

TARIFF ORDER

On

True-up for FY 2024-25,

Annual Performance Review for

FY 2025-26

&

Annual Fixed Charges

for FY 2026-27

For

UJVN Ltd.

March 30, 2026

UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

Vidyut Niyamak Bhawan,

Near I.S.B.T., P.O. Majra, Dehradun-248171

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Before
UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

Petition No. 80 to 90 of 2025

In the Matter of:

Petition filed by UJVN Ltd. for True-up for FY 2024-25, Annual Performance Review for FY 2025-26 and Annual Fixed Charges for FY 2026-27 for 11 LHPs.

AND

In the Matter of:

UJVN Ltd.

UJWAL, Maharani Bagh, GMS Road, Dehra Dun-248006

...Petitioner

Coram

Shri M. L. Prasad

Chairman

Shri Anurag Sharma

Member (Law)

Shri Prabhat Kishor Dimri

Member (Technical)

Date of Order: March 30, 2026

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 Multi Year Tariff (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 (APR) for FY 2013-14, FY 2014-15 and FY 2015-16 vide its

Order(s) 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 MYT Petition on 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 APR for FY 2016-17, FY 2017-18 and FY 2018-19 vide its Order(s) 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 MYT Order on approval of Business Plan and MYT Petition on February 27, 2019 for the Third Control Period from FY 2019-20 to FY 2021-22. Further, the Commission had carried out APR for FY 2019-20, FY 2020-21 and FY 2021-22 vide its Order(s) 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 MYT Order on approval of Business Plan and MYT Petition on March 31, 2022 for the Fourth Control Period from FY 2022-23 to FY 2024-25. Further, the Commission had carried out APR for FY 2022-23, FY 2023-24 & FY 2024-25 vide its Order(s) dated March 30, 2023, March 28, 2024 and April 11, 2025, respectively.

Further, UJVN Ltd. commissioned Vyasi LHP in FY 2022-23 and had filed a Petition on November 30, 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 had

sought True-up for FY 2022-23 and APR 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. The Commission had issued MYT Order on approval of Business Plan and MYT Petition on April 11, 2025 for the Fifth Control Period from FY 2025-26 to FY 2027-28. Further, the Commission had carried out the APR for FY 2024-25 vide its Order dated April 11, 2025.

In compliance with the provisions of the Act and Regulation 12 of UERC Tariff Regulations, 2024, UJVN Limited (hereinafter referred to as "UJVN Ltd." or "Petitioner") filed the Petitions (Petitions No. 80 to 90 of 2025 hereinafter referred to as the "Petitions"), giving details of its revised projections of Annual Fixed Charges (AFC) for FY 2026-27, based on True-up for FY 2024-25 and Annual Performance Review for FY 2025-26 on November 28, 2025.

The Petitions filed by UJVN Ltd. had certain deficiencies/ discrepancies which were conveyed to UJVN Ltd. vide the Commission's letter dated December 08, 2025 and the Petitioner was directed to rectify the critical data gaps/information /deficiencies essential for Admission of Tariff Petitions latest by December 15, 2025 so that the Petitions may be admitted by the Commission. The Petitioner vide its letter dated December 15, 2025 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 December 26, 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 Petitions 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 True-up for FY 2024-25, APR for FY 2025-26 and revised AFC for FY 2026-27 and is based on the original as well as all the subsequent submissions made by UJVN Ltd. during the course of the proceedings and the relevant

findings contained in the MYT Order for the Fifth Control Period dated April 11, 2025.

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 Truing Up of 9 LHPs, MB-II and Vyasi LHP for FY 2024-25.

Chapter 4 - Petitioner's Submissions, Commission's Analysis, Scrutiny and Conclusion on APR for FY 2025-26 and AFC for FY 2026-27.

Chapter 5 - 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 MYT Order dated May 6, 2013 had approved the Business Plan and MYT for UJVN Ltd. for the First Control Period from FY 2013-14 to FY 2015-16. Further, the Commission had carried out APR for FY 2013-14, FY 2014-15 and FY 2015-16, vide its Order(s) dated April 10, 2014, April 11, 2015 and, April 5, 2016 respectively.

The Commission vide its MYT Order dated April 5, 2016 approved the Business Plan and MYT for UJVN Ltd. for the Second Control Period from FY 2016-17 to FY 2018-19. Further the Commission had carried out APR for FY 2016-17, FY 2017-18 and FY 2018-19 vide its Order(s) dated March 29, 2017, March 21, 2018 and February 27, 2019 respectively.

The Commission vide its MYT Order dated February 27, 2019 approved the Business Plan and MYT for UJVN Ltd. for the Third Control Period from FY 2019-20 to FY 2021-22. Further, the Commission had carried out APR for FY 2019-20, FY 2020-21 and FY 2021-22 vide its Order(s) dated April 18, 2020, April 26, 2021 and March 31, 2022 respectively.

The Commission vide its MYT Order dated March 31, 2022 approved the Business Plan and MYT 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, FY 2023-24 and FY 2024-25 vide its Order(s) dated March 30, 2023, March 28, 2024 and April 11, 2025, respectively.

The Commission vide its Order dated April 11, 2025 had approved the Business Plan and MYT for UJVN Ltd. for the Fifth Control Period from FY 2025-26 to FY 2027-28. Further, the Commission had carried out APR for FY 2024-25, vide its Order(s) dated April 11, 2025.

As also mentioned earlier, in accordance with the provisions of the Electricity Act, 2003 and Regulation 12(2) of the UERC Tariff Regulations, 2024, Generating companies are required to submit application for Annual Performance Review latest by November 30, 2025. UJVN Ltd. in compliance to the above Regulations submitted the Petition for True-up for FY 2024-25, APR for FY 2025-26 and determination of AFC for FY 2026-27 on November 28, 2025.

The above Petitions were provisionally admitted by the Commission vide Order dated December 26, 2025. The Commission, through its above Admittance Order dated December 26, 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)	01.01.2026
2	Hindustan (Hindi)	01.01.2026
3	Times of India (English)	01.01.2026
4	Hindustan Times (English)	01.01.2026

Through the above notices, the Stakeholders were requested to submit their objections/suggestions/comments latest by January 31, 2026 (copy of the notices is enclosed as **Annexure-1**). Besides suggestions/comments of the State Advisory Committee, the Commission received 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-2**.

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	Karnaprayag	February 18, 2026
2	Munsyari	February 20, 2026
3	Rudrapur	February 23, 2026
4	Dehradun	February 27, 2026

The list of participants who attended the Public Hearing is enclosed at **Annexure-3**.

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. <https://uerc.uk.gov.in>. The Commission also held a meeting with the Members of the State Advisory Committee on March 09, 2026, 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 True-up for FY 2024-25, APR for 2025-26 and AFC for 2026-27.

Meanwhile, based on the scrutiny of the Petitions submitted by UJVN Ltd., the Commission communicated certain additional clarifications/justification vide following letters and the Petitioner submitted the replies to data gaps/ information sought by the Commission vide its following letters.

Table 1.3: Clarifications/Justifications by the Commission and Replies by UJVN Ltd.

Sl. No.	Commission's Letters (data gaps/information/additional clarifications/justification)		UJVN Ltd.'s Reply
1.	Preliminary queries including Critical deficiencies related to the Petition	08.12.2025	Letter dated 15.12.2025 Letter dated 29.12.2025 Letter dated 09.01.2026
2.	TVS MoM seeking status on pending information and additional information	13.01.2026	Letter dated 20.01.2026 Letter dated 30.01.2026 Letter dated 13.02.2026
3.	Additional queries regarding prudence of Dhalipur's RMU	15.01.2026 & 06.03.2026	Letter dated 21.01.2026 Letter dated 19.02.2026 Letter dated 16.03.2026

Table 1.3: Clarifications/Justifications by the Commission and Replies by UJVN Ltd.

Sl. No.	Commission's Letters (data gaps/information/additional clarifications/justification)		UJVN Ltd.'s Reply
4.	Plant-wise/cost centre-wise discussion	09.02.2026 to 16.02.2026	Letter dated 16.02.2026 Letter dated 17.02.2026 Letter dated 20.02.2026 Letter dated 02.03.2026
5.	Additional Submission by the Petitioner	-	Letter dated 02.03.2026 Email dated 07.03.2026 Letter dated 12.03.2026 Letter dated 24.03.2026

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 08, 2026, 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 as shown above in Table 1.3: Clarifications/Justifications by the Commission and Replies by UJVN Ltd. , for its response.

Further, Plant-wise/cost centre-wise discussions were held from February 09, 2026 to February 16, 2026. During discussions certain additional clarifications/justification pertaining to the additional capital expenditure and R&M expenses claimed in the Petitions were sought from the Petitioner. The Petitioner submitted the replies as shown above in Table 1.3: Clarifications/Justifications by the Commission and Replies by UJVN Ltd. with regards to the data gaps/information sought by the Commission vide its various letters submitted before the Commission from December 15, 2025 to March 24, 2026.

The Commission to carry out prudence check has sought clarifications from the Petitioner in a time bound manner. However, it is observed that the Petitioner has persistently submitted responses with inordinate delays despite several reminders. As the tariff exercise is time bound, the Commission has proceeded to consider those submissions made by the Petitioner up to 11.03.2026, and no cognizance of any information has been taken of any subsequent submissions.

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 2024-25, Annual Performance Review for FY 2025-26, and Determination of Annual Fixed Charges for FY 2026-27 for 11 Large Generating Stations. List of Stakeholders/Respondents who submitted their objections/suggestions/comments in writing is given at **Annexure-2** and the list of Participants who participated in the Public Hearings is enclosed at **Annexure-3**. 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 Stakeholders' Comments

Shri Pankaj Gupta of M/s Industries Association of Uttarakhand has submitted that there is no credible evidence that UJVN Ltd. has implemented operational efficiency improvements, cost optimization measures and technology upgrades that reduce transmission/technical losses. These would have resulted in tariff moderation, not increases. The proposed increase appears disconnected from demonstrated cost efficiency benchmarks for comparable hydroelectric projects in India.

2.1.2 Petitioner's Reply

The Petitioner has submitted that most of the Large Hydro Power Plants of UJVN Ltd. are old and have completed their normative useful life (i.e., 35 years). The additional capitalisation is essential to be incurred in the plants for ensuring efficient and safe operation. After the execution of RMU works, the concerned plants are able to operate on the rated capacity and on 10% overload capacity, where it was feasible. The additional capitalisation not only increases the life of equipment and projects but also increases efficiency and safety of the plant, thus resulting in increased generation from the old plants. Increase in generation facilitates UPCL in managing the power demand of

Uttarakhand and reduces the dependency on power purchase from other states, which benefits the consumers of the state.

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 & 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 Stakeholders' Comments

Shri Manohar Tolia, an individual stakeholder, has submitted regarding UJVN Ltd.'s 120 MW Hydropower Plant (SBR/Run-of-River type), proposed on the Gori River, and associated works on adjacent tributaries. He has requested that the project be progressed promptly. However, timely construction must be accompanied by the readiness of power-evacuation infrastructure so that generation can be reliably evacuated and integrated with the grid. For the proposed hydro station, immediate provision of a 220 kV evacuation arrangement (substation/switching / transformer capacity) is essential. Without an appropriate GIS Sub-station, generation from these projects cannot be used and may create system bottlenecks. PTCUL must prioritize establishment of the required 220 kV GIS Sub-station and associated lines to serve the Gori basin projects.

Coordination between field/project implementing teams and the regional transmission operator is required to ensure the timely completion of both generation and evacuation work. It should be ensured that strong administrative and technical arrangements are in place to support the projects. Any project codes or designations used in internal notes should be clarified in project documentation so that procurement, construction and commissioning activities proceed without ambiguity.

These are relatively small river systems. Before accelerating execution, a careful review of environmental and social impacts is required. Project development decisions must take account of local hydrology, seasonal flow patterns, and potential impacts on surrounding communities and ecosystems. Wherever feasible alternatives or design modifications exists that reduce local impacts,

such options should be considered. Early commissioning of some projects and postponement of others must be justified with project-level evidence (progress reports, work completion schedules, and field verification). Sudden shifts in timelines should be supported by clear reasons (e.g., contractor progress, funding or material availability), and the expected impact on the state grid and electricity supply should be assessed.

It has been requested that the Commission may instruct PTCUL to prepare and commit to a detailed plan for a 220 kV GIS Sub-station (site, switching arrangement, transformers, estimated commissioning dates). Further, provide a reconciled project timeline showing MYT/approved schedule vs. revised/actual schedule for each project. Also, submit actual capital expenditure and capitalisation figures (as of a recent cut-off date) to demonstrate what work has been completed and what remains. Finally, complete environmental and social screening for each project and include mitigation measures in the project design and execution plan and clarify all internal acronyms and project designations in formal submissions to avoid confusion during procurement and inter-agency coordination.

2.2.2 *Petitioner's Reply*

The Petitioner submitted that following the approval of the Board of UJVN Ltd., 120 MW Bhyol Rupsyabgad Hydroelectric Project of UJVN Ltd. on the Goriganga River in Pithoragarh district has also been approved by the Public Investment Board (PIB) of the Uttarakhand Government. Environmental clearances for the said project have been obtained, the Forest Department has granted approval for the first phase of forest land use, and all formalities for the second phase of approval have been completed.

In addition to the above approvals, tenders have been invited for the civil construction and electrical & mechanical works of the project. Among the tenders invited, tenders for civil construction works have been opened and executing agencies have been selected. Construction of the project will commence immediately upon receiving approval for the second phase of forest land use from the Forest Department.

The power generated by 120 MW capacity Government Bhyol Rupsyabgad Hydro Electric Project of UJVN Ltd. is proposed to be evacuated from the proposed 220 kV Sub-station of PTCUL at Munsyari.

The construction work of UJVN Ltd.'s 114 MW Sela Urthin Project on the Gauriganga and Dhauliganga Basin under Pithoragarh district is proposed to be completed by FY 2033-34. Apart from this, the construction of 12 MW Tankul Project, 12 MW Zimbagad Project, 15 MW Penagad Project and 05 MW Silingad Project under the Pithoragarh district by UJVN Ltd is proposed to be completed by FY 2034-35.

2.2.3 Commission's Views

The Commission has noted the submissions of the Stakeholders and the 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 Increase in AFC

2.3.1 Stakeholders' Comments

Shri Pankaj Gupta of M/s Industries Association of Uttarakhand has submitted that UJVN Ltd.'s Annual Fixed Charge calculations for FY 2026-27 lack transparency and reasonable cost justification. UJVN Ltd.'s Petitions do not adequately explain the cost drivers for the 10.93% increase in AFC. Therefore, it is requested that UJVN Ltd. must provide a detailed breakdown of operations and maintenance (O&M) cost escalations, justification for each cost component escalation rate and also provide a comparative analysis with industry benchmarks for similar hydroelectric projects.

Shri Pankaj Gupta has further submitted that UJVN Ltd. has not explored or presented alternatives to achieve AFC recovery while moderating consumer tariff impact. According to the Electricity Act, 2003, the Commission "shall have due regard to reasonable return on equity." However, the Petitioner must demonstrate operational efficiency improvements by providing current auxiliary consumption levels for each LHP, providing benchmark comparison with similar projects globally, providing details on the technology improvements implemented (e.g., automation, predictive maintenance) and target reduction in O&M costs through efficiency. The Petitioner must also demonstrate a phased recovery approach rather than a one-time 10.93% increase, and propose a multi-year recovery schedule (e.g., 5-6% per year over two years). This allows consumer industries to adjust operational models and cost structures and demonstrate an industry-consumer partnership approach. UJVN Ltd. must further demonstrate performance-based incentives; link AFC approval to

achieving specific operational metrics like reduction in Aggregate Technical & Commercial (AT&C) losses, improvement in plant availability factor, reduction in specific fuel consumption (for thermal; not applicable to hydro, but operational metrics apply). UJVN Ltd. must explore alternative revenue sources like water management contracts with agricultural departments, recreational revenue from hydro reservoirs, environmental credit monetization etc. These could offset tariff burden on consumers.

2.3.2 *Petitioner's Reply*

The Petitioner has submitted that UJVN Ltd. has never intended to increase the cost and all the costs for various heads are projected on the basis of Regulations issued by the Commission. UJVN Ltd. has proposed an average tariff of Rs. 2.80 per unit towards its 11 LHPs, which is quite reasonable and is lower than the average power purchase cost of UPCL. UJVN Ltd. has claimed AFC of FY 2026-27 as per the regulations. Further, UJVN Ltd. has provided the necessary data and documents to the Commission in its Petitions and also provided replies to the queries/information sought by the Commission during the scrutiny of the Petition.

The Petitioner has further submitted that UJVN Ltd. has filed the Petitions as per the regulations of the Commission, and has provided details of Auxiliary Consumption, Proposed Maintenance Schedule, Plant Availability factor, Projected generation, Salient Features with details of installed equipment etc.

2.3.3 *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.

2.4 *Additional Capitalisation*

2.4.1 *Stakeholders' Comments*

UPCL has submitted that UJVN Ltd.'s Additional Capitalisation claims for FY 2024-25 reflect a significant departure from the amounts approved by the Commission, without any accompanying

justification. In the case of Dhakrani LHP alone, the approved amount of Rs. 36.75 Crore has risen to Rs. 56.81 Crore in actual expenditure, and no basis for this increase has been placed on record. This trend is not limited to Dhakrani. Similar deviations have been observed across Chibro, Chilla, Dhalipur, and Kulhal, where actual expenditure claimed by UJVN Ltd. is substantially higher than the corresponding approved figures. No reasons or supporting details have been furnished to account for these variations.

Further, UJVN Ltd. has not provided any asset-wise or component-wise breakup of the works undertaken. In the absence of such details, it is not possible to ascertain the basis or necessity of the excess expenditure claimed across these projects.

UPCL has therefore submitted that the additional capitalisation claimed beyond the approved amounts lacks adequate justification and supporting documentation and should accordingly not be treated as admissible at the time of true-up.

UPCL also submitted that Regulation 22(4) of the UERC Tariff Regulations mandates that any addition or modification to existing assets exceeding Rs. 5 Crore shall be undertaken only after prior approval of the Commission. The Commission has consistently reiterated this provision across its Tariff Orders. However, UJVN Ltd. has not furnished any bifurcation or component-wise details of the additional capitalisation claimed for FY 2024-25. In the absence of such details, it is not possible to assess whether expenditure on any individual component has crossed the threshold limit of Rs. 5 Crore and the additional capitalisation claimed by the Petitioner should not be considered admissible.

2.4.2 Petitioner's Reply

The Petitioner submitted that the claimed Capital Expenditure under the head of Additional Capitalisation for FY 2024-25 is towards the expenditure incurred on RMU works, DRIP works and other Capital Works. However, the Commission approved provisional Additional Capitalisation for FY 2024-25 only against RMU and DRIP works proposed in the MYT Petition. Further, in MYT Order, the Commission observed that the other add cap (other than RMU and DRIP) would be considered after the prudence check at the time of True up.

UJVN Ltd. had already submitted asset-wise or component wise break up, details of work executed and justification for capital expenditure to the Commission.

With regards to additions or modifications to existing assets exceeding Rs. 5 Crore. The Petitioner submitted that UJVN Ltd. is complying with the Commission's directives regarding Regulations 22(4) of UERC Tariff Regulations by seeking prior investment approval above Rs. 5 Crore.

2.4.3 Commission's Views

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

2.5 Additional Capitalisation against PTCUL's assets

2.5.1 Stakeholders' Comments

UPCL submitted that the Commission, while passing the Tariff Order dated April 11, 2025, had observed that assets ideally falling under the ambit of PTCUL but being maintained by UJVN Ltd. are prima facie against the spirit of the Electricity Act, 2003. The Commission had accordingly directed UJVN Ltd. and PTCUL to prepare a comprehensive plant-wise plan by June 30, 2025 for transferring such assets in a time-bound manner, latest by September 30, 2025.

However, instead of complying with the said direction, UJVN Ltd. has, in the present true-up Petition, once again sought allowance of capital and R&M expenditure pertaining to transmission assets, on the ground that the transfer of such assets is yet to be completed. This submission is contrary to the clear directions already issued by the Commission on the matter.

UPCL has submitted that permitting such expenditure in True-up would amount to allowing recovery of costs pertaining to non-generation assets, which is not permissible under the applicable regulatory framework. Accordingly, UPCL has urged that capitalisation and R&M expenditure relating to transmission assets should not be allowed in True-up for FY 2024-25.

Sri Vijay Singh Verma also submitted that UJVN Ltd. is maintaining the assets of PTCUL in its various LHPs, namely MB-I, Dhakrani, Khatima etc. and the Commission is continuously directing it for the transfer of the transmission assets to PTCUL. UJVN Ltd. has not transferred the transmission

assets to PTCUL, which is against the Electricity Act, 2003. UJVN Ltd. should transfer these assets to PTCUL, and till the time it is transferred, the expenses against the same should not be allowed.

2.5.2 *Petitioner's Reply*

The Petitioner submitted that a meeting was held between UJVN Ltd. and PTCUL for the transfer of Transmission assets at Dhakrani, Tiloth and Khatima Projects. UJVN Ltd. had requested PTCUL to start maintaining the transmission assets at the earliest, to which PTCUL replied that it would not be possible to maintain the transmission assets at the above locations without proper separation. PTCUL requested UJVN Ltd. to maintain these assets until they develop facilities at these locations and take over the transmission assets from UJVN Ltd.

In view of the above, UJVN Ltd. requested the Commission for allowance of O&M expenses and Additional Capital to UJVN Ltd. till transfer of the transmission assets.

2.5.3 *Commission's Views*

The Commission, in this regard, would like to clarify that both, additional capitalisation and O&M expenses incurred on PTCUL assets by the Petitioner, are examined separately in detail in accordance with the Electricity Act, 2003 and UERC Tariff Regulations as applicable, while carrying out the Truing-up of expenses and projecting tariff for UJVN Ltd.

2.6 *Additional Capitalisation against Civil Works*

2.6.1 *Stakeholders' Comment*

Sri Vijay Singh Verma pointed out that the Commission, through its past Tariff Orders, is continuously directing UJVN Ltd. to execute only those civil works which directly/genuinely influence the generation of the Plant, keeping in view the budget provisions, but UJVN Ltd. is executing several civil works which neither influence the generation nor are important to be executed.

2.6.2 *Petitioner's Reply*

UJVN Ltd. carried out only the essential civil work required for efficient and reliable operation of power plants in compliance to the directive of the Hon'ble Commission.

2.6.3 *Commission's View*

The Commission, in this regard, would like to clarify that the additional capitalisation, both incurred and proposed by the Petitioner, is examined separately in detail while carrying out the

Truing-up of expenses and projecting tariff for UJVN Ltd. and only legitimate expenses are allowed in accordance with UERC Tariff Regulations as applicable from time to time.

2.7 Additional Spares

2.7.1 Stakeholders' Comments

Sri Vijay Singh Verma submitted that UJVN Ltd. is purchasing the spares against the various parts/equipment/machines, but the Regulation of the Commission does not allow the same. The same should not be allowed.

2.7.2 Petitioner's Reply

The Petitioner submitted that for continuous and efficient operation of the power plant, it is essential to maintain the mandatory and regularly used spare parts. Therefore, UJVN Ltd. procures essential spares as per the requirements of the power plants.

2.7.3 Commission's Views

The Commission, in this regard, would like to clarify that the additional capitalisation against spares as claimed by the Petitioner has been examined separately in detail while carrying out the Truing-up of expenses and projecting tariff for UJVN Ltd., and only legitimate expenses have been allowed in accordance with UERC Tariff Regulations as applicable from time to time.

2.8 De-capitalisation

2.8.1 Stakeholders' Comments

Sri Vijay Singh Verma submitted that UJVN Ltd. is capitalising several works in its Plants without making de-capitalisation of the old assets, which causes unnecessary Tariff burdens to the State consumers and Capitalisation of new assets should only be allowed if de-capitalisation of the old assets has been done.

2.8.2 Petitioner's Reply

In compliance with the directive of the Commission, UJVN Ltd. is continuously striving to de-capitalise the assets immediately. In FY 2024-25, UJVN Ltd. submitted a de-capitalisation claim of Rs. 11.65 Cr against 11 LHPs for True up.

2.8.3 Commission's Views

The Commission, in this regard, would like to clarify that the additional capitalisation, both against new assets and old assets alongwith de-capitalisation claims against the same as submitted by the Petitioner, is examined separately in detail while carrying out the Truing-up of expenses and projecting tariff for UJVN Ltd. and only legitimate expenses have been allowed in accordance with UERC Tariff Regulations as applicable from time to time.

2.9 O&M Expenses

2.9.1 Stakeholders' Comments

UPCL submitted that UJVN Ltd. has claimed actual O&M expenses for FY 2024-25 that is higher than the amounts approved by the Commission for several plants, without furnishing any justification or supporting documentation. The excess claims are observed across Chilla LHP (Rs. 70.99 crore against approved Rs. 65.65 crore), MB-I (Rs. 47.80 crore against approved Rs. 43.45 crore), and MB-II (Rs. 88.98 crore against approved Rs. 73.75 crore).

No plant-wise or head-wise details have been provided to explain the reasons for such an increase in O&M expenses. Information regarding the nature of additional O&M activities undertaken, circumstances necessitating higher expenditure, or efficiency measures adopted has not been placed on record. UPCL submitted that O&M expenses are normative in nature and any excess over approved levels must be supported by cogent justification and documentary evidence.

In the absence of such details, it cannot be ascertained whether the excess O&M expenses claimed are prudent, reasonable and unavoidable. Allowing such unjustified expenditure would result in passing on the inefficiencies of the Petitioner to end consumers, which is contrary to the settled principles of tariff determination.

Accordingly, UPCL submitted that the excess O&M expenses claimed by UJVN Ltd. for FY 2024-25 in respect of Chilla, MB-I and MB-II LHPs are not justified and ought not to be allowed in True-up. The O&M expenses should be strictly restricted to the amounts approved by the Commission, and all claims towards additional capitalisation, transmission assets and excess O&M expenses across Dhakrani, Chibro, Chilla, Dhalipur, Kulhal, MB-I and MB-II LHPs should be limited to approved levels only.

2.9.2 Petitioner's Reply

UJVN Ltd. submitted that it has already submitted the plant-wise or head-wise details with justification for O&M expenses to the Commission. Further, it is to submit that UJVN Ltd. incurred O&M expenses as per the requirements of the respective plants for efficient operation.

2.9.3 Commission's Views

The Commission, in this regard, would like to clarify that any expense over the norms approved by the Commissions are governed by Regulation 13 of the Commission's Tariff Regulations i.e., Sharing of Gains and Losses on account of Uncontrollable/Controllable factors and O&M expenses incurred by the Petitioner are examined separately in detail while carrying out the Truing-up of expenses for UJVN Ltd. and only legitimate expenses are allowed in accordance with UERC Tariff Regulations as applicable from time to time.

2.10 RoE on Equity invested out of PDF

2.10.1 Stakeholders' Comments

Shri Pankaj Gupta of M/s Industries Association of Uttarakhand has submitted that UJVN Ltd.'s Petition includes continuation of RoE on Project Development Fund (PDF) for Maneri Bhali-II. While acknowledged by the Commission in previous orders, this cost should be reviewed for its continuing justification. Further, this cost duplicates some financial obligations already recovered and it imposes a burden on consumers for a project with a long operational history.

Shri Shakeel Siddiqui, legal advisor for M/s Kashi Vishwanath Textile Mill Private Limited and M/s Galwalia Ispat Udyog Private Limited and Shri Pawan Agarwal of Kumaun Garhwal Chamber of Commerce and Industry have submitted that in the state of Uttarakhand, there are four Acts prevailing through which extra burden on the tariff is being added on the consumers of the State.

The first is Uttar Pradesh Electricity (Duty) Act (Uttarakhand adaptation and modification) order 2001, an act to levy a duty on the consumption of electrical energy. There shall be levied for and paid to the state government on the energy sold to a consumer by a licensee or consumed by the licensee or consumed by any other person from his own source of generation.

GoU vide its notification dated December 31, 2003, read with GoU vide its notification dated April 25, 2005 stated the duty of 0.25 paisa per kWh. GoU vide its notification dated April 25, 2005

stated a duty of 0.02 paisa per kWh (previously 0.10 paisa) on energy generated from self-sources for industrial or other purposes. GoU vide its notification dated January 25, 2016 has fixed these rates applicable w.e.f. January 01, 2016, 0.15 paisa to 0.50 paisa per kWh is being charged from consumers on the electricity distributed by UPCL. This cess is being levied, collected and payable by UPCL.

The second act is Uttaranchal Power Development Fund Act, 2003, a bill to levy and collect duty on saleable energy generated by hydro power projects. The duty and royalty are being levied, collected by UJVN Ltd. from UPCL and is paid to GoU. Prior to passing of the said Act, UJVN Ltd. was collecting 0.40 paisa per unit generated from hydro generations. As per GoU notification dated October 26, 2009, read with notification dated December 10, 2005 and another Notification, the cess for the purpose of PDF is leviable if the tariff is less than Rs. 0.80/kWh for more than 10 years old stations at the time of notification. The Commission allowed UJVN Ltd. to collect 0.30 paisa up to March 31, 2016, UJVN Ltd. collected it from UPCL and paid to GoU. GoU notification dated April 25, 2005 stated that 10 paisa per unit to be paid towards the royalty to the State Government for the purchase of power from UJVN Ltd.'s 10 main generating stations excluding MB-I & MB-II in accordance with the GoU notification as their tariffs have increased beyond the ceiling of 80 paisa/unit stipulated in the notification. the Commission allowed UJVN Ltd. to collect 0.10 paisa up to March 31, 2016, UJVN Ltd. collected it from UPCL and paid to GoU.

UJVN Ltd. and PTCUL were allowed loan and equity from the amount collected under PDF Act. Both organizations were required to refund the amount funded in form of loan and RoE @ 15.50% was asked for on the amount invested in form of equity. In the current financial year, the Commission in compliance with APTEL judgement in the matter of UJVN Ltd.; to allow RoE invested from PDF, has allowed the RoE for the past period to be recovered in next three years. The impact of same on FY 2025-26 works out to Rs. 248.73 Crore. Consequently, the Commission has also allowed the RoE invested from PDF in PTCUL last period to be recovered in next three years. The impact of same on FY 2025-26 works out to Rs.78.56 Crore.

The third act is Uttarakhand Water Tax on Electricity Generation Act, 2012, an act to levy water tax on electricity generation in the State of Uttarakhand, "Water Tax" means the rate levied or charged for water drawn for generation of electricity and fixed under this Act. GoU through its Notification dated May 31, 2017, imposed a cess of Rs. 0.30/kWh and royalty of Rs. 0.10/kWh on saleable energy generated from hydro generating stations which are under commercial operation for

10 or more years with a cost of generation below Rs. 2/kWh with effect from the date of notification. The cess and royalty have been levied since FY 2016-17. The cess is levied by UJVN Ltd. in its electricity bills which is paid by UPCL and finally UJVN Ltd. pays it to GoU. Up to FY 2024-25 in its Tariff Orders, the Commission has allowed a total Rs. 1,886.61 Crore to be collected by UPCL in its Tariff Orders.

The fourth act is Uttarakhand Green Energy Cess Act, 2014, an act to levy and collect green Energy cess on such electricity which is generated within State and is being transmitted outside the State in addition on supply to the commercial and industrial consumers of the State. GoU vide its notification dated June 17, 2015 imposed Green Energy Cess up to 10 paise per unit to be levied on the electricity supplied to Commercial and Industrial Consumers of the State. This Cess is levied, collected and payable by UPCL. GoU has levied the cess w.e.f. July 1, 2015.

Any tax / duty on generation of electricity is illegal and unconstitutional. The chargeability of duties, cess, taxes etc. in different forms on electricity was questioned in LOK SABHA and was answered by Minister of Energy Shri R K Singh on July 20, 2023, that the authority to impose any tax or duty on the generation of electricity is with the Centre, and State has no power to do so.

The Government of India, vide letter dated April 25, 2023 addressed to the Chief Secretaries of all the State Governments and Union Territories, has advised that no taxes / duties may be levied by any State on generation of electricity and if any taxes / duties have been so levied, it may be promptly withdrawn.

The circular, besides other clarifications mentions that "Any tax/duty on generation of electricity, which encompasses all types of generation viz. Thermal, Hydro, Wind, Solar, Nuclear, etc. is illegal and unconstitutional" Further mentioned, "No taxes / duties which have not been specifically mentioned, can be levied by the State Governments under any guise whatsoever - as Residuary powers are with the Central Government".

