



**ARUNACHAL PRADESH STATE ELECTRICITY REGULATORY
COMMISSION (APSERC)**

True Up for FY 2023-24,

Annual Performance Review for FY 2024-25, Business Plan

&

ARR & Multi Year Tariff for FY 2025-26 to FY 2029-30

For

132kV Transmission Line of M/s Devi Energies Private Limited

351, Rupa Village & Town PO & PS Rupa, West Kameng District, Arunachal Pradesh

Issued on 11/12/2025

Arunachal Pradesh State Electricity Regulatory Commission

अरुणाचल प्रदेश राज्य विद्युत नियामक आयोग

O. T. BUILDING, T. T. MARG, NITI VIHAR

MARKET ITANAGAR-791111

Website: www.apserc.nic.in

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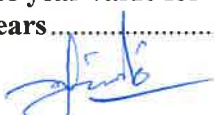

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Abbreviations

Abbreviation	Description
ACT	Electricity Act, 2003
APSERC	Arunachal Pradesh State Electricity Regulatory Commission
ARR	Annual Revenue Requirement
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
Cr./ Crs	Crore/ Crores
D/E	Debt Equity
DEPL	Devi Energies Private Limited
DPR	Detailed Project Report
DOP, AP	Department of Power, Govt. of Arunachal Pradesh
EPC	Engineering Procurement & Construction
E&M	Electro-Mechanical
FC	Financial Charges
FY	Financial Year
HEP	Hydroelectric Project
IDC	Interest During Construction
kV	Kilovolt
kVA	Kilo Volt Amps
kwh	Kilo Watt Hour
MU	Million Units
MVA	Million Volt Amps
MW	Mega Watt
MYT	Multi Year Tariff
O&M	Operation & Maintenance
PGCIL	Power Grid Corporation of India Limited
ROE	Return on Equity
Rs	Rupees
SS	Sub Station
SBI	State Bank of India
SBI-PLR	State Bank of India- Prime Lending Rate (Short Term)
SBI-MCLR	State Bank of India- Marginal Cost Lending Rate
SERC	State Electricity Regulatory Commission


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**The Arunachal Pradesh State Electricity Regulatory Commission
(APSERC) Itanagar, Arunachal Pradesh**

Petition No. TP-02 of 2025

In the matter of:

Petition for approval of ARR for True Up for FY 2023-24, APR for FY 2024-25 & Business Plan & ARR for the control period of FY 2025-26 to FY 2029-30 for 132 kV Transmission System of Ms. Devi Energies Private Limited.

In the matter:

Devi Energies Pvt. Ltd. (DEPL)
351, Rupa Village & Town PO & PS Rupa, West Kameng District,
Arunachal Pradesh----- **Petitioner**

PRESENT:

Shri R.K Joshi, Hon'ble Chairperson, APSERC
Shri Nich Rika, Hon'ble Member (Law), APSERC

ORDER
(Passed on 11/12/2025)

The Commission in exercise of the powers vested in it under Section 62(1)(a) read with Section 62(3) and Section 64(3)(a) of the Electricity Act, 2003 and Arunachal Pradesh State Electricity Regulatory Commission (APSERC) Multi Year Tariff Regulations, 2018 along with Arunachal Pradesh State Electricity Regulatory Commission (APSERC) Multi Year Tariff Regulations, 2024 & other enabling provisions in this behalf hereby issues this order for Truing Up of FY2023-24, APR for FY 2024-25 & Approval of Business Plan & ARR for the control period FY 2025-26 to FY 2029-30 for 132 kV Transmission system of Devi Energies Private Limited in the State of Arunachal Pradesh.

While issuing the order the Commission has taken into consideration of the following:

- (a) Audited accounts of FY 2023-24 which have been audited by Statutory Auditor N S RK & Associates, Hyderabad.


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- (b) Provisions of APERC (Multi Year Tariff) Regulations,2018.
- (c) Provisions of APERC (Multi Year Tariff) Regulations,2024.
- (d) Methodology adopted by the Commission in earlier issued tariff order.
- (e) Documents and information submitted by the Petitioner.

The Commission hereby directs the Petitioner i.e. Devi Energies Private Limited to take all necessary steps for implementation of this order.

This order shall be effective from the date specified below and shall remain in force till the next tariff order is issued by the Commission.

Date:11.12.2025

Place: Itanagar



Sd/-
Shri Nich Rika
Member(Law)

Sd/-
Shri R.K.Joshi
Chairperson


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Chapter 1: INTRODUCTION

Arunachal Pradesh State Electricity Regulatory Commission

1.1 In exercise of the powers conferred by the Electricity Act, 2003, (hereinafter referred to as Act) the Government of Arunachal Pradesh constituted the Electricity Regulatory Commission for the State of Arunachal Pradesh to be known as “Arunachal Pradesh State Electricity Regulatory Commission” (APSERC) as notified on 07.05.2010 (hereinafter referred to as Commission). The Arunachal Pradesh State Electricity Regulatory Commission has been functioning with effect from 02.03.2011 with the objective and purpose for which the Commission has been established i.e. to discharge its functions as per Section 86 of the Act.

1.2 In accordance with Section 86(1) of the Act, the APSERC discharges the following functions:

- a) determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case may be, within the State:

Provided that where open access has been permitted to a category of consumers under Section 42, the State Commission shall determine only the wheeling charges and surcharge thereon, if any, for the said category of consumers;

- b) regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State;
- c) facilitate intra-State transmission and wheeling of electricity;
- d) issue licenses to persons seeking to act as transmission licensees, distribution licensees and electricity traders with respect to their operations within the State;
- e) promote cogeneration and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee;
- f) adjudicate upon the disputes between the licensees and generating companies; and to refer any dispute for arbitration;


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- g) levy fee for the purposes of this Act;
- h) specify State Grid Code consistent with the Grid Code specified under Clause (h) of sub-section (1) of Section 79;
- i) specify or enforce standards with respect to quality, continuity and reliability of service by licensees;
- j) fix the trading margin in the intra-state trading of electricity, if considered, necessary;
- k) discharge such other functions as may be assigned to it under this Act.

1.3 The Commission has to also advise the State Government as per sub-section 2 of Section 86 of the Act, on all or any of the following matters, namely:

- a) promotion of competition, efficiency and economy in activities of the electricity industry;
- b) promotion of investment in electricity industry;
- c) reorganization and restructuring of electricity industry in the State;
- d) matters concerning generation, transmission, distribution and trading of electricity or any other matter referred to the State Commission by that Government.

1.4 The State Commission ensures transparency while exercising its powers and discharging its functions.

1.5 In discharge of its functions, the State Commission is also guided by the Tariff Policy notified by the Government of India under Section 3 of the Act. The objectives of the Tariff Policy are to:

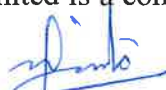
- a) ensure availability of electricity to consumers at reasonable and competitive rates;
- b) ensure financial viability of the sector and attract investments;
- c) promote transparency, consistency and predictability in regulatory approaches across jurisdictions and minimize perceptions of regulatory risks;
- d) promote competition, efficiency in operations and improvement in quality of supply.

Arunachal Pradesh - Geographical Reality

1.6 The total area of the State of Arunachal Pradesh is 83573 sq. km. The State is having a population of around 13.82 Lakhs (2011 Census). The State of Arunachal Pradesh is bounded by Assam in South, Bhutan in West, China in North, and Nagaland and Myanmar in East. It's Capital, Itanagar is about 380 km. from Guwahati.

Devi Energies Private Limited (DEPL)

1.7 Devi Energies Private Limited is a company having registered office at Rupa village &


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Town PO & PS Rupa, West Kameng District, Arunachal Pradesh is specialized in development of Hydroelectric Power projects.

- 1.8** Devi Energies Private Limited entered into Memorandum of Agreement (MoA) with Government of Arunachal Pradesh on 11.03.2011 for execution of Dikshi SHEP (24 MW) on BOOT basis. Dikshi Small Hydro Electric Project (24 MW) located in West Kameng district of Arunachal Pradesh, envisages utilization of waters of the river Phudung, a tributary of Tenga river. The project envisages utilization of 24.16 cumec discharge and maximum gross head of 121 m (Net head 113.53 m) corresponding to an installed capacity of 24 MW.
- 1.9** Initially the power evacuation was planned by connecting the project with 132 kV sub-station at Bomdila, but in due course, due to State's inability to provide connectivity near Bomdila, the developer had to look for other available options. The existing 132 kV line from Balipara to Khupi was the only available option. The petitioner therefore obtained the Letter of Comfort for transmission connectivity on 22.02.2016 to connect to the existing 132 kV line from Balipara-Khupi at an intermediate location close to transmission line alignment for Dikshi SHEP. The transmission license was awarded to DEPL on 12.07.2018 for 132 kV transmission system.
- 1.10** The Petitioner in the present petition has prayed for the following:
- To determine the cumulative surplus/deficit on Truing up of ARR for FY 2023-24 based on audited accounts of DEPL.
 - Approve Revenue Requirements for FY 2025-26 to FY 2029-30 based on the information furnished in the petitions and attached formats.
 - Approve firm recovery of fixed monthly transmission charges from Department of Power on the basis of the above charges.
 - Allow DEPL to furnish additional data and information and/ or to modify the information submitted.
 - And pass such other and further orders as are deemed fit and proper in the facts and circumstances of the case.
 - As earlier Petition is pending in APTEL, any adjustment required in the Annual Revenue Requirement (ARR) will be submitted on the receipt of the award from APTEL.


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Chapter 2: Procedural History

- 2.1 Devi Energies Private Limited had initially filed the tariff Petition dated 02.12.2018 for 132 kV Transmission system for power evacuation from 24 MW Devi Energies Private Limited-Dikshi Small Hydro Electric Project for the FY2019-20, FY2020-21 and FY2021-22 as per Multi Year Tariff Regulations, 2018 notified by APSERC/NOTIFICATION/2018 dated 04.10.2018 and the Commission passed the order on petition on 20.12.2019 and the petition was disposed of.
- 2.2 While determining the capital cost of the transmission system, the actual cost claimed (without IDC and Financing charges) as Rs.63.58 Crores was reviewed to Rs.50.7 Crores by the Commission and accordingly the ARR was fixed.
- 2.3 The Petitioner has filed Appeal No. 160 of 2022 before the Hon'ble Appellate Tribunal vide against the Commission's order dated 20.12.2019 in respect of the capital cost approved in the said order. The Appeal is pending before the APTEL. Hence, the capital cost as admitted by the Commission in order dated 20.12.2019 has been considered in further orders issued by the Commission.
- 2.4 The Commission vide order dated 04.03.2025 had issued order on Petition No.TP-07 of 2024 for True Up of FY 2019-20 to FY 2022-23 & APR & Transmission Charges for FY 2023-24 & FY 2024-25 of 132kV Transmission Line of Devi Energies Private Limited.
- 2.5 The order dated 04.03.2025 issued by the Commission was sought for review by the Petitioner vide TP-07 of 2025 which was disposed of by the Commission vide order dated 14.08.2025.
- 2.6 In computing the values for the current petition, the Commission has taken reference from its earlier order and used it as the foundation for granting approval for the succeeding years.

Petition Filing

- 2.7 As per Regulation 2.1 (4) of Arunachal Pradesh State Electricity Regulatory Commission (APSERC) MYT Regulations 2018, the Commission shall undertake the Truing Up of the licensee for the past financial year(s) based on the actual performance of the licensee


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in that year with the approved forecast for such year.

- 2.8** APERC MYT Regulations, also stipulate that where the aggregate revenue requirement and expected revenue from tariff and charges of a Generating Company or a Licensee is covered under a multiyear tariff framework, then such Generating Company or Licensee, as the case may be, shall be subject to an Annual Performance Review.
- 2.9** DEPL had submitted the petition on 17.01.2025 for Truing up for FY 2023-24, Annual Performance Review for FY 2024-25 and approval of ARR for the MYT control period FY 2025-26 to FY 2029-30.

The petition filed by DEPL consists of following three sections:

- Section -1 consists of Truing-up for FY 2023-24 for Transmission System based on Devi Energies Private Limited (DEPL) Audited Accounts for FY 2023-24.
- Section -2 consists of Annual Performance Review for FY 2024-25 for Transmission System of Devi Energies Private Limited (DEPL).
- Section -3 consists of Annual Revenue Requirement and approval of ARR for FY 2025-26 TO FY 2029-30 for Transmission System of Devi Energies Private Limited.

Admission of Petition and Public Hearing

- 2.10** In accordance with the MYT Regulations the petition had to be submitted by the Petitioner by 30th November 2024 however the Petitioner sought permission from the Commission for additional time to submit the petition and accordingly the petition was submitted on 17.01.2025.
- 2.11** The Commission admitted the petition on 27.01.2025 vide no. TP-02 of 2025 and directed the Petitioner to publish the abridged form of petition in two daily newspapers giving time of 21 days to invite comments and suggestions.
- 2.12** Accordingly, Public Notice was published by the Petitioner in the newspapers and a period of twenty-one (21) days was given for submitting the comments/suggestions by the general public:

Table 1 List of Newspapers and dates of publication of public notice by the Petitioner

Newspaper	Language	Date of Publication
Echo of Arunachal	English	05.02.2025
Eastern Sentinel	English	06.02.2025


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- 2.13** The Commission has also uploaded the petition on its website, www.apserc.nic.in. Further, in order to provide adequate opportunities to all stakeholders and general public, as mandated under Section 64 (3) of the Electricity Act 2003 and in relevant provisions of Regulations framed by the Commission, the Commission also held public hearing on 25.03. 2025. The details of newspapers where the information of public hearing was published is given in the table below:

Table 2 Information regarding public hearing published by the Commission

Newspaper	Language	Date of Publication
Echo of Arunachal	English	05.03.2025
Arunachal Front	English	05.03.2025
Arunachal Observer	English	05.03.2025

Information Gaps in the Petition

- 2.14** In exercise of Tariff determination process, several deficiencies/information gaps were found in the petition and the same was communicated to the Petitioner vide letter No. APERC/RA-7/IV/2025-26/309 dated 25th August 2025.
- 2.15** In response, the Petitioner requested additional time of 10 days to furnish the details vide letter dated 26th August 2025.
- 2.16** The Petitioner submitted relevant information's (except availability certificate from SLDC on monthly basis) vide letter dated 15th September 2025 and stated that the pending details shall be submitted at the earliest.
- 2.17** The Commission owing to the non-receipt of the availability certificate from the Petitioner, issued a final reminder vide letter no. APERC/RA-7/IV/2025-26/466 dated 27th October 2025, directing the Petitioner to submit the requisite details.
- 2.18** The Petitioner vide letter dated 28th November 2025 submitted the month wise availability details of the transmission line certified by SLDC, Arunachal Pradesh.
- 2.19** The Commission has scrutinized the petition and the additional data/information furnished by the Petitioner with respect to its discrepancies identified and has considered the available information while passing this Order.

