



कार्यालय
प्रबन्ध निदेशक
OFFICE OF THE
MANAGING DIRECTOR
पश्चिमांचल विद्युत वितरण निगम लि०
PASCHIMANCHAL VIDYUT VITRAN NIGAM LTD.
विक्टोरिया पार्क, मेरठ

CIN-U31200UP2003SGC027458

No. 1885 MD/PVVNL/MRT/COM/ARR

Dated:- 3 JUN 2022

To,

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

Subject:- 4th 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 16.05.2022

Dear Sir,

This is with reference to your above-mentioned e-mail directing submission of replies to 4th 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 alongwith the Annexures, wherever required.

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

Yours Sincerely

(I.P. Singh)

Director (Commercial)

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

Reply to 4th Information Requirement / Discrepancies/ Data Gaps in the
Petition No. 1833 - 2022 dated 15th May, 2022

of

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

of

PVVNL

The response to the deficiencies are as below:

1. The Petitioners in the Petition have claimed the distribution losses for above 132 kV and 11kV as 0.28% and 17.32% respectively for the calculation of Cross-Subsidy Surcharge (CSS) for FY 2022-23, which is higher than the distribution loss of 0.00% and 7.75% for above 132 kV and 11 kV lines respectively, approved by the Commission in the previous Tariff Order for FY 2021-22. The Petitioners to submit the justification and basis for the claim of higher distribution losses. Further, the Petitioners to also provide details of distribution losses at 33 kV, above 33 kV (66 kV & 132 kV), justification and basis for the claim of higher distribution losses.

Response:

It is humbly submitted that the Distribution Loss of 17.32% for FY 2022-23 is the weighted average distribution loss at 11kV & below Voltage Level. Further, 132kV loss as recorded for FY 2020-21 was 0.28% and the same was considered for the projection for FY 2022-23. The Distribution losses for 33kV and above as estimated for FY 2022-23 is as under: -

Discom	Sales at 220 kV	Loss (at 220 kV)	Sales at 132 kV	Loss (at 132 kV)	Sales at 33 kV	Loss at 33kV	Sales at 11 kV & LT	Loss (at 11 kV & LT)
DVVNL	359.79	0.00%	78.90	0.11%	1440.34	0.56%	18587.12	21.57%
MVVNL	9.87	0.00%	87.10	0.00%	585.69	0.33%	20104.71	16.28%
PVVNL	152.59	0.08%	478.99	0.51%	3255.77	0.38%	26709.08	15.95%
PuVVNL	0.00	0.00%	103.00	0.00%	1093.25	0.58%	23309.36	16.72%
KESCO	0.00	0.00%	156.00	0.00%	154.64	0.92%	488.93	1.91%
	Average Loss	0.02%	Average Loss	0.13%	Average Loss	0.55%	Average Loss	14.49%
	Wt. Average Loss	0.02%	Wt. Average Loss	0.28%	Wt. Average Loss	0.46%	Wt. Average Loss	17.32%

