

BEFORE THE HARYANA ELECTRICITY REGULATORY COMMISSION AT PANCHKULA

Case No. HERC/RA No. 1 of 2025

Date of Hearing : 09.10.2025
Date of Order : 09.12.2025

In the Matter of

Petition under Under Section 94 (1) (c) of the Act, 2003 (Electricity Act), read along with Regulation 57, 58, 65 and 66 of Haryana Electricity Regulatory Commission (Conduct of Business) Regulations, 2019 (HERC 2019 Regulations) seeking review and modification of order dated 16.02.2024 in Case No. HERC/Petition-68 of 2023 passed by this Hon'ble Commission.

Petitioner

Haryana Vidyut Prasaran Nigam Limited, Panchkula (HVPNL)

Respondent

Nil

Present on behalf of the Petitioner

1. Shri. Raheel Kohli, Advocate
2. Shri. Tarsem Rana, Advocate

Quorum

Shri Nand Lal Sharma
Shri Mukesh Garg
Shri Shiv Kumar

Chairman
Member
Member

ORDER

Brief Background of the case

1. The present petition has been filed by Haryana Power Purchase Centre (HPPC), seeking the review /recalling/modification of Order dated 16.02.2024 passed by this Hon'ble Commission in Case No. HERC/Petition -68 of 2023 and to allow carrying cost of Rs. 10.86 million, on the terminal benefits in line with MYT Regulations, 2019.
2. **Review applicant's submissions:-**
HPPC has submitted as under:-
 - 2.1 That the present petition has been filed Under Section 94 (1) (c) of the Act, 2003 read along with Regulation 57, 58, 65 and 66 of Haryana Electricity Regulatory Commission (Conduct of Business) Regulations, 2019 seeking review and modification of tariff order dated 16.02.2024 passed by this Hon'ble Commission in Case No. HERC/Petition-68 of 2023, in terms of error apparent on the face of record in the Original Order.
 - 2.2 That the Review Petitioner is aggrieved by the below reproduced finding of this Hon'ble Commission (qua the terminal benefits) in the Original Order:
"The Commission has considered the submissions of the petitioner and in accordance with the audited accounts, approves Rs. 3,571.67 million towards terminal benefits for the FY 2022-23. The Commission observes that there ought not to be any significant difference

between what is proposed and the actual as per the audited accounts, as most of the parameters are known in advance with a fair degree of accuracy.

The Commission reiterates the directive on payment to pension trust issued vide order dated 07.03.2019 as under: -

“The Commission directs the licensee to seek prior approval of the Commission for contribution to the pension trust in excess of that proposed by it in the ARR in future in view of the fact that there is no legal hitch in deferring the payment to the trust funds as demonstrated by the proposal of the licensee for the FY 2016-17. The Commission further directs the Licensee to ensure that any payment approved by the Commission in its order towards terminal benefits is duly paid within time and before the close of the relevant financial year.”

Accordingly, the Commission observes that though the terminal benefits cost actually incurred by the licensee is approved for true up, no carrying cost shall be allowed on the difference between the approved cost and the pass-through cost in the light of the ibid directive issued by the Commission to pay only the approved cost during the year. Needless to add that any contribution to the pension trust in excess of the amount approved, has to be with prior approval of the Commission.”

- 2.3 That while passing the impugned order, this Hon'ble Commission has erroneously disallowed the carrying cost. It is respectfully submitted that, while disallowing the said carrying cost, this Hon'ble Commission has disregarded Regulation 13 of Haryana Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2019 (“MYT Regulation”) categorically crystalizes right/entitlement of the Review Petitioner to claim carrying costs. For ease of reference the relevant portion of the regulation is reproduced below:

“13.3 The Commission shall allow carrying costs for the trued-up amount (positive or negative) at the interest rates specified in these Regulations by adjusting the interest allowed on the working capital requirement for the relevant year of the control period.”

(Emphasis Supplied)

- 2.4 That disallowance of the carrying cost on the pretext of this Hon'ble Commission's order dated 07.03.2019 (i.e., *seek prior approval of the Commission for contribution to the pension trust in excess of that proposed by it in the ARR*) is contrary to the principle of truing up (tariff resetting) enshrined in Regulation 13, MYT Regulation, 2019. For ease of reference, the relevant portion of the regulation is reproduced below:

“13.1 Truing-up of the ARR of the previous year shall be carried out along with mid-year performance review of each year of the control period only when the audited accounts in respect of the year(s) under consideration is submitted along with the application. In case audited accounts pertaining to the year, of which truing-up is to be undertaken,

are not available, the generating company or the licensee as the case may be, shall submit the provisional account duly approved by the Board of Directors of the company/licensee.