Hence, it can be concluded that whatever is being charged on generation of electricity is illegal and unconstitutional, naming, levy under Uttaranchal Power Development Fund Act, 2003, Uttarakhand Water Tax on Electricity Generation Act, 2012 and Uttarakhand Green Energy Cess Act, 2014.

It has therefore been submitted that electricity regulators in India, such as the Central Electricity Regulatory Commission (CERC) and State Electricity Regulatory Commissions (SERCs), are statutory, independent bodies designed to regulate the power sector, including tariff determination and licensing. They are empowered to operate autonomously from government directives, though they must adhere to national policies. The Supreme Court of India has ruled that SERCs are not bound by government directions, highlighting their independence. The law requires the SERCs to be “guided by” government policy, which is distinct from being bound by it. Regulators are not required to blindly follow state policy if it contravenes their regulatory responsibilities. The aforesaid Act regarding Green Cess, Water Tax and PDF are against the Constitution and still the Commission is blindly following the same instead of side lining and giving relief to consumers from high tariff.

Shri Munish Talwar of Asahi India Glass Limited submitted that, as per the Petition, around Rs. 231 Crore and Rs. 31 Crore towards water tax has been proposed for adjustment. Concern was expressed regarding the substantial increase in water tax, particularly in light of the significantly lower hydro generation as compared to the previous year. In this context, clarification was sought as to the basis and rationale for incorporating water tax to such an extent despite the reduced level of generation.

2.10.2 Petitioner's Reply

The Petitioner has submitted that APTEL vide its judgement dated July 19, 2024 has allowed RoE on PDF Funds invested as equity by GoU. Accordingly, UJVN Ltd. has presented its claim for allowing RoE before the Commission. Further, the Commission has allowed RoE on PDF in Tariff order dated April 11, 2025. GoU has imposed duty under the Power Development Fund Act, 2003. The amount received from UPCL against this duty is deposited in the accounts of GoU by UJVN Ltd.. Further, PDF is operated and regulated by GoU.

The Petitioner has further submitted regarding cess (PDF), Royalty and Water Tax that these taxes/levies have been imposed by the Government of Uttarakhand and any decision in this regard can be taken by the Government of Uttarakhand only.

2.10.3 Commission's View

The Commission, since CoD of MB-II LHP has not been allowing Return on Equity on funds deployed by the GoU out of the PDF fund up to Tariff Orders dated March 28, 2024. However, Hon'ble APTEL vide its Judgement dated July 19, 2024 (in Appeal no. 215 of 2016, Appeal no. 283 of 2016 and Appeal no. 139 of 2018) allowed RoE on equity infused from Power Development Fund(PDF). In compliance with the directions of the Hon'ble APTEL, the Commission, in its MYT Order dated April 11, 2025 allowed the past impact of RoE on Equity invested out of PDF from CoD till FY 2022-23 of Rs. 746.18 Crore.

With regard to taxes such as Royalty, Green Cess and Water Tax, the same are levied by the Government as statutory requirements. Accordingly, the imposition of such taxes does not fall within the purview of Tariff determination.

2.11 Power Purchase Cost

2.11.1 Stakeholders' Comments

Shri Munish Talwar of Asahi India Glass Limited has submitted that under the heading "Power Purchase Cost", it has been stated that power is being procured from all sources, including solar, hydro power, and thermal. However, in practical terms, doubt is being expressed as to whether such extensive procurement from all sources is actually being carried out, as adequate hydro and solar power in abundance is still not being experienced. An expenditure of Rs. 10,335 Crore has been proposed under this head, which is Rs. 667 Crore higher than the previous year. The net impact has been stated as Rs. 8,884.06 Crore as per the details provided.

2.11.2 Petitioner's Reply

The Petitioner has submitted that presently, UJVN Ltd. is operating 1440.60 MW capacity of Hydro Power Plants in Uttarakhand. Besides the hydropower plant, UJVN Ltd. also commissioned 45.175 MW Solar Power Plants. Further, UJVN Ltd. is planning to establish 166 MW capacity Battery Energy Storage System and 27.75 MW Solar Power Plants in FY 2027-28, along with 1511 MW Large Hydro Power Plants and 111.5 MW Small Hydro Power Plants in the next 10 years. UJVN Ltd. is also planning to commission Pump storage projects of 2650 MW capacity by FY 2037-38.

2.11.3 Commission's View

The Commission has considered the submissions of the Stakeholders and the response of the Petitioner. The Commission observes that the issue raised pertains to the Power Purchase Cost of Uttarakhand Power Corporation Limited (UPCL), while the present Order is confined to approval of Annual Fixed Charges (AFC) in respect of the 11 LHPs of UJVN Limited. The Power Purchase Cost of UPCL has been dealt with separately in the Tariff Order for UPCL.

The Commission would also like to clarify that the additional capitalisation, both incurred and proposed by the Petitioner, is 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.

2.12 Issues raised during the meeting of the State Advisory Committee

2.12.1 Views of the State Advisory Committee

During the State Advisory Committee meeting held on March 09, 2026, the Members made the following observations/suggestions/comments:

- (1) UJVN Ltd. should ensure that all capital expenditures are incurred keeping in view the overall interest of consumers.
- (2) A benchmarking study should be undertaken for hydro power projects in Uttarakhand.
- (3) Efficient utilisation of water storage at hydropower plants should be ensured. Further, desilting of dams and barrages, as well as sedimentation management, should be examined and implemented in Uttarakhand.
- (4) The RMU cost of UJVN Ltd. should be strictly scrutinised ensuring an efficient financial management.
- (5) O&M expenses of UJVN Ltd. have increased significantly and requires strict scrutiny and monitoring. Expenses related to vehicles are increasing and needs to be reviewed on quarterly basis.

- (6) New concepts must be implemented by the State Generators for improving their efficiency considering the latest technologies available, like use of variable speed turbines in Hydro Power Plants of Uttarakhand.

2.12.2 *Petitioner's Response*

- (1) UJVN Ltd. submitted that the Government of India recognises the importance of hydropower for ensuring grid stability, as it is a source of clean energy. It was further submitted that UJVNL is supplying power to the State at comparatively lower tariffs.
- (2) UJVN Ltd. further submitted that most of the power plants have achieved their useful life of 35 years and many power plants are 50 to 60 years old. UJVNL is still safely and efficiently running them and providing cheap electricity to consumers and to operate these plants, capital expenditure is required. The same was also reviewed by its Board of Directors and the Commission. Many of the CAPEX schemes are financed by the World Bank at a very cheap rates resulting in lower cost. Further, for lower debt liability, restructuring of the loan is also being done by UJVNL. Similarly, future projects will also be funded by low-interest rate debt. Most of the schemes are being done under DRIP, which has lower interest rate.
- (3) Regarding RMU, the process is being monitored by external agency to avoid time and cost overrun.
- (4) On the issues raised on Sedimentation in Run-of-the-River projects, UJVN Ltd. submitted that there is no loss of generation due to sedimentation, but the quantity of pondage reduces. For storage projects like Tehri, where water is stored for months, reduced capacity is a major challenge. For Run-of-the-River, water is stored for hours only and, therefore, the impact of sedimentation is comparatively lower.
- (5) With regard to higher operation and maintenance cost, UJVN Ltd. submitted that O&M cost/MW of UJVNL Ltd is lower as compared to the neighbouring States.
- (6) UJVN Ltd. also submitted that to support intermittent solar power, UJVNL is undertaking Battery Energy Storage Systems (BESS) and Pumped Storage Projects (PSP) to ensure grid stability.

2.12.3 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 seeking True-up of FY 2024-25, APR for FY 2025-26 and ARR for FY 2025-26 in subsequent Chapters of this Order

The Commission has attempted to capture the suggestions/objections/comments in this section. It may be that a few names of stakeholders/ public on the attendance list do not appear in this section, however, all the issues/matters relevant to these proceedings have been discussed. In case any suggestions/objections/comments is not specifically elaborated, it does not mean that the same has not been considered. The Commission has considered all the issues raised by the stakeholders and Licensee's response on such issues while carrying out the detailed analysis/discussion of the True-Up for FY 2024-25, APR for FY 2025-26 and, ARR and Tariff for FY 2026-27.

3 Petitioner's Submissions, Commission's Analysis, Scrutiny and Conclusion on Truing-up of 9 LHPs, MB-II and Vyasi for FY 2024-25

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 2024-25 for 9 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 2024-25 along with the sharing of gain and losses.

With regard to MB-II, the Petitioner in its Petitions has submitted that Hon'ble APTEL vide its judgement dated July 19, 2024 has allowed Return on Equity (RoE) on equity invested from Power Development Fund (PDF) in MB-II to the Petitioner. Accordingly, the Commission vide its Order dated April 11, 2025 allowed RoE amounting to Rs. 746.18 Crore on PDF of MB-II for period FY 2007-08 (CoD Year) to FY 2022-23 as regulatory asset in 03 yearly instalments from FY 2025-26. However, the Commission did not allow any carrying cost on the regulatory asset to be paid in 03 yearly instalments from the date of the Judgement of the Hon'ble APTEL.

In addition to the above, the Petitioner has submitted that the Commission vide its Tariff Order dated March 24, 2025 approved AFC of Vyasi LHP from CoD to FY 2024-25 while the recovery was being done on the provisional tariff approved by the Commission i.e. Rs. 7.60 per unit against the sale of energy to UPCL from Vyasi LHP resulting in a gap of Rs 94.84 Crore. For recovery, UPCL vide its letter dated April 08, 2025 sought clarification from the Commission. The Commission vide letter dated April 28, 2025 directed UPCL to pay the arrear amount in FY 2025-26 in 12 equal instalments starting from April 2025.

The Petitioner submitted that since the recovery of the amount of Rs. 94.84 Crore was spread across 12 months, it is entitled to carrying cost on the same. Therefore, the Petitioner has requested that the recovery of the amount of Rs. 94.84 Crore may be considered in the calculation of carrying cost while approving True up of FY 2024-25.

The Commission to carry out prudence check has sought clarifications from the Petitioner in a time bound manner. However, it is observed that the Petitioner has persistently submitted responses with inordinate delays despite several reminders. As the tariff exercise is time bound, the Commission has proceeded to consider those submissions made by the Petitioner up to March 11, 2026, and no cognizance of any information has been taken of any subsequent submissions.

Based on the submissions made by the Petitioner in the current tariff proceedings till March 11, 2026, the Commission has decided to carry out Truing-up of 9 LHPs, MB-II and Vyasi LHP for FY

2024-25, and has also dealt with the issue of carrying cost on the approved RoE on PDF for past years and towards deferred recovery pertaining to Vyasi LHP.

3.1 Impact of Sharing of Gains and Losses on account of Controllable Factors for FY 2024-25

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 require 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 the 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 controllable factors. 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 the 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 for the Petitioner after sharing of gains and losses as per the provisions of UERC Tariff Regulations, 2021.

3.1.1 Physical Parameters

3.1.1.1 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 3.1: NAPAF approved vide Order dated March 31, 2022 for FY 2024-25

Sl. No.	Name and Type of Plant		NAPAF approved in MYT Order dated March 31, 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 Plant Availability Factor for the Year (PAFY) achieved during FY 2024-25 and has also requested the Commission to approve the actual Plant Availability Factor achieved in FY 2024-25. The actual PAFY achieved during FY 2024-25 on a weighted average basis is as under.

Table 3.2: Plant-wise actual PAFY achieved during FY 2024-25 (%)

Sl. No.	Name and Type of Plant		NAPAF approved in MYT Order dated March 31, 2022	PAFY (Claimed)
1	Dhakrani	RoR	66.17%	53.81%
2	Dhalipur	RoR	61.07%	74.32%

Table 3.2: Plant-wise actual PAFY achieved during FY 2024-25 (%)

Sl. No.	Name and Type of Plant		NAPAF approved in MYT Order dated March 31, 2022	PAFY (Claimed)
3	Chibro	Pondage	65.06%	61.71%
4	Khodri	Pondage	57.23%	58.15%
5	Kulhal	RoR	65.00%	76.00%
6	Ramganga	Storage	16.00%	21.51%
7	Chilla	RoR	74.00%	57.60%
8	MB-I	Pondage	79.00%	89.08%
9	Khatima	RoR	69.30%	51.14%

The Commission observed that the Petitioner has achieved a lower PAFY than the approved NAPAF for Dhakrani, Chibro, Chilla and Khatima in FY 2024-25. In support of its submissions, the Petitioner, vide letter dated December 08, 2025, was directed to submit Plant-wise reasons for not being able to achieve the specified NAPAF. The Petitioner vide its response dated December 29, 2025 briefly submitted as follows:

- **Dhakrani LHP:** The reduction in PAFY is on account of RMU of Unit 2 from March 01, 2025 to September 30, 2025 and also on account of the closure of the Power Channel from May 07, 2024 to May 17, 2024.
- **Chibro LHP:** The reduction in PAFY is on account of Low River Discharge (13.21% less) compared to last financial year and due to Fans, Exhaust system & Chiller Plant (Hot and Cold) has been used of higher capacity in new ventilation system installed in March 2022. Further, the Petitioner vide its submission dated January 30, 2026 submitted that PAFY is lower than the approved NAPAF due to the SITC of 220kV XLPE cable & dismantling the existing oil field cable at Chibro Power House.
- **Chilla LHP:** The reduction in PAFY is on account of the ongoing RMU of Unit 4 since November 07, 2024 and also on account of the closure of the Power Channel from May 23, 2024 to June 10, 2024. The Petitioner also submitted that the generating station is a very old LHP & requires more maintenance. Hence, it is to be shut down for longer period to carry out maintenance.
- **Khatima LHP:** The reduction in PAFY was on account of the Power Channel closure for repair work, which was taken by UPID from July 06, 2024 to July 19, 2024 and the fact that water regulation is under the control of UPID.

Commission's Analysis

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

- **Chibro LHP:** With regards to Chibro LHP, the Commission has perused the submission of the Petitioner. The Commission is of the view that any reduction in discharge should have similarly affected Khodri LHP, which operates in tandem with Chibro LHP. However, this is not reflected in the records, as Khodri LHP has, in fact, overachieved its NAPAF.

The Commission vide TVS MoM dated January 13, 2026 sought clarification from the Petitioner for justification of reduction in PAFY due to 'Fans, Exhaust system & Chiller Plant (Hot and Cold) has been used of higher capacity in new ventilation system installed in March 2022. The Petitioner vide its letter dated January 30, 2026 replied that all the works related to 'Fans, Exhaust system, Chiller Plant' were planned as per maintenance schedule. The Petitioner further submitted that PAFY for the Chibro Power House for FY 2024-25 is lower than the approved NAPAF due to the SITC of 220kV XLPE cable & dismantling the existing oil field cable at Chibro Power House.

The Commission observed, that the Petitioner made inconsistent submission and was unable to quantify the reasons for reduction in PAFY. Hence, the Commission is of the view that the reasons cited do not justify the relaxation sought and Commission does not find it prudent to allow any relaxation in NAPAF on account of the reasons submitted by the Petitioner.

- **Dhakrani LHP:** With regard to Dhakrani LHP, the Petitioner has achieved a PAFY of 53.81% 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 the shutdown required for RMU works.

The Petitioner, vide its submission dated December 29, 2025, has attributed the reduction in PAFY to the Renovation and Modernisation (RMU) of Unit 2, scheduled from March 01, 2025 to September 30, 2025. However, it is pertinent to note that, as per the Petition, the actual RMU period of Unit 2 is stated from March 15, 2025 to September 26, 2025.

Further, the Petitioner also cited the closure of the Power Channel from May 07, 2024 to May 17, 2024 as a contributing factor towards lower PAFY. It is observed that the Petitioner has made an erroneous submission vide letter dated December 29, 2025 wherein no reference to Unit-1's RMU was made by the Petitioner. **The Commission cautions the Petitioner against making such submissions and directs the Petitioner to meticulously verify and submit the durations of all categories of Planned Outages for respective LHPs along with the Tariff Petition.**

The Commission, while interacting with the Petitioner, observed that the works executed during the Power Channel closure were duly approved by the Commission under Regulation 22(4) of the MYT Regulations, 2021, and the prolonged shutdown did impact PAFY.

The Commission while perusing the submissions of the Petitioner, also observed that the Petitioner actually completed the RMU of Unit 1 during February 16, 2024 to March 07, 2025.

Therefore, the Commission, based on the five-year average historical data for the respective month(s), has re-stated the PAFY to 66.17%, i.e., up to approved NAPAF.

- **Chilla LHP:** With regard to Chilla LHP, the Petitioner has achieved a PAFY of 57.60% as 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 December 29, 2025, has submitted that the reduction in PAFY is on account of ongoing RMU works of Unit 4 since November 07, 2024 and also on account of the closure of the Power Channel from May 23, 2024 to June 10, 2024.

The Commission, while interacting with the Petitioner, observed that the works requiring closure of the Power Channel were duly approved by the Commission under Regulation 22(4) of the MYT Regulations, 2021, and prolonged shutdown did impact PAFY, therefore, the Commission has considered the respective period for re-statement of PAFY.

The Commission has therefore re-stated the PAFY of Chilla LHP to 65.48%, based on the five-year average historical data for the respective month(s).

- **Khatima LHP:** With regard to Khatima LHP, the Petitioner has achieved a PAFY of 51.14% against the approved NAPAF of 69.30%. The NAPAF was approved by the Commission post RMU in its Order dated March 29, 2017, which was retained in the MYT Order dated March 31, 2022.

The Petitioner, in its submission dated December 29, 2025, has submitted that the reduction in PAFY was on account of the Power Channel closure for repair work, which was undertaken by UPID from July 06, 2024 to July 19, 2024. The Petitioner also attributed the lower PAFY to the fact that water regulation is under the control of UPID.

The Commission, while interacting with the Petitioner, observed that the works requiring closure of the Power Channel were not approved by the Commission. 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 2024-25.

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

- **Dhalipur LHP:** The NAPAF approved for the generating station post RMU is 70.00% as against which the Petitioner has been able to achieve actual PAFY of 74.32%. The Commission observed that the closure of the Power Channel at Dhakrani also had an impact on Dhalipur LHP. However, the plant was still able to achieve a PAFY of 74.32% whereas the Petitioner has requested the Commission to approve NAPAF of Dhalipur LHP at 70.00% for the period from FY 2024-25. The Commission has allowed an incentive for achievement of PAFY above 70% for FY 2024-25.
- **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 89.08%. The Commission while approving the NAPAF for the generating station post completion of RMU in its Tariff Order dated April 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 an incentive for achievement of PAFY above 79.00% for FY 2024-25.

- **Ramganga LHP:** NAPAF approved for the generating station is 16.00% as against which the Petitioner has achieved actual PAFY of 21.51%. With regard to Ramganga LHP, the Commission in its MYT Order dated March 31, 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.

- **Khodri and Kulhal LHP:** The Commission has considered the actual PAFY achieved for Khodri and Kulhal i.e., 58.15% and 76.00%, 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 2024-25 as against which the Power Station has achieved PAFY of 80.92% for FY 2024-25.

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 2024-25, however, no incentives are being allowed as the PAFY achieved is below 82.00%.

C. Vyasi LHP

Petitioner's Submission

The Petitioner submitted that NAPAF for the station as per norms of UERC Tariff Regulations, 2021 is 85.00% and the Power Station has achieved PAFY of 73.62% in FY 2024-25.

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 FY 2024-25 has already passed and there was no NAPAF specified for the Station. Accordingly, the Commission does not specify any NAPAF norm for FY 2024-25. Hence, the Petitioner shall recover the AFC approved for FY 2024-25 in this Order after adjusting for the tariff already recovered during FY 2024-25.

3.1.1.2 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 October 09, 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 April 11, 2025 at para 6.5.2 had issued following directive to 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"

Accordingly, the Petitioner in its submission dated December 29, 2025 has submitted the actual generation loss due to E-flow released by the Petitioner as per NGT Order dated August 09, 2017 and NMCG Order dated October 10, 2018 and September 14, 2019 for FY 2024-25 as 482.11 MU against 9 LHPs namely Dhakrani, Dhalipur, Chibro, Khodri, Kulhal, Chilla, MB-I, MB-II and Vyasi LHP.

It is observed that discharge data for Yamuna Valley projects, including Vyasi LHP, has remained unchanged throughout FY 2024-25 & FY 2025-26. This indicates a casual approach on the part of the Petitioner in furnishing discharge data of rivers. The data submitted by the Petitioner appears to be incorrect. Accordingly, the Commission cautions the Petitioner to exercise due diligence and ensure that such discrepancies are not repeated in future Tariff Petitions.

The actual gross generation submitted by the Petitioner vis-à-vis the revised design energy as per Tariff Order dated March 28, 2024 is as shown in the following Table.

Table 3.3: Actual Gross Generation vis-a-vis Revised on account of NGT Order & Approved for 11 LHPs in previous Tariff Orders

Power Plant	FY 2024-25		
	Actual Gross Generation submitted by the Petitioner (MU)	Revised Design Energy after impact of NGT Order approved vide Order dated April 18, 2020 (MU)	Design Energy Approved in Tariff Order dt. March 28, 2024 for FY 2024-25 (MU)
	(A)	(B)	(C)
Dhakrani	107.52*	150.85	150.85
Dhalipur	221.45	182.76	182.76
Chibro	758.43	728.11	728.11
Khodri	366.18	335.37	335.37
Kulhal	140.89	148.91	148.91
Ramganga	365.19	311.00	311.00
Chilla	706.39**	557.62	557.62
MB-I	500.97	366.45	478.00¥
Khatima	185.32	235.59	235.59
MB-II	1,286.55	1,291.00	1291.00#
Vyasi	307.19	-	353.00Φ
Total	4,946.09	4,307.65	4,772.20

¥Provisionally Approved in Tariff Order dated 31.03.2022, post RMU

#Approved in Tariff Order dated 18.04.2020

ΦApproved vide Order dated 24.03.2025

*Unit #1 under RMU from 16.02.2024 to 07.03.2025, Unit #2 under RMU from 15.03.2025 to 31.03.2025

*Power Channel closure from 07.05.2024 to 17.05.2024

**Unit #4 in RMU since 07.11.2024, *Power Channel closure from 23.05.2024 to 10.06.2024

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 March 28, 2024 for FY 2024-25. 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 2024-25.

With regard to Vyasi LHP, the Commission in its Order dated March 24, 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 further observed that Petitioner has completed RMU of all the three units of Dhalipur in FY 2023-24. As per RMU Order of Dhalipur dated September 14, 2016, the Commission has revised the design energy for FY 2024-25 as 223.60 MU. Further, as the Petitioner has changed the excitation system from Rotating to Static in FY 2023-24, therefore, the Commission has also revised the Auxiliary consumption for FY 2024-25 as 1.00%.

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

Table 3.4: Revised Design Energy and Saleable Primary Energy Approved for FY 2024-25 (MU) (after impact of NGT/NMCG Order)

Name of the Generating Station	Original Design Energy	Design Energy Approved in Tariff Order dt. March 28, 2024 for FY 2024-25	Design Energy approved for FY 2024-25# (after impact of NGT)	Approved Auxiliary Consumption		Saleable Primary Energy
	MU	MU	MU	%	MU	MU
Dhakrani	169.00	150.85	150.85	0.70%	1.06	149.79
Dhalipur	192.00	182.76▼	223.60*	1.00%	2.24	221.36
Chibro	750.00	728.11	728.11	1.20%	8.74	719.37
Khodri	345.00	335.37	335.37	1.00%	3.35	332.01
Kulhal	164.00	148.91	148.91	0.70%	1.04	147.87
Ramganga	385.00	311.00	311.00	1.00%	3.11	307.89
Chilla	725.00	557.62	557.62	1.00%	5.58	552.04
MB-I	546.00	478.00¥	478.00¥	1.00%	4.78	473.22
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	353.00ϕ	353.00ϕ	353.00ϕ	1.00%	3.53	349.47
Total	5430.69	4772.20	4813.04		48.69	4764.36

ϕ Approved vide Order dated 24.03.2025

¥ Provisionally Approved in Tariff Order dated 31.03.2022, post RMU

▼ Approved design energy, post RMU as per Order dated 14.09.2016

*Post RMU

3.1.2 Financial Parameters

3.1.2.1 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 true-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 October 10, 2024. In compliance to the above, the Petitioner in the instant Petition has adopted methodology of apportionment of common expense for FY 2024-25 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 has submitted the allocation of expenses incurred by common Units serving more than one station as below:

- **Head Office/ CSPPPO:** 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.
- **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.

- **MB-I & MB-II Civil:** The common expenses have been allocated on MB-I & MB-II LHP in 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 again **directs the Petitioner to adopt allocation methodology as approved in Tariff Order dated 28.03.2024 alongwith actual expenditures at LHPs and SHPs in the next Tariff Petition and be cautious while booking expenses under appropriate cost head/cost centres/profit centres. The Commission also directs the Petitioner to submit a flow chart of cost booking for each Cost Centre and Profit Centre, along with the next Tariff Petition.**

3.1.2.2 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 January 14, 2000 as Rs. 506.17 Crore.

The Commission vide its MYT Order dated April 11, 2025 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 February 02, 2026 apprised the Commission regarding the status of various issues w.r.t. transfer scheme. The same is discussed in detail at Chapter-5 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, **re-iterates its direction 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 2024-25 has considered the opening GFA of nine LHPs, as on January 14, 2000 as Rs. 506.17 Crore as per the details given below:

Table 3.5: Approved Capital Cost for 9 LHPs as on CoD (Rs. Crore)

Generating Stations	Claimed	as on
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	7.19	7.19
Total	506.17	506.17

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 Commission in its Tariff Order dated March 28, 2024 and Review Order dated November 20, 2024 post issuance of Hon'ble ATE Judgment dated July 19, 2024 did not find any reason to revisit the capital cost of MB-II LHP.

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., March 15, 2008, as Rs. 1885.50 Crore as per the details given below:

Table 3.6: 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

Table 3.6: Approved Capital Cost for MB-II as on CoD (Rs. Crore)

Particulars	Approved in Order dated 31.03.2022	Approved Now
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 3.7: 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
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.

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

Particulars	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 3.9: Financing for Vyasi LHP as on Project CoD (Rs. Crore)

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

3.1.2.3 Additional Capitalisation

A. Old Nine Generating Stations (9 LHPs)

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 2023-24 amounting to Rs. 1219.35 Crore including de-capitalisation.

Accordingly, the additional capitalisation considered by the Commission from FY 2001-02 to FY 2023-24 for 9 LHPs is shown in the following Table:

Table 3.10: Additional Capitalisation already approved by the Commission from FY 2001-02 to FY 2023-24 for 9 LHPs (Rs. Crore)

Generating Stations	Amount
Dhakrani	52.33
Dhalipur	204.42
Chibro	137.31
Khodri	63.46
Kulhal	60.34
Ramganga	62.27
Chilla*▼	175.19
MB-I	286.82
Khatima**	177.21
Total	1219.35

* Including de-capitalisation 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. 0.01 Crore in FY 2023-24

Based on the approved capital cost of 9 LHPs as on January 14, 2000 and the additional capitalisation allowed up to FY 2023-24 for these LHPs, the Commission has considered the opening GFA for FY 2024-25 for 9 LHPs as presented below:

Table 3.11: Opening GFA for 9 LHPs as considered by the Commission for FY 2024-25 (Rs. Crore)

Generating Stations	Amount
Dhakrani	64.73
Dhalipur	224.79
Chibro	225.20
Khodri	137.43
Kulhal	77.85
Ramganga	112.29
Chilla*▼	300.08
MB-I**	398.75
Khatima***	184.40
Total	1,725.52

* 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. 0.01 Crore in FY 2023-24

The Petitioner in FY 2024-25 has claimed the additional capitalisation for FY 2024-25 along with de-capitalisation for 9 LHPs as given in the Table below:

Table 3.12: Additional Capitalisation (Other Capital Works, DRIP, RMU & De-capitalisation) for 9 LHPs claimed by the Petitioner for FY 2024-25 (Rs. Crore)

Generating Stations	Other Capital Works	DRIP-II	RMU works	De-capitalisation	Total
Dhakrani	9.68	0.37	46.76	4.11	52.71
Dhalipur	37.19	0.56	-	0.05	37.70
Chibro	11.01	6.11	-	0.25	16.88
Khodri	5.21	3.06	-	0.12	8.15
Kulhal	4.86	0.25	-	0.03	5.08
Ramganga	9.10	-	-	1.00	8.10
Chilla	75.91	4.11	-	0.15	79.87
MB-I	9.60	-	1.09	0.09	10.60
Khatima	3.03	-	-	0.04	2.99
Total	165.59	14.46	47.85	5.84	222.07

The Petitioner has 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.

B. Maneri Bhali-II (MB-II) LHP

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 2023-24 amounting to Rs. 452.45 Crore in its previous Tariff Orders, as shown in the Table below:

Table 3.13: Year-wise Additional Capitalisation already approved by the Commission from FY 2007-08 to FY 2023-24 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
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
2023-24	31.80
Total	452.45

Based on the above, opening GFA for FY 2024-25 for MB-II LHP is shown below:

Table 3.14: Opening GFA for MB-II as considered by the Commission for FY 2024-25 (Rs. Crore)

Particulars	Amount
Capital Cost	1885.50
Additional Capitalisation from FY 2007-08 to FY 2023-24	452.45
Opening GFA for FY 2024-25	2337.94

The Petitioner for MB-II LHP has claimed additional capitalisation for FY 2024-25 and apart from capitalisation, the Petitioner has also carried out de-capitalisation in FY 2024-25 as given in the Table below:

Table 3.15: Additional Capitalisation claimed by the Petitioner for FY 2024-25 for MB-II (Rs. Crore)

Components	Additional Capitalisation	De-capitalisation	Net Additional Capitalisation
Land	-	-	-
Building	0.05	-	0.05
Major Civil Works	11.74	-	11.74
Plant & Machinery	10.92	0.00	10.92
Vehicles	0.08	-	0.08
Furniture and Fixtures	0.09	0.00	0.09
Office Equipment & Others	0.05	0.06	(0.02)
IT Equipment's including Software	0.17	0.24	(0.07)
Total	23.10	0.31	22.79

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 total additional capitalisation for FY 2022-23 and FY 2023-24 amounting to Rs. 85.06 Crore in its previous Tariff Orders, as shown in the Table below:

Table 3.16: Year-wise Additional Capitalisation already approved by the Commission from FY 2022-23 to FY 2023-24 for Vyasi LHP (Rs. Crore)

Financial Year	Amount
2022-23	48.04
2023-24	37.02
Total	85.06

Based on the above, the opening GFA for FY 2024-25 for Vyasi LHP is shown below:

Table 3.17: Opening GFA for Vyasi LHP as considered by the Commission for FY 2024-25 (Rs. Crore)

Particulars	Amount
Capital Cost	1632.51
Additional Capitalisation from FY 2022-23 to FY 2023-24	85.06
Opening GFA for FY 2024-25	1,717.57

The Petitioner for Vyasi LHP has claimed additional capitalisation for FY 2024-25 as given in the Table below:

Table 3.18: Additional Capitalisation claimed by the Petitioner for FY 2024-25 for Vyasi LHP (Rs. Crore)

Components	Additional Capitalisation	De-capitalisation	Net Additional Capitalisation
Land	1.17	-	1.17
Building	1.12	-	1.12

Table 3.18: Additional Capitalisation claimed by the Petitioner for FY 2024-25 for Vyasi LHP (Rs. Crore)

Components	Additional Capitalisation	De-capitalisation	Net Additional Capitalisation
Major Civil Works	3.21	5.38*	(2.17)
Plant & Machinery	30.61	0.00	30.60
Vehicles	-	-	-
Furniture and Fixtures	0.67	0.00	0.67
Office Equipment & Others	0.41	0.03	0.39
IT Equipment including Software	0.01	0.09	(0.09)
Total	37.20	5.50	31.70

*GST input credit adjustments

Commission's Analysis**3.1.2.3.1 Additional Capapitalisation against RMU (9 Old LHPs)**

The Commission has observed that the Petitioner has claimed additional capitalisation of Rs. 46.76 Crore and Rs 1.09 Crore against RMU works for Dhakrani and MB-I, respectively. The comparison of the station-wise RMU cost claimed vis-à-vis that approved by the Commission for FY 2024-25 is as shown below:

Table 3.19: Additional Capitalisation against RMU for 9 LHPs for FY 2024-25 (Rs. Crore)

Generating Station	Approved in MYT Order dt. 31.03.2022	Claimed
Dhakrani	30.24	46.76
Dhalipur	-	-
Chibro	-	-
Khodri	-	-
Kulhal	-	-
Ramganga	-	-
Chilla	75.00	-
MB-I	-	1.09
Khatima	-	-
Total	105.24	47.85

With regards to Dhakrani LHP, it is observed that the claimed cost of RMU of Dhakrani also includes Interest During Construction of Rs. 1.09 Crore. The Commission directed the Petitioner to submit an auditor's certificate certifying the cost of RMU works claimed for Dhakrani. The Petitioner vide its submission dated December 29, 2025 has submitted an Auditor Certificate certifying the aforesaid claim. Since a considerable amount of works covered in RMU of Dhakrani are yet to be completed and the Petitioner has submitted that RMU works at Dhakrani are scheduled for

completion by May 31, 2026, the Commission as of now has provisionally allowed the additional capitalisation claimed by the Petitioner for FY 2024-25. 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 found to be higher.

