# COMMISSION'S ORDER IN

## HERC / Petition No. 69 of 2023
## &
## HERC / Petition No. 70 of 2023

## IN THE MATTER OF

## TRUE-UP FOR THE FY 2022-23, ANNUAL (MID-YEAR) PERFORMANCE REVIEW FOR THE FY 2023-24, AGGREGATE REVENUE REQUIREMENT OF UHBVNL AND DHBVNL AND DISTRIBUTION & RETAIL SUPPLY TARIFF FOR THE FY 2024-25.

**05.03.2024**

**HARYANA ELECTRICITY REGULATORY COMMISSION**
**BAYS 33-36, SECTOR-4, PANCHKULA-134112, HARYANA**
**https://herc.gov.in**

**IN THE MATTER OF**

**ARR Petition for the FY 2024-25, Annual Performance Review for the FY 2023-24, and True-up for FY 2022-23, under HERC (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations 2019 and Section 45, 46, 47, 61, 62, 64 & 86 of the Electricity Act 2003 read with the relevant guidelines, by Uttar Haryana Bijli Vitran Nigam Ltd and Dakshin Haryana Bijli Vitran Nigam Ltd.**

**Petitioner(s)**

Uttar Haryana Bijli Vitran Nigam Limited (UHBVNL)
Dakshin Haryana Bijli Vitran Nigam Limited (DHBVNL)

**Present on behalf of the Petitioner (UHBVNL)**

1. Sh. Anurag Nanchahal, CFO/UHBVNL
2. Sh. Amit Gupta, IDAS, Director/Finance UHBVNL
3. Sh. Ashwani Kumar Raheja, Director OP
4. Sh. B.S. Kamboj, XEN- RA
5. Sh. Deepak Popli, SE, Commercial, Panchkula
6. Sh. Anil Kumar,AO, UHBVNL
7. Sh. Mohit Kumar, Sr. AO, UHBVNL

**Present on behalf of the Petitioner (DHBVNL)**

1. Sh. Rattan Kumar Verma, Director/Finance
2. Sh. Naresh Kumar Mehta, FA/HQ
3. Er. K. D. Bansal, SE/RA
4. Smt. Sushila Kumari, CAO
5. Urmila Grewal, XEN/RA

**Present on behalf of the Intervenor**

Sh. Varun Sharma, advocate for BPCL, IOCL & HPCL (Marketing Companies)

**QUORUM**

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| Shri Nand Lal Sharma | Chairman |
| Shri Naresh Sardana | Member |
| Shri Mukesh Garg | Member |

# ORDER

The Haryana Electricity Regulatory Commission (hereinafter referred to as 'the Commission' or HERC), in exercise of the powers vested in it under section 61, 62 and 86 of the Electricity Act, 2003 read with section 11 of the Haryana Electricity Reforms Act, 1997 and all other enabling provisions in this behalf, passes this Order determining the True-up of the ARR for the FY 2022-23, Annual (Mid-year) Performance Review for the FY 2023-24, Aggregate

Revenue Requirements and distribution and retail supply tariff of UHBVNL and DHBVNL for their Distribution and Retail Supply Business under MYT framework for the FY 2024-25 in accordance with the provisions of the Haryana Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Generation Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2019 including its subsequent amendments (hereinafter referred to as MYT Regulations,2019).

The Commission, while passing order in the present case(s), has considered the Petition(s) filed by the Distribution Licensees viz. UHBVNL and DHBVNL along with the additional submissions made by Discoms, and in the public consultation process, and all other relevant material including:-

1. Subsequent filings/additional data provided by them including filings made by the two distribution licensees in response to the various queries of the Commission
2. Objections received from various organisations and individuals
3. Reply/comments furnished by UHBVNL and DHBVNL on the objections filed.
4. State Advisory Committee (SAC) meeting held on 09.02.2024.
5. Relevant data / facts / policies available in the Commission and in public domain.
6. Feedback received in the public hearing held at Panchkula

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# CHAPTER 1

# INTRODUCTION

## 1.1 Brief Background

The distribution licensees (Discoms) responsible for distribution and retail supply of electricity to the consumers in Haryana are Uttar Haryana Bijli Vitran Nigam (UHBVNL) and Dakshin Haryana Bijli Vitran Nigam (DHBVNL). The distribution and retail supply tariff determined by the Commission in the Northern circles of Haryana i.e., licensed area of UHBVNL and Southern circles of Haryana i.e., the licensed area DHBVNL are the same. Hence, the Commission has considered it appropriate to dispose of their respective petition(s) for True-up of FY 2022-23, Annual Performance Review (APR) Petition for FY 2023-24 and Aggregate Revenue Requirement of FY 2024-25 vide the present common order.

It has been submitted that the Discoms have filed their respective petition(s) for Truing up of ARR for FY 2022-23, Annual Performance Review for FY 2023-24 and Aggregate Revenue Requirement for FY 2024-25 is in accordance with the provisions of the HERC MYT Regulations, 2019 as amended from time to time.

That the Hon'ble Commission notified the MYT Regulations for the first 'Control Period', from FY 2014-15 to FY 2016-17, on 5th December 2012 as HERC (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2012 (hereafter MYT Regulation 2012), with subsequent amendments, the span of first MYT Period was extended to FY 2019-20.

That on 31st October 2019, the Hon'ble Commission notified the MYT Regulations for the second 'Control Period' from the FY 2020-21 to FY 2024-25 i.e., HERC (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2019 (hereafter MYT Regulation 2019). The said Regulations were subsequently amended and the amended Regulations were notified on 25th November, 2019 (1st amendment), 31st January, 2022 (2nd amendment) and 12th April, 2023 (3rd amendment).

## 1.2 Present Petition

That the licensee(s) have submitted that the instant petition is for determination of Truing up of the ARR for the FY 2022-23, Annual Performance Review for the FY 2023-24 and Aggregate Revenue Requirement and distribution retail supply tariff for the FY 2024-25 submitted by UHBVNL and DHBVNL for approval of expenses of respective years and is prepared in accordance with the provisions of the following Acts/Policies/Regulations: -

a) The Electricity Act 2003;
b) National Electricity Policy;
c) National Tariff Policy;
d) HERC (Terms and Conditions for Determination of Tariff for Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2019 as amended from time to time;
e) HERC (Terms and conditions for grant of connectivity and open access for intra-State transmission and distribution system) Regulations, 2012 and amendments thereof.

It has been averred that the Discoms have made their best efforts in compiling the information for Truing up of ARR for FY 2022-23, Annual Performance Review for FY 2023-24 and Aggregate Revenue Requirement for FY 2024-25. It has been ensured that the information submitted for ARR calculation of relevant year is free from material errors and is consistent with relevant MYT Regulations. However, in case any deficiency is noticed in the collation of information, the Discoms have prayed that the Hon’ble Commission may accept the current petition and allow UHBVNL and DHBVNL to file additional submissions to rectify any such deficiencies and to provide the requisite information as may be desired by the Hon’ble Commission.

## 1.3 Principles of True up for FY 2022-23

That the Hon'ble Commission in exercise of the powers conferred upon it under Section 181 of the Electricity Act 2003 has notified the HERC (Terms and conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff framework) Regulations, 2019 for second control period from FY 2020-21 to FY 2024-25 on 31st October 2019, as amended the same from time to time.

That the HERC (Terms and conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff framework)

Regulations, 2019 has come into force from 1st April 2020 and shall remain effective till 31st March 2025.

That, subsequently, the Hon'ble Commission has issued the 1st amendment of the HERC MYT Regulations, 2019 on 25th November 2019 & 2nd amendment of the MYT Regulations, 2019 on 31st January 2019 and 3rd amendment of the MYT Regulations, 2019 on 12th April, 2023. In line with the provisions of the MYT Regulation 2019, the Hon'ble Commission has published the Tariff Order on Aggregate Revenue Requirement (ARR) & Retail Supply Tariff for FY 2022-23 on 30.03.2022.

That Regulation 13 of the HERC MYT Regulations,2019 stipulates that truing up of ARR of the previous year is to be carried out along with the mid-year performance review of each year of the control period.

That truing up of 'uncontrollable' items and 'controllable' items (subjected to force majeure conditions or variations attributable to uncontrollable factors) are adjusted appropriately in the ARR's of the ensuing year through tariff resetting. The relevant extract of the HERC MYT Regulations, 2019 as cited by the petitioner(s) is reproduced below:

*"13. TRUING-UP*

*13.1 Truing-up of the ARR of the previous year shall be carried out along with mid-year performance review of each year of the control period only when the audited accounts in respect of the year(s) under consideration is submitted along with the application. In case audited accounts pertaining to the year, of which truing-up is to be undertaken, are not available, the generating company or the licensee as the case may be, shall submit the provisional account duly approved by the Board of Directors of the company/licensee.*

*13.2 Truing-up of 'uncontrollable' items shall be carried out at the end of each year of the control period through tariff resetting for the ensuing year and for controllable items shall be done only on account of force majeure conditions and for variations attributable to uncontrollable factors.*

*13.3 The Commission shall allow carrying costs for the trued–up amount (positive or negative) at the interest rates specified in these Regulations by adjusting the interest allowed on the working capital requirement for the relevant year of the control period.*

*Upon completion of the mid-year performance review and truing up in accordance with these regulations, the Commission shall pass an order recording:*

*(a) The revised ARR for such financial year including approved modifications, if any;*

*(b) Holding cost for under/over recovered amount from the close of the relevant year and upto the middle of the ensuing year of the control period whereupon the trued-up amount has been adjusted by appropriate resetting of tariff in accordance with*

*regulation 13.4, calculated as additional borrowing for working capital for that period.*

*Provided that no carrying cost shall be allowed on account of delay in filing for true-up due to unavailability of the audited accounts.*

*13.4 Over or under recoveries of trued-up amount in previous year(s) of the control period shall be allowed to be adjusted in the ensuing year of the control period by appropriate resetting of tariff. The unrecovered amount in the one control period shall be adjusted in the subsequent control period."*

That in line with the above, True-up proposal for Aggregate Revenue Requirement for the FY 2022-23 has been worked out based on the actual expenses incurred by Discoms as per the audited annual accounts of the FY 2022-23, has been submitted for approval of the Hon'ble Commission.

As per Regulation 8.3.8 (titled as "Controllable and Uncontrollable Items of ARR"), and Regulation 12 (titled as "Incentive and Penalty Framework") of the HERC MYT Regulations 2019, the audited annual expenditures for the FY 2022-23 are trued up and the adjustment in the ARR approved in Tariff Order dated 30th March 2022 will pass on along with the carrying cost/ Holding Cost into the ARR of the ensuing year i.e. FY 2024-25.

**1.4 Summary of True up of FY 2022-23 (UHBVNL & DHBVNL)**

Summary of expenses approved by the Hon'ble Commission vis-à-vis the actual expenses of UHBVNL and DHBVNL for the FY 2022-23, as submitted by the Discoms, is as under:

**True up of Expenses for FY 2022-23 of UHBVNL (Rs. Crore)**

| Sr. No | Particulars | HERC Approved for FY22-23 (A) | Actual (Audited) (B) | Difference (B-A) |
|---|---|---|---|---|
| **1** | **Total Power Purchase Expense** | **10,977.94** | **15,951.59** | *4,973.65* |
| **1.1** | *Power Purchase Expense* | *9,018.20* | *13,668.06* | *4,649.86* |
| **1.2** | *Interstate transmission Charges* | *945.02* | *1,045.30* | *100.28* |
| **1.3** | *Intrastate transmission charges and SLDC charges* | *1,014.72* | *961.76* | *-52.96* |
| **1.4** | *Impact of sharing and gains of distribution losses* | - | *276.46* | *276.46* |
| **2** | **Operations and Maintenance Expenses** | **1,630.94** | **1,693.66** | *62.72* |
| **2.1** | *Employee Expense* | *859.41* | *857.53* | *-1.88* |
| **2.2** | *Administration & General Expense* | *112.85* | *199.15* | *86.30* |
| **2.3** | *Repair & Maintenance Expense* | *158.69* | *93.72* | *-64.97* |
| **2.4** | *Terminal Liability* | *500.00* | *543.25* | *43.25* |
| **3** | **Depreciation** | **414.53** | **374.60** | *-39.93* |
| **4** | **Interest & Finance Charges** | **336.16** | **410.21** | *74.05* |

| Sr. No | Particulars | HERC Approved for FY22-23 (A) | Actual (Audited) (B) | Difference (B-A) |
|---|---|---|---|---|
| | *Interest on WC loans including CC/OD limits* | 71.94 | 109.56 | *37.62* |
| | *Interest on CAPEX loans* | 159.61 | 249.84 | *90.23* |
| | *Interest on Consumer Security Deposit* | 69.71 | 61.64 | *-8.07* |
| | *Guarantee Fees / Interest on other Bonds* | 34.90 | 24.98 | *-9.92* |
| | *Less: Interest Capitalized* | | -35.8) | *-35.82* |
| **5** | **Return on Equity Capital** | **250.33** | **238.31** | *-12.02* |
| **6** | **Other Expenses** | **-** | **9.94** | *9.94* |
| **7** | **Total Expenditure** | **13,609.90** | **18,678.31** | *5,068.41* |
| *8* | *Less: Non-Tariff Income* | *221.56* | *116.27* | *-105.29* |
| **9** | **Net Aggregate Revenue Requirement** | **13,388.34** | **18,562.04** | *5,173.70* |

**True Up of Expenses of DHBVNL for FY 2022-23 (Rs. Crore)**

| Sr. | Particulars | HERC Approved (A) | Actual (Audited) (B) | Difference (B-A) |
|---|---|---|---|---|
| **1** | **Total Power purchase cost** | **15,110.94** | **22,760.95** | **7,705.08** |
| *1.1* | *Power Purchase Expenses* | *12,509.96* | *20,007.00* | 7,497.04 |
| *1.2* | *Interstate transmission charges* | *1,384.75* | *1,342.93* | - 41.82 |
| *1.3* | *Intrastate transmission charges and SLDC charges* | *1,216.23* | *1,130.43* | -85.80 |
| *1.4* | *Sharing of Gain/losses in Power Purchase Cost* | - | *280.58* | |
| **2** | **Operations and Maintenance Expenses** | **1,855.98** | **1,974.46** | **118.48** |
| *2.1* | *Employee Expense (Net of Capitalization)* | *1,072.88* | *984.89* | *- 87.99* |
| *2.2* | *Administration & General Expense (Net of Capitalization)* | *145.77* | *160.74* | *14.97* |
| *2.3* | *Repair & Maintenance Expense* | *194.43* | *131.06* | *- 63.37* |
| *2.4* | *Terminal Liability* | *442.88* | *697.77* | *254.87* |
| 3 | Depreciation | 446.92 | 347.75 | - 99.17 |
| 4 | Total Interest & Finance Charges | 427.02 | 362.61 | - 123.40 |
| 5 | Return on Equity Capital | 236.75 | 211.69 | 59.62 |
| 6 | Other Expenses (Debits & Prior period Expenses) | - | 17.67 | 17.67 |
| **7** | **Total Expenditure** | **18,077.61** | **25,675.13** | **7,678.28** |
| 8 | Less: Non-Tariff Income | 307.66 | 267.52 | - 40.14 |
| **9** | **Net Aggregate Revenue Requirement** | **17,769.95** | **25,407.62** | **7,718.43** |
| **10** | **Total Revenue** | | **16,528.41** | |
| *10.1* | *Revenue from Interstate sales* | | *499.55* | |
| *10.2* | *Revenue from Intrastate sales / Sale of Power* | | *16,028.86* | |
| **11** | **Revenue Surplus/(Gap)** | | **-8,879.20** | |
| *11.1* | *Less: Subsidy from Govt. of Haryana for AP consumers* | | *3,327.54* | |
| *11.2* | *Less: Subsidy from Govt. of Haryana for others* | | *269.64* | |
| *12.3* | *Less: FSA Recovered* | | - | |
| **12** | **Gap After AP Subsidy** | | **-5,282.03** | |

The net revenue gap for Haryana Discoms for the FY 2022-23, after considering the actual expenditure as per the audited accounts for FY 2022-23 and revision of Agriculture Tube Well Sales and RE Subsidy thereto, as proposed by the Discoms, is as under: -

**Proposed Revenue Gap of Haryana (UHBVNL and DHBVNL) in True up for FY 2022-23 (Rs Crore)**

| Sr. no | Parameter | HERC Approved | UHBVNL | DHBVNL | Haryana |
|---|---|---|---|---|---|
| **1** | **ARR of Discoms** | **31,158.29** | **18,562.04** | **25,407.62** | **43,969.66** |
| **2** | **Total Income of Discoms** | **30,735.58** | **14,807.50** | **20,125.58** | **34,933.08** |
| *a* | *Sale of Power* | 24,684.89 | 11,536.80 | 16,028.86 | 27,565.66 |
| *b* | *Interstate Sales* | - | 325.27 | 499.55 | 824.82 |
| *d* | ***Subsidy*** | **6,050.69** | **2,945.43** | **3,597.17** | **6,542.60** |
| | - AP Subsidy | 6,050.69 | 2,722.54 | 3,327.54 | 6,050.08 |
| | - Domestic & Industry (C&D) subsidy | | 222.89 | 269.64 | 492.53 |
| 3 | **Revenue Surplus/(Gap)** | **-422.71** | **-3,754.54** | **-5,282.03** | **-9,036.58** |
| | FSA | - | 3,127.49 | 4,544.84 | 7,672.33 |
| | Surplus on true-up of FY 2020-21 including holding cost | 501.74 | - | - | - |
| | **Net Revenue Surplus/(Gap) to be carried over to ARR year (FY 2024-25)** | **79.03** | **-627.06** | **-737.19** | **-1,364.25** |

The Discoms have submitted that the net revenue gap of UHBVNL in the FY 2022-23 is Rs. 3,754.55 Crore and DHBVNL is Rs. 5,282.03 Crore. As evident from the table above, UHBVNL and DHBVNL have further considered Rs. 3,127.49 Crore and Rs. 4,554.84 Crore ly respective on account of FSA Receivable (to be recovered in future years) and has accordingly computed a combined revenue gap of Rs. 1364.25 Crore. In view of the above position, the Discoms have prayed that the Commission may consider the combined revenue gap of Rs. 1,364.25 Crore (Rs. 627.06 Crore of UHBVNL and Rs. 737.19 Crore of DHBVNL) as submitted in table above for FY 2022-23 and the same may be allowed. The Discoms have further requested that the 'trued up' amount may be allowed to be carried forward in the ARR for the FY 2024-25. Further, the FSA receivable component to be recovered in future years shall be accounted separately and shall be considered to be part of the Revenue for the FY 2022-23 only.

In view of the above submissions, the distribution licensee(s) have prayed that this Hon'ble Commission may consider and approve the net revenue gap as worked out in the table above for the FY 2022-23 and the same may be carried forward in the ARR for the FY 2024-25.

### 1.5 Annual Performance Review for FY 2023-24 (APR UHBVNL & DHBVNL)

The revised estimate of UHBVNL and DHBVNL of the Aggregate Revenue Requirement for the APR year, as submitted by the Discoms, is as follows: -

**UHBVNL - Aggregate Revenue Requirement for FY 2023-24 (Rs. Crore)**

| Sr. No | Particulars | HERC Approved | Revised Estimates | Difference |
|---|---|---|---|---|
| **1** | **Total Power Purchase Expense** | **13,990.30** | **14,807.95** | 817.65 |
| 1.1 | *Power Purchase Expense* | 11,931.85 | 12,984.26 | 1,052.41 |
| 1.2 | *Interstate transmission Charge* | 1,013.54 | 908.21 | -105.33 |
| 1.3 | *Intrastate transmission charges and SLDC charges* | 1,044.91 | 915.49 | -129.42 |
| **2** | **Operations and Maintenance Expenses** | **1,816.64** | **1,811.28** | -5.36 |
| 2.1 | *Employee Expense* | 1,018.99 | 967.14 | -51.85 |
| 2.2 | *Administration & General Expense* | 162.58 | 214.33 | 51.75 |
| 2.3 | *Repair & Maintenance Expense* | 185.07 | 179.81 | -5.26 |
| 2.4 | *Terminal Liability* | 450.00 | 450.00 | 0.00 |
| **3** | **Depreciation** | **462.66** | **425.69** | -36.97 |
| **4** | **Total Interest & Finance Charges** | **323.36** | **470.58** | 147.22 |
| 4.1 | Interest on CAPEX loans | 105.48 | 172.82 | 67.34 |
| 4.2 | *Interest on WC loans including CC/OD limits* | 116.39 | 150.28 | 33.89 |
| 4.3 | *Interest Cost on Consumer Security Deposit* | 66.59 | 112.58 | 45.99 |
| 4.4 | *Other Interest & Finance Charges* | 34.90 | 34.90 | 0.00 |
| **5** | **Return on Equity Capital** | **277.67** | **305.20** | 27.53 |
| **7** | **Total Expenditure** | **16,870.63** | **17,820.70** | 950.07 |
| 8 | *Less: Non-Tariff Income* | 278.43 | 278.43 | 0.00 |
| **9** | **Net Aggregate Revenue Requirement** | **16,592.20** | **17,542.27** | 950.07 |

**DHBVNL - Aggregate Revenue Requirement for FY 2023-24 ( Rs. Crore)**

| S.No. | Particulars | APR | | |
|---|---|---|---|---|
| | | FY 2023-24 | | |
| | | HERC Approved | Projected | Difference |
| **1.0** | **Power Purchase Expenses** | **18,960.86** | **21,421.67** | 2,460.81 |
| *1.1* | *Power Purchase Cost* | *16,351.48* | *18,772.43* | 2,420.95 |
| *1.2* | *Transmission Charges* | *1,388.96* | *1,324.86* | -64.10 |
| *1.3* | *Transmission Charges & SLDC* | *1,220.41* | *1,324.38* | 103.97 |
| **2.0** | **Operation & Maintenance Expenses** | **2,200.99** | **2,276.49** | 75.50 |
| *2.1* | *Employee Expenses (net)* | *1,271.32* | *1,175.85* | -95.47 |
| *2.2* | *Administration & General Expenses (net)** | *144.34* | *171.78* | 27.44 |
| *2.3* | *Repair & Maintenance Expenses* | *235.33* | *231.10* | -4.23 |
| *2.4* | *Terminal Benefits* | *550.00* | *697.77* | 147.77 |
| **3.0** | **Depreciation** | **452.20** | **510.32** | 58.12 |
| **4.0** | **Interest & Finance Charges** | **473.99** | **605.20** | 131.21 |
| *4.1* | *Interest on Long Term Loan* | *154.59* | *165.51* | 10.92 |
| *4.2* | *Interest on Working Capital* | *186.95* | *179.81* | -7.14 |
| *4.4* | *Interest on Consumer Security Deposit* | *100.06* | *185.45* | 85.39 |
| *4.5* | *Other Interest & Finance Charges* | *8.40* | *24.17* | 15.77 |
| *4.9* | *Guarantee Fee* | *24.00* | *50.26* | 26.26 |

| S.No. | Particulars | APR | | |
|---|---|---|---|---|
| | | FY 2023-24 | | |
| | | HERC Approved | Projected | Difference |
| 5 | Return on Equity Capital | **285.13** | **271.72** | -13.41 |
| 6 | Prior period expenses & other expenses | 0 | 0 | 0 |
| 7 | Other Debts, (including wealth tax) | 0 | 0 | 0 |
| 8 | Provisions for bad and doubtful debt | 0 | 93.24 | 93.24 |
| **9** | **Aggregate Revenue Requirement** | **22,373.16** | **25,178.64** | 2805.48 |
| 10 | Less: Non-Tariff Income | 279.22 | 308.61 | 29.39 |
| **11** | **Net Aggregate Revenue Requirement** | **22,093.94** | **24,870.03** | 2776.09 |

The distribution licensee(s) have averred that, based on the revised estimates for Aggregate Revenue Requirement of the Haryana Discoms and estimated revenue at the existing tariff, details of revenue gap for the APR year is as under: -

**UHBVNL and DHBVNL Revenue Gap for FY 2023-24 (Rs Crore)**

| Sr. no | Particulars | HERC Approved | UHBVNL | DHBVNL | Haryana |
|---|---|---|---|---|---|
| **1** | **Aggregate Revenue Requirement** | **38,686.15** | **17,542.27** | **24,870.03** | **42,412.30** |
| *1.1* | *ARR-UH* | *16,592.20* | *17,542.27* | | *17,542.27* |
| *1.2* | *ARR-DH* | 22,093.95 | | 24,870.03 | *24,870.03* |
| **2** | **Revenue for Discoms** | **30,944.11** | **16,541.37** | **23,528.37** | **40,069.74** |
| *2.1* | Sale of Power | 30,944.11 | 12,545.78 | 18,648.25 | *31,194.03* |
| *2.2* | Inter State Sales | - | 350.00 | 889.36 | *1,239.36* |
| *2.3* | Revenue from FSA of FY 24 | - | 760.62 | 1,105.79 | *1,866.41* |
| *2.4* | Subsidy from GoH | 5,769.94 | 2,884.97 | 2,884.97 | 5,769.94 |
| 3 | **Revenue Surplus/(Gap)** | **-1,972.10)** | **-1,000.90** | **-1,341.66** | **-2,342.56** |
| 4 | Revenue (Gap)/Surplus of FY 2021-22* | | | | 1844.87 |
| 5 | Holding Cost @ 8.5% for 1.5 Year | | | | 235.22 |
| **6** | **Revenue Surplus/(Gap) to be carried over** | | | | **-262.47** |

In view of the above, the petitioner(s) have prayed that the revenue gap of Rs. 262.47 Crore for the FY 2023-24 for APR year as per the detail presented above may be allowed and adjusted appropriately in the relevant year.

### 1.6 Aggregate Revenue Requirement (ARR) for FY 2024-25

The distribution licensee(s) i.e. UHBVNL and DHBVNL have submitted that the ARR for the FY 2024-25 is based on the audited accounts of the FY 2022-23 and revised estimates for the FY 2023-24. The aggregate revenue requirement, as per the petition(s) filed by them, is presented below:-

**UHBVNL - Aggregate Revenue Requirement for FY 2024-25 (Rs Crore)**

| Sr. No | Particulars | FY 2024-25 |
|---|---|---|
| 1 | Total Power Purchase Expense | **14,218.48** |
| *1.1* | *Power Purchase Expense* | 12,293.34 |
| *1.2* | *Interstate transmission Charge* | 957.72 |
| *1.3* | *Intrastate transmission & SLDC* | 967.42 |
| 2 | Operations and Maintenance Expense | **2,146.60** |
| *2.1* | *Employee Expense* | 1,277.50 |
| *2.2* | *Administration & General Exp.* | 228.34 |
| *2.3* | *Repair & Maintenance Expense* | 190.75 |
| *2.4* | *Terminal Liability* | 450.00 |
| 3 | Depreciation | **453.94** |
| 4 | Total Interest & Finance Charges | **464.39** |
| *4.1* | *Interest on CAPEX loans* | 173.44 |
| *4.2* | *Interest on Working Capital incl. CC* | 130.87 |
| *4.3* | *Interest on Consumer Security Deposit* | 125.18 |
| *4.4* | *Other Interest and Finance charges* | 34.90 |
| 5 | Return on Equity Capital | **328.66** |
| **6** | **Total Expenditure** | **17,612.06** |
| 7 | *Less: Non-Tariff Income* | 278.43 |
| **8** | **Net Aggregate Revenue Requirement** | **17,333.63** |

**DHBVNL Aggregate Revenue Requirement for FY 2024-25 (Rs. Crore)**

| S. No. | Particulars | ARR FY 2024-25 Projected |
|---|---|---|
| **1.0** | **Power Purchase Expenses** | ***20,347.52*** |
| *1.1* | *Power Purchase Cost* | *17,581.01* |
| *1.2* | *Transmission Charges* | *1,382.07* |
| *1.3* | *Transmission Charges & SLDC* | *1,384.44* |
| **2.0** | **Operation & Maintenance Expenses** | **2,476.48** |
| *2.1* | *Employee Expenses (net)* | *1,344.85* |
| *2.2* | *Administration & General Expenses (net)* | *183.57* |
| *2.3* | *Repair & Maintenance Expenses* | *250.29* |
| *2.4* | *Terminal Benefits* | *697.77* |
| **3.0** | **Depreciation** | **545.15** |
| **4.0** | **Interest & Finance Charges** | **623.73** |
| *4.1* | *Interest on Long Term Loan* | *197.19* |
| *4.2* | *Interest on Working Capital* | *152.75* |
| *4.3* | *Interest on Consumer Security Deposit* | *198.77* |
| *4.4* | *Other Interest & Finance Charges* | *25.01* |
| *4.5* | *Guarantee Fee* | *50.00* |
| 5 | Return on Equity Capital | 291.89 |
| 6 | Provision for Bad & Doubtful Debt | 100.55 |
| **7** | **Aggregate Revenue Requirement** | **24,385.33** |
| 8 | Less: Non-Tariff Income | *308.61* |
| **9** | **Net Aggregate Revenue Requirement** | **24,076.71** |

Based on the estimates of the Aggregate Revenue Requirement of Haryana Discoms for the FY 2024-25 and proposed revenue for sale of power, details of the estimated revenue gap at the existing tariff(s) for the ARR year is as follows-

**Combined Revenue (Gap)/Surplus for ARR year (Rs Crore)**
**(FY 2024-25)**

| **Particulars** | **UHBVNL** | **DHBVNL** | Discoms |
|---|---|---|---|
| **Aggregate Revenue Requirement** | **17,333.63** | **24076.71** | **41410.34** |
| **Revenue for Discoms** | **16,787.20** | **22994.32** | **39781.52** |
| *Sale of Power* | 13,902.23 | 20109.35 | 34011.58 |
| *Inter State Sales* | - | - | - |
| *Subsidy from GoH* | *2,884.97* | 2,884.97 | 5769.94 |
| **Revenue Surplus/(Gap)** | **-546.43** | **-1,082.40** | **-1,628.83** |
| Revenue surplus / (Gap)for FY 2022-23 | | | -1,364.25 |
| Holding cost for 1.5 years @ 8.5% | | | -173.94 |
| **Revenue Surplus/(Gap) to be carried over** | | | **-3,167.02** |

That UHBVNL, in its petition, has submitted that the Aggregate Revenue Requirement for the FY 2024-25 has been estimated based on the audited accounts for the FY 2022-23 and in accordance with the HERC MYT Regulations, 2019. It has been submitted that for the True-up year i.e. FY 2022-23, Haryana Discoms are in a revenue deficit of Rs.1,364.25 Cr., whereas revenue deficit for APR year FY 2023-24 is Rs 2,342.56 Cr. However, after adjustment of revenue surplus of Rs. 1,844.87 of FY 2021-22 along with carrying cost, the revenue deficit gets reduced to Rs 262.47 Cr. The ARR year FY 2024-25 has a revenue deficit of Rs 1628.83 Crore, which will increase to Rs 3167.02 crore after the adjustment of revenue gap estimated for the FY 2022-23 along with carrying cost.

That UHBVNL has submitted that the DISCOMs expect to recover some portion of the revenue Gap due to the reduction of the distribution loss and purchase of power at comparatively lower cost in the APR year and particularly in the ARR year. It has been submitted that the Discoms are currently in the process of analyzing requirement of tariff modification, if any. The same may please be allowed to be submitted as an additional submission at a later stage if required.

DHBVNL has submitted that the DISCOMs expect to recover some portion of this Gap from efficiency gain in the APR (FY 2023-24) and ARR (FY 2024-25) years. The remaining revenue deficit will be covered through long-term/short-term loans.

### 1.7 Prayer

In view of the above submissions UHBVNL and DHBVNL have made identical prayers as reproduced below: -

1. Accompanied filing of UHBVNL and DHBVNL for determination of Truing up of ARR for FY 2022-23, Annual Performance Review for FY 2023-24 and Aggregate Revenue Requirement for FY 2024-25 may kindly be accepted and taken on record by the Hon'ble Commission.
2. Current petition, filing of any additional / supplementary submissions during these proceedings may kindly be allowed.
3. Proposed Return on Equity may be allowed.
4. Proposed sharing of gains and losses may be allowed.
5. Entire fixed charges of the long-term tied generating sources, having PPAs duly approved by the Hon'ble Commission and the energy charges of the power purchase from these sources and short-term sources as proposed in the filing, may kindly be allowed.
6. Truing-Up of ARR for FY 2022-23 along with the holding cost, revised estimate for the expenses projected in Annual Performance Review for FY 2023-24, and Aggregate Revenue Requirement for FY 2024-25 may kindly be allowed.
7. Inadvertent omissions/errors/shortcomings, addition / change / modification / alteration in this filing, if any, may be allowed along with the further submissions as may be required during the proceedings.
8. Pass the Order, as the Hon'ble Commission may deem fit and appropriate keeping in view the facts and circumstances of the case submitted by the Petitioner.

# CHAPTER 2

# PROCEDURAL ASPECTS

## 2.1 ARR Petition (UHBVNL & DHBVNL)

The Commission has taken on record the petition(s) filed by the distribution licensee(s) in Haryana i.e. UHBVNL and DHBVNL and examined the same. The Commission, vide memo no. 3828/HERC/No.69 of 2023 dated 11.12.2023 (UHBVNL) and memo no. 3827/HERC/No.70 of 2023 dated 11.12.2023 (DHBVNL), sought a few clarifications /additional information from the petitioners, which were provided by them. Further, a few additional information was sought from the licensees vide memo no. 4296/HERC/No.69 of 2023 dated 16.01.2024 (UHBVNL) and memo no. 4307/HERC/No.70 of 2023 dated 18.01.2024 (DHBVNL), to which replies were filed by the Discoms.

## 2.2 Public Notice

The Discoms (UHBVNL & DHBVNL), in fulfillment of the statutory requirement under section 64(2) of the Electricity Act, 2003, issued Public Notice in two Newspapers i.e. UHBVNL published the same in the Tribune (English) dated 02.12.2023 and Dainik Bhaskar (Hindi) dated 02.12.2023 and DHBVNL published the notice in the Tribune (English) dated 08.12.2023 and Dainik Tribune (Hindi) dated 08.12.2023; informing the stakeholders/General Public regarding petition/availability of documents on the website and inviting objections on the same.

To take the process forward, the Commission issued Public Notice in two newspapers, having wide circulation in Haryana i.e., Dainik Bhaskar (Hindi) dated 14.12.2023 and The Tribune (English) dated 13.12.2023. The said notice(s) inviting objections/ suggestions/comments from the stakeholders/general public was also placed on the website of the Commission; the last date for filing objections/comments was intimated as 29.12.2023. In response to the public notice, the Commission received comments/suggestions/ objections from stakeholders, the details of the objections / suggestions are listed in the paragraphs that follows.

**2.3 Objections filed by the Interveners, Discoms Reply thereto and Commission's view.**

In response to the public notice issued by the Discoms and subsequently by the Commission, objections were received from various stakeholders. The objections filed by the interveners, response of the Discoms and the Commission view thereto is as under:

**2.3.1 M/s Faridabad Industries Association (FIA)**

Comments/objections, vide letter ref. No./FIA/Letter/2023/114 dated 29.12.2023, received from M/s Faridabad Industries Association, FIA House, Bata Chowk, N.I.T. Faridabad -121001 have been reproduced as under: -

1. **Issue of applicability of Wheeling Charges on Consumers connected to STU Network**

   1.1. An open access consumer who is connected at 66 kV and above shall be connected to the STU network of Haryana state only and not to the distribution network, as such consumer is not utilizing the distribution network and therefore, thereby it shall not be liable to pay wheeling charges. HERC in the Distribution Licensee Tariff Order dated 15.02.2023 also appreciated the context defined "No" wheeling charges applicable on the consumers procuring power at 66 kV and above network through open access.

   1.2. HVPNL in line with the HERC Tariff Order, issued letter dated 29.03.2023 and informed that wheeling charges for open access consumers and mentioned wheeling charges for 66 kV and above voltage level as Rs. 0/ unit.

   1.3. HVPNL further in reference to letter dated 29.03.2023 and memo received from the Uttar Haryana Bijli Vidyut Nigam Ltd (UHBVNL) and Dakshin Haryana Bijli Vidyut Nigam Ltd (DHBVNL) issued revised wheeling charges vide letter dated 18.05.2023, wherein the wheeling charge for open access consumers connected at 66 kV and above voltage level was revised from Rs. 0/ unit to Rs. 0.58/ unit.

   1.4. The communication issued by the state distribution and transmission licensees as referred in the HVPNL letter dated 18.05.2023 nowhere covers any order or letter or communication issued by the Hon'ble Commission on the above discussed topic.

   1.5. It seems that the HVPNL issued letter for levy of wheeling charges on open access consumers connected to 66 kV and above voltage without any approval from the Hon'ble Commission and in doing so has disregarded the Disco Tariff Order for FY 2023-24 issued by the HERC dated 15.02.2023.

1.6. The Commission is requested to assess the notifications in respect of the wheeling charges for consumers connected at 66 kV and above and implement justified open access charges as approved vide its Tariff order for Discom for FY 2023-24.

**Reply filed by UHBVNL:**

UHBVNL submitted that the definition of distribution system provided under section 2 (19) of the Electricity Act 2003 which states that distribution system is the system of wires and associated facilities between delivery points on the transmission lines or the generating station and the point of connection to the consumers. Relevant excerpt of section 2 (19) is reproduced here as under:

"*Distribution system means the system of wires and associated facilities between the delivery points on the transmission lines or the generating station connection and the point of connection to the installation of the consumers,"*

In view of the above quoted provision, any system of wires & associated facilities between the transmission lines/generating station and point of connection to the consumer are the part of the distribution system. Thus, system of wires and associated facilities for connections at 66 KV & above voltage level between STU and point of connection at the consumer installation are the part of distribution system and consumers connected at such voltage level are utilizing distribution system for respective consumption through open access which also includes transmission lines.

Further, the definition of Distribution System as provided in Electricity Rules, 2005 categorically includes high pressure cables as follows:-

" *Distribution System.- The distribution system of a distribution licensee in terms of sub-section (19) of section 2 of the Act shall also include electric line, sub-station and electrical plant that are primarily maintained for the purpose of distributing electricity in the area of supply of such distribution licensee notwithstanding that such line, substation or electrical plant are high pressure cables or overhead lines or associated with such high pressure cables or overhead lines; or used incidentally for the purposes of transmitting electricity for others."*

It is submitted that a similar situation has been dealt before the Hon'ble Commission in the case of Northern Railways bearing no. PRO 66 of 2017 wherein the Hon'ble Commission had observed as under:

*"The Commission observes that the Electricity Rules, 2005 defines a distribution system as "4. Distribution System.- The distribution system of a distribution licensee in terms of sub-section (19) of section 2 of the Act shall also include electric line, sub-station and electrical plant that are primarily maintained for the purpose of distributing electricity in the area of supply of such distribution licensee notwithstanding that such line, substation or electrical plant are high pressure cables or overhead lines or associated with such high pressure cables or overhead lines; or used incidentally for the purposes of transmitting electricity for others*". Hence, it can be seen from the ibid Rules that a distribution system also includes high pressure cables used for transmitting electricity. The Commission after due deliberations is of the considered view that NR, as a Medium-Term Open Access consumer, as per the ibid Rules is using, incidentally, the distribution system of UHBVNL and DHBVNL. NR is not an embedded Open Access Consumer. Hence, wheeling charges determined by the Commission are not recoverable from NR. However, NR is liable to bear, besides intra state transmission loss, the distribution system network cost as determined by the Commission for the relevant year i.e., Rs. 0.47 per Unit for FY 2020-21 in the ARR/Tariff order of HVPNL (STU)."

Hence, levying of distribution system network cost on embedded open access consumers taking supply at 66 KV or above is in line with the provisions of the Electricity Act 2003. It is also relevant to mention that in any case, revenue from open access charges is accounted for the ARR as per the provisions of the HERC MYT Regulations, 2019.

Thus, the contention of objector that it is connected with the network of the transmission licensee and not using the network of the distribution licensees and therefore no such charge shall be levied is incorrect.

The distribution system network cost @ Rs. 0.58/unit for Open Access Consumer connected at 66 kV and above voltage level is being charged as per HERC Order.

**Reply filed by DHBVNL**

1. DHBVNL submitted that the definition of distribution system provided under section 2 (19) of the Electricity Act 2003 which states that distribution system is the system of wires and associated facilities between delivery points on the transmission lines or the generating station and the point of connection to the consumers. Relevant excerpt of section 2 (19) is reproduced here as under:

"Distribution system means the system of wires and associated facilities between the delivery points on the transmission lines or the generating station connection and the point of connection to the installation of the consumers;"

2. In view of the above quoted provision, any system of wires & associated facilities between the transmission lines, generating station and point of connection to the consumer are the part of the distribution system. Thus, system of wires and associated facilities for connections at 66 KV & above voltage level between STU and point of connection at the consumer installation are the part of distribution system and consumers connected at such voltage level are utilizing distribution system for respective consumption through open access which also includes transmission lines.
3. Further, the definition of Distribution System as provided in Electricity Rules, 2005 categorically includes high pressure cables as follows: -

   *"4. Distribution System.- The distribution system of a distribution licensee in terms of sub-section (19) of section 2 of the Act shall also include electric line, sub-station and electrical plant that are primarily maintain. ed for the purpose of distributing electricity in the area of supply of such distribution licensee notwithstanding that such line, substation or electrical plant are high pressure cables or overhead lines or associated with such high-pressure cables or overhead lines; or used incidentally for the purposes of transmitting electricity for others"*
4. It is submitted that a similar situation has been dealt before the Hon’ble Commission in the case of Northern Railways bearing no. PRO 66 of 2017 wherein the Hon'ble Commission had observed as under:

   *"The Commission observes that the Electricity Rules, 2005 defines a distribution system as "4. Distribution System.- The distribution system of a distribution licensee in terms of sub-section (19) of section 2 of the Act shall also include electric line, sub-station and electrical plant that are primarily maintained for the purpose of distributing electricity in the area of supply of such distribution licensee notwithstanding that such line, substation or electrical plant are high pressure cables or overhead lines or associated with such high pressure cables or overhead lines; or used incidentally for the purposes of transmitting electricity for others".*

*Hence, it can be seen from the ibid Rules that a distribution system also includes high pressure cables used for transmitting electricity. The Commission after due deliberations is of the considered view that NR, as a Medium-Term Open Access consumer, as per the ibid Rules is using, incidentally, the distribution system of UHBVNL and DHBVNL. NR is not an embedded Open Access Consumer. Hence, wheeling charges determined by the Commission are not recoverable from NR. However, NR is liable to bear, besides intra state transmission loss, the distribution system network cost as determined by the Commission for the relevant year i. e. Rs. 0.47 per Unit for FY 2020-21 in the ARR/Tariff order of HVPNL (STU)."*

5. Hence, levying of distribution system network cost on embedded open access consumers taking supply at 66 KV or above is in line with the provisions of the Electricity Act 2003. It is also relevant to mention that in any case, revenue from open access charges are accounted for in the ARR as per the provisions of the HERC MYT Regulations, 2019.
6. Thus, the contention of objector that it is connected with the network of the transmission licensee and not using the network of the distribution licensees and therefore no such charge shall be levied is incorrect. Further, DHBVNL humbly submits that any order(s) may be passed by the Hon'ble Commission regarding the change in Tariff for FY 2024-25 in the interest of justice, as deemed fit.

**Commission's Observation:**

**The Commission has carefully examined the observations of the intervener on levy of distribution system network cost on the open access consumers of the Discoms connected at HT voltage and the reply filed by the Nigam(s). As also pointed out by the Nigam(s), the matter has already been deliberated and decided by the Commission in the light of statute/rules cited by the Nigam. Hence, no further discussion of this issue is required. The Commission reiterates its findings on the issue as under: -**

"The Commission observes that the Electricity Rules, 2005 defines a distribution system as "4. Distribution System.- The distribution system of a distribution licensee in terms of sub-section (19) of section 2 of the Act shall also include electric line, sub-station and electrical plant that are primarily maintained for the purpose of distributing electricity in the area of supply of such distribution licensee notwithstanding that such line, substation or electrical plant are high pressure cables or overhead lines or associated with such high pressure cables or overhead lines; or used incidentally for the purposes of transmitting electricity for others". Hence, it can be seen from the ibid Rules that a distribution system also includes high pressure cables used for transmitting electricity. The Commission after due deliberations is of the considered view that NR, as a Medium-Term Open Access consumer, as per the ibid Rules is using, incidentally, the distribution system of UHBVNL and DHBVNL. NR is not an embedded Open Access Consumer. Hence, wheeling charges determined by the Commission are not recoverable from NR. However, NR is liable to bear, besides intra state transmission loss, the distribution system network cost as determined by the Commission for the relevant year i.e. Rs. 0.47 per Unit for FY 2020-21 in the ARR/Tariff order of HVPNL (STU). Hence, levying of distribution system network cost on embedded open access consumers taking supply at 66 KV or above is in line with the provisions of the Electricity Act 2003. It is also relevant to mention that in any case, revenue from open access charges are accounted for in the ARR as per the provisions of the HERC MYT Regulations, 2019".

**2. Exorbitant Open Access Charges compared to the neighbouring States.**

2.1. The state has seen significant increase in the open access charges in the recent years.

2.2. A table depicting comparison of open access charges i.e. wheeling charge, CSS and Additional Surcharge at 33 kV voltage level is depicted below.

**NR states with open access charges at 33 kV level is as under: -**

**Comments on the Petition filed the Haryana Distribution Licensees (UHBVNL & DHBVNL) for true-up for FY 2022-23, APR for FY 2023-24, ARR and Tariff for FY 2024-25**

| State | Wheeling Charge (Rs./kWh) | Cross Subsidy Surcharge (Rs/kWh) | Additional Surcharge (Rs/kWh) | Total OA charges (Rs./kWh) |
|---|---|---|---|---|
| Rajasthan | 0.15 | 1.67 | 0.89 | 2.71 |
| Haryana | 0.86 | 1.24 | 0.53 | 2.63 |
| Chandigarh | 0.08 | 1.34 | 1.11 | 2.53 |
| Punjab | 0.66 | 0.49 | 0.92 | 2.07 |
| Himachal Pradesh | 0.67 | 0.52 | 0.86 | 2.05 |
| Uttarakhand | 0.12 | 0.60 | 1.05 | 1.77 |
| Uttar Pradesh | 0.88 | 0.49 | 0.00 | 1.37 |

2.3. As can be observed from the table above, the state of Haryana figures among the states with one of the highest charges.

2.4. As a result of the above, many industries are preferring to set up new units in the neighbouring states i.e. UP, HP etc. This could ultimately result in revenue and employment loss for the state of Haryana.

2.5. It is therefore requested that the charges may be rationalized to promote open access in the state so that the industries can avail competitive power from alternate mechanisms as well.

FIA requested the Hon'ble Commission to kindly consider the above points while finalizing the Order.

**Reply by UHBVNL:**

In this regard, it is submitted that Nigam is obligated to levy Tariff/Charges as approved by the Hon'ble Commission from time to time.

**Reply by DHBVNL:**

In this regard, it is submitted that Nigam is obligated to levy Tariff/Charges as approved by the Hon'ble Commission from time to time. Further, DHBVNL humbly submits that any order(s) may be passed by the Hon'ble Commission in the interest of justice, as deemed fit.

**Commission's Observation:**

**On the issue of applicable wheeling charges, cross subsidy surcharge and Additional Surcharge for Open Access Consumers, it needs to be noted that these charges flow from the ARR of the Distribution Licensee(s). This would vary from one state to another, hence, the numbers cited are not comparable. Nonetheless, while determining these charges in the present order, the Commission will keep in mind the views of the intervener herein.**

**2.3.2 M/s Delhi Metro Rail Corporation Ltd.**

Comments/objections, vide email dated 28.12.2023 and vide FTMS No 2770 and 2775 dated 28.12.2023, received from M/s Delhi Metro Rail Corporation Ltd., Metro Bhawan, 13 Fire Brigade Lane, Barakhambha Road, New Delhi – 110001 is as under:

1. That this Hon'ble Commission vide public notice dated 29.11.2023 has invited objections/suggestions on the petition(s) filed by HPGCL, HVPNL, UHBVNL and DHBVNL for approval of True-up for the FY 2022-23, Annual Performance review for the FY 2023-24, Aggregate Revenue Requirement for FY 2024-25.
2. That the instant objections have been filed inter-alia praying for reduction in Tariff due to reduction in cost price in respect to objector namely Delhi Metro Rail Corporation Ltd. on the following grounds: -
    i. That the Applicant is engaged in the activity of providing Mass Rapid Transit System for National Capital Region of Delhi including Gurugram, Faridabad and Bahadurgarh and is performing a public utility function having social benefits. In connection with the above activities, the Applicant requires electricity to run metro trains, ancillary

activities and operational requirements for which prayer regarding reduction in tariff of DMRC is submitted (refer Para-3 below).

ii. That the Applicant/objector takes power supply from DHBVNL at 66 KV & UHBVNL at 132 KV voltage level for running of metro trains and supporting auxiliary services of the stations such as Lifts, escalators, water supply, signalling, telecom, AFC, lightening as well as commercial loads of PB/PD to serve the public/commuters at large.

iii. Comparison of Present Tariff and Tariff demanded by DISCOMs for FY 2024-25: -

**Comparison of Previous and New tariff**

| Charges | Tariff as per existing tariff order of HERC for DMRC (FY 2023-24) | Tariff demanded by DISCOMs for FY 2024-25 for DMRC |
|---|---|---|
| **Unit tariff** | ₹6.45/kVAh | No Hike Demanded |
| **Contract Demand charges** | ₹165/kVA/month | |

3. That reduction of DMRC's Tariff as per the power purchase cost of DHBVNL & UHBVNL:

3.1. Comparison of Power purchase cost of DHBVNL and UHBVNL:

| S.N. | FY | Power purchase cost for DHBVNL in ₹/kVAh | | Power purchase cost for UHBVNL in ₹/kVAh | | Unit rate ₹/kVAh for DMRC (as per Tariff Order of HERC/Proposed in ARR Petition) |
|---|---|---|---|---|---|---|
| 1 | 2023-24 | 5.22 (Page-54 of APR) | decrease by 7.09 % | 5.16 (Page-9 of Exec Sum. of | decrease by 6.01 % | 6.45 |
| 2 | 2024-25 | 4.85 (Page-84 of APR) | | 4.85 (Page-9 of Exec Sum. of | | No Hike demanded |

It has been averred that from the above table, w.r.t previous FY 2023-24, it is clear that the rate of power purchase cost for FY 2024-25 is expected to decrease by 7.09 % for DHBVNL and 6.01 % for UHBVNL. Hence, the intervener has requested that the Hon'ble Commission may reduce the tariff for DMRC for the FY 2024-25 in proportion to the reduction in power purchase cost of DISCOMs**.**

**3.2.** It has been further submitted that as per Clause 8.3 (1) of National Tariff Policy, 2016 titled as "Tariff design: Linkage of tariffs to cost of service" the retail supply tariff-shall be determined based on the average cost of supply with a capping of +/-20%. The relevant clause is reproduced as under:

> *"8.3 Tariff design: Linkage of tariffs to cost of service*
> *For achieving the objective that the tariff progressively reflects the cost of supply of electricity, the Appropriate Commission would notify a roadmap such that tariffs are brought within +/-20% of the average cost of supply. The road map would also have intermediate milestones, based on the approach of a gradual reduction in cross subsidy."*

As the power purchase cost of DISCOMs are projected to reduce w.r.t previous Financial year, certainly, the average cost of supply of both DISCOM would also decrease, hence, it has been prayed that the Hon'ble Commission may reduce the tariff of DMRC in the same proportion.

**UHBVNL Reply**

In this regard, UHBVNL has submitted that the retail supply tariffs are determined by the Hon'ble Commission based on the approved ARR in accordance with the principle of MYT Regulation, 2019 and its amendments from time to time. UHBVNL in the current petition, has submitted a stand-alone gap of Rs. 627.06 Crore for True-up year FY 2022-23 and a projected revenue gap of Rs. 546.43 Crore for ARR of FY 2024-25. It is also submitted that at Haryana level, Rs 1,628.83 Crore revenue gap has been projected in FY 2024-25. Furthermore, the objector should also have taken note of the Discom's submission in the petition that power purchase cost pertaining to prior period and Change in Law have not been included in the projected power purchase cost for FY 2024-25 due to the highly uncertain nature of these expenses. The actual power purchase costs during the true-up of the relevant year will also include impact of these elements. Thus, contention of objector regarding reduction in Power purchase cost and hence reduction in the tariff in the same proportion is misplaced.

It is also to be noted that the revenue model for Discoms is purely on normative cost-plus basis and there are other cost elements that generally increase over the years. The objector has failed to consider the same. Given, there has been a minuscule tariff revision since last 5 years with decreasing year-on-year agricultural subsidy, the revenue from sale of power is not sufficient to cover the increasing cost components and hence the revenue gap.

**DHBVNL Reply**

In this regards DHBVNL has submitted that, the distribution and retail supply tariff are being determined by the Hon'ble Commission based on the ARR determined as per principle of MYT Regulation, 2019. DHBVNL in the current petition has submitted a stand-alone gap of Rs. 737.19

for True-up of FY 2022-23 Crore and Rs. 1,082.40 Crore for ARR of FY 2024-25. It is also to be noted that the revenue model for Discoms is purely on normative cost-plus basis and there are other cost elements apart from power purchase cost that generally increase over the years. The objector has failed to consider the same. Given, there is almost minuscule tariff revision since last 5 years with decreasing year-on-year agricultural subsidy, the revenue from sale of power is not sufficient to cover the increasing cost components and hence the revenue gap. Thus, contention of objector regarding reduction in Tariff on account of reduction in power purchase is incorrect.

Further, DHBVNL humbly submits that any order(s) may be passed by the Hon'ble Commission regarding the change in Tariff for FY 2024-25 in the interest of justice, as deemed fit.

3.3. **In respect to the role of DMRC as a public utility having social benefits, the following has been submitted by the intervener**:

3.3.1. DMRC has contributed tremendously on the environment front by becoming the first ever railway project in the world to claim carbon credits for regenerative Braking. DMRC has also been certified by the United Nations (UN) as the first Metro Rail and Rail Based system in the world to get carbon Credits for reducing Green House gas Emissions as it has helped to reduce pollution levels in the city.

3.3.2. Since MRTS requirement is not there during the night, its working hours are restricted from 0006 hrs to 2300 hrs only and DMRC does not carry any freight, therefore does not have any option to make up for the shortfall in its revenue from passenger fare. The above viewpoint has already been endorsed by Hon'ble commission in its tariff order for FY 2010-11, FY 2011-12 & FY 2012-13.

3.3.3. Metro system decongests the Roads of the National Capital Territory Region and provide environment friendly transportation system along with being energy efficient and pollution free system, thereby benefiting the Nation.

3.3.4. It is pertinent to note that Energy Cost has a significant impact on DMRC's operating cost and any increase in the energy cost may reflect in the increase in Metro fares resulting in inconvenience to the general public and will conflict the principle of providing good and affordable services to the public.

In view of the detailed submissions explained above, the Hon’ble commission is requested to reduce the tariff for DMRC for FY 2024-25 for DMRC given its role as a public utility having socials benefits and in proportion to the reduction in power purchase cost of DISCOMs.

4. That no prejudice shall be caused to the DISCOMs in case the instant objection is allowed by this Hon'ble Commission.
5. That the instant objections has been filed bona fide and in the interest of justice.

In view of the aforesaid facts and circumstances, it is most respectfully prayed that this Hon'ble Commission in the public interest may be pleased to: -

i. To reduce the tariff of DMRC for the FY 2024-25 in respect to the role of DMRC as a public utility having socials benefits and in proportion to the reduction in power purchase cost of DISCOMs.

ii. Any such other order(s) be passed, in the interest of justice, as this Hon'ble Court deems fit under the facts and circumstances of the case.

**UHBVNL Reply**

It is submitted that the Nigam is obligated to charge Tariff, as approved by the Hon'ble Commission, from time to time. Any rebate in tariff is in the purview of the State Government (sic), which in turn is obligated to compensate the Discoms as the utilities are working on normative cost-plus model only claimed in accordance with the HERC MYT Regulations 2019.

**DHBVNL Reply**

In this regard, it is submitted that Nigam is obligated to charge Tariff as approved by the Hon'ble Commission from time to time. Accordingly, DMRC are being charged respective tariff relevant to their applicable consumer category & voltage level for use of electricity as per directions of Hon'ble Commission from time to time. Further, DHBVNL humbly submits that any order(s) may be passed by the Hon'ble Commission in the interest of justice, as deemed fit.

**Commission's Observations:**

**The Commission has taken note of the objections filed by DMRC seeking reduction in tariff and Nigam(s) reply that Nigam is obligated to charge Tariff as approved by the Commission from time to time. The Commission while taking the proceedings further will compute LT/HT CoS and CS required and accordingly, realign tariff, if warranted. Hence, prior to working out the ARR, revenue at the existing tariff including subsidy, revenue gap/surplus no observations can be made. It may be noted that during the FY 2023-24 (est) and the FY 2024-25 (proj) the power purchase cost including transmission charges paid to PGCIL and Haryana STU is expected to**

**witness significant rise. Further, the surge in demand, even during the months traditionally considered off peak, is met / expected to be met from short / medium term sources including Day Ahead / Real Term Market. All such sources, given the price discovered through competitive bidding as well as those prevailing in the power exchanges, are by far expensive as compared to the average cost of power tied up under long term Power Purchase Agreements. Hence, it would be illogical to expect softening of the cost of delivered power.**

### 2.3.3 Pankaj Bhalotia

Comments/objections vide letter dated 21.12.2023 with FTMS No 2769 dated 28.12.2023 received from Sh. Pankaj Bhalotia, Flat No: 1104, Gracious Tower, Imperial Estate, Sector: 82, Faridabad – 121007, Haryana, India are as under:

1. Since both the Discoms of the State are running under profit, therefore, I should actually see reduction in electricity tariff for FY 2024-2025 from its current level. Conceptually, both the Discoms of the State works on a model of No profit and/or No loss and since they are running under profit, they should pass such profits in the way of reduction in tariff, so that general public can get benefits out of it.

**UHBVNL Reply**

UHBVNL submits that the True Up FY 2022-23 has been submitted based on the audited accounts, while APR & ARR have been projected as per MYT Regulation, 2019. From the submitted Petition, it can be observed that the UHBVNL has mentioned a stand-alone revenue gap of Rs. 627.06 Crore for True-up year FY 2022-23 and a projected revenue gap of Rs. 546.43 Crore for ARR of FY 2024-25. It is also submitted that at Haryana level, Rs 1,628.83 Crore revenue gap has been projected in FY 2024-25. Thus, the contention of the objector regarding reduction in Tariff on account of profitability of state Discoms is incorrect.

**DHBVNL Reply**

ln this regards DHBVNL submits that, Retail Tariff are being determined by the Hon'ble Commission based on the ARR determined as per principle of MYT Regulation, 2019. DHBVNL in current petition has submitted a stand-alone gap of Rs. 737.19 for True-up of FY 2022-23 Crore and Rs. 1,082.40 Crore for ARR of FY 2024-25. Thus, contention of objector regarding reduction in Tariff on account of profitability of State Discoms is incorrect.

Further, DHBVNL humbly submits that any order(s) may be passed by the Hon'ble Commission regarding the change in Tariff for FY 2024-25 in the interest of justice, as deemed fit.

**Commission's Observation:**

**The intervener has submitted that in view of the profits earned by Discoms, the tariff should be reduced from its current level in the FY 2024-2025. The Commission has taken note of the submissions of the intervener and observes that, as evident from the 'retained earning' of the Discoms, appearing in their latest available audited accounts, is still negative. Further, for the FY 2023-24 and the FY 2024-25 (projected), there exists revenue gap at the existing tariff, which is further reduced by FSA to be recovered from the consumers. So, it implies that there is prima facie no reduction as such, in the cost of power or the cost of delivered power to the consumers by the Discoms.**

2. The current levy of FSA @ 47 paisa per unit should not be charged from a domestic consumer, whose monthly consumption is less than 200 units. However, when such domestic consumer is a resident of a Group Housing society under Single Point Supply and has a Single Point Connection, such FSA @ 47 paisa per unit is charged and recovered by DHBVNL and UHBVNL in the form levy of FSA on total consumption of electricity and no concession/refund is given by DHBVNL/UHBVNL for not to levy FSA @ 47 paisa per unit for a resident in a group housing society under single point supply whose consumption is less than 200 units per month. Requesting Commission to look into this and pass a suitable order in this regard.

**UHBVNL Reply**

In this regard, it is submitted that billing of Single Point Supply consumer is undertaken as per the tariff schedule applicable for the current year. Clause 6.4: Billing of Single Point Supply of HERC (Single Point Supply to Employers' Colonies, Group Housing Societies and Residential or Residential cum Commercial/ Commercial Complexes of Developers and Industrial Estates/ IT parks/SEZ) Regulations, 2020 (hereinafter HERC Single Point Supply Regulations 2020). Any modification of the existing regulation is in the purview of the Hon'ble Commission.

It is also submitted that it is the responsibility of the Employer/Developer/RWA/GHS/User Association that the billing is to be done as per the relevant tariff orders and HERC regulations for all domestic consumers. Any deviation from the applicable tariff order and regulation may be intimated to the CGRF as per the HERC Single Point Supply Regulations 2020 as clearly stipulated in regulations 5.3 reproduced as under:-

*"The individual consumers in the GHS/Employer's Colonies/Residential cum Commercial/Commercial Complexes/ Shopping Malls/Industrial Estates/IT Park where Single*

*Point Supply has been provided shall be treated at par with the consumers of the distribution licensees and shall have the same rights and obligations as that of other consumers of distribution licensee. These consumers shall also be covered under all other relevant Regulations of the Commission including CGRF and Ombudsman Regulations, and tariff order issued by the Commission, provided that in case of the provision of section 126, 135 and 138 of the Act the distribution licensee shall be authorized to take necessary action as per these provisions of the Act in coordination with such Employer's Colony/GHS/ RWAs/Users Associations."*

**DHBVNL Reply**

ln this regard, it is submitted that the billing of Single Point Supply connections is undertaken as per the tariff schedule applicable for current year and Clause 6.4: Billing of Single Point Supply of HERC (Single Point Supply to Employers' Colonies, Group Housing Societies and Residential or Residential cum Commercial/ Commercial Complexes of Developers and Industrial Estates/ IT parks/SEZ) Regulations, 2020 (hereinafter HERC Single Point Supply Regulations 2020). Any desired modification of the existing regulation is in the purview of the Hon'ble Commission.

It is also submitted that it is the responsibility of the Employer/Developer/RWA/GHS/User Association that the billing is to be done as per the relevant tariff orders and HERC regulations for all domestic consumers. Any deviation from the applicable tariff order and regulation may be intimated to the CGRF as per the HERC Single Point Supply Regulations 2020 as clearly stipulated in regulations 5.3 reproduced as under: -

*"The individual consumers in the GHS/Employer's Colonies/Residential cum Commercial/Commercial Complexes/ Shopping Malls/Industrial Estates/IT Park where Single Point Supply has been provided shall be treated at par with the consumers of the distribution licensees and shall have the same rights and obligations as that of other consumers of distribution licensee. These consumers shall also be covered under all other relevant Regulations of the Commission including CGRF and Ombudsman Regulations, and tariff order issued by the Commission, provided that in case of the provision of section 126, 135 and 138 of the Act the distribution licensee shall be authorized to take necessary action as per these provisions of the Act in coordination with such Employer's Colony/GHS/RWAs/Users Associations."*

Further, DHBVNL humbly submits that any order(s) may be passed by the Hon'ble Commission regarding levy of FSA to Group Housing Society under single point supply in the interest of justice, as deemed fit.

**Commission's observations:-**

**Regarding the objections on the levy of FSA and exempting the same for a DS consumer falling in particular consumption slab or if such consumer is a resident of a Group Housing Society and availing supply under Single Point Supply, who is subject to FSA irrespective of the units consumed, is the decision of the State Government and the State Government take over the FSA liability of such consumers under section 65 of the Electricity Act, which was not extended to DS consumers under Single Point Supply. Hence, in the absence of subsidy commitment w.r.t. FSA liability, the same will be levied in line with the provisions of the HERC MYT Regulations in vogue. It is reiterated that FSA arises due to the fact that there is a difference between the source wise cost of power purchase approved by the Commission including mix of power and the actual power purchase cost at the Commission's approved loss levels due to several factors i.e. change in hydro-thermal mix, tariff revision by the appropriate Commission, increase in fuel cost including transportation and short-term purchases to maintain demand-supply balance. Hence, to keep cost and price (tariff) aligned and in line with the Electricity Act, 2003, the formula / methodology for working out FSA has been made part of the HERC MYT Regulations, 2019 including its subsequent amendments. Having said so, FSA is formula driven, it is up to the State Govtt. to provide subsidy support to a particular class / category of consumers by taking over its FSA liability or not. In its absence, FSA is recoverable as per the relevant Regulations. In the case of Bulk Supply (DS), the State Govtt. has not committed any subsidy support by taking over the FSA liability, hence, the FSA is leviable.**

3. Levy of Fixed Charges for Bulk Supply (Domestic) Categories Consumers
4. The CGRF, DHBVNL, Gurugram had passed an order in this regard which describing the method and procedure to follow to calculate and charge the Fixed Charges from Bulk Supply (Domestic) Categories Consumers on a monthly basis. However, DHBVNL and UHBVNL both have failed in this regard to implement the decision of CGRF, DHBVNL, Gurugram. Therefore, requesting the commission to consider the judgement of CGRF and get it implemented by DHBVNL and UHBVNL for correct way of levying fixed charges on Bulk Supply (Domestic) Categories Consumers.
   a) In Appeal No. DH / CGRF / 2966 / 2020 between Sh. B. K. Aggarwal Vs. SDO (OP) Sohna Road, DHBVNL, Gurugram, the CGRF DHBVNL Gurugram vide S. No. 5 of its order dated: 10.02.2021 have already held and gave its direction in this regard to DHBVNL that to not

to round off the MDI each month and charge it strictly as per Tariff Order issued by HERC each year (see below extract of S. No. 5 of the Order of CGRF), however till date, DHBVNL is still rounding off the MDI each month to calculate Fixed Charges.

*“5. Forum observes that neither there is any need for DHBVNL to round off month wise recorded MDI nor to apply the formula MDI x 12x 100 /365. Charging of Fixed Chares is very simple by just multiplying the recorded MDI with the Fixed charges per KW per month as defined in the tariff order.”*

b) This very CGRF DHBVNL again, in Appeal No. DH / CGRF / 3681 / 2021 between Sh. B. K. Aggarwal Vs. SDO (OP) Sohna Road, DHBVNL, Gurugram, vide S. No. 2 of its order dated: 06.11.2022 held that DHBVNL should immediately stop unnecessary formula to calculate fixed charges and gave further direction that it should be calculated simply by multiplying MDI with the rate and any excess charges calculated in this regard in past by DHBVNL should be refunded with interest to the complainant.

*“2. Calculation of fixed charges on the basis of recorded MDI by using an unnecessary formula should immediately stop and that the fixed charges should be calculated simply by multiplying MDI with the rate. Any excess fixed charges, if levied previously on this account, should be refunded with interest in the next billing cycle."*

**DHBVNL Reply**

DHBVNL humbly submits that, Tariff for Bulk Supply Domestic is being charged as per Hon'ble HERC Tariff Order for the relevant year. Any order(s) may be passed by the Hon'ble Commission in the interest of justice, as deemed fit.

**Commission’s observations:**

**The Commission has perused the objections and observes that the Tariff for Bulk Supply (DS) is governed by the terms and conditions of the Single Point Supply Regulations in vogue. Hence, levy of tariff including Fixed charge ought to be accordingly levied. DHBVNL, as also pointed out in the State Advisory Committee meeting held on 9th February, 2024; must implement the order of CGRF/Ombudsman with immediate effect. As in the case of UHBVNL, the Whole Time Director (WTD) must also review the compliance monthly and take appropriate action for any complacency in this regard.**

5. Surcharge for delayed payment of Electricity Bills

The intervener has averred that in terms of Regulation 6.6 of the HERC (Electricity Supply Code) Regulations, 2014, the Commission is requested to declare the delayed payment Surcharge rate of electricity bills while announcing the Tariff Structure for FY 2024-2025.

Regulation 6.6 of the HERC (Electricity Supply Code) Regulations, 2014 says that *"In case the consumers do not pay the bill by the due date mentioned in the bill, surcharge for delayed payment of bill shall apply as per tariff orders issued by the commission from time to time".*

Therefore, to remove ambiguity in this regard, requesting the Commission to declare the rate of surcharge for delayed payment of bills for various categories of consumers while announcing the Tariff Order for FY 2024 – 2025.

**UHBVNL Reply**

As per the clarification issued by HERC vide memo no. HERC/D(Tariff)/ARR-10-11/1974-78 dated 04.10.2010, it has already been notified the surcharge on unpaid bills be levied i.e.

- 3% bi- monthly on unpaid amount of energy bills in case of domestic and non-domestic consumers.
- 1.5% monthly on unpaid amount of energy bills in case of all other categories of consumers.

These instructions had been circulated by UHBVNL on Sales Circular Number U-30/2010 dated 05.10.2010.

**DHBVNL Reply**

As per the clarification issued by HERC vide memo no. HERC/D(Tariff)/ARR-10-11/1974-78 dated 04.10.2010, it has already been notified the surcharge on unpaid bills be levied i.e.

a. 3% bi-monthly on unpaid amount of energy bills in case of domestic and non-domestic consumers.

b. 1.5% monthly on unpaid amount of energy bills in case of all other categories of consumers.

DHBVNL humbly submits that, for further clarification in matter any order(s) may be passed by the Hon'ble Commission in the interest of justice, as deemed fit.

**Commission's observations:**

**The issue of the delayed payment surcharge has been addressed by the Commission as brought out in the reply filed by the Discoms. Hence, no further deliberations on this issue is required.**

6. Rebate/discount in Tariff for consumers availing supply through Independent Feeder for bearing of Distribution and Transmission Losses.

The Commission while deciding tariff for FY 2017-18 in Appeal No. HERC/PRO-39 of 2016 and HERC/PRO-40 of 2016, did acknowledged my suggestions/ objections to have separate tariff structure for Independent Feeder, but so far nothing has been done in this regard neither by the Commission nor by the Discoms of the State to have separate tariff structure for an Independent Feeder Consumer.

A consumer, availing electricity through Independent Feeder, get billed as per the meter placed at powerhouse and not as per meter installed at consumer's premise and accordingly bear all the feeder losses as well as distribution and transmission losses, whereas in case of all other consumers the feeder and distribution/transmission loss is bear by the Discom of the State,

So there is discrimination with regard to tariff which an Independent Feeder Consumer pays, the same tariff is also paid by a consumer who is not under Independent Feeder and the Commission would like to remove this discrimination by allowing some Discount/Rebate in tariff for consumer that avails supply of electricity through Independent Feeder because of reason as explained that Independent Feeder Consumer bears the Feeder as well as distribution and transmission losses, which a consumer who is not under Independent Feeder does not bear and does not pay. May be a rebate of 4% for supply upto 11kV and 5% for supply at higher voltage should be allowed to an Independent Feeder Consumer towards Feeder and Distribution and Transmission Losses.

**UHBVNL Reply**

UHBVNL humbly submits that the objector is under misconception that other consumers, not connected on independent feeder, do not bear the burden of transmission and distribution losses. It is to be noted that as the revenue model for Discoms is purely on normative cost-plus basis, the approved losses are already included in the revenue and ARR calculation and accordingly the tariffs are charged from each and every consumer as per the tariff schedule approved by the Hon'ble Commission.

It is also submitted that the 11 KV independent feeder losses are minuscule and Discoms bill the consumer, who has requested to be fed through independent feeder, strictly as per clause 4.8.2 of HERC Duty to Supply Regulations 2016 and respective tariff relevant to their applicable consumer category & voltage level. Setting the tariff schedule is in the purview of the Hon'ble Commission. In case the objector desires any modification of the existing regulation, it may kindly approach the Hon'ble Commission for the same.

**DHBVNL Reply**

DHBVNL humbly submits that, the consumers on independent feeder are being charged respective tariff relevant to their applicable consumer category & voltage level for use of electricity. So, there is no need of separate tariff for consumers on independent feeder.

**Commission's observations:**

**The Commission has considered the submissions of intervener and reply filed in the matter. It is noted that there is multiplicity of independent feeder, since losses are to be borne by the consumers and the same will vary depending on the length and other technical characteristics, hence, having a plethora of rates, in the considered view of the Commission, is not feasible. Needless to add that a electricity consumer opt for taking supply through an independent feeder primarily because of his concern for quality and continuity of supply including minimising the possibilities of 'outages' in supply of power. Hence, the issue is not so much of tariff but reliability of supply.**

7. No Corresponding Reduction in Tariff for Bulk Supply (Domestic) when Domestic Supply (DS) supply category tariff was reduced by the Commission during Tariff announcement on June 01, 2020 for FY 2020-2021 and in Subsequent Years.

(a) While announcing tariff on June 1, 2020, the Commission reduced the tariff for a Domestic Supply (DS) Category consumer under Category- I and II, but there was no corresponding reduction made in tariff for bulk supply domestic category. The Tariff for bulk supply domestic category kept at same structure as it was in previous year.

(b) By not reducing the tariff for bulk supply domestic category, the residents of a Group Housing Society were not benefited for the reduction in Tariff made under Domestic Supply (DS) Category. Basically, the reduction in Tariff made under Domestic Supply (DS) Category under I and II has resulted into lower tariff for individual consumption inside the flat, but at the same time, it has resulted into increase in the share in common area electricity (CAE). So there is no impact on the pocket of a Resident of Group Housing Society under Single Point Supply by reducing the Tariff for DS Category, because such reduction has increased the share in common area electricity (CAE) and thus no benefit for reduction in tariff for domestic supply category if there is corresponding reduction in Tariff for Bulk Supply Domestic category. Illustration for better understanding is as under:

Say the monthly electricity bill of the housing society for November month was Rs. 10 Lakhs and out of that Rs. 10 lakhs bill, 50% (Rs. 5 Lakhs was for individual consumption inside the flat on which DS tariff was applicable) and balance 50% was for common area use. Now, after the Tariff Order dated: June 01, 2020, and due to reduced DS Category Tariff the share of individual consumption has got reduced to 40% from earlier 50% and consequently the common area share got increased to 60% from earlier 50%, whereas common area share should have remained same to 50%. The Question is why reduction in DS category Tariff would result into increase in share of common area electricity for a resident of a group housing society?

(c) That why the reduction in Domestic Supply (DS) Tariff will increase the share of Common Area Electricity (CAE) for a resident of a group housing society having single point supply and accordingly a reduction in tariff for Bulk Supply (Domestic) is required to compensate the hardship on the Resident of a Group Housing Society under Option – 1 for increase into share in Common Area Electricity (CAE) due to reduction in Tariff structure for DS category consumers.

**UHBVNL Reply**

It is submitted that billing of individual consumers of a GHS being fed through single point supply is in the purview of the RWA/Builder and not that of Discoms, Hence, the objector may kindly approach them for any clarification regarding increase in Common Area Charges.

Furthermore, Discoms bill the consumers as per the respective tariff applicable to the consumer in accordance with the consumer-categories mentioned in the tariff schedule approved by the Hon'ble Commission for relevant year. Hence, tariff setting is in the purview of the Hon'ble Commission and not that of Discoms.

It is also submitted that it is the responsibility of the Employer/Developer/RWA/GHS/User Association that the billing is to be done as per the relevant tariff orders and HERC regulations. Any deviation from the applicable tariff order and regulation may be intimated to the CGRF as per the HERC Single Point Supply Regulations 2020 as clearly stipulated in regulations 5.3 reproduced as under:-

*"The individual consumers in the GHS/Employer's Colonies/Residential cum Commercial/Commercial Complexes/ Shopping Malls/Industrial Estates/IT Park where Single Point Supply has been provided, shall be treated at par with the consumers of the distribution*

*licensees and shall have the same rights and obligations as that of other consumers of distribution licensee. These consumers shall also be covered under all other relevant Regulations of the Commission including CGRF and Ombudsman Regulations, and tariff order issued by the Commission, provided that in case of the provision of section 126, 135 and 138 of the Act the distribution licensee shall be authorized to take necessary action as per these provisions of the Act in coordination with such Employer's Colony/GHS/ RWAs/Users Associations."*

**DHBVNL Reply**

DHBVNL humbly submits that, Tariff for Bulk Supply Domestic is being charged as per Hon'ble HERC Tariff Order for the relevant year. Any order(s) may be passed by the Hon'ble Commission in the interest of justice, as deemed fit.

**Commission's observations:**

**The intervener needs to note that there are two distinct segments to the Bulk (DS) Tariff. Firstly, electricity supplied by the Distribution licensee of the area and secondly, from that said Single Point, electricity supplied to the individual premises and common area etc. In the case of former, the tariff on an annual basis, including a fixed charge based on the recorded demand at the meter installed at a 'Single Point' is determined by the Commission. While metering, billing etc. in the second segment is the responsibility of the Employer/RWA/GHS/Developer, as the case may be subject to the terms of Single Point Supply Regulations in vogue. Hence, tariff beyond the supply is not within the scope of the present proceedings and Regulations can only be taken up for judicial review.**

8. No Subsidy, Discount, Rebate, Offer, Cashback is Available to a Resident of a Group Housing Society under Single Point Supply under Option – 1.
   (a) We all know that for all purposes, a Resident of a group housing society under bulk supply domestic is a domestic category consumer and it has a same right and obligations which a consumer under domestic supply category has and accordingly entitled to receive all types of subsidies, discount, rebate, Offer, Cashback etc as available to a domestic supply (DS) category consumer.
   (b) The Commission did acknowledge this while deciding Tariff last year and accordingly reduced the Fixed Charges from Rs. 100/kW to Rs. 80/kW by providing some relief in this regard but the reduction of Rs. 20/kW in fixed charges is actually nothing by comparing it to amount of subsidy, rebate, discount, Offer, Cashback is available to a Domestic

Category Consumer and accordingly a better approach should be made by the Commission in providing relief in Tariff to cover the amount of subsidy, discount, rebate, Offer, Cashback etc. for a resident of a Group Housing Society as being available to a Domestic Category Consumer.

