



BEFORE

THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION, LUCKNOW

Petition No. 2165 / 2024, 2164 / 2024, 2162 / 2024, 2163 / 2024 & 2176 / 2024

IN THE MATTER OF:

1. Truing-Up for FY 2023-24, Annual Performance Review (APR) for FY 2024-25 and Approval of Aggregate Revenue Requirement (ARR) for the FY 2025-26 – (Petition No. - 2165 of 2024) of Dakshinanchal Vidyut Vitran Nigam Ltd. (DVVNL).
2. Truing-Up for FY 2023-24, Annual Performance Review (APR) for FY 2024-25 and Approval of Aggregate Revenue Requirement (ARR) for the FY 2025-26 – (Petition No. - 2164 of 2024) of Madhyanchal Vidyut Vitran Nigam Ltd. (MVVNL).
3. Truing-Up for FY 2023-24, Annual Performance Review (APR) for FY 2024-25 and Approval of Aggregate Revenue Requirement (ARR) for the FY 2025-26 – (Petition No. - 2162 of 2024) of Pashchimanchal Vidyut Vitran Nigam Ltd. (PVVNL).
4. Truing-Up for FY 2023-24, Annual Performance Review (APR) for FY 2024-25 and Approval of Aggregate Revenue Requirement (ARR) for the FY 2025-26 – (Petition No. - 2163 of 2024) of Purvanchal Vidyut Vitran Nigam Ltd. (PuVVNL).
5. Truing-Up for FY 2023-24, Annual Performance Review (APR) for FY 2024-25 and Approval of Aggregate Revenue Requirement (ARR) for the FY 2025-26 – (Petition No. - 2176 of 2024) of Kanpur Electricity Supply Company Ltd. (KESCO).

ORDER

BACKGROUND:

The Electricity Act, 2003 under Section 64 stipulates the Licensee to file an application before the State Electricity Regulatory Commission for determination of tariff in such manner as may be specified by the Commission as per the applicable Regulations.

The Commission had notified the Uttar Pradesh Electricity Regulatory Commission (Multi Year Tariff for Distribution and Transmission) Regulations, 2019 (hereinafter referred as 'MYT Regulations, 2019') on September 23, 2019. The MYT Regulations, 2019 was applicable for the control period from April 01, 2020, to March 31, 2025, unless extended by the Commission.

As per the Regulation 4 of MYT Regulations, 2019, the distribution Licensees must file the



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Petition for determination of True-Up, Annual Performance Review (APR) and Aggregate Revenue Requirement (ARR) / Tariff for each year of the Control Period (FY 2020-21 to FY 2024-25), complete in all respect, before the Commission on or before November 30 of each year.

The Commission vide letter no. UPERC/ Secy/D(T)/2024 – 1108 dated 13 November 2024 had apprised the Distribution Licensees that the Commission is in the process of framing the Regulations for the next control period i.e. from FY 2025-26 to FY 2029-30. The relevant para of the letter is as below:

“It is clear that True Up petition for FY 2023-24 and APR for the FY 2024-25 will be determined under the UPERC (MYT for Distribution & Transmission) Regulations 2019 whereas the ARR/ Tariff for FY 2025-26 will have to be determined based on the principles contained in the MYT Regulations for the next control period i.e. FY 2025-26 to FY 2029-30.

Accordingly, the work on True Up and APR Petition can start right away subsequent to filing of Petition by the licensee(s) whereas, filling of APR/ Tariff Petition also will enable the Commission to perform rudimentary exercise on the data irrespective of principles of MYT Regulations of two control periods. Final determination of ARR/ Tariff Petition will be carried out after notification of MYT Regulations for next control period for which the Commission may seek additional information, if any, at a subsequent time. Accordingly, timely submission of Petition by the licensees will help the Commission in meeting the regulatory calendar, as far as possible. However, such a submission will not create any right in favour of the Licensees arising out of stipulations provided in UPERC (MYT for Distribution & Transmission) Regulations 2019.”

Accordingly, the Commission had directed the Distribution Licensees to file the Tariff Petition for Truing-Up for FY 2023-24, Annual Performance Review (APR) for FY 2024-25 and Approval of Aggregate Revenue Requirement (ARR) for the FY 2025-26 as per MYT Regulations, 2019.

