



**TRUE-UP ORDER**

**for**

**FY 2024-25 (01.02.2025 to 31.03.2025)**

Petition No. 166/2026

**for**

**Chandigarh Power Distribution Limited (CPDL)**

17<sup>th</sup> June, 2026

**JOINT ELECTRICITY REGULATORY COMMISSION**

For the State of Goa and Union Territories,

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**List of abbreviations**

<b>Abbreviation</b>	<b>Full Form</b>
A&G	Administrative & General
ABR	Average Billing Rate
ACoS	Average Cost of Supply
Act	The Electricity Act, 2003
APR	Annual Performance Review
APCPL	Aravali Power Company Private Limited
ARR	Aggregate Revenue Requirement
ATE	Appellate Tribunal for Electricity
AT&C	Aggregate Technical and Commercial
BBMB	Bhakra Beas Management Board
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
CREST	Chandigarh Renewal Energy and Science & Technology
CAG	Comptroller and Auditor General of India
CUF	Capacity Utilization Factor
CPI	Consumer Price Index
Discom	Distribution Company
DSM	Deviation Settlement Mechanism
DT	Distribution Transformer
EA 2003	The Electricity Act, 2003
ED	Electricity Department
EEDL	Eminent Electricity Distribution Limited
EHT	Extra High Tension
ERP	Enterprise Resource Planning
EWEDC	Electricity Wing of Engineering Department, Chandigarh
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

<b>Abbreviation</b>	<b>Full Form</b>
LT	Low Tension
MOD	Merit Order Dispatch
MUNPL	Meja Urja Nigam Private Limited
MU	Million Units
MW	Mega Watt
MYT	Multi-Year Tariff
MCLR	Marginal Cost of funds based Lending Rate
NFA	Net Fixed Assets
NHPC	National Hydro Power Corporation
NPCIL	Nuclear Power Corporation of India Limited
NTPC	National Thermal Power Corporation
O&M	Operation and Maintenance
PLF	Plant Load factor
PGCIL	Power Grid Corporation of India Ltd.
PLR	Prime Lending Rate
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
REA	Regional Energy Accounting
RLDC	Regional Load Despatch Centre
RoE	Return on Equity
RPO	Renewable Purchase Obligation
SBI MCLR	SBI Marginal Cost Lending Rate
SECI	Solar Energy Corporation of India
SERC	State Electricity Regulatory Commission
SJVNL	Satluj Jal Vidyut Nigam Limited
SLDC	State Load Dispatch Centre
SOP	Standard of Performance
SPA	Share Purchase Agreement
SRPC	Southern Regional Power Committee
T&D	Transmission & Distribution
THDC	Tehri Hydro Development Corporation
TVS	Technical Validation Session
UI	Unscheduled Interchange
UT	Union Territory
WPI	Wholesale Price Index

**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. 166/2026  
Date of Order: 17<sup>th</sup> June, 2026

**In the matter of**

Approval for True-up of FY 2024-25 (01.02.2025 to 31.03.2025).

**And in the matter of**

Chandigarh Power Distribution Limited

.....**Petitioner**

**ORDER**

- 1) This Order is passed in respect of the Petition filed by the Chandigarh Power Distribution Limited (CPDL) (herein after referred to as "The Petitioner" or "CPDL" or "The Licensee") for approval of True-up of FY 2024-25 (01.02.2025 to 31.03.2025), before the Joint Electricity Regulatory Commission (herein after referred to as "The Commission" or "JERC").
- 2) The Commission scrutinized the said Petition and generally found it in order. The Commission admitted the Petition on 6<sup>th</sup> January 2026. The Commission thereafter requisitioned further information/ clarifications on the data gaps observed to take a prudent view of the said Petition. The Commission also held a Technical Validation Session to determine sufficiency of data and the veracity of the information submitted. Further, suggestions/comments/views and objections were invited from the Stakeholders and Electricity Consumers. The Public Hearing was held on 18th March 2026 at 10.30 A.M, at Lecture Hall/Auditorium of the Govt. Museum and Art Gallery, Sector- 10C, Chandigarh and all the Stakeholders/Electricity Consumers present in the Public Hearing were heard.
- 3) The Commission based on the Petitioner's submission, relevant JERC MYT Regulations, facts of the matter, rules the provisions of the Electricity Act, 2003 and after proper due diligence and prudence check, has approved the True-up of FY 2024-25 (01.02.2025 to 31.03.2025).
- 4) A summary has been provided as follows.

**I. True-Up for FY 2024-25 (01.02.2025 to 31.03.2025)**

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 (01.02.2025 to 31.03.2025):



**Table 1: Standalone Revenue Gap/(Surplus) approved for FY 2024-25 (01.02.2025 to 31.03.2025) (Rs. Crore)**

S. No	Particular	Approved in T.O dtd 25.07.2024 (12 months)	Prorated for 01.02.2025 to 31.03.2025	Petitioner's submission (2 months)	Approved by the Commission (2 months)
1	<b>Net Revenue Requirement</b>	<b>1059.25</b>	<b>176.54</b>	<b>139.25</b>	<b>132.24</b>
2	Revenue from retail sales at Existing Tariff	941.39	156.90	124.82	70.93
3	<b>Revenue (Surplus)/Gap for the Year</b>	<b>117.86</b>	<b>19.64</b>	<b>14.43</b>	<b>61.31</b>

The revenue gap approved in the True-up for FY 2024-25, along with the applicable carrying cost, is ordinarily recoverable through a Regulatory Surcharge over and above the tariff of ensuing years.

In the present case, the Commission noted that EWEDC has booked an amount of Rs 53.89 Crore as recoverable from CPDL for the energy consumed by the consumer till 31st January 2025 for which bills have been raised by the CPDL during February and March 2025. Thus, the revenue of Rs. 124.82 Crore booked by CPDL for 2 months of FY 2024-25 includes Rs. 53.89 Crores pertaining to the period of erstwhile entity EWEDC. Thus, the revenue booked in the accounts of CPDL has been reduced by 53.89 crores for the purpose of fair representation of accounts and the gap so arrived at qualifies for recovery in FY 2026-27 along with carrying cost. The Commission is of the view that such a situation is unlikely to happen again. The Commission noted that the Petitioner has transitioned from bi-monthly to monthly billing with effect from January 2026. This is expected to streamline the recording of sales and corresponding billing accurately in coming months. Therefore, the aforesaid gap shall be dealt with appropriately at the time of True-up of FY 2025-26.

Accordingly, the Commission is not inclined to levy any Regulatory Surcharge during FY 2026-27. The aforesaid gap, along with the applicable carrying cost, shall be dealt appropriately at the time of True-up of FY 2025-26.

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 I/c**



Place: Gurugram, Haryana  
Date: 17<sup>th</sup> June, 2026

## Chapter 1: Introduction

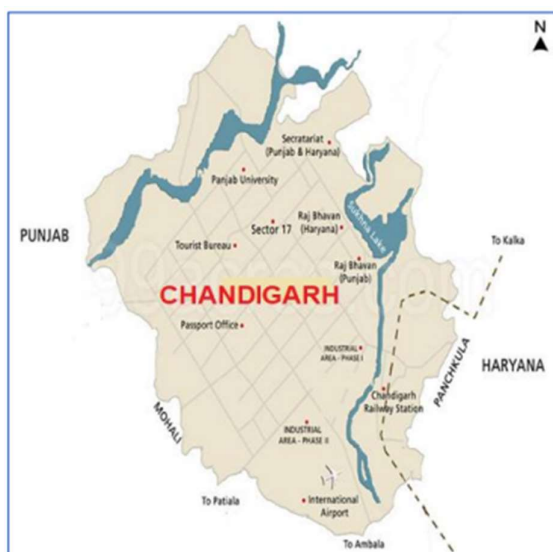
### 1.1 About Joint Electricity Regulatory Commission for the State of Goa and UT's (JERC)

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 2<sup>nd</sup> 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 30<sup>th</sup> 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, Daman & Diu, Dadra & Nagar Haveli and 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 Chandigarh

Chandigarh is a city, district and union territory in India that serves as the capital of the two neighbouring states of Punjab and Haryana. It is bordered by the state of Punjab to the north, the west and the south, and by the state of Haryana to the east. The city is unique as it is not a part of either of the two states but is governed directly by the Union Government, which administers all such territories in the country. Chandigarh is located near the foothills of the Shivalik range of the Himalayas in northwest India. It covers an area of approximately 114 sq km. The metropolitan area of Chandigarh-Mohali-Panchkula collectively forms a Tri-city, with a combined population of over 2 million.



### **1.3 About Chandigarh Power Distribution Limited (CPDL)**

On 20.05.2020, the Union Ministry of Power requested the Union Territories to take decision of corporatization and privatization of the electricity distribution function, immediately.

Vide Notification No. G1/2025/120 dated 31.01.2025, the Administration of UT Chandigarh, notified the Chandigarh Electricity Reforms Transfer Scheme, 2025 (“Transfer Scheme”) in exercise of powers conferred to the Administration of UT Chandigarh under the provisions of Sections 131, 133 and 134 of the Electricity Act, 2003 read with Notification bearing No. S.O.721(E) dated 22.06.2004 issued by, Ministry of Home Affairs, Government of India, thereby giving effect to transfer of the distribution and retail supply licensee functions of EWEDC including the undertaking, assets, proceedings and liabilities assets, liabilities, interests, rights, functions, obligations, proceedings and personnel to CPDL. The effective date for the Transfer Scheme to come into effect was notified as 01.02.2025 by Notification No. G1/2025/121 dated 01.02.2025.

Administration of UT Chandigarh, EEDL (Eminent Electricity Distribution Limited) and CPDL (Chandigarh Power Distribution Limited) accordingly entered into the Share Purchase Agreement (“SPA”) on 31.01.2025, for acquisition of 100% equity shares of CPDL by EEDL. Pursuant to the Transfer Scheme and SPA and Policy Directions and in terms of the Notification No. G1/2025/121 dated 01.02.2025, CPDL has taken over the distribution and retail supply functions of the EWEDC with effect from 01.02.2025, with EWEDC ceasing to be responsible for the same from 01.02.2025.

On 07.02.2025, Administration of UT Chandigarh notified Policy Directions by Notification No. G1/2025/133, in terms of powers vested under Sections 108 and 109 of the Electricity Act, 2003 read with Government of India, Ministry of Home Affairs’ Notification bearing No. S.O.721(E) dated 22.06.2004 to enable effective restructuring of the Electricity sector in the UT of Chandigarh consistent with the objectives of The Electricity Act, 2003.

As per the Transfer Scheme, Part D [Transfer of Electricity Distribution Business] 1.b. read with Clause II of Schedule ‘B’, all existing Power Purchase Agreements (PPAs) were transferred to CPDL as on transfer date i.e. 01.02.2025. The Petitioner does not own any generating station and its long-term power procurement is dependent on the allocation from Central Generating Stations (CGS) and other sources i.e., NTPC, NHPC, NPCIL, BBMB, SJVNL, THDC, APCPL, MUNPL and new addition of SECI’s Wind (Tranche VI). A small portion of the power requirement is met by the Solar generating stations located within the UT of Chandigarh and the shortfall (if any, due to seasonal variations) is met through short term purchase under bilateral transactions and power exchange etc. The present power allocation of Chandigarh is approximately 599 MW from various generating stations including 129 MW from Bhakra Beas Management Board (“BBMB”).

#### **1.4 Regulations Governing the Tariff of CPDL (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 (hereinafter referred to as 'MYT Regulations, 2021') on 22nd March 2021. These Regulations are applicable in the 3rd MYT Control Period comprising of three financial years from FY 2022-23 to FY 2024-25. These Regulations are applicable to all the generation companies, transmission and distribution licensees in the State of Goa and Union Territories of Andaman & Nicobar Islands, Lakshadweep, Chandigarh, Dadra & Nagar Haveli and Daman & Diu and Puducherry.

#### **1.5 Filing and Admission of the Present Petition**

The present Petition was admitted on 6<sup>th</sup> January 2026 and marked as Petition No. 174 of 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, discrepancy notes were issued to the Petitioner. Further, additional information/clarifications were solicited from the Petitioner as and when required. The Commission and the Petitioner also discussed various concerns of the Petitioner and key data gaps, which included retail sales, power purchase, capital expenditure and capitalisation, revenue from retail tariff, tariff proposal etc. The Petitioner submitted its response to the issues through various letters/emails.

The following table provides the list of interactions with the Petitioner along with the dates:

**Table 2: Timelines of the interaction with the Petitioner**

<b>S. No</b>	<b>Subject</b>	<b>Date</b>
1	Issue of 1 <sup>st</sup> Deficiency Note	10 <sup>th</sup> February 2026
2	Reply received from Petitioner	16 <sup>th</sup> February 2026
5	Public Hearing	18 <sup>th</sup> March 2026
6	TVS (Technical Validation Session)	3 <sup>rd</sup> June 2026
7	MOM shared with the Petitioner	5 <sup>th</sup> June 2026
8	Reply received from the Petitioner with regard to MOM of TVS	9 <sup>th</sup> June 2026

## 1.7 Notice for Public Hearing

Public notices were published by the Petitioner for inviting suggestions/ comments from Stakeholders on the True-Up Petition as per details given below:

**Table 3: Details of Public Notices published by the Petitioner**

S. No.	Date	Name of Newspaper	Language	Place of Circulation
1	26 <sup>th</sup> February 2026	Hindustan Times	English	Chandigarh
2		Chandigarh Tribune	English	Chandigarh
3		Chandigarh Kesari	Hindi	Chandigarh
4		Ajit	Punjabi	Chandigarh

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 4: Details of 1<sup>st</sup> Public Notices published by the Commission**

S. No.	Date	Name of Newspaper	Language	Place of Circulation
1.	20 <sup>th</sup> Feb 2026	The Pioneer	English	Chandigarh
2.		Jag Marg	Hindi	Chandigarh
3.		Ajit	Punjabi	Chandigarh

**Table 5: Details of 2<sup>nd</sup> Public Notices published by the Commission**

S. No.	Date	Name of Newspaper	Language	Place of Circulation
1.	16 <sup>th</sup> March 2026	The Times of India	English	Chandigarh
2.		Dainik Jagran	Hindi	Chandigarh
3.		Ajit	Punjabi	Chandigarh

## 1.8 Public Hearing

The Public Hearing was held on 18<sup>th</sup> March 2026 at 10:30 AM at Lecture Hall/Auditorium of the Govt. Museum and Art Gallery, Sector -10C, Chandigarh. 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-I of this Order.

## **Chapter 2: Summary of Suggestions/ Objections received, Response from the Petitioner and the Commission's Views**

### **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 duly inviting comments/ objections from the public as per the provisions of the MYT Regulations, 2021.

