

**MADHYA PRADESH ELECTRICITY REGULATORY COMMISSION  
BHOPAL**

**Sub: In the matter of filing of Capex application (Investment Plan) for the period FY 2022-23 to FY 2026-27 for obtaining approval of the Commission for various schemes as per Regulation 10.3 of the MPERC (The Conditions of Distribution License for Distribution Licensees (including Deemed Licensees), Regulations 2004 by MPMKVCL (Central Discom) as the Distribution Licensee**

**ORDER**

**Hearing through video conferencing**

(Date of order: 30.12.2022)

**1) M.P. Madhya Kshetra Vidyut Vitran Company Ltd. (Central Discom):** **Petitioner**  
Nishtha Parisar, Govindpura, Bhopal – 462 023

Shri Shishir Gupta, GM appeared on behalf of the petitioner.

1. The petitioner, has filed the subject petition under Regulation 10.3 of the MPERC (The Conditions of Distribution License for Distribution Licensees (including Deemed Licensees), Regulations 2004 and in accordance with Guidelines for Capital Expenditure by Licensees in Madhya Pradesh, seeking approval of the Commission on Capital Expenditure Plan of Rs 10,738 Crore for the period FY 2022-23 to FY2026-27 for improvement in its operational efficiency and financial viability as well as to improve the quality and reliability of power supply to the consumers through the Revamped Distribution Sector Scheme (RDSS) launched by Govt. of India. The plan includes Metering Works of Rs. 4,688 Crore, Loss Reduction Works of Rs 3,259 Crore, Modernisation Works of Rs 2,114 Crore, PMA charges (Project Management Agency) of Rs 35.64 Crore and Works under State Government Scheme of Rs. 641 Crore.
2. The Petitioner has submitted that Government of India (GoI) has announced the Revamped Distribution Sector Scheme (RDSS) to improve operational efficiencies and financial sustainability, by providing financial assistance to DISCOMs for strengthening of supply infrastructure based on meeting pre-qualifying criteria and achieving basic minimum benchmarks in reforms through Result Evaluation Matrix (REM). The aforesaid scheme consists of two parts: Part A – Metering and Distribution Infrastructure Works and Part B – Training & Capacity Building and other Enabling & Supporting Activities. Also, provision has been made for inclusion of existing schemes of IPDS and DDUGJY under RDSS.
3. Under Part A of the scheme, around 39.55 Lakh consumers in the operational area of the

Discom are to be meterised with Smart pre-paid Energy meters by 31st March-2025. The other reforms in Distribution Infrastructure under the RDSS scheme include energy accounting with 100% feeder and distribution transformer metering, ensure annual tariff fixation, minimizing regulatory asset, ensuring reduction in AT&C losses to 19.47% and reducing ACS-ARR gap to Rs. (-)0.10/kWh by FY 2024-25.

4. The details of financial expenditure envisaged under the proposed Capital Investment Plan for different works is summarized below:

**Table No. 1: Gross Capital investment plan from FY 22-23 to FY 26-27 (Rs. Crore)**

Sl. No.	Particular	Total cost
(i)	Metering Works	4,688
(ii)	PMA (Project Management Agency) for smart metering works	10.26
(iii)	Distribution Infrastructure works for loss reduction	3,259
(iv)	Distribution Infrastructure works for modernisation	2,114
(v)	PMA for Loss reduction and Modernization work	25.38
(vi)	Government schemes (ST(N), TSP, SCSP)	641
	<b>TOTAL</b>	<b>10,738</b>

5. The physical works proposed to be implemented within a period from FY 2022-23 to FY 2025-26, as per the guidelines of the RDSS scheme are as follows:

