

JOINT ELECTRICITY REGULATORY COMMISSION



**True-up Order
FY 2024-25**

For

**DNH and DD Power Distribution Corporation Limited –
DNHDDPDCL**

**Petition No. 165 of 2026
16th June, 2026**

**3rd and 4th Floor, Plot No. 55-56, Sector -18, Udyog Vihar – Phase IV
Gurugram -122 015 (Haryana), INDIA
Phone: +91-124-4684705 Fax: +91-124-4684706
E-mail: secy.jercuts@gov.in : Website www.jercuts.gov.in**

Chapter 1: Contents

CHAPTER 1: INTRODUCTION.....	10
1.1 ABOUT JOINT ELECTRICITY REGULATORY COMMISSION.....	10
1.2 ABOUT DNH AND DD.....	10
1.3 DNH AND DD POWER DISTRIBUTION CORPORATION LTD.....	11
1.4 MULTI YEAR TARIFF REGULATIONS, 2021.....	11
1.5 MULTI YEAR TARIFF REGULATIONS, 2024.....	13
1.6 FILING AND ADMISSION OF THE PRESENT PETITION	14
1.7 INTERACTION WITH THE PETITIONER.....	14
1.8 NOTICE FOR PUBLIC HEARING	15
CHAPTER 2: SUMMARY OF SUGGESTIONS/COMMENTS RECEIVED, RESPONSE FROM THE PETITIONER AND THE COMMISSION’S VIEWS	16
2.1 REGULATORY PROCESS.....	16
2.2 SUGGESTIONS/COMMENTS, RESPONSE OF THE PETITIONER AND COMMISSION’S VIEW	16
CHAPTER 3: TRUING UP FOR FY 2024-25	38
3.1 BACKGROUND	38
3.2 APPROACH FOR THE TRUE-UP OF FY 2024-25.....	39
3.3 ENERGY SALES TO CONSUMERS.....	39
3.4 OPEN ACCESS SALES.....	41
3.5 INTER-STATE TRANSMISSION LOSS.....	42
3.6 INTRA STATE LOSS.....	43
3.7 DISTRIBUTION LOSSES.....	43
3.8 ENERGY BALANCE	45
3.9 POWER PURCHASE QUANTUM & COST	47
3.10 RENEWABLE PURCHASE OBLIGATION	52
3.11 OPERATION & MAINTENANCE (O&M) EXPENSES.....	55
3.11.1 EMPLOYEE EXPENSES	58
3.11.2 REPAIR & MAINTENANCE (R&M) EXPENSES	60
3.11.3 ADMINISTRATIVE AND GENERAL (A&G) EXPENSES	61
3.11.4 TOTAL OPERATION & MAINTENANCE (O&M) EXPENSES.....	64
3.12 GROSS FIXED ASSETS AND CAPITALIZATION.....	64
3.13 DEPRECIATION.....	67
3.14 INTEREST EXPENSES.....	69

3.15 INTEREST ON SECURITY DEPOSIT	73
3.16 INTEREST ON WORKING CAPITAL.....	75
3.17 RETURN ON EQUITY	77
3.18 INCOME TAX.....	79
3.19 BAD DEBTS WRITTEN OFF	81
3.20 NON-TARIFF INCOME	82
3.21 INCENTIVE TOWARDS OVER/UNDER ACHIEVEMENT OF DISTRIBUTION LOSSES	86
3.22 AGGREGATE REVENUE REQUIREMENT (ARR)	89
3.23 REVENUE	90
3.24 STANDALONE REVENUE GAP/(SURPLUS).....	91
CHAPTER 4: CONSOLIDATED GAP/ SURPLUS TO BE ADJUSTED THROUGH SURCHARGE/ REBATE FOR FY 2026-27	93
4.1 OVERALL APPROACH	93
4.2 CONSOLIDATED REVENUE GAP/ (SURPLUS)	94
4.3 RECOVERY OF REVENUE GAP / (SURPLUS) IN FY 2026-27	94
4.4 TREATMENT OF THE CUMULATIVE GAP/SURPLUS) AND TARIFF DESIGN	97
CHAPTER 5: DIRECTIVES	99
5.1 EARLIER DIRECTIVES.....	99
5.2 NEW DIRECTIVES	100
ANNEXURES	102
ANNEXURE 1: LIST OF STAKEHOLDERS/PUBLIC ATTENDED PUBLIC HEARING	102

List of Tables

Table 1-1 Aggregate Revenue Requirement (Rs. Cr.).....	8
Table 1-1 List of Interactions with the Petitioner.....	14
Table 1-2 Details of public Notices published by the Petitioner.....	15
Table 1-3 List of Newspapers published by the Commission	15
Table 3-1 Energy Sales for FY 2024-25 (in MU).....	39
Table 3-2 Energy Sales for FY 2024-25 (in MU).....	41
Table 3-3 Open access enegy scheduled FY 2024-25	41
Table 3-4 Inter-state transmission loss trued-up for FY 2024-25.....	42
Table 3-5 Inter-state transmission loss trued-up for FY 2024-25.....	43
Table 3-6 Distribution losses for FY 2024-25 as submitted by DNHDDPDCL.....	44
Table 3-7 Distribution loss trued-up by Commission for FY 2024-25	45
Table 3-8 Energy Requirement for FY 2024-25 for DNHDDPDCL	45
Table 3-9 Energy Requirement approved by Commission for FY 2024-25	46
Table 3-10 Power Purchase Cost submitted by the Petitioner for FY 2024-25	48
Table 3-11 UI Transaction during FY 2024-25.....	50
Table 3-12 Power Purchase Quantum and Cost approved by the Commission for FY 2024-25.....	51
Table 3-13 RPO submitted by Petitioner for FY 2024-25(in MU)	52
Table 3-14 Break-up of purchase from RE sources for FY 2024-25	53
Table 3-15 Cumulative compliance till FY 2024-25.....	54
Table 3-16 O&M Expenses claimed by DNHDDPDCL for FY 2024-25 (Rs. Cr.).....	56
Table 3-17 Employee Expenses trued-up by Commission for FY 2024-25 (Rs. Cr..)	60
Table 3-18 R&M Expenses trued-up by Commission for FY 2024-25 (Rs. Cr..).....	61
Table 3-19 Reconciliation of A&G expenses with Audited Accounts for FY 2024-25 (Rs. Cr.).....	63
Table 3-20 A&G Expenses trued-up by Commission for FY 2024-25 (Rs. Cr.).....	63
Table 3-21 Total O&M Expenses trued-up by Commission for FY 2024-25 (Rs. Cr.)	64
Table 3-22 Capital Expenditure Claimed by DNHDDPDCL For FY 2024-25 (Rs. Cr.)	64
Table 3-23 Capitalisation Claimed for FY 2024-25 (Rs. Cr.)	64
Table 3-24 Capital Expenditure Claimed for FY 2024-25 (Rs. Cr.)	65
Table 3-25 Capitalization Claimed for FY 2024-25 (Rs. Cr.)	66
Table 3-26 Approved Capitalisation for FY 2024-25 (Rs. Cr.).....	67
Table 3-27 Depreciation claimed by Petitioner for FY 2024-25 (Rs. Cr.)	68
Table 3-28 Depreciation approved by Commission for FY 2024-25 (Rs. Cr.).....	69
Table 3-29 Interest and finance charges claimed for FY 2024-25 (Rs. Cr.)	70
Table 3-30 Other Borrowing Cost for FY 2024-25 (Rs. Cr.).....	72
Table 3-31 Interest Approved by the Commission for FY 2024-25 (Rs. Cr.).....	73
Table 3-32 Interest on Security Deposit claimed by Petitioner for FY 2024-25 (Rs. Cr.)	74
Table 3-33 Interest on Security Deposit approved for FY 2024-25 (Rs. Cr.)	75
Table 3-34 Interest on Working Capital Claimed for FY 2024-25 (Rs. Cr.)	75
Table 3-35 Interest on Working Capital approved for FY 2024-25 (Rs. Cr.)	76
Table 3-36 Return on Equity claimed by the Petitioner for FY 2024-25 (Rs. Cr.).....	77
Table 3-37 Return on Equity approved for FY 2024-25 (Rs. Cr.).....	79
Table 3-38 Income Tax Claimed by Petitioner for FY 2024-25 (Rs. Cr.).....	79
Table 3-39 Income Tax Paid for FY 2024-25 (Rs. Cr.)	81
Table 3-40 Income Tax Approved by Commission for FY 2024-25 (Rs. Cr.).....	81
Table 3-41 Bad Debts written off in FY 2024-25 (Rs. Cr.).....	82
Table 3-42 Non-Tariff Income claimed for FY 2024-25 (Rs. Cr.).....	83

<i>Table 3-43 Non-Tariff Income approved for FY 2024-25 (Rs. Cr.)</i>	85
<i>Table 3-44 computation of sharing of gains submitted by Petitioner for FY 2024-25</i>	86
<i>Table 3-45 Computation of Variable cost approved by Commission for FY 2024-25</i>	88
<i>Table 3-46 computation of sharing of gains approved by Commission for FY 2024-25</i>	88
<i>Table 3-47 Net ARR submitted by the Petitioner for FY 2024-25 (Rs. Cr.)</i>	89
<i>Table 3-48 NET ARR approved by commission for FY 2024-25 (Rs. Cr.)</i>	89
<i>Table 3-49 Reconciliation of revenue Accouns vis-à-vis Petition for FY 2024-25 (Rs. Cr.)</i>	90
<i>Table 3-50 gap/(surplus) submitetd by Petitioner for FY 2024-25 (Rs. Cr.)</i>	91
<i>Table 3-51 standalone gap/(surplus) approved by Commission for FY 2024-25 (Rs. Cr.)</i>	92
<i>Table 4-1 Consolidated Revenue Gap / (Surplus) approved for FY 2024-25 (Rs. Cr.)</i>	94
<i>Table 4-2 Cumulative revenue gap/(surplus) submitted by Petitioner (Rs. Cr.)</i>	94
<i>Table 4-3 Surcharge (%) as computed by the Petitioner</i>	94
<i>Table 4-4 Computation of Carrying Cost as approved by the Commission</i>	96
<i>Table 4-5 Surcharge approved by the Commission</i>	98

List of Abbreviations

Abbreviation	Full Form
A&G	Administrative and General
ACoS	Average Cost of Supply
Act	The Electricity Act, 2003
AMR	Automated Meter Reading
APR	Annual Performance Review
ARR	Aggregate Revenue Requirement
ATE	Appellate Tribunal for Electricity
BOQ	Bill of Quantity
BPL	Below Poverty Line
CAGR	Compound Annualized Growth rate
Capex	Capital Expenditure
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
CGS	Central Generating Stations
COD	Commercial Operation Date
Cr	Crores
DD	Daman and Diu
Discom	Distribution Company
DNH	Dadra and Nagar Haveli
DNHPDCL	DNH Power Distribution Corporation Limited
DNHDDPCL	DNH and DD Power Corporation Limited
DNHDDPDCL	DNH and DD Power Distribution Corporation Limited
DSM	Deviation Settlement Mechanism
EA 2003	The Electricity Act, 2003
ED	Electricity Department
EDDD	Electricity Department of Daman and Diu
EHT	Extra High Tension
FAR	Fixed Asset Register
FPPCA	Fuel and Power Purchase Cost Adjustment
FY	Financial Year
Gadarwara	Gadarwara Super Thermal Power Plant
GFA	Gross Fixed Assets
HT	High Tension
IEX	Indian Energy Exchange Limited
IPP	Independent Power Producer
JERC	Joint Electricity Regulatory Commission for the State of Goa and Union Territories
JGPP or GGPP	NTPC Jhanor-Gandhar Gas-Based power plants
KAPS	Kakrapar Atomic Power Station
Kawas/KGPP	NTPC Kawas Gas-Based Power Station

Abbreviation	Full Form
Kharagaon/Khargone	Khargone Super Thermal Power Plant
KHSTPP	Kahalgaon Super Thermal Power Station
KSTPP	Korba Super Thermal Power Station
Lara	Lara Super Thermal Power Plant
LT	Low Tension
MSTPL	Mauda Super Thermal Power Station
MU	Million Units
MOD	Merit Order Dispatch
MYT	Multi-Year Tariff
NTPC	National Thermal Power Corporation Ltd.
O&M	Operation and Maintenance
PGCIL	Power Grid Corporation of India Limited
PLF	Plant Load Factor
POSOCO	Power System Operation Corporation Limited
PPA	Power Purchase Agreement
R&M	Repair and Maintenance
REC	Renewable Energy Certificate
RLDC	Regional Load Despatch Centre
RoE	Return on Equity
RPO	Renewable Purchase Obligation
SBI MCLR	SBI Marginal Cost of Lending Rate
SECI	Solar Energy Corporation of India
SERC	State Electricity Regulatory Commission
Sipat	Sipat Super Thermal Power Station
SLC	Service Line Consumer
SLDC	State Load Despatch Centre
Sholapur or SLP	Sholapur Super Thermal Power Station
SOP	Standard of Performance
TAPS	Tarapur Atomic Power Station
T&D	Transmission & Distribution Loss
TVS	Technical Validation Session
UI	Unscheduled Interchange
UT	Union Territory
VSTPP	Vindhyachal Super Thermal Power Station

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

CORAM

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

Petition No. 165/2026

Date of Order: 16th June 2026

In the matter of

Approval for the True-up of FY 2024-25.

And in the matter of

Dadra and Nagar Haveli and Daman & Diu, Power Distribution Corporation Limited...

Petitioner

ORDER

1. This Order is passed in respect of Petition filed by the Dadra and Nagar Haveli and Daman & Diu, Power Distribution Corporation Limited (herein after referred to as "The Petitioner" or "DNHDDPDCL" or "The Licensee") for approval of True-up of FY 2024-25 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 9th January 2026. The Commission thereafter requisitioned further informations/clarifications on the data gaps observed to take a prudent view of the said Petition. Further, suggestions/comments were invited from the public/Stakeholders. The Public Hearing was held on 9th April 2026 in virtual mode and on 16th April 2026 in hybrid mode at Daman, to enable the Stakeholders to comment, if any, related to the Petition filed by the Petitioner.
3. The Commission, based on the Petitioner's submission, relevant JERC MYT Tariff Regulations, 2021 and its amendments thereof, facts of the matter and after proper due diligence has approved the True-up of FY 2024-25.
4. A Summary has been provided as follows:
 - i. The Commission in this Order has trued up for FY 2024-25 and has approved



Annual Revenue Requirement of Rs. 6287.30 Cr. vis-à-vis actual revenue of Rs. 6,248.13 Cr and past revenue to be recovered from earlier gap of Rs. 116.85 Cr. along with carrying cost of Rs. 16.12 Cr., resulting in standalone revenue gap of Rs. 156.02 Cr. for FY 2024-25. The same has been carried forward in the ARR of FY 2026-27 along with applicable carrying cost.

- ii. The Trued-up Aggregate Revenue Requirement and Revenue for FY 2024-25 and standalone gap/(surplus) and consolidated gap/(surplus) along with Surcharge as submitted by the Petitioner and approved by the Commission for FY 2024-25 are as follows:

Table 1-1 Aggregate Revenue Requirement (Rs. Cr.)

S. No.	Particulars	FY 2024-25	
		Petitioner's Submission	Approved by Commission
1	ARR	6316.06	6287.30
2	Add: Revenue to be recovered from earlier year gap for FY 2022-23		100.73*
3	Add: Carrying cost approved towards gap for FY 2022-23	-	16.12
4	Less: Revenue	6242.65	6248.13
5	(Gap) / Surplus	(190.26)	(156.02)
6	Carrying cost (6 months of FY25, full year of FY 26 and 6 months of FY 27)	44.36	27.52
7	Consolidated revenue gap	234.63	183.54
8	Approved Surcharge	3.62%	3.77%

*excluding carrying cost for revenue gap for FY 2022-23

- iii. Considering the (gap)/surplus on account of difference in Aggregate Revenue Requirement for the True Up year FY 2024-25 and the estimated revenue from sale of power in FY 2026-27, the surcharge has been revised and approved in "Chapter 4: Consolidated Gap/ Surplus to be Adjusted through Surcharge/ Rebate for FY 2026-27" of this Order for the consumers.
5. The Petitioner shall publish the tariff and surcharge as determined by the Commission in this Order within one week of receipt of the Order in three daily newspapers in the respective local languages of the region, besides English, having wide circulation in their respective areas of supply and also upload the Tariff Order on its website.
6. This Order shall come into effect from 1st July 2026 and shall remain applicable till further Orders.


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

Ordered accordingly.

Sd/-
(Jyoti Prasad)
Member (Law)

Sd/-
(Alok Tandon)
Chairperson

(Certified Copy)


16/06/26

(Rajesh Dangi)
Secretary (I/c), JERC



Place: Gurugram, Haryana

Date: 16th June 2026

Chapter 1: Introduction

1.1 About Joint Electricity Regulatory Commission

In exercise of powers conferred by the Electricity Act 2003, the Central Government constituted a Joint Electricity Regulatory Commission for all the Union Territories except Delhi to be known as “the Joint Electricity Regulatory Commission for the Union Territories” vide notification no. 23/52/2003-R&R dated May 2, 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 “the JERC” or “the Commission”) vide notification no. 23/52/2003-R&R (Vol. II) dated May 30, 2008.

JERC is a statutory body responsible for Regulation of the Power Sector in the State of Goa and the Union Territories of Andaman & Nicobar Islands, Lakshadweep, Chandigarh, Dadra & Nagar Haveli and Daman & Diu and Puducherry, consisting of generation, transmission, distribution, trading and use of electricity. Its primary objective includes taking measures conducive to the development of the electricity industry, promoting competition therein, protecting interest of consumers and ensuring uninterrupted and quality power at affordable rates to all areas under its jurisdiction.

1.2 About DNH and DD

The Union Territory of Dadra & Nagar Haveli and Daman & Diu (DNH-DD) has been formed by merging two erstwhile UTs, namely Dadra & Nagar Haveli (DNH) UT and Daman & Diu (DD) UT, on 26th January, 2020, through an Act passed in the Parliament of India.

Dadra and Nagar Haveli (hereinafter referred to as “DNH”) is spread over 491 sq. km, has 72 villages with a population of 3,42,853 as per Census 2011. The natural attractions of this region have made it a popular tourist destination in the Western region of India. Additionally, due to liberalized policies of Central Government of tax benefits, the UT has also developed into a highly industrialized area.

The rapid development of the DNH has led to an increase in the demand for power. Presently, ~93% of total sales are to HT and LT industrial consumers. The peak demand of this DNH & DD was around 1,390 MW in FY 2024-25 as per CEA. DNH has also achieved 100% electrification which further contributes to the increasing demand for power. Daman and Diu (hereinafter referred to as “DD”) covers a total area of 112 sq. km, with the Daman District comprising of an area of 72 sq. km and Diu District of 40 sq. km. The rapid development of the DD has led to an increase in the demand for power. Presently, ~95% of total sales are to HT and LT industrial consumers. The peak demand of this territory was around 400 MW in FY 2024-25 as per CEA. DD has also achieved 100% electrification which further contributes to the increasing demand for power.

1.3 DNH and DD Power Distribution Corporation Ltd.

DNH and DD Power Distribution Corporation Limited hereinafter referred to as “DNHDDPDCL” or “Utility”) has been incorporated and reconstituted from the erstwhile DNH Power Distribution Corporation Limited (hereinafter referred to as “DNHPDCL”) and the Electricity Department of Daman and Diu (hereinafter called “EDDD”). DNHDDPDCL is engaged in the electricity distribution business w.e.f. 1st April, 2022.

1.4 Multi Year Tariff Regulations, 2021

DNHDDPDCL’s truing up is governed by “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 “JERC MYT Regulations”, 2021. The JERC MYT Regulations, 2021 provide a framework for Truing up of past years defined as follows:

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

The regulations also provide for controllable and uncontrollable factors which are to be assessed in truing up.