The Public Hearing was held on 18<sup>th</sup> March 2026 at 10:30 AM at Lecture Hall/Auditorium of the Govt. Museum and Art Gallery, Sector -10C, Chandigarh 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 Hearing are provided in Annexure-I.

### **2.2 Suggestions/ Objections, 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 process responsive and efficient. The relevant observations of the stakeholders have been suitably considered by the Commission while finalizing this Order. However, in some cases due to overlapping of the queries, same have been combined to minimize repetition. While the Commission has summarised the objections/comments briefly, specific findings have not been made in all the cases as were found to be outside the scope of process related to true-up. The submissions of the stakeholders, response of the Petitioner and views of the Commission are summarized below:

#### **Suggestions/Objections, Response related to True-Up**

##### **2.2.1 Regulatory gap**

###### **Stakeholder's Comment**

The Stakeholder has submitted that regulatory gap should not be passed on to the consumers.

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

The Petitioner has submitted that the Revenue Gap in the True Up Petition is on account of the legitimate entitlements of the Petitioner and has been computed in

terms of the JERC Tariff Regulations, 2021. Further, any Revenue Gap/Surplus arising on account of True-up is subject to prudence check and only such gap as may be approved by the Commission shall be passed on to the consumers for time bound recovery.

### **Commission's Analysis**

The Commission has noted the submission of the Stakeholder and response of the Petitioner. Further, the Commission in terms of the JERC Tariff Regulations, 2021, after prudence check, calculated the ARR and GAP for FY 2024-25 (01.02.2025 to 31.03.2025).

### **2.2.2 Charging of Electricity Duty and MC Tax on Net Consumption of Prosumers**

#### **Stakeholder's Comment**

The Stakeholder has submitted that Electricity Duty and Municipal Corporation (MC) Tax should be levied only on the net unit consumed by prosumers.

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

The Petitioner has noted the concern raised by the Stakeholder and the Petitioner is taking necessary steps regarding levy of Electricity Duty and MC tax on net import units w.e.f. 01.11.2025.

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

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

### **2.2.3 Levy of FPPCA on Electricity Consumption Charges**

#### **Stakeholder's Comment**

The Stakeholder has submitted that FPPCA is being levied on electricity consumption charges.

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

The Petitioner has submitted that the Fuel and Power Purchase Cost Adjustment Surcharge (FPPCAS) is being levied in terms of the applicable Regulations and Order issued by the Commission. Further, as regards the billing of FPPCA, the Petitioner would like to draw the attention to Regulation 21.3 of the JERC Tariff Regulations, 2024, which is reproduced as under:

*“21.3 Fuel and Power Purchase Cost Adjustment Surcharge shall be computed and charged by the distribution licensee, in (n+2)th month, on the basis of actual variation, in cost of fuel and power purchase and Interstate Transmission Charges for the power procured during the nth month. **(For example, the fuel and power purchase adjustment 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)..”***

#### **Commission’s Analysis**

The Commission has noted the submission of the Stakeholder and response of the Petitioner. The FPPCA is charged/refunded as per the approved methodology of the Commission.

#### **2.2.4 Use of Conversion Factors of 0.85 and 0.90 for Converting kVA into kW for LT and HT/EHT Consumers**

##### **Stakeholder’s Comment**

The Stakeholder has submitted that the use of conversion factor 0.85 and 0.90 for converting KVA into KW for LT and HT/EHT consumer respectively, requires review.

##### **Petitioner’s Submission**

The Petitioner has submitted that the Commission in the Tariff Order dated 30.10.2025 has mandated kVAh based billing for all consumers, except domestic with effect from 01.11.2025. However, the meter installed at the premises of various consumers do not record kVAh readings. The Commission has taken cognizance of this fact and therefore has specified the factor of 0.85 for LT and 0.90 for HT/EHT consumers for conversion of kW to kVA for all consumer categories (not only for Temporary Connection) till the time all meters are replaced with kVAh enabled/Smart Meters. The Petitioner intend to replace all such meters by March, 2028.

#### **Commission’s Analysis**

The Commission has noted the submission of the Stakeholder and response of the Petitioner. The Commission in similar background of non-availability/non-installation of compatible meters in other utilities has given direction to undertake billing by considering the sanctioned/contracted load in kW as the maximum demand and assuming a unity power factor, until such time smart meters are installed. Accordingly, the Commission hereby directs CPDL to undertake billing following aforesaid methodology with immediate effect.

#### **2.2.5 Payment of Interest on Advance Payment against future bills**

##### **Stakeholder’s Comment**

The Stakeholder has submitted that consumers making advance payments against future electricity bills should be paid interest on such amounts.

### **Petitioner's Submission**

The Petitioner has submitted that necessary changes in the billing system for calculation and adjustment of interest on Advance Payment against future bills is presently under process. Accordingly, the applicable interest in accordance with the provisions of the Tariff Order dated 30.10.2025 shall be credited/adjusted in the subsequent electricity bills of the eligible consumers.

### **Commission's Analysis**

The Commission has noted the submission of the Stakeholder and response of the Petitioner. Further, the Commission directs the Petitioner to expedite the necessary changes in the billing system.

## **2.2.6 Issue of monthly bills on average consumption**

### **Stakeholder's Comment**

The Stakeholder has submitted that monthly bills are being issued on the basis of average consumption.

### **Petitioner's Submission**

The Petitioner has submitted that the conversion from bi-monthly to monthly billing was originally directed by the Commission in the Tariff Order dated 20.05.2019. Upon takeover of the distribution operations, the Petitioner has implemented monthly billing for all consumer categories w.e.f. January, 2026 in compliance with the directions reiterated in the Tariff Order dated 30.10.2025.

Further, in specific cases where actual meter reading could not be recorded due to practical constraints, bills are being raised on provisional/average basis in accordance with the provisions of the JERC Electricity Supply Code 2018, based on past consumption pattern, with necessary adjustments made upon availability of actual readings.

The Petitioner has further submitted that resolution of billing related issues remains a priority area and necessary mechanisms have been established to ensure timely redressal of consumer concerns.

### **Commission's Analysis**

The Commission has noted the submission of the Stakeholder and response of the Petitioner. Further, for any billing related dispute, the Stakeholder may approach the CGRF.

## **2.2.7 Amendments in the format of Supply Code, 2018**

### **Stakeholder's Comment**

The Stakeholder has submitted that certain amendments are required in the format of the Supply Code, 2018.

### **Petitioner's Submission**

As regards the Voluntary Declaration Scheme (VDS) for enhancement of load, the Petitioner clarifies that in terms of the JERC Electricity Supply Code Regulations, 2018, in case the consumption of a consumer exceeds the Sanction Load, it shall self declare its load and mandatorily apply for load enhancement in the format as prescribed in the Regulations. Post the takeover w.e.f. 01.02.2025, CPDL observed that many electricity consumers are using more power than their sanctioned load resulting in overloading of the distribution network which further affect power reliability, network planning and maintenance.

To address this concern and under the framework of above-mentioned regulations, CPDL introduced a Voluntary Declaration Scheme (VDS) for facilitating domestic and commercial consumers having connected load upto 99 kW to self-declare their actual load for regularization in prescribed format. This scheme facilitated the Domestic and Commercial consumers having connected load upto 99KW, to self-declare their increase in connected load and apply for load enhancement only. The said scheme was valid only until 30.09.2025.

Further, the forms and formats as per the JERC Electricity Supply Code Regulations, 2018 are available at CPDL's website for consumers to apply for load enhancement /reduction.

### **Commission's Analysis**

The Commission has noted the submission of the Stakeholder and response of the Petitioner. The suggestion may be taken up by the Stakeholder during revision of Supply Code, 2018.

## **2.2.8 Details of charges related to increasing load to be reflected in electricity bill**

### **Stakeholder's Comment**

The Stakeholder has submitted that the details of charges levied for enhancement of connected load should be clearly reflected in the electricity bill.

### **Petitioner's Submission**

The Petitioner has appreciated the suggestion of the Stakeholder and submitted that the Petitioner is in the process of examining the feasibility of incorporating additional details of such charges in the electricity bill.

### **Commission's Analysis**

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

## **2.2.9 Inclusion of total solar load sanctioned for prosumers in bill**

### **Stakeholder's Comment**

The Stakeholder has submitted that the total sanctioned solar load of prosumers should be reflected in the electricity bill.

### **Petitioner's Submission**

The Petitioner has appreciated the suggestion of the Stakeholder and has submitted that the process of incorporating the details pertaining to the installed solar capacity at consumer premises has already been initiated and is expected to be completed within 01.02.2025 to 31.03.2025 after necessary system validation and testing.

### **Commission's Analysis**

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

## **2.2.10 Amendment in Regulation 11 of Principle Regulation (Clause 11.9) issued vide Govt. Notification dated 01.08.2024**

### **Stakeholder's Comment**

The Stakeholder has submitted that Regulation 11 of the Principal Regulations, (Clause 11.9), issued vide Government Notification dated 01.08.2024, requires review.

### **Petitioner's Submission**

The Petitioner has submitted that issuing amendment to the Regulations comes under the purview of the Commission and the Petitioner is bound to operate within the Regulations/Directions of the Commission.

### **Commission's Analysis**

The Commission has noted the submission of the Stakeholder and response of the Petitioner and the Stakeholder may take up the matter at the time of amendment of Supply Code Regulations.

#### **2.2.11 Filling up Vacancy in CGRF**

##### **Stakeholder's Comment**

The Stakeholder has submitted that vacancies in the Consumer Grievance Redressal Forum (CGRF) should be filled.

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

The Petitioner has submitted that it has already taken necessary steps for appointment of Member (Consumer/Prosumer) for CGRF in terms of JERC CGRF (First Amendment) Regulations, 2025.

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

The Commission has noted the submission of the Stakeholder and response of the Petitioner. The Commission has already recommended selection of suitable candidate for appointment as Member (Consumer/Prosumer) for CGRF.

#### **2.2.12 Intimation of latest composition of Supply Code Review Panel**

##### **Stakeholder's Comment**

The Stakeholder has submitted that the latest composition of panel for review of Supply Code regulation for any amendments should be intimated to Stakeholders.

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

The Petitioner has submitted that the said issue may be addressed by the Commission.

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

The Commission has noted the submission of the Stakeholder and response of the Petitioner. The review panel shall be constituted during the review of Supply Code, 2018 which will be taken up by the Commission.

## **Chapter 3: True-Up for FY 2024-25 (01.02.2025 to 31.03.2025)**

### **3.1 Regulatory Provisions**

The True up for the FY 2024-25 (01.02.2025 to 31.03.2025) has been carried out by the Commission 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 13 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 13.1 below shall not ordinarily be reviewed by the Commission during the Control Period and 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 prepared the True-Up petition for FY 2024-25 (01.02.2025 to 31.03.2025) based on the annual accounts for FY 2024-25 (01.02.2025 to 31.03.2025) and applicable provisions of the MYT Regulations, 2021.

### **3.3 Energy Sales**

#### **Petitioner’s Submission**

The category wise actual Energy Sales for two months of FY 2024-25 (01.02.2025 to 31.03.2025) vis-à-vis approved Energy Sales for FY 2024-25 (01.04.2024 to 31.03.2025) are detailed below:

**Table 6: Approved and Actual Energy Sales for FY 2024-25 (01.02.2025 to 31.03.2025) submitted by the Petitioner**

S.No.	Categories	Approved in TO dtd. 25.07.2025	Actual
		For FY 2024-25	FY 2024-25 (01.02.2025 to 31.03.2025)
1	Domestic – (LT+HT)	817.70	106.10
2	Commercial – (LT+HT)	498.20	63.18
3	Large Industrial Supply	125.49	20.15
4	Medium Industrial Supply	104.13	14.70
5	Small Industrial Supply	18.85	2.71
6	Agriculture	1.63	0.19
7	Public Lighting	15.93	2.50
8	Bulk Supply	86.38	10.21
9	Temporary Supply	4.46	0.93
10	Electric Vehicle Charging Station	4.51	0.17
<b>11</b>	<b>Grand Total (sum of 1 to 10)</b>	<b>1,677.27</b>	<b>220.82</b>

#### **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 by the Petitioner. The Commission notes that Regulation 13.1 of the JERC MYT Regulations, 2021, 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, while going through the Audited Accounts of erstwhile entity i.e., EWEDC for FY 2024-25 (10 months) observed that in Schedule 4 of the Accounts "Sunday Debtors as at 31.1.2025" under entry "billed after 31.1.2025 (EWEDC period)" has booked amount of Rs 53.89 Crore. During the TVS, clarification on the same has been asked, in reply to which the EWEDC has submitted that booked amount is against the 95.98 MUs billed by the CPDL but consumption was of EWEDC Period. Considering accounts were closed during the FY 2024-25 (31.1.2025) and the EWEDC doesn't have any further opportunity to bill some of its consumers, the Commission has allowed the exception for this peculiar situation and considered the 95.98 MUs in the account of EWEDC. Accordingly, the sales of 95.98 MU's booked by CPDL has been reduced.

The Commission has approved Energy sales for FY 2024-25 (01.02.2025 to 31.03.2025) as provided below:

**Table 7: Energy Sales (MUs) approved by the Commission**

S.No.	Categories	Approved in TO dtd. 25.07.2025	Claimed	Approved by the Commission
		For FY 2024-25	FY 2024-25 (01.02.2025 to 31.03.2025)	
1	Domestic – (LT+HT)	817.70	106.10	35.91
2	Commercial – (LT+HT)	498.20	63.18	44.37
3	Large Industrial Supply	125.49	20.15	20.15
4	Medium Industrial Supply	104.13	14.70	9.40
5	Small Industrial Supply	18.85	2.71	1.64
6	Agriculture	1.63	0.19	0.19
7	Public Lighting	15.93	2.50	2.50
8	Bulk Supply	86.38	10.21	10.21
9	Temporary Supply	4.46	0.93	0.32
10	Electric Vehicle Charging Station	4.51	0.17	0.15
<b>11</b>	<b>Grand Total (sum of 1 to 10)</b>	<b>1,677.27</b>	<b>220.82</b>	<b>124.84</b>

The Commission has approved energy sales as 124.84 MU for FY 2024-25 (01.02.2025 to 31.03.2025).

