ASSAM ELECTRICITY REGULATORY COMMISSION

(AERC)

TARIFF ORDER

March 6, 2026

TRUE-UP for FY 2024-25,

APR for FY 2025-26,

Revised ARR for FY 2026-27, and

Tariff for FY 2026-27

FOR

Assam Power Distribution Company Limited

(APDCL)

Petition No. 20/2025

TABLE OF CONTENTS

1 INTRODUCTION 1

1.1 CONSTITUTION OF THE COMMISSION 1
1.2 TARIFF RELATED FUNCTIONS OF THE COMMISSION 1
1.3 BACKGROUND 2
1.4 MULTI YEAR TARIFF REGULATIONS, 2021 3
1.5 MULTI YEAR TARIFF REGULATIONS, 2024 3
1.6 PROCEDURAL HISTORY 7
1.7 THE 37TH MEETING OF STATE ADVISORY COMMITTEE 10

2 SUMMARY OF APDCL'S PETITION 11

2.1 BACKGROUND 11
2.2 TRUE-UP FOR FY 2024-25 11
2.3 ANNUAL PERFORMANCE REVIEW (APR) FOR FY 2025-26 12
2.4 REVISED AGGREGATE REVENUE REQUIREMENT (ARR) FOR FY 2026-27 14
2.5 PRAYERS OF APDCL 16

3 BRIEF SUMMARY OF THE STAKEHOLDERS' COMMENTS, RESPONSE OF APDCL AND COMMISSION'S VIEW 17

4 TRUING UP FOR FY 2024-25 66

4.1 METHODOLOGY FOR TRUING UP 66
4.2 ENERGY SALES 66
4.3 DISTRIBUTION LOSS 70
4.4 ENERGY REQUIREMENT 72
4.5 POWER PURCHASE QUANTUM AND COST 74
4.6 SHARING OF (GAINS)/ LOSSES ON ACCOUNT OF EXCESS POWER PURCHASE COST DUE TO HIGHER THAN APPROVED DISTRIBUTION LOSSES 87

4.7 O&M EXPENSES 88
4.8 SHARING OF LOSSES/(GAINS)ON ACCOUNT OF O&M EXPENSES 94
4.9 CAPITAL INVESTMENT & CAPITALISATION 97
4.10 DEPRECIATION 99
4.11 INTEREST AND FINANCE CHARGES 102
4.12 INTEREST ON WORKING CAPITAL (IOWC) 104
4.13 INTEREST ON CONSUMER SECURITY DEPOSIT (CSD) 107
4.14 OTHER DEBITS 107
4.15 RETURN ON EQUITY (ROE) 108
4.16 OTHER INCOME 109
4.17 NON-TARIFF INCOME 111
4.18 REVENUE GRANT/SUBSIDY 112
4.21 REVENUE FROM SALE OF POWER 113
4.22 ARR AND REVENUE GAP/(SURPLUS) AFTER TRUING UP OF FY 2024-25 114

5 ANNUAL PERFORMANCE REVIEW (APR) FOR FY 2025-26 118

5.1 INTRODUCTION 118
5.2 ENERGY SALES 118
5.3 DISTRIBUTION LOSS 121
5.4 ENERGY BALANCE 123
5.5 POWER PURCHASE 124
5.6 OPERATION AND MAINTENANCE (O&M) EXPENSES 135
5.7 CAPITAL INVESTMENT AND FINANCING OF CAPITAL INVESTMENT 140
5.8 DEPRECIATION 142
5.9 INTEREST AND FINANCE CHARGES 145
5.10 INTEREST ON WORKING CAPITAL 146
5.11 INTEREST ON CONSUMERS' SECURITY DEPOSIT 147
5.12 OTHER DEBITS 148
5.13 RETURN ON EQUITY 148
5.14 NON-TARIFF INCOME 149
5.15 OTHER INCOME 151

5.16 IMPACT OF REVISION IN TOD TIMESLOTS AND TARIFF 153
5.17 REVENUE FROM SALE OF POWER 155
5.18 AGGREGATE REVENUE REQUIREMENT (ARR) AND REVENUE GAP/(SURPLUS) 156

6 REVISED AGGREGATE REVENUE REQUIREMENT (ARR) FOR FY 2026-27 159

6.1 INTRODUCTION 159
6.2 ENERGY SALES 159
6.3 CATEGORY-WISE PROJECTED ENERGY SALES 159
6.4 DISTRIBUTION LOSS 163
6.5 AT&C LOSS 164
6.6 ENERGY BALANCE 164
6.7 POWER PURCHASE 166
6.8 OPERATION AND MAINTENANCE (O&M) EXPENSES 178
6.9 CAPITAL EXPENDITURE AND CAPITALISATION 182
6.10 DEPRECIATION 186
6.11 INTEREST AND FINANCE CHARGES 188
6.12 INTEREST ON WORKING CAPITAL 190
6.13 INTEREST ON CONSUMERS' SECURITY DEPOSIT 191
6.14 OTHER DEBITS 191
6.15 RETURN ON EQUITY 192
6.16 IMPACT OF TOD TARIFF REVISION 193
6.17 NON-TARIFF INCOME 194
6.18 OTHER INCOME 195
6.19 AGGREGATE REVENUE REQUIREMENT (ARR) FOR THE CONTROL PERIOD 197

7 CUMULATIVE REVENUE GAP TILL FY 2026-27 AND TARIFF FOR FY 2026-27 200

7.1 CUMULATIVE REVENUE GAP 200
7.2 TARIFF PHILOSOPHY AND DESIGN FOR FY 2026-27 204
7.3 TIME OF DAY (TOD) TARIFF 206
7.4 CATEGORY-WISE TARIFF APPROVED FOR FY 2026-27 206
7.5 CATEGORY-WISE CROSS-SUBSIDY 212

7.6 FUEL PRICE AND POWER PURCHASE ADJUSTMENT CHARGES (FPPPA)....214

8 WHEELING CHARGES AND CROSS-SUBSIDY SURCHARGE....215

8.1 INTRODUCTION....215
8.2 ALLOCATION MATRIX....215
8.3 WHEELING CHARGES....217
8.4 APPLICABLE WHEELING LOSSES....218
8.5 CROSS-SUBSIDY SURCHARGE (CSS)....219
8.6 GREEN TARIFF....221
8.7 STANDBY CHARGES....224
8.8 APPLICABILITY OF TARIFF....225

9 DIRECTIVE....226

10 TARIFF SCHEDULE....236

11 ANNEXURE I:MINUTES OF THE 37TH MEETING OF THE STATE ADVISORY COMMITTEE..255

LIST OF TABLES

Table 1: True Up for FY 2024-25 as submitted by APDCL (Rs. Crore) 11

Table 2: APR for FY 2025-26 as submitted by APDCL (Rs. Crore).....13

Table 3: Revised ARR for FY 2026-27 as submitted by APDCL (Rs. Crore).....14

Table 4: Cumulative Revenue Gap as projected by APDCL till FY 2026-27 (Rs. Crore) 15

Table 5: Energy Sales for FY 2024-25 as submitted by APDCL (MU) 67

Table 6: Energy Sales for FY 2024-25 approved by the Commission (MU) 68

Table 7: Energy Requirement approved by the Commission after True-Up for FY 2024-25 (MU) 73

Table 8: Power purchase cost for FY 2024-25 as submitted by APDCL 76

Table 9: Power Purchase approved by the Commission after True-Up for FY 2024-25 .84

Table 10: Sharing of gain/(loss) on account of higher distribution losses in FY 2024-25 as submitted by APDCL 87

Table 11: Sharing of Efficiency Gain/(Loss) approved by the Commission on account of Distribution Losses after True-Up for FY 2024-25.....88

Table 12: Normative O&M Expenses for FY 2024-25 as submitted by APDCL (Rs. Crore) 89

Table 13: Normative employee expenses for FY 2024-25 claimed by APDCL (Rs. Crore) 89

Table 14: Normative R&M expenses for FY 2024-25 claimed by APDCL (Rs. Crore)...90

Table 15: Normative A&G expenses for FY 2024-25 (Rs. Crore).....91

Table 16: Approved Employee Expenses for FY 2024-25 (Rs. Crore) 92

Table 17: Approved R&M Expenses for FY 2024-25 (Rs. Crore) 93

Table 18: Approved A&G Expenses for FY 2024-25 (Rs. Crore) 94

Table 19: Normative O&M Expenses approved by Commission for FY 2024-25 (Rs. Crore) 94

Table 20: Sharing of losses/(gains) for O&M Expenses as submitted by APDCL for FY 2024-25 (Rs. Crore).....95

Table 21: Sharing of losses/(gains) for O&M Expenses approved by the Commission for FY 2024-25 (Rs. Crore).....97

Table 22: Capitalisation and Funding approved by the Commission for FY 2024-25 (Rs. Crore).....99

Table 23: Depreciation as submitted by APDCL for FY 2024-25 (Rs. Crore).....100

Table 24: Depreciation approved for FY 2024-25 (Rs. Crore).....101

Table 25: Interest and Finance Charges as submitted by APDCL for FY 2024-25.....102

Table 26: Interest & Finance Charges for FY 2024-25 (Rs. Crore).....103

Table 27: Approved Interest & Financing Charges for FY 2024-25 (Rs. Crore).....104

Table 28: Interest on Working Capital as submitted by APDCL for FY 2024-25 (Rs. Crore).....105

Table 29: IoWC approved by the Commission for FY 2024-25 (Rs. Crore).....106

Table 30: Interest on CSD approved for FY 2024-25 (Rs. Crore).....107

Table 31: Return on Equity for FY 2024-25 (Rs Crore).....108

Table 32: RoE approved by the Commission for FY 2024-25 (Rs. Crore).....109

Table 33: Other Income for FY 2024-25 as submitted by APDCL (Rs Crore).....109

Table 34: Other Income approved by the Commission for FY 2024-25 (Rs. Crore).....110

Table 35: Non-Tariff Income for FY 2024-25 (Rs Crore).....111

Table 36: Non-Tariff Income approved by the Commission for FY 2024-25 (Rs. Crore).....112

Table 37: True-up of ARR for FY 2024-25 as claimed by APDCL (Rs. Crore).....114

Table 38: ARR & Revenue Gap/(Surplus) approved in the Truing up for FY 2024-25 (Rs. Crore).....116

Table 39: Category-wise Energy Sales Projected by APDCL for FY 2025-26 (MU).....119

Table 40: Energy Sales considered by the Commission for FY 2025-26 (MU).....120

Table 41: Distribution Loss for FY 2025-26 as submitted by APDCL (MU) 121

Table 42: Distribution Losses considered by the Commission for FY 2025-26.....122

Table 43: Energy Balance for FY 2025-26 as projected by APDCL (MU) 123

Table 44: Energy Balance for FY 2025-26 considered by the Commission (MU).....124

Table 45: Power Purchase for FY 2025-26 as submitted by APDCL 128

Table 46: Power Purchase Quantum and Cost approved by the Commission in APR for FY 2025-26 131

Table 47: O&M Expenses projected for FY 2025-26 by APDCL (Rs. Crore).....135

Table 48: Employee Expenses projected for FY 2025-26 by APDCL (Rs. Crore) 135

Table 49: R&M Expenses for FY 2025-26 as submitted by APDCL (Rs. Crore).....136

Table 50: A&G Expenses for FY 2025-26 as submitted by APDCL (Rs. Crore).....136

Table 51: Employee Expenses considered for FY 2025-26 (Rs. Crore).....137

Table 52: Approved R&M Expenses for FY 2025-26 (Rs. Crore).....138

Table 53: A&G Expenses considered for FY 2025-26 (Rs. Crore) 139

Table 54: Proposed financing of Capitalization for FY 2025-26 (Rs. Crore).....140

Table 55: Actual Capitalization for FY 2020-21 to FY 2024-25 (Rs. Crore).....141

Table 56: Approved Capitalization and Funding for FY 2025-26 (Rs. Crore) 142

Table 57: Depreciation calculation for FY 2025-26 as submitted by APDCL (Rs. Crore) 142

Table 58: Depreciation claimed by APDCL for FY 2024-25 (Rs. Crore).....143

Table 59: Depreciation approved by the Commission for FY 2025-26 (Rs. Crore).....144

Table 60: Interest and Finance Charges as submitted by APDCL for FY 2025-26 (Rs. Crore).....145

Table 61: Interest and Finance Charges as approved by the Commission for FY 2025-26 (Rs. Crore) 146

Table 62: Interest on Working Capital for FY 2025-26 (Rs Crore).....146

Table 63: IoWC approved by the Commission for FY 2025-26 (Rs. Crore).....147

Table 64: Return on Equity projected by APDCL for FY 2025-26 (Rs. Crore) 148

Table 65: Return on Equity approved by the Commission for FY 2025-26 (Rs. Crore) 149

Table 66: Non-Tariff Income as submitted by APDCL for FY 2025-26 (Rs. Crore).....150

Table 67: Non-Tariff Income as approved by the Commission for FY 2025-26 (Rs. Crore) 150

Table 68: Other Income as submitted by APDCL for FY 2025-26 (Rs. Crore) 151

Table 69: Other Income as approved by the Commission for FY 2025-26 (Rs. Crore).152

Table 70: ARR & Revenue Gap/(Surplus) submitted by APDCL for FY 2025-26 (Rs. Crore) 156

Table 71: ARR & Revenue Gap/(Surplus) considered by the Commission for FY 2025-26 (Rs. Crore) 157

Table 72:Category-wise Energy Sales Projected by APDCL for FY 2026-27 (MU) 160

Table 73: Category-wise Energy Sales Projected by the Commission for FY 2026-27 (MU) 162

Table 74: Approved Distribution Loss for FY 2026-27.....164

Table 75: Energy Balance for FY 2026-27 as projected by APDCL (MU) 164

Table 76: Energy Balance for FY 2026-27 approved by the Commission (MU) 165

Table 77: RPO Target and projected Achievement for FY 2026-27 (MU) 169

Table 78:Power Purchase Quantum and Cost projected by APDCL for FY 2026-27 ...170

Table 79: Power Purchase Quantum and Cost approved by the Commission for FY 2026-27 175

Table 80: Employee Expenses projected by APDCL for FY 2026-27 (Rs Crore) 178

Table 81: R&M Expenses projected by APDCL for FY 2026-27 (Rs Crore) 179

Table 82: A&G Expenses projected by APDCL for FY 2026-27 (Rs Crore) 179

Table 83: O&M Expenses projected by APDCL for FY 2026-27 (Rs Crore).....180

Table 84: Approved Employee Expenses for FY 2026-27 (Rs Crore) 180

Table 85: Approved R&M Expenses for FY 2026-27 (Rs Crore).....181

Table 86: Approved A&G Expenses for FY 2026-27 (Rs Crore) 182
Table 87: O&M Expenses approved for FY 2026-27 (Rs Crore) 182
Table 88: Proposed Project components of NAS (Rs. Crore) 183
Table 89: Proposed capitalisation for FY 2026-27 (Rs. Crore) 183
Table 90: Proposed Funding for FY 2026-27 (Rs. Crore) 184
Table 91: Actual vs. Claimed and Approved capitalisation for the past 5 years (Rs. Crore) 185
Table 92: Approved Capitalisation and Funding for FY 2026-27 (Rs. Crore) 186
Table 93: Depreciation claimed by APDCL for FY 2026-27 (Rs. Crore) 186
Table 94: Depreciation claimed by APDCL for FY 2026-27 (Rs. Crore) 187
Table 95: Depreciation approved for FY 2026-27 (Rs. Crore) 188
Table 96: Interest & Finance Charges claimed by APDCL for FY 2026-27 (Rs Crore) .189
Table 97 : Approved Interest on Loan Capital for FY 2026-27 (Rs. Crore) 189
Table 98: IoWC projected by APDCL for FY 2026-27 (Rs Crore) 190
Table 99: IoWC approved by the Commission for FY 2026-27 (Rs. Crore) 191
Table 100: Return on Equity claimed by APDCL for FY 2026-27 (Rs Crore) 192
Table 101: Return on Equity approved by the Commission for FY 2026-27 (Rs. Crore) 193
Table 102: Non-Tariff Income projected by APDCL for FY 2026-27 (Rs. Crore) 194
Table 103: Non-Tariff Income approved for FY 2026-27 (Rs. Crore) 195
Table 104: Other Income claimed by APDCL for FY 2026-27 (Rs Crore) 196
Table 105: Other Income approved by the Commission for FY 2026-27 (Rs. Crore) ...197
Table 106: Aggregate Revenue Requirement for FY 2026-27 (Rs. Crore) 198
Table 107: ARR approved for APDCL by the Commission for FY 2026-27 (Rs. Crore) 198
Table 108: Cumulative Revenue Requirement for FY 2026-27 as submitted by APDCL (Rs. Crore) 200

Table 122: Cumulative Revenue Gap/(Surplus) for FY 2026-27 approved by the Commission (Rs. Crore) 201

Table 110: ACoS Projected by APDCL for FY 2026-27 204

Table 124: ACoS approved by the Commission for FY 2026-27 205

Table 125: ToD Tariff approved by the Commission for FY 2026-27 206

Table 127: Full Cost Tariff approved by the Commission for FY 2026-27 207

Table 127: Tariff after State Government Subsidy approved by the Commission for FY 2026-27 210

Table 128: Category-wise Cross-Subsidy approved for FY 2026-27.....213

Table 129: Separation of ARR for Wires and Retail Supply Business for FY 2026-27 as submitted by APDCL (Rs. Crore).....215

Table 130: Allocation Matrix for Separation of ARR for Wires Business and Retail Supply Business for FY 2026-27 216

Table 131: Separation of ARR for Wires Business and Retail Supply Business for FY 2026-27 (Rs. crore) 216

Table 132: Wheeling Charges as submitted by APDCL for FY 2026-27 217

Table 133: Wheeling Charges approved by the Commission for FY 2026-27 218

Table 134: Wheeling Losses approved by the Commission for FY 2026-27 218

Table 135: Category-wise CSS computed by APDCL for FY 2026-27 (Rs/kWh) 219

Table 136: Category-wise CSS approved by the Commission for FY 2026-27 (Rs/kWh) 221

Table 137: Green Energy Tariff proposed by APDCL for FY 2026-27 (Rs/kWh).....222

Table 137: Standby Charges proposed by APDCL for FY 2026-27 (Rs/kWh).....224

Table 139: Standby Charges approved by the Commission for FY 2026-27 (Rs/kWh) 225

List of Abbreviations

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

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

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

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

ASSAM ELECTRICITY REGULATORY COMMISSION

Guwahati

Present

Lt. Gen. Rana Pratap Kalita (Retd.), Chairperson
Shri Upananda Kataki, Member (Technical)

Petition No. 20/2025

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

ORDER
(Passed on March 6, 2026)

(1) APDCL filed a Petition for approval of True Up for FY 2024-25, APR for FY 2025-26, Revised ARR for FY 2026-27, and Tariff for FY 2026-27 on November 29, 2025. The same was registered as Petition No. 20/2025.

(2) The Commission held an Admissibility Hearing on December 12, 2025 and admitted the Petition, subject to submission of additional data and clarifications, as sought vide letter dated December 11, 2025.

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

(4) However, APDCL vide email dated 17.12.2025 requested the Commission for extension of dates for Newspaper Publication, due to intimation pending from the Government of Assam regarding commitment to continue the existing subsidy structure. The Commission vide Order dated 17.12.2025 extended the timelines for Newspaper publication.

(5) Accordingly, a Public Notice was issued by APDCL inviting objections/suggestions from stakeholders to be submitted on or before January 19, 2026. The Notice was published in six (6) leading newspapers of the State, and short notices were also published in three (3) of the leading newspapers of the State, as shown in the Table below:

Date	Name of Newspaper	Content Published
22.12.2025	The Assam Tribune	Public Notice in English
23.12.2025	Amar Asom	Public Notice in Assamese
23.12.2025	Jugasankha	Public Notice in Bengali
23.12.2025	Purbanchal Prahari	Public Notice in Hindi
23.12.2025	Bodosa	Public Notice in Bodo
23.12.2025	Thekar	Public Notice in Karbi
24.12.2025	The Times of India	Short Notice in English
24.12.2025	The Sentinel	Short Notice in English
24.12.2025	Asomiya Pratidin	Short Notice in Assamese

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

(7) In response to the Commission's letter dated December 11, 2025, APDCL submitted their replies on December 24, 2025.

(8) The Commission observed that there were some inconsistencies and discrepancies in the replies submitted by APDCL. In order to clarify the same, a Technical Validation Session (TVS) was conducted on January 6, 2026. The Commission sought more clarifications on the Petition from APDCL vide letters dated January 7, 2026 and February 4, 2026 and the respective replies were submitted by APDCL on January 19, 2026 and February 6, 2026.

(9) The Petitions were also discussed in the meeting of the State Advisory Committee (SAC) (constituted under Section 87 of the Electricity Act, 2003) held on January 21, 2026 at Bidyut Niyamak Bhawan, Six Mile, Guwahati.

(10) The Commission received written suggestions and objections from eleven (11) stakeholders on the Petitions filed by APDCL. The stakeholders were notified about the place, date and time of Hearing, to enable them to take part in the Hearing. A newspaper notice was also published inviting participation from the general public as well as the Respondents. The Hearing was held at Bidyut Niyamak Bhawan, Six Mile, Guwahati on February 4, 2026 as scheduled. All stakeholders/respondents who participated in the Hearing were given the opportunity to express their views on the Petitions. The details are discussed in the relevant Chapter of this Tariff Order.

(11) The Commission, now in exercise of its powers vested under Sections, 61, 62, 86 and 181 of the Electricity Act, 2003 and all other powers enabling it in this behalf and taking into consideration the submissions made by the Petitioner, objections and suggestions received from respondents/stakeholders and all other relevant materials on record, has approved the True-up for FY 2024-25, APR for FY 2025-26, Revised ARR for FY 2026-27, and determination of tariff for FY 2026-27, as detailed in subsequent Chapters of this Order.

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

(13) The approved Retail Supply Tariffs, Wheeling Charges and Cross-Subsidy Surcharge for FY 2026-27 shall be effective from April 1, 2026 and shall continue until replaced by another Order by the Commission.

(14) Accordingly, the Petition No. 20/2025 stands disposed of.

Sd/-	**Sd/-**
(Upananda Kataki)	**(Lt. Gen. Rana Pratap Kalita (Retd.))**
Member, AERC	**Chairperson, AERC**

1 INTRODUCTION

1.1 Constitution of the Commission

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

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

1.2 Tariff related Functions of the Commission

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

(a) To determine the tariff for electricity, wholesale, bulk or retail, as the case may be;

(b) To regulate power purchase and procurement process of the distribution utilities including the price at which the power shall be procured from the generating companies, generating stations or from other sources for transmission, sale, distribution and supply in the State;

(c) To promote competition, efficiency and economy in the activities of the electricity industry to achieve the objects and purposes of this Act;

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

(a) The principles and methodologies specified by the Central Commission for determination of the tariff applicable to generating companies and transmission licensees;

(b) That the electricity generation, transmission, distribution and supply are conducted on commercial principles;

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

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

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

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

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

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

1.3 Background

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

Company, viz., Assam Power Distribution Company Limited (APDCL) was formed.

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

1.4 Multi Year Tariff Regulations, 2021

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

1.5 Multi Year Tariff Regulations, 2024

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

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

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

(i) Submission of a Multi-Year Tariff Petition by the Applicant at the beginning of

the control period, comprising forecast of Aggregate Revenue Requirement for the entire Control Period and expected revenue from existing tariff and Charges, expected revenue gap or surplus, for each year of the Control Period, and proposed tariff and charges for ensuing year, i.e. first year of the Control Period:

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

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

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

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

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

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

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

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

(viii) The applicant shall, along with the tariff petition, submit a statement on the

status of compliance of directives, if any, issued by the Commission in its previous tariff order;

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

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

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

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

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

1.5.3 Regulation 8.1 of the MYT Regulations, 2024, specifies the framework for truing up and APR, as reproduced below:

"8.1 Where the aggregate revenue requirement and expected revenue from tariff and charges of a Generating Company or Transmission Licensee or Distribution Licensee or SLDC is covered under a Multi-Year Tariff framework, then such Generating Company or Transmission Licensee or Distribution Licensee or SLDC, as the case may be, shall be subject to an annual performance review and true up during the Control Period in accordance with this Regulation.

8.2 The Generating company, Transmission Licensee, SLDC and the Distribution Licensee shall file an application for annual performance review of current year,

true-up of previous year and tariff for the ensuing year not less than 120 days before the close of each year of the control period.

Provided that the Generating Company or Transmission Licensee or Distribution Licensee or SLDC, as the case may be, submit to the Commission information in such form as may be stipulated by the Commission, together with the Accounting Statements, extracts of books of account and such other details as the Commission may require to assess the reasons for and extent of any variation in financial performance from the approved forecast of Aggregate Revenue Requirement and actual revenue from tariff and charges.

Provided further that the Petition for Truing Up shall be accompanied by Audited Annual Accounts. However, the Petitioner shall make available the CAG report whenever the Commission asks for.

Provided also that the information sought by the Commission shall be submitted in the formats as prescribed by the Commission.

8.3 The scope of the Annual Performance review and True up shall b e a comparison of the actual performance of the Generating Company or Transmission Licensee or SLDC or Distribution Licensee with the approved forecast of Aggregate Revenue Requirement and expected revenue from tariff and charges and shall comprise the following:

a) ***True Up:*** *a comparison of the audited performance of the applicant for the previous financial year with the approved forecast for that financial year and truing up of expenses and revenue in line with Regulation 10 of this regulation including pass through of gain/loss pertaining to controllable and uncontrollable items;*

b) ***Annual Performance Review:*** *a comparison of the performance targets estimated to be achieved for the current financial year (based on 6 months actual data) with the approved forecast for that financial year including adjusting trajectories of uncontrollable if needed.*

c) Categorisation of variations in performance with reference to approved forecast into factors within the control of the applicant (controllable items) and those caused by factors beyond the control of the applicant (un-controllable items):

Provided such categorization of the controllable and uncontrollable items shall be done in accordance with Regulation 10 of this regulation.

8.4 Upon completion of the review, the Commission shall attribute any variations or expected variations in performance, for variables specified under Regulation 10 below, to factors within the control of the applicant (controllable items) or to factors beyond the control of the applicant (uncontrollable items):

Provided that any variations or expected variations in performance, for variables other than those specified under Regulation 10 below, shall not be reviewed by the Commission during the Control Period and shall be attributed entirely to controllable items:

Provided however, that where the applicant or any interested or affected party believes, for any variable not specified under Regulation 10 below that there is a material variation or expected variation in performance, for any financial year, on account of uncontrollable items, such applicant or interested or affected party may apply to the Commission for inclusion of such variable, during the Annual Performance Review for such financial year.

8.5 Upon completion of the True-Up and Annual Performance Review, the Commission shall pass an order recording-

a) The approved aggregate gain or loss to the Generating Company or Transmission Licensee or Distribution Licensee or SLDC on account of controllable items and the amount of such gains or such losses that may be shared in accordance with Regulation 12:

b) The approved modifications to the forecast of the Generating Company or Transmission Licensee or Distribution Licensee or SLDC for the ensuing financial year; and

c) Revision of estimates for the ensuing financial year, if required, based on the audited financial results for the previous financial year."

1.6 Procedural History

1.6.1 As per Regulation 8.2 of the MYT Regulations, 2024, APDCL is required to file an application for approval of Truing up for FY 2024-25, APR for FY 2025-26, ARR for FY 2026-27, and determination of Tariff for FY 2026-27, not less than 120 days before the

close of the current financial year.

1.6.2 APDCL filed its Petition for approval of True-up for FY 2024-25, APR for FY 2025-26, ARR for FY 2026-27, and determination of Tariff for FY 2026-27 (Petition No. 20/2025) on November 29, 2025.

1.6.3 The Commission held an Admissibility Hearing on December 12, 2025 and admitted the Petition, subject to submission of additional data and clarifications, as sought vide letter dated December 11, 2025.

1.6.4 However, APDCL vide email dated 17.12.2025 requested the Commission for extension of dates for Newspaper Publication, due to intimation pending from the Government of Assam regarding commitment to continue the existing subsidy structure. The Commission vide Order dated 17.12.2025 extended the timelines for Newspaper publication.

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

1.6.6 Accordingly, a Public Notice was issued by APDCL inviting objections/suggestions from stakeholders to be submitted on or before January 19, 2026. The Notice was published in six (6) leading newspapers of the State, and short notices were also published in three (3) of the leading newspapers of the State, as shown in the Table below:

Date	Name of Newspaper	Content Published
22.12.2025	The Assam Tribune	Public Notice in English
23.12.2025	Amar Asom	Public Notice in Assamese
23.12.2025	Jugasankha	Public Notice in Bengali
23.12.2025	Purbanchal Prahari	Public Notice in Hindi
23.12.2025	Bodosa	Public Notice in Bodo
23.12.2025	Thekar	Public Notice in Karbi
24.12.2025	The Times of India	Short Notice in English
24.12.2025	The Sentinel	Short Notice in English
24.12.2025	Asomiya Pratidin	Short Notice in Assamese

(15) In response to the Commission's letter dated December 11, 2025, APDCL submitted their replies on December 24, 2025.

(16) The Commission observed that there were some inconsistencies and discrepancies in the replies submitted by APDCL. In order to clarify the same, a Technical Validation Session (TVS) was conducted on January 6, 2026. The Commission sought more clarifications on the Petition from APDCL vide letters dated January 7, 2026 and February 4, 2026 and the replies were submitted by APDCL on January 19, 2026 and February 6, 2026.

(17) The Petitions were also discussed in the meeting of the State Advisory Committee (SAC) (constituted under Section 87 of the Electricity Act, 2003) held on January 21, 2026 at Bidyut Niyamak Bhawan, Six Mile, Guwahati.

(18) The Commission received written suggestions and objections from eleven (11) stakeholders on the Petitions filed by APDCL. The stakeholders were notified about the place, date and time of Hearing, to enable them to take part in the Hearing. A newspaper notice was also published inviting participation from the general public as well as the Respondents. The Hearing was held at Bidyut Niyamak Bhawan, Six Mile, Guwahati on February 4, 2026 as scheduled. All stakeholders/respondents who participated in the Hearing were given the opportunity to express their views on the Petitions. The details are discussed in the relevant Chapter of this Tariff Order.

1.6.7 All the written representations submitted to the Commission and oral submissions

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

1.7 The 37th Meeting of State Advisory Committee

1.7.1 Meeting of the State Advisory Committee (SAC) (constituted under Section 87 of the Act) was convened on January 21, 2026. During the 37th SAC meeting, the Tariff Petitions filed by APGCL, AEGCL, SLDC and APDCL for FY 2026-27 were discussed. The Minutes of the 37th SAC Meeting are attached as **Annexure 1**.

2 Summary of APDCL's Petition

2.1 Background

2.1.1 APDCL submitted the Petition on November 29, 2025 seeking approval for True up for FY 2024-25, APR for FY 2025-26, ARR for FY 2026-27, and Tariff for FY 2026-27.

2.2 True-up for FY 2024-25

2.2.1 APDCL submitted the True-up for FY 2024-25 based on the statement of accounts duly audited by the Statutory Auditor. The summary of ARR and Revenue Gap/(Surplus) claimed by APDCL for FY 2024-25 is shown in the following Table:

Table 1: True Up for FY 2024-25 as submitted by APDCL (Rs. Crore)

Sl. No.	Particulars	Approved	APDCL Submission
1	Cost of power purchase	9,562.52	9,289.07
2	Operation & Maintenance Expenses	1,449.53	1,383.67
2.1	*Employee Cost*	*1,006.63*	*937.51*
2.2	*Repair & Maintenance*	*323.71*	*320.46*
2.3	*Administrative & General Expenses*	*119.19*	*125.71*
3	Depreciation	67.37	106.97
4	Interest and Finance Charge	9.74	11.49
5	Interest on Working Capital	30.82	22.35
6	Other Debits incl. Provision for Bad Debt	5.57	29.06
7	Interest on Consumer security deposit	65.95	81.76
	Sub Total (1+2+(3 to 7))	**11191.50**	**10924.38**
8	Return on Equity	171.41	174.61
9	**Total Expenditure (7 to 8)**	**11362.91**	**11098.99**
10	Less: Non-Tariff Income	388.51	382.18
11	Sharing of efficiency gain/(losses)		
	a) excess power purchase cost due to distribution losses	-	(47.52)

Sl. No.	Particulars	Approved	APDCL Submission
	b) Sharing of gains/(losses) on account of O&M expenses	-	(73.09)
12	**Aggregate Revenue Requirement**	**10974.40**	**10596.20**
13	Revenue with approved Tariff (including Targeted Subsidy)	10647.19	9396.57
14	Other Income (Consumer Related)	1454.96	1065.09
15	**Total Revenue before Other Subsidy (13+14)**	**12102.15**	**10461.66**
16	**Other subsidy/Revenue Grant**		
	a. Revenue Subsidy for power purchase		150.00
	b. Revenue Grant-Smart meter & other		156.83
	c. Adjustment of Tariff Subsidy		578.19
17	**Total Revenue after Other Subsidy**	**12102.15**	**11346.67**
18	**Standalone Revenue Gap/(Surplus) for FY 2024-25**	**(1127.75)**	**(750.48)**
19	**True up adjustment**		
	Revenue Gap/(Surplus) from True up for FY 2022-23 including Carrying Cost	1127.75	1127.75
20	**Gross Revenue Gap/(Surplus)**	**0.00**	**377.27**

2.3 Annual Performance Review (APR) for FY 2025-26

2.3.1 APDCL submitted the APR for FY 2025-26, based on the actuals of the first half (H1) of the year and projections for the second half (H2) of the year, as shown in the Table below:

Table 2: APR for FY 2025-26 as submitted by APDCL (Rs. Crore)

Sl. No.	Particulars	Approved	APDCL Submission
1	Cost of power purchase	10,020.60	10,062.18
2	Operation & Maintenance Expenses	1,410.69	1,355.83
2.1	*Employee Cost*	*918.96*	*986.11*
2.2	*Repair & Maintenance*	*263.19*	*243.94*
2.3	*Administrative & General Expenses*	*228.54*	*125.79*
3	Depreciation	72.97	107.45
4	Interest and Finance Charge	10.94	10.26
5	Interest on Working Capital	-	-
6	Other Debits incl. Provision for Bad Debt	-	29.35
7	Interest on Consumer security deposit	62.22	87.69
8	**Sub Total (1+2+(3 to 7))**	**11,577.42**	**11,652.76**
9	Return on Equityx	178.66	181.77
10	**Total Expenditure (8 to 9)**	**11,756.08**	**11,834.53**
11	Less: Non-Tariff Income	303.87	369.67
12	Assessed impact of revision in ToD timeslots and tariff	130.00	145.38
13	**Aggregate Revenue Requirement (10-11+12)**	**11,582.22**	**11,610.23**
14	Revenue with approved Tariff (including Targeted Subsidy)	10,637.54	10,358.34
15	Other Income (Consumer Related)	1,044.88	1,193.25
16	**Total Revenue Before Other Subsidy**	**11,682.42**	**11,551.59**
17	Other subsidy/Revenue Grant	-	-
18	**Total Revenue after subsidy**	**11,682.42**	**11,551.59**
19	**Stand-alone Revenue Gap/(Surplus) for FY 2025-26**	**(100.20)**	**58.64**
20	**True up adjustment**		
	Revenue Gap/(Surplus) from True up for FY 2023-24	100.20	100.20
21	**Gross Revenue Gap/(Surplus)**	**-**	**158.84**

2.4 Revised Aggregate Revenue Requirement (ARR) for FY 2026-27

2.4.1 APDCL has projected the Revised ARR for FY 2026-27 as detailed in the Table below:

Table 3: Revised ARR for FY 2026-27 as submitted by APDCL (Rs. Crore)

Sl. No.	Particulars	Approved in MYT Order	APDCL Submission
1	Cost of power purchase	10,559.45	10,483.05
2	Operation & Maintenance Expenses	1,509.30	1,425.88
2.1	*Employee Cost*	*972.69*	*1,031.36*
2.2	*Repair & Maintenance*	*291.68*	*264.33*
2.3	*Administrative & General Expenses*	*244.93*	*130.18*
3	Depreciation	71.67	153.94
4	Interest and Finance Charge	11.76	11.35
5	Interest on Working Capital	-	14.70
6	Other Debits incl. Provision for Bad Debt	-	14.82
7	Interest on Consumer security deposit	62.22	78.92
8	**Sub Total (1+2+(3 to 7))**	**12,214.40**	**12,182.64**
9	Return on Equity	183.49	190.33
10	**Total Expenditure (8 to 9)**	**12,397.89**	**12,372.97**
11	Less: Non-Tariff Income	290.27	379.11
12	Assessed impact of revision in ToD timeslots and tariff	-	163.21
13	Less: Other Income (Consumer Related)	1,213.79	877.29
14	**Aggregate Revenue Requirement (10-11+12-13)**	**10,893.83**	**11,279.78**

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

Table 4: Cumulative Revenue Gap as projected by APDCL till FY 2026-27 (Rs. Crore)

Sl. No.	Particulars	Rate of Interest	Amount (Rs. Crore)
1	**True up for FY 2024-25**		
2	Gross revenue Gap after true-up for FY 2024-25		377.27
3	Carrying/(Holding) cost for FY 2024-25 (half Year)	11.88%	22.41
4	Carrying/(Holding) cost for FY 2025-26 (full Year)	11.90%	44.90
5	Carrying/(Holding) cost for FY 2026-27 (half Year)	11.90%	22.45
6	Total carrying cost		89.76
7	**Grand total**		**467.03**
8	Standalone ARR for FY 2026-27		11,279.78
9	**Cumulative Revenue Requirement for FY 2026-27**		**11,746.81**
10	**Revenue at existing tariff with projected sales**		**11,726.60**
11	**Total Revenue Gap/(Surplus)**		**20.21**

2.4.3 APDCL has projected retail sale of 13,182 MU during FY 2026-27. Thus, average cost of supply to recover entire cumulative amount of Rs. 11,747 Crore during FY 2026-27 is projected as Rs. 8.91 per kWh, as compared to the approved cost of supply per unit of Rs. 8.72/kWh for FY 2025-26.

2.4.4 APDCL has projected a Revenue Gap of Rs. 20 Crore for FY 2026-27. APDCL submitted that the recovery of Revenue Gap of Rs. 20 Crore requires a miniscule increase of 1.53 paise/kWh over the projected Average Billing Rate (ABR) of Rs. 8.90/kWh for FY 2026-27. APDCL submitted that new policy interventions like green tariff, and green energy open access are potential sources of additional revenue stream for APDCL. APDCL proposed to recover the projected Revenue Gap through such new policy initiatives. Hence, APDCL proposed to continue with the prevalent tariff structure approved by the Commission for FY 2025-26, without any hike for all categories of consumers for FY 2026-27.

2.5 Prayers of APDCL

2.5.1 APDCL, in its Petition, has prayed as under:

a. To admit the petition for true-up of ARR for FY 2024-25.

b. To approve the amount of revenue gap on true-up of ARR for FY 2024-25 as mentioned above.

c. To admit the petition for Annual Performance Review for FY 2025-26.

d. To approve the amount of revenue gap for Annual Performance Review for FY 2025-26.

e. To admit the petition for Aggregate Revenue Requirement for FY 2026-27

f. To approve the amount of Aggregate Revenue Requirement for FY 2026- 27.

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

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

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

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

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

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

3.1.1 The Commission received objections/suggestions from the following eleven (11) stakeholders on the Petition filed by APDCL.

Sl. No.	Name of objector
1.	Assam Branch of India Tea Association (ABITA)
2.	All India Manufacturers Organisation, Assam State Board (AIMO)
3.	Assam Oxygen Manufacturers Association (AOMA)
4.	Shri Amarendra Goswami, Member State Advisory Committee
5.	Consumer Advocacy Cell (CAC)
6.	Federation of Industries and Commerce of North Eastern Region (FINER)
7.	Power Foundation of India (PFI)
8.	Gauhati University (GU)
9.	Commander Works Engineers (Air Force), Borjhar, Guwahati
10.	Military Engineering Service, Jorhat
11.	Military Engineering Service, Garrison Engineer (Air Force), Dibrugarh

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

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

3.1.4 The Commission held Public Hearing at the Bidyut Niyamak Bhawan, Six Mile, Guwahati on 4th Feb, 2026.

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

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

3.1.7 The objections/suggestions made by the stakeholders and responses of the Petitioner

are briefly dealt with in this Chapter. The major issues raised by the objectors are discussed below along with the response of APDCL and views of the Commission.

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

Issue 1: Sales

Stakeholders' Comments

ABITA mentioned that the actual sales in FY 2024-25 in most of the categories has increased beyond 10%, however, APDCL has overestimated sales growth in several categories for FY 2025-26 and FY 2026-27, as compared to historical trends. ABITA analysed the historical sales growth trends and revised the sales growth estimates by reducing the projections of 10% or higher across categories as considered by APDCL capping excessive growth rates, resulting in a lower total sales projection of 10,904 MU for FY 2025-26 against APDCL's projection of 11,462 MU. ABITA requested the Commission to consider its more reasonable sales projections for the tariff determination process.

CAC submitted that the True-Up shows a 662.11 MU shortfall against approved sales, with unexplained declines across LT and commercial categories. The Petitioner should complete smart meter installation, serve bills effectively, and implement energy auditing at LT points to identify technical losses, as the current hybrid system is insufficient to explain the drop in consumption.

FINER submitted that APDCL's projected electricity sales of 11,462 MU for FY 2025-26 implies a 9.35% growth over audited sales in FY 2024-25, which is significantly higher than the actual 4.67% growth achieved in FY 2024-25, and since, APDCL has not provided supporting analysis or justification, the Commission should scrutinize the projections and adopt a more realistic sales growth assumption based on historical trends and audited data. Additionally, FINER submitted that APDCL's sales projections for FY 2026-27 are unrealistic and inconsistent, and requested the Commission to adopt data-driven, historically aligned growth assumptions.

PFI submitted that APDCL's sales projection of 13,182 MU for FY 2026-27 is unrealistic, showing abrupt 15–50% category-wise growth versus past trends. Using a 2-year CAGR based on actual and revised past sales, PFI projected sales of 11,953 MU for FY 2026-27 and requested the Commission to adopt this figure, with any variations in sales and power purchase costs being recovered via FPPAS.

Reply of APDCL

APDCL submitted that energy sales for FY 2025-26 and FY 2026-27 have been projected in line with APDCL's Resource Adequacy Plan under AERC (Framework for Resource Adequacy) Regulations, 2024, and have been submitted to the Commission for approval.

APDCL submitted that the observation regarding a fall in energy sales is denied, as there is a positive growth of 4.67% in FY 2024-25 as compared to FY 2023-24.

APDCL submitted that the projected electricity sales of 11,462 MU for FY 2025-26, reflecting 9.35% growth over FY 2024-25, are based on detailed category-wise forecasts and the Resource Adequacy Plan, and requested the Commission to approve these projections for tariff determination.

APDCL submitted that the projected sales of 13,182 MU for FY 2026-27, reflecting 15% growth, are based on category-wise forecasts, historical CAGRs, economic recovery, industrial loads, EV penetration, and resource adequacy studies, and requested the Commission to approve the projections.

APDCL submitted that energy sales for FY 2026-27 had been projected in line with AERC (Framework for Resource Adequacy) Regulations, 2024, considering both business-as-usual and optimistic scenarios, with growth driven by expansion of HT consumers, economic growth, network upgrades, and emerging technologies, and that apparent aberrations in year-on-year category growth were due to small base effects and would normalize over the long term.

Commission's View

The Commission has considered the actual category-wise sales in first half (H1) of FY 2025-26 and the category-wise sales estimated by APDCL for second half (H2) of FY 2025-26, for estimating the sales for FY 2025-26, as the pattern of sales in H1 and H2 considered by APDCL are appropriate. For FY 2026-27, the Commission has considered the past trend in category-wise sales and appropriate growth rate for projecting the category-wise sales.

The Commission in its Order dated 24.09.2025, on APDCL's Petition seeking approval of

the Resource Adequacy (RA) Report as prepared by the Central Electricity Authority (CEA) based on demand and input data provided by APDCL has stated as under:

"Further, the Commission has already issued MYT demand projections up to FY 2029-30. Accordingly, any variations between APDCL's projections and CEA's final demand forecast shall be duly explained and subjected to prudence check during future tariff proceedings. APDCL shall also ensure that the assumptions used in the RA Plan remain aligned with actual performance and realistic projections specific to the State of Assam.

Accordingly, the Commission is hereby pleased to consider the Prayers for RA in future, if necessary and appropriate."

The category-wise sales approved by the Commission for FY 2025-26 and FY 2026-27 are detailed in the relevant Chapters of this Order.

Issue 2: Distribution Loss

Stakeholders' Comments

ABITA and FINER submitted that APDCL has registered a distribution loss of 15.44% for FY 2024-25, exceeding the approved target of 14.50%, which has surpassed even the FY 2021-22 benchmark agreed to under UDAY Scheme**.** ABITA, FINER, and CAC strongly opposed APDCL's justification of disproportionate HT:LT ratio with increased length of LT network. The Respondents submitted that similar challenges have been successfully managed in States like Himachal Pradesh and Uttarakhand having difficult hilly terrain. ABITA mentioned that Assam ranks 43th in T&D loss performance according to the 2024 Report on Performance of Power Utilities by PFC**,** further indicating that APDCL's under-achievement of distribution losses is not justified. Given that distribution losses are a controllable factor under MYT Regulations, 2021, APDCL's failure to meet its UDAY commitments should not result in additional costs being passed on to consumers.

The Respondents observed that the Petitioner has projected lower distribution loss of 13.50% for FY 2025-26 and 13% for FY 2026-27, however, performance in actual is always 1-1.2% higher.

The Respondents requested the Commission to approve a stricter loss trajectory starting at 13.50% in FY 2025-26 and 13% in FY 2026-27**,** ensuring accountability and efficiency improvements within APDCL.

FINER submitted that APDCL's distribution loss assumptions for FY 2025-26 and FY 2026-27 are unrealistic given historical underperformance, and requested the Commission to scrutinize and align loss projections with approved trajectories and past trends to protect consumers.

PFI submitted that the Petitioner has claimed losses higher than those approved by the Commission for FY 2024-25. In line with past True-Up principles and actual loss data, PFI requested the Commission to allow Distribution Loss at the approved level of 14.50%, STU Loss at the actual level of 3.24%, and CTU Loss at 3.49% in the true-up for FY 2024-25.

PFI submitted that Petitioner's claim of Rs. 48 Crore incremental loss due to higher distribution loss is incorrectly computed. Based on excess procurement of 58 MU attributable to higher losses, PFI has recalculated the excess power purchase cost at the average rate of Rs. 5.12/kWh, amounting to Rs. 20 Crore This inefficiency should not be passed on to consumers and should be reduced from APDCL's power purchase cost, to be borne by the Government of Assam as subsidy.

During the Public Hearing, PFI submitted that the target distribution losses are already higher than that approved and achieved by several other Distribution Licensees, hence, the distribution loss reduction trajectory may be re-stated to be in line with the loss levels achieved in other States.

Reply of APDCL

APDCL submitted that the marginally higher distribution losses are driven by Assam-specific ground realities - extensive LT network expansion under electrification schemes, rising LT demand, infrastructure rollout constraints, and non-comparability with other States - while confirming that efficiency losses have been computed strictly in line with regulatory norms and prudent Utility practices.

APDCL submitted that the request to reduce power purchase cost by Rs. 20 Crore on account of higher distribution and transmission losses was invalid in view of the explanations already furnished in the preceding paragraphs.

APDCL submitted that it is making continuous efforts to ensure reliable power and reduce distribution losses through measures like Smart Metering and system improvements, that higher LT demand from universal electrification and CAPEX delays have contributed to losses, and comparisons with HP or Uttarakhand are not valid due to different

consumption patterns, and despite operational constraints, significant loss reduction has been achieved with further reductions becoming increasingly challenging.

APDCL submitted that the 15.44% distribution loss for FY 2024-25 reflects the audited figure, showing improvement from 15.50% in FY 2023-24 despite Assam's geographical and consumer mix challenges, and requested the Commission to approve this along with the gain/loss sharing computation to support sustainable operations and loss reduction initiatives.

APDCL submitted that the FY 2025-26 sales and energy projections incorporate the approved 13.50% distribution loss trajectory, with seasonal H1 losses expected to improve in H2 through smart metering, feeder segregation, and theft control, and requested the Commission to approve the projections.

APDCL submitted that the sales and energy requirement in FY 2026-27 have been projected in the Tariff Petition based on the approved 13.00% distribution loss level .

APDCL submitted that distribution losses had been structurally impacted by an adverse LT consumer mix and universal electrification obligations, yet sustained loss-reduction measures had narrowed the deviation from approved losses from 13% to 6.5% over four years, with the Utility bearing the impact of higher losses by factoring excess power purchase cost into efficiency loss sharing and reducing the applicable two-thirds portion in the True-up Petition.

Commission's View

The Commission has considered the distribution loss trajectory for the respective years as approved in the respective Tariff/MYT Orders, viz., 14.50% for FY 2024-25, 13.50% for FY 2025-26, and 13.00% for FY 2026-27.

The details of the Distribution Loss approved for the respective years are elaborated in the respective Chapters of this Order.

As distribution losses are a controllable parameter, the Commission has considered the approved Distribution Loss level and disallowed 2/3rd of the excess power purchase cost in the true-up of FY 2024-25 as per the MYT Regulations, 2021, as elaborated in Chapter 4 of this Order.

As regards the suggestion regarding re-statement of the distribution loss reduction trajectory, it is clarified that the Commission has stipulated the same in the MYT Order for the Control Period from FY 2025-26 to FY 2029-30 based on the actual distribution losses

and ensuring steady improvement, as elaborated in the MYT Order. It would not be appropriate to re-state the distribution loss reduction trajectory during the Control Period.

APDCL should take concerted efforts to ensure that the actual distribution losses are equal to or lower than the approved distribution losses, so that the benefits of lower distribution losses can be passed on to the consumers.

Issue 3: Energy Balance

Stakeholders' Comments

ABITA and FINER objected to the Petitioner's failure to meet the approved distribution loss targets and calculation of power purchase requirements based on actual losses for FY 2024-25. The Respondent requested the Commission to determine energy requirements strictly based on the approved loss levels as per the Tariff Order of 2024-25 to ensure efficiency and accountability and disallow the excessive power purchase quantum of 139 MU.

ABITA requested the Commission to adopt the revised projections for FY 2025-26 and FY 2026-27 as proposed by the Respondent, to ensure efficiency improvements and prevent excessive energy procurement costs due to inflated loss assumptions.

PFI submitted that it has accepted APDCL's energy procurement for FY 2024-25 of 15,556 MU based on audited accounts but, after applying approved/prudent loss levels, recomputed the requirement at 15,498 MU, indicating excess procurement of 58 MU. The cost of this excess power, arising from higher claimed losses, should not be passed on to consumers and should be borne by the Government of Assam as subsidy.

PFI requested the Commission to allow Distribution Loss at the approved level of 14.50%, STU Loss at the actual level of 3.24%, and CTU Loss at 3.49% in the true-up for FY 2024-25. PFI submitted that, based on a revised sales projection of 11,953 MU for FY 2026-27 and applying APDCL's claimed distribution loss (13%), intra-State transmission loss (3.19%), and inter-State transmission loss (2.52%), the recomputed Energy Balance is 16,476 MU. PFI requested the Commission to adopt this figure instead of APDCL's figure of 17,972 MU.

Reply of APDCL

APDCL submitted that the energy balance has been prepared strictly on the basis of actual sales and power purchase, the sharing of gain/loss from distribution loss deviation has been computed as per governing Regulations, and the Commission is requested to

disregard the respondent's submission in entirety.

APDCL submitted that the respondent's proposal is based on presumptive assessments already countered and substantiated, lacks substantive merit, and should be disregarded by the Commission.

APDCL submitted that the energy requirement of 15,556 MU for FY 2024-25 accounts for the audited 15.44% distribution loss, and requested the Commission to approve this to ensure supply reliability.

APDCL acknowledged inconsistency in figures, with energy requirement for FY 2024-25 computed considering seasonal export of 2,287.50 MU and actual losses in the energy balance, while the impact of higher-than-approved distribution loss has been addressed by bearing two-thirds of the excess power purchase cost without burdening consumers, in line with governing Regulations.

APDCL submitted that STU and CTU losses had been claimed on actual basis as reported in the Annual Energy Audit Report for FY 2024-25, published in compliance with the Bureau of Energy Efficiency Energy Audit Regulations, 2021.

Commission's View

The Commission has computed the Energy Balance considered the approved sales, distribution loss trajectory for the respective years as approved in the respective Tariff/MYT Orders, viz., 14.50% for FY 2024-25, 13.50% for FY 2025-26, and 13.00% for FY 2026-27. The intra-State Transmission Losses for FY 2024-25 have been considered at actuals, i.e., 3.24%, as any efficiency losses on this account are to be borne by AEGCL rather than APDCL. For FY 2024-25 and FY 2025-26, the Commission has considered the intra-State Transmission Losses as 3.21% and 3.19%, respectively, as approved in the Tariff Order for AEGCL.

The inter-State Transmission Losses for FY 2024-25 has been considered based on the actual losses. For FY 2025-26, the inter-State transmission losses have been considered by applying the actual losses on the energy quantum purchased from outside the State. For FY 2026-27, the inter-State transmission losses have been considered as approved in the MYT Order on the projected quantum of energy purchase from outside the State.

The details of the Energy Balance approved for the respective years are elaborated in the respective Chapters of this Order.

Issue 4: Power Purchase Cost

Stakeholders' Comments

ABITA submitted that the Petitioner's power purchase cost was lower than the approved levels by Rs. 32 Crore. Also, APDCL purchased power at Rs 5.97/kWh but exported surplus power at very low rate of 3.91/kWh incurring a loss of Rs. 471 Crore. ABITA requested the Commission to exclude export power quantum, limit power purchase quantum to sales within Assam plus 14.50% normative loss and direct APDCL for advance procurement planning via DEEP e-bidding portal.

FINER submitted that in accordance with Regulation 27 of the MYT Regulations, 2021, power procurement must be undertaken only from sources approved by the Commission and without increasing the approved procurement cost; however, APDCL has procured power from unapproved sources such as bilateral/traders, Patanjali Solar, and BRBCL, and has also claimed costs for NEEPCO (Khandong Hydro) and NTPC (Farakka III) without indicating corresponding energy quantum. FINER requested the Commission to disallow such unapproved and unsupported power procurement costs while determining the allowable power purchase quantum and cost.

CAC submitted that power purchase and transmission costs form 90% of APDCL's budget, but consumers cannot directly challenge high CERC-approved rates due to resource constraints. APDCL should take necessary action to contest these costs to ensure fair and optimal tariffs for consumers in Assam.

Further, the Petitioner's actual drawal from budgeted sources shows wide variation, forcing procurement from costly Power Exchange, thereby inflating tariffs. In FY 2024-25, CPSU and NTPC charges exceeded budgeted rates, while Power Exchange rates were lower. There is scope for pragmatic energy procurement planning and real-time monitoring. The proposed 3,200 MW Assam plant may create a monopoly and pose a risk of power shortage as in all probability, this plant will supply almost 80% of APDCL's power requirement, effectively granting monopoly status to the producer, which is not aligned with healthy business practices; a Public Hearing and compliance with Sections 61 and 63 of the EA 2003 are necessary.

CAC requested that the Petitioner must furnish a detailed breakup of fixed and energy costs of all projects supplying power in the True-Up and Annual Performance Review Petitions. Without the fixed cost component, energy cost claims, including fuel price hike adjustments, cannot be justified. Observed energy price increases do not align with actual

international fuel price trends or with CPI/WPI movements in the economy.

