



**COMMISSION'S ORDER IN**

**HERC / Petition No. 69 of 2023  
&  
HERC / Petition No. 70 of 2023**

**IN THE MATTER OF**

**TRUE-UP FOR THE FY 2022-23, ANNUAL (MID-YEAR) PERFORMANCE  
REVIEW FOR THE FY 2023-24, AGGREGATE REVENUE REQUIREMENT  
OF UHBVNL AND DHBVNL AND DISTRIBUTION & RETAIL SUPPLY  
TARIFF FOR THE FY 2024-25.**

**05.03.2024**

**HARYANA ELECTRICITY REGULATORY COMMISSION  
BAYS 33-36, SECTOR-4, PANCHKULA-134112, HARYANA  
<https://herc.gov.in>**

## **IN THE MATTER OF**

**ARR Petition for the FY 2024-25, Annual Performance Review for the FY 2023-24, and True-up for FY 2022-23, under HERC (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations 2019 and Section 45, 46, 47, 61, 62, 64 & 86 of the Electricity Act 2003 read with the relevant guidelines, by Uttar Haryana Bijli Vitran Nigam Ltd and Dakshin Haryana Bijli Vitran Nigam Ltd.**

### **Petitioner(s)**

Uttar Haryana Bijli Vitran Nigam Limited (UHBVNL)

Dakshin Haryana Bijli Vitran Nigam Limited (DHBVNL)

### **Present on behalf of the Petitioner (UHBVNL)**

1. Sh. Anurag Nanchahal, CFO/UHBVNL
2. Sh. Amit Gupta, IDAS, Director/Finance UHBVNL
3. Sh. Ashwani Kumar Raheja, Director OP
4. Sh. B.S. Kamboj, XEN- RA
5. Sh. Deepak Popli, SE, Commercial, Panchkula
6. Sh. Anil Kumar, AO, UHBVNL
7. Sh. Mohit Kumar, Sr. AO, UHBVNL

### **Present on behalf of the Petitioner (DHBVNL)**

1. Sh. Rattan Kumar Verma, Director/Finance
2. Sh. Naresh Kumar Mehta, FA/HQ
3. Er. K. D. Bansal, SE/RA
4. Smt. Sushila Kumari, CAO
5. Urmila Grewal, XEN/RA

### **Present on behalf of the Intervenor**

Sh. Varun Sharma, advocate for BPCL, IOCL & HPCL (Marketing Companies)

### **QUORUM**

Shri Nand Lal Sharma  
Shri Naresh Sardana  
Shri Mukesh Garg

Chairman  
Member  
Member

### **ORDER**

The Haryana Electricity Regulatory Commission (hereinafter referred to as 'the Commission' or HERC), in exercise of the powers vested in it under section 61, 62 and 86 of the Electricity Act, 2003 read with section 11 of the Haryana Electricity Reforms Act, 1997 and all other enabling provisions in this behalf, passes this Order determining the True-up of the ARR for the FY 2022-23, Annual (Mid-year) Performance Review for the FY 2023-24, Aggregate

Revenue Requirements and distribution and retail supply tariff of UHBVNL and DHBVNL for their Distribution and Retail Supply Business under MYT framework for the FY 2024-25 in accordance with the provisions of the Haryana Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Generation Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2019 including its subsequent amendments (hereinafter referred to as MYT Regulations,2019).