**Table No. 2: Physical works proposed under RDSS from FY 22-23 to FY 25-26**

Sl. No.	Particular	Unit	2022-23	2023-24	2024-25	2025-26	Total
<b>A</b>	<b>Metering</b>						
(i)	Consumer Metering	Nos.	13,84,571	11,86,775	13,84,571	0	39,55,918
(ii)	DT Metering	Nos.	60,811	52,124	60,811	0	1,73,746
(iii)	Feeder Metering	Nos.	3,317	2,843	3,317	0	9,477
	<b>TOTAL (A)</b>	<b>Nos.</b>	<b>14,48,699</b>	<b>12,41,742</b>	<b>14,48,699</b>	<b>0</b>	<b>41,39,141</b>
<b>B</b>	<b>Feeder Separation Works for Loss Reduction</b>						
	Feeders to be separated	Nos.	29	116	145	0	290
<b>C</b>	<b>Infrastructure Works for Loss Reduction – Other than Feeder Separation</b>						
1	LT AB Cabling						
1.1	Bare conductor to cable	Ckt-km	856	3,423	4,277	0	8,556

Sl. No.	Particular	Unit	2022-23	2023-24	2024-25	2025-26	Total
1.2	Augmentation of Cable (Lower Size to Higher Size)	Ckt-km	780	3,119	3,897	0	7,796
2	Conversion of Overhead LT line to Underground cabling in high loss areas	Ckt-km	69	276	346	0	691
3	Armoured Service Cable	Ckt-km	2,269	9,076	11,344	0	22,689
4	11 KV Cable Termination System	Nos.	0	0	0	0	0
5	33 KV Line Bifurcation for Overloaded Feeder	Ckt Km	153	611	764	0	1,528
6	33 KV LINE Interconnection FOR OVERLOADED FEEDER	Ckt Km	103	411	514	0	1,028
7	33 KV Line Conductor Augmentation	Ckt Km	73	292	366	0	731
8	11 KV Line Bifurcation for Overloaded Feeder	Ckt Km	460	1841	2302	0	4,603.09
9	11 KV Line Interconnection for Overloaded Feeder	Ckt Km	151	603	753	0	1,506.6
10	11 KV Line Conductor Augmentation	Ckt Km	1,479	5,915	7,393	0	14,787
11	Capacitor Bank Installation	Nos.	48	191	239	0	478
12	New Sub-station	Nos.	8	33	42	0	83
13	Augmentation of PTR at Sub-stations	Nos.	5	21	27	0	53
14	Additional PTR with 02 Additional VCB	Nos.	6	23	29	0	58
14.1	Associated 11 KV Line	Ckt Km	13	50	62	0	125
15	Additional DTR	Nos.	614	2,455	3,068	0	6,137
15.1	Associated 11 KV Line	Ckt Km	195	780	976	0	1,951
15.2	Associated LT Line on AB Cable	Ckt Km	272	1,090	1,363	0	2,725
<b>D</b>	<b>Infrastructure Works for System Strengthening &amp; Modernization</b>						
1	New Sub-station	Nos.	0	49	99	99	247
2	Augmentation of PTR at Sub-stations	Nos.	0	64	128	128	320
3	Additional PTR with 02 Additional VCB	Nos.	0	68	136	135	339
3.1	Associated 11 KV Line	Ckt Km	0	366	732	731	1,829
4	Conversion of Overhead to HT Underground cabling including package substation for reliability improvement and modernization	Ckt Km	0	1	0	0	1
5	SCADA/Motorized Isolator/FPIs/Servers/others	LS/In Lacs	0	1,598	3,196	3,195	7,989

