ASSAM ELECTRICITY REGULATORY COMMISSION

(AERC)

TARIFF ORDER

March 25, 2025

TRUE-UP for FY 2023-24,

APR for FY 2024-25,

ARR for FY 2025-26 to FY 2029-30

and

Tariff for FY 2025-26

FOR

Assam Power Distribution Company Limited

(APDCL)

Petition No. 21/2024

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List of Abbreviations

A&G	Administrative & General
ABC	Aerial Bunched Conductor
ABITA	Assam Branch of Indian Tea Association
ABT	Availability Based Tariff
ABR	Average Billing Rate
ACoS	Average Cost of Supply
Act	The Electricity Act, 2003
ADB	Asian Development Bank
AEGCL	Assam Electricity Grid Corporation Limited
AERC	Assam Electricity Regulatory Commission
APDCL	Assam Power Distribution Company Limited
APDRP	Accelerated Power Development & Reforms Programme
APGCL	Assam Power Generation Corporation Limited
APM	Administered Pricing Mechanism
APR	Annual Performance Review
ARR	Aggregate Revenue Requirement
APSEIP	Assam Power Sector Enhancement Investment Programme
APSIP	Assam Power Sector Investment Programme
APTEL	Appellate Tribunal for Electricity
ASEB	Assam State Electricity Board
AT&C	Aggregate Technical and Commercial
BPL	Below Poverty Line
CAGR	Compounded Annual Growth Rate
CAIDI	Customer Average Interruption Duration Index
CAIFI	Customer Average Interruption Frequency Index
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
CGRF	Consumer Grievance Redressal Forum
CGS	Central Generating Station
COD	Date of Commercial Operation
CPI	Consumer Price Index

CPSU	Central Public Sector Utility
CSD	Consumer Security Deposit
CSS	Cross-subsidy Surcharge
CTU	Central Transmission Utility
CWIP	Capital Work In Progress
DA	Dearness Allowance
DDUGJY	Deendayal Upadhyay Gram Jyoti Yojana
DEEP	Discovery of Efficient Electricity Price
DISCOM	Distribution Company
DSM	Demand Side Management
DT/DTR	Distribution Transformer
EA, 2003	The Electricity Act, 2003
EE	Energy Efficiency
ERP	Enterprise Resource Planning
FINER	Federation of Industry & Commerce of North Eastern Region
FPPPA	Fuel Price and Power Purchase Adjustment
FY	Financial Year
GFA	Gross Fixed Assets
GoA	Government of Assam
GoI	Government of India
GPF	General Provident Fund
HEP	Hydro Electric Project
HH	Household
HP	Horse Power
HT	High Tension
HV	High Voltage
HVCMS	High Value Consumer Management System
IEX	Indian Energy Exchange
IOCL	Indian Oil Corporation Limited
IPDS	Integrated Power Development Scheme
ISTS	Inter-State Transmission System
IT	Information Technology
IWC/IoWC	Interest on Working Capital

JNNSM	Jawaharlal Nehru National Solar Mission
kV	kilo Volt
kVA	kilo Volt Ampere
kW	kilo Watt
kWh	kilo Watt Hour
LED	Light Emitting Diode
LOA	Letter of Award
LT	Low Tension
LV	Low Voltage
MIS	Management Information System
MNRE	Ministry of New and Renewable Energy
MoP	Ministry of Power
MOU	Memorandum of Understanding
MRI	Meter Reading Instruments
MU	Million Unit
MW	Mega Watt
MYT	Multi-Year Tariff
NEEPCO	North Eastern Electric Power Corporation Limited
NEP	National Electricity Policy
NERPSIP	North Eastern Region Power System Improvement Project
NESSIA	North Eastern Small Scale Industries Association
NHPC	NHPC Ltd.
NLCPR	Non-lapsable Central Pool of Resources
NTPC	NTPC Ltd.
O&M	Operation and Maintenance
OA	Open Access
PFA	Power for All
PFC	Power Finance Corporation Limited
PGCIL	Power Grid Corporation of India Limited
PLF	Plant Load Factor
PPA	Power Purchase Agreement
PTCIL	PTC India Limited
R&M	Repairs and Maintenance

RAPDRP	Restructured Accelerated Power Development & Reforms Programme
REC	Renewable Energy Certificate
RDSS	Revamped Distribution Sector Scheme
RGGVY	Rajiv Gandhi Grameen Vidyutikaran Yojana
ROE	Return on Equity
RPO	Renewable Purchase Obligation
Rs.	Indian Rupees
SAC	State Advisory Committee
SAIDI	System Average Interruption Duration Index
SBI MCLR	State Bank of India Marginal Cost of Lending Rate
SECI	Solar Energy Corporation of India Limited
SHEP	Small Hydro Electric Project
SLDC	State Load Dispatch Centre
SOP	Standards of Performance
SPV	Special Purpose Vehicle
STU	State Transmission Utility
TBCB	Tariff Based Competitive Bidding
TOD	Time of Day
TVS	Technical Validation Session
UDAY	Ujwal DISCOM Assurance Yojana
UI	Unscheduled Interchange
VCoS	Voltage-wise Cost of Supply
WPI	Wholesale Price Index

ASSAM ELECTRICITY REGULATORY COMMISSION

Guwahati

Present

Shri K. S. Krishna, Chairperson
Shri A. Bhattacharyya, Member

Petition No. 21/2024

Assam Power Distribution Company Limited (APDCL) - **Petitioner**

ORDER
(Passed on March 25, 2025)

(1) APDCL filed a Petition for approval of True Up for FY 2023-24, APR for FY 2024-25, ARR for the Control Period from FY 2025-26 to FY 2029-30, and Tariff for FY 2025-26 on November 30, 2024. The same was registered as Petition No. 21/2024.

(2) The Commission held an Admissibility Hearing on December 20, 2024 and admitted the Petition, subject to submission of additional data and clarifications, as sought vide letter dated January 16, 2025.

(3) In accordance with Section 64 of the Electricity Act, 2003 (Act or EA 2003), the Commission directed APDCL to publish a summary of the ARR and Tariff filings in local newspapers to ensure due public participation.

(4) Accordingly, a Public Notice was issued by APDCL inviting objections/suggestions from stakeholders to be submitted on or before January 30, 2025. The Notice was published in five (5) leading newspapers of the State, and short notices were also published in five (5) of the leading newspapers of the State, as shown in the Table below:

Date	Name of Newspaper	Content Published
06.01.2025	The Assam Tribune	Public Notice in English
08.01.2025	The Times of India	Public Notice in English
08.01.2025	The Sentinel	Public Notice in English
08.01.2025	Amar Asom	Public Notice in Assamese
	Dainik Janambhumi	Public Notice in Assamese
08.01.2025	Asomiya Pratidin	Short Notice in Assamese
07.01.2025	Dainik Jugasankhya	Short Notice in Bangla
07.01.2025	Purbanchal Prahari	Short Notice in Hindi
07.01.2025	Bodosa	Short Notice in Bodo
07.01.2025	Thekar	Short Notice in Karbi

(5) A copy of the Petition and other relevant documents were also made available to the consumers and other interested Parties at the office of the Managing Director of APDCL, and offices of the Deputy General Manager of each Electrical Circle of APDCL. A copy of the Petition was also made available on the websites of the Commission and APDCL.

(6) In response to the Commission's letter dated January 16, 2025, APDCL submitted their replies on January 27, 2025

(7) The Commission observed that there were some inconsistencies and discrepancies in the replies submitted by APDCL. In order to clarify the same, a Technical Validation Session (TVS) was conducted on February 11, 2025. The Commission sought more clarifications on the Petition from APDCL vide letter dated February 14, 2025 and email dated February 11, 2025 and the replies were submitted by APDCL on February 21, 2025

(8) The Petitions were also discussed in the meeting of the State Advisory Committee (SAC) (constituted under Section 87 of the Electricity Act, 2003) held on February 27, 2025 at Bidyut Niyamak Bhawan, Six Mile, Guwahati.

(9) The Commission received written suggestions and objections from twelve (12) stakeholders on the Petitions filed by APDCL. The stakeholders were notified about the place, date and time of Hearing, to enable them to take part in the Hearing. A newspaper notice was also published inviting participation from the general public as well as the Respondents. The Hearing was held at Bidyut Niyamak Bhawan, Six Mile, Guwahati on

March 12, 2025 as scheduled. All stakeholders/respondents who participated in the Hearing were given the opportunity to express their views on the Petitions. The details are discussed in the relevant Chapter of this Tariff Order.

(10) The Commission, now in exercise of its powers vested under Sections, 61, 62, 86 and 181 of the Electricity Act, 2003 and all other powers enabling it in this behalf and taking into consideration the submissions made by the Petitioner, objections and suggestions received from respondents/stakeholders and all other relevant materials on record, has carried out the True-up for FY 2023-24, APR for FY 2024-25, approval of ARR for the Control Period from FY 2025-26 to FY 2029-30, and determination of tariff for FY 2025-26, as detailed in subsequent Chapters of this Order.

(11) Before implementation of this Order, the Commission directs APDCL to publish a Public Notice intimating the revised distribution and retail supply tariff in English and Vernacular newspapers and on the website of APDCL.

(12) The approved Retail Supply Tariffs, Wheeling Charges and Cross-Subsidy Surcharge for FY 2025-26 shall be effective from April 1, 2025 and shall continue until replaced by another Order by the Commission.

(13) Accordingly, the Petition No. 21/2024 stands disposed of.

Sd/-	**Sd/-**
(A. Bhattacharyya)	**(K.S Krishna)**
Member, AERC	**Chairperson, AERC**

1 INTRODUCTION

1.1 Constitution of the Commission

1.1.1 The Assam Electricity Regulatory Commission (hereinafter referred to as the AERC or the Commission) was established under the Electricity Regulatory Commissions Act, 1998 (14 of 1998) on February 28, 2001. The first proviso of Section 82(1) of the Electricity Act, 2003 (hereinafter referred as the Act or the EA, 2003) has ensured continuity of the Commission under the Electricity Act, 2003.

1.1.2 The Commission is mandated to exercise the powers and functions conferred under Section 181 of the EA 2003 (36 of 2003) and to exercise the functions conferred on it under Section 61, 62 and 86 of the Act from June 10, 2003.

1.2 Tariff related Functions of the Commission

1.2.1 Under Section 86 of the Act, the Commission has the following tariff related functions:

(a) To determine the tariff for electricity, wholesale, bulk or retail, as the case may be;
(b) To regulate power purchase and procurement process of the distribution utilities including the price at which the power shall be procured from the generating companies, generating stations or from other sources for transmission, sale, distribution and supply in the State;
(c) To promote competition, efficiency and economy in the activities of the electricity industry to achieve the objects and purposes of this Act;

1.2.2 Under Section 61 of the Act in the determination of tariffs, the Commission is to be guided by the following:

(a) The principles and methodologies specified by the Central Commission for determination of the tariff applicable to generating companies and transmission licensees;
(b) That the electricity generation, transmission, distribution and supply are conducted on commercial principles;

(c) That factors, which would encourage efficiency, economical use of the resources, good performance, optimum investments, and other matters which the State Commission considers appropriate for the purpose of this Act;

(d) The interests of the consumers are safeguarded and at the same time, the consumers pay for the use of electricity in a reasonable manner based on their customer category cost of supply;

(e) That the tariff progressively reflects the cost of supply of electricity at an adequate and improving level of efficiency and gradually reduces cross subsidies;

(f) The National Electricity Plan formulated by the Central Government including the National Electricity Policy and Tariff Policy.

1.2.3 In accordance with the provisions of the Act, the Commission shall not show undue preference to any consumer of electricity in determining the tariff, but may differentiate according to the consumers' load factor, power factor, voltage, total consumption of energy during any specified period or the time at which the supply is required or the geographical position of any area, the nature of supply and the purpose for which the supply is required (Section 62 of the Act).

1.2.4 If the State Government requires the grant of any subsidy to any consumer or class of consumers in the tariff determined by the Commission, the State Government shall pay the amount to compensate the person affected by the grant of subsidy in the manner the Commission may direct as a condition for the licence or any other person concerned to implement the subsidy provided for by the State Government (Section 65 of the Act).

1.3 Background

1.3.1 In pursuance of Notification Memo No. PEL151/2003/Pt./165 dated December 10, 2004 of the Government of Assam, three Distribution Companies were formed as a successor to the ASEB. Vide subsequent Notification No. PEL.41/2006/199 dated May 13, 2009, all these three Distribution Companies were merged into one and in accordance with the Assam State Reform (Transfer and merger of Distribution Functions and undertakings) Scheme, 2009 and Certificate of Incorporation dated October 23, 2009, the present Distribution Company, viz., Assam Power Distribution

Company Limited (APDCL) was formed.

1.3.2 Presently, APDCL is undertaking all the functions as a Distribution Licensee within the State of Assam.

1.4 Multi Year Tariff Regulations, 2021

1.4.1 The Commission, in exercise of the powers conferred under Section 61 read with Section 181(2) (zd) of the Act, notified the AERC (Terms and Conditions for determination of Multi Year Tariff) Regulations, 2021 (herein after referred as "the MYT Regulations, 2021") on September 18, 2021. These Regulations are applicable for the determination of Tariff for Generation, Transmission, SLDC, Wheeling and Retail Supply for the Control Period of three financial years from April 1, 2022 onwards up to March 31, 2025. These Regulations are applicable to all existing and future Generating Companies, Transmission Licensees, and Distribution Licensees within the State of Assam.

1.5 Multi Year Tariff Regulations, 2024

1.5.1 The Commission, in exercise of the powers conferred under Section 61 read with Section 181(2) (zd) of the Act, notified the AERC (Terms and Conditions for determination of Multi Year Tariff) Regulations, 2024 (herein after referred as "MYT Regulations, 2024") on November 05, 2024. These Regulations are applicable for determination of Tariff for Generation, Transmission, SLDC, Wheeling and Retail Supply for the Control Period of five financial years from April 1, 2025 onwards up to March 31, 2030. These Regulations are applicable to all existing and future Generating Companies, Transmission Licensees and Distribution Licensees within the State of Assam.

1.5.2 Regulation 4.2 of the MYT Regulations, 2024, specifies the MYT framework, as reproduced below:

"4.2 The Multi-Year Tariff framework shall be based on the following elements, for calculation of Aggregate Revenue Requirement and expected revenue from tariff and charges for Generating Companies, Transmission Licensee, SLDC, Distribution Wheeling Business and Retail Supply Business:

(i) *Submission of a Multi-Year Tariff Petition by the Applicant at the beginning of the control period, comprising forecast of Aggregate Revenue Requirement for the entire Control Period and expected revenue from existing tariff and Charges, expected revenue gap or surplus, for each year of the Control Period, and proposed tariff and charges for ensuing year, i.e. first year of the Control Period:*

Provided that the Distribution Licensees shall propose the category-wise tariff for the first year of the Control Period:

Provided also that Multi-Year Tariff Petition shall also include truing up for FY 2023-24 and the Annual Performance Review for FY 2024-25 to be carried out under Assam Electricity Regulatory Commission (Terms & Conditions of Multi-Year Tariff) Regulations, 2021;

(ii) *A detailed Capital Investment Plan for each year of the Control Period, shall be submitted by the applicant for the Commission's approval;*

(iii) *The applicant shall submit operating norms and trajectories of performance parameters for each year of the Control Period, for the Commission's approval;*

(iv) *The applicant shall submit the forecast of Aggregate Revenue Requirement and expected revenue from existing tariff for each year of the Control Period, and the Commission shall approve the tariff for Generating Companies, SLDC, Transmission Licensee, Distribution Wheeling Business and Retail Supply Business, for each year of the Control Period. The tariff shall be reviewed at the time of the true-up and annual performance review;*

(v) *In its tariff petition, a generating company shall submit information to support the determination of tariff for each generating station;*

(vi) *Annual Performance review vis-à-vis the approved forecast and categorization of variation in performance as those caused by factors beyond the control of the applicant (uncontrollable items) shall be undertaken by the Commission;*

(vii) *True up of the past years based on audited annual accounts of the licensees and the Generation companies shall also be undertaken;*

(viii) The applicant shall, along with the tariff petition, submit a statement on the status of compliance of directives, if any, issued by the Commission in its previous tariff order;

(ix) The mechanism for pass-through of approved gains or losses on account of uncontrollable items as specified by the Commission in these Regulations;

(x) The mechanism for sharing of approved gains or losses arising out of controllable items as specified by the Commission in these Regulations;

(xi) There shall be no true-up of the controllable items except on account of Force Majeure events or on account of variations attributable to uncontrollable items. The variations in the controllable items, as defined in regulation 10, over and above the norms specified will be governed by incentive and penalty framework specified in these regulations;

(xii) The tariff determined by the Commission and the directions given in the MYT order shall be the quid pro quo and mutually inclusive. The tariff determined shall, within the time period specified in the order, be subject to the compliance of the directions by the generating company and the licensees to the satisfaction of the Commission. Non-compliance of directions given in the tariff order may also lead to invocation of the provisions of section 142 of the Act.

(xiii) The tariff determined by the Commission shall continue to operate till it is modified or revised by the Commission."

1.6 Procedural History

1.6.1 As per Regulation 4.2 of the MYT Regulations, 2024, APDCL is required to file an application for approval of Truing up for FY 2023-24, APR for FY 2024-25, ARR for FY 2025-26 to FY 2029-30, and determination of Tariff for FY 2025-26, not less than 120 days before the close of the current financial year.

1.6.2 APDCL filed its Petition for approval of True-up for FY 2023-24, APR for FY 2024-25, ARR for FY 2025-26 to FY 2029-30, and determination of Tariff for FY 2025-26 (Petition No. 21/2024) on November 30, 2024. The Commission sought additional data and clarifications on the Tariff Petition vide letter dated January 16, 2025.

1.6.3 The Commission held an Admissibility Hearing on December 20, 2024. Thereafter, in accordance with Section 64 of the EA 2003, the Commission directed APDCL to publish a summary of the ARR and Tariff filings in local dailies to ensure due public participation. A copy of the Petition and other relevant documents were also made available to the consumers and other interested Parties at the office of the Managing Director of APDCL, and offices of the Deputy General Manager of each circle of APDCL. A copy of the Petition was also made available on the websites of the Commission (www.aerc.gov.in) and APDCL. (www.apdcl.org).

1.6.4 Accordingly, a Public Notice was issued by APDCL inviting objections/suggestions from objectors to be submitted on or before January 30, 2025. The notice was published in five (5) leading newspapers of the State, and short notice was published in five (5) of the leading newspapers of the State, as shown in the Table below:

Date	**Name of Newspaper**	**Content Published**
06.01.2025	The Assam Tribune	Public Notice in English
08.01.2025	The Times of India	Public Notice in English
08.01.2025	The Sentinel	Public Notice in English
08.01.2025	Amar Asom	Public Notice in Assamese
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07.01.2025	Purbanchal Prahari	Short Notice in Hindi
07.01.2025	Bodosa	Short Notice in Bodo
07.01.2025	Thekar	Short Notice in Karbi

1.6.5 The replies to the queries raised by the Commission was submitted by APDCL on January 27, 2025.

1.6.6 The Commission observed that there were some inconsistencies and discrepancies in the replies submitted by APDCL. In order to clarify the same, a Technical Validation Session (TVS) was conducted on February 11, 2025. The Commission sought more clarifications on the Petition from APDCL vide letter dated February 14, 2025 and email dated February 11, 2025 and the replies were submitted by APDCL on

February 21, 2025.

1.6.7 The Commission received suggestions and objections from twelve (12) stakeholders on the Petitions filed by APDCL. The Commission considered the objections received and sent communication to the stakeholders to take part in Hearing process by presenting their views in person before the Commission. The stakeholders were notified about the place, date and time of Hearing, to enable them to take part in the Hearing. The Hearing was held at Bidyut Niyamak Bhawan, Six Mile, Guwahati, on March 12, 2025 as scheduled. All stakeholders/respondents who participated in the Hearing were given the opportunity to express their views on the Petitions.

1.6.8 All the written representations submitted to the Commission and oral submissions made before the Commission in the Hearing and the responses of APDCL have been carefully considered while issuing this Tariff Order. The major issues raised by different consumers and consumer groups along with the response of APDCL and views of the Commission are elaborated in Chapter 3 of this Order.

1.7 The 35th Meeting of State Advisory Committee

1.7.1 Meeting of the State Advisory Committee (SAC) (constituted under Section 87 of the Act) was convened on February 27, 2025. During the 35th SAC meeting held on February 27, 2025, the Tariff Petitions filed by APGCL, AEGCL, SLDC and APDCL for FY 2025-26 were discussed. The Minutes of the 35th SAC Meeting are attached as **Annexure 1**.

2 Summary of APDCL's Petition

2.1 Background

2.1.1 APDCL submitted the Petition on November 30, 2024 seeking approval for True up for FY 2023-24, APR for FY 2024-25, ARR for FY 2025-26 to FY 2029-30, and Tariff for FY 2025-26.

2.2 True-up for FY 2023-24

2.2.1 APDCL submitted the True-up for FY 2023-24 based on the statement of accounts duly audited by the Statutory Auditor. The summary of ARR and Revenue Gap/(Surplus) claimed by APDCL for FY 2023-24 is shown in the following Table:

Table 1: True Up for FY 2023-24 as submitted by APDCL (Rs. Crore)

Sl. No.	Particulars	Approved	APDCL Submission
1	Cost of power purchase	6409.29	8481.15
2	Operation & Maintenance Expenses	**1364.41**	**1370.06**
2.1	*Employee Cost*	*948.46*	*959.65*
2.2	*Repair & Maintenance*	*305.36*	*294.45*
2.3	*Administrative & General Expenses*	*110.59*	*115.96*
3	Depreciation	173.01	89.39
4	Interest and Finance Charge	3.62	64.70
5	Interest on Working Capital	0.00	14.42
6	Other Debits incl. Provision for Bad Debt	6.80	24.83
7	Interest on Consumer security deposit	52.68	62.22
8	Unrecovered FPPPA 22-23	457.09	457.09
9	**Sub Total (1+2+(3 to 8))**	**8466.90**	**10563.86**
10	Return on Equity	162.84	222.90
11	**Total Expenditure (9 to 10)**	**8629.74**	**10563.86**
12	Less Non-Tariff Income	471.64	348.17
13	Sharing of efficiency gain/(losses)		

Sl. No.	Particulars	Approved	APDCL Submission
	a) excess power purchase cost due to distribution losses	-	(23.63)
	b) Sharing of gains/(losses) on account of O&M expenses	-	3.11
14	**Aggregate Revenue Requirement**	**8158.10**	**10418.07**
15	Revenue with approved Tariff (including Targeted Subsidy)	7831.10	8825.55
16	Other Income (Consumer Related)	109.55	569.77
17	Total Revenue before Other Subsidy (15+16)	**7940.65**	**9395.33**
18	**Other subsidy/Revenue Grant**		
	b. Revenue grant from GoA	-	287.30
	c. Revenue Grant-Smart mtr	-	77.96
19	**Total Revenue after subsidy**	**7940.65**	**9760.58**
20	**True up adjustment**		
	Revenue Gap/(Surplus) from True up for FY 2021-22	(91.27)	(91.27)
	Net Carrying Cost	(126.18)	(126.18)
	Sub-total (21): True Up adjustment	**(217.45)**	**(217.45)**
21	**Gross revenue Gap/Surplus**	**0.00**	**440.04**

2.3 Annual Performance Review (APR) for FY 2024-25

2.3.1 APDCL submitted the APR for FY 2024-25, based on the actuals of the first half (H1) of the year and projections for the second half (H2) of the year, as shown in the Table below:

Table 2: APR for FY 2024-25 as submitted by APDCL (Rs. Crore)

Sl. No.	Particulars	Approved	APDCL Submission
1	Cost of power purchase	9562.52	9617.10
2	Operation & Maintenance Expenses	**1449.53**	**1458.70**
2.1	*Employee Cost*	*1006.63*	*1017.77*
2.2	*Repair & Maintenance*	*323.71*	*306.05*
2.3	*Administrative & General Expenses*	*119.19*	*134.87*
3	Depreciation	67.37	64.17
4	Interest and Finance Charge	9.74	83.05
5	Interest on Working Capital	30.82	31.03
6	Other Debits incl. Provision for Bad Debt	5.57	12.42
7	Interest on Consumer security deposit	65.95	62.22
9	**Sub Total (1+2+(3 to 8))**	**11191.50**	**11328.67**
10	Return on Equity	171.41	297.14
11	**Total Expenditure (9 to 10)**	**11362.91**	**11625.81**
12	Less Non-Tariff Income	388.51	330.02
13	**Aggregate Revenue Requirement (11-12+13)**	**10974.41**	**11295.79**
14	Revenue with approved Tariff (including Targeted Subsidy)	10647.19	10130.64
15	Other Income (Consumer Related)	1454.96	855.59
16	Total Revenue Before Other Subsidy	**12102.15**	**10986.22**
17	**Other subsidy/Revenue Grant**		
	a. Tariff subsidy on Power purchase		200.00
18	**Total Revenue after subsidy**	**12102.15**	**11186.22**
19	**Revenue Gap/(Surplus) for FY 2024-25**	**(1127.75)**	**109.57**
20	**True up adjustment**		
	Revenue Gap/(Surplus) from True up for FY 2022-23	**1127.75**	-
21	**Gross Revenue Gap/(Surplus)**	**-**	**109.57**

2.4 Aggregate Revenue Requirement (ARR) for FY 2025-26 to FY 2029-30

2.4.1 APDCL has projected the ARR for FY 2025-26 to FY 2029-30 as detailed in the Table below:

Table 3: ARR for FY 2025-26 to FY 2029-30 as submitted by APDCL (Rs. Crore)

Sl. No.	Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
1	Power Purchase Expenses	10204.75	11615.98	12571.68	11958.97	12408.94
2	O&M Expenses	1695.50	1840.79	2157.36	2477.47	2662.74
	a) Employee Expenses	*1096.80*	*1095.22*	*1165.45*	*1240.26*	*1319.94*
	b) R&M Expenses	*451.69*	*585.46*	*817.66*	*1047.72*	*1136.85*
	c) A&G Expenses	*147.02*	*160.12*	*174.25*	*189.50*	*205.95*
3	Depreciation	77.61	123.82	192.29	224.58	244.98
4	Interest and Finance Charges	100.90	114.72	121.68	125.42	127.11
5	Interest on Working Capital	0.00	0.00	12.10	40.63	56.34
6	Interest on CSD	62.22	62.22	62.22	62.22	62.22
7	Return on Equity	387.88	587.59	787.75	883.02	948.24
8	Other Debits, incl. Provisioning for Bad Debts	6.21	6.21	6.21	6.21	6.21
9	**Total Expenditure**	**12535.07**	**14351.32**	**15911.30**	**15778.52**	**16516.79**
10	Less: Non-Tariff Income	314.52	301.45	290.60	281.80	274.89
11	Less: Other Income	1111.40	1594.54	1868.03	888.52	448.82
12	**Aggregate Revenue Requirement**	11,109.16	12,455.33	13,752.67	14,608.20	15,793.07
13	**Revenue at existing Tariff**	12406.53	13727.98	14911.45	14912.04	15526.86
14	**Gap/(Surplus) [12-13]**	(185.98)	321.90	709.25	584.68	715.03

2.4.2 APDCL has thus estimated the total Cumulative Revenue Gap as shown in the Table below:

Table 4: Cumulative Revenue Gap as projected by APDCL till FY 2025-26 (Rs. Crore)

Sl. No.	Particulars	Rate of Interest	Amount (Rs. Crore)
1	**True up for FY 2023-24**		
2	Gross revenue Gap after true-up for FY 2023-24		440.00
3	Carrying/(Holding) cost for FY 2023-24 (half Year)	11.57%	25.45
4	Carrying/(Holding) cost for FY 2024-25 (full Year)	11.80%	51.92
5	Carrying/(Holding) cost for FY 2025-26 (half Year)	11.80%	25.96
6	**Total carrying cost**		**103.33**
7	**Grand total**		**543.33**
8	**Standalone ARR for FY 2025-26**		**11109.16**
9	**Cumulative revenue requirement for FY 2025-26**		**11652.54**

2.4.3 APDCL projected retail sale of 12,015 MU during FY 2025-26. Thus, average cost of supply to recover entire cumulative amount of Rs. 11652.54 Crore during FY 2025-26 is projected as Rs. 9.70 per kWh, as compared to the approved cost of supply per unit of Rs. 9.55/kWh for FY 2024-25.

2.4.4 APDCL has projected a Revenue Gap of Rs. 357 Crore for FY 2025-26. However, APDCL submitted that being the first year of the Control Period, APDCL proposes to continue with the prevalent tariff approved by the Commission for FY 2024-25, without any hike for all categories of consumers for FY 2025-26.

2.5 Prayers of APDCL

2.5.1 APDCL, in its Petition, has prayed as reproduced below:

a. To admit the petition for true-up of ARR for FY 2023-24.

b. To approve the amount of revenue gap on true-up of ARR for FY 2023-24 as mentioned above.

c. To admit the petition for Annual Performance Review for FY 2024-25.

d. To approve the amount of revenue gap for Annual Performance Review for FY 2024-25.

e. To admit the petition for Aggregate revenue requirement for FY 2025-26 to FY 2029-30

f. To approve the amount of Aggregate Revenue Requirement for FY 2025- 26 to FY 2029-30 as submitted above.

g. To condone any inadvertent omissions/ errors/ shortcomings and permit the petitioner to add/ change/ modify/ amend this filing and make further submissions as may be required at a future date

h. To allow further submissions, addition and alteration to this petition as may be necessitated from time to time

i. Treat the filing as complete in view of substantial compliance as also the specific requests for waivers with justification placed on record

j. To grant any other relief as the Hon'ble Commission may consider appropriate

k. And pass such other and further orders as are deemed fit and proper in the facts and circumstances of the case in the interest of justice

3 Brief Summary of the Stakeholders' Comments, Response of APDCL and Commission's View

3.1.1 The Commission received objections/suggestions from the following twelve (12) stakeholders on the Petition filed by APDCL.

Sl. No.	Name of objector
1	All Assam Electricity Consumers Association (AAECA)
2.	Assam Branch of India Tea Association (ABITA)
3.	All India Manufacturers Organisation, Assam State Board (AIMO)
4.	Assam Oxygen Manufacturers Association (AOMA)
5.	Bharti Airtel Limited (Airtel)
6.	Cellular Operators Association of India (COAI)
7.	Consumer Advocacy Cell (CAC)
8.	Federation of Industries and Commerce of North Eastern Region (FINER)
9.	Marwari Hospital (MH)
10.	Sri Sankaradeva Nethralaya (SSN)
11.	Association of Healthcare Providers (India) (AHSP)
12	Assam Farms (AF)

3.1.2 The Commission further considered the objections/suggestions of Shri Amarendra Goswami, SAC Member, while preparing this Chapter.

3.1.3 APDCL submitted its responses to the objections/suggestions received from the above stakeholders.

3.1.4 The Commission considered the objections / suggestions received and notified the Respondents to take part in the Hearing process by presenting their views in person before the Commission, if they so desired.

3.1.5 The Commission held Public Hearing at the Bidyut Niyamak Bhawan, Six Mile, Guwahati on 12th March, 2025.

3.1.6 The Respondents attended the Hearing and submitted their views/ suggestions.

3.1.7 All the written representations submitted to the Commission and the oral submissions made before the Commission in the hearing and the responses of APDCL have been carefully considered while issuing this Tariff Order.

3.1.8 The objections/suggestions made by the stakeholders and responses of the Petitioner are briefly dealt with in this Chapter. The major issues raised by the objectors are discussed below along with the response of APDCL and views of the Commission.

3.1.9 While all the objections/suggestions have been given due consideration by the Commission, only major responses/objections received on the Petition and also those raised during the course of Hearing have been grouped and addressed issue-wise, in order to avoid repetition.

Issue 1: Audit Report

Stakeholders' Comments

FINER submitted that the Auditor's report and CAG comments highlight serious financial mismanagement in Assam DISCOM, which could significantly impact the ARR claimed annually. FINER, therefore, requested the Commission to direct APDCL to submit reply on the issues highlighted by CAG and Statutory Auditor.

Shri Amarendra Goswami, SAC Member submitted that the Statement of Profit and Loss account of APDCL for the FY 2023-24 has shown a profit of Rs 375.04 Cr. However, the Tariff Petition filed by APDCL for FY 2025-26 has infirmities and the independent auditor has put their observation regarding certain deposits which are recorded as liability. The difference between the deposit amount and execution value is not booked as income which has resulted in understatement of profit. Shri Goswami observed that a huge amount Rs 472.09 Crore for FY 2023-24 and Rs 464.28 Cr for FY 2022-23, total for two years being Rs 936.37 Crore (for deposit work alone) remains unaccounted.

Reply of APDCL

The Petitioner submitted that the Company has complied with Indian Accounting

Standards (Ind AS) and the Companies Act while addressing audit observations. It assures that necessary adjustments, if required, will be made in the following year as per standard practice.

APDCL further replied that deposit work undertaken by APDCL is a continuous process. The amount stated in the statement also includes amount received against deposit works that are yet to be executed/completed and hence, the amount of Rs. 472 Crore cannot be treated as income.

Commission's View

The amount received against deposit works must be properly recorded in the books of accounts and be treated in the same manner as Grants, i.e., zero cost funds for asset creation, on which no Depreciation, Interest or RoE can be claimed.

A directive has been issued regarding financial accounting and audit, in order to ensure that the necessary information is available to the stakeholders for submitting informed comments and suggestions on APDCL's Petition.

Issue 2: Sales

Stakeholders' Comments

ABITA mentioned that the actual sales in FY 2023-24 in most of the categories has increased beyond 10%, however, APDCL has overestimated sales growth in several categories for FY 2024-25 and the MYT Control Period, as compared to historical trends. ABITA analysed the historical sales growth trends and revised the sales growth estimates by reducing the projections of 10% or higher across categories as considered by APDCL capping excessive growth rates, resulting in a lower total sales projection of 10,800 MU for FY 2024-25 against APDCL's 11,236 MU. ABITA requested the Commission to consider its more reasonable sales projections for the tariff determination process.

Reply of APDCL

APDCL submitted that the increase in electricity consumption and demand of the State is expected to grow with the development of adequate infrastructure under ongoing schemes, as detailed in the CAPEX plan for the MYT Control Period. The Petitioner's projections are based on historical data and a balanced approach, while the Respondent's objections are arbitrary and self-serving. The Petitioner requested the Commission to reject the Respondent's claims and uphold the Petitioner's submissions.

Commission's View

The category-wise sales approved by the Commission for FY 2024-25 and the Control Period from FY 2025-26 to FY 2029-30 are detailed in the relevant Chapter of this Order.

Issue 3: Distribution Loss

Stakeholders' Comments

ABITA, FINER and CAC submitted that APDCL registered a distribution loss of 15.50% for FY 2023-24, exceeding the approved target of 14.75%, which surpassed even the FY 2020-21 benchmark agreed to in UDAY Scheme. ABITA, FINER, and CAC strongly opposed APDCL's justification of disproportionate HT:LT ratio with increased length of LT network. The Respondents submitted that similar challenges have been successfully managed in States like Himachal Pradesh and Uttarakhand having difficult hilly terrain. ABITA mentioned that Assam ranks 47th in T&D loss performance according to the 2023 Report on Performance of Power Utilities across by PFC, further indicating that APDCL's under-achievement of distribution losses is not justified. Given that distribution losses are a controllable factor under MYT Regulations, 2021, APDCL's failure to meet its UDAY commitments should not result in additional costs being passed on to consumers. The Respondents requested that the excess power purchase due to higher losses (131.53 MU) should be disallowed, and energy requirement of 13,234 MU be approved at source.

The Respondents observed that for FY 2024-25, the Petitioner has projected an even higher distribution loss of 15.80%, exceeding the Commission-approved 14.50% level. FINER emphasized that despite heavy investments in metering, billing, and loss reduction, APDCL continues to shift the burden on to consumers instead of addressing inefficiencies.

Regarding the MYT Petition, the Respondents requested the Commission to approve a stricter loss trajectory starting at 13.8% in FY 2025-26 and reducing to 11% by FY 2029-30, ensuring accountability and efficiency improvements within APDCL.

Reply of APDCL

APDCL submitted that the marginally higher distribution loss in Assam is due to its geographical spread, diverse consumer mix, and the impact of universal household electrification programmes, which have led to an increase in demand at LT-level resulting in higher technical losses. Also, delays in CAPEX projects have further contributed to these losses. Comparisons with Himachal Pradesh and Uttarakhand, as raised by ABITA, are not justified, as Assam has a significantly different consumption pattern, with a higher share of LT consumers. APDCL has accounted for efficiency losses in accordance with Regulations and requested the Commission to consider these ground realities while evaluating the Petition.

In response to concerns raised by FINER regarding inefficiency, APDCL clarified that its performance aligns with national targets under RAPDRP, IPDS, UDAY, and RDSS. Despite operational constraints, significant progress has been made in reducing distribution losses. However, achieving further reduction becomes increasingly challenging due to diminishing marginal gains, even as regulatory benchmarks continue to rise.

Regarding CAC's concerns, APDCL emphasized its ongoing efforts to enhance efficiency through Smart Metering and system improvements, which have already led to a decline in T&D losses.

APDCL requested the Commission to acknowledge the prevailing ground realities while considering its submissions.

Commission's View

Distribution Losses are a controllable parameter. The Commission has considered the approved Distribution Loss level and disallowed 2/3rd of the excess power purchase cost in the true-up of FY 2023-24 as per the MYT Regulations, 2021, as elaborated in Chapter 4 of this Order. The distribution loss trajectory for the Control Period from FY 2025-26 to FY 2029-30 has been determined appropriately, as elaborated in Chapter 7 of this Order.

<u>Issue 4: Energy Balance</u>

Stakeholders' Comments

ABITA objected to the Petitioner's failure to meet the approved distribution loss targets and calculation of power purchase requirements based on actual losses for FY 2023-24. The Respondent requested the Commission to determine energy requirements strictly based on the approved loss levels as per the AERC Tariff Order of 2024 to ensure efficiency and accountability.

ABITA requested the Commission to adopt the revised projections for FY 2025-26 to FY 2029-30 as proposed by the Respondent, to ensure efficiency improvements and prevent excessive energy procurement costs due to inflated loss assumptions.

Reply of APDCL

The Petitioner replied that the Respondent's proposal is based on presumptive assessments of parameters and the plea lacks substantive merit. APDCL requested the Commission to disregard the Respondent’s submission in its entirety.

Commission’s View

The Commission has considered the Energy Balance based on the approved Distribution Loss level and disallowed 2/3rd of the excess power purchase cost in the true-up of FY 2023-24 as per the MYT Regulations, 2021, as elaborated in Chapter 4 of this Order. The distribution loss trajectory and Energy Balance for the Control Period from FY 2025-26 to FY 2029-30 has been determined appropriately, as elaborated in Chapter 7 of this Order

Issue 5: Power Purchase Cost

Stakeholders’ Comments

ABITA, FINER, CAC, and AAECA raised objections regarding APDCL's power purchase costs, distribution loss projections, and inefficient procurement strategies, which have led to excessive financial burden on consumers.

ABITA submitted that the Petitioner’s power purchase cost exceeded approved levels due to inefficient procurement and costly short-term purchases, resulting in a loss of Rs 112 crore in FY 2023-24. Additionally, Rs 795 crore was spent on short-term power at excessive rates, exacerbating financial inefficiencies. ABITA requested the Commission to disallow excess power purchases, exclude delayed payment charges, and enforce competitive bidding for cost minimization.

FINER highlighted concerns over the Petitioner’s Late Payment Surcharge (LPS) claims and power procurement plan. The Respondent highlighted that power was sold at Rs 4.86/unit while short-term purchases were made at Rs 6.06/unit, leading to excess expenditure of Rs 157.25 crore. FINER submitted that the Petitioner required to shift toward renewable, hybrid and medium-term round-the-clock power sources. Concerns over compliance to Renewable Purchase Obligation (RPO) through REC purchases were also raised. FINER suggested establishment of an RPO Regulatory Fund for shortfall in RPO compliance by the obligated entities and the deposits from the Fund may be utilised for transmission and distribution network development and upgradation.

CAC noted that energy costs from gas-based stations have increased significantly, leading to increase of 79.98% per unit. The Respondent recommended that the Petitioner should explore cheaper power sources and provide a detailed cost breakdown of fixed and energy charges. CAC also emphasized the need for AI-driven software to monitor real-time power distribution and suggested demand-side management to optimize peak-hour consumption. Further, CAC highlighted an abnormal price hike in hydel and non-conventional power, citing purchases from DHEP at Rs 11.08/unit and Suryataap solar at Rs 8.78/unit, which should be rationalized.

AAECA submitted that the Petitioner consistently justifies high tariffs due to peak-hour procurement costs and called for better medium term /long-term agreements to optimize power purchase costs.

The Respondents requested the Commission to disallow any inefficiency in the interest of consumer protection and financial prudence.

Reply of APDCL

APDCL submitted that power pricing in Assam is influenced by market conditions and regulatory constraints. The Respondent’s claim of Rs 112 Crore loss is misconceived. Surplus energy export is an essential part of optimizing procurement costs and is conducted in compliance with regulatory provisions.

APDCL submitted that the Petitioner complies with applicable RPO Regulations. The proposal for an RPO Regulatory Fund falls outside the scope of this Petition, although APDCL remains committed to renewable energy compliance. Power procurement follows regulatory and market frameworks, with NTPC Dadri and AGBPP being replaced by short-term sources due to PPA expirations.

The Petitioner confirmed that all necessary data have been provided in the regulatory formats of the Petition. The company's commitment to grid stability, power procurement optimization, and efficient resource utilization is reflected in the effective implementation of the Deviation Settlement Mechanism.

Additionally, the Petitioner submitted that APDCL has already initiated the procurement process for AI-driven software to optimize power purchases, with the design currently under development.

Regarding the procurement of costly power, APDCL clarified that long-term PPAs with DHEP and Suryatap are approved by regulatory authorities, and the respective tariffs are in accordance with these approvals. APDCL submitted that it operates to ensure energy security through long-term PPAs, which sometimes result in surplus power. The Petitioner follows due diligence in power exports, adhering to regulatory provisions to optimize procurement costs.

Commission's View

The Commission has trued up the power purchase cost based on the Audited Accounts and prudence check. The Delayed Payment Charges incurred by APDCL have been disallowed in the true-up for FY 2023-24.

While the Commission appreciates APDCL's concerns regarding real-time procurement of costly power due to peak shortfall and sale of surplus power during periods of low demand, APDCL should explore means to tie-up cheaper power sources in the medium-term and long-term, and also ensure that all purchases are made in accordance with the Merit Order Despatch principles.

The detailed analysis of power purchase expenses is elaborated in the relevant Chapters of this Order.

Issue 6: Sharing of gain/ (loss) on account of Higher Distribution Losses

Stakeholders' comments

ABITA submitted that due to higher-than-approved distribution losses in FY 2023-24, excess power purchase costs have been incurred and requested the Commission to exercise prudence to reduce the overall ARR during the true-up process.

FINER submitted that the Commission may exercise its *Power to Remove Difficulties* as per Regulation 113 of the MYT Regulations 2021 to disallow the mechanism of sharing of losses on account of controllable parameters pertaining to surplus power purchase as it impacts consumer tariffs.

Reply of APDCL

APDCL submitted that the Respondent's concerns regarding sharing of efficiency losses due to excess distribution losses have already been addressed in APDCL's true-up Petition, in accordance with the MYT Regulations, 2021. The Respondent's proposal to disallow sharing of efficiency gains and losses contradicts past precedents and should therefore, be ignored.

Commission's View

The Commission has approved the sharing of gains/losses in case of controllable parameters including Distribution Loss in the true-up of FY 2023-24 in accordance with the MYT Regulations, 2021, as elaborated in Chapter 4 of this Order.

Issue 7: O&M Expenses

Stakeholders' Comments

ABITA and FINER submitted that the Petitioner's employee cost projections are inflated despite a historical decline in expenses. ABITA also submitted that the provision for DCRG under NPS has not been separately considered and requires a prudence check by the Commission.

For FY 2025-30, FINER and ABITA submitted that the 1% growth factor applied to employee expenses should not be allowed as no net employee additions have occurred.

ABITA requested the Commission to lower the K factor while calculating R&M expenses to reflect industry norms. FINER proposed that R&M expenses be aligned with actual past expenditures and GFA trends, following UPERC's methodology.

ABITA and FINER submitted that APDCL has overestimated its A&G expenses for True-up of FY 2023-24. The respondents further submitted that for the MYT Control Period, the Petitioner has failed to propose an O&M expense trajectory based on historical expenses, as required under Regulation 38.2 of the MYT Regulations, 2024. The Respondents requested the Commission to establish O&M norms based on past five-year expenditure, adjusted for CPI and WPI indices, and reject any additional claims beyond allowable norms.

Reply of APDCL

APDCL submitted that the Respondent's submission is selective and disregards the established regulatory framework. The Petitioner submitted that the Company has diligently claimed expenditure in strict compliance with Regulations, backed by audited financial statements and detailed justification.

APDCL's claims on employee expenses, R&M expenses, and A&G expenses strictly comply with regulatory guidelines and approved MYT principles. The Petitioner submitted that the instalment amount on DCRG for NPS employees has been considered as per the Commission's approval. Any arbitrary reduction based on the Respondent's assumptions lacks justification and regulatory validity. The Petitioner requested the Commission to disregard the respondent's claims as they lack merit and fail regulatory validity.

Commission's View

The Commission has allowed normative O&M expenses in accordance with the MYT Regulations, 2021 and 2024 and considered the actual component-wise O&M expenses for FY 2023-24 after prudence check, as elaborated in Chapter 4 of this Order. The efficiency gains//losses on account of variation between the normative and actual O&M expenses has been done in accordance with the MYT Regulations, 2021, as detailed in Chapter 4 of this Order.

The treatment of Provisions for DCRG as well as the consideration of 1% growth due to increase in number of employees, have also been elaborated in Chapters 4 to 7 of this Order. The computation of the K factor for the MYT Control Period from FY 2025-26 to FY 2029-30 is elaborated in Chapter 7 of this Order.

Issue 8: Capital Expenditure and Capitalization

Stakeholders' Comments

ABITA and FINER submitted that there are wide variations in approved and claimed capitalisation of Rs. 1340 Crore and Rs 877 Crore for FY 2023-24, and the Petition lacks not only an explanation for such deviation but also essential details such as scheme-wise expenditure, funding breakdown, and cost-benefit analysis.

Reply of APDCL

The Petitioner submitted that APDCL has provided comprehensive details on capital expenditure and capitalization in full compliance with regulatory mandates. The amount of Rs 877 Crore is sum of Rs 867.17 Crore and Rs 9.62 Crore of intangible asset. The actual capitalization, as reflected in audited financial statements, aligns with the established framework, ensuring transparency and adherence to statutory requirements.

The Respondent's submission lacks merit and contradicts both regulatory and accounting principles, warranting its rejection by the Commission.

The Petitioner has undertaken extensive measures to expedite capitalization, leading to substantial progress in recent years. Capitalization projections have been formulated with scheme-wise details provided for prudence verification.

Commission's View

The details of approved capitalization for FY 2023-24 are discussed in Chapter 4 of this Order.

Issue 9: Depreciation

Stakeholders' Comments

ABITA highlighted discrepancies in the Petitioner's claimed depreciation of Rs. 89.40 crore for FY 2023-24, which is significantly higher than the Rs. 64.68 crore approved in the 2024 Tariff Order. Further, ABITA submitted that the Petitioner has not provided detailed calculations for depreciable and non-depreciable assets, grants, or the basis for considering Rs. 2,267.54 crore towards depreciable assets.

Similarly, FINER submitted that depreciation should be allowed only on asset additions (excluding grants), along with the approved depreciation for FY 2022-23. The Respondents requested the Commission to approve depreciation based on actual admissible assets only to ensure fair and prudent cost determination.

Reply of APDCL

The Petitioner has transparently computed depreciation in full compliance with MYT Regulations, 2021 and audited financial statements, ensuring alignment with the prevailing regulatory framework. All necessary details on capital expenditure and capitalization have been duly submitted for prudence verification.

The Petitioner requested the Commission not to take cognizance to the submission of the Respondent as it lacks consonance with governing Regulations.

Commission's View

Depreciation has been allowed by the Commission for FY 2023-24 in accordance with the MYT Regulations, 2021, as discussed in Chapter 4 of this Order.

Issue 10: Interest and Finance Charges

Stakeholders' Comments

ABITA and FINER highlighted significant discrepancies in the Petitioner's claims regarding interest on loans for the True-Up of FY 2023-24, APR for FY 2024-25, and the MYT Control Period. For FY 2023-24, APDCL has claimed interest on loans of Rs. 64.70 Crore, applying a 10% interest rate on closing loan balances. However, the Respondents submitted that the interest rates should be calculated on the average loan during the year.

For FY 2024-25 and the MYT Control Period, ABITA and FINER submitted that the projections are overstated given lower debt additions and normative repayment trends. The Respondents therefore, requested the Commission to rationalize interest costs in line with actual debt requirements and past financial trends, disallowing arbitrary increases that would burden consumers.

Reply of APDCL

The Petitioner submitted that interests on loans claimed as per governing Regulations.

Commission's View

The Commission has allowed the normative interest on loan and finance charges on the average loans during FY 2023-24 and FY 2024-25 in accordance with the MYT Regulations, 2021, as discussed in Chapters 4 and 5 of this Order. Similarly, for the MYT Control Period, the Commission has allowed the normative interest on loan and finance charges on the average loans during each year, considering the normative debt addition against approved GFA addition in accordance with the MYT Regulations, 2024, as discussed in Chapter 7 of this Order.

Issue 11: Interest on Consumer Security Deposit

Stakeholders' Comments

ABITA submitted that APDCL has claimed Rs. 62.22 Crore as interest on Consumer Security Deposit (CSD) for the true-up of FY 2023-24 and requested the Commission to verify the prudency of this payment.

Reply of APDCL

The claimed liability has been accounted for in strict conformity with audited financial statements and regulatory provisions.

Commission's View

The Commission's decision in this regard is elaborated in Chapter 4 of this Order.

<u>Issue 12: Other Debits</u>

Stakeholders' Comments

ABITA and FINER submitted that the Commission should disallow APDCL's claim of Rs. 24.83 Crore towards "Other Debits" for bad and doubtful debts. The Respondents submitted that since the Petitioner has made provisioning in excess of 5% of the receivables as inferred in the Audited Accounts, such provisions should be disallowed in accordance with the MYT Regulations, 2021.

Reply of APDCL

The amount has been claimed in strict adherence to regulatory provisions. The Petitioner requested not to take cognizance of the submission by the Respondent.

Commission's View

As the provisioning till FY 2022-23 is in excess of 5 % of the receivables as stated in the Audited Accounts, further provisioning for bad and doubtful debts has been disallowed in accordance with the MYT Regulations, 2021.

<u>Issue 13: Return on Equity</u>

Stakeholders' Comments

ABITA and FINER objected to the Petitioner's claim of Return on Equity (RoE) for FY 2023-24, APR for FY 2024-25, and the MYT Control Period (FY 2025-30), citing excessive equity addition beyond regulatory norms. APDCL has claimed RoE of Rs 222.90 Crore for FY 2023-24, based on an equity addition of Rs 735.55 Crore, which constitutes 84% of total capitalization far exceeding the 30% limit prescribed in Regulation 32 of the MYT Regulations, 2021. FINER also highlighted that APDCL has provided no justification for this equity addition and recalculated the allowable RoE at Rs 171.41 Crore.

The Respondents further submitted that for the MYT Control Period, APDCL has claimed an equity addition of Rs 4,762.56 Crore, resulting in RoE ranging from Rs 387.88 Crore in FY 2025-26 to Rs 948.24 Crore in FY 2029-30. However, the Respondents submitted that the allowable opening equity should start at Rs 1,224 Crore in FY 2025-26 and increase to Rs 2,255 Crore in FY 2029-30. ABITA and FINER requested the Commission to verify APDCL's actual equity funding, apply the prescribed 30% equity cap, and approve RoE strictly in line with regulatory provisions to prevent undue financial burden on consumers.

Reply of APDCL

APDCL submitted that APDCL's claim for Return on Equity (RoE) has been computed as per the principles set forth by the Commission in prior orders and the same has been comprehensively delineated in the relevant Chapter of the Petition.

Commission's View

The Commission's analysis and ruling on the computation of RoE is elaborated in relevant Chapters of this Order. The Commission has followed the same methodology for computing the equity addition due to conversion of Grants to equity as adopted in previous Orders.

<u>Issue 14: Revenue Received</u>

Stakeholders' Comments

ABITA contended that APDCL has understated its revenue by not accounting from UDAY loss funding and from deferred grants/consumer contributions, thereby reducing the reported revenue to Rs.10,108.73 crore instead of the audited Rs.10,704.93 crore for FY 2023-24. The Respondent requested the Commission to ensure transparency by verifying all revenue sources, including subsidies and FPPPA revenue.

Reply of APDCL

APDCL submitted that the item-wise classification of Other Income and Non-Tariff Income has been fully disclosed in the Petition, ensuring regulatory compliance. Loss funding (OFR) remains outside the tariff structure, aligning with the Commission's past practice. Deferred grants are a book entry under Ind AS, with benefits already passed to consumers. Revenue calculation strictly follows past Orders and Regulations.

Commission's View

The Commission has verified all sources of income from the Audited Accounts of APDCL for FY 2023-24 and considered the same in the true-up of FY 2023-24, after prudence check.

Issue 15: Aggregate Revenue Requirement (ARR)

Stakeholders' Comments

ABITA submitted that there is an error in APDCL's computation of the ARR for FY 2023-24, where Rs. 3.08 Crore (sharing of efficiency gains/losses) has been added instead of being deducted. Based on ABITA's analysis, APDCL has a Surplus of Rs. 1,770.02 Crore. for FY 2023-24, contrary to APDCL's claimed Revenue Gap of Rs. 439.88 Crore.

FINER also submitted reassessed ARR for the True-up of FY 2023-24, highlighting discrepancies in the Petitioner's claims, particularly in power purchase costs, O&M expenses, depreciation, interest on loans, and provisions for bad debts and calculated the actual Revenue Surplus at Rs 181.11 Crore, significantly lower than the Petitioner's claimed Revenue Gap of Rs 440.00 Crore.

ABITA and FINER also reassessed the ARR and Revenue Gap/Surplus for FY 2024-25 and the MYT Control Period, showing a significant deviation from APDCL's projections. The Respondents requested the Commission to approve the reassessed figures to ensure regulatory compliance and financial accuracy.

CAC highlighted discrepancy between APDCL's true-up accounts and its actual financial performance. While the true-up for FY 2023-24 shows a revenue deficit of Rs 440 Crore, the balance sheet reflects a profit of Rs 384.44 Crore. This raises concerns about the mismatch between regulatory accounting, which follows normative assessments, and the Utility's actual financial results. CAC requested the Commission for proper assessment to ensure transparency and alignment in financial reporting.

Reply of APDCL

The Respondent's computation of ARR is based on arbitrary calculations lacking regulatory and factual merit. Their assertions on interconnected parameters have already been addressed and countered with substantiated facts in the Petitioner's earlier submissions.

APDCL submitted that the Regulatory and standard accounting serve different purposes. The true-up for FY 2023-24 follows the regulatory framework under the Electricity Act, 2003, ensuring cost recovery and financial viability. It is based on normative parameters, unlike financial statements under Ind AS, which reflect overall financial position. Comparing the true-up deficit with balance sheet profit is misleading as both use different methodologies. The process has been conducted transparently and in full compliance with regulatory norms.

Commission's view

The Revenue Gap/Surplus for FY 2023-24 and the ARR for FY 2025-26 have been determined after necessary prudence check and in accordance with the MYT Regulations, 2021 and 2024, as elaborated in the relevant Chapters of this Order.

<u>Issue 16: Non-Tariff Income</u>

Stakeholders' Comments

FINER submitted that the Petitioner's Non-Tariff Income (NTI) claim is not aligned with the Commission's established methodology. FINER requested the Commission to allow NTI in consistency with past regulatory decisions.

Reply of APDCL

The Petitioner has adhered to the prescribed methodology in line with subsequent developments that have resulted in a reduction in arrears, which directly influences the computation of the delayed payment surcharge.

Commission's view

The Commission's decision on NTI for FY 2023-24, FY 2024-25, and the MYT Control Period are elaborated in the relevant Chapters of this Order.

<u>Issue 17: Other Income</u>

Stakeholders' Comments

FINER submitted that the Petitioner has projected Other Income of Rs. 855.59 Crore, including Rs. 656.60 Crore from surplus power sales at Rs. 3.59/unit, which is lower than the APPC of Rs. 5.99/unit. This results in a loss for the utility and increases the burden on consumers. The Respondent requested the Commission to direct the Petitioner to optimize power procurement, discontinue sales outside the State, and prioritize sales to industrial consumers within the State at competitive tariffs.

Reply of APDCL

APDCL remarked that submission of the Respondent lacks substantive merit, as they inconsistently oppose additional costs for market-based power procurement while advocating higher rates for seasonal power exports.

Commission's view

The Commission's decision on Other Income, including revenue from sale of surplus power for FY 2023-24, FY 2024-25, and the MYT Control Period are elaborated in the relevant Chapters of this Order.

Issue 18: Average Cost of Supply (ACoS)

Stakeholders' Comments

AAECA submitted that APDCL has projected retail sale of 12,015 MU for FY 2025-26, indicating a natural increase in energy sales over time, which should typically reduce the cost of supply. However, the petitioned average cost of supply at Rs. 9.70 per unit contradicts revenue trends. The proposed cost is opposed as it does not align with the expected reduction in supply costs.

Reply of APDCL

APDCL submitted that the assumption that power costs decrease with increased sales, similar to conventional commodities, is flawed. Electricity pricing is influenced by factors such as generation mix, demand patterns, contractual obligations, and market dynamics. The respondent's claims are based on an incomplete understanding of these complexities, and the Commission is requested to disregard such submissions.

Commission's View

The Commission has approved the category-wise sales and component-wise ARR of APDCL for FY 2025-26 after detailed analysis and in accordance with the MYT Regulations, 2024, as detailed in Chapter 7 of this Order. The ACoS has accordingly been determined based on the ARR approved and the total sales for FY 2025-26, as detailed in Chapter 8 of this Order, which is significantly lower than the ACoS estimated by APDCL in its Petition.

Issue 19: Special category for Oxygen Plants

Stakeholders' Comments

AOMA submitted that the lack of new oxygen plants is primarily due to Assam's high electricity tariff. Oxygen production is power-intensive, with electricity costs comprising 80% of production costs. To ensure self-sufficiency in oxygen production and prevent plant migration to other states, AOMO requested the Commission for creation of a new HT category for Oxygen Manufacturers, increase the tariff concession from current 20%, and extend the concession to fixed charges as well. Besides, during the Public Hearing, the representative from AOMO requested that the concession for oxygen manufacturing plants may be extended to the entire control period in order to encourage individuals/ companies to set up such plants in the State.

Reply of APDCL

APDCL submitted that it opposes concessional tariffs for oxygen manufacturers, citing regulatory and financial constraints. Granting such concessions would require cost recovery from other consumers, violating cost-reflectivity principles and contradicting the Tariff Policy's goal of tariff simplification. While other States may offer lower tariffs, each follows its own regulatory framework. Instead of preferential electricity rates, APDCL suggests exploring government subsidies as a support mechanism. APDCL emphasized the need for a uniform and non-discriminatory financially sustainable tariff structure.

Commission's View

The Commission wishes to clarify that creation of further categories is not desirable, when the overall move is towards rationalisation and reduction of tariff categories. The Commission, therefore decided to retain the 20% concession in Energy Charges for oxygen manufacturing units for the MYT control period. The Commission may however, review the matter at a later stage.

Issue 20: FPPPA Regulations

Stakeholders' Comments

CAC submitted that the current regulatory framework lacks provisions to control cost escalations in power procurement. Fuel price hikes should not apply to hydel and non-conventional sources, yet existing Regulations allow such increases across all power sources. The respondent requested the Commission to review this policy.

Reply of APDCL

APDCL submitted that FPPPA is calculated as per Assam Electricity Regulatory Commission (Fuel and Power Purchase Price Adjustment) Regulations, 2024.

Commission's View

The Commission has notified the AERC (Fuel and Power Purchase Price Adjustment) Regulations, 2024 in July, 2024, after due prior publication and after taking into consideration the provisions of the EA 2003, relevant Rules, and regulatory framework, for providing the framework for recovering/adjusting the variation in fuel and power purchase costs on a regular basis.

Issue 21: Co-ordination among utilities

Stakeholders' Comments

CAC submitted that despite AERC's directive, the co-ordination committee for APDCL, AEGCL, and APGCL has yet to function effectively. Issues like the power supply disruption to Brahmaputra Gas Cracker and Polymers Ltd. could have been resolved through better coordination. The Commission is requested to ensure the Committee's formation and operation.

Reply of APDCL

APDCL did not respond to this objection.

Commission's View

The Co-ordination Committee has already been formed. **The Commission directs APDCL, AEGCL and APGCL to ensure that the Co-ordination Committee meets periodically for ensuring co-ordination between the Utilities.**

Issue 22: HT:LT Ratio

Stakeholders' Comments

CAC submitted that APDCL has acknowledged that a low HT:LT ratio contributes to higher distribution losses. However, AERC's amendment to the Supply Code, allowing consumers to avail 30 kVA load without a transformer, contradicts this stance. Given APDCL's objective of maintaining a high HT:LT ratio, the Petitioner should appeal to AERC for a review of the Regulations to ensure alignment with its loss reduction strategy.

Reply of APDCL

APDCL submitted that the classification of consumers based on voltage levels is guided by regulatory principles, national policies, and the Electricity (Rights of Consumers) Rules, 2020. The transition of LT consumers to higher voltage levels is a nationwide initiative requiring careful assessment, as it may necessitate additional capital expenditure for system augmentation. APDCL acknowledges its obligation to comply with regulatory directives and requests that financial, technical, and infrastructural implications be duly considered while determining the classification framework.

