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1 METHODOLOGY FOR DETERMINATION FOR COST ALLOCATION

1.1 Background

1.1.1 The methodology adopted in separation of accounts of the Distribution Licensee as specified under Regulation 28 of the MYT Distribution Tariff Regulation, 2025 and as outlined below: -

28 Separation of Accounts of Distribution Licensee

28.1 Every Distribution Licensee shall maintain separate accounting records for the Distribution Wires Business and Retail Supply Business and shall prepare an Allocation Statement to enable the Commission to determine the Tariff separately for:

(a) Distribution Wires Business (Wheeling);

(b) Retail Supply Business:

Provided that in case complete accounting segregation has not been done between the Distribution Wires Business and Retail Supply Business of the Distribution Licensee, the ARR of the Distribution Licensee shall be apportioned between the Distribution Wires Business and Retail Supply Business in accordance with the following Allocation Matrix:

Particulars	Distribution Wires Business (%)	Retail Supply Business (%)
Power Purchase Expenses (incl. PGCIL charges)	0%	100%
Inter-State Transmission Charges	0%	100%
Intra state Transmission Charges - (incl. SLDC Charges)	0%	100%
Employee cost	60%	40%
A&G expenses	40%	60%
R&M expenses	90%	10%
Interest and Finance Charges		
<i>a) Interest on Long Term Loan</i>	90%	10%
<i>b) Other Interest & Finance charges</i>	10%	90%
Depreciation	90%	10%
Provision for Bad & Doubtful debts	0%	100%
Return on Equity	90%	10%
Income Tax	90%	10%
Non-Tariff Income	10%	90%

.....

Provided further that the Allocation Matrix shall be applied for all or any of the heads of expenditure and revenue, where actual accounting separation has not been done between the Distribution Wires Business and Retail Supply Business:

.....”

1.1.2 Based on the above said Regulations, the ARR has been segregated into Wire and Supply Cost as per the given allocation matrix. Further, the Petitioner submits that with respect to the Carrying Cost, the said amount is allocated in the ratio of 90:10 considering that the overall load has not been optimised based on the distribution infrastructure created resulting in maximum under-recovery of the Wire Cost. Hence, the ratio as provide in the

allocation matrix for Capital expenditure is considered for allocation of Carrying Cost.

1.1.3 It is submitted that the costs of distribution include cost of power procurement and the costs of creating and maintaining the distribution network consisting substations, transformers, feeders, laying of service lines, etc.

1.1.4 Usually, the network can broadly be distinguished on the basis of voltage level viz. 132 KV, 33 KV, 11 KV and Low Tension (LT). However, the Petitioner submits that the distribution network prevails within the distribution area is of Downstream 11 kV Distribution Network including consumer metering. Hence, the distribution loss and the related Wire and Supply Cost is totally allocated to 11 kV network only.

2 ALLOCATION OF COST INTO WIRE AND SUPPLY BUSINESS

2.1 Allocation of Cost between Wheeling & Retail for FY 2024-25

2.1.1 Based on the above, the expenditures have been segregated between “Wire” and “Supply” business as depicted in Table below and it is iterated that the whole cost has been allocated to 11 kV network only:

Table 1: Allocation of ARR of FY 2024-25 into Wire & Supply Business (Rs. Cr)

