

**BEFORE THE HON'BLE UTTAR PRADESH ELECTRICITY REGULATORY
COMMISSION, AT LUCKNOW
PETITION NO. 2271 OF 2025**

IN THE MATTER OF:

Alaknanda Hydro Power Company Ltd.
...Petitioner

Versus

Uttar Pradesh Power Corporation Ltd. ...Respondent

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Through



Date: 13/07/2026
Place: Lucknow

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**BEFORE THE HON'BLE UTTAR PRADESH ELECTRICITY REGULATORY
COMMISSION, AT LUCKNOW
PETITION NO. 2151 OF 2025**

IN THE MATTER OF:

Alaknanda Hydro Power Company Ltd.
...Petitioner

Versus

Uttar Pradesh Power Corporation Ltd. ...Respondent

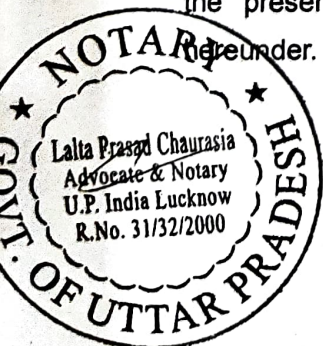
**REJOINDER ON BEHALF OF THE PETITIONER TO REPLY DATED 17.07.2025
FILED BY THE RESPONDENT**

I. BACKGROUND

1. The present Rejoinder is being filed by the Petitioner, Alaknanda Hydro Power Company Ltd. ("AHPCL") in response to the Reply dated 18.06.2026 filed by the Respondent, Uttar Pradesh Power Corporation Ltd. ("UPPCL").

2. AHPCL has filed the present Petition seeking determination of Annual Fixed Cost and Tariff for the 330 MW (4X82.5 MW) Shrinagar Hydro Electric Project ("Project") for the control period FY 2024-25 to FY 2028-29, in terms of Sections 62 and 86 of the Electricity Act, 2003 read with the UPERC (Terms and Conditions of Generation Tariff) Regulations, 2024 ("Tariff Regulations, 2024") and the Amended and Restated Power Purchase Agreement dated 28.06.2006 executed between AHPCL and UPPCL ("PPA").

3. At the outset, any averments set out in the Reply filed by UPPCL which are contrary to or at variance with the submissions / statements made in the Petition and the present Rejoinder are denied except to the extent specifically admitted hereunder. The submissions made in the Petition must be read as a part and parcel



to this Rejoinder and the same are not repeated for the sake of brevity and any omission on the part of AHPCL to address any particular contention of UPPCL shall not be construed as an admission / acceptance thereof by AHPCL. AHPCL is filing an issue-based Rejoinder and seeks leave to file a para-wise Rejoinder, if and when directed by this Hon'ble Commission.

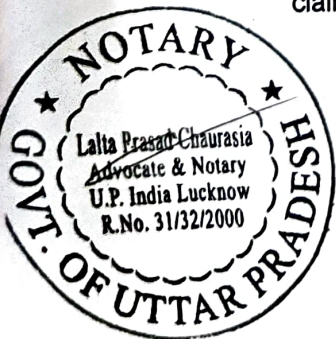
4. It is submitted that UPPCL, in its Reply, has not disputed certain components of the Annual Fixed Cost claimed by AHPCL, and has admitted the Capital Cost, Debt-Equity Ratio, Operation and Maintenance Expenses and Interest on Working Capital as claimed by AHPCL. AHPCL accordingly confines its detailed submissions in this Rejoinder to the four issues on which UPPCL has raised specific contentions, namely: (a) Return on Equity (limited to the applicable Minimum Alternate Tax rate for FY 2026-27 onwards); (b) Interest on Loan Capital (limited to the documentary substantiation sought for the NCD refinancing); (c) Depreciation (limited to the rate of 3.77% per annum); and (d) Normative Annual Plant Availability Factor and the consequential incentive computation.

II. AHPCL SUBMISSIONS

A. Capital Cost, Debt-Equity Ratio, O&M Expenses and Interest on Working Capital – Undisputed by UPPCL

5. It is submitted that UPPCL has admitted the following components as claimed by AHPCL: -

- (a) Opening, Closing and Average Capital Cost of Rs. 4,04,793.41 Lakhs claimed by AHPCL for each year of the control period FY 2024-25 to FY 2028-29, being consistent with the Closing Capital Cost admitted by this Hon'ble Commission in the True-Up Order dated 06.03.2026 passed in Petition No. 2151 of 2024. [Paragraphs 6 to 9 of the Reply]
- (b) Debt-Equity Ratio of 79.45:20.55 as approved by this Hon'ble Commission vide Order dated 20.04.2023 in Petition No. 1642 of 2020. [Paragraphs 10 to 13 of the Reply]; and
- (c) Operation and Maintenance Expenses and Interest on Working Capital as claimed by AHPCL [Paragraphs 36 to 48 of the Reply].