Accordingly, the computation of CSS is as under: -

नि० (वि०)
प०वि०वि०नि०लि०, मेरठ

Cross Subsidy Surcharge For FY 2022-23																
S. No.	Categories	Revenue (Rs. Crore)	Sales (MU)	Average Billing Rate (T)* (Rs./kWh)	Wt. Avg. Pur. Cost (C)** (Rs./kWh)	Aggregate of Trasn., Dist. & Wh. Charges applicable to the relevant voltage level (Rs./kWh)				System Loss (% to the relevant voltage level)			Carrying Cost of Regulatory Assets (Rs./kWh) (R)	S-T-C/(L- L/100)+D+R]	S*** (Rs./kWh)	
						Transmission Charge		Wheeling Charge	Distribution Charge	Aggregate of Trasn., Dist. & Wh. Charges applicable to the relevant voltage level (D)	PGCIL	UPPTCL				Dist. Loss
Inter- State Trns. Charges		Intra- State Trns. Charges														
1	HV-1 (Supply at 11 kV)	3077.55	3131.95	9.83	4.59	0.412	0.242	0.435	1.033	2.12	1.27%	3.27%	17.32%	0.00	1.89	1.89
2	HV-1 (Supply above 11 kV)	442.17	290.52	15.22	4.59	0.412	0.242	0.435	0.646	1.73	1.27%	3.27%	0.46%	0.00	8.66	3.04
3	HV-2 (Supply upto 11 kV)	7667.83	7810.77	9.82	4.59	0.412	0.242	0.435	1.033	2.12	1.27%	3.27%	17.32%	0.00	1.88	1.88
4	HV-2 (Supply above 11 kV & upto 66 kV)	1823.30	2386.88	7.64	4.59	0.412	0.242	0.435	0.646	1.73	1.27%	3.27%	0.46%	0.00	1.08	1.08
5	HV-2 (Supply above 66 kV & above 132 kV)	276.05	348.83	7.91	4.59	0.412	0.242	0.435	0.646	1.73	1.27%	3.27%	0.28%	0.00	1.36	1.36
6	HV-2 (above 132 kV)	161.24	228.84	7.05	4.59	0.412	0.242	0.435	0.646	1.73	1.27%	3.27%	0.28%	0.00	0.49	0.49
7	HV-3 (Supply at & above 132 kV)	78.14	72.11	10.84	4.59	0.412	0.242	0.435	0.646	1.73	1.27%	3.27%	0.28%	0.00	4.28	2.17
8	HV-3 (For Metro Traction)	106.60	119.16	8.95	4.59	0.412	0.242	0.435	0.646	1.73	1.27%	3.27%	0.28%	0.00	2.39	1.79
9	HV-4 (Supply at 11 kV)	303.77	321.60	9.45	4.59	0.412	0.242	0.435	1.033	2.12	1.27%	3.27%	17.32%	0.00	1.51	1.51
10	HV-4 (Supply above 11 kV upto 66kV)	329.14	355.39	9.26	4.59	0.412	0.242	0.435	0.646	1.73	1.27%	3.27%	0.46%	0.00	2.70	1.85
*Including reflecting the Renewable Purchase Obligation.																
**Including meeting the Renewable Purchase Obligation.																
***CSS shall not exceed 20% of the Tariff Applicable to the category of the consumer seeking Open Access.																

निओ (वाओ)
पाविठिठिठिठिठिठिठि, मेठ

2. The Commission in the previous Tariff Order for FY 2021-22 dated 29.07.2021 had directed the Petitioners to submit details of the PTC expenses under the head "PTC Unverified" at the time of Truing up of FY 2020-21, clearly mentioning the revision of the same if applicable. It is observed that the Petitioners have not submitted any details of the same. Hence, the Petitioners are required to submit the details of the change in the same along with the requisite documentary evidence.

Response:

It is respectfully submitted that the detail of PTC expenses under the head "PTC Unverified" has provided the details, as desired by the Commission, has already been provided to the Hon'ble Commission vide Annexure-13 of Data Gap - 1 of respective Discoms. The same is again attached as 'Annexure- A' along with this document for the reference of Hon'ble Commission.

3. It is observed that the details of Revenue Booked under LMV-10: Departmental Employees are not provided separately in the Audited Accounts. Hence, the Petitioners are required to provide the details of number of consumers, connected load, sale and revenue billed from departmental employees for FY 2020-21 as per the Audited Accounts in the format provided below along with 10 sample bills and specify in which category the same is reflected in the Audited Accounts for FY 2020-21. It is also observed that there is a reduction of 15% & 16% in consumers and 18% & 20% in connected load for FY 2020-21 and FY 2022-23 respectively in LMV-10 (Departmental Employees). The Petitioners to submit the justification for such reduction as it does not seem to be correct.

Detail to be provided by each Licensee:

Particulars	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
LMV - 10: Number of Consumers					
LMV - 10: Connected Load					
LMV - 10: Sales					
LMV - 10: Revenue					

Response:

It is submitted that the details of number of consumers, connected load, sale and revenue billed from departmental employees for FY 2020-21 are not captured separately in the Audited Accounts. The revenue booked for LMV 10 employees is considered under Domestic consumers. Further, it is submitted that as per the UPPCL order, electricity charges are deducted

97

from the monthly salary of the employee and transferred to Division/Discom where employee has taken the electricity connection.

The details of LMV 10 consumers for PVVNL are as under: -

Particulars	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
LMV - 10: Number of Consumers	19476	19723	21628	21854	22510
LMV - 10: Connected Load (kW)	118132	132158	144923	146439	150832
LMV - 10: Sales (Mus)	172.20	115.97	140.21	143.01	147.30
LMV - 10: Revenue (Cr)	58.18	60.69	53.58	92.29	94.53

4. It is observed that the Petitioners have maintained a head "Internal Consumption" in their Audited Accounts where Revenue is booked. The Petitioners are required to submit the details in the format provided below along with 10 sample bills for FY 2020-21 and write-up explaining the same.

