

**True-up for FY 2023-24,  
APR for FY 2024-25,  
Business Plan & ARR for 5-  
Year MYT 3rd Control  
Period from FY 2025-26 to  
FY 2029-30**

**&**

**Tariff Proposal for the FY 2025-26**

**Submitted by:**

**Department of Power**

**Government of Nagaland**

**December, 2024**

DEPARTMENT OF POWER, GOVT. OF NAGALAND

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**BEFORE THE HON'BLE NAGALAND ELECTRICITY REGULATORY  
COMMISSION**

Filing No:  
Case No:

IN THE MATTER OF:

Petition for True-up for FY 2023-24, Annual  
Performance Review of FY 2024-25 and  
Business Plan & MYT Petition 3rd Control  
Period from FY 2025-26 to FY 2029-30 & Tariff  
Proposal for FY 2025-26 of Department of  
Power, Govt. of Nagaland

AND IN THE MATTER OF:

Department of Power, Govt. of  
Nagaland, Electricity House,  
Kohima – 797 001, Nagaland

**PETITIONER**

PETITIONER, UNDER SECTIONS 45, 46, 61, 62 AND 64 OF THE ELECTRICITY ACT,  
2003

FILES FOR INITIATION OF PROCEEDINGS BY THE HON'BLE COMMISSION FOR  
DECIDING ON THE MATTERS CONCERNING THE APPROVAL OF THE TRUE-  
UP FOR THE FY 2023-24, ANNUAL PERFORMANCE REVIEW FOR FY2024-25 AND  
BUSINESS PLAN & MYT PETITION 3RD CONTROL PERIOD FROM FY 2025-26 TO  
FY 2029-30 & TARIFF PROPOSAL FOR FY 2025-26 OF DEPARTMENT OF POWER,  
GOVT. OF NAGALAND.

The applicant respectfully submits hereunder:

- 1) The Petitioner, the Department of Power, Govt. of Nagaland (DPN) has been allowed to function as an integrated Distribution licensee for the license area of Nagaland.
- 2) Pursuant to the enactment of the Electricity Act, 2003, DPN is required to submit its Annual Revenue Requirement (ARR) and Tariff Petitions as per the procedures outlined in section 61, 62 & 64 of EA 2003, and the governing regulations thereof.
- 3) DPN has submitted its petition for determination of Business Plan & MYT Petition 3rd Control Period from FY 2025-26 to FY 2029-30 & Tariff Proposal for FY 2025-26 on the basis of the principles outlined in the MYT Tariff Regulations 2016 notified by the Hon'ble Commission.
- 4) This petition includes the True up for FY 2023-24, Review Petition for FY 2024-25 and Business Plan & MYT Petition 3rd Control Period from FY 2025-26 to FY 2029-30 & Tariff Proposal for FY 2025-26.
- 5) DPN shall further make available the additional/ supplementary data & information to the extent available with DPN as may be required by the Hon'ble Commission during its processing.

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### **Prayers to the Commission**

DPN respectfully prays that the Hon'ble Commission may

- a. Examine the proposal submitted by the Petitioner for a favourable dispensation as detailed in the enclosed proposal;
- b. Consider the submissions and allow True up for FY 2023-24, revised estimate for FY 2024-25 and approve Business Plan & MYT Petition 3rd Control Period from FY 2025-26 to FY 2029-30 & Tariff Proposal for FY 2025-26;
- c. Approve the appropriate tariff increase as detailed in the enclosed proposal;
- d. Pass suitable orders for implementation of the tariff proposals for the FY2025-26.
- e. Approve the terms and conditions of Tariff Schedules and various other matters as and the proposed changes therein;
- f. Condone any inadvertent omissions/ errors/ shortcomings and permit DPN to add/ change/ modify / alter this filing and make further submissions as may be required at a future date;
- g. Pass such orders as the Hon'ble Commission may deem fit and proper, keeping in view the facts and circumstances of the case;

Department of Power, Govt. of Nagaland

Petitioner

Place: Kohima.  
Date: .....12.2024.

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## Chapter 1: Introduction and Background

### Department of Power, Government of Nagaland

The Department of Power of The State of Nagaland is responsible for power supply in the state of Nagaland. DPN has generation capacity of 24 MW of its own. Apart from this, the entire power requirements for DPN are met through its share from Central Sector Power generation, which is wheeled through the PGCIL network of North Eastern region and power purchases from electricity traders/ other sources.

The total area of the territory is 16,527 sq. kms. The State of Nagaland is having a population of around 19.81 lacs as per 2011 census spread over towns and villages. The State of Nagaland is located on 438 kms from Guwahati. The present demand for Nagaland is being met mainly by power from various central generating stations, and Likimro Hydro Electric Project. DPN has 3,24,284 consumers with an annual energy consumption of about 448.81 MUs for the FY 2023-24. These consumers can be broadly classified into following five categories:

- Domestic
- Commercial
- Industrial both HT & LT
- Bulk
- Others -Public lighting, water works, Agricultural etc.

The Department of Power of Government of Nagaland hereinafter called “DPN”, a deemed licensee under section 14 of the Electricity Act 2003, is carrying out the business of transmission, distribution and retail supply of electricity in the state of Nagaland. The Department of Power, Nagaland (DPN) has been allowed to function as an integrated distribution licensee of State of Nagaland. The Department of Power doesn't have its own generation except for 24 MW Likimro Hydro Electric Project and procures power from its allocation from central generating stations NTPC, NHPC, NEEPCO, OTPC etc. The remaining is met through short term purchase under bilateral transactions and power exchange.



All the divisions of Nagaland are electrified and any desiring consumer can avail power supply by submitting requisition in the prescribed form to the appropriate office of the Department subject to fulfilment of the requisite conditions and payment of charges.

DPN has updated the Proforma Accounts up-to FY 2023-24. The Proforma Account for the year has been audited. DPN has updated its Fixed Asset Register upto 31.03.2024. True-up has been done till FY 2022-23. DPN is submitting the True-up for the FY 2023-24 based on the audited accounts for the year. Hon'ble Commission may kindly allow the same.

#### **Filing of True up, Annual Performance Review & MYT petition**

The Nagaland Electricity Regulatory Commission (NERC), in exercise of powers conferred by sub section (1) of section 181 and clauses (zd), (ze) and (zf) of sub section (2) of section 181, read with sections 61, 62, 83 and 86, of the Electricity Act 2003 (36 of 2003) and all other powers enabling it in this behalf, has issued the NERC (Multi Year Tariff) Regulations, 2016, hereinafter referred to as "MYT Regulations".

As per the Regulations, the Distribution Licensee were required to file a Business Plan & Tariff Petition for Control Period of five financial years from April 1, 2020 to March 31, 2025, which shall comprise but not be limited to detailed category-wise sales and demand projections, power procurement plan, capital investment plan, financing plan and physical targets before the Hon'ble Commission as part of the Tariff Filing before the beginning of the Control Period.

Accordingly, the Department of Power, Nagaland had filed a Business Plan & Tariff Petition for approval of Annual Revenue Requirement for MYT Control period FY21 to FY25 in accordance to the principles laid down under section 61, 62 and 64 of the Electricity Act 2003, NERC MYT Regulations 2016, provisions of National Tariff Policy, NERC (Conduct of Business) regulations 2010 and other relevant regulations. The Hon'ble Commission in its order dated 20.03.2020 approved the Business Plan & Annual Revenue Requirement for FY 2020-21 to FY 2024-25. The current control period is upto FY 2024-25 ( i.e 31.03.2025). Accordingly, in accordance with the NERC MYT Regulations 2016,

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Department of Power, Nagaland is filing the instant petition for the next control period of five years i.e FY 2025-26 to FY 2029-30 and retail tariff for the FY 2025-26. Further, Department of Power, Nagaland is also submitting petition for approval of True-up for the FY 2023-24 & APR for the FY 2024-25.

## Chapter 2: True up of FY 2023-24

The Hon'ble Commission in the Tariff order dated 27.03.2023 has approved ARR & Tariff for the year.

NERC determination of Tariff Regulations stipulate that the True-up for a FY is to be done on the basis of Audited Accounts. Accordingly, DPN has got its accounts audited and based on the same is filing the True-up petition for the year.

### Energy Sales

The total energy sales for the year based on actuals as against that approved by the Commission during in the Tariff Order for the year is summarized in the Table below

*Table 1: Approved and Actual Sales (MUs)*

Sl. No.	Categories	Approved in T.O. dated 27th March 2023	FY 2023-24 (Actual)
1	Domestic	424.56	229.02
2	Industrial	46.71	11.24
3	Bulk Supply	115.75	78.64
4	Commercial	123.27	58.89
5	Public water works & sewage	0.04	0.12
6	Public Lighting	1.22	1.13
7	Agriculture	0.02	0.01
8	Single Point Metered Rural	0.00	57.91
9	Single Point Metered Urban	0.00	11.84
<b>10</b>	<b>Total ( Within the State)</b>	<b>711.58</b>	<b>448.81</b>
11	Outside state sale	131.56	60.50
<b>12</b>	<b>Total Sale</b>	<b>843.14</b>	<b>509.31</b>

## Power Purchase Cost

DPN meets its requirement from allocations from central generating stations like NTPC, NHPC, NEEPCO & OTPC apart from own generation from Likhimro Hydro Power Project and other MHEPs. The allocation from CGS consists of a fixed share of allocation for a year, and the Govt. of India changes the variable share of allocation from the unallocated quota, time to time. Since, during the peak summer seasons the allocation of power from various sources is inadequate, therefore the DPN procures power from short-term sources i.e. power exchange, UI, banking etc.

The table below shows the summary of actual Power Purchase cost from various sources for the year including Transmission Charges, UI charges and purchase from short term sources i.e. power exchange, UI, etc.

*Table 2: Power Purchase Cost*

Sl. No.	Source	Approved in T.O. dated 27th March 2023	FY 2023-24 (Actual)
1	Power Purchase Cost	599.65	557.90
	<b>Total</b>	<b>599.65</b>	<b>557.90</b>

It is submitted that the Hon'ble Commission may kindly consider & approve the actual power Purchase cost for the year based on the audited accounts as proposed above.

## Intra-State Transmission and Distribution (T&D) Loss

DPN has computed the actual T&D loss for the year considering actual sales & energy available within the state. The computation of T&D loss along with the Energy Balance for the year is provided in table below:

*Table 3: Energy Balance*

Sl. No.	Particulars	Unit	Approved in T.O. dated 27th March 2023	FY 2023-24 (Actual)
<b>A</b>	<b>Energy Requirement</b>			
1	Energy sales within State	MU	711.58	448.81
2	Distribution Loss %	%	20.00	46.20
3	Distribution Loss	MU	177.90	385.38
4	Energy Requirement	MU	889.48	834.19
<b>B</b>	<b>Energy Availability</b>			
5	Own Generation	MU	108.30	78.37
6	Power from ER	MU	94.15	100.16
7	ER Total Losses %	%	2.26	2.26
8	Regional Losses	MU	2.13	2.26
9	Net enrgy from Eastern Region (6-8)	MU	92.02	97.89
10	Power from NER	MU	873.92	841.46
11	Total Power Purchase (9+10)	MU	965.94	939.35
12	NER Tr. Loss %	%	2.66	8.90
13	NER Tr. Loss	MU	25.69	83.61
14	Net power available (11-13)	MU	940.25	855.74
15	UI/Deviation	MU	0	15.63
16	Interstate Sale/ Energy Traded	MU	131.56	60.50
17	<u>Banking (Net)</u>	MU	0.00	17.50
18	Total power available at state Periphery (5+14+15-16+17)	MU	916.99	906.73
19	Intra state Tr. Loss%	%	3.00	8.00
20	Intra state Tr. Loss	MU	27.51	72.54
21	Net power available for sale in Distribution (18-20)	MU	889.48	834.19
22	<b>Surplus (21-4)</b>	<b>MU</b>	<b>0.00</b>	<b>0.00</b>

DPN submits that the Hon'ble Commission may kindly consider & approve the loss as arrived based on the actual Energy figures for the year.

### Operation and Maintenance Expenses

The summary of approved and actual Employees Expenses, A&M expenses and A&G expenses as incurred by the DPN during the year is as below:

*Table 4: O & M Expenses (in Rs Crores)*

O & M Expenses	Approved in T.O. dated 27th March 2023	FY 2023-24 (Actual)
Employee Expenses	154.38	174.96
R & M Expenses	34.61	11.87
A & G Expenses	3.25	5.19
<b>Total O&amp;M Expenses</b>	<b>192.24</b>	<b>192.03</b>

The petitioner requests the Hon'ble Commission to kindly consider & approve the O&M expenses proposed above based on the audited accounts for the year.

### GFA and Depreciation

It is submitted that DPN has considered the GFA as per the audited accounts for the year. The depreciation for the FY has also been considered accordingly. The table below presents the approved and actual asset details for the year. The Hon'ble Commission is requested to approve the same:

*Table 5: Asset Addition (Rs Crores)*

Particulars	Approved in T.O. dated 27th March 2023	FY 2023-24 (Actual)
Asset Addition during FY 2023-24	100.00	5.05

The table below presents the approved and actual depreciation for the year.

*Table 6: Depreciation (Rs Crores)*

<b>Particulars</b>	<b>Approved in T.O. dated 27th March 2023</b>	<b>FY 2023-24 (Actual)</b>
Depreciation for the year	0.00	77.64

DPN humbly requests the Hon'ble Commission to approve the depreciation based on the audited accounts.

### **Interest on Loan**

It is submitted that the entire capital employed has been funded through infusion of funds by Government of Nagaland through budgetary support without any external borrowings on part of the DPN. As such, the DPN has not considered interest on loan for the year.