6. The aforesaid components are not in dispute, AHPCL prays that this Hon'ble Commission allows the aforesaid components as claimed by AHPCL.

B. Return on Equity: Minimum Alternate Tax Rate for FY 2026-27 to FY 2028-29

7. UPPCL, in Paragraphs 14 to 21 of the Reply, has accepted the Return on Equity claimed by AHPCL at the grossed-up rate of 18.11% per annum (base rate of 15% post-tax grossed up with the applicable MAT rate of 17.472%) for FY 2024-25 and FY 2025-26. However, UPPCL contends that, on account of the reduction in the MAT rate from 15% to 14% proposed in the Union Budget for FY 2026-27, the effective MAT rate for FY 2026-27 onwards works out to 16.307% and the corresponding grossed-up rate of Return on Equity ought to be reduced to 17.923% per annum for FY 2026-27, FY 2027-28 and FY 2028-29. The aforesaid contention advanced by UPPCL are incorrect and denied.

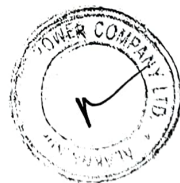
8. In this regard, it is submitted that Regulation 6 of the Tariff Regulations, 2024, provides for computation of Tax on Income, which is reproduced below for ready reference:

"6. Tax on Income:

(1) The rate of return on equity as allowed by the Commission under Regulation 25(3)(a) of these regulations shall be grossed up with the effective tax rate (hereinafter referred to as 't') of the respective financial year. The effective tax rate shall be calculated at the beginning of every financial year based on the estimated profit and tax to be paid estimated in line with the provisions of the relevant Finance Act applicable for that financial year to the concerned generating company ...

...

(3) The generating company shall true up the effective tax rate for every financial year based on actual tax paid together with any additional tax demand including interest thereon duly adjusted for any refund of tax including interest received from the income tax authorities pertaining to the tariff period 2024-29 on actual gross income of any financial year ... Provided that in case a generating company is paying Minimum Alternate Tax (MAT) under Section 115JB, the generating company shall true up the grossed-up rate of return on equity at the end of every financial year with the applicable MAT rate including surcharge and cess ... Provided that any under-recovery or over recovery of grossed up rate on return on equity after truing up, shall be recovered or refunded to beneficiaries as the case may be, on a year-to-year basis."



9. It is submitted that a proposal contained in the Union Budget as relied upon by UPPCL, at this stage, which is yet to be given effect to by way of a notified law / Finance Act, cannot be taken into consideration for computation of rate of tax/surcharge/cess applicable for a financial year, contrary to Regulation 6 of the Tariff Regulations 2024.

10. Accordingly, in accordance with Regulation 6, AHPCL has computed that Return on Equity considering the base rate of 15% post-tax per annum of Return on Equity for control period FY 2024-25 to FY 2028-29 after grossing up with MAT rate as AHPCL falls under Section 115JB, which ought to be allowed by this Hon'ble Commission.

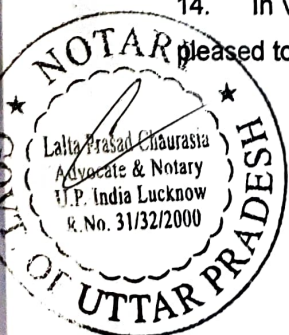
C. Interest on Loan Capital – NCD Refinancing

11. UPPCL, in Paragraphs 22 to 29 of the Reply, does not dispute AHPCL's claim towards Interest on Loan Capital in terms of Regulation 25(3)(b) of the Tariff Regulations 2024. However, UPPCL's sole contention is that AHPCL has not placed on record the underlying loan documents, sanction letters, loan agreements, or Auditor's Certificates, so as to substantiate and corroborate the revised weighted average rate of interest.

12. It is submitted that as admitted by UPPCL, AHPCL has successfully undertaken refinancing of all its existing term loans through a new borrowing facility amounting to ₹2,031.37 crore, availed by way of Non-Convertible Debentures (NCDs). These NCDs were issued by the Kotak Group on 05.04.2025. Accordingly, the loan repayment schedule has been revised. Pertinently, AHPCL has informed UPPCL regarding the refinancing of its existing loans through NCDs vide its letter dated 11.02.2025 to Chairman, UPPCL along with intimation to SE, STU Chief Engineer, UPTCL (letter dated 13.02.2025) and Chief General Manager (Fund Management), UPPCL (letter dated 17.04.2025).

13. The interest rate for calculation of interest on loan is considered as the weighted average rate of interest on the loans of AHPCL. The Calculation of Interest on loan for the control period FY 2024-25 to FY 2028-29 is in line with Regulation 25(3)(b) of the Tariff Regulations 2024.

14. In view of the foregoing, it is humbly prayed that this Hon'ble Commission be pleased to approve the Interest on Loan Capital as claimed by AHPCL in the Petition.



It is reiterated that the refinancing itself was duly intimated to UPPCL well in advance (vide letters dated 11.02.2025, 13.02.2025 and 17.04.2025).