Sr. No	Particulars	Actuals	Wire	Supply	Wire	Supply	Wire	Supply	Total
		Rs. Cr	%		Rs. Cr		Rs./kWh		
1	Power Purchase Expenses	23.97	0%	100%	-	23.97	-	6.38	6.38
2	Inter-State Transmission Charges				-	-	-	-	-
3	Intra state Transmission Charges - (incl. SLDC Charges)	0.94	0%	100%	-	0.94	-	0.25	0.25
4	Employee cost	-	60%	40%	-	-	-	-	-
5	A&G expenses	3.12	40%	60%	1.25	1.87	0.33	0.50	0.83
6	R&M expenses	-	90%	10%	-	-	-	-	-
7	Interest and Finance Charges	-		100%	-	-	-	-	-
a	Interest on Long Term Loan	2.22	90%	10%	2.00	0.22	0.53	0.06	0.59
b	Other Interest & Finance charges	0.45	10%	90%	0.04	0.40	0.01	0.11	0.12
8	Depreciation	1.63	90%	10%	1.47	0.16	0.39	0.04	0.43
9	Provision for Bad & Doubtful debts	-		100%	-	-	-	-	-
10	Return on Equity	1.66	90%	10%	1.50	0.17	0.40	0.04	0.44
11	Income Tax	-	90%	10%	-	-	-	-	-
12	Non-Tariff Income	-0.24		100%	-	-0.24	-	-0.06	-0.06
13	Carrying Cost	0.22	90%	10%	0.20	0.02	0.05	0.01	0.06
14	ARR	33.97	19%	81%	6.45	27.51	1.72	7.33	9.05

2.2 Allocation of Cost between Wheeling & Retail for FY 2025-26

2.2.1 Based on the above, the expenditures have been segregated between “Wire” and “Supply” business as depicted in Table below and it is iterated that the whole cost has been allocated to 11 kV network only:

Table 2: Allocation of ARR of FY 2025-26 into Wire & Supply Business (Rs. Cr)

Sr. No	Particulars	Actuals	Wire	Supply	Wire	Supply	Wire	Supply	Total
		Rs. Cr	%		Rs. Cr		Rs./kWh		
1	Power Purchase Expenses	34.81	0%	100%	-	34.81	-	5.69	5.69
2	Inter-State Transmission Charges		0%	100%	-	-	-	-	-
3	Intra state Transmission Charges - (incl. SLDC Charges)	0.23	0%	100%	-	0.23	-	0.04	0.04
4	Employee cost	-	60%	40%	-	-	-	-	-
5	A&G expenses	3.23	40%	60%	1.29	1.94	0.21	0.32	0.53
6	R&M expenses	1.85	90%	10%	1.66	0.18	0.27	0.03	0.30
7	Interest and Finance Charges								
a	Interest on Long Term Loan	2.30	90%	10%	2.07	0.23	0.34	0.04	0.38
b	Other Interest & Finance charges	0.58	10%	90%	0.06	0.52	0.01	0.09	0.10
8	Depreciation	1.90	90%	10%	1.71	0.19	0.28	0.03	0.31
9	Provision for Bad & Doubtful debts	-		100%	-	-	-	-	-
10	Return on Equity	1.66	90%	10%	1.50	0.17	0.24	0.03	0.27
11	Income Tax	-	90%	10%	-	-	-	-	-
12	Non-Tariff Income	-0.24		100%	-	-0.24	-	-0.04	-0.04
13	Carrying Cost	0.69	90%	10%	0.62	0.07	0.10	0.01	0.11
14	ARR	46.99	19%	81%	8.90	38.09	1.46	6.23	7.68

2.3 Allocation of Cost between Wheeling & Retail for FY 2026-27

2.3.1 Based on the above, the expenditures have been segregated between “Wire” and “Supply” business as depicted in Table below and it is iterated that the whole cost has been allocated to 11 kV network only:

Table 3: Allocation of ARR of FY 2026-27 into Wire & Supply Business (Rs. Cr)

