TARIFF ORDER

On

Approval of Business Plan and Multi Year Tariff for Fifth Control Period (FY 2025-26 to FY 2027-28)

Annual Performance Review for FY 2024-25

&

True Up for FY 2023-24

For

UJVN Ltd.

April 11, 2025

UTTARAKHAND ELECTRICITY REGULATORY COMMISSION
Vidyut Niyamak Bhawan,
Near I.S.B.T., P.O. Majra, Dehradun–248171

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UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

Petition No.: 23 of 2025

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Petition No. 12 to 22 of 2025

In the Matter of:

Petition filed by UJVN Ltd. for Approval of Business Plan for Fifth Control Period from FY 2025-26 to FY 2027-28.

AND

In the Matter of:

Petition filed by UJVN Ltd. for True Up for FY 2023-24, Annual Performance Review for FY 2024-25 and determination of Multi Year Tariff for Fifth Control Period from FY 2025-26 to FY 2027-28 for 11 LHPs.

AND

In the Matter of:

UJVN Ltd.

UJJWAL, Maharani Bagh, GMS Road, Dehra Dun-248006 …Petitioner

Coram

Shri M. L. Prasad **Chairman**

Shri Anurag Sharma **Member (Law)**

<u>Date of Order: April 11, 2025</u>

Section 64(1) read with Section 61 and 62 of the Electricity Act, 2003 (hereinafter referred to as "the Act") requires the Generating Companies and the Licensees to file an application for determination of tariff before the Appropriate Commission in such manner and along with such fee as may be specified by the Appropriate Commission through Regulations.

In accordance with the relevant provisions of the Act, the Commission had notified Uttarakhand Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff)

Regulations, 2011 (hereinafter referred to as "UERC Tariff Regulations, 2011") for the First Control Period from FY 2013-14 to FY 2015-16 specifying therein terms, conditions and norms of operation for licensees, generating companies and SLDC. The Commission had issued the MYT Order dated May 6, 2013 for the First Control Period from FY 2013-14 to FY 2015-16. In accordance with the provisions of the UERC Tariff Regulations, 2011, the Commission had carried out the Annual Performance Review for FY 2013-14, FY 2014-15 and FY 2015-16 vide its Orders dated April 10, 2014, April 11, 2015 and April 5, 2016 respectively.

Further, in accordance with the relevant provisions of the Act, the Commission had notified Uttarakhand Electricity Regulatory Commission (Terms and Conditions for Determination of Multi Year Tariff) Regulations, 2015 (hereinafter referred to as "UERC Tariff Regulations, 2015") for the Second Control Period from FY 2016-17 to FY 2018-19 specifying therein terms, conditions and norms of operation for licensees, generating companies and SLDC. The Commission had issued the MYT Order on approval of Business Plan and Multi Year Tariff Order dated April 5, 2016 for the Second Control Period from FY 2016-17 to FY 2018-19. In accordance with the provisions of the UERC Tariff Regulations, 2015, the Commission had carried out the Annual Performance Review for FY 2016-17, FY 2017-18 and FY 2018-19 vide its Order dated March 29, 2017, March 21, 2018 and February 27, 2019 respectively.

Subsequently, in accordance with the relevant provisions of the Act, the Commission had notified Uttarakhand Electricity Regulatory Commission (Terms and Conditions for Determination of Multi Year Tariff) Regulations, 2018 (hereinafter referred to as "UERC Tariff Regulations, 2018") for the Third Control Period from FY 2019-20 to FY 2021-22 specifying therein terms, conditions and norms of operation for licensees, generating companies and SLDC. The Commission had issued Order on approval of Business Plan and Multi Year Tariff Petition on February, 27, 2019 for the Third Control Period from FY 2019-20 to FY 2021-22. Further, the Commission had carried out the Annual Performance Review for FY 2019-20, FY 2020-21 and FY 2021-22 vide its Order dated April 18, 2020, April 26, 2021 and March 31, 2022 respectively.

Further, in accordance with the relevant provisions of the Act, the Commission had notified Uttarakhand Electricity Regulatory Commission (Terms and Conditions for Determination of Multi Year Tariff) Regulations, 2021 (hereinafter referred to as "UERC Tariff Regulations, 2021") for the Fourth Control Period from FY 2022-23 to FY 2024-25 specifying therein terms, conditions and norms of operation for licensees, generating companies and SLDC. The Commission had issued Order on approval of Business Plan and Multi Year Tariff Petition on March 31, 2022 for the Fourth Control Period from FY 2022-23 to FY 2024-25. Further, the Commission had carried out the Annual Performance Review for FY 2022-23 & FY 2023-24 vide its Order dated March 30, 2023 and March 28, 2024 respectively.

UJVN Ltd. commissioned Vyasi LHP in FY 2022-23 and also filed a Petition on 30.11.2023, giving details of capital cost incurred as on COD along with projections of Annual Fixed Charges (AFC) for FY 2022-23, FY 2023-24 and FY 2024-25. The Petitioner, in the Petition sought True-up for FY 2022-23 and Annual Performance Review for FY 2023-24. The Commission had approved the Capital Cost and carried out Truing-up of FY 2022-23 vide its Order dated March 24, 2025.

Further, in accordance with the relevant provisions of the Act, the Commission had notified Uttarakhand Electricity Regulatory Commission (Terms and Conditions for Determination of Multi Year Tariff) Regulations, 2024 (hereinafter referred to as "UERC Tariff Regulations, 2024") for the Fifth Control Period from FY 2025-26 to FY 2027-28 specifying therein terms, conditions and norms of operation for licensees, generating companies and SLDC. In compliance with the provisions of the Act and Regulation 8(1) and Regulation 10(1) of UERC Tariff Regulations, 2024, UJVN Ltd. (hereinafter referred to as "UJVN Ltd." or" Petitioner") filed separate Petition for approval of its Business Plan for the Fifth Control Period from FY 2025-26 to FY 2027-28 (Petition No. 23 of 2025 hereinafter referred to as the "Business Plan Petition") and Multi Year Tariff Petition (Petition Nos. 12 to 22 of 2025 hereinafter referred to as the "MYT Petition") on November 29, 2024. UJVN Ltd., in its Business Plan Petition, has submitted the Capital Investment Plan, Financing Plan, Human Resources Plan and trajectory of performance parameters for the Fifth Control Period. Further, through the MYT Petitions, UJVN Ltd. has submitted station wise detailed calculations of its projected Annual Fixed Charges for the Fifth Control Period from FY 2025-26 to FY 2027-28 as per the UERC Tariff Regulations, 2024. Through the MYT Petition, the Petitioner has also requested for True Up of FY 2023-24 based on the audited accounts in accordance with UERC Tariff Regulations, 2021 and Annual Performance Review of FY 2024-25.

As mentioned earlier also, in accordance with the provisions of the Electricity Act, 2003 and Regulation 8(1) and 10(1) of the UERC Tariff Regulations, 2024, UJVN Ltd. was required to submit Business Plan Petition and MYT Petition for determination of its ARR by November 30, 2024. UJVN

Ltd. subsequently filed the Business Plan Petition and MYT Petition for determination of ARR for the Fifth Control Period from FY 2025-26 to FY 2027-28 and Tariff for FY 2025-26 along with True up for FY 2023-24 on November 29, 2024.

The Business Plan Petition filed by UJVN Ltd. had deficiencies/discrepancies which were conveyed to UJVN Ltd. vide the Commission's letter dated 16.12.2024 and the Petitioner was asked to rectify the critical data gaps/information /deficiencies essential for Admission of Business Plan Petition latest by 23.12.2024 so that the Petition may be admitted by the Commission. The Petitioner vide its letter dated 23.12.2024 has submitted the replies to the critical data gaps/information/ deficiencies pointed out by the Commission. Based on the submissions made by UJVN Ltd., the Commission vide its Order dated January 08, 2025 provisionally admitted the Petition for further processing with the condition that UJVN Ltd. shall furnish any further information/clarifications as deemed necessary by the Commission during the processing of the Petition and provide such information and clarifications to the satisfaction of the Commission within the time frame, as may be stipulated by the Commission, failing which the Commission may proceed to dispose of the matter as it deems fit based on the information available with it.

Further, the Multi Year Tariff (MYT) Petitions filed by UJVN Ltd. also had deficiencies/discrepancies which were conveyed to it vide the Commission's letter dated 16.12.2024 and the Petitioner was asked to rectify the critical data gaps/information/deficiencies essential for Admission of Petition latest by 23.12.2024 so that the Petitions may be admitted by the Commission. The Petitioner vide its letter dated 23.12.2024 has submitted the replies to the critical data gaps/information/deficiencies. Based on the submissions made by UJVN Ltd., the Commission vide its Order dated January 08, 2025 provisionally admitted the Petitions for further processing with the condition that UJVN Ltd. shall furnish any further information/clarifications as deemed necessary by the Commission during the processing of the Petition and provide such information and clarifications to the satisfaction of the Commission within the time frame, as may be stipulated by the Commission, failing which the Commission may proceed to dispose of the matter as it deems fit based on the information available with it.

This Order, accordingly, relates to Petitions filed by UJVN Ltd. for approval of Business Plan, True-up for FY 2023-24, APR for FY 2024-25 and Determination of AFC for FY 2025-26 to FY 2027-28 and is based on the original as well as all the subsequent submissions made by UJVN Ltd. during the course of the proceedings.

Tariff determination being one of the most vital functions of the Commission, it has been the practice of the Commission to elaborate in detail the procedure and to explain the underlying principles in determination of Tariff. Accordingly, in the present Order also, in line with past practices, the Commission has tried to elaborate the procedure and principles followed by it in determining the ARR of the licensee. The Annual Fixed Charges of UJVN Ltd. are recoverable from the beneficiaries. It has been the endeavour of the Commission in past also, to issue Tariff Orders for UJVN Ltd. concurrently with the issue of Order on Retail Tariffs for UPCL, so that UPCL is able to honour the payment liability towards generation charges of UJVN Ltd. For the sake of convenience and clarity, this Order has further been divided into following Chapters:

Chapter 1 - Background and Procedural History.

Chapter 2 - Stakeholders' Objections/Suggestions, Petitioner's Responses & Commission's Views.

Chapter 3 - Petitioner's Submissions, Commission's Analysis, Scrutiny and Conclusion on Business Plan for Fifth Control Period from FY 2025-26 to FY 2027-28.

Chapter 4 - Petitioner's Submissions, Commission's Analysis, Scrutiny and Conclusion on Truing Up of 9 LHPs, MB-II and Vyasi LHP for FY 2023-24.

Chapter 5 - Petitioner's Submissions, Commission's Analysis, Scrutiny & Conclusion on APR for FY 2024-25 and MYT for the Fifth Control Period from FY 2025-26 to FY 2027-28.

Chapter 6 - Commission's Directives.

1 Background and Procedural History

UJVN Ltd. is a company wholly owned by the State Government and is engaged in the business of generation of power in the State including eleven large hydro generating stations to which this Order relates. These generating stations are Dhakrani, Dhalipur, Chibro, Khodri, Kulhal, Ramganga, Chilla, Maneri Bhali-I, Maneri Bhali-II, Khatima and Vyasi. Electricity generated by these generating stations is supplied to Uttarakhand Power Corporation Ltd (UPCL), the sole distribution licensee in the State and Himachal Pradesh State Electricity Board (HPSEB), which, as per an old arrangement/scheme, has share in five of these generating stations viz. Dhakrani (25%), Dhalipur (25%), Chibro (25%), Khodri (25%) and Kulhal (20%).

The Commission vide its Order dated May 6, 2013 had approved the Business Plan and Multi Year Tariff for UJVN Ltd. for the First Control Period from FY 2013-14 to FY 2015-16. Further, the Commission had carried out the Annual Performance Review for FY 2013-14, FY 2014-15 and FY 2015-16, vide its Orders dated April 10, 2014, April 11, 2015 and, April 5, 2016 respectively.

The Commission vide its Order dated April 5, 2016 approved the Business Plan and Multi Year Tariff for UJVN Ltd. for the Second Control Period from FY 2016-17 to FY 2018-19. Further the Commission had carried out the Annual Performance Review for FY 2016-17, FY 2017-18 and FY 2018-19 vide its Orders dated March 29, 2017, March 21, 2018 and February 27, 2019 respectively.

The Commission vide its Order dated February 27, 2019 approved the Business Plan and Multi Year Tariff for UJVN Ltd. for the Third Control Period from FY 2019-20 to FY 2021-22. Further, the Commission had carried out the Annual Performance Review for FY 2019-20 and FY 2020-21 vide its Order dated April 18, 2020 and April 26, 2021 respectively.

The Commission vide its Order dated March 31, 2022 approved the Business Plan and Multi Year Tariff for UJVN Ltd. for the Fourth Control Period from FY 2022-23 to FY 2024-25. Further, the Commission had carried out the Annual Performance Review for FY 2022-23 and FY 2023-24 vide its Order dated March 30, 2023 and March 28, 2024 respectively.

As also mentioned earlier, in accordance with the provisions of the Electricity Act, 2003 and Regulation 8(1) and Regulation 10(1) of the UERC Tariff Regulations, 2024, Generating companies are required to submit Business Plan Petition and MYT Petition for determination of Aggregate Revenue

Requirement respectively latest by November 30, 2024. UJVN Ltd. in compliance to the Regulations submitted the Business Plan Petition and Station-wise MYT Petition for determination of Annual Fixed Charges for the Fifth Control Period from FY 2025-26 to FY 2027-28, the True Up of expenses for FY 2023-24 and Annual Performance Review for FY 2024-25 on November 29, 2024.

The Business Plan Petition and MYT Petition were provisionally admitted by the Commission vide two separate Orders dated January 08, 2025. The Commission, through its above Admittance Orders dated January 08, 2025, to provide transparency to the process of tariff determination and give all Stakeholders an opportunity to submit their objections/suggestions/comments on the proposals of UJVN Ltd., also directed UJVN Ltd. to publish the salient points of its Petitions in the leading newspapers. The salient points of the Petitions were published by the Petitioner in the following newspapers:

Table 1.1: Publication of Notice

Sl. No.	Newspaper Name	Date of Publication
1	Amar Ujala (Hindi)	11.01.2025
2	Hindustan (Hindi)	11.01.2025
3	Times of India (English)	11.01.2025
4	Hindustan Times (English)	11.01.2025 & 12.01.2025

Through the above notices, the Stakeholders were requested to submit their objections/ suggestions/comments latest by 15.02.2025 (copy of the notices is enclosed as **Annexure-1 & Annexure-2**). Besides suggestions/comments of the State Advisory Committee, the Commission received 11 objections/suggestions/comments in writing on the Petition filed by UJVN Ltd. The list of Stakeholders who have submitted their objections/suggestions/comments in writing is enclosed as **Annexure-3.**

Further, for direct interaction with all the Stakeholders and public at large, the Commission also held public hearings on the proposals filed by the Petitioner at the following places in the State of Uttarakhand.

Table 1.2: Schedule of Hearing

Sl. No.	Place	Date
1	Lohaghat	18.02.2025
2	Rudrapur	19.02.2025
3	Gopeshwar	25.02.2025
4	Dehradun	28.02.2025

The list of participants who attended the Public Hearing is enclosed at **Annexure-4.**

The Commission also sent the copies of the salient features of the tariff proposals to Members of the State Advisory Committee and the State Government. The salient features of the tariff proposals submitted by UJVN Ltd. were also made available on the website of the Commission, i.e. www.uerc.gov.in. The Commission also held a meeting with the Members of the State Advisory Committee on March 19, 2025, wherein, detailed deliberations were held with the Members of the Advisory Committee on the various issues linked with the Petitions filed by UJVN Ltd.

The objections/suggestions/comments, as received from the Stakeholders through mail/post as well as during the course of the public hearings were sent to the Petitioner for its response. All the issues raised by the Stakeholders, Petitioner's response and Commission's views thereon are detailed in Chapter 2 of this Order. In this context, it is also to underline that while finalizing this Order, the Commission has, as far as possible, tried to address all the issues raised by the Stakeholders related to approval of Business Plan and Multi Year Tariff.

Meanwhile, based on the scrutiny of the Petitions submitted by UJVN Ltd., the Commission communicated certain additional clarifications/justification pertaining to the Business Plan Petition for FY 2025-26 to FY 2027-28 vide its letter no. UERC/5/Tech/804/Misc. Appl. No. 138 of 2024/1246 dated December 16, 2024. The Petitioner submitted the replies to data gaps/ information sought by the Commission vide its letter no. M-1243/ UJVNL/02/D(O)/B-8 dated December 23, 2024 and M-14/UJVNL/02/D(O)/B-8 dated January 04, 2025.

Further, the Commission has also communicated certain additional clarifications/justification pertaining to the MYT Petition vide its letter no. UERC/5/Tech/803/Misc. Appl. No. 127 of 2024 to 137 of 2024/1245 dated December 16, 2024. The Petitioner submitted the replies to data gaps/ information sought by the Commission vide its letter no. 171/ UJVNL/03/D(P)/D-5 dated December 23, 2024 and M-15/UJVNL/02/D(O)/B-8 dated January 04, 2025.

So as to have better clarity on the data filed by the Petitioner and to remove inconsistency in the data, a Technical Validation Session (TVS) was also held with the Petitioner's Officers on January 27, 2025, for further deliberations on certain issues related to the Petitions filed by UJVN Ltd. Minutes of above Technical Validation Session were sent to the Petitioner vide the Commission's letter no. UERC/5/Tech/803/Pet. No. 12 to 22 of 2025/1454 dated January 29, 2025, for its response.

The Petitioner submitted the replies to Minutes of TVS sought by the Commission vide its letter no. M-111/UJVNL/02/D(O)/B-8 dated February 07, 2025, M-131/UJVNL/02/D(O)/B-8 dated February 13, 2025, M-167/UJVNL/02/D(O)/B-8 dated February 20, 2025, M-188/UJVNL/02/D(O)/B-8 dated February 27, 2025, M-211/UJVNL/02/D(O)/B-8 dated March 04, 2025 and M-288/UJVNL/02/D(O)/B-8 dated March 20, 2025.

Further, Plant-wise/cost centre-wise discussion were held from 10.02.2025 to 05.03.2025. During discussions certain additional clarifications/justification pertaining to the additional capital expenditure and R&M expenses claimed in the MYT Petition were sought from the Petitioner. The Petitioner submitted the replies to the data gaps/information sought by the Commission vide its various letters submitted before the Commission during 18.02.2025 to 01.04.2025. Further, the Petitioner vide its E-mail dated 07.04.2025 submitted the revised status of the recruitment for FY 2024-25.

The submissions made by UJVN Ltd. in the Petitions as well as additional submissions have been discussed by the Commission at appropriate places in the Order along with the Commission's views on the same.

2 Stakeholders' Objections/suggestions, Petitioner's Responses & Commission's Views

The Commission has received suggestions/objections on UJVN Ltd.'s Petition for True-up for FY 2023-24, Annual Performance Review for FY 2024-25, and Determination of Annual Fixed Charges for FY 2025-26 to FY 2027-28 for 11 Large Generating Stations. List of Stakeholders/Respondents who submitted their objections/suggestions/comments in writing is given at **Annexure-3** and the list of Respondents who participated in the Public Hearings is enclosed at **Annexure-4**. The Commission has further, obtained replies from UJVN Ltd. on the objections/suggestions/comments received from the Stakeholders. For the sake of clarity, the objections raised by the Stakeholders and responses of the Petitioner have been consolidated and summarized issue-wise. In the subsequent Chapters of this Order, the Commission has kept in view the objections/suggestions/comments of the Stakeholders while deciding the Annual Fixed Charges and tariffs for different generating stations of UJVN Ltd.

2.1 Overall Performance of UJVN Ltd.

2.1.1 *Stakeholder's Comments*

Shri Pankaj Gupta of M/s Industries Association of Uttarakhand submitted that UJVN Ltd. is not acting in the interest of the people, he further, submitted that UJVN Ltd. should accept the fact that it is a public utility and therefore, discipline in all respect is expected from them. It was further, submitted that it does not want to deprive UJVN Ltd. from attaining positive growth, however, in the present case, UJVN Ltd. has not shown commercial discipline and therefore, is not acting in public interest and has proposed abnormally high increase in all heads in all the generating stations which is not commensurate with past and needs to be reviewed by the Commission. It was also submitted that all the utilities are not working within the cost approved by the Commission and are coming up with their own costs which are always different from the cost approved by the Commission.

Shri Pawan Agarwal of M/s Uttarakhand Steel Manufacturers Association submitted that UJVN Ltd. has significantly increased the generation cost of its 9 old hydro stations under the pretext of modernization and expansion. Stakeholder requested the Commission to review and rationalize these costs and if these adjustments are made, the overall power purchase cost can be reduced from

₹4.27 per unit to ₹4 per unit initially and can be further brought down to ₹3.25 to ₹3.50 per unit thereby significantly lowering the power purchase cost, benefiting the consumers.

Shri Ashok Bansal, Kumaon Garhwal Chamber of Commerce and Industry, Shri Shakeel Siddiqui, M/s Galwalia Ispat Udyog, and Shri. Anil Kansal of Uttarakhand Steel Manufacturing Association submitted that Uttarakhand government for past many years have been charging Cess @ Rs. 0.30/kWh, royalty @ Rs. 0.10/kWh and water tax which has led to increase in the average pooled power purchase cost for UPCL which should be reviewed.

Shri Munish Talwar of M/s Asahi India Glass Limited submitted that it has become a regular phenomenon that generating and distributing bodies are often filing petitions before UERC seeking additional recovery.

2.1.2 *Petitioner's Reply*

UJVN Ltd. submitted that the Commission has approved an average tariff of ₹1.68 per unit for the nine Large Hydro Power Stations (LHPs) of UJVN Ltd. for FY 2023–24.

2.1.3 *Commission's Views*

The Commission, in this regard, would like to clarify that each of the components of fixed charges have been scrutinised in accordance with relevant provisions of UERC Tariff Regulations, 2021 and UERC Tariff Regulations, 2024 and only after carrying out due prudence check of all the claims including that of additional capitalisation, the Commission has allowed the same to be recovered from the consumers.

2.2 New Generation Capacities

2.2.1 *Stakeholder's Comments*

Shri Munish Talwar of M/s Asahi India Glass Limited submitted that generation bodies must give attention to find some alternate options like setting up Hydro Power and Wind Power Plants within the State.

2.2.2 *Petitioner's Reply*

The Petitioner submitted that UJVNL has recently commissioned several hydro projects, including the 120 MW Vyasi Project in April–May 2022, 4.5 MW Kaliganga-II in May 2022, 5 MW Suringad in February 2024, and 15 MW Madhyamaheshwar in July 2024. It was further submitted that the 300 MW Lakhwar Project is presently under construction, and UJVNL is making continuous efforts to develop additional hydro projects in the future. Additionally, UJVNL has established 34.167 MW of solar power capacity and plans to install another 38.75 MW during FY 2025–26.

2.2.3 *Commission's Views*

The Commission has noted the submissions of Stakeholder and Petitioner's response. The Commission observes that several projects of the Petitioner are delayed which is forcing the distribution utility to procure power from other sources. The Petitioner is required to expedite the projects execution so that energy availability is increased from State generating sources.

2.3 Additional Capitalisation

2.3.1 *Stakeholder's Comments*

Shri Pankaj Gupta of M/s Industries Association of Uttarakhand submitted that it has noticed a clear trend that all utilities are projecting very high cost in capitalisation as that gives them better returns and therefore, has vehemently opposed the same and has requested the Commission to scrutinize any addition in capitalisation very carefully. Further, he submitted that the thrust of UJVN Ltd. is to spend more and so that they can earn RoE, depreciation and Interest on normative loan and requested the Commission to disallow any additional capitalisation that do not provide any appreciable benefit.

Shri Vijay Singh Verma submitted that UJVN Ltd. should focus only those works which have direct impact on generation and safety and any other works should either be financed from grant or soft loan or from CSR.

2.3.2 *Petitioner's Reply*

The Petitioner submitted that it is running hydro power stations which have completed their normative useful life and renovation of Power Plants and dam/barrages has become necessary for life extension and ensuring efficient and safe operation of power projects. Further, UJVN Ltd.

submitted that the additional capitalisation proposed in the petition are those which are necessary to carry out in upcoming years for reliable and safe operation of Power Plants to achieve maximum generation otherwise on account of breakdowns, lower generation may impact the tariff.

The Petitioner also submitted that The Petitioner submitted that UJVN Ltd. has never intended to increase costs arbitrarily, and all cost projections under various heads have been made strictly in accordance with the Regulations issued by the Commission. With respect to additional capitalisation, the Petitioner submitted that most of its Large Hydro Power Plants have completed their normative useful life of 35 years. Therefore, additional capital expenditure is essential to ensure the continued efficient and safe operation of these plants. It was further submitted that after the execution of RMU works, the concerned plants have been able to operate at their rated capacity and, where feasible, on 10% overload capacity. This has not only extended the life of the equipment and the project but also enhanced operational efficiency and safety, resulting in increased generation. The increased generation supports UPCL in meeting the State's power demand and reduces dependence on power procurement from outside sources, thereby benefiting the consumers of Uttarakhand.

The Petitioner submitted that UJVN Ltd. is carrying out only the essential works of the plants and the related important structures. The safety and robustness of plant is necessary for the continuous and optimized generation by the respective plants. Further, the Petitioner submitted that priority is being given to those works which directly influence the generation of the Plant or are essentially required for efficiency and safety of the plants. UJVNL is availing all the options of lower interest rate/interest free loan e.g., SASCI loan of GoU, ADB loans etc., so that impact of investment on tariff can be minimized.

2.3.3 *Commission's Views*

The Commission, in this regard, would like to clarify that the additional capitalisation, both incurred and proposed by the Petitioner are examined separately in detail while carrying out the Truing-up of expenses and projecting tariff and only legitimate expenses are allowed in accordance with UERC Tariff Regulations as applicable from time to time.

2.4 Design Energy

2.4.1 *Stakeholder's Comments*

Shri Pankaj Gupta of M/s Industries Association of Uttarakhand submitted that in earlier Order, the Commission had taken average of annual generation of last 15 years as projected generation for year 2004-05. Further, submitted that lower of this projected generation and the plant wise design energy mutually agreed between UPJVNL and UPPCL was taken for the purpose of working out the primary energy rate and therefore, Commission had fixed 3169.13 MU as approved primary energy generation for the year 2004-05. In this regard, the Stakeholder submitted that the analogy should not hold good for future years as the same was acceptable then because of unavailability of sufficient data and that UJVN Ltd. has pleaded that the Plants were not optimally maintained which is no more relevant.

Shri Ajay Bhargava, Mussoorie Hotels Association submitted that the water barrages like the Asan Barage, Daak pathhar etc are filled with stilt and thereby the capacity of the power houses have been reduced. Steps should be taken to remove the stilt and operate the existing infrastructure available at full capacity. This would in-turn reduce the cost of production.

Shri Kartikeya Tomar of M/s PSR Innovations submitted that power cuts are often attributed to excessive rainfall or extreme cold, leading to a reduction in water levels and impacting hydroelectric power generation. Despite Uttarakhand Jal Vidyut Nigam Limited (UJVN Ltd.) being aware of such seasonal variations and maintaining its generation capacity, the responsibility for supply is transferred to Uttarakhand Power Corporation Limited (UPCL). However, persistent failures in power generation indicate possible lapses in maintenance and machine quality. Therefore, Stakeholder requested the Commission to direct UJVN Ltd. to ensure accountability and maintain operational efficiency to prevent disruptions in power supply.

2.4.2 *Petitioner's Reply*

The Petitioner submitted that the Commission has approved design energy of 4772.20 MU for 11 LHPs for FY 2023-24 considering the impact of NGT/NMGC orders. UJVN Ltd. in past years has made all efforts to keep its plants in good condition and achieved machine availability of 84.04 % in FY 2023-24 and optimum generation from power plants based on the hydrology.

The Petitioner submitted that UJVN Ltd. is a responsible generating company and has consistently strived for optimal utilisation of its resources, with a continuous endeavour to achieve maximum efficiency. It was further submitted that UJVN Ltd. operates its dams and barrages in an efficient manner, undertaking flushing operations during the monsoon season to clear silt and debris. Additionally, UJVN Ltd. makes all necessary efforts to obtain requisite permissions from the Government of Uttarakhand for silt removal, based on site-specific conditions.

2.4.3 *Commission's Views*

The Commission has specifically dealt with the issue of design energy in detail in Chapter 3 and Chapter 4 of this Order.

2.5 RMU works

2.5.1 *Stakeholder's Comments*

Shri Pankaj Gupta of M/s Industries Association of Uttarakhand submitted that with additional capitalisation and RMU there is not much increase in the generation and therefore, needs to be looked into. Further, submitted that there should be proper co-ordination between UJVN Ltd. and UPCL in terms of timing of undertaking RMU work so that effect of such RMU on energy generation be minimised.

Shri Vijay Singh Verma submitted that UJVN Ltd. should complete its RMU in time as any delay such as that seen in case of Chilla LHP, results in generation loss.

2.5.2 *Petitioner's Reply*

UJVN Ltd. submitted that after RMU, the generation and machine availability of the Power Plants has increased. Further, UJVN Ltd. submitted that generation data pre and post RMU for Pathri, Mohammadpur, Khatima and MB-I stations shows an increase in generation by around 200 MUs and considerable increase in machine availability. Furthermore, UJVN Ltd. submitted that it takes up RMU works only after prior intimation and approval from UPCL and SLDC duly considering minimum generation loss.

2.5.3 *Commission's Views*

The Commission has gone through the comments of the Stakeholders and its response submitted by the Petitioner and is of the view that any delay in RMU works shall be subject to prudence check by the Commission.

2.6 RoE on Equity invested out of PDF

2.6.1 *Stakeholder Comments*

Shri Pankaj Gupta of M/s Industries Association of Uttarakhand submitted that RoE on equity invested out of PDF has been allowed by Hon'ble APTEL by its Judgment dated 19.07.2024 however, the same has been challenged before the Hon'ble Supreme Court of India in Civil Appeal bearing Diary No. 48454 of 2024. Further, iterated the submissions that were made by them during the hearing held on 01.10.2024.

(1) Disallow the impact of RoE and associated costs to UJVN Ltd. or defer the implementation of the RoE during the pendency of the Civil Appeal filed before Hon'ble Supreme Cout of India by IAU.

(2) In case the Commission allows the impact of RoE, the same should be restricted to the period challenged by UJVN Ltd. and no carrying cost/interest on the same be allowed.

(3) Disallow the levy and collection of the duty in term of the Uttarakhand Power Development Fund, 2003. Duty is being levied in the generation tariff and the Commission has power under the Electricity Act to stop such levy.

(4) Direct UJVN Ltd. to inform the amount collected in PDF from duty on consumers over 20 years. Also provide where the investments have been made from the PDF and what is the utilisation and submit whether audit of the PDF has been done in terms of the PDF Rules.

Shri Ashok Bansal, Kumaon Garhwal Chamber of Commerce and Industry submitted that it is surprising that the State Government is seeking return on amount that was collected by the State Government from the consumers of the State in the name of PDF as the same was invested as equity in the project. The Stakeholder requested the Commission to apprise the State Government that the

Act passed by the State is unconstitutional and further charging RoE, Interest, dividend on the same amount if invested is against the principle of natural justice and void.

Shri Pawan Agarwal of M/s Uttarakhand Steel Manufacturers Association and Shri Puneet Mohindra of M/s Kashi Vishwanath Steels submitted that as MoP has also directed the State governments though letter no. 15/27/2023-Hydel-11 (MOP), dated 25.04.2023 and letter no. 09/01/2023-RCM dated 25.10.2023 holding it unconstitutional and asked State Government to do away with Cess, Royalty, Water Tax and any other Tax which are being imposed on generation of electricity.

2.6.2 *Petitioner's Reply*

UJVN Ltd. submitted that Return on Equity (RoE) on Power Development Fund (PDF) investment in MB-II, the Petitioner submitted that Hon'ble APTEL, vide its judgment dated 19.07.2024, has allowed RoE on PDF funds invested as equity by the Government of Uttarakhand. Accordingly, UJVN Ltd. has claimed RoE on the same before the Hon'ble Commission. It was also submitted that the Power Development Fund (PDF), established under the Power Development Fund Act, 2003, is operated and regulated by the Government of Uttarakhand. The amount collected from UPCL towards this duty is deposited with the Government, and an equity investment of ₹351.39 crore has been made from PDF into the MB-II Project.

Hon'ble APTEL vide its Judgement dated 19.07.2024 has allowed RoE on PDF funds invested as equity by GoU. According UJVN Ltd. has presented its claim for allowing RoE before the Commission.

UJVN Ltd. with regard to applicability of cess and royalty submitted that the Cess, Royalty and Water Tax have been imposed by Government of Uttarakhand and any decision in this regard can be taken by Government of Uttarakhand only.

2.6.3 *Commission's View*

The contention of the Stakeholders requesting deferement of the implementation of RoE during the pendency of the Appeal in the matter before the Hon'ble Supreme Court of India and other reasons mentioned above, the Commission is of the view that such issues are not part of these proceedings wherein the Order of the Hon'ble APTEL is to be complied since neither there is any stay on the Order of the Hon'ble APTEL nor any Appeal has been filed by the Commission against the said Order. Moreover, the present Taiff Order will always be subject to the final Order passed by the Hon'ble Supreme Court in the matter and other relevant issues which were not part of earlier proceedings can only be dealt with as and when they are raised before the Commission in appropriate proceedings. Therefore, the present Tariff Order has been kept subject to the final Order passed by the Hon'ble Supreme Court in the matter stated above and any other distinctive issue that may arise for consideration later on.

2.7 MU-MW Co-relation

2.7.1 *Stakeholder Comments*

Shri Pankaj Gupta of M/s Industries Association of Uttarakhand submitted that there should be some benchmark of MU generated with rated MW of any Power Plant. Further, suggested the benchmark to be 4 MW per MU and requested the Commission to ask UJVN Ltd. to come up with some co-relation of MU with MW.

2.7.2 *Petitioner's Reply*

The Petitioner submitted that each Hydro power plant is unique and the generation from the plant is envisaged on the basis of design energy. As the generation quantum is totally dependent upon the hydrology of the catchment area and machine availability, therefore, co-relating generation in MU with MW cannot be done to benchmark the generation of the hydropower plant.

2.7.3 *Commission's View*

The Commission has noted the submissions of Stakeholder and Petitioner's response and as the issue with regards to benchmarking do not pertain to the current tariff proceedings, therefore, the same has not been dealt in this Order.

2.8 Cost of Generation from Vyasi HEP

2.8.1 *Stakeholder's Comment*

Shri Pankaj Gupta of M/s Industries Association of Uttarakhand submitted that there is very high generation cost from Vyasi HEP. Further, submitted that any project from UJVN Ltd. must be seen in ultimate benefit to consumer and therefore the high-cost of generation from Vyasi is against the socio-economic behaviour from a public utility. Also submitted that there should not be any repetition of such projects in future which results in such high cost to consumers.

2.8.2 *Petitioner's Reply*

The Petitioner submitted that the detailed justification for higher cost of Vyasi Project have been submitted before the Commission. UJVN Ltd. further submitted that it had made all possible efforts to control the cost and to avoid any delay, and even during Covid pandemic, the work was continued, except for lock down period. When Covid restrictions were imposed, UJVN Ltd. made all efforts and took initiative to build confidence among workers that's why this is the only project which could be commissioned first after the Covid period.

Further, submitted that as far as higher cost of Vyasi HEP is concerned, the increase is mainly due to geological surprises, technical requirement owing to flood/GLOF/Poor geology, impact of COVID-19 Pandemic, work halted by local people on R&R related issues, etc. which were beyond the control of UJVN Ltd. It also submitted that specific Seismic design parameters were required for detailed design approved by NCSDP was higher than nominal based on seismic tectonic features of site resulting into increase in quantity of support system of back slope of powerhouse, as well as project main components.

UJVN Ltd. submitted that the project cost of Vyasi HEP as approved from PIB GoU is Rs 2047.01 Crore and per megawatt cost of the project is Rs 17.06 Crore.

UJVN Ltd. further submitted that Naitwar Mori HEP (60 MW) located in Uttarkashi, Uttarakhand was constructed by SJVN Limited (A central PSU) in the year 2023. Per megawatt cost of the project was around Rs 21.20 Crore which is higher than Vyasi HEP.

Similarly cost of Uhl-III (100MW), Himanchal Pradesh, being developed by Beas Valley Power corporation Limited, is expected to remain higher side.

UJVNL further stated that being a public utility it is bound to meet high safety requirement, with due diligence and wider public interests. UJVN Ltd. is bound to complete the project at reasonable cost but can't leave a project at an intermediate stage. Further, Vyasi Project has reservoir and UJVN Ltd. will be able to generate power at critical time when availability of power in National grid is relatively costlier. UJVN Ltd. submitted that the under the current circumstances, the cost of Vyasi Project is reasonable, in view of details given.

2.8.3 *Commission's View*

The Commission has disposed of the Petition seeking approval of Capital Cost of Vyasi HEP vide its Order dated March 24, 2025, wherein it has dealt with the issues related to Capital Cost, time and cost overrun. With regard to True up of FY 2023-24 and MYT of fifth Control Period, the Commission has deliberated the same in detail in Chapter 3,4 and 5 of this Order.

2.9 Issues raised during the meeting of the State Advisory Committee

2.9.1 *Views of the State Advisory Committee*

During the State Advisory Committee meeting held on March 19, 2025, the Members made the following observations/suggestions/comments:

(1) UJVNL has claimed an Annual Fixed Charges (AFC) for the Control Period that is significantly higher than the actual figures for FY 2023-24, reflecting an increase of nearly 100% over just three years. Additionally, the plant-wise AFC submitted for the Control Period has also substantially increased compared to previous years. The same should be reviewed properly.

(2) UJVNL has computed a Gap of Rs. 343.09 Crore including carrying cost, however, has excluded the revenue collected from Himachal Pradesh.

(3) Claimed tariff of Vyasi HEP tariff is significantly higher and is not feasible. Stakeholder requested the Commission to prudently analyse the submission of UJVN Ltd. in this regard.

2.9.2 *Petitioner's Response*

(1) UJVN Ltd. submitted that it continues to successfully operate hydropower projects with operational lifespans of 40-60 years through efficient management, undertaking only essential capacity addition works.

(2) UJVNL Ltd. submitted that, recent RMU upgrades have yielded a 25% increase in generation capacity while extending project lifespans by 35 years.

(3) UJVN Ltd. further submitted that it has implemented strategic financing measures including state government schemes like the DRIP, offering 80% interest-free loans and SAS scheme with low interest rates, along with institutional refinancing through NABARD for the Vyasi project at reduced rates.

(4) UJVNL Ltd. also submitted that it has requested for viability funding for new projects on Ganga River basin and is also trying for sub-ordinate debts, so that the cost of the projects can be reduced.

(5) Regarding Vyasi project, UJVN Ltd. submitted that significant design enhancements were implemented including a 50% increase in seismic parameters and revised flood standards following a glacial lake outburst in the State. Further, due to Covid 19 pandemic, the project was delayed resulting in increase in the cost, however, the cost is comparable with all other projects which were executed by PSU's or other utility during that period. It was further submitted that once the Lakhwar HEP project will be commissioned, the overall tariff of Vyasi will reduce.

(6) UJVN Ltd. further submitted that the RoE on PDF amount falls under the jurisdiction of the Commission. However, it is to be noted that UJVN Ltd has voluntarily forgone an amount of around Rs. 2800 Crore towards carrying cost on past impact of RoE on Power Development Funds, so as to not burden the consumers of the State.

2.9.3 *Commission's View*

The issues raised by the Members of the Advisory Committee have been taken into consideration while deciding on the Petitioner's claims in the Petition filed for approval of Business Plan and the MYT Petition seeking True-up of FY 2023-24, APR for FY 2024-25 and Determination of Tariff for fifth Control Period in subsequent Chapters of this Order.

3 Petitioner's Submissions, Commission's Analysis, Scrutiny and Conclusion on Business Plan for Fifth Control Period from FY 2025-26 to FY 2027-28

3.1 Statutory Requirement

The Commission had notified the UERC Tariff Regulations, 2011 on 19.12.2011 which were applicable for approval of Business Plan and determination of Tariff for the First Control Period from FY 2013-14 to FY 2015-16. The Commission further notified the UERC Tariff Regulations, 2015 on 10.09.2015 which were applicable for approval of Business Plan and determination of Tariff for the Second Control Period from FY 2016-17 to FY 2018-19. The Commission further notified the UERC Tariff Regulations, 2018 on 14.09.2018 which were applicable for approval of Business Plan and determination of Tariff for the Third Control Period from FY 2019-20 to FY 2021-22. Subsequently, the Commission notified the UERC Tariff Regulations, 2021 on 14.09.2021 which were applicable for approval of Business Plan and determination of Tariff for the Fourth Control Period from FY 2022-23 to FY 2024-25. Thereafter, the Commission notified the UERC Tariff Regulations, 2024 on 17.09.2024 (hereinafter referred as UERC Tariff Regulations, 2024) which are applicable for approval of Business Plan and determination of Tariff for the Fifth Control Period from FY 2025-26 to FY 2027-28.

3.2 Multi Year Tariff Framework

With regard to the Multi Year Tariff Framework, UERC Tariff Regulations, 2024 specifies as follows:

"4. Multi-year Framework

The Multiyear tariff framework shall be based on the following:-

a) Business plan submitted by the applicant for the entire Control Period for the approval of the Commission prior to the beginning of the Control Period ;

b) Applicant's forecast of expected ARR for each year of the Control Period, based on reasonable assumptions and financial & operational principles/parameters laid down under these Regulations submitted alongwith the MYT petition for determination of Aggregate Revenue Requirement and Tariffs for first year of the Control Period ;

c) Review of Control Period ending on 31.03.2025 shall also be taken up alongwith the ARR/Tariff petition for the first year of ensuing Control Period;

d) Trajectory for specific parameters as may be stipulated by the Commission based on submissions made by the Licensee, actual performance data of the Applicants and performance achieved by similarly placed utilities;

e) Annual review of performance shall be conducted vis-à-vis the approved forecast and categorization of variations in performance into controllable factors and uncontrollable factors;

f) Sharing of excess profit or loss due to controllable and uncontrollable factors as per provisions of these Regulations.

...

7. Determination of Baseline

The baseline values (operating and cost parameters) for the base year of the Control Period shall be determined by the Commission and shall be based on the approved values by the Commission, the latest audited accounts, estimates for the relevant year, prudence check and other factors considered by the Commission.

The Commission may re-determine the baseline values for the base year based on the actual audited accounts of the base year."

3.3 Business Plan for the Fifth Control Period

Regulation 8 of the UERC Tariff Regulations, 2024, with regard to the Business Plan specifies as follows:

"8. ***Business Plan***

(1) An Applicant shall submit, under affidavit and as per the UERC Conduct of Business Regulations as amended from time to time, a Business Plan by November 30th, 2024, for the Control Period of three (3) financial years from April 1, 2025 to March 31, 2028;,

a) The Business Plan for the Generating Company shall be for the entire Control Period and shall, interalia, contain:

(i) Capital investment plan, which shall include details of the investments planned by the Generating Company for existing stations alongwith its cost-benefit analysis, yearly phasing of capital expenditure alongwith the source of funding, financing plan and corresponding capitalisation schedule. This plan shall be commensurate with R&M schemes and proposed efficiency improvements for various plants of the company;

(ii) The capital investment plan shall show separately, on-going projects that will spill over into the years under review, and new projects (along with justification) that will commence in the years under review but may be completed within or beyond the tariff period;

(iii) The Generating Company shall submit plant-wise details of the capital structure and cost of financing (interest on debt and return on equity), after considering the existing market conditions, terms of the existing loan agreements, risks associated in generation business and creditworthiness;

(iv) Details related to major shut down of machines, if any;

(v) Trajectory of performance parameters;

...

(2) The Applicant shall also submit the details in respect of its manpower planning for the Control Period as part of Business Plan.

(3) The Commission shall scrutinize and approve the business plan after following the due consultation process."

In accordance with Regulation 8 of the UERC Tariff Regulations, 2024, UJVN Ltd. submitted the Business Plan for the Fifth Control Period from FY 2025-26 to FY 2027-28. UJVN Ltd. in its Business Plan Petition and subsequent submissions has submitted the Capital Investment Plan, Financing Plan, Human Resource Plan and outage plans along with trajectory of Performance parameters for the Fifth Control Period from FY 2025-26 to FY 2027-28. The Petitioner's submissions and the Commission's analysis on approval of Business Plan for UJVN Ltd. for the Fifth Control Period from FY 2025-26 to FY 2027-28 is detailed below.

3.4 Capital Investment Plan

3.4.1 *Existing Generation Capacities*

UJVN Ltd. has submitted the existing installed capacity of its large hydro generating stations as mentioned in Table below:

Table 3.1: Existing Installed capacity as submitted by UJVN Ltd.

Sl. No.	Power Plants	Installed Capacity (MW)	Year of Commissioning	Type of Scheme	River	Design Head (m)	Design Discharge (m3/s)
LHPs							
1.	Dhakrani	33.75	1965 to 1970	ROR	Yamuna	19.80	199.20
2.	Dhalipur	51.00	1965 to 1967	ROR	Tons & Yamuna	30.50	65.50
3.	Chibro	240.00	1975 to 1976	ROR with Pondage	Tons	110.00	220.00
4.	Khodri	120.00	1984	ROR with Pondage	Tons	57.97	225.00
5.	Kulhal	30.00	1975	ROR	Asan	18.00	198.00
6.	Ramganga	198.00	1975	Storage	Ramganga	84.40	78.50
7.	Chilla	144.00	1980	ROR	Ganga	32.50	565.00
8.	MB-I	90.00	1984	ROR with Pondage	Bhagirathi	145.00	68.40
9.	Khatima	41.40	1956	ROR	Sharda	17.98	269.25
10.	MB-II	304.00	2008	ROR with Pondage	Bhagirathi	247.60	142.00
11.	Vyasi	120	2022	ROR with Pondage	Yamuna	109.65	119.75
SHPs							
12.	Pathri SHP	20.40	1955	ROR	Upper Ganga Canal (Haridwar)	9.75	283.17
13.	M. Pur SHP	9.30	1952	ROR	Upper Ganga Canal	5.79	229.23
14.	Galogi SHP	3.50	1907	ROR	Bhatta & Kiyarkuli	290.00	1.32
15.	Dunao SHP	1.50	2017	ROR	Purvi Nayar	48.60	3.60
16.	Pilangad SHP	2.25	2004	ROR	Pilangad	102.00	2.75

Table 3.1: Existing Installed capacity as submitted by UJVN Ltd.

Sl. No.	Power Plants	Installed Capacity (MW)	Year of Commissioning	Type of Scheme	River	Design Head (m)	Design Discharge (m3/s)
17.	Urgam SHP	3.00	1998	ROR	Kalp Ganga	198.00	1.86
18.	Kaliganga-I SHP	4.00	2020	ROR	Kaliganga	165.46	3.45
19.	Kaliganga-II SHP	4.50	2022	ROR	Kaliganga	105.97	5.00
20.	Suringad-II SHP	5.00	2024	ROR	Suringad	360.00	1.82
21.	Madhyamaheswar SHP	15.00	2024	ROR	Madhuganga	175.45	3.26
	Total	**1440.60**					

The Commission observed that the data in Business Plan submitted by the Petitioner in its Petition for Fourth Control Period is inconsistent with the data in Business Plan submitted by the Petitioner for the Fifth Control Period with respect to the Design Head (m) and Design Discharge (m^3/s), Eg: Khodri & Chibro, as:

Table 3.2: Variation in Design Head & Design Discharge

Plant Name	Business Plan for 4th Control Period		Business Plan for 5th Control Period	
	Design Head (m)	**Design Discharge (m^3/s)**	**Design Head (m)**	**Design Discharge (m^3/s)**
Chibro	110.00	200.00	110.00	220.00
Khodri	57.90	200.00	57.97	225.00
MB-I	147.50	71.40	145.00	68.40
Khatima	17.98	269.00	17.98	269.25
M. Pur SHP	05.70	255.00	05.79	229.23
Galogi	285.00	01.36	290.00	01.32

The Commission cautions the Petitioner against filing unverified or inconsistent data under affidavit. It is further noted that such parameters are typically constant and do not undergo annual revisions. **Accordingly, the Petitioner is hereby directed to submit revised data for its LHPs & SHPs by June 30, 2025 duly substantiated for the Design Head and Design Discharge, clearly indicating the year(s) in which any revision, if any, was effected.**

3.4.2 *Upcoming Generation Capacities and Capital Expenditure*

The Petitioner has also submitted the list of upcoming projects along with the Capital Expenditure Plan for the upcoming projects for the Fifth Control Period.

Further, the Petitioner has submitted that the financing for all LHPs except Lakhwar has been projected considering debt equity ratio of 70:30, Lakhwar LHP has a grant component and has already received a grant of Rs. 566.62 Crore up to FY 2024-25. The Petitioner vide its reply dated 04.01.2025 submitted that the MoU/Loan agreements between the Petitioner and Financial Institution(s) will be executed after preparation of Detailed Project Report and its clearance along with other clearances required for project execution.

The details of upcoming Generating Stations and their expenditures, as submitted by the Petitioner are enclosed as **Annexure-5**.

As per the details provided above, only four SHPs, namely, Tapovan, Swarigad, Guptkashi and Limchagad are expected to be commissioned during the Fifth Control Period, i.e. from FY 2025-26 to FY 2027-28 and the status of the same is as follows:

(1) **Tapovan** - The process of transfer of government land to UJVN Limited is going on.

(2) **Swarigad** – is classified as "MINI" Hydro Power Project. In accordance with the provisions contained in Gazette notification the construction of the project is not prohibited. Therefore, a proposal was submitted by the Petitioner to Monitoring committee of Bhagirathi Eco-sensitive Zone which got approved by the committee in the meeting held on 21.06.2024.

(3) **Guptkashi** – a Fresh DPR has been prepared with the capacity of 1.5 MW after change of name to 'Guptkashi SHP' earlier as "Kund SHP" on the already available land with UJVN Ltd. under 'Policy for development of MHP/SHP, 2015'. Although, the project land is not in the name of erstwhile UPSEB/Project in Revenue Records. Therefore, DM Rudraprayag directed to present the land case afresh. Therefore, UJVN Ltd. has applied for transfer of the project land in the name of UJVN Ltd.

(4) **Limchagad** - is classified as "MINI" Hydro Power Project. In accordance with the provisions contained in Gazette notification the construction of the project is not prohibited. A proposal for implementation of Limchagad with the capacity of 2 MW Capacity was submitted to Monitoring committee of Bhagirathi Eco-sensitive Zone and same was approved by the committee in the meeting held on 21.06.2024 and DPR is under progress.

With regard to new LHPs, the Commission observes that no LHP is proposed to be commissioned in the Fifth Control Period. Further, the Petitioner in its Business Plan Petition has submitted that its Project Tamak Lata HEP (190 MW) is held up due to pending decision of the Hon'ble Supreme Court on the PIL filed before it and Nand Prayag Langasu (100 MW), Bowala Nand Prayag Hydroelectric (300 MW) and Sela Urthing (114 MW) are stopped as MoWR is not in favour of any new Hydro-Projects in Ganga Basin.

With regard to Solar energy development, the petitioner currently operates solar Plants within capacity ranging from 0.1 MW to 7.5 MW, with total capacity of 27.90 MW. The Petitioner submitted that it has developed following capacities while enhancing its solar portfolio. The details of existing solar projects of UJVN Ltd. are categorised as follows:

(a) Roof Top Solar Power Plants (0.79 MWp).

(b) Ground Mounted Solar Power Plants (5.864 MWp)

(c) Canal Bank Solar Power Plants (21.25 MWp)

With regard to CUF of existing Solar Projects, the Petitioner has submitted the CUF details for FY 2023-24 for existing Solar Plants with capacity of 26.34 MW and is as shown in the Table below:

Table 3.3: CUF Details as submitted by the UJVN Ltd.

Sl. No.	Solar Plants	Plant Capacity	FY 20223-24		Project Mode
			Gen (In MU)	CUF (In %)	
1.	Near Khodri HEP	4.398 MW	6.56	16.98	BOO
2.	Near Dhakrani HEP	1.466 MW	2.49	19.34	BOO
3.	Canal Top, Near Dhalipur HEP	1 MW	1.14	13.01	BOOT
4.	Canal Bank, Between Dakpathar to Dhakrani HEP	4.5 MW	5.41	13.68	BOOT
5.	Canal Bank, Near Dhakrani HEP	7.0 MW	9.44	15.35	BOOT
6.	Canal Bank, Near Dhalipur HEP	7.5 MW	9.19	13.95	BOOT
7.	Near Pathri HEP	0.5 MW	0.30	6.76	BOOT
	Total Generation (In MU)	**26.364 MW**	**34.53**		

With regard to the ownership of BOO/BOOT Projects, the Petitioner in its submission dated 07.02.2025 submitted that the ownership of each project is with the Petitioner but total investment had been done by Solar Power Developer (SPD). The Petitioner further submitted that it has done PPA with SPD for 25 years through competitive bidding basis. In BOO basis, after successful operation of Solar Power Plant for 25 years, SPD shall remove all installation erected by him related to Solar Power Plant at his own cost. However, in BOOT basis, SPD shall hand over the Solar Power Plant back to the Petitioner after successful completion of 25 years.

On a specific query of the Commission during TVS, pertaining to land cost for Solar Power Projects, the Petitioner submitted that it has made land available to SPD free of cost for development of Solar Power Project on BOO/BOOT basis for 25 years on right to use basis and MOU for the same has been done with successful SPD. Further, the Petitioner also submitted the Solar Station wise sale and revenue earned for FY 2023-24. The Commission has noted that the Petitioner has been allowed to earn revenue as 8% trading margin over and above the bid tariff (up to 100 MW cumulative capacity) subject to ceiling of the generic tariff specified by the Commission from the year of commissioning vide its Order dated 09.10.2023.

Furthermore, the Petitioner submitted the list of upcoming solar projects along with the estimated investment in Fifth Control Period as follows:

(a) Roof Top Solar Power Plants (0.14 MWp).
(b) Ground Mounted Solar Power Plants (33.00 MWp)
(c) Canal Bank Solar Power Plants (27.75 MWp)

The Petitioner vide its reply dated 07.02.2025 submitted the status of the PPA with UPCL along with tariff for sale of solar power. The Petitioner also submitted that UPCL is the sole beneficiary of the Solar Plants being commissioned by UJVN Ltd. The Commission notes that the Petitioner was able to sign PPA for 45 MW of capacity out of 60.89 MW of total capacity planned by the Petitioner. Further, it is observed that Petitioner is planning to add 117 MW. In this regard, UJVN Ltd., is cautioned to take extreme care with regard to BOO/BOOT Schemes and it should safeguard its commercial interests. **Further, UJVN Ltd. is directed to ensure that expenses incurred on account of power evacuation should be borne by the developer, and any financial implication on account of Solar Power Plants should not be included in its ARR of corresponding LHPs.**

With regard to Battery Energy Storage System (BESS), UJVN Ltd. submitted that it is planning to install under pilot cum demonstration Project of 5 MW (12.5 MWh) Battery Energy Storage System (BESS) each at three locations namely Tiloth, Khatima and Dhakrani. The Petitioner submitted that the purpose of this initiative is to enhance the efficiency and reliability of power grid, contribute to clean energy practices, and ensure a stable power supply for community. The Battery Energy Storage System contribute to the grid stability during the peak time by storing the excess electricity when demand is low and releasing it when demand is high. They help smooth out fluctuations, provide rapid response and improve overall grid reliability.