D. Depreciation: Rate of 3.77% per annum

15. UPPCL, in Paragraphs 30 to 35 of the Reply, has contended that the effective rate of depreciation for the control period, arrived at by dividing the annual depreciation amount of Rs. 15,221.87 Lakhs by the Opening Capital Cost of Rs. 4,04,793.41 Lakhs, works out to 3.76% per annum, and not 3.77% per annum as claimed by AHPCL.

16. It is submitted that UPPCL's computation is incorrect and denied. In this regard, it is submitted that: -

- (a) Regulation 25(3)(c) of the Tariff Regulations, 2024 mandates that depreciation be computed on the "depreciable value" of the assets of the generating station, which by definition excludes the cost of freehold land, land being a non-depreciable asset;
- (b) AHPCL's Opening Capital Cost of Rs. 4,04,793.41 Lakhs includes the cost of freehold land amounting to Rs. 1,429.00 Lakhs, as reflected in Table 5 of the Petition. The correct base for computing the rate of depreciation is, therefore, the Capital Cost less the cost of land, i.e., Rs. 4,04,793.41 Lakhs less Rs. 1,429.00 Lakhs = Rs. 4,03,364.41 Lakhs;
- (c) Dividing the annual depreciation amount of Rs. 15,221.87 Lakhs by the correct base of Rs. 4,03,364.41 Lakhs yields a rate of 3.774%, which, rounded off to two decimal places, is 3.77% per annum, i.e., the rate approved by this Hon'ble Commission vide Order dated 20.04.2023 in Petition No. 1642 of 2020 and consistently applied to the Project since; and
- (d) UPPCL's computation erroneously includes the non-depreciable value of land in the denominator, thereby artificially depressing the resultant rate to 3.76%.

17. It is further submitted that the rate of 3.77% per annum is not, in any event, a rate independently derived by AHPCL for the present control period; it is the weighted average rate of depreciation across the various asset categories of the Project (Land, Civil Works, Buildings and Township, HM Works and EM Works) calculated in accordance with the CERC Depreciation Rate Schedule as applicable



under Appendix III to the Tariff Regulations, 2024, and has already been approved and adopted by this Hon'ble Commission vide Order dated 20.04.2023. UPPCL cannot, basis an incorrect computation, seek to displace a rate already approved by this Hon'ble Commission and applied consistently to the Project across successive control periods.

18. In view of the foregoing, it is submitted that the depreciation rate of 3.77% per annum, and the consequential depreciation of Rs. 15,221.87 Lakhs per annum, as claimed by AHPCL, is correct and ought to be approved by this Hon'ble Commission.

19. It is submitted that the Annual Fixed Cost based on the components calculated above has been tabulated as under:

Annual Fixed Cost (In INR Lakhs)

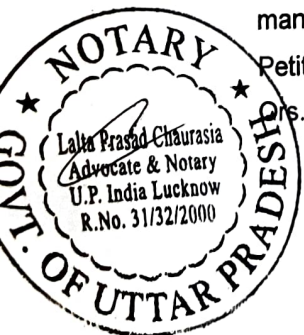
S. N.	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
1.1	Depreciation	15221.87	15221.87	15221.87	15221.87	15221.87
1.2	Interest on Loan	24790.77	19801.53	18228.10	16440.05	14583.26
1.3	Return on Equity	15063.25	15063.25	15063.25	15063.25	15063.25
1.4	Interest on Working Capital	1484.49	1437.59	1443.78	1445.49	1452.90
1.5	O & M Expenses	14707.11	15364.52	16051.31	16768.81	17518.37
	Total	71267.49	66888.76	66008.32	64939.46	63839.65

It is prayed that this Hon'ble Commission approves the AFC as calculated above.

E. Energy Charge, Normative Annual Plant Availability Factor and Design Energy

20. UPPCL, in Paragraphs 58 to 79 of the Reply, has contended that:

- The Energy Charge Rate ("ECR") for FY 2024-25, FY 2025-26, FY 2026-27, FY 2027-28 and FY 2028-29 be considered as 326.71, 306.63, 301.87, 296.97 and 291.93, respectively.
- Normative Annual Plant Availability Factor ("NAPAF") for the Project ought to be computed on the basis of 3 hours of daily peaking availability, in the manner adopted by the Hon'ble CERC in its Order dated 28.03.2016 in Petition No. 228/GT/2013 (National Hydro Power Corporation Ltd. v. PSPCL & Ors.) concerning the Parbati-III Hydro Electric Project ("Parbati-III Order");



- (c) Actual Plant Availability Factor ("APAF") is computed on a 3-hour peaking basis whereas the Average Availability/NAPAF has been computed by this Hon'ble Commission on a 24-hour, 365-day continuous run-of-river basis, resulting in a structural mismatch that inflates the incentive payable to AHPCL;
- (d) CEA, while approving the Design Energy of 1251.94 MU vide its letter dated 14.05.2018, is stated to have factored in a continuous peaking capacity corresponding to 3.04 hours, in excess of the 3-hour threshold prescribed for peaking capacity determination, and that the Project ought accordingly to be treated as a run-of-the-river project with peaking capability; and
- (e) On this basis, and relying on the actual Plant Availability Factor recorded for the Project during FY 2019-20 to FY 2023-24 (ranging between 52.95% and 59.53%), the NAPAF ought to be re-computed at 98.91%, resulting in a substantially lower Fixed Charge and incentive entitlement than what has actually been billed to and paid by UPPCL (as tabulated at Annexure R-1 to the Reply).