Sr. No	Particulars	Actuals	Wire	Supply	Wire	Supply	Wire	Supply	Total
		Rs. Cr	%		Rs. Cr		Rs./kWh		
1	Power Purchase Expenses	57.48	0%	100%	-	57.48	-	5.69	5.69
2	Inter-State Transmission Charges		0%	100%	-	-	-	-	-
3	Intra state Transmission Charges - (incl. SLDC Charges)	0.79	0%	100%	-	0.79	-	0.08	0.08
4	Employee cost	-	60%	40%	-	-	-	-	-
5	A&G expenses	3.35	40%	60%	1.34	2.01	0.13	0.20	0.33
6	R&M expenses	1.93	90%	10%	1.73	0.19	0.17	0.02	0.19
7	Interest and Finance Charges								
a	Interest on Long Term Loan	2.20	90%	10%	1.98	0.22	0.20	0.02	0.22
b	Other Interest & Finance charges	0.98	10%	90%	0.10	0.88	0.01	0.09	0.10
8	Depreciation	1.90	90%	10%	1.71	0.19	0.17	0.02	0.19
9	Provision for Bad & Doubtful debts	-		100%	-	-	-	-	-
10	Return on Equity	1.72	90%	10%	1.55	0.17	0.15	0.02	0.17
11	Income Tax	-	90%	10%	-	-	-	-	-
12	Non-Tariff Income	-0.24		100%	-	-0.24	-	-0.02	-0.02
13	Carrying Cost	1.11	90%	10%	1.00	0.11	0.10	0.01	0.11
14	ARR	71.28	13%	87%	9.47	61.81	0.94	6.12	7.06

2.4 Cost of Service Computation

2.4.1 Based on the above computation, the Cost of Service computation for FY 2024-25 to FY 2026-27 respectively is outlined in the table below:

Table 4: Cost of Service for FY 2024-25 to FY 2026-27 at 11 kV

Cost of Service	U.O.M	FY 2024-25	FY 2025-26	FY 2026-27
Allocation of Energy				
Energy purchase	MU	39.51	63.80	105.35
Energy sales	MU	37.54	61.16	100.99
VARIABLE COST				
Energy Cost	Rs./kWh	6.64	5.73	5.77
FIXED COST				
Wheeling	Rs./kWh	1.72	1.46	0.94
Retail	Rs./kWh	0.69	0.50	0.35
TOTAL	Rs./kWh	2.41	1.96	1.29
SUMMARY				
Cost of service	Rs./kWh	9.05	7.68	7.06

3 OPEN ACCESS CHARGE

3.1.1 The “open access customer” and “open access consumer” have been defined in the UPERC (Terms and Conditions for Open Access) Regulations, 2019 [“Open Access Regulations, 2019”]. Regulation 2.4 (n) and (o) are as under:

“Open Access Regulations 2.4 (n) and 2.4 (o):

(n) **“Open Access Customer”** means the categories held eligible by the Commission for availing open access, viz.:

- i eligible licensees
- ii
- iii a Consumer with contracted demand of 1 MW and above
- iv

(o) **“Open Access Consumer”**: One who consumes electricity through open access from a person other than distribution licensee of his area of supply.

Provided that a consumer consuming part of his electricity through open access and part of his electricity requirement from the distribution licensee of his area will be classified as “part open access consumer”. However, if such a consumer is meeting his entire requirement through open access, he will be classified as “full open access consumer”.

3.1.2 Further, Regulation 7 of the Open Access Regulations, 2019 provides as under:

“7. Eligibility and Conditions of Open Access–

7.3 Subject to the provisions of these Regulations-

- (a) Eligible Licensees,
- (b) A Generating Company..... ;
- (c) a Consumer with a contracted demand of 1 MW and above as given in Regulation

7.1 above.

(d) Distribution Franchisee;

Provided that such open access shall be available to open access customer on payment of a Cross-Subsidy Surcharge (Regulation 17) and Additional Surcharge (Regulation 18) and other charges, as applicable, as determined by the Commission in addition to **transmission charges and / or Wheeling Charges**.

3.1.3 The Petitioner submits that at present no consumer within the distribution area has opt for Open Access. However, based on the above submission, the Petitioner proposes the following open access charges for FY 2026-27, for recovery from the consumers who opt for open access.