**UHBVNL Reply**

It is submitted that any discount, rebate, or subsidy is under the purview of the State Government. As per Section 65 of the Electricity Act, 2003, if the State Govt. gives a rebate or exemption to category/categories of consumer on the tariff determined by the Commission, discounted tariff to that extent is charged by the Discoms to those consumers from time to time. However, there is currently no subsidy, rebate, offer, or cashback available on HERC approved tariff applicable for domestic consumers and the tariff schedule is implemented as approved by the Hon’ble Commission for the relevant year.

Furthermore, many of the contentions submitted by the petitioner have already been addressed in the PRO-48 of 2018 in which the Commission did not find any merit in the similar submissions and disposed of the matter vide order dated 21.02.2019.

**DHBVNL Reply**

DHBVNL humbly submits that, as per Section 65 of the Electricity Act, 2003, if the State Govt. gives a rebate or exemption to category/categories of consumer on the tariff determined by the Commission, subsidy to that extent has to be given by the State Government to the Discoms from time to time.

Further, DHBVNL humbly submits that, Tariff for Bulk Supply Domestic is being charged as per Hon'ble HERC Tariff Order for the relevant year. Any order(s) may be passed by the Hon'ble Commission in the interest of justice, as deemed fit.

**Commission’s Observation:**

**The Commission tends to agree with the reply filed by the Discoms. The intervener needs to note that rebate in terms of energy recorded at the single point has been provided to established parity between the two sets of DS consumers.**

### 2.3.4 Amina Chawla, GMDA, Gurugram

A. Comments/objections vide email dated 01.01.2024 enclosed with letter memo no. GMDA/Electrical/2024/01 dated 01.01.2024, FTMS No 12 dated 01.01.2024 has been received from Smt. Amina Chawla, Executive Engineer (Electrical) GMDA, Gurugram is reproduced as under:

That currently, all Sewage Treatment Plants (STPs), Water Treatment Plants (WTPs) under the jurisdiction of Gurugram Metropolitan Development Authority (GMDA) is not covered under any particular Tariff Category specified by HERC. However, it is submitted that these plants perform similar function of serving public at large like other Public Utilities i.e DMRC, Railways do. It is pertinent to state that such Public Utilities are covered under “HT Supply Tarif” category of HERC i.e Rs 6.25/kVAh. The same quantum of Tariff specified by Delhi Electricity Regulatory Commission for various such consumers including Delhi Jal Board, which performs the same function of pumping and sewage, is under the Category of “Public Utilities” being charge @Rs. 6.25/kVAh (as per Sr. No.6 of Tariff Schedule for FY 2021-22 of latest applicable DERC Tariff Order FY 2021-22). Relevant Pages of DERC Tarif Schedule is annexed herewith for your kind reference.

In view of the above, it is proposed that all WTPs/STPs of Haryana State to be covered specifically under HT Supply Tariff Category (like in DMRC or Railway Traction load) as these are also serving the public at large.

B. Comments and objection vide email dated 01.01.2024 vide letter Memo No. MCG/EE-Elect/2024/35 dated 01.01.2024 FTMS No. 11 dated 01.01.2024 from Smt. Amina Chawla, Executive Engineer (Electrical), GMDA, Gurugram is as under:

That currently, all Public Street Lighting Load of Public Utilities like MCG, PWD B&R, HSIIDC, HSVP, GMDA is not covered under any particular Tarif Category specified by HERC. However, it is submitted that this consumer category of load performs similar function of serving public at large like other Public Utilities i.e DMRC, Railway do. It is pertinent to State that such Public Utilities are covered under “HT Supply Tariff” category of HERC i.e 6.25/ kVAh. The same quantum of Tariff specified by Delhi Electricity Regulatory Commission for various such consumers including “Public Lighting, which performs the same function, is under the Category of “Public Utilities” being charge @Rs. 6.25/kVAh (as per Sr. No.6 of Tariff Schedule for FY 2021-22 of latest applicable DERC Tariff Order FY 2021-22). Relevant Pages of DERC Tarif Schedule is annexed herewith for your kind reference.

In view of the above, it is proposed that all Public Street Lighting consumer including MCG, PWD B&R, HSIIDC, HSVP, GMDA of Haryana State to be covered specifically under HT Supply Tariff Category (like in DMRC or Railway Traction load) as these are also serving the public at large

**DHBVNL Reply**

DHBVNL humbly submits that, the public utilities are being charged respective tariff relevant to their applicable consumer category & voltage level for use of electricity as per directions of Hon'ble Commission from time to time. Further, DHBVNL humbly submits that any order(s) may be passed by the Hon'ble Commission regarding the change in Tariff for the FY 2024-25 in the interest of justice, as deemed fit.

**Commission's Observations**

**The Commission has taken note of the suggestions of the intervener and shall consider the same subject to the proposal being feasible and revenue neutral.**

### 2.3.5 B.K. Aggarwal

Sh. Aggarwal, vide his email dated 29.12.2023 submitted objections/comments in respect of Billing, FSA, TDS, F.C. (Fixed Charges), Security Interest / ACD and LPS (Late Payment Surcharge) on retailers under Chapter 9 of tariff as per Section 62(1) d, and the Electricity Supply Code framed under Section 50, Unified Billing, Revenue Surplus/ (Gap) on the basis of stakeholder on practical aspect with experience. <u>More importantly DHBVNL Submissions in ARR for Tariff 2024-2025:</u>

Clause 1.40: <u>SURCHARGE LEVIED ON DELAYED PAYMENT</u>: -

Delayed payment charges are recognized, on ground of prudence, as and when accounted for as income from surcharge. On this basis a sum of Rs. <u>28950.24</u> lakhs has been accounted for as income from surcharge. Under Prayer: Chapter 6: By DHBVNL ANNUAL STATEMENT OF ACCOUNTS FINANCIAL YEAR 2022-23.

A. It is important to mention there are mainly two types of Categories of Consumer i.e. one for rattlers (sic.) whereas consumers like ours are covered under <u>Category in chapter 9 of tariff for retailers r/w section 62 (1) d of Act 2003</u> vis-à-vis Consumers as prosumer as per the Direction/Guide Lines as per NOTIFICATION Gazette of India Extraordinary, New Delhi, the 31st December, 2020: G.S.R. 818(E).----: (11). Consumer as prosumer:-

B. That Consumer B.K. Aggarwal D-503, Flat Owner Cum Resident out of 608 Flats/ Dwelling Units having Electricity Connection at Single Point Supply BSDS at 11 KV with DHBVNL bearing A/c No 6307821000.

C. That RWA in the name of PVCCA "Park View City Condominium Association" is the successor of Developer PVAPL "Park View Apartments Pvt Ltd" on 14.12.2011. That we are having agreement with DHBVNL to realize charges as per HERC Approved Regulations & HERC tariff issued from time-to-time inter-alia Statutory Agreement. Important: That any regulation if modified / Amended or repealed as per HERC orders & similarly HERC time to time are replacing/ tariff normally once in Financial Year and applicable Schedule of Charges of Consumers Like Ours are issued in the category of retailers under Chapter 9 of tariff.

D. That as per Clause 6.6 of HERC Regulation No 29/2014 of dated 8th Jan, 2014 and is being reproduced again for ready reference "<u>6.6 Surcharge for delayed payment of bills</u> <u>*In case the consumers do not pay the bill by the due date mentioned in the bill, surcharge for delayed payment of bill shall apply as per tariff orders issued by the commission from time to time.*"</u> Respondent DHBVNL and its Officers are willfully acting in violations of the above statutory provisions. <u>Perusal of the bills issued by the DHBVNL clearly shows that appellant has been charged @ 18% per annum which is contrary to HERC Order. HERC has not decided late payment surcharge @18% per annum, rather no late payment surcharge has been determined by the HERC</u>. If a consumer fails to make payment of the bill then DHBVNL can take recourse in accordance with law but it is not free to levy late payment surcharge as per its wish and whims.

E. That as per Hon'ble Supreme Court of India Civil Appellate Jurisdiction <u>CIVIL APPEAL NO. 1672 OF 2020</u> (Arising out of SLP (Civil) No. 5190 of 2019) and hereinafter, shall be called case No 1672 of 2020. Mistake regarding wrong LPS charges by Applicant in E.O. Appeal No 1/2023 was realized in Oct, 2022 and stake holder for comments in the DHBVNL ARR published on DHBVNL Website (For the first time) and not adhered to SDO (OP) message about the Surcharge Waiver Scheme vide DHBVNL Sales Circular D-24/2022 dated 31.08.2022 for opting the Surcharge Waiver Scheme. *"The illegal action by SDO (OP) by disconnecting our supply on 15/11/2022 confirms the condition of SDO (OP) M., Dharam Singh by willfully disobeying the approved HERC Regulations and against Section 56 of*

*Electricity Act, 2003 and clarity by Hon'ble Supreme Court Order of 18.02.2020 the Copy of the Said order is with DHBVNL & HERC as handed over on 13.12.2023."* The worst part on the part of DHBVNL Every Bill issued monthly to us from 2015 in respect of F.C. "Fixed Charges" till date is wrong "known to everyone". However, wrong LPS charges "Stake Holder knowing" came to the knowledge in Oct, 2022. But licensee/'s are in fact by continuously issuing wrong bills and if not paid these bills LPS @ 18% inter-alia DHBVNL action is against the consumer interest. Regarding wrong Bills it is being reproduced for ready reference "That as per Clause No 8.3 of HERC Regulation No HERC/50/2020 dated 24th Apr, 2020 and herein after shall be called Regulation 50/2020 *"Licensee shall ensure that at any point of time the percentage of bills requiring modifications following complaints to the total number of bills issued does not exceed 0.1%".*

Provided that in case a wrong electricity bill for sale of power is issued by the licensee, the same shall be corrected and a revised bill shall be issued to the consumer by the SDO in-charge within 3 days. Further, the adjustment of any amount on account of correction made in the bill shall be reflected in the next bill. In case the future bill (the second bill after the correction of the wrong bill), is found to be wrong the SDO in-charge shall be liable to pay a penalty of Rs 500/- per default. Provided further in case such default is found to occur thrice, the defaulting officer shall be preceded under the Punishment and Appeal Rules for this act of omission." Respondent SDO despite directions of Electricity Ombudsman for overhauling the bills of appellant as well as direction by CGRF vide order dated 06.11.2022, no heed is being paid by the respondent SDO to issue the correct bills, hence in terms of the above regulations, direction be issued for initiating departmental inquiry against the respondent SDO. Hence, not friendly as per Hon'ble Supreme Court Order.

F. Moreover, Licensees are liable to refund the LPS charged @ 18% from Apr, 2015 on words with Applicable interest/ Compensation/ Penalty as applicable if charged from consumer. There is no Limitation Period as per the said Hon'ble Supreme Court order No 1672 of 2020. Moreover, there is no limitation period in general in the Act, 2003 is there and mistake regarding for the first time realized in October, 2022 as mentioned.

Suggestion: The LPS in 2024-2025 should be applied on the same principal/ Pattern of Categories as defined NOTIFICATION Gazette of India Extraordinary, New Delhi, the 31st December, 2020: G.S.R. 818(E).----: (11). Consumer as prosumer:-

*Most Important: Clause No 6.10.2 of Regulation 29/2014 (Electricity Supply Code) of 8th Jan, 2014 with its Amendments (In case of Disputed Bills) "On Review of the Complaint, if the licensee has paid any excess amount, such excess amount along with interest at saving bank rate of State Bank of India Current as on 1st of Apr, of the financial year shall be adjusted in subsequent Bills".*

*The interest at saving bank rate should be replaced with Base Rate of State Bank of India Current as on 1st of Apr, of the financial year shall be adjusted in subsequent Bills.

G. That it is important to note No. 23/22/2019-R&R Part-4 GOI Ministry of Power in the name of Sh. Sandeep Naik Director to all the State Governments Power Related Authorities. However, the copy of same shall be attached. However, the contents of the letter from subject & Para's 1 & 2 of the First page is provided below.

That Copy of Draft Sh. Ghanshyam Prasad shall be attached. **Emphasize: Licensees were not only issuing wrong bills but illegal Charges in respect of LPS.**

**F.C. "Fixed Charges**: That as per Hon'ble Supreme Court of India Civil Appellate Jurisdiction CIVIL APPEAL NO. 1672 OF 2020 (Arising out of SLP (Civil) No. 5190 of 2019) following important inferences are important.

1. The high-rise buildings BSDS Residential Societies were made on the Basis of Singapore & under USA "United States of America" under Apartments Owners Act of 1983 with Rules of 1987 and subsequently Amended/ Substituted by Haryana Registration & Regulation of Societies Act, 2012 & Rules, 2012.
2. That High rise buildings are made with the concept of less covered area inter-alia not affecting the greenery area.
3. That Licensee's DHBVNL & UHBVNL had supplied the ARR but without proposals inter-alia loop holes.
4. That in the newspaper Hon'ble C.M. of Haryana has stated old tariff shall continue with the old tariff with additional charge of FSA @ Rs. 0.47 per unit. Meaning by HERC is being pressurized to accept the Licensee's ARR without Proposal in the undersigned opinion. As a matter of fact as per HERC order dated 22th Dec, 2022 in the Case No. HERC Petition no

56 of 2023 and Petition No 62 of 2023: In The Matter of: Petition for relaxation in levying of FPPAS (Fuel and Power Purchase Cost Surcharge Adjustment) during the FY 2023-24 under regulation 66, 78 & 79 HERC (Terms and condition for determination of Tariff for Generation, Transmission, wheeling and Distribution & Retail Supply under Multi Year Framework) the LPS @ Rs. 0.47 per unit are approved for five quarters inter-alia absolutely wrong concept. *Stake Holder is of confirmed opinion the LPS should be part of Tariff and not separate as this is to be continued for more than one Financial Year.* Everyone shall appreciate that none shall like the FSA @ Rs. 1.55 per unit as can be seen in the FY 2016-2017.

It is matter of concern that DHBVNL even admitting the F.C. (Fixed Charges) are being issued wrongly every month. However, DHBVNL is least bothered to follow Law or settled law by Hon'ble Supreme Court Reportable Order. Hence, HERC is humbly requested for stern Direction to Licensee. Stake Holder issues in HERC Petition HERC/ PRO-23 of 2023 next "*That DHBVNL as Respondent in Petitioner B.K. Aggarwal in HERC Petition No 23/2023 had submitted on the Order of E.O. Panchkula Haryana in hand written Note of by XEN DHBVNL Sh. S.K. Singh Ji RAPDRP Hisar & others inter-alia DHBVNL & UHBVNL had made their own law i.e. Superseding the Statutory Authority "E.O. Ombudsman Panchkula Haryana" order in the case of NFL under section 42 (6) of electricity Act 2003. It is further intimated as per Para 7.1 of Hon'ble Supreme Court Judgment in Case No 1672 of 2020 important finding*, The Standing Committee of Energy in its Report dated 19.12.2002 submitted to the 13th Lok Sabha, opined that Section 56 of the 2003 Act is based on Section 24 of the1910 Act.

The Standing Committee further opined that a restriction has been added for recovery of arrears pertaining to the period prior to two years from consumers, unless the arrears have been continuously shown in the bills. Justifying the addition of this restriction, the Ministry of Power submitted that*: –"It has been considered necessary to provide for such a restriction to protect the consumers from arbitrary billings."*

In view of every DHBVNL Bill being wrong Distribution Discoms/ Licensees working is against the Section 56 of Electricity Act 2003**.**

**"Emphasize: Hon'ble Commission with due respect & apology shall ensure Discoms prepare Consumer's Bills correctly".**

5. That Tariff of Consumers of Single Point Supply BSDS at 11 KV and Domestic consumers has to be compatible for the following reasons particularly on F.C. Fixed Charges**.**
6. That maintenance of Electricity Switchgear from its gate to the Flat/dwelling units is maintained by RWA/PVCCA in our case.
7. Transformation loss as per undersigned experience of 1 MVA oil immersed transformer at no load was 96 units of 24 hours inter-alia 4 units per hour or 4*100/(1000*.9) =.44% losses per MVA inter-alia for 5 MVA Transformers "Three No's totaling 5 MVA" it is equivalent to 2.22%.
8. In the case of Domestic consumers due to unbalance of loads in three phases has/is to be more as compared to Consumers of Industries inter-alia minimum by 2%. Moreover, if compared to Domestic Consumers having Licensee meters the deposit is to be made directly to consumers.
9. In the case of Consumer's like ours we have to first categories of consumer's than we have to prepare the bill as per the Domestic Consumers and Rate of Energy Charges & FSA is same. However, in the case of domestic there is Rs. Zero per unit.
10. One can say the MMC is being realized by RWA/PVCCA. However, the regular maintenance of infrastructure involved burden is absorbed by Consumer at 11 KV and same than MMC in rupees received.
11. Due to additional burden of Fixed Charges i.e. to the tune of **Rs. 0.21** per unit at F.C. Charges @ Rs. 80 per KW of Recorded MDI. Soft Copy of same shall be attached.
12. In view of above facts, the F.C. Charges should be zero. However, at first go the *Fixed Charges Rs. 40/KW of Recorded KW MDI be made without fail*. The total Charges of Different Financial Years excel data is with HERC as well as with DHBVNL. In case of any Proactive objection or Contradiction is most welcome.

    Conclusion: The Fixed Charges should be reduced from Rs. 80/KW of Recorded Demand to be reduced to Rs. 40/KW of Recorded Demand.
13. TDS: Deduction of TDS from Consumers like ours i.e. Single Point Supply BSDS at 11 KV of Consumer PVPL (PARK VIEW PVT L) bearing latest DHBVNL A/c No 6307821000 consisting of 608 Flats/Dwelling Units. Meaning by threshold limit for deduction of TDS should be on Security Interest if More than Rs. 608*5000 = 3040000/-. Moreover, few related points are provided below. However, even accepting without agreeing Income

Tax Act, PVCCA as any person still DHBVNL was supposed to handover the related document so that same may be realized from relevant agencies inter-alia hefty Penalty.

a) There had not been any PAN/ TAN no's in any of the DHVN prior to Sep. 2022 Bill of Aug-2022 consumption. However, as per Ld. Counsel UHBVNL Circular That in E.O. Appeal No 1/2023 DHBVNL counsel Vide Email dated 23.03.2023 had provided one UHBVNL Memo No 390/AOR/8/21-22 that too cited the case of industry of UHBVNL. The Copy of DHBVNL Counsel is attached by DHBVNL Counsel.
b) That even after DHBVNL bills issued subsequently PAN No on Bill is ****760Q instead of our PAN No AABAP7960Q. However, DHBVNL in the HERC hearing on 13.12.2023 in Petition No HERC/PRO-23 of 2023 had shown as ****7960Q. *Undersigned shall provide the affidavit. However, in case Licensee if not agreeing let it be on affidavit to the Stake holder.*
c) That as per UHBVNL said Circular of UHBVNL there has to be penalty on the Operation Officers for not adhering the Condition of 194A Income Tax of 1961 there is penalty as mentioned in the UHBVNL Circular i.e. Memo No 390/AOR/8/21-22 Dated: 18.10.21.
d) That DHBVNL Ld. Counsel had Consumers like ours covered under City-Co-operative Society. However, Petitioner had provided as this information as supportive document in addition to the Circular of UHBVNL TDS shall be deducted from any person from Domestic as well as Consumers of PVCCA/RWA with 608 flats/dwelling units. <u>Moreover, PVCCA refunds/adjust of flat owners bill</u>.
**e)** That DHBVNL had never provided any documents for depositing TDS certificate to RWA/PVCCA as a matter of none to Domestic or Condominium like ours. *In fact SDO (OP) Mr. Liyakat Ali in 2017-18 had adjusted Rs. 308506/- @ 10% instead of 20%.* ***Moreover, for delayed period related with ACD has to adjust as per applicable RBI Bank Rate or more as per Commission Regulation's.***
f) Adjustment of Security Interest @ RBI Bank Rate as on 1st of April of the year for the period 1st Apr to 31st Mar of the financial year and to be adjusted in first billing cycle of the ensuing financial year inter-alia in the DHBVNL Bill of ensuing April. DHBVNL through its Ld. Counsel had made a mockery of its interpretation. This is important

the anomaly was removed in HERC 1st Amendment of Regulation 29/2014 dated 17th Nov, 2014 by amending/substituting clause no 4.15.5.

g) Not timely adjusting the excess security Quarterly i.e. on or before 30th June, of Ensuing Financial Year. That rate of interest has to be as per clause 20 of Schedule 2 r/w Compensation / Penalty at Sr. No 17 of additional 18% after notice of 30 days vis-à-vis after 2 subsequent Bills i.e. interest for the period Apr to Mar of the Financial year in the first billing cycle of ensuing financial year i.e. Apr of Ensuing Financial Year. Moreover, in the HERC/Petition No 32/2023 on dated 10.01.2023 had imposed Penalty/Compensation as per HERC Regulation 50/2020 regarding Standards and Compensation/ Penalty.

h) Three DHBVNL Bills in the back date as sample only i.e. of Jul21-Jun21, Aug21-Jul21 & DEC, 2017 are attached and wrongs mentioned below.

**Bill of Jul, 2021 issued in Aug, 21:**

a) Security Interest issued in Aug-21 instead of Apr-21.

b) PAN No has been mentioned as ****7960Q as against Nil?

c) Security before DHBVNL Bill of Jul, 21 for consumption Jun, 21 as per wrong Rs. 654206/- as excess security adjusted out of Rs. 5510000/- inter-alia Rs. 4855794/-? The Security in DHBVNL Aug-21 has been shown as Rs. (4855794-618348) = 4237446/-? Audit Department May under half margin may raise demand even after years.

d) F.C. “Fixed Charges” again wrong as not being monthly? DHBVNL/’L had made their own law i.e. against the Approved Commission Regulations as well as against the tariff.

e) Wrong LPS Charges and fictitious Arrears.

f) TDS @ 20% shown deducted in the Bill without supply of documents that too if applicable.

**Bill of Jun, 21 consumption issued in Jul, 2021:**

a) Wrong Slab Charges i.e. Rs. 6.2 per unit instead of Rs. 5.2 per unit i.e. on Billed units after 4% rebate on metered Consumption units. The DU is equivalent to (485601.6/608) =798.69.

b) The Security Deposit has been shown as Rs.4237446/- as against Rs. 4855794/- that too as per DHBVNL version “Wrong”.

c) LPS charges are wrong as rate of LPS from 2015 till date has to be zero/Nil.

d) F.C. Fixed Charges is again not monthly. Inter-alia Wrong Municipal Tax also as it is equivalent to Rs. (Energy Charges + FSA + Fixed Charges)*2%.

e) PAN NO in Back Date has been made as ****7960Q instead of Nil/ Blank.

**Prayer:-**

- That first of all every bill is wrong hence selling price per unit is not reliable. Meaning Stern Action against erring officers.
- Wrong LPS charges from Retailers being nil from 1.04.2015 or after 8th Jan, 2014 being Nil. Hence figure of Rs. 28950.24 lakhs as income is wrong.
- The Security Interest figure for FY 2024-25 as Average Security Deposit of Rs. 2944.80 vis-à-vis Interest on Consumer Security Deposit of Rs. 198.77 is wrong for the reason Adjustment of Excess/Deficient of Consumers Security Yearly is not been adhered by Distribution Discoms.
- The Deduction of TDS from Domestic Consumers as well as from Single Point Supply BSDS at 11 KV is a big question mark in view of No PAN No's of Consumers, hence how deduction of TDS that too without giving the information to consumers implies that Discoms have deducted TDS @ 20% but not depositing in the appropriate authorities.
- There is no where mentioned about the consumption of Domestic vis-à-vis Single Point Supply BSDS Condominiums at 11 KV connections.
- The Fixed Charges (FC) of Domestic and Single Point Supply BSDS Condominiums at 11 KV connections should be same. As intimated at first go the Fixed Charges of BSDS Condominiums should be reduced from Rs. 80/KW of recorded MDI in KW to Rs. 40/KW of recorded demand "MDI" KW.
- That Revenue Gap (Negative) being very high figure, Rs. 0.47 per unit should be part of tariff and not FSA @ 0.47 per unit.
- <u>LPS Rate of Retailers under Chapter 9 of Tariff be clearly new rate i.e. SBI Base Rate as on 1st April of Financial Year and simultaneously clause No 6.10.2 of HERC Regulation 29/2014 with its amendments be made same as LPS rate</u>.
- Inadvertent omissions/shortcomings, addition / change / modification / alteration in the present submissions may be allowed before 4.01.2024.

B.K Aggarwal also filed a replication vide email dated 06.02.2024 to the reply filed by DHBVNL to his observations dated 29.12.2023. He reiterated the dispensations in the Commission's approved tariff of FY 2022-23 including the observations on revenue gap as well as CoS.

**DHBVNL Reply**

**Re: levy of FSA @0.47 paisa per unit**

1. Objector has stated that FSA @ Rs. 0.47 per unit had to be part by increasing the tariff and not be kept separately.
2. In this regard, DHBVNL submits that FSA charges are being levied to the non-AP consumers as per Regulation 66 of HERC MYT Regulation, 2019 for Timely recovery of power purchase costs over and above the approved power purchase cost. Further, DHBVNL humbly submits that any order(s) may be passed by the Hon'ble Commission regarding levy of FSA to non-AP consumers in the interest of justice, as deemed fit.

**Re: ARR Gap**

3. Objector has stated that, there should not be any carryover of dues in subsequent months such as subsidy of AP tube wells. FSA increase or decrease on the increase cost of fuel as per Licensee submissions for retailers in on Page No 267 of total 307 pages of HERC Tariff on the one side deficit of More than Rs. 1094.54 crores as deficit Licensees were not able, how this deficit amount shall be met and directed to provide Proposal along with ARR The DISCOMS same tariff but no reply how the gap could be managed.
4. In this regard, DHBVNL submits that revenue gap for ARR FY is proposed to be met from efficiency improvement in subsequent year. Further, DHBVNL humbly submits that any order(s) may be passed by the Hon'ble Commission in the interest of justice, as deemed fit.

**Re: HERC Petition No HERC/PRO-23 of 2023**

5. Objector has stated that, DHBVNL had admitted the Fixed Charges knowing well are being issued wrongly and SDO (OP) one excel sheet of 42 months i.e. due to one excuse or other. It also submitted that DHBVNL as Respondent in Petitioner B.K. Aggarwal in HERC Petition No 23/2023 had submitted on the Order of E.O. Panchkula Haryana in hand written Note of by XEN DHBVNL Sh. S.K. Singh Ji RAPDRP Hisar and

others in Annexure R-4 Page No. 20 of Respondent DHBVNL in the reply with Affidavit dated 29.09.2023 action that too through regular Licensee Ld. Counsel DHBVNL/UHBVNL had superseded the Statutory Award by E.O. Panchkula speaks volumes regarding extortion of money from consumers. Further, objector has submitted that there being no mention of PAN/TAN no's of Consumers Bills before DHBVNL Bills issued in Sep, 2022. In absence of PAN No's of Consumer's there cannot be deduction less than 20% before 2018. As a matter of fact DHBVNL had adjusted Deduction of TDS 10% in the period Apr, 2016 to Mar, 2018. Accordingly, objector has requested to the Commission for Direction as deems fit so that Licensee shall not extortion of Consumers Money. Wrong Justification of Deduction of TDS by Licensee's through regular Ld. Counsel on 13/12/2022 hearing in HERC Petition No HERC/PRO-23 of 2023

6. DHBVNL humbly submits that, Tariff to consumers are being charged as per Hon'ble HERC Tariff Order for the relevant year. Further, it is submitted that above matter is sub judice in HERC 23 of 2023 and is under process of hearing. Accordingly, any order(s) may be passed by the Hon'ble Commission in the interest of justice, as deemed fit.

**Commission's Observation**

**The Commission has taken note of the objections/comments filed by Sh. B.K. Aggarwal. The issue of rate of delayed payment surcharge has already been dealt earlier in this order. The Commission is seized with the issue of billing given the large number of dead/defective/slow meters and the large number of bills issued on a provisional basis as well as lack of a separate accounting head for collection of arrears. Further, the issue of TDS has to be necessarily in line with the governing law/rules issued by the Central Government. Additionally, FSA is being levied as per the provisions of the HERC MYT Regulations in vogue**.

**2.3.6 Anagha Pujari**

Comments and objection vide email dated 04.01.2024 received from Ms. Anagha Pujari is as under: -

"That comments being writing to you with a keen interest in understanding how UHBVNL and DHBVNL have been using advanced Analytics in the control period for addressing various challenges faced by them and how they plan to use such technologies going forward. I am particularly interested in understanding the extent to which AI/ML powered Analytics Technologies are being employed to tackle critical issues such as Deviation Pool Optimization through Demand and Generation Forecasting, Load Balancing, Theft Detection, Fraud detection in Procurement, Predictive Asset Analytics, Data Integration across various platforms, Network Data Analytics, KPI monitoring, etc. In light of the increasing complexities in the power sector, leveraging advanced analytics seems imperative for UHBVNL and DHBVNL to enhance operational efficiency and improve overall performance.

Specifically, I would appreciate information on the following points for FY 23 through FY 25 (Control Period):

1. Current Initiatives: What AI/ML analytics technologies are currently in use across various departments? Examples include Deviation Pool Optimization, Data Integration at SLDC, Asset Predictive Analytics, etc. Whether these costs are being considered in Opex or any specific Capex project has been approved.
2. Future Plans and Roadmap: Whether any Capex projects have been approved/proposed in this regard for the years in contention? What is UHBVNL and DHBVNL's vision for incorporating advanced analytics in the future? Does it have any road map in this regard? Please provide insights into the planned initiatives, technologies, and a roadmap for their implementation.
3. Cross-Departmental Implementation: It would be valuable to know whether analytics technologies are being utilized uniformly across different departments within UHBVNL and DHBVNL or if there are plans to expand their usage.
4. Setting up a Center of Excellence (CoE): Considering the breadth and depth of analytics applications, Are UHBVNL and DHBVNL contemplating establishing a Center of Excellence dedicated to analytics? Have UHBVNL and DHBVNL carried out any feasibility study for setting up such a center for comprehensive Data driven Decision-Making?

I believe that insights into UHBVNL and DHBVNL's strategies and plans would be beneficial for all stakeholders including customers.

I appreciate your attention to this matter and look forward to receiving comprehensive information. If needed, I can arrange to meet the concerned people at HERC to further clarify my queries. However, I do not intend to put across Suggestions and Objections in Person.”

**UHBVNL Reply**

It has been submitted by the Nigam, by way of the present reply, that the objections / comments filed by the intervener herein is not in accordance with the modalities specified in the public notice issued for inviting objections / suggestions / comments from the general public / stakeholders, hence, the comments filed by the instant intervener ought not to be considered.

**Commission's Observation**

**The Commission has perused the above comments / information sought. Despite the fact that in the present context the answers sought are not directly relevant, the intervener may note that the distribution system in the backbone of the power system, hence, efforts are made to absorb new and emerging technologies including AI.**

**2.3.7 Varun Sharma, Advocate representing BPCL, IOCL & HPCL**

Comments vide filing dated 12.01.2024 received from Sh. Varun Sharma on behalf of -

- Bharat Petroleum Corporation Ltd. a Company incorporated under the Companies Act, 1956 having registered office at Bharat Bhawan, 4 & 6 - Currimbhoy Road, Ballard Estate, Mumbai through its Territory Manager (Retail) and constituted attorney, Bharat Petroleum Corporation Ltd., at Lalru, Teh. Dera Bassi, Distt. SAS Nagar (Punjab).
- Indian Oil Corporation Limited, a Company incorporated under the Companies Act, 1956 having registered office at Indian Oil Bhawan, G-9, Ali Yavar Jung Marg, Bandra (E), Mumbai – 400 005 through its Divisional Retail Head, IOCL Panipat Divisional Office, Panipat Refinery, Panipat 132140
- Hindustan Petroleum Corporation Limited, Petroleum House 17, Jamshedji Tata Road, Mumbai, Mumbai, Maharashtra, Mumbai, 400020 having its Retail Regional Office at E-22, Industrial Area, Court Road, Panipat, through its Sr. Regional Manager and Constituted Attorney

  are as under:

i. **Statement of the relief sought from the Commission**: In view of facts detailed in this Objection Petition, the Oil Marketing Corporations (OMCs) seek For Providing LT connections to Electric Vehicle Charging Stations to be set up at retail petroleum outlets of the OMCs in pursuance to policy of the Government of India on global EV30@30 campaign, which targets to have at least 30% new vehicle sales be electric by 2030:

**ii. The relevant facts and reasons why the Commission should grant the requested relief:**

1. Government of India has supported the global EV30@30 campaign, which targets to have at least 30% new vehicle sales be electric by 2030. In line with the said policy of the Government of India to achieve transition to electric mobility for decarbonizing the transport sector, the NITI Aayog has issued a handbook on Electric Vehicle Charging Infrastructure. The mandate is to provide an accessible and robust network of electric vehicle charging infrastructure being essential pre-requisite to achieving this ambitious transition. The Government of India has instituted various enabling policies to promote the development of the charging infrastructure network. However, given the novel characteristics of this new infrastructure type, there is a need to customize it to the unique Indian transport ecosystem and build capacity among stakeholders to support its on-ground expansion. It is thus necessary to ensure the efficient and timely implementation of EV charging infrastructure, such that it meets local requirements and is optimally integrated within the electricity supply and transportation networks. Chapter 2.2.2 of the handbook relating to executive or implementing authorities provides as under:-

   "Under the MoP's direction, states have nominated state nodal agencies (SNAs) to govern the implementation of public charging. SNAs are mandated to select implementing agencies to install, operate and maintain public charging stations and battery swapping/ charging facilities in the state. Unless otherwise specified by the state, state electricity distribution companies (DISCOMs) are the SNAs by default. A complete list of SNAs is provided in Annexure B."

   Sr.No.19 of Annexure B mentions Uttar Haryana Bijli Vitran Nigam is named as State Nodal Agency for the State of Haryana.

   Under chapter 5 of the Handbook, it is obligation of the DISCOMs to provide electricity connections for EV charging infrastructure since DISCOMs enforce and execute the electricity supply rules and regulations on-ground and interact with different classes of electricity consumers. Chapter 5.1 has noted that the type of connection – i.e., single-phase LT, three phase LT, or high-tension (HT) – is decided based on the required sanctioned load which directly impacts the cost and time for getting a connection, the tariffs, and the need for ancillary upstream infrastructure like Distribution Transformers (DTs). An HT connection attracts higher installation and monthly demand charges, involves more time for energization, and requires the set-up of ancillary electrical infrastructure by the applicant. The sanctioned load ceilings for LT and HT connections vary significantly between states.

While emphasizing the need to cater power supply to this new segment of consumers, it has been noted as under:-

"A system upgrade is advised when the capacity utilization of the nearest feeder is expected to exceed the permitted threshold (commonly 70%) upon award of a new connection such as a charging infrastructure connection. Augmentation of the distribution network can be an expensive and time-consuming affair. A distributed public charging network can optimize the time and costs associated with getting power connections for EV charging, with lower sanctioned loads and fewer charging points at each site. In cases where a greater number of charging points is required or mandated through building byelaws and other government orders, these provisions can also lead to higher capital and operational costs, and can disincentivize EV charging installations. SERCs and DISCOMs need to recognize EV charging as a new type of consumer requirement, distinct from existing consumer categories, and adapt the supply code to enable affordable and reliable electricity supply for charging infrastructure."

Relevant part of the handbook issued by NITI Aayog is annexed herewith as Annexure A.

2. That attention of this Hon'ble Commission in this regard is invited to one of the follow up meetings under the Chairmanship of Member Secretary, NCR Planning Board regarding decision taken in the meeting of Committee of Transport Secretaries/Commissioners (CoTS) held on 09.11.2023 on the matter of Electric Vehicle Charging Station infrastructure in NCR, which was attended by various representatives of Haryana Power Utilities/DISCOMs. It was decided in the said meeting that –

   *"2(iii) Further, on the request of representatives of Rajasthan and Haryana, it was agreed that all OMCs will send proposals to the RERC and HERC (Haryana Electricity Regulatory Commission) for required LT connections. In this regard, a draft can be shared by representatives of UHBVNL."*

   Relevant part of minutes of meeting dated 09.11.2023 is enclosed as Annexure B.

3. That the OMCs have decided to set up Electric Vehicle Charging Stations in large number of retail petroleum outlets, it is not possible to have HT connection keeping in view the norms laid down by the Petroleum and Explosives Safety Organization considering the

nature of products dispensed at the retail outlets. There would be requirement of Three Phase LT connections upto 200 KW. A copy of relevant part of Petroleum and Natural Gas Regulatory Board (Technical Standards and Specifications including Safety Standards for dispensing of Automotive Fuels) Amendment Regulations, 2022, are attached herewith as Annexure C.

4. That there is no tariff category of Electric Vehicle Charging Stations existing in the regulations of Haryana power utilities/DISCOMs. Under existing regulations maximum LT load can be given upto 50 KW which would be highly inadequate for prompt charging of vehicles at the retail outlets. A copy of the Tariff Categories of Haryana DISCOMs is enclosed as Annexure D.
5. That there was no provision in the rules/regulations laid down by DISCOMs of other States. Going by the aforesaid policy of Government of India, the State of Uttar Pradesh has made necessary changes in its norms/rules/regulations to provide for LT connection for Electric Vehicle Charging Stations. State of Delhi has already made provisions in the year 2017 whereby LT connection upto 200 KW can be issued. Copies of relevant documents issued by both the States are enclosed as Annexure E & F, respectively.

   That in the peculiar circumstances, your kind indulgence is warranted so that the required rules/regulations/bye-laws related provisions are put in place by Haryana Power Utilities/DISCOMs to enable OMCs to set up and make Electric Vehicle Charging Stations operational at their existing retail petroleum outlets.
6. That the counsel for the OMCs had visited the office of HERC for filing a petition on the instant issue and had met Director/Tariff, HERC, Panchkula from where it was learnt and as suggested, the instant objections are being filed. It may be stated though the last date for submission of objections in the public notice was 29.12.2023, the same may be condoned and the instant objections may be entertained and placed before the Commission for public hearing on 24.01.2024 so that the issue raised by the OMCs in the instant objection petition also gets resolved.

   It is, therefore, prayed that the Haryana Power Utilities/DISCOMs may be directed to put in place the requisite framework to enable the OMCs to set up and make Electric Vehicle Charging Stations operational at their existing retail petroleum outlets promptly by providing them LT connections upto 200 KW in line with the policy of the government of India, in view of detailed submissions made above.

**UHBVNL Reply**

Vide Memo no. Ch-102/RA/F-25/Vol-84 dated 13.02.2024, the reply of UHBVNL is as under:

1. The present Petition has been filed by Haryana Discoms for determination of ARR and Tariff for FY 2024-25, Annual Performance Review for FY 2023-24 and True up for FY 2022-23 under HERC Terms and Conditions for Determination of Tariff for Generation Transmission Wheeling and Distribution and Retail Supply under Multi Year Tariff Framework Regulations 2019 and Section 45 46 47 61 62 64 and 86 of the Electricity Act 2003 read with the relevant guidelines.
2. The instant reply is filed by UHBVNL to the objections raised by BPCL, IOCL, and HPCL ("Objectors") to the Petition as under:
   i. Objectors has stated that they seek LT connections to Electric Vehicle Charging Stations to be setup at their large retail petrol pump outlets in pursuance to policy of the Government of India on global EV30@30 campaign. It has also submitted that Government of India on global EV30@30 campaign is targeting to have at least 30% new vehicle sales be electric by 2030 and mandate to provide an accessible and robust network of electric vehicle charging. Thus, the OMCs have decided to setup Electric Vehicle Charging station in large retail petroleum outlet, and there would be requirement of three phase LT connection up to 200kW. However, it is not possible to have HT connection keeping in view the norms laid down by the petroleum and Explosive Safety Organization considering the nature of product dispensed at the retail petroleum outlet. Objector has further stated that, as per existing regulations maximum LT load up to 50kW can be given, which would be inadequate for prompt charging of vehicle at retail outlets. Therefore, objector has requested Hon'ble Commission to place the requisite framework to provide LT connection up to 200 KW.
   ii. In this regards UHBVNL submits that, electricity connections to Electric Vehicle Charging Stations are released by UHBVNL as per HERC (Terms and conditions for release for setting up charging infrastructure, tariff and other Regulatory issues for Electric Vehicles), Regulations 2021 (circulated by UHBVNL vide Sales Circular-

04/2022 on 21.03.2022). It is further submitted that Classification of Supply voltage for releasing the connection is done as per the HERC Electricity Supply Code Regulations (UHBVNL Sales Circular No. U-02/2020), under which LT connection can be released only up to 50 KW load and above 50 KW load, connection is to be released on HT supply only. The relevant clause is reproduced as under: -

"3.2 Classification of Supply

(a) Supply shall generally be given at the following voltages on the basis of contracted load:

| Category | System of Supply |
|---|---|
| **Low Tension** | |
| Contracted load upto 5 kW | Single phase at 230 V |
| Contracted load above 5 kW and up to 50 kW | 3 Phase 4 wire at 400 V |
| **High Tension** | |
| Contracted load exceeding 50 KW and up to 5000 kVA | 3 Phase at 11 kV |
| Contracted load exceeding 2000 kVA and up to 25000 kVA | 3 Phase at 33 kV |
| Contracted load exceeding 5000 kVA and up to 75000 kVA | 3 Phase at 66 kV |
| Contracted load exceeding 25000 kVA and upto 100000 kVA | 3 Phase at 132 kV |
| Contracted load exceeding 75000 kVA and upto 320000 kVA | 3 Phase at 220 kV |
| Contracted load exceeding 320000 kVA | 3 Phase at 400 kV |

iii. It is worthwhile to submit that in order to provide better and quality power supply to the consumers, the intent of DISCOMs as well as of the Hon'ble Commission has always been to provide more and more consumers, connections at HT pressure. This can also be seen from the Classification of Supply which has been amended time to time as follows: -

| Year | Category | System of Supply |
|---|---|---|
| 1980 | Contracted load upto 100 kW | Low Tension |
| | Contracted load exceeding 100 kW | High Tension |
| w.e.f 1987 | Contracted load upto 70 kW | Low Tension |
| | Contracted load exceeding 70kW | High Tension |
| w.e.f 2010 | Contracted load upto 50 kW | Low Tension |
| | Contracted load exceeding 50 kW | High Tension |

iv. HT:LT Ratio: Better voltage supply and reduced distribution losses are the factors that drive DISCOMs to maintain high HT:LT ratio. UHBVNL's performance in this regard is as follows: -

| FY | HT Lines | LT Lines | Ratio |
|---|---|---|---|
| 2013-14 | 53118 | 52312 | 1.02 |
| 2014-15 | 55056 | 52753 | 1.04 |
| 2015-16 | 55990 | 52998 | 1.06 |
| 2016-17 | 56745 | 53622 | 1.06 |
| 2017-18 | 57691 | 54174 | 1.06 |
| 2018-19 | 58858 | 55448 | 1.06 |
| 2019-20 | 59662 | 55842 | 1.07 |
| 2020-21 | 61550 | 56328 | 1.09 |
| 2021-22 | 63911 | 57438 | 1.11 |
| 2022-23 | 65344 | 58887 | 1.11 |

v. It is submitted that the Objectors are seeking such a relaxation on the ground of 2 reasons which are (1) Safety and (2) HT connections costs more. These are replied as under:

vi. So far safety issue is concerned, the relevant portion of Petroleum and Natural Gas Regulatory Board (Technical Standards and Specifications including Safety Standards for dispensing of Automotive Fuels) Amendment regulations, 2022 which is attached as Annexure-C of the Objections provides for the filling facility to be free from overhead electric cable or HT line as under: -

(iv) There shall be no overhead electric cable or HT line above the filling "facility."

a. It is submitted that with HT connections, this provision can easily be taken care of by placing the Distribution Transformer and HT meters at appropriate place such that no overhead electric cable or HT line should pass over the filling "facility. The Electricity Supply Code Regulation, 2014 (with up-to-date amendment) also provides provision for fixing the place of DT and Meter in consultation with the consumer as under: -

*(6) During the inspection of the premises, the licensee shall:*

*(a) Fix the point of supply and the place where the meter and other equipment shall be installed, in consultation with the consumer.*

b. Furthermore, if there are safety issue with HT connections which are to be released to filling stations then it will be there irrespective of connected load whether it is 200KW/KVA or beyond. So, OMCs should seek relaxation for LT connection irrespective of applied load. Their objection for only applied load upto 200kW/kVA clearly shows that they are not approaching the Hon'ble Commission with clear hands.

7. The second aspect is costing. Objectors have stated that HT connections would cost much costlier to them in terms of higher tariff, additional demand charges and higher installation charges, more time of energization.

a. In this context, it is submitted that for promoting and facilitation the Electric Vehicle Charging Stations in Haryana following provisions are already in place which have not been considered by the Objectors:

(a) Separate Tariff Category

Electric Vehicle Charging Stations are separately categorized by the Hon'ble Commission in ARR/Tariff Order since FY 2021- 22.

(b) Relaxed Tariff (with No Fixed Charges):

The applicable tariff for LT & HT connections for Electric Vehicle Charging Stations as determined by the Hon'ble Commission for FY 2023-24 is a single part tariff equivalent to Cost of Supply for LT/HT as under:

"The tariff for electricity supply to 'the EV Charging station in Haryana shall be a single part tariff equivalent to the CoS of HT Supply (i.e. Rs.6.22) and LT Supply (i.e. Rs.6.62), as determined in the present order. The off peak / night time concession benefits shall also be applicable. There shall be no fixed / demand charges."

(c) Relaxed Installation Charges:

To rein in cost of installation, HERC (Terms and Conditions for setting up Charging Infrastructure, Tariff and other Regulatory issues for Electric Vehicles), Regulations, 2021 has provisioned that for E-Vehicle Charging Station(s) the cost of separate / dedicated transformer along with allied equipment shall be born by the DISCOMs out of their CSR fund. The relevant clause 17(f) is reproduced as under for kind reference: -

"In case of HT connection for E-Vehicle Charging Station(s) for load more than 50 kW, the cost of separate / dedicated transformer along with allied equipment shall be borne out of CSR fund of Discoms to rein in cost of installation(s)."

(d) Release of Connection on Priority

To ensure expeditious release of electrical connections to EV Charging Stations in Haryana, the Hon'ble Commission has already made a provision in HERC (Terms and Conditions for setting up Charging Infrastructure, Tariff and other Regulatory issues for Electric Vehicles), Regulations, 2021 for releasing connections on priority as under: -

Any person seeking to set up a Public Charging Station may apply for connectivity and he shall be provided connectivity on priority by the Distribution Company licensee to supply power in the area. Discoms shall release such connections on priority subject to the developers making all the related payments upfront as per relevant HERC Regulations.

b. These submissions clearly state that provisions for addressing the concerns of objectors (for such a seeking relaxation) are already in place and hence the Objectors need to review their objections while keeping in view the above.

8. Relaxation given by Uttar Pradesh and Delhi

a. The Objectors have stated that the State of Uttar Pradesh has made necessary changes in its norms/rules/regulations to provide for LT connection for Electric Vehicle Charging Stations and have also enclosed copy of relevant document as Annexure-E.

b. A bare perusal of the order dated 08.08.2023 issued by Uttar Pradesh Power Corporation Limited would reveal that though they have permitted release of electrical connections to EV Charging Stations on LT pressure beyond 50kW, however, this change will not benefit the OMCs in terms of costing as point 3 of the order clearly states that the applicant has to bear complete cost if the proposed connection required augmentation or extension of electrical infrastructure.

c. Also, the State of Delhi has not provided such a classification of Service exclusive for EV Charging Stations. Further, the individual states have different consumer base and demography, as such, policy of one State cannot be entrusted on other. Haryana is already recognizing Electric Vehicle Charging Stations as separate category and has taken several initiatives in order to promote and facilitate their growth in the State as detailed in para 7.

9. **Adjudication by HERC**

It is relevant to add here that the Hon'ble Commission vide order dated 20.12.2021 in case No. HERC/PRO-67 of 2020 in the matter of charging infrastructure, Tariff and other Regulatory issues for electric vehicles has adjudicated the present issue by recording in Sr. No.9 of point No.9 as under: -

"However, additional expenses i.e. cost of transformer etc. shall be borne from the CSR fund of the DISCOMs to keep the cost of infrastructure to be recovered from EVs as low as possible."

10. Apart from above, the objections raised by the Objectors are replied as under: -
11. In point No.5, objector has further stated that there is no tariff category of Electric Vehicle Charging Stations existing in the regulations of Haryana power utilities/DISCOMs. This statement is not true as the Commission has already defined electric charging station as a separate tariff category. As described in the notes to the tariff schedule, the tariff for electricity supply to the EV Charging station in Haryana is a single part tariff equivalent to the CoS of HT Supply (i.e. Rs.6.22) and LT Supply (i.e. Rs.6.62), as determined in the tariff order dated 15.02.2023. The off peak / night-time concession benefits are also available to EV charging stations.
12. Furthermore, the objectors have erroneously understood that there are demand charges on EV charging stations. As per currently applicable HERC tariff order, there are no demand/fixed charges on EV charging. Hence, EV Charging stations in Haryana are already provided benefits of single part tariff equivalent to the HERC approved HT or LT Cost of Supply.
13. In the objection, the objectors have also mentioned that HT connection will attract higher installation charges. Discoms would like to submit that most of the petrol pumps are already near an HT line and thus it is unlikely that any major additional infrastructure/line would be required to be constructed in majority of the cases. In turn, they will also benefit from the relatively low tariff of Rs. 6.22/kVAH which is currently Rs. 6.65/kVAH for other 11 kV HT consumers and Rs. 6.65-6.40/kVAh for LT consumers with load greater than 10 kW.
14. The distribution losses of the Discoms are prudently approved by Hon'ble Commission and those approved losses are loaded on the consumers as per approved power purchase

cost calculated by considering approved transmission and distribution losses. Hence, Discoms have a regulatory, legal, and social obligation to reduce the losses as much as possible. Issuing connections of 200 kW at LT will only increase Discoms' overall system losses as LT losses are additionally incurred after HT network. Not only this, Discoms have always tried to increase the HT:LT ratio as not only it helps in reducing losses, but threat of theft is also reduced in HT network. This is one of the reasons that Haryana Discoms are in the top best performing state discoms.

15. It is highly expected that, in the future, the approved losses by HERC will follow a decreasing trend only. It will be detrimental for Discoms' financial and operational health if any leeway is given in current regulations by giving EV connections of >50 kW at LT because more and more LT connections of >50 kW will only degrade Discoms overall technical losses.
16. It is to be noted that Discoms are one of the designated customers under BEE PAT scheme and any distribution loss of Discom is a loss or waste of energy procured. As Coal/Gas based power plants still contribute around 60%-65% of the energy procured at national level, issuing LT connections of >50 kW will directly contribute to increase in Discoms distribution losses and thus possible increased wastage of power purchased from Coal/Gas power plants. Given the country is following the path of reducing carbon footprints and Net Zero by 2070, reducing distribution losses now becomes more and more obligatory to Discoms.
17. As per NITI Aayog report, as soon as the adoption of EV vehicles is increased, availability as well as demand for high-power chargers (>50 kw per charger) is going to increase in near future. This is evident from the fact that first generation LCVs have around 21 kWh of battery capacity and require 72 V whereas the 2nd generation require 350-500 Volts. In addition, one of the prominent economic standards for EV charging is Combined Charging System (CCS) that can deliver power up to 350 kW and with wide operating voltage of 200-1000 V DC. The voltage and current requirement will only increase in the near future due to improvement in the technology, resulting in increased demand for fast charging (i.e., high power chargers) from consumers as they will be less inclined to wait in a que or at EV charging stations installed in a mall or highway for 4-5 hours.

18. It is also given that the per unit cost of purchased power is only going to increase in near future. Hence, increased system losses (due to giving more LT connections at higher kW) will increase cost burden on the Discoms and consumers alike as costlier power will be lost in the LT systems because of increase in per unit cost of supply.
19. UHBVNL would also like to humbly submit that due to highly regulated business, Discoms are allowed only prudent costs and a moderate return on equity. On the other side, all objecting OMCs are Maharatnas (greater than Rs. 5000 Crs of net profit in three consecutive years and annual average net worth of more than Rs. 15,000 Crs) and highly profitable. They are financial behemoths, and their financial prowess is evident from the fact that the combined Profit after Tax (PAT) of BPCL, IOCL, and HPCL was a whopping Rs. 57,000 Crs (that too for only first 6 months ending September 2023) in comparison to ~Rs 111 Crs PAT of UHBVNL for the whole year of FY 2022-23. Giving any financial incentive on EV tariff or any leeway on connection voltage infrastructure will be completely against the normal business economics, social welfare, and environmental obligation of the state as well as Discoms.
20. Discoms are also getting adversely affected due to low power factor at LT end. At HT, as the billing is in kVAh, consumers themselves ensure a good power factor at their end. The low LT system power factor increases apparent power in the system, resulting in drawl of more reactive power in the system and corresponding increased reactive charges on Discoms from HVPNL.

Conclusion: UHBVNL has submitted to consider the submissions presented in this reply and, in light of the information provided, may not consider the petition of the objectors and uphold the provisions of HERC Electricity Supply Regulations (with up-to-date amendment).

**DHBVNL Reply**

Vide Memo no. Ch. 16 /SE/RA-781 dated 30.01.2024, the reply of DHBVNL is as under:

In this regards DHBVNL submits that, electricity connections to Electric Vehicle Charging Stations are released by DHBVNL as per Sales Circular No. D- 03/2022, 28.01.2022. Further, it is humble submission to Hon’ble Commission that as per Duty to Supply Electricity Regulations, DHBVNL is bonded to release LT connection up to 50KW only and load exceeding 50 kW shall be catered on 11 KV and above.

Further, DHBVNL humbly submits that any order(s) may be passed by the Hon'ble Commission regarding EV charging station in the interest of justice, as deemed fit.

**Commission's Observation**

**The Commission has carefully perused the submissions of the counsel appearing for the oil marketing companies. It needs to the appreciated that LT:HT ratio has to be moved towards HT supply so as to ensure that quality in terms of voltage and frequency is taken care of and technical loss is reined in. Hence, extending LT supply upto 200 KW will set the initiatives taken by the Commission, regarding this, back in time.**

**The Commission in consideration of the fact that due to plethora of benefits, EVs and EV charging stations are to be encouraged. Consequently, the Commission has allowed concessional tariff with no fixed cost as well as extended ToD Tariff benefits to them. Moreover, to cushion the cost, the Commission has made provision specifically for the EV charging stations that the cost of HT transformers and associated equipment shall be borne by the power utilities up to a load of 200 kW as the request of BEE and HAREDA . Additionally, the safety aspects can be addressed by installing combined CT / PT unit for metering at H Pole on one corner of the EV Charging Station along with transformer on H Pole & taking LT supply inside the charging station as practically this would tantamount to giving supply on LT. No additional cost is borne by the EV Charging Stations up to a load of 200 kW. Hence, the Commission has already adequately addressed the concerns of Oil Marketing Companies.**

**2.4 Public Hearing**

In order to provide ample opportunity to the stakeholders to present their views before the Commission, the public hearing in the petition(s) under consideration was held on 08.02.2024 at 10:00 AM in the Court Room of the Haryana Electricity Regulatory Commission at Panchkula. The petitioner(s) made a detailed presentation in the hearing and also responded to various queries/clarifications sought by the Hon'ble Commission. Only one intervenor was present in person during the hearing namely Mr. Varun Sharma, an advocate representing BPCL, IOCL and HPCL. The intervenor present in the hearing re-iterated the comments and prayers made by him in writing.

Further, the submissions made by the Interveners as well as the Commission's view on the same have already been reproduced earlier in the present Order. Hence, for the sake of brevity the same are not being repeated here.

## 2.5 Additional Data/ Information filed by the DISCOMS

The Discoms provided the additional information / data sought by the Commission from time to time. The same i.e. information sought by the Commission and Discoms reply thereto have been taken on record of the present proceedings. Hence, they are not reproduced here.

## 2.6 State Advisory Committee (SAC)

In the consultation process for giving a final shape to the order for FY 2022-23 (True-up), APR (2023-24) and distribution and retail supply ARR / tariff (FY 2024-25). The Commission, to have the benefit of the views / suggestions of the Members of the SAC, convened a meeting of the State Advisory Committee, constituted under Section 87 of the Act, on 09.02.2024. The SAC meeting was convened to discuss the petition filed by the Haryana Power Utilities including that of UHBVNL and DHBVNL. At the onset, the Hon'ble Chairman underscored the significance of technical audit of both the power distribution licensees. He also pointed out the need for adopting good O&M practices including preventive and predictive maintenance of the distribution system.

Shri V.S. Ailawadi, Member SAC, suggested that the 'Fixed Cos't as well as the true-up claims of all the power utilities need close scrutiny so that quality power is supplied to electricity consumers at an affordable rate. He raised the issue of ensuring quality of power supply to the consumers connected at LT Voltage, increasing the percentage of RE in the energy mix of the State, full and effective utilization of R&M and Capex approved by the HERC, NDS supply side management and the need for ensuring that the subsidy committed by the State Government is disbursed fully and in a timely manner.

The operational and financial performance of the two distribution licensees of Haryana viz. Uttar Haryana Bijli Vitran Nigam (UHBVNL) and Dakshin Haryana Bijli Vitran Nigam (DHBVNL) were deliberated at length. Shri P.C. Meena, Managing Director of DHBVNL, at the onset, informed that the Haryana Discoms have achieved A+ ratings on quite a few operational parameters, while on the consumer related issues the ratings have improved from B to B+. He informed that the Discoms are making concerted efforts to improve upon the problematic's areas relating to metering, billing and collection of bills. He further informed that the Distribution System losses have been reined in and is well below the regulatory benchmark of 12% and the revenue collection efficiency, including arrears, exceeds 100%. Additionally, efforts are being made to promote pre-paid metering / smart meters despite the fact that the implementing agency i.e. EESL has almost withdrawn from the project to install 10 lakhs smart meters. He also mentioned that they have substantially implemented the Hon'ble CMs flagship projects of Mahara Gaon Jagmag Gaon (MGJG). Resultantly, all the eligible villages are getting almost 24*7 supply of electricity. The MD Shri Meena briefly mentioned about a few progressive steps such as monthly billing app and digital transaction touching 69.15%. The Hon'ble Chairman suggested that the Discoms should promote pre-paid / smart meters, improve upon the O&M practices to ensure system reliability and minimize billing disputes. Shri Naresh Sardana, Hon'ble Member pointed out the fact that quite a few RDS Feeder are still reporting more than 50% losses and this would make the distribution loss figures a misnomer. He also pointed out the issue of non-implementation of CGRF orders by DHBVNL and issue of provisional bills by the Discoms even after six months leading to lot of litigations. Additionally, Shri Sardana pointed out the issue of non-receipt of bills based on net-meters installed for the solar systems installed by the consumers. The Hon'ble Member Shri Garg suggested that all costs ought to be rigorously monitored and reined in so that the cost of delivered power can be reduced. He emphasized the need to install accurate meters, correct reading of the meters and accordingly issuance of correct bills to the electricity consumers. The MD / DHBVNL informed the SAC Members that there are certain areas of concern and efforts are being made to address the issue of theft / feeder losses in such areas reporting high feeder level losses. He further said the issue of bills on the basis of net metering is being sorted out.

In conclusion, the Hon'ble Chairman Shri Nand Lal Sharma said that the end objective of the Haryana Power Utilities as well as the Electricity Regulatory Commission is to bring in efficiency into the entire eco system of power generation to transmission and distribution and retail supply of electricity. He thanked the SAC Members and the representatives present for their valuable updates and suggestions. The Commission will keep the views of SAC Members in mind while issuing the ARR / Tariff orders of distribution licensees.

# CHAPTER 3

# ANALYSIS OF ARR FILINGS AND COMMISSION'S ORDER

The Commission, while passing this Order for True-up of the FY 2022-23, Annual (Mid-year) Performance Review of the FY 2023-24 and determination of ARRs of the UHBVNL and DHBVNL for the FY 2024-25, has considered the provisions of the Electricity Act, 2003, HERC MYT Regulations, National Tariff Policy and all the relevant data / information placed on record by the parties from time to time.

## 3.1 True-up of the ARR for the FY 2022-23

The Discoms have submitted that true up petition(s) submitted by them are in line with the Regulation 13 of the MYT Regulations 2019. The truing up of uncontrollable items and controllable items (subjected to force majeure conditions or variations attributable to uncontrollable factors) are adjusted appropriately in the ensuing year through tariff resetting.

The Discoms have further submitted that for truing up of the ARR of the FY 2022-23, the actual expenditures of UHBVNL and DHBVNL have been considered as per the audited annual accounts. The True-up petitions filed by the Discoms have been examined by the Commission in the light of the MYT Regulations including its subsequent amendment(s), relevant Orders of the Commission and the audited accounts for the FY 2022-23 placed on record by the Discoms keeping in view of details of audited expenses, income and corresponding revenue gap against the respective approved values.

## 3.2 Operation & Maintenance Expenses (O&M)

It has been submitted by the distribution licensee(s) that Operation & Maintenance Expenses of the Distribution licensees include the following-

i. Employee Expenses including retiral benefits.
ii. Repair & Maintenance Costs (R&M) and
iii. Administrative and General Expenses (A&G)

It has been averred that the Employee Expenses consist of salaries, dearness allowance, bonus, terminal benefits in the form of pension & gratuity, leave encashment and staff welfare expenses.

Repair and Maintenance expenses include regular expenditure made for improvement of system reliability and quality of power supply. These expenses are important for system maintenance and loss reduction in the distribution network.

Administrative expenses mainly comprise of rents, telephone and other communication expenses, professional charges, conveyance and travelling allowances etc.

**True-up proposed by UHBVNL:**

Actual O&M expenses incurred by UHBVNL as against the approved expenditure (after deducting the amount capitalized), as submitted by the distribution licensee are as follows: -

**UHBVNL proposed O&M Expenses for FY 2022-23** **(Rs. Crore)**

| Particulars | Approved for FY 2022-23 in T.O. dt. 30.03.2022 (A) | Audited/Actual for FY 2022-23 (B) | Difference (C=B-A) |
|---|---|---|---|
| Employee Expenses | 859.40 | 857.53 | -1.87 |
| Administration & General Expenses | 112.85 | 199.15 | 86.30 |
| Repair & Maintenance Expenses | 158.69 | 93.72 | -64.97 |
| Terminal Liabilities | 500.00 | 543.25 | 43.25 |
| **Total** | **1,630.94** | **1,693.66** | **62.71** |

It has been submitted by the petitioner that as per Regulation 8.3.4 of HERC MYT Regulations 2019, expenditure towards terminal benefits are uncontrollable items. The petitioner has, therefore, submitted that actual expenses toward terminal benefit may be allowed in the truing up of ARR of UHBVNL for FY 2022-23 and the actual O&M Expenses as per the audited accounts of UHBVNL for FY 2022-23 are Rs. 1693.66 Crore. UHBVNL further requested that O&M expenses incurred on actual basis may kindly be allowed to them for FY 2022-23.

**The Commission has examined the calculations of true up for the FY 2022-23 proposed by UHBVNL and observes that the total O&M expenditure, as per actuals, is largely within the approved amount except for the Administration & General Expenses and terminal liabilities. It is also observed that R&M expenditure incurred by UHBVNL is on the lower side. It is further observed that the actual A&G expenses for the FY 2022-23 is more than that approved by the Commission i.e. A&G expenses have increased by Rs 86.30 crore in the true-up year.**

The petitioner, as part of additional information vide letter No. Ch-82/RA/F-25/Vol-84 dated 11.01.2024, submitted that the increase in A&G expenses is mainly due to Consultancy charges Rs 11.59 Crore, Technical Fees Rs 34.87 Crore, Annual License Fees to HERC Rs 3.31 Crore and refund of penalty already deducted of Rs 7.68 Crore. The reason for increase in terminal benefits is the calculation made by the actuary on the basis of assumption i.e. Discount rate @ 7.5%, Basis salary growth @ 3.5% PA, DA/DR Growth rate @ 6.5% Compound, Expected rate of on plan assets etc. Further, it is stated that it can be presumed the difference is due to new requirement of New Employees/ Transfer from DHBVNL/ UHBVNL etc. It implies that Terminal benefit liability is booked as per actuarial valuation report. The Commission has sought details of Legal/ Professional/ Consultancy expense /Technical fees, Service charges for Training/ Meter Reading / Bill Distribution/ Bijli Suvidha Kendra, Commission charges on collection of Energy Bills, other expenses, and Material related Exp from the Nigam, which has been provided by UHBVNL vide letter No. Ch-98/RA/F-25/Vol-84 dated 30.01.2024 as under:-

| Coding | Description | Amount (Rs.) |
|---|---|---|
| 23.15 | Professional Charges. | 8864761 |
| | Legal charges. | 70138247 |
| | Audit fees. | 2986812 |
| | Consultancy charges. | 124936221 |
| | Technical fees. | 557827404 |
| | Total (Legal /Prof./Consultancy Exp/Tech Fees | 764753445 |
| 23.22 | Charges for computerization. | 80361598 |
| | Training Expenditure | 1686497 |
| | Service charges for meter reading. | 224215523 |
| | Service charges for bill distribution | 88833605 |
| | Expenditure for Providing Bijli Suvidha Kendra | 27330839 |
| | Total (Service Charges for Training/Meter Reading/Bill Distribution/ Bijli Suvidha Kendra | 422428062 |
| 23.32 | Commission charges on collection of Energy Bills | 8,00,80,369 |
| 23.34 | Directors sitting Fees | 285000 |
| | Expenditure of sports activity organized by the Nigam | 7427124 |
| | Payment of testing/checking and sealing of meters to contractor | 8784813 |
| | Miscellaneous expenses. | 41110248 |
| | Expenditure for the Air Conditioner Replacement program for DS Consumers of UHBVNL | 2933373 |
| | Expense on Ujjawal Bharat Bhavishya, Power @2017 under Azadi ka Amrit Mahotsav | 1565863 |
| | CSR Expense (on FY 2019-20 Balance Sheet) | 16050891 |
| | Expenses for up-dation of delta changes in Geographical Information System (GIS) | 36847480 |
| | GST Expenditure (Reverse Charge Mechanism) | 5715668 |
| | Expense Against Refund of Penalty and others | 99260966 |
| | CSR Expense (on FY 2020-21 Balance Sheet) | 5884265 |
| | Total (Other Expense) | 225865690 |
| 23.35 | Other freights | 17271324 |
| | Incidental stores expenses | 12146155.19 |
| | Total (Material related Exp.) | 29417479 |

**Based on the explanation for the additional expenditure on this account provided by UHBVNL, being "controllable expenditure" as per the HERC MYT Regulations in vogue, the Commission disallows the same and restricts A&G expenses to the extent approved vide order dated 30.03.2022 i.e. Rs 86.30 crore to be disallowed. Further, Terminal Liabilities, being an "uncontrollable item", the Commission approves the true up of O&M expenditure as proposed by the licensee, amounting to Rs 543.25 crore.**

**On this issue of A & G Expenses, almost 39.30 crore is towards meter reading, Commission charges on collection of energy bills, testing, sealing, checking of meter etc. Additionally, a whopping Rs. 7.01 crore was spent on legal fee, 12.49 crore on consultancy charges. Per se their amount appears to be exorbitant and needs to be reviewed and reined in. No such expenses ought to be undertaken by the licensee without establishing the benefit stream viz value addition.**

**The petitioner may note that necessary compliance of Hon'ble Supreme Court's directions in its judgment dated 20.04.2023 in Civil Appeal No. 11095 of 2018 passed in GMR Warora Energy Ltd. Versus CERC and Ors is done. The Apex Court in their order had directed those non-essential litigations needs to be avoided and emphasized on requirements of timely payment of dues. They have further observed that the Haryana Utilities had been adopting dilatory tactics which not only defeats the public policy but also has the undesirable fall out of adding to the burden of the end-consumers and stated that such practice needs to be curbed. The Hon'ble Court reiterated that the 'Change in Law' events will have to accrue from the date on which Rules, Orders, Notifications are issued by the instrumentalities of the State and despite this, Discoms are pursuing litigation after litigation.**

**As against the slippages in the A & G expenses which has no direct benefit to the electricity consumers, the Commission observes that an essential expenditure i.e. R & M, which is required to keep the distribution system in an optimum condition, has fallen short of even the amount approved by the Commission.**

**In view of above, Nigam is advised to avoid unnecessary and unwarranted litigation to ensure development of the power sector and supply of electricity and efforts should be made to resolve amiably inter-utility issues. As directed by the Hon'ble Supreme Court, any appeal to it can only be on substantial question of law and frivolous litigation needs to be discouraged.**

**The R&M activity needs to b pursued in the right earnest as it will go a long way in making available quality supply of power to the electricity consumers of Haryana.**

**The Discoms (UHBVNL and DHBVNL) are directed to claim the actual terminal liabilities instead of the same based on 'actuarial valuation', which has shown large year to year variation casting doubts on the underlying assumptions. The approved O&M expenditure for UHBVNL is listed as under: -**

**(Rs. Crore)**

| Particulars | Approved for FY 2022-23 in T.O. dt. 30.03.2022 | Actual for FY 2022-23 | Difference (C=B-A) | Approved |
|---|---|---|---|---|
| Employee Expenses | 859.4 | 857.53 | -1.87 | 857.53 |
| Administration & General Expenses | 112.85 | 199.15 | 86.3 | 112.85 |
| Repair & Maintenance Expenses | 158.69 | 93.72 | -64.97 | 93.72 |
| Terminal Liabilities | 500 | 543.25 | 43.25 | 543.25 |
| **Total** | **1,630.94** | **1,693.66** | **62.72** | 1607.35 |

**True-up proposed by DHBVNL:**

The component wise summary of actual and approved O&M expenses of DHBVNL for FY 2022-23 is tabulated as under is as reproduced below: -

**O&M Expenses for FY 2022-23 (Rs. Crore)**

| Particulars | Approved (A) | Actual (B) | Difference (B-A) |
|---|---|---|---|
| Employee Expenses | 1,072.88 | 984.89 | -87.99 |
| Administration & General Expenses | 145.77 | 160.74 | 14.97 |
| Repair & Maintenance Expenses | 194.43 | 131.06 | -63.37 |
| Terminal Liabilities | 442.90 | 697.77 | 254.87 |
| **Total** | **1,855.98** | **1,974.46** | **118.48** |

DHBVNL has submitted that the actual net employee cost for FY 2022-23 is lower than the HERC approved employee cost, therefore, the licensee has requested the Commission to allow the actual employee expense. Further, the Nigam has submitted that the actual R&M expenses for the FY 2022-23 is lower than approved and therefore, requested the Commission to allow actual R&M Expenses in line with the audited accounts.

The actual O&M Expenses as per the audited accounts of DHBVNL for the FY 2022-23 is higher than the allowed expenses to DHBVNL in Tariff Order dated 30.03.2022. Therefore, the petitioner Nigam has prayed that O&M expenses incurred on actual basis may be allowed for the FY 2022-23.

**The Commission has examined the true up for the FY 2022-23 proposed by DHBVNL and observes that the total O&M expenditure as per actuals is higher than that approved by the Commission for the year, except for Employee Expenses and R&M expenses.**

**Regarding increase in O&M, DHBVNL has submitted that such variation in actual O&M expense is mainly due to increased terminal liability which is uncontrollable in nature and Terminal benefit in True-up of FY 2022-23 is claimed on actual basis as per Audited Accounts. Further, the reasoning for increase in A&G expenses i.e. Rs 14.97 crore is not justifiable and needs to be reined in. The petitioner, as part of additional information (letter No. Ch-110/SE/RA-772 dated 18.12.2024), submitted that the increase in A&G expenses is mainly due to the increase in Legal charges, Consultancy charges, license fee, billing distribution charges, Bijili Suvidha-Kendra and Expenditure on computerization. Such expense is vital part of electricity distribution business and same are requested to be allowed on actual basis. Variation in Terminal Liability is mainly on account of re-valuation of gains/(loss) of defined benefit plans.**

**The Commission disallows the true up of A&G expenses as proposed by the licensee to the extent of Rs 14.97 Crore and allows the 'Terminal benefits', as they are "uncontrollable expenses" as per the MYT Regulations, 2019. However, the distribution licensee is directed to pursue R&M activity in the right earnest as it will go a long way in making available quality supply of power to the electricity consumers of Haryana. Further, the Nigam is directed to claim the actual terminal liabilities instead of the same based on 'actuarial valuation', which has shown large year to year variation casting doubts on the underlying assumptions.**

**The distribution licensees are expected to avoid unnecessary and unwarranted litigation to ensure development of the power sector and supply of electricity and efforts should be made to resolve amicably inter-utility issues. As directed by the Hon'ble Supreme Court, any appeal can only be on substantial question of law and frivolous litigation needs to be discouraged.**

**The approved O&M expenditure for DHBVNL is listed as under: -**

**(Rs. Crore)**

| Particulars | Approved (A) | Audited/Actual (B) | Difference (B-A) | Revised approved |
|---|---|---|---|---|
| Employee Expenses net of capitalization | 1,072.88 | 984.89 | -87.99 | 984.89 |
| Administration & General Expenses | 145.77 | 160.74 | 14.97 | 145.77 |
| Repair & Maintenance Expenses | 194.43 | 131.06 | -63.37 | 131.06 |
| Terminal Liabilities | 442.9 | 697.77 | 254.87 | 697.77 |
| **Total** | **1,855.98** | **1,974.46** | **118.48** | **1959.49** |

## 3.3 Depreciation

**UHBVNL**

The Commission observes that vide order dated 30.03.2022, it had approved Rs. 414.53 Crore expenditure towards depreciation to UHBVNL for FY 2022-23. Further, on perusal of the audited accounts of the Nigam, gross depreciation amounting to Rs. 461.04 Crores is calculated based on Opening & Closing GFA of Rs. 9,462.70 Crore and Rs. 9,923.66 Crore respectively. As per the MYT regulations in vogue, net expenditure towards depreciation amounts to Rs. 374.60 Crore for UHBVNL in FY 2022-23, after adjustment of depreciation on the assets created from consumer contribution and grants (amounting Rs. 86.43 Crores).

As the actual expenditure towards depreciation is less than the expenses approved for UHBVNL for FY 2022-23 in the Tariff Order dated 30.03.2022. **Accordingly, the Commission approves the actual expenditure toward depreciation as per the audited accounts i.e. Rs 374.60 crore, as proposed by the UHBVNL for the FY 2022-23.**

**DHBVNL**

The Commission observes that vide order dated 30.03.2022, depreciation of Rs. 446.92 Crore for FY 2022-23 was approved by the Commission vide its Tariff Order dated 30.03.2022. Further, as per the Audited Accounts for FY 2022-23, gross depreciation works out as Rs 513.42 Crore. The gross depreciation is adjusted for the depreciation on account of the assets created out of consumer contribution and grants amounting to Rs. 165.67 Crore. Consequently, net depreciation works out to Rs. 347.75 Crore during the FY 2022-23.

As the actual expenditure towards depreciation is lower than the expenses approved for DHBVNL for FY 2022-23 in the tariff order dated 30.03.2022, **the Commission allows actual expenditure toward depreciation for FY 2022-23 amounting to Rs 347.75 Crore, after adjustment of depreciation on the assets created from consumer contribution and grants.**

## 3.4 Interest on Consumers Security Deposit

**UHBVNL:**

The Commission, vide ARR order dated 30.03.2022, had approved interest on consumer security deposits as Rs. 69.71 Crore for UHBVNL for FY 2022-23. It is observed that actual expenditure of UHBVNL as per its audited accounts is Rs. 61.64 Crore for the FY 2022-23. In view of audited accounts, the Nigam has requested that the actual expense towards interest on consumer security deposit may be approved for UHBVNL for FY 2022-23.

**DHBVNL:**

Similarly, it has been submitted that the Hon'ble Commission, vide its Tariff Order dated 30.03.2022, had approved Rs. 86.64 Crore as interest on consumer security deposit for FY 2022-23. However, the actual expenses incurred is Rs. 64.33 Crore during FY 2022-23, which is lower in comparison to the approved interest on consumer security deposit. Therefore, DHBVNL has requested that the Commission may approve the actual interest on consumer security deposit to DHBVNL for the FY 2022-23.

**In view of above submissions, the Commission observes that the actual expenditure of both the Discoms, is lower than that allowed by the Commission in its ARR Order for the FY 2022-23, and is therefore, approved for true- up.**

### 3.5 Interest on Capex loans

**UHBVNL**

The Commission observes that UHBVNL has incurred Expenditure on capital works (CAPEX) amounting to Rs. 743.82 Crores as per the audited accounts of the FY 2022-23 as against Rs. 970 Crores approved by the Commission in the Tariff Order dated 30.03.2022 for the FY 2022-23.

The Nigam, in its petition, submitted that the Commission has allowed Rs. 159.61 Crore to UHBVNL towards the interest liability on long term loans for FY 2022-23. The actual expense as per the audited accounts of UHBVNL is Rs. 249.84 Crores (CAPEX loan) on gross basis and on adjustment of interest capitalized of Rs. 35.82 Crore, the net interest liability towards long term loans is Rs. 214.02 Crore. However, the above-mentioned figures were amended by the petitioner in its reply to the additional information sought by the Commission. The details are reproduced in the upcoming paragraphs.