Submission of Comments/Suggestions and Conduct of Public Hearing

- 2.20** Comments/Objections received on the petition from Respondents has been discussed in Chapter 4 of this order.


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Chapter :3 Brief Facts about the Petition

3.1 This Chapter summarizes the submission made by the Petitioner in the petition for True up for FY 24, APR for FY 25 & ARR for FY 26 to FY 30.

Additional Capitalization

3.2 The additional capitalization submitted by the Petitioner is given in the table below:

Table 3 Additional Capitalization as submitted by the Petitioner (in Rs Cr)

Particulars	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Additional Capitalization	0.25	0.25	0.00	0.00	0.00	0.00	0.00

Depreciation

3.3 The Depreciation Charges as submitted by the Petitioner for is given in the table below:

Table 4 Depreciation Charges as submitted by the Petitioner (in Rs. Cr)

Particulars	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Depreciation	3.61	3.61	3.61	3.61	3.61	3.61	3.61

O&M Expenses

3.4 The O&M expenses as submitted by the Petitioner is given in the table below:

Table 5 O&M expense as submitted by the Petitioner(in Rs. Cr)

Particulars	FY24	FY25	FY26	FY27	FY28	FY29	FY30
O&M Expense	1.915	2.06	2.068	2.150	2.232	2.294	2.374

Return on Equity

3.5 The Return on Equity as submitted by the Petitioner is given in the table below:

Table 6 Return on Equity as submitted by the Petitioner(in Rs. Cr)

Particulars	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Return on Equity	3.19	3.20	3.20	3.20	3.20	3.20	3.20

Interest on Loan & Finance Charges

3.6 The Interest on Loan and finance charges as submitted by the Petitioner is given in the table below:

Table 7 Interest on Loan and Finance Charges as submitted by the Petitioner(in Rs. Cr)

Particulars	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Interest on Loan	4.68	4.53	4.23	3.93	3.63	3.32	3.02


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Interest on Working Capital

3.7 The Interest on Working Capital as submitted by the Petitioner for FY24, FY25 & FY 26 to FY 30 is given in the table below:

Table 8 Interest on Working Capital as submitted by the Petitioner (Rs. Cr)

Particulars	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Interest on Working Capital	0.32	0.34	0.25	0.25	0.25	0.24	0.24

Non-Tariff Income

3.8 The Petitioner has stated that it does not have any non-tariff income and accordingly has not considered the same in respective years of ARR for FY 24, FY 25 & FY 26 to FY 30.

Aggregate Revenue Requirement

3.9 The Aggregate Revenue Requirement as submitted by the Petitioner for FY 24, FY 25 & FY 26 to FY30 is given in the table below:

Table 9 Aggregate Revenue Requirement as submitted by the Petitioner (Rs.Cr)

S.No	Particulars	FY24	FY25	FY26	FY27	FY28	FY29	FY30
1	O&M Exp	1.915	2.06	2.07	2.15	2.23	2.29	2.37
2	Depreciation	3.61	3.61	3.61	3.61	3.61	3.61	3.61
3	Interest on Loan	4.68	4.53	4.23	3.93	3.63	3.32	3.02
4	Return on Equity	3.19	3.20	3.20	3.20	3.20	3.20	3.20
5	Interest on Working Capital	0.32	0.34	0.25	0.25	0.25	0.24	0.24
6	Incentive	0.17	-	-	-	-	-	-
7	Non-Tariff Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8	ARR	13.89	13.74	13.36	13.14	12.92	12.68	12.45


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Chapter 4: Public Consultation Process

- 4.1 A hearing was held by the Commission on 25.03.2025 in the office of the Commission for giving opportunity to stakeholders to submit their comments/suggestions on the said petition. However, no comments were submitted by any stakeholders during the hearing. The list of attendees during the public hearing is mentioned in Annexure 1 of this order.




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Chapter:5 True Up of FY 2023-24

- 5.1 This section outlines the submission of the Petitioner for truing up of expenditure and revenue receipt for FY 2023-24. The Petitioner has submitted the audited accounts for FY 2023-24 as audited by statutory auditor N S RK & Associates, Hyderabad.
- 5.2 The Commission in line with provisions of the APERC (Multi Year Tariff) Regulations, 2018 has considered the approval of the submission of the petition for True Up of FY 2023-24.
- 5.3 The Commission has also considered the earlier methodology adopted based on the provisions of the APERC (Multi Year Tariff) Regulations, 2018 along with data/information's submitted by the Petitioner and has carried out the approval of True Up for FY 2023-24.
- 5.4 The component-wise description of the Petitioner's submission and the Commission's analysis thereof is provided hereunder.

Additional CAPEX

Petitioners Submission

- 5.5 The Petitioner has submitted that it has invested Rs.0.25 Crore as an additional capital expenditure for strengthening Transmission Towers to avoid theft and smooth running of systems.
- 5.6 The Petitioner has referred to clause 4.4 of the Regulation that any capital expenditure incurred after the date of commercialization may be admitted by the commission the Regulation 4.4 (f) reproduced below:


"(f) Any additional works/services, which have become necessary for efficient and successful operation of a generating station or a transmission system or a distribution system but not included in the original capital cost:

Provided that original scope of work along with estimates of expenditure shall be submitted as a part of Capital Investment Plan Provided further that a list of the deferred liabilities and works deferred for execution shall be submitted along with the application for final tariff after the date of commercial operation of the generating Unit/Station or transmission system or distribution system. Provided further that the assets forming part of the project but not put to use, shall not be considered....."

- 5.7 The Petitioner has requested the Hon'ble Commission to approve the additional cost.

Commissions Analysis

- 5.8 The Commission has taken a note of the submission of the Petitioner and has also referred the letter dated 15th September 2025 wherein it has stated that it has carried


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out the work towards strengthening of 10 no's towers to protect the towers from the potential threats of stealing of transmission line tower parts, exposure to adverse climatic conditions. Further the Petitioner has submitted that there was a need to undertake strengthening measures such as tack welding, additional bracing, and joint reinforcement. These preventive works enhanced the structural integrity of towers, minimize outage risks, improve grid reliability, and provide a cost-effective life extension alternative compared to full tower replacement.

- 5.9** The Commission has referred to the work order dated 10th October 2023 issued to M/s L&T Constructions amounting to ₹12.5 lakhs and the corresponding invoice dated 5th March 2024 upon completion of the work. The Commission has also referred to the work order dated 14th October 2023 issued to M/s PKT Builders amounting to ₹12.5 lakhs and the completion invoice dated 18th March 2024, both of which were found to be consistent with the statement made by the Petitioner regarding the strengthening of towers.
- 5.10** The Commission is of the view that the Petitioner ought to have sought prior approval for undertaking the capitalization work, as the Commission was fully functional at the time the work order was issued. The Commission has taken serious note of the Petitioner's casual approach in failing to obtain the requisite approval, which is mandated under the MYT Regulations. The Commission has further emphasized the importance of obtaining such approval in its directives issued vide order dated 04.03.2025.
- 5.11** In the present case, the Commission has admitted the expenditure however, for all future works, no additional capitalization shall be allowed unless prior approval is obtained from the Commission.

Depreciation

Petitioners Submission

- 5.12** The Petitioner has submitted that the depreciation charges have been computed as per straight-line method specified in the APERC MYT Regulations, 2018, the actual depreciation charges is Rs.3.61 Crore in audited accounts as against normative in Tariff Petition TP-07 of 2024 dated 27-03-2024 as Rs. 3.08 Crore after addition of capital expenditure on approved cost of 59.98 Crore allowed in APERC Order dated


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20-12-2019. However, the Petitioner has considered the depreciation charges as Rs.3.61 Cr as per audited accounts. The details of depreciation have been submitted in Form F 4.1 attached with the petition and as per table below:

Table 10 Depreciation charges as submitted by the Petitioner for FY 2023-24 (in Rs.Cr)

Particulars	Normative	As projected in TP dt.27.03.2024	Actual	For consideration as submitted by Petitioner
Depreciation	3.08	3.60	3.61	3.61

Commissions Analysis

5.13 The depreciation is approved in accordance with Regulation 4.9 of the APERC (MYT) Regulations, 2018 and the Commission has considered the depreciation of assets along with additional capitalization.

5.14 The Commission has noted the Petitioner's submission that the actual depreciation of assets amounts to ₹3.61 crore as reflected in the audited accounts. The Petitioner has, however, computed the depreciation based on the entire capital cost as submitted in Petition No. TP-07 of 2018, rather than the capital cost approved by the Commission vide Order dated 20.12.2019.

5.15 The Petitioner has filed an appeal before the Hon'ble APTEL against the Commission's Order dated 20.12.2019 over capital cost, which is currently sub judice. However, as no stay order or specific direction has been issued by the Hon'ble APTEL to date, the Commission has proceeded with the capital cost as approved in its Order dated 20.12.2019. Accordingly, the Commission has considered the approved capitalization over the years and computed the depreciation for FY 2023–24. The depreciation amount approved by the Commission for FY 2023–24 is presented in the table below.

Table 11 Depreciation charge as approved by the Commission for True Up of FY 2023-24(in Rs.Cr)

Particulars	T.O. dated 04.03.2025	Petition	Approved
Depreciation	3.08	3.61	3.08

O&M Expenses

Petitioners Submission

5.16 The Petitioner has submitted that the actual O&M expenses of the transmission system is Rs.1.90 Cr against the normative expenses i.e. Rs.0.86 Cr. The Petitioner


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had also referred to Regulation 4.10 of the APERC MYT Regulation 2018 and has also mentioned that the norms mentioned by CERC are based on assets like ckt-km length of Transmission lines, substation capacity in MVA and number of feeder bays at different voltage levels.


5.17 The Petitioner has submitted that the O&M expenses approved as per the CERC norms are inadequate to meet the actual Operation and Maintenance requirements in the hilly and remote areas where the project is located. Initially, the Petitioner had considered the O&M expenses in accordance with Clause 35 of the CERC (Terms and Conditions of Tariff) Regulations, 2019; however, these norms represent general provisions and are not specific to the North-Eastern region or the State of Arunachal Pradesh. Therefore, the O&M charges proposed in the Tariff Order dated 20.12.2019 for determining the Annual Revenue Requirement (ARR) for FY 2019–20, FY 2020–21, and FY 2021–22 may be treated as provisional and subject to correction during the truing-up exercise. In earlier petitions, the Petitioner has claimed actual O&M expenses as per the Audited Accounts for each financial year for the proper operation and maintenance of the transmission system and has requested the Commission to approve the same

Table 12 O&M expense for FY24 as per audited accounts submitted by the Petitioner(RsCr)

S. No.	Particulars	Amount
1	Repairs & Maintenance	0.049
2	Employee Costs	0.855
3	Administration & General Expenses	
a)	Transmission Annual license fees	0.03
b)	Satellite band width charges & VoIP service charges	0.0290
c)	Insurance	0.1680
4	Diesel Expenses	0.1740
5	Vehicle Hiring Expenses Truck/ Delivery Van	0.19
6	Transmission Tariff Petition Fee	0.1
7	Other Expense	0.1260
8	Security Expenses	0.1940
9	Total O&M Expense (Rs. in Crore)	1.915

5.18 The Petitioner has submitted reasons for higher O&M expenses as given below:

- a) The Petitioner has submitted that the transmission system became operational on 19.09.2019 (COD), which is located in remote hilly area and skilled manpower is not available not only in state but also in adjoining states. To keep the transmission system


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running smoothly the Petitioner availed the services of civil contractor experienced personnel on payment of higher salary and wages. This has increased the cost of salary & wages.

- b) The transmission system is located at remote hilly terrain, and it is essential to provide additional security for safety of the system which has increased the O&M cost.
- c) For supervision and safety of transmission system regular patrolling is undertaken. The transmission system at hilly terrain from 1700 to 2500 meters above mean sea level due to this consumption of fuel (Diesel) is more and increasing cost of diesel has increased the cost of HSD expenses and overall O&M expenses.
- d) Petitioner is required to pay renewal of transmission license charges and satellite bandwidth charges.

5.19 The Petitioner has submitted that due to the above factors the O&M cost has been increased and the Petitioner has requested the Commission to approve the same. The details of normative O&M expense, actual and consideration of O&M expenditure as submitted by the Petitioner for FY 2023-24 is given in the table below:

Table 13 Abstract of Approved, Actual and Normative O&M expenses for FY2023-24 as submitted by the Petitioner (Rs.Cr)

Particulars	As per CERC norms	As projected in TP dated 27.03.2024	As per Actuals/Audited	For Consideration in True Up
O&M cost	0.862	1.915	1.915	1.915

Commissions Analysis

5.20 The Commission has referred to the definition of O&M expenses in the APERC(MYT) Regulations, 2018 as cited below:

“(59) “Operation and Maintenance expenses” or “O&M expenses” means the expenditure incurred on operation and maintenance of the project, or part thereof, and includes the expenditure on manpower, repairs, spares, consumables, insurance and overheads but excludes fuel expenses and water charges;”

5.21 The Commission has also referred to clause 7.8 of the APERC(MYT) Regulations, 2018 and has considered the same during the approval of O&M expense for FY2023-24. The Commission has observed that the Petitioner has claimed O&M charges of Rs.1.915 Cr based on the audited account as follows:


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Table 14 Details of O&M Expense as submitted by Petitioner(Rs.Cr)

S. No.	Particulars	Amount
1	Repairs & Maintenance	0.049
2	Employee Costs	0.855
3	Administration & General Expenses	
a)	Transmission Annual license fees	0.03
b)	Satellite band width charges & VoIP service charges	0.0290
c)	Insurance	0.1680
4	Diesel Expenses	0.1740
5	Vehicle Hiring Expenses Truck/ Delivery Van	0.19
6	Transmission Tariff Petition Fee	0.1
7	Other Expense	0.1260
8	Security Expenses	0.1940
9	Total O&M Expense (Rs. in Crore)	1.915

5.22 The Commission has observed that the O&M charges for the FY2023-24 as approved in Tariff order dated 04.03.2025 was quite less than that being submitted by the Petitioner. To justify the difference, the Petitioner has submitted reasons as highlighted in para 5.18 in the above section.