Particulars	Sales (MU)	Consumer category	Number of consumers	Connected load (kW)	Revenue (Rs. Crore) as per Audited Accounts
DVVNL					219.53
MVVNL					173.20
PVVNL					366.96
PuVVNL					302.56
KESCO					38.52


Response:

It is submitted that as per the current practice, electricity used in departmental offices, substations are booked under head 'Internal Consumption'. The assessment for this purpose is done on the basis of meters installed at offices & substation and in some cases where meter are not installed assessment is done on the basis of connected load. Further electricity used under this head is charged as per rate schedule LMV-4A/ HV-1 according to connected load.

Details for billing determinants for internal consumption are as under: -

Particulars	Sales (MU)	Consumer category	Number of consumers	Connected load (kW)	Revenue (Rs. Crore) as per Audited Accounts
PVVNL	398.59	LMV-4A	3124	74255	366.96

5. It is observed that the calculation of Interest on Loan (Loan Opening / Closing, Interest paid and Interest Rate) as submitted in Form F31 along with the Petition does not match with the


 नि० (वा०)
 प०वि०वि०नि०लि०, मेरठ

Audited Accounts for FY 2020-21. The Petitioners to submit the reconciliation of the Interest Rate claimed and Interest Rate derived as per the Audited Accounts along with the basis for such claim.

Computation as per the Audited Accounts:

Particulars	Total Long-Term Loan		Average Loan	Total Interest Paid	Interest Rate Derived	Claim in the Petition
	Opening	Closing				
DVVNL	15329.00	19696.47	17512.74	1786.16	10.20%	9.33%
MVVNL	11347.81	15899.95	13623.88	1392.95	10.22%	10.95%
PVVNL	10268.75	11037.25	10653.00	1213.82	11.39%	9.82%
PuVVNL	13692.83	25177.98	19435.40	1830.35	9.42%	11.92%
KESCO	1808.38	2307.81	2058.10	205.96	10.01%	11.57%
Consolidated						10.69%

As per the submission in the Petition:

Particulars	Total Long-Term Loan		Average Loan	Total Interest Paid	Rate	Claim in the Petition
	Opening	Closing				
DVVNL	16790.39	21589.22	19189.81	1756.08	9.15%	9.33%
MVVNL	12512.41	16679.86	14596.13	1369.82	9.38%	10.95%
PVVNL	10708.87	11842.51	11275.69	1111.79	9.86%	9.82%
PuVVNL	13779.68	27372.13	21233.03	1798.61	8.47%	11.92%
KESCO	1818.85	2683.41	2251.13	210.48	9.35%	11.57%
Consolidated						10.69%

Response:

The reconciliation of details of loan as claimed by the Petitioner vis-a-vis recorded under balance sheet is attached as 'Annexure B'


6. It is observed that the increase in consumers and connected load is as below for the following categories for FY 2020-21 and FY 2022-23:

For FY 2020-21:

DVVNL

Category	% increase in Consumers wrt FY 2019-20	% increase in Connected Load wrt FY 2019-20	Reason for variation
HV-1	7.90	20.49	
HV-4	-24.07	-11.44	

MVVNL


 नि० (वा०)
 पा०वि०वि०नि०लि०, मेरठ

Category	% increase in Consumers wrt FY 2019-20	% increase in Connected Load wrt FY 2019-20	Reason for variation
LMV-1	3.00	-5.32	
LMV-7	1.06	-17.00	
HV-4	230	296.90	

PVVNL

Category	% increase in Consumers wrt FY 2019-20	% increase in Connected Load wrt FY 2019-20	Reason for variation
LMV-1	-0.26	2.63	
LMV-7	14.91	9.10	
HV-1	-1.27	-21.93	
HV-4	0	-9.97	

PuVVNL

Category	% increase in Consumers wrt FY 2019-20	% increase in Connected Load wrt FY 2019-20	Reason for variation
LMV-1	4.39	-8.35	
LMV-7	2.21	-3.08	
HV-1	6.05	-0.02	
HV-4	78.13	-7.26	