Uncontrollable factors include:

- (a) Force Majeure events;
- (b) Change in Law, judicial pronouncements and Orders of the Central Government, State Government or Commission;
- (c) Variation in number of or mix of Consumers or quantities of electricity supplied to Consumers;
- (d)
- (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 in the Commission;
- (f) Variation in fuel cost;
- (g) Change in power purchase mix;
- (h) Inflation;
- (i) Transmission charges for 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 realization of bad debts written off:

Controllable parameters include:

- (a) Variations in capitalization on account of time and/or cost overruns/ efficiencies in the implementation of a capital expenditure project not attributable to an approved change in scope of such project, change in statutory levies or force majeure events;
- (b) Variation in Interest and Finance Charges, Return on Equity, and Depreciation on account of variation in capitalization, as specified in clause (a) above;
- (c) Variations in technical and commercial losses of Distribution Licensee;
- (d)
- (e)

- (f) Variation in performance parameters;
- (g) Failure to meet the standards specified in the Joint Electricity Regulatory Commission for the State of Goa & UTs (Standard of Performance for Distribution Licensees) Regulation, 2015, as amended from time to time;
- (h) Variations in labour productivity;
- (i) Variation in O&M Expenses, except to the extent of inflation;
- (j) Bad debts written off, in accordance with the provisions of Regulation 63;

1.5 Multi Year Tariff Regulations, 2024

The Commission notified the Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2024 on 15th October, 2024. The said Regulations have been hereinafter referred to as the “JERC MYT Regulations”. As per Clause 2.1.22 of these Regulations, the “Control Period” is defined as the multi-year period comprising of five financial years from FY 2025-26 to FY 2029-30.

These Regulations are applicable to all the generation companies and transmission and distribution licensees in the State of Goa and Union Territories of Andaman & Nicobar Islands, Lakshadweep, Chandigarh, Daman & Diu, Dadra & Nagar Haveli and Puducherry.

The Distribution Companies tariff determination is now governed by “Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2024, hereinafter referred to as “JERC MYT Regulations, 2024”. The MYT Regulations, 2024 identifies that any gap / (surplus) shall be levied as surcharge / rebate over and above the approved tariff. The regulation is reproduced 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, arisen on account of review/true up duly admitted by the Commission shall be levied as surcharge/rebate over & above the approved tariff.”

1.6 Filing and Admission of the Present Petition

In accordance with the Regulation 12.2 of the JERC MYT Regulations, 2021 the Petitioner has filed this Petition for approval of True-up of Aggregate Revenue Requirements (ARR) for FY 2024-25 and sought surcharge on Tariff under MYT Regulation, 2024.

After initial scrutiny/analysis, the present Petition was admitted on 9th January 2026 and marked as Petition No. 165/2026.

1.7 Interaction with the Petitioner

A preliminary scrutiny/analysis of the Petition was conducted, and certain deficiencies were observed. Accordingly, deficiency notes were issued to the Petitioner. Further, additional informations/clarifications were solicited from the Petitioner which included details of power purchase units and cost, break-up of various cost elements, details of capitalization, etc. Subsequently, the Petitioner submitted replies to the deficiency notes and provided documentary evidence to substantiate its claims regarding various submissions.

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

Table 1-1 List of Interactions with the Petitioner

S. No.	Subject	Date
1	Receipt of Petition by the Commission	5 th December 2025
2	Admission of the Petition by the Commission	9 th January 2026
3	1 st Deficiency Note issued by the Commission	6 th January 2026
4	Reply to the 1 st Deficiency Note received by the Commission	6 th February 2026
5	2 nd Deficiency Note issued by the Commission	26 th February 2026
6	Reply to the 2 nd Deficiency Note received by the Commission	10 th March 2026
7	3 rd Deficiency Note issued by the Commission	19 th March 2026
8	Reply to the 3 rd Deficiency Note received by the Commission	26 th March 2026
9	Additional informations/clarification sought by the Commission	2 nd June 2026
10	Reply to Additional informations/clarification received by the Commission	5 th June 2026
11	Additional informations/clarification sought by the Commission	8 th June 2026
12	Reply to Additional informations/clarification received by the Commission	9 th June 2026
13	Additional informations/clarification sought by the Commission	10 th & 11 th June 2026
14	Reply to Additional informations/clarification received by the Commission	13 th June 2026

1.8 Notice for Public Hearing

Public notices were published by the Petitioner, inviting suggestions/comments from Stakeholders on the Tariff Petition, the details of which are given below:

Table 1-2 Details of public Notices published by the Petitioner

S. No.	Name of Newspaper	1 st Notice Date	2 nd Notice Date
1	Financial Express (English)	31 st March 2026	
2	Silvassa Mirror (English)	31 st March 2026	16 th April 2026
3	Times of India (Gujarati)	31 st March 2026	
4	Vartman Pravah (Gujarati)	31 st March 2026	16 th April 2026
5	Daman Ganga Times (Gujarati)	31 st March 2026	16 th April 2026
6	Kesari (Gujarati)	31 st March 2026	16 th April 2026
7	Asli Azadi (Hindi)	31 st March 2026	16 th April 2026
8	UT Today (Hindi)	31 st March 2026	16 th April 2026

The Commission also placed the petition on its website (www.jercuts.gov.in) for information and study for all the Stakeholders. The Commission also issued a notice for public hearing in the following newspapers in order to solicit wider participation by the Stakeholders:

Table 1-3 List of Newspapers published by the Commission

S. No.	Name of Newspaper	1 st Notice Date	2 nd Notice Date	Place
1	Daman Khabar (Hindi)	25 th March 2026	14 th April 2026	Silvassa
2	Ashali Azadi (Hindi)	25 th March 2026	14 th April 2026	Daman
3	Janadesh (Gujarati)	25 th March 2026	14 th April 2026	Silvassa
4	Vartaman Pravah (Gujarati)	25 th March 2026	14 th April 2026	Daman

The Commission received objections/suggestions from the consumers/ Stakeholders and examined the objections/suggestions received from the Stakeholders and fixed the date for public hearing for the petition on 9th April 2026 in virtual mode and on 16th April 2026 in hybrid mode at Daman.

The Commission also published the notice for Public Hearing on the Commission's website "www.jercuts.gov.in" intimating the date and venues as given in aforesaid table in order to solicit participation by the Stakeholders who have submitted their suggestions, comments and also by other Stakeholders who are interested.

Chapter 2: Summary of Suggestions/Comments 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 its website and also publish the same in the newspapers in abridged form inviting comments from the public as per the provisions of the JERC MYT Regulations, 2021 and 2024.

The Public hearing was held on 9th April 2026 in virtual mode and on 16th April 2026 in hybrid mode at Daman on Petition for the True-up of FY 2024-25. During the Public Hearing, a few of the Stakeholders who had submitted their comments in writing were asked to present their views in person before the Commission.

2.2 Suggestions/Comments, Response of the Petitioner and Commission's View

The Commission appreciates the efforts of various Stakeholders in providing their suggestions/comments/observations to make the Electricity Distribution Sector responsive and efficient. The Commission has noted the concerns of all the Stakeholders and has tried to address them to the extent possible. Relevant suggestions have been suitably considered by the Commission while finalizing the Tariff Order. The submissions of the Stakeholders, response of the Petitioner and views of the Commission are summarized below:

Issue 1: Lack of Communication regarding ToD Mechanism

The stakeholder has submitted that they have not been informed regarding the implementation of new tariff order as well as the changes in the manner of power pricing and the same has come to their knowledge only on 30.10.2025. Further, the stakeholder has submitted that the unit has been operating on Time of Day (ToD) basis for the past several years and operational shifts were planned accordingly. However, due to adverse market conditions, the unit has been operating only in a single shift for the past few months. The stakeholder further submitted that in order to optimize power cost,

operations were planned in accordance with the earlier ToD structure, whereas the new tariff order has practically reversed the ToD structure, thereby adversely impacting the unit financially.

The Stakeholder have highlighted that the Distribution licensee has not informed the consumers regarding the changes in the tariff or the date of implementation neither through message, mail, or any other communication platform resulting in significant impact on the power intensive consumers.

Petitioner's Response: The Petitioner submitted that the present Petition pertains solely to the True-up of FY 2024-25. The Petitioner further stated that the ToD tariff structure had already been proposed during the MYT proceedings in compliance with the Ministry of Power's Rights of Consumers (Amendment) Rules, 2023, which require the specification of solar, peak, and normal hours. The proposed tariff, including the ToD structure, was placed in the public domain through the DNHDDPDCL website, and a public notice inviting objections and suggestions was published on 13.05.2025 in leading newspapers of the Union Territory of Dadra & Nagar Haveli and Daman & Diu. Subsequently, objections and suggestions were received from industrial associations and individual consumers, both in writing and during the public hearings held on 18.06.2025 and 25.06.2025. Further, in compliance with the Commission's directions, the Petitioner published a public notice regarding the Tariff Order on 04.10.2025, including details of the approved tariff schedule and ToD tariff, in widely circulated newspapers. The Tariff Order was also uploaded on the official website of DNHDDPDCL for information of all stakeholders.

Commission's View: The Commission has noted the submissions of the Petitioner and the Stakeholder and finds that the approved tariff structure was duly placed in the public domain and adequate opportunity was provided to all stakeholders to participate in tariff determination process.

Issue 2: Failure of Express Feeder

The stakeholder has submitted that on multiple occasions, the express power cable of the consumer has been damaged during excavation works carried out by government agencies, contractors, and other third parties, resulting in complete disruption of electricity supply near the factory premises. The stakeholder contended that although the cable was laid with the permission and supervision of the Electricity Department and associated charges were recovered by the Department, the Distribution Licensee has categorically stated that the express feeders are not under its responsibility and required the consumer to bear all associated losses. The stakeholder has submitted that the same is an unfair burden on the consumer, who is compelled to bear the costs of cable replacement, labour, materials, minimum charges during outages, and consequential business losses despite not being at fault for the damage.

Petitioner's Response: The Petitioner has submitted that damages are being caused by external contractors engaged by local authorities /other third parties and are not attributable to DNHDDPDCL. The Petitioner further stated that all repair and maintenance activities are being carried out in accordance with the prevailing provisions of the JERC Supply Code Regulations. Additionally, DNHDDPDCL submitted that it had sought technical details and documentation relating to the express feeder from the stakeholder to facilitate effective maintenance; however, the required information has not been provided despite several follow-ups over the past nine months despite repeated follow-ups.

Commission's Views: The Commission has noted the submissions of the stakeholder and the Petitioner. As brought out by the Petitioner that the damage to the cable was caused by external agencies and was beyond its control. However, considering the recurring nature of such incidents and their impact on the continuity of electricity supply, the Commission directs the Petitioner to coordinate with the concerned agencies / departments to establish an appropriate mechanism for safeguarding electrical infrastructure during excavation /construction activities, with a view to minimize the occurrence of such events in future.

Issue 3: Minimum Energy Charges

The stakeholder has submitted that the minimum energy charges applicable to its unit should be aligned with those applicable to other industrial consumers. The stakeholder further stated that manufacturing industries require periodic shutdowns for maintenance and modernization activities and requested waiver of minimum energy charges during such planned shutdown periods. It was also suggested that consumers be permitted a specified number of shutdown days in a month or year with a corresponding waiver of minimum energy charges.

Additionally, the stakeholder has requested the introduction of a provision allowing temporary reduction of connected load during periods of adverse business conditions, along with a proportionate reduction in minimum energy charges for such temporary period, for instance, up to six months.

Petitioner's Response: The Petitioner has submitted that there is no concept of minimum energy charges under the prevailing tariff schedule and that the energy charges are applicable as per the actual consumption of the consumer. With regard to the request for temporary reduction in connected load, the Petitioner submitted that the JERC Supply Code Regulations provide a mechanism for increase or reduction of sanctioned load, and consumers may avail such provisions in accordance with the prescribed procedure and timelines. The Petitioner further submitted that the suggestion of the Objector for temporary reduction of load for six months is not permissible as per the prevailing provisions of the JERC Supply Code Regulations.

Commission's View: The Commission has noted the submission of the stakeholder and the response of the Petitioner. The Commission notes that no such provision of minimum energy charges has been prescribed under the prevailing tariff schedule. Accordingly, the stakeholder's request for waiver of such charges does not seem relevant.

Issue 4: Excessive feeder Loss

The Stakeholder has submitted that excessive feeder loss is being charged in respect of the Daman-Polythread + PVN 11 kV Feeder originating from the Dalwada 66/11 kV Sub-station supplying electricity to Kandui Industries Pvt. Ltd., situated at Sr. No. 39/2, Village

Kadiya, Bhimpore, Nani Daman. Also, the stakeholder contended that DNHDDPDCL is levying abnormal feeder losses ranging from 1.5% to 7.37% of the total consumption in the electricity bills and have alleged that the losses occurring on the said 11 kV feeder have consistently remained above the prescribed limit.

Petitioner's Response: The Petitioner has submitted that charging of higher feeder losses on the Daman-Polythread + PVN 11 kV feeder pertains to True-up of FY 2024-25 is beyond the scope of the present proceedings. The Petitioner further clarified that till September 2025, the Stakeholder was billed as per reading at consumer end. However, from October 2025, the Stakeholder is supplied through express feeder named Daman-Polythread + PVN and accordingly billing is being carried out as per the provisions of Regulation 4.30 of the JERC Supply Code Regulations, 2018.

The Petitioner has also stated that an incorrect meter reading recorded at the substation end in March 2026 by the DNHDDPCL (Transco) had resulted in higher distribution loss, however, as per the request from Stakeholder the matter was taken up with Transco and the error has been rectified and revised bill has been issued to the consumer. Further, the Petitioner has also clarified that the issue of AMR of 11 kV feeder has been taken up with Transco to prevent recurrence of such incidents in future.

Commission's View: The Commission notes that the issue of incorrect billing has already been addressed through issuance of a revised bill to the consumer and, therefore, the matter stands resolved.

Issue 5: Increase of LTIS Limit to 120 kW/160 HP

The stakeholder has submitted that during the MYT proceedings it had proposed enhancement of the contract demand limit for LT Industrial Service (LTIS) consumers from 90 kW/120 HP to 120 kW/160 HP to support LT industries, particularly MSMEs, by enabling them to operate at higher capacities and improve their competitiveness. However, the stakeholder noted that in the MYT Order, the Commission has revised the eligibility limit to 85 kW/100 kVA. The stakeholder have highlighted that neighboring

States such as Maharashtra and Gujarat have adopted the contract demand limit of 150 kW/216 HP for LT industrial consumers.

Petitioner's Response: The Petitioner submitted that the Commission vide JERC (Retail Supply Tariff Structure) Guideline 2024 has approved the maximum connected/contracted demand of Industrial consumers of 85 kW/100 kVA. Further, the Commission vide these guidelines have also provided relaxation for the existing Industrial consumers and in turn has kept the maximum connected/contracted demand of 90 kW/120 HP unchanged. The Commission in its MYT Order in Petition No. 145/2025 has noted that allowing supply at LT voltage level for contract demand between 100 and 150 kVA would result in increased distribution losses and in turn decided not to increase the same.

Commission's View: The Commission notes that this issue is not relevant to the instant true up Petition and has already been examined while framing the JERC (Retail Supply Tariff Structure) Guidelines, 2024.

Issue 6: Distribution Loss and Sharing of Gains:

The Stakeholder has submitted that DNHDDPDCL has claimed actual distribution loss of 1.46% against the approved target of 2.99% and accordingly claimed gain sharing on account of controllable factors. The Stakeholder has submitted that the mechanism adopted by DNHDDPDCL for computation of gain by considering Average Power Purchase Cost (APPC) of Rs. 5.40/kWh is incorrect. Also, the stakeholders have requested for analysis of distribution losses and verification of the basis adopted for computation of distribution losses. The Stakeholder has requested detailed justification for gain sharing calculations, exclusion of open access energy from gain-sharing computation, reassessment of gain by considering both transmission and distribution losses and adoption of appropriate corrections in sharing of gains.

Improvement in distribution loss results in savings in energy procurement and such savings should be computed only considering weighted average Energy Charge Rate (ECR) and not APPC, as APPC includes fixed cost and transmission charges, thereby

resulting in double accounting. Accordingly, the Stakeholder has requested the Commission to allow only Rs. 30 Cr. as gain towards reduction in distribution loss against the claim of Rs. 61 Cr.

Another stakeholder has submitted that although reduction in distribution losses to 1.46% is commendable, the proposed incentive of Rs. 60.83 Cr. should be utilized for bridging the existing revenue gap instead of rewarding Discom while simultaneously imposing tariff increase on consumers.

Petitioner's Submission: The Petitioner has submitted that it has duly provided the Energy Balance for FY 2024-25 as part of the present Petition, wherein comprehensive details pertaining to distribution losses have been clearly disclosed. Further, the gain/saving on account of reduction in distribution loss has been computed as per the approved methodology of the Commission.

The Petitioner has also submitted that the gains or savings arising on account of reduction and distribution loss beyond the approved target is required to be shared with consumers in accordance with provisions of MYT regulation 2021 read with transfer scheme 2022. Consequently, the gain so shared with the consumer have resulted in a corresponding reduction in ARR as well as revenue gap of FY 2024- 25.

Commission's View: The Commission appreciates the suggestion of the Stakeholder. The issue has been dealt appropriately at Section 3.21 of Chapter 3 of this Order.

Issue 7: Renewable Purchase Obligation & TOD Tariff

The Stakeholder has requested for review and suitable modification/removal of the TOD tariff framework for FY 2025-26 on the ground that it discourages solar generation. The Stakeholder has further requested consideration of tariff discount linked to REC rates and promotion of actual renewable energy procurement instead of reliance on REC purchases.

Petitioner's Submission: The Petitioner has submitted that the treatment of consumer's RE attributes has already been defined under JERC (Procurement of Renewable Energy)

Regulations, 2024. The Petitioner contended that, through the present objection, the stakeholder is effectively seeking a modification of the provisions of the said Regulations, which falls outside the scope of the present proceedings and is impermissible in law. Also, the Petitioner has submitted that the TOD tariff for MYT Period FY 2025-26 to FY 2029-30 has already been approved by the Commission vide Order dated 25.09.2025 in MYT Petition No. 145 of 2025 in line with the prevailing MOP Rights of Consumer Amendment Rules 2023 which mandates the specification of solar hours and in turn applicable Time of Day tariff. Also, the present Petition is filed for True-up of FY 2024-25.

Commission's View: The Time of Day (ToD) tariff for the MYT Control Period from FY 2025-26 to FY 2029-30 has been approved by the Commission vide Order dated 25.09.2025 in MYT Petition No. 145 of 2025, in accordance with the prevailing Ministry of Power (Rights of Consumers) Amendment Rules, 2023, which mandate the specification of solar hours and the corresponding applicability of Time of Day tariffs. In view of the above, the Commission is of the considered opinion that the issues raised by the stakeholder have either already been addressed under the applicable regulatory framework or fall outside the scope of the present True-up proceedings.

Issue 8: Power Purchase Cost:

The Stakeholder has requested verification of mismatch in energy procurement figures, inclusion of DSM charges as per FPPCA records and review/correction of excess power purchase cost identified by FIA.

Petitioner's Response: DNHDDPDCL has already submitted the Reconciliation of Energy Balance along with REA report issued by WRPC as part of its additional submission in the present Petition.

Commission's View: The Commission has examined the power procurement cost and quantum based on the documents placed on record. The details with respect to the submissions and prudence check undertaken are covered under Section 3.9 of this Order.

Issue 9: Interest Expenses:

The Stakeholder has requested issuance of directions for prudent financial management by the licensee, including optimal utilization of available internal funds before resorting to borrowing.

