Before

UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

Petition No. 14 of 2024

In the matter of:

Petition for resolution of matter pertaining to "Compensation for Delayed Payment of Invoices" for power supplied to Uttarakhand Power Corporation Limited (UPCL) from 214 MW (225 MW) ISO for Phase I of 2x225 MW (450 MW ISO) Gas Based Combined Cycle Power Plant at Kashipur, Uttarakhand, of M/s Sravanthi Energy Private Limited for the FY 2018-19, FY 2019-20, FY 2020-21, FY 2021-22, FY 2022-23 and for the period 1st April 2023 to 31st August 2023.

In the matter of:

M/s Sravanthi Energy Pvt. Ltd. … Petitioner

AND

In the matter of:

Uttarakhand Power Corporation Ltd. … Respondent

CORAM

Shri M.L. Prasad Member (Technical) - Chairman (I/c)

Date of Order: July 12, 2024

This Order relates to the Petition filed by M/s Sravanthi Energy Private Limited (hereinafter referred to as "SEPL") for resolution of matter pertaining to compensation for delayed payment of invoices for power supplied to Uttarakhand Power Corporation Limited (hereinafter referred to as "UPCL") from their Phase-I of the CCPP located at Kashipur, Uttarakhand.

1. Background and submissions

1.1 The Petitioner submitted that it has filed the present application with respect to the Commission's order dated 16.08.2023 in relation to the Suo-moto proceedings initiated by the Commission re-emphasising the effectiveness of the payment process as originally directed in its Order dated 17.04.2017 and clarifying the due date for payment of invoices raised by the Petitioner.

1.2 The Petitioner submitted that its Power Plant was commissioned on 20.11.2016, and in accordance with the provisions of the PPA, it has been supplying power to UPCL post commissioning of the Phase-I of their project.

1.3 The Petitioner submitted that, M/s Gama Infraprop Pvt. Ltd. (hereinafter referred to as "GIPL"), having its gas power plant in the vicinity of M/s SEPL had also commissioned its project and had been supplying power to UPCL. The Petitioner submitted that, earlier, M/s GIPL filed a Petition with the Commission seeking amendment of certain clauses in its Power Purchase Agreement ("PPA") of 107 MW with UPCL and the Commission had passed relevant orders in case of M/s GIPL on 25.01.2017 which had a direct bearing on the PPA signed between M/s SEPL and UPCL as the PPA for M/s GIPL and M/s SEPL had similar terms and implications.

1.4 The Petitioner submitted that earlier UPCL had filed a review Petition against the Order dated 25.01.2017 passed by the Commission which primarily related to the billing, payment mechanism relevant for all the gas-based power projects in the State, including that of the Petitioner. The Petitioner submitted that the Commission vide its order dated 17.04.2017 clarified that the rebate shall be reinstated from 01.04.2017 for the Gas power plants except that of the Petitioner. It also clarified that UPCL shall not charge any rebate from M/s SEPL for payment of invoices within 3 working days from the receipt of the bills, on the pretext that SEPL shall forgo their Working Capital Interest, and, hence, the due date for payment for UPCL was pegged as 3 working days from the receipt of the bills from M/s SEPL. The Petitioner submitted that the spirit of the Order dated 17.04.2017 was highlighted in various Annual Performance Review Petitions filed by M/s SEPL as well as in stand-alone correspondences, especially in relation to the delay in payment of invoices raised by M/s SEPL for supply of power to UPCL.

1.5 The Petitioner submitted that in 2023, the Commission initiated a suo-moto proceedings in relation to the request made by M/s SEPL seeking approval of revised payment terms for release of gas payments. The relevant order in relation to the billing and payment was re-emphasized by the Commission in its order dated 16.08.2023 by clarifying that UPCL shall be entitled to deduct 1% rebate from the amounts payable to the generators if the payment is made within 3 working days from the date of receipt of bills. The Commission in the said

Order also directed that no LPS would be levied on UPCL if the bills are paid within 7 working days from the date of receipt of bills, post which LPS shall be levied in accordance with the applicable provisions of Electricity (Late Payment Surcharge and Related Matters) Rules, 2022 notified by MoP vide notification dated 3rd June 2022, on the amount remaining unpaid considering the due date as 7 working days from receipt of bills.