### 3.4 Connected load

#### Petitioner’s Submission

The Category-wise actual connected load as on 31.03.2025 is shown in the table below:

**Table 8: Approved and Actual Connected Load as on 31.03.2025 (in KW) submitted by the Petitioner**

S.No.	Categories	Approved in TO dtd. 25.07.2025	Actual
		For FY 2024-25	FY 2024-25 (01.02.2025 to 31.03.2025)
1	Domestic – (LT+HT)	9,41,756	9,50,876
2	Commercial – (LT+HT)	5,12,870	5,02,346
3	Large Industrial Supply	68,230	68,509
4	Medium Industrial Supply	85,491	80,087
5	Small Industrial Supply	26,049	24,569
6	Agriculture	958	920
7	Public Lighting	4,535	4,577
8	Bulk Supply	41,246	40,332
9	Temporary Supply	1,701	3,118
10	Electric Vehicle Charging Station	-	2,535
<b>11</b>	<b>Grand Total (sum of 1 to 10)</b>	<b>16,82,836</b>	<b>16,77,869</b>

### **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 by the Petitioner. The Commission notes that Regulation 13.1 of the JERC MYT Regulations, 2021, 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**

S.No.	Categories	Approved in TO dtd. 25.07.2025	Claimed	Approved by the Commission
		For FY 2024-25	FY 2024-25 (01.02.2025 to 31.03.2025)	
1	Domestic – (LT+HT)	9,41,756	9,50,876	9,50,876
2	Commercial – (LT+HT)	5,12,870	5,02,346	5,02,346
3	Large Industrial Supply	68,230	68,509	68,509
4	Medium Industrial Supply	85,491	80,087	80,087
5	Small Industrial Supply	26,049	24,569	24,569
6	Agriculture	958	920	920
7	Public Lighting	4,535	4,577	4,577
8	Bulk Supply	41,246	40,332	40,332
9	Temporary Supply	1,701	3,118	3,118
10	Electric Vehicle Charging Station	-	2,535	2,535
<b>11</b>	<b>Grand Total (sum of 1 to 10)</b>	<b>16,82,836</b>	<b>16,77,869</b>	<b>16,77,869</b>

The Commission has approved connected load as 16,77,869 kW for FY 2024-25.

### 3.5 Number of consumers

#### Petitioner’s Submission

The Category-wise actual number of consumers as on 31.03.2025 is shown in the table below:

**Table 10: Number of consumers (Nos) submitted by the Petitioner**

S.No.	Categories	Approved in TO dtd. 25.07.2025	Claimed
		For FY 2024-25	FY 2024-25 (01.02.2025 to 31.03.2025)
1	Domestic – (LT+HT)	2,01,505	2,02,123
2	Commercial – (LT+HT)	27,509	27,642
3	Large Industrial Supply	95	92
4	Medium Industrial Supply	1,568	1,454
5	Small Industrial Supply	1,654	1,559
6	Agriculture	121	120
7	Public Lighting	1,737	1,568
8	Bulk Supply	521	374
9	Temporary Supply	402	434
10	Electric Vehicle Charging Station	-	39
<b>11</b>	<b>Grand Total (sum of 1 to 10)</b>	<b>2,35,112</b>	<b>2,35,405</b>

### **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 by the Petitioner. The Commission notes that Regulation 13.1 of the JERC MYT Regulations, 2021, 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 (Nos) approved by the Commission**

S.No.	Categories	Approved in TO dtd. 25.07.2025	Claimed	Approved by the Commission
		For FY 2024-25	FY 2024-25 (01.02.2025 to 31.03.2025)	
1	Domestic – (LT+HT)	2,01,505	2,02,123	2,02,123
2	Commercial – (LT+HT)	27,509	27,642	27,642
3	Large Industrial Supply	95	92	92
4	Medium Industrial Supply	1,568	1,454	1,454
5	Small Industrial Supply	1,654	1,559	1,559
6	Agriculture	121	120	120
7	Public Lighting	1,737	1,568	1,568
8	Bulk Supply	521	374	374
9	Temporary Supply	402	434	434
10	Electric Vehicle Charging Station	-	39	39
<b>11</b>	<b>Grand Total (sum of 1 to 10)</b>	<b>2,35,112</b>	<b>2,35,405</b>	<b>2,35,405</b>

The Commission has approved number of consumers as 2,35,405 for FY 2024-25.

### 3.6 Inter State transmission losses

#### Petitioner Submission

The Petitioner has not submitted the details of the actual Inter-State Transmission losses for FY 2024-25 (01.02.2025 to 31.03.2025).

#### Commission's analysis

The Commission has observed that for 10 months EWEDC has submitted 1771.93 MU at Discom periphery and CPDL has submitted 219.15 MU at Discom periphery for 2 months. Total power purchase at discom periphery comes around 1,991.08 MUs. Further, the Commission has verified the submission of the Petitioner from the REA and DSM Reports of FY 2024-25 and observed that there is a variation of 5.02 MUs in total from worked out power purchase quantum at discom periphery of 1986.06 MUs. Hence, the Commission has considered its work out number from REA and DSM reports for FY 2024-25 which are also matching with the final REA and DSM Reports submitted by EWEDC in reply to the queries raised by the Commission.

Further the losses for the 10-month and 2-month periods appears vague due to improper booking of monthly sales, the Commission has worked-out the inter-State loss for whole year, which will be applicable to both entities, EWEDC (10 Months) and CPDL (2 months).

The table below provides the ISTS loss approved for FY 2024-25:

**Table 12: Inter-state transmission losses (%)**

S. No.	Particulars	FY 2024-25
1	Net Energy Input Received/Required (Ex bus)	2453.73
2	Total Power Purchase from Inter State Sources	2245.58
A	Central Sector Power Stations (HYDRO)	
B	Central Sector Power Stations (THERMAL/GAS/NUCLEAR)	
C	SECI (WIND)	
3	Short Term Purchase/Sale	
A	IEX/PXIL Purchase	96.63
B	IEX/PXIL Sale	-280.15
4	Unscheduled Interchange	
A	UI Purchase (Overdrawal)	111.52
B	UI Sale (Underdrawal)	-48.58
5	Total Power Purchase at UT periphery (5=2+3+4)	2124.99
6	CTU Losses (6=5-7)	138.93
	<b>PGCIL Losses - %</b>	<b>6.54%</b>
7	Total Power Purchase availability after PGCIL Losses (7=5-6)	1986.06

**Table 13: Inter-state transmission losses (%) approved by the Commission**

Particulars	Approved in T.O. dt 25.07.2024	Actual FY 2024-25	Approved by the Commission
Inter-State Transmission Loss	4.03%	5.80%	6.54%

The Commission has approved interstate transmission losses as 6.54% for FY 2024-25.

### 3.7 Intra-state Transmission and Distribution losses

#### Petitioner Submission

The Petitioner has submitted that it took over the distribution and retail supply functions of the EWEDC with effect from 01.02.2025. Hence, it is the Distribution Loss which pertain to the Petitioner and not the Transmission and Distribution Loss. It is neither technically nor practically feasible for the Petitioner to derive or substantiate the energy balance as well as the Distribution Loss for the period of two months of FY 2024-25 (01.02.2025 to 31.03.2025). Further, the energy balance for two months of FY 2024-25 (01.02.2025 to 31.03.2025) computed based on actual energy billed by the Petitioner and energy input at the Petitioner's periphery during this period indicates negative Distribution Loss, thus implying that the Petitioner has achieved the Distribution Loss target during FY 2024-25 (01.02.2025 to 31.03.2025).

#### Commission's analysis

The Commission has verified the submission of the Petitioner from the REA, DSM Reports and sales for FY 2024-25.

Since the losses for the 10-month and 2-month periods of FY 2024-25 by both entities i.e., EWEDC and CPDL respectively appears vague due to improper booking of monthly sales, the Commission has worked-out the T&D loss for whole year, which

will be applicable to both entities, EWEDC (10 Months) and CPDL (01.02.2025 to 31.03.2025).

The table below provides the Intra-State T&D loss approved for FY 2024-25:

**Table 14: Intra-state transmission & distribution losses (%)**

S. No	Particulars	FY 2024-25
1.	Energy Required at Periphery from inter-state sources	1,986.06
2.	Own state Generation	12.15
<b>3.</b>	<b>Energy Requirement @ Chandigarh periphery (MU) (1+2)</b>	<b>1,998.21</b>
4.	Total Sales	1,745.65*
5.	T&D loss (3-4)	252.56
<b>6.</b>	<b>Transmission and Distribution losses (%) (5/3)</b>	<b>12.64%</b>

\*Sales of EWEDC for 10 months (1620.81 MUs) and sales of CPDL for 2 months (124.84)

**Table 15: Intra-state transmission and distribution losses (%) approved by the Commission**

Particulars	Approved in T.O. dt 25.07.2024	Approved by the Commission
Intra-State Transmission & distribution Losses	8.00%	12.64%

### 3.8 Energy Balance

#### Petitioner Submission

The Petitioner has submitted energy balance for FY 2024-25 as provided in the table given below:

**Table 16: Energy balance submitted by the Petitioner**

S. No.	Particulars	FY 25 (Feb'25-Mar'25)	FY 25 (As per Energy Audit)
1	Net Energy Input Received/Required (Ex bus)	313.27	2452.22
2	Total Power Purchase from Inter State Sources	287.9	2245.58
A	Central Sector Power Stations (HYDRO)	150.26	
B	Central Sector Power Stations (THERMAL/GAS/NUCLEAR)	123.95	
C	SECI (WIND)	13.69	
3	Short Term Purchase/Sale		
A	IEX/PXIL Purchase	7.37	96.63
B	IEX/PXIL Sale	-61.62	-280.15
4	Unscheduled Interchange		
A	UI Purchase (Overdrawal)	18.01	110.01
B	UI Sale (Underdrawal)	-2.61	-49.39
5	Total Power Purchase at UT periphery (5=2+3+4)	249.05	2122.69
6	CTU Losses (6=5-7)	29.89	136.62

S. No.	Particulars	FY 25 (Feb'25-Mar'25)	FY 25 (As per Energy Audit)
7	Total Power Purchase availability after PGCIL Losses	219.15	1986.06
8	Add: Net-Metering/Within State Solar	0.13	12.02
9	Power Purchase at DISCOM Periphery (9=7+8)	219.28	1998.09
10	Less: Retail Sales to Consumers	220.82	1745.65
11	Distribution Losses (11=9-10)	-1.54	252.44
12	Distribution Losses - % (12=11/9)	-0.70%	12.63%

### Commission's analysis

The Commission has approved energy balance for FY 2024-25 based on approved Inter-state Transmission loss and T&D loss as shown in the table given below:

**Table 17: Energy balance approved by the Commission for FY 2024-25 (12 months)**

S. No.	Particulars	FY 2024-25
1	Net Energy Input Received/Required (Ex bus)	2453.73
<b>2</b>	<b>Total Power Purchase from Inter State Sources</b>	<b>2245.58</b>
A	Central Sector Power Stations (HYDRO)	
B	Central Sector Power Stations (THERMAL/GAS/NUCLEAR)	
C	SECI (WIND)	
<b>3</b>	<b>Short Term Purchase/Sale</b>	
A	IEX/PXIL Purchase	96.63
B	IEX/PXIL Sale	-280.15
<b>4</b>	<b>Unscheduled Interchange</b>	
A	UI Purchase (Overdrawal)	111.52
B	UI Sale (Underdrawal)	-48.58
5	Total Power Purchase at UT periphery (5=2+3+4)	2124.99
6	CTU Losses (6=5-7)	138.93
	<b>PGCIL Losses - %</b>	<b>6.54%</b>
7	Total Power Purchase availability after PGCIL Losses	1986.06
8	Add: Net-Metering/Within State Solar	12.15
9	Power Purchase at DISCOM Periphery (9=7+8)	1998.21
10	Less: Retail Sales to Consumers	1745.65
11	Distribution Losses (11=9-10)	252.56
	<b>Distribution Losses - % (12=11/9)</b>	<b>12.64%</b>

*\*Matching with the monthly sales submitted by EWEDC (10 months) and CPDL (2 Months) as per NIELIT data and Energy Audit report for FY 2024-25.*

## 3.9 Power Purchase Quantum and Cost

### Petitioner's Submission

As per the Transfer Scheme, Part D [Transfer of Electricity Distribution Business] 1.b. read with Clause II of Schedule 'B', all existing Power Purchase Agreements (PPAs) have been transferred to the Petitioner as on Transfer Date i.e. 01.02.2025. Further, in terms of Part F, the Petitioner is obligated to honour all existing Power Purchase Agreements (Hydro, Solar, Thermal, Nuclear, Wind, etc.) of EWEDC until their expiry / completion.

The details of actual Power Purchase quantum and cost including Transmission Charges, UI charges and purchase/sale from short term sources i.e. power exchange for FY 2024-25 (01.02.2025 to 31.03.2025) are shown in the table below:

**Table 18: Power Purchase Quantum and Cost for FY 2024-25 (01.02.2025 to 31.03.2025) submitted by the Petitioner**

S. No.	Generating Stations	Power Purchase Cost & Quantum approved by the Commission for FY 2024-25					Power Purchase Cost & Quantum for FY 2024-25 (01.02.2025 to 31.03.2025)				
		Qty	Capacity Charges	Energy Charges	Other Charges	Total	Qty	Capacity Charges	Energy Charges	Other Charges	Total
		MUs	Rs Cr	Rs Cr	Rs. Cr.	Rs Cr	MUs	Rs Cr	Rs Cr	Rs. Cr.	Rs Cr
<b>I</b>	<b>NTPC (Hydro)</b>										
1	KOLDAM HYDRO	54.89	14.12	13.85	0.27	28.24	2.09	1.36	0.27	-0.07	1.57
2	SINGRAULIHYDRO	0.40	0.00	0.21	0.00	0.21	0.05	0.00	0.03	0.00	0.03
<b>II</b>	<b>NHPC</b>										
3	DULHASTI	49.04	9.57	11.77	(3.91)	17.43	2.34	1.05	0.30	0.15	1.50
4	PARBATI-III	15.86	6.62	2.52	0.17	9.31	0.46	1.06	0.06	0.00	1.13
5	URI II	28.81	5.50	6.32	2.55	14.37	1.21	0.23	0.19	0.11	0.53
6	SEWA II	8.30	3.89	1.89	0.54	6.32	1.39	0.34	0.31	0.03	0.67
7	CHAMERA III	25.08	5.11	5.40	0.10	10.61	0.89	0.58	0.19	0.00	0.76
8	TANAKPUR	5.87	1.25	1.50	0.91	3.65	0.18	0.18	0.04	0.01	0.23
9	DHAULIGANGA	32.03	4.14	4.22	1.66	10.02	0.89	0.38	0.11	0.02	0.51
10	CHAMERA I	89.94	8.14	10.56	(2.45)	16.25	5.92	1.13	0.67	0.03	1.84
11	CHAMERA II	32.90	4.22	3.39	1.26	8.87	1.66	0.61	0.20	0.01	0.82
12	URI	20.21	1.74	2.00	1.42	5.16	1.75	0.20	0.16	0.08	0.45
13	SALAL	10.20	0.79	0.82	2.22	3.83	0.56	0.10	0.04	0.06	0.21
14	Kishan Ganga	24.35	5.27	4.94	0.38	10.59	0.77	0.52	0.18	0.01	0.72
<b>III</b>	<b>THDC</b>										
15	TEHRI	199.28	36.03	43.31	5.36	84.70	29.57	5.22	3.84	0.74	9.81
16	KOTESHWAR	17.58	4.11	4.98	2.57	11.66	2.39	0.84	0.58	0.11	1.53
<b>IV</b>	<b>SJVNL</b>										
17	RAMPUR	21.32	4.81	4.57	1.72	11.10	0.70	0.47	0.09	-0.05	0.51
18	NATHPA JHAKRI	127.42	15.64	15.75	(0.15)	31.23	4.76	1.71	0.57	0.01	2.29
<b>V</b>	<b>BBMB</b>										
19	BBMB 1 LU	38.14	0.00	14.68	0.00	14.68	0.00	0.00	2.27	0.00	2.27