Sl. No.	Particular	Unit	2022-23	2023-24	2024-25	2025-26	Total
6	DT Capacity Augmentation / Enhancement	Nos.	0	2,871	5,742	5,742	14,355
7	Smart Meter Testing Lab (UPGRADATION / New)	Nos.	0	2	1	0	3
8	Up gradation of 33/11 KV Substations for Efficiency Improvement	Nos.	0	184	368	368	920
9	DTR Structure Renovation	Nos.	0	4,901	9,802	9,803	24,506
10	Ring Main system 33 KV line on MONOPOLE	CKM	0	46	92	92	230
11	Capacitor Bank & Agriculture Feeder Control & Monitoring System for reduction in Active/Reactive Charges	Nos.	0	224	449	449	1,122
12	Disaster Resilient Infrastructure Works	Nos.	0	0	0	0	
13	GIS Tag impression of Poles/Infrastructure	Nos.	0	10,32,394	20,64,788	20,64,789	51,61,971
14	Electric Vehicle Charging Station (100KVA DTR, 0.5 KM 11KV Line on H Beam	Nos.	0	32	65	65	162

6. The Petitioner in the instant petition has proposed reduction in AT&C loss and ACS-ARR Gap trajectory as approved by the State Government vide letter dated 30th May, 2022 and agreed by the monitoring committee of RDSS vide letter dated 22.09.2022 for the period FY2021-22 to FY 2024-25 as shown below.

**Table No. 3: ACS-ARR Gap & AT&C Loss trajectory**

Particulars	Unit	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
<b>ACS-ARR Gap</b>	Rs/kWh	1.23	1.21	0.74	0.4	(-)0.10
<b>AT&amp;C loss</b>	%	47.34%	41.02%	36.18%	26.99%	19.57%

7. The Commission held the motion hearing on 22/11/2022 and vide daily order dated 24/11/2022 admitted the subject petition. Subsequently, vide public notice dated 28/11/2022, the Commission had invited the comments /suggestions /objections of stakeholders. The public hearing in the matter was held on 20/12/2022. Vide daily order dated 26/12/2022, the Commission reserved the case for order.

8. The Commission vide letter dated 16/12/2022 has sought additional information and conveyed the data gaps in regard to (i) physical & financial achievements against approved Capex in FY 2021-22 in P. No. 13/2021, (ii) DPRs of the Projects/schemes related to implementation of

RDSS; (iii) Sanction letters/Approval from competent authority; (iv) Cost benefit analysis; (v) Details of funding and loan tie-ups with Financial Institutions and other requisite details/clarifications which were subsequently submitted by petitioner. The broad submissions are as under: -

**(A) Physical and financial achievements in FY 2021-22**

9. The Commission had provided in-principle approval of Capex of Rs. 389 Crore for FY 2021-22 vide Order dated 06/12/2021 in Petition No. 13/2021. The Petitioner has submitted the details of physical and financial achievements against target during FY 2021-22 for various Capex schemes. Financial achievement against various schemes are as under:-

**Table No. 4: Financial achievement during FY 2021-22 (Rs Crore)**

Sr. No.	Scheme	FY 2021-22	
		Approved	Actual
1	Strengthening of Sub-Transmission & Distribution System (SSTD)	150	29.37
2	Feeder Separation	112	--
3	Procurement of DTRs against Failure	70	--
4	Procurement of Smart Meters	58	--
<b>Total</b>		<b>389</b>	<b>29.37</b>

10. It is observed from the above table that the Petitioner has carried out works of only Rs. 29.37 Crore during the FY 2021-22 under Govt Schemes (SSTD).

11. The physical achievements against works of Rs. 29.37 Crore under the Government schemes (SSTD) and during the financial year is as follows:

**Table No. 5: Physical achievement during FY 2021-22 under SSTD**

Sl. No.	PARTICULARS	UNIT	Completed works
1	33 KV Lines	Km	144
2	11 KV Lines	Km	64
3	LT Lines	Km	2
4	33/11KV S/S	Nos.	5
5	Power Transformer	Nos.	11
6	Distribution Transformer	Nos.	53
7	<b>Financial Amount</b>	<b>Rs. Cr.</b>	<b>29.37</b>