Thereafter, the Commission notified the Uttar Pradesh Electricity Regulatory Commission (Multi Year Tariff for Distribution) Regulations, 2025 (hereinafter referred to as ‘MYT Regulations 2025’) on March 26, 2025. The MYT Regulations 2025 is applicable for the control period from April 01, 2025, to March 31, 2030, unless extended by the Commission. Accordingly, the formats for the control period from 01.04.2025 to 31.03.2030 for filing of True up/ APR/ ARR were revised.

The Commission vide letter no. UPERC/Secy/D(Tariff)/2025-042 dated April 15, 2025, shared the formats with the Distribution Licensees for submitting information pertaining to the ARR for FY 2025-26 as per MYT Regulations 2025, along with supporting documents and relevant submissions.



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LICENSEES SUBMISSION:

The State-owned Distribution Licensees (Dakshinanchal Vidyut Vitran Nigam Ltd., Madhyanchal Vidyut Vitran Nigam Ltd., Pashchimanchal Vidyut Vitran Nigam Ltd., Purvanchal Vidyut Vitran Nigam Ltd. and Kanpur Electricity Supply Company Ltd. hereinafter referred to as "DVVNL", "MVVNL", "PVVNL", "PuVVNL" and "KESCO" respectively & collectively called as the State-owned Distribution Licensees / Discoms) filed the Petitions for determination of True-Up for the FY 2023-24, Annual Performance Review for FY 2024-25 and Aggregate Revenue Requirement and Tariff for FY 2025-26 before the Commission on November 29, 2024.

The Distribution Licensees, in compliance to the letter no. UPERC/Secy/D(Tariff)/2025-042 dated April 15, 2025 of the Commission, submitted the updated APR for FY 2024-25 and the information pertaining to the ARR for FY 2025-26 as per MYT Regulations 2025 in the prescribed formats on April 29, 2025.

PRELIMINARY OBSERVATION:

The Commission had conducted a preliminary analysis of the above Petitions and certain deficiencies were observed, which were raised to the Petitioners vide letters dated January 24, 2025 on the submissions made as part of petitions filed on November 29, 2024.

In preliminary analysis, deficiencies were sought, which were related to Billing Determinants, Distribution Loss, Energy Balance, reconciliation of Power purchase related matters (Late payment charges, Other Charges, Banking arrangements, Power purchase/ sold in the Market, Open Access purchase, UI sales/ purchase, etc.) Inter-state loss, Calculation of BST and DBST, reconciliation of Power purchase related matters (like Fixed Charges, Energy Charges, Transmission and Load Despatch Charges, Late payment charges, etc), submission of Power Purchase Agreement, RPO Compliance, Operation and Maintenance Expense, CAPEX related to Smart Metering, investment/ capitalisation related to RDSS scheme, Interest on CSD, Reconciliation of Revenue under renting of Pole/5G activity, rebates/ discounts included in the Revenue, Reconciliation of Open Access Charges, details of OTS scheme, Reconciliation of GoUP Subsidy, Electricity duty part of bad debt, along with other various deficiencies.

LICENSEE RESPONSE:

The Petitioners submitted their response to the data deficiency in respect to True-Up of FY 2023-24, APR of FY 2024-25, ARR of FY 2025-26 vide following letters:

- a) DVVNL- Letter No. 137/M.D/DVVNL/CE(COM)/C-317(R.A.U), dated February 24, 2025.



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- b) MVVNL- Letter No. 701/Dir. (Comm)/MVVNL/UPERC, dated February 24, 2025.
- c) PVVNL- Letter No. 8263/PVVNL/MRT/COM/UPERC, dated February 25, 2025.
- d) PuVVNL- Letter No. 1480/PuVVNL/Commercial/FY2024-25/1STDatagap, dated February 24, 2025.
- e) KESCO- Letter No. 860/Director (Comm)/KESco/2024-25, dated February 24, 2025.

The Technical Validation Session (TVS) on the ARR Petitions of all the Petitioners was conducted on May 07, 2025, at the office of the Commission, which was attended by the senior officials of the Commission and the State-owned Distribution Licensees. During TVS, the State-owned Distribution Licensees explained various issues raised in the deficiencies and some replies were submitted but reply on certain issues are still awaited. The queries related to information submitted pertaining to the ARR for FY 2025-26 as per MYT Regulations 2025 in the prescribed formats on April 29, 2025 & subsequently, minutes of meeting (M.O.M.) comprising of pending data / information were issued.