Commission's View

The Commission has notified the amendments to the AERC Supply Code in April, 2022 after due prior publication and after taking into consideration the provisions of the EA 2003, relevant Rules, and regulatory framework, for modifying the framework for various aspects related to giving supply to the consumers.

Issue 23: Manpower planning

Stakeholders' Comments

CAC submitted that the significant drop in manpower at APDCL, despite IT/OT interventions, has raised concerns about service delivery and field personnel safety. With new substations coming up, APDCL faces acute workforce shortages, leading to reliance on ad-hoc measures like outsourcing. Around 7,000 workers in APDCL and 500 in AEGCL have been working for over a decade under irregular arrangements, causing unrest among workers. To sustain operations effectively, a structured manpower plan for skilled workers is essential.

AAECA submitted that to relieve the consumers from exorbitant tariff, proper utilization of manpower is necessary.

Reply of APDCL

APDCL submitted that the Petitioner has adapted to the decreasing employee-to-consumer ratio through workforce optimization, technology adoption, and skill development. With 4,876 personnel engaged on a fixed-pay basis, service delivery and operational efficiency have improved despite manpower concerns. As infrastructure expands, APDCL remains committed to uninterrupted, high-quality service and workforce well-being. A need-based manpower arrangement is underway to align with operational requirements, and the Commission is requested to consider these ongoing efforts while assessing manpower-related matters.

Commission's View

APDCL should ensure proper need-based manpower planning based on detailed studies, keeping in view the technological changes and opportunities for re-skilling and redeployment of existing employees through necessary training.

Issue 24: Safety Workshops

Stakeholders' Comments

CAC submitted that a dedicated team for safe electrical practices should be established in each circle, and conduct periodic training sessions for officers and workers. These workshops should remain an ongoing initiative to strengthen safety awareness and compliance.

Reply of APDCL

The Petitioner strictly adheres to standard safety protocols in all its operations, ensuring compliance with regulatory and industry best practices. Furthermore, the sensitization meetings conducted in collaboration with the Respondent have been highly beneficial, contributing to enhanced awareness and adherence to safety measures.

Commission's View

Noted. Directive has been issued in this regard.

Issue 25: Time of Day tariff

Stakeholders' Comments

CAC submitted that APDCL plans to implement the Time of Day (TOD) tariff as per the Commission's directive. CAC highlighted the need for greater transparency in billing, as consumers seek clarity on electricity charges. To address this, APDCL should provide bills through phones, apps, etc. regularly and also hard copies, if requested. CAC requested the Commission to ensure accessible billing mechanisms to help prevent unnecessary consumer concerns.

AAECA opposed APDCL's proposal to introduce TOD tariff for consumers above 10 kW. The respondent observed that although no tariff hike has been proposed for FY 2025-26, TOD tariff would effectively increase costs. TOD follows an open-market model, treating electricity as a commodity rather than an essential service. AAECA further observed that the move is unjustified and signals a step toward privatization.

FINER welcomed the introduction of TOD tariff for FY 2025-26 for all consumers connected through Smart Meters and having connected load above 10 kW, stating that this step will promote energy efficiency and Demand Side Management. FINER submitted that TOD tariff mechanism could be further optimised by giving additional discounts during the Solar Hours and off-peak hours. The Respondent also recommended introduction of seasonal TOD tariff to better address energy consumption dynamics of seasonal industries, fostering both economic and operational efficiency.

Shri Amarendra Goswami submitted that the proposed TOD tariff raises concerns, particularly on its impact on students and domestic consumers. The proposal of Solar Hours does not comply with the Electricity (Rights of Consumers) Amendment Rules 2023. Moreover, the introduction of TOD for domestic consumers may not be justified without proper analysis of consumption patterns. Shri Goswami further submitted that APDCL must provide Smart Meter data before implementing TOD tariffs, ensuring compliance with Section 62(3) of the Electricity Act.

AIMO submitted that Peak hour timing should be reconsidered to align with Assam's early sunrise. It should be restricted to 10:00 PM or at most, 10:30 PM to reduce the burden on consumers.

Reply of APDCL

APDCL submitted that it has begun providing physical copies of monthly pre-paid statements upon request. Additionally, smart pre-paid and post-paid energy bills are accessible via the APDCL website, MyBijulee app, APDCL offices, and regular dispatch services, ensuring transparency and convenience for consumers.

The Petitioner submitted that TOD tariff is optional and voluntary to eligible APDCL consumers. Hence, eligible consumers may or may not opt for TOD as per their choice.

APDCL clarified that the proposed TOD tariff is applicable for consumers with a connected load exceeding 10 kW having Smart Meters in accordance with Rule 8A of the Electricity (Rights of Consumers) Rules, 2020 (as amended from time to time).

APDCL further clarified that the existing TOD structure shall continue for existing categories with TOD till installation of Smart Meters as proposed in the Retail Tariff Petition.

APDCL submitted that in the existing ToD regime, the normal TOD is slotted from 06:00 hours to 17:00 hours, which has been proposed as Solar Hours in the new TOD proposal with the understanding that Solar Hours have to be a minimum 8 Hrs. APDCL requested the Commission to schedule the Solar Hours TOD suitably.

Commission's View

The Commission has deliberated on the applicability of TOD tariff and revised TOD timeslots and tariff in detail in Chapter 8 of this Order, including clarity on whether TOD is compulsory or optional.

APDCL should ensure that copies of the bills with all necessary details related to consumption and billing during different time slots, application of consumption slab-wise tariff, etc., are easily available to the consumers through the website, App, mobile sms, etc., and physical copies of the bills should also be provided on request. This is necessary to build confidence in the minds of the consumers regarding the correctness of the amounts being charged/deducted, which will facilitate smoother implementation of the Smart Metering drive. Providing necessary data regarding the hourly consumption patterns for consumers having Smart Meters will also help the consumers to plan their consumption patterns better and evaluate whether TOD tariffs are beneficial for them, so that they can take informed decisions in this regard.

<u>Issue 26: Industrial Tariff for Telecom Industry</u>

Stakeholders' Comments

Bharti Airtel and Cellular Operators Association of India (COAI) submitted that TRAI, in its November 29, 2022 Report recommended that telecom sites should be provided electricity connections at industrial/utility tariffs, justifying the classification based on their essential infrastructure role. The Respondents further submitted that the Working Group to the Forum of Indian Regulators (FOIR) recommended that telecom sites be provided electricity connections under utility/industrial tariffs and urged SERCs to incorporate this in their Tariff Orders. Several States including Maharashtra, Himachal Pradesh, Gujarat, and Haryana, have already classified telecom under the "Industrial Category" for electricity tariffs, ensuring uniform charges for industries and telecom towers.

Reply of APDCL

APDCL in reply to Bharti Airtel and COAI submitted that the Respondent's request for industrial tariff classification for telecom services is not legally binding and lacks universal applicability. It asserts that power distribution utilities face financial distress nationwide, whereas telecom companies operate commercially for profit. APDCL emphasized that tariff classification is a State-specific matter, and Assam is not obligated to follow decisions made in other States. Additionally, reclassifying telecom services as industrial consumers would disrupt cross-subsidization, leading to higher tariffs for other consumer categories.

Commission's View

This matter is sub-judice before the Hon'ble APTEL. No change in categorisation of the telecom towers has been approved at this stage.

Besides, the Commission is of the view that tariff categorisation is a State specific matter and Assam is not obligated to follow decisions made in other States.

Issue 27: Conversion of Loans and Grants into Equity

Stakeholders' Comments

FINER submitted that the Cabinet's approval to convert Rs. 397.39 Crore of loans and grants into equity aims to strengthen APDCL's financial position but raises concerns about tariff implications. Government loans usually have low or zero interest, and grants impose no financial burden, but equity conversion introduces a 14% Return on Equity (RoE), directly increasing the ARR and potentially raising consumer tariffs. The Respondent requested the Commission to assess the financial impact critically, ensure consumers are not burdened, and direct APDCL to provide a detailed justification of the conversion and its tariff implications for transparency and fairness in tariff determination.

Reply of APDCL

APDCL submitted that the conversion of Loans and Grants into Equity will be carried out in strict compliance with the governing MYT Regulations. APDCL assures that the financial implications, including the impact on tariffs and the RoE, will be thoroughly assessed and submitted to the Commission for review.

Commission's View

The Commission has deliberated on the issue of conversion of grants to equity for the respective years in the respective Chapters of this Order. However, in line with the approach adopted in earlier Orders, the Commission has not approved any conversion of loans into equity, as the equity cannot exceed 30% of the GFA, after deducting the contribution from Grants and Consumer Contribution.

<u>Issue 28: Green Energy Tariff</u>

Stakeholders' Comments

FINER submitted that the Green Energy Tariff proposal is a positive step, but key clarifications and structuring are needed for transparency and effective implementation. The Petitioner should specify consumer eligibility, procedural guidelines, and a reasonable lock-in period to ensure procurement stability. Separate accounting for Green Energy transactions must be mandated to track procurement costs, revenue, and quantum supplied. Additionally, the Petitioner should submit a roadmap for cost-effective renewable energy procurement and revenue generation, ensuring that the scheme benefits both consumers and APDCL's financial health without burdening other consumers. The Commission is urged to direct the Petitioner to address these critical aspects for an efficient and fair rollout of the Green Energy Tariff.

Reply of APDCL

APDCL submitted that the Green Energy tariff is proposed in compliance with the AERC (Terms and Conditions for Open Access) Regulations 2024, GEOA 2022 and other relevant Regulations. In its Tariff Order dated 26-06-2024, the Commission determined the Green Energy Tariff to facilitate the purchase of additional renewable energy (RE) by Obligated Entities and consumers from the Distribution Licensee and the same has already addressed the concerns raised by the Respondent.

Commission's View

The Commission has determined the Green Energy Tariff for FY 2025-26 in Chapter 8 of this Order.

<u>Issue 29: Standby Charges</u>

Stakeholders' Comments

FINER submitted that the Petitioner's proposal on Standby Charges lacks clarity regarding their applicability to GEOA consumers who already pay fixed charges as existing DISCOM consumers. Standby Charges should only apply to GEOA consumers without a contracted demand with the DISCOM. Charging both Fixed Charges and Standby Charges would lead to double charging, as Fixed Charges already cover infrastructure and power availability costs. Since, Standby Charges recover costs for arranging alternate power, they should only apply to GEOA consumers solely reliant on open access procurement. The Petitioner must explicitly clarify this to prevent unfair financial burdens and ensure a cost-reflective, non-discriminatory tariff structure.

Reply of APDCL

APDCL submitted that Standby Charges are applicable to all Open Access consumers, including GEOA consumers, as per governing Regulations. The consumer's argument regarding Fixed Charges is invalid since, Fixed Charges cover connection maintenance, while energy charges recover consumption costs. In cases of sudden power unavailability for Open Access consumers, the distribution licensee may face power shortages, requiring procurement at high rates during peak seasons, potentially impacting general consumers or leading to load shedding. Thus, Standby Charges are justified to protect both the power system's stability and the financial health of the distribution licensee and consumers.

Commission's View

The Commission agrees with the submission of APDCL and has accordingly determined the Standby Charges for GEOA consumers, as 25% of the ABR, as detailed in Chapter 8 of this Order.

<u>Issue 30: Energy Banking</u>

Stakeholders' Comments

FINER submitted that APDCL faces both energy surplus and deficit scenarios, procuring costly short-term power during high demand while selling excess energy at low rates during lean periods. This creates an opportunity to explore energy banking, optimizing power procurement and reducing financial strain. Several States like Karnataka-Tamil Nadu, Kerala-Andhra Pradesh, and Uttar Pradesh have successfully implemented energy banking by exchanging surplus power during low demand and receiving it back during high demand. Inter-regional exchanges between Eastern-Western and North-South DISCOMs further enhance grid efficiency. Assam should analyse and adopt a similar energy banking mechanism to balance its power supply more effectively.

Reply of APDCL

APDCL submitted that energy banking requires a viable counterparty with reciprocal demand. APDCL has explored such arrangements, but no practical options have materialized.

Commission's View

Noted.

<u>Issue 31: Energy Storage System</u>

Stakeholders' Comments

FINER requested the Commission to direct the Petitioner to explore the utilization of ESS to enhance grid resilience, improve renewable energy integration, optimize power procurement costs, and ensure a more stable and efficient power distribution system.

Reply of APDCL

APDCL submitted that the development of a Battery Energy Storage System (BESS) in collaboration with OTPC reflects APDCL's commitment to modernizing the grid and integrating storage solutions.

Commission's View

Noted.

<u>Issue 32: O&M Regulatory Fund</u>

Stakeholders' Comments

FINER submitted that the approved O&M expense norms have consistently exceeded the actual expenses incurred by the Petitioner, allowing financial gains through the gain-sharing mechanism while failing to meet operational benchmarks. To address this, the Respondent proposed an O&M Regulatory Fund, where the Petitioner deposits the difference between normative and actual O&M expenses. This Fund would be used for network development, with mandatory reporting to the Commission for transparency. This approach promotes financial prudence, reduces reliance on external funding, and ensures that consumers benefit from infrastructure improvements instead of bearing unnecessary financial burdens.

Reply of APDCL

The Petitioner urges the Commission to reject the proposal, as it is neither justified nor aligned with operational or regulatory best practices.

Commission's View

The efficiency gains and losses on account of variation between normative and actual O&M expenses are shared between APDCL and the consumers, in accordance with the provisions of the applicable MYT Regulations, which is also in line with the practice adopted by most SERCs across the country.

<u>Issue 33: Power Factor Rebate</u>

Stakeholders' Comments

FINER submitted that the Petitioner's proposed 3% cap on the Power Factor rebate is inadequate given the significant benefits of maintaining a high Power Factor, such as improved grid stability, reduced losses, and better voltage regulation. FINER submitted that to encourage consumers to invest in Power Factor correction, the rebate should be increased to 5%, and requested the Commission to revise the rebate structure to provide a stronger incentive for consumers, ultimately benefiting both the consumers and the DISCOM.

Reply of APDCL

Being a regulated utility, APDCL is complying with the Regulations and admissible rebates are allowed.

Commission's View

The Power Factor rebate has been retained at the same levels as approved in the previous Tariff Order.

<u>Issue 34: Load Factor Rebate</u>

Stakeholders' Comments

FINER submitted that a load factor rebate would optimize resource utilization, reduce power shortages, and benefit both industries and the DISCOM by offering surplus power at discounted rates. The Respondent observed that this incentive would encourage industries to maintain a high load factor, improving system efficiency and requested the Commission to consider implementation of the same.

Reply of APDCL

Being a regulated utility, APDCL is complying with the Regulations and admissible rebates are allowed.

Commission's View

The Commission has not introduced any Load Factor rebate in the present Tariff Order. It may be noted that APDCL, being a regulated entity, is entitled to recover its approved ARR, and the impact of any rebates offered shall have to be recovered through tariff increase to all the consumers, unless there is data to justify the proposal, in terms of increased sales offsetting the loss in revenue.

<u>Issue 35: High Tariff for Agro-based Tea Industry</u>

Stakeholders' Comments

ABITA submitted that the tea industry in Assam, a key employment generator, is burdened by high electricity tariffs, making it less competitive compared to neighbouring States. As per the Tariff Policy, tariffs should align with the cost of supply and cross-subsidies should be phased out. While ABITA appreciated the Time-of-Day tariff benefits, the Respondent requested the Commission to rationalize tariffs for the Tea, Coffee, and Rubber category, ensuring fair pricing without excessive cross-subsidization. Given the projected revenue surplus for FY 2025-26, ABITA requested that no tariff hike for this sector be approved to safeguard its sustainability and economic contribution.

Reply of APDCL

The Petitioner has factored in the Tariff Policy and consumer affordability while ensuring cross-subsidization stays within regulatory limits. Comparisons with neighbouring States are not a valid basis for tariff revision, as power sector costs and Regulations vary. APDCL remains committed to providing reliable power within the existing framework and urged the Commission to uphold the current tariff structure in line with the approved MYT framework.

Commission's View

The Commission has reduced the energy charges for all the consumer categories based on the computed Revenue Surplus, while at the same time ensuring reduction of cross-subsidies.

Issue 36: Voltage-wise Cost of Supply based Tariff

Stakeholders' Comments

ABITA requested the Commission to implement voltage-wise cost of supply (VCoS) for tariff determination, as mandated by Section 61(g) of the Electricity Act 2003. ABITA submitted that despite previous directives, APDCL has not complied with metering and energy accounting requirements necessary for accurate VCoS computation. ABITA requested the Commission to introduce voltage-wise tariff structure to ensure cost-reflective tariffs, reducing the burden on industries like tea and coffee while maintaining fairness across consumer categories.

Reply of APDCL

APDCL submitted that the immediate implementation of VCoS-based tariff presents financial and operational challenges, given Assam's consumer mix and ongoing tariff rationalization under the Tariff Policy. The assumption of revenue surplus has already been refuted. Further, the necessary metering infrastructure for accurate VCoS assessment is being developed under the RDSS. Therefore, it would be prudent to consider VCoS-based tariff determination only after the full implementation of RDSS to ensure a well-informed and sustainable approach.

Commission's View

The Commission has determined the category-wise tariff and cross-subsidy on the basis of the ACOS. However, APDCL should take steps to submit the requisite data for determination of VCOS.

Issue 37: Cross-Subsidy

Stakeholders' Comments

ABITA submitted that the high cross-subsidy levels in Assam place a significant burden on HT and industrial consumers, particularly the Tea, Coffee, and Rubber sector, as domestic and LT consumers continue to be heavily subsidized. Unlike other States that have aligned tariffs closer to the ACOS or provided direct Government subsidies to weaker sections, Assam's cross-subsidy remains excessive. ABITA requested the Commission to reduce the cross-subsidy burden on tea estates by adopting a Voltage-wise Cost of Supply (VCoS) approach, ensuring fairer tariff determination and safeguarding the viability of the industry.

Reply of APDCL

APDCL submitted that the tariff proposal has been formulated with due diligence, ensuring that cross-subsidy levels are maintained as close as practicable to the ±20% limit, in alignment with regulatory principles and financial sustainability considerations.

Commission’s View

The Commission has determined the category-wise tariff and cross-subsidy on the basis of the ACOS. The Commission has reduced the energy charges for all the consumer categories based on the computed Revenue Surplus, while at the same time ensuring reduction of cross-subsidies. However, APDCL should take steps to submit the requisite data for determination of VCOS.

Issue 38: Change in category and concessional Tariffs

Stakeholders’ Comments

Marwari Hospital submitted that the Respondent primarily sought concessional electricity tariffs based on its charitable nature of the hospital and its role as a Public Utility Institute.

Sri Sankaradev Nethralaya and Association of Health Providers (India) requested the Commission for Industrial tariff for Hospitals and Nursing Homes citing their contributions to ophthalmic care, research and community services. The Respondents also cited tariff provisions from other States as a reference for similar concessions, where private hospitals have been categorized under a tariff category other than Commercial.

Assam Farms submitted that it sought categorization of Mushroom Cultivation as Agriculture/Irrigation, which presently falls under HT Commercial Category. The Respondent submitted that it needs to maintain a room temperature at $14^{O}C$ needs for mushroom cultivation which requires installation of proper Air conditioning system and a few blowers. The Respondent also submitted that for the cultivation, raw materials like rice straw, chicken manure, rice bran oil, urea, gypsum, etc., shall be used, which are purely agricultural products.

All India Manufacturers Organization (AIMO) submitted that tariff relief should support low-income households, ensuring affordable electricity. Incentives for industries adopting energy-saving technologies can boost economic growth. Special provisions are needed for agricultural consumers to ensure reliable power supply.

Reply of APDCL

APDCL submitted that private hospitals currently fall under the Commercial tariff category. While private hospitals provide essential services their modus operandi align more closely with commercial operations, warranting classification under the Commercial tariff category. However, presently, Marwari Hospital and Sri Sankaradev Nethralaya are already billed under HT Bulk (Others) category, which is consistent with their stated nature of operations.

The Respondent's reference to tariff provisions in Karnataka does not set a precedent for Assam. Tariff categorization is a State-specific exercise, as confirmed by the Hon'ble APTEL in multiple Judgments. Different States have varied cost structures, subsidy policies, and regulatory considerations, making direct comparisons inappropriate. Any reclassification must align with AERC's tariff rationalization goals and the financial sustainability of Assam's power sector.

Any further reduction in tariff for the Respondent would require recovery from other consumers, leading to an increase in tariffs for other consumers. The Tariff Policy mandates a gradual reduction of cross subsidies, making sector-specific concessions impractical. In view of the above, APDCL submitted that it will be prudent to issue tariffs on a gross basis without any special relaxation to the Respondent.

Commission's View

The response of APDCL is noted. The Commission has not allowed the requests for recategorization as sought by the Respondents. With regard to hospitals, the Commission directed the respondents that if the consumption for charitable and non-charitable activities can be clearly distinguished and segregated, the portion attributable to charitable purposes may be charged against the category for charitable purposes. The respondent may accordingly approach the Petitioner for the same. Further, with regard to mushroom cultivation, the Commission is of the opinion that no convincing document has been submitted or no cogent material has been served during the Public Hearing to support their claim. The Commission may take up the matter in the next tariff order and the respondent may accordingly approach the Commission.

Issue 39: Infirmities in the Petition

Stakeholders' Comments

Amarendra Goswami, SAC Member, submitted that the APDCL has reported a profit as per its Statement of Profit and Loss accounts for FY 2023-24. However, the Tariff Petition filed by APDCL for FY 2025-26 contains inconsistencies and presents a misleading financial picture. A major anomaly is the inclusion of an 'Unrecovered FPPPA for FY 2022-23' with a value of Rs 457.09 Crore, in the True-up of ARR for FY 2023-24, which was not part of the approved ARR for the same year. Shri Goswami observed that this inclusion artificially converts a surplus into a shortfall, affecting tariff determination.

Shri Goswami further submitted that FPPPA unrecovered for a particular year cannot be carried over to subsequent year(s) because in the true up process for the particular year, gross surplus or shortfall is calculated on the basis of actual revenue recovered (with or without recovery of FPPPA) and the same is approved by the Commission. The gross surplus or shortfall, so calculated and approved, are considered by the Commission for adjustments in the subsequent tariff orders with carrying cost. Therefore, the scope for carrying over any unrecovered FPPPA, whether approved by the Commission or not, is sealed once the true-up for the particular FY is approved by the Commission, because the same is ultimately reflected in the gross surplus or shortfall in the approved true-up. There are also errors in revenue calculations, with inconsistencies between reported figures and the audited Statement of Profit and Loss. Additionally, APDCL has not provided a clear adjustment of cumulative shortfalls and surpluses in previous Tariff Orders, as observed in the Independent Auditor's Report.

Shri Goswami further submitted that in the APR for FY 2024-25, the projected power sales have increased, but the corresponding revenue with the approved tariff has decreased, which is inconsistent with historical trends. A careful review is necessary before approving the APR to prevent an undue burden on consumers. Moreover, APDCL has not provided six months of actual financial data, as required by MYT Regulations, 2021, making it difficult for the Commission to approve the projections.

Shri Goswami further submitted that APDCL should provide rebate in tariff to consumers having Smart Meters, in order to encourage the speedier implementation of Smart Metering across the State.

Reply of APDCL

APDCL submitted that Regulatory accounting and standard accounting serve different objectives and follow distinct principles. The True up exercise has been conducted strictly as per applicable regulatory framework in line with Section 61 of the EA 2003. The claim for FPPPA amounting to Rs. 457.09 Crore is shown as per ARR approved by the Commission in the Tariff Order dated March 29, 2023. The true-up claim of FPPPA is in line with the approved ARR.

APDCL remains steadfast in its adherence to established accounting frameworks, including the Indian Accounting Standards (Ind AS) and the provisions enshrined under the Companies Act. Observations by the Auditors are duly responded to with detailed facts and policies of the Utility. Any adjustment on the basis of the audit observation, if required, will be taken care of in ensuing year as per standard practice.

The revenue has been projected at existing tariff for FY 2024-25 and detailed calculations have been submitted in the Regulatory Formats for reference. The details of revenue for half year has already been submitted to the Commission as sought and the projections are in line with present revenue trend. Further, the revenue from sale of power for FY 2023-24 is as per the actual revenue from sale of power based on the consumption pattern and the same is also reflected in the audited annual accounts for FY 2023-24.

The APR has been prepared following regulatory norms and all relevant data has already been provided to the Commission in the form of the Regulatory Formats.

Regarding rebate to the Smart Meter consumers, the Smart Metering project is still ongoing and the complete picture is not yet clear. However, the Commission or the Government may allow rebate.

Commission's View

It is clarified that the treatment of the 'Unrecovered FPPPA for FY 2022-23' with a value of Rs 457.09 Crore, by APDCL in its Petition for True-up of ARR for FY 2023-24 is correct, and in accordance with the amounts recoverable and allowed through FPPPA and ARR. The apprehension of the Respondent regarding double-counting of the same amount is misplaced. The amount of Rs. 457 Crore against under-recovery of FPPPA in FY 2022-23 was allowed in the ARR of FY 2023-24, and has hence, been considered appropriately in the true-up of FY 2023-24. Also, the same amount has been deducted from the ARR in the true-up of FY 2022-23, hence, the regulatory treatment is correct.

As regards the APR of FY 2024-25, the Commission has carried out the same based on the data submitted by APDCL and based on the prevalent tariffs approved in the Tariff Order for FY 2024-25.

As regards the issue of Auditor's comments, in order to ensure transparency, APDCL is directed to submit the Auditor's Report as well as the replies submitted in response to the Auditor's comments, along with the Audited Accounts and Petition for true-up for any year.

The Commission has not introduced any rebate for consumers having pre-paid Smart Metering at this stage, in the absence of sufficient data and any concrete proposal from APDCL in this regard. However, the State Government may extend any subsidy to encourage pre-paid Smart Metering installation, if it so desires.

<u>Issue 40: Quality & Reliability of Power</u>

Stakeholders' Comments

AIMO submitted that Power Companies must reduce frequent outages, especially in rural and semi-urban areas, and address voltage fluctuations through infrastructure upgrades. Dedicated feeders should ensure uninterrupted power for industries. Tariff revenue must be efficiently used for modernization and network improvements.

Reply of APDCL

Did not reply to the objections raised.

Commission's View

APDCL should ensure the quality of supply in urban and rural areas across the State, in compliance with the AERC (Supply Code) Regulations, 2017 and AERC (Standards of Performance for Distribution Licensee) Regulations, 2021.

<u>Issue 41: Renewable Energy & Sustainability</u>

Stakeholders' Comments

AIMO submitted that AERC should promote renewable energy adoption, fully allow net metering for rooftop solar, and credit excess generation to consumers. Incentives to industries and households should be provided to encourage use of energy-efficient appliances. The Respondent further submitted that reduction of fixed charges for solar consumers and a hassle-free solar installation process by DISCOMs would encourage renewable energy adoption.

Reply of APDCL

Did not reply to the objections raised.

Commission's View

The issues raised are not relevant to the present True-up and MYT Petition filed by APDCL.

Issue 42: Transparency in billing

Stakeholders' Comments

AIMO submitted that measures should be adopted for accurate meter readings and prevent overcharging. Smart Meters must enhance billing accuracy and provide real-time data. Bills should be simplified for clarity, pre-paid metering encouraged, and new connection applications monitored online for transparency.

Reply of APDCL

Did not reply to the objections raised.

Commission's View

The Commission has given certain directives regarding making available the necessary consumption data to the consumers having Smart Meters.

Issue 43: Power Theft and Losses

Stakeholders' Comments

AIMO submitted that strict enforcement is needed to curb electricity theft, reducing costs for honest consumers. Power Companies should upgrade infrastructure to minimize losses, while awareness campaigns are necessary to educate consumers on responsible energy usage.

Reply of APDCL

Did not reply to the objections raised.

Commission's View

The Commission has approved the distribution losses keeping in view the existing levels and the need to improve the operational efficiencies in the system.

Issue 44: Consumer Grievance Redressal

Stakeholders' Comments

AIMO submitted that a transparent grievance redressal system is essential for resolving billing disputes, outages, and service complaints efficiently. A 24/7 helpline should be introduced for faster issue resolution. The Commission must ensure timely complaint resolution to enhance service quality and consumer trust.

AAECA submitted that although the Commission directed APDCL to establish CGRFs at district and State levels, consumers remain largely unaware of their existence. APDCL must undertake widespread publicity to inform consumers. The Respondent requested the Commission to mandate the expansion of CGRFs to the sub-divisional level for greater accessibility. AAECA submitted that despite the Commission's directives, APDCL has failed to implement necessary consumer service improvements. Uninterrupted power supply remains unachieved, even as consumers bear high tariffs and pre-paid users make advance payments. APDCL must ensure strict compliance with the directives to enhance service reliability.

Reply of APDCL

The Petitioner submitted that the Company has been diligently complying with directives and submitting periodic compliance reports to the Commission, as duly reflected in tariff orders.

Commission's View

APDCL should ensure strict compliance with the directives of the Commission and submit periodic reports, as directed by the Commission.

Issue 45: Monitoring of New Connections

Stakeholders' Comments

AIMO submitted that the new electricity connection process should be streamlined for efficiency and transparency. DISCOMs must provide real-time online tracking of applications to enhance accountability.

Reply of APDCL

Did not reply to the objections raised.

Commission's View

APDCL should ensure compliance with all the provisions of the AERC Supply Code and Standards of Performance.

Issue 47: Advance Shutdown Notice

Stakeholders' Comments

AIMO submitted that DISCOMs should notify consumers in advance about scheduled power shutdowns. Unscheduled power cuts exceeding set limits should lead to payment of compensation by the DISMOMs.

Reply of APDCL

Did not reply to the objections raised.

Commission's View

The issues raised are not relevant to the present True-up and MYT Petition filed by APDCL.

4 Truing up for FY 2023-24

4.1 Methodology for Truing Up

4.1.1 The Commission had approved the ARR for APDCL for FY 2023-24 in the Tariff Order dated March 29, 2023.

4.1.2 APDCL submitted the Truing-up Petition for FY 2023-24 on November 30, 2024, based on audited annual accounts and the provisions of MYT Regulations, 2021.

4.1.3 The Commission approves the cost parameters through approval of the ARR at the beginning of the year, keeping in view the data available at that point of time. The cost approvals for each of the items are based on projection of expenses and revenue before beginning of the year and the provisions of MYT Regulations, 2021, wherever applicable. However, the projections might vary over the course of the year.

4.1.4 The actual cost/values for certain elements/parameters may vary as against the approved cost during the year due to various controllable and uncontrollable factors. The Licensee may end up with higher or lower expenditure, as the case may be, at the end of the year as against the approved cost.

4.1.5 The Commission analyses the actual expenditure for the previous year/years based on the audited Annual Accounts of the Licensee and allows/disallows the recovery of the actual expenditure through the ensuing year’s tariff, subject to prudence check.

4.1.6 The Commission has carried out the Truing up for FY 2023-24 based on the submissions of APDCL, audited Annual Accounts for FY 2023-24 and provisions of MYT Regulations, 2021.

4.1.7 The Commission has analysed all the elements of actual expenditure and revenue of APDCL for FY 2023-24 and undertaken the truing-up of expenses and revenue in accordance with the MYT Regulations, 2021. The Commission has approved the sharing of gains and losses on account of controllable factors between APDCL and the consumers, in accordance with the MYT Regulations, 2021.

4.2 Energy Sales

4.2.1 APDCL submitted the actual category-wise energy sales in its Truing Up Petition and stated that the actual sales were 9992.34 MU for FY 2023-24, as against approved sales of 9765 MU, as shown in the Table below:

Table 5: Energy Sales for FY 2023-24 as submitted by APDCL (MU)

Sl. No.	Category	Approved	Actual
	LT CATEGORY		
1	Jeevan Dhara	403	171.75
2	Domestic A	4636	4069.50
3	Domestic B	602	592.02
4	Commercial	837	1092.96
5	General Purpose (Non-Commercial & Non-Domestic Users)	141	160.36
6	General Purpose (Govt. Primary & Secondary/ Higher Secondary Schools)	8	42.37
7	Public Lighting	25	21.33
8	Agriculture	43	49.31
9	Small Industries (Rural)	83	87.57
10	Small Industries (Urban)	30	34.14
11	Temporary Supply	18	4.67
12	Electric Vehicle Charging Station (LT)	0.02	4.93
	HT CATEGORY		
13	Domestic	20	22
14	Commercial	449	504
15	Public Water Works	96	177
16	Bulk Supply (Govt. Education)	88	114
17	Bulk Supply (Others)	458	484
18	HT Small Industries	17	11
19	HT-I Industries (above 50 kVA to 150 kVA)	76	81
20	HT-II Industries above 150 kVA (Option I: TOD)	938	1297
21	HT-II Industries above 150 kVA (Option II: Non-TOD)	142	200
22	Tea, Coffee & Rubber	503	535
23	Oil & Coal	128	127
24	HT Irrigation (above 30 kW) (35 kVA)	20	19
25	HT Temporary Supply	0	0

Sl. No.	Category	Approved	Actual
26	HT Electric Crematorium	0.01	0
27	HT Railway Traction	0.61	88
28	HT Electric Vehicle Charging Station	0.17	2
	TOTAL	**9765**	**9992.34**

4.2.2 APDCL submitted that the actual sales are higher by 2.36% vis-à-vis energy sales approved in the Tariff Order. However, total sales in FY 2023-24 have experienced around 8.57 % growth over actual sales in FY 2022-23.

4.2.3 APDCL submitted that the incremental consumption is driven by more consumption on part of C&I consumers with resumption of normalcy and growth in business activities after a disruptive FY 2020-21. However, there is significant (~7.25%) decline in consumption by low-end household users as compared to the approved sales.

4.2.4 APDCL requested the Commission to approve actual retail energy sales of 9992.34 MU (excluding OA consumption) for true-up for FY 2023-24, since, it is uncontrollable.

Commission's Analysis

4.2.5 The Commission has analysed the category-wise and total sales submitted by APDCL in the Petition and sought clarifications regarding the opening number of consumers in the Jeevan Dhara and Domestic A category, monthly addition and migration, and closing number of consumers in these two categories. APDCL submitted the necessary. The Commission has accepted the actual category-wise sales as submitted by APDCL.

4.2.6 The category-wise sales approved by the Commission after true-up of FY 2023-24 is as shown in the Table below:

Table 6: Energy Sales for FY 2023-24 approved by the Commission (MU)

Sl. No.	Category	Approved in Tariff Order	Actual	Approved after True-Up
	LT CATEGORY			
1	Jeevan Dhara	403	171.75	171.75

Sl. No.	Category	Approved in Tariff Order	Actual	Approved after True-Up
2	Domestic A	4636	4069.50	4069.50
3	Domestic B	602	592.02	592.02
4	Commercial	837	1092.96	1092.96
5	General Purpose (Non-Commercial & Non-Domestic Users)	141	160.36	160.36
6	General Purpose (Govt. Primary & Secondary/ Higher Secondary Schools)	8	42.37	42.37
7	Public Lighting	25	21.33	21.33
8	Agriculture	43	49.31	49.31
9	Small Industries (Rural)	83	87.57	87.57
10	Small Industries (Urban)	30	34.14	34.14
11	Temporary Supply	18	4.67	4.67
12	Electric Vehicle Charging Station (LT)	0.02	4.93	4.93
	HT CATEGORY			
13	Domestic	20	22	22
14	Commercial	449	504	504
15	Public Water Works	96	177	177
16	Bulk Supply (Govt. Education)	88	114	114
17	Bulk Supply (Others)	458	484	484
18	HT Small Industries	17	11	11
19	HT-I Industries (above 50 kVA to 150 kVA)	76	81	81
20	HT-II Industries above 150 kVA (Option I: TOD)	938	1297	1297
21	HT-II Industries above 150 kVA (Option II: Non-TOD)	142	200	200
22	Tea, Coffee & Rubber	503	535	535
23	Oil & Coal	128	127	127
24	HT Irrigation (above 30 kW) (35 kVA)	20	19	19
25	HT Temporary Supply	0	0	0

Sl. No.	Category	Approved in Tariff Order	Actual	Approved after True-Up
26	HT Electric Crematorium	0.01	0	0
27	HT Railway Traction	0.61	88	88
28	HT Electric Vehicle Charging Station	0.17	2	2
	TOTAL	**9765**	**9992.34**	**9992.34**

Accordingly, the Commission approves the total energy sales of 9992.34 MU in the Truing up for FY 2023-24.

4.3 Distribution Loss

4.3.1 APDCL, in its Petition, submitted that it has achieved distribution loss level of 15.50% in FY 2023-24 as against the approved level of 14.75%. The actual distribution loss for FY 2023-24 has been arrived at by considering the actual quantum of power purchase, losses in inter-State and intra-State transmission and actual retail sales to the consumers.

4.3.2 APDCL submitted that though it has not been able to achieve the approved level of Distribution Losses in FY 2023-24, APDCL has achieved significant Loss reduction over the period from FY 2005-06 to FY 2023-24.

4.3.3 APDCL submitted that over the years the utility has been able to bring down the losses gradually barring FY 2009-10, FY 2011-12 and FY 2018-19. In all these years, the increment over respective previous years is primarily on account of enhancement of LT networks under RGGVY/DDUGJY/SAUBHAGYA without adequate HT infrastructure.

4.3.4 APDCL submitted that the ratio of primary line length to its concerned secondary distribution line length is one of the important factors that influence the performance of primary distribution. Over the years, large scale expansion of the rural electrification programme has resulted in considerable expansion of Low Tension (LT) distribution network. The size of the distribution transformers has been constantly increasing to meet the increasing demand due to load growth.

4.3.5 APDCL submitted that infrastructure vis-a-vis load/consumer profile play pivotal role in system losses. Consumer profile of Assam is heavily skewed towards low-end consumers spread across far flung areas. As a result, the length of LT lines/circuits is also increasing, resulting in high losses in LT lines, excessive voltage drops, frequent faults on LT network and higher rate of failure of distribution transformers. Such situation coupled with limited financial resources has resulted in disproportionate LT:HT ratio with very large length of LT lines as compared to High Tension (HT) lines resulting in high LT/ HT ratios. The LT-HT ratio of APDCL in infrastructure terms is far from the desired level of 1:1.2.

4.3.6 Moreover, the manpower strength of APDCL is badly affected with pendency of recruitment processes. Meanwhile, consumer base vis-à-vis infrastructure has experienced a huge surge particularly due to SAUBHAGYA and DDUGJY additional HH scheme.

4.3.7 APDCL submitted that number of employees per thousand consumers has reduced significantly from 2.95 in FY 2016-17 to 1.176 in FY 2023-24. The Constrained manpower has direct implications on the Metering-Billing and Collection (MBC) activities. However, all efforts are made to ensure optimum utilisation of limited resources to ensure efficient operations with various IT/OT initiatives. With regular monitoring with IT interventions, APDCL has been able to bring down the loss level gradually even with constrained resources.

4.3.8 APDCL submitted that it is getting much more difficult to reduce the distribution losses now at the same rate as achieved in the past years. The reason is massive increase in low end domestic consumer base under SAUBHAGYA vis-à-vis constrained human resources. The sales mix is also getting adverse every year as LT sales is increasing on account of extensive rural electrification and HT sales are not increasing at the same rate as it is impacted due to other factors like open access, lack of industrial growth in the State, etc.

4.3.9 APDCL submitted that as mentioned above, HT: LT ratio has a key impact on overall distribution losses of the utility and with the present trend of inverse HT: LT ratio, there is a need to revisit the distribution loss target. Losses increase with increase in LT consumption at the same performance levels. APDCL requested the Commission to review the Distribution loss targets based on the actual achievements and the above concerns, while undertaking the truing up exercise

4.3.10 APDCL requested the Commission to approve actual distribution loss of 15.50% for FY 2023-24, considering the actual distribution loss levels of previous years, manifold increase in LV consumers, and deferred implementation of various schemes as per the approved capital investment plan.

Commission's Analysis

4.3.11 The Commission analysed the information submitted by APDCL regarding Distribution Losses. It is observed that APDCL's contention that the worsening HT:LT ratio increases Distribution Losses, though correct in theory, is not borne out by APDCL's own performance over the last 2-3 years. Though LT:HT ratio has worsened over the past 2-3 years, APDCL has reported improvement in Distribution Losses from 19.70% (FY 2018-19) to 15.50 % (FY 2023-24). Further, the Circle-wise and Division-wise Distribution Loss data submitted by APDCL shows that there are some Circles/Divisions with very high loss levels, which need to be targeted, to achieve the Loss levels approved by the Commission.

4.3.12 The Commission has considered the approved Distribution Loss level for FY 2023-24 of 14.75%, for the purpose of truing up for FY 2023-24, as approved in the Tariff Order dated March 29, 2023. The efficiency loss on account of higher than approved Distribution Losses, in terms of excess power purchase expenses, has been shared between APDCL and the consumers, as discussed subsequently in this Chapter.

4.4 Energy Requirement

4.4.1 APDCL submitted that based on actual sales, actual distribution losses and inter-State and intra-State transmission losses, the actual energy requirement for FY 2023-24 was 13344.43 MU against the approved energy requirement of 12048 MU.

Commission's Analysis

4.4.2 In the truing up for FY 2023-24, the Commission has approved the energy requirement on the basis of approved sales, approved Distribution Losses, actual Transmission Loss of AEGCL, and PGCIL Losses on external power purchase.

4.4.3 It may be noted that though the quantum of Surplus Power sold outside the State has been considered while computing the Energy Balance, the revenue from the same has been considered under Other Income, as discussed subsequently in this Order. Further, the Commission has considered the actual intra-State Transmission Loss in MU, as submitted by AEGCL.

4.4.4 The gross energy requirement for FY 2023-24 as approved by the Commission in the

MYT Order, as submitted by APDCL, and as approved in the truing up are shown in the following Table:

Table 7: Energy Requirement approved by the Commission after True-Up for FY 2023-24

Sl. No.	Particulars	Tariff Order	APDCL Petition	Approved after True-Up
1	Energy sales	9765	9992	9992
2	Distribution Loss (%)	14.75%	15.50%	14.75%
3	Distribution Loss (MU)	1689	1830	1729
4	Energy Requirement at T<>D periphery	11454	11825	11721
5	Intra State Transmission Loss (MU)	3.25%	3.28%	3.28%
6	Intra State Transmission Loss (%)	385	401	397
7	Energy input to Transmission System	11839	12223	12118
8	Inter-State Pooled Loss (%)	1.74%	2.77%	2.80%
9	Inter-State Pooled Loss (MU)	210	370	370
10	Seasonal Export	0	749	749
11	**Total Energy Requirement**	**12048**	**13344**	**13237**

Therefore, the Commission approves Energy Requirement of 13,237 MU for sale of 9,992 MU to retail consumers in the truing up for FY 2023-24.

4.5 Power Purchase

4.5.1 APDCL submitted that the power procurement of APDCL is predominantly dependent on the State Generating Stations of APGCL and Central Generating Stations to meet its base load. Around 31% of power is allocated from hydro power stations with seasonal volatility. As such, in order to meet the peak demand of the State, APDCL is required to procure additional power on short-term basis through traders or from open market.

4.5.2 APDCL submitted that during FY 2023-24, it has incurred net cost of Rs. 8481.15 Crore (inclusive of transmission charges) for purchase of 13344.43 MU as against the approved cost of Rs. 6,409.29 Crore (inclusive of transmission charges) for 12,048.46

MU. The total power purchase cost for FY 2023-24 comprises the basic power purchase cost, and Transmission Charges payable to PGCIL and AEGCL (inclusive of special charge on BST).

4.5.3 APDCL submitted that the weighted average rate for purchase of power for FY 2023-24 is Rs. 6.36 per kWh against the approved rate of Rs. 5.32 per kWh.

4.5.4 APDCL submitted that the massive hike is driven by manifold increase in the prices of power from natural gas-based stations of APGCL and NEEPCO governed by the prices as fixed by Ministry of Petroleum and Natural Gas, Govt. of India.

4.5.5 APDCL submitted the impact of such hike in Energy Charge Rate (ECR) (in Rs./kWh) of power for APGCL thermal power stations during FY 2023-24 as shown below:

Stations	Approved ECR (Rs/kWh)	Actual ECR (Rs/kWh)	Increase in Rate (%)
NTPS	2.68	7.00	161%
NRPP	1.35	3.37	149%
LTPS	2.75	7.37	168%
LRPP	2.40	5.82	143%
Wtd. Avg.	**2.44**	**6.27**	**157%**

4.5.6 APDCL submitted that similar case exists for NEEPCO stations also, as shown in the Table below:

Stations	Approved ECR (Rs/kWh)	Actual ECR (Rs/kWh)	Increase in Rate (%)
AGBPP	3.65	6.87	88%
AGTPP	4.22	6.81	61%
Wtd. Avg.	**3.82**	**6.85**	**79.98%**

4.5.7 APDCL further submitted that as the Commission approved total rates for these stations (i.e., FCR+ECR), comparison is made on the basis of the same and not only on ECR like APGCL.

4.5.8 APDCL submitted that though the actual quantum of purchase from gas thermal stations of APGCL and NEEPCO was similar in FY 2022-23 (2922.03 MU) and FY

2023-24 (2796.13 MU), there is a huge variation in cost from FY 2022-23 (Rs. 900.22 Crore) to FY 2023-24 (Rs. 1969.55 Crore). These stations contributed 18% of the total power purchase cost in FY 2022-23, which increased to 27% in FY 2023-24, though the share of quantum of power reduced from 24% to 21% of total purchase quantum.

4.5.9 APDCL submitted that the prices in the open market were persistently on higher side due to surge in demand across the country. Also, APDCL always faces power shortfall during the peak hours throughout the year and relatively higher prices for these hours has led to additional cost for such procurement.

4.5.10 APDCL submitted that Merit Order Dispatch (MOD) principles have been adhered to in all procurement process subject to must-run profiles, Technical Minimum and market availability to meet the increasing demand. Also, various supplementary bills against different CGS Stations/PGCIL as per Orders issued by CERC from time to time have been accounted for on admittance.

4.5.11 The Power Purchase Cost for FY 2023-24 is depicted in the table below

Table 8: Power purchase cost for FY 2023-24 as submitted by APDCL

Sl. No.	Agency/Source	Approved			Actual		
		Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./kWh)	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./kWh)
1	**APGCL**	2,172.14	776.44	3.57	1959.30	1,246.40	6.36
2	**NEEPCO (HYDRO)**				-		
	KOPILI I		0.25		150.28	32.96	2.19
	KOPILI II		0.22.0		77.29	15.95	2.06
	KHANDONG		0.62		0.00	0.19	-
	Panyor Lower HEP (Erstwhile RHEP)	564.95	144.85	2.56	506.43	166.88	3.30
	DHEP	73.17	68.23	9.32	69.17	76.63	11.08
3	**NEEPCO (HYDRO) New**						
	KAMENG HEP	312.52	125.12	4.00	282.71	124.43	4.40
4	**NEEPCO (TH)**						
	AGBPP	945.21	345.19	3.65	919.99	631.95	6.87
	AGTPP	363.32	153.18	4.22	280.71	191.10	6.81
5	**NHPC Loktak HEP**	144.96	57.41	3.96	85.55	39.41	4.61
7	**NTPC (Existing)**				-		
	FARAKKA	235.78	111.82	4.74	248.01	135.14	5.45

Sl. No.	Agency/Source	Approved			Actual		
		Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./kWh)	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./kWh)
	KAHELGAON - I	116.91	54.35	4.65	113.64	50.17	4.41
	KAHELGAON -II	548.51	251.22	4.58	551.32	219.64	3.98
	TALCHER	143.48	40.31	2.81	149.92	37.12	2.48
	DADRI				657.11	395.24	6.01
8	NTPC (New) BTPS	3,090.37	1896.64	6.14	3,023.3	1,821.46	6.02
9	Pare HEP	200.11	100.13	5.00	178.57	100.02	5.60
10	Suryatap Solar	6.00	5.27	8.79	6.29	5.53	8.78
11	JNNSM Bundled Solar power	6.98	5.27	12.27	6.23	8.13	13.04
12	SECI Solar	38.22	23.18	6.06	36.22	23.20	6.40
13	JNNSM Bundled Coal power	2.72	5.78	21.24	33.94	20.98	6.18
14	Bilateral Sources/Traders				47.08	32.49	6.90
15	Power Exchanges	(1742.43)	(970.53)	5.57	1317.84	794.79	6.03
16	OTPC	1,496.84	420.76	2.81	1,447.86	481.94	3.33
17	HHPCPL (Champawati)	8.73	4.08	4.67	8.90	3.66	4.12
18	Wind Power PTC	104.06	36.73	3.53	118.76	41.92	3.53
19	SECI Wind	144.76	39.37	2.72	151.61	41.24	2.72
20	Mangdechhu	502.91	233.49	4.64	376.61	151.61	4.15
21	PTC Nikachu	46.67	16.26	3.48	21.43	7.26	3.39
22	SPV Assam (Azure Power)	116.26	38.74	3.33	179.55	59.91	3.34
25	Amguri Solar Park	70.95	28.24	3.98	124.28	49.46	3.98
26	Neyveli UP PL	2334.05	1054.99	4.52			
27	Additional Solar RE Power Purchase	0.29	0.10	3.45	-	-	-
28	Power Swapping Arrangement				-	-	-
29	Deviation Settlement Mechanism				(214.26)	(186.66)	26.17
	Sub-total:	**12048.44**	**5,071**	**4.21**	**13344.43**	**7204.07**	**5.40**
31	**Renewable Energy Certificate (Solar)**					**5.81**	

Sl. No.	Agency/Source	Approved			Actual		
		Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./kWh)	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./kWh)
32	AEGCL Transmission Charges		658.88			618.84	
33	SLDC Charges		10.11			9.46	
34	PGCIL Transmission Charges		669.30			648.77	
	TOTAL POWER PURCHASE	**12048.41**	**6409.29**	**5.32**	**13344.43**	**8,481.15**	**6.36**

4.5.12 APDCL requested the Commission to approve the actual power purchase cost of Rs 8,481.15 Crore in the true-up of ARR for FY 2023-24.

Commission's Analysis

4.5.13 The Commission asked APDCL to submit the source-wise breakup of power purchase cost into fixed cost, variable cost and other costs, if any, for the total power purchase quantum of 13344.43 MU as submitted in the Petition.

4.5.14 The Commission asked APDCL to clarify whether any amount of Delayed Payment Charges has been claimed under the power purchase cost in the true-up for FY 2023-24, and if so, the amount of DPC claimed for FY 2023-24. APDCL submitted that Delayed Payment Surcharge of Rs. 25.78 Crore is included under the power purchase cost in the true up for FY 2023-24. The Commission is of the opinion that penal charges like Delayed Payment Surcharge should not be passed onto consumers. Hence, DPC charges of Rs. 25.78 Crore have been reduced from power purchase cost of APDCL

4.5.15 As regards the Trading Purchase, the Commission asked APDCL to confirm that all such purchase have been made through Competitive Bidding in accordance with the Competitive Bidding Guidelines notified by the Government of India and also to submit the documentary evidence of competitive bidding carried out for trading purchase along with the rates discovered in competitive bidding. APDCL submitted that during FY 2023-24, APDCL has procured power to meet seasonal deficit through Power Exchange only at market clearing price determined through the collective bidding procedure.

4.5.16 APDCL was also asked to clarify regarding the incidence of provisional power purchase expenses of Rs. 6.77 Crore reported under power Purchase cost in Audited Accounts. APDCL submitted that the books of Accounts are recorded based on accrual basis. As such bills raised after 31st March, 2024 for the supply of goods and services before 31st March 2024 are accounted in the in the books of accounts for FY 2023-24. APDCL has actually incurred Rs. 677 Crore but however, erroneously, the amount was mentioned as Rs. 677 Lakh in the Books of accounts of APDCL. APDCL has included this amount in the power purchase claim for FY 2023-24. Considering the actual power supply has happened during FY 2023-24 only, the Commission allows this power purchase cost to be included in the power purchase cost of FY 2023-24.

4.5.17 Further, in response to the Commission's query seeking proof of purchase of RECs worth Rs. 5.81 Crore, APDCL submitted copy of invoice for purchase of Energy Saving Certificates (ESCerts) and clarified that no RECs had been purchased in FY 2023-24. The Commission has not considered the amount of Rs. 5.81 Crore against purchase of ESCerts in the truing up of power purchase cost for FY 2023-24, as the same is not mandated by the Commission, and cannot be considered against cost of RECs, which are allowed by the Commission.

4.5.18 The remaining source-wise purchases have been accepted by the Commission as submitted by APDCL, after verification of the cost from the Audited Accounts. The summary of power purchase quantum and cost as approved in the Tariff Order for FY 2023-24, actual quantum and cost as submitted by APDCL in its True-Up Petition, and the quantum and cost approved by the Commission after true-up are summarized in the Tables below:

Table 9: Power Purchase approved by the Commission after True-Up for FY 2023-24

Sl. No.	Agency/Source	Approved			Actual			Approved in this Order		
		Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./ kWh)	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./ kWh)	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./ kWh)
1	**APGCL**	2,172.14	776.44	3.57	1959.30	1,246.40	6.36	1959.30	1,246.40	6.36
2	**NEEPCO (HYDRO)**				-					
	KOPILI I		0.25		150.28	32.96	2.19	150.28	32.96	2.19
	KOPILI II		0.22.0		77.29	15.95	2.06	77.29	15.95	2.06
	KHANDONG		0.62		0.00	0.19		0.00	0.19	
	Panyor Lower HEP (Erstwhile RHEP)	564.95	144.85	2.56	506.43	166.88	3.30	506.43	166.88	3.30
	DHEP	73.17	68.23	9.32	69.17	76.63	11.08	69.17	76.63	11.08
3	**NEEPCO (HYDRO) New**									
	KAMENG HEP	312.52	125.12	4.00	282.71	124.43	4.40	282.71	124.43	4.40
4	**NEEPCO (TH)**									
	AGBPP	945.21	345.19	3.65	919.99	631.95	6.87	919.99	631.95	6.87
	AGTPP	363.32	153.18	4.22	280.71	191.10	6.81	280.71	191.10	6.81
5	**NHPC Loktak HEP**	144.96	57.41	3.96	85.55	39.41	4.61	85.55	39.41	4.61
7	**NTPC (Existing)**				-					
	FARAKKA	235.78	111.82	4.74	248.01	135.14	5.45	248.01	135.14	5.45
	KAHELGAON - I	116.91	54.35	4.65	113.64	50.17	4.41	113.64	50.17	4.41

Sl. No.	Agency/Source	Approved			Actual			Approved in this Order		
		Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./ kWh)	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./ kWh)	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./ kWh)
	KAHELGAON -II	548.51	251.22	4.58	551.32	219.64	3.98	551.32	219.64	3.98
	TALCHER	143.48	40.31	2.81	149.92	37.12	2.48	149.92	37.12	2.48
	DADRI				657.11	395.24	6.01	657.11	395.24	6.01
8	NTPC (New) BTPS	3,090.37	1896.64	6.14	3,023.3	1,821.46	6.02	3,023.3	1,821.46	6.02
9	Pare HEP	200.11	100.13	5.00	178.57	100.02	5.60	178.57	100.02	5.60
10	Suryatap Solar	6.00	5.27	8.79	6.29	5.53	8.78	6.29	5.53	8.78
11	JNNSM Bundled Solar power	6.98	5.27	12.27	6.23	8.13	13.04	6.23	8.13	13.04
12	SECI Solar	38.22	23.18	6.06	36.22	23.20	6.40	36.22	23.20	6.40
13	JNNSM Bundled Coal power	2.72	5.78	21.24	33.94	20.98	6.18	33.94	20.98	6.18
14	Bilateral Sources/Traders				47.08	32.49	6.90	47.08	32.49	6.90
15	Power Exchanges	(1742.43)	(970.53)	5.57	1317.84	794.79	6.03	1317.84	794.79	6.03
16	OTPC	1,496.84	420.76	2.81	1,447.86	481.94	3.33	1,447.86	481.94	3.33
17	HHPCPL (Champawati)	8.73	4.08	4.67	8.90	3.66	4.12	8.90	3.66	4.12
18	Wind Power PTC	104.06	36.73	3.53	118.76	41.92	3.53	118.76	41.92	3.53
19	SECI Wind	144.76	39.37	2.72	151.61	41.24	2.72	151.61	41.24	2.72
20	Mangdechhu	502.91	233.49	4.64	376.61	151.61	4.15	376.61	151.61	4.15
21	PTC Nikachu	46.67	16.26	3.48	21.43	7.26	3.39	21.43	7.26	3.39
22	SPV Assam (Azure Power)	116.26	38.74	3.33	179.55	59.91	3.34	179.55	59.91	3.34

Sl. No.	Agency/Source	Approved			Actual			Approved in this Order		
		Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./ kWh)	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./ kWh)	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./ kWh)
25	Amguri Solar Park	70.95	28.24	3.98	124.28	49.46	3.98	124.28	49.46	3.98
	Patanjali Solar				0.26	0.13	4.87	0.26	0.13	4.87
26	Neyveli UP PL	2334.05	1054.99	4.52						
27	Additional Solar RE Power Purchase	0.29	0.10	3.45	-	-				
29	Deviation Settlement Mechanism				214.26	186.66	8.71	214.26	186.66	8.71
30	Renewable Energy Certificate (Solar)					5.81				
	Sub-total:	**12048.44**	**5,071**	**4.21**	**13344.43**	**7204.07**	**5.40**	**13344.41**	**7,198.26**	**5.39**
32	AEGCL Transmission Charges		658.88			618.84			618.84*	
33	SLDC Charges		10.11			9.46			0.00	
34	PGCIL Transmission Charges		669.30			648.77			648.77	
35	**TOTAL POWER PURCHASE**	**12048.41**	**6409.29**	**5.32**	**13344.43**	**8,481.15**	**6.36**	**13,344.41**	**8,475.34**	**6.35**
36	Less: Delayed Payment Surcharge								**25.78**	
37	**Net Power Purchase**							**13,341.41**	**8449.56**	**6.33**

***including SLDC Charges**

Therefore, the Commission approves Power Purchase Expenses of Rs. 8,449.56 Crore after Truing up for FY 2023-24.

4.6 Sharing of (Gains)/ Losses on account of excess Power Purchase cost due to higher than approved Distribution Losses

4.6.1 APDCL has proposed to share the efficiency loss on account of excess power purchase costs due to actual Distribution Losses in FY 2023-24 being higher than the approved Distribution Losses. APDCL has computed the total excess power purchase cost as Rs. 71.02 Crore, with APDCL's share of the losses as Rs. 47.35 Crore considered in accordance with the MYT Regulations, 2021. The excess power purchase expenses, have been shared between APDCL and the consumers, as shown in the table below.

Table 10: Sharing of gain/(loss) on account of higher distribution losses as submitted by APDCL

Particulars	Approved	Actual	Actual with approved loss
Retail Energy Sale (MU)	9,765	9992.34	9992.34
Distribution loss (%)	14.75%	15.50%	14.75%
Distribution loss (MU)	1,689	1832.49	1728.88
Energy requirement at Discom periphery (MU)	11454	11824.84	11721
STU Loss (%)	3.25%	3.28%	3.28%
STU Loss (MU)	385	401	397.50
Energy requirement at STU (MU)	11839	12225.85	12119.00
CTU Loss (%)	1.74%	2.77%	2.77%
CTU Loss (MU)	210	369.93	345.78
Seasonal Export (MU)		748.56	748.56
Energy requirement at Source	12048	13344.33	13212.81
Excess quantum on account of higher distribution losses (MU)			131.53
Average power purchase rate (excl. Tr. Charges) (Rs./kWh)			5.40
Excess Power Purchase Cost (Rs. Crore)			71.02
Share of loss/ (gain) to be borne by APDCL (Rs. Crore)			47.35

Commission's Analysis

4.6.2 As the actual Distribution Losses are higher than the approved Distribution Losses for FY 2023-24, the efficiency loss on account of higher than approved Distribution Losses, in terms of excess power purchase expenses, have been shared between APDCL and the consumers, as shown in the Table below:

Table 11: Sharing of Efficiency Gain/(Loss) approved by the Commission on account of Distribution Losses after True-Up for FY 2023-24

Sl. No	Particulars	Units	APDCL Petition	Approved after True-Up
1	Total Power Purchase	MU	13,344	13,344
2	Sale of Surplus Power	MU	748.56	748.56
3	Actual Energy Purchased for sale within State	MU	12,595	12,595
4	Allowable Energy Purchase for sale within State at approved Distribution Loss	MU	12,464	12,467
5	Excess Energy Purchase	MU	131.53	128.64
6	Average power purchase rate	Rs/kWh	5.40	5.39
7	**Excess Power Purchase Cost**	**Rs. Cr**	**(71.02)**	**(69.39)**
8	**Share of (loss)/gain to be borne by APDCL**	**Rs. Cr**	**(47.35)**	**(46.26)**
9	**Share of (loss)/gain to be borne by consumers**	**Rs. Cr**	**(23.67)**	**(23.13)**

Therefore, the Commission disallows two third of the excess power purchase cost, i.e., Rs. 46.26 Crore in the truing up for FY 2023-24, which will be borne by APDCL, and one third of the excess power purchase cost, i.e., Rs. 23.13 Crore is passed on to the consumers as per the MYT Regulations, 2021.

4.7 O&M Expenses

4.7.1 APDCL has claimed normative O&M expenses of Rs.1370.06 Crore against the approved O&M expenses of Rs. 1364.41 Crore for FY 2023-24, as shown in the

Table below:

Table 12: Normative O&M Expenses for FY 2023-24 as submitted by APDCL (Rs. Crore)

Sl. No.	Particulars	Tariff Order	APDCL
1	Employee Expenses	948.46	959.65
2	R&M Expenses	305.36	294.45
3	A&G Expenses	110.59	115.96
4	**Total O&M Expenses**	**1364.41**	**1370.06**

Employee Expenses

4.7.2 APDCL submitted that Employee Expenses comprise salaries, dearness allowance, bonus, terminal benefits in the form of contribution for pension and gratuity funding, leave encashment, and other staff welfare expenses.