The Commission, while passing order in the present case(s), has considered the Petition(s) filed by the Distribution Licensees viz. UHBVNL and DHBVNL along with the additional submissions made by Discoms, and in the public consultation process, and all other relevant material including:-

1. Subsequent filings/additional data provided by them including filings made by the two distribution licensees in response to the various queries of the Commission
2. Objections received from various organisations and individuals
3. Reply/comments furnished by UHBVNL and DHBVNL on the objections filed.
4. State Advisory Committee (SAC) meeting held on 09.02.2024.
5. Relevant data / facts / policies available in the Commission and in public domain.
6. Feedback received in the public hearing held at Panchkula

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## CHAPTER 1

### INTRODUCTION

#### 1.1 Brief Background

The distribution licensees (Discoms) responsible for distribution and retail supply of electricity to the consumers in Haryana are Uttar Haryana Bijli Vitran Nigam (UHBVNL) and Dakshin Haryana Bijli Vitran Nigam (DHBVNL). The distribution and retail supply tariff determined by the Commission 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 has considered it appropriate to dispose of their respective petition(s) for True-up of FY 2022-23, Annual Performance Review (APR) Petition for FY 2023-24 and Aggregate Revenue Requirement of FY 2024-25 vide the present common order.

It has been submitted that the Discoms have filed their respective petition(s) for Truing up of ARR for FY 2022-23, Annual Performance Review for FY 2023-24 and Aggregate Revenue Requirement for FY 2024-25 is in accordance with the provisions of the HERC MYT Regulations, 2019 as amended from time to time.

That the Hon'ble Commission notified the MYT Regulations for the first 'Control Period', from FY 2014-15 to FY 2016-17, on 5th December 2012 as HERC (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2012 (hereafter MYT Regulation 2012), with subsequent amendments, the span of first MYT Period was extended to FY 2019-20.

That on 31st October 2019, the Hon'ble Commission notified the MYT Regulations for the second 'Control Period' from the FY 2020-21 to FY 2024-25 i.e., HERC (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2019 (hereafter MYT Regulation 2019). The said Regulations were subsequently amended and the amended Regulations were notified on 25<sup>th</sup> November, 2019 (1<sup>st</sup> amendment), 31<sup>st</sup> January, 2022 (2<sup>nd</sup> amendment) and 12<sup>th</sup> April, 2023 (3<sup>rd</sup> amendment).

## **1.2 Present Petition**

That the licensee(s) have submitted that the instant petition is for determination of Truing up of the ARR for the FY 2022-23, Annual Performance Review for the FY 2023-24 and Aggregate Revenue Requirement and distribution retail supply tariff for the FY 2024-25 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.

It has been averred that the Discoms have made their best efforts in compiling the information for Truing up of ARR for FY 2022-23, Annual Performance Review for FY 2023-24 and Aggregate Revenue Requirement for FY 2024-25. It has been ensured that the information submitted for ARR calculation of relevant year is free from material errors and is consistent with relevant MYT Regulations. However, in case any deficiency is noticed in the collation of information, the Discoms have prayed that the Hon'ble Commission may accept the current petition and allow UHBVNL and DHBVNL to file additional submissions to rectify any such deficiencies and to provide the requisite information as may be desired by the Hon'ble Commission.

## **1.3 Principles of True up for FY 2022-23**

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, as amended the same from time to time.

That 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 1<sup>st</sup> April 2020 and shall remain effective till 31<sup>st</sup> March 2025.

That, subsequently, the Hon'ble Commission has issued the 1st amendment of the HERC MYT Regulations, 2019 on 25th November 2019 & 2nd amendment of the MYT Regulations, 2019 on 31st January 2019 and 3rd amendment of the MYT Regulations, 2019 on 12th April, 2023. In line with the provisions of the MYT Regulation 2019, the Hon'ble Commission has published the Tariff Order on Aggregate Revenue Requirement (ARR) & Retail Supply Tariff for FY 2022-23 on 30.03.2022.

That Regulation 13 of the HERC MYT Regulations, 2019 stipulates that truing up of ARR of the 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 ARR's of the ensuing year through tariff resetting. The relevant extract of the HERC MYT Regulations, 2019 as cited by the petitioner(s) is reproduced below:

*"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 proposal for Aggregate Revenue Requirement for the FY 2022-23 has been worked out based on the actual expenses incurred by Discoms as per the audited annual accounts of the FY 2022-23, has been submitted for approval of the Hon'ble 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 the FY 2022-23 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 ARR of the ensuing year i.e. FY 2024-25.