FINER submitted that although APDCL's actual power purchase quantum (15,555.90 MU) is lower than the Commission-approved level (16,299.56 MU), it has claimed a higher average power purchase rate of Rs. 5.12/kWh (vs. approved rate of Rs. 5.02/kWh), resulting in an excess claim of Rs. 164.28 Crore, which should be disallowed by applying the approved rate to the actual quantum.

AIMO submitted that procurement from high-cost power sources has inflated power purchase cost, which should be reviewed, with emphasis on shifting to competitive, lower-cost sources to reduce the burden on consumers. In its rejoinder to APDCL's reply, AIMO submitted that the continued reliance on high-cost short-term power clearly indicates a structural planning gap, the burden of which is ultimately passed on to the consumers.

AIMO added that APDCL is purchasing extremely costly power from sources such as solar power @Rs. 8.78/kWh and Rs. 12.74/kWh for bundled power, which are significantly higher than prevailing benchmarks. AIMO reiterated that that least-cost procurement is a continuous obligation, not a one-time approval.

ABITA submitted that APDCL has projected excessively high power purchase costs for FY 2025–26 and FY 2026–27 due to inflated sales projections, reliance on costlier power sources, and unwarranted seasonal exports, and has therefore, recalculated power purchase costs based on the Commission-approved average rate and requested the Commission to undertake a strict prudence check and disallow surplus energy allocation for seasonal exports and other non-essential transactions to protect consumer interest.

FINER submitted that APDCL's power purchase projections for FY 2025-26, derived from projected sales and loss assumptions, must be carefully examined to ensure realistic demand assessment, optimal use of lower-cost sources, and avoidance of unnecessary financial burden on consumers. FINER highlighted that variable charges for H2 of FY 2025-26 are projected significantly higher than actual H1 rates without justification, which inflates the projected power purchase cost, and requested the Commission to allow costs only based on realistic, verifiable, and regulatorily aligned variable rate assumptions.

FINER submitted that APDCL's power purchase projections for FY 2026-27 are inflated, with higher rates assumed for existing and new sources, and requested the Commission to allow power purchase costs only based on realistic, verifiable variable rates aligned with actual trends to avoid burdening consumers.

During the Public Hearing, FINER submitted that rather than selling the surplus power at a discount to purchase rates in the Power Exchange, the surplus power should be made available to the consumers within the State, at approved tariff, which will reduce the loss on such surplus power sales for APDCL.

PFI submitted that due to changes in coal tax by GOI, FY 2026-27 Fixed and Energy Charges should remain at FY 2025-26 levels, reducing Power Purchase Cost by Rs. 357 Crore on account of Energy Charge Rate (ECR) and Rs. 458 Crore on account of lower sales, with any additional cost borne by the Government of Assam as subsidy.

During the Public Hearing, PFI submitted that in the absence of in-principle approval for bilateral power purchase, the Commission should cap the power purchase rate at the Average Power Purchase Cost (APPC).

During the Public Hearing, PFI also submitted that in line with the approach followed in Madhya Pradesh, APDCL should plan its power purchase based on hourly projections of demand and supply, which will ensure that the need for costly power purchase during peak hours is minimised and the need to sell surplus power at a discount to purchase rate will also be minimised.

During the Public Hearing, Shri Amarendra Goswami submitted that the power purchase cost claimed by APDCL includes Delayed Payment Surcharge, which should not be allowed.

Reply of APDCL

APDCL submitted that power purchase cost is being optimized as per Regulations, market reliance and surplus export are driven by Assam's load profile and PPAs, and that the respondent's claim of loss is misconceived and should not be considered by the Commission.

APDCL submitted that the respondent's proposal on energy sales and distribution losses is based on presumptive assessments already addressed, estimates ignoring real-time market conditions are flawed, and that surplus power export is undertaken prudently under Regulations to optimize costs, and that the respondent's claims are incomplete and should not be considered by the Commission.

APDCL submitted that it has participated in the proceedings on power purchase cost Petitions filed by various CPSUs by submitting its views and observations.

APDCL submitted that power demand in Assam is rising, and that competitive bidding has determined a tariff of Rs. 6.30/unit.

APDCL submitted that the Tariff Petition has been filed in accordance with the governing Regulations and all required information has already been submitted for the Commission's prudence check.

APDCL submitted that the full power purchase quantum and associated costs for FY 2024-25 reflect actual utilization, design energy estimates, hydro and gas availability constraints, and urgent procurement due to unprecedented demand growth, and requested the Commission to approve the submitted figures, including settlements like BRBCL, Patanjali Solar, NTPC Dadri-I allocation, and NERLDC charges.

APDCL submitted that the estimated variable cost of power purchase in H2 of FY 2025-26 reflect prudent escalations for coal, hydro, and transportation costs, with planning based on merit-order dispatch and realistic demand, and requested the Commission to approve the projections.

APDCL submitted that the power purchase quantum and cost are based on Tariff-Based Competitive Bidding (TBCB) and approved by the Commission.

APDCL submitted that the 5% escalation in Energy Charges for FY 2026-27 over actual rates in H1 of FY 2025-26 for thermal plants is reasonable, reflecting fuel, transportation, and other inflation-linked costs. Transmission Charges approved in the MYT Order dated 25.03.2025 have been applied conservatively, subject to true-up.

APDCL submitted that ECR impacts are plant-specific, and any uniform reduction as suggested by the stakeholder is unjustified. APDCL submitted that GST changes (5% → 18%) and abolition of Compensation Cess do not automatically reduce generation costs, and uniform Power Purchase Cost reduction across all sources is inappropriate, as APDCL procures power from a diverse mix of plants with distinct tariffs.

APDCL submitted that details of Delayed Payment Charges included in the power purchase cost for FY 2024-25 have already been submitted to the Commission. Further, no Delayed Payment Charges have been considered, while projecting the power purchase cost in the APR for FY 2025-26 and ARR for FY 2026-27.

Commission's View

The Commission has trued up the power purchase cost for FY 2024-25 based on the Audited Accounts and prudence check. The Delayed Payment Charges incurred by

APDCL have been disallowed in the true-up for FY 2024-25. The Commission's decision regarding the implication of APDCL not obtaining the Commission's specific approval for the short-term bilateral power purchase in FY 2024-25 and FY 2025-26 is elaborated along with the detailed analysis of power purchase costs in Chapter 4 and Chapter 5, respectively of this Order.

The detailed analysis of power purchase expenses for the respective years is elaborated in the relevant Chapters of this Order. The Commission has not factored any increase in power purchase rates in H2 of FY 2025-26 and FY 2026-27 as compared to actual rates in H1 of FY 2025-26, and any change in power purchase rates would be addressed through the FPPPA mechanism and the truing up exercise for that respective year. Further, no Delayed Payment Charges are included in the power purchase cost approved for FY 2025-26 and FY 2026-27.

Further, although APDCL has submitted the break-up of source-wise fixed charges and energy charges for FY 2024-25 as well as FY 2025-26 and FY 2026-27 in response to the Commission's queries, **henceforth, APDCL should ensure that such detailed information is made available in the Petition itself, to ensure proper transparency, and facilitate the stakeholders to make considered comments on the same**.

As regards the suggestion that a portion of the power purchase should be disallowed by applying the approved rate to the actual quantum of purchase, the Commission is of the view that such an approach is not appropriate, as the rate of power purchase is an uncontrollable parameter for APDCL, and APDCL cannot be denied pass through of the actual costs on account of the variation with respect to the rates approved in the Tariff Order, which are based on information available at that point in time.

As regards the objection to high cost power purchase from Solar plants and bundled solar power, it is clarified that these are much older contracts, entered into in the initial phase of solar power generation, when the prevalent rates for solar were much higher, ranging around Rs. 15-17 per kWh. Once the contracts have been entered, the same have to be honoured for the duration of the contract, even though the rate would be higher than the rates prevalent today.

As regards the suggestion that the surplus power should be made available to the consumers within the State at approved tariff, rather than selling the surplus power at a discount to purchase rates in the Power Exchange, the Commission is of the view that proper planning of the Power Purchase is required by APDCL.

Power purchase costs are the single biggest component of the ARR of APDCL, comprising around 92% of the stand-alone ARR approved for FY 2026-27, and it is obvious that unless the power purchase costs are optimized and controlled, the cost of supply and correspondingly, the tariff for the consumers cannot be controlled.

APDCL should rigorously explore means to tie-up cheaper power sources in the medium-term and long-term, and also ensure that all purchases are made in accordance with the Merit Order Despatch principles. Further, APDCL should consider the suggestion regarding making hourly projections of demand and supply, in order to minimise the need for costly power purchase during peak hours and the need to sell surplus power at a discount to purchase rate, which is a prudent Utility practice, in case the same is not being done at present. APDCL should also consider best-practices being followed in other States in this regard.

Further, the Commission has given certain directives regarding ensuring adherence to Merit Order Despatch principles in the relevant Chapter of this Order.

Issue 5: Sharing of gain/ (loss) on account of Higher Distribution Losses

Stakeholders' comments

ABITA submitted that due to higher-than-approved distribution losses in FY 2024-25, the excess power purchase cost has been proposed to be shared between APDCL and consumers, and accordingly requested the Commission to account for Rs. 81 Crore share of loss to be borne by APDCL while reducing the overall ARR during true-up.

Reply of APDCL

APDCL submitted that the respondent's proposal on higher distribution losses is assumption-based and not aligned with governing Regulations. Moreover, efficiency losses have already been accounted for in full regulatory compliance, and the respondent's submission should be disregarded by the Commission.

Commission's View

As distribution losses are a controllable parameter, the Commission has considered the approved Distribution Loss level and disallowed 2/3rd of the excess power purchase cost in the true-up of FY 2024-25 as per the MYT Regulations, 2021, as elaborated in Chapter 4 of this Order.

Issue 6: O&M Expenses

Stakeholders' Comments

ABITA and FINER submitted that APDCL has overstated its O&M expenses for FY 2024–25 by claiming Rs. 1,383.68 Crore against audited actuals of Rs. 1,297.24 Crore, resulting in an excess claim of Rs. 86.44 Crore, including unjustified booking of revenue billing and collection expenditure under R&M expenses and substantial "Other Debits" under A&G expenses, and requested the Commission to restrict allowable O&M expenses to audited levels and disallow the excess to protect consumer interest.

ABITA submitted that APDCL's projected O&M expenses for FY 2025–26 and FY 2026–27, particularly employee cost, R&M expenses, and A&G expenses are overstated compared to actuals, and therefore, recalculated these components based on declining employee cost trends, realistic growth factors, lower R&M intensity with asset additions, and MYT Regulations, 2024 and requested the Commission to consider the revised, more realistic O&M expenses.

FINER submitted that APDCL's Employee Expenses for FY 2025-26 are projected significantly higher than FY 2024-25 actuals, with an unsupported 1% growth factor and no details on manpower, pay revisions, or productivity, and requested the Commission to disallow the arbitrary growth and restrict Employee Expenses to audited FY 2024-25 levels escalated only by CPI inflation. Additionally, APDCL's claim of Rs. 5.61 Crore as "Statutory Fees" under A&G Expenses is not allowed under MYT Regulations, 2024 and should be disallowed.

FINER submitted that APDCL's Employee Expenses for FY 2026-27 are overstated and lack justification, the 1% growth factor is arbitrary, A&G expenses for statutory fees are not allowed under MYT Regulations, 2024, and the additional Rs. 29.49 Crore claimed for the NAS project lacks detailed justification or cost–benefit analysis, and should not be admitted until proper documentation is provided.

PFI submitted that the Petitioner has not claimed compensation for injury, death, or damages. As per Sections 57 and 59 of the EA 2003 and APTEL guidance, compensation must be determined case-by-case. PFI urged the Commission to direct APDCL to submit case-wise details and allow pass-through only if APDCL is not at fault; otherwise, compensation should be borne by the Assam Government.

PFI submitted that APDCL's projection of Rs. 1,031 Crore for employee expenses for FY 2026-27 includes Rs. 100 Crore Terminal Benefits, which is not in line with AERC MYT Regulations, 2024 and requested the Commission to allow employee expenses of Rs. 927 Crore, with the balance to be borne by the Government of Assam as subsidy.

Reply of APDCL

APDCL submitted that O&M expenses comprising employee expenses, R&M expenses, and A&G expenses, have been claimed strictly as per Regulations and MYT principles based on audited statements. Further, DCRG instalments for NPS employees have been claimed on actual basis. Hence, the respondent's submissions lack merit and regulatory validity and should be disregarded by the Commission.

APDCL submitted that expenditures have been projected under respective heads in strict accordance with governing Regulations and submitted for prudence verification and regulatory scrutiny.

APDCL submitted that the total O&M expenses of Rs. 1,383.68 Crore for FY 2024-25, comprising Employee, R&M, and A&G costs, are fully detailed, compliant with accounting standards and MYT Regulations, 2021, and requested the Commission to approve the claimed amount.

APDCL submitted that Employee and A&G expenses for FY 2025-26 comply with MYT Regulations, 2024 and are supported by manpower planning and productivity norms, and requested the Commission to approve the claimed amounts.

APDCL submitted that O&M expense claims are fully in line with governing Regulations and past tariff orders, and any arbitrary reductions proposed by the respondent lack justification.

APDCL submitted that compensation-related expenses for injury, death, and damage had already been factored within actual employee expenses and reported through statutory SoP compliance, claimed on a normative basis with excess costs borne as efficiency loss, and that detailed disclosures had been provided to the Commission, with any pass-through to be determined at the Commission's discretion in line with the Electricity Act and prevailing Regulations.

APDCL submitted that Employee expenses have been claimed on a normative, index-based basis in line with Regulations, considering growth using employee base and inflation factors. The stakeholder's observation is misconceived, as actual expenses or detailed weighting of components have not been considered.

Commission's View

The Commission has allowed normative O&M expenses in accordance with the MYT Regulations, 2021 and considered the actual component-wise O&M expenses for FY 2024-25 after prudence check, as elaborated in Chapter 4 of this Order. The efficiency gains//losses on account of variation between the normative and actual O&M expenses has been done in accordance with the MYT Regulations, 2021, as detailed in Chapter 4 of this Order.

The Commission is of the view that the suggestions regarding limiting the O&M expenses to actuals on account of the same being lower than normative O&M expenses are not in conformity to the Regulations. The Commission has specified the framework for approving the O&M expenses for each year of the Control Period in the respective MYT Regulations, and the Commission has followed the normative approach in accordance with the stipulations of the Tariff Policy and Regulations specified by the Central Electricity Regulatory Commission as well as other State Electricity Regulatory Commissions. The variation between the normative and actual O&M expenses are shared between the Licensee and the consumers in the specified ratio, irrespective of whether the actual O&M expenses are lower or higher than the normative O&M expenses.

The Commission has approved the O&M expenses for FY 2025-26 and FY 2026-27 based on the methodology specified in the MYT Regulations, 2024, wherein the employee expenses and A&G expenses for each year of the Control Period are based on the actual prudent employee expenses and A&G expenses, respectively, in the 5 years prior to the Control Period, while the R&M expenses are allowed as a percentage of the Gross Fixed Assets, which is also based on the actual average percentage in previous years. Such base expenses are duly escalated by the applicable CPI or WPI indices. Thus, the normative O&M expenses are based on the actual prudent expenses in the past.

It is clarified that the expenses incurred by APDCL on outsourcing of revenue billing and collection are allowable expenses and have been considered in previous years also under the actual A&G expenses, rather than the R&M expenses as booked by APDCL in its Accounts.

As regards the Statutory Fees claimed separately under A&G expenses, it is clarified that the Commission has taken a conscious decision to allow the same at actuals without any sharing of gains and losses vis-à-vis the approved expenses, as the same are statutory fees payable by APDCL to the Commission or NRLDC based on Regulations or Fees and

Charges, respectively, as directed by the statutory authorities, and APDCL cannot be subjected to efficiency gain or loss on this account.

The treatment of Provisions for DCRG as well as the consideration of 1% growth due to increase in number of employees, have also been elaborated in Chapters 5 and 6 of this Order for FY 2025-26 and FY 2026-27, respectively.

It is clarified that any compensation paid by APDCL for injuries, death, etc., is not considered under actual A&G expenses based on prudence check, as such compensation is to the account of APDCL and cannot be passed on to the consumers.

Issue 7: Capital Expenditure and Capitalization

Stakeholders' Comments

ABITA and FINER submitted that there are wide variations between approved values, audited accounts, and claimed capitalisation of Rs. 1150 Crore, Rs. 205.41 Crore, and Rs 219 Crore, respectively, for FY 2024-25, and the Petition lacks not only an explanation for such deviation but also essential details such as scheme-wise expenditure, funding breakdown, and cost-benefit analysis.

FINER submitted that APDCL has not disclosed or explained the regulatory treatment of substantial Government Grant (Rs. 1,543.27 Crore) and Consumer Contribution (Rs. 118.03 Crore) reflected in the audited accounts for FY 2024-25, and requested the Commission to seek detailed clarification, undertake a strict prudence check of CAPEX and capitalisation, and allow depreciation, Return on Equity (ROE), interest and other CAPEX-linked claims only after duly considering audited figures and funding sources.

ABITA submitted that APDCL's projected capex and capitalization for FY 2025–26 and FY 2026–27 are excessively high and inconsistent with approved levels and historical performance, noting persistent inefficiencies reflected in rising CWIP and low capitalization ratios, and requested the Commission to restrict capex and capitalization to realistic levels, prioritize completion of ongoing works, and ensure effective utilization of funds in line with past trends and Commission-approved methodology.

FINER submitted that APDCL's projected capitalization of Rs. 1,485 Crore for FY 2025-26 exceeds the approved value of Rs. 1,150 Crore without justification, and requested the Commission to allow capitalization and related Depreciation, ROE, and Interest on Loan only after prudence check, and approval should be limited to the sanctioned amount.

APDCL must provide detailed, verifiable justification for any deviation.

FINER submitted that Petitioner's projected capitalization for FY 2026-27, exceeds approved limits without justification, and requested that CAPEX and related financials be allowed only after prudence check and approval should be limited to the sanctioned amount. APDCL must provide detailed, verifiable justification for any deviation.

PFI submitted that APDCL's projected capitalization of Rs. 2,631 Crore for FY 2026-27 is unrealistically high compared to the three-year average of Rs. 860 Crore, and requested the Commission to consider Rs. 860 Crore instead, with funding ratios (Debt, Equity, Grant) as proposed by APDCL.

Reply of APDCL

APDCL submitted that all capital expenditure and capitalization details, including scheme-wise status, have been furnished as per regulatory mandates and audited statements, and the respondent's submission does not merit consideration by the Commission.

APDCL submitted that measures have been undertaken to expedite capitalization with scheme-wise projections submitted for prudence check, and requested the Commission to reject the respondent's claims and uphold APDCL's submissions.

APDCL submitted that the capital expenditure and capitalization of Rs. 219.08 Crore for FY 2024-25 have been detailed in line with MYT Regulations, 2021 including government grants and consumer contributions, and requested the Commission to approve the claimed capitalization after prudence check.

APDCL submitted that the capital expenditure and projected capitalization for FY 2025-26 have been detailed per MYT Regulations, 2024 with justified enhancements from prior works and new projects, and requested the Commission to approve the same after prudence check.

APDCL submitted that CAPEX for FY 2025-26, along with funding sources, grants, and consumer contributions, has been detailed for prudence check, and all linked parameters—Depreciation, RoE, and IoL—are computed in accordance with the Regulations.

During the Public Hearing, APDCL submitted that the actual Capitalisation achieved till end of January 2026 is Rs. 789 Crore, and APDCL was confident of achieving Capitalisation of Rs. 1150 Crore approved in the Tariff Order for FY 2025-26.

APDCL submitted that CAPEX and capitalization for FY 2026-27, including funding sources, grants, and consumer contributions, have been detailed as per standard accounting principles, and all linked parameters—Depreciation, RoE, and IoL—are computed in accordance with the Regulations.

APDCL submitted that the stakeholder's view is based on past averages and ignores the substantial progress of ongoing schemes. Major projects like RDSS and ADSELR are nearing completion, with significant CWIP already commissioned, and together account for around 60% of the capitalization projected for FY 2026-27, making the proposed average capitalization unrepresentative.

Commission's View

The details of capitalization approved for FY 2024-25 are elaborate in Chapter 4 of this Order. The Commission has approved the Capitalisation for FY 2025-26 and FY 2026-27, considering the actual achievement by APDCL till end of January 2026, and the past trend of capitalisation actually achieved by APDCL. If APDCL achieves actual Capitalisation higher than the Capitalisation approved by the Commission, the same shall be allowed at the time of truing up with the associated carrying cost.

The funding of the Capitalisation has been considered based on the scheme-wise funding proposed by APDCL and normative debt:equity ratio in accordance with the MYT Regulations, after reducing the grant component.

Issue 8: Depreciation

Stakeholders' Comments

ABITA highlighted discrepancies in the Petitioner's claimed depreciation of Rs. 106.98 crore for FY 2024-25, which is significantly higher than the Rs. 76.71 crore approved in the Tariff Order for FY 2024-25, and submitted that depreciation has been computed on an inflated asset base without excluding assets funded through grants and consumer contribution; accordingly, ABITA requested the Commission to compute depreciation based on net capitalization and allow depreciation of Rs. 49.19 Crore in line with the Tariff Order for FY 2024-25.

ABITA submitted that while APDCL has projected net depreciation of Rs. 107.45 Crore for FY 2025–26 and Rs. 153.90 Crore for FY 2026–27, ABITA has computed depreciation by adopting the Commission's methodology as Rs. 61.44 Crore for FY 2025-26 and Rs. 84.57 Crore for FY 2026-27, duly considering average grants towards GFA.

PFI submitted that, based on revised capitalization, depreciation for FY 2026-27 should be Rs. 41 Crore instead of Rs. 154 Crore projected by APDCL, with the balance to be borne by the Government of Assam as subsidy.

Reply of APDCL

APDCL submitted that the detailed computation of depreciation has been provided in the relevant Chapter of the Petition in compliance with regulatory requirements.

APDCL submitted that depreciation has been computed in full transparency and compliance with Regulations, and the respondent's submission lacks merit and should not be considered by the Commission.

APDCL submitted that the variance in depreciation is attributable to the Stakeholder adopting a capitalization base different from that proposed in the Tariff Petition, for which detailed justification has already been provided.

Commission's View

Depreciation has been allowed by the Commission for FY 2024-25 in accordance with the MYT Regulations, 2021, as discussed in Chapter 4 of this Order. The computation of depreciation for FY 2025-26 and FY 2026-27 in accordance with the provisions of the MYT Regulations, 2024 have been elaborated in Chapter 6 and Chapter 7, respectively, of this Order.

It is clarified that depreciation has not been allowed on assets funded by grants, and depreciation has been limited to 90% of GFA, as can be seen from the detailed computation of depreciation for the respective years in the relevant Chapters of this Order.

Issue 9: Interest and Finance Charges

Stakeholders' Comments

ABITA highlighted significant discrepancies in the Petitioner's claims regarding interest on loans for the True-Up of FY 2024-25, APR for FY 2025-26, and ARR of FY 2026-27. For FY 2024-25, APDCL has claimed interest on loans of Rs. 11.49 Crore, applying a 9.02% interest rate on average loan for FY 2024-25. However, ABITA proposed interest and finance charges of Rs 11.33 Crore.

For FY 2025-26 and FY 2026-27, ABITA submitted that APDCL's interest and finance charge projections are overstated due to higher assumed loan additions and lower

repayments. Accordingly, ABITA requested the Commission to rationalize interest costs based on normative loan balances, realistic debt requirements, and past trends, so as to avoid undue burden on consumers.

AIMO submitted that the allowed interest rates are higher than prevailing RBI benchmarks, resulting in inflated ARR and tariff burden, and therefore, warrant regulatory review. AIMO further submitted that Utilities should be directed to strengthen cash management practices to reduce overall financing costs.

PFI submitted that the Petitioner has claimed interest expenses of Rs. 4.89 Crore (GPF) and Rs. 4.35 Crore (NPS). Following PSERC practice, interest on GPF should not be allowed. Interest on NPS, arising from APDCL's delay, should also not be passed to consumers and must be borne by the Assam Government as a subsidy.

PFI submitted that, based on revised capitalization and debt of Rs. 50 Crore, Interest and Finance Charges for FY 2026-27 should be Rs. 12 Crore instead of APDCL's projection of Rs. 11 Crore.

Reply of APDCL

APDCL submitted that the computation of normative interest has been carried out strictly as per tariff principles and the charges have been claimed in accordance with governing Regulations and directives of the Commission.

APDCL submitted that, in the absence of supporting calculations from the respondent, no comment can be made, and the detailed submissions in the Petitions should be considered by the Commission.

APDCL submitted that interest and finance charges in the True-up Petition had been claimed strictly on a normative basis excluding interest on GPF and NPS, and that references to disallowance for other Utilities is not relevant, and therefore the stakeholder's request to disallow or subsidize such interest is misconceived and not relevant.

APDCL submitted that the variance in interest and finance charges has arisen on account of the Stakeholder considering a capitalization level different from that proposed in the Tariff Petition, for which adequate justification had already been provided.

Commission's View

The Commission has allowed the normative interest on loan and finance charges on the average normative loans during FY 2024-25 in accordance with the MYT Regulations, 2021, as discussed in Chapter 4 of this Order. Similarly, for FY 2025-26 and FY 2026-27,

the Commission has allowed the normative interest on loan and finance charges on the average normative loans during the respective year, considering the normative debt addition against approved GFA addition in accordance with the MYT Regulations, 2024, as discussed in Chapter 6 and Chapter 7, respectively, of this Order.

It is clarified that the MYT Regulations specify that interest on loan has to be allowed on the normative loan balances for the year considering the actual interest rate on the actual loans taken by the Licensee, and the interest rates for long-term loans are not linked to RBI or SBI benchmark interest rates.

Issue 10: Interest on Consumer Security Deposit

Stakeholders' Comments

ABITA submitted that APDCL has claimed interest on Consumer Security Deposit (CSD) of Rs. 81.76 Crore for the true-up of FY 2024-25 and requested the Commission to verify the prudency of this payment.

PFI submitted that the Petitioner has claimed Interest on Consumer Security Deposit of Rs. 82 Crore, though Rs. 16 Crore remains unpaid. PFI requested the Commission to exclude unpaid Interest on Consumer Security Deposit and any carrying costs from tariff and have them borne by the Assam Government as a subsidy.

Reply of APDCL

APDCL submitted that interest on Consumer Security Deposits has been claimed on the basis of actual payments as per audited annual accounts, and the variance between actual payment/adjustment and yearly liability of Rs. 15.67 Crore will be liquidated subsequently.

APDCL submitted that the claim of Interest on Consumer Security Deposit for FY 2024-25 was restricted to the actual amount of Rs. 82 Crore paid to consumers, fully aligned with the stakeholder's proposition, and that no issue of allowing unpaid IoCSD or carrying cost arises as the claim is strictly based on actual payments.

Commission's View

The Commission has allowed the interest on Consumer Security Deposit (CSD) actually liquidated by APDCL in FY 2024-25, although the amount booked in the Accounts is higher, which is also in line with APDCL's claim in this regard, as elaborated in Chapter 4 of this Order.

Issue 11: Other Debits

Stakeholders' Comments

ABITA submitted that the Commission should disallow APDCL's claim of Rs. 29.06 Crore towards "Other Debits" for bad and doubtful debts. The Respondents submitted that since the Petitioner has made provisioning in excess of 1% of the receivables as inferred from the Audited Accounts, such provisions should be disallowed in accordance with the MYT Regulations, 2021.

FINER submitted that APDCL has already made provisioning towards bad and doubtful debts in excess of the 5% limit prescribed under Regulation 80.8 of MYT Regulations, 2021, and therefore the additional claim of Rs. 29.06 crore towards provision for bad and doubtful debt should be disallowed.

FINER submitted that APDCL's claim of Rs. 29.35 crore for Bad and Doubtful Debt exceeds the 5% limit of receivables already available (Rs. 356.51 crore), and therefore no further provisioning is admissible under MYT Regulations 2024 for FY 2025-26 and the claim should be disallowed.

FINER submitted that Petitioner's claim of Rs. 14.82 Crore for FY 2026-27 for bad and doubtful debts exceeds the 5% limit of receivables allowed under the MYT Regulations, 2024, hence, the claim should be disallowed.

PFI submitted that the Petitioner has claimed Rs. 29.06 Crore as bad and doubtful debts, but the Audited Accounts show no such expense. PFI requested the Commission to exclude this claim from tariff, with the amount to be borne by the Assam Government as a subsidy.

PFI submitted APDCL's claim of Rs. 14.82 Crore as other debits/bad and doubtful debts for FY 2026-27 is not justified, given high smart meter penetration and no such expense in audited accounts, and requested the Commission to disallow it, with any balance to be borne by the Government of Assam as subsidy.

During the Public Hearing, PFI submitted that APDCL should submit ageing analysis of its receivables.

Reply of APDCL

APDCL submitted that the respondent's assertion regarding disallowance of the claimed amount is misconceived, and the amount has been claimed strictly in accordance with the governing regulatory framework.

APDCL submitted that, based on audited trade receivables of Rs. 2,906.17 Crore as on 31.03.2025, a provision of 1% had been claimed towards bad and doubtful debts in the Tariff Petition in accordance with applicable Regulations.

APDCL submitted that the stakeholder's observation is based on an incorrect interpretation. As per the MYT Regulations, provisioning is permissible up to 1% of receivables. Accordingly, APDCL has projected 1% of receivables as Rs. 29.65 Crore, out of which only 50%, i.e., Rs. 14.82 Crore, has been claimed in the Tariff Petition for FY 2026-27.

Additionally, the bad and doubtful debt is represented differently under the Audited Annual accounts. It stipulates the opening and closing balance of the ECL allowances as well as year-on-year provisioning made from the incremental debtors.

Commission's View

The provisioning for bad and doubtful have been allowed for FY 2024-25 till the ceiling of 5% of the receivables as stated in the Audited Accounts, in accordance with the provisions of the MYT Regulations, 2021. The details in this regard are elaborated in Chapter 4 of this Order.

The Commission has not allowed any provision for bad and doubtful debts for FY 2025-26 and FY 2026-27, as elaborated in Chapter 5 and Chapter 6, respectively, of this Order.

Issue 12: Return on Equity

Stakeholders' Comments

ABITA submitted that APDCL's claim of RoE of Rs. 174.61 Crore lacks justification regarding equity funding, and therefore, requested the Commission to allow RoE only on admissible normative equity after adjusting grants, in line with the Tariff Order for FY 2024-25, while also considering the significantly higher actual RoE as per audited accounts and passing on any excess gains over normative RoE to consumers during true-up.

ABITA submitted that for FY 2025-26 and FY 2026-27, APDCL has claimed RoE of Rs. 181.77 Crore and Rs. 190.33 Crore, respectively, by considering equity additions exceeding the permissible 30% limit of capitalization. ABITA requested the Commission to verify the actual equity funding, ensure strict compliance with the MYT Regulations, 2024, and approve RoE based only on admissible equity, reassessed during truing-up on the basis of audited accounts and actual funding sources, to maintain regulatory discipline and transparency.

PFI submitted that, based on revised capitalization and equity of Rs. 21 Crore, Return on Equity for FY 2026-27 should be Rs. 187 Crore instead of APDCL's projection of Rs. 190 Crore, with the balance to be borne by the Government of Assam as subsidy.

Reply of APDCL

APDCL submitted that Return on Equity has been claimed only to the extent permissible under Regulations with all necessary details furnished, and the respondent's claim on sharing of gains and losses in respect of RoE is baseless and should not be considered by the Commission.

APDCL submitted that Return on Equity has been computed strictly within the regulatory framework with full justification furnished.

APDCL submitted that the consequent impact arises due to the Stakeholder considering a capitalization amount different from that claimed in the Tariff Petition, for which adequate justification has already been provided.

Commission's View

The Commission's analysis and ruling on the computation of RoE for the respective years is elaborated in relevant Chapters of this Order. The Commission has allowed the equity addition and RoE in accordance with the provisions of the applicable MYT Regulations.

Issue 13: Revenue from Sale of Electricity

Stakeholders' Comments

ABITA contended that APDCL has understated its revenue by not accounting for grants and consumer contributions despite reporting substantial Other Income, Non-Tariff Income and grant/subsidy support, and therefore, requested the Commission to consider the complete audited revenue of Rs. 12,270 Crore for FY 2024–25 and undertake a strict prudence check of all incomes, grants and subsidies while truing up the ARR. ABITA further highlighted that inflated cost claims and understated revenues have resulted in higher actual economic returns than regulatory claims and requested the Commission to consider audited employee cost and actual RoE while approving the True-up, APR and ARR for the relevant periods.

PFI submitted that, based on a revised sales projection of 11,953 MU and APDCL's Average Billing Rate, the Revenue from Sale of Power for FY 2026-27 should be Rs.

10,635 Crore, instead of Rs. 11,727 Crore estimated by APDCL, with the difference to be borne by the Government of Assam as a subsidy.

Reply of APDCL

APDCL submitted that revenue, including other income and non-tariff income, has been detailed item-wise with full regulatory compliance. Further deferred grant recognition is an Ind AS book entry with benefits already passed to consumers, and revenue is computed as per past Orders and Regulations. Hence, the respondent's submission lacks merit and should not be considered by the Commission.

Commission's View

The Commission has verified all sources of income from the Audited Accounts of APDCL for FY 2024-25 and considered the same in the true-up of FY 2024-25, after prudence check, as elaborated in Chapter 4 of this Order.

The Commission has verified and considered the revenue from sale of electricity, Non-Tariff Income, Other Income, Targeted Subsidy and Other Revenue Subsidy received from the State Government in FY 2024-25, while truing up the revenue for FY 2024-25, as elaborated in Chapter 4 of this Order.

The category-wise revenue from sale of electricity for FY 2025-26 and FY 2026-27 has been estimated based on the estimated category-wise sales and the approved category-wise tariffs, as elaborated in the respective Chapters of this Order.

Issue 14: Aggregate Revenue Requirement (ARR)

Stakeholders' Comments

ABITA submitted that based on ABITA's analysis, APDCL has a Surplus of Rs. 3410.56 Crore for FY 2024-25, contrary to APDCL's claimed Revenue Gap of Rs. 377.24 Crore.

ABITA and FINER also reassessed the ARR and Revenue Gap/Surplus for FY 2025-26 and FY 2026-27, showing a significant deviation from APDCL's projections. The Respondents requested the Commission to approve the reassessed figures to ensure regulatory compliance and financial accuracy.

Shri Amarendra Goswami, SAC Member, submitted that in the APR for FY 2025-26 (Table-21), the estimated TOD impact of Rs. 145.38 Crore appears to be double-counted,

as TOD effects are already embedded in six-month actuals; hence, this amount should not be reflected separately in estimates or carried into ARR for FY 2026-27.

PFI submitted that ARR elements not compliant with MYT Regulations should be borne by the Government of Assam, rather than the consumers. Accordingly, the revised subsidy for FY 2024-25 is Rs. 729 Crore, up from Rs. 578 Crore, payable to APDCL.

PFI submitted that, based on regulatory compliance, the ARR for FY 2026-27 should be considered as Rs. 10,156 Crore instead of APDCL's projected Rs. 11,280 Crore, with the Government of Assam providing an additional subsidy of Rs. 32 Crore to cover higher claims.

Reply of APDCL

APDCL submitted that the Annual Revenue Requirement for FY 2024–25, Revenue Gap, and carrying cost have been computed strictly as per governing Regulations, and the respondent's claim is based on arbitrary premises and should be rejected by the Commission.

APDCL submitted that the ARR and Revenue Gap for FY 2025-26 and FY 2026-27 have been claimed with detailed explanation of all income and expense heads.

APDCL submitted that responses to individual points have been addressed in the foregoing paras and requested the Commission to reject the respondent's claims as being unfounded.

APDCL submitted that the Tariff Petition for FY 2026-27 and True-up Petition for FY 2024-25 have been filed in strict compliance with governing Regulations, and requested the Commission to dismiss the respondent's arbitrary claims as being unfounded.

APDCL submitted that the respondent's observations on TOD impact are based on incorrect assumptions, with projections derived from assessed consumption patterns and Petitions filed in full regulatory compliance, and requested the Commission to dismiss the claim as unfounded. APDCL submitted that the estimated revenue in the APR of FY 2025-26 and ARR for FY 2026-27 does not include the impact of the ToD tariff, and hence, the same has been shown separately in the Petitions.

Commission's view

The allowable ARR and Revenue Gap/Surplus for FY 2024-25 and FY 2025-26 and the allowable ARR for FY 2026-27 have been determined after necessary prudence check

and in accordance with the applicable MYT Regulations, 2021 and MYT Regulations, 2024, as elaborated with head-wise details in the relevant Chapters of this Order.

The Commission's decision on consideration of the impact of revised ToD tariff on revenue for FY 2025-26 and FY 2026-27 is elaborated in Chapter 5 and Chapter 6, respectively, of this Order.

Issue 15: Non-Tariff Income

Stakeholders' Comments

PFI submitted that it has computed the Non-Tariff Income (NTI) as Rs. 284 Crore, considering the Late Payment Surcharge (LPSC) after netting off the financing cost associated with the same. In line with APTEL's Judgment, LPS qualifies as NTI. PFI recalculated NTI for FY 2024–25 as Rs. 284 Crore against APDCL's claim of Rs. 382 Crore, with the balance to be borne by the Government of Assam as a subsidy.

PFI submitted that Non-Tariff Income for FY 2026-27 should be considered as Rs. 284 Crore instead of APDCL's Rs. 382 Crore, with the balance to be borne by the Government of Assam as subsidy.

During the Public Hearing, Shri Amarendra Goswami submitted that APDCL has not included income from Supervision Charges under NTI for FY 2024-25.

Reply of APDCL

APDCL submitted that the Non-Tariff Income for FY 2025-26 has been estimated by applying 5% escalation over FY 2024-25 actuals, with prudent adjustments for DPS and rebates, consistent with prior regulatory practice, and requested the Commission to approve the same.

APDCL submitted that it has followed the prescribed methodology for computing delayed payment surcharge, reflecting reductions in arrears from subsequent developments.

APDCL acknowledged the stakeholder's proposition regarding consideration of financing cost of outstanding dues attracting LPSC; however, in the absence of any enabling provisions under the prevailing tariff framework, the same was not considered in the projections of Non-Tariff Income for FY 2026-27.

APDCL clarified that the income from Supervision Charges has been included under Other Income rather than Non-Tariff Income by APDCL, as per governing Regulations.

Commission's view

The Commission has considered the NTI for each year in accordance with the applicable MYT Regulations and the practice adopted by the Commission in the previous Orders. It is clarified that financing cost for LPS is not allowable as per the MYT Regulations notified by the Commission.

The Commission's decision on NTI for FY 2024-25, FY 2025-26, and FY 2026-27 are elaborated in the relevant Chapters of this Order.

Issue 16: Other Income

Stakeholders' Comments

FINER submitted that the Petitioner has projected Other Income of Rs. 1193.25 Crore for FY 2025-26, including Rs. 1023 Crore from sale of surplus power at Rs. 3.78/unit, which is lower than the APPC of Rs. 5.98/unit. This results in a loss for the Utility and increases the burden on consumers. The Respondent requested the Commission to direct the Petitioner to optimize power procurement, discontinue sales outside the State, and prioritize sales to industrial consumers within the State at competitive tariffs.

FINER submitted that the Petitioner's claimed income of Rs. 707.37 Crore from seasonal surplus power for FY 2026-27 should be considered at APPC rates for 1,917 MU, yielding an allowable amount of Rs. 970 Crore to ensure a no-profit, no-loss outcome for consumers.

Reply of APDCL

APDCL submitted that the respondent's claims on Other Income are inconsistent and lack merit, noting contradictions between non-consideration of market-based procurement costs and proposed higher seasonal export rates.

Commission's view

The Commission's decision on Other Income, including revenue from sale of surplus power for FY 2024-25, FY 2025-26, and FY 2026-27 are elaborated in the relevant Chapters of this Order.

Further, the Commission has also made certain observations and given certain directions regarding optimisation of power purchase cost and the sale of surplus power, as detailed in the relevant part of this Order.

Issue 17: Tariff Concession for Oxygen Plants

Stakeholders' Comments

AOMA submitted that the lack of new oxygen plants is primarily due to Assam's high electricity tariff. Oxygen production is power-intensive, with electricity costs comprising 80% of production costs. To ensure self-sufficiency in oxygen production and prevent plant migration to other States, AOMA requested the Commission to increase the tariff concession from current 20% to 25%, and extend the concession to fixed charges as well.

During the Public Hearing, AOMA stressed on the need to continue the rebate of 20% on Energy Charges as assured by the Commission in the MYT Order, in order to ensure the viability of the existing and upcoming Oxygen plants in the State of Assam.

Reply of APDCL

APDCL submitted that the respondent's prayer does not warrant a specific response, and any tariff reduction or separate HT category for oxygen manufacturers would increase cross-subsidization and contradict cost-reflectivity, financial prudence, and tariff simplification principles. APDCL submitted that tariffs should be approved without special concessions.

Commission's View

In the MYT Order, the Commission has already ruled against the request for creation of a separate category for Oxygen plants, but has ruled that the tariff rebate of 20% on Energy Charges shall be applicable for the duration of the MYT Control Period. No change has been made to this dispensation.

Issue 18: Manpower planning

Stakeholders' Comments

CAC submitted that the Petitioner relies on long-serving contractual workers, many of whom remain unrecognized or unpaid post-retirement. It is submitted that amended labour law benefits should be extended, and the Commission may expedite the ongoing process initiated by MD, APDCL.

Reply of APDCL

APDCL submitted that the observation does not pertain to the instant Tariff Petition and therefore, does not warrant any comment.

Commission's View

The stakeholder's suggestion in this regard does not pertain to the Petition filed by APDCL, hence, no view is being expressed on the same.

Issue 19: Time of Day tariff

Stakeholders' Comments

Shri Amarendra Goswami proposed that the proposed TOD-based retail tariff has several anomalies, including missing LT time slots (06:00–09:00 hours) and an effective increase in domestic tariffs due to a 120% charge during peak evening hours, disproportionately impacting households and students. The imposition of TOD for HT educational institutions will create billing complexities, while applying TOD to street lighting, electric crematorium, and electric traction is impractical, ethically questionable, and devoid of clear objective, respectively, and therefore warrants review.

AIMO submitted that Peak hour should be defined strictly based on Assam-specific load data, with suitable relaxation for MSMEs and small industries to avoid undue operational constraints.

PFI submitted that APDCL's claim of Rs. 163 Crore revenue loss from the current ToD tariff for FY 2026-27 should not be allowed in ARR, as no detailed impact analysis has been provided, and requested the Commission to have the loss borne by the Government of Assam as subsidy, while directing APDCL to submit a detailed ToD impact report.

Shri Amarendra Goswami, also point out that Rs 163 Crore claimed by APDCL as revenue loss due to implementation of revised ToD tariff, should not be allowed in ARR.

Reply of APDCL

APDCL submitted that peak-hour windows are based on actual load-curve data and that the request for specific relaxation or fixed-charge reduction for MSME consumers lacks merit, as the existing tariff framework already provides balanced treatment across consumer categories.

APDCL submitted that the amended MOP Guidelines introducing optional TOD tariff for all categories except agriculture have been adopted, the normal energy slot remains 22:00–09:00 hrs, and the earlier wording error was inadvertent and corrected.

APDCL submitted that the ToD tariff impact has been duly analysed and shared with the Commission during regulatory scrutiny. Based on limited H1 FY 2025-26 data, LT load shifting to solar hours has resulted in revenue loss without commensurate peak reduction, while the ToD regime remains at a nascent stage in Assam. Given the constrained data horizon and consistency with the Commission's approach in the FY 2025-26 Tariff Order, the projected revenue loss has been prudently claimed as part of ARR, pending further refinement with a larger data set.

During the Public Hearing, Shri Amarendra Goswami submitted that the impact of revised ToD tariff should not be considered separately in the ARR for FY 2025-26 and FY 2026-27, as the impact of the same is already captured in the revenue from sale of electricity.

Commission's View

The Commission has retained the ToD tariff framework approved in the MYT Order for FY 2026-27 also.

It is clarified that the stakeholder's observation regarding inappropriate applicability of ToD tariff to certain categories is misplaced, as the Commission has made ToD tariff optional for HT Educational Institutions (HT Bulk Supply) and Street lighting category, while ToD tariff are not applicable to Railways and HT Crematorium category.

The Commission's decision on consideration of the impact of revised ToD tariff on revenue for FY 2025-26 and FY 2026-27 is elaborated in Chapter 5 and Chapter 6, respectively, of this Order.

Further, in order to facilitate considered decision making based on proper data, APDCL should submit the relevant category-wise ToD consumption and revenue data in the format stipulated in Chapter 5 of this Order.

Issue 20: Energy Storage System

Stakeholders' Comments

PFI submitted that, given India's evolving policies and CEA's Resource Adequacy planning, Energy Storage Systems (ESS) can help APDCL optimize power purchase

costs through energy arbitrage, and requested the Commission to direct APDCL to incorporate ESS in its power procurement planning in line with Assam's RA projections.

Reply of APDCL

APDCL had aligned its power procurement strategy with the CEA's Resource Adequacy report. In line with the projected storage requirement of about 857 MW by FY 2030-31 under the optimistic scenario, APDCL had already procured 1000 MW of Pumped Storage Project capacity through a competitive bidding process, with the PPA executed after due approval of the Commission. The projects are proposed within the State of Assam, with tentative commencement of supply from FY 2030-31, and are expected to play a critical role in meeting peak demand and addressing the State's long-term resource adequacy requirements.

Commission's View

APDCL's reply is noted. Higher capacity tie-up with Energy Storage facilities will facilitate APDCL to manage the demand-supply mismatch during different hours of the day and also enable APDCL to absorb the increasing quantum of solar energy without having to backdown thermal generating stations beyond their technical minimum. APDCL should continuously fine-tune its power procurement strategy based on sector developments in this regard, while ensuring optimum cost of power purchase.

Issue 21: High Tariff for Agro-based Tea Industry

Stakeholders' Comments

ABITA submitted that the tea industry in Assam, a major employment-generating sector, is adversely affected by high electricity tariffs, reducing its competitiveness compared to neighbouring States. In line with the Tariff Policy, tariffs should align with the average cost of supply and cross-subsidization should be progressively reduced. While appreciating the introduction of the Time-of-Day tariff, ABITA requested the Commission to rationalize tariffs for the Tea, Coffee, and Rubber category and, given the projected Revenue Surplus for FY 2026-27, to disallow any tariff increase to protect the industry's viability and socio-economic contribution.

Reply of APDCL

APDCL submitted that the high tariff for the agro-based tea industry is justified due to its

economic significance, unique consumption pattern, and regulatory compliance, and the respondent's comparison with other States is not valid. APDCL requested the Commission to uphold the current tariff structure.

Commission's View

The Commission's decision regarding the category-wise tariff and cross-subsidy approved for FY 2026-27 are elaborated in the relevant Chapter of this Order.

Issue 22: Voltage-wise Cost of Supply based Tariff

Stakeholders' Comments

ABITA requested the Commission to implement voltage-wise cost of supply based tariff determination in line with Section 61(g) of the Electricity Act, 2003 and APTEL directions, highlighting APDCL's continued non-compliance on VCoS study/metering directives, and submitted that the projected revenue surplus for FY 2026-27 provides an opportunity to introduce VCoS-based tariffs to improve cost reflectivity and reduce cross-subsidy, particularly benefiting HT consumers such as tea and coffee industries.

AIMO submitted that sector-wise consumption data shows domestic consumers account for about half of Assam's electricity consumption, while industrial and MSME consumers constitute less than one-fifth, despite being critical for economic growth and revenue stability and bearing a relatively higher tariff burden, warranting a more supportive tariff design.

Reply of APDCL

APDCL submitted that implementing a VCoS-based tariff requires careful consideration of commercial and financial impacts. Further, the respondent's assumption of revenue surplus is refuted. APDCL submitted that immediate transition toVCoS is challenging due to Assam's consumer mix and tariff rationalization, and the current proposal maintains cross-subsidy within regulatory limits.

APDCL submitted that its tariff design already accounts for Assam's consumer mix through cross-subsidies, slab-wise tariffs, and category-specific fixed charges, calibrated for revenue recovery and cost-reflectivity, and any further reduction would shift cost recovery to other consumer categories.

Commission's View

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

Issue 23: Cross-Subsidy

Stakeholders' Comments

ABITA submitted that cross-subsidy levels in Assam remain significantly high, with domestic and other LT categories being heavily subsidized through tariffs well below the average cost of supply, resulting in a disproportionate burden on HT and industrial consumers, particularly Tea, Coffee and Rubber estates. ABITA requested the Commission to align tariffs of subsidized categories with the average cost of supply, with any required support to be provided through direct State Government subsidy, and to apply voltage-wise cost of supply in order to reduce the excessive cross-subsidy burden on tea estates in FY 2026-27.

Reply of APDCL

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

Commission's View

The Commission has determined the category-wise tariff and cross-subsidy on the basis of the ACOS. The Commission's decision regarding the category-wise tariff and cross-subsidy approved for FY 2026-27 are elaborated in the relevant Chapter of this Order.

Issue 24: Renewable Energy & Sustainability

Stakeholders' Comments

AIMO submitted that the Commission should promote renewable energy adoption, fully allow net metering for rooftop solar, and credit excess generation to consumers. Incentives to industries and households should be provided to encourage use of energy-efficient appliances. The Respondent further submitted that reduction of fixed charges for

solar consumers and a hassle-free solar installation process by DISCOMs would encourage renewable energy adoption up to the assessed potential of ~7000 MW in the State of Assam, as compared to the present capacity of ~60 MW.

In its rejoinder to APDCL's reply, AIMO submitted that no category-wise details have been provided, and even the figure of 273.5 MW is less than 4% of the assessed potential. AIMO added that absence of fixed-charge linkage or rollover of surplus energy continues to discourage adoption.

Reply of APDCL

APDCL submitted that it is actively promoting rooftop solar through net-metering and other schemes, with cumulative grid-connected capacity in Assam reaching 273.5 MW as of December 2025.

Commission's View

APDCL should ensure that all necessary steps are taken to facilitate solar roof-top installations and Distributed Renewable Energy (DRE) in compliance with the Rules and Policies notified by the Central and State Governments.

Issue 25: Transparency in billing

Stakeholders' Comments

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

Reply of APDCL

APDCL submitted that all deployed smart meters undergo rigorous testing and checking; Factory Acceptance Tests (FAT) are conducted before dispatch, sample lots are tested at APDCL Testing and Commissioning Laboratories before field deployment, and random lots are also sent to NABL-accredited third-party laboratories, adhering to BIS standards (IS 16444, IS 15959, IS 13779).

APDCL submitted that electricity bills have been simplified to provide a clear breakup of fixed charges, energy charges, taxes, duties, subsidies, and adjustments, with consumers

given the option to download bills in Assamese, in line with the directive to promote "*Ease of Living*."

Commission's View

APDCL's response to the stakeholder's comments and suggestions are noted. Further, in the MYT Order issued on March 25, 2025, the Commission had issued directive to APDCL in this context as under:

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

APDCL should ensure compliance with the above directive of the Commission.

Issue 26: Interest on Working Capital

Stakeholders' Comments

ABITA submitted that while APDCL has claimed Interest on Working Capital of Rs. 22.35 Crore for FY 2024–25 in line with the Tariff Order for FY 2024-25, ABITA, applying the same regulatory principles, has computed a lower Interest on Working Capital of Rs. 12.16 Crore for FY 2024–25.

FINER submitted that APDCL has understated Consumer Security Deposit while computing Interest on Working Capital, resulting in an inflated claim of Rs. 22.35 crore, and requested the Commission to allow Interest on Working Capital only after reconciling and considering the audited Consumer Security Deposit, and to examine all true-up claims strictly with reference to audited accounts and prudence checks to safeguard consumer interest.

PFI submitted that, based on revised assumptions, Interest on Working Capital for FY

2026-27 should be Rs. 10 Crore instead of APDCL's claim of Rs. 15 Crore, with the balance to be borne by the Government of Assam as subsidy.

Reply of APDCL

APDCL submitted that the respondent's submission on interest on working capital is based on interconnected parameters already addressed with substantiated facts and therefore, does not merit consideration by the Commission.

APDCL submitted that all claims have been made strictly in accordance with governing Regulations, and that the respondent's arbitrary objections are without merit.

APDCL submitted that the incidental impact arising from variations in assumptions and calculations relating to O&M expenses, energy sales and revenue is duly reflected in the computation of Interest on Working Capital, and the detailed representations are already addressed in the relevant sections of the Petition.

Commission's View

The Commission has approved the normative Interest on Working Capital for FY 2024-25, FY 2025-26, and FY 2026-27 in accordance with the applicable MYT Regulations, as elaborated in the relevant Chapters of this Order.

Issue 27: Merit Order Adherence/ Dispatch (MOA or MOD)

Stakeholders' Comments

FINER submitted that APDCL has not furnished Merit Order Dispatch (MOD) data for FY 2024-25, and the procurement pattern indicates underutilization of cheaper sources and higher drawal from costlier sources, suggesting deviation from merit order; hence, approval of higher-cost power purchase should be restricted unless justified with detailed MOD compliance information.

PFI submitted that the Petitioner has not substantiated compliance with Merit Order Despatch or justified procurement from costlier sources, including unexplained shortfall from NLC and higher rates from Dadri. In the absence of supporting approvals and documentation, excess power purchase cost of Rs. 201 Crore should be disallowed and not passed on to consumers. During the Public Hearing, PFI reiterated that APDCL has not submitted SLDC Certificate for adherence to MOD principles.

Reply of APDCL

APDCL submitted that the lower quantum of power from NLC had occurred due to reduced plant-level generation beyond its control, with power received strictly as per allocated share and declared availability, and that scheduling had been undertaken in accordance with the Merit Order Despatch principle, with procurement from costlier sources resorted to only to meet demand shortfalls.

APDCL submitted that power procurement during FY 2024-25, including bilateral, Power Exchange and Dadri, had been undertaken to meet unprecedented demand growth and generation shortfalls due to hydro and gas constraints, with costs claimed on actuals duly approved in APR, Dadri rates reflect actual billed fuel cost variations beyond its control, and any excess power purchase cost is already mitigated through regulatory loss-sharing, rendering the stakeholder's proposed reductions of Rs. 201 Cr inconsistent with governing Regulations.

Commission's View

As ruled earlier, APDCL should rigorously explore means to tie-up cheaper power sources in the medium-term and long-term, and also ensure that all purchases are made in accordance with the Merit Order Despatch principles. Further, APDCL should consider the suggestion regarding making hourly projections of demand and supply, in order to minimise the need for costly power purchase during peak hours and the need to sell surplus power at a discount to purchase rate, which is a prudent Utility practice, in case the same is not being done at present. APDCL should also consider best-practices being followed in other States in this regard.

Further, along with the true-up Petition for FY 2025-26 and onwards, APDCL should submit the certificate from SLDC certifying adherence to Merit Order Despatch (MOD) principles and the monthly MOD stack actually implemented for each month of the year. APDCL should also provide proper justification for any under-drawal from cheaper sources and additional purchase from costlier sources during the same time period, if such instances occur**.**

Issue 28: Non-Compliance with Renewable Purchase Obligation (RPO)

Stakeholders' Comments

FINER submitted that APDCL has failed to furnish RPO compliance details for FY 2023-24 and has not procured any RECs in FY 2024-25, indicating prima facie non-compliance

with RPO targets, and requested the Commission to withhold admission of the Petition until full compliance details are submitted, consider penal action for continued non-compliance, and direct creation of an RPO Regulatory Fund (on the lines of UPERC) to address RPO shortfall in a manner that reduces additional power purchase cost and consumer burden.

FINER submitted that APDCL's month-wise RPO data is incomplete, lacking opening surplus/shortfall, carry-forward/backlog, and category-wise procurement details, and highlighted shortfalls in Wind and Hydro RPO with no REC procurement, requesting the Commission to direct APDCL to provide complete RPO compliance details and consider creation of an RPO fund.