4.7.3 APDCL submitted that the normative employee expenses for FY 2023-24 have been computed considering the approved normative employee cost for FY 2022-23 as base value. An amount of Rs. 67.52 Crore as instalment against DCRG for NPS employees is considered in line with the consideration by the Commission in the APR for FY 2023-24.

Table 13: Normative employee expenses for FY 2023-24 claimed by APDCL (Rs. Crore)

Particulars	Approved	APDCL Petition
Employee Expenses for Previous Year	837.57	837.57
Growth Factor	0%	1%
CPI Inflation	5.18%	5.46%
Employee Expenses	**880.93**	**892.13**
Add: Provision of DCRG under NPS	67.52	67.52
Total Employee Expenses	**948.46**	**959.65**

4.7.4 APDCL requested the Commission to approve the normative employee expenses of

Rs. 959.65 Crore for FY 2023-24 including the provision of DCRG under NPS. APDCL submitted the actual employee expenses as Rs. 843.61 Crore for FY 2023-24.

Repair & Maintenance (R&M) Expenses

4.7.5 APDCL submitted that R&M Expenses are an integral part to ensure the Utility's commitment towards reliable and quality power supply by way of regular maintenance of its infrastructure. APDCL submitted that R&M Expenses are directly related to volume of operation carried out. Manifold expansion of network with implementation of various electrification programmes, viz., RGGVY/DDUGJY, SAUBHAGYA, IPDS, TDF and EAP necessitate extensive coverage for such works. However, adequate maintenance of assets could not be carried out in time due to restricted allowance in tariff for many previous years.

4.7.6 APDCL submitted that regular maintenance of assets is a pre-requisite to ensure reliable supply. APDCL has been trying its best to ensure uninterrupted operations of the system and has accordingly been undertaking necessary expenditure for R&M activities. Considering this fact, the expenditure incurred on R&M activities are uncontrollable in nature.

4.7.7 APDCL requested the Commission to approve the normative R&M expenses of Rs. 294.45 Crore for FY 2023-24 linked to K-factor and WPI index as per MYT Regulations, 2021. APDCL submitted the actual R&M expenses as Rs. 352.27 Crore for FY 2023-24. Normative R&M expenses for FY 2023-24 as submitted by APDCL are shown in the Table below:

Table 14: Normative R&M expenses for FY 2023-24 claimed by APDCL (Rs. Crore)

Particulars	Approved	APDCL Petition
Average GFA for previous year	9,106.94	8,804
K Factor	3.10%	3.10%
WPI Inflation	8.02%	7.89%
R&M Expenses	**305.36**	**294.45**

Administrative and General (A&G) Expenses

4.7.8 APDCL submitted that A&G Expenses comprise rents, taxes, various statutory charges, telephone and other communication expenses, professional charges, legal charges, conveyance and travelling allowance, etc.

4.7.9 APDCL submitted that statutory fees have been claimed to the extent of actual payment of Rs 4.23 Crore against approval of Rs. 2.35 Crore.

4.7.10 APDCL requested the Commission to allow normative A&G expenses of Rs. 115.96 Crore for FY 2023-24. APDCL submitted the actual A&G expenses as Rs. 97.34 Crore for FY 2023-24. The Normative A&G expenses claimed by APDCL for FY 2023-24 as per MYT Regulations are shown in the Table below:

Table 15: Normative A&G expenses for FY 2023-24 (Rs. Crore)

Particulars	Approved	APDCL Petition
A&G Expenses for Previous Year	100.21	103.45
WPI Inflation	8.02%	7.89%
Statutory Fees	2.35	4.23
A&G Expenses	**110.59**	**115.96**

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Commission's Analysis

4.7.11 The Commission has allowed O&M Expenses on normative basis in the Tariff Order for FY 2023-24. For the purpose of truing up for FY 2023-24, the Commission has computed the normative O&M Expenses as per the MYT Regulations, 2021. Any variation between normative O&M Expenses and actual O&M Expenses has been considered under sharing of gains/losses on account of controllable items as per the MYT Regulations, 2021.

4.7.12 For computation of normative employee expenses for FY 2023-24, the Commission has adopted the following approach:

a) The base employee expenses for FY 2023-24 have been considered as Rs. 837.57 Crore, i.e., equal to the employee expenses approved in the truing up for FY 2022-23;

b) The base employee expenses for FY 2023-24 have been escalated by the Consumer Price Index (CPI) inflation computed as average increase of CPI for the period from FY 2020-21 to FY 2022-23, which works out to 5.40%, to determine the employee expenses for FY 2023-24;

c) Considering that there has not been any net addition to the employee base in FY 2023-24, 0% growth factor has been considered.

4.7.13 The Commission asked APDCL to clarify whether any expenditure has been incurred against DCRG for NPS employees in FY 2023-24. APDCL submitted that Expenditure booked against the DCRG for NPS employees during FY 2023-24 is detailed in Note No. 34 of the Annual Statement of Accounts.

4.7.14 The Commission in the Tariff Order dated 29th March 2023 has approved recovery of the DCRG under NPS of Rs 67.52 Crore over a period of 5 years starting from FY 2021-22 as this is a one-time provisioning against several past years. Therefore, 1/5th impact (Rs. 67.52 Crore) has been claimed for FY 2023-24, with the balance to be spread till FY 2025-26. On query of the Commission enquiring about actual expenditure under this head in FY 2023-24, APDCL submitted that it has incurred Rs. 2.34 Crore on this account in actual. The Commission thus, restricts the claim of provision of DCRG under NPS to actual expenditure on this account, which is Rs. 2.34 Crore for FY 2023-24.

4.7.15 The normative employee expenses approved in the true-up for FY 2023-24 are shown in the following Table:

Table 16: Approved Employee Expenses for FY 2023-24 (Rs. Crore)

Particulars	Tariff Order	APDCL Petition	Approved after true-up
Employee Expenses for Previous Year	837.57	837.57	837.57
Growth Factor	0%	1%	0%
CPI Inflation	5.18%	5.46%	5.40%
Employee Expenses	**880.93**	**892.13**	**882.81**
Add: Provision for DCRG under NPS	67.52	67.52	2.34
Total Employee Expenses	**948.46**	**959.65**	**885.15**

Therefore, the Commission approves Normative Employee Expenses of Rs. 885.15 Crore in the truing up for FY 2023-24.

4.7.16 For computation of normative R&M Expenses for FY 2023-24, the Commission has considered the following approach:

a) Average increase of WPI for the period from FY 2020-21 to FY 2022-23, i.e., 7.90%, has been considered for computation of R&M expenses for FY 2023-24;
b) The Commission has considered the K-factor of 3.10% as approved in the MYT Order for the Control Period;
c) Since, K-factor has been considered on the basis of average GFA, for computation of R&M expenses for FY 2023-24, average GFA for the previous year has been considered.

4.7.17 The normative R&M expenses approved in the true-up for FY 2023-24 are shown in the following Table:

Table 17: Approved R&M Expenses for FY 2023-24 (Rs. Crore)

Particulars	Tariff Order	APDCL Petition	Approved after True-up
Average GFA for previous year	9,106.94	8,804.00	8,804.80
K Factor	3.10%	3.10%	3.10%
WPI Inflation	8.02%	7.89%	7.90%
R&M Expenses	**305.36**	**294.45**	**294.50**

Accordingly, the Commission approves normative R&M Expenses of Rs. 294.50 Crore in the truing up for FY 2023-24.

4.7.18 For computation of normative A&G expenses for FY 2023-24, the Commission has adopted the following approach:

a) The base A&G expenses for FY 2023-24 have been considered as Rs. 100.21 Crore, equal to the A&G expenses approved in the truing up for FY 2022-23 after excluding the Statutory Fees, which are allowed separately.
b) The base A&G expenses for FY 2023-24 have been escalated by the WPI inflation computed as average increase of WPI for the period from FY 2020-21 to FY 2022-23, which works out to 7.90%, to determine the A&G expenses for FY 2023-24;

c) The statutory fees have been considered separately at actuals, based on the details provided by APDCL and the audited accounts for FY 2023-24. Only the AERC fees and NSDL Fees have been considered, while 'Other Fees & Subscriptions' have not been considered under Statutory Fees.

4.7.19 The normative A&G expenses approved in the true-up for FY 2023-24 is shown in the following Table:

Table 18: Approved A&G Expenses for FY 2023-24 (Rs. Crore)

Particulars	Tariff Order	APDCL Petition	Approved after true-up
A&G Expenses for Previous Year	100.21	103.45	100.21
WPI Inflation	8.02%	7.89%	7.90%
Statutory Fees	2.35	4.23	2.65
A&G Expenses	**110.59**	**115.96**	**110.77**

Therefore, the Commission approves normative A&G Expenses of Rs.110.77 Crore in the true-up for FY 2023-24.

4.7.20 The normative O&M expenses approved by the Commission for FY 2023-24 is shown in the following Table:

Table 19: Normative O&M Expenses approved by Commission for FY 2023-24 (Rs. Crore)

Sl. No.	Particulars	Tariff Order	APDCL Petition	Approved after Truing up
1	Employee Expenses	948.46	959.65	885.15
2	R&M Expenses	305.36	294.45	294.50
3	A&G Expenses	110.59	103.69	110.77
Total		**1,346.41**	**1370.06**	**1,290.42**

4.8 Sharing of losses/(gains)on account of O&M Expenses

4.8.1 APDCL submitted that as per the MYT Regulations, 2021, O&M Expenses (excluding terminal liabilities with regard to employees on account of changes in pay scales or DA due to inflation) is a controllable factor. Hence, terminal benefit allowances are excluded for deriving sharing of gains/losses on O&M expenses.

4.8.2 APDCL submitted that in view of the lower actual expenses than normative expenses, Rs. 3.11 Crore (1/3rd of the net savings) is proposed to be passed on to the consumers as deduction from the ARR in adherence to the governing Regulations.

Table 20: Sharing of losses/(gains) for O&M Expenses as submitted by APDCL for FY 2023-24 (Rs. Crore)

Sl. No.	Particulars	Actual	Normative	(Gains)/ Losses	1/3 of (Gains)/Losses
		a	b	c = (b-a)	d = c x 1/3
1	Employee Cost	843.61	959.65	116.04	
	Less: Provision on NPS	0.00	67.52	67.52	
	Less: Terminal Benefits	95.09	95.09	0.00	
	Employee Cost excl. Terminal Benefits & ROP	748.53	797.04	(48.52)	(16.17)
2	R&M Expenses	352.27	294.45	57.82	19.27
3	A&G Expenses	97.34	115.96	(18.62)	(6.21)
4	**TOTAL**	**1198.13**	**1207.45**	**(9.32)**	**(3.11)**

Commission 's Analysis

4.8.3 The Commission has examined the prudence of each head of actual O&M expenses based on the Audited Accounts of APDCL, as under:

a) APDCL has claimed actual Employee expenses of Rs. 843.61 Crore as per the Audited Accounts, which has been accepted by the Commission after prudence check in the true-up for FY 2023-24. APDCL in its reply to the Commission on the query if any actual expenditure on account of NPS has been made, submitted that it has actually incurred Rs. 2.34 Crore on this account in FY 2023-24. Hence, the Commission decides to not consider the same for sharing of Gains/Losses and disallows the provision as claimed by the APDCL as the same is not being utilised as projected by APDCL. Further, as per MYT Regulations, 2021, Terminal Benefits of Rs. 129.27 Crore has not been considered for sharing of gains/losses as the same are uncontrollable expenses.

b) APDCL has claimed actual R&M expenses as Rs. 352.27 Crore, as per the Audited Accounts. The Commission observes that expense of Rs. 112.47 Crore against 'Expenditure on Revenue Billing & Collection' paid to outsourced agencies has been booked under R&M. However, these expenses should correctly be booked under A&G expenses, as these are outsourcing expenses. Hence, the Commission has reduced the actual R&M expenses by Rs. 112.27 Crore and considered the same under actual A&G expenses. Hence, the Commission approves actual R&M expenses of Rs. 239.80 Crore in the true-up for FY 2023-24;

c) APDCL has claimed actual A&G expenses as Rs. 97.34 Crore, as per the Audited Accounts. Based on replies submitted by APDCL to queries raised by the Commission, it is observed that the actual A&G expenses include Contribution to Charities of Rs. 6.00 Crore, Compensation to Outsiders of Rs. 1.69 Crore, and Penal interest/penalties of Rs. 0.02 Crore, which have been disallowed by the Commission, as the same have to be borne by APDCL and cannot be passed on to the consumers. The Commission has also disallowed 'Rounding off' expenses of Rs. 0.87 Crore. Further, the Commission has added the expense of Rs. 112.47 Crore against 'Expenditure on Revenue Billing & Collection' paid to outsourced agencies, to the actual A&G expenses. Hence, the Commission approves actual A&G expenses as Rs. 201.24 Crore.

4.8.4 The Commission has computed sharing of gains or losses after excluding terminal liabilities from normative as well as actual employee expenses. Accordingly, terminal liabilities are allowed on actual basis.

4.8.5 The sharing of losses/(gains)on account of O&M Expenses is shown in the following Table:

Table 21: Sharing of losses/(gains) for O&M Expenses approved by the Commission for FY 2023-24 (Rs. Crore)

Sl.	Particulars	Actual	Normative	Gains/ (Losses)	1/3 of Gains/ (Losses)
		a	b	c = (b-a)	d = c x 1/3
1	**Employee Cost**	**843.61**	**885.15**		
	Less: Provision for DCRG under NPS	2.34	2.34		
	Less: Terminal Benefits*	129.27	129.27		
	Employee Cost excl. Terminal Benefits	712.01	753.54	41.54	13.85
2	Repair & Maintenance	239.80	294.50	54.70	18.23
3	Administrative & General Expenses	201.24	110.77	(90.47)	(30.16)
	TOTAL	**1,153.04**	**1,158.81**	**5.77**	**1.92**

Since, actual O&M expenses are lower than the normative expenses, the net gains of Rs. 1.92 Crore has been shared and passed on through ARR.

4.9 Capital Investment & Capitalisation

4.9.1 APDCL submitted that actual Capitalisation achieved during FY 2023-24 is Rs. 876.79 Crore as shown in the Table below and requested the Commission to approve the same in the true-up for FY 2023-24.

Sl. No.	Particulars	Amount
A	Opening Balance of CWIP	6556.12
B	Fresh CAPEX during the year	1975.48
C	Investment capitalised out of opening CWIP	876.79
D	Investment capitalised out of fresh investment	
	Total Capitalisation during the year (C+D)	**876.79**
	Closing Balance of CWIP (A + B - C - D)	7654.81

Commission's Analysis

4.9.2 The actual capitalisation claimed by APDCL in FY 2023-24 is Rs. 876.79 Crore, which is much lower than the amount estimated by APDCL in its APR Petition of Rs. 1691.93 Crore, and also much lower than the amount approved by the Commission in the APR Order of Rs. 1340 Crore. APDCL submitted that the amount of Rs. 876.79 Crore is the sum of Rs. 867.18 Crore of GFA addition and Rs. 9.61 Crore of intangible asset reflected at Note 2 of the Audited Accounts.

4.9.3 APDCL was asked to submit the actual scheme-wise funding of capitalised works with break-up of Grants, Loans, Consumer Contribution, Equity, etc. APDCL submitted that the scheme-wise funding of the GFA was the same as that submitted in the Tariff Petition for FY 2023-24. Accordingly, the Commission has considered the funding of the GFA addition in the same ratio as that approved in the Tariff Order for FY 2023-24.

4.9.4 The Commission has verified the actual capitalisation achieved in FY 2023-24 from the Audited Accounts of APDCL for FY 2023-24. **The Commission has hence, approved the actual Capitalisation in FY 2023-24 as Rs. 876.79 Crore**. The capitalisation and funding of the capitalisation approved by the Commission after truing up for FY 2023-24 is shown in the Table below:

Table 22: Capitalisation and Funding approved by the Commission for FY 2023-24 (Rs. Crore)

Sl. No.	Particulars	APDCL Petition$	Approved after Truing up
1	**Total Capitalisation**	**876.79**	**876.79**
	Funding		
2	Grant	-	809.65
3	Equity	-	-
4	Debt	-	67.14

Note: *APDCL has not submitted the funding pattern*

4.10 Depreciation

4.10.1 APDCL submitted that as per the MYT Regulations, 2021, the total depreciation during the life of the asset shall not exceed 90% of the original cost of GFA. APDCL has computed the depreciation separately for assets added under each asset head for the year with respective rate of depreciation.

4.10.2 The value of assets fully depreciated have not been considered for computation and deducted from opening GFA value as per the Statement of Accounts.

4.10.3 The Commission had approved depreciation of Rs. 173.01 Crore for FY 2023-24. APDCL submitted that as per Audited Accounts, Opening GFA for FY 2023-24 is Rs 9201.62 Crore.

4.10.4 APDCL submitted that the truing up claim has been made after re-calculating the depreciation as per the MYT Regulations, 2021. APDCL submitted that depreciation has been calculated taking into consideration the opening as well as addition of assets during the year as per statement of accounts.

Table 23: Depreciation as submitted by APDCL for FY 2023-24 (Rs. Crore)

Particulars	As on 01.04.23	Net addition during the year	Rate of Dep	Gross Value of Assets Fully depreciated as on 31.03.2023	On Opening Balance	On Addition	Total
Land & Rights							
i) Land owned under full title	19.62	1.66	0.00%	0.00	-	-	-
ii) Leasehold land	2.84	0.00	3.34%	0.05	0.08	-	0.08
SUB TOTAL	**22.46**	**1.66**		**0.05**	**0.08**	**-**	**0.08**
Building	60.38	3.94	3.34%	26.69	1.01	0.06	1.07
Other Civil Works	74.16	4.41	3.34%	20.55	1.61	0.07	1.68
Plant & Machinery	832.59	29.46	5.28%	223.05	28.97	0.70	29.67
Lines & Cable Network	2052.18	817.85	5.28%	548.38	71.46	19.43	90.89
Vehicles	27.25	0.00	9.50%	11.87	1.31	0.00	1.31
Furniture & Fixtures	20.75	0.84	6.33%	10.72	0.57	0.02	0.60
Office Equipment	89.08	17.41	6.33%	24.90	3.66	0.50	4.15
SUB TOTAL	3178.83	875.57	5.27%	866.22	108.68	20.78	129.45
Add: Consumers contribution deducted from	233.81		5.30%		11.11	-	11.11

Particulars	As on 01.04.23	Net addition during the year	Rate of Dep	Gross Value of Assets Fully depreciated as on 31.03.2023	On Opening Balance	On Addition	Total
service connection under O.H. lines & cable network							
Add: Assets not belonging to the entity	5788.97	1.22				-	-
TOTAL	**9201.62**	**876.79**		**866.22**	**119.79**	**20.78**	**118.34**

Particulars	Non-Depreciable Land	Depreciable	Non-Depreciable	Total
Opening GFA	19.62	3159.22	6022.78	9201.62
Opening CWIP	-	4167.23	2388.89	6556.12
Grant	-	2,267.53	6,607.41	8,874.94
Depreciation charged	-	**129.45**	-	**129.45**
Average rate		4.10%		
Apportioned GFA after adjustment of grant		2181.44		
Apportioned depreciation claimed		**89.39**		

4.10.5 The depreciation amount claimed by APDCL works out to Rs. 89.39 Crore as shown above.

Commission's Analysis

4.10.6 The Commission has considered the opening GFA for FY 2023-24 as per the closing GFA approved in the True up of FY 2022-23, vide Tariff Order dated June 27, 2024. The Commission has computed depreciation as per scheduled rates specified in the

MYT Regulations, 2021.

4.10.7 As per the MYT Regulations, 2021, the total depreciation during the life of the asset shall not exceed 90% of the original cost of GFA. The Commission has computed the depreciation separately for assets added under each asset head in each year. The Commission has disallowed the depreciation on assets where accumulated depreciation is in excess of 90% of the original cost of asset under different asset heads. The Commission has not considered depreciation on assets funded through grants/consumer contribution in accordance with MYT Regulations, 2021, and in accordance with the Commission's own Orders.

4.10.8 Accordingly, the Commission has approved depreciation in the truing up for FY 2023-24 as per MYT Regulations, 2021, as given in the Table below:

Table 24: Depreciation approved for FY 2023-24 (Rs. Crore)

Sl. No.	Particulars	Opening GFA	Addition during the year	Rate of depreciation	Depreciation allowed after truing up
1	Land owned	19.62	1.66	0.00%	-
2	Leasehold Land	2.84		3.34%	0.09
3	Building	60.37	3.94	3.34%	2.08
4	Plant & Machinery	832.59	29.46	5.28%	33.42
5	Vehicle	27.24		5.28%	1.45
6	Furniture & Fixtures	20.76	0.84	6.33%	0.67
7	Office Equipment	60.09	17.41	6.33%	3.68
8	Other Civil Work	74.16	4.41	3.34%	2.56
9	Lines & Cable Network	2,052.18	817.85	5.28%	108.82
	Total	**3,149.86**	**875.57**		**152.77**
10	Assets built through Grants/CC	233.81			
11	Assets not belonging to entity	5,788.98	1.22		
12	**Less: Depreciation for Grants/CC**				**81.61**

Sl. No.	Particulars	Opening GFA	Addition during the year	Rate of depreciation	Depreciation allowed after truing up
13	**Net Total**	**9,172.65**	**876.79**		**71.16**

4.10.9 **Therefore, the Commission approves Depreciation of Rs. 71.16 Crore in the truing up for FY 2023-24.**

4.11 Interest and Finance Charges

4.11.1 APDCL has claimed interest on loan capital for the year on normative basis. APDCL added that it has not claimed interest on GPF and NPS, etc, in accordance with the approach adopted by the Commission in previous Tariff Orders.

4.11.2 The net interest expenses claimed by APDCL in the Truing up for FY 2023-24 are shown in the Table below:

Table 25: Interest and Finance Charges as submitted by APDCL for FY 2023-24 (Rs. Crore)

Particulars	Amount
Opening normative loan	105.90
Addition of normative loan during the year	630.48
Normative Repayment during the year	89.39
Net Normative Closing Loan	646.99
Rate of Interest	10%
Interest on Debt Capital	**64.70**

4.11.3 The comparison of interest and finance charges approved and claimed herein is presented in the table below:

Table 26: Interest & Finance Charges for FY 2023-24 (Rs. Crore)

Particulars	Approved	Claimed
Interest on Loan capital	3.62	64.70

4.11.4 The Petitioner requested the Commission to allow recovery of Rs. 64.70 Crore on account of interest & finance charges during true-up of ARR for FY 2023-24.

4.11.5 The Petitioner craved leave of the Commission to allow recovery of actual cost incurred on interest on GPF as well as NPS at an opportune time so as to safeguard the financial viability of the utility.

Commission's Analysis

4.11.6 The Commission has approved Interest on loan capital for FY 2023-24 on normative basis as per MYT Regulations, 2021. The closing net normative loan approved in the Truing up of FY 2022-23 has been considered as the opening net normative loan of FY 2023-24.

4.11.7 The Commission sought clarifications from APDCL regarding the basis and computation for addition of normative loan of Rs. 630.48 Crore in FY 2023-24 with respect to the GFA addition during the year, and funding pattern of such addition to GFA in FY 2023-24. APDCL submitted that addition of normative loan quantum pertains to assets created out of loan portion of Rs. 723.60 Crore after exclusion of GoA loan converted to Equity of Rs. 93.12 Crore.

4.11.8 However, on query of actual funding pattern of FY 2023-24, APDCL replied that funding pattern is in line with approved funding pattern.

4.11.9 Considering the contrary submissions by APDCL and lack of complete details by APDCL, the Commission has considered the funding pattern of 8% Debt and remaining 92% as Grant for the True up of FY 2023-24, as approved in the Tariff Order for FY 2023-24.

4.11.10 The Commission has computed normative interest for FY 2023-24 on the average balance of loan during FY 2023-24, in accordance with the established practice in this regard. The interest rate for FY 2023-24 has been considered as 10.00%, based on reply submitted by APDCL to the data gaps after TVS.

4.11.11 The Interest and Financing Charges as approved by the Commission in the truing up for FY 2023-24 is shown in the following Table:

Table 27: Approved Interest & Financing Charges for FY 2023-24 (Rs. Crore)

Particulars	Tariff Order	APDCL	Approved after True-up
Opening normative loan	86.09	105.90	105.90
Addition of normative loan during year	17.00	630.48	67.14
Normative Repayment during the year	103.09	89.39	71.16
Net Normative Closing Loan	0.00	646.98	101.87
Average Loan	43.04	376.44	103.89
Rate of Interest	8.41%	10.00%	10.00%
Interest Expenses	**3.62**	**64.70**	**10.39**

Therefore, the Commission approves Interest on Loans of Rs. 10.39 Crore in the truing up for FY 2023-24.

4.12 Interest on Working Capital (IoWC)

4.12.1 APDCL submitted that as against Nil IoWC approved in the Tariff Order, normative IoWC claimed for FY 2023-24 is Rs. 14.42 Crore, as shown below

Table 28: Approved Interest & Financing Charges for FY 2023-24 (Rs. Crore)

Particulars	Tariff Order	APDCL Petition
O&M Expenses-One month	108.07	114.17
2-month Receivables	1305.19	1470.93
Maintenance spares @ 15% of O&M Expenses	194.53	205.51
Less: One-month Power Purchase Cost	614.99	706.76
Less: Consumer Security Deposit	1033.85	959.22
Total Working Capital	**(41.04)**	**124.62**
Rate of Interest on WC	10.58%	11.57%
Interest on WC	**0.00**	**14.42**

4.12.2 APDCL requested the Commission to allow recovery of Rs.14.42 Crore on account of Interest on Working Capital in the True Up for FY 2023-24.

Commission's Analysis

4.12.3 The Commission has computed IoWC in accordance with the MYT Regulations, 2021. The normative O&M expenses approved after true-up for FY 2023-24 in this Order have been considered. The working capital requirement towards two months of receivables has been considered based on the actual revenue earned by APDCL in FY 2023-24. The average amount of Consumer Security Deposit (CSD) for FY 2023-24 has been taken from the Audited Accounts.

4.12.4 The amount towards one-month of power purchase cost has been reduced from the normative working capital requirement. In accordance with the previous approach, the Commission has reduced the cost of power purchase from Power Exchange, as approved after true-up, while computing the working capital requirement, as APDCL does not get one-month credit for payment of these bills. The rate of Interest has been considered equal to the weighted average SBI MCLR Rate in FY 2023-24 of 8.57% plus 300 basis points, i.e., 11.57%.

4.12.5 The Commission asked APDCL to clarify the basis for considering Consumer Security Deposit (CSD) as Rs. 959.22 Crore, while computing IoWC, as Note 22 of the Audited Accounts shows CSD as Rs. 964.63 Crore. APDCL submitted that the amount of Rs. 5.41 Crore has not been considered as the same are pertaining to dues receivable from Permanently Disconnected consumers, which was deducted from Rs. 964.63 Crore for the purpose of determination of working capital.

4.12.6 The Commission also notes that APDCL has not considered the amount of Rs. 53.08 Crore recorded against Meter Security Deposit in Note 17 of the Audited Accounts. The Commission has considered the same for the purpose of determination of working capital.

4.12.7 The IoWC approved by the Commission in the truing up for FY 2023-24 is shown in the following Table:

Table 29: IoWC approved by the Commission for FY 2023-24 (Rs. Crore)

Sl. No.	Particulars	Tariff Order	APDCL Petition	Approved after True-up
1	O&M Expenses for 1 Month	108.07	114.17	107.54
2	Maintenance spares @ 15% of O&M Expenses	194.53	205.51	193.21
3	2 months equivalent of expected revenue from sale of electricity	1,305.19	1,470.93	1,470.93
4	Less: 1 month of Power Purchase Cost	614.99	706.76	637.90
5	Less: Amount held as CSD	1,033.85	959.22	1,012.30
6	**Total Working Capital Required**	**(41.04)**	**124.62**	**121.48**
7	Interest rate	10.58%	11.57%	11.57%
8	**Interest on Working Capital**	**-**	**14.42**	**14.05**

4.12.8 **Therefore, Interest on Working Capital is approved as Rs. 14.05 Crore in the truing up for FY 2023-24, as the net working capital requirement is negative.**

4.13 Interest on Consumer Security Deposit (CSD)

4.13.1 APDCL submitted that the Commission had approved Rs. 52.68 Crore as interest on CSD for FY 2023-24. The actual interest liability on CSD as per the Audited Accounts for FY 2023-24 is Rs. 98.56 Crore. However, the amount of interest on consumer security deposits amounting to Rs.62.22 Crore is actually paid to the consumers.

4.13.2 APDCL has claimed the amount of Rs. 62.22 Crore actually liquidated during the year. APDCL requested the Commission to allow the recovery of the balance amount of Rs.36.34 Crore pending liquidation during the year at the time of actual payment in subsequent periods.

Commission's Analysis

4.13.3 The Commission has approved the actual interest paid by APDCL on CSD in the true-up for FY 2023-24, as shown in the Table below:

Table 30: Interest on CSD approved for FY 2023-24 (Rs. Crore)

Particulars	Tariff Order	APDCL	Approved after True-up
Interest on CSD	52.68	62.22	62.22

4.13.4 **The Commission approves the actual interest on CSD of Rs. 62.22 Crore paid by APDCL to the consumers, in the truing up for FY 2023-24**.

4.14 Other Debits

4.14.1 APDCL submitted that the Commission had approved an amount of Rs. 6.80 Crore as provision for bad and doubtful debts for FY 2023-24. APDCL has claimed an amount of Rs. 24.83 Crore, equivalent to 1% of amount receivable as on 31.03.2024, in the True-up Petition.

Commission's Analysis

4.14.2 The Commission has not allowed the provision for bad and doubtful debts of Rs 24.83 Crore as claimed by APDCL, based on the audited accounts for FY 2023-24, as the provisioning for bad and doubtful debts allowed till FY 2022-23 has exceeded 5% of the Receivables.

4.14.3 **Therefore, under Other Debits, the Commission approves Nil amount in the truing up for FY 2023-24**.

4.15 Return on Equity

4.15.1 The Commission had allowed return @14% on admissible equity base. APDCL submitted that APDCL has not achieved capitalization in excess of approved level during the year.

4.15.2 The RoE claimed by APDCL in the true-Up of FY 2023-24, based on the principle adopted by the Commission in the previous Order, is shown in the Table below:

Table 31: Return on Equity for FY 2023-24 (Rs Crore)

Particulars	Approved	Actual
Opening Equity	1151.84	1224.38
Net Addition during the Year	22.65	735.55
Closing Equity	1174.49	1959.93
Average Equity	1163.17	1761.91
Opening GFA		9201.62
Normative Equity		2760.48
Admissible Equity for RoE		735.55
Rate of Return on Equity	14.00%	14.00%
Return on Equity	**162.84**	**222.90**

Commission's Analysis

4.15.3 The Commission asked APDCL to submit the basis and computation for addition of equity of Rs. 735.55 Crore, as the GFA addition during the year is only Rs. 876.69 Crore, and equity addition is considered as 30% of GFA addition. APDCL submitted that the admissible equity is derived as per the rationale approved by the Commission in earlier Orders. APDCL submitted that GoA has converted Grants of Rs. 3359.32 Crore to equity. Hence, after consideration of normative equity of 30% of total asset value, balance has been added to the equity.

4.15.4 The Commission has approved RoE for FY 2023-24 as per the MYT Regulations, 2021. The equity as on April 1, 2023 has been considered equal to the closing equity approved in the Truing up for FY 2022-23. The addition of equity has been considered as Nil, as approved by the Commission in this Order.

4.15.5 The addition to equity on account of conversion of grant to equity is limited to 30% of GFA. The conversion of Grant to equity allowed by the Commission for FY 2023-24 is shown in the Table below:

Table 32: Conversion of Grant to Equity approved by the Commission for FY 2023-24 (Rs. Crore)

Particulars	Amount
Opening GFA	9,172.26
Average Grant towards GFA	8,480.62
If conversion of Rs. 3359.02 Crore of grant considered	3359.32
Net Grant towards GFA	5,121.30
Net assets to be funded	4,050.96
Maximum Equity that can be considered	1,215.29
Equity already considered	1,224.38
Equity that can be additionally allowed	-

4.15.6 Hence, the Commission has not considered any equity addition due to conversion of Grant to equity in FY 2023-24.

4.15.7 The RoE allowed by the Commission at 14% of the equity capital of APDCL is shown in the following Table:

Table 33: RoE approved by the Commission for FY 2023-24 (Rs. Crore)

Sl. No.	Particulars	Tariff Order	APDCL	Approved
1	Opening Equity Balance	1151.84	1,224.38	1224.38
2	Addition During the Year	22.65	735.55	0.00
3	Closing Equity Balance	1,174.49	1,959.93	1,224.38
4	Average Equity Balance	1,163.17	1,592.16	1,224.38
5	Rate of Return (%)	14.00%	14.00%	14.00%
6	**Return on Equity**	**162.84**	**222.90**	**171.41**

4.15.8 **Therefore, the Commission approves RoE of Rs.171.41 Crore in the truing up**

for FY 2023-24.

4.16 Other Income

4.16.1 APDCL submitted that the Commission had approved Other Income of Rs. 109.55 Crore in the Tariff Order for FY 2023-24, against which APDCL has submitted Other Income of Rs. 569.77 Crore for FY 2023-24, as shown in the Table below:

Table 34: Other Income for FY 2023-24 as submitted by APDCL (Rs Crore)

Sl. No.	Particulars	Amount
1	Interest on loans to staff	27.64
2	Interest on HB advances to staff	0
3	Receipt from sale of LED bulb, Tube light, Fan, etc.	0.00
4	Interest from banks and Investment	66.76
5	Gain on sale of fixed assets	0.00
6	Rent from residential buildings	1.09
7	Miscellaneous receipts	37.16
8	Income from Sale of Scrap	0.00
9	Receipt from Pension Trust	14.87
10	Income on seasonal Export of surplus power	363.89
	Total	**569.77**

Commission's Analysis

4.16.2 The Commission notes that APDCL has made an arithmetical error in the claim of Other Income for the true up of FY 2023-24. Its claim of Rs. 569.77 Crore is incorrect actually amounts to Rs. 511.41 Crore. The Commission has considered the actual Other Income as per the Audited Accounts in the true up for FY 2023-24 as shown in the Table below:

Table 35: Other Income approved by the Commission for FY 2023-24 (Rs. Crore)

Sl. No.	Particulars	Tariff Order	APDCL Petition	Approved after true up
1	Interest on fixed deposits	48.30	66.76	66.76
2	Interest on loans to staff		27.64	27.64
3	Income from Trading	-	363.89	363.89
4	Income from Sale of Scrap	2.09		-
5	Rent from residential buildings	0.02	1.09	1.09
6	Receipt from Pension Trust	30.64	14.87	14.87
7	Miscellaneous receipts	28.50	37.16	37.16
	Total	**109.55**	**569.77**	**511.41**

4.16.3 **Therefore, the Commission approves Other Income of Rs. 511.41 Crore in the true up for FY 2023-24**.

4.17 Non-Tariff Income

4.17.1 APDCL submitted that it has earned Rs. 348.17 Crore of Non-Tariff Income (NTI) during FY 2023-24 against approved amount of Rs. 471.64 Crore, as shown in the Table below:

Table 36: Non-Tariff Income for FY 2023-24 (Rs Crore)

Sl. No.	Particulars	Amount
1	Rentals from Meters, Service Lines, Capacitors etc.	17.55
2	Income from recoveries on account of theft of energy/ Malpractices	0.01
3	Delayed payment charges from Consumers	237.04
4	Misc. recoveries	46.27
5	Rebate on prompt payment of Power purchase bills	9.65
5	Cross Subsidy surcharge on Open Access Consumer	5.50
6	Wheeling charges collected	1.07
7	Short Term Open Access (STOA) credit	23.49

Sl. No.	Particulars	Amount
8	Income From SCED	7.59
	Total	**348.17**

Commission's Analysis

4.17.2 In line with the approach adopted in the previous Orders, the Commission has not considered the rebate received on prompt payment of power purchase bills, as NTI.

4.17.3 The Commission has considered all other heads of Non-Tariff Income as per the Audited Accounts, in the true up for FY 2023-24. The amount of Non-Tariff Income considered in the MYT Order, amount claimed by APDCL in the true up Petition and amount approved in the true up, is shown in the Table below:

Table 37: Non-Tariff Income approved by the Commission for FY 2023-24 (Rs. Crore)

Sl. No.	Particulars	Tariff Order	APDCL Petition	Approved after true-up
1	Meter Rent	28.49	17.55	17.55
2	Compensation charges for theft of energy/malpractices	0.21	0.01	0.01
3	Cross Subsidy surcharge on Open Access Consumer	8.26	5.50	5.50
4	Wheeling Charges collected	5.28	1.07	1.07
5	Short-term Open Access Credit	39.75	23.49	23.49
6	Rebate on Power Purchase bills		9.65	
7	Miscellaneous Recoveries	42.27	46.27	46.27
8	Delayed payment charges	344.37	237.04	237.04
9	Income from SCED	3.02	7.59	7.59
	Grand Total	**471.64**	**348.17**	**338.52**

4.17.4 **Therefore, the Commission approves Non-Tariff Income of Rs. 338.52 Crore in the truing up for FY 2023-24**.

4.18 Revenue Grant/Subsidy

4.18.1 APDCL submitted that the Commission has approved the tariff on gross basis without factoring the targeted subsidy allowed to various category of consumers by the Government of Assam (GoA). Total amount of targeted subsidy booked during FY 2023-24 as per the statement of accounts is Rs. 260.94 Crore.

4.18.2 APDCL submitted that an amount of Rs. 365.26 Crore was received against tariff subsidy from Govt. of Assam and the same is considered herein.

4.18.3 APDCL submitted that in addition to the above, Govt. of Assam has also provided an amount of Rs. 64.98 Crore as Operation Fund Requirement (OFR) (Future loss funding) as per the UDAY MoU during FY 2023-24. The same is not considered for passing on in line with previous considerations on OFR by the Commission.

4.18.4 Recognition of Deferred Grant is a mere accounting treatment required to be carried out under IndAS. The same is not considered for passing on in line with previous considerations by the Commission.

4.18.5 As such, grant/subsidy amount of Rs. 365.26 Crore of tariff subsidy as well as Rs. 260.94 Crore of targeted subsidy be considered by the Commission in the true-up of ARR for FY 2023-24.

Commission's Analysis

4.18.6 The amount of Rs 260.94 Crore received from GoA against targeted subsidy for FY 2023-24 has been considered by the Commission as a part of revenue from sale of power.

4.18.7 As regards the Tariff Subsidy of Rs. 365.26 Crore, the Commission has considered the total amount of Rs. 365.26 Crore as subsidy support from GoA.

4.21 Revenue from Sale of Power

4.21.1 APDCL submitted that against the approved revenue Rs. 7831.10 Crore, the actual revenue from sale of power within the State amounted to Rs. 8825.55 Crore (including targeted subsidy, FPPPA, etc.). The deviation in revenue is attributable to higher sales over approved level and implementation of FPPPA (positive and negative).

4.21.2 Against the Commission approved unrecovered FPPPA amount of Rs 457.09 Crore for FY 2022-23, the same has been considered as unrecovered FPPPA amount in the true up of FY 2023-24.

4.21.3 Considering the above, APDCL requested the Commission to allow the actual revenue from sale of power within the State as per the statement of accounts for FY 2023-24 amounting to Rs. 8825.55 Crore (inclusive of targeted subsidy, FPPPA, etc.) in the true-up of ARR for FY 2023-24.

Commission's Analysis

4.21.4 APDCL, in its Petition, has claimed Revenue from Sale of power as per the Audited Accounts, i.e., Rs. 8825.55 Crore (including targeted subsidy of Rs. 260.94 Crore from Govt. of Assam).

4.21.5 Accordingly, the Commission approves the revenue of Rs. 8825.55 Crore in the Truing up for FY 2023-24.

4.22 ARR and Revenue Gap/(Surplus) after Truing Up of FY 2023-24

4.22.1 Based on the submission in the above paragraphs, the Aggregate Revenue Requirement (ARR) and revenue deficit/(surplus) of the utility for FY 2023-24 vis-à-vis earlier approved figures is as shown below:

Table 38: True-up of ARR for FY 2023-24 as claimed by APDCL (Rs. Crore)

Sl. No	Particulars	Tariff Order	APDCL
1	Power Purchase Expenses	6,409.29	8481.15
2	O&M Expenses	1,364.41	1,370.06
a)	*Employee Expenses*	*948.46*	*959.65*
b)	*R&M Expenses*	*305.36*	*294.45*
c)	*A&G Expenses*	*110.59*	*115.96*
3	Depreciation	173.01	89.39
4	Interest and Finance Charges	3.62	64.70

Sl. No	Particulars	Tariff Order	APDCL
5	Interest on Working Capital	-	14.42
6	Interest on CSD	52.68	62.22
7	Return on Equity	162.84	222.90
9	Other Debits, incl. Provisioning for Bad Debts	6.80	24.83
10	Unrecovered FPPPA	457.09	457.09
11	Reduction in Power Purchase cost due to excess distribution losses		(23.67)
12	Sharing of gains/(losses) on account of O&M expenses		3.11
13	**Total Expenditure**	**8,629.74**	**10,766.20**
14	Less: Non-Tariff Income	471.64	348.17
15	Less: Other Income	109.55	569.77
16	**Aggregate Revenue Requirement**	**8,048.55**	**9,848.26**
17	Revenue Gap with CC after True Up of FY 2021-22	(217.45)	(217.45)
18	**Net Revenue Requirement**	**7,831.10**	**9,630.81**
	Revenue		
19	Revenue at Approved/Existing Tariff	7,831.10	8825.55
20	State Government Subsidy		365.26
21	Total Revenue incl. subsidy	7,831.10	9,190.81
22	**Cumulative Revenue Gap/(Surplus)**	**-**	**440.04**

4.22.2 APDCL requested the Commission to approve the total Revenue Gap of Rs. 440.04 Crore after truing-up of ARR for FY 2023-24, along with the carrying cost to be adjusted in the tariff for FY 2025-26.

Commission's Analysis

4.22.3 Considering the above heads of expense and revenue approved after truing up for FY 2023-24, the Net ARR and Revenue Gap/(Surplus) approved by the Commission for FY 2023-24 is shown in the following Table:

Table 39: ARR & Revenue Gap/(Surplus) approved in the Truing up for FY 2023-24 (Rs. Crore)

Sl. No	Particulars	Tariff Order	APDCL	Approved
1	Power Purchase Expenses	6,409.29	8481.15	8,449.56
2	O&M Expenses	1,364.41	1,370.06	1,290.42
a)	*Employee Expenses*	*948.46*	*959.65*	*885.15*
b)	*R&M Expenses*	*305.36*	*294.45*	*294.50*
c)	*A&G Expenses*	*110.59*	*115.96*	*110.77*
3	Depreciation	173.01	89.39	71.16
4	Interest and Finance Charges	3.62	64.70	10.39
5	Interest on Working Capital	-	14.42	14.05
6	Interest on CSD	52.68	62.22	62.22
7	Return on Equity	162.84	222.90	171.41
9	Other Debits, incl Provisioning for Bad Debts	6.80	24.83	-
10	Exceptional Items, if any (Unrecovered FPPPA)	457.09	457.09	457.09
11	Reduction in Power Purchase cost due to excess losses		(23.67)	(46.26)
12	Sharing of gains/(losses) on account of O&M expenses		3.11	(1.92)
13	**Total Expenditure**	**8,629.74**	**10,766.20**	**10,478.12**
14	Less: Non-Tariff Income	471.64	348.17	338.52
15	Less: Other Income	109.55	569.77	511.41
16	**Aggregate Revenue Requirement**	**8,048.55**	**9,848.26**	**9,628.19**
17	Revenue Gap with Carrying Cost after True Up of FY 2021-22	(217.45)	(217.45)	(217.45)
18	**Net Revenue Requirement**	**7,831.10**	**9,630.81**	**9,410.74**
	Revenue			
19	Revenue at Approved/Existing Tariff	7,831.10	8825.55	8,825.55

Sl. No	Particulars	Tariff Order	APDCL	Approved
20	State Government Subsidy		365.26	365.26
21	Total Revenue incl. subsidy	7,831.10	9,190.81	9,190.81
22	**Cumulative Revenue Gap/(Surplus)**	**-**	**440.04**	**219.93**

4.22.4 The **Commission approves a Revenue Gap of Rs. 219.93 Crore after truing up for FY 2023-24 and the same has been considered for adjustment during FY 2025-26, with the associated carrying cost.**

5 Annual Performance Review (APR) for FY 2024-25

5.1 Introduction

5.1.1 The Commission vide its Tariff Order dated June 27, 2024 had approved the revised ARR for FY 2024-25. This Chapter deals with APR for FY 2024-25 in accordance with the provisions of MYT Regulations, 2021, based on the submissions made by APDCL.

5.1.2 Regulation 9.3 of the MYT Regulations, 2021 specifies that the Commission shall undertake the APR and True-up for the respective years of the Control Period from FY 2022-23 to FY 2024-25, as reproduced below:

> *"9.3 The scope of the* ***Annual Performance review*** *and True up shall be a comparison of the actual performance of the Generating Company or Transmission Licensee or SLDC or Distribution Licensee with the approved forecast of Aggregate Revenue Requirement and expected revenue from tariff and charges and shall comprise the following:*
>
> *…*
>
> *b)* ***Annual Performance Review****: a comparison of the performance targets estimated to be achieved for the current financial year (based on 6 months actual data) with the approved forecast for that financial year including adjusting trajectories of uncontrollable if needed." (emphasis added)*

5.1.3 APDCL submitted the APR Petition for FY 2024-25, supported by actual information available till September 2024 and estimated values for the next six months of FY 2024-25.

5.1.4 The main objective of APR is to compare the actual performance for FY 2024-25 vis-à-vis forecast approved in the Tariff Order dated June 27, 2024 for FY 2024-25. **The Revenue Gap/(Surplus) arising out of APR for FY 2024-25 has not been passed on to the consumers, and the same shall be considered at the time of Truing-up only.**

5.1.5 In this Chapter, the Commission has analysed the revised estimate of all the components of ARR vis-à-vis values approved in Tariff Order for FY 2024-25. The

Commission has computed the Revenue Gap/(Surplus) as an indication of the performance in FY 2024-25. **No sharing of (gains)/ losses has been undertaken at this stage and the same shall be considered at the time of Truing up for FY 2024-25.**

5.2 Energy Sales

5.2.1 The Commission vide Tariff Order for FY 2024-25, had approved energy sales of 11145 MU. APDCL has estimated energy sales for FY 2024-25, based on the actual sales during first half (H1) of FY 2024-25 and projected sales for next half, considering practicability of the estimates.

5.2.2 APDCL submitted that there is an increase of around 91 MU in revised energy sales vis-à-vis approved energy sales.

5.2.3 APDCL requested the Commission to approve the revised energy sales of 11236 MU in the APR for FY 2024-25. APDCL has projected the category-wise energy sales for FY 2024-25 as shown in the Table below:

Table 40: Category-wise Energy Sales Projected by APDCL for FY 2024-25 (MU)

Category	Tariff Order	APDCL
JEEVAN DHARA	250	150
DOMESTIC A Total	4,116	4,819
Domestic-B above 5 kW to 30 kW	624	730
Commercial Load above 0.5 to 30 kW	1,112	1,222
General Load up to 30 kW (Non-Comml & Non-Domestic)	181	17
General Load up to 30 kW (Govt. Primary/Sec./Hr.Sec. Schools)		180
Public Lighting	26	19
Agriculture up to 7.5 HP	38	50
Small Industries Rural up to 30 kW	85	90
Small Industries Urban	31	34
LT Electric Vehicles Charging Stations	2	6
Temporary	3	5
LT TOTAL	**6,468**	**7,322**
HT Domestic 30 kW and above	27	28
HT commercial 30 kW & above	568	580
Public Water works	182	187
Bulk Supply Govt. Edu Inst	129	133

Category	Tariff Order	APDCL
Bulk Supply Others	521	563
HT Small Industries up to 50 kW	16	12
HT Industries-I 50 kW to 150 kW	84	85
HT Industries-II above 150 kW (Option 1 - ToD)	1,793	1,247
HT Industries-II above 150 kW (Option 2 - Non-ToD)		203
Tea Coffee & Rubber	657	611
Oil & Coal	103	125
HT Irrigation Load above 7.5 HP	27	20
HT Temporary	0	0
HT Railway Traction	101.88	106
HT Electric Crematorium	0.56	0
HT Electric Vehicle Charging Station	0.35	14
HT TOTAL	**4,210**	**3,914**
TOTAL ENERGY SALES	**10,678**	**11,236**

Commission's Analysis

5.2.4 The Commission has accepted APDCL's estimation of energy sales for FY 2024-25. The category-wise sales estimated by APDCL and approved by the Commission in the APR for FY 2024-25 are given in the Table below:

Table 41: Energy Sales considered by the Commission for FY 2024-25 (MU)

Sl. No.	Consumer Category	Tariff Order	APDCL	Approved in APR
	LT GROUP			
1	Jeevan Dhara	250	150	150
2	Domestic A	4,116	4,819	4,819
3	Domestic-B above 5 kW to 30 kW	624	730	730
4	Commercial Load above 0.5 to 30 kW	1,112	1,222	1,222
5	General Load up to 30 kW (Non-Comml & Non-Domestic)	181	17	17
6	General Load up to 30 kW (Govt. Primary/Sec./Hr.Sec. Schools)		180	180
7	Public Lighting	26	19	19

Sl. No.	Consumer Category	Tariff Order	APDCL	Approved in APR
8	Agriculture up to 7.5 hp	38	50	50
9	Small Industries Rural up to 30 kW	85	90	90
10	Small Industries Urban	31	34	34
11	EV Charging station	2	6	6
12	Temporary	3	5	5
	LT TOTAL	**6,468**	**7,322**	**7,322**
	HT GROUP			
1.	HT Domestic 30 kW and above	27	28	28
2	HT commercial 30 kW & above	568	580	580
3	Public Water works	182	187	187
4	Bulk Supply-Govt. Edu Inst	129	133	133
5	Bulk Supply-Others	521	563	563
6	HT Small Industries up to 50 kW	16	12	12
7	HT Industries-1 50 kW to 150 kW	84	85	85
8	HT Industries-II above 150 kW (Option 1 - ToD)	1,793	1,247	1,247
9	HT Industries-II above 150 kW (Option 2 - Non-ToD)		203	203
10	Tea, Coff & Rub (Total)	657	611	611
11	Oil & Coal	103	125	125
12	HT Irrigation Load above 7.5 hp	27	20	20
13	HT Temporary	0	0	0
14	HT EV Charging	101.88	106	106
15	HT Railway Traction	0.56	0	0
16	HT Electric crematorium	0.35	14	14
	HT Total	**4,210**	**3,914**	**3,914**
	All Total	**10,678**	**11,236**	**11,236**

5.2.5 **Therefore, the Commission has estimated total sales of 11,236 MU in the APR for FY 2024-25**.

5.3 Distribution Loss

5.3.1 The Commission in the Tariff Order dated June 27, 2024 had approved Distribution Loss of 14.50% for FY 2024-25. APDCL has estimated the Distribution Loss for FY 2024-25 as 15.80% as shown in the Table below:

Table 42: Energy Balance for FY 2024-25

Particulars	H1 Actual	H2 Projected	Annual
Total Energy purchase	8,275.19	7339.54	16,065.40
Seasonal Export	1003.05	823.94	1,827.00
Inter-State (PGCIL) Pooled Loss (MU)	247.76	197.25	445.01
Inter-State (PGCIL) Pooled Loss (%)	2.84%	2.69%	2.77%
Energy Input to Transmission System	7474.38	6318.34	13793.39
Intra-State (AEGCL) Transmission Loss (MU)	243,06	204.56	448.29
Intra-State (AEGCL) Transmission Loss (%)	3.25%	3.25%	3.25%
Energy input to Discom periphery	7231.32	6113.78	13345.10
Energy Sales	5,917.97	5,318.03	11,236
Distribution Loss (MU)	1313.35	795.06	2,109.10
Distribution Loss (%)	**18.16**	**13.01**	**15.80**

5.3.2 APDCL submitted that the distribution loss claimed in the true up of FY 2023-24 is 15.50%. However, the distribution loss in H1 of FY 2024-25 has increased. The existing massive LT network accounts for major share of the distribution loss, which is further exacerbated during peak load periods. Therefore, considering these factors distribution loss for the whole year is projected.

5.3.3 APDCL requested the Commission to approve the Distribution Loss of 15.80% in the APR of FY 2024-25.

Commission's Analysis

5.3.4 The Commission has already elaborated on the issue of Distribution Loss in this Order, while Truing up for FY 2023-24. The Commission is of the view that APDCL has reported close to approved distribution loss levels till FY 2017-18, even when there was significant increase in the LT consumers on account of household electrification.

5.3.5 In the Tariff Order dated June 27, 2024, the Commission had approved Distribution Loss of 14.50% for FY 2024-25. The Commission, based on the contentions of APDCL such as inverse LT:HT ratio and massive electrification under SAUBHAGYA, had approved such Distribution Loss levels for APDCL. Therefore, the approved Distribution Loss of 14.50% already takes into account the aspects mentioned by APDCL.

5.3.6 The Commission has therefore, considered the Distribution Loss for FY 2024-25 as approved in the Tariff Order dated June 27, 2024 as shown in the Table below:

Table 43: Distribution Losses considered by the Commission for FY 2024-25

Particulars	Tariff Order	APDCL Projection	Approved in APR
Distribution Loss (%)	14.50%	15.80%	14.50%

5.4 Energy Balance

5.4.1 APDCL has considered the revised estimates for energy requirement for FY 2024-25 based on the revised estimates of energy sales, projected Distribution Losses and associated inter-State and intra-State transmission losses. APDCL has submitted that it has considered the intra-State transmission losses as 3.23%, as approved in the Tariff Order dated June 27, 2024. The inter-State (PGCIL) losses have been projected as 2.77% for FY 2024-25.

5.4.2 The estimated Energy Balance for FY 2024-25 as submitted by APDCL is shown in the following Table:

Table 44: Energy Balance for FY 2024-25 as projected by APDCL (MU)

Sr. No.	Particulars	Approved vide Order dt. 27.06.2024	Projected
1	Retail Energy Sale	11,145	11,236
2	Distribution loss (%)	14.50%	15.80%
3	Distribution loss	1,890	2,109
4	Energy requirement at DISCOM periphery	13,035	13,345
5	STU Loss (%)	3.23%	3.25%
6	STU Loss	435	448
7	Energy requirement at STU periphery	13,470	13,793
8	CTU Loss (%)	1.62%	2.77%
9	CTU Loss	264	445
10	Seasonal Export	2566	1,827
11	**Energy requirement**	**16,299.56**	**16065**

Commission's Analysis

5.4.3 The Commission has approved the Energy Balance in the APR for FY 2023-24 based on the estimated sales, approved Distribution Loss, approved Transmission Loss trajectory for AEGCL, and proportionate PGCIL Losses on external power purchase. The Energy Balance approved by the Commission in the APR for FY 2024-25 is shown in the Table below:

Table 45: Energy Balance for FY 2024-25 considered by the Commission (MU)

Sl. No.	Particulars	Tariff Order	APDCL	Approved in APR
1	Energy sales	10,576	11,236	11,236
2	Distribution Loss (%)	14.50%	15.80%	14.50%
3	Distribution Loss	1,795	2,108	1,906
4	Energy Requirement at T<>D periphery	12,370	13,344	13,142
5	Intra-State Transmission Loss	3.23%	3.25%	3.23%
6	Intra-State Transmission Loss (%)	413	448	439

Sl. No.	Particulars	Tariff Order	APDCL	Approved in APR
7	Energy input to Transmission System	12,782	13,793	13,581
8	Inter-State Pooled Loss (%)	1.90%	2.77%	2.77%
9	Inter-State Pooled Loss	259	445	445
10	Seasonal Export	569	1,827	2,040
11	**Total Energy Requirement**	**13,610**	**16,065**	**16,065**

5.4.4 **Therefore, the Commission considers total Power Purchase Requirement of 16,065 MU in the APR for FY 2024-25**.

5.5 Power Purchase

5.5.1 APDCL submitted that it is largely dependent on APGCL and CGS Stations for meeting the Base Load. However, to meet the Peak Demand of the State, APDCL has tied up with short-term sources like traders, and also purchases power from Power Exchanges.

5.5.2 The power purchase quantum and cost for FY 2024-25 have been estimated based on actuals for first six months of the year and estimated for second half of the year.

5.5.3 APDCL submitted that it has projected the source-wise power purchase for FY 2024-25 based on the following assumptions:

- **APGCL:** APDCL has firm allocation of power from the State Generating Stations of APGCL. Thermal plants of APGCL include NTPS, LTPS, LRPP and NRPP. Hydro plants of APGCL supplying power to APDCL are MeHEP and KLHEP. For projecting the energy availability from these stations, APDCL has considered gross energy availability based on allocated capacity and historical Plant Load Factor (PLF), and Auxiliary consumption for these plants in recent past with the status of operation. The tariff for these generating stations has been considered as per the latest Tariff Order of APGCL.
- **Central Generating Stations (NER):** The key CGS of North Eastern Region (NER) supplying power to APDCL include plants of NEEPCO, NHPC, OTPC and

NTPC (Thermal). The share allocation of the various plants of CGS (NER) has been considered based on the latest Regional Energy Accounts (REA), while PLF has been considered based on past year's actuals. Operational norms have been considered as approved by CERC in respective Tariff Orders. The cost for the CGS has been considered as per the latest CERC Orders for the respective plants.

- **Central Generating Stations (Eastern Region):** The share allocation of the various plants of CGS (ER) has been considered based on the latest Regional Energy Accounts (REA). Operational parameters of these plants have been considered based on the actual generation. APDCL is allocated power from Farakka I & II, Kahalgaon I, Kahalgaon II and Talcher of NTPC located in ER. Moreover, 5 MW from NTPC ER Stations are also allocated as bundled power with Solar under JNNSM. The cost for the CGS has been considered as per the latest CERC Orders for the respective plants.
- **Other Sources:** For HHPCL, PLF and auxiliary consumption is considered as per the Commission's Order dated April 12, 2013. Similarly, levelized tariff is considered @ Rs 4.11/ kWh, as approved in this Order.
- Power available from NVVNL Solar Bundled (JNNSM) and NVVNL Coal Bundled (JNNSM) has been considered based on FY 2023-24 (True up) and actuals for FY 2024-25 (H1). For Suryataap Solar, normative parameters have been considered and rate is as per latest Tariff Order of the Commission (Rs. 8.78/kWh). For SECI (Solar) JNNSM, energy charge rate has been considered on the basis of FY 2023-24 (True up) and actuals for FY 2024-25 (H1).
- Considering the increase in demand vis-a-vis perennial low availability from already tied up sources, 179 MW from NTPC Dadri TPP has been arranged for a period of one year from October 2023. Extension for another 6 months was received up to March 2025. The same is considered on the basis of normative parameters as per latest Tariff Order of CERC. Another 292.99 MW from Kahalgaon I plant of NTPC was arranged for one year from April 2024. The same is considered on the basis of normative parameters as per latest Tariff Order of CERC.

- Shortfall of peak demand has been estimated to be mitigated through IEX platform considering the reasonable rates.
- Deviation Settlement Mechanism is a practical aspect of all power transaction on real time basis and hence, considered at a nominal level.
- Impact of sustained high price of natural gas as fixed by Ministry of Petroleum and Natural Gas, Govt. of India is clearly visible for APGCL and NEEPCO gas-based stations. APDCL requested the Commission to take due cognizance of this aspect considering the magnitude of financial implication vis-à-vis impact on power supply.
- **Renewable sources:** APDCL has projected to meet the Renewable Purchase Obligation (RPO) by mix of purchase power from wind, solar power projects and allocation from large hydro power stations, some of which are still in the pipeline. The AERC (Renewable Purchase Obligation and Compliance) Regulations, 2022 [RPO Regulations, 2022] notified on 18.04.2022 has aligned the trajectory with the Ministry of Power Order No. 23/03/2016-R&R dated 29.01.2021. The revised trajectory notified on 22.10.23 by Ministry of Power is as under:

Table 45: RPO trajectory notified by MoP

Year	Wind RPO	HPO	Other RPO	Total
2022-23	0.81%	0.35%	23.44%	24.60%
2023-24	1.60%	0.66%	24.81%	27.07%
2024-25	2.46%	1.08%	26.37%	29.91%
2025-26	3.36%	1.48%	28.17%	33.01%
2026-27	4.29%	1.80%	29.86%	35.95%
2027-28	5.23%	2.15%	31.43%	38.81%
2028-29	6.16%	2.51%	32.69%	41.36%
2029-30	6.94%	2.82%	33.57%	43.33%

Wherein, Wind RPO- energy from WPP commissioned after 31.03.24

HPO- energy from LHP (incl. PSP) commissioned after 08.03.19

Other RPO- all sources not covered above i.e., Solar, hydro (other than LHP after 08.03.19), Biomass etc.

5.5.4 In view of the paradigm shift in the Regulations, entire procurement plan has to be adjusted with massive cost implication with the typical load profile.

5.5.5 APDCL is participating and procuring power through G-DAM/G-TAM within its constrained resources. APDCL requested permission to continue with the prevailing RE power arrangements.