#### **1.4 Summary of True up of FY 2022-23 (UHBVNL & DHBVNL)**

Summary of expenses approved by the Hon'ble Commission vis-à-vis the actual expenses of UHBVNL and DHBVNL for the FY 2022-23, as submitted by the Discoms, is as under:

#### **True up of Expenses for FY 2022-23 of UHBVNL (Rs. Crore)**

Sr. No	Particulars	HERC Approved for FY22-23 (A)	Actual (Audited) (B)	Difference (B-A)
<b>1</b>	<b>Total Power Purchase Expense</b>	<b>10,977.94</b>	<b>15,951.59</b>	<b>4,973.65</b>
1.1	<i>Power Purchase Expense</i>	<i>9,018.20</i>	<i>13,668.06</i>	<i>4,649.86</i>
1.2	<i>Interstate transmission Charges</i>	<i>945.02</i>	<i>1,045.30</i>	<i>100.28</i>
1.3	<i>Intrastate transmission charges and SLDC charges</i>	<i>1,014.72</i>	<i>961.76</i>	<i>-52.96</i>
1.4	<i>Impact of sharing and gains of distribution losses</i>	<i>-</i>	<i>276.46</i>	<i>276.46</i>
<b>2</b>	<b>Operations and Maintenance Expenses</b>	<b>1,630.94</b>	<b>1,693.66</b>	<b>62.72</b>
2.1	<i>Employee Expense</i>	<i>859.41</i>	<i>857.53</i>	<i>-1.88</i>
2.2	<i>Administration &amp; General Expense</i>	<i>112.85</i>	<i>199.15</i>	<i>86.30</i>
2.3	<i>Repair &amp; Maintenance Expense</i>	<i>158.69</i>	<i>93.72</i>	<i>-64.97</i>
2.4	<i>Terminal Liability</i>	<i>500.00</i>	<i>543.25</i>	<i>43.25</i>
<b>3</b>	<b>Depreciation</b>	<b>414.53</b>	<b>374.60</b>	<b>-39.93</b>
<b>4</b>	<b>Interest &amp; Finance Charges</b>	<b>336.16</b>	<b>410.21</b>	<b>74.05</b>

Sr. No	Particulars	HERC Approved for FY22-23 (A)	Actual (Audited) (B)	Difference (B-A)
	<i>Interest on WC loans including CC/OD limits</i>	71.94	109.56	37.62
	<i>Interest on CAPEX loans</i>	159.61	249.84	90.23
	<i>Interest on Consumer Security Deposit</i>	69.71	61.64	-8.07
	<i>Guarantee Fees / Interest on other Bonds</i>	34.90	24.98	-9.92
	<i>Less: Interest Capitalized</i>		-35.8)	-35.82
<b>5</b>	<b>Return on Equity Capital</b>	<b>250.33</b>	<b>238.31</b>	<b>-12.02</b>
<b>6</b>	<b>Other Expenses</b>	<b>-</b>	<b>9.94</b>	<b>9.94</b>
<b>7</b>	<b>Total Expenditure</b>	<b>13,609.90</b>	<b>18,678.31</b>	<b>5,068.41</b>
<b>8</b>	<i>Less: Non-Tariff Income</i>	<i>221.56</i>	<i>116.27</i>	<i>-105.29</i>
<b>9</b>	<b>Net Aggregate Revenue Requirement</b>	<b>13,388.34</b>	<b>18,562.04</b>	<b>5,173.70</b>