### **Interest on Working Capital**

It is submitted that the entire operating expenses of the Department is provided by the Government of Nagaland without any external borrowings toward working capital. Hence, DPN does not have any working capital loan. As such, the DPN has not claimed interest on Working Capital for the year

### **Provision for Bad and Doubtful Debt**

The DPN has not written off any bad debt during the year, hence no claim towards bad debt is made in the petition.

### **Return on Equity**

It is submitted that the entire capital employed has been funded through infusion of funds by Government of Nagaland through budgetary support. There is no paid-up equity capital nor DPN is paying any return on equity to the Government of Nagaland. In view of the above, the DPN has not claimed Return on Equity for the year.

## Non-Tariff Income

The table below presents the approved and actual Non-Tariff Income for the year.

*Table 7: Non-Tariff Income (Rs Crores)*

Particulars	Approved in T.O. dated 27th March 2023	FY 2023-24 (Actual)
Non-Tariff Income	15.33	5.18

## Revenue from Tariff

The billed revenue on actual sales and prevailing tariff as approved by the Commission is given in the table below.

*Table 8: Revenue on Current Tariff (Rs Crores)*

Particulars	Approved in T.O. dated 27th March 2023	FY 2023-24 (Actual)
Revenue from sale of Power	432.62	323.97
<b>Total</b>	<b>432.62</b>	<b>323.97</b>



## Aggregate Revenue Requirement and Surplus/Gap

The Aggregate Revenue Requirement and revenue gap for the year is as given in the table below:

*Table 9: Aggregate Revenue Requirement and Gap for True-Up (Rs Crores)*

S. No.	Particulars	Approved in T.O. dated 27th March 2023	FY 2023-24 (Actual)
1	Cost of Generation	20.06	14.52
2	Power Purchase cost	599.65	557.90
3	O&M Expenses:		
a	Employee cost	154.38	174.96
b	Repairs & Maintenance expenses	34.61	11.87
c	Administration and General Expenses	3.25	5.19
4	Depreciation	0.00	77.64
5	Interest & Finance charges including interest on Consumers Security Deposit	0	0.00
6	Interest on working capital	0	0.00
7	Provision for bad debts	0	0.00
8	Return on equity	-	0.00
<b>9</b>	<b>Total Revenue Requirement (1 to 8)</b>	<b>811.95</b>	<b>842.09</b>
10	Less Non tariff income	15.33	5.18
<b>11</b>	<b>Aggregate Requirement (9 - 10)</b>	<b>796.62</b>	<b>836.91</b>
12	Revenue from retail sales	432.62	323.97
13	Revenue Subsidy from Govt.		544.08
<b>14</b>	<b>Revenue Surplus/(Gap) for the Year (12+13-11)</b>	<b>(364.00)</b>	<b>31.14</b>

It is submitted that the Gap between the Annual Revenue Requirement & Revenue from tariff is funded through Revenue Subsidy by the Government of Nagaland. Hence, there is no net Gap for the year.

**Therefore, DPN requests the Hon'ble Commission to kindly approve the above ARR & Revenue for the year as presented above.**

### Chapter 3: Review of ARR for FY 2024-25

The Nagaland Electricity Regulatory Commission had notified the Multi Year Distribution Tariff Regulations, 2016 (MYT Regulations).

DPN had filed a MYT petition for the period of FY 2020-21 to FY 2024-25 along with requisite details as provided in NERC (Multi-Year Tariff) Regulations 2016. The Hon'ble Commission in the MYT Order dated 20-03-2020 had approved ARR for the Control Period of FY 2020-21 to FY 2024-25 as per the MYT Regulations 2016. Further, DPN filed the ARR & Tariff Petition for the FY 2024-25 and the Hon'ble Commission in the Tariff Order dated 13.03.2024 had approved ARR for the year.

Regulation 5.2 (b) of the MYT Regulations 2016 states the following:

*“From the first year of the Control Period and onwards, the Petition shall comprise of:*

- i) Truing Up for previous years under Nagaland Electricity Regulatory Commission(Terms and Conditions for Determination of Tariff) Regulations, 2010 Annual Performance Review for current year in accordance with these Regulations;*
- ii) Revenue from the sale of power at existing tariffs and charges for the ensuing year;*
- iii) Revenue gap for the ensuing year calculated based on ARR approved in the Tariff Order or MYT Order and truing up for the previous year;*
- iv) Application for revision of tariff for the ensuing year.”*

The petitioner is hereby filing annual performance review for FY 2024-25 as per the MYT framework and request the Hon'ble Commission to consider the revision in parameters based on the revised estimates for the FY 2024-25.

## Energy sales and Connected Load

The sales for the FY 2024-25 have been estimated based on CAGR of actual sales for the FY 2018-19 to FY 2023-24. The CAGR for past five/three/two/one-year growth have been applied appropriately on the actual sales for the FY 2023-24 to arrive at the estimated sales for the FY 2024-25. The calculation of five/three/two/one-year CAGR is provided in subsequent section in this petition. The approved and estimated sales for FY 2024-25 are given in the table below:

*Table 10: Energy sales for FY 2024-25 (MUs)*

S. No.	Categories	Approved in T.O. dated 13th March 2024	Estimated for FY 2024-25
1	Domestic including BPL	255.07	245.84
2	Industrial	11.33	11.71
3	Bulk Supply	76.03	82.78
4	Commercial	50.07	61.83
5	Public water works & sewage	0.37	0.13
6	Public Lighting	1.13	1.19
7	Agriculture	0.04	0.01
8	Single Point Metered Rural	62.64	60.80
9	Single Point Metered Urban	14.52	12.43
10	<b>Total Sale (Within the State)</b>	<b>471.21</b>	<b>476.73</b>
11	Outside State Sale	260.43	138.66
12	<b>Grand Total</b>	<b>731.64</b>	<b>615.39</b>

The details of estimated Post Paid & Prepaid sales are provided in the tables below:

*Table 10a: Energy sales (Post-paid) for FY 2024-25 (MUs)*

S. No.	Categories	Estimated for FY 2024-25
1	Domestic including BPL	206.30
2	Industrial	10.71
3	Bulk Supply	82.76
4	Commercial	45.32
5	Public water works & sewage	0.13
6	Public Lighting	1.19
7	Agriculture	0.01
8	Single Point Metered Rural	60.80
9	Single Point Metered Urban	12.43
10	<b>Grand Total</b>	<b>419.65</b>

*Table 10b: Energy sales (Prepaid) for FY 2024-25 (MUs)*

S. No.	Categories	Estimated for FY 2024-25
1	Domestic	39.54
2	Industrial	1.01
3	Bulk Supply	0.02
4	Commercial	16.51
5	<b>Grand Total</b>	<b>57.07</b>

It is submitted that the Hon'ble Commission may kindly consider and approve the revised estimates of sales for the FY 2024-25.

## **Intra-state T&D Losses**

As per the Tariff Order dated 13-03-2024 the T&D loss as approved by the Commission for FY 2024-25 is 33.60% (25.60% distribution loss & 8% intra-state transmission loss). While DPN is dedicated for reducing the intra-state T&D losses in the state and targeting to achieving the T&D trajectory set by the Hon'ble Commission it requests the Hon'ble Commission to consider the geographical & topographical condition of the state for setting reasonable loss reduction target for the FY 2024-25. DPN submits that it has been making all efforts to bring down the T&D Losses with various infrastructure improvement initiatives & Central Government schemes such as RDSS & other IT/strengthening schemes. However, achieving the loss level as approved by the Hon'ble Commission is only possible in phased manner over next few years. It is difficult to bring the losses substantially from current level in one financial year.

One of the primary reasons of stagnation in losses is the dominance of domestic category in the sales mix. In spite of an increase in overall sale, maximum increase in sales have happened in the domestic category resulting in a higher proportion of the overall sales as compared to industrial consumers where the sales have not increased proportionately leading to a reduction in overall share.

It is submitted to the Hon'ble Commission that T&D reduction is difficult because of topographical conditions apart from the fact that maximum demand is in domestic category and the scope for addition of HT consumers is limited or negligible. As a result, the sales to such categories is generally restricted leading to stagnation of T&D losses.

In view of the above, it is submitted that the Hon'ble Commission may kindly consider the above submission while deciding the T&D loss trajectory.

The Transmission losses for the FY 2024-25 have been proposed based on the actual T&D losses & Inter-state Transmission Losses for the FY 2023-24 and estimated reduction during the financial year. The Hon'ble Commission may kindly consider & approve the same.

## Energy Requirement

The revised energy balance for FY 2024-25 is as given in the table below, the Hon'ble Commission is requested to approve the same:

*Table 11: Energy Balance for FY 2024-25*

Energy Available	Approved in T.O. dated 13th March 2024	Estimated for FY 2024-25
Energy Sales with the State	471.21	476.73
Distribution Loss %	25.60	37.00
Distribution Loss (MUs)	<b>162.14</b>	<b>279.98</b>
Total Energy Requirement	633.35	756.71
<b>Energy Availability</b>		
Own Generation	84.40	82.06
Power from ER	93.15	99.37
ER Total Loss (%)	2.26%	2.26%
Regional Loss (MUs)	2.11	2.25
Net Energy from ER (MU's)	91.05	<b>97.13</b>
Power from NER	840.06	857.04
Total Power purchased	931.11	<b>954.17</b>
NER Tr. Loss %	7.16%	8.90%
NER Tr. Loss	66.67	84.93
<b>Net Energy Available</b>	<b>864.45</b>	<b>869.24</b>
<u>Add: Over Drawn/Shortterm</u>	0.00	24.18
<u>Add: Banking (Import)</u>	0.00	2.35
<u>Less: Out side state sale</u>	260.43	138.66
<u>Less: Banking (Export)</u>	0.00	16.66
<b>Total Energy Available at state periphery</b>	<b>688.42</b>	<b>822.51</b>
Intra State Tr. Loss (%)	8.00	8.00
Intra State Tr. Loss (Mus)	55.07	65.80
<b>Net Energy available for Sale</b>	<b>633.35</b>	<b>756.71</b>
<b>Demand Supply (Gap) / Surplus</b>	<b>0.00</b>	<b>0.00</b>

## Power Purchase Quantum and Cost

The Petitioner submits that it procures power from various sources from:

- Central Generating Stations (CGS) such as that of NTPC, NHPC , OTPC and NEEPCO
- Other Sources such as bilateral agreement, banking arrangement, power exchange etc.

For the purpose of review of FY 2024-25 power purchase quantum, DPN has considered actual power availability from April, 24 to November, 24 from various sources and estimated availability from December 24 to March, 25.

Shortfall in power from allocations, if any, based on the estimated sales and losses for FY 2024-25 shall be procured from short term sources i.e. power exchange, other trading sources.

DPN is also required to procure power from renewable sources for meeting the RPO as per the renewable regulations. It is submitted that DPN procures power from its own generating station – Likhimro HEP to meet the Non-Solar RPO. However, with regard to Solar RPO, it is submitted that DPN does not have tied up sources of solar power as on date . However, new solar projects in the state are being developed and procurement from these sources shall help DPN meet the Solar RPO requirement. In view of the above, it is requested that the Commission may allow DPN to meet the Solar & Non-solar RPO through Non-Solar sources to the extent available. Further, gaps may be allowed to be carried forward to be met in future years when solar sources are commissioned.

The power purchase cost for FY 2024-25 is computed based on the estimated energy to be procured during the year and available sources of power from the generating stations as per the allocations.

- a. The fixed cost for each plant is computed based upon the plant wise actual fixed charges for the FY 2023-24 & estimated for the FY 2024-25.

- b. The variable charge for the thermal plants has been considered based on the actual variable charge for the FY 2023-24 and escalated based on estimated increase.
- c. The generation units available from thermal plants & hydel plants are computed considering the actual power available during the FY 2024-25 (Upto November, 24 & estimated from December, 24 to March, 25).
- d. DPN is expecting to meet its energy requirement from the allocated power, however, intermittent deficit if any in energy during the year is proposed to be met through short term power.
- e. PGCIL, CTUCIL, NRLDC and other regulatory charges are computed based upon actual expenditure for FY 2024-25 (actual up to November, 24 & estimated from December, 24 to March, 25).

Based on the actual power purchase cost up to November, 24 & estimate from December, 24 to March, 25, the revised estimation of annual power purchase units and cost is summarized in the table below:



Table 12: Estimated Power Purchase Quantum and Cost for FY 2024-25

Particulars	Approved in T.O. dated 13th March 2024		Estimated for FY 2024-25	
	Units (in MUs)	Cost (in Rs. Cr.)	Units (in MUs)	Cost (in Rs. Cr.)
<b>Central Sectors</b>				
Farakka STPS	41.47	181.12	47.68	184.33
Kahalgaon STPS	21.57		24.53	
Talcher STPS	30.11		27.16	
BGTPP	190.53		230.37	
Loktak HEP	16.72	8.96	35.61	12.95
DOYANG HEP	9.73	155.75	14.19	158.78
AGBPP	70.94		80.92	
AGTPP	34.50		32.91	
KHANDONG HEP	-		0.00	
KOPILI HEP	27.96		29.68	
RANGANADI HEP	63.50		59.07	
KOPILI - II HEP	9.93		8.48	
PARE HEP	24.95		21.45	
KAMENG	40.39		39.75	
Palatana	334.36	124.26	281.74	98.65
<b>Others</b>				
DEVIATION/SHORTTERM/BANKING	-	-	26.53	15.77
Free Power	16.56		22.87	
Banking	-			
<b>Total</b>	<b>933.22</b>	<b>470.08</b>	<b>982.95</b>	<b>470.48</b>
<b>REC Purchase</b>		-		
Other Charges				0.01
<b>Total power purchase</b>	<b>933.22</b>	<b>470.08</b>	<b>982.95</b>	<b>470.48</b>
PGCIL- Transmission Charges		105.44		76.36
NERLDC/NERPC Charges		6.67		2.62
<b>Grand Total</b>	<b>933.22</b>	<b>582.20</b>	<b>982.95</b>	<b>549.46</b>

In view of above, DPN proposes the revised total power purchase units and power purchase cost of for the FY 2024-25. The Hon'ble Commission may kindly consider the above submissions and approve the power purchase units & cost as proposed.