- **Inter-State and Intra-State charges:** PGCIL Transmission Charges have been projected based on actual RTA available. The AEGCL Transmission Charges and SLDC Charges have been considered same as approved in latest Tariff Order of AEGCL and SLDC**.**

5.5.6 APDCL requested the Commission to approve the revised estimates of the power purchase quantum and cost of the utility in the APR for FY 2024-25 as shown below:

Table 46: Power Purchase for FY 2024-25 as submitted by APDCL

Sl.	Agency/Source	Quantity (MU)	Total (Rs. Cr.)	Rate (Rs./kWh)
1	**APGCL**	2,149.08	1,265	5.89
2	**NEEPCO (HYDRO)**			
	Kopili I	389.20	84.07	2.16
	Kopili Ii	53.32	13.10	2.46
	Khandong	-	0.08	
	RHEP	480.36	152.75	3.18
	DHEP	110.27	69.14	6.27
3	**NEEPCO (HYDRO)**			
	Kameng HEP	305.24	122.38	4.01
4	**NEEPCO (TH)**			
	AGBPP	860.80	589.87	6.85
	AGTPP	318.71	207.31	6.50
5	**NHPC Loktak HEP**	159.66	53.49	3.35
7	**NTPC (Existing)**			
	Farakka	248.99	109.34	4.39
	Kahelgaon - I	2068.20	791.35	3.83
	Kahelgaon -Ii	529.99	184.67	3.48
	Talcher	140.73	21.55	1.53
	Dadri	1246.60	730.46	5.86
8	**NTPC (New) BTPS**	2846.50	1,751.88	6.15
9	Pare HEP	169.92	90.90	5.35
10	Suryatap Solar	6.20	5.44	8.78
11	JNNSM Bundled- Solar power	8.96	11.49	12.83
12	SECI Solar	36.52	22.88	6.27
13	JNNSM Bundled- Coal power	26.97	10.59	3.93

Sl.	Agency/Source	Quantity (MU)	Total (Rs. Cr.)	Rate (Rs./kWh)
14	Bilateral Sources/Traders	286.97	206.35	7.19
15	Power Exchanges	621.80	616.90	5.07
16	OTPC Palatana	1,436.64	525.35	3.66
17	HHPCPL (Champawati)	7.89	3.24	4.11
18	Wind Power PTC	127.04	44.84	3.53
19	SECI Wind	142.96	39.08	2.73
20	Mangdechhu	577.92	261.93	4.53
21	PTC Nikachu	346.78	117.68	3.39
22	SPV Assam (Azure Power)	178.23	59.37	3.33
25	Amguri Solar Park	120.97	48.15	3.98
26	Patanjali Solar	0.49	0.16	3.33
	Sub-total::	**16,003.90**	**8,211.50**	**5.13**
30	UI Pool/Deviation Settlement Mechanism	61.50	38.06	6.19
	Sub-total::	**16.065.40**	**8,245.57**	**5.13**
35	AEGCL Transmission Charges incl. SLDC Ch.	-	713.9	
36	PGCIL Transmission Charges	-	653.63	
	TOTAL	**16,065.40**	**9,617.10**	**5.99**

Commission's Analysis

5.5.7 The Commission has accepted APDCL's submissions regarding projected energy availability from existing and new generating stations. The quantum of purchase from Power Exchanges has been revised based on the revised energy requirement.

5.5.8 The Commission has considered the rate of purchase from various sources based on the following approach:

a) Cost of power purchase from APGCL has been revised as proposed by APDCL due to hike in generation cost of the thermal stations of APGCL;

b) The Transmission Charges payable to AEGCL and SLDC Charges have been considered based on the Tariff approved for FY 2024-25;

c) The Commission has considered the fixed charges and energy charges considered by APDCL for CGS (NER and ER), as the same are based on H1 actuals;

d) The Commission has considered the actual fixed and variable cost in H1 of FY 2024-25 for other sources, for estimating power purchase cost for FY 2024-25;

e) The Commission has considered the balance quantum of purchase from Power Exchange to meet the total energy requirement of APDCL, as approved in the Energy Balance earlier in this Order. The Commission has considered average rate of actual power procured during H1 and estimated for H2 for estimating the cost of power procurement in the APR of FY 2024-25.

5.5.9 The source-wise power purchase quantum and costs provisionally approved by the Commission in the APR for FY 2024-25, is shown in the Table below:

Table 47: Power Purchase Quantum and Cost approved by the Commission for the FY 2024-25

Sl. No.	Agency/Source	Tariff Order			APDCL			Approved by the Commission		
		Quantum	Total Cost	Rate	Total Quantum	Total Cost	Rate	Total Quantum	Total Cost	Rate
		MU	Rs. Crore	Rs./kWh	MU	Rs. Crore	Rs./kWh	MU	Rs. Crore	Rs./kWh
1	**APGCL**	2109.39	1267.27	6.01	2,149.08	1,265.60	5.89	2,149.08	1,265.60	5.89
2	**NEEPCO (HYDRO)**									
	KOPILI I	565.51	119.76		389.20	84.07	2.16	389.20	84.07	2.16
	KOPILI II	57.60	12.53		53.32	13.10	2.46	53.32	13.10	2.46
	KHANDONG	141.73	28.35		-	0.08		-	0.08	
	RHEP	528.91	221.55	4.19	480.36	152.75	3.18	480.36	152.75	3.18
	DHEP	70.92	68.02	9.59	110.27	69.14	6.27	110.27	69.14	6.27
3	**NEEPCO (HYDRO) New**									
	KAMENG HEP	291.70	117.02	4.01	305.24	122.38	4.01	305.24	122.38	4.01
4	**NEEPCO (TH)**									
	AGBPP	946.02	727.85	7.69	860.80	589.87	6.85	860.80	589.87	6.85
	AGTPP	354.54	260.26	7.34	318.71	207.31	6.50	318.71	207.31	6.50
	AGTPP 2									
5	**NHPC Loktak HEP**	76.51	38.24	5.00	159.66	53.49	3.35	159.66	53.49	3.35
7	**NTPC (Existing)**									
	FARAKKA	243.16	129.93	5.34	248.99	109.34	4.39	248.99	109.34	4.39
	KAHELGAON - I	100.56	46.44	4.62	2,068.20	791.35	3.83	2,068.20	791.35	3.83
	KAHELGAON -II	501.36	207.74	4.14	529.99	184.67	3.48	529.99	184.67	3.48
	TALCHER	162.16	46.81	2.89	140.73	21.55	1.53	140.73	21.55	1.53

Sl. No.	Agency/Source	Tariff Order			APDCL			Approved by the Commission		
		Quantum	Total Cost	Rate	Total Quantum	Total Cost	Rate	Total Quantum	Total Cost	Rate
		MU	Rs. Crore	Rs./kWh	MU	Rs. Crore	Rs./kWh	MU	Rs. Crore	Rs./kWh
	Dadri	727.94	355.07		1,246.60	730.46	5.86	1,246.60	730.46	5.86
8	**NTPC (New) BTPS**	3020.80	1856.45	6.15	2,846.50	1,751.88	6.15	2,846.50	1,751.88	6.15
12	Pare HEP	187.31	105.07	5.61	169.92	90.90	5.35	169.92	90.90	5.35
13	Suryatap Solar	6.31	5.54	8.78	6.20	5.44	8.78	6.20	5.44	8.78
	Maheshwari MEPL Solar				9.08	2.90	3.19	9.08	2.90	3.19
15	JNNSM Bundled Solar power	6.52	8.60	13.20	8.96	11.49	12.83	8.96	11.49	12.83
16	SECI Solar	37.49	24.07	6.42	36.52	22.88	6.27	36.52	22.88	6.27
17	JNNSM Bundled Coal power	33.59	16.78	5.00	26.97	10.59	3.93	26.97	10.59	3.93
18	Bilateral Sources/Traders				286.97	206.35	7.19	286.97	206.35	7.19
19	Power Exchanges			4.64	621.80	319.95	5.15	621.80	319.95	5.15
20	OTPC Palatana	1588.83	547.01	3.44	1,436.64	525.35	3.66	1,436.64	525.35	3.66
21	HHPCPL (Champawati)	9.39	3.86	4.11	7.89	3.24	4.11	7.89	3.24	4.11
22	Wind Power PTC	115.79	40.87	3.53	127.04	44.84	3.53	127.04	44.84	3.53
23	SECI Wind	147.37	40.09	2.72	142.96	39.08	2.73	142.96	39.08	2.73
24	Mangdechhu	412.37	219.73	5.33	577.92	261.93	4.53	577.92	261.93	4.53
25	PTC Nikachu	491.71	166.82	3.39	346.78	117.68	3.39	346.78	117.68	3.39
26	SPV Assam (Azure Power)	160.79	53.98	3.36	169.15	56.47	3.34	169.15	56.47	3.34

Sl. No.	Agency/Source	Tariff Order			APDCL			Approved by the Commission		
		Quantum	Total Cost	Rate	Total Quantum	Total Cost	Rate	Total Quantum	Total Cost	Rate
		MU	Rs. Crore	Rs./kWh	MU	Rs. Crore	Rs./kWh	MU	Rs. Crore	Rs./kWh
29	Amguri Solar Park	118.77	47.28	3.98	120.97	48.15	3.98	120.97	48.15	3.98
	Patanjali Solar				0.49	0.16	3.33	0.49	0.16	3.33
	Neyveli UP PL	3084.50	1394.19	4.52	-	-				
30	Solar RE Power Purchase - balance to meet RPO				-	0.10		-	0.10	
	Sub-total::	**16,299.56**	**8,177.18**	**5.02**	**16,003.90**	**7,914.55**	**4.95**	**16,003.90**	**7,914.55**	**4.95**
35	UI Pool/Deviation Settlement Mechanism				61.50	38.06	6.19	61.50	38.06	6.19
	Sub-total::	**16,299.56**	**8,177.18**	**5.02**	**16,065.40**	**7,952.62**	**4.95**	**16,065.40**	**7,952.62**	**4.95**
37	AEGCL Transmission Charges		668.27			697.59			697.59	
38	SLDC Charges		15.04			16.31			16.31	
39	PGCIL Transmission Charges		702.03			653.63			653.63	
42	**Net Power Purchase**	**16,299.56**	**9,562.52**	**5.87**	**16,065.40**	**9,320.15**	**5.80**	**16,065.40**	**9,320.15**	**5.80**

Therefore, the Commission considers total Power Purchase Cost of Rs. 9320.15 Crore in the APR for FY 2024-25.

5.6 Operation and Maintenance (O&M) Expenses

5.6.1 The O&M expenses comprise Employee Expenses, R&M expenses, and A&G expenses. APDCL submitted the normative O&M expenses for FY 2024-25, as shown in the Table below:

Table 48: O&M Expenses projected for FY 2024-25 by APDCL (Rs. Crore)

Particulars	Tariff Order dt. 27.06.2024	APDCL
Employee expenses	1006.63	1017.77
R&M Expenses	323.71	306.05
A&G expenses	119.19	134.87
Total O&M Expenses	**1449.53**	**1458.70**

Employee Expenses

5.6.2 APDCL has adopted the following approach for estimating Employee Cost:

a) The employee expenses considered in the true-up for FY 2023-24 have been considered as base expenses for FY 2024-25;

b) CPI inflation has been computed as average increase of CPI index for the period from FY 2019-20 to FY 2023-24, which works out to 5.46% to arrive at the employee expenses for FY 2024-25;

c) Growth factor has been considered as 1%.

5.6.3 The Employee Cost as projected by APDCL for FY 2024-25 is shown in the table below.

Table 49: Employee Expenses projected for FY 2024-25 by APDCL (Rs. Crore)

Particulars	Tariff Order dt. 27.06.24	APDCL
Employee Expenses of Previous year	882.81	892.13
Growth Factor	1%	1%
CPI Inflation	5.32%	5.46%
Employee Expenses	**939.11**	**950.25**
Add: Provision	67.52	67.52
Total Employee Expenses	**1006.63**	**1017.77**

5.6.4 APDCL has projected the normative Employee expenses of Rs. 1017.77 Crore for FY 2024-25.

Repair and Maintenance (R&M) Expenses

5.6.5 APDCL has projected R&M expenses based on the MYT Regulations, 2021. APDCL has considered the 'K' factor as 3.10% and the WPI has been considered as 7.23%. APDCL has projected R&M expenses at Rs. 306.05 Crore for FY 2024-25 as shown in the Table below:

Table 50: R&M Expenses for FY 2024-25 as submitted by APDCL (Rs. Crore)

Particulars	Tariff Order dt. 27.06.2024	APDCL
Average GFA of previous year	9,737.65	9206.91
K factor	3.10%	3.10%
WPI inflation	7.23%	7.23%
R&M Expenses	**323.71**	**306.05**

Administrative and General (A&G) Expenses

5.6.6 APDCL has projected A&G expenditure based on the MYT Regulations, 2021. The Petitioner has considered WPI of 7.23% for FY 2024-25. APDCL has projected A&G expenditure at Rs.134.87 Crore for FY 2024-25 as shown in the Table below:

Table 51: A&G Expenses for FY 2024-25 as submitted by APDCL (Rs. Crore)

Particulars	Tariff Order dt. 27.06.24	APDCL
A&G Expenses for previous year	108.12	115.96
WPI inflation	7.23%	7.23%
Statutory Fees	3.25	10.53
A&G Expense	**119.19**	**134.87**

Commission's Analysis

5.6.7 The Commission has computed the normative O&M Expenses for FY 2024-25 as per the MYT Regulations, 2021. Any variation between normative O&M expenses and actual O&M Expenses shall be considered under sharing of gains and losses on account of controllable items as per the MYT Regulations, 2021 at the time of truing up for FY 2024-25.

Employee Expenses

5.6.8 For computation of employee expenses for FY 2024-25, the Commission has adopted the following approach:

a) The base employee expenses of Rs. 882.81 Crore approved in the true-up for FY 2023-24 has been escalated by average CPI escalation factor of 5.46% from FY 2021-22 to FY 2023-24 to derive the employee expenses for FY 2024-25;

b) The growth factor has been provisionally considered as 1%, however, this growth factor may be revised during the true up based on actual employee growth;

c) APDCL has actually incurred expense of Rs. 5.72 Crore against DCRG under NPS in FY 2024-25, till January 10, 2025. Hence, as per approach adopted in True up of FY 2023-24, only actual expenditure has been allowed, rather than the provisioning of Rs. 67.52 Crore claimed by APDCL.

5.6.9 Accordingly, the normative employee expenses approved in the APR for FY 2024-25 are shown in the following Table:

Table 52: Employee Expenses considered for FY 2024-25 (Rs. Crore)

Particulars	Tariff Order dt. 27.06.24	APDCL Petition	Approved after APR
Employee Expenses for Previous Year	882.81	892.13	882.81
Growth Factor	1%	1%	1%
CPI Inflation	5.32%	5.46%	5.46%
Employee Expenses	**939.11**	**950.25**	**940.28**
Add: Provision for DCRG under NPS	67.52	67.52	5.72
Total Employee Expenses	**1006.63**	**1017.77**	**946.00**

5.6.10 **Accordingly, the Commission approves Employee Expenses of Rs. 946.00 Crore in the APR for FY 2024-25**.

R&M Expenses

5.6.11 For computation of R&M Expenses for FY 2024-25, the Commission has considered the following approach:

a) The Commission has considered the average increase in WPI index of 7.23% from FY 2021-22 to FY 2023-24 for escalation of R&M expenses;
b) K-factor has been considered as 3.10% as approved in the Tariff Order;
c) Since, K-factor has been computed on the basis of average GFA, for working out R&M expenses for FY 2024-25, average GFA of previous year has been considered.

5.6.12 The normative R&M expenses approved for FY 2024-25 are shown in the following Table:

Table 53: Approved R&M Expenses for FY 2024-25 (Rs. Crore)

Particulars	Tariff Order dt. 27.06.24	APDCL Petition	Approved after APR
Average GFA for previous year	9,737.65	9206.91	9,611.05
K Factor	3.10%	3.10%	3.10%
WPI Inflation	7.23%	7.23%	7.23%
R&M Expenses	**323.71**	**306.05**	**319.47**

5.6.13 **Therefore, the Commission approves R&M Expenses of Rs. 319.47 Crore in the APR for FY 2024-25**.

A&G Expenses

5.6.14 For computation of A&G expenses for FY 2024-25, the Commission has adopted the following approach:

a) The net A&G expenses approved after Truing up for FY 2023-24 without considering the allowed statutory fees have been considered as base expenses for FY 2024-25;
b) Similar to R&M expenses, WPI inflation has been considered as 7.23%;
c) The statutory fees of Rs. 7.50 crore of FY 2024-25 have been considered as a separate pass-through item, and added to the normative A&G expenses computed for FY 2024-25 based on revised Commission's Fees.

5.6.15 The normative A&G expenses approved in the APR for FY 2024-25 are shown in the following Table:

Table 54: A&G Expenses considered for FY 2024-25 (Rs. Crore)

Particulars	Tariff Order dt. 27.06.24	APDCL Petition	Approved after APR
A&G Expenses for Previous Year	108.12	115.96	108.12
WPI Inflation	7.23%	7.23%	7.23%
Statutory Fees (pass through at actuals)	3.25	10.53	7.50
A&G Expenses	**119.19**	**134.87**	**123.44**

5.6.16 **Therefore, the Commission approves A&G Expenses of Rs. 123.44 Crore in the APR for FY 2024-25**.

5.7 Capital Investment and Financing of Capital Investment

5.7.1 APDCL submitted that it has estimated the capital expenditure and capitalisation in the APR for FY 2024-25 based on the estimates of the capital expenditure works carried out till date vis-à-vis sanction and budgetary allocation and pending Capital Works in Progress (CWIP).

5.7.2 APDCL has projected the capital expenditure and capitalisation for FY 2024-25 as Rs. 2206.83 Crore and Rs. 3478.70 Crore, respectively, as shown in the Table below:

Table 55: Proposed financing of Capitalization for FY 2024-25 (Rs. Crore)

Sl. No.	Particulars	Amount
A	Opening Balance of CWIP	7,654.81
B	Fresh CAPEX during the year	2,206.83
C	Investment capitalised out of opening CWIP	3,478.70
D	Investment capitalised out of fresh investment	
	Total Capitalisation during the year (C+D)	3,478.70
	Closing Balance of CWIP (A + B - C - D)	**6,382.95**
E	**Funding of Capitalisation**	**3478.70**
	Debt	247.63
	Equity	106.13
	Grant	3124.93

Commission's Analysis

5.7.3 In view of the very high capitalisation projected by APDCL, the Commission sought justification from APDCL for the same, in terms of capitalisation already achieved and preparedness for achieving the projected capitalisation. In reply, APDCL submitted that the capitalisation has been estimated based on the assessment of the status of various Schemes.

5.7.4 In the past, the Commission has observed that APDCL tends to estimate very high capitalisation for the year for which APR is being done, though the actual capitalisation achieved at the end of the year is much lesser. Hence, the Commission does not find it prudent to allow such high estimate of capitalisation and burden the consumers through higher ARR and Tariff.

5.7.5 The Commission has hence, analysed the actual capitalization achieved by APDCL in the past five years, i.e., FY 2019-20 to FY 2023-24, as shown in the Table below:

Table 56: Actual Capitalization for FY 2019-20 to FY 2023-24 (Rs. Crore)

Particulars	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Actual Capitalisation	1,343	2,158	505	735	877

5.7.6 As seen from the above Table, based on the actual capitalization of last five years, capitalisation was high at Rs. 2158.17 Crore in FY 2020-21, which reduced to Rs 505.32 Crore in FY 2021-22, and has increased slightly to Rs. 735.71 Crore in FY 2022-23 and Rs. 876.79 Crore in FY 2023-24. Hence, the Commission has considered capitalisation for FY 2024-25 based on average capitalisation for last 5 years, i.e., Rs 1,124 Crore, which has been rounded off to Rs. 1,150 Crore.

5.7.7 It is clarified that APDCL is at liberty to achieve capitalisation higher than the considered amount. The Commission will approve the actual Capitalisation at the time of truing up, subject to prudence check.

5.7.8 The Commission has considered funding of the Capitalization through Grant equal to 90% of GFA addition and Debt:Equity ratio in the normative ratio of 70:30 after deducting the amount of grant funding. The Capitalisation and funding of

Capitalisation approved by the Commission in the APR of FY 2024-25, is given in the Table below:

Table 57: Approved Capitalization and Funding for FY 2024-25 (Rs. Crore)

Particulars	Tariff Order dt. 27.06.24	APDCL Petition	Approved after APR
Grant	1043.48	3,124.93	1,035.00
Equity	-	106.13	34.50
Debt	86.52	247.64	80.50
Total Capitalisation	**1,130.00**	**3,478.70**	**1,150.00**

5.7.9 **Therefore, the Commission provisionally approves Capitalisation of Rs. 1,150 Crore in the APR for FY 2024-25**.

5.8 Depreciation

5.8.1 The Commission had approved depreciation of Rs. 67.37 Crore for FY 2024-25 in the Tariff Order dated 27th June 2024.

5.8.2 APDCL submitted that Depreciation has been claimed in accordance with the MYT Regulations, 2021, after apportionment of depreciation for assets created out of Consumer Contribution and Grants. APDCL added that fully depreciated assets have been excluded from the asset base for the purpose of calculating depreciation and rates of depreciation notified in the MYT Regulations, 2021 have been considered. Total amount of depreciation claimed by APDCL is Rs. 64.17 crore for FY 2024-25, as shown in the Table below:

Table 58: Depreciation calculation for FY 2024-25 as submitted by APDCL (Rs. Crore)

Particulars	As on 01.04.24	Net addition during the year	On OB	On Addition	Total
Land & Rights					
Land owned under full title	21.28	0.67	0.00	0.00	0.00
Leasehold land	2.84	0.00	0.08	0.00	0.08
SUB TOTAL	**24.12**	**0.67**	**0.08**	**0.00**	**0.08**

Particulars	As on 01.04.24	Net addition during the year	On OB	On Addition	Total
Building	64.31	1.59	1.13	0.02	1.15
Other Civil Works	78.57	1.78	1.74	0.03	1.77
Plant & Machinery	862.05	11.90	30.37	0.28	30.65
Lines & Cable Network	2870.03	330.44	110.32	7.85	118.18
Vehicles	21.60	0.34	0.62	0.01	0.63
Furniture & Fixtures	27.24	0.00	1.31	0.00	1.31
Office Equipment	106.48	7.04	4.65	0.20	4.85
SUB TOTAL	**4054.41**	**353.76**	**150.23**	**8.39**	**158.63**
Add: Consumers contribution deducted from service connection under O.H. lines & cable network	233.81	0.00	11.11	0.00	11.11
Add: Assets not belonging to the entity	5790.20	3124.93			
GRAND TOTAL	**10078.42**	**3478.70**	**161.34**	**8.39**	**169.74**

Table 59: Depreciation claimed by APDCL for FY 2024-25 (Rs. Crore)

Particulars	Non-depreciable Land	Depreciable	Non-depreciable	Total
Opening GFA	21.28	4,033.13	6024.01	10078.42
Opening CWIP		2,146.02	5508.793	7654.81
Grant		3,679.62	6760.603	10440.22
Depreciation charged		158.63		
Average rate		3.93%		
Apportioned GFA after adjustment of grant		1,631.44		
Apportioned depreciation claimed		**64.17**		

Commission's Analysis

5.8.3 For computation of depreciation, the Commission has considered the closing GFA for FY 2023-24 as approved in this Order, as the Opening GFA for FY 2024-25. The capitalisation approved for FY 2024-25 has been considered as asset addition during the year. The Commission has considered the scheduled depreciation rates as specified in MYT Regulations, 2021.

5.8.4 As per the MYT Regulations, 2021, the total depreciation during the life of the asset shall not exceed 90% of the original cost of GFA. The Commission has computed the depreciation separately for assets added under each asset head in each year. The Commission has disallowed the depreciation on assets where depreciation is in excess of 90% of the original cost of asset under different asset heads. The Commission has not considered depreciation on assets funded through grants in accordance with MYT Regulations, 2021.

5.8.5 In view of the above, the Commission has approved depreciation for FY 2024-25 as per MYT Regulations, 2021, as given in the Table below:

Table 60: Depreciation approved by the Commission for FY 2024-25 (Rs. Crore)

Sl. No.	Particulars	Opening GFA	Addition during the year	Rate of depreciation	Depreciation as per MYT Regulations, 2021
1	Land owned	21.28	0.22	0.00%	-
2	Leasehold Land	2.84		3.34%	0.09
3	Building	64.31	0.53	3.34%	2.16
4	Plant & Machinery	862.05	3.93	5.28%	34.30
5	Vehicle	27.24	0.11	5.28%	1.46
6	Furniture & Fixtures	21.60	-	6.33%	0.66
7	Office Equipment	77.50	2.33	6.33%	3.87
8	Other Civil Work	78.57	0.59	3.34%	2.64
9	Lines & Cable Network	2,870.03	109.24	5.28%	133.29
	Total	**4,025.43**	**116.95**		**178.47**
	Assets built through CC	**233.81**			101.75

Sl. No.	Particulars	Opening GFA	Addition during the year	Rate of depreciation	Depreciation as per MYT Regulations, 2021
10	**Assets not belonging to entity**	**5,790.20**	**1,033.05**		
11	**Net Total**	**10,049.44**	**1,150.00**		**76.71**

5.8.6 **Accordingly, the Commission considers depreciation of Rs. 76.71 Crore in the APR for FY 2024-25**.

5.9 Interest and Finance Charges

5.9.1 APDCL submitted that the interest and finance charges have been claimed in line with the approach followed in Tariff Orders with addition of bank charges and facilitation charges paid to aggregator for online payment by consumers in line with approval of the Commission.

5.9.2 APDCL submitted interest and finance charges for FY 2024-25 as shown in the Table below:

Table 61: Interest and Finance Charges as submitted by APDCL for FY 2024-25 (Rs. Crore)

Particulars	Tariff Order dt. 27.06.2024	APDCL
Opening normative loan	127.74	646.99
Addition of normative loan during the year	33.38	247.63
Normative Repayment during the year	67.37	64.17
Net Normative Closing Loan	93.75	830.46
Rate of Interest	8.80%	10%
Interest on Debt Capital	**9.74**	**83.05**

Commission's Analysis

5.9.3 Interest on loan for FY 2024-25 has been allowed on normative basis as per the MYT Regulations, 2021. Accordingly, the normative closing loan for FY 2023-24 of Rs.

101.87 Crore is considered as the normative loan outstanding as on April 1, 2024.

5.9.4 The addition to loan has been considered based on the funding of capitalisation as approved earlier. The loan repayment has been considered equivalent to depreciation approved for FY 2024-25 in this Order. The Commission has considered the Interest rate of 10%, i.e., same rate as approved in the true-up for FY 2023-24.

5.9.5 The interest on loan capital approved by the Commission in the APR for FY 2024-25 is shown in the following Table:

Table 62: Interest and Finance Charges as approved by the Commission for FY 2024-25 (Rs. Crore)

Sl. No.	Particulars	Tariff Order dt. 27.06.2024	APDCL Petition	Approved after APR
1	Opening Normative Loan	127.74	646.99	101.87
2	Loan Addition	33.38	247.63	80.50
3	Loan Repayment	67.37	64.17	76.71
4	Closing Normative Loan	93.75	830.45	105.66
5	Average Loan	110.75	738.72	103.77
6	Interest Rate	8.80%	10.00%	10.00%
7	**Interest Amount**	**9.74**	**83.05**	**10.38**

5.9.6 **Therefore, the Commission considers Interest on Loans of Rs. 10.38 Crore in the APR of FY 2024-25**.

5.10 Interest on Working Capital

5.10.1 APDCL has claimed Rs. 31.03 Crore on account of Interest on Working Capital in the APR for FY 2024-25 in accordance with the MYT Regulations, 2021, as shown in the Table below:

Table 63: Interest on Working Capital for FY 2024-25 (Rs Crore)

Particulars	Approved	Revised Estimate
O&M Expenses-One month	115.17	121.56

Particulars	Approved	Revised Estimate
2-month Receivables	1683.90	1688.44
Maintenance spares @ 15% of O&M Expenses	207.30	**218.80**
Less: One-month Power Purchase Cost	796.88	801.43
Less: Consumer Security Deposit	942.26	959.22
Total Working Capital	**267.23**	**268.16**
Rate of Interest on Working Capital	11.53%	11.57 %
Interest on Working Capital	**30.82**	**31.03**

Commission's Analysis

5.10.2 The Commission has computed the normative working capital requirement by considering considered normative O&M expenses for 1 month, maintenance spares equal to 15% of normative O&M expenses, receivables equal to 2 months of expected revenue from tariff, reduced by power purchase cost equivalent to 1 month net of power purchase expenses from the Power Exchange. The Commission has considered the CSD at the same level as approved in the truing up for FY 2024-25.

5.10.3 Hence, the Commission has computed the normative IoWC for FY 2024-25 in accordance with the MYT Regulations, 2021, as shown in the Table below:

Table 64: IoWC approved by the Commission for FY 2024-25 (Rs. Crore)

Particulars	Tariff Order dt. 27.06.2024	APDCL Petition	Approved after APR
O&M Expenses for one month	115.17	121.56	115.27
Maintenance spares @ 15% of O&M Expenses	207.30	218.80	207.48
2-month Receivables	1,683.90	1,688.44	1,794.57
Less: One-month Power Purchase Cost	796.88	801.43	750.02
Less: Consumer Security Deposit	942.26	959.22	1,012.30
Total Working Capital	**267.23**	**268.16**	**355.00**
Rate of Interest on WC	11.53%	11.57%	11.72%
Interest on Working Capital	**30.82**	**31.03**	**41.60**

5.10.4 **The Commission considers IoWC of Rs 41.60 Crore in the APR for FY 2024-25**.

5.11 Interest on Consumers' Security Deposit

5.11.1 APDCL submitted that with successful roll out of software facilitating automatic adjustment of interest on security deposit in energy bills, the liquidation of liability on such account has significantly increased. Considering the improving trend, APDCL requested the Commission to allow an amount of Rs. 62.22 Crore (as claimed in the true up for FY 2023-24).

Commission's Analysis

5.11.2 The Commission has considered the submission of APDCL for FY 2024-25. **The Commission approves Interest on CSD of Rs. 62.22 Crore in the APR for FY 2024-25**.

5.12 Other Debits

5.12.1 The Commission approved Rs. 12.42 Crore as 'Other Debits' in the MYT Order. APDCL submitted that due to improving revenue collection trend of arrears, APDCL has considered 50% of claim made under the true-up Petition for FY 2023-24, under the head of 'Other Debits'.

Commission's Analysis

5.12.2 The Commission notes that the other debits considered by APDCL is for provision for bad & doubtful debts. As stated in the truing up for FY 2024-25, the provisioning for bad and doubtful debts has exceeded the ceiling of 5% of receivables, hence, no further provisioning has been allowed in FY 2024-25.

5.12.3 **Therefore, the Commission allowed other debits including provision for bad & doubtful debts as Nil in the APR of FY 2024-25.**

5.13 Return on Equity

5.13.1 APDCL submitted that RoE for FY 2024-25 has been computed in line with methodology adopted by the Commission in its previous Orders. The Petitioner has claimed RoE at the base rate of 14%. However, APDCL requested the Commission to consider additional rates if actual capitalisation target is achieved at the time of Truing up.

5.13.2 The RoE projected by APDCL for FY 2024-25 is shown in the Table below:

Table 65: Return on Equity projected by APDCL for FY 2024-25 (Rs. Crore)

Particulars	Tariff Order dt. 27.06.2024	APDCL Projections
Opening Equity	1224.38	1,959.93
Net Addition during the Year		325.00
Closing Equity		2,284.93
Average Equity	1224.38	2122.43
GFA at the beginning of the year		10,078.41
Normative equity for RoE		3,023.52
Admissible Equity for RoE		2122.43
Rate of Return on Equity	14.00%	14.00%
Return on Equity	**171.41**	**297.14**

Commission's Analysis

5.13.3 The Commission has approved the Return on Equity in accordance with the MYT Regulations, 2021. The Commission has considered the closing equity of FY 2023-24 as trued up in this Order, as the opening equity for FY 2024-25.

5.13.4 The Commission notes that APDCL has shown Rs. 106.13 Crore of Capitalisation for FY 2024-25 to be funded by Equity. However, for claiming Return on Equity of APDCL for FY 2024-25, APDCL has considered equity addition of Rs. 325 Crore in. In response to the Commission's query, APDCL submitted that in FY 2024-25, the Government of Assam shall provide budgetary support to APDCL through Equity contribution. As a result, the proposed budgetary support from GoA has been considered as Equity only. The equity amount of Rs. 325 Crore is based on the average budgetary support under SOPD scheme from past financial years.

5.13.5 In this regard, the Commission reiterates that the Petitioner must abide by the applicable MYT Regulations when claiming Return on Equity. Simply claiming Equity addition because GoA is going to inject Equity/convert grant/loan into equity of the Petitioner is not compliant with MYT Regulations, 2021. The Commission allows

Equity Addition as per approved Funding for the Works capitalised. The Commission notes in this case, APDCL has projected Equity funding of only Rs. 106.13 Crore, against the Capitalisation projected for FY 2024-25.

5.13.6 Also, it should be noted that the capitalisation till date has been approved based on the typical funding of 90:10 Grant:Debt, with zero equity funding. The applicable MYT Regulations specify that the Debt:Equity funding of capitalisation is to be considered, after reducing the capital cost to the extent of funding from Grant/Consumer Contribution. Further, equity funding can be considered up to maximum of 30% of the balance capitalisation to be funded, irrespective of the actual equity invested by the Licensee.

5.13.7 The conversion of Grants to Equity by the GoA in FY 2024-25 has to accordingly be considered in accordance with the Commission's MYT Regulations, 2021. As shown in the Table below, considering maximum 30% equity funding, the maximum equity funding allowable works out to Rs. 1,180.21 Crore. As the Opening Equity of Rs. 1,224.28 Crore has already been allowed by the Commission till FY 2023-24, the additional equity that can be considered for tariff computation purposes in FY 2024-25, on account of conversion of Grants to Equity, thus, works out to Nil. Further, no conversion of loan to equity has been considered, as the maximum permissible equity has already been allowed, as shown in the Table below:

Table 66: Equity Addition allowed by the Commission due to Conversion of Grant to Equity in FY 2024-25 (Rs. Crore)

Sr. No.	Particulars	Approved in APR
1	Opening GFA	10,049.05
2	Average Grant towards GFA	9,402.95
3	Grants converted to Equity	3359.32
4	Net Grant towards GFA	6,043.63
5	Net GFA to be funded	4,005.42
6	Maximum Equity that can be considered	**1,201.63**
7	Equity already allowed	1224.38
8	**Equity that can be additionally allowed**	**-**

5.13.8 The Commission has accordingly considered equity addition in FY 2024-25 based on the funding of capitalisation as approved in earlier Section. The Commission has approved the RoE in accordance with MYT Regulations, 2021 at 14%, as shown in the Table below:

Table 67: Return on Equity approved by the Commission for FY 2024-25 (Rs. Crore)

Sl. No.	Particulars	MYT Order dt. 27.06.2024	APDCL Petition	Approved after APR
1	Opening Equity Balance	1224.38	1959.93	1224.38
2	Addition due to Capitalisation		325.00	34.50
4	Closing Equity Balance	1,224.38	2,284.93	1,258.88
5	Average Equity Balance	1,224.38	2,122.43	1,241.63
6	Rate of Return (%)	14.00%	14.00%	14.00%
7	**Return on Equity**	**171.41**	**297.14**	**173.83**

5.13.9 **Therefore, the Commission considers RoE of Rs. 173.83 Crore in the APR of FY 2024-25.**

5.14 Non-Tariff Income

5.14.1 APDCL submitted that the Non-Tariff Income (NTI) for FY 2024-25 has been projected by escalating various heads of actual NTI for FY 2023-24 by 5% except for the Delayed Payment Surcharge, which has been reduced considering the decline in arrears.

5.14.2 APDCL requested the Commission to approve NTI of Rs 330.02 Crore for FY 2024-25, as shown in the Table below:

Table 68: Non-Tariff Income as submitted by APDCL for FY 2024-25 (Rs. Crore)

Sl. No.	Particulars	Tariff Order dt. 27.06.2024	APDCL Petition
1	Rentals from Meters, Service Lines, Capacitors etc.	24.98	18.42
2	Income from recoveries on account of theft of energy/ Malpractices	-	0.01
3	Delayed payment charges from Consumers	278.54	213.33
4	Misc. recoveries	50.91	48.58
5	Rebate on prompt payment of Power purchase bills	-	10.13
5	Cross Subsidy surcharge on Open Access Consumer	3.83	5.78
6	Wheeling charges collected	2.59	1.13
7	Short Term Open Access (STOA) credit	22.29	24.66
8	Income on Reactive Power		0.00
9	Income From SCED	5.36	7.97
	Total	**388.51**	**330.02**

Commission's Analysis

5.14.3 The Commission has not considered rebate on Power Purchase bills, in line with the approach outlined in the true-up Chapter. The actual income under all other heads of NTI in FY 2023-24 except Delayed Payment Surcharge has been escalated by 5%, to estimate the NTI for FY 2024-25. The Delayed Payment Surcharge has been accepted as estimated by APDCL. This will be considered at actuals during the true-up for FY 2024-25.

5.14.4 The Non-Tariff Income considered by the Commission for FY 2024-25 is shown in the Table below:

Table 69: **Non-Tariff Income as approved by the Commission for FY 2024-25 (Rs. Crore)**

Sl. No.	Particulars	Tariff Order dt. 29.03.2023	APDCL Petition	Approved after APR
1	Meter Rent	24.98	18.42	18.43
2	Compensation charges for theft of energy/malpractices	-	0.01	0.01
3	Cross Subsidy surcharge on Open Access Consumers	3.83	5.78	5.78
4	Wheeling Charges collected	2.59	1.13	1.12
5	Short-term Open Access Credit	22.29	24.66	24.66
6	Rebate on PP bills		10.13	-
7	Miscellaneous Recoveries	50.91	48.58	48.58
8	Delayed payment charges	278.54	213.33	213.33
9	Income from SCED	5.36	7.97	7.97
	Grand Total	**388.51**	**330.02**	**319.88**

5.14.5 **Therefore, the Commission considers Non-Tariff Income of Rs. 319.88 Crore in the APR of FY 2024-25**.

5.15 Other Income

5.15.1 APDCL submitted that all heads of 'Other Income' are estimated on the basis of actuals for FY 2023- 24 (True up) except for the following:

a) Miscellaneous receipt is escalated by 5%;

b) Seasonal export is based on surplus energy estimate for FY 2024-25 level, at Rs. 656.60 Crore;

c) With high attrition ratio, receipt from Pension Trust is considered with 15% decline.

5.15.2 Accordingly, APDCL has estimated Other Income as Rs 855.59 Crore, as shown in the table below:

Table 70: Other Income as submitted by APDCL for FY 2024-25 (Rs. Crore)

Sl. No.	Particulars	Amount
1	Interest on loans to staff	0.00
2	Interest on HB advances to staff	0.00
3	Receipt from sale of LED bulb, Tubelight, Fan, etc.	0.00
4	Interest from banks and Investment	66.76
5	Gain on sale of fixed assets	0.00
6	Rent from residential buildings	1.09
7	Miscellaneous receipts	81.52
8	Income from Sale of Scrap	0.00
9	Receipt from Pension Trust	49.62
10	Income on seasonal Export of surplus power	656.60
	Total	**855.59**

Commission's Analysis

5.15.3 The Commission has projected the Other Income for FY 2024-25, by considering an increase of 5% over the Trued-Up Other Income during FY 2023-24 for rent of residential Buildings. The Interest on Fixed Deposits, Receipt of Pension Trust, Misc. Receipts has been considered as estimated by APDCL. The revenue from sale of surplus power/Trading has been considered based on estimated surplus quantum and considering the rate for sale of surplus power same as in FY 2023-24. The Commission has accepted APDCL's projection of a 15% decline in the receipt from the Pension Trust.

5.15.4 The Commission has approved Other Income in the APR for FY 2024-25 as shown in the Table below:

Table 71: Other Income as approved by the Commission for FY 2024-25 (Rs. Crore)

Particulars	Tariff Order	APDCL Petition	Approved after APR
Interest on fixed deposits	61.81	66.76	66.76
Income from Trading	1,347.72	656.60	733.01
Revenue from sale of LED's, Tubelight Fan etc.	0.05	-	-
Rent from residential buildings	0.42	1.09	1.14

Particulars	Tariff Order	APDCL Petition	Approved after APR
Receipt from Pension Trust	4.06	49.62	49.62
Miscellaneous receipts	40.91	81.52	81.52
Total	**1,454.97**	**855.61**	**932.06**

5.15.5 **Accordingly, the Commission has considered Other Income of Rs. 932.06 Crore in the APR for FY 2024-25**.

5.16 Revenue from Sale of Power

5.16.1 APDCL submitted that the Commission had approved amount of Rs. 10,647.19 Crore as revenue from retail consumers in the Tariff Order for FY 2024-25. The revenue from sale of electricity for FY 2024-25 has been considered based on actual tariff rate vis-à-vis consumer profile.

5.16.2 APDCL submitted that for the purposes of estimating the revenue from sale of electricity at existing tariff, APDCL has considered the full-cost tariff, without considering any targeted subsidy.

5.16.3 APDCL requested the Commission to allow an amount of Rs. 10130.64 Crore as revenue from sale of power in the APR for FY 2024-25.

Commission's Analysis

5.16.4 The Commission has estimated the Revenue from sale of electricity at existing tariff based on the tariff approved in the Tariff Order dated 27th June 2024, and the projected category-wise sales for FY 2024-25. The Commission has considered the full-cost tariff, without considering any Targeted Subsidy, for the purposes of estimating the revenue from sale of electricity at existing tariff. FPPPA has been considered as Nil, based on APDCL's submission that no FPPPA has been levied in FY 2024-25.

5.16.5 The Revenue from sale of electricity at existing tariff has been computed by the Commission as Rs. 10,767.45 Crore in the APR for FY 2024-25.

5.17 Power Purchase Subsidy from GoA

5.17.1 APDCL has considered an amount of Rs 200 Crore as power purchase subsidy for FY 2024-25 as budgeted by the State Government.

Commission's Analysis

5.17.2 The Commission has considered of Rs 200 Crore as power purchase subsidy for FY 2024-25 , based on the subsidy committed by GoA for the year.

5.18 Aggregate Revenue Requirement (ARR) and Revenue Gap/(Surplus)

5.18.1 Based on the submission in the above paragraphs, the Aggregate Revenue Requirement (ARR) and revenue deficit/(surplus) of the utility for FY 2024-25 vis-à-vis earlier approved figures is as shown below:

Table 72: ARR & Revenue Gap/(Surplus) submitted by APDCL for FY 2024-25 (Rs. Crore)

Sl. No.	Particulars	Tariff Order dt. 24.06.2024	APDCL Petition
1	Cost of power purchase	9562.52	9617.10
2	Operation & Maintenance Expenses	**1449.53**	**1458.70**
2.1	*Employee Cost*	*1006.63*	*1017.77*
2.2	*Repair & Maintenance*	*323.71*	*306.05*
2.3	*Administrative & General Expenses*	*119.19*	*134.87*
3	Depreciation	67.37	64.17
4	Interest and Finance Charge	9.74	83.05
5	Interest on Working Capital	30.82	31.03
6	Other Debits incl. Provision for Bad Debt	5.57	12.42
7	Interest on Consumer security deposit	65.95	62.22
9	**Sub total**	**11191.50**	**11328.67**
10	Return on Equity	171.41	297.14
11	**Total Expenditure**	**11362.91**	**11625.81**
12	Less: Non-Tariff Income	388.51	330.02
14	**Aggregate Revenue Requirement**	**10974.40**	**11295.79**

Sl. No.	Particulars	Tariff Order dt. 24.06.2024	APDCL Petition
14	Revenue with approved Tariff (including Targeted Subsidy)	10647.19	10130.64
15	Other Income (Consumer Related)	1454.96	855.59
16	Total Revenue Before Other Subsidy	**12102.15**	**10986.22**
17	**Other subsidy/Revenue Grant**		
	a. Tariff subsidy on Power purchase		200.00
18	**Total Revenue after subsidy**	**12102.15**	**11186.22**
19	**Revenue Gap/(Surplus) for FY 2024-25**	**(1127.75)**	**109.57**
20	**True up adjustment**		
	Revenue Gap/(Surplus) from True up for FY 2022-23	**1127.75**	-
21	**Gross Revenue Gap/(Surplus)**	**-**	**109.57**

Commission's Analysis

5.18.2 Considering the above heads of expense and revenue provisionally approved in the APR for FY 2024-25, the summary of ARR and Revenue Gap/(Surplus) approved by the Commission in the APR for FY 2024-25 is given in the Table below:

Table 73: ARR & Revenue Gap/(Surplus) considered by the Commission for FY 2024-25 (Rs. Crore)

Sl. No.	Particulars	Tariff Order dt. 24.06.2024	APDCL Petition	Approved after APR
1	Power Purchase Expenses	9,562.52	9617.10	9,320.15
2	O&M Expenses	1,449.53	1,458.70	1,388.91
a)	*Employee Expenses*	*1,006.63*	*1017.77*	*946.00*
b)	*R&M Expenses*	*323.71*	*306.05*	*319.47*
c)	*A&G Expenses*	*119.19*	*134.87*	*123.44*
3	Depreciation	67.37	64.17	76.71
4	Interest and Finance Charges	9.74	83.05	10.38
5	Interest on Working Capital	30.82	31.03	41.60
6	Interest on CSD	65.95	62.22	62.22

Sl. No.	Particulars	Tariff Order dt. 24.06.2024	APDCL Petition	Approved after APR
7	Return on Equity	171.41	297.14	173.83
8	Other Debits, incl. Provisioning for Bad Debts	5.57	12.42	-
	Total Expenditure	**11,362.91**	**11,625.81**	**11,073.79**
10	Less: Non-Tariff Income	388.51	330.02	319.88
11	Less: Other Income	1,454.96	855.59	932.06
12	**Aggregate Revenue Requirement**	**9,519.44**	**10,440.21**	**9,821.85**
13	Revenue Gap/(Surplus) with CC after True Up of FY 2022-23	1,127.75		**1,127.75**
14	**Net Revenue Requirement**	**10,647.20**	**10,440.21**	**10,949.60**
15	Revenue at Approved Tariff	10,647.20	10130.64	10,767.45
16	Other Subsidy / Support from State Government	-	200.00	200.00
17	**Total Revenue incl. subsidy**	**10,647.20**	**10,330.64**	**10,967.45**
18	**Revenue Gap/(Surplus)**	**0.00**	**109.58**	**(17.85)**

Accordingly, the Commission has arrived at a Revenue Surplus of Rs 17.85 Crore in the APR of FY 2024-25, as against the Revenue Gap of Rs. 109.58 Crore projected by APDCL. The same has not been adjusted in this Order, as this is only a provisional number. The Revenue Gap/(Surplus) after true-up for FY 2024-25 shall be adjusted in the ARR of FY 2026-27.

6 CAPITAL INVESTMENT PLAN OF APDCL FOR FY 2025-26 TO FY 2029-30

6.1 Capital Investment Plan of APDCL

6.1.1 APDCL submitted the Capital Investment Plan for the Control Period from FY 2025-26 to FY 2029-30 under different schemes for various works to be undertaken for improvement of the distribution network. The details of the schemes are as discussed below.

Ongoing Projects spilled over into MYT Control Period from FY 2025-26 to FY 2029-30

6.2 <u>Revamped Distribution Sector Scheme (RDSS)</u>

6.2.1 Ministry of Power, Govt. of India vide OM No. F. No. 20/9/2019-IPDS dated 20.07.2021 has launched the "Revamped Distribution Sector Scheme - A Reforms based and Results linked Scheme" with the objective of improving the quality and reliability of power supply to consumers through a financially sustainable and operationally efficient distribution Sector.

6.2.2 The Scheme seeks to improve the operational efficiencies and financial sustainability of all State owned DISCOMs by providing conditional financial assistance for strengthening of supply infrastructure. The assistance will be based on meeting pre-qualifying criteria as well as upon achievement of basic minimum benchmarks by the DISCOM evaluated on the basis of agreed evaluation framework tied to financial improvements. Implementation of the Scheme would be based on the action plan worked out for each State rather than a “one-size-fits-all”.

6.2.3 Scheme Objectives:

(i) Reduction of AT&C losses to pan-India levels of 12-15% by 2024-25.

(ii) Reduction of ACS-ARR gap to zero by 2024-25.

(iii) Developing Institutional Capabilities for modern DISCOMs

(iv) Improvement in the quality, reliability, and affordability of power supply to consumers through a financially sustainable and operationally efficient

Distribution Sector.

6.2.4 The Scheme comprises of the following two parts:

Part 'A' -- Financial support for upgradation of the Distribution Infrastructure and Prepaid Smart Metering and System Metering

Part 'B' -- Training & Capacity Building and other Enabling & Supporting Activities

6.2.5 In order to attain the key objective of loss reduction in electricity distribution, the Scheme envisages providing funding through Gross Budgetary Support for the installation of prepaid Smart Meters under TOTEX (CAPEX plus OPEX) pattern. Under the DBFOOT model, the AMI Service Provider (AMISP) will be responsible for installation to operation for 90 months and thereafter, transfer the assets to the utility. The utility will be required to pay per meter per month charges as per the terms of the agreement. As such, the assets will not be handed over to APDCL within this Control Period and GBS will be factorised by the AMISP to quote its charges, Hence, the budgetary support will not form a part of this Capital Investment Plan. However, on transfer of assets by AMISP, the residual value, if any, will be accounted for accordingly.

Status of RDSS

6.2.6 At present, the Smart Metering component of the RDSS is being implemented at Consumer level and System level (Feeder and Distribution Transformer). Further, under the Distribution Infrastructure works part, the loss reduction works have been implemented. The component-wise sanctioned parameters as well as present status of implementation is as under:

Table 74: RDSS Smart Metering Components (Rs Crore) - progress as on Oct 24

Activity	Scope	Installed	Progress (in %)	Completion timeline
Consumer Metering	63,64,798	22,54,300	35%	April 2026
DT Metering	77,547	36,368	47%	July 2025
Feeder Metering	2782	2,545	90%	Dec 2024

Table 75: RDSS Loss reduction work Components (Rs. Crore)

Targeted Interventions for Loss Reduction	Unit	Total	
		Parameter	Amount
Replacement of LT bare conductor with LT AB Cable	ckm	13,496.75	935.15
Bifurcation of Feeders	ckm	1,935.39	378.77
Addition of new 33 kV feeders	ckm	121	44.36
Replacement of Conductors, which are old/ frayed	ckm	1,518.00	309.38
Implementation of HVDS			
- HT Line	ckm	5,462.29	575.87
- 100 KVA	No.	1,588	115.09
- 63 KVA	No.	2,344	115.14
- 25 KVA	No.	970	35.78
HVDS Sub-total			841.88
IT/OT (ERP upgradation)			61.00
Total Outlay for Loss Reduction Works			**2570.54**

Table 76: RDSS Loss reduction work Components - progress as on Oct 24

Targeted Interventions for Loss Reduction	Physical Progress (%)	Completion timeline
TYPE: LT Level works Replacement of LT bare conductor with LT AB Cable	94%	March 2025
TYPE: HT Level works - Bifurcation of Feeders - HVDS implementation - Replacement of Conductors, which are old/ frayed - Addition of new 33 kV feeders	30%	March 2026
TYPE: IT/OT works **-** ERP upgradation	100%	Completed

6.3 Distribution System Enhancement and Loss Reduction Project (DSELR)

6.3.1 This is an externally aided project funded from Asian Infrastructure Investment Bank (AIIB) with the following broad objectives:

- To provide quality and reliable power supply
- Strengthening & enhancing Power transformation, sub-transmission & distribution system

- loss reduction with installation of High Voltage Distribution System (HVDS) in remote areas of the State.

6.3.2 Major benefits of the scheme are outlined below:

- Sustainable Development
- Reduction of Loss in Distribution Network
- Enhance the transformation capacity
- Enhance the Sub-transmission and Distribution Network The funds for the projects under the TDF 2011-14 are received from the Government of Assam.

6.3.3 The component wise details of are shown below:

Project components:

- New 33/11 kV Sub-station- 196 Nos. (Total Capacity 1765 MVA)
- New 33 kV Sub-transmission line- 2605 ckm
- New 11 kV Distribution line- 3018 ckm
- High Voltage Dist. System (HVDS) at - 1140 locations
- Project Management Consultancy (PMC)

6.3.4 Status of DSELR Project

The component-wise scope of works and the present status of progress is shown below:

Table 77: Component wise Project Cost AIIB and progress as on Oct 24

Project Components	Scope	Amount (Rs. Crore)	Progress (%)	Completion timeline
1) Cost for New 33/11 kV Sub-station	New DSS:196 nos. New 33 kV lines:2237 ckm New 11 kV lines: 2235 ckm	2024.06	63%	October 2025
2) HVDS (DTRs & 11 KV Lines)	New DTs: 3521 nos. New 11 kV lines: 1866 ckm	668	47%	October 2025
3) Smart Metering (at DTR & Consumer Level)	Total consumers 1.86 Lakh	308.21	31%	May 2025

Project Components	Scope	Amount (Rs. Crore)	Progress (%)	Completion timeline
4) Project Management Consultancy, Capacity Building, Contingencies etc.	PMA activities	283.77		Till project closure
Total		**3284.04**		

New Projects under the MYT Regulations, 2024 regime:

6.4 RDSS- 2nd phase (System Augmentation and Modernisation works)

6.4.1 The Action Plan and DPRs for both Loss reduction as well as System Augmentation and Modernisation works were submitted to Ministry of Power, Govt. of India with approval from State DRC and State Cabinet on 24.12.2021.

6.4.2 The Distribution Infrastructure works under RDSS consist of two separate DPRs, one for loss reduction works and the other one for System Augmentation and Modernisation works. The scheme Guidelines stipulate sanction and subsequent implementation of the loss reduction works at first. The sanction of the second DPR is contingent on APDCL becoming eligible in the first year of annual evaluation (FY 2021-22) to be carried out in the subsequent year.

6.4.3 APDCL was found compliant with all the pre-qualification criteria and secured minimum benchmark score to become eligible under annual evaluation for FY 2021 -22 on 24.03.2023. APDCL also became eligible for approval and sanction of the second DPR.

6.4.4 In a bid to assist the State utilities to plan and prepare the Modernisation DPR in a holistic manner, Ministry of Power circulated guiding principles for preparation of DPR for Modernisation works under RDSS on 05.06.2023.

6.4.5 Needful changes in perspective have been incorporated in the DPR to align it with the objectives and recommendations of the guiding document. Additionally, new initiatives have also been accounted for in the DPR.

6.4.6 The revised second phase DPR for Modernisation works was recommended by State DRC and submitted to Nodal Agency for perusal. The capital investments required for the works under Modernisation DPR will be covered with expected funding under

RDSS

6.4.7 The key interventions planned under Modernisation DPR along with estimated outlay is outlined below:

Table 78: RDSS 2nd phase (Modernisation works) components

Sr. No.	Particulars	UoM	Total Estimated outlay	
			Parameter	**Amount (Rs. Crore)**
1	Sub-station level works			
a)	New 33/11 kV substations with terminal equipment	No. of DSS	15	292.56
b)	R&M of existing 33/11 kV substations for improvement in reliability and efficiency	No. of DSS	355	340.95
c_	Addition of Power Transformers (PTR)	Nos.	33	132.61
d)	Augmentation of Power Transformers (PTR)	Nos.	149	239.62
			Sub-Total (A)	**1,005.74**
2	HT Feeder level works			
a)	New 33 kV feeders along with Terminal equipment	ckm	503.56	225.69
b)	New 11 kV feeders along with Terminal equipment	ckm	467.9	124.19
c)	Bifurcation of lengthy 11kV feeders	ckm	775.22	138.24
dj_	Replacement of old conductors: 33 kV feeders	ckm	3008.6	542.74
e)	Replacement of old conductors: 11 kV feeders	ckm	4712.94	656.72
			Sub-Total (B)	**1,687.58**
3	Distribution Transformer (DT) level works			
a)	New DT addition	Nos.	3607	209.72
b)	DT Augmentation	Nos.	2872	215.82
c)	11kV line addition	ckm	2386.9	298.6
dj_	LT line addition	ckm	1319	111.99
			Sub-Total (C)	**836.13**
4	LT Level works			
a)	Replacement of LT bare conductor with LT AB Cable	ckm	2318.58	165.41
			Sub-Total (D)	**165.41**

Sr. No.	Particulars	UoM	Total Estimated outlay	
5	SCADA/DMS implementation			
a)	SCADA/DMS implementation in Group-A towns of APDCL (Nagaon, Silchar, Jorhat, Dibrugarh and Tinsukia)	No. of towns	5	136.41
b)	Network requirements to design Ring main system (RMS) for SCADA/DMS towns	ckm	10	1 .68
			Sub-Total (E)	**138.09**
6	GIS based mapping of electrical Network of APDCL			
	GIS based Asset mapping including consumer indexing and network analysis	Job	across Assam (except Guwahati City)	373.95
			Sub-Total (F)	**373.95**
	Total Project Cost: Sub-Total (A+B+C+D+E+F)			**4,206.90**

6.5 Electrification of Additional Households under RDSS

6.5.1 The Ministry of Power, in its commitment to achieve 100% universal household electrification across the country, has subsumed all the forthcoming electrification schemes under the ongoing RDSS.

6.5.2 The DPR has been prepared in alignment with the approved norms under RDSS for electrification of HHs under PE and UE habitations.

6.5.3 The DPR has already been approved and sanctioned by the Ministry of Power. APDCL is in the process of rolling out of the scheme with expected completion period of March 2026.

6.5.4 The capital investments required for the HH electrification works will be covered with expected funding under RDSS.

6.5.5 The sanctioned parameters and outlay are outlined below:

Table 79: Electrification of Additional HH under RDSS

Sl. No.	Parameters/Description	Unit	As approved by MoP		Total
			UE habitation	PE habitation	
1	No. of Habitations	Nos.	2677	1976	4653
2	No. of Households	Nos.	97,982	29,129	127,11
3	Smart Meter Cost	Rs. Crore	90	26.78	116.77
3	Total DPR cost	Rs. Crore	744.76	145.21	889.96
4	Total DPR cost incl. PMA cost	Rs. Crore			903.31
5	Eligible cost as per RDSS norms	Rs. Crore	655.13	118.8	773.93

6.6 Smart Distribution under RDSS: Development of Power Distribution system of Guwahati City

6.6.1 Ministry of Power has envisioned the concept of "Smart Distribution” as a robust electric network equipped with automation, communication & IT system enabling two-way flow of electricity and data to ensure reliable and quality power supply to the electricity consumers.

6.6.2 Being one of the smart cities as well as fastest growing economy in the northeastern region of the country, Guwahati City has been identified by the Ministry under this initiative and shall be taken up for implementation of "Smart Distribution” projects under RDSS.

6.6.3 The peak energy demand and energy requirements growth of the city has been exponential in comparison with the demand profile of the overall DISCOM. This calls for explicit planning to augment and modernise the Guwahati city network to meet the load growth.

6.6.4 Infusion of modern IT-OT technologies like GIS based Asset mapping, SCADA/DMS/OMS implementation, etc., along with the required electrical infrastructure addition/augmentation have been considered under the DPR.

6.6.5 The DPR for Smart Distribution works has already been submitted to Nodal Agency for perusal and required sanction. The capital investments required for the works under

Smart Distribution DPR will be covered with expected funding under RDSS.

6.6.6 Key interventions along with financial outlay of the scheme is as under:

Table 80: Part A: Implementation of Smart Distribution Technologies in Guwahati City

Sl. No.	Activity	Estimated Cost (in Rs. Crore)
1	Implementation of SCADA/DMS	143.61
2	GIS based Asset Mapping	13.84
3	Distribution Modernization (New S/S and 33 KV Lines)	138.5
4	Pilot Projects (DT Health Monitoring, Drone Based Asset Management, P2P Energy Trading, IoT based HV Switchgear Monitoring, Demand Response, Network Planning Tool)	20.03
5	PMA Charges	4.74
	Sub-Total [1]	**320.73**

Table 81: Part B: Development of Power Distribution network of Guwahati City to enable Smart Distribution technologies

Sl No.	Activities	Quantity	Estimate (in Rs. Crore)
A	Sub-station capacity upgradation		
1	New PTR Addition and associated works	5 MVA: 1 no. 10 MVA: 4 nos.	19.70
2	Existing PTR Augmentation and associated works	5 MVA: 1 no. 10 MVA: 15 nos.	24.24
	Sub-Total (A)		**43.94**
B	HT Feeder Level works (New as well as augmentation)		
1	New 11 KV Lines (with associated terminal equipment)	60.66 ckm	21.93
2	Augmentation of existing 33kV feeders	114.70 ckm	37.60
3	Augmentation of existing 11kV feeders	154.04 ckm	23.47
	Sub-Total (B)		**83.00**
C	Distribution Transformer (DT) Level works		
1	New DT Addition Capacity considered: (25/63/100/250/400/500) kVA	11kV line: 84.09 ckm LT line: 81 ckm DTs: 254	44.26

Sl No.	Activities	Quantity	Estimate (in Rs. Crore)
2	Existing DT Augmentation Capacity considered: (63/100/250/400/500) kVA	DTs: 167	24.98
	Sub-Total (C)		**69.24**
D	Cabling Works (both at LT & HT level)		
1	Conversion of existing LT network to Aerial Bunched Cable	3ph: 89.85 ckM 1 ph: 14.60 ckm	10.14
2	Reconductoring of HT feeders with Covered Conductor (MVCC)	33 kV: 33 ckM 11 kV: 152.55 ckm	54.38
	Sub-Total (D)		**64.52**
E	Renovation & Modernization of existing 33/11 kV Substations	DSS covered: 37	50.62
	Sub-Total (E)		50.62
F	**Aggregate Sub-Total (A+B+C+D+E)**		**311.32**
G	PMA Costs (1.5% on F) - Consulting and Procurement Cost		4.67
	Project Cost (F+G)=Sub-Total [2]		**316.00**
	Grand Total= Sub-Total [1+2]		**636.73**

6.7 State Own Priority Development (SOPD) Scheme

6.7.1 The State Government approves some projects out of its State budget for power sector primarily to address State specific needs not covered under various Centrally sponsored schemes. The allocation and works varies from year to year. However, for the purpose of estimation, budgetary allocation for FY 2024-25 has been taken as a benchmark for all the years of the Control Period.