**True Up of Expenses of DHBVNL for FY 2022-23 (Rs. Crore)**

Sr.	Particulars	HERC Approved	Actual (Audited)	Difference
		(A)	(B)	(B-A)
<b>1</b>	<b>Total Power purchase cost</b>	<b>15,110.94</b>	<b>22,760.95</b>	<b>7,705.08</b>
1.1	<i>Power Purchase Expenses</i>	<i>12,509.96</i>	<i>20,007.00</i>	<i>7,497.04</i>
1.2	<i>Interstate transmission charges</i>	<i>1,384.75</i>	<i>1,342.93</i>	<i>- 41.82</i>
1.3	<i>Intrastate transmission charges and SLDC charges</i>	<i>1,216.23</i>	<i>1,130.43</i>	<i>-85.80</i>
1.4	<i>Sharing of Gain/losses in Power Purchase Cost</i>	<i>-</i>	<i>280.58</i>	
<b>2</b>	<b>Operations and Maintenance Expenses</b>	<b>1,855.98</b>	<b>1,974.46</b>	<b>118.48</b>
2.1	<i>Employee Expense (Net of Capitalization)</i>	<i>1,072.88</i>	<i>984.89</i>	<i>- 87.99</i>
2.2	<i>Administration &amp; General Expense (Net of Capitalization)</i>	<i>145.77</i>	<i>160.74</i>	<i>14.97</i>
2.3	<i>Repair &amp; Maintenance Expense</i>	<i>194.43</i>	<i>131.06</i>	<i>- 63.37</i>
2.4	<i>Terminal Liability</i>	<i>442.88</i>	<i>697.77</i>	<i>254.87</i>
3	Depreciation	446.92	347.75	- 99.17
4	Total Interest & Finance Charges	427.02	362.61	- 123.40
5	Return on Equity Capital	236.75	211.69	59.62
6	Other Expenses (Debits & Prior period Expenses)	-	17.67	17.67
<b>7</b>	<b>Total Expenditure</b>	<b>18,077.61</b>	<b>25,675.13</b>	<b>7,678.28</b>
8	Less: Non-Tariff Income	307.66	267.52	- 40.14
<b>9</b>	<b>Net Aggregate Revenue Requirement</b>	<b>17,769.95</b>	<b>25,407.62</b>	<b>7,718.43</b>
<b>10</b>	<b>Total Revenue</b>		<b>16,528.41</b>	
10.1	<i>Revenue from Interstate sales</i>		<i>499.55</i>	
10.2	<i>Revenue from Intrastate sales / Sale of Power</i>		<i>16,028.86</i>	
<b>11</b>	<b>Revenue Surplus/(Gap)</b>		<b>-8,879.20</b>	
11.1	<i>Less: Subsidy from Govt. of Haryana for AP consumers</i>		<i>3,327.54</i>	
11.2	<i>Less: Subsidy from Govt. of Haryana for others</i>		<i>269.64</i>	
12.3	<i>Less: FSA Recovered</i>		<i>-</i>	
<b>12</b>	<b>Gap After AP Subsidy</b>		<b>-5,282.03</b>	

The net revenue gap for Haryana Discoms for the FY 2022-23, after considering the actual expenditure as per the audited accounts for FY 2022-23 and revision of Agriculture Tube Well Sales and RE Subsidy thereto, as proposed by the Discoms, is as under: -