The Commission has examined the interest cost actually incurred by the licensee during the FY 2022-23 as against that approved by the Commission. At the onset, the Commission observes that the Nigam should not divert the short-term funds for the long-term purposes and vice versa. There were certain set of figures in the petition bifurcating the interest component and the same was replaced with another set of figures in the additional information filed in the Commission vide Memo no Ch-82/RA/F-25/Vol-84 dated 11.01.2024. UHBVNL in the additional information submitted the bifurcation details of interest cost as per the audited account into long term Capex loan & Working Capital loan and Institutions wise Borrowings. The reason for the increase in interest cost of Capex loan of FY 2022-23 from Rs. 133.40 crore (FY 2021-22) to Rs. 185.64 crore was stated to be the increase in the rate of interest of the banks / Financials Institutions and due to drawl of additional Capex loan of Rs. 427.55 crore during FY 2022-23. The Nigam further stated that interest of Rs 84.02 crore on term loan was inadvertently included as part of Interest on Capex loan in Table 13 (Total Interest & Finance Charges for FY 2022-2023) of ARR petition. And requested the Commission to consider the interest of Rs 84.02 crore on term loan as part of interest on working capital loan instead of Capex loan for FY 2022-2023.

Additionally, vide letter No. Ch-98/RA/F-25/Vol-84 dated 30.01.2024, UHBVNL has submitted that Nigam has taken working capital loans for a tenor of 10 to 15 Years (long term) as such same has been classified under the long-term borrowing in the audited account.

**The Commission observes that the above classification of term loan into working capital loan will invariably create a mismatch of funds repayment issue, which will impact the working capital and business sustainability. Accordingly, the actual interest cost of Rs 130.86 crore, after deducting the interest capitalized is approved for true up for the FY 2022-23. UHBVNL is directed to file the petition after prudence check and as per the facts, in line with the audited accounts. Any true up claims in variance with the audited accounts will not be considered.**

**DHBVNL**

The Commission observes that Capital Expenditure (CAPEX) allowed to DHBVNL, as per the Tariff Order dated 30.03.2022, was Rs. 1380.00 Crore for FY 2022-23. As per the audited accounts, DHBVNL has incurred capital expenditure of Rs. 1,120.15 Crore for FY 2022-23.

DHBVNL, in its petition, has submitted that as per the Audited Accounts the gross interest liability towards long term borrowing is Rs. 259.39 Crore. After adjusting interest capitalization of Rs. 124.16 Crore, the net interest cost of DHBVNL on long-term loans works out as Rs. 135.23 Crore for FY 2022-23. The Commission, vide its Tariff Order dated 30.03.2022, has allowed Rs. 200.44 Crore to DHBVNL towards the interest liability on long-term borrowing for FY 2022-23. DHBVNL has prayed that the Hon'ble Commission may allow actual interest cost on long-term borrowing to DHBVNL for FY 2022-23.

Additionally, DHBVNL vide letter No. Ch-110/SE/RA-772 dated 18.12.2024 has submitted that the interest rate on Loan from Financial Institutes and Bank are linked to marked based Lending rate i.e. MCLR, REC Lending Rate, LIBOR, which has varied significantly during FY 2022-23.

**As the actual interest of DHBVNL on long term borrowing is lower than the amount approved by the Commission in Tariff Order dated 30.03.2022 and is in line with actual capital**

**expenditure and its funding thereto; the Commission approves the actual interest cost incurred on long term borrowing by DHBVNL i.e. Rs. 135.25 crores for FY 2022-23 on true up.**

### 3.6 Interest on Working Capital Loan

**UHBVNL:**

UHBVNL, in its petition, has submitted that the Commission had approved interest cost on working capital on normative basis. Interest cost on working capital in actual is Rs. 109.56 Crs against Rs. 71.94 Crores allowed for FY 2022-23. As stated in above paras, UHBVNL has revised the bifurcation of the interest component of loans into capex and working capital. As per the revised submissions, the interest on working capital proposed by the licensee is Rs 205.01 Crore. Interest cost on working capital as per the audited accounts is higher than the allowed cost to UHBVNL for FY 2022-23 in the Tariff Order dated 30.03.2022. It is submitted that higher power purchase cost led to a higher quantum of Working Capital loans from banks. It has been averred that the interest cost for working capital loan also rose significantly, resulting in higher working capital interest cost. UHBVNL has prayed that the Hon'ble Commission may allow the actual expenditure for truing up of ARR of UHBVNL for FY 2022-23. The reasons cited for increase in interest cost of working capital loan during FY 2022-23 is the increase in the rate of interest of the banks / Financials Institutions.

During the FY 2022-23, it is observed that UHBVNL has borne interest cost of Rs 11.42 Cr towards HVPN Bonds. Besides the above, the Commission has retained the working capital borrowings to the normative or actual level, whichever is lower. The interest cost on borrowings which are not part of the expenses to be allowed as per MYT Regulations are to be treated in accordance with the relevant order of the Commission i.e. the order dated 30.03.2022, therefore, interest on HVPNL bonds have been not allowed and considered as part of actual interest. **The Commission allows the normative interest on working capital, being lower than the actual interest i.e. Rs 130.86 crore.**

**(Rs. Crore)**

| **FY 2022-23** | | |
|---|---|---|
| **Interest on working capital** | **Order dt. 30.03.2022** | **Revised True up** |
| | | |
| O&M expenses for 1 month | 135.91 | 133.95 |
| Maintenance spares 1% of opening GFA | 98.46 | 94.63 |
| 2 months receivables | 2231.39 | 3021.23 |
| Uncollected revenue | 66.94 | 90.64 |
| Total | 2532.70 | 3340.44 |

| **FY 2022-23** | | |
|---|---|---|
| Less | | |
| ACD | 1686.37 | 1576.32 |
| Net working capital | 846.33 | 1764.12 |
| Interest rate | 8.50% | 7.41% |
| Interest cost | 71.94 | 130.65 |

**DHBVNL:**

The Commission, vide its Tariff Order dated 30.03.2022, has approved interest cost on working capital as Rs 104.94 Crore for FY 2022-23. Based on the revised ARR submitted in the current petition, the normative working capital requirement has been worked out by DHBVNL in line with the provision of Regulation 12 of HERC MYT Regulations, 2019. Normative Interest on working capital has been computed as Rs. 217.12 Crore for FY 2022-23 by DHBVNL.

The working capital requirement of DHBVNL in FY 2022-23 has increased significantly, as compared to the working capital requirement approved by the Commission in Tariff Order dated 30.03.2022. Such variation in working capital requirement is mainly due to higher outstanding receivables for sale of power to the electricity consumers. However, as per the Audited Accounts, actual interest cost on working capital for FY 2022-23 is Rs. 127.26 Crore, which is lower than the normative interest on working capital. Accordingly, the Nigam has requested to allow the actual interest on working capital to DHBVNL for FY 2022-23.

Further, DHBVNL has borne the interest cost of Rs 11.42 Crores on HVPNL bonds. As against approved Interest on working capital borrowings amounting to Rs. 104.94 crores, DHBVNL has incurred an expenditure of Rs.127.26 crores during the FY 2022-23. The actual interest cost, after disallowing the interest on HVPNL bonds, amounts to Rs 115.835 Crore. The Commission has examined the same and finds the cost incurred as reasonable; accordingly approves the same for true up, as the normative interest calculations are higher than the actual interest cost. Accordingly, t**he Commission allows the actual interest on working capital, being lower than the normative interest i.e. Rs 115.835 crore (127.26-11.42).**

### 3.7 Total Interest Expenses including cost of raising Finance and Bank Charges

The Commission had allowed Rs 34.90 crore as expenditure towards cost of raising finance and bank charges to UHBVNL and Rs. 34.92 Crores was allowed to DHBVNL as proposed by both the Discoms. As per the audited accounts, UHBVNL has incurred a cost of Rs. 24.98 Crore while

DHBVNL has incurred Rs. 35.8 Crore on this account. As it is a cost required for raising the requisite funds, the Commission allows the same to be trued up.

Interest and finance charges incurred as per the audited accounts of UHBVNL for FY 2022-23 is lower than the amount approved in Tariff Order dated 30.03.2022.

Summary of interest and finance charge approved and actual as per the audited accounts of UHBVNL and DHBVNL for the FY 2022-23 is tabulated as follows:

**Approved Total Interest & Finance Charges of UHBVNL for FY 2022-23 (Rs Crores)**

| Sr. No. | Category | Approved for FY 2022-23 in T.O. dt. 30.03.2022 | Proposed by UHBVNL in petition | Revised proposed by UHBVNL vide letter dated 11.01.2024 | Approved during true up |
|---|---|---|---|---|---|
| 1 | Gross Interest on Capex Loans | 159.61 | 249.84 | 166.68 | 166.68 |
| 2 | Less: Interest Capitalized | - | 35.82 | 35.82 | 35.82 |
| **3** | **Net Interest on Capex Loans** | **159.61** | **214.02** | **130.86** | **130.86** |
| 4 | Interest on Working Capital Loans | 71.94 | 109.56 | 205.01 | 130.65 |
| 5 | Interest on Consumer Security Deposits | 69.71 | 61.64 | 61.64 | 61.64 |
| 6 | Other Interest and Finance charges / Guarantee Fees | 34.90 | 24.98 | 24.98 | 24.98 |
| **7** | **Total Interest and Finance Charges** | **336.16** | **410.21** | **422.49** | **348.13** |

**Approved Total Interest & Finance Cost of DHBVNL for FY 2022-23 (Rs Crore)**

| Sr. No. | Category | Approved | Actual | Revised Approved |
|---|---|---|---|---|
| 1 | Gross Interest on Capex Loans | 307.32 | 259.39 | 259.39 |
| 2 | Less: Interest Capitalized | 106.88 | 124.16 | 124.16 |
| 3 | Net Interest on Capex Loans | 200.44 | 135.23 | 135.23 |
| 4 | Interest on Working Capital Loans | 104.94 | 127.26 | 115.83 |
| 5 | Interest on Consumer Security Deposits | 86.64 | 64.33 | 64.33 |
| 6 | Other Interest & Finance Charges | 11.00 | 23.58 | 23.58 |
| 7 | Guarantee Fee | 24.00 | 12.22 | 12.22 |
| **8** | **Total** | **427.02** | **362.62** | **351.18** |

### 3.8 Expenditure due to other debits

**UHBVNL:**

As per the audited accounts, Rs. 9.94 Crore has been the actual expenditure of UHBVNL towards other debits in FY 2022-23. The expenditure mainly include compensation paid for injury, death, or damage and other expenses written off. The Nigam has prayed that the expenditure towards other debits may be allowed for FY 2022-23.

Further, UHBVNL vide letter No. Ch-82/RA/F-25/Vol-84 dated 11.01.2024, submitted that the following amount has been included in Rs 631.49 Lakhs:

- Miscellaneous losses and 'Written Off' of Rs 462.50 Lakhs which includes write off value of theft of transformers and write off Misc. advances.
- Loss in sale of Scrap of Rs 169 Lakhs

Apart from the Compensation for Injury, death, damage and penalty, the Commission observes that items 'Miscellaneous losses' and written off are not eligible to be included in the ARR for true up; as the same are losses. **In light of the above discussion, the Commission approves Rs.3.62 Crores as true up of other debits for UHBVNL for the FY 2022-23** as stated below:

**Approved- Other debits of UHBVNL for FY 2022-23** **(Rs. Crore)**

| Particulars | Proposed as per Audited Accounts | Approved |
|---|---|---|
| Provision for Bad & Doubtful Debts | - | - |
| Bad & Doubtful debts written off under Bill Settlement Scheme | - | - |
| Compensation for Injury, death, damage and penalty | 3.63 | 3.63 |
| Infructuous Capital Exp. Written off | - | - |
| Loss on Obsolescence of Stores/ Scrap & Assets | - | - |
| Loss on exchange rate variation | - | - |
| Miscellaneous losses written off | 6.31 | - |
| Provision for amount recoverable from employees/theft of property | - | - |
| **Total Expenses** | **9.94** | **3.63** |

**DHBVNL:**

As per the audited accounts, Rs. 17.67 Crore has been incurred by DHBVNL as Other Debits during FY 2022-23. The major portion of Rs. 17.67 Crore consists of expenditure on account of compensation, miscellaneous losses etc. which are normal in the business of power distribution hence the DHBVNL requested to allow other debits in terms of applicable HERC MYT Regulations, 2019.

The Commission has examined the above "other debits" and observes that though Compensation for injuries, death & Damage may form part of allowable true up, no provisions or miscellaneous losses/ write off can be allowed to be passed on to the consumers. Therefore, the proposed amount of other expenses of DHBVNL are disallowed, as per below details:

**Approved- Other debits of DHBVNL for FY 2022-23** **(in Rs. Crore)**

| **Other debits** | | |
|---|---|---|
| **As per audited- details provided** | **Proposed** | **Allowed** |
| Refund of Revenue other than A.P. | 0.00 | 0.00 |
| Shortages on physical verification of stock. | 1.54 | 0.00 |
| Loss of materials by pilferage etc. | 0.36 | 0.00 |
| Compensation for injuries, death & Damage-staff | 2.56 | 2.56 |
| Compensation for injuries, death & Damage-Outsiders | 5.81 | 5.81 |
| Misc. Compensations. | 0.52 | 0.00 |
| Loss on sale of fixed Assets | 6.33 | 6.33 |
| Sundry debit balances written-off. | 0.09 | 0.00 |
| Loss on account of Shortage & breakage of damaged distribution Transformer | 0.47 | 0.00 |
| Total | 17.67 | 14.70 |

## 3.9 Return on Equity (RoE)

**UHBVNL:**

UHBVNL has submitted that the Commission had allowed Rs. 250.33 crore as Return on Equity to the Nigam for the FY 2022-23 in order dated 30.03.2022.

In view of above, UHBVNL has prayed that in consideration to the higher operational efficiency and reduction of 3.64% distribution losses achieved by UHBVNL in FY 2022-23, Return on Equity as per the prevalent regulations may be allowed to petitioner.

The Commission has approved the closing equity as on 31.3.2022 as part of the ARR Order dated 15.02.2023 and the same shall form the basis of calculation of RoE for the FY 2022-23. The opening balance shall be increased by the equity contribution i.e. 20% relating to the assets added during the year, as per information provided by the licensee and audited accounts. The rate of return is the same as approved by the Commission as per the Order dated 30.03.2022, the same cannot be varied at the stage of 'truing up' exercise.

As per Regulation 20 of the HERC MYT Regulation 2019, Return on Equity has been approved as under: -

**Approved Return on Equity of UHBVNL for 2022-23 (Rs Crores)**

| **Particulars** | **Proposed** | **Approved** |
|---|---|---|
| **Eligible Opening Equity** | **2,310.97** | **2,310.97** |
| Add: Equity corresponding to capitalized assets (excl. assets from consumer contribution) | 144.27 | 74.94 |
| **Closing Equity** | **2,455.24** | **2385.91** |
| Average Equity for RoE | 2,383.11 | 2348.44 |
| Rate of RoE | 10% | 10% |

| Particulars | Proposed | Approved |
|---|---|---|
| **Total RoE** | **238.31** | **234.84** |

**DHBVNL:**

DHBVNL has submitted that the Commission, in Tariff Order dated 30.03.2023, has allowed RoE of Rs. 236.75 Crore to DHBVNL for FY 2022-23.

DHBVNL has considered opening equity balance of FY 2022-23 as Rs. 2047.04 Crore. The DHBVNL has infused Rs 139.82 Crore equity during the FY 2022-23. As per the Regulation 20 of HERC MYT Regulation 2019, Return on Equity has been calculated for FY 2022-23 and prayed that in consideration to the operational efficiency achieved in FY 2022-23, Return on Equity as per the prevalent regulations, may be allowed to the petitioner.

The Commission has approved the closing equity as on 31.3.2022 as part of the ARR Order dated 15.02.2023 and the same shall form the basis of calculation of RoE for the FY 2022-23. The opening balance shall be increased by the equity contribution i.e. 20% relating to the assets added during the year, as per information provided by the licensee and audited accounts. The rate of return is the same as approved by the Commission as per the Order dated 30.03.2022 and at this stage, the rate of return per se cannot be varied.

As per the Regulation 20 of the HERC MYT Regulation 2019, Return on Equity has been approved as under: -

**Approved Return on Equity for FY 2022-23 for DHBVNL (Rs Crore)**

| Particulars | Proposed | Approved |
|---|---|---|
| Opening Equity for Return on Equity | 2047.04 | 2047.04 |
| Add: Equity received for Capitalization | 139.82 | 93.21 |
| Closing Equity | 2,186.86 | 2,140.25 |
| Average Equity eligible for Return on Equity | 2,116.95 | 2,093.65 |
| **Rate of Return on Equity** | **10%** | **10%** |
| **Return on Equity** | **211.695** | **209.365** |

### 3.10 Non-tariff Income

**UHBVNL**

Actual, as per the audited account, the Non-Tariff income of UHBVNL for FY 2022-23 is Rs. 116.27 Crores as against Rs. 221.56 Crore approved by the Commission in Tariff Order dated 30.03.2022. UHBVNL has not considered the delayed payment surcharge, rebate on timely payment of energy charges and early payment rebate from suppliers/contractors as part of non-Tariff income for FY 2022-23.

It has been submitted that income on account of delayed payment surcharge is to be adjusted towards the working capital that must be borne by the Distribution Licensee due to non-collection of energy bill in timely manner from the consumer. Therefore, the same has been deducted from Non-Tariff Income of UHBVNL for FY 2022-23.

Rebate received on timely payment of energy charges and early payment rebate from suppliers/contractors is also not considered as a part of non-tariff income for FY 2022-23. It is submitted that interest cost on working capital loan is allowed on normative basis, whereas additional short-term borrowing is to be arranged by UHBVNL to avail the rebate on timely payment of energy charges and to suppliers/contractors. Therefore, to meet the interest liability of additional working capital requirements, rebate on timely payment of energy charges and timely payment to suppliers/contractors is being used by UHBVNL to balance the actual working capital cost implication on the Discoms. **In light of the above, the Commission approves true up of Non-tariff Income at Rs. 116.27 crores as proposed by UHBVNL.**

**DHBVNL**

Actual Non-Tariff income of DHBVNL for FY 2022-23 is Rs. 267.52 Crore against Rs. 307.66 Crore approved by the Commission in Tariff Order dated 30.03.2022.

DHBVNL has not considered the delayed payment surcharge & timely payment of energy charges and Supplier/ Contractor as part of Non-Tariff income for FY 2022-23. It has been submitted that income on account of delayed payment surcharges Rs. 289.50 Crore is to be adjusted towards the working capital which has been borne by the Distribution Licensee due to non-payment of energy bill in timely manner by the consumer. Therefore, the same has been deducted from Non-Tariff Income of DHBVNL for FY 2022-23.

Further, rebate received on timely payment of energy charges is also not considered as a part of non-tariff income for FY 2022-23. It is submitted that interest cost on working capital loan is allowed on normative basis, whereas additional short-term borrowing is to be arranged by DHBVNL to avail the rebate on timely payment of energy charges and to suppliers/contractors. Therefore, to meet the interest liability of additional working capital requirements, rebate on timely payment of energy charges and timely payment to suppliers/contractors is being used by DHBVNL to balance the actual working capital cost implication on the Discoms.

**Non-Tariff Income - DHBVNL for FY 2022-23 (Rs Crore)**

| Particular | Approved | HERC Approved |
|---|---|---|
| Non-Tariff Income | 307.66 | 639.81 |
| Less: Delayed Payment Surcharge from Consumer | | 289.50 |
| Less: Discount on timely payment of Energy Charges | | 82.79 |
| **Net Non-Tariff Income** | **307.66** | **267.52** |

**In light of the above, the Commission approves the true up of Non-tariff Income at Rs. 267.52 crores as proposed by DHBVNL.**

### 3.11 True-up of Power Purchase Quantum & Cost

The Commission observes that the difference in power purchase cost could arise either on account of variation in actual source wise generation or rate of power vis-à-vis those allowed by the Commission on a projected basis. Any deferral in allowing power purchase cost to the Distribution Licensee on account of additional power purchase expenditure, results in accrual of additional burden in form of interest cost (carrying cost), which as the Distribution Licensee will have to ultimately resort to funding through short-term loans. Such a measure is not in the interest of the consumers as there is an additional burden in terms of higher tariff on the consumers. Therefore, timely and regular pass through of variations in power purchase cost is not only imperative for optimum financial management of the Distribution Licensee but is also imperative from the consumers' standpoint as the cost and price of delivered power ought to remain aligned.

As per the MYT Regulations 2019, the Discoms are allowed to automatically recover FSA, without going through the regulatory process subject to a cap, in order to ensure financial viability of the licensees. However, the automatic recovery is subject to a cap and therefore the need to True-up arises. Also, the actual cost for the year can only be determined after the audited accounts are available. In view of the aforesaid constraints, the actual power procurement cost is to be trued up based on the normative distribution losses approved by the Commission in the ARR / Tariff Order for the relevant year. Transmission losses are allowed as per actual since the Discoms have no control over the transmission losses. Further, in light of the fact that AP sales in the state are unmetered and even the metered supply due to large number of dead / defective meters are not accurate, the Commission is constrained to arrive at an estimate of AP sales based on the energy recorded at the 11 kV AP segregated feeders. The Commission estimates and approved

AP sales are discussed at section 5.2 of this order and has a major impact on the distribution loss levels of the Discoms, in the FY 2022-23. Based on the approved AP sales and the distribution loss level approved by the Commission in its Order dated 30.03.2022, the excess units purchased by the Discoms is arrived at and treated in terms of the incentive and penalty mechanism of the HERC MYT Regulations, 2012. However, during the true up of power purchase, no units have been disallowed.

Details of prior period expenses provided vide letter No. Ch-98/RA/F-25/Vol-84 dated 30.01.2024 by UHBVNL is as under:

<table>
<tr><th>Project Name</th><th>UHBVNL Share<br>(Rs Crores)</th><th>Reply</th></tr>
<tr><td>HPGCL</td><td>42.93 Crores<br>[(103.82 Crore – 60.89 Crores (DHBVNL) = 42.93 Crores (UHBVNL))]</td><td>1(a) An amount of Rs. 153.09 crores is related to the payment made on accounts of Coal quality claim raised by Coal Companies i.e., ECL, WCL, NCL, MCL & CCL pertaining to prior period to HPGCL & Fuel Price Adjustment of Secondary fuel Oil (in compliance of HERC order dated 25.01.2023). HPGCL has raised the said claim for reimbursement vide invoice as under:<table><tr><td>Month</td><td>Invoice Amount (in Crores)</td></tr><tr><td>6/22</td><td>121.05</td></tr><tr><td>1/23</td><td>24.40</td></tr><tr><td>2/23</td><td>7.64</td></tr></table>Further, HPGCL vide its office memo dated 08.06.2022 has justified the said claim that the claims (debit notes) are issued by coal companies due to variation of declared grade & analyzed grade of coal. HPGCL further intimated that claims (debit notes) are raised by coal companies if quality grade analyzed by CIMFR is better than that of declared grade of coal.<br>(b) Hon'ble Commission vide its order dated 25.01.2023 has allowed Rs. (-)49.50 crores true-up expenses for the FY 2021-22 and Discoms recovered the aforesaid amount of Rs. 49.50 crores from HPGCL.<br>Accordingly, a net prior period expense of Rs. 103.82 Crore (i.e., Rs. 153.09 Crore – 49.50 Crore) is claimed under the head of HPGCL.</td></tr>
<tr><td>LPS (LPS paid to Adani Power Ltd. amounting to Rs. 1291.57 Crores.</td><td>530.84 Crores<br>[(1291.57 Crore – 760.73 Crores (DHBVNL) = 530.84 Crores (UHBVNL))]</td><td>2(a) The LPS of prior period expenditure amounting to Rs. 1081.61 Crores was mainly relating to Adani Power limited. APL approached to CERC in 2012 for compensation on account of shortfall in domestic coal under Change in law (CIL). CERC vide order dated 21.02.2014) allowed compensation under CIL. Thereafter, HPPC challenged the ibid compensation order at various Courts. Ultimately, Hon'ble Supreme Court of India (SCI) vide order dated 20.04.2023) upheld the CERC decision. As per ibid</td></tr>
</table>

| | | |
|---|---|---|
| | | order, APL has raised the invoice amounting to Rs. 2220 crores on account of shortfall in domestic coal under CIL for FY 2013 – 2021 along with carrying cost & LPS. The same amount has been paid after getting approval from Government of Haryana.APL's claims to the tune of Rs. 209.96 crores approx. inclusive of late payment surcharge relating to the taxes & duties pursuant to the APTEL order dated 21.12.2021. |

The Commission observes that prior period expenses are legitimate charges arising from claims of Coal India Limited and its subsidiaries as well as statutory order. Hence, the same are being allowed as proposed subject to adjustment if required. Based on the data provided by the Discoms and taking into consideration the audited accounts, the details of True-up of power purchase cost of the Discoms for the FY 2022-23 is as per the table below:

**Approved True-up of Power Purchase Cost (FY 2022-23)**

| **Particulars** | | **UHBVNL** | **DHBVNL** | **Total** |
|---|---|---|---|---|
| Sales as per audited accounts | MU | 21,654.66 | 31,008.28 | 52662.94 |
| Less AP sales included in above | MU | 4,036.91 | 6,147.31 | 10184.22 |
| **Sales as per audited accounts (net of AP sales)** | MU | 17,617.75 | 24,860.97 | 42,478.72 |
| Add AP sales as per HERC methodology | MU | 4,036.91 | 5,604.79 | 9,641.70 |
| **Approved/Audited sales adjusted for AP** | MU | 21,654.66 | 30,465.76 | 52,120.42 |
| Approved Distribution losses | MU | 14.00% | 14.00% | 14% |
| **Sales grossed up for Distribution losses** | MU | 25,179.84 | 35,425.30 | 60,605.14 |
| Actual Interstate sales and banking | MU | 705.17 | 1,076.89 | 1,782.06 |
| Total power sold including inter-state sale and banking | MU | 25,885.01 | 36,502.19 | 62,387.20 |
| Intra state transmission losses | | 2.05% | 2.05% | |
| Sales grossed up for Intrastate transmission losses | MU | 26426.76 | 37266.15 | 63,692.90 |
| Intra state transmission losses | MU | 541.75 | 763.96 | 1305.70 |
| Intrastate & Interstate transmission losses as per audited accounts | MU | 950.36 | 1401.241 | 2351.601 |
| Interstate transmission loss | MU | 408.61 | 637.28 | 1045.90 |
| | | 3.54% | 3.70% | |
| Approved power purchase volume (Sales grossed up for Intrastate & Interstate transmission losses) | MU | 26,835.37 | 37,903.43 | 64,738.80 |
| Actual Power Purchase Volume | MU | 25,803.26 | 37,482.95 | 63,286.21 |
| Disallowed Units | MU | -1,032.11 | -420.49 | -1,452.59 |
| Disallowed Units | MU | 0.00 | 0.00 | 0.00 |
| Actual cost incurred by DISCOMs during the FY 2022-23 (incl HVPNL and SLDC charges) | Rs. Crore | 15675.12 | 22480.37 | 38,155.49 |
| Net power purchase cost admitted by the Commission | Rs. Crore | 15675.12 | 22480.37 | 38,155.49 |
| Allowed Average per unit rate | | 5.84 | 5.93 | 5.89 |

| **Particulars** | | **UHBVNL** | **DHBVNL** | **Total** |
|---|---|---|---|---|
| Power purchase cost allowed in the ARR order 30.03.2022 | | | | |
| Approved power purchase cost (incl Transmission & SLDC) | Rs. Crore | 10977.94 | 15110.942 | 26,088.88 |
| Approved Average per unit rate | | 4.09 | 3.99 | 4.03 |
| **True up of Power purchase cost** | Rs. Crore | **4697.18** | **7369.43** | 12066.61 |

**The Commission, in light of the above calculations, approves the revised power purchase cost of UHBVNL at Rs. 15675.12 Crores and that of DHBVNL at Rs. 22480.37 Crores for the FY 2022-23.**

## 3.12 Revenue from Sale of Power (FY 2022-23)

**UHBVNL**

It has been submitted by the licensee that actual energy sales of UHBVNL for FY 2022-23 have increased in comparison to the energy sales approved in the Tariff Order dated 30.03.2022. Post Covid economic recovery has been robust in UHBVNL area of operation as HT sales were around 20% more than the sales approved by the Hon'ble Commission for FY 2022-23. The consumption from domestic consumer also witnessed a surge due to new connections and possibly due to adoption of more electric appliances in the households.

Category wise actual energy sales to the consumers, vis-à-vis approved by the Hon'ble Commission for FY 2022-23, is tabulated as under: -

**Proposed Category wise Energy Sales for FY 2022-23 (In MU)**

| **Sr. No.** | **Category** | **HERC Approved** | **Actual/Audited** | **Difference** |
|---|---|---|---|---|
| 1 | Domestic | 5573 | 6676.57 | *1103.57* |
| 2 | Non-Domestic | 1652 | 2331.43 | *-828.57* |
| 3 | LT Industry | 1508 | | |
| 4 | HT- Industry | 6096 | 7460.00 | *1353.00* |
| 5 | Railways | 11 | | |
| 6 | AP Sales | 3841 | 4036.91 | *195.91* |
| 7 | Streetlight | 105 | 71.85 | *-33.15* |
| 8 | Bulk Supply | 322 | 400.78 | *78.78* |
| 9 | Lift Irrigation | 64 | 677.12 | *3.12* |
| 10 | MITC | 4 | | |
| 11 | PWW | 606 | | |
| | **Total** | **19782** | **21654.66** | ***1872.66*** |

UHBVNL has orayed that the above actual energy sales may be allowed for Truing up of ARR for FY 2022-23.

**DHBVNL**

DHBVNL has submitted that the actual energy sales for the FY 2022-23 has increased in comparison to the approved energy sales in Tariff Order dated 30.03.2022.

Category-wise actual energy sold to the consumers vis-à-vis energy sales approved by the Commission for FY 2022-23 in Tariff Order dated 30.03.2022 is tabulated as under:

**Proposed Category wise Energy Sales for FY 2022-23 (MUs)**

| Consumer Category | Approved | Audited |
|---|---|---|
| Domestic Supply | **26,478.46** | 8,661.30 |
| LT Supply | | 3,039.79 |
| HT Supply | | 10,814.78 |
| Agricultural Industry/FPO | | 17.73 |
| Agriculture | | 6,129.58 |
| Bulk Supply | | 1,279.09 |
| Public Water Works/Lift Irrigation/SL | | 1,066.01 |
| **Total** | **26,478.46** | **31,008.28** |

DHBVNL has requested that the above actual energy sales may be allowed for truing up for FY 2022-23.

As per the audited accounts for FY 2022-23, the Discoms have recovered revenue from intrastate sale of power of Rs. 27565.66 Crore as against Rs. 24684.89 Crore estimated by the Commission. The True-up of revenue from intrastate sale of power and interstate revenue along with subsidy for the FY 2022-23 is approved by the Commission, as proposed by the Discoms, based on audited accounts, as under:

**Approved Revenue from sale of power for the FY 2022-23 (Rs. Crore)**

| **Revenue for the FY 2022-23** | **UHBVNL** | **DHBVNL** | **TOTAL** |
|---|---|---|---|
| Revenue from sale of power as per audited accounts including revenue from fixed charges | 11,536.80 | 16,028.86 | 27565.66 |
| FSA | 3,127.49 | 4,544.84 | 7672.33 |
| Total (A) | 14664.29 | 20573.70 | 35237.99 |
| | | | |
| | **UHBVNL** | **DHBVNL** | **TOTAL** |
| Revenue from Interstate sale FY 2022-23 (B) | 325.27 | 499.55 | 824.82 |
| | | | |
| Total | 14989.56 | 21073.25 | 36062.81 |
| Subsidy Total | 2,945.43 | 3597.18 | 6542.61 |
| -Subsidy-AP | *2,722.54* | *3,327.54* | 6050.08 |
| -Subsidy - DS | *222.89* | *269.64* | 492.53 |

## 3.13 Revised ARR for the FY 2022-23 after truing-up

In view of the above analysis, the Commission approves the revised ARR for UHBVNL and DHBVNL as per the details provided in the table(s) below:

**Approved True Up of Expenses for FY 2022-23 (Rs. Crore)- UHBVNL**

| Sr. No | Particulars | Approved | Actual as per Audited Accounts | Revised (True Up) |
|---|---|---|---|---|
| **1** | **Power Purchase Expense** | **10,977.94** | **15,951.58** | 15675.12 |
| 1.1 | *Power Purchase Expense* | *9,018.20* | *13,668.06* | |
| 1.2 | *Interstate transmission charges* | *945.02* | *1,045.30* | |
| 1.3 | *Intrastate transmission & SLDC charges* | *1,014.72* | *961.76* | |
| **1.4** | ***Impact of sharing and gains of distribution losses*** | - | *276.46* | |
| **2** | **Operations and Maintenance Expenses** | **1,630.95** | **1,693.65** | **1607.35** |
| 2.1 | *Employee Expense* | *859.41* | *857.53* | *857.53* |
| 2.2 | *Administration & General Expense* | *112.85* | *199.15* | *112.85* |
| 2.3 | *Repair & Maintenance Expense* | *158.69* | *93.72* | *93.72* |
| 2.4 | *Terminal Liability* | *500* | *543.25* | *543.25* |
| **3** | **Depreciation** | **414.53** | **374.6** | **374.60** |
| **4** | **Total Interest & Finance Charges** | **336.16** | **410.2** | **348.13** |
| | *Interest on Capex Loans* | **159.61** | 214.02 | *130.86* |
| | *Interest on Working Capital Loans* | **71.94** | **109.56** | *130.65* |
| | *Interest on Consumer Security Deposits* | **69.71** | **61.64** | *61.64* |
| | *Other Interest and Finance charges including Guarantee Fees* | **34.9** | **24.98** | *24.98* |
| **5** | **Return on Equity Capital** | **250.33** | **238.31** | 234.84 |
| **6** | **Other Expenses** | | **9.94** | **3.63** |
| **7** | **Total Expenditure** | **13609.91** | **18678.28** | **18243.67** |
| 8 | Less: Non-Tariff Income | *221.56* | *116.27* | 116.27 |
| **9** | **Net Aggregate Revenue Requirement** | **13388.35** | **18562.01** | **18127.40** |
| **10** | **Total Revenue** | | **14989.56** | **14989.56** |
| **10.1** | *Revenue from Interstate sales* | | 325.27 | *325.27* |
| **10.2** | *Revenue from Intrastate sales / Sale of Power* | | 11,536.80 | *11536.80* |
| **10.3** | *Revenue from FSA* | | *3,127.49* | *3127.49* |
| **11** | **Net Surplus / (Gap)** | | -3572.45 | -3137.84 |
| **12** | **Subsidy from State Government** | | **2945.43** | **2945.43** |
| **12.1** | AP-Subsidy | | 2,722.54 | **2722.54** |
| **12.2** | Domestic Subsidy+ Gaushala | | 222.89 | **222.89** |
| **12.3** | FSA-AP consumers | | | |
| **13** | **Surplus / (GAP) After Subsidy** | | **-627.02** | **-192.41** |

**Approved True Up of Expenses for FY 2022-23 (Rs. Crore)- DHBVNL**

| Sr. No. | Particulars | Approved(A) | Actual (B) | Revised True up |
|---|---|---|---|---|
| **1** | **Total Power purchase cost** | **15,110.94** | **22,760.94** | **22,480.37** |
| *1.1* | *Power Purchase Expenses* | *12,509.96* | *20,007.00* | |
| *1.2* | *Interstate transmission charges* | *1,384.75* | *1,342.93* | |
| *1.3* | *Intrastate transmission charges and SLDC charges* | *1,216.23* | *1,130.43* | |
| *1.4* | *Sharing of Gain/losses in Power Purchase Cost* | | *280.58* | 0 |
| **2** | **Operations and Maintenance Expenses** | **1,855.96** | **1,974.46** | **1959.49** |
| *2.1* | *Employee Expense (Net of Capitalization)* | *1,072.88* | *984.89* | *984.89* |
| *2.2* | *Administration & General Expense (Net of Capitalization)* | *145.77* | *160.74* | *145.77* |
| *2.3* | *Repair & Maintenance Expense* | *194.43* | *131.06* | *131.06* |
| *2.4* | *Terminal Liability* | *442.88* | *697.77* | *697.77* |
| 3 | Depreciation | 446.92 | 347.75 | **347.75** |
| 4 | Total Interest & Finance Charges | 427.02 | 362.62 | **351.19** |
| | *Interest on Capex Loans* | **200.44** | **135.23** | *135.23* |
| | *Interest on Working Capital Loans* | 104.94 | 127.26 | *115.83* |
| | *Interest on Consumer Security Deposits* | 86.64 | 64.33 | *64.33* |
| | *Other Interest and Finance charges* | 11 | 23.58 | *23.58* |
| | *Guarantee Fees* | 24 | 12.22 | *12.22* |
| 5 | Return on Equity Capital | 236.75 | 211.69 | **209.36** |
| 6 | Other Expenses (Debits & Prior period Expenses) | | 17.67 | **14.70** |
| **7** | **Total Expenditure** | **18,077.59** | **25,675.13** | **25,362.86** |
| 8 | Less: Non-Tariff Income | 307.66 | 267.52 | 267.52 |
| **9** | **Net Aggregate Revenue Requirement** | **17,769.93** | **25,407.61** | **25,095.35** |
| **10** | **Total Revenue** | - | **16,528.41** | **16,528.41** |
| *10.1* | *Revenue from Interstate sales* | - | *499.55* | 499.55 |
| *10.2* | *Revenue from Intrastate sales / Sale of Power* | - | *16,028.86* | 16,028.86 |
| 10.3 | FSA as per Audited Accounts FY 2022-23 | | *0* | 0 |
| **11** | **Revenue Surplus/(Gap)** | | -8,879.20 | -8,566.93 |
| *11.1* | *Less: Subsidy from Govt. of Haryana for AP consumers* | - | *3,327.54* | 3,327.54 |
| | *Less: Subsidy from Govt. of Haryana for others* | | *269.64* | 269.64 |
| | FSA receivable | | 4544.84 | 4544.84 |
| **12** | **Gap After AP Subsidy** | - | -737.18 | -424.91 |

## 3.14 Revenue Gap of the Discoms for FY 2022-23 (Rs. Crore)

The revenue gap proposed by the Discoms is as under:

**Proposed Revenue Gap (Rs. Crore)**

| Sr. no | Particulars | Approved | UHBVNL | DHBVNL | Discoms |
|---|---|---|---|---|---|
| 1 | **Aggregate Revenue Requirement** | **31,158.29** | **18,562.04** | **25,407.62** | **43,969.66** |
| **2** | **Revenue for Discoms** | **30,735.58** | **14,807.50** | **20,125.58** | **34,933.08** |
| 2.1 | Sale of Power | 24,684.89 | 11,536.80 | 16,028.86 | 27,565.66 |
| 2.2 | Inter State Sales | - | 325.27 | 499.55 | 824.82 |

| Sr. no | Particulars | Approved | UHBVNL | DHBVNL | Discoms |
|---|---|---|---|---|---|
| 2.3 | **Subsidy** | **6,050.69** | **2,945.43** | **3,597.17** | **6,542.60** |
| *2.3.1* | *-Subsidy-AP* | *6,050.69* | *2,722.54* | *3,327.54* | *6,050.08* |
| *2.3.2* | *-Subsidy-Dom* | - | *222.89* | *269.64* | *492.52* |
| 3 | **Revenue Surplus/(Gap)** | **422.71** | **-3,754.54** | **-5,282.03** | **-9,036.58** |
| 4 | FSA recovered in FY 2022-23 | - | - | - | - |
| 5 | **Net Revenue Surplus/(Gap)** | **422.71** | **-3,754.54** | **-5,282.03** | **-9,036.58** |
| 6 | Receivable on account of FSA | | 3,127.49 | 4,544.84 | 7,672.33 |
| 7 | **Revenue Surplus/(Gap) to be carried over** | **79.03** | **-627.06** | **-737.19** | **-1,364.25** |

The Commission had quantified RE subsidy of Rs. 6050.69 Crore payable by the State Government to the Discoms for the FY 2022-23 based on an estimated CoS of Rs. 6.67 (CoS on LT supply) per unit for A.P. Tube well supply of 9236.43 MU. As the total ARR has now been revised on account of True-up of the FY 2022-23 and the quantum of power supplied to AP consumers during the FY 2022-23 has also been revised to 9641.70 MUs. Hence, the subsidy for the AP Tube well supply payable by the State Government, to keep the tariff at the existing subsidized levels, also needs to be revised to reflect the corresponding changes in the quantum and cost of the AP tube-well consumers. As per the audited accounts, total subsidy including AP subsidy on this account for power supplied by UHBVNL and DHBVNL during the FY 2022-23 is Rs. 2,945.43 crores and Rs. 3597.18 crores respectively. Accordingly, based on the true-up of expenses for the FY 2022-23 and revised approval of AP sales for the year, the Commission observes that revised subsidy for AP supply works out to Rs. 7728.98 crores. Based on the true up of costs, the Discoms have ended the year with a surplus of Rs. 1061.57 crores as determined below: -

**Approved Revenue Gap during True up 2022-23- UHBVNL and DHBVNL**

| **Total ARR for FY 2022-2023** | | **As per Order-30.03.2022** | **Revised** |
|---|---|---|---|
| UHBVNL | Rs. Crore | 13,388.34 | 18127.40 |
| DHBVNL | Rs. Crore | 17,769.95 | 25095.35 |
| Total ARR for FY 2022-23 (A) | Rs. Crore | 31158.29 | 43222.75 |
| Revenue at current tariff on intrastate sale (B) | Rs. Crore | 24,684.89 | 27565.66 |
| Revenue from FSA receivable | Rs. Crore | | 7672.33 |
| Revenue from Interstate sale | Rs. Crore | | 824.82 |
| Total Revenue (C) | Rs. Crore | 24684.89 | 36062.81 |
| | | | |
| Total Sales for FY 2022-23 (D) | MU | 46,260.46 | 52120.42 |

| **Total ARR for FY 2022-2023** | | **As per Order-30.03.2022** | **Revised** |
|---|---|---|---|
| Average Cos for 2022-23 (E= A/D*10) | Rs per unit | 6.74 | 8.29 |
| COS at LT level (F) | Rs per unit | 6.67 | |
| Adjusted Cost of Supply for AP consumers (G) | Rs per unit | | 8.21 |
| AP sales for the FY 2022-23 (H) | MU | 9236.43 | 9641.70 |
| Revenue from AP sales (I) | Rs. Crore | 110.00 | 189.11 |
| Subsidy for AP supply at LT COS (J= (H*G)-I) | Rs. Crore | 6050.69 | 7728.98 |
| Subsidy for other consumers (K, as per audited) | Rs. Crore | 0.00 | 492.53 |
| Total revenue incl Subsidy (C-J-K) | Rs. Crore | 30735.58 | 44284.32 |
| Revenue surplus/(Gap) for FY 2022-23 at current tariff | Rs. Crore | -422.71 | 1061.57 |
| Surplus on true up including holding cost | | 501.74 | |
| Distribution loss | | 14% | |
| Net Revenue Surplus/Gap for the FY 2022-23 | Rs. Crore | 79.03 | 1061.57 |

# CHAPTER 4

## Annual Performance Review (APR) for FY 2023-24

### 4.1 Background

The Discoms have submitted that the Hon'ble Commission has issued the HERC (Terms and conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff framework) Regulations, 2012 on 5th December 2012 for Control Period of FY 2014-15 to FY 2016-17. Further, the Hon'ble Commission (with subsequent amendments) has extended the Control Period of MYT Regulation, 2012 till FY 2019-20.

Further, the Hon'ble Commission, on 31st October 2019, notified HERC (Terms and conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2019 for Second Control Period from FY 2020-21 to FY 2024-25. As per Regulation 11.6 "Mid- Year Performance Review and Tariff Setting" of MYT Regulation 2019, Annual Performance Review (APR) is to be done in accordance with the Tariff Order of the relevant year. The relevant extract of the Regulation is provided as follows: -

*"11. Mid -Year Performance Review and Tariff Setting*

*11.6 "The Commission shall review/consider, during the control period, the application made under this Regulation as also the application for truing up of the ARR of the previous year, as per provision of the Regulation 13, on the same principles as approved in the MYT order on the original application for determination of ARR and tariff. The review / true–up for FY 2018-19 and FY 2019-20 shall, however, be done on the same principles as approved in the tariff order for FY 2018-19 and for FY 2019-20…"*

Tariff Order on ARR and Retail Supply & Distribution Tariff for FY 2023-24 was issued by the Hon'ble Commission on 15.02.2023.

In line with the above, the Discoms have submitted Annual Performance Review of ARR for the FY 2023-24. The Petitioner(s) have considered actual available data for the first half of current financial year, pro-rata projections, and escalations as per principles defined in the MYT Regulations, 2019 to project the revised ARR for FY 2023-24. Projected ARR for APR Year vis-a-vis approved expenses is submitted for the approval of Hon'ble Commission.

## 4.2 Energy Sales

**UHBVNL**

Revised estimates for energy sales have been considered on lower side than the approved energy sales for the relevant year. Total energy sales of 22,653.81 MUs is re-estimated against 25,263 MU allowed in the tariff order dated 15.02.2023. In this regard, it is pertinent to note that that the sales were approved on the higher side (in the tariff order dated 15.02.2023) than what was petitioned by UHBVNL during submission of ARR last year. The category-wise revised sales estimates are provided herewith in this section.

Hon'ble Commission has created new consumer categories by merging the previous categories. Being non-availability of historical data of such consumer category, revised sales estimates have been considered after merging the categories as per tariff order dated 15.02.2023.

Revised sales estimates have been calculated based on the actual data of first half and projected figures for second half based on 2-to-7-year CAGR on the actual data of corresponding period. Hence, the category-wise sales for H2 of FY 2022-23 have been increased by selected CAGRs of past years to project the sales for H2 of FY 2023-24. The projected H2 sales of FY 2023-24 thus have been added to actual H1 sales of FY 2023-24 to arrive at the revised sales for the whole year.

For domestic category, consumption is normalized using long term trend and the sales for second half is adjusted with 7-year CAGR with 9.79% growth rate.

Sales for Non-Domestic category have been included with LT Supply and projected cumulatively.

7-year CAGR of 11.34% has been considered for estimating the H2 sales for HT Supply category given that there is an increase of 14% in HT sales from H1 of FY 2022-23 to H1 of FY 2023-24.

For LT supply category, moderate growth of 10.00% has been considered.

While calculating AP sales for H2 of FY 2023-24 as per HERC methodology, moderate growth of 2.64% on AP feeder input energy is considered which is derived from the growth in AP connected load from FY 2021-22 to FY 2022-23.

For Bulk Supply category, sales for second half are projected keeping in mind long term trend and thus 5-year CAGR of 5.67% has been considered to estimate H2 sales.

Sales for Street Lighting for H2 have been estimated considering 7-year CAGR of 7.70%.

MITC and Lift Irrigation sales have been merged with PWW category and the cumulative sales is projected based on 7-year CAGR of 4.76%.

Revised estimates of category wise energy sales vis-à-vis approved for UHBVNL for FY 2023-24 are tabulated as follows: -

**UHBVNL proposed Category wise Energy Sales for FY 2023-24 (in MUs)**

| Category | | Sales Projection for FY 2023-24 | | | | |
|---|---|---|---|---|---|---|
| | Approved | Actual (H1) | FY 2022-23 (H2) | Selected CAGR | Proj. (H2) | Total |
| Domestic | 7656.00 | 3992.24 | 2789.87 | 9.79% | 3,062.97 | 7,055.20 |
| HT Supply/Railway Traction | 8014.00 | 3975.11 | 3892.30 | 11.34% | 4,333.81 | 8,308.92 |
| LT Supply/NDS | 4423.00 | 1292.13 | 1125.15 | 10.00% | 1,237.66 | 2,529.79 |
| Agriculture | 3669.00 | 2123.69 | 1464.41 | 2.64% | 1503.10 | 3,626.80 |
| Bulk Supply | 347.00 | 193.98 | 176.35 | 5.67% | 186.35 | 380.33 |
| Street Lighting | 73.00 | 30.82 | 40.76 | 7.70% | 43.89 | 74.72 |
| PWW/Lift Irrigation/MITC | 781.00 | 326.89 | 335.20 | 4.76% | 351.16 | 678.05 |
| **Total** | **25263.00** | **11934.86** | **9824.04** | | **10,718.95** | **22,653.81** |

UHBVNL requested that the Commission may approve the category wise energy sales as projected in the above table.

**DHBVNL**

Hon'ble Commission vide its Tariff Order dated 15.02.2023 has approved Energy Sales of 31,283 MUs for DHBVNL.

DHBVNL has estimated the revised sales for FY 2023-24, based on of actual sales for the first half and projected sales of the second half.

The Hon'ble Commission in Tariff Order for FY 2021-22 has merged NDS category (upto 50 kW) & LT Industry (upto 50 kW) into LT supply. Further, NDS category (above 50 kW), LT Industry (above 50 kW), HT Industry & Metro Supply are merged into HT supply. Since, the historical data is not available in the newly formed categorization, hence, the projections have been made based on the previous year categorization.

The sales projection for the second half of FY 2023-24 have been worked out based on 2 to 7 years CAGR and actual sales of corresponding period in the past years keeping FY 2022-23 as base year. 2 to 7 years CAGR of Actual sales in H2 of FY is shown in table below:

**DHBVNL CAGR of Actual sales in H2 of FY (in %)**

| Category | CAGR for H2 | | | |
|---|---|---|---|---|
| | 2 years | 3 years | 5 years | 7 years |
| Domestic | 11.31% | 10.59% | 10.42% | 8.70% |
| LT Supply | 13.50% | 5.56% | 5.39% | 5.33% |
| HT Supply | 12.79% | 12.17% | 6.05% | 8.41% |
| Agriculture | -0.80% | 4.37% | 2.72% | 4.49% |

| | | | | |
|---|---|---|---|---|
| Bulk Supply | 8.57% | 5.73% | 10.57% | 11.58% |
| Lift Irrigation/ PWW/ Street Lightning | 4.48% | 2.19% | 3.40% | 5.83% |

Category wise energy sales approved vis-a-vis revised projection of DHBVNL for FY 2023-24 is tabulated as under: -

**DHBVNL proposed Energy Sales projection for FY 2023-24 (MUs)**

| Category | H2 FY 2022-23 | FY 2023-24 | | | | |
|---|---|---|---|---|---|---|
| | | Approved | Actual (H1) | CAGR | Proj. (H2) | Revised Estimate |
| | (1) | (2) | (3) | (4) | (5)=(1)*(1+(4)) | (6) = (3+5) |
| Domestic | 3758.09 | 9454.00 | 4842.18 | 11.31% | 4183.02 | 9025.20 |
| LT Supply | 2334.04 | 5155.00 | 2995.31 | 5.56% | 2463.90 | 5459.20 |
| HT Supply | 4284.45 | 9041.00 | 4634.42 | 8.41% | 4644.84 | 9279.26 |
| Agriculture | 3434.54 | 5215.00 | 2935.71 | 4.49% | 3588.84 | 6524.55 |
| Bulk Supply | 548.88 | 1299.00 | 768.20 | 11.58% | 612.45 | 1380.65 |
| Lift Irrigation/ PWW/ Street Lightning | 538.20 | 1119.00 | 533.28 | 5.83% | 569.58 | 1102.87 |
| **Total** | **14898.21** | **31283.00** | **16709.11** | | **16062.63** | **32771.74** |

DHBVNL requested the Commission to approve the category wise energy sales for FY 2023-24 as projected above.

### 4.3 Transmission Losses

The Hon'ble Commission in tariff order dated 15.02.2023 has approved power purchase cost for FY 2023-24 considering the interstate transmission losses as 3.48% subjected to truing up of the same in relevant year. However, based on the transmission loss details published on Power System Operation Corporation Ltd. (POSOCO) website, the interstate losses are being determined on national basis and based on of last 52 weeks data, the average loss level works out to 3.62%. (Reference link of website: https:// posoco.in/ side -menu - pages/ applicable – transmission - losses / transmission - losses - 2023-24 /) Thus, Discoms have requested that the same may be considered for projecting power purchase cost for the APR year.

Intrastate transmission losses for APR year are considered at 2.05%, same as approved by the Hon'ble Commission in the Tariff Order dated 15.02.2023.

### 4.4 Distribution Losses

The Hon’ble Commission vide its Tariff Order dated 15.02.2023 had approved the distribution loss of 12.00%. The same is being considered by Discoms for the purpose of the APR projections.

## 4.5 Collection Efficiency

Collection efficiency of 99.5% as specified by the Hon'ble Commission in MYT Regulation 2019, has been considered for APR projections. Accordingly, the AT&C loss for APR year is tabulated as follows:-

**Distribution Loss Trajectory for APR year FY 2023-24**

| Particulars | FY 2023-24 |
|---|---|
| Distribution Losses | 12.00% |
| Collection Efficiency | 99.50% |
| AT&C Losses | 12.44% |

## 4.6 Transmission Charges

**UHBVNL**

For the purpose of APR estimations, the Inter-State and Intra-State transmission charges have been estimated considering the actual charges of first half (H1) of 2023 to be equal for the second half i.e., October 2023 to March 2024. UHBVNL has requested to approve the estimated ISTS and InSTS Charges for FY 2023-24 as under:

**Proposed by UHBVNL: Transmission Cost (Rs. Crore) for FY 2023-24**

| Particulars | FY 2023-24 | | |
|---|---|---|---|
| | H1 | H2 | Total |
| Inter-State Transmission Cost | 454.10 | 454.10 | 908.21 |
| Intra-State Transmission Cost | 457.74 | 457.74 | 915.49 |
| **Total Transmission Cost** | **911.84** | **911.84** | **1823.70** |

**DHBVNL**

For APR projections of FY 2023-24 Inter-state and Intra-state transmission charges are considered by DHBVNL based on the charges paid in H1 of FY 2023-24:

**Proposed by DHBVNL: Transmission Charges for FY 2023-24 (Rs. Crore)**

| Particulars | FY 2023-24 |
|---|---|
| Inter State Transmission Charges | 1,324.86 |
| Intra State Transmission Charges | 1,324.38 |

## 4.7 Power Purchase Cost

**UHBVNL**

The power purchase cost of UHBVNL including interstate and intrastate transmission charges works out to Rs. 14,807.95 Crore for FY 2023-24. The details of the same has been tabulated as under: -

**UHBVNL proposed Power Purchase Cost Summary for FY 2023-24 (Rs Crs)**

| Particulars | Units | FY 2023-24 |
|---|---|---|
| Power Purchase Cost | Rs. Crore | 12984.26 |
| Inter-State Transmission | Rs. Crore | 908.21 |
| Intra-state Transmission | Rs. Crore | 915.49 |
| **Total Power Purchase cost** | **Rs. Crore** | **14807.95** |
| PP Quantum | MU | 28,708.41 |
| **Average power purchase cost** | **Rs/kWh** | **5.16** |

**DHBVNL**

The power purchase cost of DHBVNL including interstate and intrastate transmission charges has been tabulated as under: -

**DHBVNL Proposed Power Purchase Cost Summary for FY 2023-24**

| Particulars | FY 2023-24 | |
|---|---|---|
| | **(Approved)** | **(Projected)** |
| Power Purchase Cost (Rs. Crore) | 16,351.48 | 18,772.43 |
| Power Purchase Quantum (MUs) | 36,292.87 | 41,530.53 |
| **Average Power Purchase Cost (Rs/kWh)** | **3.83** | **4.52** |
| Inter-state Transmission Cost (Rs. Crore) | 1,388.96 | 1,324.86 |
| Intra-state Transmission Cost & SLDC cost (Rs. Crore) | 1,220.41 | 1,324.38 |
| **Total Power Purchase Cost (Rs. Crore)** | **18,960.86** | **21,421.67** |
| **Average Power Purchase Cost including Transmission cost (Rs/kWh)** | **5.22** | **5.16** |

DHBVNL has prayed that the Commission may approve the above power purchase cost for FY 2023-24 as submitted in above table.

## 4.8 Energy Balance

Energy available from long term tied up generating sources and energy requirement at state periphery grossed up with above mentioned transmission & distribution losses are considered for estimating the energy balance for APR year.

**UHBVNL**

The detailed calculation for UHBVNL is tabulated as follows:-

**Energy Availability for FY 2023-24**

| Energy Balance-UHBVNL | Units | FY 2023-24 |
|---|---|---|
| **Energy Requirement** | | |
| Energy Sales | MU | 22654 |
| T&D loss | %age | 12.00% |
| Energy Input required at DISCOM Periphery | MU | 25743 |
| Intra- State Transmission Loss | %age | 2.05% |
| **Energy Requirement at State Periphery** | **MU** | **26282** |
| | | |

| **Energy Balance-UHBVNL** | **Units** | **FY 2023-24** |
|---|---|---|
| **Energy Purchase** | | |
| **Total Energy Available (Ex-Bus)** | **MU** | **28708** |
| Inter-State Power Purchase considering MOD | MU | 24546 |
| Inter-State Transmission Losses | MU | 3.62% |
| Inter-State Power Purchase at State Periphery | MU | 23656 |
| Intra-State Power Purchase considering MOD | MU | 4163 |
| Power Purchase at State Periphery | MU | **27819** |
| **Surplus** | **MU** | **1537** |

The surplus energy is either banked or traded-off in exchange at average variable power purchase cost to minimize the trading loss of the DISCOM. The indicative surplus position as tabulated above is only in terms of energy, whereas in real time scenario depending on demand-supply position in terms of MW, short term energy (either from collective or bilateral mode) is procured to fulfil the energy requirement of the DISCOM. The status of surplus power will be submitted before the Commission at the time of truing-up of ARR for FY 2023-24.

UHBVNL requested the Commission that the revised energy balance for FY 2023-24 may be approved.

**DHBVNL**

The detailed calculation for DHBVNL is tabulated as follows:

**Energy Balance for FY 2023-24**

| **Energy Balance** | **Units** | **FY 2023-24** | |
|---|---|---|---|
| | | **(Approved)** | **(Projected)** |
| Energy Sales | MUs | 31,283.00 | 32,771.74 |
| T&D loss | % | 12.00% | 12.00% |
| Energy Input at Discom Periphery | MUs | 35,548.86 | 37,240.61 |
| Intra- State Transmission Loss | %age | 2.05% | 2.05% |
| **Energy Input at State Periphery** | **MUs** | **36,292.87** | **38,020.03** |
| | | | |
| Total Energy Available (Ex Bus) | MUs | | 41,530.53 |
| Inter-state Power Purchase considering MoD | MUs | | 35,508.47 |
| Inter State transmission losses | % | | 3.62% |
| Inter-state Power Purchase at State Periphery | MUs | | 34,221.35 |
| Intra state Power Purchase Considering MoD | MUs | | 6,022.06 |
| **Power Purchase at State Periphery** | **MUs** | | **40,243.42** |
| Surplus | Mus | | 2,223.39 |

The surplus energy is either be banked or traded-off in exchange at average variable power purchase cost to minimize the trading loss of the Discoms. The indicative surplus position as tabulated above is only in terms of energy whereas in real time scenario depending on demand-supply position in terms of MW, short term energy is either from collective or bilateral mode is to procure the energy requirement of the Discoms. The status of surplus power will be submitted at the time of truing-up of ARR for FY 2023-24.

The Commission is requested by Discoms to approve the revised energy balance for FY 2023-24.

## 4.9 Capital Expenditure

**UHBVNL**

Capital Expenditure Plan of Rs. 1000 Crore for UHBVNL is approved by the Commission in the Tariff Order dated 15.02.2023. The same has been considered by the Petitioner to determine the revised estimates for APR year.

Capital Expenditure is funded by debt/loan, consumer contribution and equity support provided by the State Govt. The table below shows the funding structure of the proposed Capital Expenditure plan for APR year.

**UHBVNL proposed Funding of capital expenditure of 2023-24 (Rs Crore)**

| Particulars | Amount (in Cr.) |
|---|---|
| Consumer Contribution | 37.50 |
| Equity | 192.50 |
| Debt | 770.00 |
| **Total** | **1000.00** |

**DHBVNL**

Capital Expenditure Plan is funded from debt availed from financial institutions like REC, PFC and others, consumer contribution and equity support provided by the State Govt. Table below shows the funding structure of the proposed Capital Expenditure plan for APR year for DHBVNL.

**DHBVNL proposed Funding of Capital Expenditure of FY 2023-24**

| Particulars | % | Amount (Rs. Crore) |
|---|---|---|
| Consumer Contribution & Grant | 11.31% | 135.76 |
| Equity | 17.74% | 212.85 |
| Debt | 70.95% | 851.39 |
| **Total** | **100%** | **1200.00** |

## 4.10 Computation of Inflationary Indices

Based on the CPI and WPI indices of current and previous year, Inflation factor for APR year is calculated as per the methodology specified in HERC MYT Regulations, 2019. Detailed calculation for Inflation factor is tabulated as follows:

**Inflation Factor for APR year**

| Particulars | WPI | CPI | Total |
|---|---|---|---|
| Weightage | 0.45 | 0.55 | 1 |

| Particulars | WPI | CPI | Total |
|---|---|---|---|
| Avg Indexation for FY 2022-23 | 152.5 | 377.6 | |
| Avg Indexation n (Index * Wt.) | 68.6 | 207.7 | 276.3 |
| Avg Indexation for FY 2021-22 | 139.4 | 356.1 | |
| Avg Indexation n-1 (Index * Wt.) | 62.7 | 195.8 | 258.6 |
| **Combined Inflation (Indxn/Indxn-1)** | **6.87%** | | |

## 4.11 Revenue Estimation

**UHBVNL**

Based on projected sales and applicable retail supply tariff, the revenue from sale of power of various categories of UHBVNL is tabulated as follows:

**UHBVNL proposed Revenue Estimations for FY 2023-24 (Rs Crore)**

| Category | Revised Estimates |
|---|---|
| Domestic | 3,489.31 |
| HT Supply | 6,307.02 |
| LT Supply | 1,872.73 |
| Agriculture | 53.29 |
| PWW/Lift Irrigation/MITC/Street Light | 612.64 |
| Bulk supply | 273.74 |
| **Total Revenue** | **12,608.83** |
| Collection Efficiency | 99.50% |
| **Revenue Realised** | **12,545.78** |

**DHBVNL**

Revenue from sale of power is determined on basis of the projected sales and current level of retail supply tariff as approved by the Hon'ble Commission in Tariff Order dated 15.02.2023. Category-wise revenue estimated from sale of power by DHBVNL for FY 2023-24 is given below:

**DHBVNL proposed Revenue Estimations for FY 2023-24 (Rs. Crore)**.

| Sr.no. | Category | Projected Amount |
|---|---|---|
| **1** | Domestic | 4,401.30 |
| **2** | LT Supply | 2,385.20 |
| **3** | HT Supply | 9824.99 |
| **4** | Agro Industry/FPO | 8.89 |
| **5** | Agriculture | 64.62 |
| **6** | Bulk Supply | 1043.38 |
| **7** | PWW/ Street light/Lift Irrigation | 919.87 |
| **8** | **Total Revenue** | **18,648.25** |

## 4.12 Aggregate Revenue Requirement for FY 2023-24

The revised estimate of Aggregate Revenue Requirement for APR year is tabulated as follows: -

**UHBVNL proposed Aggregate Revenue Requirement for FY 2023-24 (Rs. Crore)**

| Sr. No | Particulars | Approved | Revised Estimates |
|---|---|---|---|
| **1** | **Total Power Purchase Expense** | **13,990.30** | **14,807.95** |
| 1.1 | *Power Purchase Expense* | 11,931.85 | 12,984.26 |
| 1.2 | *Interstate transmission Charge* | 1,013.54 | 908.21 |
| 1.3 | *Intrastate transmission charges and SLDC charges* | 1,044.91 | 915.49 |
| **2** | **Operations and Maintenance Expenses** | **1,816.64** | **1,811.28** |
| 2.1 | *Employee Expense* | 1,018.99 | 967.14 |
| 2.2 | *Administration & General Expense* | 162.58 | 214.33 |
| 2.3 | *Repair & Maintenance Expense* | 185.07 | 179.81 |
| 2.4 | *Terminal Liability* | 450.00 | 450.00 |
| **3** | **Depreciation** | **462.66** | **425.69** |
| **4** | **Total Interest & Finance Charges** | **323.36** | **470.58** |
| 4.1 | Interest on CAPEX loans | 105.48 | 172.82 |
| 4.2 | *Interest on WC loans including CC/OD limits* | 116.39 | 150.28 |
| 4.3 | *Interest Cost on Consumer Security Deposit* | 66.59 | 112.58 |
| 4.4 | *Other Interest & Finance Charges* | 34.90 | 34.90 |
| **5** | **Return on Equity Capital** | **277.67** | **305.20** |
| **7** | **Total Expenditure** | **16,870.63** | **17,820.70** |
| 8 | *Less: Non-Tariff Income* | 278.43 | 278.43 |
| **9** | **Net Aggregate Revenue Requirement** | **16,592.20** | **17,542.27** |

**DHBVNL proposed Aggregate Revenue Requirement for FY 2023-24 (Rs. Crore)**.

| S.No. | Particulars | APR | |
|---|---|---|---|
| | | FY 2023-24 | |
| | | Approved | Projected |
| **1.0** | **Power Purchase Expenses** | **18,960.86** | **21,421.67** |
| *1.1* | *Power Purchase Cost* | *16,351.48* | *18,772.43* |
| *1.2* | *Transmission Charges* | *1,388.96* | *1,324.86* |
| *1.3* | *Transmission Charges & SLDC* | *1,220.41* | *1,324.38* |
| **2.0** | **Operation & Maintenance Expenses** | **2,200.99** | **2,276.49** |
| *2.1* | *Employee Expenses (net)* | *1,271.32* | *1,175.85* |
| *2.2* | *Administration & General Expenses (net)** | *144.34* | *171.78* |
| *2.3* | *Repair & Maintenance Expenses* | *235.33* | *231.10* |
| *2.4* | *Terminal Benefits* | *550.00* | *697.77* |
| **3.0** | **Depreciation** | **452.20** | **510.32** |
| **4.0** | **Interest & Finance Charges** | **473.99** | **605.20** |
| *4.1* | *Interest on Long Term Loan* | *154.59* | *165.51* |
| *4.2* | *Interest on Working Capital* | *186.95* | *179.81* |
| *4.4* | *Interest on Consumer Security Deposit* | *100.06* | *185.45* |
| *4.5* | *Other Interest & Finance Charges* | *8.40* | *24.17* |
| *4.9* | *Guarantee Fee* | *24.00* | *50.26* |
| 5 | Return on Equity Capital | **285.13** | **271.72** |
| 6 | Prior period expenses & other expenses | 0 | 0 |
| 7 | Other Debts, (including wealth tax) | 0 | 0 |
| 8 | Provisions for bad and doubtful debt | 0 | 93.24 |
| **9** | **Aggregate Revenue Requirement** | **22,373.16** | **25,178.64** |
| 10 | Less: Non-Tariff Income | 279.22 | 308.61 |
| **11** | **Net Aggregate Revenue Requirement** | **22,093.94** | **24,870.03** |

## 4.13 Revenue Gap

Based on the revised estimates for Aggregate Revenue Requirement, Haryana Discoms have proposed the details of revenue gap for the APR year tabulated as follows:

**UHBVNL and DHBVNL proposed Revenue Gap for FY 2023-24 (Rs Crore)**

| Sr. no | Particulars | Approved | Revised Estimates | | |
|---|---|---|---|---|---|
| | | | UHBVNL | DHBVNL | Haryana |
| **1** | **Aggregate Revenue Requirement** | **38,686.15** | **17,542.27** | **24,870.03** | **42,412.30** |
| **2** | **Less: Revenue for Discoms** | **36,714.05** | **15,780.75** | **23,528.37** | **40,069.74** |
| 2.1 | Revenue from Sale of Power | 30,944.11 | 12,545.78 | 18,648.25 | *31,194.03* |
| 2.2 | Revenue from Inter-state Sales | | 350.00 | 889.36 | *1,239.36* |
| 2.3 | Subsidy from GoH | 5,769.94 | 2,884.97 | 2,884.97 | 5,769.94 |
| **3** | **Less: FSA** | **-** | **760.62** | **1,105.79** | ***1,866.41*** |
| 4 | **Revenue Surplus/(Gap)** | **- 1,972.10** | **-1,000.89** | **-1,341.66** | **-2,342.56** |
| 5 | Revenue surplus for FY 2021-22 | 1432.30 | | | 1844.87 |
| 6 | Holding Cost @ 8.5% for 1.5 Year | 182.62 | | | 235.22 |
| 7 | **Net Revenue Surplus/(Gap)** | **-357.18** | | | **-262.47** |

The above revenue gap is proposed to be met from efficiency improvement in subsequent year and Discoms requested that aforesaid revenue gap for APR year may be allowed and adjusted appropriately in the relevant year.

**The Commission has considered the prayer of the Discoms for revision of ARR for the FY 2023-24 as a consequence of the revised APR estimates provided by them and observes that the expenditure incurred during the APR period as well as the consumer category wise sales and revenue are on a projected basis and not final and also not based on the audited accounts. Hence, the same, at this stage, do not call for any revision by substituting one estimated figure by another.**

**Accordingly, in view of the regulations occupying the field, the Commission is of the considered view, as also observed in the past, that it would not be appropriate to replace one set of estimated figures with another set of estimates for a small amount. Further, in view of the fact that the year is now almost over and it would be appropriate to examine the financial impact of mid-term performance review for the FY 2023-24 only once the Audited Accounts for the year are available. Hence, at this point of time the Commission is not inclined to revise the ARR for the FY 2023-24 as prayed for by the petitioner(s).**

# CHAPTER 5

## Aggregate Revenue Requirement (FY 2024-25)

### 5.1 Brief Introduction

The petitioner(s) i.e. UHBVNL and DHBVNL have submitted the Aggregate Revenue Requirement (ARR) for the fourth year of the MYT Control Period i.e. FY 2023-24 on 30.11.2022. It has been averred that the Hon'ble Commission has subsequently issued ARR / Tariff Order on 15.02.2023.

That in line with the approach adopted by the Hon'ble Commission, in the previous tariff order, for approving various components of the ARR and provisions specified in the MYT Regulations, the instant petition for ARR of the FY 2024-25 has been filed for consideration and approval of the Commission.

That regulation 71 & 75 of the HERC MYT Regulation, 2019, provides that a petition for determination of Tariff for the terminal year of MYT Control Period, i.e. FY 2024-25, has to be filed in the Commission on or before 30th November of the year preceding the ensuing year i.e. 30.11.2023. Further, the petition for seeking approval of the Aggregate Revenue Requirement, for the ensuing years, is required to be prepared in accordance with the details provided under the regulations 8.3, 11 & 13 of MYT Tariff Regulation, 2019. The relevant portion of aforesaid regulations cited by the petitioner(s) is reproduced below:-

***"71. Tariff Filings***

***…………..***

***71.2 Tariff filing for the control period under MYT framework***

*71.2.1 The generating company and the licensees shall file an application for approval of ARR for their respective businesses for each year of the control period and tariff for the first year of the control period consistent with the business plan and the capital investment plan approved by the Commission. The ARR and tariff filing shall be filed by 30th November of the year preceding the 1st year of the control period along with requisite fee in accordance with the provisions of Haryana Electricity Regulatory Commission (Fee) Regulations amended from time to time. The application shall contain all the components of the ARR and tariff as provided in these Regulations….*

***71.5 Filing for Mid-year performance review, True-up and determination of tariff for ensuing year***

*The generating company and the licensees shall file their application for mid-year performance review of the current year, true-up of the previous year and tariff for the ensuing year along with requisite fee by 30th November of each year of the control period as per the details mentioned in the Regulation 11 & 13 for the Commission's* *review, true-up of uncontrollable/controllable items in accordance with Regulation 8.3 and approval of tariff for the ensuing year.*

*The MYT filing shall also contain an application for mid-year performance review of and true-up petition."*

The Discoms have submitted that Aggregate Revenue Requirement (ARR) for FY 2024-25 has been prepared as per the approach specified under the Regulations 8.3 of HERC MYT Regulations, 2019 and its subsequent amendment. The financial components of the Aggregate Revenue Requirement for FY 2024-25 have been projected based on the past trend, regulatory norms, activities planned and undertaken for the ensuing year. The relevant extract of the aforesaid regulation is reproduced as under:

"*8.3.4 The Aggregate Revenue Requirement of the Retail Supply Business to be recovered through retail supply tariff of the distribution licensee(s) shall comprise the following: -*

*i) Power Purchase Cost*

*ii) Transmission Charges (Inter State & Intra State)*

*iii) Interest (Term Loan and normative Working Capital Loan, Consumer Security Deposit)*

*iv) Depreciation*

*v) Operation & Maintenance Expenses*

*vi) Provision for bad and doubtful debt subject to a ceiling of 0.5% of the account receivable as per the latest available audited accounts.*

*vi) Return on Equity Capital*

*Provided that the ARR computed as per above shall be net of Non-Tariff Income, income from Other Business, receipts from cross – subsidy surcharge and additional surcharge etc.*

*Provided further that the prior period expenses shall be considered at the time of truing – up on a case to case basis subject to prudence check. However, all penalties payable by the distribution licensee arising from Commission's order, courts / tribunal, CGRF / Ombudsman shall not be allowed to be recovered through ARR."*

Accordingly, the details of projections of the financial parameters of the Aggregate Revenue Requirement for the FY 2024-25, filed by the Discoms, have been taken on record. The Commission's analysis and order on each of the sale projections and expenditure items are given in the paragraphs that follows.

## 5.2 Assessment of Agriculture Tube well (AP) Sales: FY 2022-23 (True up), FY 2023-24 (revised) & FY 2024-25 (projected)

The Commission has examined the submissions of the DISCOMS (UHBVNL and DHBVNL) for the AP sales for the period mentioned above. It needs to be noted, from past experience, that projections based on actual segregated feeder level data is more scientific with significantly higher degree of accuracy. The only aberration is the actual losses between the 11 kV AP segregated feeder and point of consumption. This minor error in forecasting creep in because of unmetered AP supply and dead /defective/un-read meters where AP connection, historically, has been released through meters.

### 5.2.1 True up of AP Sales (FY 2022-23)

The petitioners, based on actual AP sales, have prayed for approval of Rs. 6050.08 Crores as revised RE Subsidy for FY 2022-23. The Commission in the Tariff order dated 30/03/2022 had approved Rs. 6050.068 Crores as RE Subsidy for the FY 2022-23 based on projected sales as well as LT COS estimated by the Commission for FY 2022-23.

The AP consumption of the two Distribution Licensees , based on above data submitted by the petitioners for FY 2022-23, is worked out as under:-

| **AP Tube well Consumption** | **UHBVNL (2022-23)** | **DHBVNL (2022-23)** |
|---|---|---|
| AP sales recorded on 11 kV segregated AP feeders (MUs) | 4802.75 | 6418.35 |
| Loss @ 16% | 768.44 | 1026.94 |
| AP feeders net sales (MUs) | 4034.31 | 5391.42 |
| Consumption of AP on other feeders (MUs) | 18.05 | 304.74 |
| (Less) Consumption of other category consumers on segregated AP feeders (MUs) | 15.45 | 91.37 |
| Total AP consumption | 4036.91 | 5604.79 |
| **Total AP consumption of two DISCOMs (rounded off)** | **9641.70** | |
| Total AP Sales of DISCOMs for FY 2022-23 approved by Commission in Tariff Order dated 30/03/2022. (MUs) | **9236.77** | |

It is evident from the above table that the actual AP consumption i.e. 9641.70 MU for the FY 2022-23 is higher than the AP consumption approved by the Commission in its Tariff Order dated 30/03/2022. Accordingly, the total AP sales, in respect of both the DISCOMs, is trued up as 9641.70 MU for FY 2022-23 (UHBVNL- 4036.91MU and DHBVNL-5604.79MU).

**The Commission, vide Tariff Order dated 15/02/2023, had directed that the Managing Director of DHBVNL to check the AP sales figures and input energy and submit a report on the running of the AP tube wells on non-AP feeders within one month of issue of the said order besides reconciliation of figures.**

In response to above, DHBVNL Vide memo no. Ch-113/SE/RA-761 dated 23/08/2023 has submitted as under:-

'It is submitted that, M/s Parnat Engineers Pvt. Ltd. firm had calculated the T&D losses (based on empirical formulae) as 15.15%, 15.56% and 16.10 % for the FY 2017-18, 2018-19 and 2019-20 respectively. However, the losses of DHBVNL on AP feeders' range between 8% to 9% during the same period.

Further, following issues have been submitted:

1. Out of the total AP connections (as on 31.03.2022), 26% of AP connections are unmetered.
2. Defective meter on AP connections as on 31.03.2022 is 93393, which is 28% of Total AP connections. Billings of these connections are done on provisional basis as per Sales Circular: D-28/2013 (as per Hon'ble HERC directions issued vide memo no. 7011/HERC/T126 dated 13.12.2012 and order issued in case no. HERC/RA-01 of 2013 dated 06.06.2013).
3. During end of FY 2020-21, 10 sub- division were under migration to R-APDRP system, which were not billed during this period. Further, with completion of migration process, same were billed in FY 2021-22. The process of migration of all sub- divisions has been completed in March 2023 consequently, during this period, the billed energy on AP feeders exceeds the input energy.'