The Petitioner submitted that a feasibility study report, including cost benefit analysis for proposed three pilot projects is under process, although the same was not provided to the Commission.

With regard to Pilot Plant for Green Hydrogen Generation, the Petitioner submitted that the State of Uttarakhand is richly endowed with natural resources such as hydropower, which can be further utilized for production of green hydrogen.

The Petitioner submitted that the Consultancy for feasibility of setting up a Pilot Plant of Green Hydrogen at UJVN Ltd. was likely to be completed by first week of December 2024, although the Petitioner vide its reply dated 20.02.2025 submitted that the report shall be furnished as and when it is completed.

3.4.3 *Capital Expenditure and Capitalization Plan for Existing projects*

Regulation 21 & 22 of the UERC Tariff Regulations, 2024 specifies as under:

"**21.** ***Capital Cost and capital structure***

(1) The Capital cost as determined by the Commission after prudence check in accordance with this regulation shall form the basis of determination of tariff for existing and new projects of the Generating Company, Transmission Licensee, Distribution Licensee and SLDC.

(2) The Capital Cost of an existing project shall include the following:

a) The capital cost admitted by the Commission prior to 01.04.2025 duly trued up as on 01.04.2025;

…

22. ***Additional capitalisation and De-capitalisation***

(1) The following capital expenditure within the original scope of work actually incurred or projected to be incurred after the date of commercial operation and up to the cut-off date may be admitted by the Commission, subject to prudence check:

a) Undischarged liabilities;

b) Works deferred for execution within the original scope of work;

c) Procurement of initial capital spares within the original scope of work, subject to the provisions of Regulation 21(11);

d) Liabilities to meet award of arbitration or for compliance of the order or decree of a court; and

e) On account of change in law.

f) Force Majeure events.

Provided that the details included in the original scope of work along with estimates of expenditure, deferred liabilities and the works deferred for execution shall be submitted along with the application for determination of tariff.

(2) The capital expenditure of the following nature actually incurred or projected to be incurred after the cut-off date may be admitted by the Commission, subject to prudence check:

a) Liabilities to meet award of arbitration or for compliance of the order or decree of a court;

b) On account of Change in law;

c) Works deferred for execution within the original scope of work;

d) Any liability for works admitted by the Commission after the cut-off date to the extent of discharge of such liabilities by actual payments;

e) Any additional capital expenditure which has become necessary for efficient operation of generating station or transmission system as the case may be. The claim shall be substantiated with the technical justification duly supported by the documentary evidence like test results carried out by an independent *agency in case of deterioration of assets, report of an independent agency in case of damage caused by natural calamities, obsolescence of technology, up-gradation of capacity for the technical reason such as increase in fault level;*

f) *In case of hydro generating stations, any additional expenditure which has become necessary on account of damage caused by natural calamities (but not due to flooding of power house attributable to the negligence of the generating company), including due to geological surprises, after adjusting for proceeds from any insurance scheme, and expenditure incurred due to any additional work which has become necessary for successful and efficient plant operation;*

Provided that additional capitalisation on this account would only be allowed if appropriate and adequate insurance cover was available at the time of occurrence of natural calamities referred to above;

...

h) *In case of replacement of any asset/equipment (e.g. transformer, circuit breaker, C.T.,P.T. etc.) on account of non-performance/failure of the same, the following approach shall be adopted:*

(i) *In case of non-performance/failure of assets/equipment, it shall be sent to Store for assessment to check whether it is repairable or not at zero cost;*

(ii) *In case the asset is repairable, then such asset/equipment shall not be retired from Books of Assets.*

Provided, proper tracking should be available for the material like location, asset number etc.

(iii) *In case the asset is not repairable, then following process shall be carried out:*

- *The asset is retired from the Books of Assets, at depreciated value.*
- *Transfer the failed assets/equipments from failed to scrap material.*

- *Dismantle it into of scrap inventory like iron, brass etc.*
- *Build up scrap inventory.*

Provided, exercise of dismantling of scrap inventory and build-up of scrap inventory shall be done simultaneously. Dismantled scrap value would be decided on the basis of last scrap sale value. Control Account (Dismantling) will be expense account. Difference of Control account, i.e. either profit or loss shall be booked accordingly.

(iv) In case a new asset/equipment is issued, then it will be issued at weighted average cost and capitalized respectively, and accordingly, new asset would be created and corresponding entries shall be done in the Books of Accounts.

(3) In case of de-capitalisation of assets of a generating company or the distribution licensee or the transmission licensee or SLDC, as the case may be, the original cost of such asset as on the date of de-capitalisation shall be deducted from the value of gross fixed asset and corresponding loan as well as equity shall be deducted from outstanding loan and the equity respectively in the year such de-capitalisation takes place, with corresponding adjustments in cumulative depreciation and cumulative repayment of loan, duly taking into consideration the year in which it was capitalised.

(4) Any addition/modification to the existing assets exceeding Rs. 2.50 Crore in case of distribution licensee and Rs. 5 Crore in case of generating companies/transmission licensee shall be taken up only after prior approval of the Commission. The application for approval of the Commission shall be accompanied with the approval of the BoD in accordance with UERC (Conduct of Business) Regulations, 2014."

The Petitioner in its Business Plan Petition has proposed the capital expenditure to be carried out during the Fifth Control Period against 11 LHPs, under three major heads as follows:

- Renovation, Modernisation and Up-rating (RMU) works
- Dam Rehabilitation and Improvement Project (DRIP)
- General Works

The total additional capitalisation claimed for the Fifth Control Period by the Petitioner is as shown in the Table below:

Table 3.4: Additional Capitalization claimed for Fifth Control Period by UJVN Ltd.

Name of the Generating Station	FY 2025-26 (Rs. Crore)				FY 2026-27 (Rs. Crore)				FY 2027-28 (Rs. Crore)			
	General	DRIP	RMU	Total	General	DRIP	RMU	Total	General	DRIP	RMU	Total
Dhakrani	35.77	8.36	50.00	**94.13**	73.26	6.57	27.00	**106.83**	7.80	-	-	**7.80**
Dhalipur	32.25	12.64	18.00	**62.89**	17.45	9.93	-	**27.38**	2.10	-	-	**2.10**
Chibro	92.22	16.06	-	**108.28**	43.08	10.26	-	**53.34**	20.19	-	-	**20.19**
Khodri	44.55	8.03	-	**52.58**	48.88	5.13	-	**54.01**	51.29	-	-	**51.29**
Kulhal	17.02	25.01	-	**42.03**	13.12	31.40	-	**44.52**	3.81	8.63	-	**12.44**
Ramganga	21.86	-	-	**21.86**	14.02	-	-	**14.02**	1.20	-	-	**1.20**
Chilla	73.75	27.36	55.00	**156.11**	27.95	38.09	55.00	**121.04**	12.86	36.06	140.00	**188.92**
MB-I	12.49	27.75	-	**40.24**	11.17	35.16	-	**46.33**	13.77	35.80	-	**49.57**
Khatima	41.62	-	7.10	**48.72**	12.15	-	-	**12.15**	14.50	-	-	**14.50**
MB-II	94.34	28.53	-	**122.87**	101.32	21.50	-	**122.82**	59.21	9.25	-	**68.46**
Vyasi	12.97	-	-	**12.97**	17.14	-	-	**17.14**	15.00	-	-	**15.00**
Sub-Total	**478.83**	**153.74**	**130.10**	**762.68**	**379.54**	**158.04**	**82.00**	**619.58**	**201.73**	**89.74**	**140.00**	**431.47**

With regard to additional capitalisation towards general works as proposed by the Petitioner, it is observed that the Petitioner has been continuously projecting additional capitalisation under this head in the past and now has again projected expenses of around Rs. 1,060.11 Crore in the Fifth Control Period. The Commission observes that Regulation 22 specifies conditions to be met for approval of capital expenditure after cut-off date. The Commission further observes that the Petitioner is already undertaking RMU of its generating stations covering both E&M and Civil works and DRIP works also were planned under DRIP-I and DRIP-II to enhance dam safety which mostly covers Civil works. In view of these ongoing RMU and DRIP-II works, the Petitioner should have a compelling case for approval of any other works not covered under DRIP-II and RMU, for which prior approvals have to be taken from the Commission.

Therefore, during TVS, the Petitioner was asked to provide additional details for each year of the 5th Control Period, as:

(a) a confirmation that the said works have been approved by BOD/Pending for BOD approval along with date of approval.

(b) a confirm that the said works have also been approved by the Commission as per MYT Regulations, 2024 along with the date of order.

The Petitioner was also asked to submit the details of Additional Capitalisation up to December 2024 and also submit the work-wise status of works which are submitted in this Business Plan Petition.

The Petitioner submitted its response to above queries vide reply dated 13.02.2025, 20.02.2025 and 27.02.2025. After perusing the submissions, it is observed that the Petitioner revised its projections for FY 2024-25 and also for the fifth Control Period i.e., FY 2025-26 to FY 2027-28. The Commission observes that, although no revised submission was received from the Petitioner with respect to Planned Outages, similar nature of works were undertaken across FY 2023-24 & certain works are proposed in Fifth Control Period, without obtaining prior investment approvals. Furthermore, significant deviations were noted in the capital expenditure incurred towards RMU works.

With Regard to DRIP works, the Petitioner also submitted the works against DRIP-II and DRIP-III are planned to be undertaken in Fifth Control Period. The Petitioner during the TVS submitted that DRIP-III works are not yet approved by CWC, however, the Petitioner vide reply dated 07.02.2025 submitted that DRIP-III works have been approved by the BoD of UJVN Ltd.

The Petitioner also submitted that for in-principal approval of Capital investment under Dam Rehabilitation and Improvement Project (DRIP) Phase-III of 6 Dams/Barrages i.e. Ichari Dam, Maneri Dam, Joshiyara Barrage, Asan Barrage, Dakpathar Barrage and Virbhadra Barrage of UJVN Ltd., the proposal for investment approval has also been submitted to the Commission on 30.12.2024 seeking investment approval.

From the Petitioner's quarterly submission for DRIP-II works, the Commission observes that DRIP-II works are still pending to be executed due to shortage of funds and these works have now been projected in Fifth Control Period in MB-I and MB-II LHPs. The Commission also observes that the Petitioner has already executed some of the works approved under DRIP-II scheme from internal resources, which is not in line with the financial plan approved by the Commission vide its Order dated 12.10.2021. Since, the Petitioner has altered the funding of the balance DRIP-II works and is therefore **directed to seek fresh approval of such balance DRIP-II works proposed to be executed in Fifth Control Period.**

Further, with regard to DRIP-III works, it is observed that the works are not approved by CWC and that the investment approval is under consideration of the Commission. In view of the above, the Commission has not considered these works in the Fifth Control Period.

In view of the above, the Commission, for approving additional capitalisation for the Fifth Control Period has provisionally considered the additional capitalisation projected against RMU in its Business Plan Petition and the investment approvals accorded by the Commission which is attached as **Annexure-6** . **The Petitioner is directed to combine similar nature of works and seek specific approval under Regulation 22(4) of UERC Tariff Regulations, 2024 for General works proposed in Fifth Control Period that does not fall either under RMU or investment approvals already accorded by the Commission.**

The total additional capitalisation allowable by the Commission for the Fifth Control Period is as shown in the Table below. The Commission shall consider the same on actual basis subject to prudence check at the time of truing up in accordance with the UERC Tariff Regulations, 2024.

Table 3.5: Additional Capitalization Approved by the Commission for Fifth Control Period (Rs. Crore)

Name of the Generating Stations	FY 2025-26		FY 2026-27		FY 2027-28	
	General	RMU	General	RMU	General	RMU
Dhakrani	8.54	50.00	-	27.00	-	-
Dhalipur	19.45	18.00	-	-	-	-
Chibro	61.86	-	-	-	-	-
Khodri	5.88	-	-	-	-	-
Kulhal	-	-	-	-	-	-
Ramganga	8.29	-	-	-	-	-
Chilla	35.23	55.00	-	55.00	-	140.00
MB-I	-	-	-	-	-	-
Khatima	-	-	-	-	-	-
MB-II	-	-	-	-	-	-
Vyasi	-	-	-	-	-	-
Sub-Total	**139.25**	**123.00**	**-**	**82.00**	**-**	**140.00**
Total	**262.25**		**82.00**		**140.00**	

3.5 Financing Plan for existing LHPs Projects

3.5.1 *Petitioner's Submissions*

The Petitioner has submitted that the RMU and General works shall be financed in the Debt Equity ratio of 70:30 and, as discussed in the above section, the DRIP works are proposed through 80% Debt and 20% Equity.

3.5.2 *Commission's Analysis*

Regulation 24 of the UERC Tariff Regulations, 2024 specifies as follows:

"24. Debt-equity ratio

(1) For a project declared under commercial operation on or after 01.04.2025, debt-equity ratio shall be 70:30. Where equity employed is more than 30%, the amount of equity for the purpose of tariff shall be limited to 30% and the balance amount shall be considered as normative loan. Where actual equity employed is less than 30%, the actual equity would be used for determination of Return on Equity in tariff computations.

..."

The Commission has gone through the submissions of the Petitioner and has considered funding of RMU works and the General works approved in the Debt Equity Ratio of 70:30 and as no DRIP works have been approved, therefore, no separate funding has been considered towards such works. The Commission observes that in the past the Petitioner was able to secure funding for its Debt against various projects and works through PFC, REC, PNB, NABARD, SBI, ADB and from GoU (SAS & SASCI).

3.6 Human Resources Plan

3.6.1 *Petitioner's Submissions*

The Petitioner in its Business Plan has submitted that the actual employee strength as on closing of FY 2023-24 has been 1808 and it has planned to fill vacancies that may arise in the forthcoming period on account of retirements, resignations etc.

The Petitioner vide email dated 07.04.2025 submitted the updated status of recruitments during the year FY 2024-25.

The HR plan for the Fifth Control Period from FY 2025-26 to FY 2027-28 as submitted by the Petitioner in the Business Plan is as per the Table below:

Table 3.6: Total Manpower details submitted by UJVN Ltd. from different Departments (HQ, 11 LHPs, SHPs, Project, Solar etc.)

Particulars	FY 2024-25		FY 2025-26	FY 2026-27	FY 2027-28
	Actual (Apr-Sept)	Projected (Oct-Mar)	Projected	Projected	Projected
Opening No. of Employees	1808	1767	1849	1960	2012
Recruitment during the year	5	113	156	118	130
Retirement during the year	46	31	45	66	41
Closing No. of Employees	1767	1849	1960	2012	2101

3.6.2 *Commission's Analysis*

The Commission directed the Petitioner to submit the name-wise details of employees posted in all the generating stations under its control as well as in all the project units.

During TVS, the Commission also directed the Petitioner to re-submit the actual status of the manpower addition for FY 2024-25 and re-submit employee projections in view of the Retirement/ Resignation figures projected for FY 2025-26, FY 2026-27 and FY 2027-28.

In compliance to the same, the Petitioner vide letter dated 07.02.2025 submitted only the details of its recruitment plan indicating the posts on which such recruitment would take place for FY 2024-25 and did not revise the plan for Fifth Control Period. The details submitted is as shown in the table below:

Table 3.7: Projected Recruitment Plan 01.02.2025 to 31.03.2025

Sl. No.	Name of Post	No. of Post	Recruitment Plan
1	O.A-III	10	Appointment letters for 10 posts of Office Assistant-III have been issued on 29.01.2025.
2	O.A.-III (Acctt.)	14	For direct recruitment to the post of Office Assistant-III Accounts, the Uttarakhand Government has been requested to unfreeze the letter no. 3898, dated 21.08.2024 of UJVN Limited.
3	T.G. II (Elect & Mech.)	30	Uttarakhand Subordinate Service Selection Commission, Dehradun has issued notification for the posts of Technician

Table 3.7: Projected Recruitment Plan 01.02.2025 to 31.03.2025

Sl. No.	Name of Post	No. of Post	Recruitment Plan
			Grade II and has conducted the written examination. Recommendation for the said posts is expected from the Commission.
4	Account Officer	4	The revised requisition for these posts has been sent to the Uttarakhand Public Service Commission, Haridwar through the Uttarakhand Government, Dehradun by the Corporation's letter No. 2711, dated 14.06.2024.
5	Personnel Officer	01	
	Total	**59**	

The Commission, for the purpose of this Order for the Fifth Control Period of FY 2025-26 to FY 2027-28 considered recruitment/retirements as against HQ and 10 LHPs only. The manpower addition as estimated by the Petitioner for HQ and 10 LHPs is 81 in FY 2024-25, 100 in FY 2025-26, 79 in FY 2026-27 and 72 in FY 2027-28. The Petitioner also provided an actual status update for FY 2024-25 on 07.04.2025. Accordingly, the Commission has shifted the pending recruitment at HQ & 10 LHPs only, for 38 posts (including O.A.-III (Acctt.), T.G. II (Elect & Mech.), Account Officer and Personnel Officer), from FY 2024-25 to FY 2025-26.

Accordingly, the total manpower approved by the Commission for Fifth Control Period is as:

Table 3.8: Total Manpower details approved for HQ & 10 LHPs by the Commission

Particulars	FY 2024-25 (Actual)	FY 2025-26 (Projected)	FY 2026-27 (Projected)	FY 2027-28 (Projected)
Opening No. of Employees	1446	1428	1531	1555
Recruitment during the year	43	138	79	72
Retirement/Resigned	61	35	55	34
Closing No. of Employees	1428	1531	1555	1593

The Commission cautions the Petitioner to put in all efforts for meeting the proposed recruitment of employees during each year of the Fifth Control Period from FY 2025-26 to FY 2027-28. The Commission shall consider the actual recruitment and retirement status during the truing up for the respective years.

3.7 Trajectory of the Performance Parameters

3.7.1 *Design Energy*

Regulation 3(24) of UERC Regulations 2024 defines Design Energy as follows:

"Design Energy" means the quantum of energy which can be generated in a 90% dependable year with 95% installed capacity of the hydro generating station;"

UJVN Ltd. submitted that the design energy of the Plants has been proposed taking into consideration the Design Energy approved for FY 2023-24 and FY 2024-25 by the Hon'ble Commission.

UJVN Ltd. submitted that the impact of RMU in Dhakrani, Dhalipur, Kulhal and Chilla has also been considered for these Plants. Accordingly, the Petitioner proposed the design energy for the control period as follows:

Table 3.9: Design Energy proposed by UJVN Ltd. for the Fifth Control Period

Generating Station	Design Energy approved in FY 2024-25	As proposed by UJVN Ltd.		
		FY 2025-26 (MU)	FY 2026-27 (MU)	FY 2027-28 (MU)
Chibro	728.11	728.11	728.11	728.11
Khodri	335.37	335.37	335.37	335.37
Dhakrani	150.85	150.85	150.85	150.85
Dhalipur	182.76	214.36	214.36	214.36
Kulhal	148.91	148.91	148.91	148.91
Tiloth	478.00	478.00	478.00	478.00
Chilla	557.62	557.62	557.62	557.62
Khatima	235.59	235.59	235.59	235.59
Ramganga	311.00	311.00	311.00	311.00
MB-II	1291.00	1291.00	1291.00	1291.00
Total	**4419.21**	**4450.81**	**4450.81**	**4450.81**
Vyasi	0.00	353.00	353.00	353.00
Grand Total	**4419.21**	**4803.81**	**4803.81**	**4803.81**

The Commission vide Order dated 18.04.2020 with regard to the implementation of NGT Order stated as follows:

"With regard to the consideration of impact due to implementation of NGT/NMCG Order on Design Energy, the Commission observes that the impact of implementation of NGT/NMCG Order on Design Energy for FY 2020-21 could not be precisely ascertained at this stage. However, in order to ensure that the Petitioner is not financially prejudiced on account of under recovery of energy charges, the Commission provisionally approves downward revision of Design Energy of 9 LHPs by 194.02 MU for the sole purpose of recovery of energy charges. ***The Commission directs the Petitioner to maintain separate discharge data of rivers as well as the data of mandatory discharges being released in compliance to NGT/NMCG Order and any other data to substantiate the impact. Further,***

the Petitioner shall submit the data at the time of truing-up of FY 2020-21 and, thereafter, appropriate view will be taken by the Commission in this regard after carrying out due prudence check."

Further, the Commission vide Order dated March 28, 2024 with regard to the impact of implementation of NGT Order stated as follows:

"***The Commission further directs the Petitioner to maintain separate discharge data of rivers as well as the data of mandatory discharges being released in compliance to NGT/NMCG Order and any other data to substantiate the impact.***

Further, the Petitioner shall submit the data at the time of truing-up of FY 2023-24 and, thereafter, appropriate view will be taken by the Commission in this regard after carrying out due prudence check".

The Commission in its previous Tariff Order dated March 30, 2023 had already considered NGT/NMCG impact. The actual generation submitted by the Petitioner vis-à-vis approved design energy and the revised design energy as per Tariff Order dated March 30, 2023, post RMU of MB-I & Dhalipur and Commissioning of Vyasi LHP is as shown in the following Table:

Table 3.10: Actual Gross Generation vis-a-vis Revised on account of NGT Order & Approved for 11 LHPs in previous Tariff Orders

Power Plants	FY 2023-24		
	Actual Gross Generation submitted by the Petitioner (MU)	Revised Design Energy after impact of NGT Order approved vide Order dated 18.04.2020 (MU)	Design Energy Approved in Tariff Order dt. 30.03.2023 (MU)
	(A)	(B)	(C)
Dhakrani	115.57	150.85	150.85
Dhalipur	152.81	182.76	182.76
Chibro	759.81	728.11	728.11
Khodri	367.57	335.37	335.37
Kulhal	127.93	148.91	148.91
Ramganga	320.20	311.00	311.00
Chilla	708.51	557.62	557.62
MB-I	466.36	366.45	478.00¥
Khatima	205.37	235.59	235.59
MB-II	1,205.35	1,291.00	1291.00#

Table 3.10: Actual Gross Generation vis-a-vis Revised on account of NGT Order & Approved for 11 LHPs in previous Tariff Orders

Power Plants	FY 2023-24		
	Actual Gross Generation submitted by the Petitioner (MU)	Revised Design Energy after impact of NGT Order approved vide Order dated 18.04.2020 (MU)	Design Energy Approved in Tariff Order dt. 30.03.2023 (MU)
	(A)	(B)	(C)
Total	**4,429.49**	**4,307.65**	**4,419.21**
Vyasi	310.74	-	353.00*Φ*
Total	**4,740.22**	**4,307.65**	**4,772.21**

¥ Provisionally Approved in Tariff Order dated 31.03.2022, post RMU
*Approved in Tariff Order dated 18.04.2020 for Third Control Period*
***Φ** Approved vide Order dated 24.03.2025*

From the above, it is observed that consolidated actual gross generation for 10 LHPs, i.e., excluding Vyasi LHP is even higher than the design energy approved for FY 2023-24 in the Order dated March 30, 2023. It is further observed that this overachievement on overall basis was despite Dhakrani & Dhalipur being under RMU. It is observed that the actual data does not substantiate further relaxation in the design energy for recovery of energy charges as proposed by the Petitioner for the Fifth Control Period.

Further, in view that the generating stations shall be undergoing RMU, post which a fresh view on the same shall be taken based on the DPR submitted/post RMU actual generation. Therefore, the Commission as of now does not find it appropriate in re-working the impact of NGT/NMCG orders for FY 2025-26 to FY 2027-28. However, the relaxation as approved for FY 2023-24 in the Tariff Order dated 30.03.2023 for NGT Order shall continue and shall be subject to true up.

With regard to Dhakrani, the Commission in its Order dated 27.06.2017 has ruled as:

"The Petitioner shall approach the Commission for approval of the Revised Design Energy as and when the RMU works of Dhakrani HEP are completed."

The RMU works for Dhakrani are expected to complete in FY 2026-27, therefore, as of now, revision in design energy for Dhakrani LHP has not been done.

With regard to Chilla, as RMU works are expected to complete in FY 2027-28, therefore, as of now, revision in design energy for Chilla LHP has not been done.

With regard to Vyasi LHP, the Commission has considered design energy of 353.00 MU as approved in Order dated 24.03.2025.

Dhalipur has completed its RMU in FY 2023-24, therefore, the Design Energy is being considered as approved in Order dated 14.09.2016 i.e., 223.60 MU.

Based on the above, the Commission has approved the Design Energy for the Fifth Control Period as shown in the Table below:

Table 3.11: Design Energy Approved by the Commission for Fifth Control Period

Name of the Generating Station	Original Design Energy	Design Energy approved in Tariff Order	Design Energy Proposed by UJVN Ltd.	Design Energy Approved for the Fifth Control Period@
	MU	MU	MU	MU
Dhakrani	169.00	150.85	150.85	150.85
Dhalipur	223.60#	182.76	214.36	223.60#
Chibro	750.00	728.11	728.11	728.11
Khodri	345.00	335.37	335.37	335.37
Kulhal	164.00	148.91	148.91	148.91
Ramganga	385.00	311.00	311.00	311.00
Chilla	725.00	557.62	557.62	557.62
MB-I	546.00	478.00#	478.00	478.00#
Khatima	235.59	235.59	235.59	235.59
MB-II	1566.10	1291.00	1291.00	1291.00
Total	**5109.29**	**4419.21**	**4450.81**	**4460.04**
Vyasi	353.00*	353.00*	353.00	353.00*
Grand Total	**5462.29**	**4,772.21**	**4803.81**	**4813.04**

 # Post RMU
** Commissioned in FY 2022-23*
@ Provisional Design Energy including impact of NGT/NMCG of 156.23 MU for ECR computation

The Commission directs the Petitioner to maintain separate discharge data of rivers as well as the data of mandatory discharges being released in compliance to NGT/NMCG Order and any other data to substantiate the impact of same. The Petitioner shall submit the data at the time of truing-up of respective financial years, i.e. FY 2025-26 to FY 2027-28 and, thereafter, appropriate view will be taken by the Commission in this regard after carrying out due prudence check on case to case basis in case of any severe impact in the actual generation.

Further, since RMU works are under progress in various LHPs of UJVN Ltd., and there are no compelling reasons to revisit the design energy during this transition period, therefore, the Commission shall take a fresh view on Design Energy once the said RMU works will be completed. Further, any energy generated in excess of design energy approved in this Tariff Order up to the

Original Design Energy shall not be considered as secondary energy meaning thereby that till the Original Design Energy, the Petitioner will recover the energy charge up to 50% of the AFC approved for the year.

3.7.2 *Auxiliary Energy Consumption*

UJVN Ltd. in its Business Plan Petition has projected the auxiliary energy consumption for its 11 LHPs for Fifth Control Period.

The Commission observes that the Petitioner has submitted lower Auxiliary Consumption for Plants such as Chibro, Khodri, Ramganga, MB-II and Vyasi LHP, whereas the Petitioner has even claimed higher Auxiliary Consumption for Kulhal and Dhakrani. The Petitioner has not submitted the reasons is support of the deviation sought. **Therefore, UJVN Ltd. is directed to ensure correct energy accounting of the Auxiliary Energy Consumption at its Dams/Barrages and their apportionment amongst respective HEPs as per apportionment philosophy/methodology.**

The Commission is of the view that the norms for Auxiliary Energy Consumption (including transformation losses) have been fixed as part of UERC Tariff Regulations, 2024. Therefore, for the purpose of approval of Business Plan has approved Auxiliary Energy Consumption as per the norms stipulated in the UERC Tariff Regulations, 2024.

However, as Dhakrani LHP is expected to complete the works for replacing the rotating excitation systems to Static excitation system by the end of FY 2027-28, the Commission shall revisit its Auxiliary Energy Consumption in line with the Regulation 47 (4) (ii) (a2) (ii) of the UERC Tariff Regulations, 2024, during True-up of FY 2027-28.

The Auxiliary Energy Consumption as submitted by the Petitioner and as approved for the Fifth Control Period is as shown in the Table below:

Table 3.12: Auxiliary Energy Consumption including Transformation Loss for Fifth Control Period

Generating Stations	As proposed by UJVN Ltd.	Approved for the Fifth Control Period (%)
Dhakrani	0.70%/1.20%	0.70%
Dhalipur	1.20%	1.20%
Chibro	1.20%	1.20%
Khodri	1.20%	1.20%
Kulhal	0.70%	0.70%
Ramganga	1.20%	1.20%
Chilla	1.20%	1.20%

Table 3.12: Auxiliary Energy Consumption including Transformation Loss for Fifth Control Period

Generating Stations	As proposed by UJVN Ltd.	Approved for the Fifth Control Period (%)
MB-I	1.20%	1.20%
Khatima	1.20%	1.20%
MB-II	1.00%	1.00%
Vyasi	1.20%	1.20%

Regulation 3(8) of the UERC Tariff Regulations, 2024 is read as below:

"(8) Auxiliary Energy Consumption" in relation to a period, in case of generating station means the quantum of energy consumed by auxiliary equipment of the generating station, such as the equipment used being used for the purpose of operating plant and machinery including switchyard of the generating station and transformation losses within the generating stations and shall be expressed as a percentage of the sum of gross energy generated at the generator terminals of all the Units of the generating station;

Provided that the colony consumption and other facilities of a Generating Station and the power consumed for construction works at the Generating Station shall not be included as part of the Auxiliary Energy Consumption for the purpose of these Regulations.

Provided further that auxiliary energy consumption for compliance of revised emission standards, sewage treatment plant and external coal handling plant (jetty and associated infrastructure) shall be considered separately."

Accordingly, the Commission directs the Petitioner to comply with the aforesaid Regulation and record Auxiliary Energy Consumption separately for sewage treatment Plant for its 11 LHPs/Dams/Barrages. **The Commission directs UJVN Ltd. to submit the actual figures of Auxiliary Energy consumption in line with the aforesaid Regulations during truing up of respective financial years, i.e. for FY 2025-26 to FY 2027-28.**

3.7.3 *Saleable Primary Energy and Secondary Energy*

In line with the past practice, in this MYT Order also, the Saleable Primary Energy for Fifth Control Period has been derived by deducting the Normative Auxiliary Energy Consumption from the above considered Design Energy in accordance with UERC Tariff Regulations, 2024 respectively for the purpose of calculation of Energy Charge Rate. With respect to the benefit of excess generation over and above the Original Design Energy, i.e. the secondary energy, the rate of secondary energy shall be based on the Original Design Energy and not on the basis of Design Energy considered by the Commission for recovery of Energy Charge Rates. Further, in case such energy charge rate is higher than 130 paise/kWh, the rate of secondary energy shall be considered as 130 paise/kWh in accordance with Regulation 50(7) of the UERC Tariff Regulations, 2024. The relevant extract of the Regulation is being reproduced below:

"50...

(7) In case the Energy Charge Rate (ECR) for a hydro generating station, as computed above, exceeds one hundred thirty paise per kWh, and the actual saleable energy in a year exceeds {DE x (100 – AUX) x (100-FEHS-LADF)/ 10000} MWh, the Energy Charge for the energy in excess of the above shall be billed at one hundred thirty paise per kWh only:

Provided that in a year following a year in which total energy generated was less than the design energy for reasons beyond the control of the Generating Company, the Energy Charge Rate shall be reduced to one hundred thirty paise per kWh after the energy charge shortfall of the previous year has been made up."

From above, it is amply clear that the Petitioner can get the benefits of Secondary Energy only in case it is able to generate energy more than the Original Design Energy. To provide necessary clarity on the issue the Commission would like to reproduce the relevant extracts from its Tariff Order dated 21.10.2009:

"Further, since the Petitioner is allowed to recover its entire AFC at a projected generation, which is lower than the Original Design Energy in some of these plants, the Petitioner recovers additional Primary Energy Charges in excess of the approved AFC when the actual generation exceeds this projected level. This situation continues till the generation reaches the Original Design Energy level. As per Regulations, the Primary Energy is reckoned upto the level of Original Design and, accordingly, the charges recovered would be considered as Primary Energy Charges upto the Original Design Energy. However, since the Primary Energy Charges actually recovered at the approved Primary Energy Rates may be higher than approved AFC in the aforesaid circumstances, the excess AFC recovered through Primary Energy Charges needs to be adjusted/refunded to the concerned beneficiary."

Accordingly, the Design Energy and Saleable Primary Energy for the Fifth Control Period from FY 2025-26 to FY 2027-28 as approved by the Commission is given in the Table below:

Table 3.13: Original Design Energy, Design Energy and Saleable Primary Energy for Fifth Control Period from FY 2025-26 to FY 2027-28 as approved by the Commission

Name of the Generating Stations	Original Design Energy	Approved Design Energy	Auxiliary Consumption including Transformation Loss		Saleable Primary Energy
	MU	MU	%	MU	MU
Dhakrani	169.00	150.85	0.70%	1.06	149.79
Dhalipur	223.60#	223.60#	1.20%	2.68	220.92
Chibro	750.00	728.11	1.20%	8.74	719.37
Khodri	345.00	335.37	1.20%	4.02	331.34
Kulhal	164.00	148.91	0.70%	1.04	147.87
Ramganga	385.00	311.00	1.20%	3.73	307.27
Chilla	725.00	557.62	1.20%	6.69	550.92
MB-I	546.00	478.00#	1.20%	5.74	472.26
Khatima	235.59	235.59	1.20%	2.83	232.76
MB-II	1566.10	1291.00	1.00%	12.91	1278.09
Vyasi	353.00	353.00	1.20%	4.24	348.76
Total	**5462.29**	**4813.04**		**53.68**	**4759.37**

#Provisionally revised Post RMU

3.7.4 *Outage Plan during the Fifth Control Period*

UJVN Ltd. in its Petition has submitted the station-wise outage plan on account of Annual Maintenance (AM), Capital Maintenance (CM), Renovation Modernization & Up-gradation (RMU), Capital Maintenance (CM) for the Fifth Control Period as shown in the Table below:

Table 3.14: Outage Plan for FY 2025-26 submitted by UJVN Ltd

Sl. No.	Project Name	Unit No.	Date of Start	Date of Completion	No of Days	Remarks
1	Chibro	Unit 1	12.01.2026	31.03.2026	79	CM Continued
		Unit 2	01.04.2025	24.05.2025	54	CM Completion
		Unit 3	12.12.2025	10.01.2026	30	AM
		Unit 4	06.10.2025	04.11.2025	30	AM
2	Khodri	Unit 1	12.12.2025	31.03.2026	110	CM Continued
		Unit 2	12.12.2025	10.01.2026	30	AM
		Unit 3	06.10.2025	04.11.2025	30	AM
		Unit 4	10.11.2025	09.12.2025	30	AM
3	Dhakrani	Unit 1	01.02.2026	02.03.2026	30	AM
		Unit 2	01.04.2025	31.08.2025	153	RMU Completion
		Unit 3	01.09.2025	31.03.2026	212	RMU Continued

Table 3.14: Outage Plan for FY 2025-26 submitted by UJVN Ltd

Sl. No.	Project Name	Unit No.	Date of Start	Date of Completion	No of Days	Remarks
4	Dhalipur	Unit 1	01.12.2025	31.12.2025	31	AM
		Unit 2	03.01.2026	02.02.2026	31	AM
		Unit 3	01.03.2026	31.03.2026	31	AM
5	Kulhal	Unit 1	10.11.2025	09.12.2025	30	AM
		Unit 2	24.04.2025	24.05.2025	30	AM
		Unit 2	15.12.2025	31.03.2026	107	CM Continued/ Reverse Engineering
		Unit 3	01.04.2025	20.04.2025	20	CM Completion
		Unit 3	18.01.2026	16.02.2026	30	AM
6	MB-I	Unit 1	10.11.2025	24.11.2025	15	Interim Repair of MIV
		Unit 1	25.11.2025	29.12.2025	35	Annual Maintenance
		Unit 2	10.11.2025	24.11.2025	15	Interim Repair of MIV
		Unit 3	01.04.2025	29.05.2025	23	Major Overhauling Completion
		Unit 3	30.12.2025	02.02.2026	35	Annual Maintenance
		Unit 3	10.11.2025	24.11.2025	15	Interim Repair of MIV
7	MB-II	Unit 1	15.10.2025	13.12.2025	60	AM
		Unit 2	15.11.2025	13.01.2026	60	AM
		Unit 3	01.01.2026	01.03.2026	60	AM
		Unit 4	01.04.2025	12.04.2025	12	AM Completion
		Unit 4	20.01.2026	20.03.2026	60	AM
8	Chilla	Unit 1	27.12.2025	04.02.2026	40	Annual Maintenance
		Unit 2	15.11.2025	24.12.2025	40	Annual Maintenance
		Unit 3	10.01.2026	31.03.2026	81	RMU Continued
		Unit 4	01.04.2025	06.01.2026	281	RMU Completion
9	Ramganga	Unit 1	16.06.2025	15.02.2026	245	CM
		Unit 2	01.07.2025	08.10.2025	100	Major overhauling (Mechanical Works)
		Unit 3	01.08.2025	31.08.2025	31	AM
10	Khatima	Unit 1	07.12.2025	06.03.2026	90	CM
		Unit 2	07.11.2025	06.12.2025	30	AM
		Unit 3	12.12.2025	10.01.2026	30	AM
11	Vyasi	Unit 1	10.01.2026	08.02.2026	30	AM
		Unit 2	18.02.2026	19.03.2026	30	AM

Table 3.15: Outage Plan for FY 2026-27 submitted by UJVN Ltd.

Sl. No.	Project Name	Unit No.	Date of Start	Date of Completion	No of Days	Remarks
1	Chibro	Unit 1	01.04.2026	11.05.2026	41	CM Completion
		Unit 1	25.12.2026	23.01.2027	30	AM
		Unit 2	01.02.2027	02.03.2027	30	AM
		Unit 3	15.10.2026	14.11.2026	31	AM
		Unit 4	20.11.2026	19.12.2026	30	AM
2	Khodri	Unit 1	01.04.2026	10.04.2026	10	CM Completion
		Unit 1	15.10.2026	13.11.2026	30	AM
		Unit 2	20.11.2026	19.12.2026	30	AM
		Unit 3	25.12.2026	23.01.2027	30	AM
		Unit 4	23.12.2026	31.03.2027	99	CM Continued
3	Dhakrani	Unit 1	01.02.2027	02.03.2027	30	AM
		Unit 2	02.01.2027	31.01.2027	30	AM
		Unit 3	01.04.2026	05.05.2026	35	RMU Completion
4	Dhalipur	Unit 1	01.12.2026	31.12.2026	31	AM
		Unit 2	03.01.2027	02.02.2027	31	AM
		Unit 3	01.03.2027	31.03.2027	31	AM
5	Kulhal	Unit 1	07.11.2026	06.12.2026	30	AM
		Unit 2	01.04.2026	13.04.2026	13	CM Completion
		Unit 3	09.12.2026	07.01.2027	30	AM
6	MB-I	Unit 1	03.02.2026	09.03.2026	35	Annual Maintenance
		Unit 2	30.12.2026	02.02.2027	35	AM
		Unit 3	03.02.2027	09.03.2027	35	AM
7	MB-II	Unit 1	15.10.2026	13.12.2026	60	AM
		Unit 2	15.11.2026	13.01.2027	60	AM
		Unit 3	01.01.2027	01.03.2027	60	AM
		Unit 4	20.01.2027	20.03.2027	60	AM
8	Chilla	Unit 1	10.11.2026	31.03.2027	142	RMU Continued
		Unit 2	10.11.2026	31.03.2027	142	RMU Continued
		Unit 3	01.04.2026	09.11.2026	223	RMU Completion
		Unit 4	27.12.2026	04.02.2027	40	Annual Maintenance
9	Ramganga	Unit 1	01.07.2026	31.07.2026	31	AM
		Unit 2	01.08.2026	31.08.2026	31	AM
		Unit 3	01.09.2026	01.10.2026	31	AM
10	Khatima	Unit 1	20.01.2027	19.02.2027	31	AM
		Unit 2	15.12.2026	13.01.2027	30	AM
		Unit 3	10.11.2026	09.12.2026	30	AM

Table 3.15: Outage Plan for FY 2026-27 submitted by UJVN Ltd.

Sl. No.	Project Name	Unit No.	Date of Start	Date of Completion	No of Days	Remarks
11	Vyasi	Unit 1	10.01.2027	08.02.2027	30	AM
		Unit 2	18.02.2027	19.03.2027	30	AM

Table 3.16: Outage Plan for FY 2027-28 submitted by UJVN Ltd

Sl. No.	Project Name	Unit No.	Date of Start	Date of Completion	No of Days	Remarks
1	Chibro	Unit 1	25.12.2027	23.01.2028	30	AM
		Unit 2	01.02.2028	02.03.2028	31	AM
		Unit 3	15.10.2027	14.11.2027	31	AM
		Unit 4	20.11.2027	19.12.2027	30	AM
2	Khodri	Unit 1	25.12.2027	23.01.2028	30	AM
		Unit 2	15.10.2027	13.11.2027	30	AM
		Unit 3	25.12.2027	31.03.2028	98	CM Continued
		Unit 4	01.04.2027	21.04.2027	21	CM Completion
		Unit 4	20.11.2027	19.12.2027	30	AM
3	Dhakrani	Unit 1	01.02.2028	02.03.2028	31	AM
		Unit 2	02.01.2028	31.01.2028	30	AM
		Unit 3	15.12.2027	30.12.2027	16	AM
4	Dhalipur	Unit 1	01.12.2027	31.12.2027	31	AM
		Unit 2	03.01.2028	02.02.2028	31	AM
		Unit 3	01.03.2028	31.03.2028	31	AM
5	Kulhal	Unit 1	01.11.2027	31.03.2028	152	RMU Continued
		Unit 2	09.12.2027	07.01.2028	30	AM
		Unit 3	15.01.2028	13.02.2028	30	AM
6	MB-I	Unit 1	10.11.2027	24.11.2027	15	Interim Repair of MIV
		Unit 1	25.11.2027	29.12.2027	35	AM
		Unit 2	10.11.2027	24.11.2027	15	Interim Repair of MIV
		Unit 2	30.12.2027	02.02.2028	35	AM
		Unit 3	10.11.2027	24.11.2027	15	Interim Repair of MIV
		Unit 3	03.02.2028	09.03.2028	36	AM
7	MB-II	Unit 1	15.10.2027	13.12.2027	60	AM
		Unit 2	15.11.2027	13.01.2028	60	AM
		Unit 3	01.01.2028	29.02.2028	60	AM
		Unit 4	20.01.2028	19.03.2028	60	AM

Table 3.16: Outage Plan for FY 2027-28 submitted by UJVN Ltd

Sl. No.	Project Name	Unit No.	Date of Start	Date of Completion	No of Days	Remarks
8	Chilla	Unit 1	01.04.2027	09.09.2027	162	RMU Completion
		Unit 2	01.04.2027	09.09.2027	162	RMU Completion
		Unit 3	27.12.2027	04.02.2028	40	Annual Maintenance
		Unit 4	15.11.2027	24.12.2027	40	Annual Maintenance
9	Ramganga	Unit 1	07.07.2027	22.08.2027	47	Annual Maintenance
		Unit 2	16.06.2027	15.02.2028	245	SITC of Stator core, coils and Poles insulation
		Unit 3	16.06.2027	24.09.2027	101	Major overhauling
10	Khatima	Unit 1	20.01.2028	19.02.2028	31	AM
		Unit 2	07.12.2027	06.03.2028	91	CM
		Unit 3	10.11.2027	09.12.2027	30	AM
11	Vyasi	Unit 1	10.01.2028	08.02.2028	30	AM
		Unit 2	18.02.2028	18.03.2028	30	AM

The Commission observes that the above plan did not include Dam Rehabilitation and Improvement works and major capex plan under Civil Works as submitted by the Petitioner. Hence, the Commission observed that Planned Outages as submitted were not in line with the additional capitalisation proposed during Fifth Control Period, signifying unplanned capital expenditure and disconnected submissions by the Petitioner. The Commission for the purpose of approval of the Business Plan has noted the submissions of UJVN Ltd. Further, the Commission expects that UJVN Ltd. shall efficiently manage the Outage Plan within minimum down time bench marked with the best utility practices in order to achieve maximum generation during the Fifth Control Period.

3.7.5 *Normative Annual Plant Availability Factor (NAPAF)*

Petitioner's Submissions

UJVN Ltd. in its Business Plan has projected NAPAF for the Fifth Control Period as below:

Table 3.17: NAPAF (%) Projected by UJVN Ltd. (%)

Generating Stations	FY 2025-26	FY 2026-27	FY 2027-28
Dhakrani	47.86%	66.64%	67.18%

Table 3.17: NAPAF (%) Projected by UJVN Ltd. (%)

Generating Stations	FY 2025-26	FY 2026-27	FY 2027-28
Dhalipur	70.44%	70.33%	70.29%
Chibro	65.10%	65.10%	65.08%
Khodri	60.07%	60.07%	60.05%
Kulhal	64.94%	64.95%	64.93%
Ramganga	19.24%	19.24%	19.31%
Chilla	54.11%	51.10%	50.07%
MB-I	89.14%	89.14%	89.07%
Khatima	60.72%	59.62%	57.77%
MB-II	79.55%	79.55%	79.62%
Vyasi	74.42%	74.42%	74.35%

The Petitioner requested the Commission to allow relaxation of NAPAF on account of the following reasons:

(a) **Chibro HEP :** UJVN Ltd. submitted that the Chibro Power Station is a very old HEP & requires more maintenance, hence, has to be shut down for longer periods to carry out maintenance. Hence, the Petitioner requested the Commission to consider and approve the NAPAF of Chibro HEP for the FY 2025-26, 2026-27 & 2027-28 as 65.06% in view of old age of Plant machines and associated structures.

(b) **Khodri HEP:** UJVN Ltd. submitted that the Khodri Hydro Power Station is an old HEP & requires more maintenance, hence, has to be shut down for longer periods to carry out maintenance. Hence, the Petitioner requested the Commission to consider and approve the NAPAF of Khodri HEP for the FY 2025-26, 2026-27 & 2027-28 as 57.23% in view of old age of Plant machines and associated structures.

(c) **Kulhal HEP:** UJVN Ltd. submitted that the Kulhal Hydro Power Station is a very old HEP & requires more maintenance, hence, has to be shut down for longer periods to carry out maintenance. Hence, the Petitioner requested the Commission to consider and approve the NAPAF of the Kulhal HEP for the FY 2025-26, 2026-27 & 2027-28 as 65.00% in view of old age of Plant machines and associated structures.

(d) **Chilla HEP:** UJVN Ltd. submitted that the Chilla Power Station is very old HEP & requires more maintenance. Hence, it has to be shut down for longer periods to carry out maintenance. Hence, the Petitioner requested the Commission to consider and approve NAPAF of Chilla HEP for the FY 2025-26, 2026-27 & 2027-28 as submitted. However, the RMU of the Plant has started and improvement in PAFM is expected after RMU works.

Also, the Petitioner requested the Commission to consider and approve NAPAF for following LHPs/HEPs:

(a) **Dhakrani LHP:** UJVN Ltd. submitted that Dhakrani Power Station is a very old HEP & requires more maintenance, hence, has to be shut down for longer periods to carry out maintenance. The RMU of Dhakrani Power Station has been taken up in February 2024 and scheduled to be completed by May 2026. Hence, the Petitioner requested the Commission to kindly consider and approve the NAPAF as projected of Dhakrani HEP for FY 2025-26, FY 2026-27 & FY 2027-28.

(b) **Dhalipur HEP:** The Dhalipur Power Station is a very old HEP & requires more maintenance, hence, has to be shut down for longer periods to carry out maintenance. Hence, the Petitioner requested the Commission to consider and approve the NAPAF as projected for Dhalipur HEP for FY 2025-26, FY 2026-27 & FY 2027-28.

(c) **MB-I/Tiloth HEP:** UJVN Ltd. submitted that the Tiloth Power Station is a very old HEP & requires more maintenance. Hence, it has to be shut down for longer periods to carry out maintenance. The Petitioner requested the Commission to kindly consider and approve the NAPAF of MB-I HEP for FY 2025-26, FY 2026-27 & FY 2027-28.

(d) **Ramganga HEP:** The Petitioner requested the Commission to consider and approve the NAPAF of Ramganga HEP as projected for FY 2025-26, FY 2026-27 & FY 2027-28.

(e) **Khatima HEP:** The Petitioner requested the Commission to kindly consider and approve NAPAF of Khatima HEP as projected for FY 2025-26, FY 2026-27 & FY 2027-28.

(f) **MB-II HEP:** The Petitioner requested the Commission to kindly consider and approve the NAPAF of MB-II HEP as projected for the FY 2025-26, FY 2026-27 & FY 2027-28.

Commission's Analysis

Regulation 47(1) (b) of UERC Tariff Regulations, 2024 specifies as under:

"(b) For existing hydro generating stations:

The trajectory for NAPAF fixed by the Commission in case of existing hydro generating stations, in the preceding Control Period would continue to be applicable. However, the NAPAF of the stations undergone RMU would be adjusted accordingly, considering the impact of RMU."

The Commission has gone through the submissions of the Petitioner and is of the view that most of the reasons stated by the Petitioner are related to the operational issues, which has already been considered by the Commission while approving the NAPAF of the generating stations in the MYT Order of the Fourth Control Period, except the impact on account of implementation of NGT/NMCG Order. Further, as the RMU works for Dhakrani and Chilla LHPs are yet to be completed, the Commission is of the view that the NAPAF approved vide Tariff Order dated 28.03.2024 for FY 2024-25 shall continue to be applicable for the Fifth Control Period except for Plants whose RMU works have been completed i.e., MB-I and Dhalipur LHP. However, the Commission shall take a fresh view with respect to Dhakrani and Chilla LHP once the RMU works for the generating stations get completed.

With regard to Plant where RMU has been completed in Fourth Control Period up to FY 2023-24 i.e., MB-I HEP, the Plant after RMU achieved COD in FY 2022-23 and has achieved a PAFY of 72.86% in FY 2022-23 and 92.59% in FY 2023-24. After carrying RMU works, it is evident that due to better machine availability and other improvements, the PAFY has improved. The Commission observes that the Petitioner has sought NAPAF of around 89.00% for the Fifth Control Period. The Commission observes that as per Regulation 47(1)(c) of UERC Tariff Regulations, 2024, NAPAF for pondage-based stations which are affected by silt is 85%, whereas, the Petitioner has projected PAFY of 89%. Accordingly, the Commission has approved NAPAF for the Fifth Control Period as 85.00% in line with the aforesaid Regulation. However, the Petitioner shall be allowed incentive on account of higher PAFY only in case it exceeds 89.00%.

Further, RMU of Dhalipur HEP was also completed in FY 2023-24 and has achieved an actual PAFY of 56.33% in FY 2023-24 and 70.21% in FY 2024-25 on estimated basis. The Commission observed that the Petitioner has sought PAFY of around 70% for the Fifth Control Period. After carrying RMU works, it can be reasonably assumed that due to better machine availability and other improvements, the PAFY shall improve. Accordingly, the Commission approves the NAPAF of Dhalipur HEP as 70.00% for the Fifth Control Period, as claimed by the Petitioner.

With regard to Ramganga HEP, the Commission observed that the Power Plant had achieved PAFY of 24.64% in FY 2022-23 and 20.06% in FY 2023-24. The Petitioner has sought PAFY of around 19.00% for the Fifth Control Period. The Commission observes that the NAPAF for the station was approved as 19.00% for the third control period which subsequently was reduced to 16% for the purpose of recovery. However, in view of the Petitioner's submission, the Commission approves the NAPAF of Ramganga HEP as 19.00% for the Fifth Control Period.

With regard to MB-II HEP, the Commission observed that the Power Plant has n achieved PAFY of 80.11% & 80.93% in FY 2022-23 & FY 2023-24, respectively. The Petitioner has sought NAPAF of around 79.00% for the Fifth Control Period. The Commission observes that the NAPAF for the station was approved as 82% for the Third Control Period which subsequently was reduced to 76.00% for the purpose of recovery due to consistently low availability being achieved by the Petitioner. However, in view of the Petitioner's submission, the Commission approves the NAPAF of MB-II HEP as 79.00% for the Fifth Control Period. However, the Petitioner shall be allowed incentive on account of higher PAFY only in case it exceeds 85%, which is as per Regulation 47(1)(c) of UERC Tariff Regulations, 2024, NAPAF for pondage-based stations affected by silt.

With regard to Vyasi LHP, the Commission while allowing provisional Tariff for Vyasi LHP held that:

"12. *The Commission at present is not taking any view on NAPAF and saleable primary energy of the Project and shall take a final view on the same while determining the final tariff. However, the Petitioner is directed to maintain a proper data for calculation of actual PAFM, e-flow etc.*

…"

In line with the above, as per the UERC Tariff Regulations, 2024 the norms for Generating Stations such as Vyasi LHP are applicable as:

"47. Norms of operation for Generating Stations

(1) Normative Annual Plant Availability Factor (NAPAF):

…

(c) For new hydro generating stations:

Storage and Pondage type plants with head variation between Full Reservoir Level (FRL) and Minimum Draw Down Level (MDDL) of up to 8%, and where plant availability is not affected by silt. ***– 90% NAPAF***

Storage and Pondage type plants with head variation between FRL and MDDL of more than 8%, where plant availability is not affected by silt. – ***The month wise peaking capability as provided by the project authorities in the DPR (approved by CEA or the State Government) shall form basis of fixation of NAPAF***

Pondage type plants where plant availability is significantly affected by silt. – ***85% NAPAF***

Run-of-river type plants - ***To be determined plant-wise, based on 10-day design energy data, moderated by past experience where available/relevant.***

(i) A further allowance may be made by the Commission in NAPAF determination under special circumstances, e.g., abnormal site problem or other operating conditions, and known plant conditions.

Provided that in case of new hydro generating station the developer shall have the option of approaching the Commission in advance for fixation of NAPAF based on the principles enumerated in the table above.

Provided further that Generating Companies shall submit plant wise NAPAF alongwith the detailed calculations and reasons thereof as per the guidelines for calculation of NAPAF as laid down in Appendix - III to these Regulations, for seeking approval of the Commission.

…"

The Petitioner, in the Petition dated 30.11.2023, has sought an allowance in NAPAF and also requested the Commission to consider submissions made and approve the NAPAF of Vyasi LHP as 75% due to following reasons:

(i) Uncontrollable factors adversely affecting NAPAF of Vyasi LHP.

(ii) NAPAF of similarly placed HEPs &

(iii) Actual PAFY achieved by Vyasi LHP, for one year since May 2022 to April 2023 on the basis of powerhouse and dam data, which is 74.09%.