1.6 The Petitioner submitted that UPCL had filed a review petition in relation to the Order dated 16.08.2023 passed by the Commission, which was subsequently rejected by the Commission since no grounds for review were fulfilled. Further, the Commission reiterated its position and passed the Order dated 02.01.2024 for execution of the Supplementary PPA within 10 days of the Order to incorporate the clarifications on billing and payment and making the same effective from 01.09.2023.

1.7 The Petitioner submitted that UPCL has maintained that the cost for delayed payment for the period beyond 3 days and upto 60 days should be treated as Working Capital Interest instead of considering 4th working day as the due date as implied in the Order dated 17.04.2017 passed by the Commission, and, hence, no late payment surcharge should be applicable.

1.8 The Petitioner submitted that as a follow through of the clarificatory orders on the billing and payment which originated through the Order dated 17.04.2017, it duly determined the compensation for delayed payment by applying the same provisions as specified in the Electricity (Late Payment Surcharge and Related Matters) Rules, 2022 notified by MoP vide notification dated 3rd June 2022 for the period starting from 01.04.2018 till 31.08.2023 on the invoices already submitted by it and against which UPCL had delayed the payments.

1.9 The Petitioner submitted that considering that there should not be any burden on the State Discom or the State consumers of electricity, instead of computing the compensation for the period 01.04.2018 till 31.08.2023 as Interest on Working Capital to be allowed for the delayed payment of invoices which amounts to Rs. 213.8 Crore, the Petitioner has computed the compensation for the relevant period by applying the same provisions as specified in the Electricity (Late Payment Surcharge and Related Matters) Rules, 2022 notified by MoP vide notification dated 03.06.2022 for the period of delay beyond 7 days and upto 60 days which amounts to Rs 44.76 Crore.

1.10 The Petitioner requested the Commission to consider the amount of Rs 44.76 Crore as "deemed working capital interest" as claimed and may pass the necessary orders as it may deem fit. The Petitioner, accordingly, sought the following relief from the Commission:

a. To kindly consider the rationale for the determination of compensation for delayed payment of invoices raised on UPCL for the period 01.04.2018 till 31.08.2023, and

b. To kindly treat the compensation determined by the Petitioner as "deemed working capital interest".

1.11 The Respondent, i.e. UPCL vide its letter dated 21.03.2024 submitted its comments on the Petition filed by M/s SEPL.

1.12 The Commission also held a hearing in the matter to decide on the admissibility of the Petition wherein the Commission admitted the Petition and took on record the submission made by the Petitioner and the Respondent and directed as follows:

> *"…*
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> *Accordingly, the Commission directs both the Petitioner and the Respondent to finalise the calculations amicably between themselves and also propose a mechanism for recovery of the same and submit the same before the Commission, alongwith basis of the calculation, within 45 days from the date of Order. The Commission shall, thereafter, dispose the matter, as it deems fit, after prudently examining the same.*
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> *…"*

1.13 The Respondent, subsequently, vide its letter dated 06.04.2024 made its submission before the Commission in response to the Commission's Order dated 22.03.2024 related to the Petitioner's plant.

1.14 The Respondent's submission and the Commission's view on the same have been discussed in the subsequent paras of this Order.

2. Respondent's submission, Commission's views and decision

2.1 Respondents Submission:

2.1.1 The Respondent, on the Petition filed by M/s SEPL, submitted that the Petitioner in its Petition has stated that the Commission vide its Order dated 17.04.2017 has pegged the due date for payment as 3 working days from the receipt of the bills from gas-based generators, which is not correct. The Respondent submitted that the Commission vide its

Order dated 25.01.2017 on the Petition filed by M/s GIPL in the matter of amendment of certain clauses of the PPA for procurement of 107 MW of power on long term basis has passed certain directions. The Respondent aggrieved by the Order dated 25.01.2017, filed a review Petition on the same, and the Commission vide its Order dated 17.04.2017 reviewed the issues/difficulties based on the Petition filed by UPCL.

2.1.2 The Respondent submitted that the Commission in the aforementioned Orders had directed UPCL to make payment to the gas-based generators within 3 working days without deducting any rebate in turn of the claim of Interest on Working Capital that had been foregone by the gas-based generators. Furthermore, the Commission explicitly directed to incorporate the changes in the PPA by replacing the relevant clauses(s) where provisions of rebate of 2% have been made for prompt payment of bills by UPCL. The Respondent submitted that the Commission nowhere explicitly & specifically directed to amend the provisions of due date or LPS defined in the PPA, and accordingly, UPCL has been processing the bills of gas based generators as per the provisions of PPA and in accordance to the Commission's Order dated 17.04.2017.

