



**ARUNACHAL PRADESH STATE ELECTRICITY REGULATORY  
COMMISSION**

**Order on Petition**

**for**

**True Up for FY 2023-24,**

**APR for FY 2024-25,**

**ARR & Tariff for FY 2025-26**

**&**

**Approval of Business Plan and ARR for the MYT control Period FY 2025-26 to**

**FY 2029-30**

**For**

**Department of Power,  
Government of Arunachal Pradesh**

**Issued on 26-03-2025**

**Arunachal Pradesh State Electricity Regulatory Commission**

**अरुणाचल प्रदेश राज्य विद्युत नियामक आयोग**

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**Arunachal Pradesh State Electricity Regulatory Commission (APSERC)**  
**Itanagar, Arunachal Pradesh**

**Petition No.: TP - 01 -2025 & Petition No. MP 10 OF 2024**

**In the matter of:**

Approval of ARR for True up of FY 2023-24, APR for FY 2024-25 and ARR & Tariff for FY 2025-26 along with approval of Business Plan and ARR for the MYT control period FY 2025-26 to FY 2029-30.

&

Application praying for review of Order dated 26.07.2024 issued by Hon'ble Commission on Petition no. MP-04 of 2024 regarding approval of new service connection charges in electrified areas up to a load of 150 KW in compliance of Regulation 3.6.4(10) of Arunachal Pradesh State Electricity Regulatory Commission (Electricity Supply Code) Regulations, 2024.

**In the matter**

*Department of Power, Government of Arunachal Pradesh (APDOP) ----- Petitioner*

**CORAM:**

**Shri R. K. Joshi, Chairperson**

**Shri Nich Rika, Member (Law)**

**ORDER**

**(Passed on 26<sup>th</sup> March, 2025)**

1. The Commission in exercise of the powers vested in it under Section 62(1)(d) read with Section 62(3) and Section 64 (3)(a) of the Electricity Act, 2003 and APSERC (Multi Year Tariff) Regulations, 2018 & APSERC (Multi Year Tariff) Regulations, 2024 and other enabling provisions in this regard, issues this order, determining the True up for FY24, APR for FY 25, ARR & Retail Tariff for FY26 and approval of Business Plan for the MYT control period FY 2025-26 to FY 2029-30 for supply of electricity by the Department of Power, Arunachal Pradesh (APDOP) to the consumers of electricity in the state of Arunachal Pradesh.
2. The MYT Regulations, 2018 and 2024 state that the Distribution Licensee shall file the tariff petition for a FY including Business Plan for a control period, complete in all respects, along with requisite fee as prescribed in the APSERC (Fees) Regulations, 2011 and amendments thereof on or before 30<sup>th</sup> November of the preceding year. Hence, the tariff petition for the FY 2025-26 along with Business Plan has to be filed by the Licensee on or before 30/11/2024.

APDOP filed the Petition before the Commission on 29/11/2024. However, the Petitions lacked requisite information which was submitted by the Department on 10/01/2025 after which the Commission admitted the petition on 15/01/2025.

3. This order consists of eleven chapters that includes detailed analysis of the True up of FY 2023-24, APR for FY 2024-25 & ARR & Business Plan for the control period FY 2025-26 to FY 2029-30 along with Retail Supply Tariff Rates for the FY 2025-26.
4. While issuing the order on petitions the Commission has taken into consideration of the following:
  - (a) Audited accounts of FY 2023-24 which have been verified by M/s Gadly Shaw and Associates.
  - (b) Provisions of APSERC (Multi Year Tariff) Regulations, 2018.
  - (c) Provisions of APSERC (Multi Year Tariff) Regulations, 2024
  - (d) Documents and information submitted by the Petitioner.
5. The Commission directs the licensee to publish the order in two leading newspapers, one in Hindi and the other in English, having wide circulation in the State within 7 days of the issue of this Tariff Order. The publication shall include a general description of the tariff and its effect on the various classes of consumers. Further, the Commission directs the Licensee to take all necessary steps for implementation of this order so that the energy bills are prepared accordingly, strictly in terms of the approved tariff and tariff schedule approved by the Commission.
6. The Commission has also disposed of the Petition No MP-10 of 2024 regarding service connection charges for electrified areas up to 150kW along with this order.
7. The directives contained in the Chapter-11 should be strictly adhered to and compliance thereof, as desired by the Commission must be placed before it within the stipulated time by APDOP.
8. This retail tariff order shall be effective from 01/04/2025 and shall remain in force till 31/03/2026, unless amended or revised.

**Date: 26/03/2025**

**Place: Itanagar**

**Sd/-**  
**Shri Nich Rika,**  
**Member (Law)**

  
**Secretary**

*State Electricity Regulatory Commission*  
*Arunachal Pradesh*

**Sd/-**  
**Shri R. K. Joshi**  
**Chairperson**



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### List of Abbreviations used

AGBPP	Assam Gas Based Power Plant
AGTCCPP	Agartala Gas Thermal Combine Cycle Power Plant
APDOP	Arunachal Pradesh Department of Power
APSERC	Arunachal Pradesh State Electricity Regulatory Commission
ARR	Aggregate Revenue Requirement
AT&C	Aggregate Technical and Commercial
BPL	Below Poverty Line
CAGR	Compound Annual Growth Rate
DG	Diesel Generating
DHPD	Department of Hydro Power Development
FY	Financial Year
HEP	Hydro Electric Project
HT	High Tension
KJP	Kutir Jyoti Program
kV	Kilo Volt
kW	Kilo Watt
LT	Low Tension
MU	Million Unit
MW	Mega Watt
NLDC	National Load Dispatch Centre
NHPC	National Hydro Power Corporation
NTPC	National Thermal Power Corporation
NEEPCO	North Eastern Electric Power Corporation
NERLDC	North Eastern Regional Load Dispatch Centre
NERPC	North Eastern Regional Power Committee
O&M	Operation and Maintenance
OTPC	ONGC Tripura Power Company
PGCIL	Power Grid Corporation of India Ltd
RLDC	Regional Load Dispatch Centre
R&M	Repair and Maintenance
SHEP	Small Hydro Electric Project
SLDC	SLDC State Load Dispatch Centre
SPSU	SPSU State Public Sector Undertaking
T&D	T&D Transmission and Distribution



## Chapter 1: Introduction

### 1.1. Arunachal Pradesh State Electricity Regulatory Commission

In exercise of the powers conferred by the Electricity Act, 2003, (hereinafter referred to as “Act”) the Government of Arunachal Pradesh constituted the Electricity Regulatory Commission for the State of Arunachal Pradesh to be known as “**Arunachal Pradesh State Electricity Regulatory Commission**” as notified on 07.05.2010 (hereinafter referred to as “Commission”).

The **Arunachal Pradesh State Electricity Regulatory Commission** has been functioning with effect from 02.03.2011 with the objective and purpose for which the Commission has been established i.e., to discharge its functions as per Section 86 of the Act.

### 1.2. Functions of the State Commission

Section 86 of the Act, provides as follows: -

**“86. Functions of State Commission. -**

(1) The Commission shall discharge the following functions, namely: -

- (a) determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case may be, within the State;  
*Provided that where open access has been permitted to a category of consumers under section 42, the State Commission shall determine only the wheeling charges and surcharge thereon, if any, for the said category of consumers;*
- (b) regulate Electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State;
- (c) facilitate Intra-State transmission and wheeling of electricity;
- (d) issue licenses to persons seeking to act as transmission licensees, distribution licensees and electricity traders with respect to their operations within the State;
- (e) promote co-generation 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, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee;
- (f) adjudicate upon the disputes between the licensees and generating companies; and to refer any dispute for arbitration;
- (g) levy fee for the purpose of this Act;
- (h) Specify State Grid Code consistent with the Grid Code specified under Clause of sub-section (1) of Section 79;
- (i) specify or enforce standards with respect to quality, continuity and reliability of service by licensees;
- (j) fix the trading margin in the intra-State trading of electricity, if considered, necessary;
- (k) discharge such other functions as may be assigned to it under this Act.

(2) The State Commission shall advise the State Government on all or any of the following matters, namely: -

*Secretary*



- (i) *promotion of competition, efficiency and economy in activities of the electricity industry;*
- (ii) *promotion of investment in electricity industry;*
- (iii) *reorganization and restructuring of electricity industry in the State;*
- (iv) *matters concerning generation, transmission, distribution and trading of electricity or any other matter referred to the State Commission by State Government.*
- (3) *The State Commission shall ensure transparency while exercising its powers and discharging its functions.*
- (4) *In discharge of its functions, the State Commission shall be guided by the National Electricity Policy, National Electricity Plan and Tariff Policy published under section 3."*

### **1.3. Arunachal Pradesh - Geographical Reality**

The total area of the State of Arunachal Pradesh is 83,743 sq. km. The state is situated in the extreme north-east of India and is bounded by independent countries on three sides and by Assam and Nagaland states on one side. There are Bhutan, China and Myanmar on the west, north and east of this state, respectively, and the Indian states Assam and Nagaland on the south. The State is having a population of around 13.83 lakh (2011 census). Its capital, Itanagar is about 380 km from Guwahati, the capital of Assam.

### **1.4. Arunachal Pradesh Department of Power**

Arunachal Pradesh Department of Power (APDOP) (hereinafter referred to as 'Petitioner') is a deemed licensee in terms of Section 14 of the Act. It being an integrated utility is responsible for transmission and distribution of electricity in the State of Arunachal Pradesh and for trading of electricity. It is responsible for power supply in the State of Arunachal Pradesh. The Arunachal Pradesh Department of Power (DoP, AP) was created in 1992 by separating from the Arunachal Pradesh Public Works Department (APPWD). At that time, the entire power management including generations, transmissions, and distributions was the responsibility of the DoP, AP. In the year 2004, a Department of Hydro Power Development (DHPD) was created by bifurcating from the DoP, AP and thereby separating the generation from the purview of the DoP, AP.

### **1.5. Admission of Petition and Hearing Process**

As per the provisions of the APSERC (Multi Year Tariff) Regulations, 2018, as well as APSERC (Multi Year Tariff) Regulations, 2024 the Distribution Licensee is required to file the tariff petition on or before 30<sup>th</sup> November of each year for fixing the tariff for the next financial year. APDOP filed the tariff petition on 29.11.2024 however the petition lacked requisite information for the MYT control period FY 2025-26-FY 2029-30 for which the Petitioner was asked to submit the relevant details. The Petitioner dated 10.01.2025 submitted the relevant information

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post which the petition was admitted by the Commission on 15.01.2025 and has been assigned as Petition no TP-01 of 2025.

The Petitioner has now filed the petition for approval of True up for FY 2023-24, APR for FY 2024-25, Business plan and ARR for the MYT control period FY 2025-26 to FY 2029-30 and Tariff Proposal for FY 2025-26.

On admitting Tariff petition of APDOP, the Commission directed APDOP to publish the summary of its petition and proposed tariff in two local newspapers in abridged form and manner as approved in accordance with Section 64(2) of the Act, to invite comments/ objections from the stakeholders.

The copies of the petition and other related documents were made available to consumers and other interested parties at a nominal price in the office of the Chief Engineer (Power), Western Electrical Zone, Department of Power, Vidyut Bhawan, Itanagar, 791111. A copy of the petition was made available on the website of APDOP ([www.arunachalpower.org.in](http://www.arunachalpower.org.in)) and also on the website of the Commission ([www.apserc.nic.in](http://www.apserc.nic.in)) in downloadable format.

A Public Notice was published by APDOP in leading newspapers on 23.01.2025 inviting objections/ suggestions from the stakeholders on the petition on or before 12.02.2025. The copy of the above Public Notice is enclosed as **Annexure I** of this order.

### **1.6. Public Response to the Tariff Petition:**

Accordingly, through the public notice, comments/suggestion were invited from the stakeholders/public on the petition on or before 12.02.2025. No written comments were received by the Commission/ APDOP in this regard.

In order to ensure transparency in the process of determination of Tariff and ARR as envisaged in Act, a public hearing was called by the Commission by publishing Public Notice in the two newspaper on 14.02.2025. The Public Notice was also uploaded on Commission's website (copy is enclosed as **Annexure II**). However, no stakeholder had attended the hearing at the Commission's office in Itanagar on scheduled date 28<sup>th</sup> February 2025. The Commission had not received comments / suggestion from any of the stakeholders on the tariff petition filed by the Petitioner during and before the public hearing.

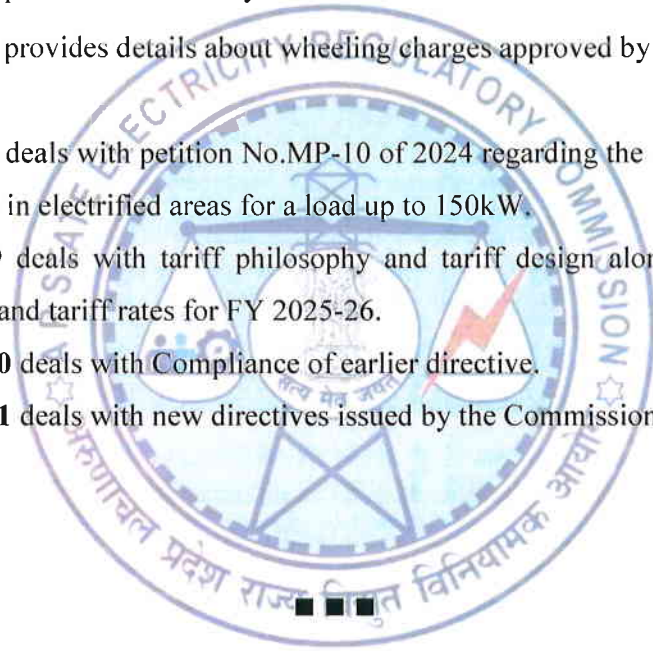
### **1.7. Layout of the Order**

This order is organized into eleven chapters:

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- a. **Chapter 1** provides a brief about APSERC, APDOP, some of the details about the tariff setting process, the admission process of petition and about the Hearing.
- b. **Chapter 2** provides details of the background regarding orders issued by the Commission, procedural history and subsequent filing of tariff petition by the Petitioner for the MYT Control Period FY 2025-26 to FY 2029-30.
- c. **Chapter 3** provides analysis of True up for FY 2023-24 & APR for FY 2024-25
- d. **Chapter 4** provides brief details about the Business Plan for FY 2025-26 to FY 2029-30
- e. **Chapter 5** provides analysis of the petition for approval of ARR for FY 2025-26 to FY 2029-30 and Commission's Approval on the same.
- f. **Chapter 6** provides detail analysis of Tariff for FY 2025-26
- g. **Chapter 7** provides details about wheeling charges approved by the Commission for FY 2025-26
- h. **Chapter 8** deals with petition No.MP-10 of 2024 regarding the approval of new service connection in electrified areas for a load up to 150kW.
- i. **Chapter 9** deals with tariff philosophy and tariff design along with approved tariff categories and tariff rates for FY 2025-26.
- j. **Chapter 10** deals with Compliance of earlier directive.
- k. **Chapter 11** deals with new directives issued by the Commission.



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## Chapter 2: Summary of the Petition

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### 2.1 Power Supply Position

APDOP meets the energy demand of its Consumers by getting power from different sources which are shown below:

#### 2.1.1 Power Supply scenario during FY2023-24, FY 2024-25 & FY 2025-26 to FY 2029-30

- 1) **Power from CGS** - APDOP has a firm allocation of Power from CGS of 295.50 MW. The Petitioner has submitted that around 698 MU were procured in FY 2023-24 and 510.52 MU of free units were received as actual during the same period. APDOP has projected the same quantum of energy for the remaining years i.e. FY 2024-25 to FY 2029-30 to be received from Central Generating Stations as per the allocated capacities. It also purchases power through open market to meet its requirement in the State particularly, during peak hours and lean hydro season and sells surplus power from allocated energy outside the State during the peak hydro season.
- 2) **Power from DHPD** – Department of Hydro Power Development (DHPD) has an installed capacity of 81.54 MW consisting of different capacities located in different locations of Arunachal Pradesh. The Petitioner has submitted that they have received about 56.74 MU during FY 2023-24 as actual and has projected the same quantum of energy for the remaining years. The Petitioner has further stated that as DHPD is also under the Arunachal Pradesh Government (AP) and hence, APDOP does not pay the cost of power to DHPD and hence be treated as **Free Power**.
- 3) **Power from HPDCL** - Arunachal Pradesh Hydro Power Development Corporation Limited (HPDCL) is a State Public Sector Undertaking and has commissioned a 3 MW small hydropower project at Zemithang of Tawang district of Arunachal Pradesh over the Sumbachu River and started commercial operation in the year 2020-21. The Petitioner has received about 6.37MU as actual in FY 2023-24 and has projected the same quantum of energy for the remaining years.

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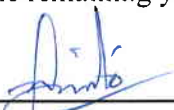


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- 4) **Power from Dikshi SHP** - Dikshi SHP is a small hydropower project of 24 MW in Rupa of West Kameng District developed by Devi Energy Pvt. Ltd, an Independent Power Producer (IPP). This project was commissioned in year 2019 and declared COD on 19.09.2019. The Petitioner entered into a PPA with Devi Energy Pvt. Ltd. for purchasing the entire power generated from this project. APDOP purchased power to the tune of 65.26MU and free power of 7.25MU in FY 2023-24, in actuals and has projected the same quantum of energy for the remaining years.
- 5) **Power from Khantang SHP:** Khantang SHP is a small hydropower project with an installed capacity of 7.5 MW located at Khantang Nallah, Seru village, Tawang District, developed by M/s Kangteng Hydro Power Pvt Ltd, an Independent Power Producer (IPP). This project was commissioned in the year 2024 and declared Date of Commercial Operation (COD) on 08 May 2024. The DoP,AP entered into a Power Purchase Agreement (PPA) with M/s Kangteng Hydro Power Pvt Ltd for purchasing the entire power generated from this project over and above the 12.6% (8% free power plus the offer of 4.6% additional free power) Free Power Share to the State from the power generated after the moratorium period of 2 (two) years from the date of COD.
- 6) **Power from APEDA** - The Arunachal Pradesh Energy Development Agency (APEDA) is under the Ministry of Power, Government of Arunachal Pradesh, which is responsible for the development of Non-Conventional Energy in the state. APEDA has developed various capacities of Solar Power plants across the state with an installed capacity of 4.188 MW. The Petitioner has received 0.55 MU as actuals in FY 2023-24 and has projected the same quantum of energy for the remaining years. Further the energy received from the Solar Power Plants, is utilized to partially meet up the annual Solar Renewable Power Purchase Obligation (RPO) of the state.
- 7) **Power from Open Market** – During exigencies, the Petitioner has purchased power from Real-Time Market (RTM) or Day Ahead Market (DAM) from IEX to meet the energy requirement of the state. The Petitioner has purchased 23.19 MU in FY 2023-24 as actuals to meet power shortages, and has projected the same quantum to be purchased for the remaining years.

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- 8) **Banking:** - The Petitioner is also engaged in banking of energy during the high hydro season and takes back during the lean hydro season @ 5% above in case of forward banking and sometimes APDOP takes energy in advance from the party and returns to them @ 5% above as and when power is available. As such, there is no financial implication for this activity. The energy imported via Banking was 109.10MU in FY 2023-24 as per actuals and the Petitioner has projected an increment of 5% YoY for the remaining years.
- 9) **Diesel Generation (DG) Sets:** - DG sets have been used purely as a temporary arrangement to meet any energy requirement in case of non-availability of power from other sources. The energy generated through DG set during FY 2023-24 was 0.32MU and the Petitioner has projected the same for the remaining years i.e. FY 2024-25 to FY 2029-30.
- 10) **Per Capita Consumption of electricity:** The Per Capita Consumption of electricity in Arunachal Pradesh is much lower than that of All India's average. As per the figures provided by CEA the per capita consumption of electricity in FY 2022-23 was 651 kWh while the National Average was 1331 kWh.

#### 2.1.2 Power Supply projections for the period FY2023-24, FY 2024-25 & FY 2025-26 to FY 2029-30

- 1) **Energy Sale Forecast within the State:** For the period FY 2023-24 the Petitioner has submitted an actual sale of 673.41MU. The Petitioner has computed a 5 year CAGR and has escalated the same to arrive at the projected sale of 751.29 MU, 839.62 MU, 939.91 MU, 1053.96 MU, 1183.88 MU & 1332.26 MU for the remaining years i.e. FY 2024-25 to FY 2029-30 respectively.
- 2) **Energy Sale Forecast outside the State through Power Exchange, bilateral contracts and banking:** The Petitioner is selling surplus power outside the state through Power Exchange or under bilateral contracts or engaged in banking of energy during the high hydro season and taking back during the lean hydro season. The Petitioner has submitted actual values for FY 2023-24 as 142.43MU(IEX), 126.68MU(Bilateral) and 72.72MU (Banking export) respectively. Projected 472.56 MU, 494.71 MU, 518.05 MU and 542.63 MU for FY 2023-

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24, 2024-25 2025-26 and 2026-27 respectively and has considered an escalation of 5% for the remaining years i.e. FY 2024-25 to FY 2029-30 respectively.

- 3) **Power Purchase Estimation:** The Petitioner has submitted that for the FY 2023-24 it has incurred a power purchase cost of Rs 489.16 Cr. The Petitioner has considered an increment of 5% on the per unit rate and has escalated the power purchase cost for tied up stations and has considered a power purchase cost of Rs.517.84 Cr, Rs.541.47 Cr, Rs.565.80Cr, Rs.815.80Cr, Rs.856.59Cr & Rs.899.41 Cr for FY 2024-25 to FY 2029-30 respectively. Accordingly, the Petitioner has requested the Commission to approve the power purchase cost.

## 2.2 Summary of the Petition: Aggregate Revenue Requirement

The ARR and revenue gap as submitted by the Petitioner is shown in Table below.:

**Table 1: Aggregate Revenue Requirement, Income and Revenue Gap in Existing tariff - Petitioner's Submission (₹ in Cr)**

S. No.	Particulars	FY 24 (Actuals)	FY25 (Estimated)	MYT Control Period (Projected)				
		True Up	APR	FY26	FY27	FY 28	FY29	FY30
1	Return on Equity Capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2	Interest on Loan Capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	Depreciation	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Power Purchase Expenses	489.16	517.84	541.47	565.80	815.80	856.59	899.41
5	Interstate Transmission Charges	98.08	109.05	110.86	116.41	151.49	158.97	166.82
6	Intrastate Transmission Charges	11.45	11.45	11.45	11.45	11.45	11.45	11.45
7	Fees and charges of NERLDC / NERPC	0.00	2.00	2.10	2.20	2.31	2.43	2.55
8	O&M expenses	442.41	448.53	484.76	512.49	542.51	574.29	607.94
9	Interest on working Capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	Provision for bad and doubtful debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	Annual License Fee	0.00	0.05	0.05	0.05	0.05	0.05	0.05
12	Tariff Filing Fee	0.00	0.075	0.075	0.075	0.075	0.075	0.075
13	Total Revenue Requirement	1041.10	1099.00	1150.76	1208.48	1523.68	1603.85	1688.29
14	Other income (non-tariff)	52.29	57.67	64.45	72.15	80.91	90.89	102.30
15	Net Revenue Requirement (13-14)	988.81	1041.33	1086.31	1136.33	1442.77	1512.96	1585.99
16	Revenue from Existing Tariff	255.48	285.01	318.51	356.58	399.88	449.23	505.59
17	Revenue from Sale of Surplus Power	142.39	150.14	156.98	164.83	360.62	243.91	168.10

S. No.	Particulars	FY 24 (Actuals)	FY25 (Estimated)	MYT Control Period (Projected)				
		True Up	APR	FY26	FY27	FY 28	FY29	FY30
18	Revenue gap (15-16-17)	590.93	606.18	610.82	614.92	682.27	819.82	912.30
19	Total Energy Sale (MU)	1057.15	1166.97	1270.30	1386.64	1858.80	1779.01	1792.43
20	Gross Energy Input (MU)	1576.67	1599.36	1602.83	1604.42	2033.05	2035.68	2038.84
21	Average Cost of Supply(ACS) (15/20 - Rs/Kwh)	6.27	6.87	7.18	7.53	7.49	7.88	8.28

The Petitioner has requested the Commission to approve the Aggregate Revenue Requirement for FY 2023-24, FY 2024-25, FY 2025-26, FY 2026-27, FY 2027-28, FY 2028-29 and FY 2029-30 as referred in the above table. The Petitioner has also stated that the revenue gap for the respective years shall be funded by State Government as a grant.

### 2.3 ARR and ACS Gap -FY 2023-24, FY 2024-25 & FY 2025-26 to FY 2029-30

The ACS and ARR Gap has been calculated as per the guidelines of Central Electricity Authority. The ACS-ARR gap from FY 2023-24 to FY 2029-30 is shown in the table below.

**Table 2: ARR and ACS Gap from FY 2023-24 ,FY 2024-25 & FY 2025-26 to FY 2029-30-Petitioner's Submission** (₹ in Cr)

S. No.	Particulars	FY 24 (Actuals)	FY 25 (Estimated)	MYT Control Period (Projected)				
		True Up	APR	FY26	FY27	FY28	FY29	FY30
1	Total Revenue Requirement	988.81	1099.00	1150.76	1208.48	1523.68	1603.85	1688.29
2	Gross Energy Input (MU)	1576.67	1599.36	1602.83	1604.42	2033.05	2035.68	2038.84
3	Revenue from Existing Tariff	255.48	285.01	318.51	356.58	399.88	449.23	505.59
4	Other income (Late payment, meter rent etc.)	52.29	57.67	64.45	72.15	80.91	90.89	102.30
5	Total revenue within state (including other income)	307.77	342.68	382.96	428.73	480.79	540.12	607.89
6	Revenue from sale of surplus power	142.39	150.14	156.98	164.83	360.62	243.91	168.10
7	Total Annual Income	397.88	492.81	539.94	593.56	841.41	784.03	775.99
8	Gap (1-7)	590.93	606.18	610.82	614.92	682.27	819.82	912.30

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S. No.	Particulars	FY 24 (Actuals)	FY 25 (Estimated)	MYT Control Period (Projected)				
		True Up	APR	FY26	FY27	FY28	FY29	FY30
9	Grant from GoAP	590.93	606.18	610.82	614.92	682.27	819.82	912.30
10	Average Cost of Supply (ACS) (Rs/Kwh) (1/2*10)	6.27	6.87	7.18	7.53	7.49	7.88	8.28
11	Average Re-alisable Revenue (Rs/kWh) [(7+9)/2*10]	6.27	6.87	7.18	7.53	7.49	7.88	8.28
12	ACS – ARR Gap(9-10)	0.00	0.00	0.00	0.00	0.00	0.00	0.00

## 2.4 Tariff- Existing Vs Proposed for FY 2025-26

With the aforesaid expected grant from Government, the Petitioner has proposed the following tariff for FY 2025-26.

Table 3: Proposed Tariff for FY 2025-26 - Petitioner's Submission

(₹ in Cr)

S no	Category of Consumers	Existing Tariff (Rs/ kWh)	Proposed Tariff (Rs/ kWh)
1	Non-Commercial (Domestic)	1 - Phase, 230 Volt	4.00
2		3 - Phase, 400 Volt	4.00
3		1 - Phase, 230 Volt KJP and BPL connections	2.65
4		3 - Phase, 11 kV	3.40
5		3 - Phase, 33 kV	3.25
6	Commercial(non-industrial)	1 - Phase, 230 Volt	5.00
7		3 - Phase, 400 Volt	5.00
8		3 - Phase, 11 kV	4.20
9		3 - Phase, 33 kV	4.00
10	Public Lighting and Water Supply	1 - Phase, 230 Volt	5.10
11		3 - Phase, 400 Volt	5.10
12		3 - Phase, 11 kV	4.20
13		3 - Phase, 33 kV	4.00
14	Agricultural	1 - Phase, 230 Volt	3.10
15		3 - Phase, 400 Volt	3.10
16		3 - Phase, 11 kV	2.75
17		3 - Phase, 33 kV	2.65
18	Industrial	1 - Phase, 230 Volt	4.30
19		3 - Phase, 400 Volt	4.30
20		3 - Phase, 11 kV	3.85
21		3 - Phase, 33 kV	3.50
22		3 - Phase, 132 kV	3.35
23	Bulk Mixed	3 - Phase, 11 kV	3.75
24		3 - Phase, 33 kV	3.40

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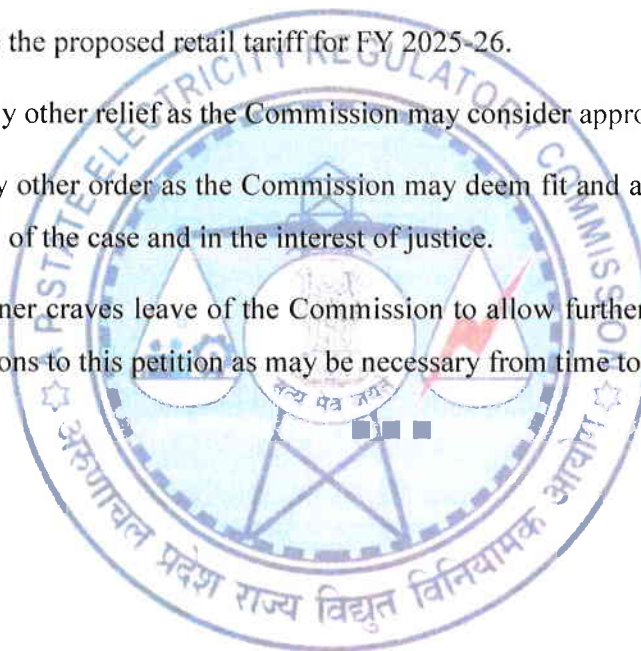
S no	Category of Consumers	Existing Tariff (Rs/ kWh)	Proposed Tariff (Rs/ kWh)
25	3- Phase, 132 kV	3.25	3.25
26	Temporary Consumers	6.50	6.50

Accordingly, the Petitioner has requested the Commission to approve the Proposed Tariff for the FY 2025-26.

## 2.5 Prayer of Petitioner

The Petitioner, has made the following prayers-

1. To admit this petition for approval of True Up for FY24, APR for FY25 Approval of Business plan and ARR for the MYT control period FY2025-26 to FY 2029-30.
2. To approve the proposed retail tariff for FY 2025-26.
3. To grant any other relief as the Commission may consider appropriate.
4. To pass any other order as the Commission may deem fit and appropriate under the circumstances of the case and in the interest of justice.
5. The Petitioner craves leave of the Commission to allow further submissions, additions, and alterations to this petition as may be necessary from time to time.



  
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## Chapter 3: True up of FY 2023-24 & APR for FY 2024-25

### 3.1 Number of Consumers and Sales

#### Petitioners Submission

3.1.1 The Petitioner in its True up petition for FY 2023-24 has submitted actual number of consumer and sales for the year under different categories as defined below:

- i. Domestic
- ii. Commercial
- iii. Industrial
- iv. Public Lighting and water Supply
- v. Agriculture
- vi. Bulk Mixed, and
- vii. Temporary

3.1.2 The Petitioner for the year FY 2024-25 has forecasted the energy sale and number of consumer based on Compound Annual Growth Rate(CAGR)for the preceding 5 years as per provisions of Regulations 10,10(2) of the MYT Regulations, 2018.The details of no of consumer and sales as submitted by the Petitioner is given in the table below:

**Table 4**Number of consumer & Sales (MU)as submitted by the Petitioner for FY 2023-24

S.No	Consumer Category	FY2023-24(Actuals)	
		Consumers	Sales(MU)
<b>A</b>	<b>HT &amp; EHT Category</b>		
<b>1</b>	<b>Non Commercial Consumers (Domestic)</b>		
	AC 50Hz,3-Phase, 11KV	128	7.78
	AC 50Hz,3-Phase, 33KV	4	3.76
<b>2</b>	<b>Commercial Consumers (Non-Industrial)</b>		
	AC 50Hz,3-Phase, 11KV	460	17.53
	AC 50Hz,3-Phase, 33KV	14	0.13
<b>3</b>	<b>Public Lighting and Water Supply Consumers</b>		
	AC 50Hz,3-Phase, 11KV	12	3.22
	AC 50Hz,3-Phase, 33KV	0	0.00
<b>4</b>	<b>Agricultural Consumers</b>		
	AC 50Hz,3-Phase, 11KV	5	0.02
	AC 50Hz,3-Phase, 33KV	0	0.00
<b>5</b>	<b>Industrial Consumers</b>		
	AC 50Hz,3-Phase, 11KV	85	20.92
	AC 50Hz,3-Phase, 33KV	33	37.15
	AC 50Hz,3-Phase, 132 KV	3	222.91
<b>6</b>	<b>Bulk Mixed Consumers</b>		

  
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	AC 50Hz,3-Phase, 11KV	210	24.52
	AC 50Hz,3-Phase, 33KV	14	13.14
	AC 50Hz,3-Phase, 132 KV	1	0.00
<b>B</b>	<b>Low Voltage Category</b>		
<b>1</b>	<b>Non Commercial Consumers (Domestic)</b>		
	AC 50Hz,1-Phase, 230 Volt	198192	167.27
	AC 50Hz,3-Phase, 400 Volt	3582	30.48
	KJP & BPL connection AC 50Hz,1-Phase, 230 Volt	61791	33.81
<b>2</b>	<b>Commercial Consumers (Non-Industrial)</b>		
	AC 50Hz,1-Phase, 230 Volt	30960	44.65
	AC 50Hz,3-Phase, 400 Volt	3016	35.98
<b>3</b>	<b>Public Lighting and Water Supply Consumers</b>		
	AC 50Hz,1-Phase, 230 Volt	864	3.42
	AC 50Hz,3-Phase, 400 Volt	271	3.19
<b>4</b>	<b>Agricultural Consumers</b>		
	AC 50Hz,1-Phase, 230 Volt	10	0.02
	AC 50Hz,3-Phase, 400 Volt	8	0.04
<b>5</b>	<b>Industrial Consumers</b>		
	AC 50Hz,1-Phase, 230 Volt	65	0.91
	AC 50Hz,3-Phase, 400 Volt	178	1.68
<b>6</b>	<b>Temporary Consumers</b>		
	LT/HT	358	0.87
	<b>Total</b>	<b>300264</b>	<b>673.41</b>

Table 5 Number of Consumers as estimated by the Petitioner for FY 2024-25

S.No	Consumer Category	FY20 (I)	FY21 (II)	FY22 (III)	FY23 (IV)	FY24 (V)	CAGR (%)	FY25 (Estimated)
<b>A</b>	<b>HT &amp; EHT Category</b>							
<b>1</b>	<b>Non Commercial Consumers (Domestic)</b>							
	AC 50Hz,3-Phase, 11KV	88	96	109	121	128	9.82%	141
	AC 50Hz,3-Phase, 33KV	4	4	4	4	4	0.00%	4
<b>2</b>	<b>Commercial Consumers (Non-Industrial)</b>							
	AC 50Hz,3-Phase, 11KV	209	244	276	372	460	21.80%	560
	AC 50Hz,3-Phase, 33KV	6	6	11	13	14	23.59%	17
<b>3</b>	<b>Public Lighting and Water Supply Consumers</b>							
	AC 50Hz,3-Phase, 11KV	19	20	21	9	12	0.00%	12
	AC 50Hz,3-Phase, 33KV	0	0	0	0	0	0.00%	0
<b>4</b>	<b>Agricultural Consumers</b>							
	AC 50Hz,3-Phase, 11KV	0	0	5	5	5	0.00%	5
	AC 50Hz,3-Phase, 33KV	1	0	0	0	0	0.00%	0
<b>5</b>	<b>Industrial Consumers</b>							
	AC 50Hz,3-Phase, 11KV	59	62	65	76	85	9.56%	93

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	AC 50Hz,3-Phase, 33KV	27	27	26	31	33	5.14%	35
	AC 50Hz,3-Phase, 132 KV	3	3	3	3	3	0.00%	3
<b>6</b>	<b>Bulk Mixed Consumers</b>							
	AC 50Hz,3-Phase, 11KV	156	159	138	173	210	7.71%	226
	AC 50Hz,3-Phase, 33KV	15	13	32	15	14	0.00%	14
	AC 50Hz,3-Phase, 132 KV	1	1	1	1	1	0.00%	1
<b>B</b>	<b>Low Voltage Category</b>							
<b>1</b>	<b>Non Commercial Consumers (Domestic)</b>							
	AC 50Hz,1-Phase, 230 Volt	178813	188148	195620	197129	198192	2.61%	203356
	AC 50Hz,3-Phase, 400 Volt	2706	2844	3197	3538	3582	7.26%	3842
	KJP & BPL connection AC 50Hz,1-Phase, 230 Volt	64273	66058	64369	63085	61791	0.00%	61791
<b>2</b>	<b>Commercial Consumers (Non-Industrial)</b>							
	AC 50Hz,1-Phase, 230 Volt	25098	26034	27594	29675	30960	5.39%	32628
	AC 50Hz,3-Phase, 400 Volt	1914	2073	2344	2486	3016	12.04%	3379
<b>3</b>	<b>Public Lighting and Water Supply Consumers</b>							
	AC 50Hz,1-Phase, 230 Volt	1202	1118	1198	948	864	0.00%	864
	AC 50Hz,3-Phase, 400 Volt	190	185	235	239	271	9.28%	296
<b>4</b>	<b>Agricultural Consumers</b>							
	AC 50Hz,1-Phase, 230 Volt	4	4	6	8	10	25.74%	13
	AC 50Hz,3-Phase, 400 Volt	16	13	13	7	8	0.00%	8
<b>5</b>	<b>Industrial Consumers</b>							
	AC 50Hz,1-Phase, 230 Volt	44	48	80	75	65	10.25%	72
	AC 50Hz,3-Phase, 400 Volt	163	173	162	169	178	2.23%	182
<b>6</b>	<b>Temporary Consumer</b>							
	LT/HT	90	194	240	265	358	41.22%	506
	Total	<b>275101</b>	<b>287527</b>	<b>295749</b>	<b>298447</b>	<b>300264</b>		<b>308048</b>

  
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**Table 6 Energy Sale (MU) within the state for FY2024-25 as submitted by the Petitioner**

S.No	Consumer Category	FY20 (I)	FY21 (II)	FY22 (III)	FY23 (IV)	FY24 (V)	CAGR (%)	FY25 (Estimated)
<b>A</b>	<b>HT &amp; EHT Category</b>							
<b>1</b>	<b>Non Commercial Consumers (Domestic)</b>							
	AC 50Hz,3-Phase, 11KV	3.52	4.48	5.33	8.18	7.78	21.93%	9.49
	AC 50Hz,3-Phase, 33KV	3.74	3.86	3.92	4.40	3.76	0.15%	3.77
<b>2</b>	<b>Commercial Consumers (Non-Industrial)</b>							
	AC 50Hz,3-Phase, 11KV	10.32	10.34	11.97	17.18	17.53	14.16%	20.01
	AC 50Hz,3-Phase, 33KV	0.09	0.28	0.33	0.27	0.13	8.72%	0.14
<b>3</b>	<b>Public Lighting and Water Supply Consumers</b>							
	AC 50Hz,3-Phase, 11KV	3.58	3.72	3.00	3.26	3.22	0.00%	3.22
	AC 50Hz,3-Phase, 33KV	0.00	0.62	0.00	0.00	0.00	0.00%	0.00
<b>4</b>	<b>Agricultural Consumers</b>							
	AC 50Hz,3-Phase, 11KV	0.00	0.19	0.00	0.00	0.02	0.00%	0.02
	AC 50Hz,3-Phase, 33KV	0.00	0.34	0.00	0.00	0.00	0.00%	0.00
<b>5</b>	<b>Industrial Consumers</b>							
	AC 50Hz,3-Phase, 11KV	14.38	14.30	18.71	20.17	20.92	9.82%	22.97
	AC 50Hz,3-Phase, 33KV	21.12	27.85	32.27	38.00	37.15	15.17%	42.79
	AC 50Hz,3-Phase, 132 KV	129.84	84.05	157.83	158.52	222.91	14.47%	255.15
<b>6</b>	<b>Bulk Mixed Consumers</b>							
	AC 50Hz,3-Phase, 11KV	16.98	16.38	16.70	18.51	24.52	0.00%	24.52
	AC 50Hz,3-Phase, 33KV	7.60	8.18	9.14	9.01	13.14	14.68%	15.07
	AC 50Hz,3-Phase, 132 KV	22.73	1.49	0	0	0.00	0.00%	0.00
<b>B</b>	<b>Low Voltage Category</b>							
<b>1</b>	<b>Non Commercial Consumers (Domestic)</b>							
	AC 50Hz,1-Phase, 230 Volt	126.49	131.11	145.19	165.04	167.27	7.24%	179.37
	AC 50Hz,3-Phase, 400 Volt	20.61	22.21	25.34	26.41	30.48	10.28%	33.61
	KJP & BPL connection AC 50Hz,1-Phase, 230 Volt	24.08	25.72	28.00	32.63	33.81	8.85%	36.80
<b>2</b>	<b>Commercial Consumers (Non-Industrial)</b>							
	AC 50Hz,1-Phase, 230 Volt	25.64	25.43	30.35	41.31	44.65	14.87%	51.29
	AC 50Hz,3-Phase, 400 Volt	18.58	17.67	21.73	29.54	35.98	17.97%	42.45
<b>3</b>	<b>Public Lighting and Water Supply Consumers</b>							
	AC 50Hz,1-Phase, 230 Volt	2.84	2.45	2.620	3.15	3.42	0.00%	3.42

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	AC 50Hz,3-Phase, 400 Volt	1.92	2.53	2.380	2.56	3.19	13.55%	3.62
<b>4</b>	<b>Agricultural Consumers</b>							
	AC 50Hz,1-Phase, 230 Volt	0.01	0.18	0.010	0.009	0.02	17.84%	0.02
	AC 50Hz,3-Phase, 400 Volt	0.01	0.06	0.050	0.037	0.04	100.00%	0.08
<b>5</b>	<b>Industrial Consumers</b>							
	AC 50Hz,1-Phase, 230 Volt	0.50	0.34	1.630	0.498	0.91	0.00%	0.91
	AC 50Hz,3-Phase, 400 Volt	1.08	0.98	1.260	1.917	1.68	0.00%	1.68
<b>6</b>	<b>Temporary Consumer</b>							
	LT/HT	0.24	0.37	0.480	1.489	0.87	0.00%	0.87
	<b>Total</b>							<b>751.29</b>

### Commissions Analysis

3.1.3 The Commission has noted that the Petitioner has submitted the actual number of consumers and energy sales for FY 2023-24, which are consistent with the audited accounts. For projecting the number of consumers and sales, the Commission has applied the Compound Annual Growth Rate (CAGR) over the past five years based on actual data from the corresponding years. Accordingly, the Commission has escalated the actual energy sales for FY 2023-24 using the growth rate derived from the five-year CAGR and has approved the number of consumers and sales for FY 2024-25. The approved figures for consumers and sales for FY 2023-24 and FY 2024-25 are provided in the table below:

**Table 7 Number of Consumers(Nos) & Sales (MU) as approved by the Commission for FY 2023-24**

S.No	Consumer Category	FY2023-24(Actuals)	
		Consumers	Sales(MU)
<b>A</b>	<b>HT &amp; EHT Category</b>		
<b>1</b>	<b>Non Commercial Consumers (Domestic)</b>		
	AC 50Hz,3-Phase, 11KV	128	7.78
	AC 50Hz,3-Phase, 33KV	4	3.76
<b>2</b>	<b>Commercial Consumers (Non-Industrial)</b>		
	AC 50Hz,3-Phase, 11KV	460	17.53
	AC 50Hz,3-Phase, 33KV	14	0.13
<b>3</b>	<b>Public Lighting and Water Supply Consumers</b>		
	AC 50Hz,3-Phase, 11KV	12	3.22
	AC 50Hz,3-Phase, 33KV	0	0.00
<b>4</b>	<b>Agricultural Consumers</b>		
	AC 50Hz,3-Phase, 11KV	5	0.02
	AC 50Hz,3-Phase, 33KV	0	0.00
<b>5</b>	<b>Industrial Consumers</b>		
	AC 50Hz,3-Phase, 11KV	85	20.92
	AC 50Hz,3-Phase, 33KV	33	37.15
	AC 50Hz,3-Phase, 132 KV	3	222.91
<b>6</b>	<b>Bulk Mixed Consumers</b>		
	AC 50Hz,3-Phase, 11KV	210	24.52

  
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	AC 50Hz,3-Phase, 33KV	14	13.14
	AC 50Hz,3-Phase, 132 KV	1	0.00
<b>B</b>	<b>Low Voltage Category</b>		
<b>1</b>	<b>Non Commercial Consumers (Domestic)</b>		
	AC 50Hz,1-Phase, 230 Volt	198192	167.27
	AC 50Hz,3-Phase, 400 Volt	3582	30.48
	KJP & BPL connection AC 50Hz,1-Phase, 230 Volt	61791	33.81
<b>2</b>	<b>Commercial Consumers (Non-Industrial)</b>		
	AC 50Hz,1-Phase, 230 Volt	30960	44.65
	AC 50Hz,3-Phase, 400 Volt	3016	35.98
<b>3</b>	<b>Public Lighting and Water Supply Consumers</b>		
	AC 50Hz,1-Phase, 230 Volt	864	3.42
	AC 50Hz,3-Phase, 400 Volt	271	3.19
<b>4</b>	<b>Agricultural Consumers</b>		
	AC 50Hz,1-Phase, 230 Volt	10	0.02
	AC 50Hz,3-Phase, 400 Volt	8	0.04
<b>5</b>	<b>Industrial Consumers</b>		
	AC 50Hz,1-Phase, 230 Volt	65	0.91
	AC 50Hz,3-Phase, 400 Volt	178	1.68
<b>6</b>	<b>Temporary Consumer</b>		
	LT/HT	358	0.87
	<b>Total</b>	<b>300264</b>	<b>673.41</b>

Table 8 CAGR computed by the Commission considering last 5 years actual value

S.No	Particulars	CAGR(last 5 years)	
		No of consumers	Sales(MU)
	<b>HT &amp; EHT Category</b>		
	<b>Non Commercial Consumers (Domestic)</b>		
	AC 50Hz,3-Phase, 11KV	9.82%	21.93%
	AC 50Hz,3-Phase, 33KV	0.00%	0.13%
	<b>Commercial Consumers (Non-Industrial)</b>		
	AC 50Hz,3-Phase, 11KV	21.80%	14.16%
	AC 50Hz,3-Phase, 33KV	23.59%	9.63%
	<b>Public Lighting &amp; Water Supply Consumers</b>		
	AC 50Hz,3-Phase, 11KV	0.00%	0.00%
	AC 50Hz,3-Phase, 33KV	0.00%	0.00%
	<b>Agricultural Consumers</b>		
	AC 50Hz,3-Phase, 11KV	0.00%	0.00%
	AC 50Hz,3-Phase, 33KV	0.00%	0.00%
	<b>Industrial Consumers</b>		
	AC 50Hz,3-Phase, 11KV	9.56%	9.82%
	AC 50Hz,3-Phase, 33KV	5.14%	15.16%
	AC 50Hz,3-Phase, 132 KV	0.00%	14.47%
	<b>Bulk Mixed Consumers</b>		
	AC 50Hz,3-Phase, 11KV	7.71%	9.62%
	AC 50Hz,3-Phase, 33KV	0.00%	14.67%
	AC 50Hz,3-Phase, 132 KV	0.00%	0.00%
	<b>Low Voltage Category</b>		
	<b>Non Commercial Consumers (Domestic)</b>		
	AC 50Hz,1-Phase, 230 Volt	2.61%	7.24%
	AC 50Hz,3-Phase, 400 Volt	7.26%	10.28%
	KJP & BPL connection	0.00%	8.85%
	<b>Commercial Consumers (Non-Industrial)</b>		
	AC 50Hz,1-Phase, 230 Volt	5.39%	14.88%

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	AC 50Hz,3-Phase, 400 Volt	12.04%	17.97%
	<b>Public Lighting &amp; Water Supply Consumers</b>		
	AC 50Hz,1-Phase, 230 Volt	0.00%	4.76%
	AC 50Hz,3-Phase, 400 Volt	9.28%	13.53%
	<b>Agricultural Consumers</b>		
	AC 50Hz,1-Phase, 230 Volt	25.74%	18.92%
	AC 50Hz,3-Phase, 400 Volt	0.00%	41.42%
	<b>Industrial Consumers</b>		
	AC 50Hz,1-Phase, 230 Volt	10.25%	16.15%
	AC 50Hz,3-Phase, 400 Volt	2.23%	11.68%
	<b>Temporary Consumer</b>		
	LT/HT	41.22%	0.00%

**Table 9 No of Consumers & Sales(MU) approved by the Commission for FY 2024-25**

S.No	Consumer Category	FY2024-25(Projected)	
		Consumers	Sales(MU)
<b>A</b>	<b>HT &amp; EHT Category</b>		
<b>1</b>	<b>Non Commercial Consumers (Domestic)</b>		
	AC 50Hz,3-Phase, 11KV	128	7.78
	AC 50Hz,3-Phase, 33KV	4	3.76
<b>2</b>	<b>Commercial Consumers (Non-Industrial)</b>		
	AC 50Hz,3-Phase, 11KV	460	17.53
	AC 50Hz,3-Phase, 33KV	14	0.13
<b>3</b>	<b>Public Lighting and Water Supply Consumers</b>		
	AC 50Hz,3-Phase, 11KV	12	3.22
	AC 50Hz,3-Phase, 33KV	0	0.00
<b>4</b>	<b>Agricultural Consumers</b>		
	AC 50Hz,3-Phase, 11KV	5	0.02
	AC 50Hz,3-Phase, 33KV	0	0.00
<b>5</b>	<b>Industrial Consumers</b>		
	AC 50Hz,3-Phase, 11KV	85	20.92
	AC 50Hz,3-Phase, 33KV	33	37.15
	AC 50Hz,3-Phase, 132 KV	3	222.91
<b>6</b>	<b>Bulk Mixed Consumers</b>		
	AC 50Hz,3-Phase, 11KV	210	24.52
	AC 50Hz,3-Phase, 33KV	14	13.14
	AC 50Hz,3-Phase, 132 KV	1	0.00
<b>B</b>	<b>Low Voltage Category</b>		
<b>1</b>	<b>Non Commercial Consumers (Domestic)</b>		
	AC 50Hz,1-Phase, 230 Volt	198192	167.27
	AC 50Hz,3-Phase, 400 Volt	3582	30.48
	KJP & BPL connection AC 50Hz,1-Phase, 230 Volt	61791	33.81
<b>2</b>	<b>Commercial Consumers (Non-Industrial)</b>		
	AC 50Hz,1-Phase, 230 Volt	30960	44.65
	AC 50Hz,3-Phase, 400 Volt	3016	35.98
<b>3</b>	<b>Public Lighting and Water Supply Consumers</b>		
	AC 50Hz,1-Phase, 230 Volt	864	3.42
	AC 50Hz,3-Phase, 400 Volt	271	3.19
<b>4</b>	<b>Agricultural Consumers</b>		
	AC 50Hz,1-Phase, 230 Volt	10	0.02
	AC 50Hz,3-Phase, 400 Volt	8	0.04
<b>5</b>	<b>Industrial Consumers</b>		
	AC 50Hz,1-Phase, 230 Volt	65	0.91
	AC 50Hz,3-Phase, 400 Volt	178	1.68
<b>6</b>	<b>Temporary Consumer</b>		
	LT/HT	358	0.87
	<b>Total</b>	<b>300264</b>	<b>673.41</b>

  
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## 3.2 Power Procurement and Cost

### Petitioners Submission

3.2.1 The Petitioner has stated that power is procured from various sources to meet the state's demand, with any surplus sold outside the state. The Petitioner has submitted the actual power purchase quantum (MU) and power purchase cost (Rs. Cr) for FY 2023-24. For FY 2024-25, the Petitioner has considered the same quantum as received in FY 2023-24 but has escalated the cost by 5%. The details of the quantum of power purchased from various sources, both within and outside the state, along with the associated costs, are provided below.