6.7.2 The details of year-wise proposed investment are as follows:

Table 82: Capital Expenditure for SOPD

Name of the Scheme	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
State Owned Priority Development (SOPD)	325	325	325	325	325

6.8 Mukhya Mantri Sauro Shakti Prokolpo (MMSSP scheme)

6.8.1 The Assam Renewable Energy Policy, 2022 envisages to harness the renewable energy potential of the State of Assam to expand the RE generation capacity by deployment of resources provisioned under various State and Central Schemes, policies and programmes. The Policy has designated APDCL as the SPPD for implementation of the policy.

6.8.2 In resonance with the energy transition goals of the country, the Policy refers to the MMSSP scheme for installing 1000 MW of RE capacity in free unused government lands to augment power generation capacity of the State.

6.8.3 The Hon'ble State Cabinet of Government of Assam has approved the project for "Implementation of 1000 MW Solar Power Plant in the State under Mukhya Mantri Sauro Shakti Prokolpo" on EPC mode by APDCL with an estimated outlay of Rs. 4000 Crore. To support the implementation of this large scale RE project, the Petitioner has secured financial assistance to the tune of 80% from ADB. For the remaining 20% share, the State Cabinet has accorded in-principle approval for the State counter-part funding.

6.8.4 The loan agreement provides that the 80% loan component shall be made available to the Petitioner under Subsidiary Financing arrangements wherein the State shall provide 90% of the proceeds of the loan as grant to the Petitioner and remaining 10% as equity contribution of the State. This has effectively resulted into a grant-equity ratio of 72:28.

6.8.5 The project shall consist of detailed design, construction, testing and commissioning of the 1000 MWp (750 MW_{AC}) grid-connected Solar photovoltaic (PV) Plant in Lahorijan area of Karbi Anglong district of Assam. Further, another 250 MW component is to be implemented in public–private partnership (PPP) mode.

6.8.6 The Petitioner has been authorized as the implementing agency and entrusted with conducting the procurement and other activities necessitated for implementation of the project observing all applicable norms.

6.8.7 APDCL has initiated the procurement process in a phased manner. Presently, bids are invited for 2 solar packages (2 lots of 125 MW each). The Solar Power Plant is expected to be commissioned by December 2026.

The Project components are depicted below:

Table 83: MMSSP project components

Sr. No.	Item	Total Cost (in USD million)
A	Investment Costs	
	Solar PV (500 MW sovereign)	316.51
	Solar PV (250 MW PPP)	157.71
	Battery Energy Storage System	30.00
	Distribution system strengthening	10.60
	PMC support	5.31
	Sub-total (A)	**520.13**
B	Other Costs	
	Environment and social mitigation	30.28
	Land	16.14
	Sub-total (B)	**46.42**
C	Contingencies (physical and price)	72.43
	Sub-total (C)	**72.43**
D	Financing charges during implementation	
	IDC	32.97
	Commitment fees	0.73
	Sub-total (D)	**33.70**
	Total Project Cost (A+B+C+D)	**672.67#**

Considering an exchange rate of ₹82.83 = $1.00 (as of 3 June 2024) the estimated project cost is arrived at Rs. 5571 crore.

6.9 Renewable Energy Powered BESS

6.9.1 APDCL has envisaged the implementation of BESS to improve its ability to meet the peak power demand and reduce market dependencies. The proposed storage facility shall be charged using the electricity generated from the 750 MW Solar Power Plant, to be commissioned under MMSSP scheme.

6.9.2 Initially, the Petitioner shall develop a 25 MW (100 MWh) grid-connected BESS facility at the site location of one of the existing 400/220/132 kV grid sub-stations of AEGCL near Guwahati.

6.9.3 APDCL has formed a Joint Venture Company (JVC) with OTPC Ltd. to deliver the BESS project. The project shall be executed on a pilot basis and the learnings and experiences garnered from this project shall serve as a basis for decisions regarding any future capacity addition and augmentation of BESS projects to be taken up by the

JVC.

6.9.4 APDCL has initiated the procurement activities inviting bids for 25 MW BESS capacity with 100 MWh of storage. The BESS project is expected to be commissioned by December 2026.

6.9.5 The Project components are depicted below:

Table 84: BESS project components

Sr. No.	Item	Total Cost (in Rs. crore)
1	Battery Modules	180.00
2	Thermal Management System	12.50
3	Cabling and Interconnection	0.50
4	Fire Suppression System	0.25
5	Monitoring and Control System	1.00
7	Rack System	1.25
8	Installation and Commissioning	0.75
	Total Project Cost (A+B+C+D)	**196.25#**

The project cost is worked out for estimation purpose only. Actual project cost may vary depending on the discovered rates through the ongoing procurement process.

6.9.6 APDCL's participation in the JVC is limited to infusing 49% of the equity component of the project cost required for financing the project. As the project is in the initial stage of procurement, the projected equity contribution by the Petitioner has been worked on normative basis. Accordingly, the Petitioner shall provide equity contribution to the tune of Rs. 28.85 crore for financing the project.

6.10 Underground Cabling (UG) of Power Distribution network of Guwahati City

6.10.1 The perpetual increase in power demand and lack of commensurate upgradation of the distribution infrastructure has made the network amenable to following vulnerabilities:

(1) **Acute space constraints:** The existing network is operating in severe constraints and demands urgent augmentation of the power transformation capacities. However, land availability remains as a critical challenge for which adequate infrastructure could be placed at the potential load centers.

(2) **Frequent O&M requirements**: A major part of the existing network is continuing operation in overloaded conditions, resulting into frequent wear and tear. This has adversely impacted the reliability in operations as well as consumer service standards, reflected by high SAIDI and SAIFI.

(3) **Safety concerns:** The existing overhead power distribution network poses several concerns related to public safety. As a major part of the network is operated as composite lines in densely populated areas, sometimes the minimum required electrical clearances are not available. Under such scenario, the bare conductors, which are susceptible to outages, are hazardous to public lives, livestock, etc.

(4) **Disaster resilient infrastructure:** Urban flooding has been one of the perennial problems of Guwahati City. With the onset of seasonal monsoon, the city experiences heavy flooding wherein the critical electrical installations are submerged. Likewise, every year, the strong wind and gusts account for extensive damage of the electrical infrastructure of the city. Such incidents lead to a substantial recurring cost to APDCL, besides the prolonged outages faced by the consumers.

6.10.2 Careful assessment of the reasons above and keeping in view the reliability, safety and operational constraints factors, APDCL has envisaged to convert its existing overhead network (33 kV,11 kV and LT) to underground cabling network in the greater Guwahati city as a prudent long-term solution to address the power availability and reliability issues of the city.

6.10.3 The Petitioner has been conducting the Techno-economic feasibility study of network for conversion from OH to UG. Presently, the DPR is being prepared and stakeholder's inputs are being taken.

6.10.4 The Project is planned to be executed in a phased manner covering the areas of the city having important installations and higher footfall on a priority basis.

6.10.5 The tentative scope and outlay of the project is discussed as under:

Table 85: Scope and outlay for Priority-1 area

Sl. No.	Parameters	Unit	Qty	Outlay (Rs. Crore)
1	Laying of 33 kV Underground Armoured Cable	Ckt. Km	391	1816.24
2	Laying of 11kV Underground Armoured Cable	Ckt. Km	470	
3	Conversion of L.T. Overhead Lines into Underground Lines	Ckt. Km	410	

Table 86: Scope and outlay for Priority-2 area

Sl. No.	Parameters	Unit	Qty	Outlay (Rs. Crore)
1	Laying of 33 kV Underground Armoured Cable	Ckt. Km	549	2091.76
2	Laying of 11kV Underground Armoured Cable	Ckt. Km	1468	
3	Conversion of L.T. Overhead Lines into Underground Lines	Ckt. Km	1240	

6.10.6 **Thus the Petitioner has submitted that total Project Cost* (Priority-1 + Priority-2) shall be Rs. 3908 Crore.**

** The financial outlay is tentative in nature. Actual project cost can be ascertained after finalization of the Detailed Project Cost.*

6.11 Summary of the Capital Investment Plan

6.11.1 In view of the afore-mentioned scheme-wise details, the capital investment plan proposed for the Control Period from FY 2025-26 to FY 2029-30 is summarised as below:

Table 87: Capital Investment Plan from FY 2025-26 to FY 2029-30 (Rs. Crore)

Name of the scheme	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
State Owned Priority Development (SOPD)	325	325	325	325	325
Revamped Distribution Sector Scheme: Phase-1 (Loss Reduction Component)	1,247.65	-	-	-	-

Name of the scheme	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Distribution System Enhancement and Loss Reduction	556	381	-	-	-
Revamped Distribution Sector Scheme: Phase-2 (Modernization Component)	66.25	2,300.55	1,793.86	83.71	25.6
Revamped Distribution Sector Scheme: Electrification of additional households in UE and PE habitations	903.11	-	-	-	-
Implementation of Smart Distribution in Guwahati city	224.77	223.03	154.4	29.41	7.18
Mukhya Mantri Sauro Shakti Prokolpo- Assam Solar Project: 1000 MWp (750 MW AC) Solar Power Plant in Assam	1,671.52	3,900.21	-	-	-
25 MW (100 MWh) of grid-connected Battery Energy Storage and associated infrastructure	8.65	20.19	-	-	-
Implementation of UG Cabling of the power distribution network of greater Guwahati City	-	195.4	1,620.84	195.4	1,090.65
Total	**5,002.95**	**7,345.39**	**3,894.10**	**633.53**	**1,448.43**

6.11.2 The funding pattern for the proposed capital investment plan for the Control Period from FY 2025-26 to FY 2029-30 is summarised as below.

Table 88: Funding Pattern for Capital Investment Plan for FY 2025-26 & FY 2026-27

(Rs. Crore)

Name of the Scheme	FY 2025-26			FY 2026-27		
	Debt	Equity	Grant	Debt	Equity	Grant
State Owned Priority Development (SOPD)	227.5	97.5	-	227.5	97.5	-
Revamped Distribution Sector Scheme: Phase-1 (Loss Reduction Component)	-	-	1,247.65	-	-	-
Distribution System Enhancement and Loss Reduction	-	-	556	-	-	381
Revamped Distribution Sector Scheme: Phase-2 (Modernization Component)	-	11.17	55.08	-	387.97	1,912.58
Revamped Distribution Sector Scheme: Electrification of additional households in UE and PE habitations	-	129.17	773.93	-	-	-

Name of the Scheme	FY 2025-26			FY 2026-27		
	Debt	Equity	Grant	Debt	Equity	Grant
Implementation of Smart Distribution in Guwahati city	-	37.91	186.86	-	37.61	185.42
Mukhya Mantri Sauro Shakti Prokolpo- Assam Solar Project: 1000 MWp (750 MW AC) Solar Power Plant in Assam	-	468.03	1,203.49	-	1,092.06	2,808.15
25 MW (100 MWh) of grid- connected Battery Energy Storage and associated infrastructure	-	8.65	-	-	20.19	-
Implementation of UG Cabling of the power distribution network of greater Guwahati City	-	-	-	-	39.08	156.32
Total	**227.5**	**752.43**	**4,023.01**	**227.5**	**1,674.42**	**5,443.47**

Table 89: Funding Pattern for Capital Investment Plan for FY 2027-28 to FY 2029-30 (Rs. Crore)

Name of the Scheme	FY 2027-28			FY 2028-29			FY 2029-30		
	Debt	Equity	Grant	Debt	Equity	Grant	Debt	Equity	Grant
State Owned Priority Development (SOPD)	227.5	97.5	-	227.5	97.5	-	227.5	97.5	-
Revamped Distribution Sector Scheme: Phase-1 (Loss Reduction Component)	-	-	-	-	-	-	-	-	-
Distribution System Enhancement and Loss Reduction	-	-	-	-	-	-	-	-	-
Revamped Distribution Sector Scheme: Phase-2 (Modernization Component)	-	302.52	1,491.34	-	14.12	69.59	-	4.32	21.28
Revamped Distribution Sector Scheme: Electrification of additional households in UE and PE habitations	-	-	-	-	-	-	-	-	-
Implementation of Smart Distribution in Guwahati city	-	26.04	128.36	-	4.96	24.45	-	1.21	5.97
Mukhya Mantri Sauro Shakti Prokolpo- Assam Solar Project: 1000 MWp (750 MW AC) Solar Power Plant in Assam	-	-	-	-	-	-	-	-	-
25 MW (100 MWh) of grid- connected Battery Energy Storage and associated infrastructure	-	-	-	-	-	-	-	-	-
Implementation of UG Cabling of the power distribution network of greater Guwahati City	-	324.17	1,296.67	-	39.08	156.32	-	218.13	872.52
Total	**227.5**	**750.23**	**2,916.37**	**227.5**	**155.66**	**250.37**	**227.5**	**321.16**	**899.77**

6.12 Capital Investment Plan approved by the Commission for FY 2025-26 to FY 2029-30

6.12.1 APDCL has submitted that some of the proposed Schemes, namely, State-owned Priority Development, RDSS Phase 1, Distribution System Enhancement and Loss Reduction have been approved by the competent authorities, and they are spill over projects from previous Control Period. Since, the projects under SOPD are subject to budgetary allocation from the State Government for different years, the Petitioner submitted that approval will be available only on the year of allocation. The Petitioner for new Control Period has stated that it has proposed Major Scheme of

i. RDSS Phase 2,

ii. RDSS (Electrification of additional Households in UE and PE habitations),

iii. RDSS: Implementation of Smart Distribution in Guwahati city,

iv. Mukhya Mantri Sauro Shakti Prokolpo - Assam Solar Project: 1000 MWp (750 MW AC) Solar Power Plant in Assam,

v. 25 MW (100 MWh) of grid- connected BESS and associated infrastructure,

vi. Implementation of UG Cabling of the power distribution network of greater Guwahati City

6.12.2 APDCL, in response to the Commission's query, submitted Scheme Approval letter of RDSS - Phase 2, and RDSS: Electrification of additional Households in UE and PE habitations). APDCL stated the scheme of 'RDSS: Implementation of Smart Distribution in Guwahati city' is awaiting approval from the Monitoring Committee.

6.12.3 As regards Mukhya Mantri Sauro Shakti Prokolpo- Assam Solar Project: 1000 MWp (750 MW AC) Solar Power Plant in Assam, APDCL submitted that it intends to set up its own Solar Generation Capacity. From the proposed 1000 MW installed capacity, 500 MW is proposed to be EPC (Capex Mode) for which APDCL has proposed to determine tariff under Section 62 of EA 2023.

6.12.4 For the remaining 250 MW, APDCL shall resort to the PPP model for which APDCL will enter into PPA with the developer for purchase of generated power.

6.12.5 The Commission has assessed the detailed proposal of APDCL in this regard.

The Commission notes that the estimated Capital Cost of Rs 11 Cr per MW of the proposed Solar Plant is high. As such, APDCL is directed to duly analyse the per MW cost of the scheme according to the SOR issued along with the CERC RE Tariff Regulations, 2024. Further, this being an own generation scheme planned by APDCL, the same cannot be claimed under Capex, and APDCL has to approach the Commission for approval of capital cost and tariff determination of the 500 MW Project under Section 62 of the EA 2003. APDCL should ensure that the final tariff worked out for the own generation component is competitive vis-à-vis the tariff discovered for similar projects through competitive bidding.

For the balance 250 MW to be undertaken under the PPP Model, APDCL will have to obtain the Commission's approval for the PPA and adoption of tariff discovered through competitive bidding under Section 63 of the EA 2003.

6.12.6 The Commission also directs APDCL to discover cost of BESS Scheme through transparent bidding process as per the Guidelines issued by MoP from time to time and AERC (Procurement & Dispatch of BESS) Regulations, 2024. APDCL should then approach the Commission for approval of the final cost discovered for the scheme.

6.12.7 The Commission has analysed the details of different Schemes proposed by APDCL for the Control Period from FY 2025-26 to FY 2029-30, and observes as under:

a) Some of the Schemes proposed by APDCL are ongoing Schemes,
b) All the above Schemes are intended to achieve greater rural and urban electrification and intended to minimise Distribution Loss, strengthening of the distribution network, improvement of the quality of supply, smart metering,
c) APDCL has shown only Equity Funding after grant funding (except SOPD Scheme in which Capex is proposed to be incurred at 72:28 Loan: Equity ratio).

6.12.8 In view of the above, the Commission provisionally approves the Scheme wise Capital Investment Plan (CIP) as proposed by APDCL, subject to the above observations and prudence check at the time of true-up. However, APDCL's Equity funding in projects where there is no debt funding would be subject to maximum of 30% of the Capex funding after excluding grant funding and balance 70% funding shall be considered as normative loan as per MYT Regulations, 2024. The approved CIP is summarised below:

Table 90: Capital Investment Plan Approved by the Commission for next Control Period (Rs. Crore)

Name of the scheme	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
State Owned Priority Development (SOPD)	325	325	325	325	325
Revamped Distribution Sector Scheme: Phase-1 (Loss Reduction Component)	1,247.65	-	-	-	-
Distribution System Enhancement and Loss Reduction	556	381	-	-	-
Revamped Distribution Sector Scheme: Phase-2 (Modernization Component)	66.25	2,300.55	1,793.86	83.71	25.6
Revamped Distribution Sector Scheme: Electrification of additional households in UE and PE habitations	903.11	-	-	-	-
Implementation of Smart Distribution in Guwahati city	224.77	223.03	154.4	29.41	7.18
Mukhya Mantri Sauro Shakti Prokolpo- Assam Solar Project: 1000 MWp (750 MW AC) Solar Power Plant in Assam	$	$	-	-	-
25 MW (100 MWh) of grid-connected Battery Energy Storage and associated infrastructure	8.65	20.19	-	-	-
Implementation of UG Cabling of the power distribution network of greater Guwahati City	-	195.4	1,620.84	195.4	1,090.65
Total	**3,331.43**	**3,445.17**	**3,894.10**	**633.53**	**1,448.43**

***Note**: Not considered under Capex, as APDCL has to obtain the Commission's approval for the generation tariff under Section 62/Section 63 of the EA 2003*

6.12.9 **APDCL is directed to maintain database on the individual Projects under each Scheme with the following details:**

a) **Details/Scope of Project including activities, area covered, etc.;**

b) **Start date of Project;**

c) **Scheduled completion date of Project;**

d) **Funding Plan;**

e) **Cost-Benefit-Analysis of the Project;**

f) **Present Status of Project, indicating physical progress in percentage terms and in monetary terms;**

g) **Status of Capitalisation as per Field Reports and as per Accounts;**

h) **Whether the intended benefits of the Project have been achieved, etc.**

6.12.10 Maintenance of such project-wise database will help APDCL track the progress of the

Project during execution as well as ensure that the Capitalisation as per Accounts tallies with the assets being physically put to use. APDCL should submit such Project-wise data to the Commission at the time of true-up for each Year, for the Projects that have been capitalised during that Year. APDCL should also justify the Projects proposed to be capitalised in the ensuing Year based on the above database.

6.13 Capitalisation approved by the Commission for FY 2025-26 to FY 2029-30

6.13.1 The Commission notes that the actual capitalisation achieved by APDCL in the previous years is much lower than that approved in the MYT Order and respective Tariff Orders.

6.13.2 The comparison of proposed vs. approved vs. actual capitalisation over the period from FY 2021-22 to FY 2023-24 is shown in the Table below:

Table 91: Proposed vs. approved vs. actual capitalisation over the period from FY 2021-22 to FY 2023-24 (Rs. Crore)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24
Claimed	2321.8	3602	2488
Approved	1320.96	1620	1130
Actual	**505.32**	**735.71**	**877.00**

6.13.3 This shows that APDCL has been generally projecting much higher capital expenditure and capitalisation than what is actually achieved/achievable, which needs to be borne in mind, while approving the capital expenditure and capitalisation for the Control Period from FY 2025-26 to FY 2029-30.

6.13.4 The average capitalisation over the last 5 years including FY 2023-24 works out to Rs. 1150 Crore. Hence, for the purpose of ARR and tariff determination in this Order, the Commission has considered the annual capitalisation as Rs. 1150 Crore.

Accordingly, the Capitalisation approved by the Commission for the purposes of ARR and Tariff for the Control Period from FY 2025-26 to FY 2029-30 is shown in the following Table:

Table 92: Capitalisation approved by the Commission for FY 2025-26 to FY 2029-30 for determination of Tariff (Rs. Crore)

Capitalisation	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
APDCL Petition	3,264.57	8,440.86	3,155.96	1,337.17	1,287.98
Approved	1,150.00	1,150.00	1,150.00	1,150.00	1,150.00

7 Aggregate Revenue Requirement (ARR) for FY 2025-26 to FY 2029-30

7.1 Introduction

7.1.1 This Chapter deals with determination of ARR for APDCL for FY 2025-26 to FY 2029-30 in accordance with the provisions of MYT Regulations, 2024.

7.2 Energy Sales

7.2.1 Appropriate estimation of category-wise energy sales for the Control Period is essential to arrive at the quantum of power to be purchased and the likely revenue from sale of energy.

7.2.2 The following section examines in detail the consumer category-wise energy sales projected by APDCL in its Tariff Petition for FY 2025-26 to FY 2029-30 and the category-wise sales approved by the Commission.

7.3 Category-Wise Projected Energy Sales

7.3.1 APDCL submitted that the Commission has progressively revised energy sales projections based on actual sales data and performance trends. Energy sales for FY 2022-23, FY 2023-24, and FY 2024-25 were updated in the truing-up and APR processes, with revised figures of 9203 MU for FY 2022-23, 10333 MU for FY 2023-24, and 11145 MU for FY 2024-25, considering actual consumption patterns. The projections for FY 2024-25 have been adjusted based on actual performance in FY 2023-24 and H1 of FY 2024-25.

7.3.2 For the Control Period from FY 2025-26 to FY 2029-30, APDCL has used a combination of 5-year CAGR and 10-year YoY growth trends to estimate category-wise growth rates. The increasing share of solar rooftops has been considered while estimating energy sales, with appropriate adjustments made in accordance with Government guidelines to reflect offset consumption.

7.3.3 The category-wise sales projected by APDCL are given in the Table below:

Table 93:Category-wise Energy Sales Projected by APDCL for FY 2025-26 to FY 2029-30 (MU)

CATEGORY	2025-26	2026-27	2027-28	2028-29	2029-30
Jeevan Dhara	160	172	184	197	210
Domestic A above 0.5 kW to 5 KW	5106	5495	5907	6346	6801
Domestic-B above 5 kW to 30kW	817	916	1025	1149	1286
Commercial Load above 0.5 to 30kW	1305	1406	1510	1615	1734
General Load upto 30 kW	212	229	247	267	288
Public Lighting	21	22	24	25	27
Agriculture upto 7.5hp	52	55	57	60	63
Small Industries Rural upto 30kW	94	98	102	108	112
Small Industries Urban	36	38	40	42	44
Electric Vehicle Charging Station (LT)	6	6	6	7	7
Temporary	6	7	8	9	10
LT TOTAL	**7816**	**8443**	**9110**	**9823**	**10583**
HT Domestic 30kW and above	27	26	26	27	28
HT commercial 30kW & above	616	668	726	790	859
Public Water works	209	234	262	294	329
Bulk Supply-Govt. Edu Inst	145	158	173	188	205
Bulk Supply-Others	580	598	616	634	653
HT Small Industries upto 50 kW	12	12	13	13	14
HT Industries-1 50kVA to 150 kVA	89	97	103	110	116
HT Industries-II above 150 kVA	1610	1787	1983	2202	2444
Tea Coff & Rub	624	636	649	662	675
Oil & Coal	140	157	176	197	220
HT Irrigation Load above 7.5 hp	21	23	25	27	29
HT Temporary	0	0	0	0	0
HT Electric Crematorium	0	0	0	0	0
HT Railway Traction	111	117	123	129	135
HT Electric Vehicle Charging Station	14	15	15	15	15
HT TOTAL	**4199**	**4527**	**4888**	**5286**	**5721**
All Total	**12015**	**12970**	**13998**	**15110**	**16304**

7.3.4 The Petitioner requested the Commission to approve the energy sales as estimated above for the MYT Control Period.

Commission's Analysis

7.3.5 The Commission has considered the estimated category-wise sales for FY 2024-25 as the base. The growth rate is arrived at after analysing the 2-year, 3-year, 4-year, 5-year CAGR along with the Y-o-Y growth seen in sales to different consumer categories.

7.3.6 Reasonable estimates about the growth rates of the various consumer categories have been made to arrive at the energy sales forecast for the Control Period. In case the growth trend is recent years is negative; 0% growth rate has been considered for these consumer categories.

7.3.7 The growth rate considered for projecting the sales to different categories and the category-wise sales projected by the Commission for the FY 2025-26 to FY 2029-30 are given in the Table below:

Table 94: Category-wise Energy Sales Projected by the Commission for FY 2025-26 to FY 2029-30 (MU)

Category	Growth Rate	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
JEEVAN DHARA	0%	150	150	150	150	150
DOMESTIC A Total	7%	5,173	5,554	5,962	6,401	6,872
Domestic-B above 5 kW to 30 kW	13%	825	933	1,055	1,193	1,349
Commercial Load above 0.5 to 30 kW	10%	1,340	1,469	1,610	1,765	1,934
General Load up to 30 kW (Non-Comml & Non-Domestic)	8%	18	20	22	23	25
General Load up to 30 kW (Govt. Primary/Sec./Hr.Sec. Schools)	8%	194	209	226	244	264
Public Lighting	6%	20	22	23	24	26
Agriculture up to 7.5 HP	12%	55	62	69	78	87
Small Industries Rural up to 30 kW	3%	92	95	97	100	102
Small Industries Urban	7%	37	39	42	44	47
LT Electric Vehicles Charging Stations	10%	7	7	8	9	10
Temporary	0%	5	5	5	5	5
LT TOTAL		**7,917**	**8,565**	**9,270**	**10,037**	**10,872**
HT Domestic 30 kW and above	2%	28	29	30	30	31

Category	Growth Rate	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
HT commercial 30 kW & above	9%	633	691	754	824	899
Public Water works	22%	228	278	339	414	504
Bulk Supply Govt. Edu Inst	11%	147	163	180	199	220
Bulk Supply Others	6%	598	636	675	717	761
HT Small Industries up to 50 kW	0%	12	12	12	12	12
HT Industries-I 50 kW to 150 kW	7%	91	97	104	111	118
HT Industries-II above 150 kW (Option 1 - ToD)	11%	1,386	1,541	1,712	1,903	2,115
HT Industries-II above 150 kW (Option 2 - Non-ToD)	11%	226	251	279	310	344
Tea Coffee & Rubber	4%	636	662	689	717	747
Oil & Coal	18%	147	174	205	242	286
HT Irrigation Load above 7.5 HP	6%	21	22	23	25	26
HT Temporary	0%	0	0	0	0	0
HT Railway Traction	5%	111	116	121	126	132
HT Electric Crematorium	0%	0	0	0	0	0
HT Electric Vehicle Charging Station	10%	16	17	19	21	23
HT TOTAL		**4,280**	**4,688**	**5,142**	**5,650**	**6,219**
TOTAL ENERGY SALES		**12,198**	**13,253**	**14,412**	**15,687**	**17,090**

7.3.8 **Therefore, the Commission approves the category-wise sales for the Control Period from FY 2025-26 to FY 2029-30 as shown in the Table above**.

7.3.9 **It may be observed that while the overall sales approved by the Commission for the Control Period is similar to that projected by APDCL, the consumption mix is slightly different than that projected by APDCL**.

7.4 Distribution Loss

7.4.1 APDCL submitted that the Commission in the MYT Order dated June 27, 2024 had approved Distribution Loss of 14.50% for FY 2024-25. However, APDCL is expected to achieve 15.80% against the same.

7.4.2 APDCL achieved an actual Distribution Loss of 15.50% in FY 2023-24, exceeding the approved 14.75% in the Tariff Order dated 27th June 2024. The higher loss is attributed to factors such as an adverse LT:HT ratio, increased LT consumer sales, and aging infrastructure. Despite resource constraints, APDCL has reduced losses through DSM initiatives and dedicated consumer monitoring programs. The LT:HT ratio has improved from 3.28:1 in FY 2021 to 2.90:1 in FY 2023-24, but further HT network expansion is needed. Aging infrastructure, undersized conductors, and frequent faults contribute to technical losses.

7.4.3 Under Rule 20 of the Electricity (Second Amendment) Rules, 2023, AT&C loss reduction targets must align with State and Central Government approvals. The RDSS scheme mandates an AT&C loss target of 13.50% for FY 2024-25, but APDCL anticipates difficulty in meeting this due to uncontrollable factors. APDCL plans to request a revision of the AT&C loss trajectory, estimating 15.80% for FY 2024-25. APDCL requested the Commission to approve a realistic distribution loss trajectory for FY 2025-26 to FY 2029-30 in line with prevailing conditions.

Table 95 : Proposed Distribution Loss Trajectory

Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Distribution Loss	14.50%	14.13%	13.62%	13.06%	12.58%

Commission's Analysis

7.4.4 APDCL had committed to the targets under the RDSS scheme for reducing AT&C loss levels to 13.50% by FY 2024-25. As accepted by APDCL, Rule 20 of the Electricity (Second Amendment) Rules, 2023, mandates that AT&C loss reduction targets specified by the Commission must align with State and Central Government approvals under different Schemes. Even if the collection efficiency is considered as 100%, the distribution loss target for FY 2024-25 works out to 13.50%. However, the Commission had specified a distribution loss target of 14.50% for FY 2024-25 in the MYT Order.

7.4.5 Against this, APDCL has achieved Distribution Loss level of 15.50% in FY 2023-24 and has estimated a distribution loss level of 15.80% for FY 2024-25. APDCL has projected annual loss reduction ranging from 0.37% to 1.30% over the base loss levels estimated for FY 2024-25, such that the Distribution Losses reach 12.58% in FY 2029-30. However, the Commission has already approved the Distribution Loss level of 14.50% for FY 2024-25 itself, whereas the Distribution Loss as per the RDSS Agreement is 13.50% for FY 2024-25. Hence, the Commission cannot accept the loss reduction trajectory proposed by APDCL.

The Commission also notes that though the overall Distribution Loss level has been reported as 14.50% in FY 2023-24, APDCL has several Circles where the Distribution Loss is higher than 15%. Hence, targeted improvement of Distribution Losses in these Circles offers tremendous potential for reduction of overall reduction Distribution Loss in APDCL. The actual distribution loss in different Circles of APDCL in FY 2023-24, is reproduced as below:

Table 96: Actual distribution loss in different Circles of APDCL in FY 2023-24 as submitted by APDCL

Name of Circle	Distribution Loss %
Badarpur	20.46%
Barpeta	20.73%
Bongaigaon	21.93%
Cachar	15.70%
Dibrughar	15.19%
Guwahati EC-I	4.49%
Guwahati EC-II	9.12%
Golaghat	16.88%
Jorhat	13.80%
Kanch	25.03%
Kokrajhar	25.62%
Mangaldoi	19.09%
Morigaon	20.23%
North Lakhimpur	18.98%
Nagaon	19.82%
Rangia	12.54%
Sivasagar	17.54%
Tezpur	14.29%
Tinsukia EC	14.47%

7.4.6 As can be seen from the above Table, most of the Circles of APDCL have distribution loss levels in excess of 15%. Some Circles, viz., Kanch and Kokrajhar have distribution loss levels in excess of 25%, while most of the other Circles have distribution loss levels ranging from 15% to 20%. Only Guwahati EC I and II have distribution loss levels below 10%, while Rangia, Jorhat, Tezpur and Tinsukhia have distribution loss ranging from 12.5% to 14.5%.

7.4.7 Thus, after observing the past trend of loss reduction by APDCL, the Commission is of the view that APDCL should be able to reduce the loss level further than what was specified in the earlier Tariff Orders. Further, APDCL has been investing significant amount of capital expenditure over the past years, which should show the desired results. APDCL has also proposed capital investment of around Rs. 937 Crore towards the Distribution System Enhancement and Loss Reduction Project, and Rs 6240.73 crore towards RDSS focused on loss reduction, modernisation, Electrification of Households in UE/PE habitations and Rs. Rs. 638.79 Crore for implementation of Smart Distribution in the MYT Control Period from FY 2025-26 to FY 2029-30, which would enable it to reduce the Distribution Losses.

7.4.8 The Commission is of the opinion that considering the past performance of APDCL as reported, and the capital investment proposed, APDCL should be able to achieve Distribution Loss of 13.50% for FY 2025-26, even after considering the increase in losses on account of higher sales to Jeevan Dhara and Domestic A category consumers. In view of the above, the Commission approves Distribution Loss of 13.50% for FY 2025-26 and annual loss reduction of 0.50% from FY 2026-27 to FY 2029-30, as shown in the following Table:

Table 97: Approved Distribution Loss Trajectory

Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Distribution Loss	13.50%	13.00%	12.50%	12.00%	11.50%

7.5 AT&C Loss Trajectory

7.5.1 APDCL submitted that the measurement of collection efficiency has been modified by Ministry of Power on 2018, wherein actual inflow of subsidy is to be considered as collection without taking into account the quantum of subsidy booked.

7.5.2 APDCL submitted that as State Government is paying the amount of targeted subsidy regularly, the same is helping in the betterment of collection efficiency of APDCL by virtue of new methodology. Also, APDCL is making all out efforts to boost the collection from consumers. In this endeavour, initiative from State Government on making electricity bill payment mandatory for Govt. employees, appeals to consumers by highest level personnel none other than Hon’ble Chief Minister has yielded dividends.

7.5.3 Moreover, APDCL has also developed an android based APDCL Easy Pay application to boost collection from far flung areas through agents. The application operates in pre-paid mode thereby securing the cash inflow for APDCL. The roll-out of Smart metering in prepaid mode of operation under ongoing RDSS has also boosted the collection efficiency. As on date, APDCL has installed approx. 28 lakhs smart meters, out of which 19.7 lakhs consumers have been converted into smart prepaid. These Smart prepaid meters have enabled gradual reduction of the receivables thereby improving both cash flow and collection efficiency of the DISCOM.

7.5.4 APDCL also submitted that all these efforts have been fructified with an incremental trend in digital payment rate from 28% in FY 2022-23 to approx. 43% in FY 2023-24, which is one of the key factors towards improvement of Collection efficiency.

7.5.5 APDCL further submitted that efforts are being made by it to improve collection efficiency and thereby reduction in AT&C losses without subsidy.

7.5.6 The collection efficiency and AT&C loss trajectory submitted by the Petitioner is as below.

Table 98: Collection efficiency and AT&C loss trajectory from FY 2025-26 to FY 2029-30

Sr. No	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Collection Efficiency (%)	99.80%	99.95%	100%	100%	100%
2	AT&C loss trajectory (%)	14.67%	14.17%	13.62%	13.06%	12.58%

Commission's Analysis

7.5.7 In accordance with the MoP Rules and APDCL submissions, the Commission hereby approves the AT&C loss trajectory for the Control Period, by considering the Collection Efficiency as 100%, as shown in the Table below:

Table 99: Approved AT&C Loss Trajectory

Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
AT&C Loss	13.50%	13.00%	12.50%	12.00%	11.50%

7.6 Energy Balance

7.6.1 APDCL submitted the estimate for energy requirement for FY 2025-26 to FY 2029-30 based on the estimates of the energy sales, projected Distribution Losses and projected inter-State and intra-State Transmission Losses.

7.6.2 The Energy Balance as projected by APDCL is shown in the following Table:

Table 100: Energy Balance for FY 2025-26 to FY 2029-30 as Projected by APDCL (MU)

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Energy Sales	12,015	12,970	13,998	15,110	16,304
Distribution Loss (%)	14.50%	14.13%	13.62%	13.06%	12.58%
Distribution Loss (MU)	2,038	2,134	2,207	2,270	2,346
Energy Requirement at T_D Periphery	14,053	15,104	16,205	17,380	18,650
Intra-State (AEGCL) Transmission Loss (%)	3.21%	3.19%	3.17%	3.15%	3.13%
Energy input to Transmission System	466	498	531	565	603
Energy Input to Transmission System	14,519	15,602	16,736	17,945	19,253
Inter-State (PGCIL) Pooled Loss (%)	2.52%	2.52%	2.52%	2.52%	2.52%
Inter-State (PGCIL) Pooled Loss (MU)	446	512	562	518	518
Seasonal Export	2,740	4,195	5,021	2,104	796
Total Energy Requirement	17,705	20,309	22,319	20,567	20,567

Commission's Analysis

7.6.3 The Commission has approved the Energy Balance for the Control Period based on the projected sales, approved Distribution Loss trajectory, approved Transmission Loss trajectory for AEGCL, and estimated PGCIL Losses, as shown in the Table below:

Table 101: Energy Balance for FY 2025-26 to FY 2029-30 approved by the Commission (MU)

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Energy Sales	12,198	13,253	14,412	15,687	17,090
Distribution Loss (%)	13.50%	13.00%	12.50%	12.00%	11.50%
Distribution Loss (MU)	1,904	1,980	2,059	2,139	2,221
Energy Requirement at T_D Periphery	14,101	15,233	16,471	17,826	19,311
AEGCL Transmission Loss (%)	3.21%	3.19%	3.17%	3.15%	3.13%
Energy input to Transmission System	468	502	539	580	624
Energy Input to Transmission System	14,569	15,735	17,010	18,405	19,935
Inter-State (PGCIL) Pooled Loss (%)	2.52%	2.52%	2.52%	2.52%	2.52%

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Inter-State (PGCIL) Pooled Loss (MU)	377	476	507	482	515
Seasonal Export	2,256	2,741	2,675	261	-
Total Energy Requirement	**17,202**	**18,883**	**20,124**	**19,142**	**20,450**

7.6.4 **Therefore, the Commission approves total Energy Requirement as shown in the Table above for the Control Period from FY 2025-26 to FY 2029-30, respectively. The revenue from the projected sale of surplus energy has been considered under Other Income**.

7.7 Power Purchase

7.7.1 APDCL submitted that it is largely dependent on APGCL and Central Generating Stations to meet the Base Load, however, to meet the Peak demand of the State, APDCL sources power from short-term sources like Traders and Power Exchanges to meet the deficit.

7.7.2 The existing capacity allocated to APDCL for FY 2024-25 is 2502 MW. The power purchase quantum and cost for each year of the Control Period has been estimated based on the following assumptions/details:

- **APGCL:** APDCL has firm allocation from all the existing thermal power plants of APGCL namely NTPS, NRPP, LTPS and LRPP and hydro plants namely MSHEP and KLHEP. The Petitioner has estimated the gross energy availability from the existing stations based on the allocated capacity and the actual PLF, and Auxiliary consumptions for these plants. Intra-State transmission loss of 3.23% as approved in AEGCL Tariff Order dated June 27, 2024 has been considered and has been reduced annually by 0.02% over the Control Period.

- The fixed cost for the State generating stations has been considered as per the latest Tariff Order of APGCL dated June 27, 2024 for FY 2024-25, and escalated by 2% during FY 2025-26 and by 5% for the remaining years of the Control Period. The variable charges have been projected based on the average energy charge rate for the latest available six months (April 2024 to September 2024), and escalated by 2% during FY 2025-26 and by 5% for the remaining years of the Control Period. For Myntriang HEP, the levelized tariff of Rs. 3.86/kWh as approved by the Commission has been considered vide Order dated May 16, 2024.

- Lower Kopili is expected to commence operation in FY 2025-26. The entire 120 MW capacity has been allocated from this source to APDCL. PAF of 50% and auxiliary consumption of 1% has been considered for this plant. Provisional tariff of Rs. 5.00/kWh has been considered for this plant during the entire Control Period. For the upcoming 1000 MW SPP (Solar Power Project) under Mukhya Mantri Sauro Shakti Prokolpo, expected generation is 750 MW (AC).
- **Central Generating Stations (NER):** The key Central Generating Stations of North Eastern Region (NER) supplying power to APDCL include plants of NEEPCO, NHPC, OTPC and NTPC (Thermal). The share allocation of the various plants of CGS (NER) has been considered based on the latest REA. The NAPAF of these plants has been considered based on the latest CERC Tariff Orders of the respective plants. Auxiliary consumption has been considered based on the values as approved by CERC in respective Tariff Orders of the plants. The latest available six months (April 2024 to September 2024) transmission loss of 3.46% for ISTS (as per NLDC) has been considered. Intra-State transmission loss of 3.23% as approved by the Commission for FY 2024-25 has been considered and has been reduced by 0.02% over the Control Period. For OTPC, the actual PLF is considered since power generation has significantly declined due to a reduction in gas availability. For HPP's, the design energy is considered as per the latest available information.
- The fixed costs for Central Generating Stations are based on the latest CERC Orders, with a 2% escalation for FY 2025-26 and 5% escalation for the remaining years of the Control Period. Fixed Charges are projected considering plant availability as per CERC norms. Variable charges are based on the average energy charge rate from April to September 2024, with similar escalation rates. For Pare, the tariff remains at Rs. 5.342/kWh as per the latest CERC Order, with no escalation. For Kameng HEP (NEEPCO), a provisional tariff of Rs. 4.00/kWh is considered throughout the Control Period. For Kopili I, a provisional tariff of Rs. 2.35/kWh is assumed, with a 2% increase in FY 2025-26 and 5% escalation for subsequent years, as per the 47th CCM of NERPC.
- Three Units (750 MW) of the NHPC Subansiri Plant are expected to be commissioned by March 2025, with the remaining five Units (1,250 MW) expected to be commissioned by May 2026. APDCL has proposed a capacity addition of 78 MW in FY 2025-26 and 130 MW in FY 2026-27. The cost of power is estimated

based on the latest project cost structure, with design energy and 1% auxiliary consumption considered. A provisional tariff, as per the latest available information, has been accounted for during the Control Period.

- **Central Generating Stations (ER):** APDCL submitted that it is allocated power from Farakka I & II, Kahalgaon I, Kahalgaon II and Talcher of NTPC located at Eastern Region. The share allocation of various CGS (ER) plants is based on the latest REA, with normative PAF and auxiliary consumption norms as per CERC-approved Tariff Orders. A transmission loss of 3.46% for ISTS (as per NLDC) and an intra-State transmission loss of 3.23% (approved by the Commission for FY 2024-25) have been considered, with the latter reducing by 0.02% over the Control Period.
- The Fixed Cost for Central Generating Stations is based on the latest CERC Orders, with a 2% escalation for FY 2025-26 and 5% escalation for the remaining Control Period. Variable Charges are projected using the average energy charge rate from April to September 2024, with the same escalation pattern applied.
- APDCL has been allocated 495 MW from Neyveli Uttar Pradesh Power Limited (NUPPL) and 154 MW from NTPC Talcher by the Ministry of Power. Availability is based on the latest data, with NUPPL's NAPAF set at 85% and auxiliary consumption at 6.5%. A provisional tariff of Rs. 5.34/kWh is considered for FY 2025-26, with a 5% escalation throughout the Control Period.
- **Other Sources:** APDCL submitted that for HHPCL, PLF and auxiliary consumption have been considered as per the Commission's Order dated April 12, 2013. Based on this, the generation from this source has been projected. The levelised tariff has been considered for this plant as determined in the above Order at Rs. 4.11/kWh for the entire Control Period.
- Generation from NVVNL Solar Bundled (JNNSM) and NVVNL Coal Bundled (JNNSM) has been considered equal to that in FY 2023-24 for each year of the Control Period. The energy charge rate has been considered equal to the H1 average energy rate for the latest available six months (April 2024 to September 2024) during each year of the Control Period.
- For Suryataap Solar (SEIPL), normative parameters of PLF and auxiliary consumption as approved by the Commission have been considered. The rate for SEIPL has been considered as Rs. 8.78 per kWh as per latest AERC Order.
- For SECI (Solar) JNNSM, quantum has been considered same as that for FY 2023-24 during each year of the Control Period. Energy charge rate has been considered

equal to the H1 average energy rate for the latest available six months (April 2024 to September 2024) during each year of the Control Period.

- APDCL is procuring 100 MW of Wind-Solar Hybrid Power from SECI at Rs. 4.80/unit and 100 MW from NTPC at Rs. 3.43/unit, both with Cabinet approval. A Petition for regulatory approval and PPA signing has been submitted to the Commission.
- Additionally, APDCL secured a 500 MW coal linkage under the SHAKTI Policy, 2017 and has floated a tender for thermal power procurement. The RFQ stage is complete, and the RFP process will begin soon.
- APDCL is also set to procure 200 MW from THDC India Ltd. from FY 2031-32 at Rs. 5.46/unit, with regulatory approval pending. To replace NTPC Dadri, APDCL has floated e-bidding tenders for 200 MW short-term power for FY 2025-28 at competitive rates of Rs. 5.78 - Rs. 5.95/unit and an additional 100 MW short-term power for FY 2025-26 at Rs. 5.48/unit. This strategy also aims to replace power from AGBPP, which is proposed for deallocation.
- For FY 2025-26, FY 2026-27 and FY 2027-28, Bidders were selected after e-RA at very competitive rates ranging from Rs 5.78/ unit to Rs 5.95/ unit to meet the increasing demand.
- The balance energy requirement has been proposed to be met from short-term sources of power, i.e., Power Exchanges, etc.
- **Renewable Sources:** For RPO, APDCL has aligned with the latest Ministry of Power (MoP) Notification dated October 20, 2023, which came into effect from April 1, 2024. The RPO obligations are based on the total energy handled by the distribution licensee, equating to the total energy sales within its operational area.
- The purchase from renewable sources has been projected as shown in the Tables below:

Table 102: RPO Obligation for the Control Period

YEAR	Energy Sale To Consumers (MU)	RPO obligation %				
		Wind RPO	HPO	DRE	Other RPO	Total RPO
2025-26	12015	1.45%	1.22%	1.05%	29.29%	33.01%
2026-27	12970	1.97%	1.34%	1.35%	31.29%	35.95%

YEAR	Energy Sale To Consumers (MU)	RPO obligation %				
		Wind RPO	HPO	DRE	Other RPO	Total RPO
2027-28	13998	2.45%	1.42%	1.15%	32.79%	37.81%
2028-29	15110	2.95%	1.42%	1.95%	35.05%	41.37%
2029-30	16304	3.48%	1.33%	2.25%	36.27%	43.33%

YEAR	RPO obligation (In MU)				
	Wind RPO	HPO	DRE	Other RPO	Total RPO
2025-26	174.22	146.58	126.16	3519.19	3966.15
2026-27	255.51	173.80	175.10	4058.31	4662.72
2027-28	342.95	198.77	160.98	4589.94	5292.64
2028-29	445.75	214.56	294.65	5296.06	6251.01
2029-30	567.38	216.84	366.84	5913.46	7064.52

Table 103: RPO calculation from FY 2025-26 to FY 2029-30 (MU)

Year	Wind RPO	HPO	DRE	Other RPO	Total RPO
RPO Compliance					
2025-26	0.00	740.43	82.40	4067.48	4890.31
2026-27	73.00	1222.08	118.82	5055.92	6469.82
2027-28	73.00	1222.08	158.68	5795.75	7249.51
2028-29	73.00	1222.08	252.17	5795.75	7343.00
2029-30	73.00	1222.08	310.76	5795.75	7401.58
RPO Shortfall					
2025-26	174.22	0.00	43.76	0.00	217.97
2026-27	182.51	0.00	56.28	0.00	238.79
2027-28	269.95	0.00	2.30	0.00	272.25
2028-29	372.75	0.00	42.48	0.00	415.22
2029-30	494.38	0.00	56.08	117.71	668.18

- **Transmission – Inter-State and Intra-State Charges –** APDCL submitted that it has to pay Transmission Charges to PGCIL for use of transmission facilities enabling power drawal from the national grid. The PGCIL charges have been increased by 5% for FY 2025-26 and kept constant for the remaining years of the Control Period. Intra-State transmission charges and SLDC charges have been maintained at the levels approved by the Commission in the AEGCL Tariff Order dated June 27, 2024, for FY 2024-25, with a reduction of 0.02% over the Control Period. Additionally, a 5% escalation has been factored in for intra-State transmission charges during the Control Period.

7.7.3 The following Table shows the power purchase quantum and cost submitted by APDCL for FY 2025-26 to FY 2029-30

Table 104: Power Purchase Cost for the Control Period as submitted by APDCL

Agency/Source	FY 2025-26			FY 2026-27			FY 2027-28			FY 2028-29			FY 2029-30		
	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./ kWh)	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./ kWh)	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./ kWh)	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./ kWh)	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./ kWh)
APGCL	2610.36	1579.76	6.05	2610.36	1642.45	6.29	2610.36	1712.26	6.56	2610.36	1785.56	6.84	2610.36	1862.52	7.14
NEEPCO (HYDRO)															
KOPILI I	524.85	125.81	2.40	626.44	132.1	2.11	626.44	138.70	2.21	626.44	145.64	2.32	626.44	152.92	2.44
KOPILI II	44.65	11.94	2.67	44.65	12.54	2.81	44.65	13.16	2.95	44.65	13.82	3.10	44.65	14.51	3.25
KHANDONG	154.38	27.61	1.79	154.38	28.99	1.88	154.38	30.44	1.97	154.38	31.96	2.07	154.38	33.56	2.17
RHEP	554.94	181.87	3.28	554.94	190.96	3.44	554.94	200.51	3.61	554.94	210.53	3.79	554.94	221.06	3.98
DHEP	98.35	98.3	9.99	98.35	103.22	10.49	98.35	108.38	11.02	98.35	113.8	11.57	98.35	119.49	12.15
NEEPCO (HYDRO) New															
KAMENG HEP	359.6	143.84	4.00	359.6	143.84	4.00	359.6	143.84	4.00	359.6	143.84	4.00	359.6	143.84	4.00
NEEPCO (TH)															
AGTPP	402.12	254.41	6.33	402.12	267.13	6.64	402.12	280.49	6.98	402.12	294.51	7.32	402.12	309.24	7.69
NHPC Loktak HEP	130.25	49.16	3.77	130.25	51.62	3.96	130.25	54.2	4.16	130.25	56.91	4.37	130.25	59.75	4.59
NHPC New															
SUBANSIRI HEP	288.99	155.77	5.39	770.64	409.98	5.32	770.64	405.36	5.26	770.64	400.73	5.20	770.64	396.11	5.14
NTPC (Existing)															
FARAKKA	273.64	120.52	4.40	273.64	126.55	4.62	273.64	132.88	4.86	273.64	139.52	5.10	273.64	146.5	5.35
KAHELGAON - I	121.97	47.66	3.91	121.97	50.04	4.10	121.97	52.54	4.31	121.97	55.17	4.52	121.97	57.93	4.75
KAHELGAON -II	536.18	190.99	3.56	536.18	200.54	3.74	536.18	210.56	3.93	536.18	221.09	4.12	536.18	232.14	4.33
TALCHER	145.81	22.56	1.55	145.81	23.69	1.62	145.81	24.87	1.71	145.81	26.12	1.79	145.81	27.42	1.88

Agency/Source	FY 2025-26			FY 2026-27			FY 2027-28			FY 2028-29			FY 2029-30		
	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./ kWh)	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./ kWh)	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./ kWh)	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./ kWh)	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./ kWh)
NTPC (New) BTPS	2918.02	1828.14	6.27	2918.02	1919.55	6.58	2918.02	2015.53	6.91	2918.02	2116.3	7.25	2918.02	2222.12	7.62
Pare HEP	202.69	111.28	5.49	202.69	112.7	5.56	202.69	114.32	5.64	202.69	115.74	5.71	202.69	117.36	5.79
Suryatap Solar	6.29	5.53	8.79	6.29	5.53	8.79	6.29	5.53	8.78	6.29	5.53	8.78	6.29	5.53	8.78
JNNSM Bundled Solar power	8.82	11.31	12.82	6.23	8	12.83	6.23	7.62	12.23	6.23	7.62	12.23	6.23	7.62	12.23
SECI Solar	36.34	22.77	6.27	36.22	22.69	6.27	36.22	23.54	6.5	36.22	23.54	6.5	36.22	23.54	6.5
JNNSM Bundled Coal power	28.12	11.26	4.00	28.12	11.82	4.20	28.12	12.42	4.41	28.12	13.04	4.64	28.12	13.69	4.87
Bilateral Sources/Traders	922.55	505.55	5.48	922.55	530.83	5.75	922.55	557.37		922.55	585.24	6.34	922.55	614.51	6.66
Power Exchanges	-	0		-	0		0	0		0	0		0	0	
OTPC Palatana	1435.79	540.17	3.76	1435.79	567.18	3.95	1435.79	595.54	4.15	1435.79	625.32	4.36	1435.79	656.58	4.57
HHPCPL (Champawati)	8.90	3.66	4.11	8.9	3.66	4.11	8.9	3.66	4.11	8.9	3.66	4.11	8.9	3.66	4.11
Wind Power PTC	118.76	41.92	3.53	118.76	41.92	3.53	118.76	41.92	3.53	118.76	41.92	3.53	118.76	41.92	3.53
SECI Wind	151.61	41.44	2.73	151.61	41.44	2.73	151.61	41.44	2.73	151.61	41.44	2.73	151.61	41.44	2.73
Mangdechhu	579.2	267.01	4.61	579.2	267.01	4.61	579.2	267.01	4.61	579.2	267.01	4.61	579.2	267.01	4.61
PTC Nikachu	335.03	117.62	3.51	335.03	121.06	3.61	335.03	125.34	3.74	335.03	131.78	3.93	335.03	136.94	4.09
SPV Assam (Azure Power)	172.4	57.56	3.34	172.4	57.56	3.34	172.4	57.56	3.34	172.4	57.56	3.34	172.4	57.56	3.34
SPV MMEPL	7.14	2.28	3.19	7.14	2.28	3.19	7.14	2.28		7.14	2.28		7.14	2.28	
Amguri Solar Park	124.28	49.46	3.98	124.28	49.46	3.98	124.28	49.46	3.98	124.28	49.46	3.98	124.28	49.46	3.98
Neyveli UP PL	2650.68	1219.31	4.6	3683.37	1779.07	4.83	3683.37	1868.02	5.07	3683.37	1961.42	5.33	3683.37	2059.5	5.59
NTPC Talcher New							1074.51	537.26	5	1074.51	537.26	5	1074.51	537.26	

Agency/Source	FY 2025-26			FY 2026-27			FY 2027-28			FY 2028-29			FY 2029-30		
	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./ kWh)	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./ kWh)	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./ kWh)	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./ kWh)	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./ kWh)
1000 MW MMSPP				312.08	-		1248.3	0	0	1248.3	0	0	1248.3	0	
Ground mounted 50 MW Solar				83.22	32.62	3.92	83.22	32.62	3.92	83.22	32.62	3.92	83.22	32.62	
Ground mounted 70 MW Solar				116.51	45.67	3.92	116.51	45.67	3.92	116.51	45.67	3.92	116.51	45.67	
Ground mounted 200 MW Solar				332.88	129.82	3.9	332.88	129.82	3.9	332.88	129.82	3.9	332.88	129.82	
SECi Wind Solar Hybrid				146	70.08	4.8	146	70.08	4.8	146	70.08	4.8	146	70.08	
200 MW Short-termPower	1752	1012.66	5.78	1752	1031.93	5.89	1752	1042.44	5.95						
Sub-total::	**17,704.73**	**8,859.14**	**5**	**20,308.64**	**10,235.53**	**5.04**	**22,319.39**	**11,154.64**	**5**	**20,567.39**	**10,503.52**	**5.11**	**20,567.39**	**10,913.16**	**5.31**
AEGCL Transmission Charges		681.04			715.1			750.85			788.39			827.81	
SLDC Charges		15.79			16.58			17.41			18.28			19.2	
PGCIL Transmission Charges		648.77			648.77			648.77			648.77			648.77	
Total Power Purchase	**17,704.73**	**10,204.74**	**5.76**	**20,308.64**	**11,615.98**	**5.72**	**22,319.39**	**12,571.68**	**5.63**	**20,567.39**	**11,958.97**	**5.81**	**20,567.39**	**12,408.94**	**6.03**

Commission's Analysis

7.7.4 The Commission has accepted APDCL's projection of quantum and cost of purchase from various sources, except for the following:

a) The quantum and cost of power purchase from APGCL has been considered in line with the generation and rate approved in the MYT Order for APGCL;

b) The Commission has accepted APDCL's submissions regarding projected energy availability from new generating stations and capacity increases from existing sources;

c) For the other sources of power purchase, the Commission has considered the quantum of power purchase as projected by APDCL, and the rate of purchase has been considered at the same level as estimated for FY 2024-25. However, in case of CGS Sources, APDCL claimed 2% escalation against which the Commission has considered 5% escalation for FY 2025-26 and for next 4 years of Control Period no escalation has been provided against 5% escalation year on year for next 4 years proposed by APDCL in Fixed Charges and Energy Charges.

d) The Commission has approved a higher escalation rate of 5% for FY 2025-26 while disallowing any further escalation for the remaining years of the Control Period. This decision is based on historical data, which indicates that CGS tariffs have increased due to factors such as fuel price adjustments, inflation-linked charges, and regulatory revisions. Additionally, the Commission has ensured that APDCL's revenue requirements are adequately covered, thereby preventing future revenue gaps that could strain its finances.

e) Furthermore, the Commission anticipates that APDCL will reduce distribution losses, improve operational efficiency, and optimize power purchase costs. As such, any additional escalation beyond FY 2025-26 as proposed by APDCL has not been allowed at this point in time.

f) Rate for power purchase from bilateral sources has been considered as Rs. 7.19/kWh, based on the actual rate in H1 of FY 2024-25. The actual trued-up rate for FY 2023-24 is also Rs. 6.90/kWh. The Commission has allowed a higher rate in order to factor the risk of high revenue loss of APDCL and for meeting the peak demand of the State. Furthermore, APDCL should ensure 24x7 power supply for the State.

g) The Transmission Charges payable to AEGCL and SLDC Charges have been considered as approved for AEGCL and SLDC in the respective Tariff Orders;

h) The PGCIL Charges have been considered at same level as estimated for FY 2024-25;

i) As the quantum and cost of drawal under Deviation Settlement Mechanism cannot be projected, the Commission has considered Nil quantum for FY 2025-26 and beyond, and the actuals shall be considered at the time of true-up for respective years;

j) The rate for power purchase from APGCL's Myntriang hydro station has been considered as Rs. 3.86/kWh, as approved by the Commission in the Tariff Order dated 16th May 2024 in Petition No. 8/2022.