The reasons of AP consumption on Non-AP feeder as provided by the petitioner(s) are as given below: -

a) 14175 no. of AP consumer with connected load of 107.1 MW were not shifted from Non-AP feeder due to non-availability of right of way.
b) 2528 no. of AP consumer with connected load of 14.27 MW were temporarily shifted to Non-AP feeders due to break down.

The Commission observes that the DHBVNL Agriculture sales for FY 2022-23 as per audited account is 6129.58 MUs. In line with methodology adopted by the Commission, AP sale is 5604.79, whereas in the case of UHBVNL Agriculture sales for the FY 2022-23, as per audited account, is 4036.91 MU and in line with methodology of the HERC is also 4036.91 MU. In case of

DHBVNL, there is a significant difference i.e. of 524.79MUs in sales for FY 2022-23. Similar differences were also observed in the previous fiscal year and accordingly, DHBVNL was directed to submit the reasons for contradictory stand on the aberrations pointed out in the AP sales along with relevant authenticated data/study in support of reply but no satisfactory reply has been submitted by the licensee. **The reason for difference between both figures needs to be explained with authentic data and submission that as large as 14175 AP connections were not shifted due to right of the way besides connection of 10 subdivision were not billed due to migration from non-RAPDRP to RADRP does not hold good as segregation of feeders was reported to be completed a long back by the Nigam whereas migration from non APDRP to RAPDRP may have taken place in a period of two months. Moreover, billing of AP connections for the unmetered AP Tube well consumers are done on a flat rate basis and even for majority of metered consumers due to non-taking reading, billing is being done on flat rate and as such migration does not affect billing.**

**In view of the above discrepancies in the AP sales figures, the Commission directs that DHBVNL will ensure 100% shifting of AP connections on segregated feeders instead of lame excuses time and again.**

### 5.2.2 AP Sales Estimation for FY 2023-24 and for FY 2024-25

#### a) AP Sales Estimation for FY 2023-24:

UHBVNL has submitted that while calculating AP sales for H2 of FY 2023-24 as per the HERC methodology, a moderate growth of 2.64% on AP feeder input energy has been considered on the basis of the growth in AP connected load from the FY 2021-22 to FY 2022-23

DHBVNL has submitted that a nominal rate of 4.49% increase has been considered to project the sale of 2nd half (H2) of 2023-24.

The AP Sales Projection by DISCOMs for FY 2023-24 is as under:

| Sr. No. | AP sales | FY 2023-24 |
|---|---|---|
| 1 | UHBVNL (MUs) | 3626.80 |
| 2 | DHBVNL (MUs) | 6524.55 |
| 3 | **Total AP Sales of DISCOMs (1+2)** | **10151.35** |

The Commission, in its Tariff Order dated 15/02/2023, for maintaining uniformity in the projection methodology for both the DISCOMs, had projected AP Consumption for the FY 2022-23, considering the actual consumption in the first half of the FY 2022-23 and projected second half on the basis of AP consumption of previous year's second half.

The Commission considered the actual month-wise AP sales provided by the DISCOMs and analysed the AP Sales on the basis of actual sales of FY 2017-18 to FY 2022-23 and based on CAGR observed for 2/3/5 years, observes that for UHBVNL, AP sales considering 5-year CAGR for second half (H2) works out 0.57% whereas 5-year CAGR for DHBVNL for the second half is 0.29%. The relevant calculations are tabulated as under:

**Table: AP Sales Projection FY 2023-24 of UHBVNL (MU)**

| AP Sales Projections | H2 (Oct-March) | | | | | | CAGR (2017-18 to 2022-23) | | | FY 2023-24 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | FY 2017-18 | FY 2018-19 | FY 2019-20 | FY 2020-21 | FY 2021-22 | FY 2022-23 | 5 | 3 | 2 | H1 (Actual) | H2 (Proj) | (H1+H2) |
| Segregated AP feeders | 1,690.99 | 1,385.81 | 1797.01 | 2042.24 | 1,236.43 | 1,739.57 | **0.57%** | **-1.08%** | **-7.71%** | 2529.33 | 1756.97 | 4286.30 |
| Normative consumption @16% of loss | 1,420.43 | 1,164.08 | 1,509.49 | 1,715.48 | 1,038.60 | 1,461.24 | CAGR =1% | | | 2124.64 | 1475.85 | 3600.49 |
| *Billing on other than AP feeder* | 24.79 | 20.61 | 22.83 | 30.39 | 9.89 | 5.71 | | | | 9.01 | 5.77 | 14.78 |
| *Other category consumption on AP Feeders* | 17.37 | 9.75 | 6.56 | 7.09 | 7.97 | 7.37 | | | | 9.95 | 7.44 | 17.39 |
| Net Normative AP Consumption | 1,427.85 | 1,174.94 | 1,525.76 | 1,738.78 | 1,040.52 | 1,459.58 | | | | 2123.70 | 1474.17 | 3597.87 |

**Table: AP Sales Projection FY 2023-24 of DHBVNL (MU)**

| AP Sales Projections | H2 (Oct-March) | | | | | | CAGR (2017-18 to 2022-23) | | | FY 2023-24 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | FY 2017-18 | FY 2018-19 | FY 2019-20 | FY 2020-21 | FY 2021-22 | FY 2022-23 | 5 | 3 | 2 | H1 (Actual) | H2 (Proj) | (H1+H2) |
| Segregated AP feeders | 3,082.35 | 2,797.36 | 2491.11 | 2989.80 | 2,375.28 | 3,127.14 | **0.29%** | **7.87%** | **2.27%** | 3,038.62 | 3158.41 | 6197.03 |
| Normative consumption @16% of loss | 2,589.17 | 2,349.78 | 2,092.53 | 2,511.43 | 1,995.24 | 2,626.80 | CAGR =1% | | | 2,552.44 | 2653.07 | 5205.51 |
| *Billing on other than AP feeder* | 71 | 110.33 | 121.80 | 124.43 | 301.222 | 318.8 | | | | 225.34 | 321.99 | 547.33 |
| *Other category consumption on AP Feeders* | 30.14 | 33.57 | 32.71 | 30.65 | 3.023 | 57.2 | | | | 60.05 | 57.77 | 117.82 |
| Net Normative AP Consumption | 2,630.03 | 2,426.54 | 2,181.62 | 2,605.21 | 2,293.44 | 2,888.40 | | | | 2,717.73 | 2917.28 | 5635.01 |

The Commission has considered CAGR of 1% to project the 2nd half AP sales for the FY 2023-24. The AP sales for FY 2023-24 is calculated by taking actual sales of H1 of FY 2023-24 and including projected sales of H2 by considering CAGR of 1%. The AP sale for UHBVNL and DHBVNL for FY 2023-24 worked out as evolved as under:

| Sr. No. | AP sales | FY 2023-24 |
|---|---|---|
| 1 | UHBVNL (MUs) | 3597.87 |
| 2 | DHBVNL(MUs) | 5635.01 |
| 3 | **Total AP Sales of DISCOMs (1+2)** | **9232.88** |

### b. AP Sales Estimation for FY 2024-25:

The DISCOMs have submitted that the Haryana Government has promoted various schemes for crop diversification due to which some growth in agriculture tube-well consumption is recorded despite mandatory use of energy efficient pumps sets for release of new connections as well as water conserving micro / drip irrigation system. UHBVNL has projected AP sales by considering a nominal growth rate of 2.64% and DHBVNL has considered 2.4% growth rate.

The Commission observes that 2.64% and 2.4% growth rate considered by the UHBVNL and DHBVNL respectively is without any firm and convincing basis particularly when energy efficient pumps are installed and diversification of crops has been taken place. Therefore, the Commission has analysed 2 to 5- year CAGR for the period from FY 2017-18 to FY 2022-23 on considering actual sales of these years.

The Commission observes that 5 years CAGR is 0.48% and 0.26% for UHBVNL and DHBVNL respectively, therefore, the CAGR @ 1% for projecting AP Sales for FY 2024-25 is based on the AP sale projection as above explained. The relevant calculation is tabulated as under:

**UHBVNL**

**Table: AP Sales Projection FY 2024-25 of UHBVNL (MU)**

| Consumption | FY 2017-18 | FY 2018-19 | FY 2019-20 | FY 2020-21 | FY 2021-22 | FY 2022-23 | FY 2023-24 | CAGR (2017-18 to 2022-23) | | | FY 2024-25 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | (H1Actual + H2 Proj) | 5 | 3 | 2 | Projected |
| Segregated AP feeders | 4,688.38 | 4222.50 | 4721.80 | 4407.61 | 4228.544 | 4802.75 | 4,286.30 | 0.48% | 0.57% | 4.39% | 4,329.16 |
| Normative consumption @16% of loss | 3,938.24 | 3,546.90 | 3,966.31 | 3,702.39 | 3,551.98 | 4,034.31 | 3,600.49 | CAGR=1% | | | 3,636.49 |
| *Billing on other than AP feeder* | 48.18 | 44.53 | 47.36 | 46.46 | 20.979 | 18.05 | 14.78 | | | | 14.92 |
| *Other category consumption on AP Feeders* | 22.95 | 19.23 | 13.79 | 14.45 | 15.49 | 15.45 | 17.39 | | | | 17.57 |
| Net Normative AP Consumption | ***3,963.47*** | ***3,572.20*** | ***3,999.88*** | ***3,734.40*** | ***3,557.47*** | ***4,036.91*** | ***3,597.87*** | | | | 3,633.85 |

**DHBVNL**

**Table: AP Sales Projection FY 2024-25 of DHBVNL (MU)**

| Consumption | FY 2017-18 | FY 2018-19 | FY 2019-20 | FY 2020-21 | FY 2021-22 | FY 2022-23 | FY 2023-24 | CAGR (2017-18 to 2022-23) | | | FY 2024-25 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | (H1Actual + H2 Proj) | 5 | 3 | 2 | Projected |
| Segregated AP feeders | 6,336.73 | 5979.70 | 5864.32 | 6124.84 | 5541.5 | 6418.35 | 6,197.03 | 0.26% | 3.05% | 2.37% | 6,259.00 |
| Normative consumption @16% of loss | 5,322.85 | 5,022.95 | 4,926.03 | 5,144.87 | 4,654.86 | 5,391.42 | 5,205.51 | CAGR=1% | | | 5,257.56 |
| *Billing on other than AP feeder* | 134.44 | 187.14 | 235.25 | 235.97 | 545.855 | 304.74 | 547.33 | | | | 552.80 |
| *Other category consumption on AP Feeders* | 68.21 | 61.02 | 69.41 | 63.37 | 69.961 | 91.37 | 117.82 | | | | 119.00 |
| Net Normative AP Consumption | ***5,389.08*** | ***5,149.07*** | ***5,091.87*** | ***5,317.47*** | ***5,130.75*** | ***5,604.79*** | ***5,635.01*** | | | | 5,691.36 |

The Commission after due deliberations and analysis of time series data for AP sales approves the AP sales of DISCOMs for FY 2024-25 as tabulated below against DISCOMs proposed 3722.63 MU by UHBVNL and 6683.01 MU by DHBVNL for the year:-

**Table: AP Sales for FY 2024-25 (MU)**

| Sr. No. | AP sales | MU |
|---|---|---|
| 1 | UHBVNL | 3633.85 |
| 2 | DHBVNL | 5691.36 |
| **3** | **Total AP Sales of DISCOMs (1+2)** | **9325.21** |

## 5.3 Assessment of Energy Sales for FY 2024-25 (Other Consumer Categories)

**UHBVNL**

UHBVNL, in its petition, has submitted that FY 2022-23 is considered as the base-year for projecting the energy sales for APR (FY 2023-24) and thereafter for ARR (FY 2024-25) years. Hon'ble Commission created new consumer categories by merging the previous categories as per tariff order dated 30.03.2021. In the ibid Tariff Order, the Hon'ble Commission merged NDS category (upto 50 kW) & LT Industry (upto 50 kW) into LT supply. Further, NDS category (above 50 kW), HT Industry (above 50 kW) & Metro/Railway Traction has been merged into HT Supply. Due to non-availability of historical data of such consumer categories, sales estimates for FY 2024-25 have been calculated after merging the categories mentioned in the tariff order dated 15.02.2023. Accordingly, category-wise energy sales for FY 2024-25 are projected based on 2-to-7 years Compound Annual Growth Rate (CAGR) on energy sales of FY 2023-24. For estimation of CAGR, FY2023-24 has been considered as the end year. Category wise CAGR of energy sales is tabulated as follows: -

**Proposed CAGR for projecting Energy Sales by UHBVNL (%age)**

| Category | 2 years | 3 years | 5 years | 7years | Selected CAGR |
|---|---|---|---|---|---|
| Domestic | 9.64% | 9.97% | 11.84% | 11.81% | **11.81%** |
| HT Supply | 11.93% | 17.09% | 10.87% | 11.63% | **11.63%** |
| LT Supply | 12.56% | -0.29% | 0.73% | 2.71% | **10.00%** |
| Agriculture | 1.12% | -0.01% | 0.35% | -1.56% | **2.64%** |
| Bulk Supply | 11.74% | 7.07% | 3.81% | 3.35% | **3.35%** |
| Street Lighting | 7.75% | -4.19% | -0.14% | 5.24% | **5.24%** |
| PWW/MITC | 0.53% | 8.97% | 7.44% | 7.63% | **7.63%** |

In view of above, the category wise energy sales for the ensuing year, i.e., FY 2024-25 are tabulated as follows:

**Projected Category wise sales for FY 2024-25 by UHBVNL (in MU)**

| Category | CAGR | FY 2024-25 (Proposed) |
|---|---|---|
| Domestic | **11.81%** | 7,888.56 |
| HT Supply | **11.63%** | 9,275.13 |
| LT Supply | **10.00%** | 2,782.77 |

| Category | CAGR | FY 2024-25 (Proposed) |
|---|---|---|
| Agriculture | **2.64%** | 3,722.63 |
| Bulk Supply | **3.35%** | 393.07 |
| Street Lighting | **5.24%** | 78.63 |
| PWW/ MITC | **7.63%** | 729.82 |
| **Total** | | **24,870.61** |

**DHBVNL**

DHBVNL, in its petition, has submitted that the Hon'ble Commission in Tariff Order FY 2021-22 has merged NDS category (upto 50 kW) & LT Industry (upto 50 kW) into LT supply. Further, NDS category (above 50 kW), LT Industry (above 50 kW) & Metro Supply has been merged into HT supply. Since, the historical data is not available in the newly formed categorization, hence, the projections have been made based on the previous year categorization.

Sales for FY 2024-25 is estimated based on 2 to 7 years CAGR on the projected sales of FY 2023-24. The Category wise 2 to 7 years CAGR is shown in table below:

**Proposed CAGR of Annual Sales of DHBVNL (in %)**

| Sr. No. | Category | 2 years | 3 years | 5 Years | 7 years |
|---|---|---|---|---|---|
| 1 | Domestic Supply | 13.94% | 10.66% | 11.72% | 11.07% |
| 2 | LT Supply | 20.16% | 5.85% | 5.84% | 6.70% |
| 3 | HT Supply | 24.44% | 10.87% | 7.31% | 8.55% |
| 4 | Agriculture | -1.97% | -0.83% | 0.09% | 2.43% |
| 5 | Bulk Supply | 10.80% | 8.15% | 10.39% | 12.65% |
| 6 | Public Water Works/Lift Irrigation/SL | 3.36% | 2.68% | 3.48% | 6.22% |

Following are the category wise energy sales projected by DHBVNL for FY 2024-25:

**Energy Sales Projection for FY 2024-25 (MUs)**

| Sr. No. | Category | CAGR | FY 2024-25 |
|---|---|---|---|
| 1 | Domestic Supply | 11.1% | 10,024.61 |
| 2 | LT Supply | 7.5% | 5,868.64 |
| 3 | HT Supply | 10.9% | 10,288.29 |
| 4 | Agriculture | 2.4% | 6,683.01 |
| 5 | Bulk Supply | 12.7% | 1,555.34 |
| 6 | Public Water Works/Lift Irrigation/SL | 6.2% | 1,171.48 |
| 7 | **Total** | | **35,591.37** |

In view of above projections, the Discoms have prayed that the Hon'ble Commission may approve the category wise energy sales projections for FY 2024-25, as presented above.

The Commission has perused the methodology adopted by the petitioner(s) for projecting consumer category wise sales for the FY 2024-25. Hence, the petitioner(s) adopted CAGR varying from 2% to 13%. The Commission observed that there is no stable growth pattern and accordingly, the petitioners have projected the sales based on 7-year CAGR or some random growth rate has been considered.

The Commission, has moderated the sales growth rates based on 5-year CAGR, considering a nominal growth. The AP sales have been projected based on data emanating from the 11 kV segregated feeders. Resultantly, the revised sales projected by the Discoms and that approved by the Commission is presented in the table below: -

**Sales of Categories other than AP:** The Commission, for projection of consumer category wise sales for the FY 2024-25, as per past practice, has considered a uniform CAGR and the same is taken as 5-year CAGR. However, for HT categories, the sales projected by the Discoms have been considered, as the data available on sales, contract demand, number of HT consumers and expected new connections in the HT supply industry is expected to provide a more reliable projections for this category. The following table presents the consumer category wise sales approved by the Commission for the FY 2024-25: -

| | **Projected** | | **Approved for 2024-25** | | **Total (MUs)** | |
|---|---|---|---|---|---|---|
| **Category of Consumers** | **UHBVNL (MU)** | **DHBVNL (MU)** | **UHBVNL (MU)** | **DHBVNL (MU)** | **Projected** | **Approved** |
| Domestic | 7888.56 | 10024.61 | 8403.76 | 10810.47 | 17913.17 | 19214.23 |
| Non - Domestic | 0.00 | 4615.04 | 0.00 | 4491.57 | 4615.04 | 4491.57 |
| HT Industries | 9275.13 | 10180.38 | 9275.13 | 10180.38 | 19455.50 | 19455.50 |
| LT Industries | 2782.77 | 1253.60 | 3347.24 | 1297.01 | 4036.37 | 4644.25 |
| Lift Irrigation | 0.00 | 241.23 | 0.00 | 226.21 | 241.23 | 226.21 |
| Agro Industry Industries /FPO (New Category upto 20 kW) | | 19.17 | | 19.17 | | 19.17 |
| Agriculture (Metered and unmetered) | 3722.63 | 6663.84 | 3633.85 | 5691.36 | 10386.46 | 9325.21 |
| Bulk Supply | 393.07 | 1555.34 | 449.99 | 1558.67 | 1948.42 | 2008.66 |
| Railway Traction | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| MITC | 0.00 | 107.91 | 0.00 | 101.70 | 107.91 | 101.70 |
| Street Lighting | 78.63 | 100.81 | 67.30 | 92.55 | 179.45 | 159.85 |
| Public Water Works | 729.82 | 829.43 | 801.20 | 824.27 | 1559.25 | 1625.47 |
| **Total** | 24870.61 | 35591.37 | 25978.47 | 35293.36 | 60461.98 | 61271.83 |

The aforesaid consumer category wise sales have been considered for estimating revenue at the existing tariff, of the Discoms. However, the Commission had rationalized certain tariff category and classified the same into HT and LT Supply depending on the voltage of at which consumers in different categories were taking supply. Hence, the same practice shall continue. The Discoms, may continue collating data accordingly i.e. as per the merged categories instead of the categories that have been dispensed with.

### 5.4 Power Purchase Quantum and Cost

**Projections by the Discoms (FY 2024-25):** -

In the petition(s) under consideration of the Commission, it is observed that the Discoms have estimated the energy availability from the approved generating sources viz. NTPC, NHPC, HPGCL, NPCIL, UMPPs, IPPs, BBMB, SJVNL, THDC, DVC and other renewable generating stations. Any surplus during real time operation is banked or traded and any deficit is purchased through short-term sources to meet the requisite energy demand. Discoms have submitted that the power purchase expenses shall be estimated based on the energy available from the 'Must Run' plants (includes Hydro, Small Hydro, Nuclear, RE sources) and energy available from the Thermal Generating stations based on Merit Order Dispatch (MOD) at Inter-State and Intra-State level. Further, energy from upcoming plants is assessed on normative basis as per planned COD.

Thus, with this background, the estimated energy sales to consumers for the FY 2024-25 is expected to be met by the long-term Generators/Traders with whom Haryana has a valid PPA first, followed by short-term procurement in case of deficit situation occurring in a specific month. As mentioned in the above paragraph, the procurement is prioritized from the 'Must Run' plants followed by the Thermal generating stations, whose energy availability is estimated at generation ex-bus based on the respective generating station MW availability and PLF. It has been submitted that the MOD for the Thermal Generating Station is worked out by ranking them with respect to their energy/variable charges.

The Discoms have further submitted that the variable charges (Rs/kWh) for the existing generating stations are considered with 2% escalation over the variable charges (Rs/kWh) of FY 2023-24. Further, for the new generating stations, tariff as determined by CERC/SERC or through competitive bidding on actual basis have been considered for the purpose of estimation of variable cost. The Fixed Cost of the generating plants for FY 2024-25 have been estimated by escalating the estimated fixed cost of FY 2023-24 with 5%. Further, for Cogeneration, Biomass, Biogas, Waste to Energy and Solar Plants under PM KUSUM, the tariff approved or adopted by the Hon'ble Commission has been considered for estimating the power purchase cost of these power plants for the ARR year by the Discoms.

UHBVNL, in its petition, added that under the Govt. of India ambitious plan, India plants to set up 500 GW of renewable capacity by 2030. Accordingly, in line with the Renewable Purchase Obligation set by the Hon'ble Commission, the renewable capacity from SECI and other sources is tied up. These power from these plants is sourced through competitive bidding and thus will eventually reduce the average power purchase cost of Haryana Discoms. In addition to the above, UHBVNL submitted that no blending impact has been considered during FY 2024-25 in case of Thermal Generating Stations for estimating the Power Purchase Cost. Further, the petitioner in this present ARR petition is not claiming any 'change in law' or prior period expenses impact in order to avoid over-estimation of the overall Power Purchase Cost, which may also increase the overall ARR of the Petitioner. However, the Nigam seeks the liberty from the Hon'ble Commission to claim such expenses on actual basis at the time of True-up.

The Discoms have further submitted that Inter-state transmission charges for ARR year have been calculated by escalating the estimated Inter-state transmission charges for FY 2023-24 by 4.78% (as published by CERC on 05.10.2023). Intra-state transmission charges for ARR year have been calculated by considering a moderate 5.00% escalation on the estimated Intra-state Transmission Charges for FY 2023-24.

**UHBVNL**

UHBVNL, in the present petition, has submitted that the estimated average power purchase cost through short-term is Rs 6.48/Unit. Total power purchase cost estimated for ARR year, inclusive of inter and intra-state transmission charges, as follows:

Total power purchase cost estimated for ARR year, inclusive of inter and intra-state transmission charges, is tabulated as follows:

**Proposed Power Purchase Cost UHBVNL (FY 2024-25) (Rs Cr.)**

| **Particulars** | **Units** | **FY 2024-25** |
|---|---|---|
| Power Purchase Cost | Rs. Cr. | 12,293.34 |
| Inter-State Transmission | Rs. Cr. | 957.72 |
| Intra-state Transmission | Rs. Cr. | 967.42 |
| **Total Power Purchase cost** | **Rs. Cr.** | **14,218.48** |
| PP Quantum | MU | 29,317.33 |
| **Average power purchase cost** | **Rs/kWh** | **4.85** |

**DHBVNL**

DHBVNL, in the present petition, has submitted that the total power purchase cost estimated for ARR year, inclusive of inter and intra-state transmission charges, as follows:

**Proposed Power Purchase Cost DHBVNL (FY 2024-25) (Rs Cr.)**

| Particulars | FY 2024-25 |
|---|---|
| Power Purchase Cost (Rs. Crore) | 17,581.01 |
| Power Purchase Quantum (MUs) | 41,954.90 |
| **Average power purchase cost (Rs./kWh)** | **4.19** |
| Interstate Transmission (Rs. Crore) | 1,382.07 |
| Intra-state Transmission (Rs. Crore) | 1,384.44 |
| **Total Power Purchase cost (Rs. Crore)** | **20,347.52** |
| **Average Power Purchase including Transmission Cost** | **4.85** |

In view of above, the Discoms prayed to allow the power purchase cost for FY 2024-25 as projected in above Table.

**Commission's Estimate of Power Purchase Quantum and Cost**: -

The Commission has taken note of the methodology for projecting availability of power by the Discoms for the FY 2024-25 as mentioned in the preceding paragraphs. The Commission has considered the submissions and is of the view that the Central Electricity Authority (CEA), in consultation with the generators, publishes a month wise schedule of expected generation after considering the planned shutdown as well as commissioning of new units. Hence, as per past practice, the Commission is of the considered view that the CEA's generation targets for the generators located in different corners of the country is a reliable estimate to arrive at projected power availability for the Discoms in Haryana in the FY 2024-25. However, is observes that as of now CEA's generation targets are available for the FY 2023-24 and not for the FY 2024-25 i.e. the ARR year. Further, the actual source wise power purchase quantum and cost is also not available for the entire year. Consequently, the Commission has adjusted the FY 2023-24 generation target for the trend in source wise actual drawl, auxiliary consumption, free home state shares wherever applicable. In the case of new sources and RE sources, the Commission has considered the quantum as proposed and in the case of HPGCL the same has been considered as per the Commission's order in the matter of determination of generation tariff for various power plants owned and operated by the intrastate generator. Additionally, for working out the cost, the Commission has considered the PPA rates, source wise actual fixed cost and average

Energy Charges incurred in the FY 2023-24, adjusted for the anticipated increase as also proposed by the Discoms in the present petition under consideration. Further, the Commission has not considered payment of any fixed cost (as proposed by the petitioner) for power from CGPL (Mundra) sources as the Discoms have not projected power availability from the same on the plea that the said generator is not ready to make power available in accordance with the concluded PPA. Fixed cost from NTPC sources (gas based) i.e. Anta , Auraiya, Dadri, Faridabad, fixed cost for these stations have been allowed but restricted to the previous years level as per the data available in the Commission.

**The source wise quantum and cost of power assessed above, shall not be construed as approval of a source i.e. generating stations / traders. The Discoms shall ensure that power is procured only from the sources approved by the Commission and for which a valid PPA (as approved by the Commission) exists. It is added that the Commission has not approved any short-term purchases as proposed by the Discoms as this would depend on quite a few factors, difficult to project, at this stage. However, the Discoms may manage the day to day exigencies by selling / buying power on day ahead or real time basis as the situation may warrant.**

**A summary of source wise power purchase quantum and cost approved by the Commission is presented in the table that follows: -**

**HERC Approved Power Purchase Quantum & Cost FY 2024-25**

| Source | Quantum (MUs) | ECR (RS CRORE) | FC (RS CRORE) | Total PPC (RS CRORE) | ECR (Rs / kWh) |
|---|---|---|---|---|---|
| **NTPC** | | | | | |
| Anta CCGT | 0.00 | 0.00 | 2.05 | 2.05 | Not Scheduled |
| Auriya CCGT | 0.00 | 0.00 | 20.70 | 20.70 | |
| Dadri CCGT | 0.00 | 0.00 | 3.13 | 3.13 | |
| Faridabad Gas | 0.00 | 0.00 | 142.78 | 142.78 | |
| Feroz Gandhi Unchahar-1 TPS | 18.79 | 8.70 | 12.47 | 21.17 | 4.63 |
| Feroz Gandhi Unchahar-2 TPS | 154.59 | 40.03 | 43.05 | 83.08 | 2.59 |
| Feroz Gandhi Unchahar-3 TPS | 20.48 | 9.80 | 14.67 | 24.47 | 4.79 |
| Feroz Gandhi Unchahar-4 TPS | 111.05 | 54.24 | 55.39 | 109.63 | 4.88 |
| Farraka STPS | 88.86 | 21.70 | 18.42 | 40.12 | 2.44 |
| Kahalgaon-1 TPS | 108.71 | 25.28 | 38.26 | 63.54 | 2.33 |
| Kahalgaon-2 TPS | 331.07 | 67.09 | 51.59 | 118.68 | 2.03 |
| Koldam HYDRO | 356.06 | 90.21 | 110.35 | 200.56 | 2.53 |
| Rihand Thermal Power St.-1 | 501.00 | 64.50 | 64.99 | 129.49 | 1.29 |
| Rihand Thermal Power St.-2 | 439.00 | 56.57 | 58.77 | 115.34 | 1.29 |
| Rihand Thermal Power St.-3 | 432.00 | 69.95 | 72.29 | 142.24 | 1.62 |
| Singrauli Super Thermal | 1476.00 | 185.61 | 202.79 | 388.40 | 1.26 |
| **NHPC** | | | | | |
| BAIRASUIL HEP | 183.88 | 28.96 | 28.53 | 57.49 | 1.58 |
| SALAL HEP | 602.34 | 78.42 | 92.29 | 170.71 | 1.30 |

| Source | Quantum (MUs) | ECR (RS CRORE) | FC (RS CRORE) | Total PPC (RS CRORE) | ECR (Rs / kWh) |
|---|---|---|---|---|---|
| TANAKPUR HEP | 27.82 | 8.82 | 8.79 | 17.61 | 3.17 |
| CHAMERA-I HEP | 441.26 | 40.77 | 50.36 | 91.13 | 0.92 |
| URI HEP | 188.92 | 22.61 | 24.13 | 46.74 | 1.20 |
| CHAMERA-II HEP | 70.79 | 7.66 | 11.89 | 19.55 | 1.08 |
| DHAULIGANGA HEP | 75.95 | 10.85 | 14.08 | 24.93 | 1.43 |
| DHULHASTI HEP | 108.03 | 26.66 | 43.66 | 70.32 | 2.47 |
| SEWA-II HEP | 25.75 | 7.30 | 13.11 | 20.41 | 2.84 |
| KISHANGANGA HEP | 0.00 | 0.00 | 0.00 | 0.00 | |
| CHAMERA III HEP | 80.92 | 23.11 | 28.72 | 51.83 | 2.86 |
| PARBATI III HEP | 63.23 | 10.82 | 15.40 | 26.22 | 1.71 |
| URI-II HEP | 78.77 | 18.20 | 31.86 | 50.06 | 2.31 |
| **SJVNL** | | | | | |
| SJVNL(Nathhpa Jhakri) HEP | 335.94 | 42.67 | 55.39 | 98.06 | 1.27 |
| SJVNL (RAMPUR) HEP | 91.17 | 20.05 | 26.45 | 46.50 | 2.20 |
| **THDCL** | | | | | |
| THDC(Tehri) HEP | 210.87 | 57.88 | 60.31 | 118.19 | 2.74 |
| THDC KOTESHWAR HEP | 48.35 | 18.26 | 19.36 | 37.62 | 3.78 |
| **NPCIL** | | | | | |
| RAPS NUCLEAR | 545.00 | 242.62 | 119.87 | 362.49 | 4.45 |
| NAPS NUCLEAR | 196.52 | 69.70 | 41.74 | 111.44 | 3.55 |
| **BBMB HEP** | 3295.45 | 0.00 | 90.52 | 90.52 | 0.00 |
| **OTHER LONG-TERM SOURCES** | | | | | |
| PTC TALA HEP | 51.08 | 10.24 | 4.77 | 15.01 | 2.00 |
| PDC J&K HEP as proposed | 837.32 | 323.04 | 241.58 | 564.62 | 3.86 |
| Aravali Co. Pvt. Ltd. STPS | 2406.00 | 957.30 | 967.22 | 1924.52 | 3.98 |
| JHAJJAR POWER LTD. (CLP) STPS | 8292.98 | 3364.39 | 2058.08 | 5422.47 | 4.06 |
| PRAGATI POWER GAS | 6.76 | 4.28 | 95.57 | 99.85 | 6.33 |
| Coastal Gujrat Power Ltd. STPS | 0 | 0 | 0 | 0.00 | |
| ADANI POWER LTD TPS | 9824.000 | 2539.820 | 1682.690 | 4222.51 | 2.59 |
| SASAN POWER LIMITED TPS | 3426.000 | 455.850 | 282.340 | 738.19 | 1.33 |
| PTC GMR KAMALANGA TPS | 1934.000 | 514.210 | 439.850 | 954.06 | 2.66 |
| PTC KARCHAMWANGTOO HEP | 817.938 | 230.560 | 278.320 | 508.88 | 2.82 |
| PTC Lanco Amarkantak(Linkage) TPS | 1840.000 | 474.010 | 313.700 | 787.71 | 2.58 |
| DVC MEJIA TPS | 288.670 | 99.510 | 182.090 | 281.60 | 3.45 |
| DVC KODERMA TPS | 701.780 | 233.550 | 183.470 | 417.02 | 3.33 |
| DVC Raghunathpur TPS | 701.770 | 234.110 | 158.780 | 392.89 | 3.34 |
| NEEPCO HEP | 971.380 | 384.390 | 112.310 | 496.70 | 3.96 |
| GATI HEP | 971.600 | 402.750 | 0.000 | 402.75 | 4.15 |
| DANS HEP | 399.340 | 162.510 | 0.000 | 162.51 | 4.07 |
| SHIGA HEP | 366.850 | 168.490 | 0.000 | 168.49 | 4.59 |
| IA HYDRO | 268.780 | 125.140 | 0.000 | 125.14 | 4.66 |
| **HPGCL** | | | | | |
| HPGCL PANIPAT UNIT-VI TPS | 1422.930 | 646.661 | 160.148 | 806.81 | 4.54 |
| HPGCL PANIPAT UNIT-VII TPS | 1703.270 | 775.856 | 186.309 | 962.17 | 4.56 |
| HPGCL PANIPAT UNIT-VII TPS | 1703.270 | 775.856 | 188.090 | 963.95 | 4.56 |
| HPGCL DCRTPP UNIT-1 TPS | 2043.930 | 861.403 | 199.268 | 1060.67 | 4.21 |
| HPGCL DCRTPP UNIT-2 TPS | 2043.930 | 861.403 | 199.882 | 1061.29 | 4.21 |
| HPGCL RGTPP UNIT-1 TPS | 4199.540 | 1762.249 | 304.045 | 2066.29 | 4.20 |
| HPGCL RGTPP UNIT-2 TPS | 4199.540 | 1762.249 | 306.270 | 2068.52 | 4.20 |
| WESTERN YAMUNA CANAL HEP | 232.7 | 0 | 40.298 | 40.30 | 0.00 |

| Source | Quantum (MUs) | ECR (RS CRORE) | FC (RS CRORE) | Total PPC (RS CRORE) | ECR (Rs / kWh) |
|---|---|---|---|---|---|
| **RENEWABLE SOURCES** | | | | | |
| P&R GOGRIPUR SMALL HYDRO | 9.72 | 3.94 | 0 | 3.94 | 4.05 |
| Bhoruka Power Corps. Ltd. SMALL HYDRO | 29.14 | 5.59 | 0 | 5.59 | 1.92 |
| SHAHBAD SUGAR MILL COGEN | 46.72 | 19.28 | 0 | 19.28 | 4.13 |
| Naraingarh Sugar Mill COGEN | 29.74 | 16.53 | 0 | 16.53 | 5.56 |
| KARNAL CO. SUGAR MILL COGEN | 28.91 | 11.01 | 0 | 11.01 | 3.81 |
| PANIPAT CO. SUGAR MILL COGEN | 45.99 | 17.6 | 0 | 17.60 | 3.83 |
| CH. DEVI LAL SUGAR MILL COGEN | 2.99 | 1.24 | 0 | 1.24 | 4.15 |
| HARYANA CO. SUGAR MILL COGEN | 20.28 | 12.33 | 0 | 12.33 | 6.08 |
| HAFED SUGAR MILL COGEN | 2.82 | 1.16 | 0 | 1.16 | 4.11 |
| PURI OIL MILL SMALL HYDRO | 13.59 | 5.09 | 0 | 5.09 | 3.75 |
| **SOLAR** | | | | | |
| SDS SOLAR PVT LTD. DH SOLAR | 1.43 | 0.83 | 0 | 0.83 | 5.80 |
| EON SOLAR | 1.14 | 0.66 | 0 | 0.66 | 5.79 |
| CHANDRALEELA SOLAR DH | 0.82 | 0.48 | 0 | 0.48 | 5.85 |
| SUKHBIR SOLAR | 1.05 | 0.61 | 0 | 0.61 | 5.81 |
| XION ENERGY SOLAR | 1.17 | 0.68 | 0 | 0.68 | 5.81 |
| SIWANA SOLAR POWER SOLAR | 6.51 | 3.58 | 0 | 3.58 | 5.50 |
| H.R. MINERAL SOLAR UH | 1.37 | 0.8 | 0 | 0.80 | 5.84 |
| TAYAL & CO SOLAR UH SOLAR | 1.17 | 0.68 | 0 | 0.68 | 5.81 |
| VKG SOLAR UH SOLAR | 0.88 | 0.51 | 0 | 0.51 | 5.80 |
| Utrecht Solar Pvt. Ltd. SOLAR | 1.48 | 0.85 | 0 | 0.85 | 5.74 |
| SUBHASH INFRA SOLAR | 1.53 | 0.78 | 0 | 0.78 | 5.10 |
| JBM Solar | 30.85 | 17.87 | 0 | 17.87 | 5.79 |
| Balarch Solar | 1.63 | 0.95 | 0 | 0.95 | 5.83 |
| Greenyana Solar | 17.84 | 4.55 | 0 | 4.55 | 2.55 |
| Raj Waste Treat Pvt. Ltd. | 2.63 | 0.83 | 0 | 0.83 | 3.16 |
| Deepan Godara | 0.34 | 0.1 | 0 | 0.10 | 2.94 |
| Gio Tech | 1.68 | 0.51 | 0 | 0.51 | 3.04 |
| HPGCL-Solar | 16.19 | 8.12 | 0 | 8.12 | 5.02 |
| Amplus SOLAR | 108.99 | 27.57 | 0 | 27.57 | 2.53 |
| Avaada Green SOLAR | 70.43 | 20.54 | 0 | 20.54 | 2.92 |
| Avaada RJHN SOLAR | 528.75 | 152.57 | 0 | 152.57 | 2.89 |
| LR Engergy SOLAR | 33.09 | 8.73 | 0 | 8.73 | 2.64 |
| **SECI WIND / SOLAR /HYBRID** | | | | | |
| SECI Wind T-II@2.71 | 274.57 | 78.65 | 0 | 78.65 | 2.86 |
| SECI Wind T-III @ 2.51 | 843.8 | 223.86 | 0 | 223.86 | 2.65 |
| SECI Wind-Inter @2.72 | 82.07 | 23.67 | 0 | 23.67 | 2.88 |
| SECI Wind-T-V | 718.36 | 215.3 | 0 | 215.30 | 3.00 |
| SECI-Hybrid | 308.35 | 89.88 | 0 | 89.88 | 2.91 |
| SECI Solar T-1 @ 2.60 | 239.76 | 65.89 | 0 | 65.89 | 2.75 |
| SECI Solar T-IV Mega Surya@ 2.61 | 577.06 | 159.19 | 0 | 159.19 | 2.76 |
| SECI Solar @ 5.5 | 138.69 | 80.62 | 11.41 | 92.03 | 5.81 |
| **BIOMASS / PADDY STUBBLE** | | | | | |
| STAR WIRE INDIA BIOMASS | 69.38 | 49.89 | 0 | 49.89 | 7.19 |
| GEMCO ENERGY LTD. BIOMASS | 38.54 | 27.72 | 0 | 27.72 | 7.19 |

| Source | Quantum (MUs) | ECR (RS CRORE) | FC (RS CRORE) | Total PPC (RS CRORE) | ECR (Rs / kWh) |
|---|---|---|---|---|---|
| Oasis Commercial Pvt. Ltd. BIOMASS | 16.65 | 10.63 | 0 | 10.63 | 6.38 |
| JBM Environment WtE | 53.38 | 37.22 | 0 | 37.22 | 6.97 |
| SRI JYOTI Biomass | 37.44 | 28.19 | 0 | 28.19 | 7.53 |
| Sukhbir Agro Energy Ltd Paddy Stubble | 98.55 | 58.54 | 0 | 58.54 | 5.94 |
| Hind Samachar Ltd Paddy Stubble | 98.55 | 58.18 | 0 | 58.18 | 5.90 |
| k2 power Biogas | 4.38 | 2.99 | 0 | 2.99 | 6.83 |
| Mor Bio Energy Biogas | 2.1 | 1.77 | 0 | 1.77 | 8.43 |
| **OTHERS** | | | | | |
| Alfanar Nefra-590 MW (Tranche V) | 617.34 | 181.68 | 0 | 181.68 | 2.94 |
| Fatehabad Bio Energy Paddy Stubble | 63.83 | 44.75 | 0 | 44.75 | 7.01 |
| Jind Bio Energy Paddy Stubble | 63.83 | 44.81 | 0 | 44.81 | 7.02 |
| RSL Distillery Pvt. Ltd. | 19.35 | 13.59 | 0 | 13.59 | 7.02 |
| ISTS Solar Projects 3000 MW, T-II | 1024.11 | 266.37 | 0 | 266.37 | 2.60 |
| EcoGreen Energy Gurgaon Faridabad WtE | 151.11 | 106.38 | 0 | 106.38 | 7.04 |
| PTC India 360 MW | 451.81 | 266.11 | 0 | 266.11 | 5.89 |
| Tehri PSP (Uttranachal)-THDC | 432.75 | 269.06 | 0 | 269.06 | 6.22 |
| Assured peak power (wind) | 426.26 | 178.01 | 0 | 178.01 | 4.18 |
| Hybrid Power from SECI (wind) | 786.99 | 198.98 | 0 | 198.98 | 2.53 |
| Assured Peak Power (Solar) | 106.3 | 44.39 | 0 | 44.39 | 4.18 |
| Hybrid Power from SECI (Solar) | 1593.83 | 398.04 | 0 | 398.04 | 2.50 |
| NVVN Nepal 2 | 352.04 | 198.82 | 0 | 198.82 | 5.65 |
| **TOTAL** | **73116** | **23329** | **10285** | **33613** | **3.19** |

### 5.5 Interstate Transmission and SLDC Cost

The Discoms, in the present petition(s), have submitted that Inter-state transmission charges for the ARR year are calculated by escalating the estimated Inter-state transmission charges for the FY 2023-24 by 4.78% as published by CERC on 05.10.2023.

### 5.6 Intrastate Transmission and SLDC Cost

The Discoms, in the present petition(s), have submitted that Intra-state transmission charges for ARR year are calculated by considering a moderate 5.00% escalation on the estimated Intra-state Transmission Charges for FY 2023-24.

The Commission has considered the submissions of the distribution licensee(s) and observes that, vide its Order dated 16$^{th}$ February, 2024 on HVPNL's Transmission Tariff and SLDC charges petition for the FY 2024-25, has approved Transmission tariff and SLDC charges to be recovered by HVPNL from the beneficiaries mainly the Discoms i.e. UHBVNL and DHBVNL. The intrastate transmission charges approved include the 'Unitary Charge' arising out of transmission project commissioned through Public Private Partnership (PPP) between HVPNL and M/s Jhajjar KT Transco Private Limited. The details including monthly recovery of the transmission and SLDC charges from various beneficiates including the Discoms have been given in the ibid order. Hence, the same is not being reproduced here.

The transmission and SLDC Charges, as determined by the Commission in the ibid Order, shall form part of the ARR of the Discoms for the FY 2024-25. In addition to the above and keeping in view the surplus power availability scenario prevailing in Haryana especially during the off peak period, the Commission directs that the Discoms shall not procure any additional power over and above the quantum approved in the PPA that may be available to it from the un-allocated share / share relinquished by any other State in the Central Generating Power Stations in case it does not fall in the merit order dispatch (MOD). The Commission thereto shall disallow all such power procurements and the cost thereto. Additionally, while resorting to bidding or calling for expression of interest for power procurement the Discoms must ensure that the power under PPAs already approved by the Commission materializes and also the intra-State generator i.e. HPGCL's power plants are scheduled at least up to the critical minimum threshold before considering backing down. The DISCOMs are directed to perform cost benefit analysis including trade-off between purchase of REC and RE Power before rushing with proposal to procure RE Power.

**5.7 Interstate Transmission losses and Intrastate transmission losses**

Based on the transmission loss details published on Power System Operation Corporation Ltd. (POSOCO) website, the interstate losses are being determined by the Discoms on notional basis i.e. based on of last 52 weeks data, the average loss level works out to 3.62%. Thus, Discoms have prayed that the same may be considered for projecting power purchase cost for the ARR year.

However, Intrastate transmission losses for ARR year are considered at 2.05%, the same as approved by the Hon'ble Commission in the Tariff Order dated 15.02.2024, as per the specified trajectory under Regulation 45.4 of HERC MYT Regulations 2019.

**5.8 Energy Balance**

**UHBVNL**

Energy balance for ARR year, based on energy availability, transmission losses, distribution losses and energy sales projected by UHBVNL has been tabulated as follows: -

**UHBVNL**
**Projected Energy Balance for FY 2024-25**

| **Energy Balance-UH** | **Units** | **FY 2024-25** |
|---|---|---|
| **Energy Requirement** | | |
| **Energy Sales** | **MUs** | **24871** |
| T&D loss | %age | 10.75% |
| Energy Input at Discom Periphery | **MUs** | 27866 |
| Intra- State Transmission Loss | %age | 2.05% |
| **Energy Requirement at State Periphery** | **MUs** | **28449** |
| | | |
| **Energy Purchase** | | |
| **Total Energy Available (Ex Bus)** | **MUs** | **29317** |
| Inter-state Power Purchase considering MoD | MUs | 23943 |
| Inter -state transmission losses | %age | 3.62% |
| Inter-state Power Purchase at State Periphery | MUs | 23075 |
| Intra-state Power Purchase Considering MoD | MUs | 5374 |
| **Power Purchase at State Periphery** | **MUs** | **28449** |

**DHBVNL:**

DHBVNL has submitted the projected energy balance for the FY 2024-25 as under:-

**Projected Energy Balance for FY 2024-25 DHBVNL**

| **Particulars** | **Units** | **FY 2024-25** |
|---|---|---|
| Energy Sales | MUs | 35,591.37 |
| T&D loss | % | 10.75% |
| Energy Input at Discoms Periphery | MUs | 39,878.29 |
| Intra- State Transmission Loss | % | 2.05% |
| **Energy Input at State Periphery** | **MUs** | **40,712.90** |
| | | |
| Total Energy Available (Ex-Bus) | MUs | 41,954.90 |
| Inter-state Power Purchase considering MoD | MUs | 34,263.82 |
| Inter State transmission losses | % | 3.62% |
| Inter-state Power Purchase at State Periphery | MUs | 33,021.82 |
| Intra state Power Purchase Considering MoD | MUs | 7,691.08 |
| **Power Purchase at State Periphery** | **MUs** | **40,712.90** |
| Surplus | MUs | 0.00 |

The Commission has considered the above 'Energy Balance' as submitted by the distribution licensees (UHBVNL and DHBVNL). However, as the underlying data on sales, losses, quantum of power purchase projected by the Commission is different, hence, the Energy Balance as approved by the Commission for the FY 2024-25 is tabulated below: -

**Energy available for Sale to the Distribution Licensees for the FY 2024-25**

| Sr. No. | Particulars | Units | UHBVNL | DHBVNL | Total |
|---|---|---|---|---|---|
| 1 | Gross energy procured from outside the state sources | MU | 13,064.68 | 16,751.71 | 39,269.73 |
| 2 | Interstate sale / banking # | MU | 755.54514 | 1026.4549 | 1,782.00 |
| 3 | Energy procured from outside the state sources net of interstate sale / banking | MU | 12,309.13 | 15,725.26 | 37,487.73 |
| 4 | Inter-state transmission losses | % | 3.62% | 3.62% | 3.62% |
| 5 | Inter-state transmission losses | MU | 445.59051 | 569.25439 | 1357.0559 |
| 6 | Net energy available from outside the state | MU | 12,304.67 | 15,719.57 | 36,183.16 |
| 7 | Add energy generated within the state | MU | 13705 | 19,616.37 | 33,322 |
| 8 | Energy available at Haryana Boundary (6+7) | MU | 26,009.81 | 35,335.93 | 69,504.66 |
| 9 | Intra-state transmission losses | % | 2.05% | 2.05% | 2.05% |
| 10 | Intra-state transmission losses | MU | 533.20105 | 724.38664 | 1424.8455 |
| 11 | Energy at Discom Boundary | MU | 26,004.48 | 35,328.69 | 68,079.81 |
| 12 | Distribution loss | % | 10% | 10% | 10% |
| 13 | Distribution loss units | MU | 2600.4475 | 3532.869 | 6807.9813 |
| 14 | Units available for sale to DISCOMS/ HERC approved Sales to the electricity consumers in FY 2024-25 | MU | 25,978.47 | 35,293.36 | 61,271.83 |
| | Total Energy Purchase | MU | 30072.60 | 43043.38 | 73115.98 |
| | Power Purchase Cost | Rs. Mln | 138265.82 | 197866.90 | 336132.72 |
| 15 | Average rate | Rs /kWh | 4.60 | 4.60 | 4.60 |
| | | | | | |
| | Total power purchase cost | | | | |
| | Fixed cost | Rs Mln | | | 102846.50 |
| | Variable cost of sold units by DISCOMS(ECR*11) | Rs. Mln | | | 217217.67 |
| 16 | Cost of Power | Rs. Mln | 125275.94 | 155026.08 | 320064.17 |
| 17 | Total Transmission and SLDC Charges | Rs. Mln | 18919.607 | 24674.693 | 43594.3 |
| 18 | Total Cost (16+17) | Rs. Mln | 144195.54 | 179700.77 | 363658.47 |
| 18A | Units purchased for units sold by Discoms (8) | MU | 26,009.81 | 35,335.93 | 69,504.66 |
| 19 | Average Power Purchase Rate (18/18A) | Rs/kWh | 5.54 | 5.09 | 5.23 |
| 20 | Bulk Supply Rate at Discoms Boundary (18/11) | Rs/kWh | 5.55 | 5.09 | 5.34 |

# Interstate sale / banking has been taken as per the audited figures of FY 2022-23, in absence of the actual data and bifurcated into Discoms based on current allocation proposed by the Discoms.

### 5.9 Operation & Maintenance Expenses (O&M)

The Operation & Maintenance (O&M) expenses comprise of Employees expenses, Repair & Maintenance expenses, and Administrative & General expenses. As per the regulation 8.3.3 of HERC MYT Regulations, 2019, O&M expenses, excluding the expenses towards 'terminal benefits' are controllable items. The Commission observes as under:

i. Employees Expenses consist of salaries, dearness allowance, bonus, terminal benefits in the form of pension & gratuity, leave encashment and staff welfare expenses.

ii. Repairs and Maintenance expenses include regular expenditure made for improvement of system reliability and quality of power supply. These expenses are important in view of the system maintenance and loss reduction within the distribution network.

iii. Administrative expenses mainly comprise of rents, telephone and other communication expenses, professional charges, conveyance and travelling allowances.

According to Regulation 57.4 of HERC MYT Regulations, 2019, and its amendment thereof, component wise O&M expenses have been elaborately in the subsequent sections. The relevant extract of the Regulation is reproduced as under:

*"The actual audited expenses for the financial year preceding the base year, subject to prudence check, shall be escalated at the escalation factor of 4% to arrive at the Employee Costs and Administrative and general Costs for the base year of the control period. The O&M expenses for the nth year of the control period shall be approved based on the formula given below."*

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

*Where,*

- *$R\&M_n$ – Repair and Maintenance Costs of the Distribution Licensee(s) for the nth year;*
- *$EMP_n$ – Employee Costs of the Distribution Licensee(s) for the nth year excluding terminal liabilities;*
- *$A\&G_n$ – Administrative and General Costs of the Distribution Licensee(s) for the nth year;*

*The above components shall be computed in the following manner.*

**(a)** $R\&M_n = K * GFA * INDX_n / INDX_{n-1}$

*Where,*

- *'**K**' is a constant (expressed in %) governing the relationship between O&M costs and Gross Fixed Assets (GFA) for the nth year. The value of K will be 1.65% for DHBVNL and UHBVNL respectively for the entire control period;*
- *'**GFA**' is the average value of the gross fixed asset of the nth year.*
- *'**$INDX_n$**' means the inflation factor for the nth year as defined herein after.*

***(b) $EMP_n$ (excluding terminal liabilities) + $A\&G_n$ = ($EMP_{n-1}$+ $A\&_{Gn-1}$)*($INDX_n$/ $INDX_{n-1}$)***

*Where,*

- *$INDX_n$ – Inflation Factor to be used for indexing the Employee Cost and A&G cost. This will be a combination of the Consumer Price Index (CPI) and the Wholesale Price Index (WPI) for immediately preceding year and shall be calculated as under:*
- ***$INDX_n = 0.55*CPI_n + 0.45*WPI_n$***

***Note 1:** For the purpose of estimation, the same INDXn value shall be used for all years of the control period. However, the Commission shall consider the actual values of the $INDX_n$ at the end of each year during the annual performance review exercise and true-up the employee cost and A&G expenses on account of this variation.*

***Note 2:** Any variation in employee cost and A&G cost on account of reasons beyond variation in $INDX_n$ shall be subject to the incentive and penalty framework specified in Regulation 12.*

***Note 3:** As and when any material price index specific to power sector or a more relevant Index becomes available, the same shall replace the Index used for working out R&M cost.*

***Note 4**: Terminal liabilities shall be approved as per actual expenditure incurred by the distribution licensee or established through actuarial valuation for the ensuing year.*

***Note 5**: O&M expenses made on account of extraordinary situations (if any) shall be submitted to Commission for its approval. Such expenses shall be filed separately and will not be subjected to incentive and penalty* *framework. The approved amount by the Commission shall be trued up in the annual performance review.*

***Note 6:*** *Changes in the pay scales of employees necessitated on account of pay revision by Pay Commission or by the State Government orders shall be considered by the Commission for true-up during the annual performance review.*

***Note 7:*** *Source for CPI and WPI calculation as under:*

*Wholesale Price Index numbers as per Office of Economic Advisor of Government of India in the previous year;*

*Consumer Price Index for Industrial Workers (all India) as per Labour Bureau, Government of India in the previous year*

(c) ***$X_n$ is an efficiency factor for nth year***

*The Value of $X_n$ will be determined by the Commission in the MYT order for the control period.*

**Computation of Inflation Factor**

The Discoms have submitted that as per Regulation 57.4 of HERC MYT Regulations, 2019, Indexation Factor is calculated for ARR year FY 2024-25. Average yearly inflation of FY 2021-22 and FY 2022-23 is derived based on the monthly Wholesale Price Index (WPI) as per the Office of Economic Advisor, Ministry of Commerce and Industry, Government of India and monthly Consumer Price Index (CPI) for Industrial Workers (all-India) of the respective financial year as per the Labor Bureau, Government of India. Details of relevant indices for requisite period are Tabulated as follows:

Based on the CPI and WPI indices, Inflation factor for ARR year has been calculated as per the methodology specified in HERC MYT Regulations, 2019. Detailed calculation for Inflation factor, as proposed by Discoms has been tabulated below:-

**CPI & WPI Indices**

| Month | CPI | | WPI | |
|---|---|---|---|---|
| | FY 2021-22 | FY 2022-23 | FY 2021-22 | FY 2022-23 |
| April | 345.9 | 367.8 | 132.0 | 152.3 |
| May | 347.3 | 371.5 | 132.9 | 155.0 |
| June | 350.5 | 372.1 | 133.7 | 155.4 |
| July | 353.7 | 374.1 | 135.0 | 154.0 |
| August | 354.2 | 375.0 | 136.2 | 153.2 |
| September | 355.1 | 378.1 | 137.4 | 151.9 |
| October | 359.7 | 381.6 | 140.7 | 152.9 |
| November | 362.0 | 381.6 | 143.7 | 152.5 |
| December | 361.2 | 381.0 | 143.3 | 150.5 |
| January | 360.3 | 382.5 | 143.8 | 150.7 |
| February | 360.0 | 382.2 | 145.3 | 150.9 |
| March | 362.9 | 383.9 | 148.9 | 151.0 |
| **Average** | **356.1** | **377.6** | **139.4** | **152.5** |

Data source: Office of Economic Advisor, Ministry of Commerce & Industry, GoI

Based on above values for indices, inflation factor for ARR period works as follows: -

**Inflation Factor for ARR year FY 2024-25**

| **Particulars** | **WPI** | **CPI** | **Total** |
|---|---|---|---|
| Weightage | 0.45 | 0.55 | 1.00 |
| Avg Indexation for FY 2022-23 | 152.53 | 377.62 | |
| **Avg Indexation n (Index * Wt.)** | **68.64** | **207.69** | **276.33** |
| Avg Indexation for FY 2021-22 | 139.41 | 356.06 | |
| **Avg Indexation n-1 (Index * Wt.)** | **62.73** | **195.84** | **258.57** |
| **Combined Inflation (Indxn/Indxn-1)** | **6.87%** | | |

**The Commission has examined the calculations and approves the same as it is in line with the HERC MYT Regulations in vogue.**

### 5.9.1 Employee Expenses

**UHBVNL**

UHBVNL, in its petition, has submitted that the Nigam has planned to scale up its existing IT infrastructure to strengthen IT backbone for robust distribution network. Capital works are being undertaken to digitalize the business processes as well as improve the quality of services and system reliability of the network. Special focus is also kept in standardizing business processes, minimizing lead time in administrative approval/works, improving consumer satisfaction rate, implementation of smart metering and digitalization of payment. Thus, to upkeep the Discoms with rapid changing technology in distribution sector and to manage the ever-increasing distribution infrastructure, specialized manpower to the tune of 4489 new employees is to be recruited by the Discoms in FY 2024-25. The impact on employee cost due to addition of new employees is incorporated in ARR year by considering basic salary of Rs 25,000 per month for each employee. Thus, employee expenses for APR year are indexed to estimate corresponding expense for ARR year and cost of new employees is added to this estimate.

Dearness allowance of 8% is additionally disbursed by the government of Haryana in the APR year. Hence, the same is indexed for calculation of corresponding expenses for ARR year.

Besides, terminal benefits for FY 2024-25 have been considered Rs 450 Crs, and are kept same as approved for FY 2023-24 in the Tariff order dated 15.02.2023.

UHBVNL employee expenses for ARR year on the basis of above details is tabulated as follows:

**Projected Employee Expenses for FY 2024-25 UHBVNL (Rs. Crore)**

| Particulars | FY 2024-25 |
|---|---:|
| Salaries | 808.10 |
| Dearness Allowance | 337.52 |
| Other Allowances | 138.74 |
| Terminal benefits | 450.00 |
| **Gross Employee Expense** | **1,734.37** |
| *Less Expenses Capitalised* | 6.86 |
| **Net Employee Expenses** | **1,727.50** |

**DHBVNL**

DHBVNL, in its petition, has submitted that the Nigam has planned to scale up its existing infrastructure for robust distribution network. Capital works are being undertaken to digitalize the business processes as well as improve the quality of services and system reliability of the network. Special focus is also kept in standardizing business processes, minimizing lead time in administrative approval/works, improving consumer satisfaction rate, implementation of smart metering and digitalization of payment. Thus, to upkeep the Discoms with rapid changing technology in distribution sector specialized manpower to the tune of 866 are planned to be recruited in FY 2024-25. Considering the basic salary of Rs. 25,500/- and applicable dearness allowance, employee cost for these planned new recruitments is included over and above the employee cost estimation explained in previous point.

Terminal liability for ARR year is claimed equivalent to actual terminal liability of FY 2022-23. Summary of employee expenses is tabulated as follows: -

**Projected Employee Expenses for FY 2024-25 DHBVNL (Rs Crore)**

| **Particulars** | **FY 2024-25** |
|---|---|
| Salaries | 634.97 |
| Dearness Allowance | 342.89 |
| Expenditure on Employees Engaged on Contractual Basis | 278.33 |
| Other Allowances | 110.91 |
| **Gross Employee Expense** | **1367.10** |
| *Less: Expenses Capitalized* | 22.24 |
| **Net Employee Expenses** | **1344.85** |
| Add: Terminal Liability | 697.77 |
| **Total Employee Expense** | **2042.62** |

In view of above, the Discom(s) prayed that the Hon'ble Commission may allow the projected employee cost for ARR year.

**The Commission has examined the projections of employee cost by UHBVNL and DHBVNL for the FY 2024-25 and observes that the proposed cost on account of employees are higher as compared to the MYT proposal, recorded in the Commission's order dated 01.06.2020, submitted by the licensees. Initially, employee expenses of Rs 1193.35 for UHBVNL and Rs 1486.51 crore for DHBVNL were approved for the FY 2024-25 during the proposal submitted for the MYT control period for FY 2020-21 to FY 2024-25 vide order dated 01.06.2020.**

**The Commission, from time to time, observed the increase in such cost and asked the licensee to look for the deviations. The licensees are again directed to analyze and explain the aberrations in the MYT projections and that proposed in the present petition i.e. map all the factors for the increase including number of employees, contractual employees, DA, inflation factor etc.**

**However, the Commission has considered the employee cost, including terminal liabilities, for the FY 2024-25 based on the audited accounts of FY 2022-23, approved true up figures of FY 2022-23 and inflation factor of 6.87% for FY 2023-24 and FY 2024-25.**

**The methodology, being in line with the Regulations in vogue, as well as the Commission's previous order during the MYT control period, approves the employees cost as under:-**

**HERC Approved Employee Expenses for FY 2024-25 UHBVNL (Rs. Cr.)**

| **Particulars** | **Projected** | **Approved** |
|---|---|---|
| Salaries | 808.10 | 808.13 |
| Dearness Allowance | 337.52 | 292.06 |
| Other Allowances | 138.74 | 138.76 |
| Terminal benefits | 450.00 | 450.00 |
| **Gross Employee Expense** | **1,734.37** | 1688.95 |
| *Less Expenses Capitalised* | 6.86 | 6.68 |
| **Net Employee Expenses** | **1,727.50** | **1682.27** |

**HERC Approved Employee Expenses for FY 2024-25 DHBVNL (Rs Crore)**

| **Particulars** | **Projected** | **Approved** |
|---|---|---|
| Salaries | 634.97 | 635.01 |
| Dearness Allowance | 342.89 | 311.15 |
| Expenditure on Employees Engaged on Contractual Basis | 278.33 | 278.35 |
| Other Allowances | 110.91 | 110.91 |
| **Gross Employee Expense** | **1367.10** | 1335.42 |
| *Less: Expenses Capitalized* | 22.24 | 22.33 |
| **Net Employee Expenses** | **1344.85** | 1313.09 |
| Add: Terminal Liability | 697.77 | 697.77 |
| **Total Employee Expense** | **2042.62** | **2010.86** |

**Terminal benefits, have been approved, as proposed by the Discoms, and the same will be subsequently trued-up based on the audited accounts of the FY 2024-25.**

### 5.9.2 Repair & Maintenance (R&M) Expenses

Revised estimate for R&M Expenses is calculated as per Regulation 57.4 of MYT Regulations 2019. Based on Average GFA, K factor (1.65%) and inflation factor calculated in previous section are considered for revised R&M expenses for APR year is calculated and tabulated as follows:

**Projected R&M Expenses for FY 2024-25 UHBVNL (Rs Crore)**

| **Particulars** | **FY 2024-25** |
|---|---|
| **Average GFA** | **10,817.92** |
| K factor | 1.65% |
| Indexation | 6.87% |
| *Less: expenses capitalized* | - |
| **R&M Expenses (Avg. GFA x K x (1+Indexation))** | **190.75** |

**Projected R&M Expenses for FY 2024-25 DHBVNL (Rs Crore)**

| **Particulars** | **FY 2024-25** |
|---|---|
| Average GFA for Current Year | 14,194.11 |
| K factor | 1.65% |
| Indexation % | 6.87% |
| R&M Expenses | **250.29** |

The Commission has examined the projections of R&M Expenses submitted by the licensees and finds the methodology used by the licensees in Order. However, as the Commission approved average GFA for the FY 2024-25 is lower than that proposed by the Licensees, the R&M has undergone a slight change. The resultant R&M expenses for the FY 2024-25, as approved by the Commission, is given in the table below:-

**HERC Approved R&M Expenses for FY 2024-25 for UHBVNL (Rs Crore.)**

| Particulars | Proposed | HERC Approved |
|---|---|---|
| Average GFA | 10817.92 | 10607.87 |
| K factor | 1.65% | 1.65% |
| Indexation % | 6.87% | 6.87% |
| *Less: expenses capitalized* | - | - |
| R&M Expenses | 190.76 | 187.05 |

**HERC Approved R&M Expenses for FY 2024-25 for DHBVNL (Rs Crore)**

| Particulars | Proposed | HERC Approved |
|---|---|---|
| Average GFA for Current Year | 14,194.11 | 14110.41 |
| K factor | 1.65% | 1.65% |
| Indexation % | 6.87% | 6.87% |
| R&M Expenses | 250.29 | 248.82 |

### 5.9.3 Administration & General (A&G) Expenses

**UHBVNL**

The audited Administrative & General (A&G) expenses of the true-up year is adequately indexed with inflation factor to calculate the estimated A&G expenses for APR year and thereafter for ARR year.

**The Commission has examined the projections of A&G expenses by UHBVNL and DHBVNL for the FY 2024-25 and observes that the escalation and indexation factors used by the licensees are in order. Accordingly, the Commission approves the A&G expenses, taking trued up A&G expenses as the base and not the actual audited figures, and using appropriate inflation factors for the APR and ARR years**. The amount of A&G expenses approved have been tabulated as follows:

**Approved A&G Expenses for ARR year FY 2024-25 UHBVNL (Rs Crore)**

| Particulars | Proposed | Approved |
|---|---|---|
| Gross A&G Expenses approved | 228.34 | 128.89 |
| Net A&G Expenses | **228.34** | **128.89** |

**Approved A&G Expenses for ARR year FY 2024-25 DHBVNL (Rs Cr.)**

| Particulars | Proposed | Approved |
|---|---|---|
| Gross A&G Expenses | 183.57 | 166.49 |
| **Net Administrative & General Exp.** | **183.57** | **166.49** |

**Summary of O&M Expenses**

Approved O&M expenses of UHBVNL and DHBVNL for FY 2024-25 have been tabulated as under:

**Approved O&M Expenses for FY 2024-25 UHBVNL (Rs Cr.)**

| Particulars | Proposed | Approved FY 2024-25 |
|---|---|---|
| Employee Expense | 1277.5 | **1,232.27** |
| A&G Expense | 228.34 | 128.89 |
| R&M Expense | 190.75 | 187.05 |
| Terminal Benefits | 450 | 450.00 |
| **Total O&M Expenses** | **2,146.59** | **1,998.21** |

**Approved O&M Expenses for FY 2024-25 DHBVNL (Rs Cr.)**

| Particulars | Proposed | Approved FY 2024-25 |
|---|---|---|
| Employee Expenses | 1344.85 | 1,313.09 |
| A&G Expenses | 183.57 | 166.49 |
| R&M Expenses | 250.29 | 248.82 |
| Terminal Benefits | 697.77 | 697.77 |
| **O&M Expenses (Total)** | **2476.48** | **2,426.91** |

### 5.10 Approved Capital Expenditure and additions to Gross Fixed Asset

**The Commission, after careful examination of the proposed capital expenditure for the FY 2024-25, has approved Rs. 1036 crores and Rs. 1276 crores as the capital expenditure for UHBVNL and DHBVNL respectively which is inclusive of deposit works on account of tube well connections of Rs. 12.50 crores and Rs 159.83 crores respectively.** Since the deposit works are neither included in the final GFA nor are required to be funded through equity or loans, the same are excluded from the calculations of ARR. The capitalization/ transfer to GFA is in the same ratio as proposed by the licensees, as per last audited accounts available. The retirement/ disposal of assets is also in the same ratio as proposed by the respective licensees as part of the MYT petition, as per last audited accounts available.

The Commission has approved the consumer contribution as proposed by the Discoms, as the same is in line with the MYT petition. Further, Equity Capital is pegged at 20% of the approved capital expenditure for each licensee and the remaining / balance capital expenditure has been considered to be funded by way of long-term loan in line with the MYT Regulations in vogue.

The calculation of approved capital expenditure, additions to GFA and funding thereto is given in the following table: -

**Approved Capital Expenditure, GFA and Funding for the FY 2024-25 (Rs. Crores)**

| **Capital Work in Progress (CWIP)** | **UHBVNL** | **DHBVNL** |
|---|---|---|
| Opening CWIP | 604.50 | 1116.96 |
| Addition | 1023.50 | 1116.17 |
| Capex Capitalized | 974.68 | 1104.72 |
| Closing CWIP | 653.32 | 1128.41 |
| **Gross Fixed Assets (GFA)** | | |
| Opening GFA | 10357.48 | 13598.41 |
| Add: Trf from CWIP | 974.68 | 1104.72 |
| Less: Retirement/Disposal of Assets | 473.92 | 80.70 |
| Closing GFA | 10858.25 | 14622.42 |
| Average GFA | 10607.87 | 14110.41 |
| **Source of Funding for additions and IDC** | | |
| Consumer Contribution | 12.50 | 159.83 |
| Equity | 204.70 | 223.23 |
| Debt | 806.30 | 733.11 |
| Total | 1023.50 | 1116.17 |

## 5.11 Interest & Finance Charges:

### 5.11.1 Interest on Long Term Loan

Interest on capex loan for FY 2024-25 ARR has been projected by the Discoms as per Regulation 21 of HERC MYT Regulations 2019. Interest on long-term borrowing has been computed loan-wise as per the applicable interest rate. The relevant excerpt of the HERC MYT Regulations, 2019 is reproduced as under:

*"Regulation 21.1 Existing Loans*

*(i) Interest on loan capital shall be computed loan-wise for existing loans arrived in a manner specified in Regulation 19 and shall be as per the rates approved by the Commission.*

*(ii) The loan outstanding as on 1st April of each financial year shall be worked out as the gross loan in accordance with Regulation 19 by deducting the cumulative repayment as admitted by the Commission up to 31st March of previous financial year from the gross normative loan;*

*(iii) The rate of interest shall be the weighted average rate of interest on institutional loans calculated on the basis of the actual loan portfolio at the beginning of each year applicable to the*

*project. In case the weighted average rate is not available, the interest rate approved by the Commission in its earlier tariff order shall be allowed*

*Provided 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 shall be considered;*

*Provided further that if the generating plant/project does not have actual loan, then the weighted average rate of interest of the generating company/licensee as a whole shall be considered.*

*(iv) The interest on loan shall be calculated on the normative average loan of the year by applying the weighted average rate of interest;*

*(v) The generating company and the licensee shall from time to time review their capital structure i.e. debt and equity and make every effort to restructure the loan portfolio as long as it results in net savings on interest. The costs associated with such re-financing shall be borne by the beneficiaries and the net savings (after deducting the cost of re-financing) shall be subjected to incentive / penalty framework as mentioned in the Regulation 12 which shall be dealt with at the time of mid-year performance review/true-up*

*(vi) The changes to the loan terms and conditions shall be reflected from the date of such re-financing and benefit passed on to the beneficiaries;*

*(vii) In case of any dispute relating to re-financing of loan, any of the parties may approach the Commission with proper application along with all the relevant details. During the pendency of any dispute, the beneficiaries shall not withhold any payment on account of orders issued by the Commission.*

*Regulation 21.2 New Loans (on or after 6th April 2019)*

*(i) Rate of interest on new loans i.e. on or after 01.04.2020 shall be equal to the marginal cost of funds-based lending rate (MCLR) of the SBI plus a maximum of 150 basis points w.r.t.1st April of the relevant financial year. They shall however, be required to submit due justification to the Commission for the terms and conditions of the loans raised by them including the loan sanction letter from the banks/ lending institutions, indicating the applicable rate of interest.*

*Provided that interest and finance charges on works in progress shall be excluded and shall be considered as part of the capital cost;*

*Provided further that neither penal interest nor overdue interest shall be allowed for computation of Tariff*

*(ii) Any variation above or below the allowed interest rate shall be subject to the incentive and penalty framework specified in Regulation 12. The incentives on refinancing should be net of costs.*

*(iii) The amount of loan shall be arrived in the manner as specified in Regulation 19 and shall be based on the approved capital investment plan.*

*(iv) In case any moratorium period on repayment of loan is availed of by the generating company or the licensee, depreciation provided for in the tariff during the years of moratorium shall be treated as repayment during those years and interest on loan capital shall be calculated accordingly."*

Term loans are largely funded from REC, nationalized banks and scheduled commercial banks. The new receipts in term loans are considered to be funded from REC only. Thus, the financing cost of new receipts during the ARR years is calculated based on the average interest rate of existing REC loans.

Repayment of term loan is considered equivalent to the depreciation claimed during the ARR year.

**UHBVNL:**

UHBVNL, in its petition, has submitted that Interest on CAPEX loans has been projected for the ARR year FY 2024-25 in accordance with the estimated receipt of Capex loans with repayment considered equivalent to depreciation claimed for the current year. Furthermore, the debt component of the capital expenditure has also been considered primarily from REC. The projected interest on CAPEX loan by UHBVNL is Rs 173.44 Cr for FY 2024-25.

**DHBVNL**

DHBVNL, in its petition, has submitted that the Long-term borrowings for Capital Expenditure Plan for ARR year FY 2024-25 is mainly from REC Ltd. & Commercial banks.

The projected CAPEX Loan profile for the ARR year i.e. FY 2024-25 for DHBVNL is summarized in the table below: -

**Projected CAPEX loan Profile for FY 2024-25 DHBVNL** **(Rs Crore)**

| Name of Lender | Interest rate (in %) | Opening Balance as on 01.04.2024 | Total Receipt | Total Repayment | Closing Balance as on 31.03.2025 | Interest cost during the year |
|---|---|---|---|---|---|---|
| PMGY (GOH ) | 10.50-12.00 | 0.03 | 0.00 | 0.03 | 0.00 | 0.00 |
| APDRP (GOH) | 10.50-12.50 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| REC (Term Loan) | 8.21-10.85 | 1264.58 | 0.00 | 353.63 | 910.94 | 137.34 |
| WB Loan | LIBOR+Spread | 190.32 | 0.00 | 12.46 | 177.86 | 2.62 |
| JICA Loan | 0.8% | 3.00 | 0.00 | 0.00 | 3.00 | 0.00 |
| Central Bank of India | 7.45% | 352.20 | 0.00 | 63.72 | 288.48 | 36.71 |
| State Bank of India TL-II | 8.75% | 453.95 | 0.00 | 26.32 | 427.63 | 38.79 |
| Indian Bank | 8.45% | 542.05 | 0.00 | 41.38 | 500.67 | 44.05 |
| PFC Ltd. | 9.00% | 751.82 | 0.00 | 47.62 | 704.20 | 69.86 |
| Fis/Banks/RDSS Counterpart funding | 8.50% | 0.00 | 1032.14 | 0.00 | 1032.14 | 48.88 |
| **Total (A)** | | **3557.94** | **1032.14** | **545.15** | **4044.92** | **378.25** |

Based on above, DHBVNL has projected interest on loan for the ARR year FY 2024-25 as under:

**Projected Interest on CAPEX loan for FY 2024-25 DHBVNL** **(Rs Crore)**

| **Particulars** | **FY 2024-25** |
|---|---|
| Gross Interest on CAPEX loans | 378.25 |
| *Less: Interest Capitalized* | 181.06 |
| **Net Interest on CAPEX loans** | **197.19** |

**The Commission has carefully considered the calculations of interest on long term loans proposed by the Discoms and agrees with the methodology where the additions to borrowings are in accordance with the funding of proposed capital expenditure and the repayment is equal to the depreciation for the year. However, since the approved capital expenditure and its funding is at variance with that proposed by the licensee, it has resulted in some variance in the interest cost on term loans as well as return on equity. The Commission has limited the consumer contribution in proportion to the amount proposed by the respective Discoms for the FY 2024-25 and Equity is kept at 20% of the approved capital expenditure. In accordance with the MYT regulations 2019, interest on loans is calculated at the weighted average rate of interest on existing institutional loans as submitted by the licensees i.e. 7.28% for UHBVNL and 8.36% for DHBVNL. The capitalization of assets has been considered at the same level as of the audited accounts for the FY 2022-23.**

**HERC approved Interest on capex loans UHBVNL FY 2024-25 (Rs Crores)**

| Particulars | Proposed | Approved |
|---|---|---|
| Opening Balance | 2578.92 | 2578.92 |
| Projected addition during the year | 859.64 | 806.30 |
| Repayments of Loan | 453.94 | 415.97 |
| Closing Balance | 2984.62 | 2969.25 |
| Average balance during the Year | 2,781.77 | 2,774.08 |
| Interest Rate (%) | 8.31% | 7.28% |
| Interest Payment | 231.27 | 201.95 |
| Less: Interest Capitalized | 57.83 | 43.62 |
| Net Int. on Capex Loans | 173.44 | 158.33 |

**HERC approved Interest on capex loans DHBVNL FY 2024-25 (Rs Crores)**

| Particulars | Proposed | Approved 2024-25 |
|---|---|---|
| Opening Balance | **3,557.94** | 3557.94 |
| Deemed Addition during the year | 1032.14 | 733.11 |
| Repayments of Loan | 545.15 | 416.53 |
| Closing Balance of Deemed Loan | 4,044.93 | 3874.52 |
| Average balance during the Year | 3,801.44 | 3,716.23 |
| Interest Rate (%) | 9.95% | 8.36% |
| Interest Payment | 378.25 | 310.68 |
| Less: Interest Capitalized | 181.06 | 148.71 |
| Net Int. on Capex Loans | 197.19 | 161.96 |

### 5.11.2 Interest on Advance Consumption Deposit (ACD)

Interest on consumer security deposits for ARR year is calculated in accordance with Regulation 21.4 of MYT Regulations, 2019.