FINER submitted that APDCL has not provided RPO compliance status for FY 2026-27 and has not projected any REC procurement, and requested the Commission to withhold admission of the Petition until complete RPO details are submitted and to consider penalties for continued non-compliance.

PFI requested the Commission to direct APDCL to submit verified source-wise RPO compliance for FY 2024-25 and to impose penalties for any shortfall, emphasizing the need for a balanced mix of renewable energy, including DRE, to align with national energy transition goals and reduce transmission losses.

PFI submitted that APDCL's projected shortfall of 302.45 MU under Wind and DRE RPO for FY 2026-27 remains unaddressed, and requested the Commission to direct APDCL to submit a concrete plan to meet the shortfall through procurement, RECs, or other permissible means, with associated costs.

Reply of APDCL

APDCL submitted that any excess consumption under Other Renewable Energy can be utilised to offset shortfalls in Wind or Hydro RPO compliance, in accordance with governing Regulations.

APDCL submitted that RPO compliance has been addressed in the Petition, and the detailed status will be provided during the Truing Up exercise.

APDCL submitted that detailed source-wise Renewable Purchase and RPO compliance information for FY 2024-25 had already been furnished to the Commission during regulatory scrutiny. Also, surplus renewable energy was adjusted against wind and hydro shortfalls, with DRE being actively promoted with 273.54 MW installed capacity, and

therefore, the stakeholder's request for directions and penalties on alleged RPO non-compliance was unwarranted.

APDCL submitted that surplus energy under other renewable sources can offset any shortfall in wind and hydro RPO for FY 2026-27. Additionally, with 273.54 MW of DRE capacity installed as of December 2025, compliance with DRE targets is not expected to be an issue.

Commission's View

APDCL should ensure compliance with the RPO targets specified for each year in accordance with the AERC RPO Regulations, as amended from time to time.

Issue 29: Sharing of Losses/ (Gains) on account of O&M Expenses

Stakeholders' Comments

FINER submitted that O&M expenses are controllable under the MYT Regulations, 2021, and APDCL has considered Rs. 361.13 Crore (R&M expenses) and Rs. 224.91 Crore (A&G expenses) as actuals for sharing of gains/losses without explanation or reconciliation with audited accounts; therefore, the Commission should undertake a strict prudence check and allow sharing only on the basis of normative levels and audited actual expenditure duly verified and reconciled.

Reply of APDCL

APDCL submitted that it has complied with MYT Regulations, 2021 in reporting O&M gains and losses, and requested the Commission to consider past precedents in approving the claimed costs, noting that disallowing certain procurement costs lacks regulatory basis.

Commission's View

The Commission has allowed normative O&M expenses in accordance with the MYT Regulations, 2021 and considered the actual component-wise O&M expenses for FY 2024-25 after prudence check, as elaborated in Chapter 4 of this Order. The efficiency gains//losses on account of variation between the normative and actual O&M expenses has been done in accordance with the MYT Regulations, 2021, as detailed in Chapter 4 of this Order.

Issue 30: Peak Demand-Supply gap and High Cost of Power Purchase

Stakeholders' Comments

AIMO submitted that Assam faces a significant demand–supply gap, with peak demand far exceeding the State's own generation, resulting in heavy dependence on high-cost short- and medium-term power purchases. This leads to substantial daily power purchase expenditure, placing financial stress on APDCL and ultimately burdening consumers due to the absence of robust demand forecasting and a clear long-term power procurement strategy.

AIMO submitted that procurement of power at rates above Rs. 5.79 per unit required a comprehensive review, and that alternate lower-cost sources should have been identified through competitive mechanisms. AIMO further submitted that, with prudent planning and least-cost procurement, the average power purchase cost should have been progressively reduced and not exceeded Rs. 4.50 per unit for bulk procurement.

Reply of APDCL

APDCL submitted that State generation is outside its purview, and that peak demand is met through long-term, medium-term, and short-term PPAs with any shortfall procured from the market or bilateral agreements. Further, robust demand forecasting and power procurement planning are carried out under AERC (Framework for Resource Adequacy) Regulations, 2024. Hence, the respondent's claim is unfounded and should be rejected by the Commission.

APDCL submitted that it prioritizes least-cost power procurement within grid-security constraints, the respondent's suggestion to cap average power purchase cost at Rs. 4.50/unit is not feasible, and the Commission should reject the claim as unfounded.

Commission's View

As ruled earlier, APDCL should rigorously explore means to tie-up cheaper power sources in the medium-term and long-term, and also ensure that all purchases are made in accordance with the Merit Order Despatch principles. Further, APDCL should consider the suggestion regarding making hourly projections of demand and supply, in order to minimise the need for costly power purchase during peak hours and the need to sell surplus power at a discount to purchase rate, which is a prudent Utility practice, in case the same is not being done at present. APDCL should also consider best-practices being followed in other States in this regard.

Issue 31: Mandatory Quarterly Performance Review

Stakeholders' Comments

AIMO submitted that the Tariff Order for FY 2026–27 should mandate quarterly public disclosures by APDCL on power purchase versus own generation, AT&C loss reduction, feeder-level reliability, rooftop solar deployment, and compliance with cost-reduction measures.

Reply of APDCL

APDCL submitted that it already publishes quarterly performance on its website.

Commission's View

APDCL's response to the stakeholder's comments are noted.

Issue 32: Revision of 11 kV Load Limit for HT Educational Consumers

Stakeholders' Comments

Gauhati University submitted that the existing 2000 kVA limit for 11 kV supply and the associated voltage surcharge impose an undue financial burden on public educational institutions. It requested enhancement of the permissible load limit to 4000 kVA for HT Bulk Supply (Educational Institutions), submitting that such enhancement is technically feasible with existing 11 kV infrastructure and is justified in view of improved network standards and regulatory equity.

Reply of APDCL

APDCL replied that the stakeholder's submission does not warrant any reply, as the matter is related to amendment of AERC Supply Code Regulations.

Commission's View

The issue does not pertain to the true-up and Tariff Petition filed by APDCL, as the matter is related to the Supply Code Regulations notified by the Commission. The Commission shall consider this matter separately, in due course.

Issue 33: Challenge for APDCL to make it commercially viable

Stakeholders' Comments

CAC submitted that with the proposed Electricity Act amendments, APDCL must operate

commercially without government subsidies, and without a turnaround plan, it risks perennial losses. CAC has repeatedly urged APDCL to develop a strategy for financial sustainability and transition to real-time auditing.

Reply of APDCL

APDCL submitted that it is bound by the governing Rules and Regulations and, as a prudent Utility, will adhere to any future guidelines, if any.

Commission's View

The suggestion does not pertain to the true-up and Tariff Petition filed by APDCL.

Issue 34: Bifurcation of DISCOM ARR into Wheeling & Retail Business

Stakeholders' Comments

PFI submitted that, to comply with the Electricity Act, 2003 and proposed 2025 Amendment, APDCL should submit separate Petitions for Wheeling and Retail Business with detailed break-up of expenses and income linked to audited accounts, as directed under AERC Regulations.

Reply of APDCL

APDCL submitted that in the absence of segregation of accounts between the Wires Business and Retail Supply Businesses, the Petitioner has adopted the Allocation Matrix approved by the Commission for segregation of the ARR between the two businesses.

APDCL acknowledged the non-availability of separate accounts for Wheeling and Retail Supply business and submitted that such segregation was presently not feasible due to asset-level constraints faced by most DISCOMs. The Petitioner had initiated GIS-based asset indexing under RDSS Phase-II, which was expected to enable proper segregation of assets and apportionment of costs upon full operationalisation. Till such time, the Petitioner had adopted the Allocation Matrix method approved by the Commission for segregation of ARR between Wheeling and Retail Supply business.

Commission's View

The Commission notes that almost all Distribution Licensees in the country are segregating the ARR between the Wires Business and Retail Supply Business based on the Allocation Matrix specified by the respective SERC, and that no Distribution Licensee

is presently maintaining separate Accounts for the Wires Business and Retail Supply Business. However, with the evolution of the power sector and proposed amendments to the EA 2003, **APDCL should take necessary steps to segregate the Accounts for the respective Businesses, so that costs and its recovery can be reflected accurately and appropriately, at the earliest**.

Issue 35: Demand Side Management (DSM) Fund

Stakeholders' Comments

PFI submitted that APDCL has not proposed any DSM initiatives and requested the Commission to direct APDCL to focus on Demand Side Management and submit a detailed proposal outlining the planned DSM activities.

Reply of APDCL

APDCL submitted that, as part of the AERC (Demand Response) Regulations, 2024, APDCL was mandated to submit the Demand Response Implementation Plan for the Control Period from FY 2025-26 to FY 2027-28. APDCL submitted that the Plan is at an advanced stage of finalisation and would be placed before the Commission within the prescribed timeline.

Commission's View

The suggestion does not pertain to the true-up and Tariff Petition filed by APDCL.

Issue 36: PM Surya Ghar – Muft Bijlee Yojna

Stakeholders' Comments

PFI submitted that APDCL has not accounted for the PM Surya Ghar – Muft Bijli Yojana in its FY 2026-27 ARR, and requested that sales forecasts be revised to reflect the impact of rooftop solar installations and net metering under this scheme.

Reply of APDCL

APDCL submitted that with increasing penetration of Distributed Renewable Energy (DRE), including PM Surya Ghar, the consumer category-wise energy sales mix was expected to undergo variation. The impact of PM Surya Ghar – Muft Bijli Yojana was duly

factored into the energy sales projections for FY 2026-27, and appropriate offsetting of sales was carried out across relevant consumer categories.

Commission's View

The Commission has considered the actual category-wise sales in first half (H1) of FY 2025-26 and the category-wise sales estimated by APDCL for second half (H2) of FY 2025-26, for estimating the sales for FY 2025-26, as the pattern of sales in H1 and H2 considered by APDCL are appropriate. For FY 2026-27, the Commission has considered the past trend in category-wise sales and appropriate growth rate for projecting the category-wise sales.

The category-wise sales approved by the Commission for FY 2025-26 and FY 2026-27 are detailed in the relevant Chapters of this Order.

APDCL should submit the impact of DRE and Rooftop solar installations on category-wise sales separately, from the true-up Petition of FY 2025-26 and onwards.

Issue 37: NFA approach for Return on Equity

Stakeholders' Comments

PFI submitted that allowing RoE on Gross Fixed Asset (GFA) basis even after full loan repayment leads to recovery on depreciated assets, and therefore, requested the Commission to adopt the Net Fixed Asset (NFA) approach in line with Section 61(d) of the Electricity Act, 2003 and CERC/SERC precedents, and to direct DISCOMs to submit asset-wise details accordingly.

During the Public Hearing, PFI submitted that the Commission should consider moving from Gross Fixed Asset approach to Net Fixed Asset approach for allowing RoE, in line with the approach followed by some other SERCs like DERC, APERC, etc., as the same will ensure that the equity is also reduced in proportion to the depreciation.

Reply of APDCL

APDCL submitted that safeguarding DISCOM financial viability is critical, and its RoE claim follows AERC MYT Regulations using the GFA approach. Linking debt repayment with depreciation ensures stable returns and incentivizes investment, while the

Stakeholder's NFA approach may discourage R&M, affect reliability, and is impractical given current financial constraints.

Commission's View

As regards the suggestion to move from Gross Fixed Asset approach to Net Fixed Asset approach for allowing RoE, the Commission is of the view that the same requires greater deliberation and amendment of the MYT Regulations, if considered necessary, as the present MYT Regulations are based on the Gross Fixed Asset approach.

Issue 38: Accounting for Deposit Works

Stakeholders' Comments

During the Public Hearing, Shri Amarendra Goswami submitted that APDCL is not properly accounting for the Deposits received from the consumers against Deposit Works and it is likely that APDCL has funds received against Deposit Works to the tune of Rs. 10,000 crore to Rs. 20,000 crore, which has been collected over the years.

Reply of APDCL

APDCL submitted that the settlement of deposits from consumers is of recurring nature and is reflected properly in the books of Accounts of APDCL.

During the Public Hearing, APDCL clarified that the respondent's submission is incorrect and APDCL does not have such Funds accumulated, as the funds received against Deposit Works are liquidated through payments to the contractors as the work is done.

Commission's View

The suggestion does not pertain to the true-up and Tariff Petition filed by APDCL.

Issue 39: Separate category/ dispensation for Military Engineering Services/ Defence Establishments

Stakeholders' Comments

During the Public Hearing, Commander Works Engineer, Jorhat, Borjhar (Guwahati) and Dibrugarh jointly submitted that the tariff presently applicable to Defence establishments of the Central Government falls under the HT Bulk Supply category, with the tariff applicable being higher than even that applicable for the Commercial category. The

respondents submitted that Military Engineering Service (MES) has the status of a Deemed Distribution Licensee as per the EA 2003. Further, no significant commercial activity is undertaken within MES and the load is primarily for domestic and institutional use.

The respondents prayed for creation of a separate category for MES and other defence establishments with tariff equal to the tariff applicable for the Domestic category.

Reply of APDCL

During the Public Hearing, APDCL stated that if the request of MES was accepted, there would be significant revenue impact for APDCL. Further, MES could consider segregating the domestic and commercial load and APDCL could install Smart Meters and charge tariff applicable for the respective category.

Commission's View

The issue requires greater deliberation as all implications need to be understood before arriving at any dispensation in this regard. The Commission shall consider this matter separately, in due course.

4 Truing up for FY 2024-25

4.1 Methodology for Truing Up

4.1.1 The Commission had approved the ARR for APDCL for FY 2024-25 in the Tariff Order dated June 27, 2024.

4.1.2 APDCL submitted the Truing-up Petition for FY 2024-25 on November 29, 2025, based on audited annual accounts and the provisions of MYT Regulations, 2021.

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

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

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

4.1.6 The Commission has carried out the Truing up for FY 2024-25 based on the submissions of APDCL, audited Annual Accounts for FY 2024-25 and provisions of MYT Regulations, 2021.

4.1.7 The Commission has analysed all the elements of actual expenditure and revenue of APDCL for FY 2024-25 and undertaken the truing-up of expenses and revenue in accordance with the MYT Regulations, 2021. The Commission has approved the sharing of gains and losses on account of controllable factors between APDCL and the consumers, in accordance with the MYT Regulations, 2021.

4.2 Energy Sales

4.2.1 APDCL submitted the actual category-wise energy sales in its Truing Up Petition and stated that the actual sales were 10,481.89 MU for FY 2024-25, as against approved

sales of 11,145 MU, as shown in the Table below:

Table 5: Energy Sales for FY 2024-25 as submitted by APDCL (MU)

Sl. No.	Category	Approved	Actual
	LT CATEGORY		
1	Jeevan Dhara	194	126.09
2	Domestic A	4,431	4287.51
3	Domestic B	693	634.36
4	Commercial	1,209	1172.91
5	General Purpose (Non-Commercial & Non-Domestic Users)	230	158.10
6	General Purpose (Govt. Primary & Secondary/ Higher Secondary Schools)	27	31.36
7	Public Lighting	25	22.19
8	Agriculture	61	49.47
9	Small Industries (Rural)	92	95.73
10	Small Industries (Urban)	35	32.62
11	Temporary Supply	6	20.25*
12	Electric Vehicle Charging Station (LT)	3	6.11
	HT CATEGORY		
13	Domestic	24	25.97
14	Commercial	578	537.90
15	Public Water Works	269	202.49
16	Bulk Supply (Govt. Education)	130	124.74
17	Bulk Supply (Others)	521	531.45
18	HT Small Industries	14	12.25
19	HT-I Industries (above 50 kVA to 150 kVA)	87	86.45
20	HT-II Industries above 150 kVA (Option I: TOD)	1,415	1295.55
21	HT-II Industries above 150 kVA (Option II: Non-TOD)	226	180.52
22	Tea, Coffee & Rubber	592	564.41
23	Oil & Coal	149	137.18
24	HT Irrigation (above 30 kW) (35 kVA)	32	20.23
25	HT Temporary Supply	1	0.31

Sl. No.	Category	Approved	Actual
26	HT Electric Crematorium	1	0.00
27	HT Railway Traction	99	112.52
28	HT Electric Vehicle Charging Station	0	13.21
	TOTAL	**11,145**	**10,481.89**

**In Regulatory Formats, APDCL has submitted LT Temporary Sales as 20.67 MU.*

4.2.2 APDCL submitted that the actual sales are lower by around 5.9% vis-à-vis energy sales approved in the Tariff Order.

4.2.3 APDCL requested the Commission to approve actual retail energy sales of 10,481.89 MU (excluding OA consumption) for true-up for FY 2024-25, since, it is uncontrollable.

Commission's Analysis

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

4.2.5 The category-wise sales approved by the Commission after true-up of FY 2024-25 is as shown in the Table below:

Table 6: Energy Sales for FY 2024-25 approved by the Commission (MU)

Sl. No.	Category	Approved in Tariff Order	Actual	Approved after True-Up
	LT CATEGORY			
1	Jeevan Dhara	194	126.09	126.09
2	Domestic A	4,431	4287.51	4287.51
3	Domestic B	693	634.36	634.36
4	Commercial	1,209	1172.91	1172.91
5	General Purpose (Non-Commercial & Non-Domestic Users)	230	158.10	158.10

Sl. No.	Category	Approved in Tariff Order	Actual	Approved after True-Up
6	General Purpose (Govt. Primary & Secondary/ Higher Secondary Schools)	27	31.36	31.36
7	Public Lighting	25	22.19	22.19
8	Agriculture	61	49.47	49.47
9	Small Industries (Rural)	92	95.73	95.73
10	Small Industries (Urban)	35	32.62	32.62
11	Temporary Supply	6	20.25*	20.67
12	Electric Vehicle Charging Station (LT)	3	6.11	6.11
	HT CATEGORY			
13	Domestic	24	25.97	25.97
14	Commercial	578	537.90	537.90
15	Public Water Works	269	202.49	202.49
16	Bulk Supply (Govt. Education)	130	124.74	124.74
17	Bulk Supply (Others)	521	531.45	531.45
18	HT Small Industries	14	12.25	12.25
19	HT-I Industries (above 50 kVA to 150 kVA)	87	86.45	86.45
20	HT-II Industries above 150 kVA (Option I: TOD)	1,415	1295.55	1295.55
21	HT-II Industries above 150 kVA (Option II: Non-TOD)	226	180.52	180.52
22	Tea, Coffee & Rubber	592	564.41	564.41
23	Oil & Coal	149	137.18	137.18
24	HT Irrigation (above 30 kW) (35 kVA)	32	20.23	20.23
25	HT Temporary Supply	1	0.31	0.31
26	HT Electric Crematorium	1	0.00	0.00
27	HT Railway Traction	99	112.52	112.52
28	HT Electric Vehicle Charging Station	0	13.21	13.21
	TOTAL	**11,145**	**10,481.89**	**10,482.31**

**In Regulatory Formats, APDCL has submitted LT Temporary Sales as 20.67 MU.*

Accordingly, the Commission approves the total energy sales of 10,482.31 MU in the Truing up for FY 2024-25.

4.3 Distribution Loss

4.3.1 APDCL, in its Petition, submitted that it has achieved distribution loss level of 15.44% in FY 2024-25 as against the approved level of 14.50%. The actual distribution loss for FY 2024-25 has been arrived at by considering the actual quantum of power purchase, deriving losses in inter-State and intra-State transmission on the basis of energy accounting and actual retail sales to the consumers.

4.3.2 APDCL submitted that though it has not been able to achieve the approved level of Distribution Losses in FY 2024-25, APDCL has achieved significant Loss reduction over the period from FY 2005-06 to FY 2024-25.

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

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

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

gradually improving with implementation of various projects.

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

4.3.7 APDCL submitted that number of employees per thousand consumers has reduced significantly from 2.95 in FY 2016-17 to 1.12 in FY 2024-25. The constrained manpower has direct implications on the Metering-Billing and Collection (MBC) activities. However, all efforts are made to ensure optimum utilisation of limited resources to ensure efficient operations with various IT/OT initiatives. With regular monitoring with IT interventions, APDCL has been able to bring down the loss level gradually even with constrained resources.

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

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

4.3.10 APDCL requested the Commission to approve actual distribution loss of 15.44% for FY 2024-25, considering the actual distribution loss levels of previous years, manifold increase in LV consumers, and deferred implementation of various schemes as per the approved capital investment plan.

4.3.11 APDCL submitted that any deviation in the distribution losses vis-à-vis the approved losses directly affects the power purchase requirement of the licensee. If the losses are higher, the power purchase requirements would go up resulting in a loss to the

Licensee.

4.3.12 Hence, considering the age of assets, restricted R&M allowance in past years and inverse HT:LT ratio, APDCL requested the Commission to consider the actual distribution loss of 15.44% in the true-up of ARR for FY 2024-25.

Commission's Analysis

4.3.13 The Commission analysed the information submitted by APDCL regarding Distribution Losses. APDCL has contended that though LT:HT ratio has worsened over the past 2-3 years, APDCL has reported improvement in Distribution Losses from 19.70% (FY 2018-19) to 15.44 % (FY 2024-25). However, as stated in previous Tariff Orders, the Circle-wise and Division-wise Distribution Loss data submitted by APDCL shows that there are some Circles/Divisions with very high loss levels, which need to be targeted, to achieve the Loss levels approved by the Commission.

4.3.14 The Commission has considered the approved Distribution Loss level for FY 2024-25 of 14.50%, for the purpose of truing up for FY 2024-25, as approved in the Tariff Order dated June 27, 2024. The efficiency loss on account of higher than approved Distribution Losses, in terms of excess power purchase expenses, has been shared between APDCL and the consumers, as discussed subsequently in this Chapter.

4.4 Energy Requirement

4.4.1 APDCL submitted that based on actual sales, actual distribution losses and inter-State and intra-State transmission losses, the actual energy requirement for FY 2024-25 was 15,555.90 MU against the approved energy requirement of 16,299.56 MU.

Commission's Analysis

4.4.2 In the truing up for FY 2024-25, the Commission has approved the energy requirement on the basis of approved sales, approved Distribution Losses, actual Transmission Loss of AEGCL, and actual inter-State (PGCIL) Losses on external power purchase.

4.4.3 It is observed that APDCL has made certain arithmetical errors in its presentation of Energy Balance, as the numbers presented in Table 4 of its True-up Petition do not tally. The Commission has corrected APDCL's presentation of Energy Balance based on the Certificate issued by SLDC, to enable true and fair comparison of the Energy Balance. **APDCL should ensure to present correct values in its Petitions and**

ensure against such errors, for the benefit of the stakeholders and to facilitate improvement in the quality of analysis.

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

4.4.5 The gross energy requirement for FY 2024-25 as approved by the Commission in the Tariff Order, as submitted by APDCL, and as approved in the truing up are shown in the following Table:

Table 7: Energy Requirement approved by the Commission after True-Up for FY 2024-25 (MU)

Sl. No.	Particulars	Tariff Order	APDCL Petition	APDCL Petition (with corrected values)[$]	Approved after True-Up
1	Energy sales	11,145	10,481.89	10,482	10,482
2	Distribution Loss (%)	14.50%	15.44%	15.44%	14.50%
3	Distribution Loss	1,890	1,914.30	1,914	1,778
4	Energy Requirement at T<>D periphery	13,035	12,812.10	**12,396**	12,260
5	Intra State (STU) Transmission Loss (%)	3.23%	3.25%	3.24%	3.24%
6	Intra State (STU) Transmission Loss	435	415.90	415	411
7	Energy input to Transmission System	13,470	12,396.19	**12,811**	12,671
8	Inter-State (CTU) Loss (%)	1.62%	3.49%	3.49%	3.49%
9	Inter-State (CTU) Loss	264	456.30	457	452
10	Seasonal Export	2,566	2,183.51	**2,288**	2,288
11	**Total Energy Requirement**	**16,299.56**	**15,555.90**	**15,556**	**15,410**

Note: $ the values at Sl. 4, Sl. 7, and Sl. 10 in APDCL submission have been corrected based on the SLDC Certificate

Therefore, the Commission approves Energy Requirement of 15,410 MU for sale of 10,482 MU to retail consumers in the truing up for FY 2024-25. The efficiency loss on account of higher than approved Distribution Losses, in terms of excess power purchase expenses, has been shared between APDCL and the consumers, as discussed subsequently in this Chapter.

4.5 Power Purchase Quantum and Cost

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

4.5.2 APDCL submitted that during FY 2024-25, it has incurred net cost of Rs. 9,289.07 Crore (inclusive of transmission charges) for purchase of 15,555.90 MU as against the approved cost of Rs. 9,562.52 Crore (inclusive of transmission charges) for 16,299.56 MU. The total power purchase cost for FY 2024-25 comprises the basic power purchase cost, and Transmission Charges payable to PGCIL and AEGCL (inclusive of special charge on BST).

4.5.3 APDCL submitted that prices in the open market were persistently on higher side due to surge in demand across the country.

4.5.4 APDCL submitted that in order to minimise power purchase cost, APDCL adopts Merit Order Dispatch (MOD) principles for dispatching power from the generating stations based on the demand and allocation to APDCL. Further, MOD principle was adhered to in all procurement process subject to must run profiles, technical minimum and market availability to meet the increasing demand.

4.5.5 APDCL stated that it is always in need of power during the peak hours throughout the year and relatively higher prices for these hours has led to additional cost for such procurement.

4.5.6 Further, the actual power purchase from allocated capacities of the generators is different from allocation, because the demand from APDCL is not constant and it varies from time to time.

4.5.7 APDCL submitted that the variation between the approved and actual power purchase expenses is on account of various reasons such as change in the source of power, change in cost of power, and change in quantum of power.

4.5.8 The actual power purchase quantum during FY 2024-25 was lower than the quantity approved by the Commission primarily because Neyveli Lignite Corporation (NLC) did not supply power as anticipated, leading to a significant shortfall from this source. Although the allocation from Kahalgaon-I was extended for 12 months (from April 2024 to March 2025) and APDCL was allowed to schedule additional power, this extended allocation had not been factored into the Petition submitted before the Commission. While the additional Kahalgaon-I power partially mitigated the impact of the NLC shortfall, the overall procurement remained lower than approved. Further variations arose due to seasonal reduction in hydro generation, the consistently low PLF of gas-based plants resulting in lower-than-expected scheduling, and the need to rely on real-time market procurement to meet peak requirements.

4.5.9 APDCL submitted that despite the reduction in overall quantum, the weighted average cost of power was higher at Rs 5.97/kWh as compared to the approved rate of Rs 5.87/kWh, inclusive of transmission charges, primarily due to a change in the source mix. Higher scheduling from costlier NTPC stations such as Dadri and BTPS, substantial procurement from AGBPP at higher variable costs, and increased reliance on Traders and Power Exchanges, where prices are relatively higher, raised the average power purchase cost.

4.5.10 Further, various supplementary bills against different CPSU Genco/CTUIL as per Orders by CERC from time to time are accounted on admittance. Supplementary bills admitted as per regulatory Orders further added to the cost burden.

4.5.11 The details of source-wise Power Purchase Quantum and Cost for FY 2024-25 is given in the Table below:

Table 8: Power purchase cost for FY 2024-25 as submitted by APDCL

Sl. No.	Agency/Source	Approved			APDCL Petition		
		Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./kWh)	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./kWh)
1	**APGCL**	2,109.39	1,267.27	6.01	2,183.51	1,347.42	6.17
2	**NEEPCO (HYDRO)**						
	KOPILI I	565.51	119.76	2.12	309.35	80.37	2.60
	KOPILI II	57.60	12.53	2.18	86.91	19.03	2.19
	KHANDONG	141.73	28.35	2.00	0.00	0.18	
	Panyor Lower HEP (Erstwhile RHEP)	528.91	221.55	4.19	454.27	150.51	3.31
	DHEP	70.92	68.02	9.59	90.84	71.99	7.93
3	**NEEPCO (HYDRO) New**						
	KAMENG HEP	291.70	117.02	4.01	293.45	118.03	4.03
4	**NEEPCO (TH)**						
	AGBPP	354.54	260.26	7.34	803.37	568.72	7.08
	AGTPP	946.02	727.85	7.69	218.92	148.43	6.78
5	**NHPC Loktak HEP**	76.51	38.24	5.00	203.34	63.50	3.12
6	**NTPC (Existing)**				-		
	FARAKKA	243.16	129.93	5.34	237.31	99.57	4.20
	FARAKKA - III	-	-	-	-	-0.88	
	KAHELGAON - I	100.56	46.44	4.62	2091.07	832.73	3.98
	KAHELGAON -II	501.36	207.74	4.14	540.40	196.57	3.64
	TALCHER	162.16	46.81	2.89	146.43	38.82	2.65
	DADRI	727.94	355.07	4.88	1131.57	693.98	6.13
7	NTPC (New) BTPS	3,020.80	1,856.45	6.15	2,490.74	1,653.97	6.64
8	Pare HEP	187.31	105.07	5.61	152.07	81.66	5.37
9	Suryatap Solar	6.31	5.54	8.78	6.00	5.53	8.78
10	JNNSM Bundled Solar power	6.52	8.60	13.19	6.70	8.53	12.73
11	SECI Solar	37.49	24.07	6.42	38.06	23.85	6.27
12	JNNSM Bundled Coal power	33.59	16.78	5.00	33.81	13.30	3.93
13	Bilateral Sources/Traders				286.97	206.35	7.19

Sl. No.	Agency/Source	Approved			APDCL Petition		
		Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./kWh)	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./kWh)
14	Power Exchanges				946.96	454.72	4.80
15	OTPC	1,588.83	547.01	3.44	1,223.56	428.86	3.50
16	HHPCPL (Champawati)	9.39	3.86	4.11	7.76	3.19	4.11
17	Wind Power PTC	115.79	40.87	3.53	127.79	45.11	3.53
18	SECI Wind	147.37	40.09	2.72	141.42	38.58	2.73
19	Mangdechhu	412.37	219.73	5.33	521.25	235.81	4.52
20	PTC Nikachu	491.71	166.82	3.39	361.51	122.71	3.39
21	SPV Assam (Azure Power + Maheshwari Power)	160.79	53.98	3.36	177.01	58.95	3.33
22	Patanjali Solar	-	-	-	0.69	0.24	3.44
23	Amguri Solar Park	118.77	47.28	3.98	110.15	43.84	3.98
24	Neyveli UP PL	3,084.50	1,394.19	4.52	1.83	1.19	6.47
25	BRBCL	-	-	-	0.11	2.04	
26	Deviation Settlement Mechanism				(130.75)	(115.04)	-
	Sub-total:	**16,299.56**	**8,177.18**	**5.02**	**15,555.90**	**7,972.35**	**5.12**
27	**Renewable Energy Certificate**					**-**	
28	AEGCL Transmission Charges		668.27			686.97	
29	SLDC Charges		15.04				
30	PGCIL Transmission Charges		702.03			629.75	
	TOTAL POWER PURCHASE	**16,299.56**	**9,562.52**	**5.87**	**15,555.90**	**9,289.07**	**5.97**

4.5.12 APDCL requested the Commission to approve the actual power purchase cost of Rs 9,289.07 Crore in the true-up of ARR for FY 2024-25.

Commission's Analysis

4.5.13 The Commission asked APDCL to submit the source-wise breakup of power

purchase cost into fixed cost, variable cost and other costs, if any, for the total power purchase quantum of 15,555.90 MU as submitted in the Petition.

4.5.14 The Commission asked APDCL to clarify whether any amount of Delayed Payment Charges has been claimed under the power purchase cost in the true-up for FY 2024-25, and if so, the amount of DPC claimed for FY 2024-25. APDCL submitted that Delayed Payment Surcharge of Rs. 47.53 Crore is included under the power purchase cost in the true up for FY 2024-25. The Commission is of the opinion that penal charges like Delayed Payment Surcharge should not be passed onto consumers. Hence, DPC charges of Rs. 47.53 Crore has been reduced from power purchase cost of APDCL.

4.5.15 As regards the power purchase from bilateral sources, the Commission asked APDCL to confirm whether all such purchase have been made through Competitive Bidding in accordance with the Competitive Bidding Guidelines notified by the Government of India. APDCL submitted that during FY 2024-25, APDCL has procured power from bilateral sources based on a competitive bidding process through the DEEP Portal.

4.5.16 In response to the Commission's query regarding whether the tariff discovered through competitive bidding by APDCL for such purchase from bilateral sources has been adopted by the Commission, APDCL replied that such tariff has not been adopted by the Commission, as APDCL has not filed any Petition for adoption of the tariff for short-term power procurement. APDCL submitted that prior approval of the Commission is not required for such purchase, in accordance with Regulation 28 of the MYT Regulations 2024 (*2021*).

4.5.17 In accordance with Regulations 28.2 to 28.4 of the MYT Regulations, 2021, the circumstances under which the Licensee may undertake additional short-term power procurement over and above the power procurement approved by the Commission is specified as under:

"28.2 Where there has been a shortfall or failure in the supply of electricity from any approved source of supply during the financial year, the Distribution Licensee may enter into additional short-term arrangement or agreement for procurement of power (short-term means upto period of one year):

Provided that if the total power purchase cost for any block of six months including such short-term power procurement exceeds 105% of the power

purchase cost approved by the Commission for the respective block of six months, the Distribution Licensee shall have to obtain prior approval of the Commission; and

Provided further that the proposed short-term power procurement shall be in accordance with the AERC (Fuel and Power Purchase Price Adjustment) Regulations, 2024 and amendments thereof.

28.3 Where the Distribution Licensee has identified a new short-term source of supply from which power can be procured at a tariff that reduces its approved total power procurement cost, the Distribution Licensee may enter into a short-term power procurement agreement or arrangement with such supplier without the prior approval of the Commission.

28.4 The Distribution Licensee may enter into a short-term arrangement or agreement for procurement of power without the prior approval of the Commission when faced with emergency conditions that threaten the stability of the distribution system or when directed to do so by the State Load Despatch Centre to prevent grid failure."

4.5.18 Regulations 28.5 and 28.6 of the MYT Regulations, 2021, specify as under:

"28.5 Within fifteen (15) days from the date of entering into an agreement or arrangement for short-term power procurement for which prior approval is not required, the Distribution Licensee shall provide the Commission, full details of such agreement or arrangement, including quantum, tariff calculations, duration, supplier details, method for supplier selection and such other details as the Commission may require with regard to such agreement/arrangement to assess that the conditions specified in this Regulation 28 have been complied with:

Provided that where the Commission has reasonable grounds to believe that the arrangement or agreement entered into by the Distribution Licensee does not meet the criteria specified in Regulation 28.2 to Regulation 28.4 above, the Commission may disallow any increase in the total cost of power procurement (net of additional revenue) over the approved level arising there from or any loss incurred by the Distribution Licensee as a result, from being passed through to consumers.

28.6 Subject to the cases specified in Regulation 28.2 to Regulation 28.4 above, where the Distribution Licensee enters into any agreement or arrangement for short-term power procurement without the approval of the Commission, any increase in the total cost of power procurement (net of additional revenue) over the approved level arising there from shall be deemed to be a variation in performance attributable entirely to controllable factors."

4.5.19 Further, APDCL has entered into short-term bilateral PPAs based on competitive bidding undertaken in accordance with the Standard Bidding Guidelines notified by the Ministry of Power, Government of India. The said Guidelines stipulate as under, regarding the need to obtain the Commission's approval:

"11.4. If the quantum of power procured and tariff determined are within the blanket approval granted by the Appropriate Commission in Annual Revenue Requirement (ARR) of the respective year, then the same will be considered to have been adopted by the Appropriate Commission.

In all other cases, the Procurer(s) shall submit a petition to the Appropriate Commission for adoption of tariff within 2 days from the date of signing of PPA. Appropriate Commission should communicate the decision within 7 days from the date of submission of petition."

4.5.20 In the present case, there is no 'blanket approval' granted by the Commission as the quantum of power purchase from bilateral sources/Power Exchange was approved as Nil in the Tariff Order for FY 2024-25. Hence, the present transaction does not qualify to be considered as 'deemed adopted' by the Commission, and APDCL was required to submit a Petition to the Commission for adoption of the tariff within 2 days of signing the PPA.

4.5.21 When queried further in this regard, APDCL submitted that in the APR for FY 2024-25, power purchase cost of Rs 206.35 Crore was approved by the Commission, at an average rate of purchase of Rs. 7.19/kWh. In this regard, it is clarified that mere consideration of such cost as part of the power purchase cost in the APR for any year is not equivalent to statutory approval that was required to be obtained by APDCL for such power purchase, in accordance with the MoP Guidelines and the MYT Regulations, 2021.

4.5.22 Several stakeholders have also objected to the power procurement from bilateral

sources in a completely unregulated manner, both through written submissions as well as during the Public Hearing.

4.5.23 Considering all the above facts and regulatory requirements, the Commission is of the view that it would not be appropriate to allow the cost of such short-term power purchase from bilateral sources in its entirety. At the same time, the power purchased by APDCL has been utilised for supply to consumers within the State of Assam. Therefore, it would not be appropriate to disallow the entire cost of such power purchase. Hence, in order to place on record the seriousness of the non-compliance and to ensure strict adherence to the applicable regulatory framework by APDCL in future, the Commission decides to allow the quantum of such bilateral power purchase. However, the rate of power purchase has been capped at the actual APPC of APDCL in FY 2024-25, i.e., 5.09/kWh rather than the rate of Rs. 7.19/kWh claimed by APDCL in its true-up Petition for FY 2024-25.

4.5.24 APDCL was also asked to clarify regarding the provision for purchase of power of Rs. 7.14 Crore reported under power purchase cost in Audited Accounts and included in the claim of power purchase cost in the truing up Petition of APDCL. In reply, APDCL submitted that provision of power purchase of Rs. 7.14 Crore is made for the cost of power purchase for the month of March 2025 as per standard accounting rules to reflect the actual power purchase cost for FY 2024-25 whereas the provision for power purchase expenses of previous FY 2023-24 was reversed in FY 2024-25. Considering that the actual power purchase has been done in FY 2024-25 only, the Commission has allowed this cost to be included in the power purchase cost of FY 2024-25.

4.5.25 It is also observed that the Deviation Settlement Mechanism (DSM) quantum and cost have been shown as negative (injection into Grid) by APDCL in its Petition, however, the Commission has verified the quantum and cost from the Audited Accounts, and the DSM quantum and cost have been considered as positive (drawal from Grid) by APDCL.

4.5.26 As regards the seemingly high cost of power purchase from BRBCL, APDCL clarified as under:

a) Indian Railway as, deemed licensee is availing power under open access in 13 States/entities for their traction utilization. Indian Railways has also setup

1000 MW (4 x 250MW) thermal power plant (BRBCL) in JV with NTPC at Nabinagar out of which 90% power has been allocated by the Ministry of Power to Indian Railways. For effective utilization, BRBCL power has been further allocated to various Nodal Railways in different States and 5 MW power is allocated to North East Frontier Railway (NFR) in the State of Assam.

b) The North Eastern Regional Power Committee (NERPC), discussed this matter in its meeting held on 18th January 2025.

c) The representative of NFR during the meeting submitted that BRBCL Power is being daily allocated to Assam State and power flow has taken place regularly under this arrangement without scheduling of power by NFR and is not being accounted for NFR, thereby Indian Railways is incurring financial losses.

d) He further informed the forum that due to non-completion of telemetry work, SLDC Assam was not scheduling power to the Railway even though they have open access.

e) Therefore, they are drawing power from APDCL as a bulk consumer. NF Railway also informed forum that they had been billed by both BRBCL as a beneficiary and by APDCL as a bulk customer. Since, power allocated to NF railway has been scheduled to APDCL/Assam, therefore NFR requested forum for adjustment of energy injected in the Assam state Grid from BRBCL thermal power plant during the period from Jan 2022 to December 2024 as per REA Statements/Reports published by NERPC.

f) SLDC Assam informed the forum that due to non-completion of telemetry work by NFR, the 5 MW power of BRBCL (allocated to NFR) has not been scheduled to NFR.

g) NERPC opined that zero requisition for BRBCL power has been implemented on the new WBES from Aug'24 onward by NERLDC, therefore monetary settlement can be considered for the period Jan'22 to July'24. NFR representative also agreed for the same.

h) It was also deliberated by forum to finalize the methodology for monetary settlement of BRBCL Power.

i) It was decided that NERPC Secretariat will submit the detailed month wise calculation sheet (for the period Jan'22 to July'24) based on monthly ECR of

BRBCL plant . Accordingly, APDCL will take up the matter with higher authority to settle the monetary value involved.

j) Accordingly, the settlement amount has been paid to BRBCL, as claimed in the Petition.

k) APDCL has submitted the Minutes of the said NERPC to the Commission, and the same has been verified.

4.5.27 In view of the above developments, the Commission has approved the settlement amount considered by APDCL in the true-up for FY 2024-25.

4.5.28 The remaining source-wise purchases have been accepted by the Commission as submitted by APDCL, after verification of the cost from the Audited Accounts. The summary of power purchase quantum and cost as approved in the Tariff Order for FY 2024-25, actual quantum and cost as submitted by APDCL in its True-Up Petition, and the quantum and cost approved by the Commission after true-up are summarized in the Table below:

Table 9: Power Purchase approved by the Commission after True-Up for FY 2024-25

Sl. No.	Agency/Source	Approved			APDCL Petition			Approved in this Order		
		Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./ kWh)	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./ kWh)	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./ kWh)
1	**APGCL**	2,109.39	1,267.27	6.01	2,183.51	1,347.42	6.17	2,183.51	1,347.42	6.17
2	**NEEPCO (HYDRO)**									
	KOPILI I	565.51	119.76	2.12	309.35	80.37	2.60	309.35	80.37	2.60
	KOPILI II	57.60	12.53	2.18	86.91	19.03	2.19	86.91	19.03	2.19
	KHANDONG	141.73	28.35	2.00	0.00	0.18		0.00	0.18	
	Panyor Lower HEP (Erstwhile RHEP)	528.91	221.55	4.19	454.27	150.51	3.31	454.27	150.51	3.31
	DHEP	70.92	68.02	9.59	90.84	71.99	7.93	90.84	71.99	7.93
3	**NEEPCO (HYDRO) New**									
	KAMENG HEP	291.70	117.02	4.01	293.45	118.03	4.03	293.45	118.23	4.03
4	**NEEPCO (TH)**									
	AGBPP	946.02	727.85	7.69	803.37	568.72	7.08	803.37	568.72	7.08
	AGTPP	354.54	260.26	7.34	218.92	148.43	6.78	218.92	148.43	6.78
5	**NHPC Loktak HEP**	76.51	38.24	5.00	203.34	63.50	3.12	203.34	63.50	3.12
6	**NTPC (Existing)**				-			-		
	FARAKKA	243.16	129.93	5.34	237.31	99.57	4.20	237.31	99.57	4.20
	FARAKKA - III	-	-	-	-	-0.88		-	-0.88	

Sl. No.	Agency/Source	Approved			APDCL Petition			Approved in this Order		
		Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./ kWh)	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./ kWh)	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./ kWh)
	KAHELGAON - I	100.56	46.44	4.62	2091.07	832.73	3.98	2091.07	832.73	3.98
	KAHELGAON -II	501.36	207.74	4.14	540.40	196.57	3.64	540.40	196.57	3.64
	TALCHER	162.16	46.81	2.89	146.43	38.82	2.65	146.43	38.82	2.65
	DADRI	727.94	355.07	4.88	1131.57	693.98	6.13	1131.57	693.98	6.13
7	NTPC (New) BTPS	3,020.80	1,856.45	6.15	2,490.74	1,653.97	6.64	2,490.74	1,653.97	6.64
8	Pare HEP	187.31	105.07	5.61	152.07	81.66	5.37	152.07	81.66	5.37
9	Suryatap Solar	6.31	5.54	8.78	6.00	5.27	8.78	6.00	5.27	8.78
10	JNNSM Bundled Solar power	6.52	8.60	13.20	6.70	8.53	12.73	6.70	8.53	12.73
11	SECI Solar	37.49	24.07	6.42	38.06	23.85	6.27	38.06	23.85	6.27
12	JNNSM Bundled Coal power	33.59	16.78	5.00	33.81	13.30	3.93	33.81	13.30	3.93
13	Bilateral Sources/Traders				286.97	206.35	7.19	286.97	146.19	5.09
14	Power Exchanges				946.96	454.72	4.80	946.96	454.72	4.80
15	OTPC	1,588.83	547.01	3.44	1,223.56	428.86	3.50	1,223.56	428.86	3.50
16	HHPCPL (Champawati)	9.39	3.86	4.11	7.76	3.19	4.11	7.76	3.19	4.11
17	Wind Power PTC	115.79	40.87	3.53	127.79	45.11	3.53	127.79	45.11	3.53
18	SECI Wind	147.37	40.09	2.72	141.42	38.58	2.73	141.42	38.58	2.73
19	Mangdechhu	412.37	219.73	5.33	521.25	235.81	4.52	521.25	235.81	4.52

Sl. No.	Agency/Source	Approved			APDCL Petition			Approved in this Order		
		Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./ kWh)	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./ kWh)	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./ kWh)
20	PTC Nikachu	491.71	166.82	3.39	361.51	122.71	3.39	361.51	122.71	3.39
21	SPV Assam (Azure Power + Maheshwari Power)	160.79	53.98	3.36	177.01	58.95	3.33	177.01	58.95	3.33
22	Patanjali Solar	-	-	-	0.69	0.24	3.48	0.69	0.24	3.48
23	Amguri Solar Park	118.77	47.28	3.98	110.15	43.84	3.98	110.15	43.84	3.98
24	Neyveli UP PL	3,084.50	1,394.19	4.52	1.83	1.19	6.47	1.83	1.19	6.47
25	BRBCL	-	-	-	0.11	2.04		0.11	2.04	
26	Deviation Settlement Mechanism				(130.75)	(115.04)	-	130.75	115.04	-
	Sub-total:	**16,299.56**	**8,177.18**	**5.02**	**15,555.90**	**7,972.35**	**5.12**	**15,555.92**	**7,912.20**	**5.09**
27	**Renewable Energy Certificate**									
28	AEGCL Transmission Charges		668.27			686.97*			686.97*	
29	SLDC Charges		15.04							
30	PGCIL Transmission Charges		702.03			629.75			629.75	
	TOTAL POWER PURCHASE	**16,299.56**	**9,562.52**	**5.87**	**15,555.90**	**9,289.07**	**5.97**	**15,555.92**	**9,228.92**	**5.93**
31	Less: Delayed Payment Surcharge								47.53	
								15,555.92	**9,181.39**	**5.90**

***including SLDC Charges**

Therefore, the Commission approves Power Purchase Expenses of Rs. 9,181.39 Crore after Truing up for FY 2024-25.

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

4.6.1 APDCL has proposed to share the efficiency loss on account of excess power purchase costs due to actual Distribution Losses in FY 2024-25 being higher than the approved Distribution Losses. APDCL has computed the total excess power purchase cost as Rs. 71.28 Crore, with APDCL's share of the losses as Rs. 47.52 Crore considered in accordance with the MYT Regulations, 2021. APDCL has proposed to share the excess power purchase expenses between APDCL and the consumers, as shown in the table below.

Table 10: Sharing of gain/(loss) on account of higher distribution losses in FY 2024-25 as submitted by APDCL

Particulars	Approved	Actual	Actual with approved loss
Retail Energy Sale (MU)	11,145	10481.89	10481.89
Distribution loss (%)	14.50%	15.44%	14.50%
Distribution loss (MU)	1,890	1914.30	1777.63
Energy requirement at DISCOM periphery (MU)	13,035	12396.19	12259.52
STU Loss (%)	3.23%	3.25%	3.25%
STU Loss (MU)	435	415.90	411.32
Energy requirement at STU (MU)	13,470	12812.10	12670.84
CTU Loss (%)	1.62%	3.49%	3.49%
CTU Loss (MU)	264	456.30	458.34
Seasonal Export (MU)	2,566	2287.50	2287.50
Energy requirement at Source	16,299.56	15555.90	15416.68
Excess quantum on account of higher distribution losses (MU)			139.22
Average power purchase rate (excl. Tr. Charges) (Rs./kWh)			5.12
Excess Power Purchase Cost (Rs. Crore)			71.28
Share of loss/ (gain) to be borne by APDCL (Rs. Crore)			**47.52**

Commission's Analysis

4.6.2 As the actual Distribution Losses are higher than the approved Distribution Losses for FY 2024-25, the efficiency loss on account of higher than approved Distribution Losses, in terms of excess power purchase expenses, have been shared between APDCL and the consumers, as shown in the Table below:

Table 11: Sharing of Efficiency Gain/(Loss) approved by the Commission on account of Distribution Losses after True-Up for FY 2024-25

Sl. No	Particulars	Units	APDCL Petition	Approved after True-Up
1	Total Power Purchase	MU	15,555.90	15,555.90
2	Sale of Surplus Power	MU	2,287.50	2,287.50
3	Actual Energy Purchased for sale within State	MU	13,268.40	13,268.40
4	Allowable Energy Purchase for sale within State at approved Distribution Loss	MU	13,129.17	13,122.14
5	Excess Energy Purchase	MU	139.22	146.26
6	Average power purchase rate (excl. Tr. Chgs)	Rs/kWh	5.12	5.06
7	**Excess Power Purchase Cost**	**Rs. Cr**	**71.28**	**73.94**
8	**Share of (loss)/gain to be borne by APDCL**	**Rs. Cr**	**47.52**	**49.30**

Therefore, the Commission disallows two third of the excess power purchase cost, i.e., Rs. 49.30 Crore in the truing up for FY 2024-25, which will be borne by APDCL, and one third of the excess power purchase cost, i.e., Rs. 24.65 Crore is passed on to the consumers as per the MYT Regulations, 2021.

4.7 O&M Expenses

4.7.1 APDCL has claimed normative O&M expenses of Rs.1383.67 Crore against the approved O&M expenses of Rs. 1449.53 Crore for FY 2024-25, as shown in the Table below:

Table 12: Normative O&M Expenses for FY 2024-25 as submitted by APDCL (Rs. Crore)

Sl. No.	Particulars	Tariff Order	APDCL
1	Employee Expenses	1,006.63	937.51
2	R&M Expenses	323.71	320.46
3	A&G Expenses	119.19	125.71
4	**Total O&M Expenses**	**1,449.53**	**1,383.67**

Employee Expenses

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

4.7.3 APDCL submitted that the normative employee expenses for FY 2024-25 have been computed considering the approved normative employee cost for FY 2023-24 as base value. An amount of Rs. 6.53 Crore as instalment against DCRG for NPS employees is considered as approved by the Commission in the APR for FY 2024-25.

Table 13: Normative employee expenses for FY 2024-25 claimed by APDCL (Rs. Crore)

Particulars	Approved	APDCL Petition
Employee Expenses for Previous Year	882.81	882.81
Growth Factor	1%	0%
CPI Inflation	5.32%	5.46%
Employee Expenses	**939.11**	**930.97**
Add: Provision of DCRG under NPS	67.52	6.53
Total Employee Expenses	**1006.63**	**937.51**

4.7.4 APDCL requested the Commission to approve the normative employee expenses of Rs.937.51 Crore for FY 2024-25 including the provision of DCRG under NPS. APDCL submitted the actual employee expenses as Rs. 907.26 Crore for FY 2024-25.

Repair & Maintenance (R&M) Expenses

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

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

4.7.7 APDCL requested the Commission to approve the normative R&M expenses of Rs. 320.46 Crore for FY 2024-25 linked to K-factor and WPI index as per MYT Regulations, 2021. APDCL submitted the actual R&M expenses as Rs. 361.13 Crore for FY 2024-25. Normative R&M expenses for FY 2024-25 as submitted by APDCL are shown in the Table below:

Table 14: Normative R&M expenses for FY 2024-25 claimed by APDCL (Rs. Crore)

Particulars	Approved	APDCL Petition
Average GFA for previous year	9737.65	9640.02
K Factor	3.10%	3.10%
WPI Inflation	7.23%	7.23%
R&M Expenses	**323.71**	**320.46**

Administrative and General (A&G) Expenses

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

charges, conveyance and travelling allowance, etc.

4.7.9 APDCL submitted that statutory fees have been claimed to the extent of actual payment of Rs 9.76 Crore against approval of Rs. 3.25 Crore.

4.7.10 APDCL requested the Commission to allow normative A&G expenses of Rs. 125.71 Crore for FY 2024-25. APDCL submitted the actual A&G expenses as Rs. 224.91 Crore for FY 2024-25. The Normative A&G expenses claimed by APDCL for FY 2024-25 as per MYT Regulations are shown in the Table below:

Table 15: Normative A&G expenses for FY 2024-25 (Rs. Crore)

Particulars	Approved	APDCL Petition
A&G Expenses for Previous Year	108.12	108.12
WPI Inflation	7.23%	7.23%
Statutory Fees	3.25	9.76
A&G Expenses	**119.19**	**125.71**

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Commission's Analysis

4.7.11 The Commission has allowed O&M Expenses on normative basis in the Tariff Order for FY 2024-25. For the purpose of truing up for FY 2024-25, the Commission has computed the normative O&M Expenses as per the MYT Regulations, 2021. Any variation between normative O&M Expenses and actual O&M Expenses has been considered under sharing of gains/losses on account of controllable items as per the MYT Regulations, 2021.

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

a) The base employee expenses for FY 2024-25 have been considered as Rs. 882.81 Crore, i.e., equal to the employee expenses approved in the truing up for FY 2023-24;

b) The base employee expenses for FY 2024-25 have been escalated by the Consumer Price Index (CPI) inflation computed as average increase of CPI for the period from FY 2021-22 to FY 2023-24, which works out to 5.46%, to determine the employee expenses for FY 2024-25;

c) Considering that there has not been any net addition to the employee base in FY 2024-25, 0% growth factor has been considered.

4.7.13 The Commission in the Tariff Order dated 27th June 2024 had approved recovery of the DCRG under NPS of Rs 67.52 Crore over a period of 5 years starting from FY 2021-22 as this is a one-time provisioning against several past years. Therefore, 1/5th impact (Rs. 67.52 Crore) was allowed for FY 2024-25, with the balance to be spread till FY 2025-26. The Commission asked APDCL to clarify the actual expenditure incurred against DCRG for NPS employees in FY 2024-25. APDCL submitted that actual expenditure incurred against DCRG for NPS employees during FY 2024-25 is Rs. 6.53 Crore. The Commission thus, restricts the claim of provision of DCRG under NPS to actual expenditure on this account, which is Rs. 6.53 Crore for FY 2024-25.

4.7.14 The normative employee expenses approved in the true-up for FY 2024-25 are shown in the following Table:

Table 16: Approved Employee Expenses for FY 2024-25 (Rs. Crore)

Particulars	Tariff Order	APDCL Petition	Approved after true-up
Employee Expenses for Previous Year	882.81	882.81	882.81
Growth Factor	1%	0%	0%
CPI Inflation	5.32%	5.46%	5.46%
Employee Expenses	**939.11**	**930.97**	**930.97**
Add: Provision for DCRG under NPS	67.52	6.53	6.53
Total Employee Expenses	**1006.63**	**937.51**	**937.50**

Therefore, the Commission approves Normative Employee Expenses of Rs. 937.50 Crore in the truing up for FY 2024-25.

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

a) The average GFA of the previous year has been considered as Rs. 9,611.05 Crore, based on the Opening and Closing GFA approved in the truing up of FY 2023-24;

b) Average increase of WPI for the period from FY 2021-22 to FY 2023-24, i.e., 7.23%, has been considered for computation of R&M expenses for FY 2024-25;

c) The Commission has considered the K-factor of 3.10% as approved in the MYT Order for the Control Period;

d) Since, K-factor has been considered on the basis of average GFA, for computation of R&M expenses for FY 2024-25, average GFA for the previous year has been considered.

