

**UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION**  
**(FEES & CHARGES OF STATE LOAD DESPATCH CENTRE AND OTHER**  
**RELATED MATTERS) REGULATION, 2025**

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Regulation No. UPERC/D(T)/JD(Transmission)/167-013

Dated: 20.06.2025

In exercise of powers conferred under Section 181 read with Section 32, Section 33 of the Electricity Act, 2003 (36 of 2003) and all other powers enabling in that behalf, the Uttar Pradesh Electricity Regulatory Commission hereby makes the following Regulations. These Regulations shall supersede the Uttar Pradesh Electricity Regulatory Commission (Fees & Charges of State Load Despatch Centre and other related matters) Regulations, 2020.

**1 Short Title, Extent, Applicability and Commencement**

- (a) These Regulations shall be called the Uttar Pradesh Electricity Regulatory Commission (Fees & Charges of State Load Despatch Centre and other related matters) Regulations, 2025.
- (b) These Regulations shall extend to the whole of the State of Uttar Pradesh.
- (c) These Regulations shall be applicable for determination of fees and charges to be collected by Uttar Pradesh State Load Despatch Centre from its Users.
- (d) These Regulations shall come into force from April 01, 2025, and unless reviewed earlier or extended by the Commission, shall remain in force for a period of five years.

Provided that for all purposes, the issues relating to the determination of ARR, APR, True-Up and related matters for a particular financial year shall be governed by the respective Fees & charges Regulations applicable for that specific year.

**2 Definitions and Interpretation**

- (1) In these Regulations unless the context or subject-matter otherwise requires:
  - (a) **"Accounting Statement"** means for each financial year the following statements, namely:
    - i) Audited Balance sheet, prepared in accordance with the form contained in Part I of Schedule 3 to the Companies Act 2013, as amended from time to time;

- ii) Audited Profit and loss accounts, complying with the requirements contained in Part II of Schedule 3 to the Companies Act 2013, as amended from time to time;
  - iii) Audited Cash flow statement, prepared in accordance with the Accounting Standard on cash flow Statement (IND AS-3) of the Institute of Chartered Accountants of India, as amended from time to time;
  - iv) Report of statutory auditors of UPSLDC;
  - v) Cost records if any, prescribed by the Central Government under Section 148 of the Companies Act 2013, as amended from time to time;
  - vi) Together with notes thereto, and such other supporting statements and information as the Commission may direct from time to time.
  - vii) Trial Balance for the year matching the accounts with Financial Statements.
- (b) **“Act”** means the Electricity Act, 2003 (36 of 2003), as amended from time to time;
- (c) **“Annual Load Despatch Centre Charges (ALC)”** means the charges as determined by the Commission from time to time and levied by Uttar Pradesh State Load despatch Centre for recovery of its Aggregate Revenue Requirement (ARR) as approved by the Commission in accordance with these Regulations;
- (d) **“Aggregate Revenue Requirement” or “ARR”** means the costs pertaining to UPSLDC business which are permitted to be recovered from the fees and charges determined by the Commission, in accordance with these Regulations;
- (e) **“Authority”** means Central Electricity Authority;
- (f) **“Base Year”** means the financial year immediately preceding first year of the Control Period of these Regulations i.e FY2024-25;
- (g) **“Buyer”** means a person buying power through Long/Medium/Short-Term Open Access and whose scheduling, metering and energy accounting is coordinated by Uttar Pradesh State Load Despatch Centre;

- (h) **“Capital Expenditure” or “Capex”** means the expenditure of capital nature incurred or planned to be incurred for creation of assets of Uttar Pradesh State Load Despatch Centre;
- (i) **“Charges”** means recurring payments on monthly basis or otherwise to be collected by Uttar Pradesh State Load Despatch Centre as specified in the Regulations;
- (j) **‘Change in law’** means occurrence of any of the following events:
- i. enactment, bringing into effect or promulgation of any new Indian law or;
  - ii. adoption, amendment, modification, repeal or re-enactment of any existing Indian law; or
  - iii. judicial pronouncements, Orders of Central Government and/ or State Government; or
  - iv. change in interpretation or application of any Indian law by a competent Court, Tribunal or Indian Governmental Instrumentality which is the final authority under law for such interpretation or application; or
  - v. change in condition or covenant by any competent statutory authority in relation to any consent or clearances or approval or License available or obtained for the project; or
  - vi. coming into force or change in any bilateral or multilateral agreement / or treaty between the Government of India and any other Sovereign Government having implication for UPSLDC regulated under these Regulations;
  - vii. Any change in taxes or duties, or introduction of any taxes or duties levied by the Central or any State Government, unless specified otherwise in this Regulation.
- (k) **“Commission”** means the Uttar Pradesh Electricity Regulatory Commission (UPERC);
- (l) **“Contracted Capacity”** means the capacity arranged through Long term Open Access or Medium term Open Access;
- (m) **“Control Period”** means the period comprising of five financial years from April 1, 2025 to March 31, 2030, unless extended by the Commission;