S. No.	Generating Stations	Power Purchase Cost & Quantum approved by the Commission for FY 2024-25					Power Purchase Cost & Quantum for FY 2024-25 (01.02.2025 to 31.03.2025)				
		Qty	Capacity Charges	Energy Charges	Other Charges	Total	Qty	Capacity Charges	Energy Charges	Other Charges	Total
		MUs	Rs Cr	Rs Cr	Rs. Cr.	Rs Cr	MUs	Rs Cr	Rs Cr	Rs. Cr.	Rs Cr
20	BBMB 10 LU	381.37	0.00	146.83	0.00	146.83	0.00	0.00	22.72	0.00	22.72
21	Bhakhra	260.33	0.00	0.00	11.40	11.40	84.98	0.00	0.00	2.55	2.55
22	Dehar	38.09	0.00	0.00	10.57	10.57	5.85	0.00	0.00	0.00	0.00
23	Pong	9.60	0.00	0.00	1.78	1.78	1.85	0.00	0.00	0.00	0.00
<b>VI</b>	<b>APCPL</b>										
24	JAJJAR	50.60	13.74	22.73	0.57	37.04	6.49	1.61	2.67	0.05	4.32
<b>VII</b>	<b>NTPC (Thermal)</b>										
25	DADRI II	15.68	2.38	6.25	0.60	9.23	2.92	0.40	1.21	0.02	1.63
26	UNCHAHAR I	12.05	1.81	5.96	0.66	8.43	2.06	0.28	0.74	0.00	1.02
27	UNCHAHAR II	21.71	3.18	8.70	1.41	13.29	4.76	0.52	1.72	0.00	2.24
28	UNCHAHAR III	8.47	1.41	4.00	0.42	5.83	1.90	0.22	0.68	0.00	0.90
29	UNCHAHAR IV	28.93	6.79	12.75	4.31	23.85	6.91	1.16	2.33	0.03	3.53
30	KAHALGAON II	14.45	2.43	4.38	1.03	7.84	3.96	0.32	1.11	0.01	1.44
31	SINGRAULI	29.14	2.02	3.78	0.44	6.24	6.87	0.42	0.98	0.05	1.46
32	RIHAND III	43.74	8.57	5.00	0.89	14.46	5.31	1.43	1.18	-0.02	2.58
33	RIHAND I	62.66	7.50	9.62	(0.13)	16.98	16.95	1.17	2.53	0.07	3.76
34	RIHAND II	54.28	5.89	8.11	0.82	14.82	16.11	0.96	2.30	0.11	3.38
35	Tanda II	20.16	8.15	7.97	1.01	17.13	9.51	1.32	2.98	0.04	4.35
<b>VIII</b>	<b>MUNPL</b>										
36	MEJA I	58.57	16.43	18.28	(0.22)	34.49	9.60	2.66	3.30	0.12	6.08
<b>IX</b>	<b>NTPC (Gas)</b>										
37	DADRI	3.31	6.84	3.82	0.01	10.66	0.00	0.92	0.00	0.00	0.92
38	AURIYA	1.98	7.19	2.42	0.05	9.66	0.00	1.14	0.00	0.00	1.15
39	ANTA	0.43	6.05	0.51	(0.02)	6.54	0.00	0.73	0.00	0.00	0.73
<b>X</b>	<b>NPCIL</b>										
40	RAPP (Unit 5 & 6)C	101.87	0.00	39.24	1.77	41.01	6.19	0.00	2.40	0.12	2.51

S. No.	Generating Stations	Power Purchase Cost & Quantum approved by the Commission for FY 2024-25					Power Purchase Cost & Quantum for FY 2024-25 (01.02.2025 to 31.03.2025)				
		Qty	Capacity Charges	Energy Charges	Other Charges	Total	Qty	Capacity Charges	Energy Charges	Other Charges	Total
		MUs	Rs Cr	Rs Cr	Rs. Cr.	Rs Cr	MUs	Rs Cr	Rs Cr	Rs. Cr.	Rs Cr
41	RAPP (Unit 3 & 4)-B	17.34	0.00	5.66	0.45	6.11	2.91	0.00	0.94	0.04	0.98
42	NAPS	88.11	0.00	26.95	0.22	27.17	9.85	0.00	2.92	0.01	2.94
<b>XI</b>	<b>Khurja</b>										
43	Total Khurja						7.67	0.80	0.62	0.02	1.44
<b>XII</b>	<b>NUPPL</b>										
44	Ghatampur						3.97	1.35	1.10	0.07	2.52
<b>XIII</b>	<b>SECI</b>										
45	Tranche-VI	157.84	0.00	46.98	0.01	46.99	13.69	0.00	3.96	0.00	3.96
<b>XIV</b>	<b>Intra Solar</b>										
46	Crest	14.28	0.00	10.02	0.00	10.02	0.00	0.00	0.00	0.00	0.00
47	Pvt. Solar	1.42	0.00	1.27	0.00	1.27	0.10	0.00	0.09	0.00	0.09
48	Net Solar	1.18	0.00	0.40	0.00	0.40	0.00	0.00	0.00	0.00	0.00
<b>XV</b>	<b>Short-Term</b>										
49	Buy						7.37	0.00	2.81	0.00	2.81
50	Sell						-61.62	0.00	-29.59	0.00	-29.59
51	UI Buy						18.01	0.00	10.22	0.00	10.22
52	UI Sold						-2.61	0.00	-0.87	0.00	-0.87
53	Short Term & UI	(390.47)	0.00	(100.35)	0.00	(100.35)					
<b>XVI</b>	<b>Transmission, RLDC &amp; SLDC Charges</b>										
54	CTU /PGCIL		139.17			139.17	0.00	0.00	0.00	22.01	22.01
55	UPPTCL		1.10			1.10	0.00	0.00	0.00	0.22	0.22
56	ULDC BBMB		0.17			0.17	0.00	0.00	0.00	0.01	0.01
57	NRLDC Charges		0.41			0.41	0.00	0.00	0.00	0.05	0.05
58	NUPPL Txn. Charges		0.00			0.00	0.00	0.00	0.00	0.20	0.20
59	KHURJA Txns Charges		0.00			0.00	0.00	0.00	0.00	0.01	0.01

S. No.	Generating Stations	Power Purchase Cost & Quantum approved by the Commission for FY 2024-25					Power Purchase Cost & Quantum for FY 2024-25 (01.02.2025 to 31.03.2025)				
		Qty	Capacity Charges	Energy Charges	Other Charges	Total	Qty	Capacity Charges	Energy Charges	Other Charges	Total
		MUs	Rs Cr	Rs Cr	Rs. Cr.	Rs Cr	MUs	Rs Cr	Rs Cr	Rs. Cr.	Rs Cr
60	Reactive Charges		0.00			0.00	0.00	0.00	0.00	0.01	0.01
61	Provisions										0.26
<b>62</b>	<b>Total Power Purchase (sum of I to XVI)</b>	<b>1908.74</b>	<b>372.17</b>	<b>453.93</b>	<b>52.67</b>	<b>878.78</b>	<b>249.14</b>	<b>33.42</b>	<b>51.14</b>	<b>27.08</b>	<b>111.90</b>

The Petitioner has submitted that the Power Purchase cost in the Audited Accounts for FY 2024-25 (01.02.2025 to 31.03.2025) is Rs. 109.59 Crore which is net of rebate amounting to Rs. 2.31 Crore.

### **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 Regulation 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:*

..

*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;*

*Variation in fuel cost;*

*Change in power purchase mix;*

*Inflation;*

*Transmission Charges for a Distribution Licensee;”*

The Commission has noted that the Petitioner procures power mainly from NTPC stations, Hydro Stations, NPCIL stations, and IPPs. The Petitioner has submitted the overall power purchase cost as Rs. 109.59 Crore against a procurement of 249.14 MUs. However, the Commission has approved power purchase cost and quantum as per the annual audited account for FY 2024-25 after prudence check.

The Commission raised query regarding non-booking of variable cost for Anta, Auraiya, and Dadri stations during Technical Validation Session. In response, the Petitioner submitted that Anta, Auraiya and Dadri stations are Gas Power Stations located in Rajasthan, Uttar Pradesh and Delhi-NCR, respectively. Due to the non-availability of cheaper gas and consequently, high fuel costs, the power from these gas-based generating stations is comparatively the most expensive and therefore, these gas-based stations remain low in the dispatch list, nationally. Accordingly, during the period February 2025 and March 2025, no power was scheduled from Anta, Auraiya and Dadri Gas Power Stations to CPDL being the highest cost plants in CPDL's overall power procurement portfolio. As a result, no variable power purchase cost was incurred or booked by the Petitioner in respect of these generating stations during the said period.

Further, the Commission has observed that the Petitioner has shown power purchase quantum for Dehar and Pong Generating Stations; however, no corresponding charges have been reflected against these stations. The Petitioner has

confirmed that the charges pertaining to the Dehar and Pong Generating Stations have been included in the BBMB charges.

The Commission has disallowed provision of Rs. 0.26 Crore.

Accordingly, the total power purchase cost allowed for FY 2024-25 (2 months) is as under:

**Table 19: Power Purchase Cost and Quantum approved by the Commission**

Source	Approved		Claimed		Approved by the Commission	
	Quantum (MU)	Cost (Cr.)	Quantum (MU)	Cost (Cr.)	Quantum (MU)	Cost (Cr.)
Bhakra Beas Management Board (BBMB)	727.53	185.26	92.67	27.54	92.67	27.54
NTPC Limited	430.85	227.9	96.68	38.20	96.68	38.20
NHPC Limited	342.59	116.41	18.01	9.36	18.01	9.36
Nuclear Power Corporation of India Limited. (NPCIL NAPS)	207.32	74.29	18.95	6.43	18.95	6.43
SJVN Limited	148.74	42.33	5.46	2.81	5.46	2.81
THDC India Limited	216.86	96.36	31.97	11.34	31.97	11.34
Aravali Power Company Private Limited	50.6	37.04	6.49	4.32	6.49	4.32
Neyveli Uttar Pradesh Power (NUPP) Ltd.	0	0	3.97	2.52	3.97	2.52
CREST	14.28	10.02	0.00	0.00	0.00	0.00
Pvt. Solar	2.6	1.67	0.10	0.09	0.10	0.09
SECI (Non- Solar) (Tranche-VI)	157.84	46.99	13.69	3.96	13.69	3.96
<b>Short Term &amp; UI</b>	<b>(390.47)</b>	<b>(100.35)</b>				
Buy			7.37	2.81	7.37	2.81
Sell			-61.62	-29.59	-61.62	-29.59
UI Purchase (Overdrawal)			18.01	10.22	18.01	10.22
Market/UI Sale (Underdrawal)			-2.61	-0.87	-2.61	-0.87
PGCIL Charges		139.17	0.00	22.01	0.00	22.01
NRLDC Charges		0.41		0.05	0.00	0.05
UP Power Transmission Corporation Limited (UPPTCL) Charges		1.1		0.22	0.00	0.22
Punjab State Power Corporation Limited		0.17		0.00	0.00	0.00
- KHURJA Txns Chrsgs				0.01	0.00	0.01
BBMB ULDC Chrsgs				0.01	0.00	0.01
- NUPPL Txns Chrsgs				0.20	0.00	0.20
-Reactive Charges				0.01	0.00	0.01
<b>Total</b>	<b>1908.74</b>	<b>878.77</b>	<b>249.14</b>	<b>111.64</b>	<b>249.14</b>	<b>111.64</b>

The Commission has approved Power Purchase Quantum as 249.14 MU and Cost as Rs. 111.64 Crore.

### 3.10 Renewable Purchase Obligation

#### Petitioner Submission

The Petitioner has submitted that the Commission had notified JERC (Procurement of Renewable Energy) (Fifth Amendment), Regulations 2024 on 28.03.2024. As per the said amendment, 29.91% of total energy is to be procured from renewable sources for FY 2024-25 which includes 0.67% from Wind RPO (commissioned after 31.03.2024), 0.38% from HPO (commissioned after 31.03.2024), 27.35% from Other RPO (commissioned before 01.04.2024) and 1.50% from Distributed Renewable Energy (DRE) RPO.

Further, in terms of clause 4.4 (d) of the Government Policy Directions dated 07.02.2025, the pending and existing Renewable Purchase Obligations of the EWEDC till the Transfer Date, shall be undertaken by the Distribution Company (CPDL) from the Transfer Date.

The Petitioner submits that the RPO targets specified by the Commission for FY 2024-25 have been successfully met.

Further, the Petitioner highlighted that in view of the overachievement of the RPO targets for FY 2024-25, the Petitioner undertook an initiative to apply for the issuance of Renewable Energy Certificates (RECs) under the CERC (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022 (“REC Regulations, 2022”) read with JERC (Procurement of Renewable Energy) Regulations, 2010 and amendment thereof. Accordingly, the Commission on 24.06.2025 has certified the RPO met during FY 2024-25 and surplus thereof as shown in the table below:

**Table 20: RPO status for FY 2024-25 submitted by the Petitioner**

RPO Obligation	RPOs Target to be met for FY 2024-25		Cumulative Backlog as on 31-03-2024	Cumulative Target for FY 2024-25 including backlog	Total RPO met from various sources for FY 2024-25 (in MUs)				RPO (Shortfall)/ Surpluses
	1	2			3	4	5	6	
MUs	%	MUs	MUs	MUs	Generation MUs	REC MUs	Power Purchase MUs	Total (9=6+7+8) MUs	(10=9-5) MUs
Wind RPO	0.67%	11.70	-	11.70	-	-	-	-	(11.70)
Other RPO	27.35%	477.41	-	477.41	-	-	1404.78	1404.78	927.37
HPO	0.38%	6.63	-	6.63	-	-	-	-	(6.63)
Distributed RE	1.50%	26.18	-	26.18	-	-	49.18	49.18	23.00
<b>Total</b>	<b>29.91%</b>	<b>521.92</b>	<b>-</b>	<b>521.92</b>	<b>-</b>	<b>-</b>	<b>1453.96</b>	<b>1453.96</b>	<b>932.04</b>

Pursuant to the certificate issued by the Commission, the Petitioner’s application for issuance of RECs have been duly approved by Grid Controller of India Limited (formally known as POSOCO, the Central Agency assigned by Hon’ble CERC) and the Petitioner has been granted 9,32,044 number of RECs for sale which would result in additional revenue. However, the Commission in its communication dated 24.06.2025 has directed the Petitioner to deposit the income received from selling of such RECs for the period upto 31.01.2025 with EWEDC.