The Stakeholder has submitted that the DNHDDPDCL has undertaken capital expenditure of Rs. 241.27 Cr. during FY 2024-25 and accordingly recomputed the interest expenses by considering the entire amount as loan. Further, the Stakeholder has submitted that “Other Borrowing Cost” of Rs. 4.97 Cr. claimed towards finance/bank charges should not be allowed separately as the same forms part of interest expenses.

Petitioner’s Response: The Petitioner has submitted that the loans have been availed to meet various requirements of its distribution business and have been contracted in accordance with the applicable regulatory framework and prudent utility practices. The Petitioner further contended that, through the present objection, the stakeholder is effectively seeking to challenge an established regulatory arrangement, which is beyond the scope of the present proceedings and is not tenable in law.

The Petitioner has considered finance charges as per the applicable Regulations and has also submitted all the details before the Commission.

Commission’s View: The Commission, while determining the funding for capitalization has been guided by the provisions of the tariff regulations and have examined the loan portfolio of the Petitioner based on the submission and documents placed on record. Accordingly, the approved capitalization and funding thereof is covered under Section 3.13 of this Order.

The Commission observes that expenses incurred towards availing loans form an integral part of financing costs and, in line with the established regulatory practice and provisions of the Regulations, the same are admissible as per Clause 29.8 of MYT regulation reproduced as follows:

“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.”

The detailed treatment of such additional interest-related expenses has been provided in Section 3.14 of this Order.

Issue 10: Aggregate Revenue Requirement

The Stakeholder has requested re-evaluation of ARR considering FIA's submissions and corrections, verification of inconsistencies in income tax figures with audited accounts and compliance with regulatory directives regarding Ind AS 115 and treatment of gap/surplus.

Petitioner's Response: No specific response was received for this query.

Commission's View: The Commission has undertaken a detailed prudence check of the ARR claimed by the Petitioner in accordance with the applicable Tariff Regulations, based on the audited accounts and other supporting documents submitted on record. The Commission's analysis, findings, and approvals with respect to each component of the ARR have been elaborately discussed under Section 3.18 of this Order.

Issue 11: Revenue from Sale of Power

The Stakeholder has requested submission of category-wise consumer revenue details, detailed reconciliation between ARR revenue and audited accounts and transparent and consistent treatment of revenue in line with regulatory provisions.

The Stakeholder has submitted that the Petitioner has claimed Rs. 6242.65 Cr. as revenue from sale of power, whereas audited accounts reflect revenue of Rs. 6334.25 Cr. and there exists a difference of approximately Rs. 92 Cr. between the revenue claimed in the Petition and the accounts audited. Also, it has highlighted that the Petitioner has not submitted category-wise consumer revenue breakup either in the Petition or in the audited accounts and has requested the Commission to direct DNHDDPDCL to explain the discrepancy, consider revenue as per audited accounts and submit category-wise revenue breakup including fixed charges, energy charges and ToD incentive/penalty.

Petitioner's Submission: The Petitioner has submitted that the revenue has been booked in the audited accounts in accordance with the accounting principles under Ind AS 115, which prescribes recognition of revenue based on the matching principle i.e. the corresponding expenditure and related revenue are required to be recognized in the same financial year. The Petitioner further submitted that revenue for tariff process is as per the Tariff Regulations and has highlighted that it has claimed Income Tax as per Regulation 33 of JERC MYT Regulation, 2021 on actual paid basis. The Petitioner also mentioned that the same is in line with settled practice and also upheld by the Commission vide its Order dated 27.01.2026 in Petition No. 159 of 2025 and is in conformity with the provisions of the Ministry of Power's Electricity Distribution (Accounts and Additional Disclosure) Rules, 2025.

Commission's View: The Commission has considered the revenue as billed. The Commission has examined various components of revenue from operations and sought requisite details and clarifications from the Petitioner. The Commission's analysis and findings with respect to the same is discussed under Section 3.23 of this Order.

Issue 12: Tariff Proposal for Recovery of Gap/(Surplus) and Regulatory Surcharge: The Stakeholder has requested consideration of revenue as per audited balance sheet for ARR determination and avoidance of unjustified tariff burden on consumers.

The Stakeholder has requested immediate removal of regulatory surcharge on the ground that it imposes unjustified financial burden on consumers.

The Stakeholder has objected to the proposed 8.62% Regulatory Surcharge on the grounds that the Petitioner has incurred expenditure of Rs. 69.65 Cr. on the LT network and Rs. 128.63 Cr. on the HT network, whereas the Stakeholder, being an EHT consumer with dedicated private infrastructure, does not utilize such networks. The Stakeholder has submitted that levy of costs pertaining to reliability and renovation of lower voltage assets on EHT consumers is inequitable and lacks technical justification.

Further, the Stakeholder has submitted that recurring reliance on regulatory surcharge in lieu of prudent long-term financial planning unfairly penalizes high-revenue industrial consumers.

Petitioner's Submission: The Petitioner submitted that the regulatory surcharge has been proposed to bridge the revenue gap arising from the True-up exercise, in accordance with the provisions of Regulation 9.7 of the JERC (Multi Year Tariff) Regulations, 2024 and that the objection raised by the Objector is contrary to the explicit provisions of the applicable Regulations. The Petitioner further submitted that, through the present objection, the Objector is effectively seeking a modification of the provisions of the JERC (Multi Year Tariff) Regulations, 2024, which is beyond the scope of the present proceedings and is not permissible in law.

The Petitioner has submitted that the tariff for MYT Period FY 2025-26 to FY 2029-30 has already been approved by the Commission vide Order dated 25.09.2025 in MYT Petition No. 145 of 2026 and the present Petition is filed for True-up of FY 2024-25. Further, as per the provisions of MYT Regulations, 2024, any gap/surplus arising on account of review/true-up duly admitted by the Commission shall be levied as surcharge/rebate over and above the approved tariff.

Commission's View: The Commission has noted the suggestion of the stakeholder and the response of the Petitioner. It is highlighted that the tariff determination is governed under "Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2024, hereinafter referred to as "MYT Regulations, 2024". The MYT Regulations, 2024 identifies that any gap / (surplus) shall be levied as surcharge / rebate over and above the approved tariff. The same is dealt with accordingly in this order.

The Commission has noted the submissions of the Stakeholder and the response of the Petitioner. In regard to the proposal of Regulatory Surcharge, the Commission has approved Regulatory Surcharge after due prudence check and in accordance with the applicable Regulations.

Issue13: Billing for Express Feeder Consumers:

The Stakeholder has requested billing based on meters installed at consumer premises instead of feeding-end meters, prevention of penalization of consumers due to line capacitance under low load conditions, compliance with the CEA Metering Regulations, 2006 and disallowance of separate recovery of line losses from consumers.

Petitioner's Response: The Petitioner has submitted that Regulation 4.30 of the JERC Electricity Supply Code Regulations, 2018 governs the mechanism of billing including losses of such express feeder, since long and the Petitioner bills such consumers. The Petitioner further mentioned that the stakeholder proposal to socialize their burden while maintaining benefit of express feeder should not be considered.

Commission's View: The Commission has noted the suggestion of the stakeholder and the response of the Petitioner. The Commission observes that the mechanism for billing of consumers on such express meters is in accordance with the Clause 4.30 of JERC Electricity Supply Code Regulations, 2018.

Issue 14: EHV Rebate for 66 kV Consumers

The Stakeholder has requested extension of EHV rebate to 66 kV consumers considering their contribution towards system efficiency and reduced losses.

Petitioner's Response: The Petitioner submitted that the Commission, through the JERC (Retail Supply Tariff Structure) Guidelines, 2024, has already clarified that EHT consumers connected at the 220 kV voltage level are eligible for voltage rebate. The Petitioner further submitted that the Commission has adopted the said principle while approving the tariff for the MYT Control Period vide Order dated 25.09.2025, wherein voltage rebate has been extended to consumers connected at the 220 kV level, considering that the applicable tariff for consumers connected at 220 kV and 66 kV voltage levels is the same. Therefore, the stakeholder is effectively seeking a modification of the provisions contained in the JERC (Retail Supply Tariff Structure) Guidelines, 2024 and the MYT Order dated 25.09.2025, which is beyond the scope of the present proceedings.

Commission's View: The Commission has noted the suggestion of the stakeholder and the response of the Petitioner. It is observed that the instant objection /suggestion is beyond purview of the present petition.

Issue 15: Delay in Public Consultation Process

The Stakeholder has submitted that Section 64 of the Electricity Act, 2003 mandates issuance of Tariff Order within 120 days from receipt of the application after considering suggestions and objections received from the public. The Stakeholder has further referred to the Hon'ble APTEL Judgment dated 11.11.2011 in O.P. No. 1 of 2011 regarding timely conduct of truing-up, ARR and tariff determination proceedings.

The Stakeholder has highlighted that the Petitioner had filed the True-up Petition on 27.11.2025, while the same was made available for public comments only in March 2026. Accordingly, the Stakeholder has alleged delay in issuance of the True-up Order beyond the timeline prescribed under the Regulations.

Petitioner's Response: In regard to delay, the Petitioner submitted that the present Petition was filed on 29.11.2025 and admitted by the Commission vide notice dated 09.01.2026. Subsequently, the Petitioner issued public notice on 14.01.2026 inviting objections/suggestions from Stakeholders and copy of the Petition was also made available on its website for the Stakeholders. In view of the above, the Petitioner submitted that the statement of the Objector alleging that the Petition was made available for public comments only in the month of March 2026 is factually incorrect.

Commission's View: The Commission has considered the submissions of the Stakeholder as well as the response of the Petitioner.

Issue 16: UI Charges

The Stakeholder has submitted that DNHDDPDCL has considered 8.99 MU through deviations as part of power purchase quantum and corresponding Rs. 28.36 Cr. as power purchase cost. Further, the Stakeholder has referred to the APTEL Order in Appeal Nos. 7, 24 and 122 of 2011 in the matter concerning PSPCL and also referred to the APSERC

Tariff Order dated 26.03.2025 wherein UI/Deviation energy was not considered as a source of power procurement.

Accordingly, the Stakeholder has submitted that deviation charges are commercial mechanisms for grid discipline, and such charges should not be passed on to consumers and has requested the Commission to direct the Petitioner to submit justification regarding deviation charges paid and not consider Rs. 28.36 Cr. towards deviation charges.

Petitioner's Response: The Petitioner has submitted that it undertakes best efforts to forecast sales as accurately as possible and the same is reflective in net DSM charge of Rs. (4.19) Crore. The Petitioner further submitted that the amount shown includes Rs. 32.55 Crore allocated by RLDC towards deficit in recovery of deviation and ancillary services pool account and has accordingly mentioned that the claims made in the Petition are in accordance with the provisions of the Regulations.

Commission's View: The Commission has considered the submissions of the Stakeholder and the response of the Petitioner. The Commission recognizes the importance of maintaining grid discipline and minimizing deviations from scheduled power procurement. At the same time, the Commission acknowledges that Unscheduled Interchange (UI) charges cannot be entirely eliminated owing to inherent real time variations in demand and supply conditions.

Issue 17: REC Procurement Cost

The Stakeholder has submitted that the Petitioner has procured REC equivalent to 4945 MU to meet its RPO compliance and incurred Rs. 180.02 Cr. towards REC procurement. Further, the weighted average REC buyout price determined by CERC vide Suo-Moto Order dated 18.02.2026 for FY 2024-25 is Rs. 347/MWh as against the procurement cost of Rs. 364/MWh by the Petitioner.

Accordingly, the Stakeholder has alleged that REC procurement was undertaken during peak periods when REC prices were high and has requested the Commission to limit REC procurement price to Rs. 347/MWh and reduce the power purchase cost by Rs. 8.43 Cr.

Petitioner's Response: The Petitioner has submitted that it has procured REC at average price of Rs. 364/MWh, inclusive of 18% GST. Further, the Petitioner has clarified that the CERC approved buyout price of Rs. 347/MWh vide suo-motu Order dated 18.02.2026 was determined without factoring the impact of GST and upon applying applicable GST of 18%, the effective landed cost of the CERC approved buyout price works out to approximately Rs. 409/MWh. The Petitioner has also highlighted that the CERC approved the buyout price vide its suo-motu Order dated 18.02.2026, which falls in the fourth quarter of FY 2025-26 and therefore the same was not available during FY 2024-25. Accordingly, the contention of the stakeholder that the licensee has procured REC at higher cost is erroneous. Further, the Petitioner has also mentioned that the Commission vide its Order dated 21.01.2025 in suo-motu proceedings in Petition No. 61 of 2012 had observed that REC procurement is a market-driven mechanism, and the rates are discovered through power exchange platforms.

Commission's View: The Commission has considered the submissions of the Stakeholder as well as the response of the Petitioner. In respect of the Renewable Energy Certificate (REC) purchase cost claimed by the Petitioner. The Petitioner is required to procure RECs throughout the year. The Commission has verified the rates through the invoices and supporting documents furnished by the Petitioner and has found the same to be in order.

Issue 18: Return on Equity

The Stakeholder has submitted that DNHDDPDCL has claimed Return on Equity considering normative equity of 30% without furnishing details of actual equity infused during the year. The Stakeholder has referred to Regulation 27 of the JERC MYT Regulations, 2021 and submitted that Return on Equity should be computed considering lower of actual equity deployed or normative equity. Further, the Stakeholder has requested the Commission to consider equity addition during the year as zero in absence of supporting details for the purpose of RoE computation.

Petitioner's Response: The Petitioner has submitted that it has incurred capitalization of Rs. 241.34 Cr. to cater to load growth and enhance safety and reliability of the license

area and to fund this capitalization, it has availed loan of Rs. 150 Cr. and the balance amount of Rs. 91.34 Cr has been funded through internal accruals. The Petitioner further clarified that while the equity employed for capitalization is higher than the normative equity of Rs. 72.40 Cr., it has considered debt-equity ratio for additional capitalization during FY 2024-25 as 70:30 in accordance with Regulation 27 of the JERC (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2021.

Commission's View: The Commission has considered the submissions of the Stakeholder and the response of the Petitioner. The Commission has considered equity corresponding to the capitalization in accordance with the Tariff Regulations as also detailed under Section 3.17 of this Order.

Issue 19: Interest on Working Capital

The Stakeholder has submitted that based on revised revenue from sale of power, Interest on Working Capital has been recomputed at Rs. 38.48 Cr. against the claim of Rs. 36.61 Cr. and has requested the Commission to consider the same.

Petitioner's Response: The Petitioner has not filed any specific reply to this query.

Commission's View: The Commission has noted the submissions of the Stakeholder. The Interest on Working Capital has been considered based on the approved ARR parameters and in accordance with the provisions of the applicable Tariff Regulations in Section 3.16 of this Order.

Issue 20: Summary of True-up Petition for FY 2024-25

The Stakeholder has submitted that based on its analysis and re-computation, DNHDDPDCL would have a revenue gap of Rs. 26 Cr. against the claimed revenue gap of Rs. 190 Cr. and has mentioned that the same should not be passed on to the consumers and should be borne by the Government of Dadra & Nagar Haveli and Daman & Diu in the form of subsidy.

Petitioner's Response: The Petitioner has not filed any specific reply to this query.

Commission's View: The Commission has noted the submissions of the Stakeholder. The Commission has allowed recovery of the revenue gap based on truing-up for FY 2024-25 in accordance with the provisions of the MYT Regulations as detailed in Chapter 4 of this Order.

Issue 21: Carrying Cost

The Stakeholder has objected to the carrying cost claim of Rs. 18.36 Cr. on the ground that the same has arisen due to administrative delays in filing and consumers should not be burdened for failure of the utility to seek timely adjustments.

Petitioner's Response: The Petitioner has submitted that it has filed its petition for true up of FY 2024-25 on 29th November 2025 which is within the due date as stipulated in MYT Regulation 2024.

Commission's View: The Commission has considered the submissions of the Stakeholders as well as the response of the Petitioner. The Commission has undertaken the truing-up in accordance with applicable Tariff Regulations.

Issue 22: Power Purchase Inefficiency

The Stakeholder has submitted that the costs related to "payments under protest" to NTPC and RGPPL should be excluded from the True-up until final orders are issued by the Hon'ble Supreme Court or CERC and that industrial consumers should not bear the financial risk arising out of unresolved legal disputes. Further, the Stakeholder has also submitted that textile units are operating under severe financial strain due to global supply chain disruptions and ongoing international war situation and that any upward revision in electricity tariff would render local industries uncompetitive.

Petitioner's Response: The Petitioner has submitted that gas-based capacity of NTPC-Kawas and Gandhar has completed the contractual period and accordingly termination notice has been issued to NTPC-Kawas and Gandhar as per the provisions of CERC Tariff Regulations.

However, NTPC has continued raising invoices referring to the Interim Order issued by the Hon'ble Supreme Court in Writ Petition No. 1877 of 2022 filed by NTPC against APTEL Order holding PPA termination of NTPC-Dadri Stage-I by Delhi Discoms as valid. The Petitioner submitted that since NTPC continued to raise invoices while relying on the interim order passed by the Hon'ble Supreme Court, the Petitioner is constrained to make payment towards such invoices under protest without prejudice, to avoid regulation of power under the MOP Late Payment Surcharge Rules. The Petitioner has also taken necessary steps to intervene in the Writ Petition before the Hon'ble Supreme Court.

Further, the Petitioner has submitted that RGPPL PPA with DNHDDPCL had been terminated by the erstwhile Licensee i.e. DNHPDCL. However, RGPPL has continued to raise invoices and accordingly DNHDDPDCL has filed Petition No. 279/MP/2024 before the Hon'ble CERC, which is presently sub-judice. Therefore, DNHDDPDCL is making payment under protest without prejudice to avoid regulation of power.

Commission's View: The Commission has considered the submissions of the Stakeholders as well as the response of the Petitioner. The Commission notes that claim pertaining to expenses towards the gas-fired power plant and RGPPL is presently sub-judice. Accordingly, the Commission has provisionally allowed the payment, subject to the final outcome of the matter. The Petitioner is directed to apprise the Commission of the final adjudication for undertaking necessary adjustments in the Annual Revenue Requirement (ARR), as may be required.

Issue 23: Power Quality and Reliability

The Stakeholder has submitted that continuous polymer melt-extrusion process is highly sensitive to supply quality and voltage fluctuations. Therefore, the expenditure proposed under reliability and renovation should include specific accountability and remedial measures for voltage sags/dips at the EHT level.

Petitioner's Response: The Petitioner has submitted that any voltage sag/dip on the EHT network is attributable to the Transmission Licensee and is beyond the control of

DNHDDPDCL. However, the Petitioner submitted that it takes up the concerns of its consumers with the Transmission Licensee and pursues resolution of the same.

Commission's View: The Commission has considered the submissions of the Stakeholders and the response of the Petitioner. The Petitioner is bound for Quality and Reliability of supply to its consumers as per Supply Code and the Petitioner is directed to coordinate with the Transmission Licensee for resolution of any concerns in this regard.

Issue 24: Threats to Green Energy Open Access

The Stakeholder submitted that interim billing under Case No. 135/2025 pertaining to Green Energy Open Access (GEOA) is creating financial uncertainty due to the non-issuance of revised State Energy Accounts (SEA) by the SLDC. In this regard, the Stakeholder requested the Commission to direct the SLDC and the concerned DISCOMs to expeditiously reconcile and settle such accounts so as to eliminate prolonged financial uncertainty for consumers.

It was further contended that the requirement of maintaining a constant schedule for 12 time blocks is incompatible with the inherent variability of solar generation. The Stakeholder emphasized that, in the absence of banking provisions, consumers are effectively subjected to double charging, as surplus green energy injected into the grid is not compensated while consumers are subsequently billed by the utility for the same quantum of energy.

The Stakeholder also raised concerns regarding the levy of additional transmission charges on green energy procurement despite consumers already paying the applicable demand charges. According to the Stakeholder, such charges amount to a duplication of recovery and discourage the adoption of renewable energy.