- (n) **"Fees"** means the non-refundable one-time or fixed payments collected by Uttar Pradesh State Load Despatch Centre for the services rendered for commencement of grid access, scheduling and on account of registration, membership or any other purpose as specified by the Commission from time to time;
- (o) **"Force Majeure"** for the purpose of these Regulations means the event or circumstance or combination of events or circumstances including but not limited to those stated below that wholly or partly prevents or unavoidably delays UPSLDC from completing the project within the time specified in the Capital Investment Approval/contract agreement, and only if such events or circumstances are not within the control of UPSLDC and could not have been avoided, had UPSLDC taken reasonable care or complied with prudent utility practices:
  - i. Act of God including but not limited to lightning, drought, fire and explosion, earthquake, volcanic eruption, landslide, flood, cyclone, typhoon, tornado, geological surprises; or
  - ii. Any act of war, invasion, armed conflict or act of foreign enemy, blockade, embargo, revolution, riot, insurrection, terrorist or military action; or
  - iii. Industry wide strikes and labour disturbances having a nationwide impact in India;
- (p) **"Grid Code"** means U.P. Electricity Grid Code as amended from time to time;
- (q) **"Long-term Open Access"** means 'Long-term Open Access' as defined in UPERC (Terms and conditions for Open Access) Regulation, 2019 and its subsequent amendments & addendums etc;
- (r) **"Medium-term Open Access"** means 'Medium-term Open Access' as defined in UPERC (Terms and conditions for Open Access) Regulation, 2019 and its subsequent amendments & addendums etc;
- (s) **"Short term Open Access"** means 'Short-term Open Access' as defined in UPERC (Terms and conditions for Open Access) Regulation, 2019 and its subsequent amendments & addendums etc;
- (t) **" UPSLDC"** means the State Load Despatch Centre as defined in sub-

UPERC (Fees & Charges of SLDC and other related matters) Regulation, 2025  
section (66) of section (2) of Electricity Act, which is operating in the State  
of Uttar Pradesh.

- (u) **“User”** means the Generating Companies, Distribution Licensees, other Long term Open Access Customers/ Medium term Open Access Customers and Intra-State transmission licensees, Qualified Coordinating Agency (QCA), or any other such entity which uses the Intra-State transmission network or the associated facilities or distribution system of Distribution Licensee through services of Uttar Pradesh State Load Despatch Centre;
- (v) **“Year”** means the financial year ending on 31<sup>st</sup> March;
  - i. “Current Year” means the year in which the statement of annual accounts or application for determination of Tariff is filed;
  - ii. “Ensuing Year” means the year next following the current year;
  - iii. “Previous Year” means the year immediately preceding the current year.
- (2) The words and expressions used in these Regulations and not defined herein, but defined in the Act or any other Regulation of the Commission, shall bear the same meaning as in the Electricity Act, 2003 or any other Regulations of the Commission, as amended from time to time. Expressions used herein but not specifically defined in these Regulations or in the Electricity Act, 2003 or in any of the Commission’s Regulations but defined under any law passed by a competent legislature and applicable to the electricity industry in the State shall have the meaning assigned to them in such law. Expressions used herein but not specifically defined in these Regulations or in the Act or any law passed by a competent legislature shall have the meaning as is generally assigned in the electricity industry.
- (3) The words “Application” or “Petition” shall be used interchangeably.
- (4) In the interpretation of these Regulations, unless the context otherwise requires:
  - (a) words in the singular or plural term, as the case may be, shall also be deemed to include the plural or the singular term, respectively;
  - (b) references herein to the “Regulations” shall be construed as a reference to these Regulations as amended or modified by the Commission from time to time in accordance with the applicable laws in force;

- (c) the headings are inserted for convenience and may not be taken into account for the purpose of interpretation of these Regulations;
- (d) references to the Statutes, Regulations or Guidelines shall be construed as including all statutory provisions consolidating, amending or replacing such Statutes, Regulations or Guidelines, as the case may be;
- (e) in case of dispute in interpretation between English and Hindi version of these Regulations, the English version shall prevail.

## CHAPTER 1

### TARIFF PETITION AND PROCEDURE FOR DETERMINATION OF TARIFF

#### 3 General Principles

- (1) Uttar Pradesh State Load Despatch Centre shall file an Annual Petition complete in all respect every year during control period for True-up of ARR for previous year, APR of current year and ARR / Tariff of ensuing year in such form and in such manner as specified in these Regulations along with relevant formats, duly supported with detailed computations, by 30th November of each year:

Provided that True-up of ARR of UPSLDC for those years falling under past control period shall be filed by UPSLDC in such form and in such manner as specified in Uttar Pradesh Electricity Regulatory Commission (Fees & Charges of State Load Despatch Centre and other related matters) Regulations, 2020.

- (2) UPSLDC shall file the True-Up/ APR/ ARR Petition, electronically on e-filing portal of the Commission, after due authorization by the Board of Directors or by any Committee/person authorised by the Board in this regard, digitally signed by the authorized representative:

Provided that the Petition shall include information in such form as may be stipulated by the Commission, together with the Accounting Statements, extracts of books of account and such other details, as per the Guidelines and Formats prescribed or directions given by the Commission:

Provided further that UPSLDC shall also submit a statement on the status of compliance to the directives issued by the Commission in the previous Tariff Orders which are pending for compliance.