## Cost of Generation

DPN has it's won 24 MW Likimro HEP. The cost of generation approved by the Hon'ble Commission and revised estimates for the FY 2024-25 is provided below. Hon'ble Commission may kindly consider and approve the same.

*Table 13: Approved and Estimated Cost of Generation for FY 2024-25 (Rs Crores)*

Particulars	Approved in T.O. dated 13th March 2024	Estimated for FY 2024-25
Cost of Generation	16.13	15.68

## Operations and Maintenance Expenses

Operation & Maintenance Expenses consists of three elements viz Employee Expenses, A&G Expenses and R&M Expenses. As per the MYT Regulations, O&M expenses shall be treated as controllable parameter and shall not be revised except those attributable to directions of the Hon'ble Commission.

DPN has estimated the Employee Expenses, A&G Expenses and R&M Expenses for the FY 2024-25 based on the actual for the FY 2023-24 & estimated figures for the current year. The actual expenses for the FY 2023-24 have been escalated by applying average increase in WPI for previous three years to estimate the expenses for the FY 2024-25. The estimated figures of various heads under O&M expenses for the FY 2024-25 is provided in the table below along with the respective approved expenses:

*Table 14: Approved and Estimated O&M Expenses for FY 2024-25 (Rs Crores)*

Particulars	Approved in T.O. dated 13th March 2024	Estimated for FY 2024-25
Employee Expenses	191.37	177.80
R&M Expenses	19.38	15.94
A&G Expenses	3.81	4.07
<b>Total O&amp;M Expenses</b>	<b>214.56</b>	<b>197.81</b>

The Hon'ble Commission is requested to consider and approve the total O&M expenses as computed in the table above.

## Capital Expenditure and Capitalization

The Hon'ble Commission had approved a capital expenditure of Rs. 100.00 Crores for FY 2024-25. DPN has considered the same for estimating the tariff determinants for the financial year.

## GFA and Depreciation

DPN has considered the opening GFA for the FY 2023-24 and taken the estimated additions for the year to arrive at the closing GFA for the FY 2024-25. It is submitted that any variation in GFA additions shall be submitted at the time of truing-up for the year.

DPN requests the Hon'ble Commission to approve the fixed assets as proposed in the table below:

*Table 15: Approved and Estimated Assets Addition for FY 2024-25 (Rs Crores)*

Particulars	Approved in T.O. dated 13th March 2024	Estimated for FY 2024-25
Opening GFA	1,845.28	1,750.33
Asset Capitalized	100.00	737.20
Closing GFA	1,945.28	2,487.53

The petitioner submits that it has prepared the Fixed Asset Register for the FY 2023-24. Depreciation has been calculated on the basis of the opening GFA & proposed additions during the FY 2024-25 at the rate prescribed in the MYT Regulations. The approved and revised depreciation for FY 2024-25 is provided below:

*Table 16: Approved and Estimated Depreciation for FY 2024-25 (Rs Crores)*

<b>Particulars</b>	<b>Approved in T.O. dated 13th March 2024</b>	<b>Estimated for FY 2024-25</b>
Opening Assets at the Beginning of the year	1,845.28	1,750.33
Addition of assets during the year	100.00	737.20
Gross Fixed assets at the end of the year	1,945.28	2,487.53
<b>Depreciation for the year</b>	<b>84.99</b>	<b>94.13</b>

## **Interest on Loan**

It is submitted that the entire capital employed has been funded through infusion of funds by Government of Nagaland through budgetary support without any external borrowings on part of the DPN. As such, the DPN has not considered interest on loan for the FY 2024-25.

## **Interest on Working Capital**

As per clause 29.4 of NERC MYT Regulations 2016 the working capital of a licensee shall consist of -

- a. Operation and maintenance expenses for one month; plus
- b. Maintenance spares at one (1) per cent of the historical cost escalated at 6% from the date of commercial operation; plus
- c. Receivables equivalent to one (1) month of the expected revenue from sale of electricity at the prevailing tariffs; minus
- d. Amount held as security deposits under clause (a) and clause (b) of sub-section (1) of Section 47 of the Act from consumers except the security deposits held in the form of Bank Guarantees;

However, it is submitted that the entire operating expenses of the Department is provided by the Government of Nagaland without any external borrowings toward working capital. Hence, DPN does not have any working capital loan. As such, the DPN has not claimed interest on Working Capital for the FY 2024-25.

## **Return on Equity**

Regulation 26 of MYT Regulations 2016 provides for Return on Equity (RoE) as follows:

*“Return on equity shall be computed on the paid up equity capital determined in accordance with Regulation 22 relating to the Generating Company or Transmission Licensee or Distribution Licensee as the case may be and shall be allowed at the rate of 15.5% for Generating Companies, including hydro generation stations above 25 MW, Transmission Licensee, and Distribution Licensee”*

It is submitted that the entire capital employed has been funded through infusion of funds by Government of Nagaland through budgetary support. There is no paid up equity capital nor DPN is paying any return on equity to the Government of Nagaland. In view of the above, the DPN has not claimed Return on Equity for the FY 2024-25.

## **Provision for Bad and Doubtful Debt**

Regulation 89.8 of NERC MYT Regulations, 2016 provides as follows:

*” The Commission may allow bad debts written off as a pass through in the aggregate revenue requirement, subject to prudence check.”*

DPN proposes to claim the Bad debt after the Annual Accounts for the year are finalised and audited. Hence, the same shall be claimed at the time of True-up for the FY 2024-25. Hon’ble Commission may allow the same.

## Non-Tariff Income

DPN has considered the actual Non-Tariff Income for the FY 2023-24 for projecting the NTI for the FY 2024-25. The actual Non-Tariff Income for the year shall be submitted for true-up along with the audited accounts. Hon'ble Commission may kindly consider the same.

*Table 17: Approved and estimated Non-Tariff Income for FY 2024-25 (Rs Crores)*

Particulars	Approved in T.O. dated 13th March 2024	Estimated for FY 2024-25
Non-Tariff Income	16.10	5.43

## Revenue on Current Tariff

The revised estimate of revenue based on the estimated sales and approved tariff for FY 2024-25 is provided in the table below:

*Table 18: Approved and Estimated Revenue on Existing Tariff for FY 2024-25 (Rs Crores)*

S. No.	Category / Slab of Consumers	Approved in T.O. dated 13th March 2024	Estimated for FY 2024-25
1	Domestic	160.85	154.39
2	Industrial	8.13	8.41
3	Bulk Supply	55.12	60.01
4	Commercial	40.45	50.10
5	Public water works & sewage	0.29	0.10
6	Public Lighting	2.43	2.36
7	Agriculture	0.02	0.00
8	Single Point Metered Rural	35.08	34.05
9	Single Point Metered Urban	8.42	7.21
10	<b>Total (Within the State)</b>	<b>310.79</b>	<b>316.63</b>
11	Outside state sale	229.09	63.47
12	<b>Total Sale</b>	<b>539.88</b>	<b>380.10</b>

The details of estimated Post Paid & Prepaid revenue at existing Tariff is provided in the tables below:

*Table 18a: Estimated Revenue on Existing Tariff (Post-paid) for FY 2024-25 (Rs Crores)*

S. No.	Category / Slab of Consumers	Estimated for FY 2024-25
1	Domestic	131.65
2	Industrial	7.73
3	Bulk Supply	60.00
4	Commercial	35.90
5	Public water works & sewage	0.10
6	Public Lighting	2.36
7	Agriculture	0.00
8	Single Point Metered Rural	34.05
9	Single Point Metered Urban	7.21
10	<b>Total</b>	<b>279.01</b>

*Table 18b: Estimated Revenue on Existing Tariff (Prepaid) for FY 2024-25 (Rs Crores)*

S. No.	Category / Slab of Consumers	Estimated for FY 2024-25
1	Domestic	22.74
2	Industrial	0.68
3	Bulk Supply	0.01
4	Commercial	14.20
5	<b>Total Sale</b>	<b>37.62</b>

## Estimated Aggregate Revenue Requirement and Gap for FY 2024-25

Based on the revised ARR and revenue projection, the revenue deficit for FY 2024-25 at existing tariff is proposed be as below:

Table 19: Estimated Aggregate Revenue Requirement and Surplus for the FY 2024-25 (Rs Crores)

S. No.	Particulars	Approved in T.O. dated 13th March 2024		Estimated for FY 2024-25	
1	Cost of power purchase	470.08		470.48	
2	Transmission charges	112.11		78.98	
3	Total cost of power purchase (1+2)		582.19		549.46
4	Cost of Generation		16.13		15.68
5	Employee Expenses	191.37		177.80	
6	Repair & Maintenance Expenses	19.38		15.94	
7	Administration & General Expenses	3.81		4.07	
8	Total O & M Expenses (5+6+7)		214.56		197.81
9	Interest and finance charges				
10	Depreciation		84.99		94.13
11	Interest on working capital		0.00		0.00
12	Return on Equity		0.00		0.00
<b>13</b>	<b>Total Revenue Requirement (3+4+8+9+10+11+12)</b>		<b>897.87</b>		<b>857.09</b>
14	Less: Non-Tariff Income		16.10		5.43
15	Less: Surplus of FY 2022-23		14.59		
<b>16</b>	<b>Net Revenue Requirement (13-14-15)</b>		<b>867.18</b>		<b>851.65</b>
17	Revenue from Sales		539.87		380.10
18	Revenue Subsidy- Govt. of Nagaland		214.56		197.81
19	Additional Subsidy- Govt. of Nagaland		112.75		273.74
<b>20</b>	<b>Revenue Surplus/(Gap) for the Year (17+18+19- 16)</b>		<b>0.00</b>		<b>0.00</b>

It is submitted that the revenue gap in the financial year is met through the Revenue Subsidy from the Government of Nagaland. Hence, there will be no net gap to carried forward to subsequent year. It is requested that the Hon'ble Commission may kindly consider & approve the same.



## **Chapter 4: AGGREGATE REVENUE REQUIREMENT FOR CONTROL PERIOD FY 2025-26, FY 2026-27, FY 2027-28, FY 2028-29 AND 2029-30**

This section outlines the Aggregate Revenue Requirement of the DPN for control period i.e. FY 2025-26 to FY 2029-30, which takes into consideration:

Actual Performance in FY 2018-19, FY 2019-20, FY 2020-21, FY 2021-22, FY 2022-23 & FY 2023-24;

Estimated Performance for FY 2024-25 based on the Actual performance for the period 01.04.2024 to 30.09.2024;

Projection based on the Actual performance in FY 2018-19, FY 2019-20, FY 2020-21, FY 2021-22, FY 2022-23 & FY 2023-24 and estimated performance in FY2024-25;

DPN has projected the Energy Requirement & Sources of Energy, Capital expenditure & Capitalisation, T&D losses and other parameters required to be submitted in Business Plan in the subsequent section of the instant petition. The Hon'ble Commission may consider & approve the projected technical & financial parameters.

Based on the projected technical & financial parameters, DPN has projected the various determinants of the Aggregate Revenue Requirement of the DPN for control period i.e. FY 2025-26 to FY 2029-30.

Principles outlined in Tariff Regulations of NERC.

Past trends have been taken into cognizance in case of certain elements as deemed necessary. The present section has been structured in the following manner:

- Determination of Energy Requirement
  - Sales Projections
  - Loss Trajectory
  - Energy Balance
- Proposed Capital Expenditure and capitalization
  - Scheme wise details
    - Capital Expenditure
    - Asset Capitalisation
    - Determination of the Aggregate Revenue Requirement

- Power Generation/Purchase Costs
- Transmission Charges
- Operation and Maintenance Expenses
- Depreciation
- Interest charges (including interest on working capital)
- Return on NFA
- Provision for Bad and Doubtful Debts
- Return on Equity

### Energy Requirement

The energy requirement of the license area is determined based on the expected sales in the area during the period under consideration and the expected distribution losses in the network. Accordingly, the energy requirement projected by the DPN for the control period i.e. FY 2025-26 to FY 2029-30 is as given in the succeeding paragraphs.

### Approach for Sales Projection

The consumer base of DPN consists of Domestic, Commercial and Industrial, consumers. Sales mix is primarily dominated by Domestic consumers, followed by Commercial consumers. Thus, the sales forecast would completely depend on the sales expected in the Domestic & Commercial Category.

The sales for the control period FY 2025-26 to FY 2029-30 has been projected based on CAGR of actual sales for the FY 2018-19 to FY 2023-24. The CAGR for past five/three/one-year growth have been applied appropriately on the actual sales for the FY 2023-24 to arrive at the projected sales for the control period FY 2025-26 to FY 2029-30. The calculation of five/three/one-year CAGR is provided in the Table below.

