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**APPENDIX-V: ANNUAL PERFORMANCE REVIEW (APR) FOR FY 2025-****26****1 ANNUAL PERFORMANCE REVIEW FOR FY 2025-26****1.1 Background**

- 1.1.1 NIDP Developers Pvt. Ltd (NIDP) (herein after referred to as ‘NIDP’ or ‘the Licensee’ or ‘the Petitioner’), a company incorporated under the Companies Act, 1956 has been granted Distribution License – NIDP Developers Pvt. Ltd. (NIDP) Distribution License, 2023 (Licence No. 1 of 2023) on 20 June, 2023 for carrying out business of Distribution of Electricity within the Area of Supply i.e., Data Centre Park situated at Plot No. 7, Knowledge Park – V, Greater Noida, Uttar Pradesh.
- 1.1.2 The Petitioner has filed an application before the Commission on 18 January 2023 under section 14 (b) and Section 15 of The Electricity Act, 2003 read with UPERC (General Conditions of Distribution License) Regulations, 2004 and Distribution of Electricity License (Additional Requirements of Capital Adequacy, Creditworthiness And Code Of Conduct) Rules, 2005, as amended on 28<sup>th</sup> November 2022, and Uttar Pradesh Data Center Policy, 2021, as amended, for grant of Distribution License to M/s. NIDP Developers Pvt. Ltd.
- 1.1.3 Accordingly, based on the provisions of the Electricity Act 2003, Distribution of Electricity Licence (additional requirement of Capital Adequacy, Creditworthiness and Code of Conduct) Rules, 2005, and its amendments thereof and policies as issued by Government of Uttar Pradesh, the Hon’ble Commission has granted distribution licence to the Petitioner vide Order No. 1951 of 2023 dated 19 June 2023.
- 1.1.4 NIDP has started its Power Distribution Operations w.e.f. 00.00 hrs. on 04.04.2024 and has been levying tariff to consumers as per Order dated 9 February, 2024 in Petition No. 2052 of 2023.
- 1.1.5 The Petitioner is before the Hon’ble Commission for approval of the Annual Performance Review (APR) of FY 2025-26 for distribution of Electricity within the Area of Supply of NIDP Developers Pvt. Ltd. under UPERC (Multi Year Tariff for Distribution Regulations, 2025 hereinafter referred to as “MYT Regulations 2025”.
- 1.1.6 The Petitioner respectfully submits that as per Regulations 2.1 (11) of MYT Regulations 2025, defines the control period from April 1 2025 to March 31 2030 and hence the APR of FY 2025-26 is the second year post the commencement of the distribution operation.
- 1.1.7 NIDP is seeking Annual Performance Review of the ARR for FY 2025-26 in accordance with Regulation 7 of the MYT Regulations, 2025, based on the latest estimated performance of the Petitioner.

**“7 Annual Performance Review:**

*7.1 Licensee shall file Petition for Annual Performance Review (APR) as provided in Regulation 4.1 of these regulation:*

*Provided that the petition shall include information in such form as may be prescribed by the Commission, together with the audited/provisional Accounting Statements, extract of*

*Books of account and such details etc., as per the Guidelines and Formats prescribed.”*

- 1.1.8 The components of the ARR have been specified in Regulation 29 of the MYT Regulations, 2025 which is reproduced below:

**“29 Components of ARR for Distribution Licensee**

*29.1 The Wheeling Charges and Tariff for retail supply of the Distribution Licensee shall provide for the recovery of the ARR, as approved by the Commission and comprising the following components:*

- a) Power Purchase expenses;*
- b) Inter-State Transmission Charges;*
- c) Intra-State Transmission Charges;*
- d) SLDC Fees & Charges;*
- e) Operation and Maintenance expenses;*
- f) Depreciation;*
- g) Interest on Loan capital;*
- h) Interest on Working Capital;*
- i) Interest on Consumer Security Deposit paid to the Consumers;*
- j) Banking & Finance charges*
- k) Provision for Bad and doubtful debts;*
- l) Return on Equity;*
- m) Tax on Return on Equity;*

*minus:*

- n) Non-Tariff income;*
- o) Income from other Business:*

- 1.1.9 Based on the latest estimates of the performance of the Company for FY 2025-26, the estimated APR for FY 2025-26 along with the reasons for the same are provided in the subsequent paragraphs for the kind perusal and approval of the Hon’ble Commission.

**1.2 Details of Petition**

- 1.2.1 The Hon’ble Commission vide its letter dated 13 November, 2024 directed all the licensees including the Petitioner to file the Tariff Petition for True-Up for FY 2023-24, APR for FY 2024-25 and ARR/ Tariff for FY 2025-26 as per the UPERC (MYT for Distribution & Transmission) Regulations 2019 by 30 November, 2024.
- 1.2.2 The Petitioner submits that considering the fact that it has started its operation in April 2024 resulting in the operation period of only 7 months till date and the Area of Supply being a greenfield area, true-up for FY 2023-24 was not applicable.
- 1.2.3 Accordingly, the Petitioner vide Case No. 2171 of 2024 has filed a petition praying for grant of 1 year of extension for filing of MYT Petition. The Petitioner also in the said petition has prayed to continue to charge its consumers as per the tariff as per the Order in Petition no. 2052 of 2023 until tariff determination.
- 1.2.4 Based on the said Petition, the Hon’ble Commission vide its Order dated 19.03.2025 allowed the prayer of the Petitioner and grants an extension of one year for filing of the tariff petition. Further, with respect to the tariff, the Hon’ble Commission stated that the tariff approved for NPCL 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. However, the Other directions in Order dated 9 February 2024 shall continue to operate.

- 1.2.5 Accordingly, the said instant Petition is the first tariff Petition filed by the Petitioner, and no previous tariff Order prevails for the said license area and hence no approved ARR or Revenue has been provided in the Petition for comparison purpose.

## 2 REVENUE FROM SALE OF ELECTRICITY

2.1.1 The Petitioner is a Developer of Data Centre Park under Uttar Pradesh Data Centre Policy, 2021 and has got License to distribute power to the Consumers within the Data Center Park.

2.1.2 The Petitioner submits that at present, there is no approved tariff specifically for NIDP, to be charged to the consumers by the Hon'ble Commission as the Petitioner being a new licensee and no tariff application has been filed till date.

2.1.3 However, in the interim, until the regulatory process of Aggregate Revenue Requirement (ARR) and determination of Tariff is carried out for the Petitioner for the next control period, the Hon'ble Commission vide Order dated 19.03.2025, allowed to levy the tariff approved for NPCL which 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.

2.1.4 Regulation 8.4 of MYT Regulations, 2025 in respect of forecast of expected revenue states as: -

*“8.4 The forecast of expected revenue from Tariff shall be based on the following:*

- a) *In the case of a Distribution Licensee, estimate of the quantum of electricity to be supplied to consumers and wheeled on behalf of Distribution System Users;*

*Provided that the Distribution Licensee shall submit relevant details of category/ sub-category wise number of consumers, connected load and energy sales projections, status of metering, feeder level/ distribution transformer metering, diversity factor for various categories of consumers taking seasonality into consideration, etc., for each Distribution Licensee area;*

- b) *Existing and proposed Tariff as on the date of filing of the Petition.”*

2.1.5 Further, Regulations 30 of the MYT Regulations 2025 in respect of the Sales Forecast states as follows:

**“30 Sales forecast**

*30.1 The Distribution Licensee shall submit a forecast of the expected sales along with number of hours of supply to each Tariff category / sub-category and to each Tariff slab within such Tariff category / sub-category, to the Commission for approval as stipulated in these Regulations:*

*30.2 Unless provided otherwise by the Commission, sales forecast shall be based on the past trends in each of the slabs of consumer categories. The Compounded Annual Growth Rate (CAGR) of past seven years of sales within each of the slabs of a consumer category as per the audited books of account, or if not available, then provisional accounts, will be considered:*

*Provided that the Distribution Licensee shall submit relevant details regarding category-wise sales separately for each Distribution Franchisee area within its Licence area, as well*

as the aggregated category-wise sales in its Licence area.

30.3 The sales forecast shall be consistent with the load forecast prepared as part of the power procurement plan under Part B of these Regulations and shall be based on past data and reasonable assumptions regarding the future.”

- 2.1.6 As submitted earlier, based on NPCL Order dated 10.10.2024 vide Case No. 2039/2023, the Petitioner has reclassified the data center consumers into “HV-2 Large And Heavy Power with contracted load of 150 kW and above” as per GoUP through a policy notification dated 04.10.2024 as against the earlier classification of data centre consumer under HV-1.
- 2.1.7 Further, another category i.e. of HV-1 Commercial Loads / Private Institutions / Non-domestic bulk power consumer with contracted load 75 kW & above and getting supply at Single Point on 11 kV & Above” prevails within the distribution licensee area which is related to power supplied for auxiliary consumption of Substation. In addition, the Petitioner expects some minimal amount of construction load for the next few years until construction activities for the rest of the DC buildings are completed i.e., LMV-9 Temporary supply.
- 2.1.8 Accordingly, within the license area only category of consumers which may prevail is HV-1, HV-2 and LMV-9. Also, since the Petitioner is distribution licensee under Uttar Pradesh Data Centre Policy 2021, no additional category of consumers is expected to prevail within the said license area at present.
- 2.1.9 Accordingly, during FY 2025-26, consumers were billed on the basis of Tariff Schedule of NPCL approved in prevailing Tariff Order dated 10<sup>th</sup> October 2024 in Case No. 2039/2023 providing a discount of Rs.10 paise/kVAh on Energy Charges .
- 2.1.10 The tariff as made applicable to the said category of consumers is outlined in the following table and the said tariff schedule is annexed as **Annexure 2** of this Petition

**Table 1: Tariff Applicable in FY 2025-26**

Tariff	Units	HV 1	HV 2
Energy Charges	Rs./kVAh	8.02	7.00
Fixed Charges	Rs./kVA	400	300
<b>Regulatory Discount</b>	%	10%	10%

- 2.1.11 Also, the data centre is commissioned in the ring-based evacuation infrastructure wherein the supply from both transmission network and distribution network would be availed. The Petitioner has provided the 220/11 kV transformer capacity and 11 kV distribution network augmentation in sync with incremental annual load growth to obviate cost impact. Hence, any consumers to be connected will be at 11 kV network only.
- 2.1.12 Further, the Petitioner has recomputed the billing determinants for APR FY 2025-26 including no. of consumers, Contract Demand and sales based on the actual numbers, available till September 2025. The details of actual no. of consumers, connected load and sales for FY 2025-26 till September 2025 is provided in Table given below:

**Table 2: Summary of Billing Determinants (Actual) till Sep’2025**

Category of Consumers	No. of Consumers	Connected Load*	Sales	Revenue	ABR
	No.*	kVA	MU	Rs. Cr	Rs./kWh
HV- 1: NON - INDUSTRIAL BULK LOADS	1	35	0.13	0.10	7.71
HV-2 -LARGE AND HEAVY POWER	4	8060	26.79	18.37	6.86
<b>TOTAL</b>	<b>5</b>	<b>8095</b>	<b>26.92</b>	<b>18.47</b>	<b>6.86</b>

\*-As on 30<sup>th</sup> September 2025.

2.1.13 Further, for projection purpose, the Petitioner has relied on the load forecast provided by the Data Center Consumers which has been annexed as **Annexure 7** of this Petition and outlined in the following table:

**Table 3: Quarterly Load Projection by Data Center Consumers for FY 2025-26**

Particulars	UOM	Existing	Q3 – Dec 25	Q4 – Mar 26
Existing Contract Demand	kVA	8060		
Incremental Average Quarterly Contract Demand	kVA		1209	1390
Total Average Cumulative Contract Demand	kVA	8060	9269	10659

2.1.14 Based on aforesaid prevailing tariffs, the details of estimated no. of consumers, Contract Demand and sales for FY 2025-26 based on the above actual numbers till September 2025 and estimation from October 2025 to March 2026 is given in Table below for the kind approval of the Hon’ble Commission:

**Table 4: Category-wise Details of Consumers, Load, Energy Sales & Revenue (FY 2025-26)**

Category of Consumers	No. of Consumers	Contract Demand	Sales	Revenue	ABR
	No.*	kVA*	MU	Rs. Cr	Rs./kWh
HV- 1: NON - INDUSTRIAL BULK LOADS	1	35	0.26	0.20	7.79
HV-2 -LARGE AND HEAVY POWER	4	10659	60.90	41.47	6.81
<b>TOTAL</b>	<b>5</b>	<b>10694</b>	<b>61.16</b>	<b>41.67</b>	<b>6.81</b>

\*-Details as on 31<sup>st</sup> March 2026.