- (3) Hard copies of the Petition shall also be filed as provided for in the UPERC (Conduct of Business) Regulation, 2019 as amended from time to time, accompanied with applicable fees as per the UPERC (Fee and Fines) Regulation, 2010 as amended from time to time.
- (4) The Commission shall conduct a Technical Validation before admission of the Petition. On completion of the required proceedings and submissions made to the satisfaction of the Commission, the Commission will admit the Petition and shall issue an Admittance Order.
- (5) UPSLDC shall within three working days of issue of the Admittance Order,



publish a Public Notice in at least two English and two Hindi daily newspapers having wide circulation, outlining the True-Up/APR/ARR, proposed charges and such other matters as may be directed by the Commission, and inviting suggestions and objections from the stakeholders and public at large:

Provided that UPSLDC shall also provide on its website the Petition filed before the Commission along with all regulatory filings, detailed computations, particulars and documents, in text-searchable format or in downloadable spreadsheet format in the manner stipulated by the Commission:

Provided also that web link to the information mentioned in the first proviso to this Regulation should be easily accessible, archived for downloading and to be prominently displayed on the Petitioner's website:

Provided also that UPSLDC shall intimate its stakeholders about filing of such Petition, period of public consultation, date of Public Hearing etc. through appropriate notice on its website and newspapers:

Provided further that the Petitioner may be exempted by the Commission from providing any such information, particulars or documents considered confidential in nature:

Provided further that if the True-Up Petition is not submitted within timelines, no carrying cost for the period of delay shall be allowed for the gap arrived for the true-up year. However, in case of surplus, the same shall be recovered with carrying cost.

- (6) The Commission shall, within one hundred and twenty days from admittance, after considering all suggestions and objections received from the stakeholders and public at large and in accordance with the provisions contained in these Regulations:
  - (a) Issue an Order for True-Up/ APR/ ARR & proposed charges accepting the Petition with such modifications or such conditions as may be specified in that Order; or
  - (b) Reject the Petition for reasons to be recorded in writing if such Petition is not in accordance with the provisions of the Act and the Rules and Regulations made there under or any other provisions of law, after giving the Petitioner a reasonable opportunity of being heard.
- (7) The Petitioner shall publish the Charges approved by the Commission within

three working days after approval by the Commission in at least two English and two Hindi daily newspapers having wide circulation in its business area and shall upload the approved Charges on its internet website in English and Hindi.

- (8) The charges, so published, shall be in force from the date stipulated in the Order and shall, unless amended or revised, continue to be in force for such period as may be stipulated therein.
- (9) The annual LDC charges shall correspond to the expenditure proposed to be incurred by UPSLDC and as approved by the Commission. The annual LDC charges (ALC) as approved by the Commission shall be recovered on monthly basis. The annual charges shall consist of the following components, namely:
- (a) Operation & Maintenance Expenses;
  - (b) Depreciation;
  - (c) Interest on Loan;
  - (d) Interest on Working Capital;
  - (e) Return on Equity;
  - (f) Tax on Return on Equity;
  - (g) Any other expenses approved by the Commission;
- Minus;**
- (h) Income from Open Access charges;
  - (i) Non-Tariff Income.
- (10) The Petitions to be filed in the Control Period under these Regulations will comprise of the following:

Filing date	True- Up	APR	ARR / Tariff
30.11.2024	FY 2023-24*	FY2024-25*	FY 2025-26**
30.11.2025	FY 2024-25***	FY 2025-26	FY 2026-27
30.11.2026	FY 2025-26	FY 2026-27	FY 2027-28
30.11.2027	FY 2026-27	FY 2027-28	FY 2028-29
30.11.2028	FY 2027-28	FY 2028-29	FY 2029-30

*\*The Petitions have already been filed as per UPERC (Fees & Charges of State Load Despatch Centre and other related matters) Regulation, 2020.*

*\*\*As per the directions of the Commission, the Petitions have already been*

UPERC (Fees & Charges of SLDC and other related matters) Regulation, 2025  
*filed. Further submissions will be sought as per these Regulations for determination of ARR for FY 2025-26.*

*\*\*\*The filings shall be as per UPERC (Fees & Charges of State Load Despatch Centre and other related matters) Regulation, 2020, however, filings have to be made on 30<sup>th</sup> November of the respective year as per these Regulations.*

- (11) UPSLDC shall submit the data regarding the above as per Guidelines and Formats prescribed and added / amended from time to time by the Commission in its Petition to be filed during the Control Period.
- (12) Fine or Penalties paid, if any, by UPSLDC shall not be allowed as part of ARR.

