Table 15: T&D losses approved by the Commission

Particulars	Approved in Tariff Order Dt. 12.06.2024 for FY 2024-25 (P.No.116/2023)	Approved in APR dt. 24.09.2025	Petitioner's Submission	Actual achieved
T&D Losses (%)	10.50%	10.50%	9.63%	11.64%

The Commission allows the sharing of gain/ (loss) on account of over/under achievement of loss in upcoming section.

3.9 Energy Balance

Petitioner's Submission

The energy balance based on the actual value of sales, power purchase, T&D loss & ISTS loss for FY 2024-25 are given in the table below:

Table 16: Energy Balance, ISTS Loss & T&D Loss for FY 2024-25

A	Energy Requirement	
1	Sales Within Territory	3,128.06
2	Energy Drawal by TANGEDGO	0.00
3	Sales to Electricity Traders / Power Exchange	0.00
4	Sale to Open access Consumers	0.00
5 = 1+2+3+4	Total Sales	3,128.06
6	T&D Loss (%)	9.63%
7	T&D Loss (MU)	333.17
8	Total Energy Requirement at UT Periphery	3461.23
B	Energy Availability at Ex-Bus	
1	Total Power Purchased	4022.81
2	Own Generation (PPCL)	187.51
3	Add: Power Purchase/(Sale) at Exchange	-287.28
4 = 1-2+3	Total scheduled at CGS	3548.01
5	Energy Scheduled at UT periphery through CGS	3352.73
6	Add: Own Generation (PPCL)	187.51
7	Add: UI Overdrawal	28.55
8	Less: UI Underdrawal	-114.42
9 = 5+6+7+8	Net Power Purchase at UT Periphery	3461.23
10	ISTS Losses (Mus)	195.28
11	ISTS Losses (%)	5.50%
12	Deficit/(Surplus)	0.00

Petitioner has submitted that it has made significant efforts in reducing the T&D loss and is continuously striving to improve its distribution performance by strengthening the distribution network, improve the reliability of power and to improve the operational efficiency. Further, the Petitioner has also started a drive to change all electromechanical meters to electronic/smart meter, which would further add in improving the distribution system efficiency. Accordingly, the Petitioner has submitted that in comparison to the approved T&D loss of 10.50%, it has achieved the T&D loss level of 9.63%.

Commission's analysis

Energy balance approved by the Commission has provide in the table below:

Table 17: Energy balance approved by the Commission

Particulars	FY 2024-25
Energy requirement	MU
Sales Within Territory	3,128.06
Total Sales	3,128.06
Transmission and Distribution losses (%)	11.64%
T&D loss	412.18
Energy Requirement @ State periphery (MU)	3,540.24
Less: Own state Generation	187.51
Energy Required at State Periphery from inter-state sources	3,352.73
PGCIL Losses (%)	3.16%
PGCIL Losses	109.42
Total Ex bus requirement	3,649.66
Energy Available at Ex Bus	
Total Power Purchased	4,022.81
Sale of Power	-287.28
Add: UI overdrawl	28.55
Less: UI under drawl	-114.42
Energy Available at Ex-Bus (MU)	3,649.66

3.10 Power Purchase Quantum & Cost

Petitioner's Submission

The Petitioner has submitted that energy requirement is met through allocation from the Central Generating Stations (CGS) and State utility like Puducherry Power Corporation Ltd. i.e., PPCL, and the Renewable Energy Tie-ups. PPCL is a generating company within the UT of Puducherry catering to the partial requirement of Karaikal region.

The table provides a summary of power purchase sources, costs, transmission charges, UI charges, and purchases from traders for FY 2024-25 as submitted by the Petitioner for FY 2024-25:

Table 18: Power Purchase Quantum and Cost submitted by the Petitioner for FY 2024-25

Source	Approved in APR dt. 24.09.2025			(Actual) FY 2024-25		
	Purchase	Total Cost	Unit Cost	Purchase	Total Cost	Unit Cost
	(MUs)	(Rs. Cr.)	(Rs./Unit)	(MUs)	(Rs. Cr.)	(Rs./Unit)
MAPS	22.39	5.94	2.65	21.00	5.32	2.53
KAPS Stage I (Unit 1&2)	123.42	46.02	3.73	107.27	77.34	3.57
KAPS Stage II (Unit 3&4)	112.06	41.79	3.73	109.57		
KUDANKULAM U1	251.98	114.73	4.55	307.37	146.38	4.76
KUDANKULAM U2	210.77	96.03	4.56	232.18	107.60	4.63

Source	Approved in APR dt. 24.09.2025			(Actual) FY 2024-25		
	Purchase	Total Cost	Unit Cost	Purchase	Total Cost	Unit Cost
	(MUs)	(Rs. Cr.)	(Rs./Unit)	(MUs)	(Rs. Cr.)	(Rs./Unit)
SECI Solar Tranche II - 50 MW	30.66	7.70	2.51	42.55	9.83	2.31
NTPC Solar 100 MW	245.28	66.23	2.70	249.59	65.69	2.63
SECI Wind Tranche V 100 MW	280.32	79.61	2.84	549.48	154.54	2.81
SECI Wind Tranche VIII 80.5 MW	224.31	65.27	2.91			
SECI Wind Tranche V 60.14 MW	42.15	12.26	2.91			
PPCL	234.01	213.68	7.46	187.51	180.08	9.60
Talcher Stage-II	454.17	117.03	1.75	433.19	109.41	2.53
New NLC TS-I (NNTPS)	372.49	184.49	2.64	394.99	180.04	4.56
NLC TPS I (Expn)	139.21	53.89	2.83	132.80	51.42	3.87
NLC TPS II (Expn)	89.23	62.11	3.14	43.31	21.30	4.92
NLC TPS II Stage II	121.73	55.19	3.20	96.87	40.26	4.16
NLC TPS II Stage I	347.71	158.11	3.22	272.30	112.86	4.14
Simhadri Stage-II	103.20	56.33	3.62	100.44	55.46	5.52
Telangana STPP (Unit-1)	32.14	21.04	3.74	38.06	21.08	5.54
Vallur Thermal Project (NTECL)	108.71	69.32	3.97	97.98	58.89	6.01
RSTPS Stage- III	128.77	96.33	3.99	109.96	54.67	4.97
RSTPS Stage I &II	153.45	109.19	4.06	354.27	178.88	5.05
NTPL (Tuticorin)	0.00	31.29	4.21	82.63	62.39	7.55
Kudgi STPS Stage- I	0.00	46.75	4.92	58.44	55.22	9.45
Sub-Total (A)				4021.72	1748.66	
Net UI				-85.87	3.35	
PGCIL (POC + Non POC) Charges	0.00	279.12	0.00	0.00	161.21	0.00
SRLDC				0.00	0.52	0.00
Bank (LC) Charges					1.97	
EESL					1.11	
KPTCL, SRPC & RPO					0.22	
KSEB				1.10	1.00	5.77
Debit Note of Previous Year					79.62	
Interest Cost (LPSC)					0.09	
Sub-Total (B)				3936.94	1997.75	
Less: Bank (LC) Charges					1.97	
Less: Interest Cost (LPSC)					0.09	
Less: EESL					1.11	
Add: URS Income					0.39	

Source	Approved in APR dt. 24.09.2025			(Actual) FY 2024-25		
	Purchase	Total Cost	Unit Cost	Purchase	Total Cost	Unit Cost
	(MUs)	(Rs. Cr.)	(Rs./Unit)	(MUs)	(Rs. Cr.)	(Rs./Unit)
Add: PTC Charges (REC Purchase)					19.92	
Sub-Total (C)				3936.94	2014.89	
Open Market (Sale)/Purchase				-287.28	-123.02	
Sub-Total (D)				3649.66	1891.87	
UI/DSM Charges					23.17	
URS Income					0.39	
RRAS Income					0.12	
Less: Sub-Total (E) = Revenue from other services related to sale of power				0.00	23.68	
Total Power Purchase = (D-E)	3828.16	2089.45		3649.66	1868.18	

Commission's analysis

The JERC MYT Regulations, 2021 stipulate that any variation in the cost of power generation and/or power purchase shall be treated as an uncontrollable factor. The relevant provisions of Regulations 13.1 of JERC MYT Regulations, 2021 is provided below.

“For the purpose of these Regulations, the term “uncontrollable factors” for a Transmission or Distribution Licensee shall comprise of the following factors, which were beyond the control of the Licensee, and could not be mitigated by the Licensee:

..

- e) Variation in the cost of power purchase due to variation in the rate of power purchase from approved sources, subject to clauses in the power purchase agreement or arrangement approved by the Commission;*
- f) Variation in fuel cost;*
- g) Change in power purchase mix;*
- h) Inflation;*
- i) Transmission Charges for a Distribution Licensee;”*

The Commission has noted that the Petitioner procures power mainly from NTPC Stations, NTPL (Tuticorin) stations, NLC station, PPCL station NPCIL stations, NTECL station, KKNP station, NNTPS station, NTPC Solar and SECI Wind. The Petitioner submitted the overall Power Purchase cost as Rs. 1868.18 Crore inclusive of transmission charges. Transmission charges and the other charges as submitted by the Petitioner have been considered based on actuals.

The Commission has considered all-power purchase bills & summary invoice submitted by the Petitioner in its replies to the deficiency note raised by the Commission. For the power purchase cost, the Commission has verified the actual audited account, which was submitted by the Petitioner.