COMMISSION'S OBSERVATIONS & DIRECTIONS:

The ARR Petition has been submitted by the Petitioners within the due date specified in the MYT Regulations, 2019 and letter no. UPERC/ Secy/D(T)/2024 – 1108 dated 13 November 2024. The Commission observes that the Petitioners have not submitted the AT&C loss trajectory and corresponding Distribution Loss trajectory for the entire Control Period as mentioned in Regulation 31.1 of MYT Regulations 2025. Apart from this, no tariff proposal has been submitted by the petitioners.

The Commission admits the ARR Petition of the Petitioners. The Commission further directs the State-owned Distribution Licensees to submit the response on the pending matters, including distribution loss trajectory, immediately. Also, the Petitioners have been directed that they shall furnish further information / clarifications, if any, as deemed necessary by the Commission during the processing of the Petitions and provide the same to the satisfaction of the Commission within the time frame as stipulated by the Commission. In case of failure in compliance of such directions, the Commission shall dispose off the concerned matter as deemed fit by it based on the available information.

Regulation 5.5 of MYT Regulations 2025 specifies as under:

"The Petitioner shall within three working days of the issuance of the Admittance Order, publish a Public Notice in at least two English and two Hindi daily newspapers having wide circulation in its Licence area, outlining the True up/APR/ARR, proposed Tariff and such other matters as may be directed by the Commission, and inviting suggestions and objections from the stakeholders and public at large:

Provided that the Petitioner shall also provide on its website the Petition filed before the Commission along with all regulatory filings, detailed computations, particulars



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and documents, in text-searchable format or in downloadable spreadsheet format in the manner stipulated by the Commission:

Provided also that the Distribution Licensee shall intimate its consumers about filing of such Petition, period of public consultation, date of Public Hearing etc. through appropriate notice on its website and newspapers:"

Accordingly, the Petitioners, within three working days from the issuance of this Admittance Order, shall publish a Public Notice in at least two English and two Hindi daily newspapers having wide circulation in their licence areas, outlining the True-Up, ARR, Gap/(Surplus), approved and actual Distribution losses for FY 2023-24 along with actual/proposed losses for FY 2024-25 and proposed losses for FY 2025-26, Power Purchase Cost, Bulk Supply Tariff, DBST, Average Cost of Supply, wheeling charges, cross subsidy surcharge for Open Access consumers, category-wise, sub-category & slab-wise subsidy by GoUP etc., and invite suggestions and objections within 21 days from the date of publication of the Public Notice(s) from the stakeholders and public at large.

The Public Notices should indicate that the stakeholders should regularly check the websites of the Petitioners for further submissions made in respect to these proceedings.

The Petitioners shall also upload on its website the True up, APR & ARR petitions along with updated APR and updated ARR formats filed before the Commission along with all regulatory filings, information, particulars, and related documents in their original version (not in zipped or compress folder), which shall be signed digitally and in searchable pdf formats along with all Excel files and as per any other provision of the Regulations and Order of the Commission. While uploading the petitions, petitioners would also put a remark at the start and in bold that readers, while reading the APR and ARR petitions may overlook the formats attached with original APR & ARR petitions rather they should refer revised formats, which have been submitted before the Commission subsequent to filing of original APR & ARR petitions. The Petitioners shall also ensure that those files are broken into such size which can be easily downloaded. The Petitioners shall also ensure that for downloading the same, there is no requirement of providing personal information. The Petitioners shall not provide or put up any such information, particulars, or documents, which are confidential in nature, without the prior approval of the Commission.

The Petitioners shall inform the Commission, about the details of publication of the Public Notice in the newspapers and uploading on the website along with the links. The Petitioners are also required to submit the copies of the newspapers and screen shots of the website within 7 days of publication of the Public Notice.

The Commission proposes to hold the Public Hearings in June 2025, the details of which will be provided subsequently on the Commission's website www.uperc.org.



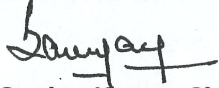
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The Petitioners shall take all necessary steps to ensure the necessary arrangements for smooth functioning of the public hearing in accordance with the guidelines / instructions issued in this regard by the Commission from time to time.

The Commission reserves the right to seek any further information / clarifications as deemed necessary during the processing of these Petitions.


(Sanjay Kumar Singh)
Member




(Arvind Kumar)
Chairman

Place: Lucknow

Date: 09 May, 2025