**Proposed Revenue Gap of Haryana (UHBVNL and DHBVNL) in True up for FY 2022-23 (Rs Crore)**

Sr. no	Parameter	HERC Approved	UHBVNL	DHBVNL	Haryana
1	<b>ARR of Discoms</b>	<b>31,158.29</b>	<b>18,562.04</b>	<b>25,407.62</b>	<b>43,969.66</b>
2	<b>Total Income of Discoms</b>	<b>30,735.58</b>	<b>14,807.50</b>	<b>20,125.58</b>	<b>34,933.08</b>
a	<i>Sale of Power</i>	24,684.89	11,536.80	16,028.86	27,565.66
b	<i>Interstate Sales</i>	-	325.27	499.55	824.82
d	<b>Subsidy</b>	<b>6,050.69</b>	<b>2,945.43</b>	<b>3,597.17</b>	<b>6,542.60</b>
	- AP Subsidy	6,050.69	2,722.54	3,327.54	6,050.08
	- Domestic & Industry (C&D) subsidy		222.89	269.64	492.53
3	<b>Revenue Surplus/(Gap)</b>	<b>-422.71</b>	<b>-3,754.54</b>	<b>-5,282.03</b>	<b>-9,036.58</b>
	FSA	-	3,127.49	4,544.84	7,672.33
	Surplus on true-up of FY 2020-21 including holding cost	501.74	-	-	-
	<b>Net Revenue Surplus/(Gap) to be carried over to ARR year (FY 2024-25)</b>	<b>79.03</b>	<b>-627.06</b>	<b>-737.19</b>	<b>-1,364.25</b>

The Discoms have submitted that the net revenue gap of UHBVNL in the FY 2022-23 is Rs. 3,754.55 Crore and DHBVNL is Rs. 5,282.03 Crore. As evident from the table above, UHBVNL and DHBVNL have further considered Rs. 3,127.49 Crore and Rs. 4,554.84 Crore ly respective on account of FSA Receivable (to be recovered in future years) and has accordingly computed a combined revenue gap of Rs. 1364.25 Crore. In view of the above position, the Discoms have prayed that the Commission may consider the combined revenue gap of Rs. 1,364.25 Crore (Rs. 627.06 Crore of UHBVNL and Rs. 737.19 Crore of DHBVNL) as submitted in table above for FY 2022-23 and the same may be allowed. The Discoms have further requested that the 'trued up' amount may be allowed to be carried forward in the ARR for the FY 2024-25. Further, the FSA receivable component to be recovered in future years shall be accounted separately and shall be considered to be part of the Revenue for the FY 2022-23 only.

In view of the above submissions, the distribution licensee(s) have prayed that this Hon'ble Commission may consider and approve the net revenue gap as worked out in the table above for the FY 2022-23 and the same may be carried forward in the ARR for the FY 2024-25.

### 1.5 Annual Performance Review for FY 2023-24 (APR UHBVNL & DHBVNL)

The revised estimate of UHBVNL and DHBVNL of the Aggregate Revenue Requirement for the APR year, as submitted by the Discoms, is as follows: -

#### UHBVNL - Aggregate Revenue Requirement for FY 2023-24 (Rs. Crore)

Sr. No	Particulars	HERC Approved	Revised Estimates	Difference
<b>1</b>	<b>Total Power Purchase Expense</b>	<b>13,990.30</b>	<b>14,807.95</b>	817.65
1.1	Power Purchase Expense	11,931.85	12,984.26	1,052.41
1.2	Interstate transmission Charge	1,013.54	908.21	-105.33
1.3	Intrastate transmission charges and SLDC charges	1,044.91	915.49	-129.42
<b>2</b>	<b>Operations and Maintenance Expenses</b>	<b>1,816.64</b>	<b>1,811.28</b>	-5.36
2.1	Employee Expense	1,018.99	967.14	-51.85
2.2	Administration & General Expense	162.58	214.33	51.75
2.3	Repair & Maintenance Expense	185.07	179.81	-5.26
2.4	Terminal Liability	450.00	450.00	0.00
<b>3</b>	<b>Depreciation</b>	<b>462.66</b>	<b>425.69</b>	-36.97
<b>4</b>	<b>Total Interest &amp; Finance Charges</b>	<b>323.36</b>	<b>470.58</b>	147.22
4.1	Interest on CAPEX loans	105.48	172.82	67.34
4.2	Interest on WC loans including CC/OD limits	116.39	150.28	33.89
4.3	Interest Cost on Consumer Security Deposit	66.59	112.58	45.99
4.4	Other Interest & Finance Charges	34.90	34.90	0.00
<b>5</b>	<b>Return on Equity Capital</b>	<b>277.67</b>	<b>305.20</b>	27.53
<b>7</b>	<b>Total Expenditure</b>	<b>16,870.63</b>	<b>17,820.70</b>	950.07
8	Less: Non-Tariff Income	278.43	278.43	0.00
<b>9</b>	<b>Net Aggregate Revenue Requirement</b>	<b>16,592.20</b>	<b>17,542.27</b>	950.07