21. At the outset, it is submitted that UPPCL's contentions are incorrect and denied since: -

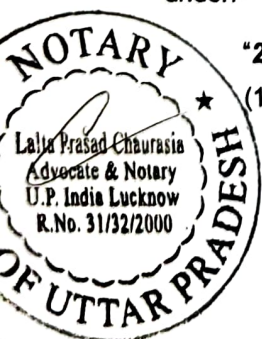
- (a) AHPCL has claimed AFC for the Project in accordance with the Tariff Regulations 2024 for the applicable control period.
- (b) Tariff Regulations 2024 do not provide for computing availability of the Project on the basis of 3 hours peaking availability. UPPCL is attempting to read such a requirement into the said Regulations which is impermissible in law.

Re. Methodology used by Hon'ble Commission to compute NAPAF is in consonance with the provisions of the Tariff Regulations 2024

22. It is submitted that as per Regulations 29 of the Tariff Regulations 2024, NAPAF for run of river generating stations is to be calculated based on 10-day design energy data, moderated by past experience where available / relevant, as under: -

"29. Norms for Hydro Power generating stations

- (1) Normative Annual Station Availability Factor for recovery of full capacity charges



- (d) **Run-of River type plants: NAPAF to be determined plant-wise, based on 10-day design energy data, moderated by past experience where available/relevant."**

(Emphasis Supplied)

23. This Hon'ble Commission has passed the following orders determining the NAPAF of the Project: -

- (a) Vide Order dated 08.02.2021, NAPAF for 2015-16 was approved as 56.63% and NAPAF for FY 2016-17 to FY 2018-19 as 53.62%, as under: -

"4.7 Normative Annual Plant Availability Factor (NAPAF)

4.7.1 The Petitioner submitted that since the project is a run of river project Normative Annual Plant Availability factor is to be determined as per clause (d) of Regulation 36 (i) of UPERC Regulations. The Petitioner has requested the Commission to approve the NAPAF of 45.90% for the first year of operation and 43.31% for FY 2016-17 to FY 2018-19. UPPCL has no specific comment on this issue.

Commission's view:

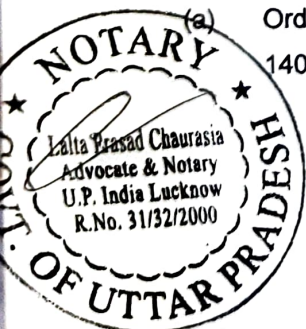
4.7.2 As deliberated above, the design energy for the Control period FY 2015-16 to FY 2018-19 has been considered 1550 MU/year. NAPAF for run-of-river plants is to be determined plant wise based on the 10-day design energy data as per Regulation 36 of UPERC Generation Tariff Regulations 2014. Therefore, proportionate flow based on CEA approved design energy of 1251.94 Mus has been considered for calculating NAPAF. Accordingly, NAPAF for FY 2015-16 (285 days) is 56.63% and NAPAF for FY 2016-17 to FY 2018-19 is 53.62%."

- (b) Vide True-up Order dated 16.11.2022, NAPAF for FY 2017-18 was revised to 48.12% and NAPAF for FY 2018-19 was revised to 43.31%, as under: -

"3.10.5 Accordingly, the NAPAF for FY 2015-16 and 2016-17 shall be 56.63% and 53.62% respectively. The NAPAF for FY 2017-18 and 2018-19 shall be 48.12% and 43.31% respectively."

24. It is submitted that similar contentions were raised by UPPCL in the aforesaid petitions, which have been rejected by this Hon'ble Commission. Further, UPPCL has filed the following Appeals before the Hon'ble Appellate Tribunal for Electricity ("Hon'ble Tribunal") challenging the methodology adopted by this Hon'ble Commission for computing the NAPAF for AHPCL's Project, which are pending as on date: -

- (a) Order dated 08.02.2021 passed by this Hon'ble Commission in Petition No. 1401 of 2019 (seeking determination of tariff payable for the Project for FY



2015-19) and Petition No. 1628 of 2020 has been challenged by the Respondent in Appeal No. 704 of 2023, which is pending adjudication before the Hon'ble Tribunal.