With regard to MB-I LHP, 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 & April 11, 2025. The Commission in the said Order had given directions to the Petitioner with regard to pending works as:

"...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."

The Petitioner has submitted the details vide letter dated January 09, 2026, wherein it is observed that the works are still pending. The Commission reiterates that the Petitioner was required to complete the RMU works within the stipulated cut-off date, i.e., by March 31, 2025.

In view of the above, **the Commission hereby directs the Petitioner to complete the works and submit an update on Hydro mechanical works and Civil works during the True-up of FY 2025-26 and any, reduction in PAFY due to delay in execution of the works covered in DPR of MB-I shall solely be attributable to UJVN Ltd.** Accordingly, the Commission approved the amount of Rs. 1.09 Crore as claimed in FY 2024-25 against RMU of MB-I.

With regard to Chilla LHP, it is observed that the RMU works are ongoing at Chilla and Unit 4 was under RMU in FY 2024-25, i.e., since 07.11.2024. The Petitioner has submitted that RMU works at Chilla are scheduled for completion by May 15, 2028. The Petitioner, as of now, has not claimed any additional capitalisation in FY 2024-25, hence, no cost has been approved. The Petitioner shall make all its efforts for timely completion of RMU works so as to minimize generation loss.

3.1.2.3.1.1 RMU of Dhalipur LHP

With regard to Dhalipur, the Commission has carried out a detailed analysis of RMU works which has been discussed in subsequent sections.

(1) Background and Procedural History

Dhalipur LHP comprises 3 units, each of a capacity of 17 MW and was commissioned between 1965 and March 1970. The generating station has been operating since then and due to ageing, the Petitioner carried out a detailed study to carry out Renovation & Modernisation works to enhance life and performance of the plant.

With an objective to carry out Renovation and Modernisation (RMU), the Petitioner had filed a Petition on October 01, 2015 under Regulation 25 of UERC Tariff Regulation, 2011, seeking prior approval in the matter of Capital Investment for RMU of Dhalipur LHP.

The Commission vide its Order dated September 14, 2016 granted in-principle approval for carrying out the necessary RMU works. The Petitioner has been undertaking unit-wise RMU and upon completion and capitalisation of RMU works for a specific unit, UJVN Ltd. has been claiming the corresponding expenditure in its Tariff Petitions, which the Commission has been allowing. The details of additional capitalisation towards RMU claimed and allowed till FY 2023-24 is as per the **Table** below:

Table 3.20: Additional capitalisation for RMU of Dhalipur approved till FY 2023-24

Sl. No.	Particulars	COD	Date of Capitalisation	Total (with IDC) (Rs. Crore)
1	Unit-1 (#B)	02.06.2021	07.06.2021	42.38
2	Unit-2 (#A)	12.10.2022	26.10.2022	38.79
3	Unit-3 (#C)	07.10.2023	11.10.2023	24.93
Total				125.68

While provisionally allowing additional capitalisation towards RMU works, the Commission in its Tariff Order dated April 11, 2025 had ruled as follows:

“...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.”

The Commission observed that the Petitioner has not capitalised any asset under RMU in FY 2024-25 whereas the RMU of the last Unit i.e. Unit #C was capitalised on October 11, 2023.

As per in-principle approval, the RMU works included following major work elements namely, Civil Works, Hydro Mechanical Works and Power Plant & Accessories (E&M). The Commission, however, observes that the works covered under 'Civil Works' have been taken up independently and the Petitioner has only undertaken E&M and Hydromechanical works as a part of RMU.

The RMU works were carried out under a single contract, against which four additional (variation) orders were issued during execution. It is observed that the Petitioner has not yet been able to close the contract, as the final additional order (# 4), amounting to Rs. 9.05 crore, remains under implementation and is expected to be completed in FY 2025-26.

The Commission has considered the submissions made by the Petitioner and observes that some of the works that were planned 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., 31.03.2026, beyond which no expense (including IDC) in this regard would be allowed.**

(2) Hard Cost

The Commission observed that the actual hard cost claimed as on October 11, 2023 is Rs. 114.92 Crore (excluding Civil works) as against Rs. 121.81 Crore (including Civil works) approved by the Commission in the Order dated September 14, 2016.

The Petitioner also submitted unit-wise bifurcation of price variation and base cost which is as shown below:

Table 3.21: Base cost and Price Variation details for RMU of Dhalipur (Rs. Crore)

Sl. No.	Particulars	Date of Capitalisation	Base Price (without PV)	PV	Total
1	Unit-1 (#B)	07.03.2021	33.16	4.57	37.73
2	Unit-2 (#A)	26.10.2022	32.24	3.75	35.99
3	Unit-3 (#C)	11.10.2023	33.58	7.62	41.20
Total			98.98	15.94	114.92

The Commission vide letter dated January 15, 2026, sought an auditor certificate in support of the completion cost claimed by the Petitioner as on the date of completion of RMU. The Petitioner replied partially vide submission dated January 21, 2026 and February 19, 2026, therefore, the

Commission sought the same again vide letter dated March 06, 2026. The Petitioner failed to submit the same within the stipulated timeline.

The Commission further observed that de-capitalisation corresponding to the 3 Additional Orders of Rs. 21.50 Crore, issued to the vendor, has not been considered while claiming cost. As a result, the Petitioner has effectively been recovering higher costs from the consumers since the CoD of the respective units.

Due to the non-submission of required statutory auditor certificates as on completion of RMU within the stipulated timeline, the Commission could not carry out the prudence check of the hard cost claimed against Dhalipur's RMU. The Commission, in this Tariff Order, has provisionally considered only 80% of the Hard Cost claimed by the Petitioner against the Additional Orders of Rs. 21.50 Crore, in view of the undue delay in carrying out de-capitalisation at Dhalipur LHP for the works covered under such Additional Orders. The balance 20%, which has been provisionally deferred, shall be revisited by the Commission in the year in which the Petitioner accounts for the corresponding de-capitalisation.

The Petitioner is directed to submit the associated de-capitalisation of assets which were replaced post FY 2022-23, failing which the Commission shall not allow any further additional expenditure towards RMU works.

Also, with regards to Balance Works, **since** the works have been executed in FY 2025-26, the Commission **directs the Petitioner to submit detailed unit-wise additional capital expenditure along with component-wise justification for the delay in completion of the balance works, along with documentary evidence, work schedules, procurement timelines, and reasons for issuance of additional orders.**

The Petitioner is also directed to submit the detailed workings of completion cost as on the date of completion of RMU (including Hard Cost, quarterly IDC computations, IEDC, Total, Total Price Variation included in Hard Cost) as on March 31, 2025 and as on March 31, 2026 duly certified by a statutory auditor with the next Tariff Petition.

(3) Time Overrun

The unit-wise scheduled implementation and the actual implementation towards RMU work along with associated delay is as follows:

Table 3.22: Scheduled vs Actual Implementation for RMU of Dhalipur and Additional Orders issued by UJVN Ltd.

Sl. No.	Project Name	Unit No.	Date of Start	Date of Completion	No of Days	Delay
1	Reverse Engineering (Unit #B)	as per DPR	01-02-2015	30-04-2015	89	41
		as per Contract	09-03-2017	08-06-2017	92	
		Actual	09-03-2017	19-07-2017	133	
2	RMU of 1st unit (Unit #B)	as per DPR	01-11-2016	31-05-2017	212	631
		as per Contract	09-12-2018	08-07-2019	212	
		Actual	11-02-2019	02-06-2021	843	
3	RMU of 2nd unit (Unit #A)	as per DPR	01-11-2017	31-05-2018	212	97
		as per Contract	09-12-2019	08-07-2020	213	
		Actual	07-12-2021	12-10-2022	310	
4	RMU of 3rd unit (Unit #C)	as per DPR	01-11-2018	31-05-2019	212	93
		as per Contract	09-12-2020	08-07-2021	212	
		Actual	07-12-2022	07-10-2023	305	
5	Balance Works	Actual	08-10-2023	30-09-2025	724	
	Total	as per Contract				1582
		Actual				2403
		Total Delay				821

As discussed above, the Commission vide letter dated January 15, 2026 sought details with regards to RMU of Dhaipur LHP. The Petitioner replied partially vide reply dated January 21, 2026 and February 19, 2026, therefore, the Commission sought the details again vide letter dated March 06, 2026 along with additional queries. The Petitioner failed to submit the same within the stipulated timeline.

Further, the Commission observes that the Petitioner has neither submitted IDC calculations as on completion of the RMU works nor provided a component-wise justification for the delay in execution of the said works. Accordingly, in the absence of requisite details, the Commission has not taken a view on the issue of time overrun at this stage. The same shall be subjected to scrutiny in the ensuing tariff proceedings, and the admissibility of the associated expenditure and timeline shall be determined thereafter based on the prudence check.

(4) Funding

The Petitioner in its Capital Investment Approval Petition had submitted that it had planned to execute the works in the debt equity ratio of 70:30. The Petitioner in this Petition as well as during

previous tariff proceedings, has submitted that the RMU works have been funded considering debt-equity ratio of 70:30.

The Petitioner, however, subsequently submitted that it had secured loan approval of Rs. 106.85 Crore from PNB, out of which, as on October 11, 2023 it has utilised Rs. 71.8 Crore. The Petitioner also submitted that it secured a loan of Rs. 33.50 Crore from GoU under SAS out of which as on October 11, 2023 it has utilised Rs. 33.50 Crore and has invested equity of Rs. 22.32 Crore. The Petitioner also provided the auditor's certificate certifying the following funding.

Table 3.23: Capital structure as on CoD for RMU of Dhalipur

Particulars	Financial Package as on Completion of Unit 3 (Rs. Crore)
Loan	82.5%
Term Loan from PNB	71.80
SAS Loan from GoU	33.50
Total Loan	105.30
Equity	17.5%
Domestic	3.00
Internal Accruals	19.32
Total Equity	22.32
Total	127.62%

The Commission observes that the Petitioner upon securing a loan from SAS at zero percent interest, has revised the actual funding against RMU. Accordingly, the Commission has adjusted the open loan and opening equity for FY 2024-25 for Dhalipur's RMU, as per actuals. In view of the above discussion, the Commission provisionally approves the following capital cost as on October 11, 2023, i.e., CoD of Plant.

Table 3.24: Provisionally Approved Capital Cost for RMU of Dhalipur (Rs. Crore)

Sl. No.	Particulars	Claimed As on 11.10.2023	Approved As on 11.10.2023
1	Hard Cost	114.91	110.62*
2	IDC	10.76	10.76
	Total	125.68	121.38

*Rs. 4.3 Crore deferred, as discussed in above section for Hard Cost.

The Commission has therefore provisionally allowed an amount of Rs. 121.38 Crore as additional capitalisation against RMU of Dhalipur.

The Commission has gone through the submissions of the Petitioner and **directs the Petitioner to complete all the works covered under RMU of Dhalipur LHP by the cut-off date, i.e. March 31, 2026, beyond which no expense (including IDC) in this regard would be allowed.**

3.1.2.3.2 DRIP Works

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

Table 3.25: Additional Capitalisation against DRIP-II for 11 LHPs for FY 2024-25 (Rs. Crore)

Generating Station	Approved in MYT Order dt. 31.03.2022 (DRIP)	Claimed (DRIP)
Dhakrani	6.51	0.37
Dhalipur	9.83	0.56
Chibro	4.73	6.11
Khodri	2.37	3.06
Kulhal	2.62	0.25
Ramganga	0.00	0.00
Chilla	0.00	4.11
MB-I	77.59	0.00
Khatima	0.00	0.00
Sub-Total (9 LHPs)	103.65	14.46
MB-II	50.84	0.00
Vyasi	-	-
Total (11 LHPs)	154.49	14.46

The Commission, in its Order dated March 31, 2022 had approved the additional capitalisation of Rs. 154.49 Crore for FY 2024-25 towards DRIP works which was subject to a prudence check at the time of True-up.

The Commission sought details of work claimed by the Petitioner and observed that as against Rs. 154.49 Crore approved towards DRIP-II works, the actual additional capitalisation claimed is Rs. 14.46 Crore for FY 2024-25. The overall capitalisation against DRIP was less than approved and there were Plant-wise deviations observed by the Commission, therefore, the Commission sought details of scheme-wise actual works carried out vis-à-vis those approved under DRIP as per the specific format in which such works were approved. The Petitioner vide its reply dated January 20, 2026 submitted the required details.

The Commission observed that the some works under DRIP are yet to be executed. The Commission has taken serious note of such unplanned execution of works 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 2024-25 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 the installed capacity of the Plants.

The Commission in the past has observed that in DRIP works, there have been certain price variations which were not approved by CPMU and therefore, the Commission in its Order dated April 11, 2025 had directed the Petitioner to ensure necessary CPMU approval. The Commission herein reiterates its earlier direction **to ensure that CPMU approvals are obtained in time for price variations for works executed/being executed under DRIP-II and ensure to take corresponding funding from GoU/GoI w.r.t. the same.**

The Commission approves an amount of Rs. 14.46 Crore against DRIP-II works in FY 2024-25.

3.1.2.3.3 Other Works

Apart from RMU & DRIP works, the Petitioner has also claimed additional capitalisation towards 'Other Works' which has been shown as below:-

Table 3.26: Additional Capitalisation against Other works for 11 LHPs for FY 2024-25 (Rs. Crore)

Generating Station	Approved in MYT Order dt. 31.03.2022	Claimed (Other Works)
Dhakrani	-	9.68
Dhalipur	-	37.19
Chibro	-	11.01
Khodri	-	5.21
Kulhal	-	4.86
Ramganga	-	9.10
Chilla	-	75.91
MB-I	-	9.60

Table 3.26: Additional Capitalisation against Other works for 11 LHPs for FY 2024-25 (Rs. Crore)

Generating Station	Approved in MYT Order dt. 31.03.2022	Claimed (Other Works)
Khatima	-	3.03
Sub-Total (9 LHPs)	-	165.59
MB-II	-	23.10
Vyasi	-	37.20
Total (11 LHPs)	-	225.90

The Commission in the MYT Order dated March 31, 2022, 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.”

With regards to other works, during plant-wise discussions for scrutiny of Additional Capital Expenditure towards capital works, the Commission observed certain infirmities/deviations in the claimed figures and necessary clarifications were sought from UJVN Ltd. and in compliance with the same the Petitioner submitted the required clarifications which have been discussed in detail in the following section.

3.1.2.3.3.1 Scrutiny of Additional Capital Expenditure

The Commission has scrutinised the Profit-centre/Cost Centre-wise details of additional capitalisation claimed by the Petitioner. The Commission has observed certain infirmities/deviations in the information submitted. The Commission, based on the nature of infirmities, has classified them as follows.

Table 3.27: Infirmities found during Scrutiny of Additional Capital Expenditure of FY 2024-25

Sl. No.	Issue	Treatment
1	Additional Capitalisation pertaining to transmission infrastructure	Disallowed
2	Additional Capitalisation related to Additional Spares	Disallowed
3	Additional Capitalisation for Vyasi LHP	Partially Disallowed on Case-to-Case basis

4	Partial Capitalisation	Deferred
5	Additional Capitalisation against replacement works where De-capitalisation has not been provided	Partially Deferred on Case-to-Case basis
6	Assets created from Works of Repair and Maintenance in nature	Disallowed, Shifted to R&M Expenses
7	Assets created from Works of Administrative & General in nature	Disallowed, Shifted to A&G Expenses
8	Additional Capitalisation booked in R&M expenses but are Capital in Nature	Allowed, Shifted to Add. Cap.
9	Booking under Wrong Heads	Allowed, Inter-shifting

3.1.2.3.3.1.1 Disallowed Works

(1) Additional Capitalisation pertaining to transmission infrastructure

During the scrutiny of Additional Capitalisation for FY 2024-25, it has been observed that UJVN Ltd. has claimed an additional capitalisation against historical transmission assets which are being maintained by UJVN Ltd. The Commission on this matter in the Tariff Order dated April 11, 2025 directed the Petitioner as:

“...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.”

The Petitioner submitted that a meeting was held on June 19, 2025 between UJVN Ltd. & PTCUL to discuss issues related to transferring the assets from UJVN Ltd. to PTCUL and the compliance report was submitted to the Commission vide letter no. M-963 dated August 14, 2025. Further, proposal for transfer of transmission assets of UJVN Ltd. at MB-I LHP to PTCUL has been submitted to PTCUL vide letter no. M-1152 dated October 13, 2025 with a copy to the Commission.

The Commission vide letter dated December 08, 2025 sought the details of the assets capitalised and/or the R&M/A&G expenditure incurred for against historical transmission assets which continue to be maintained by UJVN Ltd. The Petitioner submitted the details vide reply dated January 20, 2026, wherein the Commission observed that the Petitioner is maintaining assets of Transmission License as well as Distribution Assets..

The Commission in accordance with its earlier approach has Disallowed the expenditure against the PTCUL's assets and are listed at **Annexure - 4**.

The Commission directs UJVN Ltd., PTCUL and UPCL to jointly prepare a comprehensive Plant-wise plan by June 30, 2026 for transferring the assets in a time-bound manner latest by September 30, 2026, as such expenditures ought to be incurred by a Transmission Licensee/Distribution Licensee and not by a Generating Company.

(2) *Additional Capitalisation related to Additional Spares*

During the scrutiny of Additional Capitalisation for FY 2024-25, it was also observed that the Petitioner has capitalised Additional Spares. The Commission further observed that while new spares are being proposed to be capitalised, the old items that it intends to replace have not been de-capitalised, resulting in unjust recovery of both new as well as old parts/spares. Regulation 21(5)(a) of UERC Tariff Regulations, 2021 specifies that assets forming part of the project, but not in use, shall be excluded/removed from the capital cost.

Accordingly, the Commission, in accordance with the provision of UERC Tariff Regulations, 2021 and in the interest of consumers, cannot allow such imprudent recovery and therefore, the Commission has not considered the expenditure against such Spares. The list of such disallowances is listed as **Annexure - 4**.

3.1.2.3.3.1.2 *Partially Disallowed on Case-to-Case basis*

(1) *Additional Capitalisation for Vyasi LHP*

During the scrutiny of Additional Capitalisation for FY 2024-25 for Vyasi LHP, it was observed that the Petitioner claimed a Price Variation of Rs. 6.93 Crore against BHEL Contract. The Commission has allowed additional capitalisation against Price Variation in line with the Order dated 24.03.2025 wherein only the impact of 50% delay has been allowed which works out to Rs. 4.33 Crore.

3.1.2.3.3.1.3 *Deferred Works*

(1) *Partial Capitalisation*

During the scrutiny of Additional Capitalisation for FY 2024-25, it was also observed that there were instances where although the entire work was not complete, the cost was being capitalised

partially. The Commission directed the Petitioner to submit a justification against the same and in some cases also sought photographic evidence. The Petitioner submitted the details vide reply dated February 20, 2026 and 02.03.2023. The Commission has examined the replies in detail and observed that the Petitioner has failed to substantiate the execution of certain work and, in some cases, has not put the partially executed work to use, despite capitalising them in FY 2024-25.

Accordingly, the Commission has deferred the works as listed at **Annexure - 5. The Petitioner is, however, at liberty to claim the same, if any, in the next Tariff Petition, duly substantiating it with complete details and justification of the works executed.**

3.1.2.3.3.1.4 Partially Deferred on Case-to-Case basis

(1) Additional Capitalisation under RMU of Dhalipur

As discussed in the earlier section for RMU of Dhalipur LHP. The Commission observed that the Petitioner was unable to submit the required details within the stipulated time, hence, the Commission could not assess the prudence of the cost. The Commission, in this Tariff Order, has provisionally considered only 80% of the Hard Cost claimed by the Petitioner against Additional Orders amounting to Rs. 21.50 Crore, in view of the undue delay in carrying out de-capitalisation at Dhalipur LHP for the works covered under such Additional Orders.

(2) Additional Capitalisation against replacement works where De-capitalisation has not been provided

During the scrutiny of Additional Capitalisation for FY 2024-25, it was also observed that the Petitioner has not undertaken de-capitalisation against the replaced assets. The Commission directed the Petitioner to submit de-capitalisation on an actual/estimated basis in the Form 6.9 as per UERC Tariff Regulations, 2021. The Petitioner submitted the details vide reply dated February 16, 2026, February 17, 2026, February 20, 2026 and March 02, 2026. The Commission examined the replies in detail and observed that the Petitioner was unable to provide the required de-capitalisation details.

The Commission observes that there are several works that pertain to the replacement of assets that were undertaken and claimed in FY 2024-25. The Commission is of the view that in the event any asset is taken out of service, the same ought to be treated as de-capitalised during the relevant year and the original value of such asset for the purpose of the tariff should be reduced from

Gross Fixed Assets in accordance with the provisions of Regulation 22(5) of UERC Tariff Regulations, 2021. As the Petitioner has failed to submit the associated de-capitalisation, the Commission, to avoid excess recovery from the Consumers, has provisionally allowed 80% of the Capitalisation against such works. The Petitioner is, however, given liberty to submit the associated de-capitalisation in the next tariff Petition and the Commission based on the submission made may take an appropriate view to finalise the additional capitalisation. These works for future reference are listed at **Annexure -5**.

In order to avoid such anomalies in future, **the Petitioner is directed to formulate De-capitalisation Policy detailing the approach to be considered towards estimating and booking de-capitalisation and get it approved by BOD and submit for Commission's approval by 30.06.2026. The Petitioner should continue to carry out de-capitalisation in the same year in which the asset is taken out from its useful service, hence, the Petitioner, in future shall necessarily submit de-capitalisation details on actual/estimated basis in the Form 6.9 as per MYT Regulations along with additional capitalisation claims of FY 2024-25 & FY 2025-26 along with the next Tariff Petition.**

3.1.2.3.3.1.5 Shifted to R&M Expenses

(1) Assets created from Works of Repair and Maintenance in nature

During the scrutiny of Additional Capitalisation for FY 2024-25, it was also observed that the Petitioner has capitalised works of R&M nature. The Commission directed the Petitioner to submit a justification against the same along with photographic evidence. The Petitioner submitted the details vide reply dated February 16, 2026, February 17, 2026, February 20, 2026 and March 02, 2026. The Commission examined the replies in detail and observed that the Petitioner has stated that the said works are non-routine and capital in nature. However, the Commission is of the view that the said works are more appropriately classified as R&M in nature and, accordingly, are liable to be shifted from the capital head to the R&M head.

Hence, the Commission has shifted the said expenses to R&M Expenses and such works are listed at **Annexure -6. The Commission cautions the Petitioner to avoid such instances of incorrect booking of expenditure in future. The Petitioner is further directed to inform the Commission on a quarterly basis in case the R&M expenses exceed 150% of the level approved by the Commission.**

3.1.2.3.3.1.6 Shifted to A&G Expenses

(1) Assets created from Works of Administrative & General in nature

During the scrutiny of Additional Capitalisation for FY 2024-25, it was also observed that the Petitioner has partially capitalised a work as 'Health assessment and remedial measures of residential and non-residential building of Dakpathar colony'. The Commission sought justification against the same along with the report of the said work. The Petitioner submitted the details vide reply dated March 02, 2026. The Commission examined the replies in detail and observed that the Petitioner has stated that the said works are being transferred to A&G expenses with an allocation to respective units.

Accordingly, the Commission has shifted the said expenses to A&G Expenses and such works are listed at **Annexure - 6**. **The Commission cautions the Petitioner to avoid such instances of incorrect allocation of expenditure in future. The Petitioner is further directed not to undertake partial capitalisation of assets unless the same has been specifically approved by the Commission as part of a phased implementation.**

3.1.2.3.3.1.7 R&M Shifted to Additional Capitalisation

(1) Additional Capitalisation booked in R&M expenses but are Capital in Nature

The Petitioner vide its reply dated January 09., 026 has requested the Commission to consider Rs. 0.12 Crore against '110V, 250 Ah VRLA Battery Bank' in Khatima LHP as Additional Capitalisation expenses under Plant and Machinery for FY 2024-25 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**.

3.1.2.3.3.1.8 Inter-shifting

(1) Booking under Wrong Asset Class

During the scrutiny of Additional Capitalisation for FY 2024-25, it was also observed that the Petitioner had booked assets of 'Major Civil Works' under 'Plant & Machinery' / 'Hydraulic Works'. The Commission has shifted the following works accordingly.

Table 3.28: Booking under Wrong Asset Class

Sl. No.	Plant	Asset	Amount (Rs. Crore)
1.	MB-II	Restoration of damaged protection wall of barrage Reservoir at left bank of Bhagirathi River near Nigam parking at Joshiyara, Uttarkashi.	4.58
2.	Vyasi	1. Landscaping work at Hill Side of approach road of plunge pool at Left Bank of Vyasi Dam at Juddo. 2. Protection work at D/S of plunge pool at left bank of Vyasi Dam (Ch.230.00M to 290.00M D/S) Near Motor Bridge at Juddo.	3.06

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, deferred and shifted works have been mentioned in **Annexure-4 to Annexure-7** of this Order. The Plant-wise net-disallowance/deferment/shifting details of the same are as follows:

Table 3.29: Disallowed and Deferred claim of Additional Capitalisation for 11 LHPs in FY 2024-25 (Rs. Crore)

Generating Station	Net Add. Cap. Disallowance/deferment	Add. Cap. (Shifted to R&M)	Add. Cap. (Shifted to A&G)	Add. Cap. (Shifted from R&M)	Net Disallowance/Deferment
	(1)	(2)	(3)	(4)	(5=1+2+3-4)
Dhakrani	1.67	-	0.002	-	1.67
Dhalipur	9.64	-	0.003	-	9.65
Chibro	1.08	-	0.148	-	1.23
Khodri	0.76	1.68	0.075	-	2.52
Kulhal	0.34	-	0.002	-	0.34
Ramganga	-	-	0.012	-	0.01
Chilla	19.14	-	0.009	-	19.15
MB-I	2.42	-	0.006	-	2.42
Khatima	-	-	0.003	0.12	(0.12)
Sub-Total (9 LHPs)	35.06	1.68	0.26	0.12	36.88
MB-II	5.87	2.59	0.019	-	8.48
Vyasi	2.60	-	0.008	-	2.61
Total (11 LHPs)	43.53	4.27	0.29	0.12	47.97

3.1.2.3.4 De-capitalisation

The Commission, through its letter dated December 08, 2025, raised critical data gaps for the admission of the Petition. In response, the Petitioner vide its letter dated December 15, 2025 submitted the required details, including 'Form 6.9: Details of Assets De-capitalised during the Period'. Upon review, the Commission observed that the Petitioner in its Petition has claimed de-capitalisation and adjustments the same as per UERC Tariff Regulation, 2021.

Further, as discussed earlier in this Order, the Commission while interacting with the Petitioner observed that it has not carried out de-capitalisation against the assets replaced during FY 2024-25, thereby claiming tariff on both the new as well as the replaced assets. The Commission raised plant-wise queries with respect to the un-accounted De-capitalisation. The Petitioner vide reply dated 02.03.2026 submitted additional assets de-capitalised in compliance with UERC Regulation, 2021, against assets added in FY 2024-25 as details hereunder:

Table 3.30: Additional De-capitalisation for 11 LHPs submitted by the Petitioner

Generating Stations	Name of Assets De-Capitalised	Original value of assets (in Rs.)
Chibro	Mulsifyre System	8,22,700
	Modified guide bearing ring	9,16,000
	Hindustan Motors Ltd. (Tata Bus LP 1512)	9,91,906
	Hindustan Motors Ltd. (Tata Bus LP 1512)	9,91,906
	Mahendra & Mahendra Ltd. (Ambulance)	6,06,768
Chilla	Energy Meters	1,32,637
Total		44,76,655

Consequently, for the purpose of Truing-up for FY 2024-25, the Commission has considered the revised de-capitalisation of Rs. 12.10 Crore as shown in the table below. As the assets are not in use, the Commission has deducted the original cost of such asset from gross fixed asset and the corresponding loan as well as equity has been deducted from outstanding loan and the equity respectively in FY 2024-25.

Table 3.31: De-capitalisation for 11 LHPs approved by the Commission for FY 2024-25 (Rs. Crore)

Generating Stations	De-Capitalisation Claimed	Revised De-Capitalisation* Claimed	De-Capitalisation Approved
Dhakrani	4.11	4.11	4.11
Dhalipur	0.05	0.05	0.05
Chibro	0.25	0.68	0.68

**Table 3.31: De-capitalisation for 11 LHPs approved by the Commission for FY 2024-25
(Rs. Crore)**

Generating Stations	De-Capitalisation Claimed	Revised De-Capitalisation* Claimed	De-Capitalisation Approved
Khodri	0.12	0.12	0.12
Kulhal	0.03	0.03	0.03
Ramganga	1.00	1.00	1.00
Chilla	0.15	0.16	0.16
MB-I	0.09	0.09	0.09
Khatima	0.04	0.04	0.04
Sub-Total (9 LHPs)	5.84	6.28	6.28
MB-II	0.31	0.31	0.31
Vyasi	5.50	5.50	5.50
Total (11 LHPs)	11.65	12.10	12.10

*Additional De-capitalisation details submitted by the Petitioner of Rs. 0.45 Crore

3.1.2.3.5 Variation in the cost against the works approved by the Commission through separate Investment Approvals:

The Commission observed that various Investment Approval Orders were issued in the past and the actual cost has increased drastically against the estimated costs of DPR. The details of price variation claimed by the Petitioner for few civil works are as :

Table 3.32: 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
1	Refurbishment of Damaged Chilla Power Channel at different Places from Barrage head regular gate to Intake of Chilla PH	14.30	21.33	49%
2	Special repair of Glacis, Floor & End Sill of Virbhadra Barrage Rishikesh	15.39	25.99	69%

The Commission in its MYT Order dated 11.04.2025 specified:

“ ...

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.**

The Commission notes with concern the repeated non-compliance of its directions by the Petitioner. **The Petitioner is directed to ensure that all such claims including price variations vis-à-vis investment approval are supported with adequate justification and requisite documentary evidence. The Commission shall undertake a prudence check of these claims, as deemed appropriate, at the time of consideration.**

Further, **the Commission directs the Petitioner to adhere to the provisions of Regulation 22 of the UERC Tariff Regulations, 2024. The Petitioner shall, in the next Tariff Petition, clearly specify the relevant Clause and Sub-clause under which any claim towards Additional Capitalisation is being made.**

3.1.2.3.6 Approved Additional Capitalisation

The Commission in the MYT Order dated March 31, 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 2024-25 for 9 LHPs as shown below:

Table 3.33: Net Additional Capitalisation approved for 9 LHPs for FY 2024-25 (Rs. Crore)

Generating Station	Approved in Tariff Order dt. 28.03.2024	Claimed (with De-cap)	Approved in this Order*
Dhakrani	36.75	52.71	51.03
Dhalipur	9.83	37.70	28.05
Chibro	4.73	16.88	15.21
Khodri	2.37	8.15	5.63
Kulhal	2.62	5.08	4.73
Ramganga	0.00	8.10	8.09
Chilla	75.00	79.87	60.71
MB-I	77.59	10.60	8.18
Khatima	0.00	2.99	3.11
Total	208.88	222.07	184.74

*Including claim of Rs. 14.46 Crore against DRIP works & Rs. 47.85 Crore against RMU works included in Add. cap and considering shifting of expenses after prudence check of Add cap, R&M expenses, A&G expenses, De-capitalisation, Disallowances and Deferred expenses

B. Maneri Bhali-II (MB-II) LHP

The Commission in its Order dated March 28, 2024 approved the additional capitalisation of Rs. 50.84 Crore for FY 2024-25 towards DRIP-II works and was subject to a prudence check at the time of True-up.