Further, attention was drawn to the significant increase in transmission charges over the last two years despite a reduction in system losses. It was submitted that this trend has adversely affected the commercial viability of Green Energy Open Access.

The Stakeholder additionally observed that the Union Territory's target of achieving 500 MW of solar capacity by 2030 may not be attainable unless Open Access charges are kept at reasonable and affordable levels, thereby facilitating greater participation in renewable energy procurement.

Petitioner's Response: The Petitioner has submitted that as per Regulation 2.2(1) of the JERC Open Access Regulations, Green Energy Open Access consumers cannot change the quantum of power consumed through Open Access for twelve consecutive time blocks.

The Petitioner further submitted that the aforesaid provision of JERC Open Access Regulations is also consistent with the provisions of the MOP Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022. The Petitioner also submitted that the said regulatory position has been explicitly upheld by the Commission in its Order dated 08.07.2025 passed in Petition No. 135 of 2025. Accordingly, the Petitioner submitted that the objection raised by the Objector is irrelevant to the present proceedings and liable to be rejected.

The Petitioner submitted that the Commission vide its Order in Petition No. 135 of 2025 had categorically directed SLDC to prepare State Energy Accounts as per the provisions of the OA Regulations. However, till date, SLDC has neither issued revised State Energy Accounts nor verified the implementation of 12 time blocks in case of Green Energy Open Access transaction.

The Petitioner further submitted that DNHDDPDCL, as a responsible licensee, has apprised the Commission vide its mails dated 5th August 2025, 1st September 2025 and 6th February 2026. Accordingly, DNHDDPDCL requested the Commission to seek compliance of its Order from SLDC/Transmission Licensee.

The Petitioner submitted that the Transmission Charges in question are levied by the Transmission Licensee in relation to the Objector's Short Term Open Access transactions. The Petitioner further submitted that Regulation 4.10 of the JERC (Connectivity and Open Access) Regulations, 2017 and amendments thereof specify various charges to be levied for Green Energy Open Access, which inter-alia includes Transmission Charges. The

Petitioner further requested the Commission to direct consumer/Transmission Licensee/SLDC to immediately recover the charges.

Commission's View: The Commission has noted the suggestion of the Stakeholder and the response of the Petitioner.

Chapter 3: Truing Up for FY 2024-25

3.1 Background

The Commission had issued the Truing up for FY 2023-24, Annual Performance Review (APR) for FY 2024-25 and Aggregate Revenue Requirement and Determination of Tariff for MYT Control Period from FY 2025-26 to FY 2029-30 which includes APR for FY 2024-25 on 25th September, 2025 (hereinafter referred to as the “Tariff Order” for the purpose of Truing- Up of FY 2024-25). The Commission has issued Tariff Order Truing up for FY 2022-23, Annual Performance Review (APR) for FY 2023-24 and Aggregate Revenue Requirement and Determination of Tariff for FY 2024-25 on 13th June 2024 (hereinafter referred to as the “ARR Order” for the purpose of Truing- Up of FY 2024-25).

As per Regulation 12 of the JERC (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2021, the review and true-up of revenue and expenses of the Petitioner shall be carried out as follows:

“12 Annual Performance Review, Truing-up and tariff determination during the Control Period

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:

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 financial and actual operational performance of the Applicant for the Financial Year for which the true up is being carried out with the approved forecast for such previous Financial Year, subject to the prudence check;

.....”

This chapter deals with the truing-up of FY 2024-25 for DNHDDPDCL. The Commission has studied and analysed each component of the ARR for FY 2024-25 in the following paragraphs.

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

The Petitioner has submitted audited accounts for FY 2024-25 audited by the statutory auditor M/s PwC. The Commission has now carried out the true-up of FY 2024-25 in accordance with the principles laid down in the JERC MYT Tariff Regulations, 2021.

3.3 Energy Sales to Consumers

Petitioner’s Submission:

DNHDDPDCL has submitted category-wise actual energy sales for DNH and DD area for FY 2024-25 along with the sales approved by the Commission in the ARR Order as given in the Table below.

Table 3-1 Energy Sales for FY 2024-25 (in MU)

Category	Approved in ARR Order	Petitioner’s Submission
Domestic	338.88	361.47
LIG/Kutirjyoti	11.15	19.03
Commercial	98.50	112.68
Agriculture	7.43	8.46
LT Industry	594.52	585.49
Public Water Work	4.46	5.18
Public Lighting	5.84	5.42
HT/EHT Industry & Commercial	9,608.48	9,367.40
LT-EV Charging Station	0.05	0.17

Category	Approved in ARR Order	Petitioner's Submission
HT-EV Charging Station	1.97	2.45
Signboard and Hoarding	-	0.03
Temporary Supply	15.79	9.90
Total Sales	10,687.06	10,477.68

The Petitioner has submitted that the actual sales for FY 2024–25 are lower than the approved sales, primarily due to the inclusion of 108.44 MUs of Open Access quantum as per the State Energy Account (SEA) issued by SLDC. Further, the Petitioner has mentioned that this figure also incorporates an adjustment of 47.68 MUs allocated by SLDC to HT industrial consumers towards Green Energy Open Access.

Additionally, the Petitioner has submitted that the marginal variation observed between actual and APR approved sales across other consumer categories is largely attributable to seasonal factors.

Commission's Analysis:

The Petitioner has submitted actual sales of 10,477.68 MUs for FY 2024-25 as against the sales of 10,687.06 MU approved in ARR Order. As per the Regulation 13.1 of the JERC MYT Tariff Regulations, 2021 the variation in consumers and energy sales are uncontrollable in nature, the relevant excerpt of the aforesaid regulations is stipulated as under:

“13.1 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;*

...”

In response to first deficiency note, the Petitioner has submitted the Energy Audit Report for FY 2024-25 which reflects actual sales of 10,477.68 MU across various consumer categories. Therefore, the claimed sales for FY 2024-25 are found in conformity with the Energy Audit report.

In view of above, the Commission approves the energy sales as mentioned in table below for DNHDDPDCL to the tune of 10,477.68 MU for FY 2024-25.

TABLE 3-2 ENERGY SALES FOR FY 2024-25 (IN MU)

Category	Approved in ARR Order	Petitioner's Submission	Trued-Up by Commission
Domestic	338.88	361.47	361.47
LIG/Kutirjyoti	11.15	19.03	19.03
Commercial	98.50	112.68	112.68
Agriculture	7.43	8.46	8.46
LT Industry	594.52	585.49	585.49
Public Water Work	4.46	5.18	5.18
Public Lighting	5.84	5.42	5.42
HT/EHT Industry & Commercial	9,608.48	9,367.40	9,367.40
LT-EV Charging Station	0.05	0.17	0.17
HT-EV Charging Station	1.97	2.45	2.45
Signboard and Hoarding	-	0.03	0.03
Temporary Supply	15.79	9.90	9.90
Total Sales	10,687.06	10,477.68	10,477.68

3.4 Open Access Sales

Petitioner's Submission:

The Petitioner submitted Open Access Sales of 108.44 MU and corresponding power purchase of 109.28 MU for FY 2024-25.

Commission's Analysis:

The Energy Audit report submitted by the Petitioner specifies Open Access sales of 108.44 MU while open access purchase was for 109.28 MU for FY 2024-25 as provided in the response to second deficiency note. The monthly open access energy scheduled as approved by the Commission is tabulated as follows:

TABLE 3-3 OPEN ACCESS ENERGY SCHEDULED FY 2024-25

Consumer Name	Nov 24	Dec 24	Jan 25	Feb 25	Mar 25	Total
M/s Wellknown Polyester	1.44	11.71	4.50	11.55	19.23	48.43
M/s Reliance Industries			19.68	22.60	18.56	60.85
Total						109.28

3.5 Inter-State Transmission Loss

Petitioner's Submission:

The Petitioner has submitted for FY 2024-25 the Inter-State transmission loss of 3.80%, as against the approved value of 3.52% approved in ARR Order.

Commission's Analysis:

The Commission sought from the Petitioner the Regional Energy Accounts (REA) and, based on the same, verified the actual transmission losses by comparing the energy scheduled to the utility by various generating stations with the actual energy received during FY 2024–25. The Commission has considered this computation for the purpose of truing-up. The same is tabulated as follows:

TABLE 3-4 INTER-STATE TRANSMISSION LOSS TRUED-UP FOR FY 2024-25

Particulars	UoM	Value
Sales	MU	10,477.68
Add: Distribution Loss	MU	157.30
Add: Intra State Transmission Loss	MU	132.92
Add : Energy Sales to Open Access Consumer	MU	108.44
Less: Energy Scheduled by Open Access Consumers	MU	109.28
Less: Solar Generation within the State Periphery	MU	23.21
Power Purchase at Periphery (Exclusion: Open Access Sales)	MU	10743.85
Less: Power Purchase from Exchange	MU	1795.92
Total Energy Requirement	MU	8947.93
Power Purchase excluding IEX Purchase	MU	9301.47
Inter State Transmission Loss	%	3.80

The Commission has determined the energy requirement from tied-up sources in Energy Balance approved in the Section 3.8 of this Order. The energy available from tied-up source has been considered from the actual energy purchased as approved in Section 3.9 of this Order. The difference between the two has been considered as the Inter-State transmission loss. The following table provides the Inter-State transmission loss

approved in the ARR Order, the Petitioner's submission and as Trued-up by the Commission now:

TABLE 3-5 INTER-STATE TRANSMISSION LOSS TRUED-UP FOR FY 2024-25

Category	Approved in ARR Order	Petitioner's Submission	Trued-up by Commission
Inter-State Transmission losses (%)	3.52%	3.80%	3.80%

The Commission approves the Inter-State transmission loss of 3.80% for FY 2024-25.

3.6 Intra State Loss

Commission's analysis

The Commission had enquired regarding the intra state losses borne by the Petitioner. In response to first data gap the Petitioner had provided the REA report which provides USO at UT Periphery. Based on the REA report, the Intra State Transmission Losses are tabulated as follows:

Particulars	Formula	Commission Approved
Energy at UT Periphery	a	10,853.13
DNH -Energy sales at 220kV & 66kV	b	4172.13
DD -Energy sales at 220kV & 66kV	c	733.31
Total energy sale at 220kV & 66kV	d=b+c	4905.44
Energy supplied at 11kV incomer DNH	e	3585.55
Energy supplied at 11kV incomer DD	f	2229.21
Total energy supplied at 11kV	g= e+f	5814.76
Energy supplied at Discom Periphery	h=d+g	10720.20
Intra-state Losses (MUs)	i=a-h	132.93
Intra-state Losses (%)	j=i/a	1.22%

3.7 Distribution Losses

Petitioner's Submission:

The Petitioner had submitted that the distribution losses for Union Territory distribution license area was specified by the Commission as per the Transfer Scheme to the tune of 2.99% as per ARR Order whereas the actual distribution losses is 1.46% for FY 2024-25 as given in the Table below. The Petitioner also submitted that it has been making

consistent efforts to contain the distribution losses and consequent to the efforts made, the distribution losses are one of the lowest in the country.

TABLE 3-6 DISTRIBUTION LOSSES FOR FY 2024-25 AS SUBMITTED BY DNHDDPDCL

Category	Approved in ARR Order	Petitioner's Submission
Distribution losses (%)	2.99%	1.46%

DNHDDPDCL has submitted that the actual distribution losses as compared with approved APR value may be considered accordingly.

Commission's Analysis:

The Petitioner has claimed actual distribution loss of 1.46% for FY 2024-25 as against approved distribution loss of 2.99% in the ARR Order. In support of the claimed actual loss, the Petitioner has provided detailed working of energy input, sales, etc. and corresponding distribution loss for FY 2024-25. Also, in response to the Deficiency note, the Petitioner had submitted the Energy Audit Report for FY 2024-25. As per the Energy Audit Report submitted by the Petitioner, the distribution loss is 1.46%.

The Commission has cross-validated the information placed on record based on which the distribution loss of 1.46% for FY 2024-25 is observed to be in accordance with the claim as also covered under the Section 3.8: "Energy Balance" section in this Order. In addition to above, the Commission has reconciled the overall transmission and distribution loss levels to address the overall transmission and distribution (T&D) loss levels within the Union Territory (UT) of Daman & Diu and Nagar Haveli. In its petition, the Distribution Company submitted an energy audit report indicating an overall T&D loss level of 2.68%, of this, 1.46% was attributed to distribution losses.

As per the Energy Audit Report, the following Distribution loss was tabulated

Parameter	Total
Input Energy (MU)	10,743.42
Sales (MU)	10,586.12
Loss (MU)	157.30
Loss (%)	1.46%

Since, the Petitioner has been able to over-achieve the distribution loss target for the year, the incentive for the same has been provided to the Petitioner in accordance with the JERC MYT Regulations, 2021. The calculation of the same has been discussed in detail in “Section 3.21: Incentive/Disincentive towards over/under-achievement of norms of distribution losses” of this Order.

The following table provides distribution loss approved in the ARR Order of FY 2024-25, the Petitioner’s submission and as Trued-up by the Commission now:

TABLE 3-7 DISTRIBUTION LOSS TRUED-UP BY COMMISSION FOR FY 2024-25

Category	Approved in ARR Order	Petitioner’s Submission	Trued-up by Commission
Distribution losses (%)	2.99%	1.46%	1.46%

The Commission approves Distribution losses at 1.46% in the true-up of FY 2024-25.

3.8 Energy Balance

Petitioner’s Submission:

The Petitioner has submitted that the actual energy requirement for DNH and DD licensee area furnished is based on the (i) actual energy sales, (ii) Intra-state transmission loss and (iii) distribution losses (iv) Open Access Sale for FY 2024-25 as given in the Table below:

TABLE 3-8 ENERGY REQUIREMENT FOR FY 2024-25 FOR DNHDDPDCL

Particulars	Formula	Approved in ARR	Petitioner’s Submission
Retail Sales	a	10,687.06	10,477.68
Open Access Sales (MU)	b	-	108.44
Less: Energy Savings (MU)	c	-	0.00
Total Sales within UT (MU)	$d = a + b + c$	10,687.06	10,586.12
Less: Solar generation within UT (MU)	e	22.43	23.21
Total Energy Required within UT (MU)	$f = d - e$	10,664.63	10,562.91
Distribution Loss (%)		2.99%	1.46%
Distribution Loss (MU)	g	328.18	157.30
Energy Required at DNHDDPDCL Periphery	$h = f + g$	10,992.81	10,720.21
Intra-State Transmission Losses (%)		1.71%	1.22%
Intra-State Transmission Losses (MU)	i	190.97	132.92
Energy Requirement at UT Periphery	$j = h + i$	11,183.78	10,853.12
Add: Sales to Common Pool/UI (MU)	k	-	0.00

Particulars	Formula	Approved in ARR	Petitioner's Submission
Add: Sales through Power Exchange (MU)	l	-	0.00
Total Energy Requirement at UT Periphery (MU)	m = j + k + l	11,183.78	10,853.12

Commission's Analysis:

The actual energy requirement submitted by the Petitioner for FY 2024-25 along with energy requirement is as per Tariff Order. However, the Commission has examined and verified and has observed that there is a reduction of 330.66 MU reduction in energy requirement for the Petitioner against the quantum of 11,183.78 MU approved in ARR.

During prudence check, the Commission observed that the Petitioner has claimed 23.21 MU as part of Energy Balance while the power purchase from solar sources has been reflected as 22.25 MU under power purchase. In response to the deficiency note, the Petitioner submitted that power was sourced from three sources within the DISCOM, of this, 22.04 MU pertains to actual solar power injection from an approved 17 MW Solar PPA at 11 kV. Additionally, 0.21 MU was procured from surplus solar energy generated by rooftop consumers and balance energy includes 0.96 MU from a 2.673 MW solar plant installed by the UT Administration during FY 2024-25. The Petitioner has further clarified that the Power Purchase Agreement is yet to be filed before the Commission and therefore the corresponding cost has not been considered under power purchase however the corresponding energy has been included under energy balance. The Commission has accordingly considered the total units available from solar sources.

The actual energy requirement of the Petitioner is lower than that approved in the ARR Order due to lower energy sales and lower distribution losses. Accordingly, the actual energy requirement, which is the sum of energy sales, transmission losses and distribution losses, works out to 10,853.12 MUs for FY 2024-25.

TABLE 3-9 ENERGY REQUIREMENT APPROVED BY COMMISSION FOR FY 2024-25

Particulars	Formula	Approved by Commission
Retail Sales	a	10,477.68
Open Access Sales (MU)	b	108.44
Less: Energy Savings (MU)	c	0.00
Total Sales within UT (MU)	d = a + b + c	10,586.12

Particulars	Formula	Approved by Commission
Less: Solar generation within UT (MU)	e	23.21
Total Energy Required within UT (MU)	f = d - e	10,562.91
Distribution Loss (%)		1.46%
Distribution Loss (MU)	g	157.30
Energy Required at DNHDDPDCL Periphery	h = f + g	10,720.21
Intra-State Transmission Losses (%)		1.22%
Add: Intra-State Transmission Losses (MU)	i	132.92
Energy Requirement at UT Periphery	j	10,853.12
Less: Energy Scheduled by Open Access Consumer	k	109.28
Less: Energy Scheduled through Exchange	l	1795.92
Net Energy Required at UT Periphery	m=j-k-l	8,947.93
Energy Sourcing		
Total Power Purchased	A	11,138.24
Less: Energy purchased from Exchange	B	1,795.92
Less: Energy purchased within DISCOM	C	23.21
Less: UI Underdrawl	D	8.99
Less: Power Sale	E	8.65
Transmission Loss (%)		3.80%
Transmission Loss	F	353.54
Energy available from outside State Periphery	G=A-B-C-D-E	8,947.93

3.9 Power Purchase Quantum & Cost

Petitioner's Submission:

The Petitioner has submitted that it primarily procures power from the following sources; (a) National Thermal Power Corporation Limited (NTPC) stations, (b) NSPCL Bhilai, (c) Nuclear Power Corporation of India Limited (NPCIL) stations, (d) Independent Power Producers. The plant wise details of the power purchase quantum and total power purchase cost incurred has been provided in the Petition. The Petitioner has submitted that against the power purchase cost of Rs. 5,594.93 Cr. approved by the Commission in the ARR Order, it has incurred a cost of Rs. 6,004.87 Cr.

The Petitioner has sold and purchased 8.65 MU and 1,795.92 MU through Open Market respectively at the cost of Rs. 5.47 Cr. and Rs. 834.87 Cr. to meet the energy shortfall during the year. Furthermore, the Petitioner's sale through DSM amounts to Rs. 28.36 Cr. for 8.99 MUs.

The Petitioner has submitted that the gas-based generating stations of NTPC at Kawas and Gandhar have completed their contractual tenure and termination notices were issued in line with the applicable CERC Tariff Regulations. However, NTPC has continued to raise invoices, relying on the interim order of the Hon'ble Supreme Court in Writ Petition No. 1877 of 2022, filed against the APTEL judgment upholding the validity of PPA termination of NTPC Dadri Stage-I by Delhi distribution utilities. In view of the interim directions of the Hon'ble Supreme Court, and as NTPC has continued to raise invoices, the Petitioner has submitted that it has been constrained to make payments against such invoices under protest and without prejudice. The Petitioner has further informed that it has filed an Interlocutory Application seeking intervention in the said Writ Petition before the Hon'ble Supreme Court.

Further, the Petitioner submitted that the PPA with RGPCL had also been terminated by the erstwhile licensee, DNHPDCL. However, RGPCL has continued to raise invoices, against which the Petitioner has filed Petition No. 279/MP/2024 before the Hon'ble CERC, and the matter is presently sub judice. In this case as well, the Petitioner is making payments under protest and without prejudice.

