



COMMISSION'S ORDER IN

**Case No. HERC / Petition No. 65 of 2022
&
Case No. HERC / Petition No. 66 of 2022**

IN THE MATTER OF

**TRUE-UP FOR THE FY 2021-22, ANNUAL (MID-YEAR)
PERFORMANCE REVIEW FOR THE FY 2022-23,
AGGREGATE REVENUE REQUIREMENT OF UHBVNL AND
DHBVNL AND DISTRIBUTION & RETAIL SUPPLY TARIFF
FOR THE FY 2023-24.**

15 February, 2023

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

IN THE MATTER OF

ARR Petition for the FY 2023-24, Annual Performance Review for the FY 2022-23, and True-up for FY 2021-22, under HERC (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations 2019 and Section 45, 46, 47, 61, 62, 64 & 86 of the Electricity Act 2003 read with the relevant guidelines, by Uttar Haryana Bijli Vitran Nigam Ltd and Dakshin Haryana Bijli Vitran Nigam Ltd.

QUORUM

Shri R K Pachnanda
Shri Naresh Sardana

Chairman
Member

ORDER

The Haryana Electricity Regulatory Commission (hereinafter referred to as 'the Commission' or HERC), in exercise of the powers vested in it under section 62 of the Electricity Act, 2003 read with section 11 of the Haryana Electricity Reforms Act, 1997 and all other enabling provisions in this behalf, passes this Order determining the True-up of the ARR for the FY 2021-22, Annual (Mid-year) Performance Review for the FY 2022-23, Aggregate Revenue Requirements and distribution and retail supply tariff of UHBVNL and DHBVNL for their Distribution and Retail Supply Business under MYT framework for the FY 2023-24 in accordance with the provisions of the Haryana Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Generation Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2019 including its subsequent amendments (hereinafter referred to as MYT Regulations, 2019).

The Commission, while passing order in the present case(s), has considered the Petition(s) filed by the Distribution Licensees viz. UHBVNL and DHBVNL along with

1. Subsequent filings/additional data provided by them including filings made by the two distribution licensees in response to the various queries of the Commission
2. Objections received from various organisations and individuals
3. Reply/comments furnished by UHBVNL and DHBVNL on the objections filed.
4. State Advisory Committee (SAC) meeting held on 25.01.2023.
5. Relevant data / facts / policies available in the Commission and in public domain.
6. Feedback received in the public hearing held at Panchkula for the consumers / stakeholders of the adjoining districts, Panipat for the consumers / stakeholders of adjoining districts and Gurugram for the consumers / stakeholders of the adjoining districts

CONTENTS

CHAPTER 1.....	6
INTRODUCTION	6
1.1 PETITION FILED BY UHBVNL AND DHBVNL.....	6
1.2 PRESENT PETITION	6
1.3 PRINCIPLES OF TRUE UP FOR FY 2021-22	6
1.4 SUMMARY OF TRUE UP OF FY 2021-22	8
1.5 ANNUAL PERFORMANCE REVIEW FOR FY 2022-23.....	11
1.6 AGGREGATE REVENUE REQUIREMENT (ARR) FOR FY 2023-24	13
1.7 PRAYER	15
CHAPTER 2.....	17
PROCEDURAL ASPECTS OF THE ARR PETITION (S)	17
2.1 ARR PETITIONS FILED BY UHBVNL & DHBVNL	17
2.2 PUBLIC NOTICE	17
2.3 OBJECTIONS FILED BY THE INTERVENERS & DISCOMS REPLY THERETO	17
2.3.1 COMMENTS BY SH. ADITYA GROVER, ADVOCATE	17
2.3.2 OBJECTIONS BY ORIENTAL CARBON & CHEMICAL LTD, BONY POLYMERS PRIVATE LIMITED, PRIME INDIA POLYMIX PRIVATE LIMITED, PICCADILY AGRO INDUSTRIES LTD., DEE DEVELOPMENT ENGINEERS LTD., AMAR UDYOG (PLANT-II), ASK FRAS-LE FRICTION PVT. LTD.	22
2.3.3 OBJECTIONS FILED BY SH PANKAJ BHALOTIA.....	29
2.3.4 COMMENTS BY FARIDABAD INDUSTRIES ASSOCIATION.	52
2.3.5 COMMENTS OF INDIAN ENERGY EXCHANGE LIMITED	69
2.3.6 OBJECTIONS FILED BY DMRC (DELHI METRO RAIL CORPORATION)	78
2.3.7 OBJECTIONS FILED BY MARUTI SUZUKI INDIA LIMITED.....	91
2.4 PUBLIC HEARING	99
2.5 ADDITIONAL DATA / INFORMATION FILED BY DISCOMS.....	100
2.6 STATE ADVISORY COMMITTEE.....	100
CHAPTER 3.....	101
ANALYSIS OF ARR FILINGS AND COMMISSION'S ORDER.....	101
3.1 TRUE-UP OF THE ARR FOR THE FY 2021-22	101
3.2 OPERATION & MAINTENANCE EXPENSES (O&M).....	101
3.3 DEPRECIATION	103
3.4 INTEREST ON ADVANCE CONSUMPTION DEPOSIT (ACD).....	104
3.5 INTEREST ON LONG TERM LOANS.....	105
3.6 INTEREST ON WORKING CAPITAL LOAN.....	106
3.7 TOTAL INTEREST & FINANCE COST.....	108
3.8 OTHER EXPENDITURE	110
3.9 RETURN ON EQUITY (RoE)	112
3.10 NON-TARIFF INCOME	113
3.11 TRUE-UP OF POWER PURCHASE QUANTUM AND COST	114
3.12 REVENUE FROM SALE OF POWER FOR THE FY 2021-22 (ENERGY SALES)	118
3.13 REVISED ARR FOR THE FY 2021-22	120
3.14 TRUE-UP OF SUBSIDY FOR THE FY 2021-22	121
3.15 ANNUAL PERFORMANCE REVIEW FOR FY 2022-23.....	122
3.16 ENERGY SALES	123
3.17 TRANSMISSION LOSSES	126
3.18 DISTRIBUTION LOSSES	126