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

Table 17: Approved R&M Expenses for FY 2024-25 (Rs. Crore)

Particulars	Tariff Order	APDCL Petition	Approved after True-up
Average GFA for previous year	9737.65	9640.02	9,611.05
K Factor	3.10%	3.10%	3.10%
WPI Inflation	7.23%	7.23%	7.23%
R&M Expenses	**323.71**	**320.46**	**319.47**

Accordingly, the Commission approves normative R&M Expenses of Rs. 319.47 Crore in the truing up for FY 2024-25.

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

a) The base A&G expenses for FY 2024-25 have been considered as Rs. 107.45 Crore, equal to the A&G expenses approved in the truing up for FY 2023-24 after excluding the Statutory Fees, which are allowed separately;

b) The base A&G expenses for FY 2024-25 have been escalated by the WPI inflation computed as average increase of WPI for the period from FY 2021-22 to FY 2023-24, which works out to 7.23%, to determine the A&G expenses for FY 2024-25;

c) The statutory fees have been considered separately at actuals, based on the details provided by APDCL and the audited accounts for FY 2024-25. Only the AERC fees and NSDL Fees have been considered, while 'Payment to Statutory

Auditors' has not been considered under Statutory Fees, in line with the approach in previous Orders.

4.7.18 The normative A&G expenses approved in the true-up for FY 2024-25 is shown in the following Table:

Table 18: Approved A&G Expenses for FY 2024-25 (Rs. Crore)

Particulars	Tariff Order	APDCL Petition	Approved after true-up
A&G Expenses for Previous Year	108.12	108.12	108.12
WPI Inflation	7.23%	7.23%	7.23%
Statutory Fees	3.25	9.76	9.33
A&G Expenses	**119.19**	**125.71**	**125.26**

Therefore, the Commission approves normative A&G Expenses of Rs.125.26 Crore in the true-up for FY 2024-25.

4.7.19 The normative O&M expenses approved by the Commission for FY 2024-25 is shown in the following Table:

Table 19: Normative O&M Expenses approved by Commission for FY 2024-25 (Rs. Crore)

Sl. No.	Particulars	Tariff Order	APDCL Petition	Approved after Truing up
1	Employee Expenses	1,006.63	937.51	937.50
2	R&M Expenses	323.71	320.46	319.47
3	A&G Expenses	119.19	125.71	125.26
Total		**1,449.53**	**1,383.67**	**1,382.24**

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

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

excluded for deriving sharing of gains/losses on O&M expenses.

4.8.2 APDCL submitted that in view of the higher actual expenses as compared to normative expenses, Rs. 73.09 Crore (2/3rd) is proposed to be borne by APDCL as deduction from the ARR in adherence to the governing Regulations.

Table 20: Sharing of losses/(gains) for O&M Expenses as submitted by APDCL for FY 2024-25 (Rs. Crore)

Sl. No.	Particulars	Actual	Normative	(Gains)/ Losses	2/3 of (Gains)/Losses
		a	b	c = (b-a)	d = c x 2/3
1	Employee Cost	907.26	937.51	(30.25)	(20.16)
	Less: Provision on NPS	6.53	6.53	0.00	0.00
	Less: Terminal Benefits	100.20	100.20	0.00	0.00
	Employee Cost excl. Terminal Benefits & ROP	800.54	830.78	(30.24)	(20.16)
2	R&M Expenses	361.13	320.46	40.67	27.11
3	A&G Expenses	224.91	125.71	99.20	66.14
	Less: Statutory Expenses	9.76	9.76		
	A&G Expenses excl. Statutory Expenses	215.15	115.95	99.20	66.14
4	**TOTAL**	**1376.81**	**1267.18**	**109.63**	**73.09**

Commission's Analysis

4.8.3 The Commission has examined the prudence of each head of actual O&M expenses based on the Audited Accounts of APDCL for FY 2024-25, as under:

a) APDCL has claimed actual Employee expenses of Rs. 907.28 Crore as per the Audited Accounts, which has been accepted by the Commission after prudence check in the true-up for FY 2024-25. APDCL, in its reply to the Commission's query regarding the actual expenditure incurred on account of NPS, submitted that it has actually incurred Rs. 6.53 Crore on this account in FY 2024-25. Hence, the Commission has not considered the same for sharing of

Gains/Losses. Further, as per MYT Regulations, 2021, Terminal Benefits of Rs. 84.42 Crore has not been considered for sharing of gains/losses, as the same are uncontrollable expenses.

b) APDCL has claimed actual R&M expenses as Rs. 361.12 Crore, as per the Audited Accounts. The Commission observes that expense of Rs. 89.05 Crore against 'Expenditure on Revenue Billing & Collection' paid to outsourced agencies has been booked under R&M expenses. However, these expenses should correctly be booked under A&G expenses, as these are outsourcing expenses. Hence, the Commission has reduced the actual R&M expenses by Rs. 89.05 Crore and considered the same under actual A&G expenses. Hence, the Commission approves actual R&M expenses of Rs. 272.07 Crore in the true-up for FY 2024-25.

c) APDCL has claimed actual A&G expenses as Rs. 227.88 Crore, as per the Audited Accounts. Based on replies submitted by APDCL to queries raised by the Commission, it is observed that the actual A&G expenses Compensation to Outsiders of Rs. 1.55 Crore, and Penal interest/penalties of Rs. 0.46 Crore against interest on tax payment and other heads, which have been disallowed by the Commission, as the same have to be borne by APDCL and cannot be passed on to the consumers. Further, the Commission has added the expense of Rs. 89.05 Crore against 'Expenditure on Revenue Billing & Collection' paid to outsourced agencies, to the actual A&G expenses. Hence, the Commission approves actual A&G expenses as Rs. 309.47 Crore in the true-up for FY 2024-25. Further, Statutory Fees of Rs. 9.33 Crore has not been considered for sharing of gains/losses, as the same are uncontrollable expenses.

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

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

Table 21: Sharing of losses/(gains) for O&M Expenses approved by the Commission for FY 2024-25 (Rs. Crore)

Sl.	Particulars	Actual	Normative	Gains/ (Losses)	1/3 of Gains/ (Losses)
		a	b	c = (b-a)	d = c x 1/3
1	**Employee Cost**	907.28	937.50	30.22	10.07
	Less: Provision for DCRG under NPS	6.53	6.53		
	Less: Terminal Benefits*	84.42	84.42		
	Employee Cost excl. Terminal Benefits	816.33	846.55	30.22	10.07
2	Repair & Maintenance	272.07	319.47	47.40	15.80
3	Administrative & General Expenses	300.14	115.93	(184.21)	(61.40)
	Less: Statutory Expenses	9.33	9.33		
	A&G Expenses excl. Statutory Expenses	290.81	106.60	(184.21)	(61.40)
	TOTAL	**1,379.21**	**1,272.63**	**(106.59)**	**(35.53)**

4.8.6 **Since, actual O&M expenses are higher than the normative expenses, the net losses of Rs. 106.59 Crore has been shared in the specified ratio, and 1/3rd of the losses, i.e., Rs. 35.53 Crore, has been added to the ARR.**

4.8.7 **Here, it may be noted that in its Petition, APDCL has deducted 2/3rd of the losses from the ARR, rather than adding 1/3rd of the losses to the ARR, thereby under-stating the ARR to the extent of Rs. 109.63 Crore (as per APDCL's estimation). APDCL should ensure against such incorrect representation of figures leading to under-statement or over-statement of the ARR.**

4.9 Capital Investment & Capitalisation

4.9.1 APDCL submitted that actual Capitalisation achieved during FY 2024-25 is Rs. 219.08 Crore as shown in the Table below and requested the Commission to approve

the same in the true-up for FY 2024-25:

Sl. No.	Particulars	Amount
A	Opening Balance of CWIP	7654.81
B	Fresh CAPEX during the year	2140.70
C	Investment capitalised out of opening CWIP	219.08
D	Investment capitalised out of fresh investment	
	Total Capitalisation during the year (C+D)	**219.08**
	Closing Balance of CWIP (A + B - C - D)	9576.44

Commission's Analysis

4.9.2 The actual capitalisation claimed by APDCL in FY 2024-25 is Rs. 219.08 Crore, which is extremely low as compared to the amount estimated by APDCL in its APR Petition of Rs. 3478.70 Crore (actual capitalisation is only 6% of the estimated capitalisation projected for FY 2024-25, based on H1 actuals), and also much lower than the amount approved by the Commission in the APR Order of Rs. 1150 Crore. APDCL submitted that the amount of Rs. 219.08 Crore is the sum of Rs. 205.08 Crore of GFA addition and Rs. 13.99 Crore of net intangible asset addition reflected at Note 2 of and Note 4, respectively, the Audited Accounts.

4.9.3 APDCL was asked to submit the actual scheme-wise funding of capitalised works with break-up of Grants, Loans, Consumer Contribution, Equity, etc. APDCL submitted the scheme-wise funding of the GFA as Rs. 67.01 Crore through Grant and balance Rs. 152.07 Crore through equity. However, the MYT Regulations, 2021 specify the normative debt:equity ratio as 70:30, after deducting the grant component. Hence, the Commission has accordingly considered the funding of the GFA addition for FY 2024-25, as shown in the Table below.

4.9.4 The Commission has verified the actual capitalisation achieved in FY 2024-25 from the Audited Accounts of APDCL for FY 2024-25. **The Commission has hence, approved the actual Capitalisation in FY 2024-25 as Rs. 219.08 Crore**. The capitalisation and funding of the capitalisation approved by the Commission after

truing up for FY 2024-25 is shown in the Table below:

Table 22: Capitalisation and Funding approved by the Commission for FY 2024-25 (Rs. Crore)

Sl. No.	Particulars	APDCL Petition	Approved after Truing up
1	**Total Capitalisation**	**219.08**	**219.08**
	Funding		
2	Grant	67.01	67.01
3	Equity	152.07	45.62
4	Debt	-	106.45

4.9.5 The Commission notes with serious concern the substantial mismatch between the projections and actual asset capitalisation of APDCL. Further, it is observed that the amount of Capital Work in Progress (CWIP), has been increasing consistently over the years. APDCL has itself admitted to a closing CWIP of Rs. 9576 Crore at the end of FY 2024-25, which is almost equal to the closing GFA of Rs. 10,242 Crore. This reflects significant delays in project execution and capitalisation. The Commission has, therefore issued appropriate directives to address the matter in the relevant Chapter of the Order.

4.10 Depreciation

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

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

4.10.3 The Commission had approved depreciation of Rs. 67.37 Crore for FY 2024-25. APDCL submitted that the truing up claim has been made after re-calculating the depreciation as per the MYT Regulations, 2021. APDCL submitted that depreciation has been calculated taking into consideration the opening as well as addition of assets during the year as per statement of accounts, as shown in the Table below:

Table 23: Depreciation as submitted by APDCL for FY 2024-25 (Rs. Crore)

Particulars	As on 01.04.23	Net addition during the year	Rate of Dep	On Opening Balance	On Addition	Total
Land & Rights						
i) Land owned under full title	21.28	1.93	0.00%	-	-	-
ii) Leasehold land	2.84	0.00	3.34%	0.08	-	0.08
SUB TOTAL	**24.12**	**1.93**		**0.08**	**-**	**0.08**
Building	64.32	1.85	3.34%	1.13	0.03	1.15
Other Civil Works	78.56	8.03	3.34%	1.74	0.12	1.86
Plant & Machinery	862.05	1.32	5.28%	27.42	0.03	27.45
Lines & Cable Network	2542.83	66.22	5.28%	93.86	1.57	95.43
Vehicles	27.25	0.00	9.50%	1.31	0.00	1.31
Furniture & Fixtures	21.59	1.45	6.33%	0.59	0.04	0.63
Office Equipment	22.80	2.33	6.33%	0.73	0.07	0.79
Computer & Accessories	83.68	21.10		9.19	1.42	10.61
SUB TOTAL	**3727.21**	**104.24**	5.27%	**136.04**	**3.29**	**139.32**
Add: Consumers contribution deducted from service connection under O.H. lines & cable network	563.44	114.83	5.30%	22.03	2.73	24.76
Add: Assets not belonging to the entity	5,787.75	-		-	**-**	**-**
TOTAL	**10,078.41**	**219.08**		**158.06**	**6.01**	**164.08**

Particulars	Non-Depreciable	Depreciable
Opening GFA	21.28	3705.93
Opening CWIP	-	5508.79
Grant	-	2139.37
Depreciation charged	-	139.32
Average rate		3.76%
Apportioned GFA after adjustment of grant		2845.53
Apportioned depreciation claimed		**106.97**

4.10.4 The depreciation amount claimed by APDCL works out to Rs. 106.97 Crore as shown above.

Commission's Analysis

4.10.5 The Commission has considered the opening GFA for FY 2024-25 as per the closing GFA approved in the True up of FY 2023-24, vide MYT Order dated March 25, 2025. The Commission has computed depreciation as per scheduled rates specified in the MYT Regulations, 2021.

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

4.10.7 Accordingly, the Commission has approved depreciation in the truing up for FY 2024-25 as per MYT Regulations, 2021, as given in the Table below:

Table 24: Depreciation approved for FY 2024-25 (Rs. Crore)

Sl. No.	Particulars	Opening GFA	Net Addition during the year	Rate of depreciation	Depreciation allowed after truing up
1	Land owned	21.28	1.93	0.00%	-
2	Leasehold Land	2.84		3.34%	0.09
3	Building	64.31	1.85	3.34%	2.18
4	Plant & Machinery	862.05	1.32	5.28%	34.23
5	Vehicle	27.24		5.28%	1.45
6	Furniture & Fixtures	21.60	1.45	6.33%	0.70
7	Office Equipment	16.59	2.33	6.33%	3.87
8	Computer & Accessories	60.90	7.10		0.53
9	Other Civil Work	78.57	8.03	3.34%	2.76
10	Lines & Cable Network	2,870.03	66.22	5.28%	132.15
	Total	**4,025.43**	**90.23**		**177.98**

Sl. No.	Particulars	Opening GFA	Net Addition during the year	Rate of depreciation	Depreciation allowed after truing up
11	Assets built through Grants/CC	**233.81**			
12	Assets not belonging to entity	**5,790.20**	**114.84**		
13	**Less: Depreciation on Grants/CC**				**97.65**
14	**Net Total**	**10,049.44**	**219.08**		**80.33**

4.10.8 **Therefore, the Commission approves Depreciation of Rs. 80.33 Crore in the truing up for FY 2024-25.**

4.11 Interest and Finance Charges

4.11.1 APDCL has claimed interest on loan capital for the year on normative basis. APDCL submitted that the interest rate has been considered as the weighted average rate of interest (WAROI) of the actual loans for FY 2024-25. APDCL added that it has not claimed interest on GPF and NPS, etc, in accordance with the approach adopted by the Commission in previous Tariff Orders.

4.11.2 The net interest expenses claimed by APDCL in the Truing up for FY 2024-25 is shown in the Table below:

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

Particulars	Amount
Opening normative loan	101.88
Addition of normative loan during the year	106.45
Normative Repayment during the year	106.97
Net Normative Closing Loan	101.36
Average Loan	101.62

Particulars	Amount
Rate of Interest	9.02%
Interest on long-term loan	**9.17**
Bank Charges	2.32
Total Interest on long-term loan	**11.49**

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

Table 26: Interest & Finance Charges for FY 2024-25 (Rs. Crore)

Particulars	Approved	Claimed
Interest on Loan capital	9.74	11.49

4.11.4 The Petitioner requested the Commission to allow recovery of Rs. 11.49 Crore on account of interest & finance charges during true-up of ARR for FY 2024-25.

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

Commission's Analysis

4.11.6 The Commission has approved Interest on loan capital for FY 2024-25 on normative basis as per MYT Regulations, 2021. The closing net normative loan approved in the Truing up of FY 2023-24 has been considered as the opening net normative loan of FY 2024-25.

4.11.7 The Commission sought clarifications from APDCL regarding the basis and computation for addition of normative loan of Rs. 106.45 Crore in FY 2024-25 with respect to the GFA addition during the year, and funding pattern of such addition to GFA in FY 2024-25. In reply, APDCL submitted that though the actual funding pattern is 31:69 of Grant:Equity, in the Petition, APDCL has considered the normative debt:equity ratio of 70:30 after reducing the grant component.

4.11.8 As stated earlier, the Commission has considered the funding of the GFA addition for FY 2024-25, in accordance with the normative debt:equity ratio of 70:30 after

reducing the grant component.

4.11.9 The Commission has computed normative interest for FY 2024-25 on the average balance of loan during FY 2024-25, in accordance with the established practice in this regard. The interest rate for FY 2024-25 has been considered as 9.02%, based on the submissions of APDCL.

4.11.10 The Interest and Financing Charges as approved by the Commission in the truing up for FY 2024-25 is shown in the following Table:

Table 27: Approved Interest & Financing Charges for FY 2024-25 (Rs. Crore)

Particulars	Tariff Order	APDCL	Approved after True-up
Opening normative loan	86.09	101.88	101.87
Addition of normative loan during year	17.00	106.45	106.45
Normative Repayment during the year	103.09	106.97	80.33
Net Normative Closing Loan	0.00	101.36	127.99
Average Loan	43.04	101.62	114.93
Rate of Interest	8.41%	9.02%	9.02%
Interest Expenses	**3.62**	**9.17**	**10.37**
Bank Charges		2.32	2.32
Total Interest on long-term loan	**3.62**	**11.49**	**12.69**

Therefore, the Commission approves Interest on long-term Loans of Rs. 12.69 Crore in the truing up for FY 2024-25.

4.12 Interest on Working Capital (IoWC)

4.12.1 APDCL submitted that as against IoWC of Rs. 30.82 Crore approved in the Tariff Order, normative IoWC claimed for FY 2024-25 is Rs. 22.35 Crore, as shown in the Table below:

Table 28: Interest on Working Capital as submitted by APDCL for FY 2024-25 (Rs. Crore)

Particulars	Tariff Order	APDCL Petition
O&M Expenses-One month	115.17	115.31
2-month Receivables	1683.90	1566.10
Maintenance spares @ 15% of O&M Expenses	207.30	207.55
Less: One-month Power Purchase Cost	796.88	736.20
Less: Consumer Security Deposit	942.26	964.64
Total Working Capital	**267.23**	**188.12**
Rate of Interest on WC	11.53%	11.88%
Interest on WC	**30.82**	**22.35**

4.12.2 APDCL requested the Commission to allow recovery of Rs. 22.35 Crore on account of Interest on Working Capital in the True Up for FY 2024-25.

Commission's Analysis

4.12.3 The Commission has computed IoWC in accordance with the MYT Regulations, 2021. The normative O&M expenses approved after true-up for FY 2024-25 in this Order have been considered. The working capital requirement towards two months of receivables has been considered based on the actual revenue earned by APDCL in FY 2024-25. The average amount of Consumer Security Deposit (CSD) for FY 2024-25 has been taken from the Audited Accounts.

4.12.4 The amount towards one-month of power purchase cost has been reduced from the normative working capital requirement. In accordance with the previous approach, the Commission has reduced the cost of power purchase from Power Exchange, as approved after true-up, while computing the working capital requirement, as APDCL does not get one-month credit for payment of these bills. The rate of Interest has been considered equal to the weighted average SBI MCLR Rate in FY 2024-25 of 8.88% plus 300 basis points, i.e., 11.88%.

4.12.5 The Commission asked APDCL to clarify the basis for considering Consumer Security

Deposit (CSD) as Rs. 964.64 Crore, while computing IoWC, though Note 22 of the Audited Accounts shows CSD as Rs. 1010.71 Crore. In reply, APDCL submitted that the opening balance of CSD for FY 2024-25 has been considered, and also, only the amount of CSD for load security has been considered as available for meeting the working capital needs of APDCL.

4.12.6 The Commission has considered the amount of CSD as Rs. 1010.71 Crore, in accordance with Note 22 J of the Audited Accounts for the purpose of determination of working capital. It may be noted that the opening balance of CSD in FY 2024-25 is actually higher, at Rs. 1017.71 Crore, as per Note 22 J of the Audited Accounts, hence, APDCL's justification for considering lower CSD amount for computing IoWC is not accepted.

4.12.7 The IoWC approved by the Commission in the truing up for FY 2024-25 is shown in the following Table:

Table 29: IoWC approved by the Commission for FY 2024-25 (Rs. Crore)

Sl. No.	Particulars	Tariff Order	APDCL Petition	Approved after True-up
1	O&M Expenses for 1 Month	115.17	115.31	114.64
2	Maintenance spares @ 15% of O&M Expenses	207.30	207.55	206.36
3	2 months equivalent of expected revenue from sale of electricity	1,683.90	1,566.10	1,566.10
4	Less: 1 month of Power Purchase Cost	796.88	736.20	727.22
5	Less: Amount held as CSD	942.26	964.64	1,010.71
6	**Total Working Capital Required**	**267.23**	**188.12**	**149.16**
7	Interest rate	11.53%	11.88%	11.88%
8	**Interest on Working Capital**	**30.82**	**22.35**	**17.72**

4.12.8 **Therefore, Interest on Working Capital is approved as Rs. 17.72 Crore in the truing up for FY 2024-25.**

4.13 Interest on Consumer Security Deposit (CSD)

4.13.1 APDCL submitted that the Commission had approved Rs. 65.95 Crore as interest on CSD for FY 2024-25. The actual interest liability on CSD as per the Audited Accounts for FY 2024-25 is Rs. 97.43 Crore. However, the amount of interest on consumer security deposits amounting to Rs. 81.76 Crore is actually paid to the consumers.

4.13.2 APDCL has claimed the amount of Rs. 81.76 Crore actually liquidated during the year. APDCL requested the Commission to allow the recovery of the balance amount of Rs. 15.67 Crore pending liquidation during the year at the time of actual payment in subsequent periods.

Commission's Analysis

4.13.3 The Commission asked APDCL to submit the Auditor's certificate for the amount claimed as actual liquidation of interest on CSD during FY 2024-25, as the said amount was in variation with the amount reported in the Audited Accounts. APDCL replied that the Auditor's certificate for the amount of interest on CSD actually paid out was not available at this point of time. **The Commission directs APDCL to submit the Auditor's certificate for the amount of interest on CSD actually paid out during the year along with the true-up Petition for FY 2025-26 and onwards.**

4.13.4 The actual interest paid by APDCL on CSD in the true-up for FY 2024-25, is shown in the Table below:

Table 30: Interest on CSD approved for FY 2024-25 (Rs. Crore)

Particulars	Tariff Order	APDCL	Approved after True-up
Interest on CSD	65.95	81.76	81.76

4.13.5 **Therefore, the Commission has approved the actual interest on CSD of Rs. 81.76 Crore paid by APDCL to the consumers, in the truing up for FY 2024-25**.

4.14 Other Debits

4.14.1 APDCL submitted that the Commission had approved an amount of Rs. 5.57 Crore as provision for bad and doubtful debts for FY 2024-25. APDCL has claimed an

amount of Rs. 29.06 Crore, equivalent to 1% of amount receivable as on 31.03.2025, in the True-up Petition.

Commission's Analysis

4.14.2 The Commission has limited the provision for bad and doubtful debts for FY 2024-25 such that the cumulative provisioning till date allowed by the Commission in its Orders till FY 2024-25 does not exceed 5% of the Receivables as at the end of FY 2024-25, as reported in the Audited Accounts of FY 2024-25.

4.14.3 **Therefore, the Commission has approved Other Debits of Rs. 17.33 Crore, towards provisioning for bad and doubtful debts, in the truing up for FY 2024-25**.

4.15 Return on Equity (RoE)

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

4.15.2 The RoE claimed by APDCL in the true-Up of FY 2024-25 is shown in the Table below:

Table 31: Return on Equity for FY 2024-25 (Rs Crore)

Particulars	Approved	Actual
Opening Equity	1224.38	1224.38
Net Addition during the Year	-	45.62
Closing Equity	1224.38	1270.00
Average Equity	1224.38	1247.91
Rate of Return on Equity	14.00%	14.00%
Return on Equity	**171.41**	**174.61**

Commission's Analysis

4.15.3 The Commission has approved RoE for FY 2024-25 as per the MYT Regulations, 2021. The equity as on April 1, 2024 has been considered equal to the closing equity

approved in the Truing up for FY 2023-24. The addition of equity has been considered as Rs. 45.62 Crore, as approved by the Commission in this Order.

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

Table 32: RoE approved by the Commission for FY 2024-25 (Rs. Crore)

Sl. No.	Particulars	Tariff Order	APDCL	Approved
1	Opening Equity Balance	1224.38	1,224.38	1224.38
2	Addition During the Year	-	45.62	45.62
3	Closing Equity Balance	1,224.38	1,270.00	1,270.00
4	Average Equity Balance	1,224.38	1,247.91	1,247.19
5	Rate of Return (%)	14.00%	14.00%	14.00%
6	**Return on Equity**	**171.41**	**174.61**	**174.61**

4.15.5 **Therefore, the Commission approves RoE of Rs.174.61 Crore in the truing up for FY 2024-25**.

4.16 Other Income

4.16.1 APDCL submitted that the Commission had approved Other Income of Rs. 1454.96 Crore in the Tariff Order for FY 2024-25, against which APDCL has submitted Other Income of Rs. 1065.09 Crore in the true-up for FY 2024-25, as shown in the Table below:

Table 33: Other Income for FY 2024-25 as submitted by APDCL (Rs Crore)

Sl. No.	Particulars	Amount
1	Interest on loans to staff	0
2	Interest on HB advances to staff	0
3	Incentives under Scheme	(0.16)
4	Receipt from sale of LED bulb, Tube light, Fan, etc.	0.02
5	Interest from banks and Investment	107.62
6	Gain on sale of fixed assets	0.00
7	Rent from residential buildings	0.00

Sl. No.	Particulars	Amount
8	Miscellaneous receipts	62.59
9	Income from Sale of Scrap	0.00
10	Receipt from Pension Trust	0.00
11	Income on seasonal Export of surplus power	895.01
	Total	**1065.09**

Commission's Analysis

4.16.2 In response to the Commission's query regarding the negative value of Rs. 0.16 Crore against 'Incentives under Scheme', APDCL submitted that the same is an adjustment entry of incentive booked under Revamped Distribution Sector Scheme (RDSS). APDCL also clarified that the said incentive was considered under Miscellaneous Receipt amounting to Rs. 27.64 Crore in the true-up for FY 2023-24. The Commission has accepted APDCL's submission in this regard.

4.16.3 All heads of Other Income have been considered as per the Audited Accounts, as shown in the Table below:

Table 34: Other Income approved by the Commission for FY 2024-25 (Rs. Crore)

Sl. No.	Particulars	Tariff Order	APDCL Petition	Approved after true up
1	Incentives under Scheme		(0.16)	(0.16)
2	Receipt from sale of LED bulb, Tube light, Fan, etc.	0.05	0.02	0.02
3	Interest from banks and Investment	61.81	107.62	107.62
4	Miscellaneous receipts	40.91	62.59	62.59
5	Receipt from Pension Trust	4.06	0.00	0.00
6	Income on seasonal Export of surplus power	1,347.72	895.01	895.01
	Total	**1,454.97**	**1065.09**	**1065.08**

4.16.4 **Therefore, the Commission approves Other Income of Rs. 1065.08 Crore in the true up for FY 2024-25**.

4.17 Non-Tariff Income

4.17.1 APDCL submitted that it has earned Rs. 382.18 Crore of Non-Tariff Income (NTI) during FY 2024-25 against approved amount of Rs. 388.51 Crore, as shown in the Table below:

Table 35: Non-Tariff Income for FY 2024-25 (Rs Crore)

Sl. No.	Particulars	Amount
1	Rentals from Meters, Service Lines, Capacitors etc.	13.28
2	Income from recoveries on account of theft of energy/ Malpractices	(0.01)
3	Delayed payment charges from Consumers	210.86
4	Misc. recoveries	53.95
5	Rebate on prompt payment of Power purchase bills	26.65
6	Cross Subsidy surcharge on Open Access Consumer	0.50
7	Wheeling charges collected	0.47
8	Short Term Open Access (STOA) credit	68.63
9	Income From SCED	7.85
	Total	**382.18**

Commission's Analysis

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

4.17.3 The Commission has considered all other heads of Non-Tariff Income as per the Audited Accounts, in the true up for FY 2024-25. The amount of Non-Tariff Income considered in the Tariff Order, amount claimed by APDCL in the true up Petition, and amount approved in the true up for FY 2024-25, is shown in the Table below:

Table 36: Non-Tariff Income approved by the Commission for FY 2024-25 (Rs. Crore)

Sl. No.	Particulars	Tariff Order	APDCL Petition	Approved after true-up
1	Rentals from Meters, Service Lines, Capacitors etc.	24.98	13.28	13.28
2	Income from recoveries on account of theft of energy/ Malpractices	-	(0.01)	(0.01)
3	Delayed payment charges from Consumers	278.54	210.86	210.86
4	Misc. recoveries	50.91	53.95	53.95
5	Rebate on prompt payment of Power purchase bills		26.65	-
6	Cross Subsidy surcharge on Open Access Consumer	3.83	0.50	0.50
7	Wheeling charges collected	2.59	0.47	0.47
8	Short Term Open Access (STOA) credit	22.29	68.63	68.63
9	Income From SCED	5.36	7.85	7.85
	Grand Total	**388.51**	**382.18**	**355.53**

4.17.4 **Therefore, the Commission approves Non-Tariff Income of Rs. 355.53 Crore in the truing up for FY 2024-25**.

4.18 Revenue Grant/Subsidy

4.18.1 APDCL submitted that the Commission has approved the tariff on gross basis without factoring the targeted subsidy allowed to various category of consumers by the Government of Assam (GoA). Total amount of targeted subsidy booked during FY 2024-25 as per Audited Accounts is Rs. 266.44 Crore.

4.18.2 APDCL submitted that an amount of Rs. 306.83 Crore was received as subsidy grant

under the following heads:

a. An amount of Rs. 150.00 Crore received from GoA as tariff subsidy.

b. An amount of Rs. 146.56 Crore is received as Gross Budgetary Support from Govt. of India towards smart metering works.

c. An amount of Rs. 10.27 crore was received as Revenue Grant from Govt. of Assam.

4.18.3 APDCL submitted that an amount of Rs. 578.19 Crore has been adjusted against tariff subsidy from Govt. of Assam during FY 2024-25 and the same is considered herein.

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

4.18.5 APDCL requested the Commission to consider grant/subsidy amount of Rs. 306.83 Crore, targeted subsidy of Rs. 266.44 Crore, and subsidy amount of Rs. 578.19 Crore, as mentioned above, in the true-up of ARR for FY 2024-25.

Commission's Analysis

4.18.6 The amount of Rs 266.44 Crore received from GoA against targeted subsidy for FY 2024-25 has been considered by the Commission as a part of revenue from sale of power.

4.18.7 The Commission has also considered the amount of Rs. 306.83 Crore and Rs. 578.19 Crore, totalling to Rs. 885.02 Crore as State Government subsidy from GoA, as claimed by APDCL, in the true-up for FY 2024-25.

4.21 Revenue from Sale of Power

4.21.1 APDCL submitted that against the approved revenue Rs. 10647.19 Crore, the actual revenue from sale of power within the State amounted to Rs. 9396.57 Crore (including targeted subsidy of Rs. 266.44 Crore).

4.21.2 Considering the above, APDCL requested the Commission to allow the actual revenue from sale of power within the State as per the statement of accounts for FY 2024-25 amounting to Rs. 9396.57 Crore (inclusive of targeted subsidy of Rs. 266.44

Crore) in the true-up of ARR for FY 2024-25.

Commission's Analysis

4.21.3 APDCL, in its Petition, has claimed Revenue from Sale of power as per the Audited Accounts, i.e., Rs. 9396.57 Crore (including targeted subsidy of Rs. 266.44 Crore from Govt. of Assam).

4.21.4 Accordingly, the Commission approves the revenue of Rs. 9396.57 Crore in the Truing up for FY 2024-25.

4.22 ARR and Revenue Gap/(Surplus) after Truing Up of FY 2024-25

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

Table 37: True-up of ARR for FY 2024-25 as claimed by APDCL (Rs. Crore)

Sl. No.	Particulars	Approved	APDCL Submission
1	Cost of power purchase	9,562.52	9,289.07
2	Operation & Maintenance Expenses	1,449.53	1,383.67
2.1	*Employee Cost*	*1,006.63*	*937.51*
2.2	*Repair & Maintenance*	*323.71*	*320.46*
2.3	*Administrative & General Expenses*	*119.19*	*125.71*
3	Depreciation	67.37	106.97
4	Interest and Finance Charge	9.74	11.49
5	Interest on Working Capital	30.82	22.35
6	Other Debits incl. Provision for Bad Debt	5.57	29.06
7	Interest on Consumer security deposit	65.95	81.76
	Sub Total (1+2+(3 to 7))	**11191.50**	**10924.38**
8	Return on Equity	171.41	174.61
9	**Total Expenditure (7 to 8)**	**11362.91**	**11098.99**
10	Less: Non-Tariff Income	388.51	382.18

Sl. No.	Particulars	Approved	APDCL Submission
11	Sharing of efficiency gain/(losses)		
	a) excess power purchase cost due to distribution losses	-	(47.52)
	b) Sharing of gains/(losses) on account of O&M expenses	-	(73.09)
12	**Aggregate Revenue Requirement**	**10974.40**	**10596.20**
13	Revenue with approved Tariff (including Targeted Subsidy)	10647.19	9396.57
14	Other Income (Consumer Related)	1454.96	1065.09
15	**Total Revenue before Other Subsidy (13+14)**	**12102.15**	**10461.66**
16	**Other subsidy/Revenue Grant**		
	a. Revenue Subsidy for power purchase		150.00
	b. Revenue Grant-Smart meter & other		156.83
	c. Adjustment of Tariff Subsidy		578.19
17	**Total Revenue after Other Subsidy**	**12102.15**	**11346.67**
18	**Standalone Revenue Gap/(Surplus) for FY 2024-25**	**(1127.75)**	**(750.48)**
19	**True up adjustment**		
	Revenue Gap/(Surplus) from True up for FY 2022-23 including Carrying Cost	1127.75	1127.75
20	**Gross Revenue Gap/(Surplus)**	**0.00**	**377.27**

4.22.2 APDCL requested the Commission to approve the total Revenue Gap of Rs. 377.27 Crore after truing-up of ARR for FY 2024-25, along with the carrying cost to be adjusted in the tariff for FY 2026-27.

Commission's Analysis

4.22.3 Considering the above heads of expense and revenue approved after truing up for FY 2024-25, the Net ARR and Revenue Gap/(Surplus) approved by the Commission

for FY 2024-25 is shown in the following Table:

Table 38: ARR & Revenue Gap/(Surplus) approved in the Truing up for FY 2024-25 (Rs. Crore)

Sl. No.	Particulars	Approved	APDCL Submission	Approved after true-up
1	Cost of power purchase	9,562.52	9,289.07	9,181.39
2	Operation & Maintenance Expenses	1,449.53	1,383.67	1,382.24
2.1	*Employee Cost*	*1,006.63*	*937.51*	*937.50*
2.2	*Repair & Maintenance*	*323.71*	*320.46*	*319.47*
2.3	*Administrative & General Expenses*	*119.19*	*125.71*	*125.26*
3	Depreciation	67.37	106.97	80.33
4	Interest and Finance Charge	9.74	11.49	12.69
5	Interest on Working Capital	30.82	22.35	17.72
6	Other Debits incl. Provision for Bad Debt	5.57	29.06	17.33
7	Interest on Consumer security deposit	65.95	81.76	81.76
	Sub Total (1+2+(3 to 7))	**11191.50**	**10924.38**	**10.773.46**
8	Return on Equity	171.41	174.61	174.61
9	**Total Expenditure (7 to 8)**	**11362.91**	**11098.99**	**10,948.07**
10	Less: Non-Tariff Income	388.51	382.18	355.53
11	Sharing of efficiency gain/(losses)			
	a) excess power purchase cost due to distribution losses	-	(47.52)	(49.30)
	b) Sharing of gains/(losses) on account of O&M expenses	-	(73.09)	35.53
12	**Aggregate Revenue Requirement**	**10974.40**	**10596.20**	**10,578.77**
13	Revenue with approved Tariff (including Targeted Subsidy)	10647.19	9396.57	9396.57
14	Other Income (Consumer Related)	1454.96	1065.09	1065.08
15	**Total Revenue before Other Subsidy (13+14)**	**12102.15**	**10461.66**	**10,461.65**
16	**Other subsidy/Revenue Grant**			
	a. Revenue Subsidy for power purchase		150.00	150.00
	b. Revenue Grant-Smart meter & other		156.83	156.83

Sl. No.	Particulars	Approved	APDCL Submission	Approved after true-up
	c. Adjustment of Tariff Subsidy		578.19	578.19
17	**Total Revenue after Other Subsidy**	**12102.15**	**11346.67**	**11346.67**
18	**Standalone Revenue Gap/(Surplus) for FY 2024-25**	**(1127.75)**	**(750.48)**	**(767.90)**
19	**True up adjustment**			
	Revenue Gap/(Surplus) from True up for FY 2022-23 including Carrying Cost	1127.75	1127.75	1127.75
20	**Gross Revenue Gap/(Surplus)**	**0.00**	**377.27**	**359.85**

4.22.4 The **Commission approves a Revenue Gap of Rs. 359.85 Crore after truing up for FY 2024-25 and the same has been considered for recovery during FY 2026-27, with the associated carrying cost, as elaborated in subsequent Chapters of this Order.**

5 Annual Performance Review (APR) for FY 2025-26

5.1 Introduction

5.1.1 The Commission vide its MYT Order dated March 25, 2025 approved the ARR for FY 2025-26. This Chapter deals with the APR for FY 2025-26 in accordance with the provisions of MYT Regulations, 2024, based on the submissions made by APDCL.

5.1.2 APDCL submitted the APR Petition for FY 2025-26, supported by actual information available till September 2025 and estimated values for the next six months of FY 2025-26.

5.1.3 The main objective of APR is to compare the actual performance for FY 2025-26 vis-à-vis forecast approved in the MYT Order dated March 25, 2025 for FY 2025-26. **The Revenue Gap/(Surplus) arising out of APR for FY 2025-26 has not been passed on to the consumers, and the same shall be considered at the time of Truing-up only.**

5.1.4 In this Chapter, the Commission has analysed the revised estimate of all the components of ARR vis-à-vis values approved in the MYT Order for FY 2025-26. The Commission has computed the Revenue Gap/(Surplus) as an indication of the performance in FY 2025-26. **No sharing of (gains)/ losses has been undertaken at this stage and the same shall be considered at the time of Truing up for FY 2025-26.**

5.2 Energy Sales

5.2.1 The Commission vide Tariff Order for FY 2025-26, had approved energy sales of 12,198 MU. APDCL has estimated energy sales of 11,462.07 MU for FY 2025-26, based on the actual sales during first half (H1) of FY 2025-26 and projected sales for second half (H2).

5.2.2 APDCL submitted that there is a decrease of around 736 MU in revised energy sales vis-à-vis approved energy sales. APDCL requested the Commission to approve the revised energy sales of 11,462 MU in the APR for FY 2025-26. APDCL has projected

the category-wise energy sales for FY 2025-26 as shown in the Table below:

Table 39: Category-wise Energy Sales Projected by APDCL for FY 2025-26 (MU)

Category	Tariff Order	APDCL*
JEEVAN DHARA	150	119
DOMESTIC A Total	5,173	4637
Domestic-B above 5 kW to 30 kW	825	688
Commercial Load above 0.5 to 30 kW	1,340	1527
General Load up to 30 kW (Non-Comml & Non-Domestic)	18	133
General Load up to 30 kW (Govt. Primary/Sec./Hr.Sec. Schools)	194	25
Public Lighting	20	27
Agriculture up to 7.5 HP	55	28
Small Industries Rural up to 30 kW	92	102
Small Industries Urban	37	33
LT Electric Vehicles Charging Stations	7	40
Temporary	5	29
LT TOTAL	**7,917**	**7,389**
HT Domestic 30 kW and above	28	27
HT commercial 30 kW & above	633	673
Public Water works	228	139
Bulk Supply Govt. Edu Inst	147	104
Bulk Supply Others	598	636
HT Small Industries up to 50 kW	12	20
HT Industries-I 50 kW to 150 kW	91	87
HT Industries-II above 150 kW (Option 1 - ToD)	1,386	1243
HT Industries-II above 150 kW (Option 2 - Non-ToD)	226	174
Tea Coffee & Rubber	636	592
Oil & Coal	147	192
HT Irrigation Load above 7.5 HP	21	23
HT Temporary	0	1
HT Railway Traction	111	71
HT Electric Crematorium	0	0
HT Electric Vehicle Charging Station	16	92
HT TOTAL	**4,280**	**4,073**
TOTAL ENERGY SALES	**12,198**	**11,462**

*****_As Per Regulatory Formats submitted as part of the reply to the Commission's Query_

Commission's Analysis

5.2.3 The Commission has accepted APDCL's estimation of energy sales for FY 2025-26,

except for 'Railways', where APDCL has projected sales for FY at 71 MU, which is lower than actual sales in H1 (87 MU). It is understood that Railways has applied for Open Access, hence, the sales in H2 is expected to be lower than the sales in H1, though the overall sales in the year cannot be lower than the actual sales in H1. The Commission has hence, estimated the H2 sales of Railways at a much lower level as compared to actual sales in H1.

5.2.4 The category-wise sales estimated by APDCL and approved by the Commission in the APR for FY 2025-26 are given in the Table below:

Table 40: Energy Sales considered by the Commission for FY 2025-26 (MU)

Sl. No.	Consumer Category	Tariff Order	APDCL	Approved in APR
	LT GROUP			
1	JEEVAN DHARA	150	119	119
2	DOMESTIC A Total	5,173	4637	4637
3	Domestic-B above 5 kW to 30 kW	825	688	688
4	Commercial Load above 0.5 to 30 kW	1,340	1527	1527
5	General Load up to 30 kW (Non-Comml & Non-Domestic)	18	133	133
6	General Load up to 30 kW (Govt. Primary/Sec./Hr.Sec. Schools)	194	25	25
7	Public Lighting	20	27	27
8	Agriculture up to 7.5 HP	55	28	28
9	Small Industries Rural up to 30 kW	92	102	102
10	Small Industries Urban	37	33	33
11	LT Electric Vehicles Charging Stations	7	40	40
12	Temporary	5	29	29
	LT TOTAL	**6,468**	**7,322**	**7,322**
	HT GROUP			
1.	HT Domestic 30 kW and above	28	27	27
2	HT commercial 30 kW & above	633	673	673
3	Public Water works	228	139	139

Sl. No.	Consumer Category	Tariff Order	APDCL	Approved in APR
4	Bulk Supply Govt. Edu Inst	147	104	104
5	Bulk Supply Others	598	636	636
6	HT Small Industries up to 50 kW	12	20	20
7	HT Industries-I 50 kW to 150 kW	91	87	87
8	HT Industries-II above 150 kW (Option 1 - ToD)	1,386	1243	1243
9	HT Industries-II above 150 kW (Option 2 - Non-ToD)	226	174	174
10	Tea Coffee & Rubber	636	592	592
11	Oil & Coal	147	192	192
12	HT Irrigation Load above 7.5 HP	21	23	23
13	HT Temporary	0	1	1
14	HT Railway Traction	111	71	118
15	HT Electric Crematorium	0	0	0
16	HT Electric Vehicle Charging Station	16	92	92
	HT TOTAL	**4,280**	**4,073**	**4,119**
	TOTAL ENERGY SALES	**12,198**	**11,462**	**11,508**

5.2.5 **Therefore, the Commission has estimated total sales of 11,508 MU in the APR for FY 2025-26**.

5.3 Distribution Loss

5.3.1 The Commission in the MYT Order dated March 25, 2025 had approved Distribution Loss of 13.50% for FY 2025-26. APDCL has estimated the Distribution Loss for FY 2025-26 as 13.50% as shown in the Table below:

Table 41: Distribution Loss for FY 2025-26 as submitted by APDCL (MU)

Particulars	H1 Actual	H2 Projected	Annual
Total Energy purchase	9772.68	7044.65	16817.33
Seasonal Export	1658.21	1045.79	2704.00
Inter-State (PGCIL) Pooled Loss	308.08	114.92	423.00

Particulars	H1 Actual	H2 Projected	Annual
Inter-State (PGCIL) Pooled Loss (%)	3.15%	1.63%	2.52%
Energy Input to Transmission System	7806.39	5883.94	13690.33
Intra-State (AEGCL) Transmission Loss	251.26	188.20	439.46
Intra-State (AEGCL) Transmission Loss (%)	3.22%	3.20%	3.21%
Energy input to DISCOM periphery	7555.12	5695.74	13250.87
Energy Sales	6414.66	5047.34	11462.00
Distribution Loss	1140.46	648.40	1788.87
Distribution Loss (%)	**15.10%**	**11.38%**	**13.50%**

5.3.2 APDCL submitted that the distribution loss claimed in the true up of FY 2024-25 is 15.44%, which is in a decreasing trajectory in line with the approved loss. APDCL submitted that with several ongoing loss reduction and system strengthening works under schemes like RDSS and ADSELR, APDCL has been able to reduce the distribution losses to a great extent. The same has been reflected in H1 of FY 2025-26 performance with approximately 3.06% reduction of distribution loss as compared to H1 performance of FY 2024-25. Therefore, considering these factors, distribution loss for the whole year is estimated as above.

5.3.3 APDCL requested the Commission to approve the Distribution Loss of 13.50% in the APR of FY 2025-26.

Commission's Analysis

5.3.4 The Commission has considered the Distribution Loss for FY 2025-26 as approved in the MYT Order dated March 25, 2025, as shown in the Table below:

Table 42: Distribution Losses considered by the Commission for FY 2025-26

Particulars	Tariff Order	APDCL Projection	Approved in APR
Distribution Loss (%)	13.50%	13.50%	13.50%

5.4 Energy Balance

5.4.1 APDCL has considered the revised estimates for energy requirement for FY 2025-26 based on the revised estimates of energy sales, projected Distribution Losses and associated inter-State and intra-State transmission losses. APDCL has submitted that it has considered the intra-State transmission losses as 3.21%, as approved in the MYT Order dated March 25, 2025. The inter-State (PGCIL) losses have been considered as 2.52% for FY 2025-26, as approved in the MYT Order dated March 25, 2025.

5.4.2 The estimated Energy Balance for FY 2025-26 as submitted by APDCL is shown in the following Table:

Table 43: Energy Balance for FY 2025-26 as projected by APDCL (MU)

Sr. No.	Particulars	Approved vide Order dt. 27.06.2024	Projected
1	Retail Energy Sale	12,198	11,462
2	Distribution loss (%)	13.50%	13.50%
3	Distribution loss	1,904	1,789
4	Energy requirement at DISCOM periphery	14,101	13,251
5	STU Loss (%)	3.21%	3.21%
6	STU Loss	468	439
7	Energy requirement at STU periphery	14,569	13,690
8	CTU Loss (%)	2.52%	2.52%
9	CTU Loss	377	423
10	Seasonal Export	2,256	2,704
11	**Energy requirement**	**17,202**	**16,817**

Commission's Analysis

5.4.3 The Commission has approved the Energy Balance in the APR for FY 2025-26 based on the estimated sales, approved Distribution Loss, approved Transmission Loss trajectory for AEGCL, and proportionate PGCIL Losses on external power purchase. The Energy Balance approved by the Commission in the APR for FY 2025-26 is

shown in the Table below:

Table 44: Energy Balance for FY 2025-26 considered by the Commission (MU)

Sl. No.	Particulars	Tariff Order	APDCL	Approved in APR
1	Energy sales	12,198	11,462	11,508
2	Distribution Loss (%)	13.50%	13.50%	13.50%
3	Distribution Loss	1,904	1,789	1,796
4	Energy Requirement at T<>D periphery	14,101	13,251	13,304
5	Intra-State Transmission Loss (%)	3.21%	3.21%	3.21%
6	Intra-State Transmission Loss	468	439	441
7	Energy input to Transmission System	14,569	13,690	13,745
8	Inter-State Pooled Loss (%)	2.52%	2.52%	2.76%
9	Inter-State Pooled Loss	377	423	468
10	Seasonal Export	2,256	2,704	2,772
11	**Total Energy Requirement**	**17,202**	**16,817**	**16,986**

5.4.4 **Therefore, the Commission considers total Power Purchase Requirement of 16,986 MU in the APR for FY 2025-26**.

5.5 Power Purchase

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

5.5.2 The power purchase quantum and cost for FY 2025-26 have been estimated based on actuals for first six months of the year and estimated for second half of the year.

5.5.3 APDCL submitted that it has projected the source-wise power purchase for FY 2025-26 based on the following assumptions:

- **APGCL:** APDCL has firm allocation of power from the State Generating Stations of APGCL. Thermal plants of APGCL include NTPS, LTPS, LRPP and NRPP.

Hydro plants of APGCL supplying power to APDCL are MeHEP and KLHEP. For projecting the energy availability from these stations, APDCL has considered gross energy availability based on allocated capacity and historical Plant Load Factor (PLF), and Auxiliary Consumption and Tariff for these generating stations has been considered as per the latest Tariff Order of APGCL.

- **Central Generating Stations (NER):** The key CGS of North Eastern Region (NER) supplying power to APDCL include plants of NEEPCO, NHPC, OTPC and NTPC (Thermal). The share allocation of the various plants of CGS (NER) has been considered based on the latest Regional Energy Accounts (REA), while PAF has been considered based on the latest CERC Tariff Order of the respective plants. Operational norms and Tariff for the CGS Stations has been considered as per the latest CERC Orders for the respective plants.
- **Central Generating Stations (ER):** The share allocation of the various plants of CGS (ER) has been considered based on the latest Regional Energy Accounts (REA). Operational parameters of these plants have been considered based on the latest CERC Tariff Order of the respective plants. APDCL is allocated power from Farakka I & II, Kahalgaon I, Kahalgaon II and Talcher of NTPC located in ER. Moreover, 5 MW from NTPC ER Stations are also allocated as bundled power with Solar under JNNSM. The Tariff for the CGS Stations has been considered as per the latest CERC Orders for the respective plants.
- **Other Sources:** For HHPCL, PLF and auxiliary consumption is considered as per the Commission's Order dated April 12, 2013. The levelized tariff is considered @ Rs 4.11/ kWh, as approved in this Order.
- Power available from NVVNL Solar Bundled (JNNSM) and NVVNL Coal Bundled (JNNSM) has been considered based on FY 2024-25 (True up) and actuals for FY 2025-26 (H1). For Suryataap Solar, normative parameters have been considered and rate is as per latest Tariff Order of the Commission (Rs. 8.78/kWh). For SECI (Solar) JNNSM, energy charge rate has been considered on the basis of FY 2024-25 (True up) and actuals for FY 2025-26 (H1).

- APDCL floated e-bidding tender for 200 MW Short term power at DEEP Portal for FY 2025-26, FY 2026-27 and FY 2027-28. For FY 2025-26, price discovered is Rs 5.78/ unit.
- APDCL floated a long-term tender for procuring 500 MW of power in accordance with the SHAKTI Policy, 2017 under Para B(iii) and Para B(iv), based on coal allocation from Coal India Limited (CIL) for a period of 25 years. Supply of 278 MW commenced on 1st October 2025 and will continue uninterrupted during the interim period. The tender originally envisaged procurement of 200 MW from FY 2025–26 and an additional 300 MW from FY 2028–29, with a discovered and negotiated tariff of ₹5.79 per unit. Following approvals from the Commission and the Government of Assam, the supply schedule was advanced to enable APDCL to receive 500 MW from March to October of 2026 and 2027, and again in March 2028. From April 2028 onward, the full 500 MW will be supplied on a continuous basis.
- Considering the increase in demand vis-à-vis perennial low availability from already tied up sources, 292.99 MW from Kahalgaon I plant of NTPC was arranged for 6 months from April, 2025. The same is considered on the basis of normative parameters as per latest Tariff Order of the CERC.
- Shortfall of peak demand has been estimated to be mitigated through IEX platform considering the reasonable rates.
- Deviation Settlement Mechanism is a practical aspect of all power transaction on real time basis and hence, considered at a nominal level.
- Impact of sustained high price of natural gas as fixed by Ministry of Petroleum and Natural Gas, Govt. of India is clearly visible for APGCL and NEEPCO gas-based stations. APDCL requested the Commission to take due cognizance of this aspect considering the magnitude of financial implication vis-à-vis impact on power supply.
- **Renewable sources:** APDCL has projected to meet the Renewable Purchase Obligation (RPO) by mix of purchase power from wind, solar power projects and allocation from large hydro power stations.

  The RPO trajectory notified on 22.10.23 by Ministry of Power is as under:

Table 45: RPO trajectory notified by MoP

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

Wherein, Wind RPO- energy from WPP commissioned after 31.03.24

HPO- energy from LHP (incl. PSP) commissioned after 31.03.24

The distributed renewable energy component shall be met only from the energy generated from renewable energy projects that are less than 10 MW in size and shall include solar installations under all configurations (net metering, gross metering, virtual net metering, group net metering, behind the meter installations and any other configuration) notified by the Central Government.

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

5.5.4 APDCL estimated the achievement of RPO in FY 2025-26 as shown in the Table below:

Table 45: RPO calculation for FY 2025-26 (MU)

RE Power Consumed/Purchased				Shortfall/(Excess)			
Wind RPO	HPO	DRE	Other RPO	Wind RPO	HPO	DRE	Other RPO
0.00	0.00	19.94	559.97	16.65	14.01	(7.88)	(223.64)

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

5.5.6 APDCL requested the Commission to approve the revised estimates of the power purchase quantum and cost of the utility in the APR for FY 2025-26 as shown below:

Table 45: Power Purchase for FY 2025-26 as submitted by APDCL

Sl.	Agency/Source	Quantity (MU)	Total (Rs. Cr.)	Rate (Rs./kWh)
1	**APGCL**	1,984.93	1,076.11	5.42
2	**NEEPCO (HYDRO)**	-	-	-
	Kopili I	504.52	108.64	2.15
	Kopili II	62.40	14.21	2.28
	Khandong	81.00	24.30	3.00
	RHEP	498.67	139.36	2.79
	DHEP	101.06	65.50	6.48
3	**NEEPCO (HYDRO)**			
	Kameng HEP	328.56	131.98	4.02
4	**NEEPCO (TH)**			
	AGBPP	676.24	482.32	7.13
	AGTPP	198.59	143.52	7.23
5	**NHPC Loktak HEP**	154.53	58.29	3.77
7	**NTPC (Existing)**			
	Farakka	235.33	110.44	4.69
	Kahelgaon - I	979.90	429.02	4.38
	Kahelgaon -Ii	508.57	201.04	3.95
	Talcher	153.81	43.05	2.80
	Dadri	-	-	-
	Farakka - III	-	-	-
8	**NTPC (New) BTPS**	2,439.58	1,673.01	6.86
9	**500 MW Tender Shakti Policy**	**-**	**-**	**-**
	DB Power Limited	246.78	142.89	5.79
	MB Power Limited	511.06	295.90	5.79
	Adani Power Limited	236.91	137.17	5.79
	JIPL	246.78	142.89	5.79
10	Pare HEP	180.83	96.78	5.35
11	Suryatap Solar	5.98	5.25	8.78

Sl.	Agency/Source	Quantity (MU)	Total (Rs. Cr.)	Rate (Rs./kWh)
12	Maheshwari Solar	10.49	3.35	3.19
13	JNNSM Bundled- Solar power	6.28	7.99	12.74
14	SECI Solar	41.87	25.98	6.20
15	JNNSM Bundled- Coal power	40.32	16.24	4.03
16	Bilateral Sources/Traders	3,336.14	2,002.31	6.00
17	Power Exchanges	236.86	143.00	5.52
18	OTPC Palatana	1,206.94	455.68	3.78
19	HHPCPL (Champawati)	7.02	2.89	4.11
20	Wind Power PTC	132.67	46.80	3.53
21	SECI Wind	140.42	38.19	2.72
22	Mangdechhu	648.21	298.89	4.61
23	PTC Nikachu	359.48	125.65	3.50
24	SPV Assam (Azure Power)	158.25	53.17	3.36
25	Amguri Solar Park	112.09	44.61	3.98
26	Patanjali Solar	0.95	0.32	3.33
27	Neyveli UP Power Ltd.	0.05	0.02	0.00
	Sub-total:	**16,774.06**	**8,787.30**	**5.24**
28	UI Pool/Deviation Settlement Mechanism	43.11	52.49	12.18
	Sub-total:	**16,817.17**	**8,839.24**	**5.26**
29	AEGCL Transmission Charges	-	539.19	
30	SLDC Charges		8.37	
31	Grid India Fees & Charges		10.75	
32	PGCIL Transmission Charges	-	664.63	
	TOTAL	**16817.17**	**10062.18**	**5.98**

Commission's Analysis

5.5.7 The Commission has accepted APDCL's submissions regarding projected energy availability from existing and new generating stations. The quantum of purchase from

Power Exchanges has been revised based on the revised energy requirement.

