REVISED SUBMISSION

In compliance with the provisions of the Uttar Pradesh Electricity Regulatory Commission (Terms and Conditions for Determination of Multi Year Tariff) Regulations, 2025 (hereinafter referred to as "MYT Regulations, 2025"), the Petitioner respectfully submits the following additional details and clarifications for the kind consideration of the Hon'ble Commission:

1. AT&C Loss and Distribution Loss Trajectories

As per Regulation 31.1 of the MYT Regulations, 2025:

"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."

Accordingly, the Petitioner hereby submits the proposed trajectory for Aggregate Technical & Commercial (AT&C) Loss and Distribution Loss for each of the State DISCOMs for the Control Period (FY 2025-26 to FY 2029-30) as under:

Distribution Loss trajectory(%) of State Discoms						
DISCOM	**FY 25 (Prov)**	**FY 26 (Proj)**	**FY 27 (Proj)**	**FY 28 (Proj)**	**FY 29 (Proj)**	**FY 30 (Proj)**
DVVNL	15.53%	15.53%	15.22%	14.91%	14.62%	14.32%
MVVNL	13.59%	13.59%	13.32%	13.05%	12.79%	12.53%
PVVNL	11.18%	11.18%	10.95%	10.73%	10.52%	10.31%
PuVVNL	16.23%	16.23%	15.90%	15.58%	15.27%	14.97%
KESCO	7.68%	7.68%	7.53%	7.38%	7.23%	7.09%
UPPCL	**13.78%**	**13.78%**	**13.50%**	**13.23%**	**12.97%**	**12.71%**

AT&C Loss trajectory(%) of State Discoms						
DISCOM	**FY 25 (Prov)**	**FY 26 (Proj)**	**FY 27 (Proj)**	**FY 28 (Proj)**	**FY 29 (Proj)**	**FY 30 (Proj)**
DVVNL	28.48%	28.48%	26.06%	23.57%	21.00%	18.35%
MVVNL	21.93%	21.93%	19.92%	17.87%	15.77%	13.62%
PVVNL	13.35%	13.35%	12.70%	12.05%	11.39%	10.74%
PuVVNL	36.08%	36.08%	33.27%	30.34%	27.28%	24.10%
KESCO	10.37%	10.37%	9.77%	9.17%	8.57%	7.97%
UPPCL	**23.44%**	**23.44%**	**22.27%**	**20.34%**	**18.34%**	**16.29%**

Note: Above trajectory has been prepared based on the unaudited data for FY 2024-25.

The proposed trajectories in above tables reflect a realistic approach, taking into account the following:

- The FY 2024-25 (unaudited) data serve as the baseline, ensuring that the projections are grounded in operational realities and the field-level challenges faced by each DISCOM. Collection efficiency has been projected to improve incrementally, with increases of 1% in FY 2026-27 and 2% in each subsequent year till FY 2029-30.
- Loss reduction initiatives require significant time for implementation and stabilization; hence, the trajectory provides a gradual glide path for reduction in AT&C loss by ~7.16% during the control period.
- The implementation of smart meters is expected to significantly enhance collection efficiency across all DISCOMs. With real-time consumption data, automated billing, and prepaid functionalities, smart metering will reduce billing errors, improve consumer accountability, and minimize delays in payment realization. This is anticipated to lead to a marked improvement in collection efficiency over and above the current projections. Furthermore, smart meters will also streamline the process of energy accounting for government departments, leading to more accurate and timely billing. As a result, receivables from government consumers—often a substantial component of outstanding dues—are expected to reduce considerably.
- The overall reduction in T&D losses is expected to be achieved through a combination of initiatives under government schemes and the DISCOMs' internal business plans. Centrally and state-sponsored programs such as RDSS, along with internally proposed projects focused on loss reduction and network modernization, are designed to strengthen the distribution infrastructure.

2. Computation Methodology for O&M Expenses

As per Regulation 33.6 of the MYT Regulations, 2025:

"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."

In accordance with the above provision and in the absence of audited accounts for FY 2024-25 at present, the Petitioner has computed the Employee Cost and A&G expenses by taking the average of the last five audited financial years, i.e., FY 2019-20 to FY 2023-24. The audited financial figures considered are as under:

(in Rs. Cr.)