2.1.3 The Respondent further submitted that the Commission vide its Order dated 16.08.2023, in the matter of payment terms for gas-based generators, had explicitly ordered for implementing the modified payment conditions in the PPA in a stipulated time frame. The Respondent submitted that later it filed a review Petition before the Commission against the said Order which was disposed off by the Commission vide Order dated 17.10.2023, and, accordingly, the Respondent had preferred an appeal before the Hon'ble ATE against the Order dated 16.08.2023 of the Commission.

2.1.4 The Respondent submitted that it had in the review Petition and reply to earlier Petitions of the Petitioner has amply clarified before the Commission that the LPS shall only be applicable as per the provisions of the PPA and, therefore, the relief claimed by the Petitioner in the form of compensation in lieu of deemed IoWC is not admissible & acceptable.

2.1.5 The Respondent further submitted that, UPCL is not liable to pay LPS for the previous financial years, i.e. FY 2018-19, FY 2019-20, FY 2020-21, FY 2021-22, FY 2022-23 and for the period 01.04.2023 to 31.08.2023 as claimed by the Petitioner as the Commission's Order dated 17.04.2017 was limited to the aspect that addressed the issue of applicability of

Interest on Working Capital being offset with the rebate and, hence, the relief in terms of compensation in lieu of deemed IoWC is not legitimate & tenable.

2.1.6 Further, the Respondent in response to the Commission's Order dated 22.03.2024, related to M/s SEPL, submitted that in the matter of deemed working capital as proposed in the Petition is concerned and thereon the Commission's Order dated 22.03.2024, in which it was stated that UPCL does not have any issue if the same is passed through in the tariffs of FY 2024-25, the Respondent has already submitted the point wise reply on 21.03.2024 on the Petition filed by M/s SEPL and the Respondent stands by the same, i.e. the relief in terms of compensation in lieu of deemed IoWC is not legitimate & tenable.

2.1.7 The Respondent further submitted that with reference to calculation of LPS as mentioned in the Commission's Order dated 22.03.2024, the details of bills submission date, bill amount and payment details of M/s SEPL are being submitted to the Commission for review, assessment, and further action in the matter.

2.2 Commission's View and Decision

2.2.1 Regulation 59 of the UERC (Conduct of Business) Regulations, 2014 specifies as under:

"59 Inherent power of the Commission

(1) Nothing in these Regulations shall be deemed to limit or otherwise affect the inherent power of the Commission to make such orders as may be necessary for ends of justice or to prevent the abuse of the process of the Commission.

(2) Nothing in these Regulations shall bar the Commission from adopting in conformity with the provisions of the Central Act or State 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 class of matters and for reasons to be recorded in writing deems it necessary or expedient for dealing with such a matter or class of matters.

(3) Nothing in these Regulations shall, expressly or impliedly bar the Commission to deal with any matter or exercise any power under the Central Act or State Act, for which no Regulations have been framed, and the Commission may deal with such matters or exercise such powers and functions in a manner it thinks fit."

Similar provisions are also provided in the UERC (Terms & Conditions of Multi Year Tariff) Regulations, 2021 namely, Regulation 103, 104 and 105. Apparently, the Commission has powers to issue such orders as may be necessary for ends of justice and also to deal with any matter or exercise any power under the Central Act or State Act, for which no Regulations have been framed, and the Commission may deal with such matters or exercise such powers and functions in a manner as it thinks fit.

2.2.2 The Commission analysed the submission made by the Petitioner and the Respondent in the matter. The Commission is surprised to note that even after providing ample clarification w.r.t. due date the Petitioner is still delving on the determination of the same again and again. In this regard, the relevant para of the Order dated 16.08.2023 is reproduced hereunder:

> …
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> *Even in the absence of any amendment to the PPA to this effect since the conduct of the parties was to comply with the same and no appeal had been preferred, hence, this issue has attained finality. This provision was so directed as the Commission had allowed the generator to raise fortnightly bills as it had foregone claiming interest on working capital and UPCL was required to pay the bills within 3 working days of receipt of the same. Thus,* ***the due date was changed by the Commission's Order dated 17.04.2017 to 3 working days from the receipt of bill****."*