**Table 20: Calculation of CAGR – for projection of Energy Sales**

S. No.	Categories	FY19	FY20	FY21	FY22	FY23	FY24	CAGR for 5 Years	CAGR for 3 Years	CAGR for 2 Years	CAGR for 1 Years
1	Domestic including BPL	160.71	174.15	215.09	221.72	232.32	229.02	7.34%	2.11%	1.63%	-1.42%
2	Industrial	9.15	10.12	10.90	11.15	10.83	11.24	4.19%	1.05%	0.41%	3.83%

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S. No.	Categories	FY19	FY20	FY21	FY22	FY23	FY24	CAGR for 5 Years	CAGR for 3 Years	CAGR for 2 Years	CAGR for 1 Years
3	Bulk Supply	60.86	70.34	67.90	94.31	73.70	78.64	5.26%	5.02%	-8.68%	6.70%
4	Commercial	29.12	35.69	32.51	29.63	45.42	58.89	15.12%	21.90%	40.98%	29.65%
5	Public water works & sewage	0.05	0.15	0.08	0.07	0.33	0.12	22.05%	14.05%	33.38%	-62.71%
6	Public Lighting	0.01	0.23	1.13	1.13	-	1.13	151.01%	0.00%	0.00%	
7	Agriculture	0.00	0.01	0.01	0.01	0.04	0.01	28.34%	-4.42%	1.29%	-74.63%
8	Single Point Metered Rural	32.55	50.25	61.58	72.19	57.35	57.91	12.21%	-2.03%	-10.44%	0.97%
9	Single Point Metered Urban	6.14	12.27	15.14	15.20	13.58	11.84	14.06%	-7.87%	-11.73%	-12.79%
10	<b>Total Sale ( Within the State)</b>	<b>298.58</b>	<b>353.21</b>	<b>404.34</b>	<b>445.41</b>	<b>433.57</b>	<b>448.81</b>				
11	Outside state	44.35	41.01	67.05	46.32	141.28	60.50	8.49%	3.54%	0.38%	3.51%
12	<b>Total</b>	<b>342.93</b>	<b>394.22</b>	<b>471.39</b>	<b>491.73</b>	<b>574.85</b>	<b>509.31</b>				

### Category wise Sales Forecast

Based on the methodology outlined above, the projected energy sales of various categories of consumers FY 2025-26 to FY 2029-30 are given below:

**Table 21: Projected Energy Sales – FY 2025-26 to FY 2029-30**

S. No.	Categories	FY 23-24 (Actual)	CAGR Used	FY 24-25 (Esti.)	FY 25-26 (Proj.)	FY 26-27 (Proj.)	FY 27-28 (Proj.)	FY 28-29 (Proj.)	FY 29-30 (Proj.)
1	Domestic including BPL	229.02	7.34%	245.84	263.89	283.26	304.06	326.39	350.35
2	Industrial	11.24	4.19%	11.71	12.20	12.71	13.25	13.80	14.38

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S. No.	Categories	FY 23-24 (Actual)	CAGR Used	FY 24-25 (Esti.)	FY 25-26 (Proj.)	FY 26-27 (Proj.)	FY 27-28 (Proj.)	FY 28-29 (Proj.)	FY 29-30 (Proj.)
3	Bulk Supply	78.64	5.26%	82.78	87.13	91.72	96.54	101.62	106.97
4	Commercial	58.89	5.00%	61.83	64.92	68.17	71.58	75.16	78.92
5	Public water works & sewage	0.12	5.00%	0.13	0.14	0.14	0.15	0.16	0.17
6	Public Lighting	1.13	5.00%	1.19	1.25	1.31	1.37	1.44	1.51
7	Agriculture	0.01	5.00%	0.01	0.01	0.01	0.01	0.01	0.01
8	Single Point Metered Rural	57.91	5.00%	60.80	63.84	67.04	70.39	73.91	77.60
9	Single Point Metered Urban	11.84	5.00%	12.43	13.06	13.71	14.39	15.11	15.87
10	<b>Total Sale ( Within the State)</b>	<b>448.81</b>		<b>476.73</b>	<b>506.44</b>	<b>538.07</b>	<b>571.75</b>	<b>607.60</b>	<b>645.78</b>
11	Outside state	60.50		138.66	203.61	239.03	193.59	145.20	93.68
12	<b>Total</b>	<b>509.31</b>		<b>615.39</b>	<b>710.05</b>	<b>777.10</b>	<b>765.33</b>	<b>752.80</b>	<b>739.46</b>

It is requested that the Hon'ble Commission may kindly consider & approve the sales as projected above for the MYT control period.

### Number of Consumers

The number of consumers for the control period FY 2025-26 to FY 2029-30 has been projected based on CAGR of actual number of consumers for the FY 2018-19 to FY 2013-24. The CAGR for past five/three/one-year growth have been applied appropriately on the actual number of consumers for the FY 2023-24 to arrive at the projected number of consumers for the control period FY 2025-26 to FY 2029-30. The calculation of five/three/one-year CAGR is provided is provided in the Table below. The number of consumers projected for the FY 2025-26 to FY 2029-30 are tabulated below:

**Table 22: Calculation of CAGR – for projection of No. of Consumers**

S. No.	Categories	FY19	FY20	FY21	FY22	FY23	FY24	CAGR for 5 Years	CAGR for 3 Years	CAGR for 1 Years
1	Domestic including BPL	1,49,071	1,48,759	1,70,024	1,70,024	1,70,024	1,74,606	3.21%	0.89%	2.69%
2	Industrial	4,729	4,729	4,254	4,254	4,254	4,495	-1.01%	1.85%	5.67%
3	Bulk Supply	1,962	2,186	2,064	2,064	2,064	2,370	3.85%	4.72%	14.83%
4	Commercial	22,194	23,295	18,490	18,490	18,490	20,306	-1.76%	3.17%	9.82%
5	Public water works & sewage	38	38	38	38	38	38	0.00%	0.00%	0.00%
6	Public Lighting	621	621	621	621	621	621	0.00%	0.00%	0.00%
7	Agriculture	1	1	8	8	8	8	51.57%	0.00%	0.00%
8	Single Point Metered Rural	1,11,226	1,11,773	1,10,831	1,10,831	1,10,831	1,11,061	-0.03%	0.07%	0.21%
9	Single Point Metered Urban	8,422	8,422	10,880	10,880	10,880	10,779	5.06%	-0.31%	-0.93%
<b>10</b>	<b>Total</b>	<b>2,98,264</b>	<b>2,99,824</b>	<b>3,17,210</b>	<b>3,17,210</b>	<b>3,17,210</b>	<b>3,24,284</b>			

Based on the methodology outlined above, the projected number of consumer of various categories of consumers FY 2025-26 to FY 2029-30 are given below:

**Table 23: No. of Consumers – FY 2025-26 to FY 2029-30**

S. No.	Categories	FY 23-24 (Actual)	CAGR Used	FY 24-25 (Est.)	FY 25-26 (Proj.)	FY 26-27 (Proj.)	FY 27-28 (Proj.)	FY28-29 (Proj.)	FY 29-30 (Proj.)
1	Domestic including BPL	1,74,606	3.21%	1,80,216	1,86,005	1,91,981	1,98,149	2,04,515	2,11,085
2	Industrial	4,495	1.85%	4,578	4,663	4,750	4,838	4,927	5,019
3	Bulk Supply	2,370	3.85%	2,461	2,556	2,654	2,757	2,863	2,973
4	Commercial	20,306	3.17%	20,950	21,615	22,300	23,008	23,738	24,491
5	Public water works & sewage	38	0.00%	38	38	38	38	38	38
6	Public Lighting	621	0.00%	621	621	621	621	621	621
7	Agriculture	8	0.00%	8	8	8	8	8	8

S. No.	Categories	FY 23-24 (Actual)	CAGR Used	FY 24-25 (Est.)	FY 25-26 (Proj.)	FY 26-27 (Proj.)	FY 27-28 (Proj.)	FY28-29 (Proj.)	FY 29-30 (Proj.)
8	Single Point Metered Rural	1,11,061	5.00%	1,16,614	1,22,445	1,28,567	1,34,995	1,41,745	1,48,832
9	Single Point Metered Urban	10,779	5.06%	11,324	11,897	12,499	13,131	13,796	14,494
<b>10</b>	<b>Total</b>	<b>3,24,284</b>		<b>3,36,811</b>	<b>3,49,848</b>	<b>3,63,419</b>	<b>3,77,545</b>	<b>3,92,251</b>	<b>4,07,561</b>

It is requested that the Hon'ble Commission may kindly consider & approve the number of consumers as projected above for the MYT control period.

### Connected Load

The connected load for the control period FY 2025-26 to FY 2029-30 has been projected based on CAGR of actual connected load for the FY 2018-19 to FY 2013-24. The CAGR for past five/three/one-year growth have been applied appropriately on the actual connected load for the FY 2023-24 to arrive at the projected connected load for the control period FY 2025-26 to FY 2029-30. The calculation of five/three/one-year CAGR is provided is provided in the Table below. The connected Load projected for the FY 2025-26 to FY 2029-30 are tabulated below:

**Table 24: Calculation of CAGR – for projection of Connected Load (In kVA)**

S. No.	Categories	FY19	FY20	FY21	FY22	FY23	FY24	CAGR for 5 Years	CAGR for 3 Years	CAGR for 1 Years
1	Domestic including BPL	60,029	59,920	62,874	70,116	70,116	72,041	3.72%	4.64%	2.75%
2	Industrial	11,484	11,484	11,484	10,990	10,990	11,613	0.22%	0.37%	5.67%
3	Bulk Supply	36,898	39,471	42,425	48,480	48,480	55,668	8.57%	9.48%	14.83%
4	Commercial	17,434	18,519	19,749	23,137	23,137	25,384	7.80%	8.73%	9.71%
5	Public water works & sewage	750	750	750	750	750	750	0.00%	0.00%	0.00%
6	Public Lighting	8,000	8,000	8,000	8,000	8,000	8,000	0.00%	0.00%	0.00%
7	Agriculture	10	10	10	10	10	10	0.00%	0.00%	0.00%

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S. No.	Categories	FY19	FY20	FY21	FY22	FY23	FY24	CAGR for 5 Years	CAGR for 3 Years	CAGR for 1 Years
8	Single Point Metered Rural	44,789	45,022	41,396	34,386	34,386	34,457	-5.11%	-5.93%	0.21%
9	Single Point Metered Urban	3,391	3,392	4,064	5,821	5,821	5,767	11.20%	12.38%	-0.93%
<b>10</b>	<b>Total</b>	<b>1,82,785</b>	<b>1,86,568</b>	<b>1,90,752</b>	<b>2,01,690</b>	<b>2,01,690</b>	<b>2,13,691</b>			

Based on the methodology outlined above, the projected connected load of various categories of consumers FY 2025-26 to FY 2029-30 are given below:

**Table 25: Connected Load – FY 2025-26 to FY 2029-30**

S. No.	Categories	FY 23-24 (Actual)	CAGR Used	FY 24-25 (Est.)	FY 25-26 (Proj.)	FY 26-27 (Proj.)	FY 27-28 (Proj.)	FY28-29 (Proj.)	FY 29-30 (Proj.)
1	Domestic including BPL	72,041	3.72%	74,718	77,494	80,374	83,360	86,458	89,670
2	Industrial	11,613	0.37%	11,656	11,700	11,743	11,787	11,831	11,875
3	Bulk Supply	55,668	8.57%	60,440	65,622	71,247	77,355	83,986	91,186
4	Commercial	25,384	7.80%	27,365	29,501	31,803	34,285	36,960	39,844
5	Public water works & sewage	750	0.00%	750	750	750	750	750	750
6	Public Lighting	8,000	5.00%	8,000	8,000	8,000	8,000	8,000	8,000
7	Agriculture	10	5.00%	10	10	10	10	10	10
8	Single Point Metered Rural	34,457	0.00%	36,180	37,989	39,889	41,883	43,977	46,176
9	Single Point Metered Urban	5,767	0.00%	6,055	6,358	6,676	7,010	7,360	7,728
<b>10</b>	<b>Total</b>	<b>2,13,691</b>		<b>2,25,175</b>	<b>2,37,424</b>	<b>2,50,492</b>	<b>2,64,440</b>	<b>2,79,333</b>	<b>2,95,241</b>

It is requested that the Hon'ble Commission may kindly consider & approve the number of consumers as projected above for the MYT control period.

## Distribution Losses

DPN has been trying to reduce the distribution losses during recent years. DPN submits that the system improvement works executed every year under the plan schemes have also contributed to the reduction of distribution losses. However, it may also be noted that reduction of distribution losses may not be possible beyond a certain level due to topographical conditions and technical limitations. However, DPN is making all efforts to bring down the losses through implementation of various infrastructure & system development schemes such as RDSS. In view of the loss reduction projections as envisaged in the schemes, DPN has projected the loss for the control period.