**Commission’s analysis**

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 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 provision of JERC (Procurement of Renewable Energy), (Fifth Amendment) Regulations, 2024 states as follows:

*“Provided also that any excess energy consumption under Other RPO in a particular year, may be utilised to meet the shortfall in achievement of stipulated Wind RPO or HPO.”*

Accordingly, the Commission has considered that there has been no short fall for FY 2024-25. Further, the Commission vide RPO order dated 30.12.2025 has considered that the Petitioner achieved the annual compliance for FY 2024-25.

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 21: Summary of RPO (Renewable Purchase Obligation) (MU) for FY 2024-25**

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	Cumulative Balance
	FY 2024-25					Surplus (-) / Deficit (+)
	%	MU	MU	MU	MU	MU
Wind	0.67	0.84	0.00	0.84	0	0.84
HPO	0.38	0.47	0.00	0.47	0	0.47
Distributed Renewable Energy	1.5	1.87	0.00	1.87	8.17	-6.29

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	Cumulative Balance
	FY 2024-25					Surplus (-) / Deficit (+)
Other RPO	27.35	34.14	0.00	34.14	234.17	-200.02
<b>Total</b>	<b>29.91</b>	<b>37.33</b>	<b>0.00</b>	<b>37.33</b>	<b>242.33</b>	<b>-205.01</b>

The Commission notes that there is a net surplus in RPO compliance till the FY 2024-25 of (205.01) MUs. The same has to be carried forward to subsequent years.

### 3.11 Capitalisation, GFA and Depreciation

#### 3.11.1 Capitalisation

##### Petitioner's Submission

The Petitioner has submitted that the capital expenditure plan and capitalisation during the year has been considered as per the accounts for FY 2024-25 (01.02.2025 to 31.03.2025). The details of capital expenditure plan and capitalisation for FY 2024-25 (2 months), actual vis a vis approved are shown in the table below:

**Table 22: Details of capitalisation schemes for FY 2024-25 (2 months)**

S. No.	Asset Tag No.	Name of the Asset	Description of the Asset	Date of Acquisition	Acquisition (Purchase) Value
1	28000001	Computers -GEN	Dell Optiplex 7010 Desktops 7010MICRO_Corei5	3/31/2025	1,411,044
2	28000002	Computers -GEN	65AH EXIDE Batteries 2 Years Warranty	3/31/2025	118,784
3	28000003	Computers -GEN	10kVA EATON UPS with 5 Years Warranty	3/31/2025	153,400
4	28000005	Computers -GEN	Dell Latitude 3450 Laptops	3/31/2025	792,960
5	28000006	Computers -GEN	V Talk VVH308 PLUS USB HEADSET	3/31/2025	29,500
6	28000007	Computers -GEN	SSL Certificate for Chandigarh Power	3/31/2025	9,440
7	28000009	Computers -GEN	A3 Multifunctional Konica Printer 5 Years Warranty	3/31/2025	118,000
8	28000010	Computers -GEN	Supply & Installation of IT Infra Setup	3/31/2025	698,250
9	28000488	Computers -GEN	ManageEngine License	3/31/2025	368,630
10	28000490	Computers -GEN	CrowdStrike EDR Licenses 5 Years	3/31/2025	388,220
11	28000491	Computers -GEN	SAP Development	3/31/2025	315,532
12	30000000	Cars and Vans	MARUTI CIAZ SMART HYBRID	2/28/2025	1,095,190
13	30000001	Cars and Vans	MARUTI CIAZ SMART HYBRID	2/28/2025	1,095,190

S. No.	Asset Tag No.	Name of the Asset	Description of the Asset	Date of Acquisition	Acquisition (Purchase) Value
14	30000002	Cars and Vans	MARUTI CIAZ SMART HYBRID	2/28/2025	1,095,190
15	30000003	Cars and Vans	MARUTI CIAZ SMART HYBRID	2/28/2025	1,095,980
16	30000004	Cars and Vans	MARUTI ERTIGA SMART HYBRID	2/28/2025	1,072,157
17	29000001	Computers Software	Designing and Development of Company Web	3/31/2025	413,649
18	34000074	Transmission/ Distribution System Equipments	CABLE 2CX 10 SQMM ARMOURED	3/1/2025	81,774
19	34000074	Transmission/ Distribution System Equipments	CABLE 4CX 16 SQMM ARMOURED	3/1/2025	125,493
20	23000030	Transmission/ Distribution System Equipments	Digital Multimeter-Clamp Meter Fluke-317	3/1/2025	290,280
21	26000000	Furniture & Equip-GE	Furniture & Fixtures	3/15/2025	2,492,208
22	23000031	Transmission/ Distribution System Equipments	FRP Ladder 2 Fold 26 Ft Extension Type	3/1/2025	566,400
23	34000000	Transmission/ Distribution System Equipments	Meter 1P2W 10-60 A BLE With Push Fit BOX	3/1/2025	2,177,100
24	34000075	Transmission/ Distribution System Equipments	Meter 3P4W, Wholecurr 10-100A W-PF Box,LT	3/1/2025	2,940,560
25	23000038	Transmission/ Distribution System Equipments	Discharge Rod-Safety Earth Stick FRP	3/1/2025	292,050
<b>Total</b>					<b>19,236,980</b>

**Table 23: Capitalisation for FY 2024-25 (in Rs. Crore) submitted by the Petitioner**

Particulars	Approved (T.O. dt 25.07.2024 )	Actual
Capitalisation	43.49	1.92

### Commission's analysis

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

**Table 24: Funding (Rs. Crore) approved by the Commission**

Particular	Approved in T.O dated 25.07.2024	Petitioner's Submission	Approved by the Commission
Capitalisation	43.49	1.92	1.92
Debt (%)	70%	70%	70%
Equity (%)	30%	30%	30%
Normative Loan	30.44	1.34	1.34
Equity	13.05	0.58	0.58

### 3.11.2 GFA

#### Petitioner's Submission

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

#### Commission's analysis

The Commission has approved capitalisation of Rs. 1.92 Crore for FY 2024-25 (01.02.2025 to 31.03.2025). The Commission has considered opening balance for FY 2024-25 (01.02.2025 to 31.03.2025) same as closing balance for FY 2024-25 (10 months) as approved in EWEDC Truing-up Order.

**Table 25: GFA (Rs. Crore) approved by the Commission**

Particular	Approved in T.O dated 25.07.2024	Approved by the Commission
Opening Gross Fixed Assets	336.11	587.81
Addition During the FY	43.49	1.92
Less: Adjustment during the FY*		35.02
Closing Gross Fixed Assets	379.60	554.71

\*The value of such assets not transferred to CPDL under Schedule 'C1' is Rs. 35.02 Crore (GFA) and Rs. 7.51 Crore (NFA). Hence, the revised opening GFA and NFA as on 01.02.2025 for assets transferred to CPDL shall be Rs. 552.79 Crore and Rs. 221.08 Crore respectively.

### 3.11.3 Depreciation

#### Petitioner's Submission

The Petitioner has highlighted that as per clauses 4.4(a) and 4.4(c) of the Government Policy Direction dated 07.02.2025, Opening Balance Sheet of the Petitioner shall be finalized based on completion of audit of accounts as on the Transfer Date as part of the finalised Transfer Scheme. Relevant extracts from the Policy Direction are reproduced here under:

#### **“4.4. Other Considerations**

(a) The Distribution Company's ARR shall be decided based on the restructured Opening Balance Sheet and the impact of the true-up of previous years upto the

*Transfer Date as determined and directed by the Commission, shall be borne by the Holding Entity (i.e. U.T. Chandigarh).*

...

*(c) Opening Balance Sheet of the Distribution Company shall be finalized based on completion of audit of accounts as on the Transfer Date as part of the finalised Transfer Scheme. The Commission shall review and approve expeditiously the Gross Fixed Assets or Net Fixed Assets, Capital Work in Progress, Equity and Long-Term Loan applicable on the Transfer Date for consideration in ARR and tariff determination of the Distribution Company.”*

Further, the finalization of the Opening Balance Sheet is to be completed and notified within a twelve-month period from the Transfer Date (01.02.2025), as per Part D, Section 4 of the Transfer Scheme, the relevant extract is reproduced as under:

**“Part D. Transfer of Electricity Distribution Business**

...

*4. The opening balance sheet of the Company along with details in the Schedules to the Balance Sheet shall be drawn as on the Transfer Date giving effect to the provisions contained in this Scheme and **the finalized Opening Balance sheet of the Company shall be notified by the Administration separately within twelve (12) months of notification of this Scheme.”** [Emphasis added]*

As mentioned above, the finalized Opening Balance Sheet of the Petitioner including relevant documents, information, records and reconciliation as on 31.01.2025 shall be made available within twelve (12) months from the date of notification of the Transfer Scheme, which have an impact on the carrying amount of assets and liabilities recognized on the date of transfer of business.

Thus, in the absence of finalized Opening Balance Sheet, the Petitioner at this stage has considered the depreciation of Rs. 2.69 Crore based on the Audited Accounts for FY 2024-25 (01.02.2025 to 31.03.2025).

The Petitioner has requested the Commission to permit it to claim the differential depreciation, if any, for the period from 01.02.2025 to 31.03.2025 at an appropriate later stage, based on the final opening balance sheet as on 31.03.2025.

**Commission’s analysis**

The Petitioner has submitted that as specified in Regulation 31 of the MYT Regulations, 2021, the Depreciation has been calculated for FY 2024-25 (01.02.2025 to 31.03.2025). The relevant extracts of the MYT Regulations, 2021, are reproduced below:

**“31 Depreciation**

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

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

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

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

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

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

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

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

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

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

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

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

*AAD = 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 the closing Gross Fixed Assets (GFA) of FY 2024-25 (as on 31.01.2025) approved for EWEDC in Truing up order for FY 2024-25 (10 Months) as opening GFA for FY 2024-25 (01.02.2025). Further, the Commission has excluded the value of assets amounting to Rs. 35.02 Crore that were not transferred to CPDL, as identified under Schedule ‘C1’.

The Commission has considered the assets amounting to Rs. 244.51 Crore that have reached 90% depreciation (as per FY 2024-25 (up to 31.01.2025)).

The Commission has calculated the depreciation for the entire financial year and thereafter prorated the same for 2 month period.

The net depreciation worked by the Commission for the FY 2024-25 (01.02.2025 to 31.03.2025) is as detailed here under in table below:

**Table 26: Calculation of weighted average rate of depreciation as per audited accounts (%)**

Particulars	FY 2024-25
Opening Gross Fixed Assets	509.80
Less: Assets depreciated upto 90%	244.51
Less: Value of Assets not transferred to CPDL under Schedule‘C1’	35.02
Add : Addition during FY 2024-25 (10 months)	78.01
Revised opening Gross Fixed Assets	308.28
Add: Addition During the FY 2024-25 (2 months)	1.92
Closing Gross Fixed Assets	310.20
Average Gross Fixed Assets	309.24
<b>Depreciation</b>	<b>2.69</b>
Weighted Average Rate of Depreciation (%)	5.22%

**Table 27: GFA and depreciation (Rs. Crore) approved by the Commission**

Sr. No.	Particular	01.02.2025 to 31.03.2025
		Approved by the Commission
1	Opening Gross Fixed Assets	587.81
2	Less: Value of Assets not transferred to CPDL under Schedule‘C1’	35.02
3	Less: Assets depreciated up to 90%	244.51
4	Opening Gross Fixed Assets	308.28
4	Add: Assets added during the year	1.92
5	Less: Adjustment during the FY	-
6	<b>Closing Gross Fixed Asset</b>	<b>310.20</b>
7	Average Gross Fixed Asset	309.24
8	Average Depreciation Rate	5.22%
9	<b>Total Depreciation for year</b>	<b>16.14</b>

Sr. No.	Particular	01.02.2025 to 31.03.2025
		Approved by the Commission
10	Depreciation for 01.02.2025 to 31.03.2025	2.69

The Commission has approved depreciation of Rs. 2.69 Crore for the 2-month (01.02.2025 to 31.03.2025) period of FY 2024-25, based on the pro-rata allocation of the annual depreciation of Rs. 16.14 Crore.

### 3.12 Operation and Maintenance expenses

Operation & Maintenance Expenses consists of three elements viz. Employee Expenses, A&G Expenses and R&M Expenses. Operation and Maintenance expenses for FY 2024-25 are governed by Regulations 61 & 15 of the MYT Regulation, 2021. The relevant extracts of the MYT Regulations, 2021, are reproduced below:

#### **“61. Operation and Maintenance (O&M) expenses for Retail Supply Business**

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

61.2 O&M Expenses shall comprise of the following:

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

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

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

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

Where,

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

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

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

‘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;*

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

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

*EMP<sub>n</sub> – Employee expenses of the Distribution Licensee for the nth Year;*

*A&G<sub>n</sub> – Administrative and General expenses of the Distribution Licensee for the nth Year;*

*R&M<sub>n</sub> – Repair and Maintenance expenses of the Distribution Licensee for the nth Year;*

*GFA<sub>n-1</sub> – Gross Fixed Asset of the Distribution Licensee for the n-1th Year;*

*X<sub>n</sub> is an efficiency factor for nth Year. Value of X<sub>n</sub> 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<sub>n</sub> is a growth factor for the nth Year. Value of G<sub>n</sub> shall be determined by the Commission for each Year in the Multi Year Tariff Order for meeting the additional manpower requirement based on Licensee's filings, benchmarking, approved cost by the Commission in past and any other factor that the Commission feels appropriate:*

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

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

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

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

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

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

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

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

The Petitioner has submitted that it has taken over the operations of distribution and retail supply of electricity in the Union Territory of Chandigarh on 01.02.2025. Since, the Petitioner is a restructured entity which has commenced operations only with effect from 01.02.2025 and as such, has not been in operation for three (3) years, the Petitioner has requested the Commission to approve the actual O&M expenses of the Petitioner for FY 2024-25 (01.02.2025 to 31.03.2025) in terms of the aforesaid provision of the MYT Regulations, 2021.

The Commission in its previous orders/review orders has already clarified that the transfer of the electricity distribution business in the Union Territory of Chandigarh to CPDL did not involve any merger, demerger, or segregation of assets based on voltage levels. The entire area, networks right from LT to EHT level, assets & liabilities and distribution with associated transmission/ sub-transmission function has been transferred to CPDL. The Commission views that nothing has changed except change of management and therefore, the normative O&M expenses and the corresponding sharing of gains and losses of EWEDC are applicable to CPDL also, as per the MYT Regulations, 2021.