The Power purchase quantum and cost for FY 2024-25, as incurred by the Petitioner has been shown in the table below:

TABLE 3-10 POWER PURCHASE COST SUBMITTED BY THE PETITIONER FOR FY 2024-25

Particulars	Approved in ARR		Actual	
	Quantum (MUs)	Cost (Rs. Cr.)	Quantum (MUs)	Cost (Rs. Cr.)
NTPC Stations	7002.93	2,674.41	6,955.97	3,256.38
NSPCL-Bhilai	1,264.26	502.06	1,247.29	533.17
NPCIL	988.41	368.13	1,116.81	445.75
RGPPL				65.49
Short Term Power (IEX/Bilateral)	2,253.98	1,046.66	1,795.92	834.87
Solar	22.43	13.95	22.25	13.65
REC (Non-solar+ Solar)		114.19		180.02
UI / DSM			(8.99)	28.36
Total Power Purchase	11,532.01	4,719.40		5357.69
PGCIL/POSOCO/WRLDC		714.92		550.26
Intra-state Trans		160.38		114.12
Reactive & Others				(2.81)
SCED				(8.92)
Short Term Power Sale			(8.65)	(5.47)

Particulars	Approved in ARR		Actual	
	Quantum (MUs)	Cost (Rs. Cr.)	Quantum (MUs)	Cost (Rs. Cr.)
Total	11,532.01	5,594.93	11120.61	6,004.87

Commission's Analysis:

Regulation 13.1 of the JERC MYT Regulations, 2021 provides:

13.1 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) Interstate 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);*
- g) Change in power purchase mix;*
- h);*
- i) Transmission Charges for a Distribution Licensee;*

The Petitioner procures power mainly from NTPC stations, NPCIL stations, NSPCL Bhilai and IPPs. The Petitioner submitted the overall power purchase cost as Rs. 6004.87 Cr. inclusive of transmission cost and after adjusting revenue due to sale of surplus power and DSM receipts.

The Commission has observed that in the Tariff Order dated 25 September 2025, it had allowed the Other Cost for NTPC Sholapur and NTPC Lara amounting to Rs. 128.17 Cr. and Rs. 183.66 Cr., respectively, in line with CERC Tariff Order. The total power purchase cost approved for NTPC Lara in the Tariff Order was Rs. 413.33 Cr. and for NTPC Sholapur was Rs. 489.04 Cr. similar to the claim in current true up Petition. Since the claimed amount includes arrears corresponding to the Tariff Order issued by Hon'ble CERC and in line with Tariff Order, the same has been considered by the Commission. Since the True Up Order by Hon'ble CERC were issued after the issuance of ARR Order, the values are not reflected in the ARR order.

With regard to the gas-based generating stations of NTPC (Kawas and Gandhar) and RGPPL, the Commission notes that the Petitioner is making payments under protest, and the matters are presently sub judice. Accordingly, the Commission provisionally approves the said claims as the Petitioner is required to make the payments. However, the Petitioner is directed to apprise the Commission of the outcome on final adjudication along with consequent financial implications during appropriate truing-up proceedings.

The Petitioner has claimed under drawl through UI as 8.99 MU. The Commission verified quantum of power purchase through UI from energy audit report for FY 2024-25 and found that the power purchase through UI is same as per Petitioner's submission. The Commission had enquired regarding the details of sale and purchase of UI Energy from the Petitioner. In this regard, the Petitioner had provided the over / under drawl of energy and deviation and ancillary service pool account deficit recovery quantum and cost. Also, in response to a query, the Petitioner has also clarified that the amount of Rs. 32.55 Cr. pertains to deficit in Deviation and Ancillary Services Pool Account in accordance with the CERC DSM Regulations, 2024 which is recovered from all DIC's in ratio of the capacity/energy drawal and does not represent individual entity's deviation. Hence, the Commission has approved the Power Purchase through UI as per the submission of the Petitioner. The detailed UI transaction during FY 2024-25 has been tabulated as follows:

TABLE 3-11 UI TRANSACTION DURING FY 2024-25

Particulars	Quantum (MU)	Cost (Rs. Cr.)
UI Energy under drawl	(33.03)	(16.73)
UI Energy over drawl	24.04	12.54
Deviation and Ancillary service pool account deficit recovery		32.55
Total	(8.99)	28.36

Accordingly, the Commission after detailed prudence check has considered the power purchase cost claimed by the Petitioner which is also reflected in the audited annual accounts of FY 2024-25.

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

TABLE 3-12 POWER PURCHASE QUANTUM AND COST APPROVED BY THE COMMISSION FOR FY 2024-25

Particulars	Energy Units (MU)	Fixed Charges (Rs. Cr.)	Variable Charges (Rs. Cr.)	Total Charges (Rs. Cr.)
Central Generating Stations				
NTPC				
KSTPP 1&2	766.96	62.86	115.29	178.15
KSTPS 3	192.67	22.93	26.82	49.75
VSTPP-I	357.99	36.05	67.74	103.79
VSTPP-II	292.53	23.60	53.77	77.37
VSTPP- III	339.48	29.90	62.63	92.53
VSTPP- IV	440.88	67.57	82.83	150.40
KGPP	-	70.69	0.68	71.36
GGPP	-	67.15	0.84	68.00
Sipat-I	786.22	101.99	130.60	232.59
Sipat-II	304.24	30.76	52.98	83.74
Mauda	258.78	42.69	96.23	138.91
VSTPS-V	256.30	39.72	48.83	88.55
Mauda 2	500.28	80.70	176.22	256.92
Sholapur	504.50	134.73	354.30	489.04
KHSTPP-II	36.36	3.20	9.83	13.03
LARA	673.94	141.98	271.35	413.33
Gadarwara	699.73	156.03	237.35	393.38
KHTPP	545.10	130.94	224.60	355.54
Subtotal NTPC	6,955.97	1,243.50	2,012.88	3,256.38
NSPCL Bhilai	1,247.29	174.83	358.34	533.17
NPCIL				
KAPS 1&2	689.62	-	295.11	295.12
TAPS	427.19	-	150.62	150.63
Subtotal NPCIL	1,116.81	-	445.73	445.75
IPPs/Traders (Long-Term Power)				

Particulars	Energy Units (MU)	Fixed Charges (Rs. Cr.)	Variable Charges (Rs. Cr.)	Total Charges (Rs. Cr.)
RGPPL	-	65.49*	-	65.49
Short- Term Power				
Indian Energy Exchange/Bilateral	1,795.92		834.87	834.87
Renewable				
Solar	22.25		13.65	13.65
Non-Solar				
REC			180.02	180.02
Subtotal	22.25	-	193.67	193.67
SCED			(8.92)	(8.92)
Reactive & Others			(2.81)	(2.81)
Less: sale of surplus power	(8.65)		(5.47)	(5.47)
Less: sale through DSM	(8.99)		28.36	28.36
Net Power Purchase	11,120.61	1,483.84	3,856.65	5,340.49
Transmission Charges				
PGCIL Charges		550.26		550.26
WRLDC Charges		1.44		1.44
Intra-state Trans Charges		114.12		114.12
Subtotal		664.38		664.38
Total Power Purchase	11,120.61	2,148.22	3,856.65	6,004.87

*As per the submission of the Petitioner, the amount of Rs. 24.65 Cr. is towards recovery of prior period charges, recovery of CERC annual fees, WRLDC charges, MPCB consent fee, electricity tax and duty claimed by RGPPL and does not pertain to energy charges. Accordingly, the same is clubbed under fixed charges.

The Commission approves power purchase cost of Rs. 6,004.87 Cr. in the true-up of FY 2024-25 in reconciliation with Note 28 of the accounts.

3.10 Renewable Purchase Obligation

Petitioner's Submission:

The Petitioner has submitted the RPO obligation for FY 2024-25 as per Regulation 4.1 of the JERC Procurement of Renewable Energy (Fourth Amendment) Regulations, 2022 specifying the RPO targets for FY 2024-25. The Petitioner further submitted that as per Commission's Order dated 21st January 2025 in suo moto Case No. 61 of 2012 has directed to fulfil 50% of backlog RPO as on 31st March 2024. In compliance, the Petitioner has fulfilled the same from current power purchase agreements and purchase from G-DAM / G-TAM and REC for FY 2024-25.

TABLE 3-13 RPO SUBMITTED BY PETITIONER FOR FY 2024-25 (IN MU)

Particulars	Petitioner's Submission
Sales	10,477.68
RPO Target	3,133.87
50% of RPO backlog	1,920.65
Cumulative RPO target	5,054.52
Compliance	
Renewable Energy	115.67
REC	4,945
Total RPO Compliance	5,060.67

The Petitioner has submitted that it has fulfilled RPO for FY 2024-25 on standalone basis and the Commission has carried out the suo-motu proceeding vide Case No. 61 of 2012 for status of RPO Compliance.

Commission's Analysis:

The Commission has specified the minimum RPO to be fulfilled by the Petitioner as per the Regulation 4.1 of the JERC Procurement of Renewable Energy (Fourth Amendment) Regulations, 2022. The Commission vide data gap enquired regarding the category-wise purchase of Renewable resources for FY 2024-25. The Commission had enquired regarding the source wise purchase for RPO compliance, the same was provided by the Petitioner amongst, GTAM/GDAM, Solar and Rooftop Solar purchase. The break-up of purchase is given in the Table below.

TABLE 3-14 BREAK-UP OF PURCHASE FROM RE SOURCES FOR FY 2024-25

S. No.	Particulars	Quantum (MU)
1	GTAM / GDAM	4.31
2	Solar	22.04
3	Rooftop Solar	89.32
4	Total	115.67

Furthermore, the Commission has taken into consideration the order dated 30th December 2025 in Suo Moto Petition No. 61/2012 and accordingly, approves the RPO compliance of 29.90% till FY 2024-25 tabulated as follows:

TABLE 3-15 CUMULATIVE COMPLIANCE TILL FY 2024-25

RPO	Sales for FY 2024-25 (Mus)	RPO Target to be met for FY 2024-25		Cumulative backlog as on 31.03.2024	Cumulative target for FY 2024-25	Actual Compliance for FY 2024-25			RPO Compliance for FY 2024-25	Standalone (Shortfall) / Excess for FY 2024-25	Standalone (Shortfall) / Excess for FY 2024-25	Cumulative (Shortfall) / Excess for FY 2024-25	Cumulative (Shortfall) / Excess for FY 2024-25
1	2	3	4	5	(6=4+(5*50%))	7	8	9	10=7+8+9	11=10-4	12=11/4	13=10-6	14=13/6
	MU	%	MU	MU	MU	Gen	REC	PP	MU	MU	%	MU	%
Wind RPO	10,477.68	0.67%	70.20		70.20				0.00	-70.20	-100%	-70.20	-100.00%
HPO		0.38%	39.82		39.82				0.00	-39.82	-100%	-39.82	-100.00%
DRE		1.50%	157.17		157.17			111.36	111.36	-45.81	-29%	-45.81	-29.14%
Other		27.35%	2865.65	3841.30	4786.30		4945.00	4.31	4949.31	2083.66	73%	163.01	3.41%
Total RPO	10,477.68	29.90%	3132.83	3841.30	5053.48	0.00	4945.00	115.67	5060.67	1927.84	62%	7.19	0.14%

3.11 Operation & Maintenance (O&M) Expenses

Petitioner's Submission:

The Petitioner has submitted that it has assumed operational control of the UT of Dadra and Nagar Haveli and Daman and Diu since April 1, 2022, and has undertaken various initiatives to ensure compliance with CEA safety norms and the Shops and Establishment Act related to Distribution Business. Also, the Petitioner has mentioned that it has undertaken several initiatives aimed at improving system performance and operational efficiency which include asset survey and identification, maintenance of overhead lines, repair of distribution transformers, installation of breathers on transformers, and repair of poles, etc.

The Petitioner further submitted that it has streamlined outage management processes and ensured that fault management activities are carried out comprehensively. Also, in order to effectively monitor and manage both planned and unplanned outages, the Petitioner has submitted that it is in process of revamping the outage management system and strengthening IT support systems, including the material management system.

The Petitioner has also highlighted that, as part of the transfer process, employees from the erstwhile entities have been absorbed and compliance with applicable statutory provisions, including the PF Act, Bonus Act, Minimum Wages Act, and the Shops and Establishments Act, necessary revisions in employee payouts have been undertaken, which are reflected in the employee expenses.

Further, the Petitioner submitted that these initiatives are newly undertaken and have been structured to ensure regulatory compliance as well as adherence to prescribed standards of performance. To meet such performance standards, the Petitioner has incurred the requisite expenditure.

Additionally, the Petitioner submitted that, as per the transfer scheme, the administrative offices of the erstwhile distribution utility remain with the UT Administration. Accordingly, the Petitioner has arranged for rented premises across various locations

within the license area to meet operational requirements. The Petitioner, therefore, submitted that the Administrative and General expenses, including costs towards deployment of contractual manpower, have been necessarily incurred to meet the stipulated operational and regulatory requirements.

In view of above, the Petitioner submitted that the base O&M Expense did not accurately reflect the desired level of activities, necessitating additional expenditure to meet stringent performance standards outlined in the Transfer Scheme. Thus, the Petitioner, in accordance with Regulation 52 of the MYT Regulations has requested the Commission to approve the O&M expenditure on an actual basis. Further, the Petitioner has submitted that once O&M activities are streamlined, sufficient data will be available to assess the base O&M Expense for subsequent periods.

Petitioner has requested the Commission to consider the actual O&M expenses and approve accordingly.

TABLE 3-16 O&M EXPENSES CLAIMED BY DNHDDPDCL FOR FY 2024-25 (Rs. Cr.)

Particulars	Approved in ARR Order	Petitioner's Submission
Employee Expense	46.76	43.50
R&M Expense	39.89	34.07
A&G Expense	24.42	31.09
Operation & Maintenance Expenses	111.08	108.66

Commission Analysis:

As per Regulation 60 of the JERC (Generation, Transmission & Distribution MYT) Regulations, 2024:

"60.1 The Operation and Maintenance expenses for the Distribution Wires Business shall be computed in accordance with this Regulation.

60.2 Operation and Maintenance 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.*

60.3 *The Distribution 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.*

60.4 *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) + Terminal Liabilities Where,

R&M_n = K x GFA_{n-1} x (1+WPIinflation) EMP_n = (EMP_{n-1}) x (1+G_n) x (1+CPIinflation) A&G_n = (A&G_{n-1}) x (1+CPIinflation)

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

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

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

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

A&G_n – Administrative and General expenses of the Distribution Licensee for the nth Year; R&M_n – Repair and Maintenance expenses of the Distribution Licensee for the nth Year; GFA_{n-1} – Gross Fixed Asset of the Distribution Licensee for the n-1st Year;

G_n is a growth factor for the nth Year. Value of G_n 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 Distribution Licensee has been in operation for less than three (3) Years as on the date of effectiveness of these Regulations, O&M Expenses shall be determined on case-to-case basis.

60.5 Terminal liabilities of employees of Licensee including pension expenses etc., shall be approved as part of employee cost, 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.

60.6 For the purpose of estimation, the same value of factors – CPIinflation and WPIinflation shall be used for all Years of the Control Period. However, the Commission shall consider the actual values of base O&M components from audited accounts and also actual values of the factors – CPIinflation and WPIinflation 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.

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.

It is worthwhile to mention here that due to privatization of utilities in Daman & Diu, the new entity DNHDDPDCL has been formed which is vested with the responsibility of distribution of power supply within the UT, thus, in absence of actual last three year audited accounts as per JERC MYT Regulations, 2021, the Commission deems it fit to consider the O&M components on actual basis in order to carry out truing-up of FY 2024-25.

As above, the components comprising of the O&M expenses– employee expenses, R&M expenses and A&G expenses have been discussed separately below.

3.11.1 Employee Expenses

Petitioner's Submission:

The Petitioner has incurred actual Employee Expense to the tune of Rs. 43.50 Cr. against the approved expenses of Rs. 46.76 Cr. in the ARR Order.

Commission's Analysis:

The employee expenses comprise of salaries, dearness allowance, bonus, terminal benefits in the form of pension & gratuity, leave encashment and staff welfare expenses. The Commission had approved employee expenses of Rs. 46.76 Cr. in the ARR Order. The Petitioner has submitted actual employee cost of Rs. 43.50 Cr. for FY 2024-25.

It is worthwhile to mention here that the Electricity distribution business in the Union Territory of Dadar & Nagar Haveli and Daman & Diu has been privatized. Under this restructuring, DNHDDPDCL has been designated as the distribution licensee, assuming responsibility for all electricity functions including distribution and retail supply of electricity with in the UT. Therefore, it is necessary to recalibrate the employee cost for DNHDDPDCL in accordance with Regulation 61.3 and 61.4 of the JERC MYT Tariff Regulations, 2021.

In view of above, in order to allow the O&M expenses for FY 2024-25, the Commission has considered Regulation 61.3 and 61.4 of the JERC MYT Regulations, 2021 which specifies the following:

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

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 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 case to case basis:

It is to be noted that due to restructuring, the O&M norms shall be determined on case-to-case basis, thus, as per the Regulations stipulated above, the Commission has considered the actual employee expenses for FY 2024-25 to be allowed in truing-up.

Further, the Commission observed that the 'Employee Benefit Expense' in the Audited Accounts amount to Rs. 39.60 Cr while the claim of the Petitioner is Rs. 43.50 Cr. In this regard, the Petitioner has submitted that an amount of Rs. 3.90 Cr. has been considered as part of 'Re-measurement of the defined benefit plan', which corresponds to unfunded gratuity and pension. The same has been reconciled with the Profit and Loss statement read with Note 38 of the Audited Accounts and allowed accordingly in line with previous true-up.

The following table provides the employee expenses approved by the Commission in the ARR Order, Petitioner's submission and now trued-up by the Commission:

TABLE 3-17 EMPLOYEE EXPENSES TRUED-UP BY COMMISSION FOR FY 2024-25 (Rs. Cr.)

Particulars	Approved in ARR Order	Petitioner's Submission	Trued-up by Commission
Employee Expenses	46.76	43.50	43.50

Accordingly, the Commission approves Employee Expenses of Rs. 43.50 Cr. for FY 2024-25.

3.11.2 Repair & Maintenance (R&M) Expenses

Petitioner's submission:

The Petitioner has incurred actual R&M Expense to the tune of Rs. 34.07 Cr. against the approved expenses of Rs. 39.89 Cr. in ARR Order.

Commission's Analysis:

As per the approach and methodology adopted while allowing employee expenses in earlier section, the Commission has considered Regulation 61.3 and 61.4 of the JERC MYT Regulations, 2021 for allowing R&M expenses which specifies the following:

"61. Operation and Maintenance expenses for Distribution Wires Business

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

Therefore, in view of above, the Commission has considered the actual R&M expenses in reconciliation with Audited Accounts for FY 2024-25 to be allowed in truing-up.

Consequently, the Commission considered these factors for the truing-up process. The following table provides the R&M expenses approved by the Commission in the ARR Order, Petitioner's submission and now trued-up by the Commission:

TABLE 3-18 R&M EXPENSES TRUED-UP BY COMMISSION FOR FY 2024-25 (Rs. Cr.)

Particulars	Approved in ARR Order	Petitioner's Submission	Trued-up by Commission
R&M Expenses	39.89	34.07	34.07

The Commission approves R&M Expenses of Rs. 34.07 Cr. for FY 2024-25.

3.11.3 Administrative and General (A&G) Expenses

Petitioner's submission:

The Petitioner has incurred actual A&G Expense to the tune of Rs 31.09 Cr. against the approved expense of Rs. 24.42 Cr. in ARR Order.

Commission's Analysis:

A&G expenses mainly comprise of rents, telephone and other communication expenses, professional charges, conveyance and travelling allowances, etc. Similar to the

methodology followed for approving the Employee Expenses, the Commission verifies the A&G expenses as per the audited accounts of FY 2024-25.