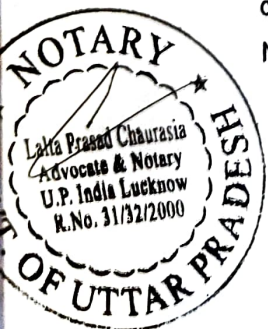
- (b) Order dated 20.04.2023 passed by this Hon'ble Commission in Petition No. 1642 of 2021 seeking determination of tariff payable for the Project for FY 2019-20 to FY 2023-24 (Second Control Period) has been challenged by the Respondent in Appeal No. 18 of 2024, which is pending adjudication before the Hon'ble Tribunal.
- (c) Order dated 16.11.2022 along with Corrigendum Order dated 30.12.2022 passed by this Hon'ble Commission in Petition No. 1752 of 2021 (True-up for Control Period FY 2015-19) has been challenged by the Respondent in Appeal No. 627 of 2023, which is pending adjudication before the Hon'ble Tribunal.

It is noteworthy that there is no stay granted by the Hon'ble Tribunal in the aforesaid Appeals and the Orders passed by this Hon'ble Commission holds the field. The outcome of the aforesaid Appeals will have a bearing in the present Petition and AHPCL reserves its rights in this regard.

25. Accordingly, UPPCL's contention that anomaly has arisen in the computation of NAPAF of the Project is erroneous and without any basis as AHPCL has been claiming AFC in accordance with the Tariff Regulations 2024 and as allowed by this Hon'ble Commission vide the aforesaid Orders.

26. UPPCL's contention that the NAPAF is to be computed basis 3 hours peaking availability is incorrect and denied, since: -

- (a) Tariff Regulations 2024 do not mandate that NAPAF is to be computed on 3 hours peaking availability basis.
- (b) As per Section 86 (1)(b) and Section 181 of the Electricity Act, 2003 ("Act"), this Hon'ble Commission has the authority to regulate its own affairs and to formulate regulations / rules to carry out the provisions of the Act, respectively.
- (c) Further, Section 86(4) of the Act provides that this Hon'ble Commission, in discharging its functions shall be guided by the National Electricity Policy, National Electricity Plan and Tariff Policy published under Section 3 of the Act.



27. Therefore, Hon'ble Commission is required to compute the NAPAF for the Project in terms of the UPERC Tariff Regulations 2019 and as per the previous Orders as detailed above.

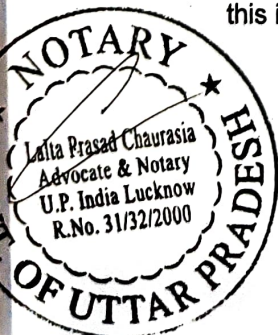
28. UPPCL's reliance on Parbati Order and contention that this Hon'ble Commission must follow the same methodology as adopted by Ld. CERC for computing NAPAF, is incorrect and devoid of merit. It is submitted that it is a settled position of law that only when the Tariff Regulations in a State are silent, Hon'ble CERC's regulations may be applied. Reliance in this regard is placed on judgment passed by the Hon'ble Tribunal in **Lanco Amarkantak Power Ltd. v. HERC & Ors.**, 2014 ELR (APTEL) 0416 (Para 44, 48). Notably, in the present case, UPERC Tariff Regulations 2019 clearly provide the manner in which the NAPAF for AHPCL's Project is to be computed. Accordingly, this Hon'ble Commission as well as the parties herein are bound by the methodology adopted in the said regulations and any diversion from the same, is impermissible in law. A copy of judgment passed by the Hon'ble Tribunal in **Lanco Amarkantak Power Ltd. v. HERC & Ors.**, 2014 ELR (APTEL) 0416 is annexed hereto and marked as Annexure P-1.

Re. Even otherwise, Methodology used to compute NAPAF in Parbati Order by Hon'ble CERC is not applicable in the present case

29. It is submitted that UPPCL has erroneously relied upon Hon'ble CERC's Order dated 25.06.2014 in **National Hydro Power Corporation Ltd. vs. Punjab State Power Corporation Ltd. & Ors.** ("Parbati-III HEP Order") to contend that NAPAF calculated by this Hon'ble Commission is incorrect since NAPAF has to be computed as per 3 hours peaking availability in order to compute AFC correctly.

30. It is submitted that Parbati-III HEP Order is in relation to provisional tariff determination of Parbati-III Hydro Electric Project ("Parbati III HEP"), which is neither analogous to AHPCL project nor of any relevance due to the following:-

- (a) Parbati-III HEP Order is a provisional tariff order.
- (b) Parbati-III HEP is Pondage type Scheme to provide peaking support to the grid, when operated in tandem with upstream of Parbati II HEP project, hence this is not Run of River ("RoR") Project.



- (c) As the upstream of Parbati II HEP was delayed, Hon'ble CERC in the provisional tariff order determined the NAPAF considering the basis of 10 days design energy plus the then available storage.
- (d) But, finally on completion of Project and at the time of framing of CERC Tariff Regulation 2019, Hon'ble CERC decided NAPAF of 43% for this Parbati III HEP as provided in Regulation 50(A)(4).

