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कार्यालय
Office of the
प्रबन्ध निदेशक
MANAGING DIRECTOR
पश्चिमांचल विद्युत वितरण निगम लि०
Pashchimanchal Vidyut Vitran Nigam Ltd
ऊर्जा भवन, विक्टोरिया पार्क, मेरठ
Urja Bhawan, Victoria Park, MEERUT—250001

Letter No : 9206 /MD/PVVNL/MRT/COMM/

DATED 23 FEB 2023

To,
The Secretary,
Uttar Pradesh Electricity Regulatory Commission,
Vibhuti Khand, Gomti Nagar,
Lucknow-226010

SUB : 2nd Information Requirement/Discrepancies/Data Gaps in the petition no. 1947 of 2023 dated 9th January, 2023 of True-Up (FY 2021-22), Annual performance Review (FY 2022-23), Aggregate Revenue Requirement (FY 2023-24).

Ref : UPERC Email dated 13.02.2023


Dear Sir,

This is with reference to your above-mentioned letter directing submission of replies to 2nd Information Requirement/Discrepancies/Data Gaps in the Petition No. 1947 of 2023 dated 09th January, 2023 of True-Up (FY 2021-22), Annual Performance Review (FY 2022-23), Aggregate Revenue Requirement (FY 2023-24) of PVVNL.

The Licensee hereby submits the point-wise replies to the queries/information required by the Hon'ble Commission along with all the Annexures, wherever required. Some Annexures are very heavy and required huge quantum of papers for print outs. As such the same are up-loaded in soft copies.

Enclosure as above. [06 (1+ 5 copies) + 1- CD (soft copies)]

Yours Sincerely,


S.K. Purwar
Director (Comm.)

CC: 1. Managing Director, UPPCL.
2. CE, RAU, UPPCL.

**Reply to 2nd Information Requirement / Discrepancies/ Data Gaps in the
Petition Nos. 1947 - 2023
Dated:-February 13, 2023**

of

True-Up (FY 2021-22), Annual Performance Review (FY 2022-23), Aggregate Revenue Requirement (FY 2023-24)

of

PVVNL (1947 of 2023)

1. The Petitioners to provide justification why there is an abnormal trend in Billing Determinants for FY 2021-22 vis-à-vis FY 2020-21 in the following consumer categories:
- LMV-1 category (Life Line Consumers (both Rural and Urban) (up to 100 kWh/month), Dom: Rural Schedule (unmetered), Dom: Rural Schedule (metered) other than BPL, Dom: Supply at Single Point for Bulk Load)
 - LMV-3: Public Lamp (Unmetered – Gram Panchayat and Metered)
 - LMV-5: Private Tube Wells/ Pumping Sets (PTW: Rural Schedule unmetered and metered)

Response:

- LMV-1 category (Life Line Consumers (both Rural and Urban) (up to 100 kWh/month), Dom: Rural Schedule (unmetered), Dom: Rural Schedule (metered) other than BPL, Dom: Supply at Single Point for Bulk Load)

For Lifeline consumers

It is submitted that under the Saubhagya Yojana, the Petitioner has added substantial number of Lifeline consumers at LT network. These consumers were small consumers which were qualified under tariff sub-category “Lifeline consumers”. These consumers which are flagged under different LMV-1 sub-categories were reclassified during the financial year FY 2021-22 and same was submitted before the Commission along with last submission with detailed justification. The consumers having 1 kW load and consumption upto 100 units are covered in Life line category and any change in this criteria will result in change of sub category / slab of such consumers. This is a dynamic situation which may keep on changing on monthly basis.

It is further submitted that the abnormality observed by the Commission in data for FY 2021-22 viz-a-viz FY 2020-21 under this category is mainly due to dynamic nature of all consumers 1kW load and consumption upto 100 units under lifeline category.