#### **4 Annual Capital Investment Plan**

- (1) For the purpose of these Regulations, a capital expenditure project shall mean any non-recurring capital expenditure programme for the acquisition, construction or improvement of a permanent facility.
- (2) UPSLDC shall submit a detailed Capital Investment Plan for all capital expenditure project(s) that it plans to undertake during the ensuing year in its ARR Petition for consideration and prudence check of the Commission.
- (3) The capital investment plan shall be a least cost plan for undertaking investment and shall be accompanied by such information, particular and documents as may be required for substantiating the need for the proposed investments, alternatives considered, cost/benefit analysis and other aspects that may have a bearing on UPSLDC Fees & Charges.
- (4) The Capital Investment Plan shall include financing plan and physical targets of the Project(s) to be undertaken by UPSLDC and Capital Investment works of similar or related nature should be clubbed and considered as a project.
- (5) All capital expenditure projects exceeding the value of ₹ One Crore or any alternate threshold stipulated by the Commission, through an Order or otherwise, which could not be included in the Capital Investment Plan at the time of submission of ARR Petition but are required to be undertaken immediately to cater to an emergency or to implement a State Government or Central Government funded scheme, may be undertaken by UPSLDC. However, approval of the Commission for such projects undertaken in each quarter should be sought within one month of the closure of that quarter.

Provided that in case approval is not taken for the capital expenditure for

projects exceeding the above thresholds, the Commission may disallow up to 25% of such capital expenditure for that year.

- (6) During the True-Up, the final approval to the entire capital expenditure shall be granted considering the variation between approved and completed cost with justification for significant variations, particularly on the higher side.

## **5 Capital Cost**

- (1) Cost of assets shall be determined based on capital expenditure actually incurred as on the date of putting the asset in commercial use subject to prudence check by the Commission. In case of existing assets, net fixed assets as per audited annual accounts as on April 1st of the corresponding financial year shall be taken for the purpose of determination of charges.
- (2) The debt-equity ratio shall be 70:30 for determination of charges. Where equity employed is more than 30%, the amount of equity for determination of charges shall be limited to 30% and the balance shall be considered as the normative loan. In case where actual equity employed is less than 30%, the actual debt and equity shall be considered for determination of charges.

Provided that:

- (a) UPSLDC, at the time of annual True Up, shall submit the resolution of the board regarding infusion of fund from internal resources in support of the utilization made to meet the capital expenditure;
- (b) The equity invested in foreign currency shall be designated in Indian rupees on the date of each investment;
- (c) Any capital subsidy or grant obtained for the execution of the project shall not be considered a part of capital structure for the purpose of debt-equity ratio;
- (d) The debt and equity amount arrived at in accordance with Regulation 5(2) shall be used for calculating interest on loan and return on equity.

## **6 Operation and Maintenance Expenses**

- (1) The normative Operation and Maintenance (O&M) expenses for UPSLDC shall be computed for three components i.e (i) Employee Expenses, (ii) Repair and Maintenance (R&M) Expenses, and (iii) Administrative and General Expenses

UPERC (Fees & Charges of SLDC and other related matters) Regulation, 2025 as provided in these regulations. The sum of these three components shall be the consolidated O&M expenses, which shall be considered for benchmarking:

Provided that at the time of True-Up, UPSLDC shall be allowed lower of audited or normative value based on the consolidated Operation & Maintenance Expenses irrespective of component wise O&M expenses.

- (2) The Norms for each component of O&M Expenses shall be determined as per these Regulations. Thereafter consolidated normative O&M Expenses for each year of the Control Period shall be computed based on the formula shown below:

$$\mathbf{O\&M_n = EMP_n + R\&M_n + A\&G_n}$$

Where:

O&M<sub>n</sub> - O&M expenses for n<sup>th</sup> year

EMP<sub>n</sub> - Employee expenses for n<sup>th</sup> year

R&M<sub>n</sub> - R&M expenses for n<sup>th</sup> year

A&G<sub>n</sub> - A&G expenses for n<sup>th</sup> year

- (3) The impact of Pay Revision, change in Pension Scheme etc., shall be allowed by the Commission over and above normative expenses of the respective component after prudence check. However, one-time expenses such as payment of arrears due to impact of pay revision, change in pension scheme etc., shall not be considered for determination of norm of the respective component.
- (4) In case data required for establishing the norms is not available, UPSLDC shall propose O&M norms with justification. The Commission shall approve the norms for UPSLDC after prudence check, which shall be applicable for the remaining Control Period.
- (5) UPSLDC may undertake Opex schemes for system automation, new technology and IT implementation, etc., and such expenses may be allowed over and above normative O&M Expenses, subject to prior approval and prudence check by the Commission:

Provided that UPSLDC shall submit detailed justification, cost benefit analysis, and life-cycle cost analysis of such schemes as against Capex schemes and savings in O&M Expenses, if any.