## Energy Requirement & Sources of Power Purchase

Accordingly, the energy requirement for DPN is estimated based on the retail sales projections, grossed up by estimated loss levels. The energy balance expected for the FY 2025-26 to FY 2029-30 is as given below:

**Table 26: Energy Requirement – FY 2025-26 to FY 2029-30**

Particulars	FY 23-24 (Actual)	FY 24-25 (Est.)	FY 25-26 (Proj.)	FY 26-27 (Proj.)	FY 27-28 (Proj.)	FY 28-29 (Proj.)	FY 29-30 (Proj.)
<b>Energy Sales within the State</b>	<b>448.81</b>	<b>476.73</b>	<b>506.44</b>	<b>538.07</b>	<b>571.75</b>	<b>607.60</b>	<b>645.78</b>
Distribution Loss %	46.20%	37.00%	30.00%	22.00%	22.00%	22.00%	22.00%
Distribution Loss (MUs)	385.38	279.98	217.05	151.76	161.26	171.37	182.14
<b>Total Energy Requirement</b>	<b>834.18</b>	<b>756.71</b>	<b>723.49</b>	<b>689.84</b>	<b>733.01</b>	<b>778.98</b>	<b>827.92</b>
<b>Energy Availability</b>							
<b>Own Generation</b>	<b>78.37</b>	<b>82.06</b>	<b>86.07</b>	<b>86.07</b>	<b>86.07</b>	<b>86.07</b>	<b>86.07</b>
<b>Power from ER</b>	<b>100.16</b>	<b>99.37</b>	<b>99.37</b>	<b>99.37</b>	<b>99.37</b>	<b>99.37</b>	<b>99.37</b>
ER Total Loss (%)	2.26%	2.26%	2.26%	2.26%	2.26%	2.26%	2.26%
Regional Loss (MUs)	2.26	2.25	2.25	2.25	2.25	2.25	2.25
<b>Net Energy from ER (MU's)</b>	<b>97.89</b>	<b>97.13</b>	<b>97.13</b>	<b>97.13</b>	<b>97.13</b>	<b>97.13</b>	<b>97.13</b>
<b>Power from NER</b>	<b>841.46</b>	<b>857.04</b>	<b>857.04</b>	<b>857.04</b>	<b>857.04</b>	<b>857.04</b>	<b>857.04</b>



Particulars	FY 23-24 (Actual)	FY 24-25 (Est.)	FY 25-26 (Proj.)	FY 26-27 (Proj.)	FY 27-28 (Proj.)	FY 28-29 (Proj.)	FY 29-30 (Proj.)
<b>Total Power purchased</b>	<b>939.34</b>	<b>954.17</b>	<b>954.17</b>	<b>954.17</b>	<b>954.17</b>	<b>954.17</b>	<b>954.17</b>
NER Tr. Loss %	8.90%	8.90%	8.90%	8.90%	8.90%	8.90%	8.90%
NER Tr. Loss	83.61	84.93	84.93	84.93	84.93	84.93	84.93
<b>Net Energy Available</b>	<b>855.73</b>	<b>869.24</b>	<b>869.24</b>	<b>869.24</b>	<b>869.24</b>	<b>869.24</b>	<b>869.24</b>
<u>Add: Over Drawn/Short-term</u>	15.63	24.18	24.18	24.18	24.18	24.18	24.18
<u>Add: Banking (Import)</u>	23.24	2.35	2.35	2.35	2.35	2.35	2.35
<u>Less: Out side state sale</u>	60.50	138.66	203.61	239.03	193.59	145.20	93.68
<u>Less: Banking (Export)</u>	5.74	16.66	16.66	16.66	16.66	16.66	16.66
<b>Total Energy Available at state periphery</b>	<b>906.72</b>	<b>822.51</b>	<b>761.57</b>	<b>726.14</b>	<b>771.59</b>	<b>819.97</b>	<b>871.50</b>
Intra State Tr. Loss (%)	8.00	8.00	5.00	5.00	5.00	5.00	5.00
Intra State Tr. Loss (Mus)	72.54	65.80	38.08	36.31	38.58	41.00	43.57
<b>Net Energy available for Sale</b>	<b>834.18</b>	<b>756.71</b>	<b>723.49</b>	<b>689.84</b>	<b>733.01</b>	<b>778.98</b>	<b>827.92</b>
<b>Demand Supply (Gap) / Surplus</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

The energy requirement of DPN is mainly met from power purchase from Central Generating Stations or from other sources/ open market/ power exchanges etc.

It is requested that the Hon'ble Commission may kindly consider & approve the energy Balance as projected above for the MYT control period.

### Capital Expenditure & Capitalisation

DPN has undertaken capital expenditure during FY 2022-23 & FY 2023-24 and has plans to implement schemes for development of infrastructure during the control period FY 2025-26 to FY 2029-30. The infrastructure of DPN is insufficient to cater to the present load and hence to meet the

increasing demand, capital expenditure is necessary.

The objective of incurring the capital expenditure is to continue the up-gradation and strengthening of the distribution network to meet the desirable standards of performance and provide better network reliability and sustainable performance to the consumers of DPN.

The capital expenditure plan envisaged will also assist in reducing system losses. The summary of expected capital expenditure for FY 2025-26 to FY 2029-30 is provided in the table below.

**Table 27: Capital Expenditure & Capitalisation**

Particulars	FY 23-24 (Actual)	FY 24-25 (Est.)	FY 25-26 (Proj.)	FY 26-27 (Proj.)	FY 27-28 (Proj.)	FY 28-29 (Proj.)	FY 29-30 (Proj.)
Opening GFA	3,628.59	2,487.53	3,224.72	3,224.72	3,224.72	3,357.09	3,357.09
Asset Capitalized	5.05	737.20	0.00	0.00	132.37	0.00	0.00
Closing GFA	3,728.59	3,224.72	3,224.72	3,224.72	3,357.09	3,357.09	3,357.09

### Aggregate Revenue Requirement for DPN

Based on the provisions of the Tariff Regulations, the estimate for the Aggregate Revenue Requirement (ARR) would consist of the following elements:

- Power Generation/Purchase Costs
- Transmission Charges
- Operation and Maintenance Expenses
- Depreciation
- Interest and Finance charges on Loan Capital
- Interest on working capital
- Bad debts written off if any
- Return on Equity

The above Aggregate Revenue Requirement is netted off for Non-Tariff Income for determining the net ARR for DPN.

## Power Generation/Purchase

### Source of Power

DPN has own generating stations which contributes to energy requirement of the state. Balance requirement of power is met from purchase from Central/State Generating Stations or from other sources/ open market/ power exchanges etc. The present power availability of DPN is as listed below:

**Table 28: Power Availability**

S. No.	Source	Name of Project	Type	Capacity	Total Avg Entitlement in %	Entitlement in MW
1	NTPC	Farakka STPS	Coal	1600.00	0.43	6.88
2		Kahalgaon STPS	Coal	840.00	0.43	3.57
3		Talcher STPS	Coal	1000.00	0.42	4.25
4		BGTPP	Coal	750.00	4.93	12.33
5	NHPC	Loktak HEP	Hydel	105.00	6.43	6.75
6	NEEPCO	DOYANG HEP	Hydel	75.00	17.81	13.35
7		AGBPP	Gas	291.00	5.81	16.89
8		AGTPP	Gas	135.00	5.74	4.82
9		KHANDONG HEP	Hydel	50.00	6.65	3.33
10		KOPILI HEP	Hydel	200.00	6.15	12.29
11		RANGANADI HEP	Hydel	405.00	5.34	21.61
12		KOPILI - II HEP	Hydel	25.00	5.74	1.43
13		PARE	Hydel	110.00	5.40	5.94
14		KAMENG	Hydel	600.00	1.50	9.00
15	OTPC	Palatana	Gas	726.60	7.16	52.04
16	LHEP	Own Generation	Hydel	24.00	100.00	24.00

### Assumption for Power Purchase Projection

The merit order dispatch principles are typically adopted when determining the power purchases from various generating stations. However, in a power deficit scenario, these principles do not play a significant role as the utilities will try and purchase all the power

that is available at its disposal. Accordingly, DPN has considered purchase of the entire power available from all the possible sources during the period to meet the demand to the extent possible.

Power Purchase cost is a function of the energy requirement and price of available power from the different sources for meeting the energy requirement. The energy requirement of DPN for FY 2025-26 to FY 2029-30 is proposed to be met from own generation & power purchase from sources as detailed above.

Power purchase cost for FY 2025-26 to FY 2029-30 is determined on the following parameters:

- The quantum of power allocated to DPN from central generating station is based on the declared allocation;
- Power purchases from the CGS stations are accounted at the net energy availability at DPN periphery;
- PLF is assumed same as per FY 2023-24;
- Fixed cost, energy charges and other charges for CGSs have been considered with an escalation as per (WPI) over the previous year levels;
- Power purchase from other sources is considered as per the agreement with suppliers after escalating the same at (WPI) year over year to factor in the rise in the rates.

### **Power purchase from CGS Stations/Other Sources**

DPN has projected that the quantum of power purchase from CGSs will be based on the firm & infirm allocations. Based on the Energy balance and trend of energy requirement during peak demand period, it is estimated that in addition to the firm as well as infirm allocation of power from various CGS, there will be shortfall of energy requirement during the control period FY 2025-26 to FY 2029-30. This additional energy requirement has to be met from external power purchase source/other sources in order to meet the demand of the consumers. DPN has been continuously experiencing similar shortfall of power in the past which was met through short

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term procurements as there was no alternate source of power available. This scenario is likely to continue in the control period FY 2025-26 to FY2029-30 also till DPN gets additional allocation from CGS. For the purpose of estimation of power purchase cost, DPN has considered the rates at which power was procured through bilateral agreements/other sources during the FY 2023-24 after escalating the same by (WPI) year over year to factor in the rise in the rates.

Considering the above the Hon'ble Commission is requested to allow the power purchase costs as estimated by DPN for the control period FY 2025-26 to FY 2029-30. Summary of the power purchase units & cost are provided in the tables below:

Table 29: Summary of Power Purchase Units

S. No.	Name of Project	FY 23-24 (Actual)	FY 24-25 (Est.)	FY 25-26 (Proj.)	FY 26-27 (Proj.)	FY 27-28 (Proj.)	FY 28-29 (Proj.)	FY 29-30 (Proj.)
	<b>Central Sectors</b>							
1	Farakka STPS	46.93	47.68	47.68	47.68	47.68	47.68	47.68
2	Kahalgaon STPS	23.71	24.53	24.53	24.53	24.53	24.53	24.53
3	Talcher STPS	29.52	27.16	27.16	27.16	27.16	27.16	27.16
4	BGTPP	224.80	230.37	230.37	230.37	230.37	230.37	230.37
5	Loktak HEP	18.67	35.61	35.61	35.61	35.61	35.61	35.61
6	DOYANG HEP	9.66	14.19	14.19	14.19	14.19	14.19	14.19
7	AGBPP	81.26	80.92	80.92	80.92	80.92	80.92	80.92
8	AGTPP	31.24	32.91	32.91	32.91	32.91	32.91	32.91
9	KHANDONG HEP	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	KOPILI HEP	17.43	29.68	29.68	29.68	29.68	29.68	29.68
11	RANGANADI HEP	62.35	59.07	59.07	59.07	59.07	59.07	59.07
12	KOPILI - II HEP	8.46	8.48	8.48	8.48	8.48	8.48	8.48
13	Pare HEP	23.82	21.45	21.45	21.45	21.45	21.45	21.45
14	Kameng	39.10	39.75	39.75	39.75	39.75	39.75	39.75
15	Palatana	305.74	281.74	281.74	281.74	281.74	281.74	281.74
	<b>Others</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
16	DEVIATION/SHORTTERM /BANKING	38.86	26.53	26.53	26.53	26.53	26.53	26.53
17	Free Power	18.93	22.87	22.87	22.87	22.87	22.87	22.87
18	Own Generation	78.37	82.06	86.07	86.07	86.07	86.07	86.07
	<b>Total</b>	<b>1,058.84</b>	<b>1,065.01</b>	<b>1,069.01</b>	<b>1,069.01</b>	<b>1,069.01</b>	<b>1,069.01</b>	<b>1,069.01</b>

**Table 30: Summary of Power Purchase Cost**

(Rs. in Crore)

Particulars	FY 23-24 (Actual)	FY 24-25 (Est.)	FY 25-26 (Proj.)	FY 26-27 (Proj.)	FY 27-28 (Proj.)	FY 28-29 (Proj.)	FY 29-30 (Proj.)
Total Power Purchase Cost	463.82	470.48	496.47	532.29	570.69	611.86	656.00

It is requested that the Hon'ble Commission may kindly consider and approve the proposed power purchase cost for the control period FY 2025-26 to FY 2029-30

### Own Generation

DPN gets power from the Likimro HEP. Details of the Generating Station which has been considered as source of energy in Energy balance is provided in the table below:

Table 31: Details own Generating Stations

Sl. No.	Name of Station	Capacity (MW)
<b>I</b>	<b>Hydel</b>	
1	Likimro HEP	24.00
	<b>Total</b>	<b>24.00</b>

### Summary of units generated

The Generation forecast is based on the past generation figures and projected plant availability for the control period. Actual generation for FY 2023-24, estimated generation for the FY 2024-25 & projected generation for the FY 2025-26 to FY 2029-30 is provided in the table below.

Table 32: Power Generation– FY 2025-26 to FY 2029-30

(MUs)

Particulars	FY 23-24 (Actual)	FY 24-25 (Est.)	FY 25-26 (Proj.)	FY 26-27 (Proj.)	FY 27-28 (Proj.)	FY 28-29 (Proj.)	FY 29-30 (Proj.)
Energy Generation	78.37	82.06	86.07	86.07	86.07	86.07	86.07

It is requested that the Hon'ble Commission may kindly consider and approve the proposed own generation for the control period FY 2025-26 to FY 2029-30.

**Cost of Generation:**

It is submitted that the DPN is an integrated utility where by function wise cost details w.r.t all the parameters of ARR are not readily available. The DPN is working on the same and shall submit the segregated accounts and ARR of generation function along with the next petition. The consolidated ARR of DPN is inclusive of the ARR of generation function. It is requested that the Hon'ble Commission may kindly consider and allow the same. However, cost incurred for O&M of the Likimro HEP and identified separately is provided below.