- LMV-3: Public Lamp (Unmetered – Gram Panchayat and Metered)

It is submitted that the abnormal trend under unmetered gram panchayat and metered gram panchayat as observed by the Hon’ble Commission is due to the migration of unmetered connection to metered connection. It is further submitted that the Petitioner has taken various initiatives for the sanitization of street lighting connections under LMV-3 along with local urban bodies. Street light connection points are re-verified and updated in the database. Further, the increase in LMV-3 consumers is being recorded in some discoms due to electrification of new/rural areas.

- LMV-5: Private Tube Wells/ Pumping Sets (PTW: Rural Schedule unmetered and metered)

It is submitted that as per the directions of the Hon'ble Commission, Discoms prefers to release new LMV-5 connections under metering arrangement. Therefore, some increase in metered LMV-5 consumers is observed.

2. DVVNL to explain, whether the distribution losses claimed for FY 2021-22 are inclusive of distribution losses of distribution franchisee (Torrent Agra). If yes, then why not the energy sold to consumer instead of energy sold to distribution franchisee shall be considered in claimed energy sales for FY 2021-22.

Response:

The petitioner humbly submits that this query does not pertain to PVVNL.

3. The total investment during the year is not consistent with the Audited Accounts of FY 2021-22. Petitioners shall submit the reconciliation of investment during the year with the Audited Accounts for FY 2021-22.

Response:

| CWIP Addition during FY 2021-22 (in Cr) | Investment as provided by Discoms (in Cr) |
|--|--|
| 1913.49 | 1913.49 |

It is submitted that for FY 2021-22, the Petitioner has claimed capitalization as per the book of accounts and same has been considered as addition to GFA and the closing GFA for FY 2021-22 is considered as opening GFA for FY 2022-23.

4. KESCO to provide justification why energy sold at 132 kV system (shown in Table 2.4 of Petition: "ACTUAL DISCOM LOSSES IN LT&HT SYSTEM FOR CONTROL PERIOD FY 2021-22") is more than the energy received in such network.

Response:

The petitioner humbly submits that this query does not pertain to PVVNL.

5. The calculation of Interest on Loans (Opening / Closing, Interest paid and Interest Rate) as submitted in Form F31 along with the Petition is not matching with the details given in Note 12 (for DVVNL, MVVNL, PVVNL and PuVVNL) and Note 13 (for KESCO) of the Audited Accounts for FY 2021-22. The Petitioners shall submit the reconciliation of the Interest Rate claimed and Interest Rate derived from the Audited Accounts along with the basis for such claim.

Response:

The petitioner humbly submits that as per the Form F-31 the total amount of paid interest is Rs.1448.53 Cr. This amount represents the actual payment of interest for long term loans FY2021-22. As per the Note 21 of the audited book of accounts for FY 2021-22 the total interest accrued on long term loans is Rs. 1447.74 Cr. Now, difference of Rs. 0.79 Cr. is due to adjustment of opening and closing provision for interest on long term loan. This difference amount is the part of the interest accrued and due on borrowings which comes under Note 16 of audited book of accounts.

The petitioner also submits that the opening balance and closing balance of the loan mentioned in Form F-31 is fully matched and tallied along with Note 12 and Note 14 of the audited books of accounts considered together.

The Hon'ble Commission is requested to kindly consider revised F-31 as submitted under Annexure-I.

6. Petitioners to provide justification why depreciation / amortization on the assets created from consumer contribution / grant / subsidy is less than the past year amount given in the Audited Accounts of FY 2020-21 despite increase in the assets base created from contribution / grant / subsidy.

Response:

The petitioner humbly submits that the as per the audited accounts for FY 2021-22, Note 11 represents the capital reserve. This consists of two heads and they are "Consumer Contributions towards Service Line & other charges" and "Subsidies towards Cost of Capital Assets" respectively.

Amortisation of Consumer Contribution towards service Line for the FY 2020-21 and FY 2021-22 are Rs. 155.26 Cr. and Rs. 170.16 Cr. respectively. This indicates an increasing trend of amortisation in FY 2021-22 from the previous year.