- (6) UPSLDC may undertake expenses towards participation in national and

international conferences, publication of papers therein, facilitating higher education, availing institutional membership with national bodies and international bodies, training and mandatory certification of personnel posted in the load dispatch centres, to ensure that personnel deployed in UPSLDC are trained as per the MoP/CEA guidelines issued from time to time:

Provided that UPSLDC may submit the roadmap for planning of such expenses and shall propose incentives/ fixed retainer-ship amount for employees acquiring the certificate in accordance with CEA guidelines or as per applicable rules in the Annual Petition. The Commission may allow such incentives/ fixed retainer-ship amount in the tariff Order as it considers deemed fit:

Provided further that these expenses shall be booked separately under Employee expenses from the first year of the Control Period and shall be passed through on actual basis in ARR of respective financial year over and above the normative expenses.

**(7) Employee Cost**

- (a) The normative Employee Cost shall be derived on the basis of the average of the values in the Audited Accounts for the last five (5) financial years ending March 31, 2025 subject to prudence check by the Commission. However, if Audited Accounts are not available for FY 2024-25, Audited Accounts available for the last five (5) years will be considered and subsequently when the same becomes available the base year value (i.e. FY 2024-25) will be recomputed.
- (b) The average of such Employee Cost shall be considered as Employee Cost for the middle year of the previous Control Period (01.04.2020 to 31.03.2025) and shall be escalated year on year with the escalation factor considering CPI of respective years, for subsequent years up to FY 2024-25:

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

After arriving at the figure of FY 2024-25, the normative employee expenses shall be computed as per formula below:

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

Where:

$EMP_n$ : Employee expense for the  $n^{th}$  year;

$EMP_{n-1}$ : Employee expense for the  $(n-1)^{th}$  year;

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

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

#### (8) Repairs and Maintenance Expense

- (a) The normative Repair and Maintenance expenses shall be derived on the basis of the average of the values in the Audited Accounts for the last five (5) financial years ending March 31, 2025 subject to prudence check by the Commission. However, if Audited Accounts are not available for FY 2024-25, Audited Accounts available for the last five (5) years will be considered and subsequently when the same becomes available the base year value (i.e. FY 2024-25) will be recomputed.
- (b) The average of such Repair and Maintenance expenses shall be considered as Repair and Maintenance expenses for the middle year of the previous Control Period (01.04.2020 to 31.03.2025) and shall be escalated year on year with the escalation factor considering WPI of respective years, for subsequent years up to FY 2024-25:

After arriving at the figure of FY 2024-25, the normative R&M expenses shall be computed as per formula below:

$$R\&M_n = R\&M_{n-1} (1 + WPI \text{ inflation})$$

Where:

$R\&M_n$ : Repairs & Maintenance expense for  $n^{th}$  year;

$R\&M_{n-1}$ : Repairs & Maintenance expense for the  $(n-1)^{th}$  year;

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

For the purpose of True-Up, WPI inflation is the actual point to point inflation for the concerned financial year.

**(9) Administrative and General Expenses**

- (a) The normative A&G Expenses shall be derived on the basis of the average of the values in the Audited Accounts for the last five (5) financial years ending March 31, 2025 subject to prudence check by the Commission. However, if Audited Accounts are not available for FY 2024-25, Audited Accounts available for the last five (5) financial years of previous Control Period (01.04.2020 to 31.03.2025) will be considered and subsequently when the same becomes available the base year value (i.e. FY 2024-25) will be recomputed.
- (b) The average of such A&G Expenses shall be considered as A&G Expenses for the middle year of the previous Control Period (01.04.2020 to 31.03.2025) and shall be escalated year on year with the escalation factor considering WPI of respective years, for subsequent years up to FY 2024-25.

After arriving at the figure of FY 2024-25, the normative A&G expenses shall be computed as per formula below:

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

Where:

A&G<sub>n</sub>: A&G expense for the n<sup>th</sup> year;

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

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

For the purpose of True-Up, WPI inflation is the actual point to point inflation for the concerned financial year.

**7 Depreciation**

- (1) UPSLDC shall be permitted to recover Depreciation on the value of fixed assets used in their respective businesses, computed in the following manner:
- (a) The approved original cost of the fixed assets shall be the base value for the calculation of Depreciation:



Provided that the Depreciation shall be allowed on the entire capitalised amount of new assets after reducing the approved original cost of the retired or replaced or de-capitalised assets.

- (b) Depreciation shall be allowed annually based on the Straight- Line Method at the rates stipulated in Annexure-A for existing assets (capitalised on or before 31.03.2025) and at the rates stipulated in Annexure-B for assets capitalised during this Control Period:

Provided that UPSLDC shall ensure that once individual asset is depreciated to the extent of seventy percent, the remaining depreciable value as on 31<sup>st</sup> March of the year closing shall be spread over the balance Useful Life of the assets including the Extended Life, as per submission of UPSLDC and approval by the Commission.

- (c) The salvage value of the asset shall be considered at 10% of the allowable capital cost and Depreciation shall be allowed up to a maximum of 90% of the allowable capital cost of the asset:

Provided that land owned shall not be treated as a Depreciable asset and shall be excluded from the capital cost while computing Depreciation:

Provided further that Depreciation shall be chargeable from the first year of commercial operation:

Provided that the salvage value of the IT equipment, software and underground cable shall be considered as nil and value of such assets shall be considered 100% depreciable.