#### a) Central Sector Generating Stations Allocation

The major power requirement is met by power allocation from Central Sector Generating Stations. The Petitioner has submitted that the overall allocation from the Central Generating Station to Arunachal Pradesh is 295.45MW. The details of allocation of the central generating station along with actual energy received and associated cost for FY 2023-24 and projected for FY 2024-25 as submitted by the Petitioner is given in the table below:

**Table 10 Sources of Power from Central Generating Station as submitted by the Petitioner**

Source of Power (Station wise)		Installed Capacity (MW)	APDOP share % (As on March'24)	APDOP share (MW)	Energy Received (MU)		Power Purchase Cost(Rs.Cr)	
					FY 24 (Actual)	FY 25 (Projected)	FY 24 (Actual)	FY25 (Projected)
LOKTAK	NHPC	105	4.94	5.19	12.34	12.34	6.27	6.59
KOPILI-I	NEEPCO	200	5.19	10.4	11.91	11.91	186.4	195.72
KOPILI-II	NEEPCO	25	5.99	1.5	8.35	8.35		
KHANDONG	NEEPCO	50	4.19	2.1	0.00	0.00		
Panyor Lower	NEEPCO	405	6.46	26.2	72.84	72.84		
Free Energy Panyor L	NEEPCO		12	48.6	140.07	140.07		
DOYANG	NEEPCO	75	6.85	5.14	9.48	9.48		
PARE	NEEPCO	110	5.87	6.5	25.16	25.16		
Free Energy Pare	NEEPCO		13	14.3	57.29	57.29		
KAMENG	NEEPCO	600	1.83	11.0	44.70	44.70		
Free Energy Kameng	NEEPCO		12	7	313.16	313.16		
AGBPP	NEEPCO	291	5.69	16.6	98.46	98.46	42.24	44.35
AGTCCPP	NEEPCO	135	6.7	9.0	43.79	43.79		
PALATANA	OTPC	726.6	3.03	22.0	122.16	122.16		
BgTTP	NTPC	750	5.07	38.03	206.55	206.55		
FARAKKA	NTPC	1600	0.19	3.0	19.70	19.70		
KAHALGAON	NTPC	840	0.24	2.02	9.90	9.90	151.85	20.85

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Source of Power (Station wise)		Installed Capacity (MW)	APDOP share % (As on March'24)	APDOP share (MW)	Energy Received (MU)		Power Purchase Cost(Rs.Cr)	
					FY 24 (Actual)	FY 25 (Projected)	FY 24 (Actual)	FY25 (Projected)
TALCHAR	NTPC	1000	0.20	2.00	12.66	12.66		
Total				294.45	1208.50	1208.50	386.76	399.52

#### b) Power from sources within the State

The Petitioner also procures power from generators operating within the state and purchases the entire power generated by them. The details of these plants are provided in the table below:

**Table 11 Sources of Power within the state as submitted by the Petitioner**

S.No	Particulars of the Project	Installed Capacity	Energy Received(MU)		Power Purchase Cost(Rs.Cr)	
			FY24 (Actuals)	FY25 (Projected)	FY24 (Actuals)	FY25 (Projected)
1	DHPD	81.54MW	56.74	56.74	-	-
2	Sumbachu HEP	3MW	6.37	6.37	2.42	2.54
3	Dikshi HEP	24MW	65.26	65.26	34.18	35.88
	Free Energy Dikshi		7.25	7.25	-	-
4	Khanteng HEP	7.5MW	-	23.35	-	8.97
5	Solar	4.188MW	0.55	0.55	-	-
6	Diesel Generation	-	0.32	0.32	-	-
	Total		136.48	159.84	36.6	47.39

The Petitioner has further stated that since DHPD and APEDA operate under the same State Government (AP), APDOP does not incur any cost for the power received from them and has therefore requested the Commission to consider it as free power. Additionally, the Petitioner has mentioned that the power received from APEDA is utilized to meet solar RPO compliance.

#### c) Power from other sources

The Petitioner has further submitted that during exigencies power is purchased from the market and also banking of energy is done during the high hydro season and same is taken back during the lean hydro season. DG sets are also kept in standby and UI transaction for past period has also been submitted. The details of the sources are given in the table below:

**Table 12 Details of Power received from other sources as submitted by the Petitioner**

S.No	Source of Power	Energy Received(MU)		Cost (Rs.Cr)	
		FY24(Actuals)	FY25(Projected)	FY24(Actuals)	FY25(Projected)
1	Deviation	98.18	93.27	54.8	54.80
2	IEX Purchase	23.19	23.19	8.74	-
3	Banking(Import)	109.1	114.55	-	-
4	TGNA	1.21	0.00	-	-
	Total	231.69	231.01	63.54	54.80

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State Electricity Regulatory Commission  
Arunachal Pradesh

**d) Total Power received**

APDOP does not own any Generating Stations. The power required to cater to the needs of the state is met up by purchasing power from the Central Generating Stations, Independent Power Producers (IPP), Free power received from the hydro generating stations located in the state, Generation from DHPD, APEDA, and Banking. The total energy received by APDOP in FY 2023-24(Actual) and FY 2024-25(Projected) from different sources is shown in the table below:

**Table 13 Total Power received by Petitioner from all sources**

Source of Power	Unit	Energy Received (MU)	
		FY 24(Actuals)	FY25(Projected)
Central Sector Allocation	MU	1208.50	1208.50
State Generation (IPP + Own)	MU	136.48	159.84
From Other Sources	MU	231.69	231.01
<b>Total</b>	<b>MU</b>	<b>1576.67</b>	<b>1599.35</b>

**e) Other charges associated with Power Purchase**

The Petitioner has submitted the interstate and intrastate transmission charges along with NERLDC charges and other expenses as per actuals for FY 2023-24. For the FY 2024-25 the Petitioner has estimated amount and has submitted accordingly. The details of cost associated is given in the table below:

**Table 14 Other charges as submitted by the Petitioner(Rs.Cr)**

Source of Power	FY 24(Actuals)	FY25(Projected)
NERLDC Fee & charges	1.9	1.99
NERPC board fund	0.01	0.01
CTUIL(Transmission charges)	93.34	99.35
PGCIL	4.74	1.90
APDCL	0.00	7.80
Devi Energies	11.45	11.45
Reactive charges	0.15	-
Miscellaneous	0.2	-
<b>Total</b>	<b>111.79</b>	<b>122.5</b>

The Petitioner has further stated that in certain places of border areas of Arunachal Pradesh and Assam the DoP, AP and APDCL (Assam Power Distribution Company Limited) DoP used to draw power from each other. The transaction of such power is settled under the deviation mechanism and APDCL submits the bill for transmission charges of net quantum of power transacted as per their approved transmission tariff. Since FY2022-23, APDCL has not yet submitted any bill hence, for the FY 2023-24 no amount has been charged however for FY 2024-25 the Petitioner has projected the cost considering the average of the last four years. The Petitioner has requested the Commission to approve the power purchase expense along with other charges as referred above.

**Commissions Analysis**

3.2.2 The Commission has observed that Petitioner has considered the actual power purchase cost paid for FY 2023-24 and has escalated cost of power purchase by 5% keeping the same quantum of energy. However, for the purpose of optimised projection of power purchase cost, the cost should reflect the actual / average rate at which power was procured from the generators during the last financial year.

3.2.3 As such, the Commission has reviewed and approved the power purchase cost for FY 2023-24 based on audited accounts since the Petitioner has not provided bifurcation of fixed charges and energy charges of the plants. However, for the FY2024-25 the Commission has reviewed the bills submitted by the Petitioner and has computed the fixed and energy charges of the plants based on actual bills submitted till date. Keeping the same quantum (MU) of energy of FY 2023-24 for FY 2024-25 the fixed and variable charges for each generating station has been calculated and power purchase cost for FY 2024-25 has been estimated.

3.2.4 It is observed that the Petitioner has projected the cost for DHPD as nil. However, since the Commission has previously accounted for the power purchase cost of DHPD in earlier order for the Petitioner at an approved rate, the same approach has been applied to determine the cost of power procured from DHPD. The Commission has calculated a weighted average tariff for different categories of DHPD plants, arriving at an average rate of Rs.1.42 per unit for the procured units. Additionally, the Commission has considered the per-unit rate of Sumbachu HEP as Rs. 2.02 per unit, as approved in its order dated 16.12.2024. Furthermore, in FY 2024-25, the Khantang HEP (7.5 MW) was commissioned, and the Petitioner received 23.55 MU of energy. The Commission has applied a tariff of Rs. 4.37 per unit, as specified in its order dated 07.03.2025.

3.2.5 The Commission has also reviewed the total energy received by the Petitioner from various sources, including the contribution of free power, as detailed below:

**Table 15 Analysis of Power procured and free Power received by the Petitioner (MU)**

Source	FY 2023-24(Actual)		FY 2024-25(Estimated)	
	Power Procured (MU)	Free Power (MU)	Power Procured (MU)	Free Power (MU)
Central Generating Station	1,208.52	510.52	1,208.52	510.52
State Generating Station	136.49	7.25	160.04	7.25
Others	231.68	0	-	-
Total	1,576.69	517.77	1,368.56	517.77



3.2.6 The Commission has noted that the Petitioner received more than 30% of the total power procured as free power for FY 24 (actuals), and this is also projected for FY 25. However, the Petitioner has not effectively incorporated the free power into its procurement schedule and has instead resorted to purchasing more expensive power from outside the state/exchanges. With several new plants set to be commissioned in the state in the coming years, the Petitioner will benefit from additional free power. The Commission believes that the Petitioner should establish a proper mechanism to better utilize the free power, ensuring that the overall power purchase cost is optimized without compromising the ability to meet demand.

3.2.7 The Commission further directs the Petitioner to minimize the purchase of costly power and implement measures to optimize power procurement costs. It has been observed that the Petitioner continues to procure power from certain high-cost plants such as BGTPP, Talcher, and AGBPP. While the Commission acknowledges that the Petitioner has long-term PPAs with these plants and that base load requirements throughout the day are typically met through thermal power, it is imperative for the Petitioner to explore cost-optimization strategies without compromising energy availability. Additionally, the Commission has not considered the procurement from exchange for FY 2024-25, however same shall be reviewed during true up. The Commission has also not considered energy received from UI/Deviation as it is not a source of power procurement. Accordingly, the Commission has approved the power purchase cost for FY 2023-24 and FY 2024-25, as detailed in the tables below:

**Table 16 Power Purchase quantum and cost approved by the Commission for FY 2023-24**

Source of Power (Station-wise)		Energy (MU)	Fixed charges (Rs Cr)	Variable Charges (Rs/kWh)	Variable charges (Rs Cr)	Other charges (Rs Cr)	Total charges (Rs Cr)
LOKTAK	NHPC	12.34	-	-	-	-	6.27
KOPILI-I	NEEPCO	11.91	-	-	-	-	186.39
KOPILI-II	NEEPCO	8.35	-	-	-	-	
KHANDONG	NEEPCO	-	-	-	-	-	
Panyor Lower	NEEPCO	72.84	-	-	-	-	
<b>Free Energy Panyor Lower</b>	<b>NEEPCO</b>	<b>140.07</b>	-	-	-	-	
DOYANG	NEEPCO	9.48	-	-	-	-	
PARE	NEEPCO	25.16	-	-	-	-	
<b>Free Energy Pare</b>	<b>NEEPCO</b>	<b>57.29</b>	-	-	-	-	
KAMENG	NEEPCO	44.70	-	-	-	-	
<b>Free Energy Kameng</b>	<b>NEEPCO</b>	<b>313.16</b>	-	-	-	-	

*Secretary*

Source of Power (Station-wise)		Energy (MU)	Fixed charges (Rs Cr)	Variable Charges (Rs/kWh)	Variable charges (Rs Cr)	Other charges (Rs Cr)	Total charges (Rs Cr)
AGBPP	NEEPCO	98.46	-	-	-	-	42.23
AGTCCPP	NEEPCO	43.79	-	-	-	-	
PALATANA	OTPC	122.16	-	-	-	-	
BgTPP	NTPC	206.55	-	-	-	-	
FARAKKA	NTPC	19.70	-	-	-	-	151.85
KAHALGAON	NTPC	9.90	-	-	-	-	
TALCHAR	NTPC	12.66	-	-	-	-	
DHPD	GoAP	56.74	-	1.42	7.49	-	7.49
HPDCL	SPSU	6.37	-	2.02	1.29	-	1.29
DIKSHI	IPP	65.26	-	5.25	34.18	-	34.18
<b>Free Energy Dikshi</b>		<b>7.25</b>	-	-	-	-	-
SOLAR	APEDA	0.55	-	-	-	-	-
Diesel Generation		0.32	-	-	-	-	-
Deviation		0.00	-	-	-	-	-
IEX Purchase		23.19	-	-	-	-	8.74
Banking(Import)		109.09	-	-	-	-	-
<b>Total</b>		<b>1477.29</b>					<b>438.59</b>

Table 17 Power Purchase quantum and cost approved by the Commission for FY 2024-25

Source of Power (Station-wise)		Energy (MU)	Fixed charges (Rs Cr)	Variable Charges (Rs/kWh)	Variable charges (Rs Cr)	Other charges (Rs Cr)	Total charges (Rs Cr)
LOKTAK	NHPC	12.34	4.77	1.945	2.40	0.024	7.20
KOPILI-I	NEEPCO	11.91	-	2.35	2.80	-	2.80
KOPILI-II	NEEPCO	8.35	0.70	1.518	1.27	-	1.96
KHANDONG	NEEPCO	-	-	-	-	-	-
Panyor Lower	NEEPCO	72.84	13.44	1.403	10.22	-	23.66
<b>Free Energy Panyor Lower</b>	<b>NEEPCO</b>	<b>140.07</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
DOYANG	NEEPCO	9.48	0.444	3.486	3.30	-	3.75
PARE	NEEPCO	25.16	-	5.342	13.44	-	13.44
<b>Free Energy Pare</b>	<b>NEEPCO</b>	<b>57.29</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
KAMENG	NEEPCO	44.70	-	4.00	17.88	-	17.88
<b>Free Energy Ka-meng</b>	<b>NEEPCO</b>	<b>313.16</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>-</b>
AGBPP	NEEPCO	98.46	15.83	5.078	50.00	-	65.83
AGTCCPP	NEEPCO	43.79	5.880	4.539	19.88	-	25.76
PALATANA	OTPC	122.16	14.87	2.095	25.59	0.19	40.66
BgTPP	NTPC	206.55	62.64	3.92	80.97	0.00	143.61
FARAKKA	NTPC	19.70	1.896	3.3	6.50	0.00	8.40
KAHALGAON	NTPC	9.90	1.14	3.03	3.00	1.42	5.56
TALCHAR	NTPC	12.66	1.23	1.59	2.01	1.24	4.48
DHPD	GoAP	55.84	-	1.42	7.93	-	7.93
HPDCL	SPSU	6.37	-	2.02	1.29	-	1.29
DIKSHI	IPP	65.26	-	5.25	34.26	-	34.26

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Source of Power (Station-wise)		Energy (MU)	Fixed charges (Rs Cr)	Variable Charges (Rs/kWh)	Variable charges (Rs Cr)	Other charges (Rs Cr)	Total charges (Rs Cr)
Free Energy	Dikshi	7.25	0	0	-	0	-
Khantang	IPP	23.55		4.37	10.29		10.29
SOLAR	APEDA	0.55	-	-	-	-	-
Diesel Generation		0.32	-	-	-	-	-
Deviation	-	-	-	-	-	-	-
IEX Purchase	-	-	-	-	-	-	-
Banking (Import)	-	-	-	-	-	-	-
<b>Total</b>		<b>1367.66</b>					<b>418.74</b>

**a) Inter & Intra-State Transmission Charges along with NERLDC Fees and other charges– Commission’s analysis**

3.2.8 The Commission has reviewed recent bills for CTU and PGCIL charges and, based on this assessment, has approved the charges for FY 2023-24 as per actuals. It has been observed that the Petitioner has applied a 5% escalation on CTUIL charges for FY 2024-25, which the Commission has accordingly considered. However, for PGCIL charges in FY 2024-25, no escalation has been applied, and the Commission has approved the charges as submitted by the Petitioner.

3.2.9 Additionally, the Commission has considered the transmission charges approved for Devi Energies Pvt. Ltd., as per the order dated 04.03.2025, and has applied the approved rates for FY 2023-24 and FY 2024-25, respectively. Regarding APDCL charges, no amount has been considered at this stage; however, these charges will be reviewed during the true-up exercise. The Commission has reviewed the NERLDC fees and charges for FY 2023-24 based on actuals and has approved them accordingly. For FY 2024-25, the Commission has applied a 5% escalation and granted approval. The approved interstate and intrastate transmission charges, along with the NERLDC fees and charges for FY 2023-24 and FY 2024-25, are summarized in the table below.

**Table 18 Inter & Intra state transmission charges and other charges approved by the Commission**

Source of Power	FY 24(Actuals)	FY25(Projected)
NERLDC Fee & charges	1.89	1.98
NERPC board fund	0.01	0.01
CTUIL (Transmission charges)	93.34	98.01
PGCIL	4.74	1.90

  
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Source of Power	FY 24(Actuals)	FY25(Projected)
APDCL	0.00	0.00
Devi Energies	10.40	10.41
Reactive charges	0.15	-
Miscellaneous	0.2	-
<b>Total</b>	<b>110.73</b>	<b>112.31</b>

### 3.3 Losses: Distribution and AT&C Loss

#### Petitioners Submission

3.3.1 The distribution loss and AT&C loss for FY 2023-24 and projected loss for FY 2024-25 as submitted by the Petitioner is shown in the table below:

**Table 19 AT&C loss projection as submitted by the Petitioner**

S No	Particulars	Calculation	FY24 (Actuals)	FY25(Estimated)
A	Input Energy (MkWh)	A	1192.93	1183.68
B	Transmission Losses (MkWh)	B	37.55	31.10
C	Net Input Energy (MkWh)	C=A-B	1155.38	1152.58
D	Energy Sold (MkWh)	D	673.41	751.29
E	Revenue from Sale of Energy (Rs. Cr.)	E	307.77	948.86
E (i)	<b>Likely Collection (90% of Tariff and 100% of Grant)</b>	E (i)	-	921.44
F	Adjusted Revenue from Sale of Energy on Subsidy Received basis (Rs. Cr.)	F	307.77	948.86
G	Opening Debtors for Sale of Energy (Rs. Cr.)	G	317.19	317.19
H	(i) Closing Debtors for Sale of Energy (Rs. Cr.)	(i)	317.19	351.46
	(ii) Any amount written off during the year directly from (i)	(ii)	-	-
I	Adjusted Closing Debtors for sale of Energy (Rs. Cr.)	H-(i+ii)	317.19	351.46
J	Collection Efficiency (%)	FY24-(F+G-I)/E*100 FY25-(E (i)+G-I)/E*100	100.00	93.50
K	Units Realized (Mkwh) = [ Energy Sold*Collection efficiency]	D*J/100	673.41	702.45
L	Units Unrealized (Mkwh)= [ Net Input Energy-Units Realized]	C-K	481.97	450.12
M	<b>AT&amp;C Losses (%) = [{ Units Un-realized/Net Input Energy}*100]</b>	<b>L/C *100</b>	41.72	39.05

  
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3.3.2 The Petitioner has submitted that due to the scattered load over a vast geographical area, the distribution loss is comparatively high in Arunachal Pradesh. However, many projects are going on under APDOP, whose target is to reduce distribution loss and AT&C Loss as per trajectories fixed by Government of India. But, because of the slow progress of the projects for the reduction of AT&C losses like IPDS, RDSS, etc, the AT&C loss reduction in Arunachal Pradesh is not up to the expectation.

3.3.3 The Petitioner has stated that due to the ground reality of AT&C Loss status in Arunachal Pradesh, and in order to be able to maintain the AT&C Loss Trajectory during the implementation period of RDSS, the DoP,AP has proposed a revised AT&C Loss trajectory in consultation with Power Finance Corporation of India Ltd. (PFC), which was recommended by the Distribution Reform Committee (DRC) and submitted to the Monitoring Committee of Ministry of Power, Govt. of India. Now, the revised AT&C Loss trajectory is as shown below:

**Table 20 Revised RDSS loss trajectory as submitted by the Petitioner**

Year	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
AT&C loss	51.82%	50%	48%	45%	40%

3.3.4 The Petitioner in accordance with the above table has requested the Commission to approve the estimated AT&C loss for FY 2024-25 at 39.05%.

#### **Commissions Analysis**

3.3.5 The Commission in order dated 30.05.2013 in Petition No. TP 01 of 2013 while approving the tariff for the 2013-14 directed under para 6.2.5 as follows-

*"APDOP should prepare a 'Road Map' on priority for reduction of AT&C losses indicating the measures proposed to be implemented to achieve the reduction for next three years including the cost involvement and the sources identified for funding."*

Further in Tariff Order dated 31.05.2018 in Petition No. TP 01 of 2018 while approving the tariff for the 2018-19 observed as follows-

*"APDOP neither provided any information to the Commission for reduction of its AT&C losses nor followed the Commission's direction to segregate the AT&C and Distribution losses. It should **analyse the reasons for high distribution losses** for each segment of its network and should take effective measures to reduce the losses by proper accounting of energy sales at each level, conducting voltage-wise energy audit, by providing meters on all feeders etc. **APDOP needs to take immediate action to arrest pilferage of energy, replacement of defective meters/ stopped meters, electro-mechanical meters with automatic meters.** In addition to above, automatic*

  
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meters should also be provided to all un-metered connections at the earliest in a time bound manner.

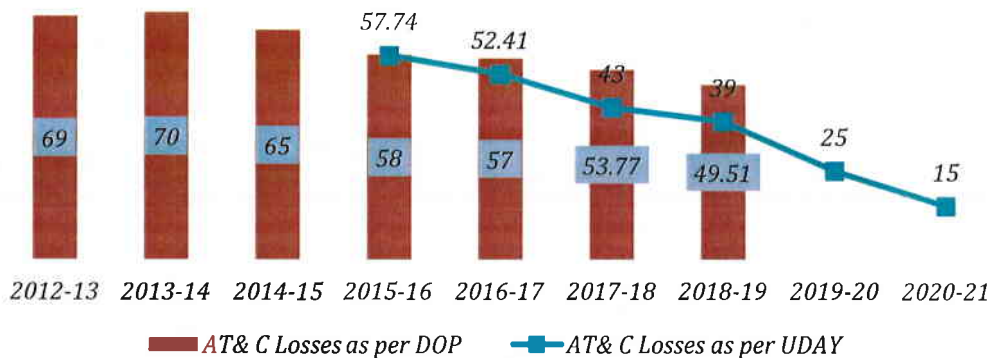
As per the Bipartite MoU UDAY, which was signed by Government of Arunachal Pradesh with GoI on 29-03-2017, it is agreed upon that Government of Arunachal Pradesh will endeavour to reduce its AT&C losses from 57.74% in FY 2015-16 to 15% by FY 2020-21 as per the following trajectory shown in the Table below:

**Table 22: AT&C loss level as per UDAY**

Year	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
AT&C Losses	57.74%	52.41%	43%	39%	25%	15%

In Figure below, a comparison of AT&C loss levels is made as per actual values submitted by DOP and as per the values of UDAY MoU

### AT&C loss Projection (%)



The actual value of AT&C losses of 57% for FY 2016-17 and what the DOP has committed in UDAY MOU has a wide variation. The Commission again directed APDOP to put efforts for reducing its AT&C losses so that they can achieve the trajectory that they have submitted to Government of India.

As per Regulation 71 (a) of APSERC (Terms and Conditions for Determination of Tariff and Formats for Tariff Filling) Regulations -2011, It shall be obligatory on the licensee whose AT&C losses during the previous year are in excess of 30 percent, to project reduction of such losses by a minimum of 3 percent during the year for which a Tariff Application is made. The Commission following APSERC (MYT) Regulations, 2013 has made a trajectory for AT&C losses as shown below

Year	2016-17	2017-18	2018-19	2019-20	2020-21
AT&C Losses	44%	41%	38%	35%	32%

Therefore, the Commission approves the AT&C losses at 38 % for FY 2018-19”

3.3.6 Further vide order dated 21.02.2024, the Commission had approved the AT&C losses for past period, i.e. FY 2017-18 to FY 2022-23, as given below.

FY	Actual as per AP,DOP(%)	Approved in True-up (%)
2017-18	63.48	41
2018-19	61.93	38
2019-20	33.6	35



2020-21	53.6	32
2021-22	50.70	45(RDSS)
2022-23	56.24	35

3.3.7 Further, the Commission had given the following directives with regard to loss reduction in the said order:

*"1. Since the Revenue Gap created by the Petitioner (which could have been reduced by improving the efficiency as per committed AT&C loss as well as controlling unwarranted UI procurement), is mitigated by the State Government through grants, the trued-up Revenue Gap shall not pass through and reflect in the next tariff petition. The inefficiency of the distribution licensee cannot be covered by the Grants from public money and concern officials of APDOP should be answerable for it.*

*2. Despite many flagship Schemes specially designed for reduction of AT&C losses in past and present, the AT&C losses consistently remained above 50%, and it even rose upto 61.93% in the FY2018-19. Matter needs serious introspection to plug the losses and conduct diagnostic exercise at individual feeder / transformer / subdivision / division / circle and zonal level. Commission hereby direct the APDOP, to conduct such exercise and submit results to Commission before next petition. Commission also directs APDOP to bring down the AT&C losses as per the trajectory issued by the MoP with due consultation with APDOP itself."*

3.3.8 It is observed that the distribution losses and the commercial losses are much above loss levels and not much reduction is observed as per provisions of the APSERC MYT Regulations, 2018. The Regulation 10.14 of the aforesaid regulations states the following:

***"10.14 Aggregate Technical and Commercial (AT&C) Losses:***

*The Distribution Licensee shall recover the approved level of AT&C losses arising from the Retail Supply of electricity:*

*While filing a Tariff Application, the licensee shall provide complete information of the total AT&C Losses during the previous year and that projected for the year for which the application is being made, including the basis on which such losses have been worked out. (Information to be furnished as per the Format of Distribution Licensee in given in Annexure III):*

*Provided that it shall be obligatory on the licensee whose AT&C losses during the previous year are in excess of 30 percent, to project reduction of such losses by a minimum of 5 percent during the year for which a Tariff Application is made. Any shortfall in the projected level of AT&C losses for such year, in this regard, shall be penalized by an amount equivalent to the cost of the quantum of energy to be lost due to inability of the licensee to plan and achieve reduction of AT&C losses by a minimum of 5 percent from the previous year's level. Such amount shall be calculated at the average over all unit cost of sale of power.*

*Provided further that failure of a licensee to reduce the AT&C losses during the previous year by 5 percent would be penalized on the same basis as stated against clause (a) above.*

*Provided also that in the case of a licensee whose AT&C losses during the previous year were less than 30 percent, it would be obligatory for such licensee to reduce such AT&C losses by a minimum of 3 percent only during the year for which a Tariff Application is made. Failure to achieve this level of reduction would be penalized in the same manner as set out in clause (a) above."*

3.3.9 As such, it is observed here that the licensee has failed to submit any concrete report on roadmap for reduction of AT&C losses in light of implementation of flagship scheme

such as the 'Revamped Distribution Sector Scheme (RDSS)'. Also, the progress of licensee is far from satisfactory and there is a huge gap between the targeted losses as per RDSS and actual losses. This means that the licensee is incurring high financial loss against due to high distribution losses and commercial losses, as the Commission has been allowing only the normative losses to be passed on to the consumers. The Commission is of the opinion that it is utmost necessary to go into the details of such sub-optimal performance of the licensee and at present feels appropriate to consider the target set under RDSS for AT&C losses.

3.3.10 The Commission has also taken note of the submission made by the Petitioner seeking amendments in the RDSS trajectory however no approval on the same has been granted till date hence the Commission has considered the trajectory approved under RDSS and approves the following distribution loss trajectory for FY 2023-24 FY 2024-25 as shown in the table below:

**Table 21 Approved AT&C loss trajectory for FY 2023-24 & FY 2024-25**

Year	FY 2023-24	FY2024-25
AT&C Losses	28%	22%
Distribution loss	--	21.21%*

\*Considered collection efficiency of 99%

The Commission has considered the approved AT&C loss level under RDSS for the period and directs the Petitioner to submit loss reduction achievement against targets on quarterly, half yearly and an annual basis.

### 3.4 Energy Requirement and Availability

#### Petitioners Submission

3.4.1 Based on the above submissions made in above section of the order the Petitioner has submitted the Net Energy Input required in the State, used in AT&C loss projection, which is given in the table below:

**Table 22 Net Energy Input Calculation as submitted by the Petitioner**

Particulars	Calculation	Unit	FY24 (Actuals)	FY25 (Estimated)
Energy Import from Grid	A	MU	1440.19	1301.78
Energy Export Out Side the State	B	MU	383.75	415.68
Energy Injected in State from Grid	C=A-B	MU	1056.44	886.10
Transmission loss on C (3.5%)	D	MU	37.55	31.10
State Own Generation + other Source	E	MU	136.48	297.58

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Particulars	Calculation	Unit	FY24 (Actuals)	FY25 (Estimated)
Gross Input Energy (including Export outside the state)	$F=A+E$	MU	1576.67	1599.36
Input Energy (in the State)	$G=C+E$	MU	1192.93	1183.68
Net Input Energy (in the State)	$H=G-D$	MU	1155.38	1152.58

### Commissions Analysis

3.4.2 The Commission has analysed the submissions made by the Petitioner for calculating approved energy available for the period under consideration. In the table given below, for the Energy Balance for FY 2023-24 & FY2024-25, the Commission has considered the AT&C losses approved under RDSS for the respective years and based on collection efficiency of 99%, the Distribution losses for the years is being determined. Accordingly, the energy sales have been grossed up to determine the energy requirement within the state.

3.4.3 Further, the State Transmission losses is considered at 3.25%. Further, transmission losses as reported by Grid Controller of India (National Load Despatch Centre) (i.e., CTU losses) are also considered, that have been derived from the actual weekly transmission losses of CTU for FY 2024-25 taking an average of 3.5% during the period mentioned.

3.4.4 Regarding sale of energy outside of state, the Commission had earlier on many occasions emphasised the transparency and accountability on the subject. In the directives issued in true up order dated 9<sup>th</sup> January 2024 for FY 2022-23 also, the Commission observed that the petitioner has not submitted the supporting documents to demonstrate that the petitioner is making profits by selling its surplus power received from its tied up generating stations in the open market. However, no such documents or information has been submitted by the petitioner in this petition as well. The petitioner has considered a certain quantum of power to be sold in the open market while estimating total demand of the state. However, we are of the view that such quantum to be sold in the open market should be limited to the surplus power after meeting domestic requirement from the total availability from tied up sources. Accordingly, we have arrived at the approved net energy as shown in the table below. Simultaneously, the petitioner is directed not to pre-determined the quantum of surplus power to be sold out side of the state. Further the petitioner is directed to sell such surplus power if any, through a transparent process and submit the procedure adopted by the petitioner in selling surplus power along with supporting documents as directed by the commission in earlier orders.

  
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**Table 23 Approved Net Input Energy for FY 2023-24 & FY 2024-25**

Particulars	FY 2023-24	FY2024-25
<b>A. Energy Requirement</b>		
Energy sales within the state as approved for the period (MU)	673.4	754.12
Distribution loss (in %)	27.27%	21.21%
(Considering approved AT&C loss of 22% and Collection efficiency at 99%)		
<b>Energy Requirement within the state (MU)</b>	857.05	914.09
State transmission losses (in %)	3.25%	3.25%
<b>Total Energy requirement at State periphery for sale within the State (MU) (A)</b>	<b>884.91</b>	<b>943.80</b>
<b>B. Energy availability within the State</b>		
DG set (in MU)	0.32	0.32
DHPD (in MU)	56.74	56.74
HPDCAPL (in MU)	6.37	6.37
DIKSHI (in MU)	65.26	65.26
DIKSHI (Free power) (in MU)	7.25	7.25
Solar/APEDA (in MU)	0.55	0.55
Khangtang (in MU)	-	23.55
<b>Total Energy Available within the State (B)</b>	<b>136.49</b>	<b>160.04</b>
<b>C. Energy availability outside the State</b>		
Free power (in MU) (i)	510.52	510.52
Energy available from Central Generating Stations (in MU) (ii)	698.00	698.00
<b>Energy available from outside the State generation at State Periphery (in MU) (i + ii)</b>	<b>1,208.52</b>	<b>1,208.52</b>
CTU loss	3.5%	3.5%
<b>Energy available from outside the State (Ex-Bus) (in MU) (C)</b>	<b>1,251.30</b>	<b>1,251.30</b>
<b>D. Total Energy available from all sources (in MU) (B + C)</b>	<b>1,387.79</b>	<b>1,411.34</b>
<b>Surplus power available (in MU) (D-A)</b>	<b>502.88</b>	<b>467.54</b>

### 3.5 Operations and Maintenance (O&M) Expenses

#### Petitioners Submission

3.5.1 The Petitioner has submitted the operation and maintenance cost of FY 2023-24 as per actuals as incurred which is in sync with the audited accounts for FY 2023-24. The break-up of O&M Expense has also been submitted for (1) Employee cost, (2) Repair and Maintenance cost and (3) Administrative and General costs. The Petitioner has submitted that at present there are 9,988 number of employees as tabulated in the table below:

**Table 24 Total number of employees as submitted by the Petitioner**

Category of Employees	Previous years (Actuals)			(Projected)	
	FY 20-21	FY 21-22	FY 22-23	FY 23- 24	FY 24-25
<b>Regular Employees</b>	1,054	1,054	1,054	1,054	1,054
<b>Work Charged Employees</b>	2,786	2,786	2,786	2,786	2,786
<b>Casual Employees</b>	6,148	6,148	6,148	6,189	6,189
<b>Total</b>	<b>9,988</b>	<b>9,988</b>	<b>9,988</b>	<b>10,029</b>	<b>10,029</b>

  
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3.5.2 The Petitioner has considered the actual expense as incurred for FY 2023-24 and submitted the same accordingly. For FY 2024-25 the estimated cost of Employee Expenses, A&G Expenses and R&M Expenses for the year has been calculated as per APERC guidelines provided in format 5 of MYT regulation 2018. The O&M expenses for the FY 2024-25 have been computed by escalating the average of the previous 3 years by 5.72% twice. The details of O&M expense as submitted by the Petitioner for FY 2023-24 & FY 2024-25 are shown in table below:

**Table 25 O&M expenses as submitted by the Petitioner**

Sl. No.	Particulars	Previous Year				3 Year Average	(Estimated) FY25
		(Actual) FY 21	(Actual) FY22	(Actual) FY23	(Actual) FY24		
1	Employee Expenses	315.38	336.88	372.93	393.35	367.72	409.79
2	A&G Expenses	5.46	9.24	15.11	8.70	11.02	12.28
3	R&M Expenses	40.83	28.85	28.96	40.36	32.72	36.47
4	<b>Total O&amp;M Expenses</b>	<b>361.67</b>	<b>374.97</b>	<b>417.00</b>	<b>442.41</b>	<b>411.46</b>	<b>458.53</b>

3.5.3 The Petitioner has requested the Commission to approve the O&M expenses as mentioned in the table above.

#### Commissions Analysis

3.5.4 Regulation 4.10 of the MYT Regulations 2018 specify the methodology for computation of O&M Expenses of the DISCOMs. These expenses comprise Employee expenses, Repair and Maintenance (R&M) expenses and Administrative and General (A&G) expenses. The relevant extract for the Regulation is reproduced below:

#### ***“4.10 Operation and Maintenance Expenses (O & M):***

*(1) The O&M for generating company, transmission licensee and SLDC shall be determined as per procedure given in subsequent chapters of these Regulations.*

*(2) The O&M Expense for the Distribution licensee shall be determined as follows:*

*(a) The O&M expenses for the first year of the Control Period shall be approved by the Commission taking into account the actual O&M expenses for last five years until Base Year subject to prudence check and any other factors considered appropriate by the Commission.*

*(b) The O&M expenses for the nth year and also for the year immediately preceding the Control Period, shall be approved based on the formula given below: -*

*a.  $O \& Mn = R\&Mn + EMPn + A\&Gn$*

*b. Where –*

*•  $O \& Mn$  – Operation and Maintenance expense for the nth year;*

*•  $EMPn$  – Employee Costs for the nth year;*

*•  $R\&Mn$  – Repair and Maintenance Costs for the nth year;*

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- $A\&G_n$  – Administrative and General Costs for the  $n$ th year;

(a) The above components shall be computed in the manner specified below:

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

$$R\&M_n = K \times (GFA_{n-1}) \times (\text{WPI inflation}) \text{ and}$$

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

Where

- $EMP_{n-1}$  – Employee Costs for the  $(n-1)$ th year;
- $A\&G_{n-1}$  – Administrative and General Costs for the  $(n-1)$ th year;
- Provision: Cost for initiatives or other one-time expenses as proposed by the Distribution Licensee and validated by the Commission.
- 'K' is a constant specified by the Commission in %. Value of K for each year of the control period shall be determined by the Commission in the MYT Tariff order based on licensee's filing, benchmarking of repair and maintenance expenses, approved repair and maintenance expenses vis-a-vis GFA approved by the Commission in past and any other factor considered appropriate by the Commission;
- CPI inflation – is the average increase in the Consumer Price Index (CPI) for immediately preceding three years;
- WPI inflation – is the average increase in the Wholesale Price Index (CPI) for immediately preceding three years;
- $GFA_{n-1}$  --- Gross Fixed Asset of the transmission licensee for the  $n-1$ th year;
- $G_n$  is a growth factor for the  $n$ th year. Value of  $G_n$  shall be determined by the Commission in the MYT tariff order for meeting the additional manpower requirement based on licensee's filings, benchmarking, and any other factor that the Commission feels appropriate."

3.5.5 The Commission has computed the O&M expenses considering the methodology specified in the aforesaid Regulation. For approval of O&M Expenses following broad approach has been adopted:

- The Commission has considered the audited value of O&M expense for FY 2023-24 however to arrive at the O&M expenses for FY 2024-25 the Commission has considered the average of last five years actual audited values and has escalated with respective escalation factor to arrive at the value for FY 2024-25.
- Since the Petitioner has not submitted any growth rate of employees hence the Commission has also not considered any growth rate for determination of employee expense.
- The Commission has observed that the Petitioner has not maintained a fixed asset register despite multiple directives issued in past orders. In the absence of asset details, the Commission has not considered any K factor for determining R&M expenses. However, the Commission has applied the relevant WPI escalation on the average of

  
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the last 5 years audited value of R&M expenses to determine the expense for FY 2024-25.

- The Commission has considered a three-year average CPI & WPI inflation rate of 5.46% and 7.24% respectively.
- The Commission in line with the above consideration has approved the O&M expense for FY 2023-24 & FY 2024-25 as given in the table below:

**Table 26 O&M expense as approved by the Commission**

S.No	Particulars	FY 2023-24	FY2024-25
1	Employee Expenses	393.35	356.16
2	A&G Expenses	8.7	9.52
3	R&M Expenses	40.35	40.15
4	<b>Total O&amp;M Expenses</b>	<b>442.4</b>	<b>414.82</b>

### 3.6 Depreciation

#### Petitioners Submission

3.6.1 The Petitioner has submitted that the entire asset is under the control of APDOP and created from the grant of the Government of Arunachal Pradesh or the Government of India without any obligation to return. Further, as per the regulatory direction, no depreciation can be claimed on the assets created from subsidies or grants which has no obligation to return. Accordingly, the Petitioner has not claimed any depreciation in their ARR for FY 2023-24 & FY 2024-25.