**(B) Capex Plan for the period FY 2022-23 to FY 2025-26**

12. The petitioner has submitted that the capital investment plan for the period FY 2022-23 to FY 2026-27 consists of works approved under the Revamped Distribution Sector Scheme (RDSS) and works under Government of Madhya Pradesh (GoMP) Schemes to be implemented under budgetary allocation of State Govt. The yearly cost outlay for the different works is shown below:

**Table No. 6: Capital Investment Plan for the period FY 2022-23 to FY 2025-26 (Rs. Crore)**

Sr. No.	Particulars	2022-23	2023-24	2024-25	2025-26	Total
(i)	Metering Works	2,097	1,295.5	1,295.5	-	4,688
(ii)	Distribution Infrastructure works for loss reduction	326	1,303	1,630	-	3,259
(iii)	Distribution Infrastructure works for modernisation	-	423	846	845	2,114
(A)	<b>Sub-Total (RDSS)</b>	<b>2,423</b>	<b>3,021.5</b>	<b>3,771</b>	<b>845</b>	<b>10,041</b>
(B)	PMA for smart metering works					10.26
(C)	PMA for Loss reduction & Modernization work					25.38
(D)	<b>Sub-Total (RDSS including PMA Charges)</b>					<b>10,076.64</b>
(iv)	Government schemes (ST(N), TSP, SCSP)	162	224.97	254	-	641
(E)	<b>GRAND TOTAL</b>	<b>2,585</b>	<b>3246.47</b>	<b>4025</b>	<b>845</b>	<b>10,737.64</b>

13. In case of Smart Metering works, the petitioner has claimed Rs. 4,668 Crore as the total project cost for installation of Smart meter against approved cost of Rs 2776.77 Crore in RDSS scheme sanctioned by Competent Authority vide letter dated 17/03/2022. As per sanctioned letter of Nodal Agency, PFC dated 17.03.2022 in regard to ‘financial assistance in the implementation of RDSS’ and GoMP letter dated 30.05.2022 regarding ‘approval of Action Plan of State’s Distribution Licensees under RDSS issued by GoI’, Capex of Rs. 8241 Crore has been approved which includes works of Rs. 8150 Crore and PMA Charges of Rs. 91 Crore. Annexure E of aforesaid sanctioned letter dated 17/03/2022 provides ‘General Terms and Conditions Applicable for Availing Financial Assistance under Revamped Distribution Sector Scheme’ as summarized below -

**For smart metering works, financial support under scheme shall be as under:**

- a) 15% of sanction cost limited up to Rs.900 per meter for Consumer metering would be provided as grant by Government of India;
- b) The implementation of the metering scheme is proposed through PPP on TOTEX (Capex + Opex) mode. State Government/DISCOM may also provide budgetary support in TOTEX mode.
- c) An incentive of 7.5% of the cost per consumer meter worked out for the whole project or Rs. 450 per consumer meter whichever is lower, would be provided for prepaid Smart meters installed within the targeted timeline of first phase mission i.e., by December, 2023.

**For Distribution infrastructure works,**

- a) The grant shall be restricted to 60% while balance 40% of sanction cost shall be either loan from Financial Institutions (REC/PFC or MDBs) or own funds of State Government.
- b) It is pertinent to mention that vide letter dated 30/05/22 of State Govt., it is stated that for funding balance 40% of sanctioned cost for Distribution infrastructure works, State Govt. shall provide the loan and if required it shall also provide necessary guarantee to financial institutions to avail loan in this regard.