The Commission sought details of work claimed by the Petitioner and observes that as against Rs. 50.84 Crore approved towards DRIP-II works, the actual additional capitalisation claimed under DRIP-II is NIL.

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 the safety of the Plant and delaying

such works may be catastrophic from the Plant's safety perspective. In this regard, the Petitioner submitted that the said works require 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 the 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 the 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.

The Petitioner has claimed additional capitalisation of Rs. 23.10 Crore in FY 2024-25. The Commission sought details of works carried out by the Petitioner, which were submitted by the Petitioner.

As also discussed earlier in this Order, the Commission, after scrutiny of the expenses has allowed net additional capitalisation for MB-II as Rs. 14.32 Crore.

The Commission has, accordingly, approved additional capitalisation for FY 2024-25 for MB-II LHP as shown below:

Table 3.34: Asset-wise Net Additional Capitalisation approved by the Commission for FY 2024-25 for MB-II (Rs. Crore)

Particulars of Assets	Approved in Order dt. 31.03.2022	Claimed (with De-cap)	Approved in this Order*
Land	50.84	-	-
Building		0.05	0.05
Major Civil Works		11.74	16.30
Plant & Machinery		10.92	(2.12)
Vehicles		0.08	0.08
Furniture and Fixtures		0.09	0.09
Office Equipment & Other Items		(0.02)	(0.02)
IT Equipment including Software		(0.07)	(0.07)
Total			22.79

**including claim of NIL against DRIP-II works, De-cap of Rs. 0.31 Crore in FY 2024-25 and considering shifting of expenses after prudence check of Add cap & R&M expenses, A&G expenses, De-capitalisation, Disallowances and Deferred expenses*

C. Vyasi LHP

The Commission vide its letter dated December 08, 2025, sought details from the Petitioner to ascertain whether the works proposed under Additional Capitalisation for FY 2024-25 are within the original scope or fall under the additional scope. The Petitioner vide reply dated February 20, 2026

submitted that the works executed are covered under Original Scope.

As also discussed earlier in this Order, the Commission, after scrutiny of the expenses has allowed net additional capitalisation for Vyasi LHP as Rs. 29.09 as these works are covered under Original Scope of works, only.

The Commission has, accordingly, approved additional capitalisation for FY 2024-25 for Vyasi LHP as shown below:

Table 3.35: Asset-wise Net Additional Capitalisation approved by the Commission for FY 2024-25 for Vyasi LHP (Rs. Crore)

Particulars of Assets	Approved in Order dt. 24.03.2025	Claimed	Approved in this Order*
Land	50.07	1.17	1.17
Building		1.12	1.12
Major Civil Works		(2.17)	6.26
Plant & Machinery		30.60	19.56
Vehicles		-	-
Furniture and Fixtures		0.67	0.67
Office Equipment & Other Items		0.39	0.39
IT Equipment including Software		(0.09)	(0.09)
Total			31.70

* including De-cap of Rs. 5.50 Crore in FY 2024-25 and considering shifting of expenses after prudence check of Add cap & R&M expenses, Disallowed and Deferred expenses

3.1.2.4 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 2023-24, 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 March 31, 2016 from the gross depreciable value of the assets. The Commission, further, computed the difference between the cumulative depreciation as on March 31, 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 the Tariff Order dated 28.03.2024 and as approved now by the Commission for FY 2024-25 after Truing-up is shown in the following Table:

Table 3.36: Depreciation approved for 9 LHPs after Truing-up of FY 2024-25 (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. 28.03.2024 for FY 2024-25	Approved now after Truing-up for FY 2024-25	Approved in Order dt. 28.03.2024 for FY 2024-25	Approved now after Truing-up for FY 2024-25	Approved in Order dt. 28.03.2024 for FY 2024-25	Claimed by the Petitioner in FY 2024-25	Approved now after Truing-up for FY 2024-25
Dhakrani	-	-	2.34	2.12	2.34	2.76	2.12
Dhalipur	-	-	8.95	6.39	8.95	10.74	6.39
Chibro	-	-	6.69	5.90	6.69	7.47	5.90
Khodri	-	-	2.76	6.06	2.76	3.13	6.06
Kulhal	-	-	2.74	7.80	2.74	3.07	7.80
Ramganga	-	-	2.68	3.01	2.68	3.69	3.01
Chilla	-	-	11.06	6.67	11.06	9.38	6.67
MB-I	-	-	11.73	8.82	11.73	15.98	8.82
Khatima	-	-	8.53	9.32	8.53	9.59	9.32
Total	-	-	57.49	56.08	57.49	65.81	56.08

B. Maneri Bhali-II

As discussed earlier, the Commission has worked out the additional capitalisation for FY 2024-25 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 2024-25 in accordance with the UERC Tariff Regulations, 2021. 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.

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 2024-25 for MB-II on the approved Capital Cost as on CoD of Rs. 1885.50 Crore along with the additional capitalisation of Rs. 452.45 Crore approved up to FY 2023-24.

Accordingly, the Commission in this Order has Trued-up the depreciation for FY 2024-25 as follows:

Table 3.37: Depreciation for MB-II for FY 2024-25 (Rs. Crore)

Particulars	Approved in Order dt. 28.03.2024	Claimed	Approved now after Truing-up
Depreciation	47.80	54.31	48.46

C. Vyasi LHP

The Commission has computed the depreciation for FY 2024-25 in accordance with the UERC Tariff Regulations, 2021 considering the Capital Cost as on CoD of Rs. 1632.51 along with the additional capitalisation of Rs. 85.06 Crore approved up to FY 2023-24.

Accordingly, the Commission in this Order has approved the depreciation for FY 2024-25 as follows:

Table 3.38: Depreciation for Vyasi LHP for FY 2024-25 (Rs. Crore)

Particulars	Approved in Order dt. 24.03.2025	Claimed	Approved now after Truing-up
Depreciation	87.14	87.27	87.14

3.1.2.5 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 September 14, 2006 (Appeal No. 189 of 2005) and detailed in the Commission's Order dated March 14, 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 an 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 2024-25, 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 Commission has continued with its earlier approach and accordingly, 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 a rate of return shall be allowed only on equity infused in works that are part of the original scope of works and have been executed prior to the cut-off date and on equity infused in 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 9.81% for Khatima LHP, 9.31% 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 capitalisation incurred on account of a Change in Law. The Petitioner vide its reply dated February 13, 2026 has

submitted the data for the past years. As considered in the Tariff Order dated April 11, 2025, 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 January 14, 2000. Equity infused on additional capitalisation post January 14, 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 the cut-off date has been considered to be part of the 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 pertain to dam rehabilitation.
4. As the details of works incurred on account of Change in Law has been provided by the Petitioner on February 13, 2026, RoE at 15.50% or 16.50%, as applicable has been allowed on the equity component towards those assets.
5. Rate of RoE infused on all other works has been computed at WAROI.

The summary of the Return on Equity approved for 9 LHPs for FY 2024-25 is shown in the Table given below:

Table 3.39: Equity and Return on Equity for Nine Old LHPs for FY 2024-25 (Rs. Crore)

Generating Station	RoE approved in Order dt. 28.03.2024 for FY 2024-25	Claimed by the Petitioner		Approved now after Truing-up for FY 2024-25*		
		Opening Equity	RoE	Opening Equity (Transferred Asset+RMU+DRIP)*	Opening Equity (Others)	Total RoE
Dhakrani	1.79	16.51	2.04	7.30	9.20	2.03
Dhalipur	8.83	63.02	9.77	35.48#	10.23	7.08
Chibro	8.54	63.63	8.31	33.87	29.76	8.44
Khodri	5.55	39.29	5.50	25.94	13.35	5.65
Kulhal	2.66	19.38	2.61	13.20	6.18	2.67
Ramganga	3.97	33.68	4.19	15.00	18.68	4.22
Chilla	14.45	81.75	10.77	51.72	30.02	10.87
MB-I	17.63	96.32	15.89	59.07	15.76	12.35
Khatima	7.44	54.93	8.07	46.69	8.24	8.05
Total	70.86	468.51	67.15	288.26	141.42	61.34

#after adjustment of Rs. 17.32 Crore due to revision in actual funding of RMU

* Including De-cap adjustments in FY 2023-24 and the Equity component of Add. Cap under Change-in-law

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 is 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 that the amount of income tax to be recovered from beneficiaries may kindly be allocated in the Tariff Order itself after a prudence check.

With regard to the 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 2024-25.

The Commission is of the view that Regulation 34 of UERC Tariff Regulations, 2021 allows recovery of actual Tax paid subject to the 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 (MB-II) LHP

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 April 05, 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 the PDF fund for reasons recorded in the previous Tariff Orders. However, Hon'ble APTEL vide

its Judgement dated July 19, 2024 (in Appeal no 215 of 2016, Appeal no 283 of 2016 and Appeal no 139 of 2018) has allowed RoE from Power Development Fund (PDF).

In compliance with the directions of the Hon'ble APTEL, the Commission, in its Tariff Order dated April 11, 2025, has allowed RoE on PDF. In view of the same, the Commission has allowed RoE on total equity including that funded through PDF.

The Commission, as discussed earlier, has allowed return of 16.50% on equity infused on works that are part of the original scope of works and have been completed within the cut-off date i.e., by March 31, 2009. Similar to the approach considered for 9 LHPs, DRIP works were executed in the case of MB-II till March 31, 2023 which 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 March 31, 2009 till March 31, 2024 has been allowed at WAROI @ 9.88% except for those works that have been incurred on account of Change in Law, details of which has now been provided by the Petitioner on February 13, 2026. For works that have been carried out due to a Change in law RoE at the rate of 16.50% has been allowed.

As discussed above, against the 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 3.40: Opening Equity approved by the Commission for MB-II for FY 2024-25 (Rs. Crore)

Particulars	Claimed	Approved Opening Equity (Original Scope + DRIP)*	Approved Opening Equity (Others)
Opening Equity	686.20	576.11	110.09

*Including De-cap adjustments in FY 2023-24 and Equity component of Add. Cap under Change-in-law

The Commission on account of the financing of the additional capitalisation for FY 2023-24 has revised the RoE allowed for FY 2024-25 as shown below:

Table 3.41: RoE approved for MB-II for FY 2024-25 (Rs. Crore)

Particulars	Approved in Tariff Order dt. 28.03.2024	Claimed	Approved now after Truing-up
RoE	46.40	106.14	105.94

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 March 31, 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 2023-24 in its Order dated April 11, 2025 as the Opening Equity for FY 2024-25 and is as shown in the following table:

Table 3.42: Opening Equity approved by the Commission for Vyasi LHP for FY 2024-25 (Rs. Crore)

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

*after adjusting SAS funding of Rs. 39.93 Crore in Tariff Order dated 11.04.2025

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 3.43: RoE approved for Vyasi LHP for FY 2024-25 (Rs. Crore)

Particulars	Approved in Tariff Order dt. 24.03.2025	Claimed	Approved now after Truing-up
RoE	82.15	82.15	82.15

3.1.2.6 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, had submitted a copy of the letter dated March 12, 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 capitalising 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 2025-26 the actual capitalisation carried out by UJVN Ltd. for 9 LHPs during April 2025 to September 2025 is Rs. 55.43 Crore as against the total estimated capitalisation of Rs. 246.35 Crore which is 23% of total capitalisation implying 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 the average repayment. Accordingly, the Commission has considered the interest rate of 9.81% for Khatima, 7.39% for MB-I, 6.61% for Dhalipur and 7.32% for the other 6 LHPs (including DRIP loan and SAS loan).

Further, as per the submissions of the Petitioner, it is observed that the assets de-capitalised by the Petitioner in FY 2024-25 for Ramganga, Chibro and Head Quarters were fully depreciated whereas assets de-capitalised for Dhakrani and Chilla were partially depreciated. As partially depreciated asset wherein the accumulated depreciation recovered is lower than the debt funding, necessary adjustment in opening loan balances is required. Accordingly, for normative loan calculation, i.e., 70% of asset value, less cumulative depreciation which was Rs. 0.20 Crore and Rs. 0.008 Crore have been adjusted in the case of Dhakrani & Chilla LHP respectively.

The opening/closing loan for FY 2024-25 for 9 LHPs as considered by the Commission is shown in the Table below:

Table 3.44: Opening/Closing Loan considered for FY 2024-25 for 9 LHPs (Rs. Crore)

Particulars	Opening Loan	Loan For Asset Capitalised	Repayment	Closing Loan
Dhakrani	35.13	38.43	2.12	71.45
Dhalipur	148.19#	19.73	6.39	161.53
Chibro	67.18	11.74	5.90	73.02
Khodri	20.38	4.33	6.06	18.65
Kulhal	31.26	3.36	7.80	26.82
Ramganga	27.64	6.36	3.01	31.00
Chilla	103.75	43.02	6.67	140.10
MB-I	214.36*	5.79	8.82	211.33
Khatima	69.88	2.20	9.32	62.76
Total	717.76	134.96	56.08	796.64

#after adjustment of Rs. 17.32 Crore due to revision in actual funding of RMU

*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 2024-25 for the 11 LHPs (9 old LHPs, MB-II LHP and Vyasi LHP) were submitted by the Petitioner vide reply dated December 29, 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 2024-25 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., Dhakrani) and adjusting the loan repayment on de-capitalised assets. The same is shown in the Table below:

Table 3.45: Interest on Loan as approved for 9 LHPs for FY 2024-25 (Rs. Crore)

Generating Station	Approved in Tariff Order dt. 28.03.2024	Interest Claimed	Interest Approved
Dhakrani	2.74	4.75	3.69
Dhalipur	8.21	12.92	9.59
Chibro	4.44	6.32	4.70
Khodri	1.48	2.30	1.27
Kulhal	2.48	3.36	2.00
Ramganga	1.22	2.64	1.91
Chilla	10.35	11.58	7.35
MB-I	15.91	17.80	15.51
Khatima	5.13	6.24	6.40
Total	51.97	67.90	52.43

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 (MB-II) LHP

The Commission has considered the Capital Cost of Maneri Bhali-II as on CoD and the financing thereof as approved in Tariff Order dated April 11, 2025. 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. 148.09 Crore for closing normative loan for FY 2023-24 in addition to the PFC loan.

The details of interest rebate on timely payments received on loans pertaining to MB-II LHP for FY 2024-25 were submitted by the Petitioner vide reply dated December 29, 2025 with a rebate of Rs. 0.16 Crore on account of timely payments.

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

For calculating the interest expense for FY 2024-25, the Commission has computed the weighted average rate of interest as per the methodology specified above and has considered interest rate of 9.88% for MB-II.

The Opening/Closing loan for FY 2024-25 for MB-II considered by the Commission is shown in the Table below:

Table 3.46: Opening/Closing Loan considered for MB-II for FY 2024-25 (Rs. Crore)

Particulars	PFC Loan	GoU Loan	DRIP Loan	Normative Loan
Opening Loan	317.10	21.56	22.33	48.43
Addition	-	-	-	10.24
Repayment	37.54	2.55	2.64	5.73
Closing loan	279.56	19.00	19.68	52.94

The Commission based on the approved capital cost and the opening and closing loan including the normative loan for MB-II as on March 31, 2025 has computed the interest expenses for FY 2024-25 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 2024-25 equal to the depreciation allowed for the year.

Also, the Commission has adjusted the rebate received by the Petitioner for FY 2024-25 as per the methodology followed by the Commission in the Order dated April 11, 2025.

Based on the above considerations and the UERC Tariff Regulations, 2021, the Commission has calculated the interest expenses for MB-II for FY 2024-25 as shown in the Table below:

Table 3.47: Interest on Loan as approved for MB-II for FY 2024-25 (Rs. Crore)

Particulars	Approved in Order dt. 28.03.2024	Claimed	Approved now after Truing-up
Interest on Loan	33.98	39.54	36.08

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, 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 2024-25, the Commission has computed the weighted average rate of interest as per the methodology specified above and has considered interest rate of 9.22% for Vyasi LHP excluding loans received under SAS Scheme.

The Opening loan for FY 2024-25 has been considered to be equal to the closing loan value as approved by the Commission in its Order dated April 11, 2025. The statement of loan for Vyasi LHP considered by the Commission is as shown in the Table below:

Table 3.48: Opening/Closing Loan considered for Vyasi LHP for FY 2024-25 (Rs. Crore)

Particulars	Normative Loan	SAS Loan
Opening Loan	943.03	116.92
Addition	20.45	-
Repayment	77.53	9.61
Closing loan	886.04	107.31

The Commission based on the approved capital cost and the opening and closing loan including the normative loan for Vyasi LHP as on March 31, 2025 has computed the interest expenses for FY 2024-25 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 2024-25 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 2024-25 as shown in the Table below:

Table 3.49: Interest on Loan as approved for Vyasi LHP for FY 2024-25 (Rs. Crore)

Particulars	Approved in Order dt. 24.03.2025	Claimed	Approved now after Truing-up
Interest on Loan	97.61	94.72	83.36

3.1.2.7 Operation & Maintenance (O&M) Expenses

A. Truing-up of O&M Expenses for FY 2024-25 (9 LHPs)

The Petitioner submitted that O&M expenses for FY 2024-25 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 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 2024-25.

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 which were duly certified by Statuary Auditor vide reply dated January 09, 2026.

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 2024-25, the Commission has escalated the normative expenses of FY 2023-24. The Commission for the purpose of escalation has considered the following escalation rates.

Table 3.50: Escalation Rates as considered by the Commission for FY 2024-25

Particulars	FY 2024-25
CPI Inflation	5.46%
WPI Inflation	7.23%

Further, for the purpose of arriving at employee expenses for FY 2024-25, the Commission has considered the value of Growth Factor 'Gn' on the basis of actual details of recruitment provided by the Petitioner. Further, the Commission has considered the 'k' factor for R&M expenses as approved in the MYT Order dated March 31, 2022.

3.1.2.7.1 Employee Cost for 9 LHPs

The Commission has considered the same approach for computation of employee expenses for FY 2024-25 as considered by it in the Tariff Order dated April 11, 2025.

With regard to calculation for 'Gn', the Commission observed that the opening number of employees for FY 2024-25, i.e. 1446 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 3.51: Growth Factor 'Gn' considered for FY 2024-25

Particulars	FY 2024-25
Opening No. of Employees (Pertaining to HQ & 10 LHPs)	1446
Employee Addition (Pertaining to HQ & 10 LHPs)	40
Retirement/Internal Transfers/Etc. (Pertaining to HQ & 10 LHPs)	71
Closing Balance (Pertaining to HQ & 10 LHPs)	1415
Gn	0.00%

It is also observed that the Petitioner has included interest on GPF trust liabilities amounting to Rs. 2.17 Crore as part of employee expenses. With regard to the employee expenses for FY 2024-25, the Commission has considered the actual employee expenses for FY 2024-25 without any sharing of gains and losses after disallowing GPF trust interest in line with the ruling of the Commission in the MYT Order dated 24.02.2019

Further, the Commission observed that the Petitioner has claimed 'Bonus/Ex-gratia and Incentives' under Employee Cost. The Commission sought justification from the Petitioner as to whether any incentive has been claimed under the said head along with the respective amount. The Petitioner vide reply dated 13.02.2026 submitted details of incentives amounting to Rs. 14.75 Lakh booked under CPO and Rs. 0.75 Lakh booked under Chilla LHP. Accordingly, the Commission revised the employee expenses after excluding the incentives. The details of items disallowed from A&G expenses in FY 2024-25 are listed in **Annexure-8**

A summary of the employee expenses claimed and approved by the Commission for FY 2024-25 as per apportionment philosophy approved in Tariff Order dated April 11, 2025 is shown in the Table below:

Table 3.52: Employee Expenses approved and claimed for 9 LHPs for FY 2024-25 (Rs. Crore)

Generating Stations	Approved in Tariff Order dt. 28.03.2024	Claimed	Approved Actual Expenses*
Dhakrani	13.68	15.47	15.39
Dhalipur	13.82	12.21	12.10
Chibro	51.06	43.46	42.91
Khodri	25.21	23.57	23.30
Kulhal	10.63	9.89	9.82
Ramganga	35.25	29.85	29.40
Chilla	38.80	38.45	38.12
MB-I	30.82	23.33	23.13
Khatima	14.11	13.04	12.94
Total	233.38	209.27	207.10

*Excluding the GPF trust interest excluding incentives of Rs. 0.16 Crore

3.1.2.7.2 Repairs and Maintenance Expenses for 9 LHPs

The Commission in its MYT Order dated 31.03.2022 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 3.53: K-Factor as considered by the Commission in MYT Order dated 31.03.2022

Generating Stations	Average of 3 years
Dhakrani	29%
Dhalipur	17%
Chibro	12%
Khodri	14%
Kulhal	22%
Ramganga	9%
Chilla	10%
MB-I	5%
Khatima	3%

The Commission vide its MYT 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 2024-25.

The Commission in its MYT 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 2024-25.

As considered in FY 2023-24, the K-factor of Dhalipur LHP, post RMU has been considered as 3% as approved by the Commission for DRIP works in its MYT Order dated 31.03.2022.

For computing the R&M expenses for FY 2024-25, the Commission has multiplied the 'K' Factor as given above with the opening GFA approved for FY 2024-25. The Commission observed that the actual expenses claimed by the Petitioner include the expenses on account of the implementation of ERP, and the normative O&M Expenses approved for the Fourth Control Period in MYT Order dated 31.03.2022 included the GFA on account of ERP. Accordingly, the Commission has adjusted the opening GFA for FY 2024-25 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 Chilla LHPs were under shutdown in FY 2024-25 for RMU works and proportionate R&M for balance Units under operations have been allowed.

The Commission has revised the WPI Inflation for FY 2024-25 based on the WPI Indices for the preceding three years and, accordingly, approved the WPI Inflation of 7.23% for FY 2024-25.

3.1.2.7.2.1 Transfer of R&M expenses to Additional capitalisation

The Commission has shifted work amounting to Rs. 0.12 Crore from R&M expenses to Additional Capitalisation of Khatima LHP for FY 2024-25 as shown in **Annexure-7** and is also discussed in the section for Additional Capitalisation of this Chapter.

3.1.2.7.2.2 Disallowance of R&M expenses

As discussed earlier in the section for Additional Capitalisation, the Commission has not allowed expenditures incurred by UJVN Ltd. against the transmission and distribution assets to be maintained by PTCUL/UPCL. Hence, the Commission has also disallowed R&M expenditure as shown at **Annexure -9(A)**, amounting to Rs. 1.06 Crore pertaining to transmission/distribution assets at Chilla, Khatima, Khodri, Dhakrani and Kulhal LHP.

3.1.2.7.2.3 Transfer of Additional capitalisation to R&M expenses

As discussed earlier in the section for Additional Capitalisation under Section for 'Shifted to R&M Expenses' the Commission has shifted work amounting to Rs. 1.68 Crore from Additional Capitalisation to R&M expenses of Khodri LHP for FY 2024-25.

Accordingly, the Commission has Trued-up the normative R&M expenses for FY 2024-25 as shown in the Table below:

Table 3.54: R&M Expenses approved for 9 LHPs for FY 2024-25 (Rs. Crore)

Generating Stations	Approved in Order dt. 28.03.2024	Claimed	Net Disallowance and Shifting of Expenses	Adjusted R&M Expenses	Revised norms for FY 2024-25
		(1)	(2)	(3=1+2)	
Dhakrani	3.76	4.91	(0.36)	4.56	4.52
Dhalipur	6.34	5.67	-	5.67	6.71
Chibro	22.78	24.44	-	24.44	23.90
Khodri	16.84	12.15	1.60	13.75	17.76
Kulhal	9.12	8.63	(0.12)	8.51	9.82
Ramganga	8.79	8.95	-	8.95	9.90
Chilla	20.05	26.86	(0.37)	26.49	20.48
MB-I	8.06	12.74	-	12.74	8.55
Khatima	6.76	4.55	(0.24)	4.31	7.38
Total	102.50	108.91	0.51	109.42	109.02

3.1.2.7.3 Administrative & General Expenses for 9 LHPs

The Commission, in its Order dated 28.03.2024 on approval of AFC for FY 2024-25 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 2024-25 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 2024-25 for the purpose of sharing have been arrived by escalating the normative A&G expenses for FY 2023-24 with the revised WPI escalation rate of 7.23% after excluding Petition filing fees, actual insurance expenses paid, ERP expenses 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. 1.22 Crore for 9 LHPs in accordance with the approach adopted in previous Tariff Orders as detailed at **Annexure-9(B)**.

The A&G expenses approved by the Commission for FY 2024-25 are as shown in the Table given below:

Table 3.55: A&G Expenses approved for 9 LHPs for FY 2024-25 (Rs. Crore)

Generating Stations	Approved in Tariff Order dt. 28.03.2024	Claimed#	Revised norms for FY 2024-25
Dhakrani	2.72	4.93	2.72
Dhalipur	2.61	3.01	2.60
Chibro	9.77	10.13	9.74
Khodri	6.30	7.63	6.28
Kulhal	2.40	3.55	2.40
Ramganga	6.70	8.55	6.68
Chilla	6.80	5.67	6.78
MB-I	4.57	11.72	4.56
Khatima	2.15	2.97	2.14
Total	44.02	58.15	43.90

#excluding, claimed adjustments of Rs. 0.29 Crore

The Petitioner under the A&G expenses has included expenses of Rs. 3.67 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. 2.18 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 2024-25.

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 MYT Order dated 31.03.2022 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.

3.1.2.7.4 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 has been carried out for O&M expenses.

The Petitioner has submitted the actual O&M expenses of Rs. 376.33 Crore including interest on GPF trust of Rs. 2.17 Crore. Further, the Petitioner has claimed O&M expenses as Rs. 362.65 Crore after sharing of gains and losses as per UERC Tariff Regulations, 2021.

As discussed in the above paragraphs, the Employee expenses excluding interest on GPF Trust of Rs. 2.17 Crore and Incentives of Rs. 0.16 Crore for FY 2024-25 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 (1) disallowances as discussed in previous section for R&M expense, (2) additions as discussed in Additional Capitalisation section for A&G expense, (3) excluding the actual Petition filing fee of Rs. 1.43 Crore, (4) Expenses pertaining to ERP of Rs. 2.18 Crore, (5) Insurance

expense of Rs. 14.83 Crore, (6) Security expenses of Rs. 14.09 Crore and (7) CSR expenses of Rs. 1.22 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. 32.53 Crore has been included on an actual basis and added in the Net O&M Entitlement of the Petitioner for FY 2024-25.

Accordingly, the Commission has approved the total O&M expenses for FY 2024-25 after sharing of gains and losses as shown in the Table below:

Table 3.56: O&M Expenses approved for 9 LHPs for FY 2024-25 (Rs. Crore)

Generating Stations	Approved in Tariff Order dt. 28.03.2024	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	20.16	25.31	15.39	7.59	5.72	(1.88)	6.34	23.58
Dhalipur	22.77	20.90	12.10	6.65	7.70	1.05	7.35	21.41
Chibro	83.61	78.02	42.91	27.98	28.47	0.49	28.31	77.49
Khodri	48.35	43.35	23.30	16.18	20.39	4.21	18.98	47.33
Kulhal	22.16	22.07	9.82	9.96	10.63	0.66	10.40	22.28
Ramganga	50.75	47.35	29.40	12.28	12.79	0.50	12.62	46.98
Chilla	65.65	70.98	38.12	27.39	23.49	(3.90)	24.79	67.50
MB-I	43.45	47.80	23.13	20.03	10.30	(9.73)	13.55	40.99
Khatima	23.01	20.56	12.94	5.77	8.32	2.55	7.47	21.87
Total	379.90	376.33	207.10	133.84	127.80	(6.04)	129.82	369.44

*post Disallowances of GPF Trust

[#]shifting from R&M to Add. Cap and shifting from Add. Cap. to A&G

[¥]excluding incentives of Rs. 0.16 Crore

B. O&M Expenses for Maneri Bhali-II (MB-II) LHP

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 2024-25, the Commission, as discussed earlier, has considered the actual employee expenses for FY 2024-25 without any sharing of gains and losses after disallowing GPF trust interest as per the new apportionment philosophy of Rs. 0.70 Crore in line with the ruling of the Commission in the MYT Order dated 24.02.2019 and without sharing of gain & losses on apportioned Incentive adjusted in Bonus/Ex-gratia.

For computing the normative R&M expenses for FY 2024-25, the Commission has multiplied the K Factor as approved in MYT Order dated March 31, 2022 with the opening GFA approved for FY 2024-25. The Commission has considered the average increase in WPI for the preceding three years which computes to 7.23%.

For computing the normative A&G Expenses for FY 2024-25, the Commission has considered the normative A&G expenses for FY 2023-24 and escalated the same with the revised WPI escalation rate of 7.23% after excluding Petition filing fees, security expenses, ERP and actual insurance expenses incurred in FY 2024-25. Thereafter, as per the approved apportionment philosophy, the actual expenses in FY 2024-25 i.e., Insurance expenses of Rs. 6.18 Crore, Petition filing fees of Rs. 0.37 Crore, Security expenses of Rs. 3.84 Crore, ERP expenses of Rs. 0.70 Crore has been added to the normative expenses.

As discussed above for 9 LHPs, with regard to the 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 the approved apportionment philosophy amounting to Rs. 0.39 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 3.57: Normative O&M Expenses as approved for MB-II Station for FY 2024-25 (Rs. Crore)

Particulars	Approved in Order dt. 28.03.2024	Claimed	Normative O&M Expenses
Employee Expenses	35.60	43.01	33.52
R&M Expenses	23.03	29.99	22.99
A&G Expenses	14.88	15.98	14.81
Total O&M	73.51	88.98	71.33

Further, the UERC Tariff Regulations, 2021 provides for the 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 Insurance Expense of Rs. 6.18 Crore, Petition filing fee of Rs. 0.37 Crore, Security Expenses of Rs. 3.84 Crore, Expenses pertaining to ERP of Rs. 0.70 Crore and actual Employee expenses after disallowing GPF interest of Rs 0.70 Crore for FY 2024-25 have been allowed on actual basis and added in the Net O&M Entitlement as shown in Table below:

Table 3.58: O&M Expenses approved after sharing of gains and losses for FY 2024-25 (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)					
O&M Expenses of MB-II	88.98	42.32	37.09	27.41	(9.68)	(6.45)	30.63	84.05

*Excluding the GPF trust interest

#shifting from R&M to Add. Cap., shifting from Add. Cap. to R&M and shifting from Add. Cap. to A&G

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 MWW 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 2024-25 and have been computed considering 4% of capital cost as provided under the Regulation.

The Commission has approved normative O&M expenses for FY 2022-23 considering 4% of capital cost and after excluding costs incurred towards R&R in its Order dated 24.03.2025. The Commission has escalated the O&M expenses approved for FY 2023-24 in the Tariff Order dated 11.04.2025 of Rs. 67.85 Crore with inflation rate of 6.43% to work out the normative O&M expenses for FY 2024-25 as Rs. 72.21 Crore.

Further, similar to approach considered in 9 LHP and MB-II, as per new apportionment philosophy the expenses allocated to Vyasi LHP such as Interest on GPF of Rs. 0.28 Crore has been disallowed in Employee Expenses; a CSR expenses of Rs. 0.15 has been disallowed in A&G Expenses.

Further, as discussed earlier in the Additional capitalisation section, an expense of Rs. 0.08 Crore has been shifted from Additional Capitalisation to A&G Expenses. Also, during plant-wise discussions the Commission observed that the Petitioner claimed an A&G expenses of Rs 50,000, and Rs 2,00,000 against 'Payment of sponsorship to Binhar Gramya Samiti, Hathiyari' sponsorship to Binhar Gramya Samiti, Hathiyari' and 'Payment to shahid suresh tomar sports and cultural Programme, Juddo', respectively. The Petitioner submitted a clarification on the same vide reply dated 20.02.2026 that these works were not of the nature of CSR so the same were taken in A&G expenses and it was a financial support for the sports and other events. The Commission is of the view that such expenses are not related to activities required to operate and maintain LHPs and therefore, the consumers of the State should not be burdened with such an expense and therefore, the same has been disallowed.

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 2024-25, the Commission has carried out the sharing of gain and loss based on actual expenses. The O&M expenses as trued up for FY 2024-25 are as shown in the Table below.