13.2 Truing-up of uncontrollable items shall be carried out at the end of each year of the control period through tariff resetting for the ensuing year and for controllable items shall be done only on account of force majeure conditions and for variations attributable to uncontrollable factors.

(Emphasis Supplied)

- 2.5 That in terms of Regulation 8.3.8 and 13.3 of MYT Regulation, 2019, the Terminal benefit is an uncontrollable item and variation in the same (i.e., Proposed minus Actual) shall be treated as a pass through, along with the carrying cost.
- 2.6 That in terms of Note 3 of Regulation 45.3 of the MYT Regulation, 2019 and abovementioned regulations, terminal liabilities will be approved at the actual expenditure incurred by the Review Petitioner. Therefore, this Hon'ble Commission's order dated 07.03.2019 (directing prior approval) is in contravention to these regulations.
- 2.7 That this Hon'ble Commission erroneously disallowed carrying cost of INR 10.86 million associated expenditure incurred qua the terminal benefits. Therefore, the Original Order suffers from an error apparent on the face of record and this Hon'ble Commission may be pleased to rectify in exercise of its review jurisdiction.
- 2.8 That this Hon'ble Commission is bound by its regulation. However, it is most humbly submitted that, from the above submission it is evident that this Hon'ble Commission while passing the Original Order acted contrary to the said principle. Therefore, the same amounts to an error which is apparent on the face of record, which deserves to be rectified by this Hon'ble Commission. The same principle is upheld by the Hon'ble Supreme Court of India in the constitutional bench decision of **PTC India Limited Vs. Central Electricity Regulatory Commission** (2010)4 SCC 603 and Appellate Tribunal for Electricity in case titled **Tamil Nadu Electricity Board Vs. Tamil Nadu Electricity Regulatory Commission** numbered **Appeal No. 51 of 2008** decided on 02.04.2009. For ease of reference the relevant portion of the said judgement is reproduced below:

PTC India (supra)

"54. As stated above, the 2003 Act has been enacted in furtherance of the policy envisaged under the Electricity Regulatory Commissions Act, 1998 as it mandates establishment of an independent and transparent Regulatory Commission entrusted with wide-ranging responsibilities and objectives inter alia including protection of the consumers of electricity. Accordingly, the Central Commission is set up under Section 76(1) to exercise the powers conferred on, and in discharge of the functions assigned to, it under the Act. On reading Sections 76(1) and 79(1) one finds that the Central Commission is empowered to take measures/steps in discharge of the functions enumerated in Section 79(1) like to regulate the

tariff of generating companies, to regulate the inter-State transmission of electricity, to determine tariff for inter-State transmission of electricity, to issue licenses, to adjudicate upon disputes, to levy fees, to specify the Grid Code, to fix the trading margin in inter-State trading of electricity, if considered necessary, etc. These measures, which the Central Commission is empowered to take, have got to be in conformity with the regulations under Section 178, wherever such regulations are applicable. Measures under Section 79(1), therefore, have got to be in conformity with the regulations under Section 178.

55. To regulate is an exercise which is different from making of the regulations. However, making of a regulation under Section 178 is not a precondition to the Central Commission taking any steps/measures under Section 79(1). As stated, if there is a regulation, then the measure under Section 79(1) has to be in conformity with such regulation under Section 178. An order imposing regulatory fees could be passed even in the absence of a regulation under Section 178. If the levy is unreasonable, it could be the subject-matter of challenge before the appellate authority under Section 111 as the levy is imposed by an order/decision-making process. Making of a regulation under Section 178 is not a precondition to passing of an order levying a regulatory fee under Section 79(1)(g). However, if there is a regulation under Section 178 in that regard then the order levying fees under Section 79(1)(g) has to be in consonance with such regulation. This principle flows from various judgments of this Court which we have discussed hereinafter. For example, under Section 79(1)(g) the Central Commission is required to levy fees for the purpose of the 2003 Act. An order imposing regulatory fees could be passed even in the absence of a regulation under Section 178. If the levy is unreasonable, it could be the subject-matter of challenge before the appellate authority under Section 111 as the levy is imposed by an order/decision-making process. Making of a regulation under Section 178 is not a precondition to passing of an order levying a regulatory fee under Section 79(1)(g). However, if there is a regulation under Section 178 in that regard then the order levying fees under Section 79(1)(g) has to be in consonance with such regulation.

56. Similarly, while exercising the power to frame the terms and conditions for determination of tariff under Section 178, the Commission has to be guided by the factors specified in Section 61. It is open to the Central Commission to specify terms and conditions for determination of tariff even in the absence of the regulations under Section 178. However, if a regulation is made under Section 178, then, in that event, framing of terms and conditions for determination of tariff under Section 61 has to be in consonance with the regulations under Section 178.