2.1.15 It is pertinent to mention here that prevailing Rate Schedule largely comprises of two components viz. demand charge based on contract demand as applied by the consumers and energy charge which varies directly in proportion to actual consumption of the consumers. Further, 10% Regulatory Discount has also been considered in line with the directions of the Hon’ble Commission in Case No. 2052 of 2023.

2.1.16 The Fixed Charges recovered from the consumers are based on the contract load applied and is independent to their actual consumption. However, the Load factor of the consumers does have impact on the tariff per unit on the consumers whereby higher the load factor will result in lower per unit impact and vice versa. The Petitioner submits that the Load factor of HV 1 and HV 2 category of consumers considered for H2 of FY 2025-26 is 85% and 80% respectively. However, the Load factor is lower in the initial period of the commencement of the operation and has been improved in second quarter of FY 2025-26.

2.1.17 In view of the above, the Hon’ble Commission is requested to kindly approve the actual sales and revenue for FY 2025-26 submitted by the Company.

### 3 AT&C AND DISTRIBUTION LOSS TRAJECTORY

3.1.1 Regulation 31.1 of MYT Regulations, 2025 in respect of the AT&C and Distribution Loss trajectory states as: -

*“31. Distribution Loss*

*31.1 The Distribution Licensee shall submit the AT&C loss trajectory and corresponding distribution loss trajectory for the entire Control Period along with the ARR Petition for the first year of the Control Period, after taking into account any agreement between the State Government and the Central Government under any national scheme or programme, wherever applicable:*

*.....”*

3.1.2 In terms of above Regulation, the Company needs to submit the Distribution Loss and AT&C loss trajectory for the control period i.e. FY 2025-26 to FY 2029-30.

3.1.3 The Petitioner submits that it is a distribution licensee of a Data Center Park with limited number of consumers and ring distribution network of 11 kV. The actual distribution loss in FY 2024-25 was 1.87% with the load within the area is yet to be stabilised. However, the Petitioner submits that the distribution loss may not be higher than the said distribution loss and as the load being uncontrollable in nature, the Petitioner propose the similar distribution loss as arrived for FY 2024-25 for H2 of FY 2025-26 and the said weighted average loss of FY 2025-26 is considered for the balance control period. Also, the Collection efficiency trajectory proposed for the control period is 100% by the Petitioner.

3.1.4 Based on the above submission, the trajectory of Distribution loss and AT&C for FY 2025-26 to FY 2029-30 is proposed as follows:

**Table 5: AT&C Loss Trajectory for FY 2025-26 to FY 2029-30 (%)**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Distribution Loss	1.48%	0.99%	0.99%	0.99%	0.99%
Collection Efficiency	100%	100%	100%	100%	100%
AT&C Loss	1.48%	0.99%	0.99%	0.99%	0.99%

3.1.5 Hence, the Hon’ble Commission is requested to approve the above AT&C loss trajectory for this Control Period i.e. FY 2025-26 to FY 2029-30.

### 4 ENERGY BALANCE AND DISTRIBUTION LOSSES

4.1.1 As stated above, this is the first instant tariff Petition filed by the Petitioner and no tariff Order prevails for the Petitioner as on the date of filing this MYT Petition, hence no trajectory for distribution loss has been approved by the Hon’ble Commission.

4.1.2 Distribution Operations of NIDP have commenced on 04 April 2024, whereby the entire electrical network of NIDP is underground having parallel cabling network. The network including cables sizes and numbers is so designed as to keep the I<sup>2</sup>R losses to as minimum as possible as well as redundancy.

4.1.3 NIDP submits that it has established the distribution network primarily on the higher voltage

level of 11 kV. Consequently, the Distribution Losses are on the lower side, and is on account of only Transformer losses. As submitted above, it has been observed that:

- a) due to partial operation by Data Center Consumers and lower load, the distribution transformers are not fully loaded, resulting in increase in distribution losses.
- b) As the distribution infrastructure including transformer capacity has to be established for the full load, during the period of lower load, the Distribution Losses are marginally higher due to the incidence of no-load losses.

4.1.4 The Petitioner submits that despite the load in the first year of operation was lower compared to the expected load, and correspondingly, the best efforts put-in by the Company with regard to reduction in T&D Losses, the Company has achieved the Distribution Losses of 1.87% for FY 2024-25 which is substantially lower as compared to the distribution loss of other distribution licensee.

4.1.5 Also, since the said instant petition is the first petition and there is no trajectory of distribution loss approved by the Hon’ble Commission, the Petitioner is not claiming any sharing of gains / loss due to distribution loss in accordance with Regulations 11 of MYT Regulations 2025.

4.1.6 Further, the provisional actual distribution loss for H1 of FY 2025-26 (i.e. till September 2025) is 0.99%. Accordingly, similar trajectory has been considered for H2 of FY 2025-26 (i.e. October 2025 to March 2026) i.e. 0.99%.

4.1.7 Accordingly, the summarised Energy Balance for FY 2025-26 with break up of H1 and H2 is provided in the Table below:

**Table 6: Energy Balance for FY 2025-26**

Particulars	Units	Ref.	H1	H2	Total
Energy Sales	MU	a	26.92	34.24	61.16
Distribution Loss	%	b	0.99%	0.99%	0.99%
Distribution Loss	MU	$c=(a/(1-b))-a$	0.27	0.34	0.61
Energy Requirement at NIDP	MU	$d=a+c$	27.18	34.58	61.77
Intra State Losses	%	e	3.18%	3.18%	3.18%
Energy Requirement at STU / UP Periphery	MU	$f = d / (1-e)$	28.08	35.72	63.80
Inter-State Losses*	%	g	0%	0%	0%
Total Energy Requirement	MU	$h = f / (1-g)$	28.08	35.72	63.80

\*-Only Inter-State Power procured is from Power Exchange and the accounting is considered at STU periphery

4.1.8 The Petitioner therefore requests the Hon’ble Commission to approve Distribution Losses of 0.99% in the true up for FY 2025-26 as shown in the above Table.

## 5 POWER PURCHASE

### 5.1 Summary of Power Purchase

5.1.1 Considering, the above referred Energy Balance and power purchased during the period April to September 2025, the Petitioner has estimated the power purchase requirement for FY 2025-26 at 63.80 MU with an aggregate cost of Rs. 34.81 Cr. (excluding Transmission Charges). Out of the above, the Company has already incurred Rs 15.91 Cr. till September

2025 for Purchase of 28.0/ MU at STU periphery of Uttar Pradesh. Further, the details of the estimated power purchase for FY 2025-26 are provided here-in-below: -

## 5.2 Power Purchase for Base Load and Peak Load (Short Term)

- 5.2.1 Considering the uncertainty in the stability of the load as the project being greenfield, the Petitioner has approached the Hon'ble Commission vide Case No. 2052 of 2023 to allow to undertake the procurement of power through short term route. The Petitioner has submitted that in the initial stage, the project being a green field project, only 1 DC building was operational and the load at site was low which was expected to grow over time. The second DC building is expected to go live by Quarter -2 of 2026 and remaining four buildings are in planning stage.
- 5.2.2 Further, it was submitted that at this stage, the Petitioner neither has any past data with regard to power consumption in the area nor is it in a position to accurately prepare projections about the future expected load growth in the next few years. With such high uncertainties in the initial stage with regards to electricity distribution, it was difficult to estimate the exact power requirement for the power supply in the Licence area for the medium / long term. Also, there is no past trajectory available for projection purposes for the MYT Control Period.
- 5.2.3 The Petitioner has already submitted in Petition No. Case No. 2272 of 2025 for the approval of PPA from period of November 2025 to March 2026 that once the base load is a substantial level approx. 25 MW or above then it will procure medium- or long-term tie-up. The Petitioner firmly believes that once there is minimum demand of 25 MW and tender is floated of medium- and long-term tie-up, generators will participate in tender and quote a competitive tariff. Furthermore, the Petitioner firmly believes that in coming year technology like Pump storage hydro project and battery Storage technology will get matured in coming year and combination of Solar, Wind and Pumped Storage hydro/ Battery Storage will be the solution for the load for the Data Centre, which is Round the Clock (RTC) in nature.
- 5.2.4 The Petitioner felt that the procurement of power is required to be done in a flexible manner for supply of the power in the data centre park so as to avoid any undue burden on the consumers. Considering the demand load which is Round the Clock (RTC) in nature, it would be beneficial to arrange for such power in the most cost-effective manner while maintaining flexibility.
- 5.2.5 Therefore, keeping in mind the commencement of operation from April 2024, the Petitioner has prayed before the Hon'ble Commission to allow procuring power under short term route from April 2024 onwards.
- 5.2.6 Based on the above submission, the Hon'ble Commission vide Order dated 09.02.2024 vide Case No. 2052 of 2023 allowed procurement of power through procure exchange for the month of March, 2024 and allowed procurement of power in FY 2024-25, through short term bidding route as per the guidelines of the Government of India. The relevant extract is outlined as below:

***“Commission's View***

8. *The Commission is of the view that since there is a very short period left in commencement*

*of operations by the Petitioner, it is not possible to initiate the procurement process as per the guidelines of Ministry of power, Government of India for procuring power for the month of March, 2024. Taking into consideration the submissions made the Petitioner, the Commission allows procurement of power through procure exchange for the month of March, 2024. In regard to procurement of power from FY 2024-25, the Commission is of the view that the business of Data Centers is at a very nascent stage, as present, only one data center building is in operation. The remaining buildings are still in development phase. So, the concerns are there not only from the perspective of consumption pattern but also from the angle of load growth in the area of Petitioner. Hence, there is uncertainty with respect to load that will come up in future, which will depend on business proliferation in the data center as well as development of infrastructure amongst other factors.*

9. *In view of this, the Commission allows procurement of power in FY 2024-25, through short term bidding route as per the guidelines of the Government of India. The Petitioner must ensure that the power purchase price is within the limits to make its distribution business (as per UPERC MYT Regulations, 2019) viable at the tariffs being charged by the Petitioners. The Petitioner should also ensure that the approval of Commission is sought before commencement of schedule of short-term power.”*

5.2.7 However, the Petitioner submits that clarity on the expected load increase for the upcoming months and the long-term projections for the ensuing years will be available post stabilisation of the business operation which is expected once all the DC buildings go live and full occupancy is there. Therefore, in the absence of any trend of growth based on details of past power consumption or clear indication of future load requirements from the Consumers, the Petitioner is not in a position to forecast long or medium term demand and supply profile at present.

5.2.8 Therefore, considering the fact that it is the initial stage of operation and there is an uncertainty in the load growth, as an interim measure, the Petitioner has decided to explore the Short-Term power procurement at State Transmission Periphery, under Section 63 of the EA, 2003, in line with the Competitive Bidding Guidelines issued by Ministry of Power (MoP) Government of India (GoI) dated 30 March, 2016. Such short-term contract will be under competitive bidding at DEEP portal.

5.2.9 Also, considering all the above constraints, the planning for supply side has been focused on the following aspects:

- a) Demand load being Round the Clock (RTC) in nature, it would be beneficial to arrange power in the most cost-effective manner while maintaining flexibility
- b) The source of supply shall be such that it extends a high degree of reliability.
- c) The supplier of power shall provide enough flexibility so that uncertainty in the rate of growth and growth trajectory of the load can be coped up effectively with minimum level of penalty as far as practical for any deviation from projection.
- d) The price shall be sufficiently reasonable not only to this Hon’ble Commission but in the long run will ultimately help in providing a very attractive retail price to the consumers for whom primarily the service sector specific DC area has been established.

5.2.10 Therefore, considering the fact that there is an uncertainty in the load growth, as an interim measure, the Petitioner has decided to explore the Short-Term power procurement at State Transmission Periphery, under Section 63 of the EA, 2003, in line with the Competitive

Bidding Guidelines issued by Ministry of Power (MoP) Government of India (GoI) dated 30 March, 2016.