Emphasis Supplied

2.2.3 The Commission, in its Order dated 17.04.2017, although did not mention explicitly that the due date shall be 3 working days from the receipt of the bill, but still the intent of the Commission was amply clear in this regard, and the same has been once again explicitly clarified by the Commission in its Order dated 16.08.2023. Moreover, a plain reading of the para 4.2 of the Commission's Order date 17.04.2017 gives a clear inference that the due date shall be considered as 3 working days from the date of receipt of the bills. The relevant para of the Order dated 17.04.2017 is reproduced hereunder:

> *"4.2 UPCL shall not deduct any rebate from bills of M/s SEPL and shall make the payment to the generator within 3 working days from the date of receipt of such bills."*

There is no merit in drawing any other inference of the aforesaid Order of the Commission for the simple reason that, if the Respondent's inference is considered then this will give the liberty to UPCL to delay the payment of gas based generators upto a period of 60 days without any penal levy on it, and then in that case the clause of payment within 3 working days will become infructuous, which has never been the intent of the Commission.

2.2.4 Moving forward, the Petitioner in its Petition has proposed a different methodology for recovering the LPS from UPCL on account of delayed payment of invoices. The Petitioner submitted that if IoWC is computed for the period 01.04.2018 to 31.08.2023 on account of delayed payment of invoices by the UPCL, then the same works out to Rs. 213.8 Crore. The Petitioner submitted that instead of IoWC it had computed the compensation for the relevant period by applying the provisions as specified in the Electricity (Late Payment Surcharge and Related Matters) Rules, 2022 notified by MoP vide notification dated 03.06.2022, and the compensation for the period of delay beyond 7 days and upto 60 days works out to Rs. 44.76 Crore. The Petitioner proposed that the amount of Rs. 44.76 Crore be considered as "deemed working capital interest" as claimed.

2.2.5 The Commission observed that UPCL in its submissions has denied the methodology of deemed working capital interest as not being legitimate, however, during the hearing dated 21.03.2024 UPCL verbally stated that they do not have any issue if the Commission allows the methodology of deemed working capital interest as proposed in the Petition and lays down the mechanism of pass through of the same in tariffs of FY 2024-25. The Commission also took the said submission of UPCL on record in its Order dated 22.03.2024, and no objection to the same was received from the Respondent by the Commission. Subsequently, the Respondent, while making submission vide its letter dated 06.04.2024 once again stated that they stand by their earlier submission dated 21.03.2024 in this matter, i.e. UPCL denies the methodology of deemed working capital interest as claimed in the Petition as not legitimate.

2.2.6 The Commission is not clear of the stand of the Respondent in this matter, however, considering the financial impact if IoWC is considered which amounts to Rs. 213.8 Crore (as submitted by the Petitioner) and the compensation in the form of deemed working capital interest amounting to Rs. 44.76 Crore (as submitted by the Petitioner) the Commission is of the view that the said methodology may be accepted in the interest of the consumers of the State and the Respondent, as it will significantly ease the financial burden on it.

2.2.7 Moreover, the issue related to LPS on delayed payment of invoices by UPCL to the gas-based generators has become a long-drawn issue, and even after giving ample opportunity in the past, the Petitioner and the Respondent have not been able to arrive at a logical consensus mutually agreeable to both. As a matter of fact there has been a delay in honouring its payment liabilities by UPCL towards the gas based generators of the State, which ought to have a significant impact on the financial position of the generators as on the one hand they were not receiving the payment against their bills/invoices in a timely manner and on the other hand they had foregone their claim for working capital interest in lieu of non-deduction of rebate by UPCL and payment within three working days.

Now there is a need to settle down the long pending issue of LPS on delayed payment of bills/invoices, of the gas-based generators in the State by UPCL, till the period ending 31.08.2023, as the Petitioner and the Respondent have mutually agreed on payment terms for the period beginning from 01.09.2023, which has been brought before the Commission for approval and has been approved by the Commission.