Amortisation of Subsidies towards Cost of Capital assets for the FY 2020-21 and FY 2021-22 are Rs. 52.17 Cr. and Rs. 5.64 Cr. respectively. This indicates a decreasing trend in FY 2021-22 from the previous year. This is due to the fact that an adjustment entry of Rs. (1057.13)Cr. was made in the FY 2020-21 regarding "AatmaNirbhar Bharat Scheme".

7. It is observed in Audited Accounts that PVVNL has purchased additional power of Rs. 0.44 Cr. from Uttar Haryana BijliVitrان Nigam Limited and PuVVNL has purchased power of Rs. 7.95 Cr. from generators. Petitioners to provide justification whether power purchased from such sources has been approved by the Commission.

Response:

PVVNL has been purchasing power from UHBVNL since FY 2016-17 as per the agreement between the parties on 04.04.2016 for a quantum of 600 kW for providing power supply to the village to the village Dhikka-Tapri which comes under sub-division Sarsawa in the district of Saharanpur, UP. Later in FY 2017-18, the quantum of the power was reduced to 200 kW. The agreement between the parties & letter are attached at Annexure-II & Annexure-III respectively for kind consideration of the Hon'ble Commission.

8. Numbers of smart meters installed by the Petitioners till March 2022 is not consistent with the total number of smart meters installed till March 2021 (submitted by the Petitioners in last ARR/ Tariff filing). Reason for deviation in total number of smart meters installed till March 2022 vis-à-vis March 2021 shall be provided.

Response:

It is submitted that the smart meter installed ending Mar-22 is as under: -

| Discom | Installed till March 2022 |
|---------------|----------------------------------|
| PVVNL | 1,98,726 |

Further, it is submitted that no progress is recorded during Mar-21 and Mar-22.

9. It is observed that Indexation factors applied on the trued up value of FY 2019-20 (as claimed by the Petitioners in Petition) is not appropriate which is resulting inappropriate calculation of R&M and A&G expenses for FY 2020-21 and subsequently for ensuing years as well. The Petitioners (except DVVNL) shall provide detailed calculation for arriving R&M and A&G expenses for FY 2021-22 and for ensuing year as well, in the format given below.

| Particulars | FY 2019-20 | | FY 2020-21 | | FY 2021-22 | | FY 2022-23 | | FY 2023-24 | |
|--------------|------------|-------|------------|-------|------------|-------|------------|-------|------------|-------|
| | Amount | Index | Amount | Index | Amount | Index | Amount | Index | Amount | Index |
| R&M Expenses | | | | | | | | | | |
| A&G Expenses | | | | | | | | | | |

Response:

| Particulars | FY 2019-20 | | FY 2020-21 | | FY 2021-22 | | FY 2022-23 | | FY 2023-24 | |
|--------------|------------|-------|------------|-------|------------|-------|------------|-------|------------|-------|
| | Amount | Index | Amount | Index | Amount | Index | Amount | Index | Amount | Index |
| R&M Expenses | 592.19 | | 606.50 | 2.42% | 621.16 | 2.42% | 654.21 | 5.32% | 707.54 | 8.15% |
| A&G Expenses | 163.97 | | 167.93 | 2.42% | 171.99 | 2.42% | 181.14 | 5.32% | 195.91 | 8.15% |

Note- The above representation does not have impact on amount claimed under respective item of expenses.

10. The DBST rate considered by the Petitioner for calculation of power purchase cost for FY 2022-23 in Table 3-7 is not consistent with the rate given in the Table 3-6 of the Petition. Petitioners (except MVVNL) shall provide justification for such abnormality.