7.7.5 The source-wise power purchase quantum and costs approved by the Commission for 2025-26 to FY 2029-30, is shown in the Tables below:

Table 105: Power Purchase Quantum and Cost approved by the Commission for FY 2025-26

Sl No	Agency/Source	FY 2025-26					
		APDCL Petition			Approved by the Commission		
		Quantum	Total Cost	Rate	Total Quantum	Total Cost	Rate
		MU	Rs. Crore	Rs./kWh	MU	Rs. Crore	Rs./kWh
1	**APGCL**	2610.36	1579.76	6.05	2107.27	1253.23	5.95
2	**NEEPCO (HYDRO)**						
	KOPILI I	524.85	125.81	2.40	524.85	119.04	2.27
	KOPILI II	44.65	11.94	2.67	44.65	11.52	2.58
	KHANDONG	154.38	27.61	1.79	154.38	27.61	1.79
	RHEP	554.94	181.87	3.28	554.94	185.29	3.34
	DHEP	98.35	98.30	9.99	98.35	64.75	6.58
3	**NEEPCO (HYDRO) New**						
	KAMENG HEP	359.60	143.84	4.00	359.60	151.39	4.21
4	**NEEPCO (TH)**						
	AGTPP	402.12	254.41	6.33	402.12	274.64	6.83
5	**NHPC Loktak HEP**	130.25	49.16	3.77	130.25	45.82	3.52
6	**NHPC New**						
	SUBANSIRI HEP	288.99	155.77	5.39	288.99	155.77	5.39
7	**NTPC (Existing)**						
	FARAKKA	273.64	120.52	4.40	273.64	126.17	4.61
	KAHELGAON - I	121.97	47.66	3.91	121.97	49.00	4.02
	KAHELGAON -II	536.18	190.99	3.56	536.18	196.17	3.66
	TALCHER	145.81	22.56	1.55	145.81	23.45	1.61
	Dadri						
8	**NTPC (New) BTPS**	2918.02	1828.14	6.27	2918.02	1885.69	6.46
12	Pare HEP	202.69	111.28	5.49	202.69	113.86	5.62
13	Suryatap Solar	6.29	5.53	8.79	6.29	5.80	9.22
15	JNNSM Bundled Solar power	8.82	11.31	12.82	8.82	11.32	12.83
16	SECI Solar	36.34	22.77	6.27	36.34	22.77	6.27

Sl No	Agency/Source	FY 2025-26					
		APDCL Petition			Approved by the Commission		
		Quantum	Total Cost	Rate	Total Quantum	Total Cost	Rate
		MU	Rs. Crore	Rs./kWh	MU	Rs. Crore	Rs./kWh
17	JNNSM Bundled Coal power	28.12	11.26	4.00	28.12	11.59	4.12
18	Bilateral Sources/Traders	922.55	505.55	5.48	922.55	663.36	7.19
19	Power Exchanges	-	-				
20	OTPC Palatana	1435.79	540.17	3.76	1435.79	540.17	3.76
21	HHPCPL (Champawati)	8.90	3.66	4.11	8.90	3.66	4.11
22	Wind Power PTC	118.76	41.92	3.53	118.76	41.92	3.53
23	SECI Wind	151.61	41.44	2.73	151.61	41.44	2.73
24	Mangdechhu	579.20	267.01	4.61	579.20	262.51	4.53
25	PTC Nikachu	335.03	117.62	3.51	335.03	113.70	3.39
26	SPV Assam (Azure Power)	172.40	57.56	3.34	172.40	57.56	3.34
	SPV MMEPL	7.14	2.28	3.19	7.14	2.28	3.19
29	Amguri Solar Park	124.28	49.46	3.98	124.28	49.46	3.98
	Neyveli UP PL	2650.68	1219.31	4.60	2650.68	1219.31	4.60
	200 MW Short-term Power	1752.00	1012.66	5.78	1752.00	1012.66	5.78
	Sub-total::	**17704.73**	**8859.14**	**5.00**	**17,201.62**	**8,742.89**	**5.08**
37	AEGCL Transmission Charges		681.04			612.34	
38	SLDC Charges		15.79			11.74	
39	PGCIL Transmission Charges		648.77			653.63	
	Total Power Purchase	**17,704.73**	**10,204.74**	**5.76**	**17,201.62**	**10,020.60**	**5.83**

Table 106: Power Purchase Quantum and Cost approved by the Commission for FY 2026-27

Sl No	Agency/Source	FY 2026-27					
		APDCL Petition			Approved by the Commission		
		Quantum	Total Cost	Rate	Total Quantum	Total Cost	Rate
		MU	Rs. Crore	Rs./kWh	MU	Rs. Crore	Rs./kWh
1	**APGCL**	2610.36	1642.45	6.29	2107.27	1381.54	6.56
2	**NEEPCO (HYDRO)**						
	KOPILI I	626.44	132.10	2.11	626.44	142.08	2.27
	KOPILI II	44.65	12.54	2.81	44.65	11.52	2.58
	KHANDONG	154.38	28.99	1.88	154.38	27.61	1.79
	RHEP	554.94	190.96	3.44	554.94	185.29	3.34
	DHEP	98.35	103.22	10.49	98.35	64.75	6.58
3	**NEEPCO (HYDRO) New**						
	KAMENG HEP	359.60	143.84	4.00	359.60	151.39	4.21
4	**NEEPCO (TH)**						
	AGTPP	402.12	267.13	6.64	402.12	274.64	6.83
5	**NHPC Loktak HEP**	130.25	51.62	3.96	130.25	45.82	3.52
6	**NHPC New**						
	SUBANSIRI HEP	770.64	409.98	5.32	770.64	415.37	5.39
7	**NTPC (Existing)**						
	FARAKKA	273.64	126.55	4.62	273.64	126.17	4.61
	KAHELGAON - I	121.97	50.04	4.10	121.97	49.00	4.02
	KAHELGAON -II	536.18	200.54	3.74	536.18	196.17	3.66
	TALCHER	145.81	23.69	1.62	145.81	23.45	1.61
8	**NTPC (New) BTPS**	2918.02	1919.55	6.58	2918.02	1885.69	6.46
12	Pare HEP	202.69	112.70	5.56	202.69	113.86	5.62
13	Suryatap Solar	6.29	5.53	8.79	6.29	5.80	9.22
15	JNNSM Bundled Solar power	6.23	8.00	12.83	6.23	7.99	12.83
16	SECI Solar	36.22	22.69	6.27	36.22	22.69	6.27
17	JNNSM Bundled Coal power	28.12	11.82	4.20	28.12	11.59	4.12

Sl No	Agency/Source	FY 2026-27					
		APDCL Petition			Approved by the Commission		
		Quantum	Total Cost	Rate	Total Quantum	Total Cost	Rate
		MU	Rs. Crore	Rs./kWh	MU	Rs. Crore	Rs./kWh
18	Bilateral Sources/Traders	922.55	530.83	5.75		0.00	5.48
19	Power Exchanges	-	-				
20	OTPC Palatana	1435.79	567.18	3.95	1435.79	540.17	3.76
21	HHPCPL (Champawati)	8.90	3.66	4.11	8.90	3.66	4.11
22	Wind Power PTC	118.76	41.92	3.53	118.76	41.92	3.53
23	SECI Wind	151.61	41.44	2.73	151.61	41.44	2.73
24	Mangdechhu	579.20	267.01	4.61	579.20	262.51	4.53
25	PTC Nikachu	335.03	121.06	3.61	335.03	113.70	3.39
26	SPV Assam (Azure Power)	172.40	57.56	3.34	172.40	57.56	3.34
	SPV MMEPL	7.14	2.28	3.19	7.14	2.28	3.19
29	Amguri Solar Park	124.28	49.46	3.98	124.28	49.46	3.98
	Neyveli UP PL	3683.37	1779.07	4.83	3683.37	1694.35	4.60
	1000 MW MMSPP	312.08	-		312.08		
	Ground mounted 50 MW Solar	83.22	32.62	3.92	83.22	32.62	3.92
	Ground mounted 70 MW Solar	116.51	45.67	3.92	116.51	45.67	3.92
	Ground mounted 200 MW Solar	332.88	129.82	3.90	332.88	129.82	3.90
	SECi Wind Solar Hybrid	146.00	70.08	4.80	146.00	70.08	4.80
	200 MW Short-termPower	1752.00	1031.93	5.89	1752.00	1031.93	5.89
	Sub-total::	**20308.64**	**10235.53**	**5.04**	**18,882.98**	**9,259.60**	**4.90**
37	AEGCL Transmission Charges		715.10			632.09	
38	SLDC Charges		16.58			14.12	
39	PGCIL Transmission Charges		648.77			653.63	
	Total Power Purchase	**20,308.64**	**11,615.98**	**5.72**	**18,882.98**	**10,559.45**	**5.59**

Table 107: Power Purchase Quantum and Cost approved by the Commission for FY 2027-28

Sl No	Agency/Source	FY 2027-28					
		APDCL Petition			Approved by the Commission		
		Quantum	Total Cost	Rate	Total Quantum	Total Cost	Rate
		MU	Rs. Crore	Rs./kWh	MU	Rs. Crore	Rs./kWh
1	**APGCL**	2610.36	1712.26	6.56	2108.32	1390.37	6.59
2	**NEEPCO (HYDRO)**						
	KOPILI I	626.44	138.70	2.21	626.44	142.08	2.27
	KOPILI II	44.65	13.16	2.95	44.65	11.52	2.58
	KHANDONG	154.38	30.44	1.97	154.38	27.61	1.79
	RHEP	554.94	200.51	3.61	554.94	185.29	3.34
	DHEP	98.35	108.38	11.02	98.35	64.75	6.58
3	**NEEPCO (HYDRO) New**						
	KAMENG HEP	359.60	143.84	4.00	359.60	151.39	4.21
4	**NEEPCO (TH)**						
	AGTPP	402.12	280.49	6.98	402.12	274.64	6.83
5	**NHPC Loktak HEP**	130.25	54.20	4.16	130.25	45.82	3.52
6	**NHPC New**						
	SUBANSIRI HEP	770.64	405.36				
7	**NTPC (Existing)**						
	FARAKKA	273.64	132.88	4.86	273.64	126.17	4.61
	KAHELGAON - I	121.97	52.54	4.31	121.97	49.00	4.02
	KAHELGAON -II	536.18	210.56	3.93	536.18	196.17	3.66
	TALCHER	145.81	24.87	1.71	145.81	23.45	1.61
	Dadri						
8	**NTPC (New) BTPS**	2918.02	2015.53	6.91	2918.02	1885.69	6.46
12	Pare HEP	202.69	114.32	5.64	202.69	113.86	5.62
13	Suryatap Solar	6.29	5.53	8.78	6.29	5.80	9.22
15	JNNSM Bundled Solar power	6.23	7.62	12.23	6.23	7.99	12.83
16	SECI Solar	36.22	23.54	6.50	36.22	22.69	6.27

Sl No	Agency/Source	FY 2027-28					
		APDCL Petition			Approved by the Commission		
		Quantum	Total Cost	Rate	Total Quantum	Total Cost	Rate
		MU	Rs. Crore	Rs./kWh	MU	Rs. Crore	Rs./kWh
17	JNNSM Bundled Coal power	28.12	12.42	4.41	28.12	11.59	4.12
18	Bilateral Sources/Traders	922.55	557.37				
19	Power Exchanges						
20	OTPC Palatana	1435.79	595.54	4.15	1435.79	540.17	3.76
21	HHPCPL (Champawati)	8.90	3.66	4.11	8.90	3.66	4.11
22	Wind Power PTC	118.76	41.92	3.53	118.76	41.92	3.53
23	SECI Wind	151.61	41.44	2.73	151.61	41.44	2.73
24	Mangdechhu	579.20	267.01	4.61	579.20	262.51	4.53
25	PTC Nikachu	335.03	125.34	3.74	335.03	113.70	3.39
26	SPV Assam (Azure Power)	172.40	57.56	3.34	172.40	57.56	3.34
	SPV MMEPL	7.14	2.28		7.14	2.28	3.19
29	Amguri Solar Park	124.28	49.46	3.98	124.28	49.46	3.98
	Neyveli UP PL	3683.37	1868.02	5.07	3683.37	1694.35	4.60
	NTPC Talcher New	1074.51	537.26	5.00	1074.51	537.26	5.00
	1000 MW MMSPP	1248.30	0.00	0.00	1248.30		
	Ground mounted 50 MW Solar	83.22	32.62	3.92	83.22	32.62	3.92
	Ground mounted 70 MW Solar	116.51	45.67	3.92	116.51	45.67	3.92
	Ground mounted 200 MW Solar	332.88	129.82	3.90	332.88	129.82	3.90
	SECi Wind Solar Hybrid	146.00	70.08	4.80	146.00	70.08	4.80
	200 MW Short-termPower	1752.00	1042.44	5.95	1752.00	1031.93	5.89
	Sub-total::	**22319.39**	**11154.64**	**5.00**	**20,124.14**	**9,390.32**	**4.67**
37	AEGCL Transmission Charges		750.85			670.17	
38	SLDC Charges		17.41			14.87	
39	PGCIL Transmission Charges		648.77			653.63	
	Total Power Purchase	**22,319.39**	**12,571.68**	**5.63**	**20,124.14**	**10,728.99**	**5.33**

Table 108: Power Purchase Quantum and Cost approved by the Commission for FY 2028-29

Sl No	Agency/Source	FY 2028-29					
		APDCL Petition			Approved by the Commission		
		Quantum	Total Cost	Rate	Total Quantum	Total Cost	Rate
		MU	Rs. Crore	Rs./kWh	MU	Rs. Crore	Rs./kWh
1	**APGCL**	2610.36	1785.56	6.84	2107.27	1456.96	6.91
2	**NEEPCO (HYDRO)**						
	KOPILI I	626.44	145.64	2.32	626.44	142.08	2.27
	KOPILI II	44.65	13.82	3.10	44.65	11.52	2.58
	KHANDONG	154.38	31.96	2.07	154.38	27.61	1.79
	RHEP	554.94	210.53	3.79	554.94	185.29	3.34
	DHEP	98.35	113.80	11.57	98.35	64.75	6.58
3	**NEEPCO (HYDRO) New**						
	KAMENG HEP	359.60	143.84	4.00	359.60	151.39	4.21
4	**NEEPCO (TH)**						
	AGTPP	402.12	294.51	7.32	402.12	274.64	6.83
5	**NHPC Loktak HEP**	130.25	56.91	4.37	130.25	45.82	3.52
6	**NHPC New**						
	SUBANSIRI HEP	770.64	400.73	5.20	770.64	400.73	5.20
7	**NTPC (Existing)**						
	FARAKKA	273.64	139.52	5.10	273.64	126.17	4.61
	KAHELGAON - I	121.97	55.17	4.52	121.97	49.00	4.02
	KAHELGAON -II	536.18	221.09	4.12	536.18	196.17	3.66
	TALCHER	145.81	26.12	1.79	145.81	23.45	1.61
8	**NTPC (New) BTPS**	2918.02	2116.30	7.25	2918.02	1885.69	6.46
12	Pare HEP	202.69	115.74	5.71	202.69	113.86	5.62
13	Suryatap Solar	6.29	5.53	8.78	6.29	5.80	9.22
15	JNNSM Bundled Solar power	6.23	7.62	12.23	6.23	7.99	12.83

Sl No	Agency/Source	FY 2028-29					
		APDCL Petition			Approved by the Commission		
		Quantum	Total Cost	Rate	Total Quantum	Total Cost	Rate
		MU	Rs. Crore	Rs./kWh	MU	Rs. Crore	Rs./kWh
16	SECI Solar	36.22	23.54	6.50	36.22	22.69	6.27
17	JNNSM Bundled Coal power	28.12	13.04	4.64	28.12	11.59	4.12
18	Bilateral Sources/Traders	922.55	585.24	6.34			
19	Power Exchanges	0.00	0.00				
20	OTPC Palatana	1435.79	625.32	4.36	1435.79	540.17	3.76
21	HHPCPL (Champawati)	8.90	3.66	4.11	8.90	3.66	4.11
22	Wind Power PTC	118.76	41.92	3.53	118.76	41.92	3.53
23	SECI Wind	151.61	41.44	2.73	151.61	41.44	2.73
24	Mangdechhu	579.20	267.01	4.61	579.20	262.51	4.53
25	PTC Nikachu	335.03	131.78	3.93	335.03	113.70	3.39
26	SPV Assam (Azure Power)	172.40	57.56	3.34	172.40	57.56	3.34
	SPV MMEPL	7.14	2.28		7.14	2.28	3.19
29	Amguri Solar Park	124.28	49.46	3.98	124.28	49.46	3.98
	Neyveli UP PL	3683.37	1961.42	5.33	3683.37	1694.35	4.60
	NTPC Talcher New	1074.51	537.26	5.00	1074.51	537.26	5.00
	1000 MW MMSPP	1248.30	0.00	0.00	1248.30	0.00	0.00
	Ground mounted 50 MW Solar	83.22	32.62	3.92	83.22	32.62	3.92
	Ground mounted 70 MW Solar	116.51	45.67	3.92	116.51	45.67	3.92
	Ground mounted 200 MW Solar	332.88	129.82	3.90	332.88	129.82	3.90
	SECi Wind Solar Hybrid	146.00	70.08	4.80	146.00	70.08	4.80
	Sub-total::	**20567.39**	**10503.52**	**5.11**	**19,141.72**	**8,825.72**	**4.61**
37	AEGCL Transmission Charges		788.39			708.07	
38	SLDC Charges		18.28			15.47	
39	PGCIL Transmission Charges		648.77			653.63	
	Total Power Purchase	**20,567.39**	**11,958.97**	**5.81**	**19,141.72**	**10,202.89**	**5.33**

Table 109: Power Purchase Quantum and Cost approved by the Commission for FY 2029-30

Sl No	Agency/Source	FY 2029-30					
		APDCL Petition			Approved by the Commission		
		Quantum	Total Cost	Rate	Total Quantum	Total Cost	Rate
		MU	Rs. Crore	Rs./kWh	MU	Rs. Crore	Rs./kWh
1	**APGCL**	2610.36	1862.52	7.14	2107.27	1404.44	6.66
2	**NEEPCO (HYDRO)**						
	KOPILI I	626.44	152.92	2.44	626.44	142.08	2.27
	KOPILI II	44.65	14.51	3.25	44.65	11.52	2.58
	KHANDONG	154.38	33.56	2.17	154.38	27.61	1.79
	RHEP	554.94	221.06	3.98	554.94	185.29	3.34
	DHEP	98.35	119.49	12.15	98.35	64.75	6.58
3	**NEEPCO (HYDRO) New**						
	KAMENG HEP	359.60	143.84	4.00	359.60	151.39	4.21
4	**NEEPCO (TH)**						
	AGTPP	402.12	309.24	7.69	402.12	274.64	6.83
5	**NHPC Loktak HEP**	130.25	59.75	4.59	130.25	45.82	3.52
6	**NHPC New**						
	SUBANSIRI HEP	770.64	396.11	5.14	770.64	400.73	5.20
7	**NTPC (Existing)**						
	FARAKKA	273.64	146.50	5.35	273.64	126.17	4.61
	KAHELGAON - I	121.97	57.93	4.75	121.97	49.00	4.02
	KAHELGAON -II	536.18	232.14	4.33	536.18	196.17	3.66
	TALCHER	145.81	27.42	1.88	145.81	23.45	1.61
8	**NTPC (New) BTPS**	2918.02	2222.12	7.62	2918.02	1885.69	6.46
12	Pare HEP	202.69	117.36	5.79	202.69	113.86	5.62
13	Suryatap Solar	6.29	5.53	8.78	6.29	5.80	9.22
15	JNNSM Bundled Solar power	6.23	7.62	12.23	6.23	7.99	12.83
16	SECI Solar	36.22	23.54	6.50	36.22	22.69	6.27
17	JNNSM Bundled Coal power	28.12	13.69	4.87	28.12	11.59	4.12

Sl No	Agency/Source	FY 2029-30					
		APDCL Petition			Approved by the Commission		
		Quantum	Total Cost	Rate	Total Quantum	Total Cost	Rate
		MU	Rs. Crore	Rs./kWh	MU	Rs. Crore	Rs./kWh
18	Bilateral Sources/Traders	922.55	614.51	6.66	1308.67	673.38	5.15
19	Power Exchanges	-	-				
20	OTPC Palatana	1435.79	656.58	4.57	1435.79	540.17	3.76
21	HHPCPL (Champawati)	8.90	3.66	4.11	8.90	3.66	4.11
22	Wind Power PTC	118.76	41.92	3.53	118.76	41.92	3.53
23	SECI Wind	151.61	41.44	2.73	151.61	41.44	2.73
24	Mangdechhu	579.20	267.01	4.61	579.20	262.51	4.53
25	PTC Nikachu	335.03	136.94	4.09	335.03	113.70	3.39
26	SPV Assam (Azure Power)	172.40	57.56	3.34	172.40	57.56	3.34
	SPV MMEPL	7.14	2.28		7.14	2.28	3.19
29	Amguri Solar Park	124.28	49.46	3.98	124.28	49.46	3.98
	Neyveli UP PL	3683.37	2059.50	5.59	3683.37	1694.35	4.60
	NTPC Talcher New	1074.51	537.26		1074.51	537.26	5.00
	1000 MW MMSPP	1248.30	0.00		1248.30	-	-
	Ground mounted 50 MW Solar	83.22	32.62		83.22	32.62	3.92
	Ground mounted 70 MW Solar	116.51	45.67		116.51	45.67	3.92
	Ground mounted 200 MW Solar	332.88	129.82		332.88	129.82	3.90
	SECi Wind Solar Hybrid	146.00	70.08		146.00	70.08	4.80
	Sub-total::	**20567.39**	**10913.16**	**5.31**	**20,450.39**	**9,446.58**	**4.62**
37	AEGCL Transmission Charges		827.81			744.71	
38	SLDC Charges		19.20			17.16	
39	PGCIL Transmission Charges		648.77			653.63	
	Total Power Purchase	**20,567.39**	**12,408.94**	**6.03**	**20,450.39**	**10,862.08**	**5.31**

The Commission thus, approves total Power Purchase Expenses for the Control Period from FY 2025-26 to FY 2029-30 as shown in the Tables above.

The Average Pooled Power Cost (APPC) for FY 2025-26, applicable for settlement of energy in case of gross/net metering by Rooftop Solar installation, and settlement of energy charges for REC purchases, shall be Rs 5.26 kWh.

7.8 Operation and Maintenance (O&M) Expenses

7.8.1 The O&M expenses comprise Employee Expenses, R&M expenses and A&G expenses and each of these components are discussed below:

Employee Expenses

7.8.2 APDCL submitted that employee expenses comprising salaries, dearness allowance, bonus, terminal benefits in the form of contribution for pension and gratuity funding, leave encashment, and staff welfare expenses have been projected on normative basis as per the MYT Regulations, 2024.

The following approach has been adopted:

a) The employee expenses arrived at for FY 2024-25 have been considered as base expenses for the Control Period from FY 2025-26 to FY 2029-30.
b) CPI inflation has been computed as average increase of CPI index for the period from FY 2022-23 to FY 2024-25 (up to September 2024), which works out to 5.46%.
c) Growth factor is considered at 1% considering the proposed recruitment of manpower.
d) The proposal for implementing a Group Medical Insurance policy for APDCL employees has been prepared. Including medical insurance in the tariff for distribution licensees will enhance the overall well-being of employees in the power sector. Medical insurance can encourage employees to adhere to safety standards by providing assured medical coverage in case of accidents or health-related incidents, thereby improving operational safety and reducing health-related risks, particularly in handling electrical infrastructure. The financial requirement for implementing the Group Medical Insurance policy for one year is Rs. 17.12 crore, determined through competitive bidding. APDCL requested the Commission to

provide a provision for this financial requirement under Employee Expenses.

e) Commission approved recovery of the DCRG under NPS of Rs 337.62 Crore over a period of 5 years as this is a one-time provisioning against several past years in the Tariff Order dated 29th March, 2023. The provision of Rs. 67.52 Crore has been considered for FY 2025-26.

7.8.3 The normative employee expenses projected by APDCL for FY 2025-26 to FY 2029-30 are as shown below:

Table 110: Employee Expenses for FY 2025-26 to FY 2029-30 as submitted by APDCL (Rs Crore)

Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Employee Expenses for Previous Year	950.25	1012.16	1078.10	1148.33	1223.14
Growth Factor	1%	1%	1%	1%	1%
CPI Inflation	5.46%	5.46%	5.46%	5.46%	5.46%
Employee Expenses	1012.16	1078.10	1148.33	1223.14	1302.82
Add: Provision	84.64	17.12	17.12	17.12	17.12
Total Employee Expenses	**1096.80**	**1095.22**	**1165.45**	**1240.26**	**1319.94**

Repair and Maintenance (R&M) Expenses

7.8.4 APDCL submitted that R&M Expenses are incurred for daily upkeep of the distribution network and forms an integral part of the Company's efforts towards reliable and quality power supply.

7.8.5 APDCL further submitted that R&M expenses have been projected based on the MYT Regulations, 2024. The Petitioner has considered the value of 'K' as 3.70% for the Control Period from FY 2025-26 to FY 2029-30 and WPI as 7.23%

7.8.6 APDCL has projected R&M expenses for FY 2025-26 to FY 2029-30 as shown below:

Table 111: R&M Expenses from FY 2025-26 to FY 2029-30 (Rs Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Average GFA for past two years	11,384.66	14,756.29	20,609.00	26,407.41	28,653.98
K Factor	3.70%	3.70%	3.70%	3.70%	3.70%
WPI Inflation	7.23%	7.23%	7.23%	7.23%	7.23%

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
R&M Expenses	**451.69**	**585.46**	**817.66**	**1047.72**	**1136.85**

Administrative and General (A&G) Expenses

7.8.7 APDCL submitted that A&G expenses comprise rents, taxes, various statutory charges, telephone and other communication expenses, professional charges, legal charges, conveyance & travelling allowance, etc.

7.8.8 APDCL further submitted that A&G expenses are being claimed in accordance with the MYT Regulations 2024. The Petitioner has considered WPI of 7.23%.

7.8.9 The A&G expenses projected for FY 2025-26 to FY 2029-30 are as shown below.

Table 112: A&G Expenses from FY 2025-26 to FY 2029-30 (Rs Crore)

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
A&G Expenses for Previous Year	134.87	147.02	160.12	174.25	189.50
WPI Inflation	7.89%	7.89%	7.89%	7.89%	7.89%
Statutory Fees	1.50	1.50	1.50	1.50	1.50
A&G Expenses	**147.02**	**160.12**	**174.25**	**189.50**	**205.95**

Total O&M Expenses

7.8.10 The total O&M expenses claimed by the Petitioner for FY 2025-26 to FY 2029-30 are as shown below:

Table 113: O&M Expenses for FY 2025-26 to FY 2029-30 (Rs Crore)

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Employee Expenses	1096.80	1095.22	1165.45	1240.26	1319.94
R&M Expenses	451.69	585.46	817.66	1047.72	1136.85
A&G Expenses	147.02	160.12	174.25	189.50	205.95
Total O&M Expenses	**1695.51**	**1840.80**	**2157.36**	**2477.48**	**2662.74**

Commission's Analysis

7.8.11 The Commission has computed the normative O&M Expenses for the next Control Period as per the MYT Regulations, 2024. Any variation between normative O&M expenses and actual O&M Expenses shall be considered under sharing of gains and losses on account of controllable items as per the MYT Regulations, 2024 at the time of truing up for each year of the next Control Period, based on prudence check.

7.8.12 For computation of employee expenses for the Control Period, the Commission has adopted the following approach in accordance with the MYT Regulations, 2024:

a) The average of actual employee expenses for last five years, i.e., FY 2019-20 to FY 2023-24, has been considered as the base value for FY 2021-22;
b) Such base value for FY 2021-22 has been escalated with the applicable CPI rates for FY 2022-23 to FY 2024-25, to derive the restated employee expenses for FY 2024-25. The employee expense thus arrived for FY 2024-25 has been considered as the base expense for the Control Period;
c) CPI inflation has been computed as average increase of CPI index for the period from FY 2021-22 to FY 2023-24, which works out to 5.46%;
d) Growth factor is considered at 1% provisionally, however, in case there is no significant employee growth, this growth factor would be disallowed at the time of truing up for the respective year;
e) The Commission has considered recovery of Rs. 5.72 Crore only for FY 2025-26 against Provision for DCRG under NPS based on actual figures of FY 2024-25;
f) The Provision claimed for Medical Insurance is not allowed over and above normative expense as these expenses should be incurred from within the normative employee expenses only.

7.8.13 The normative employee expenses approved for the next Control Period are shown in the following Table:

Table 114: Approved Employee Expenses for FY 2025-26 to FY 2029-30 (Rs Crore)

Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Base Employee Expense	857.42	913.24	972.69	1,036.02	1,103.47
Growth Factor	1%	1%	1%	1%	1%
CPI Inflation	5.46%	5.46%	5.46%	5.46%	5.46%
Employee Expenses	**913.24**	**972.69**	**1,036.02**	**1,103.47**	**1,175.31**

Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Add: Provision	5.72	-	-	-	-
Total Employee Expenses	**918.96**	**972.69**	**1,036.02**	**1,103.47**	**1,175.31**

Therefore, the Commission approves Employee Expenses for the next Control Period as provided above.

7.8.14 For computation of R&M Expenses for the next Control Period, the Commission has considered the following approach in accordance with the MYT Regulations, 2024:

a) K-factor governs the relationship between R&M expenses and Gross Fixed Assets. The Commission has analysed the relationship between actual R&M expenses and average Gross Fixed Assets for the past five years from FY 2019-20 up to FY 2023-24 and accordingly the K-factor for the Control Period has been considered as 2.31%;

b) It may be noted that while computing the K factor, the expenses incurred on outsourcing of billing and collection have been excluded from R&M expenses, and considered as part of A&G expenses;

c) WPI inflation has been computed as average increase of WPI index for period from FY 2021-22 to FY 2023-24, which works out to 7.23%;

d) Since, K-factor has been considered on the basis of average GFA, for projection of R&M expenses for the Control Period, average GFA for respective previous years has been considered.

7.8.15 The normative R&M expenses approved for next control period are shown in the following Table:

Table 115: Approved R&M Expenses from FY 2025-26 to FY 2029-30 (Rs Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Average GFA for previous year	10,624.44	11,774.44	12,924.44	14,074.44	15,224.44
K Factor	2.31%	2.31%	2.31%	2.31%	2.31%
WPI Inflation	7.23%	7.23%	7.23%	7.23%	7.23%
R&M Expenses	**263.19**	**291.68**	**320.17**	**348.66**	**377.15**

7.8.16 **Therefore, the Commission approves R&M Expenses for the next Control Period**

as provided above.

7.8.17 For computation of A&G expenses for the next Control Period, the Commission has adopted the following approach in accordance with the MYT Regulations, 2024:

a) The average of actual A&G expenses (excluding statutory fees) for last five years, i.e., FY 2019-20 to FY 2023-24 has been considered as the base value for FY 2021-22;

b) Such base value for FY 2021-22 has been escalated with the applicable WPI rates for FY 2022-23 to FY 2024-25, to derive the restated A&G expenses for FY 2024-25. The A&G expense thus arrived for FY 2024-25 has been considered as the base expense for the Control Period;

c) WPI inflation has been computed as average increase of WPI index for period from FY 2021-22 to FY 2023-24, which works out to 7.23%;

d) The statutory fees of Rs. 1.80 Crore has been considered based on revised annual Licence Fees and Annual True up Petition filing charges as a separate pass-through item, and added to the normative A&G expenses computed for next Control Period.

7.8.18 The approved A&G expenses for next Control Period are shown in the following Table:

Table 116: Approved A&G Expenses from FY 2025-26 to FY 2029-30 (Rs Crore)

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
A&G Expenses for Previous Year	211.46	226.74	243.13	260.69	279.53
WPI Inflation	7.23%	7.23%	7.23%	7.23%	7.23%
Statutory Fees	1.80	1.80	1.80	1.80	1.80
A&G Expenses	**228.54**	**244.93**	**262.49**	**281.33**	**301.53**

7.8.19 **Therefore, the Commission approves A&G Expenses for the next Control Period as provided above**.

Total O&M Expenses Approved

7.8.20 The total O&M expenses approved by the Commission for next Control Period is as under:

Table 117: O&M Expenses for FY 2025-26 to FY 2029-30 (Rs Crore)

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Employee Expenses	918.96	972.69	1,036.02	1,103.47	1,175.31
R&M Expenses	263.19	291.68	320.17	348.66	377.15
A&G Expenses	228.54	244.93	262.49	281.33	301.53
Total O&M Expenses	**1,410.70**	**1,509.30**	**1,618.68**	**1,733.46**	**1,853.98**

7.8.21 **The Commission thus, approves the total O&M expenses as shown above for FY 2025-26 to FY 2029-30**.

7.9 Capital Expenditure and Capitalisation

7.9.1 APDCL submitted that the capital expenditure and capitalisation for the Control Period from FY 2025-26 to FY 2029-30 is in line with the Capital Investment Plan submitted by the Petitioner, as shown in the Table below:

Table 118: Proposed Capital Expenditure for the Control Period (Rs. Crore)

Name of the scheme	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
State Owned Priority Development (SOPD)	325.00	325.00	325.00	325.00	325.00
RDSS: Phase-1 (Loss Reduction Component)	1,247.65	-	-	-	-
Distribution System Enhancement and Loss Reduction	556.00	381.00	-	-	-
RDSS: Phase-2 (Modernization Component)	66.25	2,300.55	1,793.86	83.71	25.60
RDSS: Electrification of additional households in UE and PE habitns	903.11	-	-	-	-
Implementation of Smart Distribution in Guwahati city	224.77	223.03	154.40	29.41	7.18
Mukhya Mantri Sauro Shakti Prokolpo- Assam Solar Project:					

Name of the scheme	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1000 MWp (750 MW AC) Solar Power Plant in Assam	1,671.52	3,900.21	-	-	-
Implementation of UG Cabling of the power distribution network of greater Guwahati City	-	195.40	1,620.84	195.40	1,090.65
Total	**4994.29**	**7325.19**	**3,894.10**	**633.53**	**1,448.43**

Capitalisation of the schemes

7.9.2 APDCL submitted that it has projected the capitalisation on the basis of actual/estimated value of works under Capital Work in Progress (CWIP) at the end of FY 2024-25 as well as anticipated closure of various projects within the scheme guidelines. The year-wise capitalisation proposed by APDCL is shown in the Table below:

Table 119: Proposed capitalisation for the Control Period (Rs. Crore)

Sl. No.	Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
A	Opening Balance of CWIP	6,382.95	8,112.67	6,997.00	7,735.14	7,031.49
B	Fresh CAPEX during the year	4,994.29	7,325.19	3,894.10	633.53	1,448.43
C	Investment capitalised out of opening CWIP	3,264.57	8,440.86	3,155.96	1,337.17	1,287.98
D	Investment capitalised out of fresh investment	3,264.57	8,440.86	3,155.96	1,337.17	1,287.98
E	**Total Capitalisation during the year (C+D)**	**3,264.57**	**8,440.86**	**3,155.96**	**1,337.17**	**1,287.98**
F	Closing Balance of CWIP (A + B - C - D)	8,112.67	6,997.00	7,735.14	7,031.49	7,191.93

7.9.3 The Scheme-wise funding of the proposed Capex has been projected by APDCL as shown in the Table below:

Table 120: Proposed Scheme-wise capitalisation for the Control Period (Rs. Crore)

Name of the scheme	FY 2025-26			FY 2026-27			FY 2027-28			FY 2028-29			FY 2029-30		
	Debt	Equity	Grant	Debt	Equity	Grant	Debt	Equity	Grant	Debt	Equity	Grant	Debt	Equity	Grant
State Owned Priority Development (SOPD)	227.5	97.5	-	227.5	97.5	-	227.5	97.5	-	227.5	97.5	-	227.5	97.5	-
Revamped Distribution Sector Scheme: Phase-1 (Loss Reduction Component)	-	-	1,247.65	-	-	-	-	-	-	-	-	-	-	-	-
Distribution System Enhancement and Loss Reduction	-	-	556	-	-	381	-	-	-	-	-	-	-	-	-
Revamped Distribution Sector Scheme: Phase-2 (Modernization Component)	-	11.17	55.08	-	387.97	1,912.58	-	302.52	1,491.34	-	14.12	69.59	-	4.32	21.28
Revamped Distribution Sector Scheme: Electrification of additional households in UE and PE habitations	-	129.17	773.93	-	-	-	-	-	-	-	-	-	-	-	-
Implementation of Smart Distribution in Guwahati city	-	37.91	186.86	-	37.61	185.42	-	26.04	128.36	-	4.96	24.45	-	1.21	5.97
Mukhya Mantri Sauro Shakti Prokolpo- Assam Solar Project: 1000 MWp (750 MW AC) Solar Power Plant in Assam	-	468.03	1,203.49	-	1,092.06	2,808.15	-	-	-	-	-	-	-	-	-
25 MW (100 MWh) of grid-connected Battery Energy Storage and associated infrastructure	-	8.65	-	-	20.19	-	-	-	-	-	-	-	-	-	-
Implementation of UG Cabling of the power distribution network of greater Guwahati City	-	-	-	-	39.08	156.32	-	324.17	1,296.67	-	39.08	156.32	-	218.13	872.52
Total	**227.5**	**752.43**	**4,023.01**	**227.5**	**1,674.42**	**5,443.47**	**227.5**	**750.23**	**2,916.37**	**227.5**	**155.66**	**250.37**	**227.5**	**321.16**	**899.77**

7.9.4 The year-wise funding of the proposed Capex and Capitalisation has been projected by APDCL as shown in the Tables below:

Table 121: Proposed capitalisation for the Control Period (Rs. Crore)

Sl. No.	Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
A	**Funding of Capex**					
1	Debt	227.50	227.50	227.50	227.50	227.50
2	Equity	743.78	1,654.23	750.23	155.66	321.16
3	Grant	4,023.01	5,443.47	2,916.37	250.37	899.77
4	**Total**	**4,994.29**	**7,325.19**	**3,894.10**	**633.53**	**1,448.43**
B	**Funding of Capitalisation**					
5	Debt	227.50	227.50	227.50	227.50	227.50
6	Equity	265.94	2,025.45	601.87	284.73	285.27
7	Grant	2,771.13	6,187.91	2,326.60	824.94	775.22
8	**Total**	**3,264.57**	**8,440.86**	**3,155.96**	**1,337.17**	**1,287.98**

Commission Analysis

7.9.5 APDCL has proposed capitalization of Rs.3264.57 Crore, Rs. 8440.86 Crore, 3155.96 Crore, Rs. 1337.17 Crore, and Rs. 1287.98 Crore for FY 2025-26, FY 2026-27, FY 2027-28, FY 2028-29, FY 2029-30, respectively.

7.9.6 It is observed that APDCL has been invariably projecting huge capitalization at the time of ARR and achieving much lower capitalization. In fact more often than not, even though the Commission approves much lower than the claimed capitalisation at the time of tariff determination, the actual capitalisation achieved by APDCL is even lower than that approved by the Commission, as shown in the Table below:

Table 122: Actual vs. Claimed and Approved capitalisation for the past 3 years (Rs. Crore)

Sl. No.	Particulars	FY 2021-22	FY 2022-23	FY 2023-24
1	Claimed	2322	3602	2488
2	Approved	1321	1620	1130
3	Actual	505	736	877

7.9.7 This shows that APDCL has been generally projecting much higher capital expenditure and capitalisation than that actually achieved/achievable, with the average ratio of actual capitalisation to claimed capitalisation in the last 3 years being only 26%.

7.9.8 The above fact needs to be borne in mind, while approving the capitalisation for the purposes of tariff determination for the Control Period from FY 2025-26 to FY 2029-30. The Commission has therefore, considered capitalization for the next Control Period in line with the capitalization estimated in the APR for FY 2024-25.

7.9.9 The Commission therefore, approves the capitalization of Rs.1,150 Crore for each year from FY 2025-26 to FY 2029-30. The Commission has considered funding of the Capitalization through Grant equal to 90% of GFA addition and Debt:Equity ratio in the normative ratio of 70:30 after deducting the amount of grant funding. It is also clarified that if APDCL actually achieves higher than approved capitalisation, the same shall be approved at the time of truing up for the respective year based on actuals and after prudence check.

7.9.10 The following table shows the approved capitalization and its funding considered for FY 2025-26 to FY 2029-30:

Table 123: Approved Capitalisation and Funding for FY 2025-26 to FY 2029-30 (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
APDCL Petition	3,264.57	8,440.86	3,155.96	1,337.17	1,287.98
Approved Capitalisation	**1150.00**	**1150.00**	**1150.00**	**1150.00**	**1150.00**
Funding Pattern					
Grant	1035.00	1035.00	1035.00	1035.00	1035.00
Equity	34.50	34.50	34.50	34.50	34.50
Debt	80.50	80.50	80.50	80.50	80.50

7.10 Depreciation

7.10.1 APDCL submitted that the depreciation has been claimed in accordance with the MYT Regulations, 2024, after apportionment of depreciation for assets created out of consumer contribution. Assets that have been depreciated to the extent of 90% of the original cost have been excluded from the asset base for the purpose of calculating depreciation. Rates of depreciation as notified in the MYT Regulations, 2024 have been considered.

7.10.2 The depreciation proposed by APDCL for FY 2025-26 to FY 2029-30 is shown in the Table below:

Table 124: Depreciation claimed by APDCL for FY 2025-26 to FY 2029-30 (Rs. Crore)

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Opening GFA	4,386.22	4,878.72	7,127.38	7,955.18	8,466.44
Opening CWIP	2,117.25	2,595.10	2,223.87	2,372.24	2,243.16
Grant	3,679.62	3,679.62	3,679.62	3,679.62	3,679.62
Depreciation charged	178.73	243.90	317.05	348.88	373.21
Average rate	4.07%	5.00%	4.45%	4.39%	4.41%
Apportioned GFA after adjustment of grant	1,904.53	2,476.75	4,322.84	5,120.78	5,557.53
Apportioned depreciation claimed	**77.61**	**123.82**	**192.29**	**224.58**	**244.98**

7.10.3 The Petitioner requested the Commission to approve depreciation as claimed for the Control Period.

Commission's Analysis

7.10.4 For computation of depreciation, the Commission has considered the closing GFA for FY 2024-25 as approved in this Order, as the Opening GFA for FY 2025-26. The Capitalisation approved for tariff determination has been considered as asset addition during the year. The Commission has considered the scheduled depreciation rates as specified in MYT Regulations, 2024.

7.10.5 As per Regulation 33 of the MYT Regulations, 2024, the total depreciation during the life of the asset shall not exceed 90% of the original cost of GFA. The Commission has computed the depreciation separately for assets added under each asset head in each year. The Commission has disallowed the depreciation on assets where depreciation is in excess of 90% of the original cost of asset under different asset heads. The Commission has not considered depreciation on assets funded through grants/consumer contributions in accordance with Regulation 33 of the MYT Regulations, 2024.

7.10.6 In view of the above, the Commission approves depreciation for the next Control Period as per MYT Regulations, 2024, as given in the Tables below:

Table 125: Depreciation approved for FY 2025-26 (Rs. Crore)

Sl. No.	Particulars	Opening GFA	Addition during the year	Rate of depreciation	Closing Balance	Depreciation
1	Land owned	21.50	0.33	0.00%	21.84	-
2	Leasehold Land	2.84		3.34%	2.84	-
3	Building	64.84	0.78	3.34%	65.62	2.18
4	Plant & Machinery	865.98	5.85	4.22%	871.84	34.52
5	Vehicle	27.35	-	4.22%	27.35	-
6	Furniture & Fixtures	21.60	0.17	6.33%	21.76	0.64
7	Office Equipment	79.83	3.46	6.33%	83.28	3.97
8	Other Civil Work	79.16	0.87	3.34%	80.03	2.66
9	Lines & Cable Network	2,979.27	162.36	4.22%	3,141.63	139.60
	Total	**4,142.38**	**173.82**		**4,316.20**	**183.56**
10	**Assets built through CC**	233.81			233.81	110.59
11	**Assets not belonging to entity**	6,823.25	976.18		7,799.43	
12	**Net Total**	**11,199.44**	**1,150.00**		**12,349.44**	**72.97**

7.10.7 **Therefore, the Commission approves Depreciation of Rs.72.97 Crore for FY 2025-26 after deducting depreciation on grants/CC**.

Table 126: Depreciation approved for FY 2026-27 (Rs. Crore)

Sl. No.	Particulars	Opening GFA	Addition during the year	Rate of depreciation	Closing Balance	Depreciation
1	Land owned	21.84	0.58	0.00%	22.42	-
2	Leasehold Land	2.84		3.34%	2.84	-

Sl. No.	Particulars	Opening GFA	Addition during the year	Rate of depreciation	Closing Balance	Depreciation
3	Building	65.62	1.38	3.34%	67.00	1.89
4	Plant & Machinery	871.84	10.33	4.22%	882.17	34.72
5	Vehicle	27.35		4.22%	27.35	-
6	Furniture & Fixtures	21.76	0.29	6.33%	22.06	0.61
7	Office Equipment	83.28	6.11	6.33%	89.39	4.18
8	Other Civil Work	80.03	1.54	3.34%	81.58	2.70
9	Lines & Cable Network	3,141.63	286.71	4.22%	3,428.34	149.08
	Total	**4,316.20**	**306.95**		**4,623.15**	**193.18**
10	**Assets built through CC**	**233.81**			**233.81**	121.51
11	**Assets not belonging to entity**	**7,799.43**	**843.05**		**8,642.48**	
12	**Net Total**	**12,349.44**	**1,150.00**		**13,499.44**	**71.67**

7.10.8 **Therefore, the Commission approves Depreciation of Rs.71.67 Crore for FY 2026-27 after deducting depreciation on grants/CC.**

Table 127: Depreciation approved for FY 2027-28 (Rs. Crore)

Sl. No.	Particulars	Opening GFA	Addition during the year	Rate of depreciation	Closing Balance	Depreciation
1	Land owned	22.42	0.57	0.00%	22.99	-
2	Leasehold Land	2.84		3.34%	2.84	-
3	Building	67.00	1.36	3.34%	68.36	1.36
4	Plant & Machinery	882.17	10.17	4.22%	892.34	32.17
5	Vehicle	27.35		4.22%	27.35	-
6	Furniture & Fixtures	22.06	0.29	6.33%	22.35	0.59
7	Office Equipment	89.39	6.01	6.33%	95.40	4.46
8	Other Civil Work	81.58	1.52	3.34%	83.10	2.75
9	Lines & Cable Network	3,428.34	282.29	4.22%	3,710.63	161.01
	Total	**4,623.15**	**302.21**		**4,925.36**	**202.35**
10	**Assets built through CC**	**233.81**			**233.81**	131.78

Sl. No.	Particulars	Opening GFA	Addition during the year	Rate of depreciation	Closing Balance	Depreciation
11	**Assets not belonging to entity**	**8,642.48**	**847.79**		**9,490.27**	
12	**Net Total**	**13,499.44**	**1,150.00**		**14,649.44**	**70.58**

7.10.9 **Therefore, the Commission approves Depreciation of Rs. 70.58 Crore for FY 2027-28 after deducting depreciation on grants/CC.**

Table 128: Depreciation approved for FY 2028-29 (Rs. Crore)

Sl. No.	Particulars	Opening GFA	Addition during the year	Rate of depreciation	Closing Balance	Depreciation
1	Land owned	22.99	0.83	0.00%	23.82	-
2	Leasehold Land	2.84		3.34%	2.84	-
3	Building	68.36	1.99	3.34%	70.34	1.42
4	Plant & Machinery	892.34	14.83	4.22%	907.16	20.30
5	Vehicle	27.35		4.22%	27.35	-
6	Furnitures & Fixtures	22.35	0.42	6.33%	22.77	0.56
7	Office Equipment	95.40	8.76	6.33%	104.16	4.86
8	Other Civil Work	83.10	2.22	3.34%	85.32	2.82
9	Lines & Cable Network	3,710.63	411.49	4.22%	4,122.11	173.06
	Total	**4,925.36**	**440.53**		**5,365.89**	**203.02**
10	**Assets built through CC**	**233.81**			**233.81**	136.04
11	**Assets not belonging to entity**	**9,490.27**	**709.47**		**10,199.74**	
12	**Net Total**	**14,649.44**	**1,150.00**		**15,799.44**	**66.98**

7.10.10 **Therefore, the Commission approves Depreciation of Rs. 66.98 Crore for FY 2028-29 after deducting depreciation on grants/CC.**

Table 129: Depreciation approved for FY 2029-30 (Rs. Crore)

Sl. No.	Particulars	Opening GFA	Addition during the year	Rate of depreciation	Closing Balance	Depreciation
1	Land owned	23.82	0.87	0.00%	24.69	-
2	Leasehold Land	2.84		3.34%	2.84	-
3	Building	70.34	2.06	3.34%	72.41	1.49
4	Plant & Machinery	907.16	15.41	4.22%	922.57	19.77
5	Vehicle	27.35		4.22%	27.35	-
6	Furniture & Fixtures	22.77	0.44	6.33%	23.21	0.54
7	Office Equipment	104.16	9.11	6.33%	113.27	5.32
8	Other Civil Work	85.32	2.30	3.34%	87.62	2.89
9	Lines & Cable Network	4,122.11	427.64	4.22%	4,549.75	180.27
	Total	**5,365.89**	**457.83**		**5,823.72**	**210.27**
10	**Assets built through CC**	**233.81**			**233.81**	144.31
11	**Assets not belonging to entity**	**10,199.74**	**692.17**		**10,891.91**	
12	**Net Total**	**15,799.44**	**1,150.00**		**16,949.44**	**65.97**

7.10.11 **Therefore, the Commission approves Depreciation of Rs. 65.97 Crore for FY 2029-30 after deducting depreciation on grants/CC.**

7.11 Interest and Finance Charges

7.11.1 APDCL submitted that the interest and finance charges have been claimed in line with the approach followed in Tariff Orders with addition of bank charges and facilitation charges paid to aggregator for online payment by consumers.

7.11.2 Accordingly, APDCL submitted interest and finance charges for FY 2025-26 to FY 2029-30 as shown in the Table below:

Table 130: Interest & Finance Charges for the Control Period claimed by APDCL (Rs Crore)

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Opening normative loan	830.46	1,009.05	1,147.17	1,216.82	1,254.18
Addition of normative loan during the year	256.20	261.94	261.94	261.94	261.94
Normative Repayment during the year	77.61	123.82	192.29	224.58	244.98
Net Normative Closing Loan	1,009.05	1,147.17	1,216.82	1,254.18	1,271.14
Rate of Interest	10.00%	10.00%	10.00%	10.00%	10.00%
Total Interest & Finance Charges	**100.90**	**114.72**	**121.68**	**125.42**	**127.11**

Commission's Analysis

7.11.3 The normative closing balance of loan approved in the APR for FY 2024-25 has been considered as the normative opening balance of loan for FY 2025-26.

7.11.4 The Commission has considered the addition of loan as the balance amount after deducting grant/ consumers' contribution of the capitalization approved in this Order for each year of the Control Period. Repayment has been considered equal to the depreciation approved for each year of the Control Period.

7.11.5 The Commission has considered interest rate of 10% for the Control Period, same as considered in the APR for FY 2024-25. The interest on loan capital as approved by the Commission for next Control Period is shown in the following Table:

Table 131 : Approved Interest on Loan Capital for FY 2025-26 to FY 2029-30 (Rs. Crore)

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Opening normative loan	105.66	113.19	122.02	131.94	145.46
Addition of normative loan during the year	80.50	80.50	80.50	80.50	80.50
Normative Repayment during the year	72.97	71.67	70.58	66.98	65.97

Net Normative Closing Loan	113.19	122.02	131.94	145.46	159.99
Average Loan	109.42	117.60	126.98	138.70	152.72
Rate of Interest	10.00%	10.00%	10.00%	10.00%	10.00%
Total Interest & Finance Charges	**10.94**	**11.76**	**12.70**	**13.87**	**15.27**

7.11.6 **Therefore, the Commission approves Interest on Loans for the next Control Period as above**.

7.12 Interest on Working Capital

7.12.1 APDCL submitted that the interest on working capital has been calculated on normative basis in line with the formula specified in the MYT Regulations, 2024.

7.12.2 The applicable SBI MCLR of 8.57% for 1-year tenor (FY 2023-24) is considered. Accordingly, the rate of interest on working capital has been worked out as 11.57% as per the governing MYT Regulations, 2024.

7.12.3 The computation of normative IoWC as submitted by APDCL is as shown in the Table below:

Table 132: IoWC from FY 2025-29 to FY 2029-30 as projected by APDCL (Rs Crore)

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
O&M Expenses-One month	141.29	153.40	179.78	206.46	221.89
45 days Receivables	1392.55	1495.90	1608.09	1728.93	1858.94
Maintenance spares @ 15% of O&M Expenses	254.33	276.12	323.60	371.62	399.41
Less: One-month Power Purchase Cost	850.40	968.00	1047.64	996.58	1034.08
Less: Consumer Security Deposit	959.22	959.22	959.22	959.22	959.22
Total Working Capital	**(21.45)**	**(1.80)**	**104.62**	**351.20**	**486.94**
Rate of Interest on WC	11.57%	11.57%	11.57%	11.57%	11.57%

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Interest on WC	**0.00**	**0.00**	**12.10**	**40.63**	**56.34**

Commission's Analysis

7.12.4 The Commission has computed IoWC in accordance with the MYT Regulations, 2024. The rate of Interest has been considered equal to State Bank of India MCLR Rate (one-year tenor) prevailing for last available 6 months plus 300 basis points, i.e., 11.72%.

7.12.5 The Interest on Working Capital approved by the Commission for the Control Period from FY 2025-26 to FY 2029-30 is shown in the following Table:

Table 133: IoWC approved by the Commission for FY 2025-26 to FY 2029-30

(Rs. Crore)

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
O&M Expenses-One month	117.08	125.78	134.89	144.45	154.50
Maintenance spares @ 15% of O&M Expenses	210.75	226.40	242.80	260.02	278.10
45 days Receivables	1,311.48	1,343.07	1,379.18	1,441.11	1,551.69
Less: One-month Power Purchase Cost	835.05	879.95	894.08	850.24	905.17
Less: Consumer Security Deposit	1,012.30	1,012.30	1,012.30	1,012.30	1,012.30
Total Working Capital	(208.05)	(197.01)	(149.51)	(16.95)	66.81
Rate of Interest on WC	11.72%	11.72%	11.72%	11.72%	11.72%
Interest on WC	-	-	-	-	7.83

7.12.6 **Therefore, the Commission approves IoWC for the next Control Period as provided above.**

7.13 Interest on Consumers' Security Deposit

7.13.1 APDCL has claimed interest on Consumer Security Deposit, on the actual amount paid to the consumer for FY 2023-24, i.e., Rs. 62.22 Crore (as claimed in the true up for FY 2023-24).

Commission's Analysis

7.13.2 The Commission has considered Interest on Consumer Security Deposit as claimed by APDCL. **Therefore, the Commission approves Interest on CSD of Rs. 62.22 Crore for each year of the next Control Period.**

7.14 Other Debits

7.14.1 With the improving trend of revenue collection arrears, APDCL claimed 25% of claim made under true up Petition of FY 2023-24 for the Control Period from FY 2025-26 to 2029-30.

7.14.2 APDCL requested the Commission to approve the amount of Rs. 6.21 Crore under the head of 'Other Debits' in the ARR of FY 2025-26 to FY 2029-30.

Table 134: Other Debits from FY 2025-26 to 2029-30 (Rs. Crore)

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Other Debits incl. Provision for Bad Debt	6.21	6.21	6.21	6.21	6.21

Commission's Analysis

7.14.3 The Commission notes that according to MYT Regulations, 2024, APDCL has reached ceiling limit for provision of bad and doubtful debts allowable. Hence, for the next Control Period, the Commission has not allowed any further provision for bad debts as claimed by APDCL.

7.14.4 **Hence, the Commission approves Nil Other Debits for each year of the next Control Period.**

7.15 Return on Equity

7.15.1 APDCL submitted that RoE has been claimed in line with methodology adopted by the Commission in the previous Order.

7.15.2 APDCL submitted that as per MYT Regulations, 2024, the base Return on Equity (RoE) is set at 14% on admissible equity, with a potential 2% increment linked to capitalisation targets. In this MYT petition, APDCL has considered only the base rate of 14%. However, APDCL reserves the right to claim the additional RoE during the True-up process based on the capitalisation targets set by the Commission.

7.15.3 The claim of RoE is made taking due consideration of conversion of grant from equity State Govt. as on 31.03.2024.

Table 135: Return on Equity from FY 2025-26 to FY 2029-30 as submitted by APDCL (Rs Crore)

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Opening Equity	2,284.93	3,256.21	5,137.94	6,115.67	6,498.83
Net Addition during the Year	971.28	1,881.73	977.73	383.16	548.66
Closing Equity	3,256.21	5,137.94	6,115.67	6,498.83	7,047.49
Average Equity	2,770.57	4,197.08	5,626.81	6,307.25	6,773.16
Opening GFA	13,557.11	16,821.68	25,262.53	28,418.50	29,755.67
Normative Equity	4,067.13	5,046.50	7,578.76	8,525.55	8,926.70
Admissible Equity for RoE	2,770.57	4,197.07	5,626.80	6,307.24	6,773.15
Rate of Return on Equity	14.00%	14.00%	14.00%	14.00%	14.00%
Return on Equity	**387.88**	**587.59**	**787.75**	**883.02**	**948.24**

Commission's Analysis

7.15.4 The Commission has approved the Return on Equity in accordance with Regulation 34 of the MYT Regulations, 2024.

7.15.5 As stated in the APR for FY 2024-25, equity funding can be considered up to maximum of 30% of the balance capitalisation to be funded, irrespective of the actual equity invested by the Licensee. The conversion of Grants to Equity by the GoA in

FY 2025-26 to FY 2029-30 has accordingly been considered in accordance with the Commission's MYT Regulations, 2024. Considering maximum 30% equity funding, the Commission has computed additional equity as shown in the Table below. Additional equity allowable is Nil, and therefore, no additional equity has been considered in the ARR for FY 2024-25 for tariff computation purpose, on account of conversion of Grants to Equity. Further, no conversion of loan to equity has been considered, as the maximum permissible equity has already been allowed.

7.15.6 The Commission has computed the maximum permissible additional equity for next Control Period as shown in the Table below:

Table 136: Equity Addition allowed by the Commission due to Conversion of Grant to Equity for FY 2025-26 to FY 2029-30 (Rs. Crore)

Sl. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Opening GFA	11,199.05	12,349.05	13,499.05	14,649.05	15,799.05
2	Average Grant towards GFA	10,437.95	11,472.95	12,507.95	13,542.95	14,577.95
3	Grants converted to Equity	3359.32	3359.32	3359.32	3359.32	3359.32
4	Net Grant towards GFA	7,078.63	8,113.63	9,148.63	10,183.63	11,218.63
5	Net GFA to be funded	4,120.42	4,235.42	4,350.42	4,465.42	4,580.42
6	Maximum Equity that can be considered	1,236.13	1,270.63	1,305.13	1,339.63	1,374.13
7	**Equity that can be additionally allowed**	**-22.76**	**-22.76**	**-22.76**	**-22.76**	**-22.76**

7.15.7 The Commission has accordingly considered 'Nil' equity addition for each year of the Control Period on account of conversion of grants to equity by the State Government.

7.15.8 The Commission has considered the opening equity for FY 2025-26 equal to the closing equity approved in the APR of FY 2024-25. The Commission has considered addition of equity against capitalisation during the year based on the funding of capitalisation approved in this Order. Therefore, the approved Return on Equity at

14% for the next Control Period is shown in the Table below:

Table 137: Return on Equity approved by the Commission for next Control Period (Rs. Crore)

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Opening Equity	1258.88	1293.38	1327.88	1362.38	1396.88
Net Addition during the Year	34.50	34.50	34.50	34.50	34.50
Closing Equity	1,293.38	1,327.88	1,362.38	1,396.88	1,431.38
Average Equity	1,276.13	1,310.63	1,345.13	1,379.63	1,414.13
Rate of Return on Equity	14.00%	14.00%	14.00%	14.00%	14.00%
Return on Equity	**178.66**	**183.49**	**188.32**	**193.15**	**197.98**

7.15.9 **Therefore, the Commission approves RoE for the next Control Period as provided above.**

7.16 Non-Tariff Income

7.16.1 APDCL submitted that the Non-Tariff Income for the Control Period from FY 2025-26 to FY 2029-30 has been projected by escalating various heads of actual Non-Tariff Income for FY 2023-24 by 5% per annum except for delayed payment charges considering the decline in arrears and minor adjustments.

7.16.2 The NTI projected by APDCL for FY 2025-26 to FY 2029-30 is depicted in the table below:

Table 138: Non-Tariff Income from FY 2025-26 to FY 2029-30 as submitted by APDCL (Rs. Crore)

Sl. No.	Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
1	Rentals from Meters, Service Lines, Capacitors etc.	19.35	20.31	21.33	22.40	23.52

2	Income from recoveries on account of theft of energy/ Malpractices	0.01	0.01	0.01	0.01	0.01
3	Delayed payment charges from Consumers	192.00	172.80	155.52	139.97	125.97
4	Misc. recoveries	51.01	53.56	56.24	59.05	62.00
5	Rebate on prompt payment of Power purchase bills	10.64	11.17	11.73	12.32	12.93
5	Cross Subsidy surcharge on Open Access Consumer	6.06	6.37	6.69	7.02	7.37
6	Wheeling charges collected	1.18	1.24	1.31	1.37	1.44
7	Short Term Open Access (STOA) credit	25.90	27.19	28.55	29.98	31.48
8	Income on Reactive Power	0.00	0.00	0.00	0.00	0.00
9	Income From SCED	8.37	8.79	9.23	9.69	10.17
	Total	**314.52**	**301.45**	**290.60**	**281.80**	**274.89**

Commission's Analysis

7.16.3 The Commission has considered annual increase of 5% over the NTI approved for previous year for projecting NTI for each year of the next Control Period.

7.16.4 The Commission has not considered the rebate on Power Purchase bills as NTI, in line with the approach adopted in earlier Orders. Further, the amount of Delayed Payment Surcharge has been decreased by 10% year on year. The amount shall be considered at actuals during the true up for the respective years.

7.16.5 The Commission approves NTI for the next Control Period as shown in the Table below:

Table 139: Non-Tariff Income approved for FY 2025-26 to FY 2029-30 (Rs. Cr.)

Sl. No.	Particulars	2025-26	2026-27	2027-28	2028-29	2029-30

1	Rentals from Meters, Service Lines, Capacitors etc.	19.35	20.31	21.33	22.40	23.52
2	Income from recoveries on account of theft of energy/ Malpractices	0.01	0.01	0.01	0.01	0.01
3	Delayed payment charges from Consumers	191.99	172.80	155.52	139.97	125.97
4	Misc. recoveries	51.01	53.56	56.24	59.05	62.00
5	Cross Subsidy surcharge on Open Access Consumer	6.06	6.37	6.69	7.02	7.37
6	Wheeling charges collected	1.18	1.24	1.31	1.37	1.44
7	Short Term Open Access (STOA) credit	25.90	27.19	28.55	29.98	31.48
9	Income From SCED	8.37	8.79	9.23	9.69	10.17
	Total	**303.87**	**290.27**	**278.87**	**269.48**	**261.96**

Therefore, the Commission approves Non-Tariff Income for the Control Period from FY 2025-26 to FY 2029-30 as shown in the Table above.

7.17 Other Income

7.17.1 APDCL submitted that it has projected ‘Other Income’ by considering the actuals for FY 2023-24 except for the following:

- Miscellaneous receipt is escalated by 5%.
- Seasonal export is based on surplus energy estimate for FY 2025-26 at IEX price of Rs. 3.35 per kWh (off-peak/night hours)
- With high attrition ratio, receipt from Pension Trust is considered at reduced rate.

7.17.2 APDCL requested the Commission to allow ‘Other Income’ for FY 2025-26 to FY 2029-30 as shown in the Table below:

Table 140: Other Income claimed by APDCL for FY 2025-26 to FY 2029-30 (Rs Crore)

Sl. No.	Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
1	Incentive under schemes	27.64	27.64	27.64	27.64	27.64
2	Installation charges for new service connection	14.87	14.87	14.87	14.87	14.87
3	Receipt from sale of LED bulb, Tube light, Fan, etc.	0.00	0.00	0.00	0.00	0.00
4	Interest from banks and Investment	66.76	66.76	66.76	66.76	66.76
5	Gain on sale of fixed assets	0.00	0.00	0.00	0.00	0.00
6	Rent from residential buildings	1.09	1.09	1.09	1.09	1.09
7	Miscellaneous receipts	40.97	43.02	45.17	47.43	49.80
8	Income from Sale of Scrap	0.00	0.00	0.00	0.00	0.00
9	Receipt from Pension Trust	42.17	35.85	30.47	25.90	22.02
10	Income on seasonal Export of surplus power	917.90	1405.33	1682.04	704.84	266.66
	Total	**1111.40**	**1594.54**	**1868.03**	**888.52**	**448.82**

Commission's Analysis

7.17.3 The Commission has retained the same amount of interest of fixed deposits for next Control Period as in FY 2023-24 and FY 2024-25. For most other elements of "Other Income", an increase of 5% has been considered for FY 2025-26 to FY 2029-30 over the estimates for FY 2024-25. The receipt from Pension Trust has been considered to be reduced, as projected by APDCL.