The Commission in its Order dated October 17, 2023 had held as under:

"2.1.13 The Commission would like to state that even in the absence of any amendment to the PPA to this effect since the conduct of the parties was to comply with the same and no appeal had been preferred, hence, this issue has attained finality. Moreover, the Petitioner has been filing tariff Petition each year which provides its sufficient opportunity to make representation on the issues faced it before the Commission, however, UPCL has never ever raised this concern w.r.t. the payment terms of State Gas based Generators for the consideration of the Commission in the past, which clearly depicts that the condition and the arrangement approved by the Commission through its Order dated 17.04.2017 was acceptable to both the parties and the same has attained finality through their conduct. Infact while approving the ARR for the Petitioner company the Commission has been considering the working capital requirement of UPCL based on 15 days payment to the gas based generators in the State which otherwise would have further reduced. Moreover, in the truing up Petition filed by the gas generators in the State for past years, where the generators did not claim interest on working capital in accordance with the Commission's Order dated 17.04.2017, the Petitioner never submitted that working capital be allowed to the generators as it does not want any amendment in the PPA to this effect. Infact UPCL continued accepting increased working capital requirement for itself and thereby interest on the same but also a reduced power purchase cost on account of surrendering of interest on working capital by the gas based generators and as a result consumer tariffs worked in its favour. Thus, from the above, it is implicitly clear that there was an implied consent by UPCL to

amend the PPA in accordance with the Order of the Commission dated 17.04.2017.

2.1.14 This provision was so directed as the Commission had allowed the generator to raise fortnightly bills as it had foregone claiming interest on working capital in the interest of consumers of the State and, accordingly, UPCL was required to pay the bills within 3 working days of receipt of the same. Thus, the due date was changed by the Commission's Order dated 17.04.2017 to 3 working days from the receipt of bill."

Accordingly, from the above reading it is clear that UPCL had been continuously taking advantage of the Commission's Order dated 17.04.2017. It is clear that while directing UPCL to make payment within 3 working days from the date of receipt of bill, the issue of application of LPS was inadvertently missed in the Order. However, it is a well accepted principle that if the laws exists without sanction it will give choice in the hands of the society as to whether they want to perform the duty or not. Further this will also lead to trouble in the society and the legal system which is followed by the society will break.

Austin's definition of law which says that the law is a set of commands which is recognized by sovereign persons or body that has the power of inflicting punishment or penalties. It can be stated that it is a powerful method to control the society. The sanction or a threat which is laid down after every command or rule is a very broad term i.e. the meaning of sanction may differ in case to case basis. Under criminal law the sanction can be punishment whereas under civil law it can be paying monetary damages or paying fine. Therefore, it can be stated that no laws can exist without sanction in the modern legal system. Every law requires some kind of sanction, it need not be coercive (punishment) in all cases. Here it can be stated that if there is any rule or command which does not have sanctions attached to it the bulk of individual may or may not follow that rule. Therefore, it will be in the hands of the society to obey the law or not. However, the rules will not be considered as an absolute command and may further lead to chaos. Therefore, to make every law followed in the society the law has to have sanctions or else it may or may not be considered as law by masses in the society.

Accordingly, since UPCL has defaulted in complying with the directions of the Commission's Order dated 17.04.2017, accordingly, either the Interest on working capital has to be reinstated to the Petitioner or levy of DPS may be applied where UPCL was in default in making payments within the due date. Since, reinstatement of working capital has substantial impact and moreover, since the Petitioner has itself proposed to allow DPS on payment made after 7 days of receipt of bills, in the form of deemed working capital, the Commission, accordingly, principally accepts the methodology of deemed working capital interest as proposed by the Petitioner.

2.2.8 The Commission in its Order dated 22.03.2024 directed UPCL and M/s SEPL as under:

> *"…the Commission directs both the Petitioner and the Respondent to finalise the calculations amicably between themselves and also propose a mechanism for recovery of the same and submit the same before the Commission, alongwith basis of the calculation, within 45 days from the date of Order.*
>
> *…"*

2.2.9 As per the aforesaid direction of the Commission, the Petitioner and the Respondent were required to finalize the calculation of compensation amount between themselves and submit the same before the Commission alongwith the basis of the same, and were also required to propose a mechanism for recovery of the same. However, UPCL in its submission dated 06.04.2024 simply submitted the bill submission date, bill amount and payment details of M/s SEPL for review and assessment of the Commission. The Respondent, i.e. UPCL has submitted the financial year wise details of bills/invoices related to M/s SEPL staring from FY 2017-18 and till the month of August, 2023.