5.23 The Commission, after examining the reasons submitted by the Petitioner, is of the view that the Petitioner's justification for higher O&M expenses, citing the remote hilly location of the transmission system and the unavailability of skilled manpower, is not entirely justified. The outsourcing of manpower through contractors, leading to increased expenses, does not, in itself, warrant approval of higher costs. Furthermore, the Commission finds the Petitioner's claim for additional security for monitoring the 32 km transmission line seems to be unjustified. The assertion that higher elevation results in increased diesel consumption, thereby raising overall O&M expenses, is also not supported by adequate justification.

5.24 The Commission, in its earlier Order dated 04.03.2025, had expressed serious concern regarding the deployment of excess manpower for maintenance activities, patrolling staff, security personnel, and the use of additional vehicles for a 32 km transmission line. The Commission had directed the Petitioner to rationalize and optimize these resources. However, it has been observed that no concrete action has been taken by the Petitioner to reduce or optimize the elevated O&M costs.

5.25 In its earlier Tariff Order issued for the Petitioner, the Commission had approved the


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O&M expenses based on the normative parameters specified by the Central Electricity Regulatory Commission under the CERC (Terms and Conditions of Tariff) Regulations, 2019. These Regulations establish a uniform framework for determining O&M expenses for transmission systems and are being consistently applied to other transmission licensees operating within the same region and under comparable geographical conditions as those of the Petitioner.

5.26 The Commission, adopting the same methodology and considerations as followed in the Tariff Order dated 04.03.2025, has computed the O&M expenses for the transmission line based on the normative parameters prescribed by the CERC. Accordingly, the Commission has approved the O&M cost for FY 2023–24, inclusive of Security Expenses and Transmission License & Petition Fees, as detailed in the table below.

Table 15 O&M cost approved by the Commission for True up of FY 2023-24(Rs Cr)

Particulars	TO dated 04.03.2025	Petition	Approved
O&M Expenses	0.861	1.915	0.861
Security Expenses	0.1087		0.1087
O&M expense including Security expenses	0.971		0.971
Transmission license & Petition fee	0.03		0.18


Interest on Loan and Finance Charges

Petitioners Submission

5.27 The Petitioner has submitted the actual Interest on Loans and Finance Charges as per Audited Annual Accounts is Rs.5.77 Crore. The bank/institution wise details for loan and interest rates are available in Form F5 attached with the petition. However, for True up purpose the petitioner has considered Interest of Rs.4.68 Crore, computed at weighted interest rate of 9.68% on normative loan i.e. 70% of Capital Cost as given in table below:

Table 16 Approved, Actual & Normative Interest on Loan and Finance Charges of Transmission System for FY 24 as submitted by the Petitioner(Rs.Cr)

S. No	Source of Loan	Normative and as projected in TP07 of 2024 dt.27.03.2024	Actual/Audited	For Consideration in True Up
1	Opening Balance of Normative Loan	33.44	49.07	49.07


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3	Addition of Normative Loan due to capitalization during the year	0.18	0.18	0.18
4	Repayment of Normative loan during the year	3.08	1.73	1.73
5	Closing Balance of Normative Loan	30.53	47.51	47.51
6	Average Balance of Normative Loan	31.99	48.29	48.29
7	Weighted average Rate of Interest on actual Loans (%)	9.66	9.68	9.68
8	Interest Expenses	3.09	4.68	4.68
9	Finance Charges (taken in capital cost)	0.00	0.00	0.00
10	Total Interest & Finance Charges	3.09	4.68	4.68

Commissions Analysis

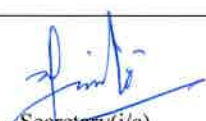
5.28 The Commission for the approval of Interest and finance charges on loan has referred to clause 4.8 of the APERC(MYT) Regulations, 2018.

5.29 The Commission has observed that the Petitioner has reported the normative Interest on Loan and Finance Charges as ₹4.68 crore. It is further noted that the Petitioner has considered the opening loan balance for FY 2023–24 differently from the closing loan balance of FY 2022–23 as approved by the Commission vide Order dated 04.03.2025, resulting in a discrepancy between the two figures. For the purpose of computation, the Commission has considered the closing loan balance of FY 2022–23, as approved vide Order dated 04.03.2025, as the opening loan for FY 2023–24. Additionally, the Commission has applied a debt ratio of 70% on the approved additional capitalization, as referred to in the preceding sections of this Order, and has computed the Interest on Loan.

5.30 The Commission has observed that the Petitioner has considered the repayment of loan as per the agreed terms of the agreement. However, the Commission has followed the same methodology as adopted in the earlier Orders and, in accordance with the relevant provisions of the APERC MYT Regulations, 2018, has considered the depreciation amount to be equivalent to the loan repayment for the respective year. The Commission has, nevertheless, adopted the actual interest rates as per the loan portfolio and has accordingly approved the Interest on Loan for FY 2023–24, as presented in the table below.

Table 17 Interest on Loan as approved by the Commission for FY 2023-24(Rs.Cr)

S.No	Particulars	T.O dated 04.03.2025	Petition	Approved
1	Debt component of Capital Cost (Opening Loan)	31.77	49.07	31.77
2	Addition in loan	0.18	0.18	0.18


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3	Repayment during the year	3.08	1.73	3.08
4	Closing Balance of Normative Loan	28.87	47.51	28.87
5	Average Debt Capital	30.32	48.29	30.32
6	Rate of Interest	9.56%	9.68%	9.68%
7	Interest on loan	2.90	4.68	2.93

Return On equity

Petitioners Submission

5.31 The Petitioner has submitted that the RoE is allowed as 14.00% net of taxes on the equity invested in accordance with Regulation 4.6 of APERC MYT Regulations, 2018. However, for the FY2023-24, DEPL has claimed RoE @17.16% considering applicable Minimum Alternate Tax. The amount of RoE works out to Rs.3.19 Crore as projected in TP-07 of 2024 dated 27.03.2024. The details of projected, actual/audited and consideration of RoE calculation are shown in table below and Form F7 attached with the petition.

Table 18 RoE as submitted by the Petitioner for FY 2023-24(Rs.Cr)

S. No.	Particulars	As projected in TP dt 27.03.2024	As per Actual/Audited	For Consideration in True Up
1	Regulatory Equity at the beginning of the year	18.51	18.51	18.51
2	Capitalization for the year	0.025	0.025	0.025
3	30% of Capitalization	0.008	0.008	0.008
4	Average Equity	18.54	18.54	18.54
5	Percentage rate of Return	17.16%	17.16%	17.16%
6	Return on Regulatory Equity at the beginning of the year	3.18	3.18	3.18
7	Return on Regulatory Equity addition during the year	0.01	0.01	0.01
8	Total Return on equity (in Crores)	3.19	3.19	3.19

Commissions Analysis

5.32 The Commission for approval of Return on Equity has referred to clause 4.6 & 4.7 of the APERC(MYT) Regulations,2018.

5.33 The Commission has noted that the Petitioner has claimed a Return on Equity (RoE) of ₹3.19 crore, whereas the Commission, in its Tariff Order dated 04.03.2025, had approved an RoE of ₹3.12 crore. The Commission has considered the rate of RoE after accounting for the tax on return on equity, which works out to 16.96% (Base

Rate: 14%; MAT rate for FY 2023–24: 15%; Surcharge: 12%; Health and Education Cess: 4%). Accordingly, the effective rate of return on equity is computed as $14 / (1 - 17.47\%) = 16.96\%$. The Commission has approved the RoE for FY 2023–24 after factoring in the capitalization as approved in the earlier sections of this Order. The details of the approved RoE for FY 2023–24 are provided in the table below.

Table 19 RoE as approved by the Commission for FY 2023-24(Rs.Cr)

S.No	Particulars	TO dt 04.03.2025	Petition	Approved
1	Opening Equity	18.30	18.51	18.30
2	Addition in Equity	0.08	0.008	0.08
3	Closing Equity	18.38	18.580	18.38
4	Average Equity	18.34	18.54	18.34
5	Rate of Return on Equity	16.96%	17.16%	16.96%
6	Return on Equity	3.11	3.19	3.11

Interest on Working Capital

Petitioners Submission

5.34 The Petitioner has submitted that the IoWC is allowed at an interest rate equivalent to the normative of the 350 basis points above the average of State Bank of India MCLR (1 years Tenor) prevailing during the last 6 months of the determination of the tariff as per regulation 4.11 of APSERC MYT Regulations, 2018. The average works out as 8.28% and adding 350 basis points the interest rate on working capital is considered as 11.78%. The SBI MCLR interest rate list is attached at Annexure -B with this petition.

5.35 The Petitioner stated that the working capital projected / submitted in Tariff Petition No. 07 of 2024 dt. 27.03.2024 was 0.34 Crore. The actual interest on working capital is Rs. 0.32 crore. Accordingly, the Petitioner has considered the interest on working capital as Rs 0.32 Crore. The details are in the table below and in Form F6 attached with the petition.

Table 20 IoWC as submitted by the Petitioner for FY 2023-24(Rs.Cr)

S. No	Particulars	As projected in TP dt 27.03.2024	Actual/ Audited	For True Up Consideration
1	O&M expenses (as per norms) - 1 month	0.15	Included in Interest on Loan	0.16
2	Maintenance Spares -1% @ 6% escalation	0.79		0.28
3	Receivables (as per norms) - 2 months	2.01		2.28


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4	Less - security deposits from TSU's	0.00	and Finance Charges	0.00
5	Total Working Capital Required (as per norm)	2.92		2.72
6	Interest Rate (as per norms)	11.78%		11.78%
7	Interest on Working Capital as Normative*	0.34		0.32

Commissions Analysis

5.36 For approval of Interest on Working Capital, the Commission has referred to Clause 4.11(2) of the APSERC (MYT) Regulations, 2018, along with the corrigendum dated 14th June 2019. The Commission has observed that the Petitioner has erred in calculating the maintenance of spares. However, in line with the corrigendum to the MYT Regulations, the Commission has computed the maintenance of spares accordingly.

5.37 The Commission as per the methodology adopted in earlier order had considered the rate of interest of working capital as per the average of last six months SBI one-year MCLR plus 350 BPS. The Commission while issuing the tariff order dated 04.03.2025 has also considered it. Accordingly, the interest comes to 12.12% (8.61+350 bps).

5.38 Accordingly, the Commission has approved the Interest on Working Capital considering the above factors as mentioned in the table below:

Table 21 Interest on Working Capital as approved by the Commission for FY 2023-24(Rs.Cr)

S.No	Particulars	TO dated 04.03.2025	Petition	Approved
1	O&M Expenses - one month	0.080	0.16	0.081
2	Maintenance of Spares 15% of O&M	0.76	0.28	0.15
3	Receivables- 2 months	1.73	2.28	1.75
4	Total Working Capital	2.57	2.72	1.98
5	Average six months SBI one-year MCLR Rate	12.12%	11.78%	12.11%
6	Interest on Working Capital	0.31	0.32	0.24

Non-Tariff Income

Petitioners Submission

5.39 The Petitioner has stated Non-Tariff Income for FY 23-24 is NIL. The other income of Rs.15.69 shown in the Balance sheet is interest on Fixed Deposit, which does not pertain to Transmission System.


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Commissions Analysis

5.40 The Commission in line with the submission made by the Petitioner has not considered any non -tariff income for FY 2023-24.

Incentive

Petitioners Submission

5.41 The Petitioner has stated that it has achieved Transmission System Availability of 100% and has requested to allow an incentive for achieving system availability above the target availability of 98.5% as specified under the APSERC MYT Regulations, 2018. As per Regulation 7.7: Norms for operation for incentive claim may be admitted by the Commission. The Regulation 7.7 (2) reproduced below:

*"7.7 (2) Target availability for full recovery of annual transmission charges
The Normative Annual Transmission Availability Factor (NATAF) of the Transmission
System shall be as follows:*

(a) AC system: 98 %.

(b) HVDC bi-pole links & HVDC back to back stations: 95 %.

For incentive consideration:

(a) AC system: 98.5 %.

(b) HVDC bi-pole links and HVDC back-to-back stations: 97.5 %.

*Provided that for new HVDC station NATAF shall be considered as 95% for first
three years of operations for the purpose of incentive:*

Provided that no incentive shall be payable above the availability of 99.75%:

*Provided further that the computation of incentive/disincentive shall be undertaken
during annual performance review and true-up, after submission of certificate about
actual Annual Transmission Availability Factor from SLDC for the true-up year."*

5.42 Accordingly, the Petitioner has stated that, for the purpose of incentive consideration, the transmission system availability has been taken as 99.75% against the normative availability of 98.5%. Based on this, an incentive amount of ₹0.17 crore has been considered. A confirmation letter from the SLDC in support of the stated availability has also been enclosed and is annexed as *Annexure-A*.