The following table provides the summary of the power purchase quantum and the cost approved by the Commission for the FY 2024-25:

Table 19: Power Purchase quantum and cost approved by the Commission

Source	Approved in ARR FY 2024-25			Approved in APR FY 2024-25			(Actual/Claimed) FY 2024-25			Approved by the Commission		
	Purchase	Total Cost	Unit Cost (Rs./Unit)	Purchase	Total Cost	Unit Cost (Rs./Unit)	Purchase	Total Cost	Unit Cost (Rs./Unit)	Purchase	Total Cost	Unit Cost (Rs./Unit)
	(MUs)	(Rs. Cr.)		(MUs)	(Rs. Cr.)		(MUs)	(Rs. Cr.)		(MUs)	(Rs. Cr.)	
MAPS	33.04	8.17	2.47	22.39	5.94	2.65	21.00	5.32	2.53	21.00	5.32	2.53
KAPS Stage I (Unit 1&2)	491.59	176.71	3.59	123.42	46.02	3.73	107.27	77.34	3.57	107.27	77.34	3.57
KAPS Stage II (Unit 3&4)			3.59	112.06	41.79	3.73	109.57			109.57		
KUDANKULAM U1	285.32	104.03	3.65	251.98	114.73	4.55	307.37	146.38	4.76	307.37	146.38	4.76
KUDANKULAM U2	143.46	52.31	3.65	210.77	96.03	4.56	232.18	107.60	4.63	232.18	107.60	4.63
SECI Solar Tranche II - 50 MW				30.66	7.70	2.51	42.55	9.83	2.31	42.55	9.83	2.31
NTPC Solar 100 MW	261.69	68.82	2.63	245.28	66.23	2.70	249.59	65.69	2.63	249.59	65.69	2.63
SECI Wind Tranche V 100 MW	475.87	136.57	2.87	280.32	79.61	2.84	549.48	154.54	2.81	549.48	154.54	2.81
SECI Wind Tranche VIII 80.5 MW				224.31	65.27	2.91						
SECI Wind Tranche V 60.14 MW				42.15	12.26	2.91						
PPCL	227.39	216.42	9.52	234.01	213.68	7.46	187.51	180.08	9.60	187.51	180.08	9.60
Talcher Stage-II	309.89	95.02	3.07	454.17	117.03	1.75	433.19	109.41	2.53	433.19	109.41	2.53
New NLC TS-I (NNTPS)	275.59	172.72	6.27	372.49	184.49	2.64	394.99	180.04	4.56	394.99	180.04	4.56
NLC TPS I (Expn)	102.98	44.5	4.32	139.21	53.89	2.83	132.80	51.42	3.87	132.80	51.42	3.87
NLC TPS II (Expn)	122.62	66	5.38	89.23	62.11	3.14	43.31	21.30	4.92	43.31	21.30	4.92
NLC TPS II Stage II	124.04	50.87	4.10	121.73	55.19	3.20	96.87	40.26	4.16	96.87	40.26	4.16

Source	Approved in ARR FY 2024-25			Approved in APR FY 2024-25			(Actual/Claimed) FY 2024-25			Approved by the Commission		
	Purchase	Total Cost	Unit Cost (Rs./Unit)	Purchase	Total Cost	Unit Cost (Rs./Unit)	Purchase	Total Cost	Unit Cost (Rs./Unit)	Purchase	Total Cost	Unit Cost (Rs./Unit)
	(MUs)	(Rs. Cr.)		(MUs)	(Rs. Cr.)		(MUs)	(Rs. Cr.)		(MUs)	(Rs. Cr.)	
NLC TPS II Stage I	347.7	146.23	4.21	347.71	158.11	3.22	272.30	112.86	4.14	272.30	112.86	4.14
Simhadri Stage-II	68.8	40.3	5.86	103.20	56.33	3.62	100.44	55.46	5.52	100.44	55.46	5.52
Telangana STPP (Unit-1)				32.14	21.04	3.74	38.06	21.08	5.54	38.06	21.08	5.54
Vallur Thermal Project (NTECL)	102.84	68.1	6.62	108.71	69.32	3.97	97.98	58.89	6.01	97.98	58.89	6.01
RSTPS Stage- III	90.27	48.66	5.39	128.77	96.33	3.99	109.96	54.67	4.97	109.96	54.67	4.97
RSTPS Stage I &II	361.31	189.81	5.25	153.45	109.19	4.06	354.27	178.88	5.05	354.27	178.88	5.05
NTPL (Tuticorin)	83.93	50.86	6.06	0.00	31.29	4.21	82.63	62.39	7.55	82.63	62.39	7.55
Kudgi STPS Stage- I	106.35	116.67	10.97	0.00	46.75	4.92	58.44	55.22	9.45	58.44	55.22	9.45
Sub-Total (A)	4014.68	1852.77	4.61				4021.72	1748.66	4.35	4021.72	1748.66	4.35
Net UI							-85.87	3.35		-85.87	3.35	
PGCIL (POC + Non POC) Charges		177.91		0.00	279.12	0.00	0.00	161.21	0.00	0.00	161.21	0.00
SRLDC							0.00	0.52	0.00	0.00	0.52	0.00
Bank (LC) Charges								1.97			1.97	
EESL								1.11			1.11	
KPTCL,SRPC & RPO								0.22			0.22	
KSEB							1.10	1.00	5.77	1.10	1.00	5.77
Debit Note of Previous Year								79.62			79.62	
Interest Cost (LPSC)								0.09			0.09	
Sub-Total (B)							3936.94	1997.75		3936.94	1997.75	
Less: Bank (LC) Charges								1.97			1.97	

Source	Approved in ARR FY 2024-25			Approved in APR FY 2024-25			(Actual/Claimed) FY 2024-25			Approved by the Commission		
	Purchase	Total Cost	Unit Cost (Rs./Unit)	Purchase	Total Cost	Unit Cost (Rs./Unit)	Purchase	Total Cost	Unit Cost (Rs./Unit)	Purchase	Total Cost	Unit Cost (Rs./Unit)
	(MUs)	(Rs. Cr.)		(MUs)	(Rs. Cr.)		(MUs)	(Rs. Cr.)		(MUs)	(Rs. Cr.)	
Less: Interest Cost (LPSC)								0.09			0.09	
Less: EESL								1.11			1.11	
Add: URS Income								0.39			0.39	
Add: PTC Charges (REC Purchase)								19.92			19.92	
Sub-Total (C)							3936.94	2014.89		3936.94	2014.89	
Open Market (Sale)/Purchase	(423.86)	(205.57)					-287.28	-123.02		-287.28	-123.02	
Sub-Total (D)							3649.66	1891.87		3649.66	1891.87	
UI/DSM Charges								23.17			23.17	
URS Income								0.39			0.39	
RRAS Income								0.12			0.12	
Less: Sub-Total (E) = Revenue from other services related to sale of power							0.00	23.68		0.00	23.68	
Total Power Purchase = (D-E)	3590.82	1825.12	5.08	3828.16	2089.45	5.46	3649.66	1868.18	5.12	3649.66	1868.18	5.12

It is observed that the Petitioner has not recovered any FPPCA for FY 2024-25, in accordance with the Tariff Order for FY 2024-25. As per provision in Para 8.2.1.ii. of the Tariff Order dated 12th June 2024, the Commission forfeited recovery of FPPCA during the Truing-up, provision of the same has been reproduced below:

“8.2.1 Periodicity for Recovery (Cycle), Chargeability and related Terms & Conditions:

...

ii. FPPCA surcharge shall be computed and charged by the distribution licensee, in (n+2) th month, on the basis of actual variation, in the cost of fuel and power purchase and Inter-State Transmission Charges for the power procured during the nth month. (For example, the FPPCA surcharge on account of changes in tariff for power supplied during the month of April of any financial year shall be computed and billed in the month of June of the same financial year):

Provided that in case the distribution licensee fails to compute and charge fuel and power purchase cost adjustment surcharge within the timeline as specified above, except in case of any force majeure condition, its right for recovery of costs on account of fuel and power purchase adjustment surcharge shall be forfeited and, in such cases, the right to recover the FPPCA surcharge determined during true-up shall also be forfeited.”

In reply to the Commission query on date 01.04.2026, the Petitioner has submitted the monthly FPPCA computation for FY 2024-25 vide the email dated 06.04.2026, which are shown as under:

Table 20: Monthly FPPCA submitted by the Petitioner

Months	Total Power Purchase (A) (in kWh)	Total Sales (B) (in kWh)	Incremental Average Power Purchase Cost (C) (INR/kWh)	Actual Transmission Charges (D) (In INR Cr.)	Approved Transmission Charges (D) (In INR Cr.)	Z (in kWh)	Distribution Loss (%)	ABR	FPPCA (%)
Apr-24	332.38	232.42	0.32	14.20	15.02	90.52	10.75%	5.93	0.0650
May-24	374.64	232.42	-0.34	13.64	15.02	131.72	10.75%	5.93	-0.0708
Jun-24	378.33	280.43	-2.08	13.57	14.83	81.47	10.50%	6.39	-0.4388
Jul-24	402.50	280.43	-1.08	18.84	14.83	105.63	10.50%	6.39	-0.2113
Aug-24	354.85	280.43	-1.40	12.34	14.83	60.35	10.50%	6.39	-0.3084
Sep-24	348.42	271.82	-0.41	14.96	14.83	62.96	10.50%	6.39	-0.0872
Oct-24	343.66	271.82	-0.09	12.66	14.83	58.40	10.50%	6.39	-0.0253
Nov-24	337.19	271.82	-0.39	11.42	14.83	51.21	10.50%	6.39	-0.0988
Dec-24	331.30	250.31	-0.04	19.75	14.83	66.35	10.50%	6.39	0.0042
Jan-25	296.46	250.31	-0.44	14.08	14.83	33.34	10.50%	6.39	-0.1097
Feb-25	291.53	250.31	-0.84	14.11	14.83	30.35	10.50%	6.39	-0.2048
Mar-25	307.66	240.15	-0.75	13.68	14.83	55.45	10.50%	6.39	-0.1641

The Commission observed that working of the Petitioner is not as per prescribed formula in Tariff Order for FY 2024-25 and have few errors. Accordingly, the Commission has re-computed the monthly FPPCA, based on the Petitioner submitted data and worked out that of Rs 18.30 Crore is the net recoverable FPPCA for FY 2024-25. The detailed monthly FPPCA computation is shown as under:

Table 21: Monthly FPPCA to be levy on the Consumers worked-out by the Commission

Months	Total Power Purchase (A) (in kWh)	Bulk Sale (B)	Incremental Average Power Purchase Cost (C) (INR/kWh)	Actual Transmission Charges (D) (In INR Cr.)	Approved Transmission Charges (D) (In INR Cr.)	Z (in kWh)	Distribution Loss (%)	ABR (Rs/Unit)	FPPCA (%)	Revenue Billed (Rs Crore)	FPPCA Recovery (Rs Crore)
Apr-24	378.33	43.03	-1.05	13.57	14.83	369.27	10.50%	6.39	-0.167	170.40	-28.49
May-24	402.50	50.52	-0.30	18.84	14.83	392.86	10.50%	6.39	-0.0458	171.15	-7.85
Jun-24	354.85	27.89	-0.58	12.34	14.83	346.39	10.50%	6.39	-0.0976	166.12	-16.22
Jul-24	348.42	18.70	0.16	14.96	14.83	340.11	10.50%	6.39	0.0267	172.01	4.60
Aug-24	343.66	13.33	0.40	12.66	14.83	335.49	10.50%	6.39	0.0684	185.83	12.72
Sep-24	337.19	8.86	0.30	11.42	14.83	329.17	10.50%	6.39	0.0510	188.47	9.62
Oct-24	331.30	16.73	0.71	19.75	14.83	323.43	10.50%	6.39	0.1226	182.90	22.42
Nov-24	296.46	7.57	0.31	14.08	14.83	289.43	10.50%	6.39	0.0541	170.57	9.22
Dec-24	291.53	17.51	-0.28	14.11	14.83	284.57	10.50%	6.39	-0.0477	178.46	-8.52
Jan-25	307.66	36.59	-0.11	13.68	14.83	300.36	10.50%	6.39	-0.0188	166.96	-3.14
Feb-25	290.56	23.97	0.39	10.80	14.83	283.64	10.50%	6.39	0.0616	166.99	10.28
Mar-25	340.35	22.58	0.45	9.24	14.83	332.19	10.50%	6.39	0.0721	189.49	13.65
Total	4022.82	287.28								2109.33	18.30

Accordingly, the Commission has considered the Rs 18.30 Crore as adjustment surcharge to be forfeited based on the provision of para 8.2.1 of MYT Order dated 12.06.2024. The Net Power Purchase cost after adjusting this forfeited cost due to non-implementation of FPPCA for FY 2024-25 is shown in the Table below:

Table 22: Net Power Purchase cost after adjusting forfeited cost due to non-implementation of FPPCA for FY 2024-25

S.No	Particulars	Units	Tariff Order for FY 2024-25	Trued-up for FY 2024-25
1	Power Purchase Cost	Rs Crore		1868.18
2	Forfeited Cost due to non-implementation of FPPCA	Rs Crore		18.30
3	Net Power Purchase Cost Allowed for FY 2024-25 (1-2)	Rs Crore		1849.89

3.11 Renewable Purchase Obligation (RPO)

Petitioner's Submission

The Commission observed that Regulation 3, Sub-regulation (1) of the JERC (Procurement of Renewable Energy) Regulations, 2010 provides as under:

“Each distribution licensee shall purchase electricity (in kWh) from renewable energy sources, at a defined minimum percentage of the total consumption of all the consumers in its area during a year.”