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

a) The rate of power purchase from various sources has been considered same as actual rates in H1 of FY 2025-26, except for purchase from bilateral sources;

b) In line with the approach outlined in the true-up for FY 2024-25, the rate of power purchase from bilateral sources has been capped at the APPC for FY 2025-26, as APDCL has not filed any Petition before the Commission for adoption of the competitively discovered tariff, and as a result, the tariff has not been adopted by the Commission;

c) The Transmission Charges payable to AEGCL and SLDC Charges have been considered based on the Tariff approved for FY 2025-26;

5.5.9 It is noted that though APDCL has referred in the Petition to the e-bidding tender for procurement of 200 MW Short-term power from bilateral sources at DEEP Portal for FY 2025-26, there has been neither any actual purchase in H1 of FY 2025-26 nor any estimated purchase from this source in H2 of FY 2025-26. Further, in reply to the Commission's query, APDCL confirmed that it has neither sought nor received prior approval for the power purchase, nor has it filed any Petition for adoption of tariff discovered through competitive bidding. Hence, Nil purchase has been considered against 200 MW Short-term power from bilateral sources in the APR of FY 2025-26.

5.5.10 The source-wise power purchase quantum and costs provisionally approved by the Commission in the APR for FY 2025-26, is shown in the Table below:

Table 46: Power Purchase Quantum and Cost approved by the Commission in APR for FY 2025-26

Sl. No.	Agency/ Source	Tariff Order			APDCL			Approved by the Commission		
		Quantum	Total Cost	Rate	Total Quantum	Total Cost	Rate	Total Quantum	Total Cost	Rate
		MU	Rs. Crore	Rs./kWh	MU	Rs. Crore	Rs./kWh	MU	Rs. Crore	Rs./kWh
1	**APGCL**	2107.27	1253.23	5.95	1,984.93	1,076.11	5.42	1,984.93	1,076.11	5.42
2	**NEEPCO (HYDRO)**				-	-	-	-		
	Kopili I	524.85	119.04	2.27	504.52	108.64	2.15	504.52	106.47	2.11
	Kopili Ii	44.65	11.52	2.58	62.40	14.21	2.28	62.40	13.55	2.17
	Khandong	154.38	27.61	1.79	81.00	24.30	3.00	81.00	23.69	2.92
	RHEP	554.94	185.29	3.34	498.67	139.36	2.79	498.67	135.63	2.72
	DHEP	98.35	64.75	6.58	101.06	65.50	6.48	101.06	60.60	6.00
3	**NEEPCO (HYDRO)**									
	Kameng HEP	359.60	151.39	4.21	328.56	131.98	4.02	328.56	131.98	4.02
4	**NEEPCO (TH)**									
	AGBPP				676.24	482.32	7.13	676.24	481.75	7.12
	AGTPP	402.12	274.64	6.83	198.59	143.52	7.23	198.59	147.38	7.42
5	**NHPC Loktak HEP**	130.25	45.82	3.52	154.53	58.29	3.77	154.53	52.62	3.41
6	**NHPC New**									
	Subhansiri HEP	288.99	155.77	5.39						
7	**NTPC (Existing)**									
	Farakka	273.64	126.17	4.61	235.33	110.44	4.69	235.33	113.59	4.83
	Kahelgaon - I	121.97	49.00	4.02	979.90	429.02	4.38	979.90	429.12	4.38

Sl. No.	Agency/ Source	Tariff Order			APDCL			Approved by the Commission		
		Quantum	Total Cost	Rate	Total Quantum	Total Cost	Rate	Total Quantum	Total Cost	Rate
		MU	Rs. Crore	Rs./kWh	MU	Rs. Crore	Rs./kWh	MU	Rs. Crore	Rs./kWh
	Kahelgaon -Ii	536.18	196.17	3.66	508.57	201.04	3.95	508.57	200.92	3.95
	Talcher	145.81	23.45	1.61	153.81	43.05	2.80	153.81	43.93	2.86
	Dadri				-	-	-	-	0.55	-
	Farakka - III				-	-	-	-	-	-
8	**NTPC (New) BTPS**	2918.02	1885.69	6.46	2,439.58	1,673.01	6.86	2,439.58	1,679.18	6.88
9	**500 MW Tender Shakti Policy**									
	DB Power Limited				246.78	142.89	5.79	246.78	142.89	5.79
	MB Power Limited				511.06	295.90	5.79	511.06	295.90	5.79
	Adani Power Limited				236.91	137.17	5.79	236.91	137.17	5.79
	JIPL				246.78	142.89	5.79	246.78	142.89	5.79
10	Pare HEP	202.69	113.86	5.62	180.83	96.78	5.35	180.83	96.89	5.36
11	Suryatap Solar	6.29	5.80	9.22	5.98	5.25	8.78	5.98	5.25	8.78
12	Maheshwari Solar	7.14	2.28	3.19	10.49	3.35	3.19	10.49	3.35	3.19
13	JNNSM Bundled- Solar power	8.82	11.31	12.82	6.28	7.99	12.74	6.28	7.99	12.74
14	SECI Solar	36.34	22.77	6.27	41.87	25.98	6.20	41.87	25.98	6.20

Sl. No.	Agency/ Source	Tariff Order			APDCL			Approved by the Commission		
		Quantum	Total Cost	Rate	Total Quantum	Total Cost	Rate	Total Quantum	Total Cost	Rate
		MU	Rs. Crore	Rs./kWh	MU	Rs. Crore	Rs./kWh	MU	Rs. Crore	Rs./kWh
15	JNNSM Bundled- Coal power	28.12	11.59	4.12	40.32	16.24	4.03	40.32	16.24	4.03
16	Bilateral Sources/Traders	922.55	663.36	7.19	3,336.14	2,002.31	6.00	3,336.14	1,753.61	5.26
17	Power Exchanges			4.64	236.86	143.00	5.52	405.41	244.75	6.04
18	OTPC Palatana	1435.79	540.17	3.76	1,206.94	455.68	3.78	1,206.94	426.40	3.53
19	HHPCPL (Champawati)	8.90	3.66	4.11	7.02	2.89	4.11	7.02	2.89	4.11
20	Wind Power PTC	118.76	41.92	3.53	132.67	46.80	3.53	132.67	46.80	3.53
21	SECI Wind	151.61	41.44	2.73	140.42	38.19	2.72	140.42	38.19	2.72
22	Mangdechhu	579.20	262.51	4.53	648.21	298.89	4.61	648.21	298.91	4.61
23	PTC Nikachu	335.03	113.70	3.39	359.48	125.65	3.50	359.48	125.34	3.49
24	SPV Assam (Azure Power)	172.40	57.56	3.34	158.25	53.17	3.36	158.25	53.17	3.36
25	Amguri Solar Park	124.28	49.46	3.98	112.09	44.61	3.98	112.09	44.61	3.98
26	Patanjali Solar				0.95	0.32	3.33	0.95	0.32	3.33
27	Neyveli UP Power Ltd.	2650.68	1219.31	4.60	0.05	0.02	0.00	0.05	0.02	3.58
	200 MW short-term power	1752.00	1012.66	5.78						
	Sub-total:	**17,201.62**	**8,742.90**	**5.08**	**16,774.06**	**8,787.30**	**5.24**	**16,942.61**	**8,606.63**	**5.08**

Sl. No.	Agency/ Source	Tariff Order			APDCL			Approved by the Commission		
		Quantum	Total Cost	Rate	Total Quantum	Total Cost	Rate	Total Quantum	Total Cost	Rate
		MU	Rs. Crore	Rs./kWh	MU	Rs. Crore	Rs./kWh	MU	Rs. Crore	Rs./kWh
28	UI Pool/Deviation Settlement Mechanism				43.11	52.49	12.18	43.11	52.49	12.18
	Sub-total:	**17,201.62**	**8,742.90**	**5.08**	**16,817.17**	**8,839.24**	**5.26**	**16,985.72**	**8,659.11**	**5.10**
29	AEGCL Transmission Charges		612.34		-	539.19		-	512.84	
30	SLDC Charges		11.74			8.37			8.37	
31	Grid India Fees & Charges					10.75			5.31	
32	PGCIL Transmission Charges		653.63		-	664.63		-	664.63	
	TOTAL	**17,201.62**	**10,020.60**	**5.83**	**16817.17**	**10062.18**	**5.98**	**16,985.72**	**9,850.26**	**5.80**

Therefore, the Commission considers total Power Purchase Cost of Rs. 9,850.26 Crore in the APR for FY 2025-26.

5.6 Operation and Maintenance (O&M) Expenses

5.6.1 The O&M expenses comprise Employee Expenses, R&M expenses, and A&G expenses. APDCL submitted the normative O&M expenses for FY 2025-26, as shown in the Table below:

Table 47: O&M Expenses projected for FY 2025-26 by APDCL (Rs. Crore)

Particulars	MYT Order dt. 25.03.2025	APDCL
Employee expenses	918.96	986.11
R&M Expenses	263.19	243.94
A&G expenses	228.54	125.79
Total O&M Expenses	**1410.70**	**1355.83**

Employee Expenses

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

a) The employee expenses considered in the true-up for FY 2024-25 have been considered as base expenses for FY 2025-26;

b) CPI inflation has been computed as average increase of CPI index for the period from FY 2022-23 to FY 2024-25, which works out to 4.87% to arrive at the employee expenses for FY 2025-26;

c) Growth factor has been considered as 1% based on prospective manpower recruitment.

5.6.3 The Employee Cost as projected by APDCL for FY 2025-26 is shown in the table below.

Table 48: Employee Expenses projected for FY 2025-26 by APDCL (Rs. Crore)

Particulars	MYT Order dt. 25.03.25	APDCL
Employee Expenses of Previous year	857.42	930.97
Growth Factor	1%	1%
CPI Inflation	5.46	4.87%
Employee Expenses	**913.24**	**986.11**

Particulars	MYT Order dt. 25.03.25	APDCL
Add: Provision	5.72	0.00
Total Employee Expenses	**918.96**	**986.11**

5.6.4 APDCL has projected the normative Employee expenses of Rs. 986.11 Crore for FY 2025-26.

Repair and Maintenance (R&M) Expenses

5.6.5 APDCL has projected R&M expenses based on the MYT Regulations, 2024. APDCL has considered the 'K' factor of 2.31% as approved in the MYT Order and the WPI has been considered as 3.65%. APDCL has projected R&M expenses at Rs. 243.94 Crore for FY 2025-26 as shown in the Table below:

Table 49: R&M Expenses for FY 2025-26 as submitted by APDCL (Rs. Crore)

Particulars	MYT Order dt. 25.03.2025	APDCL
Average GFA of previous year	10624.44	10,187.95
K factor	2.31%	2.31%
WPI inflation	7.23%	3.65%
R&M Expenses	**263.19**	**243.94**

Administrative and General (A&G) Expenses

5.6.6 APDCL has projected A&G expenditure based on the MYT Regulations, 2024. The Petitioner has considered WPI of 7.23% for FY 2025-26. APDCL has projected A&G expenditure at Rs.134.87 Crore for FY 2025-26 as shown in the Table below:

Table 50: A&G Expenses for FY 2025-26 as submitted by APDCL (Rs. Crore)

Particulars	MYT Order dt. 25.03.25	APDCL
A&G Expenses for previous year	211.46	115.95
WPI inflation	7.23%	3.65%
Statutory Fees	1.80	5.61
A&G Expense	**228.54**	**125.79**

Commission's Analysis

5.6.7 The Commission has computed the normative O&M Expenses for FY 2025-26 as per the MYT Regulations, 2024. Any variation between normative O&M expenses and actual O&M Expenses shall be considered under sharing of gains and losses on account of controllable items as per the MYT Regulations, 2024 at the time of truing up for FY 2025-26.

Employee Expenses

5.6.8 For computation of employee expenses for FY 2025-26, the Commission has adopted the following approach:

a) The base employee expenses have been computed in accordance with the MYT Regulations, 2024, viz., the average of the actual allowed employee expenses for the past five years, viz., from FY 2020-21 to FY 2024-25, has been considered as the normative employee expenses for the middle year, i.e., FY 2022-23. This value has been escalated by the respective approved escalation factor (CPI) for FY 2023-24 and FY 2024-25, to derive the base normative employee expenses for FY 2024-25, i.e., Rs. 859.70 Crore.
b) The base employee expenses of Rs. 859.70 Crore derived for FY 2024-25 has been escalated by average CPI escalation factor of 4.87% from FY 2022-23 to FY 2024-25 to derive the employee expenses for FY 2025-26;
c) The growth factor has been provisionally considered as 1%, however, this growth factor may be revised during the true up based on actual employee growth;
d) The provision for DCRG under NPS has been considered as Nil, as claimed by APDCL.

5.6.9 Accordingly, the normative employee expenses approved in the APR for FY 2025-26 are shown in the following Table:

Table 51: Employee Expenses considered for FY 2025-26 (Rs. Crore)

Particulars	MYT Order dt. 25.03.25	APDCL Petition	Approved after APR
Employee Expenses for Previous Year	857.42	930.97	859.70
Growth Factor	1%	1%	1%
CPI Inflation	5.46	4.87%	4.87%

Particulars	MYT Order dt. 25.03.25	APDCL Petition	Approved after APR
Employee Expenses	**913.24**	**986.11**	**910.62**
Add: Provision for DCRG under NPS	5.72	-	-
Total Employee Expenses	**918.96**	**986.11**	**910.62**

5.6.10 **Accordingly, the Commission approves Employee Expenses of Rs. 910.62 Crore in the APR for FY 2025-26**.

R&M Expenses

5.6.11 For computation of R&M Expenses for FY 2025-26, the Commission has considered the following approach:

a) The Commission has considered the average increase in WPI index of 3.63% from FY 2022-23 to FY 2024-25 for escalation of R&M expenses;
b) K-factor has been considered as 2.31% as approved in the MYT Order;
c) Since, K-factor has been computed on the basis of average GFA, for working out R&M expenses for FY 2025-26, average GFA of previous year has been considered.

5.6.12 The normative R&M expenses approved for FY 2025-26 are shown in the following Table:

Table 52: Approved R&M Expenses for FY 2025-26 (Rs. Crore)

Particulars	MYT Order dt. 25.03.25	APDCL Petition	Approved after APR
Average GFA for previous year	10624.44	10,187.95	10,144.81
K Factor	2.31%	2.31%	2.31%
WPI Inflation	7.23%	3.65%	3.63%
R&M Expenses	**263.19**	**243.94**	**242.84**

5.6.13 **Therefore, the Commission approves R&M Expenses of Rs. 242.84 Crore in the APR for FY 2025-26**.

A&G Expenses

5.6.14 For computation of A&G expenses for FY 2025-26, the Commission has adopted the following approach:

a) The base A&G expenses have been computed in accordance with the MYT Regulations, 2024, viz., the average of the actual allowed A&G expenses for the past five years, viz., from FY 2020-21 to FY 2024-25, has been considered as the normative A&G expenses for the middle year, i.e., FY 2022-23. This value has been escalated by the respective approved escalation factor (WPI) for FY 2023-24 and FY 2024-25, to derive the base normative A&G expenses for FY 2024-25, i.e., Rs. 253.35 Crore.

b) The base A&G expenses of Rs. 253.35 Crore derived for FY 2024-25 has been escalated by average WPI escalation factor of 3.63% from FY 2022-23 to FY 2024-25 to derive the A&G expenses for FY 2025-26;

a) The statutory fees of Rs. 2.50 crore have been considered for FY 2025-26 as a separate pass-through item and added to the normative A&G expenses computed for FY 2025-26 based on actual Fees paid by APDCL till December 2025 and estimated amount for balance period.

5.6.15 The normative A&G expenses approved in the APR for FY 2025-26 are shown in the following Table:

Table 53: A&G Expenses considered for FY 2025-26 (Rs. Crore)

Particulars	Tariff Order dt. 27.06.24	APDCL Petition	Approved after APR
A&G Expenses for Previous Year	211.46	115.95	253.35
WPI Inflation	7.23%	3.65%	3.63%
Statutory Fees (pass through at actuals)	1.80	5.61	2.50
A&G Expenses	**228.54**	**125.79**	**265.03**

5.6.16 **Therefore, the Commission approves A&G Expenses of Rs. 265.03 Crore in the APR for FY 2025-26**.

5.7 Capital Investment and Financing of Capital Investment

5.7.1 APDCL submitted that it has estimated the capital expenditure and capitalisation in the APR for FY 2025-26 based on the estimates of the capital expenditure works carried out till date vis-à-vis sanction and budgetary allocation and pending Capital Works in Progress (CWIP).

5.7.2 APDCL has projected the capital expenditure and capitalisation for FY 2025-26 as Rs. 1730.38 Crore and Rs. 1484.89 Crore, respectively, as shown in the Table below:

Table 54: Proposed financing of Capitalization for FY 2025-26 (Rs. Crore)

Sl. No.	Particulars	Amount
A	Opening Balance of CWIP	9576.44
B	Fresh CAPEX during the year	1730.38
C	Investment capitalised out of opening CWIP	1484.89
D	Investment capitalised out of fresh investment	
	Total Capitalisation during the year (C+D)	1484.89
	Closing Balance of CWIP (A + B - C - D)	**9821.93**
E	**Funding of Capitalisation**	**1484.89**
	Debt	132.20
	Equity	56.66
	Grant	1296.03

Commission's Analysis

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

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

capitalisation of only Rs. 67 Crore in H1 of FY 2025-26.

5.7.5 The Commission has hence, analysed the actual capitalization achieved by APDCL in the past five years, i.e., FY 2020-21 to FY 2024-25, as shown in the Table below:

Table 55: Actual Capitalization for FY 2020-21 to FY 2024-25 (Rs. Crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Actual Capitalisation	2,158	505	735	877	219

5.7.6 As seen from the above Table, based on the actual capitalization of last five years, capitalisation was high at Rs. 2,158.17 Crore in FY 2020-21, which reduced to Rs 505.32 Crore in FY 2021-22, and has increased slightly to Rs. 735.71 Crore in FY 2022-23 and Rs. 876.79 Crore in FY 2023-24. The actual capitalisation during FY 2024-25 has been much lower at Rs. 219 Crore.

5.7.7 During the Public Hearing and subsequently through written submission, APDCL submitted that it had achieved actual capitalisation of Rs. 789 Crore till end of January 2026, and it was confident of achieving the approved capitalisation of Rs. 1,150 Crore by end of the year in FY 2025-26. Hence, considering the actual capitalisation already achieved by APDCL, the Commission has considered capitalisation of Rs. 1,150 Crore for FY 2025-26 as approved in the MYT Order for FY 2025-26.

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

5.7.9 The Commission has considered funding of the Capitalization through Grant equal to 87% of GFA addition, i.e., in proportion to the grant funding projected by APDCL, and Debt:Equity ratio in the normative ratio of 70:30 after deducting the amount of grant funding. The Capitalisation and funding of Capitalisation approved by the Commission in the APR of FY 2025-26, is given in the Table below:

Table 56: Approved Capitalization and Funding for FY 2025-26 (Rs. Crore)

Particulars	Tariff Order dt. 25.03.25	APDCL Petition	Approved after APR
Grant	1035.00	1,296.03	1,003.73
Equity	34.50	56.66	43.88
Debt	80.50	132.20	102.39
Total Capitalisation	**1,150.00**	**1,484.89**	**1,150.00**

5.7.10 **Therefore, the Commission provisionally approves Capitalisation of Rs. 1,150 Crore in the APR for FY 2025-26**.

5.8 Depreciation

5.8.1 The Commission had approved depreciation of Rs. 72.97 Crore for FY 2025-26 in the MYT Order dated 25th March 2025.

5.8.2 APDCL submitted that Depreciation has been claimed in accordance with the MYT Regulations, 2024, after apportionment of depreciation for assets created out of Consumer Contribution and Grants. APDCL added that fully depreciated assets have been excluded from the asset base for the purpose of calculating depreciation and rates of depreciation notified in the MYT Regulations have been considered. Total amount of depreciation claimed by APDCL is Rs. 107.45 crore for FY 2025-26, as shown in the Table below:

Table 57: Depreciation calculation for FY 2025-26 as submitted by APDCL (Rs. Crore)

Particulars	As on 01.04.25	Net addition during the year	Depreciation Rate (%)	Total
Land & Rights				
Land owned under full title	23.21	4.12	0.00%	-
Leasehold land	2.84	-	3.34%	0.08
SUB TOTAL	**26.05**	**4.12**		**0.08**
Building	66.17	3.95	3.34%	1.24
Other Civil Works	86.60	17.13	3.34%	2.24
Plant & Machinery	863.37	355.08	5.28%	25.73

Particulars	As on 01.04.25	Net addition during the year	Depreciation Rate (%)	Total
Lines & Cable Network	2,609.06	918.16	5.28%	110.28
Vehicles	27.25	-	9.50%	1.31
Furniture & Fixtures	23.04	3.09	6.33%	0.74
Office Equipment	25.13	4.96	6.33%	1.00
Computers & Accessories	104.78	45.00	15.00%	15.02
SUB TOTAL	**3,831.46**	**1,351.49**		**157.64**
Add: Consumers contribution deducted from service connection under O.H. lines & cable network	678.27	133.40	5.28%	30.33
Add: Assets not belonging to the entity	5,787.75	-		
GRAND TOTAL	**10,297.48**	**1,484.89**		**187.96**

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

Particulars	Depreciable
Opening GFA	3,808.24
Opening CWIP	7,420.35
Grant	3,574.54
Depreciation charged	157.64
Average rate	4.14%
Apportioned GFA after adjustment of grant	2,595.92
Apportioned depreciation claimed	**107.45**

Commission's Analysis

5.8.3 For computation of depreciation, the Commission has considered the closing GFA for FY 2024-25 as approved in this Order, as the Opening GFA for FY 2025-26. The capitalisation approved for FY 2025-26 has been considered as asset addition during the year. The Commission has considered the scheduled depreciation rates as

specified in MYT Regulations, 2024 for the assets added after April 1, 2025, whereas the scheduled depreciation rates as specified in MYT Regulations, 2021 for the assets added before April 1, 2025.

5.8.4 As per the MYT Regulations, 2024, the total depreciation during the life of the asset shall not exceed 90% of the original cost of GFA. The Commission has computed the depreciation separately for assets added under each asset head in each year. The Commission has disallowed the depreciation on assets where depreciation is in excess of 90% of the original cost of asset under different asset heads. The Commission has not considered depreciation on assets funded through grants in accordance with MYT Regulations, 2024.

5.8.5 In view of the above, the Commission has approved depreciation for FY 2025-26 as per MYT Regulations, 2024, as given in the Table below:

Table 59: Depreciation approved by the Commission for FY 2025-26 (Rs. Crore)

Sl. No.	Particulars	Opening GFA	Addition during the year	Rate of depreciation	Depreciation as per MYT Regulations, 2021
1	Land owned	23.21	3.19	0.00%	-
2	Leasehold Land	2.84		3.34%	-
3	Building	66.16	3.06	3.34%	2.26
4	Plant & Machinery	863.37	275.00	4.22%	40.06
5	Vehicle	27.24	-	4.22%	1.45
6	Furniture & Fixtures	23.05	2.39	6.33%	0.80
7	Office Equipment	18.92	3.84	6.33%	3.98
8	Computer & Accessories	68.00	34.85	15.00%	3.68
9	Other Civil Work	86.60	13.27	3.34%	3.12
10	Lines & Cable Network	2,935.99	711.09	4.22%	148.91
	Total	**4,115.39**	**1,046.69**		**204.26**
	Assets built through CC	**233.81**			115.11
10	**Assets not belonging to entity**	**5,890.98**	**103.31**		
11	**Net Total**	**10,240.19**	**1,150.00**		**89.15**

5.8.6 **Accordingly, the Commission considers depreciation of Rs. 89.15 Crore in the APR for FY 2025-26**.

5.9 Interest and Finance Charges

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

5.9.2 APDCL submitted interest and finance charges for FY 2025-26 as shown in the Table below:

Table 60: Interest and Finance Charges as submitted by APDCL for FY 2025-26 (Rs. Crore)

Particulars	Tariff Order dt. 27.06.2024	APDCL
Opening normative loan	105.66	101.36
Addition of normative loan during the year	80.50	132.200
Normative Repayment during the year	72.97	107.45
Net Normative Closing Loan	113.19	126.11
Rate of Interest	10.00%	9.02%
Interest on Debt Capital	**10.94**	**10.26**

Commission's Analysis

5.9.3 Interest on loan for FY 2025-26 has been allowed on normative basis as per the MYT Regulations, 2024. Accordingly, the normative closing loan for FY 2024-25 of Rs. 127.99 Crore is considered as the normative loan outstanding as on April 1, 2025.

5.9.4 The addition to loan has been considered based on the funding of capitalisation as approved earlier. The loan repayment has been considered equivalent to depreciation approved for FY 2025-26 in this Order. The Commission has considered the Interest rate of 9.02%, i.e., same rate as approved in the true-up for FY 2024-25.

5.9.5 The interest on loan capital approved by the Commission in the APR for FY 2025-26 is shown in the following Table:

Table 61: Interest and Finance Charges as approved by the Commission for FY 2025-26 (Rs. Crore)

Sl. No.	Particulars	MYT Order dt. 25.03.2025	APDCL Petition	Approved after APR
1	Opening Normative Loan	105.66	101.36	127.99
2	Loan Addition	80.50	132.200	102.39
3	Loan Repayment	72.97	107.45	89.15
4	Closing Normative Loan	113.19	126.11	141.22
5	Average Loan	109.43	113.74	134.60
6	Interest Rate	10.00%	9.02%	9.02%
7	**Interest Amount**	**10.94**	**10.26**	**12.14**

5.9.6 **Therefore, the Commission considers Interest on Loans of Rs. 12.14 Crore in the APR of FY 2025-26**.

5.10 Interest on Working Capital

5.10.1 APDCL has claimed Nil Interest on Working Capital in the APR for FY 2025-26 in accordance with the MYT Regulations, 2024, as shown in the Table below:

Table 62: Interest on Working Capital for FY 2025-26 (Rs Crore)

Particulars	Approved	Revised Estimate
O&M Expenses-One month	117.08	112.99
Receivables for 45 days	210.75	203.37
Maintenance spares @ 15% of O&M Expenses	1,311.48	1,277.06
Less: One-month Power Purchase Cost	835.05	826.60
Less: Consumer Security Deposit	1,012.30	868.17
Total Working Capital	**(208.05)**	**(101.35)**
Rate of Interest on Working Capital	11.72%	11.90%
Interest on Working Capital	**-**	**-**

Commission's Analysis

5.10.2 The Commission has computed the normative working capital requirement by

considering considered normative O&M expenses for 1 month, maintenance spares equal to 15% of normative O&M expenses, receivables equal to 45 days of expected revenue from tariff, reduced by power purchase cost equivalent to 1 month net of power purchase expenses from the Power Exchange. The Commission has considered that the CSD would reduce by 10% in FY 2025-26 as compared to the actual CSD in FY 2024-25, due to shift to pre-paid Smart Metering, as submitted by APDCL.

5.10.3 Hence, the Commission has computed the normative IoWC for FY 2025-26 in accordance with the MYT Regulations, 2024, as shown in the Table below:

Table 63: IoWC approved by the Commission for FY 2025-26 (Rs. Crore)

Particulars	MYT Order dt. 25.03.2025	APDCL Petition	Approved after APR
O&M Expenses for one month	117.08	112.99	118.21
Maintenance spares @ 15% of O&M Expenses	210.75	203.37	212.77
Receivables for 45 Days	1,311.48	1,277.06	1,292.23
Less: One-month Power Purchase Cost	835.05	826.60	800.46
Less: Consumer Security Deposit	1,012.30	868.17	909.64
Total Working Capital	**(208.05)**	**(101.35)**	**(86.89)**
Rate of Interest on WC	11.72%	11.90%	11.90%
Interest on Working Capital	**-**	**-**	-

5.10.4 **The Commission considers Nil IoWC in the APR for FY 2025-26**.

5.11 Interest on Consumers' Security Deposit

5.11.1 APDCL submitted that with successful roll out of software facilitating automatic adjustment of interest on security deposit in energy bills, the liquidation of liability on such account has significantly increased. Considering the improving trend, APDCL requested the Commission to allow an amount of Rs. 87.69 Crore against Interest on CSD for FY 2025-26.

Commission's Analysis

5.11.2 The Commission has considered the Interest on CSD for FY 2025-26 at the same level as the actual in FY 2024-25, as though the level of disbursement may improve

as anticipated by APDCL, the same may be offset by the reduction in CSD due to migration to pre-paid Smart Metering. **The Commission approves Interest on CSD of Rs. 81.76 Crore in the APR for FY 20245-26**.

5.12 Other Debits

5.12.1 APDCL requested the Commission to approve Other Debits of Rs. 29.35 Crore in the APR for FY 2025-26.

Commission's Analysis

5.12.2 The Commission notes that the other debits considered by APDCL is for provision for bad & doubtful debts. As stated in the truing up for FY 2024-25, the provisioning for bad and doubtful debts has exceeded the ceiling of 5% of receivables, hence, no further provisioning has been allowed in FY 2025-26.

5.12.3 **Therefore, the Commission allowed Other Debits including provision for bad & doubtful debts as Nil in the APR of FY 2025-26.**

5.13 Return on Equity

5.13.1 APDCL submitted that RoE for FY 2025-26 has been computed in line with methodology adopted by the Commission in its previous Orders. The Petitioner has claimed RoE at the base rate of 14%. However, APDCL requested the Commission to consider additional rates if actual capitalisation target is achieved at the time of Truing up.

5.13.2 The RoE projected by APDCL for FY 2025-26 is shown in the Table below:

Table 64: Return on Equity projected by APDCL for FY 2025-26 (Rs. Crore)

Particulars	MYT Order dt. 25.03.2025	APDCL Projections
Opening Equity	1258.88	1270.00
Net Addition during the Year	34.50	56.66
Closing Equity	1,293.38	1,326.66
Average Equity	1,276.13	1,298.33
Rate of Return on Equity	14.00%	14.00%
Return on Equity	**178.66**	**181.77**

Commission's Analysis

5.13.3 The Commission has approved the Return on Equity in accordance with the MYT Regulations, 2024. The Commission has considered the closing equity of FY 2024-25 as trued up in this Order, as the opening equity for FY 2025-26. The Commission has considered equity addition during the year as per approved Funding for the Works capitalised, as elaborated earlier in this Order.

5.13.4 The Commission has approved the RoE in accordance with MYT Regulations, 2024 at 14%, as shown in the Table below:

Table 65: Return on Equity approved by the Commission for FY 2025-26 (Rs. Crore)

Sl. No.	Particulars	MYT Order dt. 25.03.2025	APDCL Petition	Approved after APR
1	Opening Equity Balance	1258.88	1270.00	1270.00
2	Addition due to Capitalisation	34.50	56.66	43.88
4	Closing Equity Balance	1,293.38	1,326.66	1,313.88
5	Average Equity Balance	1,276.13	1,298.33	1,291.94
6	Rate of Return (%)	14.00%	14.00%	14.00%
7	**Return on Equity**	**178.66**	**181.77**	**180.87**

5.13.5 **Therefore, the Commission considers RoE of Rs. 180.87 Crore in the APR of FY 2025-26.**

5.14 Non-Tariff Income

5.14.1 APDCL submitted that the Non-Tariff Income (NTI) for FY 2025-26 has been projected by escalating various heads of actual NTI for FY 2024-25 by 5% except for the Delayed Payment Surcharge, which has been reduced considering the decline in arrears.

5.14.2 APDCL requested the Commission to approve NTI of Rs 369.67 Crore for FY 2025-26, as shown in the Table below:

Table 66: Non-Tariff Income as submitted by APDCL for FY 2025-26 (Rs. Crore)

Sl. No.	Particulars	MYT Order dt. 25.03.2025	APDCL Petition
1	Rentals from Meters, Service Lines, Capacitors etc.	19.35	13.94
2	Income from recoveries on account of theft of energy/ Malpractices	0.01	
3	Cross Subsidy surcharge on Open Access Consumer	6.06	0.53
4	Wheeling charges collected	1.18	0.49
5	Short Term Open Access (STOA) credit	25.90	72.06
6	Rebate on prompt payment of Power purchase bills		27.98
7	Misc. recoveries	51.01	56.65
8	Delayed payment charges from Consumers	191.99	189.78
9	Income From SCED	8.37	8.24
Total		**303.87**	**369.67**

Commission's Analysis

5.14.3 The Commission has not considered rebate on Power Purchase bills, in line with the approach outlined in the true-up Chapter. The Commission has accepted APDCL's projection of NTI from all other sources.

5.14.4 The Non-Tariff Income considered by the Commission for FY 2025-26 is shown in the Table below:

Table 67: Non-Tariff Income as approved by the Commission for FY 2025-26 (Rs. Crore)

Sl. No.	Particulars	MYT Order dt. 25.03.2025	APDCL Petition	Approved after APR
1	Rentals from Meters, Service Lines, Capacitors etc.	19.35	13.94	13.94
2	Income from recoveries on account of theft of energy/ Malpractices	0.01		
3	Cross Subsidy surcharge on Open Access Consumer	6.06	0.53	0.53
4	Wheeling charges collected	1.18	0.49	0.49
5	Short Term Open Access (STOA) credit	25.90	72.06	72.06

Sl. No.	Particulars	MYT Order dt. 25.03.2025	APDCL Petition	Approved after APR
6	Rebate on prompt payment of Power purchase bills		27.98	-
7	Misc. recoveries	51.01	56.65	56.65
8	Delayed payment charges from Consumers	191.99	189.78	189.78
9	Income From SCED	8.37	8.24	8.24
Total		**303.87**	**369.67**	**341.69**

5.14.5 **Therefore, the Commission considers Non-Tariff Income of Rs. 341.69 Crore in the APR of FY 2025-26**.

5.15 Other Income

5.15.1 APDCL submitted that all heads of 'Other Income' are estimated on the basis of actuals for FY 2024- 25 (True up) except for the following:

a) Miscellaneous receipt is escalated as per previous trend;

b) Seasonal export is based on surplus energy estimate for FY 2025-26, at Rs. 1023.18 Crore;

5.15.2 Accordingly, APDCL has estimated Other Income as Rs. 1193.25 Crore, as shown in the table below:

Table 68: Other Income as submitted by APDCL for FY 2025-26 (Rs. Crore)

Sl. No.	Particulars	MYT Order dt. 25.03.2025	APDCL Petition
1	Interest on loans to staff	-	-
2	Interest under Scheme	27.64	(0.16)
3	Installation Charges for new Service Connections	14.87	
4	Receipt from sale of LED bulb, Tubelight, Fan, etc.		0.02
5	Interest from banks and Investment	66.76	107.62
6	Gain on sale of fixed assets		-
7	Rent from residential buildings	1.09	-
8	Miscellaneous receipts	40.97	62.59
9	Income from Sale of Scrap		-
10	Receipt from Pension Trust	42.17	-

Sl. No.	Particulars	MYT Order dt. 25.03.2025	APDCL Petition
11	Income on seasonal Export of surplus power	917.90	1023.18
	Total	**1111.40**	**1193.25**

Commission's Analysis

5.15.3 The Commission has accepted APDCL's projection of Other Income for FY 2025-26 against Interest on Fixed Deposits and Miscellaneous Receipts. However, the adjustment entry of s. (0.16) Crore appearing in FY 2024-25 is not expected to recur in FY 2025-26 and is hence, not considered. Further, the revenue from sale of LEDs, tubelight, etc., is not considered as per usual practice. The revenue from sale of surplus power/Trading has been considered based on estimated surplus quantum and considering the rate for sale of surplus power @Rs. 4.00/kWh, as compared to the actual rate of Rs. 3.91/kWh realised in FY 2024-25. The Commission directs APDCL to maximise the revenue from sale of surplus power and thereby, minimise the loss on sale of every unit of surplus power, as the average rate for sale of surplus power is over Rs. 1/kWh lower than the APPC.

5.15.4 **Further, it is observed that the revenue from sale of surplus power is around 10% of the ARR of FY 2025-26, even though such surplus power is being sold at a discount to the purchase price, which is extremely high, and highlights the need for improved and more accurate forecasting of demand and planning of power procurement.**

5.15.5 The Commission has approved Other Income in the APR for FY 2025-26 as shown in the Table below:

Table 69: Other Income as approved by the Commission for FY 2025-26 (Rs. Crore)

Particulars	Tariff Order	APDCL Petition	Approved after APR
Interest on loans to staff	-	-	-
Interest under Scheme	27.64	(0.16)	-
Installation Charges for new Service Connections	14.87		-

Particulars	Tariff Order	APDCL Petition	Approved after APR
Receipt from sale of LED bulb, Tubelight, Fan, etc.		0.02	-
Interest from banks and Investment	66.76	107.62	107.62
Gain on sale of fixed assets		-	-
Rent from residential buildings	1.09	-	-
Miscellaneous receipts	40.97	62.59	62.59
Income from Sale of Scrap		-	-
Receipt from Pension Trust	42.17	-	-
Income on seasonal Export of surplus power	917.90	1023.18	1109.47
Total	**1111.40**	**1193.25**	**1279.68**

5.15.6 **Accordingly, the Commission has considered Other Income of Rs. 1279.68 Crore in the APR for FY 2025-26**.

5.16 Impact of revision in ToD timeslots and tariff

5.16.1 APDCL submitted that the Commission in the MYT Order dated 25th March 2025 had assessed an impact to the tune of Rs. 130 Crore against revision of ToD tariff regime in FY 2025-26. The Petitioner was also directed to maintain separate accounting of sales, Power Purchase and Revenue for different slots of the new ToD regime for truing-up of the actual impact.

5.16.2 The revised ToD tariff along with the Retail tariff for FY 2025-26 came into effect from 1st April, 2025 onwards. The provision of ToD tariff was extended to all categories except Jeevan Dhara, Agriculture and consumers opting for HT-II Industries (Option-2).

5.16.3 The Petitioner has analysed the ToD slot-wise energy sales and revenue data for the 6(six) months period from April 2025 to September2025 (H1 of FY 2025-26) for the HT category. The LT categories were excluded from the analysis as no LT consumers have opted for the ToD tariff during the reference period of analysis.

5.16.4 Based on the actual consumption pattern of the HT consumers during different ToD timeslots during H1 of FY 2025-26, the petitioner has employed a stochastic approach by assigning the HT consumer categories with different probability

distributions against estimated energy sales during Normal, Solar and Peak hours respectively. The Petitioner has conducted a simulation-based potential impact assessment study on the revenue from the estimated energy sales against the HT category consumers for FY 2025-26.

5.16.5 The Petitioner has assessed a negative impact vis-à-vis loss of revenue to the tune of Rs. 145.38 Crore on account of the revised ToD regime in the APR of FY 2025-26. The same has been validated by the risk analysis results with 95% of the modelled outcomes resulting into a revenue loss within a threshold limit of Rs. 145.38 Crore.

5.16.6 APDCL requested the Commission to allow recovery of Rs. 145.38 Crore against the assessed impact of revision in ToD timeslots and tariff in the APR of FY 2025-26.

Commission's Analysis

5.16.7 In the MYT Order, while introducing the revised ToD regime, the Commission directed APDCL to maintain separate accounting of sales, Power Purchase and Revenue for different slots of the new ToD regime for truing-up of the actual impact. However, in reply to the Commission's regarding actual impact in H1 of FY 2025-26, APDCL submitted certain sample data for around 50% of the consumers.

5.16.8 The Commission directs APDCL to submit accurate data of the entire set of consumers who are impacted by the change in ToD regime, and submit the details at the time of true-up. As the actual revenue from sale of electricity will also factor the impact of the revised ToD tariff, the Commission has not considered any separate revenue impact on account of implementation of revised ToD tariff, and the revenue earned by APDCL shall be trued-up at actuals.

5.16.9 Further, in order to ensure that APDCL submits the proper and adequate data regarding the ToD slot-wise consumption and revenue, the Commission prescribes the following format for submission of the relevant information, at the time of true-up for FY 2025-26 and every ensuing year:

Sl.	Category	Sales in FY _____(MU)				Revenue from Energy Charges in FY _____(Rs. Cr.)			
		22:00 to 09:00 hours	09:00 to 17:00 hours	17:00 to 22:00 hours	Total Sales	22:00 to 09:00 hours	09:00 to 17:00 hours	17:00 to 22:00 hours	Total Revenue from Energy Charges
	LT Categories								
1	…								
2	…								
3	…								
	LT sub-total								
	HT Categories								
1	HT I Domestic								
2	HT II Commercial								
3	HT III Public Water Works								
…	…								
…	…								
…	…								
	HT sub-total								
	Grand Total								

5.17 Revenue from Sale of Power

5.17.1 APDCL submitted that the Commission had approved amount of Rs. 10,637.54 Crore as revenue from retail consumers in the Tariff Order for FY 2025-26. The revenue from sale of electricity for FY 2025-26 has been considered based on actual tariff rate vis-à-vis consumer profile.

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

5.17.3 APDCL requested the Commission to allow an amount of Rs. 10358.34 Crore as revenue from sale of power in the APR for FY 2025-26.

Commission's Analysis

5.17.4 The Commission has estimated the Revenue from sale of electricity at existing tariff based on the tariff approved in the MYT Order dated 25th March 2025, and the projected category-wise sales for FY 2025-26. The Commission has considered the full-cost tariff, without considering any Targeted Subsidy, for the purposes of estimating the revenue from sale of electricity at existing tariff. FPPPA has been considered as Nil, based on APDCL's submission that no FPPPA has been levied in FY 2025-26.

5.17.5 The Revenue from sale of electricity at existing tariff has been computed by the Commission as Rs. 10,481.40 Crore in the APR for FY 2025-26.

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

5.18.1 Based on the submission in the above paragraphs, the Aggregate Revenue Requirement (ARR) and revenue deficit/(surplus) of APDCL after APR for FY 2025-26 vis-à-vis earlier approved figures is as shown below:

Table 70: ARR & Revenue Gap/(Surplus) submitted by APDCL for FY 2025-26 (Rs. Crore)

Sl. No.	Particulars	MYT Order dt. 25.03.2025	APDCL Petition
1	Cost of power purchase	10,020.60	10,062.18
2	Operation & Maintenance Expenses	1,410.69	1,355.83
2.1	*Employee Cost*	*918.96*	*986.11*
2.2	*Repair & Maintenance*	*263.19*	*243.94*
2.3	*Administrative & General Expenses*	*228.54*	*125.79*
3	Depreciation	72.97	107.45
4	Interest and Finance Charge	10.94	10.26
5	Interest on Working Capital	-	-
6	Other Debits incl. Provision for Bad Debt	-	29.35
7	Interest on Consumer security deposit	62.22	87.69
9	**Sub total**	**11,577.42**	**11,652.76**
10	Return on Equity	178.66	181.77
11	**Total Expenditure**	**11,756.08**	**11,834.53**

Sl. No.	Particulars	MYT Order dt. 25.03.2025	APDCL Petition
12	Less: Non-Tariff Income	303.87	369.67
13	Assessed impact of revision in ToD time slots and tariff	130.00	145.38
14	**Aggregate Revenue Requirement**	**11,582.22**	**11,610.23**
14	Revenue with approved Tariff (including Targeted Subsidy)	10,637.54	10,358.34
15	Other Income (Consumer Related)	1,044.88	1,193.25
16	Total Revenue Before Other Subsidy	11,682.42	11,551.59
17	Other subsidy/Revenue Grant		
18	**Total Revenue after subsidy**	**11,682.42**	**11,551.59**
19	**Standalone Revenue Gap/(Surplus) for FY 2025-26**	**(100.20)**	**58.64**
20	**True up adjustment**		
21	Revenue Gap/(Surplus) from True up for FY 2023-24 with carrying cost	100.20	100.20
22	**Gross Revenue Gap/(Surplus)**	**-**	**158.84**

Commission's Analysis

5.18.2 Considering the above heads of expense and revenue provisionally approved in the APR for FY 2025-26, the summary of ARR and Revenue Gap/(Surplus) approved by the Commission in the APR for FY 2025-26 is given in the Table below:

Table 71: ARR & Revenue Gap/(Surplus) considered by the Commission for FY 2025-26 (Rs. Crore)

Sl. No.	Particulars	MYT Order dt. 25.03.2025	APDCL Petition	Approved after APR
1	Cost of power purchase	10,020.60	10,062.18	9,850.26
2	Operation & Maintenance Expenses	1,410.69	1,355.83	1,418.49
2.1	*Employee Cost*	*918.96*	*986.11*	*910.62*
2.2	*Repair & Maintenance*	*263.19*	*243.94*	*242.84*
2.3	*Administrative & General Expenses*	*228.54*	*125.79*	*265.03*
3	Depreciation	72.97	107.45	89.15

Sl. No.	Particulars	MYT Order dt. 25.03.2025	APDCL Petition	Approved after APR
4	Interest and Finance Charge	10.94	10.26	12.14
5	Interest on Working Capital	-	-	-
6	Other Debits incl. Provision for Bad Debt	-	29.35	-
7	Interest on Consumer security deposit	62.22	87.69	81.76
9	**Sub total**	**11,577.42**	**11,652.76**	**11,451.80**
10	Return on Equity	178.66	181.77	180.87
11	**Total Expenditure**	**11,756.08**	**11,834.53**	**11,632.67**
12	Less: Non-Tariff Income	303.87	369.67	341.69
13	Assessed impact of revision in ToD time slots and tariff	130.00	145.38	-
14	**Aggregate Revenue Requirement**	**11,582.22**	**11,610.23**	**11,290.98**
14	Revenue with approved Tariff (including Targeted Subsidy)	10,637.54	10,358.34	10,481.40
15	Other Income (Consumer Related)	1,044.88	1,193.25	1,279.68
16	Total Revenue Before Other Subsidy	11,682.42	11,551.59	11,761.08
17	Other subsidy/Revenue Grant			
18	**Total Revenue after subsidy**	**11,682.42**	**11,551.59**	**11,761.08**
19	**Standalone Revenue Gap/(Surplus) for FY 2025-26**	**(100.20)**	**58.64**	**(470.10)**
20	**True up adjustment**			
21	Revenue Gap/(Surplus) from True up for FY 2023-24 with carrying cost	100.20	100.20	100.20
22	**Gross Revenue Gap/(Surplus)**	**-**	**158.84**	**(369.89)**

5.18.3 **Accordingly, the Commission has arrived at a Revenue Surplus of Rs 369.89 Crore in the APR of FY 2025-26, as against the Revenue Gap of Rs. 158.84 Crore projected by APDCL. The same has not been adjusted in this Order, as this is only a provisional number. The Revenue Gap/(Surplus) after true-up for FY 2025-26 shall be adjusted in the ARR of FY 2027-28**.

6 Revised Aggregate Revenue Requirement (ARR) for FY 2026-27

6.1 Introduction

6.1.1 The Commission had approved the ARR for APDCL for FY 2026-27 in the MYT Order dated March 25, 2025. APDCL submitted its projection of revised ARR for FY 2026-27 on the basis of true-up of FY 2024-25 and APR of FY 2025-26.

6.1.2 This Chapter deals with determination of Revised ARR for APDCL for FY 2026-27 in accordance with the provisions of MYT Regulations, 2024.

6.2 Energy Sales

6.2.1 The following section examines in detail the consumer category-wise energy sales projected by APDCL in its Tariff Petition for FY 2026-27 and the category-wise sales approved by the Commission.

6.3 Category-Wise Projected Energy Sales

6.3.1 APDCL submitted that the Commission had approved energy sales of 13,253 MU for FY 2026-27 in the ARR of FY 2026-27 vide MYT Order dated March 25, 2025.

6.3.2 APDCL stated that it has revised the projections for energy sales for FY 2026-27 based on actual sales of FY 2024-25 and actual performance in H1 of FY 2025-26.

6.3.3 APDCL added that it is mandated under AERC (Framework for Resource Adequacy), Regulations, 2024 to submit long-term, medium term and short-term Distribution Resource Adequacy Plan (LT-DRAP/MT-DRAP/ST-DRAP) for the Commission's approval in order to ensure contracting of adequate generation capacity for the ensuing years. The precursor to the Resource Adequacy Plan is the demand estimation and load forecasting.

6.3.4 Accordingly, as per approval of the competent authorities, APDCL has considered the energy sales as per the 'Optimistic' projection scenario for determination of ARR for FY 2026-27.

6.3.5 The sales projection for FY 2026-27 accounts for load increases beyond the Business-as-Usual (BAU) load growth, incorporating the factors highlighted in the Resource

Adequacy (RA) study. These factors include accelerated consumer base expansion, implementation of the Revamped Distribution Sector Scheme (RDSS), economic growth, and the addition of new commercial, industrial, and infrastructure projects in Assam.

6.3.6 The category-wise sales projected by APDCL are given in the Table below:

Table 72:Category-wise Energy Sales Projected by APDCL for FY 2026-27 (MU)

CATEGORY	2026-27
Jeevan Dhara	100
Domestic A	5348
Domestic-B	785
Commercial Load	1772
General Load	180
Public Lighting	34
Agriculture upto 7.5 hp	33
Small Industries Rural	112
Small Industries Urban	34
Electric Vehicle Charging Station (LT)	49
Temporary	39
LT TOTAL	**8486**
HT Domestic	33
HT commercial	738
Public Water works	208
Bulk Supply-Govt. Edu Inst	125
Bulk Supply-Others	763
HT Small Industries upto 50 kW	22
HT Industries-1 50 kW to 150 kW	96
HT Industries-II above 150 kW	1627
Tea Coff & Rub	653
Oil & Coal	219
HT Irrigation Load above 7.5 hp	24
HT Temporary	1
HT Electric Crematorium	–

CATEGORY	2026-27
HT Railway Traction	84
HT Electric Vehicle Charging Station	104
HT Interstate Sale	-
HT TOTAL	**4696**
All Total	**13182**

6.3.7 The Petitioner requested the Commission to approve the energy sales as estimated above for FY 2026-27.

Commission's Analysis

6.3.8 The Commission had approved sales of 13,253 MU for FY 2026-27 in the MYT Order. However, in view of the actual sales in FY 2024-25 and the estimated sales in FY 2025-26, the Commission is of the view that the sales considered by APDCL in its Petition based on the 'Optimistic' scenario may not be realistic. The Commission asked APDCL to submit the 'Business-as-Usual' sales projections also, which was submitted by APDCL. The total sales projected by APDCL under the 'Business-as-Usual' is 12,029 MU as compared to the sales of 13,182 MU projected under the 'Optimistic' scenario.

6.3.9 The Commission has considered the estimated category-wise sales for FY 2025-26 as the base. The growth rate is arrived at after analysing the 2-year, 3-year, 4-year, 5-year CAGR along with the Y-o-Y growth seen in sales to different consumer categories.

6.3.10 Reasonable estimates about the growth rates of the various consumer categories have been made to arrive at the energy sales forecast for FY 2026-27. In case the growth trend is recent years is negative; 0% growth rate has been considered for these consumer categories.

6.3.11 The growth rate considered for projecting the sales to different categories and the category-wise sales projected by the Commission for FY 2026-27 are given in the Table below:

Table 73: Category-wise Energy Sales Projected by the Commission for FY 2026-27 (MU)

Category	Growth Rate	Projected Sales for FY 2026-27
JEEVAN DHARA	0%	88
DOMESTIC A Total	7%	4,968
Domestic-B above 5 kW to 30 kW	12%	772
Commercial Load above 0.5 to 30 kW	14%	1,746
General Load up to 30 kW (Non-Comml & Non-Domestic)	10%	146
General Load up to 30 kW (Govt. Primary/Sec./Hr.Sec. Schools)	20%	30
Public Lighting	4%	28
Agriculture up to 7.5 HP	16%	33
Small Industries Rural up to 30 kW	9%	111
Small Industries Urban	4%	34
LT Electric Vehicles Charging Stations	50%	60
Temporary	30%	38
LT TOTAL		**8,054**
HT Domestic 30 kW and above	6%	29
HT commercial 30 kW & above	16%	778
Public Water works	29%	179
Bulk Supply Govt. Edu Inst	21%	125
Bulk Supply Others	10%	699
HT Small Industries up to 50 kW	5%	21
HT Industries-I 50 kW to 150 kW	9%	95
HT Industries-II above 150 kW (Option 1 - ToD)	12%	1,386
HT Industries-II above 150 kW (Option 2 - Non-ToD)	9%	189
Tea Coffee & Rubber	5%	619
Oil & Coal	20%	230
HT Irrigation Load above 7.5 HP	11%	25
HT Temporary	0%	1
HT Railway Traction	0%	81
HT Electric Crematorium	0%	-
HT Electric Vehicle Charging Station	50%	138

Category	Growth Rate	Projected Sales for FY 2026-27
HT Inter-State sales		1
HT TOTAL		**4,595**
TOTAL ENERGY SALES		**12,649**

6.3.12 **Therefore, the Commission approves the category-wise sales for FY 2026-27 as shown in the Table above**.

6.3.13 **It may be observed that the overall sales approved by the Commission for FY 2026-27 lies between the sales projected by APDCL under the 'Optimistic' scenario and 'Business-as-Usual' scenario.**

6.4 Distribution Loss

6.4.1 APDCL submitted that the Commission in the MYT Order dated March 25, 2025 had approved Distribution Loss of 13.00% for FY 2026-27.

6.4.2 APDCL achieved an actual Distribution Loss of 15.44% in FY 2024-25, as compared to the loss level of 14.50% approved in the Tariff Order dated 27th June 2024.

6.4.3 APDCL submitted that over the years, it has been able to bring down the losses gradually except for the years with massive rural electrification in 2009-10, 2011-12 and 2018-19. APDCL submitted that infrastructure vis-a-vis load/consumer profile play pivotal role is system losses. Consumer profile of Assam is heavily skewed towards low end consumer spread across far flung areas.

6.4.4 APDCL submitted that it recognized the importance of adhering to the distribution loss trajectory set by the Commission for the Control Period from FY 2025-26 to FY 2029-30 and is fully committed to achieving these targets.

6.4.5 APDCL is implementing multiple targeted schemes such as the Distribution System Enhancement and Loss Reduction Project (DSELR) and the Revamped Distribution Sector Scheme (RDSS) to modernize infrastructure and expand HT networks, which are critical for reducing losses. APDCL submitted that it is leveraging IT interventions and artificial intelligence-based spot billing applications to improve metering and billing accuracy, especially in non-smart meter areas, enhancing overall loss management efficiency.

6.4.6 APDCL submitted that continuous monitoring, infrastructure upgrades, and policy compliance remain central to APDCL's strategy to ensure sustainable distribution loss reduction in line with AERC's approved trajectory.

6.4.7 APDCL requested the Commission to approve the distribution loss of 13.00% for FY 2026-27.

Commission's Analysis

6.4.8 The Commission approves Distribution Loss of 13.00% for FY 2026-27, as shown in the following Table:

Table 74: Approved Distribution Loss for FY 2026-27

Particulars	MYT Order dt. 25.03.2025	APDCL Petition	Approved
Distribution Loss	13.00%	13.00%	13.00%

6.5 AT&C Loss

Commission's Analysis

6.5.1 In the MYT Order, in accordance with the MoP Rules and APDCL submissions, the Commission approved the AT&C loss for FY 2026-27 as 13.00%, by considering the Collection Efficiency as 100%, which is retained in this Order.