- (d) Depreciation shall not be allowed on assets funded by Consumer Contributions or Subsidies/ Grants/ Deposit works.

- (2) In case of existing assets, for the purpose of computation of depreciation, the opening value of GFA shall be taken as the closing value as on March 31, 2025 as approved by the Commission in its Tariff Order.

- (3) In case of projected commercial operation of the assets for part of the year, depreciation shall be computed based on the average of opening and closing value of assets:

Provided that the depreciation shall be re-computed for assets capitalised at the time of Truing-Up, based on Accounting Statements and documentary

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evidence of assets capitalised by the Petitioner, subject to prudence check of the Commission.

## **8 Interest on Long- Term Loan**

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

Provided that in case of retirement or replacement or de-capitalisation or deletion/adjustment of the assets in the balance sheet, the loan capital approved as mentioned above shall be reduced to the extent of outstanding loan component of the original cost of such assets based on documentary evidence.

- (2) The closing normative long- term loan outstanding as on March 31, 2025 shall be taken as the opening normative long term loan outstanding for the financial year 2025-26.
- (3) The repayment of long-term loans for each year shall be deemed to be equal to the Depreciation allowed for that year.
- (4) Notwithstanding any moratorium period availed, the repayment of loan shall be considered from the first year of commercial operation of the asset.
- (5) The rate of interest for ensuing year shall be the weighted average rate of interest computed on the basis of the actual long-term loan portfolio of previous year:

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

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

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

basis points.

- (7) The interest on long-term loan shall be calculated on the Normative Average long-term loan of the year by applying the Weighted average rate of interest: Provided that at the time of Truing-Up, the normative average loan of the concerned year shall be considered on the basis of the actual asset capitalisation approved by the Commission for the year.

## **9 Banking and Finance Charges**

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

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

## **10 Interest on Working Capital**

- (1) The working capital shall cover:

- (a) Operation and maintenance expenses for one month;
- (b) Receivables equivalent to 45 days of annual LDC charges as approved by the Commission.

Provided that the working capital requirement determined above shall be reduced by the amount of revenue surplus (if any) as of 31<sup>st</sup> March of the previous year as approved by the Commission:

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 components of working capital approved by the Commission in the Truing- Up.

- (2) Rate of interest on working capital for ensuing year shall be simple interest and shall be equal to the SBI MCLR (1-year) as on date on which Petition for determination of ARR is filed plus 200 basis points:

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

## **11 Return on Equity**

Return on equity shall be computed in ₹ terms on equity base at the rate of

12.50% post-tax per annum (hereinafter referred to as 'Base Rate') for UPSLDC as determined in accordance with clause 5 of this Regulation:

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

## **12 Tax on Return on Equity**

- (1) The rate of return on equity as allowed by the Commission under clause 11 of these Regulations shall be grossed up with the effective tax rate (hereinafter referred to as 't') of the respective financial year. The effective tax rate shall be calculated at the beginning of every financial year based on the estimated profit and tax to be paid estimated in line with the provisions of the relevant Finance Act applicable for that financial year to UPSLDC by excluding the income of other business and the corresponding tax thereon:

Provided that tax on any income other than that through its Business shall not be pass through and it shall be payable by UPSLDC itself:

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

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

- (2) The rate of return on equity shall be rounded off to three decimal places and shall be computed as per the formula given below.

**Rate of pre-tax return on equity = Base rate / (1-t)**

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

Provided that in case UPSLDC is paying Minimum Alternate Tax (MAT) under Section 115JB, UPSLDC shall true up the grossed up rate of return on equity at the end of every financial year with the applicable MAT rate including

surcharge and cess:

Provided further that in case UPSLDC is paying tax under Section 115BAA, UPSLDC shall true up the grossed up rate of return on equity at the end of every financial year with the tax rate including surcharge and cess as specified under Section 115BAA:

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

### **13 Non-Tariff Income**

- (1) The amount of Non-Tariff Income relating to UPSLDC Business as approved by the Commission shall be deducted from the ARR in determining the Fees and Charges of UPSLDC:

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

- (2) The Non-Tariff Income shall include:

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

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

- d) Interest income on advances to suppliers/contractors;
- e) Interest income on loans / advances to employees;
- f) Income from rental from staff quarters;
- g) Income from rental from contractors;
- h) Income from hire charges from contractors and others;
- i) Income from sale of tender documents;
- j) Excess found on physical verification;
- k) Income from Insurance Claim;
- l) Prior Period Income;
- m) Miscellaneous receipts; and
- n) Any other Non-Tariff Income.

**14 Fee and Charges payable to UPSLDC**

- (1) The Generating companies, Distribution Licensees, Intra-State Transmission Licensees, Inter/Intra State generating companies connected with Intra-State Transmission power system of the State, Open Access Customers shall pay a fee to Uttar Pradesh State Load Despatch Centre for duties like scheduling and revision of schedules, preparation of energy account, billing and data collection, to be rendered by it:

Provided that the existing **"Users"** who are already availing the services of UPSLDC like Scheduling and Despatch of electricity, Energy Accounting etc. but have not paid or yet not registered, shall have to provide one time registration fee and all relevant documents required for registration.