The Commission notified the JERC (Procurement of Renewable Energy), (Fifth Amendment) Regulations, 2024 on 28th May 2024 and revised the RPO targets, according to which the Petitioner had to purchase 0.67% of its total consumption from Wind, 0.38% from Hydro, 1.50% from Distributed Renewable energy and 27.35% from Other renewable energy sources for FY 2024-25.

Based on the above, the Petitioner submitted the RPO compliance (cumulative & standalone) and the pending backlog at the end of FY 2024-25 as shown in the following table:

Table 23: Summary of Renewable Purchase Obligation (RPO) (MU) for FY 2024-25

S. No.	Particulars	Petitioner's Submission
1.	Sales Within UT (MUs)	3,128.06
2.	Wind RPO Target	0.67%
3.	HPO Target	0.38%
4.	Distributed Renewable Energy Target	1.50%
5.	Other RPO Target	27.35%
6.	Total Target (%)	29.91%
7.	RPO Target (MUs)	
8.	Wind RPO Target	20.96
9.	HPO Target	11.89
10.	Distributed Renewable Energy Target	46.92
11.	Other RPO Target	855.52
12.	Total RPO Target (MUs)	935.29
13.	RPO Compliance (Actual Purchase) (MUs)	

S. No.	Particulars	Petitioner's Submission
14.	Wind RPO	241.07
15.	HPO	0.16
16.	Distributed Renewable Energy (Generation)	77.94
17.	Other RPO	600.54
18.	Total RPO Compliance (Actual Purchase)	919.71
19.	RPO Compliance (REC Certificate Purchase) (MUs)	
20.	Wind RPO	0.00
21.	HPO	0.00
22.	Distributed Renewable Energy	0.00
23.	Other RPO	500.00
24.	Total RPO Compliance (REC Certificate)	500.00
25.	RPO Compliance (REC+ Actual) (MUs)	
26.	Wind RPO	241.07
27.	HPO	0.16
28.	Distributed Renewable Energy	77.94
29.	Other RPO	1100.54
30.	Total RPO Compliance REC+Actual)	1,419.71
31.	Cumulative Requirement for current year (MUs)	
32.	Wind RPO Target	20.96
33.	HPO Target	11.89
34.	Distributed Renewable Energy Target	46.92
35.	Other RPO Target	4,049.62
36.	Total Cumulative Requirement (MUs)	4,129.39
37.	Cumulative Compliance till current year (MUs)	
38.	Wind RPO	241.07
39.	HPO	0.16
40.	Distributed Renewable Energy	77.94
41.	Other RPO	2864.50
42.	Total Cumulative Compliance (MUs)	3,183.67

S. No.	Particulars	Petitioner's Submission
43.	Net Shortfall/(Surplus) in RPO Compliance till current year (MUs)	
44.	Wind RPO	-220.11
45.	HPO	11.73
46.	Distributed Renewable Energy	-31.02
47.	Other RPO	1185.12
48.	Total Shortfall/(Surplus) (MUs)	945.71

Commission's analysis

The Commission notified the JERC (Procurement of Renewable Energy), (Fifth Amendment) Regulations, 2024 on 28th May 2024 and revised the RPO targets, according to which for FY 2024-25 the Petitioner is obligated to purchase power from renewable sources at minimum of 29.91% of its total annual consumption. The Commission has approved the RPO target for annual compliance of FY 2024-25 in the RPO order dated 21.01.2025.

The Commission has verified the Petitioner's submission against the RPO Order dated 30.12.2025 and observed variations from the figures submitted by the Petitioner. Therefore, the Commission has approved the annual compliance for FY 2024-25 achieved by the Petitioner vide Suo moto RPO order dated 30.12.2025.

Based on the above, the Commission has computed the cumulative RPO compliance and the pending backlog at the end of the FY 2024-25 as shown in the following table:

Table 24: RPO (MU) approved by the Commission

RPO	RPO Target to be Met for		Cumulative Backlog as on 31-03-2024	Cumulative RPO Target for FY 2024-25	Total RPO Met during FY 2024-25	Actual Compliance for FY 2024-25		Cumulative Balance Surplus (-) / Deficit (+)
	FY 2024-25					REC	Power Purchase	
	%	MU	MU	MU	MU			MU
Wind	0.67	20.96	0.00	20.96	78.66	0	78.66	-57.70
HPO	0.38	11.89	0.00	11.89	0.16	0	0.16	11.73
Distributed Renewable Energy	1.5	46.92	0.00	46.92	77.94	0	77.94	-31.02
Other RPO	27.35	855.52	1430.14	2285.66	1228	500	728	1057.66
Total	29.91	935.29	1430.14	2365.43	1384.76	500	884.76	980.67

The Commission notes that there is a net deficit in RPO compliance till the FY 2024-25 of 980.67 MUs. The same has to be carried forward to subsequent years.

3.12 Operation & Maintenance (O&M) Expenses

Regulation 61 of JERC MYT Regulations, 2021, provides as under:

“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,

$$R\&M_n = K \times GFA_{n-1} \times (1 + WPI_{inflation})$$

$$EMP_n = (EMP_{n-1}) \times (1 + G_n) \times (1 + CPI_{inflation})$$

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

‘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;

CPI_{inflation} – is the average increase in Consumer Price Index (CPI) for immediately preceding three (3) Years before the base Year;

$WPI_{inflation}$ – 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 n th Year;

$A\&G_n$ – Administrative and General expenses of the Distribution Licensee for the n th Year;

$R\&M_n$ – Repair and Maintenance expenses of the Distribution Licensee for the n th Year;

GFA_{n-1} – Gross Fixed Asset of the Distribution Licensee for the $n-1$ th Year;

X_n is an efficiency factor for n th Year. Value of X_n 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;

G_n is a growth factor for the n th Year. Value of G_n shall be determined by the Commission foreach 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.”

The Petitioner submitted that the Commission vide Tariff Order dated 31.03.2022 in Petition No. 70/2021 computed the O&M expenses (employee expense, R&M expenses and A&G expenses) for 3rd MYT Control Period considering the base year i.e., FY 2021-22 for determining the trajectory of O&M expenses (employee expense, R&M expenses and A&G expenses) for 3rd MYT control period i.e., FY 2022-23 to FY 2024-25. However, while approving the O&M expenses (employee expense, R&M expenses and A&G expenses) for

FY 2022-23 and FY 2023-24, the Commission has made an error apparent by considering the trued-up values of employee expenses for FY 2021-22 instead of base year values approved by the Commission in the Order dated 31.03.22 for the determination of ARR for the 3rd Control Period.

The Commission, while applying the aforesaid methodology for the true-up of the first two years i.e., FY 2022-23 and FY 2023-24 of the 3rd MYT Control Period, did not encounter any objections or review from the Petitioner regarding the approach adopted. At this point of time, the Commission is not going to comment on the Petitioner comments as the working of the Commission is in accordance with the JERC MYT Regulations, 2021. Regulation 6 of the JERC MYT Regulations, 2021 stipulates the following:

“6. Values for Base Year

“6.1 Provided further that the Commission may change the values for Base Year and consequently the trajectory of parameters for Control Period, considering the actual figures from audited accounts....”

3.12.1 Employee Expenses

Petitioner’s Submission

The following table provides the employee expenses as claimed by the Petitioner:

Table 25: Employee Expenses claimed by the Petitioner for FY 2024-25 (Rs. Cr.)

Particulars	Approved in Tariff Order Dt. 12.06.2024 for FY 2024-25 (P.No.116/2023)	Actuals	Claimed
Employee Expenses	59.58	135.46	135.46
Impact of 7th Pay Commission	-	-	-
Total Employee Expenses	59.58	135.46	135.46

Commission’s analysis

In accordance with the JERC MYT Regulations, 2021, the Commission has determined the Employee expenses for the FY 2024-25. Regulation 6 of the JERC MYT Regulations, 2021 stipulates the following:

“6. Values for Base Year

“6.1 Provided further that the Commission may change the values for Base Year and consequently the trajectory of parameters for Control Period, considering the actual figures from audited accounts....”

The Commission has considered the approved figure of closing balance of employee expenses for FY 2023-24 as a base figure to determine the normative employee expenses for FY 2024-25. The Base Year expenses have been escalated by Growth Rate determined based on the actual manpower for FY 2024-25 submitted by the Petitioner and CPI Inflation of FY 2024-25 to arrive upon the normative employee expenses of FY 2024-25 in accordance with Regulation 42 of JERC MYT Regulations, 2021.

Table 26: CPI Inflation Index

FY	Average of (April - March)	Increase in CPI Index
FY 2023-24	397.20	
FY 2024-25	410.64	3.38%

Table 27: Growth Rate of Employee

FY	Employees	(Increase/Decrease) in employees
FY 2023-24	1604	
FY 2024-25	1355	-15.52%

Table 28: Computation of employee expenses (Rs. Cr.)

S. No	Particulars	(Base Year)	Approved
		Trued up FY 2023-24	FY 2024-25
1	Normative approved expenses for FY 2023-24		88.97
2	Gn (Growth factor)		-15.52%
3	CPI (Average of 3 Previous Years)		3.38%
4	Expenses with inflation and growth (EMP _{n-1}) x (1+Gn) x (1+CPIinflation)	88.97	77.70
5	Impact of 7th Pay Commission	-	-
6	Total Employee Expenses	88.97	77.70

Table 29: Employee expenses approved by Commission for FY 2024-25 (Rs. Cr.)