Commissions Analysis

5.43 The Commission in accordance with clause 7.8 of the APSERC(MYT) Regulations, 2024 has computed the incentive of the transmission line subjected to the availability as certified by SLDC vide below details:

- i. No. SLDC/W-113/2025-26/898-901 dated 28/11/2025
- ii. No. SLDC/W-113/2025-26/894-97 dated 28/11/2025
- iii. No. SLDC/W-113/2025-26/923-27 dated 28/11/2025


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- iv. No. SLDC/W-113/2025-26/917-22 dated 28/11/2025
- v. No. SLDC/W-113/2025-26/902-06 dated 28/11/2025
- vi. No. SLDC/W-113/2025-26/907-11 dated 28/11/2025
- vii. No. SLDC/W-113/2025-26/912-16 dated 28/11/2025
- viii. No. SLDC/W-113/2025-26/885-89 dated 28/11/2025
- ix. No. SLDC/W-113/2025-26/890-93 dated 28/11/2025
- x. No. SLDC/W-113/2025-26/880-84 dated 28/11/2025
- xi. No. SLDC/W-113/2025-26/870-74 dated 28/11/2025
- xii. No. SLDC/W-113/2025-26/875-79 dated 28/11/2025

5.44 Accordingly, the Commission has approved the incentive of the transmission line for normative availability beyond 98.5% as given in the table below:

Table 22 Incentive approved by the Commission for FY 2023-24(Rs.Cr)

S.No	Particulars	Amount(Rs.Cr)
1	Incentive for FY 2023-24	0.133

Aggregate Revenue Requirement

Petitioners Submission

5.45 The Petitioner has submitted the ARR for FY 2023-24as given in the table below:

Table 23 ARR as submitted by the Petitioner for FY 2023-24(Rs.Cr)

S. No	Particulars	As submitted in TP dt 27.03.2024	As per Actual/audited	For Consideration in True Up
1	Operation & Maintenance Expenses	1.82	1.91	1.91
2	Depreciation	3.60	3.61	3.61
3	Interest and Finance Charges	3.09	4.68	4.68
4	Interest on Working Capital and deposits	0.34	0.32	0.32
5	Contribution to Contingency reserves	0.00	0.00	0.00
6	Total Revenue Expenditure	8.85	10.53	10.53
7	Return on Equity Capital	3.19	3.19	3.19
8	Total Revenue Requirement	12.04	13.72	13.72
9	Incentive	-	0.17	0.17
10	Less: Non-Tariff Income	0.00	0.00	0.00
11	Less: Income from Other Business	0.00	0.00	0.00
12	Less: Revenue from short-term transmission charges	0.00	0.00	0.00
13	ARR from Transmission Tariff	12.04	13.89	13.89

Commissions Analysis

5.46 The Commission in accordance with the approval as outlined in above sections of


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the order hereby approves the ARR for FY 2023-24 as given in the table below:

Table 24 ARR as approved by the Commission for FY 2023-24(Rs.Cr)

Sr. No	Particulars	TO dated 04.03.2025	Petitioners Submission	Approved by the Commission
1	O&M Expenses	0.971	1.92	0.97
2	Depreciation	3.08	3.61	3.08
3	Interest and Finance Charges	2.90	4.68	2.93
4	Interest on working Capital	0.31	0.32	0.24
5	Return on Equity Capital	3.11	3.19	3.11
6	License & Petition Fee	0.03	0.13	0.18
7	Aggregate Revenue Requirement	10.40	13.72	10.51
8	Incentive	0.00	0.17	0.133
9	Less: Non-Tariff Income	0.00	0.00	0.00
10	Total Aggregate Revenue Requirement	10.40	13.89	10.65

5.47 Abstract of Revenue received by the Petitioner in extension of applicability for the order dated 20.12.2019 for FY 2023-24 and now approved in True Up for FY 2023-24 for transmission line of Devi Energies Pvt Ltd (Rs. Cr)

Particulars	ARR		Net Truing up Gap/(Surplus)
Transmission System	APSERC Order 20.12.2019	Net Truing up	
Aggregate Revenue Requirement	11.45	10.65	(0.80)

Cumulative Gap/(Surplus)

5.48 The Commission, after approving the true up petition for approval of Aggregate Revenue Requirement for the 132kV Transmission Line of M/s Devi Energies Private Limited for the FY 2023-24, has calculated the revenue gap/(surplus) along with the carrying cost, as per Clause 2.6(4) of the APSERC (MYT) Regulations, 2018, as detailed below:

“2.6 Annual Performance Review and True Up

.....

(4) The Commission shall allow carrying cost for the trued-up amount (positive or negative) at interest rate equivalent to the normative interest rate of three hundred (300) basis points above the average State Bank of India MCLR (One Year Tenor) prevalent during the last available six months for the determination of tariff.”

5.49 The Net Revenue Gap/(Surplus) approved by the Commission is referred in the table below:


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Table 25 Revenue Gap/(Surplus) as approved by the Commission for FY 2023-24(Rs.Cr)

S.No	Particulars	FY24	FY25	FY26
1	ARR approved in True Up	10.65	0.00	0.00
2	Revenue Recovered	11.45	0.00	0.00
3	Gap/(Surplus)	(0.80)	0.00	0.00
4	Opening Gap/(Surplus)	0.00	(0.80)	(0.80)
5	Addition	(0.80)	0.00	0.00
6	Closing Gap/(Surplus)	(0.80)	(0.80)	(0.80)
7	Average	(0.40)	(0.80)	(0.80)
8	Rate of Interest (%)	11.88%	11.88%	11.88%
9	Carrying Cost	(0.047)	(0.0952)	(0.063)
10	Total Cost		(1.00)	

5.50 The Commission has referred to clause 3.8 of the APERC(MYT)Regulations,2018 wherein the adjustment of excess/deficit amount has been mentioned as referred below:

“3.8 Adherence to Tariff Order

(a) If any Generating Company or Transmission Licensee or SLDC or Distribution Licensee recovers a price or charge exceeding the tariff determined under Section 62 of the Act and in accordance with these Regulations, the excess amount shall be payable to the person who has paid such price or charge, along with interest equivalent to the Bank Rate of the Reserve Bank of India without prejudice to any other liability incurred by such Generating Company or Transmission Licensee or SLDC or Distribution Licensee.....”

5.51 The Commission has not taken into account the earlier surplus amount calculated in the order dated 14.08.2025, considering it to be adjusted in bills with APDOP. The Commission has reviewed the recovery of the total carrying cost of Rs.0.20 crore on the revenue surplus accrued for FY 2023-24 to date. Based on its assessment, the Commission has determined a cumulative revenue surplus of Rs.1 crore for M/s DEPL in accordance with the Aggregate Revenue Requirement (ARR) approved for the 132 kV Transmission Line. In line with the provisions of the APERC (MYT) Regulations, 2018 referred to above, the Petitioner is directed to refund or adjust the said amount in the monthly bills submitted to APDOP within six months from the date of issuance of this order.

Annual Performance Review for FY 2024-25

Additional CAPEX

Petitioners Submission

5.52 The Petitioner has estimated additional capital expenditure in the transmission line


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works to the extent of Rs.0.25 Crore for strengthening and protection works carried out over the full length of 32 KM line and Switching station for the protection of Transmission lines and equipment.

Commissions Analysis

- 5.53** The Commission notes that at the time of filing the petition, the Petitioner had estimated a capital expenditure of Rs.0.25 crore. However, the Commission, vide letter APERC/RA-7/IV/2025-26/309 dated 25th August 2025, sought detailed information regarding the said works. In response, the Petitioner, vide letter dated 15th September 2025, clarified that no additional capital expenditure had been incurred during FY 2024-25. Accordingly, the Commission has not considered any amount under this head.

Depreciation

Petitioners Submission

- 5.54** The Petitioner has submitted the depreciation charge has been computed as per Straight Line Method (SLM) based on the depreciation rates and methodology specified in APERC MYT Regulations, 2018. The estimated figures submitted by the Petitioner for FY 2024-25 is presented in the table below:

Table 26 Depreciation as submitted by the Petitioner for FY 24-25(Rs.Cr)

Particulars	FY 24-25(Estimated)
Depreciation	3.61

Commissions Analysis

- 5.55** The Petitioner has estimated depreciation of assets as Rs.3.61Crores. However, depreciation as per the rates approved by the Commission works out to Rs.3.08 Crores. This depreciation includes depreciation of CAPEX over the years admitted by the Commission and has been worked out in Form 4 based on APERC MYT Regulation 2018. The depreciation charges as admitted by the Commission for FY 2024-25 is given in the table below:

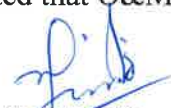
Table 27 Depreciation charge as approved by the Commission for FY 2024-25(Rs.Cr)

Particulars	Petitioners	Approved
Depreciation	3.61	3.08

O&M Expense

Petitioners Submission

- 5.56** The Petitioner has submitted that O&M expenses have been computed as per APERC


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Tariff Regulation 2018 and CERC Tariff Regulations, 2019. The Petitioner has stated that these expenses are not sufficient to meet the O&M Expenses in the hilly and far-flung region of the project. Therefore, the estimated O&M expenses for FY 2023-24 as per Section 1- True Up for FY 2023-24 is Rs.1.915 Crore and escalated and for FY 2024-25 escalated the same at the rate of 8% per annum considering inflation, material & manpower cost on all the O&M expenses except Transmission License, Petition Filing Fee and Satellite Bandwidth Charges which works out to Rs.2.055 Crore. However, the actual O&M cost will be claimed in True Up. The O&M expense as submitted by the Petitioner for FY 2024-25 is given in the table below:

Table 28 Projected O&M Expenses as submitted by the Petitioner for FY 24-25(Rs.Cr)

Particulars	FY 25(Estimated)
O&M Expenses	2.055

Note: The expenses mentioned herein above do not include O&M charges for Transmission system below 132 kV.

Commissions Analysis

5.57 The Commission has referred to the definition of O&M expenses as mentioned in the APSERC(MYT) Regulations, 2018 as cited below:

“(59) “Operation and Maintenance expenses” or “O&M expenses” means the expenditure incurred on operation and maintenance of the project, or part thereof, and includes the expenditure on manpower, repairs, spares, consumables, insurance and overheads but excludes fuel expenses and water charges;”

5.58 The Commission has also referred to clause 7.8 of the APSERC(MYT) Regulations, 2018 and has considered the same during the approval of O&M expense for FY 2024-25. The Petitioner has claimed O&M charges of Rs.2.055 Crores which is higher than norms accepted by the Commission. The Commission in line with the approach adopted for the previous years has considered the same for determination of O&M charges for the FY 2024-25. The Commission has considered the CERC approved normative rates for determining the O&M expense for FY 2024-25. The O&M expense as approved by CERC works out to Rs.1.105 Crore for the length of lines and no of bays associated with the transmission system. The Commission has considered the same for the projection of FY 2024-25, however same shall be reviewed by the Commission during true up proceedings. The Security Expenses and Transmission license fee has been considered separately as per Commissions assumptions in earlier section of this order.


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The O&M cost approved by the Commission for FY 2024-25 is given in the table below:

Table 29 O&M cost approved by the Commission for FY 2024-25(Rs. Cr)

Particulars	Petitioners Submission	Approved by the Commission
O&M cost	2.055	1.1045
Security Expenses	-	0.115
O&M exp including security exp.	-	1.22
Transmission License fee	-	0.03

Interest on Loan and Finance Charges

Petitioners Submission

5.59 The Petitioner has submitted the interest on loan and finance charges for FY 2024-25 by considering the weighted average rate of interest on Normative Loan for FY 2024-25 as 9.83 % respectively. The interest on Normative loan submitted by the Petitioner is given in table below:

Table 30 Interest on Loan & Finance Charges submitted by the Petitioner for FY25(Rs.Cr)

Sr. No.	Source of Loan	FY 2024-25(Estimated)
1	Opening Balance of Normative Loan	47.51
2	Less: Reduction of Normative Loan due to retirement or replacement of assets	0.00
3	Addition of Normative Loan due to capitalization during the year	0.18
4	Repayment of Normative loan during the year	3.09
5	Closing Balance of Normative Loan	44.60
6	Average Balance of Normative Loan	46.06
7	Weighted average Rate of Interest on actual Loans (%)	9.83
8	Interest Expenses	4.53
9	Finance Charges	0.00
10	Total Interest & Finance Charges	4.53

Commissions Analysis

5.60 The Commission notes that the Petitioner has claimed interest on loan amounting to Rs. 4.53 crore for FY 2024-25. Since no additional capital expenditure has been considered, no corresponding increase in loan has been accounted for FY 2024-25. The Commission has taken the closing loan balance approved for FY 2023-24 as the opening loan balance for FY 2024-25 and has computed the interest on loan accordingly. The interest rate of 9.83% for FY 2024-25 has been considered based on the Petitioner's submission; however, this shall be reviewed during the true-up process. The loan repayment for FY 2024-25 has been taken as equivalent to the depreciation allowed by the Commission


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for the same year. The interest on loan admitted by the Commission for FY 2024-25 is presented in the table below:

Table 31 Interest on loan and Finance charges approved by the Commission for FY 2024-25(Rs.Cr)

Sr.No.	Particulars	Petition	Approved
1	Opening balance of normative loan	47.51	28.87
2	Addition in loan	0.18	0.00
3	Repayment during the year	3.09	3.08
4	Closing Balance of Normative Loan	44.60	25.79
5	Average Balance of Normative Loan	46.06	27.33
6	Rate of Interest (Weighted Average Rate of Interest)	9.83%	9.83%
7	Interest on loan	4.53	2.69

Return on Equity

Petitioners Submission

5.61 The Petitioner has stated that RoE allowed as 14.00% is net of taxes on the equity invested in accordance with Regulation 4.6 of APERC MYT Regulations, 2018. However, for the FY 2024-25, DEPL has claimed RoE @ 17.16% considering applicable Minimum Alternate Tax. The amount of RoE works out to Rs. 3.32 Crore. The details of normative of RoE calculation are shown in table below:

Table 32 Return on Equity as submitted by the Petitioner for FY 2024-25(Rs.Cr)

S.No.	Particulars	Estimated
1	Regulatory Equity at the beginning of the year	18.58
2	Equity portion of capitalization during the year	0.08
3	Regulatory Equity at the end of the year	18.66
4	Average Equity	18.62
5	Return on Equity with Tax (%)	17.16%
6	Return on Regulatory Equity beginning of the year	3.19
7	Return on Regulatory Equity addition during the year	0.01
8	Total Return on Equity	3.20

Commissions Analysis

5.62 The Commission observes that the Petitioner has claimed a Return on Equity (RoE) of Rs.3.20 Crore for FY2024-25. Since no additional capital expenditure has been considered, no corresponding increase in RoE has been factored in. The Commission has computed the RoE for FY2024-25 by taking the closing equity of the previous year as the opening equity for the year. The rate of RoE, after incorporating tax on return, has been considered as 16.96% (Base rate: 14%; MAT rate for FY 2024-25: 15%; surcharge: 12%; health and education cess: 4%, resulting in an effective tax rate of 17.47%, and $\text{RoE} = 14 / (1 - 17.47\%) = 16.96\%$). After detailed scrutiny, the Commission


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has approved the RoE for FY 2024-25 as shown in the table below:

Table 33 RoE approved by the Commission for FY 2024-25 (Rs.Cr)

Sr.No.	Particulars	Petition	Approved
1	Opening Equity	18.58	18.38
2	Addition Equity	0.08	0.08
3	Closing Equity	18.66	18.46
4	Average Equity (1+3)/2	18.62	18.42
5	Rate of Return	17.16%	16.96%
6	Total ROE admitted (4x5)	3.20	3.12

Interest on Working Capital

Petitioners Submission

5.63 The Petitioner has submitted that the interest on working capital as per norms in APERC MYT Regulations, 2018 in Form No. F6, attached with the petitions. Interest on working capital has been calculated at 12.30% p.a. after adding 350 basis points in the MCLR rate of State Bank of India. The MCLR rate of State Bank of India was 8.80% during FY 2024-25. Accordingly, the Petitioner has calculated Average MCLR as 8.80% plus 350 basis points as per Regulation for first six months of the year previous to the relevant year. The details of Interest on working Capital for the transmission system for estimated for FY 2024-25 submitted by the Petitioner is given in the table below:

Table 34 Estimated IoWC as submitted by the Petitioner for FY 2024-25 (Rs.Cr)

Sr. No.	Particulars	FY25(Estimated)
1	O&M expenses (One Month)	0.17
2	Maintenance Spares (15% of O&M expense)	0.29
3	Receivables (equivalent to 2 months of fixed cost)	2.29
4	Less: Security Deposit from Transmission System Users	0.00
5	Total Working Capital requirement	2.77
6	Interest Rate (%)	12.30
7	Interest on Working Capital	0.34

Commissions Analysis

5.64 The Commission has noted the submission made by the Petitioner for projecting IoWC for FY 2024-25. The Commission has considered one-year MCLR rate for the last six months of FY 2024-25 and has considered 350 basis points and has considered the interest rate of 12.49%. Details of Interest on working capital as approved by the Commission for FY 2024-25 is given in the table below:


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Table 35 Interest on Working Capital approved by the Commission for FY 2024-25 (Rs. Cr)

Sr.No.	Particulars	Petition	Amount
1	O&M Expenses (one month)	0.17	0.102
2	Maintenance of Spares(15% of O&M)	0.29	0.183
3	Receivables- 2 months	2.29	1.731
4	Total Working Capital	2.73	2.02
5	Average six months SBI MCLR Rate	12.30%	12.49%
6	Interest on Working Capital	0.34	0.25

Non-Tariff Income

Petitioners Submission

5.65 The Petitioner has submitted the Non-Tariff Income as Nil.

Commissions Analysis

5.66 The Commission in accordance with the submission of the Petitioner has not considered any amount for Non-Tariff Income.