- (2) UPSLDC shall recover the following Fees as approved by the Commission from time to time:
- (a) One time Registration or Connection Fees from all users;
  - (b) Scheduling/ operating charges for intra-State short-term Open Access transactions;
  - (c) Short-term Open Access Application Processing Fees.
- (3) The Registration fee shall be paid as shown in the table below: -

**Table 1: Registration Fees for different users**

Nature of Fee		Amount (₹ Lakhs)
<b>Registration Fees</b>		
<b>A</b>	<b>Distribution Companies</b>	10.00
<b>B</b>	<b>Intra State Transmission Licensees</b>	10.00
<b>C</b>	<b>For Generating Companies, captive generating plant and Standalone Storage System</b>	
(i)	Having installed capacity upto 10 MW	0.50
(ii)	Having installed capacity more than 10 MW and upto 100 MW	1.00
(iii)	Having installed capacity of more than 100 MW	10.00
<b>D</b>	<b>All Other Users including Inter-State Short-Term transactions, Qualified Coordinating Agency (QCA) etc.</b>	0.15

Provided that the registration fees submitted by users availing Short Term Open

Access shall be valid from the date of registration till completion of one year.

### Application Fee

- (4) The Application Fee for the Users availing Short Term Open Access as provided in the table below:

**Table 2: Application Fees applicable for Users availing Short-Term Open Access**

S. No.	Nature of Fee	Amount (₹)
<b>Application Fees</b>		
<b>1</b>	<b>Short Term Open Access Fee</b> (Intra State Application/concurrence fee for Inter State)	0.07 Lakh
<b>2</b>	<b>Operating Charges for Short-Term Open Access</b>	
(i)	For Green Energy Open Access short Term Users	₹4/kW/day subject to ceiling of 1500/day
(ii)	Other than Green Energy Open Access Users	₹1500/day

The Operating charges as mentioned above for day or part of the day for each Short-term bilateral transaction / collective transaction for Uttar Pradesh State Load Despatch Centre shall be payable by the applicant:

Provided that the fee of bilateral transactions may be deposited within three working days of submission of the application.

## 15 Monthly LDC Charges

- (1) The Monthly LDC charges in MW/Month upto two decimal places to be taken from the Users who are availing Medium / Long Term Open Access and who want to get the scheduling done (except short term Open Access), in proportion to the sum of their capacities as on the last day of the billing month.

The Monthly LDC charges shall be calculated based on the following formula:

$$AFC(u)_{(t)} = \{AFC_{(t)} \div (X_{(t)})\}/12$$

Where,

$AFC(u)_{(t)}$  = UPSLDC Charges for the Monthly period (t);

$AFC_{(t)}$  = Total UPSLDC Charges for the yearly period (t);

$X_{(t)}$  = Contracted Capacity of Users who are availing Medium/Long Term Open Access.

## **CHAPTER 2**

### **BILLING AND PAYMENT**

#### **16 Billing and Payment**

- (1) Uttar Pradesh State Load Despatch Centre shall raise bill based on Annual LDC Charges as provided in clause 15 under these Regulations to be presented by seventh day of next month. Bill shall be paid within 7 days from the day of presentation of bill.
- (2) For payment of bills of LDC charges through Letter of Credit or through NEFT/RTGS or otherwise, within 7 days of presentation of bills by UPSLDC, a rebate of 1% on billed amount, excluding the taxes, cess, duties, etc., shall be allowed.
- (3) In case the payment of any bills for LDC charges payable under these Regulations is delayed by the user beyond a period of 30 days from the date of presentation of bills a late payment surcharge at the rate of 1.25% per month or 0.04% per day, as the case may be, shall be levied by UPSLDC.



### **CHAPTER 3**

#### **MISCELLANEOUS**

##### **17 Inherent Powers of the Commission**

- (1) Nothing in these Regulations shall be deemed to limit or otherwise affect the inherent power of the Commission to make such orders as may be necessary to meet the ends of justice.
- (2) Nothing in these Regulations shall bar the Commission from adopting in conformity with the provisions of the Act, a procedure which is at variance with any of the provisions of these Regulations, if the Commission, in view of the special circumstances of a matter or class of matters, deems it just or expedient for deciding such matter or class of matters.
- (3) Nothing in these Regulations shall, expressly or implied, bar the Commission dealing with any matter or exercising any power under the Act for which no Regulations have been framed, and the Commission may deal with such matters in a manner, as it considers just and appropriate.

##### **18 Power to remove difficulties**

If any difficulty arises in giving effect to the provisions of these Regulations, the Commission may, by general or specific Order, give directions, not inconsistent with the provisions of the Act, as may appear to be necessary or expedient for the purpose of removing difficulties.

##### **19 Power to Amend**

The Commission may, at any time add, vary, alter, modify or amend any provisions of these Regulations.