Table 3.59: Normative O&M Expenses as approved for Vyasi LHP for FY 2024-25 (Rs. Crore)

Particulars	Approved in Order dt. 24.03.2025	Claimed	Approved
Normative O&M Expenses		70.46	72.21
Actual O&M Expenses		48.95	48.49
Efficiency Gain/(Loss)	70.46	21.51	23.72
Sharing (2/3 rd) of Gain		14.34	15.81
Net O&M Entitlement		63.29	64.30

3.1.2.8 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 a normative basis. The rate of interest considered by the Petitioner for computing interest on working capital for FY 2024-25 is 12.07%.

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.

....”

3.1.2.8.1 One Month O&M Expenses

The Commission has Trued-up the Plant-wise annual O&M expenses for FY 2024-25. 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.

3.1.2.8.2 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 2024-25.

3.1.2.8.3 Receivables

The UERC Tariff Regulations, 2021 envisages receivables equivalent to two months of fixed charges for the 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 2024-25.

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 2024-25 was filed in FY 2023-24, 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. 8.57% plus 350 basis points for computing the Interest on Working Capital.

Accordingly, the normative Interest on Working Capital for FY 2024-25 as approved by the Commission is shown in the Table below:

Table 3.60: Interest on Working Capital for 9 LHPs for FY 2024-25 (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. 28.03.2024	Claimed	Normative Approved
Dhakrani	1.97	3.54	5.26	10.76	1.05	1.44	1.30
Dhalipur	1.78	3.21	7.31	12.31	1.53	1.72	1.49
Chibro	6.46	11.62	15.80	33.88	4.21	4.30	4.09
Khodri	3.94	7.10	9.97	21.01	2.41	2.36	2.53
Kulhal	1.86	3.35	5.85	11.06	1.17	1.27	1.33
Ramganga	3.91	7.05	9.06	20.02	2.48	2.55	2.42
Chilla	5.64	10.14	15.35	31.13	3.70	4.15	3.75
MB-I	3.42	6.15	12.95	22.51	2.86	3.37	2.72
Khatima	1.84	3.31	7.65	12.76	1.46	1.50	1.54
Total	30.80	55.44	89.20	175.44	20.87	22.66	21.16

Further, the UERC Tariff Regulations, 2021 provides for the 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 09.01.2026 the Petitioner submitted interest on overdraft amount drawn of Rs. 4.75 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 the approved apportionment philosophy as Rs. 2.82 Crore for 9 LHPs. As the actual interest on working capital incurred by the Petitioner i.e., Rs. 2.82 Crore for FY 2024-25 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 3.61 Interest on Working Capital for 9 LHPs for FY 2024-25 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)
Dhakrani	0.10	1.30	1.20	0.40	0.90
Dhalipur	0.15	1.49	1.33	0.44	1.04
Chibro	0.71	4.09	3.37	1.12	2.96
Khodri	0.36	2.53	2.18	0.73	1.81
Kulhal	0.09	1.33	1.24	0.41	0.92
Ramganga	0.59	2.42	1.83	0.61	1.81
Chilla	0.43	3.75	3.32	1.11	2.64
MB-I	0.27	2.72	2.45	0.82	1.90
Khatima	0.12	1.54	1.42	0.47	1.07
Total	2.82	21.16	18.34	6.11	15.05

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 3.62: Interest on Working Capital for MB-II as approved for FY 2024-25 (Rs. Crore)

Particulars	Approved in Order dt. 28.03.2024	Claimed	Normative Approved
Interest on Working Capital	5.84	8.49	7.88

As discussed above, with regard to actual interest on working capital, the Petitioner vide its submission dated 09.01.2026 submitted interest on overdraft amount drawn of Rs. 4.75 Crore for

Salary, O&M expenses and Interest Payments against Loans. The Commission has, accordingly, considered the same along with apportioned interest on the overdraft amount drawn of Rs. 4.75 Crore in UJVN Ltd. i.e., Rs. 0.90 Crore for MB-II LHP. As the actual interest on working capital incurred by the Petitioner i.e., Rs. 0.90 Crore for FY 2024-25 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 2024-25 is as given in the Table below:

Table 3.63: Interest on Working Capital for MB-II for FY 2024-25 after sharing of gains (Rs. Crore)

Particulars	Actual	Normative	Efficiency gain/(loss)	Rebate in Tariff	Net Entitlement
	(A)	(B)	(C)=(B)-(A)	(D)=1/3×(C)	(E)=(B)-(D)
Interest on Working Capital	0.90	7.88	6.98	2.33	5.55

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 3.64: Interest on Working Capital for Vyasi LHP as approved for FY 2024-25 (Rs. Crore)

Particulars	Approved in Order dt. 24.03.2025	Claimed	Normative Approved
Interest on Working Capital	8.92	7.83	8.25

As discussed above, with regard to actual interest on working capital, the Petitioner vide its submission dated 09.01.2026 submitted interest on overdraft amount drawn of Rs. 4.75 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. 0.36 Crore for Vyasi LHP as discussed above. As the actual interest on working capital incurred by the Petitioner i.e. Rs. 0.36 Crore for FY 2024-25 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 2024-25 is as given in the Table below:

Table 3.65: Interest on Working Capital for Vyasi LHP for FY 2024-25 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	0.36	8.25	7.89	2.63	5.62

3.1.2.9 Annual Fixed Charges for Nine LHPs for FY 2024-25

Based on the above analysis, the Commission has worked out the approved figures of Gross AFC for FY 2024-25 after Truing-up. The summary of Gross AFC for FY 2024-25 is as shown in the Table below:

Table 3.66: Summary of approved AFC for 9 LHPs for FY 2024-25 (Rs. Crore)

Generating Stations	Approved in Order dt. 28.03.2024	AFC Claimed*	AFC Approved after Truing-up of FY 2024-25					Gross Annual Fixed Cost
			Depreciation	RoE	Interest on loan	O&M expenses*	Interest on Working Capital*	
Dhakrani	28.08	34.06	2.12	2.03	3.69	23.58	0.90	32.32
Dhalipur	50.29	56.23	6.39	7.08	9.59	21.41	1.04	45.52
Chibro	107.49	103.07	5.90	8.44	4.70	77.49	2.96	99.49
Khodri	60.55	58.89	6.06	5.65	1.27	47.33	1.81	62.11
Kulhal	31.21	31.94	7.80	2.67	2.00	22.28	0.92	35.67
Ramganga	61.10	59.07	3.01	4.22	1.91	46.98	1.81	57.92
Chilla	105.20	103.07	6.67	10.87	7.35	67.50	2.64	95.03
MB-I	91.59	92.95	8.82	12.35	15.51	40.99	1.90	79.57
Khatima	45.58	46.88	9.32	8.05	6.40	21.87	1.07	46.70
Total	581.09	586.17	56.08	61.34	52.43	369.44	15.05	554.34

*after sharing of gain/losses

3.1.2.10 Non-Tariff Income

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 contractors 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 2024-25 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 2024-25.

With regards to Interest earned on FD, the Petitioner was directed to substantiate that fixed deposits were made through Return on Equity allowed by the Commission. The Commission vide letter dated 08.12.2025 and vide TVS letter dated 13.01.2026 raised additional deficiency and directed the Petitioner to submit the details of interest earned on fixed deposits out of Investment from RoE in FY 2024-25 duly certifying the same by its Statuary Auditor. The Petitioner submitted the same vide letter dated 29.12.2025 and 20.01.2026 respectively.

The Commission analysed the submissions and observed that even though the Petitioner was unable to achieve a positive net Cash Flow in FY 2024-25 i.e., Rs. (191.04) Crore whereas the Deposit Accounts saw an increase from Rs. 274.19 Crore to Rs. 292.64 Crore.

The Commission, in its Order dated 28.03.2024 had approved a 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.

...”

Accordingly, the Commission has computed Net Cash availability with the Petitioner for FY 2024-25 in the Table below:

Table 3.67: Non-Tariff Income computation for recovery for 11 LHPs for FY 2024-25 (Rs. Crore)

Particulars	FY 2024-25
Net Cash availability	(191.04)
Deposits Account's Balance	292.64
Net Cash availability / Deposits Account's Balance	(0.65)
Interest from FDR from Net Cash	-
Interest from FDR to be included in NTI (as not from RoE)	25.90
Interest from FDR already included in NTI by the Petitioner	2.19
Net NTI to be allocated now:	23.70
<i>Allocation to 9 LHP</i>	59.4%
<i>Allocation to MB-II</i>	19.1%
<i>Allocation to Vyasi</i>	7.5%
Total for 9 LHP	14.09
Total for MB-II	4.52
Total for Vyasi	1.78

For the purpose of truing-up of FY 2024-25, the Commission observes that the Petitioner has considered interest income of Rs. 2.19 Crore as part of Non-Tariff Income (NTI), which is significantly lower than the amount of Rs. 25.90 Crore worked out based on the methodology previously adopted by the Commission. Accordingly, the Commission has considered the interest amount of Rs. 25.90 Crore as Non-Tariff Income for FY 2024-25, in line with the approach followed by the Commission in earlier Orders.

With regard to the sale of scrap, the Petitioner is allowed to keep the sale of scrap amount as it is part of the salvage value of 10%.

The Non-Tariff income as approved by the Commission for FY 2024-25 is shown in the Table below:

Table 3.68: Non-Tariff Income for 11 LHPs for FY 2024-25 (Rs. Crore)

Generating Stations	Approved in AFC Order dt. 28.03.2024	Claimed	Approved now after Truing-up for FY 2024-25
Dhakrani	0.42	0.26	0.76
Dhalipur	0.85	0.87	1.63
Chibro	1.11	1.12	4.69
Khodri	0.47	0.54	2.32
Kulhal	0.12	0.17	0.62
Ramganga	0.37	0.63	3.57
Chilla	0.70	0.93	3.07
MB-I	0.32	0.56	1.89
Khatima	0.10	0.16	0.77
Sub-Total (9 LHPs)	4.46	5.22	19.31
MB-II	0.73	1.35	5.87
Vyasi	0.99	0.52	2.30
Total (11 LHPs)	6.18	7.09	27.48

3.1.2.11 Truing-up for Nine LHPs for FY 2024-25 and its net impact on UPCL

The Commission has Trued-up the (Surplus)/Gap for 9 LHPs pertaining to FY 2024-25 to be refunded/recovered by UJVN Ltd. to/from UPCL.

Table 3.69: Summary of net AFC as Trued-up by the Commission for 9 LHPs for FY 2024-25 to for UPCL (Rs. Crore)

Generating Stations	Approved in Order dt. 28.03.2024	Net AFC to be recovered from UPCL
Dhakrani	21.06	23.48
Dhalipur	37.72	32.51
Chibro	80.62	69.93
Khodri	45.41	44.27

Table 3.69: Summary of net AFC as Trued-up by the Commission for 9 LHPs for FY 2024-25 to for UPCL (Rs. Crore)

Generating Stations	Approved in Order dt. 28.03.2024	Net AFC to be recovered from UPCL
Kulhal	24.97	27.92
Ramganga	61.10	54.35
Chilla	105.20	91.97
MB-I	91.59	77.67
Khatima	45.58	45.93
Total	513.24	468.03

The summary of Truing-up for FY 2024-25 for UPCL after considering the actual performance parameters achieved in FY 2024-25 and the total amount to be claimed by UJVN Ltd. from UPCL excluding the carrying cost is summarized in the Table below:

Table 3.70: Summary of net truing-up for FY 2024-25 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	23.48	11.74	66.17%	66.17%	11.74	11.74	78.78	1.045	8.23	-	0.900	-	19.97	15.63	4.34
Dhalipur	32.51	16.25	70.00%	74.32%	17.26	16.92	164.01	0.979	16.06	-	0.900	-	32.98	42.76	(9.78)
Chibro	69.93	34.97	65.06%	61.71%	33.17	33.77	563.90	0.648	34.97	24.37	0.648	1.58	70.31	78.05	(7.73)
Khodri	44.27	22.13	57.23%	58.15%	22.49	22.37	264.89	0.889	22.13	15.88	0.889	1.41	45.92	46.07	(0.15)
Kulhal	27.92	13.96	65.00%	76.00%	16.32	15.54	109.93	1.180	12.97	-	0.900	-	28.51	26.07	2.44
Ramganga	54.35	27.17	16.00%	21.51%	30.77	29.57	362.99	0.883	27.17	55.10	0.883	4.86	61.61	64.75	(3.14)
Chilla	91.97	45.98	74.00%	65.48%	40.69	42.46	695.47	0.833	45.98	143.43	0.833	11.95	100.39	92.92	7.47
MB-I	77.67	38.84	79.00%	89.08%	43.79	42.14	494.30	0.821	38.84	21.08	0.821	1.73	82.71	97.09	(14.39)
Khatima	45.93	22.96	69.30%	51.14%	16.95	18.95	180.10	0.985	17.73	-	0.900	-	36.68	34.34	2.35
Total	468.03	234.02			233.18	233.46	2,914.36		224.09	259.87		21.53	479.08	497.68	(18.60)

Thus, for 9 LHPs, the Commission has computed the net Surplus of Rs. 18.60 Crore for FY 2024-25 after sharing of gains and losses and considering the actual performance parameters.

3.1.2.12 Summary of Net Impact on Account of Truing-up of FY 2024-25 of 9 LHPs including Carrying Cost

As discussed above, the Commission has Trued-up the (Surplus)/Gap for 9 LHPs pertaining to FY 2024-25 to be refunded by UJVN Ltd. to UPCL. Based on the above, the total amount to be claimed by UJVN Ltd. from UPCL along with the carrying cost on the standalone Surplus of Rs. 18.60 Crore is as summarized in the Table below:

Table 3.71: Summary of net AFC as Trued-up by the Commission for 9 LHPs to be refunded/recovered to/from UPCL (Rs. Crore)

Particulars	FY 2024-25	FY 2025-26	FY 2026-27
Opening (Surplus)/Gap	0.82*	(18.80)	(21.13)
True-up Amount	(18.60)	-	-
Carrying Cost	(1.02)	(2.33)	(1.31)
Closing (Surplus)/Gap	(18.80)	(21.13)	(22.44)
Interest Rate	12.07%	12.38%	12.38%

*Including adjustment of correction in the Opening Loan of FY 2023-24

The Commission directs UJVN Ltd. to refund Rs. 22.44 Crore to UPCL in accordance with the provisions of UERC Tariff Regulations, 2021 in twelve equal monthly instalments starting from April 2026 to March 2027.

3.1.2.13 Truing-up of 5 LHPs of UJVN Ltd. for FY 2024-25 for HPSEB Ltd.

The Commission has determined the Plant-wise total Truing-up expenses to be recovered from HPSEB Ltd. as follows:

Table 3.72: Summary of net AFC as Trued-up for FY 2024-25 by the Commission for 5 LHPs for HPSEB Ltd. (Rs. Crore)

Generating Stations	Approved in AFC Order dt. 30.03.2023	Net AFC to be recovered from HPSEB Ltd.
Dhakrani	7.02	8.08
Dhalipur	12.57	11.38
Chibro	26.87	24.87
Khodri	15.14	15.53
Kulhal	6.24	7.13
Total	67.84	66.99

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 3.73: Summary of net AFC as Trued-up by the Commission to be refunded/recovered to/from HPSEB Ltd. (Rs. Crore)

Particulars	FY 2024-25	FY 2025-26	FY 2026-27
Opening (Surplus)/Gap	-	(0.90)	(1.01)
True-up Amount	(0.85)	-	-
Carrying Cost	(0.05)	(0.11)	(0.06)
Closing (Surplus)/Gap	(0.90)	(1.01)	(1.07)
Interest Rate	12.07%	12.38%	12.38%

The Commission directs UJVN Ltd. to refund Rs. 1.07 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, 2026 to March, 2027.

3.1.2.14 Net Annual Fixed Charges for MB-II from FY 2024-25

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 2024-25 is as shown in the Table below:

Table 3.74: Summary of Truing-up of Net AFC of MB-II for FY 2024-25 (Rs. Crore)

Particulars	Approved in Tariff Order dt. 28.03.2024	Claimed	Approved now after Truing-up
Interest on loan	33.98	39.54	36.08
Depreciation	47.80	54.31	48.46
RoE	46.40	106.14	105.94
O&M expenses	73.75	83.61	84.05
Interest on Working Capital	5.84	8.49	5.55
Total Annual Fixed Costs	207.78	292.08	280.08
NTI	0.73	1.35	5.87
Net AFC	207.05	290.73	274.22

3.1.2.15 Truing-up for MB-II for FY 2024-25 and its net impact on UPCL

The summary of Truing-up of MB-II after considering the actual performance parameter achieved in FY 2024-25 is as shown in the Table below:

Table 3.75: Net impact on account of Truing-up of FY 2024-25 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)
274.22	137.11	76.00%	80.92%	137.11	137.11	1,277.00	1.073	136.99	274.10	206.96	67.14

3.1.2.16 Carrying Cost on past RoE on PDF

The Commission, since COD of the MB-II LHP has not been allowing Return on Equity on funds deployed by the GoU out of the PDF fund up to Tariff Orders dated 28.03.2024. However, 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) allowed RoE on from Power Development Fund(PDF). In compliance with the directions of the Hon'ble APTEL, the Commission, in its Tariff Order dated 11.04.2025 allowed the past impact of RoE on Equity invested out of PDF from CoD till FY 2022-23 of Rs. 746.18 Crore.

The Commission observed that the Petitioner vide letter dated 07.02.2025 relinquished carrying cost up to FY 2024-25. However, the Commission inadvertently allowed carrying cost on RoE from PDF while carrying out True-up of FY 2023-24. Since the Petitioner has relinquished its

right to recover the carrying cost till the period of FY 2024-25, the Commission has adjusted the excess Carrying Cost allowed in the Opening (Surplus)/Gap for FY 2026-27.

Further, in the Tariff Order dated 11.04.2025, the Commission allowed total past impact of Rs. 746.18 Crore as from CoD till FY 2022-23. Since the impact was substantial to be passed on to the consumer in a single financial year, the Commission in accordance with Regulation 35 of Tariff Regulations, 2021 decided to liquidate the said amount in three years, i.e., by 31.03.2028 with each instalment of Rs. 248.7 Crore. The Commission in the previous Tariff Order allowed recovery of the same in FY 2025-26 without any carrying cost.

The Commission, in this tariff proceedings has looked into the issue of carrying cost afresh and observes that Regulation 35 of the Tariff Regulations, 2021 specifies as follows:

"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."*

[Emphasis added]

Further, Clause 8.2.2 of the Tariff Policy, 2016 specifies as under:

"8.2.2 The facility of a regulatory asset has been adopted by some Regulatory Commissions in the past to limit tariff impact in a particular year. This should be done only as a very rare exception in case of natural calamity or force majeure conditions and subject to the following:

- a. Under business as usual conditions, no creation of Regulatory Assets shall be allowed;*
- b. Recovery of outstanding Regulatory Assets **along with carrying cost** of Regulatory Assets should be time bound and within a period not exceeding seven years. The State Commission may specify the trajectory for the same."*

[Emphasis added]

In view of the above, the Commission has computed Carrying Cost (CC) on the 1st instalment of the past impact of RoE on PDF, as approved in Tariff Order dated 11.04.2025, from FY 2025-26

onwards, as shown in the Table below and the same has been adjusted to the Closing (Surplus)/Gap for FY 2026-27.

Table 3.76: Carrying cost on the 1st Installment on the past impact of RoE on PDF from FY 2025-26 onwards

FY 2024-25 (CC on 1st Instalment)	Particulars	FY 2024-25	FY 2025-26	FY 2026-27
	Opening (Surplus)/Gap		248.73	15.40
	True Up Amount	-	(248.73)	
	Carrying Cost	-	15.40	0.95
	Closing (Surplus)/Gap	-	264.12	16.35
	Interest Rate	12.07%	12.38%	12.38%

As discussed above, since the Petitioner's relinquish its right to recover carrying cost till the period up to FY 2024-25, the Commission has not allowed Carrying Cost on the RoE against PDF in FY 2024-25. The Carrying Cost on the RoE against PDF has been considered from FY 2025-26 onwards and the same has been adjusted to the Opening (Surplus)/Gap for FY 2025-26.

Further, as discussed above, the Commission has also allowed Carrying Cost on the 2nd instalment of the past impact of RoE on PDF, as approved in Tariff Order dated 11.04.2025, from FY 2025-26 onwards and the same has been adjusted to the Opening (Surplus)/Gap for FY 2025-26.

It is however clarified that the above adjustments are subject to the final decision of the Hon'ble Supreme Court in the said matter.

3.1.2.17 Summary of Net Impact on Account of Truing-up of FY 2024-25 of MB-II including Carrying Cost

The Commission has Trued-up the (Surplus)/Gap for MB-II pertaining to FY 2024-25 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 the standalone surplus is summarized in the Table below:

Table 3.77: Summary of net amount Trued-up by the Commission for FY 2024-25 to be refunded/recovered to/from UPCL for MB-II (Rs. Crore)

Particulars	FY 2024-25	FY 2025-26	FY 2026-27
Opening (Surplus)/Gap		316.42**#	346.61▼
True-up Amount	9.16*		
Carrying Cost	0.55	39.18	21.46
Closing (Surplus)/Gap	9.71	355.59	384.42♠
Interest Rate	12.07%	12.38%	12.38%

*excluding RoE on PDF for FY 2024-25 of Rs. 57.98 Crore

**including RoE on PDF for FY 2024-25 of Rs. 57.98 Crore

#including Yearly instalment of RoE on PDF from CoD upto FY 2022-23 of Rs. 248.73 Crore

▼adjusting the Carrying Cost passed in the True-up of FY 2023-24 of Rs. 8.98 Crore

♠including Carrying Cost on 1st instalment of past impact of RoE on PDF of Rs. 16.35 Crore

The Commission directs UJVN Ltd. to claim the approved amount of Rs. 384.42 Crore, as shown above, on account of Truing-up of MB-II for FY 2024-25 from UPCL in accordance with the provisions of UERC Tariff Regulations, 2021 in twelve equal monthly instalments starting from April, 2026 to March, 2027.

3.1.2.18 Net Annual Fixed Charges for Vyasi LHP from FY 2024-25

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 2024-25 is as shown in the Table below:

Table 3.78: Summary of Truing-up of Net AFC of Vyasi LHP for FY 2024-25 (Rs. Crore)

Particulars	Approved in Order dt. 24.03.2025	Claimed	Approved now after Truing-up
Interest on loan	97.61	94.72	83.36
Depreciation	87.14	87.27	87.14
RoE	82.15	82.15	82.15
O&M expenses	70.46	63.29	64.30
Interest on Working Capital	8.92	7.83	5.62
Total Annual Fixed Costs	346.27	335.26	322.57
NTI	0.99	0.52	2.30
Net AFC	345.28	334.74	320.26
Tariff recovered		345.28	345.28
Gap/(Surplus)		(10.54)	(25.02)

3.1.2.19 Carrying Cost on Recovery of past Arrears in FY 2025-26

The Petitioner vide additional submission dated 02.03.2026 has submitted that the Commission vide its Tariff Order dated 24.03.2025 approved AFC from CoD to FY 2024-25 for Vyasi LHP, while the recovery was being done on the provisional tariff approved by the Commission i.e. Rs. 7.60 per unit against the sale of energy to UPCL from Vyasi LHP resulting in a gap of Rs. 94.84 Crore. For recovery, UPCL vide its letter dated 08.04.2025 sought clarification from the Commission. The Commission vide letter dated 28.04.2025 directed UPCL to pay the arrear amount in FY 2025-26 in 12 equal instalments starting from April 2025.

The Petitioner submitted that since the recovery of the amount of Rs. 94.84 Crore was spread across 12 months, it is entitled to carrying costs. Therefore, the Petitioner has requested that the recovery of the amount of Rs. 94.84 Crore pertaining to AFC of FY 2024-25 may kindly be considered in the calculation of carrying cost while approving the True up of 2024-25.

The Commission has examined the submission made by the Petitioner and, considering the circumstances, has accepted the delayed submission. Accordingly, the Commission has allowed carrying cost amounting to Rs. 5.87 Crore. The same has been adjusted to the Opening (Surplus)/Gap for FY 2026-27.

3.1.2.20 Summary of Net Impact on Account of Truing-up of FY 2024-25 of Vyasi LHP including Carrying Cost

The Commission has Trued-up the (Surplus)/Gap for Vyasi LHP pertaining to FY 2024-25 to be refunded by UJVN Ltd. to UPCL. Based on the above, the total amount to be refunded to UPCL along with the carrying cost on the standalone surplus is summarized in the Table below:

Table 3.79: Summary of net amount Trued-up by the Commission for FY 2024-25 to be refunded/ recovered to/ from UPCL for Vyasi LHP (Rs. Crore)

Particulars	FY 2024-25	FY 2025-26	FY 2026-27
Opening (Surplus)/Gap	-	(26.53)	(23.94)*
True-up Amount	(25.02)	-	-
Carrying Cost	(1.51)	(3.28)	(1.48)
Closing (Surplus)/Gap	(26.53)	(29.81)	(25.42)
Interest Rate	12.07%	12.38%	12.38%

**including Carrying Cost on past Arrears recovered in FY 2025-26 of Rs. 5.87 Crore*

The Commission directs UJVN Ltd. to refund the differential amount of Rs. 25.42 Crore on account of Truing-up of Vyasi LHP for FY 2024-25 to UPCL in twelve equal monthly instalments starting from April, 2026 to March, 2027.

4 Petitioner's Submissions, Commission's Analysis, Scrutiny & Conclusion on APR for FY 2025-26 and AFC for FY 2026-27

4.1 Annual Performance Review

The Commission vide its MYT Order dated April 11, 2025 had approved the Multi Year Tariff for the Petitioner for the Fifth Control Period from FY 2025-26 to FY 2027-28. Regulation 12(3) of the UERC Tariff Regulations, 2024 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, 2024 specifies as under:

"The scope of 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 MYT Order dated April 11, 2025, on approval of Business Plan and MYT Petition for the Fifth Control Period from FY 2025-26 to FY 2027-28 approved the AFC for the Control Period based on the audited accounts till FY 2023-24. The Petitioner, in this Petition, has proposed Truing-up of FY 2024-25 based on audited annual accounts. The Commission, in Chapter 3 of this Order, has carried out the Truing-up of 9 LHPs, MB-II and Vyasi LHP for FY 2024-25 in accordance with the UERC tariff Regulations, 2021.

In accordance with Regulation 12(3) of the UERC Tariff Regulations, 2024, 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 in the MYT Order dated April 11, 2025 held that it shall carry out the Truing-up of FY 2024-25 based on the audited accounts for that year and give effect on this account in the AFC of FY 2026-27. Hence, the Commission, under the provisions of Regulation 12(3) of the UERC Tariff Regulations, 2024, has revised the AFC for FY 2026-27 based on the revised additional capitalisation for FY 2024-25. The approach adopted by the Commission in the approval of each element of AFC for FY 2026-27 is elaborated in the subsequent paragraphs.

4.2 Physical Parameters

4.2.1 NAPAF

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 in its MYT Order dated April 11, 2025 had approved NAPAF for 11 LHPs. The Commission in its MYT Order also stated that a fresh view on the same shall be taken once the RMU works for the stations get completed.

The Commission observes that the Petitioner has projected PAFY for FY 2026-27 lower than approved NAPAF for Chibro, Chilla, Khatima and Vyasi LHP and has sought relaxation of NAPAF for Chibro, Ramganga, Chilla, MB-I, Khatima, MB-II and Vyasi for FY 2026-27. Further, the Petitioner has submitted that the projected PAFY is based on actual PAFM of previous years after factoring in the impact on availability due to RMU and release of additional water in compliance to NGT Order dated August 09, 2017. The Petitioner submitted the total loss due to implementation of NGT/NMCG Order as 516.16 MU for 9 LHPs (excluding Ramganga and Khatima) for FY 2026-27. In support of the claim, the Petitioner requested for relaxation in NAPAF for following LHPs:

- **Chibro:** The Petitioner has submitted that the generating station is very old & therefore requires more maintenance, hence, has to be shut down for longer period to carry out maintenance. The Petitioner requested the Commission to consider and approve the NAPAF of Chibro LHP as 65.03%, as computed by the Petitioner for FY 2026-27.
- **Ramganga:** The Petitioner requested the Commission to consider and approve the NAPAF of Ramganga LHP as 16.00% for FY 2026-27, without citing any reasons.
- **Chilla -** The Petitioner submitted that Chilla Power Station is very old & therefore requires more maintenance, hence, it has to be shut down for longer periods to carry out maintenance. The Petitioner further submitted that RMU of Chilla Power Station has been taken up since November 2024 and is scheduled to be completed by September 2027 and an improvement in PAFM is expected after RMU works. In view of the above, the Petitioner has requested the Commission to consider and approve the NAPAF of Chilla LHP as 62.99%, as computed by the Petitioner for FY 2026-27.
- **MB-I -** The Petitioner submitted that MB-I/Tiloth Power Station is very old & therefore require more maintenance, hence, has to be shut down for longer periods to carry out maintenance. In view of the above, the Petitioner has requested the Commission to consider and approve the NAPAF of MB-I LHP as 85.00%. Although, the Commission vide letter dated March 08, 2025 sought justification for the basis of considering MB-I as old even after undertaking RMU, it is observed that the Petitioner has failed to furnish any reply to the said query.
- **Khatima -** The Petitioner requested the Commission to consider and approve NAPAF of Khatima LHP as 58.48% for FY 2026-27, as computed by the Petitioner for FY 2026-27. The Commission observed that Petitioner has not submitted the reason for projecting such a low PAFY for FY 2026-27. The Petitioner vide letter dated 29.12.2025 submitted that the Power Channel is under closure from 11.11.2025 to 05.12.2025 due to Civil maintenance work by UPID and that the water control for Khatima LHP is with UPID and UPID releases water as per irrigation requirement.
- **MB-II -** The Petitioner requested the Commission to consider and approve the NAPAF of MB-II LHP as 76.00% for FY 2026-27, without citing any reasons.

- **Vyasi** -The Petitioner requested the Commission to consider and approve the NAPAF of Vyasi LHP as 74.27% for FY 2026-27, as computed by the Petitioner for FY 2026-27. The Commission observed that Petitioner has not submitted the reason for projecting such a low PAFY for FY 2026-27. The Petitioner vide letter dated December 29, 2025 submitted that the projection is based on the month-wise average of previous years.

NAPAF as approved by the Commission vide its MYT Order dated 11.04.2025 and as proposed by the Petitioner is summarized for FY 2026-27 as under:

Table 4.1: NAPAF as claimed by the Petitioner for 11 LHPs vis-a-vis approved by the Commission in MYT Order dated 11.04.2025 for FY 2026-27

Name of the Generating Station	Approved for FY 2026-27 in MYT Order dated 11.04.2025	Claimed NAPAF for FY 2026-27
	%	%
Dhakrani	66.17%	66.17%
Dhalipur	70.00%	70.00%
Chibro	65.06%	65.03%
Khodri	57.23%	57.23%
Kulhal	65.00%	65.00%
Ramganga	19.00%	16.00%
Chilla	74.00%	62.99%
MB-I	85.00%*	85.00%
Khatima	69.30%	58.48%
MB-II	79.00%#	76.00%
Vyasi	85.00%	74.27%

*Incentive on account of higher PAFY only in case PAFY exceeds 89%

#Incentive on account of higher PAFY only in case PAFY exceeds 85%

With regard to the relaxation of NAPAF, the Commission, while approving the NAPAF in the MYT Order dated April 11, 2025 for various stations, has already factored in Plant operating conditions and past performance.

As considered in the previous Orders by the Commission, the Commission in this Order, has not allowed any relaxation in NAPAF for any station for FY 2026-27 and has retained the NAPAF for the current control period and therefore, the NAPAF for all 11 LHPs as approved in the MYT Order dated 11.04.2025 shall be applicable. However, while Truing-up of FY 2026-27, the Commission shall consider relaxation in case there is any substantial impact due to NGT/NMCG Order and to factor in the actual 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.

4.2.2 Design Energy and Saleable Primary Energy

The Commission in its MYT Order dated April 11, 2025 had approved Design Energy and Saleable Primary Energy for 11 LHPs as per UERC Tariff Regulations, 2024. With regard to the impact of implementation of the NGT Order, the Commission in the MYT Order dated April 11, 2025 taking into account higher generation achieved in FY 2023-24 vis-à-vis design energy, ruled as follows:

“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.”

The Commission observes that in respect of 11 LHPs, consolidated actual gross generation for FY 2024-25 exceeds even the revised figures determined by the Commission pursuant to the NGT Order dated July 09, 2017, as reflected in the Commission's Order dated April 18, 2020. However, as observed in Chapter-3 of this Order, the Petitioner is not furnishing the correct discharge data while submitting the NGT/NMCG impact for respective years.