Aggregate Revenue Requirement

Petitioners Submission

5.67 The estimated ARR for FY2024-25 submitted by the Petitioner is shown in table below:

Table 36 Estimated Revenue Requirement as submitted by the Petitioner for FY 24-25 (Rs.Cr)

Sr. No.	Particulars	Reference	FY25(Estimated)
1	Operation & Maintenance Expenses	Form 2	2.06
2	Depreciation	Form 4	3.61
3	Interest and Finance Charges	Form 5	4.53
4	IoWC and deposits from TSUs	Form 6	0.34
5	Contribution to Contingency reserves	Form 9	-
6	Total Revenue Expenditure		10.54
7	Return on Equity Capital	Form 7	3.20
8	Aggregate Revenue Requirement		
9	Less: Non-Tariff Income	Form 8	-
10	Less: Income from Other Business		-
11	Less: Revenue from short-term transmission charges		-
12	Aggregate Revenue Requirement from Transmission Tariff		13.74

5.68 The Petitioner has stated that the gross Aggregate Revenue Requirement for FY2024-25 works out to Rs.13.74 Cr as per APSERC MYT Regulations, 2018.

Commissions Analysis

5.69 The Commission in accordance with the approval as outlined in above sections of the


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order hereby approves the ARR for APR of FY 2024-25, however same shall be reviewed by the Commission during true up. The ARR approved by the Commission for FY 2024-25 is given in the table below:

Table 37 ARR as approved by the Commission for FY 2024-25(Rs.Cr)

Sr. No	Particulars	Petitioners Submission	Approved by the Commission
1	O&M Expenses	2.06	1.22
2	Depreciation	3.61	3.08
3	Interest and Finance Charges	4.53	2.69
4	Interest on working Capital	0.34	0.25
5	Return on Equity Capital	3.20	3.12
6	Aggregate Revenue Requirement	13.74	10.35
7	Transmission license renewal charges	-	0.03
8	Total Aggregate Revenue Requirement	13.74	10.38



Chapter 6: Business Plan & Analysis of ARR for FY 2025-26 to FY 2029-30

- 6.1 The Commission has referred to clause 2.3 (2) (II) of the APERC (Multi Year Tariff) Regulations, 2025 for business plan for a transmission licensee as cited below:

“2.3. Business Plan:

(1) An application for approval of the Business Plan shall be made along with the MYT Application year prior to the commencement of the Control Period, in accordance with the prevalent APERC (Conduct of Business) Regulations, 2011, as amended from time to time, and accompanied by a such fee payable, as specified in the prevalent Arunachal Pradesh State Electricity Regulatory Commission (Fees) Regulations, 2011, as amended from time to time.

II. For a Transmission Licensee

The Business Plan for the Transmission Licenses shall be for the entire control period and shall, inter alia, contain-

- (a) Capital investment plan should be commensurate with load growth and quality improvement proposed in the business plan. The investment plan should also include yearly phasing of capital expenditure along with the source of funding, financing plan and corresponding capitalization schedule. The system augmentation/expansion plan to be submitted as a part of Capital Investment Plan by the Transmission Licensee shall be consistent with the load growth forecast/ generation evacuation requirement during the control period. Further, the Capital Investment Plan shall be in conformity with the plans made by the CEA/CTU/ STU/Distribution Licensee;*
- (b) The appropriate capital structure of each scheme proposed and cost of financing (interest on debt) and return on equity, terms of the existing loan agreements, etc;*
- (c) Manpower planning*
- (d) Transmission loss reduction trajectory for each year of the control period, including details of the measures proposed to be taken for achieving the target loss;”*

- 6.2 The Commission notes that the Petitioner has neither submitted a Business Plan nor proposed any capital expenditure for the control period from FY 2025-26 to FY 2029-30. However, if any capital expenditure works are undertaken during the control period, prior approval of the Commission needs to be taken by the Petitioner.

- 6.3 The Commission based on the provisions of the APERC (MYT) Regulations, 2024,


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along with the documents and information submitted to the Commission by the Petitioner has carried out the approval of ARR for the FY 2025-26 to FY 2029-30.

- 6.4 The component-wise description of the Petitioner's submission and the Commission's analysis thereof is provided hereunder.

Gross Fixed Asset

Petitioners Submission

- 6.5 The Petitioner has projected the Gross Fixed Asset for the MYT control period FY 2025-26 to FY 2029-30 as given in the table below:

Table 38 GFA as projected by the Petitioner for FY 2025-26 to FY 2029-30 (Rs.Cr)

Particulars	FY26	FY27	FY28	FY29	FY30
Opening	61.26	61.26	61.26	61.26	61.26
Capitalization	0.00	0.00	0.00	0.00	0.00
Addition/(Deletion)	0.00	0.00	0.00	0.00	0.00
Closing	61.26	61.26	61.26	61.26	61.26

Commissions Analysis

- 6.6 The Commission notes the Petitioner's submission that no capitalization has been projected for the control period from FY 2025-26 to FY 2029-30. The Petitioner has considered the closing GFA of FY 2024-25 and projected the same for the subsequent years. Accordingly, the Commission has referred to the initial capital cost approved earlier and the capitalization already approved by the Commission, and has computed the GFA for the relevant years on this basis. Since the Petitioner has not proposed any capitalization during the control period, the Commission has also not considered any capitalization for FY 2025-26 to FY 2029-30. However, the Commission directs the Petitioner to obtain prior approval in case any capitalization is undertaken during the upcoming years.
- 6.7 Based on the approved capital cost and the capitalization allowed for the respective years, the Commission has approved the GFA for the control period from FY 2025-26 to FY 2029-30, as presented in the table below:

Table 39 GFA as approved by the Commission for FY 20 to FY 25(Rs.Cr)

Particulars	FY20	FY21	FY22	FY23	FY24	FY25
Opening	59.98	59.98	60.55	60.92	61.01	61.26
Capitalization	0.00	0.57	0.37	0.08	0.25	0.00
Addition/(Deletion)	0.00	0.57	0.37	0.08	0.25	0.00
Closing	59.98	60.55	60.92	61.01	61.26	61.26


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Table 40 Gross fixed Asset as approved by the Commission for FY 2025-26 to FY2029-30(Rs.Cr)

Particulars	FY26	FY27	FY28	FY29	FY30
Opening	61.26	61.26	61.26	61.26	61.26
Capitalization	0.00	0.00	0.00	0.00	0.00
Addition/(Deletion)	0.00	0.00	0.00	0.00	0.00
Closing	61.26	61.26	61.26	61.26	61.26

Depreciation

Petitioners Submission

6.8 The Petitioner has stated that the depreciation charge has been computed on Straight Line Method (SLM) based on the depreciation rates and methodology as specified in APSERC MYT Regulations,2024. The details of depreciation for FY 25-26 TO FY 29-30 are available in Form F4.4 enclosed with this Petition.

6.9 The estimated figures for FY 25-26 TO FY 29-30 as submitted by the Petitioner is given in the table below:

Table 41 Depreciation as submitted by the Petitioner for FY 2025-26 to FY 2029-30(Rs.Cr)

Particulars	FY26	FY27	FY28	FY29	FY30
Depreciation	3.61	3.61	3.61	3.61	3.61

Commissions Analysis

6.10 The Commission has referred to clause 4.9 of the APSERC (Multi Year Tariff) Regulations,2025 for computation of depreciation as cited below:

"4.9. Depreciation

- (1) *Land other than the land held under lease and the land for reservoir in case of hydro generating station shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the asset. Further, capital cost to the extent of capital cost funded by Consumer Contribution, Grants or Deposit Works carried out by Transmission Licensee or SLDC or Distribution Licensee or Generating Company, as the case may be, shall not be considered for depreciation calculation.*
- (2) *The salvage value of the asset shall be considered as 10% and depreciation shall be allowed upto maximum of 90% of the capital cost of the asset.*

Provided that Generating Company or Transmission Licensee or SLDC or Distribution licensee shall submit certification from the Statutory Auditor for the capping of depreciation at ninety percent of the allowable capital cost of the asset in the true-up application;

Provided further that salvage value for IT equipment and software shall be considered as NIL and 100% value of the assets shall be considered depreciable;

Provided that in case of hydro generating stations, the salvage value shall be as provided in


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the agreement signed by the developers with the State Government for creation of the site:

Provided further that the capital cost of the assets of the hydro generating station for the purpose of computation of depreciable value shall correspond to the percentage of sale of electricity under long-term power purchase agreement at regulated tariff.

- (3) *In case of the existing projects, the balance depreciable value as on April 1, 2025, shall be worked out by deducting the cumulative depreciation as admitted by the Commission upto March, 31, 2025, from the gross value of the assets.*
- (4) *Depreciation shall be calculated annually based on Straight Line Method and at rates specified in Appendix- I of these Regulations.*

Provided that the remaining depreciable value as on 31st March of the year closing after a period of 12 years from date of commercial operation shall be spread over the balance useful life of the assets:

- (5) *In case of projected commercial operation of the asset for part of the year, depreciation shall be calculated based on the average of opening and closing value of asset, approved by the Commission:*

Provided that depreciation will be re-calculated during truing-up for assets capitalized at the time of Truing Up of each year of the Control Period, based on documentary evidence of asset capitalized by the applicant, subject to the prudence check of the Commission, such that the depreciation is calculated proportionately from the date of capitalization."

6.11 The Commission, in accordance with the above provisions and based on the capitalization allowed and the approved Gross Fixed Assets as detailed in the preceding section of this Order, hereby approves the depreciation for FY 2025-26 to FY 2029-30 as presented in the table below:

Table 42 Depreciation approved by the Commission for FY 2025-26 to FY 2029-30(Rs.Cr)

Particulars	FY26	FY27	FY28	FY29	FY30
Depreciation	3.08	3.08	3.08	3.08	3.08


Interest on Loan and Finance Charges

Petitioners Submission

6.12 The Petitioner has submitted that the weighted average rate of interest on Normative Loan for FY 2025-26 TO FY 2029-30 is 9.83% respectively. The complete details of loan and interest rates are available in Form F5 attached with the petition. The interest on Normative loan for FY 2025-26 to FY 2029-30 is given in the table below:

Table 43 Interest on Loan as projected by the Petitioner for FY 2025-26 to FY 2029-30(Rs.Cr)

S No.	Source of Loan	FY26	FY27	FY28	FY29	FY30
1	Opening Balance of Normative Loan	44.60	41.51	38.42	35.33	32.25
2	Less: Reduction of Normative Loan due to retirement or	0.00	0.00	0.00	0.00	0.00


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	replacement of assets					
3	Addition of Normative Loan due to capitalization during the year	0.00	0.00	0.00	0.00	0.00
4	Repayment of Normative loan during the year	3.09	3.09	3.09	3.09	3.09
5	Closing Balance of Normative Loan	41.51	38.42	35.33	32.25	29.16
6	Average Balance of Normative Loan	43.05	39.97	36.88	33.79	30.70
7	Weighted average Rate of Interest on actual Loans (%)	9.83%	9.83%	9.83%	9.83%	9.83%
8	Interest Expenses	4.23	3.93	3.63	3.32	3.02
9	Finance Charges	0.00	0.00	0.00	0.00	0.00
10	Total Interest & Finance Charges	4.23	3.93	3.63	3.32	3.02

Commissions Analysis

6.13 The Commission has noted the submission made by the Petitioner for Interest on loan for FY 2025-26 to FY 2029-30. The Commission has also referred to clause 4.8 of the APSERC(MYT)Regulations,2024 for computation of interest on loan as cited below:

“4.8. Interest and finance charges on loan capital

(1) The loans arrived at in the manner indicated in these Regulations shall be considered as Gross normative loan for calculation of interest on loan:

Provided that interest and finance charges on capital works in progress shall be excluded.

Provided further that in case of retirement or replacement of assets, the loan capital approved as mentioned above, shall be reduced to the extent of outstanding loan component of the original cost of the retired or replaced assets, based on documentary evidence.

(2) The normative loan outstanding as on April 1, 2025, shall be worked out by deducting the cumulative repayment as admitted by the Commission upto March 31, 2025, from the gross normative loan.

(3) The repayment for the year during the control period shall be deemed to be equal to the depreciation allowed for that year.

*** **

(5) The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio at the beginning of each year applicable to the Generating Company or the Transmission Licensee or the SLDC or the Distribution Licensee.

Provided that if there is no actual loan for a particular year but normative loan is still outstanding, the last available weighted average rate of interest shall be considered:

Provided further that if the Generating Company, the Transmission Licensee, SLDC or the Distribution Licensee, as the case may be, does not avail any loan in past, then the one year SBI MCLR (or any replacement thereof declared by SBI from time to time) plus 150 basis points shall be considered.

*** **

6.14 In line with the above provisions, the Commission has computed the interest on loan for FY 2025-26 to FY 2029-30 by considering the closing loan balance approved for FY 2024-25 as the opening loan for FY 2025-26. Since no additional capital expenditure has been proposed, no increase in the loan has been factored in for the period FY 2025-26 to FY 2029-30. The Commission has applied the weighted average rate of interest


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based on the Petitioner's actual loan portfolio and has assessed the interest on loan on a normative basis, taking into account the approved capital cost and the capitalization allowed in previous orders. The rate of interest considered is 9.83%, as submitted by the Petitioner, and the interest on loan for the control period has been computed accordingly.