57. One must keep in mind the dichotomy between the power to make a regulation under Section 178 on the one hand and the various enumerated areas in Section 79(1) in which the Central Commission is mandated to take such measures as it deems fit to fulfil the objects of

the 2003 Act. Applying this test to the present controversy, it becomes clear that one such area enumerated in Section 79(1) refers to fixation of trading margin. Making of a regulation in that regard is not a precondition to the Central Commission exercising its powers to fix a trading margin under Section 79(1)(j), however, if the Central Commission in an appropriate case, as is the case herein, makes a regulation fixing a cap on the trading margin under Section 178 then whatever measures the Central Commission takes under Section 79(1)(j) have to be in conformity with Section 178.”

Tamil Nadu Electricity Board (supra)

“11) In our opinion, the failure to adhere to the procedure for passing a tariff order is an error apparent and can be set aside in review. Secondly, as mentioned above, sufficient opportunity to represent its case was not given to the appellant. This has resulted in failure of justice to the extent the principal order dated 20th March, '06 has ignored all revenue implications for the appellant. The impugned order can therefore, be said to be suffering from apparent error. In any case, this lapse can be covered by a third ground for review namely ‘any other sufficient reason’. In the case of Board of Control For Cricket in India And Another Vs. Netaji Cricket Club And Others in case No. (2005) 4 SCC 741, the Supreme Court, inter alia, observed the following:

“90. Thus, a mistake on the part of the court which would include a mistake in the nature of the undertaking may also call for a review of the order. An application for review would also be maintainable if there exists sufficient reason therefor. What would constitute sufficient reason would depend on the facts and circumstances of the case. The words “sufficient reason” in Order 47 Rule 1 of the Code are wide enough to include a misconception of fact or law by a court or even an advocate. An application for review may be necessitated by way of invoking the doctrine “actus curiae neminem gravabit”.

12) In this judgment, the Supreme Court also said that justice is a virtue that transcends all barriers and rules or procedures or technicalities of law cannot stand in the way of administration of justice. The Supreme Court observed if the court finds that an error pointed out was such that an earlier judgment would not have been passed but for erroneous assumptions and that its perpetration would result in miscarriage of justice, it can be rectified by the court under its power of review.”

2.9 That the methodology being followed by this Hon'ble Commission (i.e., to allow the terminal benefit liability based on the projection made by the certified actuary for the period and thereafter by truing up the same on the basis of audited figure as determined by the certified actuary) is requested to be continued while adjudicating the future tariff petition. Accordingly, in terms of the MYT Regulation 2019, the carrying cost may be allowed on the difference of actual true-up.

2.10 That the following prayers have been made: -

- a) Review, reconsider, modify and/or clarify the orders dated 16.02.2024 in Case No. HERC/Petition -68 of 2023, in terms of the submissions made above;
- b) Declare that the Review Petitioner is entitled to seek carrying cost on the terminal benefits in terms of MYT Regulation 2019 and the said entitlement is not governed by this Hon'ble Commission's order dated 17.03.2019.

- c) Allow the carrying cost INR 10.86 million in term of MYT Regulation 2019;
- d) Methodology being followed by this Hon'ble Commission (i.e., to allow the terminal benefit liability based on the projection made by the certified actuary for the period and thereafter by truing up the same on the basis of audited figure as determined by the certified actuary) is requested to be continued while adjudicating the future tariff petition.
- e) Pass any such other order/s and/or direction/s, which the Hon'ble Commission may deem fit and proper in the facts and circumstances of the case.

Application for condonation of delay

HPPC has further filed an application seeking condonation of delay in filing the present review petition, submitting as under:-

- 2.11 That the present application is being preferred seeking condonation of delay in filing the captioned petition seeking review and modification of tariff order dated 16.02.2024 passed by this Hon'ble Commission in Case No. HERC/Petition-68 of 2023.
- 2.12 That there is a delay of 289 days in filling the present petition and the said delay is neither intentional nor deliberate. In this regard, attention is invited to the following facts:
 - a) On 16.02.2024, the Review Petitioner came to know regarding order 16.02.2024 passed by this Hon'ble Commission in Case No. HERC/Petition-68 of 2023 ("Original Order"). Thereafter, in house discussion were held and after due deliberation it was decided to file review of the Original Order.
 - b) Thereafter, the Counsel was appointed to prepare the petition seeking review of the Original Order. After perusal of documents and the Original Order, the Counsel prepared the first draft of the review petition and shared the same with the Review Petitioner with certain observation. Pursuant thereto, discussions were held between the concerned officials of the Respondent and its Counsel, wherein necessary clarifications were accorded. Thereafter, the review petition was finalized and shared with the Respondent for necessary approval. After obtaining necessary internal approvals on the final draft, approved copy of the petition was shared with the Counsel and thereafter the present review petition was filed.
- 2.13 That in light of the above-mentioned facts, this Hon'ble Commission may condone inadvertent delay of 289 days, which is neither intentional nor deliberate, in filling the present review petition, as the Review Petitioner has strong prima facie case, good chance to succeed.