31. It is submitted that UPPCL's calculation of NAPAF for AHPCL's Project in line with the Parbati III HEP Order is not in consonance with the Tariff Regulations 2024 for RoR type Projects. Tariff Regulations 2024 clearly provides for determination of NAPAF on the basis of 10 days design energy as certified by CEA. The Project is a ROR project and consequently, cannot be compared to Parbati III HEP.

32. Further, this Hon'ble Commission would appreciate that comparison of NAPAF of AHPCL with other RoR Projects is not correct as each RoR Project is unique and the design energy varies for each project based on the hydrology of the Project. In this context, Tariff Regulations 2024 clearly provides for computation of RoR projects considering the 10-day design energy.

33. It is submitted that Actual PAFM of each year depends on the water availability for each day of the year and declared capacity and PAFM are certified by the State Load Despatch Centre ("SLDC") in accordance with the prevalent Tariff Regulations. Regulation 27 (7) (a) of the Tariff Regulations 2024 provides for computation of Capacity Charges as under: -

"25. Billing and Payment of Capacity Charges

(vi) (a) The capacity charges for a hydro generating station (inclusive of incentive) shall be paid by the beneficiary(ies) including those outside the state/region to the generating company, every month in accordance with the following formula and in proportion to their respective shares in the concerned generating station for a calendar month and shall be equal to:

AFC x 0.5 x NDM / NDY x (PAFM / NAPAF) (in Rupees)

Where,

AFC = Annual fixed cost specified for the year, (in Rupees)

NAPAF = Normative plant availability factor (in percentage)

NDM = Number of days in the month

NDY= Number of days in the year

PAFM = station availability factor achieved during the month, (in%)



(b) PAFM upto the end of a particular month shall be computed in accordance with the following formula:

$$PAFM = 1000 \times \sum_{i=1}^N DCi / \{N \times CC \times (100 - AUX)\}\%$$

Where,

AUX = Normative auxiliary energy consumption (in percentage).

DCi = Declared capacity (in ex-bus MW) for the *i*th day of the month which the station can deliver for at least three (3) hours, as certified by the nodal load dispatch Centre after the day is over.

CC = Contracted Capacity in the generating station

N = Number of days in the month."

34. It is submitted that Capacity Charges claimed by AHPCL are in accordance with Regulation 27(7)(a) of the Tariff Regulations 2024 and declared capacity as certified by SLDC. Therefore, the contention raised by UPPCL that AHPCL is claiming excess ought to be rejected by this Hon'ble Commission.

35. Notably, similar contentions were raised in Petition No. 229/GT/2020 titled **NHPC Ltd. v. PSPCL & Ors.**, by PSPCL with respect to computation of PAF and NPAF as raised in the present case. It is pertinent to note that the contentions raised by PSPCL were rejected by Hon'ble CERC vide Order dated 13.02.2023 basis that if the contentions raised by PSPCL were allowed, it would amount to review of the tariff regulations which is impermissible in the tariff determination proceedings. The relevant extracts of Order dated 13.02.2023 are reproduced below: -

"Normative Annual Plant Availability Factor (NPAF)

139. Clause (A)(4) of Regulation 50 of the 2019 Tariff Regulations provides for the Normative Annual Plant Availability Factor (NPAF) for hydro generating stations already in operation. As per above Regulation, NPAF of 64% is allowed for the instant generating station.

140. The Respondent PSPCL has submitted that as per the past data for the 201419 tariff period, the generating station has achieved much higher PAF consistently, and therefore, fixing the NPAF at 64%, is relatively low and unfair as it adds burden on the beneficiaries as over declaring the availability entitles the Petitioner for incentive. The Petitioner has clarified that the normative PAF for the generating station, was specified by the Commission, based on the past performance of the plant and considering the fact that the performance of the generating station was affected by silt.



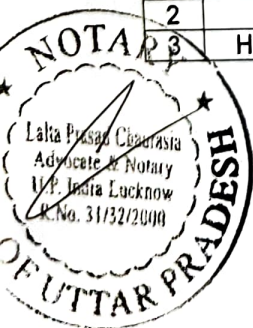
141. *The matter has been examined. As stated, the Commission has notified the NAPAF of the generating station as 64% under Regulation 50(A)(4) of the 2019 Tariff Regulations, after extensive stakeholders' consultations. The submissions of the Respondent PSPCL, if accepted, would amount to review of the said regulation, which is not permissible in the tariff determination proceedings. Similar contention of the Respondent in respect of the period 2014-19 has been rejected in paragraph 79 of this order. Accordingly, the NAPAF of 64%, as claimed by the Petitioner, which is in accordance with Regulation 50 (A) (4) of the 2019 Tariff Regulations, is allowed."*

A copy of Order dated 13.02.2023 passed by Hon'ble CERC in Petition No. 229/GT/2020 titled **NHPC Ltd. v. PSPCL & Ors.** is annexed hereto and marked as Annexure P-2.