- 6.15** The loan repayment for FY 2025-26 to FY 2029-30 has been taken as equivalent to the depreciation allowed by the Commission for the same year. The interest on loan as approved by the Commission for FY2025-26 to FY 2029-30 is given in the table below:

Table 44 Interest on Loan as approved by the Commission for FY 2025-26 to FY 2029-30(Rs.Cr)

S.No	Interest on Loan	FY26	FY27	FY28	FY29	FY30
1	Opening Balance of Normative Loan	25.79	22.71	19.63	16.55	13.47
2	Capitalization	0.00	0.00	0.00	0.00	0.00
3	Addition of Normative Loan due to capitalization during the year	0.00	0.00	0.00	0.00	0.00
4	Repayment of Normative loan during the year	3.08	3.08	3.08	3.08	3.08
5	Closing Balance of Normative Loan	22.71	19.63	16.55	13.47	10.39
6	Average Balance of Normative Loan	24.25	21.17	18.09	15.01	11.93
7	Weighted average Rate of Interest on actual Loans (%)	9.83%	9.83%	9.83%	9.83%	9.83%
8	Interest Expenses	2.32	2.02	1.73	1.43	1.14
9	Finance Charges (taken in capital cost)	0.00	0.00	0.00	0.00	0.00
10	Total Interest & Finance Charges	2.38	2.08	1.78	1.48	1.17

Return on Equity


Petitioners Submission

- 6.16** The Petitioner has submitted that the RoE is allowed as 14.00% net of taxes on the equity invested in accordance with Regulation 4.6 of APSERC MYT Regulations, 2024. However, for the FY 25-26 TO FY29-30, DEPL has claimed RoE @ 17.16% considering applicable Minimum Alternate Tax.

- 6.17** The amount of RoE works out to Rs.3.20 Crore. The details of the normative of RoE calculation are shown in table below and Form F7 attached with the petition:

Table 45 Return on Equity as projected by the Petitioner for FY 2025-26 to FY 2029-30(Rs.Cr)

S.No.	Particulars	FY26	FY27	FY28	FY29	FY30
1	Regulatory Equity at the beginning of the year	18.66	18.66	18.66	18.66	18.66
2	Equity portion of capitalization during the year	0.00	0.00	0.00	0.00	0.00
3	Regulatory Equity at the end of the year	18.66	18.66	18.66	18.66	18.66


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4	Average Equity	18.66	18.66	18.66	18.66	18.66
5	Return on Equity with Tax (%)	17.16%	17.16%	17.16%	17.16%	17.16%
6	Return on Regulatory Equity beginning of the year	3.20	3.20	3.20	3.20	3.20
7	Return on Regulatory Equity addition during the year	0.00	0.00	0.00	0.00	0.00
8	Total Return on Equity	3.20	3.20	3.20	3.20	3.20

Commissions Analysis

6.18 The Commission has noted the submission of the Petitioner and has referred clause 4.6 & 4.7 of the APSERC(MYT) Regulations, 2024 as cited below:

“4.6. Return on Equity

- (1) Return on equity shall be computed in rupee terms, on the equity capital determined in accordance with Regulation 4.2.
- (2) Maximum Return on Equity that shall be allowed for the assets put to use for the Generating Company and Retail Supply Business up to the rate of 15.50% per annum in Indian Rupee terms and for Transmission Licensee, SLDC and Distribution Wires Business, up to the rate of 15.00% per annum in Indian Rupee terms:

Provided that Return on Equity shall be allowed in two parts viz. Base Return on Equity, and Additional Return on Equity linked to actual performance:

Provided that Additional Return on Equity linked to actual performance only applicable during true-up exercise:

Provided further that Additional Return on Equity shall be considered and trued-up for respective year based on actual performance substantiated by documentary evidence, after prudence check by the Commission.

Provided further that the Commission may conduct a third-party verification of the performance parameters based on which the additional Return on Equity is being allowed during true-up exercise.

.....

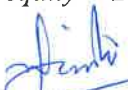
(6) Base Return on Equity of 14.00% per annum in Indian Rupee terms shall be allowed on the equity capital for the assets put to use Provided that in case Generating Company or Transmission Licensee or SLDC or Distribution Licensee claims Return on Equity at a rate lower than the normative rate specified above for any particular year, then such claim for lower Return on Equity shall be unconditional: ”

..... ”

“4.7. Tax on Return on Equity

- (1) The base rate of return on equity as allowed by the Commission under Regulation 4.6 shall be grossed up with the effective tax rate of the respective financial year. For this purpose, the effective tax rate shall be considered on the basis of actual tax paid in the respect of the recent financial year in line with the provisions of the relevant Finance Acts by the concerned generating company or the licensee, as the case may be. The actual tax on income from other business streams including deferred tax liability (i.e. income on business other than business of generation, transmission or distribution wire, as the case may be) shall not be considered for the calculation of "effective tax rate".
- (2) Rate of return on equity shall be rounded off to three decimal places and shall be computed as per the formula given below:

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


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Where "t" is the effective tax rate in accordance with regulation 4.7(1) of these Regulations. In case of generating company or the licensee, paying Minimum Alternate Tax (MAT), "t" shall be considered as MAT rate including surcharge and cess.....

Illustration: -

(a) In case of the generating company or the licensee paying Minimum Alternate Tax(MAT) @ 20.96% including surcharge and cess:

$$\text{Rate of return on equity} = 14.00 / (1 - 0.2096) = 17.71\%$$

(b) In case of generating company or the licensee paying normal corporate tax of, say 24%, including surcharge and cess:

$$\text{Rate of return on equity} = 14.00 / (1 - 0.24) = 18.42\% \dots \dots "$$

6.19 The Commission, in accordance with the provisions referred, has computed the Return on Equity (RoE) for the control period FY 2025-26 to FY 2029-30. As no capitalization has been considered, no addition to equity has been accounted for during the control period. The closing equity approved for FY 2024-25 in the earlier section of this order has been treated as the opening equity for FY 2025-26, and the equity for the subsequent years has been computed accordingly.

6.20 For computing the rate of return, the Commission has considered the MAT rate of 15% along with the applicable surcharge and cess, resulting in an effective tax rate of 17.47%. Accordingly, the rate of return on equity has been calculated at 16.96% $\{14 / (1 - 0.1747)\}$, which shall be subject to adjustment during the True-up. The RoE approved by the Commission for FY 2025-26 to FY 2029-30 is presented in the table below.

Table 46 RoE approved by the Commission for FY 2025-26 to FY 2029-30(Rs.Cr)

S.No	Particulars	FY26	FY27	FY28	FY29	FY30
1	Regulatory Equity at the beginning of the year	18.38	18.38	18.38	18.38	18.38
2	Capitalization during the year	0.00	0.00	0.00	0.00	0.00
3	Equity portion of capitalization during the year	0.00	0.00	0.00	0.00	0.00
5	Regulatory Equity at the end of the year	18.38	18.38	18.38	18.38	18.38
6	Average Equity	18.38	18.38	18.38	18.38	18.38
7	Percentage of Return on Equity	16.96%	16.96%	16.96%	16.96%	16.96%
10	Total Return on equity	3.12	3.12	3.12	3.12	3.12

Operation and Maintenance Expense

Petitioners Submission

6.21 The Petitioner has stated that The Normative O&M expenses as per APSERC Tariff


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Regulation 2018 and CERC Tariff Regulations, 2024 have been calculated and the details for FY 25-26 to FY 29-30 are available in Form F2.1 enclosed with this Petition.

6.22 The Petitioner has further stated that these expenses are not sufficient to meet the O&M Expenses in the hilly and far-flung region of the project. Initially the Petitioner had considered Operation & Maintenance expenses as per the CERC regulations 2019, however these are general charges and not specific to either North-East India or for the State of Arunachal Pradesh. Therefore, the charges as proposed in the tariff order 20.12.2019 for determination of Annual Revenue Requirement for FY 2019-20, 2020-21 and 2021-22 can be treated as provisional and to be corrected in the true up. In our earlier petitions we have claimed the actual O&M expenses as per Audited Accounts for each financial year for proper Operation & Maintenance of the transmission system. The estimated O&M expenses for FY 2024-25 as per Section 2-Annual Revenue Requirement (ARR) 2024-25 is Rs.2.055 Crore.

6.23 The calculation of O&M expenses as per APSERC MYT Regulations 2024 is Rs.2.068 Crore, Rs.2.150 Crore, Rs.2.232 Crore, Rs.2.294 and Rs.2.374 for the FY 25-26, FY 26-27, FY 27-28, FY 28-29 and FY 29-30 respectively. The Petitioner has requested the Commission to allow the same. The Petitioner has considered a growth factor of 3% and computed and escalation factor of 8%.

6.24 The estimated O&M Expenses for FY 2024-25 and projected O&M expenses for FY 25- 26 to FY 29-30 as submitted by the Petitioner is given in the table below:

Table 47 O&M expenses as projected by the Petitioner for FY 2025-26 to FY 2029-30(Rs.Cr)

Particulars	FY26	FY27	FY28	FY29	FY30
O&M Expenses	2.068	2.150	2.232	2.294	2.374

Note: The expenses mentioned above do not include O&M charges for Transmission system below 132 kV.

Commissions Analysis

6.25 The Commission has taken a note of the submission of the Petitioner and has referred to clause 4.10 of the APSERC(MYT) Regulations,2024 for computation of O&M expenses as cited below:

“4.10. Operation and Maintenance Expenses (O&M)

- (1) *The Operation and Maintenance expenses shall be computed in accordance with these Regulations.*
- (2) *Operation and Maintenance (O&M) expenses shall comprise of the following:*
 - (a) *Employee (EMP) expenses -salaries, wages, pension contribution and other employee*


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costs.

- (b) Administrative and General (A&G) expenses including insurance charges if any; and:
- (c) Repairs and Maintenance (R&M) expenses.
- (3) O&M expenses for the n th Year of the Control Period shall be approved based on the formula given below:

$$O\&Mn = (R\&Mn + EMPn + A\&Gn) + \text{Terminal Liabilities};$$

(4) **Employee Cost**

Employee cost shall be computed on employee expenses for previous year escalated by appropriate escalation factor which would be determined by considering 20% weightage to the average yearly inflation derived based on the monthly wholesale price index (WPI) of the respective past three financial years as per the office of Economic Advisor of Government of India and 80% weightage to the average yearly inflation derived based on the monthly Consumer Price Index (CPI) for industrial workers of the respective past three financial years as per the Labour Bureau, Government of India and suitable Growth Factor adjusted by provisions for expenses beyond the control of the Licensee such as recovery/adjustment of terminal benefits, implications of Pay Commission, arrears and Interim Relief, governed by the following formula:

$$EMPn = (EMPn-1) \times (1 + EF) + \text{Growth Factor}(G) + \text{Provisions}$$

Where, **EMPn** – Employee expenses of the Licensee for the n th Year (n can be 1, 2, 3, 4 or 5);

EMPn-1 – Average Employee expenses for past three years excluding any type of one-time payment, if $n=1$ (first year of control period); Employee expenses for $(n-1)$ th year, otherwise.

EF– is the escalation factor determined based on WPI and CPI growth rate as described above;

Growth Factor (G) - shall be Year-on-Year/CAGR/any escalation factor considered by the licensee for projecting the employee expenses considering future recruitment/retirement plans or requirement of additional manpower;

Provision: Provision for expenses beyond control of the Licensee and expected onetime expenses as specified above.

(5) **Repairs and Maintenance (R&M) Expense**

Repairs and Maintenance expense shall be calculated on the basis of gross fixed asset (GFA) and K factor escalated by appropriate escalation factor which would be determined by considering 20% weightage to the average yearly inflation derived based on the monthly wholesale price index (WPI) of the respective past three financial years as per the office of Economic Advisor of Government of India and 80% weightage to the average yearly inflation derived based on the monthly Consumer Price Index (CPI) for industrial workers of the respective past three financial years as per the Labour Bureau, Government of India as per the following formula:

$$R\&Mn = (K \times GFA\ n-1) \times (1 + EF)$$

Where, **R&Mn** – Repair and Maintenance expenses of the Licensee for the n th Year;

GFA n-1 – Gross Fixed Asset of the licensee for the $n-1$ th year;


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'K' is a constant specified by the Commission in percentage terms.

Value of K for each year of the control period shall be determined by the Commission in the MYT Tariff order based on licensee's filing, repair and maintenance expenses, benchmarking of repair and maintenance expenses, approved repair and maintenance expenses vis-avis GFA approved by the Commission in past and any other factor considered appropriate by the Commission;

EF- is the escalation factor determined based on WPI and CPI growth rate as described above;

(6) Administrative and General Expense

A & G expense shall be computed on actual A&G expenses of previous years escalated by appropriate escalation factor which would be determined by considering 20% weightage to the average yearly inflation derived based on the monthly wholesale price index (WPI) of the respective past three financial years as per the office of Economic Advisor of Government of India and 80% weightage to the average yearly inflation derived based on the monthly Consumer Price Index (CPI) for industrial workers of the respective past three financial years as per the Labour Bureau, Government of India and adjusted by provisions for confirmed initiatives (IT initiatives as proposed by the Licensee and validated by the Commission) or other expected one-time expenses, and shall be governed by following formula:

$$A\&G_n = (A\&G_{n-1}) \times (1 + EF) + \text{Provision}$$

Where, **A&G_n**- Administrative and General expenses of the Licensee for the nth Year;
A&G_{n-1}- Average Administrative and General expenses for past three years, if n=1;
 Administrative and General expenses for (n-1)th year, otherwise.

EF- is the escalation factor determined based on WPI and CPI growth rate as described above;

Provision: Cost for initiatives or other one-time expenses as proposed by the Licensee and validated by the Commission.

6.26 The Commission has referred to its earlier methodology for determining O&M expenses, wherein the CERC-approved rates applicable across the country were adopted. Since the Petitioner, in the initial petition filed during the first control period under the APSERC (MYT) Regulations, 2018, did not submit O&M costs based on the ckt km of transmission lines, transformer capacities, and number of bays as required under Clause 7.8 of the said Regulations, and as no specific project-related data was available with the Commission at the time of COD (i.e.19.09.2019), the Commission adopted the CERC methodology. This methodology is uniformly applied to all transmission licensees across India, and even the Petitioner's interconnection point with NEEPCO in the same region is allowed O&M expenses based on CERC norms. Accordingly, the Commission adopted the CERC methodology and approved the O&M cost for the Petitioner's 32 km line along with the associated bay as per the CERC


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Regulations, 2019 and 2024.