Table 33: Cost of Generation

(Rs. in Crore)

Particulars	FY 23-24 (Actual)	FY 24-25 (Est.)	FY 25-26 (Proj.)	FY 26-27 (Proj.)	FY 27-28 (Proj.)	FY 28-29 (Proj.)	FY 29-30 (Proj.)
Cost of Generation	14.52	15.68	16.45	16.96	16.96	17.47	17.47

Considering the above, the Hon'ble Commission is requested to allow the cost of generation as projected by DPN for the control period FY 2025-26 to FY 2029-30.

## Transmission and Other Charges

The Transmission charges payable to PGCIL are estimated based on the quantum of power proposed for wheeling for the control period FY 2025-26 FY 2029-30 & cost actually incurred in FY 2023-24 after escalating the same year over year by average WPI for previous three years to factor in the rise in the rates. Accordingly, the transmission charges for the control period FY 2025-26 to FY 2029-30 are provided in the table below.

**Table 34: Transmission Charges**

(Rs. in Crore)

Particulars	FY 23-24 (Actual)	FY 24-25 (Est.)	FY 25-26 (Proj.)	FY 26-27 (Proj.)	FY 27-28 (Proj.)	FY 28-29 (Proj.)	FY 29-30 (Proj.)
PGCIL Charges	87.22	76.36	81.87	82.11	88.04	94.39	101.20
NERLDC/NERPC fees and charges	6.86	2.62	2.81	3.01	3.23	3.46	3.71
<b>Total</b>	<b>94.08</b>	<b>78.98</b>	<b>84.68</b>	<b>85.12</b>	<b>91.26</b>	<b>97.85</b>	<b>104.91</b>

### Intra-state transmission charges

It is stated that as submitted above, the DPN is an integrated utility where by function wise cost details w.r.t all the parameters of ARR are not readily available. The DPN is working on the same and shall submit the segregated accounts and ARR of generation function along with the next petition. The consolidated ARR of DPN is inclusive of the ARR of transmission function. It is requested that the Hon'ble Commission may kindly consider and allow the same.

### Operation and Maintenance Expenses

Operation & Maintenance expense comprise of the following heads of expenditure viz.

- Employee Expenses
- Administration & General Expenses



- Repairs & Maintenance Expenses

The operation & maintenance expense has been arrived at in accordance with the Regulation 89.6 of The Nagaland (Multi Year Tariff) Regulations, 2016. Details of Employee Expenses, Administration & General Expenses & Repairs & Maintenance Expenses are provided in the subsequent sections.

### Employee Expenses

The expense head of employee cost consists of salary and allowance, bonus, Leave Travel Concession (LTC) & Honorarium etc. DPN has projected the employee cost in accordance with the Regulation 89.6 of The NERC(Multi Year Tariff) Regulations, 2016. Accordingly, average of the actual expenses for the FY 2021-22, FY 2022-23 & FY 2023-24 has been considered as the employee expenses for the FY 2022-23 and the same has been escalated at the escalation factor of 4% to arrive at the employee expenses for the FY 2024-25. The employee expense for each subsequent year has been determined by escalating the base expenses determined for the FY 2024-25, at the escalation factor of 5.72%. It is therefore kindly requested that Hon’ble Commission may approve the employee expenses as projected.

**Table 35: Employee Expenses**

(Rs. in Crore)

Particulars	FY 23-24 (Actual)	FY 24-25 (Est.)	FY 25-26 (Proj.)	FY 26-27 (Proj.)	FY 27-28 (Proj.)	FY 28-29 (Proj.)	FY 29-30 (Proj.)
Employee Expense	174.96	177.80	187.97	198.72	210.09	222.10	234.81

## Administration and General Expenses

A&G expenses comprise of the following broad subheads of expenditure, viz.

- Domestic Travelling Expenses
- Office Expenses
- Legal, Regulatory & Consultancy Fees
- Insurance etc.

The expense head of A&G expenses consists of salary and allowance, bonus, Leave Travel Concession (LTC) & Honorarium etc. DPN has projected the A&G expenses in accordance with the Regulation 89.6 of The NERC(Multi Year Tariff) Regulations, 2016. Accordingly, average of the actual expenses for the FY 2021-22, FY 2022-23 & FY 2023-24 has been considered as the A&G expenses for the FY 2022-23 and the same has been escalated at the escalation factor of 4% to arrive at the A&G expenses for the FY 2024-25. The A&G expense for each subsequent year has been determined by escalating the base expenses determined for the FY 2024-25, at the escalation factor of 5.72%. It is therefore kindly requested that Hon'ble Commission may approve the A&G expenses as projected.

**Table 36: A&G Expenditure**

(Rs. in Crore)

Particulars	FY 23-24 (Actual)	FY 24-25 (Est.)	FY 25-26 (Proj.)	FY 26-27 (Proj.)	FY 27-28 (Proj.)	FY 28-29 (Proj.)	FY 29-30 (Proj.)
A&G Expense	5.19	4.07	4.31	4.55	4.81	5.09	5.38

## Repairs and Maintenance Expenses

DPN has been undertaking various Repairs and Maintenance activities as a step towards improvement of systems, reduction in breakdowns, reduction in response time and increasing preventive maintenance.

DPN has projected the R&M expenses in accordance with the Regulation 89.6 of The NERC(Multi Year Tariff) Regulations, 2016. Accordingly, average of the actual expenses for the FY 2021-22, FY 2022-23 & FY 2023-24 has been considered as the R&M expenses for the FY 2022-23 and the same has been escalated at the escalation factor of 4% to arrive at the R&M expenses for the FY 2024-25. The R&M expense for each subsequent year has been determined by escalating the base expenses determined for the FY 2024-25, at the escalation factor of 5.72%. It is therefore kindly requested that Hon’ble Commission may approve the R&M expenses as projected.

**Table 37: Repairs and Maintenance Expenses**

(Rs. in Crore)

Particulars	FY 23-24 (Actual)	FY 24-25 (Est.)	FY 25-26 (Proj.)	FY 26-27 (Proj.)	FY 27-28 (Proj.)	FY 28-29 (Proj.)	FY 29-30 (Proj.)
R&M Expense	11.87	15.94	16.85	17.81	18.83	19.91	21.05

### Operational Expenses- Smart Prepaid Metering

It is submitted that DPN is implementing the scheme of implementation of Smart Meters Under RDSS. The operation of these expenses shall require operational expenses per meter to be paid to the Advance Metering Infrastructure Service Provider (AMISP) during the ensuing years. This expenditure shall be in addition to the regular O&M expenses being incurred by the Department.

In view of the above, DPN has incorporated the projected expenditure on this account during the control period in the Annual Revenue Requirement. The details of proposed operation expenses are provided in the table below.

**Table 38: Operational Expenses -Smart Prepaid Metering**

(Rs. in Crore)

Particulars	FY 23-24 (Actual)	FY 24-25 (Est.)	FY 25-26 (Proj.)	FY 26-27 (Proj.)	FY 27-28 (Proj.)	FY 28-29 (Proj.)	FY 29-30 (Proj.)
Operational Expenses- Smart Prepaid Metering	-	-	27.01	44.89	44.89	44.89	44.89

### O&M Expenditure as a whole

The overall O&M Expenditure are tabulated below:

Table 39: O&M Expenditure

(Rs. in Crore)

Particulars	FY 23-24 (Actual)	FY 24-25 (Est.)	FY 25-26 (Proj.)	FY 26-27 (Proj.)	FY 27-28 (Proj.)	FY 28-29 (Proj.)	FY 29-30 (Proj.)
Employee Expense	174.96	177.80	187.97	198.72	210.09	222.10	234.81
R&M Expense	11.87	15.94	16.85	17.81	18.83	19.91	21.05
A&G Expense	5.19	4.07	4.31	4.55	4.81	5.09	5.38
Operational Expenses- Smart Prepaid Metering	-	-	27.01	44.89	44.89	44.89	44.89
<b>Total O&amp;M Expenses</b>	<b>192.03</b>	<b>197.81</b>	<b>236.14</b>	<b>265.97</b>	<b>278.62</b>	<b>291.99</b>	<b>306.12</b>

It is submitted that DPN is now gearing up for meeting the operational requirement of servicing existing and additional new consumers in line with the Standards of performance which the licensees have to adhere to. Hence, there would be an increase in O&M expenditure to support full-fledged distribution business operations.

It is requested that the Hon'ble Commission may kindly consider & approve the O&M expenditure for the control period FY 2025-26 to FY 2029-30 as projected above.

## Gross Fixed Assets

DPN has projected the Gross Fixed Asset in accordance with the Regulation 23 of The NERC (Multi Year Tariff) Regulations, 2016.

It is submitted that opening value of gross fixed assets (GFA) for 2024-25 has been taken from Fixed Asset Register as on 31.03.2024. Thereafter, estimated additions during FY2024-25 & projected additions for the each year of the control period FY 2025-26 to FY 2029-30 have been considered and accordingly, GFA has been computed for FY 2025-26, FY 2026-27, FY 2027-28, FY 2028-29 and FY 2029-30.

Table 40: Gross Fixed Assets

(Rs. in Crore)

Particulars	FY 23-24 (Actual)	FY 24-25 (Est.)	FY 25-26 (Proj.)	FY 26-27 (Proj.)	FY 27-28 (Proj.)	FY 28-29 (Proj.)	FY 29-30 (Proj.)
Opening GFA	3,628.59	2,487.53	3,224.72	3,224.72	3,224.72	3,357.09	3,357.09
Asset Capitalized	5.05	737.20	0.00	0.00	132.37	0.00	0.00
Closing GFA	3,728.59	3,224.72	3,224.72	3,224.72	3,357.09	3,357.09	3,357.09

## Depreciation

DPN has projected the depreciation in accordance with the Regulation 28 of The NERC(Multi Year Tariff) Regulations, 2016.

It is submitted that opening value of gross fixed assets (GFA) & opening accumulated depreciation for 2024-25 has been taken from Fixed Asset Register as on 31.03.2024. Thereafter, projected additions for the each year of the control period FY 2025-26 to FY 2029-30 have been considered for the calculating the depreciation for FY 2025-26, FY 2026-27, FY 2027-28, FY 2028-29 and FY 2029-30 respectively.

It is submitted that the State of Nagaland has been granted a special status similar to that of other North-Eastern States. Government of India provides special assistance for the development of infrastructure facilities in these States. Accordingly, the infrastructure projects of the State of Nagaland, including those of DPN are being supported by issue of Grants through various Central Government Ministries and Agencies like Ministry of Power (MoP) through schemes of APDRP and RGGVY, Ministry of New and Renewable Energy (MNRE), Ministry of Development of North Eastern Region (DONER) and North Eastern Council (NEC). The assets created out of the grants/funds received as assistance from the central agencies has also been included in the fixed asset after the same has been commissioned.

Summary of year wise depreciation is depicted in the table below:

Table 41: Depreciation

(Rs. in Crore)

Particulars	FY 23-24 (Actual)	FY 24-25 (Est.)	FY 25-26 (Proj.)	FY 26-27 (Proj.)	FY 27-28 (Proj.)	FY 28-29 (Proj.)	FY 29-30 (Proj.)
Depreciation for the year	77.64	94.13	110.50	113.44	116.38	116.38	116.38

It is requested that the Hon'ble Commission may kindly consider & approve the depreciation for the control period FY 2025-26 to FY 2029-30 as projected above.

## Interest and Financial Charges

It is submitted that the entire capital employed has been funded through infusion of funds by Government of Nagaland through budgetary support without any external borrowings on part of the DPN. As such, the DPN has not considered interest on loan for the FY 2025-26, FY 2026-27, FY 2027-28, FY 2028-29 and FY 2029-30.

## Interest on Working Capital

As per clause 29.4 of NERC MYT Regulations 2016 the working capital of a licensee shall consist of -

- a. Operation and maintenance expenses for one month; plus
- b. Maintenance spares at one (1) per cent of the historical cost escalated at 6% from the date of commercial operation; plus
- c. Receivables equivalent to one (1) month of the expected revenue from sale of electricity at the prevailing tariffs; minus
- d. Amount held as security deposits under clause (a) and clause (b) of sub-section (1) of Section 47 of the Act from consumers except the security deposits held in the form of Bank Guarantees;

However, it is submitted that the entire operating expenses of the Department is provided by the Government of Nagaland without any external borrowings toward working capital. Hence, DPN does not have any working capital loan. As such, the DPN has not claimed interest on Working Capital for the FY 2025-26, FY 2026-27, FY 2027-28, FY 2028-29 and FY 2029-30.

## Bad Debts

Regulation 89.8 of NERC MYT Regulations, 2016 provides as follows:

*” The Commission may allow bad debts written off as a pass through in the aggregate revenue requirement, subject to prudence check.”*

DPN proposes to claim the Bad debt after the Annual Accounts for the year are finalised and audited. Hence, the same shall be claimed at the time of True-up for the respective years. Hon’ble Commission may allow the same.

## **Return on Equity**

Regulation 26 of MYT Regulations 2016 provides for Return on Equity (RoE) as follows:

*“Return on equity shall be computed on the paid up equity capital determined in accordance with Regulation 22 relating to the Generating Company or Transmission Licensee or Distribution Licensee as the case may be and shall be allowed at the rate of 15.5% for Generating Companies, including hydro generation stations above 25 MW, Transmission Licensee, and Distribution Licensee”*

It is submitted that the entire capital employed has been funded through infusion of funds by Government of Nagaland through budgetary support. There is no paid up equity capital nor DPN is paying any return on equity to the Government of Nagaland. In view of the above, the DPN has not claimed Return on Equity for the FY 2025-26, FY 2026-27, FY 2027-28, FY 2028-29 and FY 2029-30.