5.2.11 Accordingly, the Petitioner has floated two RFP on timely basis for FY 2025-26 for procurement of the power under short term arrangement, in accordance with the e-Tendering and e-Reverse Auction (e-RA) process laid under the 'Guidelines for Short-Term (i.e. for a period of more than one day to one year) Procurement of Power by Distribution Licensees through Tariff based bidding process' issued by the Ministry of Power, dated 30 March 2016 and amendments thereof through Discovery of Efficient Electricity Price (DEEP) Portal. The bid was undertaken to procure power at STU periphery. Also, the Petitioner has approached the Hon'ble Commission for adoption of tariff for the said short term power procurement, the details of which are provided as below:

**Table 7: Short Term Power Procurement in FY 2025-26**

RfP No.	Date of RfP	Seller	Period	Quantum - MW	Price - Rs./kWh	Case No.	Date of UPERC Order
NIDP/Short/24-25/ET/216 – RE	12-02-2025	M/s. Kreate Energy (I) Pvt. Ltd	1-5-25 to 31-7-25	5 MW	5.95	2204 of 2025	11-4-25
NIDP/ /Short/25-26/ET/36 – Bagasse	10-06-2025	DCM Shriram Ltd.	1-11-25 to 31-3-26	6 MW	5.12	2272 of 2025	23-9-25

5.2.12 The reference order under which the Hon'ble Commission has adopted the tariff are provided in **Annexure 3 (Colly)**.

**I. Case No. 2138 of 2024**

5.2.13 Considering the existing load of 5 MW, the Petitioner has carried out the Short Term Procurement process for procuring power of 5 MW at U.P. State periphery for a period of 4.5 months i.e., from 01.12.2024 to 15.04.2025, in accordance with the MoP Guidelines dated 30.03.2016 & its amendments thereof. The details of the same has already been provided in “Appendix 4 - Detailed text for True-up of FY 2024-25”.

5.2.14 Accordingly, the Hon'ble Commission vide its order dated 19 November 2024 in Case No. 2138 of 2024, adopted the tariff of Rs.5.45/kWh for procurement of 5 MW bagasse based RTC power from 01.12.2024 to 15.04.2025 and approved the PPA dated 22.10.2024 for procurement of power between the Petitioner and DCM Shriram Ltd.

5.2.15 The Petitioner submits that for the initial period of 15 days of April 2025, 5 MW quantum was tied-up with DCM Shriram Limited (DCMSL) at price of Rs. 5.45/kWh.

5.2.16 However, DCMSL has supplied power till 5pm of 5<sup>th</sup> April, 2025. DCM Shriram Ltd had consented NIDP Developers Pvt Ltd (NIDP) for sourcing power from the power exchange during the period from 06.04.2025 to 13.04.2025 as an alternate supply arrangement against the shortfall (as per Clause 3.9 and 3.10 of PPA), in order to fulfil the power supply obligation of DCM Shriram Ltd, as specified under PPA dated 22.10.2024 for the month of April,2025.

5.2.17 DCM in its request had submitted that, sugar industry is seasonal industry and crushing period is totally dependent upon availability of sugarcane in the factory assigned / reserved area. The during the execution of PPA DCMSL has anticipated that the sugar crushing

season will go on upto 15<sup>th</sup> April,2025, however unfortunately because of low cane availability in the area, DCMSL could not be able to run the sugar plant upto 15<sup>th</sup> April,2025, and only will be able to supply power of 5MW upto 5<sup>th</sup> April,2025. The reason for non-operation of sugar plant could be attributed to reason beyond DCMSL’s control and could be termed as force-majeure condition.

5.2.18 Accordingly, NIDP has procured the power through power exchange (IEX) under G-DAM product between the period 06.04.2025 to 13.04.2025 and raised a Debit Note for recovery of charges paid against the procurement of the alternate source paid by NIDP during the period 06-04-2025 to 13-04-2025 is attached herewith. The Debit Note amount of Rs. 56,27,515/- has been adjusted against the DCM Shriram Ltd’s Bill of Supply (Energy Bill - invoice No. BS1031303748 dated 31-05-2025) raised for the energy supplied during the period 01-04-2025 to 15-04-2025.

Sl no	Date	No of units (kWh)-As per Obligation (G-DAM) @Regional Periphery	Obligation cost -Rs(G-DAM)- Regional Periphery	Per unit cost -Rs (Regional Periphery )	Regional losses %	Units Delivered @ STU Periphery	STU Transmission Charges as per G-DAM Obligation Report - Rs	STU Transmission Charges for quantum @ STU Periphery units (Buyer account)	Obligation cost -Rs (G-DAM)- Excluding STU Transmission Charges
		A	B	B / A	C	D=A (1-C)	E	F=(D/A)*E	G =B-F
1	06-04-2025	120000	6,08,660.17	5.07	3.81%	115428	27912	26848.553	581812
2	07-04-2025	120000	6,33,636.93	5.28	3.75%	115500	27912	26865.300	606772
3	08-04-2025	124800	7,87,158.67	6.31	3.75%	120120	29028	27939.912	759219
4	09-04-2025	124800	7,74,205.79	6.20	3.75%	120120	29028	27939.912	746266
5	10-04-2025	124800	8,46,728.29	6.78	3.75%	120120	29028	27939.912	818788
6	11-04-2025	124800	8,77,629.11	7.03	3.75%	120120	29028	27939.912	849689
7	12-04-2025	124800	7,51,408.61	6.02	3.75%	120120	29028	27939.912	723469
8	13-04-2025	124800	5,69,440.28	4.56	3.75%	120120	29028	27939.912	541500
Total			<b>58,48,867.85</b>			<b>9,51,648</b>	<b>2,29,994.88</b>	<b>2,21,353.32</b>	<b>56,27,514.53</b>
<b>Alternate source charges paid by NIDP to be recovered from DCM Shriram Ltd (Rounded Off)</b>									<b>56,27,515</b>

5.2.19 The Compensation Bill (Liquidated Damages Bill) has been raised to DCMSL against the shortfall in supply of power for the month of April, 2025 [Period: 01.04.2025 to 15.04.2025] as per Clause 9.3 of the said PPA.

Sr. No.	Particulars	Calculation	Result	Unit
1	Total No. of contractual units for the month April 2025 (01.04.2025 to 15.04.2025)	a= 5000*24*15	18,00,000	kWh
2	85 % of the of the above quantum	b= a * 85%	15,30,000	kWh
3	Seller Availability in April 2025 (01.04.2025 to 15.04.2025)	C	15,16,648	kWh
4	Total deviation from Seller	d= b - c	13,352	kWh
5	Deviation charges 20 % of the PPA rate (5.45 Rs per kWh) to be paid by Seller	e = 5.45* 20% *d	<b>14,554</b>	Rs

5.2.20 The Bill of Compensation (Liquidated Damages Bill) of Rs. 14,554/- has been adjusted against the DCM Shriram Ltd’s Bill of Supply (Energy Bill - invoice No. BS1031303748 dated 31-05-2025) raised against the energy supplied during the period 01-04-2025 to 15-04-2025.

**I. Case No. 2204 of 2025**

5.2.21 Considering the existing load of 5.25 – 5.50 MW, the Petitioner has carried out the Short Term Procurement process for procuring Firm /RTC Renewable Energy (excluding Solar & Wind Energy) or Conventional power of 5 MW at U.P. State periphery for a period of 6 months i.e., from 01.05.2025 to 31.10.2025, in accordance with the MoP Guidelines dated 30.03.2016 & its amendments thereof.

5.2.22 In the said Power Procurement process, the intent was to purchase Firm Renewable Energy to meet RPO targets as per UPERC (Promotion of Green Energy through Renewable Purchase Obligation) (First Amendment) Regulations, 2019. The bid was initiated on 12 February 2025 and three bidders has participated viz., Kreate Energy (I) Pvt. Ltd (Bagasse Power), Manikaran Power Ltd (Non-Solar – Waste Heat Recovery Boiler) and RPG Power Trading Company Ltd (Small Hydro), whereby the details of the bids after E-Reverse Auction (E-RA) is outlined in the following Table:

**Table 8: Bidder participated in the bid dated 12 February 2025**

Requisition No.	Period	Name of Bidder	Booking Quantity	E-RA Price (Rs./kWh)	Bucket Filing Quantity
1	01.05.25 to 31.07.25	Kreate Energy (I) Pvt. Ltd.	5 MW	5.95	5 MW
		Manikaran Power Ltd	5 MW	8.00	-
2	01.08.25 to 31.08.25	RPG Power Trading Company Ltd	4 MW	6.50	4 MW
		Manikaran Power Ltd	5 MW	6.50	1 MW
3	01.09.25 to 30.09.25	RPG Power Trading Company Ltd	4 MW	6.50	4 MW
		Manikaran Power Ltd	5 MW	6.50	1 MW
4	01.10.25 to 31.10.25	RPG Power Trading Company Ltd	3 MW	6.50	3 MW
		Manikaran Power Ltd	5 MW	6.50	2 MW

5.2.23 Further, a rate negotiation was then initiated by NIDP on the e-RA discovered Price vide letter dated 27.02.2025. Kreate Energy (I) Pvt. Ltd. for Requisition No. 1 and Manikaran Power Ltd. for Requisition No. 2, 3 & 4 further communicated vide their letter dated 28.02.2025 and 01.03.2025 wherein both have kept e-RA price of Rs. 5.95/kWh and Rs. 6.50/kWh respectively as their final price. RPG Power Trading Company Ltd. vide its letter dated 0.1.03.2025 for Requisition No. 2, 3 & 4 revised price as Rs. 6.20/kWh.

5.2.24 A Technical Evaluation Committee (TEC) examined the price offered by the bidders and recommended the issuance of the Letter of Award (LoA) to M/s. Kreate Energy (I) Pvt. Ltd (Source - Bagasse based Power from Balrampur Chini Mills Ltd. Unit-Balrampur (District)) for supply of 5 MW at Rs.5. 95/kWh at Uttar Pradesh State Periphery subject to approval of the Hon’ble Commission. Further, the TEC recommended to annul the tender for Requisition No. 2, 3 and 4, as the discovered tariff was not aligned with the prevailing market prices.

5.2.25 On 01.03.2025, NIDP issued the LoA to M/s. Kreate Energy (I) Pvt. Ltd which was unconditionally accepted through letter dated 03.03.2025. Thereafter, NIDP and Kreate Energy have executed PPA on 04.04.2025, which is subject to the approval of the Commission.

- 5.2.26 Further based on the existing load of ~5.25 MW – 5.50 MW, the Petitioner tied-up for 5 MW power with Kreate Energy (I) Pvt. Ltd and proposed to procure balance power from the Power Exchange on Day Ahead/Real Time market/Term Ahead Market as the case may be. Also, Petitioner requested the Hon’ble Commission to allow to appoint a Trading Licensee for purchase /sale of power and allow such trading margin to be recovered in the ARR subject to prudence check by the Hon’ble Commission.
- 5.2.27 Accordingly, the Hon’ble Commission vide its Order dated 11 April 2025 in Case No. 2204 of 2025, adopted the tariff of Rs.5.95/kWh for procurement of 5 MW bagasse based RTC power from 01.05.2025 to 31.07.2025 and approved the PPA dated 04.03.2025 for procurement of power between the Petitioner and M/s. Kreate Energy (I) Pvt. Ltd. Further, regarding deficit power over and above 5 MW quantum, if any, the Hon’ble Commission allowed the Petitioner to explore power exchange route through a Trading Licensee with a trading margin ceiling of 2 paise/unit, as acknowledged during the hearing.

## **II. Case No. 2272 of 2025**

- 5.2.28 Considering the existing load of 6.20 MW, the Petitioner has carried out the Short Term Procurement process for procuring renewable / conventional power of 6 - 7 MW at U.P. State periphery for a period of 12 months i.e., from 01.09.2025 to 31.07.2026, in accordance with the MoP Guidelines dated 30.03.2016 & its amendments thereof.
- 5.2.29 The bid was initiated on 10 June 2025 and two bidders has participated viz., Arunachal Pradesh Power Corporation Ltd. (Trader) for the period 01.09.2025 to 31.10.2025 and DCM Shriram Ltd (DCMSL) for the period 01.11.2025 to 31.03.2026 whereby the providing the rate of Rs. 6.99/kWh and Rs. 5.12/kWh respectively.
- 5.2.30 A rate negotiation was then initiated by the Petitioner through its letter dated 02.07.2025 to DCM Shriram Limited (DCMSL). Thereafter, DCMSL in its response letter dated 03.07.2025 has not revised its offer. Thus, based on TEC recommendation, Petitioner issued LoA dated 07.07.2025 to DCMSL. On 08.07.2025, DCMSL conveyed its unconditional acceptance to the LoA. Thereafter, Petitioner and DCMSL have executed the PPA dated 15.07.2025, subject to the approval of the Hon’ble Commission.
- 5.2.31 The Petitioner submits that procuring from Bagasse based power plant matching with NIDP's load curve requirement has multiple advantages to NIDP as it is not subject to variability in generation and such RE power would help NIDP to meet its RPO targets without incurring any additional expenses.
- 5.2.32 Further, the Petitioner also requested the Hon’ble Commission to allow Petitioner to procure power from Power Exchanges on Day Ahead/Real Time market/Term Ahead Market, in case of marginal increase in demand of 1 to 2 MW, by tying up with the Trader and pay a trading margin. Therefore, the Petitioner requested the Hon’ble Commission to allow the Petitioner to appoint a Trading Licensee for purchase /sale of power and allow such trading margin to be recovered in the ARR subject to prudence check by the Hon’ble Commission.
- 5.2.33 With respect to Medium / Long term power procurement, the Petitioner submits that once there is minimum demand of 20-25 MW, tender would be floated for medium and long-term

tie-up with source of power from technology like Pump storage hydro project and battery Storage technology, combination of Solar, Wind and Pumped Storage, hydro/ Battery Storage, which will be the solution for the load for the Data Centre as the same will be RTC in nature.