Response:

It is submitted that table 3.6 as submitted under MVVNL Petition is correct and also represents DBST for all the Discoms. For the computation of power purchase cost, Discoms have considered DBST as mentioned in the Table 3.7. which is same as under table 3.6 of MVVNL Petition. The same is reproduced herein for kind consideration of Hon'ble Commission.

| S.No. | Particulars | Formulae | DVVNL | PVVNL | PuVVNL | MVVNL | KESCO | Total |
|----------|--|------------|-----------|-----------|-----------|-----------|----------|-------------|
| 1 | Revenue from Tariff including subsidy (Rs Cr) | A | 12,045.33 | 21,617.17 | 15,473.52 | 13,875.90 | 3,161.67 | 66,173.58 |
| 2 | Energy Sales (MU) | B | 21,304.05 | 33,430.07 | 26,048.94 | 22,844.07 | 3,979.14 | 1,07,606.27 |
| 3 | Power Procurement Cost | | | | | | | |
| A1 | Power Procurement Cost – Allocated and Unallocated PPAs (Rs Cr) | | | | | | | 61,314.54 |
| A2 | Inter State Transmission Charges (Rs Cr) | | | | | | | 3366.84 |
| A1+A2 | Total Power Procurement Cost excluding intra state Transmission Charges (In Rs Cr) | C | | | | | | 64681.38 |
| 4 | Power Procurement cost of Allocated PPAs (Rs Cr) | D | 2464.20 | 4710.68 | 2583.82 | 2583.82 | 179.18 | 12,521.71 |
| 5 | Total Power Required at Discom Periphery (MU) | E | 26,646.71 | 39,418.45 | 31,605.32 | 27,593.34 | 4,349.96 | 1,29,613.78 |
| 6 | Power at Discom Periphery from allocated PPAs (MU) | F | 5903.25 | 11963.56 | 6014.55 | 6014.55 | 461.88 | 30,357.79 |
| 7 | Other Cost (Intra State Transmission, O&M, Interest, Dep etc.) (Rs. Cr.) | G | 3,756.55 | 4,201.56 | 4,456.31 | 3,998.11 | 611.07 | 17,023.60 |
| 8 | ABR (Rs/ Unit) | H=(A/B)*10 | 5.65 | 6.47 | 5.94 | 6.07 | 7.95 | 6.15 |

| S.No. | Particulars | Formulae | DVVNL | PVVNL | PuVVNL | MVVNL | KESCO | Total |
|-------|--|--|-----------|-----------|-----------|-----------|----------|-----------|
| 9 | Other Cost (Rs/Unit of Sale) | $I=G*10/B$ | 1.76 | 1.26 | 1.71 | 1.75 | 1.54 | 1.58 |
| 10 | Power Purchase Rate | | | | | | | |
| A | Allocated PPAs per unit of sale (Rs/unit) | $J=D*10/B$ | 1.16 | 1.41 | 0.9919 | 1.13 | 0.45 | 1.16 |
| B | Unallocated PPAs per unit of sale | $K=(C-\text{Total PP at "D"})*10/\text{Total Sale at "B"}$ | 4.85 | | | | | |
| 11 | Revenue available for unallocated PPAs (Rs./unit of sale) | $L=H-I-J$ | 2.73 | 3.80 | 3.24 | 3.19 | 5.96 | 3.40 |
| 12 | Power Purchase Allocation (per unit of sale) "K" in the ratio of available Revenue "L" | M | 3.89 | 5.41 | 4.610 | 4.55 | 8.49 | 4.85 |
| 13 | Total Power Purchase cost per unit of sale including allocated PPAs | $N=J+M$ | 5.05 | 6.82 | 5.602 | 5.68 | 8.94 | 6.01 |
| 14 | Total Power Purchase Cost (RsCrS) | $O=N*B/10$ | 10,758.56 | 22,802.84 | 14,593.19 | 12,970.64 | 3,556.15 | 64,681.38 |
| | DBST (Rs/Unit) | | | | | | | |
| 15 | DBST Computation of Allocated PPAs | $P= D/FX10$ | 4.17 | 3.94 | 4.30 | 4.30 | 3.88 | 4.12 |
| 16 | DBST Computation of Unallocated PPAs | $Q=M*B/(E-F)$ | 4.00 | 6.59 | 4.69 | 4.81 | 8.69 | 5.26 |
| 17 | DBST of total PPAs | $R=O*10/E$ | 4.04 | 5.78 | 4.62 | 4.70 | 8.18 | 4.99 |

Note- The above representation does not have impact on cost of power purchase claimed under table 3.7.