The Commission enquired regarding the components comprising Miscellaneous expense and Consumption of Stores and Spares in the Audited Accounts which was duly submitted by the Petitioner vide Annexure 8 and 9 respectively in reply to first data gap. The Commission has not considered the loss on sale of assets following the consistent approach as per Tariff Order dated 25th September 2025 reproduced as follows:

“It has been observed that the Petitioner has included an amount of Rs. 10.15 Cr. towards the loss on the sale of discarded property under A&G expenses and an amount of Rs. 6.39 Cr. as income from the same. However, the Commission opines that any loss arising from the sale of discarded property and any income in less than the salvage value of the sold discarded property/items should not be allowed as per Regulatory procedures under JERC MYT Tariff Regulations, 2021. Accordingly, the Commission has deducted Rs. 10.15 Cr. from A&G expenses and has also not considered Rs. 6.39 Cr. under Non-tariff Income as discussed in para 3 of this Order. Consequently, the overall allowable A&G expenses for FY 2023-24 are determined at Rs. 26.10 Cr.”

The Commission notes that the Petitioner has not included CSR expenditure from the audited accounts under Administrative and General (A&G) expenses, similar to approach followed by the Commission in previous order. Further, the treatment of expenses towards bad debts written off has been addressed separately in Section 3.18 of this Order and the same has been excluded from A&G expense.

The Commission had sought clarification regarding the inclusion of lease rental under A&G expenses. In response, the Petitioner submitted that in accordance with IND AS 116, lease involving rental payments are required to be capitalized and are reflected accordingly in the audited accounts. The Petitioner has further clarified that it has not capitalized such assets for regulatory purposes and has instead claimed the actual lease rental amounting to Rs. 0.53 Cr. as part of A&G expenses.

Upon examination of Note 37(iv) of the audited accounts, the Commission observes that an amount of Rs. 0.53 Cr. has been identified towards principal element of lease payment while an amount of Rs. 2.54 Cr. has been related with short-term leases included under A&G expenses. Therefore, the Commission approves the amount of Rs. 0.53 Cr. towards lease payments additionally under A&G expenses.

A summary comparison of the relevant entries from the audited accounts for the purpose of approval of A&G expenses is presented below:

TABLE 3-19 RECONCILIATION OF A&G EXPENSES WITH AUDITED ACCOUNTS FOR FY 2024-25 (Rs. Cr.)

Particulars	Amount	Reference
Gross Other Expenses	81.11	Note 32 of Audited Accounts
Less: Capitalized	8.35	
Net other Expenses	72.76	
Less:		
R&M Expense	34.07	Note 32 of Audited Accounts
Net A&G Expense	38.69	
Adjustments:		
CSR	3.22	Note 32 of Audited Accounts
Loss on sale of assets	3.31	
Bad Debt Written off	2.34	
Allowance of Bad Debt	-0.73	
A&G Expense post adjustment	30.55	
Add: Lease Payment	0.53	Note: 37 (iv) of Audited Accounts
Approved A&G Expense	31.09	

Based on the methodology adopted by the Commission in approving the Employee Expenses and R&M Expenses for FY 2024-25 in the previous sections, the following table provides the A&G expenses approved by the Commission in the ARR Order, Petitioner's submission and now trued-up by the Commission:

TABLE 3-20 A&G EXPENSES TRUED-UP BY COMMISSION FOR FY 2024-25 (Rs. Cr.)

Particulars	Approved in ARR Order	Petitioner's Submission	Trued-up by Commission
A&G Expenses	24.42	31.09	31.09

The Commission approves A&G Expenses of Rs.31.09 Cr. for FY 2024-25.

3.11.4 Total Operation & Maintenance (O&M) Expenses

The following table provides the O&M Expenses, as approved by the Commission in the ARR Order, Petitioner's Submission, and O&M Expenses trued-up by Commission:

TABLE 3-21 TOTAL O&M EXPENSES TRUED-UP BY COMMISSION FOR FY 2024-25 (Rs. Cr.)

Particulars	Approved in ARR Order	Petitioner's Submission	Trued-up by Commission
Employee Expenses	46.76	43.5	43.5
R&M Expenses	39.89	34.07	34.07
A&G Expenses	24.42	31.09	31.09
Total O&M Expenses	111.08	108.66	108.66

3.12 Gross Fixed Assets and Capitalization

Petitioner's Submission:

The Petitioner has claimed Rs. 203.50 Cr. towards actual capital expenditure for FY 2024-25, as against Rs. 400.22 Cr. approved in the ARR Order. Summary of capital expenditure incurred during FY 2024-25 is tabulated as under:

TABLE 3-22 CAPITAL EXPENDITURE CLAIMED BY DNHDDPDCL FOR FY 2024-25 (Rs. Cr.)

Particulars	Approved in ARR Order	Petitioner's Submission
HT Network		128.63
LT Network		69.65
Meter Management		3.52
Supporting Infrastructure		0.42
IT		0.06
Power Supply Centre and Call Centre		-
Miscellaneous		1.22
Total Cost	400.22	203.50

The Petitioner has claimed actual capitalisation of Rs. 241.34 Cr. for FY 2024-25, as against Rs. 277.11 Cr. approved in ARR Order as shown in table below:

TABLE 3-23 CAPITALISATION CLAIMED FOR FY 2024-25 (Rs. Cr.)

Particulars	Approved in ARR Order	Petitioner's Submission
Opening GFA	766.17	744.43
Addition to GFA	277.11	241.34
Deletion to GFA	-	14.78
Closing GFA	1,043.29	970.99

Particulars	Approved in ARR Order	Petitioner's Submission
SLC addition	-	0.07
Balance Capitalization	277.11	241.27
Normative Debt @70%	193.98	168.89
Normative Equity @30%	83.13	72.38

Commission's Analysis:

The Petitioner has claimed a CAPEX of Rs. 203.50 Cr. in the truing-up of FY 2024-25, compared to the Rs. 400.22 Cr. approved in the ARR Order. The Commission observes that the major variation in capital expenditure is primarily attributable to additional works identified based on-site surveys of the network and assessment of asset conditions, along with actual load growth in the HT network. The Commission further notes that capital expenditure has also been incurred towards replacement of distribution transformers with energy-efficient units to ensure compliance with applicable Indian Standards.

The Commission notes that the Petitioner has incurred an expenditure of Rs. 58.55 Cr. towards reliability improvement, renovation, and loss reduction works including conversion of 11 kV overhead lines to underground cables, replacement of faulty distribution transformers, interconnection of feeders for load balancing, installation of Ring Main Units (RMUs), and conversion of 11 kV overhead bare conductor networks to overhead covered cables.

Further, capital expenditure has been undertaken across several areas including LT network including line extensions, new service connections, cabling works, network shifting, and replacement of poles and unsafe structures. Further, works were undertaken with regard to meter management and supporting IT and testing infrastructure. The detailed capital expenditure across various categories is tabulated as follows:

TABLE 3-24 CAPITAL EXPENDITURE CLAIMED FOR FY 2024-25 (RS. CR.)

Name of Project / Scheme	CAPEX during the year
HT Network	
Normal Load Growth	35.85
Reliability, Renovation, Loss Reduction	58.55

Name of Project / Scheme	CAPEX during the year
Technological Upgradation	27.71
Safety	6.52
Sub-Total	128.63
LT Network	
Normal Load Growth	13.75
Reliability, Renovation, Loss Reduction	54.23
Safety	1.68
Sub-Total	69.65
Supporting Infrastructure	0.42
IT & Related Infrastructure	1.22
Miscellaneous	0.06
Normal Load Growth	1.66
Meter Replacement and AMR/AMI/Infra	1.86
Sub-Total	3.52
Grand Total	203.50

The Commission has taken into account the CAPEX of Rs. 203.50 Cr. as per the annual audited accounts for FY 2024-25.

Further, the Petitioner has submitted actual capitalization of Rs. 241.34 Cr. during FY 2024-25 viz-a-viz the approved capitalization of Rs. 277.11 Cr. in ARR Order. The Commission sought detailed breakup of capital expenditure and capitalization incurred during FY 2024-25 along with supporting documents. In response to the Commission query, the Petitioner submitted annual accounts and FAR corresponding to existing and new assets along with copies of Electrical Inspector certificates, in accordance with Regulation 43 of the CEA (Measures relating to Safety and Electric Supply) Regulations, 2010, for the energization of transformers, 11kV RMU, and cables. The segment wise breakup of capitalization and decapitalization is provided in the table below:

TABLE 3-25 CAPITALIZATION CLAIMED FOR FY 2024-25 (Rs. Cr.)

Name of Project / Scheme	Capitalization during the year	De - Capitalization during the year
Freehold		
Building	4.42	
Plant & Machinery (S/W & Transformers)	160.48	14.78
Meters	2.69	
Transmission & Distribution Systems - OH	6.29	
Transmission & Distribution Systems - UG	65.22	
Electrical Fittings and Apparatus	0.29	
Furniture and Fixture	0.16	

Name of Project / Scheme	Capitalization during the year	De - Capitalization during the year
Vehicles	1.16	
Computers & Laptops	-	
Intangible Assets	0.47	
Office Equipment	0.16	
TOTAL	241.34	14.78

Accordingly, based on prudence check and validation of claimed capitalization with audited accounts and FAR, the Commission approves the capitalization of Rs. 241.34 Cr. for true-up of FY 2024-25.

The Petitioner has considered opening GFA for FY 2024-25 at Rs. 744.43 Cr. based on the closing GFA approved in true-up of FY 2023-24, the same has been validated and considered by the Commission.

Further, the Petitioner has considered the funding of the capitalization at normative debt-equity ratio of 70:30 after adjusting for capitalization through consumer contribution and deposit works. The Commission after prudence check has considered the funding as per the submission of the Petitioner. The Commission, accordingly, approves the opening GFA, addition to GFA during the year and closing GFA for FY 2024-25 as tabulated below.

TABLE 3-26 APPROVED CAPITALISATION FOR FY 2024-25 (RS. CR.)

Particulars	ARR Approved	Petitioner's Submission	Approved by Commission
Opening GFA	766.17	744.43	744.43
Addition to GFA	277.11	241.34	241.34
Deletion to GFA	-	14.78	14.78
Closing GFA	1,043.29	970.99	970.99
Less: SLC Addition (Consumer Contribution)	-	0.07	0.07
Balance Capitalisation	277.11	241.27	241.27
Normative Debt @70%	193.98	168.89	168.89
Normative Equity @30%	83.13	72.38	72.38

3.13 Depreciation

Petitioner's Submission:

The Petitioner has submitted that the depreciation rates has been considered as per the JERC MYT Regulations, 2021. The Petitioner has claimed depreciation of Rs. 24.61 Cr. for FY 2024-25, as against Rs. 27.83 Cr. approved in the ARR Order, as detailed in table below:

TABLE 3-27 DEPRECIATION CLAIMED BY PETITIONER FOR FY 2024-25 (Rs. Cr.)

Particulars	Approved in ARR Order	Petitioner's Submission
Depreciation	28.32	24.61

Commission's Analysis:

As per Regulation 31 of the JERC (Generation, Transmission & Distribution Multi Year Tariff) Regulations, 2021:

"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) percent 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.

.....

31.7 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 Appendix I of these Regulations.

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 Depreciation Licensee shall be spread over the balance useful life of the asset, on repayment of the entire loan.”

It is observed that the Petitioner has claimed depreciation of Rs. 24.61 Cr. as per the annual accounts. Since the depreciation rate considered in the audited accounts are in line with the depreciation rates specified in the JERC MYT Regulations, 2021, the Commission has verified the same and applied the average rate of depreciation on average Gross Fixed Assets (GFA) considering the opening and closing values approved in previous section of this Order. The net addition during the year has been calculated after deducting the value of retired assets. The following table provides the calculation of depreciation during the FY 2024-25:

TABLE 3-28 DEPRECIATION APPROVED BY COMMISSION FOR FY 2024-25 (Rs. Cr.)

Description	ARR Order	Petitioner's Submission	Approved by Commission
Opening Gross Fixed Assets	566.58	744.43	744.43
Addition during the Year	277.11	241.34	241.27
Adjustment/retirement during the Year	-	14.78	14.78
Closing Gross Fixed Assets	843.69	970.99	970.92
Average Gross Fixed Assets	705.13	857.71	857.68
Rate of Depreciation (%)	4.02%	2.87%	2.87%
Depreciation	28.32	24.61	24.61

The Commission, accordingly, approves the depreciation of Rs. 24.61 Cr. for FY 2024-25.

3.14 Interest Expenses

Petitioner's Submission:

The Petitioner has claimed a sum of Rs. 38.30 Cr. towards actual interest and finance expenses for FY 2024-25 on normative basis as per the JERC MYT Regulations, 2021. The Petitioner further submitted that it has considered rate of interest in line with the actual loan portfolio of the Petitioner as per MYT Regulations.

TABLE 3-29 INTEREST AND FINANCE CHARGES CLAIMED FOR FY 2024-25 (RS. CR.)

Particulars	Approved in ARR	Actual
Opening Balance of Loans	298.32	303.49
Add: Loan addition during the year	193.98	168.89
Less: Outstanding Loan of decapitalised Asset		0.34
Less: Repayments during the year	28.32	24.61
Closing balance of Loans	463.98	448.12
Average Loan	381.15	375.80
Weighted Average Rate of Interest (in %)	9.50%	8.87%
Interest Expense	36.21	33.33
Other Borrowing Cost		4.97
Total Interest Expenses	36.21	38.30

Commission's Analysis:

The Commission has considered closing balance approved in truing-up of FY 2023-24 as opening normative loan balance for FY 2024-25, addition to loan during the year is considered at 70% of net value of assets added during the year and repayment is considered equal to the depreciation for the year.

As per Regulation 29.4 of the JERC (MYT) Regulations, 2021, the weighted average rate of interest on the actual loan portfolio is to be considered as the rate of interest for allowing interest on loan. The relevant excerpt of the aforesaid Regulations is stipulated as under:

"29 Interest on Loan

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.

..."

In reply to first data gap vide Annexure 13, the Petitioner had submitted the computation of weighted average rate of interest of Term Loan. The interest amount was reconciled by the Commission as per Note 30 of the Audited Accounts.

The Commission has examined the Petitioner's submission regarding the inclusion of Rs. 0.34 Cr. towards "excess loan repayment of decapitalized assets" under interest on loan. In response to a query, the Petitioner submitted that Regulation 25.5 of the JERC MYT Regulations, 2021 provides for appropriate adjustments to be made to cumulative depreciation and loan repayment at the time of decapitalization. Further, the Petitioner has submitted that in tariff calculation, depreciation is charged on total asset value (comprising of 70% debt and 30% equity), which is also considered towards repayment of normative loan as per MYT Regulations. This results in additional repayment beyond 70% of the normative loan and excess repayment needs to be adjusted as per the Regulation. Accordingly, the Petitioner has proposed an adjustment of Rs. (0.34) Cr. (i.e. Rs. 10.35 Cr - Rs. 10.69 Cr) towards excess loan repayment of de-capitalised asset.

Regulations 25.5 of Tariff Regulations 2021 provides as under:

“25.5 In case of de-capitalisation of assets of a Generating Company or Transmission Licensee or Distribution licensee, as the case may be, the original cost of such asset as on the date of decapitalisation shall be deducted from the value of gross fixed asset and corresponding loan as well as equity shall be deducted from outstanding loan and the equity respectively in the year such de-capitalisation takes place with corresponding adjustments in cumulative depreciation and cumulative repayment of loan, duly taking into consideration the year in which it was capitalised.”

The Commission observes that the approach aligns with the framework of tariff regulations and considering that the depreciation is charged to the extent of 90% of the asset. Therefore, excess depreciation beyond 70% corresponding to such decapitalized assets is required to be adjusted in the normative loan based on the submission of the Petitioner. In accordance with the same, the Commission allows the adjustment as per the submission of the Petitioner.

Furthermore, the Commission sought detailed breakup of other borrowing cost of Rs. 4.97 Cr. against which the Petitioner has submitted the breakup as follows:

TABLE 3-30 OTHER BORROWING COST FOR FY 2024-25 (Rs. Cr.)

Particulars	Amount
Borrowing Cost – Term Loan	1.80
LC Charges for Power Purchase	1.85
LC Charge for Transmission Cost	0.54
Processing Charges for Cash Credit	0.47
Total	4.97

The Commission observed that the Petitioner has claimed an amount of Rs. 1.80 Cr. towards “amortization of borrowing cost” under interest expense on term loans. In response to a query of the Commission, the Petitioner submitted that it had incurred an upfront fee of Rs. 2.89 Cr. (Rs. 2.45 Cr. plus applicable GST at 18%) for availing a loan from State Bank of India, and that a portion of the said upfront fee amounting to Rs. 1.80 Cr. has been amortized during the year.

As per the submission of the Petitioner, it is observed that the total amount of Rs. 2.89 Cr. is applicable towards borrowing cost of which an amount of Rs. 1.80 Cr. has been reflected in the accounts for FY 2024-25. Accordingly, the Commission allows the

amortization of borrowing cost amounting to Rs. 1.80 Cr. as an admissible expense which reconciles with the audited accounts.

Further, the Other borrowing cost includes LC charges towards power purchase and transmission and processing charges for cash-credit. The Commission has duly verified the same from annual audited accounts for FY 2024-25. Accordingly, the Commission approves the above finance charges amounting to Rs. 4.97 Cr. in line with Regulation 29.8 of Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2021 reproduced as follows:

“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.”

The following table provides the Interest on Loan, approved by the Commission in the Petitioner’s submission and now trued-up by the Commission:

TABLE 3-31 INTEREST APPROVED BY THE COMMISSION FOR FY 2024-25 (RS. CR.)

Particulars	ARR Order	Petitioner’s Submission	Approved in Truing-Up
Opening balance	298.32	303.49	303.49
Add: Loan Addition during the year	193.98	168.89	168.89
Add: Excess loan repayment of decapitalised asset	-	0.34	0.34
Less: Repayments during the year	28.32	24.61	24.61
Closing balance of loan	463.98	448.12	448.11
Average Loan	381.15	375.80	375.80
SBI MCLR as on 15.03.2024	-		8.65%
Weighted average Rate of Interest	9.50%	8.87%	8.87%
Interest Expense	36.21	33.33	33.32
Other Borrowing Cost	-	4.97	4.97
Total Interest Expense	36.21	38.30	38.30

The Commission accordingly approves the Interest on loan for FY 2024-25 as Rs. 38.30 Cr.

3.15 Interest on Security Deposit

Petitioner’s Submission:

The Petitioner has claimed Rs. 12.95 Cr. towards interest on security deposit in truing-up for FY 2024-25 as against Rs. 13.74 Cr. approved in ARR Order.

The Petitioner has submitted the actual interest expense on security deposit considering the rate of interest of 6.75% paid to consumers based on Bank Rate is submitted in the Table below:

TABLE 3-32 INTEREST ON SECURITY DEPOSIT CLAIMED BY PETITIONER FOR FY 2024-25 (Rs. Cr.)

Particulars	Approved in ARR Order	Petitioner's Submission
Interest Rate	6.75%	6.75%
Interest on Security Deposit	13.74	12.95

Commission's Analysis:

Regulation 29.11 of the JERC MYT Regulations, 2021 specifies the following:

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

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

From reading of above Regulation, it is clear that the security deposit claimed by Petitioner shall be allowed only if the same has been paid to the consumers. The Commission observed that the claim of the Petitioner was Rs. 12.95 Cr. as against an amount of Rs. 13.46 Cr. booked under the accounts. In response, the Petitioner has submitted that it has actually paid an amount of Rs. 12.95 Cr., as an interest on consumer security deposit while Rs. 0.51 Cr. is booked in audited accounts on accrual basis.