Particulars	Approved in MYT Order	Claimed by the Petitioner	True-up by the Commission
Employee Expenses	59.58	135.46	77.70
Impact of 7th Pay Commission	-	-	
Total Employee Expenses	59.58	135.46	77.70

The Commission approves employee expenses of Rs. 77.70 Cr in the true-up of the FY 2024-25.

3.12.2 Repair and Maintenance Expenses

Petitioner's Submission

The Petitioner has submitted that the repairs and maintenance expenses has been claimed as per the expenses actually incurred during FY 2024-25 as provided below:

Table 30: R&M Expenses for FY 2024-25 (Rs. Cr) claimed by the Petitioner

S. No.	Particulars	Approved in Tariff Order Dt. 12.06.2024 for FY 2024-25 (P.No.116/2023)	Actuals (as per Audited Accounts of FY 2024-25)	Claimed
1	R&M Expenses	10.55	21.56	21.56

Commission's analysis

The Commission has considered the K factor of 0.91% as approved in the 3rd MYT Tariff Order dated 31.03.2022 and the same has been multiplied with the opening GFA approved for the (n-1)th year. The resultant amount is then escalated by actual WPI Inflation for FY 2024-25 to arrive upon the normative R&M Expenses for the FY 2024-25. The WPI Inflation has been computed as follows:

Table 31: Computation of WPI Index (%)

S. No	FY	Average of (Apr-Mar)	Yearly increase
1	2023-24	151.35	
2	2024-25	154.86	2.27%

The Commission has computed the R&M Expenses as given in the following table:

Table 32: Computation of R&M Expenses worked out by the Commission (Rs. Cr.)

S. No	Particulars	FY 2023-24
1	Opening GFA (GFA _{n-1}) (including	1,062.36
2	K factor approved (K) (%)	0.91%
3	WPI Inflation (Actuals for FY 2024-25) (%)	2.27%
4	R&M Expenses = K x (GFA n-1) x (1+WPIinflation)	9.89

The R&M expenses approved by the Commission for FY 2024-25 have been provided in the following table:

Table 33: R&M Expenses approved by the Commission for FY 2024-25 (Rs. Cr.)

S. No	Particulars	Approved in Tariff Order Dt. 12.06.2024 for FY 2024-25 (P.No.116/2023)	Claimed by the Petitioner	Trued Up by Commission
1	Repair & Maintenance Expenses (R&M)	10.55	21.56	9.89

The Commission approves the Repair & Maintenance (R&M) expenses of Rs. 9.89 Cr in the true- up of FY 2024-25.

3.12.3 Administrative and General (A&G) Expenses

Petitioner's Submission

The Petitioner has submitted that the administrative expense mainly comprises of rents, professional charges, office expenses, etc. The total A&G expenses claimed by the Petitioner for FY 2024-25 is shown in the table below:

Table 34: A&G Expenses for FY 2024-25 claimed by the Petitioner

S. No.	Particulars	Approved in Tariff Order Dt. 12.06.2024 for FY 2024-25 (P.No.116/2023)	Actuals (as per Audited Accounts of FY 2024-25)	Claimed by the Petitioner
1	A & G Expenses	16.55	17.09	17.09

Commission's analysis

The Commission has considered the approved figure of FY 2023-24 (as approved during true up order dated 24.09.2025) as a base figure to determine the normative A&G expenses for FY 2024-25. The Base Year expenses have been escalated by CPI Inflation for FY 2024-25 to arrive upon the normative A&G expenses of FY 2024-25.

Table 35: Computation of A&G expenses (Rs. Cr.)

S. No	Particulars	Trued Up
		FY 2024-25
	Approved A&G expenses of FY 2023-24 (base value)	15.66
1	CPI (in %)	3.38%
2	A&G Expenses	16.19

Table 36: A&G Expenses approved by Commission for FY 2024-25 (Rs. Cr.)

S. No	Particulars	Approved in Tariff Order Dt. 12.06.2024 for FY 2024-25 (P.No.116/2023)	Claimed by the Petitioner	Trued Up by Commission
1	A&G Expenses	16.55	17.09	16.19

The Commission approves the Administrative & General (A&G) expenses of Rs. 16.19 Cr. in the True-up of FY 2024-25.

3.13 Total Operation and Maintenance (O&M) Expenses

Petitioner's Submission

The Petitioner has submitted the actual O&M expenses for FY 2024-25 as summarised below:

Table 37: O&M Expenses for FY 2024-25 (Rs. Cr.)

S. No.	Particulars	Approved in APR Dt. 12.06.2024	Actuals (as per Audited Accounts of FY 2024-25)	Claimed
1.	Employee Expenses	59.58	135.46	113.93
2.	R&M Expenses	10.55	21.56	21.56
3.	A & G Expenses	16.55	17.09	17.09
4.	O&M Expenses	86.68	174.11	174.11

The Petitioner requests the Commission to approve the O&M Expenses of Rs.174.11 Cr. for FY 2024-25 as shown in the table above.

The Petitioner further requests the Commission to approve an amount of Rs 72.11 Cr for the loss incurred till FY 2024-25 due the consideration of a different base year value for the computation of Employee Expenses and A&G Expenses.

Commission's analysis

The following table provides the O&M expenses, approved by the Commission, Petitioner's submission and O&M expenses now trued up by the Commission.

Table 38: O&M Expenses approved by the Commission for FY 2024-25 (Rs. Cr.)

S. No.	Particulars	Approved in APR Dt. 12.06.2024	Actuals (as per Audited Accounts of FY 2024-25)	Claimed by the Petitioner	Approved by the Commission
1.	Employee Expenses	59.58	135.46	135.46	77.70
2.	R&M Expenses	10.55	21.56	21.56	9.89
3.	A & G Expenses	16.55	17.09	17.09	16.19
4.	O&M Expenses	86.68	174.11	174.11	103.78

The Commission approves the Operation & Maintenance (O&M) expenses, before sharing of gain and loss, of Rs. Cr. in the true-up of FY 2024-25. Sharing Gain/ loss is described in Para No 3.23.

3.14 Capitalisation

Petitioner's Submission

The Petitioner has submitted a net capitalization of Rs 21.33 Cr against an approved 24.78 Cr in the APR of Tariff order Dt 24/09/2025. The following table shows the net capitalisation for FY 2024-25.

Table 39: Capitalization for FY 2024-25 (Rs. Cr.)

S. No.	Particulars	Approved in APR dt. 24.09.2025	Actuals
A	Additions during FY 2024-25	24.78	21.33
B	Less: Grant Provided by GOI	0.00	0.00
C	Net Capitalization (C= A-B)	24.78	21.33

Commission's analysis:

The Commission has observed that the Petitioner in reply to the data gap has submitted the capitalisation certificate for the works amounting Rs 21.33 Crore. Further the Petitioner has confirmed that all the assets capitalised during FY 2024-25 were put to use during the same financial year.

The Commission has noted that claimed amount is as per Audited Accounts for FY 2024-25 but the Petitioner has not submitted the scheme wise

capitalisation for existing and new schemes. The Commission directs the Petitioner to submit the scheme wise capitalisation for existing and new scheme from next financial year.

The Commission has considered the capitalization amount as per audited account submitted by the Petitioner and approves the Capitalisation as provided below:

Table 40: Capitalisation approved by the Commission (Rs. Cr.)

S. No.	Particulars	Approved in APR dt. 24.09.2025	Actuals/Claimed	Approved by the Commission
A	Additions during FY 2024-25	24.78	21.33	21.33
B	Capitalization	24.78	21.33	21.33

The Commission approves the Capitalisation of Rs. 21.33 Cr in the True-up of FY 2024-25.

3.15 Capital Structure, GFA and Depreciation

GFA

Petitioner's Submission

The Petitioner has submitted that the opening balance of GFA for FY 2024-25 comes to around Rs.1062.35 Cr. as per the financial statements for FY 2024-25. The following table shows the opening balance, additions and closing balance of GFA for FY 2024-25:

Table 41: GFA for FY 2024-25 (Rs. Cr.)

S. No.	Particulars	Approved in APR dt. 24.09.2025	Petitioner's Submission
1	Opening Gross Fixed Assets	1,062.35	1062.35
2	Additions during FY 2024-25	24.78	21.33
3	Less: Grant Provided by GOI	0.00	0.00
4	Gross Fixed Assets (net of Grant) at the end of FY 2024-25	1,087.13	1083.68

The Petitioner has submitted that the Gross Fixed Assets (GFA) addition during FY 2024-25 is Rs. 21.33 crore. For the purpose of computation of ARR, GFA, Return on Equity (RoE), Interest on Loan, and Depreciation, the consumer contribution/grant has not been considered. Accordingly, the GFA addition during the year, as considered and claimed, is ₹21.33 crore.

Commission's analysis

The Commission has considered the closing Gross Fixed Assets (GFA) of FY 2023-24, as approved in the True-Up of FY 2023-24 as per the Tariff Order dated 24th September 2025, as the opening GFA for FY 2024-25.

Gross Fixed Asset (GFA) approved by Commission is provided in the table given below:

Table 42: GFA addition approved by Commission (Rs. Cr.)

S. No.	Particulars	Approved in APR dt. 24.09.2025	Petitioner's Submission	Approved by the Commission
1	Opening Gross Fixed Assets	1,062.35	1062.35	1062.36
2	Additions during FY 2024-25	24.78	21.33	21.33
3	Gross Fixed Assets at the end of FY 2024-25	1,087.13	1083.68	1083.69

Capital Structure

Petitioner's Submission

The Petitioner has submitted that the Gross Fixed asset during the year 2024-25 has been adjusted for consumer contribution and Grants to arrive at the Normative loan and equity component. The table is as follows:

Table 43: Capital Structure (Rs. Cr)

S. No.	Particulars	Approved in APR dt. 24.09.2025)	Petitioner's Submission
1	Gross Fixed Asset Addition during the Year FY 2024-25	24.78	21.33
2	Less: Grant Provided by GOI	0.00	0.00
3	Net Gross Fixed Assets Addition	24.78	21.33
4	Normative Loan addition during the year FY 24-25 @ 70% of GFA addition during the year	17.35	14.93

S. No.	Particulars	Approved in APR dt. 24.09.2025)	Petitioner's Submission
5	Equity addition during the year FY24-25 @30% of GFA addition during the year	7.43	6.40

Commission's Analysis

The Commission noted that Regulation 27 of the JERC MYT Regulations, 2021 specifies the following:

"27. Debt to Equity Ratio

27.1 In case of Existing Projects, debt to equity ratio allowed by the Commission for determination of tariff for the period ending March 31, 2018 shall be considered:

Provided that in case of retirement or replacement or De-capitalization of the assets, the equity capital approved as mentioned above, shall be reduced to the extent of 30% (or actual equity component based on documentary evidence, if it is lower than 30%) of the original cost of such assets:

Provided further that in case of retirement or replacement or De-capitalization of the assets, the debt capital approved as mentioned above, shall be reduced to the extent of outstanding debt component based on documentary evidence, or the normative loan component, as the case may be, of the original cost of such assets.