7.17.4 The Commission has considered income from trading /seasonal export based on projected surplus quantum, and the rate actually realised in FY 2023-24.

7.17.5 The Other Income approved by the Commission for next Control Period is shown in the Table below:

Table 141: Other Income approved by the Commission for FY 2025-26 to FY 2029-30 (Rs. Crore)

Sl.No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Interest on fixed deposits	66.76	66.76	66.76	66.76	66.76
2	Incentive on Schemes	27.64	27.64	27.64	27.64	27.64
3	Installation Charges for new Service Connection	14.87	15.61	16.39	17.21	18.07
4	Interest on loans to staff	-	-	-	-	-
5	Income from Trading	810.72	985.14	961.21	93.63	-
6	Income from Sale of Scrap	-	-	-	-	-
7	Revenue from sale of LED's, Tubelight Fan etc.	-	-	-	-	-
8	Rent from residential buildings	1.20	1.26	1.32	1.39	1.46
9	Receipt from Pension Trust	42.17	35.85	30.47	25.90	22.02
10	Miscellaneous receipts	81.52	81.52	81.52	81.52	81.52
	Total	**1044.88**	**1,213.79**	**1,185.31**	**314.06**	**217.48**

7.17.6 **Therefore, the Commission approves 'Other Income' for next Control Period as provided above.**

7.18 Aggregate Revenue Requirement (ARR) for the Control Period

7.18.1 Based on the submission in the foregoing paragraphs, the revised estimates of the ARR for APDCL for the Control Period is as shown below:

Table 142: Aggregate Revenue Requirement for the Control Period (Rs. Crore)

Sl. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Power Purchase Expenses	10204.75	11615.98	12571.68	11958.97	12408.94
2	O&M Expenses	1695.50	1840.79	2157.36	2477.47	2662.74
	a) Employee Expenses	*1096.80*	*1095.22*	*1165.45*	*1240.26*	*1319.94*
	b) R&M Expenses	*451.69*	*585.46*	*817.66*	*1047.72*	*1136.85*
	c) A&G Expenses	*147.02*	*160.12*	*174.25*	*189.50*	*205.95*
3	Depreciation	77.61	123.82	192.29	224.58	244.98

4	Interest and Finance Charges	100.90	114.72	121.68	125.42	127.11
5	Interest on Working Capital	0.00	0.00	12.10	40.63	56.34
6	Interest on CSD	62.22	62.22	62.22	62.22	62.22
7	Return on Equity	387.88	587.59	787.75	883.02	948.24
8	Other Debits, incl. Provisioning for Bad Debts	6.21	6.21	6.21	6.21	6.21
9	**Total Expenditure**	**12535.07**	**14351.32**	**15911.30**	**15778.52**	**16516.79**
10	Less: Non-Tariff Income	314.52	301.45	290.60	281.80	274.89
11	Less: Other Income	1111.40	1594.54	1868.03	888.52	448.82
12	**Aggregate Revenue Requirement**	**11,109.16**	**12,455.33**	**13,752.67**	**14,608.20**	**15,793.07**

Commission's Analysis

7.18.2 As discussed in earlier paragraphs, the Commission has approved the expenses for each year of the Control Period from FY 2025-26 to FY 2029-30 based on the principles specified in the MYT Regulations, 2024. The summary of ARR as submitted by APDCL and as approved by the Commission for next Control Period is given in the Table below:

Table 143: ARR for APDCL approved by the Commission for FY 2025-26 to FY 2029-30 (Rs. Crore)

Sl. No.	Particulars	FY 2025-26		FY 2026-27		FY 2027-28		FY 2028-29		FY 2029-30	
		APDCL	Approved	APDCL	Approved	APDCL	Approved	APDCL	Approved	APDCL	Approved
1	Power Purchase Expenses	10,204.75	10,020.60	11,615.98	10,559.45	12,571.68	10,728.99	11,958.97	10,202.89	12,408.94	10,862.08
2	O&M Expenses	1,695.50	1,410.70	1,840.79	1,509.30	2,157.36	1,618.68	2,477.47	1,733.46	2,662.74	1,853.98
	a) Employee Expenses	*1,096.80*	*918.96*	*1095.22*	*972.69*	*1165.45*	*1,036.02*	*1240.26*	*1,103.47*	*1319.94*	*1,175.31*
	b) R&M Expenses	*451.69*	*263.19*	*585.46*	*291.68*	*817.66*	*320.17*	*1047.72*	*348.66*	*1136.85*	*377.15*
	c) A&G Expenses	*147.02*	*228.54*	*160.12*	*244.93*	*174.25*	*262.49*	*189.50*	*281.33*	*205.95*	*301.53*
3	Depreciation	77.61	72.97	123.82	71.67	192.29	70.58	224.58	66.98	244.98	65.97
4	Interest and Finance Charges	100.90	10.94	114.72	11.76	121.68	12.70	125.42	13.87	127.11	15.27
5	Interest on Working Capital	-	-	0.00	-	12.10	-	40.63	-	56.34	7.38
6	Interest on CSD	62.22	62.22	62.22	62.22	62.22	62.22	62.22	62.22	62.22	62.22
7	Return on Equity	387.88	178.66	587.59	183.49	787.75	188.32	883.02	193.15	948.24	197.98
8	Other Debits, incl. Provisioning for Bad Debts	6.21	-	6.21	-	6.21	-	6.21	-	6.21	-
9	**Total Expenditure**	**12,535.07**	**11,756.09**	**14,351.32**	**12,397.89**	**15,911.30**	**12,681.49**	**15,778.52**	**12,272.56**	**16,516.79**	**13,065.33**
10	Less: Non-Tariff Income	314.52	303.87	301.45	290.27	290.60	278.87	281.80	269.48	274.89	261.96
11	Less: Other Income	1,111.40	1044.88	1594.54	1,213.79	1868.03	1,185.31	888.52	314.06	448.82	217.48

12	**Aggregate Revenue Requirement**	**11,109.16**	**10,407.34**	**12,455.33**	**10,893.83**	**13,752.67**	**11,217.31**	**14,608.20**	**11,689.02**	**15,793.07**	**12,585.89**

The Commission approves the ARR for APDCL as shown in the Table above for FY 2025-26 to FY 2029-30.

The Cumulative Revenue Gap/(Surplus) for FY 2025-26, after adjusting the Revenue Gap/(Surplus) after truing up for FY 2023-24 is addressed in the subsequent Chapter.

8 Cumulative Revenue Gap till FY 2025-26 and Tariff for FY 2025-26

8.1 Cumulative Revenue Gap

8.1.1 APDCL has submitted the Cumulative Revenue Requirement of Rs 11,652.54 Crore for FY 2025-26. The Cumulative Revenue Requirement projected by APDCL for FY 2025-26 is given in the Table below:

Table 144: Cumulative Revenue Requirement for FY 2025-26 as submitted by APDCL (Rs. Crore)

Particulars	Rate of Interest	Amount
True Up for FY 2023-24		
Gross revenue Gap after true-up for FY 2023-24		440.00
Carrying/(Holding) cost for FY 2023-24 (half Year)	11.57%	25.45
Carrying/(Holding) cost for FY 2024-25 (full Year)	11.80%	51.92
Carrying/(Holding) cost for FY 2025-26 (half Year)	11.80%	25.96
Total carrying cost		**103.33**
Grand Total		**543.33**
Standalone ARR for FY 25-26		11,109.16
Cumulative Revenue Requirement for FY 2025-26		**11,652.54**

8.1.2 APDCL projected retail sale of 12,015 MU during FY 2025-26. Thus, average cost of supply to recover entire cumulative amount of Rs. 11652.54 Crore during FY 2025-26 is projected as Rs. 9.70 per kWh, as compared to the approved cost of supply per unit of Rs. 9.55/kWh for FY 2024-25.

8.1.3 APDCL has projected a Revenue Gap of Rs. 357 Crore for FY 2025-26. However, APDCL submitted that being the first year of the Control Period, APDCL proposes to continue with the prevalent tariff approved by the Commission for FY 2024-25, without any hike for all categories of consumers for FY 2025-26.

8.1.4 APDCL submitted that any subsequent decision from the State Government on subsidy for FY 2025-26 u/S 65 of the EA, 2003 will be adjusted against respective category of consumers with intimation to the Commission.

Commission's Analysis

8.1.5 The Commission has approved the Cumulative Revenue Surplus of Rs. 911.28 Crore for FY 2025-26, as shown in the Table below:

Table 145: Cumulative Revenue Gap/(Surplus) for FY 2025-26 approved by the Commission (Rs. Crore)

Sr. No.	Particulars	Rate of Interest (%)	Revenue Gap/(Surplus)
1	Revenue Gap/(Surplus) after Truing up of FY 2023-24		219.93
	Carrying Cost for FY 2023-24 (Half Year)	11.57%	(2.62)
	Carrying Cost for FY 2024-25 (Full Year)	11.72%	(5.32)
	Carrying Cost for FY 2025-26 (Half Year)	11.72%	(2.66)
	Total carrying cost		(10.60)
	Total Revenue Gap/(Surplus) for FY 2023-24 (A)		209.33
2	**Revenue Requirement for FY 2025-26 (B)**		**10,407.34**
3	Impact of APGCL True-Up (C)		(6.26)
4	Impact of AEGCL True-Up (D)		(99.50)
5	Impact of SLDC True-Up (E)		(3.37)
6	Assessed impact of revision in ToD timeslots and tariff (F)		130.00
7	Cumulative Revenue Requirement for FY 2025-26 (H) = A + B + C + D + E + F		10,637.54
8	Revenue from Existing Tariff in FY 2025-26 (I)		11,548.82
9	**Total Revenue Gap/(Surplus) for FY 2025-26 (J) = (H) – (I)**		**(911.28)**

8.1.6 The Commission sought data regarding the under-recovery of FPPPA by APDCL in FY 2023-24 with the detailed computation of the same. APDCL, in reply, submitted that the total under-recovery of FPPPA in FY 2023-24 as compared to the FPPPA entitled to be recovered by APDCL, as Rs. 265.30 Crore.

8.1.7 In this regard, according to Regulation 13 of the AERC (Terms & Conditions of Multi Year Tariff) Regulations, 2021, "*in case of Distribution Licensees, the carrying cost may not be allowed on the gap in power purchase cost if the Distribution Licensee fails to recover the variation in power purchase cost in accordance with the AERC (Fuel and Power Purchase Price Adjustment Formula) Regulations, 2010 and its amendments thereof*."

8.1.8 Also, in the Hearing Order dated 14.11.2022 on the Petition No. 10/2022, the Commission made the following observations:

".......in accordance with the provisions in the aforementioned regulations, APDCL should have levied FPPPA charge for the 4th Quarter i.e. January-March 2022 from April-June 2022. However, APDCL has charged the FPPPA from June-August, 2022 and all information for FPPPA levied should have been filed within 60 days of the end of respective quarter i.e. for January-March, 2022 data for FPPPA should have been filed before the end of May 2022. APDCL submitted the data only in October, 2022.

The Commission is of the view that such delays in levying the FPPPA charges and submission of information may lead to forfeiting any future claims on this account. The Commission reiterated that APDCL should follow the timelines as per AERC FPPPA Regulation, 2012".

8.1.9 In the Order dated 3rd January 2023 on Petition No. 20/2022, the Commission has noted as under:

"5. From the petition and additional information submitted on 19.12.2022 and 29.12.2022, respectively, it can be inferred that for the 1st Quarter of FY 2022-23, only an amount of Rs 0.30/unit was levied against FPPPA charge calculated at Rs 1.42/unit - leaving an amount of Rs 242.75 Crore unrecovered. Similarly, for the 2nd Quarter of FY 2022-23, against FPPPA rate of Rs 1.09/unit, only Rs 0.30/unit was levied. Therefore, the total FPPPA that remains unrecovered by the petitioner (including carry forward of 1st Quarter) at the end of the 2nd Quarter stands at Rs 484.18 Crore.

Now, as per the petitioner, the total accumulated, unrecovered FPPPA by the end of November, 2022 stands at a whopping Rs 936.14 Crore….

8. *The Commission observes that the provision of recovery of FPPPA charges is provided in the Electricity Act-2003, the Tariff Policy and the Regulations of the Commission with a view that the same may be recovered by the licensee effectively and promptly from time to time. However,* ***the petitioner avoided actual recovery of FPPPA to evade public resentment for the two quarters of FY 2022-23, even when no separate approval from the Commission was necessary****.*

9. *It may be mentioned here that as per Regulation 5.2 of the AERC (FPPPA) Regulations 2010, ...when FPPPA charges exceed 25% of the variable component of tariff, the Licensee shall make a petition to the Commission for recovery of the charges over the specified cap which shall be recovered after Commission's scrutiny and directives".* ***The 25% of variable component of tariff is Rs 1.51/unit. FPPPA rate calculated for 1st Quarter and 2nd Quarter was Rs 1.42/ unit and Rs 1.09/unit respectively which is well below 25% of variable component of tariff i.e., Rs 1.51/unit. Therefore, no approval of the Commission was necessary****….*

12. *The Commission directs that APDCL should take up implementation of FPPPA in accordance with the AERC (FPPPA) Regulations in letter and spirit." (****emphasis added****)*

8.1.10 Hence, in line with the same approach, while computing the Carrying Cost on the Revenue Gap after true-up for FY 2023-24, the Commission has not allowed the Carrying Cost on the amount of Rs. 265.30 Crore that should have been recovered by APDCL in FY 2023-24 itself.

8.1.11 The Commission has considered the Revenue Gap/(Surplus) approved for APGCL, AEGCL, and SLDC in their respective True-up Orders for FY 2023-24, along with carrying/(holding) cost, by directly passing through the same in the Cumulative Revenue Gap/(Surplus) of APDCL for FY 2025-26.

8.1.12 The Commission notes that Time of Day Tariff would be implemented with revised time slots this year. The Commission is of the opinion that this changed ToD Tariff may optimise the power purchase cost but it may also increase the power purchase cost based on actual sales and power purchase scenario. **The Commission has assessed an impact of Rs. 130 Crore for implementation of revised ToD Tariff however, APDCL must provide separate accounts for different slots of ToD for Sales,**

Power Purchase and Revenue so that actual impact of ToD could be trued up.

8.1.13 Thus, **the Cumulative Revenue Surplus after passing through all the past Revenue Gap/(Surplus) after truing up for FY 2023-24 for APGCL, AEGCL, SLDC and APDCL along with carrying cost works out to an amount of Rs. 911.28 Crore, which translates to an average tariff reduction of Rs. 0.70/kWh or 7.9%.**

8.1.14 **The Commission notes that the major reason for reduction of ACoS and hence, Tariff is due to reduction in the impact of Past Gap, which was very high in the Tariff Order of FY 2024-25, because of true-up Gap of FY 2022-23.**

8.1.15 **Hence, the Commission has approved tariff reduction of Rs. 1.00/kWh for Jeevan Dhara, Domestic A (all slabs), Domestic B, and HT Domestic. The Commission has approved tariff reduction of Rs. 0.25/kWh for all other categories.**

8.1.16 Accordingly, the Commission has rationalised the category-wise tariffs in order to pass through the Revenue Surplus of Rs. 911 Crore, while ensuring the reduction of cross-subsidy between consumer categories, as elaborated in subsequent sections of this Order.

8.2 Tariff Philosophy and Design for FY 2025-26

8.2.1 APDCL has proposed the retail supply tariff for FY 2025-26 in accordance with the EA 2003, National Electricity Policy, Tariff Policy, and MYT Regulations 2024. The proposed tariffs for all categories remain within ±20% of the ACoS while avoiding tariff shocks.

8.2.2 APDCL has also proposed introduction of Time-of-Day (ToD) tariff for consumers with a connected load exceeding 10 kW and having Smart Meters installed, in line with the Commission’s directive. "Solar hours" have also been incorporated into the ToD structure as per Rule 8A of the Rights of Consumers Rules, 2020.

8.2.3 APDCL submitted that Smart Meter billing data has been used to determine the ToD tariffs, but due to uncertainty in peak consumption reduction, revenue projections are based on normal tariffs.

8.2.4 APDCL also proposed creation of a new category, viz., “Inter-State sale of power,” following the Ministry of Power’s protocol for supplying electricity to border areas from a neighbouring State's grid.

8.2.5 APDCL has projected the ACoS for FY 2025-26 as Rs. 9.70/kWh, as shown in the Table below:

Table 146: ACoS Projected by APDCL for FY 2025-26

Particulars	Unit	Amount
Revenue Requirement for FY 2025-26	(Rs. Crore)	11652.49
Energy Sales proposed for FY 2025-26	MU	12015
ACoS for FY 2025-26	Rs/kWh	9.70

Commission's Analysis

8.2.6 In determining the ARR and the retail supply tariff of APDCL for FY 2025-26, the Commission has been guided by the provisions of the EA 2003, National Electricity Policy (NEP), Tariff Policy, and the MYT Regulations, 2024.

8.2.7 Section 61 of the EA 2003 lays down the broad principles and guidelines for determination of retail supply tariffs. The basic principle is to ensure that tariff should progressively reflect the cost of supply of electricity and gradually reduce the cross-subsidies between categories. The EA 2003 lays down special emphasis on safeguarding of consumers' interest and also requires that the costs should be recovered in a reasonable manner. The EA 2003 mandates that tariff determination should be guided by factors which "*encourage competition, efficiency, economical uses of resources, good performance and optimum investment*".

8.2.8 The EA 2003 provides that while determining the tariff, the Commission shall not show undue preference to any consumer of electricity but may differentiate according to the consumer's load factor, power factor, voltage, total consumption of electricity during any specified period or the time at which the supply is required or the geographical position of any area, the nature of supply and the purpose for which the supply is required. The Tariff Policy notified by the Government of India provides comprehensive guidelines for determination of tariff and determination of ARR of power utilities. The Commission has followed these Guidelines, as far as possible.

8.2.9 The Commission has carried forward the process of tariff rationalization in this Order to ensure that the tariffs of most of the categories are within ±20% of the ACoS, while at the same time ensuring that all categories are fairly benefitted from the revenue Surplus of APDCL.

8.2.10 The Commission has computed the ACoS of Rs. 8.72/kWh based on the ARR approved for recovery in FY 2025-26.

8.2.11 The ACoS approved by the Commission for FY 2025-26 after inclusion of Revenue Surplus of FY 2023-24 along with carrying cost and after adjustment of Revenue Gap/(Surplus) of APGCL, AEGCL, and SLDC is shown in the Table below:

Table 147: ACoS approved by the Commission for FY 2025-26

Sr. No.	Particulars	Units	Approved
1	Cumulative Revenue Requirement for FY 2025-26	Rs. Crore	10,637.54
2	Total Sales for FY 2025-26	MU	12,197.78
3	**Average Cost of Supply (ACoS)**	**Rs/kWh**	**8.72**

8.2.12 The Commission has retained the tariff categories and tariff slabs as approved in previous Tariff Order dated June 27, 2024, except for the following changes:

a) The Commission has accepted APDCL's proposal to create a new Tariff Category for 'Inter-State sale of Power', for enabling the protocol for providing electricity to border areas of neighbouring State. The tariff for this category has been approved as a single-part tariff equal to the ACoS of Rs. 8.72/kWh.

b) As regards LPG Bottling Plants, they are being billed presently under HT Industrial category, which is appropriate, and the Commission retains the applicability as at present.

c) Sugarcane-based industry shares a similar seasonal nature as Tea, Coffee & Rubber category, and operates primarily from November to May, with a hiatus during the non-seasonal months from June to October. Therefore, the sugarcane-based industry has been categorized under Tea, Coffee, and Rubber, i.e., as HT VI Category, enabling these industries to declare separate Contract Demand for both seasonal and non-seasonal periods.

8.2.13 The recovery of fixed costs through the Fixed/Demand Charges has reduced slightly from 50% approved in the Tariff Order for FY 2024-25 to 47% in the present Order, on account of the change in the contribution of Fixed Costs to the ARR, though the Fixed/Demand Charges have been retained at the existing levels.

8.2.14 The rebate of 20% has been retained to Oxygen manufacturing plants under HT-V (C) category for FY 2025-26.

8.2.15 The detailed applicability and description of tariff categories has been elaborated in the Tariff Schedule under Chapter 11 of this Order.

8.3 Time of Day (ToD) Tariff

8.3.1 APDCL has proposed revised Time of Day Tariff in compliance with the directive issued by the Commission in its Tariff Order dated June 27, 2024. APDCL has proposed that this ToD tariff should be applicable to all consumer categories with a connected load exceeding 10 kW, where Smart Meters have been installed.

8.3.2 APDCL has proposed "solar hours" from 06:00 hours to 17:00 hours along with other ToD time slots and corresponding tariffs.

8.3.3 For Commercial and Industrial consumers, the TOD tariff during peak period of the day is proposed to be kept at 1.20 times the normal tariff and for other consumers, it is proposed at 1.10 times the normal tariff.

8.3.4 The time slot for peak Hours have been proposed to be changed from 17:00 Hrs -22:00 Hrs to 17:00 Hrs – 24:00 Hrs considering the trend in peak demand with time.

Commission's Analysis

8.3.5 The Electricity (Rights of consumers) Rules, 2020 and its amendments states as under:

> "*The Time of Day tariff for Commercial and Industrial consumers having maximum demand more than ten Kilowatt shall be made effective from a date not later than 1st April, 2024 and for other consumers except agricultural consumers, the Time of Day tariff shall be made effective not later than 1st April, 2025 and a Time of Day tariff shall be made effective immediately after installation of smart meters, for the consumers with smart meters:*
>
> *Provided that, the Time of Day Tariff specified by the State Commission for Commercial and Industrial consumers during peak period of the day shall not be less than 1.20 times the normal tariff and for other consumers, it shall not be less*

than 1.10 times the normal tariff:

Provided further that, tariff for solar hours of the day, specified by the State Commission shall be at least twenty percent less than the normal tariff for that category of consumers:

Provided also that the Time of Day Tariff shall be applicable on energy charge component of the normal tariff:

Provided also that the duration of peak hours shall not be more than solar hours…"

8.3.6 The MoP Rules mandates that the Solar Hours shall be 8 hours during the day as specified by the State Commission.

8.3.7 The Commission has analysed APDCL's submissions in this regard. The Commission does not find merit in APDCL's proposal of declaring the 11-hour period from 06:00 to 17:00 hours as Solar Hours with 20% rebate in Energy Charges. In response to the Commission's query in this regard, APDCL submitted that the existing normal tariff hours have been proposed to be converted to Solar Hours, hence, APDCL has proposed Solar Hours as 11 hours. The Commission does not find this as a sufficient reason for declaring the 11-hour period from 06:00 to 17:00 hours as Solar Hours, when generation from Solar generation is expected during the period 09:00 to 17:00 hours, or maybe 08:30 to 14:30 hours. Hence, the Commission has stipulated the time slot from 09:00 t0 17:00 hours as Solar Hours, having rebate of 20% in Energy Charges.

8.3.8 Further, the Commission is of the view that for seamlessly transitioning from the existing ToD regime to the new ToD regime, it is advisable to keep the time slots same as the existing time slots and stipulate the ToD tariffs for these time slots to achieve the desired objective. This will obviate the need to physically re-progamme the existing ToD meters to match revised time slots, till such time the Smart Meters are not installed, and end up in a situation where different consumers from the same category have applicability of different ToD tariffs based on whether they have Smart Meter or old ToD meter and status of re-progamming of old ToD meter.

8.3.9 The comparison of the existing and revised ToD tariffs are given in the Table below:

Table 148: Comparison of ToD Tariff approved by the Commission for FY 2025-26

Sl.	Time Slot	Existing TOD Tariff	Revised TOD Tariff
1	06:00 to 09:00 hours	Normal Energy Charges	Normal Energy Charges
2	09:00 to 17:00 hours	Normal Energy Charges	80% of Normal Energy Charges
3	17:00 to 22:00 hours	(+) Rs. 2.00/kWh	120% of Normal Energy Charges
4	22:00 to 06:00 hours	(-) Rs. 2.00/kWh	Normal Energy Charges

8.3.10 Accordingly, the Commission approves the ToD timeslots and tariffs for FY 2025-26, as shown in the Table below:

Table 149: Revised ToD Tariff approved by the Commission for FY 2025-26

Sl.	Time Slot	Revised TOD Tariff
1	22:00 to 09:00 (Normal Hours)	Normal Energy Charges
2	09:00 to 17:00 hours (Solar Hours)	80% of Normal Energy Charges
3	17:00 to 22:00 hours (Peak Hours)	120% of Normal Energy Charges

8.3.11 As regards the applicability of ToD tariffs, APDCL has proposed to extend the ToD tariff to all categories except Jeevan Dhara and Domestic A, after Smart Meters are installed in their respective premises. APDCL has also proposed that the ToD tariff shall be optionally available to the categories to whom the existing ToD tariffs are not applicable, i.e., Domestic B, LT Commercial, etc. **The Commission is of the view that once Smart Meters are installed, ToD tariffs can be implemented for most categories, including Domestic A, however, the same shall be implemented at the option of the consumer. APDCL should facilitate such communication from the consumer regarding whether they are opting for ToD tariff. Further, for the categories for whom ToD tariff is optional even under the earlier regime, the option shall be available to come under the revised ToD regime. However, for categories for whom ToD tariff is compulsory under the earlier regime, the revised ToD tariff shall be compulsory**.

8.4 Category-wise Tariff approved for FY 2025-26

8.4.1 In the absence of any written commitment from GoA for providing category-wise subsidy in FY 2025-26, the Commission has approved the full cost tariff for FY 2025-26 as shown in the Table below:

Table 150: Full Cost Tariff approved by the Commission for FY 2025-26

Sl. No.	Consumer Category	Increase/(Decrease) in tariffs		Revised tariffs	
		Fixed Charges (Rs/kW/mth or Rs/kVA/mth)	Energy Charges (Rs. per kWh)	Fixed Charges (Rs/kW/mth or Rs/kVA/mth)	Energy Charges (Rs. per kWh)
	LT Category				
LT-1	**Jeevan Dhara**	-	(1.00)	40.00	5.34
LT-II	**Domestic A- above 0.5 kW to 5 kW**	-			
	0 to 120 units per month	-	(1.00)	70.00	5.99
	121 to 240 units per month	-	(1.00)	70.00	7.29
	Balance units	-	(1.00)	70.00	8.19
LT-III	**Domestic-B above 5 kW to 30 kW**	-	(1.00)	70.00	7.74
LT-IV	**Commercial Load above 0.5 kW to 30 kW**	-	(0.25)	150.00	8.94
LT-V	**General Purpose Supply**				
A	Non-commercial and Non-domestic users	-	(0.25)	165.00	7.99
B	Government Primary and Secondary / Higher Secondary Schools/Charitable organisations involved in eradicating hunger specially for children	-	(0.25)	90.00	7.89
LT-VI	**Public Lighting**	-	(0.25)	140.00	7.94

Sl. No.	Consumer Category	Increase/(Decrease) in tariffs		Revised tariffs	
		Fixed Charges (Rs/kW/mth or Rs/kVA/mth)	Energy Charges (Rs. per kWh)	Fixed Charges (Rs/kW/mth or Rs/kVA/mth)	Energy Charges (Rs. per kWh)
LT-VII	**Agriculture up to 7.5 HP**	-	(0.25)	65.00	6.09
LT-VIII(i)	**Small Industries Rural up to 30 kW**	-	(0.25)	70.00	6.59
LT-VIII(ii)	**Small Industries Urban up to 30 kW**	-	(0.25)	80.00	6.84
LT-IX	**Temporary Supply**	-			
	Domestic	-	(0.25)	*105.00*	10.93
	Non-Domestic Non-Agriculture	-	(0.25)	*155.00*	13.03
	Agriculture	-	(0.25)	65.00	6.19
LT-X	**LT Electric Vehicles Charging Stations $**	-	(0.83)	-	8.72
	HT Category				
HT-I	**HT Domestic 30 kW (35 kVA) and above**	-	(1.00)	70.00	7.89
HT-II	**HT Commercial 30 kW (35 kVA) & above**	-	(0.25)	210.00	9.04
HT-III	**Public Water Works**	-	(0.25)	155.00	7.79
HT-IV	**Bulk Supply 30 kW (35 kVA) and above**	-			
HT-IV(i)	Educational Institutions/Charitable organisations involved in eradicating hunger specially for children	-	(0.25)	150.00	8.19
HT-IV(ii)	Others	-	(0.25)	210.00	9.14
HT-V(A)	**HT Small Industries up to 50 kVA**	-	(0.25)	90.00	7.29
HT-V(B)	**HT Industries-1 50 kVA to 150 kVA**	-	(0.25)	200.00	7.69

Sl. No.	Consumer Category	Increase/(Decrease) in tariffs		Revised tariffs	
		Fixed Charges (Rs/kW/mth or Rs/kVA/mth)	Energy Charges (Rs. per kWh)	Fixed Charges (Rs/kW/mth or Rs/kVA/mth)	Energy Charges (Rs. per kWh)
HT-V(C)	**HT Industries-II above 150 kVA (Option 1)**	-	(0.25)	280.00	8.09
	HT Industries-II above 150 kVA (Option 2)	-	(0.25)	360.00	7.69
HT-VI	**Tea, Coffee & Rubber**	-	(0.25)	310.00	8.04
HT-VII	**Oil & Coal**	-	(0.25)	320.00	9.09
HT-VIII	**HT Irrigation Load above 7.5 HP**	-	(0.25)	85.00	7.59
HT - IX	**HT Temporary Supply**	-	(0.25)	190.00	10.69
HT – X	**HT Electric Crematorium**	-	(0.25)	190.00	5.89
HT – XI	**HT Railway Traction**	-	(0.25)	320.00	7.79
HT-XII	**Electric Vehicles Charging Station $**	-	(0.25)	-	8.35

Note: These are Base Tariffs; Additional ToD tariffs have been detailed in the Tariff Schedule

$ approved single-part tariff in accordance with MoP Guidelines.

8.4.2 In case the GoA desires to provide further category-wise subsidy in FY 2025-26 under Section 65 of the EA 2003, after the issue of this Order, the GoA may do so under intimation to the Commission. APDCL shall levy category-wise tariffs after adjusting the amount of category-wise subsidy announced by the GoA, under intimation to the Commission along with the complete calculations in this regard. APDCL shall obtain post-facto approval of the Commission for the category-wise tariff after giving effect to the targeted subsidy, as applicable.

The detailed Tariff Schedule is given in Chapter 11.

8.5 Category-wise Cross-subsidy

8.5.1 The Commission has computed the cross-subsidy with respect to the approved ACoS and attempted to ensure that the cross-subsidies are within the limits of ±20% of the ACoS, as laid down in the Tariff Policy as well as several Judgments of the Hon'ble

APTEL. The category-wise cross-subsidy approved for FY 2025-26 by the Commission in this Order are given in the Table below:

Table 151: Category-wise Cross-Subsidy approved for FY 2025-26

Sr. No.	Category of consumers	Average Billing Rate (Rs./ kWh)	Average Cost of Supply (Rs./ kWh)	Ratio of ABR to ACOS (%)	Cross-subsidy provided /(received) (%)
	LT Category				
1.	Jeevan Dhara	7.11	8.72	82%	(-)18%
2.	Domestic A- above 0.5 kW to 5 kW	7.30	8.72	84%	(-)16%
3.	Domestic-B above 5 kW to 30 kW	9.30	8.72	106%	(+)06%
4.	Commercial Load above 0.5 kW to 30 kW	10.46	8.72	119%	(+)19%
5.	General Purpose Supply	10.46	8.72	120%	(+)20%
6.	Public Lighting	9.31	8.72	107%	(+)7%
7.	Agriculture up to 7.5 HP	7.90	8.72	91%	(-)9%
8.	Small Industries Rural up to 30 kW	8.71	8.72	100%	(-)0%
9.	Small Industries Urban	8.31	8.72	95%	(-)5%
10	EV Charging Stations	8.72	8.72	100%	(-)0%
	HT Category				
11	HT Domestic 30 kW and above	8.79	8.72	101%	(+)1%
12	HT commercial 30 kW & above	10.46	8.72	120%	(+)20%
13	Public Water Works	10.42	8.72	120%	(+)20%
14	Bulk Supply - Educational	8.99	8.72	103%	(+)3%

Sr. No.	Category of consumers	Average Billing Rate (Rs./ kWh)	Average Cost of Supply (Rs./ kWh)	Ratio of ABR to ACOS (%)	Cross-subsidy provided /(received) (%)
	Institutions/Charitable organisations involved in eradicating hunger specially for children				
15.	Bulk Supply Others	10.25	8.72	117%	(+)17%
16.	HT Small Industries up to 50 kVA	9.06	8.72	104%	(+)4%
17.	HT Industries-1 50 kVA to 150 kVA	10.37	8.72	119%	(+)19%
18.	HT Industries-II above 150 kVA	9.45	8.72	108%	(+)8%
19.	Tea, Coffee & Rubber	9.68	8.72	111%	(+)11%
20.	Oil & Coal	10.45	8.72	120%	(+)20%
21.	HT Irrigation Load above 7.5 HP	10.45	8.72	120%	(+)20%
22.	EV Charging Stations	8.35	8.72	96%	(-)4%

Note: (+) Cross-subsidy provided to other consumer categories
(-) Cross-subsidy received from other consumer categories

8.5.2 As can be seen from the above Table, the Average Billing Rate for all categories is within the band of 80% to 120% of ACoS, which is in accordance with the Tariff Policy.

8.6 Fuel Price and Power Purchase Adjustment Charges (FPPPA)

8.6.1 Fuel Price and Power Purchase Adjustment shall be applicable as per the AERC (Fuel and Power Purchase Price Adjustment) Regulations, 2024 and the subsequent amendments.

8.6.2 APDCL shall comply with the AERC (Fuel and Power Purchase Price Adjustment) Regulations, 2024, and subsequent amendments thereof to adjust the differential cost of power purchase.

9 Wheeling Charges and Cross-Subsidy Surcharge

9.1 Introduction

9.1.1 APDCL has proposed the Wheeling Charges and Cross-Subsidy Surcharge applicable for Open Access consumers of APDCL for FY 2025-26.

9.2 Allocation Matrix

9.2.1 APDCL submitted that it has retained the Allocation Matrix considered in previous Tariff Orders by the Commission for allocation of expenses between the Wires Business and Retail Supply Business for FY 2025-26.

9.2.2 Accordingly, APDCL has proposed the following separation of ARR for Wires and Supply Business for FY 2025-26:

Table 152: Separation of ARR for Wires and Retail Supply Business for FY 2025-26 as submitted by APDCL (Rs. Crore)

Sr. No.	Particulars	Gross Amount	Wire Business	Retail Supply Business
1	Power Purchase Expenses	10,204.75	-	10,204.75
2	Employee Expenses	1096.80	658.08	438.72
3	R&M Expenses	451.69	406.52	45.17
4	A&G Expenses	147.02	73.51	73.51
5	Depreciation	100.90	69.85	7.76
6	Interest and Finance Charges	100.90	90.81	10.09
7	Interest on Working Capital	-	-	-
8	Interest on CSD	62.22	-	62.22
9	Return on Equity	387.88	349.09	38.79
11	Provisioning for Bad & Doubtful Debts	6.21		6.21
12	Less: Non-Tariff Income	314.52	-	314.52
13	Less: Other Income	1111.4	111.14	1,000.26
	Total ARR	**11109.16**	**1536.72**	**9572.44**

Commission Analysis

9.2.3 The Commission has considered the following matrix, in line with the approach adopted in its previous Orders, for allocation of expenses between the Wires Business and Retail Supply Business as shown in the Table below:

Table 153: Allocation Matrix for Separation of ARR for Wires Business and Retail Supply Business for FY 2025-26

Particulars	Wires Business (%)	Supply Business (%)
Power Purchase Expenses	0%	100%
Employee Expenses	60%	40%
R&M Expenses	90%	10%
A&G Expenses	50%	50%
Depreciation	90%	10%
Interest and Finance Charges	90%	10%
Interest on Working Capital	10%	90%
Interest on CSD	0%	100%
Return on Equity	90%	10%
Income Tax	90%	10%
Prior Period Expenses		100%
Provisioning for Bad & Doubtful Debts	0%	100%
Less: Non-Tariff Income	0%	100%
Less: Other Income	10%	90%

9.2.4 The approved ARR for APDCL for FY 2025-26 has been segregated between the Wires Business and Retail Supply Business, based on the above Allocation Matrix, as given in the Table below:

Table 154: Separation of ARR for Wires Business and Retail Supply Business for FY 2025-26 (Rs. crore)

Particulars	ARR for Wires Business	ARR for Supply Business	Total ARR
Power Purchase Expenses	-	10,020.60	10,020.60
Employee Expenses	551.38	367.58	918.96
R&M Expenses	236.87	26.32	263.19
A&G Expenses	114.27	114.27	228.54
Depreciation	65.68	7.30	72.97
Interest and Finance Charges	9.85	1.09	10.94
Interest on Working Capital	-	-	-
Interest on CSD	-	62.22	62.22
Return on Equity	160.79	17.87	178.66
Provisioning for Bad & Doubtful Debts	-	-	-
Less: Non-Tariff Income	-	303.87	303.87
Less: Other Income	104.49	940.39	1,044.88
Total ARR	**1,034.35**	**9,372.99**	**10,407.34**

9.2.5 In the absence of proper allocation of expenses submitted by APDCL, the Commission has adopted the Allocation Matrix specified in the MYT Regulations, 2021 for the purpose of allocation of costs between the Wires Business and Supply Business, for the purposes of this Order. However, **from its next Tariff Petition, APDCL should submit the Allocation Statement in accordance with Regulation 75.1 of the AERC MYT Regulations, 2024, duly approved by the Board of APDCL, with necessary explanation for the basis considered**.

9.3 Wheeling Charges

9.3.1 APDCL submitted that the Wheeling Charges applicable for distribution open access consumers at 33 kV voltage level for FY 2025-26 have been determined from the ARR of the Distribution Wires Business on gross basis, as shown in the Table below:

Table 155: Wheeling Charges as submitted by APDCL for FY 2025-26

Sr. No.	Particulars	Units	Proposed
1	Total Energy Input into Distribution System	MU	14,053
2	Total Wires ARR	Rs. Cr	1,536.72
3	Distribution Cost for Wires Business for 33 kV Voltage level (assuming 35% of cost at 33 kV)	Rs. Cr	537.85
4	**Wheeling Charges for 33 kV Voltage Level**	**Rs/kWh**	**0.38**

Commission Analysis

9.3.2 The Wheeling Charges applicable for Distribution Open Access consumers at 33 kV/11 kV voltage level for FY 2025-26, has been determined from the ARR of the Distribution Wires Business, as shown in the Table below:

Table 156: Wheeling Charges approved by the Commission for FY 2025-26

Sr. No.	Particulars	Units	Approved
1	Total Energy Input into Distribution System	MU	14,101.48
2	Total Wires ARR	Rs. Crore	1,034.35
3	Distribution Cost for Wires Business for 33 kV Voltage level (assuming 35% of cost at 33 kV)	Rs. Crore	362.02
4	**Wheeling Charges for 33 kV/11 kV Voltage Level**	**Rs/kWh**	**0.26**

9.3.3 The Wheeling Charges for FY 2025-26 as determined in the above Table, are applicable for use of the distribution system of APDCL by other Licensees or generating companies or captive power plants or consumers/users who are permitted open access at 33 kV/11 kV voltage level under Section 42(2) of the EA 2003.

9.4 Applicable Wheeling Losses

9.4.1 The Wheeling Losses applicable for Open Access transactions for FY 2025-26 shall be as under:

Table 157: Wheeling Losses approved by the Commission for FY 2025-26

Sr. No.	Particulars	Total
1	At 33 kV level	5%
2	At 11 kV level	11%

9.5 Cross-Subsidy Surcharge (CSS)

9.5.1 The Open Access consumers are liable to pay the CSS to compensate the utility for any loss of revenue due to the shifting of the consumer to the Open Access system. Eligible consumers with a connected load of 1 MW and above shall be allowed Open Access.

9.5.2 APDCL submitted that it had computed the CSS in line with the methodology stipulated under the Tariff Policy, as per the Electricity (Promoting Renewable Energy through Green Energy Open Access) Rules, 2022.

9.5.3 APDCL has computed the CSS for HT-II Commercial Category, HT-IV (i) Bulk Supply Govt. Edu. Institutions category, HT-IV (ii) Bulk Supply Others category, HT-V (C) HT Industry category, HT-VI Tea, Coffee & Rubber category, and HT-VII Oil & Coal category, as shown in the Table below:

Table 158: Category-wise CSS computed by APDCL for FY 2025-26 (Rs/kWh)

Particulars	Average Billing Rate	Actual Computed CSS	CSS Ceiling @20% of ABR
HT Domestic above 30 kW (35 kVA)	9.88	2.76	**1.98**
HT Commercial above 30 kW (35 kVA)	10.89	3.77	**2.18**
Public Water Works	9.99	2.87	**2.00**
Bulk Supply Govt. Edu Inst above 30 kW (35 kVA)	9.35	2.23	**1.87**
Bulk Supply Others above 30 kW (35 kVA)	10.84	3.72	**2.17**
HT Small Industries above 30 kW (35 kVA) and up to 50 kVA	9.35	2.24	**1.87**

Particulars	Average Billing Rate	Actual Computed CSS	CSS Ceiling @20% of ABR
HT Industries-I 50 kVA to 150 kVA	11.38	4.26	**2.28**
HT Industries-II above 150 kVA	10.06	2.94	**2.01**
Tea, Coffee & Rubber	11.11	4.00	**2.22**
Oil & Coal	10.79	3.67	**2.16**
HT Irrigation Load above 30 kW (35 kVA)	10.69	3.57	**2.14**
HT Railway Traction	9.96	2.85	**1.99**
Electric Vehicles Charging Station	8.60	**1.48**	1.72

Commission Analysis

9.5.4 The National Electricity Policy 2016 lays down that the amount of cross-subsidy surcharge and the additional surcharge to be levied from consumers who are permitted open access. The said formula is described as under:

S= T – [C/ (1-L/100) + D+ R]

Where:

S is the surcharge

T is the tariff payable by the relevant category of consumers, including reflecting the Renewable Purchase Obligation

C is the per unit weighted average cost of power purchase by the Licensee, including meeting the Renewable Purchase Obligation

D is the aggregate of transmission, distribution and wheeling charge applicable to the relevant voltage level

L is the aggregate of transmission, distribution and commercial losses, expressed as a percentage applicable to the relevant voltage level

R is the per unit cost of carrying regulatory assets.

9.5.5 Further, the Electricity (Amendment) Rules, 2022 notified on 29th December 2022, stipulates that cross-subsidy surcharge to be determined by the Appropriate Commission shall not exceed twenty percent (20%) of Average Cost of Supply. The relevant extract of the notified Rule 13 is as under:

"13. Surcharge payable by Consumers seeking Open Access .- The surcharge, determined by the State Commission under clause (a) of sub-section (1) of section 86 of the Electricity Act,2003 ***shall not exceed twenty per cent of the average cost of Supply."*** *(emphasis added)*

9.5.6 The Commission has approved the CSS for FY 2025-26 for all HV categories as per the methodology stipulated in the Tariff Policy, and after ensuring that the CSS is not greater than 20% of the ACoS, as stipulated in the Electricity Rules and subsequent amendments, as shown in the Table below:

Table 159: Category-wise CSS approved by the Commission for FY 2025-26 (Rs/kWh)

Sl.	Category	T	C	D	L	CSS
1	HT Domestic 30 kW and above	8.79	5.08	1.00	15.98%	1.74
2	HT commercial 30 kW & above	10.46	5.08	1.00	15.98%	1.74
3	Public Water Works	10.42	5.08	1.00	15.98%	1.74
4	Bulk Supply Govt. Edu Inst	8.99	5.08	1.00	15.98%	1.74
5	Bulk Supply Others	10.25	5.08	1.00	15.98%	1.74
6	HT Small Industries up to 50 kW	9.06	5.08	1.00	15.98%	1.74
7	HT Industries-1 50 kW to 150 kW	10.37	5.08	1.00	15.98%	1.74
8	HT Industries-II above 150 kW	9.45	5.08	1.00	15.98%	1.74
9	Tea, Coffee & Rubber	9.68	5.08	1.00	15.98%	1.74
10	Oil & Coal	10.45	5.08	1.00	15.98%	1.74
11	HT Irrigation Load above 7.5 hp	10.45	5.08	1.00	15.98%	1.74
12	HT Electric Crematorium	10.28	5.08	1.00	15.98%	1.74
13	HT Railway Traction	9.72	5.08	1.00	15.98%	1.74
14	HT EV Charging Station	8.35	5.08	1.00	15.98%	1.30

Note: *T is ABR, C is APPC, D is sum of Wheeling Charges and Transmission Charges, L is T&D loss.*

9.6 GREEN TARIFF

APDCL's Submission

9.6.1 APDCL submitted that the Green Energy Tariff shall be over and above the existing fixed and energy charges applicable for different categories of consumers. APDCL submitted that the Green Energy Tariff is optional / voluntary and shall only be provided on the request of the intending consumers.

9.6.2 APDCL proposed that the consumers may procure RE power quantum of minimum 25% of their monthly consumption of electricity during any billing month. The consumers shall be permitted to increase their consumption from RE Power in steps of 5% of their monthly consumption over and above 25% up to 100% from RE sources during any billing month.

9.6.3 Consumers intending to avail the facility shall have to place a requisition for availing additional RE power with APDCL, at least 3 months in advance, to enable APDCL to make the necessary arrangements for purchase of RE power and accounting for the same.

9.6.4 The Green Energy Tariff proposed by APDCL is shown in the Table below:

Table 160: Green Energy Tariff proposed by APDCL for FY 2025-26 (Rs/kWh)

Sl.	Particulars	Amount (Rs./kWh)
1	Average Pooled Power Purchase Cost of RE	5.13
2	Cross-Subsidy Surcharge @20% of ACOS	1.94
3	Reasonable Margin/Service Charge	0.25
	Total Green Energy Tariff	**7.32**

Commission's Analysis

9.6.5 The MoP, Government of India, has notified the Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022, as amended from time to time (hereinafter referred to as "MoP GEOA Rules"), wherein the MoP has stipulated that the Commission has to determine the Green Energy Tariff, to facilitate purchase of additional Green Energy by obligated entities and consumers from the Distribution

Licensee.

9.6.6 The Commission does not agree with the computations of Green Energy Tariff submitted by APDCL is very high and defeat the very purpose to promote greater consumption of Green Energy.

9.6.7 The Distribution Licensee is required to purchase additional RE power, in addition to its existing contracts for RE power, to meet the additional requisitions for RE power given by the interested consumers. Further, in accordance with the Rules, **the additional Green Energy purchased by an Obligated Entity from the Distribution Licensees shall be first considered to meet the RPO of the Obligated Entity, and any Green Energy purchased by the Obligated Entity in excess of its RPO, shall be considered to meet the RPO of the Distribution Licensees. In case of embedded consumer, who is not an Obligated Entity and does not have to meet any RPO, the entire Green Energy purchased by the Distribution Licensee against the requisition made by the consumer, shall be considered to meet the RPO of the Distribution Licensees**. Thus, the purchase of additional RE power shall largely be used to meet the RPO of the Distribution Licensee.

9.6.8 Further, the Distribution Licensee will get additional revenue from levy of Green Energy Tariff, though its entire cost is approved in the ARR and is being recovered through the tariff approved by the Commission. **The additional revenue earned by APDCL shall be considered as revenue from sale of electricity by APDCL, and shall be utilised to reduce the Revenue Gap and hence, tariff for all its consumers.**

9.6.9 The Commission also notes that the Green Energy Tariff approved by other SERCs is in the range of Rs. 0.66/kWh to Rs. 2.30/kWh.

9.6.10 The Green Energy Tariff is intended to enable greater penetration of RE in the State. Also, as there is insufficient data regarding the response to the Green Energy Tariff introduced in the previous Tariff Order, the **Commission decides to approve the Green Energy Tariff @ 100 paise/kWh on an adhoc basis, to encourage such consumption. The Commission shall review the same at the time of the next Tariff Order based on the actual data to be submitted by APDCL in this regard, as detailed in the Directives Chapter**.

9.6.11 **The above arrangement is optional / voluntary and shall only be provided on the request of the Consumer**. The consumers may procure RE power quantum of minimum 25% of their monthly consumption of electricity during any billing month. The consumers shall be permitted to increase their consumption from RE Power in steps of 5% of their monthly consumption over and above 25% up to 100% from RE sources during any billing month.

9.6.12 The consumers shall have to place a requisition for availing additional RE power with APDCL, at least 3 months in advance, to enable APDCL to make the necessary arrangements for purchase of RE power and accounting for the same.

9.7 Standby Charges

9.7.1 The Electricity (Promoting Renewable Energy through Green Energy Open Access) Rules, 2022, mandate Standby Charges for Green Energy Open Access consumers who cannot procure or schedule power from their pre-arranged sources due to outages or transmission issues. In such cases, the distribution licensee must provide standby power.

9.7.2 APDCL submitted that these charges should cover short-term power procurement costs and Deviation Settlement Mechanism (DSM) charges incurred by the DISCOM. Standby Charges have been computed on a per-unit basis (Rs/kWh) and apply only to actual energy drawn during the standby period.

9.7.3 APDCL clarified that Standby Charges shall not apply if the consumer notifies the distribution licensee at least a day in advance before gate closure in DAM on 'D-1' day. APDCL submitted that while the Forum of Regulators (FOR) recommends capping Standby Charges at 25% of the applicable tariff, market trends indicate that alternate power procurement costs may exceed this limit in certain time blocks.

9.7.4 Adopting the recommendation of FOR, APDCL has proposed Standby Charges for respective category of consumers as depicted below:

Table 161: Standby Charges proposed by APDCL for FY 2025-26 (Rs/kWh)

Particulars	Average Billing Rate (Rs. /kWh)	Standby Charge (Rs./ kWh)
HT Domestic above 30 kW (35 kVA)	9.88	2.47
HT Commercial above 30 kW (35 kVA)	10.89	2.72
Public Water Works	9.99	2.50
Bulk Supply Govt. Edu Inst above 30 kW (35 kVA)	9.35	2.34
Bulk Supply Others above 30 kW (35 kVA)	10.84	2.71
HT Small Industries above 30 kW (35 kVA) and up to 50 kVA	9.35	2.34
HT Industries-I 50 kVA to 150 kVA	11.38	2.84
HT Industries-II above 150 kVA	10.06	2.52
Tea, Coffee & Rubber	11.11	2.78
Oil & Coal	10.79	2.70
HT Irrigation Load above 30 kW (35 kVA)	10.69	2.67
HT Railway Traction	9.96	2.49
Electric Vehicles Charging Station	8.60	2.15

Commission Analysis

9.7.5 The Commission has approved Standby Charges for Green Energy Open Access consumers who cannot procure or schedule power from their pre-arranged sources due to outages or transmission issues, in line with the AERC (Terms and Conditions of Open Access) Regulations, 2024 to cap the Standby Charges at 25% of the applicable tariff as shown in the Table below:

Table 162: Standby Charges approved by the Commission for FY 2025-26 (Rs/kWh)

Particulars	Average Billing Rate (Rs. /kWh)	Standby Charge (Rs./ kWh)
HT Domestic above 30 kW (35 kVA)	8.79	2.20
HT Commercial above 30 kW (35 kVA)	10.46	2.61
Public Water Works	10.42	2.61
Bulk Supply Govt. Edu Inst above 30 kW (35 kVA)	8.99	2.25
Bulk Supply Others above 30 kW (35 kVA)	10.25	2.56
HT Small Industries above 30 kW (35 kVA) and up to 50 kVA	9.06	2.27
HT Industries-I 50 kVA to 150 kVA	10.37	2.59
HT Industries-II above 150 kVA	9.45	2.36
Tea, Coffee & Rubber	9.68	2.42
Oil & Coal	10.45	2.61
HT Irrigation Load above 30 kW (35 kVA)	10.45	2.61
HT Railway Traction	9.72	2.43
HT Electric Vehicles Charging Station	8.35	2.09

9.8 Applicability of Tariff

The approved Retail Supply Tariffs, Wheeling Charges and CSS for FY 2025-26 shall be effective from April 1, 2025 and shall continue until replaced/modified by an Order of the Commission.

Sd/-

(A. Bhattacharyya)
Member, AERC

Sd/-

(K.S Krishna)
Chairperson, AERC

10 Directives

The Commission has issued certain directives to APDCL in the past Orders, with an objective of attaining operational efficiency and streamlining the flow of information, which would be beneficial to the sector and the Petitioner, both in the short-term and long-term.

As regards the directives issued by the Commission in the Tariff Order dated June 27, 2024, APDCL has submitted the report to the Commission on compliance. The Commission has reviewed the compliance of directives as submitted by APDCL and the status is as follows:

Status of Directives issued in the Tariff Order dated June 27, 2024

Directive 1: Consumer services related issues

The service lines, transformers and associated equipment need proper maintenance by the Petitioner for smooth and continuous power supply to the consumers. The Commission, therefore, directs APDCL to pay special attention for meeting the Standards of Performance (SoP) parameters as specified in AERC (Standards of Performance of Distribution Licensees), Regulations, 2021 and amendments thereof and compensation paid to consumers for default in complying with SoP.

The Ministry of Power, Government of India has issued the Electricity (Rights of Consumers) Amendment Rules, 2024 and other notification, where timelines for new connection in urban and rural areas; pre-specified connection charges up to 150 kW and issuance of simplified bills in regional languages for ease of understanding have been mentioned. The Commission has taken up the task to include these changes in the amendment to the AERC (Electricity Supply Code) Regulations, 2017. However, this would take some time and therefore, APDCL is directed to comply with the Electricity (Rights of Consumers) Amendment Rules, 2024 with regard to alignment of timelines as specified in the Rules for the benefit of the consumers.

Status of Compliance

APDCL submitted that the Company has met the Standards of Performance to provide smooth and continuous power supply to its consumers. Barring force majeure events/conditions as defined in the SOP Regulations, 2021, the “SAIFI” and “Hours of Supply” data for the last FY has been satisfactory and within the RDSS approved range.

Regarding pre-specified connection charges up to 150 kW, the Petitioner submitted that subsequent to approval from the AERC, changes are being implemented in the website regarding the same.

APDCL submitted that the Company was already issuing simplified bills in regional languages.

APDCL further submitted that time lines for new connection in metro, urban and rural areas as specified in the Electricity (Rights of the Consumers) Amendment Rules,2023 has already been adopted accordingly.

Commission's Views

Noted. APDCL is directed to continue to comply with the standards of performance specified in the AERC Regulations and pay automatic compensation to affected consumers in case of non-compliance to the standards. Also, quarterly compliance reports need to be submitted on the same to the Commission.

Directive 2: Reduction in Distribution Loss

Distribution loss is a critical factor, which critically affects the cost of supply of electricity as well as the financial health of a Distribution Licensee. APDCL should identify one Division in each circle where the Distribution Loss is the highest and submit a detailed Action Plan for reduction of the same within 3 months from the issue of this order.

Status of Compliance

APDCL has identified and prioritized implementation of various loss reduction and system strengthening measures under the ongoing AIIB funded Distribution system enhancement and Loss reduction (DSELR) as well as Revamped Distribution Sector Scheme (RDSS) System Strengthening and Smart metering projects in the loss-making divisions. A report in this regard with the present status of implementation is furnished with the Petition.

Commission's views

The Commission notes the submission of APDCL. APDCL should continue and further intensify its efforts to reduce the distribution losses, by focusing on the high loss areas, so that the overall distribution loss in APDCL's licence area is reduced and is brought to within the target stipulated by the Commission for the respective years.

Directive 3: Adhering to the timelines of RDSS

The Petitioner is directed to adhere to the pre-determined timelines outlined under RDSS for achievement of distribution and consumer metering, upgradation of distribution infrastructure in terms of loss reduction, and modernization.

Status of Compliance

APDCL submitted that in consonance with the directive, it has been able to achieve significant progress under both Smart Metering works as well as Distribution Infrastructure works under RDSS and has qualified under the annual evaluation of RDSS for FY2022-23 and FY2023-24 carried out by the MoP, GoI.

On the national front, Assam is the leading State with highest number of Smart Meters being installed under RDSS. The Petitioner has been able to install a cumulative of 23.30 lakh Smart Meters at consumer, DT, and Feeder level.

Likewise, the Petitioner has been one of the front-runners under the distribution infrastructure works also. The LT AB Cabling works are expected to be commissioned by March 2025, whereas the other HT level works are also being implemented with reasonable pace. Needful measures have been duly undertaken by the Petitioner to expedite the progress by timely issuance of SOPs, directives, etc.

As regards the modernisation works, the DPR for the same is awaiting approval from Ministry of Power, Govt. of India. Accordingly, the Petitioner shall initiate the project implementation of modernisation works upon accord of sanction under the scheme.

The Petitioner is committed to comply with the stipulated timeline through its efficient project management. However, it stands to reason that the adherence to the pre-determined timeline is influenced by concerted efforts from other key stakeholders involved like Nodal Agency, REC Ltd., Ministry of Power, Govt. of India, etc.

Commission's views

The Commission notes the submission of APDCL and directs APDCL to maintain its speed in implementation of the necessary distribution sector improvements and adhere to the pre-determined timelines outlined under RDSS.

<u>Directive 4: Extending ToD Tariff to Other Categories</u>

The MoP in the Electricity (Second Amendment) Rules, 2023 has stipulated that the ToD tariff has to be extended to all consumers having maximum demand more than 10 kW after installation of Smart Meters.

Hence, APDCL is directed to undertake the necessary study and propose ToD tariff in its next MYT Petition for consumers of all categories having load more than 10 kW so that same may be implemented after installation of Smart Meters. APDCL should propose the ToD tariff in accordance with the MoP Rules, giving due consideration to the Solar Hours, along with its next MYT Petition, so that the impact of the change in ToD time slots and tariffs and extension of the ToD to other categories is clearly understood. APDCL should do a proper assessment of inter-alia, total number of consumers who will be eligible for ToD tariff, their present metering status, phasing of Smart Meter installation, etc., and include these and other relevant aspects in its study on the subject.

Status of Compliance

APDCL submitted that it has proposed a Time-of-Day (ToD) tariff in compliance with the directive issued by the Commission in its Tariff Order dated 27-06-2024. This ToD tariff is applicable to all consumer categories with a connected load exceeding 10 kW, where Smart Meters have been installed.

Commission's views

Noted. The Commission has analysed APDCL's proposal visa-vis the MoP Rules and the prevalent ToD tariffs in the State and appropriate ruling in this regard has been discussed in earlier part of this Order.

Directive 5: Accounting for Additional Revenue from Green Energy Tariff

The Commission has approved Green Energy Tariff to be levied in case of consumers desiring to procure additional Green Energy from APDCL. APDCL shall maintain a separate account of the additional Green Energy procured by APDCL for this purpose, the rate of purchase of this additional Green Energy, category-wise energy sold to consumers under Green Energy Tariff mechanism, the additional revenue earned through levy of Green Energy Tariff, etc., and submit the relevant details to the Commission along with its next MYT Petition.

APDCL may also suggest any modification desired in the Green Energy Tariff mechanism along with its next MYT Petition, along with suitable justification, based on the experience of implementation of Green Energy Tariff as approved in this Order.

Status of Compliance

APDCL submitted that the directive is noted for compliance. APDCL informed that energy sold to consumers under Green Energy Tariff mechanism as of 30-11-2024 is NIL.

APDCL has proposed Green Energy Tariff in its Tariff Petition in line with the earlier submissions to the Commission on the same matter.

Commission's views

Noted. The Commission has revised the Green Energy Tariff in this Order. APDCL shall maintain a separate account of the additional Green Energy procured by APDCL for this purpose, the rate of purchase of this additional Green Energy, category-wise energy sold to consumers under Green Energy Tariff mechanism, the additional revenue earned through levy of Green Energy Tariff, etc., and submit the relevant details to the Commission along with its next Tariff Petition.

NEW DIRECTIVES

In continuation to the directives issued in Tariff Order dated 27.06.2024, the Commission hereby issues the following new Directives to APDCL.

Directive 1: ToD Tariffs

- TOD tariff has been extended to more consumer categories in accordance with the Electricity (Rights of Consumers) Rules, 2020 and its subsequent amendments. APDCL is therefore, directed to monitor the hourly consumption patterns of all HT consumer categories, based on metering data and submit a report to the Commission with suggestions for modifications of the ToD Tariff along with the next Tariff Proposal. The purpose of the study would be to identify the contribution of each category towards the peak consumption and which categories may be incentivised to further shift their consumption to off-peak hours, seasonal variation in peak and off-peak consumption levels, etc.
- In addition to the above, APDCL should carry out awareness campaigns regarding TOD tariff structure for informed choice to consumers.
- APDCL should ensure that copies of the bills with all necessary details related to consumption and billing during different time slots, application of consumption slab-wise tariff, etc., are easily available to the consumers through the website, App, mobile sms, etc., and physical copies of the bills should also be provided on request. This is necessary to build confidence in the minds of the consumers regarding the correctness of the amounts being charged/deducted, which will facilitate smoother implementation of the Smart Metering drive. Providing necessary data regarding the hourly consumption patterns for consumers having Smart Meters will also help the consumers to plan their consumption patterns better and evaluate whether TOD tariffs are beneficial for them, so that they can take informed decisions in this regard.

Directive 2: Compliance of Audit Observations

- The Commission notes that Statutory Auditors have made several comments on the Audited Accounts. APDCL is directed to take corrective actions on the same expeditiously.
- Besides, the Commission directs that the amount received against deposit works must be properly recorded in the books of accounts and be treated in the same manner as

Grants, i.e., zero cost funds for asset creation, on which no Depreciation, Interest or RoE can be claimed.