- 5.2.34 Accordingly, the Hon’ble Commission vide its order dated 23 September 2025 in Case No. 2272 of 2025, adopted the tariff of Rs.5.12/kWh for procurement of 6 MW bagasse based RTC power from 01.11.2025 to 31.03.2026 and approved the PPA dated 15.07.2025 for procurement of power between the Petitioner and DCM Shriram Ltd. Further, regarding deficit power over and above 6 MW quantum, if any, the Hon’ble Commission allowed the Petitioner to explore power exchange route through a Trading Licensee with a trading margin ceiling of 2 paise/unit, as acknowledged during the hearing.
- 5.2.35 Further, due to absence of any short term power contract, the Petitioner has procured power from Power Exchange on Day Ahead/Real Time market/Term Ahead Market during 16 April 2025 to 30 April 2025 and 1 August 2025 to 31 October 2025 and also in between to meet any deficit power.
- 5.2.36 The Petitioner submits that the Hon’ble Commission, in its Order dated 22.11.2024 in Petition No. 2138 of 2024 and Order dated 11.04.2025 in Petition No. 2204 of 2025, had allowed Petitioner to purchase power to bridge the deficit through power exchanges for its / load management through a Trading Licensee on payment of Trading Margin of 2 paise/kWh (ceiling).
- 5.2.37 The Petitioner would like to submit that as per IEX report, the weighted average tariff for RTC power for Calendar Year 2024 and 2025 is Rs. 4.475/kWh and Rs. 3.881/kWh respectively. FY 2024-25 is Rs. 4.31/kWh and green day ahead market power rate is Rs. 4.01/kWh. It may be noted that there is additional Inter State Transmission Charge of 50-60 paise per unit and losses around 4.00% (20-25 paise per unit) is the cost of power from CTU to STU Uttar Pradesh. The total impact of power from CTU to STU is around 70-85 paise per unit. It is pertinent to note that most of time during the summer month period between March to June and October months, even after Bidding at maximum price at Power Exchange, the entire quantum of the power is not cleared in some time block resulting in heavy DSM Penalty to DL, which sometime is 50% more than the power purchase rate for the 15 min time block and DSM penalties paid by the Distribution Licensee for uncleared capacity is not reflected anywhere while comparing Power Exchange Rate vis a vis DEEP Portal discovered rates. Further Distribution Licensee can’t rely for its base power demand on the Power Exchange, more so in the case of Petitioner when reliable power is to be supplied to Data Center. The rate at Power Exchange is at CTU periphery and there is an additional cost of around 70-85 paise per unit for delivery of power at Uttar Pradesh STU due to Inter State Transmission Charge and losses. However, this rate is the clearing price, over and above which, distribution licensee would have to pay inter-Transmission Charges and losses, State transmission short term charges which will result into similar range of Rs. 5.25/kWh.
- 5.2.38 Therefore, for the period between 1 November 2025 to 31 March 2026, to meet the rising demand of the consumers as well as deficit power within the system, the Petitioner has planned to procure power from Power Exchanges/DEEP Portal at an estimated price at Rs. 5.25/kWh.

**5.3 Power to Meet Renewable Power Purchase Obligation (RPO)**

- 5.3.1 For the purpose of procurement of power for FY 2025-26 to meet the demand of the consumers, and to meet the prescribed level of RPO obligations, the Company has conducted competitive bidding on DEEP portal to procure 5 MW and 6 MW of bagasse power, the details of which are provided in para 5.2 and Table 7 of the instant Petition. The same has been approved and the tariff has been adopted by the Hon’ble Commission vide Case No. 2204 of 2025 and 2272 of 2025. Under the said arrangement, the Petitioner has estimated that it will procure 31.04 MU in FY 2025-26 at Rs. 5.95/kWh and Rs. 5.12/kWh (adopted Tariff).
- 5.3.2 Further, the Petitioner has purchased 3.23 MU of renewable power at Rs. 6.64/ kWh landed at UP STU Periphery from Green Day Ahead Market (GDAM of Power Exchanges for meeting its RPO between April 2025 to September 2025.
- 5.3.3 It is submitted that as per UPERC (Promotion of Green Energy through Renewable Purchase Obligation) Regulations, 2010 read with First Amendment, 2019 the obligated entities are required to fulfil Renewable Purchase Obligation from different technologies such as Solar, Non-Solar and Hydro.
- 5.3.4 Further, the said Regulations has provided RPO under Regulations 4 till FY 2023-24 only and no separate RPO has been specified for FY 2024-25 by the Hon’ble Commission. Also, as per Regulations 4.3 of UPERC (Promotion of Green Energy through Renewable Purchase Obligation) First Amendment, Regulations 2019, it is clearly stated that the RPO specified for FY 2023-24 shall continue beyond the said period until any revision is effected by this regard. Accordingly, the RPO of FY 2023-24 will be effective for FY 2025-26 also. The RPO obligation as specified in the Relevant Regulations is outlined as below:

**Table 9: RPO Obligation for FY 2023-24**

Particulars	FY 2023-24
Solar	5.00%
Non-Solar	7.00%
Hydro	3.00%
Total	15.00%

- 5.3.5 With respect to RPO, Regulation 4.1 of UPERC (Promotion of Green Energy through Renewable Purchase Obligation) Regulations, 2019 provides as under:
 

*“4.1 Every obligated entity shall purchase a minimum percentage of its total consumption of electricity (in kWh) from renewable energy sources under the renewable purchase obligation during each financial year.”*
- 5.3.6 However, the Hon’ble Commission vide its Tariff Order dated 10<sup>th</sup> October, 2024 issued for NPCL, has computed the RPO obligation on “**Energy Consumption at Discom Periphery**”. In light of the Hon’ble Commission's methodology adopted for computation of RPO, the Petitioner has computed the same based on "Energy Consumption at NIDP Periphery."
- 5.3.7 The Petitioner would like to submit that it has filed a petition vide Case No. 2052 of 2023, whereby it has submitted that considering the estimated load and with requirement of RTC power requirement for its license area, it may not be possible to procure power from different technologies such as Solar, Non-Solar and Hydro to meet the Renewable

Purchase Obligation. Hence, the Petitioner has therefore prayed to allow Cumulative and Composite Procurement of Green Energy from all renewable energy sources combined together). The Hon’ble Commission vide its Order dated 09.01.2024 has allowed the said relaxation under Regulations 18 of UPERC (Promotion of Green Energy through Renewable Purchase Obligation) Regulation 2010 i.e. the "Power to Relax". For FY 2024-25, the Hon’ble Commission has clearly stated that it has not yet approved the trajectory. However, once the trajectory for FY 2024-25 is approved, the same shall be applicable to the Petitioner and the composite procurement of renewable energy is allowed till further Order of the Commission.

5.3.8 Accordingly, the status on procurement of renewable power and estimated shortfall / surplus of RPO as on 31 March 2026 is outlined as below:

**Table 10: Status of RPO for FY 2025-26**

<b>RPO Targets &amp; Achievement</b>	<b>Unit</b>	<b>FY 2025-26</b>
Energy Consumption (Sales) (Excluding Inter-State sales)	MU	61.16
Distribution Loss (%)	%	0.99%
Total Energy Requirement at Distribution Periphery	MU	61.77
Less: Hydro Power	MU	
Total Energy Requirement for RPO	MU	61.77
<b>Composite RPO Target</b>		
Composite RPO target	%	15.00%
Composite RPO target	MU	9.27
Power Procurement from Bagasse – DCM at Intra-State	MU	31.04
Power Procurement from GDAM	MU	3.23
Total Composite RPO Achievement	MU	34.27
Cumulative Solar RPO Shortfall / (Surplus)	MU	(25.00)

5.3.9 Based on the above submission, the Petitioner is estimated to procure 34.27 MU of the renewable power against the target RPO of 9.27 MU which will result in the surplus RPO of 25 MU and will achieve 55% through Renewable Energy of the entire consumption.

**5.4 UI /DSM Power**

5.4.1 The Petitioner submits that the demand of power depends on the consumption pattern of the consumers which varies and are uncontrollable in nature. Based on the demand of the consumers, the energy schedule from the tied-up sources results into surplus or deficit situation and also result in deviation between the schedule and actual drawl. Also. Power availability from the generation sources though schedule on time block basis, varies due to unforeseen and uncontrollable factor. The variation in any of these parameters associated with integrated power system network leads to variation in either injection or drawal of power and such variation continuously keeps on happening resulting in to mismatch in injection and drawal. The charges payable/ receivable on account of such uncontrollable variations are being dealt in terms of Deviation Settlement Mechanism.

5.4.2 It is pertinent to mention here that MYT Regulations, 2025 also provides for power drawl

under DSM mechanism to be pass through as may be seen from the extract of the Regulation 13.16 of the MYT Regulations, 2025 provided below:

*“13.16 The cost of power through Deviation Settlement Mechanism (DSM) shall be allowed in Tariff subject to the condition that the quantity of electricity through DSM shall be limited to 5% of the total annual quantum of power purchase approved by the Commission.”*

**[Emphasis Supplied]**

5.4.3 Thus, based on prevailing DSM Regulations, the Petitioner has incurred the net cost of Rs. 0.31 Cr towards 0.43 MU power settled under DSM Regulations during April to September 2025 which is approximately 1.53% of the power purchase quantum and 1.94% of power purchase cost. It is pertinent to mentioned that the DSM above is net-off under-draw and overdraw.

5.4.4 In view of the above, it is kindly evident that the power procurement cost from DSM is well within the overall limit of 5% of power purchase quantum. Thus, it is humbly submitted to kindly approve the cost of power settled under DSM mechanism.

## 5.5 Total Power Purchase Cost

5.5.1 Accordingly, in line with direction of the Hon’ble Commission, the Company has procured short term power procurement from DCM, Kreate Energy and power exchanges. Also, the total actual rebate claimed on all power purchase sources is considered in the Power Purchase Cost.

5.5.2 The details of the power procurement from each source are outlined in the following table alongwith the Cost including impact of inter-state transmission charges, operating charges and application fee wherever applicable:

**Table 11: Power Purchase Cost for FY 2025-26 (April to September 2025)**

Generator / Trader	Unit	DCM	Kreate Energy	Power Exchange Procurement	UI/DSM	Total
Period		1-4-25 to 15-4-25	1-5-25 to 31-7-25	1-4-25 to 30-9-25	1-4-25 to 30-9-25	
Power Procured	MU	1.52	11.04	15.09	0.43	28.08
Energy Charges	Rs./kWh	5.45	5.95	5.74	7.13	5.83
Energy Charges	Rs. Crs	0.83	6.57	8.66	0.31	16.37
Liquidated Damages and Recovery of alternate source charges	Rs. Crs	-0.56				-0.56
SLDC operating & Scheduling Registration	Rs. Crs	0.00	0.02	0.01	-0.00	0.03
Rebate	Rs. Crs	0.01	0.07			0.07
<b>Total Power Purchase Cost</b>	<b>Rs. Crs</b>	<b>0.27</b>	<b>6.65</b>	<b>8.67</b>	<b>0.31</b>	<b>15.91</b>
<b>Total Power Purchase Cost</b>	<b>Rs./kWh</b>	<b>1.81</b>	<b>6.03</b>	<b>5.75</b>	<b>7.11</b>	<b>5.67</b>

**Table 12: Power Purchase Cost for FY 2025-26**

Generator / Trader	Unit	DCM	Kreate Energy	Power Exchange Procurement	UI/DSM	Total
Period		1-4-25 to 15-4-25 and 1-11-25 to 31-3-26	1-5-25 to 31-7-25	1-4-25 to 31-3-26	1-4-25 to 30-9-25	
Power Procured	MU	20.00	11.04	32.33	0.43	63.80
Energy Charges	Rs./kWh	5.15	5.95	5.67	7.23	5.57

Generator / Trader	Unit	DCM	Kreate Energy	Power Exchange Procurement	UI/DSM	Total
Energy Charges	Rs. Crs	10.29	6.57	18.35	0.31	35.51
Liquidated Damages	Rs. Crs	-0.56				-0.56
SLDC operating & Scheduling Registration	Rs. Crs	0.00	0.02	0.01	-0.00	0.03
Rebate	Rs. Crs	0.10	0.07			0.17
<b>Total Power Purchase Cost</b>	<b>Rs. Crs</b>	<b>9.63</b>	<b>6.52</b>	<b>6.59</b>	<b>0.31</b>	<b>34.81</b>
<b>Total Power Purchase Cost</b>	<b>Rs./kWh</b>	<b>4.81</b>	<b>5.91</b>	<b>2.04</b>	<b>7.21</b>	<b>5.46</b>

5.5.3 Accordingly, as the above expenses have been incurred in compliance of the relevant Regulations, provisions of the approved PPA and the Orders of the Hon’ble Commission, the Petitioner requests the Hon’ble Commission to approve the total Power Purchase cost of Rs. 34.81 Cr. of FY 2025-26 as submitted in the above table.