The relevant excerpt of the regulation is reproduced as under:

*"Interest shall be allowed on the amount held as security deposit held in cash from Transmission System Users, Distribution System Users and Retail consumers, at the Bank Rate as on 1st April of the financial year in which the petition is filed provided it is payable by the transmission/distribution licensee."*

**UHBVNL**

UHBVNL, in its petition, has submitted that receipt of consumer security deposit for ARR year has been calculated by considering the consumer security deposit during the true up year i.e. FY 2022-23 and increase in number of consumers on Year to Year (YoY) basis. Estimated cost of interest on consumer security deposit projected by UHBVNL is tabulated as follows:

**Projected Interest on Consumer Deposit for FY 2024-25 UHBVNL (Rs Crore)**

| Particulars | FY 2024-25 |
|---|---|
| Opening balance | 1,759.44 |
| Receipt during the year | 190.25 |
| Closing balance | 1,949.69 |
| **Average security deposit** | **1,854.56** |
| RBI Bank Rate | *6.75%* |
| **Interest on Consumer Security Deposit** | **125.18** |

UHBVNL has prayed that the Hon'ble Commission may allow the estimated interest cost on consumer security deposit for ARR year.

**DHBVNL**

DHBVNL, in the present petition, has submitted that as per the bank rate notified by RBI for 01.04.2023, interest on consumer security deposit is calculated at 6.75%.

Receipt of consumer security deposit for ARR year FY 2024-25 has been projected by escalating the receipt of consumer security deposit during previous year with the load growth of the relevant years. Details of interest on consumer security deposit is tabulated as under:

**Projected Interest on Consumer Security deposit for FY 2024-25 DHBVNL (Rs. Crore)**

| Description | FY 2024-25 |
|---|---|
| **Opening balance** | 2823.34 |
| Receipt during the year | 242.92 |
| Closing balance | 3066.26 |
| **Average Security deposit** | 2944.80 |
| Interest rate | 6.75% |
| **Interest on Consumer Security Deposit** | **198.77** |

DHBVNL has prayed that the Commission may allow the interest cost on consumer security deposit for FY 2024-25 as computed in above.

**The Commission has examined the calculations of interest on consumer security deposit for the FY 2024-25 as proposed by the Discoms and approves the same.**

### 5.11.3 Interest on Working Capital Loan

**UHBVNL**

UHBVNL, in its petition, has submitted that interest on working capital loans has been projected at Rs. 130.87 Cr based on normative values as per HERC MYT Regulation.

Revenue gap during the ARR year, if any, is planned to be met from deficit financing (borrowings).

**DHBVNL**

DHBVNL, in its petition, has submitted that as per Regulation 22.2 of HERC MYT Regulations, 2019, interest on working capital for FY 2024-25 is computed on normative basis. Rate of interest on working capital is considered as 10% (SBI 1 Yr. MCLR of 8.50% as on 01.04.2023 plus 150 basis points).

**Normative Interest on working capital for FY 2024-25 (Rs. Crore)**

| Sr. No. | Category | FY 2024-25 |
|---|---|---|
| 1 | Receivables of two months | 4012.79 |
| 2 | O&M Expense of 1 Month | 206.37 |
| 3 | Maintenance Spares for 1 Month | 11.34 |
| 4 | Uncollected Revenue | 120.38 |
| 5 | Less: Consumer Security Deposit | 2823.34 |
| **6** | **Total Working Capital Requirement** | **1527.54** |
| 7 | Normative interest rate on Working Capital | 10.00% |
| **8** | **Interest on Working Capital** | **152.75** |

The Commission has examined the interest on working capital borrowings as projected by the licensee and observes that the procedure is in accordance with the MYT Regulations, 2019, which provides for a specific methodology for calculation of interest on working capital borrowings for the Distribution and retail supply business as given below:

*"22. INTEREST ON WORKING CAPITAL*
*22.1 Components of working capital:*
*Distribution licensee*
*I. Wheeling of electricity:*
*a) Normative O&M expenses for wheeling business for 1 (one) month;*
*b) Maintenance spares for 1 (one) month based on annual requirement considered at 1% of GFA (wire business) at the end of the previous year;*
*c) Receivables equivalent to 2(two) month of wheeling charges.*
*less*
*Amount held as security deposits in cash from Distribution System Users :*
*Provided further that for the purpose of Truing-up for any year, the working capital requirement shall be re-computed on the basis of the values of components of working capital approved by the Commission in the Truing-up before sharing of gains and losses*
*II. Retail supply of electricity:*
*a) Normative O&M expenses for retail supply business for 1 (one) month;*
*b) Maintenance spares for 1 (one) month based on annual requirement considered at 1% of the GFA at the end of the previous year;*
*c) Uncollected revenue to be calculated as: Revenue billed for the relevant year * (1 – Normative Collection efficiency)*

*d) Receivables equivalent to 2 (two) months' of billing less consumers' security / advance consumption deposit.*
*Provided that for the purpose of Truing-up for any year, the working capital requirement shall be re-computed on the basis of the values of components of working capital approved by the Commission in the Truing-up before sharing of gains and losses;*
*22.2 Rate of Interest*
*Rate of interest on working capital shall be equal to the MCLR of the relevant financial year plus a maximum of 150 basis points. However, while claiming any spread, the generator and the licensees shall submit loan sanction letter from the banks/ lending institutions, indicating the applicable rate of interest."*

**The Commission has estimated working capital requirement in accordance with the MYT Regulations and the rate of interest i.e. MCLR plus a margin of 150 basis points (1.50%) or actual rate of interest on working capital, whichever is lower. Thus, the Commission approves the rate of interest on working capital borrowings, as per actual, i.e. 7.41% PA, as against the normative rate of 10% P.A proposed by the licensee.**

**In the case of DHBVNL, the Commission observes that the actual rate of interest on working capital for the FY 2022-23 is 6.49% P.A as against the normative rate of 10% P.A, as proposed by the Nigam. Therefore, the rate of interest on working capital is allowed as per actual i.e. 6.49% P.A.**

**Approved Interest on working capital UHBVNL FY 2024-25 (Rs Crore)**

| **Interest on working capital** | **Approved FY 2024-25** |
|---|---|
| O&M expenses for 1 month | 166.52 |
| Maintenance spares 1% of opening GFA | 103.57 |
| 2 months receivables | 3103.49 |
| Uncollected revenue | 93.10 |
| Total | 3466.68 |
| Less | |
| ACD, as projected by UHBVNL | 1759.44 |
| Net working capital | 1707.24 |
| Interest rate | 7.41% |
| Interest cost | 126.51 |

**Approved Interest on working capital DHBVNL FY 2024-25 (Rs in crore)**

| **Interest on working capital** | **Approved FY 2024-25** |
|---|---|
| O&M expenses for 1 month | 202.18 |
| Maintenance spares 1% of opening GFA | 115.18 |
| 2 months receivables | 4325.16 |
| Uncollected revenue | 129.75 |
| Total | 4772.27 |

| | |
|---|---|
| Less | |
| ACD | 2823.34 |
| Net working capital | 1948.93 |
| Interest rate | 6.49% |
| Interest cost | 126.49 |

**Summary of Net Interest & Finance charges for FY 2024-25**

**UHBVNL**

UHBVNL, in its petition, has submitted that other Finance Charges for ARR year are considered as Rs 34.90 Cr, kept same as approved in the Tariff order for FY 2023-24.

**Proposed Net Interest & Finance Charges for FY 2024-25 UHBVNL (Rs Cr.)**

| Particulars | FY 2024-25 |
|---|---|
| Gross Int. on Capex loans | 231.27 |
| *Less: Interest Capitalized* | 57.83 |
| **Net Int. on Capex Loans** | **173.44** |
| Interest on WC loans | 130.87 |
| Interest on Security Deposits | 125.18 |
| Other Interest and Finance Charges | 34.90 |
| **Net Interest & finance charges** | **464.39** |

UHBVNL prayed that the total estimated interest cost for ARR year, as above, may be allowed by the Commission.

**DHBVNL**

DHBVNL has submitted that in addition to the working capital interest expenses, other interest and finance charges and guarantee fee to the State Government on account of payment of guarantee fee for new loans have also been considered in the ARR.

The summary of net Interest & Finance charges for FY 2024-25 of DHBVNL is as under:

**DHBVNL Projected Net Interest & Finance Charges for FY 2024-25 (Rs. Crore)**

| **Particulars** | **FY 2024-25** |
|---|---|
| Gross Int. on Capex loans | 378.25 |
| *Less: Interest Capitalized* | 181.06 |
| **Net interest on Long Term CAPEX loans** | 197.19 |
| Interest on WC loans | 152.75 |
| Interest Cost on Consumer Security Deposit | 198.77 |
| Guarantee Fee | 50.00 |
| Other Interest & Finance Charges (including LC to Power Generators charges) | 25.01 |
| **Net Interest & Finance Charges** | **623.73** |

DHBVNL has prayed that the above projected interest cost for ARR year FY 2024-25 may be allowed by the Commission in the ARR of the relevant year.

The Discoms have also proposed to recover certain other finance charges, guarantee fee, etc. and the same are allowed as proposed, subject to true up. In light of the above discussion, the Commission approves interest cost of UHBVNL and DHBVNL for the FY 2024-25 as under: -

**HERC approved Total Interest Cost FY 2024-25 UHBVNL (Rs. Crores)**

| Particulars | Proposed | Approved FY 2024-25 |
|---|---|---|
| Gross Int. on Capex loans | 231.27 | 201.95 |
| *Less: Interest Capitalized* | 57.83 | 43.62 |
| Net Int. on Capex Loans | **173.44** | **158.33** |
| Interest on WC loans | 130.87 | 126.51 |
| Interest on Security Deposits | 125.18 | 125.18 |
| Guarantee Fees/Other Interest and Finance Charges | 34.90 | 34.90 |
| **Net Interest & finance charges** | **464.39** | **444.92** |

**HERC approved Total Interest Cost FY 2024-25 DHBVNL (Rs. Crores)**

| Particulars | FY 2024-25 Proposed | Approved |
|---|---|---|
| Gross Int. on Capex loans | 378.25 | 310.68 |
| *Less: Interest Capitalized* | 181.06 | 148.71 |
| **Net interest on Long Term CAPEX loans** | **197.19** | **161.96** |
| Interest on WC loans | 152.75 | 126.49 |
| Interest Cost on Consumer Security Deposit | 198.77 | 198.774 |
| Guarantee Fee | 50 | 50 |
| Other Interest & Finance Charges (including LC to Power Generators charges) | 25.01 | 25.01 |
| Total interest cost | 623.72 | 562.23 |

## 5.12 Depreciation

Depreciation for ARR year is to be considered in accordance with Regulation 23 of the HERC MYT Regulations, 2019. The relevant excerpt is reproduced as under: -

*"….(a)The value base of asset shall be the historical capital cost of the asset as admitted by the Commission. The historical capital cost shall include additional capitalization including foreign exchange rate variation, if any already allowed by the Commission up to 31st March of the relevant year.*

*(b)The residual value of the asset shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of historical capital cost of the asset;*

*Provided that the salvage value for IT equipment and software shall be considered as NIL and 100% value of the assets shall be considered depreciable.*

*(c)Depreciation shall be calculated annually over the useful life of the asset at the rates specified in Appendix II up to 31st March of the 12th year from the date of commercial operation of the asset. From 1st April of 13th year from the commercial date of operation of the asset, the remaining depreciable value if any out of the 90% of the capital cost of the asset shall be equally spread over the balance useful life of the asset.*

*The deprecation rates given in Appendix-II will be applicable w.e.f. 1.04.2020 only. The depreciation, in case of existing assets, up to 31.03.2020 shall be considered as already allowed and shall not be re- visited. The deprecation rates as per Appendix-II for such assets shall be applicable w.e.f 1.04.2020 up to 12th year from the date of COD.*

*Provided that the rate provided in Appendix II, are the upper ceiling of the rate of depreciation to be provided up to 12th year from the date of COD and the developer shall have the option of indicating, while seeking approval for tariff, lower rate of depreciation, subject to the aforesaid ceiling.*

*(d)Land shall not be considered as a depreciable asset and cost shall be excluded from the capital cost while computing depreciable value of asset.*

*(e)Depreciation shall be chargeable from the first year of commercial operation. In case of commercial operation of the asset for part of the financial year, then the depreciation shall be charged on pro rata basis;*

*(f)Depreciation shall not be allowed on assets (or part of assets) funded by consumer contribution (i.e., any receipts from consumers that are not treated as revenue) and capital subsidies / grants. Provision for replacement of such assets shall be made in the capital investment plan."*

Depreciation amount for the ARR year i.e. FY 2024-25 has been projected as per asset class wise depreciation rates on Opening GFA of respective year. Depreciation on assets funded by consumer contribution is adjusted further to estimate the depreciation expense for ARR year FY 2024-25.

**Detail of depreciation as proposed by the licensees for FY 2024-25 is provided in the table below: -**

**Proposed Depreciation for FY 2024-25 UHBVNL (Rs Crore.)**

| Particulars | Opening GFA | Opening Accumulated depreciation | Rate of dep. (%) | Depreciation | Withdrawals | Closing accumulated depreciation |
|---|---|---|---|---|---|---|
| Land & Land Rights | 61.74 | - | | - | - | - |
| Buildings & Civil Structure | 581.11 | 166.96 | *3.34%* | 19.41 | 0.02 | 186.35 |
| Plant & Machinery | 9,641.07 | 3,692.74 | *5.28%* | 509.05 | 163.71 | 4,038.08 |
| Vehicles | 32.33 | 14.82 | *9.50%* | 3.07 | 0.16 | 17.73 |
| Furniture & Fixture | 137.25 | 65.61 | *6.33%* | 8.69 | 0.46 | 73.84 |
| Software | 17.27 | 13.11 | *15.00%* | 2.59 | - | 15.70 |
| *Less: Depreciation on assets contributed by Consumers and grants* | | 174.67 | | 88.87 | - | 263.54 |
| **Total** | **10,470.77** | **3,778.57** | | **453.94** | **164.35** | **4,068.16** |

UHBVNL has prayed that the Hon'ble Commission may allow the estimated depreciation of Rs. 453.94 Cr for ARR year.

**Proposed Depreciation for FY 2024-25 DHBVNL (Rs. Crore)**

| Particulars | Average GFA | Accumulated Depreciation as on 31.03.2024 | Rate (%) | Depreciation during the year | Accumulated Depreciation as on 31.03.2025 |
|---|---|---|---|---|---|
| Land | 33.03 | 0.00 | 0.00% | 0.00 | 0.00 |
| Building & Civil Structures | 467.16 | 123.64 | 3.34% | 15.60 | 139.24 |
| Plant & Machinery | 13570.85 | 5233.88 | 5.28% | 716.54 | 5950.42 |
| Vehicles | 34.32 | 18.72 | 9.50% | 3.26 | 21.98 |
| Furniture & Fixtures (Including Office Equipments) | 32.06 | 18.88 | 6.33% | 2.03 | 20.91 |
| Intangible Asset | 27.99 | 13.06 | 15.00% | 4.20 | 17.26 |
| **Total** | **14165.41** | **5408.17** | **5.24%** | **741.63** | **6149.80** |
| Less: Dep. on assets from Consumer Contribution | | | | **196.48** | |
| **Grand Total** | | | | **545.15** | |

DHBVNL has prayed to the Commission to allow projected depreciation cost of Rs 545.15 crore for FY 2024-25 as computed in table above.

**The Commission has examined the calculations of depreciation for the MYT period submitted by the Discoms and observes that the Discoms have assumed that the additions to different class of assets in the MYT period would be in the same ratio as additions in the FY 2022-23. The**

**Commission, however, observes that the additions to individual class of fixed assets in a particular year may not be fully representative of the total requirement of assets for the Discoms and therefore it would be more appropriate to use total fixed assets as on 31.3.2023 as a composite base and accordingly has assumed that the additions to fixed assets and consequently the depreciation in the MYT period would also be in the same ratio. The depreciation calculations for the FY 2022-23 are used to arrive at a composite depreciation rate which is applied on the opening GFA of each year of the MYT period going forward to arrive at estimated depreciation for the year. Based on the approved capital expenditure for the FY 2024-25, the approved depreciation for each year of the MYT period is given in table below:**

**HERC Approved Depreciation FY 2024-25 UHBVNL (Rs. Crore)**

| **Particulars** | **Amount** |
|---|---|
| Opening GFA | 10357.48 |
| Rate of Depreciation | 4.87% |
| Total Depreciation | 504.63 |
| Less: Depreciation on assets contributed by Consumers and grants | 88.66 |
| **Approved Depreciation cost** | 415.97 |

**HERC Approved Depreciation 2024-25 DHBVNL (Rs. Crore)**

| **Particulars** | **Amount** |
|---|---|
| Opening GFA | 13598.41 |
| Rate of Depreciation | 4.37% |
| Total Depreciation | 594.07 |
| Less: Depreciation on assets contributed by Consumers and grants | 177.54 |
| **Approved Depreciation cost** | **416.53** |

### 5.13 Return on Equity

Discoms, in their petition, have submitted that the Return on Equity for ARR year has been projected in accordance with the Regulation 20 of MYT Regulations 2019. The relevant excerpt of the MYT Regulations is reproduced as follows:

*"20. RETURN ON EQUITY*

*20.1. RoE for generation transmission and distribution, shall be allowed, after adding a premium over the 'Base Rate (BR)' based on the performance (both financial as well as operational parameters) of the power utilities, subject to a cap as under: -*
*a) Hydro Generators: BR + 6.5% = up to 13 %*
*Provided that the HEP with pondage or pump storage (PSP) will be eligible for an additional 1% RoE.*
*b) Generators other than Hydro: BR + 5.5% = up to 12%*

*c) Distribution Business: BR +7.5% = up to 14%*
*d) Transmission Business: BR + 4.5% = up to 11%.*

*Provided that the Base Rate (BR) in these Regulations shall be construed as last 2 years average rate (as on 1st April of the relevant financial year) of 10 years Government of India bond.*

*Provided, that the RoE for generation, transmission and distribution businesses, shall be allowed, after adding a premium over the 'Base Rate (BR)' .*

*Provided further that RoE shall not exceed 14% in any case. SLDC business shall not be eligible for RoE.*

*Provided where the tariff is determined for the entire useful life of the project the RoE allowed shall not be normally re-visited during the entire tariff period. Hence, the same shall be determined at 13% with additional 1% for HEPs with pondage or pump storage (PSP) and 12% for generators other than HEPs."*

**UHBVNL**

The 10-year GoI bond rate for 1st April 2023 was 7.32% and on 1st April 2022 was 6.86%. The average of the same is 7.09%. The ROE % calculated in accordance with the 2nd amendment of HERC MYT Regulations 2019 is greater than 14%. However, considering ROE % approved by the Hon'ble Commission for FY 2023-24 is @12%, same is considered for estimation of Return of Equity (in Crs) for ARR year (FY 2024-25).

Based on the eligible equity towards accumulated assets, asset addition during the year and 12% rate of return, and average equity during the year, the RoE for the ARR year is estimated. Detailed calculation of RoE, as proposed by UHBVNL, is tabulated below:

**UHBVNL proposed Return on Equity for ARR year (Rs Crore)**

| Particulars | FY 2024-25 |
|---|---|
| Net Opening Share Capital | 2,631.34 |
| Add: Equity for Capex | 214.91 |
| Closing Equity | 2,846.25 |
| **Average Equity for RoE** | **2,738.79** |
| *Rate of Return on Equity* | 12.00% |
| **Total Return on Equity** | **328.66** |

UHBVNL has prayed that the Hon'ble Commission may allow the estimated Return on Equity for ARR year, as proposed.

**DHBVNL**

Return on Equity for ARR year FY 2024-25 has been projected in accordance with the Regulation 20 of HERC MYT Regulations, 2019 and its subsequent amendments.

Return on equity is projected at the rate of 12% on the average equity during ARR year FY 2024-25. Detailed calculation of Return on Equity for ARR year FY 2024-25 is Tabulated as under:

**DHBVNL proposed Return on Equity for FY 2024-25 (Rs. Crore)**

| **Particulars** | **FY 2024-25** |
|---|---|
| Opening Equity eligible for Return on Equity | 2341.85 |
| Add: Equity addition in capitalization | 181.18 |
| Closing Equity | 2523.03 |
| Average Equity | 2432.44 |
| Rate of Return on Equity | 12.00% |
| **Return on Equity** | **291.89** |

The licensee has prayed that the projected Return on Equity for the FY 2024-25 may be allowed as computed in the table above.

**The Commission has considered the submissions of the licensees and observes that as per the MYT Regulations, 2019, ROE can be allowed on the eligible Equity Capital in use. The Commission, in the light of present petition, approves the rate of Return on Equity at 12% of average equity utilized in licensed business during the FY 2024-25 to the Discoms.**

**The calculation of approved return on equity of UHBVNL considering the approved capital expenditure and its funding thereto and the estimated retirement of assets, is given in the following table:**

**Approved Return on Equity for FY 2024-25 UHBVNL (Rs. Crore)**

| **Particulars** | **Proposed** | **Approved** |
|---|---|---|
| Opening Share Capital eligible for RoE | 2,631.34 | 2,578.41 |
| *Less: Equity in Opening CWIP (20%)* | 0 | 0.00 |
| Net Opening Share Capital | 2,631.34 | 2,578.41 |
| Add: Equity for Capex | 214.91 | 204.70 |
| Closing Equity | 2,846.25 | 2,783.11 |
| Average Equity for RoE | 2,738.80 | 2,680.76 |
| *Rate of Return on Equity* | 12.00% | 12.00% |
| **Total Return on Equity** | **328.6554** | **321.691** |

**The Commission approves the RoE as proposed by DHBVNL i.e. Rs 291.89 crore, as the normative RoE is slightly higher than the proposed RoE.**

### 5.14 Bad and Doubtful Debts

DHBVNL, in the present petition, had submitted that provision for Bad and Doubtful debts of Rs. 100.55 Crore for ARR year FY 2024-25 is projected in accordance with Regulation 64 of HERC MYT Regulations, 2019. The relevant extract of HERC MYT Regulations, 2019 is reproduced as under:

*"64 BAD AND DOUBTFUL DEBTS*

*Bad and doubtful debts shall be allowed to the extent the distribution licensee has actually written off bad debts subject to a maximum of 0.5% of sales revenue. However, this shall be allowed only if the distribution licensee submits all relevant data and information to the satisfaction of the Commission. In case there is any recovery of bad debts already written off, the recovered bad debts will be treated as other income."*

In view of above, Nigam has prayed to approve the provision for bad and doubtful debts as claimed above.

**The Commission is of the view that bad and doubtful debts shall be allowed during true up only and to the extent the distribution licensee has actually written off bad debts subject to a maximum of 0.5% of sales revenue i.e. within the four corners of the HERC MYT Regulations in vogue. Further, during true up, complete details of the bad and doubtful debts need to be submitted in the petition, as per the MYT regulations in vogue.**

### 5.15 Non-Tariff Income

**UHBVNL**

Non-Tariff Income for ARR year has been kept same, i.e., Rs. 278.43 Cr, as approved by the Hon'ble commission for FY 2023-24.

It is requested that the same may kindly be allowed by the Hon'ble Commission for ARR year.

**DHBVNL**

Non-Tariff Income for FY 2024-25 is proposed as Rs. 308.61 Crore at the same level as claimed in APR of FY 2023-24.

**The Commission finds the proposed amounts of Non-Tariff Income reasonable, and approves the same.**

## 5.16 Aggregate Revenue Requirement (ARR)

**UHBVNL**

The revised estimate of Aggregate Revenue Requirement for ARR year, as proposed by UHBVNL, is tabulated as follows:

**UHBVNL Proposed Aggregate Revenue Requirement (Rs Crore)**

| Sr. No | Particulars | FY 2024-25 |
|---|---|---|
| 1 | Total Power Purchase Expense | **14,218.48** |
| *1.1* | *Power Purchase Expense* | 12,293.34 |
| *1.2* | *Interstate transmission Charge* | 957.72 |
| *1.3* | *Intrastate transmission & SLDC* | 967.42 |
| 2 | Operations and Maintenance Expense | **2,146.60** |
| *2.1* | *Employee Expense* | 1,277.50 |
| *2.2* | *Administration & General Exp.* | 228.34 |
| *2.3* | *Repair & Maintenance Expense* | 190.75 |
| *2.4* | *Terminal Liability* | 450.00 |
| 3 | Depreciation | **453.94** |
| 4 | Total Interest & Finance Charges | **464.39** |
| *4.1* | *Interest on CAPEX loans* | 173.44 |
| *4.2* | *Interest on Working Capital incl. CC* | 130.87 |
| *4.3* | *Interest on Consumer Security Deposit* | 125.18 |
| *4.4* | *Other Interest and Finance charges* | 34.90 |
| 5 | Return on Equity Capital | **328.66** |
| **6** | **Total Expenditure** | **17,612.06** |
| 7 | *Less: Non-Tariff Income* | 278.43 |
| **8** | **Net Aggregate Revenue Requirement** | **17,333.63** |

**DHBVNL**

The revised estimate of Aggregate Revenue Requirement of DHBVNL for FY 2024-25 is tabulated as under:

**DHBVNL Proposed Aggregate Revenue Requirement (Rs. Crore)**.

| S. No. | Particulars | ARR |
|---|---|---|
| | | FY 2024-25 |
| | | Projected |
| **1.0** | **Power Purchase Expenses** | ***20,347.52*** |
| *1.1* | *Power Purchase Cost* | *17,581.01* |
| *1.2* | *Transmission Charges* | *1,382.07* |
| *1.3* | *Transmission Charges & SLDC* | *1,384.44* |
| **2.0** | **Operation & Maintenance Expenses** | **2,476.48** |
| *2.1* | *Employee Expenses (net)* | *1,344.85* |
| *2.2* | *Administration & General Expenses (net)* | *183.57* |
| *2.3* | *Repair & Maintenance Expenses* | *250.29* |
| *2.4* | *Terminal Benefits* | *697.77* |
| **3.0** | **Depreciation** | **545.15** |
| **4.0** | **Interest & Finance Charges** | **623.73** |
| *4.1* | *Interest on Long Term Loan* | *197.19* |
| *4.2* | *Interest on Working Capital* | *152.75* |

| S. No. | Particulars | ARR FY 2024-25 Projected |
|---|---|---|
| *4.3* | *Interest on Consumer Security Deposit* | *198.77* |
| *4.4* | *Other Interest & Finance Charges* | *25.01* |
| *4.5* | *Guarantee Fee* | *50.00* |
| 5 | Return on Equity Capital | 291.89 |
| 6 | Provision for Bad & Doubtful Debt | 100.55 |
| **7** | **Aggregate Revenue Requirement** | **24,385.33** |
| 8 | Less: Non-Tariff Income | *308.61* |
| **9** | **Net Aggregate Revenue Requirement** | **24,076.71** |

**Based on the Commission's approved estimates of various components of the ARR, as discussed in the previous paragraphs, the approved Revenue Requirement (in Rs. Crores) for the FY 2024-25 for the two Discoms is as under:-**

**UHBVNL Aggregate Revenue Requirement for ARR year FY 2024-25 (Rs Crore)**

| Sr. No | Particulars | Proposed | Approved |
|---|---|---|---|
| 1 | Total Power Purchase Expense | **14,218.48** | **15,718.54** |
| *1.1* | *Power Purchase Expense* | 12,293.34 | 13,826.58 |
| *1.2* | *Interstate transmission Charge* | 957.72 | 957.72 |
| *1.3* | *Intrastate transmission & SLDC* | 967.42 | 934.24 |
| 2 | Operations and Maintenance Expense | **2,146.59** | **1,998.21** |
| *2.1* | *Employee Expense* | 1,277.50 | 1,232.27 |
| *2.2* | *Administration & General Exp.* | 228.34 | 128.89 |
| *2.3* | *Repair & Maintenance Expense* | 190.75 | 187.05 |
| *2.4* | *Terminal Liability* | 450 | 450 |
| 3 | Depreciation | **453.94** | **415.97** |
| 4 | Total Interest & Finance Charges | **464.39** | **444.92** |
| *4.1* | *Interest on CAPEX loans* | 173.44 | 158.33 |
| *4.2* | *Interest on Working Capital incl. CC* | 130.87 | 126.51 |
| *4.3* | *Interest on Consumer Security Deposit* | 125.18 | 125.18 |
| *4.4* | *Other Interest and Finance charges* | 34.9 | 34.9 |
| 5 | Return on Equity Capital | **328.66** | **321.69** |
| **6** | **Total Expenditure** | **17,612.06** | **18,899.34** |
| 7 | *Less: Non-Tariff Income* | **278.43** | **278.43** |
| **8** | **Net Aggregate Revenue Requirement** | **17,333.63** | **18,620.91** |

**DHBVNL Aggregate Revenue Requirement for ARR year FY 2024-25 (Rs Crore)**

| No | Particulars | Proposed | Approved |
|---|---|---|---|
| **1** | **Power Purchase Expenses** | ***20,347.52*** | ***22,254.16*** |
| *1.1* | *Power Purchase Cost* | *17,581.01* | *19,786.69* |

| No | Particulars | Proposed | Approved |
|---|---|---|---|
| *1.2* | *Inter State Transmission Charges* | *1,382.07* | *1,382.07* |
| *1.3* | *Intra State Transmission Charges & SLDC* | *1,384.44* | *1,085.40* |
| **2** | **Operation & Maintenance Expenses** | **2,476.48** | **2,426.16** |
| *2.1* | *Employee Expenses (net)* | *1,344.85* | *1,313.09* |
| *2.2* | *Administration & General Expenses (net)* | *183.57* | *166.49* |
| *2.3* | *Repair & Maintenance Expenses* | *250.29* | *248.82* |
| *2.4* | *Terminal Benefits* | *697.77* | *697.77* |
| **3** | **Depreciation** | **545.15** | **416.53** |
| **4** | **Interest & Finance Charges** | **623.72** | **562.23** |
| *4.1* | *Interest on Long Term Loan* | *197.19* | *161.96* |
| *4.2* | *Interest on Working Capital* | *152.75* | *126.49* |
| *4.3* | *Interest on Consumer Security Deposit* | *198.77* | *198.774* |
| *4.4* | *Other Interest & Finance Charges* | *25.01* | *25.01* |
| *4.5* | *Guarantee Fee* | *50* | *50* |
| **5** | **Return on Equity Capital** | 291.89 | 291.89 |
| 6 | Provision for Bad & Doubtful Debt | 100.55 | 0 |
| **7** | **Aggregate Revenue Requirement** | **24,284.76** | **25,950.97** |
| 8 | Less: Non-Tariff Income | 308.61 | 308.61 |
| **9** | **Net Aggregate Revenue Requirement** | **23,976.15** | **25,642.36** |

## 5.17 Revenue Estimation

**UHBVNL**

UHBVNL, has submitted that due to non-availability of requisite data for revenue assessment of new consumer categories, revenue from sale of power for ARR year is estimated based on the previous consumer categories and re-categorized thereafter accordingly.

In accordance with the category-wise energy sales projected for ARR year and applicable retail supply tariff approved in Tariff Order dated 15.02.2023, revenue from sale of power is estimated for ARR year and the same is tabulated as follows:

**UHBVNL proposed Revenue from Sale of Power for FY 2024-25 (Rs Crore)**

| Sr. No. | Category | Proposed |
|---|---|---|
| 1 | Domestic Supply | 3,901.47 |
| 2 | HT Supply | 7,029.48 |
| 3 | LT Supply | 2,043.66 |
| 5 | Agriculture | 53.96 |
| 6 | PWW/Lift Irrigation/MITC/Street Light | 659.28 |
| 7 | Bulk Supply | 284.24 |
| **9** | **Total** | **13,972.10** |
| 10 | Collection Efficiency | 99.50% |
| **11** | **Revenue Realised** | **13,902.23** |

**DHBVNL:**

DHBVNL, has submitted that Revenue from sale of power is determined on basis of the projected sales and current level of retail supply tariff. Category wise revenue from sale of power for FY 2024-25 is given in table below:

**DHBVNL proposed Revenue from Sale of Power for FY 2024-25 (Rs Crore)**

| Sr.no. | Category | Projected Amount |
|---|---|---|
| **1** | Domestic Supply | 4,864.59 |
| **2** | HT Supply | 10,486.58 |
| **3** | LT Supply | 2,542.85 |
| **4** | Agro Industry/FPO | 9.11 |
| **5** | Agriculture | 66.09 |
| **6** | Bulk Supply | 1162.78 |
| **7** | Public Water Works | 977.35 |
| **8** | **Total** | **20,109.35** |

DHBVNL submitted that Revenue from inter-state sales is estimated on the basis of average variable power purchase cost and surplus power available during the year. However, it is observed that the Discoms have not proposed to garner revenue from inter-state sale of power for the FY 2024-25 on the basis of data shared by the petitioner(s) in their petition. The Commission is of the considered view that in case the Merit Order Dispatch principle is strictly followed and the energy which is surplus is contracted to be sold at its variable cost/ ECR, the revenue generated would be higher than the average variable power purchase cost and would ultimately go towards reducing the power purchase cost. The Commission, instead of calculating revenue from interstate sale separately as a line item in the ARR, has preferred to calculate the power purchase cost only for the energy required for sale to the electricity consumers of Haryana. i.e. fixed cost for long term PPA's is considered to be pass through and the projected power purchase volume is allowed at the average variable cost.

### 5.18 AP Tubewell Subsidy

UHBVNL and DHBVNL, have submitted that Agriculture Subsidy for the FY 2024-25 is considered same as allowed by the Hon'ble Commission for FY 2023-24 in Tariff Order dated 15.02.2023 and therefore, the Agriculture Subsidy for ARR year has been projected as Rs. 2884.97 Cr for each Discom.

The Commission observes that the Discoms have projected Agriculture Subsidy for the FY 2024-25 equivalent to the subsidy allowed for the FY 2023-24 in Tariff Order dated 15.02.2023 and also that there is no projection for estimated subsidy for power supplied to either the domestic consumers, MSME or for that matter any other consumer category. In line with the provisions of section 65 of the Electricity Act, there has to be commitment from State Government and the payment of subsidy has to be made in advance. The relevant section is reproduced as under:-

*"Section 65. (Provision of subsidy by State Government): If the State Government requires the grant of any subsidy to any consumer or class of consumers in the tariff determined by the State Commission under section 62, the State Government shall, notwithstanding any direction which may be given under section 108, pay, in advance and in such manner as may be specified, the amount to compensate the person affected by the grant of subsidy in the manner the State Commission may direct, as a condition for the license or any other person concerned to implement the subsidy provided for by the State Government: Provided that no such direction of the State Government shall be operative if the payment is not made in accordance with the provisions contained in this section and the tariff fixed by State Commission shall be applicable from the date of issue of orders by the Commission in this regard."*

Based on the ARR and sales projections approved by the Commission in the subsequent portion of this order, the Commission has, based on the sample voltage vise losses submitted by the Discoms, arrived at the estimated cost of service for supply at HT and LT voltage levels i.e. Rs. 6.12/Unit for HT Supply and Rs. 6.48/Unit for LT Supply. The calculation details have been provided in the present order. In case the Government Haryana, as per past practice decides to provide RE Subsidy u/s Section 65 of the Act on the tariff determined by this Commission under Section 62 of the Electricity Act, 2003, under intimation to this Commission, it will have to pay in advance, on a quarterly basis i.e. in April for the first quarter, in July for the second quarter, in September for the third quarter and in December 2024 for the fourth quarter. Additionally, an unpaid subsidy (committed and not paid or paid partly) will also have to be paid without any further delay along with carrying cost for the period concerned at an interest rate as considered by this Commission for working capital borrowings by the Discoms. Based on the cost of service of LT consumers as given above and the approved estimate of sales to AP consumers, the calculation of AP subsidy is as given below: -

| | **RE Subsidy calculation** | **unit** | **value** |
|---|---|---|---|
| 1 | AP Tube-well sales approved for FY 2024-25 | MU | 9325.21 |
| 2 | Cost/ Tariff per unit | Rs/kWh | 6.48 |
| 3 | Estimated cost of service | Rs. Crores | 6041.21 |
| 4 | Revenue at existing subsidized tariff | Rs. Crores | 100.04 |
| 5 | Subsidy required to keep the tariff at current levels = 3-4 | Rs. Crores | 5941.17 |

## 5.19 Revenue Surplus / Gap for ARR year FY 2024-25

Based on the revised estimates for Aggregate Revenue Requirement of Haryana Discoms and proposed income, details of revenue gap for ARR year proposed by the utilities i.e. UHBVNL and DHBVNL are tabulated as follows:

**Proposed Revenue (Gap)/Surplus for ARR year for both Discoms (Rs Cr.)**

| **Particulars** | **UHBVNL** | **DHBVNL** | **Haryana** |
|---|---|---|---|
| **Aggregate Revenue Requirement** | **17,333.63** | **24076.71** | **41410.34** |
| **Revenue for Discoms** | **16,787.20** | **22994.32** | **39781.52** |
| *Sale of Power* | 13,902.23 | 20109.35 | 34011.58 |
| *Inter State Sales* | - | - | - |
| *Subsidy from GoH* | *2,884.97* | 2,884.97 | 5769.94 |
| **Revenue Surplus/(Gap)** | **(546.43)** | **(1,082.40)** | **(1,628.83)** |
| Revenue surplus / (Gap)for FY 2022-23 | | | (1,364.25) |
| Holding cost for 1.5 years @ 8.5% | | | (173.94) |
| **Revenue Surplus/(Gap) to be carried over** | | | **(3,167.02)** |

Based on proposed and approved Aggregate Revenue Requirement and revenue from sale of Power and AP Subsidy, revenue (gap)/surplus for ARR year FY 2024-25 for Haryana Discoms is detailed as under:-

**Approved Revenue (Gap)/Surplus for ARR year for both Discoms**

| **Total ARR for FY 2024-25** | | **FY 2024-25** |
|---|---|---|
| UHBVNL | Rs. Crore | 18620.91 |
| DHBVNL | Rs. Crore | 25642.36 |
| Total ARR for FY 2024-25 (A) | Rs. Crore | 44263.27 |
| Revenue at current tariff on intrastate sale | Rs. Crore | 35076.89 |
| Revenue from Interstate State | | 0.00 |
| Total Revenue (B) | Rs. Crore | 35076.89 |
| Total Sales for FY 2024-25 (C) | MU | 61271.84 |
| COS at LT level | Rs per unit | 6.48 |
| AP sales for the FY 2024-25 | MU | 9325.21 |
| Estimated Revenue from AP sales (E) | Rs. Crore | 100.04 |

| | | |
|---|---|---|
| AP subsidy at LT COS (F) | Rs. Crore | 5941.17 |
| Subsidy for other consumers (G) | Rs. Crore | 0.00 |
| Total revenue incl Subsidy (H=B+F+G) | Rs. Crore | 41018.06 |
| Revenue surplus/(Gap) for FY 2024-25 at current tariff (H-A) | Rs. Crore | -3245.21 |
| Surplus/Deficit on true up including holding cost for FY 2022-23 | Rs. Crore | |
| Holding cost for 1.5 years @ 8.5% | Rs. Crore | 0.00 |
| Net Revenue Surplus/Gap for the FY 2024-25 | Rs. Crore | -3245.21 |

**Recovery of revenue gap**

Discoms, in their petition, submitted that the Aggregate Revenue Requirement for FY 2024-25 is estimated based on the audited accounts for FY 2022-23 and in accordance with the HERC MYT Regulations. For True-up year FY 2022-23, Haryana Discoms are in a revenue deficit of Rs.1,364.25 Cr., whereas revenue deficit for APR year FY 2023-24 is Rs 2,342.56 Cr which would be Rs 262.47 Crore after adjustment of revenue surplus of FY 2021-22 along with carrying cost. ARR year FY 2024-25 has a revenue deficit of Rs 1628.83 Cr, which will increase to Rs 3167.02 Crore after adjustment of revenue gap estimated for the FY 2022-23 along with carrying cost.

UHBVNL, in its petition, has further submitted that the DISCOMs expect to recover some portion of the revenue gap based on the distribution loss efficiency gain and purchase of power at low cost in the APR year and especially in ARR year.

It has been submitted that Discoms are currently in the process of analyzing any requirement of tariff modification. The same may be allowed to be submitted as an additional submission at a later stage if required.

DHBVNL, in its petition, has submitted that DISCOMs expect to recover some portion of this Gap based on the efficiency gain in APR and ARR years. The remaining revenue deficit can be covered through long-term/short-term loans.

**The Commission has considered the aforementioned submissions of the Discoms. At the onset the Commission observes that as averred by UHBVNL that they may be allowed the liberty to submit tariff proposal as a later stage in the form of additional submissions. However, the distribution licensee viz. UHBVNL did not file any tariff proposal. The Commission for the FY 2024-25, in line with the HERC MYT Regulations, earlier in this order, has approved the quantum and cost of power purchase, all other expenses, RoE, consumer category wise sales, system losses and amount to be true-up along with carrying cost. Accordingly, the revenue**

**requirement and revenue available from intrastate sale of power has been estimated and approved by the Commission. Consequently, revenue balance for the FY 2024-25 is approved as under: -**

**Rs. Crore**

| Sr. no | Particulars | Proposed Revenue Gap | | | Approved | | |
|---|---|---|---|---|---|---|---|
| | | UHBVNL | DHBVNL | Discoms | UHBVNL | DHBVNL | Total |
| 1 | **Aggregate Revenue Requirement** | **17,333.63** | **24076.71** | **41410.34** | **18620.91** | **25642.36** | **44263.27** |
| 2 | **Revenue Discoms** | **16,787.20** | **22994.32** | **39781.52** | | | **41018.06** |
| *2.1* | Sale of Power | 13,902.23 | 20109.35 | 34011.58 | | | 35076.89 |
| *2.2* | Inter State Sales | 0 | 0 | 0 | | | 0 |
| *2.3* | Subsidy | *2,884.97* | 2,884.97 | 5769.94 | | | 5941.17 |
| *2.3.1* | *-Subsidy-AP* | *2,884.97* | 2,884.97 | 5769.94 | | | 5941.17 |
| *2.3.2* | *-Subsidy-Dom* | 0 | 0 | 0 | | | 0 |
| 3 | **Revenue Surplus/(Gap)** | **-546.43** | **-1,082.40** | **-1,628.83** | | | -3245.21 |
| 4 | FSA | - | - | - | | | |
| 5 | **Net Revenue Surplus/(Gap)** | - | - | **-1,628.83** | | | -3245.21 |
| 6 | Revenue surplus for FY 2022-23 | | | -1,364.25 | | | 0.00 |
| 7 | Holding cost for 1.5 years @ 8.5% | | | -173.94 | | | 0.00 |
| **8** | **Revenue Surplus/(Gap) to be carried over** | | | **-3,167.02** | | | -3245.21 |

After due deliberations, the Commission has considered the following to bridge the Revenue Gap of Rs 3245.21 Crores at the existing tariff, as under:

| **Bridging of Revenue Gap** | **(Rs Crores)** |
|---|---|
| Revenue Surplus FY 2022-23 | 1061.57 |
| Efficiency Gains | 663.95 |
| Estimated Revenue from MMC | 130.00 |
| Liquidation of Receivables (15% of defaulting amount as on Oct 2023) | 1107.0 |
| Total | 2962.52# |

#The balance revenue gap of Rs 282.69 crores shall be met from reduction of distribution losses that has been pegged by the Commission at 10% in the FY 2024-25 i.e. reduction of a further 0.5% over and above 1.5% mentioned in the table above.

# CHAPTER 6

# CAPITAL EXPENDITURE AND TECHNICAL PARAMETERS

## 6.1 Capital Expenditure

### 6.1.1 True-up of Capital Expenditure for the FY 2022-23

**UHBVNL**

UHBVNL, in its present petition, has submitted that the Hon'ble Commission had approved a capital expenditure of Rs. 970 Cr. for the FY 2022-23.

The petitioner has submitted that as per the audited account for FY 2022-23, the actual capital expenditure is Rs. 743.82 Cr. Hence, UHBVNL has prayed that the Hon'ble Commission may approve the same. Accordingly, the Commission approves the actual expenditure for FY 2022-23 as per audited accounts provided by the distribution licensee as enumerated in the following table: -

| Sr. No. | Name of the Scheme | FY 2022-23 | | | | UHBVNL Remarks |
|---|---|---|---|---|---|---|
| | | Qty. | Achieved | Approved Cost | Expenditure incurred in FY 2022-23 (up to 31.03.2023) | |
| A | **PD&C Wing** | | | | | |
| 1 | Creation of new 33 kV sub-stations along with Spill Over and associated 33 kV & 11 kV lines including civil works / Normal development (33 kV & 11 kV) | 44 Nos. | 12 Nos. | 176.00 | 125.98 | The target could not be achieved due to non-availability of land. Now land has been made available by the (OP) wing. NIT has been floated for 21 Nos. new 33 kV Substations. Moreover, the land for 12 Nos. new 33 kV Substation is also being arranged and NIT will be floated shortly |
| 2 | Augmentation of existing 33 kV sub-stations including civil works with Spill over | 67 Nos. | 39 Nos. | 67.00 | | |
| 3 | Augmentation of existing 33 kV lines | 80 km | 117.67 km | 6.48 | | |
| 4 | Bifurcation/Trifurcation of overloaded 11 kV feeders | 45 | | 6.75 | 7.00 | |
| 5 | Release of tube well connections on Turn Key Basis | 3000 Nos. | 6890 Nos. | 37.50 | 113.81 | |

| Sr. No. | Name of the Scheme | FY 2022-23 | | | | UHBVNL Remarks |
|---|---|---|---|---|---|---|
| | | Qty. | Achieved | Approved Cost | Expenditure incurred in FY 2022-23 (up to 31.03.2023) | |
| 6 | Construction of UHBVNL office / residential Buildings | | | 20.00 | 12.53 | |
| 7 | Civil allied Works other than substation buildings | | | 2.00 | 5.31 | |
| 8 | LRP works (Urban sanitization) and works to be carried out under MGJG scheme | | | 30.00 | 35.50 | |
| 9 | Strengthening of 11 kV lines, 11 kV Ring main System, New DTs | | | 80.00 | 50.50 | |
| 10 | Creation of double supply source for 33 kV substations, 33 kV Ring main / Scada | 80 km | | 32.00 | 0.00 | The matter has been deliberated in the Integrated Planning meeting as the infra of connectivity of second source is to be created by HVPNL & UHBVNL. |
| 11 | Revamped Distribution Strengthening Scheme (RDSS) | | | 33.86 | 0.00 | NIT for LRP works have already been floated and evaluated. Draft agendas have been submitted for approval of Hon'ble Energy Minister. The same will be put up in coming High Power Works Purchase Committee meeting (State Level). |
| 12 | Electric Vehicle Charging Station | | | 0.32 | 0.27 | |
| | **Total A** | | | **491.91** | **350.90** | |
| **B** | **IT Wing** | | | | | |
| 13 | SCADA Implementation in Karnal & Panchkula | | | 30.00 | | Work was awarded to M/s Global Electrical New Delhi on 12.01.23 with work order amount of Rs. 26.74 Cr. The |

| Sr. No. | Name of the Scheme | FY 2022-23 | | | | UHBVNL Remarks |
|---|---|---|---|---|---|---|
| | | Qty. | Achieved | Approved Cost | Expenditure incurred in FY 2022-23 (up to 31.03.2023) | |
| | | | | | | completion period of the project was 9 months, but the firm has executed only 13 Nos. foundation / plinth for CSS. In the meantime PBG against the work order submitted by the firm was got verified from the Bank by SE (OP) Karnal and it has been found that the same is fake. In view of the above, work order awarded to the firm stands terminated and FIR against the firm has been lodged. The firm has also been blacklisted for 5 years for doing the business. The new tender has been floated at the Risk & cost of the firm and the due date of the opening is 15.09.2023. |
| | SCADA Implementation Industrial Area Kundli (HT & LT lines, DTs, U/G Cables, RMU and FRTUs etc. | | | | | |
| 14 | **Scaling of IT project to Non R-APDRP areas covering the following: -** | | | 4.80 | | |
| | 1. Establishment of IT infra in SDO & Other offices and its | | | | 4.10 | |

| Sr. No. | Name of the Scheme | FY 2022-23 | | | | UHBVNL Remarks |
|---|---|---|---|---|---|---|
| | | Qty. | Achieved | Approved Cost | Expenditure incurred in FY 2022-23 (up to 31.03.2023) | |
| | connectivity with Data Center. | | | | | |
| | 2. Commercial Data Migration (IPDS & Balance Areas) | | | 0.40 | | |
| 15 | RT-DAS SAIFI/SAIDI Measurement System in Non- SCADA, R-APDRP, Non- RAPDRP and IPDS Towns of UHBVNL | | | 14.44 | 9.78 | |
| 16 | ERP Implementation | | | 20.00 | 0.00 | **Tender floated for engagement of ERP-PMA**<br>1) Tender floated on dated 17.05.2023 against NIT No. 39/SE/Projects/ERP-PMA/RDSS/2023-24.<br>2) Corrigendum-VIII issued (Date extended & Amendments) on dated 31.08.2023: - Closing date of Part-I: 14.09.2023 Opening date of Part-I: 15.09.2023 **Tender for ERP SI will be floated after engagement of PMA** |
| 17 | Smart Metering | | | 25.00 | 33.98 | |
| 18 | AMR of HT Industrial consumers | | | 1.65 | 2.65 | |
| 19 | IT / OT works | | | 10.00 | 0.00 | The tendering process of tech-refresh project under IT/OT works being looked after by DHBVNL on behalf of both the DISCOMs is under process. The latest |

| Sr. No. | Name of the Scheme | FY 2022-23 | | | | UHBVNL Remarks |
|---|---|---|---|---|---|---|
| | | Qty. | Achieved | Approved Cost | Expenditure incurred in FY 2022-23 (up to 31.03.2023) | |
| | | | | | | status is NIT has already been floated and Technical evaluation is under process. Opening date of Part-I: 22.06.2023 |
| | **Total B** | | | **106.29** | **50.51** | |
| **C** | **MM Wing** | | | | | |
| 20 | Procurement of single-phase meters for replacement of defective meters & release of new connections. | | | 25.17 | 17.28 | |
| 21 | Material required for release of Non-AP connections & replacement of old assets / system improvement & normal development | | | 338.08 | 325.13 | |
| 22 | Procurement of Power Transformers - 20 Nos. along with allied equipment such as 33 kV CTs - 45 Nos. | | | 8.55 | 0.00 | |
| | **Total C** | | | **371.80** | **342.41** | |
| | **Gross proposed Capex (A+B+C)** | | | **970.00** | **743.82** | |
| ***The work is to be carried out at the cost of the consumer** | | | | **37.50** | | |
| **Total Capex** | | | | **932.50** | | |

The Commission observes that the licensee has not been able to start 6 (six) important works at sr. no. 10, 11, 13, 16 19 and 22 during the year for which an amount of Rs.134.41 Cr. was approved by the commission. Further, in respect of the works mentioned at Sr. no. 7, 8, 17 and 18, the expenditure has been incurred more than the approved expenditure. The licensee has merged expenditure for schemes at Sr. no. 1 to 3, against the individual scheme wise expenditure approved by the Commission.

Supply of quality power is essential for distribution licensees. However out of 336.23 Cr. (Sr. No. 1,4,9) approved for augmentation / bifurcation / trifurcation and erection of new substations, the actual capex undertaken has only about 54%.

The licensee has incurred expenditure of Rs.743.82 Cr. out of 970 Cr. approved capex for FY 2022-23. There are some schemes/items, where expenditure have been incurred more than the approved amount and for some of the approved schemes/items, no expenditure has been incurred which reflects lack of proper execution of the capital works on the part of the licensee. The licensee needs to exercise scheme wise monitoring of execution for capital works and control the item wise expenditure approved by the Commission as per Regulation 8.3.3 (b) of the Haryana Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Generation, Transmission, wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2019.

Further, it is a matter of concern that the approved capex on RDSS did not materialize at all. Needless to mention that the main objective of RDSS scheme is to reduce AT&C losses as well as to eliminate the ACS-ARR gap through efficiency gain in the FY 2024-25.

**DHBVNL**

DHBVNL in its petition for true-up of FY 2022-23, APR of FY 2023-24 and ARR for FY 2024-25 submitted that the Hon'ble Commission had approved a revised Capital Expenditure of Rs. 1380.00 Cr. for FY 2022-23. As per the audited accounts, the actual Capital Expenditure incurred during FY 2022-23 is Rs.1120.15 Cr. DHBVNL has prayed the Hon'ble Commission to approve the same. The Commission approves the actual expenditure for FY 2022-23 as per details provided by the Licensee presented in the following table:

| Sr. No. | Categories | Expenditure Approved in TO dt. 30.03.2023 | Revised CAPEX proposed in APR for FY 2022-23 | Actual Expenditure incurred during FY 2022-23 |
|---|---|---|---|---|
| 1 | **AT&C loss sustainable reduction plan** | | | |
| a | Procurement of single-phase meters for replacement of defective meters & release of new connections and procurement of Smart Meters. | 37.32 | 37.32 | 36.82 |
| b | Procurement of three phase meters for replacement of defective meters & release of new | 11.68 | 11.68 | 12.17 |

| Sr. No. | Categories | Expenditure Approved in TO dt. 30.03.2023 | Revised CAPEX proposed in APR for FY 2022-23 | Actual Expenditure incurred during FY 2022-23 |
|---|---|---|---|---|
| | connections and procurement of Smart Meters. | | | |
| c | Power Factor Improvement (Providing automatic power factor correctors) | 25.00 | 10.00 | 8.64 |
| | **Total** | **74.00** | **59.00** | **57.63** |
| **2** | **Load Growth schemes** | | | |
| a | Creation of new 33 kV sub-stations along with associated 33 kV & 11 kV lines | 150.00 | 76.48 | 76.41 |
| b | Augmentation of existing 33 kV sub-stations | 50.00 | 35.29 | 38.17 |
| c | Augmentation of existing 33 kV lines | 10.00 | 6.00 | 8.49 |
| d | Bifurcation of 11 kV feeders (Work of bifurcation of feeders, augmentation of ACSR). | 110.00 | 88.29 | 81.91 |
| e | Material required for release of Non-AP connections & replacement of old assets | 209.95 | 209.95 | 215.21 |
| f | Release of Tube well connection on turnkey basis and segregation of AP load from Rural Urban feeders. | 131.90 | 160.00 | 197.82 |
| g | Procurement of power transformers and allied equipment such as 33 kV CTs, 33 kV PTs, 33 kV and 11 kV VCBs, 33 kV Control and Relay Panels etc. | 40.00 | 40.00 | 43.59 |
| | **Total** | **701.85** | **616.01** | **661.59** |
| 3 | **Other works** | | | |
| a | Civil Works | 30.00 | 8.19 | 10.47 |
| b | Mhara Gaon Jagmag Gaon scheme for rural area and feeder sanitization for Urban area/LRP/Replacement of iron pole. | 140.00 | 153.35 | 163.00 |
| c | Other works for system improvement - Procurement of IT Equipment & Softwires | 1.00 | 0.00 | 0.00 |
| d | Smart City Gurgaon (HT & LT Lines, DTs, U/G Cables, RMUs and FRTUs Etc.) including SCADA Project, IMT, Manesar. | 360.00 | 277.60 | 191.02 |
| e | Shifting of 11 lines passing over residential areas under DHBVNL. | 9.76 | 4.20 | 3.13 |

| Sr. No. | Categories | Expenditure Approved in TO dt. 30.03.2023 | Revised CAPEX proposed in APR for FY 2022-23 | Actual Expenditure incurred during FY 2022-23 |
|---|---|---|---|---|
| f | Double source of 33 KV Supply. | 20.00 | 12.05 | 11.35 |
| g | Muffing of existing poles of 11 kV lines | 6.89 | 0.07 | 0.05 |
| h | Revamping of existing meter testing laboratories operating at 5 towns of Dadri, Sirsa, Hisar, Faridabad and Gurugram under jurisdiction of DHBVNL | **7.48** | 4.00 | 0 |
| | **Total** | **575.13** | **459.46** | **379.02** |
| | **R-APDRP Part-A (IT) Project** | | | |
| 4 | Scaling of IT project to Non-R-APDRP areas covering the following: -<br>1. Establishment of IT infra in SDO & Other offices and its connectivity with Data Center.<br>2. AMR for HT consumer meters.<br>3. Engagement of an Agency for GPS based field survey activities & data digitization.<br>4. Engagement of SI for DM.<br>5. Procurement of Computer Furniture (Computer chair & table) for office under IPDS town and in balance non-R-APDRP areas | 16.02 | 6.27 | 10.74 |
| 5 | RT-DAS (Real Time Data Acquisition System) | 13.00 | 9.26 | 11.17 |
| | **Total** | **29.02** | **15.53** | **21.91** |
| | **Grand Total** | **1380.00** | **1150.00** | **1120.15** |

The Commission observes that the DHBVNL could be able to achieve **the capax targets during FY 2022-23 to the tune of 81.17% of the capital expenditure approved by HERC.**

A perusal of the capital expenditure by the licensee during the FY 2022-23, reveals that for the work mentioned at Sr. 2(e & f) the actual expenditure incurred has been more than the amount approved by the Commission. The Licensee has not specified any reason or justification for the deviations made from the approved Capex. It is further observed that no work has been started for schemes/ works at Sr.no. 3 (c & h), related to IT infrastructure and revamping of meters testing laboratories which is urgently required to enhance the efficiency of the system.

As per Regulation 8.3 (b) of the Haryana Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2019, capital expenditure is a controllable item. As such the licensee should have exercised proper control over the item wise Capital Expenditure approved by the Commission.

Regulation 9.10 of the Haryana Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2019 further specifies as under: -

> *"In case the capital expenditure incurred for approved schemes exceeds the amount as approved in the capital expenditure plan, the generating company or the transmission or the distribution licensee, as the case may be, shall file an application with the Commission at the end of control period for truing up the expenditure incurred over and above the approved amount. After prudence check, the Commission shall pass an appropriate order on case to case basis. The True-up application shall contain all the requisite information and supporting documents".*
>
> P*rovided that any additional capital expenditure incurred on account of time over run and / or on unapproved schemes not covered under regulation 9.9 or unapproved changes in scope of approved schemes shall not be allowed by the Commission unless the generating company or the licensee, as the case may be, is able to give adequate justification for the same".*

The Present control period of HERC MYT Regulations in vogue ends on 31/03/2025. Hence the distribution licensee shall submit a true-up application as per the provision of the Regulations supra alone with detailed justification including incremental benefits flowing from additional Capex.

### 6.1.2 Review of Capital Investment Plan in progress for FY 2023-24

Regulation 9.7 of the Haryana Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2019, *specifies that in the normal course, the Commission shall not revisit the approved capital investment plan during the control period. However, during the mid-year performance review and True-up, the Commission shall monitor the year wise progress of the actual capital expenditure incurred by the generating company or* *the licensee vis-à-vis the approved capital expenditure and in case of significant difference between the actual expenditure vis-a-vis the approved expenditure, the Commission may True-up the capital expenditure, subject to prudence check, as a part of annual True-up exercise on or without an application to this effect by the generation company/licensee. The generating company and the licensee shall submit the scheme-wise actual capital expenditure incurred along with the mid-year performance review and True-up filing*.

Accordingly, both the DISCOMs, by way of the instant Annual Performance Review petitions for the FY 2023-24 and subsequent submissions made in this regard, have revised their capital investment plan for the FY 2023-24. After due deliberations on the proposed CIP (revised), the Commission allows the following revised capital investment plans.

**UHBVNL**

UHBVNL has submitted that the Hon'ble Commission, in Tariff Order dated 15.02.2023, had approved Capital Expenditure Plan Rs. 1000 Crores for the year FY 2023-24. Against the said approval, an amount of Rs. 413.56 Cr. Only has been spent during FY 2023-24 in the first half (up to Sept. 2023) and balance is likely to be incurred in the second half, ending March, 2024 as per the following details:

| Sr. No. | Name of the Scheme | FY 2023-24 | | | |
|---|---|---|---|---|---|
| | | **Qty.** | **Revised Cost** | **Revised Equity** | **Expenditure incurred in FY 2023-24 (up to 30.09.2023)** |
| **A** | **PD&C Wing** | | | | |
| 1 | Creation of new 33 kV sub-stations alongwith Spill Over and associated 33 kV & 11 kV lines including civil works / Normal development (33 kV & 11 kV) | 25 Nos. | 100.94 | 20.19 | 35.27 |
| 2 | Augmentation of existing 33 kV sub-stations including civil works | 40 Nos. | 50.00 | 10.00 | |
| 3 | Augmentation of existing 33 kV lines | 56 km | 4.06 | 0.81 | |
| 4 | Release of tube well connections on Turn Key Basis* | 3000 Nos. | 37.50 | 0.00 | 28.96 |
| 5 | Construction of UHBVNL office / residence Buildings | | 15.00 | 3.00 | |
| 6 | Civil Works other than substation buildings | | 2.00 | 0.40 | 1.66 |
| 7 | LRP works (Urban sanitization) and works to be carried out under MGJG scheme | | 20.00 | 4.00 | 15.67 |
| 8 | RDSS (Revamped Distribution Sector Scheme) | | 138.27 | 27.65 | |
| 9 | EV Charging station | | 2.00 | 0.40 | |
| 10 | 11 KV (Others) | | 75.00 | 15.00 | 53.37 |
| | **Total A** | | **444.77** | **81.45** | **134.93** |

| Sr. No. | Name of the Scheme | FY 2023-24 | | | |
|---|---|---|---|---|---|
| | | Qty. | Revised Cost | Revised Equity | Expenditure incurred in FY 2023-24 (up to 30.09.2023) |
| **B** | **IT Wing** | | | | |
| 11 | Installation of Smart Meter in Panchkula, Karnal & Panipat towns by M/s EESL | | 31.00 | 6.20 | 25.02 |
| 12 | Installation of Smart Meter in UHBVNL | | 175.00 | 35.00 | 0.00 |
| 13 | ERP Implementation | | 20.00 | 4.00 | 0.00 |
| 14 | AMR of HT Industrial Consumers | | 2.20 | 0.44 | 0.87 |
| | **Total B** | | **228.20** | **45.64** | **25.89** |
| **C** | | | | | **MM Wing** |
| 15 | Procurement of single-phase meters for replacement of defective meters & release of new connections. | | 32.13 | 6.43 | 252.74 |
| 16 | Material required for release of Non-AP connections & replacement of old assets / system improvement & normal development | | 283.26 | 56.65 | |
| 17 | Procurement of Power Transformers -20 Nos. along with allied equipment such as 33 kV CTs - 30 Nos. | | 11.64 | 2.33 | |
| **Total C** | | | **327.03** | **65.41** | **252.74** |
| **Gross proposed Capex (A+B+C)** | | | **1,000.00** | **192.50** | **413.56** |

The Commission observes that no expenditure has been indicated for scheme at Sr. no. 12 and 13 for which an amount of Rs. 195 Cr. was approved by the Commission. The licensee is required to give reasons for no progress against these works during the FY 2023-24. Further the licensee has merged the various schemes and shown the cumulative expenditure together (e.g. merged schemes at Sr. no. 1 to 3, and 15 to 17), against the individual scheme wise expenditure approved by the Commission.

In view of above MYT Regulation 2019 which specifies that normally, the Commission will not revisit the approved capital investment plan during the control period. However, during the mid-year performance review and True-up, the Commission will monitor the year wise progress of the capital expenditure incurred by the generating company or the licensee vis-à-vis the approved capital expenditure and in case of significant difference between the actual expenditure vis-a-vis the approved expenditure, the Commission may True-up the capital expenditure, subject to prudence check, as a part of annual True-up exercise on or without an application to this effect by the generation company/licensee. The generating company and the licensee shall submit the scheme-wise actual capital expenditure incurred along with the mid-year performance review and True-up filing.

It is a matter of concern that as crucial works related to operating efficiency of the distribution licensee listed at Sr. A(1-10), progress in the first half is tardy leaving about 70% of the Capex to the 2nd half of the financial year. Such execution of work reveals lack of seriousness which ought to be avoided. The distribution licensee is directed to explain the entire gamut of planning including an updated Capex table and justification for no expenditure on the Capex proposed by them and approved by the Commission immediately after close of the FY 2023-24.

**DHBVNL**

DHBVNL submitted that the Commission in tariff order dated 15.02.2023 had approved Capital Expenditure Plan of Rs. 1200 Cr. for FY 2023-24. However, the petitioner has revised Capital Expenditure in schemes but kept the total expenditure same as Rs. 1200 Cr. for computing the revised estimate of ARR component for FY 2023-24.

DHBVNL submitted that out of total capital expenditure of Rs. 1200 Cr., the amount of Rs. 598.85 Cr. has been incurred during FY 2023-24 in the first half (up to Sept. 2023) and balance of Rs. 601.15 Cr. likely to be incurred in the second half, ending March, 2024 as per the following details:

| Sr. No. | Description | CAPEX Approved in TO dt. 15.02.23 for FY 2023-24 | Expenditure incurred in H1 of FY2023-24 | Expected Expenditure for H2 of FY2023-24 | Total CAPEX proposed for FY 2023-24 |
|---|---|---|---|---|---|
| 1 | **AT&C loss sustainable reduction plan** | | | | |
| a | Procurement of single-phase meters for replacement of defective meters & release of new connections and procurement of Smart Meters. | 40.00 | 29.46 | 4.40 | 33.86 |
| b | Procurement of three phase meters for replacement of defective meters & release of new connections and procurement of Smart Meters. | 12.00 | 8.68 | 6.52 | 15.20 |
| c | Power Factor Improvement (Providing automatic power factor correctors) | 10.00 | 6.45 | 3.55 | 10.00 |
| | **Sub Total** | **62.00** | **44.59** | **14.47** | **59.06** |
| **2** | **Load Growth schemes** | | | | |

| Sr. No. | Description | CAPEX Approved in TO dt. 15.02.23 for FY 2023-24 | Expenditure incurred in H1 of FY2023-24 | Expected Expenditure for H2 of FY2023-24 | Total CAPEX proposed for FY 2023-24 |
|---|---|---|---|---|---|
| a | Creation of new 33 kV sub-stations along with associated 33 kV & 11 kV lines | 90.00 | 23.84 | 25.30 | 49.14 |
| b | Augmentation of existing 33 kV sub-stations | 75.00 | 24.93 | 30.85 | 55.78 |
| c | Augmentation of existing 33 kV lines | 22.69 | 13.41 | 5.06 | 18.47 |
| d | Bifurcation of 11 kV feeders (Work of bifurcation of feeders, augmentation of ACSR). | 90.00 | 30.75 | 52.54 | 83.29 |
| e | Material required for release of Non-AP connections & replacement of old assets | 226.00 | 242.44 | 107.94 | 350.38 |
| f | Release of Tube well connection on turnkey basis and segregation of AP load from Rural Urban feeders. | 130.00 | 52.38 | 83.38 | 135.76 |
| g | Procurement of power transformers and allied equipment such as 33 kV CTs, 33 kV PTs, 33 kV and 11 kV VCBs, 33 kV Control and Relay Panels etc. | 40.00 | 14.98 | 24.71 | 39.69 |
| | **Sub Total** | **673.69** | **402.72** | **329.78** | **732.50** |
| 3 | **Other works** | | | | |
| a | Civil Works | 25.00 | 8.01 | 16.98 | 25.00 |
| b | Mahara Gaon Jagmag Gaon scheme for rural area and feeder sanitization for Urban area/ LRP/ Replacement of iron pole. | 140.00 | 75.03 | 66.17 | 141.20 |
| c | Smart City Gurgaon (HT & LT Lines, DTs, U/G Cables, RMUs and FRTUs Etc.) including SCADA Project, IMT, Manesar. | 250.00 | 56.73 | 123.00 | 179.73 |
| d | Shifting of 11 lines passing over residential areas under DHBVNL. | 9.14 | 0.43 | 10.30 | 10.72 |
| e | Double Source of 33 KV Supply | 10.00 | 4.15 | 3.50 | 7.65 |
| f | Muffing of existing poles of 11 KV Lines | 5.00 | 0.03 | 0.70 | 0.73 |
| g | Revamping of existing meter testing laboratories operating at 5 towns of Dadri, Sirsa, Hisar, Faridabad and Gurugram under jurisdiction of DHBVNL | 11.68 | 0.00 | 14.54 | 14.54 |
| | **Sub Total** | **450.82** | **144.38** | **235.19** | **379.58** |
| 4 | Scaling of IT project to Non-R-APDRP areas covering the following: -<br>1. Establishment of IT infra in SDO & | 9.75 | 5.12 | 19.63 | 24.75 |

| Sr. No. | Description | CAPEX Approved in TO dt. 15.02.23 for FY 2023-24 | Expenditure incurred in H1 of FY2023-24 | Expected Expenditure for H2 of FY2023-24 | Total CAPEX proposed for FY 2023-24 |
|---|---|---|---|---|---|
| | Other offices and its connectivity with Data Center.<br>2. AMR for HT consumer meters.<br>3. Engagement of an Agency for GPS based field survey activities & data digitization.<br>4. Engagement of SI for DM<br>5. Procurement of Computer Furniture (Computer chair & table) for office under IPDS town and in balance non-R-APDRP areas | | | | |
| 5 | RT-DAS (Real Time Data Acquisition System) | 3.74 | 2.03 | 2.08 | 4.11 |
| | **Sub Total** | **13.49** | **7.15** | **21.71** | **28.86** |
| | **Grand Total** | **1200.00** | **598.85** | **601.15** | **1200.00** |

The Commission observes that there is no indication of expenditure on the works mentioned in CIP at Sr. No. 3 (g) for first half and minuscule expenditure of 0.03 Cr against approved capex of Rs 5 Cr. at sr. No. 3(f) and 0.43 Cr. against approved capex or Rs. 9.14 Cr. at sr. No. 3(d) has been shown. The licensee is directed to provide the reasons/ justification for no progress against these works during FY 2023-24.

### 6.1.3 Capital Investment Plan (FY 2024-25)

The licensees have submitted the capital investment plan for FY 2024-25 as per following details:

**UHBVNL**

UHBVNL has submitted that the investment plan for the ARR year includes capital works towards load growth, strengthening of distribution network, reduction of distribution losses, improvement of system reliability, strengthening of IT infrastructure, system automation, smart metering, digitalisation of business processes, EV charging infrastructure, rural electrification, release of AP tube well connections etc.

The element wise details of Capital Expenditure proposed by UHBVNL for ARR year is tabulated as follows:-

| Sr. No. | Name of the Scheme | FY 2024-25 | | |
|---|---|---|---|---|
| | | Qty. | Cost (Rs. Cr.) | Funding Agency |
| A | **PD&C Wing** | | | |
| 1 | Creation of new 33 kV sub-stations along with spill over and associated 33 kV & 11 kV lines including civil works / Normal development (33 kV & 11 kV) | 30 Nos. | 165.00 | REC/ RDSS |
| 2 | Augmentation of existing 33 kV sub-stations including civil works | 50 Nos. | 62.50 | REC/ RDSS |
| 3 | Augmentation of existing 33 kV lines | 35 km | 3.32 | REC |
| 4 | Release of tube well connections on Turnkey Basis | 1000 Nos. | 12.50 | Consumer Cost / Deposit work |
| 5 | Civil allied Works other than substation buildings | | 10.00 | REC |
| 6 | RDSS (Revamped Distribution Sector Scheme) | | 300.00 | RDSS |
| 7 | EV Charging Station | | 2.00 | REC/Nigam Fund |
| | **Total A** | | 555.32 | |
| B | **IT Wing** | | | |
| 8 | System Integrator (ERPSI) for Supply, Installation, Commissioning, Implementation and Support for Enterprise Resource Planning (ERP) System at UHBVNL | | 6.00 | RDSS |
| 9 | SCADA/DMS implementation | | 70.00 | |
| 10 | IT/OT Works | | 30.00 | |
| 11 | Smart Metering | | 130.00 | Nigam Fund |
| | **Total B** | | **236.00** | |
| C | **MM Wing** | | | |
| 11 | Material required for release of Non-AP connections & replacement of old assets / system improvement & normal development | | 360.00 | REC/ NABARD etc |
| | **Total C** | | **360.00** | |
| | **Gross proposed Capex (A+B+C)** | | **1,151.32** | |
| **The work is to be carried out at the cost of the consumer** | | | **12.50** | |
| **Total Capex** | | | **1,138.82** | |

**DHBVNL**

DHBVNL has submitted that Capital Expenditure Plan for FY 2024-25 is proposed with a focus on strengthening of the distribution network, reduce distribution losses and increase IT implementation. The Capital Investment plan for the ARR year is planned to be funded from equity infusion by Government of Haryana/Discoms, debt funding by financial institutions such as REC & PFC, and corporate banks such as SBI, Central Bank of India and Indian Bank and consumer contribution. Scheme Wise Capital Expenditure Plan of DHBVNL is tabulated as under:--

| Sr. No. | Description | Quantity (in Nos/ KMs.) | Proposed CAPEX for FY 2024-25 |
|---|---|---|---|
| 1 | **AT&C loss sustainable reduction plan** | | |
| a | Procurement of single-phase meters for replacement of defective meters & release of new connections and procurement of Smart Meters. | | 80.00 |
| b | Procurement of three phase meters for replacement of defective meters & release of new connections and procurement of Smart Meters. | | 30.00 |
| c | Power Factor Improvement (Providing automatic power factor correctors) | | 25.00 |
| | **Sub Total** | | **135.00** |
| **2** | **Load Growth schemes** | | |
| a | Creation of new 33 kV sub-stations along with associated 33 kV & 11 kV lines | 40 | 100.00 |
| b | Augmentation of existing 33 kV sub-stations | 60 | 80.00 |
| c | Augmentation of existing 33 kV lines | 100 | 20.00 |
| d | Bifurcation of 11 kV feeders (Work of bifurcation of feeders, augmentation of ACSR). | | 133.00 |
| e | Material required for release of Non-AP connections & replacement of old assets | | 363.06 |
| f | Release of Tube well connection on turnkey basis and segregation of AP load from Rural Urban feeders. | | 159.83 |
| g | Procurement of power transformers and allied equipment such as 33 kV CTs, 33 kV PTs, 33 kV and 11 kV VCBs, 33 kV Control and Relay Panels etc. | | 21.11 |
| | **Sub Total** | | **877.00** |
| 3 | **Other works** | | |
| a | Civil Works | | 70.00 |
| b | MGJG scheme for rural area and feeder sanitization for Urban area/LRP/Replacement of iron pole. | | 130.00 |
| c | Other works for system improvement - Procurement of IT Equipment & Software | | 2.00 |
| d | Smart City Gurgaon (HT & LT Lines, DTs, U/G Cables, RMUs and FRTUs Etc.) including SCADA Project, IMT, Manesar | | 180.00 |
| e | Shifting of 11 lines passing over residential areas under DHBVNL. | | 15.00 |
| f | Double Source of 33 KV Supply | | 8.00 |
| g | Muffing of existing poles of 11 KV Lines | | 1.00 |
| | **Sub Total** | | **406.00** |
| 4 | App Upgradation of CCB | | 15.00 |
| 5 | Hardware Refresh of Data Centre | | 10.00 |
| 6 | System Integrator (ERPSI) for supply, Installation, Commissioning, Implementation and Support for ERP system at DHBVNL | | 7.00 |
| | **Sub Total** | | **32.00** |
| | **Grand Total** | | **1450.00** |
| | The work is to be carried out at the cost consumer | | 159.83 |
| | **Total Capex** | | **1290.17** |

DHBVNL has not submitted the scheme wise details regarding financial tie ups to carry out the proposed Capital Expenditure plan. Further the both DISCOMs has not given the status of NITs/ tenders and activities undertaken to implement the CIP during FY 2024-25.

It is noted that a major part under RDSS schemes are centrally funded, only the counterparty fund (debt/equity) has to be arranged by the licensees Discoms. Both the Discoms may provide the scheme wise break-up of the funding mechanism.

UHBVNL has proposed a capital expenditure plan of Rs. 1151.32 Cr. for FY 2024-25. The Commission observes that UHBVNL has been able to incur an expenditure of Rs. 864.52 Cr. against approved Rs. 1028 Cr. (84.10%) during FY 2019-20, Rs. 875.30 Cr. against approved Rs. 980 Cr. (89.32%) during FY 2020-21, Rs. 947.37 Cr. against approved Rs. 950 Cr. (99.72%) during FY 2021-22 and Rs. 743.82 Cr. against approved Rs. 970 Cr. (76.68%) during FY 2022-23. The average percentage of four years comes out to be 87%. UHBVNL has incurred expenditure of Rs.413.56 Cr. only in first half of FY 2023-24 ending Sept, 2023. The Commission feels that adequate capital expenditure is required to meet the loss reduction targets and to strengthen the distribution system and implementation smart metering along with other project for digitalization of business process of licensee. Keeping in view of the above facts, **the Commission approves an overall Capital Expenditure plan of Rs. 1036 Cr. for UHBVNL for FY 2024-25, which includes work of Rs. 12.50 Cr. to be carried out as deposit works by consumers.**

**The Licensee is directed to revise its Capital expenditure plan accordingly and submit the scheme wise details of the proposed expenditure to the Commission within one month of the Order.**

Further, DHBVNL, has proposed a capital expenditure plan of Rs.1450.00 Cr. for FY 2024-25. An expenditure of Rs. 1101.61 Cr. against approved Rs. 1220 Cr. (90.30%) during FY 2019-20, Rs. 958.37 Cr. against approved Rs. 1200 Cr. (79.86%) during FY 2020-21, Rs. 978.79 Cr. against approved Rs. 1125 Cr. (87%) during FY 2021-22 and Rs. 1120.15 Cr. against approved Rs. 1380 Cr. (81.17%) during FY 2022-23 has been incurred by DHBVNL. The average percentage of four years comes out to be 85%. For FY 2023-24, the Licensee has stated in its submissions that expenditure of Rs.598.85 Cr. only has been incurred in first half of FY 2023-24 ending Sept, 2023 and further Rs. 601.15 Cr. are likely to be spent from Oct, 2023 to March, 2024. Keeping in view of submissions of the Licensee and expenditure incurred against approved expenditure, **the Commission approves the capital expenditure to tune of Rs. 1276 Cr. for FY 2024-25, it includes**

**work of Rs. 159 Cr. to be funded from consumers contribution.** The licensee is directed to revise its capital expenditure plan accordingly and to submit the scheme wise details along with funding details of proposed expenditure to the Commission within one month from the date of issue of this Order.