Table 5: Open Access Charges for FY 2026-27

Particulars	U.O.M	FY 2026-27
Open Access Charges		
Distribution Loss	%	0.99%
Wheeling Charges at 11kv	Rs./kWh	0.94

4 CROSS SUBSIDY SURCHARGE (CSS)

4.1 Electricity Act 2003

4.1.1 Section 2(47) of the Electricity Act, 2003 defines 'Open Access', while Section 42 of the Act inter-alia mandates the Distribution Licensee to provide Open Access to eligible consumers, subject to payment of Cross-Subsidy Surcharge, Additional Surcharge and other applicable charges.

4.1.2 Section 86(1) of the Act inter-alia mandates the Hon'ble Commission to determine Cross-Subsidy Surcharge (CSS), Additional Surcharge and other applicable charges payable by the consumers opting for Open Access.

4.1.3 CSS to be calculated based on the Formula stipulated in the revised Tariff Policy notified by Ministry of Power on January 28, 2016, as reproduced below:

“SERCs may calculate the cost of supply of electricity by the distribution licensee to consumers of the applicable class as aggregate of (a) per unit weighted average cost of power purchase including meeting the Renewable Purchase Obligation; (b) transmission and distribution losses applicable to the relevant voltage level and commercial losses allowed by the SERC; (c) transmission, distribution and wheeling charges up to the relevant voltage level; and (d) per unit cost of carrying regulatory assets, if applicable.

Surcharge formula:

$$S = T - [C / (1 - L / 100) + D + R]$$

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.

Above formula may not work for all distribution licensees, particularly for those having power deficit, the State Regulatory Commissions, while keeping the overall objectives of the Electricity Act in view, may review and vary the same taking into consideration the different circumstances prevailing in the area of distribution licensee

Provided that the surcharge shall not exceed 20% of the tariff applicable to the category of consumers seeking open access.”

- 4.1.4 Further, in line with the Electricity (Amendment) Rules, 2022 notified on 29 December 2022. CSS needs to be limited to 20% of ACoS.

4.2 MYT Regulations 2025

- 4.2.1 As per Regulations 37 of MYT Regulations 2025, it provides the methodology for computation of CSS:

37 Cross-Subsidy Surcharge

37.1 *A consumer situated within the area of supply of a Distribution Licensee availing Open Access as per the provisions of the UPERC Open Access Regulations, as amended from time to time, shall be liable to pay Cross-Subsidy Surcharge as determined by the Commission. Such Cross-Subsidy Surcharge will be determined as per the following:*

formula:

$$S = T - [C / (1 - L/100) + D + R]$$

Where:

S is the Cross Subsidy 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:

Provided that in any case the Cross Subsidy Surcharge shall not exceed 20% of the Average Cost of Supply

4.3 Computation of CSS

- 4.3.1 Based on the formula as provided in the National Tariff Policy, the Petitioner has computed each factors as outlined below:

Table 6: Computation of each factor of CSS Formula

Particulars	Formula	U.O.M	FY 2026-27	Ref	Appendix
EHV Loss	A	%	0.00%		
Wheeling Loss	B	%	0.99%	Table 4	Appendix VI
Transmission Loss	C	%	3.18%	Table 5	Appendix VI
Transmission Charge	D	Rs. Cr	0.79	Table 9	Appendix VI
Carrying Cost	E	Rs. Cr	2.02	Table 25	Appendix VI
Total Sales	F	MU	100.99	Table 3	Appendix VI
Transmission Charge	$G = D/F*10$	Rs./kWh	0.08		
Wheeling Charge	H	Rs./kWh	0.94	Table 5	Appendix VIII
Carrying Cost	$I = E/F*10$	Rs./kWh	0.20		
Net ARR to be recovered for FY 2026-27	J	Rs. Cr	80.67	Table 27	Appendix VI
AvCoS	$L = J/F*10$	Rs./kWh	7.99		
Power Purchase	M	MU	105.35	Table 8	Appendix VI
Power Purchase Cost	N	Rs. Cr	57.48		
Power Purchase Cost	$O = N/M*10$	Rs./kWh	5.46		
Distribution Supply Fixed Cost	P	Rs./kWh	0.35	Table 4	Appendix VIII