## 5.6 Transmission Charges

5.6.1 As mentioned earlier, NIDP has commenced its distribution business operations from 4 April 2024 onwards, where NIDP was first identified as the Intra State Transmission System User (TSU). For FY 2025-26, the transmission charges levied were as determined by the Hon’ble Commission vide Case No. 2044 of 2023 dated 10 October 2024 and Case No. 2166 of 2024 dated 08 September 2025

5.6.2 As specified in the said order, the transmission charges applicable for FY 2025-26 is as follows:

- For 1 April 2025 to 31 August 2025 – Rs. 0.2326/kWh
- For 1 September 2025 to 31 March 2026 – Rs. 0.13 Lacs/Month

5.6.3 Further, Uttar Pradesh Data Center Policy, 2021 ("DC Policy") was notified on 28.01.2021 and subsequently amended on 07.11.2022. Clause 7 .1 of the said policy provides for exemption of transmission charges (Intra-State and Inter-State Power) to Data Center Park. The relevant portion of the policy is re-produced below:

### **“7. Financial Incentives**

#### **7.1. Data Center Parks**

*The following financial incentives shall be available to the Data Centre Park developers:*

#### **d) Electricity Supply**

##### **ii. Transmission and wheeling charges**

- **Exemption of 50% on wheeling charges/transmission charges on Intrastate sale of power shall be provided for the period of 25 years from the date of commissioning of the project.**
- *Wheeling charges/Transmission charges will be exempted 100% for Intrastate Transmission system on Interstate sale for the period of 25 years from the date of commissioning of the project.”*

5.6.4 Hon'ble UPERC has duly incorporated the treatment of such exemptions under Regulation 31 of the UPERC Multi Year Tariff (MYT) for Transmission Regulations, 2025, which explicitly acknowledges the applicability of rebates/exemptions provided under Uttar Pradesh Data

Centre Policy, 2021. The relevant extract is reproduced below:

**"31. Treatment of Rebate on intra-State Transmission Charges**

(1) *In accordance with the Uttar Pradesh Solar Energy Policy, 2022, and Data Centre Policy, 2021, the exemption or rebate applicable on Intra-State Transmission Charges shall be treated as specified in this Regulation.*

(2) *The quantum of energy (in kWh) applicable for rebate and procured shall be considered while computing the total cost of transmission charges attributable to such procurement ... "*

5.6.5 Accordingly, UPPTCL vide its letter dated 13.06.2025 has granted 50% exemption in the Transmission charges in future billing from April, 2025 onwards. UPPTCL has been providing a rebate @ 50% for Intra State power for the transmission charges bill raised for the month of May, 2025 onwards and amount paid earlier is being adjusted in future transmission charges bill. Transmission charges Bill for the month upto August, 2025 has been raised by UPPTCL till date.

5.6.6 Apart from the intra-state power purchase, NIDP has been procuring power through Power Exchanges (IEX/HPX) through its Trader member (TPTCL/GMRETL) as per its load requirement.

5.6.7 The UPPTCL letter dated 13 June, 2025 states that UPSLDC has also been intimated for incorporating the provisions of Data Centre Policy for waiver of inter-state transactions. The said letter is enclosed as **Appendix 7**.

5.6.8 Accordingly, the Petitioner has considered 50% of the existing transmission charges i.e. Rs. 0.13 Cr/month for FY 2025-26 w.e.f. September 2025 onwards against the charges as approved in **"TABLE 7-23: COMMISSION APPROVED - ALLOCATION OF ADJUSTED TTSC FOR FY 2025-26"** of UPTCL Tariff Order approved vide Case No. 2166 of 2024 dated September 8, 2025.

5.6.9 Based on the above charges, the total transmission charges estimated for FY 2025-26 is Rs. 0.23 Cr. which is claimed in ARR. The Petitioner request the Hon'ble Commission to approve the said transmission charges for FY 2025-26. The detail calculation for FY 2025-26 is outlined as below:

**Table 13: Estimated Transmission Charges for FY 2025-26 (Rs. Cr)**

Particulars	Unit	April to Sept 25	Oct 25 to Mar 26	Total
Energy Consumption at STU Periphery	MU	28.07	35.73	63.80
Approved Transmission Charges				
Case No. 2044 of 2023	Rs./kWh	0.2326		
Case No. 2166 of 2024	Rs./Lac/Month		0.13	
Total Transmission Charges	Rs. Cr	0.65	0.79	1.44
Less: 50% Exemption	Rs. Cr	0.33	0.40	0.72
Less: Exemption of FY 2024-25 adjusted	Rs. Cr	0.496		
<b>Net Transmission charges</b>	<b>Rs. Cr</b>	<b>(0.17)</b>	<b>0.40</b>	<b>0.23</b>

## 6 OPERATION AND MAINTENANCE EXPENSES

### 6.1 Normative O&M Expenses

6.1.1 Operations and Maintenance (O&M) Expenses of the company consists of the following elements:

- Employee Expenses comprises of salaries, allowances, medical reimbursement, bonus, performance linked incentive, insurance, terminal benefits in the form of pension & gratuity, leave encashment and staff welfare expenses
- Repairs and Maintenance (R&M) Costs go towards the day to day upkeep of the distribution network and form an integral part of the company’s efforts towards reliable and quality power supply as also in the reduction of losses in the system.
- Administrative and General (A&G) Expenses mainly comprise of rents, telephone and other communication expenses, professional charges, conveyance and travelling allowances, professional and legal charges, printing and stationery etc.

6.1.2 Regulation 33 of the MYT Regulations 2025 deals with the O&M Expenses, which is reproduced below:

**“33.1** *The Operation and Maintenance (O&M) expenses for the Distribution Licensee shall be computed for three components i.e. (i) Employee Expenses, (ii) Repair and Maintenance (R&M) Expenses, and (iii) Administrative and General (A&G) Expenses.*

**33.2** *The norms for each component of O&M Expenses shall be determined as per these Regulations. Thereafter O&M Expenses for each year of the Control Period shall be computed based on the formula shown below:*

$$O\&M_n = EMP_n + R\&M_n + A\&G_n$$

*Where:*

*O&M<sub>n</sub> – O&M Expenses for nth year*

*EMP<sub>n</sub> – Employee Expenses for nth year*

*R&M<sub>n</sub> – R&M Expenses for nth year*

*A&G<sub>n</sub> – A&G Expenses for nth year*

**33.3** *At the time of Truing-Up, gains or losses for each component of Operation and Maintenance Expenses shall be shared as per Regulation 11.*

**33.4** *The impact of pay revision, change in pension scheme etc., shall be allowed by the Commission over and above the normative Expenses of the respective component after prudence check. However, one time expenses such as payment of Arrears due to impact of pay revision, change in pension scheme etc., shall not be considered for the determination of norm of the respective component.*

**33.5** *In case data required for establishing the norms is not available, the Distribution Licensee shall propose O&M norms with justifications. The Commission shall approve the norms for the Licensee after prudence check which shall be applicable for the remaining Control Period.*

#### **Employee Cost**

**33.6** *The Employee Cost shall be derived on the basis of the average of the values in the Audited Accounts for the last five (5) Financial Years ending March 31, 2025 subject to prudence check by the Commission. However, if Audited Accounts are not available for FY 2024-25, Audited Accounts available for the last five (5) years will be considered and subsequently when the same are available the base year value (i.e. FY 2024-25) will be*

recomputed.

The average of such Employee Cost shall be considered as Employee Cost for the middle year of the previous Control Period (01.04.2020 to 31.03.2025) and shall be escalated year on year with the escalation factor considering the CPI of respective years, for subsequent years up to FY 2024-25.

Provided that the impact of one-time expenses such as Arrears due to impact of pay revision, change in pension scheme etc. shall be removed from the base Employee Cost.

Employee cost shall be computed as per the following formula:

$$EMP_n = EMP_{n-1} \times (1 + \text{CPI inflation}) \times (1 + G_n)$$

Where:

EMP<sub>n</sub>: Employee expense for the nth year;

EMP<sub>n-1</sub>: Employee expense for the (n-1)th year;

For the purpose of ARR, CPI inflation is the average of Consumer Price Index (CPI) for Industrial Workers (All India) as per the Labour Bureau, Government of India for immediately preceding three Financial Years.

For the purpose of True-Up, CPI inflation is the actual point to point inflation for the concerned Financial Year.

G<sub>n</sub> is a growth factor for the nth year and it may be greater than or less than zero based on the actual performance. Value of G<sub>n</sub> shall be determined by the Commission in the Tariff Order for meeting the additional manpower requirement based on the Licensees' filing, benchmarking and any other factor that the Commission feels appropriate.

#### **Repair and Maintenance Expense**

**33.7** The normative Repair and Maintenance expense shall be allowed in the ARR/ True-up by the Commission as the sum of the following

- a) For the assets capitalised on or before 31.03.2025 @ 5% of the opening GFA as approved by the Commission.
- b) For the assets capitalised after 31.03.2025 @ 3% of the opening GFA as approved by the Commission.

Provided that the normative R&M determined as per the above stipulation shall be inclusive of any impact of change in the applicable taxes or duties.

#### **Administrative and General (A&G) Expense**

**33.8** The A&G Expenses shall be derived on the basis of the average of the values in the Audited Accounts for the last five (5) Financial Years ending March 31, 2025 subject to prudence check by the Commission. However, if Audited Accounts are not available for FY 2024-25, Audited Accounts available for the last five (5) Financial Years of previous Control Period (01.04.2020 to 31.03.2025) will be considered and subsequently when the same are available the base year value (i.e. FY 2024-25) will be recomputed.

The average of such A&G Expenses shall be considered as A&G Expenses for the middle year and shall be escalated year on year with the escalation factor considering the WPI of respective years, for subsequent years up to FY 2024-25.

Provided that the expenses towards Captive Consumption shall be determined based on the Rate provided in the Rate Schedule and energy consumption recorded in the accounts and shall be considered as part of A&G expenses subject to prudence check by the Commission.

Provided further that norms for Captive Consumption may be stipulated by the Commission through an Order or otherwise.

**33.9** *A&G expense shall be computed as per the following formula escalated by the Wholesale Price Index (WPI) and adjusted by the provisions for confirmed initiatives (IT etc. initiatives as proposed by the Distribution Licensee and validated by the Commission) or other expected one-time expenses:*

$$\mathbf{A\&G_n = A\&G_{n-1} (1 + WPI \text{ inflation}) + Provision}$$

*Where:*

*A&G<sub>n</sub>: A&G expense for the nth year;*

*A&G<sub>n-1</sub>: A&G expense for the (n-1)th year;*

*For the purpose of ARR, WPI inflation is the average of Wholesale Price Index (WPI) for immediately preceding three Financial Years as per the Office of Economic Advisor of Government of India:*

*For the purpose of True-Up, WPI inflation is the actual point to point inflation for the concerned Financial Year.*

*Provision: Cost for initiatives which entail conversion of Capex projects into Totex or Opex mode or are undertaken to ensure the compliance of any directives of the Commission or any other Expense as may be allowed by the Commission on the proposal of Distribution Licensee.*

6.1.3 As submitted earlier, NIDP has commenced its operation on 4 April 2024 and the said instant petition is the first petition to be filed by NIDP for determination of Retail Tariff. Also, the FY 2025-26 is the second year of operation and hence, the normative O&M cost based on last five year average and escalation with CPI / WPI is not applicable in the given case. Hence, the Petitioner request the Hon'ble Commission to consider the actuals of FY 2024-25 as the base and provide the escalation with CPI/WPI to derive the cost for FY 2025-26.