Proceedings in the Case

- 3. The case was heard on 22.04.2025, in the courtroom of the Commission, wherein the petitioner mainly reiterated the contents of its written submissions, which for the sake of brevity has not been reproduced here. The petitioner was directed to file an affidavit providing

justification of each day of delay in filing the present review petition. The case was next heard on 14.05.2025. The Commission, vide its order dated 12.06.2025, while condoning the delay in filing the review petition, strongly deprecated the inefficiency and avoidable procedural delay caused by HVPNL. The petitioner was directed to initiate a time-bound departmental inquiry and fix responsibility on the officers who contributed to the procedural delay. The case was fixed for public hearing on 05.08.2025. During the hearing on 05.08.2025, Shri Raheel Kohli, the counsel for the petitioner submitted that enquiry report dated 08.07.2025, has already been filed in the Commission. As per the enquiry report, an advisory letter has been issued to the then Sr.AO/Pension (Retd.) and presently working staff in Office of Sr. AO/Pension for not taking the decision for filing the petition within stipulated period. The Commission expressed its displeasure with the casual approach of the petitioner especially when the issue involved is of such a significance which has forced HVPNL to file a review petition before this Commission. Further, the Commission took note of the Audit Report of Principal Accountant General, Haryana dated 03.07.2025, wherein it has been pointed out that pension liabilities are booked on higher side by manipulating number of employees, discounting factor etc. In view of the same, the petitioner was directed to complete the enquiry by taking concrete action against the guilty and conduct a detailed enquiry on the observations made by PAG, Haryana in its Audit Report. HVPNL was also directed to re-determine the actuarial liability booked for the FY 2022-23, in concurrence with its beneficiaries i.e. Haryana Discoms. The case was finally heard on 09.10.2025. Upon hearing the review petitioner, the Commission took note of regulation clause 81 of Haryana Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2019 (HERC MYT Regulations), which provides as under:-

“81.1 Nothing in these Regulations shall be deemed to limit or otherwise affect the inherent power of the Commission to make such orders as may be necessary for ends of justice or to protect consumers’ interest or to prevent the abuse of the process of the Commission.

81.2 Nothing contained in these Regulations shall limit or otherwise affect the inherent powers of the Commission from adopting a procedure, which is at variance with any of the provisions of these Regulations, if the Commission, in view of the special circumstances of the matter or class of matters and for reasons to be recorded in writing, deems it necessary or expedient to depart from the procedure specified in these Regulations.

81.3 Nothing in these Regulations shall, expressly or by implication, bar the Commission to deal with any matter or exercise any power under the Act for which no Regulations have been framed, and the Commission may deal with such matters, powers and functions in a manner it thinks fit.”

Therefore, regulations framed by this Commission empowers it to pass such orders which are in variance with the provisions of these regulations, in order to protect the interest of electricity consumers of the State and to meet the end of justice. In order to protect the interest of the electricity consumers of the State, who have to ultimately bear the cost of all the payments made in the entire value chain from generation to distribution of electricity, the Commission in its order dated 07.03.2019 had directed as under: -

“The Commission directs the licensee to seek prior approval of the Commission for contribution to the pension trust in excess of that proposed by it in the ARR in future in view of the fact that there is no legal hitch in deferring the payment to the trust funds as demonstrated by the proposal of the licensee for the FY 2016-17. The Commission further directs the Licensee to ensure that any payment approved by the Commission in its order towards terminal benefits is duly paid within time and before the close of the relevant financial year.”

Accordingly, HVPNL, the transmission licensee of this Commission, was directed to file the followings, within two weeks from the date of this order:-

- a) The enquiry report complete in all respects including the statement of the officers/officials held responsible by HVPNL, for delay in filing the present review petition.
- b) The status report on the observation made by PAG, Haryana in its Audit Report dated 03.07.2025, after submission of reply to it.
- c) Comments on the complaint filed by Mr. Joginder Malik Insaan, Rohtak, as sought, vide email dated 30.07.2025.
- d) The compliance report on the directions given by the Commission in its order dated 06.08.2025, with respect to the re-determination of actuarial liability booked for the FY 2022-23, in concurrence with its beneficiaries i.e. Haryana Discoms.
- e) The Compliance report on the directions given by the Commission in its order dated 07.03.2019.
- f) Additional true up amount, in respect of transmission cost for the FY 2022-23 as well as calculation of carrying cost claimed in the petition.