4.3.2 The Petitioner has computed the category-wise CSS for existing category of consumers which are eligible for Open Access in accordance with the above formula, for FY 2026-27, as shown in the following Table:

Table 7: Cross Subsidy Surcharge (CSS) for FY 2026-27

Consumer Category	T (ABR)	C	WL	TL	L	C*(1+L%)	D-Wheeling	D-Supply	D-Tx	R	CSS	Cap	CSS	CSS
	Rs./kWh	Rs./kWh	%	%	%	Rs./kWh	Rs./kWh	Rs./kWh	Rs./kWh	Rs./kWh	Rs/kwh	Rs/kwh	Rs/kwh	Rs/kVAh
HV- 1: NON - INDUSTRIAL BULK LOADS	8.75	5.46	0.99%	3.18%	4.32%	5.69	0.94	0.35	0.08	0.20	1.49	1.60	1.49	1.47
HV-2 -LARGE AND HEAVY POWER	7.58	5.46	0.99%	3.18%	4.32%	5.69	0.94	0.35	0.08	0.20	0.33	1.60	0.33	0.32

4.3.3 In view of above, it is humbly prayed that the Hon’ble Commission may kindly approve the CSS as submitted by the Petitioner and as per Section 42 of the Electricity Act, 2003 read with Revised Tariff Policy, 2016 and the Regulation 28 of the UPERC MYT Regulations, 2025.

5 ADDITIONAL SURCHARGE

5.1.1 At present, no application is been received by the Distribution licensee for Open Access or none of the consumers has availed open access in the said distribution supply area. Hence, the Petitioner has not proposed any Additional surcharge as no surplus power has been resulted or expected to be resulted for FY 2026-27 as the power procured is envisaged to be under Short Term only.

6 TARIFF PROPOSAL

6.1 ARR recovery of FY 2026-27

The Petitioner submits that as specified in Table 27 of Appendix VI of the Tariff Petition, the total standalone ARR proposed to be recovered in FY 2026-27 is Rs. 70.17 Cr. (ARR – Rs. 70.41 Cr minus Non-Tariff Income – Rs. 0.24 Cr). Further, considering the past Revenue Gaps alongwith the carrying cost, the total ARR to be recovered in FY 2026-27 is Rs. 80.65 Cr as outlined below:

Table 8: Total ARR to be recovered in FY 2026-27 (Rs. Cr)

Particulars	Amount
ARR of FY 2026-27	70.16
Revenue Gap of ARR of FY 2024-25	3.84
Carrying Cost for FY 2024-25	0.22
Revenue Gap of ARR of FY 2025-26	4.63
Carrying Cost for FY 2025-26	0.69
Carrying Cost for FY 2026-27	1.11
Total ARR for FY 2026-27	80.65

Accordingly, the Petitioner proposes the following tariff philosophy for the determination of Retail Supply Tariff for the Control Period:

6.2 Fixed Demand Charges

6.2.1 The Petitioner proposed no change in the Fixed/Demand Charges for FY 2026-27 and propose to continue with the same tariff as applicable for FY 2025-26. The Fixed / Demand Charges for each of the consumer categories are proposed in the following table. :

Table 9: Proposed Demand/Fixed Charges for FY 2026-27

Category of consumers	Units	FY 2026-27
HV- 1: NON - INDUSTRIAL BULK LOADS	Rs/kVA/mth	400
HV-2 -LARGE AND HEAVY POWER	Rs/kVA/mth	300
LMV – 9: TEMPORARY SUPPLY – Construction Load	Rs./kW/mth	300

6.2.2 The Petitioner requests the Hon’ble Commission to approve the category-wise Fixed/Demand Charges for FY 2026-27, as proposed in the above Table.