6.6 Energy Balance

6.6.1 APDCL submitted the estimate for energy requirement for FY 2026-27 based on the estimates of the energy sales, projected Distribution Losses and projected inter-State and intra-State Transmission Losses, as shown in the following Table:

Table 75: Energy Balance for FY 2026-27 as projected by APDCL (MU)

Particulars	MYT Order dt. 25.03.2025	APDCL Petition
Energy Sales	13,253	13,182
Distribution Loss (%)	13.00%	13.00%
Distribution Loss	1,980	1,970
Energy Requirement at T_D Periphery	15,233	15,152

Particulars	MYT Order dt. 25.03.2025	APDCL Petition
Intra-State (AEGCL) Transmission Loss (%)	3.19%	3.19%
Intra-State (AEGCL) Transmission Loss	502	499
Energy Input to Transmission System	15,735	15,651
Inter-State (PGCIL) Pooled Loss (%)	2.52%	2.52%
Inter-State (PGCIL) Pooled Loss	476	405
Seasonal Export	2,741	1,917
Total Energy Requirement	**18,883**	**17,972**

Commission's Analysis

6.6.2 The Commission has approved the Energy Balance for FY 2026-27 based on the projected sales, approved Distribution Loss, approved Transmission Loss for AEGCL, and estimated PGCIL Losses, as shown in the Table below:

Table 76: Energy Balance for FY 2026-27 approved by the Commission (MU)

Particulars	MYT Order dt. 25.03.2025	APDCL Petition	Approved
Energy Sales	13,253	13,182	12,649
Distribution Loss (%)	13.00%	13.00%	13.00%
Distribution Loss (MU)	1,980	1,970	1,890
Energy Requirement at T_D Periphery	15,233	15,152	14,539
AEGCL Transmission Loss (%)	3.19%	3.19%	3.19%
Intra-State (AEGCL) Transmission Loss	502	499	479
Energy Input to Transmission System	15,735	15,651	15,018
Inter-State (PGCIL) Pooled Loss (%)	2.52%	2.52%	2.52%
Inter-State (PGCIL) Pooled Loss (MU)	476	405	335
Seasonal Export	2,741	1,917	2,314
Total Energy Requirement	**18,883**	**17,972**	**17,721**

6.6.3 **Therefore, the Commission approves total Energy Requirement as 17,721 MU for FY 2026-27. The revenue from the projected sale of surplus energy has been considered under Other Income**.

6.7 Power Purchase

6.7.1 APDCL submitted that it is largely dependent on APGCL and Central Generating Stations to meet the Base Load. However, to meet the Peak demand of the State, APDCL sources power from short-term sources like Traders and Power Exchanges to meet the deficit.

6.7.2 The existing capacity allocated to APDCL for FY 2025-26 is 2739 MW. The power purchase quantum and cost for FY 2026-27 has been estimated based on the following assumptions/details:

- **APGCL:** APDCL has firm allocation from all the existing thermal power plants of APGCL namely NTPS, NRPP, LTPS and LRPP and hydro plants namely MSHEP and KLHEP. The existing capacity of APGCL plants is 379 MW (100% capacity allocation to APDCL). The Petitioner has estimated the gross energy availability from the existing stations based on the allocated capacity and the actual PLF. The Auxiliary Consumption for these plants has been considered as per the latest Tariff Order of APGCL. Intra-State transmission loss of 3.19% as approved in AEGCL Tariff Order dated March 25, 2025 has been considered.
- The fixed cost for the State generating stations has been considered as per the latest MYT Order of APGCL dated March 25, 2025 for FY 2025-26. The variable charges have been projected based on the average energy charge rate for the latest available six months, and escalated by 5% during FY 2025-26. For Myntriang HEP, the levelized tariff of Rs. 3.86/kWh as approved by the Commission has been considered vide Order dated May 16, 2024. For KLHEP, the approved energy charge rate has been considered as per the latest Tariff Order of APGCL dated March 25, 2025 for FY 2025-26.
- Lower Kopili is expected to commence operation in FY 2026-27. The entire 120 MW capacity has been allocated from this source to APDCL. PAF of 50% and Auxiliary Consumption of 1% has been considered for this plant. Provisional tariff of Rs. 5.00/kWh has been considered.
- **Central Generating Stations (NER):** The key Central Generating Stations of North Eastern Region (NER) supplying power to APDCL include plants of NEEPCO, NHPC, OTPC and NTPC (Thermal). The share allocation of the various plants of CGS (NER) has been considered based on the latest REA. The NAPAF of these plants has been

considered based on the latest CERC Tariff Orders of the respective plants. Auxiliary Consumption has been considered based on the values as approved by CERC in respective Tariff Orders of the plants. The latest available six months transmission loss of 3.61% for ISTS (as per NLDC) has been considered. Intra-State transmission loss of 3.19% as approved by the Commission for FY 2026-27 has been considered. For OTPC, BGTPP, AGBPS, and AGTCCP, the actual year-end cumulative PLF is considered since power generation has significantly declined due to a reduction in gas availability. For HPP's, the design energy is considered as per the latest available information.

- The fixed costs for Central Generating Stations have been assessed based on the actual fixed cost incurred during FY 2024-25. This approach has been adopted as the Normative Annual Plant Availability Factor (NAPAF) is often not achieved over the full year, as seen from historical REA data. Hence, using actual fixed charges provides a more realistic estimate of likely fixed cost liability. Further, as the Tariff Orders under the CERC Tariff Regulations, 2024–29 are yet to be issued, FY 2024–25 actuals have been taken as the most reliable basis for projection.
- The variable charges have been projected based on the average energy charge rate for the latest available six months, further escalated 5% during FY 2026-27. For Pare, the tariff of Rs. 5.342/kWh for FY 2023-24 has been considered as per the latest CERC Tariff Order. No escalation has been considered for the tariff of this plant. For Kameng HEP of NEEPCO (Hydro), provisional tariff of Rs. 4.00/kWh has been considered as per CERC Tariff Order dated 08 August' 2023. For Kopili I, a provisional tariff of Rs 2.35/kWh, as outlined in the minutes of the 47th CCM of NERPC, has been assumed. For all other hydro generating stations, variable charges have been taken as per the latest applicable CERC Tariff Orders.
- 2000 MW NHPC Subansiri Plant is set to be commissioned by FY 2026-27. A capacity addition of 208 MW has been proposed against this. APDCL has estimated cost of power from the plant on the basis of latest available cost structure for the project. Design energy is considered as per the latest available information and Auxiliary Consumption of 1% has been considered for this plant. Provisional tariff as per the latest available information has been considered for this plant.
- **Central Generating Stations (ER):** APDCL submitted that it is allocated power from Farakka I & II, Kahalgaon I, Kahalgaon II and Talcher of NTPC located at Eastern

Region. Moreover 5 MW from NTPC ER Stations are also allocated as Bundled power with Solar under JNNSM. The share allocation of various CGS (ER) plants is based on the latest REA, with NAPAF and Auxiliary Consumption norms considered as per CERC-approved Tariff Orders. A transmission loss of 3.61% for ISTS (as per NLDC) and an intra-State transmission loss of 3.19% (approved by the Commission for FY 2026-27) have been considered.

- The fixed charges for FY 2026–27 have been assessed based on the actual fixed cost incurred during FY 2024–25, based on reasoning explained earlier. The variable charges have been projected based on the average energy charge rate for the latest available six months (April 2025 to September 2025), further escalated by 5%.
- **Other Sources:** APDCL submitted that for HHPCL, PLF and auxiliary consumption have been considered as per the Commission's Order dated April 12, 2013. Based on this, the generation from this source has been projected. The levelised tariff has been considered for this plant as determined in the above Order at Rs. 4.11/kWh.
- Generation from NVVNL Solar Bundled (JNNSM) and NVVNL Coal Bundled (JNNSM) has been considered equal to that in FY 2024-25. The energy charge rate has been considered equal to the H1 average energy rate for the latest available six months.
- For Suryataap Solar (SEIPL), normative parameters of PLF and auxiliary consumption as approved by the Commission have been considered. The rate for SEIPL has been considered as Rs. 8.78 per kWh as per latest AERC Order.
- For SECI (Solar) JNNSM, quantum has been considered same as that for FY 2024-25. Energy charge rate has been considered equal to the H1 average energy rate for the latest available six months.
- APDCL floated a long-term tender for procuring 500 MW of power in accordance with the SHAKTI Policy, 2017 under Para B(iii) and Para B(iv), based on coal allocation from Coal India Limited (CIL) for a period of 25 years. Supply of 278 MW commenced on 1st October 2025 and will continue uninterrupted during the interim period. The tender originally envisaged procurement of 200 MW from FY 2025–26 and an additional 300 MW from FY 2028–29, with a discovered and negotiated tariff of Rs 5.79 per unit. Following approvals from AERC and the Government of Assam, the supply schedule was advanced to enable APDCL to receive 500 MW from March to October

of 2026 and 2027, and again in March 2028. From April 2028 onward, the full 500 MW will be supplied on a continuous basis.

- 1020 MW Punatsangchhu-II HEP is already commissioned and Assam has been allocated 64.1 MW. A capacity addition of 64.1 MW has been proposed against this APDCL has estimated cost of power from the plant on the basis of latest available cost structure for the project. Design energy is considered as per the latest available information. Provisional tariff of as per the latest available information has been considered for this plant during the FY 2026-27
- Also, APDCL floated e-bidding tender for 200 MW Short term power at Deep portal for FY 2025-26, FY 2026-27 and FY 2027-28. For FY 2026-27, price discovered is Rs 5.95/ unit.
- The balance energy requirement has been proposed to be met from short-term sources of power, i.e., Power Exchanges, etc.
- **Renewable Sources:** For RPO, APDCL has aligned with the latest Ministry of Power (MoP) Notification dated October 20, 2023, which came into effect from April 1, 2024. The RPO obligations are based on the total energy handled by the distribution licensee, equating to the total energy sales within its operational area.
- The purchase from renewable sources has been projected as shown in the Tables below:

Table 77: RPO Target and projected Achievement for FY 2026-27 (MU)

Particulars	Energy Sale to Consumers (MU)	RPO obligation %				Total RPO
		Wind RPO	HPO	DRE	Other RPO	
Energy Sales	13179	1.97%	1.34%	1.35%	31.29%	35.95%
RPO target		259.63	176.60	177.92	4123.71	4737.85
RPO Compliance		0.00	1457.09	135.09	4160.49	5752.67
RPO Shortfall		259.63	0.00	42.82	0.00	302.45

- **Transmission – Inter-State and Intra-State Charges** – APDCL submitted that it has to pay Transmission Charges to PGCIL for use of transmission facilities enabling

power drawal from the national grid. The PGCIL charges have been increased as approved in the MYT Order. Intra-State transmission charges and SLDC charges have been considered at the levels approved by the Commission in the MYT Orders dated March 25, 2025, for FY 2025-26.

6.7.3 The following Table shows the power purchase quantum and cost projected by APDCL for FY 2026-27:

Table 78:Power Purchase Quantum and Cost projected by APDCL for FY 2026-27

Sl. No.	Agency/Source	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./kWh)
	APGCL THERMAL	1,599.59	683.51	4.27
	KLHEP	385.92	102.96	2.67
	Myntriang HEP	52.68	20.33	3.86
	Lower Kopili HEP	451.44	225.72	5.00
1	**APGCL TOTAL**	**2,489.63**	**1,032.53**	**4.15**
2	**NEEPCO (HYDRO)**		**-**	
	KOPILI I	524.49	115.86	2.21
	KOPILI II	62.40	10.29	1.65
	KHANDONG	120.67	36.75	3.05
	Panyor Lower HEP (Erstwhile RHEP)	554.94	152.82	2.75
	Pare HEP	202.69	112.70	5.56
	DHEP	98.35	53.44	5.43
	KAMENG HEP	359.60	144.56	4.02
3	**NEEPCO (TH)**			
	AGBPS	716.93	525.36	7.33
	AGTPP	209.15	155.00	7.41
4	NHPC Loktak HEP	130.25	53.49	4.11
6	**NHPC New**			
	SUBANSIRI HEP	770.64	409.98	5.32
7	**NTPC (Existing)**			
	FARAKKA	274.39	131.22	4.78
	KAHELGAON - I	122.30	55.80	4.56
	KAHELGAON -II	537.65	220.82	4.11
	TALCHER	146.20	42.03	2.87

Sl. No.	Agency/Source	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./kWh)
	BTPS	2,525.67	1,775.59	7.03
10	Suryatap Solar	6.00	5.27	8.78
11	JNNSM Bundled Solar power	6.70	8.53	12.74
12	SECI Solar	38.06	23.61	6.20
13	JNNSM Bundled Coal power	33.80	15.14	4.48
14	Bilateral Sources/Traders	-	-	---
15	Power Exchanges	-	-	---
16	OTPC	1,219.40	374.81	3.07
17	HHPCPL (Champawati)	7.76	3.19	4.11
18	Wind Power PTC	127.79	45.08	3.53
19	SECI Wind	141.42	38.58	2.73
20	Mangdechhu	579.20	267.09	4.61
21	PTC Nikachu	335.03	120.53	3.60
22	SPV Azure	166.86	56.06	3.36
23	SPV MMEPL	10.14	3.24	3.19
24	Amguri Solar Park	110.15	43.84	3.98
25	Ground Mounted Solar 50 MW	20.81	8.16	3.92
26	Ground Mounted Solar 70 MW	29.13	11.42	3.92
27	Ground Mounted Solar 200 MW	83.22	32.46	3.90
28	Ground Mounted Solar 15 MW	6.24	2.40	3.85
29	200 MW Short Term Power	1,752.00	1,031.93	5.89
30	Punatsangcchhu	235.01	119.85	5.10
31	DB Power Ltd	740.88	428.97	5.79
32	Jindal India Power Ltd	740.88	428.97	5.79
33	MB Power (MP) Power Ltd.	1,024.92	593.43	5.79
34	Adani Power Ltd	711.24	411.81	5.79
	Sub-total:	**17,972.60**	**9,102.60**	**5.06**
39	AEGCL Transmission Charges		715.10	0.41
40	SLDC Charges		16.58	
41	PGCIL Transmission Charges		648.77	0.40
	TOTAL POWER PURCHASE	**17,972.60**	**10,483.05**	**5.83**

Commission's Analysis

6.7.4 The Commission observes that APDCL has considered an increase in the variable charges for most sources in H2 of FY 2025-26, and has retained the same rate or considered some different rates for which the basis is not clear.

6.7.5 The Commission notes with serious concern that APDCL has significantly under-estimated the cost of power purchase from APGCL. APDCL has projected cost of power purchase from APGCL for FY 2026-27 much lower than the actual rate of power purchase from APGCL prevailing in FY 2025-26. In its Petition, APDCL has stated that the variable charges for APGCL have been projected based on the average energy charge rate for the latest available six months, and escalated by 5% for FY 2025-26. However, APDCL has considered average rate of power purchase from APGCL as Rs. 4.15/kWh for FY 2026-27, whereas APDCL has itself estimated the average rate of power purchase from APGCL as Rs. 5.83/kWh for H2 of FY 2025-26. Such projections are neither consistent with recent trends nor supported by the data submitted by APDCL.

6.7.6 This approach of APDCL has resulted in under-estimating the cost of power purchase from APGCL by around Rs. 500 Crore, if the power purchase rate approved in APGCL's Tariff Order for FY 2026-27 is considered. Even when compared to the rate estimated by APDCL for H2 of FY 2025-26, the under-estimation of power purchase from this one source alone is around Rs. 420 Crore. The Commission therefore, observed that APDCL has grossly under-estimated the cost of power purchase from the thermal stations of APGCL.

6.7.7 In response to the Commission's query in this regard, APDCL vide its reply dated 6th February 2026, submitted that the non-consideration of purchase from NTPS, which is relatively costly, since its projected generation is zero, has resulted in reducing the overall cost of power purchase from APGCL. APDCL further requested the Commission to consider the rate as submitted by APGCL in its Petition. The Commission is however, of the view that such under-estimation appears to be deliberate on the part of APDCL and takes a dim view of this approach adopted by APDCL, as it fails to present the true picture of APDCL's power purchase costs to the stakeholders. APDCL is hereby directed to ensure that its projection of costs and revenues are realistic, and based on reasonable assumptions, so as to facilitate prudent regulatory scrutiny.

6.7.8 The Commission has considered the quantum and rate of power purchase in FY 2026-27 at the same level as estimated for FY 2025-26, except for the following sources:

a) The quantum and cost of power purchase from APGCL has been considered in line with the generation and rate approved in the Tariff Order for APGCL for FY 2026-27;

b) The quantum of power purchase from Kahelgaon-I TPS has been considered as projected by APDCL, as APDCL has not received short-term allocation of 293 MW for FY 2026-27;

c) The power purchase under the 500 MW Medium-term tender under SHAKTI Policy have been considered as projected by APDCL;

d) The Commission has accepted APDCL's submissions regarding projected energy availability and cost of power purchases from new generating stations, viz., Subansiri, Punatsangchhu HEP-I, and Ground-mounted Solar plants.

e) No power purchase has been considered from bilateral sources and Power Exchanges as the available power quantum exceeds the projected energy requirement. However, any actual power purchase from Power Exchanges undertaken to mitigate demand-supply gap on real-time basis shall be considered at the time of true-up based on prudence check;

f) The power purchase from the 200 MW short-term power source procured through competitive bidding has been considered as projected by APDCL, only for the purposes of estimation of power purchase cost, and shall not be deemed to constitute approval of the said PPAs. APDCL has confirmed that it has neither sought nor obtained prior approval from the Commission for these PPAs or approval for adoption of the tariff discovered through competitive bidding. APDCL shall ensure compliance with the MYT Regulations, 2024, as well as the Guidelines for short-term competitive bidding notified by the Ministry of Power, Government of India, and obtain the Commission's approval for the adoption of the tariff discovered through such competitive bidding.

g) The Transmission Charges payable to AEGCL and SLDC Charges have been considered as approved for AEGCL and SLDC in the respective Tariff Orders;

h) The PGCIL Charges have been considered as projected by APDCL;

i) The rate for power purchase from APGCL's Myntriang hydro station has been considered as Rs. 3.86/kWh, as approved by the Commission in the Tariff Order dated 16th May 2024 in Petition No. 8/2022.

6.7.9 The source-wise power purchase quantum and costs approved by the Commission for 2026-27 is shown in the Table below:

Table 79: Power Purchase Quantum and Cost approved by the Commission for FY 2026-27

Sl. No.	Source	APDCL Petition			Approved by the Commission		
		Quantum	Total Cost	Rate	Quantum	Total Cost	Rate
		MU	Rs. Crore	Rs./kWh	MU	Rs. Crore	Rs./kWh
1	**APGCL TOTAL**	**2,489.63**	**1,032.53**	**4.15**	**2489.63**	**1495.09**	**6.01**
2	**NEEPCO (HYDRO)**		**-**				
	KOPILI I	524.49	115.86	2.21	504.52	106.47	2.11
	KOPILI II	62.40	10.29	1.65	62.40	13.55	2.17
	KHANDONG	120.67	36.75	3.05	81.00	24.67	3.05
	Panyor Lower HEP (Erstwhile RHEP)	554.94	152.82	2.75	498.67	135.63	2.72
	Pare HEP	202.69	112.70	5.56	180.83	96.89	5.36
	DHEP	98.35	53.44	5.43	101.06	60.60	6.00
	KAMENG HEP	359.60	144.56	4.02	328.56	131.98	4.02
3	**NEEPCO (TH)**						
	AGBPS	716.93	525.36	7.33	676.24	481.75	7.12
	AGTPP	209.15	155.00	7.41	198.59	147.38	7.42
4	NHPC Loktak HEP	130.25	53.49	4.11	154.53	52.62	3.41
6	**NHPC New**						
	SUBANSIRI HEP	770.64	409.98	5.32	770.64	409.98	5.32
7	**NTPC (Existing)**						
	FARAKKA	274.39	131.22	4.78	235.33	113.59	4.83

Sl. No.	Source	APDCL Petition			Approved by the Commission		
		Quantum	Total Cost	Rate	Quantum	Total Cost	Rate
		MU	Rs. Crore	Rs./kWh	MU	Rs. Crore	Rs./kWh
	KAHELGAON - I	122.30	55.80	4.56	122.30	53.56	4.38
	KAHELGAON -II	537.65	220.82	4.11	508.57	200.92	3.95
	TALCHER	146.20	42.03	2.87	153.81	43.93	2.86
	BTPS	2,525.67	1,775.59	7.03	2439.58	1679.18	6.88
10	Suryatap Solar	6.00	5.27	8.78	5.98	5.25	8.78
11	JNNSM Bundled Solar power	6.70	8.53	12.74	6.28	7.99	12.74
12	SECI Solar	38.06	23.61	6.20	41.87	25.98	6.20
13	JNNSM Bundled Coal power	33.80	15.14	4.48	40.32	16.24	4.03
14	OTPC	1,219.40	374.81	3.07	1206.94	426.40	3.53
15	HHPCPL (Champawati)	7.76	3.19	4.11	7.02	2.89	4.11
16	Wind Power PTC	127.79	45.08	3.53	132.67	46.80	3.53
17	SECI Wind	141.42	38.58	2.73	140.42	38.19	2.72
18	Mangdechhu	579.20	267.09	4.61	648.21	298.91	4.61
19	PTC Nikachu	335.03	120.53	3.60	359.48	125.34	3.49
20	SPV Azure	166.86	56.06	3.36	158.25	53.17	3.36
21	SPV MMEPL	10.14	3.24	3.19	10.49	3.35	3.19
22	Amguri Solar Park	110.15	43.84	3.98	112.09	44.61	3.98
23	Ground Mounted Solar 50 MW	20.81	8.16	3.92	20.81	8.16	3.92

Sl. No.	Source	APDCL Petition			Approved by the Commission		
		Quantum	Total Cost	Rate	Quantum	Total Cost	Rate
		MU	Rs. Crore	Rs./kWh	MU	Rs. Crore	Rs./kWh
24	Ground Mounted Solar 70 MW	29.13	11.42	3.92	29.13	11.42	3.92
25	Ground Mounted Solar 200 MW	83.22	32.46	3.90	83.22	32.46	3.90
26	Ground Mounted Solar 15 MW	6.24	2.40	3.85	6.24	2.40	3.85
27	200 MW Short Term Power Purchase	1,752.00	1,031.93	5.89	1752.00	1031.93	5.89
28	Punatsangcchhu	235.01	119.85	5.10	235.01	119.85	5.10
29	DB Power Ltd	740.88	428.97	5.79	740.88	428.97	5.79
30	MB Power (MP) Power Ltd.	1,024.92	593.43	5.79	1024.92	593.43	5.79
31	Adani Power Ltd	711.24	411.81	5.79	711.24	411.81	5.79
32	Jindal India Power Ltd	740.88	428.97	5.79	740.88	428.97	5.79
	Sub-total:	**17,972.60**	**9,102.60**	**5.06**	**17,720.61**	**9,412.31**	**5.31**
33	AEGCL Transmission Charges		715.10	0.41		636.98	
34	SLDC Charges		16.58			13.58	
35	PGCIL Transmission Charges		648.77	0.40		648.77	
	TOTAL POWER PURCHASE	**17,972.60**	**10,483.05**	**5.83**	**17,720.61**	**10,711.64**	**6.04**

6.7.10 The Commission thus, approves total Power Purchase Expenses for FY 2026-27 as Rs. 10,711.64 Crore.

6.7.11 The Average Pooled Power Cost (APPC) for FY 2026-27, applicable for settlement of energy in case of Gross/Net/Exim metering by Rooftop Solar installation, shall be Rs 5.80 kWh.

6.8 Operation and Maintenance (O&M) Expenses

6.8.1 The O&M expenses comprise Employee Expenses, R&M expenses and A&G expenses and each of these components are discussed below:

Employee Expenses

6.8.2 APDCL submitted that employee expenses comprising salaries, dearness allowance, bonus, terminal benefits in the form of contribution for pension and gratuity funding, leave encashment, and staff welfare expenses have been projected on normative basis as per the MYT Regulations, 2024.

6.8.3 The following approach has been adopted:

a) The employee expenses arrived at for FY 2025-26 have been considered as base expenses for FY 2026-27.

b) CPI inflation has been computed as average increase of CPI index for the period from FY 2023-24 to FY 2025-26 (up to September 2025), which works out to 3.55%.

c) Growth factor is considered at 1% considering the attrition ratio of manpower.

6.8.4 The normative employee expenses projected by APDCL for FY 2026-27 is shown below:

Table 80: Employee Expenses projected by APDCL for FY 2026-27 (Rs Crore)

Particulars	Approved in MYT Order	APDCL Petition
Employee Expenses for Previous Year	913.24	986.11
Growth Factor	1%	1%
CPI Inflation	5.46%	3.55%
Employee Expenses	**972.69**	**1031.36**

Repair and Maintenance (R&M) Expenses

6.8.5 APDCL submitted that R&M Expenses are incurred for daily upkeep of the distribution network and forms an integral part of the Company's efforts towards reliable and quality power supply.

6.8.6 APDCL further submitted that R&M expenses have been projected based on the MYT Regulations, 2024. The Petitioner has considered the value of 'K' as 2.31% as approved in the MYT Order and WPI as 3.65%

6.8.7 APDCL has projected R&M expenses for FY 2026-27 as shown below:

Table 81: R&M Expenses projected by APDCL for FY 2026-27 (Rs Crore)

Particulars	Approved in MYT Order	APDCL Petition
Average GFA for previous year	11774.44	11039.93
K Factor	2.31%	2.31%
WPI Inflation	7.23%	3.65%
R&M Expenses	**291.68**	**264.33**

Administrative and General (A&G) Expenses

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

6.8.9 APDCL submitted that A&G expenses have been claimed in accordance with the MYT Regulations 2024. The Petitioner has considered WPI of 7.23%.

6.8.10 The A&G expenses projected for FY 2026-27 are as shown below:

Table 82: A&G Expenses projected by APDCL for FY 2026-27 (Rs Crore)

Particulars	Approved in MYT Order	APDCL Petition
A&G Expenses for Previous Year	226.74	120.18
WPI Inflation	7.23%	3.65%
Statutory Fees	1.80	5.61
A&G Expenses	**244.93**	**130.18**

Total O&M Expenses

6.8.11 The total O&M expenses claimed by the Petitioner for FY 2026-27 are as shown below:

Table 83: O&M Expenses projected by APDCL for FY 2026-27 (Rs Crore)

Particulars	Approved in MYT Order	APDCL Petition
Employee Expenses	972.69	1021.15
R&M Expenses	291.68	264.33
A&G Expenses	244.93	130.18
Total O&M Expenses	**1509.30**	**1425.88**

Commission's Analysis

6.8.12 The Commission has computed the normative O&M Expenses for FY 2026-27 as per the MYT Regulations, 2024. Any variation between normative O&M expenses and actual O&M Expenses shall be considered under sharing of gains and losses on account of controllable items as per the MYT Regulations, 2024 at the time of truing up for FY 2026-27, based on prudence check.

6.8.13 For computation of employee expenses for FY 2026-27, the Commission has adopted the following approach in accordance with the MYT Regulations, 2024:

a) The Normative employee expenses approved for FY 2025-26 have been considered as base expenses;

b) The base employee expenses for FY 2025-26 have been escalated by applicable CPI inflation for FY 2022-23 to FY 2024-25, which works out to 4.87%;

a) Considering the projected increase in number of employees in FY 2026-27, growth factor of 1% has been considered, however, in case there is no significant employee growth, this growth factor would be disallowed at the time of truing up for the respective year;

6.8.14 **The normative employee expenses approved for FY 2026-27 is shown in the following Table**:

Table 84: Approved Employee Expenses for FY 2026-27 (Rs Crore)

Particulars	Approved in MYT Order	APDCL Petition	Approved in this Order
Base Employee Expense	913.24	986.11	910.62
Growth Factor	1%	1%	1%

Particulars	Approved in MYT Order	APDCL Petition	Approved in this Order
CPI Inflation	5.46%	3.55%	4.87%
Employee Expenses	**972.69**	**1031.36**	**964.55**

6.8.15 For computation of R&M Expenses for FY 2026-27, the Commission has considered the following approach in accordance with the MYT Regulations, 2024:

a) The K-factor has been considered as 2.31%, as approved in the MYT Order;

b) WPI inflation has been computed as average increase of WPI index for period from FY 2022-23 to FY 2024-25, which works out to 3.63%;

c) Since, K-factor has been considered on the basis of average GFA, for projection of R&M expenses for FY 2026-27, average GFA for previous year has been considered.

6.8.16 The **normative R&M expenses approved for FY 2026-27 is shown in the following Table**:

Table 85: Approved R&M Expenses for FY 2026-27 (Rs Crore)

Particulars	Approved in MYT Order	APDCL Petition	Approved in this Order
Average GFA for previous year	11,774.44	11,039.93	10,815.19
K Factor	2.31%	2.31%	2.31%
WPI Inflation	7.23%	3.65%	3.63%
R&M Expenses	**291.68**	**264.33**	**258.89**

6.8.17 For computation of A&G expenses for FY 2026-27, the Commission has adopted the following approach in accordance with the MYT Regulations, 2024:

a) The A&G expenses for FY 2026-27 have been approved by escalating the approved A&G for FY 2025-26 with applicable WPI escalation of 3.63%;

b) The statutory fees of Rs. 2.50 Crore have been considered as approved in the APR for FY 2025-26 and added to the normative A&G expenses.

6.8.18 The **approved A&G expenses for FY 2026-27 are shown in the following Table**:

Table 86: Approved A&G Expenses for FY 2026-27 (Rs Crore)

Particulars	Approved in MYT Order	APDCL Petition	Approved in this Order
A&G Expenses for Previous Year	226.74	120.18	262.53
WPI Inflation	7.23%	3.65%	3.63%
Statutory Fees	1.80	5.61	2.50
A&G Expenses	**244.93**	**130.18**	**274.55**

Total O&M Expenses Approved

6.8.19 The total O&M expenses approved by the Commission for FY 2026-27 is as under:

Table 87: O&M Expenses approved for FY 2026-27 (Rs Crore)

Particulars	Approved in MYT Order	APDCL Petition	Approved in this Order
Employee Expenses	972.69	1021.15	964.55
R&M Expenses	291.68	264.33	258.89
A&G Expenses	244.93	130.18	274.55
Total O&M Expenses	**1509.30**	**1425.88**	**1,497.99**

6.8.20 **The Commission thus, approves the total O&M expenses of Rs. 1497.99 Crore for FY 2026-27**.

6.9 Capital Expenditure and Capitalisation

6.9.1 APDCL submitted that in order to achieve the objectives of scientific and effective system planning by conducting various technical feasibility studies including but not limited to load flow, contingency, and Distributed RE sources, APDCL intends to utilise an Enterprise edition specialised power distribution Network Analysis Software (NAS) solution. The said software-based planning and analysis approach would improve the operational efficiency levels of the Utility, thereby facilitating better delivery of consumer services.

6.9.2 Accordingly, APDCL requested the Commission to approve the proposed project for Procurement of an Enterprise edition Network Analysis Solution (NAS) as an addendum to the already approved CIP for the MYT Control Period.

6.9.3 With the adoption of the proposed NAS, APDCL has envisaged to derive substantial benefits including but not limited to ensuring feeder-wise voltage regulation as per CEA standards, optimal sizing and placement of sub-stations, feeders, capacitors, etc., to maintain the voltage profile and minimization of losses, and other technical parameters related to standard of performance.

6.9.4 The salient features of the proposed NAS project are given below:

Table 88: Proposed Project components of NAS (Rs. Crore)

Sl.	FY 2026-27	Amount
A	Overall Software Cost	20.94
B	Mobile and Web Application	0.40
C	Training, ATS and FMS	3.65
D=A+B+C	Total Financial Involvement (Ex-work Price)	24.99
E=D*18%	Add: GST @ 18%	4.50
F=D+E	**Grand Total (rounded-off)**	**29.49**

6.9.5 APDCL proposed to implement the project from its own sources of funds, i.e., equity, and proposed capitalisation of Rs. 22.75 Crore and Rs. 6.74 Crore against this project in FY 2026-27 and FY 2027-28, respectively.

6.9.6 APDCL submitted that based on the works carried on till date, budgetary allocation for FY 2026-27 vis-à-vis pending CWIP, the capital expenditure and capitalisation for FY 2026-27 is projected as Rs.2568.60 Crore and Rs.2631.48 Crore, respectively, as shown in the Table below:

Table 89: Proposed capitalisation for FY 2026-27 (Rs. Crore)

Sl. No.	Particulars	2026-27
A	Opening Balance of CWIP	9821.93
B	Fresh CAPEX during the year	2568.60
C	Investment capitalised out of opening CWIP	2631.48

Sl. No.	Particulars	2026-27
D	Investment capitalised out of fresh investment	
E	**Total Capitalisation during the year (C+D)**	**2631.48**
F	Closing Balance of CWIP (A + B - C - D)	9758.44

6.9.7 The funding of the proposed Capex and Capitalisation has been projected by APDCL as shown in the Table below:

Table 90: Proposed Funding for FY 2026-27 (Rs. Crore)

Sl. No.	Particulars	2026-27
A	**Funding of Capex**	
1	Debt	49.47
2	Equity	182.11
3	Grant	2336.41
4	**Total**	**2568.60**
B	**Funding of Capitalisation**	
5	Debt	153.25
6	Equity	65.68
7	Grant	2,412.56
8	**Total**	**2,631.48**

Commission Analysis

6.9.8 APDCL has proposed capitalization of Rs. 2631.48 Crore for FY 2026-27. It is observed that APDCL has been invariably projecting huge capitalization at the time of ARR and achieving much lower capitalization. In fact, even though the Commission approves much lower than the claimed capitalisation at the time of tariff determination, the actual capitalisation achieved by APDCL is even lower than that approved by the Commission in most years. The capitalisation claimed by APDCL, capitalisation approved by the Commission, and the capitalisation actually achieved by APDCL in the last five years is shown in the Table below:

Table 91: Actual vs. Claimed and Approved capitalisation for the past 5 years (Rs. Crore)

Sl. No.	Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
1	Claimed	1,655	2,322	3,602	2,488	1,356
2	Approved	650	1,321	1,620	1,130	1,130
3	Actual	2,158	505	736	877	219

6.9.9 From the above Table, it can be observed that only in FY 2020-21, the actual capitalisation has in fact exceeded the capitalisation projected by APDCL, and that too quite significantly. However, for the years from FY 2021-22 to FY 2024-25, the actual capitalisation has remained significantly much lower than the capitalisation approved by the Commission, and substantially below the capitalisation proposed by APDCL.

6.9.10 This shows that APDCL has been generally projecting much higher capital expenditure and capitalisation than what has actually been achieved/achievable. The Commission observes that over the last five years, the average ratio of actual capitalisation to claimed capitalisation is only about 25%, which includes FY 2020-21, when the actual capitalisation was higher than the claimed capitalisation. However, in FY 2025-26, APDCL has capitalised Rs. 789 Crore till January 2026, and the Commission has considered capitalisation of Rs. 1150 Crore in the APR of FY 2025-26.

6.9.11 In view of the above, the Commission has approved the capitalization of Rs.1,150 Crore for FY 2026-27, in line with the capitalization estimated in the APR for FY 2025-26.

6.9.12 The Commission has considered funding of the Capitalization through Grant equal to 92% of GFA addition, as proposed by APDCL, and Debt:Equity ratio in the normative ratio of 70:30 after deducting the amount of grant funding. It is also clarified that if APDCL actually achieves higher than approved capitalisation, the same shall be approved at the time of truing up for the respective year based on actuals and after prudence check.

6.9.13 The following table shows the approved capitalization for FY 2026-27 and its funding:

Table 92: Approved Capitalisation and Funding for FY 2026-27 (Rs. Crore)

Particulars	MYT Order	APDCL Petition	Approved in this Order
Capitalisation	**1150.00**	**2,631.48**	**1150.00**
Funding Pattern			
Grant	1035.00	2412.56	1,054.33
Equity	34.50	65.68	28.70
Debt	80.50	153.25	66.97

6.10 Depreciation

6.10.1 APDCL submitted that the depreciation has been claimed in accordance with the MYT Regulations, 2024, after apportionment of depreciation for assets created out of consumer contribution. Assets that have been depreciated to the extent of 90% of the original cost have been excluded from the asset base for the purpose of calculating depreciation. Rates of depreciation as notified in the MYT Regulations, 2024 have been considered.

6.10.2 The depreciation proposed by APDCL for FY 2026-27 is shown in the Table below:

Table 93: Depreciation claimed by APDCL for FY 2026-27 (Rs. Crore)

Particulars	As on 01.04.26	Net addition during the year	Depreciation Rate (%)	Total
Land & Rights				
Land owned under full title	27.33	30.67	0.00%	-
Leasehold land	2.84	-	3.34%	-
Building	70.12	29.39	3.34%	0.08
Other Civil Works	103.73	127.54	3.34%	1.74
Plant & Machinery	1,218.46	712.77	5.28%	4.42
Lines & Cable Network	3,527.21	1,515.02	5.28%	50.20
Vehicles	26.13	22.99	9.50%	165.12
Furniture & Fixtures	27.25	-	6.33%	1.44
Office Equipment	30.09	36.94	6.33%	1.31
Computers & Accessories	149.78	22.75	15.00%	2.19

Particulars	As on 01.04.26	Net addition during the year	Depreciation Rate (%)	Total
SUB TOTAL	**5,182.94**	**2,498.08**		**245.65**
Consumers contribution	811.68	133.40	5.28%	35.98
Add: Assets not belonging to the entity	5,787.75			
GRAND TOTAL	**11,782.37**	**2,631.48**		**281.62**

Table 94: Depreciation claimed by APDCL for FY 2026-27 (Rs. Crore)

Particulars	Depreciable
Opening GFA	5,155.61
Opening CWIP	7,532.85
Grant	4,737.17
Depreciation charged	245.65
Average rate	4.76%
Apportioned GFA after adjustment of grant	3,230.79
Apportioned depreciation claimed	**153.94**

Commission's Analysis

6.10.3 For computation of depreciation, the Commission has considered the closing GFA for FY 2025-26 as approved in this Order, as the Opening GFA for FY 2026-27. The Capitalisation approved for tariff determination has been considered as asset addition during the year. The Commission has considered the scheduled depreciation rates as specified in MYT Regulations, 2024.

6.10.4 As per Regulation 33 of the MYT Regulations, 2024, the total depreciation during the life of the asset shall not exceed 90% of the original cost of GFA. The Commission has computed the depreciation separately for assets added under each asset head in each year. The Commission has disallowed the depreciation on assets where depreciation is in excess of 90% of the original cost of asset under different asset heads. The Commission has not considered depreciation on assets funded through grants/consumer contributions in accordance with Regulation 33 of the MYT Regulations, 2024.

6.10.5 In view of the above, the Commission approves depreciation for FY 2026-27 as per MYT Regulations, 2024, as given in the Table below:

Table 95: Depreciation approved for FY 2026-27 (Rs. Crore)

Sl. No.	Particulars	Opening GFA	Addition during the year	Rate of depreciation	Closing Balance	Depreciation
1	Land owned	26.40	13.40	0.00%	39.81	-
2	Leasehold Land	2.84		3.34%	2.84	-
3	Building	69.22	12.84	3.34%	82.06	2.20
4	Plant & Machinery	1,138.37	311.49	4.22%	1,449.86	52.30
5	Vehicle	27.24		4.22%	27.24	1.45
6	Furniture & Fixtures	25.44	10.05	6.33%	35.49	1.15
7	Office Equipment	22.77	16.14	6.33%	38.91	4.53
8	Computer & Accessories		9.94			7.04
9	Other Civil Work	99.87	55.74	3.34%	155.60	4.27
10	Lines & Cable Network	3,647.07	662.09	4.22%	4,309.16	177.88
	Total	**5,162.08**	**1,091.70**		**6,253.78**	**250.82**
11	**Assets built through CC**	**233.81**			**233.81**	**149.44**
12	**Assets not belonging to entity**	**5,994.30**	**58.30**		**6,052.60**	
13	**Net Total**	**11,390.19**	**1,150.00**		**12,540.19**	**101.38**

6.10.6 **Therefore, the Commission approves Depreciation of Rs.101.38 Crore for FY 2026-27 after deducting depreciation on grants/CC.**

6.11 Interest and Finance Charges

6.11.1 APDCL submitted that the normative interest and finance charges have been claimed in line with the approach followed in Tariff Orders with addition of bank charges and facilitation charges paid to aggregator for online payment by consumers. The interest rate has been considered same as the weighted average interest rate applicable for FY 2024-25.

6.11.2 APDCL submitted interest and finance charges for FY 2026-27 as shown in the Table below:

Table 96: Interest & Finance Charges claimed by APDCL for FY 2026-27 (Rs Crore)

Particulars	MYT Order	APDCL Petition
Opening normative loan	113.19	126.11
Addition of normative loan during the year	80.50	153.25
Normative Repayment during the year	71.67	153.94
Net Normative Closing Loan	122.05	125.42
Rate of Interest	10.00%	9.02%
Total Interest & Finance Charges	**11.76**	**11.35**

Commission's Analysis

6.11.3 The normative closing balance of loan approved in the APR for FY 2025-26 has been considered as the normative opening balance of loan for FY 2026-27.

6.11.4 The Commission has considered the addition of loan in FY 2026-27 based on the funding pattern for Capitalisation approved earlier in this Order. Repayment has been considered equal to the depreciation approved for FY 2026-27.

6.11.5 The Commission has considered interest rate of 9.02% for FY 2026-27, same as considered in the APR for FY 2025-26. The interest on loan capital as approved by the Commission for FY 2026-27 is shown in the following Table:

Table 97 : Approved Interest on Loan Capital for FY 2026-27 (Rs. Crore)

Particulars	MYT Order	APDCL Petition	Approved in this Order
Opening normative loan	113.19	126.11	141.22
Addition of normative loan during the year	80.50	153.25	66.97
Normative Repayment during the year	71.67	153.94	101.38
Net Normative Closing Loan	122.02	125.42	106.81
Average Loan	117.61	125.77	124.02
Rate of Interest	10.00%	9.02%	9.02%
Total Interest & Finance Charges	**11.76**	**11.35**	**11.19**

6.12 Interest on Working Capital

6.12.1 APDCL submitted that the interest on working capital has been calculated on normative basis in line with the formula specified in the MYT Regulations, 2024.

6.12.2 The SBI MCLR of 8.90% applicable for H1 of FY 2025-26 has been considered. Accordingly, the rate of interest on working capital has been worked out as 11.90% as per the MYT Regulations, 2024.

6.12.3 The computation of normative IoWC as submitted by APDCL is as shown in the Table below:

Table 98: IoWC projected by APDCL for FY 2026-27 (Rs Crore)

Particulars	MYT Order	APDCL Petition
O&M Expenses-One month	118.82	118.82
45 days Receivables	213.88	213.88
Maintenance spares @ 15% of O&M Expenses	1,317.29	1,445.75
Less: One-month Power Purchase Cost	873.59	873.59
Less: Consumer Security Deposit	781.35	781.35
Total Working Capital	**(4.95)**	**123.51**
Rate of Interest on WC	11.90%	11.90%
Interest on WC	**0.00**	**14.70**

Commission's Analysis

6.12.4 The Commission has computed IoWC in accordance with the MYT Regulations, 2024. The Receivables have been linked to 45 days equivalent of Cumulative ARR approved for recovery in FY 2026-27. A 10% reduction in amount of CSD has been considered, as proposed by APDCL, to account for the migration to pre-paid Smart Meters. The rate of Interest has been considered equal to State Bank of India MCLR Rate (one-year tenor) prevailing for last available 6 months plus 300 basis points, i.e., 11.90%.

6.12.5 The Interest on Working Capital approved by the Commission for FY 2026-27 is shown in the following Table:

Table 99: IoWC approved by the Commission for FY 2026-27 (Rs. Crore)

Particulars	MYT Order	APDCL Petition	Approved in this Order
O&M Expenses-One month	125.78	118.82	124.83
Maintenance spares @ 15% of O&M Expenses	226.40	213.88	224.70
45 days Receivables	1,343.07	1,445.75	1,412.85
Less: One-month Power Purchase Cost	879.95	873.59	892.64
Less: Consumer Security Deposit	1,012.30	781.35	818.68
Total Working Capital	**(197.01)**	**123.51**	**51.07**
Rate of Interest on WC	11.72%	11.90%	11.90%
Interest on WC	**-**	**14.70**	**6.08**

6.13 Interest on Consumers' Security Deposit

6.13.1 APDCL submitted that with successful roll out of software facilitating automatic adjustment of interest on security deposit in energy bills, the liquidation of liability on such account has significantly increased. Considering the improving trend, an amount of Rs 78.92 Crore is proposed under this head for FY 2026-27.

Commission's Analysis

6.13.2 The Commission has considered APDCL's submission regarding the improving trend in liquidation of Interest on Consumer Security Deposit. At the same time, due to migration to pre-paid Smart Meters, the CSD amount is also expected to reduce, hence, the Commission has considered a 10% reduction over the actual interest on CSD paid in FY 2024-25, and **approves Interest on CSD of Rs. 73.58 Crore for FY 2026-27.**

6.14 Other Debits

6.14.1 APDCL submitted that considering the improving trend of revenue collection arrears, APDCL has considered provision for bad debts for FY 2026-27 at 50% of claim made under true up Petition of FY 2024-25. APDCL requested the Commission to approve

the amount of Rs. 14.82 Crore under the head of 'Other Debits' in the ARR of FY 2026-27.

Commission's Analysis

6.14.2 The Commission notes that according to MYT Regulations, 2024, APDCL has reached ceiling limit of 5% for provision of bad and doubtful debts allowable. Hence, for FY 2026-27, the Commission has not allowed any further provision for bad debts as claimed by APDCL.

6.14.3 **Hence, the Commission approves Nil Other Debits for FY 2026-27.**

6.15 Return on Equity

6.15.1 APDCL submitted that as per MYT Regulations, 2024, the base Return on Equity (RoE) is set at 14% on admissible equity, with a potential 2% increment linked to capitalisation targets. In this Petition, APDCL has considered only the base rate of 14%. However, APDCL reserves the right to claim the additional RoE during the True-up process based on the capitalisation targets set by the Commission. The RoE claimed by APDCL for FY 2026-27 is shown in the Table below:

Table 100: Return on Equity claimed by APDCL for FY 2026-27 (Rs Crore)

Particulars	MYT Order	APDCL Petition
Opening Equity	1293.38	1326.66
Net Addition during the Year	34.50	65.68
Closing Equity	1327.88	1392.34
Average Equity	1310.63	1359.50
Rate of Return on Equity	14.00%	14.00%
Return on Equity	**183.49**	**190.33**

Commission's Analysis

6.15.2 The Commission has approved the Return on Equity in accordance with Regulation 34 of the MYT Regulations, 2024.

6.15.3 The Commission has considered the opening equity for FY 2026-27 equal to the closing equity approved in the APR of FY 2025-26. The Commission has considered

addition of equity against capitalisation during the year based on the funding of capitalisation approved in this Order. Therefore, the approved Return on Equity at 14% for FY 2026-27 is shown in the Table below:

Table 101: Return on Equity approved by the Commission for FY 2026-27 (Rs. Crore)

Particulars	MYT Order	APDCL Petition	Approved in this Order
Opening Equity	1293.38	1326.66	1313.88
Net Addition during the Year	34.50	65.68	28.70
Closing Equity	1,327.88	1,392.34	1,342.58
Average Equity	1,310.63	1,359.50	1,328.23
Rate of Return on Equity	14.00%	14.00%	14.00%
Return on Equity	**183.49**	**190.33**	**185.95**

6.16 Impact of ToD Tariff revision

6.16.1 APDCL submitted that in the MYT Order dated 25.03.2025, the Commission had assessed an impact to the tune of Rs. 130 Crore for FY 2025-26 on account of revision of ToD tariff regime.

6.16.2 APDCL submitted that it had conducted an analysis for ARR of FY 2026-27, considering the continuance of the existing ToD tariff structure, by employing a stochastic approach by assigning the HT consumer categories with different probability distributions against projected energy sales for FY 2026-27, during Normal, Solar and Peak hours respectively.

6.16.3 APDCL has assessed loss of revenue to the tune of Rs. 163.21 Crore on account of the continuation of the existing ToD tariff structure in FY 2026-27. The same has been validated by the risk analysis results with 95% of the modelled outcomes resulting into a revenue loss within a threshold limit of Rs. 163.21 Crore.

6.16.4 APDCL submitted that the actual impact of ToD tariff can be ascertained with availability of the slot-wise data for energy sales, power purchase and revenue realisation for the concerned period. However, based on the trend observed in the impact assessment analysis under APR, APDCL has provisionally projected a potential loss of revenue for FY 2026-27 with continuation of the existing ToD tariff structure.

6.16.5 APDCL requested the Commission to approve negative revenue impact to the tune of Rs. 163.21 Crore under ARR for FY 2026-27.

Commission's Analysis

6.16.6 In the MYT Order, while introducing the revised ToD regime, the Commission directed APDCL to maintain separate accounting of sales, Power Purchase and Revenue for different slots of the new ToD regime for truing-up of the actual impact. However, in reply to the Commission's regarding actual impact in H1 of FY 2025-26, APDCL submitted certain sample data for around 50% of the consumers.

6.16.7 The Commission directs APDCL to submit accurate data of the entire set of consumers who are impacted by the change in ToD regime, and submit the details at the time of true-up. As the actual revenue from sale of electricity will also factor the impact of the revised ToD tariff, the Commission has not considered any separate revenue impact on account of implementation of revised ToD tariff for FY 2026-27, and the revenue earned by APDCL shall be trued-up at actuals.

6.17 Non-Tariff Income

6.17.1 APDCL submitted that the Non-Tariff Income for FY 2026-27 has been projected by escalating various heads of actual Non-Tariff Income for FY 2024-25 by 5% per annum except for delayed payment charges, considering the decline in arrears and minor adjustments.

6.17.2 The NTI projected by APDCL for FY 2026-27 is depicted in the table below:

Table 102: Non-Tariff Income projected by APDCL for FY 2026-27 (Rs. Crore)

Sl. No.	Particulars	Amount
1	Rentals from Meters, Service Lines, Capacitors etc.	14.64
2	Income from recoveries on account of theft of energy/ Malpractices	0.00
3	Delayed payment charges from Consumers	185.98
4	Misc. recoveries	59.48
5	Rebate on prompt payment of Power purchase bills	33.58
6	Cross Subsidy surcharge on Open Access Consumer	0.55
7	Wheeling charges collected	0.57

8	Short Term Open Access (STOA) credit	75.66
9	Income on Reactive Power	0.00
10	Income From SCED	8.66
	Total	**379.11**

Commission's Analysis

6.17.3 The Commission has accepted APDCL's projections of NTI for FY 2026-27, except for non-consideration of rebate on prompt payment of power purchase bills, in line with the decision in previous Orders of the Commission. The Commission approves NTI for FY 2026-27 as shown in the Table below

Table 103: Non-Tariff Income approved for FY 2026-27 (Rs. Crore)

Sl. No.	Particulars	MYT Order	APDCL Petition	Approved in this Order
1	Rentals from Meters, Service Lines, Capacitors etc.	20.31	14.64	14.64
2	Income from recoveries on account of theft of energy/ Malpractices	0.01	0.00	0.00
3	Delayed payment charges from Consumers	172.80	185.98	185.98
4	Misc. recoveries	53.56	59.48	59.48
5	Rebate on prompt payment of Power purchase bills	-	33.58	-
6	Cross Subsidy surcharge on Open Access Consumer	6.37	0.55	0.55
7	Wheeling charges collected	1.24	0.57	0.57
8	Short Term Open Access (STOA) credit	27.19	75.66	75.66
9	Income From SCED	8.79	8.66	8.66
	Total	**290.27**	**379.11**	**345.54**

6.18 Other Income

6.18.1 APDCL submitted that it has projected 'Other Income' by considering the actuals for FY 2024-25 except for the following:

- Miscellaneous receipt is escalated as per previous trend

- Seasonal export is based on surplus energy estimate for FY 2026-27 at IEX price of Rs. 3.69 per kWh (off-peak/night hours)
- With high attrition ratio, receipt from Pension Trust is considered at reduced rate.

6.18.2 APDCL requested the Commission to consider 'Other Income' for FY 2026-27 as shown in the Table below:

Table 104: Other Income claimed by APDCL for FY 2026-27 (Rs Crore)

Sl. No.	Particulars	2026-27
1	Interest on loans to staff	0.00
2	Interest on HB advances to staff	0.00
3	Incentives under scheme	(0.16)
4	Receipt from sale of LED bulb, Tubelight, Fan, etc.	0.02
5	Interest from banks and Investment	107.62
6	Gain on sale of fixed assets	0.00
7	Rent from residential buildings	0.00
8	Miscellaneous receipts	62.59
9	Income from Sale of Scrap	0.00
10	Receipt from Pension Trust	0.00
11	Income on seasonal Export of surplus power	707.37
	Total	**877.29**

Commission's Analysis

6.18.3 The Commission has accepted APDCL's projection of Other Income for FY 2026-27 against Interest on Fixed Deposits and Miscellaneous Receipts. However, the adjustment entry of "Incentive under scheme" of Rs (0.16) Crore appearing in FY 2024-25 is not expected to recur in FY 2026-27 and is hence, not considered. Further, the revenue from sale of LEDs, tubelight, etc., is not considered as per usual practice. The revenue from sale of surplus power/Trading has been considered based on estimated surplus quantum and considering the rate for sale of surplus power @Rs. 4.00/kWh, as compared to the actual rate of Rs. 3.91/kWh realised in FY 2024-25. The Commission directs APDCL to maximise the revenue from sale of surplus power and

thereby, minimise the loss on sale of every unit of surplus power, as the average rate for sale of surplus power is over Rs. 1/kWh lower than the APPC.