In view of the above, the Commission does not find any merit in granting relaxation in this regard and accordingly approves the Design Energy and Saleable Primary Energy as approved in the MYT Order dated 11.04.2025 and is shown in the **Table** below:

Table 4.2: Original Design Energy, Design Energy and Saleable Primary Energy for 11 LHPs for FY 2026-27 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

Table 4.2: Original Design Energy, Design Energy and Saleable Primary Energy for 11 LHPs for FY 2026-27 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
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 32 to 60 years, the Commission has not considered the Original Design Energy for the calculation of energy charge rate (ECR) as it would result in under-recovery of the AFC of the Petitioner. The Commission has, accordingly, relaxed the requirement of the UERC Tariff Regulations, 2024 for the calculation of ECR. The ECR will be calculated based on the approved Saleable Primary Energy as shown above.

With regard to Dhalipur, the Commission has already discussed the post RMU performance norms such as Design Energy and NAPAF in Chapter 3 of this Order and therefore approves the same for FY 2026-27.

With respect to the benefit of excess generation over and above the Original Design Energy, i.e. the Secondary Energy, the billing 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 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 decided in the MYT Order dated April 11, 2025 that the Commission 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.

4.3 Financial Parameters

4.3.1 Apportionment of Common Expenses

The Petitioner in its Petitions has considered the allocation ratio of 86:14 for allocating common expenses among 11 LHPs (9 old LHPs, MB-II and Vyasi LHP) and SHPs, respectively, as was approved by the Commission in its MYT Order April 11, 2025. The Commission has considered the same ratio of 86:14 as approved in its MYT Order dated April 11, 2025.

4.3.2 Capital Cost

A. Old Nine Generating Stations

As discussed earlier in the Truing-up Chapter, 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 January 14, 2000, as Rs. 506.17 Crore.

Since the Transfer Scheme is yet to be finalized, the Commission for the purpose of tariff determination for FY 2026-27 is considering the opening GFA of nine old LHPs, as on January 14, 2000, as Rs. 506.17 Crore only.

Further, the Commission has previously revised the original cost of Khatima LHP as on April 01, 2015 on account of de-capitalisation of Rs. 2.03 Crore carried out in FY 2014-15. The GFA considered are as per the details given below:

Table 4.3: Approved Original Cost inherited from UPJVNL for 9 LHPs (Rs. Crore)

Generating Station	Claimed	Approved as on 14.01.2000	Approved as on 01.04.2015
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 claim of Rs. 2.21 Cr.

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

B. Maneri Bhali-II (MB-II) LHP

The issues related to the Capital Cost of the MB-II generating station as on CoD have been discussed in detail in Chapter 3. Based on the above, the Commission has considered the Capital Cost as on CoD of Rs. 1,885.50 Crore in accordance with the Order dated April 11, 2025. The financing for the project has been considered as shown in the Table below:

Table 4.4: Approved Capital Cost and Financing for MB-II as on CoD (Rs. Crore)

Particulars	Approved in Tariff Order dated 11.04.2025	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
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

C. Vyasi LHP

The issues related to the Capital Cost of the Vyasi generating station as on CoD have been discussed in detail in Chapter 3. Based on the above, the Commission has considered the Capital Cost as on CoD of Rs. 1,632.51 Crore in accordance with the Order dated March 24, 2025. The financing for the project has been considered as shown in the Table below:

Table 4.5: Approved Capital Cost and Financing for Vyasi as on CoD (Rs. Crore)

Particulars	Approved in Tariff Order dated 11.04.2025	Approved Now
Loans	1142.76	1142.76
Equity	489.75	489.75
Total	1632.51	1632.51

4.3.3 Additional Capitalisation

With regard to old 9 LHPs, the Commission in addition to the opening GFA of Rs. 506.17 Crore as on April 14, 2000, has also approved additional capitalisation of Rs. 1,406.13 Crore from FY 2001-02 to FY 2024-25 as discussed in Chapter 3 of this Order.

With regard to MB-II LHP, the Commission, as discussed earlier in Chapter 3 of this Order has approved additional capitalisation of Rs. 466.76 Crore till 31.03.2025.

With regard to **Vyasi LHP**, the Commission, as discussed earlier in Chapter 3 of this Order has approved additional capitalisation of Rs. 114.15 Crore since CoD till 31.03.2025.

Further, with regard to additional capitalisation for FY 2025-26, the Petitioner submitted the following details along with actuals incurred during April-September 2025 and those estimated during October 2025 to March 2026. The details of the same are as below:

Table 4.6: Details of additional capitalisation proposed during FY 2025-26 for 11 LHPs (Rs. Crore)

Description	Actual (From Apr 25 to Sept 25)	Projected (From Oct 25 to Mar 26)	Total
Dhakrani	1.02	48.14	49.16
Dhalipur	0.34	27.42	27.76
Chibro	1.45	11.72	13.17
Khodri	0.08	4.36	4.44
Kulhal	6.23	13.49	19.72
Ramganga	0.13	4.97	5.10
Chilla	9.89	54.89	64.78
MB-I	0.06	2.29	2.35
Khatima	0.03	0.71	0.74
MB-II	36.12	15.90	52.02
Vyasi	0.08	7.04	7.12
Total	55.43	190.92	246.35

The Commission observed that the Petitioner has claimed additional capitalisation of Rs. 764.17 Crore for FY 2026-27 as against Rs. 82.00 Crore approved by the Commission in its MYT Order dated 11.04.2025.

The Petitioner submitted the projected additional capitalisation for FY 2026-27 as shown in the **Table** below.

Table 4.7: Details of additional capitalisation proposed during FY 2026-27 for 11 LHPs (Rs. Crore)

Stations	General Add Cap (E&M)	General Add Cap (Civil)	RMU	DRIP	Total
Dhakrani	26.19	49.22	53.55	-	128.96
Dhalipur	30.45	14.70	-	-	45.15
Chibro	101.41	17.70	-	-	119.10
Khodri	75.20	10.86	-	-	86.06
Kulhal	16.18	14.27	-	-	30.45
Ramganga	33.77	5.78	-	-	39.55
Chilla	2.45	18.67	78.07	61.55	160.73

Table 4.7: Details of additional capitalisation proposed during FY 2026-27 for 11 LHPs (Rs. Crore)

Stations	General Add Cap (E&M)	General Add Cap (Civil)	RMU	DRIP	Total
MB-I	7.60	2.78	-	-	10.38
Khatima	22.70	8.93	-	-	31.63
MB-II	71.31	15.70	-	-	87.01
Vyasi	19.17	5.89	-	-	25.06
Total	406.43	164.49	131.62	61.55	764.08

Further, the Commission sought information vide letter dated 08.12.2025 that whether the said works have been approved by BoD/Pending for BoD approval, along with the date of approval and also highlight the works that have been approved by the Commission as per UERC Tariff Regulations, 2024, along with the date of the order for each investment. The Petitioner submitted the details on 20.01.2026 along with a revised claim of Rs. 862.40 Crore for FY 2026-27, as shown in the Table below.

Table 4.8: Details of Revised additional capitalisation proposed during FY 2026-27 for 11 LHPs (Rs. Crore)

Stations	Normal Add Cap (E&M)	Normal Add Cap (Civil)	RMU	DRIP	Apportioned	Total
Dhakrani	11.80	49.21	53.55	-	14.49	129.05
Dhalipur	8.70	14.55	-	-	21.90	45.15
Chibro	76.98	17.02	-	-	0.68	115.53
Khodri	64.77	10.52	-	-	10.77	86.06
Kulhal	16.18	14.18	-	-	0.08	30.45
Ramganga	30.15	5.22	-	-	0.56	35.93
Chilla	2.45	18.26	78.07	61.55	0.41	160.73
MB-I	17.67	69.13	-	-	0.25	87.05
Khatima	22.70	12.94	-	-	0.12	35.76
MB-II	29.33	81.53	-	-	0.86	111.72
Vyasi	19.17	5.47	-	-	0.34	24.98
Total	299.90	298.03	131.62	61.55	50.46	862.40

The Commission has perused the submissions of the Petitioner and observes that the Petitioner has revised the projections for FY 2026-27 as compared to those submitted along the Business Plan for the Fifth Control Period from FY 2025-26 to FY 2027-28. The Commission in its MYT Order dated 11.04.2025, while approving the capitalisation had approved only works pertaining to RMU and works where specific approval under Regulation 22(4) of UERC Tariff Regulations, 2024 had been granted by the Commission. The Commission, regarding other additional capitalisation had directed the Petitioner to seek approval of the Commission in terms of Regulation 22(4) of UERC Tariff Regulations, 2024.

The Commission has perused the submissions made by the Petitioner in the current proceedings, and has provisionally allowed additional works in case Investment Approval towards such work has been approved by the Commission. However, such works shall be subject to detailed scrutiny during Annual Performance Review/True-up and shall be finally allowed after carrying out due prudence checks based on the approval of the Commission and actual expenditure incurred.

Further, with regard to the works that may require to be carried out under General works, **the Petitioner is directed to include GST and all other costs for the purpose of seeking Investment Approval. The Petitioner is also directed to combine similar nature of works and seek specific approval under Regulation 22(4) of UERC Tariff Regulations, 2024 for all works where the estimated cost exceeds Rs. 5.00 Crore (including GST) proposed in Fifth Control Period.**

The Commission, therefore, does not find any merit in revising the additional capitalisation approved in the MYT Order dated 11.04.2025 other than additional Investment Approvals granted by the Commission. The Commission accordingly approves the following additional capitalisation for FY 2025-26 and FY 2026-27 as follows.

Table 4.9: Additional Capitalisation approved by the Commission for 9 LHPs for FY 2025-26 and FY 2026-27 (Rs. Crore)

Name of the Generating Station	FY 2025-26			FY 2026-27		
	MYT Order	Claimed	Approved	MYT Order	Claimed	Approved
Dhakrani	58.54	49.16	58.54	27.00	129.05	32.36
Dhalipur	37.45	27.76	37.45	-	45.15	8.11
Chibro	61.86	13.17	61.86	-	115.53	-
Khodri	5.88	4.44	5.88	-	86.06	-
Kulhal	-	19.72	-	-	30.45	4.77
Ramganga	8.29	5.10	8.29	-	35.93	-
Chilla	90.23	64.78	90.23	55.00	160.73	55.00
MB-I	-	2.35	-	-	87.05	-
Khatima	-	0.74	-	-	35.76	-
MB-II	-	52.02	-	-	111.72	12.27
Vyasi	-	7.12	-	-	24.98	-
Total	262.25	246.35	262.25	82.00	862.40	112.51

4.3.4 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 depreciation shall not 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 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 submitted that no depreciation has been claimed on the opening GFA determined for the transfer of assets, since the asset is already 90% depreciated. The depreciation has only been claimed for additional expenditure capitalised post the transfer scheme. Accordingly, the depreciation is calculated by the Petitioner for the Fifth Control Period from FY 2025-26 to FY 2027-28.

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 FY 2026-27.

The depreciation expenses for FY 2026-27 will be Trued-up in accordance with the provisions of UERC Tariff Regulations, 2024 once the final Truing-up for all the years prior to FY 2026-27 is

carried out.

The summary of Depreciation Charges for FY 2026-27 as approved by the Commission is shown in the **Table** below:

Table 4.10: Depreciation as approved for FY 2026-27 for 9 LHPs (Rs. Crore)

Name of the Generating Station	MYT Order dt. 11.04.2025			Claimed	Approved		
	On Opening GFA	On Additional Capitalisation	Total		On Opening GFA	On Additional Capitalisation	Total
Dhakrani	-	6.44	6.44	8.16	-	6.68	6.68
Dhalipur	-	11.13	11.13	13.99	-	9.10	9.10
Chibro	-	8.76	8.76	7.60	-	8.38	8.38
Khodri	-	2.72	2.72	3.24	-	6.08	6.08
Kulhal	-	2.58	2.58	4.26	-	7.78	7.78
Ramganga	-	2.83	2.83	3.65	-	2.97	2.97
Chilla	-	14.40	4.40	16.29	-	12.72	12.72
MB-I	-	15.41	15.41	16.21	-	8.66	8.66
Khatima	-	8.92	8.92	9.62	-	9.24	9.24
Total	-	73.19	73.19	83.02	-	71.60	71.60

B. Maneri Bhali-II (MB-II) LHP

The Commission has computed depreciation 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 line with the above approach adopted for 9 LHPs, the Commission has computed the depreciation for FY 2026-27 for MB-II on the approved GFA.

The depreciation expenses for FY 2026-27 will be Trued-up in accordance with the provisions of UERC Tariff Regulations, 2024 once the final Truing-up for all the years prior to FY 2026-27 is carried out.

The depreciation for MB-II for FY 2026-27, accordingly, works out as shown in the **Table** below:

Table 4.11: Depreciation as approved for FY 2026-27 for MB-II (Rs. Crore)

Particulars	Approved in MYT Order dated 11.04.2025	Claimed	Approved
Depreciation	41.27	56.22	38.60

C. Vyasi LHP

The Commission has computed depreciation for FY 2026-27 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 FY 2026-27 as per the rates specified in Appendix-II of the UERC Tariff Regulations, 2024.

In line with the above approach for 9 LHPs, the Commission has computed the depreciation for the FY 2026-27 on the approved GFA.

The depreciation for Vyasi LHP for FY 2026-27, accordingly, works out as shown in the Table below:

Table 4.12: Depreciation as approved for FY 2026-27 for Vyasi (Rs. Crore)

Particulars	Approved in MYT Order dated 11.04.2025	Claimed	Approved
Depreciation	88.89	89.48	88.61

4.3.5 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 average equity during the year 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 an actual basis on final assessment of tax & payment of the same to the income tax department.

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.

The Commission observes 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 APTEL issued in the Order dated 14.09.2006 (Appeal No. 189 of 2005) and detailed in the Commission's Order dated 14.03.2007.

As regards RoE on additional Capitalisation, the Commission has considered the normative equity of 30% where entire financing has been done through internal resources and on an actual basis in other cases subject to a ceiling of 30% as specified in the Regulations.

The additional capitalisation approved by the Commission for the Period FY 2025-26 and FY 2026-27 includes works with debt : equity ratio of 70:30. The Commission, for any spill-over works under DRIP shall consider its financing as debt : equity ratio of 80:20. The same has been considered and RoE at the respective rates have been applied on the equity amount corresponding to 20% of asset addition on account of DRIP.

Further, as observed in MYT Order dated 11.04.2025, the Govt. on Uttarakhand (GoU) vide letter No. 246131/I-1/04(8)/06/2023 e-file-51015 dated October 14, 2024 has revised the terms of funds disbursed under the 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 (Debt : Equity) ratio and the annual rate of interest on loan amount has been kept as 6.50%. The Commission in its MYT Order dated 11.04.2025 has considered the following funding:

Table 4.13: 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 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 a rate of return shall be allowed only on equity infused on works that are part of additional capitalisation 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 capitalisation due to RMU, DRIP & 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 12.34% i.e., 8.84% plus 350 basis points for all 11 LHPs for the Fifth Control Period.

Accordingly, the summary of the Return on Equity approved for 9 LHPs for FY 2026-27 is shown in the Table given below:

Table 4.14: Return on Equity approved for 9 LHPs for FY 2026-27 (Rs. Crore)

Name of the Generating Stations	Approved in MYT Order	Claimed	Approved		
			Opening Equity		Total RoE
			Transferred Asset as on Jan 14, 2000 & Add. Cap. up to 31.03.2025	On Add. Cap. post 31.03.2025 up to 31.03.2026	
Dhakrani	6.81	7.19	46.97	2.56	7.60
Dhalipur	11.63	12.79	59.46	5.84	9.94
Chibro	12.95	11.73	67.58	18.56	13.44
Khodri	6.78	7.00	40.67	1.76	6.93
Kulhal	3.09	3.98	20.78	-	3.22
Ramganga	5.87	6.15	36.11	2.49	6.27
Chilla	20.02	18.77	116.04	10.57	19.29
MB-I	14.91	16.51	77.28	-	12.75
Khatima	8.51	8.68	55.86	-	8.66
Total	90.56	92.79	520.76	41.78	88.09

B. Maneri Bhali-II (MB-II) LHP

The Petitioner in the Petition has submitted that they have computed return on equity on opening equity for the year as per the UERC Tariff Regulations, 2024.

As per the financing considered by the Commission for the total approved Capital Cost of Rs. 1885.50 Crore and additional capitalisation of Rs. 466.76 Crore till FY 2025-26, Rs. 690.50 Crore has only been funded through equity and is detailed in the Table below:

Table 4.15: Details of Equity for MB-II up to 31.03.2026

Particular	Amount (Rs. Crore)
Approved Capital cost as on 15.03.2008 (CoD)	1,885.50
Additional Capitalisation up to 31.03.2026	466.76
GFA as on 31.03.2026	2,392.63
Financing through grant received from GoU as relief for natural calamity	40.37
Net GFA as on 31.03.2026	2,352.26
Equity	690.50
(i) Through PDF	351.39
(ii) GoU budgetary support	175.11
(iii) Pre-2002 expenses	164.00

The Commission has, therefore, considered the equity of Rs. 690.50 Crore, eligible for return purposes for FY 2026-27.

As, discussed in section above for 9 LHP, RoE on equity infused in any additional capitalisation done after 01.04.2025 beyond the original scope of work (except additional capitalisation due to RMU, DRIP & 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%. In accordance with the above, the RoE considered by the Commission is 12.34% i.e., 8.84% plus 350 basis points for MB-II.

The summary of the Return on Equity approved for MB-II for FY 2026-27 is shown in the Table given below:

Table 4.16: Return on Equity approved for MB-II for FY 2026-27

Particulars	Approved in MYT Order	Claimed	Approved
Return on Equity	114.90	116.24	113.93

C. Vyasi LHP

The Petitioner in the Petition has submitted that they have computed return on equity on average equity during the year as per the 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 the same shall be claimed at the time of True-up for the year.

As discussed earlier in Chapter 3 of this Order the Commission has approved the Capital Cost as on CoD of 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. 114.15 Crore allowed till FY 2025-26, Rs. 506.59 Crore has been funded through equity and is detailed in the Table below:

Table 4.17: Details of Equity for Vyasi LHP up to 31.03.2026

Particular	Amount (Rs. Crore)
Approved Capital cost as on 24.05.2022 (CoD)	1632.51
Additional Capitalisation up to 31.03.2026	114.15
GFA as on 31.03.2026	1746.66
Financing through grant	-
Net GFA as on 31.03.2026	1746.66
Equity	506.59
(i) GoU budgetary support	336.16

Table 4.17: Details of Equity for Vyasi LHP up to 31.03.2026

Particular	Amount (Rs. Crore)
(ii) Internal Resource	170.43
(iii) SASCI	-

The Commission has, therefore, considered the equity of Rs. 506.59 Crore eligible for return purposes for FY 2026-27. The summary of the Return on Equity approved for Vyasi LHP for FY 2026-27 is shown in the **Table** given below:

Table 4.18: Return on Equity approved for Vyasi for FY 2026-27

Particulars	Approved in MYT Order	Claimed	Approved
Return on Equity	84.63	84.08	83.59

4.3.6 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 Govt. on Uttarakhand (GoU) vide letter No. 246131/I-1/04(8)/06/2023 e-file-51015 dated October 14, 2024 has revised the terms of funds disbursed under the 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 (Debt : Equity) ratio and the annual rate of interest on loan amount has been kept as 6.50%. The Commission in its MYT Order dated 11.04.2025 has considered the following funding:

Table 4.19: 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%

Table 4.19: T&C for SAS and SASCI Fund from GoU

Particulars	SAS (up to FY 2022-23)	SASCI (in FY 2023-24)
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 capitalisation approved by the Commission 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 an interest rate as zero during the calculation of the weighted average interest rate for FY 2024-25. The weighted average rate arrived for FY 2024-25 is also considered for FY 2026-27.

Further, the Petitioner in the previous proceedings submitted that the practice of capitalising the assets as soon as assets are available to use/put to use, instead of booking at the end of the financial year is being actively followed. The Commission notes that as per the Petitioner it was able to capitalise Rs. 55.43 Crore during April 2025 to September 2025 out of the total estimated capitalisation for the year as Rs. 246.35 Crore in FY 2025-26 which is 23% of the total capitalisation. The Commission has considered the submission of the Petitioner and only for the purpose of allowing interest on loan, calculated the interest rate on the basis of the opening loan less the average repayment. In view of the same the Commission has considered the same approach for FY 2026-27. 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 of 9.81% for Khatima, 7.39% for MB-I and 6.61% for Dhalipur and 7.32% for other 6 LHPs (including DRIP & SAS loans) after adjusting the yearly interest rebates received by the Petitioner.

Based on the above considerations, the Commission has approved interest on loans 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. The Interest on the loan approved is as shown in the Table below:

Table 4.20: Interest on Loan approved for Nine Old LHPs for FY 2026-27 (Rs. Crore)

Name of the Generating Stations	Approved in MYT Order 11.04.2025	Claimed by UJVN Ltd.	Approved in this Order				
			Opening Loan	Loan Addition	Repayment	Closing Loan	Interest
Dhakrani	7.16	9.06	108.33	22.66	6.68	124.31	7.69
Dhalipur	11.15	13.03	180.29	5.67	9.10	176.86	11.62
Chibro	7.84	10.13	110.15	-	8.38	101.77	7.76
Khodri	1.85	2.27	16.64	-	6.08	10.56	1.00
Kulhal	2.60	4.15	18.90	3.34	7.78	14.46	1.10
Ramganga	2.10	2.56	33.71	-	2.97	30.74	2.36
Chilla	15.79	15.92	194.37	38.50	12.72	220.15	13.77
Maneri Bhali-I	20.10	15.38	202.38	-	8.66	193.72	14.63
Khatima	4.42	4.54	53.38	-	9.24	44.14	4.78
Total	73.01	77.04	918.16	70.17	71.60	916.73	64.71

B. Maneri Bhali-II

As discussed in the preceding paragraphs, the Commission has considered the weighted average interest rate of 9.88% based on the outstanding loans for the project. The Commission for computing interest for the MB-II station for FY 2026-27 has considered the above-mentioned interest rate.

In case of the MB-II station, as the actual loans have been availed for the project, the interest has been computed on the basis of the 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 MYT Order dated 11.04.2025.

The Commission has calculated Interest on Loan based on the approach adopted in this Chapter for 9 LHPs for FY 2026-27. 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 MB-II for FY 2026-27 as shown in the **Table** below

Table 4.21: Interest on Loan approved for MB-II for FY 2026-27 (Rs. Crore)

Particular	Approved in MYT Order dated 11.04.2025	Claimed	Approved
Interest on Loan	24.82	33.41	29.17

C. Vyasi LHP

In the case of Vyasi LHP, as the actual loans have been availed for the project, the interest has

been computed based on the interest rate applicable to these loans availed which works out to be 9.22%. Accordingly, the Commission has considered the interest rate for Vyasi LHP as 9.22% for FY 2026-27.

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 FY 2026-27 as shown in the Table below:

Table 4.22: Interest on Loan approved for Vyasi for FY 2026-27 (Rs. Crore)

Particular	Approved in MYT Order dated 11.04.2025	Claimed	Approved
Interest on Loan	76.57	80.93	70.75

4.3.7 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:-

$$O\&M_n = R\&M_n + EMP_n + A\&G_n$$

Where –

- O&M_n – Operation and Maintenance expenses for the nth year;
- EMP_n – Employee Costs for the nth year;
- R&M_n – Repair and Maintenance Costs for the nth year;
- A&G_n – Administrative and General Costs for the nth year;

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

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

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

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

Where -

- EMP_{n-1} – Employee Costs for the (n-1)th year;
- $A\&G_{n-1}$ – Administrative and General Costs for the (n-1)th year;
- Provision: Cost for initiatives or other one-time expenses as proposed by the 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;
- GFA_{n-1} – Gross Fixed Asset of the Generating Company for the n-1th year;

- *G_n 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 G_n 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 (EF_k) for a particular year (Kth year) which shall be calculated using the following formula:*

$$EF_k = 0.55 \times WPI_{\text{Inflation}} + 0.45 \times CPI_{\text{Inflation}}$$

- (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 include 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 FY 2025-26 have been determined by the Commission in line with the approach followed by the Commission in the MYT Order dated 11.04.2025.

The Commission has calculated the annual growth in values of CPI (overall) for Industrial Workers and WPI (overall) in accordance with the provision mentioned in the above Regulations. The summary of the same is provided in the **Table** below:

Table 4.23: Inflation Indices as considered by the Commission

Particulars	FY 2025-26	FY 2026-27
CPI	4.87%	3.75%
WPI	3.65%	0.53%
Inflation (Average 55:45)	4.20%	1.98%

The submissions of the Petitioner and the Commission's analysis for approving the various components of the O&M expenses for FY 2026-27 are detailed below:

A. Old Nine Generating Stations

4.3.7.1 Employee expenses

The Commission had approved the employee expenses of Rs. 239.29 Crore for FY 2026-27 in its MYT Order dated 11.04.2025. The Petitioner, in the Petition, has proposed the employee expenses for FY 2026-27 as Rs. 240.24 Crore as per Regulation 48 2(d) of the UERC Tariff Regulations, 2024.

The Commission in line with the approach adopted in its MYT Order has considered the normative gross employee expenses for FY 2024-25 as the opening gross employee expenses for projecting employee expenses for FY 2026-27. This normative opening gross employee expenses have been adjusted for the Gn factor for FY 2024-25 to FY 2026-27 as approved in the **Table** below and escalated with CPI Inflation of 4.87% and 3.75% to arrive at normative employee expenses for FY 2025-26 and FY 2026-27 respectively.

The Commission, based on the submission of the Petitioner for retirements and further submission dated 20.01.2026 w.r.t. the status of recruitment in FY 2025-26, has approved Gn as shown in the **Table** below:

Table 4.24: Gn approved by the Commission

Particulars	FY 2024-25	FY 2025-26	FY 2026-27
Closing no. of employees	1415	1390	1484
Gn	0.00%	0.00%	3.36%

However, if the actual addition to the number of employees is lower than the number of employee additions considered in this Order, the impact of the same shall be adjusted while carrying out the Truing-up and will not be considered as a reduction in employee expenses on account of controllable factors.

With this approach, the normative employee expenses approved for FY 2026-27 are as shown in the **Table** below:

Table 4.25: Normative Employee Expenses approved for 9 LHPs for FY 2026-27 (Rs. Crore)

Name of the Generating Stations	Claimed	Approved
Dhakrani	17.70	16.28
Dhalipur	13.98	13.70
Chibro	49.73	48.92
Khodri	26.97	25.46
Kulhal	11.52	11.14
Ramganga	34.17	33.98
Chilla	44.00	40.93
MB-I	26.71	29.79
Khatima	15.46	14.26
Total	240.24	234.47

4.3.7.2 R&M expenses

The UERC Tariff Regulations, 2024 specify that the R&M expenses 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 considered 'K' factor for FY 2026-27 as approved by the Commission in the MYT Order dated 11.04.2025 and is as detailed in the **Table** below:

Table 4.26: 'K' Factor as considered by the Commission

Generating Station	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

For computing R&M expenses, the Commission has considered the opening GFA for FY 2026-27 as approved by the Commission in this Order. The Commission has further considered the WPI inflation of 0.53% which is the average increase in the Wholesale Price Index (WPI) for FY 2023-24 to FY 2025-26. The Commission has computed R&M Expenses for FY 2026-27 as per the methodology as stated above using the following formulae:

$$R\&Mn = K \times (GFA\ n-1) \times (1+WPIinflation)$$

Further, with regard to the constant 'K', the Regulations specify that for the projects whose Renovation and Modernization have been carried out, the R&M expenses for nth year shall not exceed 4% of the capital cost admitted by the Commission. Furthermore, the R&M expenses for the Plant proposed to be under RMU, the proportionate R&M for the balance Units under operations have been allowed.

The Commission further observes that RMU of Khatima LHP completed in FY 2016-17, RMU of MB-I completed in FY 2022-23 and RMU of Dhalipur completed in FY 2023-24. Further, with regard to Dhakrani and Chilla, the RMU works are projected to be carried out in the Fifth Control Period.

With regard 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%, the Commission has considered to rationalise the 'K' factor as 3% for the Fifth Control Period vide MYT Order dated 11.04.2025 which shall be subject to revision during True-up based on the actual R&M expenses incurred during the year and prudence check.

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 were limited to 2% of GFA by the Commission in the MYT Order dated 11.04.2025 which shall be subject to revision during True-up based on the actual R&M expenses incurred during the year and prudence check.

Further, with regard to DRIP works, the Commission in the MYT Order dated 11.04.2025 has considered R&M expenses as 3% of capex incurred in DRIP works in the Fifth Control Period for computing normative R&M expenses.

Based on the above, the R&M expenses approved by the Commission for FY 2026-27 are as shown in the **Table** below:

Table 4.27: R&M Expenses approved for 9 LHPs for FY 2026-27 (Rs. Crore)

Name of the Generating Stations	Claimed	Approved
Dhakrani	3.62	2.84
Dhalipur	6.02	6.26
Chibro	23.81	24.19

Table 4.27: R&M Expenses approved for 9 LHPs for FY 2026-27 (Rs. Crore)

Name of the Generating Stations	Claimed	Approved
Khodri	15.55	13.15
Kulhal	9.66	6.68
Ramganga	11.71	11.21
Chilla	24.06	10.63
MB-I	12.80	8.76
Khatima	5.91	5.69
Total	113.15	89.40

4.3.7.3 A&G expenses

The Petitioner with regard to Insurance coverage of 11 LHPs of UJVN Ltd. submitted that RIV (Reinstatement Value) of its hydro plants is low in comparison to the current market RIV ranging from Rs. 10-12 Crore/MW. To minimise the impact of the under-insurance deductible and to increase the AOG limit, RIV of plants may be increased. The Petitioner further submitted that insurance expenses are allowed on an actual basis by the Commission and an increase in RIV may result in an increase in Tariff. Therefore, to minimise the Tariff impact, the Petitioner submitted a proposal of a five-year plan to gradually align the sum insured with the prevailing market benchmark.

The Commission, with regard to the increase in RIV of the respective plants, sought details from the Petitioner vide letter dated 08.12.2025 to which the Petitioner replied on 09.01.2026. The Commission vide letter dated 08.12.2025 also sought an updated status of all claims raised by it along with details of any bottlenecks or challenges faced by UJVN Ltd. in the processing or settlement of these claims to which the Petitioner replied on 29.12.2025.

The Commission perused the submission of the Petitioner and observed that a total claim of amount Rs. 43.74 Crore raised in FY 2023-24, against Chilla, MB-II, Chibro, Kulhal and Dhalipur has not been approved by the Insurance Company. The Commission further sought correspondence of the respective claims to which the Petitioner responded vide letter dated 16.02.2026 wherein the Commission observed that the Petitioner has been submitting partial and incomplete information in support of its insurance claims to the insurance company/representatives, which has resulted in delays in the settlement and disbursement of such claims. **Hence, the Commission directs the Petitioner to mitigate such issues before considerable expenses are incurred on the premiums. The Commission makes it unequivocally clear that if the benefits of insurance are not received in a**

timely manner due to the Petitioner's delay, the cost implication of an increase in RIV may not be passed on to the consumers.

With regard to A&G expenses claimed by the Petitioner for FY 2026-27, the Petitioner has projected A&G expenses based on Normative A&G expenses for FY 2025-26 which are based on actual A&G expenses of FY 2024-25 and has proposed the A&G expenses of Rs. 61.31 Crore for FY 2026-27.

The Commission has computed the normative A&G expenses for the FY 2026-27 by escalating base expenses of FY 2024-25 by WPI inflation of 3.65% to derive normative expenses for FY 2025-26 excluding actual Petition filing fees, Insurance expenses, ERP expenses and Security expenses considered while approving A&G expenses for the Fifth Control Period in the MYT Order dated 11.04.2025. The normative A&G expenses so arrived for FY 2025-26 are further escalated by WPI of 0.53% to determine normative A&G expenses for FY 2026-27. The Commission has thereafter added the actual Petition filing fees, Insurance expenses, ERP expenses and Security expenses for FY 2024-25 to approve the A&G expenses for FY 2026-27.