#### DHBVNL - Aggregate Revenue Requirement for FY 2023-24 (Rs. Crore)

S.No.	Particulars	APR		
		FY 2023-24		
		HERC Approved	Projected	Difference
<b>1.0</b>	<b>Power Purchase Expenses</b>	<b>18,960.86</b>	<b>21,421.67</b>	2,460.81
1.1	Power Purchase Cost	16,351.48	18,772.43	2,420.95
1.2	Transmission Charges	1,388.96	1,324.86	-64.10
1.3	Transmission Charges & SLDC	1,220.41	1,324.38	103.97
<b>2.0</b>	<b>Operation &amp; Maintenance Expenses</b>	<b>2,200.99</b>	<b>2,276.49</b>	75.50
2.1	Employee Expenses (net)	1,271.32	1,175.85	-95.47
2.2	Administration & General Expenses (net)*	144.34	171.78	27.44
2.3	Repair & Maintenance Expenses	235.33	231.10	-4.23
2.4	Terminal Benefits	550.00	697.77	147.77
<b>3.0</b>	<b>Depreciation</b>	<b>452.20</b>	<b>510.32</b>	58.12
<b>4.0</b>	<b>Interest &amp; Finance Charges</b>	<b>473.99</b>	<b>605.20</b>	131.21
4.1	Interest on Long Term Loan	154.59	165.51	10.92
4.2	Interest on Working Capital	186.95	179.81	-7.14
4.4	Interest on Consumer Security Deposit	100.06	185.45	85.39
4.5	Other Interest & Finance Charges	8.40	24.17	15.77
4.9	Guarantee Fee	24.00	50.26	26.26

S.No.	Particulars	APR		
		FY 2023-24		
		HERC Approved	Projected	Difference
5	Return on Equity Capital	285.13	271.72	-13.41
6	Prior period expenses & other expenses	0	0	0
7	Other Debts, (including wealth tax)	0	0	0
8	Provisions for bad and doubtful debt	0	93.24	93.24
9	<b>Aggregate Revenue Requirement</b>	<b>22,373.16</b>	<b>25,178.64</b>	2805.48
10	Less: Non-Tariff Income	279.22	308.61	29.39
11	<b>Net Aggregate Revenue Requirement</b>	<b>22,093.94</b>	<b>24,870.03</b>	2776.09

The distribution licensee(s) have averred that, based on the revised estimates for Aggregate Revenue Requirement of the Haryana Discoms and estimated revenue at the existing tariff, details of revenue gap for the APR year is as under: -

**UHBVNL and DHBVNL Revenue Gap for FY 2023-24 (Rs Crore)**

Sr. no	Particulars	HERC Approved	UHBVNL	DHBVNL	Haryana
1	<b>Aggregate Revenue Requirement</b>	<b>38,686.15</b>	<b>17,542.27</b>	<b>24,870.03</b>	<b>42,412.30</b>
1.1	ARR-UH	16,592.20	17,542.27		17,542.27
1.2	ARR-DH	22,093.95		24,870.03	24,870.03
2	<b>Revenue for Discoms</b>	<b>30,944.11</b>	<b>16,541.37</b>	<b>23,528.37</b>	<b>40,069.74</b>
2.1	Sale of Power	30,944.11	12,545.78	18,648.25	31,194.03
2.2	Inter State Sales	-	350.00	889.36	1,239.36
2.3	Revenue from FSA of FY 24	-	760.62	1,105.79	1,866.41
2.4	Subsidy from GoH	5,769.94	2,884.97	2,884.97	5,769.94
3	<b>Revenue Surplus/(Gap)</b>	<b>-1,972.10)</b>	<b>-1,000.90</b>	<b>-1,341.66</b>	<b>-2,342.56</b>
4	Revenue (Gap)/Surplus of FY 2021-22*				1844.87
5	Holding Cost @ 8.5% for 1.5 Year				235.22
6	<b>Revenue Surplus/(Gap) to be carried over</b>				<b>-262.47</b>