The order was reserved.

4. In compliance of the order of the Commission dated 15.10.2025, the review petitioner filed its affidavit dated 04.11.2025, submitting as under:-

Sr. No.	Points in Interim Order 15.10.2025	Reply of HVPNL
1	The enquiry report complete in all respects including the statement of the officers/officials held responsible by HVPNL, for delay in filing the present review petition.	<p>Pursuant to the directions of the Hon'ble Commission issued vide interim order dated 12.06.2025, an investigation was conducted by the Director (Projects), HVPNL. Based on the findings of the said investigation, advisory letters were issued to the concerned officers/officials.</p> <p>A compliance report in this regard was submitted to the Hon'ble Commission vide letter dated 22.08.2025 attached as “Annexure-A”.</p> <p>In the Annexure “A”, HVPNL has submitted as under:-</p> <ul style="list-style-type: none"> An enquiry has been conducted by Director/Project, HVPNL on the direction of Hon'ble Commission in its interim order dated 12.06.2025. In the

		<p>investigation it is found that the delay was neither intentional nor aimed at deriving any undue advantage. However, an advisory letter has been issued to concerned officers/staff. It is further stated that in future all the directions/instructions issued by the Hon'ble Commission will be complied within the prescribed timelines.</p> <ul style="list-style-type: none"> The reply of Provisional Comments issued by the Sr. AO O/o Principal Accountant General (Audit), Haryana dated 03.07.2025 has been sent to PAG (Audit), Haryana on 08.08.2025 duly approved by Worthy Managing Director, HVPNL and the same has also been got certified/verified from Statutory Auditor of HVPNL.
2	The status report on the observation made by PAG, Haryana in its Audit Report dated 03.07.2025, after submission of reply to it.	<p>The reply was submitted to the PAG (Audit), Haryana on 08.08.2025 through a consolidated response forwarded by the Sr. AO/EA&R, in compliance with the Provisional Comments issued by the Sr. AO, O/o Principal Accountant General (Audit), Haryana, dated 03.07.2025. A copy of the said reply dated 08.08.2025 submitted to the PAG (Audit), Haryana is enclosed as "Annexure-B".</p> <p>The response from the PAG (Audit) Wing regarding the settlement of the audit para is presently awaited.</p>
3	Comments on the complaint filed by Mr. Joginder Malik Insaan, Rohtak, as sought, vide email dated 30.07.2025.	<p>An e-mail dated 30.07.2025 was received regarding a complaint filed before the Hon'ble Commission. The facts stated in the said complaint were duly examined, and it was found that the allegations therein were baseless and devoid of merit. HVPNL has made the payment of pensionary benefits strictly in accordance with the instructions and orders issued by the Government of Haryana. All requisite approvals, verifications, and supporting documents were duly maintained by the concerned DDOs.</p> <p>The reply/comments on the aforesaid complaint were submitted to the Hon'ble Commission, with the approval of the Managing Director, HVPNL, vide letter dated 04.08.2025 and the same is enclosed as "Annexure-C".</p>
4	The compliance report on the directions given by the Commission in its order dated 06.08.2025, with respect to the re-determination of actuarial liability booked for the FY 2022-23, in concurrence with its beneficiaries i.e. Haryana Discoms.	<p>The reply regarding the re-determination of actuarial liability booked for FY 2022-23, in concurrence with its beneficiaries i.e., Haryana DISCOMs, was submitted to the Hon'ble HERC with the approval of the Managing Director, HVPNL, vide letter dated 01.10.2025 and the same is enclosed as "Annexure-D".</p> <p>Further, in the 32nd meeting of the State Advisory Committee, one of the agenda items pertained to the discussion on "Terminal Benefits" (FY 2022-23 and FY 2024-25) — the actuarial valuation examined by a third-party agency in concurrence with its beneficiaries i.e., DISCOMs, and the enquiry conducted by HVPNL on the observations of the PAG (Audit).</p> <p>The meeting was attended by the Managing Director, HVPNL, along with the Managing Director, UHBVN, and the Directors of DHBVN. During the meeting, it was apprised to the members that the valuation was carried out by an independent, qualified actuary based on established assumptions, recognized procedures, and the applicable accounting standards. It was further clarified that the third-party actuarial valuation is undertaken in compliance with the directives of the Hon'ble Commission. The actions taken by HVPNL pursuant to the PAG observations were also briefed to the members of the State Advisory Committee. HVPNL, therefore, requested the Committee to review and re-consider the true-up/interim orders dated 13.03.2025 and 06.08.2025 regarding the re-determination of actuarial liability booked for FY 2022-23 and FY 2023-24.</p> <p>As per established procedure, the Hon'ble HERC conducts a public hearing prior to issuing the tariff order (which also includes terminal liabilities) for the respective year, inviting comments and observations from stakeholders and</p>