27.2 For New Projects, the debt-equity ratio as on the Date of Commercial Operation shall be 70:30 of the amount of capital cost approved by the Commission under Regulation 23, after prudence check for determination of tariff:

Provided that where equity actually deployed is less than 30% of the capital cost of the capitalised asset, the actual equity shall be considered for determination of tariff:

Provided also that if the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as a normative loan for the Licensee for determination of tariff:

Provided also that the Licensee shall submit documentary evidence for the actual deployment of equity and explain the source of funds for the equity:

Provided also that the equity invested in foreign currency shall be designated in Indian rupees on the date of each investment:

Provided further that the premium, if any, raised by the Licensee while issuing share capital and investment of internal resources created out of its free

reserves, for the funding of the scheme, shall be reckoned as paid up capital for the purpose of computing return on equity, provided such premium amount and internal resources are actually utilized for meeting the capital expenditure of the transmission system or the distribution system, and are within the ceiling of 30% of capital cost approved by the Commission.

27.3 Any expenditure incurred or projected to be incurred on or after April 1, 2019, as may be admitted by the Commission, as additional capital expenditure for determination of tariff, and renovation and modernization expenditure for life extension shall be serviced in the manner specified in this Regulation.”

The Commission observed that there is consumer deposit of Rs 3.29 Crore booked in the Audited Accounts for FY 2024-25.

The Commission noted that Regulation 26 of the JERC MYT Regulations, 2021 specifies the following:

“26. Consumer Contribution, Deposit Work, Grant and Capital Subsidy

26.1 The works carried out by the Transmission Licensee and Distribution Licensee after obtaining a part or all of the funds from the users shall be classified as Deposit Works;

26.2 Capital works undertaken by the Transmission Licensee and Distribution Licensee utilising grants received from the State and Central Governments, including funds under various schemes shall be classified under the category of Grants;

26.3 The works carried out with any other grant of similar nature or such amount received without any obligation to return the same and with no interest costs attached to such subvention shall also be classified as works performed through consumer contribution, deposit work, capital subsidy or grant.

26.4 The expenses on such capital expenditure shall be treated as follows:

a) normative O&M expenses as specified in these Regulations shall be allowed;

b) the debt to equity ratio shall be considered in accordance with Regulation 27, after deducting the amount of financial support provided through consumer contribution, deposit work, capital subsidy or grant;

c) depreciation to the extent of works performed through consumer contribution, deposit work, capital subsidy or grant shall not be allowed as specified in Regulation 31;

d) provisions related to return on equity, as specified in Regulation 28, shall not be applicable to the extent of financial support provided through consumer contribution, deposit work, capital subsidy or grant;

e) provisions related to interest on loan capital, as specified in Regulation 29, shall not be applicable to the extent of financial support provided through consumer contribution, deposit work, capital subsidy or grant.”

Accordingly, the Commission has adjusted the consumer deposit/Grant to worked-out the Funding Plan. In accordance with the JERC MYT Regulations, 2021, if the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as a normative loan for the Licensee for determination of tariff. Hence, the Commission approves 70:30 ratio as normative loan: equity. Hence, the Commission has determined the Capital Structure for FY 2024-25 as follows:

Table 44: Capital Structure approved by the Commission (Cr)

S. No.	Particulars	Approved in APR dt. 24.09.2025	Petitioner's Submission	Approved by the Commission
1	Gross Fixed Asset Addition during the Year FY 2024-25	24.78	21.33	21.33
2	Less: Grant/consumer deposit	0.00	0.00	3.29
3	Net Gross Fixed Assets Addition	24.78	21.33	18.04
4	Normative Loan addition during the year FY 24-25 @ 70% of GFA addition during the year	17.35	14.93	12.63
5	Equity addition during the year FY24-25 @30% of GFA addition during the year	7.43	6.40	5.41

3.16 Depreciation

Petitioner's Submission

The Petitioner has submitted that the depreciation rates as specified in Appendix I of the JERC MYT Regulations, 2021 have been adopted for the calculation of depreciation on different asset categories. The rates of depreciation for various assets as used are tabulated below:

Table 45: Rate of Depreciation applicable for various assets

Description of Assets	Rate of Depreciation
Land & Land Rights	0.00%
Buildings	1.80%
Plant & Machinery	3.60%

Description of Assets	Rate of Depreciation
Transformer	3.60%
Lines & Cables (HT & LT)	3.60%
Vehicles	18.00%
Furniture & Fixtures	6.00%
Office Equipment	6.00%
IT Equipment	6.00%
Testing & Measuring Equipment	6.00%
SCADA P&M	6.00%

Based on the aforementioned class-wise depreciation rates and Regulation 31 of the JERC MYT Regulations, 2021, the weighted average depreciation rate of 2.44% has been arrived on average GFA for FY 2024-25, and the depreciation works out to be Rs.26.20 Cr. as shown below:

The Petitioner has requested the Commission to approve Rs. 26.20 Cr. of depreciation has shown in the table following:

Table 46: Depreciation for FY 2024-25 submitted by the Petitioner (Rs Cr)

S. No	Particulars	Approved in APR dt. 24.09.2025	Petitioner's Submission
1	Opening Gross Fixed Assets	1,062.35	1062.35
2	Addition During the FY	24.78	21.33
3	Less: Grant Provided by GoI	0.00	0.00
4	Closing Gross Fixed Assets	1,087.13	1083.68
5	Average Gross Fixed Assets	1,074.74	1073.02
6	Weighted Average Rate of Depreciation (%)	3.72%	2.44%
7	Depreciation	39.98	26.20

Commission's Analysis

Regulation 31 of the JERC MYT Regulations, 2021 stipulates the following with respect to depreciation:

"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, 2019, shall be worked out by deducting the cumulative depreciation as admitted by the Commission up to March 31, 2018, 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 the 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 = Loan (raised for capital expenditure) repayment amount based on loan repayment tenure, 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.”

The Commission has considered weighted average rate of depreciation as per the Audited Accounts.

The Commission has computed the depreciation on the depreciable GFA and grant provided by the Government of India separately. The Commission has further computed the depreciation on the grant provided by the government of India from the depreciation on the average of a depreciable GFA excluding the Consumer contribution.

The net depreciation worked by the Commission for the FY 2024-25 is as detailed here under in table below:

Table 47: Calculation of weighted average rate of depreciation as per audited accounts (%)

Sl. No.	Particulars	FY 2024-25
1	Opening GFA	1062.36
2	Addition during the FY	21.33
3	Closing GFA	1083.68
4	Average GFA	1073.02
5	Depreciation	26.20
6	Weighted Average rate of Depreciation	2.44%

Table 48: Depreciation Approved by the Commission for the FY 2024-25 (Rs Crore)

Particular	True-up by the Commission
Opening depreciable asset	1,062.36
Net Additions during the year	21.33
Closing depreciable assets	1,083.69
Average depreciable assets	1,073.02
Weighted average rate of depreciation	2.44%
Gross Depreciation	26.2
Opening Consumer Contribution	61.15
Consumer Contribution during the Year	3.29
Closing Consumer Contribution for depreciable assets	64.44
Average Grants for Depreciable Assets	62.8
Weighted average rate of depreciation	2.44%
Depreciation on assets created out of consumer deposit/grants	1.53
Net Depreciation	24.67

3.17 Interest and Finance Charges

Petitioner's Submission

The Petitioner has submitted that the majority of capital assets are created out of the equity contribution from Government of Puducherry. Thus, the Petitioner has been claiming interest charges based on normative loan calculation. The Interest and Finance Charges arrived is based on normative loan considered to the extent of capitalization during the year. The table below shows the Interest and Finance Charges approved by the Commission vis-a-vis the Interest & Finance charges claimed by the Petitioner for FY 2024-25:

Table 49: Interest & Finance Charges for FY 2024-25 (Rs. Cr.)

S. No	Particulars	Approved in APR dt. 24.09.2025	Petitioner's Submission
1	Opening Normative Loan	125.22	125.22
2	Add: Normative Loan During the year	17.35	14.93
3	Less: Normative Repayment towards Depreciation	37.69	26.20
4	Closing Normative Loan	104.88	113.95
5	Average Normative Loan	115.05	119.58
6	Rate of Interest (%)	9.65%	9.65%
7	Interest on Loan	11.10	11.54
8	Finance Charges	-	2.73
9	Interest & Finance Charges	11.10	14.27

The Petitioner has considered an addition of Rs. 21.33 Cr. in the Gross Fixed Assets for FY 2024-25. 70% of balance asset addition is considered through normative debt. The rate of interest considered is prevailing SBI MCLR as on 1st April of the relevant year plus 100 basis points (i.e. 8.65%+1%). Along with the normative interest, the Petitioner has also claimed Rs.2.73 Cr. of financial charges which were incurred by the Petitioner on account of charges claimed by the bank charges, finance charges, L/C., etc.

Commission's analysis

Regulation 29 of the JERC MYT Regulations, 2021 stipulates the following:

"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-capitalization 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 de-capitalised or retired or replaced assets, based on documentary evidence.

29.2 The normative loan outstanding as on April 1, 2019, shall be worked out by deducting the cumulative repayment as admitted by the Commission up to March 31, 2018, 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 capitalization 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 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 and the Transmission Licensee or the Distribution Licensee and the Consumers of Distribution Licensee.

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.”

The Commission has approved the normative loan and equity amount for new capitalization for FY 2024-25 in the earlier section of this chapter and the same amount is considered here. Further, Closing loan of previous truing-up has been considered as opening loan for FY 2024-25. Repayment has been considered equivalent to depreciation allowed for FY 2024-25. The Commission has considered the SBI 1 Year MCLR rate i.e. rate applicable as on 01.04.2024 (8.65%) plus 100 basis points as Rate of Interest, in accordance with the JERC MYT Regulations, 2021. The Commission has also

considered the finance charges of Rs. 2.73 Cr. as claimed by the Petitioner from its Audited Account.

The following table provides the Interest on Loan approved by the Commission:

Table 50: Interest and Finance charges approved by Commission (Rs. Cr.) for FY 2024-25

S. No	Particulars	Approved in APR dt. 24.09.2025	Petitioner's Submission	Approved by the Commission
1	Opening Normative Loan	125.22	125.22	125.22
2	Add: Normative Loan During the year net of consumer contribution/grants	17.35	14.93	12.63
3	Less: Normative Repayment towards Depreciation	37.69	26.20	24.67
4	Closing Normative Loan	104.88	113.95	113.18
5	Average Normative Loan	115.05	119.58	119.20
6	Rate of Interest (%)	9.65%	9.65%	9.65%
7	Interest on Loan	11.10	11.54	11.50
8	Finance Charges	-	2.73	2.73
9	Interest & Finance Charges	11.10	14.27	14.23

The Commission approves the Interest and Finance Charges of Rs. 14.23 Cr in the True-up of the FY 2024-25.