2.2.10 The Commission observed that the Petitioner while making calculation for compensation in the form of deemed working capital interest has considered the rate of interest in line with the Electricity (late payment surcharge and related matters) rules, 2022 notified by MoP on 03.06.2022. The Petitioner had applied the said rates from the FY 2018-19, whereas the said rates were notified on 03.06.2022. Besides the PPA entered into between both the parties have a DPS rate of 1.25% per month or part thereof. Accordingly, the Commission does not find it consistent from a legal point of view. The Commission in this regard is of the view that the rate of DPS shall be worked out based on the rate given in the PPA, i.e. 1.25% per month or part thereof.

2.2.11 Further, the Petitioner, taking clue from the Commission's Order dated 16.08.2023 has considered due date as 7 working days from the date of receipt of the bill. The Commission, based on the submission of the Petitioner, do not find any objection in accepting the same. Moreover, the Respondent has also not made any submission to the contrary.

2.2.12 The Commission is of the view that as regards the amount of compensation is concerned, the same should be worked out amongst the Petitioner and the Respondent as all the source data in the form of invoice, the actual date of receiving, actual payment trail, adjustments (if any) etc. are available with the Respondent and the Petitioner based on which the computations can be validated. The Commission, accordingly, is not going into the merits of the computation submitted by the Petitioner and leaves that to be worked out by the Petitioner and the Respondent amongst themselves. The Commission, however, has decided to lay down a methodology based on which the Petitioner and the Respondent shall work out the amount of compensation, which has been discussed in the subsequent paras of this Order.

2.2.13 In this regard, the attention is drawn towards clause 1.1.51 and clause 9.3.6 of the PPA executed between UPCL and M/s SEPL which reads as follows:

> *"1.1.51* ***"Late Payment Surcharge"*** *means the surcharge payable by either Party for delay in payment of a Provisional Bill, Monthly Bill or a Supplementary Bill, as the case may be, beyond a period of sixty (60) days from the receipt of the respective Provisional Bill, Monthly or Supplementary Bill and shall be calculated in accordance with the terms specified in Clause 9.3.6 of this Agreement.*
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> *9.3.6 For default in payment beyond sixty (60) days from the billing, a surcharge ("Late Payment Surcharge") at the rate of 1.25(%) percent per month or part thereof shall be levied on the amount remaining unpaid."*

2.2.14 The above clause of the PPA is amply clear about the default in payment beyond 60 days from the date receipt of the bill, which shall attract LPS @ 1.25% per month or part thereof. It has been observed that during the entire proceedings UPCL has never contested the levy of LPS for delay beyond 60 days from the date of receipt of bill, the only period under contest is from the period beyond the due date and upto the end of 60 days from the date of receipt of bill, for which the Petitioner has proposed the methodology of deemed working capital interest.

2.2.15 In view of the above discussion, the Commission lays down the following methodology for computing the LPS on account of delayed payment of invoices by UPCL which shall be applicable for all invoices raised by the Petitioner prior to 01.09.2023.

i. The due date shall be considered as 7 days from the date of receipt of bill/invoice.

ii. The LPS shall be calculated in two parts as follows:

  a. For the period of delay beyond 60 days from the date of receipt of the bill/invoice by UPCL till the date of actual payment.

  b. For the period of delay from the due date and upto 60 days from the date of the receipt of bill/invoice by UPCL. Therefore, the LPS in this case will be calculated for the period of delay starting from the 8th day from the date of receipt of bill/invoice **and** till the date of actual payment or 60th day from the date of receipt of the bill/invoice, whichever is earlier.

iii. The LPS shall be calculated @ 1.25% per month or part thereof, as per the clause 9.3.6 of the original PPA and the Supplementary PPA approved vide Commission's Order dated 03.05.2024.

iv. The LPS calculated at (ii) above shall be paid by UPCL to the Petitioner in 6 equal monthly instalments within 7 days of the beginning of each month starting from August, 2024. Any default in making payment within the stipulated period shall again attract LPS @ 1.25% per month or part thereof on the amount remaining unpaid.

v. The amount of LPS calculated at ii(a) above till 31.08.2023 shall be dealt in accordance with the relevant provision of the applicable MYT Regulations at the time of truing up of FY 2024-25.

vi. The amount of LPS calculated at ii(b) above shall be reckoned as deemed working capital interest and shall be allowed to be pass through in the tariff in FY 2024-25, by including the same in the monthly FPPCA calculation of the respective month of FY 2024-25 in which the same is actually paid by UPCL. UPCL is required to maintain separate records for the same.

3. Ordered accordingly.

(M.L. Prasad)
Member (Technical) - Chairman (I/c)