6.27 The Commission for the new control period i.e. from FY 2025-26 to FY 2029-30, has adopted the approach prescribed under the APSERC (MYT) Regulations, 2024 for projecting the Petitioner's O&M expenses. However, for implementing the O&M framework under the 2024 Regulations, the Commission was required to bifurcate the O&M expenses into Employee Expenses, R&M Expenses, and A&G Expenses. Under the earlier methodology based on CERC norms, the O&M expenses were approved as a single consolidated amount without such bifurcation:

6.28 For the bifurcation of each component, the Commission undertook a detailed exercise while applying the provisions of the APSERC (MYT) Regulations, 2024. The Commission considered and computed various factors determining each component of the O&M expenses based on the data available with it. The relevant considerations of the Commission are detailed below:

O&M expense submitted by the Petitioner vs approved by the Commission over the years

6.29 The table below presents the O&M expenses submitted by the Petitioner over the years, along with those approved by the Commission based on the methodology adopted by the Commission.


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Table 48 O&M expense submitted by the Petitioner vs approved by the Commission(Rs.Cr)

S.No	Particulars	FY20		FY21		FY22		FY23		FY24	
		Petition	Approved	Petition	Approved	Petition	Approved	Petition	Approved	Petition	Approved
1	Repairs & Maintenance	0.0051		0.0087		0.0400		0.0420		0.0490	
2	Employee Costs	0.3871		0.5884		0.6640		0.8040		0.8550	
3	Administration & General Expenses	0.0391		0.0980		0.7790		0.8720		-	
a	Transmission Annual license fees	0.0170		0.0336		0.0300		0.0300		0.0300	
b	Satellite band width charges & VoIP service charges	0.0091	0.479	0.0343	0.861	0.0540	0.891	0.0300	1.06	0.0290	0.971
c	Insurance	0.0644		0.0938		0.1380		0.1590		0.1680	
d	Diesel Expenses	0.1113		0.2448		0.1370		0.1340		0.1740	
e	Vehicle Hiring Expenses Truck/Delivery Van	0.0000		0.0000		0.1500		0.1800		0.1900	
f	Other Expenses	0.0000		0.0000		0.1170		0.1590		0.1260	
g	Security Expenses	0.0712		0.1425		0.1530		0.1800		0.194	
h	Petition filing fee									0.1	
	Total	0.7042	0.4790	1.2441	0.8610	1.4840	0.8910	1.7180	1.06	1.9150	0.9710

6.30 Based on the Petitioner's submissions over the years, the Commission has examined the percentage contribution of each component of O&M expenses—i.e. Employee Expenses, R&M Expenses, and A&G Expenses as given in the table below


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Table 49 Percentage contribution of each component of O&M expenses as per submission of the Petitioner(%)

S.No	Particulars	FY20	FY21	FY22	FY23	FY24
1	Employee Expense	55.04%	47.30%	31.44%	31.04%	44.65%
2	R&M Expense	0.73%	0.70%	1.89%	1.62%	2.56%
3	A&G Expense	44.23%	52.00%	66.67%	67.34%	52.79%
	Total	100%	100%	100%	100%	100%

6.31 In order to determine the base-year value for each component of O&M expenses, the Commission has considered the average of the percentage contribution of each component submitted by the Petitioner over the years for deriving the percentage contribution of each component. The Commission has then applied these percentages to the O&M expenses approved by the Commission for FY 2024-25 to bifurcate each component and arrive at the base-year values, as referred to below:

Table 50 Average of the % computation of each component (%)

S.No	Particulars	Average %
1	Employee Expense	41.89%
2	R&M Expense	1.50%
3	A&G Expense	56.61%

Table 51 Bifurcation and Computation of base year value for O&M expense of FY 2024-25(Rs.Cr)


S.No	Particulars	Amount
1	Employee Expense	0.51
2	R&M Expense	0.02
3	A&G Expense	0.69
4	Total O&M	1.22

6.32 The Commission would also like to clarify that, in the bifurcation shown in Table 50, the petition filing fee and license fee have not been considered. These will be accounted for separately under O&M expenses based on actuals. However, all other components of O&M expenses have been included in the values presented in the above table.

6.33 Accordingly, for determining the K-factor, the Commission has considered the GFA approved in Table 38 and computed the R&M expenses from the total O&M expenses by applying the percentage contribution indicated in Table 49, as highlighted in the table below:

Table 52 Computation of K factor over the years

S.No	Particulars	FY20	FY21	FY22	FY23	FY24
1	O&M approved	0.48	0.86	0.89	1.06	0.97
2	R&M approved	0.007	0.013	0.013	0.016	0.015
3	Opening GFA	59.98	59.98	60.55	60.92	61.01
4	K Factor	0.012%	0.022%	0.022%	0.026%	0.024%
	Average	0.021%				


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6.34 The Commission accordingly has considered a K factor of 0.021% for computation of R&M expense for the control period FY 2025-26 to FY 2029-30.

6.35 For Computation of inflation factor, the Commission has referred to three years average of WPI & CPI and apportioned the respective weightage of 20% & 80% respectively and has arrived at an escalation factor of 4.63%.

Employee Expense

6.36 In accordance with the APERC (MYT) Regulations, 2024 as referred under para 6.25 above and based on the approved base value of employee expenses for FY 2024-25 as referenced in the preceding paragraph, the Commission has applied an escalation factor of 4.63% and approved the employee expenses for FY 2025-26 to FY 2029-30 accordingly. The Petitioner has proposed a growth factor of 3% for the 5 years of the control period, the Commission has considered the same however same shall be subjected to prudence check during true up. The employee expenses approved by the Commission for FY 2025-26 to FY 2029-30 are presented in the table below.

Table 53 Employee Expense as approved by the Commission for FY 2025-26 to FY 2029-30(Rs.Cr)

S.No	Particulars	Base year FY25	FY26	FY27	FY28	FY29	FY30
1	Employee Expense	0.51	0.56	0.62	0.68	0.74	0.81

R&M Expense

6.37 In accordance with the provisions of the APERC (MYT) Regulations, as referred to in para 6.25 above, and considering the approved K-factor, GFA, and the escalation factor of 4.63% as stated earlier, the Commission has approved the R&M expenses for the control period FY 2025-26 to FY 2029-30 however same shall be subjected to prudence check during true up. The approved R&M expenses are presented in the table below:

Table 54 R&M Expense as approved by the Commission for FY 2025-26 to FY 2029-30(Rs.Cr)

S.No	Particulars	FY26	FY27	FY28	FY29	FY30
1	R&M Expense	0.013	0.013	0.013	0.013	0.013

A&G Expense

6.38 In accordance with the APERC (MYT) Regulations, 2024 as referred under para 6.25 above and based on the approved base value of A&G expenses for FY 2024-25 as


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referenced in the preceding paragraph, the Commission has applied an escalation factor of 4.63% and approved the A&G expenses for FY 2025-26 to FY 2029-30 accordingly, however same shall be subjected to prudence check during true up. The A&G expenses approved by the Commission for FY 2025-26 to FY 2029-30 are presented in the table below:

Table 55 A&G Expense as approved by the Commission for FY 2025-26 to FY 2029-30(Rs.Cr)

S.No	Particulars	Base value FY25	FY26	FY27	FY28	FY29	FY30
1	A&G	0.69	0.72	0.76	0.79	0.83	0.87

6.39 Considering the above the O&M expenses approved by the Commission for FY 2025-26 to FY 2029-30 is given in the table below:

Table 56 O&M Expenses as approved by the Commission for FY 2025-26 to FY 2029-30(Rs.Cr)

S.No	Particulars	FY26	FY27	FY28	FY29	FY30
1	Employee Expense	0.56	0.62	0.68	0.74	0.81
2	R&M Expense	0.013	0.013	0.013	0.013	0.013
3	A&G	0.72	0.76	0.79	0.83	0.87
a)	Licensee Fee	0.03	0.06	0.06	0.06	0.06
b)	Petition Fee	-	-	-	-	-
6	Total O&M Exp	1.33	1.45	1.54	1.64	1.74

“- “Petition Fee shall be approved during True up

Interest on Working Capital

Petitioners Submission

6.40 The Petitioner has stated that Interest on working capital has been calculated as per norms of Operation & Maintenance Expenses as per APSERC MYT Regulations, 2024 in Form No. F6, attached with the petitions. Interest on working capital has been calculated at 11.50% p.a. after adding 250 basis points in the MCLR rate of State Bank of India. The MCLR rate of State Bank of India was 9% during FY 25-26 TO FY 29-30. Accordingly, the Petitioner has calculated Average MCLR as 9% plus 250 basis points as per Regulation for one-year period as on the date on which the Petition for determination of Tariff. A Statement showing MCLR Rate of State Bank of India is attached at Annexure-B.

6.41 The details of Interest on Working Capital for the transmission system for estimated for projections for FY 25-26 TO FY 29-30 are presented in the table below:


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Table 57 IoWC as projected by the Petitioner for FY 2025-26 to FY 2029-30(Rs.Cr)

S.No	Particulars	FY26	FY27	FY28	FY29	FY30
1	O&M expenses (One Month)	0.17	0.18	0.19	0.19	0.20
2	Maintenance Spares (at 15% O&M Expenses plus)	0.31	0.32	0.34	0.35	0.36
3	Receivables (equivalent to 1.5 months of fixed cost i.e. Transmission charges)	1.67	1.65	1.62	1.59	1.56
4	Less: Amount of Security Deposit from Transmission System Users	0.00	0.00	0.00	0.00	0.00
5	Total Working Capital requirement	2.16	2.15	2.14	2.12	2.12
6	Interest Rate (%)	11.50	11.50	11.50	11.50	11.50
7	Interest on Working Capital	0.25	0.25	0.25	0.24	0.24

Commissions Analysis

6.42 The Commission has referred to clause 4.11 (2) of the APERC(MYT) Regulations 2024 for computation of Interest on Working Capital as cited below:

“4.11. Interest on Working Capital:**(2) Transmission**

The working capital requirement of the Transmission Licensee shall cover:

- (i) *Normative Operation and maintenance expenses for one month;*
- (ii) *Maintenance spares at fifteen per cent of the annual O&M expenditure; and*
- (iii) *One and a half months equivalent of the expected revenue from transmission charges at the Tariff approved in the Order for ensuing year(s); Minus*
- (iv) *Amount held as security deposits in cash, if any, from Transmission System Users: Provided further that for the purpose of Truing-up for any year, the working capital requirement shall be re-computed on the basis of the values of revised normative Operation & Maintenance expenses and actual Revenue from Transmission Charges excluding incentive, if any, and other components of working capital approved by the Commission in the Truing-up before sharing of gains and losses;*

Rate of interest on working capital shall be on normative basis and shall be equal to the SBI MCLR of one-year period as on the date on which the Petition for determination of Tariff is filed, plus 250 basis points:

Provided that for the purpose of Truing-up for any year, interest on working capital shall be allowed at a rate equal to the weighted average SBI MCLR of one year period prevailing during the concerned Year plus 250 basis points.”

6.43 In accordance with the above provisions, the Commission has computed the rate of interest on working capital at 11.49% and applied the same for the entire control period. The interest on working capital approved by the Commission for FY 2025-26 to FY


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2029-30 is presented in the table below.

Table 58 Interest on Working Capital approved by the Commission for FY 2025-26 to FY 2029-30(Rs.Cr)

S.No	Particulars	FY26	FY27	FY28	FY29	FY30
1	O&M expenses (as per norms) - 1 month	0.11	0.12	0.13	0.14	0.15
2	Maintenance Spares (as per norms) -15%	0.20	0.22	0.23	0.25	0.26
3	Receivables (as per norms) -45 days	1.24	1.22	1.19	1.17	1.15
4	Less - Amount held as security deposits from Transmission Line Users	0.00	0.00	0.00	0.00	0.00
5	Total Working Capital Required	1.55	1.56	1.55	1.55	1.55
6	Interest Rate (as per norms)	11.49%	11.49%	11.49%	11.49%	11.49%
7	Interest on Working Capital	0.18	0.18	0.18	0.18	0.18

Non-Tariff Income

Petitioners Submission

6.44 The Petitioner has submitted nil non-tariff income for the control period i.e. FY 2025-26 to FY 2029-30.

Commissions Analysis

6.45 The Commission has noted the submission of the Petitioner and has not considered any non-tariff income for FY 2025-26 to FY 2029-30. However, same shall be reviewed during the true-up exercise based on the audited accounts.

Aggregate Revenue Requirement

Petitioners Submission

6.46 The Petitioner has submitted the projected ARR for FY 2025-26 to FY 2029-30 as given in the table below:

Table 59 ARR projected by the Petitioner for FY 2025-26 to FY 2029-30(Rs.Cr)

S.No	Particulars	FY26	FY27	FY28	FY29	FY30
1	O&M Expense	2.07	2.15	2.23	2.29	2.37
2	Depreciation	3.61	3.61	3.61	3.61	3.61
3	Interest & Finance Charges	4.23	3.93	3.63	3.32	3.02
4	Interest on Working Capital	0.25	0.25	0.25	0.24	0.24
5	Return on Equity	3.20	3.20	3.20	3.20	3.20
6	Less Non-Tariff Income	0.00	0.00	0.00	0.00	0.00
7	ARR	13.36	13.14	12.92	12.68	12.45

Commissions Analysis

6.47 The Commission based on the approval provided against the various components in the earlier section of this order hereby approves the ARR for the control period FY 2025-26 to FY2029-30 as given in the table below however same shall be subjected to


Secretary(i/c)
APSERC

prudence check validated by audited accounts during true up exercise.

Table 60 ARR approved by the Commission for FY 2025-26 to FY 2029-30(Rs. Cr)

S.No	Particulars	FY26	FY27	FY28	FY29	FY30
1	O&M Expense	1.33	1.45	1.54	1.64	1.74
2	Depreciation	3.08	3.08	3.08	3.08	3.08
3	Interest & Finance Charges	2.38	2.08	1.78	1.48	1.17
4	Interest on Working Capital	0.18	0.18	0.18	0.18	0.18
5	Return on Equity	3.12	3.12	3.12	3.12	3.12
6	Less Non-Tariff Income	0.00	0.00	0.00	0.00	0.00
7	ARR	10.09	9.91	9.70	9.49	9.29




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Chapter:7 Directives

Optimization of Operational and Maintenance Costs

7.1 The Commission has observed that the Operation and Maintenance (O&M) costs incurred by the Petitioner are relatively high with respect to the 32 km transmission line. In this regard, the Petitioner is hereby directed to undertake all necessary measures to optimize its O&M costs and ensure that any excessive expenditure is avoided, so that it does not adversely affect the Aggregate Revenue Requirement (ARR) or impose an undue burden on the consumers.

Prior approval of any additional capital expenditure

7.2 The Petitioner should obtain the prior approval of the proposed additional capital expenditure and no additional capital expenditure would be allowed unless the work has been duly authorized in advance by the Commission.