The normative A&G expenses approved by the Commission for FY 2026-27 are shown in the **Table** below:

Table 4.28: A&G Expenses approved for 9 LHPs for FY 2026-27 (Rs. Crore)

Name of the Generating Stations	Claimed	Approved
Dhakrani	4.52	3.64
Dhalipur	4.01	3.06
Chibro	11.36	10.48
Khodri	8.53	7.19
Kulhal	4.11	2.99
Ramganga	8.85	8.09
Chilla	9.10	7.85
MB-I	7.66	5.85
Khatima	3.17	2.57
Total	61.31	51.71

4.3.7.4 O&M expenses

Based on the above discussions, the O&M expenses approved by the Commission for FY 2026-27 are as shown in the **Table** below:

Table 4.29: O&M Expenses approved for 9 LHPs for FY 2026-27 (Rs. Crore)

Name of the Generating Stations	FY 2026-27		
	MYT Order dated 11.04.2025	Claimed	Approved
Dhakrani	23.20	25.84	22.76
Dhalipur	23.33	24.00	23.02
Chibro	84.88	84.90	83.59
Khodri	46.68	51.06	45.79
Kulhal	20.81	25.29	20.81
Ramganga	53.89	54.73	53.28
Chilla	61.01	77.17	59.42
MB-I	47.72	47.17	44.40
Khatima	23.00	24.54	22.52
Total	384.51	414.70	375.59

B. Maneri Bhali-II

The Commission has adopted the same approach as discussed above in case of 9 LHPs. Further, the Commission in line with the approach adopted in the MYT Order dated 11.04.2025 with an approved 'K' factor as 1% has approved the O&M expenses for MB-II for FY 2026-27 as shown below:

Table 4.30: O&M Expenses approved for MB-II for FY 2026-27 (Rs. Crore)

Particulars	FY 2026-27		
	MYT Order dated 11.04.2025	Claimed	Approved
Employee Expenses	42.67	49.22	42.24
R&M Expenses	26.84	30.01	25.64
A&G Expenses	16.51	17.99	16.31
Total	86.03	97.23	84.19

C. Vyasi LHP

The Petitioner submitted that Operation and Maintenance expenses for FY 2026-27 have been calculated by escalating the base O&M expenditure i.e. 4% of capital cost by the prescribed escalation factor.

The Commission 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 24.03.2025 and the same have been escalated in line with the UERC Tariff Regulations, 2024 for computing O&M Expenses for FY 2026-27.

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 2023-24 to FY 2025-26

as 1.98%.

Accordingly, the O&M expenses for Vyasi LHP for FY 2026-27 are approved as shown below:

Table 4.31: O&M Expenses approved for Vyasi for FY 2026-27 (Rs. Crore)

Particulars	FY 2026-27		
	MYT Order dated 11.04.2025	Claimed	Approved
Employee Expenses	78.38	78.40	76.73
R&M Expenses			
A&G Expenses			
Total	78.38	78.40	76.73

4.3.8 Interest on Working Capital

The Petitioner submitted that the interest on working capital 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. 8.89 % as the date on which the application for determination of tariff is made plus 350 basis points which equals the rate of interest on working capital of 12.39%.

The Commission has determined the interest on working capital for FY 2026-27, i.e. in accordance with the aforesaid Regulations and the same is as discussed below.

4.3.8.1 One Month O&M Expenses

One month O&M expenses have been considered by the Commission based on the approved annual O&M expenses for FY 2026-27, in accordance with the UERC Tariff Regulations, 2024.

4.3.8.2 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 FY 2026-27.

4.3.8.3 Receivables

The Commission has approved the receivables for two months based on the approved AFC for FY 2025-26, in accordance with the UERC Tariff Regulations, 2024.

Based on the above, the Commission computed the total working capital requirement of the Petitioner for FY 2026-27. Further, the Commission has considered the rate of interest on working capital as 12.38%, 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. 8.88% plus 350 basis points.

Accordingly, the interest on working capital for FY 2026-27 is shown in the Table below:

Table 4.32: Interest on Working Capital for 11 LHPs 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
Dhakrani	1.90	3.41	7.40	12.71	1.82	1.57
Dhalipur	1.92	3.45	9.10	14.47	2.05	1.79
Chibro	6.97	12.54	19.26	38.76	4.92	4.80
Khodri	3.82	6.87	10.12	20.81	2.85	2.58

Table 4.32: Interest on Working Capital for 11 LHPs 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
Kulhal	1.73	3.12	5.57	10.42	1.54	1.29
Ramganga	4.44	7.99	10.97	23.40	3.03	2.90
Chilla	4.95	8.91	17.98	31.85	4.98	3.94
MB-I	3.70	6.66	13.74	24.10	3.40	2.98
Khatima	1.88	3.38	7.73	12.99	1.72	1.61
MB-II	7.02	12.63	45.04	64.69	9.26	8.01
Vyasi	6.39	11.51	54.61	72.51	9.33	8.98
Total	44.71	80.48	201.54	326.72	44.92	40.46

4.3.9 Non-Tariff Income

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. 16.80 Crore for FY 2026-27 which was approved as Rs. 16.80 Crore by the Commission in the MYT Order dated 11.04.2025. The Commission provisionally accepts the same. The same shall, however, be tried up based on the actual audited accounts.

The Commission directs the Petitioner to maintain a separate account for investing funds from Return on Equity and submit Opening and Closing balance of the same for FY 2025-26 in the next Tariff Petition.

Table 4.33: Non-Tariff Income for 9 LHPs for FY 2026-27 (Rs. Crore)

Name of the Generating Stations	MYT Order dated 11.04.2025	Claimed	Approved
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
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
MB-II	3.66	3.66	3.66
Vyasi	0.99	0.99	0.99
Total	16.80	16.80	16.80

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.

4.3.10 Annual Fixed Charges, Capacity Charge and Energy Charge Rate (ECR) for the FY 2026-27

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 FY 2026-27 attributable to its two beneficiaries.

The Commission has allocated the AFC among the two beneficiaries of the Petitioner, viz. UPCL and HPSEB Ltd., 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 the 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:

$$\text{AFC} \times 0.5 \times \text{NDM} / \text{NDY} \times (\text{PAFM} / \text{NAPAF}) \text{ (in Rupees)}$$

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:

$$\text{PAFM} = 10000 \times \sum_{i=1}^N \text{DC}_i / \{N \times \text{IC} \times (100 - \text{Aux})\} \%$$

Where,

AUX= Normative auxiliary energy consumption in percentage

DC_i = 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:

$(\text{Energy Charge Rate in Rs./kWh}) \times \{\text{Energy supplied (ex-bus)}\}$ for the month in kWh} $\times (100 - \text{FEHS-LADF})/100$

- (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):

$$\text{ECR} = \text{AFC} \times 0.5 \times 10 / \{\text{DE} \times (100 - \text{AUX}) \times (100 - \text{FEHS-LADF})\}$$

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 FY 2026-27 for 9 LHPs as approved by the Commission is shown in the Table below:

Table 4.34: Approved AFC of 9 LHPs of UJVN Ltd. for FY 2026-27 (Rs. Crore)

Generating Station	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 Ltd.)
Dhakrani	6.68	7.69	1.57	22.76	7.60	46.30	34.72	1.91	32.81	11.57
Dhalipur	9.10	11.62	1.79	23.02	9.94	55.47	41.60	0.86	40.74	13.87
Chibro	8.38	7.76	4.80	83.59	13.44	117.98	88.48	2.42	86.06	29.49
Khodri	6.08	1.00	2.58	45.79	6.93	62.38	46.78	1.63	45.15	15.59
Kulhal	7.78	1.10	1.29	20.81	3.22	34.19	27.35	0.78	26.57	6.84
Ramganga	2.97	2.36	2.90	53.28	6.27	67.77	67.77	1.94	65.83	-
Chilla	12.72	13.77	3.94	59.42	19.29	109.14	109.14	1.23	107.91	-
MB-I	8.66	14.63	2.98	44.40	12.75	83.43	83.43	0.98	82.45	-
Khatima	9.24	4.78	1.61	22.52	8.66	46.81	46.81	0.40	46.41	-
Total	71.60	64.71	23.47	375.59	88.09	623.46	546.09	12.15	533.94	77.37

The summary of Capacity Charge and Energy Charge Rate (ECR) for 9 LHPs for FY 2026-27 is as given in the Table below:

Table 4.35: Approved Capacity Charge and Energy Charge Rate for 9 LHPs for FY 2026-27

Generating Station	Net AFC (UPCL) (Rs. Crore)	Capacity Charge (UPCL) (Rs. Crore)	Saleable Primary Energy (UPCL) (MU)	Energy Charge Rate (UPCL) (Rs./kWh)	Gross/ Net AFC (HPSEB Ltd.) (Rs. Crore)	Capacity Charge (HPSEB Ltd.) (Rs. Crore)	Saleable Primary Energy (HPSEB Ltd.) (MU)	Energy Charge Rate (HPSEB Ltd.) (Rs./kWh)
Dhakrani	32.81	16.41	112.34	1.460	11.57	5.79	37.45	1.545
Dhalipur	40.74	20.37	165.69	1.230	13.87	6.93	55.23	1.256
Chibro	86.06	43.03	539.53	0.798	29.49	14.75	179.84	0.820
Khodri	45.15	22.58	248.51	0.908	15.59	7.80	82.84	0.941
Kulhal	26.57	13.29	118.30	1.123	6.84	3.42	29.57	1.156
Ramganga	65.83	32.92	307.27	1.071	-	-	-	-
Chilla	107.91	53.95	550.92	0.979	-	-	-	-
MB-I	82.45	41.23	472.26	0.873	-	-	-	-
Khatima	46.41	23.20	232.76	0.997	-	-	-	-
Total	533.94	266.97	2,747.58	0.972	77.37	38.68	384.93	1.005

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 to any ECR recovery for energy generation above the Revised Saleable Design Energy of respective LHPs and up to the original Saleable Design Energy as approved by the Commission in Section 4.2.2.

B. Maneri Bhali-II (MB-II) LHP

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 FY 2026-27. 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 FY 2026-27 is given in the Table below:

Table 4.36: Approved AFC, Capacity Charge and Energy Charge Rate for MB-II for FY 2026-27

Depreciation	Interest on Loan (Rs. Crore)	Interest on working Capital (Rs. Crore)	O&M Expenses Rs. Crore	RoE (Rs. Crore)	Gross Annual Fixed Cost (Rs. Crore)	Non-Tariff Income (Rs. Crore)	Net AFC (Rs. Crore)	Capacity Charge (Rs. Crore)	Saleable Primary Energy (MU)	Energy Charge Rate (Rs./kWh)
38.60	29.17	8.01	84.19	113.93	273.91	3.66	270.25	135.12	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 to any ECR recovery for energy generation above the Revised Saleable Design Energy of 1278.09 MU and up to the original Saleable Design Energy of 1550.44 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 for FY 2026-27. The Commission, to arrive at the Net AFC for Vyasi, has adjusted the Non-Tariff Income from the gross AFC of Vyasi. The summary of Annual Fixed Charge, Capacity Charge and Energy Charge rates for Vyasi for FY 2026-27 is given in the **Table** below:

Table 4.37: Approved AFC, Capacity Charge and Energy Charge Rate for Vyasi for FY 2026-27

Depreciation	Interest on Loan (Rs. Crore)	Interest on working Capital (Rs. Crore)	O&M Expenses (Rs. Crore)	RoE (Rs. Crore)	Gross Annual Fixed Cost (Rs. Crore)	Non-Tariff Income (Rs. Crore)	Net AFC (Rs. Crore)	Capacity Charge (Rs. Crore)	Saleable Primary Energy (MU)	Energy Charge Rate (Rs./kWh)
88.61	70.75	8.98	76.73	83.59	328.66	0.99	327.66	163.83	348.76	4.697

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.

5 Commission's Directives

5.1 Compliance to the Directives Issued in Order dated 05.04.2010.

5.1.1 Transfer Scheme

The Commission in its Tariff Order dated April 05, 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 April 10, 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 February 02, 2026 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. UJVNL has received Rs. 32.64 crores from UPCL and the balance of Rs. 10.00 crores towards opening balance of GPF is still recoverable from UPCL as on 31-12-2025. 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. Rs. 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 has also been communicated to Life Insurance Corporation vide letter No. 206804/24/I-I/2024-04(3)/20/2003 dated 25/4/2024 by Government of Uttarakhand.

This loan liability has been unequivocally denied by Government of Uttaranchal vide Letter No. 933/1/2006-2004(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.

Recently, Nigam received a letter No.CO/INV:BO/Review/SOS/2025-26/58082 dated 21-11-2025 from LIC of India. In response, UJVNL through Letter 6383/UJVNL/01/MD/I-17 dated 17-12-2025 reiterated and reaffirmed the stand for unequivocally denial of Loan Liability informed earlier vide letter No.570/I-I/2024-04(03)/20/2003 dated 01/05/2024 from Principal Secretary, Energy to Additional Secretary, Ministry of Power, Government of India.

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 has not been able to finalise the Transfer Scheme, a balance of Rs. 10.00 crores towards opening balance of GPF is still recoverable from UPCL as on December 31, 2025 and no progress has been made with regard to LIC loan liabilities and difference between Assets and Liabilities payable to UPJVNL.

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.**

5.1.2 Design Energy

With respect to the Design Energy of 9 LHPs, the Commission in its MYT Order dated May 06, 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 MYT Order dated April 11, 2025 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, the Commission 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.**

5.2 Directives specifically issued in Meeting dated 04.09.2013

5.2.1 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 2025 vide its letter dated February 02, 2026.

The Commission has noted the submissions of the Petitioner. The Commission observes that several projects of the Petitioner are delayed which is compelling the distribution utility to procure power from alternate sources. The Petitioner is, therefore, required to expedite the projects execution so as to enhance energy availability from State generating sources.

The Commission directs the Petitioner to continue submitting the quarterly progress report on status of all upcoming projects without fail.

5.2.2 *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 2025-26 vide its letter dated June 26, 2025.

The Commission noted the delayed submission for FY 2025-26 and directs the Petitioner to continue submitting the annual budget for future financial years by 31st May of the respective financial year.

5.3 **Compliance to the Directives Issued in Tariff Order dated March 29, 2017**

5.3.1 *RMU works of Khatima LHP*

The Commission in its investment approval dated May 17, 2015 had given in-principle approval of Rs. 256 Crore towards RMU works of Khatima LHP, subject to prudence check. In this regard, the Commission in its Tariff Order dated March 29, 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/UJVN/01/MD Office/EE (C-Lohiahead)/O-7 Dated 09.06.2022.”

The Petitioner, in the instant Petition 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.**

5.3.2 Non-Tariff Income

The Commission in its Tariff Order dated March 29, 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 March 29, 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 2024-25 as Profit on Sale of Scrap of Rs. 6.64 Crore and Loss on Sale of Store/Scrap of Rs. 8.37 Crore in the 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, if the same does not exceed the salvage value of the de-capitalised asset.

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.**

5.4 Compliance to the Directives Issued in Tariff Order dated 21.03.2018

5.4.1 Balance Capital Works of MB-II LHP

As per Tariff Order dated March 30, 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.

5.5 Compliance to the Directives Issued in Tariff Order dated April 18, 2020

5.5.1 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 & 11.04.2025 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 in its previous Petitions had submitted that the Petitioner's total claim 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 December 15, 2023, directed the Petitioner to submit the details of 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. Crore)	Amount Received (Rs. Crore)	Received on	Remarks
Material Damage	9.98	1) 4.96	07.12.2021	-
		2) 2.59	23.03.2022	
3) 2.44	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 December 08, 2025 had sought the present status of pending insurance claim of Rs. 2.85 Crore and Petitioner vide reply dated December 29, 2025 and March 02, 2026 had submitted that the Oriental Insurance Company Ltd vide its email dated February

13, 2026 conveyed its approval of Rs. 2.85 Crore against the business interruption loss and had further sought discharge voucher for disbursement of claim.

The Commission observed that the claim is in final stages, however, yet to be disbursed. 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.**

There has been an inordinate delay in claim settlement and Petitioner should judiciously choose the insurance agency based on their claim settlement ratio and time period of settlement. The Petitioner is further **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 along with the next Tariff Petition.**

5.5.2 *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 2024-25 is 482.11 MU against 9 of its generating stations namely Chibro, Khodri, Dhakrani, Dhalipur, Kulhal, MB-I, Chilla, MB-II and Vyasi.

UJVN Ltd. in its submission of instant Petition confirmed that in the computation of generation loss due to E-Flow, i.e. 482.11 MU for FY 2024-25, does not include any other loss and that there is no overlapping of the generation loss. The Commission further observes that the claim of generation loss at Vyasi LHP is untenable, as the loss due to e-flow has already been considered while approving design energy of Vyasi LHP and there has been no change in the e-flow discharge from the Dam. The Petitioner is cautioned against making such claims in future.

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 2025-26 and also for subsequent years, thereafter, appropriate view will be taken by the Commission in this regard after carrying out due prudence check.

5.6 Compliance to the Directives Issued in Tariff Order dated April 26, 2021

5.6.1 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.**

5.7 Compliance to the Directives Issued in Tariff Order dated March 31, 2022

5.7.1 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/maintenance 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.**

5.7.2 *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 and MYT Order dated April 11, 2025 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 Commission sought details in a specific format vide letter dated December 08, 2025 and accordingly, the Petitioner vide its submission dated December 29, 2025 has attempted to furnish the details of Auxiliary Energy Consumption in Plant/Dam/Barrage/STP which did not reconcile with the data submitted along with the Petition.

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.

5.7.3 Release of SoR

The Commission in its earlier Orders and MYT Order dated April 11, 2025 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 May 26, 2025 furnished copy of SoR for FY 2025-26 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.**

5.7.4 De-capitalisation Policy

The Commission in its earlier Orders and MYT Order dated 11.04.2025 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 to formulate De-capitalisation Policy detailing the approach to be considered towards estimating and booking de-capitalisation and get it approved by BOD and submit for Commission's approval by 30.06.2026. The Petitioner should continue to carry out de-capitalisation in the same year in which the asset is taken out from its useful service, hence, the Petitioner, in future shall necessarily submit de-capitalisation details on actual/estimated basis in the Form 6.9 as per MYT Regulations along with additional capitalisation claims of FY 2024-25 & FY 2025-26 along with the next Tariff Petition. .

5.7.5 Booking under right Asset head

The Commission in its earlier Orders and MYT Order dated 11.04.2025 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 current truing up proceedings 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/Asset class as discussed in Chapter 3 of this Order. The Commission direction in this regard can be referred at direction no. "5.8.1 Apportionment of common expenses".

5.7.6 Proposed/Planned Additional capitalisation Works

The Commission in its earlier Orders and MYT (5th Control Period) Order dated 11.04.2025 had directed 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.

In compliance to the above, the Petitioner has submitted that it is complying to the directions of the Commission.

However, the Commission during the proceedings found that the Petitioner has proposed works for FY 2026-27 which are in contravention to the above direction. The Petitioner is required to ensure not to claim such expenses in its AFC 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.

5.7.7 Security Expense under head of Administrative and General Expenses

The Commission in its earlier Orders and MYT (5th Control Period) Order dated 11.04.2025 had directed the Petitioner to furnish cost centre wise details of security expenses in future Tariff/True-up filings as per the new apportionment philosophy.

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.**

5.8 Compliance to the Directives Issued in Tariff Order dated 30.03.2023

5.8.1 Apportionment of common expenses

The Commission in its Tariff Order dated 28.03.2024 had 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.

During proceeding of True-up for FY 2023-24, the Petitioner had submitted that it had complied with the same. 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. Further, the Petitioner in its instant Petition has adopted methodology of apportionment of common expense for FY 2024-25 in the ratio 86:14 among 11 LHPs (9 old LHPs, MB-II LHP and Vyasi LHP) and SHPs respectively.

The Commission again **directs the Petitioner to adopt allocation methodology as approved in Tariff Order dated 28.03.2024 alongwith actual expenditures at LHPs and SHPs in the next Tariff Petition and be cautious while booking expenses under appropriate cost head/cost centres/profit centres. The Commission also directs the Petitioner to submit a flow chart of cost booking for each Cost Centre and Profit Centre, along with the next Tariff Petition.**

The Petitioner is further directed not to undertake partial capitalisation of assets unless the same has been specifically approved by the Commission as part of a phased implementation.

5.9 Compliance to the Directives Issued in Tariff Order dated 28.03.2024

5.9.1 Calculation of PAFY

The Commission in its Tariff Order dated 28.03.2024 had 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 with the approach in the instant Petition **and directs the Petitioner to continue the approach of calculating PAFY on weighted average and not on average basis in the next Tariff Petition.**

5.9.2 RMU works of MB-I

The Commission in its MYT Order dated 11.04.2025, with regard to pending works, had directed 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.

The Commission observed that the works are still pending and **the Commission again directs the Petitioner to complete the works and submit an update on Hydro mechanical works and Civil works during the True-up of FY 2025-26 and any, reduction in PAFY due to delay in execution of the works covered in DPR of MB-I shall solely be attributable to UJVN Ltd.**

5.9.3 Approval of price-variations in DRIP works

The Commission in its previous Orders had observed that the Petitioner had not provided all CPMU approvals for the works where price variation occurred w.r.t. DRIP works approved by the Commission.

The Petitioner in the instant Petition submitted that approval of Price-Variations for the works covered under DRIP are being taken as per guidelines of CPMU. **The Commission again directs the Petitioner to ensure that CPMU approvals are obtained in time for price variations for works executed/being executed under DRIP-II and ensure to take corresponding funding from GoU/GoI w.r.t. the same.**

5.9.4 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 was 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 that it has complied to the same.

The Commission notes the submission of the Petitioner and **directs the Petitioner to maintain a separate account for investing funds from Return on Equity and submit Opening and Closing balance of the same for FY 2025-26 in next Tariff Petition.**

5.10 Compliance to the Directives Issued in Tariff Order dated 11.04.2025

5.10.1 Design details of existing LHPs & SHPs

The Commission in its MYT Order dated 11.03.2025 cautioned the Petitioner against filing unverified or inconsistent data under affidavit and 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.

The Petitioner vide its letter dated 14.07.2025 submitted the compliance against the same.

The Commission notes the aforesaid submission of the Petitioner.

5.10.2 Transmission Assets

The Commission in its MYT Order dated April 11, 2025 observed that certain historical transmission assets continue to be maintained by UJVN Ltd., despite not having been formally transferred to PTCUL till date and directed that 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.

The Petitioner vide letter dated 13.10.2025 submitted that a meeting was held on 19.06.2025 between UJVN Ltd. & PTCUL to discuss issues related to transferring the assets from UJVN Ltd. to PTCUL and the compliance report was submitted with the Commission vide letter no. M-963 dated 14.08.2025. Further, proposal for transfer of transmission assets of UJVNL at Tiloth Power House to PTCUL has been submitted to PTCUL vide letter no. M-1152 dated 13.10.2025 with copy to Hon'ble UERC.

The Commission sought details of the assets being maintained by the Petitioner which shall be transferred to Transmission License, the Petitioner submitted the details vide reply dated 20.01.2026 wherein the Commission observed that the Petitioner is maintaining assets of Transmission Licensee as well as Distribution Assets. The Commission direction in this regard can be referred at direction no. 5.11.2 'Transmission & Distribution Assets'.

5.10.3 Investment Approvals for DRIP & General Works

In MYT Order dated April 11, 2025, the Commission observed that DRIP-II works are still pending to be executed and 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 October 12, 2021. Since, the Petitioner has altered the funding of the balance DRIP-II works and directed to seek fresh approval of such balance DRIP-II works proposed to be executed in Fifth Control Period.

The Commission observed that the Petitioner has not submitted any fresh approval of balance DRIP-II works proposed to be executed in Fifth Control Period. **Hence, the Petitioner is again directed to seek fresh approval of such balance DRIP-II works proposed to be executed in Fifth Control Period.**

The Commission also observed that the Petitioner executed works of more than Rs. 5.00 Crore without approval from the Commission, whereas Regulation 22(4) specifies as:

“22

*...(4) Any addition/modification to the existing assets exceeding Rs. 2.50 Crore in case of distribution licensees, **Rs. 5 Crore in case of generating companies**/transmission licensees 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.”* *[Emphasis added]*

The Commission observed that it is wrong practice of the Petitioner to not include GST against works to compare work cost to the ceiling limit of Rs. 5.0 Crore for Investment Approval.

The Petitioner is directed to include GST and all other costs for the purpose of seeking Investment Approval. The Petitioner is also directed to combine similar nature of works and seek specific approval under Regulation 22(4) of UERC Tariff Regulations, 2024 for all works where the estimated cost exceeds Rs. 5.00 Crore (including GST) proposed in Fifth Control Period.

The Commission cautions the Petitioner that any attempt to artificially split or fragment works with the intent to circumvent the requirement of obtaining Investment Approval shall be viewed seriously, and such claims may be liable for disallowance at the time of prudence check.

In compliance with the above, the Petitioner is also directed to submit year-wise expenditures against all Investment Approvals accorded by the Commission, executed/under progress since 01.04.2025, along with the next Tariff Petition.

5.10.4 Non-Tariff Income from April 01, 2025 onwards

The Commission in its MYT Order dated April 11, 2025 directed the Petitioner 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 Commission observed that the same has been noted for compliance by the Petitioner but do not reflect in the expenses submitted by the Petitioner.

Therefore, as per UERC Tariff Regulations, 2024, the Petitioner is again 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 along with the next Tariff Petition.

5.11 Fresh Directives

5.11.1 Technical Report

As discussed in Chapter 3 of this Order, with regard to data submitted in Technical Report along with the Petition and further response submitted vide letter dated December 29, 2025. The Commission observed that the Petitioner is submitting inconsistent data. **The Commission cautions the Petitioner against making such submissions and directs the Petitioner to meticulously verify and submit the durations of all categories of Planned Outages for respective LHPs along with the Tariff Petition..**

5.11.2 RMU of Dhalipur LHP

As discussed in Chapter 3 of this Order, **the Petitioner is directed to submit the associated de-capitalisation of assets replaced post FY 2022-23, failing which the Commission shall not allow any further additional expenditure towards RMU works.**

Further, with regards to Balance Works of RMU at Dhalipur LHP, since the works have been executed in FY 2025-26, the Commission **directs the Petitioner to submit detailed unit-wise additional capital expenditure along with component-wise justification for the delay in completion of the balance works, along with documentary evidence, work schedules, procurement timelines, and reasons for issuance of additional orders.**

The Petitioner is also directed to submit the detailed workings of completion cost as on the date of completion of RMU (including Hard Cost, quarterly IDC computations, IEDC, Total, Total Price Variation included in Hard Cost) as on March 31, 2025 and as on March 31, 2026 duly certified by a statutory auditor with the next Tariff Petition.

The Commission has gone through the submissions of the Petitioner made up to 11.03.2026 and **directs the Petitioner to expedite the RMU works and complete the same within the cut-off date, i.e., 31.03.2026, beyond which no expense (including IDC) in this regard would be allowed.**

5.11.3 Reporting R&M Expenses

As discussed in Chapter 3 of this Order, the Commission observed that the Petitioner has capitalised works of R&M nature stating that the said works are non-routine and capital in nature. However, the Commission is of the view that the said works are more appropriately classified as R&M in nature and, accordingly, are liable to be shifted from the capital head to the R&M head.

The Commission, in this Order, has shifted the said expenses to R&M Expenses. **The Commission cautions the Petitioner to avoid such instances of incorrect booking of expenditure in future. The Petitioner is further directed to inform the Commission on a quarterly basis in case the R&M expenses exceed 150% of the level approved by the Commission for the respective LHP.**

5.11.4 Transmission & Distribution Assets

As discussed in the Section for Compliance to the Directives Issued in Tariff Order dated 11.04.2025, the Commission observed that the Petitioner is maintaining assets of Transmission Licensee as well as Distribution Assets.

The Commission re-iterates that in the aforesaid context of assets which should ideally fall under the ambit of PTCUL/UPCL but are presently being maintained by UJVN Ltd. is prima-facie against the letter and 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, the Commission directs UJVN Ltd., PTCUL and UPCL to jointly prepare a comprehensive Plant-wise plan by June 30, 2026 for transferring the assets in a time-bound manner latest by September 30, 2026, as such expenditures ought to be incurred by a Transmission Licensee/Distribution Licensee and not by a Generating Company.

5.11.5 Variation in the cost against the works approved by the Commission through separate Investment Approvals:

The Commission observed that various Investment Approval Orders were issued in the past and the actual cost has increased drastically against the estimated costs of DPR. The details of price variation claimed by the Petitioner for few civil works are as :

Table 5.1: 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
1	Refurbishment of Damaged Chilla Power Channel at different Places from Barrage head regular gate to Intake of Chilla PH	14.30	21.33	49%
2	Special repair of Glacis, Floor & End Sill of Virbhadra Barrage Rishikesh	15.39	25.99	69%

The Commission in its MYT Order dated 11.04.2025 specified:

“... ”

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."

The Commission notes with concern the repeated non-compliance of its directions by the Petitioner. **The Petitioner is directed to ensure that all such claims including price variations vis-à-vis investment approval are supported with adequate justification and requisite documentary evidence. The Commission shall undertake a prudence check of these claims, as deemed appropriate, at the time of consideration.**

Further, **the Commission directs the Petitioner to adhere to the provisions of Regulation 22 of the UERC Tariff Regulations, 2024. The Petitioner shall, in the next Tariff Petition, clearly specify the relevant Clause and Sub-clause under which any claim towards Additional Capitalisation is being made.**

5.11.6 Increase in RIV for Insurance coverage

As discussed in Chapter, 4 of this Order, the Commission perused the submission of the Petitioner and directs the Petitioner to mitigate bottlenecks and issues with regards to process for filing claim as considerable expenses are incurred on the premiums. The Commission makes it unequivocally clear that if the benefits of insurance are not received in a timely manner due to the Petitioner's delay, the cost implication of an increase in RIV may not be passed on to the consumers.

The approved AFC of FY 2026-27 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, 2026 and shall continue to apply till further Orders of the Commission.

**(Prabhat Kishor Dimri)
Member (Technical)**

**(Anurag Sharma)
Member (Law)**

**(M.L. Prasad)
Chairman**

6 Annexures

6.1 Annexure-1: Public Notice

Station		AFC(Rs Crore)				
		FY 2024-25 (True Up)		FY 2025-26 (APR)		FY 2026-27 (AFC)
		Approved (T.O. dt. 28.03.2024)	Claimed by UJVNL	Approved (T.O. dt. 11.04.2025)	Revised Estimated by UJVNL Ltd	Projected by UJVNL
Dhakrani		27.66	33.81	32.69	44.75	50.16
Dhalipur		49.44	55.38	51.93	61.05	65.03
Chibro		106.38	101.95	99.92	108.28	116.86
Khodri		60.08	58.35	56.27	62.32	64.78
Kulhal		31.09	31.77	29.11	32.72	38.44
Ramganga		60.73	58.44	62.10	65.39	68.18
Chilla		104.50	102.14	102.47	118.28	131.89
MB-I		91.27	92.39	100.26	97.22	97.69
Khatima		45.48	46.72	46.19	48.60	48.71
MB-II		207.05	290.73	272.34	304.61	308.70
Vyasi		345.28*	334.74	339.54	344.61	341.24
Total		1128.95	1206.43	1192.82	1287.83	1331.67

* as approved in Tariff Order dated 24.03.2025

2. UJVN Ltd. has computed a Gap of Rs. 91.44 Crore (excluding the gap of HPSEB but including the impact of carrying cost) on account of true-up of FY 2024-25. In addition to this gap, UJVN Ltd. has also claimed 2nd instalment against past recovery of RoE on PDF of Rs. 248.73 Crore against MB-II LHP, which was approved by the Commission in Tariff Order dated 11.04.2025.

3. UJVN Ltd. has further proposed an increase of about 10.93% for FY 2026-27 with respect to approved AFC for FY 2025-26 for UPCL (excluding Rs. 248.73 Cr. against 2nd instalment of RoE on PDF for MB-II). In case the entire claim of UJVN Ltd. including True-up for 11 LHPs for FY 2024-25 & carrying cost on the same and 2nd instalment against past recovery of RoE on PDF is accepted by the Commission, the impact on UPCL tariff shall be(-) 0.56% [Impact is negative, as UPCL has considered higher AFC towards supply of power from 11 LHPs of UJVN Ltd. vis-a-vis the claim submitted by UJVN Ltd.] which shall result in lowering of 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.uk.gov.in) and at the UJVN Ltd.'s website (www.ujvn.uk.gov.in)

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 **31.01.2026**.