6.18.4 **Further, it is observed that the revenue from sale of surplus power is around 10% of the ARR of FY 2026-27, which is extremely high, and highlights the need for improved and more accurate forecasting of demand and planning of power procurement.**

6.18.5 The Commission has approved Other Income for FY 2026-27 as shown in the Table below:

Table 105: Other Income approved by the Commission for FY 2026-27 (Rs. Crore)

Sl. No.	Particulars	MYT Order	APDCL Petition	Approved in this Order
1	Interest on loans to staff	-	-	-
2	Installation Charges for new Service Connections	15.61	-	-
3	Incentives under scheme	27.64	(0.16)	-
4	Receipt from sale of LED bulb, Tube light, Fan, etc.	-	0.02	-
5	Interest from banks and Investment	66.76	107.62	107.62
6	Gain on sale of fixed assets	-	-	-
7	Rent from residential buildings	1.28	-	-
8	Miscellaneous receipts	81.52	62.59	62.59
9	Income from Sale of Scrap	-	-	-
10	Receipt from Pension Trust	35.85	-	-
11	Income on seasonal Export of surplus power	985.14	707.37	926.38
	Total	**1,213.79**	**877.29**	**1,096.59**

6.19 Aggregate Revenue Requirement (ARR) for the Control Period

6.19.1 Based on the submission in the foregoing paragraphs, the revised estimates of the ARR for APDCL for FY 2026-27 is as shown below:

Table 106: Aggregate Revenue Requirement for FY 2026-27 (Rs. Crore)

Sl. No.	Particulars	MYT Order	APDCL Petition
1	Power Purchase Expenses	10,559.45	10,483.05
2	O&M Expenses	1509.30	1425.88
	a) Employee Expenses	972.69	1031.36
	b) R&M Expenses	291.68	264.33
	c) A&G Expenses	244.93	130.18
3	Depreciation	71.67	153.94
4	Interest and Finance Charges	11.76	11.35
5	Interest on Working Capital	-	14.70
6	Interest on CSD	62.22	78.92
7	Return on Equity	183.49	190.33
8	Other Debits, incl. Provisioning for Bad Debts	-	14.82
9	**Total Expenditure**	**12,397.89**	**12,372.97**
10	Less: Non-Tariff Income	290.27	379.11
11	Less: Other Income	1,213.79	877.29
12	Assessed impact of Tod Timeslot and tariff revision		163.21
13	**Aggregate Revenue Requirement**	**10,893.83**	**11,279.78**

Commission's Analysis

6.19.2 As discussed in earlier paragraphs, the Commission has approved the expenses for FY 2026-27 based on the principles specified in the MYT Regulations, 2024. The summary of ARR as submitted by APDCL and as approved by the Commission for FY 2026-27 is given in the Table below:

Table 107: ARR approved for APDCL by the Commission for FY 2026-27 (Rs. Crore)

Sl. No.	Particulars	MYT Order	APDCL Petition	Approved in this Order
1	Power Purchase Expenses	10,559.45	10,483.05	10,711.64
2	O&M Expenses	1509.30	1425.88	1,497.99

	a) Employee Expenses	972.69	1031.36	964.55
	b) R&M Expenses	291.68	264.33	258.89
	c) A&G Expenses	244.93	130.18	274.55
3	Depreciation	71.67	153.94	101.38
4	Interest and Finance Charges	11.76	11.35	11.19
5	Interest on Working Capital	-	14.70	6.08
6	Interest on CSD	62.22	78.92	73.58
7	Return on Equity	183.49	190.33	185.95
8	Other Debits, incl. Provisioning for Bad Debts	-	14.82	-
9	**Total Expenditure**	**12,397.89**	**12,372.97**	**12,587.82**
10	Less: Non-Tariff Income	290.27	379.11	345.54
11	Less: Other Income	1,213.79	877.29	1,096.59
12	Assessed impact of Tod Timeslot and tariff revision	-	163.21	-
13	**Aggregate Revenue Requirement**	**10,893.83**	**11,279.78**	**11,145.69**

6.19.3 The Commission approves the ARR for APDCL for FY 2026-27 as shown in the Table above. The Cumulative Revenue Gap/(Surplus) for FY 2026-27, after adjusting the Revenue Gap/(Surplus) after truing up for FY 2024-25 is addressed in the subsequent Chapter.

7 Cumulative Revenue Gap till FY 2026-27 and Tariff for FY 2026-27

7.1 Cumulative Revenue Gap

7.1.1 APDCL has submitted the Cumulative Revenue Requirement of Rs 11,746.81 Crore for FY 2026-27. The Cumulative Revenue Requirement projected by APDCL for FY 2026-27 is given in the Table below:

Table 108: Cumulative Revenue Requirement for FY 2026-27 as submitted by APDCL (Rs. Crore)

Particulars	Rate of Interest	Amount
True Up for FY 2024-25		
Gross revenue Gap after true-up for FY 2024-25		**377.27**
Carrying/(Holding) cost for FY 2024-25 (half Year)	11.88 %	22.41
Carrying/(Holding) cost for FY 2025-26 (full Year)	11.90 %	44.90
Carrying/(Holding) cost for FY 2026-27 (half Year)	11.90 %	22.45
Total carrying cost		89.76
Grand Total		**467.03**
Standalone ARR for FY 2026-27		**11,279.78**
Cumulative Revenue Requirement for FY 2026-27 (1)		**11,746.81**
Revenue at Existing Tariff with projected sales (2)		**11,726.60**
Total Revenue Gap (1-2)		**20.21**

7.1.2 APDCL projected retail sale of 13,182 MU during FY 2026-27. Thus, average cost of supply to recover entire cumulative amount of Rs. 11,746.81 Crore during FY 2026-27 is projected as Rs. 8.91 per kWh, as compared to the approved cost of supply per unit of Rs. 8.72/kWh for FY 2025-26.

7.1.3 APDCL has projected a Revenue Gap of Rs. 20.21 Crore for FY 2026-27, which translates to a minuscule tariff increase of approximately ~ 1.53 paisa/unit in Average Cost of Supply over the projected ABR for FY 2026-27 at Rs. 8.90/unit (without any subsidy).

7.1.4 APDCL submitted that new policy interventions like green tariff and green energy open access are potential sources of additional revenue stream for the Company. APDCL proposed to recover the projected Revenue Gap in FY 2026-27 through such new policy initiatives.

7.1.5 APDCL proposed to continue with the prevalent tariff structure approved by the Commission vide its Order dated 25th March 2025 without any hike for all categories of consumers for FY 2026-27.

7.1.6 APDCL submitted that any subsequent decision from the State Government on subsidy for FY 2026-27 u/S 65 of the EA, 2003 will be adjusted against respective category of consumers with intimation to the Commission.

Commission's Analysis

7.1.7 The Commission has approved the Cumulative Revenue Surplus of Rs. 7.91 Crore for FY 2026-27, as shown in the Table below:

Table 109: Cumulative Revenue Gap/(Surplus) for FY 2026-27 approved by the Commission (Rs. Crore)

Sr. No.	Particulars	Rate of Interest (%)	Revenue Gap/ (Surplus)
1	Revenue Gap/(Surplus) after Truing up of FY 2024-25		359.85
	Carrying Cost for FY 2024-25 (Half Year)	11.88%	12.00
	Carrying Cost for FY 2025-26 (Full Year)	11.90%	24.04
	Carrying Cost for FY 2026-27 (Half Year)	11.90%	12.02
	Total carrying cost		48.06
	Total Revenue Gap/(Surplus) for FY 2024-25 (A)		407.91
2	Stand-alone Revenue Requirement for FY 2026-27 (B)		11,145.69
3	Impact of APGCL True-Up (C)		(23.33)
4	Impact of AEGCL True-Up (D)		(62.98)
5	Impact of SLDC True-Up (E)		(7.50)
6	**Cumulative Revenue Requirement for FY 2026-27 (F) = A + B + C + D + E**		**11,459.79**
7	**Revenue from Existing Tariff in FY 2026-27 (G)**		**11,465.20**
8	**Total Revenue Gap/(Surplus) for FY 2026-27 (H) = (F) – (G)**		**(5.41)**

7.1.8 The Commission sought data regarding the under-recovery of FPPPA by APDCL in FY 2024-25 with the detailed computation of the same. APDCL, in reply, submitted that the under-recovery of FPPPA in FY 2024-25 as compared to the FPPPA entitled to be recovered by APDCL, as Rs. 307.87 Crore. However, the Government of Assam (GoA) has released subsidy of Rs. 150 Crore against under-recovery of FPPPA, hence, net under-recovery of FPPPA in FY 2024-25 is Rs. 157.87 Crore.

7.1.9 In this regard, according to Regulation 13 of the AERC (Terms & Conditions of Multi Year Tariff) Regulations, 2021, "*in case of Distribution Licensees, the carrying cost may not be allowed on the gap in power purchase cost if the Distribution Licensee fails to recover the variation in power purchase cost in accordance with the AERC (Fuel and Power Purchase Price Adjustment Formula) Regulations, 2010 and its amendments thereof*."

7.1.10 Also, in the Hearing Order dated 14.11.2022 on the Petition No. 10/2022, the Commission made the following observations:

".....in accordance with the provisions in the aforementioned regulations, APDCL should have levied FPPPA charge for the 4th Quarter i.e. January-March 2022 from April-June 2022. However, APDCL has charged the FPPPA from June-August, 2022 and all information for FPPPA levied should have been filed within 60 days of the end of respective quarter i.e. for January-March, 2022 data for FPPPA should have been filed before the end of May 2022. APDCL submitted the data only in October, 2022.

The Commission is of the view that such delays in levying the FPPPA charges and submission of information may lead to forfeiting any future claims on this account. The Commission reiterated that APDCL should follow the timelines as per AERC FPPPA Regulation, 2012".

7.1.11 In the Order dated 3rd January 2023 on Petition No. 20/2022, the Commission has noted as under:

"5. From the petition and additional information submitted on 19.12.2022 and 29.12.2022, respectively, it can be inferred that for the 1st Quarter of FY 2022-23, only an amount of Rs 0.30/unit was levied against FPPPA charge calculated at Rs 1.42/unit - leaving an amount of Rs 242.75 Crore unrecovered. Similarly, for the 2nd Quarter of FY 2022-23, against FPPPA rate of Rs 1.09/unit, only Rs 0.30/unit was levied.

Therefore, the total FPPPA that remains unrecovered by the petitioner (including carry forward of 1st Quarter) at the end of the 2nd Quarter stands at Rs 484.18 Crore.

Now, as per the petitioner, the total accumulated, unrecovered FPPPA by the end of November, 2022 stands at a whopping Rs 936.14 Crore….

8. The Commission observes that the provision of recovery of FPPPA charges is provided in the Electricity Act-2003, the Tariff Policy and the Regulations of the Commission with a view that the same may be recovered by the licensee effectively and promptly from time to time. However, ***the petitioner avoided actual recovery of FPPPA to evade public resentment for the two quarters of FY 2022-23, even when no separate approval from the Commission was necessary****.*

9. It may be mentioned here that as per Regulation 5.2 of the AERC (FPPPA) Regulations 2010, ...when FPPPA charges exceed 25% of the variable component of tariff, the Licensee shall make a petition to the Commission for recovery of the charges over the specified cap which shall be recovered after Commission's scrutiny and directives". The 25% of variable component of tariff is Rs 1.51/unit. FPPPA rate calculated for 1st Quarter and 2nd Quarter was Rs 1.42/ unit and Rs 1.09/unit respectively which is well below 25% of variable component of tariff i.e., Rs 1.51/unit. Therefore, no approval of the Commission was necessary….

12. ***The Commission directs that APDCL should take up implementation of FPPPA in accordance with the AERC (FPPPA) Regulations in letter and spirit****." (****emphasis added****)*

7.1.12 Hence, in line with the same approach, while computing the Carrying Cost on the Revenue Gap after true-up for FY 2024-25, the Commission has not allowed the Carrying Cost on the amount of Rs. 157.87 Crore that should have been recovered by APDCL in FY 2024-25 itself.

7.1.13 The Commission has considered the Revenue Gap/(Surplus) approved for APGCL, AEGCL, and SLDC in their respective True-up Orders for FY 2024-25, along with carrying/(holding) cost, by directly passing through the same in the Cumulative Revenue Gap/(Surplus) of APDCL for FY 2026-27.

7.1.14 The Revenue from sale of power at existing tariff has been considered based on the projected category-wise sales and the category-wise tariffs approved for FY 2025-26

in the MYT Order dated March 25, 2025.

7.1.15 Thus, **the Cumulative Revenue Surplus after passing through all the past Revenue Gap/(Surplus) after truing up for FY 2024-25 for APGCL, AEGCL, SLDC and APDCL along with carrying cost works out to an amount of Rs. 5.41 Crore, which translates to an average tariff reduction of Rs. 0.004/kWh, i.e., 0.4 paise/kWh or 0.05%.**

7.1.16 **In view of the nominal Revenue Surplus of ~ Rs. 5 Crore enabling an average tariff reduction of only 0.4 paise/kWh, the Commission has decided to retain the category-wise tariff at the existing levels, viz., the tariff approved for FY 2025-26.**

7.2 Tariff Philosophy and Design for FY 2026-27

7.2.1 APDCL proposed the retail supply tariff for FY 2026-27 in accordance with the EA 2003, National Electricity Policy, Tariff Policy, and MYT Regulations 2024. The proposed tariffs for all categories remain within ±20% of the ACoS.

7.2.2 APDCL projected the ACoS for FY 2026-27 as Rs. 8.91/kWh, as shown in the Table below:

Table 110: ACoS Projected by APDCL for FY 2026-27

Particulars	Unit	Amount
Cumulative Revenue Requirement for FY 2026-27	(Rs. Crore)	11,746.81
Energy Sales proposed for FY 2026-27	MU	13182
ACoS for FY 2026-27	Rs/kWh	8.91

Commission's Analysis

7.2.3 In determining the ARR and the retail supply tariff of APDCL for FY 2026-27, the Commission has been guided by the provisions of the EA 2003, National Electricity Policy (NEP), Tariff Policy, and the MYT Regulations, 2024.

7.2.4 Section 61 of the EA 2003 lays down the broad principles and guidelines for determination of retail supply tariffs. The basic principle is to ensure that tariff should progressively reflect the cost of supply of electricity and gradually reduce the cross-subsidies between categories. The EA 2003 lays down special emphasis on

safeguarding of consumers' interest and also requires that the costs should be recovered in a reasonable manner. The EA 2003 mandates that tariff determination should be guided by factors which "*encourage competition, efficiency, economical uses of resources, good performance and optimum investment*".

7.2.5 The EA 2003 provides that while determining the tariff, the Commission shall not show undue preference to any consumer of electricity but may differentiate according to the consumer's load factor, power factor, voltage, total consumption of electricity during any specified period or the time at which the supply is required or the geographical position of any area, the nature of supply and the purpose for which the supply is required. The Tariff Policy notified by the Government of India provides comprehensive guidelines for determination of tariff and determination of ARR of power utilities. The Commission has followed these Guidelines, as far as possible.

7.2.6 The Commission has ensured that the tariffs of most of the categories are within ±20% of the ACoS.

7.2.7 The Commission has computed the ACoS of Rs. 9.06/kWh based on the Cumulative ARR approved for recovery in FY 2026-27.

7.2.8 The ACoS approved by the Commission for FY 2026-27 after inclusion of Revenue Gap of FY 2024-25 along with carrying cost and after adjustment of Revenue Gap/(Surplus) of APGCL, AEGCL, and SLDC after true-up of FY 2024-25 is shown in the Table below:

Table 111: ACoS approved by the Commission for FY 2026-27

Sr. No.	Particulars	Units	Approved
1	Cumulative Revenue Requirement for FY 2026-27	Rs. Crore	11,459.79
2	Total Sales for FY 2026-27	MU	12,648.81
3	**Average Cost of Supply (ACoS)**	**Rs/kWh**	**9.06**

7.2.9 The Commission has retained the tariff categories and tariff slabs as approved in MYT Order dated March 25, 2025.

7.2.10 The rebate of 20% has been retained for Oxygen manufacturing plants under HT-V (C) category for FY 2026-27.

7.2.11 The detailed applicability and description of tariff categories has been elaborated in the Tariff Schedule under Chapter 10 of this Order.

7.3 Time of Day (ToD) Tariff

7.3.1 APDCL proposed to continue the Time-of-Day (ToD) tariff structure approved by the Commission in the Tariff Order dated 25th March 2025. The time slot from 09:00 to 17:00 hours is considered as Solar Hours, having rebate of 20% in Energy Charges. The time slot from 17:00 to 22:00 hours is considered as peak hours having additional charge of 20% in Energy Charges.

Commission's Analysis

7.3.2 The Commission has retained the ToD tariff structure as approved by the Commission in the Tariff Order dated 25th March 2025.

7.3.3 The approved ToD tariffs are given in the Table below:

Table 112: ToD Tariff approved by the Commission for FY 2026-27

Sl.	Time Slot	Revised TOD Tariff
1	22:00 to 09:00 hours (Normal Hours)	Normal Energy Charges
2	09:00 to 17:00 hours (Solar Hours)	80% of Normal Energy Charges
3	17:00 to 22:00 hours (Peak Hours)	120% of Normal Energy Charges

7.3.4 **Once Smart Meters are installed, ToD tariffs can be implemented for most categories, including Domestic A, however, the same shall be implemented at the option of the consumer. APDCL should facilitate such communication from the consumer regarding whether they are opting for ToD tariff. Further, for the categories for whom ToD tariff is optional even under the earlier regime, the option shall be available to come under the revised ToD regime. However, for categories for whom ToD tariff is compulsory under the earlier regime, the revised ToD tariff shall be compulsory**.

7.4 Category-wise Tariff approved for FY 2026-27

7.4.1 The GoA has committed to continue the existing category-wise subsidy for FY 2026-

27, with effect from April 1, 2026, vide Letter Ref. No. PEL. 590525/606 dated 20th December 2025, as reproduced below:

"

Category	*Slab*	*Targeted Subsidy (Rs./kWh)*	*Tariff Subsidy (Rs./kWh)*
Jeevan Dhara	*Up to 45 kWh per month*	*1.00*	*0.99*
LT Domestic A	*0 to 120 units*	*0.75*	*0.99*
	121 to 300 units		*0.99*
	301 to 500 units		*0.79*
LT Domestic B	*0 to 300 units*		*0.99*
	301 to 500 units		*0.79*
HT Domestic	*0 to 300 units*		*0.99*
	301 to 500 units		*0.79*

"

7.4.2 The Commission has hence, approved the full cost tariff and tariff after State Government subsidy for FY 2026-27 as shown in the Tables below:

Table 113: Full Cost Tariff approved by the Commission for FY 2026-27

Sl. No.	Consumer Category	Increase/(Decrease) in tariffs		Revised tariffs	
		Fixed Charges (Rs/kW/mth or Rs/kVA/mth)	Energy Charges (Rs. per kWh)	Fixed Charges (Rs/kW/mth or Rs/kVA/mth)	Energy Charges (Rs. per kWh)
	LT Category				
LT-1	**Jeevan Dhara**	-	-	40.00	5.34
LT-II	**Domestic A- above 0.5 kW to 5 kW**				
	0 to 120 units per month	-	-	70.00	5.99
	121 to 240 units per month	-	-	70.00	7.29
	Balance units	-	-	70.00	8.19
LT-III	**Domestic-B above 5 kW to 30 kW**	-	-	70.00	7.74
LT-IV	**Commercial Load above 0.5 kW to 30 kW**	-	-	150.00	8.94

Sl. No.	Consumer Category	Increase/(Decrease) in tariffs		Revised tariffs	
		Fixed Charges (Rs/kW/mth or Rs/kVA/mth)	Energy Charges (Rs. per kWh)	Fixed Charges (Rs/kW/mth or Rs/kVA/mth)	Energy Charges (Rs. per kWh)
LT-V	**General Purpose Supply**				
A	Non-commercial and Non-domestic users	-	-	165.00	7.99
B	Government Primary and Secondary / Higher Secondary Schools/Charitable organisations involved in eradicating hunger specially for children	-	-	90.00	7.89
LT-VI	**Public Lighting**	-	-	140.00	7.94
LT-VII	**Agriculture up to 7.5 HP**	-	-	65.00	6.09
LT-VIII(i)	**Small Industries Rural up to 30 kW**	-	-	70.00	6.59
LT-VIII(ii)	**Small Industries Urban up to 30 kW**	-	-	80.00	6.84
LT-IX	**Temporary Supply**	-	-		
	Domestic	-	-	105.00	10.93
	Non-Domestic Non-Agriculture	-	-	155.00	13.03
	Agriculture	-	-	65.00	6.19
LT-X	**LT Electric Vehicles Charging Stations $**	-	-	-	8.72
	HT Category				
HT-I	**HT Domestic 30 kW (35 kVA) and above**	-	-	70.00	7.89
HT-II	**HT Commercial 30 kW (35 kVA) & above**	-	-	210.00	9.04
HT-III	**Public Water Works**	-	-	155.00	7.79
HT-IV	**Bulk Supply 30 kW (35 kVA) and above**	-	-		
HT-IV(i)	Educational Institutions/Charitable organisations involved	-	-	150.00	8.19

Sl. No.	Consumer Category	Increase/(Decrease) in tariffs		Revised tariffs	
		Fixed Charges (Rs/kW/mth or Rs/kVA/mth)	Energy Charges (Rs. per kWh)	Fixed Charges (Rs/kW/mth or Rs/kVA/mth)	Energy Charges (Rs. per kWh)
	in eradicating hunger specially for children				
HT-IV(ii)	Others	-	-	210.00	9.14
HT-V(A)	**HT Small Industries up to 50 kVA**	-	-	90.00	7.29
HT-V(B)	**HT Industries-1 50 kVA to 150 kVA**	-	-	200.00	7.69
HT-V(C)	**HT Industries-II above 150 kVA (Option 1)**	-	-	280.00	8.09
	HT Industries-II above 150 kVA (Option 2)	-	-	360.00	7.69
HT-VI	**Tea, Coffee & Rubber**	-	-	310.00	8.04
HT-VII	**Oil & Coal**	-	-	320.00	9.09
HT-VIII	**HT Irrigation Load above 7.5 HP**	-	-	85.00	7.59
HT - IX	**HT Temporary Supply**	-	-	190.00	10.69
HT – X	**HT Electric Crematorium**	-	-	190.00	5.89
HT – XI	**HT Railway Traction**	-	-	320.00	7.79
HT-XII	**Electric Vehicles Charging Station $**	-	-	-	8.35

Note: These are Base Tariffs; Additional ToD tariffs have been detailed in the Tariff Schedule

$ approved single-part tariff in accordance with MoP Guidelines.

Table 114: Tariff after State Government Subsidy approved by the Commission for FY 2026-27

Sl. No.	Consumer Category	GoA Subsidy		Revised tariffs	
		Targeted Subsidy (Rs. per kWh)	Tariff Subsidy (Rs. per kWh)	Fixed Charges (Rs/kW/mth or Rs/kVA/mth)	Energy Charges (Rs. per kWh)
	LT Category				
LT-1	**Jeevan Dhara**	1.00	0.99	40.00	3.35
LT-II	**Domestic A- above 0.5 kW to 5 kW**				
	0 to 120 units per month	0.75	0.99	70.00	4.25
	121 to 240 units per month		0.99	70.00	6.30
	240 to 300 units per month		0.99	70.00	7.20
	301 to 500 units per month		0.79	70.00	7.40
	Balance units			70.00	8.19
LT-III	**Domestic-B above 5 kW to 30 kW**				
	0 to 300 units per month		0.99	70.00	6.75
	301 to 500 units per month		0.79	70.00	6.95
	Balance units			70.00	7.74
LT-IV	**Commercial Load above 0.5 kW to 30 kW**			150.00	8.94
LT-V	**General Purpose Supply**				
A	Non-commercial and Non-domestic users			165.00	7.99
B	Government Primary and Secondary / Higher Secondary Schools/Charitable organisations involved in eradicating hunger specially for children			90.00	7.89
LT-VI	**Public Lighting**			140.00	7.94
LT-VII	**Agriculture up to 7.5**			65.00	6.09

Sl. No.	Consumer Category	GoA Subsidy		Revised tariffs	
		Targeted Subsidy (Rs. per kWh)	Tariff Subsidy (Rs. per kWh)	Fixed Charges (Rs/kW/mth or Rs/kVA/mth)	Energy Charges (Rs. per kWh)
	HP				
LT-VIII(i)	**Small Industries Rural up to 30 kW**			70.00	6.59
LT-VIII(ii)	**Small Industries Urban up to 30 kW**			80.00	6.84
LT-IX	**Temporary Supply**				
	Domestic			105.00	10.93
	Non-Domestic Non-Agriculture			155.00	13.03
	Agriculture			65.00	6.19
LT-X	**LT Electric Vehicles Charging Stations $**			-	8.72
	HT Category				
HT-I	**HT Domestic 30 kW (35 kVA) and above**				
	0 to 300 units per month		0.99	70.00	6.90
	301 to 500 units per month		0.79	70.00	7.10
	Balance units			70.00	7.89
HT-II	**HT Commercial 30 kW (35 kVA) & above**			210.00	9.04
HT-III	**Public Water Works**			155.00	7.79
HT-IV	**Bulk Supply 30 kW (35 kVA) and above**				
HT-IV(i)	Educational Institutions/Charitable organisations involved in eradicating hunger specially for children			150.00	8.19
HT-IV(ii)	Others			210.00	9.14
HT-V(A)	**HT Small Industries up to 50 kVA**			90.00	7.29
HT-V(B)	**HT Industries-1 50 kVA to 150 kVA**			200.00	7.69
HT-V(C)	**HT Industries-II above 150 kVA (Option 1)**			280.00	8.09

Sl. No.	Consumer Category	GoA Subsidy		Revised tariffs	
		Targeted Subsidy (Rs. per kWh)	Tariff Subsidy (Rs. per kWh)	Fixed Charges (Rs/kW/mth or Rs/kVA/mth)	Energy Charges (Rs. per kWh)
	HT Industries-II above 150 kVA (Option 2)			360.00	7.69
HT-VI	**Tea, Coffee & Rubber**			310.00	8.04
HT-VII	**Oil & Coal**			320.00	9.09
HT-VIII	**HT Irrigation Load above 7.5 HP**			85.00	7.59
HT - IX	**HT Temporary Supply**			190.00	10.69
HT – X	**HT Electric Crematorium**			190.00	5.89
HT – XI	**HT Railway Traction**			320.00	7.79
HT-XII	**Electric Vehicles Charging Station $**				8.35

Note: These are Base Tariffs; Additional ToD tariffs have been detailed in the Tariff Schedule.

$ approved single-part tariff in accordance with MoP Guidelines.

7.4.3 In case the GoA desires to provide further category-wise subsidy in addition to the existing subsidy for FY 2026-27 under Section 65 of the EA 2003, after the issue of this Order, the GoA may do so under intimation to the Commission. APDCL shall levy category-wise tariffs after adjusting the amount of category-wise subsidy announced by the GoA, and shall communicate the same to the Commission along with the complete calculations in this regard.

The detailed Tariff Schedule is given in Chapter 10.

7.5 Category-wise Cross-subsidy

7.5.1 The Commission has computed the cross-subsidy with respect to the approved ACoS and attempted to ensure that the cross-subsidies are within the limits of ±20% of the ACoS, as laid down in the Tariff Policy as well as several Judgments of the Hon'ble APTEL. The category-wise cross-subsidy approved for FY 2026-27 by the Commission in this Order are given in the Table below:

Table 115: Category-wise Cross-Subsidy approved for FY 2026-27

Sr. No.	Category of consumers	Average Billing Rate (Rs./ kWh)	Average Cost of Supply (Rs./ kWh)	Ratio of ABR to ACOS (%)	Cross-subsidy provided /(received) (%)
	LT Category				
1.	Jeevan Dhara	7.96	9.06	88%	(-)12%
2.	Domestic A- above 0.5 kW to 5 kW	7.28	9.06	80%	(-)20%
3.	Domestic-B above 5 kW to 30 kW	9.32	9.06	103%	(+)03%
4.	Commercial Load above 0.5 kW to 30 kW	10.27	9.06	114%	(+)14%
5.	General Purpose Supply	11.87	9.06	131%	(+)31%
6.	Public Lighting	8.99	9.06	99%	(-)1%
7.	Agriculture up to 7.5 HP	9.31	9.06	103%	(+)3%
8.	Small Industries Rural up to 30 kW	8.44	9.06	93%	(-)7%
9.	Small Industries Urban	8.48	9.06	94%	(-)6%
10	EV Charging Stations	8.72	9.06	96%	(-)4%
	HT Category				
11	HT Domestic 30 kW and above	9.01	9.06	99%	(-)1%
12	HT commercial 30 kW & above	10.72	9.06	118%	(+)18%
13	Public Water Works	12.39	9.06	137%	(+)37%
14	Bulk Supply - Educational Institutions/Charitable organisations involved in eradicating hunger specially for children	11.07	9.06	122%	(+)22%
15.	Bulk Supply Others	10.52	9.06	116%	(+)16%
16.	HT Small Industries up to 50 kVA	8.35	9.06	92%	(-)8%
17.	HT Industries-1 50 kVA to 150 kVA	11.03	9.06	122%	(+)22%
18.	HT Industries-II above 150 kVA	9.98	9.06	110%	(+)10%
19.	Tea, Coffee & Rubber	10.62	9.06	117%	(+)17%
20.	Oil & Coal	10.18	9.06	112%	(+)12%
21.	HT Irrigation Load	9.99	9.06	110%	(+)10%

Sr. No.	Category of consumers	Average Billing Rate (Rs./ kWh)	Average Cost of Supply (Rs./ kWh)	Ratio of ABR to ACOS (%)	Cross-subsidy provided /(received) (%)
	above 7.5 HP				
22.	EV Charging Stations	8.35	9.06	92%	(-)8%

Note: (+) Cross-subsidy provided to other consumer categories

(-) Cross-subsidy received from other consumer categories

7.5.2 As can be seen from the above Table, the Average Billing Rate for most of the categories is within the band of 80% to 120% of ACoS, which is in accordance with the Tariff Policy.

7.6 Fuel Price and Power Purchase Adjustment Charges (FPPPA)

7.6.1 Fuel Price and Power Purchase Adjustment shall be applicable as per the AERC (Fuel and Power Purchase Price Adjustment) Regulations, 2024 and the subsequent amendments.

7.6.2 APDCL shall comply with the AERC (Fuel and Power Purchase Price Adjustment) Regulations, 2024, and subsequent amendments thereof to adjust the differential cost of power purchase.

8 Wheeling Charges and Cross-Subsidy Surcharge

8.1 Introduction

8.1.1 APDCL has proposed the Wheeling Charges and Cross-Subsidy Surcharge applicable for Open Access consumers of APDCL for FY 2026-27.

8.2 Allocation Matrix

8.2.1 APDCL submitted that it has retained the Allocation Matrix considered in previous Tariff Orders by the Commission for allocation of expenses between the Wires Business and Retail Supply Business for FY 2026-27.

8.2.2 Accordingly, APDCL has proposed the following separation of ARR for Wires and Supply Business for FY 2026-27:

Table 116: Separation of ARR for Wires and Retail Supply Business for FY 2026-27 as submitted by APDCL (Rs. Crore)

Sr. No.	Particulars	Gross Amount	Wire Business	Retail Supply Business
1	Power Purchase Expenses	10,483.05	-	10,483.05
2	Employee Expenses	1,425.88	618.82	412.55
3	R&M Expenses	1,031.36	237.90	26.43
4	A&G Expenses	264.33	65.09	65.09
5	Depreciation	130.18	138.54	15.39
6	Interest and Finance Charges	153.94	10.21	1.13
7	Interest on Working Capital	11.35	1.47	13.23
8	Interest on CSD	78.92	-	78.92
9	Return on Equity	190.33	171.30	19.03
11	Provisioning for Bad & Doubtful Debts	14.82		14.82
12	Less: Non-Tariff Income	379.11	-	379.11
13	Less: Other Income	877.29	87.73	789.56
14	Assessed impact of ToD tariff	163.21	-	163.21
	Total ARR	**11,279.78**	**1,155.60**	**10,124.18**

Commission Analysis

8.2.3 The Commission has considered the following matrix, in line with the approach adopted in its previous Orders, for allocation of expenses between the Wires Business and Retail Supply Business as shown in the Table below:

Table 117: Allocation Matrix for Separation of ARR for Wires Business and Retail Supply Business for FY 2026-27

Particulars	Wires Business (%)	Supply Business (%)
Power Purchase Expenses	0%	100%
Employee Expenses	60%	40%
R&M Expenses	90%	10%
A&G Expenses	50%	50%
Depreciation	90%	10%
Interest and Finance Charges	90%	10%
Interest on Working Capital	10%	90%
Interest on CSD	0%	100%
Return on Equity	90%	10%
Income Tax	90%	10%
Provisioning for Bad & Doubtful Debts	0%	100%
Less: Non-Tariff Income	0%	100%
Less: Other Income	10%	90%

8.2.4 The approved ARR for APDCL for FY 2026-27 has been segregated between the Wires Business and Retail Supply Business, based on the above Allocation Matrix, as given in the Table below:

Table 118: Separation of ARR for Wires Business and Retail Supply Business for FY 2026-27 (Rs. crore)

Particulars	ARR for Wires Business	ARR for Supply Business	Total ARR
Power Purchase Expenses	-	10,711.64	10,711.54
Employee Expenses	578.73	385.82	964.55

Particulars	ARR for Wires Business	ARR for Supply Business	Total ARR
R&M Expenses	233.00	25.89	258.89
A&G Expenses	137.28	137.28	274.55
Depreciation	91.24	10.14	101.38
Interest and Finance Charges	10.07	1.12	11.19
Interest on Working Capital	0.61	5.47	6.08
Interest on CSD	-	73.58	73.58
Return on Equity	167.36	18.60	185.95
Provisioning for Bad & Doubtful Debts	-	-	-
Less: Non-Tariff Income	-	345.54	345.54
Less: Other Income	109.66	986.93	1,096.59
Assessed impact of ToD tariff	-	-	-
Total ARR	**1,108.63**	**10,037.06**	**11,145.69**

8.2.5 In the absence of proper allocation of expenses submitted by APDCL, the Commission has adopted the Allocation Matrix adopted in previous Orders for the purpose of allocation of costs between the Wires Business and Supply Business, for the purposes of this Order. However, **from its next Tariff Petition, APDCL should submit the Allocation Statement in accordance with Regulation 75.1 of the AERC MYT Regulations, 2024, duly approved by the Board of APDCL, with necessary explanation for the basis considered**.

8.3 Wheeling Charges

8.3.1 APDCL submitted that the Wheeling Charges applicable for distribution open access consumers at 33 kV voltage level for FY 2025-26 have been determined from the ARR of the Distribution Wires Business on gross basis, as shown in the Table below:

Table 119: Wheeling Charges as submitted by APDCL for FY 2026-27

Sr. No.	Particulars	Units	Proposed
1	Total Energy Input into Distribution System	MU	15,152
2	Total Wires ARR	Rs. Crore	1,155.60

Sr. No.	Particulars	Units	Proposed
3	Distribution Cost for Wires Business for 33 kV Voltage level (assuming 35% of cost at 33 kV)	Rs. Crore	404.46
4	**Wheeling Charges for 33 kV Voltage Level**	**Rs/kWh**	**0.27**

Commission Analysis

8.3.2 The Wheeling Charges applicable for Distribution Open Access consumers at 33 kV/11 kV voltage level for FY 2026-27, has been determined from the ARR of the Distribution Wires Business, as shown in the Table below:

Table 120: Wheeling Charges approved by the Commission for FY 2026-27

Sr. No.	Particulars	Units	Approved
1	Total Energy Input into Distribution System	MU	14,538.86
2	Total Wires ARR	Rs. Crore	1,108.63
3	Distribution Cost for Wires Business for 33 kV Voltage level (assuming 35% of cost at 33 kV)	Rs. Crore	388.02
4	**Wheeling Charges for 33 kV/11 kV Voltage Level**	**Rs/kWh**	**0.27**

8.3.3 The Wheeling Charges for FY 2026-27 as determined in the above Table, are applicable for use of the distribution system of APDCL by other Licensees or generating companies or captive power plants or consumers/users who are permitted open access at 33 kV/11 kV voltage level under Section 42(2) of the EA 2003 as well as eligible Green Energy Open Access (GEOA) consumers in accordance with the AERC (Terms and Conditions for Open Access) Regulations, 2024.

8.4 Applicable Wheeling Losses

8.4.1 The Wheeling Losses applicable for Open Access transactions for FY 2026-27 shall be as under:

Table 121: Wheeling Losses approved by the Commission for FY 2026-27

Sr. No.	Particulars	Total
1	At 33 kV level	5%
2	At 11 kV level	11%

8.5 Cross-Subsidy Surcharge (CSS)

8.5.1 The Open Access consumers are liable to pay the CSS to compensate the Utility for any loss of revenue due to the shifting of the consumer to the Open Access system. Eligible consumers with a connected load of 1 MW and above shall be allowed Open Access.

8.5.2 APDCL has computed the CSS for HT-II Commercial Category, HT-IV (i) Bulk Supply Govt. Edu. Institutions category, HT-IV (ii) Bulk Supply Others category, HT-V (C) HT Industry category, HT-VI Tea, Coffee & Rubber category, and HT-VII Oil & Coal category, as shown in the Table below:

Table 122: Category-wise CSS computed by APDCL for FY 2026-27 (Rs/kWh)

Particulars	Average Billing Rate	Actual Computed CSS	CSS Ceiling @20% of ABR
HT Domestic above 30 kW (35 kVA)	8.91	0.00	1.78
HT Commercial above 30 kW (35 kVA)	10.90	1.99	2.18
Public Water Works	9.95	1.04	1.99
Bulk Supply Govt. Edu Inst above 30 kW (35 kVA)	10.41	1.50	2.08
Bulk Supply Others above 30 kW (35 kVA)	10.46	1.55	2.09
HT Small Industries above 30 kW (35 kVA) and up to 50 kVA	8.39	-0.52	1.68
HT Industries-I 50 kVA to 150 kVA	9.88	0.97	1.98
HT Industries-II above 150 kVA	9.81	0.90	1.96
Tea, Coffee & Rubber	11.04	2.13	2.21
Oil & Coal	10.38	1.47	2.08
HT Irrigation Load above 30 kW (35 kVA)	10.23	1.32	2.05
HT Railway Traction	10.18	1.27	2.04
Electric Vehicles Charging Station	8.35	-0.56	1.67

Commission Analysis

8.5.3 Eligible consumers with a connected load of 1 MW and above shall be allowed Open Access. Further, Green Energy Open Access (GEOA) consumers with a connected load of 100 kW and above shall also be allowed Open Access in accordance with the

AERC (Terms and Conditions for Open Access) Regulations, 2024.

8.5.4 The National Electricity Policy 2016 lays down that the amount of cross-subsidy surcharge to be levied from consumers who are permitted open access. The said formula is described as under:

"S= T – [C/ (1-L/100) + D+ R]

Where:

S is the surcharge

T is the tariff payable by the relevant category of consumers, including reflecting the Renewable Purchase Obligation

C is the per unit weighted average cost of power purchase by the Licensee, including meeting the Renewable Purchase Obligation

D is the aggregate of transmission, distribution and wheeling charge applicable to the relevant voltage level

L is the aggregate of transmission, distribution and commercial losses, expressed as a percentage applicable to the relevant voltage level

R is the per unit cost of carrying regulatory assets."

8.5.5 Further, the Electricity (Amendment) Rules, 2022 notified on 29th December 2022, stipulates that cross-subsidy surcharge to be determined by the Appropriate Commission shall not exceed twenty percent (20%) of Average Cost of Supply. The relevant extract of the notified Rule 13 is as under:

"13. Surcharge payable by Consumers seeking Open Access.- The surcharge, determined by the State Commission under clause (a) of sub-section (1) of section 86 of the Electricity Act,2003 ***shall not exceed twenty per cent of the average cost of Supply."*** *(emphasis added)*

8.5.6 Further, the AERC (Terms and Conditions for Open Access) Regulations, 2024 specifies that the CSS determined for the first year of operation for long-term Open Access transactions, shall be in force for the duration of the long-term Open Access contract. Hence, the CSS determined in this Order and applicable for long-term GEOA transactions shall be in force for the duration of the long-term Open Access

contract.

8.5.7 The Commission has approved the CSS for FY 2026-27 for all HV categories including the GEOA transactions as per the methodology stipulated in the Tariff Policy, and after ensuring that the CSS is not greater than 20% of the ACoS, as stipulated in the Electricity Rules and subsequent amendments, as shown in the Table below:

Table 123: Category-wise CSS approved by the Commission for FY 2026-27 (Rs/kWh)

Sl.	Category	T	C	L	D	CSS
1	HT Domestic 30 kW and above	9.01	5.31	15.78%	0.72	1.81
2	HT commercial 30 kW & above	10.72	5.31	15.78%	0.72	1.81
3	Public Water Works	12.39	5.31	15.78%	0.72	1.81
4	Bulk Supply Govt. Edu Inst	11.07	5.31	15.78%	0.72	1.81
5	Bulk Supply Others	10.52	5.31	15.78%	0.72	1.81
6	HT Small Industries up to 50 kW	8.35	5.31	15.78%	0.72	1.32
7	HT Industries-1 50 kW to 150 kW	11.03	5.31	15.78%	0.72	1.81
8	HT Industries-II above 150 kW	9.98	5.31	15.78%	0.72	1.81
9	Tea, Coffee & Rubber	10.62	5.31	15.78%	0.72	1.81
10	Oil & Coal	10.18	5.31	15.78%	0.72	1.81
11	HT Irrigation Load above 7.5 hp	9.99	5.31	15.78%	0.72	1.81
12	HT Railway Traction[$]	12.31	5.31	15.78%	0.72	1.81
13	HT EV Charging Station	8.35	5.31	15.78%	0.72	1.33

Note: *T is ABR, C is APPC, D is sum of Wheeling Charges and Transmission Charges, L is T&D loss.*

$ - CSS for Railways shall be kept in abeyance in accordance with the Interim Order passed by the Hon'ble Supreme Court of India in Civil Appeal No. 4652-4659/2024 dated 06.05.2024 and 08.11.2024, during the pendency of the cases, until further directions are passed by the Hon'ble Supreme Court of India

8.6 GREEN TARIFF

APDCL's Submission

8.6.1 APDCL submitted that the Green Energy Tariff shall be over and above the existing

fixed and energy charges applicable for different categories of consumers. APDCL submitted that the Green Energy Tariff is optional / voluntary and shall only be provided on the request of the intending consumers.

8.6.2 APDCL proposed that the consumers may procure RE power quantum of minimum 25% of their monthly consumption of electricity during any billing month. The consumers shall be permitted to increase their consumption from RE Power in steps of 5% of their monthly consumption over and above 25% up to 100% from RE sources during any billing month.

8.6.3 Consumers intending to avail the facility shall have to place a requisition for availing additional RE power with APDCL, at least 3 months in advance, to enable APDCL to make the necessary arrangements for purchase of RE power and accounting for the same.

8.6.4 The Green Energy Tariff proposed by APDCL is shown in the Table below:

Table 124: Green Energy Tariff proposed by APDCL for FY 2026-27 (Rs/kWh)

Sl.	Particulars	Amount (Rs./kWh)
1	Average Pooled Power Purchase Cost of RE	4.01
2	Cross-Subsidy Surcharge @20% of ACOS	1.78
3	Reasonable Margin/Service Charge	0.25
	Total Green Energy Tariff	**6.04**

Commission's Analysis

8.6.5 The MoP, Government of India, has notified the Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022, as amended from time to time (hereinafter referred to as "MoP GEOA Rules"), wherein the MoP has stipulated that the Commission has to determine the Green Energy Tariff, to facilitate purchase of additional Green Energy by obligated entities and consumers from the Distribution Licensee.

8.6.6 The Commission is of the view that the computations of Green Energy Tariff submitted by APDCL are very high and defeat the very purpose of promoting greater consumption of Green Energy.

8.6.7 The Distribution Licensee is required to purchase additional RE power, in addition to

its existing contracts for RE power, to meet the additional requisitions for RE power given by the interested consumers. Further, in accordance with the Rules, **the additional Green Energy purchased by an Obligated Entity from the Distribution Licensees shall be first considered to meet the RPO of the Obligated Entity, and any Green Energy purchased by the Obligated Entity in excess of its RPO, shall be considered to meet the RPO of the Distribution Licensees. In case of embedded consumer, who is not an Obligated Entity and does not have to meet any RPO, the entire Green Energy purchased by the Distribution Licensee against the requisition made by the consumer, shall be considered to meet the RPO of the Distribution Licensees**. Thus, the purchase of additional RE power shall largely be used to meet the RPO of the Distribution Licensee.

8.6.8 Further, the Distribution Licensee will get additional revenue from levy of Green Energy Tariff, though its entire cost is approved in the ARR and is being recovered through the tariff approved by the Commission. **The additional revenue earned by APDCL shall be considered as revenue from sale of electricity by APDCL, and shall be utilised to reduce the Revenue Gap and hence, tariff for all its consumers.**

8.6.9 The Green Energy Tariff is intended to enable greater penetration of RE in the State. Also, as there is insufficient data regarding the response to the Green Energy Tariff introduced in the previous Tariff Order, the **Commission decides to retain the Green Energy Tariff @ Rs 1.00 per kWh as approved in the MYT Order dated March 25, 2025, to encourage such consumption. The Commission shall review the same at the time of the next Tariff Order based on the actual data to be submitted by APDCL in this regard, as detailed in the Directives Chapter**.

8.6.10 **The above arrangement is optional / voluntary and shall only be provided on the request of the Consumer**. The consumers may procure RE power quantum of minimum 25% of their monthly consumption of electricity during any billing month. The consumers shall be permitted to increase their consumption from RE Power in steps of 5% of their monthly consumption over and above 25% up to 100% from RE sources during any billing month.

8.6.11 The consumers shall have to place a requisition for availing additional RE power with APDCL, at least 3 months in advance, to enable APDCL to make the necessary arrangements for purchase of RE power and accounting for the same.

8.7 Standby Charges

8.7.1 The Electricity (Promoting Renewable Energy through Green Energy Open Access) Rules, 2022, mandate Standby Charges for Green Energy Open Access consumers who cannot procure or schedule power from their pre-arranged sources due to outages or transmission issues. In such cases, the distribution licensee must provide standby power.

8.7.2 APDCL submitted that these charges should cover short-term power procurement costs and Deviation Settlement Mechanism (DSM) charges incurred by the DISCOM. Standby Charges have been computed on a per-unit basis (Rs/kWh) and apply only to actual energy drawn during the standby period.

8.7.3 APDCL clarified that Standby Charges shall not apply if the consumer notifies the distribution licensee at least a day in advance before gate closure in DAM on 'D-1' day. APDCL submitted that while the Forum of Regulators (FOR) recommends capping Standby Charges at 25% of the applicable tariff, market trends indicate that alternate power procurement costs may exceed this limit in certain time blocks.

8.7.4 Adopting the recommendation of FOR, APDCL has proposed Standby Charges for respective category of consumers as depicted below:

Table 125: Standby Charges proposed by APDCL for FY 2026-27 (Rs/kWh)

Particulars	Average Billing Rate (Rs. /kWh)	Standby Charge (Rs./ kWh)
HT Domestic above 30 kW (35 kVA)	8.91	2.23
HT Commercial above 30 kW (35 kVA)	10.90	2.73
Public Water Works	9.95	2.49
Bulk Supply Govt. Edu Inst above 30 kW (35 kVA)	10.41	2.60
Bulk Supply Others above 30 kW (35 kVA)	10.46	2.62
HT Small Industries above 30 kW (35 kVA) and up to 50 kVA	8.39	2.10
HT Industries-I 50 kVA to 150 kVA	9.88	2.47
HT Industries-II above 150 kVA	9.81	2.45
Tea, Coffee & Rubber	11.04	2.76
Oil & Coal	10.38	2.60
HT Irrigation Load above 30 kW (35 kVA)	10.23	2.56
HT Railway Traction	10.18	2.55
Electric Vehicles Charging Station	8.35	2.09

Commission Analysis

8.7.5 The Commission has approved Standby Charges for Green Energy Open Access consumers who cannot procure or schedule power from their pre-arranged sources due to outages or transmission issues, in line with the AERC (Terms and Conditions of Open Access) Regulations, 2024 to cap the Standby Charges at 25% of the applicable tariff as shown in the Table below:

Table 126: Standby Charges approved by the Commission for FY 2026-27 (Rs/kWh)

Particulars	Average Billing Rate (Rs. /kWh)	Standby Charge (Rs./ kWh)
HT Domestic above 30 kW (35 kVA)	9.01	2.25
HT Commercial above 30 kW (35 kVA)	10.72	2.68
Public Water Works	12.39	3.10
Bulk Supply Govt. Edu Inst above 30 kW (35 kVA)	11.07	2.77
Bulk Supply Others above 30 kW (35 kVA)	10.52	2.63
HT Small Industries above 30 kW (35 kVA) and up to 50 kVA	8.35	2.09
HT Industries-I 50 kVA to 150 kVA	11.03	2.76
HT Industries-II above 150 kVA	9.98	2.49
Tea, Coffee & Rubber	10.62	2.65
Oil & Coal	10.18	2.55
HT Irrigation Load above 30 kW (35 kVA)	9.99	2.50
HT Railway Traction	12.31	3.08
HT Electric Vehicles Charging Station	8.35	2.09

8.8 Applicability of Tariff

The approved Retail Supply Tariffs, Wheeling Charges and CSS for FY 2026-27 shall be effective from April 1, 2026 and shall continue until replaced/modified by an Order of the Commission.

Sd/-

(Upananda Kataki)
Member, AERC

Sd/-

(Lt. Gen. Rana Pratap Kalita (Retd.))
Chairperson, AERC

9 Directives

The Commission has issued certain directives to APDCL in the past Orders, with an objective of attaining operational efficiency and streamlining the flow of information, which would be beneficial to the sector and the Petitioner.

As regards the directives issued by the Commission in the MYT Order dated March 25, 2025 APDCL has submitted the report to the Commission on compliance. The Commission has reviewed the compliance of directives as submitted by APDCL and the status is as follows:

Status of Directives issued in the MYT Order dated March 25, 2025

Directive 1: ToD Tariffs

- TOD tariff has been extended to more consumer categories in accordance with the Electricity (Rights of Consumers) Rules, 2020 and its subsequent amendments. APDCL is therefore, directed to monitor the hourly consumption patterns of all HT consumer categories, based on metering data and submit a report to the Commission with suggestions for modifications of the ToD Tariff along with the next Tariff Proposal. The purpose of the study would be to identify the contribution of each category towards the peak consumption and which categories may be incentivised to further shift their consumption to off-peak hours, seasonal variation in peak and off-peak consumption levels, etc.
- In addition to the above, APDCL should carry out awareness campaigns regarding TOD tariff structure for informed choice to consumers.
- APDCL should ensure that copies of the bills with all necessary details related to consumption and billing during different time slots, application of consumption slab-wise tariff, etc., are easily available to the consumers through the website, App, mobile sms, etc., and physical copies of the bills should also be provided on request. This is necessary to build confidence in the minds of the consumers regarding the correctness of the amounts being charged/deducted, which will facilitate smoother implementation of the Smart Metering drive. Providing necessary data regarding the hourly consumption patterns for consumers having Smart Meters will also help the consumers

to plan their consumption patterns better and evaluate whether TOD tariffs are beneficial for them, so that they can take informed decisions in this regard.

Status of Compliance

- APDCL submitted that in compliance with the directive of the Commission, APDCL has monitored the hourly consumption pattern of all HT consumer categories based on the metered data captured through HT Smart meters. In this analysis, the hourly consumption profile of a representative consumer base of approx. 8500 nos. consumers (50% of the HT consumers) have been recorded and monitored for a period of 6 (six) months from April 2025 to Sept 2025.
- Awareness to the consumers regarding TOD tariff was made as per APDCL Schedule of Tariff w.e.f. 1st April 2025 at the Consumer Redressal and Safety Awareness programmes held at the following locations:

    a) Barpeta on 03.06.2025
    b) Pathsala on 04.06.2025
    c) Sivasagar on 19.08.2025
    d) Charaideo on 20.08.2025

    APDCL mentioned that energy bills and smart prepaid statements are available on the APDCL website and on the mobile through myBijulee app. Physical copies can also be made available on request. Also, consumers receive links to the energy bill through SMS. All slab-wise consumption, applied tariffs and other billing parameters are detailed in the energy bill / smart pre-paid statement itself.

- Regarding hourly consumption in case of smart pre-paid consumers, hourly data will be provided by smart meter vendors through APIs and the same will be incorporated in the myBijulee app to show the monthly, daily and hourly consumption to help the consumers plan their consumption pattern. Presently this new feature is under testing and is expected to roll out in production early next month.

Commission's views

APDCL has submitted sample ToD data for approximately 50% of the HT consumers, towards compliance to the Commission's directive to maintain and submit comprehensive data regarding ToD consumption. However, ToD consumption and revenue data is

required for 100% of the consumer base for whom ToD tariff is applicable, so that more accurate and realistic assessment of the revenue impact can be made. Hence, the Commission has stipulated a Format for submission of the ToD data, as detailed in the APR Chapter of this Order, based on which APDCL has to submit the necessary data along with the true-up Petition for every year.

Directive 2: Compliance of Audit Observations

- The Commission notes that Statutory Auditors have made several comments on the Audited Accounts. APDCL is directed to take corrective actions on the same expeditiously.
- Besides, the Commission directs that the amount received against deposit works must be properly recorded in the books of accounts and be treated in the same manner as Grants, i.e., zero cost funds for asset creation, on which no Depreciation, Interest or RoE can be claimed.
- Financial accounting and audit statements should be submitted along with the tariff petitions filed before the Commission and should also be made available in the website in order to ensure that the necessary information is available to the stakeholders for submitting informed comments and suggestions on APDCL's Petition. For the year CAG Report becomes available, the same should also be submitted along with the Tariff Petitions and published in the website of the Petitioner for viewing of public.
- **As regards the issue of Auditor's comments, in order to ensure transparency, APDCL is directed to submit the Auditor's Report as well as the replies submitted in response to the Auditor's comments, along with the Audited Accounts and Petition for true-up for any year.**

Status of Compliance

- Time to time corrective measures are taken based on the Statutory Auditors comments on the Audited Accounts, which is well reflected in the Accounts of the subsequent year.

- Amount received against deposit work is properly recorded in the books of Accounts and the treatment of Asset created from the amount received against deposit work is also done in the same manner as that of grants i.e no depreciation charged on those assets.

- The Audited Annual Accounts, Audit Report as well as the management replies are submitted along with the True-up Petition for any year.

Commission's views

Noted. However, it has been observed that the management replies are not submitted along with the true-up Petition, and APDCL is directed to submit the same along with the future true-up Petitions.

Directive 3: Safety measures

- The Commission directs APDCL to take up awareness campaigns related to Electrical Safety among the consumers. The Commission further directs that APDCL should take up training of their technical persons especially at the field levels, on electrical safety related matters.
- Simultaneously, the maintenance works for ensuring safety of the network in identified vulnerable areas during the monsoons should be taken up on priority.

Status of Compliance

APDCL submitted that Safety Wing of APDCL conducts several Safety Awareness programmes at various locations of Assam with the coordination of the concerned CEO/AGM's/SDE's/SMR's/FME's along with local public and esteemed consumers of the ESD's to discuss various safety aspects and the problems faced by the consumers.

Also, issues related to irregular power supply, low voltage and all other matters related to safety aspects were discussed and taken up in the meeting where representatives from various public organization like PHE, Irrigational Sector, School/colleges, Tea gardens, local gaon panchayat members etc are being involved to foster safety awareness and build trust within the public.

Commission's views

Noted.

Directive 4: Compliance to provisions in Regulations

The Commission has notified new Regulations on Demand Response and framework on Resource Adequacy. APDCL is directed to comply with the provisions laid down in these Regulations and submit the necessary reports and targets as in the Regulations.

Status of Compliance

In compliance with the requirement under the AERC (Framework for Resource Adequacy) Regulations, 2024, the process of preparation of the mandated submissions is presently underway, including the demand assessment and forecasts for short-term, medium-term, and long-term, the Distribution Resource Adequacy Plans (ST-DRAP, MT-DRAP, and LT-DRAP) and annual rolling plan incorporating optimal generation mix, procurement type and tenure, RPO compliance etc. The above reports and plans are being compiled shall be submitted to the Commission shortly.

Commission's views

Noted. APDCL should ensure compliance with the timelines specified in the AERC (Framework for Resource Adequacy) Regulations, 2024 for various activities.

Directive 5: Voluntary Disclosure Scheme for Connected Load

- APDCL is directed to continue with its campaign for soliciting details of the actual Connected Load of the consumers through a Voluntary Disclosure Scheme, in order to facilitate recovery of the appropriate Fixed Charges. APDCL should ensure that the Scheme is simple and easy to administer and the Format and procedure for voluntary submission of revised Connected Load does not result in undue harassment to the consumers.

Status of Compliance

APDCL has already provided opportunity to intended Smart Prepaid Consumers for extension of load at their convenience through online portal (www.apdcl.org) without visiting office. Entire procedure is faceless. Moreover, no money is required to be deposited for such load extension application. This scheme is valid w.e.f 15.05.2025 till further notification.

Commission's views

Noted.

Directive 6: Coordination Committee

- It has been observed by the Commission that there are common planning and operational issues relating to power generation, transmission, and distribution, which have been adversely affecting optimum utilisation of the power system and power supply to consumers and which can be resolved by effective coordination between the three Companies namely, APGCL, AEGCL and APDCL.
- The Commission, therefore, directs that the existing Coordination Committee consisting of senior Officers from APGCL, AEGCL, SLDC and APDCL shall convene quarterly meetings.
- The Minutes of Meeting of each Coordination Committee meeting shall be submitted to the Commission within 15 days of such meeting.