36. Accordingly, any change in the computation of NAPAF as sought by UPPCL, contrary to the terms of the Tariff Regulations 2024, would amount to a review of the Tariff Regulations, 2024, which is impermissible in the present case. Without prejudice to the aforesaid submissions, it is pertinent to note that this Hon'ble Commission in Order dated 20.04.2023 in Petition No. 1642 of 2020 (filed by AHPCL for fixation of tariff for the Project for the control period FY 2019-20 to FY 2023-24) has *inter-alia* held that there is no provision for True up of NAPAF under the UPERC Tariff Regulations, 2019 (Para 46). Notably, Order dated 20.04.2023 has been challenged by UPPCL in Appeal No. 18 of 2024, which is pending adjudication before the Hon'ble Tribunal. However, there is no stay granted by the Hon'ble Tribunal in the aforesaid Appeal and the Order dated 20.04.2023 passed by this Hon'ble Commission holds the field.

37. It is also pertinent to note that on 29.06.2026, the National Mission for Clean Ganga, Ministry of Jal Shakti, Government of India has directed AHPCL to maintain the mandated E-flows prescribed vide its Orders being Government of India Gazette Notification No. D.L.- 330049/99 dated: 09.10.2018 and Government of India Gazette Notification No. D.L.-33004/99 dated 14.09.2019, from 29.06.2026. The E-flows to be maintained are as below:

S. No.	Season	Months	(%) Percentage of Monthly Average Flow observed during each of preceding 10-daily period
1	Dry	November to March	20
2	Lean	October, April and May	25
3	High Flow	June to September	30*#



	season	
--	--------	--

* # 30% of monthly flow of High flow season.

38. The above referred Gazette Notifications are statutory in nature as the same were given under Section 5 of the Environmental (Protection) Act, 1986 and thus tantamount to a change-in-law event as envisaged under the PPA. As AHPCL is obliged to comply with the E-flows mandated under the said Gazette Notifications, AHPCL will be incurring a financial loss of more than Rs. 5.00 crore in a Tariff Year as the Design Energy of the Project will be adversely impacted due to release of more water towards the E-flows. As such, in compliance with the Change in Law terms envisaged under the PPA, on 06.07.2026, AHPCL had issued a notice to the UPPCL; and is awaiting response from the UPPCL. Under these circumstances, AHPCL reserves its rights to approach this Hon'ble Commission for appropriate reliefs in this regard including but not limited to amending the PPA or the present Tariff Petition. Copies of the NMCG Order dated 29.06.2026 and the Change in Law notice issued by AHPCL are marked hereto as **Annexure P-3 and Annexure P-4**, respectively.

Re. Design Energy

39. It is submitted that the Central Electricity Authority on the basis of hydrological data for the period of 1971-72 to 2015-16 approved by CWC, has approved the design energy of 1251.94 MU for AHPCL vide letter dated 14.05.2018. Accordingly, this Hon'ble Commission has approved the design energy i.e. 1251.94 MU in the order dated 20.04.2023 and the same has been considered by AHPCL for the instant Petition.

Re. Auxiliary Power Consumption

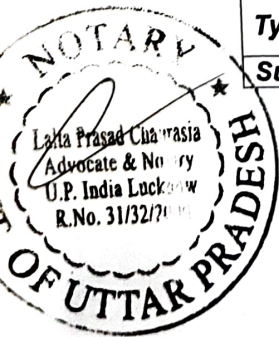
40. It is submitted that the Auxiliary Consumption for the Project has been considered as 1% in terms of Order dated 20.04.2023 and Regulation 29(2) of Tariff Regulations 2024, which is as under: -

"29. Norms for Hydro Power generating stations

...

(2) Auxiliary Energy Consumption (AUX):

Type of station	AUX (% of energy generated)
Surface	



Rotating Excitation	0.7%
Static Excitation	1.0%
Underground	
Rotating Excitation	0.9%
Static Excitation	1.2%

Re. Energy Charge Rate

41. In view of the foregoing, this Hon'ble Commission may be please to consider the Energy Charge Rate for the Control Period as under: -

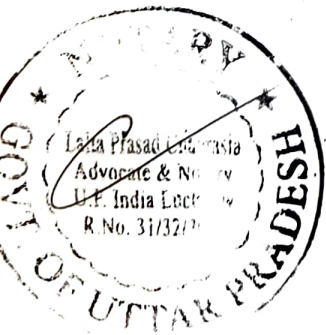
Energy Charge Rate

S N.	Particular	2024-25	2025-26	2026-27	2027-28	2028-29
1	AFC	71267.49	66888.76	66008.32	64939.46	63839.65
2	DE	1251.94	1251.94	1251.94	1251.94	1251.94
3	Aux	1%	1%	1%	1%	1%
4	FESH	12.00%	12.00%	12.00%	12.00%	12.00%
5	ECR	326.708	306.635	302.599	297.699	292.657

42. It is submitted that UPPCL's computation at Annexure R-1 to the Reply, purporting to demonstrate that AHPCL has received incentive payments "grossly and disproportionately in excess" of its lawful entitlement, is built entirely upon the 3-hour-peaking NAPAF construct addressed and denied hereinabove. Once that premise is rejected, being contrary to the plain language of Regulation 29(1)(d), the resultant 98.91% NAPAF figure and the alleged overpayment computation at Annexure R-1 are incorrect in their entirety.