3.18 Return on Equity (RoE)

Petitioner's Submission

The Regulations 28.2 and 28.3 of the JERC MYT Regulations, 2021 stipulate the following regarding the return of equity:

“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.”

Accordingly, RoE has been calculated on normative basis on the average of opening and closing of equity during the year at the rate of 16% (on post-tax basis) for retail business and at the rate of 15.50% (on post-tax basis) for wires

business with an opening equity considered for FY 2024-25 as equivalent to the closing equity of FY 2023-24 as approved in the True-up.

Further, an equity addition in FY 2024-25 equal to 30% of asset capitalized in FY 2024-25 has been considered.

The Petitioner has computed the Return on Equity for FY 2024-25 as provided in the table below:

Table 51: Return on Equity for FY 2024-25 (Rs. Cr.) submitted by the Petitioner

S.no	Particulars	Approved in APR dt. 24.09.2025	Petitioner's Submission
1	Opening Equity	300.36	300.36
2	Equity Addition during year (30% of Capitalization)	7.43	6.40
3	Closing Equity	307.79	306.76
4	Average Equity	304.08	303.56
5	Average Equity-Wires Business	273.67	273.20
6	Average Equity (Retail Supply Business)	30.41	30.36
7	Return on Equity for Wires Business (%)	15.50%	15.50%
8	Return on Equity for Retail Supply Business (%)	16.00%	16.00%
9	Return on Equity for Wires Business	42.42	42.35
10	Return on Equity for Retail Supply Business	4.87	4.86
11	Return on Equity	47.28	47.20

In view of above, the Petitioner requested the Commission to allow the above Return on Equity of Rs.47.20 Cr for FY 2024-25.

Commission's analysis:

The Regulations 28.2 and 28.3 of the JERC MYT Regulations, 2021 stipulate the following:

“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.”

RoE has been calculated on normative basis on the average of opening and closing of equity during the year at the rate of 16.00% and 15.50%, as applicable, (on post-tax basis) with an opening equity considered equivalent

to the closing equity of FY 2023-24 as approved in the True-up of FY 2023-24.

The following table provides the RoE approved in the Tariff Order, the Petitioner's Submission and RoE now approved by the Commission

Table 52: RoE approved by Commission (Rs. Cr.)

S.no	Particulars	Approved in APR dt. 24.09.2025	Petitioner's Submission	Approved by the Commission
1	Opening Equity	300.36	300.36	300.36
2	Equity Addition during year (30% of Capitalization) net of consumer contribution/grants	7.43	6.40	5.41
3	Closing Equity	307.79	306.76	305.77
4	Average Equity	304.08	303.56	303.07
5	Average Equity-Wires Business	273.67	273.20	272.76
6	Average Equity (Retail Supply Business)	30.41	30.36	30.31
7	Return on Equity for Wires Business (%)	15.50%	15.50%	15.50%
8	Return on Equity for Retail Supply Business (%)	16.00%	16.00%	16.00%
9	Return on Equity for Wires Business	42.42	42.35	42.28
10	Return on Equity for Retail Supply Business	4.87	4.86	4.85
11	Return on Equity	47.28	47.20	47.13

The Commission approves a Return on Equity of Rs. 47.13 Cr in the True-up of FY 2024-25.

3.19 Interest on Security Deposits

Petitioner's Submission

Regulation 29.11 of the JERC MYT Regulations, 2021 provides following regarding the interest on consumer security deposits:

"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."

Accordingly, the Interest on Security Deposits has been calculated in accordance with the JERC MYT Regulations, 2021 based on the average of opening and closing consumer security deposits during the year. The opening security deposit for FY 2024-25 has been considered same as the closing security deposit as approved in the True-up of FY 2023-24. The rate of interest

has been considered equivalent to the prevailing RBI Bank rate. The table below provides the calculation of interest on consumer security deposits for the year:

Table 53: Interest on Security Deposit for FY 2024-25 (Rs. Cr.)

S. No	Particulars	Approved in APR dt. 24.09.2025	Petitioner's Submission
1	Opening Security Deposit	264.55	264.55
2	Add: Deposits During the year	18.44	20.24
3	Less: Deposits refunded	0.00	12.41
4	Closing Security Deposit	282.99	272.38
5	Average Security Deposit	273.77	268.47
6	Rate of Interest (%)	6.50%	6.75%
7	Interest on Security Deposit on normative basis	17.80	18.12

The normative Interest on Consumer Security Deposit for FY 2024-25 works out to be Rs. 18.12 Cr. as showcased in the above table. The Petitioner requests the Commission to approve the normative Interest on Security Deposit of Rs.18.12 Cr. for FY 2024-25.

Commission's analysis:

The Interest on Security Deposits has been calculated in accordance with the JERC MYT Regulations, 2021 based on the average of opening and closing consumer security deposits during the year. Regulation 29.11 of the JERC MYT Regulations, 2021 stipulates the following about security deposit:

“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.”

The opening security deposit for FY 2024-25 has been considered based on the closing security deposit as approved in the True-up of FY 2023-24. The addition during the year has been considered as per the audited account of Petitioner. The rate of interest has been considered at 6.75%, equivalent to the prevailing RBI Bank rate as on 1.4.2024.

The Petitioner has considered closing security deposit however; the Commission has considered the average security deposit. The table below provides the calculation of interest on consumer security deposits for the year:

Table 54: Interest on Consumer Security Deposits approved by Commission (Rs. Cr.)

S. No	Particulars	Approved in APR dt. 24.09.2025	Petitioner's Submission	Approved by the Commission
1	Opening Security Deposit	264.55	264.55	264.55
2	Add: Deposits During the year	18.44	20.24	20.24
3	Less: Deposits refunded	0.00	12.41	12.41
4	Closing Security Deposit	282.99	272.38	272.38
5	Average Security Deposit	273.77	268.47	268.47
6	Rate of Interest (%)	6.50%	6.75%	6.75%
7	Interest on Security Deposit on normative basis	17.80	18.12	18.12
8	Actual interest on security deposit paid			11.01

As actual interest paid on security deposit is lesser than normative value, hence, the Commission approves interest on security deposit as Rs. 11.01 Cr in the True up of FY 2024-25.

3.20 Interest on Working Capital

Petitioner's Submission

Regulation 64 of the JERC MYT Regulations, 2021 stipulates following regarding the norms of working capital for retail supply business:

“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:

- a) O&M Expenses for one (1) month; plus*
 - b) Maintenance spares at 40% of repair and maintenance expenses for one (1) month; plus*
 - c) Receivables equivalent to two (2) months of the expected revenue from Consumers at the prevailing tariff;*
- Less*
- d) Power Purchase cost for one (1) month; plus*
 - e) 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.”

Accordingly, the Interest on working capital (IOWC) as approved by the Commission vis-à-vis claimed by the Petitioner for FY 2024-25 in accordance with the JERC MYT Regulations, 2021 is as under:

Table 55: Interest on Working Capital for FY 2024-25 (Rs. Cr.)

S No	Particulars	Approved in APR dt. 24.09.2025	Petitioner's Submission
1	O&M Expenses for 1 month	8.65	14.51
2	Maintenance spares at 40% of R&M	0.33	0.72
3	Receivables of two months of billing	381.86	356.54
4	Total Working Capital Requirement	390.84	371.77
5	Less: Security Deposit excluding BG/FDR	273.77	272.38
6	Less: Power Purchase cost for one (1) month	174.12	155.68
7	Net Working Capital	-57.05	-56.30
8	Rate of Interest (%)	10.65%	10.65%
9	Interest on Working Capital	0.00	0.00

Commission's analysis:

The Commission observed that Regulation 53 of the JERC MYT Regulations, 2021 stipulates the following regarding norms of interest on working capital:

"53. Norms of Working Capital for Distribution Wires Business

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

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

Less:

- (d) Amount, if any, held as security deposits under clause (b) of sub-section (1) of Section 47 of the Act from distribution system users 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 re-calculated on the basis of the values of components of working capital approved by the Commission in the truing up."

Further, Regulation 64 of the JERC MYT Regulation, 2021 stipulates the following:

“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:

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

Less

- (d) Power Purchase cost for one (1) month; plus*
- (e) 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 re-calculated on the basis of the values of components of working capital approved by the Commission in the truing up.”

Further, Regulation 32.3 of the JERC MYT Regulation, 2021 stipulates the following:

“32.3 The interest on working capital shall be a payable on normative basis notwithstanding that the Licensee has not taken working capital loan from any outside agency or has exceeded the working capital loan based on the normative figures.

32.4 The rate of interest on working capital shall be equal 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 Financial Year in which the Petition is filed plus 200 basis points.”

The Commission has considered the O&M Expense for 1 month, Maintenance spares at 40% of R&M expenses for one (1) month and Receivables equivalent to two (2) months of the expected revenue from charges for use of distribution wires at the prevailing tariff based on the previous sections of this same Chapter.

The Commission has considered the SBI Base rate as on 1st April 2024 for calculation of interest plus 200 basis points i.e. 10.65% (8.65% + 200) basis points), as stipulated in the MYT Regulations, 2021.

Accordingly, the Interest on Working Capital has been determined by the Commission, as shown in the table below:

Table 56: Interest on Working Capital approved by Commission (Rs Cr.)

for FY 2024-25

S No	Particulars	Approved in APR dt. 24.09.2025	Petitioner's Submission	Approved by the Commission
1	O&M Expenses for 1 month	8.65	14.51	8.65
2	Maintenance spares at 40% of R&M	0.33	0.72	0.33
3	Receivables of two months of billing	381.86	356.54	367.95
4	Total Working Capital Requirement	390.84	371.77	376.92
5	Less: Average Security Deposit excluding BG/FDR	273.77	272.38	268.47
6	Less: Power Purchase cost for one (1) month	174.12	155.68	154.16
7	Net Working Capital	-57.05	-56.30	-45.70
8	Rate of Interest (%)	10.65%	10.65%	10.65%
9	Interest on Working Capital	0.00	0.00	0.00

Accordingly, the Commission approves the NIL Interest on Working Capital in the True-up of FY 2024-25. Since, there is negative working capital requirement.

3.21 Provision for Bad & Doubtful Debts**Petitioner's Submission**

The Petitioner has submitted that it is not claiming any provision for bad debts for FY 2024-25 i.e. NIL and requests the Commission to consider the same as provision for bad debt is allowable in ARR on the basis of actual written off bad debt.