"AVOID WASTEFUL USE OF ELECTRICITY"

6.2 Annexure-2: List of Respondents

Sl. No.	Name	Designation	Organization	Address
1.	Sh. Pawan Agarwal	President	Kumaun Garhwal Chamber of Commerce & Industry	Chamber House, Industrial Estate, Bazpur Road, Kashipur, Distt- U.S.Nagar
2.	Sh. Pankaj Gupta	President	Industries Association of Uttarakhand	Mohabewala Industrial Area, Dehradun
3.	Sh. Shakeel Siddiqui	Legal Advisor	M/s Kashi Vishwanath Textile Mill Private Limited	5 Km Stone Ramnagar Road, Kashipur, Dis- US Nagar
4.	Sh. Shakeel Siddiqui	Legal Advisor	M/s Galwalia Ispat Udhyog (P) Ltd.	Narain Nagar Industrial Estate, Bazpur Road, Kashipur
5.	Sh. Munish Talwar	Head	Electrical Maint.	Roorkee
6.	Sh. Vijay Singh Verma	Village- Delna, Post- Jhabrera, Dis- Haridwar.		
7.	Sh. Manohar Tolia	District President Congress, Pithoragarh		
8.	UPCL	Victoria Cross Vijeta Gabbar Singh Urja Bhawan, Kanwali Road, Dehradun		

6.3 Annexure-3: List of Participants in Public Hearings

List of Participants in Hearing at Karanprayag on 18.02.2026

Sl. No.	Name of the Participants	Designation	Organization	Postal Address
1.	Sh. Durga Prasad Thapliyal	Advocate	-	Near Govt. Industrial Training Institute (ITI), Karanprayag-246428, Distt. Chamoli, Uttarakhand.
2.	Sh. Mahanand Maithani	Advocate	-	Near Umadevi Temple, Karanprayag-246428, Distt. Chamoli, Uttarakhand.
3.	Sh. Gopal Chandra Chaudhary	-	-	Village-Matholi, P.O.-Simli, Tehsil- Karanprayag, Distt. Chamoli, Uttarakhand.
4.	Ms. Neetu Devi	-	-	Village-Sekhari, P.O.-Ghandiyal, Block & Tehsil-Karanprayag, Distt. Chamoli, Uttarakhand.
5.	Sh. Pankaj Kumar	-	-	Village-Ghandhinagar, P.O. & Tehsil-Karanprayag-246444, Distt. Chamoli, Uttarakhand.
6.	Sh. Santosh Kumar	-	-	Village-Kimoli, P.O.-Kimoli, Tehsil-Karanprayag-246488, Distt. Chamoli, Uttarakhand.
7.	Sh. Harish Chauhan	Ex Pradhan	-	Village-Kaleshwar, Tehsil-Karanprayag-246444, Distt. Chamoli, Uttarakhand.
8.	Ms. Sumedha Bisht	-	-	Village-Majkhola, Block & Tehsil-Karanprayag-246429, Distt. Chamoli, Uttarakhand.
9.	Sh. Narendra Topal	Member	Block Panchayat	Village-Phalota, P.O.-Koladungari-246474, Block & Tehsil-Karanprayag, Distt. Chamoli, Uttarakhand.
10.	Sh. Rakesh Negi	-	-	Village-Kimoli, P.O.-Kimoli, Tehsil-Karanprayag-246488, Distt. Chamoli, Uttarakhand.
11.	Sh. Mohit	Member	Block Panchayat	Village-Top, P.O.-Ujjawalpur-246444, Tehsil-Karanprayag, Distt. Chamoli, Uttarakhand.
12.	Ms. Pushpa Devi	-	-	Village-Jasyara, P.O.-Nainisain, Tehsil-Karanprayag-246488, Distt. Chamoli, Uttarakhand.

Sl. No.	Name of the Participants	Designation	Organization	Postal Address
13.	Sh. Arvind Chauhan	-	-	Parivartan Library, Karanprayag Main Bazar Road, Tehsil-Karanprayag-246444, Distt. Chamoli, Uttarakhand.
14.	Sh. Bhuwan Dimri	-	-	Village-Umatta, P.O.-Umatta Chatti, Block-Karanprayag-246444, Distt. Chamoli, Uttarakhand.
15.	Ms. Anita Dimri	Member	Block Panchayat	Village-Umatta, P.O.-Umatta Chatti, Block-Karanprayag-246444, Distt. Chamoli, Uttarakhand.
16.	Sh. Bhagwati Prasad	-	-	Village-Dimmor Saini, P.O.-Simli, Tehsil-Karanprayag-246474, Distt. Chamoli, Uttarakhand.
17.	Ms. Sunita Khanduri	-	-	Village-Nago, P.O. & Tehsil-Karanprayag-246444, Distt. Chamoli, Uttarakhand.
18.	Sh. Virendra Singh Mingwal	-	-	Simli Road, Subhash Nagar, P.O.-Karanprayag-246444, Distt. Chamoli, Uttarakhand.
19.	Sh. Brijesh Bisht	-	-	Village & Gram Panchayat-Kuneth, Tehsil-Karanprayag-246488, Distt. Chamoli, Uttarakhand.
20.	Ms. Indu	-	-	Village-Bhatoli-1, P.O.-Bhatoli-246444, Tehsil-Gairsain, Distt. Chamoli, Uttarakhand.
21.	Sh. Pushkar Lal	-	-	Ward No. 02, Raj Nagar, P.O. & Tehsil-Karanprayag-246444, Distt. Chamoli, Uttarakhand.
22.	Ms. Sarita Devi	-	-	Village-Kuneth, P.O.-Nainisain, Tehsil-Karanprayag-246488, Distt. Chamoli, Uttarakhand.
23.	Sh. Vinod Khanduri	-	-	Village-Nakote, P.O. & Tehsil-Karanprayag-246444, Distt. Chamoli, Uttarakhand.
24.	Sh. Virendra Singh Negi	-	M/s Pinder Motors Ltd.	C/o Sh. Utkarsh Negi, Plot No.-A-4, Industrial Area, Tatasu Mazyadi, P.O.-Simli, Tehsil-Karanprayag-246474, Distt. Chamoli, Uttarakhand.

Sl. No.	Name of the Participants	Designation	Organization	Postal Address
25.	Sh. Deepak Singh	-	Roopkund Masala Udhog	Near Mahila Base Hospital, P.O.- Simli, Tehsil-Karanprayag, Distt. Chamoli, Uttarakhand.
26.	Sh. Naveen Pujari	-	-	Ward No. 01, P.O. & Tehsil-Karanprayag-246444, Distt. Chamoli, Uttarakhand.
27.	Sh. Bhuwan Nautiyal	-	-	Upper Bazar, P.O. & Tehsil-Karanprayag-246444, Distt. Chamoli, Uttarakhand.
28.	Sh. Pushkar Singh Rawat	-	-	Main Market, P.O. & Tehsil-Karanprayag-246444, Distt. Chamoli, Uttarakhand.
29.	Sh. Manveer Singh Rawat	-	-	Village-Siri, P.O.-Saliyana, Tehsil-Karanprayag-246444, Distt. Chamoli, Uttarakhand.
30.	Sh. Pushkar Rawat	-	-	Karn Chowk, Near SBI Bank, Rawat Restaurant & Sweets, Main Market, Karanprayag-246444, Distt. Chamoli, Uttarakhand.

List of Participants in Hearing at Munsiyari on 20.02.2026

Sl. No.	Name of the Participants	Designation	Organization	Postal Address
1.	Sh. P.C. Pandey	Vice President	Hotel Association-Munsiyari	Main Market Area, P.O.-Munsiyari- 262554, Distt. Pithoragarh, Uttarakhand.
2.	Sh. Devendra Singh	-	Hotel Association-Munsiyari	S/o Late Sh. Prem Singh, Owner-Brahma Kamal Hotel, Ward No. 07, Malla Ghorpatta, P.O.-Munsiyari- 262554, Distt. Pithoragarh.
3.	Sh. Manohar Singh Tolia	Social Activist	-	Address-Near Bus Station, Munsiyari, Distt. Pithoragarh, Uttarakhand.
4.	Sh. Tara Pangti	-	-	Village-Bunga, Block-Munsiyari-262554, Distt. Pithoragarh, Uttarakhand.
5.	Sh. Sundar Ram Johri	Vice President	Shilpi Vikas Samiti	P.O.-Munsiyari-262554, Distt. Pithoragarh, Uttarakhand.
6.	Sh. Ishwar Singh Nabiyal	-	-	Village-Ralam, P.O.-Lilam, Tehsil-Munsiyari-262554, Distt. Pithoragarh, Uttarakhand.
7.	Sh. Surendra Singh Koranga	-	-	Village-Ralam, P.O.-Lilam, Tehsil-Munsiyari-262554, Distt. Pithoragarh, Uttarakhand.
8.	Sh. Rajendra Pangti	Chairman	Nagar Panchayat-Munsiyari	Nagar Panchayat Office, P.O.-Munsiyari-262554, Distt. Pithoragarh, Uttarakhand.
9.	Sh. Rajendra Singh	-	-	Village-Talla Ghorpatta, P.O.-Munsiyari-262554, Distt. Pithoragarh, Uttarakhand.

List of Participants in Hearing at Rudrapur on 23.02.2026

Sl. No.	Name of the Participants	Designation	Organization	Postal Address
1.	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.
2.	Sh. Ashok Bansal	President	M/s Kumaon Garhwal Chamber of Commerce & Industry Uttarakhand	Chamber House, Industrial Estate, Bazpur Road, Kashipur, Distt. Udham Singh Nagar.
3.	Sh. Sanjay Kumar Adhlakha	Director	M/s Ambashakti Glass India Pvt. Ltd.	Plot No. 41, Sector-3, IIE, SIDCUL, Pantnagar, Rudrapur-263153, Distt. Udham Singh Nagar.
4.	Sh. Arjun Singh Takuli	-	-	Plot No. 49, Sector-4, IIE, SIDCUL, Pantnagar, Rudrapur-263153, Distt. Udham Singh Nagar.
5.	Sh. Avdhesh Kumar Mishra	-	M/s Kashi Vishwanath Steels Pvt. Ltd.	Narain Nagar Industrial Estate, Bazpur Road, Kashipur-244713, Distt. Udham Singh Nagar.
6.	Sh. Sushil Kumar Tulsiyar	-	M/s Umashakti Steels Pvt. Ltd.	Village-Vikrampur, Post Off.-Bazpur-262401, Distt. Udham Singh Nagar.
7.	Sh. Jagdish Singh	-	-	Village-Dharampur, Post Off.-Chatarpur, Tehsil-Kichha, Kashipur-263153, Distt. Udham Singh Nagar.
8.	Sh. Rujal Desai	-	M/s Hindustan Zinc Ltd.	Pantnagar Metal Plant (PMP), Plot No. 2&3, Sector-14, IIE, SIDCUL, Rudrapur, Distt. Udham Singh Nagar.
9.	Sh. Teeka Singh Saini	Block President	Bhartiya Kisan Union	Office-61, Katoratal, Kashipur, Distt. Udham Singh Nagar
10.	Sh. Baljinder Singh Sandhu	District General Secretary	Bhartiya Kisan Union	Village-Paiga, P.O.-Mahuakheraganj, Tehsil-Kashipur-244713, Distt. Udham Singh Nagar.
11.	Sh. Kuldeep Singh Cheema	-	Bhartiya Kisan Union	Village & Post Office-Dakiya Kalan, Tehsil-Kashipur-244713, Distt. Udham Singh Nagar.

Sl. No.	Name of the Participants	Designation	Organization	Postal Address
12.	Sh. Dilbag Singh Cheema	-	-	Village & Post Office-Dakiya Kalan-1, Tehsil-Kashipur-244713, Distt. Udhamsingh Nagar.
13.	Sh. Arunesh Kumar Singh	-	-	Village-Fulsunga, P.O.-Transit Camp, Rudrapur-263153, Distt. Udhamsingh Nagar.
14.	Sh. Santosh Singh	-	-	Village-Narayanpur, Kichha Sub-Post Office (SO)-263148, Distt. Udhamsingh Nagar.
15.	Ms. Shikha Nautiyal	-	-	Room No. 18, Lead Bank office, Vikas Bhawan, Rudrapur, Distt. Udhamsingh Nagar.
16.	Sh. Daljeet Singh	-	District Court	Chamber No. 14, Rudrapur-263153, Distt. Udhamsingh Nagar.
17.	Sh. Hari Nandan Joshi	-	-	Rudrapur, Distt. Udhamsingh Nagar.

List of Participants in Hearing at Dehradun on 27.02.2026

Sl. No.	Name of the Participants	Designation	Organization	Postal Address
1.	Sh. Ashu Gupta	Vice President (Regulatory & Policy)	M/s Clean Max	4th Floor, The International, 16- Maharshi Karve Road, New Marines Lines Cross Road No. 1, Churchgate, Mumbai-400020.
2.	Sh. Aman Singh	-	M/s Clean Max	4th Floor, The International, 16- Maharshi Karve Road, New Marines Lines Cross Road No. 1, Churchgate, Mumbai-400020.
3.	Ms. Vidisha Dubey Srivastava	-	M/s Distributed Solar Power Association (DiSPA)	Office-A-57, DDA Sheds, Okhla Industrial, Phase-II, New Delhi- 110020.
4.	Ms. Urvashi Trivedi	-	M/s Distributed Solar Power Association (DiSPA)	Office-A-57, DDA Sheds, Okhla Industrial, Phase-II, New Delhi- 110020.
5.	Sh. Pankaj Gupta	President	M/s Industries Association of Uttarakhand	Mohabewala Industrial Area, Dehradun-248110.
6.	Sh. Rajiv Agarwal	-	M/s Industries Association of Uttarakhand	Patelnagar Cooperative Area, Patelnagar, Dehradun.
7.	Sh. Sanjeev Kumar Sharma	Office Executive	M/s Industries Association of Uttarakhand	C/o Satya Industries, Mohabewala Industrial Area, Dehradun-248110
8.	Sh. S.M. Bijalwan	-	-	House No. 115, Lane No. 03, Gokul Dham Society, near Durga Chowk, Banjarawala, Dehradun.
9.	Sh. Rahul Dev	State Convenor	Laghu Udhog Bharti	House No. C-19, Turner Road, Dehradun.
10.	Sh. Manmohan Bhardwaj	Member	Laghu Udhog Bharti	House No. 166/112, Kalidas Road, Dehradun.
11.	Sh. D.S. Bhandari	-	-	House No.-01, Lower Adhoiwala, Chandar Road, Dalanwala, Dehradun.
12.	Ms. Meenakshi Ghildiyal	-	Uttarakhand Kranti Dal	UKD Office, 10-Court Road, Dehradun.

Sl. No.	Name of the Participants	Designation	Organization	Postal Address
13.	Sh. Sunil Kumar	-	Uttarakhand Kranti Dal	House No.-253-A, Lane No.-02, Sarthi Vihar, Ajabpur Danda, Dehradun.
14.	Sh. Subhash Chauhan	-	M/s Flex Foods Ltd.	Lal Tappar Industrial Area, P.O. Resham Majri, Haridwar Road, Dehradun-248140.
15.	Sh. R.L. Khanduri	-	M/s Flex Foods Ltd.	Lal Tappar Industrial Area, P.O. Resham Majri, Haridwar Road, Dehradun-248140.
16.	Sh. Vibhor Chauhan	-	-	House No.-773, Dayanand Nagri, near Vanprasth Ashram, Kankhal, Jwalapur Road, Jwalapur, Distt. Haridwar-249407.
17.	Sh. Harindra Kumar Garg	Chairman	SIDCUL Manufacturers Association of Uttarakhand	SMAU Office, 4th Floor, Pentagon Mall, SIDCUL, Distt. Haridwar.
18.	Ms. Pooja Singh	-	-	House No. 53-54, Pankaj Vihar, Pithuwala, Shimla Bypass Road, Dehradun-248171.
19.	Sh. Vishal Bhardwaj	-	M/s Nature's Bestow	Regd. Office-179, Kalidas Road, Dehradun-248001.
20.	Sh. Arvind Jain	Member	Tarun Kranti Manch	6-Ramleela Bazaar, Dehradun.
21.	Sh. Shailendra Kumar Singh	-	-	Dashmesh Vihar, Raipur Road, Dehradun-248008.
22.	Sh. Ramesh Joshi	State President	Suraj Sewa Dal	Office-Kaulagarh Road, Sirmaur Marg, Rajendra Nagar, Dehradun.
23.	Sh. Vijay Singh Verma	-	-	Village-Delna, P.O.-Jhabrera-247665, Distt. Haridwar.
24.	Sh. Pradeep Sati	-	-	Shivam Vihar, Near Trihari Apartments, Kedarpur, Mothrowala, Dehradun-248001.
25.	Sh. Amit Sharma	-	-	Village-Sadholi, P.O.-Bijholi, Jbabreda, Roorkee-247666, Distt. Haridwar.
26.	Sh. Adesh Panwar	-	-	Chaudhari Rupram Market, P.O.-Jhabrera, Roorkee-247665, Distt. Haridwar.

Sl. No.	Name of the Participants	Designation	Organization	Postal Address
27.	Sh. Yashveer Arya	-	-	Surbhi Enclave, Canal Road, Jakhan, Rajpur Road, Dehradun-248001.
28.	Sh. Pawan Agarwal	Vice-President	M/s Uttarakhand Steel Manufacturers Association	C/o Shree Sidhbali Industries Ltd., Kandi Road, Kotdwar, Uttarakhand.
29.	Sh. Subhash Kumar Kukreti	Director	M/s Kukreti Steel Pvt. Ltd.	F-23-27, E-73-76, UPSIDC Industrial Area, Jasodharpur Industrial Area, Kotdwar-246149, Uttarakhand.
30.	Sh. Suresh Bansal	-	M/s Kukreti Steels Ltd.	F-23-27, E-73-76, UPSIDC Industrial Area, Jasodharpur Industrial Area, Kotdwar-246149, Uttarakhand
31.	Sh. Sunil Kumar Gupta	Editor	Teesri Aankh ka Tehalka	16, Chakrata Road (Tiptop Gali), Dehradun-248001.
32.	Sh. Umed Singh	-	M/s Himalaya Ispat Pvt. Ltd.	C-5 & C-6, SIDCUL Industrial Area, Jashodharpur, Kotdwar-246149, Uttarakhand.
33.	Sh. Rohit Kumar Gupta	-	M/s Amrit Varsha Udhog Ltd.	UPSIDC Industrial Area, Jashodharpur, Haridwar Road, Kotdwar-246149, Uttarakhand.
34.	Sh. Anil Kumar Nautiyal	-	-	Village-Rudrapur, P.O.-Rudrapur, Via Sahaspur-248197, Dehradun.
35.	Sh. Devraj Semwal	-	-	Village-Rudrapur, P.O.-Rudrapur, Via Sahaspur-248197, Dehradun
36.	Sh. Vajid Ali	-	-	Village-Rudrapur, P.O.-Rudrapur, Via Sahaspur-248197, Dehradun.
37.	Sh. Jamna Prasad Dogra	-	-	S/o Sh. Hansraj Dogra, House No. 135, Village & P.O.-Langha, Vikasnagar, Dehradun-248125.
38.	Sh. Bipin Chandra Tiwari	-	M/s Indus Towers Ltd.	Okaya Centre, Tower No.-1, 2nd Floor, B-5, Sector-62, Gautam Budh Nagar, Noida-201301, Uttar Pradesh.

Sl. No.	Name of the Participants	Designation	Organization	Postal Address
39.	Sh. R.P.S. Tomar	-	M/s Indus Towers Ltd.	Okaya Centre, Tower No.-1, 2nd Floor, B-5, Sector-62, Gautam Budh Nagar, Noida-201301, Uttar Pradesh.
40.	Sh. Somveer	-	-	Village-Karaundi, Thana-Bhagwanpur-247661, Tehsil-Roorkee, Distt. Haridwar.
41.	Sh. Deshraj	-	-	Village-Dheer Mazra, Tehsil-Bhagwanpur-247661, Roorkee, Distt. Haridwar.
42.	Sh. Prabodh Tiwari	-	-	Village-Nagla Salaru, Post Off.-Gurukul Narsan, Distt. Haridwar.
43.	Sh. Dharmendra Singh	Spokesperson	Garhwal Mandal Vikas Nigam Ltd.	74/1 Rajpur Road Dehradun-248001.
44.	Sh. Sukram Pal Singh	-	Bhartiya Kisan Union	Village-Mandavali, Post Off.-Gurukul Narsan, Distt. Haridwar-247670.
45.	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.
46.	Sh. Surya Prakash Bhatt	State President	Human Rights Commission	271/153, Araghar, Canal Terminal, Dehradun.
47.	Sh. Anurag Singh	-	-	House No. 3/3, Chandrapuri, Roorkee-247663, Distt. Haridwar.
48.	Sh. Sanjay Chaudhary	Zonal President (Garhwal)	Bhartiya Kisan Union (Tikait)	Village-Nagla Salaru, Post Off.-Gurukul Narsan, Distt. Haridwar.
49.	Sh. Vijay Shastri	Distt. President	Bhartiya Kisan Union	S/o Sh. Ram Dhan Singh, Village-Boodpur Chauhan, Thana-Jhabrera-247665, Distt. Haridwar
50.	Sh. Ashok Tyagi	DGM (Electrical)	M/s Reliance Jio Infocomm Ltd.	Reliance Market, 1st Floor, Near Niranjapur Mandi, GMS Road, Dehradun-248001.

6.4 Annexure-4: List of items Disallowed/partially disallowed by the Commission in FY 2024-25

Sl. No.	Plant Name	Asset Name/Description	Amount Claimed (in Rs. Crore)	Amount Approved (in Rs. Crore)	Total Disallowance
Additional Capitalisation pertaining to transmission infrastructure [Disallowed]					
1	Dhakrani	Strengthening of Protection System At DPS	0.27	-	0.27
2	Dhakrani	Installation programming testing Digital Equipment etc.	0.12	-	0.12
Sub-total of Additional Capitalisation pertaining to transmission infrastructure [Disallowed]			0.39	-	0.39
Additional Capitalisation related to Additional Spares [Disallowed]					
1	MB-II	Runner with Top and Bottom Moving Labyrinths_2nd	4.86	-	4.86
2	MB-II	Neutral Grounding Transformer 10 KVA	0.09	-	0.09
3	Khodri	SITC of Collector Assy(48" Slip Ring Assay)	0.20	-	0.20
4	Tiloth/MB-I	Spiral Casing Pressure Relief Valve_	2.12	-	2.12
Sub-total of Additional Capitalisation related to Additional Spares [Disallowed]			7.27	-	7.27
Additional Capitalisation for Vyasi LHP [Partially Disallowed on Case-to-Case basis]					
1	Vyasi	Price Variation against BHEL Contract of Vyasi LHP of Rs. 6.93 Crore, in line with the Order dated 24.03.2025.	6.93	4.33	2.60
Sub-total of Additional Capitalisation forming part of the Partial Capitalisation allowed by the Commission in previous years [Partially Disallowed on Case-to-Case basis]			6.93	4.33	2.60

6.5 Annexure-5: List of items Deferred/Partially Deferred by the Commission in FY 2024-25

Sl. No.	Plant Name	Asset Name/Description	Amount Claimed (in Rs. Crore)	Amount Approved (in Rs. Crore)	Total Deferred
Partial Capitalisation [Deferred]					
1	Tiloth/M B-I	O&M of Physical Model of Maneri Dam at IRI Bhadrabad Roorkee	0.25	-	0.25
2	Chilla	Construciton of Training Centre/ Transit Camp Building at Rishikesh	4.08	-	4.08
3	Chilla	Repair & Strengthening of boulder Excluder Tunnel under Sluice Gate No. 01 at Virbhadra Barrage, Pashulok	5.60	-	5.60
Sub-total of Partial Additional Capitalisation [Deferred]			9.93	-	9.93
Additional Capitalisation against replacement works where De-capitalisation has not been provided [Partially Deferred on Case-to-Case basis]					
1	MB-II	Supply and Replacement of steel wire rope with socket and pi of 06 no intake gates at joshiyara Barrage	1.41	1.13	0.28
2	MB-II	220 KV P.T.	0.72	0.58	0.14
3	MB-II	Sitc of 15 Nos. CVT Including Interfacing With Exist Control, Protection	0.73	0.58	0.15
4	MB-II	Supply Installation ,Testing & commissioning of 220 VDC 1395 AH Battery Bank	1.74	1.39	0.35
5	Chibro	Protection works at outfall tail race tunnel of chibro PH	5.41	4.33	1.08
6	Dhakrani	IUT from Chibro against Protection works at outfall tail race tunnel of chibro PH	0.26	0.21	0.05
7	Khodri	Special Repair of Escape Channel & spilling Surge Shaft Structures of Khodri PH	2.80	2.24	0.56

Sl. No.	Plant Name	Asset Name/Description	Amount Claimed (in Rs. Crore)	Amount Approved (in Rs. Crore)	Total Deferred
8	Dhakrani	Refurbishment of Damaged power channel from Bhimawala Bridge to court Bridge	5.69	4.56	1.14
9	Dhalipur	Refurbishment of Damaged power channel from Bhimawala Bridge to court Bridge	8.61	6.88	1.72
10	Dhalipur	Refurbishment of Damaged power channel from court bridge to skew bridge	18.11	14.49	3.62
11	Dhakrani	Replace of Fence Diff sec of S/y	0.20	0.16	0.04
12	Dhakrani	Installation of VRF equipment and supply	0.26	0.20	0.05
13	Kulhal	REPLACING OLD & DAMAGED SERVICE CABLE	0.23	0.18	0.05
14	Kulhal	SITC of LT Panel,	1.48	1.19	0.30
15	Chilla	Refurbishment of Damaged Chilla Power Channel at different Places from Barrage head regular gate to Intake of Chilla PH	21.33	17.06	4.27
16	Chilla	Special repair of Glacis, Floor & End Sill of Virbhadrha Barrage Rishikesh	25.99	20.79	5.20
17	Tiloth/ MB-I	33 KV Outdoor Breaker, VCB	0.24	0.19	0.05
18	Dhalipur	Additional Orders for RMU of Dhalipur's RMU of Rs. 21.50 Crore.	21.50	17.20	4.30
Sub-total of Additional Capitalisation against replacement works where De-capitalisation has not been provided [Partially Deferred on Case-to-Case basis]			116.70	93.36	23.34

6.6 Annexure-6: List of items shifted to R&M expenses/A&G expenses by the Commission in FY 2024-25

Sl. No.	Plant Name	Asset Name/ Description	Amount Claimed (in Rs. Crore)	Amount Approved (in Rs. Crore)	Total Shitted
Assets created from Works of Repair and Maintenance in nature [Shifted to R&M Expenses]					
1	MB-II	Fabrication & Transportation of Stop log Gate Item (01 Nos.) of Redial gate no. 01 of Joshiyara Barrage, Uttarkashi.	0.80	-	0.80
2	MB-II	Dismantling, Shifting and Reassembling The Hoist Part Of Radial Gate No. 04 & 05 At Joshiyara Barrage, Uttarkashi.	1.79	-	1.79
3	Khodri	Treatment of cracks & Seepage in cable gallery of Khodri power house khodri	1.68	-	1.68
Sub-total of Assets created from Works of Repair and Maintenance in nature [Shifted to R&M Expenses]			4.27	-	4.27
Assets created from Works of Administrative & General in nature [Shifted to A&G Expenses]					
1	Chibro	Health assessment and remedial measures of residential and non-residential building of Dakpathar colony			
	Chibro	IUT to Chibro	0.13	-	0.13
	Khodri	IUT to Khodri	0.07	-	0.07
	Chilla	IUT to Chilla	0.01	-	0.01
	Tiloth/ MB-I	IUT to Tiloth/MB-I	0.01	-	0.01
	Kalagarh/ Ramganga	IUT to Kalagarh/Ramganga	0.01	-	0.01

Sl. No.	Plant Name	Asset Name/ Description	Amount Claimed (in Rs. Crore)	Amount Approved (in Rs. Crore)	Total Shitted
	Lohiyahead /Khatima	IUT to Lohiyahead/Khatima	0.00	-	0.00
	Chibro	IUT to Chibro	0.02	-	0.02
	Khodri	IUT to Khodri	0.01	-	0.01
	Dhakrani	IUT to Dhakrani	0.00	-	0.00
	Dhalipur	IUT to Dhalipur	0.00	-	0.00
	Kulhal	IUT to Kulhal	0.00	-	0.00
	MB-II	IUT to MB-II	0.02	-	0.02
	Vyasi	IUT to Vyasi	0.01	-	0.01
Sub-total of Assets created from Works of Administrative & General in nature [Shifted to A&G Expenses]			0.29	-	0.29

6.7 Annexure-7: List of items Shifted from R&M Expenses to Add Cap for FY 2024-25

Sl. No.	Asset Name	Amount (in Rs. Crore)
Khatima		
Furniture & Fixtures		
1.	110V 100Ah VRLA Battery Bank & 25 Amp battery charged for 100 V/100Ah battery booked in R&M expenses by msitake as per submission dated 09.01.2026	0.12
Total amount transferred from R&M to Add Cap		0.12
Grand Total amount transferred from R&M Expenss to Add Cap		0.12

6.8 Annexure-8: List of items Disallowed from A&G Expenses of FY 2024-25

Sl. No.	Asset Name/Description	Amount (in Rs. Crore)
Chilla		
1	Bonus/Ex-gratia and Incentives	0.01
Total amount disallowed from A&G Expenses		0.01
CPO		
2	Bonus/Ex-gratia and Incentives	0.15
Total amount disallowed from A&G Expenses		0.15
Grand Total amount disallowed in A&G Expenses		0.16

6.9 Annexure-9: CSR Expense disallowed from the claim of A&G expenses for FY 2024-25

(A) List of items Disallowed from R&M/A&G Expenses for FY 2024-25

Sl. No.	Reference No.	Asset Name/Description	Amount (in Rs. Crore)
Plant & Machinery			
1	Khodri	Repairing of B phase 220kV HT bushing & replacemet of 220kV b phase lightening arrestor of 100MVA Transformer at KPS	0.06
2	Khodri	Detailed Testing of 100 MVA T/F 220/132 kV & testing of surge Arrestor	0.03
3	Dhakrani	AOC 33 KV Sub-Station	0.07
4	Dhakrani	AOM of 33 kV sub station at DKN P S	0.26
5	Dhakrani	Dimantling & installing 33 kv CT	0.02
6	Kulhal	Technical & Non-Technical Personnel: To perform routine maintenance and emergency breakdown repairs for 33 kV lines 17 km Approx Dhakrani S/Yard to Kulhal DPH S/Yard and 11 kV lines 15 km Approx Kulhal DPH S/Yard to Assan Barrage.	0.12
7	Chilla	Repairing of 33 kV Chilla bhupatwala	0.14
8	Chilla	Line Shifting Work of 11kV Tubewell	0.11
9	Chilla	Urgent repairing & charging of 33 kV line	0.03
10	Chilla	AMC of 33 kV Chilla-Bhupatwala feeder	0.10
11	Lohiyahead /Khatima	Centrifusing of Transformer oil of 02 numbers 132/33 kV 40 MVA transformer as 132 kV switchyard of Khatima.	0.07
12	Lohiyahead /Khatima	36 KV , 1250 A, Vacuum Circuit Breaker	0.05
Total amount Disallowed from R&M Expenses			1.06

(B) CSR Expense disallowed from the claim of A&G expenses for FY 2024-25

Name of Plant	Amount (in Rs. Crore)
Dhakrani	0.04
Dhalipur	0.07
Chibro	0.31
Khodri	0.15
Kulhal	0.04
Ramganga	0.25
Chilla	0.18
MB-I	0.12
Khatima	0.05
MB-II	0.39
Vyasi	0.15
Total A&G to be Disallowed on account of CSR works	1.76

6.10 Annexure-10: Details of works considered by the Commission under General Works for FY 2026-27

Sl. No.	Description	Date of Investment Approval	Amount considered for 2026-27 (Rs. Crore)
1	Petition for seeking prior approval of Capital Investment for Strengthening of Bridges and service road along power channel from Dakpathar Barrage to Kulhal Power house under Section 61 and 86 of the Electricity Act, 2003 read with the relevant regulations and guidelines of the Commission	08.12.2025	18.24
2	Petition for seeking prior approval of Capital Investment for Rehabilitation works of Head Race Tunnel (HRT) of Maneri Bhali-II LHP, Distt-Uttarkashi (Part-A) under Section 61 and 86 of the Electricity Act, 2003 read with the relevant regulations and guidelines of the Commission	08.01.2026	12.27
	Total		30.51