## Non-Tariff Income

Regulation 90 of The Nagaland (Multi Year Tariff) Regulations, 2016 provides that the Non-tariff income shall be deducted from the ARR in calculating the Tariff. Non-tariff income includes revenue from of Supervision Charges, Meter Rent, Meter testing Charge, disconnection/Reconnection Charge and other departmental charges. The Non-tariff income for the control period FY 2025-26 to FY 2029-30 has been projected by escalating the estimated Non-tariff income of FY 2024-25 by 5% YOY. Accordingly, Non-tariff income for the FY 2025-26, FY 2026-27, FY 2027-28, FY 2028-29 and FY 2029-30 is provided in the table below.

**Table 42 : Non- Tariff Income**

(Rs. in Crore)

Particulars	FY 23-24 (Actual)	FY 24-25 (Est.)	FY 25-26 (Proj.)	FY 26-27 (Proj.)	FY 27-28 (Proj.)	FY 28-29 (Proj.)	FY 29-30 (Proj.)
Non-Tariff Income	5.18	5.43	5.71	5.99	6.29	6.61	6.94

The Hon'ble Commission is requested to kindly approve the Non-tariff income as proposed for the control period FY 2025-26 to FY 2029-30.

## Aggregate Revenue Requirement

Based on the above estimates and projections, the ARR for DPN for the control period FY 2025-26 to FY 2029-30 works out as under:

**Table 43: Annual Revenue Requirement**

(Rs. in Crore)

S. No.	Particulars	FY 23-24 (Actual)	FY 24-25 (Est.)	FY 25-26 (Proj.)	FY 26-27 (Proj.)	FY 27-28 (Proj.)	FY 28-29 (Proj.)	FY 29-30 (Proj.)
1	Cost of power purchase	463.82	470.48	496.47	532.29	570.69	611.86	656.00
2	Transmission charges	94.08	78.98	84.68	85.12	91.26	97.85	104.91
3	Cost of Generation	14.52	15.68	16.45	16.96	16.96	17.47	17.47
4	Employee Expenses	174.96	177.80	187.97	198.72	210.09	222.10	234.81
5	Repair & Maintenance Expenses	11.87	15.94	16.85	17.81	18.83	19.91	21.05
6	Administration & General Expenses	5.19	4.07	4.31	4.55	4.81	5.09	5.38
7	Operational Expenses- Smart Prepaid Metering	0.00	0.00	27.01	44.89	44.89	44.89	44.89
8	Interest and finance charges	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9	Depreciation	77.64	94.13	110.50	113.44	116.38	116.38	116.38
10	Interest on working capital	13.23	0.00	0.00	0.00	0.00	0.00	0.00
11	Return on Equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>12</b>	<b>Total Revenue Requirement (1 to 11)</b>	<b>855.32</b>	<b>857.09</b>	<b>944.24</b>	<b>1,013.79</b>	<b>1,073.91</b>	<b>1,135.54</b>	<b>1,200.87</b>
13	Less: Non-Tariff Income	5.18	5.43	5.71	5.99	6.29	6.61	6.94
<b>14</b>	<b>Net Revenue Requirement (12-13)</b>	<b>850.14</b>	<b>851.65</b>	<b>938.54</b>	<b>1,007.79</b>	<b>1,067.62</b>	<b>1,128.94</b>	<b>1,193.94</b>

It is requested that the Hon'ble Commission may kindly consider & approve the ARR for the control period FY 2025-26 to FY 2029-30 as projected above.

## Revenue based on Existing Tariff

Based on the revised projection of sale and the existing tariff approved by the Hon'ble Commission as per the Tariff Order for the FY 2024-25, the estimated revenue for FY 2025-26 is summarized in table below:

*Table 44: Projections for Revenue at Existing Tariff for FY 2025-26 (Rs Crores)*

S. No.	Category / Slab of Consumers	Projected for FY 2025-26
A	Domestic	165.90
B	Industrial	8.76
C	Bulk Supply	63.17
D	Commercial	52.55
E	Public water works & sewage	0.11
F	Public Lighting	2.45
H	Agriculture	0.00
I	Single Point Metered Rural	35.75
J	Single Point Metered Urban	7.57
K	<b>Total - within the state</b>	<b>336.27</b>
L	Outside state sale	93.19
M	<b>Total Sale</b>	<b>429.46</b>

*Table 44a: Projections for Revenue at Existing Tariff(Post-paid) for FY 2025-26 (Rs Crores)*

S. No.	Category / Slab of Consumers	Projected for FY 2025-26
1	Domestic	143.17
2	Industrial	8.08
3	Bulk Supply	63.16
4	Commercial	38.35
5	Public water works & sewage	0.11
6	Public Lighting	2.45
7	Agriculture	0.00
8	Single Point Metered Rural	35.75
9	Single Point Metered Urban	7.57
10	<b>Total</b>	<b>298.64</b>

*Table 44b: Projections for Revenue at Existing Tariff(Pre-paid) for FY 2025-26 (Rs Crores)*

S. No.	Category / Slab of Consumers	Projected for FY 2025-26
1	Domestic	22.74
2	Industrial	0.68
3	Bulk Supply	0.01
4	Commercial	14.20
5	<b>Total Sale</b>	<b>37.62</b>

### Revenue Gap for FY 2025-26

Based on the revised ARR and revenue for FY 2025-26 at existing tariff, the expected revenue gap is summarized in table below:

*Table 45: Proposed Revenue Gap on Existing Tariff for FY 2025-26 (Rs. Crore)*

S. No.	Particulars	FY 2025-26
1	Net Revenue Requirement	938.54
2	Revenue from sale of energy at Existing Tariff	429.46
3	Revenue Subsidy- Govt. of Nagaland	209.12
4	<b>Revenue Surplus/(Gap) for the Year (2+3-1)</b>	<b>(299.95)</b>

**The above revenue gap pertains to the FY 2025-26 only and does not include any revenue gap for APR for FY 2024-25. The proposed treatment for coverage of the revenue gap along with carrying cost is detailed in the subsequent Chapter.**

## **Chapter 5: Revenue Gap and Basis of proposal for revision of Tariff**

There is substantial gap between cost of supply and average revenue. DPN does not propose to recover the entire Gap in cost of supply & average revenue as these may result in huge burden on the consumers. Tariff is a sensitive subject having substantial impact on social, economic and financial well-being of the public at large as well as the viability and growth of power sector. Recovery of entire Gap through tariff increase is not practicable as this would make power unaffordable to the general consumers. DPN being a Government Department funded by budgetary support from State Government, it proposes to absorb the unrecovered gap.

In view of the above, the tariff proposal for FY 2025-26 for individual categories is given below along with the comparison of existing and proposed energy charges. The table below presents the existing and proposed tariff for various categories.

Table 46: Existing and Proposed Tariff (Post Paid)

SI No.	CATEGORY	Existing Rate Rs./kwh	Proposed Rate Rs./kwh		
1	2	3	4		
A	1	<b>CATEGORY 'A' DOMESTIC</b>			
		(a) 0 to 30 kwh	5.60	5.90	
		(b) 31 to 100 kwh	6.10	6.40	
		(c) 101 to 250 kwh	6.80	7.15	
		(d) > 250 kwh	7.45	7.80	
	2	<b>CATEGORY 'B' INDUSTRIAL</b>			
		(a) < 500 kwh	6.80	7.15	
		(b) 501 to 5000 kwh	7.35	7.75	
		(c) > 5000 kwh	7.85	8.25	
	3	<b>CATEGORY 'C' BULK</b>		7.25	7.60
	4	<b>CATEGORY 'D' COMMERCIAL</b>			
		(a) < 60 kwh	7.75	8.15	
	(b) 61 to 240 kwh	9.00	9.45		
	(c) > 240 kwh	9.40	9.85		
5	<b>CATEGORY 'E' P.W.W.</b>		7.80	8.20	
6	<b>CATEGORY 'F' Public Light</b>	To be recovered from consumers *	To be recovered from consumers *		
7	<b>CATEGORY 'G' INTERSTATE</b>		6.60	6.90	
8	<b>CATEGORY 'H' AGRICULTURE</b>		3.50	3.65	
9	<b>CATEGORY 'T' TEMPORARY CONNECTION</b>	DLF Rs.11.50 Others Rs. 14.70	DLF Rs.11.50 Others Rs. 14.70		
10	Kutir Jyoti(point)	Same as DLF	Same as DLF		
11	<b>SINGLE POINT METERED RURAL</b>		5.60	5.90	
12	<b>SINGLE POINT METERED URBAN</b>		5.80	6.10	
*	Charges for public lighting have to be recovered from the Consumers of Domestic, Commercial, Industrial and Bulk categories at the rates shown below:				
	Domestic	Rs. 10 per connection / month	Rs. 10 per connection / month		
	Commercial	Rs. 15 per connection / month	Rs. 15 per connection / month		
	Industrial	Rs. 20 per connection /	Rs. 20 per connection / month		

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		month	
	Bulk Supply	Rs. 25 per connection / month	Rs. 25 per connection / month

*Table 47: Existing and Proposed Tariff (Prepaid)*

Sl. No.	CATEGORY	Existing Rate Rs./kwh	Proposed Rate Rs./kwh
1	2	3	4
<b>1</b>	<b>CATEGORY 'A' DOMESTIC</b>		
	All Units	5.75	6.05
<b>2</b>	<b>CATEGORY 'B' INDUSTRIAL</b>		
	All Units	6.75	7.10
<b>3</b>	<b>CATEGORY 'C' BULK</b>		
	All Units	7.00	7.35
<b>4</b>	<b>CATEGORY 'D' COMMERCIAL</b>		
	All Units	8.60	9.05
<b>5</b>	<b>CATEGORY 'H' AGRICULTURE</b>		
	All Units	3.30	3.45

The Revenue from proposed tariff at the projected energy sales for the FY 2025-26 is provided below.

*Table 48: Revenue from Proposed Tariff (Rs. Crores)*

S. No.	Category / Slab of Consumers	Projected for FY 2025-26
A	Domestic	174.21
B	Industrial	9.23
C	Bulk Supply	66.22
D	Commercial	55.26
E	Public water works & sewage	0.11
F	Public Lighting	2.45
G	Agriculture	0.00
H	Single Point Metered Rural	37.67
I	Single Point Metered Urban	7.96

S. No.	Category / Slab of Consumers	Projected for FY 2025-26
K	<b>Total within the State</b>	<b>353.11</b>
L	Outside state sale	93.19
M	<b>Total Sale</b>	<b>446.30</b>

The details of estimated Post-paid & Pre-paid Revenue is provided in the tables below:

*Table 48a: Revenue from Proposed Tariff (Post-paid) (Rs. Crores)*

S. No.	Category / Slab of Consumers	Projected for FY 2025-26
1	Domestic	150.29
2	Industrial	8.51
3	Bulk Supply	66.21
4	Commercial	40.31
5	Public water works & sewage	0.11
6	Public Lighting	2.45
7	Agriculture	0.00
8	Single Point Metered Rural	37.67
9	Single Point Metered Urban	7.96
10	<b>Total</b>	<b>313.52</b>

*Table 48b: Revenue from Proposed Tariff (Pre-paid) (Rs. Crores)*

S. No.	Category / Slab of Consumers	Projected for FY 2025-26
1	Domestic	23.92
2	Industrial	0.71
3	Bulk Supply	0.01
4	Commercial	14.94
5	<b>Total</b>	<b>39.59</b>

The Additional Revenue from proposed tariff at the projected energy sales for the FY 2025-26 is provided in the below.



*Table 49: Additional Revenue from Proposed Tariff (Rs. Crores)*

S. No.	Particular	Projected for FY 2025-26
1	Revenue from Existing Tariff	429.46
2	Revenue from Proposed Tariff	446.30
<b>3</b>	<b>Additional Revenue from Proposed Tariff (2-1)</b>	<b>16.84</b>

The recovery of the Revenue Gap based on the proposed tariff is detailed in the table below.

*Table 50: Revenue Gap based on Proposed Tariff (Rs. Crore)*

Particulars	FY 2025-26
ARR for FY 2025-26	938.54
Revenue at Existing Tariff	429.46
Revenue Subsidy- Govt. of Nagaland	209.12
Additional Revenue from Proposed Tariff	16.84
Additional Subsidy- Govt. of Nagaland	283.12
<b>Net Surplus/ (Gap)</b>	<b>0</b>

It is submitted that category wise cost of supply has not been computed by DPN till date. DPN shall initiate an exercise & calculate the cost of supply of every category consumers after analysis of various cost factors associated with the supplying power to various categories of consumers. However, for determining the differential subsidy for various categories of consumers, DPN has considered average cost of supply per unit as full cost tariff for recovery of the proposed ARR. Accordingly, the category wise subsidy & proposed subsidized tariff for the FY 2024-25 has been calculated.

Considering the above, the full cost tariff, category wise subsidy & subsidized tariff proposal for FY 2024-25 for individual categories is given below along with the comparison of existing and proposed energy charges.