### **3.12.1 Employee expenses**

#### **Petitioner's submission**

The Petitioner has submitted that pursuant to the Transfer Scheme, only 349 permanent employees (out of 586) were transferred from EWEDC to the Petitioner. Hence, most of the experienced employees from Groups A and B were retained by the UT Administration, thus creating a vacuum of skilled and experience manpower in the organisation structure of CPDL. To manage the operation of electricity distribution functions post-take over, the Petitioner had appointed/deputed additional employees to partially fill the voids created by the retention of EWEDC employees.

Further, the Petitioner has also made appropriate changes to the payouts of various employees to comply with the applicable provisions of the PF Act, Bonus Act, Minimum Wages and Shops and Establishment Act. It is also submitted that the Petitioner has ensured that employees are provided with the benefits of insurance as such coverage was not provided in employee expenses booked before 01.02.2025.

**Table 28: Employee Expenses for FY 2024-25 (01.02.2025 to 31.03.2025) (Rs Crore) submitted by the Petitioner**

Particulars	Approved in T.O dated 25.07.2024	Actual
Employee Expenses for Previous Year	111.76	
Growth Factor (Gn) approved in MYT Order	7.91%	
CPI Inflation	5.40%	
<b>Employee Expenses</b>	<b>127.11</b>	<b>16.99</b>

**Commission’s analysis**

The Commission notes that 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 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 manpower plan as submitted by the Petitioner and CPI Inflation to arrive upon the normative employee expenses of FY 2024-25. The Commission has computed employee expenses for entire year and prorated the same for 01.02.2025 to 31.03.2025. The details are provided below:

**Table 29: Growth rate of Employees approved by the Commission**

FY	Employees	Increase/(Decrease) in employees
FY 2023-24	1,121	
FY 2024-25	1,120	-0.09%

**Table 30: 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 31: Computation of Employee expenses (Rs. Crore) for FY 2024-25**

S. No	Particulars	(Base Year)	Approved
		Trued up FY 2023-24	FY 2024-25
1	Employee Expenses for Previous Year (Normative as approved by the Commission)		102.90
2	Gn (Growth factor)		-0.09%
3	CPI		3.38%
4	Expenses with inflation and growth	102.90	106.29

S. No	Particulars	(Base Year)	Approved
		Trued up FY 2023-24	FY 2024-25
5	Add: Impact of pay revision		-
<b>6</b>	<b>Total Employee Expenses</b>		<b>106.29</b>
<b>7</b>	<b>Employee expense for 01.02.2025 to 31.03.2025</b>		<b>17.71</b>

**Table 32: Employee expenses approved by Commission for FY 2024-25(01.02.2025 to 31.03.2025) (Rs Crore)**

Particulars	Approved in T.O dtd 25.07.2024	Approved in T.O dtd 25.07.2024 (Prorated for 2 months)	Normative employee expenses	Employee expenses as per Audited Accounts (Actual)	Claimed by Petitioner	Approved by Commission
Employee Expenses	127.11	21.18	17.71	16.99	16.99	16.99

As the actual employee expenses as per the Audited Account are less than re-estimated normative employee expenses, the Commission approves the employee Expenses of Rs. 16.99 Crore in the True-up of FY 2024-25 (01.02.2025 to 31.03.2025) before sharing of gain/(loss). The sharing of gain/(loss) has been dealt in later section of this Order.

### 3.12.2 Repair and Maintenance expenses

#### Petitioner's submission

The Petitioner with regard to R&M expenses has submitted that, while the Petitioner has initiated mobilization of its action plan, the expenditure during the first two months is essentially towards preliminary activities, with substantive execution expected in the subsequent months. The Petitioner has made the following submission:

**Table 33: Repairs & Maintenance Expenses for FY 2024-25 (01.02.2025 to 31.03.2025) (Rs Crore)**

Particulars	Approved	Actual
GFA for Previous Year (n-1)	536.19	
K factor approved (K) in MYT Order	3.21%	
WPI Inflation	7.89%	
<b>Repairs and Maintenance Expenses</b>	<b>18.57</b>	<b>0.67</b>

#### Commission's analysis

The Commission has considered the K factor of 3.21% as approved in the MYT Tariff Order dated 11<sup>th</sup> July 2022 and the same has been multiplied with the opening GFA for FY 2024-25 including consumer contribution and grants for the (n-1)th year. The

opening GFA is then escalated by WPI Inflation for FY 2024-25 to arrive upon the normative R&M Expenses for FY 2024-25.

The Commission has computed repair and maintenance expenses for entire financial year and has prorated the same for 01.02.2025 to 31.03.2025.

The WPI Inflation has been computed as follows:

**Table 34: WPI inflation index (%)**

FY	Average of (April - March)	Yearly increase
FY 2023-24	151.42	
FY 2024-25	154.86	2.27%

**Table 35: Computation of R&M Expenses worked out by the Commission (Rs. Crore)**

S. No	Particulars	FY 2024-25
1	Opening GFA (GFAn-1)	509.80
2	K factor approved (K) (%)	3.21%
3	WPI Inflation (Actuals for FY 2024-25) (%)	2.27%
4	R&M Expenses = K x (GFA n-1) x (1+WPIinflation)	16.74
<b>5</b>	<b>R&amp;M expenses for 01.02.2025 to 31.03.2025</b>	<b>2.79</b>

**Table 36: Repair and Maintenance (Rs. Crore) expenses approved by the Commission**

Particulars	Approved in T.O dated 25.07.2024	Approved in T.O dated 25.07.2024 (Prorated for 2 months)	Normative R&M expenses	R&M expenses as per Audited Accounts (Actual)	Claimed by Petitioner	Approved by Commission
Repair & Maintenance Expenses	18.57	3.09	2.79	0.67	0.67	0.67

As the actual R&M expenses submitted by the Petitioner are less than re-estimated normative R&M expenses, the Commission has approved actual R&M expenses for FY 2024-25 (01.02.2025 to 31.03.2025) as Rs. 0.67 Crore. The sharing of gain/(loss) has been dealt in later section of this Order.

### 3.12.3 Administrative and General expenses

#### Petitioner's submission

The Petitioner has submitted that as per the Transfer Scheme, all shared occupancies including administrative offices of EWEDC have been retained by it and not transferred to the Petitioner. Accordingly, the Petitioner has arranged for rented premises at various locations within the license area to ensure seamless operations. Further, Administrative and General expenses are incurred to meet operational requirements, including where necessary, deployment of contractual workforce.

The Petitioner has submitted that the actual administrative and general expenses incurred during the FY 2024-25 are provided in the table given below:

**Table 37: Administrative & General Expenses submitted by the Petitioner for FY 2024-25 (01.02.2025 to 31.03.2025) (Rs Crore)**

Particulars	Approved	Actual
A&G Expenses for Previous Year	8.61	
CPI Inflation	5.40%	
<b>Administrative &amp; General Expenses</b>	<b>9.07</b>	<b>3.02</b>

**Commission’s analysis**

The Commission has considered the approved figure of FY 2023-24 (under true-up) 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.

The Commission has computed A&G expenses for entire year and has prorated the same for 01.02.2025 to 31.03.2025.

The Petitioner has submitted an impact attributable to property tax amounting to Rs. 0.36 Crore as one-time expense. The Commission has allowed the same. The details are given below.

**Table 38: A&G expenses approved by the Commission**

S. No	Particulars	Approved by the Commission
1	Approved A&G expenses of FY 2023-24 (base value)	6.43
2	CPI (%)	3.38%
3	A&G Expenses	6.65
<b>4</b>	<b>A&amp;G expenses for 01.02.2025 to 31.03.2025</b>	<b>1.11</b>

**Table 39: Administrative and General expenses approved by the Commission (Rs. Crore)**

Particulars	Approved in T.O dated 25.07.2024	Approved in T.O dated 25.07.2024 (Prorated for 2 months)	Normative A&G expenses	A&G expenses as per Audited Accounts (Actual)	Claimed by Petitioner	Approved by Commission
Administrative & General Expenses	9.07	1.51	1.11	3.02	3.02	1.11

As the actual administrative and general expenses submitted by the Petitioner are higher than re-estimated normative A&G expenses, the Commission approves the A&G Expenses of Rs. 1.11 Crore in the True-up of FY 2024-25 (01.02.2025 to 31.03.2025) before sharing of gain/(loss). The sharing of gain/(loss) has been dealt in later section of this Order.

### 3.12.4 Total Operation and Maintenance Expenses

#### Petitioner's submission

The Petitioner has submitted the O&M expenses for FY 2024-25 (for the period from 01.02.2025 to 31.03.2025) has been claimed as summarised in table below:

**Table 40: O&M Expenses for FY 2024-25 (in Rs. Crore) submitted by the Petitioner**

Sr. No.	Particulars	Approved	Actual	Claimed
1	Employee Expenses	127.11	16.99	16.99
2	R & M Expenses	18.57	3.02	3.02
3	A & G Expenses	9.07	0.67	0.67
<b>O&amp;M Expenses</b>		<b>154.75</b>	<b>20.68</b>	<b>20.68</b>

#### Commission's analysis

The Commission has approved total operation and maintenance expenses in the table given below:

**Table 41: Total operation and maintenance expenses (Rs. Crore) approved by the Commission**

Sr. No.	Particulars	Approved in T.O dated 25.07.2024	Actual	Claimed by the Petitioner	Normative O&M expenses	Approved by the Commission
1	Employee Expenses	127.11	16.99	16.99	17.71	16.99
2	R & M Expenses	18.57	0.67	0.67	2.79	0.67
3	A & G Expenses	9.07	3.02	3.02	1.11	1.11
<b>O&amp;M Expenses</b>		<b>154.75</b>	<b>20.68</b>	<b>20.68</b>	<b>21.61</b>	<b>18.77</b>

The Commission approves the Operation & Maintenance (O&M) Expenses of Rs. 18.77 Crore in the True-up of FY 2024-25 (for the period from 01.02.2025 to 31.03.2025). The gain/(loss) after comparing the actual values and normative values has been addressed separately in Section 3.20.2 of this Order.

### 3.13 Interest and Finance Charges

#### Petitioner's submission

The Petitioner has submitted that since the opening debt/outstanding loan shall be finalised subject to finalisation of opening balance sheet, as explained above, the Petitioner at this stage has considered interest expenses of Rs. 0.50 Crore for FY 2024-25 (01.02.2025 to 31.03.2025) based on the interest expenses of Rs. 2.97 Crore approved for FY 2024-25 by the Commission in its Tariff Order dated 25.07.2024.

Further, the Petitioner has incurred bank charges of Rs. 0.26 Crore during the period 01.02.2025 to 31.03.2025 and requests the Commission to allow the same in the True-up.

The Petitioner has requested the Commission to claim the differential Interest on loan, if any, for the period 01.02.2025 to 31.03.2025, at an appropriate later stage, based on the final opening balance sheet as on 31.03.2025.

**Table 42: Interest on Normative Loan for FY 2024-25 (01.02.2025 to 31.03.2025) (Rs. Crore) submitted by the Petitioner**

Particulars	Approved	Petitioner's submission
Opening Normative Loan	22.34	
Add: Normative Loan During the year	30.44	0.50
Less: Normative Repayment= Depreciation	12.5	
Closing Normative Loan	40.28	
Average Normative Loan	31.31	
Rate of Interest (%)	9.50%	
<b>Interest on loans</b>	<b>2.97</b>	<b>0.50</b>
Add: Bank and financing Charges	-	0.26
<b>Interest and Finance Charges</b>	<b>2.97</b>	<b>0.76</b>

### 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.*

*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.*

*29.10 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 rate of interest to be considered while determining the ARR shall be the weighted average interest rate of the actual loan portfolio. However, the Petitioner has submitted that capitalisation during each year has been funded by its own equity and no loan has been taken against any of the capitalised assets. In absence of any actual loans, the Commission has considered the SBI MCLR rate, as on 1<sup>st</sup> April 2024 (8.65%), plus 100 basis points as Rate of Interest, in accordance with the JERC MYT Regulations, 2021.

As per the JERC MYT Regulations 2021, if the equity actually deployed is more than 30% of the capital cost, then equity in excess of 30% would be considered as normative loan. Further, the Commission has considered the capitalisation of assets as approved in the foregoing paragraphs. The Commission for the purpose of funding of the capitalisation has considered the normative debt equity ratio of 70:30.

The Interest on Loan has been calculated on the average loan during the year with the opening loan considered equivalent to the closing loan approved for FY 2024-25 (upto 31.01.2025) in the EWEDC True-Up Order. The total normative loan has been considered to be repaid through depreciation during the year. The Commission has computed the interest on loan for the entire year and thereafter prorated the same for the 2-month period (01.02.2025 to 31.03.2025).

The Commission has approved finance charges of Rs. 0.26 Crore as per the audited accounts.

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

**Table 43: Interest and finance charges (Rs. Crore) approved by the Commission for FY 2024-25**

Particular	FY 2024-25		
	Approved (T.O dtd 25.07.2024)	Actual FY 2024-25	Approved by the Commission
Opening Normative Loan	22.34		
Less Opening Consumer contribution loan portion			
Net Opening Loan			42.68
Add: Normative Loan During the year	30.44	0.50	1.34
Less: Normative Repayment = Depreciation	12.50		2.27
Closing Normative Loan	40.28		41.76
Average Normative Loan	31.31		42.22
Rate of Interest (%)	9.50%		9.65%
<b>Interest on Loan for 01.04.2024 to 31.03.2025</b>	<b>2.97</b>	<b>0.50</b>	<b>4.07</b>
<b>Interest on Loan for 01.02.2025 to 31.03.2025</b>			<b>0.68</b>
Finance Charges	-	0.26	0.26
<b>Total interest and finance charges</b>	<b>2.97</b>	<b>0.76</b>	<b>0.94</b>

The Commission has approved Rs. 0.94 Crore towards interest and finance charges for FY 2024-25 (for the period from 01.02.2025 to 31.03.2025) .

### 3.14 Interest on Consumer Security deposit

#### Petitioner's submission

The Petitioner has submitted that as per Clauses 9 of the SPA dated 31.01.2025, the Petitioner shall receive Consumer Security Deposit from the UT Administration, Chandigarh within ninety (90) days from the Transfer Date. It may be noted that the Consumer Security Deposit was transferred to the Petitioner on 02.05.2025.

Since, there was no Consumer Security Deposit available with the Petitioner during the period 01.02.2025 to 31.03.2025, no interest has been paid by the Petitioner to the consumers on account of CSD during the period 01.02.2025 to 31.03.2025.