Commission's analysis:

As per Regulation 63 of the JERC MYT Regulations, 2021:

63.1 "The Commission may allow bad debts written off as a pass through in the Aggregate Revenue Requirement, based on the trend of write off of bad debts 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.”

It is observed that as per the audited accounts, the licensee has not written off any amount in FY 2024-25. Therefore, the Commission approved NIL provision for bad and doubtful debts in the True-up of FY 2024-25.

3.22 Non-Tariff Income (NTI)

Petitioner’s Submission

The Non-Tariff Income (NTI) comprises metering, late payment charges, interest on staff loans, income from trading, reconnection fee and miscellaneous income among others. The NTI as approved by the Commission for FY 2024-25 vis-à-vis claimed by the Petitioner is mentioned below:

Table 57: Non-Tariff Income for FY 2024-25 (Rs. Cr.)

S. No	Particulars	Approved in APR dt. 24.09.2025	Petitioner's Submission
1	Non-Tariff Income	8.89	8.85

In view of the above, the Petitioner requests the Commission to approve Rs.8.85 Cr. towards the Non-Tariff Income for FY 2024-25. The details of non-tariff income (excluding revenue from UI power and other sources of income) for FY 2024-25 includes Interest Income on Margin Money Deposit with Bank and Other receipts.

Commission’s analysis:

Regulation 65 of JERC MYT Regulation, 2021 states the following about 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 contactors 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."

The Commission has considered the submission of the Petitioner from the audited accounts and accordingly, approved NTI as shown in the following table:

Table 58: Non- Tariff Income approved by Commission (Rs. Cr.) for FY 2024-25

S. No	Particulars	Approved in APR dt. 24.09.2025	Petitioner's Submission	Approved by the Commission
1	Non-Tariff Income	8.89	8.85	8.85

The Commission approves Non-Tariff Income of Rs. 8.85 Cr. in the True-up of FY 2024-25.

3.23 Incentive/Disincentive towards over/under-achievement of norms

Incentive/Disincentive towards over/under-achievement of norms for T&D Loss

Petitioner's Submission

The Petitioner has submitted that it has been able to achieve an Intra-State T&D Loss of 9.63 % against an approved T&D Loss of 10.50% in the Tariff order Dt: 12th June, 2024. Thus, there is an over achievement of the loss target. In accordance with the JERC MYT Regulations, 2021, PED has calculated the sharing of gains/losses on account of controllable factors. Regulation 15 of the JERC MYT Regulations, 2021 stipulates the following:

“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.”

The incentive has been derived by calculating the saving in cost of power procured due to over-achievement of the stipulated Intra-State T&D loss target of 10.50% by the Petitioner, at the Average Power Purchase cost (APPC).

The APPC has been derived as follows:

Table 59: Average Power Purchase Cost for FY 2024-25 submitted by the Petitioner

Particulars		Amount
Total Power Purchase Cost (Rs Cr)	A	1868.18
Less: Transmission charges and Power Purchase cost from renewable energy sources (Rs Cr)	B	392.60
Net Power Purchase Cost (Rs Cr)	C=A-B	1475.59
Quantum of Ex-bus Power Purchase (MU)	D	3649.66
Quantum of energy at UT Periphery excluding from renewable energy sources (MU)	E	2808.04
APPC (Rs /kWh)	F=C/E*10	5.25

Table 60: Sharing of Gain/Loss on account of T&D Loss submitted by the Petitioner

Particulars		Approved in MYT Order	Petitioner's submission
Retail Sales (MUs)	A	3,145.54	3,128.06

Particulars		Approved in MYT Order	Petitioner's submission
T&D Loss	B	10.50%	9.63%
Energy purchase at Periphery (MUs)	C=A-B	3,514.57	3,461.22
Gain/(Loss) (MUs)	D		53.35
APPC (Rs. Per unit)	E		5.25
Gain/(Loss) (Rs. Cr)	F=D*E/10		28.03
Sharing (50% to PED in case of gain and 100% in case of loss)(Rs. Cr)			14.02

The Petitioner requests the Commission to approve the incentive of Rs 14.02 Cr on account of overachieving the T&D Loss in the True up of FY 2024-25.

Commission's analysis

In the Tariff Order for FY 2024-25 dated 12.06.2024, the Commission approved the T&D loss level of 10.50% for the FY 2024-25. As discussed earlier in approval of T&D loss, the Petitioner has been able to achieve an Intra-State T&D Loss of 11.64%. Thus, there is an under achievement of the loss target. In accordance with the JERC MYT Regulations, 2021, the Commission has determined the sharing of gains/losses on account of controllable factors. Regulation 15 of the JERC MYT Regulations, 2021 stipulates the following:

“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.”

The dis-incentive has been derived by calculating the loss in cost of power procured due to under-achievement of the stipulated Intra-State T&D loss target of 10.50% by the Petitioner, at the Average Power Purchase cost (APPC). The APPC has been derived as follows:

Table 61: Average Power Purchase Cost (APPC) for the FY 2024-25

Particulars		Amount
Total Power Purchase Cost (Rs Cr)	A	1,849.89
Less: REC	B	19.92
Less: Transmission charges and Power Purchase cost from renewable energy sources (Rs Cr)	C	161.21
Net Power Purchase Cost (Rs Cr)	D=A-B-C	1,668.76
Quantum of Ex-bus Power Purchase (MUs)	E	3,649.66
APPC (Rs /kWh)	F=D/E*10	4.57

Table 62: Approved incentive towards overachievement of Intra-State transmission & distribution loss (Rs. Cr.) for FY 2024-25

Particulars		Normative	Actual
Retail Sales (MUs)	A	3,128.06	3,128.06
T&D Loss	B	10.50%	11.64%
Energy purchase at Periphery (MUs)	C=A-B	3,495.04	3,540.24
Gain/(Loss) (MUs)	D		(45.20)
APPC (Rs. Per unit)	E		4.57
Gain/(Loss) (Rs. Cr)	F=D*E/10		(20.67)
Sharing (50% to PED in case of gain and 100% in case of loss) (Rs. Cr)			(20.67)

The Commission approves Rs. 20.67 Cr. as an dis-incentive for under-achieving the Intra-State Distribution Loss target in the True-up of FY 2024-25.

Incentive/Disincentive towards over/under-achievement of norms for O&M Expenses

In accordance with the JERC MYT Regulations, 2021, the Commission has determined the sharing of gains/losses on account of controllable factors. The Regulation 15 of the JERC MYT Regulations, 2021 stipulates the following:

“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.”

Considering the above provisions, the Commission has carried out the gain and loss of O&M expenses, which are controllable parameters. The Details are provided below.

Table 63: Sharing Gain/(Loss) approved by the Commission for FY 2024-25 (Rs. Cr.)

Particulars	Normative	Actual	Gain	Sharing of Gain	Now approved by the Commission	(Loss) to be borne by the Petitioner
Employee Expenses	77.70	135.46	-	-	77.70	(57.76)
7th Pay Commission Expenses						
Administration & General Expenses (A&G)	16.19	17.09	-	-	16.19	(0.90)
Repair & Maintenance Expenses (R&M)	9.89	21.56	-	-	9.89	(11.67)

Particulars	Normative	Actual	Gain	Sharing of Gain	Now approved by the Commission	(Loss) to be borne by the Petitioner
Total	103.78	174.11	-	-	103.78	(70.33)

3.24 Aggregate Revenue Requirement (ARR)

Petitioner's Submission

The Aggregate Revenue Requirement as approved by the Commission in the APR for FY 2024-25 vis-à-vis claimed by the Petitioner for the same financial year is as under:

Table 64: Calculation of ARR for FY 2024-25 (Rs. Cr.)

S. No	Particulars	Approved in APR dt. 24.09.2025	Petitioner's Submission
1	Cost of Power Purchase	2089.45	1868.18
2	Employee Cost	77.70	135.46
3	Administration and General Expenses	16.19	17.09
4	R&M expenses	9.88	21.56
5	Depreciation	37.69	26.20
6	Interest & Finance Charges	11.10	14.27
7	Interest on Consumer Security Deposit	17.80	18.12
8	Interest on Working Capital	0.00	0.00
9	Return on Equity	47.28	47.20
10	Provision for Bad Debt	0.00	0.00
11	Add: Incentive/(Disincentive)on achievement of norms (distribution loss)	-	14.02
13	Total Revenue Requirement	2307.09	2162.10
14	Less: Non- Tariff Income	8.89	8.85
15	Net Aggregate Revenue Requirement	2298.20	2153.25

Commission's analysis

The Commission on the basis of the detailed analysis of the cost parameters of the ARR discussed in the previous sections has considered and approved the revenue requirement in the True-up of FY 2024-25 as given in the following table:

Table 65: Aggregate Revenue Requirement approved by Commission for FY 2024-25 (Rs. Cr.)

S. No	Particulars	Approved in APR dt. 24.09.2025	Petitioner's Submission	Approved by the Commission
1	Cost of Power Purchase after adjusting forfeited cost due to non-implementation of FPPCA.	2089.45	1868.18	1,849.89
2	Employee Cost	77.70	135.46	77.70
3	Administration and General Expenses	16.19	17.09	16.19
4	R&M expenses	9.88	21.56	9.89
5	Depreciation	37.69	26.20	24.67
6	Interest & Finance Charges	11.10	14.27	14.23
7	Interest on Consumer Security Deposit	17.80	18.12	11.01
8	Interest on Working Capital	0.00	0.00	-
9	Return on Equity	47.28	47.20	47.13
10	Provision for Bad Debt	0.00	0.00	-
11	Add: Incentive/(Disincentive) on achievement of norms (distribution loss)	-	14.02	-20.67
13	Total Revenue Requirement	2307.09	2162.10	2,030.03
14	Less: Non- Tariff Income	8.89	8.85	8.85
15	Net Aggregate Revenue Requirement	2298.20	2153.25	2,021.18

The Commission approves Net Aggregate Revenue Requirement of Rs. 2021.18 Cr. in the True-up of the FY 2024-25.