#### Commissions Analysis

3.6.2 The Petitioner has not claimed any depreciation as the assets are created from the subsidies or grants of Government of Arunachal Pradesh or Government of India. Further, the Petitioner is managing the affairs of the department on GoAP fund/ grant without borrowing from any source and acquisition of new assets out of such grant. Since no asset has been created by the licensee through its own equity or capital, and the entire funding is done through government grant / aid, no depreciation is allowed for the period. However, Petitioner is directed to create a Fixed Asset Register with details of asset(s) being created through grant / aid and being put to use by the licensee along with the next tariff filing. In line with the submission of the Petitioner the Commission has also not considered any depreciation for FY 2023-24 & Fy 2024-25 respectively.

  
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### 3.7 Interest on Loan and Finance Charges

#### Petitioners Submission

3.7.1 The Petitioner has submitted that, APDOP functions under the Government of Arunachal Pradesh. All financial matters of APDOP are controlled by the finance department of the Government. Taking loan(s) and its repayment are decided by State Government. Hence, the Petitioner cannot take any kind of loan independently and does not have any access to the loan and its repayment process even if the loan is taken for funding the projects under APDOP, as its repayment is handled by the Government from its sources. Therefore, the Petitioner has submitted that expenses on interest on the loan may be considered as 'Nil' in their ARR projections for period for FY 2023-24 & FY 2024-25.

#### Commissions Analysis

3.7.2 In view of the above submissions of the Petitioner, no interest on loan and finance charges are approved for the period.

### 3.8 Interest on Working Capital

#### Petitioners Submission

3.8.1 The Petitioner has submitted that working capital for APDOP is provided by the Government of Arunachal Pradesh as a grant on 'as and when required' basis, and therefore no interest on working capital is required to be paid by APDOP. Accordingly, interest on working capital may be considered 'Nil' for the period.

#### Commissions Analysis

3.8.2 In view of the above submissions of the Petitioner, no interest on interest on working capital is being considered for the period.

### 3.9 Return on Equity

#### Petitioners Submission

3.9.1 The Petitioner has submitted that APDOP being a Government Department, all funding comes from the State Government/Central Government as a grant without any obligation to pay back. APDOP is not incorporated/registered as a company, hence there is no shareholder/equity. As a result, return on equity capital does not arise. Accordingly, no Return on Equity Capital is being claimed for the period.

### Commissions Analysis

3.9.2 In view of the above submissions of the Petitioner, no return on equity is approved for the period.

## 3.10 Provisions for bad and doubtful debts

### Petitioners Submission

3.10.1 The Petitioner has submitted that the department does not have any bad and doubtful debt as per records. Therefore, provision for bad and doubtful debt be considered 'Nil' for the control period.

### Commissions Analysis

3.10.2 In view of the above submissions of the Petitioner, no bad and doubtful debt is approved for the period.

## 3.11 Renewable Purchase Obligation

### Petitioners Submission

3.11.1 The Petitioner has submitted that it has been able to meet up Renewable Power Purchase Obligation (RPO) for the FY 2023-24. The summary details is provided in the table below:

**Table 27 Wind RPO compliance submitted by the Petitioner**

Total Consumption MU	RPO Required		RPO Met		Transferred from surplus HPO(as per Sl.no 14 of order dated 22.7.22)	Remarks
	%	MU	MU	MU		
1576.67	1.6	25.23	0.000	25.23	25.23	RPO met

**Table 28 HPO compliance submitted by the Petitioner**

Total Consumption MU	RPO Required		RPO Met		Transferred from surplus HPO(as per Sl.no 14 of order dated 22.7.22)	Remarks
	%	MU	MU	MU		
1576.67	0.66	10.41	357.86	347.45	25.23	RPO met

**Table 29 Other RPO compliance submitted by the Petitioner**

Total Consumption MU	RPO Required		RPO Met		Transferred from surplus HPO(as per Sl.no 14 of order dated 22.7.22)	Remarks
	%	MU	MU	MU		
1576.67	0.66	10.41	357.86	347.45	25.23	RPO met

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3.11.2 Further the Petitioner has submitted that it shall fulfil the RPO compliance in the same manner as it has achieved for FY 2023-24.

### Commissions Analysis

3.11.3 The Commission has reviewed the Petitioner's submission and evaluated their RPO compliance for FY 2023-24 based on the approved energy quantum from various sources. The detailed RPO status for FY 2023-24 is presented in the table below:

**Table 30 RPO compliance approved by the Commission for FY 2023-24**

Sources of Energy	Year	Ap- proved Power Pur- case Quan- tum MU	RPO required		RPO Met	Surplus/ Deficit	Excess WPO/HPO/Other RPO adjusted	Remarks
			%	MU	MU	MU	MU	
Wind RPO	FY24	1576.68	1.60%	25.23	0	-25.23	25.23	Excess of HPO is adjusted in WRPO as per the MOP guidelines. Hence Wind RPO met
HPO		1576.68	0.66%	10.41	357.86	347.45		HPO met
Other RPO		1576.68	24.81%	391.17	473.61	82.44		Other RPO met
<b>Total</b>		<b>1576.68</b>	<b>27.07%</b>	<b>426.81</b>	<b>831.47</b>	<b>404.66</b>		Total RPO Met

3.11.4 However, the Petitioner is directed to adhere the RPO compliance for FY 2024-25 as per the latest notification of the Ministry of Power vide notification S.O. 4617(E) dated New Delhi, the 20<sup>th</sup> October 2023. The trajectory to be complied by the Petitioner for FY 2024-25 is given in the table below:

**Table 31 RPO trajectory to be complied by the Petitioner for FY 2024-25**

Sl.No	Year	Wind renewable energy	Hydro renewable energy	Distributed renewable energy*	Other renewable energy	Total renewable energy
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(2)	2024-25	0.67%	0.38%	1.5%	27.35%	29.91%

3.11.5 Further the Petitioner is directed to submit the RPO compliance strictly as per the format enclosed in **Annexure IV** of this order.

  
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### 3.1 Annual License Fee and tariff application fee for Deemed Distribution Licensee – Commission's analysis

- 3.1.1 As per the provisions of the APSERC (Fee) Regulations 2011 and amended thereafter, Annual License Fee is to be paid by every licensee including the Deemed Licensee. The annual license fee for a distribution licensee including a deemed licensee as per above mentioned Regulations is Rs. 5.00 lakh per year for FY 2023-24 & FY 2024-25. Further the annual fees is required to be paid by 15<sup>th</sup> April of each financial year. Any delay in this regard shall attract a penalty of 1.50% per month or part thereof. The distribution licensee is directed to comply with regulations and pay the requisite fees within the stipulated time period.
- 3.1.2 Further, the fees for application for determination of tariff for supply of electricity, wholesale, bulk or retail by a distribution licensee including a deemed licensee and for determination of tariff / charges of wheeling in respect of such distribution licensee including a deemed licensee is 5 paise per 100kWh proposed to be wheeled during the control period for which the application is made subject to a minimum of Rs 7.50 lakh.
- 3.1.3 Accordingly, the Annual License fee of Rs. 5.00 lakh per year and Tariff Application fee of Rs.7.5 lakh per year for FY 2023-24 & FY 2024-25 during the period is approved by the Commission.

### 3.2 Non-Tariff Income

#### Petitioners Submission

- 3.2.1 The Petitioner has submitted the Non-Tariff Income for FY 2023-24 & FY 2024-25 as given in the table below:

**Table 32 Non-Tariff Income as submitted by the Petitioner(Rs.Cr)**

S.No	Particulars	FY 2023-24	FY2024-25
1	Non-Tariff Income	52.29	57.67

#### Commissions Analysis

- 3.2.2 The Commission as of now has considered the Non-Tariff income submitted by the Petitioner however same shall be reviewed during True up exercise.

  
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### 3.3 Revenue from Sale

#### Petitioners Submission

- 3.3.1 The Petitioner has reported the actual revenue from energy sales within the state for FY 2023-24. For FY 2024-25, the revenue is projected based on estimated energy sales at the prevailing tariff rate. The details are provided in the table below.

**Table 33 Revenue from sale of power within the state at existing tariff submitted by the Petitioner**

S. No	FY	Sale (MU)	Revenue (Rs. Cr)
1	2023-24(Actuals)	673.41	255.48
2	2024-25(Estimated)	751.29	286.11

- 3.3.2 The Petitioner has further submitted revenue from sale of excess energy outside the state for FY 2023-24 & FY 2024-25. The Revenue projection from sales outside the state has been done by the Petitioner considering sales to Power Exchange (IEX), Bilateral Sales and UI/ Deviation. The details is given in the table below:

**Table 34 Revenue from sale of power outside the state submitted by the Petitioner**

S. No	FY	Sale (MU)	Revenue (Rs. Cr)
1	2023-24(Actuals)	383.75	142.39
2	2024-25(Estimated)	339.33	150.14

#### Commissions Analysis

- 3.3.3 The Commission has noted the submission made by the Petitioner and also has reviewed the audited accounts of the Petitioner post which the Commission approves the revenue from sales for FY 2023-24 as mentioned in the table below. The Commission has further scrutinized the sales outside the state for FY 2023-24 and approves the revenue from the sale accordingly. Has approved the revenue from sales within the state based on the approved values of within the state as referred in the earlier section of this order approves the revenue from sale by considering the existing tariff rates. For FY 2024-25 the Commission has considered the sales approved in above section of this order at the existing tariff and has determined the revenue from within the state accordingly. For sales outside the state for FY 2024-25 the Commission has considered the quantum of energy (MU) approved and has considered the average DAM rate (Rs.4.38/unit) for the last month and computed the revenue from sales outside the state accordingly. However same shall be reviewed during true up exercise. The details of revenue from sales within the state and outside the state approved by the Commission is given in the table below:

  
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**Table 35 Revenue from Sales as approved by the Commission (Rs.Cr)**

S. No	Particulars	FY24(Actuals)	FY25(Estimated)
1	Revenue from Sales within the state	255.48	321.00
2	Revenue from Sales outside the state	142.99	204.37

### 3.4 ARR for FY 2023-24 & FY 2024-25 and Revenue Gap

#### Petitioners Submission

3.4.1 Based on the submission made above the Petitioner has submitted the ARR for FY 2023-24 & FY 2024-25 along with revenue gap as given in the table below:

**Table 36 ARR & Revenue Gap as submitted by the Petitioner for FY 2023-24 & FY2024-25**

S. No.	Particulars	UOM	FY 2023-24	FY2024-25
1	Return on Equity Capital	Rs.Cr	0.00	0.00
2	Interest on Loan Capital	Rs.Cr	0.00	0.00
3	Depreciation	Rs.Cr	0.00	0.00
4	Power Purchase Expenses	Rs.Cr	489.16	517.84
5	Interstate Transmission Charges	Rs.Cr	98.08	109.05
6	Intrastate Transmission Charges	Rs.Cr	11.45	11.45
7	Fees and charges of NERLDC/NERPC	Rs.Cr	0.00	2.00
8	O&M expenses	Rs.Cr	442.41	458.53
9	Interest on working Capital	Rs.Cr	0.00	0.00
10	Provision for bad and doubtful debt	Rs.Cr	0.00	0.00
11	Annual License Fee	Rs.Cr	0.00	0.05
12	Tariff Filing Fee	Rs.Cr	0.00	0.075
13	<b>Total Revenue Requirement</b>	Rs.Cr	1041.10	1099
14	<b>Less: Non-Tariff Income</b>	Rs.Cr	52.29	57.67
15	Net Revenue Requirement (18-19)	Rs.Cr	988.81	1041.33
16	Revenue from existing Tariff	Rs.Cr	255.48	285.01
17	Revenue from Sale of Surplus Power	Rs.Cr	142.39	150.14
18	Revenue Gap	Rs.Cr	590.93	606.18
19	Revenue Grant by GoAP	Rs.Cr	590.93	606.18
20	Total Gap	Rs.Cr	0.00	0.00
21	Total Energy Sales	MU	1057.15	1090.62
22	Gross Energy Input	MU	1576.67	1599.36
23	<b>Average Cost of Supply (ACos)(15/22*10)</b>	Rs/kWh	6.27	6.87
24	<b>Total Annual Income (16+17+19)</b>	Rs/kWh	988.81	1099
25	<b>Average Realisable Revenue (24/22*10)</b>	Rs/kWh	6.27	6.87
26	<b>ACS-ARR (23-25)</b>	Rs/kWh	0.00	0.00

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**Commissions Analysis**

3.4.2 The Commission has observed that the ACoS calculated by the Petitioner in its submission has been derived by dividing the net ARR by the gross energy input. However, this does not represent the true average cost of supply. Instead, the ACoS should be calculated as the net ARR divided by the energy sales within the state. Additionally, the Commission has considered the revenue from the sale of excess energy outside the state as Non-Tariff Income and has factored it into the determination of the net ARR. Each component of the ARR submitted by the Petitioner has been thoroughly analysed by the Commission, and after applying a prudence check, the Commission approves the ARR for FY 2023-24 and FY 2024-25 as presented in the table below:

**Table 37 ARR & Revenue Gap as approved by the Commission for FY 2023-24 & FY2024-25**

S. No.	Particulars	UOM	FY24 (Approved)	FY25 (Projected)
1	Return on Equity Capital	Rs.Cr	0.00	0.00
2	Interest on Loan Capital	Rs.Cr	0.00	0.00
3	Depreciation	Rs.Cr	0.00	0.00
4	Power Purchase Expenses	Rs.Cr	485.98	417.85
5	Interstate Transmission Charges	Rs.Cr	98.08	99.91
6	Intrastate Transmission Charges	Rs.Cr	10.40	10.41
7	Fees and charges of NERLDC/NERPC	Rs.Cr	1.90	1.99
8	O&M expenses	Rs.Cr	442.40	415.40
9	Interest on working Capital	Rs.Cr	0.00	0.00
10	Provision for bad and doubtful debt	Rs.Cr	0.00	0.00
11	Annual License Fee	Rs.Cr	0.05	0.05
12	Tariff Filing Fee	Rs.Cr	0.08	0.08
13	<b>Total Revenue Requirement</b>	Rs.Cr	<b>1038.76</b>	<b>945.56</b>
14	Less: Non-Tariff Income	Rs.Cr	52.29	57.67
15	Less: Revenue from sale of Surplus Power	Rs.Cr	142.99	204.85
16	Net Revenue Requirement (13-14-15)	Rs.Cr	843.48	683.04
17	Revenue from existing Tariff	Rs.Cr	255.48	321.00
18	Revenue Gap	Rs.Cr	588.00	363.07
19	Energy Sales within the state	MU	673.40	754.12
20	Total Energy Sales	MU	941.52	1221.67
21	<b>Average Cost of Supply (ACoS) (16/19*10)</b>	<b>Rs/kWh</b>	<b>12.53</b>	<b>9.06</b>
22	<b>Average Realisable Revenue {(16)/19*10}</b>	<b>Rs/kWh</b>	<b>3.79</b>	<b>4.26</b>
23	<b>ACS-ARR (23-25)</b>	<b>Rs/kWh</b>	<b>8.73</b>	<b>4.80</b>

  
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## **Chapter 4: Business Plan for the Control Period of FY 2025–26 to FY 2029-30**

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### **4.1 Petitioners Submission of Business Plan**

4.1.1 The Petitioner has prepared a section on Business Plan after the Section dealing with MYT projection in its petition. In the Business Plan section, the Petitioner mentioned that all the information was provided in MYT section.

4.1.2 The Petitioner has submitted that the key objectives of the are as follows:

- To analyse and anticipate the future requirements and strategically plan for the requisite capital investments, means of financing the schemes and various associated costs and document them which would serve as an effective tool for monitoring and execution of future works. It is important to project the growth in distribution network infrastructure commensurate with the energy demand required for fuelling the economic growth targets of the State.
- Meeting the regulatory compliance of submission of a business plan as mandated by the Arunachal Pradesh State Electricity Regulatory Commission, MYT Regulations, 2018.
- To be useful for the Management, associated stakeholders, the Hon'ble Commission and various government bodies. The future projections in the Plan would help the management in decision making and taking proactive actions, and thus improving the overall operational efficiency of the distribution network infrastructure.

4.1.3 The DoP,AP submits that the Business plan being a dynamic document may need to be updated at periodic intervals taking into account the changes in the internal and external environment and these changes would be intimated to the Hon'ble Commission from time to time.

4.1.4 The Petitioner has also submitted capital investment plan details for the period for schemes along with the petition being carried under flagship programmes. The capital investments of the Department of Power, Government of Arunachal Pradesh can largely be categorized in following areas:

- Investments in New Distribution Infrastructure for reducing the T&D Loss



- System augmentation and strengthening including renovation and modernization to maintain the performance of the existing system and to deter investments

4.1.5 The petitioner has further stated that all the schemes undertaken are aimed at overall improving the efficiency and reliability of the power sector in the state.

4.1.6 The above capital investment plan encompasses for FY 2024-25 to FY 2026-27 however for the remaining years of the control period i.e. FY 2027-28 to FY 2029-30 the Petitioner has not submitted any details stating that the same is not yet formulated and is under approval from the state government. However, once the approval is granted same shall be submitted to the Commission.

4.1.7 The Petitioner has submitted the proposed capital expenditure which is being carried for FY 2024-25 to FY 2026-27 as given in the table below:

**Table 38 Proposed Capital Expenditure & Capitalization as submitted by the Petitioner (in Rs. Lakhs)**

Particulars	FY2024-25	FY2025-26	FY2026-27
Proposed Capital Expenditure	31827.91	33419.31	35090.27
Proposed Capitalization	31827.91	33419.31	35090.27

4.1.8 The Petitioner has further stated that all the expenditure to be incurred for capital investment are being funded by Government of Arunachal Pradesh through budgetary support without any external borrowings and as such there is no loan borrowings by Department of Power, GoAP for capital expenditure.

4.1.9 The nature of financing the above capital expenditure as submitted by the Petitioner is given in the table below:

**Table 39 Proposed funding details (in Rs. Lakhs)**

Particulars	FY2024-25	FY2025-26	FY2026-27
Proposed Capital Expenditure	31827.91	33419.31	35090.27
Grant from GoAP	31827.91	33419.31	35090.27

4.1.10 The Petitioner has submitted details of projected sales, consumer growth, power purchase estimates, manpower planning, and AT&C losses as part of the MYT Petition for the approval of ARR for the Control Period from FY 2025-26 to FY 2029-30.

4.1.11 The Petitioner has further prayed before the Commission to pardon the delay in submission of relevant details of business plan for the control period.

  
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### **Commissions Analysis**

4.1.12 The Commission has reviewed the business plan submitted by the Petitioner and observed that the Petitioner has referred to the MYT Regulation 2018 instead of the applicable MYT Regulation 2024. The Commission has referred to Clause 2.3 of the APSERC MYT Regulation 2024, which outlines the key aspects to be covered in the business plan, including year-wise load growth projections based on historical trends, loss reduction strategies, and necessary infrastructure investments as referred below:

#### **“2.3 Business Plan**

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#### ***III. For a Distribution Licensee***

*The Distribution licensees should submit the business plan including power purchase plan, for approval of the Commission, comprising the following aspects:*

- a) Distribution Licensee shall provide details regarding demand assessment and forecasting, generation resource planning, procurement planning and monitoring and compliance as per the Arunachal Pradesh State Electricity Regulatory Commission (Framework for Resource Adequacy) Regulations, 2024 or its amendment.*
- b) Distribution Licensee shall submit a forecast of the expected sales of electricity to each tariff category/sub-category and to each tariff slab within such tariff category/sub category to the Commission, as specified in these Regulations.*

*Provided that while estimating monthly, annually and long-term (5 years) demand and energy sales forecast, the Distribution Licensee(s) should carry out for at least three scenarios - Optimistic scenario, Business As Usual (BAU) scenario and Pessimistic scenario, duly taking into consideration various factors but not limited to the following:*

- Historical as well as current year data;*
- New consumer addition under various categories;*
- Change in Consumption Pattern, on account of various factors including ToD tariff;*
- Trends with respect to open access, captive consumption, migration behaviour of consumers, existing contract durations etc;*
- Growth in the consumption of power intensive sectors;*
- Weather forecast and seasonal variations;*
- Overall economic growth;*

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- *Activities and Enable scenarios for load shifting such as solarisation of Agricultural connections and feeders under various schemes, etc.;*
  - *Projected efficiency gains due to implementation of T&D loss reduction initiatives and other improvement programmers;*
  - *Energy Conservation and Energy Efficiency measures planned;*
  - *Likely impact of implementation of Demand Side Management (DSM);*
  - *Increase in penetration consumption from Distributed Energy Resources viz. Rooftop Solar and Electric Mobility.*
- c) *The sales forecast shall be based on past data and reasonable assumptions regarding the future:*
- Provided further that Distribution Licensee shall undertake sales and demand forecast based on methods and tools including load research studies, advance statistical methods including multivariate regression analysis, partial end use method (PEUM), econometric methods and also explore use of various IT applications, including Artificial Intelligence and Machine Learning (AI/ML) to improve accuracy.*
- d) *The Commission shall examine the forecasts for their reasonableness based on growth in the number of consumers, pattern of consumption, losses and demand of electricity in previous years and anticipated growth in the next year and any other factor, which the Commission may consider relevant and approve. the sales forecast with such modifications as deemed fit. The Distribution Licensee shall develop a robust database of all consumers with desired particulars regarding their demand to facilitate the forecasting process in accordance with the direction given by the Commission.*
- e) *The power purchase plan shall be prepared considering the provisions given under the Arunachal Pradesh State Electricity Regulatory Commission (Power Purchase and Procurement Process of Licensee) Regulation, 2024.*
- f) *The capital investment plan shall show, separately, on-going projects that will spill over into the Control Period and new projects (along with justification) that will commence in the Control Period. The investment plan should also include yearly phasing of capital expenditure along with the source of funding, financing plan and corresponding capitalisation schedule. The system augmentation/expansion plan to be submitted as a part of Capital Investment Plan by the Distribution Licensee shall be consistent with the consumer load growth forecast during the control period.*


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- 4.1.13 However, the Petitioner has not prepared the Business Plan in its true sense, thereby undermining its purpose for the Control Period. The MYT projections rely on parameters reflected in the Business Plan, and the power availability projection should have been based on a proper trend analysis rather than a simple escalation from previous availability. The projections should also consider allocations from Central Sector Projects by the Ministry of Power and developments in state sector and Independent Power Producer (IPP) projects.
- 4.1.14 Furthermore, the Commission observes that three units (3x 250 MW) of the 2000 MW Subansiri Lower HEP by NHPC, with an allocated capacity of 274 MW for the Petitioner, are expected to be commissioned by June 2025. Initially, 750 MW is expected to be commissioned by June 2025, with the remaining 1250 MW scheduled for commissioning by April 2026. The state of Arunachal Pradesh is entitled to a significant 87% of the free power from this plant out of its allocated capacity of 274 MW. However, the Petitioner has not accounted for the power from Subansiri Lower HEP in its MYT projections.
- 4.1.15 Furthermore, the Petitioner has included power from in-state IPPs in its projections, some of which have yet to start construction and are unlikely to be commissioned within the projected financial year as submitted by the Petitioner. This reflects a casual approach, as the Petitioner has not conducted a detailed analysis based on the principles outlined for framing the Business Plan. The concerns raised by the Commission have not been accurately factored into the availability estimates, impacting the demand-supply scenario, surplus power availability, and revenue gap calculations. Consequently, the assessment of required grants from the State Government is also affected.
- 4.1.16 Upon analysing the capital investment plan, the Commission observes that all planned investments are being executed under various flagship programs funded solely by the Government of Arunachal Pradesh as grants, with no external borrowing. The detailed approval of the Commission regarding these matters is provided in the subsequent chapter, which analyses the ARR for the Control Period from FY 2025-26 to FY 2029-30.

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## Chapter 5: Analysis of ARR for FY2025-26 to FY2029-30

### 5.1 Number of Consumers and Sales

#### Petitioners Submission

**5.1.1** The Petitioner in its MYT Petition for FY 2025-26 to FY 2029-30 has projected number of consumer and sales for the year under different categories as defined below:

- i. Domestic
- ii. Commercial
- iii. Industrial
- iv. Public Lighting and water Supply
- v. Agriculture
- vi. Bulk Mixed, and
- vii. Temporary

**5.1.2** For the MYT Control Period from FY 2025-26 to FY 2029-30, the Petitioner has forecasted energy sales and the number of consumers based on the Compound Annual Growth Rate (CAGR) calculated from actual figures over the past five years (FY 2019-20 to FY 2023-24). The respective escalation rates have been applied on the base year of FY 2023-24 to derive the projected figures for FY 2025-26 to FY 2029-30. The details of the number of consumers and sales, as submitted by the Petitioner, are provided in the tables below:

**Table 40 No of Consumers projected by the Petitioner for FY 2025-26 to FY 2029-30**

S.No	Consumer Category	CAGR (5yrs)	FY26	FY27	FY28	FY29	FY30
<b>A</b>	<b>HT &amp; EHT Category</b>						
<b>1</b>	<b>Non-Commercial Consumers (Domestic)</b>						
	AC 50Hz,3-Phase, 11KV	9.82%	154	170	186	204	225
	AC 50Hz,3-Phase, 33KV	0.00%	4	4	4	4	4
<b>2</b>	<b>Commercial Consumers (Non-Industrial)</b>						
	AC 50Hz,3-Phase, 11KV	21.80%	682	831	1012	1233	1502
	AC 50Hz,3-Phase, 33KV	23.59%	21	26	33	40	50
<b>3</b>	<b>Public Lighting and Water Supply Consumers</b>						
	AC 50Hz,3-Phase, 11KV	0.00%	12	12	12	12	12
	AC 50Hz,3-Phase, 33KV	0.00%	0	0	0	0	0
<b>4</b>	<b>Agricultural Consumers</b>						
	AC 50Hz,3-Phase, 11KV	0.00%	5	5	5	5	5
	AC 50Hz,3-Phase, 33KV	0.00%	0	0	0	0	0
<b>5</b>	<b>Industrial Consumers</b>						
	AC 50Hz,3-Phase, 11KV	9.56%	102	112	122	134	147
	AC 50Hz,3-Phase, 33KV	5.14%	36	38	40	42	45
	AC 50Hz,3-Phase, 132 KV	0.00%	3	3	3	3	3
<b>6</b>	<b>Bulk Mixed Consumers</b>						

Secretary

	AC 50Hz,3-Phase, 11KV	7.71%	244	262	283	305	328
	AC 50Hz,3-Phase, 33KV	0.00%	14	14	14	14	14
	AC 50Hz,3-Phase, 132 KV	0.00%	1	1	1	1	1
<b>B</b>	<b>Low Voltage Category</b>						
<b>1</b>	<b>Non Commercial Consumers (Domestic)</b>						
	AC 50Hz,1-Phase, 230 Volt	2.61%	208655	214092	219671	225395	231269
	AC 50Hz,3-Phase, 400 Volt	7.26%	4121	4421	4742	5086	5455
	KJP & BPL connection AC 50Hz,1-Phase, 230 Volt	0.00%	61791	61791	61791	61791	61791
<b>2</b>	<b>Commercial Consumers (Non-Industrial)</b>						
	AC 50Hz,1-Phase, 230 Volt	5.39%	34386	36239	38191	40249	42417
	AC 50Hz,3-Phase, 400 Volt	12.04%	3786	4242	4752	5325	5966
<b>3</b>	<b>Public Lighting and Water Supply Consumers</b>						
	AC 50Hz,1-Phase, 230 Volt	0.00%	864	864	864	864	864
	AC 50Hz,3-Phase, 400 Volt	9.28%	324	354	387	422	462
<b>4</b>	<b>Agricultural Consumers</b>						
	AC 50Hz,1-Phase, 230 Volt	25.74%	16	20	25	31	40
	AC 50Hz,3-Phase, 400 Volt	0.00%	8	8	8	8	8
<b>5</b>	<b>Industrial Consumers</b>						
	AC 50Hz,1-Phase, 230 Volt	10.25%	79	87	96	106	117
	AC 50Hz,3-Phase, 400 Volt	2.23%	186	190	194	199	203
<b>6</b>	<b>Temporary Consumer</b>						
	LT/HT	41.22%	714	1008	1424	2011	2840
	<b>Total</b>		<b>316209</b>	<b>324794</b>	<b>333861</b>	<b>343485</b>	<b>353766</b>

**Table 41 Sales (MU) projected by the Petitioner for FY 2025-26 to FY 2029-30**

S.No	Consumer Category	CAGR (Yrs)	FY26	FY27	FY28	FY29	FY30
<b>A</b>	<b>HT &amp; EHT Category</b>						
<b>1</b>	<b>Non-Commercial Consumers (Domestic)</b>						
	AC 50Hz,3-Phase, 11KV	21.93%	11.57	14.11	17.20	20.97	25.57
	AC 50Hz,3-Phase, 33KV	0.15%	3.77	3.78	3.78	3.79	3.80
<b>2</b>	<b>Commercial Consumers (Non-Industrial)</b>						
	AC 50Hz,3-Phase, 11KV	14.16%	22.85	26.09	29.78	34.00	38.82
	AC 50Hz,3-Phase, 33KV	8.72%	0.15	0.16	0.18	0.19	0.21
<b>3</b>	<b>Public Lighting and Water Supply Consumers</b>						
	AC 50Hz,3-Phase, 11KV	0.00%	3.22	3.22	3.22	3.22	3.22
	AC 50Hz,3-Phase, 33KV	0.00%	0.00	0.00	0.00	0.00	0.00
<b>4</b>	<b>Agricultural Consumers</b>						
	AC 50Hz,3-Phase, 11KV	0.00%	0.02	0.02	0.02	0.02	0.02
	AC 50Hz,3-Phase, 33KV	0.00%	0.00	0.00	0.00	0.00	0.00
<b>5</b>	<b>Industrial Consumers</b>						
	AC 50Hz,3-Phase, 11KV	9.82%	25.23	27.71	30.43	33.42	36.71
	AC 50Hz,3-Phase, 33KV	15.17%	49.28	56.75	65.36	75.27	86.68
	AC 50Hz,3-Phase, 132 KV	14.47%	292.07	334.32	382.68	438.04	501.41
<b>6</b>	<b>Bulk Mixed Consumers</b>						
	AC 50Hz,3-Phase, 11KV	0.00%	24.52	24.52	24.52	24.52	24.52
	AC 50Hz,3-Phase, 33KV	14.68%	17.29	19.82	22.73	26.07	29.90
	AC 50Hz,3-Phase, 132 KV	0.00%	0.00	0.00	0.00	0.00	0.00
<b>B</b>	<b>Low Voltage Category</b>						
<b>1</b>	<b>Non-Commercial Consumers (Domestic)</b>						
	AC 50Hz,1-Phase, 230 Volt	7.24%	192.35	206.26	221.19	237.19	254.35
	AC 50Hz,3-Phase, 400 Volt	10.28%	37.07	40.88	45.08	49.71	54.82

Secretary



	KJP & BPL connection AC 50Hz,1-Phase, 230 Volt	8.85%	40.06	43.60	47.46	51.66	56.24
<b>2</b>	<b>Commercial Consumers (Non-Industrial)</b>						
	AC 50Hz,1-Phase, 230 Volt	14.87%	58.92	67.68	77.75	89.32	102.60
	AC 50Hz,3-Phase, 400 Volt	17.97%	50.07	59.07	69.68	82.20	96.97
<b>3</b>	<b>Public Lighting and Water Supply Consumers</b>						
	AC 50Hz,1-Phase, 230 Volt	0.00%	3.42	3.42	3.42	3.42	3.42
	AC 50Hz,3-Phase, 400 Volt	13.55%	4.12	4.67	5.31	6.02	6.84
<b>4</b>	<b>Agricultural Consumers</b>						
	AC 50Hz,1-Phase, 230 Volt	17.84%	0.03	0.03	0.04	0.04	0.05
	AC 50Hz,3-Phase, 400 Volt	100.00%	0.16	0.33	0.66	1.32	2.64
<b>5</b>	<b>Industrial Consumers</b>						
	AC 50Hz,1-Phase, 230 Volt	0.00%	0.91	0.91	0.91	0.91	0.91
	AC 50Hz,3-Phase, 400 Volt	0.00%	1.68	1.68	1.68	1.68	1.68
<b>6</b>	<b>Temporary Consumer</b>						
	LT/HT	0.00%	0.87	0.87	0.87	0.87	0.87
	<b>Total</b>		<b>839.62</b>	<b>939.91</b>	<b>1053.96</b>	<b>1183.88</b>	<b>1332.26</b>

### Commissions Analysis

**5.1.3** The Commission has reviewed the Petitioner's submission; however, for projecting the number of consumers and energy sales, the Commission has applied the Compound Annual Growth Rate (CAGR) based on actual data from the past five years (FY 2019-20 to FY 2023-24). The Commission has further escalated the projected figures for FY 2024-25, as approved in an earlier section of this order, to compute the number of consumers and sales for the MYT Control Period (FY 2025-26 to FY 2029-30). The details are provided in the tables below:

**Table 42 Number of Consumers approved by the Commission for FY 2025-26 to FY 2029-30**

S.No	Consumer Category	CAGR (5yrs)	FY26	FY27	FY28	FY29	FY30
<b>A</b>	<b>HT &amp; EHT Category</b>						
<b>1</b>	<b>Non-Commercial Consumers (Domestic)</b>						
	AC 50Hz,3-Phase, 11KV	9.82%	154	170	186	204	225
	AC 50Hz,3-Phase, 33KV	0.00%	4	4	4	4	4
<b>2</b>	<b>Commercial Consumers (Non-Industrial)</b>						
	AC 50Hz,3-Phase, 11KV	21.80%	682	831	1012	1233	1502
	AC 50Hz,3-Phase, 33KV	23.59%	21	26	33	40	50
<b>3</b>	<b>Public Lighting and Water Supply Consumers</b>						
	AC 50Hz,3-Phase, 11KV	0.00%	12	12	12	12	12
	AC 50Hz,3-Phase, 33KV	0.00%	0	0	0	0	0
<b>4</b>	<b>Agricultural Consumers</b>						
	AC 50Hz,3-Phase, 11KV	0.00%	5	5	5	5	5
	AC 50Hz,3-Phase, 33KV	0.00%	0	0	0	0	0
<b>5</b>	<b>Industrial Consumers</b>						
	AC 50Hz,3-Phase, 11KV	9.56%	102	112	122	134	147
	AC 50Hz,3-Phase, 33KV	5.14%	36	38	40	42	45
	AC 50Hz,3-Phase, 132 KV	0.00%	3	3	3	3	3
<b>6</b>	<b>Bulk Mixed Consumers</b>						
	AC 50Hz,3-Phase, 11KV	7.71%	244	262	283	305	328
	AC 50Hz,3-Phase, 33KV	0.00%	14	14	14	14	14
	AC 50Hz,3-Phase, 132 KV	0.00%	1	1	1	1	1

<b>B</b>	<b>Low Voltage Category</b>						
<b>1</b>	<b>Non Commercial Consumers (Domestic)</b>						
	AC 50Hz,1-Phase, 230 Volt	2.61%	208655	214092	219671	225395	231269
	AC 50Hz,3-Phase, 400 Volt	7.26%	4121	4421	4742	5086	5455
	KJP & BPL connection AC 50Hz,1-Phase, 230 Volt	0.00%	61791	61791	61791	61791	61791
<b>2</b>	<b>Commercial Consumers (Non-Industrial)</b>						
	AC 50Hz,1-Phase, 230 Volt	5.39%	34386	36239	38191	40249	42417
	AC 50Hz,3-Phase, 400 Volt	12.04%	3786	4242	4752	5325	5966
<b>3</b>	<b>Public Lighting and Water Supply Consumers</b>						
	AC 50Hz,1-Phase, 230 Volt	0.00%	864	864	864	864	864
	AC 50Hz,3-Phase, 400 Volt	9.28%	324	354	387	422	462
<b>4</b>	<b>Agricultural Consumers</b>						
	AC 50Hz,1-Phase, 230 Volt	25.74%	16	20	25	31	40
	AC 50Hz,3-Phase, 400 Volt	0.00%	8	8	8	8	8
<b>5</b>	<b>Industrial Consumers</b>						
	AC 50Hz,1-Phase, 230 Volt	10.25%	79	87	96	106	117
	AC 50Hz,3-Phase, 400 Volt	2.23%	186	190	194	199	203
<b>6</b>	<b>Temporary Consumer</b>						
	LT/HT	41.22%	714	1008	1424	2011	2840
	<b>Total</b>		<b>316209</b>	<b>324794</b>	<b>333861</b>	<b>343485</b>	<b>353766</b>

**Table 43 Sales (MU) as approved by the Commission for FY 2025-26 to FY 2029-30**

S.No	Consumer Category	CAGR (5yrs)	FY26	FY27	FY28	FY29	FY30
<b>A</b>	<b>HT &amp; EHT Category</b>						
<b>1</b>	<b>Non-Commercial Consumers (Domestic)</b>						
	AC 50Hz,3-Phase, 11KV	21.93%	11.57	14.10	17.20	20.97	25.56
	AC 50Hz,3-Phase, 33KV	0.13%	3.77	3.78	3.78	3.79	3.79
<b>2</b>	<b>Commercial Consumers (Non-Industrial)</b>						
	AC 50Hz,3-Phase, 11KV	14.16%	22.85	26.08	29.78	33.99	38.81
	AC 50Hz,3-Phase, 33KV	9.63%	0.16	0.17	0.19	0.21	0.23
<b>3</b>	<b>Public Lighting and Water Supply Consumers</b>						
	AC 50Hz,3-Phase, 11KV	0.00%	3.22	3.22	3.22	3.22	3.22
	AC 50Hz,3-Phase, 33KV	0.00%	0.00	0.00	0.00	0.00	0.00
<b>4</b>	<b>Agricultural Consumers</b>						
	AC 50Hz,3-Phase, 11KV	0.00%	0.02	0.02	0.02	0.02	0.02
	AC 50Hz,3-Phase, 33KV	0.00%	0.00	0.00	0.00	0.00	0.00
<b>5</b>	<b>Industrial Consumers</b>						
	AC 50Hz,3-Phase, 11KV	9.82%	25.23	27.71	30.43	33.42	36.71
	AC 50Hz,3-Phase, 33KV	15.16%	49.27	56.74	65.35	75.26	86.67
	AC 50Hz,3-Phase, 132 KV	14.47%	292.07	334.33	382.69	438.06	501.43
<b>6</b>	<b>Bulk Mixed Consumers</b>						
	AC 50Hz,3-Phase, 11KV	9.62%	29.47	32.30	35.41	38.81	42.55
	AC 50Hz,3-Phase, 33KV	14.67%	17.28	19.81	22.72	26.05	29.87
	AC 50Hz,3-Phase, 132 KV	0.00%	0.00	0.00	0.00	0.00	0.00
<b>B</b>	<b>Low Voltage Category</b>						
<b>1</b>	<b>Non-Commercial Consumers (Domestic)</b>						
	AC 50Hz,1-Phase, 230 Volt	7.24%	192.35	206.27	221.20	237.20	254.37
	AC 50Hz,3-Phase, 400 Volt	10.28%	37.07	40.88	45.08	49.71	54.82
	KJP & BPL connection AC 50Hz,1-Phase, 230 Volt	8.85%	40.06	43.61	47.47	51.68	56.25
<b>2</b>	<b>Commercial Consumers (Non-Industrial)</b>						

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	AC 50Hz,1-Phase, 230 Volt	14.88%	58.92	67.69	77.75	89.32	102.61
	AC 50Hz,3-Phase, 400 Volt	17.97%	50.07	59.06	69.67	82.19	96.96
<b>3</b>	<b>Public Lighting and Water Supply Consumers</b>						
	AC 50Hz,1-Phase, 230 Volt	4.76%	3.75	3.93	4.12	4.31	4.52
	AC 50Hz,3-Phase, 400 Volt	13.53%	4.11	4.67	5.30	6.02	6.83
<b>4</b>	<b>Agricultural Consumers</b>						
	AC 50Hz,1-Phase, 230 Volt	18.92%	0.028	0.034	0.040	0.048	0.057
	AC 50Hz,3-Phase, 400 Volt	41.42%	0.080	0.113	0.160	0.226	0.320
<b>5</b>	<b>Industrial Consumers</b>						
	AC 50Hz,1-Phase, 230 Volt	16.15%	1.23	1.43	1.66	1.92	2.23
	AC 50Hz,3-Phase, 400 Volt	11.68%	2.10	2.34	2.61	2.92	3.26
<b>6</b>	<b>Temporary Consumer</b>						
	LT/HT	0.00%	0.87	0.87	0.87	0.87	0.87
	<b>Total</b>		<b>845.54</b>	<b>949.16</b>	<b>1066.71</b>	<b>1200.21</b>	<b>1351.95</b>

## 5.2 Losses: Distribution and AT&C Loss

### Petitioners Submission

5.2.1 The distribution loss and AT&C loss projected by the Petitioner for FY 2025-26 to FY 2029-30 is shown in the table below:

**Table 44 AT&C(%) loss projected by the Petitioner for FY 2025-26 to FY 2029-30**

S No	Particulars	Calculation	MYT Control Period (Projected)				
			FY26	FY27	FY28	FY29	FY30
A	Input Energy (MkWh)	A	1172.15	1157.69	1228.2	1440.55	1578.67
B	Transmission Losses (MkWh)	B	30.41	27.49	15.72	22.4	26.67
C	Net Input Energy (MkWh)	C=A-B	1141.74	1130.20	1212.49	1418.15	1552
D	Energy Sold (MkWh)	D	839.62	939.91	1053.96	1183.88	1332.26
E	Revenue from Sale of Energy including Government Grant (Rs. Cr.)	E	993.77	1044.31	1163.06	1359.94	1520.19
E(i)	Likely Collection (92% of Tariff & 100% of Grant)	E(i)	-	1001.44	1114.98	1305.93	1459.4
F	Adjusted Revenue from Sale of Energy on Subsidy Received basis (Rs. Cr.)	F	993.77	1044.31	1163.06	1359.94	1520.19
G	Opening Debtors for Sale of Energy (Rs. Cr.)	G	317.19	389.75	432.63	480.71	480.71
H	(i) Closing Debtors for Sale of Energy (Rs. Cr.)	(i)	317.19	432.63	480.71	480.71	480.71
	(ii) Any amount written off during the year directly from(i)	(ii)	0	-	-	-	-

  
Secretary



S No	Particulars	Calculation	MYT Control Period (Projected)				
			FY26	FY27	FY28	FY29	FY30
I	Adjusted Closing Debtors for sale of Energy (Rs. Cr.)	H (i+ii)	317.19	432.63	480.71	480.71	480.71
J	Collection Efficiency (%)	(F+G-I)/E*100	100	91.79	91.73	96.03	96
K	Units Realized (Mkwh) = [ Energy Sold*Collection efficiency]	D*J/100	839.62	862.74	966.82	1136.86	1278.98
L	Units Unrealized (Mkwh)= [ Net Input Energy-Units Realized]	C-K	302.12	267.46	245.66	281.29	273.02
M	<b>AT&amp;C Losses (%) = [{ Units Unrealized/Net Input Energy}*100]</b>	<b>L/C *100</b>	26.46	23.66	20.26	19.83	17.59

**5.2.2** The Petitioner has submitted that due to the scattered load over a vast geographical area, the distribution loss is comparatively high in Arunachal Pradesh. However, many projects are going on under APDOP, whose target is to reduce distribution loss and AT&C Loss as per trajectories fixed by Government of India. But, because of the slow progress of the projects for the reduction of AT&C losses like IPDS, RDSS, etc, the AT&C loss reduction in Arunachal Pradesh is not up to the expectation. APDOP has followed the revised methodology for calculation of AT&C losses as prescribed by CEA vide communication F.no. CEA-GO-13-25/1/2023-DPR Division/-73 Dt.30.06.2023. Accordingly, the Petitioner has requested the Commission to approve the Estimated AT&C Loss for FY 2025-26 to FY 2029-30 as referred in the table above.