3.19 ENERGY BALANCE	127
3.20 DEPRECIATION	128
3.21 RETURN ON EQUITY	129
3.22 SUMMARY OF O&M EXPENSES	130
3.23 NON-TARIFF INCOME	131
3.24 AGGREGATE REVENUE REQUIREMENT FOR THE FY 2022-23	131
3.25 REVENUE GAP ESTIMATED BY THE DISCOMS FOR THE FY 2022-23.....	132
CHAPTER 4.....	134
DETERMINATION OF ARR FOR FY 2023-24.....	134
4.1 ASSESSMENT OF ENERGY SALES FOR FY 2023-24	134
4.2 POWER PURCHASE QUANTUM AND COST	145
4.3 INTERSTATE TRANSMISSION AND SLDC COST.....	154
4.4 INTRASTATE TRANSMISSION AND SLDC COST	154
4.5 TRANSMISSION LOSSES	155
4.6 ENERGY BALANCE	155
4.7 OPERATION & MAINTENANCE EXPENSES (O&M).....	157
4.8 COMPUTATION OF INFLATION FACTOR	159
4.9 EMPLOYEE EXPENSES	160
4.10 REPAIR & MAINTENANCE (R&M) EXPENSES.....	162
4.11 ADMINISTRATION & GENERAL (A&G) EXPENSES.....	163
4.12 APPROVED CAPITAL EXPENDITURE AND ADDITIONS TO GROSS FIXED ASSET	165
4.13 INTEREST & FINANCE CHARGES:	166
4.14 INTEREST ON LONG TERM LOAN.....	167
4.15 INTEREST ON CONSUMER SECURITY DEPOSIT (ACD)	171
4.16 INTEREST ON WORKING CAPITAL LOAN.....	172
4.18 DEPRECIATION	175
4.19 RETURN ON EQUITY	178
4.20 NON-TARIFF INCOME	181
4.21 AGGREGATE REVENUE REQUIREMENT (ARR)	181
4.22 REVENUE FROM INTER-STATE SALES	182
4.23 SUBSIDY – AP TUBE WELL SUPPLY / DOMESTIC SUPPLY / MSME	184
4.24 REVENUE SURPLUS / GAP FOR ARR YEAR FY 2023-24	185
CHAPTER 5.....	188
CAPITAL EXPENDITURE AND TECHNICAL PARAMETERS	188
5.1 CAPITAL EXPENDITURE	188
5.2 REVIEW OF CAPITAL INVESTMENT PLAN IN PROGRESS FOR FY 2022-23.....	192
5.3 CAPITAL INVESTMENT PLAN FOR FY 2023-24	197
5.4 REVIEW OF TECHNICAL PARAMETERS	201
5.5 LOSS REDUCTION TRAJECTORY	204
5.6 DISTRIBUTION TRANSFORMERS (DTs) FAILURE RATE:	208
5.7 NON-REPLACEMENT OF ELECTRO-MECHANICAL METERS	211
5.8 IMPLEMENTATION OF SMART METERING PROJECTS IN HARYANA	212
5.9 PENDING ELECTRICITY CONNECTION / LOAD.....	212
CHAPTER 6.....	215
WHEELING CHARGES.....	215
6.1 WHEELING CHARGES	215
6.2 CROSS-SUBSIDY SURCHARGE (CSS)	216
CHAPTER 7	221

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