Commission's View

The Commission has gone through the submissions of the Petitioner. It is observed that unlike ROR stations, Vyasi LHP has Pondage with head variation between Full Reservoir Level (FRL) and Minimum Draw Down Level (MDDL) of up to 8% and is not affected by silt. As per Regulations 47(1)(c) of UERC Tariff Regulations, 2024, the NAPAF of such Plant is 90%.

The Petitioner has achieved a Plant Availability Factor for the Year (PAFY) of 71.89% in FY 2022–23 and 82.08% in FY 2023–24, however, while going through the submission of the Petitioner made in its Petition dated 30.11.2023 w.r.t. the PAFY, the Commission observed that considering all the constraints and mandatory discharges (4.33 cumecs against Ecological release and 7.67 cumecs for Irrigation requirement), it has computed a PAFY of 84.65%. Considering the computation submitted by the Petitioner, the Commission approves a Normative Annual Plant Availability Factor (NAPAF) of 85% for Vyasi LHP for the Fifth Control Period in place of 90%. The Petitioner shall be eligible for incentives due to higher PAFY only if, the actual performance exceeds 90%.

Accordingly, the Commission approves the NAPAF of 11 LHPs for the Fifth Control Period as shown in the Table below:

Table 3.18: NAPAF as approved by the Commission for Fifth Control Period

Generating Station	Approved vide Order dated 28.03.2024 (%)	Proposed by UJVN Ltd. (%)			Approved (%)		
		FY 2025-26	FY 2026-27	FY 2027-28	FY 2025-26	FY 2026-27	FY 2027-28
Dhakrani	66.17%	47.86%	66.64%	67.18%	66.17%	66.17%	66.17%
Dhalipur	61.07%	70.44%	70.33%	70.29%	70.00%	70.00%	70.00%
Chibro	65.06%	65.10%	65.10%	65.08%	65.06%	65.06%	65.06%
Khodri	57.23%	60.07%	60.07%	60.05%	57.23%	57.23%	57.23%
Kulhal	65.00%	64.94%	64.94%	64.93%	65.00%	65.00%	65.00%

Table 3.18: NAPAF as approved by the Commission for Fifth Control Period

Generating Station	Approved vide Order dated 28.03.2024 (%)	Proposed by UJVN Ltd. (%)			Approved (%)		
		FY 2025-26	FY 2026-27	FY 2027-28	FY 2025-26	FY 2026-27	FY 2027-28
Ramganga	16.00%	19.24%	19.24%	19.31%	19.00%	19.00%	19.00%
Chilla	74.00%	54.11%	51.10%	50.07%	74.00%	74.00%	74.00%
MB-I	79.00%	89.14%	89.14%	89.07%	85.00%	85.00%	85.00%
Khatima	69.30%	60.72%	59.62%	57.77%	69.30%	69.30%	69.30%
MB-II	76.00%	79.55%	79.55%	79.62%	79.00%	79.00%	79.00%
Vyasi	N/A	74.42%	74.42%	74.35%	85.00%	85.00%	85.00%

However, while truing up for respective financial years, the Commission shall consider the outage period on account of RMU works while re-stating the actual PAFM subject to prudence check in accordance with the Regulations/Orders of the Commission in this regard.

4 Petitioner's Submissions, Commission's Analysis, Scrutiny and Conclusion on Truing-up of 9 LHPs, MB-II and Vyasi LHP for FY 2023-24

Regulation 12 of the UERC Tariff Regulations, 2021 specifies as follows:

"12. Annual Performance Review

(1) Under the multi-year tariff framework, the performance of the Generating Company or Transmission and Distribution Licensees or SLDC, shall be subject to an Annual Performance Review.

(2) The Applicant shall under affidavit and as per the UERC Conduct of Business Regulations as amended from time to time, make an application for Annual Performance Review by November 30th of every year;

…

(3) The scope of the Annual Performance Review shall be a comparison of the actual performance of the Applicant with the approved forecast of Aggregate Revenue Requirement and expected revenue from tariff and charges and shall comprise of following:

a) A comparison of the audited performance of the applicant for the previous financial year with the approved forecast for such previous financial year and truing up of expenses and revenue subject to prudence check including pass through of impact of uncontrollable factors;

b) Categorisation of variations in performance with reference to approved forecast into factors within the control of the applicant (controllable factors) and those caused by factors beyond the control of the applicant (un-controllable factors).

c) Revision of estimates for the current and/or ensuing financial year, if required, based on audited financial results for the previous financial year;

d) Computation of the sharing of gains and losses on account of controllable factors for the previous year."

In its present filings, the Petitioner has submitted the data relating to its expenses and revenues for FY 2023-24 for nine LHPs, MB-II and Vyasi LHP based on the audited accounts and has, accordingly, requested the Commission to carry out the Truing-up for FY 2023-24 along with the sharing of gain and losses.

In addition to the above, the Petitioner has submitted that Hon'ble APTEL on 19.07.2024 has issued its Judgment in the Appeal No. 215 of 2016, Appeal No. 283 of 2016 and Appeal No. 139 of 2018 ATE filed by the Petitioner on the issues related to Capital Cost of MB-II LHP and RoE on PDF. Hon'ble ATE in its judgment has ruled as follows:

"37. We hold and clarify that RoE has to be computed on any investment made by the State Government in a power project as equity / share capital (not as loan or grant) irrespective of the source from which the investment has been drawn. Accordingly, the Commission has erred in denying RoE to the appellant on the sum of Rs.341.39 crores invested by the State Government in its power project as share capital from Power Development Fund. The Commission shall now do the needful at the earliest and preferably within two months from the date of this order.

38. Additionally, the appeal No. 215/2016 is remanded back to the Commission for a fresh consideration on the claim of appellant regarding excess IDC and price variation component of capital cost for MB-II power project for the period last six months before the date of its commissioning. This exercise shall also be done by the Commission with in two months from the date of this order after hearing the parties again."

With regard to RoE on PDF, the Petitioner in accordance with the above, has requested the Commission to allow RoE on PDF and pass on the past impact of such disallowances.

As the impact on account of the above Judgment was substantial, the Commission decided to invite comments and suggestions from stakeholders before passing on the impact of the above Judgment. The Commission held a public hearing on 01.10.2024, wherein, it provided opportunity to the stakeholders to provide their comments.

Further, with regard to the issue of RoE on PDF, the Commission based on the comments received during public hearing and various submission made by the Petitioner in the current tariff proceedings has calculated the impact of RoE on PDF for past period in further sections and has decided to carry out Truing-up of MB-II for FY 2023-24 considering the capital cost as on CoD as approved by the Commission in the Tariff Order dated March 30, 2023, i.e., Rs. 1885.50 Crore in accordance with the UERC Tariff Regulations, 2021.

Meanwhile, with regard to 'excess IDC and Price Variation component of capital cost of MB-II for the period last six months before the date of its commissioning', the Commission in line with the direction of the Hon'ble APTEL, considered the matter afresh and gave ample opportunity to UJVN Ltd. during the process of scrutiny. Post detailed analysis of the issues, the Commission in its Order dated 20.11.2024 held that since UJVN Ltd. could not substantiate its claims with regard to IDC & Price Variation, therefore, the Commission upheld its earlier decision and the matter was accordingly disposed-off.

With regard to Vyasi LHP, the Petitioner for the purpose of the instant Petition has claimed the Capital Cost as on CoD i.e., 24.05.2022 of Rs. 1922.52 Crore as per the audited accounts as submitted with the Petition for determination of final cost/tariff, which was further revised to Rs. 1916.79 Crore.

The Commission vide its Order dated March 24, 2025 has approved the Capital Cost for Vyasi LHP as on COD i.e., 24.05.2022 as Rs. 1632.51 Crore against its revised claim.

Based on the submissions made by the Petitioner in the current tariff proceedings the Commission has decided to carry out Truing-up of Vyasi LHP for FY 2023-24 considering the capital cost as on CoD as approved by the Commission in its Order dated March 24, 2025, i.e., Rs. 1632.51 Crore in accordance with the UERC Tariff Regulations, 2021.

4.1 Impact of Sharing of Gains and Losses on account of Controllable Factors for FY 2023-24

Regulation 14 of the UERC Tariff Regulations, 2021 specifies as follows:

"14. Sharing of Gains and Losses on account of Controllable factors

(1) The approved aggregate gain and loss to the Applicant on account of controllable factors shall be dealt with in the following manner:

a) 1/3rd of such gain or loss shall be passed on as a rebate or allowed to be recovered in tariffs over such period as may be specified in the Order of the Commission;

b) The balance amount of such gain or loss may be utilized or absorbed by the Applicant."

The UERC Tariff Regulations, 2021 requires a comparison of the audited performance of the applicant for the previous financial year with the approved forecast for such previous financial year and Truing-up of expenses and revenues subject to prudence check including pass through of impact of uncontrollable factors.

O&M expenses comprise of the major portion of AFC of UJVN Ltd. and are within the control of the Petitioner and, moreover, in accordance with UERC Tariff Regulations, 2021, these are controllable expenses. Similarly, in accordance with the UERC Tariff Regulations, 2021, the variation in working capital requirements and variations in performance parameters are also a controllable factor. Hence, the sharing of gains and losses has been carried out for these expenses/performance parameters viz. O&M expenses (excluding employee expenses due to variation in number of manpower), variation in working capital requirements and variation in performance parameters, i.e., PAFY Vs. NAPAF.

Accordingly, the Commission has worked out the Trued-up (Surplus)/Gap of the Petitioner after sharing of gains and losses as per the provisions of UERC Tariff Regulations, 2021.

4.1.1 *Physical Parameters*

4.1.1.1 *Relaxation sought in approved NAPAF*

The Commission vide its MYT Order dated March 31, 2022 had approved the NAPAF for 9 LHPs and MB-II of UJVN Ltd. in accordance with Regulations 47(1)(b) of UERC Tariff Regulations, 2021 as under:

Table 4.1: NAPAF approved vide Order dated 31.03.2022 for FY 2023-24

Sl. No.	Name and Type of Plant		NAPAF approved in MYT Order dated 31.03.2022 (%)
1	Dhakrani	RoR	66.17%
2	Dhalipur	RoR	61.07%
3	Chibro	Pondage	65.06%
4	Khodri	Pondage	57.23%
5	Kulhal	RoR	65.00%
6	Ramganga	Storage	16.00%
7	Chilla	RoR	74.00%
8	MB-I	Pondage	79.00%
9	Khatima	RoR	69.30%
10	MB-II	Pondage	76.00%

Further, with regard to outages on account of RMU works, the Commission in its aforesaid Order held that:

"... while truing up for respective years, the Commission shall consider the outage period on account of RMU works while re-stating the actual PAFM subject to prudence check in accordance with the Regulations/Orders of the Commission in this regard."

A. Relaxation sought for 9 LHPs

Petitioner's Submission

In the instant Petitions, the Petitioner has submitted the actual PAFY achieved during FY 2023-24 and has also requested the Commission to approve actual Plant Availability Factor achieved in FY 2023-24. The actual PAFY achieved during FY 2023-24 on weighted average basis is as under.

Table 4.2: Plant-wise actual PAFY achieved during FY 2023-24 (%)

Sl. No.	Name and Type of Plant		NAPAF approved in MYT Order dated 31.03.2022	PAFY (Claimed)
1	Dhakrani	RoR	66.17%	60.77%
2	Dhalipur	RoR	61.07%	56.33%
3	Chibro	Pondage	65.06%	65.81%
4	Khodri	Pondage	57.23%	61.18%
5	Kulhal	RoR	65.00%	67.59%
6	Ramganga	Storage	16.00%	20.06%
7	Chilla	RoR	74.00%	61.79%
8	MB-I	Pondage	79.00%	92.59%
9	Khatima	RoR	69.30%	53.81%

The Commission observed that the Petitioner has achieved lower PAFY than approved NAPAF for Dhakrani, Dhalipur, Chilla and Khatima in FY 2023-24. In support of its submissions, the Petitioner, during TVS was asked to submit the Plant-wise reasons for not being able to achieve the specified NAPAF. The Petitioner vide its response date 07.02.2025 briefly submitted as follows:

- **Dhakrani LHP:** The reduction in PAFY is on account of ongoing RMU of Unit 1 since 16.02.2024 and also on account of closure of Power Channel from 26.04.2023 to 31.05.2023.
- **Dhalipur LHP:** The reduction in PAFY is on account of ongoing RMU of Unit 3 which was done from 28.11.2022 to 10.10.2023 and also on account of common shutdown of Units for RMU works from 20.03.2023 to 25.04.2023. The Petitioner also submitted that PAFY also reduced due to closure of Power Channel from 26.04.2023 to 31.05.2023.

- **Chilla LHP:** The reduction in PAFY was on account of abnormal flood pass through Pashulok Barrage in July 2023 (11th to 13th) and August 2023 (09th to 12th & 14th to 18th) and also on account of capital maintenance of Unit 2 which was held from 21.02.2023 to 05.07.2023. The Petitioner also submitted that the Generating Station is very old HEP & requires more maintenance. Hence, it is to be shut down for longer periods to carry out maintenance.
- **Khatima LHP:** The reduction in PAFY was on account of canal closure from 20.11.2023 to 12.12.2023 and also due to low river discharge as compared to FY 2022-23 (39% low in April, 33% low in May, 19% low in Nov, 24% low in Dec, 20% low in Jan and 8% low in Feb).

Commission's Analysis

The Commission has perused the submissions of the Petitioner and in accordance with earlier approach of re-stating the PAFY on account of prudent reasons has re-stated PAFY for some of the generating stations as analysed and discussed in the following section.

- **Dhakrani LHP:** With regard to Dhakrani LHP, the Petitioner has achieved a PAFY of 60.77% against the approved NAPAF of 66.17%. The NAPAF was approved by the Commission in the MYT Order dated March 31, 2022 and was without factoring in shutdown required for RMU works.

  The Petitioner in its submission dated 07.02.2025 submitted that in FY 2023-24 RMU works for Unit#1 were carried out during 16.02.2024 to 31.03.2024. Further, the Petitioner submitted that Power channel closure from 26.04.2023 to 31.05.2023 also impacted the PAFY of Dhakrani LHP. Considering that works executed were duly approved by the Commission under Regulation 22(4) of the MYT Regulations, 2021, and prolonged shutdown did impact PAFY, the Commission has considered the respective period for re-statement.

  Based on the five year average historical data for the respective month(s), the Commission has re-stated the PAFY of Dhakrani LHP to 65.64% for FY 2023-24.

- **Dhalipur LHP:** With regard to Dhalipur LHP, the Petitioner has achieved a PAFY of 56.33% against the approved NAPAF of 61.07%. The NAPAF was approved by the Commission in the MYT Order dated March 31, 2022 and was without factoring in shutdown required for RMU works.

The Petitioner in its submission dated 07.02.2025 submitted that in FY 2023-24 RMU works for Unit#3 were carried out during the period 01.04.2023 to 10.10.2023 and all 3 Units were under common shutdown during 20.03.2023 to 25.04.2023. Further, the Petitioner submitted that Power channel closure from 26.04.2023 to 31.05.2023 also impacted the PAFY of Dhalipur. Considering that works executed were duly approved by the Commission under Regulation 22(4) of the MYT Regulations, 2021, and prolonged shutdown did impact PAFY, the Commission has considered the respective period for re-statement.

Therefore, based on the five year average historical data for the respective month(s) the Commission has re-stated the PAFY of Dhalipur LHP to 61.07%, i.e., up to approved NAPAF for FY 2023-24.

- **Chilla LHP:** With regard to Chilla LHP, the Petitioner has achieved a PAFY of 61.79% against the approved NAPAF of 74.00%. The NAPAF was approved by the Commission in the MYT Order dated March 31, 2022.

  The Petitioner in its submission dated 07.02.2025 has submitted that due to abnormal flood pass through Pashulok Barrage in July 2023 (11th to 13th) and Aug 2023 (09th to 12th & 14th to 18th) PAFY got reduced. The Petitioner was however unable to substantiate the same in its submissions.

  The Petitioner further submitted that the Capital Maintenance of Unit 2 was done in the period 21.02.2023 to 05.07.2023 which impacted PAFY. The Commission observes that while specifying NAPAF, these shutdowns have already been factored in and it is also observed that the Petitioner was unable to substantiate the same in its submissions and therefore, the Commission does not find the submission of the Petitioner to be prudent and hence has decided not to revisit the NAPAF of Chilla LHP for FY 2023-24.

- **Khatima LHP:** With regard to Khatima LHP, the Petitioner has achieved a PAFY of 53.81% against the approved NAPAF of 69.30%. The NAPAF was approved by the Commission post RMU in its Order dated 29.03.2017 which was retained in the MYT Order dated March 31, 2022.

  The Petitioner in its submission dated 07.02.2025 has submitted that its Plant experienced canal closure from 20.11.2023 to 12.12.2023.

From the submissions of the Petitioner, the Commission observes that the Petitioner has compared the discharges of water vis-à-vis FY 2022-23 and the reason that low river discharge has resulted in reduced PAFY has not been substantiated by supporting authentic data by the Petitioner. The Commission is of the view that such discharge variation based on one year cannot be considered as a prudent reason for reduction in PAFY. With regard to canal closure works, it is observed that the same is not on account of any approved works and therefore the Commission does not find the submission of the Petitioner to be prudent and hence has decided not to revisit the NAPAF of Khatima LHP for FY 2023-24.

Apart from the above, the Petitioner has overachieved NAPAF in case of five generating stations which has been discussed as under.

- **Ramganga LHP:** The NAPAF approved for the generating station is 16% as against which the Petitioner has achieved actual PAFY of 20.06% With regard to Ramganga LHP, the Commission in its MYT Order dated 31.03.2022 had reduced the earlier NAPAF of 19% to 16% for recovering the AFC and with regard to incentives the Commission specified the following condition:

"… the Commission approves the NAPAF of Ramganga generating station as 16.00% for the Fourth Control Period. The Commission further clarifies that no incentive on achievement of higher PAFY shall be allowed in between 16.00% to 19.00%."

Therefore, the Commission has allowed incentive for achievement of PAFY above 19% only.

- **MB-I LHP:** The NAPAF approved for the generating station is 79% as against which the Petitioner has been able to achieve actual PAFY of 92.59%. The Commission while approving the NAPAF for the generating station post completion of RMU in its Order dated March 28, 2024 specified as follows:

"…The Commission prior to RMU works had approved NAPAF of 79% which was applicable for the previous control periods. After carrying RMU works, it can be reasonably assumed that due to better machine availability and other improvements, the NAPAF should improve. However, as there is no considerable data to support any increase in the NAPAF, the Commission has retained the existing NAPAF norm for the fourth control period."

The Commission in accordance with the above has allowed incentive for achievement of PAFY above 79.00% for FY 2023-24.

- **Chibro, Khodri and Kulhal LHP:** The Commission has considered the actual PAFY achieved for Chibro, Khodri and Kulhal i.e., 65.08%, 61.18% and 67.59% respectively for the purpose of allowing incentives.

B. MB-II LHP

Petitioner's Submission

The NAPAF for the station has been approved as 76.00% for FY 2023-24 as against which the Power Station has achieved PAFY of 80.93% for FY 2023-24.

Commission's View

The Commission in its Order dated April 18, 2020 had approved NAPAF for MB-II as 76% considering the findings of Expert Consultant's report. The Commission in the said Order further, clarified as follows:

"However, the Commission would like to further clarify that the above relaxation in NAPAF is only for recovery of capacity charges and shall not be considered for claiming any incentive on account of higher PAFY. The Petitioner shall be allowed incentive on account of higher PAFY only in case it exceeds 82% since all the costs towards major works carried on the project has been allowed in tariffs."

In view of the above, the Commission has allowed recovery of AFC for FY 2023-24, however, no incentives are being allowed as the PAFY achieved is below 82%.

C. Vyasi LHP

Petitioner's Submission

The Petitioner had submitted that the Petition for approval of Capital Cost and Determination of final tariff was filed by the Petitioner on 30.11.2023. The Petitioner requested the Commission to consider the facts elaborated in the said petition and requested to approve the NAPAF of Vyasi LHP as 75% as proposed. The Petitioner submitted that the Power Station has achieved PAFY of 82.08% in the year FY 2023-24.

Commission's View

The Commission in its Order dated March 24, 2025 ruled as follows.

"The Commission observes that the financial year of FY 2022-23 has already passed and as there was no NAPAF specified for the Station, the Petitioner had no opportunity to match its performance with the norm. In view of the same it would be difficult to retrospectively specify performance target and link the same to recovery of capacity charges of the Petitioner. In view of the same, the Commission has not specified any NAPAF norm for FY 2022-23..."

In accordance with the above, as the financial year of FY 2023-24 has already passed and as there was no NAPAF specified for the Station, the Commission has not specified any NAPAF norm for FY 2023-24. The Petitioner shall recover the AFC approved for FY 2023-24 in this Order after adjusting for tariff already recovered during FY 2023-24.

4.1.1.2 ***Energy Generation and Saleable Primary Energy***

The Petitioner in its previous year's submission had submitted that in compliance to the NGT Order dated August 9, 2017, GoU issued Order No. 708 dated June 5, 2018 to UJVN Ltd. to maintain the minimum 15% of the average lean season flow in the rivers from the Dams/Barrages situated in the State of Uttarakhand. Further, the Gazette notification has also been issued by Govt. of India on 09.10.2018 in this regard. The Petitioner had further submitted that in Ganga valley projects, e-flow is being released at 20%, 25% and 30% in dry, lean and monsoon season, respectively and the release of e-flow is being monitored by CWC directly.

The Petitioner had submitted that in view of the aforesaid Orders of NGT and GoU, UJVN Ltd. has maintained the minimum discharges and, therefore, the available water discharge has reduced in the tunnels/power channels of the power stations of UJVN Ltd. Consequent to the reduction in the discharge available for power generation, the quantum of power generation as well as the declared capacity of the Power Plants have reduced accordingly.

The Commission in its Tariff Order dated 28.03.2024 at para 5.5.2 had directed the Petitioner:

"… to maintain separate discharge data of rivers as well as the data of mandatory discharges being released in compliance to NGT/NMCG Order and any other data to substantiate the impact.

Further, the Petitioner shall submit the data at the time of truing-up of FY 2023-24 and also for subsequent years, thereafter, appropriate view will be taken by the Commission in this regard after carrying out due prudence check"

Accordingly, the Petitioner in its submission dated 04.01.2025 has submitted the actual generation loss due to E-flow released by the Petitioner as per NGT Order dated 09.08.2017 and NMCG Order dated 10.10.2018 and 14.09.2019 for FY 2023-24 as 530.57 MU against 8 LHPs namely Dhakrani, Dhalipur, Chibro, Khodri, Kulhal, Chilla, MB-I and MB-II.

The actual gross generation submitted by the Petitioner vis-à-vis the revised design energy as per Tariff Order dated 30.03.2023 is as shown in the following **Table**.

Table 4.3: Actual Gross Generation vis-a-vis Revised on account of NGT Order & Approved for 11 LHPs in previous Tariff Orders

Power Plant	FY 2023-24		
	Actual Gross Generation submitted by the Petitioner (MU)	**Revised Design Energy after impact of NGT Order approved vide Order dated 18.04.2020 (MU)**	**Design Energy Approved in Tariff Order dt. 30.03.2023 for FY 2023-24 (MU)**
	(A)	(B)	**(C)**
Dhakrani	115.57*	150.85	150.85
Dhalipur	152.81**	182.76	182.76
Chibro	759.81	728.11	728.11
Khodri	367.57	335.37	335.37
Kulhal	127.93	148.91	148.91
Ramganga	320.20	311.00	311.00
Chilla	708.51	557.62	557.62
MB-I	466.36	366.45	478.00¥
Khatima	205.37	235.59	235.59
MB-II	1,205.35	1,291.00	1291.00#
Vyasi	310.74	-	353.00Φ
Total	**4,740.22**	**4,307.65**	**4,772.21**

¥ Provisionally Approved in Tariff Order dated 31.03.2022, post RMU
 # Approved in Tariff Order dated 18.04.2020 for Third Control Period
Φ Approved vide Order dated 24.03.2025
** Unit #1 under RMU from 16.02.2024 to 31.03.2024, Power Channel closure from 26.04.2023 to 31.05.2023*
*** Unit #3 in RMU from 28.11.2022 to 10.10.2023 (completed),*
*** Common S/D of all 3 Units in RMU from 20.03.2023 to 25.04.2023 & Power Channel closure from 26.04.2023 to 31.05.2023*

From the above, it is observed that for 10 LHPs i.e., excluding Vyasi LHP consolidated actual gross generation is even higher than the design energy approved in the Tariff Order dated 30.03.2023 for FY 2023-24. Therefore, as observed, the actual data does not compel for relaxation in the design energy for recovery of energy charges as proposed by the Petitioner for FY 2023-24.

With regard to Vyasi LHP the Commission in its Order dated 24.03.2025 has approved design energy as under.

"It is observed that as per the DPR originally approved by CEA, the design energy approved was 375.24 MU (Pre-Lakhwar) and 439.80 MU (Post-Lakhwar). While computing the said design energy, the Petitioner had factored in e-flow as 2 cumec. The CEA's Hydro Project Appraisal Division vide its Memorandum of Changes dated 11.05.2021 had approved 353 MU as Design Energy which included the impact of e-flow of 4.33 cumec as was proposed by the Petitioner. In addition to the same the design energy was revised because of increase in the head loss due to increase in the normal tail water level from 514 m to 515.7 meter. The Commission in view of the design energy being approved by CEA, has approved design energy of 353 MU for Vyasi HEP."

The Commission observed that Ramganga was able to change excitation system from Rotating to Static in FY 2022-23, therefore the Commission revised Auxiliary consumption for FY 2023-24 and onward for Ramganga LHP as 1%.

Therefore, the Commission decides to consider the Design Energy and Saleable Primary Energy as shown in Table below:

Table 4.4: Revised Design Energy and Saleable Primary Energy Approved for FY 2023-24 (MU) (after impact of NGT/NMCG Order)

Name of the Generating Station	Original Design Energy	Design Energy approved	Design Energy approved for FY 2023-24 # (after impact of NGT)	Approved Auxiliary Consumption		Saleable Primary Energy
	MU	MU	MU	%	MU	MU
Dhakrani	169.00	156.88	150.85	0.70%	1.06	149.79
Dhalipur	192.00	192.00	182.76	0.70%	1.28	181.48
Chibro	750.00	750.00	728.11	1.20%	8.74	719.37
Khodri	345.00	345.00	335.37	1.00%	3.35	332.01
Kulhal	164.00	153.91	148.91	0.70%	1.04	147.87
Ramganga	385.00	311.00	311.00	1.00%	3.11	307.89
Chilla	725.00	671.29	557.62	1.00%	5.58	552.04
MB-I	546.00	478.00¥	478.00¥	1.00%	4.78	473.22

Table 4.4: Revised Design Energy and Saleable Primary Energy Approved for FY 2023-24 (MU) (after impact of NGT/NMCG Order)

Name of the Generating Station	Original Design Energy	Design Energy approved	Design Energy approved for FY 2023-24 # (after impact of NGT)	Approved Auxiliary Consumption		Saleable Primary Energy
	MU	MU	MU	%	MU	MU
Khatima	235.59*	235.59	235.59	1.00%	2.36	233.23
MB-II	1,566.10	1,291.00#	1,291.00	1.00%	12.91	1,278.09
Vyasi	353.00***Φ***	353.00***Φ***	353.00***Φ***	1.00%	3.53	349.47
Total	**5430.69**	**4937.67**	**4772.20**		**47.73**	**4724.47**

Φ *Approved vide Order dated 24.03.2025*
¥ Provisionally Approved in Tariff Order dated 31.03.2022, post RMU
*Approved in Tariff Order dated 31.03.2022 for Fourth Control Period including impact of NGT/NMCG Orders*
**Approved design energy, Post RMU*

4.1.2 *Financial Parameters*

4.1.2.1 *Apportionment of Common Expenses*

The Commission in its Tariff Orders dated March 30, 2023, March 31, 2022, April 26, 2021 and April 18, 2020 had considered the allocation for indirect expenses in the ratio of 85:10:05 among 9 LHPs, MB-II and SHPs, respectively.

The Commission, however, post commissioning of Vyasi LHP, in its Tariff Order dated March 28, 2024 revised the allocation methodology as:

*"the Commission has revised the methodology followed for apportionment of Common Expenses for truing-up of FY 2022-23 and has approved the allocation for **indirect expenses in the ratio of 86:14 among 11 LHPs (9 Old LHPs, MB-II and Vyasi)** and SHPs, respectively."*

Being aggrieved with the above approach the Petitioner filed a Review Petition before the Commission seeking change in allocation philosophy which was denied by the Commission vide its order dated 10.10.2024. In compliance to the above, the Petitioner in the instant petition has adopted methodology of apportionment of common expense for FY 2023-24 in the ratio of 86:14 among 11 LHPs (9 old LHPs, MB-II and Vyasi LHP) and SHPs respectively. However, the Petitioner in the matter of apportionment has filed a Petition before Hon'ble APTEL.

The Petitioner submitted the allocation of expenses incurred by common Units serving more than one station as below:

- **Head Office/ CSPPO:** The 86% of the common expenses have been allocated to the 9 LHPs, MB-II & Vyasi LHP, and the remaining 14% to SHPs. Further, the allocation among the LHPs/SHPs is done on the basis of installed capacity of each LHP/SHP.
- **DDD Dakpathar:** The common expenses have been allocated between Chibro, Khodri, Dhakrani, Dhalipur and Kulhal in the ratio of their respective installed capacity.
- **DGM Civil Dhalipur:** The common expenses have been allocated on Chibro, Khodri, Dhakrani, Dhalipur and Kulhal LHPs in the ratio of their installed capacity.
- **Civil Haridwar/Mayapur:** The common expenses have been allocated on Chilla, Ramganga and Pathri & Mohammadpur SHPs in the ratio of their installed capacity.

The Commission has gone through the submissions of the Petitioner and on examination of the actual O&M expenses, it has been observed that the Petitioner is not following the approved allocation methodology for booking the expenses as discussed in the sections below. The approach adopted by the Petitioner renders this exercise futile as it distorts the actual LHPs wise expenses incurred. Since, UJVN Ltd. operates as a unified entity, the Commission **directs the Petitioner to be cautious while booking expenses and strictly follow the apportionment methodology as approved by the Commission.**

4.1.2.2 *Capital Cost*

A. Old Nine Generating Stations

Pending finalization of the Transfer Scheme, for various reasons recorded in the previous Tariff Orders, the Commission had been approving the opening GFA for the nine LHPs as on 14.01.2000 as Rs. 506.17 Crore.

The Commission vide its Order dated March 28, 2024 had directed UJVN Ltd. to closely follow up the issue and submit the quarterly status report to the Commission. Further, the Commission also pointed out that there had been an inordinate delay in the finalization of the Transfer Scheme, which is attributable to the Petitioner, hence, any consequential claim arising due to finalization of the Transfer Scheme would be considered on merits by the Commission without any carrying cost on the same.

The Petitioner vide its letter January 16, 2025 apprised the Commission regarding the status of various issues w.r.t. transfer scheme. The same is discussed in detail at Chapter-6 of this Order.

Since, major issues i.e., GPF Trust Liability and LIC Loan Liabilities pertaining to Transfer Scheme are yet to be closed, the Commission, **directs the Petitioner to closely follow up the pending issues and submit quarterly status report to the Commission. The Commission further reiterates that there has been an inordinate delay in the finalization of the Transfer Scheme, which is attributable to the Petitioner, hence, any consequential claim arising due to finalization of the Transfer Scheme shall be considered on merits by the Commission without any carrying cost on the same.**

The Commission for the purposes of Truing- up for FY 2023-24 has considered the opening GFA of nine LHPs, as on 14.01.2000 as Rs. 506.17 Crore as per the details given below:

Table 4.5: Approved Capital Cost for 9 LHPs as on CoD (Rs. Crore)

Generating Stations	Claimed	Approved
Dhakrani	12.40	12.40
Dhalipur	20.37	20.37
Chibro	87.89	87.89
Khodri	73.97	73.97
Kulhal	17.51	17.51
Ramganga	50.02	50.02
Chilla	124.89	124.89
MB-I	111.93	111.93
Khatima#	5.16	5.16
Total	**504.14**	**504.14**

#Including de-capitalisation of Rs. 2.03 Crore in FY 2014-15

B. Maneri Bhali-II

The Petitioner in its Petition has considered capital cost of Rs. 1885.50 Crore for MB-II as approved by the Commission.

The Petitioner submitted that the Hon'ble ATE vide its Judgment dated 19.07.2024 has disposed of pending Appeals i.e., Appeal No. 215 of 2016, Appeal No. 283 of 2016 & Appeal No. 139 of 2018 which pertained to issues affecting approval of Capital Cost of MB-II LHP and RoE on PDF.

The Hon'ble ATE had clubbed together the aforesaid Appeals and issued a composite Judgement ('Denial of 50% of the excess IDC and 50% of Price Variation of capital cost for MB-II HEP') dated 19.07.2024 on the said issues as discussed above in this Chapter.

Hence, the Commission does not find any reason to revisit the capital cost of MB-II LHP approved by it in the Tariff Order dated March 28, 2024.

Accordingly, in line with the decision taken in Order dated March 28, 2024 and November 20, 2024, the Commission for the purposes of this Tariff Order is considering the capital cost for MB-II Power Plant as on CoD, i.e., 15.03.2008, as Rs. 1885.50 Crore as per the details given below:

Table 4.6: Approved Capital Cost for MB-II as on CoD (Rs. Crore)

Particulars	Approved in Order dated 31.03.2022	Approved Now
Capital Expenditure	1490.98	1490.98
Add: Adjustment on Account of DRB Award	44.51	44.51
Price Variation	-7.94	-7.94
Sub-Total (A)	**1527.55**	**1527.55**
IDC & Other Financial Charges		
Interest paid to PFC	257.41	257.41
Guarantee Fee	28.86	28.86
Interest on GoU Loan	5.04	5.04
Interest Repayment AGSP	66.64	66.64
Excess Guarantee Fee Payable	0.00	0.00
Sub-Total (B)	**357.95**	**357.95**
Total Capital cost (A+B)	**1885.50**	**1885.50**

Further, financing of the approved capital cost of MB-II Power Station as on CoD is shown in the Table below:

Table 4.7: Financing for MB-II as on CoD (Rs. Crore)

Particulars	Approved in MYT Order dt. 31.03.2022	Approved Now
Loans		
PFC Loan	1200.00	1200.00
Unpaid Liability	-	-
Guarantee Fee Payable	-	-
Normative Loan	119.85	119.85
Total debts	**1319.85**	**1319.85**
Equity		
PDF	326.76	326.76

Table 4.7: Financing for MB-II as on CoD (Rs. Crore)

Particulars	Approved in MYT Order dt. 31.03.2022	Approved Now
GoU Budgetary support	74.89	74.89
Pre-2002 expense	164.00	164.00
Total Equity	**565.65**	**565.65**
Total Loan and Equity	**1885.50**	**1885.50**

In the above **Table**, the total equity, i.e., Rs. 565.65 Crore which is 30% of the total approved Capital Cost of MB-II, has been considered to be funded by way of pre-2002 expenses of Rs. 164 Crore, actual disbursement from PDF up to CoD of Rs. 326.76 Crore and the balance amount of Rs. 74.89 Crore from the GoU budgetary support.

C. Vyasi LHP

The Commission vide its Order dated March 24, 2025 has approved the capital cost of Vyasi LHP as Rs. 1632.51 Crore as on CoD against the claim of Rs. 1916.79 Crore. Further, the Petitioner submitted that there were certain works which were still to be completed and are part of the original scope of work. The Petitioner has claimed the actual capital cost incurred till 31.03.2023 as Rs. 1964.93 Crore by the Petitioner.

The Commission for the purposes of this Tariff Order is considering the capital cost for Vyasi LHP as on CoD as approved in the Order dated March 24, 2025 as:

Table 4.8: Approved Capital Cost for Vyasi LHP as on CoD (Rs. Crore)

	Claimed	Approved
Hard Cost	1344.77	1307.22*
IDC & FC	434.44	236.66
Establishment Expenses	137.58	88.63
Total Capital cost	**1916.79**	**1632.51**

** After reducing PV disallowed*

Further, financing of capital cost as on COD approved by the Commission in its Order dated March 24, 2025 is as shown in the following Table:

Table 4.9: Financing for Vyasi LHP as on Project CoD (Rs. Crore)

	Claimed	Approved
Debt (Sources)	1341.75	1142.76
Equity (Sources)	575.04	489.75
Total	**1916.79**	**1632.51**

4.1.2.3 ***Additional Capitalisation***

A. Old Nine Generating Stations

In addition to the opening GFA of Rs. 506.17 Crore as on 14.01.2000 of 9 LHPs, the Commission had approved the additional capitalisation from FY 2001-02 to FY 2022-23 amounting to Rs. 1010.92 Crore including de-capitalisation. Accordingly, the additional capitalisation from FY 2001-02 to FY 2022-23 so far considered by the Commission for 9 LHPs is shown in the following Table:

Table 4.10: Additional Capitalisation already approved by the Commission from FY 2001-02 to FY 2022-23 for 9 LHPs (Rs. Crore)

Generating Stations	Amount
Dhakrani▼	42.61
Dhalipur▼	144.44
Chibro	123.74
Khodri	54.97
Kulhal	49.30
Ramganga▼	49.69
Chilla*	125.06
MB-I▼	256.26
Khatima**▼	164.85
Total	**1,010.92**

** Including decapitalisation of Rs. 19.30 Crore in FY 2016-17 for DRIP*
*** Including de-capitalisation of Rs. 2.03 Crore in FY 2014-15*
▼ Including de-capitalisation of Rs. 13.27 Crore in FY 2022-23

Based on the approved capital cost of 9 LHPs as on 14.01.2000 and considering, the additional capitalisation up to FY 2022-23 for these LHPs, the Commission has considered the opening GFA for FY 2023-24 for nine LHPs as presented below:

Table 4.11: Opening GFA for 9 LHPs as considered by the Commission for FY 2023-24 (Rs. Crore)

Generating Stations	Amount
Dhakrani▼	55.01
Dhalipur▼	164.81
Chibro	211.63
Khodri	128.94
Kulhal	66.81
Ramganga▼	99.71
Chilla*	249.95
MB-I**▼	368.19
Khatima***▼	170.01
Total	**1,515.06**

** Including de-capitalisation of Rs. 19.30 Crore in FY 2016-17 for DRIP*
*** Including DRB claim of Rs. 2.21 Crore*
**** Including de-capitalisation of Rs. 2.03 Crore in FY 2014-15*
▼ Including de-capitalisation of Rs. 13.27 Crore in FY 2022-23

The Petitioner for its 9 LHPs has claimed the additional capitalisation for FY 2023-24 as given in the Table below:

Table 4.12: Additional Capitalisation (Other Capital Works, DRIP & RMU) for 9 LHPs claimed by the Petitioner for FY 2023-24 (Rs. Crore)

Generating Stations	Other Capital Works	DRIP-II	RMU works	Total
Dhakrani	9.59	-	-	9.59
Dhalipur	14.19	-	44.52	58.71
Chibro	12.56	1.05	-	13.61
Khodri	10.10	0.52	-	10.63
Kulhal	3.69	7.35	-	11.05
Ramganga	12.37	-	-	12.37
Chilla	46.91	3.73	-	50.64
MB-I	10.06	16.58	7.09	33.73
Khatima	14.28	-	-	14.28
Total	**133.76**	**29.23**	**51.60**	**214.59**

The Petitioner in the Petitions submitted that the additional capitalisation claimed above includes the capitalisation on account of Dam Rehabilitation and Improvement Project (DRIP), RMU (Renovation and Modernization) and other works essential for efficient and continuous Plant operations.

4.1.2.3.1 De-capitalisation

The Commission, through its letter dated 16.12.2024, raised queries for the admission of the Petition. In response, the Petitioner submitted the required details, including "Form 6.9: Details of Assets De-capitalized during the Period", via letter dated 23.12.2024. Upon review, the Commission observed that the Petitioner had not claimed de-capitalization and adjustments as per UERC Regulation, 2021, in its Petitions.

Consequently, for the purpose of Truing-up for FY 2023-24, the Commission has considered a de-capitalization of Rs. 0.01 crore at Chilla HEP and Rs. 0.37 crore at MB-II HEP.

As the assets are not in use, the Commission has deducted the original cost of such asset a from gross fixed asset and corresponding loan as well as equity has been deducted from outstanding loan and the equity respectively in FY 2023-24.

Accordingly. the Station-wise additional capitalisation, de-capitalisation carried out and Net Additional Capitalisation claimed in the Petition by the Petitioner is as shown below:

Table 4.13: Net Additional Capitalisation for 9 LHPs claimed by the Petitioner for FY 2023-24 (Rs. Crore)

Generating Stations	De-Capitalisation	Additional Capitalisation	Net Additional Capitalisation
Dhakrani	-	9.59	9.59
Dhalipur	-	58.71	58.71
Chibro	-	13.61	13.61
Khodri	-	10.63	10.63
Kulhal	-	11.05	11.05
Ramganga	-	12.37	12.37
Chilla	-	50.64	50.63
MB-I	-	33.73	33.73
Khatima	-	14.28	14.28
Total	**-**	**214.59**	**214.59**

Commission's Analysis

The Commission has observed that the Petitioner has claimed additional capitalisation of Rs. 44.52 Crore and Rs 7.09 Crore against RMU works for Dhalipur and MB-I, respectively. The comparison of the station wise RMU cost claimed vis-à-vis that approved by the Commission for FY 2023-24 is as shown below:

Table 4.14: Additional Capitalisation against RMU for 9 LHPs for FY 2023-24 (Rs. Crore)

Generating Station	Approved in MYT Order dt. 31.03.2022	Claimed
Dhakrani	-	-
Dhalipur	42.80	44.52
Chibro	-	-
Khodri	-	-
Kulhal	-	-
Ramganga	-	-
Chilla	86.00	-
MB-I	-	7.09
Khatima	-	-
Total	**128.80**	**51.60**

It is further observed that the claimed cost of RMU of Dhalipur also includes Interest During Construction of Rs. 3.32 Crore. The Commission directed the Petitioner to submit auditor certificate certifying the cost of RMU works claimed for Dhalipur. The Petitioner, in response has submitted Auditor Certificate certifying the aforesaid claim vide its submission dated 04.01.2025. Since, the works covered in RMU of Dhalipur had been awarded as a single contract and considerable amount of works are yet to be completed, the Commission as of now has provisionally allowed the additional capitalisation claimed by the Petitioner for FY 2023-24, however, the Commission, after carrying out detailed analysis of RMU works post completion shall carry out necessary adjustments along with associated carrying cost in case cost presently being claimed are higher.

With regard to MB-I, it is observed that the RMU works were completed in FY 2022-23. The Commission based on the submissions of the Petitioner had carried out a detailed analysis of the RMU costs in its Order dated March 28, 2024. The Commission in the said Order had given directions to the Petitioner to submit certain data that was required for complete analysis. The Petitioner has submitted the same and the Commission has carried out detailed scrutiny of the expenses which is discussed subsequently in this Order.

Apart from RMU works, the Petitioner has claimed additional capitalisation towards DRIP and other capital works which has been shown as below.

Table 4.15: Additional Capitalisation against DRIP and Other works for 9 LHPs for FY 2023-24 (Rs. Crore)

Generating Station	Approved in MYT Order dt. 31.03.2022 (DRIP)	Claimed (DRIP)	Claimed (Other Works)
Dhakrani	8.12	-	9.59
Dhalipur	4.96	-	14.19
Chibro	11.71	1.05	12.56
Khodri	5.86	0.52	10.10
Kulhal	10.70	7.35	3.69
Ramganga	-	-	12.37
Chilla	30.24	3.73	46.91
MB-I	09.32	16.58	10.06
Khatima		-	14.28
Total	**80.91**	**29.23**	**133.76**

The Commission in its Order dated March 31, 2022 had approved the additional capitalisation of Rs. 80.91 Crore for FY 2023-24 towards DRIP works which was subject to prudence check at the time of True-up.

The Commission in the MYT Order while approving additional capitalisation directed the Petitioner as follows:

"In view of the above, the Commission for approving additional capitalisation for the Fourth Control Period has provisionally considered the additional capitalisation projected against RMU and DRIP

schemes only. For works to be carried out under general works that do not fall either under RMU or DRIP, the Petitioner is directed to seek specific approval under Regulation 22(4) of UERC Tariff Regulations, 2021."

The Commission sought details of work claimed by the Petitioner and observed that as against Rs. 80.91 Crore approved towards DRIP works; the actual additional capitalisation claimed is Rs. 29.23 Crore. Although the overall capitalisation against DRIP was less than approved, there were Plant-wise deviations observed by the Commission, therefore, the Commission sought details of scheme-wise actual works carried out vis-à-vis that approved under DRIP as per the specific format in which such works were approved. The Petitioner vide its reply dated 20.02.2025 submitted the details however, the Petitioner did not submit the consolidated dam wise and barrage wise details of approved vis-à-vis actual works.

The Commission has taken serious note of such unplanned work execution and is of the view that such unsystematic work execution defies the entire capital expenditure approval process including those related to DRIP works. The Commission for FY 2023-24 has considered the actual works claimed under the DRIP works, however, in future if it is observed that any wrongful claims have been made, the same shall be recovered along with carrying cost.

The Commission has considered the additional capitalisation on account of DRIP-II works by directly considering the same under the Plant to which the Dam/Barrage is associated and in case the Dam/Barrage is associated with one or more Plants the expenditure on account of the same is apportioned to the Plants based on installed capacity of the Plants.

The Commission in the past has observed that in the DRIP works, there have been certain price variations which were not approved by CPMU and therefore the Commission in its Order dated March 28, 2024 had directed to ensure necessary CPMU approval. The Commission herein re-iterates its earlier direction **to ensure that CPMU approvals are obtained in time for price variations for works executed/being executed under DRIP-II**.

During the scrutiny of additional capital expenditure towards other capital works the Commission observed certain infirmities/deviations in the claimed figures. Necessary clarifications were sought from UJVN Ltd. and in compliance to the same the Petitioner submitted required clarifications which have been discussed in detail in the following points.

4.1.2.3.2 *Disallowed/ Deferred Works*

The Commission has scrutinised the Proft-centre/Cost Centre-wise details as submitted by the Petitioner and the analysis of the same is discussed in the following sub-sections.

4.1.2.3.2.1 Deferments in True up of FY 2022-23

The Commission, during the scrutiny of the expenses for FY 2022-23 observed that all the works were not complete, hence, the Commission has deferred the works amounting to Rs. 0.66 Crore towards "Supply & Installation of Godrej make furniture at Multistorey Corporate office Building at Ujjwal" related to DGM, Dhalipur. The Commission in its Order dated March 28, 2024 had also deferred the works related to Head Quarter pertaining Rs. 0.57 Crore towards "Supply Installation Testing & Commissioning of 3 Nos. Passenger lifts in PEB Multistorey Corporate Ujjwal Building Dehradun" and Rs. 0.08 Crore towards "Construction of Temp. Rooms and Dismantling of Existing structure at Ujjwal, Dehradun". The Petitioner vide its submission dated 12.03.2025 has claimed expenses against the deferred amount against "Supply & Installation of Godrej make furniture at Multistorey Corporate office Building at Ujjwal" amounting to Rs. 0.66 Crore and "Supply Installation Testing & Commissioning of 3 Nos. Passenger lifts in PEB Multistorey Corporate Ujjwal Building Dehradun" amounting to Rs. 0.57 Crore only. The Commission has accordingly considered the capitalisation of these expenses to the extent of Rs. 1.23 Crore (Rs. 0.66 Crore and Rs. 0.57 Crore) in FY 2023-24.

4.1.2.3.2.2 DGM Civil Dhalipur

The Commission, during the scrutiny of the expenses booked at DGM Civil Dhalipur, observed that an expense of Rs. 0.44 Crore against "Supply & Installation of Godrej make furniture at multi-Story corporate office building at Ujjwal" was booked and apportioned on LHPs, namely, Chibro, Khodri, Dhakrani, Dhalipur & Kulhal whereas asset was being put to use at Head Quarters. Therefore, the Commission has apportioned the same as per apportionment methodology as approved in the Tariff Order dated March 28, 2024.

Further, the Commission, during the scrutiny of the expenses booked at DGM Civil Dhalipur, observed an expense of Rs. 4.30 Crore was claimed against "Renovation and modernization of Khodri PH complex at Khodri". The Commission enquired regarding the breakup of the same. In compliance, the Petitioner submitted that works amounting to Rs. 2.17 Crore had to be allocated to Khodri LHP towards the works "Renovation and modernization of Khodri PH complex at Khodri" and balance amount of Rs. 2.13 Crore was to be allocated to Dakpathar Barrage against the works "Repair of Reservoir rim of Dakpathar Barrage and in Power Channel up to silt ejector channel during closure period". Accordingly, the Commission has apportioned the cost of Rs. 2.17 Crore to Khodri LHP and Rs. 2.13 Crore to Dhalipur LHP & Dhakrani LHP based on their installed capacity. In this regard, **the Commission warns the Petitioner to avoid such claims of wrong allocation of expenditure amongst the cost centres in the Tariff Petitions.**

In addition to the above, the Commission also finds it prudent not to allow cost incurred on "Supply & Installation of furniture and other associated work" of Rs. 0.12 Crore at Offices not being maintained/capitalised by UJVN Ltd. **The Petitioner is directed not to claim such expenses in the Tariff Petitions causing unnecessary burden on consumers.**

4.1.2.3.2.3 Civil Haridwar/Mayapur

The Petitioner vide its submission dated 01.04.2025 submitted that an expenditure of Rs. 65.23 Lakh have been incurred for total 3 Nos. animal passages. The Commission observes that the aforesaid work should be covered under CSR activity, therefore, the Commission has not considered these expenses as part of additional capitalisation for tariff purposes and such works may be executed through CSR fund.

4.1.2.3.2.4 MB-I LHP, Dhakrani & Khatima LHP

It is also observed by the Commission that the Petitioner has claimed additional capitalisation of Rs. 3.24 Crore, Rs. 0.71 Crore and Rs. 0.28 Crore towards "Refurbishment of 25 MVA (220/33 kV) Power Transformer" at MB-I, against the works of Isolator & Circuit Breaker at Dhakrani LHP and against the work of SF-6 Circuit Breakers at Khatima LHP respectively. Plant-wise details of the aforesaid works alongwith the Commission's view is given below:

4.1.2.3.2.4.1 MB-I

During the scrutiny of Add cap and R&M expenditure for FY 2023-24, it has been observed that UJVN Ltd. has claimed an additional capitalization of Rs. 3.26 Crore for refurbishment of 25 MVA 220/33 kV Power transformer and had also claimed Rs. 0.83 Crore for the rent of 31.5 MVA Power transformer for catering the load during the refurbishment of the aforesaid Power transformer.

Further, UJVN Ltd. in its subsequent submission furnished that in FY 2022-23 an amount of Rs. 0.98 Crore was also claimed by it for the rent of aforesaid 31.5 MVA Power transformer. While discussing issue during a meeting with the officers of UJVN Ltd. it was brought to the notice that Secretary (Power), GoU in its letter dated 06.06.2022 had directed PTCUL as follows: -

> *"उपर्युक्त विषयक प्रबन्ध निदेशक, यूजेवीएन लि0 के पत्र संख्या–2166, दिनांक 30 मई, 2022 का संदर्भ ग्रहण करने का कष्ट करें, जिसके माध्यम से यूजेवीएन लि0 द्वारा विद्युत पारेषण सम्बन्धी कार्य पिटकुल द्वारा एवं वितरण सम्बन्धी कार्य यू0पी0सी0एल0 द्वारा किये जाने सम्बन्धी उत्तराखण्ड विद्युत नियामक द्वारा समय–समय पर प्रदत्त निर्देशों के क्रम में वर्तमान में संचालित चारधाम यात्रा एवं आगामी मानसून के दृष्टिगत उत्तरकाशी जिले की सुचारू और विश्वसनीय विद्युत आपूर्ति सुनिश्चित किये जाने हेतु पारेषण व्यवस्था का कार्य पिटकुल द्वारा ग्रहण किये जाने तथा 220/33 केवी ट्राँसफार्मर बरम से उत्तरकाशी स्थानान्तरित किये जाने का अनुरोध किया गया है।*
>
> *इस सम्बन्ध मे मुझे यह कहने का निदेश हुआ है कि वर्तमान में चालू चारधाम यात्रा एवं आगामी मानसून के दृष्टिगत उत्तरकाशी जिले की सुचारू एवं विश्वसनीय निर्बाध विद्युत आपूर्ति सुनिश्चित किये जाने हेतु तिलोथ **विद्युत गृह उत्तरकाशी के स्विचयार्ड में स्थित 25 एम0वी0ए0 क्षमता वाले 220 के0वी0/33 के0वी0 ट्राँसफार्मर को रख–रखाव/संचालन हेतु तत्काल प्रभाव से अपने नियन्त्रण में लेते** हुए जनपद पिथौरागढ़ स्थित पिटकुल के बरम सब–स्टेशन से 01 नग 25 एम0वी0ए0, 220 के0वी0/33 के0वी0 ट्रांसफार्मर को अविलम्ब उत्तरकाशी के स्विचयार्ड में स्थापित किये जाने हेतु आवश्यक कार्यवाही करना सुनिश्चित करें।"*

In this regard, the Commission has observed that Secretary (Power), GoU mentioning the directions of the Commission had categorically directed PTCUL to take the aforesaid asset under its control. However, the said asset has not been taken over by PTCUL till date. Understanding the importance of the aforesaid assets installed at UJVN Ltd.'s switchyard which should ideally fall under the purview of PTCUL. Since, the True- up of FY 2022-23 has already been done, the Commission is not revisiting the already allowed amount of Rs. 0.98 Crore However, the expenditure claimed under Add cap of Rs. 3.26 Crore in FY 2023-24 on the account of refurbishment of 25 MVA Power transformer are not being allowed as part of additional capitalisation in the instant Tariff Order. With regard to R&M expenditure of Rs. 0.83 Crore against the rent for 31.5 MVA Power Transformer, the said expenditure has been disallowed from R&M expenses claimed by the Petitioner for FY 2023-24.

4.1.2.3.2.4.2 Dhakrani

UJVN Ltd. has claimed expenditure pertaining to isolators and breakers of Rs. 0.42 Crore and Rs. 0.29 Crore respectively on the assets which should ideally fall under the ambit of the transmission licensee. UJVN Ltd. is required to identify and prepare details of such assets so that the same can be handed over to PTCUL. As on now, the Commission is not allowing the aforesaid expenditure of Rs. 0.71 Crore under Add cap.