Hence, the Petitioner has not claimed any interest on Consumer Security Deposit during the period 01.02.2025 to 31.03.2025.

#### Commission's analysis

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 trueing-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 observed that the Consumer Security Deposit was transferred to the Petitioner on 02.05.2025, which seems to be the issue between EWEDC and CPDL for which consumers of UT’s of Chandigarh cannot be penalized.

Therefore, the opening security deposit for FY 2024-25 (01.02.2025 to 31.03.2025) has been considered based on the closing security deposit as approved in the EWEDC True-up of FY 2024-25 (up to 31.01.2025). The addition during the year has been considered as nil. The rate of interest has been considered at 6.75%, equivalent to the prevailing RBI Bank rate as on 01.04.2024.

The Commission has computed interest on consumer security deposit for entire financial year and thereafter computed for 2 months on prorata basis. However, the Commission has approved interest on consumer security deposit as per audited accounts.

The interest on security deposit paid in actual is nil.

The table below provides the calculation of interest on consumer security deposits for the year:

**Table 44: Interest on Consumer security deposit (Rs. Crore) approved by the Commission for FY 2024-25**

Sr. No.	Particulars	FY 2024-25 (01.02.2025 to 31.03.2025)	
		Approved in T.O dtd 25.07.2024)	Approved by the Commission
1	Opening Security Deposit	171.08	169.66
2	Add: Deposits during the Year	1.45	0
3	Closing Security Deposit	172.53	169.66
4	Average Security Deposit	171.81	169.66
5	<b>Rate on Interest (%) (RBI Bank Rate @ 1st April)</b>	<b>6.75%</b>	<b>6.75%</b>
6	<b>Interest on Security Deposit as per norms for full year</b>	<b>11.60</b>	<b>11.45</b>
7	Interest on Security Deposit for 2 months	-	1.91
8	Interest on Security Deposit paid in actual for 01.02.2025 to 31.03.2025	-	-

Since no interest on security deposit is paid hence considered nil.

### 3.15 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.”*

As submitted above, the Consumer Security Deposit (CSD) of Rs. 157.12 Crore was transferred by EWEDC/UT Administration to the Petitioner only on 02.05.2025. Hence, for FY 2024-25 01.02.2025 to 31.03.2025, the Petitioner did not had any CSD available for meeting the working capital requirement.

Accordingly, the consumer security deposit has been considered as NIL for FY 2024-25 (01.02.2025 to 31.03.2025).

Further, Regulation 32.4 of MYT Regulations 2021 states that:

*“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.”*

***[Emphasis Added]***

In terms of above Regulation, the SBI MCLR as on 1st April, 2024 was 8.65%. Hence, the rate of interest on working capital is considered at 10.65% (8.65%+2.00%).

The computation of Interest on Working Capital for FY 2024-25 (01.02.2025 to 31.03.2025) is accordingly shown in the table below:

**Table 45: Interest on Working Capital for FY 2024-25 (Rs. Crore) submitted by the Petitioner**

Particulars	Approved	FY 2024-25 (01.02.2025 to 31.03.2025)
Two months receivables	143.42	124.82
Add: One month O&M Expenses	12.9	10.34
Add: 40% of repair & maintenance expenses for one month	0.62	0.27
Less: Consumer Security Deposit excl. BG	171.81	-
Less: Power Purchase cost for one (1) month	73.23	55.95
<b>Total Working Capital after deduction of Consumer Security Deposit</b>	<b>(88.10)</b>	<b>79.48</b>
SBI MCLR plus 200 Basis Point (%)	10.50%	10.65%
<b>Interest on Working Capital</b>	-	<b>1.41</b>

### Commission's analysis

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

#### **“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:*

*O&M Expenses for one (1) month; plus*

*Maintenance spares at 40% of repair and maintenance expenses for one month; plus*

*Receivables equivalent to two (2) months of the expected revenue from charges for use of distribution wires at the prevailing tariff;*

*Less:*

*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:*

*O&M Expenses for one (1) month; plus*

*Maintenance spares at 40% of repair and maintenance expenses for one (1) month; plus*

*Receivables equivalent to two (2) months of the expected revenue from Consumers at the prevailing tariff;*

Less

Power Purchase cost for one (1) month; plus

Amount, if any, held as security deposits under clause (b) of sub-section (1) of Section 47 of the Act from Consumers except the security deposits held in the form of Bank Guarantees:

Provided that at the time of truing up for any Year, the working capital requirement shall be 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.

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.

The Commission has computed interest on working capital for entire year and prorate the same for 01.02.2025 to 31.03.2025.

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

**Table 46: Interest on Working Capital (Rs. Crore) approved by the Commission**

S. No.	Particulars	FY 2024-25	
		Approved (T.O dtd 25.07.2024)	Approved by the Commission
1	Two Months Receivable	143.42	70.93
2	O&M Expense - 1 month	12.9	9.38
3	Maintenance Spare @ 40% of R&M Expenses of one month	0.62	0.13
4	Less: Amount held as Security Deposit (Average of Opening & Closing)	171.81	169.66
5	Less: Power Purchase cost for one (1) month	73.23	55.82
<b>6</b>	<b>Total</b>	<b>(88.10)</b>	<b>(145.03)</b>
7	Interest Rate	10.50%	10.65%
<b>8</b>	<b>Interest on Working Capital</b>	-	-

S. No.	Particulars	FY 2024-25	
		Approved (T.O dtd 25.07.2024)	Approved by the Commission
9	Interest on Working Capital for 01.02.2025 to 31.03.2025	-	-

The Commission has approved nil interest on working capital for FY 2024-25 (01.02.2025 to 31.03.2025)

### 3.16 Return on equity

#### Petitioner's submission

The Petitioner has submitted that the opening equity shall be finalised after finalisation of opening balance sheet. Accordingly, the Petitioner at this stage has considered RoE of Rs. 4.18 Crore for FY 2024-25 (01.02.2025 to 31.03.2025) based on the RoE of Rs. 25.10 Crore approved for FY 2024-25 by the Commission in its Tariff Order dated 25.07.2024.

The Petitioner has requested the Commission to permit it to claim the differential Return on Equity (RoE), if any, for the period from 01.02.2025 to 31.03.2025 at an appropriate later stage, based on the final opening balance sheet as on 31.03.2025.

#### Commission's analysis

The Regulations 28.2 and 28.3 of the JERC MYT Regulations, 2021 stipulate the following with respect to RoE:

*“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% (for retail supply) and 15.50% (for wire business), as applicable, (on post-tax basis) with an opening equity considered equivalent to the closing equity of FY 2024-25 (up to 31.01.2025) as approved in the EWEDC True-up Order. Further, the Commission considers 90% of average equity corresponds to the wire business and remaining for retail supply.

The Commission has computed the Return on Equity for the entire year and thereafter prorated the same for the 2 month period (01.02.2025 to 31.03.2025).

The following table provides the RoE now approved by the Commission under true-up for FY 2024-25.

**Table 47: Return on equity (Rs. Crore) approved by the Commission for FY 2024-25**

Sr. No.	Particulars	Approved in T.O dtd 25.07.2024	Approved by the Commission
1	Opening Net Normative Equity	154.9	170.39
2	Value of Assets not transferred to CPDL under Schedule 'C1'		10.51
3	Opening Net Normative Equity		159.89
4	Equity Addition during year (30% of Net Addition to GFA)	13.05	0.58
5	Closing Balance of Normative Equity	167.95	160.46
6	Average Equity	161.42	160.18
7	Average Equity (Wires Business) (90%)	145.28	144.16
8	Average Equity (Retail Supply Business) (10%)	16.14	16.02
9	Rate of Return on Equity for Wire Business %	15.50%	15.50%
10	RoE Wire Business	22.52	22.34
11	Rate of Return on Equity for Retail Supply Business %	16.00%	16.00%
12	RoE on Retail Supply business	2.58	2.56
<b>13</b>	<b>RoE (Wire and Retail Supply business)</b>	<b>25.10</b>	<b>24.91</b>
<b>14</b>	<b>ROE (Wire and Retail Supply business) for 2months (01.02.2025 to 31.03.2025)</b>	<b>4.18</b>	<b>4.15</b>

The Commission has approved Rs. 4.15 Crore as return on equity for FY 2024-25 (01.02.2025 to 31.03.2025).

### 3.17 Income Tax

#### Petitioner's submission

Regulation 33 of MYT Regulations 2021 provides that:

*“33.2 The Commission in its MYT Order shall provisionally approve Income Tax payable for each Year of the Control Period, if any, based on the actual income tax paid, including cess and surcharge on the same, if any, as per latest audited accounts available for the Distribution Licensee, subject to prudence check.*

*33.3 Variation between Income Tax actually paid, including cess and surcharge on the same, if any, and approved, if any, on the income stream of the Licensed business of the Distribution Licensees shall be reimbursed to/recovered from the Distribution Licensees, based on the documentary evidence submitted at the time of truing up of each Year of the Control Period, subject to prudence check.*

*33.4 Under-recovery or over-recovery of any amount from the Consumers on account of such tax having been passed on to them shall be adjusted every Year on the basis of income-tax assessment under the Income-Tax Act, 1961, as certified by the statutory auditors. The Distribution Licensee may include this variation in its truing up Petition.”*

In terms of above Regulations, the income tax shall be computed as per actual income tax paid, including cess and surcharge on the same. The Petitioner has paid actual income tax of Rs. 0.28 Crore for the period 01.02.2025 to 31.03.2025.

### **Commission's analysis**

The Commission has approved income tax as Rs. 0.28 Crore as per the Petitioner's submission after Prudence checks of challan.

## **3.18 Provision for Bad and doubtful debts**

### **Petitioner's submission**

Regulation 63 of MYT Regulation 2021 states that:

#### ***"63 Provision for bad and doubtful debts***

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

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

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

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

Since, the Petitioner took over the operations only on 01.02.2025, the bad and doubtful debts written off is nil as per the Audited Accounts for FY 2024-25 (01.02.2025 to 31.03.2025). Hence, the Petitioner has not claimed Bad and Doubtful for FY 2024-25 (01.02.2025 to 31.03.2025).

### **Commission's analysis**

The Commission noted the provisions given under Regulation 63 of the JERC MYT Regulations, 2021, which are as follows:

*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.”*

Accordingly, the Commission considers the impact on Annual Revenue Requirement based on the actual write off of bad debts excluding delayed payment charges waived off, if any, during the year, subject to the provision that the bad and doubtful debts shall be limited to 1% of the Annual Revenue Requirement of the Distribution Licensee. The Petitioner has not claimed any provision for bad and doubtful debt.

**Therefore, the Commission has not approved provision for bad & doubtful debts for true-up of FY 2024-25 (01.02.2025 to 31.03.2025).**

### **3.19 Non-Tariff Income**

#### **Petitioner’s Submission**

The relevant Regulations pertaining to determination of Non-Tariff Income states as under:

#### **“65 Non-Tariff Income**

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

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

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

- a) Income from rent of land or buildings;*
- b) Income from sale of scrap in excess of 10% of the salvage value;*
- c) Income from statutory investments;*
- d) Interest on advances to suppliers/ contractors;*
- e) Rental from staff quarters;*
- f) Rental from contractors;*
- g) Income from hire charges from 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.”*

In terms of above Regulations, the Non-Tariff Income for FY 2024-25 (01.02.2025 to 31.03.2025) has been computed as shown in the table below:

**Table 48: Non-Tariff Income for FY 2024-25 (01.02.2025 to 31.03.2025) (Rs. Crore) submitted by the Petitioner**

S.No.	Particulars	Approved in T.O. dated 25.07.2024	Actual
		For FY 2024-25	FY 2024-25 (01.02.2025 to 31.03.2025)
1	Miscellaneous Charges/Income		0.34
2	Rebate on early payment of Power Purchase bills	17.66	2.31
<b>3</b>	<b>Total (sum of 1 to 2)</b>	<b>17.66</b>	<b>2.65</b>

### 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 contractors and others;*
- h) Income from advertisements, etc.;*
- i) Meter/metering equipment/service line rentals;*
- j) Service charges;*
- k) Consumer charges;*
- l) Recovery for theft and pilferage of energy;*
- m) Rebate availed on account of timely payment of bills;*
- n) Miscellaneous receipts;*
- o) Deferred Income from grant, subsidy, etc., as per Annual Accounts;*
- p) Prior period income, etc.:*

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

*Provided further that any income earned by a Distribution Licensee by sale of power to other Distribution Licensees or to Consumers as per Section 49 of the Act using the existing power purchase agreements or bulk supply capacity allocated to the Distribution Licensee's Area of Supply shall be reduced from the Aggregate Revenue Requirement of the Distribution Licensee for the purpose of determination of tariff. Such reduction shall be carried out in accordance with Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Connectivity and Open Access in Intra-State Transmission and Distribution) Regulations, 2017, as amended from time to time."*

The Commission has raised a query regarding the details of interest income on bank deposit amounting to Rs. 0.93 Crore. The Petitioner in response has submitted that, upon taking over the distribution and retail supply business with effect from 01.02.2025, it was required to establish Letters of Credit (LCs) in favour of power suppliers to ensure uninterrupted power procurement and supply. Since the Consumer Security Deposit had not been transferred to the Petitioner until May 2025, the Petitioner did not have sufficient funds for creation of the requisite Payment Security Mechanism. Accordingly, the Petitioner borrowed Rs. 112 Crore from its shareholder to meet its statutory and contractual obligations towards power

suppliers. The Petitioner has further submitted that no cost has been claimed on such shareholder funding, and therefore, the interest income of Rs. 0.93 Crore earned on these funds, which did not originate from tariff receipts, should be excluded from Non-Tariff Income and allowed as claimed.

The Commission has observed that the Petitioner borrowed Rs. 112 Crore from its shareholder, which has been utilized for Letter of Credit (LC) requirements. Further, the Commission is of the view that surplus consumer security deposits can also be utilized for Letter of Credit (LC) requirements. Therefore, the Commission has considered the interest income of Rs. 0.93 Crore in the Other Income. Details of Non-Tariff Income approved by the Commission for FY 2024-25 (01.02.2025 to 31.03.2025) are as under:

**Table 49: Non-tariff income (Rs. Crore) approved by the Commission**

S.No.	Particulars	Approved in T.O. dated 25.07.2024	Prorated for 01.02.2025 to 31.03.2025	Actual	Approved by the Commission
		For FY 2024-25		FY 2024-25 (01.02.2025 to 31.03.2025)	
1	Miscellaneous Charges/Income	17.66	2.94	0.34	0.34
2	Rebate on early payment of Power Purchase bills			2.31	2.31
4	Interest income on bank deposit				0.93
<b>3</b>	<b>Total (sum of 1 to 2)</b>	<b>17.66</b>	<b>2.94</b>	<b>2.65</b>	<b>3.58</b>

The Commission has approved non-tariff income as Rs. 3.58 Crore for FY 2024-25 (01.02.2025 to 31.03.2025).

