



Letter No. **2582** MD/PVVNL/MRT./COMM./ARR

Dated : **30 JUN 2022**

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

Subject:- 8th Information Requirement/Discrepancies/Data Gaps in the Petition No. 1833 of 2022 dated 8 March, 2022 of True-Up (FY 2020-21), Annual Performance Review (FY 2021-22), Aggregate Revenue Requirement (FY 2022-23).

Ref: UPERC e-mail dated 13.06.2022

Dear Sir,

This is with reference to your above-mentioned e-mail directing submission of replies to 8th Information Requirement/Discrepancies/Data Gaps in the Petition No. 1833 of 2022 dated 8 March, 2021 of True-Up (FY 2020-21), Annual Performance Review (FY 2021-22) and Aggregate Revenue Requirement (FY 2022-23).

The Petitioner hereby submits the point-wise replies to the queries/information required by the Hon'ble Commission along with the Annexures, wherever required.

Enclosure: As above {06(1+5 copies)}

Yours Sincerely


(I.P Singh)

Director (Commercial)

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1. Managing Director, Paschimanchal Vidyut Vitran Nigam Limited, Meerut.
2. Chief Engineer (RAU), Uttar Pradesh Power Corporation Ltd., Lucknow.

Reply to 8th Information Requirement / Discrepancies/ Data Gaps in the
Petition No. 1837/1835/1833/1834/1836 - 2022 dated 13th June, 2022

of

True-Up (FY 2020-21), Annual Performance Review (FY 2021-22),
Aggregate Revenue Requirement (FY 2022-23)

of

DVVNL/MVVNL/PVVNL/PuVVNL/KESCO respectively.


The response to the deficiencies are as below:

1. The Petitioners in the reply to TVS MoM dated April 18, 2022 submitted Hydro Purchased Obligation (HPO) as 266.64 MUs, 364.95 MUs and 2443.93 MUs for FY 2020-21, FY 2021-22 and FY 2022-23 respectively. In this regard the Petitioners should confirm HPO claims are in line the UPERC (Promotion of Green Energy through Renewable Purchase Obligation) First Amendment) Regulations, 2019 and the Petitioners to provide the name of Hydro Generating Station from which such Hydro Power has been purchased and confirm these Hydro Generating Stations have been commissioned after March 08, 2019. Also, the Petitioners to provide RPO computation in MS-Excel format with proper linkage and formulae.

Response: -

In this regards, it is humbly submitted that the claims made under the HPO are in line with the UPERC (Promotion of Green Energy through Renewable Purchase Obligation) First Amendment) Regulations, 2019. The following hydro power plants have been considered for meeting the HPO: -

Name of Generating Stations	Expected/Actual Date of Commissioning	FY 20-21	FY 21-22	FY 22-23
PARBATI-II	Mar-22	-	55.35	651.65
SUBANSIRI LOWER (Unit-I)	Aug-22	-	-	126.54
Kameng HEP (Unit-I/II/III/IV) and NHPC bilateral	June 20/July20/ Jan-21/Feb-21	266.64	244.92	216.40
Hydro (Competitive Bidding)		-	64.68	1,449.33


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Name of Generating Stations	Expected/Actual Date of Commissioning	FY 20-21	FY 21-22	FY 22-23
*Teesta Urja Limited	Feb-17			
GMR Bajoli	Mar-22			
Tidong Power	Jan-22			
Total		266.64	364.95	2,443.93

* Plant Commissioned in Feb-17, UPPCL has executed PPA for untied capacity.

The excel linked file with all the formulas is mentioned in the Power Purchase Model which is enclosed at **Annexure-I**.

- The Petitioners have mentioned in their Petitions as well as in the reply of Data Gaps that they have claimed GFA addition during the year (Transferred to GFA) for FY 2021-22 and FY 2022-23 as net of consumer contribution and grants. The Petitioners to provide consumer contribution addition during the year separately in the following formats.