#### Commissions Analysis

**5.2.3** The Commission in order dated 30.05.2013 in Petition No. TP 01 of 2013 while approving the tariff for the 2013-14 directed under para 6.2.5 as follows-

*"APDOP should prepare a 'Road Map' on priority for reduction of AT&C losses indicating the measures proposed to be implemented to achieve the reduction for next three years including the cost involvement and the sources identified for funding."*

**5.2.4** Further in Tariff Order dated 31.05.2018 in Petition No. TP 01 of 2018 while approving the tariff for the 2018-19 observed as follows-

*"APDOP neither provided any information to the Commission for reduction of its AT&C losses nor followed the Commission's direction to segregate the AT&C and Distribution losses. It should **analyse the reasons for high distribution losses** for each segment of its network and should take effective measures to reduce the losses by proper accounting of energy sales at each level, conducting voltage-wise energy audit, by providing meters on all feeders etc. **APDOP needs to take immediate action to arrest pilferage of energy, replacement of defective meters/ stopped***

*meters, electro-mechanical meters with automatic meters. In addition to above, automatic meters should also be provided to all un-metered connections at the earliest in a time bound manner.*

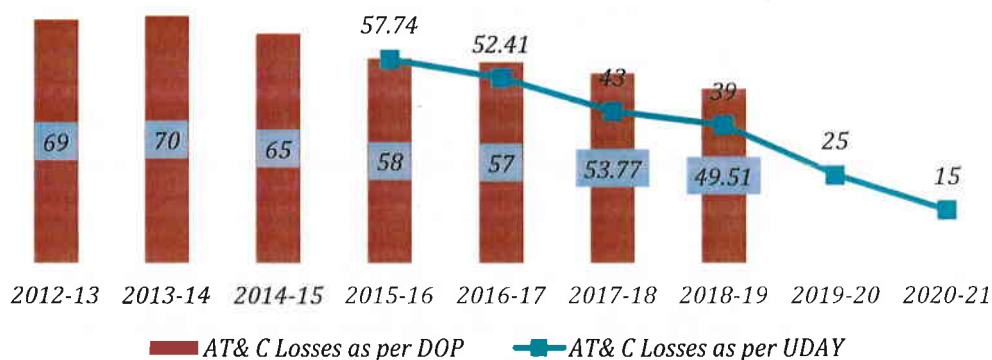
*As per the Bipartite MoU UDAY, which was signed by Government of Arunachal Pradesh with GoI on 29-03-2017, it is agreed upon that Government of Arunachal Pradesh will endeavour to reduce its AT&C losses from 57.74% in FY 2015-16 to 15% by FY 2020-21 as per the following trajectory shown in the Table below:*

**Table 22: AT&C loss level as per UDAY**

Year	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
<b>AT&amp;C Losses</b>	57.74%	52.41%	43%	39%	25%	15%

*In Figure below, a comparison of AT&C loss levels is made as per actual values submitted by DOP and as per the values of UDAY MoU*

### AT&C loss Projection (%)



*The actual value of AT&C losses of 57% for FY 2016-17 and what the DOP has committed in UDAY MOU has a wide variation. The Commission again directed APDOP to put efforts for reducing its AT&C losses so that they can achieve the trajectory that they have submitted to Government of India.*

*As per Regulation 71 (a) of APSERC (Terms and Conditions for Determination of Tariff and Formats for Tariff Filling) Regulations -2011, It shall be obligatory on the licensee whose AT&C losses during the previous year are in excess of 30 percent, to project reduction of such losses by a minimum of 3 percent during the year for which a Tariff Application is made. The Commission following APSERC (MYT) Regulations, 2013 has made a trajectory for AT&C losses as shown below*

Year	2016-17	2017-18	2018-19	2019-20	2020-21
<b>AT&amp;C Losses</b>	44%	41%	38%	35%	32%

*Therefore, the Commission approves the AT&C losses at 38 % for FY 2018-19"*

Further vide order dated 21.02.2024, the Commission had approved the AT&C losses for past period, i.e. FY 2017-18 to FY 2022-23, as given below.

FY	Actual (%)	Approved in True-up (%)
2017-18	63.48	41
2018-19	61.93	63.48

2019-20	33.6	35
2020-21	53.6	32
2021-22	50.70	45(as per RDSS)
2022-23	56.24	35

Further, the Commission had given the following directives with regard to loss reduction in the said order:

*"1. Since the Revenue Gap created by the Petitioner (which could have been reduced by improving the efficiency as per committed AT&C loss as well as controlling unwarranted UI procurement), is mitigated by the State Government through grants, the trued-up Revenue Gap shall not pass through and reflect in the next tariff petition. The inefficiency of the distribution licensee cannot be covered by the Grants from public money and concern officials of APDOP should be answerable for it.*

*2. Despite many flagship Schemes specially designed for reduction of AT&C losses in past and present, the AT&C losses consistently remained above 50%, and it even rose upto 61.93% in the FY2018-19. Matter needs serious introspection to plug the losses and conduct diagnostic exercise at individual feeder / transformer / subdivision / division / circle and zonal level. Commission hereby direct the APDOP, to conduct such exercise and submit results to Commission before next petition. Commission also directs APDOP to bring down the AT&C losses as per the trajectory issued by the MoP with due consultation with APDOP itself."*

**5.2.5** It is observed that the distribution losses and the commercial losses are much above loss levels and not much reduction is observed as per provisions of the APSERC MYT Regulations, 2018. The Regulation 10.14 of the aforesaid regulations states the following:

***"10.14 Aggregate Technical and Commercial (AT&C) Losses:***

*The Distribution Licensee shall recover the approved level of AT&C losses arising from the Retail Supply of electricity:*

*While filing a Tariff Application, the licensee shall provide complete information of the total AT&C Losses during the previous year and that projected for the year for which the application is being made, including the basis on which such losses have been worked out. (Information to be furnished as per the Format of Distribution Licensee in given in Annexure III):*

*Provided that it shall be obligatory on the licensee whose AT&C losses during the previous year are in excess of 30 percent, to project reduction of such losses by a minimum of 5 percent during the year for which a Tariff Application is made. Any shortfall in the projected level of AT&C losses for such year, in this regard, shall be penalized by an amount equivalent to the cost of the quantum of energy to be lost due to inability of the licensee to plan and achieve reduction of AT&C losses by a minimum of 5 percent from the previous year's level. Such amount shall be calculated at the average over all unit cost of sale of power.*

*Provided further that failure of a licensee to reduce the AT&C losses during the previous year by 5 percent would be penalized on the same basis as stated against clause (a) above.*

*Provided also that in the case of a licensee whose AT&C losses during the previous year were less than 30 percent, it would be obligatory for such licensee to reduce such AT&C losses by a minimum of 3 percent only during the year for which a Tariff Application is made. Failure to achieve this level of reduction would be penalized in the same manner as set out in clause (a) above."*

**5.2.6** As such, it is observed here that the licensee has failed to submit any concrete report on roadmap for reduction of AT&C losses in light of implementation of flagship scheme such as

  
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the 'Revamped Distribution Sector Scheme (RDSS)'. Also, the progress of licensee is far from satisfactory and there is a huge gap between the targeted losses as per RDSS and actual losses. This means that the licensee is incurring high financial loss against due to high distribution losses and commercial losses, as the Commission has been allowing only the normative losses to be passed on to the consumers.

- 5.2.7** The Commission is of the opinion that it is utmost necessary to go into the details of such sub-optimal performance of the licensee and at present feels appropriate to consider the target set under RDSS for AT&C losses. The Commission has also taken note of the submission made by the Petitioner seeking amendments in the RDSS trajectory however no approval on the same has been granted till date hence the Commission has considered the trajectory approved under RDSS and approves the following distribution loss trajectory for FY 2025-26 to FY 2029-30 as shown in the table below:

**Table 45 Approved AT&C Loss by the Commission for FY 2025-26 to FY 2029-30**

Year	FY26	FY27	FY28	FY29	FY30
AT&C Losses	18%	15%	12%	12%	12%
Distribution loss	17.17%	14.14%	11.11%	11.11%	11.11%

*\*Considered collection efficiency of 99%*

- 5.2.8** The Commission has considered the approved AT&C loss level under RDSS for the MYT period and directs the Petitioner to submit loss reduction achievement against targets on quarterly, half yearly and an annual basis.

### **5.3 Sources of Power procurement for FY 2025-26 to FY 2029-30**

#### **Petitioners Submission**

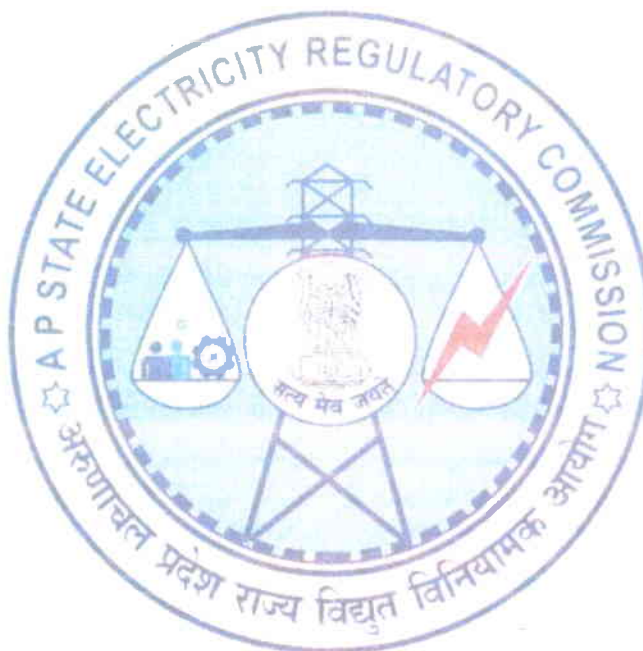
- 5.3.1** The Petitioner has stated that power is procured from various sources to meet the state's demand, with any surplus sold outside the state. For the MYT control period FY 2025-26 to FY 2029-30 the Petitioner has considered the same quantum as projected in FY 2024-25 and has escalated the cost by 5%. The details of the quantum of power purchased from various sources, both within and outside the state, along with the associated costs, are provided below:

#### **a) Central Sector Generating Stations Allocation**

The major power requirement is met by power allocation from Central Sector Generating Stations. The Petitioner has submitted that the overall allocation from the Central Generating Station to Arunachal Pradesh is 295.45MW. The Petitioner has projected the

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same quantum of energy (MU) as estimated for FY 2024-25 in above section of this order for FY 2025-26 to FY 2029-30 however the petitioner has considered an escalation in cost of 5% over FY 2024-25 which is being escalated with the same percentage for the entire MYT control period. The details of allocation of the central generating station along with associated cost projected by the Petitioner for FY 2025-26 to FY 2029-30 as is given in the table below:



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**Table 46 Power Purchase Quantum (MU) and Cost (RsCr) from CGS as projected by the Petitioner for FY 26 to FY 30**

Source of Power (Station wise)		Installed Capacity (MW)	APDOP share % (As on March'24)	APDOP share (MW)	Energy Received (MU)				Power Purchase Cost (Rs. Cr)						
					FY 26	FY27	FY28	FY29	FY30	FY26	FY27	FY28	FY29	FY30	
LOKTAK	NHPC	105	4.94	5.19	12.34	12.34	12.34	12.34	12.34	12.34	6.92	7.26	7.63	8.01	8.41
KOPILI-I	NEEPCO	200	5.19	10.4	11.91	11.91	11.91	11.91	11.91	11.91					
KOPILI-II	NEEPCO	25	5.99	1.5	8.35	8.35	8.35	8.35	8.35	8.35					
KHANDONG	NEEPCO	50	4.19	2.1	0.00	0.00	0.00	0.00	0.00	0.00					
Panyor Lower	NEEPCO	405	6.46	26.2	72.84	72.84	72.84	72.84	72.84	72.84					
Free Energy Panyor L	NEEPCO		12	48.6	140.07	140.07	140.07	140.07	140.07	140.07					
DOYANG	NEEPCO	75	6.85	5.14	9.48	9.48	9.48	9.48	9.48	9.48					
PARE	NEEPCO	110	5.87	6.5	25.16	25.16	25.16	25.16	25.16	25.16	205.51	215.78	226.57	237.90	249.79
Free Energy Pare	NEEPCO		13	14.3	57.29	57.29	57.29	57.29	57.29	57.29					
KAMENG	NEEPCO	600	1.83	11.0	44.70	44.70	44.70	44.70	44.70	44.70					
Free Energy Kameng	NEEPCO		12	7	313.16	313.16	313.16	313.16	313.16	313.16					
AGBPP	NEEPCO	291	5.69	16.6	98.46	98.46	98.46	98.46	98.46	98.46					
AGTCCPP	NEEPCO	135	6.7	9.0	43.79	43.79	43.79	43.79	43.79	43.79					
PALATANA	OTPC	726.6	3.03	22.0	122.16	122.16	122.16	122.16	122.16	122.16	46.57	48.90	51.34	53.91	56.60
BgTPP	NTPC	750	5.07	38.03	206.55	206.55	206.55	206.55	206.55	206.55	145.53	152.80	160.44	168.46	176.89
FARAKKA	NTPC	1600	0.19	3.0	19.70	19.70	19.70	19.70	19.70	19.70					
KAHALGAON	NTPC	840	0.24	2.02	9.90	9.90	9.90	9.90	9.90	9.90	21.89	22.98	24.13	25.34	26.61
TALCHAR	NTPC	1000	0.20	2.00	12.66	12.66	12.66	12.66	12.66	12.66					
Total				295.50	1208.50	1208.50	1208.50	1208.50	1208.50	1208.50	426.41	447.73	470.11	493.62	518.30
Total Unit Purchased (MU)					698.00	698.00	698.00	698.00	698.00	698.00	-	-	-	-	-
Total Free Unit Received (MU)					510.51	510.51	510.51	510.51	510.51	510.51	-	-	-	-	-



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**b) Power from Sources within the state**


The Petitioner also procures power from generators operating within the state and purchases the entire power generated by them. For the MYT control period FY 2025-26 to FY 2026-27 the Petitioner has projected the same generation source as estimated for FY 2024-25. However, the Petitioner has submitted additional new plants which it has considered in its power purchase projection from FY 2027-28 to FY 2029-30. The new sources are given in the table below:

**Table 47 State Sector installed capacity of upcoming plants as submitted by the Petitioner**

Sl. No.	Name of Project	Owner	Installed Capacity (MW)	DoP, AP Share	
				In%	In MW
1	Keyi HEP	DD Hydropower & Developers Pvt. Ltd.	23	100	23
3	Dibri HEP	Upper Bichom Small Hydro Projects Pvt. Ltd.	3.2	100	3.2
4	Dipre HEP	Upper Bichom Small Hydro Projects Pvt. Ltd.	6.5	100	6.5
5	Yameng HEP	Yammeng Green Energy Pvt. Ltd.	15	100	15
6	Pareng HEP	Virtuaal Pareng Hydro Pvt. Ltd.	14.5	100	14.5
7	Ressing HEP	Gekam Power Private Ltd.	12	100	12
8	Dengzi HEP	Buru Energy Pvt. Ltd.	18	100	18
9	Halaipani HEP	Halaipani Hydro Project Pvt. Ltd.	16	100	16

The Petitioner for the above new plants has assumed a per unit rate of Rs.5.25 for projection of power purchase cost. The Petitioner has further stated that since DHPD and APEDA operate under the same state government (AP), APDOP does not incur any cost for the power received from them and has therefore requested the Commission to consider it as free power. Additionally, the Petitioner has mentioned that the power received from APEDA is utilized to meet solar RPO compliance. In some areas DG sets are also kept in standby to meet the power requirement.

The detail of Power purchase quantum (MU) and cost (Rs. Cr) projected by the Petitioner for the period FY 2025-26 to FY 2029-30 is given in the table below:



**Table 48 State Sector Generation(MU) & Cost Projected by the Petitioner for FY 2025-26 to FY 2029-30**

S.No	Particulars of the Project	Installed Capacity	Energy Projected (MU)					Projected Power Purchase Cost(Rs.Cr)				
			FY26	FY27	FY28	FY29	FY30	FY26	FY27	FY28	FY29	FY30
1	DHPD	81.54MW	56.74	56.74	56.74	56.74	56.74	0.00	0.00	0.00	0.00	0.00
2	Sumbachu HEP	3MW	6.37	6.37	6.37	6.37	6.37	2.67	2.80	2.94	3.09	3.24
3	Dikshi HEP	24MW	65.26	65.26	65.26	65.26	65.26	37.68	39.56	41.54	43.62	45.80
	Free Energy Dikshi		7.25	7.25	7.25	7.25	7.25	0.00	0.00	0.00	0.00	0.00
4	Khanteng HEP	7.5MW	25.76	25.76	25.76	25.76	25.76	-	9.89	10.38	11.42	11.99
5	KEYI	23 MW	-	-	90.67	90.67	90.67	-	-	47.60	49.98	52.48
6	DIBRI	3.2 MW	-	-	12.61	12.61	12.61	-	-	6.62	6.95	7.30
7	DIPRE	6.5 MW	-	-	25.62	25.62	25.62	-	-	13.45	14.12	14.83
8	YAMENG	15 MW	-	-	59.13	59.13	59.13	-	-	31.04	32.60	34.23
9	PARENG	14.5 MW	-	-	57.16	57.16	57.16	-	-	30.01	31.51	33.08
10	RESSING	12 MW	-	-	47.30	47.30	47.30	-	-	24.83	26.08	27.38
11	DENGZI	18 MW	-	-	70.96	70.96	70.96	-	-	37.25	39.11	41.07
12	HALAIPANI	16 MW	-	-	63.07	63.07	63.07	-	-	33.11	34.77	36.51
13	Solar	4,188 MW	0.55	0.55	0.55	0.55	0.55	0.00	0.00	0.00	0.00	0.00
14	Diesel Generation	-	0.32	0.32	0.32	0.32	0.32	-	-	-	-	-
Total			161.92	161.92	588.45	588.45	588.45	50.24	52.75	279.83	293.82	308.51

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**c) Power from other sources**

The Petitioner has further submitted that during exigencies power is purchased from the market and also banking of energy is done during the high hydro season and same is taken back during the lean hydro season. The details of the power sources projected by the Petitioner for FY 2025-26 to FY 2029-30 is given in the table below:

**Table 49 Details of Power sources projected by the Petitioner from other sources for FY 2025-26 to FY 2029-30**

Table 12: Breakdown of Power Sources Projected by the Regulator from Other Sources for FY 2025-26 to FY 2027-28											
S.No	Source of Power	Projected Energy to be Received (MU)					Projected Cost (Rs. Cr)				
		FY26	FY27	FY28	FY29	FY30	FY26	FY27	FY28	FY29	FY30
1	Deviation	88.61	84.18	79.97	75.97	72.17	54.80	54.80	54.80	57.55	60.42
2	IEX Purchase	23.19	23.19	23.19	23.19	23.19	9.64	10.12	10.62	11.16	11.71
3	Banking (Import)	120.28	126.30	132.61	139.24	146.20	-	-	-	-	-
4	TGNA	0.00	0.00	0.00	0.00	0.00	-	-	-	-	-
	<b>Total</b>	<b>232.08</b>	<b>233.67</b>	<b>235.77</b>	<b>238.41</b>	<b>241.57</b>	<b>64.44</b>	<b>64.92</b>	<b>65.43</b>	<b>68.70</b>	<b>72.14</b>

**d) Other Charges associated with Power Purchase**

The Petitioner has submitted the interstate and intrastate transmission charges along with NERLDC/NERPC charges and other expenses have been projected by the Petitioner by escalating the estimated value of FY 2024-25 to arrive at the projected values for FY 2025-26 to FY 2029-30. The details of cost associated is given in the table below:

**Table 50 Other Charges projected by the Petitioner for FY 2025-26 to FY 2029-30(Rs.Cr)**

S.No	Particulars	Cost in (Rs. Cr)				
		FY26	FY27	FY28	FY29	FY30
1	NERLDC Fee & Charges	2.09	2.19	2.30	2.42	2.54
2	NERPC board fund	0.01	0.01	0.01	0.01	0.01
3	CTUIL (Transmission charges)	104.53	109.86	144.70	151.94	159.53
4	PGCIL	1.9	1.9	1.9	1.9	1.9
5	APDCL	4.43	4.65	4.88	5.13	5.38
6	Devi Energies Interstate Transmission Charges	11.45	11.45	11.45	11.45	11.45
7	Reactive charges	0.17	0.18	0.19	0.20	0.21
8	Miscellaneous	0.21	0.23	0.24	0.25	0.26
	<b>Total</b>	<b>124.79</b>	<b>130.47</b>	<b>165.57</b>	<b>173.3</b>	<b>181.28</b>

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The Petitioner has further stated that in certain places of border areas of Arunachal Pradesh and Assam the DoP, AP and APDCL (Assam Power Distribution Company Limited) DoP used to draw power from each other. The transaction of such power is settled under the deviation mechanism and APDCL submits the bill for transmission charges of net quantum of power transacted as per their approved transmission tariff. The Petitioner for projecting the cost of APDCL has considered the actual bills submitted for the last four years i.e. FY 2019-20 to FY 2022-23 and has projected the cost by an escalation of 5%. The Petitioner has also applied the same approach of 5% escalation for other particulars as mentioned in the above table.

### **Commissions Analysis**

- 5.3.2** The Commission has observed that Petitioner has considered the actual power purchase cost paid for FY 2023-24 and has escalated cost of power purchase by 5% keeping the same quantum of energy. However, for the purpose of optimised projection of power purchase cost, the cost should reflect the actual / average rate at which power was procured from the generators during the last financial year.
- 5.3.3** For projecting the power purchase cost for FY 2025-26 to FY 2029-30 the Commission has considered the latest available bill submitted by the Petitioner of FY 2024-25 and has bifurcated the fixed and energy charges after which an escalation of 5% on both capacity and energy charges is being applied year on year for the five-year control period to arrive at the power purchase expense. The Commission has considered the same quantum of energy (MU) as estimated in FY 2024-25 for the projections of FY 2025-26 to FY 2029-30.
- 5.3.4** The Commission has also reviewed the Petitioner's submission regarding the inclusion of nine new state-sector projects, as referred to in para 5.3.1(b). However, the Commission observes that the Petitioner has not made a diligent effort to accurately project power sources, as several of these plants have yet to begin construction, making their commissioning within the Control Period highly uncertain. Consequently, the Commission has considered power projections from only three projects—Keyi, Parreng, and Rassing—since work on these projects has commenced, and their commissioning is expected in the final phase of the Control Period. Accordingly, the Commission has included projections from these three plants beginning in FY 2029-30. Additionally, the Commission notes that the Petitioner has arbitrarily assumed a per-unit rate of ₹5.25 without any justified rationale. This reflects a casual approach, which

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the Commission finds inappropriate. Instead, the Commission has adopted the rates finalized in the TEC for power purchase cost projections.

**5.3.5** It is observed that the Petitioner has projected the cost for DHPD as nil. However, since the Commission has previously accounted for the power purchase cost of DHPD in earlier order for the Petitioner at an approved rate, the same approach has been applied to determine the cost of power procured from DHPD. The Commission has calculated a weighted average tariff for different categories of DHPD plants, arriving at an average rate of Rs. 1.42 per unit for the procured units. Additionally, the Commission has considered the per-unit rate of Sumbachu HEP as Rs. 2.02 per unit, as approved in its order dated 16.12.2024. Furthermore, in FY 2024-25, the Khantang HEP (7.5 MW) was commissioned, and the Petitioner received 23.55 MU of energy. The Commission has considered a tariff of Rs. 4.37 per unit, as approved in its order dated 07.03. 2025. The Commission has also noted that the Petitioner has not considered the free power it would receive from Khantang HEP from the third year from COD. The Commission has considered the applicable free power from the plant in its power procurement projections accordingly.

**5.3.6** The Commission has also reviewed the estimated total energy to be received by the Petitioner from various sources, including the contribution of free power, as detailed below:

**Table 51 Analysis of projected power procurement details and free Power to be received by the Petitioner (MU) for FY 26 to FY 30**

Source	FY26		FY27		FY28		FY29		FY30	
	Power Procured (MU)	Free Power (MU)	Power Procured (MU)	Free Power (MU)	Power Procured (MU)	Free Power (MU)	Power Procured (MU)	Free Power (MU)	Power Procured (MU)	Free Power (MU)
Central Generating Station	1,208.52	510.52	1,208.52	510.52	1,208.52	510.52	1,208.52	510.52	1,208.52	510.52
State Generating Station	162.25	7.25	162.25	10.47	162.25	10.47	159.03	10.47	159.03	10.47
Others	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,370.77</b>	<b>517.77</b>	<b>1,370.77</b>	<b>520.99</b>	<b>1,370.77</b>	<b>520.99</b>	<b>1,367.55</b>	<b>520.99</b>	<b>1,367.55</b>	<b>520.99</b>

**5.3.7** The Commission has observed that the Petitioner is expected to receive conservatively more than 30% of the total power procured as free power for FY 2025-26 to FY 2029-30. Moreover, with the commissioning of the Subansiri Lower HEP (2000 MW), the availability of free power is set to increase significantly. The state of Arunachal Pradesh is entitled to a substantial 87% free power from the total entitlement of 274MW share from this plant, based on its

  
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allocated capacity. However, the Petitioner has not included the power from Subansiri Lower HEP in its MYT projections.

**5.3.8** The Petitioner has not effectively incorporated the free power into its procurement schedule and has instead resorted to purchasing more expensive power from outside the state/exchanges. With several new plants set to be commissioned in the state in the coming years, the Petitioner will benefit from additional free power. The Commission believes that the Petitioner should establish a proper mechanism to better utilize the free power, ensuring that the overall power purchase cost is optimized without compromising the ability to meet demand.

**5.3.9** Additionally, the Commission has not included power procurement from the exchange in its projections for FY 2025-26 to FY 2029-30, as it believes the Petitioner has sufficient free power that can be effectively utilized through banking arrangements to meet demand during periods of acute shortage. However, this aspect will be reviewed during the true-up process. Furthermore, the Commission has not considered energy received from UI/Deviation, as it does not qualify as a source of power procurement.

**5.3.10** For interstate transmission charges (CTUIL), the Commission has applied a 5% escalation on the approved estimate for FY 2024-25 to determine costs for the five-year Control Period. In the case of PGCIL charges, the Commission has retained the values submitted by the Petitioner for projection. Additionally, the Commission has incorporated the transmission charges approved for Devi Energies Pvt. Ltd., as per the order dated 04.03.2025, by applying the approved rates of FY 2024-25 for the projection period from FY 2025-26 to FY 2029-30. Regarding APDCL charges, no amount has been considered at this stage; however, all approved charges will be reassessed during the true-up exercise.

**5.3.11** For NERLDC, NERPC, and other expenses, the Commission has reviewed the Petitioner's submission, wherein the Petitioner has projected the actual costs by applying a 5% year-on-year escalation for the upcoming five-year Control Period. The Commission has accepted these projections as submitted by the Petitioner; however, they will be subject to review during the true-up exercise.

**5.3.12** The Commission further directs the Petitioner to minimize the purchase of costly power and implement measures to optimize power procurement costs. It has been observed that the Petitioner continues to procure power from certain high-cost plants such as BGTPP, OTPC Palatana, and AGBPP. While the Commission acknowledges that the Petitioner has long-term

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PPAs however, it is imperative for the Petitioner to explore other sources which would enhance cost-optimization without compromising energy availability. Accordingly, the Commission has approved the power purchase cost for FY 2025-26 to FY 2029-30 as detailed in the table below:

**5.3.13 Table 52 Power Purchase Cost & Quantum approved by the Commission for FY 2025-26**

Source of Power (Station-wise)		Energy (MU)	Fixed charges (Rs Cr)	Variable Charges (Rs/kWh)	Variable charges (Rs Cr)	Other charges (Rs Cr)	Total charges (Rs Cr)
LOKTAK	NHPC	12.34	5.01	2.04	2.52	0.02	7.55
Subansiri		-	-	-	-	-	-
Free Energy		-	-	-	-	-	-
KOPILI-I	NEEPCO	11.91	-	2.47	2.94	-	2.94
KOPILI-II	NEEPCO	8.35	0.73	1.59	1.33	-	2.06
KHANDONG	NEEPCO	-	-	-	-	-	-
Panyor Lower	NEEPCO	72.84	14.11	1.47	10.73	-	24.84
Free Energy Panyor Lower	NEEPCO	140.07	-	-	-	-	-
DOYANG	NEEPCO	9.48	0.47	3.66	3.47	-	3.94
PARE	NEEPCO	25.16	-	5.61	14.11	-	14.11
Free Energy Pare	NEEPCO	57.29	-	-	-	-	-
KAMENG	NEEPCO	44.70	-	4.20	18.78	-	18.78
Free Energy Ka-meng	NEEPCO	313.16	-	-	-	-	-
AGBPP	NEEPCO	98.46	16.62	5.33	52.50	-	69.12
AGTCCPP	NEEPCO	43.79	6.17	4.77	20.87	-	27.04
PALATANA	OTPC	122.16	15.61	2.20	26.87	0.19	42.68
BgTPP	NTPC	206.55	65.77	4.12	85.02	-	150.79
FARAKKA	NTPC	19.70	1.99	3.47	6.83	-	8.82
KAHALGAON	NTPC	9.90	1.20	3.18	3.15	1.42	5.77
TALCHAR	NTPC	12.66	1.29	1.67	2.11	1.24	4.64
DHPD	GoAP	56.74	-	1.42	8.06	-	8.06
HPDCL	SPSU	6.37	-	2.02	1.29	-	1.29
DIKSHI	IPP	65.26	-	5.25	34.26	-	34.26
Free Energy Dikshi		7.25	-	-	-	-	-
Khantang	IPP	23.55	-	4.37	11.26	-	11.26
SOLAR	APEDA	0.55	-	-	-	-	-
Diesel Generation		0.32	-	-	-	-	-
Deviation	-	-	-	-	-	-	-
IEX Purchase	-	-	-	-	-	-	-
Banking (Import)	-	-	-	-	-	-	-
Total		1370.75	-	-	-	-	437.74
Free Unit received		517.77	-	-	-	-	-
Total Purchased		852.98	-	-	-	-	-

**Table 53 Power Purchase Cost & Quantum approved by the Commission for FY 2026-27**

Source of Power (Station-wise)		Energy (MU)	Fixed charges (Rs Cr)	Variable Charges (Rs/kWh)	Variable charges (Rs Cr)	Other charges (Rs Cr)	Total charges (Rs Cr)
LOKTAK	NHPC	12.34	5.26	2.14	2.65	0.02	7.93
Subansiri		-	-	-	-	-	-
Free Energy		-	-	-	-	-	-
KOPILI-I	NEEPCO	11.91	-	2.59	3.09	-	3.09
KOPILI-II	NEEPCO	8.35	0.77	1.67	1.40	-	2.16
KHANDONG	NEEPCO	-	-	-	-	-	-
Panyor Lower	NEEPCO	72.84	14.82	1.55	11.27	-	26.08
<b>Free Energy Panyor Lower</b>	<b>NEEPCO</b>	140.07	-	-	-	-	-
DOYANG	NEEPCO	9.48	0.49	3.84	3.64	-	4.13
PARE	NEEPCO	25.16	-	5.89	14.82	-	14.82
<b>Free Energy Pare</b>	<b>NEEPCO</b>	57.29	-	-	-	-	-
KAMENG	NEEPCO	44.70	-	4.41	19.71	-	19.71
<b>Free Energy Kameng</b>	<b>NEEPCO</b>	313.16	-	-	-	-	-
AGBPP	NEEPCO	98.46	17.45	5.60	55.12	-	72.57
AGTCCPP	NEEPCO	43.79	6.48	5.00	21.91	-	28.40
PALATANA	OTPC	122.16	16.40	2.31	28.21	0.19	44.80
BgTPP	NTPC	206.55	69.06	4.32	89.27	-	158.33
FARAKKA	NTPC	19.70	2.09	3.64	7.17	-	9.26
KAHALGAON	NTPC	9.90	1.26	3.34	3.31	1.42	5.99
TALCHAR	NTPC	12.66	1.35	1.75	2.22	1.24	4.81
DHPD	GoAP	56.74	-	1.42	8.06	-	8.06
HPDCL	SPSU	6.37	-	2.02	1.29	-	1.29
DIKSHI	IPP	65.26	-	5.25	34.26	-	34.26
Free Energy Dikshi	IPP	7.25	-	-	0.00	-	-
Khantang		22.54	-	4.37	11.26	-	9.85
Free Energy Khangtang		3.22	-	-	-	-	-
SOLAR	APEDA	0.55	-	-	-	-	-
Diesel Generation		0.32	-	-	-	-	-
Deviation	-	-	-	-	-	-	-
IEX Purchase	-	-	-	-	-	-	-
Banking (Import)	-	-	-	-	-	-	-
<b>Total (MU)</b>		<b>1370.75</b>	-	-	-	-	-
<b>Free Unit received (MU)</b>		<b>520.99</b>	-	-	-	-	-
<b>Total Purchased (MU)</b>		<b>849.76</b>	-	-	-	-	<b>455.54</b>

  
Secretary



**Table 54 Power Purchase Cost & Quantum approved by the Commission for FY 2027-28**

Source of Power (Station-wise)		Energy (MU)	Fixed charges (Rs Cr)	Variable Charges (Rs/kWh)	Variable charges (Rs Cr)	Other charges (Rs Cr)	Total charges (Rs Cr)
LOKTAK	NHPC	12.34	5.52	2.25	2.78	0.02	8.32
Subansiri							
Free Energy							
KOPILI-I	NEEPCO	11.91	-	2.72	3.24	-	3.24
KOPILI-II	NEEPCO	8.35	0.81	1.76	1.47	-	2.27
KHANDONG	NEEPCO	-	-	-	-	-	-
Panyor Lower	NEEPCO	72.84	15.56	1.62	11.83	-	27.39
Free Energy Panyor Lower	NEEPCO	140.07	-	-	0.00	-	-
DOYANG	NEEPCO	9.48	0.51	4.04	3.83	-	4.34
PARE	NEEPCO	25.16	-	6.18	15.56	-	15.56
Free Energy Pare	NEEPCO	57.29	-	-	-	-	-
KAMENG	NEEPCO	44.70	-	4.63	20.70	-	20.70
Free Energy Kameng	NEEPCO	313.16	-	-	-	-	-
AGBPP	NEEPCO	98.46	18.32	5.88	57.88	-	76.20
AGTCCPP	NEEPCO	43.79	6.81	5.25	23.01	-	29.82
PALATANA	OTPC	122.16	17.21	2.43	29.63	0.19	47.03
BgTTP	NTPC	206.55	72.51	4.54	93.73	-	166.24
FARAKKA	NTPC	19.70	2.19	3.82	7.53	-	9.72
KAHALGAON	NTPC	9.90	1.32	3.51	3.47	1.42	6.22
TALCHAR	NTPC	12.66	1.42	1.84	2.33	1.24	4.99
DHPD	GoAP	56.74	-	1.42	8.06	-	8.06
HPDCL	SPSU	6.37	-	2.02	1.29	-	1.29
DIKSHI	IPP	65.26	-	5.25	34.26	-	34.26
Free Energy Dikshi	IPP	7.25	-	-	-	-	-
Khantang		22.54	-	4.37	11.26	-	9.85
Free Energy Khantang		3.22	-	-	-	-	-
SOLAR	APEDA	0.55	-	-	-	-	-
Diesel Generation		0.32	-	-	-	-	-
Deviation	-	-	-	-	-	-	-
IEX Purchase	-	-	-	-	-	-	-
Banking (Import)	-	-	-	-	-	-	-
<b>Total(MU)</b>		<b>1370.75</b>	-	-	-	-	<b>475.50</b>
<b>Free Unit received (MU)</b>		<b>520.99</b>	-	-	-	-	-
<b>Total Purchased (MU)</b>		<b>849.76</b>	-	-	-	-	-



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**Table 55 Power Purchase Cost & Quantum approved by the Commission for FY 2028-29**

Source of Power (Station-wise)		Energy (MU)	Fixed charges (Rs Cr)	Variable Charges (Rs/kWh)	Variable charges (Rs Cr)	Other charges (Rs Cr)	Total charges (Rs Cr)
LOKTAK	NHPC	12.34	5.80	2.36	2.92	0.02	8.74
Subansiri							
Free Energy							
KOPILI-I	NEEPCO	11.91	-	2.86	3.40	-	3.40
KOPILI-II	NEEPCO	8.35	0.85	1.85	1.54	-	2.39
KHANDONG	NEEPCO	-	-	-	-	-	-
Panyor Lower	NEEPCO	72.84	16.34	1.71	12.42	-	28.76
<b>Free Energy Panyor Lower</b>	<b>NEEPCO</b>	<b>140.07</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
DOYANG	NEEPCO	9.48	0.54	4.24	4.02	-	4.56
PARE	NEEPCO	25.16	-	6.49	16.33	-	16.33
<b>Free Energy Pare</b>	<b>NEEPCO</b>	<b>57.29</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
KAMENG	NEEPCO	44.70	-	4.86	21.74	-	21.74
<b>Free Energy Kameng</b>	<b>NEEPCO</b>	<b>313.16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
AGBPP	NEEPCO	98.46	19.24	6.17	60.77	-	80.01
AGTCCPP	NEEPCO	43.79	7.15	5.52	24.16	-	31.31
PALATANA	OTPC	122.16	18.08	2.55	31.11	0.19	49.38
BgTPP	NTPC	206.55	76.14	4.76	98.42	-	174.56
FARAKKA	NTPC	19.70	2.30	4.01	7.90	-	10.21
KAHALGAON	NTPC	9.90	1.39	3.68	3.65	1.42	6.45
TALCHAR	NTPC	12.66	1.49	1.93	2.45	1.24	5.18
DHPD	GoAP	56.74	-	1.42	8.06	-	8.06
HPDCL	SPSU	6.37	-	2.02	1.29	-	1.29
DIKSHI	IPP	65.26	-	5.25	34.26	-	34.26
Free Energy Dikshi		7.25	-	-	-	-	-
Khantang	IPP	22.54	-	4.37	11.26	-	9.85
Free Energy Khantang		3.22	-	-	-	-	-
SOLAR	APEDA	0.55	-	-	-	-	-
Diesel Generation		0.32	-	-	-	-	-
Deviation	-	-	-	-	-	-	-
IEX Purchase	-	-	-	-	-	-	-
Banking (Import)	-	-	-	-	-	-	-
<b>Total (MU)</b>		<b>1370.75</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>496.46</b>
<b>Free Unit received (MU)</b>		<b>520.99</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Purchased (MU)</b>		<b>849.76</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 56 Power Purchase Cost & Quantum approved by the Commission for FY 2029-30**

Source of Power (Station-wise)		Energy (MU)	Fixed charges (Rs Cr)	Variable Charges (Rs/kWh)	Variable charges (Rs Cr)	Other charges (Rs Cr)	Total charges (Rs Cr)
LOKTAK	NHPC	12.34	6.09	2.48	3.063	0.02	9.18
Subansiri							
Free Energy							
KOPILI-I	NEEPCO	11.91	-	3.00	3.572	-	3.57

  
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Source of Power (Station-wise)		Energy (MU)	Fixed charges (Rs Cr)	Variable Charges (Rs/kWh)	Variable charges (Rs Cr)	Other charges (Rs Cr)	Total charges (Rs Cr)
KOPILI-II	NEEPCO	8.35	0.89	1.94	1.617	-	2.51
KHANDONG	NEEPCO	-	-	-	0.000	-	-
Panyor Lower	NEEPCO	72.84	17.15	1.79	13.043	-	30.20
<b>Free Energy Panyor Lower</b>	<b>NEEPCO</b>	140.07	-	-	0.000	-	-
DOYANG	NEEPCO	9.48	0.57	4.45	4.219	-	4.79
PARE	NEEPCO	25.16	-	6.82	17.151	-	17.15
<b>Free Energy Pare</b>	<b>NEEPCO</b>	57.29	-	-	0.000	-	-
KAMENG	NEEPCO	44.70	-	5.11	22.822	-	22.82
<b>Free Energy Kameng</b>	<b>NEEPCO</b>	313.16	-	-	0.000	-	-
AGBPP	NEEPCO	98.46	20.20	6.48	63.810	-	84.01
AGTCCPP	NEEPCO	43.79	7.50	5.79	25.366	-	32.87
PALATANA	OTPC	122.16	18.98	2.67	32.662	0.19	51.83
BgTTP	NTPC	206.55	79.95	5.00	103.339	-	183.28
FARAKKA	NTPC	19.70	2.42	4.21	8.299	-	10.72
KAHALGAON	NTPC	9.90	1.45	3.87	3.828	1.42	6.71
TALCHAR	NTPC	12.66	1.56	2.03	2.569	1.24	5.38
DHPD	GoAP	56.74	-	1.42	8.056	-	8.06
HPDCL	SPSU	6.37	-	2.02	1.286	-	1.29
DIKSHI	IPP	65.26	-	5.25	34.261	-	34.26
Free Energy Dikshi		7.25	-	-	-	-	-
Khantang	IPP	22.54	-	4.37	11.257	-	9.84
Free Power Khantang		3.22	-	-	-	-	-
Keyi	IPP	90.67	-	4.10	37.173	-	37.17
Pareng	IPP	57.16	-	4.98	28.465	-	28.47
Ressing	IPP	47.30	-	4.30	20.341	-	20.34
SOLAR	APEDA	0.55	-	-	-	-	-
Diesel Generation		0.32	-	-	-	-	-
Deviation		-	-	-	-	-	-
IEX Purchase		-	-	-	-	-	-
Banking (Import)		-	-	-	-	-	-
<b>Total</b>		<b>1565.88</b>					<b>604.45</b>
<b>Free Unit received (MU)</b>	-	<b>520.98</b>					
<b>Total Purchased (MU)</b>	-	<b>1044.89</b>					

**Table 57 Inter&Intra State transmission charges along with NERLDC/NERPC and other charges approved by the Commission for FY 2025-26 to FY 2029-30**

S.No	Particulars	Cost in (Rs. Cr)				
		FY26	FY27	FY28	FY29	FY30
1	NERLDC Fee & Charges	2.08	2.19	2.30	2.41	2.53
2	NERPC board fund	0.01	0.01	0.01	0.01	0.01
3	CTUIL (Transmission charges)	104.53	109.86	144.70	151.94	159.53
4	PGCIL	1.9	1.9	1.9	1.9	1.9
5	Devi Energies Interstate Transmission Charges	10.41	10.41	10.41	10.41	10.41
	<b>Total</b>	<b>118.93</b>	<b>124.37</b>	<b>159.32</b>	<b>166.67</b>	<b>174.38</b>

  
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The Commission acknowledges that the petition for the Arunachal Pradesh State Load Dispatch Centre (ArPSLDC) is currently under review, as it was submitted late by SLDC. Consequently, the Commission has not determined the associated fees and charges at this stage. However, the Petitioner is directed to incorporate the state SLDC charges once they are approved by the Commission and include them in the next petition to be submitted.

## 5.4 Energy Requirement and Availability

### Petitioners Submission

**5.4.1** Based on the above submissions made in above section of the order the Petitioner has projected the the Net Energy Input required in the State for FY2025-26 to FY 2029-30, used in AT&C loss projection, which is given in the table below

**Table 58 Net Energy (MU) Input Projected by the Petitioner for FY 2025-26 to FY 2029-30**

Particulars	Calculation	Unit	FY26	FY27	FY28	FY29	FY30
Energy Import from Grid	A	MU	1297.11	1292.68	1288.47	1284.48	1280.68
Energy Export Out Side the State	B	MU	430.68	446.72	804.84	595.12	460.17
Energy Injected in State from Grid	C=A-B	MU	866.43	845.96	483.63	689.35	820.51
Transmission loss on C (3.5%)	D	MU	30.41	27.49	15.72	22.4	26.67
<b>State Own Generation + other Source</b>	E	MU	305.72	311.73	744.57	751.2	758.16
Gross Input Energy (including Export outside the state)	F=A+E	MU	1602.83	1604.42	2033.05	2035.68	2038.84
Input Energy (in the State)	F=C+E	MU	1172.15	1157.69	1228.2	1440.55	1578.67
Net Input Energy (in the State)	G=F-D	MU	1141.74	1130.20	1212.49	1418.15	1552

### Commissions Analysis

**5.4.2** The Commission has analysed the submissions made by the Petitioner for calculating approved energy available for the period under consideration. In the table given below, for the Energy Balance for FY 2025-26 to FY 2029-30, the Commission has considered the AT&C losses approved under RDSS for the respective years and based on collection efficiency of 99%, the Distribution losses for the years is being determined. Accordingly, the energy sales have been grossed up to determine the energy requirement within the state.

**5.4.3** Further, the State Transmission losses is considered at 3.25%. Further, transmission losses as reported by Grid Controller of India (National Load Despatch Centre) (i.e., CTU losses) are also considered, that have been derived from the actual weekly transmission losses of CTU for FY 2024-25 taking an average of 3.5% during the period mentioned.

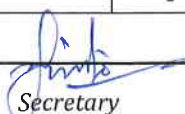
  
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**5.4.4** Regarding sale of energy outside of state, the Commission had earlier on many occasions emphasised the transparency and accountability on the subject. In the directives issued in earlier true up order, the Commission observed that the petitioner has not submitted the supporting documents to demonstrate that the petitioner is making profits by selling its surplus power received from its tied up generating stations in the open market. However, no such documents or information has been submitted by the petitioner in this petition as well. The petitioner has considered a certain quantum of power to be sold in the open market while estimating total demand of the state. However, we are of the view that such quantum to be sold in the open market should be limited to the surplus power after meeting domestic requirement from the total availability from tied up sources. Accordingly, we have arrived at the approved net energy as shown in the table below. Simultaneously, the petitioner is directed not to pre-determine the quantum of surplus power to be sold outside the state. Further the petitioner is directed to sell such surplus power if any, through a transparent process and submit the procedure adopted by the petitioner in selling surplus power along with supporting documents as directed by the commission in earlier orders.