		<p>the general public on the tariff petitions filed by the licensee. Representatives from DISCOMs are also present during these hearings. Notably, no objections have been raised on the aspect of terminal benefits.</p> <p>Furthermore, a Committee under the Chairmanship of the Independent Director, Sh. Alok Krishan, comprising the Director (Finance) of HVPNL and UHBVNL, has been constituted to reconcile the Employees' Pension Trusts of HVPNL and UHBVNL. The procedure followed by HVPNL with respect to actuarial valuation is being deliberated in these meetings, and the DISCOMs are fully aware of the actuarial valuations being carried out by the third-party agency.</p> <p>In the Annexure "D", HVPNL has submitted as under:-</p> <ol style="list-style-type: none"> 1. Valuation is done by certified actuary from Institute of Actuaries of India which is based on various assumptions and procedures/guidelines as well as compliance of the relevant accounting standards. It is pertinent to mention that the actuarial valuation has been audited by independent statutory auditor as well as AG Haryana in all the years and has been accepted by the Board of Directors and stake holders. 2. Regarding valuation the actuary was asked to reply to audit para who has clarified as under: As per para 83 of IN'D AS 19, the discount rate used to value the post employment benefit obligation (both funded & non-funded) should be determined by reference to market yields at the balance sheet date on government bonds. The currency and term of the government bonds should be consistent with the currency and estimated terms of the post-employment benefit obligation. For Gratuity and Leave Encashment, the term of the liability is approximately 10 years. Accordingly, we have referred to the Government of India bond yields for a 10-year tenure and considered a discount rate of 6.75% p.a. for these valuations, 3. For Pension and Other Post Retirement benefits, the term of the liability is approximately 16 years. Hence, we have referred to the government bond yield for a 16-year term and adopted a discount rate of 6.90% p.a. for these valuations. 4. To ensure a smooth yield curve and to avoid spurious accuracy, the bond yields have been rounded to the nearest 5 basis points. This is in line with standard actuarial practice and helps maintain consistency in financial reporting. 5. The reduction in the number of employees /Pensioners/Family Pensioners who are eligible for pension benefits from 18,386 in FY 2023-24 to 10,881 in FY 2024-25 is primarily due to the operationalization of a centralized pension disbursement system. Earlier mostly pensioners are drawing their pension /Family Pension through State Banks of India throughout India. A Centralized Pension Cell functions for the releasing/maintaining the record of Pensioners/Family pensioners to streamline and directly manage pension payments. As part of this transition, mostly Pension Payment Orders (PPOs) has been recalled from the banks, and mostly pension is now being disbursed by Drawing & Disbursing Offices to the actual eligible Pensioners. 6. Further, as per HERC MYT regulation dated. 22.10.2024 (clause note-3 of clause 47.3), terminal liability shall be approved as per the actual expenditure incurred by the transmission licensee or established through actuarial valuation for the ensuing year. Actuarial valuations are required by AS 15 and Ind AS 19, to recognize liability when an employee has provided service in exchange for employee benefits to be paid in future. As such, in compliance of Accounting standard actuarial valuation is being got done by HVPNL and the same is accepted by the HERC since
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		<p>inception. The yearly liability of Pensionary benefits is increasing due to impact of increase in pay/inflation. Despite decrease in numbers of pensioners (not employees which contribute higher portion of actuarial valuation, In actuarial valuation major portion of valuation pertains to existing/working employees rather than the number of pensioner/family pensioners.), the actuary has assessed additional liability of Rs. 181.61 Crore for FY 2024-25 and accordingly the amount claimed in tariff is correct as per actuarial valuation. The actuarial valuation is done on cumulative basis at the close of the year. As on 31.03.2025, the actuary has assessed that the assets size of the trust has a short fall of Rs.181.61 crore as per actuarial valuation.</p> <p>7. The Actuarial Valuation conducted during a specific FY does not exclusively pertain to that FY but rather encompasses the entire duration of the trust's existence, concluding at the end of the FY.</p> <p>8. Regarding Actuarial valuation, it is further intimated that the data of number of pensioners and Actuarial valuation since 2020-21 has been seen and it has been noticed that Actuarial valuation depends upon various factors and there is no direct dependence of number of pensioners on Actuarial valuation, The details since 2020-21 is as under:-</p> <table border="1"> <thead> <tr> <th>Year</th><th>Number of Pensioners</th><th>Valuation (Rs. in Crores)</th></tr> </thead> <tbody> <tr> <td>2020-21</td><td>15006</td><td>620.92</td></tr> <tr> <td>2021-22</td><td>17471</td><td>299.23</td></tr> <tr> <td>2022-23</td><td>17190</td><td>146.46</td></tr> <tr> <td>2023-24</td><td>17334</td><td>438.11</td></tr> <tr> <td>2024-25</td><td>9862</td><td>181.61</td></tr> </tbody> </table> <p>9. More over the data of last five years has been checked and it has been gathered that there is always a gap in the projections done in respect of MYT Control Period and Actual Actuarial Valuation Period which has been approved by the HERC from time to time. Concept of True Up is meant only for the purpose to True up the projected figures. The detail of initially approved and actual actuarial valuation approved by HERC, are as under:-</p> <table border="1"> <thead> <tr> <th>Year</th><th>Initially approved as Projection (Rs. in Crore)</th><th>Valuation (Rs. in Crores)</th></tr> </thead> <tbody> <tr> <td>2020-21</td><td>-2.09</td><td>620.92</td></tr> <tr> <td>2021-22</td><td>200.00</td><td>299.23</td></tr> <tr> <td>2022-23</td><td>344.39</td><td>146.46</td></tr> <tr> <td>2023-24</td><td>281.48</td><td>438.11</td></tr> <tr> <td>2024-25</td><td>195.78</td><td>181.61</td></tr> </tbody> </table> <p>The reply of Provisional Comments issued by the Sr.AO, O/o Principal Accountant General (Audit), Haryana dated 03.07.2025 has been sent to PAG (Audit), Haryana on 08.08.2025 and the same has also been got verified from Statutory Auditor and CAG Haryana.</p> <p>Furthermore, it is also submitted that 32nd State Advisory Committee meeting was held on dated 24.09.2025 in HERC under the chairmanship of Worthy Chairman of Hon'ble Commission wherein under agenda item no. (12), the above issues were discussed along with an earlier issue which was raised on the directives issued on tariff order dated 13.03.2025.</p> <p>The Managing Director, HVPNL deliberated the above agenda in detail and requested to review & re consider the interim order passed on dated 06.08.2025 regarding re-determination of actuarial liability booked for the FY 2022-23 on the basis above grounds.</p>	Year	Number of Pensioners	Valuation (Rs. in Crores)	2020-21	15006	620.92	2021-22	17471	299.23	2022-23	17190	146.46	2023-24	17334	438.11	2024-25	9862	181.61	Year	Initially approved as Projection (Rs. in Crore)	Valuation (Rs. in Crores)	2020-21	-2.09	620.92	2021-22	200.00	299.23	2022-23	344.39	146.46	2023-24	281.48	438.11	2024-25	195.78	181.61
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5	The Compliance report on the directions given by the Commission in its order dated 07.03.2019.	A letter was sent to the Hon'ble Commission vide Memo No. Ch-129/SE/RAU/F-162/Vol-II dated 27.08.2019, furnishing the status/action taken report on the directives issued by the Hon'ble HERC in its Tariff Order dated 07.03.2019, as well as in Case No. HERC/PRO-60 of 2018. The said																																				