Sr. No.	Particulars	FY 2021-22	FY 2022-23
1	Addition during the year (excluding Consumer Contribution & Grants)		
2	Consumer Contribution		
3	Grant		
4	Total Capitalisation (1+2+3)		

Response:

It is submitted that the Petitioner for RDSS scheme has claimed GFA addition during the year (Transferred to GFA) for FY 2021-22 and FY 2022-23 as net of consumer contribution and grants.

Further, the Petitioner has considered a normative debt: equity ratio of 70:30. Considering this approach, 70% of the capitalisation (excluding consumer contribution and grants) undertaken in FY 2022-23 has been considered to be financed through loan and balance 30% has been considered to be financed through equity contributions.

The portion of capital expenditure financed through consumer contribution, capital subsidies and grants has been separated as the depreciation and interest thereon would not be charged to the beneficiaries.

The details as per the desired format is as under:


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PVVNL	FY 2021-22	FY2022-23
Opening CWIP	396.57	527.54
Capex During the year (Net of Grant)	482.65	1,769.02
Total	879.23	2,296.55
Capitalization 40%(Investment)	351.69	918.62
Employee Cost Capitalised	293.62	310.15
Interest Expenses Capitalised	75.73	73.65
Total	721.04	1,302.43
Total Grant		1,203.49
Grant Capitalisation (40%)		481.39
Total Capitalisation	721.04	1,783.82
Claimed in ARR	721.04	1,302.43

#representation of Grant (capitalization) in the above tables is shown to comply the Hon'ble Commissions' format same is not the true reflection of Petitioner submission.

No consumer contribution is considered for projection of FY 2021-22 and FY 2022-23

It is further submitted that the Petitioner has claimed the capitalization net-off consumer contribution and grant and it is prayed to the Hon'ble Commission that the treatment of the same may be considered as detailed in Petition. The above details are provided to comply the direction of Hon'ble Commission under data gap query-8.

3. In the reply of the Data Gaps dated April 11, 2022, the Petitioners have submitted that Rs. 342.68 Crore has been passed on to the end consumers. In this regard the Petitioners to clarify what treatment has been done in the financial statements in this regard. Provide the information separately for the rebate received and passing this benefits to consumers.

Response:

In this reference, it is submitted that a rebate of Rs. 338.21 crore was availed by UPPCL from various PSUs. Further, the rebate of Rs. 342.68 crores have been passed on to the end consumers of the Discoms in their electricity bills as per the details provided under the response to the **Data gap- 1**. This rebate was provided to the consumers directly into


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their electricity bills of the beneficiaries; thereby reducing the revenue assessed for the applicable consumers. Moreover, in this context, it is respectfully submitted that no separate treatment in this regard is captured in the financial statement of the licenses. The sample bills wherein this rate to the consumer is mentioned are attached as **Annexure - II** for the reference of the Hon'ble Commission.

4. The Petitioners to provide actual sales (Category Wise and Slab Wise) for two months (April, 2022 and May, 2022) of FY 2022-23.

Response:

In this regards it is submitted that the Category wise and slab wise actual sales data for April 2022 and May 2022 is under compilation phase.

5. In the reply of data gaps dated June 02, 2022, the Petitioners have submitted computation of Cross Subsidy Surcharge (CSS). In this regard, the Petitioners to provide detailed computation in Ms-Excel format with proper linkage and formulae.

Response:

The detailed computation is attached at **Annexure- III**

6. In the reply of data gaps dated April 29, 2022, the Petitioners have submitted revised ARR Table, the Commission has observed several discrepancies in revised submission i.e., difference power purchase cost, O&M expenses of PuVVNL, interest and finance charges and transmission charges and Bad and Doubtful debt. The Petitioners are required to submit revised ARR Table in Ms-Excel format with proper linkage, formulae and justification for variation components of ARR.

Response: -

Matter was discussed with the officers of the Hon'ble Commission at the o/o Director Tariff, UPERC on dated 22.06.2022. All relevant document was submitted in this context. Same is again attached as **Annexure- IV**


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