DISCOM	Audited Values	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
MVVNL	Employee Expenses	794.71	689.36	792.03	814.79	924.02
	A&G Expenses	610.50	573.23	595.83	813.04	939.20

Further the Petitioner while calculating the R&M for FY 2025-26 as per Clause 33.7 of the MYT Regulations, 2025, which provides normative R&M expenses to be calculated as a percentage of the opening GFA—5% for assets capitalised on or before 31.03.2025 and 3% for assets capitalised thereafter. However, the clause does not explicitly restrict the consideration of R&M expenses for assets capitalised during the year.

In the absence of an approved opening GFA for assets capitalised after 31.03.2025—the petitioner has considered the total projected additions during FY 2025-26 for the purpose of calculating R&M expenses. This approach has been adopted to ensure consistency and to reasonably account for the maintenance requirements of assets expected to be put to use during the year.

	MVVNL	
R&M Expenses	**FY 2025-26**	
Particular	**capitalised before 31.03.2025 @ 5% of the opening GFA**	**capitalised after 31.03.2025 @ 3% of the opening GFA**
Part A	3,362.42	
Part B	12,246.18	2,879.47
Total	15,608.59	
	780.43	**86.38**
Total R&M	**866.81**	

Accordingly, the claimed O&M expenses by the Petitioner based on above table and WPI-CPI details for ARR year FY 2025-26 is as under :

(Rs. in Cr.)

DISCOM	Trued-Up Values	Average of last 5 years as mid year value (FY 2021-22)	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
MVVNL	**Employee Expenses**	802.98	851.59	895.75	925.19	969.98
	R&M Expenses (Calculation based on assets as per MYT Regulation 2025**)**					866.81
	A&G Expenses	706.36	772.82	767.20	784.24	812.75

3. Sales and Revenue Projections for APR and ARR

It is submitted that for the purpose of projecting sales in the Annual Performance Review (APR), data up to March (i.e., end of the financial year) has been considered.

The approach being followed is to analyse 7-year, 6-year, 5-year, 4-year, 3-year, 2-year Compound Annual Growth Rates (CAGRs) and year on year growth rate of each sub-category for appropriate projection of billing determinants. The Licensee has made effort to focus on reasonable growth for FY 2025-26 making required corrections in the projections of earlier years.

Based on the above, the sales projections for the ensuing ARR year have been accordingly revised as under :

(in MU)

DISCOM	APR	ARR
MVVNL	27,418	29,012

The above-mentioned details are captured in MYT Formats submitted to the Commission.

Further, it is submitted that for the purpose of the Annual Performance Review (APR) for FY 2024-25, the revenue from operations has been calculated based on the actual collection data available up to March 2025 (unaudited). The petitioner has ensured that the revenue assessment claim for APR year is realistic. Moreover, the collection efficiency achieved during the APR year has been taken as the reference point for projecting the expected revenue for the ensuing Annual Revenue Requirement (ARR) year.

The revenue projections for the ensuing ARR year have been accordingly revised as under:

(Rs. in Cr.)

DISCOM	APR	ARR
MVVNL	13,965.09	16,999.46

4. Power Purchase Cost Assumptions

In the computation of power purchase costs for the APR year, actual data up to March has been used for projection of Power Procurement cost and subsequently the changes in projection are reflected in Power Purchase cost for ARR year.

Further, for the ARR year, changes in assumptions of cost variations have been made, particularly in relation to fixed charge of all sources and variable charges for thermal generating stations, as follows:

- **Fixed Charges:** An escalation of 3% has been considered from APR to ARR year.
- **Variable Charges :** An escalation of 8% , for thermal generating stations has been considered from APR to ARR year.

The updated assumptions are reflected in the MYT submission format F2_PP_Assump, submitted as part of the revised petition.