		communication also contained HVPNL's report/reply on the directives given by the Commission in its Review Order dated 28.05.2019 in Case No. HERC/RA-11 of 2019, pertaining to the carrying cost on true-up for FY 2017-18 and the same is enclosed as "Annexure-E".																		
6	Additional true up amount, in respect of transmission cost for the FY 2022-23 as well as calculation of carrying cost claimed in the petition.	<p>As per Hon'ble HERC Tariff order 16.02.2024 no carrying cost is recovered/disallowed on the true up amount. The calculation of carrying cost claimed in the petition is as under:</p> <table border="1"> <thead> <tr> <th>Sr.no.</th><th>Description</th><th>Amount (Rs. In Million)</th></tr> </thead> <tbody> <tr> <td>1</td><td>Terminal benefits approved by HERC vide Tariff order 16.02.2024</td><td>3571.66</td></tr> <tr> <td>2</td><td>Proposed true up of terminal liabilities for FY 2022-23</td><td>3443.90</td></tr> <tr> <td>3</td><td>Actual gap surplus /deficit (1-2)</td><td>127.77</td></tr> <tr> <td>4</td><td>SBI MCLR + Maximum of 150 of basis points</td><td>8.5%</td></tr> <tr> <td>5</td><td>Amount of carrying cost (3*4)</td><td>10.86</td></tr> </tbody> </table>	Sr.no.	Description	Amount (Rs. In Million)	1	Terminal benefits approved by HERC vide Tariff order 16.02.2024	3571.66	2	Proposed true up of terminal liabilities for FY 2022-23	3443.90	3	Actual gap surplus /deficit (1-2)	127.77	4	SBI MCLR + Maximum of 150 of basis points	8.5%	5	Amount of carrying cost (3*4)	10.86
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5. HVPNL has also submitted a letter no. Ch-58/Xen/RAU/F-179 dated 13.11.2025, informing that PAG (Audit), Haryana, has admitted its submissions on the reduction in Pensioners data from 18366 (FY 2023-24) to 10881 (FY 2024-25) and has only stated that the case merits for suitable disclosure under "Notes to Accounts".