4.1.2.3.2.4.3 ***Khatima***

UJVN Ltd. in its submission dated 19.02.2025 has submitted the details of additional capitalization of Rs. 0.28 Crore against SF6 circuit breakers and submitted that the said asset is being utilized for feeding UPCL directly. The Commission has observed that the legacy problem of asset bifurcation amongst UJVN Ltd. and PTCUL exists in Khatima HEP. The Commission is of the view that the said asset should ideally fall under the ambit of transmission licensee, accordingly, the Commission is not allowing the aforesaid expenditure under Add cap. Further, UJVN Ltd. is required to identify and prepare details of such assets so that the same can be handed over to PTCUL.

In the aforesaid context of assets which should ideally fall under the ambit of PTCUL and are being maintained by UJVN Ltd. are prima-facie against the spirit of the Electricity Act, 2003, wherein, the generation has been de-licenced and provision of separate licences for transmission and distribution have been provided for enabling and enforcing accountability within the Power Sector of the Country. **Therefore, UJVN Ltd. and PTCUL should make a comprehensive Plant-wise plan by 30.06.2025 for transferring the assets in a time bound manner latest by 30.09.2025.**

4.1.2.3.3 R&M to Additional Capitalisation

The Petitioner vide its reply dated 19.02.2025 has requested the Commission to consider Rs. 0.35 Crore against "220V, 250 Ah VRLA Battery Bank" & "ITC of 220V 440Ah & 250 Ah VRLA battery" in Khatima LHP as Additional Capitalisation expenses under Plant and Machinery for FY 2023-24 as the same was wrongly booked under R&M expenses. Accordingly, the Commission after adjusting the actual R&M expenses has considered the same as Additional Capitalisation expenses, as shown in **Annexure-7**.

Apart from the above observations, the other capital works claimed are found to be in order and therefore, have been allowed.

The details of all the disallowed and deferred works have been mentioned in **Annexure-8** of this Order. The Plant wise net-disallowance/deferment/shifting details of the same are as follows:

Table 4.16: Disallowed and Deferred claim of Additional Capitalisation for 9 LHPs in FY 2023-24 (Rs. Crore)

Generating Station	Add. Cap. (deferred from previous year and allowed in FY 2023-24)	Net Add. Cap. Disallowance	Add. Cap. (Shifted from R&M)	Net Disallowance /Deferments
(1)	(2)	(3)	(4)	(5=2-3+4)
Dhakrani	0.03	(0.11)	-	0.13
Dhalipur	0.04	(1.24)	-	1.27
Chibro	0.19	0.22	-	(0.03)
Khodri	0.09	2.24	-	(2.14)
Kulhal	0.02	0.03	-	(0.00)
Ramganga	0.15	(0.05)	-	0.21
Chilla	0.11	0.61	-	(0.50)
MB-I	0.07	3.24	-	(3.17)
Khatima	0.03	0.27	0.35	0.12
MB-II	0.24	(0.08)	-	0.32
Vyasi	0.05	(0.03)	-	0.08
Total	**1.02**	**5.09**	**0.35**	**(3.71)**

4.1.2.3.4 Non-compliance regarding Decapitalisation at Dhalipur LHP

As recorded in the Tariff Order dated March 28, 2024, the Petitioner had submitted that out of Rs. 6.99 Crore of decapitalized assets in FY 2022-23, Rs. 6.87 Crore were capitalized in FY 2001-02, Rs 0.005 Crore were capitalised in FY 2010-11 and Rs. 0.11 Core were capitalised in FY 2016-17. The Commission, in its pervious tariff proceedings further raised a query regarding assets against which loan adjustments were required, wherein the Petitioner vide its submission dated 02.02.2024 submitted that few works were inadvertently de-capitalised and have been re-capitalised in April 2023.

The Commission has taken serious note of the inappropriate financial adjustments been made by the Petitioner and observes as follows:

(1) Frequent accounting errors with regard to de-capitalisation have been observed in the past.

(2) Non submission of Form F-6.10 along with the Petition.

(3) Not complying with the Regulations 22 of Tariff Regulations, 2021 such as *"(3) In case of de-capitalisation of assets of a generating company or the distribution licensee or the transmission licensee or SLDC, as the case may be, the original cost of such asset as on the date of de-capitalisation shall be deducted from the value of gross fixed asset and corresponding loan as well as equity shall be deducted from outstanding loan and the equity respectively in the year such de-capitalisation takes place, duly taking into consideration the year in which it was capitalised."*

(4) Not following the directions of the Commission as: *"the Petitioner that as a matter of de-capitalisation policy, the Petitioner should carry out de-capitalisation in the same year in which the asset is taken out from its useful service."*

The Commissions **directs the Petitioner to address the above observations on immediate basis so that such adjustments are not made in future and also directs the Petitioner that as a matter of de-capitalisation policy, should carry out de-capitalisation in the same year in which the asset is taken out from its useful service**. The Commission allows Re-cap of Rs. 0.26 Crore along with necessary adjustments required in the cumulative depreciation and equity with a direction that **Petitioner shall submit Form F-6.10 along with the next tariff Petition, against the Assets added during FY 2023-24 and FY 2024-25.**

4.1.2.3.5 Variation in the cost against the works approved by the Commission through separate investment approvals:

The Commission had approved works as in the Table below, through various Investment Approval Orders and during the scrutiny of the approved works it has been observed that the executed costs has increased drastically against the estimated costs of DPR viz. 'Protection Works in Upstream and Downstream side at Bin Super Passage of Chilla Power Channel (Order dated 25.04.2023)', 'Refurbishment of damaged power channel from Dakpathar Silt Ejector to Dhalipur Power House (Order dated 12.04.2023)' and 'Replacement of wooden sleepers with chequered plates & strengthening of Patel Bridge under DRIP-II of Ichari Dam (Order dated 14.12.2021)'. The details of price variation claimed by the Petitioner for the above said civil works are detailed below:-

Table 4.17: Substantially Variation in Civil Works

Sl. No.	Name of work	Cost estimation in DPR submitted to Commission (in Rs Crore)	Executed cost (in Rs Crore)	% price variation	Reasons for price variation as submitted by the Petitioner vide its submission dated 12.03.2025/[Remark]
(A)	**Protection Works in Upstream and Downstream side at Bin Super Passage of Chilla Power Channel**				
1	Protection Work in Downstream of Bin Super Passage.	9.95	13.88	39%	Additional works pertaining to removal of damaged scattered CC Blocks with fresh M-15 concrete. [Partially under water works]
2	Protection Work in Left Bank at Just Upstream of Bin Super Passage.	5.56	8.58	54%	Additional works pertaining to protection work in Right Bank. [Ground Works]
3	Protection Work in Left Bank near Vindhyavasini Site at Bin River	2.34	2.99	28%	Additional works pertaining to provision of Animal passage. [Ground Works]
(B)	**Refurbishment of damaged power channel from Dakpathar Silt Ejector to Dhalipur LHP**				
1	Refurbishment of damaged power channel from Dakpathar Silt Ejector to Bhimawala Bridge.	1.22	2.16	77%	Execution of additional works i.e. repair of damaged power channel bed from d/s of silt ejector to Jhula pul of approx. 380 m length & 11 m width. [Under water works]
2	Refurbishment of Damaged Power Channel from Skew Bridge to intake of Dhalipur Power Plant (Total length of 300 m out of 3500 m on both sides to be treated)	0.81	1.78	120%	Execution of additional works i.e. repair of damaged power channel bed of approx. 420 m length & 9 m width [Under water works]
Additional work executed during the closure of Power Channel					
3	Repair works in reservoir rim of Dakhpathar Barrage and in Power Channel up to Silt Ejector Channel of Dakhpathar Barrage during closure (April – May 2023)	-	2.12	-	The damage works pertaining to several panels of the power channel upto the Silt Ejector Channel and left & right afflux bunds of the reservoir rim were repaired during closure of power channel [Under water works]
(C)	**Replacement of wooden sleepers with chequered plates & strengthening of Patel Bridge under DRIP-II of Ichari Dam**				
1	Replacement of wooden sleepers with chequered plates & strengthening of Patel Bridge (under DRIP-II of Ichari Dam)	0.59	0.99	68%	Additional works namely the repair of approach road from the main road (state highway connecting Ichari Dam to Haripur) to the Patel bridge alongwith its retaining wall, parapets were done. [Ground works]

On examination of the aforesaid submissions of the Petitioner, the Commission observed that civil works executed by the Petitioner in barrage & power channel are either ground works or under water works and the estimates prepared against the proposed works *prima-facie* indicate that the same have not been prepared after due diligence. This reflects the callous approach of the Petitioner towards prudent estimate preparation, and it appears that the estimates are not being analysed/scrutinized by the respective responsible authorities. The Commission acknowledges that the estimates are of tentative nature and a margin of variation do exist while actual execution of the works at site. However, the large variation from the estimated quantity as depicted in the above-mentioned works portray the casual approach of the Petitioner while preparing the estimates. With regard to the precise estimation, the Commission is of the view that the estimation for the damaged fully/partially underwater parts/regions can be accessed/done by leveraging the latest technology viz application of remotely operated vehicles, underwater cameras etc.

In this regard, the Commission expresses its concern towards significant deviations observed in civil works during execution vis-à-vis the estimates provided in the respective DPRs. The Commission is of the view that such discrepancies may be attributed either to a lackadaisical approach or to a lack of competency on the part of the officers responsible for preparing and verifying these estimates which underscores the need for focused training and capacity building to ensure accurate and reliable estimation of civil works. **However, the Commission, at this stage, takes a lenient view towards the aforesaid civil works except works related to animal passage and cautions the Petitioner, not to repeat such act in future else the same would be liable for rejection**.

4.1.2.3.6 RMU of MB-I

With regard to MB-I, the Commission while scrutinising the RMU expenses vide its Order dated 28.03.2024 had issued following directions.

> *"…As The Commission has observed that some of the works that were planned in DPR for RMU of MB-I are yet to be executed. The Commission therefore directs the Petitioner to expedite the RMU works and complete the same within the cut-off date i.e. 31.03.2025, beyond which no expense (including IDC) in this regard would be allowed.*
>
> *The Commission is also of the view that Hydro-mechanical works and Civils works that are not yet executed pose a risk of increased shut-down times than as assumed in the DPR, thereby reducing the*

availability of the Plant. The Commission directs the Petitioner to complete the said works as soon as possible, reduction in PAFY due to delay in execution of the works shall solely be attributable to UJVN Ltd.

Further, the Petitioner, did not provide the basis for computation of price variation for RMU of Tiloth LHP. The Commission in this tariff order has provisionally considered the hard cost claimed by the Petitioner. The Commission directs the Petitioner to submit the detailed workings with regard to price variation claimed including the following as on 08.09.2022 and as on 31.03.2023 certified by statutory auditor by June 30, 2024.

(1) Details of quantity - original quantity, revised quantity.

(2) Details of price – original unit price as considered in LOA and revised unit price after escalation.

The Petitioner is also directed to submit the details of actual debt, equity & grant infused for the RMU of MB-I LHP and detailed IDC workings on quarterly basis in support of its claimed IDC as on 08.09.2022 duly certified by statutory auditor by June 30, 2024."

The Petitioner vide its submissions dated 24.07.2024 partially complied with the directives issued by the Commission. Based on the submissions of the Petitioner, the Commission further raised queries to the Petitioner vide letter dated 17.12.2024 to which the Petitioner responded vide reply dated 23.12.2024 & 10.02.2025.

Scope of Work

The Petitioner vide reply dated 10.02.2025 has submitted that the final capitalisation of RMU works is still pending. The Commission observes that the Petitioner was able to Capitalise Rs. 7.09 Crore during FY 2023-24 and the same has been scrutinised and approved by the Commission during current proceedings.

With regard to other pending works, **the Commission directs the Petitioner to complete the works within the cut-off date and submit an update on Hydro mechanical works and Civil works as listed below during the True-up of FY 2024-25.**

Table 4.18: Pending Hydro-mechanical works planned for RMU of MB-I in FY 2024-25

Sl. No.	Works as per DPR	Estimated Cost as per DPR (Rs. Lakh)	Estimated Cost in FY 2024-25 (Rs. Lakh)
1	Supply and installation of air compressor with air receiver at Maneri dam district Uttarkashi	40.00	68.40
2	Major overhauling/ renovation of stop log gates of Maneri Dam.	69.75	-
3	Fabrication transportation & erection of stop log gates of Maneri dam	169.50	-
4	Special repair and maintenance of E&M equipment of Maneri Bhali stage-1 Dam, Uttarkashi	79.60	136.12
5	Repairing of sill beam & replacement of bottom rubber seal with epoxy painting of spillway gate of Maneri dam	53.84	92.07
6	Supply & installation of ultra sonic flow meter for discharge measurement at HRT at Maneri Bhali stage-1 dam.	15.00	25.65
	Total	**427.69**	**322.24**

Table 4.19: Pending Civil works for RMU of MB-I

Sl. No.	Works as per DPR	Estimated Cost as per DPR (Rs. Lakh)
1	Removal of deposited RBM from Pond of Maneri Dam.	69.52
2	Construction of TRC (Back Regulator) Gate at the confluence point of TRC of Tiloth House Power & Bhagirathi River	1404.00
	Total	**1473.52**

The Commission is of the view that Hydro-mechanical works and Civils works that are not yet executed pose a risk of increased shut-down times than as assumed in the DPR, thereby reducing the availability of the Plant and **again directs the Petitioner to complete the said works as soon as possible, however, the reduction in PAFY due to delay in execution of the works shall solely be attributable to UJVN Ltd.**

RMU Cost for E&M works

The Petitioner in its investment approval, requested Rs. 230.48 Crore towards E&M works, as against which the actual expenses excluding IDC incurred up to 31.03.2024 is Rs. 189.42 Crore.

Table 4.20: Capital expenditure towards RMU of MB-I

Sl. No.	Particulars	As in DPR (Rs. Crore)	As on 08.09.2022 (Rs. Crore)	As on 31.03.2023 (Rs. Crore)	As on 31.03.2024 (Rs. Crore)
1	Power Plant & accessories (E&M)#	230.48	181.15	182.34	189.42
2	IDC	42.28	17.05	17.05	17.05
	Total	**272.76**	**198.20**	**199.39**	**206.47**

#including Price Variation and excluding IDC

Further, as per Petitioners' submission, the unit-wise capitalisation against the 3 units is as shown in the Table below:

Table 4.21: Unit-wise Capitalisation for RMU of MB-I

Sl. No.	Particulars	Date of Capitalization	Total (with IDC) (Rs. Crore)
1	Unit-I	17.04.2020	66.79
2	Unit-II	07.07.2021	59.26
3	Unit III	08.09.2022	72.15
4	Unit III	31.03.2023	1.18
5	Balance	31.03.2024	7.09
		Total	**206.47**

Financing of RMU of MB-I

The Commission had directed the Petitioner to submit the details of actual debt, equity & grant infused for the RMU of MB-I LHP. The Petitioner vide submission dated 10.02.2025 submitted that it had utilised loan of Rs. 139.85 Crore from REC as on 31.03.2023 along with loan from SAS scheme of Rs. 16.22 Crore on 13.03.2023. The Commission observes that the Petitioner upon securing loan from SAS at zero percent interest post COD has revised the actual funding against RMU. The Petitioner has also submitted that final funding plan is subject to reconciliation /adjustment of funds and the same will be provided at the time of final capitalization of RMU works of MB-I HEP. The revised capital structure for works executed under RMU of MB-I as claimed by the Petitioner as on completion of works for Unit #3 (including Balance Activities) i.e., 01.11.2023 and as on 31.03.2023 is as follows:

Table 4.22: Capital structure as on CoD for RMU of MB-I

Particulars	Financial Package as on Completion of Unit 3 i.e., 01.11.2023	Financial Package as on 31.03.2023
Loan	**69.86%**	**85.60%**
REC	131.79*	138.91*
SAS		16.22
Total Loan	**132.56**	**156.07**

Table 4.22: Capital structure as on CoD for RMU of MB-I

Particulars	Financial Package as on Completion of Unit 3 i.e., 01.11.2023	Financial Package as on 31.03.2023
Equity	**30.14%**	**14.40%**
Domestic	4.00	4.00
Internal Accruals	52.86	22.10
Total Equity	**56.86**	**26.26**
Total	**188.65**	**182.33**

**Pro-rated Debt considering un-discharged liability of Rs. 1.10 Crore submitted.*

The Commission has accordingly adjusted the actual opening of loan and equity for MB-I in FY 2023-24.

The Petitioner further submitted that it has availed loan of Rs. 21.50 Crore on 02.05.2023 through GoU SAS. The Petitioner, however, failed to clarify as to what adjustment is required post receipt of such SAS funds as the additional capitalisation claimed by the Petitioner is lesser than the funds received. The Petitioner further failed to substantiate the claimed debt equity ratio for FY 2023-24. In absence of proper justification, the Commission for the purpose of this Order has considered total additional captialisation done in FY 2023-24 to be funded through loan under SAS scheme and balance excess funds received have been adjusted from the REC loan.

In view of the above discussion, the Commission approves the following capital cost as on COD i.e., 08.09.2022 and additional capitalisation in FY 2022-23 and FY 2023-24 as:

Table 4.23: Approved Capital Cost and Additional Capitalisation for RMU of MB-I (Rs. Crore)

Sl. No.	Particulars	Capital Cost as on 08.09.2022	Add Cap in FY 2022-23	Add Cap in FY 2023-24	Total including IDC
1	Power Plant & accessories (E&M)	181.15	1.18	7.09	189.42
2	IDC	17.05	-	-	17.05
	Total	**198.20**	**1.18**	**7.09**	**206.47**

The Commission further observes that the Petitioner has already claimed Rs. 66.79 Core in FY 2020-21, Rs. 59.26 Crore in FY 2021-22 and Rs. 73.33 Crore (Rs. 72.15 Crore + Rs. 1.18 Crore) in FY 2022-23. The Commission has therefore, allowed a balance amount of Rs. 7.09 Crore as additional capitalisation in FY 2023-24.

4.1.2.3.7 Approved Additional Capitalisation

The Commission in the MYT Order dated 31.03.2022 at para 3.4.3 while approving additional capitalisation directed the Petitioner as follows:

"In view of the above, the Commission for approving additional capitalisation for the Fourth Control Period has provisionally considered the additional capitalisation projected against RMU and DRIP schemes only. For works to be carried out under general works that do not fall either under RMU or DRIP, the Petitioner is directed to seek specific approval under Regulation 22(4) of UERC Tariff Regulations, 2021."

A. 9 LHP

In view of the detailed analysis carried out, the Commission, approves net additional capitalisation for FY 2023-24 for 9 LHPs as shown below:

Table 4.24: Additional Capitalisation approved for 9 LHPs for FY 2023-24 (Rs. Crore)

Generating Station	Approved in Order dt. 31.03.2022	Claimed#	Approved in this Order *
Dhakrani	8.12	9.59	9.72
Dhalipur	47.76	58.71	59.98
Chibro	11.71	13.61	13.58
Khodri	5.86	10.63	8.48
Kulhal	10.70	11.05	11.04
Ramganga	-	12.37	12.58
Chilla	116.24	50.63	50.13
MB-I	9.32	33.73	30.56
Khatima	-	14.28	14.40
Total	**209.71**	**214.59**	**210.46**

 # Including claim of Rs. 29.23 Crore against DRIP works and Rs. 51.60 Crore against RMU works included in Add. cap
**shifting of expenses after prudence check of Add cap & R&M expenses and De-cap, disallowed and deferred expenses*

B. Maneri Bhali-II

In addition to the Capital Cost of Rs. 1885.50 Crore as on CoD, the Commission had approved additional capitalisation from FY 2007-08 to FY 2022-23 amounting to Rs. 420.65 Crore in its previous Tariff Orders, as shown in the Table below:

Table 4.25: Year-wise Additional Capitalisation already approved by the Commission from FY 2007-08 to FY 2022-23 for MB-II LHP (Rs. Crore)

Financial Year	Amount
2007-08	0.09
2008-09	10.26
2009-10	8.14
2010-11	21.70
2011-12	2.01

Table 4.25: Year-wise Additional Capitalisation already approved by the Commission from FY 2007-08 to FY 2022-23 for MB-II LHP (Rs. Crore)

Financial Year	Amount
2012-13	17.90
2013-14	35.32
2014-15	36.77
2015-16	127.24
2016-17	55.08
2017-18	17.00
2018-19	10.64
2019-20	9.02
2020-21	19.17
2021-22	11.05
2022-23	39.25
Total	**420.65**

Based on the above, opening GFA for FY 2023-24 for MB-II LHP is shown below:

Table 4.26: Opening GFA for MB-II as considered by the Commission for FY 2023-24 (Rs. Crore)

Particulars	Amount
Capital Cost	1885.50
Additional Capitalisation from FY 2007-08 to FY 2022-23	420.65
Opening GFA for FY 2023-24	**2306.15**

The Petitioner for MB-II LHP has claimed additional capitalisation for FY 2023-24 as given in the Table below:

Table 4.27: Additional Capitalisation claimed by the Petitioner for FY 2023-24 for MB-II (Rs. Crore)

Components	Additional Capitalisation	De-capitalisation	Net Additional Capitalisation
Land	0.00	-	0.00
Building	10.19	-	10.19
Major Civil Works	8.39	-	8.39
Plant & Machinery	12.36	-	12.36
Vehicles	0.25	-	0.25
Furniture and Fixtures	0.09	-	0.09
Office Equipment & Others	0.11	-	0.11
IT Equipment's including Software	0.46	-	0.46
Total	**31.85**	**-**	**31.85**

The Commission in its Order dated March 31, 2022 approved the additional capitalisation of Rs. 21.06 Crore for FY 2023-24 towards DRIP-II works and was subject to prudence check at the time of True-up.

The Commission sought details of work claimed by the Petitioner and observes that as against Rs. 21.06 Crore approved towards DRIP-II works; the actual additional capitalisation claimed under DRIP-II is only Rs. 4.98 Crore.

With regard to Testing of Surge Shaft Gate, the Commission observes that there has been no progress, and these works are very important with respect to safety of the Plant and delaying such works may be catastrophic from Plant's safety perspective. In this regard, the Petitioner submitted that the said works requires tunnel closure and proposes to take up the work as and when the complete tunnel closure is planned in future.

The Commission directs the Petitioner to complete the works for testing of Surge shaft gate as soon as possible and cautions that any occurrence of damage to the safety of the MB-II Plant in future due to delay in execution of the testing of surge shaft gate shall be solely attributable to UJVN Ltd. However, the Commission shall approve the additional capitalisation subject to prudence check during the Truing-up of the same.

Apart from DRIP works, the Petitioner has claimed additional capitalisation of Rs. 26.87 Crore in FY 2023-24. The Commission sought details of works carried out from the Petitioner which were submitted by the Petitioner. From the submissions of the Petitioner, it is observed that the major works executed by the Petitioner pertain to overhauling of Forebay gates, wire ropes of Radial Gates, Treatment of Cracks in Barrage piers at Joshiyara, 220 Volt, DC 1395 AH Battery and Runner with Top and Bottom Moving Labyrinths.

As also discussed earlier in this Order, the Commission, after the scrutiny of the expenses with regard to Disallowed/ Deferred Works, the Commission has allowed additional capitalisation for MB-II as Rs. 4.98 Crore against DRIP-II and Rs. 26.58 Crore against other works.

The Commission has, accordingly, approved additional capitalisation for FY 2023-24 for MB-II LHP as shown below:

Table 4.28: Asset-wise Additional Capitalisation approved by the Commission for FY 2023-24 for MB-II (Rs. Crore)

Particulars of Assets	Considered in Order dt. 31.03.2022 for FY 2023-24	Net Additional Capitalisation Claimed	Net Additional Capitalisation Approved now after Truing-up for FY 2023-24*
Land	21.06	-	(0.00)
Building		10.19	10.30

Table 4.28: Asset-wise Additional Capitalisation approved by the Commission for FY 2023-24 for MB-II (Rs. Crore)

Particulars of Assets	Considered in Order dt. 31.03.2022 for FY 2023-24	Net Additional Capitalisation Claimed	Net Additional Capitalisation Approved now after Truing-up for FY 2023-24*
Major Civil Works		8.39	8.28
Plant & Machinery		12.36	12.36
Vehicles		0.25	0.05
Furniture and Fixtures		0.09	0.30
Office Equipment & Other Items		0.11	0.05
IT Equipment including Software		0.46	0.46
Total		**31.85**	**31.80**

** including claim of Rs. 4.98 Crore against DRIP-II works, de-cap of Rs. 0.37 Crore in FY 2023-24, adjustment of previously deferred expenses of Rs. 0.24 Crore and net disallowance of Rs. (0.08) Crore*

C. Vyasi LHP

In addition to the Capital Cost as on CoD approved in Order dated March 24, 2025 of Rs. 1632.51 Crore, the Commission had also approved additional capitalisation for FY 2022-23 of Rs. 48.04 Crore. Based on the above, the opening GFA for FY 2023-24 for Vyasi LHP is shown below:

Table 4.29: Opening GFA for Vyasi LHP as considered by the Commission for FY 2023-24 (Rs. Crore)

Particulars	Amount
Capital Cost	1632.51
Additional Capitalisation for FY 2022-23	48.04
Opening GFA for FY 2023-24	**1680.55**

The Petitioner for Vyasi LHP has claimed additional capitalisation for FY 2023-24 as given in the Table below:

Table 4.30: Additional Capitalisation claimed by the Petitioner for FY 2023-24 for Vyasi LHP (Rs. Crore)

Components	Additional Capitalisation	De-capitalisation	Net Additional Capitalisation
Land	0.68	-	0.68
Building	6.56	-	6.56
Major Civil Works	29.56	-	29.56
Plant & Machinery	(0.30)	-	(0.30)*
Vehicles	0.00	-	0.00
Furniture and Fixtures	0.12	-	0.12
Office Equipment & Others	0.10	-	0.10
IT Equipment's including Software	0.21	-	0.21
Total	**36.93**	**-**	**36.93**

**including Receipts and Recoveries of Rs. (0.44) Crore in Plant & Machinery and allocation from HO of Rs. 0.13 Crore*

The Commission sought if the above works were covered in Original Scope or are covered under additional Scope. The Petitioner submitted that the works executed are covered under Original Scope.

As also discussed earlier in this Order, the Commission, after scrutiny of the expenses with regard to Disallowed/ Deferred Works, the Commission has allowed additional capitalisation for Vyasi LHP as Rs. 37.02 as against Original Scope of works, only.

The Commission has, accordingly, approved additional capitalisation for FY 2023-24 for Vyasi LHP as shown below as per the new apportionment philosophy:

Table 4.31: Asset-wise Additional Capitalisation approved by the Commission for FY 2023-24 for Vyasi LHP (Rs. Crore)

Particulars of Assets	Net Additional Capitalisation Claimed	Net Additional Capitalisation Approved now after Truing-up for FY 2023-24
Land	0.68	0.68
Building	6.56	6.61
Major Civil Works	29.56	29.56
Plant & Machinery	(0.30)	(0.30)
Vehicles	0.00	-
Furniture and Fixtures	0.12	0.16
Office Equipment & Other Items	0.10	0.10
IT Equipment including Software	0.21	0.21
Total	**36.93**	**37.02**

4.1.2.4 *Depreciation*

A. Old Nine Generating Stations

Regulation 28 of the UERC Tariff Regulations, 2021 specifies as follows:

"*28.* Depreciation

(1) *The value base for the purpose of depreciation shall be the capital cost of the asset admitted by the Commission.*

Provided that no depreciation shall be allowed on assets funded through Consumer Contribution and Capital Subsidies/Grants.

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

Provided that in case of generating stations, the salvage value shall be as provided in the agreement signed by the developers with the State Government for creation of site;

Provided further that the capital cost of the assets of the generating station, for the purpose of computation of depreciable value for determination of tariff, under these regulations shall correspond to the percentage of sale of electricity under long-term power purchase agreement at regulated tariff.

Provided also that any depreciation disallowed on account of lower availability of the generating station or generating unit or transmission system as the case may be, shall not be allowed to be recovered at a later stage during the useful life and the extended life.

Provided that the salvage value for IT equipment and software shall be considered as NIL and 100% value of the assets shall be considered depreciable.

(3) Land other than the land held under lease and the land for reservoir in case of hydro generating station shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the asset.

(4) Depreciation shall be calculated annually based on Straight Line Method and at rates specified in Appendix - II to these Regulations.
Provided that, the remaining depreciable value as on 31st March of the year closing after a period of 12 years from the date of commercial operation shall be spread over the balance useful life of the assets.

(5) Depreciation shall be chargeable from the first year of commercial operation. In case of commercial operation of the asset for part of the year, depreciation shall be charged on pro rata basis.

(6) In case of de-capitalization of assets in respect of generating station or unit thereof or distribution licensee or SLDC or transmission system or element thereof, the cumulative depreciation shall be adjusted by taking into account the depreciation recovered in tariff by the decapitalised asset during its useful services."

The Petitioner has submitted that no depreciation has been claimed on opening GFA as on January 2000 of 9 LHPs since depreciation of 90% has already been recovered.

The Petitioner submitted that it has computed depreciation on additional capitalisation from FY 2001-02 onwards at the rates specified by the Commission in UERC Tariff Regulations, 2004, UERC Tariff Regulations, 2011, UERC Tariff Regulations, 2015, UERC Tariff Regulations, 2018 and UERC Tariff Regulations, 2021.

With regard to the depreciation on opening GFA as on January, 2000, as all the 9 LHPs have depreciated by 90% of the original cost, no depreciation has been allowed by the Commission in line with the submission of UJVN Ltd.

With regard to the depreciation computation on the assets added during the period from FY 2001-02 to FY 2022-23, the Commission has computed the depreciation in accordance with the provisions of UERC Tariff Regulations, 2011, UERC Tariff Regulations, 2015, UERC Tariff Regulations, 2018 and UERC Tariff Regulations, 2021.

The Commission has computed the balance depreciable value for assets added in each year after January, 2000 by deducting the cumulative depreciation as admitted by the Commission up to 31.03.2016 from the gross depreciable value of the assets. The Commission, further, computed the difference between the cumulative depreciation as on 31.03.2016 and the depreciation so arrived and in case, where asset life has crossed 12 years of such asset addition, the remaining depreciable value as on 31st March of the year has been spread over the balance life.

Based on the above discussed approach, the summary of depreciation as approved in Order dated March 30, 2023 and as approved now by the Commission for FY 2023-24 after Truing-up is shown in the following Table:

Table 4.32: Depreciation approved for 9 LHPs after Truing-up of FY 2023-24 (Rs. Crore)

Generating Station	On Opening GFA as on 14.01.2000		On Additional Capitalisation up to FY 2023-24		Total Depreciation		
	Approved in Order dt. 30.03.2023 for FY 2023-24	Approved now after Truing-up for FY 2023-24	Approved in Order dt. 30.03.2023 for FY 2023-24	Approved now after Truing-up for FY 2023-24	Approved in Order dt. 30.03.2023 for FY 2023-24	Claimed by the Petitioner in FY 2023-24	Approved now after Truing-up for FY 2023-24
Dhakrani	-	-	1.92	1.96	1.92	2.28	1.96
Dhalipur	-	-	5.93	6.67	5.93	7.63	6.67
Chibro	-	-	5.63	6.20	5.63	6.93	6.20
Khodri	-	-	2.33	2.49	2.33	2.79	2.49
Kulhal	-	-	2.32	2.23	2.32	2.51	2.23
Ramganga	-	-	2.52	2.70	2.52	3.14	2.70
Chilla	-	-	6.23	5.49	6.23	6.80	5.49
MB-I	-	-	11.48	11.51	11.48	14.63	11.51

Table 4.32: Depreciation approved for 9 LHPs after Truing-up of FY 2023-24 (Rs. Crore)

Generating Station	On Opening GFA as on 14.01.2000		On Additional Capitalisation up to FY 2023-24		Total Depreciation		
	Approved in Order dt. 30.03.2023 for FY 2023-24	Approved now after Truing-up for FY 2023-24	Approved in Order dt. 30.03.2023 for FY 2023-24	Approved now after Truing-up for FY 2023-24	Approved in Order dt. 30.03.2023 for FY 2023-24	Claimed by the Petitioner in FY 2023-24	Approved now after Truing-up for FY 2023-24
Khatima	-	-	8.48	8.53	8.48	8.85	8.53
Total	**-**	**-**	**46.84**	**47.78**	**46.84**	**55.55**	**47.79**

B. Maneri Bhali-II

As discussed earlier, the Commission has worked out the additional capitalisation for FY 2023-24 for MB-II Plant considering the Capital Cost approved as on CoD of the project and year-wise additional capitalisation approved by the Commission.

The Commission has computed the depreciation for FY 2023-24 in accordance with the UERC Tariff Regulations, 2021. As MB-II has completed 12 years from CoD in FY 2019-20, hence, the balance depreciable value of the capital cost as on CoD has been spread equally throughout the balance useful life of the assets.

With regard to additional capitalisation post commissioning, the Commission for computing depreciation has adopted the same approach as stated in its previous Orders.

In line with the above approach, the Commission has computed the depreciation for FY 2023-24 for MB-II on the approved capital cost as on CoD of Rs. 1885.50 Crore along with the additional capitalisation of Rs. 420.65 Crore approved up to FY 2022-23. Accordingly, the Commission in this Order has Trued-up the depreciation for FY 2023-24 as follows:

Table 4.33: Depreciation for MB-II for FY 2023-24 (Rs. Crore)

Particulars	Approved in AFC Order dt. 30.03.2023	Claimed	Approved now after Truing-up
Depreciation	46.21	52.84	47.13

C. Vyasi LHP

The Commission has computed the depreciation for FY 2023-24 in accordance with the UERC Tariff Regulations, 2021 considering the Capital Cost as on COD and additional capitalisation approved by the Commission.

Accordingly, the Commission in this Order has approved the depreciation for FY 2023-24 as follows:

Table 4.34: Depreciation for Vyasi LHP for FY 2023-24 (Rs. Crore)

Particulars	Claimed	Approved now after Truing-up
Depreciation	99.92	85.36

4.1.2.5 *Return on Equity (RoE)*

A. Old Nine Generating Stations

The Petitioner has submitted that it has claimed RoE in accordance with the aforesaid UERC Tariff Regulations, 2021 at the rate of 16.50% for Chibro, Khodri, Ramganga and MB-I and at the rate of 15.50% for Dhakrani, Dhalipur, Kulhal, Chilla and Khatima on post-tax basis. Accordingly, the Commission has allowed RoE at the rates as claimed by the Petitioner in line with Regulation 26 of UERC Tariff Regulations, 2021.

Regulation 26 of the UERC Tariff Regulations, 2021 specifies as follows:

"26. Return on Equity

(1) Return on equity shall be computed on the equity base determined in accordance with Regulation 24.

Provided that, Return on Equity shall be allowed on amount of allowed equity capital for the assets put to use at the commencement of each financial year.

Provided further that, if the generating stations/licensees are able to demonstrate the actual date of asset being put to use and capitalized in its accounts of each asset for the purposes of business carried on by it through documentary evidence, including but not limited to 'asset put to use certificate', 'audited accounts' etc., then in such cases, after due satisfaction of the Commission, the RoE shall be allowed on pro-rata basis after considering additional capitalization done during the year out of the equity capital.

(2) Return on equity shall be computed on at the base rate of 15.5% for thermal generating stations, transmission licensee, SLDC and run of the river hydro generating station and at the base rate of 16.50% for the storage type hydro generating stations and run of river generating station with pondage and distribution Licensee on a post-tax basis.

Provided that return on equity in respect of additional capitalization after cut-off date beyond the original scope excluding additional capitalization due to Change in Law, shall be computed at the *weighted average rate of interest on actual loan portfolio of the distribution company or the generating station or the transmission system;*

…"

In the previous Tariff Orders, the Commission w.r.t. the pending finalisation of the Transfer Scheme of the Petitioner, had allowed RoE on the provisional value of the opening equity of Rs. 151.19 Crore in accordance with the directions of the Hon'ble Appellate Tribunal for Electricity issued in the Order dated 14.09.2006 (Appeal No. 189 of 2005) and detailed in the Commission's Order dated 14.03.2007. With regard to RoE on additional Capitalisation, the Commission has considered the normative equity of 30% where entire financing has been done through internal resources and on actual basis in other cases subject to a ceiling of 30% as specified in the UERC Tariff Regulations, 2021.

Further, with regard to funding of additional capitalisation for the works for FY 2023-24, the Petitioner submitted that normative Debt: Equity ratio of 70:30 has been considered for non-DRIP works and for DRIP works Debt : Equity ratio of 80:20 has been considered.

The Petitioner submitted that Govt. on Uttarakhand (GoU) vide its letter No. 246131/I-1/04(8)/06/2023 e-file-51015 dated 14th October, 2024 has revised the terms of funds disbursed under SASCI (Special Assistance Scheme for Capital Investment) scheme during FY 2023-24. As per the revised terms, the disbursed amount is sanctioned in 70:30 (Loan : Equity) ratio. The annual rate of interest on loan amount has been allowed as 6.50%. The Commission vide TVS MoM dated 29.01.2025 raised a query related to the Terms and Conditions for funds disbursed from SAS and SASCI. The Petitioner vide reply submitted following details:

Table 4.35: T&C for SAS and SASCI Fund from GoU

Particulars	SAS (up to FY 2022-23)	SASCI (in FY 2023-24)
Funding:		
Debt	100%	70%
Equity	0%	30%
Repayment Terms:		
Rate of Interest	0%	6.5% P.A.
Repayment Period	10 Years	12 Years
Moratorium Period	3 years or COD whichever is earlier	COD plus 6 months

The Commission notes the change in funding pattern for funds received from SAS Scheme by GoU and herein refers to the scheme with revised Terms & Conditions (T&C) as 'SASCI'. The Commission noted that SAS and SASCI loans have been utilised against the works as follows:

Table 4.36: Works covered under SAS and SASCI Scheme

SAS (up to FY 2022-23)	SASCI (in FY 2023-24)
1. Vyasi (new LHP)	1. Early Warning System for Barrages & Dams
2. Dhalipur (RMU)	2. Refurbishment of Dhalipur Power Channel
3. Tiloth/MB-I (RMU)	3. Refurbishment of Rishikesh at Bin Super Passage
	4. Procurement of 1 No. HVOF CR at MB-II

Accordingly, the Commission has also considered normative Debt : Equity ratio of 70:30 for non-DRIP works and Debt: Equity ratio of 80:20 for DRIP works.

It is observed that Regulation 26 of UERC Tariff Regulations, 2021 specifies that RoE shall be allowed at the rate of 15.50% for ROR stations and 16.50% for storage type hydro stations and ROR stations with pondage. However, such rate of return shall be allowed only on equity infused on works that are part of original scope of works and have been executed prior to the cut-off date and on equity infused on works carried out on account of change in law. The rate of return on equity infused on works after cut-off date and works that are beyond original scope excluding works pertaining to change in law has been limited to the Weighted Average Rate of Interest (WAROI) on actual loan portfolio, which is 10.26% for Khatima LHP, 9.59% for 06 LHPs (excluding DRIP loan and SAS loan) and Plants where RMU has been completed in FY 2022-23 or FY 2023-24, RoE as applicable for the respective Plant i.e., 16.50% for MB-I LHP and 15.50% for Dhalipur LHP has been considered.

The Commission, while calculating WAROI for computation of RoE for 06 LHPs, has taken a considerate view by not considering zero interest bearing DRIP loans and SAS loans for computation of WAROI for 06 LHPs.

In order to implement the same, the Commission sought details of additional capitalization incurred on account of Change in Law. The Petitioner however failed to submit the required details within the stipulated time. As considered in the Tariff Order dated March 28, 2024, the Commission for computation of RoE has adopted the following approach.

(1) LHPs where RMU has not been completed, RoE at 15.50% or 16.50%, as applicable has been allowed on the equity component corresponding to Transfer Value as on 14.01.2000. Equity infused on additional capitalisation post 14.01.2000 except unit-wise

RMU works and DRIP works has been allowed rate of return at WAROI.

(2) LHPs where RMU has been completed the total GFA as on cut-off date has been considered to be part of Original Scope of works hence RoE at the rate of 15.50% or 16.50% as applicable has been allowed. Post cut-off date, rate of return on equity infused on works except for unit-wise RMU works and DRIP works has been allowed at WAROI.

(3) All DRIP works have been considered to be akin to RMU for the purpose of allowing RoE as these works also pertains to dam rehabilitation.

(4) As the details of works incurred on account of Change in Law has not been provided by the Petitioner, rate of return on equity infused on all other works have been computed at WAROI.

The summary of the Return on Equity approved for 9 LHPs for FY 2023-24 is shown in the **Table** given below:

Table 4.37: Equity and Return on Equity for Nine Old LHPs for FY 2023-24 (Rs. Crore)

Generating Station	RoE approved in Order dt. 30.03.2023 for FY 2023-24			Claimed by the Petitioner		Approved now after Truing-up for FY 2023-24		
	On Transferred Asset	On Additional Capitalisation	RoE	Opening Equity	RoE	Opening Equity (Transferred Asset+RMU+DRIP)*	Opening Equity (Others)	Total RoE
Dhakrani	0.58	1.57	2.15	13.59	1.87	7.30	6.29	1.73
Dhalipur	0.95	5.36	6.31	45.02	6.64	39.44	5.59	6.98
Chibro	4.35	4.94	9.29	59.66	8.04	33.66	26.00	8.05
Khodri	3.66	2.26	5.92	36.79	5.31	25.84	10.96	5.31
Kulhal	0.81	1.78	2.60	16.80	2.30	11.73	5.07	2.30
Ramganga	2.48	2.27	4.75	29.92	3.90	15.00	14.91	3.91
Chilla	5.81	4.91	10.72	67.08	9.44	50.98	16.10	9.44
MB-I	5.43	11.68	17.11	105.04	16.36	75.12	13.69	14.65
Khatima	0.24	7.55	7.79	50.61	7.74	46.69	3.92	7.64
Total	**24.31**	**42.32**	**66.64**	**424.51**	**61.6**	**305.76**	**102.53**	**60.02**

** Including De-cap adjustments in FY 2022-23*

With regard to the Income Tax, the Petitioner, in the Petition has submitted that on the basis of filing of Income Tax Return, the amount recoverable from the beneficiaries are determined. The Petitioner further submitted that it claims the reimbursement of income tax immediately on final assessment of tax & payment of the same to the income tax department. However, there is substantial delay in receiving the reimbursement of the tax paid from UPCL. The Petitioner further requested the amount of income tax to be recovered from beneficiaries may kindly be allocated in the Tariff Order itself after prudence check.

With regard to allocation of actual taxes paid among its generating stations and then to beneficiaries, the Commission has already specified the methodology while carrying out True-up for FY 2019-20 in its Order dated April 26, 2021 and the same has been adopted by the Petitioner for FY 2023-24.

The Commission is of the view that the Regulation 34 of UERC Tariff Regulations, 2021 allows recovery of actual Tax paid subject to submission of documentary proof. Therefore, the Commission allows the Petitioner to recover (actual) Income Tax paid separately from its beneficiaries in accordance with Regulation 34 of the UERC Tariff Regulations, 2021.

B. Maneri Bhali-II

As discussed earlier, the Commission has considered the Capital Cost of MB-II project as on CoD as Rs. 1885.50 Crore as approved by the Commission in its Order dated 05.04.2016. In the said Order, the Commission had approved financing of the Capital Cost and held as follows:

"As discussed earlier, the Commission has approved the Capital cost of MB-II project as on COD and, accordingly, the financing of the project. The Commission has reworked the total equity component as on COD to Rs. 685.50 Crore. In accordance with the Tariff Regulations, equity in excess of 30% has to be treated as normative loan. Accordingly, the equity for MB-II LHP as on COD works out to Rs. 565.65 Crore which includes pre-2002 expenses of Rs. 164 Crore, power development fund of Rs. 326.76 Crore and GoU budgetary support of Rs. 74.89 Crore and the balance amount of Rs. 119.85 Crore has been considered as normative loan."

The Commission has not been allowing Return on Equity on funds deployed by the GoU out of PDF fund for reasons recorded in the previous Tariff Orders. The Hon'ble APTEL vide its Judgement dated 19.07.2024 (in Appeal no 215 of 2016, Appeal no 283 of 2016 and Appeal no 139 of 2018) has allowed RoE on from Power Development Fund as below-

"37. We hold and clarify that RoE has to be computed on any investment made by the State Government in a power project as equity/share capital (not as loan or grant) irrespective of source from which the investment has been drawn. Accordingly, the Commission has erred in denying RoE to the appellant on the sum of Rs. 341.39 crores invested by the State Government

in its power project as share capital from Power Development Fund. The Commission shall now do the needful at the earliest and preferably within two months from the date of this order.

38. Additionally, the appeal No.215/2016 is remanded back to the Commission for a fresh consideration on the claim of appellant regarding excess IDC and price variation component of capital cost for MB-II power project for the period last six months before the date of its commissioning. This exercise shall also be done by the Commission within two months from the date of this order after hearing the parties again."

In line with the direction of the Hon'ble APTEL, the Commission sought the Petitioner's claim. The Petitioner vide its letter dated 20.02.2025 claimed an amount of Rs. 804.41 Crore towards past impact of RoE on Equity invested out of PDF till FY 2022-23.

The Commission observed that the Petitioner did not claim any carrying cost for its claim towards RoE on PDF for previous years while claiming the impact. After perusing the submissions of the Petitioner, the Commission observed that the Petitioner while claiming the year wise impact did not factor in the impact on account of disallowance of reduced NAPAF and actual generation. The Petitioner also did not factor in the impact of increase in IWC due to increase is RoE. The Commission has computed RoE on PDF from COD to FY 2022-23 as per the respective Tariff Regulations, which was applicable for the respective financial years and has also considered the impact on Interest on Working Capital. The total past impact works out to Rs. 746.18 Crore as against Rs. 804.41 Crore claimed by the Petitioner till FY 2022-23. The year wise claim of the Petitioner vis-à-vis that allowed by the Commission is as shown in the Table below:

Table 4.38: Impact of RoE on PDF from COD to FY 2022-23 for MB-II

Year	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	Total
Computed by the Petitioner	45.75	46.19	46.53	47.44	47.52	53.44	54.46	54.46	54.46	57.98	57.98	57.98	57.98	57.98	57.98	58.61	**804.41**
Allowed	**46.68**	**47.12**	**47.43**	**48.46**	**48.69**	**35.40**	**39.44**	**46.88**	**46.88**	**53.46**	**49.81**	**51.13**	**56.18**	**56.70**	**59.15**	**57.47**	**746.18**

The Commission has allowed the aforesaid amounts in compliance to Hon'ble APTEL's Judgement dated 19.07.2024, however, as the matter is sub-judice, the same will remain subject to the decision of the Hon'ble Supreme Court passed in the matter.

The Commission observes that the impact of the above is substantial to be passed on to the consumer in a single financial year. Therefore, the Commission in accordance with Regulation 35 of Tariff Regulations, 2021 has decided to liquidate the said amount in three years i.e., by 31.03.2028:

"35. Regulatory Asset

In case of abnormal variation in income or expenses resulting in substantial revenue gap, full recovery of which in a single year is not feasible, the Commission may allow creation of Regulatory Asset as per guidelines provided in clause 8.2.2 of the Tariff Policy and suitably provide for its recovery through tariff or as a surcharge within a period not exceeding seven years. Amortisation of the regulatory asset so created shall be dealt in accordance with the Tariff Policy, provided that the Commission may allow a carrying cost on Regulatory Asset at such rates as the Commission may deem fit."

The Commission has decided to liquidate the asset in three years as the same is also in line with the Electricity (Amendment) Rules, 2024 dated 10.01.2024 as:

"…Provided further that such gap along with the carrying costs at the base rate of Late Payment Surcharge as specified in the Electricity (Late Payment Surcharge and Related Matters) Rules, 2022, as amended from time to time shall be liquidated in maximum three numbers of equal yearly instalments from the next financial year:

…"

The Commission as discussed earlier, has allowed return of 16.50% on equity infused on works that are part of original scope of works and have been completed within the cut-off date i.e., by 31.03.2009. Similar to the approach considered for 9 LHPs, DRIP works were executed in case of MB-II till 31.03.2023 are considered to be akin to RMU for the purpose of allowing RoE. The rate of return on equity infused towards all additional capitalisation post 31.03.2009 till 31.03.2023 has been allowed at WAROI @ 8.59%.

As discussed above, against amount to be recovered for income tax, the Petitioner is allowed to recover the same in accordance with Regulation 34 of the UERC Tariff Regulations, 2021.

The opening equity considered by the Commission for the purpose of return on equity is as shown in the Table below:

Table 4.39: Opening Equity approved by the Commission for MB-II for FY 2023-24 (Rs. Crore)

Particulars	Claimed	Approved Opening Equity (Original Scope + DRIP)	Approved Opening Equity (Others)
Opening Equity	689.27	573.90	103.26

The Commission on account of the financing of the additional capitalisation for FY 2022-23 has revised the RoE allowed for FY 2023-24 as shown below:

Table 4.40: RoE approved for MB-II for FY 2023-24 (Rs. Crore)

Particulars	Approved in AFC Order dt. 30.03.2023 for FY 2023-24	Claimed	Approved now after Truing-up
RoE	52.88	113.42	103.56

C. Vyasi LHP

The Commission has calculated RoE in line with the UERC Tariff Regulations, 2021. As discussed earlier, the Commission has approved the GFA as on 31.03.2023 of Vyasi LHP along with its funding in its Order dated March 24, 2025.

The Commission has considered the closing equity approved for FY 2022-23 in its Order dated March 24, 2025 as the Opening Equity for FY 2023-24 and is as shown in the following table:

Table 4.41: Opening Equity approved by the Commission for Vyasi LHP for FY 2023-24 (Rs. Crore)

Particulars	Claimed	Approved now after Truing-up
Opening Equity	589.46	497.86*

**after adjusting SAS funding of Rs. 39.93 Crore*

The Commission has accordingly allowed RoE at the rate of 16.50% on the opening equity and is as shown in the following table:

Table 4.42: RoE approved for Vyasi LHP for FY 2023-24 (Rs. Crore)

Particulars	Claimed	Approved now after Truing-up
RoE	98.18	82.15

4.1.2.6 *Interest on Loans*

A. Old Nine Generating Stations

Regulation 27 of the UERC Tariff Regulations, 2021 specifies as follows:

"27. Interest and finance charges on loan capital and on Security Deposit

(1) The loans arrived at in the manner indicated in Regulation 24 shall be considered as gross normative loan for calculation of interest on loan.

(2) The normative loan outstanding as on 01.04.2022 shall be worked out by deducting the cumulative repayment as admitted by the Commission up to 31.3.2022 from the approved gross normative loan.

(3) The repayment for each year of the Control Period shall be deemed to be equal to the depreciation allowed for that year. In case of decapitalization of assets, the repayment shall be adjusted by taking into account cumulative repayment on a pro rata basis and the adjustment should not exceed cumulative depreciation recovered upto the date of decapitalization of such asset.

...

(5) The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio of the previous year after providing appropriate accounting adjustment for interest capitalised:

Provided that if there is no actual loan for a particular year but normative loan is still outstanding, the last available weighted average rate of interest shall be considered.

Provided further that if the generating station or the transmission system or the distribution system or SLDC, as the case may be, does not have actual loan, then the weighted average rate of interest of the generating company or the Transmission Licensee or the Distribution Licensee or SLDC as a whole shall be considered.

(6) The interest on loan shall be calculated on the normative average loan of the year by applying the weighted average rate of interest.

Provided that on account of additional capitalization during the year, interest on additional loan shall be calculated on pro-rata basis.

…"

The Petitioner submitted that as per the provisions of Regulation 24 of UERC Tariff Regulations, 2021, interest on normative debt has been considered on the value equivalent to 70% of additional capitalisation only.

It is observed that the Petitioner during the previous tariff proceedings submitted a copy of the letter dated 12.03.2021 directing the concerned officials to ensure circulation of Work Completion

Certificate after completion of capital works to ensure service equity in SAP (measurement) and technical completion of respective Work Breakdown Structure (WBS) in ERP followed by timely capitalisation of the works in the accounting records of company in line with applicable Ind-AS. Previously, it was also submitted that the Petitioner is adopting the practice of capitalizing the assets as soon as assets are available to use/put to use, instead of booking at the end of financial year. It is however observed that in FY 2024-25 the actual capitalisation carried out by UJVN Ltd. for 9 LHPs during April-September is Rs. 83.28 Crore as against total estimated capitalisation of Rs. 286.68 Crore i.e. 29%, which still depicts that major capitalisation is being done at the end of the financial year. The Commission, therefore, only for the purpose of allowing interest on loan has calculated the interest rate on opening loan less average repayment. Accordingly, the Commission has considered the interest rate of 10.26% for Khatima, 8.49% for MB-I, 8.06% for Dhalipur and 8.18% for other 6 LHPs (including DRIP loan and SAS loan).

The assets decapitalised by the Petitioner in FY 2023-24 for Chilla were fully depreciated as per the data submitted by the Petitioner in the reply dated January 04, 2025. Accordingly, for normative loan calculation, i.e., 70% of asset value, less cumulative depreciation which was NIL. Hence, the Commission has not adjusted the normative loan addition of the respective LHP.

The opening/closing loan for FY 2023-24 for 9 LHPs as considered by the Commission is shown in the Table below:

Table 4.43: Opening/Closing Loan considered for FY 2023-24 for 9 LHPs (Rs. Crore)

Particulars	Opening Loan	Loan For Asset Capitalised	Repayment	Closing Loan
Dhakrani	24.78	6.80	1.96	29.63
Dhalipur	93.24	41.93	6.67	128.51
Chibro	62.98	9.61	6.20	66.39
Khodri	20.12	5.99	2.49	23.62
Kulhal	30.15	8.46	2.23	36.38
Ramganga	21.35	8.80	2.70	27.45
Chilla	72.88	35.46	5.49	102.85
MB-I	177.56*	23.03	11.51	189.08
Khatima	64.19	10.08	8.53	65.73
Total	**567.25**	**150.16**	**47.79**	**669.64**

**including SAS loan of Rs. 16.22 crore.*

Further, the Petitioner has submitted that repayment has been considered as equal to the depreciation claimed for the year. The details of quarter-wise actual loan repayment, and interest paid towards existing loans along with interest rebate received for FY 2023-24 for the 11 LHPs (9 old

LHPs, MB-II LHP and Vyasi LHP) were submitted by the Petitioner vide reply dated February 07, 2025.