5. Revised APR And ARR

MVVNL			
S.No	**Particulars**	**APR FY 2024-25 Revised Estimates**	**ARR FY 2025-26 Projected**
I.	**Power Purchase or Energy Available at Discom Periphery (MU)**	31730.07	33575.34
II.	**Sale of Power (MU)**	27417.96	29012.45
III.	**Distribution Loss (%)**	**13.59%**	**13.59%**
A.	**Receipts**		
a	Revenue from Tariff and Misc. Charges at current tariff rates	13,965.09	16,999.46
	Total Receipts (A)	**13,965.09**	**16,999.46**
B	**Expenditure**		
a i	Cost of Power Procurement	**16,311.61**	**18,737.13**
	Cost of Power Procurement Expenses Profit/(Loss) Sharing	**-**	**-**
b	Transmission and Load Dispatch Charges	**738.04**	**780.96**
c	Net O&M Expenses		

MVVNL			
S.No	Particulars	APR FY 2024-25 Revised Estimates	ARR FY 2025-26 Projected
i	R&M Expense	471.98	866.81
ii	Net Employee Expenses	1,241.31	691.86
iii	Net A&G Expense	393.34	812.75
	Total Net O&M expenses (i+ii+iii)	**2,106.63**	**2,371.43**
	O&M Expenses Profit/(Loss) Sharing		
	Smart Metering OPEX	63.59	521.64
	UPPCL O&M expenses		
d	Depreciation	565.24	679.53
e	Interest on Long-Term Loan	462.47	583.00
f	Interest on Security Deposit from Consumers and Distribution system Users	55.25	59.94
	Finance/Bank Charges	13.04	13.04
g	Interest on Working Capital	190.65	198.08
h	Bad and Doubtful debts	279.30	339.99
i	Contribution towards Contingency Fund		
j	Return on Equity	619.42	730.45
k	Income Tax		
	Total Expenditure (B)	**21,405.24**	**25,015.19**
C	**Deductions**		
a	Income from other Business		
b	Non tariff income	460.35	474.49
C	Revenue from Open Access Customers		
	Total Other Deductions (C)	**460.35**	**474.49**
D	**Net Annual Revenue Requirement of Licensee(B-C)**	**20,944.89**	**24,540.70**
E	Shortfall/Excess before tariff revision impact (A-D)	(6,979.80)	(7,541.24)
F	Tariff Revision Impact		
G	**Shortfall/Excess after tariff revision impact (E+F)**	**(6,979.80)**	**(7,541.24)**
H	Govt. Subsidy Received/Declared	4,353.32	3,528.22
I	Additional Subsidy computed by UPERC		
J	**(Shortfall)/Excess (G-H -J)**	**(2,626.48)**	**(4,013.01)**

6. Protective Load Charges

In addition to the aforementioned submissions, the petitioner respectfully submits the following for consideration. The Hon'ble Commission, through its tariff order dated 10.10.2024, has outlined the following provisions:

> ***"9. PROTECTIVE LOAD AND PROTECTIVE LOAD CHARGE:***
>
> *Consumers getting supply on independent feeder at 11 kV & above voltage may opt for facility of protective load and avail supply during the period of scheduled*

rostering imposed by the Licensee, except under emergency rostering. An additional charge @ 100% of base demand charges shall be levied on the sanctioned protective load (as per UP Electricity Supply Code, 2005 and its amendments) per month as protective load charge. However, consumers of LMV-4 (A) - Public Institutions will pay the additional charge @ 25% of base demand charges only. During the period of scheduled rostering, the load shall not exceed the sanctioned protective load. In case the consumer exceeds the sanctioned protective load during scheduled rostering, he shall be liable to pay twice the prescribed additional charges for such excess load. "

It is respectfully submitted that as per the above provision notified by the Hon'ble Commission, the consumer getting supply on independent feeder at 11 kV & above voltage can explicitly opt for the facility of protective load. However, in the present scenario, UPPCL and its associated Discoms are already providing uninterrupted power supply to industrial consumers connected through independent feeders, without requiring these consumers to opt separately for protective load or invoking any scheduled rostering. Therefore, the imposition of additional protective load charges in such cases is not only inconsistent with the original intent of the provision but also imposes an undue financial burden on the consumers who are already receiving uninterrupted supply by default.

In light of this, it is humbly prayed that the Hon'ble Commission may kindly consider the following:

1. The arrangement of levying protective load charges on industrial consumers connected through independent feeders may be discontinued.
2. The arrangement of levying protective load charges on other category consumers (non-industrial) connected through independent feeders—where the infrastructure has been created at the consumer's own cost—may also be discontinued

Yogesh Kumar

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