

RENEWABLE PURCHASE OBLIGATION (RPO)	221
CHAPTER 8.....	225
TIME OF DAY / USE TARIFF	225
ToD / ToU TARIFF / NIGHT-TIME CONCESSIONAL TARIFF FOR FY 2023-24	225
CHAPTER 9.....	229
DISTRIBUTION & RETAIL SUPPLY TARIFF.....	229
ANNEXURE – A.....	230
SCHEDULE OF TARIFF AND CHARGES	230
ANNEXURE – B.....	234
DIRECTIVES ISSUED IN THE PRESENT ORDER.....	234
ANNEXURE – C.....	237
LIST OF INTERVENORS / PARTICIPANTS.....	237

CHAPTER 1

INTRODUCTION

1.1 Petition filed by UHBVNL and DHBVNL

The two State owned distribution licensees (Discoms) in Haryana are Uttar Haryana Bijli Vitran Nigam (UHBVNL) and Dakshin Haryana Bijli Vitran Nigam (DHBVNL). The distribution and retail supply tariff in the Northern circles of Haryana i.e. licensed area of UHBVNL and Southern circles of Haryana i.e. the licensed area DHBVNL are the same. Hence, the Commission considered it appropriate to dispose of their respective petition(s) for True-up of FY 2021-22, Annual Performance Review (APR) Petition for FY 2022-23 and Aggregate Revenue Requirement of FY 2023-24 vide a common order.

UHBVNL and DHBVNL have filed their respective petition(s) under Section 26(5) of the Haryana Electricity Reforms Act, 1997 ("the Act") read with the applicable provisions of the Haryana Distribution & Retail Supply License (License No. DRS-2 of 2004) ("the License"), Haryana Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply Business under Multi Year Tariff Framework) Regulations, 2019 framed under the enabling provisions of the Electricity Act, 2003.

1.2 Present Petition

The licensee(s) have submitted that the current petition is for determination of Aggregate Revenue Requirement (ARR) of FY 2023-24, Annual Performance Review (APR) of FY 2022-23, and True-Up of FY 2021-22 submitted by UHBVNL and DHBVNL for approval of expenses of respective years and is prepared in accordance with the provisions of the following Acts/Policies/Regulations: -

- a) The Electricity Act 2003;
- b) National Electricity Policy;
- c) National Tariff Policy;
- d) HERC (Terms and Conditions for Determination of Tariff for Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2019 as amended from time to time;
- e) HERC (Terms and conditions for grant of connectivity and open access for intra-State transmission and distribution system) Regulations, 2012 and amendments thereof;

1.3 Principles of True Up for FY 2021-22

That the Hon'ble Commission in exercise of the powers conferred upon it under Section 181 of the Electricity Act 2003 has notified the HERC (Terms and conditions for Determination of

Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff framework) Regulations, 2019 for second control period from FY 2020-21 to FY 2024-25 on 31st October 2019.

The HERC (Terms and conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff framework) Regulations, 2019 has come into force from 1st April 2020 and shall remain effective till 31st March 2025.

That, subsequently, the Hon'ble Commission has notified 1st and 2nd Amendment of the HERC MYT Regulations, 2019 on 25 November 2019 and 31 January 2022, respectively. In line with the provision laid under HERC MYT Regulations, 2019, the Hon'ble Commission has published the Tariff Order for Aggregate Revenue Requirement (ARR) & Retail Supply Tariff for FY 2021-22 on 30th March 2021 and for FY 2022-23 on 30th March 2022.

That Regulation 13 of HERC MYT Regulations, 2019 stipulates that truing up of ARR of previous year is to be carried out along with the mid-year performance review of each year of the control period.

That truing up of uncontrollable items and controllable items (subjected to force majeure conditions or variations attributable to uncontrollable factors) are adjusted appropriately in the ensuing year through tariff resetting. The relevant extract of the HERC MYT Regulations, 2019 is reproduced below for reference:

“13. TRUING-UP

13.1 Truing-up of the ARR of the previous year shall be carried out along with mid-year performance review of each year of the control period only when the audited accounts in respect of the year(s) under consideration is submitted along with the application. In case audited accounts pertaining to the year, of which truing-up is to be undertaken, are not available, the generating company or the licensee as the case may be, shall submit the provisional account duly approved by the Board of Directors of the company/licensee.

13.2 Truing-up of uncontrollable items shall be carried out at the end of each year of the control period through tariff resetting for the ensuing year and for controllable items shall be done only on account of force majeure conditions and for variations attributable to uncontrollable factors.

13.3 The Commission shall allow carrying costs for the trued-up amount (positive or negative) at the interest rates specified in these Regulations by adjusting the interest allowed on the working capital requirement for the relevant year of the control period.

Upon completion of the mid-year performance review and truing up in accordance with these regulations, the Commission shall pass an order recording:

- (a) *The revised ARR for such financial year including approved modifications, if any;*
- (b) *Holding cost for under/over recovered amount from the close of the relevant year and upto the middle of the ensuing year of the control period whereupon the trued-up amount has been adjusted by appropriate resetting of tariff in accordance with regulation 13.4, calculated as additional borrowing for working capital for that period.*

Provided that no carrying cost shall be allowed on account of delay in filing for true-up due to unavailability of the audited accounts.

- 13.4 *Over or under recoveries of trued-up amount in previous year(s) of the control period shall be allowed to be adjusted in the ensuing year of the control period by appropriate resetting of tariff. The unrecovered amount in the one control period shall be adjusted in the subsequent control period."*

That in line with the above, True-up Petition for Aggregate Revenue Requirement for FY 2021-22 is worked out on the basis of the actual expenses incurred by Discoms audited annual accounts of FY 2021-22 has been submitted for approval by the Commission.

As per Regulation 8.3.8 (titled as "Controllable and Uncontrollable Items of ARR"), and Regulation 12 (titled as "Incentive and Penalty Framework") of the HERC MYT Regulations 2019, the audited annual expenditures for FY 2021-22 are trued up and the adjustment in the ARR approved in Tariff Order dated 30th March 2022 will pass on along with the carrying cost/ Holding Cost into the ensuing years.

1.4 Summary of True up of FY 2021-22

Summary of expenses approved by the Hon'ble Commission vis-à-vis the actual expenses of UHBVN and DHBVNL for FY 2021-22 is submitted by Discoms as under:

UHBVNL True Up of Expenses for FY 2021-22 (Rs. Cr.)

Sr. No	Particulars	Approved T.O. 30.03.2021 (A)	in dt. Actual for FY 2021-22 (B)	Diff. (C=B-A)
1	Total Power Purchase Expense	10,670.57	11,512.54	841.97
1.1	Power Purchase Expense	8,908.55	9,918.61	1010.66
1.2	Interstate transmission Charges	890.77	727.63	(163.14)
1.3	Intrastate transmission charges and SLDC charges	871.25	866.30	(4.95)
2	Operations and Maintenance Expenses	1,606.25	1,905.94	299.69
2.1	Employee Expense	829.39	774.09	(55.30)
2.2	Administration & General Expense	114.56	139.71	25.15