3.25 Revenue at existing Retail Tariff

Petitioner's Submission

The Revenue from existing tariff as approved by the Commission vis-a-vis claimed by the Petitioner for FY 2024-25 is as under:

Table 66: Revenue from Tariff for FY 2024-25 (Rs. Cr.) submitted by the Petitioner

Category of Consumers	Approved in APR dt. 24.09.2025			Petitioner's Submission		
	Fixed Charge	Energy Charge	Total Revenue	Fixed Charge	Energy Charge	Total Revenue
	(Rs. Cr.)	(Rs. Cr.)	(Rs. Cr.)	(Rs. Cr.)	(Rs. Cr.)	(Rs. Cr.)
Domestic & Cottage	68.05	433.90	501.95	50.50	360.89	411.38
OHOB	0.03	0.86	0.89	0.06	0.96	1.02
Commercial	57.19	184.52	241.71	33.57	192.98	226.56
Agriculture	-	-	-	0.001	8.03	8.03
Public Lighting	8.01	18.56	26.57	8.20	15.65	23.85
LT-Industrial & Water Tank	-	124.55	124.55	16.43	130.33	146.76
Temporary Supply (LT&HT)	-	-	-	-	3.62	3.62
HT 1 (Industrial & Commercial)	171.72	625.80	797.52	147.49	587.78	735.27
HT 2 - Others	13.87	30.32	44.19	12.02	30.91	42.93
HT 3- EHT	77.27	453.61	530.88	70.41	441.99	512.40
Revenue from Sale of Power at existing tariff (1)	418.36	1872.78	2291.14	338.67	1741.85	2111.82
Add: Revenue from Regulatory surcharge (8%)						155.69
Add: Revenue from Penal Charges to consumer						2.98
Add: Un-billed Revenue difference						25.02
Sub-Total (2)	0.00	0.00	0.00	0.00	0.00	183.68
Revenue from Sale of Power (BPSC) (3)						67.87
Less: Revenue from Regulatory surcharge (at the rate of 8%) (4)						155.69
Net Revenue = (1) + (2) + (3) - (4)	418.36	1872.78	2291.14	338.67	1741.85	2207.68

The Petitioner requests the Commission to approve Rs. 2207.68 Cr. as the revenue recovered for FY 2024-25.

In addition to the revenue from sale of power, the Petitioner has collected Rs.155.69 Cr. as Regulatory Surcharge.

Commission's analysis

The Commission has considered the submission of the Petitioner for FY 2024-25 and approved the revenue excluding regulatory surcharge. Accordingly, the revenue now Trued-up by the Commission is shown in the following table:

Table 67: Revenue from tariff for FY 2024-25 (Rs. Cr) approved by the Commission

Particulars	Claimed by the Petitioner		Trued Up by the Commission	
	Sales (MUs)	Revenue (Rs. Crore)	Sales (MUs)	Revenue (Rs. Crore)
Total Revenue	3128.06	2207.68	3128.06	2207.68

The Commission approves the revenue from the sale of power without regulatory surcharge as Rs. 2,207.68 Cr. as per the Audited Accounts in the True-up of the FY 2024-25.

3.26 Regulatory surcharge

Petitioner's Submission

The Petitioner has submitted regulatory surcharge for FY 2024-25 as 155.69 Crore.

Commission's analysis

As regards the Regulatory Surcharge for FY 2024-25, the Commission observed that claimed Regulatory Surcharge percentage was less than 10%, which results in non-compliance of the Commission's order for revised recovery of regulatory surcharge rate from 8% to 10% vide Tariff Order dated 12.06.2024 for FY 2024-25. Accordingly, the Commission asked the justification on the same. In reply to the Commission query, the Petitioner vide email dated 26.03.2026 submitted that it has booked the actual recovered Regulatory Surcharge amount of Rs. 155.69 Cr in the Audited Accounts for FY 2024-25. Further, the Petitioner has also submitted the monthly billing software data for FY 2024-25. After prudence checking of the monthly billing software data, the regulatory surcharge to be recovered from the consumers was Rs 196.78 Cr for FY 2024-25 whereas the petitioner has booked the regulatory surcharge on actual receipt basis for Rs. 155.69 Cr only, thereby there was a short booking of Rs. 41.09 Cr on accrual basis. The Commission continues to consider the revenue on accrual basis, hence an amount of Rs. 196.78 Cr is considered by the Commission as recovery is regulatory surcharge. The same is shown in the table below:

Table 68: Regulatory Surcharge for FY 2024-25 (Rs. Cr) approved by the Commission

Particulars	Claimed by the Petitioner	Trued Up by the Commission
Regulatory Surcharge	155.69	196.78

3.27 Revenue Gap/ (Surplus) for FY 2024-25

Petitioner's Submission

The Revenue Gap/(Surplus) as approved by the Commission for FY 2024-25 and as calculated on the basis of actuals, for True up of FY 2024-25 is shown in the table below:

Table 69: Revenue at existing tariff submitted by the Petitioner for FY 2024-25 (Rs. Cr.)

S. No	Particulars	Approved in APR dt. 24.09.2025	Petitioner's Submission
1.	Aggregate Revenue Requirement	2298.20	2153.25
2.	Revenue from Sale of Power (excluding Regulatory Surcharge)	2291.14	2207.68
3.	Regulatory Surcharge	-	155.69
4.	Revenue Gap/ (Surplus)	7.06	(210.12)

Commission's analysis

The Commission has considered the submission made by the Petitioner and approved Revenue Gap/(Surplus) as follows:

Table 70: Revenue Gap/ (Surplus) for FY 2024-25 (Rs. Cr.)

Particulars	Approved in APR dt. 24.09.2025	Petitioner's Submission	Trued-up by Commission
Aggregate Revenue Requirement	2298.20	2153.25	2,021.18
Revenue from Sale of Power (excluding Regulatory Surcharge)	2291.14	2207.68	2,207.68
Net Gap / (Surplus)	7.06	(54.43)	(186.50)

The Commission, in the True-up of FY 2024-25 approves a standalone surplus of Rs 186.50 Cr.

3.28 Cumulative gap

Regulation 12.5 (c) of the MYT Regulations 2021 provides to allow carrying cost on the gap from the date on which such gap become due till the date it is addressed at MCLR rate as on 1st April of the relevant year plus 100 basis points. The relevant excerpt is reproduced below:

"(c) Carrying Cost shall be allowed for a Generating Company, Transmission Licensee or Distribution Licensee on the amount of revenue gap for the period from the date on which such gap has become due, i.e., from the end of the Year for which true-up has been done, till the end of the Year in which it is addressed, on the basis of actual rate of loan taken by the Licensee to fund the deficit in revenue:

Provided....

Provided also that if no loan has been taken to fund revenue deficit, the Commission shall allow Carrying Cost on simple interest basis at one (1) Year State Bank of India (SBI) MCLR / any replacement thereof as notified by RBI for the time being in effect applicable for 1 Year period, as may be, applicable as on 1st April of the relevant Year plus 100 basis points;

..."

Further, considering the cumulative gap approved by the Commission after true-up of FY 2023-24 of Rs 523.43 Cr, the cumulative gap with carrying cost at the end of FY 2024-25 has been shown as below:

**Table 71: Cumulative Gap/(Surplus) with carrying cost
at the end of FY 2024-25 (Rs. Cr.)**

Particular	Approved in Tariff Order	Approved
Net ARR	2,009.48	2,021.18
Total Revenue	2,051.61	2,207.68
Net gap/(surplus)	(42.13)	(186.50)
Recovery from Regulatory Surcharge	197.24	196.78
Previous year Gap as per True-up for FY 2023-24	611.77	523.43
Carrying cost on Cumulative Gap/(Surplus) for FY 2024-25	26.80	32.02
Cumulative gap/(surplus)	399.21	172.17

4 New Directives issued in this Order

4.1 Energy Audit Report

The Commission directs the Petitioner to submit the Energy Audit Report on timely basis for the ensuing Truing-up with the Truing-up petition.

4.2 FAR

The Commission has observed that the Petitioner has not submitted the FAR for FY 2024-25. Therefore, the Commission directs the Petitioner to submit the copy of FAR duly verified by a third party, in hard and soft with all linkages in MS Excel, from the next financial year onwards.

4.3 Regulatory surcharge

The Commission has directed the Petitioner to book the regulatory surcharge on billed basis in the audited accounts for future financial year.

4.4 FPPCA

The Commission has directed the Petitioner to implement the FPPCA on monthly basis as per relevant tariff regulations.

4.5 Scheme-wise capitalisation

The Commission has directed the Petitioner to submit the scheme wise capitalisation for existing and new scheme from next financial year.

4.6 New Connection through smart meters only

The Commission directs the Petitioner to implement the Supply code provisions and provide new connections through smart meter only.

Annexure 1: List of Stakeholders

List of Stakeholders

SR.NO	NAME	ADDRESS
1	Ms.Anusha Nagarajan	EHT Consumer Council, Puducherry
2	Mr. Rajendran Sabanayagam	Sumangala Steels Pvt. Ltd, Mettupalayam, Puducherry
3	Mr. R. Gopal	No. 2, 11 cross, Tagore Nagar, Lawspet, Puducherry
4	Mr. R. Shanmugam	46, 1 floor, 1X cross Extn, Rainbow Nagar, Puducherry-L11
5	Mr. Vai. Bala @ Balasubramanian	Puducherry Consumer Foruffi, Puducherry
6	Mr. R. Siva (MLA)	Leader of Opposition, D.M.K Party, Puducherry
7	Mr. Anbazhagan (Ex. M.L.A)	AIADMK Party, Puducherry
8	Mr. Nehru (M.L.A)	Neyam Makkal Kazhagaffi, Puducherry
9	Mr. Perumal	(CPM) Party, Puducherry
10	Mr. A. Saleem	(CPI) Party, Puducherry
11	Mr. G. Seenuvasan	(CPI) Party, Puducherry
12	Mr.Gobi. M	94, t4lh Cross, Krishna Nagar, Puducherry
13	Mr. K. Chalanthic	(CPI) Party, No. L6,gth cross, Krishna Nagar, Puducherry
14	Mr. Murugan	(CPI) Party, Puducherry
15	Mr. J. Ravi Ganesh	22, 11 St, Gnanapragasam Nagar, Puducherry-8
16	Mr. Ezhilan	(CPI) Party, Puducherry
17	Mrs. Hemalatha	Mathar Sangam, Pakkamudayanpet, Puducherry
18	Mr. Kannappan	CHEMFAB, Kalapet, Puducherry
19	Mr, Vino. Garg	PUCKIT Metals, Puducherry
20	Mr. David	533, Kamaraj Salai, Puducherry
21	Mr. Vazhumuni. G	9A, Old Market St, Mudaliarpet, Puducherry
22	Mr. Kaliamurugan	3, Madavan Illaffi,4th cross, SNV Puram ext, Villianur
23	Mr. Robert	18, VOC St, Thillai Nagar, Villianur, Pud ucherry
24	Mr. Mukundhan	22,Thin Vi Ka St, Thillai Nagar, Villianur, Puducherry
25	Mr. G. Ramasamy	16, Mariamman Koil St, Thiruvandarkoil & Post
26	Mr. Viiyakumar	40t, 11 cross, Thulakkanathamman Nagar, Mudaliarpet, Puducherry
27	Mr. Manibalan	6, Mariamman Koil St, Pargoor, Puducherry
28	Mr. Seenuvasen	42, Cuddalore Road, Mudaliarpet, Puducherry
29	Mr. Om Sakthi Ramesh	22, B-Block, Anthoniar Koil St, Govindasalai, Puducherry