##### **20 Power to Relax**

The Commission may, by general or special Order, for reasons to be recorded in writing, and after giving an opportunity of hearing to the necessary parties, may relax any of the provisions of these Regulations on its own motion or on an application made before it by an interested person.

By the Order of the Commission  
**(Sumeet Kumar Agarwal)**

Place: Lucknow

**Secretary**  
**Uttar Pradesh Electricity Regulatory Commission**

Dated: 20.06.2025



**Annexure -A****Depreciation Schedule for Existing Assets Capitalised on or before  
31.03.2025**

Description of Assets		Depreciation Rate
A.	Land owned under full title	0.00--
B.	Land held under lease	
a)	for investment in the land	3.34%
b)	for cost of clearing the site	3.34%
C.	Assets Purchased New:	
a)	Building & civil engineering works of permanent character	
	i) Offices & showrooms	3.34%
	ii) Temporary erection such as wooden structures	100%
	iii) Roads other than kutcha roads	3.34%
	iv) Others	3.34%
b)	Transformers, transformer (Kiosk) sub-Station equipment & other fixed apparatus (including plant foundations)	
	i) Transformers (including foundations) having a rating of 100 kilo volt amperes and over	5.28%
	ii) Others	5.28%
c)	Switchgear including cable connections	5.28%
d)	Lightning arrestors	
	i) Station type	5.28%
	ii) Pole type	5.28%
	iii) Synchronous condenser	5.28%
e)	Batteries	9.00%
	i) Underground Cable including joint boxes and disconnected boxes	5.28%
	ii) Cable duct system	5.28%
f)	Overhead lines including supports:	
	i) Lines on fabricated steel operating at nominal voltages higher than 66 kV	5.28%
	ii) Lines on steel supports operating at nominal voltages higher than 13.2 kilovolts but not exceeding 66 kilovolts	5.28%
	iii) Lines on steel or reinforced concrete supports	5.28%
	iv) Lines on treated wood supports	5.28%
g)	Meters	9.00%
h)	Self propelled vehicles	9.00%
i)	Air conditioning plants:	
	i) Static	5.28%
	ii) Portable	9.00%
j)	Furniture and Fittings	
	i) Office furniture and fittings	6.33%
	ii) Office equipment	6.33%
	iii) Internal wiring including fittings and apparatus	6.33%
	iv) Street light fittings	5.28%

Description of Assets			Depreciation Rate
k)		Apparatus let on hire	
	i)	Other than motors	9.00%
	ii)	Motors	6.33%
l)		I.T. equipment including software	15.00%
m)		Any other assets not covered above	5.28%

**Note:** Useful life of the assets shall be derived based on the depreciation rate provided in the above table.

**Annexure-B****Depreciation Schedule for Existing Assets Capitalised After 31.03.2025**

Description of Assets		Depreciation Rate
A.	Land owned under full title	0.00--
B.	Land held under lease	
a)	for investment in the land	3.34%
b)	for cost of clearing the site	3.34%
C.	Assets Purchased New:	
a)	Building & civil engineering works of permanent character	
	i) Offices & showrooms	3.34%
	ii) Temporary erection such as wooden structures	100%
	iii) Roads other than kutcha roads	3.34%
	iv) Others	3.34%
b)	Transformers, transformer (Kiosk) sub-Station equipment & other fixed apparatus (including plant foundations)	
	i) Transformers (including foundations) having a rating of 100 kilo volt amperes and over	4.22%
	ii) Others	4.22%
c)	Switchgear including cable connections	4.22%
d)	Lightning arrestors	
	i) Station type	4.22%
	ii) Pole type	4.22%
	iii) Synchronous condenser	4.22%
e)	Batteries	9.00%
	i) Underground Cable including joint boxes and disconnected boxes	4.22%
	ii) Cable duct system	4.22%
f)	Overhead lines including supports:	4.22%
	i) Lines on fabricated steel operating at nominal voltages higher than 66 kV	4.22%
	ii) Lines on steel supports operating at nominal voltages higher than 13.2 kilovolts but not exceeding 66 kilovolts	4.22%
	iii) Lines on steel or reinforced concrete supports	4.22%
	iv) Lines on treated wood supports	4.22%
g)	Meters	9.00%
h)	Self propelled vehicles	9.00%
i)	Air conditioning plants:	
	i) Static	4.22%
	ii) Portable	9.00%
j)	Furniture and Fittings	
	i) Office furniture and fittings	6.33%
	ii) Office equipment	6.33%
	iii) Internal wiring including fittings and apparatus	6.33%
	iv) Street light fittings	4.22%

Description of Assets			Depreciation Rate
k)		Apparatus let on hire	
	i)	Other than motors	9.00%
	ii)	Motors	6.33%
l)		Communication Equipment	
	i)	Radio and High- Frequency Carrier System	15.00%
	ii)	Telephone lines and telephones	15.00%
	iii)	Fibre Optic/OPGW	6.33%
l)		I.T. equipment including software	15.00%
m)		Any other assets not covered above	4.22%

**Note:** Useful life of the assets shall be derived based on the depreciation rate provided in the above table.