Status of Compliance

APDCL submitted that the directive issued by the Hon'ble Commission has been duly noted.

Commission's views

APDCL should ensure that Co-ordination meetings are held periodically, as directed, so that the problems arising due to lack of coordination between the Utilities at field level are mitigated in a timely manner.

Directive 7: Optimisation of Power Purchase Cost

- Power Purchase cost is major component of the total cost of APDCL and therefore effective monitoring is necessary for optimisation of the Power Purchase Cost. APDCL is directed to submit reports to the Commission on actual power purchased from various sources, on quarterly basis. The Petitioner shall provide detailed justifications, if the price from the source exceeds the price approved in the respective tariff order or if power is procured from a source not approved by the Commission.
- Further, APDCL shall continue to explore new methods to optimise power purchase

through utilisation of all tools available for purchase of power.

Status of Compliance

The Commission's directive has been duly noted. A copy of the report detailing the actual power purchased from various sources is submitted to the Commission for reference.

Commission's views

The Commission directs APDCL to comply with the Commission's directives in letter and in spirit. Mere submission of a Report detailing the power purchased from various sources is not sufficient, as the justifications expected by the Commission have not been submitted. The Commission has given further fresh directives in this regard.

NEW DIRECTIVES

In continuation of the directives issued in the Tariff Order dated 25.03.2025, the Commission hereby issues the following new Directives to APDCL.

Directive 1: Power Purchase Optimization

During the Public Hearing, stakeholders including ABITA, FINER, AIMO, CAC, and PFI submitted comments highlighting concerns regarding high-cost power procurement and sale of surplus power. The stakeholders emphasized that APDCL should strictly follow Merit Order Despatch principles at all times and any procurement from short-term bilateral sources without prior regulatory approval shall be subject to detailed scrutiny and potential disallowance. They also suggested that APDCL should develop an hourly demand–supply forecasting mechanism to minimize costly peak-hour purchases and avoid sale of surplus power at rates lower than purchase cost. The stakeholders submitted that any avoidable inefficiency in power procurement planning should not be passed on to consumers.

The Commission also agrees with the above concerns and observes that power purchase cost constitutes a major component of the total cost of APDCL and, therefore, requires continuous and effective monitoring for optimisation. Accordingly, **the Commission directs APDCL as under:**

- **APDCL shall submit quarterly reports to the Commission detailing the actual quantum of power purchased from various sources, along with the corresponding cost.**
- **APDCL shall provide proper and detailed justification for any under-drawal from cheaper sources and simultaneous additional procurement from costlier sources during the same period, wherever such instances occur. Such justification shall be mandatorily submitted along with future tariff or true-up petitions.**
- **APDCL is directed to strictly comply with regulatory principles while undertaking short-term power procurement, including purchases from bilateral sources above the approved APPC rate, and any deviation shall be subject to regulatory scrutiny and possible disallowance.**
- **APDCL should rigorously explore means to tie-up cheaper power sources in the medium-term and long-term. It should also ensure that all purchases are made in accordance with the Merit Order Despatch principles.**
- **APDCL should explore other platforms in addition to existing platforms from where short-term power is being sourced as well as sold, to minimise the cost of power purchase and maximise the revenue from sale of surplus power.**
- **APDCL should prepare hourly projections of demand and supply, in order to minimise the need for costly power purchase during peak hours and the need to sell surplus power at a discount to purchase rate, which is a prudent Utility practice, in case the same is not being done at present.**
- **APDCL should also consider best-practices being followed in other States in this regard.**
- **APDCL should constitute a dedicated cell with appropriate employee strength comprising members having the necessary financial and commercial expertise, in order to ensure appropriate power purchase planning and execution, so that the power purchase costs are optimised.**
- **APDCL to fix accountability for power purchase activities, with appropriate incentive/disincentive mechanisms, so that this important activity gets the required focus and dedication.**

Directive 2: Data Submission

In view of submissions of FINER, ABITA, and CAC, the **Commission directs APDCL should submit source-wise fixed cost, variable cost assumptions, and escalation factors in future Petitions. APDCL should also submit other relevant data along with the Petition such as directives compliances, certificate from SLDC certifying adherence to Merit Order Despatch (MOD) principles and the monthly MOD stack actually implemented for each month of the year, etc., to ensure proper transparency, and facilitate the stakeholders to make considered comments on the same.**

Further, APDCL should submit the impact of Distributed Renewable Energy (DRE) and Rooftop Solar installations on category-wise sales separately, from the true-up Petition of FY 2025-26 and onwards.

Directive 3: Safety compliance

The SAC members time and again emphasised that APDCL should accord priority to workers' safety and ensure that proper preventive measures are taken, including provision of safety equipment, issuance of safety manuals, and regular training to avoid such accidents. **The Commission directs APDCL to ensure strict and continuous compliance with all applicable safety norms and protocols**.

Directives 4: Planning and forecasting

The Commission notes with concern that surplus power quantum is extremely high and revenue from sale of surplus power amounts to about 10% of the ARR for FY 2025-26, even though the surplus power is being sold at a discount to the purchase rate, which highlights the **need for improvement and more accurate forecasting of demand and planning of power procurement. APDCL should take all necessary steps to plan its power purchase in such a manner that its power purchase costs are optimised, while at the same time, the surplus power quantum is also minimised**.

Directives 5: Capitalisation

The Commission observed that several stakeholders have suggested the need for APDCL to strengthen its estimation methodologies and streamline its project monitoring and completion process, to ensure timely Capitalisation of assets and reduction of CWIP

to reasonable level. APDCL is therefore directed to take immediate and concrete steps to rationalise and expedite the Capitalisation process.

Directives 6: Rationalisation of tariff categories

During the tariff determination process, consumers belonging to different categories requested for change in existing category or for a separate tariff category giving their reasoning for doing the same.

APDCL is hereby directed to carry out a comprehensive study on the implications of such re-categorisation, including its impact on revenue, tariff levels, cross-subsidy structure, and overall financial viability of the Utility and submit a report on the same within 6 months of the issue of this Order. APDCL may also suggest changes to the prevailing tariff categorisation with detailed reasoning in the above report.

Directives 7: Awareness

The Commission observes that there continues to be a gap in proper reporting of consumer complaints, which are being raised and addressed through various fora. In this regard, the **Commission hereby directs APDCL to widely publish and create awareness among consumers about the existence, roles, and accessibility of Consumer Grievance Redressal Forums (CGRFs) at various levels, in accordance with the provisions of the AERC (Redressal of Consumer Grievances) Regulations, 2022.**

APDCL is directed to submit the status of compliance of above new Directives as well as existing directives, which require continued compliance, to the Commission at the end of each quarter. The Commission will review the status in the month following the end of that quarter.

Sd/-	**Sd/-**
(Upananda Kataki)	**(Lt. Gen. Rana Pratap Kalita (Retd.))**
Member, AERC	**Chairperson, AERC**

10 Tariff Schedule

This Chapter details the full cost tariffs applicable in the State of Assam with effect from April 1, 2026 until replaced/modified by a subsequent Order of the Commission.

However, APDCL shall levy category-wise tariffs after factoring the applicable category-wise Targeted Subsidy and Tariff Subsidy announced by the State Government vide Letter Ref. No. PEL. 590525/606 dated 20th December 2025.

For the purpose of this Schedule, the consumers are divided into two distinct groups based on voltage of supply, i.e., LT Group and HT Group. The consumers are further divided into categories based on purpose of supply and nature of supply.

Common Terms & Conditions for both, LT Group and HT Group

(a) Surcharge for delayed payment: Surcharge @ 1.5% per month or part thereof at simple interest shall be levied, if payment is not made in full on or before the due date.

(b) Payments shall be made by cash/local cheque/DD/Electronic Transfer (where applicable): For all payments made by DD, the commission shall be borne by the consumers.

(c) The Tariff does not include any tax or duty, etc., on electrical energy that may be payable at any time in accordance with any law/State Government Rule in force. Such charges, if any, shall be payable by the consumers in addition to tariff charge.

(d) **ToD tariffs shall be applicable for the categories as indicated below.**

- **i) For categories where ToD has been newly introduced in the MYT Order, the same shall be implemented at the option of the consumer. APDCL should facilitate such communication from the consumer regarding whether they are opting for ToD tariff.**
- **ii) For the categories for whom ToD tariff was optional under the earlier regime, the option shall continue to be available under the revised ToD regime.**
- **iii) For categories for whom ToD tariff is compulsory under the earlier regime, the revised ToD tariff shall be compulsory.**
- **iv) In case a consumer who has opted for ToD tariff subsequently wishes to opt out, the consumer shall be allowed to opt out from ToD tariff. However, such decision to opt out or again opt in shall be allowed for a maximum of once**

every 6 months, and provided that APDCL is given clear notice of the consumer's intention at least 2 months in advance.

LT GROUP

Supply Voltage 1 Ph, 230 V AC and 3 Ph, 415 V AC

Common Terms & Conditions for LT Group

(a) For the purpose of determination of monthly fixed charge based on Connected Load, the Connected Load shall be rounded up to the next higher kW if the decimal is higher than 0.5 and the nearest lower kW if the decimal is lower than 0.5.

(b) For Jeevan Dhara consumers having Connected Load below 0.5 kW, Connected Load shall be rounded off to 0.5 kW.

Power factor penalty and rebate

[Applicable for LT IV –Commercial, LT V – General Purpose Supply, LT VIII – Small Industries, and HT I – Domestic, HT II – Commercial, HT III – Public Water Works, HT IV – Bulk Supply, HT V (A) - Small Industries, HT V (B) – HT I Industry, HT V (C) – HT II Industry, HT VI – Tea, Coffee & Rubber, HT VII – Oil & Coal, HT VIII – Irrigation, and HT X – Electric Crematorium]

(a) Power Factor Rebate:
   a. In case, the average PF (leading or lagging) maintained by the consumer is more than 0.85 and up to 0.95, a rebate of 1% on the Energy Charges on unit consumption shall be applicable;
   b. For PF (leading or lagging) of 0.95 and above up to 0.97, a rebate of 2% on the Energy Charges on unit consumption shall be applicable;
   c. For PF (leading or lagging) of 0.97 and above up to Unity PF, a rebate of 3% on the Energy Charges on unit consumption shall be applicable.

(b) Power Factor Penalty:
   a. In case average PF (leading or lagging) in a month for a consumer falls below 0.85, a penalty @1% for every 1% fall in PF (leading or lagging) from 0.85 to 0.60; plus

2% for every 1% fall below 0.60 shall be levied on total unit consumption. PF penalty shall be levied on those consumers where PF is recorded electronically.

LT Category-1 Jeevan Dhara

Applicability

This Tariff shall be applicable for supply of power to any premises exclusively for the purpose of own requirements with a Connected Load of not more than 0.5 kW and consumption up to 1.5 kWh/day or 45 kWh per month.

Consumption	Energy Charge	Fixed Charge
For consumption up to 45 kWh per month.	Rs. 5.34/kWh	Rs. 40 per connection per month

If any Jeevan Dhara consumer consumes more than 45 units per month for 2 consecutive months, then such consumer should be transferred to Domestic A category and billed accordingly thereafter, irrespective of the number of units consumed

LT Category –II: Domestic A

Applicability

This tariff shall be applicable for supply of power to consumers having connected load below 5 kW for residential premises, exclusively for domestic purposes only. This shall also include supply of power to occupants of flats in multi-storied buildings, if the premises have not been classified under Domestic B or HT Domestic and receiving bulk power at single point without any individual metering arrangements for domestic purposes.

Consumption	Energy Charge	Fixed Charge
First 120 kWh per month	Rs. 5.99/kWh	Rs. 70/kW/ month
From 121 – 240 kWh per Month	Rs. 7.29/kWh	
Balance kWh	Rs. 8.19/kWh	

In addition to the above Base Tariff, the following Time of Day (TOD) tariff for LT-II A Domestic shall be optionally applicable:

Sl.	Time Slot	Revised TOD Tariff
1	22:00 to 09:00 (Normal Hours)	Normal Energy Charges
2	09:00 to 17:00 hours (Solar Hours)	80% of Normal Energy Charges
3	17:00 to 22:00 hours (Peak Hours)	120% of Normal Energy Charges

NOTE:

If any part of the domestic connection is utilised for any use other than dwelling purpose like commercial, industrial, etc., the entire consumption shall be treated under that category and the respective tariff shall be applied for the entire consumption.

LT Category-III: Domestic-B

Applicability

This tariff shall be applicable for supply of power to consumers having Connected Load of 5 kW and above up to 30 kW exclusively for domestic purposes only. This shall also include bulk supply at single point for supply to occupants of flats in multi-storied buildings having individual metering for domestic purposes.

	Energy Charge	Fixed Charge
For all consumption	Rs 7.74/kWh	Rs. 70/kW/month

In addition to the above Base Tariff, the following Time of Day (TOD) tariff for LT-II B Domestic shall be optionally applicable:

Sl.	Time Slot	Revised TOD Tariff
1	22:00 to 09:00 (Normal Hours)	Normal Energy Charges
2	09:00 to 17:00 hours (Solar Hours)	80% of Normal Energy Charges
3	17:00 to 22:00 hours (Peak Hours)	120% of Normal Energy Charges

NOTE:

If any part of the domestic connection is utilised for any use other than dwelling purpose like commercial, industrial, etc., the entire consumption shall be treated under that category and the respective tariff shall be applied for the entire consumption.

LT Category-IV: LT Commercial

Applicability

This tariff shall be applicable for supply of power to consumers having Connected Load up to 30 kW to all establishments and institutions of commercial nature and connected with trading activities, including commercial offices, Government and public sector commercial installations, commercial houses, optical houses, shops, hotels, restaurants, bars, refreshment stalls, showcases of advertisements, theatres, cinema halls, guest houses, laundries, dry-cleaners, Railway stations, public and private bus-stands not covered under any other category of consumers, copy works, X-ray installations, private nursing homes/clinical laboratories, photographic studios, battery charging units, workshops, petrol pumps, factory & printing presses not using motive power in the manufacturing process, private educational and cultural institutions (excluding institutions covered under the LT V General Purpose Supply), lodging and boarding houses.

	Energy Charge	Fixed Charge
For all consumption	Rs. 8.94/kWh	Rs. 150/kW/month

In addition to the above Base Tariff, the following Time of Day (TOD) tariff for LT-IV Commercial shall be optionally applicable:

Sl.	Time Slot	Revised TOD Tariff
1	22:00 to 09:00 (Normal Hours)	Normal Energy Charges
2	09:00 to 17:00 hours (Solar Hours)	80% of Normal Energy Charges
3	17:00 to 22:00 hours (Peak Hours)	120% of Normal Energy Charges

LT Category V: LT General Purpose Supply

Applicability

a. This tariff shall be applicable for supply of power to consumers having Connected Load up to 30 kW to all Non-commercial and Non-domestic users of electric power like Government offices, Government Educational and cultural institutions, Government hospitals, dispensaries, Charitable institutions and Trusts (public or private formed solely for charitable or religious purposes), Dharamshala, Non-commercial boarding and lodging houses and other Non-commercial institutions, Private Educational Institutions affiliated to Secondary Education Board of Assam (SEBA) / Assam Higher Secondary Education Council (AHSEC) / Central Board of Secondary Education (CBSE) / Council for the Indian School Certificate Examination (CISCE) and Universities approved by Government of Assam

	Energy Charge	Fixed Charge
For all consumption	Rs. 7.99/kWh	Rs. 165/kW/month

b. Government Primary and Secondary / Higher Secondary Schools/Charitable organizations involved in eradicating hunger specially for children

	Energy Charge	Fixed Charge
For all consumption.	Rs. 7.89/kWh	Rs. 90/kW/month

In addition to the above Base Tariff, the following Time of Day (TOD) tariff for LT-V (A) and (B) General Purpose Supply shall be optionally applicable:

Sl.	Time Slot	Revised TOD Tariff
1	22:00 to 09:00 (Normal Hours)	Normal Energy Charges
2	09:00 to 17:00 hours (Solar Hours)	80% of Normal Energy Charges
3	17:00 to 22:00 hours (Peak Hours)	120% of Normal Energy Charges

LT Category VI-Public Lighting

Applicability

This tariff is applicable to supply of power for street lighting systems in Municipalities, Town Committees and Panchayat, etc., Signal systems in roads and park lighting, in areas of Municipality/Town Committee/Panchayat, etc.

	Energy Charge	Fixed Charge
For all consumption	Rs. 7.94/kWh	Rs. 140/kW/month

In addition to the above Base Tariff, the following Time of Day (TOD) tariff for LT-VI Public Lighting shall be optionally applicable:

Sl.	Time Slot	Revised TOD Tariff
1	22:00 to 09:00 (Normal Hours)	Normal Energy Charges
2	09:00 to 17:00 hours (Solar Hours)	80% of Normal Energy Charges
3	17:00 to 22:00 hours (Peak Hours)	120% of Normal Energy Charges

N.B. In case any unmetered supply is provided in exigency, the energy shall be assessed considering 12 hours per day burning hours for the energy charge. For example, if the total connected load of the street light service is 1 kW, energy shall be assessed as 12 units per day.

LT Category VII: Agriculture

Applicability

This tariff shall be applicable for supply of power for agriculture / irrigation purpose in the agricultural sector having Connected Load up to 30 kW.

	Energy Charge	Fixed Charge
For all consumption	Rs. 6.09/kWh	Rs. 65/kW/month

LT Category VIII: Small Industries

Applicability

This tariff is applicable for supply of power for industrial purposes having licence from designated authority of appropriate Government and not covered under any other category, for consumers having Contract Demand/Connected Load up to 30 kW.

Category	Energy Charge	Fixed Charge
Rural Industries – for all consumption	Rs. 6.59/kWh	Rs. 70/kW/month
Urban Industries - for all consumption	Rs. 6.84/kWh	Rs. 80/kW/month

In addition to the above Base Tariff, the following Time of Day (TOD) tariff for LT-VIII Small Industries shall be optionally applicable:

Sl.	Time Slot	Revised TOD Tariff
1	22:00 to 09:00 (Normal Hours)	Normal Energy Charges
2	09:00 to 17:00 hours (Solar Hours)	80% of Normal Energy Charges
3	17:00 to 22:00 hours (Peak Hours)	120% of Normal Energy Charges

LT Category IX: Temporary Supply

Applicability

This Tariff will be applicable for electric supply of power at LT, which is temporary in nature for a period not exceeding one month.

Category	Charges
Domestic	Rs. 105/kW/day or Rs. 10.93/kWh whichever is higher
Non-Domestic Non- Agricultural	Rs.155/kW/day or Rs. 13.03/kWh whichever is higher
Agricultural	Rs. 65/kW/day or Rs. 6.19/kWh whichever is higher.

LT Category X- Electric Vehicles Charging Station

Applicability

This tariff is applicable to consumers who use electricity exclusively for Electric Vehicle Charging installations at LT level.

	Energy Charge	Fixed Charge
For all consumption	Rs. 8.72/kWh	-

In addition to the above Base Tariff, the following Time of Day (TOD) tariff for LT-X Electric Vehicle Charging Stations shall be applicable:

Sl.	Time Slot	Revised TOD Tariff
1	22:00 to 09:00 (Normal Hours)	Normal Energy Charges
2	09:00 to 17:00 hours (Solar Hours)	80% of Normal Energy Charges
3	17:00 to 22:00 hours (Peak Hours)	120% of Normal Energy Charges

Note: Consumers can charge their own Electric Vehicles at their respective premises, paying the charge applicable to the consumer category.

LT Category XI – Inter-State Sale

Applicability

This tariff is applicable for sale of power to consumers in neighbouring States on request, at LT level.

	Energy Charge	Fixed Charge
For all consumption	Rs. 8.72/kWh	-

HT GROUP

Tariff for this group is applicable for those consumers availing power supply at 11 kV or above. Calculations shall be deemed to be in kVA for consumers under this part of the tariff schedule. However, consumers above 30 kW (or 35 kVA) Connected Load and drawing power at LT are

also covered under this Group. During the period of conversion from LT supply to HT supply, the consumer shall have to pay the necessary compensatory charges (10% and 3% of total energy consumption for LT line & DTR, respectively).

Common Terms & Conditions for HT Group

a. For supply at voltages higher than as applicable to the consumers, rebate @ 3% shall be applicable on energy consumption for each higher level of voltage, and a surcharge of 3% shall be applicable if consumer draws power at lower than the applicable voltage level.

b. In case, metering is done on the L.T. side of the distribution transformer, for a group of consumers receiving power, then for the purpose of billing, an additional energy consumption on account of transformer loss computed @ 3% on the consumer's Energy Charges shall be added.

c. **Voltage Rebate**
   i. A rebate of 3% in the Energy Charges shall be applicable for all consumers taking supply at 132 kV.
   ii. ii) A rebate of 1.5% in the Energy Charges shall be applicable for all consumers taking supply at 33 kV.

d. **Contract Demand**: The Contract Demand shall be as per the Agreement executed between the consumer and APDCL. In case declaration/option is not made by the consumer, 100% of the Connected Load converted to kVA shall be the contracted demand.

e. **Billable Demand**: Billing demand shall be 100% of Contracted Demand or Recorded Demand, whichever is higher. In case the meter remains defective in a month, billing demand shall be considered as per clause 6.3.4 of AERC (Electricity Supply Code) Regulations, 2017, as amended from time to time.

f. **Overdrawal Penalty**: If the Recorded Demand is higher than the Contracted Demand in a month, then fixed charge based on Contracted Demand shall be levied at three times the normal rate for the portion of demand exceeding the Contracted Demand.

HT Category I: HT Domestic

Applicability

This tariff shall be applicable for supply of power to consumers having Connected Load above 30 kW (or 35 kVA) to residential premises, exclusively for domestic purposes only. This shall also include supply of power to occupants of flats in multi storied buildings/ residential colony, receiving bulk power at single point with single metering for domestic purposes.

	Energy Charge	Fixed Charge
For all consumption	Rs 7.89/kWh	Rs 70/kVA/month

In addition to the above Base Tariff, the following Time of Day (TOD) tariff for HT Domestic shall be optionally applicable:

Sl.	Time Slot	Revised TOD Tariff
1	22:00 to 09:00 (Normal Hours)	Normal Energy Charges
2	09:00 to 17:00 hours (Solar Hours)	80% of Normal Energy Charges
3	17:00 to 22:00 hours (Peak Hours)	120% of Normal Energy Charges

NOTE:

If any part of the domestic connection is utilised for any use other than dwelling purpose like commercial, industrial, etc., the entire consumption shall be treated under that category and the respective tariff shall be applied for the entire consumption.

HT Category-II: HT Commercial

Applicability

This tariff shall be applicable for supply of power to consumers having Connected Load above 30 kW (or 35 kVA) to all establishments and institutions of commercial nature and connected with trading activities, including commercial offices, Government and public sector commercial installations, commercial houses, optical houses, shops, shopping malls, restaurants, hotels, bars, refreshment stalls, showcases of

advertisements, theatres, cinema halls, guest houses, laundries, dry-cleaners, Railway stations, public and private bus-stands not covered under any other category of consumers, copy works, X-ray installations, private nursing homes/clinical laboratories, photographic studios, battery charging units, workshops, petrol pumps, factory & printing presses not using motive power in the manufacturing process, private educational and cultural institutions (excluding institutions covered under the HT IV (i) Bulk Supply – Educational Institutions), lodging and boarding houses.

	Energy Charge	Fixed Charge
For all consumption	Rs. 9.04/kWh	Rs. 210/kVA/month

In addition to the above Base Tariff, the following Time of Day (TOD) tariff for HT-II Commercial shall be optionally applicable:

Sl.	Time Slot	Revised TOD Tariff
1	22:00 to 09:00 (Normal Hours)	Normal Energy Charges
2	09:00 to 17:00 hours (Solar Hours)	80% of Normal Energy Charges
3	17:00 to 22:00 hours (Peak Hours)	120% of Normal Energy Charges

HT Category - III: Public Water Works

Applicability

This tariff is applicable for public water supply maintained by Government or Government Corporations, Municipalities, Town Committees and Panchayats.

	Energy Charge	Fixed Charge
For all consumption.	Rs. 7.79/kWh	Rs. 155/kVA/month

In addition to the above Base Tariff, the following Time of Day (TOD) tariff for HT-III Public Water Works shall be optionally applicable:

Sl.	Time Slot	Revised TOD Tariff
1	22:00 to 09:00 (Normal Hours)	Normal Energy Charges
2	09:00 to 17:00 hours (Solar Hours)	80% of Normal Energy Charges
3	17:00 to 22:00 hours (Peak Hours)	120% of Normal Energy Charges

HT Category – IV: Bulk Supply

Applicability

This tariff is applicable to Bulk consumers with a Connected Load above 30 kW (or 35 kVA) provided that the consumers not covered by any other category such as any domestic connection, industries, tea, etc., and who make their own internal distribution arrangement at their own cost and receive power at the point of supply at high or extra high voltage. This is further classified as under:

(i) Educational institution-

- **a.** Government Educational Institutions/Charitable organizations involved in eradicating hunger specially for children
- **b.** Private Educational Institutions affiliated to Secondary Education Board of Assam (SEBA) / Assam Higher Secondary Education Council (AHSEC) / Central Board of Secondary Education (CBSE) / Council for the Indian School Certificate Examination (CISCE) and Universities approved by Government of Assam

(ii) Others - categories not included in any of the above categories, including Government offices, Railways, Military Engineering Services, etc.

(i) Educational Institutions

	Energy Charge	Fixed Charge
For all consumption	Rs. 8.19/kWh	Rs. 150/kVA/month

(ii) Others

	Energy Charge	Fixed Charge
For all consumption	Rs. 9.14/kWh	Rs.210/kVA/month

In addition to the above Base Tariff, the following Time of Day (TOD) tariff for HT-VI (A) and (B) Bulk Supply shall be optionally applicable:

Sl.	Time Slot	Revised TOD Tariff
1	22:00 to 09:00 (Normal Hours)	Normal Energy Charges
2	09:00 to 17:00 hours (Solar Hours)	80% of Normal Energy Charges
3	17:00 to 22:00 hours (Peak Hours)	120% of Normal Energy Charges

HT Category V (A): HT Small Industries

Applicability

This tariff is applicable for supply of power for industrial purposes having licence from designated authority of appropriate Government and not covered under any other category, for consumers with Connected Load above 30 kW (or 35 kVA) and up to 50 kVA, irrespective of location of the industry in rural area or urban area.

	Energy Charge	Fixed Charge
For all consumption.	Rs. 7.29/kWh	Rs. 90/kVA/month

In addition to the above Base Tariff, the following Time of Day (TOD) tariff for HT-V (A) Industries shall be optionally applicable:

Sl.	Time Slot	Revised TOD Tariff
1	22:00 to 09:00 (Normal Hours)	Normal Energy Charges
2	09:00 to 17:00 hours (Solar Hours)	80% of Normal Energy Charges
3	17:00 to 22:00 hours (Peak Hours)	120% of Normal Energy Charges

HT Category V (B)-HT-I Industries

Applicability

This tariff is applicable for supply of power to industrial consumers having licence from designated authority of appropriate Government and not covered under any other category, at a single point for industrial purposes with Contract Demand/Connected

Load above 50 kVA and up to 150 kVA.

	Energy Charge (Base Tariff)	Fixed Charge
For all consumption	Rs. 7.69/kWh	Rs. 200/kVA/month

TOD tariff

In addition to the above Base Tariff, the following Time of Day (TOD) tariff for HT-I industries shall be applicable:

Sl.	Time Slot	Revised TOD Tariff
1	22:00 to 09:00 (Normal Hours)	Normal Energy Charges
2	09:00 to 17:00 hours (Solar Hours)	80% of Normal Energy Charges
3	17:00 to 22:00 hours (Peak Hours)	120% of Normal Energy Charges

HT Category V (C): HT-II Industries

Applicability

This tariff is applicable for supply of power at a single point for industrial purposes having licence from designated authority of appropriate Government and not covered under any other category, for Contract Demand/Connected Load above 150 kVA.

(a) **Tariff**

A consumer may opt for any one of the following Options depending on his requirements by prior intimation to concerned billing unit of Discom. A consumer may change his Option only after six months of availing that particular Option.

Option -1

	Energy Charge (Base Tariff)	Fixed Charge
For all consumption	Rs. 8.09/kWh	Rs. 280/kVA/month

In addition to the above Base Tariff, the following Time of Day (TOD) tariff for HT-II Industries shall be applicable:

Sl.	Time Slot	Revised TOD Tariff
1	22:00 to 09:00 (Normal Hours)	Normal Energy Charges
2	09:00 to 17:00 hours (Solar Hours)	80% of Normal Energy Charges
3	17:00 to 22:00 hours (Peak Hours)	120% of Normal Energy Charges

Option -2

	Energy Charge	Fixed Charge
For all consumption	Rs. 7.69/kWh	Rs. 360/kVA/month

No TOD Tariff will be applicable for consumers who opt for Option-2.

Note: **20% rebate on total energy charges shall be applicable for Oxygen manufacturing plants under both Option-1 and Option-2.**

HT Category VI-Tea, Coffee and Rubber

Applicability

This tariff is applicable for tea, coffee, rubber plantation/production, and sugarcane based industry by utilisation of electrical power in factory, irrigation, lighting, etc., in the Estate/associated area.

	Energy Charge (Base Tariff)	Fixed Charge
For all consumption.	Rs. 8.04/kWh	Rs. 310/kVA/month

In addition to the above Base Tariff, the following Time of Day (TOD) tariff for HT-VI Tea, Coffee & Rubber shall be applicable:

Sl.	Time Slot	Revised TOD Tariff
1	22:00 to 09:00 (Normal Hours)	Normal Energy Charges
2	09:00 to 17:00 hours (Solar Hours)	80% of Normal Energy Charges

3	17:00 to 22:00 hours (Peak Hours)	120% of Normal Energy Charges

HT Category VII: Oil and Coal

Applicability

This tariff shall be applicable for supply of power to consumers at a single point for installations of Oil and Coal Sector.

	Energy Charge (Base Tariff)	Fixed Charge
For all consumption	Rs 9.09/kWh	Rs. 320/kVA/month

In addition to the above Base Tariff, the following Time of Day (TOD) tariff for HT-VII Oil and Coal shall be applicable:

Sl.	Time Slot	Revised TOD Tariff
1	22:00 to 09:00 (Normal Hours)	Normal Energy Charges
2	09:00 to 17:00 hours (Solar Hours)	80% of Normal Energy Charges
3	17:00 to 22:00 hours (Peak Hours)	120% of Normal Energy Charges

HT Category VIII: HT Irrigation

Applicability

This tariff shall be applicable for electricity supply for agriculture / irrigation purpose in the agricultural sector for pump set above 30 kW (or 35 kVA) and for whom power has been supplied at 11 kV or above.

	Energy Charge	Fixed Charge
For all consumption.	Rs. 7.59/kWh	Rs. 85/kVA/month

HT Category IX: Temporary Supply

Applicability

This Tariff will be applicable for electric supply of power at HT which is temporary in nature for a period not exceeding one month.

Charges
Rs. 190/kVA/day or Rs. 10.69/kWh, whichever is higher

HT Category – X: Electric Crematorium

Applicability

This tariff is applicable for electricity used in Electric Crematoriums for all purposes, including lighting.

	Energy Charge	Fixed Charge
For all consumption	Rs. 5.89/kWh	Rs. 190/kVA/month

HT Category – XI: Railway Traction

Applicability

This tariff is applicable to the Railways for traction loads.

	Energy Charge	Fixed Charge
For all consumption	Rs. 7.79/kWh	Rs. 320/kVA/month

HT Category – XII: Electric Vehicles Charging Stations

Applicability

This tariff is applicable to consumers who use electricity exclusively for Electric Vehicle Charging installations at HT level.

	Energy Charge	Fixed Charge
For all consumption.	Rs. 8.35/kWh	-

In addition to the above Base Tariff, the following Time of Day (TOD) tariff for HT-XII Electric Vehicle Charging Stations shall be applicable:

Sl.	Time Slot	Revised TOD Tariff
1	22:00 to 09:00 (Normal Hours)	Normal Energy Charges
2	09:00 to 17:00 hours (Solar Hours)	80% of Normal Energy Charges
3	17:00 to 22:00 hours (Peak Hours)	120% of Normal Energy Charges

Note: Consumers can charge their own Electric Vehicles at their respective premises, paying the charge applicable to the consumer category.

HT Category XIII – Inter-State Sale

Applicability

This tariff is applicable for sale of power to consumers in neighbouring States on request, at HT level.

	Energy Charge	Fixed Charge
For all consumption	Rs. 8.72/kWh	-

Green Energy Tariff

For LT and HT consumers availing additional Green Energy from Distribution Licensee:

Green Energy Tariff: Rs. 1.00 /kWh

The Green Energy Tariff shall be over and above the existing fixed and energy charges applicable for different categories of consumers.

General Conditions

a) This Tariff Order shall continue to be applicable until it is replaced/modified by a subsequent Order of the Commission.

b) This Tariff Order is signed by the Assam Electricity Regulatory Commission on March 6, 2026.

c) These Tariffs take effect from April 1, 2026.

Sd/-
(Shri Upananda Kataki)
Member, AERC

Sd/-
(Lt. Gen. Rana Pratap Kalita (Retd.))
Chairperson, AERC

11. Minutes of the 37th Meeting of the State Advisory Committee

Venue: AERC Conference Hall.

Day/Dated: Wednesday, 21st January 2026

List of members/special invitees: At Annexure-1

The 37th Meeting of the State Advisory Committee (SAC) was chaired by the Hon'ble Chairperson, AERC, Lt. Gen. Rana Pratap Kalita (Retd.).

At the onset, Hon'ble Chairperson, AERC welcomed all members and invitees to the 37th meeting of the State Advisory Committee of the Commission. Addressing the audience, Hon'ble Chairperson remarked that it was a privilege for him to chair this meeting for the first time after he took over as Chairperson, and he looked forward to collaboratively contribute towards development of power sector of Assam in consonance with the State's developmental aspirations.

He further acknowledged the tragic passing away of one very active member of the Committee, Champak Baruah, on October, 2025. He informed that the Commission had held a prayer meet with the officers and staff for eternal peace of the departed soul and extended condolences to the family. He once again expressed his condolences to late Baruah's family and friends.

The Hon'ble Chairperson, stated that the State Advisory Committee occupies a very important place in the regulatory framework of the power sector. It is a platform that brings together diverse perspectives—policy, technical, commercial, and consumer-centric—so that the regulatory process remains transparent, inclusive, and responsive to ground realities. The presence of the Members reflects the Committee's continued commitment to strengthening Assam's power sector through constructive dialogue and informed advice.

He further added that the electricity sector in Assam, like in many other states, is at a crucial juncture and is experiencing transformative changes. Assam is witnessing growing demand driven by economic development, urbanisation, rural electrification, and emerging sectors such as electric mobility and digital infrastructure. The highest power demand met in the state reached over 2,812 MW in 2025 — up from 1,956 MW in 2019, a rise of 856 MW in just six years—and this could be achieved due to improved infrastructure, advanced load

management, and stronger coordination among power generation, transmission, and distribution entities. As per reports available, the power demand is likely to nearly triple by 2035-36; and the utilities should be proactive to meet the challenge. At the same time, the sector faces challenges related to financial sustainability of utilities, quality and reliability of supply, loss reduction, integration of renewable energy, and protection of consumer interests.

The Hon'ble Chairperson observed that, the role of the Regulatory Commission is not merely that of an adjudicator of tariffs, but of a facilitator of balanced growth—ensuring affordability for consumers, viability for utilities, and long-term sustainability of the sector. And the inputs and recommendations of this Committee are invaluable in achieving that balance.

The Hon'ble Chairperson informed that the 37th State Advisory Committee meeting deliberations centre on the tariff petitions for FY 2026-27 submitted by APDCL, APGCL, AEGCL, and SLDC. While APGCL has requested for approval of Aggregate Revenue Requirement (ARR) of Rs.1287.84 Cr for FY 2026-27, AEGCL and SLDC has proposed ARR of Rs.659.93 Cr and Rs.16.05 Cr respectively. APDCL has requested for approval of standalone ARR of Rs 11279.78 Cr for FY 2026-27 and although there is a nominal revenue gap of Rs 20.21 Cr, no enhancement in retail tariff has been proposed by the Distribution Licensee. APDCL proposes to recover this gap through new policy interventions like green tariff, green energy open access etc. He further informed that the State Government has decided to continue with the existing subsidy structure for the FY 2026-27.

Concluding his address, the Hon'ble Chairperson mentioned that the power Companies would make detailed presentations on the tariff petitions and assured the Committee that the Commission remains committed to transparency, stakeholder consultation, and evidence-based decision-making.

He requested the SAC members to put forward their suggestions and concerns during the discussions

The important points discussed by the members during the course of the meeting are briefly recorded below.

Agenda 3: Brief presentation by AERC.

A Power Point Presentation was made by Mrs. Punam Rabha, Deputy Director, regarding Action Taken Report of the last 36th SAC meeting.

During deliberations on the presentation, the Members were informed that APDCL completed the construction of dedicated feeders for tea estates under various schemes such as SOPD 2018–19, SOPD 2019–20, and the UDAY Scheme, after which no funds have been sanctioned so far. It was further informed that, as on date, works related to a total of 159 tea gardens have been completed, while works for the remaining approximately 222 tea gardens are yet to be taken up.

Shri Abhijit Sharma, SAC Member, emphasised that tea industry production is being adversely affected due to prolonged issues of low voltage supply. The Hon'ble Chairperson, AERC, enquired whether there has been any further progress on the project or whether the project stands completed. In response, Shri Rakesh Kumar, IAS, MD, APDCL, informed that after completion of the said schemes, a few feeder works were executed on a cooperative basis, with 50% contribution from the tea industries and 50% contribution from APDCL. He further informed that the cost of construction per feeder is approximately Rs.50 lakhs and that, to cover the remaining 222 tea gardens, about 70–80 feeders would be required, as one feeder can cater to 2–3 gardens. Accordingly, a total expenditure of around Rs.50 crores may be required. He added that support from the Government would help APDCL in expediting the work.

The Hon'ble Chairperson advised APDCL to propose a roadmap for taking up the project, including the associated financial requirements. Shri Jayant Narlikar, IAS, Commissioner & Secretary to the GoA, enquired whether any budgetary proposal has been placed and whether any liability would be created. In reply, the MD, APDCL, stated that no liability would be created and that the budgetary proposal would be placed during the current year.

Shri Jojneswar Sharma and Shri Amarendra Goswami, SAC Members submitted that, although coordination exists between APDCL officials and the Electrical Inspectorate during electrical accidents, the main concern is that, in many cases, workers are engaged at sites without adequate safety kits. The Members emphasised that APDCL should accord priority to workers' safety and ensure that proper preventive measures are taken, including provision of safety equipment, issuance of safety manuals, and regular training to avoid such accidents. In response, the MD, APDCL, informed that proper training is already being conducted in the field and that, over time, a reduction in accident cases has been observed.

Shri Kumud Ch. Medhi, SAC Member, mentioned that electrical accidents do not occur only with human beings but also with animals, as in many cases transformers are not properly barricaded. In reply, the MD, APDCL, stated that transformers are being barricaded and that

approx. Rs.12 crores have been spent for this purpose. He further informed that strict instructions have been issued to all Deputy General Managers (DGMs), both in rural and urban areas, to ensure barricading of transformers. He added that, in case of fund constraints , low-cost barricading arrangements such as bamboo may be adoptedin rural areas ; however, no transformer would be left without proper barricading.

While deliberating on the Action Taken Reports, Mrs Rabha submitted that with regard to cumulative billing on certain days, APDCL has already made available daily and hourly consumption data on the mobile application so as to enhance consumer awareness. The MD, APDCL, further stated that the sudden spike due to cumulative addition of consumption is primarily a network-related issue. He informed that the matter has recently been discussed in meetings with the telecom service providers and the Ministry of Power, GoI, at Delhi and that, over time, additional telecom towers may be required to address the issue.

It was submitted before the SAC Members that, in order to encourage consumers to opt for rooftop solar power, particularly in view of the usual delays in receipt of Government subsidies, APDCL has facilitated loan arrangements with almost all major nationalised and private sector banks, such as SBI, PNB, Union Bank of India, Canara Bank, Bank of Baroda, HDFC Bank, ICICI Bank, etc., for installation of rooftop solar systems by consumers. The MD, APDCL, further informed that, as on date, approx. 80,000 rooftop solar installations have been completed in the State and that Assam currently stands at the 8th position in India. He added that Assam is likely to soon surpass Andhra Pradesh and Telangana, where the gap is only about 7,000–8,000 installations, and thereby attain the 6th position at the all-India level.

MD, APDCL, informed that due to large-scale solarisation, a major issue being faced by APDCL is that consumers stop drawing power from the grid during solar hours and instead inject excess power into the grid, while peak power has to be procured at higher costs during non-solar hours. As a result, the DISCOM is incurring financial losses. MD, APDCL, suggested that a Standard Operating Procedure guideline like policy to compensate DISCOMs for such losses may be advised to the Government for consideration at the Forum of Regulators (FOR) meeting.

Shri Saurabh Agarwal, SAC Member, enquired whether APDCL has submitted any comments on the draft Electricity Bills. In response, the Managing Director, APDCL, informed that the comments have been forwarded to the Government of Assam for further processing. Ms. P. Sharma, Joint Director (Tariff), AERC, informed that AERC has also submitted its suggestions/comments directly to the Ministry.

Shri Abhijit Barooah, SAC Member, enquired that in view of the impending huge demand for power and substantial increase in investment required for future AEGCL projects, as to how such huge investment would be met. In response, Shri Jadav Saikia, IAS, Power Secretary, GoA, informed that AEGCL had initially proposed projects amounting to approx. Rs. 12,000 crore. He stated that if such an amount were to be approved under the EAP funding mechanism, the corresponding State share would also increase, and the State does not have sufficient funds to meet such a requirement. Accordingly, AEGCL has been advised to revise the project cost to Rs. 3,492 crore.

Shri Jayant Narlikar, IAS, further suggested that the three Companies may explore the option of arranging guarantees to access funds at cheaper rates, as it is difficult for the Government to provide funds for all projects. He also advised the Companies to explore alternative business models to support project financing.

Lastly, the SAC Members requested the Commission that the unfinished action items be carried forward for consideration in the next meeting as well. Hon'ble Chairperson, AERC assured that the same would be carried forward accordingly.

Agenda 4: Brief presentation by APDCL on the Tariff Petition

A PowerPoint presentation was made by the Shri Rakesh Kumar, MD, APDCL on the APDCL's Petition for Truing Up for FY 2024-25, Annual Performance Review for FY 2025-26 & Revised Aggregate Revenue Requirement and Tariff for FY 2026-27.

MD, APDCL mentioned that the peak demand in Assam has reached to 2809MW in FY 2025-26. Gross Energy Purchased by APDCL is 15,556 MU with Long–Term of 14,191 MU (91%); Bilateral of 287 MU (1.84%); PX of 947 MU (6%), DSM of 131 MU (1%). He also added that the domestic consumers contribute only 41% of the revenue despite accounting for 49% of energy sales, indicating cross-subsidization, and commercial consumers contribute 20%, and industrial consumers contribute 25% of the total revenue mix.

Shri Nikunja Borthakur, SAC Member enquired whether APDCL has fulfilled its renewable energy targets. In response, MD, APDCL, stated that the renewable energy targets have been fully met.

MD, APDCL mentioned that the ACS-ARR gap is -0.24 Rs/kWh in FY 2024-25. The AT&C loss has come to 15.73%. The receivable days have been reduced to 87 days and the payable days has come to 33 days. The O&M expenses as % of GFA (excl. Smart meter OPEX is 15%.

APDCL informed that in the True-up for FY 2024-25, the revenue gap was Rs. 377.27 Crore, and along with carrying cost of Rs. 89.76 Crore, the gross revenue gap is Rs. 467 Crore. The distribution loss achieved by APDCL is 15.44% against the approved loss of 14.50%.

Shri Amarendra Goswami, SAC Member, pointed out several issues relating to the Tariff Petition filed by APDCL. He submitted a representation for consideration during the process of tariff finalisation. In response, MD, APDCL, stated that a reply would be forwarded and that the issues would also be addressed during the hearing.

Dr. Satyajit Bhuyan, SAC Member, enquired about the distribution losses of APDCL. In response, the MD, APDCL, informed that APDCL has an extensive LT network of approximately 3 Lakh ckms, which contributes to higher distribution losses. Dr. Bhuyan further enquired regarding measures undertaken to reduce distribution losses. MD, APDCL, replied that at present major works are under implementation under RDSS and AIIB funding, against which approx. 200 new substations, 20,000 new transformers, 12,000 new HT networks, would be added for replacing the old networks to reduce technical losses. he further informed that with increased smart meters, commercial losses are now negligible.

Dr. Bhuyan, further enquired as to why the power purchase cost has been increasing over time. In response, the MD, APDCL, informed that the increase in power purchase cost is attributable to multiple factors, including higher rates discovered in most of the new power procurement tenders. He further stated that, in certain cases, cost overruns in generation projects have also contributed to the increase; for example, the Subansiri project was initially envisaged at a tariff of around Rs. 3 per unit, which has now increased to approx. Rs. 7.70 per unit. Furthermore, sometime to meet the high demand power procure at high prices from the market.

Dr. Bhuyan, also enquired about the tariff subsidy, to which MD, APDCL replied that existing tariff subsidy will continue as per the State Government order.

Shri Nikunja Borthakur, SAC Member, appreciated APDCL for the reduction in AT&C losses over time and enquired whether feeder-wise loss data is being maintained and whether high-loss feeders are being prioritized. In response, the MD, APDCL, informed that feeder-wise

loss data is being maintained and that high-loss areas are being taken up on a priority basis, with Detailed Project Reports (DPRs) being prepared accordingly.

Shri Abhijit Barooah, SAC Member enquired why the total expenditure claimed in True -up petition of Rs 11,098.99 Cr is less than actual expenditure of Rs 11,973.39 Cr MD, APDCL replied that one major component for this variation is due to operational cost related to Smart Meters. He further informed that smart meters are being installed under RDSS through OPEX mode, and APDCL has to pay to the smart meter operator on a per month per meter basis but the same is excluded in the True up, because there was a decision in the Cabinet that whatever cost is incurred shall be taken over by the Government Accordingly, APDCL has not claimed this expenditure to avoid double recovery—from consumers and also from the Government.

Shri Nikunja Borthakur, SAC Member enquired that there is an increase in interest & finance charges. MD, APDCL replied that the increase is primarily due to certain undecided amount received from M/s REC Ltd, which has now been considered as loan as a result of which approx. Rs 400 Crore has been converted to loan, and APDCL has to pay back both the interest and principle amount to M/s REC Ltd .

Dr. Bhupati Das, SAC Member, suggested that APDCL may explore additional sources of revenue under non-tariff income, such as leasing infrastructure for fibre optic cables, etc. MD, APDCL, replied that APDCL would consider the suggestion of exploring such opportunities.

MD, APDCL further informed that the estimated energy sales is 11,462 MU which is 6% less than figure approved by Hon’ble Commission. The projected standalone ARR for FY 2025-26 is Rs 11,610.23 Cr with estimated gap of Rs.158.84 Cr.

MD, APDCL mentioned that Standalone ARR FY 2026-27 during FY 2026-27 is estimated at Rs. 11279.78 Cr., leaving a shortfall of Rs. 20.21 Cr. over the cumulative requirement. It necessitates Rs. 1.5 paise/kWh hike over the existing tariff structure for recovery of the minor deficit of Rs. 20.21 crore in FY 2026-27. However, New policy interventions like green tariff, green energy open access are potential sources of additional revenue stream for the company which can be utilized to recover the miniscule gap over the entire fiscal year. With the above mentioned rates APDCL has proposed to continue existing tariff structure with no hike in effective rates for the next Financial Year.

Agenda 5: Brief presentation by AEGCL on the Tariff Petition

A Power Point presentation was made by the CGM, AEGCL on behalf of the MD, AEGCL on the AEGCL's Petition for Truing Up for FY 2024-25, Annual Performance Review for FY 2025-26 & Revised Aggregate Revenue Requirement and Tariff for FY 2026-27 and SLDC's Petition for Truing Up for FY 2024-25, Annual Performance Review for FY 2025-26 & Revised Aggregate Revenue Requirement and Tariff for FY 2026-27.

For AEGCL petition, AEGCL submitted that in the True-up for FY 2024-25, the Transmission Loss came down to 3.24% against the approved the Transmission loss of 3.23% by the Hon'ble Commission and the ARR after Sharing (Gains)/Losses and Incentive came to Rs.621.07 Cr against the approved amount of Rs. 672.85 Cr which led to a surplus of Rs.48.16 Cr.

In the Annual Performance Review for FY 2025-26, the Transmission Loss for the year projected to be 3.22% after assessing the first half the financial year. The Net Revenue Requirement for the FY 2025-26 is projected to be Rs.627.66 Cr against the approved amount of Rs. 612.34 Cr with a revenue gap of 15.32 Cr.

In the Aggregate Revenue Requirement for FY 2026-27, the Transmission Loss is estimated as 3.19% against the approved Transmission Loss of 3.19%. The Net Aggregate Revenue Requirement for the Financial year 2026-27 proposed by AEGCL is Rs.659.93Cr. against the approved amount of Rs.632.09Cr.

With this AEGCL submitted the proposed Transmission Charge at Rs. 0.47/ kWh.

For SLDC petition, SLDC submitted that Aggregate Revenue Requirement after sharing of (Gains)/Loss Rs.10.15 Cr against the approved amount of Rs. 15.04 Cr. with a revenue surplus of Rs. 4.89Cr. For APR SLDC projected the Aggregate Revenue Requirement to Rs. 14.53Cr with a revenue gap of Rs.2.78Cr. For ARR of FY 2026-27, SLDC proposed the Net Aggregate Revenue Requirement of Rs. 16.05Cr. With this, SLDC proposed the SLDC charges amounting to Rs.142.21 per MW per Day.

Shri Amarendra Goswami, SAC Member enquired whether AEGCL conducted health assessment of old Transformers which are more than 20 years in service. He suggested that AEGCL should check the healthiness of the old Transformers and accordingly should replace them for better performance of the Grid Substations. AEGCL replied the assessment is being done by AEGCL often and augmentation are also being done under the AIIB funded scheme.

Moreover, AEGCL is planning to replace 40 more Transformers with loan from Punjab and Sind Bank.

The members enquired regarding the use of the old Transformers after replacing them with new ones. AEGCL replied that those transformers are being reused in some other substations where load restrictions are expected. Recently, AEGCL reused a transformer with higher capacity by shifting from 132kV Srikona GSS to 132kV Karimganj GSS as some load constraints are expected in the upcoming summer season at 132kV Karimganj GSS.

Shri Saurabh Agarwal, SAC Member enquired regarding the reason behind the decrease of Non-Tariff Income in comparison to the figures approved by the Hon'ble Commission. In this regard, AEGCL informed that since many Open Access consumers have withdrawn due to the imposition of Deviation Charges on the Open Access Consumers which resulted in decline in the Non-Tariff Income of AEGCL.

Agenda 6: Brief presentation by APGCL on the Tariff Petition

A Power Point Presentation made by GM, APGCL on behalf of the MD, APGCL on Petition for Truing Up for FY 2024-25, Annual Performance Review for FY 2025-26 & Revised Aggregate Revenue Requirement and Tariff for FY 2026-27 and SLDC's Petition for Truing Up for FY 2024-25, Annual Performance Review for FY 2025-26 & Revised Aggregate Revenue Requirement and Tariff for FY 2026-27.

APGCL stated the present status and the performance of the existing power stations in the state. APGCL also highlighted the major challenges faced by APGCL while running their generating stations such as Fuel Availability and Supply Constraints, High and Volatile Fuel Cost, Low Plant Load Factor (PLF) etc.

Regarding the APGCL'S Tariff Petition for Truing-Up for FY 2024-25, Annual Performance Review for FY 2025-26, Revised Aggregate Revenue Requirement for FY 2026-27 & determination of Tariff for FY 2026-27.

APGCL mentioned that in the True Up for the FY 2024-25, a Net Revenue of Rs. 1316.02Cr and actual revenue gap of Rs. 14.92 Cr. The revenue gap with carrying cost is Rs. 18.46 Cr. The actual claimed Gross generation is 2241.58 MU.

In the APR for the FY 2025-26, APGCL has shown a ARR of Rs. 42.96 Cr and gap of Rs. 1.89 Cr for NTPS, ARR of Rs. 324.87 Cr and gap of Rs. 14.97 Cr for LTPS, ARR of Rs. 337.00 Cr

and gap of Rs. 4.61 Cr for LRPP, ARR of Rs. 378.16 Cr and gap of Rs. 4.62 Cr for NRPP, ARR of Rs. 88.63 Cr and surplus of Rs. 10.32 Cr for KLHEP, overall ARR of Rs. 1171.62 Cr with Rs. 15.77 Cr gap and estimated gross generation of 2041.64 MU for APGCL.

In the ARR for the FY 2026-27, APGCL proposed total Revenue Requirement of Rs. 1287.84 Cr with this APGCL proposed a tariff of Rs. 6.49/kWh for the FY 2026-27 (fixed charge of Rs. 2.29/kWh and energy charge of Rs. 4.20/kWh).

The SAC members enquired regarding the status of the 120MW Lower Kopili Hydro Electric Project (LKHEP) and 25 MW Namrup Solar Project. It was informed by APGCL that dry commissioning of the Lower Kopili Project has already been conducted, and the project is likely to be commissioned by April, 2026. Regarding the 25 MW Namrup Solar Project, it was informed that the project is scheduled to be completed within March 2026.

The Hon'ble Member (Technical), AERC enquired regarding the utilization of the gas available for the NTPS plant which is about to be decommissioned. APGCL informed that APGCL is planning either to divert the gas to LTPS plant which is near to NTPS or to develop a new gas-based plant within the NTPS campus. Hon'ble Member (Technical) suggested that a decision may be taken soon to avoid revenue loss to the Company.

Agenda 7: Additional Agenda

The Hon'ble Commission after the brief presentation by the three utilities i.e., APDCL, AEGCL and APGCL has asked the members of the State Advisory Committee to address additional issues for discussion, if any.

Shri Abhijit Sharma, SAC Member raised the issue related to solar generation by Tea Category consumers. He informed that energy is banked by the tea industry in the lean period between December to March but the banked energy is not allowed to be utilized in the peak season because of cumulative surplus and the energy banked is reset to zero on 1st April every year. He insisted that the benefits of the Clause 6.1.9 (b) of the Assam Integrated Clean Energy Policy, 2025 would be purposeful for the tea industry only if 12-month period is converted to October-September instead of the April-March.

In this regard, Shri N.K. Deka, Joint Director (Engg.), AERC informed that since the policy has been introduced by the Govt of Assam therefore, AERC has no role in that matter and the matter has to be taken up with the Govt of Assam.

Adding to it, Mr. Jadav Saikia, Secretary to the Govt of Assam, Power Department informed that Assam Integrated Clean Energy Policy, 2025 was withdrawn by Govt of Assam with effect

from May 2025. He informed that the Govt of Assam will look into the said matter if any new policy is being issued. Shri Abhijit Sharma, SAC Member, requested Mr Saikia to look into the matter personally for the interest of the Tea Category consumers.

There was no other matter discussed.

The meeting ended with the vote of thanks from the Secretary, AERC.

Sd/-

Secretary,

Assam Electricity Regulatory Commission

ANNEXURE-1

LIST OF MEMBERS, SPECIAL INVITEES AND OFFICERS PRESENT.

Members

1. Lt. Gen. Rana Pratap Kalita (Retd.), Hon'ble Chairperson, AERC
2. Shri Upananda Kataki, Hon'ble Member (Technical), AERC
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