**The distribution licensees are directed to reckon with their Capital Expenditure Plans for the FY 2024-25 as per regulations 9.7 to 9.12 of the Haryana Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2019.**

### 6.2 Review of Technical Parameters

The Commission has reviewed the performance of distribution system of the Haryana DISCOMs based on the details made available for the FY 2022-23 and the FY 2023-24. Further, the projections for the FY 2024-25 based on filing of their True up for the FY 2022-23, Annual Performance Review of 2023-24 and proposed Aggregate Revenue Requirement for the FY 2024-25 along with subsequent filings as per Multi Year Tariff Regulations in vogue has been examined at length. The observations of the Commission in these regards are as follows: -

**Distribution Losses**

The year-wise position of distribution losses as per the time series data provided by the distribution licensee(s) is presented in the table below: -

| Financial Year | UHBVNL | DHBVNL |
|---|---|---|
| 2015– 2016 | 31.49% | 24.47% |
| 2016–2017 | 29.86% | 22.49% |
| 2017– 2018 | 24.81% | 19.16% |
| 2018– 2019 | 22.04% | 15.34% |
| 2019– 2020 | 19.01% | 14.37% |
| 2020–2021 | 17.21% | 16.93% |
| 2021-2022 | 13.96% | 13.55% |
| 2022-2023 | 10.32% | 11.42% |

It is evident from the distribution loss data (supra) that the distribution loss of UHBVNL & DHBVNL have decreased over the years. The Commission observes that distribution loss reduction is one of the key factors for financial sustainability of Discoms and expects that the Distribution Licensee(s) shall make concerted efforts to achieve the distribution loss targets fixed by the Commission by taking various initiatives including capital expenditure on system strengthening/ up gradation, installation of new technology-based energy meters, IT /AI interventions as well.

**Feeder Losses**

The year-wise position of line losses on 11kV Rural and Urban feeders of the licensee(s), as per the information provided, is tabulated as under: -

**a) Urban Feeder(s) -Losses**

| Year | FY 2021-22 | | FY 2022-23 | | FY 2022-23 (Apr-Sept.) | | FY 2023-24 (Apr-Sept.) | |
|---|---|---|---|---|---|---|---|---|
| **DISCOM** | **UHBVN** | **DHBVN** | **UHBVN** | **DHBVN** | **UHBVN** | **DHBVN** | **UHBVN** | **DHBVN** |
| Total Feeders | 838 | 973 | 880 | 996 | 880 | 985 | 904 | 1030 |
| Feeders with losses > 25% | 24 | 28 | 4 | 19 | 30 | 55 | 6 | 68 |
| Feeders with losses > 25% (in %age) | 2.86 | 2.88 | 0.45 | 1.90 | 3.41 | 5.58 | 0.66 | 6.60 |

**b) RDS Feeders -Losses**

| Year | FY 2021-22 | | FY 2022-23 | | FY 2022-23 (Apr-Sept.) | | FY 2023-24 (Apr-Sept.) | |
|---|---|---|---|---|---|---|---|---|
| **DISCOM** | **UHBVN** | **DHBVN** | **UHBVN** | **DHBVN** | **UHBVN** | **DHBVN** | **UHBVN** | **DHBVN** |
| Total Feeders | 1059 | 1127 | 1099 | 1154 | 1099 | 1145 | 1116 | 1177 |
| Feeders with losses >50% | 178 | 279 | 92 | 227 | 229 | 291 | 77 | 276 |
| Feeders with losses >50% (in %age) | 16.81 | 24.76 | 8.37 | 19.67 | 20.84 | 25.41 | 6.90 | 23.45 |

The statistics provided by the licensee(s) reveals that the number of urban feeders reporting losses more than 25% and rural feeders reporting losses more than 50% for the FY 2023-24 vis-a-vis the corresponding period of FY 2022-23 has reduced in UHBVN but increased in DHBVN. It is observed that DISCOMs are far away from achieving the target set for the purpose, to bring down losses of all feeders to below than 25% in Urban and 50% in case of the Rural area.

It needs to be noted that the Commission, vide tariff order dated 15/02/2023, had directed the DISCOMs to reduce the AT&C losses and to bring all urban feeders below 25% and rural feeders below 50% in the FY 2023-24 and submit a status report for the FY 2022-23 within 2 months of the order.

UHBVN, vide memo no. Ch-33/RA/F-173/Vol-14 dated 24.04.2023, submitted as under:

| Year | FY 2021-22 (as on 31.03.2022) | FY 2022-23 (as on 31.03.2023) |
|---|---|---|
| **Urban Feeder(s)** | | |
| Total Feeders | 838 | 880 |
| Feeders with losses > 25% | 24 | 4 |

| Year | FY 2021-22 (as on 31.03.2022) | FY 2022-23 (as on 31.03.2023) |
|---|---|---|
| Feeders with losses > 25% (in %age) | 2.86 | 0.45% |
| **Rural Feeder(s)** | | |
| Total Feeders | 1059 | 1099 |
| Feeders with losses >50% | 178 | 92 |
| Feeders with losses >50% (in %age) | 16.81 | 8.37% |

DHBVN, vide memo no Ch-59/SE/RA-761 dated 16.05.2023, submitted as under:

| Year | FY 2021-22 (as on 31.03.2022) | FY 2022-23 (as on 31.03.2023) |
|---|---|---|
| **Urban Feeder(s)** | | |
| Total Feeders | 973 | 996 |
| Feeders with losses > 25% | 28 | 21 |
| Feeders with losses > 25% (in %age) | 2.88% | 2.11% |
| **Rural Feeder(s)** | | |
| Total Feeders | 1127 | 1154 |
| Feeders with losses >50% | 279 | 227 |
| Feeders with losses >50% (in %age) | 24.76% | 19.67% |
| Circle | RDS Feeder | Urban Feeder |

As per the aforesaid submission, DHBVN is implementing two major loss reduction schemes namely:

**A.** Mhara Gaon Jagmag Gaon Scheme (MGJG) for Rural feeders

**B.** Loss Reduction Plan (LRP) for Urban feeders

**DHBVNL's Action Plan to reduce T&D losses:**

- Detection of theft.
- Mass drive to replace the defective & electro-mechanical meters:
- Relocation of meters outside consumers premises, feeder wise, and effective sealing thereof.
- Replacement of ACSR with Cable in theft prone area / colonies.
- Providing reference meters in the colonies / housing complexes (societies).
- Cross checking of meter readings taken by MRBD Agency.
- Checking of MDI of the temporary connections and MF of HT / LT Consumers.
- Creation of centralized cell to audit the accounts of Open Access Consumers.
- Operationalization of technical audit to keep check on the quality & quantity of material & workmanship of the works.

- Fixation of targets at Sub-Division level to improve the Billing efficiency & monitoring thereof.
- Implementation of LRP Scheme in Urban feeders
- Implementation of Mahara Gaon Jagmag Gaon Scheme activity in Rural feeders.

It has been submitted that the MGJG and loss reduction activity has been implemented in most of the feeders. Currently, MGJG activity in 215 rural feeders is under progress and work for 66 rural feeders is yet to start. Nigam officials are facing resistance in implementing MGJG works in some problematic villages, which has resulted in delay in completion of work. Although there is some improvement yet the feeders with higher losses are still existing.

The Commission has considered the above and observes that as per the directive, there should be no urban feeder with losses more than 25% and rural feeder with losses more than 50 %. However, it is observed that in UHBVNL as on 31.03.2023, out of total 880 Urban feeders, there were 4 (0.45%) Urban feeders having loss more than 25% category whereas there were 92 (8.37%) RDS feeders in Rural category having loss more than 50% out of a total of 1099 Rural feeders.

In DHBVN as on 31.03.2023, out of total 996 Urban feeders there were 19 (1.90%) Urban feeders having loss more than 25% whereas in Rural category there are 227 (19.67%) RDS feeders having loss more than 50% out of a total of 1154 Rural feeders. However as on September 2023, percentage of higher feeder loss increased from 1.90% to 6.60% in Urban and 19.67% to 23.45% in Rural Areas.

**The Commission directs the DISCOMs to make all out efforts to reduce AT&C losses of all urban feeders below 25% and that of Rural feeders below 50%.**

### 6.3 Loss Reduction Trajectory

The DISCOMs in present petition(s) for ARR and tariff determination for the FY 2024-25, annual performance review (APR) for FY 2023-24 and true up for FY 2022-23 as per multiyear tariff mechanism, have submitted the progress (Actual/projections) of distribution loss, collection efficiency (CE) and AT&C as under: -

| DISCOM | UHBVNL | | | DHBVNL | | |
|---|---|---|---|---|---|---|
| Year | Distribution Loss (%) | Collection Efficiency (%) | AT& C Loss (%) | Distribution Loss (%) | Collection Efficiency (%) | AT & C Loss (%) |
| **2019-20** | 19.01 | 99.26 | 19.61 | 14.37 | 98.79 | 15.41 |
| **2020-21** | 17.21 | 100.79 | 16.55 | 16.93 | 101.16 | 15.97 |
| **2021-22** | 13.96 | 101.46 | 12.70 | 13.55 | 101.12 | 12.59 |
| **2022-23** | 10.32 | 100.00 | 10.32 | 11.42 | 97.13 | 13.96 |
| **2023-24 (Approved)** | 12.00 | 99.50 | 12.50 | 12.00 | 99.50 | 12.50 |
| **2024-25 (Proposed by DISCOM)** | 10.75 | 99.50 | 11.20 | 10.75 | 99.50 | 11.20 |

The regulation (57.2) of HERC MYT Regulations in vogue provide for the following regulatory benchmarks:

**Collection Efficiency (%)**

| Distribution Licensee | FY 2020-21 | FY 2021-22 | FY 2022-23 | FY 2023-24 | FY 2024-25 |
|---|---|---|---|---|---|
| UHBVNL | 99.5 | 99.5 | 99.5 | 99.5 | 99.5 |
| DHBVNL | 99.5 | 99.5 | 99.5 | 99.5 | 99.5 |

The Commission in its Tariff Order dated 30.03.2022, had considered and approved the distribution loss of 14% and AT&C loss of 14.50% and collection efficiency norms of 99.5% for the FY 2022-23. The Commission sought the actual AT&C Loss and actual collection efficiency along with the details of net input energy / net billed energy for FY 2022-23 from the petitioners. Accordingly, the petitioners had submitted the said information:

**AT&C Loss Calculation for FY 2022-23**

| Particulars | UHBVNL | DHBVNL |
|---|---|---|
| Net Input Energy (In MU) | 24147.74 | 35004.82 |
| Net Billed energy (In MU) | 21654.66 | 31008.28 |
| Distribution Loss | 10.32% | 11.42% |
| Collection Efficiency | 100.00% | 97.13% |
| **AT&C Losses** | **10.32%** | **13.96%** |

It can be seen from the table above that the Discoms viz. UHBVN and DHBVN have achieved distribution loss level of 10.32% and 11.42% respectively against the target of 14% as approved by the Commission in the Tariff Order dated 30.03.2022.

UHBVNL has submitted that Nigam has taken various initiatives to rein in the distribution losses even below the permissible range in FY 2022-23. Activities like replacement of defective meters, preventive maintenance of distribution transformers, feeder sanitization of urban and rural areas, strengthening of LT& HT network, bifurcation and trifurcation of feeders, creation & augmentation of 33/11 KV network, installation of Automatic Power Factor Control (APFC), online delivery of citizen services and surprise vigilance drive has been aggressively implemented to minimise the technical and commercial losses of UHBVN. Special thrust has been given to strengthen IT enabled services, activities such as feeder metering with AMR enabled meters, spot billing in urban subdivisions, roll out of trust billing, migration of billing data on IT platform, online payment of energy bills, smart metering and SCADA in urban areas has been extended to enhance the efficiency. Further, Mhara Gaon Jagmag Gaon (MGJG) Scheme has been the flagship scheme that has helped Nigam to reduce the losses in rural areas tremendously.

DHBVNL has submitted that they have implemented Mhara Gaon Jag Mag Gaon (MGJG) and Feeder Sanitization Schemes in both rural and urban areas to curb power theft and to improve upon the quality of supply to the consumers. It is noted that Line losses of Rural Domestic Feeders (RDS) contribute significantly to the distribution losses. Therefore, to minimize overall distribution losses, DHBVN had implemented MGJG scheme on RDS feeders. As per the said scheme, on achievement of line losses less than 20% and defaulting amount less than 10%, power supply of 24 hours would be made available to the villages. Further, DHBVN is in the process of installing 5 lakh smart meters in Gurugram and Faridabad under OPEX Model through Energy Efficiency Services Limited (EESL) which is promoted by the Ministry of Power, Govt. of India. During FY 2022-23, DHBVN has achieved distribution loss level of 11.42%, which is lower than the distribution loss target of 14% given by the Hon'ble Commission in its Tariff Order dated 30th March 2022. In view of the above, it has been submitted that the Hon'ble Commission may consider the actual distribution loss level of DHBVN for carrying out the true up for the FY 2022-23.

The DISCOMs have further submitted that the Hon'ble Commission in consideration of the above submission, may allow the gain sharing in the ratio of 50:50 to DHBVNL for achievement of performance target of distribution losses while truing up of ARR for FY 2022-23 in accordance with Regulation 12.4 of HERC MYT Regulations, 2019.

It needs to be noted that AT&C loss target was relaxed by the Commission and fixed at 14% for FY 2022-23 in view of spread of Corona Virus pandemic which had adversely affected the HT, LT consumption mix. Post Covid, the consumption, especially of C&I consumers have seen a surge where distribution losses are on the lower side. Therefore, given the facts and circumstances, the Commission does not find it appropriate to consider licensee(s) for incentive as such and the relief, if any, ought to go to the electricity consumers of Haryana.

Further, the petitioners have submitted unaudited figures of AT &C loss and collections efficiency from April to September,2023 as under: -

**AT&C loss Calculation for FY 2023-24 (1st half Yr. i.e. April to September)**

| Particulars | UHBVNL | DHBVNL |
|---|---|---|
| Net Input Energy (In MU) | 13370.41 | 20914.90 |
| Net Billed energy (In MU) | 11916.01 | 16671.10 |
| Distribution Loss | 10.88% | 20.29% |
| Collection Efficiency | 97.77% | 96.36% |
| **AT&C Losses** | **12.87%** | **23.19%** |

It is observed that the AT & C loss of DISCOMs for the first half (H1) of FY 2023-24 is on higher side against the projections for FY 2023-24. However, in general also, trend for AT&C loss in first half (H1) always remains on higher side as compared to 2nd half (H2). Further UHBVN and DHBVN in their proposal for FY 2023-24 requested to consider the distribution loss of 12% as approved by the Commission vide Order dated 15.03.2023. The Commission retains Distribution, Collection Efficiency & AT&C loss for FY 2023-24 as approved vide T.O. dated 15.02.2023.

Further the licensees for FY 2024-25 have considered the collection efficiency as per the MYT Regulations,2019 and accordingly proposed the distribution loss and AT&C loss as under:

| DISCOMs | UHBVNL | DHBVNL |
|---|---|---|
| Distribution Loss | 10.75% | 10.75% |
| Collection Efficiency | 99.50% | 99.50% |
| **AT&C Losses** | **11.20%** | **11.20%** |

The Commission, after considering the submission made by DISCOMs and various stake holders during the public hearing, considering the performance in 2023-24 and further examining the matter placed on record and the Capex targeted at distribution loss reduction, consider it appropriate to peg the distribution loss as 10.00% for both UHBVNL & DHBVNL respectively and collection efficiency of 99.5% as per MYT Regulations, 2019 for the FY 2024-25 as under:

| DISCOM | UHBVNL | DHBVNL |
|---|---|---|
| **Distribution Loss (in %)** | 10.00 | 10.00 |
| **Collection Efficiency (in %)** | 99.50 | 99.50 |
| **AT&C Loss Target (in %)** | 10.45 | 10.45 |

### 6.4 Distribution Transformers (DTs) failure rate:

The HERC, (Standards of Performance of Distribution Licensees and Determination of Compensation) Regulations,2020 at regulation (6.1.e) specifies that the distribution Licensee shall have to maintain the transformer damage rate below 3% p.a. in urban area and 6% p.a. in rural area. The year-wise status of damage rate of distribution transformers, as per the information provided by UHBVNL and DHBVNL, is as under: -

**Distribution Transformers Failure Rate**

| **Year** | | **UHBVNL** | | **DHBVNL** | |
|---|---|---|---|---|---|
| | | **Failure Rate excluding transformers damaged within warranty period (%)** | **Failure Rate including transformers damaged within warranty period (%)** | **Failure Rate excluding transformers damaged within warranty period (%)** | **Failure Rate including transformers damaged within warranty period (%)** |
| 2019-20 | Urban | 4.00 | 5.62 | 2.47 | 3.44 |
| | Rural | 6.48 | 9.60 | 3.56 | 5.45 |
| | **Overall** | **6.24** | **9.22** | **3.42** | **5.20** |
| 2020-21 | Urban | 4.04 | 5.12 | 3.44 | 4.71 |
| | Rural | 6.22 | 9.15 | 6.10 | 8.76 |
| | **Overall** | **6.01** | **8.75** | **5.75** | **8.23** |
| 2021-22 | Urban | 4.15 | 5.63 | 3.55 | 5.03 |
| | Rural | 6.10 | 8.69 | 6.36 | 9.46 |
| | **Overall** | **5.91** | **8.38** | **5.99** | **8.87** |
| 2022-23 | Urban | 3.59 | 4.80 | 3.34 | 4.21 |
| | Rural | 5.48 | 7.74 | 5.88 | 8.15 |
| | **Overall** | **5.28** | **7.44** | **5.55** | **7.64** |
| 2023-24 (upto Sep 23 | Urban | **2.94** | **3.77** | **2.25** | **2.78** |
| | Rural | **4.04** | **5.76** | **3.99** | **5.22** |
| | **Overall** | **3.93** | **5.55** | **3.76** | **4.90** |

The DT damage rate ought to be analysed on the basis of total number of DTs damaged, irrespective of the fact whether the transformer got damaged within warranty period or otherwise, since all these DTs are part of the distribution system. The Commission has considered it appropriate to reckon with the total DT damaged irrespective of damaged within warranty or not. The high level of DT damage rate not only adversely affects continuity of supply but also reflects upon poor monitoring and maintenance of distribution system which in turn also impacts the finances of the distribution licensees.

From analysis of the data reproduced in the above table, it is observed that failure rate of DTs in urban and rural area of UHBVN and DHBVN during FY 2022-23 is 4.80 % & 7.74% and 4.21 % and 8.15 % respectively. These are more than the limit for both in urban and rural as prescribed by the Commission in the Standard of Performance Regulations.

The Commission has considered the submissions of the petitioner(s) and observes that for FY 2022-23, overall transformer damage rate of both UHBVN and DHBVNL have improved marginally as compared to the FY 2021-22, however, the DT damage rate in both the Utilities is still much above the prescribed benchmark.

**The Commission again directs the licensees to bring down the distribution transformer damage rate below the prescribed limits in the FY 2024-25. Any slippage on account of the timeline shall be construed as violation/ non-compliance of the Regulations/Orders of the Commission and shall be dealt with in accordance with the provisions of the Act as well as the terms of distribution licensee granted by the Commission.**

As per the HERC MYT Regulations the distribution licensee shall maintain a proper record of failure of the distribution transformers in rural and urban category and submit the same in the quarterly report to the Commission and host the same on its website/portal on monthly basis without any failure. The DISCOMs are again directed to ensure that quarterly reports be submitted regularly without fail and to host the circle wise information of failure of the distribution transformers in rural and urban category on its website regularly.

**Non-replacement of Defective energy meters by the Distribution Licensees:**

The DISCOMs, in their respective petitions for True up for FY 2022-23, APR for FY 2023-24 and ARR for 2024-25 and subsequent submissions furnished the following details with respect to defective energy meters as on 31.03.2023, progress of replacement of defective meters during FY 2022-23 and defective meters existing as on 30.09.2023.

**Defective Meters**
**(Status As on 31.03.2023)**

| Meter category | No. of defective meters (as on 31.03.2022) | | | No. of defective meters (as on 31.03.2023) | | | No. of defective meters replaced during 2022-23 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Rural | Urban | Total | Rural | Urban | Total | Rural | Urban | Total |
| | | | | UHBVN | | | | | |
| Single Phase | 58317 | 19998 | 78315 | 12605 | 7193 | 19798 | 65031 | 71703 | 136734 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Three Phase | 1771 | 2383 | 4154 | 406 | 776 | 1182 | 2169 | 7685 | 9854 |
| **Total** | **60088** | **22381** | **82469** | **13011** | **7969** | **20980** | **67200** | **79388** | **146588** |
| | | | | **DHBVNL** | | | | | |
| Single Phase | 56829 | 4805 | 61634 | 52515 | 4803 | 57318 | 65343 | 48679 | 114022 |
| Three Phase | 66381 | 1472 | 67853 | 587 | 1099 | 1686 | 4535 | 9977 | 14512 |
| **Total** | **1,23,210** | **6,277** | **1,29,487** | **53102** | **5902** | **59004** | **69878** | **58656** | **128534** |
| **Grand Total** | **183298** | **28658** | **211956** | **66113** | **13871** | **79984** | **137078** | **138044** | **275122** |

**Status as on 30.09.2023**

| **Meter category** | **No. of defective meters (as on 31.03.2023)** | | | **No. of defective meters (as on 30.09.2023)** | | | **No. of defective meters replaced during 4/2023 to 09/2023** | | |
|---|---|---|---|---|---|---|---|---|---|
| | **Rural** | **Urban** | **Total** | **Rural** | **Urban** | **Total** | **Rural** | **Urban** | **Total** |
| | | | | **UHBVN** | | | | | |
| Single Phase | 12605 | 7193 | 19798 | 13566 | 7806 | 21372 | 21940 | 14026 | 35966 |
| Three Phase | 406 | 776 | 1182 | 798 | 1145 | 1943 | 899 | 1838 | 2737 |
| **Total** | **13011** | **7969** | **20980** | **14364** | **8951** | **23315** | **22839** | **15864** | **38703** |
| | | | | **DHBVNL** | | | | | |
| Single Phase | 52515 | 4803 | 57318 | 49341 | 4535 | 53876 | 32755 | 22537 | 55292 |
| Three Phase | 587 | 1099 | 1686 | 527 | 997 | 1524 | 1108 | 6506 | 7614 |
| **Total** | **53102** | **5902** | **59004** | **49868** | **5532** | **55400** | **33863** | **29043** | **62906** |
| **Grand Total** | **66113** | **13871** | **79984** | **64232** | **14483** | **78715** | **56702** | **44907** | **101609** |

The Commission observes that the total number of defective meters as on 31.03.2023 in both DISCOMs were 79,984 (20,980 in UHBVNL and 59,004 in DHBVNL) after replacement of 2,75,122 defective meters (**1,46,588 by UHBVNL & 1,28,534 by DHBVNL)** during FY 2022-23. As on 30.09.2023, 1,01,609 meters are still defective (38,703 in UHBVNL and 62,906 in DHBVNL).

The Commission observes that, despite replacement of defective meters during the period from 31.03.2023 to 30.09.2023, the defective meters count in DHBVNL, as on 30.09.2023, is quite high. This is a matter of great concern and bound to reflect on financial health of the Distribution Licensee besides adversely affecting consumer satisfaction.

**DHBVN is directed to clear the backlog of defective meters and to ensure that at no point of time the percentage of defective meters exceeds 2% limit as per SOP regulations in vogue.**

### 6.5 Non-replacement of Electro-mechanical Meters

The Commission, in tariff order dated 15/02/2023, had directed the DISCOMs especially DHBVN to replace all electromechanical meters shown pending for replacement and to submit compliance report within 3 months from date of order.

DISCOMs have submitted the progress of electromechanical meters' replacement (except AP) along with its latest status as on 30.09.2023 as under:

| Meter category | No. of Electromechanical meters replaced during | | | No. of Electromechanical meters as on | | | No. of Electromechanical pending for replacement as on 30.09.2023 | | |
|---|---|---|---|---|---|---|---|---|---|
| | FY 2022-23 | | | 31.03.2023 | | | (ending Sept. '23) | | |
| | Rural | Urban | Total | Rural | Urban | Total | Rural | Urban | Total |
| | | | | UHBVN | | | | | |
| Single Phase | 26315 | 22441 | 48756 | 17165 | 0 | 17165 | 15493 | 0 | 15493 |
| Three Phase | 122 | 1799 | 1921 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **26437** | **24240** | **50677** | **17165** | **0** | **17165** | **15493** | **0** | **15493** |
| | | | | DHB VNL | | | | | |
| Single Phase | 13664 | 0 | 13664 | 44774 | 0 | 44774 | 38949 | 0 | 38949 |
| Three Phase | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **13664** | **0** | **13664** | **44774** | **0** | **44774** | **38949** | **0** | **38949** |
| **Grand Total** | **40101** | **24240** | **64341** | **61939** | **0** | **61939** | **54442** | **0** | **54442** |

The Commission observes that out of total electromechanical meters of 61,939 (17,165 in UHBVN and 44,774 in DHBVN) existing as on 31.03.2023, 54442 electromechanical meters (i.e. 15493 in UHBVN and 38949 in DHBVN) are yet to be replaced as on 30.09.2023.

The pace of replacement of electromechanical meters has slowed down in both the DISCOMs as only 1672 & 5825 electromechanical meters have been replaced in UHBVN & DHBVN respectively, in first six months of FY 2023-24.

The Commission directs DISCOMs to ensure replacement of all **electromechanical meters within one month and submit compliance report immediately thereafter.**

### 6.6 Implementation of Smart metering Projects in Haryana

The Commission, vide Tariff Order dated 15.02.2023, had directed the DISCOMs **to expedite the Implementation of Smart Metering Project already undertaken to ensure the competition of project within the time lines of agreement executed between EESL and DISCOMs.**

DISCOMs have reported installation of 8.19 Lakhs meters (UHBVN 4.71 Lakhs, DHBVN 3.48 Lakhs) up to December, 2023 against a total of 10 lakh meters which indicates a very slow progress.

Further the DISCOMs have submitted the progress of the project for installation Prepaid Smart Meter Installation in remaining areas of Haryana, as under:

**Smart Metering under RDSS- Now planned with Discom's own funding & approach**

The sanction of smart metering works under RDSS has been withdrawn by MoP/GoI upon state request to implement the works with Capex/Hybrid mode through its own funding subject to adherence to timelines for completion prescribed under the scheme.

The installation of smart meters shall be taken up in two Phases (5 packages in UHBVN and 4 packages in DHBVN). Phase-wise number of smart meters to be installed with target date of completion of project is as under: -

**UHBVN**

**Phase-I** : 1470554 Meters, Target to complete by Dec 2025

**Phase-II** : 1215640 Meters, Target to complete by Dec 2026

**DHBVN**

**Phase-I** : 1394494 Meters, Target to complete by Dec 2025

**Phase-II** : 1895857 Meters, Target to complete by Dec 2026

**In view of importance of Smart Metering Projects, DHBVN is directed to expedite the Installation of Smart Metering Project already undertaken with EESL as installation of about 1.52lakh meters out of 5lakh meters is still pending.**

Further **the DISCOMs are advised to adhere to the timelines for the metering project for which the tenders have been floated by both DISCOMs so that the Phase-I & Phase-II of the projects are completed by Dec.25 & Dec.26 respectively.**

**6.7 Pending electricity connection / load**

The DISCOMs, in their petition for true up of FY 2022-23, Annual Performance Review for FY 2023-24 and Annual Revenue Requirement for FY2024-25 and subsequent submissions in the matter have furnished information regarding pending applications for release of connection (non-AP), as under:

### a) DHBVN:

**Category Wise Status of Pending Applications for FY 2023-24**

| Category | Pending as on 31.03.2023 | | New Application received 2023-24 | | Disposed of During 2023-24 | | Pending as on 30.09.2023 | |
|---|---|---|---|---|---|---|---|---|
| | No. of Appli-cation | Load (KW) | No. of Appli-cation | Load (KW) | No. of Appli-cation | Load (KW) | No. of Appli-cation | Load (KW) |
| Bulk Domestic Supply | 34 | 46927 | 102 | 188922 | 68 | 116154 | 68 | 119695 |
| Bulk Supply | 4 | 8596 | 29 | 53826 | 24 | 41361 | 9 | 21061 |
| Domestic (DS) | 10342 | 49065 | 131726 | 540182 | 139994 | 577722 | 2074 | 11526 |
| ECS | 25 | 6247 | 234 | 35014 | 233 | 33012 | 26 | 8249 |
| FPO | 68 | 842 | 381 | 3478 | 429 | 4107 | 20 | 213 |
| HT Industry | 176 | 227008 | 556 | 218403 | 604 | 217422 | 128 | 227989 |
| Hording or Decorative Light | 0 | 0 | 5 | 35 | 5 | 35 | 0 | 0 |
| Lift Irrigation | 13 | 235 | 1077 | 21305 | 1052 | 21000 | 38 | 540 |
| LT Industry | 301 | 7122 | 2577 | 51476 | 2762 | 55766 | 116 | 2832 |
| Non-Domestic (NDS) | 2531 | 108710 | 30074 | 553688 | 31934 | 494748 | 671 | 167649 |
| Public Water Work | 187 | 8150 | 1265 | 52915 | 1222 | 48333 | 230 | 12732 |
| Railway Traction | 0 | 0 | 8 | 102200 | 7 | 75200 | 1 | 27000 |
| Saubhagya | 108 | 152 | 1141 | 1513 | 1238 | 1650 | 11 | 15 |
| Street Light | 48 | 1096 | 322 | 3726 | 343 | 4291 | 27 | 531 |
| **Grand Total** | **13837** | **464149** | **169497** | **1826682** | **179915** | **1690801** | **3419** | **600031** |

As per the latest status of pending connections in DHBVNL, as on 30.09.2023, a total 3419 applications (with applied load of 600.031 MW) have been shown as pending for release out of which 128 applications (with applied load of 227.989 MW) are under the HT Supply category alone.

### b) UHBVN:

**Category Wise Status of Pending Applications for FY 2023-24**

| Category | Pending at 31.03.2023 | | New Application Received 2023-24 (Apr-23 to Sep-23) | | Disposed off During 2023-24 (Apr-23 to Sep-23) | | Pending Applications as on 30.09.2023 Total Pending | |
|---|---|---|---|---|---|---|---|---|
| | No. of Appli-cation | Load (in KW) | No. of Appli-cation | Load (in KW) | No. of Appli-cation | Load (in KW) | No. of Applicatio n | Load (in KW) |
| Bulk Domestic Supply | 1 | 107 | 3 | 1521 | 0 | 0 | 4 | 1628 |
| Bulk Supply | 5 | 1124.5 | 2 | 399 | 6 | 1307.5 | 1 | 216 |
| Domestic | 7088 | 13438.1 | 51417 | 100708.4 | 50822 | 98961.5 | 7683 | 15185 |
| HT Industry | 223 | 288147.1 | 440 | 429383.1 | 382 | 110117.9 | 281 | 607412.3 |
| Hording or Decorative Light | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Lift Irrigation | 5 | 409.6 | 1117 | 22322.5 | 1066 | 18115.6 | 56 | 4616.5 |
| LT Industry | 203 | 4898.9 | 923 | 20446.4 | 961 | 21629.3 | 165 | 3716 |
| Non-Domestic | 1780 | 25925.7 | 13489 | 63565 | 13384 | 62952.9 | 1885 | 26537.8 |
| Public Water Works | 55 | 2572 | 263 | 7655.2 | 245 | 6127.6 | 73 | 4099.6 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Railway Traction | 0 | 0 | 1 | 5000 | 0 | 0 | 1 | 5000 |
| Saubhagya | 855 | 1122 | 5337 | 7136.8 | 5333 | 7112.7 | 859 | 1146.1 |
| Street Light | 55 | 174 | 229 | 1320.6 | 245 | 1252 | 39 | 242.6 |
| DMRC | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FPO | 8 | 110.9 | 78 | 820.3 | 71 | 802.9 | 15 | 128.3 |
| ECS | 5 | 670 | 24 | 5743.9 | 22 | 1200.9 | 7 | 5213 |
| Total | 10283 | 338699.8 | 73323 | 666022.2 | 72537 | 329580.8 | 11069 | 675141.2 |

*Out of 138 MW overdue pending load, 2 no applications - IOCL has a load 70 MW and Air Liquid has a load 35 MW.

As per the latest status of pending connections in UHBVN, as on 30.09.2023, a total 11069 applications (with applied load of 675.141MW) have been shown pending wherein out of which applications (with applied load of 607.412 MW) are under HT Supply category alone.

The Commission observes that although UHBVN has released a total load of 329.580 MW against total number application of 73,606 under various categories from 01.04.2023 to 30.09.2023, yet load of 675.141MW is still pending for release.

DHBVN has released total load of 1690.801 MW against total number application of 1,83,334 under various categories from 01.04.2023 to 30.09.2023, however still a total load of 600.031MW is still pending for release as on 01.10.2023.

In view of the above, the total pending load for release as on 30.09.23 works out to 1,275.172 MW which was 802.848MW as on 01.04.2023.

The Commission has taken a serious note of the fact that there are pending applications for new connection and load enhancement adding up to substantial cumulative load. Timely release of pending connections will result in consumer satisfaction besides augmentation of revenue from Sale of Power for the DISCOMs.

The **DISCOMs are directed to make all out efforts to release all pending connections within the time frame as specified in various law/regulations in-vogue and submit a status report regarding release of Non-AP connections / loads, within three months.**

# CHAPTER 7

# WHEELING CHARGES

## 7.1 Wheeling Charges

At the onset the Commission observes that segregated accounts including voltage wise assets and losses for the distribution and retail supply business are a pre-requisite for determination of wheeling charges and cross-subsidy surcharge. The petitioner(s) have not estimated / projected wheeling charges to be recovered from the beneficiaries of its distribution system. Further, till the time ‘carriage’ and ‘content’ businesses are spun off as separate businesses the segregated costs would largely be based on assumptions only. Accordingly, the average rate of 6.06% (average of DH & UH distribution business) of the annual revenue requirement may be considered for estimating the “network establishment and operation cost” as distinct from retail supply for the upcoming year i.e. 2024-25. Hence, for the purpose of working out wheeling charges for the FY 2024-25, the cost allocation has been taken as 6.06%, on the basis of segregated accounts provided by the Discoms.

The calculations and the methodology, in line with the previous year order, is presented in the table that follows:

**HERC appoved Wheeling Charges (FY 2024-25)**

| | | |
|---|---|---|
| 1 Network expenses (per kWh) | | |
| a. | Network establishment and operation cost (6.06% of the net ARR) (Rs. Million) | 26823.54 |
| b. | Allowed gross volume of power purchase by the Discoms at Discom Periphery (MUs) excluding inter-state sales. | 68,079.81 |
| c. | Expenses (Rs / kWh) (a/b) | **0.39** |
| 2.1 Cost of losses in the system HT | | |
| a | Approved Energy available for sale to Discoms (MU) | 68,079.81 |
| b | Distribution system losses (HT) (technical) % | 4.09% |
| c | Losses (MU) (2.1a X 2.1b) Million Units | 2782.691 |
| d | Bulk supply power purchase rate for the Discoms (Rs. / kWh) | 5.34 |
| e | Total cost of losses (2.1dx2.1c) Rs. million | 14864.16 |
| f | Cost per unit of losses (Rs. /unit) (2.1e/1b) | **0.22** |
| 2.2 Cost of losses in the system LT | | |
| a | Approved Energy available for sale to Discoms (MU) | 68,079.81 |
| b | Distribution system losses (technical) % | 10.18% |
| c | Losses (MU) (2.2a X 2.2b)) | 6933.60 |
| d | Bulk supply power purchase rate for the Discoms (Rs. / kWh) | 5.34 |
| e | Total cost of losses (2.2dx2.2c) Rs. million | 37036.84 |
| f | Cost per unit of losses (Rs. /unit) (2.2 e/1b) | **0.54** |
| **3.1 Wheeling Charges HT (Rs. / kWh) (1c+2.1f) rounded off** | | **0.61** |
| **3.2 Wheeling Charges LT (Rs. / kWh) (1c+2.2f) rounded off** | | **0.94** |

## 7.2 Cross-Subsidy Surcharge (CSS)

The regulation 63 of the HERC MYT Regulations, 2019 provides that the cross-subsidy surcharge shall be payable by all intra-State open access consumers, except those persons who have established captive generating station, and are availing open access for carrying the electricity to a destination for their own use.

The Cross-subsidy surcharge, as quantified by the Commission, shall also be payable by such open access consumer(s) who receives supply of electricity from a person other than the distribution licensee in whose area of supply he is located, irrespective of whether he avails such supply through transmission/distribution network of the licensee or not. The consumers located in the area of supply of a distribution licensee but availing Open Access exclusively on inter-State transmission system shall also pay the cross-subsidy surcharge as determined by the Commission.

Further, Section 42 of the Electricity Act, 2003 provides that the surcharge and the cross-subsidies shall be progressively reduced. The Commission has worked out CSS in line with the formula provided in the National Tariff Policy, 2016. The National Tariff Policy dated 28.01.2016 provides as under: -

> *"SERCs may calculate the cost of supply of electricity by the distribution licensee to consumers of the applicable class as aggregate of (a) per unit weighted average cost of power purchase including meeting the Renewable Purchase Obligation; (b) transmission and distribution losses applicable to the relevant voltage level and commercial losses allowed by the SERC; (c) transmission, distribution and wheeling charges up to the relevant voltage level; and (d) per unit cost of carrying regulatory assets, if applicable".*

The above is subject to the proviso that the surcharge shall not exceed 20% of the CoS applicable to the category of the consumers seeking open access. The Commission has considered the methodology prescribed by the National Tariff Policy dated 28.01.2016, while working out cross-subsidy surcharge in the present Order. The relevant provision of the NTP is reproduced below:

*"Surcharge formula:*

$S = T – [C/ (1-L/100) + D + R]$

*Where*

*S is the surcharge*

*T is the tariff payable by the relevant category of consumers, including reflecting the Renewable Purchase Obligation.*

*C is the per unit weighted average cost of power purchase by the Licensee, including meeting the Renewable Purchase Obligation.*

*D is the aggregate of transmission, distribution and wheeling charge applicable to the relevant voltage level.*
*L is the aggregate of transmission, distribution and commercial losses, expressed as a percentage applicable to the relevant voltage level.*
*R is the per unit cost of carrying regulatory assets (emphasis added).*
**The above formula may not work for all distribution licensees, particularly for those having power deficit (emphasis added)**, the State Regulatory Commissions, while keeping the overall objectives of the Electricity Act in view, may review and vary the same taking into consideration the different circumstances prevailing in the area of distribution licensee.
Provided that the **surcharge shall not exceed 20% (emphasis added)** of the tariff applicable to the category of the consumers seeking open access.
Provided further that the Appropriate Commission, in consultation with the Appropriate Government, shall **exempt levy of cross subsidy charge on the Railways**, as defined in Indian Railways Act, 1989 being a deemed licensee, on electricity purchased for its own consumption.
No surcharge would be required to be paid in terms of sub-section (2) of Section 42 of the Act on the electricity being sold by the generating companies with consent of the competent government under Section 43 (A) (1) (c) of the Electricity Act, 1948 (now repealed) and on the electricity being supplied by the distribution licensee on the authorization by the State Government under Section 27 of the Indian Electricity Act, 1910 (now repealed), till the current validity of such consent or authorization.
The surcharge may be collected either by the distribution licensee, the transmission licensee, the STU or the CTU, depending on whose facilities are used by the consumer for availing electricity supplies. In all cases the amounts collected from a particular consumer should be given to the distribution licensee in whose area the consumer is located. In case of two licensees supplying in the same area, the licensee from whom the consumer was availing supply shall be paid the amounts collected". The Commission has, estimated cost of service based on the above formula, relying on the indicative voltage wise losses submitted by the two licensees.

**UHBVNL:**

UHBVNL provided the details as part of additional information vide letter No. Ch-82/RA/F-25/Vol-84 dated 11.01.2024 as below:

| Voltage level and losses | Loss %age |
|---|---|
| 33 kV Line Losses | 0.28% |
| 33 kV Transformer Losses | 0.49% |
| 11 kV Line Losses | 2.69% |
| 11 KV Transformer Losses | 1.08% |
| LT Line Losses | 4.43% |
| **Total** | **8.98%** |

For the purpose of working out the CoS (HT, LT), the category wise estimated losses are as follows: -

| **FY 2024-25** | |
|---|---|
| | **UH** |
| **Combined T&C Losses at Distribution level** | |
| HT | 7.74% |
| LT | 12.79% |
| Total | 10.75% |

Based on the above, UHBVN submitted the Consumer category wise COS as follows:

| **FY 2024-25** | | |
|---|---|---|
| | | **UHBVN** |
| **A** | **Power purchase cost (Rs Crores)** | |
| 1 | PP Cost | 12,293.34 |
| 2 | Revenue from ISTS Sales | - |
| ***3*** | ***Net PP Cost*** | ***12,293.34*** |
| 4 | ISTS Charges | 957.72 |
| ***5*** | ***Total PP Cost*** | ***13,251.06*** |
| 6 | Intra Transmission Charges | 967.42 |
| 7 | Distribution Charges | 3,115.15 |
| **B** | **Power purchase units (MU)** | |
| 8 | Available Power | **29,317.33** |
| 9 | *Less: Intrastate Purchase* | *5,374.39* |
| 10 | Inter-state Power Purchase | 23,942.94 |
| *11* | *Less: Interstate Trans Losses* | *3.62%* |
| 12 | PP Qty @ State Boundary | **28,449.44** |
| *13* | *Less: Intrastate Trans Losses* | *2.05%* |
| 14 | PP Qty @ Discom Boundary | **27,866.23** |
| 15 | Energy Sold to consumers | 24,870.61 |
| **C** | **Elements of cost of service** | |
| (C)14 | Per Unit Weighted average cost of power per unit at Discom periphery (Total Gen - Interstate Sale) (5/12) | 4.76 |
| (D)15 | Distribution (net of power purchase cost) and Wheeling cost at consumers end (Rs./kWh) (7/15) | 1.25 |
| (R) 16 | Intrastate Transmission cost at consumers end (Rs./kWh) (Transmission and SLDC cost/ sales) (6/15) | 0.39 |

| | | |
|---|---|---|
| 17 | Aggregate of transmission, distribution, and commercial losses applicable to the relevant voltage level | |
| (L) i | HT | 7.74% |
| (L) ii | LT | 12.79% |
| iii | Total | 10.75% |
| 18 | Cos (C/(1-L/100) +D+R) | |
| i | HT | 6.81 |
| ii | LT | 7.08 |
| iii | Total | 6.97 |

As per the trend of past few years, UHBVNL has submitted that the Nigam is trying to reduce the cross subsidy through efficient power purchase and reduction in AT&C loss, which in turn will reduce the CoS. Accordingly, the actions will eventually decrease the cost of supply to different category of consumers. However, the same is a long-term process.

**DHBVNL**

DHBVNL provided the additional information regarding voltage wise losses vide letter No. Ch-110/SE/RA-772 dated 18.12.2024 for working out CoS (HT, LT).

| Voltage level and losses | Loss %age |
|---|---|
| 33 kV Line Losses | 0.36% |
| 33 kV Transformer Losses | 0.20% |
| 11 kV Line Losses | 3.99% |
| 11 KV Transformer Losses | 0.59% |
| LT Line Losses | 6.30% |
| **Total** | **11.07%** |

The voltage wise technical losses filed by the Discoms as part of the additional information has been briefed as under: -

**Voltage Wise Loss Estimation (as filed by the Discoms)**

| | **UHBVNL up to 31.03.2023** | **DHBVNL up to 31.03.2023** |
|---|---|---|
| **Voltage Levels** | **%** | **%** |
| 33 kV Line Losses | 0.28% | 0.36% |
| 33 kV Transformer Losses | 0.49% | 0.20% |
| 11 kV Line Losses | 2.69% | 3.99% |
| 11 KV Transformer Losses | 1.08% | 0.59% |
| LT Line Losses | 4.43% | 6.30% |
| **Total at LT level** | **8.98%** | **11.07%** |

The Commission observes that the voltage wise losses are never submitted by the Licensees along with the main petition. They do so in compliance with the deficiency letter issued by the Commission.

In line with the National Tariff Policy, the Commission has calculated the voltage wise CoS and Cross Subsidy Surcharge. The difference between technical losses so determined and actual total distribution system losses are considered to be on account of reasons other than technical losses and are therefore taken as commercial losses. The commercial losses so determined have been apportioned between HT and LT voltage levels in proportion to annual gross energy sales at these voltage levels. The annual gross energy sales at the given voltage levels has been taken as the sum of energy consumption of all consumer categories connected at that voltage plus the technical distribution losses corresponding to that voltage level as worked out in the voltage wise loss calculations as per the details provided in the table below: -

**Calculation of Voltage wise losses for the FY 2024-25**

| | | UHBVNL | DHBVNL | Total |
|---|---|---|---|---|
| 1a | HT sales | 11,001.72 | 14,920.81 | 25,922.54 |
| 1b | LT sales | 14,976.75 | 20,372.55 | 35,349.30 |
| 1 | Total Sales | 25,978.47 | 35,293.36 | 61271.84 |
| 2 | Losses % | | | |
| 2a | HT | 3.46% | 4.55% | |
| 2b | LT | 8.98% | 11.07% | |
| 3 | Loss units | | | |
| 3a | HT | 380.66 | 678.90 | 1059.56 |
| 3b | LT | 1344.91 | 2255.24 | 3600.15 |
| | Total loss units | 1725.57 | 2934.14 | 4659.71 |
| 4 | Sales grossed up by Technical losses (1+3) | | | |
| 4a | HT | 11382.38 | 15599.71 | 26982.09 |
| 4b | LT | 16,321.66 | 22,627.79 | 38949.45 |
| | Total Gross Sales | 27,704.04 | 38,227.50 | 65,931.55 |
| 5 | Combined Technical losses | | | |
| 5a | HT (3a/1a) | | | 4.09% |
| 5b. | LT (3b/1b) | | | 10.18% |
| 5 | Total | | | 7.60% |
| 6 | Total Distribution Losses | 2597.85 | 3529.34 | 6127.18 |
| 7 | Total Commercial losses (6-3) | 872.28 | 595.20 | 1467.47 |
| 8 | Commercial losses allocated to HT and LT based on grossed up units (4) | | | |
| 8a | HT | 358.38 | 242.89 | 600.55 |
| 8b | LT | 513.90 | 352.31 | 866.92 |
| 9 | Total Voltage level distribution losses (3+8) | | | |
| 9a | HT | 739.04 | 921.78 | 1660.11 |

| | | UHBVNL | DHBVNL | Total |
|---|---|---|---|---|
| 9b | LT | 1858.81 | 2607.55 | 4467.07 |
| | | | | 6127.18 |
| 10 | Combined Technical and Commercial losses at Distribution level | | | |
| 10a | HT | | | 6.40% |
| 10b | LT | | | 12.64% |

In line with the voltage wise (HT and LT Voltages) the distribution losses as worked out above, the calculations for CSS as per National Tariff Policy formula for the FY 2024-25 is as under:

**Cost of Service for FY 2024-25**

| | | |
|---|---|---|
| | **Cost of Service as per National Tariff Policy 2024-25** | |
| | **Elements of cost of service** | |
| 1 | Per Unit Weighted average cost of power at State/ Discom periphery (Paisa/kWh) | 470.13 |
| 2 | Aggregate of transmission, distribution and wheeling charges applicable to the relevant voltage level | |
| | Intrastate Transmission cost at consumers end (Paise/kWh) (Transmission and SLDC cost/ sales) Paisa / kWh | 32.96 |
| | Distribution (net of power purchase cost) and Wheeling cost at consumers end (Paise/kWh) | 76.74 |
| 3 | Aggregate of transmission distribution and commercial losses applicable to the relevant voltage level (%) | |
| | HT | 6.40% |
| | LT | 12.64% |
| 4 | **Cost of Service** | |
| | C/(1-L/100)+D+R | |
| | HT (Paise / kWh) | 612.00 |
| | LT (Paise / kWh) | 647.84 |
| | Average CoS | 629.92 |

The above loss allocation is reflected in the energy allocators at HT and LT voltage levels i.e. lower cost attributed to the HT consumers and higher cost attributed to the LT Consumers. Thus, the Cost of Service in the case of HT Consumers is comparatively lower than that of the consumers receiving electricity supply at LT voltage. The CSS has been worked out as the difference between the applicable tariff and voltage wise CoS computed as above. The Cross-subsidy surcharge for the FY 2024-25, as per the NTP formula, shall be as per the table that follows: -

**Cross-subsidy surcharge for FY 2024-25 (Rs/kWh)**

| | | CoS (Rs./kWh) | Tariff (FC + EC) (Rs./kWh) | Cross Subsidy Surcharge (Rs./kWh) | CSS Limited to 20% as per NTP |
|---|---|---|---|---|---|
| | | 1 | 2 | 3= 2-1 | |
| 1 | HT Supply | 6.12 | 7.59 | 1.47 | 1.22 |
| 2 | Bulk Supply (other than DS) | 6.12 | 7.38 | 1.26 | 1.22 |
| 3 | LT Supply | 6.48 | 7.63 | 1.15 | 1.15 |

The applicable CSS has been restricted to 20% (+/-) limit in accordance with the National Tariff Policy.

# CHAPTER 8

## RENEWABLE PURCHASE OBLIGATION (RPO)

Section 61 (h) read with Section 86 (1) (e) of the Electricity Act, 2003 cast statutory obligation on the Commission to promote cogeneration and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, a percentage of the total consumption of electricity in the area of distribution licensee, for mandatory purchase of electricity from such sources.

In pursuance to the above statute, the Commission notified the Haryana Electricity Regulatory Commission (Terms and Conditions for determination of Tariff from Renewable Energy Sources, Renewable Purchase Obligation and Renewable Energy Certificate) Regulations, 2021 (2nd Amendment), 2022, on 03.01.2023, pursuant to the RPO trajectory notified by the Ministry of Power on 22.07.2022. Regulation 62 of the ibid Regulations, has specified the RPO obligation, as under: -

| Year | Wind RPO | HPO | Other RPO | Total RPO |
|---|---|---|---|---|
| 2023-24 | 1.60% | 0.66% | 24.81% | 27.08% |
| 2024-25 | 2.46% | 1.08% | 26.37% | 29.91% |
| 2025-26 | 3.36% | 1.48% | 28.17% | 33.01% |
| 2026-27 | 4.29% | 1.80% | 29.86% | 35.95% |
| 2027-28 | 5.23% | 2.15% | 31.43% | 38.81% |
| 2028-29 | 6.16% | 2.51% | 32.69% | 41.36% |
| 2029-30 | 6.94% | 2.82% | 33.57% | 43.33% |

(a) **Wind RPO** shall be met only by energy produced from Wind Power Projects (WPPs), commissioned after 31st March 2022. Further, Wind RPO may also be met from the wind energy consumed over and above 7% of the total energy consumption, from WPPs commissioned till 31.03.2022.

(b) **Hydro power Purchase Obligation (HPO)** are to be met from Large (LHPs) or Small Hydro Power Projects (SHPs) including Pumped Storage Projects (PSPs), commissioned after 8th March 2019.

(c) **Other RPO** may be met by energy produced from any RE power project not mentioned in (a) and (b) above.

Additionally, the following percentage of total energy consumed, excluding consumption met from RE sources and hydro sources, was specified for the renewable energy along with/through storage, including pumped storage projects (PSPs) having capacity more than 25 MW:

| F.Y. | Storage (on Energy basis) |
|---|---|
| 2023-24 | 1.0% |
| 2024-25 | 1.5% |
| 2025-26 | 2.0% |
| 2026-27 | 2.5% |
| 2027-28 | 3.0% |
| 2028-29 | 3.5% |
| 2029-30 | 4.0% |

In compliance of RPO targets set by the Commission for the FY 2022-23, the Discoms have filed their compliance report, vide letter no. Ch-197/CE/HPPC/LTP-III/T-27/Vol-II dated 01.05.2023, as under: -

| Particulars | | FY 2022-23 |
|---|---|---|
| Approved Energy availability for sale to DISCOMS (in MUs) for FY 2022-23 as per HERC ARR Order dated 30.03.2022 | 1 | 46261 |
| Power procured from Hydro and Renewable sources (in MUs) for FY 2022-23 | 2 | 7531 |
| Energy consumption at DISCOMs periphery | 3=1-2 | 38730 |
| RPO Required under category "other RPO" (in %) | 4 | 23.44 |
| RPO required under category "WPO" (in %) | 5 | 0.81 |
| RPO Required under category "HPO" (in %) | 6 | 0.35 |
| RPO target required "other RPO" (MUs) | 7=3*4/100 | 9078 |
| RPO target required "wind RPO" (MUs) | 8=3*5/100 | 314 |
| RPO target required "HPO" (MUs) | 9=3*6/100 | 136 |
| No. of MUs generated/purchased from Renewable energy sources in "other RPO- category | 10 | 15319 |
| No. of MUs generated/purchased from Renewable energy sources in "WPO" category | 11 | 323 |
| No. of MUs generated/purchased from Renewable energy sources in "HPO" category | 12 | 581 |
| Shortfall (-)/Surplus (+) (other RPO) | 13=10-7 | +6241 |
| Shortfall (-) /Surplus (+) (WPO) | 14=11-8 | +9 |
| Shortfall (-) Surplus (+) (HPO) | 15=12-9 | +445 |

The Commission observes that the Discoms had applied for issuance of REC for the procurement of renewable energy over and above the target set by the Commission, for the FY 2022-23, even after offsetting the shortfall of 2505 Mus in compliance of 'other RPO category' for the FY 2021-22. Discoms got the data validated from SLDC and some of the values got re-stated. Accordingly, certificates were issued to UHBVNL and DHVBNL regarding their eligibility for issuance of RECs, in respect of surplus in 'wind RPO', 'HPO' and 'other RPO' is 2918 Mus, 446 MUs and 4059 MUs.

HAREDA is obligated to monitor and report compliance by other obligated entities as well. In this regard, the Commission had also directed HAREDA, vide memo no. 1577/HERC/Tariff dated

04.07.2023, to proceed in line with regulation 65 “Effect of Default’ of the HERC RE Regulations in vogue, against the defaulting obligated entities including the CPP of 5 MW and above and open access consumers. HAREDA was further directed to sensitize the consumers and the obligated entities, the need to contribute towards greening the power sector.

In accordance with the provisions of the HERC RE Regulations in vogue, the RPO for the FY 2024-25 is 29.91% of the total energy consumption of the Discoms. The approved RPO for the FY 2024-25 is as under: -

| Energy Consumption for 2024-25 (MU) | %age of Wind RPO of energy Consumption | Wind RPO (MU) | %age of HPO of energy Consumption | HPO (MU) | Other RPO as %age of energy sales | Other RPO (MU) | Total renewable energy required to be purchased (MU) | Energy Storage | Energy Storage (MU) |
|---|---|---|---|---|---|---|---|---|---|
| 51128 | 2.46% | 1257 | 1.08% | 552 | 26.37 % | 13482 | 15291 | 1.5% | 767 |

* Energy available for sale by DISCOMs has been taken net of intra-state transmission losses, excluding energy purchased from RE sources and Hydro.

The volume of energy to be purchased from renewable energy sources as per above table is the total RPO of the Discoms for the FY 2024-25. DISCOMs are advised to ensure that the Solar RPO data provided by them to HAREDA includes energy generated by Rooftop solar system also.

The State Nodal Agency i.e. HAREDA shall continue submitting quarterly status of RPO met by the obligated entities for the last quarter, separately for Wind RPO, HPO, other RPO and energy storage, in accordance with the provisions of regulations 64 (3) of the Haryana Electricity Regulatory Commission (Terms and Conditions for determination of Tariff from Renewable Energy Sources, Renewable Purchase Obligation and Renewable Energy Certificate) Regulations, 2021.

**The Discoms and other obligated entities are directed to provide requisite information to the State Agency on monthly basis by 10th of every month for the previous month to enable the State Agency to submit quarterly report to the Commission.**

# CHAPTER 9

# ADDITIONAL TARIFF ISSUES

UHBVNL, in its petition, in addition to the True up of FY 2022-23, APR of FY 2023-24 and ARR for FY 2024-25, has submitted few additional issues/clarifications that may require consideration from the Hon'ble Commission. UHBVNL has prayed to the Hon'ble Commission to peruse and consider the following issues for ease of implementation of tariff order.

## 9.1 Tariff of Bulk Supply (Domestic) Category

The Hon'ble Commission in its Tariff order dated 15.02.2023 for FY 2023-24 determined the tariff for Bulk Supply (Domestic) Category as below:

| Tariff for 2023-24 (w.e.f. 01.04.2023) | | | |
|---|---|---|---|
| **Category of consumers** | **Energy Charges (Paisa / kWh or/ kVAh)** | **Fixed Charge (Rs. per kW per month of the connected load / per kVA of sanctioned contract demand (in case supply is on HT) or as indicated** | **MMC (Rs. per kW per month of the connected load or part thereof)** |
| **Bulk Supply (Domestic) Category** | | | |
| For Total Consumption in month not exceeding 800 units/ flat/ dwelling units (DU) | 525/ kWh | Rs. 80/kW/ month of the recorded demand | |
| For Total Consumption in month exceeding 800 units/ flat/ dwelling units (DU) | 620/ kWh | Rs. 80/kW/ month of the recorded demand | |

In order to implement this tariff, DISCOM require regular monthly updates from the respective consumer of BDS category about the occupancy of Flats/dwellings as also provided in HERC Single Point Supply Regulation, 2020, as under: -

> ***"Clause 6.7***
>
> *The Employer /GHS shall update the occupancy status (nos. of flats/dwellings occupied as on each billing date) in writing to the licensee for proper billing to avoid any wrong application of tariff for Single Point Supply."*

As the DISCOMs have to rely on declarations provided by Bulk Supply Consumers regarding occupancy of flats, hence, there are chances of inaccurate assessment of applicable tariff, as these consumers might take advantage of the situation and may deliberately provide inaccurate information to fall under low tariff sub-category.

It would be appropriate if the Hon'ble Commission considers defining only one slab tariff for BDS category where there is no requirement of obtaining regular monthly occupancy data from the consumers and all the consumers could be billed accurately without any challenge. This shall streamline the implementation of the same in field offices to great extent.

**Commission Observations:**

**The Commission has considered the submissions. However, in the absence of any data on the likely revenue impact and the fact that it may not be appropriate to club small and medium to large consumers under a single tariff as well as the fact that individual DS consumers are also given the slab benefit for lower consumption, the Commission is not considering the proposal of the Nigam on this issue. Moreover, there should be any difficulty in implanting the tariff as it exists if the field officers are vigilant and careful in discharging their duty.**

### 9.2 Incorporation of Tariff Clarification given by HERC vide Order dated 18.07.2023.

It is submitted that some important clarifications were notified by the Commission which are very essential for implementation of Tariff. The same are reproduced as under: -

(a) **Assessment of Fixed Charges for erstwhile NDS category (above 50kW) and existing consumers having sanctioned load above 50W and upto 70 KW (on LT Supply)**

The Hon'ble Commission has clarified that in the absence of declared contract demand, the sanctioned load of such consumers available with the Discoms be considered for levy of Fixed Charges.

(b) **Charging of LT Supply Tariff**

The Hon'ble Commission has also clarified that LT supply consumers (having sanctioned load up to 20 KW) shall be billed only on kVAh tariff with the exception of billing in kWh only when the installed meter at consumer premises is not kVAh compliant.

The Hon'ble Commission is requested to consider incorporating these clarifications in the Notes to the proposed 'Schedule of Tariff' for FY 2024-25.

**Commission Observations:** The submissions have been noted. However, the Discoms should make earnest endeavour for early replacement of meters not having kVArh register.

### 9.3 ToD/ToU/Night Time Concessional Tariff

In the Tariff Order dated 15.02.2023, Hon'ble Commission has approved the ToD/ToU/Night Time Concessional Tariff with the time duration i.e., 2100 hrs to 0530 hrs. In this regard, the Hon'ble

Commission is humbly requested to authorize DISCOMs to decide the time duration during which Night Time Concessional Tariff can be offered based upon the power availability/power Procurement Scenario.

**Commission Observations:**

**The Commission has considered the submissions and observes that the Discoms may implement concessional tariff as per availability of surplus power in a particular time slot after giving it a wide publicity provided there is a provision in the installed meter and the data is downloadable to avoid disputes.**

**9.4 Cash Acceptance Limit for Theft Penalty and Surcharge Waiver Cases.**

The Hon'ble commission vide point 14 of the Notes to Schedule of Tariff and Charges of Tariff order dated 15.02.2023 for FY 2023-24 provided for cash acceptance limit as below:

> "***It is clarified that the acceptance limit of cash will be Rs 5000 (five thousand) However, the cash collection limit for theft penalty amount may be enhanced to Rs. 2,00,000 (two lakh); submission of PAN Card shall be mandatory for any transaction exceeding Rs. 50,000 (fifty Thousand). It is further made clear that the AEE/ SDO concerned shall be fully responsible for cash collected and prompt remittance into the designated bank(s).***"

The issue of requirement of PAN card for transaction exceeding Rs. 50,000 was deliberated upon by the Nigam and UHBVN’s Tax Consultant M/s S. Methani & Co. was approached for advice. The Tax Consultant advised that examination of Income Tax Rules, 1962 reveals that there is no requirement of obtaining PAN/ declaration in Form No. 60 in case of receipt of cash in excess of Rs 50,000 and above from electricity consumers, as under:

> *"The matter has been examined by us with reference to the provisions of Income Tax Law. In the matter, reference is drawn to Rule 114 C of the Income Tax Rules, 1962, which governs the issue relating to verification of PAN declaration in Form No 60 in respect of the transactions specified in file 114 B of the Income Tax Rules, 1962. Examination of these rules were reveals that there is no requirement of obtaining PAN/ declaration in Form No. 60 in case of receipt of cash in excess of Rs 50,000 and above from electricity consumers. Thus, the corporation can accept cash in excess of Rs 50,000 without obtaining PAN/declaration in Form No. 60 (in non-PAN cases). However, it may be pertinent to bring out here that the Corporation cannot accept more than Rs. 2(two)*

*lakh in cash from a single person in a day or against same transaction/event as the same will attract penalty of sum equal to the amount of such receipt under the provisions of section 271D of the Income-tax Act, 1961."In light of above facts, the Nigam humbly submits the proposal of dispensing with the condition of obtaining PAN number of concerned consumers in case of deposit of cash exceeding Rs. 50,000 up to Rs. 2 lakhs in "Theft Penalty and Surcharge Waiver Cases" only.*

Pursuant to the advice and provisions of Income-tax Act, 1961, UHBVN has already requested HERC for reconsidering the above note in the review petition filed by UHBVN for review of ARR/Tariff Order dated 15.02.2023.

This petition was decided vide final order dated 18.07.2023, however, this issue was remained undecided. UHBVNL has prayed to the Commission to amend the note by keeping in view the advice of Tax Consultant.

The issues as proposed above are submitted for perusal of the Hon'ble Commission, so that they may be made part of ARR/Tariff Order for FY 2024-25.

**Commission Observations:**

**The Commission has considered the ibid submissions and observes that it should be the endeavour all stakeholders to discourage use of 'cash' as far as possible. If at all 'cash' transactions cannot be avoided it should be done with complete transparency. Hence, the dispensation in place need no change especially keeping in view the reports of frauds / embezzlements by the Discoms employees / collecting agencies in cash receipts.**

# CHAPTER 10

# TIME OF DAY/USE TARIFF

## 10.1 ToD / ToU Tariff / Night-time Concessional Tariff for FY 2024-25

The Commission had introduced ToD tariff vide ARR/Tariff Order dated 30.03.2022 and further certain amendments were introduced vide order dated 15.02.2023. In amendment of the same, the Commission for the FY 2024-25 approves the ToD on the following terms and conditions to encourage consumption of power during off peak period(s). Such dispensation shall be a win-win situation for both the distribution licensee(s) as well as the electricity consumers of the Haryana. The former would benefit in terms of saving of additional power purchase cost during the peak months / hours as well as incurring cost on augmentation of transmission / distribution and wheeling network. While the latter will benefit in terms of reduction in energy bills by shifting their demand to off peak periods. Hence, the Commission has dispensed with public proceedings on the ToD / ToU proposal.

The distribution licensee i.e. UHBVNL, on behalf of both the Discoms, vide its Memo No. Ch-02/RA/F-25/Vol-81 dated 22.03.2022, with reference to the letter to the MDs of the Discoms, from the Govtt. Haryana / Power Department Memo No. Ch-238/DSO-512 has made the following submissions:

That the Hon'ble Commission in the Tariff Order dated 30.03.2021 has approved the terms and conditions of the TOU/TOD tariff as under:

i. Concessional Tariff or power drawn during off peak hours i.e. 21:00 to 05:30 hours, or such time slots as the Discoms considers power to be surplus, in excess of normal consumption during the corresponding month in the preceding year will be optional and will be available only to HT Consumers, including furnaces, who opt for the scheme, during the period November to March.

ii. The HT Consumer, desirous of availing this tariff as per the terms and conditions proposed by the Discoms, shall submit the application to the Chief Engineer / Commercial of respective Discom.

iii. The Committee comprising of Chief Engineer/Commercial and SE / Metering & Protection shall clear the applications, as far as possible, within the same day. However, the decision shall in no case be delayed beyond three working days from the date of receipt of the application.

iv. The Tariff, as given below, which shall be exclusive of FSA, ED and M. Tax, would be applicable for the energy drawn during off peak hours i.e. 21:00 to 05:30 hours over and above normal consumption in the corresponding month of the preceding year. The energy drawn over and above the normal consumption, on which concessional tariff would apply, would be equal to lesser of, where

x= Cumulative change in consumption during night hours (21:00 Hrs to 05:30 Hrs) over the entire billing cycle

y= Cumulative change in total consumption during the 00:00 to 24:00 hours over the entire billing cycle.

v. The base consumption for working out the change in consumption would be decided by the Nigam on case-to-case basis keeping in view the factors like seasonality, load/CD extension etc.

vi. The concessional tariff from November 2021 to March 2022 (for time slot of 21:00 to 05:30) shall be as under:

**TOU/TOD Tariff**

| | | |
|---|---|---|
| aa) | HT Consumers on 11/33 kV | : Rs 4.25/kVAh |
| bb) | HT Consumers on 66 kV and above | : Rs 3.75/kVAh |

vii. Once opting to avail concessional tariff, the consumer would continue to be charged concessional tariff for the entire duration of the Scheme from November to March. The billing under concessional tariff shall commence from start of billing period immediately following the date of acceptance of the application of the consumer.

viii. Other terms & conditions of this tariff shall remain as per the ongoing approved concessional tariff scheme.

ix. HT industry (including Arc furnace) HT NDS, Bulk Supply (other than Bulk Domestic). The approved ToD/ToU Tariff shall be as under: -

| Period | Differential Tariff | Time |
|---|---|---|
| Off-Peak Hours | For incremental consumption: -<br>HT Consumers on 11/33 kV- Rs 4.25/kVAh<br>HT Consumers on 66 kV & above- Rs 3.75/kVAh | 09:00 P.M to 05:30 A.M |
| Peak Hours | Normal Energy charges and applicable PLEC charges | 5:30 P.M to 09:00 P.M |
| Normal Hours | Normal Energy charges<br>determined by the Commission | 05:30 A.M to 5:30 P.M |
| Demand Charges | As determined by the Commission - shall be the same for all categories of consumers. | |

2. It has been submitted by the distribution licensee that the State Government, vide Memo No. Ch. 238/DSO-512 dated 19.03.2022, has desired to encourage the electricity consumers of industrial installation to use more electricity during night hours. Accordingly, the State Discoms have been directed to make the amendment in existing terms and conditions of the TOU/TOD tariff for implementation of the same to the industrial consumers in the State.

3. That the following amendments are desired to be considered by the state DISCOMs for implementation of terms and conditions of TOU/TOD tariff for industrial consumers:

   i. The continuous running industrial installation should be provided with incentives against the additional energy drawn during night shift.

   ii. The industrial installation which are running in shift should be provided with the incentives against the shifting of energy drawn from day shift to night shift.

   iii. The industrial installation which are running in single shift should be provided with incentives against the additional energy drawn which they consume in the night shift.

Note: The above night-time concessional/incentive to be given to the industrial installation should be over and above normal consumption in the corresponding month of the preceding year.

4. That the amendment in the terms and conditions of TOU/TOD Tariff as specified above in Point No. 5, may adequately be incorporated in a revenue neutral manner in the TOU/ TOD tariff structure (mentioned above in Point No. 3) approved for the FY 2022-23.

5. The Commission has considered the above and is of the view that given the surplus power during the off-peak hours and the need to dispose of the same in an optimum manner instead of under-drawing and or selling in the day ahead market at an un-remunerative rate, it would be appropriate to incentivise use of such power during the night time as well as off peak hours of the day. This, the Commission feels would provide a big support to the industrial consumers who are making efforts to get back on a high growth trajectory post Covid-19 pandemic.

The Commission observes that the proposed amendment is already in vogue in Haryana. However, for giving more impetus to the dispensations on ToD / ToU, the Discoms' proposal for continuous process industry, industrial installation running in shifts and able to shift their load(s) to night shift as well as the industrial units operating in single shift and are able to consume additional units during the night time, is allowed as prayed for by them, provided the incremental / additionalities in energy drawl is quantified on the basis of the energy recorded by the energy meter(s) .

The off-peak charges between 9 P.M to 5.30 A.M shall be Rs. 4.25 / kVAh (11/33 kV supply) and RS. 3.75 / kVAh for supply at 66 kV and above. The demand charges shall be as per the schedule of tariff and charges approved by the Commission in this order.
The concessional off – peak tariff / night time concession shall also be applicable for the EV Charging stations for the entire energy drawl during the off-peak hours.

**The ToD / ToU dispensation in vogue shall continue in the FY 2024-25 except for the timing which shall be 9 P.M to 5.30 A.M or the time slots decided by the Discoms in view of power surplus scenario after giving it a wide publicity provided there is a provision in the installed meters for recording consumption in the particular time slot(s).**

# CHAPTER 11

## DISTRIBUTION & RETAIL SUPPLY TARIFF

The Discoms, in their petition, submitted that the Aggregate Revenue Requirement for FY 2024-25 is estimated based on the audited accounts for FY 2022-23 and in accordance with the HERC MYT Regulations. For True-up year FY 2022-23, Haryana Discoms are in a revenue deficit of Rs.1,364.25 Cr., whereas revenue deficit for APR year FY 2023-24 is Rs 2,342.56 Cr & Rs 262.47 Crore after adjustment of Revenue Surplus of FY 2021-22 along with carrying cost. ARR year FY 2024-25 has a revenue deficit of Rs 1628.83 Cr, which is increased to Rs 3167.02 after adjustment of revenue gap estimated for FY 2022-23 along with carrying cost.

UHBVNL, in its petition, further submitted that the DISCOMs expect to recover some portion of this Gap based on the distribution loss efficiency gain and purchase of power at low cost in APR and especially in ARR year. Discoms are currently in process of analyzing any requirement of tariff modification. The same may please be allowed to be submitted as an additional submission at a later stage if required.

DHBVNL, in its petition, has submitted that DISCOMs expect to recover some portion of this Gap based on the efficiency gain in APR and ARR years. The remaining revenue deficit can be covered through long-term/short-term loans.