6.3 Energy Charges

6.3.1 The Petitioner has proposed kVAh billing for all its consumers area as per prevalent approach approved by the Hon’ble Commission from the MYT Order for all other Distribution licensee.

6.3.2 To meet the Annual Revenue Requirement of FY 2026-27 including the past gap, the Petitioner has proposed to continue with the same tariff as applicable for FY 2025-26. The category-wise energy charges for FY 2026-27, as shown in the table below:

Table 10: Proposed Energy Charges for FY 2026-27

Category of consumers	Units	FY 2026-27
HV- 1: NON - INDUSTRIAL BULK LOADS	Rs./kVAh	8.02
HV-2 -LARGE AND HEAVY POWER	Rs./kVAh	7.00
LMV – 9: TEMPORARY SUPPLY – Construction Load	Rs./kWh	9.00

6.3.3 The Petitioner requests the Hon’ble Commission to approve the category-wise Energy Charges for FY 2026-27, as proposed in the above Table.

6.4 Regulatory Discount

6.4.1 As per the directions of the Hon’ble Commission, the Petitioner has been providing a 10% Regulatory Discount to its consumers from April 2024 onwards i.e, the date of the commencement of the distribution business and has been continued till date. Also, for projection purpose, the same has been considered under the Revenue from Tariff as the same is being a part of the existing tariff of NPCL on the date of filing of the petition and as per the Order of the Hon’ble Commission dated 09.02.2024, it was stated that the tariff approved for NPCL for FY 2025-26 shall act as a ceiling tariff for the consumers of Data Centers also and the energy charges shall be reduced by Rs. 0.10/kVAh.

6.4.2 However, as outlined in the instant petition, of the total cumulative Revenue gap of Rs. 12.47 Cr, the impact of the Regulatory Discount is Rs. 15.51 Cr i.e. ~124%. At the time of filing Ceiling Tariff proposal in Petition No. 2052 of 2023 the Data Center were categorized under the HV-1: Non- Industrial Bulk Load category which will comprise majority of the load of the Petitioner. Accordingly, the Petitioner envisaged that as of now, for FY 2023-24 and 2024-25, 97% of the consumer load shall be from HV-1 (Non- Industrial Bulk Loads). Further, the Hon’ble Commission has categorized Data Centers in HV-2 (LARGE AND HEAVY POWER) as per the Tariff Order dated 10.10.2024 for NPCL and UPPCL also. Due to Ceiling Tariff regime, the Regulatory Discount were extended to HV-2 Category, where the tariff of the said HV-2 was already substantially lower to the HV-1 category. Further, the Regulatory discount was arising due to Surplus available at NPCL and in case instead of Surplus available in NPCL ARR, if there would be a Gap, the Hon’ble Commission would have levied a Regulatory Asset Charge to recover the Gap arising out of the ARR. In such case while providing the Ceiling Tariff to the NIDP, the Hon’ble Commission would not have agreed to recover such Regulatory Asset Charge to recover the gap of NPCL in NIDP. Therefore, considering the Standalone ARR of the NIDP, it humble request not to provide any Regulatory Discount considering the tariff of NPCL. Furthermore, NIDP is only one Data Centre Park operational in Greater Noida (NPCL as Parallel Licensee) and rest all Data Centres or Data Centre Parks are in Noida have power distribution Licensee as Paschimanchal Vidyut Vitran Nigam Limited. Therefore, comparison of NPCL Tariff with Regulatory Discount is not actually parallel comparison with NIDP.