In view of the above, the petitioner(s) have prayed that the revenue gap of Rs. 262.47 Crore for the FY 2023-24 for APR year as per the detail presented above may be allowed and adjusted appropriately in the relevant year.

**1.6 Aggregate Revenue Requirement (ARR) for FY 2024-25**

The distribution licensee(s) i.e. UHBVNL and DHBVNL have submitted that the ARR for the FY 2024-25 is based on the audited accounts of the FY 2022-23 and revised estimates for the FY 2023-24. The aggregate revenue requirement, as per the petition(s) filed by them, is presented below:-

**UHBVNL - Aggregate Revenue Requirement for FY 2024-25 (Rs Crore)**

Sr. No	Particulars	FY 2024-25
1	Total Power Purchase Expense	<b>14,218.48</b>
1.1	Power Purchase Expense	12,293.34
1.2	Interstate transmission Charge	957.72
1.3	Intrastate transmission & SLDC	967.42
2	Operations and Maintenance Expense	<b>2,146.60</b>
2.1	Employee Expense	1,277.50
2.2	Administration & General Exp.	228.34
2.3	Repair & Maintenance Expense	190.75
2.4	Terminal Liability	450.00
3	Depreciation	<b>453.94</b>
4	Total Interest & Finance Charges	<b>464.39</b>
4.1	Interest on CAPEX loans	173.44
4.2	Interest on Working Capital incl. CC	130.87
4.3	Interest on Consumer Security Deposit	125.18
4.4	Other Interest and Finance charges	34.90
5	Return on Equity Capital	<b>328.66</b>
6	<b>Total Expenditure</b>	<b>17,612.06</b>
7	Less: Non-Tariff Income	278.43
8	<b>Net Aggregate Revenue Requirement</b>	<b>17,333.63</b>

**DHBVNL Aggregate Revenue Requirement for FY 2024-25 (Rs. Crore)**

S. No.	Particulars	ARR
		FY 2024-25
		Projected
<b>1.0</b>	<b>Power Purchase Expenses</b>	<b>20,347.52</b>
1.1	Power Purchase Cost	17,581.01
1.2	Transmission Charges	1,382.07
1.3	Transmission Charges & SLDC	1,384.44
<b>2.0</b>	<b>Operation &amp; Maintenance Expenses</b>	<b>2,476.48</b>
2.1	Employee Expenses (net)	1,344.85
2.2	Administration & General Expenses (net)	183.57
2.3	Repair & Maintenance Expenses	250.29
2.4	Terminal Benefits	697.77
<b>3.0</b>	<b>Depreciation</b>	<b>545.15</b>
<b>4.0</b>	<b>Interest &amp; Finance Charges</b>	<b>623.73</b>
4.1	Interest on Long Term Loan	197.19
4.2	Interest on Working Capital	152.75
4.3	Interest on Consumer Security Deposit	198.77
4.4	Other Interest & Finance Charges	25.01
4.5	Guarantee Fee	50.00
5	Return on Equity Capital	291.89
6	Provision for Bad & Doubtful Debt	100.55
<b>7</b>	<b>Aggregate Revenue Requirement</b>	<b>24,385.33</b>
8	Less: Non-Tariff Income	308.61
<b>9</b>	<b>Net Aggregate Revenue Requirement</b>	<b>24,076.71</b>

Based on the estimates of the Aggregate Revenue Requirement of Haryana Discoms for the FY 2024-25 and proposed revenue for sale of power, details of the estimated revenue gap at the existing tariff(s) for the ARR year is as follows-