**Table 59 Approved Net Input Energy (MU) for FY 2025-26 to FY 2029-30**

Particulars	FY26	FY27	FY28	FY29	FY30
<b>A. Energy Requirement</b>					
Energy sales within the state as approved for the period (MU)	845.54	949.16	1066.71	1200.21	1351.95
Distribution loss (in %) (Considering approved AT&C loss of 22% and Collection efficiency at 99%)	17.17%	14.14%	11.11%	11.11%	11.11%
<b>Energy Requirement within the state (MU)</b>	990.73	1083.38	1185.24	1333.57	1502.17
State transmission losses (in %)	3.25%	3.25%	3.25%	3.25%	3.25%
<b>Total Energy requirement at State periphery for sale within the State (MU) (A)</b>	<b>1022.93</b>	<b>1118.59</b>	<b>1223.76</b>	<b>1376.91</b>	<b>1550.99</b>
<b>B. Energy availability within the State</b>					
DG set (in MU)	0.32	0.32	0.32	0.32	0.32
DHPD (in MU)	56.74	56.74	56.74	56.74	56.74
HPDCAPL (in MU)	6.37	6.37	6.37	6.37	6.37
DIKSHI (in MU)	65.26	65.26	65.26	65.26	65.26
DIKSHI (Free power) (in MU)	7.25	7.25	7.25	7.25	7.25
Solar/APEDA (in MU)	0.55	0.55	0.55	0.55	0.55
Khangtang (in MU)	25.76	22.54	22.54	22.54	22.54
Khangtang Free Power (MU)	-	3.22	3.22	3.22	3.22
Keyi (MU)	-	-	-	-	90.67
Pareng (MU)	-	-	-	-	57.16
Ressing (MU)	-	-	-	-	47.30



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Particulars	FY26	FY27	FY28	FY29	FY30
<b>Total Energy Available within the State (B)</b>	<b>162.25</b>	<b>162.25</b>	<b>162.25</b>	<b>162.25</b>	<b>357.38</b>
<b>C. Energy availability outside the State</b>					
Free power (in MU) (i)	510.52	510.52	510.52	510.52	510.52
Energy available from Central Generating Stations (in MU) (ii)	698.00	698.00	698.00	698.00	698.00
<b>Energy available from outside the State generation at State Periphery (in MU) (i + ii)</b>	<b>1,208.52</b>	<b>1,208.52</b>	<b>1,208.52</b>	<b>1,208.52</b>	<b>1,208.52</b>
CTU loss	3.5%	3.5%	3.5%	3.5%	3.5%
<b>Energy available from outside the State (Ex-Bus) (in MU) (C)</b>	<b>1,251.30</b>	<b>1,251.30</b>	<b>1,251.30</b>	<b>1,251.30</b>	<b>1,251.30</b>
<b>D. Total Energy available from all sources (in MU) (B + C)</b>	<b>1,413.55</b>	<b>1,413.55</b>	<b>1,413.55</b>	<b>1,413.55</b>	<b>1,608.68</b>
<b>Surplus power available (in MU) (D-A)</b>	<b>390.62</b>	<b>294.96</b>	<b>189.79</b>	<b>36.64</b>	<b>57.69</b>

## 5.5 Operation and Maintenance (O&M) Expenses

### Petitioners Submission

**5.5.1** The Petitioner has submitted the operation and maintenance cost for FY 2025-26 to FY 2029-30 of FY 2023-24 in accordance with APSERC MYT Regulations 2024. The break-up of O&M Expense has also been submitted for (1) Employee cost, (2) Repair and Maintenance cost and (3) Administrative and General costs. The Petitioner has submitted that at present there are 10029 number of employees as tabulated in the table below. Accordingly, expenses of previous year has been escalated by escalation factor which has been determined by considering 20% weightage to the average yearly inflation derived based on the monthly wholesale price index (WPI) of the past three financial years (FY 2021-22, FY 2022-23 & FY 2023-24) as per the office of Economic Advisor of Government of India and 80% weightage to the average yearly inflation derived based on the monthly Consumer Price Index (CPI) for industrial workers of the past three financial years (FY 2021-22, FY 2022-23 & FY 2023-24) as per the Labour Bureau, Government of India. The details submission of the Petitioner is given in the table below:

**Table 60 Number of Employees Projected by the Petitioner for FY 2025-26 to FY 2029-30**

S.No	Particulars	FY26	FY27	FY28	FY29	FY30
1	Regular Employees	1054	1054	1054	1054	1054
2	Work Charged Employees	2786	2786	2786	2786	2786
3	Casual Employees	6189	6189	6189	6189	6189
	<b>Total</b>	<b>10029</b>	<b>10029</b>	<b>10029</b>	<b>10029</b>	<b>10029</b>

  
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**Table 61 O&M expense projected by the Petitioner for FY 2025-26 to FY 2029-30(Rs.Cr)**

S.No	Particulars	FY 26	FY27	FY28	FY29	(FY30)
1	Employee Expenses	433.23	458.61	484.84	513.24	543.31
2	A&G Expenses	12.98	13.74	14.53	15.38	16.28
3	R&M Expenses	38.55	40.81	43.14	45.67	48.35
4	<b>Total O&amp;M Expenses</b>	<b>484.76</b>	<b>513.16</b>	<b>542.51</b>	<b>574.29</b>	<b>607.94</b>

**5.5.2** The Petitioner has requested the Commission to approve the O&M expenses as mentioned in the table above.

### Commissions Analysis

**5.5.3** The Commission has referred to clause 4.10 of the APSERC MYT Regulations 2024 for computation of O&M expenses of the Petitioner for the period FY 2025-26 to FY 2029-30.

The relevant extract is cited below:

#### ***"4.10. Operation and Maintenance Expenses (O&M)***

*(1) The Operation and Maintenance expenses shall be computed in accordance with these Regulations.*

*(2) Operation and Maintenance (O&M) expenses shall comprise of the following:*

- (a) Employee (EMP) expenses -salaries, wages, pension contribution and other employee costs.*
- (b) Administrative and General (A&G) expenses including insurance charges if any; and:*
- (c) Repairs and Maintenance (R&M) expenses.*

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

$$\mathbf{O\&Mn = (R\&Mn + EMPn + A\&Gn) + Terminal Liabilities;}$$

*(4) Employee Cost Employee cost shall be computed on employee expenses for previous year escalated by appropriate escalation factor which would be determined by considering 20% weightage to the average yearly inflation derived based on the monthly wholesale price index (WPI) of the respective past three financial years as per the office of Economic Advisor of Government of India and 80% weightage to the average yearly inflation derived based on the monthly Consumer Price Index (CPI) for industrial workers of the respective past three financial years as per the Labour Bureau, Government of India and suitable Growth Factor adjusted by provisions for expenses beyond the control of the Licensee such as recovery/adjustment of terminal benefits, implications of Pay Commission, arrears and Interim Relief, governed by the following formula:*

$$\mathbf{EMPn = (EMPn-1) \times (1 + EF) + Growth Factor(G) + Provisions}$$

*Where,*

**EMPn** – Employee expenses of the Licensee for the nth Year (n can be 1, 2,3,4 or 5); **EMPn-1** – Average Employee expenses for past three years excluding any type of one-time payment, if n=1 (first year of control period); Employee expenses for (n-1)th year, otherwise.

**EF**– is the escalation factor determined based on WPI and CPI growth rate as described above;



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Growth Factor (G) - shall be Year-on-Year/CAGR/any escalation factor considered by the licensee for projecting the employee expenses considering future recruitment/retirement plans or requirement of additional manpower;

Provision: Provision for expenses beyond control of the Licensee and expected one-time expenses as specified above

**(5) Repairs and Maintenance (R&M) Expense**

Repairs and Maintenance expense shall be calculated on the basis of gross fixed asset (GFA) and K factor escalated by appropriate escalation factor which would be determined by considering 20% weightage to the average yearly inflation derived based on the monthly wholesale price index (WPI) of the respective past three financial years as per the office of Economic Advisor of Government of India and 80% weightage to the average yearly inflation derived based on the monthly Consumer Price Index (CPI) for industrial workers of the respective past three financial years as per the Labour Bureau, Government of India as per the following formula:

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

Where, **R&M<sub>n</sub>** – Repair and Maintenance expenses of the Licensee for the nth Year;  
**GFA<sub>n-1</sub>** – Gross Fixed Asset of the licensee for the n-1th year;

'K' is a constant specified by the Commission in percentage terms. Value of K for each year of the control period shall be determined by the Commission in the MYT Tariff order based on licensee's filing, repair and maintenance expenses, benchmarking of repair and maintenance expenses, approved repair and maintenance expenses vis-avis GFA approved by the Commission in past and any other factor considered appropriate by the Commission;

**EF**- is the escalation factor determined based on WPI and CPI growth rate as described above;

**(6) Administrative and General Expense**

A & G expense shall be computed on actual A&G expenses of previous years escalated by appropriate escalation factor which would be determined by considering 20% weightage to the average yearly inflation derived based on the monthly wholesale price index (WPI) of the respective past three financial years as per the office of Economic Advisor of Government of India and 80% weightage to the average yearly inflation derived based on the monthly Consumer Price Index (CPI) for industrial workers of the respective past three financial years as per the Labour Bureau, Government of India and adjusted by provisions for confirmed initiatives (IT initiatives as proposed by the Licensee and validated by the Commission) or other expected one-time expenses, and shall be governed by following formula:

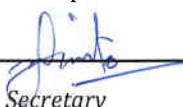
$$A\&G_n = (A\&G_{n-1}) \times (1 + EF) + \text{Provision}$$

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

**A&G<sub>n-1</sub>**– Average Administrative and General expenses for past three years, if n=1; Administrative and General expenses for (n-1)th year, otherwise.

**EF**- is the escalation factor determined based on WPI and CPI growth rate as described above; Provision: Cost for initiatives or other one-time expenses as proposed by the Licensee and validated by the Commission

(7) Terminal liabilities Terminal liabilities of employees of the Licensee including pension expenses etc. shall be approved as per actuals submitted by the Licensee,

  
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*subject to prudence check or be established through actuarial studies. Additionally, any variation due to changes recommended by the pay commission shall be allowed separately by the Commission, subject to prudence check. However, if the terminal benefits are considered under employee expenses, no separate provision for terminal benefit is allowed.*

*(8) For the purpose of estimation during the MYT Petition, the same value of factors – CPI inflation and WPI inflation shall be used for all Years of the Control Period. The values shall be revised appropriately while determining the O&M expenses for determination of revised ARR for remaining four years of the control period. However, the Commission shall consider the actual values of the factors - CPI inflation and WPI inflation during the truing up exercise for the relevant year for which true up is being carried out and shall true up the O&M Expenses for that year, only to the extent of inflation."*

**5.5.4** The Commission has computed the O&M expenses for FY 2025-26 to FY 2029-30 considering the methodology specified in the aforesaid Regulation. For approval of O&M Expenses following broad approach has been adopted:

- As per the methodology defined in the Regulation for determination of escalation factor the Commission has considered the average growth of last three years for both of WPI (Wholesale price index) & Consumer Price Index (CPI) and applied the relevant weightage of 80% of CPI & 20% of WPI to arrive at the escalation factor. The Commission has considered a three-year average CPI & WPI inflation rate of 5.46% and 7.24% respectively. The escalation factor computed by the Commission is 5.81%.
- For computing employee expenses, the Commission has escalated the projected value for FY 2024-25, as approved in an earlier section of this order, and applied the respective escalation factor to determine the value for FY 2025-26. Subsequently, the Commission has applied the same escalation factor to compute the employee expenses for the remaining years of the Control Period.
- Since the Petitioner has not submitted any growth rate of employees hence the Commission has also not considered any growth rate for determination of employee expense.
- For computing A&G expense, the Commission has escalated the projected value for FY 2024-25, as approved in an earlier section of this order, and applied the respective escalation factor to determine the value for FY 2025-26. Subsequently, the Commission has applied the same escalation factor to compute the A&G expenses for the remaining years of the Control Period

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- The Commission has observed that the Petitioner has not maintained a fixed asset register despite multiple directives issued in past orders. In the absence of asset details, the Commission has not considered any K factor for determining R&M expenses. Hence the Commission has applied the relevant escalation on the projected value approved for FY 2025-26 in earlier section of this order to arrive at the required R&M expenses for respective years of the control period.
- The Commission in line with the above consideration has approved the O&M expense for FY 2025-26 to FY 2029-30 however same shall be reviewed during true up exercise. The details as given in the table below:

**Table 62 O&M Expenses approved by the Commission for FY 2025-26 to FY 2029-30**

S.No	Particulars	FY 26	FY27	FY28	FY29	FY30
1	Employee Expenses	387.70	410.24	434.09	459.32	486.03
2	A&G Expenses	9.94	10.51	11.12	11.77	12.46
3	R&M Expenses	41.91	44.35	46.93	49.66	52.54
4	<b>Total O&amp;M Expenses</b>	<b>439.55</b>	<b>465.10</b>	<b>492.14</b>	<b>520.75</b>	<b>551.03</b>

## 5.6 Depreciation

### Petitioners Submission

- 5.6.1 The Petitioner has submitted that the entire asset is under the control of APDOP and created from the grant of the Government of Arunachal Pradesh or the Government of India without any obligation to return. Further, as per the regulatory direction, no depreciation can be claimed on the assets created from subsidies or grants which has no obligation to return. Accordingly, the Petitioner has not claimed any depreciation in their ARR for FY 2025-26 to FY 2029-30.

### Commissions Analysis

- 5.6.2 The Petitioner has not claimed any depreciation as the assets are created from the subsidies or grants of Government of Arunachal Pradesh or Government of India. Further, the Petitioner is managing the affairs of the department on GoAP fund/ grant without borrowing from any source and acquisition of new assets out of such grant. Since no asset has been created by the licensee through its own equity or capital, and the entire funding is done through government grant / aid, no depreciation is allowed for the period. However, Petitioner is directed to create

  
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a Fixed Asset Register with details of asset(s) being created through grant / aid and being put to use by the licensee along with the next tariff filing. In line with the submission of the Petitioner the Commission has also not considered any depreciation for FY 20225-26 to FY 2029-30 respectively.

## **5.7 Interest on Loan and Finance Charges**

### **Petitioners Submission**

- 5.7.1 The Petitioner has submitted that, APDOP functions under the Government of Arunachal Pradesh. All financial matters of APDOP are controlled by the finance department of the Government. Taking loan(s) and its repayment are decided by State Government. Hence, the Petitioner cannot take any kind of loan independently and does not have any access to the loan and its repayment process even if the loan is taken for funding the projects under APDOP, as its repayment is handled by the Government from its sources. Therefore, the Petitioner has submitted that expenses on interest on the loan may be considered as 'Nil' in their ARR projections for period for FY 2023-24 & FY 2024-25.

### **Commissions Analysis**

- 5.7.2 In view of the above submissions of the Petitioner, no interest on loan and finance charges are approved for the period.

## **5.8 Interest on Working Capital**

### **Petitioners Submission**

- 5.8.1 The Petitioner has submitted that working capital for APDOP is provided by the Government of Arunachal Pradesh as a grant on 'as and when required' basis, and therefore no interest on working capital is required to be paid by APDOP. Accordingly, interest on working capital may be considered 'Nil' for the period.

### **Commissions Analysis**

- 5.8.2 In view of the above submissions of the Petitioner, no interest on interest on working capital is being considered for the period.

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## 5.9 Return on Equity

### Petitioners Submission

- 5.9.1 The Petitioner has submitted that APDOP being a Government Department, all funding comes from the State Government/Central Government as a grant without any obligation to pay back. APDOP is not incorporated/registered as a company, hence there is no shareholder/equity. As a result, return on equity capital does not arise. Accordingly, no Return on Equity Capital is being claimed for the period.

### Commissions Analysis

- 5.9.2 In view of the above submissions of the Petitioner, no return on equity is approved for the period.

## 5.10 Provisions for bad and doubtful debts

### Petitioners Submission

- 5.10.1 The Petitioner has submitted that the department does not have any bad and doubtful debt as per records. Therefore, provision for bad and doubtful debt be considered 'Nil' for the control period.

### Commissions Analysis

- 5.10.2 In view of the above submissions of the Petitioner, no bad and doubtful debt is approved for the period.

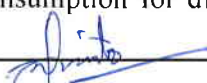
## 5.11 Renewable Purchase Obligation

### Petitioners Submission

- 5.11.1 The Petitioner in its Petition for the control period of FY 2025-26 to FY 2029-30 has not projected any Renewable Purchase Obligation however has stated that it has fulfilled RPO compliance for the FY 2023-24 and in the same manner RPO for the 5 years in the control period shall be met by the Petitioner.

### Commissions Analysis

- 5.11.2 The Ministry of Power vide notification S.O. 4617(E) dated New Delhi, the 20<sup>th</sup> October 2023 in consultation with Bureau of Energy Efficiency has specified the minimum share of consumption of non-fossil sources (renewable energy) by designated consumers as energy or feedstock and different share of consumption for different types of non-fossil sources for

  
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different designated consumers in respect of electricity distribution licensee and other designated consumers who are open access consumers or captive users to the extent of consumption of electricity from sources other than distribution licensee as a percentage of their total share of energy consumption indicated in the Table below:

**Table 63 RPO Trajectory notified by MOP,GOI dated 20th October 2023**

Sl.No	Year	Wind renewable energy	Hydro renewable energy	Distributed renewable energy*	Other renewable energy	Total renewable energy
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(2)	2025-26	1.45%	1.22%	2.10%	28.24%	33.01%
(3)	2026-27	1.97%	1.34%	2.70%	29.94%	35.95%
(4)	2027-28	2.45%	1.42%	3.30%	31.64%	38.81%
(5)	2028-29	2.95%	1.42%	3.90%	33.10%	41.36%
(6)	2029-30	3.48%	1.33%	4.50%	34.02%	43.33%

Further, as per the notification, the following conditions were to be met in order to fulfil the RPO for each of the categories as highlighted in the table above:

**Note 1:** \*For hilly and North-Eastern States/Union Territories, namely Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, Jammu & Kashmir, Ladakh, Himachal Pradesh and Uttarakhand, the distributed renewable energy component shall be half of that given in the Table and the remaining component for these States shall be included in the other renewable energy sources.

**Note 2:** The wind renewable energy component shall be met by energy produced from Wind Power Projects (WPPs) commissioned after the 31st March, 2024.

**Note 3:** The hydro renewable energy component shall be met only by energy produced from Hydro Power Projects [including Pump Storage Projects (PSPs) and Small Hydro Projects (SHPs)], commissioned after the 31st March, 2024:

Provided that the hydro renewable energy component may also be met out of the free power being provided to the State/DISCOM from the Hydro Power Projects commissioned after the 31st March, 2024:

**Note 4:** The distributed renewable energy component shall be met only from the energy generated from renewable energy projects that are less than 10 MW in size and shall include solar installations under all configurations (net metering, gross metering, virtual net metering, group net metering, behind the meter installations and any other configuration) notified by the Central Government:

  
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Provided that the compliance against distributed renewable energy shall ordinarily be considered in terms of energy (Kilowatt hour units):

Provided further that in case the designated consumer is unable to provide generation data against distributed renewable energy installations, the reported capacity shall be transformed into distributed renewable energy generation in terms of energy by a multiplier of 3.5 units per kilowatt per day (kWh/kW/day).

**Note 5:** The other renewable energy component may be met by energy produced from any renewable energy power project other than specified in Note 2, 3 and 4 and shall comprise energy from all WPPs and Hydro Power Projects [including Pump Storage Projects (PSPs) and Small Hydro Projects (SHPs)], including free power, commissioned before the 1st April, 2024.

- Any shortfall in achievement of stipulated wind renewable energy consumption in a particular year may be met with hydro renewable energy which is in excess of that energy component for that year and vice versa.
- The balance excess energy consumption under wind renewable energy or hydro renewable energy component in that year, may be considered as part of other renewable energy component.
- Any excess energy consumption under Other renewable energy component in a particular year, may be utilised to meet the shortfall in achievement of stipulated Wind renewable energy or Hydro renewable energy consumption.
- The designated consumers who are open access consumers or consumers with Captive Power Plants shall fulfil their obligation as per the specified total renewable energy target irrespective of the non-fossil fuel source.
- The specified renewable energy consumption targets shall be met either directly or through Certificate in accordance with the Central Electricity Regulatory Commission (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022, published in the Gazette of India, Extraordinary, Part III, Section 4, dated the 24th May, 2022:

Provided that any shortfall in specified renewable energy consumption targets shall be treated as non-compliance and penalty shall be imposed as such rate specified under sub-section (3) of section 26 of the said Act.



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- The Bureau shall maintain data related to compliance of renewable energy utilisation by the designated consumer(s) and submit report to the Central Government.

**5.11.3** The Petitioner is directed to comply with the aforesaid trajectory for the period FY 2025-26 to FY 2029-30 and report the progress in RPO fulfilment on quarterly basis to the Commission.

**5.11.4** The State Agency shall submit the first quarterly report for FY 2025-26 within 31<sup>st</sup> July 2025. Further, the State Agency shall submit the RPO compliance report of past period within six months from the date of issuance of this order.

**5.11.5** The Petitioner is further directed to submit the RPO compliance as per the format given in **Annexure IV**.

## 5.12 Annual License Fee and tariff application fee

### Petitioners Submission

**5.12.1** The Petitioner has projected an annual License Fee and Tariff application fee for the control period as given in the table below:

**Table 64 Annual License fee & Tariff Application Fee as submitted by the Petitioner(Rs.Cr)**

S.No	Particulars	FY 26	FY27	FY28	FY29	FY30
1	Annual License Fee	0.05	0.05	0.05	0.05	0.05
2	Tariff Filing Fee	0.075	0.075	0.075	0.075	0.075

### Commissions Analysis

**5.12.2** As per the provisions of the APSERC (Fee) Regulations 2011 and amended thereafter, Annual License Fee is to be paid by every licensee including the Deemed Licensee. The annual license fee for a distribution licensee including a deemed licensee as per above mentioned Regulations is Rs. 5.00 lakh per year. Further the annual fees is required to be paid by 15<sup>th</sup> April of each financial year. Any delay in this regard shall attract a penalty of 1.50% per month or part thereof. The distribution licensee is directed to comply with regulations and pay the requisite fees within the stipulated time period.

**5.12.3** Further, the fees for application for determination of tariff for supply of electricity, wholesale, bulk or retail by a distribution licensee including a deemed licensee and for determination of tariff/ charges of wheeling in respect of such distribution licensee including a deemed licensee

  
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is 5 paisa per 100kWh proposed to be wheeled during the control period for which the application is made subject to a minimum of Rs 7.50 lakh.

**5.12.4** Accordingly, the Annual License fee of Rs. 5.00 lakh per year and Tariff Application fee of Rs.7.5 lakh per year for FY 2025-26 to FY 2029-30 is being approved by the Commission.

**Table 65 Annual License fee & Tariff Application Fee approved by the Commission(Rs.Cr)**

S.No	Particulars	FY 26	FY27	FY28	FY29	FY30
1	Annual License Fee	0.05	0.05	0.05	0.05	0.05
2	Tariff Filing Fee	0.075	0.075	0.075	0.075	0.075

### 5.13 Non-Tariff Income

#### Petitioners Submission

**5.13.1** The Petitioner has submitted the Non-Tariff Income for FY 2025-26 to FY 2029-30 as given in the table below:

**Table 66 Non-Tariff Income submitted by the Petitioner for FY 2025-26 to FY 2029-30**

S.No	Particulars	FY 26	FY27	FY28	FY29	FY30
1	Non-Tariff Income	64.45	72.15	80.91	90.89	102.3

#### Commissions Analysis

**5.13.2** The Commission as of now has approved the Non-Tariff income submitted by the Petitioner however same shall be reviewed during True up exercise.

**Table 67 Non-Tariff Income approved by the Commission for FY 2025-26 to FY 2029-30(Rs.Cr)**

S.No	Particulars	FY 26	FY27	FY28	FY29	FY30
1	Non-Tariff Income	64.45	72.15	80.91	90.89	102.3

### 5.14 Revenue from Sale of Surplus Power

#### Petitioners Submission

**5.14.1** The Petitioner has projected revenue from sale of excess energy outside the state for FY 2025-26 to FY 2029-30. The Revenue projection from sales outside the state has been done by the Petitioner considering sales to Power Exchange (IEX), Bilateral Sales and UI/ Deviation. The details is given in the table below:





**Table 68 Revenue from Sale of Power outside the state projected by the Petitioner for FY 2025-26 to FY 2029-30(Rs.Cr)**

S.No	Particulars	FY26	FY27	FY28	FY29	FY30
1	Revenue from Sales outside the state	156.98	164.83	360.62	243.91	168.10

**Commissions Analysis**

**5.14.2** The Commission has reviewed the submission made by the Petitioner. However, for projecting revenue from sales outside the state, the Commission has considered the quantum of surplus energy approved by the Commission (as indicated in the energy requirement and availability section). For projecting the revenue for the quantum (MU) the Commission has considered the average DAM rate of Rs. 4.38 per unit, based on the last month's rate (February 2025), to compute the revenue. This projection will be reviewed during the true-up exercise. The details of the revenue from sales within and outside the state, as approved by the Commission, are provided in the table below:

**Table 69 Revenue from Sales outside the state as approved by the Commission for FY 2025-26 to FY 2029-30**

S.No	Particulars	FY26	FY27	FY28	FY29	FY30
1	Revenue from Sales outside the state	171.14	129.23	83.15	16.05	25.28

**5.15 ARR for FY 2025-26 to FY 2029-30****Petitioners Submission**

**5.15.1** Based on the submission made above the Petitioner has submitted the ARR for FY 2025-26 to FY 2029-30 along with revenue gap treatment is given in the table below:

**Table 70 ARR & Revenue Gap as submitted by the Petitioner for FY 2025-26 to FY 2029-30(Rs.Cr)**

S. No.	Particulars	UOM	FY 26	FY27	FY28	FY29	FY30
1	Return on Equity Capital	Rs.Cr	-	-	-	-	-
2	Interest on Loan Capital	Rs.Cr	-	-	-	-	-
3	Depreciation	Rs.Cr	-	-	-	-	-
4	Power Purchase Expenses	Rs.Cr	541.47	565.80	815.80	856.59	899.41
5	Interstate Transmission Charges	Rs.Cr	110.86	116.41	151.49	159.97	166.82
6	Intrastate Transmission Charges	Rs.Cr	11.45	11.45	11.45	11.45	11.45
7	Fees & charges of NERLDC/NERPC	Rs.Cr	2.10	2.20	2.31	2.43	2.55
8	O&M expenses	Rs.Cr	484.76	513.16	542.51	574.29	607.94
9	Interest on working Capital	Rs.Cr	-	-	-	-	-

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S. No.	Particulars	UOM	FY 26	FY27	FY28	FY29	FY30
10	Provision for bad and doubtful debt	Rs.Cr	-	-	-	-	-
11	Annual License Fee	Rs.Cr	0.05	0.05	0.05	0.05	0.05
12	Tariff Filing Fee	Rs.Cr	0.08	0.075	0.075	0.075	0.075
13	<b>Total Revenue Requirement</b>	Rs.Cr	1150.76	1209.15	1523.68	1603.85	1688.29
14	Less: Non-Tariff Income	Rs.Cr	64.45	72.15	80.91	90.89	102.30
15	Net Revenue Requirement (13-14)	Rs.Cr	1086.31	1137	1442.77	1512.96	1585.99
16	Revenue from existing Tariff	Rs.Cr	318.51	356.58	399.88	449.23	505.59
17	Revenue from Sale of Surplus Power	Rs.Cr	156.98	164.83	360.62	243.91	168.10
18	Revenue Gap	Rs.Cr	610.82	615.59	682.27	819.82	912.30
19	Revenue Grant by GoAP	Rs.Cr	610.82	615.59	682.27	819.92	912.30
20	Total Gap	Rs.Cr	0.00	0.00	0.00	0.00	0.00
21	Total Energy Sales	MU	1190.13	1386.64	1858.80	1779.01	1792.43
22	Gross Energy Input	MU	1602.83	1604.42	2033.05	2035.68	2038.84
23	<b>Average Cost of Supply (ACoS)</b>	Rs/k Wh	7.18	7.54	7.49	7.88	8.28
24	<b>Total Annual Income (14+16+17+19)</b>	Rs.Cr	1150.76	1209.15	1523.68	1603.95	1688.29
25	<b>Average Realisable Revenue (ARR)(24/22*10)</b>	Rs/k Wh	7.18	7.54	7.49	7.88	8.28
26	<b>ACS-ARR (23-25)</b>	Rs/k Wh	0.00	0.00	0.00	0.00	0.00

### Commissions Analysis

**5.15.2** The Commission has observed that the ACoS calculated by the Petitioner in its submission is derived by dividing the net ARR by the gross energy input. However, this does not accurately represent the true average cost of supply. Instead, ACoS should be calculated by dividing the net ARR by the energy sales within the state. Furthermore, the Petitioner has incorrectly considered the grant to be funded by GoAP as a source of revenue, which does not accurately reflect the actual revenue realized. The grant issued by GoAP is financial aid provided to the Petitioner to cover the revenue shortfall and primarily accounts for the Petitioner's inefficiencies. Additionally, the Commission has classified the revenue from the sale of surplus energy outside the state as Non-Tariff Income and has incorporated it into the determination of the net ARR. After thoroughly analysing each component of the ARR submitted by the Petitioner and applying a prudence check, the Commission approves the revenue requirement for FY 2025-26 to FY 2029-30, as presented in the table below:

  
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**Table 71 ARR approved by the Commission for FY 2025-26 to FY 2029-30**

S. No.	Particulars	UOM	FY 26	FY27	FY28	FY29	FY30
1	Return on Equity Capital	Rs.Cr	-	-	-	-	-
2	Interest on Loan Capital	Rs.Cr	-	-	-	-	-
3	Depreciation	Rs.Cr	-	-	-	-	-
4	Power Purchase Expenses	Rs.Cr	437.94	455.54	475.50	496.46	604.45
5	Interstate Transmission Charges	Rs.Cr	106.43	111.76	146.60	153.84	161.43
6	Intrastate Transmission Charges	Rs.Cr	10.41	10.41	10.41	10.41	10.41
7	Fees and charges of NERLDC/NERPC	Rs.Cr	2.09	2.20	2.31	2.42	2.54
8	O&M expenses	Rs.Cr	439.55	465.10	492.14	520.75	551.03
9	Interest on working Capital	Rs.Cr	-	-	-	-	-
10	Provision for bad and doubtful debt	Rs.Cr	-	-	-	-	-
11	Annual License Fee	Rs.Cr	0.05	0.05	0.05	0.05	0.05
12	Tariff Filing Fee	Rs.Cr	0.075	0.075	0.075	0.075	0.075
13	<b>Total Revenue Requirement</b>	Rs.Cr	<b>996.42</b>	<b>1045.01</b>	<b>1126.96</b>	<b>1183.88</b>	<b>1329.85</b>
14	Less: Non-Tariff Income	Rs.Cr	64.45	72.15	80.91	90.89	102.30
15	Less : Sale of Power Outside State	Rs.Cr	171.14	129.23	83.15	16.05	25.28
16	Total Sales within the State(MU)	Rs.Cr	845.54	949.16	1066.71	1200.21	1351.95
17	Net Revenue Requirement (13-14-15)	Rs.Cr	760.83	843.63	962.90	1076.94	1202.28
18	<b>Average Cost of Supply(17/16*10)</b>	<b>Rs./kWh</b>	<b>9.00</b>	<b>8.89</b>	<b>9.03</b>	<b>8.97</b>	<b>8.89</b>



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## Chapter 6: Tariff for FY2025-26

### 6.1 Retail Tariff Proposal for FY 2025-26

#### Petitioners Submission

**6.1.1** The Petitioner has submitted that the category wise cost of supply has not been computed till date and are in process to initiate an exercise and calculate the cost of supply of every category wise consumer after analysis of the various cost factors associated with the supplying power to various categories of consumers. However, for determining the differential grant for various categories of consumers, the Petitioner has considered full cost of tariff of Rs. 11.07 per unit as full cost tariff for recovery of the proposed ARR. The Petitioner has submitted the category wise grant and proposed net tariff for the FY 2025-26 has been calculated as shown in the table below:

**Table 72 Full Cost Tariff for FY 2025-26 - Petitioner's Submission**

Particulars	Amount (in Rs Cr)
Total Revenue Requirement	1150.76
Revenue from Sale of Surplus Power	156.98
Other income (Late payment, Meter rent etc)	64.45
Revenue requirement from within state	<b>929.33</b>
Energy sale within state (MU)	839.62
Full cost tariff (Rs/kWh)	<b>11.07</b>

**6.1.2** The Petitioner has also submitted the category wise grant and net tariff proposal for FY 2025-26 for individual categories along with the comparison of existing and proposed energy charges:

**Table 73 Revenue at full cost Tariff submitted by the Petitioner for FY 2025-26(Rs.Cr)**

Consumer Category	Full cost Tariff (Rs/kWh)	Revenue at full cost tariff (FY 2025-26)	
		Sale (MU)	Rs in Cr.
HT Category			
Non-Commercial Consumers (Domestic)			
3-Phase, 11kV	11.07	11.57	12.80
3-Phase, 33kV	11.07	3.77	4.18
Commercial Consumers (Non-Industrial)			
3-Phase, 11kV	11.07	22.85	25.29
3-Phase, 33kV	11.07	0.15	0.16
Public Lighting and Water Supply Consumers			
3-Phase, 11kV	11.07	3.22	3.57
3-Phase, 33kV	11.07	0.00	0.00

  
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Consumer Category	Full cost Tariff (Rs/kWh)	Revenue at full cost tariff (FY 2025-26)	
		Sale (MU)	Rs in Cr.
Agricultural Consumers			
3-Phase, 11kV	11.07	0.02	0.02
3-Phase, 33kV	11.07	0.00	0.00
Industrial Consumers			
3-Phase, 11kV	11.07	25.23	27.93
3-Phase, 33kV	11.07	49.28	54.54
3-Phase, 132 kV	11.07	292.07	323.27
Bulk Mixed Consumers			
3-Phase, 11kV	11.07	24.52	27.14
3-Phase, 33kV	11.07	17.29	19.13
3-Phase, 132 kV	11.07	0.00	0.00
Low Voltage Category			
Non-Commercial Consumers (Domestic)			
1-Phase, 230 Volt	11.07	192.35	212.90
3-Phase, 400 Volt	11.07	37.07	41.03
KJP and BPL connection	11.07	40.06	44.34
Commercial Consumers (Non-Industrial)			
1-Phase, 230 Volt	11.07	58.92	65.22
3-Phase, 400 Volt	11.07	50.07	55.42
Public Lighting and Water Supply Consumers			
1-Phase, 230 Volt	11.07	3.42	3.78
3-Phase, 400 Volt	11.07	4.12	4.55
Agricultural Consumers			
1-Phase, 230 Volt	11.07	0.03	0.03
3-Phase, 400 Volt	11.07	0.16	0.18
Industrial Consumers			
1-Phase, 230 Volt	11.07	0.91	1.00
3-Phase, 400 Volt	11.07	1.68	1.86
Temporary Consumer			
LT/HT	11.07	0.87	0.97
Total		839.62	929.33

**6.1.3** Further, the Petitioner has also submitted that consumer category wise government grant (in Rs/kWh) and accordingly, the total government grant has been computed and shown in table below:

  
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Table 74 Government Grant for FY 2025-26 - Petitioner's Submission (Rs.Cr)

Consumer Category	Full cost tariff	Proposed tariff	Government Grant RATE	Total Government Grant	
	(Rs / Kwh)	(Rs / Kwh)	(Rs / Kwh)	FY 2025-26	
				Sale (MU)	Rs in Cr.
	a	b	c=a-b	d	c*d/10
<b>High Voltage Category</b>					
<b>Non Commercial Consumers (Domestic)</b>					
3-Phase, 11KV	11.07	3.40	7.67	11.57	8.87
3-Phase, 33KV	11.07	3.25	7.82	3.77	2.95
<b>Commercial Consumers (Non-Industrial)</b>					
3-Phase, 11KV	11.07	4.20	6.87	22.85	15.69
3-Phase, 33KV	11.07	4.00	7.07	0.15	0.11
<b>Public Lighting and Water Supply Consumers</b>					
3-Phase, 11KV	11.07	4.20	6.87	3.22	2.21
3-Phase, 33KV	11.07	4.00	7.07	0.00	0.00
<b>Agricultural Consumers</b>					
3-Phase, 11KV	11.07	2.75	8.32	0.02	0.01
3-Phase, 33KV	11.07	2.65	8.42	0.00	0.00
<b>Industrial Consumers</b>					
3-Phase, 11KV	11.07	3.85	7.22	25.23	18.21
3-Phase, 33KV	11.07	3.50	7.57	49.28	37.29
3-Phase, 132 KV	11.07	3.35	7.72	292.07	225.43
<b>Bulk Mixed Consumers</b>					
3-Phase, 11KV	11.07	3.75	7.32	24.52	17.95
3-Phase, 33KV	11.07	3.40	7.67	17.29	13.26
3-Phase, 132 KV	11.07	3.25	7.82	0.00	0.00
<b>Low Voltage Category</b>					
<b>Non Commercial Consumers (Domestic)</b>					
1-Phase, 230 Volt	11.07	4.00	7.07	192.35	135.96
3-Phase, 400 Volt	11.07	4.00	7.07	37.07	26.20
KJP & BPL connection	11.07	2.65	8.42	40.06	33.72
<b>Commercial Consumers (Non-Industrial)</b>					
1-Phase, 230 Volt	11.07	5.00	6.07	58.92	35.76
3-Phase, 400 Volt	11.07	5.00	6.07	50.07	30.39
<b>Public Lighting and Water Supply Consumers</b>					
1-Phase, 230 Volt	11.07	5.10	5.97	3.42	2.04
3-Phase, 400 Volt	11.07	5.10	5.97	4.12	2.46
<b>Agricultural Consumers</b>					
1-Phase, 230 Volt	11.07	3.10	7.97	0.03	0.02
3-Phase, 400 Volt	11.07	3.10	7.97	0.16	0.13
<b>Industrial Consumers</b>					

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1-Phase, 230 Volt	11.07	4.30	6.77	0.91	0.61
3-Phase, 400 Volt	11.07	4.30	6.77	1.68	1.14
<b>Temporary Consumer</b>					
LT/HT	11.07	6.50	4.57	0.87	0.40
<b>Total</b>				<b>839.62</b>	<b>610.82</b>

**6.1.4** Accordingly, the Petitioner has tabulated the total revenue requirement at full cost tariff with proposed tariff for FY 2025-26 and expected grant from the government as shown in the table below:

**Table 75 : Full Cost Tariff, Grant and Proposed Tariff FY 2024-25 - Petitioner's Submission (Rs.Cr)**

Sl. No.	Category	Full cost Tariff (Rs./Kwh)	Proposed Tariff (Rs./Kwh)	Expected Grant (Rs./Kwh)	Full Cost Tariff Revenue (Rs Cr.)	Revenue at proposed tariff (Rs Cr.)	Expected Total Grant (Rs Cr.)
	<b>Non Commercial (Domestic)</b>						
	<b>LT - AC 50 Hz</b>						
1	1-Phase, 230 Volt	11.07	4.00	7.07	212.90	76.94	135.96
2	3-Phase, 400 Volt	11.07	4.00	7.07	41.03	14.83	26.20
3	KJP & BPL connection	11.07	2.65	8.42	44.34	10.62	33.72
	<b>HT - AC 50 Hz</b>						
4	3-Phase, 11KV	11.07	3.40	7.67	12.80	3.93	8.87
5	3-Phase, 33KV	11.07	3.25	7.82	4.18	1.23	2.95
	<b>Commercial (Non-Industrial)</b>						
	<b>LT - AC 50 Hz</b>						
6	1-Phase, 230 Volt	11.07	5.00	6.07	65.22	29.46	35.76
7	3-Phase, 400 Volt	11.07	5.00	6.07	55.42	25.04	30.39
	<b>HT - AC 50 Hz</b>						
8	3-Phase, 11KV	11.07	4.20	6.87	25.29	9.60	15.69
9	3-Phase, 33KV	11.07	4.00	7.07	0.16	0.06	0.11
	<b>Public Lighting And Water Supply</b>						
	<b>LT - AC 50 Hz</b>						
10	1-Phase, 230 Volt	11.07	5.10	5.97	3.78	1.74	2.04
11	3-Phase, 400 Volt	11.07	5.10	5.97	4.55	2.10	2.46
	<b>HT - AC 50 Hz</b>						
12	3-Phase, 11KV	11.07	4.20	6.87	3.57	1.35	2.21
13	3-Phase, 33KV	11.07	4.00	7.07	0.00	0.00	0.00
	<b>Agricultural</b>						
	<b>LT - AC 50 Hz</b>						
14	1-Phase, 230 Volt	11.07	3.10	7.97	0.03	0.01	0.02
15	3-Phase, 400 Volt	11.07	3.10	7.97	0.18	0.05	0.13

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	<b>HT - AC 50 Hz</b>						
16	3-Phase, 11KV	11.07	2.75	8.32	0.02	0.00	0.01
17	3-Phase, 33KV	11.07	2.65	8.42	0.00	0.00	0.00
	<b>Industrial</b>						
	<b>LT - AC 50 Hz</b>						
18	1-Phase, 230 Volt	11.07	4.30	6.77	1.00	0.39	0.61
19	3-Phase, 400 Volt	11.07	4.30	6.77	1.86	0.72	1.14
	<b>HT - AC 50 Hz</b>						
20	3-Phase, 11KV	11.07	3.85	7.22	27.93	9.71	18.21
21	3-Phase, 33KV	11.07	3.50	7.57	54.54	17.25	37.29
22	3-Phase, 132KV	11.07	3.35	7.72	323.27	97.84	225.43
	<b>Bulk Mixed</b>						
	<b>HT - AC 50 Hz</b>						
24	3-Phase, 11KV	11.07	3.75	7.32	27.14	9.20	17.95
25	3-Phase, 33KV	11.07	3.40	7.67	19.13	5.88	13.26
26	3-Phase, 132 KV and above	11.07	3.25	7.82	0.00	0.00	0.00
27	<b>Temporary Consumer</b>	11.07	6.50	4.57	0.97	0.57	0.40
<b>TOTAL</b>				<b>929.33</b>	<b>318.51</b>	<b>610.82</b>	

6.1.5 As such, a comparative table has been submitted by the Petitioner between existing tariff and proposed tariff for FY 2025-26 as shown in the table below

**Table 76 Existing Tariff and Proposed Tariff FY 2025-26- Petitioner's Submission - (in Rs/kWh)**

Category of Consumers	Existing Tariff (Rs/kWh)	Proposed Tariff (Rs/kWh)
<b>Non-Commercial (Domestic)</b>		
<b>LT - AC 50 Hz</b>		
1-Phase, 230 Volt	4.00	4.00
3-Phase, 400 Volt	4.00	4.00
KJP and BPL connection	2.65	2.65
<b>HT - AC 50 Hz</b>		
3-Phase, 11kV	3.4	3.4
3-Phase, 33kV	3.25	3.25
<b>Commercial (Non-Industrial)</b>		
<b>LT - AC 50 Hz</b>		
1-Phase, 230 Volt	5.00	5.00
3-Phase, 400 Volt	5.00	5.00
<b>HT - AC 50 Hz</b>		
3-Phase, 11kV	4.20	4.20
3-Phase, 33kV	4.00	4.00
<b>Public Lighting and Water Supply</b>		
<b>LT - AC 50 Hz</b>		
1-Phase, 230 Volt	5.10	5.10
3-Phase, 400 Volt	5.10	5.10

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Category of Consumers	Existing Tariff (Rs/kWh)	Proposed Tariff (Rs/kWh)
<b>HT - AC 50 Hz</b>		
3-Phase, 11kV	4.20	4.20
3-Phase, 33kV	4.00	4.00
<b>Agricultural</b>		
<b>LT - AC 50 Hz</b>		
1-Phase, 230 Volt	3.10	3.10
3-Phase, 400 Volt	3.10	3.10
<b>HT - AC 50 Hz</b>		
3-Phase, 11kV	2.75	2.75
3-Phase, 33kV	2.65	2.65
<b>Industrial</b>		
<b>LT - AC 50 Hz</b>		
1-Phase, 230 Volt	4.30	4.30
3-Phase, 400 Volt	4.30	4.30
<b>HT - AC 50 Hz</b>		
3-Phase, 11kV	3.85	3.85
3-Phase, 33kV	3.50	3.50
3-Phase, 132kV	3.35	3.35
<b>Bulk Mixed</b>		
<b>HT - AC 50 Hz</b>		
3-Phase, 11kV	3.75	3.75
3-Phase, 33kV	3.40	3.40
3-Phase, 132 kV and above	3.25	3.25
<b>Temporary Consumer</b>	6.50	6.50

6.1.6 The Petitioner, APDOP being a Government Department funded by budgetary support from State Government, has not proposed any tariff hike and hence projected to absorb the unrecovered Revenue Gap via Govt Grant as referred in table 62 above.

#### Commissions Analysis

6.1.7 The Commission, taking into account the existing tariff rate, has calculated the projected revenue from sales as approved in the preceding section of this order for FY 2025-26. Additionally, the Commission has determined the gap between the average cost of supply and the average revenue realized, as presented in the table below.

**Table 77 Gap for FY 2025-26 by the Commission**

S.No	Particulars	UOM	Details
1	Approved Net ARR	Rs.Cr	760.81
2	Approved Energy Sales within the state	MU	845.54
3	Approved Revenue from sales of Energy within the state	Rs.Cr	360.05
4	Average Cost of Supply	Rs/kWh	9.00
5	Average Revenue Realized	Rs/kWh	4.26
6	Gap (4-5)	Rs/kWh	4.74

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**6.1.8** The Commission has also conducted a review of the ACOS (Average cost of supply) and ARR (Average Revenue Realized) gap trends over the past few years, as presented in the table below.

**Table 78 Approved Gap between ACoS & Average Revenue Realized by the Commission from FY 2017-18 to FY 2022-23**

S. No	Particulars	UOM	FY18	FY19	FY20	FY21	FY22	FY23	FY24
1	Average Cost of Supply	Rs/kWh	13.35	14.65	14.64	17.39	13.24	12.86	12.53
2	Average Revenue Realized	Rs/kWh	4.43	4.63	4.64	4.84	4.30	4.53	3.79
3	Gap (4-5)	Rs/kWh	8.92	10.02	10.00	12.55	8.94	8.33	8.73
4	Gap in % of ACoS	%	66.82	68.40	68.30	72.16	67.52	64.77	69.71

**6.1.9** From the analysis of the data, it is evident that the revenue gap has been consistently in the range of >60% from the average cost of supply. This persistent increase in the average revenue gap is a matter of concern for the financial stability of the Arunachal Pradesh Department of Power (APDOP) and underscores the need for enhanced efficiency in the operations of the distribution licensee. The Commission is of the view that the Petitioner must undertake concrete measures to bridge the revenue gap by improving operational efficiencies and minimizing losses through the effective implementation of ongoing schemes. Additionally, it is observed that power purchase costs constitute approximately 50% of the ARR even when, there is a support of 30 % of requirement in from of free power, and employee cost, consist 45 % of the ACOS, against a conventionally healthy limit of lower than 5%. Therefore, APDOP must take proactive steps to optimize procurement costs by utilizing available generation sources in an efficient and judicious manner along with efficient use of vast work force.