KESCO

Category	% increase in Consumers wrt FY 2019-20	% increase in Connected Load wrt FY 2019-20	Reason for variation
LMV-7	5.15	19.92	
HV-1	2.17	-10.51	

For FY 2022-23:

DVVNL

Category	% increase in Consumers wrt FY 2021-22	% increase in Connected Load wrt FY 2021-22	Reason for variation
HV-1	6.83	19.42	
HV-4	-22.42	-9.19	

MVVNL

Category	% increase in Consumers wrt FY 2021-22	% increase in Connected Load wrt FY 2021-22	Reason for variation
HV-1	16.02	22.38	
HV-4	219.45	296.95	

PVVNL


 नि० (वा०)
 प० वि० वि० नि० लि०, मेरठ

Category	% increase in Consumers wrt FY 2021-22	% increase in Connected Load wrt FY 2021-22	Reason for variation
HV-1	-1.25	-22.03	
HV-4	2.00	-9.90	

PuVVNL

Category	% increase in Consumers wrt FY 2021-22	% increase in Connected Load wrt FY 2021-22	Reason for variation
HV-1	10.20	3.85	
HV-4	76.21	-7.26	

KESCO

Category	% increase in Consumers wrt FY 2021-22	% increase in Connected Load wrt FY 2021-22	Reason for variation
HV-1	2.22	-10.51	

The Petitioners to submit the justification for each variation listed above for FY 2020-21 and FY 2022-23.

Response:

The reasons for variations in the specified categories from FY 2020-21 to FY 2022-23 is submitted as under: -

For FY 2020-21:

PVVNL

Category	No. of Consumers		% increase in Consumers wrt FY 2019-20	Load (kW)		% increase in Connected Load wrt FY 2019-20	Reason for variation
	2019-20	2020-21		2019-20	2020-21		
LMV-1	5638903	5623965	-0.3%	11175020	11468869	3%	Many Connections were disconnected with the Vigilance Activity which due to non payment became Permanently Disconnected. During the year new connections with higher load added in the system.
LMV-7	3750	4309	14.9%	127778	139405	9%	20kW of average load is released from 559 new connections. This might be due to energy efficient pumpsets used by Jal Sansthan and Jal Nigam due to which the anticipated load requirement corresponding to the numbers does not matched. Moreover, this might also be due to load reduction cases wherein the old pumpsets be replaced with Energy Efficient pumpsets.

नि (वा०)
पुविविनिनि०लि०, मेरठ

Category	No. of Consumers		% increase in Consumers wrt FY 2019-20	Load (kW)		% increase in Connected Load wrt FY 2019-20	Reason for variation
	2019-20	2020-21		2019-20	2020-21		
HV-1	2206	2178	-1.3%	1211681	945922	-21.9%	Due to pandemic situation, Some heavy industries opted to reduce their load and some heavy industries completely wiped out their operations due to which the load variation seems to be on higher side.
HV-4	2	2	0.0%	311	280	-10.0%	Variation in load is due to load reduction

For FY 2022-23:

In this regards it is humbly submitted that Discoms have submitted the revised billing determinants/ Revenue Model along with Data Gap 3 wherein these issues pertaining to abnormal rise/fall were addressed.

The submitted figures of variations for the highlighted categories are as under: -

PVVNL

Category	% increase in Consumers wrt FY 2021-22	% increase in Connected Load wrt FY 2021-22
HV-1	5%	5%
HV-4	1%	1%

7. It is observed that there is a reduction in the revenue of KESCO for FY 2020-21 as compared to FY 2019-20 by 3.92%. The Petitioners to submit the justification for the same.

Discom	MU	Revenue for FY 2019-20 (Rs. Crore)	ABR (Rs. /Unit)	MU	Revenue for FY 2020-21 (Rs. Crore)	ABR (Rs. /Unit)	% Increase (Sales)	% Increase (Revenue)
KESCO	3300.50	2619.39	7.94	3029	2516.64	8.31	-8.23	-3.92

Response:

The above query does not pertain to PVVNL.

8. The Petitioners have submitted an amount of Rs. 271.16 Crore towards "Rebate / Subsidy against Power Purchase" as per the Audited Accounts of UPPCL. The Petitioners to provide the detailed break-up of this amount along with the justification, detailed computation and documentary evidence for claiming the same as per Table below:


 नि० (वा०)
 प०वि०वि०नि०लि०, मेरठ

Particulars	Capacity (MW)	MU	Amount (Rs. Crore)
DVVNL			
MVVNL			
PVVNL			
PuVVNL			
KESCO			
Consolidated			271.16

Where do the above amounts reflect in the Balance Sheets of the Licensees? If the same are not reflecting in the Balance Sheets of the Licensees, they need to submit reasons as to why are they claiming the same?