**14. The Government schemes (SSTD)**

As regard the Govt. scheme under SSTD, the Petitioner has submitted works of Rs. 641 Crore to be funded through budgetary support of State Government. These include Construction of 33/11 kV sub-station, augmentation of 33/11kV Sub-stations, purchase of new DTRs, augmentation of DTRs, purchase of smart meters, conductor augmentation and R&M activities. The detailed description of works to be carried out is provided below:

**Table No. 8: Strengthening of Sub-Transmission & Distribution (SSTD) Works under GoMP Scheme proposed to be carried out during FY 2022-23 and FY 2023-24**

S No	Technical Parameters	2022-23	2023-24	2024-25	Total
<b>A</b>	<b>Works Proposed</b>				
1	Construction of 33/11 kV S/s	16	22	25	<b>63</b>
2	Aug of 33/11 kV S/s	-	-	-	-
3	33 kV Line for load bifurcation	120	168	192	<b>481</b>
4	Addl. PTR	37	51	59	<b>147</b>
5	Augmentation of PTR	25	34	39	<b>98</b>
6	11 kV line for load bifurcation	94	132	151	<b>377</b>

S No	Technical Parameters	2022-23	2023-24	2024-25	Total
7	New/ Addl. DTRs	88	123	140	350
8	LT Line	-	-	-	-
9	DTR augmentation	50	70	80	200
10	Smart Metering	-	-	-	-
11	Conductor Augmentation	118	165	189	473
12	Conversion of LT Line with PVC Cables	196	274	313	782
13	Capacitor Bank	78	109	124	311
14	R&M of S/s	244	342	391	977
15	Addl. 11 KV Bay / 33 KV Bay	40	56	64	159
<b>B</b>	<b>Financial Outlay for proposed Works</b>				
	<b>Total Cost under Strengthening of Sub-Transmission &amp; Distribution System (Rs. Crore)</b>	<b>162</b>	<b>224.97</b>	<b>254</b>	<b>641</b>

**Commission’s observations and findings:**

- The Commission has noted that the Government of India has launched Revamped Distribution Sector Scheme (RDSS) with an objective of improving quality, reliability and affordability of Power Supply to consumer through a financially sustainable and operationally efficient distribution sector. The scheme has targeted to reduce AT&C losses to pan-India levels of 12-15% and to reduce ACS & ARR gap to zero by FY 2024-25. This scheme is reforms based and result linked. One of the components of the scheme is meterisation through smart and prepaid meters. The Scheme provides financial assistance to the participant States for implementing projects to be covered under this scheme. Government of India is partially financing meterisation program under the scheme.
- The Commission has also taken cognizance of the fact that subsequent to approval of RDSS scheme vide letter 17/03/2022, wherein, the ACS-ARR Gap was specified as Rs. (+) 0.20/kWh for FY 2024-25, the State Government has further requested the monitoring committee to revise the same as Rs. (-)0.10/kWh. Having considered the request made by State Government, the competent authority vide letter dated 22/09/2022 revised the ACS-ARR gap as follows:

**Table No. 9: Revised ACS-ARR Gap for FY 2025**

Discom Name	Unit	Base year and Baseline Values (FY2021)	Targets				Proposed Correction
			FY 22	FY 23	FY 24	FY 25	FY 25
<b>MP-Central Discom</b>	Rs/kWh	1.23	1.21	0.74	0.40	(+) 0.20	(-)0.10



17. The Commission has also observed that as per Petitioner submission under RDSS scheme, a total outlay of Rs 6,095.09 Crore has been sanctioned vide letter dated 17/03/2022 from competent authority comprising project cost. as per following details:

**Table No. 10: Approved Project Cost and GoI Grant Sanctioned under RDSS Scheme (Rs. Crore)**

Sr. No.	Grant No.	Name of the Project	Approved Project Cost	GoI Grant Sanctioned	Additional Incentive (GoI Grant)
1	20981001	RDSS Smart Metering Works	2,776.77	416.51	58.08
2	20984S01	RDSS PMA Grant for Smart Metering Works	10.41	6.41	NA
		<b>TOTAL</b>	<b>2,787.18</b>	<b>422.92</b>	<b>58.08</b>
1	20982001	RDSS Loss Reduction Works	3,259.02	1,955.41	NA
2	20984L01	RDSS PMA Grant for Loss Reduction Works	48.89	29.33	NA
		<b>TOTAL</b>	<b>3,307.91</b>	<b>1,984.74</b>	<b>NA</b>
		<b>Grand Total</b>	<b>6,095.09</b>	<b>2,407.64</b>	