**The Commission observes that in view of the above, the Commission directs that in the next ARR, the Discoms will submit a tariff proposal as well; it may not necessarily be for increase or decrease in tariff(s) but for improvement in tariff design, reduction in the number of category / sub-category, re-alignment of demand / fixed charges etc. The proposal should include its impact on a typical consumer.**

Subsequent to the determination of the ARR for the FY 2024-25, the tariff now determined is placed at **Annexure – A.**

**The tariff (s) shall be applicable w.e.f. 01.04.2024 and shall continue to be vogue till the same is amended / re-determined by the Commission.**

# ANNEXURE – A

## Schedule of Tariff and Charges

| | **Tariff for 2023-24 (W.E.F. 01.04.2023)** | | | | **Tariff for 2024-25 (W.E.F. 01.04.2024)** | | | |
|---|---|---|---|---|---|---|---|---|
| **Sr. No.** | **Category of consumers** | **Energy Charges (Paisa / kWh or/ kVAh)** | **Fixed Charge (Rs. per kW per month of the connected load /per kVA of sanctioned contract demand (in case supply is on HT) or as indicated** | **MMC (Rs. per kW per month of the connected load or part thereof)** | **Category of consumers** | **Energy Charges (Paisa / kWh or/ kVAh)** | **Fixed Charge (Rs. per kW per month of the connected load / per kVA of sanctioned contract demand (in case supply is on HT) or as indicated** | **MMC (Rs. per kW per month of the connected load or part thereof)** |
| 1 | **Domestic Supply** | | | | **Domestic Supply** | | | |
| | **Category I: (Total consumption up to 100 units per month)** | | | | **Category I: (Total consumption up to 100 units per month)** | | | |
| | 0 - 50 units per month | 200/kWh | Nil | Rs. 115 up to 2 kW and Rs. 70 above 2 kW | 0 - 50 units per month | 200/kWh | Nil | Rs. 115 up to 2 kW and Rs. 70 above 2 kW |
| | 51-100 | 250/kWh | Nil | | 51-100 | 250/kWh | Nil | |
| | **Category II: (Total consumption more than 100 units/month and up to 800 units/month))** | | | | **Category II: (Total consumption more than 100 units/month and up to 800 units/month))** | | | |
| | 0-150 | 275/kWh | Nil | Rs. 125 up to 2 kW and Rs. 75 above 2kW | 0-150 | 275/kWh | Nil | Rs. 125 up to 2 kW and Rs. 75 above 2 kW |
| | 151-250 | 525/kWh | Nil | | 151-250 | 525/kWh | Nil | |
| | 251-500 | 630/kWh | Nil | | 251-500 | 630/kWh | Nil | |
| | 501-800 and above | 710/kWh | Nil | | 501-800 and Above | 710/kWh | Nil | |
| | **Note: Benefit of Telescopic Tariff shall be restricted up to 800 Units/ Months for category II only i.e. 801 and above flat rate of 710/kWh shall be applicable for the entire consumption.** | | | | **Note: Benefit of Telescopic Tariff shall be restricted up to 800 Units/Months for category II only i.e. 801 and above flat rate of 710/ kWh shall be applicable for the entire consumption.** | | | |
| 2 | **Non-Domestic (including Independent Hoarding/Decorative Lightning/ Decorative Lightning / Temporary Metered supply and others)** | | | | **Non-Domestic (including Independent Hoarding/Decorative Lightning/ Decorative Lightning / Temporary Metered supply and others)** | | | |
| | Merged with LT Supply Tariff | | | | Merged with LT Supply Tariff | | | |
| | Merged with HT Supply Tariff | | | | Merged with HT Supply Tariff | | | |
| | Merged with HT Supply Tariff | | | | Merged with HT Supply Tariff | | | |
| 3 | **HT Supply (above 50 kW) inc. Traction and DMRC** | | | | **HT Supply (above 50 kW) inc. Traction and DMRC** | | | |
| | Supply at 11 KV including NDS existing consumers above 50 kW and upto 70 kW (LT) | 665/kVAh 738/kWh in case of supply continues to be at LT | 165/kVA | Nil | Supply at 11 KV including NDS existing consumers above 50 kW and upto 70 kW (LT) | 665 / kVAh 738 / kWh in case of supply continues to be at LT | 165/kVA | Nil |
| | Supply at 33 KV | 655/kVAh | 165/ kVA | Nil | Supply at 33 KV | 655/kVAh | 165/ kVA | Nil |
| | Supply at 66 kV or higher | 645/kVAh | 165 / kVA | Nil | Supply at 66 kV or higher | 645/kVAh | 165 / kVA | Nil |
| | Supply at 220 kV | 635/kVAh | 165/ kVA | Nil | Supply at 220 kV | 635/kVAh | 165/ kVA | Nil |
| | Supply at 400 kV | 625/kVAh | 165/ kVA | Nil | Supply at 400 kV | 625/kVAh | 165/ kVA | Nil |
| | Arc furnaces/ Steel Rolling Mills also applicable to Open Access | 695 Paisa per kVAh if supply is at 11 kV | 165 / kVA | Nil | Arc furnaces/ Steel Rolling Mills | 695 Paisa per kVAh if supply is at 11 kV | 165 / kVA | Nil |
| 4 | **LT Supply - up to 50 kW** | | | | **LT Supply - up to 50 kW** | | | |
| | Upto 10 KW | 635/kVAh or 705/kWh | Nil | Rs. 185/kW | Upto 10 KW | 635/kVAh or 705/kWh | Nil | Rs. 185/kW |
| | Above 10 KW & upto 20 kW | 665/kVAh or 738/kWh | Nil | Rs. 185/kW | Above 10 KW & upto 20 kW | 665/kVAh or 738/kWh | Nil | Rs. 185/kW |

| | Tariff for 2023-24 (W.E.F. 01.04.2023) | | | | Tariff for 2024-25 (W.E.F. 01.04.2024) | | | |
|---|---|---|---|---|---|---|---|---|
| **Sr. No.** | **Category of consumers** | **Energy Charges (Paisa / kWh or/ kVAh)** | **Fixed Charge (Rs. per kW per month of the connected load /per kVA of sanctioned contract demand (in case supply is on HT) or as indicated** | **MMC (Rs. per kW per month of the connected load or part thereof)** | **Category of consumers** | **Energy Charges (Paisa / kWh or/ kVAh)** | **Fixed Charge (Rs. per kW per month of the connected load / per kVA of sanctioned contract demand (in case supply is on HT) or as indicated** | **MMC (Rs. per kW per month of the connected load or part thereof)** |
| | Above 20 KW and upto 50 KW | 640/kVAh | Rs. 160/kW of 80% of the Connected Load | Nil | Above 20 KW and upto 50 KW | 640/kVAh | Rs. 160/kW of 80% of the Connected Load | Nil |
| | Existing consumers above 50 kW upto 70 kW (LT) | Merged with HT Supply | | | Existing consumers above 50 kW upto 70 kW (LT) | Merged with HT Supply | | |
| h | | | | | | | | |
| 5 | **Agro Indust / FPO** | **475 / kWh** | **Nil** | **Nil** | **Agro Indust / FPO** | **475 / kWh** | **Nil** | **Nil** |
| 6 | **Agriculture Tube-well Supply** | | | | **Agriculture Tube-well Supply** | | | |
| | Metered: (i) with motor upto 15 BHP | 662 / Unit | - | Rs. 200/BHP/Year | Metered: (i) with motor upto 15 BHP | 648 / Unit | - | Rs. 200/BHP/Year |
| | (ii) with motor above 15 BHP | 662/ Unit | - | | (ii) with motor above 15 BHP | 648 / Unit | - | |
| | **Un-metered (Rs. / Per BHP/ Month):** (i) with motor upto 15 BHP | Nil | Rs. 15/BHP/Month | Nil | **Un-metered (Rs. / Per BHP / Month):** (i) with motor upto 15 BHP | Nil | Rs. 15/BHP/Month | Nil |
| | (ii) with motor above 15 BHP | Nil | Rs. 12/BHP/Month | Nil | (ii) with motor above 15 BHP | Nil | Rs. / 12/BHP/Month | Nil |
| 7 | **Public Water Works / Lift Irrigation / MITC / Street Light** | 735 / kWh | Rs. 180 / kW or BHP except Street Light | MMC of Rs. 165/kW/Month only for Street Light | **Public Water Works / Lift Irrigation / MITC / Street Light** | 735 / kWh | Rs. 180 / kW or BHP except Street Light | MMC of Rs. 165/kW/Month only for Street Light |
| 8 | **Railway Traction** | | | | **Railway Traction** | | | |
| | Supply at 11 KV | Merged with HT Supply Tariff at the respective voltage of supply | | | Supply at 11 KV | Merged with HT Supply Tariff at the respective voltage of supply | | |
| | Supply at 33 KV | | | | Supply at 33 KV | | | |
| | Supply at 66 or 132 kV | | | | Supply at 66 or 132 kV | | | |
| | Supply at 220 kV | | | | Supply at 220 kV | | | |
| 9 | **DMRC** | | | | **DMRC** | | | |
| | Supply at 66 kV or 132 kV | Merged with HT Supply Tariff | | | Supply at 66 kV or 132 kV | Merged with HT Supply Tariff | | |
| 10 | **Bulk Supply** | | | | **Bulk Supply** | | | |
| | Supply at LT | 650/kVAh | 160/kW or Rs. 160/kVA as applicable (see note 3) | **Nil** | Supply at LT | 650/kVAh | 160/kW or Rs. 160/kVA as applicable (see note 3) | **Nil** |
| | Supply at 11 kV | 640/kVAh | | Nil | Supply at 11 kV | 640/kVAh | | Nil |
| | Supply at 33 kV | 630/kVAh | | Nil | Supply at 33 kV | 630/kVAh | | Nil |
| | Supply at 66 or 132 kV | 620/kVAh | | Nil | Supply at 66 or 132 kV | 620/kVAh | | Nil |
| | Supply at 220 kV | 615/kVAh | | Nil | Supply at 220 kV | 615/kVAh | | Nil |
| 11 | **Bulk Supply** | | | | **Bulk Supply** | | | |

| | **Tariff for 2023-24 (W.E.F. 01.04.2023)** | | | | **Tariff for 2024-25 (W.E.F. 01.04.2024)** | | | |
|---|---|---|---|---|---|---|---|---|
| **Sr. No.** | **Category of consumers** | **Energy Charges (Paisa / kWh or/ kVAh)** | **Fixed Charge (Rs. per kW per month of the connected load / per kVA of sanctioned contract demand (in case supply is on HT) or as indicated** | **MMC (Rs. per kW per month of the connected load or part thereof)** | **Category of consumers** | **Energy Charges (Paisa / kWh or/ kVAh)** | **Fixed Charge (Rs. per kW per month of the connected load / per kVA of sanctioned contract demand (in case supply is on HT) or as indicated** | **MMC (Rs. per kW per month of the connected load or part thereof)** |
| | **(Domestic)** | | | | **(Domestic)** | | | |
| | For total consumption in a month not exceeding 800 units/ flat/ dwelling unit (DU). | 525/kWh | Rs.80 / kW / month of the recorded demand | Nil | For total consumption in a month not exceeding 800 units/ flat/ dwelling unit (DU). | 525/kWh | Rs.80 / kW / month of the recorded demand | Nil |
| | For total consumption in a month exceeding 800 units/ flat/DU. | 620/kWh | Rs. 80 / kW / month of the recorded demand | Nil | For total consumption in a month exceeding 800 units/ flat/DU. | 620/kWh | Rs. 80 / kW / month of the recorded demand | Nil |

**Notes:**

1. In case of Arc furnaces/ Steel Rolling Mills for supply at 33 kV and above, the HT Industrial tariff at the corresponding voltage level shall be applicable. The tariff determined in the table above for Arc Furnace taking supply at 11 kV voltage, is inclusive of surcharge. However, the open access consumers bringing in power under Open Access Mechanism shall also pay a surcharge of 30 Paisa/unit.
2. Fixed charges for HT supply and Bulk Supply category are in Rs. / kVA of Contract Demand.
3. In case of Bulk Supply Consumers (other than Bulk Supply – DS), the fixed charges are in Rs/kW of the connected load where contract demand is not sanctioned and in Rs. /kVA of contract demand where contract demand is sanctioned.
4. Advocate's Chamber, shall be levied a single rate (tariff) equivalent to CoS of LT Supply as determined in the present order. There shall be no demand / fixed charges.
5. The electricity crematorium shall be levied a concessional tariff of Rs. 2.75 / Unit (kVA or kWh). No demand charges shall be levied.
6. The schedule of tariff and charges does not include Electricity Duty, Municipal Tax, Panchayat Tax (being levied as per the notifications issued by the State Government) and FSA as per MYT Regulations in vogue.
7. Tariff for the eligible Gaushalas shall be Rs. 2.0 / kWh subject to payment of subsidy by the State Government.
8. In case the State Government desires to extend concession including MMC/ subsidy to any consumer category, the same shall be implementable subject to section 65 of the Electricity Act, 2003.
9. The tariff for electricity supply to the EV Charging station in Haryana shall be a single part tariff equivalent to the CoS of HT Supply and LT Supply, as determined in the present

order. The off peak / night-time concession benefits shall also be applicable. There shall be no fixed / demand charges.

10. In the case of the existing consumers above 50 kW upto 70 kW (LT) that has been merged with HT Supply, the tariff shall be as per HT Supply. In the absence of a compatible meter standard power factor of 0.90 may be used. However, the Discoms shall ensure that a compatible meter of requisite accuracy is installed either by the Discoms or by the consumers themselves within six months from this order. It is clarified that consumer will not have the option to pick and choose. However, such consumers shall be given option either to get the load reduced below 50 KW or convert to HT metering within one year.
11. The tariff for places of worship shall be a single part tariff equivalent to the Domestic Supply tariff(s).
12. The charges, other than energy and demand charges determined in the present order, for NDS category merged with HT / LT Supply shall be as per the charges applicable for erstwhile HT / LT Industry. The Discoms are directed to file a comprehensive proposal for amendment in general and miscellaneous charges as well as the relevant regulations such as the Duty to Supply Regulations.
13. The Temporary Supply Tariff shall remain unchanged i.e. as per the Commission's tariff order for the FY 2021-22.
14. The AP Supply tariff shall be Rs. 6.48 / kWh for metered supply and BHP (in the case of flat rate shall be converted to kW and units worked out by applying the average running hours of the tube-wells. However, the State Government may continue with the subsidized tariff provided advance subsidy, in the beginning of each quarter is paid by the State Government to the Discoms, as per Section 65 of the Electricity Act, 2003.
15. It is clarified that the acceptance limit of cash will be Rs. 5000 (five thousand). However, the cash collection limit for theft penalty amount may be enhanced to Rs. 2,00,000 (two lakhs); submission of PAN Card shall be mandatory for any transaction exceeding Rs. 50,000 (Fifty Thousand). It is further made clear that the AEE / SDO concerned shall be fully responsible for cash collected and remittance into the designated bank(s) on the same day.
16. The AP Tube-well tariff determined by the Commission u/s 62 of the Electricity Act, 2003 shall be levied by the Discoms in case the Government does not pay subsidy in accordance with the provisions of Section 65 of the Electricity Act, 2003.
17. Green Energy premium shall be Rs. 0.88 / Unit over and above the normal tariff.
18. NDS consumers having sanctioned load above 50 KW and existing consumers having sanctioned load above 50 KW and upto 70 KW (on LT Supply) have been merged with the HT industrial consumers as "HT Supply". In the absence of declared contract demand, as well cumbersome process of asking all such consumer to declare their contract demand, it would be appropriate, given the nature of NDS usage, that the sanctioned load of such consumers available with the Discoms, is considered for levy of Fixed Charges.

19. LT supply consumers (having sanctioned load up to 20 KW) shall be billed only on kVAh tariff with the exception of billing in kWh only when the installed meter at consumer premises is not kVAh compliant. However, Discoms shall ensure installation of kVAh meters for such consumers by 30.09.2024.

All the directives contained in the various chapters of the present order as well as the Annexures, shall be complied with by the Discoms within the timeline specified for the purpose.

This Order is signed, dated and issued by the Haryana Electricity Regulatory Commission on 5th March, 2024.

| | | | |
|---|---|---|---|
| Date: 05.03.2024 | (Mukesh Garg) | (Naresh Sardana) | (Nand Lal Sharma) |
| Place: Panchkula | Member | Member | Chairman |

## ANNEXURE – B

**Directives issued in the present order.**

1. UHBVNL and DHBVNL are directed to intimate, within one month from the date of the present order, the details of assets for which Capex were incurred and depreciation claimed but remained stranded / un-utilised due to one reason or the other including non-availability of associated lines / equipment etc.

2. The licensee(s) must ensure that consumers are paid interest on their Advance Consumption Deposits duly reflected in their energy bills for the relevant month i.e. bill(s) issued in the month of April / May.

3. In view of the discrepancies in the AP sales figures, the Commission directs that the MD DHBVNL will check the figures of AP sales and input energy and submit a report on running of AP tube wells on non-AP feeders within one month of issue of this order besides reconciliation of figures as per order.

4. The Commission had rationalized certain tariff category and classified the same into HT and LT Supply depending on the voltage of at which consumers in different categories were taking supply. Hence, the same practice shall continue. The Discoms, may collate data accordingly i.e. as per the merged categories instead of the categories that have been dispensed with.

5. While resorting to bidding or calling for expression of interest for power procurement the Discoms must ensure that the power under PPAs, already approved by the Commission, materialises and also the intra-State generator, subject to MoD in vogue are dispatched. However, it is reiterated that when contracting a new source of power supply the landed cost of such power should be worked out in view of the General Network Access charges in force.

6. In case additional power, if required, may be met from power allocated to Haryana from the Central un-allocated quota with prior approval of the Commission. However, in case of extreme emergency Discoms may schedule power subject to ex-post facto approval of the Commission giving detailed justification, not later than 15 days thereof.

7. The licensees are again directed to analyse and explain the aberrations in the MYT projections and that proposed in the present petition i.e. map all the factors for the increase including number of employees, contractual employees, DA, inflation factor etc.
8. The Discoms are directed to examine the discrepancies in its power purchase cost vis-à-vis the cost projected to bring out the facts that would lead to reduction in cost of power to the extent projected for the ensuing financial year. A report regarding the same may be submitted within a month from the date of the present order.
9. The licensee needs to exercise proper monitoring of scheme wise execution of capital works and control over the item wise expenditure approved by the Commission as per Regulation 8.3.3 (b) of the Haryana Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2019.
10. Both the licensees are further directed that they shall regulate their capital expenditure plans for FY 2024-25 as per Regulations 9.7 to 9.12 of the Haryana Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2019.
11. The Commission again directs the DISCOMs to reduce AT&C losses of all urban feeders below 25% and that of Rural feeders below 50% in FY 2023-24 and to submit the Status Report after 2 months of the order.
12. The Commission again directs the licensees to bring down the distribution transformer damage rate below the prescribed limits in FY 2023-24 and FY 2024-25. Any slippage on account of the timeline shall lead to penalty as deemed fit and appropriate by the Commission as per various provisions of the Act and Regulations framed thereunder. Further Commission directs the licensee to provide the action plan and the action taken to reduce rate DT damage during FY 2023-24 and FY 2024-25.
13. DHBVNL is again directed to clear the backlog of defective metering and to ensure that at no point of time the percentage of defective meters exceeds 2% limit as per SOP regulations in vogue.

14. The Commission directs DISCOMs especially DHBVNL to replace all electromechanical meters shown pending for replacement and submit compliance report within 3 months from date of this order.

15. DISCOMs are directed to expedite the Installation of Smart Metering Project already undertaken to ensure the competition of project within the timelines of agreement executed between EESL and DISCOMs.

16. Further, DISCOMs to submit status of RFP/NIT along with their detailed plan regarding replacing of conventional energy meters by prepaid smart meters within two months of issuance of this Tariff Order.

17. The commission directs DISCOMs:-

    i. To improve efficiency in the meter reading activities including billing.

    ii. To reduce number of bills rendered on provisional basis.

    iii. There should be no bill rendered on average basis for more than 2 billing cycles failing which consumer shall be entitled to claim compensation.

18. It may be noted that in case batteries are installed by the Discoms at their sub-stations and the same are charged during off-peak hours so that the stored power can be injected back into the grid during peak hours to bridge any demand-supply gap, the same shall be counted towards fulfilment of storage RPO.

19. **Terminal Liability**- The Discoms are directed to claim terminal liabilities based on actual values instead of claiming the same on the basis of actuarial valuation. Any aberrations can be trued up.

20. **R&M-** The Commission has observed that the discoms are always short of spending the full amount on Repair & Maintenance as approved by the Commission. It needs to be noted that R&M expenses are crucial to keep the distribution system in a perfect condition and to prevent unscheduled outages. Hence, they are directed to utilise the R&M expenses prudently to ensure quality and continuity in supply of power.

21. **Arrears/Collection Efficiency-** The discoms are directed to segregate the collection of revenue pertaining to a financial year into current revenue collection and revenue

collection pertaining to arrears, to make the collection efficiency report more meaningful/accurate. Hence, the same is not reported as more than 100%.

22. **Power Planning-** The Commission has observed that, with the concurrence of the Discoms, more than one unit of HPGCL's power station / other power stations are taken out for planned maintenance at the same time. The Discoms are directed to assess their power demand /supply position as well as the prevailing market conditions in the power exchanges / bilateral sources and then only take an informed decision of allowing power generating station(s) to be simultaneously taken out for planned maintenance.

23. **Any other directive issued in the present order shall be complied with by the Discoms in a time bound manner.**

## ANNEXURE – C

## Directive Compliance Status of order dated 15.02.2023- UHBVNL

| # | Directives | Letter no. and date | UHBVNL Reply | Remarks |
|---|---|---|---|---|
| 1 | UHBVNL and DHBVNL are directed to intimate, within one month from the date of the present order, the details of assets for which Capex were incurred and depreciation claimed but remained stranded / un-utilized due to one reason or the other including non-availability of associated lines/ equipment etc. | Vide memo no Ch-20 F-173 Vol-14 dt 13.03.2023 | It is submitted to the Hon'ble Commission that the assets for which capex is incurred are being utilized at their fullest capacity, therefore no assets are stranded / un-utilized. The depreciation is claimed as per the HERC MYT Regulations 2019 and its amendments thereof. | **Complied with** As stated in the reply by UHBVN, there is no asset for which Capex were incur and depreciation claimed but remained stranded / un-utilized. |
| 2 | The licensee(s) must ensure that consumers are paid interest on their Advance Consumption Deposits duly reflected in their energy bills for the relevant month i.e. | Vide memo no Ch-48/RA/F-173/Vol–(14) dated 03.05.2023 | It is submitted that the compliance of directive of HERC has been made and the interest on ACD is initiated / reflected in consumer bills w.e.f. 1st April/2023 | **Complied with** |

| # | Directives | Letter no. and date | UHBVNL Reply | Remarks |
|---|---|---|---|---|
| | bill(s) issued in the month of April / May | | | |
| 3 | In view of the discrepancies in the AP sales figures, the Commission directs that the MD DHBVN will check the figures of AP sales and input energy and submit a report on running of AP tube wells on non-AP feeders within one month of issue of this order besides reconciliation of figures as per order. | | Does not relate to UHBVNL | **Does not relate to UHBVNL** |
| 4 | The Commission had rationalized certain tariff category and classified the same into HT and LT supply depending on the voltage of at which consumers | Vide memo no Ch-11/RA/F-173 Vol-14 dt. 07.03.2023 | UHBVN is already classified LT & HT category as per merged categories of tariff and compiling the data accordingly from F.Y. 2022-23 onwards. | **Complied with** |

| # | Directives | Letter no. and date | UHBVNL Reply | Remarks |
|---|---|---|---|---|
| | in different categories were taking supply. Hence, the same practice shall continue. The Discoms, may collate data accordingly i.e. as per the merged categories instead of the categories that have been dispensed with | | | |
| 5 | While resorting to bidding or calling for expression of interest for power procurement the Discoms must ensure that the power under PPAs, already approved by the Commission, materialises and also the intra-State generator, subject to MoD in vogue are dispatched. However, it | Vide memo no Ch-36/RA/F-173/Vol-(14) dated 28.04.2023 | The direction of Hon'ble Commission has been noted. It is submitted that as per HERC order, Practice is being followed by HPPC to contract the new source of power supply under long term, medium term & short-term basis after comparing the landed cost of such power with the cost of power from state generating station i.e. HPGCL. | **Complied with** |

| # | Directives | Letter no. and date | UHBVNL Reply | Remarks |
|---|---|---|---|---|
| | is reiterated that when contracting a new source of power supply the landed cost of such power vis-à-vis cost of power from HPGCL's power stations shall be reckoned with instead of MoD prepared on the basis of variable/ fuel cost. | | | |
| 6 | In case additional power, if required, may be met from power allocated to Haryana from the Central un-allocated quota with prior approval of the Commission. However, in case of extreme emergency Discoms may schedule power subject to ex-post facto approval of the | Vide memo no Ch-36/RA/F-173/Vol-(14) dated 28.04.2023 | The direction of Hon'ble Commission has been noted. HPPC has filed a petition dated 06.04.2023 before HERC to seek approval to purchase power from unallocated quota of central generating stations in line with MoP order dated 22.03.2023. | **Complied with** |

<table>
<tr><th>#</th><th>Directives</th><th>Letter no. and date</th><th>UHBVNL Reply</th><th>Remarks</th></tr>
<tr><td></td><td>Commission giving detailed justification, not later than 15 days thereof.</td><td></td><td></td><td></td></tr>
<tr><td>7</td><td>The licensees are again directed to analyse and explain the aberrations in the MYT projections and that proposed in the present petition i.e. map all the factors for the increase including number of employees, contractual employees, DA, inflation factor etc</td><td>Vide memo no Ch-27/RA/F-173/vol (14) dated 12.04.2023</td><td>It is submitted that the projections for ARR year i.e., FY 2023-24 are done as per the Haryana Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2019 and its amendment thereof.<br>The employee expense for ARR year is calculated by considering the revised estimated employee expenses for APR year and inflation factor i.e., 6.10%, along with the dearness allowance of 8% is considered, which is additionally disbursed by the government of Haryana in the APR year, the same is indexed for calculation of corresponding expenses for ARR year.<br>The MYT projections done taking actual employee expenses of FY 2018-19 and escalating it @ 4% to arrive at the base year value for the MYT Control Period. The base year employee expenses are indexed with inflation factor of 4.66% to project the employee expenses of UHBVNL for ensuing years of the MYT Control Period.<br>UHBVN in present petition has projected employees cost for FY 2023-24 considering following factor:<br>i. Indexation Factor:<br>Employee Expense of ARR year (FY 2023-24) is computed by escalating previous year employee expense by indexation factor. Following is the calculation of indexation factor considered for escalation of employee cost:
<table>
<tr><th></th><th>CPI Indices^</th><th></th><th>WPI Indices#</th><th></th></tr>
<tr><th>Month</th><th>FY 2021-22</th><th>FY 2022-23*</th><th>FY 2021-22</th><th>FY 2022-23*</th></tr>
<tr><td>April</td><td>345.9</td><td>367.8</td><td>132.0</td><td>152.3</td></tr>
<tr><td>May</td><td>347.3</td><td>371.5</td><td>132.9</td><td>155.0</td></tr>
<tr><td>June</td><td>350.5</td><td>372.1</td><td>133.7</td><td>155.4</td></tr>
<tr><td>July</td><td>353.7</td><td>374.1</td><td>135.0</td><td>154.0</td></tr>
<tr><td>August</td><td>354.2</td><td>375.0</td><td>135.9</td><td>153.1</td></tr>
<tr><td>September</td><td>355.1</td><td>378.1</td><td>136.0</td><td>152.1</td></tr>
<tr><td>October</td><td>359.7</td><td>-</td><td>137.4</td><td>-</td></tr>
<tr><td>November</td><td>362.0</td><td>-</td><td>140.7</td><td>-</td></tr>
<tr><td>December</td><td>361.2</td><td>-</td><td>143.7</td><td>-</td></tr>
<tr><td>January</td><td>360.3</td><td>-</td><td>143.3</td><td>-</td></tr>
<tr><td>February</td><td>360.0</td><td>-</td><td>143.8</td><td>-</td></tr>
<tr><td>March</td><td>362.9</td><td>-</td><td>145.3</td><td>-</td></tr>
<tr><td>Average</td><td>356.1</td><td>373.1</td><td>139.4</td><td>153.7</td></tr>
</table>
*Since, at time of Tariff Filing CPI & WPI for FY 22-23 is available up to September, 2022 accordingly same is considered for computation of indexation factor.<br>^In September' 20, the base year of CPI has changed from 2001 to 2016 for which linking factor of 2.88 as specified by the Labour Bureau of India is considered for determination of indexation factor.</td><td>Complied with.</td></tr>
</table>

<table>
<tr><th>#</th><th>Directives</th><th>Letter no. and date</th><th>UHBVNL Reply</th><th>Remarks</th></tr>
<tr><td></td><td></td><td></td><td>Source of CPI: http://www.labourbureaunew.gov.in/<br>#Source of WPI: https://eaindustry.nic.in/wpi_press_release_archive.asp<br>Considering above indices, Indexation Factor has been computed as per Regulation 57.4 of HERC MYT Regulations, 2019, is as below
<table>
<tr><td>Particulars</td><td>WPI</td><td>CPI</td><td>Total</td></tr>
<tr><td>Weightage</td><td>0.45</td><td>0.55</td><td>1</td></tr>
<tr><td>Avg Indexation for FY</td><td>153.7</td><td>373.1</td><td></td></tr>
<tr><td>Avg Indexation n</td><td>69.1</td><td>205.2</td><td>274.3</td></tr>
<tr><td>Avg Indexation for FY</td><td>139.4</td><td>356.1</td><td></td></tr>
<tr><td>Avg Indexation n-1</td><td>62.7</td><td>195.8</td><td>258.6</td></tr>
<tr><td>Combined Inflation</td><td colspan="3">6.10%</td></tr>
</table>
ii. Recruitment Plan:<br>UHBVN has also considered the fact that Discom has planned to scale up its existing infrastructure & strengthen IT backbone for robust distribution network. To upkeep the discom with rapid changing technology in distribution sector specialized manpower needs to be recruited from time to time.<br>Further, considering the basic salary of Rs. 25,000/- and applicable dearness allowance, employee cost for new recruitments is included over and above the employee cost estimation explained in previous point.<br>iii. Dearness Allowance:<br>Rate of Dearness Allowance applicable to Haryana Government employees as notified by the Govt. of Haryana is show in table below:
<table>
<tr><th>With effect from</th><th>Haryana Government Notification No. & Date</th><th>DA (%)</th></tr>
<tr><td>01/07/2019</td><td>4/1/2017-2 FR/32148 dated 25.11.2019</td><td>17%</td></tr>
<tr><td>01/07/2021</td><td>4/12019-1FR/26553 dated 23.12.2021</td><td>31%</td></tr>
<tr><td>01/01/2022</td><td>4/1/2019-1FR/0 dated 28.04.2022</td><td>34%</td></tr>
<tr><td>01/07/2022</td><td>4/3/2016-5FR/22747(2) dated 10.10.2022</td><td>38%</td></tr>
</table>
The annual DA growth of 8% is considered in FY 2023-24.<br>As seen from above, the variation in employee expense as estimated at the time of MYT projections and ARR projection is basically due to inflation factor and DA payout by Government of Haryana.</td><td></td></tr>
<tr><td>8</td><td>In case of DHBVNL, it is observed that the actual rate of interest of working capital for FY 2021-22 comes out to be ~21%, as per the</td><td></td><td>Does not relate to UHBVNL</td><td>Does not relate to UHBVNL</td></tr>
</table>

| # | Directives | Letter no. and date | UHBVNL Reply | Remarks |
|---|---|---|---|---|
| | additional data submitted by the Nigam vide email. There is some discrepancy in the data sheet as to inappropriate disclosure of opening and closing balances of the working capital loan accounts in the data sheet, leading to computation of incorrect actual rate of interest on working capital. In view of above, the Commission directs the Nigam to look into the reasons for submitting incorrect data and report the accurate the rate of interest paid by the licensee for the FY 2021-22 on working capital loans. Also, both the | | | |

| # | Directives | Letter no. and date | UHBVNL Reply | Remarks |
|---|---|---|---|---|
| | Discoms to ensure that accurate and complete information is submitted along with the ARR petitions every year. | | | |
| 9 | The Commission has noted with the concern that the average cost of power (without transmission cost) for the FY 2023-24 has been projected by the Discoms at Rs. 3.83 / Unit, while the same in the FY 2022-23 (up to December 2022 has been more than Rs.5/Unit. Moreover, the landed cost of short-term power proposed for the consideration and approval of the Commissio | Vide memo no. Ch-55/RA/F-173 Vol-14 dt. 09.05.2023 | It is submitted that the Discoms have projected the power purchase cost for FY 2023-24 excluding the unprecedented circumstance of increase in variable cost due to blending of imported coal as per MoP directives and due to unavailability of power from APL, CGPL, Faridabad Gas & Khedar (during Q1) in FY 2022-23. Due to unavailability of these sources and to provide continuous power in Haryana, power was purchased from alternate sources including short term and Exchange. The prices in power exchange were on higher side during FY 2022-23.<br>In the petition, the projections for availability of power have been undertaken only from long-term sources. Furthermore, it is submitted that impact of any variation in variable charges due to blending or external factors affecting GCV or fuel price could not be ascertained with accuracy at the time of filing of petition and as such variable charges are captured through FSA only. Hence, Discoms found it appropriate to project the power purchase cost on normalized assumptions considering business as usual scenario with an understanding that the impact if any is to be taken on actual as per the MYT Regulations.<br>Further, it is humbly submitted that variable charges during FY 2022-23 has the impact of imported coal blending, which is significantly higher than the actual variable charges of FY 2021-22. Hence, variable cost of FY 2022-23 cannot be used as the base for the purpose of estimating the variable cost (Rs. Cr.) of FY 2023-24. Thus, the variable charges (Rs/kWh) for the respective generating stations are considered same as variable charges (Rs/kWh) of FY 2021-22 with 0% escalation. Further, for the generating stations, whose variable charges were not available on actual basis during FY 2021-22, variable charges of FY 2022-23 for the respective generating stations are considered, for the purpose of estimation of variable cost. The Fixed Cost estimation is carried out on pro-rata basis by considering the Fixed Cost of FY 2022-23 for the respective generating station with 0% escalation.<br>In addition, to the above, it is submitted that, no blending impact has been considered in case of Thermal Generating Stations while estimating the Power Purchase Cost of FY 2023-24 since the blending of imported coal is decided by the MoP from time to time keeping in view the availability of domestic coal. The power procurement has been considered keeping in view availability of power at normative PLF from long term sources. Further, the petitioner in this present ARR petition, has not considered any | **Complied with** |

| # | Directives | Letter no. and date | UHBVNL Reply | Remarks |
|---|---|---|---|---|
| | n is also significantly higher and spills over to the months, so far, considered as off – peak months. The Discoms are directed to examine the discrepancies in its power purchase cost vis-à-vis the cost projected to bring out the facts that would lead to reduction in cost of power to the extent projected for the ensuing financial year. A report regarding the same may be submitted within a month from the date of the present order. | | prior period expenses impact that may be allowed by various courts of law in order to avoid over-estimation in the overall Power Purchase Cost. | |
| 10 | The licensee needs to exercise proper monitoring of scheme | Vide memo no Ch-20 F-173 Vol-14 dt 13.03.2023 | It is submitted that the capital expenditure works are being monitored by Nigam Officials at the highest level. The scheme-wise execution of capital works and control over the item-wise expenditure as approved by the Commission are supervised and reviewed by the Nigam Officers on a regular basis. The capex is controllable element of ARR as per Regulation 8.3.8 (b) of HERC MYT Regulations, 2019. Further and barring unforeseen | **Complied with** As per tariff order dated 15.02.2023, for the true-up |

| # | Directives | Letter no. and date | UHBVNL Reply | Remarks |
|---|---|---|---|---|
| | wise execution of capital works and control over the item wise expenditure approved by the Commission as per Regulation 8.3.3 (b) of the Haryana Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling, and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2019. | | circumstances, Nigam takes concerted efforts to ensure that actual capital expenditure is as close to the approved capital expenditure as possible. | year 2021-22, UHBVN was able to incurred Capex of **Rs. 947.37 Cr.** against **approved capex of Rs. 950 Cr**. Therefore, the actual capital expenditure for 2021-22 was very close to the approved expenditure. |
| 11 | Both the licensees are further directed that they shall regulate their capital expenditure plans for FY 2023-24 as per Regulations | Vide memo no Ch-20/RA/F-173 Vol-14 dt 13.03.2023 | The Capex plans as approved in the Tariff Order for FY 2023-24 is generally and will be regulated by Nigam as per the direction of the Hon'ble Commission. Further, the Nigam, being a regulated entity, follows the HERC MYT Regulations, 2019 and its amendments thereof. The capital investment plan envisaged by Nigam is also shared with Genco and Transco in due time in order to create sync between the investments proposed by all utilities. It will also be ensured that any additional capital expenditure incurred due to time over-run or unapproved schemes, or changes shall not be considered in capital expenditure to be claimed during true-up without any reasonable justification and the same shall be subject to approval from the Hon'ble Commission. | **Complied with** Licensee assured to regulate the Capex as per direction. |

<table>
<tr><th>#</th><th>Directives</th><th>Letter no. and date</th><th>UHBVNL Reply</th><th>Remarks</th></tr>
<tr><td></td><td>9.7 to 9.12 of the Haryana Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling, and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2019.</td><td></td><td></td><td></td></tr>
<tr><td>12</td><td>The Commission again directs the DISCOMs to reduce AT&C losses of all urban feeders below 25% and that of Rural feeders below 50% in FY 2022-23 and to submit the Status Report after 2 months of the order.</td><td>Vide memo no Ch-33/RA/F-173/Vol-14 dated 24.04.2023</td><td>No. of feeder more than 50% in RDS category and urban feeders more than 25%
<table>
<tr><td rowspan="3">Sr. no</td><td rowspan="3">Circle</td><td colspan="2">RDS</td><td colspan="2">Urban</td></tr>
<tr><td>April to March,2022</td><td>April to march, 2023</td><td>April to March,2022</td><td>April to march, 2023</td></tr>
<tr><td colspan="2">Above 50%</td><td colspan="2">Above 25%</td></tr>
<tr><td>1</td><td>Panchkula</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>2</td><td>Ambala</td><td>0</td><td>1</td><td>3</td><td>0</td></tr>
<tr><td>3</td><td>Yamunanagar</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>4</td><td>Kurukshetra</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>5</td><td>Kaithal</td><td>11</td><td>6</td><td>4</td><td>2</td></tr>
<tr><td>6</td><td>Karnal</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>7</td><td>Panipat</td><td>16</td><td>4</td><td>4</td><td>0</td></tr>
<tr><td>8</td><td>Sonepat</td><td>62</td><td>24</td><td>10</td><td>2</td></tr>
<tr><td>9</td><td>Rohtak</td><td>42</td><td>39</td><td>2</td><td>0</td></tr>
<tr><td>10</td><td>Jhajjar</td><td>47</td><td>18</td><td>1</td><td>0</td></tr>
<tr><td colspan="2">UHBVNL</td><td>178</td><td>92</td><td>24</td><td>4</td></tr>
</table></td><td>Partially complied with<br>Although there is improvement but the feeders with higher losses are still there. More effort required to make the count Nil.</td></tr>
<tr><td>13</td><td>The Commission again directs the</td><td>Vide memo no Ch-11 F-173 Vol-</td><td>As per HERC SOP Regulations, 2020 (6.1.e), Discoms have to maintain DT damage rate below 6% p.a. in rural areas and 3% p.a. in urban areas. The Financial Year wise data of DT damage rate is as follows: -</td><td>Partially Complied<br>more effort required to</td></tr>
</table>

<table>
<tr><th>#</th><th>Directives</th><th>Letter no. and date</th><th>UHBVNL Reply</th><th>Remarks</th></tr>
<tr>
<td></td>
<td>licensee to bring down the distribution transformer damage rate below the prescribed limits in FY 2022-23 and FY 2023-24. Any slippage on account of the timeline shall lead to penalty as deemed fit and appropriate by the Commission as per various provisions of the Act and Regulations framed thereunder. Further, Commission directs the licensee to provide the action plan and the action taken to reduce rate DT damage during FY 2022-23 and FY 2023-24.</td>
<td>14 dt. 07.03.2023<br><br>Vide memo no Ch-70/RA/ F-173 Vol-14 dt.16.05.2023</td>
<td>
<table>
<tr><th rowspan="2">FY</th><th colspan="2">DTs damage Rate%</th><th colspan="2">Increase/Decrease in</th></tr>
<tr><th>Rural</th><th>Urban</th><th>Rural</th><th>Urban</th></tr>
<tr><td>2016-17</td><td>11.20</td><td>6.31</td><td>+1.90</td><td>-0.87</td></tr>
<tr><td>2017-18</td><td>9.84</td><td>7.06</td><td>-1.36</td><td>+0.75</td></tr>
<tr><td>2018-19</td><td>10 19</td><td>5.64</td><td>+0.35</td><td>-1.42</td></tr>
<tr><td>2019-20</td><td>9.60</td><td>5.62</td><td>-0.59</td><td>-0.02</td></tr>
<tr><td>2020-21</td><td>9.15</td><td>5.09</td><td>-0.45</td><td>-0.53</td></tr>
<tr><td>2021-22</td><td>8.69</td><td>5.63</td><td>-0.46</td><td>+0.54</td></tr>
<tr><td>2022-23 (up to Jan,23)</td><td>7:16</td><td>4.27</td><td>-1.53</td><td>-1.36</td></tr>
</table>
The following action plan has been circulated in field offices to maintain DT damage rate below 6% in rural & 3% urban areas, during F.Y. 2022-23 & F.Y. 2023-24: -<br>
i. Sufficient numbers of LT circuit with separate fuse system will be provided on higher capacity DTs<br>
100 KVA – Up to 2 Circuits<br>
200 KVA -Minimum 2 Circuits<br>
400 KVA – Minimum 3 Circuits<br>
630 KVA – Minimum 4 Circuits<br>
ii. Load on each phase of the Transformer and carrying out the load balancing exercise.<br>
iii. Oil level of transformer be checked and be topped up wherever required.<br>
iv. Condition of silica gel breather be checked, wherever applicable and necessary action be taken.<br>
v. LT fuse boards be checked and replaced wherever required.<br>
vi. LT rods be checked and replaced wherever required.<br>
vii. Proper termination with appropriate sizes of Aluminum Thimbles be done.<br>
viii. Additional Transformer will be provided to give relief to overload transformer.<br>
ix. Augmentation of transformer will be carried out.<br>
x. Conditions of LT cables be checked and worn-out cables be replaced wherever necessary with appropriate size of cable.<br>
xi. Condition of male & female contacts of GO switches and remedial action be taken accordingly.<br>
Further, in every WTDs & BODs meeting, monthly damage rate of Distribution Transformers is reviewed, and directions are imparted to field offices for reducing the damage rate, otherwise disciplinary action would be initiated against the delinquent officers/officials.<br><br>
The updated data regarding the same will be submitted along with filing of ARR Petition for FY 2024-25.
</td>
<td>be put in to reduce the transformer damage rate.</td>
</tr>
<tr>
<td>14</td>
<td>DHBVN is again directed to clear the backlog of</td>
<td></td>
<td>Does not relate to UHBVNL</td>
<td>Does not relate to UHBVNL</td>
</tr>
</table>

<table>
<tr><th>#</th><th>Directives</th><th>Letter no. and date</th><th>UHBVNL Reply</th><th>Remarks</th></tr>
<tr><td></td><td>defective metering and to ensure that at no point of time the percentage of defective meters exceeds 2% limit as per SOP regulations in vogue</td><td></td><td></td><td></td></tr>
<tr><td>15</td><td>The Commission directs DISCOMs especially DHBVN to replace all electromechanical meters shown pending for replacement and submit compliance report within 3 months from date of this order.</td><td>Vide memo no Ch-11 F-173 Vol-14 dt. 07.03.2023</td><td>The status of single phase and three phase mechanical/electro-mechanical meters as on 28.02.2023, is as under: -
<table>
<tr><th>Sr. No.</th><th>Name of Circle</th><th colspan="2">Number of Mechanical/ Electromechanical meters pending for replacement at the end of March 2022</th><th colspan="2">Progress of replacement of Mechanical/ Electromechanical meters during 1.04.2022 to 28.02.2023</th><th colspan="2">Number of Mechanical /Electromechanical meters pending for replacement as on 28.02.2023</th></tr>
<tr><th></th><th></th><th>Single Phase</th><th>Three phase</th><th>Single Phase</th><th>Three phase</th><th>Single Phase</th><th>Three Phase</th></tr>
<tr><td>1</td><td>AMB</td><td>10488</td><td>719</td><td>10488</td><td>719</td><td>0</td><td>0</td></tr>
<tr><td>2</td><td>PKL</td><td>1524</td><td>472</td><td>1524</td><td>472</td><td>0</td><td>0</td></tr>
<tr><td>3</td><td>YNR</td><td>4522</td><td>0</td><td>4522</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>4</td><td>KKR</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>5</td><td>KTL</td><td>409</td><td>0</td><td>409</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>6</td><td>KNL</td><td>21</td><td>30</td><td>21</td><td>30</td><td>0</td><td>0</td></tr>
<tr><td>7</td><td>PNP</td><td>1053</td><td>0</td><td>1053</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>8</td><td>SNP</td><td>28784</td><td>700</td><td>14766</td><td>700</td><td>14018</td><td>0</td></tr>
<tr><td>9</td><td>RTK</td><td>13383</td><td>0</td><td>12035</td><td>0</td><td>1348</td><td>0</td></tr>
<tr><td>10</td><td>JJR</td><td>5737</td><td>0</td><td>3912</td><td>0</td><td>1825</td><td>0</td></tr>
<tr><td colspan="2">Total UHBVN</td><td>65921</td><td>1921</td><td>48730</td><td>1921</td><td>17191</td><td>0</td></tr>
</table>
It is submitted that there is no pendency left for replacement of three phase electro-mechanical meters in all OP Circles. The balance single phase meters are installed in rural areas of Sonipat, Rohtak & Jhajjar Circle which are being replaced in villages where MGJG work is under progress and not started yet. However, stiff resistance is being faced in these 'OP' Circles. The progress of replacement of electro-mechanical meters is regularly reviewed under the Chairmanship of Worthy Managing Director/Director Operation, UHBVN. The directions have been imparted to replace the remaining 17191 No. single phase electro-mechanical meters on priority.</td><td>Partially Complied with.<br>As on 28.02.2023, there is no pending three phase electro-mechanical meters left for replacement. However, 17,191 single phase electromechanical meters in Sonipat (14018), Rohtak (1348) and Jhajjar (1825) reported to be replaced on priority. Sincere efforts required to zero down the pendency.</td></tr>
</table>

| # | Directives | Letter no. and date | UHBVNL Reply | Remarks |
|---|---|---|---|---|
| 16 | DISCOMs are directed to expedite the Installation of Smart Metering Project already undertaken to ensure the competition of project within the time lines of agreement executed between EESL and DISCOMs | Vide memo no Ch-25/RA/F-173/ Vol-14 dated11.04.2023<br><br>Vide memo no Ch-70/RA/ F-173 Vol-14 dt. 16.05.2023 | The work of smart meter installation has been suspended by EESL from 01.02.2023. Notice of Default has been issued to M/s EESL on 01.03.2023 in tune of MoU and contract agreement. Further, EESL has been directed to resume the work and services within 15 days. 3,91,544 no. of smart meters have been installed (against 5 Lakh) in UHBVN as on date. As per contract agreement, EESL has to complete the project by Dec 2023.<br><br>The updated progress report will be shared alongwith the filing of ARR Petition for FY 2024-25. | **Partially complied with** |
| 17 | Further, DISCOMs to submit status of RFP/NIT along with their detailed plan regarding replacing of conventional energy meters by prepaid smart meters within two months of issuance of this Tariff Order. | Vide memo no Ch-25/RA/F-173/ Vol-14 dt 11.04.2023<br><br>Vide memo no Ch-70/RA/ F-173 Vol-14 dt. 16.05.2023 | Keeping in view the challenges faced in EESL project on DBFOOT model, Haryana Discoms are pursuing the matter with MoP to allow the prepaid smart metering implementation under RDSS on CAPEX/Hybrid financing model to retain the ownership of AMI application as long-term vendor lock-in will create a monopolistic situation favoring AMI-SPs who may compromise with meter quality and ignore Discom/Consumer's genuine concerns. The decision for floating of tenders will be finalized once mode of implementation is decided by the state government.<br><br>Further, it is submitted that the status of the RFP/NIT for engagement of AMI-SP for implementation of prepaid Smart Metering under UHBVN remains the same i.e. the mode of implementation of Smart Meter Project is under consideration /decision by State Government. | **Not Complied** Latest status submitted but action still pending. |
| 18 | The commission directs DISCOMs:-<br>i. To improve efficiency in | Vide memo no Ch-20 F-173 Vol-14 dt 13.03.2023 | **i. <u>Improvement in downloading of meters.</u>**<br>a. There are approx. 31 lac consumers in UHBVN (Except AP) and out of these meters approx. 80% meters are downloadable and currently the downloading percentage is approx. 75% of total consumers or more than 90% of the downloadable consumers. The status of meter reading downloaded is given below (Nov & Dec-22): -<br><table><tr><td>Discom</td><td>Jan-21</td><td>Feb-21</td></tr></table> | **Partially complied**<br><br>-Showing reduction in provisional billing from 5.42 % in |

<table>
<tr><th>#</th><th>Directives</th><th>Letter no. and date</th><th>UHBVNL Reply</th><th>Remarks</th></tr>
<tr>
<td></td>
<td>the meter reading activities including billing.<br>ii. To reduce number of bills rendered on provisional basis.<br>iii. There should be no bill rendered on average basis for more than 2 billing cycles failing which consumer shall be entitled to claim compensation.</td>
<td>Vide memo no</td>
<td>
<table>
<tr><th>UHBVN</th><th>Total Consumer</th><th>Downloading % (w.r.t total meters</th><th>Total Consumer</th><th>Downloading % (w.r.t total meters</th></tr>
<tr><td></td><td>1392781</td><td>36.78</td><td>1549652</td><td>40.62</td></tr>
</table>
<table>
<tr><th>Discom</th><th colspan="3">Nov-22</th><th colspan="3">Dec-22</th></tr>
<tr><td rowspan="2">UHBVN</td><td>Total Consumer</td><td>Downloading % (w.r.t total meters</td><td>Downloading % (w.r.t downloadable meters</td><td>Total Consumer</td><td>Downloading % (w.r.t total meters</td><td>Downloading % (w.r.t downloadable meters</td></tr>
<tr><td>1479203</td><td>74.62</td><td>90.88</td><td>1286924</td><td>75.09</td><td>90.11</td></tr>
</table>
b. High billed logic has been modified; hence it will improve the meter reading and billing performance.<br>
c. MNF (Meter Not Found), ANT (Address Not Traceable) is closely monitored by concerned SDOs/OP and the progress is monitored on monthly basis by Director/OP.<br>
ii. <u>To reduce number of bills rendered on provisional basis.</u><br>
a. Current status of provisional billing as well as defective meters for the month of Dec-22 & Jan-23 is placed at Annexure-A & B respectively.<br>
The progress of provisional billing is as under: -
<table>
<tr><th colspan="3">Status of provisional billing</th></tr>
<tr><th>Sr. No</th><th>Period</th><th>% Provisional billing</th></tr>
<tr><td>1</td><td>Dec-21</td><td>5.42</td></tr>
<tr><td>2</td><td>Jan-22</td><td>5.04</td></tr>
<tr><td>3</td><td>Feb-22</td><td>5.61</td></tr>
<tr><td>4</td><td>Mar-22</td><td>5.02</td></tr>
<tr><td>5</td><td>Apr-22</td><td>4.67</td></tr>
<tr><td>6</td><td>May-22</td><td>5.19</td></tr>
<tr><td>7</td><td>Jun-22</td><td>5.78</td></tr>
<tr><td>8</td><td>Jul-22</td><td>5.14</td></tr>
<tr><td>9</td><td>Aug-22</td><td>4.27</td></tr>
<tr><td>10</td><td>Sep-22</td><td>3.56</td></tr>
<tr><td>11</td><td>Oct-22</td><td>3.36</td></tr>
<tr><td>12</td><td>Nov-22</td><td>3.27</td></tr>
<tr><td>13</td><td>Dec-22</td><td>2.91</td></tr>
<tr><td>14</td><td>Jan-23</td><td>2.93</td></tr>
</table>
The above table shows there is continuously improvement in provisional billing cases and NIGAM is trying that no bill will be issued on average basis for more than two billing cycle.<br>
b. One number JSEs has been deputed at division level to monitor the billing and consumer complaints on daily basis hence UHBVN reduced the provisional billing to 2.93% Jan-23).<br>
iii. <u>There should be no bill rendered on average basis from more than 2 billing cycles failing which consumer shall be entitled to claim compensation.</u>
</td>
<td>Dec, 2021 to 2.97% in Jan, 2023.<br>-Licensee further submitted that continuous efforts are being made to achieve the permissible limit of provisional billing, which is 0.1% as per SoP regulations.</td>
</tr>
</table>

| # | Directives | Letter no. and date | UHBVNL Reply | Remarks |
|---|---|---|---|---|
| | | Ch-70/RA/ F-173 Vol-14 dt. 16.05.2023 | a. Nigam is continuously monitoring the defective meter cases. This results in timely replacement of defective meters hence this exercise will reduce the repeated average billing.<br>b. The status of pending complaints (BR/MCO/PDCO) is reviewed on monthly basis by Director/OP, this leads to timely resolution of complaints.<br>The percentage of provisional billing ending March'23 is 3.32% which was at 5.02% in March'22 and 5.42% in December'21.<br>Further, it is submitted that efforts are being made by Nigam to reduce the provisional billing. | |
| 19 | It may be noted that in case batteries are installed by the Discoms at their sub-stations and the same are charged during off-peak hours so that the stored power can be injected back into the grid during peak hours to bridge any demand-supply gap, the same shall be counted towards fulfilment of storage RPO. | Vide memo no Ch-59/RA/F-173/Vol–(14) dated 09.05.2023 | It is submitted that DHBVN has already finalized the RFP and got approved from BODs.<br>Accordingly, UHBVN has requested DHBVN to include 2 no. 5MW Battery Energy Storage System (Panipat Jhajjar Circle) in their RFP.<br>The Tendering for the said works is under process by DHBVN | **Complied with** |
| 20 | Page 185<br>The petitioners are directed to ensure that supply of power to AP / any categories of | Vide memo no Ch-48/RA/F-173/Vol–(14) dated 03.05.2023 | It is submitted that subsidized tariff for AP category has been retained at par with previous year's AP tariff.<br>The State Government has released subsidy of Rs. 230 Crore in FY 2022-23 on account of FSA pertaining to AP consumers. The State Government has provided a budget of Rs. 600 Crore on account of FSA pertaining to AP consumers in the FY 2023-24.<br>Further, the sanction orders of Rs. 1592.50 core & Rs. U./5 Crore for release of RE subsidy and Gaushala subsidy respectively for the 1st quarter of FY 2023-24 has been issued by the office of | **Complied with** |

<table>
<tr><th>#</th><th>Directives</th><th>Letter no. and date</th><th>UHBVNL Reply</th><th>Remarks</th></tr>
<tr><td></td><td>consumers, where the State Government has committed a subsidized tariff, is strictly in accordance with section 65 of the electricity act, 2003.</td><td></td><td>Additional Chief Secretary to Govt. Haryana, Energy Department</td><td></td></tr>
<tr><td>21</td><td>Page no 186 The Discoms are directed to file revenue realised from MMC in the FY 2022-23 within one month from the date of this order</td><td>Vide memo no. Ch-23/RA/F-173/ Vol-14 dated 20.03.2023</td><td>Vide memo no. Ch-23/RA/F-173/ Vol-14 dated 20.03.2023<br>The Hon'ble Commission Vide Tariff Order dated 15.02.2023 (page no 186) has directed the Discoms to file revenue realized from MMC for FY 2022-23.<br>In this regard, the reply in respect of above said directive is as under: -<br>(Amount in Rs.)
<table>
<tr><th>MONTH</th><th>MMC BILL COUNT</th><th>MMC AMT</th><th>AMT TO COVER MMC</th><th>CURR CYC CHARGES</th><th>REALIZATION</th></tr>
<tr><td>April 2022</td><td>281910</td><td>191381988</td><td>91374474</td><td>200665756</td><td>121612494</td></tr>
<tr><td>May 2022</td><td>189582</td><td>140329806</td><td>70416916</td><td>146914335</td><td>139200556</td></tr>
<tr><td>June 2022</td><td>188579</td><td>144017390</td><td>75967690</td><td>151598454</td><td>149086191</td></tr>
<tr><td>July 2022</td><td>169528</td><td>129667086</td><td>69171547</td><td>149157203</td><td>158452208</td></tr>
<tr><td>August 2022</td><td>188549</td><td>141436848</td><td>78483898</td><td>164770062</td><td>171860712</td></tr>
<tr><td>Sep2022</td><td>242020</td><td>221609978</td><td>103817822</td><td>255741372</td><td>187686874</td></tr>
<tr><td>Oct 2022</td><td>256614</td><td>185016326</td><td>95629150</td><td>213065223</td><td>230817040</td></tr>
<tr><td>Nov 2022</td><td>385182</td><td>243286858</td><td>122442939</td><td>297403107</td><td>401596391</td></tr>
<tr><td>Dec 2022</td><td>621255</td><td>336592057</td><td>159526304</td><td>458803220</td><td>532878535</td></tr>
<tr><td>Jan 2023</td><td>758827</td><td>451465736</td><td>206168263</td><td>566970561</td><td>597334405</td></tr>
<tr><td>Feb2023</td><td>788095</td><td>418425714</td><td>210764197</td><td>518667711</td><td>607266590</td></tr>
<tr><td>March 2023</td><td>341410</td><td>187522049</td><td>90383109</td><td>235940363</td><td>274260864</td></tr>
<tr><td>Total</td><td>4411551</td><td>2790751835</td><td>1374146310</td><td>3359697368</td><td>3572052860</td></tr>
</table>
*since payment is collected against A/c no., therefore it won't possible to provide actual realization against Bill ID raised on MMC basis. For preparing realization data amount of latest payment made by consumer after generation of MMC Bill is considered.</td><td>Complied with</td></tr>
<tr><td>22</td><td>Page no 195 UHBVNL is directed to give the justification of nil expenditure against the approved capex and to adhere to the Regulation meticulousl</td><td>Vide memo no. Ch-61/RA/F-173 Vol-14 dt. 10.05.2023</td><td>The Capex Plan submitted for APR year at the time of filing ARR petition was upto Sep. 2022. The works at Sr. No. 7, 9, 10, 11, 12, 14 (2) & 16 were under tendering/ approval process. Further these works were carried out in the 2nd half of the FY 2022-23. The detail is as under: -
<table>
<tr><th>Sr. No</th><th>Description</th><th>Reply</th></tr>
<tr><td>7</td><td>Civil allied Works other than substation buildings</td><td>Rs. 5.31 Cr. has been incurred during FY 2022-23</td></tr>
<tr><td>9</td><td>Strengthening of 11 kV lines, 11 kV Ring Main System, New DTs & normal development</td><td>Rs. 50.50 Cr. has been incurred during FY 2022-23</td></tr>
<tr><td>10</td><td>Creation of double supply source for 33 kV</td><td>The works at Sr. No. 10 of the capex Plan i.e. "The creation of</td></tr>
</table></td><td>Complied with</td></tr>
</table>

| # | Directives | Letter no. and date | UHBVNL Reply | | | Remarks |
|---|---|---|---|---|---|---|
| | y. | | | substations, 33 kV Ring Main / Scada | double supply source for 33 kV Sub-stations, 33 kV Ring MaW SCADA." The creation of double supply source for 33 kV Sub-stations, 33 kV Ring Main/ Scada was envisaged at the beginning of the financial year. This arrangement was to be done to make sure the availability of uninterrupted power 24x7, due to maintenance work or outages.<br>For this arrangement UHBVN approached HVPN to get access of bays at feeding sub-stations of HVPNL. All SE' s (OP) UHBVN have also been asked to identify & supply the data of 33 kV Sub-stations for the creation of double supply source.<br>The above proposal is under process & likely to be finalized in this financial year.<br>The reason as explained above lead to nil expenditure for the said capex works | |
| | | | 11 | Revamped Distribution Strengthening Scheme (RDSS) | Work yet to be awarded and NITs are under evaluation stage. | |
| | | | 12 | Electric Vehicle Charging Station | Work order of amounting to Rs. 27 Lakhs was allotted for EV charger at Head Office Building of UHBVN, Panchkula and work was completed. | |
| | | | 14(2) | Commercial Data Migration (IPDS & Balance Areas) | 1.Invoice not raised by firm.<br>2. Migration of Non-R consumers on CC &B of all 10 circles has been 100% completed | |
| | | | 16 | ERP Implementation | Nodal Agency, M/s PFC has been requested to allow rollout of only one module of ERP i.e. Project Management under RDSS, however, their response is still awaited. | |
| 23 | Page no 201 UHBVNL and DHBVNL are directed to revise its Capital expenditure plan for FY2023-24 accordingly and submit the scheme wise details | Vide memo no Ch-51/RA/N/F-168 dated 02.03.2023 | Nigam has submitted the revised Capital Investment Plan for FY 2023-24 as directed in HERC Tariff order dated 15.02.2023 with revised cost of Rs 1000 crore. | | | **Complied with.** |

| # | Directives | Letter no. and date | UHBVNL Reply | Remarks |
|---|---|---|---|---|
| | of the proposed expenditure to the Commission within one month of the Order. | | | |
| 24 | Page no 206 The Commission observes that the low collection efficiency in five circles of DHBVN reflected under recovery of revenue and attributes to financial losses on account of additional borrowings by the licensees to meet their revenue shortfall besides accumulation of arear which in turn may convert into bad debts. In view of the above, the Commission directs DHBVN to improve collection efficiency in above circles by plugging | | Does not relate to UHBVNL | **Does not relate to UHBVNL** |

<table>
<tr><th>#</th><th>Directives</th><th>Letter no. and date</th><th>UHBVNL Reply</th><th>Remarks</th></tr>
<tr><td></td><td>loopholes of revenue leakage.</td><td></td><td></td><td></td></tr>
<tr><td>25</td><td>Page no 214 DISCOMs are therefore directed to make all out efforts to release all pending connections within the time frame as specified in regulations in-vogue.</td><td>Vide memo no Ch-57/RA/F-173 Vol-(14) dated 09.05.2023</td><td>The status of pending Non-AP connections is attached as Annexure-I to IV and summarized as under: -<br>(a) As per SOP Regulations, prescribed timeline is 37 days for LT connection & 78 days for HT connections<br>for both New & EOL.<br>(b) SOP timelines exclude time taken by applicant in compliance.<br>(c) Average delivery time & % delivery within SOP from 1st January, 2023 to 31st March 2023 is as under: -
<table>
<tr><td>Type</td><td colspan="2">LT Supply (up to 50 KW)</td><td colspan="2">HT Supply (Above 50 KW)</td></tr>
<tr><td></td><td>Average delivery Time</td><td>% within SOP timeline</td><td>Average delivery Time</td><td>% within SOP timeline</td></tr>
<tr><td>New</td><td>19.34 days</td><td>97.18%</td><td>57.15 days</td><td>83.51 %</td></tr>
<tr><td>EOL</td><td>10.88 days</td><td>98.06 %</td><td>40.42 days</td><td>88.32 %</td></tr>
</table>
(d) Pending overdue applications excluding pending on compliance of demand notice on part of applicant ending 09.05.2023 is as under: -
<table>
<tr><td>Type</td><td colspan="3">LT Supply (up to 50 KW),</td><td colspan="3">HT Supply (Above 50 KW)</td></tr>
<tr><td></td><td>Overdue</td><td>Load KW</td><td>% overdue</td><td>Overdue</td><td>Load KW</td><td>% overdue</td></tr>
<tr><td>New</td><td>231</td><td>1307.4</td><td>2.32%</td><td>25</td><td>139522.6</td><td>7.79%</td></tr>
<tr><td>EOL</td><td>9</td><td>219.9</td><td>1.10%</td><td>21</td><td>30392.5</td><td>6.36%</td></tr>
</table>
The connections are being released within SOP timelines and there is negligible pendency of small number of overdue cases, which are due to variety of factors which are peculiar to each case such as ROW issue, requires augmentation, delay in self execution, local system constraints, pending on part of consumer/delay in processing etc. which are resolved and dealt accordingly.</td><td>Partially Complied with<br>However there is improvement</td></tr>
<tr><td>26</td><td>Page no 223 The Discoms and other obligated entities are directed to provide requisite information to the State Agency on monthly basis by 10th of every month for the</td><td>Vide memo no Ch-48/RA/F-173/Vol–(14) dated 03.05.2023</td><td>It is submitted that HERC directive is being complied with and the requisite information for FY 2022-23 (up to March 2023) has been submitted to HERC and HAREDA vide letter dated 01.05.2023</td><td>Complied with</td></tr>
</table>

| # | Directives | Letter no. and date | UHBVNL Reply | Remarks |
|---|---|---|---|---|
| | previous month to enable the State Agency to submit quarterly report to the Commission. | | | |
| 27 | Page no 229 The Commission directs that in the next ARR, the Discoms will submit a tariff proposal as well; it may not necessarily be for increase or decrease in tariff(s) but for improvement in tariff design, reduction in the number of category /sub-category, re-alignment of demand / fixed charges etc. The proposal should include its impact on a typical consumer | Vide memo no. Ch-46/RA/F-173/ Vol-14 dated 01.05.2023 | It is submitted that the direction of Hon'ble Commission is being noted for compliance and the same will be proposed at the time of filing of ARR petition of FY 2024-25. | **Still some time is left for compliance. Deadline: 30.11.2023** |

| Sr. no. | **Directives issued in the present HERC ARR / Tariff order dated 30.03.2022:** | **Letter no. and date** | **DHBVNL Reply** | **Remarks** |
|---|---|---|---|---|
| 1 | UHBVNL and DHBVNL are directed to intimate, **within one month** from the date of the present order, the details of assets for which Capex were incurred and depreciation claimed but remained stranded / un-utilized due to one reason or the other including non-availability of associated lines/ equipment etc**.** | Vide memo no Ch-54/SE/RA-761 dated 28.04.2023. | It is humble submission to the Hon'ble Commission that, Nigam's Financial Statement are being prepared as per Indian Accounting Standard. As per IND AS-16 rule capital expenditure are being capitalized when assets is put to use. Accordingly, the depreciation is determined on capitalized asset as per HERC MYT Regulation (Refer Note 1.7 of Audited Account of DHBVNL, Annexure- 1). Same was claimed by the Nigam in True-up of FY 2021-22. | **Complied with** |
| 2 | The licensee(s) must ensure that consumers are paid interest on their Advance Consumption Deposits duly reflected in their energy bills for the relevant month i.e. bill(s) issued in the month of April / May | Vide memo no Ch-54/SE/ RA-761 dated 28.04. 2023 | It is submitted that, Nigam has noted the Hon'ble Commissions direction for compliance and interest on the Advance Consumption Deposits shall be paid to the consumer as per existing provision of HERC Regulation. | **Complied with** |
| 3 | In view of the discrepancies in the AP sales figures, the Commission directs that the MD DHBVNL will check the figures of AP sales and input energy and submit a report on running of AP tube wells on non-AP **feeders within one month** of issue of this order besides reconciliation of figures as per order. | Vide Memo no. Ch-113/SE /RA-761 dated 23.08. 2023 | It is submitted that, M/s Parnat Engineers Pvt. Ltd. firm had calculated the T&D losses (based on empirical formulae) as 15.15%, 15.56% and 16.10 % for FY 2017-18, 2018-19 and 2019-20 respectively. However, the losses of DHBVNL on AP feeders range between 8% to 9%.<br><br>Further, following points are also submitted:<br>1. Out of the total AP connections as on 31.03.2022, 26% of AP connections are unmetered.<br>2. Defective meter on AP connections as on 31.03.2022 is 93393, which is 28% of Total AP connections. | **Not Complied** The reply is not satisfactory as does not address the observation**.** |

| Sr. no. | **Directives issued in the present HERC ARR / Tariff order dated 30.03.2022:** | **Letter no. and date** | **DHBVNL Reply** | **Remarks** |
|---|---|---|---|---|
| | | | *Billings of these connections are done on provisional basis as per Sales Circular: D-28/2013 (as per Hon'ble HERC directions issued vide memo no. 7011/HERC/T126 dated 13.12.2012 and order issued in case no. HERC/RA-01 of 2013 dated 06.06.2013).*<br>3. During end of FY 2020-21, 10 sub- division were under migration to R-APDRP system, which were not billed during this period. Further, with completion of migration process, same were billed in FY 2021-22 (Annexure-A). The process migration of all sub- divisions has been completed in March 2023<br>Consequently, during this period, the billed energy on AP feeders exceeds the input energy.<br>The reason of AP consumption on Non AP feeder are as given below:-<br>a) 14175 no. of AP consumer with connected load of 107.1 MW were not shifted from Non AP feeder due to unavailability of right of way (Annexure-B).<br>2528 no. of AP consumer with connected load of 14.27 MW were temporary shifted to Non AP feeders due to break down (Annexure-C). | |
| 4 | The Commission had rationalized certain tariff category and classified the same into HT and LT supply depending on the voltage of at which consumers in different categories were taking supply. Hence, the same practice shall continue. The Discoms, may collate data accordingly i.e. as per the merged categories instead of the categories that have been dispensed with | Vide memo no Ch-54/SE/ RA-761 dated 28.04. 2023 | DHBVNL has noted the above direction of the Hon'ble Commission. Collated energy sales and revenue data as per the merged categories shall be submitted to Hon'ble Commission at time of ARR filing. | **Complied with** |

| Sr. no. | **Directives issued in the present HERC ARR / Tariff order dated 30.03.2022:** | **Letter no. and date** | **DHBVNL Reply** | **Remarks** |
|---|---|---|---|---|
| 5 | While resorting to bidding or calling for expression of interest for power procurement the Discoms must ensure that the power under PPAs, already approved by the Commission, materialises and also the intra-State generator, subject to MoD in vogue are dispatched. However, it is reiterated that when contracting a new source of power supply the landed cost of such power vis-à-vis cost of power from HPGCL's power stations shall be reckoned with instead of MoD prepared on the basis of variable/ fuel cost. | Vide memo no Ch-59/SE/ RA-761 dated 16.05. 2023 | The direction of Hon'ble Commission has been noted. It is submitted that as per HERC order, Practice is being followed by HPPC to contract the new source of power supply under long term, medium term & short-term basis after comparing the landed cost of such power with the cost of power from state generating station i.e. HPGCL. | **Complied with** |
| 6 | In case additional power, if required, may be met from power allocated to Haryana from the Central un-allocated quota with prior approval of the Commission. However, in case of extreme emergency Discoms may schedule power subject to ex-post facto approval of the Commission giving detailed justification, not later than 15 days thereof. | Vide memo no Ch-59/SE/ RA-761 dated 16.05. 2023 | The direction of Hon'ble Commission has been noted. HPPC has filed petition on dated 06.04.2023 before HERC to seek approval to purchase power from unallocated quota of central generating stations in line with MoP order dated 22.03.2023. | **Complied with** |

<table>
<tr><th>Sr. no.</th><th>Directives issued in the present HERC ARR / Tariff order dated 30.03.2022:</th><th>Letter no. and date</th><th>DHBVNL Reply</th><th>Remarks</th></tr>
<tr><td>7</td><td>The licensees are again directed to analyse and explain the aberrations in the MYT projections and that proposed in the present petition i.e. map all the factors for the increase including number of employees, contractual employees, DA, inflation factor etc</td><td>Vide memo no Ch-54/SE/ RA-761 dated 28.04. 2023</td><td>DHBVNL in present petition has projected employees cost for FY 2022-23 considering following factor:<br>i. Indexation Factor:<br>Employee Expense of ARR year FY 2023-24 is computed by escalating previous year employee expense by indexation factor. Following is the calculation of indexation factor considered for escalation of employee cost:
<table>
<tr><th></th><th colspan="2">CPI Indices^</th><th colspan="2">WPI Indices#</th></tr>
<tr><th>Month</th><th>FY 2021-22</th><th>FY 2022-23*</th><th>FY 2021-22</th><th>FY 2022-23*</th></tr>
<tr><td>April</td><td>345.9</td><td>367.8</td><td>132.0</td><td>152.3</td></tr>
<tr><td>May</td><td>347.3</td><td>371.5</td><td>132.9</td><td>155.0</td></tr>
<tr><td>June</td><td>350.5</td><td>372.1</td><td>133.7</td><td>155.4</td></tr>
<tr><td>July</td><td>353.7</td><td>374.1</td><td>135.0</td><td>154.0</td></tr>
<tr><td>August</td><td>354.2</td><td>375.0</td><td>135.9</td><td>153.1</td></tr>
<tr><td>September</td><td>355.1</td><td>378.1</td><td>136.0</td><td>152.1</td></tr>
<tr><td>October</td><td>359.7</td><td>-</td><td>137.4</td><td>-</td></tr>
<tr><td>November</td><td>362.0</td><td>-</td><td>140.7</td><td>-</td></tr>
<tr><td>December</td><td>361.2</td><td>-</td><td>143.7</td><td>-</td></tr>
<tr><td>January</td><td>360.3</td><td>-</td><td>143.3</td><td>-</td></tr>
<tr><td>February</td><td>360.0</td><td>-</td><td>143.8</td><td>-</td></tr>
<tr><td>March</td><td>362.9</td><td>-</td><td>145.3</td><td>-</td></tr>
<tr><td>Average</td><td>356.1</td><td>373.1</td><td>139.4</td><td>153.7</td></tr>
</table>
*Since, at time of Tariff Filing CPI & WPI for FY 22-23 is available up to September, 2022 accordingly same is considered for computation of indexation factor.</td><td>Complied with</td></tr>
</table>

| Sr. no. | Directives issued in the present HERC ARR / Tariff order dated 30.03.2022: | Letter no. and date | DHBVNL Reply | Remarks |
|---|---|---|---|---|
| | | | *^In September' 20, the base year of CPI has changed from 2001 to 2016 for which linking factor of 2.88 as specified by the Labour Bureau of India is considered for determination of indexation factor.*<br>***Source of CPI:*** *http://www.labourbureaunew.gov.in/*<br>*#**Source of WPI:*** *https://eaindustry.nic.in/wpi_press_release_archive.asp*<br>Considering above indices, Indexation Factor has been computed as per Regulation 57.4 of HERC MYT Regulations, 2019, is as below:<br>Particulars / WPI / CPI / Total:<br>Weightage: 0.45 / 0.55 / 1<br>Avg Indexation for FY 2022-23: 153.7 / 373.1 /<br>Avg Indexation n (Index * Wt.): 69.1 / 205.2 / 274.3<br>Avg Indexation for FY 2021-22: 139.4 / 356.1 /<br>Avg Indexation n-1 (Index * Wt.): 62.7 / 195.8 / 258.6<br>Combined Inflation (Indxn/Indxn-1): 6.10%<br>**ii. Recruitment Plan of FY 2023-24:**<br>DHBVNL has also considered the fact that Discom has planned to scale up its existing infrastructure for robust distribution network. To upkeep the manpower requirement for scaling of its existing infrastructure, 1699 Nos. of manpower are planned to be recruited in FY 2023-24. Recruitment plan of DHBVNL and its financial implication shared as Annexure -2. Further, considering the basic salary of Rs. 25,500/- and applicable dearness allowance, employee cost for these planned new recruitments is included over and above the employee cost estimation explained in previous point. | |

Indexation table (within DHBVNL Reply):

| Particulars | WPI | CPI | Total |
|---|---|---|---|
| Weightage | 0.45 | 0.55 | 1 |
| Avg Indexation for FY 2022-23 | 153.7 | 373.1 | |
| Avg Indexation n (Index * Wt.) | 69.1 | 205.2 | 274.3 |
| Avg Indexation for FY 2021-22 | 139.4 | 356.1 | |
| Avg Indexation n-1 (Index * Wt.) | 62.7 | 195.8 | 258.6 |
| Combined Inflation (Indxn/Indxn-1) | 6.10% | | |

<table>
<tr><th>Sr. no.</th><th>Directives issued in the present HERC ARR / Tariff order dated 30.03.2022:</th><th>Letter no. and date</th><th>DHBVNL Reply</th><th>Remarks</th></tr>
<tr><td></td><td></td><td></td><td>
iii. Dearness Allowance:<br>
Rate of Dearness Allowance applicable to Haryana Government employees as notified by the Govt. of Haryana (Annexure-3) is shown in Table below:
<table>
<tr><th>With effect from</th><th>Haryana Government Notification No. & Date</th><th>DA (%)</th></tr>
<tr><td>01/07/2019</td><td>4/1/2017-2 FR/32148 dated 25.11.2019</td><td>17%</td></tr>
<tr><td>01/07/2021</td><td>4/12019-1FR/26553 dated 23.12.2021</td><td>31%</td></tr>
<tr><td>01/01/2022</td><td>4/1/2019-1FR/0 dated 28.04.2022</td><td>34%</td></tr>
<tr><td>01/07/2022</td><td>4/3/2016-5FR/22747(2) dated 10.10.2022</td><td>38%</td></tr>
</table>
In view of above, the annual DA growth of 6% is considered in FY 2023-24. Accordingly, DA rate of 44% is considered for projecting employee cost in FY 2023-24.
</td><td></td></tr>
<tr><td>8</td><td>In case of DHBVNL, it is observed that the actual rate of interest of working capital for FY 2021-22 comes out to be ~21%, as per the additional data submitted by the Nigam vide email. There is some discrepancy in the data sheet as to inappropriate disclosure of opening and closing balances of the working capital loan accounts in the data sheet, leading to computation of incorrect actual rate of interest on working capital. In view of above, the Commission directs the Nigam to look into the reasons for submitting incorrect data and report</td><td>Vide memo no Ch-54/SE/ RA-761 dated 28.04. 2023</td><td>
In this regard, it is submitted that working capital requirements has been fulfilled from following sources:<br>
1. HVPNL Bonds with interest @ 8.62% PA.<br>
2. State Bank of India Terms loans with rate of interest @ 6 M MCLR+0.20%.<br>
3. Availing of WCDL & Cash credit limits from various Banks, the rate of interest charged by the Banks during FY 2021-22 is as under:
<table>
<tr><th rowspan="2">Sr. no.</th><th rowspan="2">Name of Bank</th><th colspan="4">Percentage of Interest rate charged during FY</th></tr>
<tr><th colspan="2">WCDL</th><th colspan="2">CC Limit</th></tr>
<tr><td>1</td><td>Union Bank of India</td><td>6.50-6.90</td><td>3 M T. Bill</td><td>7.20</td><td>1 Y MCLR</td></tr>
<tr><td>2</td><td>CANARA Bank</td><td>6.55-6.70</td><td>1 M MCLR</td><td>-</td><td>-</td></tr>
</table>
</td><td>Complied with</td></tr>
</table>

<table>
<tr><th>Sr. no.</th><th>Directives issued in the present HERC ARR / Tariff order dated 30.03.2022:</th><th>Letter no. and date</th><th>DHBVNL Reply</th><th>Remarks</th></tr>
<tr><td></td><td>the accurate the rate of interest paid by the licensee for the FY 2021-22 on working capital loans. Also, both the Discoms to ensure that accurate and complete information is submitted along with the ARR petitions every year.</td><td></td><td>
<table>
<tr><td>3</td><td>Bank of Baroda</td><td>6.90-7.00</td><td>1 M MCLR</td><td>7.10-8.00</td><td>1Y MCLR</td></tr>
<tr><td>4</td><td>Indian Bank</td><td>6.40-7.05</td><td>1 M MCLR</td><td>7.30</td><td>1Y MCLR</td></tr>
<tr><td>5</td><td>Central Bank of India</td><td>6.55-6.60</td><td>1 M MCLR</td><td>7.10</td><td>1Y MCLR</td></tr>
<tr><td>6</td><td>Punjab National Bank</td><td>-</td><td>-</td><td>9.80</td><td>3M MCLR</td></tr>
</table>
Further, it is submitted that generally the requirement of working capital funds during 1st half of the month (mainly for power purchase payments & payment of salary to the employees) remain very high as compared to the revenue inflows of DHBVNL. To meet with this enhanced requirements of fund, the working capital limits from the banks is availed in order of merit of interest rates. The CC limits once availed is recouped (again in order of merit of interest rate) when inflow of cash is increased. In this way the CC limits/ working capital limits from the Banks varies as per requirement of funds for a particular period in a month. Hence, opening and closing balance in most of the CC accounts remain zero/ or nominal. This practice is adopted over the year. Accordingly, Banks charge the interest for the period of working capital availed by Nigam (which is generally in between the month).
In view of above, it is submitted that the method of calculation of interest rate based on the opening & closing balances of the working capital amounts in the bank accounts may not present a real rate of interest charged by the Banks. The Hon’ble Commission is requested to consider the above submission of DHBVNL.
</td><td></td></tr>
</table>

| Sr. no. | **Directives issued in the present HERC ARR / Tariff order dated 30.03.2022:** | **Letter no. and date** | **DHBVNL Reply** | **Remarks** |
|---|---|---|---|---|
| 9 | The Commission has noted with the concern that the average cost of power (without transmission cost) for the FY 2023-24 has been projected by the Discoms at Rs. 3.83 / Unit, while the same in the FY 2022-23 (up to December 2022 has been more than Rs.5/Unit. Moreover, the landed cost of short-term power proposed for the consideration and approval of the Commission is also significantly higher and spills over to the months, so far, considered as off – peak months.<br>The Discoms are directed to examine the discrepancies in its power purchase cost vis-à-vis the cost projected to bring out the facts that would lead to reduction in cost of power to the extent projected for the ensuing financial year. A report regarding the same may be submitted **within a month** from the date of the present order. | Vide memo no Ch-59/SE/ RA-761 dated 16.05. 2023 | It is submitted that the Discoms have projected the power purchase cost for FY 2023-24 excluding the unprecedented circumstance of increase in variable cost due to blending of imported coal as per MoP directives and due to unavailability of power from APL, CGPL, Faridabad Gas & Khedar (during Q1) in FY 2022-23. Due to unavailability of these sources and to provide continuous power in Haryana, power was purchased from alternate sources including short term and Exchange. The prices in power exchange were on higher side during FY 2022-23.<br>In the petition, the projections for availability of power have been undertaken only from long-term sources. Furthermore, it is submitted that impact of any variation in variable charges due to blending or external factors affecting GCV or fuel price could not be ascertained with accuracy at the time of filing of petition and as such variable charges are captured through FSA only. Hence, Discoms found it appropriate to project the power purchase cost on normalized assumptions considering business as usual scenario with an understanding that the impact if any is to be taken on actual as per the MYT Regulations.<br>Further it is humbly submitted that variable charges during FY 2022-23 has the impact<br>of imported coal blending, which is significantly higher than the actual variable charges of FY 2021-22. Hence, variable cost of FY 2022-23 cannot be used as the base for the purpose of estimating the variable cost (Rs. Cr.) of FY 2023-24. Thus, the variable charges (Rs/kWh) for the respective generating stations are considered same as variable charges (Rs/kWh) of FY 2021-22 with 0% escalation. Further, for the generating stations, whose variable charges were not available on actual basis during FY 2021-22, variable charges of FY 2022-23 for the | **Complied with** |

| Sr. no. | Directives issued in the present HERC ARR / Tariff order dated 30.03.2022: | Letter no. and date | DHBVNL Reply | Remarks |
|---|---|---|---|---|
| | | | respective generating stations are considered, for the purpose of estimation of variable cost. The Fixed Cost estimation is carried out on pro-rata basis by considering the Fixed Cost of FY 2022-23 for the respective generating station with 0% escalation.<br>In addition, to the above, it is submitted that, no blending impact has been considered in case of Thermal Generating Stations while estimating the Power Purchase Cost of FY 2023-24 since the blending of imported coal is decided by the MoP from time to time keeping in view the availability of domestic coal. The power procurement has been considered keeping in view availability of power at normative PLF from long term sources. Further, the petitioner in this present ARR petition, has not considered any prior period expenses impact that may be allowed by various courts of law in order to avoid over-estimation in the overall Power Purchase Cost. | |
| 10 | The licensee needs to exercise proper monitoring of scheme wise execution of capital works and control over the item wise expenditure approved by the Commission as per Regulation 8.3.3 (b) of the Haryana Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling, and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2019. | Vide memo no. Ch-99/SE/RA-761 dated 04.08.2023 | It is submitted that the capital expenditure works are being monitored by Nigam Officials/Officers at the highest level. The head-wise execution of capital works and control over the head-wise expenditure as approved by the Commission are supervised and reviewed by the Nigam Officers on a regular basis. The capex is controllable element of ARR as per Regulation 8.3.8 (b) of HERC MYT Regulations, 2019. Further and barring unforeseen circumstances, Nigam takes concerted efforts to ensure that actual capital expenditure is as close to the approved capital expenditure as possible. | **Complied with** |
| 11 | Both the licensees are further directed that they shall regulate their | Vide memo | The Capex plans as approved in the Tariff Order for FY 2023-24 is regulated by Nigam as per the direction of the Hon'ble Commission. Further, the Nigam, being | **Complied with** |