**6.1.10** As previously noted, there exists a substantial gap between the projected revenue requirement for FY 2025-26 and the expected revenue under the existing tariff structure. The inability of APDOP to reduce this gap over the years indicates operational inefficiencies, resulting in a year-on-year increase in the deficit. Furthermore, it has been observed that the prevailing tariff has remained unchanged for over a decade, with rates last revised prior to FY 2013-14. Given the financial viability of the licensee and the overall development of the power sector in the state, a revision in the tariff structure is warranted to make it cost reflective.



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**6.1.11** In accordance with the Electricity Act, utilities engaged in generation, transmission, and distribution are required to operate on commercial principles which would encourage competition, efficiency, economic use of resources, good performance and optimum investment to move towards self-sustainability. The Commission also acknowledges that APDOP receives approximately 50% or more of its ARR for power distribution in the form of grants-in-aid from the State Government. While such financial support is crucial, it places a significant burden on state resources, potentially affecting funding allocations for other key sectors such as infrastructure, health, and education, thereby impacting the broader economic development of the state.

**6.1.12** The Commission has also referred to the Electricity (Amendment) Rules, 2024, which provide specific guidelines for minimizing the revenue gap, as cited below:

***“23. Gap between approved Annual Revenue Requirement and estimated annual revenue from approved tariff***

*“The tariff shall be cost-reflective, and there shall not be any gap between the approved Annual Revenue Requirement and the estimated annual revenue from the approved tariff except under conditions of natural calamity.*

*Provided that such a gap, if any, shall not exceed three percent of the approved Annual Revenue Requirement.....”*

**6.1.13** Further, the National Tariff Policy also specifies that the tariff should progressively align with the cost of electricity supply. State Electricity Regulatory Commissions (SERCs) are required to formulate a roadmap ensuring that the tariff remains within  $\pm 20\%$  of the average cost of supply. The relevant extract is given below:

***“8.3 Tariff design: Linkage of tariffs to cost of service***

*“1. In accordance with the National Electricity Policy, consumers below poverty line who consume below a specified level, say 30 units per month, may receive a special support through cross subsidy. Tariffs for such designated group of consumers will be at least 50% of the average cost of supply. This provision will be re-examined after five years.*

*2. For achieving the objective that the tariff progressively reflects the cost of supply of electricity, the SERC would notify roadmap within six months with a target that latest by the end of year 2010-2011 tariffs are within  $\pm 20\%$  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. For example, if the*

  
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average cost of service is **Rs 3 per unit**, at the end of year 2010-2011 the tariff for the cross subsidised categories excluding those referred to in para 1 above should not be lower than **Rs 2.40 per unit** and that for any of the cross-subsidising categories should not go beyond **Rs 3.60 per unit**."

**6.1.14** For FY 2025-26, the Commission has computed the ACOS at Rs.9/unit. In line with the provisions of the National Tariff Policy, the Average Billing Rate (ABR) for each consumer category should ideally fall within  $\pm 20\%$  of the ACOS, i.e., in the range of Rs. 8.82/unit to Rs. 9.18/unit, after accounting for cross-subsidies applicable to different consumer categories and for consumers below poverty line the tariff applicable should be at least Rs.4.5/unit.

**6.1.15** The Commission recognizes the geographical constraints faced by APDOP in providing electricity to consumers across the state. However, for any distribution company to operate efficiently, it must maintain financial stability. Although the revenue gap is currently being funded by the Government of Arunachal Pradesh, the Commission is of the opinion that a revision in tariff is necessary to improve the financial health of the distribution licensee. A reduction in state revenue grants to APDOP would allow for the reallocation of resources toward other critical sectors, including health, infrastructure, and education, thereby contributing to the overall development of the state.

**6.1.16** In light of the above considerations, the Commission has decided to implement a nominal increase in the existing tariff structure, as detailed in the table below

**Table 79 Tariff approved by the Commission for FY 2025-26**

Category of Consumers	Existing Tariff (Rs/kWh)	Revised Tariff (Rs/kWh)
<b>Non-Commercial (Domestic)</b>		
<b>LT - AC 50 Hz</b>		
1-Phase, 230 Volt	4.00	4.40
3-Phase, 400 Volt	4.00	4.40
KJP and BPL connection	2.65	3.00
<b>HT - AC 50 Hz</b>		
3-Phase, 11kV	3.4	3.80
3-Phase, 33kV	3.25	3.65
<b>Commercial (Non-Industrial)</b>		
<b>LT - AC 50 Hz</b>		
1-Phase, 230 Volt	5.00	5.65
3-Phase, 400 Volt	5.00	5.65
<b>HT - AC 50 Hz</b>		
3-Phase, 11kV	4.20	4.85
3-Phase, 33kV	4.00	4.65
<b>Public Lighting and Water Supply</b>		
<b>LT - AC 50 Hz</b>		

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Category of Consumers	Existing Tariff (Rs/kWh)	Revised Tariff (Rs/kWh)
1-Phase, 230 Volt	5.10	5.75
3-Phase, 400 Volt	5.10	5.75
<b>HT - AC 50 Hz</b>		
3-Phase, 11kV	4.20	4.85
3-Phase, 33kV	4.00	4.65
<b>Agricultural</b>		
<b>LT - AC 50 Hz</b>		
1-Phase, 230 Volt	3.10	3.50
3-Phase, 400 Volt	3.10	3.50
<b>HT - AC 50 Hz</b>		
3-Phase, 11kV	2.75	3.15
3-Phase, 33kV	2.65	3.05
<b>Industrial</b>		
<b>LT - AC 50 Hz</b>		
1-Phase, 230 Volt	4.30	4.95
3-Phase, 400 Volt	4.30	4.95
<b>HT - AC 50 Hz</b>		
3-Phase, 11kV	3.85	4.50
3-Phase, 33kV	3.50	4.15
3-Phase, 132kV	3.35	4.00
<b>Bulk Mixed</b>		
<b>HT - AC 50 Hz</b>		
3-Phase, 11kV	3.75	4.40
3-Phase, 33kV	3.40	4.05
3-Phase, 132 kV and above	3.25	3.90
<b>Temporary Consumer</b>	6.50	9.00

**6.1.17** The revised tariff rates are as follows:

- **Domestic Consumers:** An increase of **40 paisa per unit** from the last existing tariff.
- **KJP and BPL Consumers:** An increase of **35 paisa per unit** from the last existing tariff.
- **Temporary Consumers:** Tariff rate equal to **Acos (Average cost of Supply) i.e. Rs9.00/unit**
- **All Other Consumer Categories:** An increase of **65 paisa per unit** from the last existing tariff.

**6.1.18** The revised tariff rates will be applicable with effect from **1<sup>st</sup> April 2025**.

**6.1.19** Additionally, the Commission has undertaken a comparative analysis of the prevailing tariff rates in neighbouring states. The findings indicate that even after the tariff revision, electricity tariffs in Arunachal Pradesh remain competitive and economical, particularly for industrial consumers. The comparison of average Tariff of neighbouring states is given below:

  
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**Table 80 Average Tariff Comparison across neighbouring states(Rs./kWh)**

Category	Arunachal Pradesh	Assam	Manipur	Mizoram	Meghalaya	Nagaland	Sikkim	Tripura
Kutir Jyoti/ Jeevan Dhara	3.00	6.34	2.10	3.55	4.57	-	-	0.69
Domestic	4.40	8.45	6.34	7.47	6.03	7.12	3.52	7.13
Domestic HT	3.73	8.89	0.00	8.65	6.48	0.00	0.00	8.17
Commercial	5.20	9.22	8.01	8.61	7.64	9.34	6.07	8.19
Agriculture	3.30	6.72	4.55	3.81	3.25	3.50	5.30	4.90
Public Lighting	5.25	8.19	9.60	11.35	5.49	0.00	5.00	7.09
water Supply		8.04	9.80	11.10	7.95	7.80	0.00	6.15
Bulk Supply	4.12	8.44	9.25	6.85	7.55	7.25	5.50	8.31
Small Industries	4.95	6.97	5.60	7.42	7.20	6.80	6.58	6.91
Medium Industries	4.95	7.92	8.00	9.05	8.16	7.85	7.15	7.99
Large Industries	4.22	8.14	9.10	9.05	6.51	7.85	6.90	7.99
Power intensive industries	34.22	8.34	9.10	9.05	9.43	7.85	6.90	7.99
Electric Vehicle	0.00	8.60	0.00	8.20	8.50	0.00	0.00	7.56

*\*The tariff rates of other states have been sourced from the tariff orders for FY 2024-25 as approved by the respective State Commissions.*

## 6.2 Revenue from Tariff

**6.2.1** The Commission has computed the projected revenue for FY 2025-26 with the revised tariff considering the approved sales for each category of consumers as mentioned in the table below:

**Table 81 Revised Tariff and projected revenue for the Petitioner for FY 2025-26(Rs.Cr)**

Consumer Category	Approved Sales (MU)	Approved Tariff (Rs / kWh)	Revenue (Rs Cr)
<b>HT Category</b>			
<b>Non-Commercial Consumers (Domestic)</b>			
AC 50Hz,3-Phase, 11kV	11.57	3.80	4.40
AC 50Hz,3-Phase, 33kV	3.77	3.65	1.38
<b>Commercial Consumers (Non-Industrial)</b>			
AC 50Hz,3-Phase, 11kV	22.85	4.85	11.08
AC 50Hz,3-Phase, 33kV	0.16	4.65	0.07
<b>Public Lighting and Water Supply Consumers</b>			
AC 50Hz,3-Phase, 11kV	3.22	4.85	1.56
AC 50Hz,3-Phase, 33kV	0.00	4.65	0.00
<b>Agricultural Consumers</b>			
AC 50Hz,3-Phase, 11kV	0.02	3.15	0.01

Consumer Category	Approved Sales (MU)	Approved Tariff (Rs / kWh)	Revenue (Rs Cr)
AC 50Hz,3-Phase, 33kV	0.00	3.05	0.00
<b>Industrial Consumers</b>			
AC 50Hz,3-Phase, 11kV	25.23	4.50	11.35
AC 50Hz,3-Phase, 33kV	49.27	4.15	20.45
AC 50Hz,3-Phase, 132 kV	292.07	4.00	116.83
<b>Bulk Mixed Consumers</b>			
AC 50Hz,3-Phase, 11kV	29.47	4.40	12.96
AC 50Hz,3-Phase, 33kV	17.28	4.05	7.00
AC 50Hz,3-Phase, 132 kV	0.00	3.90	0.00
<b>Low Voltage Category</b>			
<b>Non Commercial Consumers (Domestic)</b>			
AC 50Hz,1-Phase, 230 Volt	192.35	4.40	84.64
AC 50Hz,3-Phase, 400 Volt	37.07	4.40	16.31
KJP and BPL connection	40.06	3.00	12.02
<b>Commercial Consumers (Non-Industrial)</b>			
AC 50Hz,1-Phase, 230 Volt	58.92	5.65	33.29
AC 50Hz,3-Phase, 400 Volt	50.07	5.65	28.29
<b>Public Lighting and Water Supply Consumers</b>			
AC 50Hz,1-Phase, 230 Volt	3.75	5.75	2.16
AC 50Hz,3-Phase, 400 Volt	4.11	5.75	2.36
<b>Agricultural Consumers</b>			
AC 50Hz,1-Phase, 230 Volt	0.03	3.50	0.01
AC 50Hz,3-Phase, 400 Volt	0.08	3.50	0.03
<b>Industrial Consumers</b>			
AC 50Hz,1-Phase, 230 Volt	1.23	4.95	0.61
AC 50Hz,3-Phase, 400 Volt	2.10	4.95	1.04
<b>Temporary Consumer</b>			
LT/HT	0.87	9.00	0.78
<b>Total</b>	<b>845.54</b>		<b>368.62</b>

**6.2.2** The Commission has also referred to National Tariff Policy which emphasizes on cost-based tariff. The relevant extract from the policy is cited below:

“8.3 Tariff design: Linkage of tariffs to cost of service....

.....

2. For achieving the objective that the tariff progressively reflects the cost of supply of electricity, the SERC would notify roadmap within six months with a target that latest by the end of year 2010-2011 tariffs are within  $\pm 20\%$  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....”

**6.2.3** In accordance with the provisions of the national tariff policy, the Commission has taken steps to achieve the policy's objectives. However, the Commission acknowledges that achieving the target in a single step would result in a steep tariff escalation, causing tariff shock to



consumers. Therefore, after thorough due diligence, the Commission has approved a tariff escalation that balances the interests of all stakeholders. The Commission also recognizes that, despite the revised tariff, a gap remains between the full-cost tariff and the revenue generated from the revised rates. As per the Petitioner's submission, this revenue gap is expected to be covered by a Grant from the Government of Arunachal Pradesh (GoAP). Accordingly, the Commission has calculated that even after the tariff revision, a deficit persists, which is being supported by the Revenue Grant-in-Aid from GoAP.

A detailed comparison of revenue projections from the revised tariff, revenue from the full-cost tariff, and the gap to be covered by the GoAP Grant is presented in the table below:

**Table 82 Revenue from revised tariff & gap to be funded by Govt Grant**

Consumer Category	Approved Sales (MU)	Approved Tariff (Rs / kWh)	Revenue (Rs Cr)	Full cost Tariff (Rs.kWh)	Revenue Full Cost Tariff (Rs.Cr)	Revenue Gap(Rs.Cr)	Expected Total Grant(Rs.Cr)
<b>HT Category</b>							
<b>Non-Commercial Consumers (Domestic)</b>							
AC 50Hz,3-Phase, 11kV	11.57	3.80	4.40	9.00	10.41	6.01	6.01
AC 50Hz,3-Phase, 33kV	3.77	3.65	1.38	9.00	3.39	2.02	2.02
<b>Commercial Consumers (Non-Industrial)</b>							
AC 50Hz,3-Phase, 11kV	22.85	4.85	11.08	9.00	20.56	9.48	9.48
AC 50Hz,3-Phase, 33kV	0.16	4.65	0.07	9.00	0.14	0.07	0.07
<b>Public Lighting and Water Supply Consumers</b>							
AC 50Hz,3-Phase, 11kV	3.22	4.85	1.56	9.00	2.90	1.34	1.34
AC 50Hz,3-Phase, 33kV	0.00	4.65	0.00	9.00	0.00	0.00	0.00
<b>Agricultural Consumers</b>							
AC 50Hz,3-Phase, 11kV	0.02	3.15	0.01	9.00	0.02	0.01	0.01
AC 50Hz,3-Phase, 33kV	0.00	3.05	0.00	9.00	0.00	0.00	0.00
<b>Industrial Consumers</b>							
AC 50Hz,3-Phase, 11kV	25.23	4.50	11.35	9.00	22.70	11.35	11.35
AC 50Hz,3-Phase, 33kV	49.27	4.15	20.45	9.00	44.33	23.89	23.89
AC 50Hz,3-Phase, 132 kV	292.07	4.00	116.83	9.00	262.81	145.98	145.98
<b>Bulk Mixed Consumers</b>							

  
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Consumer Category	Approved Sales (MU)	Approved Tariff (Rs / kWh)	Revenue (Rs Cr)	Full cost Tariff (Rs.kWh)	Revenue Full Cost Tariff (Rs.Cr)	Revenue Gap(Rs.Cr)	Expected Total Grant(Rs.Cr)
AC 50Hz,3-Phase, 11kV	29.47	4.40	12.96	9.00	26.51	13.55	13.55
AC 50Hz,3-Phase, 33kV	17.28	4.05	7.00	9.00	15.55	8.55	8.55
AC 50Hz,3-Phase, 132 kV	0.00	3.90	0.00	9.00	0.00	0.00	0.00
<b>Low Voltage Category</b>							
<b>Non Commercial Consumers (Domestic)</b>							
AC 50Hz,1-Phase, 230 Volt	192.35	4.40	84.64	9.00	173.08	88.45	88.45
AC 50Hz,3-Phase, 400 Volt	37.07	4.40	16.31	9.00	33.35	17.04	17.04
KJP and BPL connection	40.06	3.00	12.02	9.00	36.05	24.03	24.03
<b>Commercial Consumers (Non-Industrial)</b>							
AC 50Hz,1-Phase, 230 Volt	58.92	5.65	33.29	9.00	173.08	19.73	19.73
AC 50Hz,3-Phase, 400 Volt	50.07	5.65	28.29	9.00	33.35	16.76	16.76
<b>Public Lighting and Water Supply Consumers</b>							
AC 50Hz,1-Phase, 230 Volt	3.75	5.75	2.16	9.00	3.38	1.22	1.22
AC 50Hz,3-Phase, 400 Volt	4.11	5.75	2.36	9.00	3.70	1.34	1.34
<b>Agricultural Consumers</b>							
AC 50Hz,1-Phase, 230 Volt	0.03	3.50	0.01	9.00	0.03	0.02	0.02
AC 50Hz,3-Phase, 400 Volt	0.08	3.50	0.03	9.00	0.07	0.04	0.04
<b>Industrial Consumers</b>							
AC 50Hz,1-Phase, 230 Volt	1.23	4.95	0.61	9.00	1.10	0.50	0.50
AC 50Hz,3-Phase, 400 Volt	2.10	4.95	1.04	9.00	1.89	0.85	0.85
<b>Temporary Consumer</b>							
LT/HT	0.87	9.00	0.78	9.00	0.78	0.00	0.00
<b>Total</b>	<b>845.54</b>		<b>368.62</b>		<b>760.83</b>	<b>392.21</b>	<b>392.21</b>

**6.2.4** The Commission, however, is of the opinion that the Petitioner must implement measures to optimize resources efficiently, thereby improving the overall efficiency and financial health of the discom.

### 6.3 Introduction of Green Tariff

**6.3.1** It is observed that the Petitioner has not proposed any Green tariff in the petition. However, as mandated under the Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022 notified by the Ministry of Power, Government of India, the Commission is required to determine Green Energy Tariff comprising of the average pooled power purchase cost of the renewable energy, cross-subsidy charges if any, and service charges covering the prudent cost of the distribution licensee for providing the green energy.

**6.3.2** The Commission has noticed that MoP, GoI, in exercise of the powers conferred by sub-section (1) read with clause (z) of sub-section (2) of section 176 of the Electricity Act, 2003, has published Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022. Under the said rules, any entity, whether obligated or not may elect to generate, purchase and consume renewable energy as per their requirements by one or more methods including by requisition from distribution licensee. The relevant extract from the said rule is given below:

*“(C) By requisition from distribution licensee.—(a) Any entity may elect to purchase green energy either upto a certain percentage of the consumption or its entire consumption and they may place a requisition for this with their distribution licensee, which shall procure such quantity of green energy and supply it and the consumer shall have the flexibility to give separate requisition for solar and non-solar;—*

*(b) The consumer may purchase on a voluntary basis, more renewable energy, than he is obligated to do and for ease of implementation, this may be in steps of Twenty five per cent and going upto Hundred per cent;*

*(c) The tariff for the green energy shall be determined separately by the Appropriate Commission, which shall comprise of the average pooled power purchase cost of the renewable energy, cross-subsidy charges if any, and service charges covering the prudent cost of the distribution licensee for providing the green energy;*

*(d) Any requisition for green energy from a distribution licensee shall be for a minimum period of one year;*

*(e) The quantum of green energy shall be pre-specified for at least one year;*

*(f) The green energy purchased from distribution licensee or from Renewable Energy sources other than distribution licensee in excess of Renewable Purchase Obligation of obligated entity shall be counted towards Renewable Purchase Obligation compliance of the distribution licensee;*

*(g) The Accounting of renewable energy supplied at distribution licensee level shall be on a monthly basis;”*

  
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- 6.3.3 The Commission observes that Government of India has taken various initiatives for promoting renewable energy and specific target for renewable energy installation was mentioned under India's nationally determined contribution (NDC). The target is: "To achieve about 50 percent cumulative electric power installed capacity from non-fossil fuel-based energy resources by 2030, with the help of transfer of technology and low-cost international finance including from Green Climate Fund (GCF)". Further, the corporate groups are keen to achieve the net-zero or zero-carbon goal. This is increasing demand for renewable electricity and creating a shift in demand patterns away from fossil fuels. The green tariff can help the consumers in this regard.
- 6.3.4 As mentioned above, the above referred rules mandate the Electricity Regulatory Commissions to determine Green Power Tariff. It is observed that the concept of Green Tariff has been introduced in some States, like Andhra Pradesh, Karnataka, Madhya Pradesh, Maharashtra and Gujarat for encouraging consumers to use green power, to be supplied by Distribution Utilities. Further, in accordance with the Section 86(1)(e) of the Electricity Act, 2003, the Commission is mandated to promote renewable energy (RE). The Commission observes that the concept is new in the State of Arunachal Pradesh. The Commission decides to introduce the Green Tariff through this order so the interested consumer could procure power from the Petitioner at Green tariff approved by the Commission.
- 6.3.5 In view of above the Commission decides to approve the green tariff as **Rs 0.50/kWh**, which will be paid by the willing consumers over and above the normal tariff rates applicable for their respective category.

The following conditions shall be followed in this regard.

- ✓ All consumers (High Voltage and Low Voltage) shall be eligible for opting Green energy on payment of Green Power Tariff, which will be in addition to energy charges.
- ✓ Revenue earned through Green Power Tariff shall be treated as tariff income of Distribution Licenses and shall be part of revenue income from tariff. However, the quantum of such revenue shall be provided by Distribution Licensee to the Commission.
- ✓ The Consumer will have option to select the quantum of green power to be purchased in steps of 25% and going up to 100% of the consumption.

  
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- ✓ The Distribution Licensee will levy Green Power Tariff only for percentage of consumption opted by the Consumer.
- ✓ Any requisition for green energy from a distribution licensee shall be for a minimum period of one year.
- ✓ Distribution Licensee shall process the request of Consumer for Green Power Tariff not later than 30 days from the receipt of the request.
- ✓ Distribution Licensee shall ensure to make wide publicity of this scheme.

**6.3.6** The Commission directs the Petitioner to submit the result of Green Tariff implementation scheme in next tariff petition with details like number of consumers opted for the scheme, energy supplied (month wise and consumer category-wise), revenue earned through green tariff (month wise and consumer category-wise).

#### **6.4 Tariff for EV Charging Station**

**6.4.1** EV charging infrastructure refers to the network of public and private charging stations designed to recharge electric vehicles (EVs). It plays a critical role in supporting the widespread adoption of EVs by ensuring drivers have reliable access to electricity, whether at home, work, or on the go.

**6.4.2** Further, EV charging tariffs refer to the pricing structure for charging electric vehicles at public or private charging stations. These tariffs vary based on factors like the type of charger, the location, and the time of day. Accordingly, the Commission approve various pricing tariff structure for different type of consumer as discuss below.

- **Domestic Consumers:** All the metered domestic consumers shall be allowed to charge their electric vehicle at their residence, provided the load of EV does not exceed the connected / contracted load. The tariff that is applicable as per the rate schedule shall be applicable on electric vehicle charging as well.

Further, the consumer shall be required to bear all expenses related to connection/related electricity infrastructure charges, wherever applicable. However, if consumer is having an EV vehicle for commercial purpose, the consumer has to register the same with municipal authorities (if municipal authority has provisions for it) and disclose/declare the same to the Petitioner. In case no such registration exists, the consumer has to self-declare the same to Petitioner.

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- Public Charging Stations: As per the guidelines of Ministry of Power's revised consolidated guidelines and standards regarding charging infrastructure for EV issued on 17<sup>th</sup> September 2024, the cost of supply by DISCOM to a public charging station will be 0.7 times of ACoS during solar hours and 1.3 times of ACoS during non-solar hours. Solar hours mean 9:00 AM to 4:00 PM time and non-solar means remaining period of the day. The relevant extract is cited below:

***"9. Tariff for supply of electricity to EV charging stations***

- (1) The tariff for supply of electricity to EV Charging Stations shall be single part and shall not exceed "Average Cost of Supply" till 31st March 2028.*
  - (2) The Distribution Licensee will charge 0.7 times the Average Cost of Supply (ACoS) during solar hours (9:00 AM to 4:00 PM) and 1.3 times ACoS during nonsolar hours (remaining hours of the day).*
  - (3) Each EV charging station must have separate metering arrangements to accurately record consumption and apply the appropriate tariff.*
  - (4) Distribution Licensee may provide sub metering for EV charger, behind-the-meter of an existing HT connection."*
- In light of the Ministry of Power's revised consolidated guidelines and standards for Electric Vehicle (EV) charging infrastructure, issued on 17th September 2024, the Commission believes that the EV scenario in Arunachal Pradesh is still in its early stages. At this point, charging 1.3 times the ACOS during non-solar hours would be inappropriate, as it could hinder the promotion of EV usage in the state. Furthermore, the Commission is of the view that the EV tariff for public charging stations during daytime (i.e. solar hours) should be set equal to the ACOS. This is because more than 90% of the consumer base consists of LT (Low Tension) consumers, who are already cross-subsidized. Additional cross-subsidization of EV charging stations could create a revenue gap for the Petitioner. Therefore, the Commission has decided that, for now, the EV tariff for public charging stations—both during solar and non-solar hours—will be equal to the ACOS (Average Cost of Supply).

Based on above excerpt, the Commission approves EV tariff for Public Charging Stations as follows:

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**Table 83 Tariff for EV charging station approved by the Commission for FY 2025-26**

S.No	Particulars	Tariff (Rs./unit)
1	Public Charging Station (during solar hours 9AM to 4PM)	Rs.9.00/unit
2	Public Charging Station (during non-solar hours, remaining period of the day)	Rs.9.00/unit

## 6.5 Time of the Day Tariff

**6.5.1** The Government of India on 14th June, 2023 notified an amendment to the Electricity (Rights of Consumers) Rules, 2020 as “the Electricity (Rights of Consumers) Amendment Rules, 2023” in which under clause 8A “Time of Day (ToD) Tariff” provision is introduced.’

**6.5.2** Rather than being charged for electricity at the same rate at all times of the day, the price consumer pay for electricity will vary according to the time of day.

**6.5.3** The Commission vide order dated 11<sup>th</sup> March 2024 has already introduced time of the day tariff for Commercial and Industrial consumers having maximum demand more than 10 kW.

**6.5.4** However, the Commission has also referred to the Electricity (Rights of Consumers) Amendment Rules, 2023 as cited below:

*“3. In the principal rules, after rule 8, the following rules shall be inserted, namely: -*

*(8A) Time of Day Tariff. -The Time of Day tariff for Commercial and Industrial consumers having maximum demand more than ten Kilowatt shall be made effective from a date not later than 1st April, 2024 and for other consumers except agricultural consumers, the Time of Day tariff shall be made effective not later than 1st April, 2025 and a Time of Day tariff shall be made effective immediately after installation of smart meters, for the consumers with smart meters:*

*Provided that, the Time of Day Tariff specified by the State Commission for Commercial and Industrial consumers during peak period of the day shall not be less than 1.20 times the normal tariff and for other consumers, it shall not be less than 1.10 times the normal tariff:*

*Provided further that, tariff for solar hours of the day, specified by the State Commission shall be atleast twenty percent less than the normal tariff for that category of consumers:*

*Provided also that the Time of Day Tariff shall be applicable on energy charge component of the normal tariff: Provided also that the duration of peak hours shall not be more than solar hours as notified by the State Commission or State Load Despatch Centre.*



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**Explanation:** - For the purposes of this rule, the expression "solar hours" means the duration of eight hours in a day as specified by the State Commission."

- 6.5.5** In view of the above the timeline set in the Electricity Rights of consumer rules the Commission has decided to introduce ToD tariff for all category of consumers (except agricultural consumers) having maximum demand more than 10 kW.
- 6.5.6** ToD tariff shall be made effective immediately after installation of smart meters for the consumers.
- 6.5.7** Normal Tariff means the tariff approved in tariff order of ensuing year. Tod tariff, during the peak period of the day, for all category of consumers (except agricultural consumers) consumers shall be 1.20 times the normal tariff.
- 6.5.8** Solar hours in the state of Arunachal Pradesh will be from 0800 hrs to 1600 hrs.
- 6.5.9** Tariff for solar hours of the day, for all consumers (except agricultural consumers) shall be twenty percent (20%) less than the normal tariff. ToD tariff shall be applicable on energy charge component of the normal tariff.
- 6.5.10** In the event of applicability of TOD tariff to a consumer, all other terms and conditions of the applicable tariff shall continue to apply.

Applicability of ToD Tariff		
Sl. No.	Time Slot	TOD tariff
1	0600 hrs to 0800 hrs (Normal)	Normal Tariff
2	0800 hrs to 1600 hrs (solar hrs)	twenty percent (20%) less than the normal tariff.
3	1600 hrs to 1700 hrs (Normal)	Normal Tariff
4	1700 hrs to 2100 hrs (Peak Hrs)	1.20 times the normal tariff
5	2100 hrs to 0600 hrs (off Peak hrs)	Normal Tariff

  
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## Chapter 7: Determination of Wheeling Charges

### 7.1 Wheeling Charges

7.1.1 The Commission has referred to clause 9.2 and 9.5 of the APSERC(MYT) Regulations, 2024 for computation of wheeling charges for distribution business, the relevant extracts from the Regulation is cited below:

**“9.2 Separation of accounts:**

*The distribution licensee shall segregate the accounts of the licensed business into Wheeling Business and Retail Supply Business and submit separate ARRs for respective business. The ARR for wheeling business shall be used to determine wheeling charges recoverable from open access consumers and the ARR for Retail Supply Business to determine retail supply tariff for sale of electricity to different categories of consumers of the licensee, which will be inclusive of wheeling charges”.*

**“9.5 Allocation Matrix:**

*The Wheeling Charges of the Distribution Licensee shall be determined by the Commission on the basis of segregated accounts of Distribution Wires Business:*

*Provided that where the Distribution Licensee is not able to submit audited and certified separate accounts for Distribution Wires Business and Retail Supply Business, the following Allocation Matrix shall be applicable.*

**Table - 1 Allocation matrix for segregation of expenses between Distribution Wires Business and Retail Supply Business.**

Particulars	Wire Business (%)	Retail Supply Business (%)
Power Purchase Expenses	0	100
Intra-State Transmission Charge (Intra and Inter both)	0	100
SLDC Charges	0	100
Open Access Charges	0	100
Employee Expenses	60	40
Administration and General Expenses	50	50
Repair and Maintenance Expenses	90	10
Depreciation	90	10
Interest on Long-term Loan Capital	90	10
Interest on Working Capital and on Consumer Security Deposit	10	90
Bad Debt Written off	0	100
Income Tax	90	10
Contribution to contingency reserves	100	0
Return on Equity	90	10
Non-Tariff Income	10	90

.....”

7.1.2 The Petitioner in the instant case has submitted that they do not have a separate account for the Wire Business and Retail Supply Business, and hence as per provisions of Regulations 9.5, the allocation matrix is followed for segregation of expenses between Distribution Wires Business and Retail Supply Business. Accordingly, as per the allocation matrix the expenses

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for wire business as per the ARR approved by the Commission for FY 2025-26 is shown in the table below,

**Table 84 Allocation of expenses for Wire Business from the approved ARR for FY 2025-26(Rs.Cr)**

Allocation Matrix FY2025-26		
Particulars	Wire Business (%)	ARR Allocation
Power Purchase Expenses	0%	0.00
Intra-State Transmission Charge (Intra and Inter both)	0.00%	0.00
SLDC Charge	0.00%	0.00
Open Access Charge	0.00%	0.00
Employee Expenses	60%	232.62
Administration and General Expenses	50%	4.97
Repair & Maintenance Expenses	90%	37.72
Depreciation	90%	0.00
Interest on Long-term Loan Capital	90%	0.00
Interest on Working Capital and on Consumer Security Deposit	10%	0.00
Bad Debt Written off	0%	0.00
Income Tax	90%	0.00
Contribution to contingency reserves	100%	0.00
Return on Equity	90%	0.00
Non-Tariff Income	10%	6.45
<b>Total</b>		<b>281.76</b>

Accordingly, the Wheeling Charges for FY 2025-26 approved by the Commission is shown below:

**Table 85: Approved Wheeling Charges for FY 2025-26**

Particulars	Unit	F Y 2025-26
<b>ARR for Wire Business (1)</b>	Rs in Crore	<b>281.76</b>
<b>Energy input for wheeling (2)</b>	MU	1413.55
<b>Wheeling Charge (1/2)</b>	Rs per Unit	1.99

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## Chapter 8: New Service Connection charges in electrified areas upto a load of 150kW(MP-10 of 2024)

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### 8.1 Background

#### Petitioners Submission

8.1.1 The Commission vide order dated 26.07.2024 in Petition No. MP-04 of 2024 approved the new service connection charges in electrified areas up to a load of 150 KW in compliance of Regulation 3.6.4(10) of 2024 Supply Code. Aggrieved with the findings of the Commission in order dated 26.07.2024, Department of Power Govt. of Arunachal Pradesh has filed the instant Review Petition and has made the following prayers:

- a) *"Admit the review petition and consider issuing an order revising the New Service Connection Charges on a per kW basis for loads up to 150 kW in electrified areas, in line with the resolution of the 3<sup>rd</sup> National Conference of Chief Secretaries.*
- b) *pass any other relief or direction that the Hon'ble Commission may deem fit and proper in the interest of justice and compliance with national policy directives."*

8.1.2 The Petitioner has submitted that the several video conferences were conducted by the Joint Secretary (Power), Government of India during which he had expressed repeatedly that the New Service Connection Charges should be per kW up to 150 kW of load in Electrified Area as per the decision taken in the 3<sup>rd</sup> National Conference of Chief Secretaries, chaired by the Hon'ble Prime Minister of India. As such, the learned Joint Secretary (Power), Government of India, observed that the order issued by the Hon'ble Arunachal Pradesh State Electricity Regulatory Commission does not comply with resolution of the 3<sup>rd</sup> National conferences of Chief Secretaries since the new service connection charges order dated 26.07.2024 is based on distance.

8.1.3 The Petitioner has submitted that during last video conference held on 29.11.2024, the Joint Secretary (Power), Government of India, directed the Department of Power, Government of Arunachal Pradesh, to file a review petition before the Hon'ble Arunachal Pradesh State Electricity Regulatory Commission to review the Hon'ble Commission order dated 26.07.2024, so as to specify the New Service Connection Charges on a per kW basis for new Connection up to 150 kW in Electrified Area.

  
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- 8.1.4** As per the directives on “Ease of Living’ in third National Conference of Chief Secretaries, a licensee was required to simplify the new connection charges for load up to 150 kW in the electrified areas. In pursuant to the above directives and the 2024 Supply Code, The Petitioner filed the petition on 20.6.2024 before the Commission. The Petitioner within the petition has submitted the calculations/analysis made for all the categories of consumers at LT-1 phase and LT-3 phase and HT (11 kV) and the connection charges (New Connection) per kW upto 150 kW. The Petitioner has also submitted (a) calculation sheet and analysis, (b) copy of the Department’s Schedule of Rates (SoR), 2022 and (c) cost of meters under Revamped Distribution Sector Scheme (RDSS) along with the petition.

**Commissions Analysis and decision**

- 8.1.5** We have considered the submissions of the Petitioner. The Petitioner has sought approval of new service connection charges in electrified areas up to a load of 150 KW in compliance of Regulation 3.6.4(10) of the 2024 Supply Code, wherein the Commission directed the Petitioner/ licensee to file a separate petition as per the Arunachal Pradesh State Electricity Regulatory Commission (Conduct of Business) Regulations, 2011. To make the rule implementable in remote and difficult areas of Arunachal Pradesh the electrified areas as prescribed in the rules is presumed a distance of 30 metres from the available network of the distribution licensee on applicable voltage levels as submitted by the Petitioner. Accordingly, the Petitioner has filed the instant petition. The Regulation 3.6.4(10) of the 2024 Supply Code provides as follows:

*“(10) For electrified areas up to 150 kW the consumer shall deposit the connection charges for new connection, as applicable, on the basis of the load, category of connection sought and average cost of connection of the distribution licensee so as to avoid site inspection and estimation of demand charges for each and every case individually. The demand charges, in such cases, may be paid at the time of application for new connection. The connections charges for such consumers shall be as specified in the Retail Supply Order issued by the Commission from time to time. The licensee has to file a petition as per the APSERC Conduct of Business regulation before the Commission for determination of such miscellaneous charges/ various electrical charges as specified in Annexure 10.13 of this code once in two-year period.”*

- 8.1.6** The Petitioner has claimed the following connection charges for new service connections in electrified areas:



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Sl No	Category of Consumer	Registration and processing fee	Cost of materials	Cost of meter		Security Deposit		Connection charges per KW	
				Prepaid	Post-paid	Pre-paid	Post-paid	Prepaid	Post-paid
1	2	3	4	5	6	7	8	9=3+4+5+7	10=3+4+6+8
<b>I. LT, 1-Ph (Upto 7 KW whose distance is not more than 30m from the nearest pole).</b>									
1	Domes-tic	50	1750	6000	1500	0	1728	7800	5028
2	Com-mercial	50	1750	6000	1500	0	3600	7800	6900
3	LT In-dustrial	50	1750	6000	1500	0	3096	7800	6396
4	Agricul-ture	50	1750	6000	1500	0	1473	7800	4773
5	Water Supply	50	1750	6000	1500	0	2424	7800	5724
6	Street Light	50	1750	6000	1500	0	2938	7800	6238
7	Sigbal& Blinker	50	1750	6000	1500	0	2938	7800	6238
8	Railway Traction	50	1750	6000	1500	0	1728	7800	5028
9	EV Charg-ing sta-tion	50	1750	6000	1500	0	3600	7800	6900
<b>II. LT, 3-Ph (For load more than 7 KW and up to 50 KW and whose distance is not more than 30m from the nearest pole).</b>									
1	Domes-tic	50.00	3500.00	6000.00	2500.00	0.00	1728.00	9550.00	7778.00
2	Com-mercial	50.00	3500.00	6000.00	2500.00	0.00	3600.00	9550.00	9650.00
3	LT In-dustrial	50.00	3500.00	6000.00	2500.00	0.00	3024.00	9550.00	9074.00
4	Agricul-ture	50.00	3500.00	6000.00	2500.00	0.00	1473.00	9550.00	7523.00
5	Water Supply	50.00	3500.00	6000.00	2500.00	0.00	2424.00	9550.00	8474.00
6	Street Light	50.00	3500.00	6000.00	2500.00	0.00	2938.00	9550.00	8988.00
7	Signal & Blinkers	50.00	3500.00	6000.00	2500.00	0.00	2938.00	9550.00	8988.00
8	Railway Traction	50.00	3500.00	6000.00	2500.00	0.00	1728.00	9550.00	7778.00
9	EV charg-ing sta-tion	50.00	3500.00	6000.00	2500.00	0.00	3600.00	9550.00	9650.00
<b>III. 11 KV (Load more than 50KW (55.6 KVA) and up to 150 KW (166.7 KVA) whose distance is not more than 100 meters from the nearest pole).</b>									
1	Domes-tic	1000.00	14804.00	23000.00	4000.00	0.00	1469.00	38804.00	21273.00
2	Com-mercial	1000.00	14804.00	23000.00	4000.00	0.00	3024.00	38804.00	22828.00

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3	HT (11KV) Indus- tries	1000.00	14804.00	23000.00	4000.00	0.00	5400.00	38804.00	25204.00
4	Agricul- ture	1000.00	14804.00	23000.00	4000.00	0.00	1307.00	38804.00	21111.00
5	Water Supply	1000.00	14804.00	23000.00	4000.00	0.00	1996.00	38804.00	21800.00
6	Street Light	1000.00	14804.00	23000.00	4000.00	0.00	2419.00	38804.00	22223.00
7	Signal & Blinkers	1000.00	14804.00	23000.00	4000.00	0.00	2419.00	38804.00	22223.00
8	Railway Traction	1000.00	14804.00	23000.00	4000.00	0.00	3024.00	38804.00	22828.00

**8.1.7** The Petitioner has claimed (a) registration and processing fee, (b) cost of materials, (c) cost of meter (both prepaid and post-paid consumers as the case may be) and (d) security deposit (both prepaid and post-paid consumers as the case may be) for nine categories of consumers of 1-Ph (up to 7 KW whose distance is not more than 30m from the nearest pole) and LT, 3-Ph (For load more than 7 KW and up to 50 KW and whose distance is not more than 30m from the nearest pole) and eight categories of consumers under the 11 KV (Load more than 50KW (55.6 KVA) and up to 150 KW (166.7 KVA) whose distance is not more than 100 meters from the nearest pole), as quoted in the table above. Further, the Petitioner has submitted that (a) the “Signal & Blinker” category of consumers are treated at par with the “street lightning” category of consumers and (b) the “railway traction” and the “EV charging station” category of consumers are treated at par with the “commercial category”.

**8.1.8** We have considered the Petitioner’s claim of (a) registration and processing fee, (b) cost of materials, (c) cost of meter and (d) security deposit in the subsequent paragraphs. It is observed that the Petitioner has claimed cost of meter and security deposit for the post-paid consumers, besides the prepaid consumers. However, as per Regulation 5.1.1 of the 2024 Supply Code all new connections shall be “smart pre-payment meter” or “pre-payment meter” and the 2024 Supply Code does not provide for post-paid new connections. Any exception to installation of “smart pre-payment meter” or “pre-payment meter” has to be approved by the Commission along with proper justification for allowing such a deviation. The Regulation 5.1.1 of the 2024 Supply Code provides as follows:

*“5.1 Metering*

*5.1.1. Requirement of Meters (1) No connection shall be given without a meter and such meter shall be the smart prepayment meter or pre-payment meter. Any exception to the smart meter or prepayment*

  
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*meter shall have to be duly approved by the Commission. The Commission, while doing so, shall record proper justification for allowing the deviation from installation of the smart pre-payment meter or pre-payment meter."*

**8.1.9** In view of the above, we disallow the Petitioner's claim for approval of connection charges for post-paid new connections. As Regulation 5.1.1 of the 2024 Supply Code provides for only installation of "smart pre-payment meter" or "pre-payment meter" for new connections, we approve connection charges for only new prepaid connections.

**8.1.10** The Commission has now considered the Petitioner's claim of (a) registration and processing fee, (b) cost of materials, (c) cost of meter and (d) security deposit.

**Registration and Processing Fee**

**8.1.11** The Petitioner has submitted that the registration and processing fee is claimed as specified in the 2024 Supply Code. It is observed that the registration and processing fee specified in the Annexure.10.13 of the said 2024 Supply Code is ₹50 for LT consumers and it is ₹1000 for HT consumers. Accordingly, the registration and processing fee claimed by the Petitioner is in accordance with the 2024 Supply Code. Therefore, we approve the registration and processing fee of ₹50 in case of LT, 1-Ph and Lt, 3-Ph and ₹1000 in case of 11 kV (Load more than 50 KW and up to 150 KW) consumers.

**Cost of materials**

**8.1.12** The Petitioner has submitted cost estimates of ₹1,750/kW, ₹3,500/kW, and ₹14,804/kW towards the cost of materials for new connections up to 7 kW (up to 30 meters), more than 7 kW and up to 50 kW (up to 30 meters), and more than 50 kW and up to 150 kW (up to 100 meters), respectively. Upon scrutiny, the Commission finds certain discrepancies in the calculations provided by the Petitioner.

**8.1.13** The Petitioner has also submitted an analysis detailing the methodology adopted for arriving at the material costs, which is based on the Schedule of Rates (SOR) of the Petitioner. However, it is observed that the said Schedule of Rates has not been submitted to the Commission for approval. In the absence of an approved cost dataset, the Commission has undertaken an independent analysis based on prevailing market trends for determining the cost of materials for new connections up to 7 kW, more than 7 kW to 50 kW, and more than 50 kW up to 150 kW. After incorporating necessary corrections in the calculations, the

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Commission has considered the cost of materials in line with market trends for the purpose of analysis.

**8.1.14** The Commission has examined the petitioner's analysis of material costs for 11 kV connections, specifically for loads exceeding 55.5 kVA and up to 166.6 kVA, where the distance does not exceed 100 meters. It is observed that the petitioner has included the cost of the distribution substation in the material cost. As per Regulation 3.2(1) of the 2024 Supply Code, it is the statutory obligation of the distribution licensee to ensure that its distribution system is upgraded, extended, and strengthened to meet the demand for electricity in its area of supply. Further, Regulation 3.2(2) of the 2024 Supply Code mandates that the licensee shall bear the cost of system strengthening or upgradation required to meet the demand of existing consumers. Such costs shall be met through the licensee's annual revenues or funds arranged by the licensee and subsequently recovered from consumers through tariff. The relevant provisions of Regulation 3.2 of the 2024 Supply Code are reproduced below:

**“3.2 Licensee's Obligation to Extend the Distribution System and Consumer's Share in the Cost**

- (1) *The licensee is responsible for ensuring that its distribution system is upgraded, extended and strengthened to meet the demand for electricity in its area of supply.*
- (2) *The licensee shall meet the cost for strengthening / up-gradation of the system to meet the demand of the existing consumers through its annual revenues or funds arranged by the licensee and this cost shall be recovered from the consumers through tariff. System strengthening / capacity building charges if any shall meet a part of such expenses.*
- (3) *The cost of extension and up-gradation of the system for meeting demand of new consumers shall be recovered from the new consumers through charges as approved by the Commission. The cost of extension of distribution mains and extension / up-gradation of the system up to the point of supply for meeting demand of new consumers shall be payable by the consumer or any collective body of the consumers or otherwise as may be directed by the Commission as per the provisions of section 46 of the Act.*
- (4) *In case of new connection, the consumer shall bear Service Connection Charges, i.e. the cost of extension of service connection from the distribution mains to the point of supply, and shall pay the security deposit (except in case of prepaid meters) as detailed in Annexure 10.10 to this Code*

**8.1.15** In view of the above, the Commission finds that the material cost claimed by the petitioner, including the cost of the distribution substation, is not in accordance with the provisions of the 2024 Supply Code. Accordingly, the Commission disapproves the material cost claimed by the petitioner for connection charges for 11 kV load (exceeding 50 kW and up to 150 kW). The Commission, however, approves the cost of materials strictly limited to essential components such as wires, MCBs, etc. and the table showing the cost of material for each kW for all category of consumer is attached later in this Order as annexure.