Further, the Commission sought clarification regarding the opening and closing balance of consumer security deposit considered by the Petitioner in its Petition as the same did not reconciled with the audited accounts. In response, the Petitioner clarified that the same was an inadvertent error and has requested the Commission to consider the

opening and closing consumer security deposit for FY 2024–25 as Rs. 198.04 Cr. and Rs. 225.66 Cr., respectively.

The Commission observes that the claim towards opening and closing amount of security deposit does not have any impact on the allowable interest on consumer security deposit as the same is to be allowed on actual basis. Accordingly, the Commission approves the actual interest on consumer security deposit as Rs. 12.95 Cr. for FY 2024-25.

TABLE 3-33 INTEREST ON SECURITY DEPOSIT APPROVED FOR FY 2024-25 (RS. CR.)

Particulars	Approved in the ARR Order	Petitioner's Submission	Approved in Truing-Up
Interest on Consumer Security Deposit	13.74	12.95	12.95

3.16 Interest on Working Capital

Petitioner's Submission:

The working capital requirement is arrived at as per the JERC MYT Regulations, 2021. The Petitioner has requested the Commission to approve the interest on Working Capital.

TABLE 3-34 INTEREST ON WORKING CAPITAL CLAIMED FOR FY 2024-25 (RS. CR.)

Particulars	Approved in ARR Order	Petitioner's Submission
O&M Expenses for 1 month	9.26	9.06
40% of R&M expenses for one month	1.33	1.14
Receivables for 2 months	917.93	1,040.44
Less: Power Purchase Cost of 1 month	466.22	500.41
Less: Security Deposit	203.54	206.51
Normative Working Capital	258.75	343.72
Interest Rate (in %)	10.50%	10.65%
Interest on Working Capital	27.17	36.61

Commission's Analysis:

The computation of working capital requirements and the rate of interest to be considered are stipulated in the JERC MYT Regulations, 2021. Regulation 64.1 & 32 of the JERC MYT Regulations 2021 states the following:

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

(a) O&M Expense for 1 month; plus

(b) Maintenance spares at 40% of R&M expenses for one (1) month; plus

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

(d) 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:

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.”

In view of the above, the Commission for determination of working capital requirements of the Petitioner during the year, has considered the receivables equivalent to two months of the actual revenue requirement, the O&M Expenses for one month & Maintenance spares as 40% of R&M expenses as per the audited accounts of FY 2024-25. Further, the Commission has subtracted the one-month equivalent power purchase cost as well as revised amount of consumer security deposit for working out the working capital requirement as per provisions of the Regulations.

With regards to the interest rate, the Commission has considered the SBI MCLR rates (One Year) as on April 1, 2024, plus 200 basis points which is 10.65%. The following table provides the interest on working capital approved by the Commission in the ARR Order, Petitioner’s submission and now trued-up by the Commission.

TABLE 3-35 INTEREST ON WORKING CAPITAL APPROVED FOR FY 2024-25 (Rs. Cr.)

Particulars	ARR Order	Petitioner's Submission	Approved By Commission
O&M Expenses for 1 Month	9.26	9.06	9.06
40% of R&M expenses for one month	1.33	1.14	1.14
Receivables for 2 months	917.93	1,040.44	1,041.73
Less: Power Purchase Cost of 1 month	466.22	500.41	500.41
Less: Security Deposit	203.54	206.51	211.85
Normative Working Capital	258.75	343.72	339.67
Rate of Interest (%)	10.50%	10.65%	10.65%
Interest on Working Capital	27.17	36.61	36.17

As indicated above, the Commission approves the interest on working capital as Rs. 36.17 Cr. for FY 2024-25.

3.17 Return on Equity

Petitioner's Submission:

The Petitioner has claimed a sum of Rs. 40.00 Cr. towards return on equity for FY 2024-25, as against Rs. 42.20 Cr. in ARR Order. The Petitioner submitted that closing balance of equity has been arrived at considering additional equity of 30% of the capitalisation during the year, as tabled below:

TABLE 3-36 RETURN ON EQUITY CLAIMED BY THE PETITIONER FOR FY 2024-25 (Rs. Cr.)

Particulars	ARR Order	Petitioner's Submission
Opening Equity	229.82	223.28
Equity Addition	83.13	72.38
Less: Equity decapitalised		4.43
Closing Equity	312.95	291.23
Average Equity	271.38	257.26
RoE for Wire @15.50% of 90% of Avg. Equity	37.86	35.89
RoE for Retail @16.00% of 10% of Avg. Equity	4.34	4.12
Total Return on Equity	42.20	40.00

Commission's Analysis:

Regulation 28.2 and 28.3 of the JERC MYT Regulations, 2021 specifies the following:

"28. Return on Equity

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

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

Further, in this regard, the Regulation 30(2) of the CERC (Terms and Conditions of Tariff) Regulations, 2019 stipulates the following:

“30. Return on Equity:

30.2 Return on equity shall be computed at the base rate of 15.50% for thermal generating station, transmission system including communication system and run-of river hydro generating station, and at the base rate of 16.50% for the storage type hydro generating stations including pumped storage hydro generating stations and run-of river generating station with pondage:” (Emphasis supplied)

In line with the approach followed in previous true-ups, the Commission has segregated the approved average equity (average of opening and closing equity) into average equity for Distribution Wires Business and Retail Supply Business based on the Allocation Statement provided in the JERC MYT Regulations, 2021, i.e., 90% allocation for the Distribution Wires Business and 10% allocation for the Retail Supply Business. The Commission has considered a rate of 15.50% for the Distribution Wires Business (as per the prevalent CERC Regulations mentioned above) and a rate of 16% for the Retail Supply Business.

It is pertinent to note that the Petitioner has disposed of assets amounting to Rs. 14.78 Cr. during FY 2024-25. Accordingly, in line with the JERC MYT Tariff Regulations, 2021, the Commission has reduced the equity portion i.e. 30% of the asset value (Rs. 4.43 Cr.) from the opening equity for FY 2024-25.

The RoE has been calculated on the average of opening and closing of equity during the year at the rate of 16% on post-tax basis for Retail Supply Business and 15.50% on post-tax basis for wires business, with the opening equity considered as approved in capital structure in this Order. The following table provides the Return on Equity approved by the Commission in the ARR Order, Petitioner's submission and now trued-up by the Commission.

TABLE 3-37 RETURN ON EQUITY APPROVED FOR FY 2024-25 (Rs. Cr.)

Particulars	ARR Order	Petitioner's Submission	Approved for Truing-Up
Opening Equity	229.82	223.28	223.28
Equity Addition	83.13	72.38	72.38
Equity reduced due to retired/replaced assets		4.43	4.43
Closing Equity	312.95	291.23	291.24
Average Equity	271.38	257.26	257.26
RoE for Wire @15.50% of 90% of Avg. Equity	37.86	35.89	35.89
RoE for Retail @16.00% of 10% of Avg. Equity	4.34	4.12	4.12
Total Return on Equity	42.20	40.00	40.00

The Commission, accordingly, approves the return on equity of Rs. 40.00 Cr. for FY 2024-25.

3.18 Income Tax

Petitioner's Submission:

The Petitioner has submitted that it has taken over the operations from 1st April 2022, the Commission in its ARR Order has approved NIL income tax for FY 2024-25. For FY 2024-25, the actual tax paid by the Petitioner is Rs. 37.98 Cr. as tabulated below:

TABLE 3-38 INCOME TAX CLAIMED BY PETITIONER FOR FY 2024-25 (Rs. Cr.)

Particulars	Approved in ARR Order	Petitioner's Submission
Income Tax	-	37.98

Commission's Analysis:

In this regard, Regulation 33 of the JERC MYT Regulations, 2021, states the following:

"33. Tax on Income

33.1 The treatment of tax on income for a Transmission Licensee shall be in accordance with the prevalent CERC Tariff Regulations.

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:

Provided that tax on any income stream other than the core business shall not be a pass-through component in tariff and tax on such other income shall be borne by the Distribution Licensee."

The Tariff Regulations 2021 provide for actual tax paid by the Petitioner to be considered as part of true-up. The Petitioner has claimed an amount of Rs. 37.98 Cr. towards income tax for FY 2024-25. Based on the submissions of the Petitioner and additional supporting documents sought by the Petitioner, it is observed that the Petitioner has paid a total income tax of Rs. 34.56 Cr., as evident by the submitted tax challans. Further, the Petitioner has reported TDS of Rs. 4.43 Cr. and has received an income tax refund of Rs. 1.02 Cr. corresponding to FY 2023-24.

Further, it has been observed from the abstract of ITR that the Petitioner has paid an amount of Rs. 0.07 Cr. under Income tax under section 234C i.e. interest on account of

delay in payment of tax. The Commission is of the view that the interest under Section 234C, arising from shortfall or deferment in advance tax payments, is compensatory/penal in nature and should not be considered as a normal business expenditure. As per regulatory principles, the ARR permits only prudent and legitimate expenses incurred for the licensed business, and penalties, fines, or interest on delayed statutory dues are not admissible. Accordingly, interest u/s 234C is disallowed from admissible income tax expenses to ensure that consumers are not burdened with the inefficiencies arising from delayed tax compliance. Therefore, the Commission does not consider the said interest for approval, as it is attributable to delays on the part of the Petitioner and, therefore, cannot be passed on to consumers. Accordingly, the total tax allowed is Rs. 37.91 Cr., as detailed in the table below.

TABLE 3-39 INCOME TAX PAID FOR FY 2024-25 (Rs. Cr.)

Particulars	Amount
Tax Challan	34.56
TDS	4.43
IT Refund for FY 2023-24	-1.02
Interest Paid	-0.07
Total	37.91

The Commission also observed that the Tax Liability as per ITR stands at Rs. 37.10 Cr., whereas the actual tax paid (inclusive of Tax Challan, TDS and Refund of FY 2023-24) is Rs. 37.91 Cr. In accordance with Clauses 33.2 and 33.3 of the MYT Regulations, 2021, the Commission deems it appropriate to allow the tax paid amounting to Rs. 37.91 Cr. and directs the Petitioner that, in the event of any tax refund pertaining to FY 2024–25, the Petitioner shall report the same in the subsequent true-up /tariff petition for appropriate adjustment in the Tariff Order.

TABLE 3-40 INCOME TAX APPROVED BY COMMISSION FOR FY 2024-25 (Rs. Cr.)

Particulars	Approved in ARR Order	Petitioner's Submission	Approved in Truing-Up
Income Tax	-	37.98	37.91

The Commission accordingly approves the Income Tax of Rs. 37.91 Cr. for FY 2024-25.

3.19 Bad Debts Written Off

Petitioner's Submission:

The Petitioner submitted that it has written off the bad debts to the tune of Rs. 2.34 Cr. during FY 2024-25 as compared to approved level of NIL vide ARR Order.

TABLE 3-41 BAD DEBTS WRITTEN OFF IN FY 2024-25 (RS. CR.)

Particulars	Approved in ARR Order	Petitioner's Submission
Bad Debts written off	-	2.34

Commission's Analysis:

As per Regulation 63.1 of the MYT Regulations, 2021:

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

As the Petitioner has claimed amount of Rs. 2.34 Cr. towards Bad Debts, the Commission therefore has considered actual bad debts written off in the true-up of FY 2024-25 in accordance with the above Regulations.

3.20 Non-Tariff Income

Petitioner's Submission:

The Petitioner has claimed Rs. 51.09 Cr. towards Non-Tariff Income for FY 2024-25 as against the approved value of Rs. 61.99 Cr. in ARR Order.

TABLE 3-42 NON-TARIFF INCOME CLAIMED FOR FY 2024-25 (RS. CR.)

Particulars	Approved in ARR Order	Petitioner's Submission
Non-Tariff Income	61.99	51.09

Commission's Analysis:

The Regulation 65 of the JERC MYT Regulations, 2021 stipulates the following:

"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."

The Commission sought detailed break-up of various items considered under Non-tariff income along with the reconciliation with audited accounts. Also, breakup of Miscellaneous income under Revenue from Operation amounting to Rs. 7.23 Cr. as per the accounts was also sought as part of deficiency note.

Based on the submission of the Petitioner it is observed that the amount of Rs. 7.23 Cr. includes an amount of Rs. 5.81 Cr. is towards income from sale of scrap, which has not been considered by the Petitioner as part of NTI. The Petitioner has submitted that the same has not been accounted as per treatment in true-up order for FY 2023-24.

With respect to the amount of Rs. 5.81 Cr. towards income from sale of scrap, the Commission notes that the Tariff Regulations, 2021 provide for 'Income from sale of scrap in excess of 10% of the salvage value' to be considered as part of Non-tariff Income.

Accordingly, the Commission has considered an amount of Rs. 4.33 Cr. after adjusting for 10% of the value of decapitalized assets i.e. Rs. 14.78 Cr. during FY 2024-25.

Further, the Petitioner has made adjustments on account of Delayed Payment Charges, Incentive on past arrear collection, gain on sale of current investment in MF, Net Gain on current investment in MF measured at fair value and Interest on deposits while claiming Non-Tariff Income. With respect to incentive on past arrear collection amounting to Rs. 0.33 Cr., the Petitioner has submitted that it is entitled for an incentive of 10% on recovery of past arrears as on transfer date from consumers as per Transfer scheme, 2022. Also, the Petitioner has clarified that interest /dividend made out of Return on Equity is not be included as part of Non-Tariff Income as per Regulation 54 and 65 of the MYT Regulations, 2021 and therefore the same has been not been considered as Non-Tariff Income.

In regard to the removal of Incentive on past arrear collection from the NTI, as per Transfer scheme, the same is to be retained by the Distribution company. The same is reproduced as below:

“The past arrears shall be to the account of the Government. The Distribution Company shall be provided an incentive of twenty percent (20%) on recovery of past arrears as on Transfer Date from permanently disconnected consumers and ten percent (10%) on recovery of past arrears as on Transfer Date from consumers other than permanently disconnected consumers. Such incentive shall be allowed to be retained by the Distribution Company in full and shall not be adjusted in the ARR and tariff determination of the Distribution Company.”

The Commission has accordingly included revenue from all the appropriate sources in Non-Tariff income as per Regulation 65 of the JERC MYT Regulations, 2021. Accordingly, Delayed Payment Surcharge and Interest on Fixed Deposits & other instruments have also not been considered as part of Non-Tariff Income (NTI). The NTI as claimed by the Petitioner and trued-up by the Commission is presented in the table below:

TABLE 3-43 NON-TARIFF INCOME APPROVED FOR FY 2024-25 (Rs. Cr.)

Particulars	Approved in ARR Order	Petitioner's Submission	Approved in Truing-Up
Hire of Meter		-	-
Insurance claim receipt		0.15	0.15
Delayed Payment Charges		7.89	7.89
Miscellaneous income	6.05	2.53	2.53
Rebate on prompt payment	55.95	48.74	48.74
Income from sale of scrap in excess of 10% of the salvage value		-	4.33
Total	61.99	59.31	63.64
Less: Delayed Payment Charges		7.89	7.89
Less: Incentive on past arrear collection		0.33	0.33
Total Non-Tariff Income	61.99	51.09	55.42

Accordingly, the Commission approves Non-Tariff Income of Rs. 55.42 Cr. in the true-up of FY 2024-25.

3.21 Incentive towards over/under achievement of distribution losses

Petitioner's Submission:

The Petitioner submitted that the Commission had approved the Distribution loss level of 2.99% against which the Petitioner has achieved Distribution loss of 1.46%. As per the Clause 4.2 of Policy Direction under Transfer Scheme, two-third of the gain is to be retained by the Distribution Licensee. Accordingly, the Petitioner has computed incentive as per the MYT Regulations read with the Transfer Scheme as under:

TABLE 3-44 COMPUTATION OF SHARING OF GAINS SUBMITTED BY PETITIONER FOR FY 2024-25

Particulars	Formula	Normative	Actual
Retail sales within the State/UT (MU)	a	10,477.68	10,477.68
Open Access Sales (MU)	b	108.44	108.44
Less: Energy Savings (MU)	c	-	-
Total Sales within the State/UT (MU)	d=a+b-c	10,586.12	10,586.12
Distribution Loss (%)	e	2.99%	1.46%
Distribution Loss	f=d*e/(1-e)	326.28	157.30
Energy required at Distribution Periphery (MU)	g=d+f	10,889.18	10,720.21
Gain on account of Distribution Loss (MU)	h = diff. of g		168.98
Power Purchase Rate (Rs/ kWh)	I		5.40
Gain on account of Distribution Loss (Rs. Cr.)	j=i*h/10		91.25
Sharing of Gains on account of Distribution Loss (Rs. Cr.)	k=(2/3)*j		60.83

The Incentive towards over achievement of norms of distribution losses has been considered Rs. 60.83 Cr. by the Petitioner and added to ARR.

Commission's Analysis:

In the transfer scheme, the Government had approved the Distribution loss level of 2.99%. The Petitioner has claimed Distribution loss of 1.46% against the approved loss level of 2.99%. The Commission, in accordance with clause specified in the transfer scheme (reproduced below) has determined the incentive towards the over-achievement of the target of distribution loss for FY 2024-25 as follows:

“4.2.(b) During this period, in the event actual T&D Loss level of the Distribution Company for any particular year as determined by the Commission is better (lower) than the above target, the Distribution Company shall be entitled to retain two-thirds (2/3rd) of the additional revenue resulting from such better performance. The balance one-third (1/3rd) of additional revenue resulting from such better performance shall, however, be passed on as a benefit to consumers for the purpose of ARR and tariff determination.”

The Commission has further observed that M/s Power Foundation of India, a policy advocacy and research organization operating under the aegis of Ministry of Power, has sent a comment 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 saving of power procurement units towards over-achievement of distribution losses should not be linked to fixed cost of the generating plants. The actual saving accrued to the distribution business is only the energy charge saved on lower procurement resulting from over-achievement in 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.

The Commission is fully convinced with the suggestion of stakeholder and is inclined to accept the suggestion of the stakeholder that the actual saving accrued on the better achievement of distribution loss should be linked to variable charges only. Therefore, the Commission has considered the calculation of saving of units due to over-achievement in distribution loss on the basis of variable cost only. The calculation of the same is shown in the following tables:

TABLE 3-45 COMPUTATION OF VARIABLE COST APPROVED BY COMMISSION FOR FY 2024-25

Particulars	Approved by Commission
Energy procured (MU)	11,138.24
Total variable cost for FY 2024-25 (Rs. Cr.)	3,663.95
Per unit variable power purchase cost (Rs./kWh) for consideration of Sharing of Gains/(Loss) on account of over/under-achievement of T&D Losses	3.29

Further as per transfer scheme, stipulate the variation in distribution losses to be a controllable factor and any approved gain to the Distribution Licensee on account of controllable factors shall be shared (1/3rd) with the Consumers. The assessment of incentive for lower Distribution losses is as shown in the following table:

TABLE 3-46 COMPUTATION OF SHARING OF GAINS APPROVED BY COMMISSION FOR FY 2024-25

Particulars	Formula	Normative	Approved by Commission
Retail sales within the State/UT (MU)	a	10,477.68	10,477.68
Open Access Sales (MU)	b	108.44	108.44
Less: Energy Savings (MU)	c	0.00	0.00
Total Sales within the State/UT (MU)	d=a+b-c	10,586.12	10,586.12
Less: Solar Generation within the State/UT (MU)	e	23.21	23.21
Net Energy Requirement within the State/UT (MU)	f=d-e	10,562.91	10,562.91
Distribution Loss (%)	g	2.99%	1.46%
Distribution Loss (MU)	h=i-f	325.6	157.30
Energy required at Distribution Periphery (MU)	i=f/(1-g)	10,911.7	10,720.21
Gain on account of Distribution Loss (MU)	j=diff. of i		168.27
Variable Power Purchase Rate (Rs/ kWh)	k		3.29
Gain on account of Distribution Loss (Rs. Cr.)	l=j*k/10		55.35
Sharing of Gains on account of Distribution Loss (Rs. Cr.)	m=(2/3)*l		36.90

The Commission approves Rs. 36.90 Cr. as incentive for over-achieving the distribution loss target for FY 2024-25.