6.1.4 The Petitioner request the Hon'ble Commission, to allow the amount as claimed by the Petitioner in the APR Petition and may be considered as normative O&M cost.

## **6.2 Employee Cost**

6.2.1 The Petitioner would like to submit that the Petitioner is a private limited company primarily engaged in the business of developing and managing data centres, infrastructure facilities and other allied business activities including the distribution of electricity. The Petitioner is developing India's one of a kind first hyperscale DC Park at Greater Noida. The Hon'ble Commission vide Order dated 19.06.2023 issued the Distribution License to the Petitioner for carrying out the business of distribution of electricity in the area of Data Centre Park.

6.2.2 Also, one of the sister concern of the Petitioner i.e. Nidar Utilities Panvel LLP (NUPLLP) is also a distribution licensee operating in State of Maharashtra from FY 2018-19 onwards.

6.2.3 Therefore, being in the initial stage of the distribution business, the Petitioner has taken assistance from NUPLLP to set up their distribution business and has been sub-contracting the work related to distribution business to the employees of the NUPLLP so as to assist the Petitioner with their expert opinions. Hence, the manpower cost related to such subcontracting has been considered under A&G cost.

6.2.4 Also, NIDP is engaged in the Power Distribution Business as well as in the Data Center business and accordingly, certain administrative work of the Petitioner is carried out by the employee involved in the Data Center business whereby the cost of such employee is not

booked in the distribution business.

- 6.2.5 At present at the initial stage of the operations, NIDP has not employed any employee in distribution business. Further, the Technical assistance is been taken from the employees of NUPLLP and other consultant whereas Non-Technical employee cost relating to HR, Admin, Accounts and Finance, P&C are being currently provided by the developer NIDP and is booked in the accounts of Data Center business. The service of these employees is on Data Center Business’s payroll and are utilised by Distribution business with no additional cost. However, once the demand / load of the licensee area gets optimised, NIDP plans to directly employ on its payroll additional manpower to carry out the said service.
- 6.2.6 It is submitted that for FY 2024-25, no employee cost has been incurred by the distribution business of the Petitioner and Petitioner is planning to continue with the same arrangement till the stabilisation of the load of the Company. Hence, the Petitioner is claiming NIL Employee cost for FY 2025-26 and has considered the manpower cost related to such subcontracting has been considered under A&G cost.
- 6.2.7 Also, FY 2025-26 being the second year of the operation, there is no reference of the normative O&M expenses incurred in the said area.
- 6.2.8 Hence, in view of the above submission, NIDP request the Hon’ble Commission to approve the employee cost as NIL for FY 2025-26 and has considered the manpower cost related to such subcontracting has been considered under A&G cost but allow the employee cost in future years, once the distribution business is stabilised and employee are selected in the payroll of the distribution business.

**6.3 Repair & Maintenance (R&M) Expenses**

- 6.3.1 Regulation 33.7 provides the methodology for determining normative Repair and Maintenance expenses, which states that R&M expenses need to be 5% for assets capitalised on or before 31.03.2025 and 3% for the assets capitalised after 31.03.2025.
- 6.3.2 As submitted earlier, the instant petition is the first tariff petition filed by the Petitioner whereby the commencement of the operation has been from 04 April 2024. Hence, FY 2024-25 was the first year of operation and assets capitalised during the said year has been considered post adjustment of the 220 kV Transmission line as the same is handed over to UPPTCL and O&M will be also be carried out by UPPTCL. Hence, the net assets capitalised in FY 2024-25 is considered for normative R&M computation @5% as specified in the Regulations.
- 6.3.3 With respect to the capitalisation in FY 2025-26, the Petitioner has provided the details of the same in Para 7 of this instant petition and accordingly the same has been considered for normative R&M computation @3% as specified in the Regulations.

**Table 14: Normative R&M Expenses for FY 2025-26 (Rs. Cr)**

Particulars	Ref.	Amount
Fixed assets Capitalised in FY 2024-25	A	36.93
R&M Expenses - @5%	B = A*5%	1.85
Fixed assets Capitalised in FY 2025-26	C	-
R&M Expenses - @3%	D=C*3%	-
Total Normative R&M Expenses	E = B+D	1.85

6.3.4 The Petitioner request the Hon’ble Commission to approve the normative R&M cost of Rs. 1.85 Cr. for FY 2025-26 .

**6.4 Administrative & General Expenses**

6.4.1 The administrative expense mainly comprise of rents, telephone and other communication expenses, professional charges, conveyance and travelling allowances, professional, consultancy, sub-contracting, technical fee, printing and stationery etc.

6.4.2 Also, in addition to above said expenses, NIDP submits that it has continued the service of the existing vendor for Operation & Maintenance of Power Distribution Network & customer services that would provide all the O&M services, customer services related to power distribution, meter reading, billing, collection etc. Also, since the scope of work is basket of services rendering manpower, R&M, Billing, collection, etc, the cost of the same is included in the A&G expenses.

6.4.3 As stated above, NIDP is engaged in the Power Distribution Business as well as Data Center and accordingly, in FY 2024-25, the marginal A&G cost has been accounted in the accounts related to Distribution business which can be easily segregated and are incurred specifically for distribution business only. At present NIDP is using the infrastructure of Group Company and is not paying any of the corporate expenses of the Head Office, since the start of its operation, i.e., 4 April 2024. As and when the demand / load of the licensee area gets optimised, NIDP plans to segregated the common cost between Data Center and Distribution business.

6.4.4 Further, Regulation 33.8 and 33.9 of the MYT Regulations 2025 deals with the computation of the Norms for A&G expenses whereby it stated that the A&G Expenses has been derived on the basis of the average of the values in the Audited Accounts for the last five (5) Financial Years ending March 31, 2025 and to be escalated using Wholesale Price Index (WPI).

6.4.5 As submitted earlier, NIDP has commenced its operation on 4 April 2024 and the said instant petition is the first petition to be filed by NIDP for determination of Retail Tariff. Also, the FY 2025-26 is the second year of operation and hence, the normative A&G cost based on last five year average and escalation with WPI is not applicable in the given case. Hence, the Petitioner request the Hon’ble Commission to consider the actuals of FY 2024-25 as the base and provide the escalation with WPI to derive the cost for FY 2025-26.

6.4.6 Accordingly, the Petitioner has considered the base A&G expenses of FY 2024-25 and has escalated the same with the average WPI of last three years i.e. FY 2022-23 to FY 2024-25 as outlined below:

*Table 15: WPI Index*

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Average
Average WPI for the FY	139.41	152.53	151.42	154.86	
YoY variation		9.41%	-0.73%	2.27%	3.65%

6.4.7 The three-year average WPI growth rate has been calculated based on the YoY variations from FY 2022-23 to FY 2024-25. This average growth rate of **3.65%** has been considered

for escalating the normative A&G Expenses, as per the methodology prescribed in the Regulations.

6.4.8 Based on the above submission, the Petitioner proposed the normative A&G expenses for FY 2025-26 as outlined in the following table:

**Table 16: Normative A&G Expenses for FY 2025-26 (Rs. Cr)**

Particulars	Ref.	Amount
A&G Expenses for FY 2024-25	A	3.12
Average WPI of last 3 years	B	3.65%
Normative A&G expenses for FY 2025-26	$C = A * (1+B)$	3.23

6.4.9 Further, the Petitioner submits that within the said A&G Expenses, the captive consumption related to the billing of MRSS substation was considered as cost in FY 2024-25. The cost so determined is based on the tariff approved by the Hon’ble Commission and is uncontrollable in nature. Also, the same is an independent event irrespective of CPI / WPI Escalation. Hence, though at present the cost of MRSS is subsumed in the normative A&G cost of FY 2025-26, the Petitioner request the Hon’ble Commission to not consider any WPI escalation and allow the same at the actuals during the truing up process of the respective years.

6.4.10 Accordingly, considering that the Employee Expenses as NIL for FY 2025-26 and normative A&G and R&M expenses are computed, the actual total normative O&M cost is Rs. 5.08 Cr as outlined in the following table. The Petitioner submits that due to subcontracting of certain services, the employee cost and R&M cost to certain extent has been subsumed in the A&G Cost.

**Table 17: Normative O&M cost for FY 2025-26 (Rs. Cr)**

Particulars	Normative
Employee Expenses	-
R&M Cost	1.85
A&G Cost	3.23
<b>Normative O&amp;M Cost</b>	<b>5.08</b>

## 7 CAPITAL EXPENDITURE

7.1.1 The clause 32.1 of UPERC MYT Regulations, 2025 states as under:

**“32. Capital Investment Plan**

*32.1 The Distribution Licensee shall submit in its ARR Petition, a detailed Capital Investment Plan for all capital expenditure project(s) that it plans to undertake during the ensuing year, for consideration and prudence check of the Commission.”*

7.1.2 Further, the clause 32.3 and 32.6 of UPERC MYT Regulations 2025 states as under:

**“32. Capital Investment Plan**

.....

.....

*32.3 The Capital Investment Plan shall be accompanied by such information, particulars and documents as may be required including but not limited to the information*

such as number of substations, transformation capacity in MVA, details of distribution transformers of different capacities, HT:LT ratio as well as distribution line length showing the need for the proposed investments, alternatives considered, cost / benefit analysis and other aspects that may have a bearing on the Tariff.

....

32.6 Capital Investment works of a similar or related nature should be clubbed and considered as a project. The scope of investments included in each project, for being considered for approval of the Commission shall include, but not limited to, any one or a combination of the following:-

- (i) New sub-stations proposed at different locations within the License area must be clubbed together and presented as a Project for New sub-stations including related incoming and outgoing feeders,
- (ii) Capacity enhancement of transformers/ sub stations at different voltage level clubbed together including the related incoming and outgoing feeders,
- (iii) New/ capacity enhancement of Distribution transformers,
- (iv) Project for development of new distribution lines and 11kV & 33kV network within the Licence area,
- (v) Project for replacement / augmentation of the lines/ cables including conversion of overhead lines to underground lines,
- (vi) Project for bifurcation of feeders,
- (vii) Project to prevent the theft of electricity including but not limited to conversion of bare conductors with AB Cables,
- (viii) Information Technology Projects,
- (ix) SCADA and Communication equipment,
- (x) Metering Project - Consumer Metering Projects or Metering of feeders, distribution transformers, substations, AMI
- (xi) Project for replacement/ overhauling of old equipment,
- (xii) Major Civil Works – Offices/ guest house/ Call Centres,
- (xiii) Capital investments required for the conversion of single point to multi point connections,
- (xiv) An independent identifiable project approved under a State/ Central Government policy/ scheme funded partially/ fully under the policy/ scheme.

.....”

7.1.3 However, considering the current infrastructure and the load envisaged, NIDP does not propose any additional CAPEX / Capitalisation for FY 2025-26. The Petitioner submits that the proposal for zero (nil) capitalization in the FY 2025-26 is primarily a matter of prudent project phasing and effective financial management within the MYT control period. No major capital schemes are anticipated to reach the stage of "commercial operation" and subsequent capitalization within that specific fiscal year. The present Infrastructure which has been planned to cater to the present load of D1 Building and future partial load of D2 Building, with some augmentation, would be required as per the load enhancement and addition of Consumer base and hence no capex is considered,

7.1.4 As detailed above, the Petitioner requests the Hon’ble Commission to kindly approve the NIL Capitalisation for FY 2025-26 as well as funding thereof as submitted above.

**8 INTEREST CHARGES**

**8.1 Component of Interest cost**

8.1.1 Interest Charges comprises of the following cost elements:

- Interest on Long Term Loans
- Interest on Working Capital
- Interest on Security Deposits
- Banking and Finance charges

8.1.2 Each of the above components has been discussed in detail in subsequent paragraphs:

**8.2 Interest on Long Term Loans**

8.2.1 The Petitioner submits that FY 2025-26 is the first year of the Control Period which governs the FY 2025-26 to FY 2029-30 under MYT Regulations, 2025. Also, the debt:equity ratio of 70:30 is required to be considered as per Regulation 19.2 of the MYT Regulations, 2025. The extracts of Regulation 19.2 is provided here-in-below:-

*“19.2 For a capital investment project declared under commercial operation on or after April 1, 2025, the debt-equity ratio as on the date of commercial operation shall be 70:30 of the amount of capital cost approved by the Commission under Regulation 18, after making appropriate adjustment of assets funded by Consumer Contribution/ Deposit Works/ Capital Subsidies/ Grant subject to prudence check for the determination of Tariff:*

*Provided that if the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as normative loan for the Licensee for determination of Tariff:*

*Provided further that the Licensee shall submit documentary evidence for the actual deployment of equity and explain the source of funds for the equity:*

*Provided also that where equity actually deployed is less than 30% of the capital cost of the capitalised asset, the actual equity shall be considered for determination of Tariff:*

*Provided also that the equity invested in foreign currency shall be designated in Indian Rupees on the date of each investment.*

.....