6.4.3 In view of the above submissions regarding cumulative Regulatory Gap for the current FY

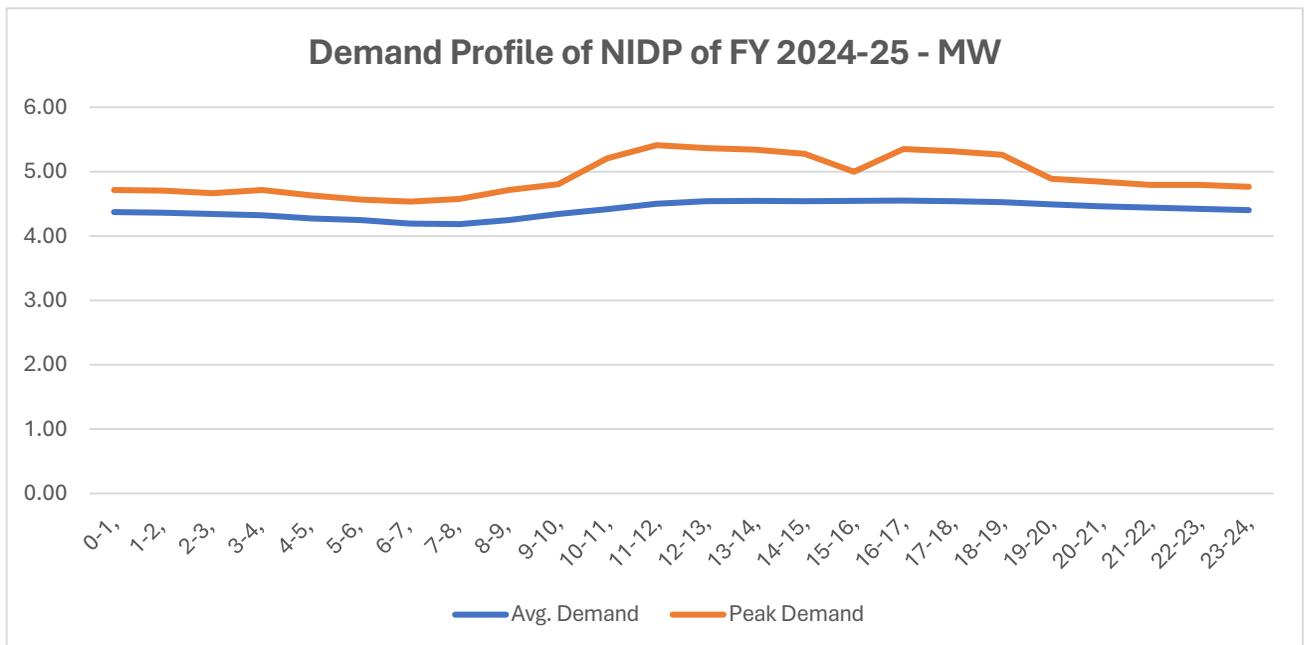
2026-27, the Petitioner respectfully requests the Hon’ble Commission to kindly discontinue the applicability of the Regulatory discount for the Petitioner as the standalone tariff of the Petitioner will be determined vide the said tariff order and no ceiling tariff provision will be applicable of NPCL for the Petitioner. This measure would help partially offset the emerging revenue shortfalls and thereby alleviate the prevailing financial strain.

6.4.4 In view of above, the Hon’ble Commission is kindly requested to take an appropriate view with regard to the Tariff and reconsideration of Regulatory Discount to be charged by the Petitioner from the consumers for FY 2026-27 as the Petitioner is applying for the new tariff whereby the ceiling tariff or principle of NPCL may not be applicable.

6.5 Time of Day Tariff

6.5.1 As per Regulations 41 of MYT Regulations 2025, Distribution Licensee shall propose consumer category-wise Time of Day (ToD) time slots, along with slot-wise rebate/penalty at the time of Tariff filing, keeping in consideration the applicable Rules and other Extant Laws.

6.5.2 However, in case of the Petitioner, it intends to discontinue ToD tariffs, as there is no shift of load on account of ToD tariffs and the peak of the Petitioner remains constant throughout the day. The load pattern in the said distribution area is more or less flat with minor deviation, as the Data Center being the consumers who requires RTC Load, which can be analysed from the figure outlined below:



6.5.3 Further, the Petitioner has contracted for the power in accordance with its load curve which is RTC power, and hence, there is no benefit of continuing with the ToD tariffs, with the intention of shifting the load. The Petitioner is able to procure RTC power and hence, TOD implementation may not be efficient to carry out considering the same as Demand Side Management (DSM) measure.