Response:

It is submitted that the above "Rebate / Subsidy against Power Purchase" is captured under the head of power purchase cost mentioned in the balance sheet of UPPCL. Further, the reconciliation of balance sheet of UPPCL with Discom is already provided to the Hon'ble Commission in the reply to the previous data gaps wherein the cost of power purchase as captured under the UPPCL balance sheet is reconciled with cost of power purchase with individual Discoms. Therefore, the amount of Rs 271.16 Cr has already been reconciled with the Discoms balance sheets. The detailed breakup of Rs 271.16 Cr is as under: -

<i>Subsidy Receivable – NEDA (in Rs)</i>	1,87,54,41,760.00
<i>Subsidy Receivable – IREDA (in Rs)</i>	9,55,78,457.00
<i>Rebate / Other Credit (in Rs)</i>	74,05,54,182.00

Breakup of above amount is enclosed at **Annexure -C**

9. The Petitioners have submitted the claim of Capital Grants for FY 2020-21 as Zero (0). However, it is observed that the addition in Grants during the year are negative values. During the TVS, it was confirmed that this was due to reversal of entry from the past years. The Commission has adopted a different methodology for approval of Grant, where the values as per the Audited Accounts is not considered. Hence, the Petitioners to provide the reconciliation of Grants as booked in the Audited Accounts for FY 2015-16 to FY 2021-22 and the Grants as per the methodology adopted by the Commission (may please refer to the True Up Order of FY 2019-20) to arrive at the right / correct figure of the Grant for FY 2020-21 as per Annexure 1.

The Petitioners also to submit the details of Grants to be derived based on scheme wise Capex for FY 2020-21 to FY 2022-23 as per Annexure 2.


 नि० (वा०)
 पावि०वि०नि०लि०, मेरठ

Response:

The scheme wise detail as desired is attached as per **Annexure- D**.

10. The Petitioners to submit in tabular form Discom-wise, various types of Subsidies and Grants (both State and Central) along with the related documents for example G.O.s, Budget and its subsequent revisions for FY 2019-20, FY 2020-21, FY 2021-22 and FY 2022-23.

Response:

GOs for FY 2019-20, FY 2020-21, FY 2021-22 and budget provision for FY2022-23 is attached as **Annexure-E**. Further, the budget for FY 2022-23 is yet to be finalized by GoUP.

11. It is observed that the Petitioners have claimed cumulative provision for Bad/ Doubtful debt which includes doubtful debt on sales, theft of fixed assets, etc., for FY 2020-21 as per the Audited Accounts. However, the Commission considers only doubtful debt on sales. Hence, the Petitioners should provide justification for claiming the total bad and doubtful debt instead of doubtful debt on sales and submit Board of Directors' approval for the same. The summary of the same is as below:


Particulars	Total Bad & Doubtful debts as per Audited Accounts for FY 2020-21	Bad & Doubtful debts on sales as per Audited Accounts for FY 2020-21	Revenue as per Audited Accounts for FY 2020-21	Ceiling limit for bad debts (upto 2% of Revenue Receivables)
DVVNL	64.02	63.80	10878.81	217.58
MVVNL	121.61	121.61	12668.47	253.37
PVVNL	75.14	-4.07	17274.00	345.48
PuVVNL	175.26	96.07	11690.86	233.82
KESCO	5.67	5.09	2516.64	50.33
Consolidated (5 Discoms)	441.70	282.51	55028.78	1100.58

Response:

It is respectfully submitted that the Petitioner has claimed Bad and Doubtful debts as per the number captured under P&L Accounts of the Balance Sheet for the Purpose of Truing up. It is further submitted that the provisioning of Bad Debts as per the Balance sheet is less than the


नि० (वा०)
प०वि०वि०नि०लि०, मेरठ

norm set by the Hon'ble Commission under Regulation 46.1 of MYT Regulations 2019. The Petitioner requests that the Hon'ble Commission may consider the Petitioners submission and allow the provisioning of Bad and Doubtful Debts as claimed by the Petitioner.


नि० (वा०)
प०वि०वि०नि०लि०, मेरठ