8.2.2 Further, Regulation 22.5 of the MYT Regulations 2025 provides the methodology for the computation of interest on loan:

**22. Interest on Long-Term Loan**

*22.1 The long-term loans arrived at in the manner indicated in these Regulations on the assets put to use shall be considered as gross normative loan for calculation of interest on loan:*

.....

*22.2 The closing normative long-term loan outstanding as on 31 March, 2025, shall be taken as the opening normative long-term loan outstanding for the Financial Year 2025-26.*

*22.3 The repayment of long-term loans for each year shall be deemed to be equal to the*

Depreciation allowed for that year.

22.4 Notwithstanding any moratorium period availed, the repayment of loan shall be considered from the first year of commercial operation of the asset.

22.5 The rate of interest shall be the weighted average rate of interest computed on the basis of the actual long-term loan portfolio at the beginning of each year:

**Provided that if there is no actual long-term loan for a particular year but the normative loan is still outstanding, then the rate of interest for the purpose of allowing the interest on the normative long term loan shall be the weighted average SBI MCLR (1 Year) prevailing during the concerned year plus 100 basis points.**

22.6 At the time of Truing-Up, the weighted average rate of interest of the actual long-term loan portfolio during the concerned year shall be considered as the rate of interest:

*Provided that if there is no actual long-term loan for a particular year but the normative loan is still outstanding, then the rate of interest for the purpose of allowing the interest on the normative long term loan shall be the weighted average SBI MCLR (1 Year) prevailing during the concerned year plus 100 basis points.*

22.7 The interest on long-term loan shall be computed on the normative average long-term loan of the year by applying the weighted average rate of interest:

*Provided that at the time of Truing-Up, the normative average loan of the concerned year shall be considered on the basis of the actual asset capitalisation approved by the Commission for the year.“*

8.2.3 Further, as specified in para 7, the Petitioner has not proposed any capitalisation and hence no additional debt has been proposed for FY 2025-26.

8.2.4 As submitted in the instant petition, the Distribution business of the Petitioner does not have any long term loan and the whole capitalisation was funded through perpetual equity by the promoter – Shri Niranjana Hiranandani. Hence, the Petitioner has claimed the interest rate on the debt as per the last proviso of Regulations 22.5 of MYT Regulations 2025 i.e. weighted average SBI MCLR (1 Year) prevailing during the concerned year plus 100 basis points. Accordingly, the weighted average SBI MCLR (1 year) of FY 2024-25 is 8.88% and additional 100 basis point will result in the interest rate of 9.88% considered for the calculation of normative Interest on loan.

8.2.5 Accordingly, the summary of interest on Term Loan (normative) for FY 2025-26 based on capitalisation as proposed in the instant petition and weighted average rate is given in the Table below.

**Table 18: Interest on Loan for FY 2025-26 (Rs. Cr)**

Particulars	Ref.	Amount
Opening Balance	A	24.22
Add: Normative Loan	B	-
Less: Repayment - Depreciation	C	1.90
<b>Closing Balance</b>	<b>D = A + B - C</b>	<b>22.32</b>
Average Normative Loan	E = (A+D)/2	23.27
Weighted Average Rate of Interest	F	9.88%
<b>Interest on Loan</b>	<b>G = E * F</b>	<b>2.30</b>

8.2.6 Accordingly, the Company requests the Hon'ble Commission to approve the total normative interest on Term Loan of Rs. 2.30 Cr. for APR of FY 2025-26.

**8.3 Interest on Working Capital**

8.3.1 For the computation of interest on working capital loan, Regulation 25 of the MYT Regulations, 2025 provides as under:

**“25 Interest on Working Capital**

25.1 The working capital requirement of the Distribution Business shall cover:

- (i) Operation and maintenance expenses for one month;
- (ii) Maintenance spares at 40% of the R&M expenses for two months; and
- (iii) One and half month equivalent of the expected revenue from the sale of electricity at the Tariff approved by the Commission for the ensuing year, including revenue from wheeling, cross-subsidy surcharge and additional surcharge, if any, but excluding Electricity Duty;

**Minus**

- (iv) Amount held as security deposits from Distribution System Users:

*Provided that if the working capital, determined based on the above formula, is positive, it shall be reduced by the amount of revenue surplus (if any) as of 31<sup>st</sup> March of the previous year so approved by the Commission.*

*Provided that for the purpose of Truing-Up for any year, the working capital requirement shall be re-computed on the basis of the values of components of working capital approved by the Commission in the Truing-Up.”*

8.3.2 Further, Regulation 25.2 of MYT Regulations, 2025 specifies the computation of rate of interest on working capital for FY 2025-26 provided as under:

25.2 Rate of interest on working capital shall be simple interest and shall be equal to the SBI MCLR (1 Year) as on date on which Petition for determination of Tariff is filed plus 200 basis points:

*Provided that for the purpose of Truing-Up for any year, simple interest on working capital shall be allowed at a rate equal to the weighted average SBI MCLR (1 Year) prevailing during the concerned Year plus 200 basis points*

**[Emphasis Supplied]**

8.3.3 In view of above, the SBI MCLR (1 Year) as on the date of filing the petition is 8.75% plus 200 basis point will result in interest rate of 10.75% considered for computation of interest on working capital for FY 2025-26.

8.3.4 Further, the Petitioner has submitted a Fixed Deposit of Rs. 5 lakhs (for 10 MW Open Access approval) in FY 2025-26 which has been adjusted against the security deposit.

8.3.5 Accordingly, the Petitioner requests the Hon’ble Commission to approve the computation of interest on working capital for FY 2025-26 in Table as given below:

**Table 19: Interest on Working Capital (IoWC) for FY 2025-26 (Rs. Cr)**

Particulars	Ref.	Amount
O&M expenses for 1 month	A	0.42
One-and-a-half-month equivalent of expected revenue from distribution tariff	B	5.21
Maintenance spares @ 40% of the R&M Expense for 2 Months	C	1.48
<b>Gross Total</b>	<b>D = A+B+C</b>	<b>7.11</b>
<b>Security Deposits from Consumers</b>		
Opening Balance	E	3.63
Received during the year (Net of Refunds)	F	1.58

Particulars	Ref.	Amount
Closing Balance	G = E+F	5.21
Average Security Deposit	H=(E+G)/2	4.42
Security Deposit with UPSLDC	I	0.05
<b>Net Security Deposits from Consumers</b>	<b>J = H-I</b>	<b>4.37</b>
Net Working Capital	K = D-J	<b>2.74</b>
Applicable Rate of Interest for Working Capital (SBI - 1Year MCLR + 2.50%)	L	10.75%
<b>Interest on Total Working Capital</b>	<b>M = K * L</b>	<b>0.29</b>

8.3.6 The Petitioner therefore requests the Hon’ble Commission to approve in the APR of FY 2025-26 , as shown in the Table above.

## 8.4 Interest on Consumer Security Deposits

8.4.1 Regulation 25.3 of the MYT Regulation, 2025 provides that the licensee shall pay interest equivalent to the bank rate or more on the consumer security deposits, as may be specified by the Hon’ble Commission. Regulation 25.3 of the MYT Regulations, 2025 provides as under:

*“25.3 Interest paid on consumer security deposits as per the provisions of the Electricity Supply Code, 2005 and its subsequent amendments/addendums and the new Regulations made after the repeal of the same shall be allowed:*

*Provided that if, at the time of True-Up, it is determined that the interest paid on the Security Deposit is less than the interest payable as per the prescribed norms, the Working Capital shall be reduced by the amount of such shortfall.”*

8.4.2 The Petitioner submits that the RBI’s Bank Rate prevailing on the 1<sup>st</sup> April, 2025 is 6.50% p.a. and accordingly the interest payable on security deposit from consumers during FY 2025-26 is given below for the kind perusal and approval of the Hon’ble Commission:-

**Table 20: Interest on Consumer Security Deposit for FY 2025-26 (Rs. Cr)**

Particulars	Ref.	Amount
Opening Balance of Security Deposit	A	3.63
Addition During the year	B	1.58
<b>Closing Balance</b>	<b>C = A + B</b>	<b>5.21</b>
Average Balance for Security Deposit	D = (A+C)/2	4.42
Rate of Interest	F	6.50%
Interest payable on Security Deposit	G = E * F	0.29

8.4.3 Since the interest on security deposit has been determined in accordance with MYT Regulations, 2025, it is requested that the estimated expense of Rs. 0.29 Cr be considered in APR for FY 2025-26.

## 8.5 Banking and Finance Charges

8.5.1 Regulation 23 of MYT Regulations 2025, provides as under:

*“The Banking & Finance charges shall be allowed as per actuals in Truing-Up, subject to prudence check by the Commission:*

*Provided that the Banking and Finance charges shall be allowed in ARR as per the approval given by the Commission for the latest True-Up year.”*

8.5.2 Considering that the banking & finance charges in FY 2024-25 were very nominal, the

Petitioner is not claiming any charges for FY 2025-26 and request the Hon’ble Commission to allow the same at the time of truing-up of FY 2025-26.

## 8.6 Total Interest Cost

8.6.1 The summary of total interest and finance charges estimated for FY 2025-26 are given in the Table below for the kind perusal and approval of the Hon’ble Commission:

**Table 21: Total Interest Charges – FY 2025-26 (Rs. Cr)**

Particulars	Ref.	Amount
Interest on Long term loans	A	2.30
Interest on working capital facilities	B	0.29
Interest on security deposit	C	0.29
Banking & Finance Charges	D	0
<b>Total Interest &amp; Finance Charges</b>	<b>E = A + B + C + D</b>	<b>2.88</b>

8.6.2 In light of the above and pressing needs of the business, the Hon’ble Commission is requested to approve the above interest and finance charges as claimed.

## 9 GROSS FIXED ASSETS (GFA) AND DEPRECIATION

9.1.1 As submitted above, in accordance with the Capital Expenditure as described above in para 7, the computation of GFA is given in Table below for the kind perusal and approval of the Hon’ble Commission:

**Table 22: Gross Fixed Assets for FY 2025-26 (Rs. Cr)**

Particulars	Amount
Opening Balance	72.85
Addition during the Year	-
Retirement during the Year	-
Closing Balance	72.85

\*-includes grants / consumer contribution

9.1.2 It is pertinent to mention here that above GFA does not include the Transmission line handed over to UPPTCL for distribution of electricity to its consumers and maintenance thereof.

9.1.3 The Hon’ble Commission in its MYT Regulations, 2025 has provided the depreciation rate separately for the assets capitalized on or before 31.03.2025 and after 31.03.2025 viz *Annexure A - Depreciation Schedule for Existing Assets Capitalised on or before 31.03.2025 and Annexure B - Depreciation Schedule for Existing Assets Capitalised After 31.03.2025*. Accordingly, the Company has segregated the GFA details into two parts:

- Assets capitalized in FY 2024-25 and
- Assets capitalized after 31.03.2025

9.1.4 Accordingly, based on the Capital Expenditure and GFA as shown above, the amount considered for Depreciation for determination of ARR for FY 2025-26 is provided in Table below:-

Table 23: Depreciation for FY 2025-26 (Rs. Cr)

Particulars	Asset Capitalised in FY 2024-25	Asset Capitalised after 31-3-25	Total for FY 2025-26
Assets capitalised	72.85	-	72.85
Less: Consumer Contribution	35.92	-	35.92
<b>Net Assets Capitalised</b>	<b>36.93</b>	<b>-</b>	<b>36.93</b>
Gross Depreciation of the Year	3.79	-	3.79
Less: Depreciation on Consumer Contribution	1.90	-	1.90
<b>Net Depreciation</b>	<b>1.90</b>	<b>-</b>	<b>1.90</b>
<b>Depreciation rate</b>	<b>5.14%</b>	<b>-</b>	<b>5.14%</b>

9.1.5 Accordingly, the Hon'ble Commission is requested to approve the depreciation expenses as computed above for FY 2025-26.