6.5.4 As the Petitioner is proposing non TOD Tariff for its licensee area as its load profile is flat is

nature and also since the Petitioner procures Green Power for its RPO through other RE sources having generation round the clock which is other than Solar and Wind power. Therefore, the Petitioner is not proposing rebate in any consumer category to any Consumer in the Solar Hours of the TOD.

6.5.5 The Petitioner respectfully submits that the implementation of Time-of-Day (ToD) tariffs for the concerned consumer category may not achieve the intended demand-management objectives, as the load profile for these consumers demonstrates a largely flat and consistent load curve throughout the day. The available consumption data indicates no significant variation between peak and off-peak periods, thereby rendering ToD differentiation ineffective as a tool for peak-load shifting or system optimisation. Introducing ToD tariffs for such consumers would not only fail to provide meaningful signals for demand response but may also result in unintended cost distortions without delivering corresponding system benefits.

6.5.6 In view of the above, the Petitioner prays that the Hon’ble Commission may consider not implementing ToD tariffs for this consumer category until such time as the load characteristics exhibit a pattern that justifies ToD-based differentiation.

6.6 ARR Recovery proposal

6.6.1 The Petitioner has proposed the total ARR of Rs. 80.67 Cr as specified in Table 8 of this Chapter against which the Revenue from the existing tariff is Rs. 68.19 Cr resulting in the Revenue Gap of Rs. 12.48 Cr.

6.6.2 As proposed above, the Petitioner request the Hon’ble Commission to allow exemption in applicability of ToD tariff, relax the applicability of the Regulatory Discount to the consumers and allow to continue the existing tariff for FY 2026-27 also.

6.6.3 Based on the said tariff proposal, the expected revenue from sale of power for FY 2026-27 is Rs. 76.63 Cr as outlined in the above table:

Table 11: Expected Revenue from Proposed Tariff (Rs. Cr)

Category	Contract Demand	Sales	Sales	Energy Charges	Fixed Charges	Energy Charges	Fixed Charges	Total Revenue	ABR
	kVA	MkVAh	MU	Rs./kVAh	Rs./kVA	Rs. Crs	Rs. Crs	Rs. Crs	Rs/kWh
HV- 1 - Non - Industrial Bulk Loads	35.00	0.26	0.26	8.02	400	0.21	0.02	0.23	8.75
HV-2 - Large And Heavy Power	14,380	101.75	100.73	7.00	300	71.22	5.18	76.40	7.58
Total	14,415	102.01	100.99			71.43	5.19	76.63	7.59

*-Regulatory Discount and ToD considered as NIL

6.6.4 Considering the tariff philosophy of no change in tariff and discontinuation of ToD and Regulatory discount will still result in a unrecovered Revenue gap of Rs. 4.03 Cr., as outlined below:

Table 12: Unrecovered Revenue Gap

Particulars	Amount
ARR of FY 2026-27	70.16
Revenue Gap of ARR of FY 2024-25	3.84
Carrying Cost for FY 2024-25	0.22
Revenue Gap of ARR of FY 2025-26	4.63
Carrying Cost for FY 2025-26	0.69
Carrying Cost for FY 2026-27	1.11
Total ARR for FY 2026-27	80.66
Less: Revenue from Proposed Tariff	76.63
Unrecovered Revenue Gap	4.03

6.6.5 The Petitioner submits, that considering the naïve greenfield area with initial stage of the distribution license, it is necessary for the Petitioner to avoid any tariff shock for the consumers. Since, the load is yet to be optimised and demand is expected to grow gradually, the Petitioner request the Hon'ble Commission to allow the deferment of recovery of Rs. 4.03 Cr to next year i.e. FY 2027-28 and consider the same as Regulatory Assets.