Based on the above considerations, the Commission has approved interest on loan based on the average of opening and closing loans for 9 LHPs for FY 2023-24 after excluding the loan corresponding to Additional Capitalisation during the year as the practice of the Petitioner is to capitalise the assets at the end of the year (except for the Projects where CoD for RMU is attained during the year i.e., Dhalipur) and adjusting the loan repayment on de-capitalized assets in Dhalipur LHP and MB-I LHP. The same is shown in Table below:

Table 4.44: Interest on Loan as approved for 9 LHPs for FY 2023-24 (Rs. Crore)

Generating Station	Approved in AFC Order dt. 30.03.2023	Interest Claimed	Interest Approved
Dhakrani	1.48	2.58	1.95
Dhalipur	6.05	10.58	8.50
Chibro	3.36	6.15	4.90
Khodri	1.07	2.15	1.54
Kulhal	2.01	3.17	2.37
Ramganga	1.14	2.30	1.64
Chilla	5.35	8.35	5.74
MB-I	10.04	15.70	14.59
Khatima	5.88	6.65	6.15
Total	**36.38**	**57.64**	**47.36**

It is observed that there is a considerable variation in the approved interest vis-à-vis that claimed by the Petitioner. This variation arises due to the Commission's approach of including Plant-wise SAS loans and loans against 11 LHPs in the computation of weighted average rate of interest.

B. Maneri Bhali-II

The Commission has considered the Capital Cost of Maneri Bhali-II as on CoD and the financing thereof as approved in Tariff Order dated March 28, 2024. The Commission has considered the equity in excess of 30% of the capital cost of MB-II as normative loan, which works out to Rs. 119.85 Crore for closing normative loan for FY 2022-23 in addition to PFC loan of Rs. 1200 Crore.

The details of interest rebate on timely payments received on loans pertaining to MB-II LHP for FY 2023-24 were submitted by UJVN Ltd. along with the Petitioner with rebate of Rs. 0.38 Crore on account of timely payments and 0.10 Crore on account of guarantee fee.

In case of MB-II station, as the actual loans have been availed for the project, therefore, the interest has been computed on the basis of interest rate applicable to these loans availed for the project.

For calculating the interest expense for FY 2023-24, the Commission has computed the weighted average rate of interest as per the methodology specified above and has considered interest rate of 8.59% for MB-II.

The Opening/Closing loan for FY 2023-24 for MB-II considered by the Commission is shown in the Table below:

Table 4.45: Opening/Closing Loan considered for MB-II for FY 2023-24 (Rs. Crore)

Particulars	PFC Loan	GoU Loan	DRIP Loan	Normative Loan
Opening Loan	355.77	24.18	20.58	33.08
Addition	-	-	3.98	18.77
Repayment	38.67	2.63	2.24	3.60
Closing loan	317.10	21.56	22.33	48.26

The Commission based on the approved capital cost and the opening and closing loan including the normative loan for MB-II as on 31.03.2024 has computed the interest expenses for FY 2023-24 after excluding the loan corresponding to the additional capitalisation during the year as the practice of the Petitioner is to capitalise the asset at the end of the year. The Commission, in accordance with Regulation 27(3) of UERC Tariff Regulations, 2021 has considered the repayment for FY 2023-24 equal to the depreciation allowed for the year.

Also, the Commission has adjusted the rebate received by the Petitioner and Guarantee Fee for FY 2023-24 as per the methodology followed by the Commission in the Order dated March 28, 2024.

Based on the above considerations and the UERC Tariff Regulations, 2021, the Commission has calculated the interest expenses for MB-II for FY 2023-24 as shown in the Table below:

Table 4.46: Interest on Loan as approved for MB-II for FY 2023-24 (Rs. Crore)

Particulars	Approved in Order dt. 30.03.2023	Claimed	Approved now after Truing-up
Interest on Loan	38.81	37.24	33.64

C. Vyasi LHP

The Commission has considered the Capital Cost of Vyasi LHP as on CoD and the financing thereof as approved in Order dated March 24, 2025.

In case of Vyasi LHP, as the actual loans have been availed for the project, therefore, the interest has been computed on the basis of interest rate applicable to these loans availed for the project.

For calculating the interest expense for FY 2023-24, the Commission has computed the weighted average rate of interest as per the methodology specified above and has considered interest rate of 9.62% for Vyasi LHP excluding loans received under SAS Scheme.

The Opening loan for FY 2023-24 has been considered to be equal to the closing loan value as approved by the Commission in its Order dated 24.03.2025. The statement of loan for Vyasi LHP considered by the Commission is as shown in the Table below:

Table 4.47: Opening/Closing Loan considered for Vyasi LHP for FY 2023-24 (Rs. Crore)

Particulars	Normative Loan	SAS Loan
Opening Loan	1,068.36	39.93
Addition	(43.06)	80.07
Repayment	82.28	3.08
Closing loan	943.02	116.92

The Commission based on the approved capital cost and the opening and closing loan including the normative loan for Vyasi LHP as on 31.03.2024 has computed the interest expenses for FY 2023-24 after excluding the loan corresponding to the additional capitalisation during the year as the practice of the Petitioner is to capitalise the asset at the end of the year. The Commission, in accordance with Regulation 27(3) of UERC Tariff Regulations, 2021 has considered the repayment for FY 2023-24 equal to the depreciation allowed for the year.

Based on the above considerations and the UERC Tariff Regulations, 2021, the Commission has calculated the interest expenses for Vyasi LHP for FY 2023-24 as shown in the Table below:

Table 4.48: Interest on Loan as approved for Vyasi LHP for FY 2023-24 (Rs. Crore)

Particulars	Claimed	Approved now after Truing-up
Interest on Loan	119.71	98.86

4.1.2.7 *Operation & Maintenance (O&M) Expenses*

A. Truing-up of O&M Expenses for FY 2023-24 (Nine Large Generating Stations)

The Petitioner submitted that O&M expenses for FY 2023-24 have been considered as per the audited accounts. Further, as per Regulation 30(1) of UERC Tariff Regulations, 2021, the Petitioner submitted the O&M expenses comprising of Employee Expenses, Repair & Maintenance expenses and Administrative & General expenses which are as per audited accounts provisional segregated Annual Accounts for each of 11 LHPs & SHPs for the FY 2023-24.

The Petitioner, in its previous Tariff Petitions has been bifurcating the components of total O&M expenses into direct and indirect expenses. Thereby, allocating direct expenses to respective hydro power project for which corresponding expenses have been incurred and as per apportionment philosophy approved by the Commission. Therefore, the Commission has considered the O&M expenses as submitted by the Petitioner.

Further, the Commission has considered the revision in CPI Inflation and WPI Inflation on the basis of actual data and has computed the O&M expenses on the basis of Regulation 48(2) of UERC Tariff Regulations, 2021. Accordingly, for arriving at the normative O&M expenses for FY 2023-24, the Commission has escalated the normative expenses of FY 2022-23. The Commission for the purpose of escalation has considered following escalation rates.

Table 4.49: Escalation Rates as considered by the Commission for FY 2023-24

Particulars	FY 2023-24
CPI Inflation	5.40%
WPI Inflation	7.90%

Further, for the purpose of arriving at employee expenses for FY 2023-24, the Commission has considered the value of Growth Factor 'Gn' on the basis of actual details of recruitment provided by UJVN Ltd. Further, the Commission has considered the 'K' factor for R&M expenses as approved in the MYT Order dated 31.03.2022.

4.1.2.7.1 Employee Cost for 9 LHPs

The Commission has considered the same approach for computation of employee expenses for FY 2023-24 as considered by it in the Tariff Order dated March 30, 2023.

With regard to calculation for 'Gn', the Commission observed that opening number of employees for FY 2023-24, i.e. 1519 for Head Quarters (HQ) and LHPs was submitted by the Petitioner. The Commission observed that the actual additions during the year were less than the number of retirements, accordingly, the Growth Factor 'Gn' considered by the Commission is as given below:

Table 4.50: Growth Factor 'Gn' considered for FY 2023-24

Particulars	FY 2023-24
Opening No. of Employees (Pertaining to HQ & 10 LHPs)	1469
Employee Addition (Pertaining to HQ & 10 LHPs)	31
Retirement/Internal Transfers/Etc. (Pertaining to HQ & 10 LHPs)	54
Closing Balance (Pertaining to HQ & 10 LHPs)	1446
Gn	**0.00%**

It is also observed that the Petitioner has included interest on GPF trust liabilities as part of employee expenses. The Commission has not considered the claim of interest on GPF trust liability in line with its earlier approach.

A summary of the employee expenses claimed and approved by the Commission for FY 2023-24 as per apportionment philosophy approved in Tariff Order dated March 28, 2024 are shown in the Table below:

Table 4.51: Employee Expenses approved and claimed for 9 LHPs for FY 2023-24 (Rs. Crore)

Generating Stations	Approved in AFC Order dt. 30.03.2023	Claimed	Approved Actual Expenses*
Dhakrani	12.66	14.74	14.64
Dhalipur	12.80	11.33	11.18
Chibro	47.26	40.42	39.73
Khodri	23.34	21.60	21.25
Kulhal	9.84	9.17	9.09
Ramganga	32.63	28.65	28.08
Chilla	35.91	35.34	34.93
MB-I	28.53	23.42	23.16
Khatima	13.06	12.11	11.99
Total	**216.03**	196.77	194.04

** Excluding the GPF trust interest*

4.1.2.7.2 *Repairs and Maintenance Expenses for 9 LHPs*

The Commission in its MYT Order dated March 31, 2022 had computed the percentage of actual R&M expenses, actual opening GFA for each year from FY 2018-19 to FY 2020-21. Thereafter, the Commission had considered the average of such percentages as 'K' factor. The Commission had considered the constant factor 'K' as follows:

Table 4.52: K-Factor as considered by the Commission

Generating Stations	Average of 3 years
Dhakrani	29%
Dhalipur	17%
Chibro	12%

Table 4.52: K-Factor as considered by the Commission

Generating Stations	Average of 3 years
Khodri	14%
Kulhal	22%
Ramganga	9%
Chilla	10%
MB-I	5%
Khatima	3%

The Commission vide its Order dated 31.03.2022, in view of higher actual R&M expenses increased K-Factor for Khatima LHP to 4% from 3%. Accordingly, K-factor for Khatima has been considered as 4% for FY 2023-24.

The Commission in its Order dated 31.03.2022 ruled that for MB-I, post RMU, the R&M expenses have been limited to 2.00% of GFA. Accordingly, for MB-I, post RMU, R&M expenses are considered as 2.00% of GFA for FY 2023-24.

For computing the R&M expenses for FY 2023-24, the Commission has multiplied the 'K' Factor as given above with the opening GFA approved for FY 2023-24. The Commission observed that the actual expenses claimed by the Petitioner includes the expenses on account of implementation of ERP, and the normative O&M Expenses approved for the Fourth Control Period in MYT Order included the GFA on account of ERP. Accordingly, the Commission has adjusted the opening GFA for FY 2023-24 with the addition on account of ERP approved in FY 2018-19.

Further, in MYT Order dated 31.03.2022, with regard to DRIP and RMU works, the Commission has considered R&M expenses as 3% of DRIP works and RMU works for computing normative R&M expenses. As detailed earlier with regard to Relaxation sought in approved NAPAF in this Order, Units of Dhakrani and Dhalipur LHPs were under shutdown in FY 2023-24 for RMU works and proportionate R&M for balance Units under operations have been allowed.

The Commission has revised the WPI Inflation for FY 2023-24 based on the WPI Indices for the preceding three years and, accordingly, approved the WPI Inflation of 7.90% for FY 2023-24.

4.1.2.7.2.1 Transfer of R&M expenses to Additional capitalisation

As discussed earlier, the Commission has shifted work amounting to Rs. 0.35 Crore from R&M expenses to Additional Capitalisation at Khatima LHP for FY 2023-24 as shown in Table 4.24:

Additional Capitalisation approved for 9 LHPs for FY 2023-24 (Rs. Crore) and also discussed in section for Additional Capitalisation of this Chapter.

4.1.2.7.2.2 Disallowance of R&M expenses

As discussed earlier in section for Additional Capitalisation, the Commission has not allowed expenditures against assets to be maintained by PTCUL. Hence, the Commission has disallowed R&M expenditure of Rs. 0.83 Crore pertaining to MB-I LHP.

Accordingly, the Commission has Trued-up the normative R&M expenses for FY 2023-24 as shown in the Table below:

Table 4.53: R&M Expenses approved for 9 LHPs for FY 2023-24 (Rs. Crore)

Generating Stations	Approved in Order dt. 30.03.2023	Claimed	Disallowance and Shifting of Expenses	Revised norms for FY 2023-24
Dhakrani	6.64	7.57	-	6.15
Dhalipur	7.39	6.86	-	8.38
Chibro	20.16	18.69	-	22.43
Khodri	15.53	9.97	-	16.67
Kulhal	7.71	8.74	-	8.80
Ramganga	8.01	18.10	-	8.79
Chilla	16.47	23.29	-	21.30
MB-I	7.94	11.27	(0.83)	7.78
Khatima	6.80	6.10	(0.35)	6.80
Total	**96.65**	**110.59**	**(1.19)**	**107.11**

4.1.2.7.3 Administrative & General Expenses for 9 LHPs

The Commission in its Order dated March 30, 2023 on approval of AFC for FY 2023-24 approved the A&G expenses in accordance with the UERC Tariff Regulations, 2021. The Commission is considering the same approach for Truing-up of the A&G expenses for FY 2023-24 in accordance with the aforesaid Regulations.

With regard to the Petition filing fees, Insurance expenses, ERP expenses and Security expenses, the Commission has continued its approach to treat the above as uncontrollable in nature and has allowed the Petitioner to recover the actual expenses which are prudent in nature.

The normative A&G expenses for FY 2023-24 for the purpose of sharing has been arrived by escalating the normative A&G expenses for FY 2022-23 with the revised WPI escalation rate of 7.90%

after excluding Petition filing fees, actual insurance expenses paid and normative security expenses as considered in the MYT Order dated 31.03.2022 i.e. for the Fourth Control Period.

The Commission has not considered the claim of the Petitioner pertaining to CSR expenses amounting to Rs. 1.73 Crore for 9 LHPs in accordance with the approach adopted in previous Tariff Orders as detailed at **Annexure-8**.

The A&G expenses approved by the Commission for FY 2023-24 is as shown in the Table given below:

Table 4.54: A&G Expenses approved for 9 LHPs for FY 2023-24 (Rs. Crore)

Generating Stations	Approved in AFC Order dt. 30.03.2023	Claimed	Revised norms for FY 2023-24
Dhakrani	2.61	3.68	2.64
Dhalipur	2.51	2.80	2.53
Chibro	9.33	10.34	9.43
Khodri	6.04	7.45	6.10
Kulhal	2.32	3.19	2.34
Ramganga	6.42	7.88	6.49
Chilla	6.51	7.63	6.58
MB-I	4.41	5.72	4.44
Khatima	2.06	2.43	2.08
Total	**42.22**	**51.13**	**42.63**

The Petitioner under the A&G expenses has included expenses of Rs. 3.52 Crore on account of operational expenses of ERP implemented in UJVN Ltd. (11 LHPs and SHPs). The Petitioner has apportioned the said amount of Rs. 3.09 Crore for 9 LHPs by apportioning the total expenses in the ratio of 86:14 between 11 LHPs (including MB-II & Vyasi LHP) and SHPs. The Commission verified the approach and has considered the amount submitted by the Petitioner for FY 2023-24.

Further, the Commission is of the view that as the expenses on account of the ERP were not included in the normative expenses approved in the Tariff Order dated March 31, 2022 and as the nature of such expenses falls under A&G expenses, the Commission has, accordingly, considered the same on actual basis by excluding the same from sharing and has added in the net entitlement of O&M expenses after sharing of O&M expenses.

As A&G expenses are controllable in nature, the Commission has carried out sharing of gains excluding insurance charges, Security expenses, Petition Filing Fees and operational expenses on account of ERP as the same were not part of earlier normative A&G expenses in accordance with UERC Tariff Regulations, 2021 as elaborated below.

4.1.2.7.4 Sharing of O&M expenses for 9 LHPs

As per the UERC Tariff Regulations, 2021, O&M Expenses are controllable expenses and, accordingly, the sharing of gains and losses have been carried out for O&M expenses.

The Petitioner has submitted the actual O&M expenses of Rs. 357.34 Crore including interest on GPF trust of Rs. 2.73 Crore. Further, the Petitioner has claimed O&M expenses as Rs. 356.08 Crore after sharing of gains and losses as per UERC Tariff Regulations, 2021.

As discussed in the above paras, the Employee expenses excluding interest on GPF Trust of Rs. 2.73 Crore for FY 2023-24 have been considered as actuals and as per approved apportionment philosophy without any sharing of gains and losses.

For computing net gain or loss with respect to R&M and A&G expenses as against the Norms approved, the Commission has considered actual O&M expenses as per approved apportionment philosophy excluding disallowances of Rs. 1.19 Crore from R&M expense and excluding the actual Petition filing fee of Rs. 1.24 Crore, Expenses pertaining to ERP of Rs. 2.09 Crore, Insurance expense of Rs. 13.76 Crore, Security expenses of Rs. 12.76 Crore and CSR expenses of Rs. 1.73 Crore from A&G expenses.

Further, for computing normative R&M and A&G expenses for the purpose of sharing, the Commission has reduced Insurance expenses, Petition filing fee, Expenses pertaining to ERP and Security Expenses considered in MYT Order dated 31.03.2022 from the total R&M and A&G expenses approved.

After sharing of R&M and A&G expenses, the actual expenses on account of Insurance expenses, Petition filing fee, Expenses pertaining to ERP and Security Expenses of Rs. 29.86 Crore has been included on actual basis and added in the Net O&M Entitlement of the Petitioner for FY 2023-24.

Accordingly, the Commission has approved the total O&M expenses for FY 2023-24 after sharing of gains and losses as shown in the Table below:

Table 4.55: O&M Expenses approved for 9 LHPs for FY 2023-24 (Rs. Crore)

Generating Stations	Approved in Order dt. 30.03.2023	Claimed based on actual	Actual Empl. Exp.*	R&M, A&G Actual Adjusted for sharing	R&M, A&G Normative for Sharing	Efficiency gain/(loss) of R&M and A&G	R&M and A&G approved after sharing	Net O&M Entitlement
			(A)	(B)	(C)	(D)=(C)-(B)	(E)=(B)+2/3 of (D)	
Dhakrani	21.91	25.98	14.64	9.44	7.27	(2.17)	8.00	24.38
Dhalipur	22.69	20.98	11.18	7.72	9.31	1.59	8.78	21.81
Chibro	76.76	69.45	39.73	22.76	26.69	3.93	25.38	70.94
Khodri	44.91	39.02	21.25	12.70	19.11	6.41	16.97	42.73
Kulhal	19.88	21.10	9.09	9.99	9.55	(0.44)	9.70	20.67
Ramganga	47.06	54.63	28.08	21.02	11.49	(9.54)	14.67	47.34
Chilla	58.89	66.26	34.93	26.28	24.11	(2.17)	24.83	64.14
MB-I	40.87	40.40	23.16	12.27	9.41	(2.82)	10.35	37.27
Khatima	21.91	20.64	11.99	6.80	7.68	0.88	7.39	20.68
Total	**354.89**	**358.49**	**194.04**	**128.94**	**124.62**	**(4.32)**	**126.06**	**349.96**

**post Disallowances and shifting from R&M to Add. Cap*

B. O&M Expenses for Maneri Bhali-II

With regard to the O&M expenses of MB-II, the Commission has adopted the same approach as adopted for approving the O&M expenses of 9 LHPs.

The escalation rates have been computed on the basis of revised CPI Inflation and WPI Inflation. The Commission has considered the revision in CPI Inflation and WPI Inflation on the basis of actual data and has computed the normative O&M expenses on the basis of Regulation 48(2) of UERC Tariff Regulations, 2021.

With regard to the employee expenses for FY 2023-24, the Commission, as discussed earlier, has considered the actual employee expenses for FY 2023-24 without any sharing of gains and losses after disallowing GPF trust interest as per new apportionment philosophy of Rs. 0.88 Crore in line with the ruling of the Commission in MYT Order dated February 27, 2019.

For computing the normative R&M expenses for FY 2023-24, the Commission has multiplied the K Factor as approved in MYT Order dated March 31, 2022 with the opening GFA approved for FY 2023-24. The Commission has considered the average increase in WPI for preceding three years which computes to 7.90%.

For computing the normative A&G Expenses for FY 2023-24, the Commission has considered the normative A&G expenses for FY 2023-24 and escalated the same with the revised WPI escalation rate of 7.90% after excluding Petition filing fees, security expenses, ERP and actual insurance expenses incurred in FY 2023-24. Thereafter, as per approved apportionment philosophy, the actual insurance expenses incurred in FY 2023-24 of Rs. 5.74 Crore and Petition filing fees for FY 2023-24 of Rs. 0.30 Crore, Security expenses of Rs. 3.46 Crore, ERP expenses of Rs. 0.67 Crore has been added to the normative expenses.

As discussed above for 9 LHPs, with regard to claim of A&G Expenses, the Commission has not considered the claim of the Petitioner pertaining to CSR expenses and the amount pertaining to MB-II as per approved apportionment philosophy amounting to Rs. 0.56 Crore has been adjusted from the claim of the Petitioner.

The Commission, accordingly, approves the normative O&M expenses for MB-II as shown in the Table below:

Table 4.56: Normative O&M Expenses as approved for MB-II Station for FY 2023-24 (Rs. Crore)

Particulars	Approved in Order dt. 30.03.2023	Claimed	Normative O&M Expenses
Employee Expenses	32.87	39.29	31.79
R&M Expenses	22.09	24.74	22.82
A&G Expenses	14.09	15.14	14.46
Total O&M	**69.05**	**79.17**	**69.07**

Further, the UERC Tariff Regulations, 2021 provides for sharing of gains/losses due to controllable factors. For computing net gain or loss, the Commission has considered actual R&M and A&G expenses as per approved apportionment philosophy excluding Petition filing fee of Rs. 0.30 Crore, Expenses pertaining to ERP of Rs. 0.67 Crore, Insurance Expense of Rs. 5.74 Crore, Security Expenses of Rs. 3.46 Crore and actual Employee expenses after disallowing GPF interest of Rs 0.88 Crore for FY 2023-24 have been allowed on actual basis and added in the Net O&M Entitlement as shown in Table below:

Table 4.57: O&M Expenses approved after sharing of gains and losses for FY 2023-24 (Rs. Crore)

Particulars	Claimed based on actual	Actual Adjusted Employee Expenses*	Actual adjusted claim of R&M and A&G	Normative R&M and A&G	Efficiency gain/(loss)	Generator Share	R&M and A&G approved after sharing	Net O&M Entitlement
		(A)	(B)	(C)	(D)=(C)-(B)	(E)=2/3 of (D)	(F)=(B)+(E)	
O&M Expenses of MB-II	79.17	38.42	29.15	27.78	(1.38)	(0.92)	28.24	76.82

** Excluding the GPF trust interest*

C. O&M Expenses for Vyasi LHP

Regulation 48(2)(c) of the UERC Tariff Regulations, 2021 specifies as follows:

"48 Operation and Maintenances Expenses

…

(c) For Generating Stations declared under commercial operation on or after 1.4.2022.

In case of new hydro electric generating stations, i.e. the hydro electric generating stations declared under commercial operation on or after 1.4.2022, the base operation and maintenance expenses for the year of commissioning shall be fixed at 4% and 2.5% of the actual capital cost (excluding cost of rehabilitation & resettlement works) as admitted by the Commission, for stations less than 200 MW projects and for stations more than 200 MW respectively and shall be escalated from the subsequent year in accordance with the escalation principles specified in clause (e) below.

…"

The Petitioner submitted that O&M expenses for FY 2023-24 and have been computed considering 4% of capital cost as provided under the Regulation.

The Commission has gone through the submission of the Petitioner and observes that the Petitioner did not deduct R&R expenses before applying the norm of 4% which is not in accordance with the provisions of Regulation. The Commission has approved normative O&M expenses for the FY 2022-23 considering 4% of capital cost and after excluding cost incurred towards R&R in its Order dated March 24, 2025. The Commission has escalated the O&M expenses computed for the base year of Rs. 63.54 Crore with inflation rate of 6.43% to work out the normative O&M expenses for FY 2023-24 as Rs. 67.63 Crore.

For allocating the common expenses, the Petitioner has adopted the revised allocation philosophy of 86:14 as directed by the Commission.

As the Commission is carrying out the truing up of FY 2023-24, the Commission has carried out sharing of gain and loss based on actual expenses. The O&M expenses as trued up for FY 2023-24 is as shown in the Table below.

Table 4.58: Normative O&M Expenses as approved for Vyasi LHP for FY 2023-24 (Rs. Crore)

Particulars	Claimed	Approved
Normative O&M Expenses	83.79	67.85
Actual O&M Expenses	44.51	43.82
Efficiency Gain/(Loss)	39.28	24.02
Sharing (2/3rd) of Gain	26.19	16.02
Net O&M Entitlement	**70.70**	**59.96**

4.1.2.8 *Interest on Working Capital*

A. Old Nine Large Hydro Generating Stations

The Petitioner has claimed that it has computed the working capital for each Plant in accordance with the provisions of the UERC Tariff Regulations, 2021, on normative basis. The rate of interest considered by the Petitioner for computing interest on working capital for FY 2023-24 has been considered as 11.30%.

The components of working capital as per Regulation 33 (1) b) of UERC Tariff Regulations, 2021 are as follows:

"In case of hydro power generating stations and transmission system and SLDC, the working capital shall cover:

(i) Operation and maintenance expenses for one month

(ii) Maintenance spares @ 15% of operation and maintenance expenses; and

(iii) Receivables equivalent to two months of the annual fixed charges"

With respect to the interest on working capital, Regulation 33 of the UERC Tariff Regulations, 2021 specifies as under:

"Rate of interest on working capital shall be on normative basis and shall be equal to the weighted average of 'one year Marginal Cost of Funds based Lending Rate (MCLR)' as declared by the State Bank of India from time to time for the financial year in which the application for determination of tariff is made plus 350 basis points.

...."

4.1.2.8.1 One Month O&M Expenses

The Commission has Trued-up the Plant-wise annual O&M expenses for FY 2023-24. Based on the approved Plant-wise O&M expenses, one month's O&M expenses have been worked out for determining the working capital requirement.

4.1.2.8.2 Maintenance Spares

The Commission has considered the maintenance spares in accordance with UERC Tariff Regulations, 2021. The Commission has determined the Plant-wise maintenance spares requirement at the rate of 15% of the Trued-up O&M Expenses for FY 2023-24.

4.1.2.8.3 Receivables

The UERC Tariff Regulations, 2021 envisages receivables equivalent to two months of fixed charges for sale of electricity as an allowable component of working capital. Plant-wise Annual Fixed Charges (AFC) for the Petitioner includes O&M expenses, depreciation, interest on loan, return on equity and interest on working capital. The Commission has considered the receivables for two months based on the Plant-wise Trued-up AFC for FY 2023-24.

With regard to the interest on working capital, Regulation 33 of the UERC Tariff Regulations, 2021 specifies rate of interest on working capital shall be on normative basis and shall be equal to the weighted average of 'one year Marginal Cost of Funds based Lending Rate (MCLR)' as declared by the State Bank of India from time to time for the financial year in which the application for determination of tariff is made plus 350 basis points. As the Tariff Petition for FY 2023-24 was filed in FY 2022-23, the Commission has considered the weighted average of 'one year Marginal Cost of Funds based Lending Rate (MCLR)' as declared by the State Bank of India, i.e. 7.80% plus 350 basis points for computing the Interest on Working Capital.

Accordingly, the normative Interest on Working Capital for FY 2023-24 as approved by the Commission is shown in the Table below:

Table 4.59: Interest on Working Capital for 9 LHPs for FY 2023-24 (Rs. Crore)

Generating Stations	Approved Working Capital after Truing-up				Interest on Working Capital		
	1-month O&M Expenses	Maintenance Spares @15% of O&M	2 months Receivables	Total Working Capital	Approved in Order dt. 30.03.2023	Claimed	Normative Approved
Dhakrani	2.03	3.66	4.96	10.66	1.11	1.33	1.20
Dhalipur	1.82	3.27	7.46	12.54	1.38	1.44	1.42
Chibro	5.91	10.64	15.24	31.80	3.86	3.60	3.59
Khodri	3.56	6.41	8.84	18.81	2.24	1.99	2.13
Kulhal	1.72	3.10	4.69	9.51	1.05	1.13	1.07
Ramganga	3.95	7.10	9.45	20.50	2.32	2.70	2.32
Chilla	5.35	9.62	14.41	29.38	3.12	3.52	3.32
MB-I	3.11	5.59	13.19	21.89	2.62	2.76	2.47
Khatima	1.72	3.10	7.30	12.13	1.43	1.40	1.37
Total	**29.16**	**52.49**	**85.57**	**167.22**	**19.12**	**19.87**	**18.89**

Further, the UERC Tariff Regulations, 2021 provides for sharing of gains/losses due to controllable factors and as per UERC Tariff Regulations, 2021, variation in working capital requirements is a controllable factor. The books of accounts had no actual short-term loans for 9 LHPs although vide submission dated February 07, 2025 the Petitioner submitted interest on overdraft amount drawn of Rs. 5.65 Crore for Salary, O&M expenses and Interest Payments against Loans in UJVN Ltd. Therefore, the Commission for 9 LHPs has considered actual interest on working capital as per approved apportionment philosophy as Rs. 3.36 Crore for 9 LHPs. As the actual interest on working capital incurred by the Petitioner i.e. Rs. 3.36 Crore for FY 2023-24 is less than the normative interest on working capital, the Commission has shared the gain in interest on working capital in accordance with the provisions of UERC Tariff Regulations, 2021.

The interest on working capital for nine LHPs after sharing the gains is as given in the Table below:

Table 4.60 Interest on Working Capital for 9 LHPs for FY 2023-24 after sharing of Gains (Rs. Crore)

Particulars	Actual	Normative	Efficiency gain/(loss)	Rebate in Tariff	Net Entitlement
	(A)	(B)	(C)=(B)-(A)	(D)=1/3x (C)	(E)= (B)-(D)
Interest on Working Capital	3.36	18.89	15.54	5.18	13.72

B. Maneri Bhali-II

As discussed earlier, the Commission has approved the Capital Cost of MB-II as on CoD and considered additional capitalisation and reviewed all the components of AFC. The Interest on Working Capital calculated in accordance with UERC Tariff Regulations, 2021 is shown in the Table below:

Table 4.61: Interest on Working Capital for MB-II as approved for FY 2023-24 (Rs. Crore)

Particulars	Approved in Order dt. 30.03.2023	Claimed	Normative Approved
Interest on Working Capital	5.81	7.55	6.97

As discussed above, with regard to actual interest on working capital, the Petitioner vide its submission dated February 07, 2025 submitted interest on overdraft amount drawn of Rs. 5.65 Crore for Salary, O&M expenses and Interest Payments against Loans. The Commission has, accordingly, considered the same along with apportioned interest on overdraft amount drawn of Rs. 0.18 Crore for Salary in UJVN Ltd. i.e. Rs. 1.08 Crore as discussed above. As the actual interest on working capital incurred by the Petitioner i.e. Rs. 1.08 Crore for FY 2023-24 is less than the normative interest on working capital, the Commission has shared the gain in interest on working capital in accordance with the provisions of UERC Tariff Regulations, 2021.

The interest on working capital for MB-II after sharing the gains for FY 2023-24 is as given in the Table below:

Table 4.62: Interest on Working Capital for MB-II for FY 2023-24 after sharing of gains (Rs. Crore)

Particulars	Actual	Normative	Efficiency gain/(loss)	Rebate in Tariff	Net Entitlement
	(A)	(B)	(C)=(B)-(A)	(D)=1/3x(C)	(E)=(B)-(D)
Interest on Working Capital	1.08	6.97	5.89	1.96	5.00

C. Vyasi LHP

As discussed earlier, the Commission has approved the Capital Cost of Vyasi LHP as on CoD and considered additional capitalisation and reviewed all the components of AFC. The normative Interest on Working Capital calculated in accordance with UERC Tariff Regulations, 2021 is shown in the Table below:

Table 4.63: Interest on Working Capital for Vyasi LHP as approved for FY 2023-24 (Rs. Crore)

Particulars	Claimed	Normative Approved
Interest on Working Capital	10.60	7.81

As discussed above, with regard to actual interest on working capital, the Petitioner vide its submission dated February 07,2025 submitted interest on overdraft amount drawn of Rs. 5.65 Crore for Salary, O&M expenses and Interest Payments against Loans, the Commission has considered the same and apportioned interest on overdraft amount drawn i.e., Rs. 0.43 Crore as discussed above. As the actual interest on working capital incurred by the Petitioner i.e. Rs. 0.43 Crore for FY 2023-24 is less than the normative interest on working capital, the Commission has shared the gain in interest on working capital in accordance with the provisions of UERC Tariff Regulations, 2021.

The interest on working capital for Vyasi LHP after sharing the gains for FY 2023-24 is as given in the Table below:

Table 4.64: Interest on Working Capital for Vyasi LHP for FY 2023-24 after sharing of gains (Rs. Crore)

Particulars	Actual	Normative	Efficiency gain/(loss)	Rebate in Tariff	Net Entitlement
	(A)	(B)	(C)=(B)-(A)	(D)=1/3x(C)	(E)=(B)-(D)
Interest on Working Capital	0.43	7.81	7.38	2.46	5.35

4.1.2.9 *Annual Fixed Charges for Nine LHPs for FY 2023-24*

Based on the above analysis, the Commission has worked out the approved figures of Gross AFC for FY 2023-24 after Truing-up. The summary of Gross AFC for FY 2023-24 is as shown in the Table below:

Table 4.65: Summary of approved AFC for 9 LHPs for FY 2023-24 (Rs. Crore)

Generating Stations	Approved in Order dt. 30.03.2023	AFC Claimed*	AFC Approved after Truing-up of FY 2023-24					
			Depreciation	Interest on loan	Interest on Working Capital after sharing of gains	O&M expenses*	RoE	Gross Annual Fixed Cost
Dhakrani	28.56	31.32	1.96	1.95	0.84	24.38	1.73	30.86
Dhalipur	42.36	48.42	6.67	8.50	1.01	21.81	6.98	44.96
Chibro	98.90	99.04	6.20	4.90	2.68	70.94	8.05	92.76
Khodri	56.47	55.19	2.49	1.54	1.56	42.73	5.31	53.64
Kulhal	27.85	29.39	2.23	2.37	0.75	20.67	2.30	28.33
Ramganga	57.79	61.63	2.70	1.63	1.78	47.34	3.91	57.36
Chilla	84.31	89.47	5.49	5.73	2.38	64.14	9.44	87.19
MB-I	82.12	90.17	11.51	14.59	1.75	37.27	14.65	79.77
Khatima	45.50	46.12	8.53	6.15	0.96	20.68	7.64	43.96
Total	**523.88**	**550.74**	**47.79**	**47.36**	**13.72**	**349.96**	**60.02**	**518.84**

** including sharing of gain/losses*

4.1.2.10 *Non-Tariff Income*

A. Old Nine Large Hydro Generating Stations

Regulation 46 of the UERC Tariff Regulations, 2021 specifies as follows:

"46. Non-Tariff Income

The amount of non-tariff income relating to the Generation Business as approved by the Commission shall be deducted from the Annual Fixed Charges in determining the Net Annual Fixed Charges of the Generation Company.

Provided that the Generation Company shall submit full details of its forecast of non-tariff income to the Commission in such form as may be stipulated by the Commission from time to time.

The indicative list of various heads to be considered for non-tariff income shall be as under:

a) Income from rent of land or buildings;

b) Income from sale of scrap;

c) Income from statutory investments;

d) Interest on delayed or deferred payment on bills;

e) Interest on advances to suppliers/contractors;

f) Rental from staff quarters;

g) Rental from contractors;

h) Income from hire charges from contactors and others;

i) Income from advertisements, etc.;

j) Any other non- tariff income.

Provided that the interest earned from investments made out of Return on Equity corresponding to the regulated business of the Generating Company shall not be included in Non-Tariff Income."

The Petitioner has submitted the details of actual Non-Tariff Income for 9 old Large Hydro Plants (LHPs) as well as for MB-II and Vyasi LHP for FY 2023-24 in accordance with the audited accounts. The Commission observes that the details submitted are as per audited accounts and provisional segregated Annual Accounts for each of 11 LHPs & SHPs for the FY 2023-24.

The Petitioner was asked to submit the details in prescribed format shared by the Commission during scrutiny of previous year Tariff Petitions to attempt to substantiate that such fixed deposits were made through Return on Equity allowed by the Commission. The Petitioner submitted the same without certifying the same by Statutory Auditor.

The Commission vide letter dated 16.12.2024 and vide TVS letter dated 29.01.2025 raised additional deficiency and directed the Petitioner to submit the details of interest earned on fixed deposits out of Investment from RoE in FY 2023-24 duly certifying the same by its Statuary Auditor. The Petitioner vide its reply dated 20.03.2025, submitted the required information.

The Commission analysed the submissions and observed that even though the Petitioner was able to achieve positive net Cash Flow in FY 2023-24 of Rs. 261.01 Crore the Deposit Accounts saw a reduction from Rs. 281.66 Crore to Rs. 274.19 Crore.

The Commission, in its Order dated March 28, 2024 had approved methodology to allow Interest earned from FDR to be retained by the Petitioner and has specified as follows:

"… observes that in several years the Petitioner has negative cash flows on overall basis despite which it has been able to make significant deposits in its FD account during the year. It is also observed that the exception with regard to interest earned from investments made out of Return on Equity corresponding to the regulated business of the Generating Company shall not be included in Non-Tariff Income was introduced by the Commission from the Second Control Period starting FY 2016-17. The Commission has therefore, for accounting the interest amount that Petitioner can retain has considered interest on incremental deposits made as fixed deposit from FY 2016-17 provided that the company was having positive cash flow during the year.

…

the Commission has disallowed any Interest earned from FDs post FY 2016-17 wherein the Net Cash availability is negative. In the years where the Net Cash availability is positive; the Commission has allowed to keep pro-rated interest earned to the tune of Net Cash availability during the year. As the Commission, in previous years had allowed the Petitioner to retain the interest earned which were not to be retained by the Petitioner, the net amount of Rs. 53.54 Crore is to be recovered from the Petitioner towards excess recoveries made till FY 2021-22. The excess recovery has been added to the Surplus amount for FY 2023-24.

…"

Further, the Petitioner being aggrieved from the Tariff Order filed a review Petition wherein the Commission ruled as follows:

"2.8.

In view of above discussion, the Commission is of the view that on the issues discussed at para 2.7(4) & 2.7(5) above are devoid of merits as far as the scope of review of an Order issued by the Commission is concerned, however, the issues at 2.7(1), 2.7(2) & 2.7(3) namely 'impact of net cash availability', 'calculation of non-tariff income' and 'double recovery of FD interest' respectively as stated above do have some grounds for consideration, however, relooking into the same and assessing the desired correction would require verifying and authenticating with the previous Tariff calculations, which does not appear appropriate to be delt in the present review Petition, further considering that Petitioner is obligated to file a Tariff and True up Petition by 30th November 2024, the Commission, therefore, deems it appropriate to permit the Petitioner to raise the above specified 03 issues and establish the claim in the Tariff & True up Petition to be filed."

As per the above, the Commission has revisited the following issues under point 2.7, as state above, along with the submissions made by the Petitioner in this instant Petition:

(1) Error in calculation of Net Cash Availability

(2) Error in calculation of Non-Tariff Income

(3) Incorrect calculation of 'interest from FDRs to be disallowed'

The Commission, has re-computed Net Cash availability with the Petitioner for each year along with pro-rated interest income as per the Table below:

Table 4.66: Non-Tariff Income computation for recovery for 10 LHPs for FY 2023-24 (Rs. Crore)

Particulars	**FY 2023-24**	**FY 2022-23**	**FY 2021-22**	**FY 2020-21**	**FY 2019-20**	**FY 2018-19**	**FY 2017-18**	**FY 2016-17**
Net Cash availability	261.01	60.83	(57.05)	76.30	(104.80)	(44.00)	(64.25)	116.76
Deposits Account's Balance	0.95	0.22	(0.19)	0.29	(0.32)	(0.13)	(0.19)	0.38
Net Cash availability / Deposits Account's Balance	4.90	1.00	(0.76)	1.64	(0.99)	(0.39)	(0.52)	1.40
Interest from FDR from Net Cash	12.81	3.30	-	4.52	-	-	-	11.91
Interest from FDR to be disallowed	0.65	11.99	13.46	11.32	24.81	24.98	25.91	19.17
Interest from FDR already included in NTI	1.19	0.49	0.24	0.32	1.69	1.02	0.73	4.11
Previous Disallowances:								
Interest from FDR disallowed before T.O. dt. 28.04.2024	-	-	6.73	15.84	23.12	23.94	-	-
Interest from FDR disallowed in T.O. dt. 28.04.2024	-	11.91	6.73	-	-		25.91	30.35
Net Disallowances due to Corrections for issues 2.7(1), 2.7(2) & 2.7(3)	-	(0.41)	(0.24)	(4.84)	-	0.02	(0.73)	(15.30)
NTI to be recovered:								
Allocation to 9 LHP		*63.2%*	*85%*	*85%*	*85%*	*85%*	*85%*	*85%*
Sub-total (9 LHP)	**-**	**(0.26)**	**(0.20)**	**(4.11)**	**-**	**0.02**	**(0.62)**	**(13.00)**
Total for 9 LHP		**(18.17)**						
Allocation to MB-II		*17.7%*	*10%*	*10%*	*10%*	*10%*	*10%*	*10%*
Sub-total (MB-II)	**-**	**(0.07)**	**(0.02)**	**(0.48)**	**-**	**0.00**	**(0.07)**	**(1.53)**
Total for MB-II		**(2.18)**						
Allocation to Vyasi		*6.4%*	-	-	-	-	-	-
Sub-total (Vyasi)	**-**	**0.74***	**-**	**-**	**-**	**-**	**-**	**-**
Total for Vyasi		**0.74** *(dealt in T.O. 24.03.2025)*						
Grand Total		**(19.61)**						

For the purpose of True-up of FY 2023-24, the Commission observes that the Petitioner has passed on interest of Rs. 1.19 Crore as part of NTI which is higher than Rs. 0.65 Crore being worked out on the basis of previous methodology followed by the Commission. The Commission has therefore considered the interest amount of Rs. 1.19 Crore as proposed by the Petitioner as Non-Tariff

Income for FY 2023-24. The net excess recovery against 9 LHPs from FY 2016-17 to FY 2022-23 has been added to the Gap amount for FY 2023-24.

With regard to sale of scrap, the Petitioner is allowed to keep the sale of scrap amount as it is part of salvage value of 10%.

The Non-Tariff income as approved by the Commission for FY 2023-24 is shown in the Table below:

Table 4.67: Non-Tariff Income for 9 LHPs for FY 2023-24 (Rs. Crore)

Generating Stations	Approved in AFC Order dt. 30.03.2023	Claimed	Approved now after Truing-up for FY 2023-24
Dhakrani	0.42	1.05	1.05
Dhalipur	0.85	0.22	0.22
Chibro	1.11	1.30	1.30
Khodri	0.47	0.58	0.58
Kulhal	0.12	0.18	0.18
Ramganga	0.37	0.62	0.62
Chilla	0.70	0.70	0.70
MB-I	0.32	0.63	0.63
Khatima	0.10	0.15	0.15
Total	**4.46**	**5.44**	**5.44**

B. MB-II

In case of MB-II, the Non-Tariff Income approved vide Order dated 31.03.2023 for FY 2023-24 was Rs. 0.73 Crore, and the Petitioner has now claimed Rs. 3.76 Crore.

As discussed earlier for 9 LHPs, the Commission has revised the disallowance on the Interest earned from FDs post FY 2016-17 to FY 2022-23. The net excess recovery has been added to the Gap amount for FY 2023-24.

As held for 9 LHPs, the Commission has considered the interest earned from Fixed Deposits of Rs. 1.19 Crore as Non-Tariff Income after including the apportionment of Interest on FDs disallowed in FY 2023-24 for MB-II and as discussed above for 9 LHPs. Therefore, total Non-Tariff Income of MB-II is approved as Rs. 3.76 Crore

C. Vyasi LHP

As discussed earlier and shown in Table 4.66, the Commission has computed the disallowance on the Interest earned from FDs post COD.

As held for 9 LHPs, the Commission considered the interest earned from Fixed Deposits of

Rs. 1.19 Crore as Non-Tariff Income after including the apportionment of Interest on FDs disallowed in FY 2023-24 for Vyasi LHP and as discussed above for 9 LHPs. Therefore, total Non-Tariff Income of Vyasi LHP is approved as Rs. 0.99 Crore

4.1.2.11 *Truing-up for Nine LHPs for FY 2023-24 and its net impact on UPCL*

The Commission has Trued-up the (Surplus)/Gap for 9 LHPs pertaining to FY 2023-24 to be refunded/recovered by UJVN Ltd. to/from UPCL.

Table 4.68: Summary of net AFC as Trued-up by the Commission for 9 LHPs for FY 2023-24 to for UPCL (Rs. Crore)

Generating Stations	Approved in Order dt. 30.03.2023	Total AFC to be recovered from UPCL
Dhakrani	21.00	22.09
Dhalipur	30.92	33.50
Chibro	73.06	68.27
Khodri	41.89	39.65
Kulhal	22.16	22.49
Ramganga	57.42	56.74
Chilla	83.61	86.49
MB-I	81.80	79.14
Khatima	45.40	43.81
Total	**457.26**	**452.18**

The summary of Truing-up for FY 2023-24 for UPCL after considering the actual performance parameters achieved in FY 2023-24 and the total amount to be claimed by UJVN Ltd. from UPCL excluding the carrying cost is summarized in the Table below:

Table 4.69: Summary of net truing-up for FY 2023-24 for UPCL (Rs. Crore)

Generating Stations	Net AFC to be recovered from UPCL (Rs. Crore)	Capacity Charges (Rs. Crore)	NAPAF (%)	Actual / Re-stated PAFY (%)	Capacity charges allowable (Rs. Crore)	Capacity charges after sharing	Actual Billed Energy (MU)	Per Unit rate approved (Rs./kWh)	Allowable EC (Rs. Crore)	Secondary energy (MU)	Sec Energy Rate (Rs./kWh)	Total Sec. Energy charges (Rs. Crore)	Total allowable (EC+CC) (Rs. Crore)	Total Billed to UPCL	Truing-up-impact Gap/(Surplus)
Dhakrani	22.09	11.05	66.17%	65.64%	10.96	10.99	83.07	0.98	8.17	-	0.88	-	19.15	17.38	1.78
Dhalipur	33.50	16.75	61.07%	61.07%	16.75	16.75	113.14	1.23	13.92	-	0.90	-	30.67	27.16	3.51
Chibro	68.27	34.14	65.06%	65.81%	34.53	34.40	568.05	0.63	34.14	12.30	0.61	0.76	69.29	74.29	(5.00)
Khodri	39.65	19.82	57.23%	61.18%	21.19	20.73	271.33	0.80	19.82	15.17	0.77	1.17	41.73	44.58	(2.84)
Kulhal	22.49	11.24	65.00%	67.59%	11.69	11.54	101.09	0.95	9.61	-	0.86	-	21.15	21.02	0.12
Ramganga	56.74	28.37	16.00%	20.06%	29.96	29.43	316.46	0.92	28.37	-	0.74	-	57.80	57.54	0.26
Chilla	86.49	43.24	74.00%	61.79%	36.11	38.49	697.33	0.78	43.24	-	0.60	-	81.73	76.71	5.02
MB-I	79.14	39.57	79.00%	92.59%	46.38	44.11	460.06	0.86	39.57	-	0.84	-	83.68	87.50	(4.92)
Khatima	43.81	21.91	69.30%	53.81%	17.01	18.64	200.16	0.94	18.80	-	0.90	-	37.44	37.04	0.40
Total	**452.18**	**226.09**			**224.57**	**225.08**	**2,810.70**		**214.54**	**27.47**		**1.93**	**441.55**	**443.22**	**(1.67)**

Thus, for 9 LHPs, the Commission has computed the net Surplus of Rs. 1.67 Crore for FY 2023-24 after sharing of gains and losses and considering the actual performance parameters.

4.1.2.12 *Interest earned from FDs post FY 2016-17*

As discussed above, the Commission has continued the approach to disallow any Interest earned from FDs post FY 2016-17 wherein the Net Cash availability is negative and in years where Net Cash availability is positive, the Commission has allowed to keep pro-rated interest earned to the tune of Net Cash availability as revised in **Table 4.66**. The same has been adjusted to the Opening (Surplus)/Gap for FY 2023-24.

4.1.2.13 *Summary of Net Impact on Account of Truing-up of FY 2023-24 of 9 LHPs including Carrying Cost*

As discussed above, the Commission has Trued-up the (Surplus)/Gap for 9 LHPs pertaining to FY 2023-24 to be claimed by UJVN Ltd. from UPCL. Based on the above, the total amount to be claimed by UJVN Ltd. from UPCL along with the carrying cost on standalone gap of Rs. 40.41 Crore is as summarized in the Table below:

Table 4.70: Summary of net AFC as Trued-up by the Commission for 9 LHPs to be refunded/recovered to/from UPCL (Rs. Crore)

Particulars	FY 2023-24	FY 2024-25	FY 2025-26
Opening (Surplus)/Gap	18.17*	18.46	20.69
True-up Amount	(1.67)	-	-
Carrying Cost	1.96	2.23	1.25
Closing (Surplus)/Gap	18.46	20.69	21.94
Interest Rate	11.30%	12.07%	12.07%

** Including adjustment of Rs. 18.17 Crore on account of Interest earned from FDs post FY 2016-17*

The Commission directs UJVN Ltd. to claim Rs. 21.94 Crore from UPCL in accordance with the provisions of UERC Tariff Regulations, 2021 in twelve equal monthly instalments starting from April 2025 to March 2026.

4.1.2.14 *Truing-up of 5 LHPs of UJVN Ltd. for FY 2023-24 for HPSEB Ltd.*

The Commission has determined the Plant-wise total Truing-up expenses to be recovered from HPSEB Ltd. as follows:

Table 4.71: Summary of net AFC as Trued-up for FY 2023-24 by the Commission for 5 LHPs for HPSEB Ltd. (Rs. Crore)

Generating Stations	Approved in AFC Order dt. 30.03.2023	Total AFC to be recovered from HPSEB Ltd.
Dhakrani	7.14	7.72
Dhalipur	10.59	11.24
Chibro	24.72	23.19
Khodri	14.12	13.41
Kulhal	5.57	5.67
Total	**62.15**	**61.22**

Based on the above, the total amount to be claimed by UJVN Ltd. from HPSEB Ltd. along with carrying cost is as summarised in the Table below:

Table 4.72: Summary of net AFC as Trued-up by the Commission to be refunded/recovered to/from HPSEB Ltd. (Rs. Crore)

Particulars	FY 2023-24	FY 2023-24	FY 2024-25
Opening (Surplus)/Gap	-	(0.98)	(1.10)
True-up Amount	(0.93)	-	-
Carrying Cost	(0.05)	(0.12)	(0.07)
Closing (Surplus)/Gap	(0.98)	(1.10)	(1.16)
Interest Rate	11.30%	12.07%	12.07%

The Commission directs UJVN Ltd. to refund Rs. 1.16 Crore to HPSEB Ltd. on the basis of actual PAFY and energy billed in accordance with the provisions of UERC Tariff Regulations, 2021 in twelve equal monthly instalments starting from April, 2025 to March, 2026.

4.1.2.15 *Net Annual Fixed Charges for MB-II from FY 2023-24*

Based on the approved capital cost of MB-II, the approved additional capitalisation and O&M expenses in accordance with MYT Regulations 2021, the net Truing-up of AFC for FY 2023-24 is as shown in the Table below:

Table 4.73: Summary of Truing-up of Net AFC of MB-II for FY 2023-24 (Rs. Crore)

Particulars	Approved in Order dt. 30.03.2023	Claimed	Approved now after Truing-up
Interest on loan	38.81	37.24	33.64
Depreciation	46.21	52.84	47.13
RoE	52.88	113.42	103.56
O&M expenses	69.05	72.42	76.82
Interest on Working Capital	5.81	7.55	5.00
Total Annual Fixed Costs	212.76	283.48	266.15
NTI	0.73	3.76	3.76
Net AFC	**212.03**	**279.72**	**262.39**

4.1.2.16 *Truing-up for MB-II for FY 2023-24 and its net impact on UPCL*

The summary of Truing-up of MB-II after considering the actual performance parameter achieved in FY 2023-24 is as shown in the Table below:

Table 4.74: Net impact on account of Truing-up of FY 2023-24 for MB-II

AFC to be recovered from UPCL (Rs. Crore)	Capacity Charges (Rs. Crore)	NAPAF (%)	Actual/ Re-stated PAFY (%)	Capacity charges allowable (Rs. Crore)	Capacity charges after sharing	Actual Billed Energy (MU)	Per unit rate Trued-up (Rs/kWh)	Allowable EC (Rs. Crore)	Total allowable (EC+CC) (Rs. Crore)	Total recovered from UPCL	Truing-up impact Gap/ (Surplus)
262.39	131.20	76.0%	80.9%	131.20	131.20	1,196.36	1.02	122.81	254.00	205.31	48.81

4.1.2.17 *Interest earned from FDs post FY 2016-17*

As discussed above, the Commission has continued the approach to disallow any Interest earned from FDs post FY 2016-17 wherein the Net Cash availability is negative and in years where Net Cash availability is positive, the Commission has allowed to keep pro-rated interest earned to the tune of Net Cash availability as revised in **Table 4.66**. The same has been adjusted to the Opening (Surplus)/Gap for FY 2023-24.

4.1.2.18 *Summary of Net Impact on Account of Truing-up of FY 2023-24 of MB-II including Carrying Cost*

The Commission has Trued-up the (Surplus)/Gap for MB-II pertaining to FY 2023-24 to be claimed by UJVN Ltd. from UPCL. Based on the above, the total amount to be claimed from UPCL along with the carrying cost on standalone surplus is summarized in the Table below:

Table 4.75: Summary of net amount Trued-up by the Commission for FY 2023-24 to be refunded/recovered to/from UPCL for MB-II (Rs. Crore)

Particulars	FY 2023-24	FY 2024-25	FY 2025-26	RoE on PDF#
Opening (Surplus)/Gap	2.18*	53.99	60.51	248.73
True-up Amount	48.81	-	-	
Carrying Cost	3.00	6.51	3.65	
Closing (Surplus)/Gap	53.99	60.51	64.16	
Interest Rate	11.30%	12.07%	12.07%	

** Including adjustment of Rs. 2.18 Crore on account of Interest earned from FDs post FY 2016-17*
#Yearly instalment of RoE on PDF from CoD upto FY 2022-23

The Commission directs UJVN Ltd. to claim the above approved amount of Rs. 312.88 (Rs. 64.16 Crore + Rs. 248.73 Crore) Crore on account of Truing-up of MB-II for FY 2023-24 from UPCL in accordance with the provisions of UERC Tariff Regulations, 2021 in twelve equal monthly instalments starting from April, 2025 to March, 2026.