3.22 Aggregate Revenue Requirement (ARR)

Petitioner's Submission:

Based on the expenses as detailed above, the Petitioner has submitted the net Aggregate Revenue Requirement of Rs. 6,316.06 Cr. for approval in the True-up of FY 2024-25.

TABLE 3-47 NET ARR SUBMITTED BY THE PETITIONER FOR FY 2024-25 (Rs. Cr.)

Particulars	ARR Order	Petitioner's Submission
Power Purchase Cost	5,594.93	6,004.87
O&M Expenses	111.08	108.66
Interest on Loan	36.21	38.30
Interest on Security Deposit	13.74	12.95
Interest on Working Capital	27.17	36.61
Depreciation	28.32	24.61
Bad Debts Written Off	-	2.34
Return on Equity	42.20	40.00
Income Tax	-	37.98
Less: Non - Tariff Income	61.99	51.09
Add: Sharing of Gains / (Losses)	-	60.83
Total ARR	5,791.42	6316.06

Commission's Analysis:

The Commission on the basis of the detailed analysis of the cost parameters of the Aggregate Revenue Requirement approves the net revenue requirement in the true-up of FY 2024-25 as given in the following table:

TABLE 3-48 NET ARR APPROVED BY COMMISSION FOR FY 2024-25 (Rs. Cr.)

Particulars	Approved in ARR Order	Petitioner's Submission	Approved by Commission
Power Purchase Cost	5,594.93	6,004.87	6,004.87
O&M Expenses	111.08	108.66	108.66
Interest on Loan	36.21	38.30	38.30
Interest on Security Deposit	13.74	12.95	12.95
Interest on Working Capital	27.17	36.61	36.17
Depreciation	28.32	24.61	24.61
Bad Debts Written Off	-	2.34	2.34
Return on Equity	42.20	40.00	40.00
Income Tax	-	37.98	37.91
Less: Non - Tariff Income	61.99	51.09	55.42

Particulars	Approved in ARR Order	Petitioner's Submission	Approved by Commission
Add: Sharing of Gains / (Losses)	-	60.83	36.90
Total ARR	5,791.42	6316.06	6,287.30

The Commission approves net Aggregate Revenue Requirement of Rs. 6,287.30 Cr. in the true-up of FY 2024-25.

3.23 Revenue

Petitioner's Submission:

The Petitioner has submitted actual revenue from retail sale for FY 2024-25 is Rs. 6242.65 Cr. as against and Rs. 5,507.56 Cr. in ARR Order.

Commission's Analysis:

The Commission observed that the Petitioner has claimed revenue from the sale of power amounting to Rs. 6,242.65 Cr., whereas the annual audited accounts for FY 2024-25 reflect revenue of Rs. 6,334.25 Cr. The Commission directed the Petitioner to reconcile this difference and clarify the treatment of the unbilled amount of Rs. 91.61 Cr. as per the audited accounts for FY 2024-25. In response, the Petitioner submitted that the provisional revenue of Rs. 91.61 Cr. booked for FY 2024-25 on an accrual basis includes FPPCA of Rs. 27.32 Cr. and Other than FPPCA of Rs. 64.29 Cr.

TABLE 3-49 RECONCILIATION OF REVENUE ACCOUNTS VIS-À-VIS PETITION FOR FY 2024-25 (Rs. Cr.)

Particulars	Amount
Billed Revenue	
FPPCA	497.70
Billing Other than FPPCA	5,750.43
Total Billed Revenue	6,248.13
Accrued Revenue	
FPPCA	27.32
Billing Other than FPPCA	64.29
Total Accrued Revenue	91.61
Total Revenue from Power	6,339.74

The Petitioner has also submitted the certificate of Statutory Auditor for reconciliation of the revenue stated in the Accounts vis-à-vis revenue considered in the truing-up petition for FY 2024-25. In the above certificate, the accrued revenue is mentioned as Rs. 91.61

Cr., which includes other than FPPCA (i.e., unbilled amounts towards revenue gaps/surplus) amount of Rs. 64.29 Cr. and FPPCA amount of Rs. 27.32 Cr.

The Commission observes that similar treatment was considered during truing-up for FY 2023-24 where the Commission had excluded such accrual amounts and considered the billed revenue pertaining to FY 2024-25. Therefore, in accordance with the approach followed in the previous true-up, the Commission has considered the claimed amount of Rs. 6248.13 Cr. towards revenue for FY 2024-25 after excluding the accrual amount of Rs. 91.61 Cr. (FPPCA Rs. 27.32 Cr. + Other than FPPCA Rs. 64.29 Cr.).

The Commission further observes that the Petitioner has considered revenue from sale of power Rs. 6,248.13 Cr. after deducting prompt payment rebate of Rs. 5.49 Cr. which is not in conformity to the JERC MYT tariff Regulations, 2021. As per the Regulations, the total revenue from sale of power for the purpose of truing-up shall be billed amount which does not include prompt payment rebate. Accordingly, the Commission has approved a sum of Rs. 6,248.13 Cr. for truing up for FY 2024-25.

3.24 Standalone Revenue Gap/(Surplus)

Petitioner's Submission:

Based on the ARR and the revenue from retail tariff, the standalone revenue gap of Rs. 190.27 Cr. arrived in the true-up of FY 2024-25.

TABLE 3-50 GAP/(SURPLUS) SUBMITTED BY PETITIONER FOR FY 2024-25 (Rs. Cr.)

Particulars	ARR Order	Petitioner's Submission
Net ARR	5,791.42	6,316.07
Less: Revenue	5,507.56	6,242.65
Less: Revenue to be recovered towards earlier year Gap		116.85
Gap/(Surplus)	283.86	190.27

Commission's Analysis:

The Commission based on the approved ARR and revenue from retail tariff has arrived at the standalone revenue gap/(surplus) for FY 2024-25 as follows:

TABLE 3-51 STANDALONE GAP/(SURPLUS) APPROVED BY COMMISSION FOR FY 2024-25 (Rs. Cr.)

Particulars	Approved by Commission
Net ARR	6287.30
Less: Revenue	6248.13
Add: Gap of FY 2022-23 along with carrying cost	116.85*
Revenue Gap/(Surplus) for FY 2024-25	156.02

**This gap includes Rs 100.73 Crores along with the carrying cost of Rs. 16.12 Crores*

Accordingly, the Commission, in the true-up of FY 2024-25 approves a revenue gap of Rs. 156.02 Cr.

Chapter 4: Consolidated Gap/ Surplus to be Adjusted through Surcharge/ Rebate for FY 2026-27

4.1 Overall Approach

The Commission has already approved the Tariff for each year of the Control Period FY 2025-26 to FY 2029-30 in the MYT Order dated 25th September 2025. Any gap/surplus on account of truing-up is to be adjusted as per the Regulation 16.3 of the MYT Regulations, 2024.

Regulation 9.7 and 16.3 of the JERC MYT Regulations, 2024 states the following:

“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.”

“16.3 The Commission shall determine the tariff of a Generating Company, Transmission Licensee and Distribution Licensee covered under a Multi Year Tariff framework for each Year of the Control Period, within the timelines as specified in Regulation 16, of these Regulations. Provided that no tariff or part of any tariff shall be amended except in respect of any changes expressly permitted under the terms of Fuel and Power Purchase Cost Adjustment Surcharge formula as specified by Regulation 21 of these Regulations. Provided further that the gap or surplus: if any aroused on account of truing up exercise of previous years carried out by the Commission based on the audited accounts of Generating Company or Transmission Licensee or Distribution Licensee, in accordance with Regulation 12 of these Regulations shall be charged separately over and above the approved tariff under surcharges as specified by the Commission.”

4.2 Consolidated Revenue Gap/ (Surplus)

The Commission has approved revenue gap of Rs. 156.02 Cr. for FY 2024-25 including revenue gap of Rs. 100.73 Crore for FY 2022-23 along with carrying cost of Rs. 16.12 Crores from FY 2022-23 to FY 2024-25. The same is to be recovered through surcharge in FY 2024-25. Accordingly, the consolidated revenue gap for FY 2024-25 is as shown in table below:

TABLE 4-1 CONSOLIDATED REVENUE GAP / (SURPLUS) APPROVED FOR FY 2024-25 (RS. CR.)

Particulars	Approved
Consolidated Gap / (Surplus)	156.02

Further, the interest amount of Rs. 16.12 Cr. allowed towards carrying cost against the approved revenue gap of FY 2022-23 shall be considered separately along with carrying cost of consolidated gap in subsequent section.

4.3 Recovery of Revenue Gap / (Surplus) in FY 2026-27

Petitioner's Submission:

Based on the Gap/(Surplus) of FY 2024-25, the Petitioner has computed the cumulative gap/(surplus) as shown in the following table.

TABLE 4-2 CUMULATIVE REVENUE GAP/(SURPLUS) SUBMITTED BY PETITIONER (RS. CR.)

Particulars	Claimed
ARR	6316.06
Revenue	6242.65
Less: Revenue to be recovered from earlier year gap	116.85
Net Revenue	6125.8
Gap / (Surplus)	190.26

The Petitioner has further computed that in order to recover the said revenue Gap / (Surplus), it shall have to levy a surcharge of 3.62% over and above the original surcharge of 5% resulting in a total surcharge of 8.62% during FY 2026-27. The requisite computation is tabulated as follows:

TABLE 4-3 SURCHARGE (%) AS COMPUTED BY THE PETITIONER

Particulars	Claimed
Gap / (Surplus)	190.26
Rate of Interest (SBI MCLR +200 bp (1-4-2024))	9.65%

Particulars	Claimed
Carrying Cost (2024-26)	18.36
Total Annual Gap / (Surplus)	208.62
Opening Gap	311.42
Gap / (Surplus) for FY2024-25	208.62
Estimated recovery from 5% surcharge	311.42
Closing Gap / (Surplus)	208.62
Average gap	260.02
Rate of Interest (SBI MCLR +200 bp (1-4-2025))	10%
Carrying Cost	26.00
Total Cumulative Gap	234.63
Estimated Revenue for FY 2026-27 at approved Tariff	6485.25
Surcharge Proposed	3.62%

Commission's Analysis:

The Commission has approved a consolidated revenue gap of Rs. 156.02 Cr. based on the true-up of FY 2024-25 in this Order.

Further, the Commission observes that the Petitioner has carried forward the gap/(Surplus) of the true-up for recovery in FY 2026-27 along with carrying cost.

As per Regulation 12.5 (C) of the JERC MYT Regulations, 2024 stipulates the following:

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

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 which such gap has become due till 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 for the period from which such surplus has become due, till 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 maybe, applicable as on 1st April of the relevant Year plus 100 basis points."

From above, it is evident that the gap/(surplus) of previous years true-up has to be carried forward into the ensuing years ARR along with carrying cost in which such gap/(surplus) shall be recovered along with the retail tariff. Accordingly, the Commission has carried forward Gap/(surplus) of FY 2024-25 along with carrying cost. Since the Petitioner has not borrowed any loan, therefore the Commission allows Carrying Cost on simple interest basis at one (1) Year State Bank of India (SBI) MCLR, as on 1st April of the relevant financial year plus 100 basis points. Accordingly, the Commission determines the carrying cost as shown in the table below:

TABLE 4-4 COMPUTATION OF CARRYING COST AS APPROVED BY THE COMMISSION

Particulars	Approved
(Gap)/Surplus for FY 2024-25	(156.02)*
Carrying cost for FY 2024-25 (half year)	(6.75)
Carrying Cost for FY 2025-26 (full year)	(13.99)
Carrying Cost for FY 2026-27 (half year)	(6.78)
Cumulative (Gap)/Surplus	(183.54)

*Interest is calculated the amount (Rs 156.02 Cr – Rs. 16.12 Cr) excluding the carrying cost of Rs. 16.12 Cr.

As derived from above, the resultant revenue gap on account of truing-up for FY 2024-25 along with carrying cost is Rs. 183.54 Cr.

4.4 Treatment of the Cumulative Gap/Surplus) and Tariff Design

As derived from above, the resultant cumulative revenue gap on account of truing-up for FY 2024-25 is Rs. 156.02 Cr along with carrying cost. The Commission had in its Order dated 25.09.2025 in Petition no. 145 of 2025 had trued-up FY 2023-24 and approved recovery of revenue gap over 18 months to be recovered as Regulatory Surcharge of 5.00% over and above the approved tariff for FY 2025-26 and FY 2026-27 as below:

“.....As per the Regulations, the gap/(surplus) of trued-up year shall be recovered as Regulatory Surcharge over and above tariff of ensuing years. For FY 2025-26, six (6) months have already passed. Therefore, considering balance period of only six (6) Months in FY 2025-26, the Commission deems fit to apportion the recovery over 18 Months i.e. 6 months for FY 2025-26 and 12 months of FY 2026-27, to avoid tariff shock to the retail consumers. Thus, in accordance with above clause, the gap along with the carrying cost is allowed to be recovered as Regulatory Surcharge of 5.00% over and above the approved tariff for FY 2025-26 and FY 2026-27 from the date on which this Tariff Order comes into effect.”

The Commission observes that the Petitioner shall be recovering 5.00% as Regulatory Surcharge during FY 2026-27 corresponding to the approved revenue gap based on true-up of FY 2023-24. Further, the Commission has approved an amount of Rs. 183.54 Cr. towards revenue gap based on truing-up for FY 2024-25 along with carrying cost from FY 2024-25 to FY 2026-27. As per the Regulations, the gap/(surplus) of trued-up year shall be recovered as Regulatory Surcharge over and above tariff of ensuing years. Thus, in accordance with clause 9.7 and 16.3 of the Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2024, the gap along with the carrying cost to be allowed to be recovered as Surcharge for full year of FY 2026-27 comes to 2.83%.

However, the Commission understands that the current tariff order shall be applicable from 1st July 2026, hence, to recover the full amount in 9 months, such surcharge is recomputed as 3.77 %. Hence, the Commission approves to recover the gap of trued-up year FY 2024-25 along with carrying cost totalling Rs. 183.54 Cr. at 3.77% in 9 months

with effect from 1st July 2026. It is to be noted that the Surcharge shall be in addition to the approved Regulatory surcharge of 5.00% approved in the previous tariff order. Therefore, the total Tariff Surcharge is 8.77% for the period of 9 Months w.e.f. 1st July 2026.

TABLE 4-5 SURCHARGE APPROVED BY THE COMMISSION

Particulars	UoM	Approved
Approved Cumulative Gap	Rs. Cr.	183.54
Estimated Revenue for FY 2026-27	Rs. Cr.	6,485.25
Surcharge	%	2.83%
Surcharge considering 9 months of recovery period	%	3.77%

It is noted that the surcharge of 8.77% shall be levied from the consumers strictly upto 31st March, 2027 only.

Chapter 5: Directives

5.1 Earlier Directives

Directive No. 1 Provision of estimated (Gap)/Surplus under IND AS 115

Originally issued in Tariff Order dated September 25, 2025

The Commission finds that the booking of provision on the gap/surplus, without specific approval of the Commission is not appropriate as the true-up exercise is carried out by the Commission after prudence check of the audited accounts as per the provision of the relevant regulation. Therefore, the Petitioner is directed to maintain separate regulatory accounts where no such provision should be maintained as an estimated (gap)/surplus.

Petitioner's Submission in Present Petition:

The Petitioner had submitted that the revenue and financial accounts is booked as per IND-AS 115, following the revenue recognition and matching principles. The expenses and related revenue are recorded in the same accounting year. Accordingly, DNHDDPDCL had also submitted the certificate from statutory auditor for reconciliation of the revenue stated in the accounts vis-a-vis revenue considered in the tariff petition.

DNHDDPDCL further highlighted that the same is industry practice being followed by the utilities, including the transmission company in Union Territory of Dadra and Nagar Haveli and Daman and Diu. DNHDDPDCL had also submitted that the Ministry of Power, vide its notification dated 25th September 2025, had issued the Electricity Distribution (Accounts and Additional Disclosure) Rules, 2025, which mandate uniform accounting practice and financial & operational disclosure for distribution companies. The Ministry of Power Rules mandate the recognition of regulatory deferral account balances or income recoverable from future tariffs. In turn, DNHDDPDCL is required to maintain the accounts in line with the Ministry of Power rules.

Commission's Directive:

The Commission has noted the response of the Petitioner and accordingly drops this directive.

Directive No. 2 Actual interest on consumer security deposit

Originally issued in Tariff Order dated September 25, 2025

The Petitioner is directed to disclose actual Interest paid on consumer security deposit in its Balance Sheet henceforth.

Petitioner's Submission in Present Petition:

The Petitioner submitted that the accounting statements are being prepared as per accounting standard. However, the Petitioner has claimed interest on security deposit on actual paid basis only in the true-up of FY 2024-25.

Commission's Directive:

The Commission noted the submission of the Petitioner and accordingly drops this directive.

5.2 New Directives

Directive 1: Updation on outcome of cases with respect to RGPPL and NTPC gas stations

With regard to the gas-based generating stations of NTPC (Kawas and Gandhar) and RGPPL, the Commission notes that the Petitioner is making payments under protest, and the matters are presently sub judice. Accordingly, the Petitioner is directed to apprise the Commission of the outcome on final adjudication along with consequent financial implications during appropriate true-up proceedings.

Directive 2: Petition for PPA approval for 2.673 MW Solar power plant

It is observed that the Petitioner has drawn power from 2.673 MW solar plant installed by the UT Administration during FY 2024-25 for which the Power Purchase Agreement (PPA) is yet to be filed before the Commission for approval. The Petitioner is directed to take appropriate steps including coordination with the generator to seek approval of the tariff for procurement of power from the said power plant prior to signing of the PPA.

Directive 3: Procurement of assets through Competitive bidding

The Petitioner is directed to undertake all procurements through a competitive bidding process in accordance with JERC (Transmission and Distribution Licensing) Regulations, 2020.

Directive 4: Fixed Asset Register

The Petitioner is directed to incorporate the functional location (location description) of all assets/elements in the Fixed Asset Register (FAR). Further, the FAR should include the

asset-wise depreciated value/book value of each asset to facilitate accurate identification and accounting.

Annexures

Annexure 1: List of Stakeholders/public attended Public Hearing

The following is the list of the Stakeholders who attended the Public Hearing on 9th & 16th April 2026.

TABLE ANNEXURE-1 LIST OF STAKEHOLDER

Sr. No.	Name of persons (Mr./Mrs.)
1.	Tulsidas Bamaniya
2.	Ramesh. D Patel
3.	Mitesh Lad
4.	Dilip Jha
5.	Mukesh Patel
6.	Mithun Dhal
7.	Wilson Ajick
8.	Rahul P. Dhodi
9.	Rajesh Shukla
10.	Manish Kurkutiya
11.	Pankaj Bhathela
12.	Dhirubhai R. Dhodi
13.	Parvin Dhodi
14.	Faheem Khan
15.	Sandeep Chauhan
16.	Pavan Agarwal
17.	Chandrain Loha
18.	Khalpa Bha
19.	Shailesh Patel
20.	Hiral Patel
21.	Kenal Patel
22.	Manilal B. Par
23.	Rajesh Patel
24.	Mukesh Gosavi
25.	SP Tiwari
26.	Sunil Ijari
27.	Sanjay Singh
28.	Narendra Trivedi
29.	Atul Shah
30.	Satyendra Kumar
31.	Pareesh Gajjar
32.	Girish Vaghela
33.	Kiran Joshi
34.	Khusman Dhimar
35.	H.B Panchal

Sr. No.	Name of persons (Mr./Mrs.)
36.	Shashikant Ved Pathak
37.	Umeshbhai Patel
38.	Tulsidas Bamaniya