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**Cost of meter (for prepaid consumers)**

**8.1.16** The Petitioner has claimed ₹6000 and ₹23000 towards cost of meters for prepaid new LT connections and prepaid new 11 KV connections, respectively. The Petitioner has further submitted that the cost of meter is claimed as specified in Revamped Distribution Sector Scheme (RDSS) and has annexed a copy of the Smart Metering DPR of the Department of Power, Arunachal Pradesh in support of its claim along with the petition. We have considered the information submitted by the Petitioner regarding the cost of meter as ₹6000 and ₹23000 for prepaid new LT connections and prepaid new HT connections, respectively.

**Security Deposit**

**8.1.17** The Petitioner has claimed Security Deposit in case of new post-paid connections and has not claimed any Security Deposit for new prepaid connections. As per Regulation 3.2.4 of the 2024 Supply Code, no security is required to be paid in case of prepaid meters and therefore, the Petitioner has not claimed any Security Deposit in case of prepaid meters. As we have already decided that we are not approving charges for the new post-paid connections, there is no requirement for us to consider the Petitioner's claim for Security Deposit in case of new post-paid connections.

**8.1.18** The Petitioner has submitted that the "Signal & Blinker" category of consumers are treated at par with the "street light" category of consumers and the "Railway traction" and "EV charging station" category of consumers are treated at par with the "commercial" category of consumers. As there is no category of "Signal & Blinker", "Railway traction" and "EV charging station" category of consumers at present, the Petitioner has categorised them as stated above and we approve the same.

**8.1.19** We also feel it pertinent to refer to Regulation 3.3 of the 2024 Supply Code, according to which the consumer seeking a new connection/ extension of work can carry out the work required for availing the new connection/ extension of work. However, the work has to be carried out as per the procedure specified in the 2024 Supply Code. The Regulation 3.3 of the 2024 Supply Code provides as follows:

*"3.3. Service Connection/ Extension work carried out by Consumers*



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*If the consumer wishes to carry out the works himself, he shall be permitted to do so under supervision by the licensee's official. Adhering to the estimate and layout approved by the licensee, the consumer can get the work of drawing of service line from the licensee's distribution mains up to his premises through a 'C' or higher-class Licensed Electrical Contractor (LEC), and the work of extension of HT/EHT line, Distribution or HT substation and LT line only through an 'A' class LEC. In such case, the consumer himself shall procure the materials. The material should conform to relevant BIS specifications or its equivalent and should bear the ISI mark wherever applicable. The licensee may ask for documentary evidence to verify the quality of materials used. Provided further that if the consumer chooses to get the extension work done on his/her own, he shall bear only supervision charges, as per the schedule of charges provided in Annexure 10.12 to this Code. Provided further that if the consumer chooses to get the extension work done on his own, he shall get the work done within the time frame specified in clause 3.6.12 (2) of this Code, failing which the licensee may, on giving 15 days' notice, treat the application form for supply as cancelled and the consumer has to apply afresh."*

**8.1.20** As the 2024 Supply Code provides for a new consumer to get the work done by himself for availing the connection, we are of the view that it is necessary for us to approve the new connection charges for LT, 1-Ph and Lt, 3-Ph and 11 KV in two scenarios, i.e., if the material and meter are provided by the licensee and if the material and meter are provided by the consumer seeking a new connection/ extension work.

**8.1.21** Accordingly, we approve the following new connection charges:

(in ₹)

LT, 1-Ph – up to 7 KW						
For all Category of Consumer i.e. Domestic, Commercial, LT Industrial, Agriculture, Water Supply, Street Light, Signal & Blinker, Railway Traction, EV Charging Station						
Sl. No.	LOAD (kW)	Registration and processing fee (Rs.)	Cost of pre-paid meter (Rs.)	Cost of materials (Rs.)	New connection charges, if the material and meter is provided by the licensee (Rs.)	New connection charges, if the material, meter and the labour is provided by the consumer (Rs.)
		Per connection	Per Connection		C+D+E	C
A	B	C	D	E	F	G
1	1	50	6000	7199	13249	50
2	2	50	6000	7199	13249	50
3	3	50	6000	7199	13249	50
4	4	50	6000	8503	14553	50
5	5	50	6000	8503	14553	50

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6	6	50	6000	10532	16582	50
7	7	50	6000	10532	16582	50

(in ₹)

LT, 3 Ph(for Load more than 7 KW and upto 50 kW)						
For all Category of Consumer i.e. Domestic, Commercial, LT Industrial, Agriculture, Water Supply, Street Light, Signal & Blinker, Railway Traction ,EV Charging Station						
Sl. No.	LOAD (kW)	Registration and processing fee (Rs.)	Cost of pre-paid meter (Rs.)	Cost of materials (Rs.)	New Connection charges, if the material and meter is provided by the licensee (Rs.)	New connection charges, if the material, meter and labour is provided by the consumer (Rs.)
		Per Connection	Per Connection		B+C+E	C
A	B	C	D	E	F	G
1	7.1	50	6000	16572	22622	50
2	8	50	6000	16572	22622	50
3	9	50	6000	16572	22622	50
4	10	50	6000	16572	22622	50
5	11	50	6000	17514	23564	50
6	12	50	6000	17514	23564	50
7	13	50	6000	17514	23564	50
8	14	50	6000	17514	23564	50
9	15	50	6000	21246	27296	50
10	16	50	6000	21246	27296	50
11	17	50	6000	21246	27296	50
12	18	50	6000	27551	33601	50
13	19	50	6000	27551	33601	50
14	20	50	6000	27551	33601	50
15	21	50	6000	27551	33601	50
16	22	50	6000	35813	41863	50
17	23	50	6000	35813	41863	50
18	24	50	6000	35813	41863	50
19	25	50	6000	35813	41863	50

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20	26	50	6000	35813	41863	50
21	27	50	6000	35813	41863	50
22	28	50	6000	35813	41863	50
23	29	50	6000	35813	41863	50
24	30	50	6000	47589	53639	50
25	31	50	6000	47589	53639	50
26	32	50	6000	47589	53639	50
27	33	50	6000	47589	53639	50
28	34	50	6000	47589	53639	50
29	35	50	6000	47589	53639	50
30	36	50	6000	47589	53639	50
31	37	50	6000	58569	64619	50
32	38	50	6000	58569	64619	50
33	39	50	6000	58569	64619	50
34	40	50	6000	58569	64619	50
35	41	50	6000	58569	64619	50
36	42	50	6000	58569	64619	50
37	43	50	6000	58569	64619	50
38	44	50	6000	58569	64619	50
39	45	50	6000	70780	76830	50
40	46	50	6000	70780	76830	50
41	47	50	6000	70780	76830	50
42	48	50	6000	70780	76830	50
43	49	50	6000	70780	76830	50
44	50	50	6000	70780	76830	50

  
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(in ₹)

11 kV Load (Load more than 50 KW and up to 150 KW)						
For all Category of Consumer i.e. Domestic, Commercial, HT(11kV) Industrial, Agriculture, Water Supply, Street Light, Signal & Blinker, Railway Traction						
Sl. No.	LOAD (kW.)	Registration and processing fee (Rs.)	Cost of pre-paid meter (Rs.)	Cost of materials (Rs.)	New Connection charges, if the material and meter is provided by the licensee (Rs.)	New Connection charges, if the material, pre-paid meter and the labour is provided by the consumer (Rs.)
		Per Connection	Per Connection		C+D+E	C
A	B	C	D	E	F	G
1	50.1	1000	23000	73800	97800	1000
2	51	1000	23000	73800	97800	1000
3	52	1000	23000	73800	97800	1000
4	53	1000	23000	73800	97800	1000
5	54	1000	23000	73800	97800	1000
6	55	1000	23000	73800	97800	1000
7	56	1000	23000	73800	97800	1000
8	57	1000	23000	73800	97800	1000
9	58	1000	23000	73800	97800	1000
10	59	1000	23000	73800	97800	1000
11	60	1000	23000	73800	97800	1000
12	61	1000	23000	73800	97800	1000
13	62	1000	23000	73800	97800	1000
14	63	1000	23000	73800	97800	1000
15	64	1000	23000	73800	97800	1000
16	65	1000	23000	73800	97800	1000
17	66	1000	23000	73800	97800	1000
18	67	1000	23000	73800	97800	1000
19	68	1000	23000	73800	97800	1000
20	69	1000	23000	73800	97800	1000

  
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21	70	1000	23000	73800	97800	1000
22	71	1000	23000	73800	97800	1000
23	72	1000	23000	73800	97800	1000
24	73	1000	23000	73800	97800	1000
25	74	1000	23000	73800	97800	1000
26	75	1000	23000	89345	113345	1000
27	76	1000	23000	89345	113345	1000
28	77	1000	23000	89345	113345	1000
29	78	1000	23000	89345	113345	1000
30	79	1000	23000	89345	113345	1000
31	80	1000	23000	89345	113345	1000
32	81	1000	23000	89345	113345	1000
33	82	1000	23000	89345	113345	1000
34	83	1000	23000	89345	113345	1000
35	84	1000	23000	89345	113345	1000
36	85	1000	23000	89345	113345	1000
37	86	1000	23000	89345	113345	1000
38	87	1000	23000	89345	113345	1000
39	88	1000	23000	89345	113345	1000
40	89	1000	23000	89345	113345	1000
41	90	1000	23000	108513	132513	1000
42	91	1000	23000	108513	132513	1000
43	92	1000	23000	108513	132513	1000
44	93	1000	23000	108513	132513	1000
45	94	1000	23000	108513	132513	1000
46	95	1000	23000	108513	132513	1000
47	96	1000	23000	108513	132513	1000
48	97	1000	23000	108513	132513	1000
49	98	1000	23000	108513	132513	1000
50	99	1000	23000	108513	132513	1000
51	100	1000	23000	108513	132513	1000



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52	101	1000	23000	108513	132513	1000
53	102	1000	23000	108513	132513	1000
54	103	1000	23000	108513	132513	1000
55	104	1000	23000	108513	132513	1000
56	105	1000	23000	108513	132513	1000
57	106	1000	23000	108513	132513	1000
58	107	1000	23000	108513	132513	1000
59	108	1000	23000	108513	132513	1000
60	109	1000	23000	108513	132513	1000
61	110	1000	23000	138335	162335	1000
62	111	1000	23000	138335	162335	1000
63	112	1000	23000	138335	162335	1000
64	113	1000	23000	138335	162335	1000
65	114	1000	23000	138335	162335	1000
66	115	1000	23000	138335	162335	1000
67	116	1000	23000	138335	162335	1000
68	117	1000	23000	138335	162335	1000
69	118	1000	23000	138335	162335	1000
70	119	1000	23000	138335	162335	1000
71	120	1000	23000	138335	162335	1000
72	121	1000	23000	138335	162335	1000
73	122	1000	23000	138335	162335	1000
74	123	1000	23000	138335	162335	1000
75	124	1000	23000	138335	162335	1000
76	125	1000	23000	138335	162335	1000
77	126	1000	23000	138335	162335	1000
78	127	1000	23000	138335	162335	1000
79	128	1000	23000	138335	162335	1000
80	129	1000	23000	138335	162335	1000
81	130	1000	23000	138335	162335	1000
82	131	1000	23000	138335	162335	1000

  
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83	132	1000	23000	169099	193099	1000
84	133	1000	23000	169099	193099	1000
85	134	1000	23000	169099	193099	1000
86	135	1000	23000	169099	193099	1000
87	136	1000	23000	169099	193099	1000
88	137	1000	23000	169099	193099	1000
89	138	1000	23000	169099	193099	1000
90	139	1000	23000	169099	193099	1000
91	140	1000	23000	169099	193099	1000
92	141	1000	23000	169099	193099	1000
93	142	1000	23000	169099	193099	1000
94	143	1000	23000	169099	193099	1000
95	144	1000	23000	169099	193099	1000
96	145	1000	23000	169099	193099	1000
97	146	1000	23000	169099	193099	1000
98	147	1000	23000	169099	193099	1000
99	148	1000	23000	169099	193099	1000
100	149	1000	23000	169099	193099	1000
101	150	1000	23000	215698	239698	1000

**NOTE:** (1) The cost of the meter shall not be recoverable from the new consumers granted connection under the RDSS. A list of such NEW consumers considered under RDSS shall be submitted to the Commission by the licensee.  
 (2) For loads which are in decimal form then any load  $\geq 0.5$  range shall be considered in the next higher available limit and load  $< 0.5$  range shall be considered in the previous define load.

**8.1.22** The Petitioner shall post the above approved rates on its website for the new connections charges by the consumers.

**8.1.23** This instant order for pre-connection charges shall remain in force till the date it is amended/revised by the Commission, whichever is earlier. Furthermore, this order will supersede the Order dated 26.07.2024 issued in Petition No. MP-04-2024.

**8.1.24** This order disposes of Petition No.MP-10 of 2024 in terms of the above discussion and findings.





## Chapter 9: Tariff Design and Tariff Philosophy

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### 9.1 Tariff philosophy

- 9.1.1** In determining the ARR and the retail supply tariff for FY 2025-26, the Commission has been guided by the provisions of the Electricity Act, 2003, National Electricity Policy (NEP), Tariff Policy, and the MYT Regulations, 2018. The Commission notes that Section 61 of the Act, lays down the broad principles and guidelines for determination of retail supply tariffs. The basic principle is to ensure that tariff should progressively reflect the cost of supply of electricity and gradually reduce the cross subsidies between categories. The Act, lays special emphasis on safeguarding consumers' interest and requires costs to be recovered in a reasonable manner. The Act mandates that tariff determination should be guided by factors which 'encourage competition, efficiency, economical uses of resources, good performance and optimum investment'. Further, the Act, provides that while determining the tariff, the Commission shall not show undue preference to any consumer of electricity but may differentiate according to the consumer's load factor, power factor, voltage, total consumption of electricity during any specified period or the time at which the supply is required or the geographical position of any area, the nature of supply and the purpose for which the supply is required.
- 9.1.2** It is observed that the Tariff Policy mentions that 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  $\pm 20\%$  of the average cost of supply. The Tariff Policy provides comprehensive guidelines for determination of tariff and also working out of the revenue requirement of power utilities. The Commission has endeavoured to follow these guidelines as far as possible.
- 9.1.3** Though MYT Regulations, 2024 has provision for submission of tariff petition by 30<sup>th</sup> November of preceding year, the Petitioner has submitted the same during 29<sup>th</sup> November 2024. It has been observed that the present regulatory reporting system of the APDOP is not adequate as per requirement of MYT regulations. The regulatory framework requires that the Petitioner should submit the information in desired format, which the Petitioner was not able to fulfil. Hence, the Commission had lack of information as per requirement and has finalized the present order on the limited information submitted by the Petitioner. In view of the above,

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the Commission directs the Petitioner to file the tariff petition along with required format from next year in accordance with the MYT Regulations in force.

- 9.1.4** The Commission observed that historically, the single part tariff (only energy charge) is applicable in the State. The Commission directed the Petitioner to submit the proposal of two-part tariff, which was not followed by the Petitioner. The Commission continues to follow the single part tariff structure for FY 2025-26 and directs the Petitioner to evolve the two-part tariff proposal. The detailed direction is provided under “Directives”.
- 9.1.5** Further, voltage-wise cost of supply is not provided by the Petitioner. The Commission has derived the Average Cost of Supply and average tariff (consumer category wise), i.e. average billing rate in this order. It is envisaged from the comparison of Average Cost of Supply and average tariff that substantial portion of average cost of supply is being provided by the Government as a Grant. The Petitioner is dependent upon Government grant to meet its expenses. This cannot be sustained in long term. The Petitioner is directed to prepare a roadmap for long term financial viability of the organisation in consultation with Government. So that there could be milestone / target for the Petitioner to operate on commercial principles without relying on financial aid from the Government.
- 9.1.6** It is pertinent to note that the MoP Electricity (Second Amendment) Rules, 2023, dated 26.07.2023 discusses about the framework for financial sustainability of utilities. The relevant part is reproduced below:

*“20. Framework for Financial Sustainability:*

*(1) The Aggregate Technical and Commercial loss reduction trajectory to be approved by the State Commissions for tariff determination shall be in accordance with the trajectory agreed by the respective State Governments and approved by the Central Government under any national scheme or programme, or otherwise.*

*(2) The trajectory for both collection and billing efficiency, for distribution licensee shall be determined by the State Commission in accordance with the trajectory approved under sub-rule (1).*

*(3) All the prudent costs of power procurement, incurred by distribution licensee for ensuring 24x7 supply of electricity to consumers under the Electricity (Rights of Consumers) Rules, 2020 and for meeting requirements as per Resource Adequacy plan prepared under the Electricity (Amendment) Rules 2022 shall be taken into account, provided that the procurement of power has been done in a transparent manner or procurement price has been approved by the Appropriate Commission.*

*(4) All the prudent costs incurred by the distribution licensee for creating the assets for development and maintenance of distribution system in accordance with sub-section (1) of section 42 of the Act shall be pass through:*

*Provided that such pass-through of the cost for the assets created by the distribution licensee shall be subject to following conditions: -*

  
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- (i) the asset has been created in accordance with the capex roll out plan for the licensee approved by the respective State Commission.*
- (ii) the asset has been procured in competitive and transparent manner.*
- (iii) the asset is geo-tagged and properly recorded in Fixed Asset Register.*
- (5) Gains or losses accrued to distribution licensee due to deviation from approved Aggregate Technical and Commercial loss reduction trajectory shall be quantified on the basis of Average Power Purchase Cost and shared between the distribution licensee and consumers. Two third of the gains shall be passed on to the consumers in tariff and rest shall be retained by the distribution licensee. Two third of the losses shall be borne by the distribution licensee and rest shall be borne by the consumers.*
- (6) The operation and maintenance norms for distribution licensee shall be determined by the State Commissions in accordance with the guidelines issued by the Authority.*
- (7) Reasonable Return on Equity shall be permitted, with the assessment of overall risk and the prevalent cost of capital.*
- (8) The Return on Equity by the State Commission shall be aligned with the Return on Equity specified by the Central Commission for generation and transmission in its Tariff Regulations for the relevant period, with appropriate modification taking into account the risks involved in distribution business."*

The Petitioner should follow the above principle and work accordingly while preparing the next tariff petition.

## 9.2 Tariff categories

The Commission observes that the Petitioner has not proposed any changes in consumer categories. Hence, the existing consumer categories are kept unchanged. The Commission approves the tariff rates for FY 2025-26 based on the following categories.

1. Domestic
  - a. Kutir Jyoti
  - b. Domestic LT
  - c. Domestic HT
2. Commercial
  - a. Commercial LT
  - b. Commercial HT
3. Public Lighting and Water Works
  - a. Public Lighting and Water works LT
  - b. Public Lighting and Water Works HT
4. Agriculture



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- a. Agricultural LT
- b. Agricultural HT
- 5. Industrial
  - a. Industrial LT
  - b. Industrial HT
- 6. Mixed Bulk Consumers HT
- 7. Temporary Consumers LT

### 9.3 Tariff rates

The tariff proposed by the APDOP and approved by the Commission is shown in Table below.

**Table 86: Existing Tariff, Proposed Tariff and Approved Tariff FY 2025-26**

Category of Consumers	Existing Tariff (Rs/kWh)	Proposed Tariff (Rs/kWh)	Approved Tariff (Rs /kWh)
<b>Non-Commercial (Domestic)</b>			
<b>LT - AC 50 Hz</b>			
1-Phase, 230 Volt	4.00	4.00	4.40
3-Phase, 400 Volt	4.00	4.00	4.40
KJP and BPL connection	2.65	2.65	3.00
<b>HT - AC 50 Hz</b>			
3-Phase, 11kV	3.4	3.4	3.80
3-Phase, 33kV	3.25	3.25	3.65
<b>Commercial (Non-Industrial)</b>			
<b>LT - AC 50 Hz</b>			
1-Phase, 230 Volt	5.00	5.00	5.65
3-Phase, 400 Volt	5.00	5.00	5.65
<b>HT - AC 50 Hz</b>			
3-Phase, 11kV	4.20	4.20	4.85
3-Phase, 33kV	4.00	4.00	4.65
<b>Public Lighting and Water Supply</b>			
<b>LT - AC 50 Hz</b>			
1-Phase, 230 Volt	5.10	5.10	5.75
3-Phase, 400 Volt	5.10	5.10	5.75
<b>HT - AC 50 Hz</b>			
3-Phase, 11kV	4.20	4.20	4.85
3-Phase, 33kV	4.00	4.00	4.65
<b>Agricultural</b>			

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Category of Consumers	Existing Tariff (Rs/kWh)	Proposed Tariff (Rs/kWh)	Approved Tariff (Rs /kWh)
<b>LT - AC 50 Hz</b>			
1-Phase, 230 Volt	3.10	3.10	3.50
3-Phase, 400 Volt	3.10	3.10	3.50
<b>HT - AC 50 Hz</b>			
3-Phase, 11kV	2.75	2.75	3.15
3-Phase, 33kV	2.65	2.65	3.05
<b>Industrial</b>			
<b>LT - AC 50 Hz</b>			
1-Phase, 230 Volt	4.30	4.30	4.95
3-Phase, 400 Volt	4.30	4.30	4.95
<b>HT - AC 50 Hz</b>			
3-Phase, 11kV	3.85	3.85	4.50
3-Phase, 33kV	3.50	3.50	4.15
3-Phase, 132kV	3.35	3.35	4.00
<b>Bulk Mixed</b>			
<b>HT - AC 50 Hz</b>			
3-Phase, 11kV	3.75	3.75	4.40
3-Phase, 33kV	3.40	3.40	4.05
3-Phase, 132 kV and above	3.25	3.25	3.90
<b>Temporary Consumer</b>	6.50	6.50	9.00

The Tariff schedule indicating category wise Tariff, miscellaneous charges and general terms and conditions of supply as approved by the Commission are provided in the next sections.

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## Chapter 10: Compliance of Earlier Directives

The Commission has observed that the Petitioner has not taken any initiative for complying with the directives that the Commission has been issuing from time to time through different orders. In this context, the Commission had also directed the Petitioner to set up a Regulatory Compliance Cell manned by team of experts in understanding the Act and the Regulations. The Commission emphasises on the fact that establishment of such a Regulatory Compliance cell shall result in prompt action on the directives of the Commission. However, the Petitioner has failed to do so and there has been little to no improvement in the operational efficiency of the department.

The Petitioner is hereby again directed to furnish up to date compliance of all directives issued till date within the following additional directives to the APDOP for further compliance.

**(a) Order on ‘Determination of Time of Day (TOD) tariff for Commercial and Industrial consumers in Arunachal Pradesh’ dated 11.03.2024**

The Commission had issued directives for implementation of TOD Tariff for Commercial and Industrial consumers in light of provisions of Rule 8A of the Electricity (Rights of Consumers) Amendment Rules, 2023 vide gazette notification dated 14.06.2023. The Commission had given the following terms and conditions for applicability of TOD tariff.

Applicability of TOD Tariff		
Sl. No.	Time Slot	TOD Tariff
1	0600 to 0800 hrs (Normal)	Normal Tariff
2	0800 to 1600 hrs (Solar hrs)	Twenty percent (20%) less than normal tariff
3	1600 to 1700 hrs (Normal)	Normal Tariff
4	1700 to 2100 hrs (Peak hrs)	1.20 times the Normal Tariff
5	2100 to 0600 hrs (Off Peak hrs)	Normal Tariff

It is imperative to mention here that the Forum of Regulators has already published the importance of implementing TOD tariff way back in 2010. Further, with the increased penetration of renewable energy especially from solar (in the present context for the state of Arunachal Pradesh) the Ministry of Power notified the Electricity (Rights of Consumers) Amendment Rules, 2023 wherein the following Rule has been stated: -

**“(8A) Time of Day Tariff: -**The Time-of-Day tariff for Commercial and Industrial consumers having maximum demand more than ten Kilowatt shall be made effective from a date not later than 1st April, 2024 and for other consumers except agricultural consumers, the Time-of-Day

  
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*tariff shall be made effective not later than 1st April, 2025 and a Time-of-Day tariff shall be made effective immediately after installation of smart meters, for the consumers with smart meters:*

*Provided that, the Time-of-Day Tariff specified by the State Commission for Commercial and Industrial consumers during peak period of the day shall not be less than 1.20 times the normal tariff and for other consumers, it shall not be less than 1.10 times the normal tariff:*

*Provided further that, tariff for solar hours of the day, specified by the State Commission shall be atleast twenty percent less than the normal tariff for that category of consumers:*

*Provided also that the Time-of-Day Tariff shall be applicable on energy charge component of the normal tariff:*

*Provided also that the duration of peak hours shall not be more than solar hours as notified by the State Commission or State Load Despatch Centre.*

**Explanation:** - *For the purposes of this rule, the expression "solar hours" means the duration of eight hours in a day as specified by the State Commission....."*

The Petitioner is directed to continue the implementation of TOD tariff and report the impact of the same on the load curve (daily and seasonal basis) to the Commission in the next tariff petition.

**Reply of the Petitioner:**

It is submitted that the TOD tariff has been circulated among all the division for implementation but till the installation of smart meters, the implementation of TOD Tariff is not possible. The new smart meter's installation under RDSS is on progress, on completion the RDSS, TOD shall be implemented.



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**Compliance status of directives issued by the Commission vide true-up order for FY 2017-18, FY 2018-19, FY 2019-20, FY 2020-21, FY 2021-22, FY 2022-23 dated 09.01.2024**

Sl No	Directive	Compliance by APDOP	Commission's observations	Reply of the Petitioner
1.	Since the Revenue Gap created by the Petitioner (which could have been reduced by improving the efficiency as per committed AT&C loss as well as controlling unwar-ranted UI procurement), is mitigated by the State Gov-ernment through grants, the true-up Revenue Gap shall not pass through and reflect in the next tariff petition. The inefficiency of the distribution licensee cannot be covered by the Grants from public money and concern officials of APDOP should be answerable for it.	NIL	Compliance report with justification be submitted	The Revenue Gap of previous year is funded by government grant and is not passed on to the consumers in the subsequent tariff. Programs are already put in place to reduce the AT&C Loss and revenue gap by implementing RDSS.
2	Despite many flagship Schemes specially designed for reduction of AT&C losses in past and present, the AT&C losses consistently remained above 50%, and it even rose upto 61.93% in the FY 2018-19. Matter needs serious introspection to plug the losses and conduct diagnostic exercise at individual feeder / transformer sub-division / division / circle and zonal level. Commission hereby direct the APDOP, to conduct such exercise and submit results to Commission before next petition. Commission also directs, APDOP to bring down the AT&C losses as per the trajectory issued by the MoP with due consultation with APDOP itself.	Not complied	The study report with comprehensive analysis on the roadmap for reduction of AT&C losses has not been executed by the Petitioner and nor has been submitted with the instant petition. The same needs to be dealt with seriously and submit the report to the Commission on or before 30.09.2024.	The primary cause of high AT&C Loss is attributed to the inadequate metering at all levels of Feeders, Distribution Transformers and Consumers. Program for comprehensive metering is already in place to be executed through RDSS, after which the AT&C Loss is planned to be reduced.
3	It is seen that the APDOP has been selling its surplus power received from its tied up generating stations in open market outside entities to earn revenue on the understanding that this sort of commercial arrangement has been profitable to APDOP. However, no supporting documents have been submitted with the petition to demonstrate its claim. The APDOP is directed to submit the related documents like the power purchase bills, power selling bills etc., generating station and entity	Not complied	As directed earlier, no supporting documents have been submitted to substantiate the profitability of the process adopted by the petitioner. The Petitioner is again directed to submit the documents like power purchase bills, power selling bills generating stations from which this surplus power is received, buying entity for such surplus energy etc to demonstrate that	The station wise power purchase bills of 2023-24 is being attached as Annexure with True-up Petition for FY 2023-24. The surplus power is sold in the market as when and surplus occurs through a power trader engaged for the purpose, since DoPAP do not have direct access to no deliberate surrendering of surplus power, except when the GNA grant

SI No	Directive	Compliance by APDOP	Commission's observations	Reply of the Petitioner
	wise to demonstrate that process is optimised and ultimately profitable instead of surrendering it. Justification, along with supporting documents should be provided to the Commission failing which, such commercial arrangement shall be disallowed next time.		process is optimised and ultimately profitable instead of surrendering such surplus power. The above details and the efforts of the Petitioner to optimise the power procurement cost have to be submitted along with next tariff petition. Failure to do so shall result in non-compliance of Commission's directions and liable for panel action. As a principle, the petitioner should not sell such surplus power at the price lower than the average power purchase cost to avoid net loss in the process.	is breached.
4	It is Mandatory to pay annual licensee to the Commission by the Licensees/deemed licensees. The DoP, AP a deemed licensee has not paid any annual license fee so far. The DoP, AP is hereby directed pay the annual license fees regularly.	Partly Complied	The Petitioner has deposited the Licensee Fee without the late fine for FY 2017-18 to 2024-25. The Petitioner is hereby directed to pay the balance annual license fees along with the late fine as per the APSERC (Fees) Regulation 2011 and its amendments time to time. The Commission has already considered this expenditure in the ARR.	The DOP has paid the annual fees upto date. Hon'ble Commission is requested to exempt the late fee.
5	Capacity Development Programme is essential part of any organisation, The DoP, AP, despite keeping provision skilling and training has not spent on it. The DoP, AP should conduct regular training programme.	Not Complied	Reasons for not conducting capacity development program / skill development program / training of employees be submitted.	DoP, AP is taking initiative for skilling & training of employees, for which SE (SO&PSC) is the nodal officer, who is enabling various trainings to employees from time to time.
6	The liabilities and responsibilities of transmission as well as SLDC are also getting clubbed in these true up Petitions, which is contrary to the provisions of the Electricity Act. Therefore, this practise shall be	Not Complied	The Petitioner in this petition submitted that the ARR presented by them is excluding transmission as well as SLDC expenditure. However, it is not clarified by them how the expenditure	It is submitted that the deemed Discom is complying with the directive of the Hon'ble Commission to restrict to matter pertaining to Distribution function only in the



SI No	Directive	Compliance by APDOP	Commission's observations	Reply of the Petitioner
	discontinued by distribution licensee and if not followed, petitions shall be rejected.		of transmission as well as SLDC would be recovered. It is assumed if the same is not included by DoP, then the same will be covered by Grant from State Government. The Commission reiterates the direction to file separate ARR petitions for Transmission as well as SLDC positively. Directives of the Commission be complied with in the next tariff petition.	petitions. As such It is assumed that transmission and SLDC are being treated as separate entity by the Hon'ble Commission.
7	It is mentioned in petition that full revenue gap is arranged by the GoAP as a grant through budgetary support. It is observed that APDOP is utilising such grant without accounting "Cost of Money" principles into its accounts which is making the state's power eco-system inefficient including uncontrolled AT&C losses. Actually, to know the efficiency of APDOP in utilising these funds of Government Exchequer, the concept of "Cost of Money" in form of ROE, ROI, Interest etc., were ordered by the Commission. However, compliance of the above is not intimated.	Not Complied	The Petitioner needs to submit the next tariff petition with a roadmap for reducing AT&C losses, improving billing and collection efficiency and impact / benefit of implementation of RDSS scheme. The long term financial sustainability plan, i.e. without govt support, be prepared.	The revised AT&C Loss trajectory for implementation of RDSS Scheme is recommended by Distribution Reform Committee (DRC) and submitted to Monitoring Committee, MOP, GOI as follows: 2020-21:51.82% 2021-22:50.00% 2022-23:48.00% 2023-24:45.00% 2024-25:40.00%
8	Many other observations of Commission have not been attended in the true up Petition along with non-compliance of directives of the tariff orders. Such non-complied petitions shall be disallowed from next time.	NIL	The Commission has already expressed the displeasure towards the lackadaisical attitude of the Petitioner in compliance of directives. Such non-compliance, may attract penal action.	It is submitted that DoP, AP is making all efforts to comply with the directions of the Hon'ble Commission.

  
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**(b) Compliance status of directives given through Tariff Order for FY 2019-20, FY 2020-21, FY 2021-22, FY 2022-23 and FY 2023-24 dated 25.10.2023**

Sl No	Directive	Compliance by APDOP	Commission's observations	Reply of the Petitioner
1.	The Petitioner shall file tariff petition as per APERC MYT Regulation-2018, in "Two Part Tariff on or before 30 November 2023 for control period starting from 2024-25.	Not Complied	The Petitioner has not proposed the Two-Part Tariff in their tariff petition for FY 2024-25. The Petitioner is again being directed to submit their next tariff petition along with proposal for two-part tariff.	DOP,AP is proposing Two-Part Tariff after authentication of the connected loads of the consumers since the present data on connected load is not authenticated. This process shall be completed for the next tariff filing.
2.	The expenses of distribution licensee, STU and SLDC shall not be clubbed.	Not Complied	Separate petitions be filed for transmission as well as SLDC. Directives of the Commission be complied with before filing of next tariff petition	The directive of filing of Tariff Petitions shall be complied with by the respective Transmission & SLDC entity wise.
3.	The Petitioner shall file true up petition on the same assumptions of ARR etc of their petition of FY 2018-19 vis-à-vis actuals of each corresponding FY2019-20, FY 2020-21, FY 2021-22, FY 2022- 23 and FY 2023-24, separately.	Complied	True-up order for FY 2017-18, FY 2018-19, FY 2019-20, FY 2020-21, FY 2021-22, FY 2022-23 was issued vide order dated 09.01.2024. The next true-up petition with audited account be submitted soon.	The True Up Petition of the respective year is filed in compliance with the direction of the Hon'ble Commission.
4.	For period before FY 2017-18 and FY 2018-19, the AT&C loss trajectory as approved by Commission in its earlier orders should be followed in true up petitions.	--	--	True-up orders already issued.



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(c) Compliance status of directive given vide tariff order for FY 2018-19 dated 31.05.2018

Sl No	Directive	Compliance by APDOP	Commission's observations	Reply of the Petitioner
1.	<b>Step towards digitization:</b> APDOP was advised to adopt web-based system for online payment of electricity bills, which is a welcome step towards digitization. APDOP was also advised to introduce e-payment mode through various Apps, SMS phone alerts on billing and payment of electricity bills etc. This directive was given in Commission's tariff order for FY 2017-18 that has not been complied by the APDOP. This process would have definitely benefitted the department and the consumers, and would save human efforts and resources.	The Petitioner has submitted that Web-based online billing and payment of electricity bills are now operational under IPDS towns. This project covers 9 towns in Arunachal Pradesh. Further, an isolated computerized billing system has been developed at Bomdila and Miao Electrical Divisions which are also operational. Other towns called non-RAPDRP towns consisting of 16 towns are in the pipeline. On completion of these projects, the online Billing, Payment, and SMS alerts system shall be fully operative in all major towns of Arunachal Pradesh.	Timeline for operationalising the 16 towns under RAPDRP be submitted. Further, impact of digitisation in terms of improvement in Billing and Collection be submitted.	A comprehensive AMISP (Advance Infrastructure Provider) is being implemented through RDSS, which will fulfil the much desired online payment system. Time line for completion of RDSS(AMISP) is (25-26)
2.	<b>Prepaid Metering/Smart Pre-Paid Metering</b> The Commission directed APDOP to spearhead the installation of prepaid metering in the State especially for consumers whose billing recovery is poor. This directive was given in Commission's tariff order for FY 2017-18, which has not been complied by the APDOP. This step could have ensured better revenue realization.	The Petitioner has submitted that many of the consumers have been provided with prepaid meters in Naharlagun and Itanagar of the Capital complex. These consumers including other consumers of urban areas shall be provided with smart pre-paid meters and remote/rural area consumers shall be provided with pre-paid meters under RDSS.	The status of progress in Smart Metering under RDSS be submitted to the Commission on Quarterly basis with details of quarterly targets vis-à-vis achievement.	Smart Metering under RDSS has been tendered in FY (24-25); the Quarterly progress report shall be shared subsequently
3.	<b>Maintenance of accounts and records and conducting the audit</b>	APDOP maintains accounts and records and gets audited by Accountant General as per CPWD manuals. APDOP has so far, no	Fixed Asset Register be developed at the earliest. Also, the licensee needs to segregate the accounts for	The Fixed Asset Register is being updated and the same shall be submitted shortly. The Accounts of Distribution



Sl No	Directive	Compliance by APDOP	Commission's observations	Reply of the Petitioner
	It was directed that APDOP shall build up the <b>fixed asset registers separately for Diesel Generation, Transmission and Distribution</b> . Existing assets as on 31.3.2013 and new assets being added with new investments are to be entered in this register with quantities and costs. APDOP informed in its letter dated 20.03.2013 that the fixed assets register is not available. A separate register shall be maintained by the APDOP for Diesel Generators, Transmission and the Distribution Assets. Format of the fixed asset register is already given by the Commission.	staffing set up of experts in maintaining records and accounts as per formats provided in the MYT regulations. However, APDOP shall approach the Ministry of Power for providing such a setup.	Transmission as well as SLDC as per the provisions of the Act.	function is being prepared separately as required by RDSS guidelines.
4.	<b>Interest in Working Capital:</b> DOP was directed to include Interest on Working Capital in ARR for 2018-19 petition Commission feels that the concept of notional interest can be thought of by the DOP. <b>The underlying logic is that if no grant or fund is received from the State Government, fund has to be arranged to borrowing from banks/financial institutions for which interest had to be paid.</b> Payment of interest would have been then met out of income by way of tariff by the DOP	APDOP is executing department of the Government of Arunachal Pradesh and executes the projects funded by the government and then operates and maintains these from the fund provided by the state government. Even if government fund or grant is not provided, APDOP cannot resort to borrowing money from banks/financial institutions independently. APDOP, categorized as an essential service department, in the functioning condition is a must for the government. Hence, there is no interest in working capital.	The submission is noted.	No Comments.
5.	<b>Interest on Loan</b>	No project under APDOP is implemented on loans taken by the department, so, interest on loans does	The submission is noted.	No Comments.

Sl No	Directive	Compliance by APDOP	Commission's observations	Reply of the Petitioner
		not arise. For augmentation/project work even if government fund or grant is not received, APDOP cannot resort to borrowing money from banks/financial institutions independently.		
6.	<b>Return on Equity</b> DOP was directed to include Return on Equity in ARR for 2018-19 petition As per APERC Regulation, ROE shall be built up in ARR and tariff structure. The sale of power is a commercial activity hence pricing should also be on commercial basis which is the basic spirit of tariff policy endorsed by CERC. Same is being claimed by all DISCOMs and Government Power Departments.	APDOP is not incorporated or registered as a company or any similar body, hence it has no shareholders so no equities. Therefore, ROE is Nil.	The submission is noted.	No Comments.
7.	<b>Energy Audit for Energy Accounting</b> DOP was directed to carry a full-fledged energy auditing of the complete distribution network.  The Commission observes a huge loss of Energy what APDOP purchases which is theoretically not justifiable at all. So, it is an ardent need for APDOP to conduct a full fledged energy auditing of the complete distribution network. If necessary, outsourcing of energy accounting may be carried out for one-time basis by Accredited Energy Auditing Agency.	The Petitioner has submitted that proper and reliable energy accounting can be done if every transmission and distribution line is properly metered. As of now, many of these lines are not metered. Under IPDS, Comprehensive Schemes, RDSS, and many other projects where provisions of metering are in the pipelines. After completion of these schemes, energy accounting and auditing in every voltage will be possible. Now, APDOP has outsourced the Energy Accounting as per BEE guidelines and Commercial Audit as per guidelines of MoP, of the Deptt. beginning from the year 2021-22, as it being one of the pre-qualification	The observation made by the energy Auditors in energy Audit report should be studied and a compliance report / action taken within three months from issuance of this order.	It is submitted that DoP, AP is attending the observations made by BEE on the Energy Audit Reports as and when received.

Sl No	Directive	Compliance by APDOP	Commission's observations	Reply of the Petitioner
		criteria for RDSS scheme and shall try its best to carry forward the same in the coming years provided the necessary fund is given by the state Government. The Energy Audit has been completed for the FY 2021-22 and FY 2022-23. Also, Energy Audit Cell has been formed within the Department, with the CE (Com) as the Nodal Officer and SE (Com) as Energy Manager.		
8.	<b>POC and Other charges</b>	This directive has been complied and inter-State transmission charges, NERLDC/NERPC charges, and reactive charges are indicated in sections 3.5, section 3.6, and table 3.1 of chapter III respectively.	The submission is noted.	No Comments.
9.	<b>Sale of Power Outside the state</b>	The Commission has advised in its earlier order to APDOP to reduce the quantum of power sales and then to finally stop purchasing power through IEX. In compliance, the APDOP has proposed a steady-state power sale projection in the current FY and within the entire control period as it cannot be undone instantly as explained earlier.	<p>The Petitioner should study the energy requirement within the state, review the availability and follow the merit order despatch to reduce the outside sales. The month-wise availability from all sources and demand be submitted in the next tariff petition for FY 2025-26.</p> <p>Considering the present demand – supply position of FY 2024-25, the Petitioner shall prepare a proposal towards surrendering the share of high-cost power to MoP, Gov. A report</p>	<p>The DoP, AP is preparing the Power Procurement plan which shall incorporate the power requirement &amp; projections, and is being submitted.</p>



Sl No	Directive	Compliance by APDOP	Commission's observations	Reply of the Petitioner
10.	<b>Introduction of slab-based tariff</b>	No slab based tariff has been proposed in this Petition	<p>containing demand – supply position (peak-off peak, month-wise, and seasonal) and possibility of surrender of high-cost power shall be submitted before the Commission within one month from issuance of this Order.</p> <p>The Petitioner should explore the possibility of introducing the slab-based tariff.</p>	Slab based tariff shall be proposed after smart metering through (AMISP)RDSS,through which the categories of consumers can be graded according to the quantum of consumption which will pave the way for slab based tariff.

**(d) Directives issued vide order dated 26.07.2024:**

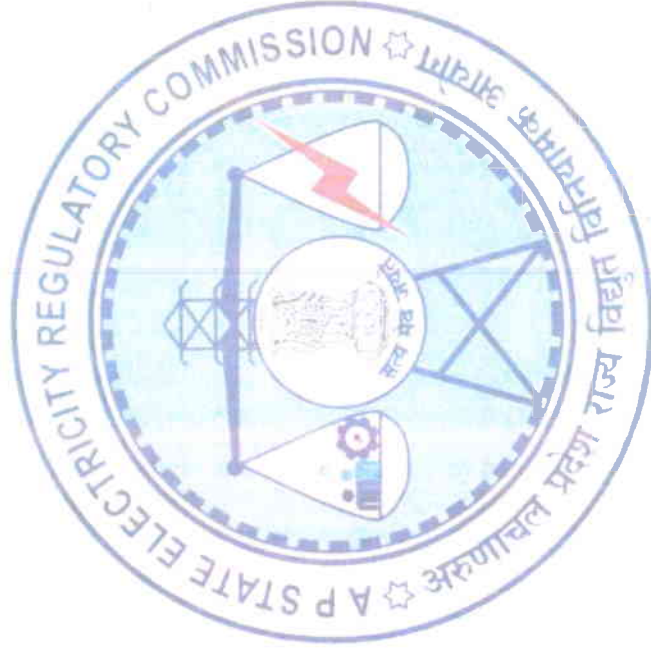
**1. Procedure to be followed regarding tariff petitions to be submitted in future**


The Commission directs the Petitioner to submit required information / data on affidavit with tariff petitions mandatorily, as per APS-ERC Conduct of Business Regulations. Otherwise, the petitions will not be considered for further processing. The Petitioner should submit the tariff petitions with required data / information / document to substantiate its claim. The petitions should contain the data format mentioned in the MYT Regulations, 2018. As information in the data format is an important part of the petition, without the same, the petition will not be considered.



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While submitting the information, document will be signed verified and supported by affidavit required as per provisions of APSERC  
Conduct of Business Regulation.



  
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**Reply of the Petitioner**

It is submitted that as directed, the Business Plan for the control period FY 2024-25 to FY 2026-27 is being submitted.

**2. RPO monitoring**

The Commission directs the Petitioner to bifurcate the power purchase from hydro power projects and segregate the same into HPO and Other RPO as per the applicable terms and conditions for fulfilment of RPO as per the set RPO trajectory notified by Government of India. Further, the Petitioner is directed to develop a comprehensive roadmap for fulfilment of Wind RPO and submit the same before the Commission with the next tariff petition. The Commission may penalise the Petitioner for non-compliance of Commission's directives and non-fulfilment of RPO under provisions of the Act and Regulations in case the directives of the Commission are not adhere to.

Accordingly, the Commission directs the Petitioner to compute the cost for RPO quantum of wind, HPO and Other power purchase requirement for RPO compliance based on the total energy requirement and submit the same before the Commission along with the next tariff petition.