4.1.2.19 *Net Annual Fixed Charges for Vyasi LHP from FY 2023-24*

Based on the approved capital cost of Vyasi LHP, the approved additional capitalisation and O&M expenses in accordance with MYT Regulations 2021, the net Truing-up of AFC for FY 2023-24 is as shown in the Table below:

Table 4.76: Summary of Truing-up of Net AFC of Vyasi LHP for FY 2023-24 (Rs. Crore)

Particulars	Claimed	Approved now after Truing-up
Interest on loan	119.71	98.86
Depreciation	99.92	85.36
RoE	98.18	82.15
O&M expenses	70.70	59.96
Interest on Working Capital	9.95	5.35
Total Annual Fixed Costs	398.45	331.67
NTI	0.99	0.99
Net AFC	**397.46**	**330.67**
Tariff recovered	**234.57**	**234.57**
Gap/(Surplus)	**162.89**	**96.10**

4.1.2.20 *Summary of Net Impact on Account of Truing-up of FY 2023-24 of Vyasi LHP including Carrying Cost*

The Commission has Trued-up the (Surplus)/Gap for Vyasi LHP pertaining to FY 2023-24 to be claimed by UJVN Ltd. from UPCL. Based on the above, the total amount to be claimed from UPCL along with the carrying cost on standalone surplus is summarized in the Table below:

Table 4.77: Summary of net amount Trued-up by the Commission for FY 2023-24 to be refunded/recovered to/from UPCL for Vyasi LHP (Rs. Crore)

Particulars	FY 2023-24	FY 2024-25	FY 2025-26
Opening (Surplus)/Gap	-	101.53	113.78
True-up Amount	96.10	-	-
Carrying Cost	5.43	12.25	6.86
Closing (Surplus)/Gap	101.53	113.78	120.65
Interest Rate	11.30%	12.07%	12.07%

The Commission directs UJVN Ltd. to recover the differential amount of Rs. 120.65 Crore on account of Truing-up of Vyasi LHP for FY 2023-24 from UPCL in twelve equal monthly instalments starting from April, 2025 to March, 2026.

5 Petitioner's Submissions, Commission's Analysis, Scrutiny & Conclusion on APR for FY 2024-25 and MYT for the Fifth Control Period from FY 2025-26 to FY 2027-28

5.1 Annual Performance Review

The Commission vide its Order dated March 31, 2022 had approved the Multi Year Tariff for the Petitioner for the Fourth Control Period from FY 2022-23 to FY 2024-25. Further, the Commission vide its Order dated March, 28, 2024, approved the Tariff for FY 2024-25. Regulation 12(3) of the UERC Tariff Regulations, 2021 specifies that under the MYT framework, the performance of the generating company shall be subject to Annual Performance Review.

Regulation 12(3) of the UERC Tariff Regulations, 2021 specifies as under:

"The scope of the Annual Performance Review shall be a comparison of the actual performance of the Applicant with the approved forecast of Aggregate Revenue Requirement and expected revenue from tariff and charges and shall comprise of following:

a) A comparison of the audited performance of the applicant for the previous financial year with the approved forecast for such previous financial year and truing up of expenses and revenue subject to prudence check including pass through of impact of uncontrollable factors;

b) Categorization of variations in performance with reference to approved forecast into factors within the control of the applicant (controllable factors) and those caused by factors beyond the control of the applicant (un-controllable factors);

c) Revision of estimates for the current and/ or ensuing financial year, if required, based on audited financial results for the previous financial year;

d) Computation of sharing of gains and losses on account of controllable factors for the previous year."

The Commission vide its Order dated March, 31, 2022, on approval of Business Plan and MYT Petition for the Fourth Control Period from FY 2022-23 to FY 2024-25 approved the AFC for the Control Period based on the audited accounts till FY 2020-21. Further, the Commission vide its Order dated March 28, 2024, approved AFC for FY 2024-25 based on the Audited accounts till FY 2022-23. The Petitioner, in instant Petition, has proposed revision of estimates for FY 2024-25 based on the audited accounts for FY 2023-24 and revised estimates for FY 2024-25.

The Commission, in Chapter 4 of this Order, has carried out the Truing-up of 9 LHPs, MB-II & Vyasi LHP for FY 2023-24 in accordance with the UERC Tariff Regulations, 2021. In accordance with Regulation 12(3) of the UERC Tariff Regulations, 2021, the scope of Annual Performance Review is limited to the revision of estimates for the current and /or ensuing financial year, if required, based on the audited financial results for the previous year.

The Commission shall carry out the Truing-up of FY 2024-25 based on the audited accounts for that year..

The Commission, as discussed in Chapter 4, has Trued Up the expenses for FY 2023-24 for 9 LHPs, MB-II and Vyasi LHP. The approach adopted by the Commission for approval of each element of Fifth MYT Control Period from FY 2025-26 to FY 2027- 28 is elaborated in the subsequent paragraphs.

5.2 Physical Parameters

5.2.1 *NAPAF*

The Commission, in the approval of Business Plan for the Fifth Control Period from FY 2025-26 to FY 2027-28 as discussed in Chapter 3 of the Order, has already taken a view on the NAPAF for the large hydro generating stations. The Commission has accordingly approved the NAPAF for the generating stations for Fifth Control Period as follows:

Table 5.1: NAPAF as approved by the Commission for 11 LHPs for the Fifth Control Period from FY 2025-26 to FY 2027-28

Generating Stations	Approved vide Order dated 26.04.2021 (%) for FY 2024-25	Proposed by UJVN Ltd. (%)			Approved (%)		
		FY 2025-26	FY 2026-27	FY 2027-28	FY 2025-26	FY 2026-27	FY 2027-28
Dhakrani	66.17%	47.86%	66.64%	67.18%	66.17%	66.17%	66.17%
Dhalipur	61.07%	70.44%	70.33%	70.29%	70.00%*	70.00%*	70.00%*
Chibro	65.06%	65.10%	65.10%	65.08%	65.06%	65.06%	65.06%
Khodri	57.23%	60.07%	60.07%	60.05%	57.23%	57.23%	57.23%
Kulhal	65.00%	64.94%	64.95%	64.93%	65.00%	65.00%	65.00%
Ramganga	16.00%	19.24%	19.24%	19.31%	19.00%	19.00%	19.00%
Chilla	74.00%	54.11%	51.10%	50.07%	74.00%	74.00%	74.00%
MB-I	79.00%	89.14%	89.14%	89.07%	85.00%	85.00%	85.00%
Khatima	69.30%	60.72%	59.62%	57.77%	69.30%	69.30%	69.30%
MB-II	76.00%	79.55%	79.55%	79.62%	79.00%	79.00%	79.00%
Vyasi	N/A	74.42%	74.42%	74.35%	85.00%	85.00%	85.00%

**provisional*

5.2.2 *Design Energy and Saleable Primary Energy*

A. Old Nine Large Generating Stations

As discussed in detail in Chapter 3 and for reasons spelt out therein, the Commission has approved the design energy of 11 LHPs for the Fifth Control Period. The Saleable Primary Energy for Fifth Control Period has been derived by deducting the Normative Auxiliary Energy Consumption from the considered Design Energy in accordance with UERC Tariff Regulations, 2024 for the purpose of calculation of Energy Change Rate.

The Commission accordingly approves the Design Energy and Saleable Primary Energy as shown in the Table below:

Table 5.2: Original Design Energy, Design Energy and Saleable Primary Energy for 11 LHPs for Fifth Control Period from FY 2025-26 to FY 2027-28 as approved by the Commission

Name of the Generating Stations	Original Design Energy	Revised Design Energy	Auxiliary Consumption including Transformation Loss		Saleable Primary Energy
	MU	MU	%	MU	MU
Dhakrani	169.00	150.85	0.70%	1.06	149.79
Dhalipur	223.60#	223.60#	1.20%	2.68	220.92
Chibro	750.00	728.11	1.20%	8.74	719.37
Khodri	345.00	335.37	1.20%	4.02	331.34
Kulhal	164.00	148.91	0.70%	1.04	147.87
Ramganga	385.00	311.00	1.20%	3.73	307.27
Chilla	725.00	557.62	1.20%	6.69	550.92
MB-I	546.00	478.00#	1.20%	5.74	472.26
Khatima	235.59	235.59	1.20%	2.83	232.76
MB-II	1566.10	1291.00	1.00%	12.91	1278.09
Vyasi	353.00*Φ*	353.00*Φ*	1.20%	4.24	348.76
Total	**5462.29**	**4813.04**		**53.68**	**4759.37**

 # Revised post RMU

Φ Approved in Order dated 24.03.2025

Recognising the fact, that most of the 9 LHPs are old and have run for 35 to 63 years, the Commission has not considered the Original Design Energy for calculation of energy charge rate (ECR) as it would result in under-recovery of the AFC of the Petitioner. The Commission has considered Design Energy as per the approved DPR for Plants where RMU has been completed.

Accordingly, the Commission has relaxed the requirement of the UERC Tariff Regulations, 2024 for calculation of ECR. The ECR will be calculated based on the approved Saleable Primary Energy as already discussed in Chapter 3 of this Order.

With respect to the benefit of excess generation over and above the Original Design Energy, i.e. the Secondary Energy, the billing for Secondary Energy shall be based on the Original Design Energy and not on the basis of Design Energy considered by the Commission for recovery of Energy Charges.

Further, in case such energy charge rate is higher than 130 paise/kWh, the rate of Secondary Energy shall be considered as 130 paise/kWh in accordance with Regulation 50 (7) of the UERC Tariff Regulations, 2024.

Further, recovery from Energy Charges shall in no case exceed 50% of the Annual Fixed Cost up to the Original Design Energy. However, the Commission as discussed in Chapter 3 of this Order shall revisit the Design Energy once the RMU works get completed and actual impact/loss of generation by maintaining separate discharge data of rivers as well as the data of mandatory discharges being released in compliance to NGT/NMCG Order and any other data to substantiate the impact and thereafter appropriate view will be taken by the Commission in this regard after carrying out due prudence check on case to case basis in case of any severe impact in the actual generation.

B. Maneri Bhali-II

With regard to the Design Energy and Saleable Primary Energy, UJVN Ltd. in its Petition has claimed the Design Energy of 1291 MU for Fifth Control Period from FY 2025-26 to FY 2027-28. The Commission has approved the Design Energy in Chapter 3 of this Order as 1291 MU and Saleable Primary Energy after deducting the normative auxiliary consumption (including transformation losses) of 1.00% as 1278.09 MU.

C. Vyasi LHP

With regard to the Design Energy and Saleable Primary Energy, UJVN Ltd. in its Petition has claimed the Design Energy of 353 MU for Fifth Control Period from FY 2025-26 to FY 2027-28. The Commission has approved the Design Energy in Chapter 3 of this Order as 353 MU and Saleable Primary Energy after deducting the normative auxiliary consumption (including transformation losses) of 1.20% as 348.76 MU.

5.3 Financial Parameters

5.3.1 *Apportionment of Common Expenses*

As discussed in detail in Chapter 4 of this Order, the Commission has considered the ratio of 86:14 for allocating common expenses among 11 LHPs (9 old LHPs, MB-II and Vyasi LHP) and SHPs respectively.

5.3.2 *Capital Cost*

A. Old Nine Generating Stations

As detailed earlier in truing-up Section, pending finalization of the Transfer Scheme, for various reasons recorded in the previous Tariff Orders, the Commission had been approving opening GFA for the nine old LHPs as on 14.01.2000, as Rs. 506.17 Crore.

Since, the Transfer Scheme is yet to be finalized, the Commission for the purpose of tariff determination for the Fifth Control Period from FY 2025-26 to FY 2027-28 is considering the opening GFA of nine old LHPs, as on 14.01.2000, as Rs. 506.17 Crore only.

The Commission has revised the original cost of Khatima LHP as on 01.04.2015 on account of de-capitalisation of Rs. 2.03 Crore carried out in FY 2014-15 in Tariff Order dated March 29, 2017. The opening GFA considered are as per the details given below:

Table 5.3: Approved Original Cost inherited from UPJVNL for 9 LHPs (Rs. Crore)

Generating Stations	Claimed	Approved as on 14.01.2000	Approved as on 01.04.2024
Dhakrani	12.40	12.40	12.40
Dhalipur	20.37	20.37	20.37
Chibro	87.89	87.89	87.89
Khodri	73.97	73.97	73.97
Kulhal	17.51	17.51	17.51
Ramganga	50.02	50.02	50.02
Chilla	124.89	124.89	124.89
MB-I*	111.93	111.93	111.93
Khatima	7.19	7.19	5.16**
Total	**506.17**	**506.17**	**504.14**

**Including DRB*

***Including de-capitalisation of Rs. 2.03 Crore in FY 2014-15*

B. Maneri Bhali-II

The issues related to Capital Cost of MB-II generating station as on COD have been discussed in detail in Chapter 4. Based on the above, the Commission has considered the capital cost as on CoD of Rs. 1885.50 Crore in accordance with the Order dated March 28, 2024. The financing for the project has been considered as shown in the Table below:

Table 5.4: Approved Capital Cost and Financing for MB-II as on CoD (Rs. Crore)

Particulars	Approved in ARR Order dated 26.04.2021	Approved Now
Loans		
PFC Loan	1200.00	1200.00
Unpaid Liability	0.00	0.00
Guarantee Fee Payable	0.00	0.00
Normative Loan	119.85	119.85
Total debts	**1319.85**	**1319.85**
Equity		
PDF	326.76	326.76
GoU Budgetary support	74.89	74.89
Pre-2002 expense	164.00	164.00
Total Equity	**565.65**	**565.65**
Total Loan and Equity	**1885.50**	**1885.50**

5.3.3 *Additional Capitalisation*

A. Old Nine Generating Stations

The Commission in addition to the opening GFA of Rs. 504.14 Crore as on 14.01.2000, has also approved additional capitalisation of Rs. 1,726.18 Crore from FY 2001-02 to FY 2023-24 as discussed in Chapter 4 of this Order.

With regard to additional capitalisation for FY 2024-25, the Petitioner submitted the actual additional capitalisation from April to September, 2024 in its submission and proposed capitalization from October to March, 2025. The details of same are as below:

Table 5.5: Details of additional capitalization proposed during FY 2024-25 for 9 LHPs (Rs. in Crore)

Generating Stations	April–Sept 2024	Oct-March 2025	Total for FY 2024-25
Dhakrani	63.94	57.33	63.94
Dhalipur	45.85	18.29	45.85
Chibro	38.39	30.19	38.39
Khodri	11.13	6.16	11.13
Kulhal	12.30	10.25	12.30
Ramganga	5.26	5.11	5.26
Chilla	71.43	37.92	71.43
MB-I	28.46	28.30	28.46
Khatima	9.91	9.84	9.91

Table 5.5: Details of additional capitalization proposed during FY 2024-25 for 9 LHPs (Rs. in Crore)

Generating Stations	April–Sept 2024	Oct-March 2025	Total for FY 2024-25
Total	**83.28**	**203.39**	**286.68**

The Commission has gone through the submissions of the Petitioner. For this purpose of APR, the Commission has provisionally considered additional capitalisation of Rs. 208.88 Crore for FY 2024-25 as approved in MYT Order dated March 31, 2022 and the same shall however be subject to detailed scrutiny during the truing up of FY 2024-25 and shall be finally allowed after carrying out due prudence check of actual expenditure incurred. The Commission has, accordingly, considered the opening GFA for the Fifth Control Period as shown in the Table below:

Table 5.6: Opening GFA as considered by the Commission for 9 LHPs for Fifth Control Period (Rs. Crore)

Generating Stations	Opening GFA as on 01.04.2024 (closing of FY 2023-24)	Additions during FY 2024-25	Opening GFA as on 01.04.2025
Dhakrani	64.73	36.75	101.48
Dhalipur	224.79	9.83	234.62
Chibro	225.20	4.73	229.93
Khodri	137.43	2.37	139.79
Kulhal	77.85	2.62	80.47
Ramganga	112.29	-	112.29
Chilla	300.08	75.00	375.08
MB-I	398.75	77.59	476.34
Khatima	184.41	-	184.41
Total	**1,725.53**	**208.88**	**1,934.41**

The Commission with regard to the additional capitalisation projected for FY 2025-26 to FY 2027-28, has considered the additional capitalisation as approved in Chapter 3 of this Order.

The provisionally approved additional capitalisation shall be subject to detailed scrutiny during Annual Performance Review/True Up and shall be finally allowed after carrying out due prudence check based on the approval of the Commission and capitalisation.

The Commission, accordingly, approves the following additional capitalisation for the Fifth Control Period as follows.

Table 5.7: Additional Capitalization Approved by the Commission for 9 LHPs for the Fifth Control Period (Rs. Crore)

Name of the Generating Stations	FY 2025-26		FY 2026-27		FY 2027-28	
	General	RMU	General	RMU	General	RMU
Dhakrani	8.54	50.00	-	27.00	-	-

Table 5.7: Additional Capitalization Approved by the Commission for 9 LHPs for the Fifth Control Period (Rs. Crore)

Name of the Generating Stations	FY 2025-26		FY 2026-27		FY 2027-28	
	General	RMU	General	RMU	General	RMU
Dhalipur	19.45	18.00	-	-	-	-
Chibro	61.86	-	-	-	-	-
Khodri	5.88	-	-	-	-	-
Kulhal	-	-	-	-	-	-
Ramganga	8.29	-	-	-	-	-
Chilla	35.23	55.00	-	55.00	-	140.00
MB-I	-	-	-	-	-	-
Khatima	-	-	-	-	-	-
Sub-Total	**139.25**	**123.00**	-	82.00	-	140.00
Total	**262.25**		**82.00**		**140.00**	

B. Maneri Bhali-II

The Commission, as discussed earlier in Chapter 4 of this Order has decided to consider additional capitalisation since COD and has approved additional capitalisation of Rs. 452.25 Crore till 31.03.2024.

With regard to FY 2024-25, the Petitioner submitted the actual additional capitalisation from April to September, 2024, i.e. Rs. 14.19 Crore and proposed capitalization from October to March, 2025, i.e. Rs. 43.99 Crore.

The Commission has gone through the submissions of the Petitioner. For this purpose of APR, the Commission provisionally allows Rs. 50.84 Crore for FY 2024-25 as approved in MYT Order dated March 31, 2022 and the same shall however be subject to detailed scrutiny during the truing up of FY 2024-25.

Table 5.8: Opening GFA approved by the Commission for MB-II (Rs. Crore)

Generating Stations	Opening GFA as on 01.04.2024 (closing of FY 2023-24)	Additions during FY 2024-25	Opening GFA as on 01.04.2025
MB-II	**2,337.94**	**50.84**	**2,388.78**

The Commission with regard to the additional capitalisation projected for FY 2025-26 to FY 2027-28, has not considered any additional capitalisation as no specific investment approvals have been approved for MB-II during this period. For works that may be required to be carried out under general works, **the Petitioner is directed to seek specific approval under Regulation 22(4) of UERC Tariff Regulations, 2024**.

Accordingly, the provisionally approved additional capitalisation NIL as shown in the following Table shall be subject to detailed scrutiny during Annual Performance Review/True Up and capitalisation shall be finally allowed after carrying out due prudence check based on the approval of the Commission and actual expenditure incurred.

Table 5.9: Additional Capitalization approved for Fifth Control Period for MB-II

Generating Stations	FY 2025-26		FY 2026-27		FY 2027-28	
	Claimed	Approved	Claimed	Approved	Claimed	Approved
MB-II	122.87	-	122.82	-	68.46	-

C. Vyasi LHP

The Commission, as discussed earlier in Chapter 4 of this Order has decided to consider additional capitalisation since COD and has approved additional capitalisation of Rs. 85.06 Crore till 31.03.2024.

With regard to FY 2024-25, the Petitioner submitted the actual additional capitalisation from April to September, 2024, i.e. Rs. 0. 21 Crore and proposed capitalization from October to March, 2025, i.e. Rs. 37.00 Crore.

The Commission has gone through the submissions of the Petitioner. For this purpose of APR, the Commission provisionally allows additional capitalisation of Rs. 50.07 Crore for FY 2024-25 as considered in Order dated March 24, 2025 and the same shall however be subject to detailed scrutiny during the truing up of FY 2024-25.

Table 5.10: Opening GFA approved by the Commission for Vyasi LHP (Rs. Crore)

Generating Stations	Opening GFA as on 01.04.2024	Additions during FY2024-25	Opening GFA as on 01.04.2025
Vyasi	1,717.57	50.07	1,767.64

The Commission with regard to the additional capitalisation projected for FY 2025-26 to FY 2027-28, has not allowed any additional capitalisation as detailed in Chapter 3 of this Order. For works that may be required to be carried out under general works that do not fall either under Original Scope, **the Petitioner is directed to seek specific approval under Regulation 22(4) of UERC Tariff Regulations, 2024.**

The provisionally approved additional capitalisation as shown in the Table below shall be subject to detailed scrutiny during Annual Performance Review/True Up and capitalisation shall be finally allowed after carrying out due prudence check based on the approval of the Commission and actual expenditure incurred.

Table 5.11: Additional Capitalization approved for Fifth Control Period for Vyasi LHP

Generating Stations	FY 2025-26		FY 2026-27		FY 2027-28	
	Claimed	Approved	Claimed	Approved	Claimed	Approved
Vyasi	12.97	-	17.14	-	15.00	-

5.3.4 *Depreciation*

A. Old Nine Generating Stations

Regulation 28 of the UERC Tariff Regulations, 2024 specifies as follows:

*"28. **Depreciation***

(1) The value base for the purpose of depreciation shall be the capital cost of the asset admitted by the Commission.

Provided that no depreciation shall be allowed on assets funded through Consumer Contribution and Capital Subsidies/Grants.

(2) The salvage value of the asset shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of the capital cost of the asset.

Provided that in case of generating stations, the salvage value shall be as provided in the agreement signed by the developers with the State Government for creation of site;

Provided further that the capital cost of the assets of the generating station, for the purpose of computation of depreciable value for determination of tariff, under these regulations shall correspond to the percentage of sale of electricity under long-term power purchase agreement at regulated tariff.

Provided also that any depreciation disallowed on account of lower availability of the generating station or generating unit or transmission system as the case may be, shall not be allowed to be recovered at a later stage during the useful life and the extended life.

Provided that the salvage value for IT equipment and software shall be considered as NIL and 100% value of the assets shall be considered depreciable.

...

(4) Depreciation shall be calculated annually based on Straight Line Method and at rates specified in Appendix - II to these Regulations.

…"

The Petitioner submitted that no depreciation has been claimed on the opening GFA determined for the transfer of assets, since the assets are already 90% depreciated. The depreciation has only been claimed for additional expenditure capitalized post the transfer scheme. Accordingly, the depreciation is calculated by the Petitioner for the Fifth Control Period.

The Commission in accordance with Regulation 28 of UERC Tariff Regulations, 2024 has computed the depreciation for the Fifth Control Period as detailed below:

(i) **Depreciation on Opening GFA as on 14.01.2000:** All the 9 LHPs are over 12 years old and all of them have already depreciated by 90% of the original cost, hence, no depreciation would be applicable for the Fifth Control Period on opening GFA as on 14.01.2000 for the 9 LHPs.

(ii) **Depreciation on additional capitalisation:** In accordance with the UERC Tariff Regulations, 2024, the Commission has computed the depreciation as follows:

(a) For additional capitalisation which are yet to complete 12 years, the depreciation has been computed on straight line method as per the rates specified in the UERC Tariff Regulations, 2024.

(b) In case where the asset life has exceeded 12 years from the year of addition, the remaining depreciable value has been spread over the balance useful life as per UERC Tariff Regulations, 2024.

In line with the above approach, the Commission has computed the depreciation for 9 LHPs for the Fifth Control Period, i.e. FY 2025-26 to FY 2027-28.

The depreciation expenses will be Trued Up in accordance with the provisions of UERC Tariff Regulations, 2024..

The summary of Depreciation Charges for FY 2025-26 to FY 2027-28 as approved by the Commission is shown in the Table below:

Table 5.12: Depreciation Charges as approved by the Commission for 9 LHPs for Fifth Control Period (Rs. Crore)

Name of the Generating Stations	FY 2025-26				FY 2026-27				FY 2027-28			
	Claimed	Approved			Claimed	Approved			Claimed	Approved		
		On Opening GFA	On Additional Capitalization	Total		On Opening GFA	On Additional Capitalization	Total		On Opening GFA	On Additional Capitalization	Total
Dhakrani	6.05	-	3.86	3.86	10.67	-	6.44	6.44	16.03	-	7.86	7.86
Dhalipur	13.04	-	9.49	9.49	16.00	-	11.13	11.13	17.15	-	11.12	11.12
Chibro	9.16	-	6.55	6.55	13.63	-	8.76	8.76	16.30	-	8.24	8.24
Khodri	3.60	-	2.75	2.75	6.00	-	2.72	2.72	8.78	-	2.70	2.70
Kulhal	3.68	-	2.72	2.72	5.69	-	2.58	2.58	7.82	-	2.56	2.56
Ramganga	3.67	-	2.95	2.95	4.31	-	2.83	2.83	5.02	-	2.82	2.82
Chilla	12.99	-	10.57	10.57	20.79	-	14.40	14.40	27.05	-	17.27	17.27
MB-I	17.57	-	15.70	15.70	19.65	-	15.41	15.41	22.06	-	15.38	15.38
Khatima	10.00	-	9.06	9.06	12.47	-	8.92	8.92	12.95	-	8.89	8.89
Total	**79.76**	**-**	**63.65**	**63.65**	**109.21**	**-**	**73.19**	**73.19**	**133.16**	**-**	**76.83**	**76.83**

B. Maneri Bhali-II

The Commission has computed depreciation for Fifth Control Period for MB-II in accordance with the UERC Tariff Regulations, 2024.

As MB-II has completed 12 years from CoD in FY 2019-20, the balance depreciable value of the capital cost as on COD has been spread equally throughout the balance useful life of the assets in accordance with UERC Tariff Regulations, 2024.

With regard to additional capitalisation post commissioning, the Commission in accordance with the UERC Tariff Regulations, 2024, has computed the depreciation of additional capitalisation as per the following approach.

(a) For additional capitalisation which are yet to complete 12 years, the depreciation has been computed on straight line method as per the rates specified in the UERC Tariff Regulations, 2024.

(b) In case where the asset life has exceeded 12 years from the year of addition, the remaining depreciable value has been spread over the balance useful life as per UERC Tariff Regulations, 2024.

In line with the above approach, the Commission has computed the depreciation for the Fifth Control Period, i.e. from FY 2025-26 to FY 2027-28 for MB-II on the approved GFA.

The depreciation expenses will be Trued Up in accordance with the provisions of UERC Tariff Regulations, 2024.

The depreciation for MB-II for the Fifth Control Period, accordingly, works out as shown in the Table below:

Table 5.13: Depreciation Charges as approved by the Commission for MB-II for Fifth Control Period (Rs. Crore)

Particular	FY 2025-26		FY 2026-27		FY 2027-28	
	Claimed	Approved	Claimed	Approved	Claimed	Approved
Depreciation	**56.63**	**41.91**	**61.80**	**41.27**	**66.12**	**40.27**

C. Vyasi LHP

The Commission has computed depreciation for Fifth Control Period for Vyasi LHP in accordance with the UERC Tariff Regulations, 2024.

The Commission in accordance with Regulation 28 of UERC Tariff Regulations, 2024 has computed the depreciation on Capital Cost for Fifth Control Period as per the rates specified in Appendix-II of the UERC Tariff Regulations, 2024.

In line with the above approach, the Commission has computed the depreciation for the Fifth Control Period, i.e. from FY 2025-26 to FY 2027-28 for Vyasi LHP on the approved GFA.

The depreciation for Vyasi LHP for the Fifth Control Period, accordingly, works out as shown in the Table below:

Table 5.14: Depreciation Charges as approved by the Commission for Vyasi LHP for Fifth Control Period (Rs. Crore)

Particular	FY 2025-26		FY 2026-27		FY 2027-28	
	Claimed	Approved	Claimed	Approved	Claimed	Approved
Depreciation	**103.47**	**88.89**	**104.15**	**88.89**	**105.07**	**88.89**

The depreciation expenses will be Trued Up in accordance with the provisions of UERC Tariff Regulations, 2024.

5.3.5 *Return on Equity*

A. Old Nine Generating Stations

Regulation 26 of the UERC Tariff Regulations, 2024 specifies as follows:

*"**26. Return on Equity***

(1) Return on equity shall be computed on the equity base determined in accordance with Regulation 24.

Provided that, Return on Equity shall be allowed on account of allowed equity capital for the assets put to use at the commencement of each financial year.

Provided further that, if the generating stations/licensees are able to demonstrate the actual date of asset being put to use and capitalized in its accounts of each asset for the purposes of business carried on by it through documentary evidence, including but not limited to 'asset put to use certificate, 'audited accounts' etc. then in such cases after due satisfaction of the Commission, the ROE shall be allowed on pro-rata basis after considering additional capitalization done during the year out of the equity capital.

(2) Return on equity shall be computed on at the base rate of 15.5% for thermal generating stations, transmission licensee, SLDC and run of the river hydro generating station and at the base rate of 16.50% for the storage type hydro generating stations and run of river generating station with pondage and distribution licensee on a post-tax basis.

Provided that Return on Equity in respect of additional capitalization after 01.04.2025 beyond the original scope of work excluding additional capitalization due to Change in Law, shall be computed at the base rate of one-year marginal cost of lending rate (MCLR) of the State Bank of India plus 350 basis points as on 1st April of the year, subject to a ceiling of 14%;

…"

The Petitioner submitted that it has claimed RoE in accordance with the aforesaid Regulations at the rate of 16.50% for Chibro, Khodri, Ramganga and MB-I and at the rate of 15.50% for Dhakrani, Dhalipur, Kulhal, Chilla & Khatima on post-tax basis. Further, the Petitioner submitted that RoE has been calculated on opening equity as per the applicable regulations for the Fifth Control Period.

The Petitioner further submitted that it may be allowed to recover Income Tax as per Regulations 34 of UERC Tariff Regulations, 2024, which specifies as follows:

"Income Tax, if any, on the income stream of the regulated business of Generating Companies,

Transmission Licensees, Distribution Licensees and SLDC shall be reimbursed to the Generating Companies, Transmission Licensees, Distribution Licensees and SLDC as per actual income tax paid, based on the documentary evidence submitted at the time of truing up of each year of the Control Period, subject to the prudence check."

The Petitioner requested to allow the Income Tax on actual basis based on final assessment of tax & payment of the same to the income tax department.

The Commission observed that pending finalisation of the Transfer Scheme, the Commission had allowed RoE on the provisional value of the opening equity of Rs. 150.58 Crore in accordance with the directions of the Hon'ble Appellate Tribunal for Electricity issued in the Order dated 14.09.2006 (Appeal No. 189 of 2005) and detailed in the Commission's Order dated 14.03.2007.

The Commission for the purpose of computing RoE has considered opening equity for FY 2025-26 as the closing equity approved for FY 2024-25. As regards RoE on additional Capitalisation approved in the fifth control period, the Commission has considered the normative equity of 30% where entire financing has been done through internal resources and on actual basis in other cases subject to a ceiling of 30% as specified in the Regulations. The Commission in accordance with the provisions of UERC Tariff Regulations, 2024 has allowed the Return on Equity on the opening equity for each year. For additional capitalisation during the year, if the Petitioner is able to demonstrate actual date of asset being put to use and capitalized in its accounts in accordance with the provisions of Regulations at the time of truing up, RoE shall be allowed at the time of truing up.

With regard to recovery of Income Tax paid, the Commission is of the view that Regulation 34 of UERC Tariff Regulations, 2024 allows recovery of actual Tax paid, subject to submission of documentary proof. Therefore, the Petitioner is entitled to claim the same at the time of truing-up as per the actuals in accordance with Regulation 34 of UERC Tariff Regulations, 2024 for the respective financial years.

It is also observed that Regulation 26 of UERC Tariff Regulations, 2024 specifies that RoE shall be allowed at the rate of 15.50% for ROR stations and 16.50% for storage type hydro stations and ROR stations with pondage. However, such rate of return shall be allowed only on equity infused on works that are part of additional capitalization done up to 31.03.2025, works covered under RMU and Change in Law. Any additional capitalisation done after 01.04.2025 beyond the original scope of work (except additional capitalization due to RMU & Change in Law) shall be computed at the base rate of one-year marginal cost of lending rate (MCLR) of the State Bank of India plus 350 basis points as on 1st April of the year, subject to a ceiling of 14% which is considered by the Commission as 12.37% i.e., 8.87% plus 350 basis points for all 11 LHPs for the Fifth Control Period.

The summary of the Return on Equity approved for 9 LHPs for Fifth Control Period is shown in the Table given below:

Table 5.15: Return on Equity for 9 LHPs for FY 2025-26 (Rs. Crore)

Name of the Generating Stations	Claimed	Approved		
		On Transferred Asset as on Jan 14, 2000 assets added up to 31.03.2025	On Additional Capitalization post 31.03.2025	Total
Dhakrani	5.52	4.17	-	4.17
Dhalipur	11.84	10.07	-	10.07
Chibro	12.40	10.65	-	10.65
Khodri	7.14	6.56	-	6.56
Kulhal	3.48	3.09	-	3.09
Ramganga	5.81	5.56	-	5.56
Chilla	16.00	16.16	-	16.16
MB-I	19.81	14.91	-	14.91
Khatima	8.97	8.51	-	8.51
Total	**90.97**	**79.68**	**-**	**79.68**

Table 5.16: Return on Equity for 9 LHPs for FY 2026-27 (Rs. Crore)

Name of the Generating Stations	Claimed	Approved		
		On Transferred Asset as on Jan 14, 2000 assets added up to 31.03.2025	On Additional Capitalization post 31.03.2025	Total
Dhakrani	9.41	6.49	0.32	6.81
Dhalipur	14.25	10.91	0.72	11.63
Chibro	16.29	10.65	2.29	12.95
Khodri	9.03	6.56	0.22	6.78
Kulhal	4.88	3.09	-	3.09
Ramganga	6.61	5.56	0.31	5.87
Chilla	22.09	18.71	1.31	20.02
MB-I	21.18	14.91	-	14.91
Khatima	10.82	8.51	-	8.51
Total	**114.55**	**85.40**	**5.17**	**90.56**

Table 5.17: Return on Equity for 9 LHPs for FY 2027-28 (Rs. Crore)

Name of the Generating Stations	Claimed	Approved		
		On Transferred Asset as on Jan 14, 2000 assets added up to 31.03.2025	On Additional Capitalization	Total
Dhakrani	13.54	7.75	0.32	8.06
Dhalipur	15.19	10.91	0.72	11.63
Chibro	18.20	10.65	2.29	12.95
Khodri	10.98	6.56	0.22	6.78
Kulhal	6.33	3.09	-	3.09
Ramganga	7.12	5.56	0.31	5.87
Chilla	26.85	21.27	1.31	22.58
MB-I	22.75	14.91	-	14.91
Khatima	11.26	8.51	-	8.51
Total	**132.21**	**89.21**	**5.17**	**94.37**

B. Maneri Bhali-II

The Petitioner in its Petition has submitted that they have computed return on equity on opening equity during the year as per UERC Tariff Regulations, 2024.

As discussed earlier in Chapter 4, the Commission has revised the Capital Cost as on COD to Rs. 1885.50 Crore. As per the financing considered by the Commission for the total approved Capital Cost of Rs. 1885.50 Crore and additional capitalisation of Rs. 503.19 Crore till FY 2024-25, Rs. 696.37 Crore has been funded through equity as already discussed in Chapter 4 of this Order and detailed in the Table below:

Table 5.18: Details of Equity for MB-II up to 31.03.2025

Particular	Amount (Rs. Crore)
Approved Capital cost as on 15.03.2008 (CoD)	1885.50
Additional Capitalisation up to 31.03.2025	503.292
GFA as on 31.03.2025	2348.41
Financing through grant received from GoU as relief for natural calamity	40.37
Net GFA	2388.78
Equity	**696.37**
(i) Through PDF	351.39
(ii) GoU budgetary support	180.98
(iii) Pre-2002 expenses	164.00

As discussed in Chapter 4 of this Order, the Commission has allowed the Return on Equity on the total equity including PDF.

The Commission has, therefore, considered the equity of Rs. 696.37 Crore [Rs 351.39 Crore +

Rs 180.989 Crore (GoU budgetary support) + Rs 164.00 Crore (Pre-2002 expenses)] eligible for return purposes. The Commission has computed the RoE at the rate of 16.50% as specified in UERC Tariff Regulations, 2024. The summary of the Return on Equity approved for MB-II for the Fifth Control Period is shown in the Table given below:

Table 5.19: Return on Equity for MB-II for Fifth Control Period (Rs. Crore)

Particular	FY 2025-26		FY 2026-27		FY 2027-28	
	Claimed	Approved	Claimed	Approved	Claimed	Approved
Return on Equity	117.63	114.90	122.01	114.90	126.41	114.90

C. Vyasi LHP

The Petitioner in its Petition has submitted that they have computed return on equity on average equity during the year as per UERC Tariff Regulations, 2024.

Further, the Petitioner submitted that RoE has been calculated on average equity during the year as per the applicable regulations. The Petitioner further submitted that it has not considered income tax as part of RoE and same shall be claimed at the time of True-up for the year.

As discussed earlier in Chapter 3 of this Order dated March 24, 2025, the Commission has approved the Capital Cost as on CoD to Rs. 1632.51 Crore. As per the financing considered by the Commission for the total approved Capital Cost of Rs. 1632.51 Crore and additional capitalisation of Rs. 135.13 Crore till FY 2024-25, Rs. 512.89 Crore has only been funded through equity and is detailed in the Table below:

Table 5.20: Details of Equity for Vyasi LHP up to 31.03.2024

Particular	Amount (Rs. Crore)
Approved Capital cost as on 24.05.2022 (CoD)	1632.51
Additional Capitalisation up to 31.03.2025	135.13
GFA as on 31.03.2025	1767.64
Financing through grant	-
Net GFA	1767.64
Equity	**512.89**
(i) GoU budgetary support	336.16
(ii) Internal Resource	176.73
(iii) SASCI	-

The Commission has, therefore, considered the equity of Rs. 512.89 Crore eligible for return purposes for FY 2025-26. The summary of the Return on Equity approved for Vyasi LHP for FY 2025-26 is shown in the **Table** given below:

Table 5.21: Return on Equity for Vyasi LHP for Fifth Control Period (Rs. Crore)

Particular	FY 2025-26		FY 2026-27		FY 2027-28	
	Claimed	Approved	Claimed	Approved	Claimed	Approved
Return on Equity	101.89	84.63	102.63	84.63	103.43	84.63

5.3.6 *Interest on Loans*

A. Old Nine Generating Stations

Regulation 27 of the UERC Tariff Regulations, 2024 specifies as follows:

"27. Interest and finance charges on loan capital and on Security Deposit

(1) The loans arrived at in the manner indicated in Regulation 24 shall be considered as gross normative loan for calculation of interest on loan.

(2) The normative loan outstanding as on 01.04.2025 shall be worked out by deducting the cumulative repayment as admitted by the Commission up to 31.03.2025 from the approved gross normative loan.

(3) The repayment for each year of the Control Period shall be deemed to be equal to the depreciation allowed for that year. In case of decapitalization of assets, the repayment shall be adjusted by taking into account cumulative repayment on a pro rata basis and the adjustment should not exceed cumulative depreciation recovered upto the date of decapitalization of such asset.

(4) Notwithstanding any moratorium period availed by the Generating Company or the Transmission Licensee or the Distribution Licensee or the SLDC, as the case may be the repayment of loan shall be considered from the first year of commercial operation of the project and shall be equal to the depreciation allowed for the year or part of the year.

(5) The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio of the previous year after providing appropriate accounting adjustment for interest capitalised:

Provided that if there is no actual loan for a particular year but normative loan is still outstanding, the last available weighted average rate of interest shall be considered.

Provided further that if the generating station or the transmission system or the distribution system or SLDC, as the case may be, does not have actual loan, then the *weighted average rate of interest of the generating company or the Transmission Licensee or the Distribution Licensee or SLDC as a whole shall be considered.*

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

Provided that on account of additional capitalization during the year, interest on additional loan shall be calculated on pro-rata basis.

(7) The Generating Company or the Transmission Licensee or the Distribution Licensee, or the SLDC as the case may be, shall make every effort to re-finance the loan as long as it results in net savings on interest and in that event the costs associated with such re-financing shall be borne by the beneficiaries and the net savings on interest shall be shared between the beneficiaries and the Generating Company or the Transmission Licensee or the Distribution Licensee or the SLDC, as the case may be, in the ratio of 1:2.

…"

The Petitioner submitted that Govt. on Uttarakhand (GoU) vide its letter No. 246131/I-1/04(8)/06/2023 e-file-51015 dated 14th October, 2024 has revised the terms of funds disbursed under SASCI (Special Assistance Scheme for Capital Investment) scheme during FY 2023-24. As per the revised terms, the disbursed amount is sanctioned in 70:30 (Loan : Equity) ratio. The annual rate of interest on loan amount has been allowed as 6.50%.The Commission vide TVS MoM dated 29.01.2025 raised a query related to the Terms and Conditions for funds disbursed from SAS and SASCI. The Petitioner vide reply submitted following details:

Table 5.22: T&C for SAS and SASCI Fund from GoU

Particulars	SAS (up to FY 2022-23)	SASCI (in FY 2023-24)
Funding:		
Debt	100%	70%
Equity	0%	30%
Repayment Terms:		
Rate of Interest	0%	6.5% P.A.
Repayment Period	10 Years	12 Years
Moratorium Period	3 years or CoD whichever is earlier	CoD plus 6 months

It is to be noted that the additional capitalization approved by the Commission in FY 2023-24 includes DRIP works, which were financed with a Debt - Equity ratio of 80:20 and the rate of interest on the loan component is zero. Accordingly, the opening balance of the loan pertaining to debt component of DRIP works has been considered for FY 2024-25 with interest rate as zero during the calculation of weighted average interest rate for FY 2024-25. The weighted average rate arrived for FY 2023-24 is also considered for the Fifth Control Period.

Further, the Petitioner in its previous proceedings submitted that the practice of capitalizing the assets as soon as assets are available to use/put to use, instead of booking at the end of financial year is being actively followed. The Commission notes that the Petitioner was able to capitalise Rs. 83.28 Crore during April 2023 to September 2023 out of total estimated capitalisation for the year as Rs. 286.68 Crore in FY 2023-24 which is 29% of total capitalisation. The Commission had considered the submission of the Petitioner and only for the purpose of allowing interest on loan, calculated the interest rate on the basis of opening loan less average repayment. In view of the same the Commission has considered the same approach for the Fifth Control Period. The Commission shall however review the approach based on the actual capitalisation being carried out including RMU of generating stations at the time of truing up.

In view of the above, the Commission has considered the interest rate after adjusting the yearly interest rebates received by the Petitioner of 10.26% for Khatima, 8.49% for MB-I and 8.06% for Dhalipur and 8.18% for other 6 LHPs (including DRIP & SAS loans).

Based on the above considerations, the Commission has approved interest on loan based on the average of opening and closing loans for 9 LHPs for respective financial years after excluding the loan corresponding to Additional Capitalisation during the year as the practice of the Petitioner is to capitalise the assets at the end of the year, which is as shown in the Table below:

Table 5.23: Interest on Loan for 9 LHPs for Fifth Control Period (Rs. Crore)

Name of the Generating Stations	FY 2025-26		FY 2026-27		FY 2027-28	
	Claimed	Approved	Claimed	Approved	Claimed	Approved
Dhakrani	9.71	4.23	15.70	7.16	18.29	8.12
Dhalipur	16.47	9.87	18.30	11.15	17.72	10.26
Chibro	11.40	4.92	15.84	7.84	16.92	7.14
Khodri	4.44	1.74	7.61	1.85	10.45	1.63
Kulhal	5.39	2.82	8.11	2.60	9.56	2.39
Ramganga	3.12	1.86	3.94	2.10	4.01	1.87
Chilla	18.37	11.65	26.34	15.79	34.78	17.65
MB-I	19.36	21.42	20.92	20.10	22.63	18.79
Khatima	7.66	5.34	8.69	4.42	8.35	3.51
Total	**95.92**	**63.85**	**125.45**	**73.01**	**142.70**	**71.35**

B. Maneri Bhali-II

As discussed in the preceding paras, the Commission has considered the weighted average interest rate of 8.59% based on the outstanding loans for the project. The Commission for computing interest for MB-II station for the Fifth Control Period has considered the above-mentioned interest rate.

In case of MB-II station, as the actual loans have been availed for the project, therefore, the interest has been computed on the basis of interest rate applicable to these loans availed for the project. The Commission has adjusted the yearly interest refunds received by the Petitioner as done previously in the Order dated March 28, 2024.

The Commission has calculated Interest on Loan based on the approach adopted for 9 LHPs for the Fifth Control Period. The Commission in accordance with UERC Tariff Regulations, 2024 has considered the repayment for each year of the Control Period equal to the depreciation allowed for that year. Further, for the purpose of computation of interest on loan for Fifth Control Period, the Commission has considered guarantee fee on PFC loan equal to the actual guarantee fee paid in FY 2023-24 i.e. 0.10 Crore. However, during the true-up of FY 2025-26 to 2026-27, the Commission shall consider the actual guarantee fee post prudence check of the same.

Based on the above considerations and the UERC Tariff Regulations, 2024, the Commission has calculated the interest expense for MB-II for the Fifth Control Period as shown in the Table below:

Table 5.24: Interest on Loan for MB-II for Fifth Control Period (Rs. Crore)

Particular	FY 2025-26		FY 2026-27		FY 2027-28	
	Claimed	Approved	Claimed	Approved	Claimed	Approved
Interest on Loan	41.33	27.86	44.92	24.82	45.39	21.85

C. Vyasi LHP

In case of Vyasi LHP, as the actual loans have been availed for the project during FY 2023-24, therefore, the interest has been computed based on the interest rate applicable to these loans availed for the project which works out to be 9.62% as per submission dated 07.02.2025. Accordingly, the Commission has considered the interest rate for Vyasi LHP as 9.62%. The Commission for computing interest for Vyasi LHP for the Fifth Control Period has considered the above-mentioned interest rate.

The Commission in accordance with UERC Tariff Regulations, 2024, has considered the repayment equal to the depreciation allowed for the year.

Based on the above considerations and the UERC Tariff Regulations, 2024, the Commission has calculated the interest expense for Vyasi LHP for the Fifth Control Period as shown in the Table below:

Table 5.25: Interest on Loan for Vyasi LHP for Fifth Control Period (Rs. Crore)

Particular	FY 2025-26		FY 2026-27		FY 2027-28	
	Claimed	Approved	Claimed	Approved	Claimed	Approved
Interest on Loan	105.15	82.84	96.15	76.57	87.15	71.66

5.3.7 *Operation and Maintenance expenses*

Regarding the Operation and Maintenance expenses, Regulation 48(2) of the UERC Tariff Regulations, 2024 specifies as follows:

*"48 **Operation and Maintenance Expenses***

*(2) **For Hydro Generating Stations***

(a) ***For Generating Stations in operation for more than five years preceding the Base Year***

The operation and maintenance expenses for the first year of the control period will be approved by the Commission taking in to account the actual O&M expenses for last five years till base year, based on the audited balance sheets, excluding abnormal operation and maintenance expenses, if any, subject to prudence check and any other factors considered appropriate by the Commission.

(b) ***For Generating Stations in operation for less than 5 years preceding the base year:***

In case of the hydro electric generating stations, which have not been in existence for a period of five years preceding the base year, i.e. FY 2023-24, the operation and maintenance expenses for the base year of FY 2023-24 shall be fixed at 4% and 2.5% of the actual capital cost (excluding cost of rehabilitation & resettlement works) as admitted by the Commission, for stations less than 200 MW projects and for stations more than 200 MW respectively, for the first year of operation and shall be escalated from the subsequent year in accordance with the escalation principles specified in clause (e) below.

(c) ***For Generating Stations declared under commercial operation on or after 01.4.2025.***

In case of new hydro electric generating stations, i.e. the hydro electric generating stations declared under commercial operation on or after 1.4.2025, the base operation and maintenance expenses for the year of commissioning shall be fixed at 4% and 2.5% of the actual capital cost (excluding cost of rehabilitation & resettlement works) as admitted by the Commission, for stations less than 200 MW projects and for stations more than 200 MW respectively and shall be escalated from the subsequent year in accordance with the escalation principles specified in clause (e) below.

(d) *Post determination of base O&M Expenses for the base year, i.e. FY 2023-24, the O&M expenses for the nth year and also for the year immediately preceding the Control Period, i.e. 2024-25 shall be approved based on the formula given below:-*

O&Mn = R&Mn + EMPn + A&Gn

Where –

- *O&Mn – Operation and Maintenance expenses for the nth year;*
- *EMPn – Employee Costs for the nth year;*
- *R&Mn – Repair and Maintenance Costs for the nth year;*
- *A&Gn – Administrative and General Costs for the nth year;*

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

EMPn = (EMPn-1) x (1+Gn) x (1+CPIinflation)

R&Mn = K x (GFA n-1) x (1+WPIinflation) and

A&Gn = (A&Gn-1) x (1+WPIinflation)+ Provision

Where -

- *EMPn-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 Generating Company and approved by the Commission after prudence check.*

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

  Provided that for the projects whose Renovation and Modernisation has been carried out, the R&M expenses for the nth year and the year following the Financial Year in which the RMU works were completed shall not exceed 4% of the capital cost admitted by the Commission, and the said limit of 4% shall be escalated for subsequent years to arrive at the R&M expenses for the Control Period by applying the average increase in WPI for immediately preceding three years.

- *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;*

- *GFAn-1 – Gross Fixed Asset of the Generating Company for the n-1th year;*

- *Gn is a growth factor for the nth year and it can be greater than or less than zero based on the actual performance. Value of Gn shall be determined by the Commission in the MYT tariff order for meeting the additional manpower requirement based on Generating Company's filings, benchmarking and any other factor that the Commission feels appropriate*

  Provided that repair and maintenance expenses determined shall be utilised towards repair and maintenance works only.

(e) *O&M expenses determined in sub-Regulation 2(b) & 2(c) above, shall be escalated for subsequent years to arrive at the O&M expenses for the control period by applying the Escalation factor (EFk) for a particular year (Kth year) which shall be calculated using the following formula:*

$EF_k = 0.55xWPI_{Inflation} + 0.45xCPI_{Inflation}$

(f) *In case of multi-purpose hydroelectric stations, with irrigation, flood control and power components, the O&M expenses chargeable to power component of the station only shall be considered for determination of tariff.*

Provided that in case of hydro generating stations the generating station shall submit the assessment of the security requirement and insurance expenses along with its estimated expenses, which shall be trued up in the respective tariff Orders based on the past trends of year-wise actual insurance and security expenses incurred with appropriate justification or in the manner the Commission finds the same fit."

The O&M expenses comprise Employee expenses, R&M expenses and A&G expenses. In accordance with Regulation 48(2) of the UERC Tariff Regulations, 2024, the O&M expenses for the Fifth Control Period have been determined by the Commission taking into account actual O&M expenses as discussed below.

The UERC Tariff Regulations, 2024 stipulate the normative O&M expenses for the Fifth Control Period to be approved taking into account the actual O&M expenses of last five years i.e. FY 2019-20 to FY 2023-24. The Commission observes:

(a) There is a Revision in apportionment methodology by the Commission from FY 2022-23 onwards as 86:14 (9 OLD LHPs, MB-II & Vyasi LHP and SHPs) vide Tariff Order dated 28.03.2024.

(b) Out of 9 old LHPs, 3 LHPs namely Khatima, MB-I & MB-I have completed their RMU and another LHP i.e., Dhakrani is undergoing RMU. Hence, the O&M expenses of these stations must have been reduced.

(c) FY 2020-21 observed COVID-19 Pandemic and reduction in Employee expenses and A&G expenses was also observed in FY 2020-21 and were the lowest in 5 years.

Regulation 103(2) of the UERC Tariff Regulations, 2024 also stipulates as under:

"Nothing in these Regulations shall bar the Commission from adopting in conformity with provisions of the Act, a procedure which is at variance with any of the provisions of these Regulations, if the Commission, in view of the special circumstances of a matter or a class of matters, deems it just or expedient for deciding such matter or class of matters."

In view of the special circumstances in this case, in exercise of powers conferred by the above stated Regulation, the Commission does not find it prudent to approve the normative O&M expenses for the Fifth Control Period based on the actual expenses for 5 years and has considered to compute the same based on the actuals of last 3 years i.e., FY 2021-22 to FY 2023-24.

The Commission has calculated the annual growth in values of CPI (overall) for Industrial Workers and WPI (overall) based on the average of FY 2022-23 to FY 2024-25 and has considered the same for determination of indices for FY 2024-25 and subsequently for the Fifth Control Period, i.e. FY 2025-26 to FY 2027-28. The summary of the same is provided in the Table below:

Table 5.26: Escalation Rate as considered by the Commission

Particulars	FY 2022-23	FY 2023-24	FY 2024-25	5th Control Period
CPI	5.89%	5.40%	5.46%	**4.84%**
WPI	5.32%	7.90%	7.23%	**3.65%**
Inflation (Average 55:45)				**4.19%**

The submissions of the Petitioner and the Commission's analysis for approving the various components of the O&M expenses for the Fifth Control Period for FY 2025-26 to FY 2027-28 is detailed below:

A. Old Nine Generating Stations

5.3.7.1 *Employee expenses*

The Petitioner submitted that the Employee expenses for the Fifth Control Period from FY 2025-26 to FY 2027-28 has been proposed as per the UERC Tariff Regulations, 2024.

The Commission has computed the normative Employee expenses for the Fifth Control Period based on the average of actual Employee expenses from FY 2021-22 to FY 2023-24 after reducing GPF Trust expenses. The average expenses for the three years have been considered as base expenses for the middle year i.e. FY 2022-23. The normative expenses thus arrived have been escalated by CPI inflation of 5.40% forming the base year as FY 2023-24.This normative opening gross employee expenses have further been adjusted for the Gn factor as per actual for FY 2024-25 and escalated with CPI Inflation of 5.46% to arrive at normative employee expenses for FY 2024-25. The gross employee expenses so arrived have been considered as the gross employee expenses (i.e., EMPn-1) for FY 2024-25. From FY 2025-26 onwards, the Commission has computed the normative employee expenses in accordance with the Regulation 48 (2) of UERC Tariff Regulations, 2024, considering the Gn factor approved for the corresponding year and the CPI inflation of 4.84%.

The Commission, in the approval of Business Plan for the Fifth Control Period from FY 2025-26 to FY 2027-28 as discussed in Business Plan Chapter of this Order has approved the HR Plan. Based on the approved HR Plan, the Commission has computed the Gn factor as shown in the Table below:

Table 5.27: Gn approved by the Commission

Particulars	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
Closing no. of employees	1446	1428	1531	1555	1593
Gn	0.00%	0.00%	3.61%	0.78%	1.22%

However, if the actual addition to number of employees is lower than the number of employee addition considered in this Order, the impact of the same shall be adjusted while carrying out the truing up and will not be considered as reduction in employee expenses on account of controllable factors.