Separate Accounting of Transmission Business

7.3 In accordance with clause 6 of the transmission license No.01 of 2018 dated 12.07.2018, the Petitioner is directed to maintain separate accounts for its transmission business and ensure that a distinct accounting and audit report is prepared for the transmission operations along with fixed assets register. The audit report for the transmission business should not be consolidated or clubbed with its generation business.

7.4 The Petition is hereby disposed of with the aforesaid directions.

Date: 11.12.2025

Place: Itanagar

Sd/-
Shri Nich Rika
Member (Law)

Sd/-
Shri R.K. Joshi
Chairperson


Secretary(i/c)
APSERC

Annexure-I

Table 61 List of Participants during public hearing on 25.03.2025

S.No	Name	Organization
1	Shri A.L Nagaraju	Devi Energies Pvt Ltd
2	Shri Rajesh Sharma	JE(Commercial),Department of Power



Annexure-II

Details of abridged form of Petition published by the Petitioner

Intelligence service alleges that western leaders view Zelenskyy as a major obstacle to peace negotiations with Moscow. Despite his term officially expiring in May 2023, Zelenskyy has remained in office, postponing elections under martial law imposed in 2022. The SVR claims Washington and Brussels are looking to "freeze" the conflict by pushing for talks but believe Zelenskyy's expendable material. The SVR claims a campaign is being prepared to expose Zelenskyy's involvement in financial scandals, \$1.5 billion meant for military equipment and the diversion of Ukrainian soldiers. It also accuses his administration of selling Western-supplied weapons to armed groups in Africa. The report suggests that Donald Trump's return to the White House has increased uncertainty over Western support for Ukraine, possibly accelerating efforts to replace Zelenskyy. According to the SVR, NATO's priority remains maintaining Ukraine as an anti-Russian stronghold, regardless of battlefield developments. Meanwhile, in an interview with the Associated Press, Zelenskyy accused Russia of avoiding peace talks and reiterated calls for Western security guarantees, arguing that NATO membership would be the "cheapest" way to secure Ukraine (HS).

M/S DEVI ENERGIES PRIVATE LIMITED
E-351, RUPA VILLAGE & TOWN, RUPA PO & PS, RUPA, WEST KAMENG DIST., ARUNACHAL PRADESH - 790003
No. 2025/ PN/ Trans/1
Dated: Feb 5, 2025

PUBLIC NOTICE
M/s Devi Energies Pvt. Ltd. having its registered office at E-351, Rupa Village & Town, Rupa PO & PS, Rupa, West Kameng Dist., Arunachal Pradesh - 790003 has filed petition for approval of Annual Performance Review & Aggregate Revenue Requirement and Transmission Tariff for 132 kV Transmission System for Power Evacuation from 24 MW Dikshu Small Hydro Electric Project before the Hon'ble Arunachal Pradesh State Electricity Regulatory Commission (APERC) under the section 61, 62 and 64 of the Electricity Act, 2003. Summary of the Annual Performance Review & Aggregate Revenue Requirement and Transmission Tariff filed before the Commission is as follows:-

Summary of the Annual Performance Review

Sl. No.	Particulars	(Rs. in Crore)
1	Operation & Maintenance Expenses	1.21
2	Depreciation	3.61
3	Interest and Finance Charges	4.68
4	Interest on Working Capital	0.32
5	Return on Equity Capital	3.19
6	Income Tax*	0.00
7	Incentive	0.17
8	Total Fixed Cost	13.89
9	Less: Expenses Capitalised	0.00
10	Total Transmission Charges	13.89
11	Less: Non-Tariff Income	0.00
12	Less: Income from Other Business	0.00
13	Less: Revenue from short-term transmission charges	0.00
14	Net Annual Transmission Charges	13.89

PROPOSED TRANSMISSION TARIFF

Sl. No.	Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Annual Transmission Charges (Rs. in Crore)	19.16	13.14	12.92	12.68	12.45	12.45
2	Total MW Allocation (MW)	24.00	24.00	24.00	24.00	24.00	24.00
3	Transmission Tariff (Rs/MW/Day)	21872.15	15,001.29	14,746.92	14,469.19	14,212.79	14,212.79
4	Monthly Payment (Rs. Crore)	1.60	1.10	1.08	1.06	1.04	1.04

GROSS FIXED ASSETS MOVEMENT

Sl. No.	Financial Year	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Rs. in Crore	61.92	62.17	62.17	62.17	62.17	62.17	62.17

DETAILS OF TRANSMISSION LINES

Sl. No.	Line Details	S/C or DMC	Voltage Level in kV	Line Length Ckt/km	Date of Commercial Operation
1	Dikshu HEP Powerhouse to Switching yard area to Tenga Switching Station	S/C	132	10.5	March, 2019
2	Tenga Switching Station to L.I.O. connection of Khuppi Dapora Line near Neelupu	S/C	132	21.5	March, 2019
3	Total Transmission Line			32.0	

DETAILS OF SUB-STATION

Sl. No.	Name of Sub-station	Type of Sub-station Conventional GIS	Voltage Ratio	No. of Transformer (with capacity)	No. of Bays
1	Tenga Switching Station	Switching S/S Conventional	132 kV / 132 kV	Not Required	4

2. The Hon'ble Commission has taken the filing of the Multi Year Tariff Petition on record for the Financial Year 2025-26.

3. The copy of the petition referred at Para 1 above can be obtained from the office of the M/s Devi Energies Pvt. Ltd., E-351, Rupa Village & Town, Rupa PO & PS, Rupa, West Kameng Dist., Arunachal Pradesh - 790003 by the interested persons and consumers' association on any working day at a rate of Rs. 1000/- per set. The petition is also available on the website of M/s Devi Energies Pvt. Ltd., www.devienergies.com and on the website of the Commission (<http://www.aperc.nic.in>) and can be downloaded from there.

4. The Objections/Suggestion, if any, on the ARR filings and tariff proposals submitted by the M/s Devi Energies Pvt. Ltd. may be filed with the Secretary, Arunachal Pradesh State Electricity Regulatory Commission, O. T. Building, 2nd Floor, Niti Vihar Market, T.T. Marg, Niti Vihar, Itanagar - 791111 in person or through registered post or through email shopere-cum@gov.in to reach the Secretary, APERC on or before 20th February 2025 and simultaneously endorsing a copy to the M/s Devi Energies Pvt. Ltd., E-351, Rupa Village & Town, Rupa PO & PS, Rupa, West Kameng Dist., Arunachal Pradesh - 790003.

5. The Objections/Suggestions above should carry full name and postal address including contact (mobile/telephone number) of the person sending the objections. If the objections filed on behalf of any organization or any class of consumers, the same should also be mentioned. It may also be specifically mentioned if the person putting in objection/comments also wants to be heard in person by the Commission.

6. As per clause 3.2 of APERC MYT Regulations 2024, the Commission shall initiate proceeding on the revenue calculation and tariff proposal given by the applicant and may hold public hearing (s) to decide on such revenue calculation and tariff proposal, the date of public hearing shall be specified in due course through public notice by the commission.

7. The Arunachal Pradesh State Electricity Regulatory Commission (APERC), after perusing the written objections received in response to this notice may invite such objections, as it may consider appropriate for a hearing on the specified date, which will be notified by the Commission in due course through a Public Notice.

Sd/-
M/s Devi Energies Private Limited
E-351, Rupa Village & Town, Rupa PO & PS,
Rupa, West Kameng Dist.,
Arunachal Pradesh - 790003

Email Id: admin@devienergies.com
Ph No : 7005220012, 8639227144

Secretary(i/c)
APERC

Echo of Arunachal
WEDNESDAY
FEBRUARY 5, 2025

INTERNAT

M/S DEVI ENERGIES PRIVATE LIMITED

E-351, RUPA VILLAGE & TOWN, RUPA PO&PS, RUPA,
WEST KAMENG DIST. ARUNACHAL PRADESH - 790003

No: 2025/ PN/ Trans/1

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Sl. No.	Particulars	(Rs. in Crore)
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1	Rs. in Crore	61.92	62.17	62.17	62.17	62.17	62.17	62.17

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2	Tenga Switching Station to LILCO connection of Khuppi Balipara Line near Nechou	S/C	132	21.5	March, 2019
3	Total Transmission Line			32.0	

DETAILS OF SUB-STATION

Sl. No.	Name of Sub-station	Type of Sub-station	Voltage Ratio	No. of Transformer (with capacity)	No. of Bays
1	Tenga Switching Station	Switching S/S	132 kV / 132 kV	Not Required	4

- The Hon'ble Commission has taken the filing of the Multi Year Tariff Petition on record for the Financial Year 2025-26 to Financial Year 2029-30.
- The copy of the petition referred at Para 1 above can be obtained from the office of the M/s Devi Energies Pvt. Ltd. E-351, Rupa Village & Town, Rupa PO&PS, Rupa, West Kameng Dist. Arunachal Pradesh - 790003 by the interested persons and consumers and consumers' association on any working day at a rate of Rs. 1000/- per set. The petition is also available on the website of the Commission (<http://www.aperc.nic.in>) and can be downloaded from there.
- The Objections/Suggestion, if any on the ARR filings and tariff proposals submitted by the M/s Devi Energies Pvt. Ltd. may be filed with the Secretary, Arunachal Pradesh State Electricity Regulatory Commission, G. T. Building, 2nd Floor, Nili Vihar Market, T.T. Marg, Nili Vihar, Itanagar - 791111 in person or through registered post or through email apserc-arra@aperc.nic.in to reach the Secretary, APSERC on or before 26th February 2025 and simultaneously endorsing a copy to the M/s Devi Energies Pvt. Ltd., E-351, Rupa Village & Town, Rupa PO & PS, Rupa, West Kameng Dist. Arunachal Pradesh - 790003. Email Id: admin@devienergies.com.
- The Objections/Suggestions above should carry full name and postal address including contact mobile/telephone numbers of the person sending the objections. If the objections filed on behalf of any organization or any class of consumers, the same should also be mentioned. It may also be specifically mentioned if the person pulling in objection/comments also wants to be heard in person by the Commission.
- As per clause 3.2 of APSERC MYT Regulations 2024, the Commission shall initiate proceeding on the revenue calculations and tariff proposal given by the applicant and may hold public hearing(s) to decide on such revenue calculation and tariff proposal, the date of public hearing shall be specified in due course through public notice by the commission.
- The Arunachal Pradesh State Electricity Regulatory Commission (APERC), after perusing the written objections received in response to this notice may invite such objectors, as it may consider appropriate for a hearing on the specified date, which will be notified by the Commission in due course through a Public Notice.

Sd/-

M/s Devi Energies Private Limited
E-351, Rupa Village & Town, Rupa PO&PS

Secretary(i/c)
APERC

US aid Ukraine for fr

PAVLOHRAD/UKR
4: In what used to be
cer hall in this town
Ukraine, costs are at
stage. Instead of mi
room is filled with the
sobs of local people
from their homes by fir
the country's almost thr
war with Russia.

The Russian army's
advances have eng
towns and villages i
area. The Pavlohrad c
hall was requisitioned
temporary centre for
civilians fleeing the re
less Russian bombard
"It's good here. The
food, warmth, and a pla
wash," said 83-year
Kateryna Odraba, who li
through the Nazi German
cupation of her village d
ing World War II.

That refuge may now
in peril.

The shelter costs rr
equivalent of US\$27,000
month to run, and 60 per ce
of that was being covered b
US funds sent to help Ukrain

President Donald Trump's
decision last week to free
for 90 days the humanitarian
aid that the United States
provides to countries over-
seas was felt in places far
from Washington: including
here, a few kilometres from
the front line in eastern Ukraine.

Trump's decision immedi-
ately halted thousands of
US-funded humanitarian
development and security
programs. The conse-
quences have ripple effects
across the world.

"This news was abrupt
and unexpected," said
Novikov, the coordinator of
the Pavlohrad transit centre,
which is run by the charity
organisation Relief Coordi-
nation Center. "At this mo-
ment, we have no idea what
the future holds."

The US funding covered
fuel for evacuation vehicles,
salaries for aid workers, le-
gal and psychological sup-
port, and tickets to help
evacuees reach safer loca-
tions, he said.

Usually about 60 people
pass through the shelter
each day, but when the Rus-
sian bombardment worsens,
that can climb to more than
200, according to Novikov.

Many people heading here
have spent months living in
their basement without elec-
tricity, running water or
enough food.

Vasyl Odraba, 53, remained
in his local village for months,
even as artillery fire and Rus-
sian guided bomb strikes be-
came more frequent as the
war moved closer.

He said he initially be-
lieved that Trump would
stop the war within 24 hours
of taking office, as he had
promised during his election
campaign.

"We pinned our hopes on
Trump's election," he said,
sitting on a cot beside his 83-
year-old mother.

When the fighting didn't
stop, and the front line
moved to within less than 3
kilometres of where they
lived, they fled at dawn.

"If we hadn't left, we would
have died that very night,"
said Kateryna Odraba.

Across Ukraine, many
other sectors are reeling from
the aid freeze, which closes

Annexure -III

Details of escalation factor computation

WPI (https://eaindustry.nic.in/)				
Month	FY22	FY23	FY24	FY25
April	132	152.3	151.1	152.9
May	132.9	155	149.4	153.5
June	133.7	155.4	148.9	154
July	135	154	152.1	155.3
August	136.2	153.2	152.5	154.4
September	137.4	151.9	151.8	154.7
October	140.7	152.9	152.5	156.7
November	143.7	152.5	153.1	156.4
December	143.3	150.5	151.8	155.7
January	143.8	150.7	151.2	155
February	145.3	150.9	151.2	154.9
March	148.9	151	151.4	154.8
Average	139.41	152.53	151.42	154.86
YoY rate of change		9.41%	-0.73%	2.27%
Average rate of change		3.65%		

CPI(https://labourbureau.gov.in/)				
Month	FY22	FY23	FY24	FY25
April	120.1	127.7	134.2	139.4
May	120.6	129	134.7	139.9
June	121.7	129.2	136.4	141.4
July	122.8	129.9	139.7	142.7
August	123	130.2	139.2	142.6
September	123.3	131.3	137.5	143.3
October	124.9	132.5	138.4	144.5
November	125.7	132.5	139.1	144.5
December	125.4	132.3	138.8	143.7
January	125.1	132.8	138.9	143.2
February	125	132.7	139.2	142.8
March	126	133.3	138.9	143
Average	123.63	131.12	137.92	142.58
YoY rate of change		6.05%	5.19%	3.38%
Average rate of change		4.87%		

Particulars	20% of WPI	80% of CPI	Value
Escalation Factor(EF)	0.73%	3.90%	4.63%


Secretary
APSERC