18. The Petitioner has also submitted that, Govt of Madhya Pradesh vide their letter dated 30/05/2022 has granted approval for Capex of Rs. 8,241 Crore which includes Smart metering works of Rs. 2,777 Crore, Rs 3,259 Crore for Distribution Infrastructure works for loss reduction, Rs. 2,114 Crore for Distribution Infrastructure works for modernisation works including Rs 91 Crore as PMA charges.

19. Further, the Petitioner has sought approval of Rs. 641 Crore towards SSTD works under Government schemes to be allocated by GoMP.

20. The petitioner in the instant petition has sought approval of total outlay of Rs. 10,738 Crore claiming cost of metering works as Rs 4688 Crore against approved cost of Rs. 2,776.7 Crore as per sanctioned letter dated 17/03/2022, citing the reasons that Rs. 4,688 Crore is worked out considering SOR (Scheduled of Rate) as shown in aforesaid para 4 (Table no.1) of order. However, scheme wise and year wise break up of approved RDSS scheme as per sanctioned letter dated 17/03/2022 of competent authority and subsequent comprehensive approval of State Govt. vide letter dated 30/05/2022, comprising proposed capex under Govt. scheme of Rs. 641 Crore is as under :

**Table No. 11: Capital Investment Plan for the period FY 2022-23 to FY 2025-26 (Rs. Crore)**

Sr. No.	Particulars	2022-23	2023-24	2024-25	2025-26	Total
---------	-------------	---------	---------	---------	---------	-------

Sr. No.	Particulars	2022-23	2023-24	2024-25	2025-26	Total
(i)	Metering Works	974.21	831.95	970.61	-	2,776.77
i(a)	Consumer Metering Works	830.74	712.07	830.74	-	2,373.55
i(b)	DT Metering Works	139.87	119.89	139.87	-	399.62
i(c)	Feeder Metering	3.60				3.60
(ii)	Distribution Infrastructure works for loss reduction	326	1,303	1,630	-	3,259
(iii)	Distribution Infrastructure works for modernisation	-	423	846	845	2,114
(A)	<b>Sub-Total (RDSS)</b>	<b>1,300.21</b>	<b>2,557.95</b>	<b>3,446.61</b>	<b>845</b>	<b>8,149.77</b>
(B)	PMA for smart metering works					10.41
(C)	PMA for Loss reduction work					48.89
(D)	PMA for Modernization work					31.71
(E)	<b>Sub-Total (RDSS including PMA Charges)</b>					<b>8,240.77</b>
(iv)	Government schemes (ST(N), TSP, SCSP)	162	224.97	254	-	641
(F)	<b>GRAND TOTAL</b>	<b>1,462.21</b>	<b>2,782.92</b>	<b>3,700.61</b>	<b>845</b>	<b>8,881.77</b>

21. The petitioner has submitted the circle wise and Discom wise physical and financial targets of proposed works along with cost benefit analysis. In respect of metering works, the timeline for meterisation as per sanctioned letter is summarized below: -

**Table No. 12: Timeline for meterisation as per Sanction letter dated 17.03.2022**

Particular	As per Sanction Letter dated 17.03.2022 issued by the Competent Authority
<b>Consumer Metering</b>	
<b>Phase - 1</b>	
All Division of AMRUT cities, with AT&C > 15%	December-2023
Urban Division with >50% Urban consumers & AT&C >15%	December-2023
Other Divisions with AT&C > 25% in base year	December-2023
Industrial and Commercial consumers	December-2023
All Government offices at Block level and above	December-2023
<b>Phase - 2</b>	
Urban Divisions with 50% Urban consumers & AT&C ≤ 15%	March-2025
All Other Division with AT&C ≤ 25% in base year	March-2025
<b>DT Metering</b>	
Phase – 1 Areas	March-2023