Commission's Analysis and Order

6. The Commission heard the arguments of the review petitioner at length as well as perused the petition filed by them seeking review of the orders issued by this Commission dated 16.02.2024 (HERC/Petition - 68 of 2023) to the extent of claim over the carrying cost amounting to Rs. 10.86 millions, on the additional terminal benefits allowed under true-up for the FY 2022-23, in line with MYT Regulation 2019.
7. In this regard, the Commission has also examined the following details submitted by HVPNL, vide memo no. Ch-10/XEN/RAU/F-179 dated 16.04.2025:-

Fund balance of HVPNL Employee Pension Trust

Name of trust	Fund Balance (in crore)	
	As on 31.03.2024	As on 31.03.2025 (Provisional)
HVPNL Employees Pension Fund Trust	12250.29	12733 (approx.)

Annual Return (%age) as provided by M/s Darashaw & Co. Pvt. Ltd., (Investment advisor of Trust)

Name of trust	Annual Return in %age			
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
HVPNL Employees Pension Fund Trust				
Return	8.40%	8.30%	8.28%	8.32% (up to December, 2024-Approx)

HVPNL has further submitted that the following amounts of terminal liabilities have been paid by the different DDO's of HVPNL on behalf of HVPNL Employees Pension Fund Trust:-

Sr no.	Year	Amount (in Crore)
1	2021-22	387.42
2	2022-23	374.27
3	2023-24	378.74

4	2024-25	422.85 (approx. and inclusive of Discoms)
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8. The Commission has further observed that HVPNL in its reply dated 04.11.2025, has submitted that the actuarial valuation of terminal liabilities for the FY 2024-25 is Rs. 181.61 crore. Ideally, the fund value of around Rs. 12000 crore considering the annual return of around 8.32% p.a., as per the data provided by HVPNL, should be sufficient to cover the annual terminal liability.
9. Regulation clause 81 of Haryana Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2019 (HERC MYT Regulations), reproduced in the preceding paras of this order, empowers this Commission to pass such orders which are in variance with the provisions of these regulations, in order to protect the interest of electricity consumers of the State and to meet the end of justice. Therefore, in exercise of power conferred under Regulation clause 81 of HERC MYT Regulations, to ensure that the interest of the electricity consumers of the State are protected, who have to ultimately bear the cost of all the payments made in the entire value chain from generation to distribution of electricity, the Commission in its order dated 07.03.2019 had directed as under: -
“The Commission directs the licensee to seek prior approval of the Commission for contribution to the pension trust in excess of that proposed by it in the ARR in future in view of the fact that there is no legal hitch in deferring the payment to the trust funds as demonstrated by the proposal of the licensee for the FY 2016-17. The Commission further directs the Licensee to ensure that any payment approved by the Commission in its order towards terminal benefits is duly paid within time and before the close of the relevant financial year.”
However, HVPNL has not submitted compliance report of the ibid directions of the Commission reproduced in the impugned order dated 16.02.2024, in respect of the FY 2022-23.
10. Having observed as above, the Commission has examined the submissions of HVPNL w.r.t. the calculation of carrying cost claimed in the present review petition. HVPNL has claimed carrying cost in respect of additional terminal liability approved during true-up exercise for the FY 2022-23; whereas the total true-up amount for the FY 2022-23 was required to be considered in the calculation of carrying cost. Taking the same into consideration, HVPNL, in its original petition no. 68 of 2023, had itself not sought any carrying cost. HVPNL, in its ibid petition, had proposed a surplus of Rs. 237.17 Millions, as true-up for the FY 2022-23. As against the same, the Commission had approved at a surplus of Rs. 903.55 Millions. Therefore, carrying cost, if any, was required to be recovered from HVPNL and not allowed to them.

11. In terms of the above findings, the Commission decides that there is no error apparent on record of the impugned order, warranting this Commission to exercise its review jurisdiction. Accordingly, the review petition preferred by the HVPNL against the Commission's impugned Order dated 16.02.2024 (Petition No. 68 of 2023) is disposed of being devoid of merits.

This order is signed, dated and issued by the Haryana Electricity Regulatory Commission on 09.12.2025.

Date: 09.12.2025
Place: Panchkula

Sd/-
(Shiv Kumar)
Member

Sd/-
(Mukesh Garg)
Member

Sd/-
(Nand Lal Sharma)
Chairman