### **3.20 Incentive/Disincentive towards over/under-achievement of norms**

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

##### **Petitioner's submission**

No submission has been made in this regard.

##### **Commission analysis**

In the ARR Tariff order dated 25th July 2024 for FY 2024-25, the Commission had approved the T&D loss level of 8.00%. The Petitioner has achieved T&D loss of 12.64% for entire FY against the approved loss level of 8.00%.

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 Commission has further observed that one of the Stakeholder dealing in Regulatory Advocacy operating under the aegis of Ministry of Power, has raised an issue in one of the hearing of the other utility's True-Up under the jurisdiction of this Commission, on the methodology for calculation of gain sharing on the basis of APPC and suggested that the calculation of sharing of gain of distribution loss should be considered on the basis of variable charge instead of APPC which includes fixed charges also. Hence, under such circumstances the fixed charges towards the power procurement are not a relevant cost as the same is to be incurred irrespective of drawl of power from generation sources. Therefore, the excess power procurement units towards under-achievement of distribution losses should not be linked to fixed cost of the generating plants. The Commission is convinced with the suggestion of the Stakeholder. The Commission finds that in case of the under-achievement of the distribution loss target additional power over and above the Power Purchase Agreement (PPA)/tied-up sources is purchased by the discom on energy charge, the actual expense incurred to the distribution business is only the energy charge spent over and above on higher procurement resulting in lower achievement of distribution loss. The Commission further noted that the applicable MYT Regulations, 2021 does not prescribe specifically for the consideration of APPC rate for calculation of gain sharing. The Commission has to devise an appropriate methodology for the same.

Therefore, the Commission for the purpose of computation of dis-incentive, has considered the calculation of excess power procurement due to under-achievement of distribution loss target on the basis of variable cost only.

The Commission has computed the dis-incentive at Rs. 2.42/kWh, which is Average Variable Rate of the FY 2024-25 (EWEDC 10 Months + CPDL 01.02.2025 to 31.03.2025).

The Petitioner has submitted the monthly power purchase details in Annexure 2 (EWEDC) and Annexure 5 (CPDL) of the response to the query raised by the Commission in 1st deficiency note dated 10.02.2026. Based on the monthly variable power purchase cost of Rs. 517.09 Crore (Rs. 465.95 Crore for EWEDC and Rs. 51.14 Crore for CPDL) and quantum approved by the Commission at ex-bus, the Average Variable Rate has been derived. Further, the energy at the State/UT periphery has been computed for entire FY after grossing up the retail energy sales for the entire financial year (1,745.65 MUs) with the actual intra-State T&D loss of 12.64%, as shown below:

**Table 50: Average Variable Rate for the FY 2024-25 approved by the Commission (Rs. Cr.)**

Average Variable Rate	Value
Total Variable charges	517.09
Power Purchase Quantum	2,137.14
Average Variable Rate (Rs/Unit)	2.42

The Commission has determined the dis-incentive for FY 2024-25 on an annual basis and has subsequently prorated the same for the 2-month operational period of CPDL.

**Table 51: Dis-incentive due to under-achievement of Intra-State T&D Loss target (Rs. Cr.)**

S. No	Particulars		Normative	Approved under True-up
1	Retail Sales	A	1,745.65	1,745.65
2	T&D Loss	B	8.00%	12.64%
3	At Periphery	C=A-B	1,897.45	1,998.21
4	Gain/(Loss)	D		(100.76)
5	Average Energy Charge (VC)	E		2.42
6	Gain/(Loss)	F=D*E/10		(24.38)
7	<b>Sharing of 100% of loss with the Petitioner</b>			<b>(24.38)</b>
8	<b>Sharing of 100% of loss with the Petitioner (01.02.2025 to 31.03.2025)</b>			<b>(4.06)</b>

The Commission has approved the dis-incentive for FY 2024-25 (01.02.2025 to 31.03.2025) as Rs. 4.06 Crore.

### 3.20.2 Incentive/Disincentive towards over/under-achievement of norms for Operation and Maintenance expenses

#### Petitioner's submission

The Petitioner has made no submission in this regard.

#### Commission analysis

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 52: Sharing of gain/losses approved by the Commission (Rs. Crore)**

Sr. No.	Particulars	Approved by the Commission	Actual	Normative	Gains/Losses Sharing	Sharing of gain
1	Employee Expenses	16.99	16.99	17.71	0.72	0.36
2	R & M Expenses	0.67	0.67	2.79	2.12	1.06
3	A & G Expenses	1.11	3.02	1.11	-	-
<b>4</b>	<b>O&amp;M expenses</b>	<b>18.77</b>	<b>20.68</b>	<b>21.61</b>	<b>2.84</b>	<b>1.42</b>

The Commission has approved the sharing of O&M expenses for FY 2024-25 (01.02.2025 to 31.03.2025) as Rs. 1.42 Crore for FY 2024-25 (01.02.2025 to 31.03.2025).

### 3.21 Aggregate Revenue Requirement (ARR)

#### Petitioner’s submission

The Aggregate Revenue Requirement for FY 2024-25 (01.02.2025 to 31.03.2025) based on Audited Accounts as submitted in the above sections is shown in the table below:

**Table 53: Aggregate Revenue Requirement for FY 2024-25 (01.02.2025 to 31.03.2025) (in Rs. Crore) submitted by the Petitioner**

S.No.	Particulars	Approved in TO dated 25.07.2024	Claimed
		For FY 2024-25	FY 2024-25 (01.02.2025 to 31.03.2025)
1	Power Purchase Cost	878.78	111.90
2	O&M Expenses	154.75	20.68
3	Depreciation	12.50	2.69
4	Interest and finance charges	14.57	2.17
4a	-Interest on Loan	2.97	0.50
4b	-Interest on working capital	-	1.41
4c	-Bank Charges	-	0.26
4d	-Interest on Consumer Security Deposit (CSD)	11.60	-
5	Return on Equity	25.10	4.18
6	Income Tax	-	0.28
7	Provision for Bad Debt	-	-
<b>8</b>	<b>Total Revenue Requirement (sum of 1 to 7)</b>	<b>1085.70</b>	<b>141.90</b>
9	Less: Non-Tariff Income	26.45	2.65
<b>10</b>	<b>Net Revenue Requirement (10=8-9)</b>	<b>1059.25</b>	<b>139.25</b>

### Commission analysis

The Commission on the basis of the detailed analysis of the cost parameters of the ARR has approved the revenue requirement for the True-up of FY 2024-25 (01.02.2025 to 31.03.2025) as given in the following table:

**Table 54: Aggregate Revenue Requirement (ARR) approved by the Commission (Rs. Crore)**

Particulars	FY 2024-25		
	Approved in T.O dtd 25.07.2024)	Actual FY 2024-25 (Submitted by the Petitioner)	Approved by the Commission
<b>Power Purchase Cost</b>	<b>878.78</b>	<b>111.90</b>	<b>111.64</b>
<b>O&amp;M Expenses</b>	<b>154.75</b>	<b>20.68</b>	<b>18.77</b>
-Employee costs	127.11		16.99
-Administration and General expenses	9.07		1.11
-R&M expenses	18.57		0.67
<b>Depreciation</b>	<b>12.50</b>	<b>2.69</b>	<b>2.69</b>
Interest and finance charges	2.97	2.17	0.68
Interest on working capital	0	1.41	0
Bank charges		0.26	0.26
Interest on Consumer Security Deposit	11.60		
Return on Equity	25.10	4.18	4.15
Income tax		0.28	0.28
Provision for Bad Debt		-	-
Sharing of gain on account of O&M expenses			1.42
Disincentive on under achievement of T&D losses			(4.06)
<b>Total Revenue Requirement</b>	<b>1085.70</b>	<b>141.90</b>	<b>135.82</b>
Less: Non-Tariff Income	26.45	2.65	3.58
<b>Net Revenue Requirement</b>	<b>1059.25</b>	<b>139.25</b>	<b>132.24</b>

### 3.22 Revenue from Tariff

#### Petitioner's Submission

The Petitioner has submitted the details of actual Revenue Billed (including FPPCA) as per the Audited Accounts of the Petitioner for FY 2024-25 (01.02.2025 to 31.03.2025) is shown in the table below:

**Table 55: Revenue for Tariff for FY 2024-25 (01.02.2025 to 31.03.2025) (Rs. Crore) submitted by the Petitioner**

S. No.	Consumer Category	FY 2024-25 (01.02.2025 to 31.03.2025)
1	Domestic (LT+HT)	50.23
2	Commercial (LT+HT)	43.00
3	Large Supply	11.74

S. No.	Consumer Category	FY 2024-25 (01.02.2025 to 31.03.2025)
4	Medium Supply	9.90
5	Small Power	1.48
6	Agriculture	0.05
7	Public Lighting	1.62
8	Bulk Supply	5.92
9	Temporary Supply	0.80
10	EV Charging Stations	0.07
<b>11</b>	<b>Total Revenue (sum of 1 to 10)</b>	<b>124.82</b>

### Commission's Analysis

As discussed in Energy Sales section of this Order, the Commission has allowed 95.98 MU in the Accounts of EWEDC during FY 2024-25 (10 Months) in the EWEDC Truing-up Order. Hence, the respective revenue booked amounting Rs 53.89 Crore has also been considered in EWEDC account and reduced from CPDL books. Accordingly, the revenue now Trued-up by the Commission for the period 01.02.2025 to 31.03.2025 is shown in the following table:

**Table 56: Revenue (Rs. Crore) approved by the Commission**

Particulars	Petitioner's Submission		Trued-up by the Commission	
	Sales (MUs)	Revenue (Rs. Crore)	Sales (MUs)	Revenue (Rs. Crore)
Total Revenue	220.82	124.82	124.84	70.93

### 3.23 Standalone Revenue Gap/(Surplus)

#### Petitioner's submission

The Petitioner has submitted that, based on the ARR and Revenue for the period 01.02.2025 to 31.03.2025, there is a Revenue Gap of Rs. 14.43 Crore as shown in the table below:

**Table 57: Revenue gap/(surplus) submitted by the Petitioner for FY 2024-25 (01.02.2025 to 31.03.2025) (Rs Crore)**

S.No.	Particulars	Approved	Petitioner's Claim
		For FY 2024-25	FY 2024-25 (01.02.2025 to 31.03.2025)
1	Net Revenue Requirement	1059.25	139.25
2	Revenue from retail sales at Existing Tariff	941.39	124.82
<b>3</b>	<b>Revenue (Gap)/Surplus for the Year (3=2-1)</b>	<b>(117.86)</b>	<b>(14.43)</b>

**Commission analysis**

The Commission has approved the standalone Revenue Gap/Surplus for the period 01.02.2025 to 31.03.2025 is as follows:

**Table 58: Revenue gap/(surplus) approved by the Commission (Rs. Crore)**

S. No	Particular	Approved in T.O dtd 25.07.2024	Prorated for 01.02.2025 to 31.03.2025	Petitioner's submission	Approved by the Commission
1	<b>Net Revenue Requirement</b>	<b>1059.25</b>	<b>176.54</b>	<b>139.25</b>	<b>132.24</b>
2	Revenue from retail sales at Existing Tariff	941.39	156.90	124.82	70.93
3	<b>Revenue (Surplus)/Gap for the Year</b>	<b>117.86</b>	<b>19.64</b>	<b>14.43</b>	<b>61.31</b>

The Commission notes that the Annual Revenue Requirement and tariff for FY 2026-27 were already approved vide Tariff Order dated 30<sup>th</sup> October, 2025.

The Commission further notes that as per Regulation 9.7 of the JERC MYT Regulations, 2024, the approved Multi Year Tariff for the Control Period is required to remain sacrosanct and any Gap / (Surplus) arising on account of Review / True-up is to be adjusted through surcharge / rebate over and above the approved tariff. As regards to surcharge / rebate, Regulation 9.7 of the JERC MYT Regulations, 2024 stipulates as follows:

*“9.7 The Multi Year Tariff approved by the Commission shall be sacrosanct for the entire control period and shall not be tampered mid-way in any case. Any gap/surplus, if any, arised on account of review/true up duly admitted by the Commission shall be levied as surcharge/rebate over & above the approved tariff.”*

In view of the above, the Commission has considered the impact of the True-up for FY 2024-25 based on the approved values as detailed in Table 58 above as Rs. 61.31 Crore at the end of FY 2024-25.

The revenue gap approved in the True-up for FY 2024-25, along with the applicable carrying cost, is ordinarily recoverable through a Regulatory Surcharge over and above the tariff of ensuing years.

In the present case, the Commission noted that EWEDC has booked an amount of Rs 53.89 Crore as recoverable from CPDL for the energy consumed by the consumer till 31st January 2025 for which bills have been raised by the CPDL during February and March 2025. Thus, the revenue of Rs. 124.82 Crore booked by CPDL for 2 months of FY 2024-25 includes Rs. 53.89 Crores pertaining to the period of erstwhile entity EWEDC. Thus, the revenue booked in the accounts of CPDL has been reduced by 53.89 crores for the purpose of fair representation of accounts and the gap so arrived at qualifies for recovery in FY 2026-27 along with carrying cost. The Commission is of the view that such a situation is unlikely to happen again. The

Commission noted that the Petitioner has transitioned from bi-monthly to monthly billing with effect from January 2026. This is expected to streamline the recording of sales and corresponding billing accurately in coming months. Therefore, the aforesaid gap shall be dealt with appropriately at the time of True-up of FY 2025-26.

Accordingly, the Commission is not inclined to levy any Regulatory Surcharge during FY 2026-27. The aforesaid gap, along with the applicable carrying cost, shall be dealt appropriately at the time of True-up of FY 2025-26.

**Annexure 1: List of Stakeholders who attended the public hearing****Table 59: List of Stakeholders**

<b>S. No.</b>	<b>Name of Person (Mr./Ms.)</b>	<b>Organization/ Address</b>
1.	Mr. Bittu	Sector 21, Chandigarh
2.	Gp Captain R.C. Goyal	Sector-36 D, Chandigarh
3.	S.K. Nayar	Chandigarh (Indian citizen Forum)
4.	Narinder Sharma	Chandigarh (Indian citizen Forum)
5.	B.B Sharma	201, 44-A, Chandigarh
6.	Naveen Goyal	200/15-A
7.	R. R. Singh (Press)	Danik Bhaskar
8.	Gopal	298, Vikas Nagar, Chandigarh
9.	B.S Saini	Industrial Area 1, Chandigarh
10.	Rajiv Kumar	Bharat Industry
11.	Gurmeet Singh Bhalla	Sector 15-A, Chandigarh
12.	Rakesh Gupta	2297/35-C
13.	Vinod	215, Ind. Area, Phase-I