Particular	As per Sanction Letter dated 17.03.2022 issued by the Competent Authority
Phase – 2 Areas	December-2023

22. The RDSS plan envisages to ensure that Discom, timely adopts all suitable measures to meet the prequalifying criteria and to score at least 60% marks on the agreed Result Evaluation Matrix. If by the end of year 2025-26, if it is found that the DISCOM is not eligible for release of any grant, the initial advance of 10% of the grant component of the cost of DPR for Loss Reduction will have to be refunded by the DISCOM. The Commission hereby directs the Petitioners to adhere to the timeline prescribed by the Central Government for smart metering under phase 1 and 2 of RDSS Scheme communicated vide their letter dated 17/03/2022.
23. The Commission has observed that the Monitoring Committee vide sanction letter dated 17/03/2022 has prescribed the year wise target from FY 2021-22 to FY 2024-25, under Result Evaluation Matrix (REM) for Discom to be evaluated under parameters such as Financial Stability with 60% weightage, Outcomes of Infrastructure works (20% weightage), Infrastructure Works (10% weightage) and Policy and Structural Reforms (10% weightage) respectively as per Annexure A of aforesaid letter.
24. The Commission further observed that while it is necessary to invest in the Distribution network for bringing in operational efficiencies, it is also important to evaluate the impact of such investment in terms of its financial returns. The Petitioner should strive at offsetting the burden of investments by additional financial benefits and thereby reduce the impact on Tariff and pass on the benefit to Consumers. The Commission, therefore, directs the Petitioner that outcome of the CAPEX be monitored closely and that the envisaged results through the CAPEX are met in a timely manner.
25. As mentioned at para 20 of this order, the petitioner has sought approval of total outlay of Rs 10,738 Crore which includes Rs 4,688 Crore against metering works based on SOR (Scheduled of Rate) while the sanctioned amount for metering works under RDSS is Rs 2,777 Crore.
26. In view of the aforesaid observations, the Commission deemed it appropriate to accord in-principle approval to the proposed Capex plan of Rs. 8,881.77 Crore considering sanctioned amount for metering works under RDSS as Rs 2,777 Crore for the period FY2022-23 to FY2025-26 filed by the petitioner in subject petition on the condition that admissibility of such investment in ARR of respective True up petition of petitioner for FY2022-23 to FY 2025-26 would be subject to prudence check and on account of physical & financial benefits accrued against targets. The servicing of debt, depreciation, return on equity included in the said

investment would be permissible in the ARR to such extent only as considered by the Commission and does not adversely affect the interest of the consumers and only after such assets are capitalized and put to use. However, as far as AT&C loss trajectory approved under RDSS is concerned, the Commission has already notified Distribution Loss trajectory upto FY 2026-27 in MYT Tariff Regulations. This notified trajectory is applicable for retail supply tariff determination. Therefore, AT&C loss trajectory under approved RDSS shall be considered only for allowing capital works under Capex Plan. Discom should make all out efforts to achieve normative Distribution Loss trajectory by effective metering and billing process and vigorous checking.

27. Further, as per Order dated 06.12.2021 in Petition No. 13/2021, the Commission had approved Capex of Rs. 389 Crore for FY 2021-22. In response to the data gap the petitioner has informed that against the Rs 389 Crore, it could implement the works to extent of Rs. 29.37 Crore only under Govt Schemes (SSTD). The Commission expressed its displeasure for not utilizing the Capex allocated during FY 2021-22. The Commission, therefore decided to allow only Rs. 29.37 Crore under capex for FY21-22 to be considered in respective True up petition.
28. With the above directions, the petition stands disposed of.

**(Gopal Srivastava)**  
**Member (Law)**

**(Mukul Dhariwal)**  
**Member**

**(S.P.S Parihar)**  
**Chairman**