**Combined Revenue (Gap)/Surplus for ARR year (Rs Crore)  
(FY 2024-25)**

Particulars	UHBVNL	DHBVNL	Discoms
<b>Aggregate Revenue Requirement</b>	<b>17,333.63</b>	<b>24076.71</b>	<b>41410.34</b>
<b>Revenue for Discoms</b>	<b>16,787.20</b>	<b>22994.32</b>	<b>39781.52</b>
<i>Sale of Power</i>	13,902.23	20109.35	34011.58
<i>Inter State Sales</i>	-	-	-
<i>Subsidy from GoH</i>	2,884.97	2,884.97	5769.94
<b>Revenue Surplus/(Gap)</b>	<b>-546.43</b>	<b>-1,082.40</b>	<b>-1,628.83</b>
Revenue surplus / (Gap)for FY 2022-23			-1,364.25
Holding cost for 1.5 years @ 8.5%			-173.94
<b>Revenue Surplus/(Gap) to be carried over</b>			<b>-3,167.02</b>

That UHBVNL, in its petition, has submitted that the Aggregate Revenue Requirement for the FY 2024-25 has been estimated based on the audited accounts for the FY 2022-23 and in accordance with the HERC MYT Regulations, 2019. It has been submitted that for the True-up year i.e. FY 2022-23, Haryana Discoms are in a revenue deficit of Rs.1,364.25 Cr., whereas revenue deficit for APR year FY 2023-24 is Rs 2,342.56 Cr. However, after adjustment of revenue surplus of Rs. 1,844.87 of FY 2021-22 along with carrying cost, the revenue deficit gets reduced to Rs 262.47 Cr. The ARR year FY 2024-25 has a revenue deficit of Rs 1628.83 Crore, which will increase to Rs 3167.02 crore after the adjustment of revenue gap estimated for the FY 2022-23 along with carrying cost.

That UHBVNL has submitted that the DISCOMs expect to recover some portion of the revenue Gap due to the reduction of the distribution loss and purchase of power at comparatively lower cost in the APR year and particularly in the ARR year. It has been submitted that the Discoms are currently in the process of analyzing requirement of tariff modification, if any. The same may please be allowed to be submitted as an additional submission at a later stage if required.

DHBVNL has submitted that the DISCOMs expect to recover some portion of this Gap from efficiency gain in the APR (FY 2023-24) and ARR (FY 2024-25) years. The remaining revenue deficit will be covered through long-term/short-term loans.



### **1.7 Prayer**

In view of the above submissions UHBVNL and DHBVNL have made identical prayers as reproduced below: -

1. Accompanied filing of UHBVNL and DHBVNL for determination of Truing up of ARR for FY 2022-23, Annual Performance Review for FY 2023-24 and Aggregate Revenue Requirement for FY 2024-25 may kindly be accepted and taken on record by the Hon'ble Commission.
2. Current petition, filing of any additional / supplementary submissions during these proceedings may kindly be allowed.
3. Proposed Return on Equity may be allowed.
4. Proposed sharing of gains and losses may be allowed.
5. Entire fixed charges of the long-term tied generating sources, having PPAs duly approved by the Hon'ble Commission and the energy charges of the power purchase from these sources and short-term sources as proposed in the filing, may kindly be allowed.
6. Truing-Up of ARR for FY 2022-23 along with the holding cost, revised estimate for the expenses projected in Annual Performance Review for FY 2023-24, and Aggregate Revenue Requirement for FY 2024-25 may kindly be allowed.
7. Inadvertent omissions/errors/shortcomings, addition / change / modification / alteration in this filing, if any, may be allowed along with the further submissions as may be required during the proceedings.
8. Pass the Order, as the Hon'ble Commission may deem fit and appropriate keeping in view the facts and circumstances of the case submitted by the Petitioner.