## 10 PROVISION FOR WRITE-OFF OF BAD AND DOUBTFUL DEBTS

10.1.1 Regulation 34 of MYT Regulations, 2025 provides for the Provision for Write-off of Bad and Doubtful Debts. The relevant extract of the Regulation is reproduced below:-

**“34. Provision for Write-off of Bad and Doubtful Debts**

*For any particular year, the Commission may allow a provision for write-off of bad and doubtful debts upto the extent of 2% of revenue from the sale of electricity as reflected in the audited accounts of the Distribution Licensee for that year or for the actual write-off of bad debts, whichever is less:*

*Provided that Electricity Duty shall not be included in the write-off of bad debt:*

*Provided further that such provision allowed by the Commission for any year shall not exceed the actual provision for write-off of bad and doubtful debts made by the Distribution Licensee in the audited accounts of that year:*

*Provided that the Commission, in its ARR/Tariff Order, may provisionally approve the provision for write-off of bad and doubtful debts based on the provision for write-off of bad and doubtful debts approved by the Commission for the True-Up year:*

*Provided further that if subsequent to the write-off of a particular bad debt, revenue is realised from such bad debt, the same shall be included under the Non-Tariff Income of the year in which such revenue is realised.”*

10.1.2 The Petitioner submits that considering the type of category of consumers, it has not claimed any provision for Bad and doubtful debts for FY 2025-26. However, in case any provision for doubtful debt is made in the final accounts for FY 2025-26, the same will be claimed during the time of truing up.

## 11 INCOME TAX

11.1.1 Regulation 26 of MYT Regulations, 2025 provides for the determination of Income Tax to be considered in ARR for the Control period FY 2025-26 to FY 2029-30. The relevant extract of the Regulation is reproduced below:-

**“26 TAX ON RETURN ON EQUITY**

26.1 The rate of return on equity as allowed by the Commission under Regulation 21 of these Regulations shall be grossed up with the effective tax rate (hereinafter referred to as ‘t’) of the respective financial year. The effective tax rate shall be calculated at the beginning of every Financial Year based on the estimated profit and tax to be paid estimated in line with the provisions of the relevant Finance Act applicable for that Financial Year to the concerned Distribution Licensee by excluding the income of other business and the corresponding tax thereon.

*Provided that tax on any income other than that through its Licensed Business shall not be pass through and it shall be payable by the Licensee itself.*

*Provided that in case a Distribution Licensee is paying Minimum Alternate Tax (MAT) under Section 115JB of the Income Tax Act, 1961, the effective tax rate shall be the MAT rate, including surcharge and cess;*

*Provided further that in case a Distribution Licensee has opted for Section 115BAA, the effective tax rate shall be the tax rate including surcharge and cess as specified under Section 115BAA of the Income Tax Act, 1961.*

26.2 The rate of return on equity shall be rounded off to three decimal places and shall be computed as per the formula given below:

$$\text{Rate of pre-tax return on equity} = \text{Base rate} / (1-t)$$

26.3 The Distribution Licensee shall true up the effective tax rate for every Financial Year based on the actual tax paid together with any additional tax demand, including interest thereon, duly adjusted for any refund of tax including interest received from the income tax authorities pertaining to the Tariff period covered under these Regulations on actual gross income of any Financial Year. Further, any penalty arising on account of delay in deposit or short deposit of tax amount shall not be considered while computing the actual tax paid by the Distribution Licensee.

*Provided that in case a Distribution Licensee is paying Minimum Alternate Tax (MAT) under Section 115JB, the Distribution Licensee shall true up the grossed up rate of return on equity at the end of every Financial Year with the applicable MAT rate including surcharge and cess.*

*Provided that in case a Distribution Licensee is paying tax under Section 115BAA, the Distribution Licensee shall true up the grossed up rate of return on equity at the end of every Financial Year with the tax rate including surcharge and cess as specified under Section 115BAA.*

*Provided that any under-recovery or over recovery of grossed up rate on return on equity after truing-up, shall be recovered or refunded, on a year to year basis.”*

11.1.2 The Petitioner submits that in FY 2024-25, the Petitioner was not liable to pay any tax due to loss in the books of accounts. Further, for FY 2025-26, the Petitioner is expected to incur the loss as per the provisional profit and loss account and hence will not be subject to any income tax. Hence, the Petitioner is not claiming any tax on Return on Equity. However, the Petitioner request the Hon’ble Commission to allow the tax on Return on Equity in case the tax liability arises for FY 2025-26.

**12 RETURN ON EQUITY**

12.1.1 Regulation 21 of MYT Regulations, 2025 provides for Return on Equity as shown herein below:-

**“21 Return on Equity**

*“Return on equity shall be computed in Rs. terms on equity base as determined in accordance with Regulation 19 at the rate of 15% post-tax per annum (hereinafter referred to as ‘Base Rate’):*

*Provided that assets funded by Consumer Contribution / Deposit works, Capital Subsidies / Grants and corresponding Depreciation shall not form part of the Capital Cost.”*

12.1.2 In terms of Regulations 19 of MYT Regulations 2025, the Petitioner has considered the 30% of the assets capitalised (net of de-capitalisation and consumer contribution) as normative equity during FY 2025-26.

12.1.3 Further, as per Regulation 21 of the MYT Regulations, 2025, return on equity shall be allowed @15% on the equity base determined in accordance with the MYT Regulations, 2025.

12.1.4 The summary of Return on Equity for FY 2025-26 based on Opening Equity and the equity portion of Assets Capitalised during FY 2025-26 is given in Table below: -

**Table 24: Return on Equity of FY 2025-26 (Rs. Cr)**

Particulars	Ref.	Amount
Regulatory Equity Base at the beginning of the year	A	11.08
Asset Capitalized during the year net of retirement and consumer contribution	B	-
Equity portion of Assets Capitalised during the year	C	-
Regulatory Equity Base at the end of the year	D = A+C	11.08
Average Equity during the year	E = (A + D) / 2	11.08
Return on Regulatory Equity Base @ 15%	F = E*15%	1.66

12.1.5 The Hon’ble Commission is requested to kindly approve the above Return on Equity of Rs. 1.66 Cr for FY 2025-26.

**13 NON-TARIFF INCOME**

13.1.1 Regulation 35 of MYT Regulations, 2025 provides for consideration of Non-tariff Income in ARR as follows:-

**35 Non-Tariff Income**

**35.1** *The amount of Non-Tariff Income relating to the Distribution Business as approved by the Commission shall be deducted from the ARR in determining the Tariff for the retail supply and Wheeling Charges of the Distribution Business:*

*Provided that the Distribution Licensee shall submit full details of its forecast of Non-Tariff Income to the Commission in such form as may be stipulated by the Commission.*

**35.2** *The Non-Tariff Income shall include:*

- a) *Income from rent of land or buildings;*
- b) *Income from sale of scrap;*
- c) *Income from investments;*

*Provided that income arising from investment of shareholder’s funds, if any, shall not be included in Non-Tariff Income subject to prudence check of requisite detailed information submitted by the Licensee before the Commission.*

- d) *Interest income on advances to suppliers/contractors;*
- e) *Interest income on loans / advances to employees;*
- f) *Income from rental from staff quarters;*

- g) *Income from rental from contractors;*
- h) *Income from hire charges from contactors and others;*
- i) *Income from delayed payment surcharge minus cost of borrowing for 6 months to be computed on delayed payment surcharge at the rate of Interest on Working Capital;*
- j) *Income from supervision charges;*
- k) *Income from recovery against theft and/or pilferage of electricity;*
- l) *Income from advertisements;*
- m) *Income from sale of tender documents;*
- n) *Excess found on physical verification;*
- o) *Prior Period Income;*
- p) *Miscellaneous receipts; and*
- q) *Any other Non-Tariff Income:*

**35.3** *The Non-Tariff Income under item (l) above (income from advertisements) shall be shared between the Distribution Licensee and the consumers in the ratio of 30% and 70% respectively:*

*Provided that the Licensee shall undertake asset monetisation study within six months from the date of notification of these Regulations.”*

13.1.2 The Petitioner submits that being an initial stage of the distribution business, the following submission has been made for component of Non-Tariff Income:

- Investment Income – There is an FD submitted to UPSLDC of Rs. 5 Lacs against which interest @6.8% p.a.
- Delay Payment Surcharge - Also, as the collection efficiency being considered as 100%, the Delay Payment Charges (DPC) cannot be estimated, However, the Petitioner at present has considered the similar amount as accrued for FY 2024-25 for FY 2025-26.
- Service Charges – Being an initial year of operation, the expected load and consumers to be added is an estimate which are uncontrollable in nature. Hence, the Petitioner has projected the similar income as per actual of FY 2024-25 for FY 2025-26.
- Income from Advertisement (Monetisation) – Considering the limited area of supply, the Petitioner has not considered any income from advertisement or monetisation proposal. However, the same will be explore during the MYT Control Period.

13.1.3 Accordingly, based on the above consideration and the actual Non-Tariff Income of FY 2024-25 incidental to the business of electricity supply, the Petitioner has projected Non-Tariff Income for FY 2025-26 and summarized in Table below:

**Table 25: Non-Tariff Income (Rs. Cr)**

<b>Particulars</b>	<b>Amount</b>
<i>Income From Investment</i>	<i>0.00</i>
<i>Delay Payment Surcharge</i>	<i>0.18</i>
<i>Service Line Charges</i>	<i>0.06</i>
<i>Income from Advertisement</i>	<i>0</i>
<b>Total Non-Tariff Income</b>	<b>0.24</b>

## 14 CARRYING COST OF REGULATORY ASSET

14.1.1 Regulation 27.3 of MYT Regulations, 2025 provides for the allowance of carrying cost on regulatory assets. The relevant extract of Regulation 27.3 is reproduced below for

reference:

“27.3 Carrying cost for the ARR gap of the Distribution Licensee will be provided by the Commission after prudence check at the interest rates as provided for working capital in these Regulations.”

14.1.2 Based on the above Regulation, the carrying cost of Regulatory Asset/Liability till FY 2025-26 is given in Table below:

**Table 26: Carrying Cost (FY 2025-26) (Rs. Cr.)**

Particulars	Ref.	Amount
Regulatory Assets at the beginning of Year - Gap / (Surplus)	A	4.06
Addition of Regulatory Assets during the year - Gap / (Surplus)	B	4.63
Closing Regulatory Assets (before Carrying cost for the year)	C = A+B	8.70
Average Regulatory Asset	D = (A+C)/2	6.38
Applicable Interest Rate	E	10.75%
Carrying Cost of Regulatory Asset - Gap / (Surplus)	F = D*E	0.69

14.1.3 The above computation of carrying cost has been computed at SBI-MCLR (1 Year) + 2%, as considered for Working Capital Facility i.e. 10.75%.

14.1.4 On the basis of the above, the Hon’ble Commission is requested to kindly approve the carrying cost of Regulatory Asset for FY 2025-26 at Rs. 0.69 Cr.

## 15 ARR SUMMARY (FY 2025-26)

15.1.1 Based on the above discussion, the summary of ARR for FY 2025-26 is as shown in Table below: -

**Table 27: Summary of ARR for FY 2025-26 (Rs. Cr)**

Sr. No	Particulars	Actuals	Reference
1	Power Purchase Expenses for the Year	34.81	Table 12
2	Transmission Charges	0.23	Table 13
3	Net Employee cost (Incl. Retiral Benefits)	-	Table 17
4	A&G expenses	3.23	Table 17
5	R&M expenses	1.85	Table 17
6	Interest Charges	2.88	Table 21
7	Depreciation	1.90	Table 23
8	Taxes (Income Tax & MAT)	-	Para 11
9	Provision for Bad & Doubtful Debts	-	Para 10
10	Return on Equity	1.66	Table 24
<b>11</b>	<b>Annual Revenue Requirement (sum of 1 to 12)</b>	<b>46.55</b>	
12	Less: Revenue from Existing Tariff	41.67	Table 4
13	Less: Revenue from Open Access Charges	-	
14	Less: Non-Tariff Income	0.24	Table 25
<b>15</b>	<b>Revenue Gap / (Surplus)</b>	<b>4.63</b>	
16	Revenue Gap / (Surplus) from Previous Year	4.06	
17	Carrying Cost of Regulatory Asset	0.69	Table 26
18	<b>Total Revenue Gap / (Surplus) carried forward</b>	<b>9.38</b>	

15.1.2 The Company requests the Hon’ble Commission to kindly approve the above ARR for FY 2025-26 as presented by the Company, subject to the Truing up in the future.