<table>
<tr><th>Sr. no.</th><th>Directives issued in the present HERC ARR / Tariff order dated 30.03.2022:</th><th>Letter no. and date</th><th>DHBVNL Reply</th><th>Remarks</th></tr>
<tr><td></td><td>capital expenditure plans for FY 2023-24 as per Regulations 9.7 to 9.12 of the Haryana Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling, and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2019.</td><td>no. Ch-99/SE/RA-761 dated 04.08.2023</td><td>a regulated entity, follows the HERC MYT Regulations, 2019 and its amendments thereof. The capital investment plan envisaged by Nigam is also shared with Genco and Transco in due time in order to create sync between the investments proposed by all utilities. It will also be ensured that any additional capital expenditure incurred due to time over-run or unapproved schemes, or changes shall not be considered in capital expenditure to be claimed during true-up without any reasonable justification and the same shall be subject to approval from the Hon'ble Commission.</td><td></td></tr>
<tr><td>12</td><td>The Commission again directs the DISCOMs to reduce AT&C losses of all urban feeders below 25% and that of Rural feeders below 50% in FY 2022-23 and to submit the Status Report after 2 months of the order</td><td>Vide memo no Ch-59/SE/RA-761 dated 16.05.2023</td><td>Status of losses of all urban feeders above 25% and that of Rural feeders above 50% as on March, 2023, compared to FY 2021-22 is as below:
<table>
<tr><th>Year</th><th>FY 2021-22 (as on 31.03.2022)</th><th>FY 2022-23 (as on 31.03.2023)</th></tr>
<tr><td colspan="3">Urban Feeder(s)</td></tr>
<tr><td>Total Feeders</td><td>973</td><td>996</td></tr>
<tr><td>Feeders with losses > 25%</td><td>28</td><td>21</td></tr>
<tr><td>Feeders with losses > 25% (in %age)</td><td>2.88%</td><td>2.11%</td></tr>
<tr><td colspan="3">Rural Feeder(s)</td></tr>
<tr><td>Total Feeders</td><td>1127</td><td>1154</td></tr>
<tr><td>Feeders with losses >50%</td><td>279</td><td>227</td></tr>
<tr><td>Feeders with losses >50% (in %age)</td><td>24.76%</td><td>19.67%</td></tr>
</table>
Circle-wise status of feeder losses of all urban feeders above 25% and Rural feeders above 50% as on March, 2023 is as below:</td><td>Partially complied with<br>Although there is improvement but the feeders with higher losses are still there. More effort required to make the count Nil</td></tr>
</table>

| Sr. no. | Directives issued in the present HERC ARR / Tariff order dated 30.03.2022: | Letter no. and date | DHBVNL Reply | Remarks |
|---|---|---|---|---|

| Circle | RDS Feeder | | | Urban Feeder | | |
|---|---|---|---|---|---|---|
| | Total RDS Feeder | RDS feeder above 50% loss | RDS feeder above 50% loss (in %) | Total Urban Feeder | Urban Feeder above 25% loss | Urban Feeder above 25% loss (in %) |
| Hisar | 137 | 58 | 42% | 102 | 2 | 2% |
| Bhiwani | 160 | 24 | 15% | 56 | 0 | 0% |
| Sirsa | 174 | 0 | 0% | 60 | 1 | 2% |
| Fatehabad | 119 | 15 | 13% | 46 | 1 | 2% |
| Jind | 150 | 83 | 55% | 47 | 10 | 21% |
| Faridabad | 32 | 0 | 0% | 236 | 0 | 0% |
| Palwal | 114 | 47 | 41% | 36 | 6 | 17% |
| Gurugram-I | 53 | 0 | 0% | 116 | 0 | 0% |
| Gurugram-II | 32 | 0 | 0% | 234 | 1 | 0% |
| Narnaul | 93 | 0 | 0% | 28 | 0 | 0% |
| Rewari | 90 | 0 | 0% | 35 | 0 | 0% |
| **Total** | **1154** | **227** | **20%** | **996** | **21** | **2%** |

It is pertinent to be note that DHBVNL is implementing two major loss reduction schemes namely:

C. Mhara Gaon Jagmag Gaon Scheme (MGJG) for Rural feeders
D. Loss Reduction Plan (LRP) for Urban feeders

**DHBVNL's Action Plan to reduce T&D losses:**

- Detection of theft.
- Mass drive to replace the defective & electro-mechanical meters:

| Sr. no. | **Directives issued in the present HERC ARR / Tariff order dated 30.03.2022:** | **Letter no. and date** | **DHBVNL Reply** | **Remarks** |
|---|---|---|---|---|
| | | | • Relocation of meters outside consumers premises, feeder wise, and effective sealing thereof.<br>• Replacement of ACSR with Cable in theft prone area / colonies.<br>• Providing reference meters in the colonies / housing complexes (societies).<br>• Cross checking of meter readings taken by MRBD Agency.<br>• Checking of MDI of the temporary connections and MF of HT / LT Consumers.<br>• Creation of centralized cell to audit the accounts of Open Access Consumers.<br>• Operationalization of technical audit to keep check on the quality & quantity of material & workmanship of the works.<br>• Fixation of targets at Sub-Division level to improve the Billing efficiency & monitoring thereof.<br>• Implementation of LRP Scheme activities in Urban feeders<br>• Implementation of Mahara Gaon Jagmag Gaon Scheme activity in Rural feeders.<br>It is humble submission to the Hon'ble Commission that, as of now the MGJY and LRP activity has been implement in most of the feeders. Currently, MGJY activity in 215 rural feeders are under progress and work under 66 rural feeders are yet to start. Nigam officials is facing resistance in implementing MGJY works in some villages, which has resulted in delay in completion of work under these feeders. | |
| 13 | The Commission again directs the licensee to bring down the distribution transformer damage rate below the prescribed limits in FY 2022-23 and FY 2023-24. Any slippage on account of the timeline shall lead to penalty as deemed fit | Vide memo no Ch-59/SE/ RA-761 dated | Distribution damage rate (excluding DT under warranty period) in FY 2022-23 is 5.87% in Rural which is below the limit of 6% as prescribed by the HERC in SOP regulation. Further, in Urban area Distribution damage rate is 3.36%, which is marginally higher than the limit of 3% as prescribed by the HERC in SOP regulation.<br>Further, to reduce/control the damage rate the following activities are being carried out: | **Partially Complied** more effort required to be put in to reduce the |

<table>
<tr><th>Sr. no.</th><th>Directives issued in the present HERC ARR / Tariff order dated 30.03.2022:</th><th>Letter no. and date</th><th>DHBVNL Reply</th><th>Remarks</th></tr>
<tr><td></td><td>and appropriate by the Commission as per various provisions of the Act and Regulations framed thereunder. Further, Commission directs the licensee to provide the action plan and the action taken to reduce rate DT damage during FY 2022-23 and FY 2023-24.</td><td>16.05.2023</td><td><ul><li>Capacity augmentation of overload distribution transformers.</li><li>Vigilance activity i.e. theft detections are being caried out, to protect the overloading of transformer from kundi connections.</li><li>Balancing load of Distribution Transformer.</li></ul>The Nigam is also focusing on regular maintenance activity like- preventive maintenance of distribution transformer to reduce earthing fault and Toping-up of Transformer oil.</td><td>transformer damage rate.</td></tr>
<tr><td>14</td><td>DHBVNL is again directed to clear the backlog of defective metering and to ensure that at no point of time the percentage of defective meters exceeds 2% limit as per SOP regulations in vogue</td><td>Vide memo no Ch-59/SE/ RA-761 dated 16.05.2023</td><td>Total Defective meter (Non-AP connection) in DHBVNL as on 31.03.2023 is 59,141 which is around 1.57% of Total non-AP connection of 37,69,560 as on 31.03.2023.</td><td>Complied with</td></tr>
<tr><td>15</td><td>The Commission directs DISCOMs especially DHBVNL to replace all electromechanical meters shown pending for replacement and submit compliance report within 3 months from date of this order.</td><td>Vide memo no Ch-59/SE/ RA-761 dated 16.05.2023</td><td>Status of electromechanical meters as on 31.03.2023 is as below:<table>
<tr><th rowspan="2">Meter category</th><th colspan="4">No. of electromechanical meters as on 31.03.2023</th></tr>
<tr><th>Rural</th><th>Urban</th><th>AP</th><th>Total</th></tr>
<tr><td>Single Phase Meters</td><td>44,774</td><td>-</td><td>0</td><td>44,774</td></tr>
<tr><td>Three Phase Meters</td><td>-</td><td>-</td><td>30,232</td><td>30,232</td></tr>
<tr><td>Total</td><td>44,774</td><td>-</td><td>30,232</td><td>75,006</td></tr>
</table></td><td>Partially complied with</td></tr>
<tr><td>16</td><td>DISCOMs are directed to expedite the Installation of Smart Metering Project already undertaken to ensure the competition of</td><td>Vide memo no. Ch-99/SE/</td><td><u>Total Smart meters proposed to be installed in DHBVNL:</u><table>
<tr><th rowspan="2">Type of Smart meter</th><th colspan="2">Proposed to be installed</th><th rowspan="2">Total Smart meters to be installed</th></tr>
<tr><th>Gurugram</th><th>Faridabad</th></tr>
</table></td><td>Partially complied with</td></tr>
</table>

<table>
<tr><th>Sr. no.</th><th>Directives issued in the present HERC ARR / Tariff order dated 30.03.2022:</th><th>Letter no. and date</th><th>DHBVNL Reply</th><th>Remarks</th></tr>
<tr><td></td><td>project within the time lines of agreement executed between EESL and DISCOMs</td><td>RA-761 dated 04.08. 2023</td><td>
<table>
<tr><th></th><th>A</th><th>B</th><th>C=A+B</th></tr>
<tr><td>Single Phase Meter</td><td>210361</td><td>106823</td><td>317184</td></tr>
<tr><td>Three Phase Meter</td><td>161551</td><td>14257</td><td>175808</td></tr>
<tr><td>Three Phase LT CT Meter</td><td>5001</td><td>2007</td><td>7008</td></tr>
<tr><td>Total</td><td>376913</td><td>123087</td><td>500000</td></tr>
</table>
Status of Smart Meter installation in Gurugram as on 19.07.2023:
<table>
<tr><th>Type of Smart meter</th><th>To be installed</th><th>Total installed</th><th>Balance</th></tr>
<tr><td>Single Phase Meter</td><td>1,78,387</td><td>1,56,141</td><td>22,246</td></tr>
<tr><td>Three Phase Meter</td><td>1,34,920</td><td>99,927</td><td>34,993</td></tr>
<tr><td>Total</td><td>3,13,307</td><td>2,56,068</td><td>57,239</td></tr>
</table>
<ul><li>Balance 63606 meters against scope of work in Gurugram town have been reserved for release of New service connections.</li></ul>
<u>Status of Smart Meter installation in Faridabad:</u>
<ul><li>EESL was scheduled to start consumer Indexing and meter installation was scheduled from 1st Feb'23. However, work could not be started, due to suspension of work by system Integrator M/s L&T on account of outstanding dues/payment issue with M/s EESL.</li>
<li>The work was later recommenced by M/s L&T form April’23 month in Gurugram but with reduced labour, and same continued till June 2023.</li></ul>
</td><td></td></tr>
</table>

<table>
<tr><th>Sr. no.</th><th>Directives issued in the present HERC ARR / Tariff order dated 30.03.2022:</th><th>Letter no. and date</th><th>DHBVNL Reply</th><th>Remarks</th></tr>
<tr><td></td><td></td><td></td><td>After issuance of D.O. letter no. 75/SCP-102 dated 03.07.2023 by W/MD, DHBVNL to CEO, EESL, M/s L&T has agreed to deploy manpower in Faridabad town and started consumer indexation from 18.07.23 and further meter installation will commence once the approval of Consumer Indexation.</td><td></td></tr>
<tr><td>17</td><td>Further, DISCOMs to submit status of RFP/NIT along with their detailed plan regarding replacing of conventional energy meters by prepaid smart meters within two months of issuance of this Tariff Order.</td><td>Vide memo no. Ch-99/SE/ RA-761 dated 04.08. 2023</td><td>It is submitted that Nigam is targeting to implement smart metering under RDSS scheme. As per approved action plan of RDSS, the details of smart consumer meter to be installed are as under please: -<br><br>
<table>
<tr><th>Name of utility</th><th colspan="3">DHBVNL</th></tr>
<tr><th>Sr. No.</th><th>Phase – I (upto December, 2023)</th><th>Phase – II (upto March, 2025)</th><th>Total</th></tr>
<tr><td>Consumer Meter</td><td>19,67,122</td><td>21,98,496</td><td>41,65,618</td></tr>
<tr><td>DT Meter</td><td>1,28,340</td><td>-</td><td>1,28,340</td></tr>
<tr><td>Feeder Meter</td><td>6,604</td><td>-</td><td>6,604</td></tr>
<tr><td>Total</td><td>21,02,066</td><td>21,98,496</td><td>43,00,562</td></tr>
</table>
<br>• For implementation of distribution infrastructure works and pre-paid smart metering works, MoP has circulated Standard Bidding Documents which are to be followed, mandatorily by all the States for inviting bids. THE SBD inter-</td><td>Not Complied<br>Latest status submitted but action still pending.</td></tr>
</table>

| Sr. no. | Directives issued in the present HERC ARR / Tariff order dated 30.03.2022: | Letter no. and date | DHBVNL Reply | Remarks |
|---|---|---|---|---|
| | | | alia stipulates implementation of this project in TOTEX mode wherein MDM shall be an integral part of ecosystem of AMISP.<br>• In this regard, Haryana DISCOMs has certain reservations on the TOTEX mode & other approach w.r.to implementation of smart metering. The following proposal of Haryana DISCOMs for implementation of Smart Metering projects under RDSS has been forwarded via email dated 21.12.2022 to Ministry by PFC by MD, DHBVNL/UHBVNL: -<br>o The ownership of complete system rests with AMI-Service Provider instead of State which may jeopardize the entire revenue cycle of the utilities causing loss to state exchequer in the event of dispute.<br>o The Meter Data Management System (MDMS) is in the consolidated package of AMI-Service Provider. The multiplicity of MDMS in various packages shall lead to increased financial burden towards license cost, customization & configuration cost of MDM and increase in the efforts for integration with existing billing engine and other internal & external IT systems and increase in the complexity in the O&M and change management of the system.<br>o Provision of Direct Debit Facility as a payment mechanism to AMI – Service Provider. The provision of Direct Debit facility can affect the cash flow of the Discom and there will be no control over the payments to be made to the AMI-Service Provider.<br>o The Ministry of Power has mandated universal approach in the implementation of AMI project with disregard to the practical conditions and prior experience of utilities in the various IT/OT projects Haryana is already in advanced stage of installation of 1 million smart meters. The enabling billing system with inbuilt MDM is already available for rolling out large scale implementation of smart metering initiatives.<br>o TOTEX mode of smart metering implementation as mandated under RDSS scheme has certain deficiencies viz. no ownership with respect to infra/systems | |

| Sr. no. | Directives issued in the present HERC ARR / Tariff order dated 30.03.2022: | Letter no. and date | DHBVNL Reply | Remarks |
|---|---|---|---|---|
| | | | of Discoms, vendor locking for entire duration of the project, complex/multiplicity of IT integrations with multiple MDMS, additional/duplicate expenditure on procurement of new MDMS.<br>o Haryana Discoms intend to go for complete CAPEX or Hybrid mode of project implementation, wherein the ownership of entire Infra/systems shall remain with Discoms and existing MDMS available with Discoms could be leveraged for smooth IT integrations. The proposed models are also suitable for prospective AMI-SPs keeping in view their huge capital investments.<br>o The State Govt. has the opinion of not aligning with the mandate of MOP, GOI for implementation of smart metering project on TOTEX mode.<br>Keeping in view the challenges faced in EESL project on DBFOOT model, Haryana Discoms are pursuing the matter with MoP to allow the prepaid smart metering implementation under RDSS on CAPEX Hybrid financing model to retain the ownership of AMII application as long-term vendor lock-in will create a monopolistic situation favoring AMI-SPs who may compromise with meter quality and ignore Discom/Consumer's genuine concerns The decision for floating of tenders will be finalized once mode of implementation is decided.<br>In this regard, meeting was held on 07/06/2023 under chairmanship of Hon'ble Chief Minister, GoH for deciding the approach/mode of implementation of Smart Metering. Above issues were further discussed with various stakeholders (i.e. AMI-SPs, Meter manufacturer, CSPs, etc.) in meeting dated 30/06/2023 held under the chairmanship of Hon'ble Power Minister, GoH . | |
| 18 | The commission directs DISCOMs: -<br>iv. To improve efficiency in the meter reading activities including billing.<br>v. To reduce number of bills rendered on provisional basis. | Vide memo no Ch-54/SE/RA-761 dated | It is submitted that, the provisional billing of DHBVNL has reduced to 3.67% in month of January, 2023, in line to the direction of the Hon’ble Commission vide its interim order dated 10.08.2022 to reduce the provisional billing up to 4% in first phase. | **Partially Complied** |

| Sr. no. | **Directives issued in the present HERC ARR / Tariff order dated 30.03.2022:** | **Letter no. and date** | **DHBVNL Reply** | **Remarks** |
|---|---|---|---|---|
| | vi. There should be no bill rendered on average basis for more than 2 billing cycles failing which consumer shall be entitled to claim compensation. | 28.04.2023 | The provisional billing of DHBVNL is expected to go down further, owing to efforts being made. The Status of Provisional billing for the month of January 2023, February 2023 and March 2023 is shared as Annexure -4. | |
| 19 | It may be noted that in case batteries are installed by the Discoms at their sub-stations and the same are charged during off-peak hours so that the stored power can be injected back into the grid during peak hours to bridge any demand-supply gap, the same shall be counted towards fulfilment of storage RPO. | Vide memo no Ch-54/SE/ RA-761 dated 28.04. 2023 | It is submitted that Nigam is in process of floating RFP for setting up of 2 no. of 5MWh Grid integrated Battery Energy Storage System (BESS) under DBOOT model at 33kv sub-station of DHBVNL. Further, it is submitted that BESS is setup with the prime objective of making the energy storage facility available to DHBVNL for "Stored Energy" of BESS on an "On Demand" basis. The BOD in meeting dated 28th September, 2022 has approved the general term and condition, along with scope of BESS approved scope is submitted as Annexure -5 for your kind reference. | **Complied with** |
| 20 | Page 185<br>The petitioners are directed to ensure that supply of power to AP / any categories of consumers, where the State Government has committed a subsidized tariff, is strictly in accordance with section 65 of the Electricity Act, 2003. | Vide memo no. Ch-99/SE/ RA-761 dated 04.08. 2023 | It is submitted to the Hon'ble Commission that the Nigam has noted the direction for compliance. Further, It is submitted that Gov. of Haryana is regularly releasing the subsidy to Nigam. | **Complied with** |

<table>
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<tr><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>21</td><td>Page no 186<br>The Discoms are directed to file revenue realised from MMC in the FY 2022-23 within one month from the date of this order</td><td>Vide memo no Ch-59/SE/ RA-761 dated 16.05. 2023</td><td>Detail of the amount collected by the distribution licensee in the FY 2022-23 by way of MMC is shown in Table below:<table>
<tr><th>Circle Name</th><th>Count</th><th>Revenue Realized from MMC in FY 2022-23</th></tr>
<tr><td>Bhiwani</td><td>221872</td><td>130801419.00</td></tr>
<tr><td>Faridabad</td><td>114356</td><td>67117949.00</td></tr>
<tr><td>Fatehabad</td><td>113923</td><td>70239563.00</td></tr>
<tr><td>GURUGRAM -1</td><td>39771</td><td>38995482.00</td></tr>
<tr><td>GURUGRAM -2</td><td>21208</td><td>31196612.00</td></tr>
<tr><td>Hisar</td><td>228450</td><td>125974534.00</td></tr>
<tr><td>Jind</td><td>353158</td><td>191881332.00</td></tr>
<tr><td>Narnaul</td><td>99312</td><td>59576095.00</td></tr>
<tr><td>Palwal</td><td>198757</td><td>77460618.00</td></tr>
<tr><td>Rewari</td><td>85181</td><td>49230577.00</td></tr>
<tr><td>Sirsa</td><td>93156</td><td>62816063.00</td></tr>
<tr><td>Grand Total</td><td>1569144</td><td>905290244.00</td></tr>
</table></td><td></td></tr>
<tr><td>22</td><td>Page no 195<br>UHBVNL is directed to give the justification of nil expenditure against the approved capex and to adhere to the Regulation meticulously.</td><td colspan="3">Does not relate to DHBVNL</td></tr>
<tr><td>23</td><td>Page no 201<br>UHBVNL and DHBVNL are directed to</td><td>Vide memo</td><td>The revised CAPEX plan as per directions of the Hon’ble Commission is shared as Annexure -6.</td><td>Complied with</td></tr>
</table>

<table>
<tr><th>Sr. no.</th><th>Directives issued in the present HERC ARR / Tariff order dated 30.03.2022:</th><th>Letter no. and date</th><th>DHBVNL Reply</th><th>Remarks</th></tr>
<tr><td></td><td>revise its Capital expenditure plan for FY2023-24 accordingly and submit the scheme wise details of the proposed expenditure to the Commission within one month of the Order.</td><td>no Ch-54/SE/RA-761 dated 28.04.2023</td><td></td><td></td></tr>
<tr><td>24</td><td>Page no 206<br>The Commission observes that the low collection efficiency in five circles of DHBVNL reflected under recovery of revenue and attributes to financial losses on account of additional borrowings by the licensees to meet their revenue shortfall besides accumulation of arear which in turn may convert into bad debts.<br>In view of the above, the Commission directs DHBVNL to improve collection efficiency in above circles by plugging loopholes of revenue leakage.</td><td>Vide memo no Ch-113/SE/RA-761 dated 23.08.2023</td><td>Detail related collection efficiency of DHBVNL for FY 2022-23 is shared as below. Further, it is submitted that DHBVNL is putting all its efforts to improve its collection efficiency in all operative circles.
<table>
<tr><th>Name of Circle</th><th>Collection efficiency (in %)<br>FY 2022-2023 (upto 03/2023)</th></tr>
<tr><td>FARIDABAD</td><td>100.89</td></tr>
<tr><td>PALWAL</td><td>96.65</td></tr>
<tr><td>GURUGRAM-1</td><td>93.09</td></tr>
<tr><td>GURUGRAM-2</td><td>95.32</td></tr>
<tr><td>NARNAUL</td><td>102.86</td></tr>
<tr><td>REWARI</td><td>101.76</td></tr>
<tr><td>BHIWANI</td><td>100.42</td></tr>
<tr><td>HISAR</td><td>94.34</td></tr>
<tr><td>FATEHABAD</td><td>100.42</td></tr>
<tr><td>SIRSA</td><td>98.43</td></tr>
<tr><td>JIND</td><td>95.60</td></tr>
<tr><td>DHBVNL</td><td>97.13</td></tr>
</table></td><td>Complied with</td></tr>
</table>

<table>
<tr><th>Sr. no.</th><th>Directives issued in the present HERC ARR / Tariff order dated 30.03.2022:</th><th>Letter no. and date</th><th>DHBVNL Reply</th><th>Remarks</th></tr>
<tr><td>25</td><td>Page no 214<br>DISCOMs are therefore directed to make all out efforts to release all pending connections within the time frame as specified in regulations in-vogue.</td><td>Vide memo no Ch-99/SE/RA-761 dated 04.08.2023</td><td>Nigam has noted the direction of Hon’ble Commission for Compliance. Further, it is submitted that release of connection is a continues process and DHBVNL assure to release of all pending Connections, with in stipulated time. Further status of release of Non-AP Connection for FY 2021-22 and FY 2022-23 is submitted in Table below:<br><u>FY 2021-22:</u>
<table>
<tr><th rowspan="2">Category</th><th colspan="2">Pending at 31.03.2021</th><th colspan="2">New Application received 2021-22</th><th colspan="2">Disposed Off During 2021-22</th><th colspan="2">Pending as on 31.03.2022</th></tr>
<tr><th>No. of Application</th><th>Load (KW)</th><th>No. of Application</th><th>Load (KW)</th><th>No. of Application</th><th>Load (KW)</th><th>No. of Application</th><th>Load (KW)</th></tr>
<tr><td>BDS</td><td>74</td><td>158244</td><td>116</td><td>176415</td><td>149</td><td>259366</td><td>41</td><td>75292</td></tr>
<tr><td>Bulk Supply</td><td>5</td><td>18069</td><td>52</td><td>212289</td><td>48</td><td>223135</td><td>9</td><td>7223</td></tr>
<tr><td>DMRC</td><td></td><td></td><td>1</td><td>15000</td><td>1</td><td>15000</td><td></td><td></td></tr>
<tr><td>Domestic (DS)</td><td>12273</td><td>65503</td><td>221514</td><td>18405645</td><td>222087</td><td>1861105</td><td>11700</td><td>44968</td></tr>
<tr><td>ECS</td><td></td><td></td><td>109</td><td>11569</td><td>101</td><td>10893</td><td>8</td><td>676</td></tr>
<tr><td>FPO</td><td>32</td><td>431</td><td>590</td><td>7713</td><td>497</td><td>6118</td><td>125</td><td>2031</td></tr>
<tr><td>HT Industry</td><td>124</td><td>64547</td><td>788</td><td>561824</td><td>799</td><td>375292</td><td>113</td><td>251078</td></tr>
<tr><td>Independent</td><td></td><td></td><td>18</td><td>111208</td><td>13</td><td>11132</td><td>5</td><td>100076</td></tr>
</table></td><td>Partially Complied with<br>However, there is improvement</td></tr>
</table>

| Sr. no. | Directives issued in the present HERC ARR / Tariff order dated 30.03.2022: | Letter no. and date | DHBVNL Reply | Remarks |
|---|---|---|---|---|
| | | | (continued below) | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Hording or Decorative Light** | | | | | | | | |
| **LI** | 2 | 24 | 817 | 17677 | 813 | 17466 | 6 | 235 |
| **LT Industry** | 333 | 7325 | 4938 | 102090 | 4939 | 102245 | 332 | 7169 |
| **Non-Domestic (NDS)** | 2679 | 146978 | 51198 | 886723 | 51021 | 918519 | 2856 | 115182 |
| **Public Water Work** | 106 | 6712 | 1883 | 60771 | 1656 | 54732 | 333 | 12751 |
| **Railway Traction** | 1 | 13500 | 4 | 55550 | 5 | 69050 | | |
| **Saubhagya** | 867 | 1385 | 9936 | 15230 | 10380 | 15949 | 423 | 666 |
| **Street Light** | 9 | 68 | 451 | 6567 | 416 | 5766 | 44 | 868 |
| **Grand Total** | **16505** | **482786** | **292415** | **4081190** | **292925** | **3945765** | **15995** | **618210** |

**FY 2022-23:**

| Category | Pending at 31.03.2022 | New Application received 2022-23 | Disposed Off During 2022-23 | Pending as o 31.03.2023 |
|---|---|---|---|---|

| Sr. no. | **Directives issued in the present HERC ARR / Tariff order dated 30.03.2022:** | **Letter no. and date** | **DHBVNL Reply** | **Remarks** |
|---|---|---|---|---|

| | **No. of Application** | **Load (KW)** | **No. of Application** | **Load (KW)** | **No. of Application** | **Load (KW)** | **No. of Application** | **Load (KW)** |
|---|---|---|---|---|---|---|---|---|
| **BDS** | 41 | 75292 | 95 | 169948 | 102 | 198313 | 34 | 46927 |
| **Bulk Supply** | 9 | 7223 | 35 | 20821 | 40 | 19448 | 4 | 8596 |
| **DMRC** | | | 3 | 14000 | 3 | 14000 | 0 | 0 |
| **Domestic (DS)** | 11700 | 44963 | 236857 | 985515 | 238215 | 981412 | 10342 | 49065 |
| **ECS** | 8 | 676 | 291 | 25367 | 274 | 19797 | 25 | 6247 |
| **FPO** | 125 | 2031 | 771 | 9956 | 828 | 11144 | 68 | 842 |
| **HT Industry** | 113 | 251078 | 990 | 580944 | 927 | 605014 | 176 | 227008 |
| **Independent Hording or Decorative Light** | 5 | 100076 | 17 | 6244 | 22 | 106320 | 0 | 0 |
| **LI** | 6 | 235 | 1098 | 32529 | 1091 | 32529 | 13 | 235 |
| **LT Industry** | 332 | 7170 | 4880 | 99374 | 4911 | 99422 | 301 | 7122 |
| **Non-Domestic (NDS)** | 2856 | 115182 | 56215 | 803961 | 56540 | 810433 | 2531 | 108710 |

<table>
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<tr><td></td><td></td><td></td><td>
<table>
<tr><td>Public Water Work</td><td>333</td><td>12751</td><td>1692</td><td>46739</td><td>1838</td><td>51340</td><td>187</td><td>8150</td><td></td></tr>
<tr><td>Railway Traction</td><td></td><td></td><td>1</td><td>500</td><td>1</td><td>500</td><td>0</td><td>0</td><td></td></tr>
<tr><td>Saubhagya</td><td>423</td><td>667</td><td>6134</td><td>9215</td><td>6449</td><td>9729</td><td>108</td><td>152</td><td></td></tr>
<tr><td>Street Light</td><td>44</td><td>868</td><td>568</td><td>7032</td><td>564</td><td>6804</td><td>48</td><td>1096</td><td></td></tr>
<tr><td>Grand Total</td><td>15995</td><td>618210</td><td>309647</td><td>2812144</td><td>311805</td><td>2966204</td><td>13837</td><td>464149</td><td></td></tr>
</table>
</td><td></td></tr>
<tr><td>26</td><td>Page no 223<br>The Discoms and other obligated entities are directed to provide requisite information to the State Agency on monthly basis by 10th of every month for the previous month to enable the State Agency to submit quarterly report to the Commission.</td><td>Vide memo no Ch-99/SE/RA-761 dated 04.08.2023</td><td>Nigam has noted the direction of Hon’ble Commission for Compliance.</td><td>Complied with</td></tr>
<tr><td>27</td><td>Page no 229<br>The Commission directs that in the next ARR, the Discoms will submit a tariff proposal as well; it may not necessarily be for increase or decrease in tariff(s) but for improvement in tariff design, reduction in the number of category</td><td>Vide memo no Ch-59/SE/RA-761 dated 16.05.2023</td><td>Nigam has noted direction for Compliance and shall submit a Tariff Proposal in Next Tariff Filing.</td><td>Not complied</td></tr>
</table>

| Sr. no. | **Directives issued in the present HERC ARR / Tariff order dated 30.03.2022:** | **Letter no. and date** | **DHBVNL Reply** | **Remarks** |
|---|---|---|---|---|
| | /sub-category, re-alignment of demand / fixed charges etc. The proposal should include its impact on a typical consumer. | | | |

**Directive Compliance- UHBVNL**

**Directive Compliance- UHBVNL**

| Sr. No. | **Directives** | **Letter no. and date** | **UHBVNL Reply** | **Remarks** |
|---|---|---|---|---|
| 1 | UHBVNL and DHBVNL are directed to intimate, within one month from the date of the present order, the details of assets for which Capex were incurred and depreciation claimed but remained stranded / un-utilized due to one reason or the other including non-availability of associated lines/ equipment etc. | Vide memo no Ch-20 F-173 Vol-14 dt 13.03.2023 | It is submitted to the Hon'ble Commission that the assets for which capex is incurred are being utilized at their fullest capacity, therefore no assets are stranded / un-utilized. The depreciation is claimed as per the HERC MYT Regulations 2019 and its amendments thereof. | **Complied with**<br>As stated in the reply by UHBVNL, there is no asset for which Capex were incur and depreciation claimed but remained stranded / un-utilized. |
| 2 | The licensee(s) must ensure that consumers are paid interest on their Advance Consumption | Vide memo no Ch-48/RA/F-173/Vol–(14) dated 03.05.2023 | It is submitted that the compliance of directive of HERC has been made and the interest on ACD is initiated / reflected in consumer bills w.e.f. 1st April/2023 | **Complied with** |

| Sr. No. | **Directives** | **Letter no. and date** | **UHBVNL Reply** | **Remarks** |
|---|---|---|---|---|
| | Deposits duly reflected in their energy bills for the relevant month i.e. bill(s) issued in the month of April / May | | | |
| 3 | In view of the discrepancies in the AP sales figures, the Commission directs that the MD DHBVNL will check the figures of AP sales and input energy and submit a report on running of AP tube wells on non-AP feeders within one month of issue of this order besides reconciliation of figures as per order. | | Does not relate to UHBVNL | **Does not relate to UHBVNL** |
| 4 | The Commission had rationalized certain tariff category and classified the same into HT and LT supply depending on the voltage of at which | Vide memo no Ch-11/RA/F-173 Vol-14 dt. 07.03.2023 | UHBVNL is already classified LT & HT category as per merged categories of tariff and compiling the data accordingly from F.Y. 2022-23 onwards. | **Complied with** |

| Sr. No. | **Directives** | **Letter no. and date** | **UHBVNL Reply** | **Remarks** |
|---|---|---|---|---|
| | consumers in different categories were taking supply. Hence, the same practice shall continue. The Discoms, may collate data accordingly i.e. as per the merged categories instead of the categories that have been dispensed with | | | |
| 5 | While resorting to bidding or calling for expression of interest for power procurement the Discoms must ensure that the power under PPAs, already approved by the Commission, materialises and also the intra-State generator, subject to MoD in vogue are dispatched. However, it is | Vide memo no Ch-36/RA/F-173/Vol-(14) dated 28.04.2023 | The direction of Hon'ble Commission has been noted. It is submitted that as per HERC order, Practice is being followed by HPPC to contract the new source of power supply under long term, medium term & short-term basis after comparing the landed cost of such power with the cost of power from state generating station i.e. HPGCL. | **Complied with** |

| Sr. No. | **Directives** | **Letter no. and date** | **UHBVNL Reply** | **Remarks** |
|---|---|---|---|---|
| | reiterated that when contracting a new source of power supply the landed cost of such power vis-à-vis cost of power from HPGCL's power stations shall be reckoned with instead of MoD prepared on the basis of variable/ fuel cost. | | | |
| 6 | In case additional power, if required, may be met from power allocated to Haryana from the Central un-allocated quota with prior approval of the Commission.<br>However, in case of extreme emergency Discoms may schedule power subject to ex-post facto approval of the Commission giving | Vide memo no Ch-36/RA/F-173/Vol-(14) dated 28.04.2023 | The direction of Hon'ble Commission has been noted. HPPC has filed a petition dated 06.04.2023 before HERC to seek approval to purchase power from unallocated quota of central generating stations in line with MoP order dated 22.03.2023. | **Complied with** |

<table>
<tr><th>Sr. No.</th><th>Directives</th><th>Letter no. and date</th><th>UHBVNL Reply</th><th>Remarks</th></tr>
<tr><td></td><td>detailed justification, not later than 15 days thereof.</td><td></td><td></td><td></td></tr>
<tr><td>7</td><td>The licensees are again directed to analyse and explain the aberrations in the MYT projections and that proposed in the present petition i.e. map all the factors for the increase including number of employees, contractual employees, DA, inflation factor etc</td><td>Vide memo no Ch-27/RA/F-173/vol (14) dated 12.04.2023</td><td>It is submitted that the projections for ARR year i.e., FY 2023-24 are done as per the Haryana Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2019 and its amendment thereof.<br>The employee expense for ARR year is calculated by considering the revised estimated employee expenses for APR year and inflation factor i.e., 6.10%, along with the dearness allowance of 8% is considered, which is additionally disbursed by the government of Haryana in the APR year, the same is indexed for calculation of corresponding expenses for ARR year.<br>The MYT projections done taking actual employee expenses of FY 2018-19 and escalating it @ 4% to arrive at the base year value for the MYT Control Period. The base year employee expenses are indexed with inflation factor of 4.66% to project the employee expenses of UHBVNL for ensuing years of the MYT Control Period.<br>UHBVNL in present petition has projected employees cost for FY 2023-24 considering following factor:<br>i. Indexation Factor:<br>Employee Expense of ARR year (FY 2023-24) is computed by escalating previous year employee expense by indexation factor. Following is the calculation of indexation factor considered for escalation of employee cost:
<table>
<tr><th></th><th colspan="2">CPI Indices^</th><th colspan="2">WPI Indices#</th></tr>
<tr><th>Month</th><th>FY 2021-22</th><th>FY 2022-23*</th><th>FY 2021-22</th><th>FY 2022-23*</th></tr>
<tr><td>April</td><td>345.9</td><td>367.8</td><td>132.0</td><td>152.3</td></tr>
</table>
</td><td>Complied with.</td></tr>
</table>

| Sr. No. | **Directives** | **Letter no. and date** | **UHBVNL Reply** | **Remarks** |
|---|---|---|---|---|

| | | | | |
|---|---|---|---|---|
| May | 347.3 | 371.5 | 132.9 | 155.0 |
| June | 350.5 | 372.1 | 133.7 | 155.4 |
| July | 353.7 | 374.1 | 135.0 | 154.0 |
| August | 354.2 | 375.0 | 135.9 | 153.1 |
| September | 355.1 | 378.1 | 136.0 | 152.1 |
| October | 359.7 | - | 137.4 | - |
| November | 362.0 | - | 140.7 | - |
| December | 361.2 | - | 143.7 | - |
| January | 360.3 | - | 143.3 | - |
| February | 360.0 | - | 143.8 | - |
| March | 362.9 | - | 145.3 | - |
| Average | 356.1 | 373.1 | 139.4 | 153.7 |

*Since, at time of Tariff Filing CPI & WPI for FY 22-23 is available up to September, 2022 accordingly same is considered for computation of indexation factor.

^In September' 20, the base year of CPI has changed from 2001 to 2016 for which linking factor of 2.88 as specified by the Labour Bureau of India is considered for determination of indexation factor.

Source of CPI: http://www.labourbureaunew.gov.in/

#Source of WPI: https://eaindustry.nic.in/wpi_press_release_archive.asp

Considering above indices, Indexation Factor has been computed as per Regulation 57.4 of HERC MYT Regulations, 2019, is as below

| Particulars | WPI | CPI | Total |
|---|---|---|---|
| Weightage | 0.45 | 0.55 | 1 |
| Avg Indexation for FY | 153.7 | 373.1 | |
| Avg Indexation n (Index * | 69.1 | 205.2 | 274.3 |

<table>
<tr><th>Sr. No.</th><th>Directives</th><th>Letter no. and date</th><th>UHBVNL Reply</th><th>Remarks</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><td>Avg Indexation for FY</td><td>139.4</td><td>356.1</td><td></td></tr>
<tr><td>Avg Indexation n-1 (Index</td><td>62.7</td><td>195.8</td><td>258.6</td></tr>
<tr><td>Combined Inflation</td><td colspan="3">6.10%</td></tr>
</table>
ii. Recruitment Plan:<br>
UHBVNL has also considered the fact that Discom has planned to scale up its existing infrastructure & strengthen IT backbone for robust distribution network. To upkeep the discom with rapid changing technology in distribution sector specialized manpower<br>
needs to be recruited from time to time.<br>
Further, considering the basic salary of Rs. 25,000/- and applicable dearness allowance, employee cost for new recruitments is included over and above the employee cost estimation explained in previous point.<br>
iii. Dearness Allowance:<br>
Rate of Dearness Allowance applicable to Haryana Government employees as notified by the Govt. of Haryana is show in table below:
<table>
<tr><th>With effect from</th><th>Haryana Government Notification No. & Date</th><th>DA (%)</th></tr>
<tr><td>01/07/2019</td><td>4/1/2017-2 FR/32148 dated 25.11.2019</td><td>17%</td></tr>
<tr><td>01/07/2021</td><td>4/12019-1FR/26553 dated 23.12.2021</td><td>31%</td></tr>
<tr><td>01/01/2022</td><td>4/1/2019-1FR/0 dated 28.04.2022</td><td>34%</td></tr>
<tr><td>01/07/2022</td><td>4/3/2016-5FR/22747(2) dated 10.10.2022</td><td>38%</td></tr>
</table>
The annual DA growth of 8% is considered in FY 2023-24.<br>
As seen from above, the variation in employee expense as estimated at the time of MYT projections and ARR projection is basically due to inflation factor and DA payout by Government of Haryana.
</td><td></td></tr>
<tr><td>8</td><td>In case of DHBVNL, it is observed that the</td><td></td><td>Does not relate to UHBVNL</td><td>Does not relate to UHBVNL</td></tr>
</table>

| Sr. No. | **Directives** | **Letter no. and date** | **UHBVNL Reply** | **Remarks** |
|---|---|---|---|---|
| | actual rate of interest of working capital for FY 2021-22 comes out to be ~21%, as per the additional data submitted by the Nigam vide email. There is some discrepancy in the data sheet as to inappropriate disclosure of opening and closing balances of the working capital loan accounts in the data sheet, leading to computation of incorrect actual rate of interest on working capital. In view of above, the Commission directs the Nigam to look into the reasons for submitting incorrect data and report the accurate the rate of | | | |

| Sr. No. | **Directives** | **Letter no. and date** | **UHBVNL Reply** | **Remarks** |
|---|---|---|---|---|
| | interest paid by the licensee for the FY 2021-22 on working capital loans. Also, both the Discoms to ensure that accurate and complete information is submitted along with the ARR petitions every year. | | | |
| 9 | The Commission has noted with the concern that the average cost of power (without transmission cost) for the FY 2023-24 has been projected by the Discoms at Rs. 3.83 / Unit, while the same in the FY 2022-23 (up to December 2022 has been more than Rs.5/Unit. Moreover, the landed cost of short-term power proposed for the | Vide memo no. Ch-55/RA/F-173 Vol-14 dt. 09.05.2023 | It is submitted that the Discoms have projected the power purchase cost for FY 2023-24 excluding the unprecedented circumstance of increase in variable cost due to blending of imported coal as per MoP directives and due to unavailability of power from APL, CGPL, Faridabad Gas & Khedar (during Q1) in FY 2022-23. Due to unavailability of these sources and to provide continuous power in Haryana, power was purchased from alternate sources including short term and Exchange. The prices in power exchange were on higher side during FY 2022-23. In the petition, the projections for availability of power have been undertaken only from long-term sources. Furthermore, it is submitted that impact of any variation in variable charges due to blending or external factors affecting GCV or fuel price could not be ascertained with accuracy at the time of filing of petition and as such variable charges are captured through FSA only. Hence, Discoms found it appropriate to project the power purchase cost on normalized assumptions considering business as usual scenario with an understanding that the impact if any is to be taken on actual as per the MYT Regulations.<br>Further, it is humbly submitted that variable charges during FY 2022-23 has the impact of imported coal blending, which is significantly higher than the actual variable charges of FY 2021-22. Hence, variable cost of FY 2022-23 cannot be | **Complied with** |

| Sr. No. | **Directives** | **Letter no. and date** | **UHBVNL Reply** | **Remarks** |
|---|---|---|---|---|
| | consideration and approval of the Commission is also significantly higher and spills over to the months, so far, considered as off – peak months.<br>The Discoms are directed to examine the discrepancies in its power purchase cost vis-à-vis the cost projected to bring out the facts that would lead to reduction in cost of power to the extent projected for the ensuing financial year. A report regarding the same may be submitted within a month from the date of the present order. | | used as the base for the purpose of estimating the variable cost (Rs. Cr.) of FY 2023-24. Thus, the variable charges (Rs/kWh) for the respective generating stations are considered same as variable charges (Rs/kWh) of FY 2021-22 with 0% escalation. Further, for the generating stations, whose variable charges were not available on actual basis during FY 2021-22, variable charges of FY 2022-23 for the respective generating stations are considered, for the purpose of estimation of variable cost. The Fixed Cost estimation is carried out on pro-rata basis by considering the Fixed Cost of FY 2022-23 for the respective generating station with 0% escalation.<br>In addition, to the above, it is submitted that, no blending impact has been considered in case of Thermal Generating Stations while estimating the Power Purchase Cost of FY 2023-24 since the blending of imported coal is decided by the MoP from time to time keeping in view the availability of domestic coal. The power procurement has been considered keeping in view availability of power at normative PLF from long term sources. Further, the petitioner in this present ARR petition, has not considered any prior period expenses impact that may be allowed by various courts of law in order to avoid over-estimation in the overall Power Purchase Cost. | |
| 10 | The licensee needs to exercise proper monitoring of | Vide memo no Ch-20 F- | It is submitted that the capital expenditure works are being monitored by Nigam Officials at the highest level. The scheme-wise execution of capital works and control over the item-wise expenditure as approved by the Commission are | **Complied with**<br>As per tariff order dated 15.02.2023, |

| Sr. No. | **Directives** | **Letter no. and date** | **UHBVNL Reply** | **Remarks** |
|---|---|---|---|---|
| | scheme wise execution of capital works and control over the item wise expenditure approved by the Commission as per Regulation 8.3.3 (b) of the Haryana Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling, and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2019. | 173 Vol-14 dt 13.03.2023 | supervised and reviewed by the Nigam Officers on a regular basis. The capex is controllable element of ARR as per Regulation 8.3.8 (b) of HERC MYT Regulations, 2019. Further and barring unforeseen circumstances, Nigam takes concerted efforts to ensure that actual capital expenditure is as close to the approved capital expenditure as possible. | for the true-up year 2021-22, UHBVNL was able to incurred Capex of **Rs. 947.37 Cr.** against **approved capex of Rs. 950 Cr**. Therefore, the actual capital expenditure for 2021-22 was very close to the approved expenditure. |
| 11 | Both the licensees are further directed that they shall regulate their capital expenditure plans for FY 2023-24 as per Regulations 9.7 to 9.12 of the Haryana | Vide memo no Ch-20/RA/F-173 Vol-14 dt 13.03.2023 | The Capex plans as approved in the Tariff Order for FY 2023-24 is generally and will be regulated by Nigam as per the direction of the Hon'ble Commission. Further, the Nigam, being a regulated entity, follows the HERC MYT Regulations, 2019 and its amendments thereof. The capital investment plan envisaged by Nigam is also shared with Genco and Transco in due time in order to create sync between the investments proposed by all utilities. It will also be ensured that any additional capital expenditure incurred due to time over-run or unapproved schemes, or changes shall not be considered in capital expenditure to be | **Complied with** Licensee assured to regulate the Capex as per direction. |

<table>
<tr><th>Sr. No.</th><th>Directives</th><th>Letter no. and date</th><th>UHBVNL Reply</th><th>Remarks</th></tr>
<tr><td></td><td>Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling, and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2019.</td><td></td><td>claimed during true-up without any reasonable justification and the same shall be subject to approval from the Hon’ble Commission.</td><td></td></tr>
<tr><td>12</td><td>The Commission again directs the DISCOMs to reduce AT&C losses of all urban feeders below 25% and that of Rural feeders below 50% in FY 2022-23 and to submit the Status Report after 2 months of the order.</td><td>Vide memo no Ch-33/RA/F-173/Vol-14 dated 24.04.2023</td><td>No. of feeder more than 50% in RDS category and urban feeders more than 25%
<table>
<tr><td rowspan="3">Sr. no</td><td rowspan="3">Circle</td><td colspan="2">RDS</td><td colspan="2">Urban</td></tr>
<tr><td>April to March,2022</td><td>April to march, 2023</td><td>April to March,2022</td><td>April march, 202</td></tr>
<tr><td colspan="2">Above 50%</td><td colspan="2">Above 25%</td></tr>
<tr><td>1</td><td>Panchkula</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>2</td><td>Ambala</td><td>0</td><td>1</td><td>3</td><td>0</td></tr>
<tr><td>3</td><td>Yamunanagar</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>4</td><td>Kurukshetra</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>5</td><td>Kaithal</td><td>11</td><td>6</td><td>4</td><td>2</td></tr>
<tr><td>6</td><td>Karnal</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>7</td><td>Panipat</td><td>16</td><td>4</td><td>4</td><td>0</td></tr>
<tr><td>8</td><td>Sonepat</td><td>62</td><td>24</td><td>10</td><td>2</td></tr>
<tr><td>9</td><td>Rohtak</td><td>42</td><td>39</td><td>2</td><td>0</td></tr>
<tr><td>10</td><td>Jhajjar</td><td>47</td><td>18</td><td>1</td><td>0</td></tr>
</table></td><td>Partially complied with<br>Although there is improvement but the feeders with higher losses are still there. More effort required to make the count Nil.</td></tr>
</table>

<table>
<tr><th>Sr. No.</th><th>Directives</th><th>Letter no. and date</th><th>UHBVNL Reply</th><th>Remarks</th></tr>
<tr><td></td><td></td><td></td><td><table><tr><td>UHBVNL</td><td>178</td><td>92</td><td>24</td><td>4</td><td></td></tr></table></td><td></td></tr>
<tr><td>13</td><td>The Commission again directs the licensee to bring down the distribution transformer damage rate below the prescribed limits in FY 2022-23 and FY 2023-24. Any slippage on account of the timeline shall lead to penalty as deemed fit and appropriate by the Commission as per various provisions of the Act and Regulations framed thereunder. Further, Commission directs the licensee to provide the action plan and the action taken to reduce rate DT damage during FY</td><td>Vide memo no Ch-11 F-173 Vol-14 dt. 07.03.2023</td><td>As per HERC SOP Regulations, 2020 (6.1.e), Discoms have to maintain DT damage rate below 6% p.a. in rural areas and 3% p.a. in urban areas. The Financial Year wise data of DT damage rate is as follows: -
<table>
<tr><td>FY</td><td colspan="2">DTs damage Rate%</td><td colspan="2">Increase/Decrease in</td></tr>
<tr><td></td><td>Rural</td><td>Urban</td><td>Rural</td><td>Urban</td></tr>
<tr><td>2016-17</td><td>11.20</td><td>6.31</td><td>+1.90</td><td>-0.87</td></tr>
<tr><td>2017-18</td><td>9.84</td><td>7.06</td><td>-1.36</td><td>+0.75</td></tr>
<tr><td>2018-19</td><td>10 19</td><td>5.64</td><td>+0.35</td><td>-1.42</td></tr>
<tr><td>2019-20</td><td>9.60</td><td>5.62</td><td>-0.59</td><td>-0.02</td></tr>
<tr><td>2020-21</td><td>9.15</td><td>5.09</td><td>-0.45</td><td>-0.53</td></tr>
<tr><td>2021-22</td><td>8.69</td><td>5.63</td><td>-0.46</td><td>+0.54</td></tr>
<tr><td>2022-23 (up to</td><td>7:16</td><td>4.27</td><td>-1.53</td><td>-1.36</td></tr>
</table>
The following action plan has been circulated in field offices to maintain DT damage rate below 6% in rural & 3% urban areas, during F.Y. 2022-23 & F.Y. 2023-24: -<br>
xii. Sufficient numbers of LT circuit with separate fuse system will be provided on higher capacity DTs<br>
100 KVA – Up to 2 Circuits<br>
200 KVA -Minimum 2 Circuits<br>
400 KVA – Minimum 3 Circuits<br>
630 KVA – Minimum 4 Circuits<br>
xiii. Load on each phase of the Transformer and carrying out the load balancing exercise.<br>
xiv. Oil level of transformer be checked and be topped up wherever required.<br>
xv. Condition of silica gel breather be checked, wherever applicable and necessary action be taken.</td><td>Partially Complied more effort required to be put in to reduce the transformer damage rate.</td></tr>
</table>

| Sr. No. | **Directives** | **Letter no. and date** | **UHBVNL Reply** | **Remarks** |
|---|---|---|---|---|
| | 2022-23 and FY 2023-24. | Vide memo no Ch-70/RA/ F-173 Vol-14 dt.16.05.2023 | xvi. LT fuse boards be checked and replaced wherever required.<br>xvii. LT rods be checked and replaced wherever required.<br>xviii. Proper termination with appropriate sizes of Aluminum Thimbles be done.<br>xix. Additional Transformer will be provided to give relief to overload transformer.<br>xx. Augmentation of transformer will be carried out.<br>xxi. Conditions of LT cables be checked and worn out cables be replaced wherever necessary with appropriate size of cable.<br>xxii. Condition of male & female contacts of GO switches and remedial action be taken accordingly.<br>Further, in every WTDs & BODs meeting, monthly damage rate of Distribution Transformers is reviewed and directions are imparted to field offices for reducing the damage rate, otherwise disciplinary action would be initiated against the delinquent officers/officials.<br><br>The updated data regarding the same will be submitted along with filing of ARR Petition for FY 2024-25. | |
| 14 | DHBVNL is again directed to clear the backlog of defective metering and to ensure that at no point of time the percentage of defective meters | | Does not relate to UHBVNL | **Does not relate to UHBVNL** |

<table>
<tr><th>Sr. No.</th><th>Directives</th><th>Letter no. and date</th><th>UHBVNL Reply</th><th>Remarks</th></tr>
<tr><td></td><td>exceeds 2% limit as per SOP regulations in vogue</td><td></td><td></td><td></td></tr>
<tr><td>15</td><td>The Commission directs DISCOMs especially DHBVNL to replace all electromechanical meters shown pending for replacement and submit compliance report within 3 months from date of this order.</td><td>Vide memo no Ch-11 F-173 Vol-14 dt. 07.03.2023</td><td>The status of single phase and three phase mechanical/electro-mechanical meters as on 28.02.2023, is as under: -
<table>
<tr><th rowspan="2">Sr. No.</th><th rowspan="2">Name of Circle</th><th colspan="2">Number of Mechanical/ Electromechanical</th><th colspan="2">Progress of replacement of Mechanical/</th><th colspan="2">Number of Mechanical /Electromechanica</th></tr>
<tr><th>Single</th><th>Three</th><th>Single</th><th>Three</th><th>Single</th><th>Three</th></tr>
<tr><td>1</td><td>AMB</td><td>10488</td><td>719</td><td>10488</td><td>719</td><td>0</td><td>0</td></tr>
<tr><td>2</td><td>PKL</td><td>1524</td><td>472</td><td>1524</td><td>472</td><td>0</td><td>0</td></tr>
<tr><td>3</td><td>YNR</td><td>4522</td><td>0</td><td>4522</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>4</td><td>KKR</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>5</td><td>KTL</td><td>409</td><td>0</td><td>409</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>6</td><td>KNL</td><td>21</td><td>30</td><td>21</td><td>30</td><td>0</td><td>0</td></tr>
<tr><td>7</td><td>PNP</td><td>1053</td><td>0</td><td>1053</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>8</td><td>SNP</td><td>28784</td><td>700</td><td>14766</td><td>700</td><td>1401</td><td>0</td></tr>
<tr><td>9</td><td>RTK</td><td>13383</td><td>0</td><td>12035</td><td>0</td><td>1348</td><td>0</td></tr>
<tr><td>1</td><td>JJR</td><td>5737</td><td>0</td><td>3912</td><td>0</td><td>1825</td><td>0</td></tr>
<tr><td colspan="2">Total</td><td>65921</td><td>1921</td><td>48730</td><td>1921</td><td>17191</td><td>0</td></tr>
</table>
It is submitted that there is no pendency left for replacement of three phase electro-mechanical meters in all OP Circles. The balance single phase meters are installed in rural areas of Sonipat, Rohtak & Jhajjar Circle which are being replaced in villages where MGJG work is under progress and not started yet. However, stiff resistance is being faced in these 'OP' Circles. The progress of replacement of electro-mechanical meters is regularly reviewed under the Chairmanship of Worthy Managing Director/Director Operation, UHBVNL. The</td><td>Partially Complied with.<br>As on 28.02.2023, there is no pending three phase electro-mechanical meters left for replacement.<br>However, 17,191 single phase electromechanical meters in Sonipat (14018), Rohtak (1348) and Jhajjar (1825) reported to be replaced on priority.<br>Sincere efforts required to zero down the pendency.</td></tr>
</table>

| Sr. No. | **Directives** | **Letter no. and date** | **UHBVNL Reply** | **Remarks** |
|---|---|---|---|---|
| | | | directions have been imparted to replace the remaining 17191 No. single phase electro-mechanical meters on priority. | |
| 16 | DISCOMs are directed to expedite the Installation of Smart Metering Project already undertaken to ensure the competition of project within the time lines of agreement executed between EESL and DISCOMs | Vide memo no Ch-25/RA/F-173/ Vol-14 dated11.04.2023<br><br>Vide memo no Ch-70/RA/ F-173 Vol-14 dt. 16.05.2023 | The work of smart meter installation has been suspended by EESL from 01.02.2023. Notice of Default has been issued to M/s EESL on 01.03.2023 in tune of MoU and contract agreement. Further, EESL has been directed to resume the work and services within 15 days.<br>3,91,544 no. of smart meters have been installed (against 5 Lakh) in UHBVNL as on date. As per contract agreement, EESL has to complete the project by Dec 2023.<br>The updated progress report will be shared alongwith the filing of ARR Petition for FY 2024-25. | **Partially complied with** |
| 17 | Further, DISCOMs to submit status of RFP/NIT along with their detailed plan regarding replacing of conventional energy meters by prepaid smart meters within two months of issuance of this Tariff Order. | Vide memo no Ch-25/RA/F-173/ Vol-14 dt 11.04.2023<br><br>Vide memo no Ch-70/RA/ F-173 | Keeping in view the challenges faced in EESL project on DBFOOT model, Haryana Discoms are pursuing the matter with MoP to allow the prepaid smart metering implementation under RDSS on CAPEX/Hybrid financing model to retain the ownership of AMI application as long-term vendor lock-in will create a monopolistic situation favoring AMI-SPs who may compromise with meter quality and ignore Discom/Consumer's genuine concerns. The decision for floating of tenders will be finalized once mode of implementation is decided by the state government.<br><br>Further, it is submitted that the status of the RFP/NIT for engagement of AMI-SP for implementation of prepaid Smart Metering under UHBVNL remains the same i.e. the mode of implementation of Smart Meter Project is under consideration /decision by State Government. | **Not Complied**<br>Latest status submitted but action still pending. |

<table>
<tr><th>Sr. No.</th><th>Directives</th><th>Letter no. and date</th><th>UHBVNL Reply</th><th>Remarks</th></tr>
<tr><td></td><td></td><td>Vol-14 dt. 16.05.2023</td><td></td><td></td></tr>
<tr><td>18</td><td>The commission directs DISCOMs:-<br>vii. To improve efficiency in the meter reading activities including billing.<br>viii. To reduce number of bills rendered on provisional basis.<br>ix. There should be no bill rendered on average basis for more than 2 billing cycles failing which consumer shall be entitled to claim compensation.</td><td>Vide memo no Ch-20 F-173 Vol-14 dt 13.03.2023</td><td>iv. <u>Improvement in downloading of meters.</u><br>d. There are approx. 31 lac consumers in UHBVNL (Except AP) and out of these meters approx. 80% meters are downloadable and currently the downloading percentage is approx. 75% of total consumers or more than 90% of the downloadable consumers. The status of meter reading downloaded is given below (Nov & Dec-22): -
<table>
<tr><td>Discom</td><td colspan="2">Jan-21</td><td colspan="2">Feb-21</td></tr>
<tr><td rowspan="2">UHBVNL</td><td>Total Consumer</td><td>Downloading % (w.r.t total meters</td><td>Total Consumer</td><td>Downloading % (w.r.t total meters</td></tr>
<tr><td>1392781</td><td>36.78</td><td>1549652</td><td>40.62</td></tr>
</table>
<table>
<tr><td>Discom</td><td colspan="3">Nov-22</td><td colspan="3">Dec-22</td></tr>
<tr><td rowspan="2">UHBVNL</td><td>Total Consumer</td><td>Downloading % (w.r.t total meters</td><td>Downloading % (w.r.t downloadable meters</td><td>Total Consumer</td><td>Downloading % (w.r.t total meters</td><td>Downloading % (w.r.t downloadable meters</td></tr>
<tr><td>1479203</td><td>74.62</td><td>90.88</td><td>1286924</td><td>75.09</td><td>90.11</td></tr>
</table></td><td>Partially complied<br><br>-Showing reduction in provisional billing from 5.42 % in Dec, 2021 to 2.97% in Jan, 2023.<br>-Licensee further submitted that continuous efforts are being made to achieve the permissible limit of provisional billing, which is 0.1% as per SoP regulations.</td></tr>
</table>

| Sr. No. | **Directives** | **Letter no. and date** | **UHBVNL Reply** | **Remarks** |
|---|---|---|---|---|
| | | | e. High billed logic has been modified; hence it will improve the meter reading and billing performance.<br>f. MNF (Meter Not Found), ANT (Address Not Traceable) is closely monitored by concerned SDOs/OP and the progress is monitored on monthly basis by Director/OP.<br>**v. <u>To reduce number of bills rendered on provisional basis.</u>**<br>c. Current status of provisional billing as well as defective meters for the month of Dec-22 & Jan-23 is placed at **Annexure-A & B** respectively.<br>The progress of provisional billing is as under: - | |

| **Status of provisional billing** | | |
|---|---|---|
| **Sr. No** | **Period** | **% Provisional billing** |
| 1 | Dec-21 | 5.42 |
| 2 | Jan-22 | 5.04 |
| 3 | Feb-22 | 5.61 |
| 4 | Mar-22 | 5.02 |
| 5 | Apr-22 | 4.67 |
| 6 | May-22 | 5.19 |
| 7 | Jun-22 | 5.78 |
| 8 | Jul-22 | 5.14 |
| 9 | Aug-22 | 4.27 |
| 10 | Sep-22 | 3.56 |
| 11 | Oct-22 | 3.36 |
| 12 | Nov-22 | 3.27 |
| 13 | Dec-22 | 2.91 |
| 14 | Jan-23 | 2.93 |

| Sr. No. | **Directives** | **Letter no. and date** | **UHBVNL Reply** | **Remarks** |
|---|---|---|---|---|
| | | Vide memo no Ch-70/RA/ F-173 Vol-14 dt. 16.05.2023 | The above table shows there is continuously improvement in provisional billing cases and NIGAM is trying that no bill will be issued on average basis for more than two billing cycle.<br>d. One number JSEs has been deputed at division level to monitor the billing and consumer complaints on daily basis hence UHBVNL reduced the provisional billing to 2.93% Jan-23).<br><br>**vi. <u>There should be no bill rendered on average basis from more than 2 billing cycles failing which consumer shall be entitled to claim compensation.</u>**<br>c. Nigam is continuously monitoring the defective meter cases. This results in timely replacement of defective meters hence this exercise will reduce the repeated average billing.<br><br>d. The status of pending complaints (BR/MCO/PDCO) is reviewed on monthly basis by Director/OP, this leads to timely resolution of complaints.<br>The percentage of provisional billing ending March'23 is 3.32% which was at 5.02% in March'22 and 5.42% in December'21.<br>Further, it is submitted that efforts are being made by Nigam to reduce the provisional billing.+ | |
| 19 | It may be noted that in case batteries are installed by the Discoms at their sub-stations and the same are charged during off-peak hours so that the stored power can be | Vide memo no Ch-59/RA/F-173/Vol–(14) dated 09.05.2023 | It is submitted that DHBVNL has already finalized the RFP and got approved from BODs.<br>Accordingly, UHBVNL has requested DHBVNL to include 2 no. 5MW Battery Energy Storage System (Panipat Jhajjar Circle) in their RFP. The Tendering for the said works is under process by DHBVNL | **Complied with** |

| Sr. No. | **Directives** | **Letter no. and date** | **UHBVNL Reply** | **Remarks** |
|---|---|---|---|---|
| | injected back into the grid during peak hours to bridge any demand-supply gap, the same shall be counted towards fulfilment of storage RPO. | | | |
| 20 | Page 185<br>The petitioners are directed to ensure that supply of power to AP / any categories of consumers, where the State Government has committed a subsidized tariff, is strictly in accordance with section 65 of the electricity act, 2003. | Vide memo no Ch-48/RA/F-173/Vol–(14) dated 03.05.2023 | It is submitted that subsidized tariff for AP category has been retained at par with previous year's AP tariff.<br>The State Government has released subsidy of Rs. 230 Crore in FY 2022-23 on account of FSA pertaining to AP consumers. The State Government has provided a budget of Rs. 600 Crore on account of FSA pertaining to AP consumers in the FY 2023-24.<br>Further, the sanction orders of Rs. 1592.50 core & Rs. U./5 Crore for release of RE subsidy and Gaushala subsidy respectively for the 1st quarter of FY 2023-24 has been issued by the office of Additional Chief Secretary to Govt. Haryana, Energy Department | **Complied with** |
| 21 | Page no 186<br>The Discoms are directed to file revenue realised from MMC in the FY 2022-23 within one | Vide memo no. Ch-23/RA/F-173/ Vol-14 dated 20.03.2023 | Vide memo no. Ch-23/RA/F-173/ Vol-14 dated 20.03.2023<br>The Hon'ble Commission Vide Tariff Order dated 15.02.2023 (page no 186) has directed the Discoms to file revenue realized from MMC for FY 2022-23.<br>In this regard, the reply in respect of above said directive is as under: -<br>(Amount in Rs.) | **Complied with** |

<table>
<tr><th>Sr. No.</th><th>Directives</th><th>Letter no. and date</th><th>UHBVNL Reply</th><th>Remarks</th></tr>
<tr><td></td><td>month from the date of this order</td><td></td><td>
<table>
<tr><th>MONTH</th><th>MMC BILL COUNT</th><th>MMC AMT</th><th>AMT TO COVER MMC</th><th>CURR CYC CHARGES</th><th>REALIZATION</th></tr>
<tr><td>April 2022</td><td>281910</td><td>191381988</td><td>91374474</td><td>200665756</td><td>121612494</td></tr>
<tr><td>May 2022</td><td>189582</td><td>140329806</td><td>70416916</td><td>146914335</td><td>139200556</td></tr>
<tr><td>June 2022</td><td>188579</td><td>144017390</td><td>75967690</td><td>151598454</td><td>149086191</td></tr>
<tr><td>July 2022</td><td>169528</td><td>129667086</td><td>69171547</td><td>149157203</td><td>158452208</td></tr>
<tr><td>August 2022</td><td>188549</td><td>141436848</td><td>78483898</td><td>164770062</td><td>171860712</td></tr>
<tr><td>Sep2022</td><td>242020</td><td>221609978</td><td>103817822</td><td>255741372</td><td>187686874</td></tr>
<tr><td>Oct 2022</td><td>256614</td><td>185016326</td><td>95629150</td><td>213065223</td><td>230817040</td></tr>
<tr><td>Nov 2022</td><td>385182</td><td>243286858</td><td>122442939</td><td>297403107</td><td>401596391</td></tr>
<tr><td>Dec 2022</td><td>621255</td><td>336592057</td><td>159526304</td><td>458803220</td><td>532878535</td></tr>
<tr><td>Jan 2023</td><td>758827</td><td>451465736</td><td>206168263</td><td>566970561</td><td>597334405</td></tr>
<tr><td>Feb2023</td><td>788095</td><td>418425714</td><td>210764197</td><td>518667711</td><td>607266590</td></tr>
<tr><td>March 2023</td><td>341410</td><td>187522049</td><td>90383109</td><td>235940363</td><td>274260864</td></tr>
</table>
</td><td></td></tr>
</table>

<table>
<tr><th>Sr. No.</th><th>Directives</th><th>Letter no. and date</th><th>UHBVNL Reply</th><th>Remarks</th></tr>
<tr><td></td><td></td><td></td><td><table><tr><td>Total</td><td>4411551</td><td>2790751835</td><td>1374146310</td><td>3359697368</td><td>3572052860</td></tr></table>*since payment is collected against A/c no., therefore it won't possible to provide actual realization against Bill ID raised on MMC basis. For preparing realization data amount of latest payment made by consumer after generation of MMC Bill is considered.</td><td></td></tr>
<tr><td>22</td><td>Page no 195<br>UHBVNL is directed to give the justification of nil expenditure against the approved capex and to adhere to the Regulation meticulously.</td><td>Vide memo no. Ch-61/RA/F-173 Vol-14 dt. 10.05.2023</td><td>The Capex Plan submitted for APR year at the time of filing ARR petition was upto Sep. 2022. The works at Sr. No. 7, 9, 10, 11, 12, 14 (2) & 16 were under tendering/ approval process. Further these works were carried out in the 2nd half of the FY 2022-23. The detail is as under: -<table><tr><th>Sr. No</th><th>Description</th><th>Reply</th></tr><tr><td>7</td><td>Civil allied Works other than substation buildings</td><td>Rs. 5.31 Cr. has been incurred during FY 2022-23</td></tr><tr><td>9</td><td>Strengthening of 11 kV lines, 11 kV Ring Main System, New DTs & normal development</td><td>Rs. 50.50 Cr. has been incurred during FY 2022-23</td></tr><tr><td>10</td><td>Creation of double supply source for 33 kV substations, 33 kV Ring Main / Scada</td><td>The works at Sr. No. 10 of the capex Plan i.e. "The creation of double supply source for 33 kV Sub-stations, 33 kV Ring MaW SCADA." The creation of double supply source for 33 kV Sub-stations, 33 kV Ring Main/ Scada was envisaged at the beginning of the financial year. This arrangement was to be done to make sure the availability of uninterrupted</td></tr></table></td><td>Complied with</td></tr>
</table>

| Sr. No. | **Directives** | **Letter no. and date** | **UHBVNL Reply** | | | **Remarks** |
|---|---|---|---|---|---|---|
| | | | | | power 24x7, due to maintenance work or outages.<br>For this arrangement UHBVNL approached HVPN to get access of bays at feeding sub-stations of HVPNL. All SE' s (OP) UHBVNL have also been asked to identify & supply the data of 33 kV Sub-stations for the creation of double supply source.<br>The above proposal is under process & likely to be finalized in this financial year.<br>The reason as explained above lead to nil expenditure for the said capex works | |
| | | | 11 | Revamped Distribution Strengthening Scheme (RDSS) | Work yet to be awarded and NITs are under evaluation stage. | |
| | | | 12 | ElectricVehicle Charging Station | Work order of amounting to Rs. 27 Lakhs was allotted for EV charger at Head Office Building of UHBVNL, Panchkula and work was completed. | |
| | | | 14(2) | Commercial Data Migration (IPDS & Balance Areas) | 1.Invoice not raised by firm.<br>2. Migration of Non-R consumers on CC &B of all 10 circles has been 100% completed | |
| | | | 16 | ERP Implementation | Nodal Agency, M/s PFC has been requested to allow rollout of only one module of ERP i.e. Project Management | |

| Sr. No. | **Directives** | **Letter no. and date** | **UHBVNL Reply** | **Remarks** |
|---|---|---|---|---|
| | | | under RDSS, however, their response is still awaited. | |
| 23 | Page no 201<br>UHBVNL and DHBVNL are directed to revise its Capital expenditure plan for FY2023-24 accordingly and submit the scheme wise details of the proposed expenditure to the Commission within one month of the Order. | Vide memo no Ch-51/RA/N/F-168 dated 02.03.2023 | Nigam has submitted the revised Capital Investment Plan for FY 2023-24 as directed in HERC Tariff order dated 15.02.2023 with revised cost of Rs 1000 crore. | **Complied with.** |
| 24 | Page no 206<br>The Commission observes that the low collection efficiency in five circles of DHBVNL reflected under recovery of revenue and attributes to financial losses on account of additional borrowings by the | | Does not relate to UHBVNL | **Does not relate to UHBVNL** |

<table>
<tr><th>Sr. No.</th><th>Directives</th><th>Letter no. and date</th><th>UHBVNL Reply</th><th>Remarks</th></tr>
<tr><td></td><td>licensees to meet their revenue shortfall besides accumulation of arear which in turn may convert into bad debts.<br>In view of the above, the Commission directs DHBVNL to improve collection efficiency in above circles by plugging loopholes of revenue leakage.</td><td></td><td></td><td></td></tr>
<tr><td>25</td><td>Page no 214<br>DISCOMs are therefore directed to make all out efforts to release all pending connections within the time frame as specified in regulations in-vogue.</td><td>Vide memo no Ch-57/RA/F-173 Vol-(14) dated 09.05.2023</td><td>The status of pending Non-AP connections is attached as Annexure-I to IV and summarized as under: -<br>(a) As per SOP Regulations, prescribed timeline is 37 days for LT connection & 78 days for HT connections<br>for both New & EOL.<br>(b) SOP timelines exclude time taken by applicant in compliance.<br>(c) Average delivery time & % delivery within SOP from 1st January, 2023 to 31st March 2023 is as under: -
<table>
<tr><td rowspan="2">Type</td><td colspan="2">LT Supply (up to 50 KW)</td><td colspan="2">HT Supply (Above 50 KW)</td></tr>
<tr><td>Average delivery Time</td><td>% within SOP timeline</td><td>Average delivery Time</td><td>% within SOP timeline</td></tr>
<tr><td>New</td><td>19.34 days</td><td>97.18%</td><td>57.15 days</td><td>83.51 %</td></tr>
</table></td><td>Partially Complied with<br>However there is improvement</td></tr>
</table>

<table>
<tr><th>Sr. No.</th><th>Directives</th><th>Letter no. and date</th><th>UHBVNL Reply</th><th>Remarks</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><td>EOL</td><td>10.88 days</td><td>98.06 %</td><td>40.42 days</td><td>88.32 %</td></tr>
</table>
(d) Pending overdue applications excluding pending on compliance of demand notice on part of applicant ending 09.05.2023 is as under: -
<table>
<tr><td>Type</td><td colspan="3">LT Supply (up to 50 KW),</td><td colspan="3">HT Supply (Above 50 KW)</td></tr>
<tr><td></td><td>Overdue</td><td>Load KW</td><td>% overdue</td><td>Overdue</td><td>Load KW</td><td>% overdue</td></tr>
<tr><td>New</td><td>231</td><td>1307.4</td><td>2.32%</td><td>25</td><td>139522.6</td><td>7.79%</td></tr>
<tr><td>EOL</td><td>9</td><td>219.9</td><td>1.10%</td><td>21</td><td>30392.5</td><td>6.36%</td></tr>
</table>
The connections are being released within SOP timelines and there is negligible pendency of small number of overdue cases, which are due to variety of factors which are peculiar to each case such as ROW issue, requires augmentation, delay in self execution, local system constraints, pending on part of consumer/delay in processing etc. which are resolved and dealt accordingly.</td><td></td></tr>
<tr><td>26</td><td>Page no 223<br>The Discoms and other obligated entities are directed to provide requisite information to the State Agency on monthly basis by 10th of every month for the previous month to enable the</td><td>Vide memo no Ch-48/RA/F-173/Vol–(14) dated 03.05.2023</td><td>It is submitted that HERC directive is being complied with and the requisite information for FY 2022-23 (up to March 2023) has been submitted to HERC and HAREDA vide letter dated 01.05.2023</td><td>Complied with</td></tr>
</table>

| Sr. No. | **Directives** | **Letter no. and date** | **UHBVNL Reply** | **Remarks** |
|---|---|---|---|---|
| | State Agency to submit quarterly report to the Commission. | | | |
| 27 | Page no 229<br>The Commission directs that in the next ARR, the Discoms will submit a tariff proposal as well; it may not necessarily be for increase or decrease in tariff(s) but for improvement in tariff design, reduction in the number of category /sub-category, re-alignment of demand / fixed charges etc. The proposal should include its impact on a typical consumer | Vide memo no. Ch-46/RA/F-173/ Vol-14 dated 01.05.2023 | It is submitted that the direction of Hon'ble Commission is being noted for compliance and the same will be proposed at the time of filing of ARR petition of FY 2024-25. | **Still some time is left for compliance. Deadline: 30.11.2023** |