With this approach, the normative employee expenses approved for the Fifth Control Period from FY 2025-26 to FY 2027-28 is as shown in the Table below:

Table 5.28: Employee Expense approved by the Commission for 9 LHPs for the Fifth Control Period (Rs. Crore)

Name of the Generating Stations	FY 2025-26		FY 2026-27		FY 2027-28	
	Claimed	Approved	Claimed	Approved	Claimed	Approved
Dhakrani	17.20	15.73	18.59	16.62	20.08	17.63
Dhalipur	13.22	13.23	14.29	13.98	15.44	14.84
Chibro	47.18	47.25	50.98	49.93	55.08	52.98
Khodri	25.21	24.59	27.24	25.98	29.43	27.57
Kulhal	10.71	10.76	11.57	11.37	12.50	12.07
Ramganga	33.45	32.82	36.14	34.68	39.05	36.80
Chilla	41.26	39.54	44.58	41.77	48.17	44.33
MB-I	27.34	28.78	29.54	30.41	31.92	32.27
Khatima	14.13	13.77	15.27	14.55	16.50	15.44
Total	**229.71**	**226.47**	**248.19**	**239.29**	**268.16**	**253.94**

5.3.7.2 *R&M expenses*

The UERC Tariff Regulations, 2024 specify that the R&M expenses for the Fifth Control Period shall be arrived at by multiplying the constant factor 'K' with the opening GFA approved for the respective financial years of the Fifth Control Period.

The Commission has computed R&M Expenses for the Fifth Control Period as per the methodology using the following formulae:

R&Mn = K x (GFA n-1) x (1+WPIinflation)

Further, with regard to the constant K, the Regulations specify as:

"…Provided that for the projects whose Renovation and Modernisation has been carried out, the R&M expenses for the nth year shall not exceed 4% of the capital cost admitted by the Commission, and the said limit of 4% shall be escalated for subsequent years to arrive at the R&M expenses for the Control Period by applying the average increase in WPI for immediately preceding three years."

The Commission has adopted the above approach while giving due consideration to the actual pre-RMU expenses for the same Plants. Furthermore, the R&M expenses for the Plant proposed to be under RMU, the proportionate R&M for balance Units under operations have been allowed which shall be reviewed during true up of the respective year as per UERC Tariff Regulations, 2024.

The Commission also observes that RMU works of Khatima LHP, MB-I and Dhalipur were completed in FY 2016-17, FY 2022-23 and FY 2023-24, respectively. Further, with regard to Dhakrani and Chilla, the RMU works is projected to be carried out in the Fifth Control Period.

The Commission has computed the percentage of actual R&M expenses as considered by the Commission in its previous Tariff Orders upon approved opening GFA for each year of FY 2019-20 to FY 2023-24. The Commission has also computed 5-year CAGR for actual R&M expenses as consider by the Commission in previous Tariff Orders i.e., from FY 2019-20 to FY 2023-24 and observed substantial increase in R&M expenses in Plants such as Kulhal, Ramganga and Chilla, as shown in the Table below:

Table 5.29: 5-Year CAGR in R&M Expenses

Generating Stations	CAGR
Dhakrani	0.9%
Dhalipur	3.1%
Chibro	8.7%
Khodri	2.9%
Kulhal	12.8%
Ramganga	37.9%

Table 5.29: 5-Year CAGR in R&M Expenses

Generating Stations	CAGR
Chilla	12.9%
MB-I	8.5%
Khatima	4.5%

With respect to the Ramganga LHP, it has been observed that the Plant undertook Capital Maintenance and Major Overhauling activities during FY 2021–22 and FY 2023–24. The Commission is of the considered view that such expenditures are of a non-recurring nature and cannot be categorized as annual or recurring expenses. Similarly, for Kulhal LHP and Chilla LHP, it has been observed that the Plant undertook Capital Maintenance activities during FY 2022-23 & FY 2023–24. Further, Chilla LHP is undergoing RMU and Unit #4 has been under shutdown since 07.11.2024. The Petitioner also submitted that RMU for Chilla LHP is planned to be completed by 09.09.2027.

With respect to Khatima LHP, Regulation 48(2) of the UERC Tariff Regulations, 2024 states that the R&M expenses for the nth year shall not exceed 4% of the capital cost admitted by the Commission. Considering that there is significant reduction in the actual incurred expenses of Khatima LHP in FY 2023-24 from the approved expenses with 'K' factor as 4%, now the Commission has considered to rationalise the K factor as 3% for the Fifth Control Period.

With regard to MB-I and Dhalipur LHP, in view of past R&M expenses, post RMU, the R&M expenses for the Fifth Control Period have been limited to 2% of GFA.

With regard to other Stations, wherein the RMU works are expected to be completed beyond FY 2024-25 i.e., Dhakrani and Chilla LHP, the Commission on the provisional basis has considered R&M expenses based on the methodology provided in the aforesaid Regulations. However, the Commission has provisionally restricted R&M expenses for the said Plants to 2%, post RMU and any gain or loss on account of such re-consideration shall not be carried out during True-up.

Further, with regard to DRIP works, the Commission has considered R&M expenses as 3% of opening GFA against Additional Capitalisation against DRIP-I and DRIP-II works as approved by the Commission, for computing normative R&M expenses for Fifth Control Period.

Accordingly, in line with UERC Tariff Regulations, 2024, the Commission has considered the 'K' factor for the Fifth Control Period as in the Table below:

Table 5.30: K Factor as considered by the Commission

Generating Stations	K Factor for Fifth Control Period
Dhakrani	14.00% *(post RMU- 2.00%)*
Dhalipur	2.00%*
Chibro	9.00%
Khodri	10.00%
Kulhal	13.00%
Ramganga	9.00%
Chilla	9.00% *(post RMU- 2.00%)*
MB-I	2.00%*
Khatima	3.00%*

** RMU completed*

The Commission has considered the opening GFA for each year of the Fifth Control Period from FY 2025-26 to FY 2027-28 considering the Additional Capitalisation approved in Chapter 3 of this Order. Thereafter, the Commission has considered the WPI inflation of 3.65% which is the average increase in the Wholesale Price Index (WPI) for FY 2022-23 to FY 2024-25.

Based on the above, the R&M expenses approved by the Commission for the Fifth Control Period is as shown in the Table below:

Table 5.31: R&M Expense approved by the Commission for 9 LHPs for the Fifth Control Period (Rs. Crore)

Name of the Generating Stations	FY 2025-26		FY 2026-27		FY 2027-28	
	Claimed	Approved	Claimed	Approved	Claimed	Approved
Dhakrani	19.36	1.74	33.54	2.77	49.64	4.23
Dhalipur	16.39	5.40	20.21	6.17	21.88	6.17
Chibro	26.49	18.28	37.37	24.05	42.73	24.05
Khodri	16.15	12.66	21.79	13.26	27.58	13.26
Kulhal	12.63	6.35	18.52	6.35	24.75	6.35
Ramganga	16.83	10.03	19.96	10.80	21.97	10.80
Chilla	38.77	14.11	55.04	11.07	67.65	18.04
MB-I	15.02	11.28	16.43	11.28	18.05	11.28
Khatima	5.69	5.77	7.11	5.77	7.46	5.77
Total	**167.34**	**85.61**	**229.97**	**91.53**	**281.71**	**99.95**

5.3.7.3 *A&G expenses*

The Petitioner submitted that the A&G expenses for the Fifth Control Period from FY 2025-26 to FY 2027-28 has been proposed as per the UERC Tariff Regulations, 2024.

As discussed above, the Commission has computed the normative A&G expenses for the Fifth Control Period based on the average of actual A&G expenses from FY 2021-22 to FY 2023-24 after adjusting it for Petition filing fees, Insurance expenses, ERP expenses, Security expenses and CSR expenses. The average expenses for the three years have been considered as base expenses for the middle year i.e. FY 2022-23. The normative expenses thus arrived have then been escalated by WPI inflation of 7.90% to arrive at the base normative expenses for FY 2023-24. The gross A&G expenses so arrived are further escalated by WPI of 7.23% to determine normative A&G expenses for FY 2024-25 which have been considered for calculating the A&G expenses for First, Second and Third year of the Fifth Control Period considering the WPI inflation of 3.65%. The Commission has thereafter added the actual Petition filing fees, Insurance expenses, ERP expenses, Security expenses for FY 2023-24 and has approved the total A&G expenses for the Fifth Control Period.

The normative A&G expenses approved by the Commission for the Fifth Control Period are as shown in the Table below:

Table 5.32: A&G Expenses approved by the Commission for 9 LHPs for the Fifth Control Period (Rs. Crore)

Name of the Generating Stations	FY 2025-26		FY 2026-27		FY 2027-28	
	Claimed	Approved	Claimed	Approved	Claimed	Approved
Dhakrani	4.23	3.63	4.54	3.81	4.87	1.82
Dhalipur	3.22	3.08	3.45	3.17	3.70	3.28
Chibro	11.89	10.53	12.75	10.90	13.67	11.30
Khodri	8.57	7.22	9.19	7.43	9.85	7.66
Kulhal	3.67	3.00	3.93	3.09	4.22	3.18
Ramganga	9.05	8.13	9.71	8.41	10.41	8.71
Chilla	8.78	7.88	9.41	8.16	10.09	8.46
MB-I	6.57	5.87	7.05	6.03	7.56	6.21
Khatima	2.80	2.59	3.00	2.69	3.22	2.80
Total	**58.78**	**51.92**	**63.03**	**53.69**	**67.58**	**53.42**

5.3.7.4 ***O&M expenses***

Based on above discussions, the O&M expenses approved by the Commission for the Fifth Control Period is as shown in the Table below:

Table 5.33: O&M Expenses approved for 9 LHP for the Fifth Control Period (Rs. Crore)

Name of the Generating Stations	FY 2025-26		FY 2026-27		FY 2027-28	
	Claimed	Approved	Claimed	Approved	Claimed	Approved
Dhakrani	40.80	21.09	56.67	23.20	74.59	23.68
Dhalipur	32.83	21.70	37.95	23.33	41.02	24.29
Chibro	85.56	76.06	101.10	84.88	111.48	88.33
Khodri	49.93	44.46	58.21	46.68	66.86	48.50
Kulhal	27.01	20.11	34.02	20.81	41.47	21.60

Table 5.33: O&M Expenses approved for 9 LHP for the Fifth Control Period (Rs. Crore)

Name of the Generating Stations	FY 2025-26		FY 2026-27		FY 2027-28	
	Claimed	Approved	Claimed	Approved	Claimed	Approved
Ramganga	59.33	50.98	65.81	53.89	71.43	56.31
Chilla	88.81	61.53	109.03	61.01	125.91	70.83
MB-I	48.94	45.92	53.02	47.72	57.52	49.76
Khatima	22.62	22.12	25.38	23.00	27.18	24.00
Total	**455.83**	**363.99**	**541.19**	**384.51**	**617.45**	**407.31**

B. Maneri Bhali-II

The Commission has adopted the same approach as discussed above in case of 9 LHPs. In line with UERC Tariff Regulation, 2024, the Commission has considered 'K' factor as 1% for MB-II LHP. Accordingly, the Commission has approved the O&M expenses for MB-II for the Fifth Control Period as shown below:

Table 5.34: O&M Expenses approved by the Commission for MB-II for the Fifth Control Period from FY 2025-26 to FY 2027-28 (Rs. Crore)

Particulars	FY 2025-26		FY 2026-27		FY 2027-28	
	Claimed	Approved	Claimed	Approved	Claimed	Approved
Employee Expenses	45.87	40.39	49.56	42.67	53.55	45.29
R&M Expenses	27.87	26.84	29.30	26.84	30.73	26.84
A&G Expenses	17.41	16.28	18.67	16.51	20.02	16.75
Total	**91.15**	**83.51**	**97.53**	**86.03**	**104.30**	**88.88**

C. Vyasi LHP

The Petitioner submitted that Operation and maintenance expenses for the Fifth Control Period have been calculated by escalating the base O&M expenditure i.e. 4% of capital cost by the prescribed escalation factor.

The Commission has gone through the submission of the Petitioner and observes that the Petitioner did not deduct R&R expenses before applying the norm of 4% for computing O&M Expenses for FY 2022-23 which is not in accordance with the regulations. The Commission has approved normative O&M expenses for the FY 2022-23 considering 4% of capital cost and after excluding the cost incurred towards R&R as approved in Order dated March 24, 2025 and the same have been escalated in line with the UERC Tariff Regulations, 2024 for computing O&M Expenses for the Fifth Control Period.

As discussed above, the Commission has calculated the annual growth in values of CPI (overall) for Industrial Workers and WPI (overall) based on the average of FY 2022-23 to FY 2024-25 as 4.19%

Accordingly, approved the O&M expenses for Vyasi LHP for the Fifth Control Period as shown below:

Table 5.35: O&M Expenses approved by the Commission for Vyasi LHP for the Fifth Control Period from FY 2025-26 to FY 2027-28 (Rs. Crore)

Particulars	FY 2025-26		FY 2026-27		FY 2027-28	
	Claimed	Approved	Claimed	Approved	Claimed	Approved
Employee Expenses	111.35	75.23	119.02	78.38	127.36	81.66
R&M Expenses						
A&G Expenses						
Total	**111.35**	**75.23**	**119.02**	**78.38**	**127.36**	**81.66**

5.3.8 *Interest on Working Capital*

A. Old Nine Generating Stations

The Petitioner submitted that the interest on working capital for the Fifth Control Period, i.e. FY 2025-26 to FY 2027-28 has been proposed in accordance with the Regulation 33 of UERC Tariff Regulations, 2024.

Regulation 33 of UERC Tariff Regulations, 2024 specifies as follows:

"Rate of interest on working capital shall be on normative basis and shall be equal to the weighted average of 'one year Marginal Cost of Funds based Lending Rate (MCLR)' as declared by the State Bank of India from time to time for the financial year in which the application for determination of tariff is made plus 350 basis points".

Provided that in case of truing-up, the rate of interest on working capital shall equal to the weighted average of 'one year Marginal Cost of Funds based Lending Rate (MCLR)' as declared by the State Bank of India from time to time for the financial year for which truing up is being carried out plus 350 basis points.

...

b) In case of hydro power generating stations and transmission system and SLDC, the working capital shall cover:

(i) Operation and maintenance expenses for one month;

(ii) Maintenance spares @ 15% of operation and maintenance expenses; and

(iii) Receivables equivalent to two months of the annual fixed charges."

The Petitioner submitted that it has considered the rate of interest on working capital, i.e. prevailing weighted average of 'One year marginal Cost of funds based lending rate (MCLR) as declared by the State Bank of India' from time to time for the financial year in which the application for determination of tariff is made, i.e. in accordance with the Regulations.

The Petitioner has submitted documentary proof towards rate of interest on working capital considered, i.e. 8.57 % as the date in which the application for determination of tariff is made plus 350 basis points which equals rate of interest on working capital of 12.07%.

The Commission has determined the interest on working capital for the Fifth Control Period from FY 2025-26 to FY 2027-28, i.e. in accordance with the aforesaid Regulations and the same is as discussed below.

5.3.8.1 ***One Month O&M Expenses***

One month O&M expense has been considered by the Commission based on the approved annual O&M expenses for the Fifth Control Period, i.e. FY 2025-26 to FY 2027-28, i.e. in accordance with the UERC Tariff Regulations, 2024.

5.3.8.2 ***Maintenance Spares***

The Commission has considered the maintenance spares as 15% of the approved annual O&M expenses in accordance with UERC Tariff Regulations, 2024 for the Fifth Control Period, i.e. for FY 2025-26, FY 2026-27 and FY 2027-28.

5.3.8.3 ***Receivables***

The Commission has approved the receivables for two months based on the approved ARR for FY 2025-26, FY 2026-27 and FY 2027-28, i.e. in accordance with the UERC Tariff Regulations, 2024.

Based on the above, the Commission computed total working capital requirement of the Petitioner for FY 2025-26, FY 2026-27 and FY 2027-28. Further, the Commission has considered the rate of interest on working capital as 12.07%, i.e. the prevailing weighted average of 'One year marginal Cost of funds based lending rate (MCLR)' as declared by the State Bank of India from time to time for the financial year in which the application for determination of tariff is made, i.e. 8.57%

plus 350 basis points.

Accordingly, the interest on working capital for the Fifth Control Period, i.e. FY 2025-26, FY 2026-27 and FY 2027-28 is as shown in the Table below:

Table 5.36: Interest on Working Capital for 9 LHPs for FY 2025-26 (Rs. Crore)

Generating Stations	1-month O&M Expenses	Maintenance Spares@15% of O&M	2 months Receivables	Total Working Capital	Interest on Working Capital	
					Claimed	Approved
Dhakrani	1.76	3.16	5.45	10.37	2.50	1.25
Dhalipur	1.81	3.26	8.66	13.72	2.52	1.66
Chibro	6.34	11.41	16.65	34.40	4.99	4.15
Khodri	3.71	6.67	9.38	19.75	2.83	2.38
Kulhal	1.68	3.02	4.85	9.54	1.62	1.15
Ramganga	4.25	7.65	10.35	22.24	3.25	2.68
Chilla	5.13	9.23	17.08	31.44	5.46	3.79
MB-I	3.83	6.89	16.71	27.43	3.65	3.31
Khatima	1.84	3.32	7.70	12.86	1.70	1.55
Total	**30.33**	**54.60**	**96.82**	**181.75**	**28.50**	**21.93**

Table 5.37: Interest on Working Capital for FY 2026-27 (Rs. Crore)

Generating Stations	1-month O&M Expenses	Maintenance Spares@15% of O&M	2 months Receivables	Total Working Capital	Interest on Working Capital	
					Claimed	Approved
Dhakrani	1.85	3.32	4.82	9.99	3.60	1.52
Dhalipur	1.88	3.39	6.87	12.14	2.93	1.83
Chibro	6.48	11.66	16.82	34.96	6.04	4.74
Khodri	3.74	6.73	9.35	19.82	3.40	2.50
Kulhal	1.69	3.05	4.82	9.55	2.10	1.18
Ramganga	3.92	7.06	9.61	20.59	3.62	2.84
Chilla	4.87	8.77	14.22	27.86	6.93	4.01
MB-I	3.41	6.14	14.70	24.25	3.96	3.36
Khatima	1.82	3.28	7.57	12.67	1.95	1.57
Total	**29.66**	**53.39**	**88.77**	**171.83**	**34.53**	**23.55**

Table 5.38: Interest on Working Capital for 9 LHPs for FY 2027-28 (Rs. Crore)

Generating Stations	1-month O&M Expenses	Maintenance Spares@15% of O&M	2 months Receivables	Total Working Capital	Interest on Working Capital	
					Claimed	Approved
Dhakrani	1.96	3.52	5.21	10.69	4.75	1.12
Dhalipur	1.84	3.31	7.90	13.05	3.11	1.37
Chibro	6.84	12.32	17.77	36.93	6.68	3.88

Table 5.38: Interest on Working Capital for 9 LHPs for FY 2027-28 (Rs. Crore)

Generating Stations	1-month O&M Expenses	Maintenance Spares@15% of O&M	2 months Receivables	Total Working Capital	Interest on Working Capital	
					Claimed	Approved
Khodri	3.92	7.05	9.84	20.81	3.99	2.18
Kulhal	1.79	3.22	5.24	10.25	2.58	1.08
Ramganga	4.15	7.47	10.05	21.67	3.93	2.28
Chilla	5.42	9.75	18.17	33.34	8.19	3.50
MB-I	3.62	6.52	15.16	25.30	4.30	2.66
Khatima	1.91	3.44	7.61	12.97	2.05	1.36
Total	31.45	56.61	96.95	185.01	39.59	19.43

B. Maneri Bhali-II

As regards the interest on working capital for MB-II, the Commission has computed the same based on the Regulation 33 of the UERC Tariff Regulations, 2024 and considering the prevailing weighted average of 'One year marginal Cost of funds based lending rate (MCLR)' as declared by the State Bank of India from time to time for the financial year in which the application for determination of tariff is made, i.e. 8.57% plus 350 basis points, which equals 12.07%. The summary of the interest on working capital for MB-II for the Fifth Control Period, i.e. FY 2025-26 to FY 2027-28 is shown in the Table below:

Table 5.39: Interest on Working Capital for MB-II for FY 2025-26 (Rs. Crore)

Generating Station	1 month O&M Expenses	Maintenance Spares@15% of O&M	2 months Receivables	Total Working Capital	Interest on Working Capital	
					Claimed	Approved
MB-II	6.96	45.39	12.53	64.88	9.10	7.83

Table 5.40: Interest on Working Capital for MB-II for FY 2026-27 (Rs. Crore)

Generating Station	1 month O&M Expenses	Maintenance Spares@15% of O&M	2 months Receivables	Total Working Capital	Interest on Working Capital	
					Claimed	Approved
MB-II	7.17	45.21	12.90	65.28	9.70	7.88

Table 5.41: Interest on Working Capital for MB-II for FY 2027-28 (Rs. Crore)

Generating Station	1 month O&M Expenses	Maintenance Spares@15% of O&M	2 months Receivables	Total Working Capital	Interest on Working Capital	
					Claimed	Approved
MB-II	7.41	45.03	13.33	65.77	10.23	7.94

C. Vyasi LHP

As regards the interest on working capital for Vyasi LHP, the Commission has computed the same based on the Regulation 33 of the UERC Tariff Regulations, 2024 and considering the prevailing weighted average of 'One year marginal Cost of funds based lending rate (MCLR)' as declared by the State Bank of India from time to time for the financial year in which the application for determination of tariff is made, i.e. 8.57% plus 350 basis points, which equals 12.07%. The summary of the interest on working capital for Vyasi LHP for the Fifth Control Period, i.e. FY 2025-26 to FY 2027-28 is shown in the Table below:

Table 5.42: Interest on Working Capital for Vyasi LHP for FY 2025-26 (Rs. Crore)

Generating Station	1 month O&M Expenses	Maintenance Spares@15% of O&M	2 months Receivables	Total Working Capital	Interest on Working Capital	
					Claimed	Approved
Vyasi	6.27	56.59	11.28	74.14	12.08	8.95

Table 5.43: Interest on Working Capital for Vyasi LHP for FY 2026-27 (Rs. Crore)

Generating Station	1 month O&M Expenses	Maintenance Spares@15% of O&M	2 months Receivables	Total Working Capital	Interest on Working Capital	
					Claimed	Approved
Vyasi	6.53	56.07	11.76	74.36	12.31	8.97

Table 5.44: Interest on Working Capital for Vyasi LHP for FY 2027-28 (Rs. Crore)

Generating Station	1 month O&M Expenses	Maintenance Spares@15% of O&M	2 months Receivables	Total Working Capital	Interest on Working Capital	
					Claimed	Approved
Vyasi	6.80	55.81	12.25	74.87	12.58	9.03

5.3.9 *Non-Tariff Income*

A. Old Nine Generating Stations

Regulation 46 of UERC Tariff Regulations, 2024 specifies as follows:

"46. Non-Tariff Income

The amount of non-tariff income relating to the Generation Business as approved by the Commission shall be deducted from the Annual Fixed Charges in determining the Net Annual Fixed Charges of the Generating Company.

Provided that the Generating Company shall submit full details of its forecast of non-tariff income to the Commission in such form as may be stipulated by the Commission from time to *time.*

The indicative list of various heads to be considered for non-tariff income shall be as under;

a) Income from rent of land or buildings;

b) Income from sale of scrap;

c) Income from statutory investments and interest earned on FDR's/Bank deposits;

d) Interest on delayed or deferred payment on bills;

e) Interest on advances to suppliers/contractors;

f) Rental from staff quarters;

g) Rental from contractors;

h) Income from hire charges from contactors and others;

i) Income from advertisements, etc.;

j) Any other non- tariff income.

Provided that the interest earned from investments made out of Return on Equity corresponding to the regulated business of the Generating Company shall not be included in Non-Tariff Income.

Provided further that the net income of generating station from rent of land or building and income from the business of eco-tourism shall be shared between the generating company and the beneficiaries in the ratio of 1:1."

The Petitioner has proposed Non-Tariff Income of Rs. 12.15 Crore for each year of the Fifth Control Period, i.e. FY 2025-26 to FY 2027-28. The Commission provisionally accepts the same. The same shall, however, be trued up based on the actual audited accounts for the respective year.

Table 5.45: Non-Tariff Income for 9 LHPs for Fifth Control Period (Rs. Crore)

Name of the Generating Stations	FY 2025-26	FY 2026-27	FY 2027-28
Dhakrani	1.91	1.91	1.91
Dhalipur	0.86	0.86	0.86
Chibro	2.42	2.42	2.42
Khodri	1.63	1.63	1.63
Kulhal	0.78	0.78	0.78

Table 5.45: Non-Tariff Income for 9 LHPs for Fifth Control Period (Rs. Crore)

Name of the Generating Stations	FY 2025-26	FY 2026-27	FY 2027-28
Ramganga	1.94	1.94	1.94
Chilla	1.23	1.23	1.23
MB-I	0.98	0.98	0.98
Khatima	0.40	0.40	0.40
Total	**12.15**	**12.15**	**12.15**

B. Maneri Bhali-II

The Petitioner has proposed Non-Tariff Income of Rs. 3.66 Crore for each year of the Fifth Control Period, i.e. FY 2025-26 to FY 2027-28. The Commission provisionally accepts the same.The same shall, however, be trued up based on the actual audited accounts for the respective year.

Table 5.46: Non-Tariff Income for MB-II for Fifth Control Period (Rs. Crore)

Name of the Generating Station	FY 2025-26	FY 2026-27	FY 2027-28
MB-II	3.66	3.66	3.66

C. Vyasi LHP

The Petitioner has proposed Non-Tariff Income of Rs. 0.99 Crore for each year of the Fifth Control Period, i.e. FY 2025-26 to FY 2027-28. The Commission provisionally accepts the same.The same shall, however, be trued up based on the actual audited accounts for the respective year.

Table 5.47: Non-Tariff Income for Vyasi LHP for Fifth Control Period (Rs. Crore)

Name of the Generating Station	FY 2025-26	FY 2026-27	FY 2027-28
Vyasi	0.99	0.99	0.99

The Petitioner is also directed to submit the net income of generating station, separately,from rent of land, rent of building and any income from the business of eco-tourism duly following the apportioned methodology as approved by the Commission.

5.3.10 ***Annual Fixed Charges, Capacity Charge and Energy Charge Rate (ECR) for the Fifth Control Period, i.e. FY 2025-26 to FY 2027-28***

Regulation 46 of UERC Tariff Regulations, 2024 specifies as follows:

"The Annual Fixed Charges shall comprise of the following elements:

a) Interest and Finance Charges on Loan Capital;

b) Depreciation;

c) Lease Charges

d) Operation & Maintenance Expenses;

e) Return on Equity;

f) Interest on Working Capital;

Less:

a) Non-Tariff Income excluding rent of land or building and income from the business of eco-tourism.

Provided that Depreciation, Interest and finance charges on Loan Capital, Interest on Working Capital and Return on Equity for Thermal and Hydro Generating Stations shall be allowed in accordance with the provisions specified in Part-III of these Regulations."

A. Old nine Generating Stations

Based on the above analysis for all the heads of expenses of AFC, the Commission has approved the Annual Fixed Charges (AFC) of UJVN Ltd. for Fifth Control Period from FY 2025-26 to FY 2027-28 attributable to its two beneficiaries.

The Commission has allocated the AFC among the two beneficiaries of the Petitioner, viz. UPCL and HPSEBL, based on their share in Dhakrani, Dhalipur, Chibro, Khodri and Kulhal and 100% on UPCL for other Plants. Further, as discussed above, the Commission has adjusted the entire Non-Tariff Income in the AFC of UPCL.

Regulation 50 of UERC Tariff Regulations, 2024 specifies as follows:

"50. Computation and Payment of Capacity Charges and Energy Charges for Hydro Generating Stations

(1) The Annual Fixed Charges of Hydro Generating Station shall be computed on annual basis, based on norms specified under these Regulations, and recovered on monthly basis under capacity charge (inclusive of incentive) and Energy Charge, which shall be payable by the beneficiaries in proportion to their respective percentage share/allocation in the saleable capacity of the generating station, i.e. in the capacity excluding the free power to the home State.

(2) *The capacity charge (inclusive of incentive) payable to a hydro generating station for a calendar month shall be:*

AFC x 0.5 x NDM / NDY x (PAFM / NAPAF) (in Rupees)

Where,

AFC = Annual fixed cost specified for the year, in Rupees.

NAPAF= Normative Plant availability factor in percentage

NDM= Number of days in the month

NDY= Number of days in the year

PAFM = Plant availability factor achieved during the month, in Percentage

(3) *The PAFM shall be computed in accordance with the following formula:*

PAFM$= 10000 \text{ x } \sum_{i=1}^{N} \text{DCi}/\{\text{N x IC x } (100 - \text{Aux})\}\%$

Where,

AUX= Normative auxiliary energy consumption in percentage

DCi = Declared capacity (in ex-bus MW) for the ith day of the month which the station can deliver for at least three (3) hours, as certified by the Uttarakhand State Load Despatch Centre after the day is over.

IC= Installed capacity (in MW) of the complete generating station

N= Number of days in the month

(4) *The Energy Charge shall be payable by every beneficiary for the total energy supplied to the beneficiary, during the calendar month, on ex-power Plant basis, at the computed Energy Charge rate. Total Energy Charge payable to the Generating Company for a month shall be:*

(Energy Charge Rate in Rs. / kWh) x {Energy supplied (ex-bus)} for the month in kWh} x (100- FEHS-LADF)/100

(5) *Energy Charge Rate (ECR) in Rupees per kWh on ex-power Plant basis, for a Hydro Generating Station, shall be determined up to three decimal places based on the following formula, subject to the provisions of sub-Regulation (7):*

ECR = AFC x 0.5 x 10 / {DE x (100 – AUX) x (100 –FEHS-LADF)}

Where,

DE = Annual Design Energy specified for the hydro generating station, in MWh,.

FEHS = Free Energy for home State, in percent, as applicable

LADF = Contribution towards Local Area Development Fund, in percent, as applicable."

In accordance with the above Regulations, the Annual Fixed Charge (AFC), Capacity Charges and Energy Charge Rate for the Fifth Control Period, i.e. FY 2025-26 to FY 2027-28 for 9 LHPs as approved by the Commission is shown in the Table below:

Table 5.48: Approved AFC of 9 LHPs of UJVN Ltd. for FY 2025-26 (Rs. Crore)

Generating Stations	Depreciation	Interest on Loan	Interest on working Capital	O&M Expenses	RoE	Gross Annual Fixed Cost	Gross AFC (UPCL)	Non-Tariff Income	Net AFC (UPCL)	Gross/Net AFC (HPSEB)
Dhakrani	3.86	4.23	1.25	21.09	4.17	34.60	25.95	1.91	**24.04**	8.65
Dhalipur	9.49	9.87	1.66	21.70	10.07	52.79	39.60	0.86	**38.74**	13.20
Chibro	6.55	4.92	4.15	76.06	10.65	102.34	76.75	2.42	**74.33**	25.58
Khodri	2.75	1.74	2.38	44.46	6.56	57.90	43.43	1.63	**41.80**	14.48
Kulhal	2.72	2.82	1.15	20.11	3.09	29.89	23.91	0.78	**23.13**	5.98
Ramganga	2.95	1.86	2.68	50.98	5.56	64.03	64.03	1.94	**62.10**	-
Chilla	10.57	11.65	3.79	61.53	16.16	103.70	103.70	1.23	**102.47**	-
MB-I	15.70	21.42	3.31	45.92	14.91	101.25	101.25	0.98	**100.26**	-
Khatima	9.06	5.34	1.55	22.12	8.51	46.59	46.59	0.40	**46.19**	-
Total	**63.65**	**63.85**	**21.93**	**363.99**	**79.68**	**593.10**	**525.21**	**12.15**	**513.06**	**67.89**

Table 5.49: Approved AFC of 9 LHPs of UJVN Ltd. for FY 2026-27 (Rs. Crore)

Generating Stations	Depreciation	Interest on Loan	Interest on working Capital	O&M Expenses	RoE	Gross Annual Fixed Cost	Gross AFC (UPCL)	Non-Tariff Income	Net AFC (UPCL)	Gross/Net AFC (HPSEB)
Dhakrani	6.44	7.16	1.52	23.20	6.81	45.13	33.85	1.91	**31.94**	11.28
Dhalipur	11.13	11.15	1.83	23.33	11.63	59.07	44.30	0.86	**43.44**	14.77
Chibro	8.76	7.84	4.74	84.88	12.95	119.16	89.37	2.42	**86.95**	29.79
Khodri	2.72	1.85	2.50	46.68	6.78	60.53	45.40	1.63	**43.77**	15.13
Kulhal	2.58	2.60	1.18	20.81	3.09	30.25	24.20	0.78	**23.42**	6.05
Ramganga	2.83	2.10	2.84	53.89	5.87	67.52	67.52	1.94	**65.58**	-
Chilla	14.40	15.79	4.01	61.01	20.02	115.23	115.23	1.23	**113.99**	-
MB-I	15.41	20.10	3.36	47.72	14.91	101.50	101.50	0.98	**100.51**	-
Khatima	8.92	4.42	1.57	23.00	8.51	46.43	46.43	0.40	**46.04**	-
Total	**73.19**	**73.01**	**23.55**	**384.51**	**90.56**	**644.82**	**567.80**	**12.15**	**555.65**	**77.02**

Table 5.50: Approved AFC of 9 LHPs of UJVN Ltd. for FY 2027-28 (Rs. Crore)

Generating Stations	Depreciation	Interest on Loan	Interest on working Capital	O&M Expenses	RoE	Gross Annual Fixed Cost	Gross AFC (UPCL)	Non-Tariff Income	Net AFC (UPCL)	Gross/Net AFC (HPSEB)
Dhakrani	7.86	8.12	1.62	23.68	8.06	49.34	37.00	1.91	**35.10**	12.33
Dhalipur	11.12	10.26	1.86	24.29	11.63	59.15	44.36	0.86	**43.50**	14.79
Chibro	8.24	7.14	4.88	88.33	12.95	121.54	91.16	2.42	**88.74**	30.39
Khodri	2.70	1.63	2.58	48.50	6.78	62.20	46.65	1.63	**45.02**	15.55
Kulhal	2.56	2.39	1.21	21.60	3.09	30.85	24.68	0.78	**23.90**	6.17
Ramganga	2.82	1.87	2.95	56.31	5.87	69.82	69.82	1.94	**67.88**	-
Chilla	17.27	17.65	4.64	70.83	22.58	132.97	132.97	1.23	**131.73**	-
MB-I	15.38	18.79	3.44	49.76	14.91	102.27	102.27	0.98	**101.28**	-
Khatima	8.89	3.51	1.60	24.00	8.51	46.52	46.52	0.40	**46.12**	-
Total	**76.83**	**71.35**	**24.79**	**407.31**	**94.37**	**674.65**	**595.43**	**12.15**	**583.27**	**79.23**

The summary of Capacity Charge and Energy Charge Rate (ECR) for 9 LHPs for the Fifth Control Period for FY 2025-26 to FY 2027-28 is as given in the Table below:

Table 5.51: Approved Capacity Charge and Energy Charge Rate for 9 LHPs for FY 2025-26

Generating Stations	Net AFC (UPCL) (Rs. Cr.)	Capacity Charge (UPCL) (Rs. Cr.)	Saleable Primary Energy (UPCL) (MU)	Energy Charge Rate (UPCL) (Rs. /kWh)	Gross/Net AFC (HPSEB) (Rs. Cr.)	Capacity Charge (HPSEB) (Rs. Cr.)	Saleable Primary Energy (HPSEB) (MU)	Energy Charge Rate (HPSEB) (Rs. /kWh)
Dhakrani	24.04	12.02	112.34	1.070	8.65	4.32	37.45	1.155
Dhalipur	38.74	19.37	165.69	1.169	13.20	6.60	55.23	1.195
Chibro	74.33	37.17	539.53	0.689	25.58	12.79	179.84	0.711
Khodri	41.80	20.90	248.51	0.841	14.48	7.24	82.84	0.874
Kulhal	23.13	11.57	118.30	0.978	5.98	2.99	29.57	1.011
Ramganga	62.10	31.05	307.27	1.010	-	-	-	-
Chilla	102.47	51.23	550.92	0.930	-	-	-	-
MB-I	100.26	50.13	472.26	1.062	-	-	-	-
Khatima	46.19	23.10	232.76	0.992	-	-	-	-
Total	**513.06**	**256.53**	**2,747.58**	**0.934**	**67.89**	**33.94**	**384.93**	**0.882**

Table 5.52: Approved Capacity Charge and Energy Charge Rate for 9 LHPs for FY 2026-27

Generating Stations	Net AFC (UPCL) (Rs. Cr.)	Capacity Charge (UPCL) (Rs. Cr.)	Saleable Primary Energy (UPCL) (MU)	Energy Charge Rate (UPCL) (Rs. /kWh)	Gross/Net AFC (HPSEB) (Rs. Cr.)	Capacity Charge (HPSEB) (Rs. Cr.)	Saleable Primary Energy (HPSEB)(MU)	Energy Charge Rate (HPSEB) (Rs. /kWh)
Dhakrani	31.94	15.97	112.34	1.421	11.28	5.64	37.45	1.506
Dhalipur	43.44	21.72	165.69	1.311	14.77	7.38	55.23	1.337
Chibro	86.95	43.47	539.53	0.806	29.79	14.90	179.84	0.828
Khodri	43.77	21.88	248.51	0.881	15.13	7.57	82.84	0.913
Kulhal	23.42	11.71	118.30	0.990	6.05	3.02	29.57	1.023
Ramganga	65.58	32.79	307.27	1.067	-	-	-	-
Chilla	113.99	57.00	550.92	1.035	-	-	-	-
MB-I	100.51	50.26	472.26	1.064	-	-	-	-
Khatima	46.04	23.02	232.76	0.989	-	-	-	-
Total	**555.65**	**277.82**	**2,747.58**	**1.011**	**77.02**	**38.51**	**384.93**	**1.000**

Table 5.53: Approved Capacity Charge and Energy Charge Rate for 9 LHPs for FY 2027-28

Generating Stations	Net AFC (UPCL) (Rs. Cr.)	Capacity Charge (UPCL) (Rs. Cr.)	Saleable Primary Energy (UPCL) (MU)	Energy Charge Rate (UPCL) (Rs./kWh)	Gross/Net AFC (HPSEB) (Rs. Cr.)	Capacity Charge (HPSEB) (Rs. Cr.)	Saleable Primary Energy (HPSEB)(MU)	Energy Charge Rate (HPSEB) (Rs./kWh)
Dhakrani	35.10	17.55	112.34	1.562	12.33	6.17	37.45	1.647
Dhalipur	43.50	21.75	165.69	1.313	14.79	7.39	55.23	1.339
Chibro	88.74	44.37	539.53	0.822	30.39	15.19	179.84	0.845
Khodri	45.02	22.51	248.51	0.906	15.55	7.77	82.84	0.939
Kulhal	23.90	11.95	118.30	1.010	6.17	3.09	29.57	1.043
Ramganga	67.88	33.94	307.27	1.105	-	-	-	-
Chilla	131.73	65.87	550.92	1.196	-	-	-	-
MB-I	101.28	50.64	472.26	1.072	-	-	-	-
Khatima	46.12	23.06	232.76	0.991	-	-	-	-
Total	**583.27**	**291.64**	**2,747.58**	**1.061**	**79.23**	**39.61**	**384.93**	**1.029**

In accordance with the provisions of the Regulations, the secondary energy rate shall be equal to the rate derived based on the original design energy and shall be applicable when the Saleable Primary Energy exceeds the Original Design Energy. In case the rate exceeds Rs. 1.30/kWh, the secondary energy rate shall be equal to Rs. 1.30/kWh. The Petitioner shall not be entitled for any ECR recovery for energy generation above Revised Saleable Design Energy of respective HEPs and up to original Saleable Design Energy.

B. Maneri Bhali-II

Based on the analysis of all the heads of expenses of AFC, the Commission has approved the Annual Fixed Charges (AFC) for MB-II for the Fifth Control Period, i.e. FY 2025-26 to FY 2027-28. The Commission, to arrive at the Net AFC for MB-II, has adjusted the Non-Tariff Income from the gross AFC of MB-II. The summary of Annual Fixed Charge, Capacity Charge and Energy Charge rate for MB-II for the Fifth Control Period is given in the Table below:

Table 5.54: Approved AFC, Capacity Charge and Energy Charge Rate for MB-II for Fifth Control Period

Year	Depreciation	Interest on Loan (Rs. Cr.)	Interest on working Capital (Rs. Cr.)	O&M Expenses (Rs. Cr.)	RoE (Rs. Cr.)	Gross Annual Fixed Cost (Rs. Cr.)	Non-Tariff Income (Rs. Cr.)	Net AFC (Rs. Cr.)	Capacity Charge (Rs. Cr.)	Saleable Primary Energy (MU)	Energy Charge Rate (Rs./kWh)
FY 2025-26	41.91	27.86	7.83	83.51	114.90	276.00	3.66	272.34	136.17	1278.09	1.065
FY 2026-27	41.27	24.82	7.88	86.03	114.90	274.90	3.66	271.24	135.62	1278.09	1.061
FY 2027-28	40.27	21.85	7.94	88.88	114.90	273.84	3.66	270.18	135.09	1278.09	1.057

In accordance with the provisions of the Regulations, the secondary energy rate shall be equal to the rate derived based on the original design energy and shall be applicable when the Saleable Primary Energy exceeds the Original Design Energy. In case the rate exceeds Rs. 1.30/kWh, the secondary energy rate shall be equal to Rs. 1.30/kWh. The Petitioner shall not be entitled for any ECR recovery for energy generation above Revised Saleable Design Energy of 1278.09 MU and up to original Saleable Design Energy of 1544.44 MU.

C. Vyasi LHP

Based on the analysis of all the heads of expenses of AFC, the Commission has approved the Annual Fixed Charges (AFC) for Vyasi LHP for the Fifth Control Period, i.e. FY 2025-26 to FY 2027-28. The Commission, to arrive at the Net AFC for Vyasi LHP, has adjusted the Non-Tariff Income from the gross AFC of Vyasi LHP. The summary of Annual Fixed Charge, Capacity Charge and Energy Charge rate for Vyasi LHP for the Fifth Control Period is given in the Table below:

Table 5.55: Approved AFC, Capacity Charge and Energy Charge Rate for Vyasi LHP for Fifth Control Period

Year	Depreciation	Interest on Loan (Rs. Cr.)	Interest on working Capital (Rs. Cr.)	O&M Expenses (Rs. Cr.)	RoE (Rs. Cr.)	Gross Annual Fixed Cost (Rs. Cr.)	Non-Tariff Income (Rs. Cr.)	Net AFC (Rs. Cr.)	Capacity Charge (Rs. Cr.)	Saleable Primary Energy (MU)	Energy Charge Rate (Rs./kWh)
FY 2025-26	88.89	82.84	8.95	75.23	84.63	340.53	0.99	339.54	169.77	348.76	4.868
FY 2026-27	88.89	76.57	8.97	78.38	84.63	337.43	0.99	336.44	168.22	348.76	4.823
FY 2027-28	88.89	71.66	9.03	81.66	84.63	335.87	0.99	334.88	167.44	348.76	4.801

In accordance with the provisions of the Regulations, the secondary energy rate shall be equal to the rate derived based on the design energy and shall be applicable when the Saleable Primary Energy exceeds the Design Energy. In case the rate exceeds Rs. 1.30/kWh, the secondary energy rate shall be equal to Rs. 1.30/kWh.

6 Commission's Directives

6.1 Compliance to the Directives Issued in Order dated 05.04.2010.

6.1.1 *Transfer Scheme*

The Commission in its Tariff Order dated 05.04.2010 and in its subsequent Orders gave suitable directions to expedite finalisation of the Transfer Scheme. In compliance, the Petitioner in its APR Petition for FY 2014-15, submitted the initiatives taken by it to finalize the Transfer Scheme. Accordingly, the Commission in its APR Order dated 10.04.2014 had directed the Petitioner as under:

"The Commission directs UJVN Ltd. that till the time transfer scheme is finalised it should submit the quarterly progress report to the Commission"

In this regard, the Commission in its Tariff Order dated March 28, 2024, directed the Petitioner to closely follow up the pending issues and submit quarterly status report to the Commission. The Commission further re-iterated that there has been an inordinate delay in the finalization of the Transfer Scheme, which is attributable to the Petitioner, hence, any consequential claim arising due to finalization of the Transfer Scheme shall be considered on merits by the Commission without any carrying cost on the same.

In compliance to the same, UJVN Ltd., vide its letter dated January 16, 2025 under quarterly progress report on Transfer Scheme submitted that:

"A. GPF Trust Liability

During the meeting held between Chief Secretaries of Uttarakhand and Uttar Pradesh on 17-8-2019, both the states agreed to the principal amount of GPF payable by UPPCL to UPCL/UJVNL for Rs.162.14 crore, which includes Rs. 42.64 crore towards opening balance of principal amount of GPF recoverable by UJVNL. It was further agreed that UPPCL shall pay Rs.1.56 crore (Net) to UPCL after adjustment of Rs.160.58 crore for amount payable. by UPCL to UPPCL for revenue dues. The matter of interest on GPF recoverable by UJVNL is not yet settled. UJ NL has received Rs. 26.64 crores from UPCL and the balance of Rs. 16.00 crores towards opening balance of GPF is still recoverable from UPCL as on 31-12-2024. Regular follow up with UPCL is being made by UJVNL in this regard

B. LIC Loan Liabilities

Ministry of Power, Government of India exercising the power conferred upon it by clause (a) of sub section (4) of section 63 of Uttar Pradesh reorganization Act,2000 issued Notification No. 42/7/2000-R&R(Vol-III) dated 02.09.2005 allocating part liability of Life Insurance Corporation Loan to the tune of Rs. 352.59 crore taken for Maneri Bhali Stage II Hydro Electric Project to Uttaranchal against the Hydro Electric projects allocated to Uttaranchal. State of Uttarakhand and UJVNL have consistently protested against the allocation of loan vide notification no. 42/7/2000-R&R(Vol-III) SO 1228(E) dt. 02/09/2005 of Ministry of Power, Government of India. It may be stated that noticeable observations have been made by Comptroller & Auditor General of India (CAG) regarding the diversion of LIC loan amount i.e. 420 Crores. The said loan was overtly taken by erstwhile UP State Electricity Board (UPSEB) in the name of Maneri Bhali Stage-II, Hydro Electricity Project but the same was spent for purposes not even remotely connected with the construction of the project.

This loan liability has been unequivocally denied by Government of Uttaranchal vide Letter No. 933/I/2006-2004(3)/20/2003 dated 01/07/2006, Letter No. 1110/1(2)/2009-04(8)/04/2003 dated 18/05/2009 and Letter No.570/I-I/2024-04(3)/20/2003 dated 1-5-2024 to Ministry of Power, Government of India. The then Hon'ble Chief Ministers also vide letter No. 1044/1/2015-04(03)/20/2003 dated 14.10.2015 addressed to Hon'ble Minister of State (Independent Charge), Ministry of Coal and New & Renewable Energy, GoI and vide letter No. 437/1/2019-04(03)/20/2003 dated 01.04.2019 addressed to Hon'ble Minister of Power, GoI has been unequivocally denied the loan liability allocation in view of elaborate reasons elucidated therein. This has been further reiterated vide letter No. 698/1/2021- 04(03)/20/2003 dated 04.10.2021 of the present Hon'ble Chief Minister addressed to Hon'ble Energy and Renewable Energy Minister, GoI in which it is requested that in the fitness of things, the allocation may kindly be decided by the Central Government under Section 42(4) of UP Reorganization Act 2000 in consultation with CAG.

This liability was also categorically denied by MD, UJVNL vide letter No. 7714/UJVNL/LIC loan dated 12.12.2013 addressed to Assistant Secretary LIC and thereafter it is being consistently denied by UJVNL.

It is to state that LIC is equally complicit in dubious disbursement of Loan and playing ignorant about expenditure of Loan amount. LIC also did not exercise the power to forfeit the entire loan amount along with interest as provided in para 11(ii) of Mortgage deed dated 23-9-1998 from UPSEB/UPPCL at the time of default of First and Second instalment.

In view of above, interest on loan up-to 9-11-2001 was also denied by UJVNL and not considered as project Cost.

C. Difference between Assets and Liabilities payable to UPJVNL

During the meeting held between Chief Secretaries of Uttarakhand and Uttar Pradesh on 17- 8-2019, in which it was decided that no amount is payable by UJVNL to UPJVNL in case of difference between value of Assets and Liabilities. UPJVNL constantly raising the issue of amount payable of Rs.130.15 crores by UJVNL to UPJVNL. UJVNL constantly denying this claim of UPJVNL as there is no provisions specified in UP Reorganization Act 2000 in this regard."

The Commission notes that the Petitioner, previously vide its letter dated March 14, 2023 apprised the Commission that the transfer scheme has been finalised except LIC loan liabilities but no update has been provided in this regard.

The Commission, therefore, **directs the Petitioner to closely follow up the pending issues and submit quarterly status report to the Commission. The Commission further re-iterates that there has been an inordinate delay in the finalization of the Transfer Scheme, which is attributable to the Petitioner, hence, any consequential claim arising due to finalization of the Transfer Scheme shall be considered on merits by the Commission without any carrying cost on the same.**

6.1.2 *Design Energy*

With respect to the Design Energy of 9 LHPs, the Commission in its MYT Order dated 06.05.2013 and its subsequent Orders directed the Petitioner to expedite the process of arranging the Detailed Project Report for each of its hydro generating stations and submit the same to the Commission. Further, considering that there is no progress in the actual status of the same, the Commission in its Order dated March 28, 2024 again directed the Petitioner to nominate/depute senior officers to pursue the above matter personally with appropriate authorities to arrange the DPR for each of its 9 Large Hydro Generating Stations along with the next Tariff Petition.

In compliance to the same, UJVN Ltd. submitted that efforts are being made to trace out the Original DPRs of old LHPs of UJVN Ltd. However, no DPR except Chibro and Khodri could be found, which have already been submitted to the Commission. In case the DPR of any of the other Plants becomes available the same shall be submitted with the Commission. However, new DPRs of project under RMU have been submitted with the Commission for consideration and approval.

The Commission has noted the submissions of the Petitioner; however, it is of the view that the Petitioner has made no progress from the past many years. Therefore, **the Commission again directs the Petitioner to nominate/depute senior officers to pursue the above matter personally with appropriate authorities to arrange the DPR for each of its 9 Large Hydro Generating Stations along with the next Tariff Petition.**

6.2 Directives specifically issued in Meeting dated 04.09.2013

6.2.1 *Status of upcoming projects*

The Commission in its previous Tariff Orders had been directing the Petitioner to submit quarterly progress report of the upcoming projects, without fail.

The Petitioner has submitted the quarterly progress report as of December 2024 vide its letter no. M-37 dated 16.01.2025.

The Commission has noted the submissions of the Petitioner. The Commission observes that several projects of the Petitioner are delayed which is forcing the distribution utility to procure power from other sources. The Petitioner is required to expedite the projects execution so that energy availability is increased from State generating sources.

The Commission directs the Petitioner to continue submitting the quarterly progress report on status of all upcoming projects without fail.

6.2.2 *Utilisation of Expenses approved by the Commission*

As per directions issued by the Commission in the previous Tariff Orders, UJVN Ltd. has been submitting the Annual Budget after approval from Audit Committee/BoD for the ensuing year for each Plant.

The Petitioner has submitted the Annual Budget for the FY 2024-25 vide its letter no. M-610 dated 24.07.2024.

The Commission noted the delayed submission for FY 2024-25 and directs the Petitioner to continue submitting the annual budget for future financial years by 31st May of the respective financial year.

6.3 Compliance to the Directives Issued in Tariff Order dated 29.03.2017

6.3.1 *RMU works of Khatima LHP*

The Commission in its investment approval dated 17.05.2015 had given in-principle approval of Rs. 256 Crore towards RMU works subject to prudence check. In this regard, the Commission in its Tariff Order dated 29.03.2017 had directed the Petitioner to submit the audited RMU expenses as on date of completion of RMU works along with details of de-capitalisation in respect of the same as soon as the same is available including quantity.

In compliance to the directives issued in this regard, in the previous Tariff Orders, the Petitioner submitted that RMU of machines had already completed in 2016, however, some civil works related to upstream and downstream were pending, which pertained to UPID and submitted that the efforts were made in the past to complete the said civil works through UPID. The Petitioner further submitted that UPID in meeting dated June 28, 2018 agreed to submit their estimates in this regard and communication to obtain the estimates and finalize the work was going on. Further, the Petitioner vide its letter dated February 18, 2021 submitted copies of recent communication held between August, 2019 and February, 2020 with UPID to discuss regarding the works to be carried out by UPID.

The Commission took note of the submissions of the Petitioner and further directed the Petitioner vide its Order dated April 26, 2021 to complete all the works covered under RMU of Khatima as soon as possible by making its best possible efforts and with regard to the pending works related to the safety of the Plant, the Commission again cautions that any occurrence of damage in future due to delay in execution of the works shall solely be attributable to UJVN Ltd.

Further, the Commission, after considering the submission made by the Petitioner during Truing-up of FY 2020-21, had directed the Petitioner to complete all the works covered under RMU of Khatima as soon as possible by making its best possible efforts and with regard to the pending works related to the safety of the Plant, the Commission again cautions that any occurrence of damage in future due to delay in execution of the works shall solely be attributable to UJVN Ltd.

The Petitioner in its submission dated October 31, 2022 submitted that:

"……In compliance of directives, meetings were held between UPID and UJVN Ltd. on 14.12.2019

and 16.12.2021 detailed estimate of revised works were submitted to UJVN Ltd. by UPID vide letter number 733 dated 02.02.2022. After making corrections in estimates pointed out by UJVN Ltd., UPID again submitted the revised estimates to UJVN Ltd. vide letter no. 3358 dated 18.05.2022. These estimates are to be submitted for concurrence and approval from management and Hon'ble UERC. Status report has also been submitted to higher authorities vide letter no. 86/UJVNL/01/MD Office/EE (C-Lohiahead)/O-7 Dated 09.06.2022."

The Petitioner submitted that the RMU of Machines of Khatima has already been completed in 2016. However, it is making its utmost efforts for completing the remaining civil works related to upstream and downstream.

The Commission has noted the submissions of the Petitioner and **again directs the Petitioner to complete all the works covered under RMU of Khatima as soon as possible by making its best possible efforts and with regard to the pending works related to the safety of the Plant, the Commission again cautions that any occurrence of damage in future due to delay in execution of the works shall solely be attributable to UJVN Ltd.**

6.3.2 *Non-Tariff Income*

The Commission in its Tariff Order dated 29.03.2017 observed that most of the 9 LHPs are under RMU, which involves replacement of old and obsolete equipment, which would be eventually disposed, as it gets de-capitalised. In this regard, the Commission in its Tariff Order dated 29.03.2017 had directed the Petitioner to maintain proper accounting with regard to disposal of such assets including sale of scrap and submit the same separately along with subsequent tariff filings.