43. Without prejudice to the foregoing, AHPCL denies that any incentive received by it has been in excess of its lawful entitlement under the Tariff Regulations, 2024 and the Orders of this Hon'ble Commission referred to hereinabove, and puts UPPCL to strict proof in this regard.

44. In view of the foregoing, it is submitted that this Hon'ble Commission may be pleased to reject UPPCL's contentions on NAPAF and the alleged incentive "anomaly" in their entirety and approve the Design Energy of 1251.94 MU and the NAPAF of 43.31% for the control period FY 2024-25 to FY 2028-29, as prayed for by AHPCL in the Petition.



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45. In view of the foregoing, the contentions advanced by UPPCL ought to be rejected and this Hon'ble Commission be pleased to approve the Tariff for AHPCL for control period FY 2024-25 to FY 2028-29 as claimed by AHPCL in terms of the UPERC Tariff Regulations 2024.

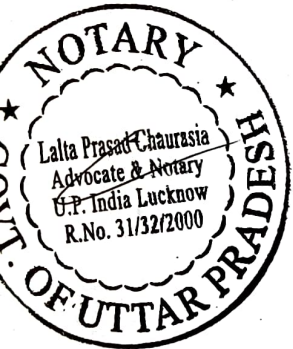
Alaknanda Hydro Power Corporation Ltd./
Petitioner

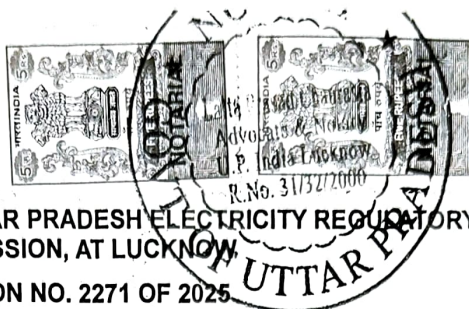
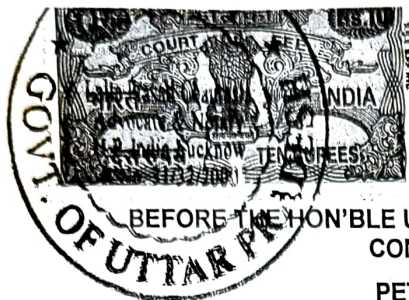
Through

TRILEGAL

Advocates for the Petitioner
Prius Platinum, 1st Floor, Wing A & B
D3, District Centre, Saket
New Delhi – 110017.

Date: 26/07/2024
Place: Lucknow





IN THE MATTER OF:

Alaknanda Hydro Power Company Ltd.

...Petitioner

Versus

Uttar Pradesh Power Corporation Ltd.

...Respondent

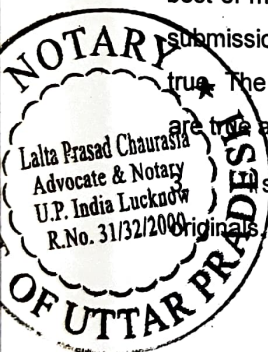
AFFIDAVIT ON BEHALF OF THE PETITIONER

I, Dileep Tripathi, S/o S.K Tripathi, aged about 45 years, the Authorized Representative of Alaknanda Hydro Power Corporation Limited ("AHPCL"/ "Petitioner") having office at 156-159, Paigah House, Sardar Patel Road, Secunderabad, Telengana – 500003, presently at Lucknow, do hereby solemnly affirm and state as under:-

1. I say that I am duly authorized and competent to affirm this Affidavit for and on behalf of the Petitioner and I am acquainted with the facts and circumstances of the present case. I state that I have read and understood the contents of the accompanying Rejoinder.

2. I state that the facts stated in the accompanying Rejoinder are true and correct to the best of my knowledge based on the records maintained by the Petitioner and that the legal submissions made therein are based upon information received by me and believed to be true. The present Rejoinder has been drafted pursuant to my instructions and its contents are true and correct.

I state that the Annexures annexed to the Rejoinder are true copies of the respective originals.



VERIFICATION

I, the deponent above named, do hereby verify that the contents of my above affidavit are true and correct, no part of it is false and nothing material has been concealed therefrom.

Verified at Lucknow on this the 13 day of July 2026.



Sworn and Verified
before me.

LALTA PRASAD CHAURASIA
Advocate & Notary
Lucknow U.P. (INDIA)
Regd. No. 31/32/2000

Identify the deponent/execution
who has/have Signed/TI before me.

I