Table 51: Full Cost Tariff

I. Full Cost Tariff, Subsidy & Subsidised Tariff for the FY 2025-26 (Post-Paid)												
Sl. No.	Category	Avg. COS	Revenue (Rs. In Crore)	Full Cost Tariff			Subsidy			Proposed Tariff		
				Full Cost Tariff (Rs./Kwh)	Units (MU)	Revenue (Rs. In Crore)	Subsidy (Rs./Kwh)	Units (MU)	Revenue (Rs. In Crore)	Proposed Tariff (Rs./Kwh)	Units (MU)	Revenue (Rs. In Crore)
1	<b>DOMESTIC</b>											
	(a) 0 to 30 kwh	13.22	52.49	10.40	39.71	41.31	4.50	39.71	17.88	5.90	39.71	23.43
	(b) 31 to 100 kwh	13.22	141.26	12.50	106.87	133.64	6.10	106.87	65.24	6.40	106.87	68.39
	(c) 101 to 250 kwh	13.22	44.67	14.50	33.79	49.02	7.35	33.79	24.85	7.15	33.79	24.16
	(d) > 250 kwh	13.22	58.12	16.50	43.97	72.58	8.70	43.97	38.28	7.80	43.97	34.30
2	<b>INDUSTRIAL</b>											
	(a) < 500 kwh	13.22	5.27	11.50	3.99	4.59	4.35	3.99	1.74	7.15	3.99	2.85
	(b) 501 to 5000 kwh	13.22	7.58	13.50	5.73	7.74	5.75	5.73	3.30	7.75	5.73	4.44
	(c) > 5000 kwh	13.22	1.95	16.75	1.47	2.47	8.50	1.47	1.25	8.25	1.47	1.22
3	<b>BULK</b>	13.22	115.15	13.22	87.12	115.15	5.62	87.12	48.94	7.60	87.12	66.21
4	<b>COMMERCIAL</b>											
	(a) < 60 kwh	13.22	56.54	13.00	42.77	55.61	4.85	42.77	20.75	8.15	42.77	34.86
	(b) 61 to 240 kwh	13.22	3.34	14.30	2.53	3.61	4.85	2.53	1.22	9.45	2.53	2.39
	(c) > 240 kwh	13.22	4.12	15.30	3.12	4.77	5.45	3.12	1.70	9.85	3.12	3.07
5	<b>P.W.W.</b>	13.22	0.18	13.22	0.14	0.18	5.02	0.14	0.07	8.20	0.14	0.11
6	<b>INTERSTATE</b>	13.22	0.00	13.22			0.00			6.90		
7	<b>AGRICULTURE</b>	13.22	0.01	13.22	0.01	0.01	9.57	0.01	0.01	3.65	0.01	0.00
8	<b>TEMPORARY CONNECTION</b>											
	DLF	13.22	0.00	13.22						11.50		
	Others	13.22	0.00	13.22						14.70		
9	<b>PUBLIC LIGHTING</b>	13.22	1.65	13.22	1.25	1.65	13.22	1.25	-0.78		1.25	2.43
10	<b>SINGLE POINT METERED RURAL</b>	13.22	84.39	13.22	63.84	84.39	7.32	63.84	46.72	5.90	63.84	37.67
11	<b>SINGLE POINT METERED URBAN</b>	13.22	17.26	13.22	13.06	17.26	7.12	13.06	9.29	6.10	13.06	7.96
12	<b>Total Postpaid within the State ( 1 to 11)</b>		593.97		449.37	593.97		449.37	280.47		449.37	313.50

**II. Full Cost Tariff, Subsidy & Subsidised Tariff for the FY 2025-26 (Pre-Paid)**

Sl. No.	Category	Avg. COS	Revenue (Rs. In Crore)	Full Cost Tariff			Subsidy			Proposed Tariff		
				Full Cost Tariff (Rs./Kwh)	Units (MU)	Revenue (Rs. In Crore)	Subsidy (Rs./Kwh)	Units (MU)	Revenue (Rs. In Crore)	Proposed Tariff (Rs./Kwh)	Units (MU)	Revenue (Rs. In Crore)
1	<b>DOMESTIC</b>											
	All Units	13.22	52.27	13.22	39.54	52.27	7.17	39.54	28.34	6.05	39.54	23.92
2	<b>INDUSTRIAL</b>											
	All Units	13.22	1.33	13.22	1.01	1.33	6.12	1.01	0.62	7.10	1.01	0.71
3	<b>BULK</b>											
	All Units	13.22	0.02	13.22	0.02	0.02	5.87	0.02	0.01	7.35	0.02	0.01
4	<b>COMMERCIAL</b>											
	All Units	13.22	21.82	13.22	16.51	21.82	4.17	16.51	6.88	9.05	16.51	14.94
5	<b>AGRICULTURE</b>											
	All Units	13.22	0.00	13.22			9.92			3.30		
6	Total Prepaid within the State (1 to 5)		75.44		57.07	75.44		57.07	35.85		57.07	39.59
7	Total Postpaid & Prepaid within the State [ I (12) + II (6) ]		669.41		506.44	669.41		506.44	316.32		506.44	353.09

### Impact of Tariff on Consumers

The revenue gap and the average tariff hike proposed are presented in the table below:

Table 52: Impact of Tariff on Consumers

Sr. No.	Particulars	Units	FY 2025-26	
			Existing	Proposed
1	Net ARR	Rs. Crores	938.54	938.54
2	Revenue from tariff	Rs. Crores	336.27	353.11
3	Revenue from sale of power out side the State	Rs. Crores	93.19	93.19
4	<b>Total Revenue- Energy sale</b>	Rs. Crores	429.46	446.30
5	Revenue Subsidy- Govt. of Nagaland	Rs. Crores	209.12	209.12
6	Additional Subsidy- Govt. of Nagaland	Rs. Crores	0.00	283.12
7	<b>Gap (14-5-6)</b>	Rs. Crores	299.95	0.00
8	Sales within State	MU's	506.44	506.44
9	Sale of power out side the State	MU's	203.61	203.61
10	Total Sales	MU's	710.05	710.05
11	Average Cost of Supply (1 /10 x 10}	Rs. per kWh	13.22	13.22
12	Average Revenue [(4+5+6) /10 x 10]	Rs. per kWh	8.99	13.22
13	Pure Gap (11-12)	Rs. per kWh	4.22	0.00
14	Average Hike in Tariff	Rs. per kWh		0.24
15	Average Hike	%		2.64

**In light of the above submission, the DPN requests the Hon'ble Commission to approve the revised tariff proposals as below.**

**Table 53: Tariff Schedule**

Sl No.	CATEGORY	Proposed Rate Rs./kwh	
1	2	3	
<b>A</b>	<b>1</b>	<b>CATEGORY 'A' DOMESTIC</b>	
	(a)	0 to 30 kwh	5.90
	(b)	31 to 100 kwh	6.40
	(c)	101 to 250 kwh	7.15
	(d)	> 250 kwh	7.80
		Monthly minimum charges – Rural	150.00 pm/kw of contract demand or part thereof
		Monthly minimum charges - Urban	200.00 pm/kw of contract demand or part thereof
	<b>2</b>	<b>CATEGORY 'B' INDUSTRIAL</b>	
	(a)	< 500 kwh	7.15
	(b)	501 to 5000 kwh	7.75
	(c)	> 5000 kwh	8.25
		Monthly minimum charges	200.00 pm/kv of contract demand or part thereof
	<b>3</b>	<b>CATEGORY 'C' BULK</b>	7.60
		Monthly minimum charges	200.00 pm/kva of contract demand or part thereof
	<b>4</b>	<b>CATEGORY 'D' COMMERCIAL</b>	
	(a)	< 60 kwh	8.15
	(b)	61 to 240 kwh	9.45
	(c)	> 240 kwh	9.85
		Monthly minimum charges	200.00 pm/kw of contract demand or part thereof
<b>5</b>	<b>CATEGORY 'E' P.W.W.</b>	8.20	
	Monthly minimum charges	100.00 pm/kva or part thereof	
<b>6</b>	<b>CATEGORY 'F' Public Light</b>	To be recovered from consumers *	
<b>7</b>	<b>CATEGORY 'G' INTERSTATE</b>	6.90	
<b>8</b>	<b>CATEGORY 'H' AGRICULTURE</b>	3.65	
	Monthly minimum charges	75.00 pm/HP or part thereof	
<b>9</b>	<b>CATEGORY 'I' TEMPORARY CONNECTION</b>	DLF Rs.11.50      Others Rs. 14.70	
<b>10</b>	<b>Kutir Jyoti(point)</b>	Same as DLF	
<b>11</b>	<b>SINGLE POINT METERED RURAL</b>	5.90	

Sl No.	CATEGORY	Proposed Rate Rs./kwh
12	SINGLE POINT METERED URBAN	6.10
*	Charges for public lighting have to be recovered from the Consumers of Domestic, Commercial, Industrial and Bulk categories at the rates shown below:	
	Domestic	Rs. 10 per connection / month
	Commercial	Rs. 15 per connection / month
	Industrial	Rs. 20 per connection / month
	Bulk Supply	Rs. 25 per connection / month

<b>B</b>	<b>OTHER CHARGES</b>		
(a)	Disconnection charges		Rs.
	i. Single phase L.T.		150/connection
	ii. Three phase L.T.		250/connection
	iii. H.T. consumers (11KV above)		1500/connection
(b)	Reconnection charges		
	i. Single phase L.T.		150/connection
	ii. Three phase L.T.		250/connection
	iii. H.T. consumers (11KV above)		1500/connection
<b>C</b>	<b>METER RENT</b>		Rs. per meter/month
i.	Single phase L.T.		20.00
ii.	Three phase L.T. (whole current)		50.00
iii.	Three phase L.T. (CT operated)		100.00
iv.	11 kv H.T.		500.00
v.	33 kv H.T.		750.00
vi.	66 kv EHV		900.00
vii.	132 kv EHV		1000.00
<b>D</b>	<b>METER TESTING CHARGES</b>		<b>Rs. per meter per test</b>
i.	Single phase L.T.		100.00
ii.	Three phase L.T.		300.00
iii.	Three phase L.T. (11 KV above)		1,000.00
<b>E</b>	<b>SECURITY DEPOSIT</b>		Rs. per connection
i.	Single phase L.T.		250.00
ii.	Three phase L.T.		750.00
iii.	Three phase L.T. (11 KV above)		3,000.00

<b>F</b>	SURCHARGES (DELAYED PAYMENT)	Re.0.10/kwhpm or part thereof
<b>G</b>	BILLING PERIODICALLY	Monthly
<b>H</b>	CHARGES OF POLES USAGE FOR ADVIRTISEMENT	Rupees
	1 Charges for application and agreement forms	100.00
	2 Charges towards dismantling of hoardings/banners	300.00
	3 The pole rental charges for advirtisements: -	Rs./per month
	a. Category I-Commercial area (Max size 3'x2')	100.00
	b. Category II-Residential area (Max size 3'x2')	60.00
	c. Category III-National Highway (Max size 3'x2') (Outside the city/town limit)	40.00

Tariff Schedule proposed for the prepaid metered consumers is provided below. It is submitted that Hon'ble Commission may kindly consider & approve the same.

Table 54: Tariff Schedule for Prepaid Metered Consumers

SI No.	CATEGORY	Proposed Rate Rs./kwh
<b>1</b>	<b>CATEGORY 'A' DOMESTIC</b>	
	All Units	6.05
<b>2</b>	<b>CATEGORY 'B' INDUSTRIAL</b>	
	All Units	7.10
<b>3</b>	<b>CATEGORY 'C' BULK</b>	
	All Units	7.35
<b>4</b>	<b>CATEGORY 'D' COMMERCIAL</b>	
	All Units	9.05
<b>5</b>	<b>CATEGORY 'H' AGRICULTURE</b>	
	All Units	3.45

- Meter Rent: Same as post-paid.

## **Time of Day Tariff**

Ministry of Power, Government of India vide Notification Dt. 14<sup>th</sup> June, 2023 Electricity (Rights of Consumers) Amendment Rules, 2023 there by amending the Electricity (Rights of Consumers) Rules, 2020. In the above amendment, requirement of Time of Day Tariff was incorporated. The relevant extract of the Rules is provided below.

*“(8A) **Time of Day Tariff.**-The Time of Day tariff for Commercial and Industrial consumers having maximum demand more than ten Kilowatt shall be made effective from a date not later than 1st April, 2024 and for other consumers except agricultural consumers, the Time of Day tariff shall be made effective not later than 1st April, 2025 and a Time of Day tariff shall be made effective immediately after installation of smart meters, for the consumers with smart meters:*

*Provided that, the Time of Day Tariff specified by the State Commission for Commercial and Industrial consumers during peak period of the day shall not be less than 1.20 times the normal tariff and for other consumers, it shall not be less than 1.10 times the normal tariff:*

*Provided further that, tariff for solar hours of the day, specified by the State Commission shall be atleast twenty percent less than the normal tariff for that category of consumers:*

*Provided also that the Time of Day Tariff shall be applicable on energy charge component of the normal tariff:*

*Provided also that the duration of peak hours shall not be more than solar hours as notified by the State Commission or State Load Despatch Centre.*

**Explanation:-** *For the purposes of this rule, the expression “solar hours” means the duration of eight hours in a day as specified by the State Commission.....”*



In compliance with the above rules, DPN is proposing the Time of Day Tariff as below.

<b><u>Time of Day Tariff</u></b>	
<b>Time Slot</b>	<b>Energy charge (Rs./kWh)</b>
0600-0800 hrs (peak)	(+) 20% of Normal Rate
0800 -1600 hrs (Solar Hour)	(-) 20% of Normal Rate
1600-2100 hrs (peak)	(+) 20% of Normal Rate
2100-0600 hrs (off-peak)	As Approved
<b>Note- It is for Commercial &amp; Industry</b>	

<b><u>Time of Day Tariff</u></b>	
<b>Time Slot</b>	<b>Energy charge (Rs./kWh)</b>
0600-0800 hrs (peak)	(+) 10% of Normal Rate
0800 -1600 hrs (Solar Hour)	(-) 20% of Normal Rate
1600-2100 hrs (peak)	(+) 10% of Normal Rate
2100-0600 hrs (off-peak)	As Approved
<b>Note- It is for Domestic &amp; Bulk</b>	

The DPN requests the Hon'ble Commission to kindly consider & approve the Time of Day Tariff as proposed.