The Commission, during the previous True-up proceedings observed that the Petitioner complied with the direction and submitted the details of the same. Further, the Commission had been directing the Petitioner to maintain proper accounting with regard to disposal of such assets including sale of scrap and submit the same separately along with subsequent tariff filings.

The Petitioner has submitted the details of sale of scrap for FY 2023-24 as NIL along with its instant Petition, against 11 LHPs.

Previously, the Commission had taken a note that the sale of scrap amount is part of salvage value of 10% and the same is allowed to be kept with the utility.

The Commission again **directs the Petitioner to maintain proper accounting with regard to**

disposal of such assets including sale of scrap and submit the same separately along with subsequent tariff filings and follow the allocation methodology as approved by the Commission.

6.4 Compliance to the Directives Issued in Tariff Order dated 21.03.2018

6.4.1 *Balance Capital Works of MB-II LHP*

As per Tariff Order dated 30.03.2023, **the Commission had decided to close the account of works proposed under Balance Capital Works** and the remaining works of the Petitioner would be considered under normal additional capitalisation subject to prudence check.

With regard to Testing of Surge Shaft Gate, the Commission observes that there has been no progress and these works are very important with respect to safety of the Plant and delaying of such works may be catastrophic from Plant safety perspective, the Petitioner previously submitted that the said works requires tunnel closure and proposes to take up the work as and when the complete tunnel closure is planned in future.

In this regard, the Commission directs the Petitioner to complete the works for testing of Surge shaft gate as soon as possible and cautions that any occurrence of damage to safety of the MB-II plant in future due to delay in execution of the testing of surge shaft gate shall be solely attributable to UJVN Ltd.

6.5 Compliance to the Directives Issued in Tariff Order dated 18.04.2020

6.5.1 *Insurance Claim of Chilla LHP due to flooding event in July 13, 2018*

The Commission during the True-up proceedings for FY 2018-19 observed that the Petitioner had taken insurance for breakdown cover for Chilla LHP and the claim recovery was under progress with the expected claim of around Rs. 25.00 Crore. Accordingly, the Commission in its previous Tariff Orders dated 18.04.2020, 22.04.2021, 31.03.2022, 30.03.2023 & 28.03.2024 had been directing the Petitioner to submit the details of final Insurance claim received in the next Tariff proceedings. However, the claim is yet to be settled between the Petitioner and the M/s Oriental Insurance Company Ltd.

The petitioner vide its reply dated February 03, 2023 and February 24, 2023 had submitted that total claim of petitioner of Rs. 32.77 Crore was categorized into two categories, viz. generation loss of Rs. 12.13 crore and material damage of Rs. 20.64 Crore and the insurance company has approved and processed only Rs. 10.05 Crore against UJVN Ltd.'s claim of Rs. 20.64 Crore.

In this regard, the Commission vide its letter dated 15.12.2023, asked the Petitioner to submit the details insurance claim of Chilla LHP as the claim against material loss/generation loss was pending with the insurance company. The Petitioner previously submitted the following details:

Head	Amount Settled (Rs. Cr.)	Amount Received (Rs. Cr.)	Received on	Remarks
Material Damage	9.98	1) 4.96 2) 2.59 3) 2.44	07.12.2021 23.03.2022 18.01.2023	-
	1.58	1.58	02.04.2022	Against Salvage through Auction
Business Interruption (FLOP)	-	-	-	Loss of Rs. 2.85 Cr. has been assessed by Surveyor and accepted by UJVN Ltd. but has not been settled as on February, 2024.

Further, the Commission vide its letter dated 16.12.2024 had sought the present status of pending insurance claim of Rs. 2.85 Crore and petitioner vide reply dated 07.02.2025 had submitted that the insurer's email requesting the submission of a CA-certified balance sheet for FY 2017-18 and 2018-19 for the affected location (Chilla) was received on July 2, 2024, along with other queries.

In the instant Petition, the Petitioner under compliance to directives has submitted that material damage amounting to Rs. 10.05 Crore has been received to UJVN Ltd. For business interruption net assesed loss of Rs. 2.85 Crore has been submitted by surveyor to UJVN Ltd. Acceptance has been given to insurance company for release of payment. Further, the insurance has decided audited balance sheet of Chilla HEP. The same shall be provided to insurance company for final settlement.

The Commission observed that the claim is in final stages, however the claims are yet to be settled. Therefore, **the Commission again directs the Petitioner to expedite the claim process and submit the details of final Insurance claim received in the next Tariff proceedings.**

With regard to the ordinate delay in recovery of claims from the insurance companies, the Petitioner is hereby **directed to submit a plant-wise summary of pending claims, including details of claims raised, corresponding claim amounts, dates of submission, current status**

(realized/unrealized), reasons for non-realization (if applicable), follow-up actions taken. The Petitioner is directed to submit the above information alongwith the next Tariff Petition.

6.5.2 *Impact of NGT Order dated August 9, 2017 on Design Energy*

The Commission in its Tariff Order dated 28.03.2024 had directed the Petitioner:

"… to maintain separate discharge data of rivers as well as the data of mandatory discharges being released in compliance to NGT/NMCG Order and any other data to substantiate the impact.

Further, the Petitioner shall submit the data at the time of truing-up of FY 2023-24 and also for subsequent years, thereafter, appropriate view will be taken by the Commission in this regard after carrying out due prudence check"

Accordingly, the Petitioner vide its instant Petition has submitted that the actual generation loss due to E-flow released by the Petitioner as per NGT Order dated 09.08.2017 and NMCG Order dated 10.10.2018 and 14.09.2019 for FY 2023-24 is 530.57 MU against 8 LHPs namely Chibro, Khodri, Dhakrani, Dhalipur, Kulhal, MB-I, Chilla and MB-II.

UJVN Ltd. in its submission of instant Petition confirmed that in the computation of generation loss due to E-Flow, i.e. 530.57 MU for FY 2023-24, does not include any other loss and that there is no overlapping of the generation loss.

The Commission further directs the Petitioner to maintain separate discharge data of rivers as well as the data of mandatory discharges being released in compliance to NGT/NMCG Order and any other data to substantiate the impact.

Further, the Petitioner shall submit the data at the time of Truing-up of FY 2024-25 and also for subsequent years, thereafter, appropriate view will be taken by the Commission in this regard after carrying out due prudence check.

6.6 Compliance to the Directives Issued in Tariff Order dated 26.04.2021

6.6.1 *Delay in completion of RMU works*

The Commission during the proceedings of the AFC for FY 2022-23 observed that the status of the RMU works were undergoing in variation with the schedule proposed during the MYT proceedings for Fourth Control Period with significant delay. In this regard, the Commission directed the Petitioner to ensure the completion of RMU works without any further delay as the generation loss as well as revenue loss occur on account of the same. Further with regard to the reasons for delay, the Commission would be considering the same during the prudence check at the time of Truing-up of the respective expenditures.

In compliance to the above, the Petitioner in its instant Petition submitted that it has completed the RMU works of Tiloth (MB-I) & Dhalipur power stations in spite of unprecedented Covid-19 and consequent restrictions. UJVN Ltd. is making all efforts for completion of ongoing RMU works of Dhakrani & Chilla Power Stations.

The Commission has taken note of the submission made by the Petitioner and **the Commission directs the Petitioner to ensure that the RMU works are to be completed without any further delay thereby reducing the generation and revenue loss on account of the same.**

6.7 Compliance to the Directives Issued in Tariff Order dated 31.03.2022

6.7.1 *Solar Energy Business*

The Petitioner has planned to add 60.859 MW of Solar Power Plants in the Fifth Control Period. In this regard, the Petitioner is cautioned to take extreme care with regard to BOO/BOOT Schemes and it should safeguard its commercial interests.

The Commission in its MYT Order dated March 31, 2022 had directed the Petitioner to ensure that expenses incurred on account of Solar power evacuation should be borne by the developer and any financial implication on account of Solar Power Plants should not be included in its AFC of respective LHPs.

In compliance to the above, the Petitioner in its instant Petition has submitted that they are not claiming the expenses incurred on solar unit in the instant Petitions. Therefore, **the Commission again directs the Petitioner to ensure that expenses incurred on account of Solar power evacuation should be borne by the developer and any financial implication on account of Solar Power Plants should not be included in its AFC of the respective LHPs.**

6.7.2 *Auxiliary Energy Consumption*

The Petitioner is to comply with the Regulation 3(8) of the UERC Tariff Regulations, 2021 and record Auxiliary Energy Consumption separately for Sewage Treatment Plants (STPs) for its 11

LHPs/Dams/Barrages. UJVN Ltd. has submitted that the necessary arrangement for recording it separately will be done. The Commission took note of the submission and directed UJVN Ltd. to submit the actual figures of Auxiliary consumption in line with the aforesaid regulation during Fourth Control Period.

Also, the Commission in its MYT Order dated March 31, 2022, Tariff Order dated March 30, 2023 & Tariff Order dated March 28, 2024 directed the Petitioner to ensure correct energy accounting of the Auxiliary Energy Consumption at its Dams/Barrages and their apportionment amongst respective LHPs as per apportionment philosophy/methodology.

In compliance to the above, the Petitioner in its instant Petition submitted that they have taken necessary measures for correct energy accounting of the Auxiliary Energy Consumption at Dams/Barrages and their apportionment amongst respective LHPs as per the apportionment methodology. In this regard the Petitioner vide its submission dated February 04, 2025 has attempted to furnish the details of Auxiliary Energy Consumption in Plant/Dam/Barrage/STP.

The Commission again directs the Petitioner to ensure correct energy accounting of the Auxiliary Energy Consumption at its Dams/Barrages and their apportionment amongst respective LHPs as per apportionment philosophy/methodology.

Further, the Commission directs UJVN Ltd. to submit the actual figures of Auxiliary Energy consumption in line with the MYT Regulations during truing up of respective financial years.

6.7.3 *Release of SoR*

The Commission in its MYT Order dated March 31, 2022, Tariff Order dated March 30, 2023 & Tariff Order dated March 28, 2024 directed the Petitioner to ensure the timely release of SoR of ensuing year, positively by 1st April of the ensuing year and the approved SoR to be uploaded in its websites for ready reference of all Units.

In compliance to the above, the Petitioner vide its submission dated June 19, 2024 furnished copy of SoR for FY 2024-25 and had also uploaded the same in its website.

The Commission has noted the submission of the Petitioner and **directs the Petitioner to release its SoR for the subsequent FY and upload it prior to the commencement of the respective financial year.**

6.7.4 *Decapitalisation Policy*

The Commission in its MYT Order dated March 31, 2022, Tariff Order dated March 30, 2023 & Tariff Order dated March 28, 2024 had directed the Petitioner that as a matter of de-capitalisation policy, the Petitioner should carry out de-capitalisation in the same year in which the asset is taken out from its useful service.

The Petitioner submitted that it has complied with the directives issued by the Commission.

The Commission directs the Petitioner that as a matter of de-capitalisation policy, the Petitioner should continue to carry out de-capitalisation in the same year in which the asset is taken out from its useful service and shall submit Form F-6.10 along with the next tariff Petition, against the Assets added during FY 2023-24 and FY 2024-25.

6.7.5 *Booking under right Asset head*

The Commission in its MYT Order dated March 31, 2022, Tariff Order dated March 30, 2023 & Tariff Order dated March 28, 2024 had directed the Petitioner to ensure the booking of items appropriately under relevant head and any expenditure incurred on account of repetition of such instances in future shall be liable for disallowance.

The Commission during the Truing-up of FY 2023-24 has still observed that the Petitioner has failed to comply with the directions of the Commission w.r.t the booking of items appropriately under the relevant head as discussed in Chapter 4 of this Order. The Commission direction in this regard can be referred at direction no. "6.8.1 Apportionment of common expenses"

6.7.6 *Proposed/Planned Additional capitalisation Works*

The Commission in its MYT Order dated March 31, 2022, Tariff Order dated March 30, 2023 & Tariff Order dated March 28, 2024 had directed the Petitioner to give priority to those Civil Works which directly/genuinely influence the generation of the Plant or are essentially required for safety of the Plants keeping in view of the budget provision.

In compliance to the above, the Petitioner has submitted it is complying to the directions of the Commission.

However, the Commission during the proceedings found that the Petitioner has proposed work for the Fifth Control Period which is in contravention to the above direction. The Petitioner is required to ensure not to claim such expenses in its ARR which do not fulfil the criteria as set by the Commission.

Therefore, the Commission again directs the Petitioner to give priority to only those Civil Works which directly/genuinely influence the generation of the Plant keeping in view of the budget provision.

6.7.7 *Security Expense under head of Administrative and General Expenses*

The Commission in its MYT Order dated March 31, 2022, Tariff Order dated March 30, 2023 & Tariff Order dated March 28, 2024 had directed the Petitioner to furnish cost centre wise details of security expenses in future Tariff/True-up filings.

In compliance to the above, the Petitioner has furnished the details of security expenses in the instant Petitions.

The Commission has noted the Petitioner's submission and **directs the Petitioner to continue furnishing the cost centre-wise details of security expenses in future Tariff/True-up filings as per the new apportionment philosophy.**

6.8 Compliance to the Directives Issued in Tariff Order dated 30.03.2023

6.8.1 *Apportionment of common expenses*

The Commission in its Tariff Order dated March 28, 2024 approved new apportionment philosophy while carrying out the Truing-up of FY 2022-23, i.e., 86:14 for 11 LHPs (9 Old LHPs, MB-II and Vyasi LHP in ratio of the installed capacity of the plant) : SHPs.

The Petitioner has complied to the same for True-up of FY 2023-24. However, the Petitioner submitted that an Appeal is being filed by UJVN Ltd. before the Hon'ble APTEL regarding the methodology adopted by the Commission for apportionment of common expenses in the Tariff Order dated 28.03.2024 and apportionment of common expenses of future projections has been done in the ratio of 95:05 for 11 LHPs (9 Old LHPs, MB-II and Vyasi) : SHPs in ratio of the installed capacity of the plant.

The Commission notes that the Petitioner has deviated from the methodology as approved by the Commission while submitting its Business Plan Petition.

The Commission directs the Petitioner to adopt allocation methodology as approved in Tariff Order dated 28.03.2024 along with actual expenditures at LHPs and SHPs in the next Tariff Petition and directs the Petitioner to be cautious while booking expenses under appropriate cost heads/cost centres/profit centres.

6.9 Compliance to the Directives Issued in Tariff Order dated 28.03.2024

6.9.1 *Calculation of PAFY*

The Commission in its Tariff Order dated 28.03.2024 directed the Petitioner to calculate PAFY on weighted average basis instead of average basis in the next Tariff Petition onwards.

The Commission has observed that the Petitioner has complied to the approach **and directs the Petitioner to continue the approach of calculating PAFY on weighted average and not on average basis in the next Tariff Petition.**

6.9.2 *RMU works of MB-I*

The Petitioner has complied to the following direction issued in tariff Order dated 28.03.2024, with a delay, vide letter dated 24.07.2024, 23.12.2024 and 10.02.2025.

"The Commission directs the Petitioner to submit the detailed workings with regard to price variation claimed including the following as on 08.09.2022 and as on 31.03.2023 certified by statutory auditor by June 30, 2024.

(1) Details of quantity - original quantity, revised quantity.

(2) Details of price – original unit price as considered in LOA and revised unit price after escalation.

The Petitioner is also directed to submit the details of actual debt, equity & grant infused for the RMU of MB-I LHP and detailed IDC workings on quarterly basis in support of its claimed IDC as on 08.09.2022 duly certified by statutory auditor by June 30, 2024."

The Commission has noted the submission of the Petitioner.

The Commission has observed that some of the works that were planned in DPR for RMU of MB-I are yet to be executed. The Commission is also of the view that Hydro-mechanical works and

Civils works that are not yet executed pose a risk of increased shut-down times than as assumed in the DPR, thereby reducing the availability of the Plant.

With regard to pending works, **the Commission directs the Petitioner to complete the works within the cut-off date and submit an update on Hydro mechanical works and Civil works during the True-up of FY 2024-25 and any, reduction in PAFY due to delay in execution of the works shall solely be attributable to UJVN Ltd.**

6.9.3 *Approval of price-variations in DRIP works*

The Commission has observed that the Petitioner has not provided all CPMU approvals for the works where price variation has occurred for approved DRIP works by the Commission.

The Commission directs the Petitioner to ensure that CPMU approvals are obtained in time for price variations for works executed/being executed under DRIP-II.

6.9.4 *Interest on FDs made from RoE approved by the Commission*

With respect to allowing Interest on fixed deposits, the Petitioner is required to substantiate that investment in fixed deposits were made through Return on Equity allowed by the Commission.

The Commission directed the Petitioner to maintain a separate account for investing funds from Return on Equity to which the Petitioner submitted vide letter dated 04.01.2024 and 07.02.2024 that the Petitioner has complied to the same on 03.01.2025.

The Commission notes the submission of the Petitioner.

6.10 New Directives

6.10.1 *Design details of existing LHPs & SHPs*

As discussed in Chapter-3, the Commission has observed that inconsistent and unverified data w.r.t. Design Head, Design Discharge and other details has been furnished by the Petitioner in its Business Plan Petition for existing LHPs & SHPs.

Accordingly, the Petitioner is directed to submit revised data for its LHPs & SHPs by June 30, 2025 duly substantiated for the Design Head and Design Discharge, clearly indicating the year(s) in which any revision, if any, was effected.

6.10.2 *Transmission Assets*

The Commission has observed that certain historical transmission assets continue to be maintained by UJVN Ltd., despite not having been formally transferred to PTCUL till date.

In the aforesaid context of assets which should ideally fall under the ambit of PTCUL but are presently being maintained by UJVN Ltd. is prima-facie against the spirit of the Electricity Act, 2003, wherein, the generation has been de-licenced and provision of separate licences for transmission and distribution have been provided for enabling and enforcing accountability within the Power Sector of the Country. **Therefore, UJVN Ltd. and PTCUL should make a comprehensive Plant-wise plan by 30.06.2025 for transferring the assets in a time bound manner latest by 30.09.2025.**

6.10.3 *Investment Approvals for DRIP & General Works*

As discussed in Chapter-3, the Commission has observed that DRIP-II works are still pending to be executed due to shortage of funds and these works have now been projected in Fifth Control Period in MB-I and MB-II LHPs. The Commission also observed that the Petitioner has already executed some of the works approved under DRIP-II scheme from internal resources, which is not in line with the financial plan approved by the Commission vide its Order dated 12.10.2021. Since, the Petitioner has altered the funding of the balance DRIP-II works and is therefore **directed to seek fresh approval of such balance DRIP-II works proposed to be executed in Fifth Control Period.**

Further, with regard to the General Works, the Petitioner is directed to combine similar nature of works and seek specific approval under Regulation 22(4) of UERC Tariff Regulations, 2024 for General works proposed in Fifth Control Period that does not fall either under RMU or investment approvals already accorded by the Commission.

The Petitioner is also directed to submit year-wise expenditures against all Investment Approvals accorded by the Commission along with the next Tariff Petition.

6.10.4 *Non-Tariff Income from April 01, 2025 onwards*

As per UERC Tariff Regulations, 2024, the Petitioner is directed to submit the net income of generating station, separately, from rent of land, rent of building and any income from the business of eco-tourism duly following the apportioned methodology as approved by the Commission.

The approved AFC of FY 2025-26 shall be recoverable in accordance with the mechanism specified in UERC Tariff Regulations, 2024. The Tariffs approved in this Order shall be applicable from April 01, 2025 and shall continue to apply till further Orders of the Commission.

(Anurag Sharma) **Member (Law)**	**(M.L. Prasad)** **Chairman**

7 Annexures

7.1 Annexure-1: Public Notice on MYT Petition for FY 2025-26 to FY 2027-28

UJVN Limited

H.O.: "UJJAWAL", Maharani Bagh, G.M.S. Road, Dehradun-248006

CIN No. U40101UR2001SGC025866

RO No. 18 **Public Notice** Dated : 10/01/2025

Inviting Comments on Petitions filed by UJVN Ltd. before the Uttarakhand Electricity Regulatory Commission for Truing-up for FY 2023-24, Annual Performance Review for FY 2024-25 and Determination of Annual Fixed Charges for 5th Control Period from FY 2025-26 to FY 2027-28 for its 11 LHPs.

Salient Points of the AFC/Tariff Petitions

1. UJVN Ltd. a Government owned generating company, has filed the Petitions for the determination of Multi Year Tariff for the Fifth Control Period from FY 2025-26 to FY 2027-28 & Annual Performance Review of FY 2024-25 for its 11 Large Hydro Generating Stations before the Uttarakhand Electricity Regulatory Commission. Through the above Petitions, UJVN Ltd. has also proposed Truing-up of its expenses for FY 2023-24 for its 9 old Hydro Generating Stations, ManeriBhali-II HEP & new Vyasi HEP. The salient features of the Tariff Petitions filed by UJVN Ltd. for its 11 Large Hydro Generating Stations are given in the Table below:

AFC (Rs. Crore)							
	FY 2023-24 (True-up)		FY 2024-25 (APR)		FY 2025-26	FY 2026-27	FY 2027-28
Station	Approved (T.O. dt. 30.03.2023)	Claimed	Approved (T.O. dt. 28.03.2024)	Revised Estimated by UJVN Ltd.	Proposed by UJVN Ltd.	Proposed by UJVN Ltd.	Proposed by UJVN Ltd.
Dhakrani	28.14	30.27	27.66	42.93	62.67	94.15	125.30
Dhalipur	41.51	48.20	49.44	65.65	75.83	88.56	93.33
Chibro	97.79	97.75	106.38	106.72	121.08	150.48	167.16
Khodri	56.00	54.61	60.08	63.85	66.31	82.62	99.43
Kulhal	27.73	29.22	31.09	34.31	40.40	54.02	66.98
Ramganga	57.42	61.01	60.73	63.11	73.25	82.36	89.56
Chilla	83.61	88.76	104.50	108.14	140.39	183.95	221.54
MB-I	81.80	89.54	91.26	98.96	108.34	117.74	128.28
Khatima	45.40	45.97	45.48	47.51	50.56	58.91	61.39
MB-II	212.03	279.72	207.05	301.40	312.17	332.30	348.78
Vyasi	268.28*	397.46	268.28*	415.69	432.95	433.28	434.59
Total	**999.71**	**1222.51**	**1051.95**	**1348.27**	**1483.95**	**1678.37**	**1836.34**

**Computed on the basis of provisional tariff approved @ Rs. 7.60/kWhand claimed design energy of 353.00 MUs.*

2. UJVN Ltd. has computed a Gap of Rs. 343.09 Crore including carrying cost (excluding the gap of HPSEB) by working out the difference of AFC claimed now vis-a-vis actual revenue collected in FY 2023-24.
3. UJVN Ltd. has proposed an increase of about 41.50% for FY 2025-26 (with respect to the approved tariff for FY 2024-25) for UPCL. In case the entire claim (including True-up for 11 LHPs for FY 2023-24 and carrying cost on the same) of UJVN Ltd. is accepted by the Commission, an additional hike of around 5.15% in consumer tariff shall be required over and above the hike proposed by UPCL.
4. Detailed proposals as submitted by UJVN Ltd. can be seen free of cost on any working day in the Commission's office or at the office of UJVN Ltd., "UJJWAL", Maharani Bagh, GMS Road, Dehradun. Relevant extracts can also be obtained from the above-mentioned office of UJVN Ltd.
5. The proposals filed by UJVN Ltd. are also available at the website of the Commission (www.uerc.gov.in) and at the UJVN Ltd.'s website (www.ujvnl.com).
6. Objections/suggestions are invited from the consumers and other stakeholders on the above proposals. These may be sent to the Secretary, Uttarakhand Electricity Regulatory Commission, either in person, or by post at 'Vidyut Niyamak Bhawan', Near I.S.B.T., P.O. Majra, Dehradun-248171 or through e-mail to secy.uerc@gov.in as a statement of objections or comments with copies of the documents and evidence in support thereof so as to reach the Secretary by **15.02.2025**.

"Avoid wasteful use of Electricity"

7.2 Annexure-2: Public Notice on Business Plan for FY 2025-26 to FY 2027-28

UJVN Limited

(An Uttarakhand Govt. Enterprises)
H.O.: "UJJWAL", Maharani Bagh, G.M.S. Road, Dehradun-248006
Telephones: 0135-2763808, Fax: 0135-2763508
CIN No.U40101UR2001SGC025866, Website:www.ujvnl.com

UJVNL

पत्र सं0: 15 दिनांक: 10/01/2025

Public Notice

Inviting Comments on Petition filed by UJVN Limited for approval of the Business Plan for FY 2025-26 to FY 2027-28 (Fifth Control Period).

1. UJVN Ltd., a Government owned generating company, has filed its Petition for approval of the Business Plan for FY 2025-26 to FY 2027-28 giving details of the activities proposed to be carried out by it during Fifth Control Period.
2. Detailed proposals as submitted by UJVN Ltd. can be seen free of cost on any working day at the Commission's office or at the office of UJVN Ltd., **"UJJWAL", Maharani Bagh, GMS Road, Dehradun.** Relevant extracts can also be obtained from the above-mentioned office of UJVN Ltd.
3. The proposals filed by UJVN Ltd. are also available at the website of the Commission **(www.uerc.gov.in)** and at the UJVN Ltd.'s website **(www.ujvnl.com).**
4. Responses/suggestions, if any are sought from all consumers and other stakeholders on the above proposals. Responses may be sent to the Secretary, Uttarakhand Electricity Regulatory Commission, either in person, or by post at 'Vidyut Niyamak Bhawan', Near I.S.B.T., P.O. Majra, Dehradun-248171 or through e-mail to **secy.uerc@gov.in** as a statement of objections or comments with copies of the documents and evidence in support thereof so as to reach the Secretary by **15.02.2025.**

"Avoid wasteful use of Electricity"

7.3 Annexure-3: List of Respondents

Sl. No.	Name	Designatin	Organisation	Address
1. 1	Sh. Pawan Agarwal	Vice President	M/s Uttarakhand Steel Manufacturers Association	Kandi Road, Kotdwar
2.	Sh. Mahaveer Prasad Bhatt	President	M/s The District Advocates.	Uttarkashi
3.	Sh. Kartikeya Singh Tomar	Partner	PSR Innovations (I) LLP.	Vill- Gopipura, Post- R.T.C. Hempur, Kashipur
4.	Sh. Puneet Mohindra	President (Finance & Administration)	Kashi Vishwanath Steels Pvt. Ltd.	Narain Nagar Industrial Estate, Bazpur Road, Kashipur
5.	Sh. Pankaj Gupta	President	Industries Association of Uttarakhand	Mohabewala Industrial Area, Dehradun
6.	Sh. Ajay Bhargava	Secretary	Mussoorie Hotels Association	Hotel Surya Kiran Mall road, Mussorrie.
7.	Sh. Ashok Bansal	President	Kumaun Garhwal Chamber of Commerce & Industry	Chamber House, Industrial Estate, Bazpur Road, Kashipur, Distt- U.S.Nagar
8.	Sh. Shakeel Siddiqui	Industrial Advisor	Galwalia Ispat Udhyog (P) Ltd.	Kashipur
9.	Sh. Shakeel Siddiqui	Industrial Advisor	Vishwanath Textile Mill (P) Ltd.	5^{th} Km. Stone, Ramnagar Road, Kashipur
10.	Sh. Munish Talwar	AIS	Electrical Maint.	Roorkee
11.	Sh. Vijay Singh Verma	-	-	Village- Delno, Post- Jhabrera, Dis- Haridwar.

7.4 Annexure-4: List of Participants in Public Hearings

List of Participants in Hearing at Lohaghat on 18.02.2025

Sl. No.	Name of the Participants	Designation	Organization	Postal Address
1.	Sh. Manohar Singh	-	-	Village-Matiyani, Rausal, P.O.-Madhuwa, Lohaghat, Distt. Champawat.
2.	Sh. Vivek Rai	-	-	Hathrangia, P.O.-Lohaghat-262524, Distt. Champawat.
3.	Sh. Chandar Chandra	-	-	Village-Jindi, Dhouni Shilang, Block- Lohaghat-262524, Distt. Champawat.
4.	Sh. Mukesh Kharkwal	-	-	Village-Patan, Chandmari Talli, P.O.- Lohaghat-262524, Distt. Champawat.
5.	Sh. Mahesh Chandra Joshi	-	-	Village-Kanera Patan, P.O.-Lohaghat-262524, Distt. Champawat.
6.	Sh. Rajendra Singh Bohra	-	-	Village-Gallagaon, P.O.-Gallagaon, Block Barakot-262524, Distt. Champawat.
7.	Sh. Manoj Kharkwal	-	-	Village-Patan, Chandmari Talli, P.O.- Lohaghat-262524, Distt. Champawat.
8.	Sh. Hayat Singh Mehra	-	-	Chandmari Talli, P.O.-Lohaghat-262524, Distt. Champawat.
9.	Sh. Manoj Kumar Joshi	-	-	Khari Bazaar, P.O.- Lohaghat-262524, Distt. Champawat.
10.	Sh. D.K. Joshi	-	-	Chandmari Talli, P.O.-Lohaghat-262524, Distt. Champawat.
11.	Sh. Harish Chandra Pant	-	-	Village-Chhulape, P.O.-Bardakhan -Distt. Champawat.
12.	Sh. Suresh Singh Vohra	-	-	Village-Koyati, Block-Lohaghat-262524, Distt. Champawat.

List of Participants in Hearing at Lohaghat on 18.02.2025

Sl. No.	Name of the Participants	Designation	Organization	Postal Address
13.	Sh. Chandrakant Bisht	-	-	Village-Patan, Chandmari Talli, P.O.- Lohaghat-262524, Distt. Champawat.
14.	Sh. Manish Jukaria	-	RD Jukaria & Sons	Station Bazaar, P.O.- Lohaghat-262524, Distt. Champawat.
15.	Smt. Sarita Adhikari	-	-	Village-Kantola, P.O.- Malla Khadera, Block-Lohaghat-262524, Distt. Champawat.
16.	Sh. Ramesh Chandra Patni	-	-	Village-Patan Patani, P.O.-Lohaghat-262524, Distt. Champawat.
17.	Sh. Dinesh Singh	-	-	Village-Sirtoli, P.O.-Chaumel-262525, Lohaghat, Distt. Champawat.
18.	Sh. Ganga Datt Ghaitoria	-	-	Patan, near Alpine Convent School, Pithoragarh Road, P.O.-Lohaghat-262524, Distt. Champawat.

List of Participants in Hearing at Rudrapur on 19.02.2025

Sl. No.	Name of the Participants	Designation	Organization	Postal Address
1.	Sh. Teeka Singh Saini	Block President	Bhartiya Kisan Union	Office-61, Katoratal, Kashipur, Distt. Udhamsingh Nagar
2.	Sh. Balkar Singh Fauzi	-	-	Village-Raipur Khurd, P.O.-Kashipur, Distt. Udhamsingh Nagar
3.	Sh. Baljinder Singh Sandhu	District General Secretary	Bhartiya Kisan Union	Pega Farm, P.O.-Mahuakheraganj, Kashipur, Distt. Udhamsingh Nagar

List of Participants in Hearing at Rudrapur on 19.02.2025

Sl. No.	Name of the Participants	Designation	Organization	Postal Address
4.	Sh. R.K. Singh	Head (CPED & E)	M/s Tata Motors Ltd.	Plot No. 1, Sector 11, Integrated Industrial Estate, SIDCUL, Pantnagar-263153, Udhamsingh Nagar.
5.	Sh. Shakeel A. Siddiqui	Industrial Advisor	M/s Galwalia Ispat Udyog Pvt. Ltd.	Narain Nagar Industrial Estate, Bazpur Road, Kashipur-244713, Distt. Udham Singh Nagar.
6.	Sh. Vipin Kumar	-	M/s Kashi Vishwanath Textile Mill (P) Ltd.	5th KM, Stone, Ramnagar Road, Kashipur-244713, Distt. Udham Singh Nagar.
7.	Sh. Ashok Bansal	President	M/s Kumaon Garhwal Chamber of Commerce & Industry Uttarakhand	Chamber House, Industrial Estate, Bazpur Road, Kashipur, Distt. Udhamsingh Nagar.
8.	Sh. Sanjay Kumar Adhlakha	Director	M/s Ambashakti Glass India Pvt. Ltd.	Plot No. 41, Sector-3, IIE, SIDCUL, Pantnagar, Rudrapur-263153, Distt. Udhamsingh Nagar.
9.	Sh. Arunesh Kumar Singh	-	-	Village-Fulsunga, P.O.-Transit Camp, Rudrapur-263153, Distt. Udham Singh Nagar.
10.	Sh. Rajeev Gupta	-	M/s Kashi Vishwanath Steels Pvt. Ltd.	Narain Nagar Industrial Estate, Bazpur Road, Kashipur-244713, Distt. Udham Singh Nagar
11.	Sh. Devendra Dwivedi	-	-	Village-Fulsunga, P.O.-Transit Camp, Rudrapur-263153, Distt. Udham Singh Nagar.
12.	Sh. Than Singh Sammal	-	-	Village-Fulsunga, Bankhandi Colony, Phase-1, Rudrapur-263153, Distt. Udham Singh Nagar.

List of Participants in Hearing at Rudrapur on 19.02.2025

Sl. No.	Name of the Participants	Designation	Organization	Postal Address
13.	Sh. Deepak Chandra	-	-	Village-Fatehpur, Barsati Road, Haldwani, Nainital.
14.	Sh. Vishal Sharma	President	Suraj Sewa Dal (Kumaon Division)	Office-Shree Hari Enclave Colony, Phase-2, Cheenpur, Haldwani-263139, Nainital, Uttarakhand.
15.	Sh. D.K. Bisht	-	Suraj Sewa Dal (Kumaon Division)	Office-Shree Hari Enclave Colony, Phase-2, Cheenpur, Haldwani-263139, Nainital, Uttarakhand.
16.	Sh. Ram Kumar Agarwal	Director	M/s Umashakti Steels Pvt. Ltd.	Village-Vikrampur, Post Off.-Bazpur–262401, Distt. Udhamsingh Nagar.
17.	Sh. Govind Ballabh	-	Suraj Sewa Dal (Kumaon Division)	Office-Shree Hari Enclave Colony, Phase-2, Cheenpur, Haldwani-263139, Nainital, Uttarakhand.
18.	Sh. Sushil Kumar Tulsiyar	-	M/s Umashakti Steels Pvt. Ltd.	Village-Vikrampur, Post Off.-Bazpur–262401, Distt. Udhamsingh Nagar.
19.	Sh. Nishant Kumar	-	M/s Ideal Energy Solutions Pvt. Ltd.	2nd Floor, B-205, Pacific Business Park, 37/1, Maharajpur, Sahibabad Industrial Area, Site-IV, Ghaziabad-201010, Uttar Pradesh.
20.	Sh. Akash Agarwal	-	M/s Ideal Energy Solutions Pvt. Ltd.	2nd Floor, B-205, Pacific Business Park, 37/1, Maharajpur, Sahibabad Industrial Area, Site-IV, Ghaziabad-201010, Uttar Pradesh.
21.	Sh. Praveen Singh	Plant Head	M/s Sanjay Technoplast Pvt. Ltd.	Pant Nagar Plant, Khata No. 182, Khasra No. 301, Min. Village-Fulsunga, Tehsil-Kichha, Rudrapur-263153, Distt. Udham Singh Nagar.

List of Participants in Hearing at Rudrapur on 19.02.2025

Sl. No.	Name of the Participants	Designation	Organization	Postal Address
22.	Sh. Rahul Dev	Sr. Manager	M/s India Glycols Ltd.	A-1, Industrial Area, Bazpur Road, Kashipur-244713, Distt. Udham Singh Nagar.
23.	Sh. Daljeet Singh	-	District Court	Chamber No. 14, Rudrapur, Distt. Udham Singh Nagar.
24.	Sh. Sarabjeet Singh	-	District Court	Chamber No. 20, Rudrapur, Distt. Udham Singh Nagar.

List of Participants in Hearing at Gopeshwar on 24.02.2024

Sl. No.	Name of the Participants	Designation	Organization	Postal Address
1.	Sh. Gajendra Singh Rawat	-	-	Village-Gauna, Block Dhasoli-246424, Distt. Chamoli
2.	Sh. Manoj Tiwari	-	-	Hari Om Colony, Upper Bazaar, Gopeshwar, Distt. Chamoli
3.	Sh. Ravindra Jhinkwan	-	-	Village-Dungri, P.O.-Malkot-246426, Distt. Chamoli
4.	Sh. Arjun Bisht	-	-	CGRF, Gauchar, Karanprayag, Distt. Chamoli
5.	Sh. Pitambar Singh	Gram Pradhan	-	Village-Mana, Block Dhasoli-246424, Distt. Chamoli
6.	Sh. Hikmat Singh Negi	-	-	Kund Colony, Gopeshwar, Distt. Chamoli
7.	Sh. Manoj Bhandari	District Vice President	-	Garhwal Hotel, near Bus Stand, Gopeshwar-246401, Distt. Chamoli
8.	Sh. Vivek Negi	-	-	Hotel Comfort INN, NH-58, Badrinath Highway, Pipalkoti, Distt. Chamoli
9.	Sh. Pancham Singh Rawat	-	-	Near Govt. P.G. College, Stadium Gate, Gopeshwar-246401, Distt. Chamoli

List of Participants in Hearing at Gopeshwar on 24.02.2024

Sl. No.	Name of the Participants	Designation	Organization	Postal Address
10.	Sh. Surendra Singh Bisht	-	-	Vikrant Hotel, Peepalkoti, Distt. Chamoli
11.	Sh. Manvendra Pal	-	-	Hotel Vinayak, Village-Gari, Batula, Pipalkoti-246472, Distt. Chamoli
12.	Sh. Manmohan Singh	-	-	Mehra General Store, Peepalkoti-246472, Distt. Chamoli
13.	Sh. Sachin Sati	-	-	Village-Kothiyalsain, Near Hanuman Mandir, Opp. Institute of Technology, Tehsil Chamoli-246424, Distt. Chamoli
14.	Sh. Harish Purohit	-	-	Village-Mayapur, Peepalkoti, Distt. Chamoli
15.	Sh. Devendra Singh Negi	Former District Panchayat Member	-	Village- Raitoli, Gram Sabha-Salla Raitoli, Vikaskhand-Dasholi, P.O.-Peepalkoti, Distt. Chamoli
16.	Sh. Ayodhya Prasad Hatwal	-	-	Nagar Panchayat & P.O.-Gadora, Peepalkoti, Distt. Chamoli
17.	Sh. Anil Negi	-	-	S/o Surendra Singh Negi, Village-Raitoli, P.O.-Peepalkoti-246472, Distt. Chamoli
18.	Sh. Atul Shah	-	-	C/o Hotel Ajay Palace, Main Market, P.O.-Peepalkoti, Distt. Chamoli
19.	Sh. Sandeep Rawat	Chairman	Nagar Palika	Gopeshwar-246401, Distt. Chamoli
20.	Sh. Virendra Singh Rawat	Zonal President	-	Village-Lasi, Block-Dasoli-249146, Distt. Chamoli
21.	Sh. Pushpendra	-	-	Village-Gweelol, P.O.-Gopeshwar, Distt. Chamoli
22.	Sh. Deepak Rana	President	Vyapar Sangh	Peepalkoti, Distt. Chamoli
23.	Sh. Bhagat Singh Bisht	-	-	Village-Koteshwar, Block-Dasholi, Baragaon, Distt. Chamoli

List of Participants in Hearing at Gopeshwar on 24.02.2024

Sl. No.	Name of the Participants	Designation	Organization	Postal Address
24.	Sh. Pradeep Singh Bisht	-	-	S/o Late Sh. Bhopal Singh Bisht, Gopinath Mandir Marg, Gopeshwar- 246401, Distt. Chamoli
25.	Sh. Manoj Bisht	-	-	Near Jal Nigam Colony, Gopeshwar- 246401, Distt. Chamoli
26.	Sh. Vikram Singh Bartwal	District Panchayat Member	-	Kothiyalsain, Gopeshwar-246424, Distt. Chamoli
27.	Sh. Manish Negi	-	Hotel Rajput	Near Indralok Hotel, Main Station, Peepalkoti, Distt. Chamoli
28.	Sh. Pawan Rathore	-	-	Main Market Chamoli, Gopeshwar-246424, Distt. Chamoli
29.	Sh. Prakash Bartwal	-	-	Main Market Chamoli, Gopeshwar-246424, Distt. Chamoli
30.	Sh. Manish Parmar	-	-	Village-Malla Negwar, Gopeshwar-246401, Distt. Chamoli
31.	Sh. Harak Singh Negi	Former District President	Bhartiya Janta Party	Distt. Chamoli
32.	Sh. Sanjay Bisht	-	-	Aadarsh Colony, Gopeshwar, Distt. Chamoli
33.	Sh. Surendra Singh Pharswan	-	-	Village-Sartoli Dharkot, Block-Dasoli, Distt. Chamoli

List of Participants in Hearing at Dehradun on 28.02.2025

Sl. No.	Name of the Participants	Designation	Organization	Postal Address
1.	Sh. Pankaj Gupta	President	M/s Industries Association of Uttarakhand	Mohabewala Industrial Area, Dehradun-248110
2.	Sh. Rajiv Agarwal	-	M/s Industries Association of Uttarakhand	Patelnagar Cooperative Area, Patelnagar, Dehradun.
3.	Sh. Sanjeev Kumar Sharma	Office Executive	M/s Industries Association of Uttarakhand	C/o Satya Industries, Mohabewala Industrial Area, Dehradun-248110
4.	Shri Anil Goyal	-	Prantiya Udyog Vyapar Pratinidhi Mandal-Uttaranchal	13- Gandhi Road, Dehradun.
5.	Sh. Dinesh Mudgal	-	M/s Industries Association of Uttarakhand	Mohabewala Industrial Area, Dehradun-248110.
6.	Sh. Sunil Kumar Gupta	Editor	Teesri Aankh ka Tehalka	16, Chakrata Road (Tiptop Gali), Dehradun-248001.
7.	Sh. Gulshan Khanduja	-	M/s Shree Ganesh Roller Flour Mills	Mohabewala Industrial Area, Subhash Nagar, Dehradun
8.	Sh. Pawan Agarwal	Vice-President	M/s Uttarakhand Steel Manufacturers Association	C/o Shree Sidhbali Industries Ltd., Kandi Road, Kotdwar, Uttarakhand.
9.	Sh. Suresh Bansal	-	M/s Kukreti Steels Ltd.	F-23-27, E-73-76, Jasodharpur Industrial Area, Kotdwar.
10.	Sh. Veeru Bisht	-	-	Mohanpur, Post Off.- Premnagar, Dehradun-248007.
11.	Sh. Shashi Kant Singhal	-	M/s Shree Sidhbali Industries Ltd.	Kandi Road, Kotdwar-246149, Uttarakhand.

List of Participants in Hearing at Dehradun on 28.02.2025

Sl. No.	Name of the Participants	Designation	Organization	Postal Address
12.	Sh. Rakesh Bhatia	-	M/s Integrated Industries Association	E-8, Govt. Industrial Area, Patelnagar, Dehradun.
13.	Sh. Vinod Kavi	Convenor	Vidyut Samvida Ekta Manch	Hydel Colony, Near 33/11 kV Sub station, Araghar, Dehradun-248001.
14.	Sh. Vijay Singh Verma	-	-	Village-Delna, P.O. Jhabrera, Roorkee-247665, Haridwar
15.	Sh. Yashveer Arya	-	-	Surbhi Enclave, Canal Road, Jakhan, Rajpur Road, Dehradun-248001.
16.	Sh. K.L. Sundriyal	General Secretary	M/s Prantiya Electrical Contractors Association-Uttarakhand	2(4/3), New Road, Near Hotel Relax, (Amrit Kaur Road), Dehradun.
17.	Sh. Shivraj Sarhadi	-	-	4/2, Punjabi Colony, Vikasnagar, Dehradun.
18.	Sh. Pankaj Agarwal	-	-	19, Dwarika Puri Extension, Shahid Ramesh Thapa Marg, GMS Road, Dehradun.
19.	Sh. Pankaj Bhatt	-	-	Shiv Shakti Colony, Zero Point Stand, Lower Nakronda, Dehradun-248008.
20.	Sh. Suresh Kumar	-	-	House No. 9, Chaman Vihar, Majra, Dehradun.

7.5 Annexure-5: Details of upcoming Generating Stations and their expenditures

Upcoming Plants in 5th Control Period							Capital Expenditure Planned in 5th Control Period				
Sl. No.	Name of Project	Estimated Potential (MW)	District	River/ Tributary	Actual / Expected COD	Design Energy (MU)	FY 2024-25 Upto Sept (Actual)	FY 2024-25 Oct – March (Projected)	FY 2025-26	FY 2026-27	FY 2027-28
LHPs (A)											
1	**Tiuni Plasu**	72.00	Dehradun	Tons	Sep-29	298.51	10.96	49.00	177.63	222.03	**222.03**
2	**Lakhwar**	300.00	Dehradun	Yamuna	Dec-31	573.00	718.83	97.79	542.71	542.12	925.51
3	**Sarkari Bhyol Rupsiabagar**	120	Pithoragarh	Goriganga	Mar-29	529.12	16.80	1.20	113.83	202.33	330.81
4	**Bowla Nandaprayag**	300.00	Chamoli	Alaknanda	Mar-29	1,343.10	10.42	0.40	29.40	33.20	283.00
5	**Nand Pyayag Langasu**	100.00	Chamoli	Alaknanda	Held up in MoEF	490.45	7.53	0.35	0.75	1.50	13.50
6	**Tamak Lata**	190	Chamoli	Dhauliganga	Held up in Hon'ble Supreme Court	1,041.13	5.21	0.20	0.70	0.80	13.60
7	**Sela Urthing**	114.00	Pithoragarh	Dhauliganga	Jun-31	466.46	2.25	0.25	0.50	0.50	190.20
8	**Arakot Tiuni**	81.00	Uttarkashi	Pabbar	Aug-30	404.29	3.62	0.80	22.90	137.40	286.25
9	**Hanoi Tiuni**	60.00	Uttarkashi	Tons	Mar-31	302.00	0.10	0.25	2.00	10.00	10.00
	Total	**1,027.00**				**5,448.06**	**775.72**	**150.24**	**890.42**	**1,149.88**	**2,274.90**
SHPs (B)											
1	**Bhilangana II -A**	24.00	Tehri	Bhilangna	Nov-29	158.22	19.00	0.40	90.00	105.00	90.00
2	**Tapovan**	2.00	Chamoli	Dhak gatera	Apr-27	-	0.15	0.25	7.00	8.00	8.00
3	**Jimbagad**	12.00	Pithoragarh	Jimba	May-28	61.70	0.19	0.20	14.00	35.00	45.00
4	**Painagad**	15.00	Pithoragarh	Painagad	Nov-29	101.00	0.21	2.00	30.00	50.00	50.00

Upcoming Plants in 5th Control Period							**Capital Expenditure Planned in 5th Control Period**				
Sl. No.	**Name of Project**	**Estimated Potential (MW)**	**District**	**River/ Tributary**	**Actual / Expected COD**	**Design Energy (MU)**	**FY 2024-25 Upto Sept (Actual)**	**FY 2024-25 Oct – March (Projected)**	**FY 2025-26**	**FY 2026-27**	**FY 2027-28**
5	**Tankul**	12.00	Pithoragarh	Shymkholagad	Feb-29	69.66	0.23	2.00	45.00	40.00	40.00
6	**Swarigad**	2.00	Uttarkashi	Swarigad	Feb-27	10.90	0.25	0.25	8.00	9.00	8.00
7	**Guptkashi**	1.50	Rudrapryag	Rawan Ganga	Apr-27	9.02	0.13	0.10	5.00	7.00	5.00
8	**Bhilangana II -B**	24.00	Tehri	Bhilangna	Nov-30	122.14	0.57	0.25	5.00	15.00	65.00
9	**Limchagad**	2.00	Uttarkashi	Limch gad	Feb-28	-	0.23	1.00	7.00	10.00	7.00
	Total	**94.50**				**532.64**	**20.96**	**6.45**	**211.00**	**279.00**	318.00
PSPs (C)											
1	Ichari PSP	600.00	Dehradun	Tons (Open loop type)	Dec., 2031	1,248.30	0.06	0.31	2.75	3.50	3.50
2	Lakwar Vyasi PSP	300.00	Dehradun	Yamuna (Open loop type)	Jan., 2032	1,348.20	0.06	0.31	2.50	3.50	3.50
3	Vyasi Katapathar PSP	50.00	Dehradun	Yamuna (Open loop type)	Jan., 2032						
4	Kalagarh PSP	1,200.00	Pauri Garhwal	Ramganga (Open loop type)	This project will be taken up after consent from forest department as project area falls under Jim corbett national park.	3,744.90	0.03	0.10	3.00	3.00	4.00
5	Maneri Bhali PSP	400.00	Uttarkashi	Alaknanda(Closed loop type)	Feb., 2032	1,248.30	0.03	0.10	3.00	4.00	3.00
	Total	**2,550.00**				**7,589.70**	**0.18**	**1.13**	**13.75**	**17.50**	**17.50**

Upcoming Plants in 5th Control Period							Capital Expenditure Planned in 5th Control Period				
Sl. No.	Name of Project	Estimated Potential (MW)	District	River/ Tributary	Actual / Expected COD	Design Energy (MU)	FY 2024-25 Upto Sept (Actual)	FY 2024-25 Oct – March (Projected)	FY 2025-26	FY 2026-27	FY 2027-28
Solar (D)											
1	Canal Bank	27.75								136.73	
2	Ground Mounted	33.00								159.77	
3	Rooftop Solar	0.14								0.94	
	Total	**60.89**								**297.44**	
	Grand Total (A+B+C+D)	**3,732.39**				**3,570.40**	**796.86**	**157.82**	**1,412.61**	**1,446.38**	**2,610.40**

7.6 Annexure-6: Details of works considered by the Commission under General Works for FY 2025-26

Sl. No.	Description	Date of Investment Approval	Amount considered for 2025-26 (Rs. in Crore)
1	Petition for prior approval of Additional Capital Works on Unit No. 1 of (3x66 MW) Ramganga HEP of UJVN Ltd. under Section 61 and 86 of the Electricity Act, 2003 read with the relevant regulations and guidelines of the Commission	13.02.2023	8.29
2	Petition for approval of capital investment on refurbishment of damaged Power Channel from Dakpathar Silt Ejector to intake of Dhalipur Power House	12.04.2023	21.44*
3	Petition seeking approval of capital investment for procurement of one number 132/11 kV 20 MVA Generator Transformer for Dhalipur Powerhouse	12.04.2023	6.55
4	Petition seeking approval of capital investment for Supply Installation Testing and Commissioning (SITC) of 220kV XLPE Armoured Power Cable with all accessories including dismantling of existing oil filled cable at Chibro Powerhouse under Section 61 and 86 of the Electricity Act, 2003 read with the relevant regulations and guidelines of the Commission.	05.09.2023	27.15
5	Petition seeking approval of capital investment for Supply Installation Testing & Commissioning (SITC) of Generator Transformer (75 MVA, 11/220 KV) with all accessories including dismantling of existing transformer at 4 x 60 MW Chibro Powerhouse under Section 61 and 86 of the Electricity Act, 2003 read with the relevant regulations and guidelines of the Commission.	31.10.2023	22.96
6	Petition seeking approval of capital investment on Special Repair of Glacis, Floor and End Sill of Virbhadra Barrage under section 61 and 86 of the Electricity Act, 2003 read with relevant regulation and guidelines of the Commission	27.02.2024	15.39
7	Petition for seeking prior approval of capital investment on Rehabilitation Works of Virbhadra Barrage & Power Channel of Chilla Hydro Electric Project.	17.05.2024	19.84
8	Petition seeking approval of capital investment on Rehabilitation works of civil structure of Ichari Dam under Section 61 and 86 of the Electricity Act, 2003 read with the relevant regulations and guidelines of the Commission	21.11.2024	17.63
	Total		**139.25**

** The cost of works in the DPR is Rs. 23.47 Crore, out of which the Petitioner in FY 2023-24 has capitalised the works amounting to Rs. 2.03 Crore.*

7.7 Annexure-7: List of items Shifted from R&M to Add Cap for FY 2023-24

Sl. No.	Reference No.	Asset Name	Amount in Rs. Crore
Khatima			
Furniture & Fixtures			
1.	5200009426 dated 29.09.2023	220 V, 250 Ah VRLA Battery Bank & ITC of 220 V 440 Ah & 250 Ah VRLA	0.35
	Total amount shifted R&M to Add Cap FY 2023-24		**0.35**

7.8 Annexure-8: List of items disallowed/deferred by the Commission in FY 2023-24

List of items disallowed/deferred from the claim of Add Cap expenses for FY 2023-24			
Sl. No.	**Reference No.**	**Asset Name**	**Amount in Rs. Crore**
Disallowed			
Civil Dhalipur			
Furniture & Fixtures			
1.	O. No./320/C-M/D.Dun Dt. 07.08.2023 D. Dun OD NO-382/2022-23 Dt. 13.09.2023 D. Dun	Supply & Installation of Furniture and other associated work	0.12
MB-I			
Plant & Machinery			
2.	8200000072 30.09.2023	Refurbishment of 25 MVA (220/33 kV) Transformer	3.26
Dhakrani			
Plant & Machinery			
3.	Ag.no.-04/EE(M&G)/DKN/T.N.25/2022-23 Dt:13.04.2023	SITC of 36 kV Isolators at Switchyard of Dhakrani	0.42
4.	Ag.no.-10/EE(M&G)/DKN/T.N.28/2022-23 Dt:24.04.2023	Installation of 05 nos 33 kV Outdoor type Braker	0.29
Khatima			
Plant & Machinery			
5.	26000007541 & 2600008165	SITC of SF-6 Circuit Breakers	0.28
Chilla			
Building			
1.	5200008204	Construction of 3 Nos. animal passages	0.65
		Total disallowed claim of Add Cap	**5.02**

List of items disallowed/deferred from the claim of R&M expenses for FY 2023-24			
Sl. No.	**Reference No.**	**Asset Name**	**Amount in Rs. Crore**
MB-I			
Plant & Machinery			
1.	5200006820	Hiring of 220/33 kV 25 MVA/high. Cap. T/F	0.83
		Total disallowed claim of R&M	**0.83**

CSR Expense disallowed from the claim of A&G expenses for FY 2023-24		
Sl. No.	**Name of Plant**	**Amount in Rs. Crore**
1.	Dhakrani	0.06
2.	Dhalipur	0.09
3.	Chibro	0.44
4.	Khodri	0.22
5.	Kulhal	0.05
6.	Ramganga	0.36
7.	Chilla	0.26
8.	MB-I	0.16
9.	Khatima	0.08
10.	MB-II	0.56
11.	Vyasi	0.22
	Total A&G to be Disallowed on account of CSR works	**2.51**