- Financial accounting and audit statements should be submitted along with the tariff petitions filed before the Commission and should also be made available in the website in order to ensure that the necessary information is available to the stakeholders for submitting informed comments and suggestions on APDCL's Petition. For the year CAG Report becomes available, the same should also be submitted along with the Tariff Petitions and published in the website of the Petitioner for viewing of public.
- **As regards the issue of Auditor's comments, in order to ensure transparency, APDCL is directed to submit the Auditor's Report as well as the replies submitted in response to the Auditor's comments, along with the Audited Accounts and Petition for true-up for any year.**

Directive 3: Safety measures

- The Commission directs APDCL to take up awareness campaigns related to Electrical Safety among the consumers. The Commission further directs that APDCL should take up training of their technical persons especially at the field levels, on electrical safety related matters.
- Simultaneously, the maintenance works for ensuring safety of the network in identified vulnerable areas during the monsoons should be taken up on priority.

Directive 4: Compliance to provisions in Regulations

- The Commission has notified new Regulations on Demand Response and framework on Resource Adequacy. APDCL is directed to comply with the provisions laid down in these Regulations and submit the necessary reports and targets as in the Regulations.

Directive 5: Voluntary Disclosure Scheme for Connected Load

- APDCL is directed to continue with its campaign for soliciting details of the actual Connected Load of the consumers through a Voluntary Disclosure Scheme, in order to facilitate recovery of the appropriate Fixed Charges. APDCL should ensure that the Scheme is simple and easy to administer and the Format and procedure for voluntary submission of revised Connected Load does not result in undue harassment to the consumers.

Directive 6: Coordination Committee

- It has been observed by the Commission that there are common planning and operational issues relating to power generation, transmission, and distribution, which have been adversely affecting optimum utilisation of the power system and power supply to consumers and which can be resolved by effective coordination between the three Companies namely, APGCL, AEGCL and APDCL.
- **The Commission, therefore, directs that the existing Coordination Committee consisting of senior Officers from APGCL, AEGCL, SLDC and APDCL shall convene quarterly meetings.**
- **The Minutes of Meeting of each Coordination Committee meeting shall be submitted to the Commission within 15 days of such meeting.**

Directive 7: Optimisation of Power Purchase Cost

- Power Purchase cost is major component of the total cost of APDCL and therefore effective monitoring is necessary for optimisation of the Power Purchase Cost. APDCL is directed to submit reports to the Commission on actual power purchased from various sources, on quarterly basis. The Petitioner shall provide detailed justifications, if the price from the source exceeds the price approved in the respective tariff order or if power is procured from a source not approved by the Commission.

- Further, APDCL shall continue to explore new methods to optimise power purchase through utilisation of all tools available for purchase of power.

APDCL is directed to submit the status of compliance of above new Directives as well as existing directives, which require continued compliance, to the Commission at the end of each quarter. The Commission will review the status in the month following the end of that quarter.

Sd/-	**Sd/-**
(A. Bhattacharyya)	**(K.S Krishna)**
Member, AERC	**Chairperson, AERC**

11 Tariff Schedule

This Chapter details the tariffs applicable in the State of Assam with effect from April 1, 2025 until replaced/modified by a subsequent Order of the Commission.

For the purpose of this Schedule, the consumers are divided into two distinct groups based on voltage of supply, i.e., LT Group and HT Group. The consumers are further divided into categories based on purpose of supply and nature of supply.

Common Terms & Conditions for both, LT Group and HT Group

(a) Surcharge for delayed payment: Surcharge @ 1.5% per month or part thereof at simple interest shall be levied, if payment is not made in full on or before the due date.

(b) Payments shall be made by cash/local cheque/DD/Electronic Transfer (where applicable): For all payments made by DD, the commission shall be borne by the consumers.

(c) The Tariff does not include any tax or duty, etc., on electrical energy that may be payable at any time in accordance with any law/State Government Rule in force. Such charges, if any, shall be payable by the consumers in addition to tariff charge.

(d) **ToD tariffs shall be applicable for the categories as indicated below.**

   i) For categories where ToD has been newly introduced in this Tariff Order, the same shall be implemented at the option of the consumer. APDCL should facilitate such communication from the consumer regarding whether they are opting for ToD tariff.

   ii) For the categories for whom ToD tariff was optional under the earlier regime, the option shall continue to be available under the revised ToD regime.

   iii) For categories for whom ToD tariff is compulsory under the earlier regime, the revised ToD tariff shall be compulsory.

   iv) In case a consumer who has opted for ToD tariff subsequently wishes to opt out, the consumer shall be allowed to opt out from ToD tariff. However, such decision to opt out or again opt in shall be allowed for a maximum of once every 6 months, and provided that APDCL is given clear notice of the consumer's intention at least 2 months in advance.

LT GROUP

Supply Voltage 1 Ph, 230 V AC and 3 Ph, 415 V AC

Common Terms & Conditions for LT Group

(a) For the purpose of determination of monthly fixed charge based on Connected Load, the Connected Load shall be rounded up to the next higher kW if the decimal is higher than 0.5 and the nearest lower kW if the decimal is lower than 0.5.

(b) For Jeevan Dhara consumers having Connected Load below 0.5 kW, Connected Load shall be rounded off to 0.5 kW.

Power factor penalty and rebate

[Applicable for LT IV –Commercial, LT V – General Purpose Supply, LT VIII – Small Industries, and HT I – Domestic, HT II – Commercial, HT III – Public Water Works, HT IV – Bulk Supply, HT V (A) - Small Industries, HT V (B) – HT I Industry, HT V (C) – HT II Industry, HT VI – Tea, Coffee & Rubber, HT VII – Oil & Coal, HT VIII – Irrigation, and HT X – Electric Crematorium]

(a) Power Factor Rebate:

  a. In case, the average PF (leading or lagging) maintained by the consumer is more than 0.85 and up to 0.95, a rebate of 1% on the Energy Charges on unit consumption shall be applicable;
  b. For PF (leading or lagging) of 0.95 and above up to 0.97, a rebate of 2% on the Energy Charges on unit consumption shall be applicable;
  c. For PF (leading or lagging) of 0.97 and above up to Unity PF, a rebate of 3% on the Energy Charges on unit consumption shall be applicable.

(b) Power Factor Penalty:

  a. In case average PF (leading or lagging) in a month for a consumer falls below 0.85, a penalty @1% for every 1% fall in PF (leading or lagging) from 0.85 to 0.60; plus 2% for every 1% fall below 0.60 shall be levied on total unit consumption. PF penalty shall be levied on those consumers where PF is recorded electronically.

LT Category-1 Jeevan Dhara

Applicability

This Tariff shall be applicable for supply of power to any premises exclusively for the purpose of own requirements with a Connected Load of not more than 0.5 kW and consumption up to 1.5 kWh/day or 45 kWh per month.

Consumption	Energy Charge	Fixed Charge
For consumption up to 45 kWh per month.	Rs. 5.34/kWh	Rs. 40 per connection per month

If any Jeevan Dhara consumer consumes more than 45 units per month for 2 consecutive months, then such consumer should be transferred to Domestic A category and billed accordingly thereafter, irrespective of the number of units consumed

LT Category –II: Domestic A

Applicability

This tariff shall be applicable for supply of power to consumers having connected load below 5 kW for residential premises, exclusively for domestic purposes only. This shall also include supply of power to occupants of flats in multi-storied buildings, if the premises have not been classified under Domestic B or HT Domestic and receiving bulk power at single point without any individual metering arrangements for domestic purposes.

Consumption	Energy Charge	Fixed Charge
First 120 kWh per month	Rs. 5.99/kWh	Rs. 70/kW/ month
From 121 – 240 kWh per Month	Rs. 7.29/kWh	
Balance kWh	Rs. 8.19/kWh	

In addition to the above Base Tariff, the following Time of Day (TOD) tariff for LT-II A Domestic shall be optionally applicable:

Sl.	Time Slot	Revised TOD Tariff
1	22:00 to 09:00 (Normal Hours)	Normal Energy Charges

Sl.	Time Slot	Revised TOD Tariff
2	09:00 to 17:00 hours (Solar Hours)	80% of Normal Energy Charges
3	17:00 to 22:00 hours (Peak Hours)	120% of Normal Energy Charges

NOTE:

If any part of the domestic connection is utilised for any use other than dwelling purpose like commercial, industrial, etc., the entire consumption shall be treated under that category and the respective tariff shall be applied for the entire consumption.

LT Category-III: Domestic-B

Applicability

This tariff shall be applicable for supply of power to consumers having Connected Load of 5 kW and above up to 30 kW exclusively for domestic purposes only. This shall also include bulk supply at single point for supply to occupants of flats in multi-storied buildings having individual metering for domestic purposes.

	Energy Charge	Fixed Charge
For all consumption	Rs 7.74/kWh	Rs. 70/kW/month

In addition to the above Base Tariff, the following Time of Day (TOD) tariff for LT-II B Domestic shall be optionally applicable:

Sl.	Time Slot	Revised TOD Tariff
1	22:00 to 09:00 (Normal Hours)	Normal Energy Charges
2	09:00 to 17:00 hours (Solar Hours)	80% of Normal Energy Charges
3	17:00 to 22:00 hours (Peak Hours)	120% of Normal Energy Charges

NOTE:

If any part of the domestic connection is utilised for any use other than dwelling purpose like commercial, industrial, etc., the entire consumption shall be treated under that category and the respective tariff shall be applied for the entire consumption.

LT Category-IV: LT Commercial

Applicability

This tariff shall be applicable for supply of power to consumers having Connected Load up to 30 kW to all establishments and institutions of commercial nature and connected with trading activities, including commercial offices, Government and public sector commercial installations, commercial houses, optical houses, shops, hotels, restaurants, bars, refreshment stalls, showcases of advertisements, theatres, cinema halls, guest houses, laundries, dry-cleaners, Railway stations, public and private bus-stands not covered under any other category of consumers, copy works, X-ray installations, private nursing homes/clinical laboratories, photographic studios, battery charging units, workshops, petrol pumps, factory & printing presses not using motive power in the manufacturing process, private educational and cultural institutions (excluding institutions covered under the LT V General Purpose Supply), lodging and boarding houses.

	Energy Charge	Fixed Charge
For all consumption	Rs. 8.94/kWh	Rs. 150/kW/month

In addition to the above Base Tariff, the following Time of Day (TOD) tariff for LT-IV Commercial shall be optionally applicable:

Sl.	Time Slot	Revised TOD Tariff
1	22:00 to 09:00 (Normal Hours)	Normal Energy Charges
2	09:00 to 17:00 hours (Solar Hours)	80% of Normal Energy Charges
3	17:00 to 22:00 hours (Peak Hours)	120% of Normal Energy Charges

LT Category V: LT General Purpose Supply

Applicability

a. This tariff shall be applicable for supply of power to consumers having Connected Load up to 30 kW to all Non-commercial and Non-domestic users of electric power like Government offices, Government Educational and cultural institutions, Government hospitals, dispensaries, Charitable institutions and Trusts (public or private formed solely for charitable or religious purposes), Dharamshala, Non-commercial boarding and lodging houses and other Non-commercial institutions, Private Educational Institutions affiliated to Secondary Education Board of Assam (SEBA) / Assam Higher Secondary Education Council (AHSEC) / Central Board of Secondary Education (CBSE) / Council for the Indian School Certificate Examination (CISCE) and Universities approved by Government of Assam

	Energy Charge	**Fixed Charge**
For all consumption	Rs. 7.99/kWh	Rs. 165/kW/month

b. Government Primary and Secondary / Higher Secondary Schools/Charitable organizations involved in eradicating hunger specially for children

	Energy Charge	**Fixed Charge**
For all consumption.	Rs. 7.89/kWh	Rs. 90/kW/month

In addition to the above Base Tariff, the following Time of Day (TOD) tariff for LT-V (A) and (B) General Purpose Supply shall be optionally applicable:

Sl.	**Time Slot**	**Revised TOD Tariff**
1	22:00 to 09:00 (Normal Hours)	Normal Energy Charges
2	09:00 to 17:00 hours (Solar Hours)	80% of Normal Energy Charges
3	17:00 to 22:00 hours (Peak Hours)	120% of Normal Energy Charges

LT Category VI-Public Lighting

Applicability

This tariff is applicable to supply of power for street lighting systems in Municipalities, Town Committees and Panchayat, etc., Signal systems in roads and park lighting, in areas of Municipality/Town Committee/Panchayat, etc.

	Energy Charge	**Fixed Charge**
For all consumption	Rs. 7.94/kWh	Rs. 140/kW/month

In addition to the above Base Tariff, the following Time of Day (TOD) tariff for LT-VI Public Lighting shall be optionally applicable:

Sl.	Time Slot	Revised TOD Tariff
1	22:00 to 09:00 (Normal Hours)	Normal Energy Charges
2	09:00 to 17:00 hours (Solar Hours)	80% of Normal Energy Charges
3	17:00 to 22:00 hours (Peak Hours)	120% of Normal Energy Charges

N.B. In case any unmetered supply is provided in exigency, the energy shall be assessed considering 12 hours per day burning hours for the energy charge. For example, if the total connected load of the street light service is 1 kW, energy shall be assessed as 12 units per day.

LT Category VII: Agriculture

Applicability

This tariff shall be applicable for supply of power for agriculture / irrigation purpose in the agricultural sector having Connected Load up to 30 kW.

	Energy Charge	Fixed Charge
For all consumption	Rs. 6.09/kWh	Rs. 65/kW/month

LT Category VIII: Small Industries

Applicability

This tariff is applicable for supply of power for industrial purposes having licence from designated authority of appropriate Government and not covered under any other category, for consumers having Contract Demand/Connected Load up to 30 kW.

Category	Energy Charge	Fixed Charge
Rural Industries – for all consumption	Rs. 6.59/kWh	Rs. 70/kW/month
Urban Industries - for all consumption	Rs. 6.84/kWh	Rs. 80/kW/month

In addition to the above Base Tariff, the following Time of Day (TOD) tariff for LT-VIII Small Industries shall be optionally applicable:

Sl.	Time Slot	Revised TOD Tariff
1	22:00 to 09:00 (Normal Hours)	Normal Energy Charges
2	09:00 to 17:00 hours (Solar Hours)	80% of Normal Energy Charges
3	17:00 to 22:00 hours (Peak Hours)	120% of Normal Energy Charges

LT Category IX: Temporary Supply

Applicability

This Tariff will be applicable for electric supply of power at LT, which is temporary in nature for a period not exceeding one month.

Category	Charges
Domestic	Rs. 105/kW/day or Rs. 10.93/kWh whichever is higher
Non-Domestic Non- Agricultural	Rs.155/kW/day or Rs. 13.03/kWh whichever is higher
Agricultural	Rs. 65/kW/day or Rs. 6.19/kWh whichever is higher.

LT Category X- Electric Vehicles Charging Station

Applicability

This tariff is applicable to consumers who use electricity exclusively for Electric Vehicle Charging installations at LT level.

	Energy Charge	Fixed Charge
For all consumption	Rs. 8.72/kWh	-

In addition to the above Base Tariff, the following Time of Day (TOD) tariff for LT-X Electric Vehicle Charging Stations shall be applicable:

Sl.	Time Slot	Revised TOD Tariff
1	22:00 to 09:00 (Normal Hours)	Normal Energy Charges

Sl.	Time Slot	Revised TOD Tariff
2	09:00 to 17:00 hours (Solar Hours)	80% of Normal Energy Charges
3	17:00 to 22:00 hours (Peak Hours)	120% of Normal Energy Charges

Note: Consumers can charge their own Electric Vehicles at their respective premises, paying the charge applicable to the consumer category.

LT Category XI – Inter-State Sale

Applicability

This tariff is applicable for sale of power to consumers in neighbouring States on request, at LT level.

	Energy Charge	Fixed Charge
For all consumption	Rs. 8.72/kWh	-

HT GROUP

Tariff for this group is applicable for those consumers availing power supply at 11 kV or above. Calculations shall be deemed to be in kVA for consumers under this part of the tariff schedule. However, consumers above 30 kW (or 35 kVA) Connected Load and drawing power at LT are also covered under this Group. During the period of conversion from LT supply to HT supply, the consumer shall have to pay the necessary compensatory charges (10% and 3% of total energy consumption for LT line & DTR, respectively).

Common Terms & Conditions for HT Group

a. For supply at voltages higher than as applicable to the consumers, rebate @ 3% shall be applicable on energy consumption for each higher level of voltage, and a surcharge of 3% shall be applicable if consumer draws power at lower than the applicable voltage level.

b. In case, metering is done on the L.T. side of the distribution transformgrer, for a group of consumers receiving power, then for the purpose of billing, an additional energy consumption on account of transformer loss computed @ 3% on the consumer's Energy

Charges shall be added.

c. **Voltage Rebate**

i. A rebate of 3% in the Energy Charges shall be applicable for all consumers taking supply at 132 kV.

ii. ii) A rebate of 1.5% in the Energy Charges shall be applicable for all consumers taking supply at 33 kV.

d. **Contract Demand**: The Contract Demand shall be as per the Agreement executed between the consumer and APDCL. In case declaration/option is not made by the consumer, 100% of the Connected Load converted to kVA shall be the contracted demand.

e. **Billable Demand**: Billing demand shall be 100% of Contracted Demand or Recorded Demand, whichever is higher. In case the meter remains defective in a month, billing demand shall be considered as per clause 6.3.4 of AERC (Electricity Supply Code) Regulations, 2017, as amended from time to time.

f. **Overdrawal Penalty**: If the Recorded Demand is higher than the Contracted Demand in a month, then fixed charge based on Contracted Demand shall be levied at three times the normal rate for the portion of demand exceeding the Contracted Demand.

HT Category I: HT Domestic

Applicability

This tariff shall be applicable for supply of power to consumers having Connected Load above 30 kW (or 35 kVA) to residential premises, exclusively for domestic purposes only. This shall also include supply of power to occupants of flats in multi storied buildings/ residential colony, receiving bulk power at single point with single metering for domestic purposes.

	Energy Charge	**Fixed Charge**
For all consumption	Rs 7.89/kWh	Rs 70/kVA/month

In addition to the above Base Tariff, the following Time of Day (TOD) tariff for HT Domestic shall be optionally applicable:

Sl.	Time Slot	Revised TOD Tariff
1	22:00 to 09:00 (Normal Hours)	Normal Energy Charges
2	09:00 to 17:00 hours (Solar Hours)	80% of Normal Energy Charges
3	17:00 to 22:00 hours (Peak Hours)	120% of Normal Energy Charges

NOTE:

If any part of the domestic connection is utilised for any use other than dwelling purpose like commercial, industrial, etc., the entire consumption shall be treated under that category and the respective tariff shall be applied for the entire consumption.

HT Category-II: HT Commercial

Applicability

This tariff shall be applicable for supply of power to consumers having Connected Load above 30 kW (or 35 kVA) to all establishments and institutions of commercial nature and connected with trading activities, including commercial offices, Government and public sector commercial installations, commercial houses, optical houses, shops, shopping malls, restaurants, hotels, bars, refreshment stalls, showcases of advertisements, theatres, cinema halls, guest houses, laundries, dry-cleaners, Railway stations, public and private bus-stands not covered under any other category of consumers, copy works, X-ray installations, private nursing homes/clinical laboratories, photographic studios, battery charging units, workshops, petrol pumps, factory & printing presses not using motive power in the manufacturing process, private educational and cultural institutions (excluding institutions covered under the HT IV (i) Bulk Supply – Educational Institutions), lodging and boarding houses.

	Energy Charge	Fixed Charge
For all consumption	Rs. 9.04/kWh	Rs. 210/kVA/month

In addition to the above Base Tariff, the following Time of Day (TOD) tariff for HT-II Commercial shall be optionally applicable:

Sl.	Time Slot	Revised TOD Tariff
1	22:00 to 09:00 (Normal Hours)	Normal Energy Charges
2	09:00 to 17:00 hours (Solar Hours)	80% of Normal Energy Charges

Sl.	Time Slot	Revised TOD Tariff
3	17:00 to 22:00 hours (Peak Hours)	120% of Normal Energy Charges

HT Category - III: Public Water Works

Applicability

This tariff is applicable for public water supply maintained by Government or Government Corporations, Municipalities, Town Committees and Panchayats.

	Energy Charge	Fixed Charge
For all consumption.	Rs. 7.79/kWh	Rs. 155/kVA/month

In addition to the above Base Tariff, the following Time of Day (TOD) tariff for HT-III Public Water Works shall be optionally applicable:

Sl.	Time Slot	Revised TOD Tariff
1	22:00 to 09:00 (Normal Hours)	Normal Energy Charges
2	09:00 to 17:00 hours (Solar Hours)	80% of Normal Energy Charges
3	17:00 to 22:00 hours (Peak Hours)	120% of Normal Energy Charges

HT Category – IV: Bulk Supply

Applicability

This tariff is applicable to Bulk consumers with a Connected Load above 30 kW (or 35 kVA) provided that the consumers not covered by any other category such as any domestic connection, industries, tea, etc., and who make their own internal distribution arrangement at their own cost and receive power at the point of supply at high or extra high voltage. This is further classified as under:

(i) Educational institution-

a. Government Educational Institutions/Charitable organizations involved in eradicating hunger specially for children

b. Private Educational Institutions affiliated to Secondary Education Board of Assam (SEBA) / Assam Higher Secondary Education Council (AHSEC) / Central Board of Secondary Education (CBSE) / Council for the Indian

School Certificate Examination (CISCE) and Universities approved by Government of Assam

(ii) **Others** - categories not included in any of the above categories, including Government offices, Railways, Military Engineering Services, etc.

(i) Educational Institutions

	Energy Charge	Fixed Charge
For all consumption	Rs. 8.19/kWh	Rs. 150/kVA/month

(ii) Others

	Energy Charge	Fixed Charge
For all consumption	Rs. 9.14/kWh	Rs.210/kVA/month

In addition to the above Base Tariff, the following Time of Day (TOD) tariff for HT-VI (A) and (B) Bulk Supply shall be optionally applicable:

Sl.	Time Slot	Revised TOD Tariff
1	22:00 to 09:00 (Normal Hours)	Normal Energy Charges
2	09:00 to 17:00 hours (Solar Hours)	80% of Normal Energy Charges
3	17:00 to 22:00 hours (Peak Hours)	120% of Normal Energy Charges

HT Category V (A): HT Small Industries

Applicability

This tariff is applicable for supply of power for industrial purposes having licence from designated authority of appropriate Government and not covered under any other category, for consumers with Connected Load above 30 kW (or 35 kVA) and up to 50 kVA, irrespective of location of the industry in rural area or urban area.

	Energy Charge	Fixed Charge
For all consumption.	Rs. 7.29/kWh	Rs. 90/kVA/month

In addition to the above Base Tariff, the following Time of Day (TOD) tariff for HT-V (A) Industries shall be optionally applicable:

Sl.	Time Slot	Revised TOD Tariff
1	22:00 to 09:00 (Normal Hours)	Normal Energy Charges
2	09:00 to 17:00 hours (Solar Hours)	80% of Normal Energy Charges
3	17:00 to 22:00 hours (Peak Hours)	120% of Normal Energy Charges

HT Category V (B)-HT-I Industries

Applicability

This tariff is applicable for supply of power to industrial consumers having licence from designated authority of appropriate Government and not covered under any other category, at a single point for industrial purposes with Contract Demand/Connected Load above 50 kVA and up to 150 kVA.

	Energy Charge (Base Tariff)	Fixed Charge
For all consumption	Rs. 7.69/kWh	Rs. 200/kVA/month

TOD tariff

In addition to the above Base Tariff, the following Time of Day (TOD) tariff for HT-I industries shall be applicable:

Sl.	Time Slot	Revised TOD Tariff
1	22:00 to 09:00 (Normal Hours)	Normal Energy Charges
2	09:00 to 17:00 hours (Solar Hours)	80% of Normal Energy Charges
3	17:00 to 22:00 hours (Peak Hours)	120% of Normal Energy Charges

HT Category V (C): HT-II Industries

Applicability

This tariff is applicable for supply of power at a single point for industrial purposes having licence from designated authority of appropriate Government and not covered under any other category, for Contract Demand/Connected Load above 150 kVA.

(a) **Tariff**

A consumer may opt for any one of the following Options depending on his requirements by prior intimation to concerned billing unit of Discom. A consumer may change his Option only after six months of availing that particular Option.

Option -1

	Energy Charge (Base Tariff)	Fixed Charge
For all consumption	Rs. 8.09/kWh	Rs. 280/kVA/month

In addition to the above Base Tariff, the following Time of Day (TOD) tariff for HT-II Industries shall be applicable:

Sl.	Time Slot	Revised TOD Tariff
1	22:00 to 09:00 (Normal Hours)	Normal Energy Charges
2	09:00 to 17:00 hours (Solar Hours)	80% of Normal Energy Charges
3	17:00 to 22:00 hours (Peak Hours)	120% of Normal Energy Charges

Option -2

	Energy Charge	Fixed Charge
For all consumption	Rs. 7.69/kWh	Rs. 360/kVA/month

No TOD Tariff will be applicable for consumers who opt for Option-2.

Note: **20% rebate on total energy charges shall be applicable for Oxygen manufacturing plants under both Option-1 and Option-2.**

HT Category VI-Tea, Coffee and Rubber

Applicability

This tariff is applicable for tea, coffee, rubber plantation/production, and sugarcane based industry by utilisation of electrical power in factory, irrigation, lighting, etc., in the Estate/associated area.

	Energy Charge (Base Tariff)	Fixed Charge
For all consumption.	Rs. 8.04/kWh	Rs. 310/kVA/month

In addition to the above Base Tariff, the following Time of Day (TOD) tariff for HT-VI Tea, Coffee & Rubber shall be applicable:

Sl.	Time Slot	Revised TOD Tariff
1	22:00 to 09:00 (Normal Hours)	Normal Energy Charges
2	09:00 to 17:00 hours (Solar Hours)	80% of Normal Energy Charges
3	17:00 to 22:00 hours (Peak Hours)	120% of Normal Energy Charges

HT Category VII: Oil and Coal

Applicability

This tariff shall be applicable for supply of power to consumers at a single point for installations of Oil and Coal Sector.

	Energy Charge (Base Tariff)	Fixed Charge
For all consumption	Rs 9.09/kWh	Rs. 320/kVA/month

In addition to the above Base Tariff, the following Time of Day (TOD) tariff for HT-VII Oil and Coal shall be applicable:

Sl.	Time Slot	Revised TOD Tariff
1	22:00 to 09:00 (Normal Hours)	Normal Energy Charges
2	09:00 to 17:00 hours (Solar Hours)	80% of Normal Energy Charges
3	17:00 to 22:00 hours (Peak Hours)	120% of Normal Energy Charges

HT Category VIII: HT Irrigation

Applicability

This tariff shall be applicable for electricity supply for agriculture / irrigation purpose in the agricultural sector for pump set above 30 kW (or 35 kVA) and for whom power has been supplied at 11 kV or above.

	Energy Charge	Fixed Charge
For all consumption.	Rs. 7.59/kWh	Rs. 85/kVA/month

HT Category IX: Temporary Supply

Applicability

This Tariff will be applicable for electric supply of power at HT which is temporary in nature for a period not exceeding one month.

Charges
Rs. 190/kVA/day or Rs. 10.69/kWh, whichever is higher

HT Category – X: Electric Crematorium

Applicability

This tariff is applicable for electricity used in Electric Crematoriums for all purposes, including lighting.

	Energy Charge	Fixed Charge
For all consumption	Rs. 5.89/kWh	Rs. 190/kVA/month

HT Category – XI: Railway Traction

Applicability

This tariff is applicable to the Railways for traction loads.

	Energy Charge	Fixed Charge
For all consumption	Rs. 7.79/kWh	Rs. 320/kVA/month

HT Category – XII: Electric Vehicles Charging Stations

Applicability

This tariff is applicable to consumers who use electricity exclusively for Electric Vehicle Charging installations at HT level.

	Energy Charge	Fixed Charge
For all consumption.	Rs. 8.35/kWh	-

In addition to the above Base Tariff, the following Time of Day (TOD) tariff for HT-XII Electric Vehicle Charging Stations shall be applicable:

Sl.	Time Slot	Revised TOD Tariff
1	22:00 to 09:00 (Normal Hours)	Normal Energy Charges
2	09:00 to 17:00 hours (Solar Hours)	80% of Normal Energy Charges
3	17:00 to 22:00 hours (Peak Hours)	120% of Normal Energy Charges

Note: Consumers can charge their own Electric Vehicles at their respective premises, paying the charge applicable to the consumer category.

HT Category XIII – Inter-State Sale

Applicability

This tariff is applicable for sale of power to consumers in neighbouring States on request, at HT level.

	Energy Charge	Fixed Charge
For all consumption	Rs. 8.72/kWh	-

Green Energy Tariff

For LT and HT consumers availing additional Green Energy from Distribution Licensee:

Green Energy Tariff: Rs. 1.00 /kWh

The Green Energy Tariff shall be over and above the existing fixed and energy charges applicable for different categories of consumers.

General Conditions

a) This Tariff Order shall continue to be applicable until it is replaced/modified by a subsequent Order of the Commission.

b) This Tariff Order is signed by the Assam Electricity Regulatory Commission on March 25, 2025.

c) These Tariffs take effect from April 1, 2025.

Sd/-	Sd/-
(A. Bhattacharyya)	**(K.S. Krishna)**
Member, AERC	**Chairperson, AERC**

12 Annexure-1

12.1 Minutes of the 35th Meeting of the State Advisory Committee

Venue: AERC Conference Hall.

Day/Dated: Friday, 27th February 2025.

List Of Members/Special Invitees: At Annexure-1 (Enclosed)

The 35th Meeting of State Advisory Committee (SAC) was chaired by the Hon'ble Chairperson, AERC, Kumar Sanjay Krishna, IAS, (Retd.).

At the onset, Hon'ble Chairperson, AERC welcomed all members and invitees and introduced the new members who could not attend the last SAC meeting. The Hon'ble Chairperson stated that the main purpose of this meeting was to discuss the Multi Year Tariff petitions filed by the State Power Utilities. He informed that in their tariff Petitions, the Generation Company, APGCL has requested for approval of ARR for FY 2025-26 of Rs 1306.49 Cr, Transmission (AEGCL) an ARR of Rs 722.28 Cr, and SLDC an ARR of Rs 16.73 Cr.

He further informed that the cumulative revenue requirement claimed by APDCL to be recovered in tariff for FY 2025-26 works out to Rs. 11,652.49 Cr against proposed retail sale of 12,015 MU. Thus, the average cost of supply to recover entire cumulative ARR is Rs. 9.70 per unit. APDCL, in their petition, proposed to continue with the prevalent tariff structure approved in the last tariff order without any hike for all categories of consumers for FY 2025-26 although there is a gap of Rs 357 Crore with the existing tariff.

The Hon'ble Chairperson stated that in the last tariff Order, APDCL claimed an ARR of Rs 10,121.92 Cr for FY 2024-25 along with a gap of Rs 1904.17 Cr in the true up of FY 2022-23. The Commission after prudent check, reduced the claim by Rs 999 Cr and finally approved an ARR of Rs 9,519.44 Cr along with a true up gap of Rs 1507.68 Cr. The Commission had not considered any subsidy for the FY 2024-25 from the State Government while deciding the tariff.

The Hon'ble Chairperson further informed that in their petition, APDCL has introduced a Time-of-Day (ToD) tariff for all consumer categories with a connected load exceeding 10 kW, where smart meters have been installed. Further, APDCL has incorporated "solar hours" along with other ToD time slots and corresponding tariffs, ensuring conformity with Rule 8A of the Rights of Consumers Rules, 2020 and its subsequent amendments. For Commercial and Industrial consumers, during peak periods the normal tariff is increased by 20%, and for other consumers, it is increased by 10%. The TOD tariff for solar hours, is kept at twenty percent less than the normal tariff. The time slot for peak hours has been changed from evening 5 pm to 10 pm to 5 pm to 12 pm, considering the trend in peak demand.

The Commission would be required to approve TOD tariff for next year (as envisaged in the Rules) and the distribution loss trajectory for the next MYT period of 5 years. It may be brought to the notice of the members that although a distribution loss of 14.75 % was approved for FY 2023-24, APDCL could achieve only 15.5% which led to an excess power purchase of 131.53 MU and Rs 71.02 Cr. Also, it is observed that APDCL could achieve only 25-30% of the capitalization that was approved by the Commission. It has also been observed that during FY 2023-24, APDCL procures short term power at an average rate of Rs 6.06/unit while exporting the same at much lower price of Rs 4.86/ unit.

Concluding his address, the Hon'ble Chairperson mentioned that only a brief outline of the tariff proposals has been stated before the SAC members, and the power Companies would make detailed presentations on the same. He requested the SAC members to put forward their suggestions and concerns during the discussions.

The important points discussed by the members during the course of the meeting are briefly recorded below.

Agenda Item No.2: Brief presentation by APDCL on the Tariff Petition.

A Power Point Presentation was made by Shri. Rakesh Kumar, IAS, MD, APDCL on the Tariff Petitions. MD, APDCL mentioned that the peak demand in Assam has been growing at a Compound Annual Growth Rate (CAGR) of 8%. The average daily consumption has shown a steady increase from FY 2016-17 to FY 2024-25, with peak demand expected to reach 2942 MW in FY 2025-26 and 3836 MW in FY 2029-30. However, the total availability in FY 2025-26 against the peak demand is expected to be 2900 MW and 3640 MW in FY 2029-30. He informed that the demand profile varies between summer and winter, with higher demand during the summer months. APDCL has long-term PPAs with various generators, including hydro, gas, coal, and solar power plants. The total entitlement share from all sources presently is 2502 MW and to meet the future demand, additional capacity will be added through various projects, including Subansiri, Ghatampur, Lower Kopili, and SECI Solar Hybrid. Further, any shortfall in power availability will be met through the power exchange. MD, APDCL mentioned that in the consumer mix, domestic consumers account for 91% of the total consumer base, followed by commercial (6%) and others (3%). However, domestic consumers contribute only

43% of the revenue despite accounting for 49% of energy sales, indicating cross-subsidization, and commercial consumers contribute 19%, and industrial consumers contribute 23% of the total revenue mix.

MD, APDCL also highlighted that APDCL has significantly expanded its infrastructure, including 33/11 kV substations, 33 kV lines, and 11 kV lines, which will lead to gradual improvement in LT:HT ratio as well as distribution losses.

Shri Kumar also mentioned that the ACS-ARR gap improved from -0.52 Rs/kWh in FY 2021-22 to -0.24 Rs/kWh in FY 2023-24. Also, there has been an improvement in number of days receivable, which indicates efficiency in collection initiatives after the implementation of Smart Meters. Further, there is a year-on-year achievement of AT&C loss reduction targets fixed by the Ministry of Power under RDSS.

MD, APDCL stated that in the True up of FY 2023-24, there was a 32% increase in power purchase costs, primarily due to higher costs from gas-based stations. And, distribution Losses were 15.50% in actual, slightly higher than the approved 14.75%. A net revenue gap of Rs. 440 Cr was claimed after considering the State Government support of Rs. 287.30 Cr, and a special allowance of Rs. 457.09 Cr regarding FPPPA recovery. Shri Kumar also mentioned that the total proposed CAPEX. is Rs. 18,296 Cr over next five years, which includes Universal Service Obligation (5%), Standard upkeep of the network (21%), Decarbonization & Clean Energy (30%) and System Modernization (44%) under scheme-wise projects such as RDSS and Assam Distribution System Enhancement and Loss Reduction (ADSELR) etc.

Shri Kumar informed that the projected standalone ARR for FY 2025-26 is Rs 11,109.16 Cr, and Energy sales projected to be increased at a CAGR of 8%. The Power Purchase cost is the major contributor to the ARR with levelized share of 87% over the MYT period. However, the share of Power Purchase cost is projected to be reduced over the years with prudent planning and optimization. MD, APDCL also mentioned that the recovery of OPEX costs in smart metering has not been claimed in the ARR petition in line with the Hon'ble Commission's order. However, APDCL shall reflect the actual cost at the time of truing up for the year.

MD, APDCL mentioned that the gross revenue at the existing tariff with projected retail sale quantum during FY 2025-26 is estimated at Rs. 11295.14 Cr., leaving a shortfall of Rs. 357.35 Cr. over the cumulative requirement. He informed that the revenue gap on cumulative requirement is proposed to be recovered through an added revenue stream with various policy interventions like green tariff, green energy open access, etc. MD, APDCL also mentioned that for the FY 2025-26, APDCL proposed no hike in tariffs for any consumer category, and also, a Time of Day (TOD) Tariff has been introduced for consumers with a connected load exceeding 10 kW, with three time slots: Solar, Peak, and Night. For Commercial and Industrial consumers, the proposed TOD tariff during the peak period of the day is kept at 1.20 times the normal tariff, and for other consumers, it is at 1.10 times the normal tariff. Further, the TOD tariff for solar hours of the day is kept at 20% less than the normal tariff for that category of consumers.

Presentation by AEGCL

A PowerPoint presentation was made by the CGM, AEGCL on behalf of the MD, AEGCL on the salient features of Tariff petition submitted by AEGCL and SLDC. Important points of the discussion are noted below

In True-up for FY 2023-24, AEGCL has shown ARR of Rs.682.17 Crore and a gap of Rs. 23.30 Crore. For SLDC, in True-Up, ARR of Rs. 8.93 Crore and surplus of Rs. 1.13 Crore is shown.

In APR for FY 2024-25, AEGCL has shown ARR of Rs.669.29 Crore and a marginal gap of Rs. 1.01 Crore. For SLDC, in APR for FY 2024-25, ARR of Rs. 14.28 Crore and surplus of Rs. 0.27 Crore is shown.

In MYT for FY 2025-26 to 2029-30, the following have been proposed for AEGCL and SLDC:

AEGCL	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY2029-30
ARR	719.86	823.44	818.86	897.95	985.51
Transmission Loss (%)	3.21%	3.19%	3.17%	3.15%	3.13%

SLDC	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY2029-30
ARR	16.73	18.83	20.80	23.21	26.49

AEGCL has submitted a transmission loss of 3.28% for True-up against the approved loss of 3.30%. AEGCL has projected a loss of 3.24% in APR for FY 2024-25. AEGCL has a projected transmission charge of Rs.0.54 Rs/kwh and SLDC charge of Rs. 141.80/MW/Day for FY 2025-26.

Presentation by APGCL

A Power Point Presentation by Shri. Bibhu Bhuyan, MD, APGCL on approval of True up for FY 2023-24, Annual Performance Review for FY 2024-25, CAPEX plan for FY 2025-26 to 2029-30, ARR for FY 2025-26 to FY 2029-30 and determination of tariff for FY 2025-26.

MD, APGCL brought to the notice of SAC that APGCL has been rated in A++ category and can be considered equivalent to a Mini Ratna Company. Provided there is government support, the company has the capability to raise funds from the market for its expansion and survivability. Shri Bhuyan stated that the generating plants of APGCL are mostly gas based and due to the exorbitant hike in natural gas prices the cost of power in each generating station of APGCL increased significantly and this has an impact in consumer retail Tariff. MD, APGCL also appraised the Committee that the old unit of NTPS has to be closed down as there are no spare parts, service support, etc. on account of it being very old. A member recommended that APGCL may take initiatives for upgrading the station rather than closing down, if viable.

MD, APGCL mentioned that with execution of more and more renewable projects grid stability might be disturbed because of the intermittent nature of renewable energy. Shri Bhuyan also pointed out that increase in solar, small hydro, etc will not be sufficient to meet the peak demand. As such Gas based station will be an asset for the state as such stations are easy to ramp up and ramp down to adjust the demand. Besides, Gas based stations can be used to provide the base load.

MD, APGCL mentioned that in the True Up for the FY 2023-24, APGCL has shown a Net Revenue of Rs. 1198.23 Cr and actual revenue gap of Rs. 51.02 Cr. The revenue gap with carrying cost is Rs. 62.78 Cr. The actual claimed Gross generation is 2008.05 MU.

In the APR for the FY 2024-25, APGCL has shown a ARR of Rs. 86.58 Cr and gap of Rs. 7.39 Cr for NTPS, ARR of Rs. 419.33 Cr and gap of Rs. 33.10 Cr for LTPS, ARR of Rs. 371.86 Cr and gap of Rs. 19.67 Cr for LRPP, ARR of Rs. 374.14 Cr and gap of Rs. 1.26 Cr for NRPP, ARR of Rs. 82.28 Cr and surplus of Rs. 1.05 Cr for KLHEP, overall ARR of Rs. 1334.21 Cr with Rs. 60.35 Cr gap and estimated gross generation of 2186.72 MU for APGCL.

In MYT for FY 2025-26 to 2029-30, the following have been proposed for APGCL:

	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY2029-30
Total Revenue Requirement	1,306.49	1,491.85	1,578.82	1,557.59	1,517.40

APGCL has proposed a tariff of Rs. 6.24/kWh for the FY 2025-26 (fixed charge of Rs. 2.11/kWh and energy charge of Rs. 4.13/kWh).

Agenda No-3 Discussions by the SAC Members on the Tariff Petitions:

SAC Member Shri Amarendra Goswami submitted a list of infirmities observed in the MYT Petitions of APDCL some of which are briefly noted hereunder:

a) True-up petition for FY 2023-24

i) The new item- 'Unrecovered FPPPA for 2022-23' is shown under item-8 with a value of Rs 457.09 Cr. FPPPA cannot appear in the ARR for the simple reason that in that case, FPPPA shall be included in the tariff determination process and no FPPPA could be levied additionally under the FPPPA Regulations.

ii) By adding of un-recovered FPPPA in the true up, surplus has been converted to shortfall which would impact the process of tariff determination.

iii) There seems to be a calculation error in summation from item-17 to item18 in the column-b (Actual) which may be verified and rectified.

iv) There is lack of clarity, regarding adjustment of cumulative shortfall and surplus in the true-up processes under the respective tariff orders. It is suggested that one sheet may be submitted showing the shortfall/ surplus due for adjustment till FY 2023-24 showing adjustments already made in the previous FYs.

b) On APR for 2024-25:

i) Increase in revenue in % has always been found to be higher that the corresponding % increase in sale of power. However, the percentage increase in revenue from sale of power is abnormally high in 2023-24. Therefore, careful analysis is necessary before approving the projected the value of revenue from sale of power.

ii) It is observed that no actual data for 6 months has been presented in the APR in respect to financial performances including revenue from sale of power. Without these vital inputs, it would be a constraint for the Hon'ble Commission to approve the projected value in the APR for 2024-25 and the corresponding targeted values for the year 2025-26 for determination of tariff. APDCL may be requested to submit all relevant data in the form of revised APR.

c) On proposed Tariff:

Shri Goswami made the following comments in respect to the proposed TOD tariff for all categories above 10 KW.

i) Duration of solar hours has been fixed from 6.00 hrs to 17.00 hrs (11 hours). This is against the stipulation under Rule 8(A) of the Electricity (Rights of Consumers) Amendment Rules 2023 which states that “solar hours” means the duration of eight hours in a day.

ii) Introduction of TOD tariff for domestic (and also bulk consumers like educational institutes) will cause big impact on students and children as usually their study hours are from 18.00hrs t0 22.00hrs. This is a societal issue which needs to be taken into consideration by the Commission while considering the proposal.

iii) We need to deliberate thoroughly whether TOD is an opportunity or burden for the domestic consumers. It is apprehended that actual tariff burden will be more than the normal tariff rate because of the consumption pattern. TOD tariff should not be implemented for domestic as well as commercial consumers until proper analysis of consumption patterns. Unlike industries, domestic consumers have little opportunity to reduce consumption without compromising on essential needs, which may defeat the very objective.

iv) Since TOD tariff can be applied only to consumers having smart meters, there would be different categories of consumers with smart meters and without smart meters. This will go against Section 62(3) of the Act. APDCL need to submit the smart meter installation data for above 10KW load consumers against total consumers in such group.

v) APDCL need to show the justification for extending peak load hours to 24.00hrs with actual load curves.

vi) Introduction of TOD tariff will create problem for the bulk single point bulk consumers like Universities, IIT, AIIMS, NIPER and many similar institutions for collecting revenue from their quarters. They will also have to install smart meters and have proper billing infrastructure of their own or through other agencies.

Shri Goswami also enquired about the status of rebate to be provided to the consumers covered under prepayment mode. He further enquired regarding the observations made by the independent auditors about not booking of income from deposit works by APDCL of Rs. 472.09

Cr and Rs. 464.28 Cr for FY 2023-24 & FY 2022-23 respectively amounting to total of Rs. 936.37 Cr. He requested the Commission to look into the matter.

MD, APDCL replied that the Company follows all the procedures as per the accounting and regulatory norms. He assured the Committee that the queries raised by the member shall be replied to in writing. He further stated that TOD is optional as of now, as smart meters are still not installed completely. Also, TOD is applicable to those consumers whose connected load exceed 10 kW and it is observed that only 3 to 4 Lakhs consumers which are high end consumers shall actually be come under this new regime. Further, Shri Kumar stated that inconsistencies observed by the Independent auditors have already been taken up and replies submitted to the auditors as per the accounting procedure followed by the Company. However, he assured that the same will be forwarded to the Commission.

On the aforesaid points, one learned SAC member highlighted that the evaluation of tariff is on basis of the Regulatory Accounts which is different from the normal accounts of a Company which seems to be the crux of the issue. Thus, although audited balance sheet may show surplus but that may not be the surplus from regulatory/ commercial angle. The EA 2003 aims at mainly two objectives: 24x7 quality power and commercial turnaround of all utilities. Hence, the government needs to look into the issues being faced by the State utilities, without which the future looks very bleak. The main issue observed in the context of APDCL is that 87% of their budget is spent on power purchase and only 13% is left with them to run the distribution business. The Committee acknowledged that the company is making best efforts to carry out the distribution business properly but the Company may not be able to sustain their operations if this continues for very long and the Government may have to provide significant financial support for the same. He observed that unless the power purchase cost is optimized, the two trajectories of growth of APDCL namely the real and the normative, will always be divergent. Also, the approach adopted for depiction of capital grants and subsidies as income of the Company should be revisited by the Government. The member further added that some state-of-the-art software is required for monitoring and planning of the power purchase, which the Committee has recommended at several earlier instances. The committee members also stated that APDCL should carry out a pragmatic manpower planning and the recruitment (which is currently being done by the State Government), should be taken up as per the planning. Regarding safety, CAC has formulated a safety management policy which has already been placed by APDCL before the APDCL Board for approval. The member also observed that

APDCL has been taking steps for reduction of distribution loss, but it will take some time and requires further investment.

Regarding AEGCL, the SAC member pointed out that the 54 paise transmission charge claimed in Tariff petition, if calculated as per actual balance sheet, will be much lower and observed that 54 paisa itself is on the higher side as a hike of 17 paisa in transmission charge has been claimed in two years. The members enquired whether proper load flow study is being done while planning for new substations. This matter has already been raised in earlier meetings and the evacuation planning needs to be done in co-ordination with APDCL and should not only be based on theoretical studies. The matter was raised in the context of 400 KV substation being constructed by AEGCL at Rangia (Tamulpur), which is a huge investment. Another issue to be dealt with by AEGCL is voltage management at grid substations. AEGCL should refer to the list of substations submitted in earlier meeting which registered low voltage and submit a substation-wise report on what action has been taken to resolve the issues at those substations along with the expected timeline of completion. Reference was made to BCPL, which is connected to the grid but have been facing grid disturbances which causes their system to collapse and face huge losses. The issue observed is that the Behiating substation of AEGCL has two transformers running in parallel with unequal impedances, which causes the system to trip. BCPL has offered to pay for the technical equipments required to be installed at the AEGCL substation so as to run the transformers in isolation for the time being and the member commented that AEGCL must accept the fund. Hon'ble Chairperson intervened and requested the members to confine the discussions to tariff matters only. He assured that a separate meeting will be held to discuss regarding matters of infrastructure and projects.

With regards to APGCL, the SAC member pointed out that the cost of power is highest as compared to other sources of power for APDCL because of which they also cannot afford to buy all power from APGCL. Therefore, the government as well as APGCL should devise some strategy, without which the company might suffer in future. APGCL should aim to reduce the auxiliary power consumption and station heat rate to bring down their cost of generation. Further, APGCL's balance sheet shows a surplus, considering which, they should endeavour to reduce the tariff.

SAC member enquired as to why the solar consumers should opt for TOD tariff and how will they be benefited. MD, APDCL replied that they can take benefit of the solar TOD tariff by shifting their load to off-peak period when tariff is lower. MD, APDCL also informed that whoever opts for TOD, the company will install smart meters free of cost.

SAC members enquired regarding the rebate to the smart meters consumers, a point already raised earlier in the discussion, to encourage consumers to go for smart meters. APDCL stated that since smart meter installation is only around 50%, the full picture is not yet clear. However, the Honb'le Commission or the government may allow rebate, in which case, the consumers will be benefited. The members commended APDCL for their achievement in being one of the top Discoms in installation of smart meters in the country.

Another point raised by a learned member was that APDCL has projected the power purchase is going to go up by 8% whereas the revenue is going to go up by only 4%. MD, APDCL clarified that the demand is projected to go up by 8% and they are arranging low cost power to achieve the 4% increase in revenue. One of the members enquired regarding the means how APDCL proposes to bridge the gap of Rs 357 Cr shown by APDCL. MD, APDCL stated that they are hoping to bridge the gap from green premiums, efficiency gain, etc and hence has not proposed any hike in tariff. The member stated that any increase in losses on part of AEGCL and increase in cost of generation of APGCL is eventually loaded on APDCL and hence the consumers, and this vicious cycle continues. Hence, AEGCL and APGCL should also be mindful of this fact and make best efforts to reduce their cost.

SAC member raised a query regarding levy of FPPPA the last year. MD, APDCL informed that the sudden rise in fuel prices in FY 2023-24 has been recovered through tariff and additional subsidy given by the government to the domestic consumers. He further stated that last year no FPPPA was levied. One of the members suggested that whenever APDCL recovers FPPPA, the FPPPA should be shown as a separate tariff item in the respective petition. APDCL clarified that since there was no FPPPA, therefore, it has not been shown in the petition. Also, since FPPPA was merged with the tariffs earlier, hence these could not be shown separately.

Regarding extension of the peak hours from 5-10 pm to 5-12 pm, the Committee enquired whether the decision was backed by statistics. Further concern was also raised on the impact it will create on the student community and their households, owing to TOD tariff and the extended peak period. The member also suggested that domestic consumers should be given relief and the TOD rates should be graded instead of being flat. MD, APDCL clarified that the peak hours has been proposed considering the last 2-3 years of consumption pattern where peak in summers has gone up to 2 am. However, the Commission and the Committee may discuss and recommend on the matter. He also added that TOD tariff is optional in nature and the consumers may or may not opt for the same. Also, its applicable to consumers having load >10 kW, which leaves out most of the domestic consumers. One of the members added that if the peak hours are increased, then industries' operations will shift from 10 pm to 2 am and that impact should also be studied. Another member enquired as to whether an industry such as tea, Coffee, etc will also be given the option to choose between new TOD and normal tariff. MD, APDCL remarked that the shift may be possible from this new TOD to the earlier scheme.

A SAC member enquired if APDCL has adopted all existing methods for loss reduction, taking examples from other peer states who succeeded to contain their losses. MD, APDCL informed the SAC that they are adopting best practices followed by other discoms of which some have already been implemented and some are in implementation stage like smart meters which have been installed to reduce the commercial losses, the upgradation of lines for the technical losses, etc. But to reach the ideal scenario of 1:1, massive investment shall be required as they are currently at 2.8:1. So, the steps are being gradually taken up. To another query as to whether APDCL has the technology to determine the losses feeder-wise, MD, APDCL replied that they are doing it at present and especially when smart meters will be completely installed, they will be able to pin-point the energy drainage. One of the members observed that AEGCL plays a vital role in reducing the technical losses and such efforts have been made through installation of capacitors. However, he expressed concern as to whether these have been done after technical studies. He remarked that if AEGCL takes steps to maintain the voltage to APDCL, around 33-36 kV, further loss reduction will be possible. The member also enquired if AEGCL has benchmarked their losses with their peers. The Committee also expressed concern regarding the viability of investment has been checked since it is a public investment. AEGCL mentioned that the losses can be reduced by increasing the number of injection points (with PGCIL, etc.) and by reducing the length of transmission lines, which is the main reason for voltage drop. Example was cited of BTPS which is getting power from NTPC and PGCIL, but it is transmitted to Rangia through a 160km long line. 400 kV Rangia (Tamulpur) GSS which is coming up will be directly fed from PGCIL, which will improve the voltage profile manifold. The members suggested that load flow study should be carried out for better assessment. AEGCL informed the SAC that the load flow study has already been carried out by AEGCL and they are doing it regularly. The results are forwarded to CEA which are then verified by the central agency. It is only after approval was granted, the projects are implemented. AEGCL further informed that the current load is around 2600 MW and this is projected to increase to almost

5000 MW in 2030. A major share of this comes from the refineries connecting with the grid, as mandated by the central government policy and without the 400 kV substations being constructed at Rangia (for lower Assam), Sonapur (for central Assam) and Khumtai (for upper Assam), AEGCL will not be able to cater to such demand. The Committee also asked regarding installation of reactors at such substations to which, AEGCL responded in the affirmative to maintain the stability of the entire grid.

SAC Member appreciated APDCL for introducing the TOD mode of determining tariff basically for the industrial consumers. He stated that it is a win win situation for both the Discom and the consumer. He also mentioned that industries can take advantage of the night charge of tariff which is lower than normal tariff. The member added that the TOD mode of tariff determination will be beneficial for the upcoming industries to be established after Advantage Assam 2.0 initiative and the solar power consumption will increase even further with such industries. Hence, APDCL may look into increasing the TOD relief from 20% to 30% in order to encourage more participation. Further, he enquired regarding the plan for absorption of the peak solar generation during the day time in the upcoming future, which will be quite significant.

MD, APDCL replied that as the things will unfold in future, the strategy would change and there may be a separate tariff slab for the peak solar during day hour which may be even more subsidised.

SAC member enquired that since massive industrialization is upcoming in the next 5 years, will increase the consumption of electricity and whether in that situation the tariff rate will go down. In reply to this MD, APDCL stated that it will depend upon the costs of the power at that time. The member also enquired regarding commissioning of Lower Kopili Hydro Electric Project (LKHEP). MD, APGCL replied that it will be commissioned in June, 2025 and generation will start from the month of August-September.

In reply to the query of a SAC member regarding estimated load consumption of Jal Jeevan Mission and Agricultural sector, MD, APDCL stated that exact load consumption of Jal Jeevan Mission cannot be determined at this stage but agricultural connections are almost 20,000 as they might be using power from the domestic connection for agricultural purposes. The Committee suggested that for more connections from departments such as irrigation, public health etc. would help increase the revenue of APDCL and the discom should pursue the matter with these departments.

A SAC member enquired regarding the Capex plan for SLDC for modernization of infrastructure. SLDC replied that a proposal for backup SLDC building which is mandated under national critical infrastructure, upgradation of existing and cyber security related infrastructure and several others have been included in the petition. The member raised a query if APGCL has completely written off NTPS, as no capex plan has been observed. MD, APGCL replied that as soon as the Lower Kopili Hydro Electric Project starts generation, then the old unit of NTPS will be shut down. SAC member suggested that gas based generating stations must be operated simultaneously along with solar generation. SAC members also discussed about feasibility of wind and other renewable powers in Assam in future.

Agenda Item No- 4: Future RE trajectory for the state-

Thereafter, MD, APDCL gave a presentation of RE trajectory in the state of Assam. The presentation focused on the 5-Year Renewable Energy (RE) Trajectory of Assam Power Distribution Company Ltd. (APDCL), aligning with the Assam Renewable Energy Policy (AREP)-2022 and the Assam Integrated Clean Energy Policy-2025. The key emphasis was on achieving renewable energy generation targets by 2027 and beyond i.e upto 2030. As per Assam Renewable Energy Policy (AREP)-2022 the State shall strive to achieve 1200 MW by 2027. In addition to that, Govt. of Assam declared an ambitious project of “Mukhya Mantri Souro Shakti Prokolpo” for installation of 1000 MW in free Govt. lands. At present, the total Installed Capacity (On-Grid & Off-Grid) of APDCL is 308 MW. The presentation also highlighted the status of ongoing and projects in pipeline of renewable projects in Assam.

SAC Member recommended that the release of subsidy to the consumers who have installed solar panels under PM Suryaghar scheme must be expedited which would attract more consumers to fall in line as presently there are only around 7000 consumers. He also pointed out that some key questions need to be addressed considering the expansion of renewables, also envisaged during the Advantage Assam 2.0, in the State which include whether we have skilled manpower, energy absorption capacity and land release policy. He stated that in conjunction with the Global Environment Facility (GEF), he urged that the State must take the opportunity to increase the green energy footprint, which is the future. Further, regarding the T&D Losses, Member recommended that adoption of UG cables instead of overhead lines will help reduction in unauthorized connections and pilferage and need to be explored.

SAC Member also enquired about the participation of private players in Small Hydro Electric Plants in the State. MD, APDCL mentioned that the standard policy guidelines of Government are there which has to be followed for any private players to construct a SHP.

SAC member queried as to the process or prescribed guidelines for disposal of the solar panels to address the pollution issue after the end of useful life of the huge number of Solar Panels installed under various schemes. In this regard MD, APDCL stated that there are some standard guidelines of Government which are evolving over time. SAC member from FINER added that Central Pollution Control Board (CPCB) has already formulated policy for the seven (7) categories of e-waste covering 132 items where solar panels are also included as per E-waste Management Rules, 2024.

SAC Member from FINER enquired about the recent announcement in Advantage Assam 2.0 regarding 3000 MW solar panels .MD, APDCL clarified that it the step taken by the GoA to manufacture solar panel upto 3000 MW capacity in Assam.

SAC Member from AEDA stated that in green energy policy and renewable energy policy the role of AEDA is not specified, however they are the nodal agency for small and Off-Grid power plants under MNRE. They added that they could help develop skilled manpower in the State. Hon'ble Chairperson, AERC suggested that AEDA may bring out a policy paper regarding the matter.

There was no other matter discussed.

The meeting ended with the vote of thanks from the Chair.

Sd/-

Secretary,

Assam Electricity Regulatory Commission.

ANNEXURE-1

35th Meeting of SAC - LIST OF MEMBERS, SPECIAL INVITEES AND OFFICERS PRESENT

Members

1. Kumar Sanjay Krishna, IAS (Retd), Chairperson, AERC
2. Shri Alokeswar Bhattacharyya, Member (Law), AERC
3. Shri Syed M.D Zahid Chistie, Addl. Secretary, Power (E) Department, GoA
4. Shri Dipak Kr. Bora, Jt. Secretary, Department of Finance, Assam Sachivalaya, GoA
5. Shri Subodh Sharma, Consumer Activist
6. Shri Abhijit Sharma, Secretary. ABITA
7. Shri Amarendra Goswami, Electrical Consultant, Retd SE
8. Shri Champak Barua, Ex-Member, Technical, APDCL
9. Dr. Chitralekha Mahanta, Professor, IIT Guwahati, E & E Eng. Department
10. Dr. Satyajit Bhuyan, Professor, AEC
11. Dr. Aditya Bihari Kandali, Principal (I/C), Department of Electrical Engineering, JIST
12. Shri Jojneswar Sharma, Ex DG Ministry of Defense
13. Dr. Jaideep Baruah, Director, AEDA
14. Shri Dilip Kr. Sarma, Retd. ED, PGCIL
15. Dr. Bhupati Das, Ex MD, NRL
16. Shri Nikunja Borthakur, Sr. CGM, NRL
17. Shri Saurabh Agarwal, Chairman Power, FINER

SPECIAL INVITEES

1. Shri Rakesh Kumar, IAS, Managing Director, APDCL
2. Shri Biswajit Pegu, Managing Director, AEGCL
3. Shri Bibhu Bhuyan, Managing Director, APGCL

OFFICERS FROM APDCL, AEGCL & APGCL

APDCL

1. Shri Jagadish Baishya, CGM (Com), APDCL
2. Shri Rajiv Kr. Gogoi, GM(PP), APDCL

3. Shri Rupranjan Kalita, GM, APDCL
4. Shri Indrajit Tahbildar, DGM, APDCL
5. Shri Rupjyoti Borah, DGM, APDCL
6. Mrs Ronkita Baruah, AGM, APDCL
7. Shri Paragjyoti Kalita, AGM, APDCL
8. Shri Udayan Dutta, DM, APDCL
9. Shri Adity Bora, AM, APDCL

AEGCL and SLDC

1. Shri Balabanta Basumatary, CGM, AEGCL
2. Mrs Jayashree Devi, CGM (PP&D) AEGCL
3. Mrs Toushita Jigdung, DGM, SLDC, AEGCL
4. Shri Debasish Paul, AGM, AEGCL
5. Mrs Dipmani Nath, AM, AEGCL

APGCL

1. Md. Zakir, CGM, APGCL
2. Mrs Aklantika Saikia, DGM, APGCL
3. Mrs Pinky Deb, DGM, APGCL
4. Shri Pankaj B Sarmah, AGM, APGCL

OFFICERS FROM AERC

1. Shri Ashok Kumar Barman, IAS (Retd), Secretary.
2. Ms. Panchamrita Sharma, Joint Director (T & RA),
3. Shri Nipen Kr. Deka, Joint Director (Engg.)
4. Shri Jayjeet Bezbaruah, Deputy Director (Gen, PPA, P&P)
5. Mrs Jharna Devi, Deputy Director (Engg.)
6. Shri Kishore RajKumar, Assistant Director (IT)
7. Mrs Punam Rabha, Assistant Director (Tariff)
8. Shri Dibbyajyoti Sarma, PS to Member, (Technical)
9. Shri Bikash Deep Baruah, PS to Member, (Law)