Further, the State Agency shall submit the first quarterly report of RPO for FY 2024-25 within one month from issuance of this order. Further, the State Agency shall submit the RPO compliance report of past period as soon as possible.

**Reply of the Petitioner**

The status of RPO compliance is submitted in the Aggregate Revenue Return (ARR) for FY 25-26.

**3. Periodic reporting of progress under the Revamped Distribution Sector Scheme (RDSS)**

The RDSS is aimed at improving the financial condition and operational efficiencies of state-owned Discoms. Further, the RDSS is a result linked evaluation scheme. Under the scheme it is mandatory for the licensees to meet the specified pre-qualifying criteria every year before the funds can be released under the scheme.

It is observed that the Petitioner has not submitted any information before the Commission after initiating the scheme. The components of scheme, target under each part etc has not been communicated. Accordingly, the Petitioner is being directed to report

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the quarterly progress of the works undertaken under the scheme with respect to the target envisaged after issuance of this order.

It is to be noted that the Commission has elaborately given the provisions related to prudent check of capital cost under MYT Regulations. The relevant clause is reproduced below:

*"4.3 Capital Cost and Capital Structure:*

*(1) Capital Cost for a project shall include:*

*(a) the expenditure incurred or projected to be incurred, including interest during construction and financing charges, any gain or loss on account of foreign exchange rate variation on the loan during construction up to the date of commercial operation of the project, as admitted by the Commission after prudence check;*

*(b) capitalised initial spares subject to the ceiling rates specified in these Regulations;*

*(c) additional capitalisation;*

*Provided that the assets forming part of the project but not put to use or not in use, shall be taken out of the capital cost.*

*(2) The capital cost admitted by the Commission after prudence check shall form the basis for determination of tariff.*

*Provided that prudence check may include scrutiny of the reasonableness of the capital expenditure, financing plan, interest during construction, use of efficient technology, cost overrun and time over-run, and such other matters as may be considered appropriate by the Commission for determination of tariff.*

*(3) If sufficient justification is provided for any escalation in the Capital Cost, the same may be considered by the Commission subject to the prudence check:*

*Provided that in case the actual capital cost is lower than the approved capital cost, then the actual capital cost will be considered for determination of tariff of the Generating Company or Transmission Licensee or Distribution Licensee."*

It is clear from the above provision, the capital cost needs validation from the Commission. So, the approval and monitoring of capital cost is utmost necessary and hence the required report should be submitted by the Petitioner.

**Reply of the Petitioner**

The sanctioned DPR for RDSS was prepared as per the guideline issued by Ministry of Power, Government of India, guided by an appointed PMA (Project Management Agent), recommended by DRC (Distribution Reform Committee of the state) and then sent to monitoring committee of Ministry of Power through REC for final approval. The components and targets of RDSS is attached as Annexure - III, IV and V (Pages-I to 13).



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#### 4. Quarterly loss reporting

The Commission observes that in Energy Audit Report, the Energy Auditor mentioned about data discrepancy, particularly data provided by various divisions / sub-divisions. Due to this actual loss cannot be firmed up. Hence, the data should be properly maintained from lowest level of the Petitioner. Hence, proper accounting and monitoring has to be taken up. Hence, the Petitioner is directed to submit the quarterly report on losses in the following format:

Name of Circle / Division	Energy Input (MU)	Energy Sold (MU)	Billing Efficiency (%)	Distribution Loss (MU)	Distribution Loss (%)	Total Bill Demand (Rs Cr)	Total Collection (Rs Cr)	Collection Efficiency (%)	AT&C Loss (%)
1	2	3	4=3/2	5=2-3	6=3/2	7	8	9=8/7	10=100% - (4 x 9)
Total									

#### Reply of the Petitioner

The division wise authentic data of input energy is not available due to lack of metering but the division wise energy available for sale on the basis of assessment is available given by the divisions which seems to be understood /incorrect. Therefore, the division wise AT&C loss% calculations as per above table cannot be provided authentically at present but it shall be possible after the completion of RDSS.

#### Commissions View

The Commission has observed that despite multiple directives issued over the years to improve the overall efficiency of the DISCOM, the Petitioner has failed to take concrete action. The Petitioner has not provided any **substantive action plan** for improving the performance of the DISCOM, and its responses have been limited to mere replies rather than meaningful compliance. This lack of action is evident from the compliance status reports, which fail to outline any specific steps taken. The Commission takes **serious note** of this and hereby **directs the Petitioner** to submit a **detailed report**, including a **clear action plan with a defined timeline**, outlining measures for improving efficiency and addressing past directives. The report must be submitted **within three months** from the date of issuance of this order, failing which further regulatory action may be considered.



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State Electricity Regulatory Commission  
Arunachal Pradesh

## Chapter 11: Directives

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### 11.1 Efficient utilization of Free Energy

In light of the significant free energy that the state of Arunachal Pradesh will receive from upcoming hydroelectric projects, the Petitioner is hereby directed to take immediate measures to efficiently manage and utilize this resource. Notably, large-scale projects such as the Subansiri Lower HEP 2000 MW, which is scheduled for partial commissioning by June 2025 and full commissioning by April 2026, will provide the state with approximately 87% of free power from its allocated capacity of 274 MW. In addition, other big projects such as Dibang(2880MW), TATO-I (186 MW), HEO Hydro Electric Project(240MW) etc, and others are lined up, which will further benefit the state by providing substantial free energy.

To ensure the optimal use of this free power, the GoAP should think to establish a dedicated cell within the organization that will focus specifically on managing and accounting such free power from these upcoming projects. This cell will be responsible for developing strategies and implementing mechanisms to channelise this free energy in such a way that maximizes its economic/financial returns and reduces the overall power purchase cost, resulting into improved financial health of the power sector of the state.

By efficiently utilizing free power from these projects, the Petitioner will help lower the cost of electricity for consumers, contribute to the financial sustainability of the state's power sector, and promote overall development. The Petitioner is expected to submit regular reports on the progress of these initiatives and ensure that the free power is effectively integrated into the state's energy procurement strategy. Further the Petitioner is directed to maintain an online **surplus energy accounting mechanism** to track excess power availability from different sources which shall be optimally utilized through a Dedicated Planning & Trading Cell (DPTC) within appropriate State Government Establishment, engaging in following activities in a transparent way:

- **Banking arrangements** with other utilities.
- **Sale in energy exchanges** for revenue optimization.
- **Utilization within the state** to reduce procurement costs.

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Secretary



**A quarterly report on such surplus energy transactions must be submitted to APSERC.**

## **11.2 Forecasting tool or agencies**

In order to ensure optimal utilization of power procurement and maximize revenue from the sale of excess energy, the Petitioner is hereby directed to establish a proper forecasting tool or engage specialized agencies to assist in this process. This tool or agency will be responsible for accurately forecasting the state's energy demand, ensuring that procurement strategies align with demand patterns, and identifying opportunities for the sale of excess energy.

By implementing an efficient forecasting mechanism, the Petitioner will be better equipped to balance in-state demand with available energy resources, minimizing procurement costs and ensuring that any surplus energy is effectively sold at competitive rates, thereby maximizing revenue.

The Petitioner is required to submit a detailed plan on the development or engagement of the forecasting tool or agency, along with periodic reports on its performance and results.

## **11.3 Finalizing Fixed Asset Register**

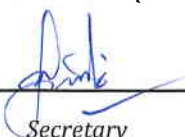
The Commission has previously directed the Petitioner to prepare and finalize the Fixed Asset Register, which remains pending. In view of this, the Petitioner is hereby directed to take immediate action to finalize the Fixed Asset Register, ensuring that it accurately reflects all fixed assets owned by the organization.

The Fixed Asset Register must be comprehensive, updated, and in compliance with accounting standards and regulatory requirements. The Commission further directs the Petitioner to update the status of progress on preparation of FAR within three months from the date of issue of this order.

## **11.4 Recategorization of Consumer Classification**

The Commission has observed that the current classification of consumers into specific categories does not align with the intended profiles or nature of the consumers, leading to potential misclassifications. A simplification of present consumer categorisation also seems

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Secretary

necessary. In light of this, the Petitioner is directed to ensure review and see that consumers are accurately categorized based on their electricity usage patterns and load requirements. Consumer classification should reflect the type of usage and capacity, and ensure that each consumer is placed in the appropriate category. Consumers must be charged tariffs that correspond to their correctly assigned categories. Unauthorized classification of consumers into inappropriate categories which do not align with their actual usage and load requirements should be strictly avoided. An annual review of the consumer classification should be carried out to ensure that all consumers are accurately categorized. Any misclassified consumers identified during the review process must be corrected within three months from the date of identification.

The Petitioner is directed to submit an action plan on the categorization of the consumer.

### 11.5 T&D Losses & Conducting Energy Audit

The APDOP is directed to conduct a comprehensive energy audit to assess losses accurately in the power distribution system. For this purpose, it is essential to ensure the installation of energy meters at all feeders across the following voltage levels:

- 220 kV
- 132 kV
- 33 kV
- 11 kV
- All Distribution Transformers

The energy audit will play a crucial role in identifying high-loss areas, enabling the department to take necessary remedial measures to reduce distribution losses and improve efficiency.

S. No	Category of Feeder	No's of Feeder metered	No's of Feeder unmetered
1	220 kV		
2	132 kV		
3	33 kV		
4	11 kV		
5	Distribution Transformers		

### 11.6 Consumer Security Deposit

The Commission once again directs the Petitioner, the Department of Power, Government of Arunachal Pradesh (APDOP), to submit a comprehensive compliance report on the status of security deposits collected from consumers. Despite multiple directives, including the order dated

**26.11.2024** in **MP-09 of 2024**, the Petitioner has failed to provide the required details. The relevant extract of the order is referred below:

*“35. We are of the view that security deposits of other similar consumers must also be reviewed and corrected as per the relevant regulatory provisions. As such, The petitioner i.e. The Department of Power, Government of Arunachal Pradesh is therefore directed to submit a compliance report, accompanied by an affidavit, confirming that the security deposits charged from consumers is in compliance with the applicable provisions of the Supply Code Regulations. Compliance report along with affidavit must be submitted to the Commission within 3 [three] months from date of issue of Order.”*

The Commission observes that the Petitioner has merely submitted general letters from its various divisions, stating that the security deposit is being charged as per APSERC Supply Code Regulations, without providing the actual figures and details as directed. This reflects a casual approach towards regulatory compliance. The Commission reiterates that the Petitioner must furnish a comprehensive compliance report detailing the actual amounts of security deposits held across different consumer categories and the methodology for interest adjustment in consumer bills, as per APSERC Supply Code Regulations. The Petitioner is hereby directed to submit a compliance report outlining the action plan undertaken regarding security deposit management within three months from the date of issuance of this order.

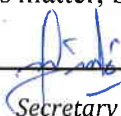
### **11.7 Renewable Purchase Obligation**

The Ministry of Power, through notification S.O. 4617(E) dated October 20, 2023, issued the latest RPO trajectory to be adhered to by the respective entities. Accordingly, the Petitioner is directed to comply with the specified trajectory for the period FY 2025-26 to FY 2029-30 and report quarterly progress on RPO fulfilment to the Commission. Additionally, the Petitioner must submit the required information in the prescribed format provided in Annexure IV..

### **11.8 Payment of Annual License Fee**

Since the establishment of the Commission in FY 2011-12, licensees are mandated to pay a license fee in accordance with the Payment of Fees Regulation, 2011, and its subsequent amendments. Accordingly, DoP, AP has been liable to pay the license fee from 2011 onwards, as the Commission has already accounted for this expenditure in the ARR for the respective years. Despite multiple communications on this matter, DoP, AP has only made a partial payment of the

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license fee, which did not include the applicable late fee. The Petitioner has further prayed for waiving off the late fee for previous years.

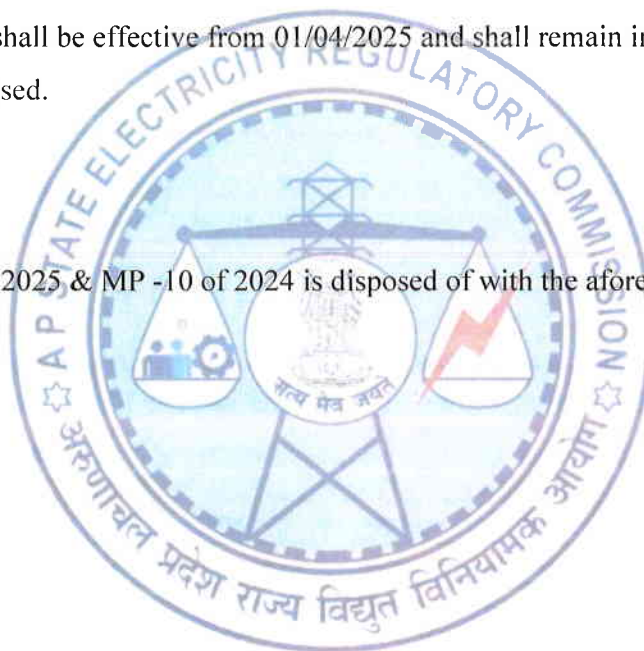
The Commission has considered the petitioners prayer for waive off the late fee charges however the Petitioner is directed to submit the principal amount due for the previous years within 3 months from the date of issue of this order. Additionally, DoP, AP must ensure timely payment of the license fee for future years in accordance with the stipulated timeline set forth in the Payment of Fees Regulation.

This retail tariff order shall be effective from 01/04/2025 and shall remain in force till 31/03/2026, unless amended or revised.

The Petition TP-01 of 2025 & MP -10 of 2024 is disposed of with the aforesaid directions.

**Date: 26-03-2025**

**Place: Itanagar**



**Sd/-**  
**Shri Nich Rika,**  
**Member (Law)**

**Sd/-**  
**Shri R. K. Joshi**  
**Chairperson**

  
**Secretary**

*State Electricity Regulatory Commission  
Arunachal Pradesh*

## Schedule – I: Tariff Schedule

### Category -1: Non- Commercial Consumers (Domestic)

**Applicability:** The consumers under this category are defined as consumers using the electrical energy for domestic and non-profit purpose such as lights, fans, heating devices, Televisions, VCR/VCP, Radio, Refrigerator, Air-conditioners, lift motors and all others appliances only for bonafide residential and non-residential but non-commercial use. This will also cover consumption of energy supplied for Government owned Residential and Non-Residential Buildings Educational and Research Institutions. Charitable Institutions, Government owned Hospitals and Dispensaries, farm houses, religious premises like Churches, Temples, Mosques, community halls and any other Institutions, Religious printing press (not engaged in commercial activity or private again, excluding those which are specially covered under other categories of this Tariff) or classifications as may be amended by the Commission from time to time.

#### Tariff:

Sl. No.	System of Supply and Metering Point	Tariff (Rs. /kWh)
	<b>LT - AC 50 Hz</b>	
1	1-Phase, 230 Volt	4.40
2	3-Phase, 400 Volt	4.40
3	KJP and BPL connection	3.00
?	<b>HT - AC 50 Hz</b>	
4	3-Phase, 11kV	3.80
5	3-Phase, 33kV	3.65

### Category -2 Commercial Consumers (Non-Industrial)

**Applicability:** The consumers under this category are defined as non-industrial commercial consumers such as installations of commercial places, Government undertaking, public sector undertaking, Commercial houses, markets, and optical houses. Restaurant, Bars, tailoring shops, Refreshment and tea stalls, show-cases of advertisement, Hoarding theatres, cinemas, Hotels, Lodging and Boarding, Private nursing Homes and Hospitals, religious Hospitals, private run schools and Hostels and Boarding facilities and other educational institute demanding fees, photographic studios, Battery charging units, repair workshops and Newspapers press (newspaper printing press only) Petrol Pumps, etc or classifications as may be amended by the Commission from time to time.



**Tariff:**

Sl. No.	System of Supply and Metering Point	Tariff (Rs. /kWh)
	<b>LT - AC 50 Hz</b>	
1	1-Phase, 230 Volt	5.65
2	3-Phase, 400 Volt	5.65
	<b>HT - AC 50 Hz</b>	
3	3-Phase, 11kV	4.85
4	3-Phase, 33kV	4.65

**Category - 3 Public Lighting and Water Supply Consumers**

**Applicability:** This category of the consumers shall be applicable to public Street Lighting Systems in Municipality towns, sub-towns / villages, etc. including Signal system, Ropeways on Roads and park lighting in areas of municipality town. Sub – town / villages. Pumps and equipment for public water supply systems and treatment plants and associated applications shall also be covered in this category or classifications as may be amended by the Commission from time to time.

**Tariff:**

Sl. No.	System of Supply and Metering Point	Tariff (Rs. /kWh)
	<b>LT - AC 50 Hz</b>	
1	1-Phase, 230 Volt	5.75
2	3-Phase, 400 Volt	5.75
	<b>HT - AC 50 Hz</b>	
3	3-Phase, 11kV	4.85
4	3-Phase, 33kV	4.65

**Category - 4 Agricultural Consumers**

**Applicability:** The consumers in agricultural fields /firms for the purpose of (a) Pumps field lighting and other applications for farmers in their irrigation and cultivation and not connected to any attached commercial or industrial installations in the agricultural field of farm or classifications as may be amended by the Commission from time to time.

**Tariff:**

Sl. No.	System of Supply and Metering Point	Tariff (Rs. /kWh)
	<b>LT - AC 50 Hz</b>	
1	1-Phase, 230 Volt	3.50



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2	3-Phase, 400 Volt	3.50
	<b>HT - AC 50 Hz</b>	
3	3-Phase, 11kV	3.15
4	3-Phase, 33kV	3.05

### Category - 5 Industrial Consumers

**Applicability:** The Industrial consumers shall cover all Government registered Industrial power consumers which are not covered by category No.2 (supply for Commercial Purposes), such as steel fabrication, motor body builders, power handloom industry, poultry farming, pisciculture, prawn culture, floriculture in green house, mushroom production, cold storage unit of pisciculture, agriculture, horticulture and any other type of industry where raw material is covered into finished products with the help of electrical motive power, colour photo labs. Government owned printing press and other printing press (Primarily engaged in printing for commercial gain), and government owned, public-sector industries, etc. or classifications as may be amended by the Commission from time to time.

#### Tariff:

Sl. No.	System of Supply and Metering Point	Tariff (Rs. /kWh)
	<b>LT - AC 50 Hz</b>	
1	1-Phase, 230 Volt	4.95
2	3-Phase, 400 Volt	4.95
	<b>HT - AC 50 Hz</b>	
3	3-Phase, 11kV	4.50
4	3-Phase, 33kV	4.15
5	3-Phase, 132kV	4.00

**Note:** All Non-Industrial and Commercial consumers within the same complex under a single service connection shall also be treated as industrial consumers if the total distribution is integrated in the industrial complex and load on non-industrial side is below 10% of the total sanctioned load.

### Category - 6 Bulk Mixed Consumers

**Applicability:** The Bulk mixed consumers are those consumers drawing bulk powers at HT voltage having a mixed load of all categories of consumers such as a village, a town, a city, a colony, or a State or Region etc. drawing power at one metering point. It will also include a University Campus, All India radio complex College complex. Defence Installations, Railway complex, Government

  
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Complexes, etc. who arranges their own distribution of power with approval of competent authority. This will not include Industrial complex which may consist mixed load category 1, 2, 3 and 5 or classifications as may be amended by the Commission from time to time.

**Tariff:**

Sl. No.	System of Supply and Metering Point	Tariff (Rs. /kWh)
1	3-Phase, 11kV	4.40
2	3-Phase, 33kV	4.05
3	3-Phase, 132 kV and above	3.90

**Category - 7 Temporary Consumers**

**Definition:** Temporary consumers are those who would consume electricity for a limited period of time, which could be determined at its initial application itself such as:

For marriage, Puja, religious / public function / gathering, festivals and ceremonies which are of temporary nature up to a period not exceeding 90 days in case of metered supply.

**Supply systems:**

- Single phase, 50Hz, 230 Volts.
- Three Phases, 50 Hz, 400 Volts.

**Note:** Temporary connection shall be given at HT supply only on specific agreements of supply.

**Notes:**

- Temporary services connection shall require prior approval from the next higher load sanctioning authority.
- The energy cost as per tariff above along with connection and disconnection charge will be realized in advance from the applicant before making the supply available to him.
- Applicant at his own expenses shall arrange the complete wiring for which temporary supply of power is required. It will also be the responsibility of the applicant to ensure that the wiring conforms to the technical and safety requirement as specified by authorities.

**Tariff:**

Sl. No.	System of Supply and Metering Point	Tariff (Rs. /kWh)
1	1-Phase, 230 Volt	9.00
2	3-Phase, 400 Volt	9.00

  
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## Schedule – II: Miscellaneous Charges

**1. Meter Rent:** The Energy meter and its allied instruments required for registering energy consumed as deemed to be under the ownership of the supplier, shall attract following monthly rental charges against regular maintenance, repair and labour cost of its replacement.

- Prepaid Consumers: - As an incentive monthly rent for energy meter for prepaid consumer shall be NIL.
- Post-paid Consumers: - For post-paid consumers monthly rent for energy meter if provided by APDOP shall be as per following table. In case the energy meter is purchased and installed at the cost of consumers then there shall be no meter rent.

Sl.No	Energy meter specification	Rent (Rs / month)
1	LT metering – AC	
	Single Phase 220V	20.00
	Three Phase 400 V between phases ( without CT)	50.00
	Three Phase 400 V between phases ( with CT)	100.00
2	HT Metering- AC Complete Energy meter with CT/PT and other monitoring and indication requirement for AC Three phase HT supply	
	11 kV system	500.00
	33 kV system	750.00
	132 kV system	1000.00

### 2. Shifting charges of Meter -

- If resulted from reconstruction / modification of building and on the request of the consumer – Per shifting Rs 200.00
- If the shifting is in the interest of the department – Free of cost

**3. Replacement of the energy meter and its associated fittings and equipment** shall be as per provisions of A.P. Electricity Supply Code

- The supplier shall replace the meters and the allied fitting and the equipment free of cost in case of scheduled replacement under normal wear and tear of ageing or technology change.
- The Consumer shall bear all the necessary cost in case of temporary shifting of the meters and its associated fittings and the equipment.
- The Consumers shall have to bear the cost if replacement due to negligence of the consumer or losses attributable to the negligence of the consumer.



**4. Charges for testing of Meters at the request of consumers**

Sl.No	Energy meter specification	Charges (Rs in each time)
1	For AC Single Phase LT Energy Meter	50.00
2	For energy meter without CT for AC three phase LT Supply	100.00
3	For energy meter with CT for AC three phase LT supply	200.00
4	For energy meter AC three phase HT supply	1000.00
5	LT-CT (per CT)	100.00
6	CT / PT unit	1500.00
7	HT -CT alone (per set)	750.00
8	132/220 kV metering equipment	1000.00

**5. Testing of Consumer's Installation:**

Testing and Inspection charges of consumer's installation: -

Should any consumer require the services of the supplier for testing, Inspection and certification of the supplier's electrical installation on technical grounds, following charges shall be paid in advance along with the application.

Sl.No	Testing at Consumer Installation	Charges per Installation in Rs.
1	1 phase service Wiring installations	100.00
2	3 phase service Wiring installations	200.00
3	HT Line installation of 11 kV system	1000.00
4	HT Line installation of 33 kV and above system	1000.00

**6. Security amount for providing Electric Plant and Meter to the premises of Consumers: (interest bearing/ refundable)**

All consumers except under special provisions made under Government policy, such as under KJP or BPL household electrification, interest bearing meter security shall have to be paid against the energy meter provided. The interest rate shall be as defined in the Arunachal Pradesh Electricity Supply Code.

Sl.No	Energy meter specification	Security deposit amount (Rs)
1	For AC single phase LT supply of connected load	1336.00
2	For AC three phase LT supply of connected (without CT) load	2681.00
3	For AC three phase LT supply CT operated	4691.00
4	For AC three phase HT supply, CT and PT operated	33448.00

*Note: In case of deposit works/ or of a new connection where this amount is incorporated into an estimate, then no separate security amount on account of the above is required to be deposited by the consumer.*



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Arunachal Pradesh

- 7. Charges for new service connection including registration and processing fee, change of name of ownership or Replacement of connection wire, cut out, fuse etc. or any other works / jobs etc.** shall be guided as per the provisions of the A.P. Electricity Supply Code.

For Temporary connection (registration and processing fee): In addition to normal processing fee, additional fee needs to be paid, which is Rs 1000.00 for LT and Rs 5000.00 for HT.

Service Fee:

Special meter reading on Consumer's Request – Rs 50

Calibration of Check meter upon request – Rs 100

- 8. Reduction or enhancement of load/ conversion of service/ reclassification of consumer:**

Sl. No	Consumer type	Charges (Rs)
1	LT 1-Ph	Rs. 75
2	LT 3- Ph	Rs. 200
3	LT industrial	Rs. 300
4	HT connection	Rs. 750

- 9. Disconnection and reconnection:**

Charges towards each disconnection and reconnection as the case may be whether for punitive measures or on the request of the consumer, shall be as follows:

Sl.No	Category of Work	Charges per Consumer (Rs)
1	Disconnection only	
	Single phase	150.00
	Three Phase	250.00
	HT consumers (11 kV and above)	750.00
2	Reconnection	
	Single phase	150.00
	Three Phase	250.00
	HT consumers (11 kV and above)	750.00

- 10. Security Deposit: (interest bearing refundable / adjustable)**

To safeguard the distribution licensee against default of non-payment of bills against energy consumed, interest bearing security deposit shall be deposited by the consumer in

  
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advance before the service is provided in accordance to the provisions of A.P. Electricity Supply Code. However, KJP and BPL household connection shall not pay Security deposit as per present policy of the Government. The interest rate shall be as defined in the Arunachal Pradesh Electricity Supply Code.

For existing consumer: Review of the consumption pattern of the consumer from April to March of the previous year as per Clause 3.21.6.

For new consumer: The amount of security deposit shall be calculated as per the procedure prescribed in clause 3.21.4 and determine as per Annexure 10.10 of the Supply Code.

A sample calculation showing security deposit payable per kW of connected load for new connections is given below:

Formula for calculating security Deposit for new connection (other than industrial consumer) = Load x Load Factor of the category in which consumer falls as per Electricity Supply Code x (One Billing cycle + 30 days) x 24 hours x Current Tariff).

Formula for calculating security deposit for new connection (industrial consumer) = Load x Load Factor of the category in which consumer falls as per Electricity Supply Code x (One Billing cycle) x 24 hours x Current Tariff).

#### **Illustration**

Category – LT AC 50 Hz (Non Commercial)

Contracted load – 5 kW

Load Factor – 30%

Billing Cycle – 30 days

Applicable Tariff – Rs 4.40/kWh

Security Deposit =  $5 \times 0.30 \times (30+30) \times 24 \times 4.40$

= Rs 9504

*Consumer category wise Load factor is provided under Annexure 10.10 of the Supply Code.*

#### **11.Charges for Testing of Transformer Oil:**

The charge for testing of oil of private owned transformers for each sample of oil shall be charged Rs. 200.00 per sample test.



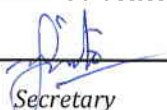
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Arunachal Pradesh




## Schedule – III: General Conditions of Supply

1. **Payment:** The bill shall be paid in full inclusive of all arrears within the last day for payment indicated on the body of the bill. However, the consumer making payment in full within due date indicated on the body of the bill will be entitled to avail rebate.
2. **Surcharge/Penalty for late payment of bill:** If payments is not received within last date for payment, the bill will be treated as invalid and the amount outstanding will be carried over to the next month's bill as arrear. Simple interest @2% will be charged as penalty (late payment surcharge) on outstanding amount for each 30 days successive period or part thereof until the amount is paid in full.
3. **Rebate:** (i) For Post-Paid Consumers: Rebate of 3.0% on the bill amount shall be available to the billed amount on current bills if the dues are cleared within due dates. The electricity bill shall show the amounts to be paid within due date (after 3% discount) and payable after due date. (ii) For Pre-Paid Consumers: Rebate of 5% on recharge amount shall be made available for pre-paid consumers.
4. **Application for Connection:** The Consumer shall apply for service connection as per the provisions of applicable A.P. Electricity Supply Code. Regulation 3.6 provides the details about requisition for new electricity service connection.
5. **Sanctioning Authority:** Service connection shall be given only after load sanction by the competent authority as per delegation of power accorded as under categories of consumers as mentioned under tariff categories
  - a. AE (E) up to 5 KW of connected load - 1,2,3,4,5 and 7
  - b. EE up to 50 KW of connected load - 1,2,3,4,5 and 7
  - c. SE up to 500 KW of connected load - 1,2,3,4,5,6 and 7
  - d. CE Full power of connected load above 500KW - 1,2,3,4,5,6 and 7Security deposit and cost of service connection shall have to be deposited in advance on receipt of technically sanctioned estimate.
6. **Single Point Delivery:** The above tariff is based on the supply being given through a single point of delivery and metering at one voltage. Supply at other points at other voltage shall be separately metered and billed for and shall be considered as separate connection.

  
Secretary

7. **Mixed Load:** Mixed domestic and commercial establishment shall be treated as commercial establishments if the load on commercial side is more than 10% of the total connected load.
8. **Metering Point:** The metering point shall be the point of delivery of energy at the declared nominal voltage.
9. **Billing Cycle:** Normally the billing cycle shall be on monthly basis.
10. **Minimum charge:** A consumer shall not have to pay the minimum charge.
11. **Ownership of meter:** The energy meter and its allied instrument used for registration of energy data only shall deem to be the property of the supplier and the consumer shall have no right over it for ownership after the commencement of supply. In case of existing HT consumers having loads up to 50 kW/ 55 kVA and the metering at LT, HT reading for billing purposes shall be computed by adding 2% to the Maximum Demand reading (if applicable) and 3% to the reading kWh recorded on the LT meters towards transformation loss.
12. **Maintenance and Replacement of Energy meter:** It shall be governed by the provisions of applicable A.P. Electricity Supply Code.
13. **Default:** A Consumer shall be automatically called a defaulter if he fails to clear all the outstanding and current bills accumulated for a period of 2 months. On being a defaulter, the consumer shall be liable for disconnection after adjustment of security deposit against the energy bill account. After adjustment of security deposit, if the consumer desires for reconnection the consumer shall have to clear all outstanding dues and pay fresh security deposit.
14. **Watch and Ward of Meters:** The consumers shall be responsible for the safe custody of meter(s), MCBs/CB etc. if the same are installed within the consumer's premises. The consumer shall promptly notify the licensee about any fault, accident or problem noticed with the meter.
15. **Billing :** All the bills raised within billing cycle of April month shall have the stepped-up tariff irrespective of whether a portion of the billing cycle falls within the previous month of March or not.
16. **Existing connections / agreements in force:** All such connections before the commencement of this tariff structure shall deem to be effected under this tariff schedule and related terms and conditions shall have precedence over the existing agreements.

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Arunachal Pradesh



## Annexure I Publication of abridged form of the Petition by the Petitioner

DEPR/ARR/002401/2024

Registrar  
Arunachal Pradesh University  
Pasighat

Key to symbols used in the petition and abridged form of the petition: The symbols used in the petition and abridged form of the petition are as follows:

GOVERNMENT OF ARUNACHAL PRADESH  
DEPARTMENT OF POWER

No. CE (Com/Tariff)/2024-25-0493

**PUBLIC NOTICE**  
Dated: 21st January 2024

The Department of Power, Arunachal Pradesh, the deemed Distribution Licensee for the sale of power within the State, has received the Annual Performance Review (APR) for FY 2024-25 and Aggregate Revenue Requirement (ARR) for FY 2025-26 from the Petitioner. The Summary of the True-Up, APR and ARR in accordance with the Sections 61, 62 and 64 of the Electricity Act, 2003. The Summary of the True-Up, APR and ARR in accordance with the Sections 61, 62 and 64 of the Electricity Act, 2003. The Summary of the True-Up, APR and ARR in accordance with the Sections 61, 62 and 64 of the Electricity Act, 2003.

**Summary of True Up of FY 2023-24**

Sl. No.	Item of Expenses	Actual for FY 2023-24 Rs. In Cr.
1	Cost of Power Purchase	489.16
2	Fuel Cost	0.00
3	Employee Cost	393.35
4	R&M Expenses	40.36
5	Administration and General expenses	8.70
6	Depreciation	0.00
7	Interest on Working Capital	0.00
8	Interest Charges including interest on working capital	0.00
9	Return on NFA Equity	0.00
10	Provision for Bad Debt	0.00
11	Renewable Energy (Solar) Purchase Obligation	0.00
12	Annual License Fee for 2017-18	0.00
13	Safety Harness and Scaffolding Training	0.00
14	Board Fund and Fees and charges of NEERDC, NEERPC	0.00
15	Interstate Transmission Charges	98.08
16	Intrastate Transmission Charges	11.45
17	Solar Compliance	0.00
18	Total Revenue Requirement	1041.10
19	Less: Non-Tariff Income	52.29
20	Net Revenue Requirement (18-19)	988.81
21	Revenue from Existing Tariff	255.48
22	Revenue from Sale of Surplus Power	142.38
23	Total Annual Income	397.86
24	Revenue Gap	590.95
25	Revenue Grant by GoAP	590.93
26	Total Gap	0.02
27	Regulatory Assets	
28	Total Energy Sale (MU)	1057.15
29	Gross Energy Input	1576.67
30	Average Cost of Supply (ACS) (2022 - Rs/kWh)	6.27
31	AT&C Loss	41.72

**Annual Performance Review for FY 2024-25**

**Aggregate Revenue Requirement, Income and Revenue Gap in Existing tariff**

Sl. No.	Particulars	Approved in Tariff Order 26.07.2024	Estimate FY 2024-25	Deviation
		Rs. In Cr.	Rs. In Cr.	Rs. In Cr.
1	Return on Equity Capital		0	0
2	Interest on Loan Capital		0	0

**Aggregate Revenue Requirement, Income and Revenue Gap in Existing tariff**

Sl. No.	Particulars	Proposed FY 2025-26	Proposed FY 2026-27	Proposed FY 2027-28	Proposed FY 2028-29
		Rs. In Cr.	Rs. In Cr.	Rs. In Cr.	Rs. In Cr.
1	ARR				
2	Return on Equity Capital				
3	Interest on Loan Capital				
4	Depreciation	282.5	282.5	282.5	282.5
5	Power Purchase Expenses	118.41	118.41	118.41	118.41
6	Interstate Transmission Charges	11.45	11.45	11.45	11.45
7	Intrastate Transmission Charges	2.2	2.2	2.2	2.2
8	Fees and charges of NEERDC/NEERPC	0.00	0.00	0.00	0.00
9	GOAP expense	590.93	590.93	590.93	590.93
10	Interest on working Capital				
11	Provision for bad and doubtful debt				
12	Annual License Fee	0.00	0.00	0.00	0.00
13	Tariff Ming loss	0.00	0.00	0.00	0.00
14	Training and Salary of Personnel				
15	Total Revenue Requirement	1206.15	1206.15	1206.15	1206.15
16	Revenue from Existing Tariff	255.48	255.48	255.48	255.48
17	Revenue from EXISTING Tariff	255.48	255.48	255.48	255.48
18	Other income	77.15	77.15	77.15	77.15
19	Total revenue within state (including other income)	332.63	332.63	332.63	332.63
20	Revenue from Sale of Surplus Power	142.38	142.38	142.38	142.38
21	Total Annual Income (14-15)	565.56	565.56	565.56	565.56
22	Revenue gap (11-12)	640.59	640.59	640.59	640.59
23	Total Energy Sale (MU)	1057.15	1057.15	1057.15	1057.15
24	Gross Energy Input	1576.67	1576.67	1576.67	1576.67
25	Average Cost of Supply (ACS) (11/12 - Rs/kWh)	7.54	7.54	7.54	7.54

2. The filing of the True-Up, APR and ARR has been done on record by the Petitioner. The copy of the petition, APR and ARR has been filed with the Office of the Chief Engineer, State Electricity Regulatory Commission, Pasighat, Arunachal Pradesh. The copy of the petition, APR and ARR has been filed with the Office of the Chief Engineer, State Electricity Regulatory Commission, Pasighat, Arunachal Pradesh. The copy of the petition, APR and ARR has been filed with the Office of the Chief Engineer, State Electricity Regulatory Commission, Pasighat, Arunachal Pradesh.

Secretary  
State Electricity Regulatory Commission  
Arunachal Pradesh



Secretary  
State Electricity Regulatory Commission  
Arunachal Pradesh

## Annexure-II Public Notice on the Petition by the Commission



**ARUNACHAL PRADESH STATE ELECTRICITY REGULATORY COMMISSION**

**O.T. BUILDING, 2<sup>ND</sup> FLOOR, NITI VIHAR MARKET, T.T. MARG**

**NITI VIHAR, ITANAGAR - 791111**

**Tel : 0360-3562791, E-mail : [apserc-arn@gov.in](mailto:apserc-arn@gov.in)**

**website : [www.apserc.nic.in](http://www.apserc.nic.in)**

**No. APSERC/RA-14/I/2024-25/822**

**Dated the 12<sup>th</sup> February 2025**

### **PUBLIC NOTICE**

**Sub: Public Hearing on Tariff Petition filed by Department of Power, GoAP.**

It is for the information that, the Arunachal Pradesh State Electricity Regulatory Commission has fixed a hearing on petition filed by APDOP under section 61, 62 & 64 for the following:

- i. True Up for FY 2023-24.
- ii. Annual Performance Review for FY 2024-25.
- iii. Approval of ARR & Retail Tariff proposal for FY 2025-26.
- iv. Approval of Business Plan and ARR for the MYT control period FY 2025-26 to FY 2029-30.

In this regard, interested person/stakeholders/consumers may also attend the hearing by registering their names on or before 27<sup>th</sup> February 2025 in the office of the Commission.

Copies of tariff petition can be availed from APDOP's office during working hours and can also be accessed on the official website of APDOP and the Commission website([www.apserc.nic.in](http://www.apserc.nic.in)) .

#### **Details of Hearing:**

- **Date:** 28/02/2025
- **Time:** 03:00 PM
- **Venue:** Court Room, APSERC  
Arunachal Pradesh State Electricity Regulatory Commission  
O.T. Building, 2<sup>nd</sup> Floor, Niti Vihar Market, T.T. Marg  
Itanagar-791111, Arunachal Pradesh

**By Order of the Commission**

**Sd/-  
Secretary(i/c), APSERC**

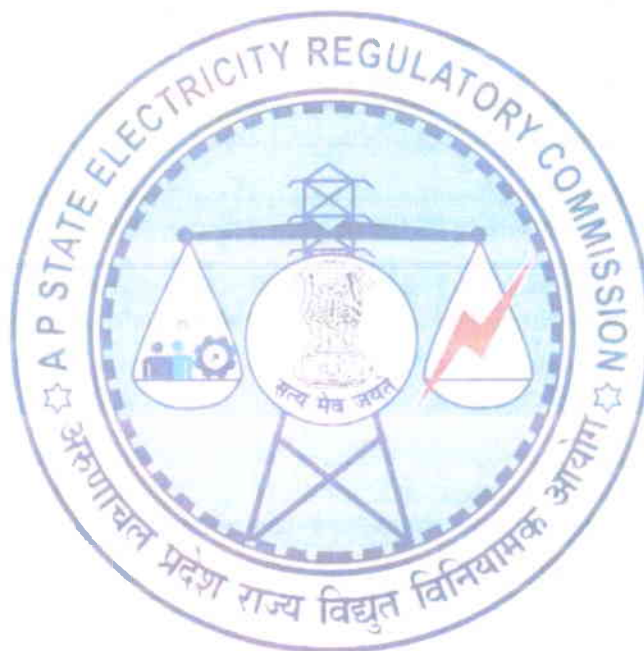
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Secretary

State Electricity Regulatory Commission  
Arunachal Pradesh

### **Annexure-III List of Attendees in the Public Hearing dated 28.02.2025**

S. No	Name	Organization
1.	Mr. Rajesh Sharma	JE (Commercial),DoP,AP
2.	Anirban Hazra	Consultant DoP,AP
3.	Sayank Mondol	Consultant DOP,AP







## Annexure IV Format to be filled for RPO Compliance

Wind RPO Compliance Statement								
NAME: Name of Distribution Licensee								
Financial Year	Actual Energy Consumption During the Year	WPO Target		Wind Energy Consumed*	Excess HPO/Other RPO adjusted as allowed by MoP	Purchase of REC** if in future allowed to meet WPO	Total (C+D+E)	Unfulfilled/ (Surplus) as per MoP Target
		for Financial Year as stipulated by the MoP						[1-2]
FY	(A)	(B)	[1=A*B]	(C)	(D)	(E)	[2]	[3]
	(MU)	(%)	(MU)	(MU)	(MU)	(MU)	(MU)	(MU)
2024-25				nil				

**Note:-**  
 \* from Wind Power Projects (WPPs) commissioned after 31st March, 2024  
 \*\*currently there is no specific mechanism to fulfill WPO through REC or any other product but if in future it is developed, the details are to be provided.  
 Note: renewable energy consumption targets shall be met either directly or through Certificate in accordance with the Central Electricity Regulatory Commission (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022, published in the Gazette of India, Extraordinary, Part III, Section 4, dated the 24th May, 2022

  
 Secretary

HPO RPO Compliance Statement									
NAME: Name of Distribution Licensee									
Fi- nan- cial Year	Ac- tual En- ergy Con- sump- tion Dur- ing the Year	HPO Target		Particu- lars	Hydro Energy Con- sumed*	Excess WPO/Other RPO ad- justed as al- lowed by MoP	Pur- chase of REC** if in furture al- lowed to meet HPO	Total	Unful- filled/ (Surplus) as per MoP Tar- get
		for Financial Year as stipu- lated by MoP						(C+D+E)	[1-2]
FY	(A)	(B)	[1=A*B]		(C)	(D)	(E)	[2]	[3]
	(MU)	(%)	(MU)		(MU)	(MU)	(MU)	(MU)	(MU)
2024- 25				From Hy- dro Pro- jects commis- sioned af- ter the 31st March, 2024					

**Note:-**  
 \* from Hydro Power Projects [including Pump Storage Projects (PSPs) and Small Hydro Projects (SHPs)], commissioned after the 31st March, 2024 that qualify to meet HPO as per the MoP notification as applicable.  
 \*\*Currently there is no specific mechanism to fulfill HPO from REC or any other product but if in future it is developed, the details are to provided.  
 Note: Renewable energy consumption targets shall be met either directly or through Certificate in accordance with the Central Electricity Regulatory Commission (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022, published in the Gazette of India, Extraordinary, Part III, Section 4, dated the 24th May, 2022

  
Secretary

Distributed Renewable Energy RPO Compliance Statement						
NAME: Name of Distribution Licensee						
Financial Year	Actual Energy Consumption During the Year	Distributed Renewable Energy Target		Particulars	Energy Consumed from DRE Sources*	Unful-filled/ (Surplus) as per MoP Target
		for Financial Year as per MoP				(1-2)
FY	(A)	(B)	$[1=A*B*10^6]$		(C)	[2]
	MU	(%)	kWh		kWh	kWh
2024-25				From renewable energy projects that are less than 10 MW in size		
<p><b>Note:-</b></p> <p>* from renewable energy projects that are less than 10 MW in size and shall include solar installations under all configurations (net metering, gross metering, virtual net metering, group net metering, behind the meter installations and any other configuration) notified by the Central Government</p> <p>* if generation data against distributed renewable energy installations, the reported capacity shall be transformed into distributed renewable energy generation in terms of energy by a multiplier of 3.5 units per kilowatt per day (kWh/kW/day)</p> <p>Note: Renewable energy consumption targets shall be met either directly or through Certificate in accordance with the Central Electricity Regulatory Commission (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022, published in the Gazette of India, Extraordinary, Part III, Section 4, dated the 24th May, 2022</p>						



Secretary



Other RPO Compliance Statement									
NAME: Name of Distribution Licensee									
Fi- nan- cial Year	Actual En- ergy Con- sumption During the Year	Other RPO Tar- get	Particulars	So- lar	Wind	Hy- dro	Other (PLs. Spec- ify)	Total	Un- ful- filled/ (Sur- plus) as per MoP Tar- get
		for Finan- cial Year as stipu- lated by MoP						(C+D+E+F)	[1-2]
FY	(A)	(B)	[1=A*B]	(C)	(D)	(E)	(F)	[2]	[3]
	(MU)	(%)	(MU)	(MU)	(MU)	(MU)	(MU)	(MU)	(MU)
2025- 26				*renewa- ble energy component met by en- ergy pro- duced from any renewable energy power pro- ject other than sources which complied for WPO, HPO and Distrib- uted Re- newable Energy (from all WPPs and Hydro Power Projects [including Pump Storage Projects (PSPs) and Small Hy-					

  
Secretary

				<b>dro Pro- jects (SHPs)], including free power, commis- sioned be- fore the 1st April, 2024)</b>						
				<b>Excess of WPO and HPO to be adjusted as per MoP Order</b>						
				<b>Purchase of Renew- able En- ergy Cer- tificates</b>						
				<b>Total</b>						

**Note:-**

*\* renewable energy component may be met by energy produced from any renewable energy power project other than sources of WPO, HPO and Distributed Renewable Energy*

*\* energy from all WPPs and Hydro Power Projects [including Pump Storage Projects (PSPs) and Small Hydro Projects (SHPs)], including free power, commissioned before the 1st April, 2024*

*Note: Renewable energy consumption targets shall be met either directly or through Certificate in accordance with the Central Electricity Regulatory Commission (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022, published in the Gazette of India, Extraordinary, Part III, Section 4, dated the 24th May, 2022*

  
Secretary

