# Office of Chief Engineer Commercial Unit



U.P. Rajya Vidyut Utpadan Nigam Ltd. 14<sup>th</sup> floor, Shakti Bhawan Extn. Lucknow-226001

Tel. No.- 0522-2288056/2287030 CIN: U40101UP1980SGC005065

E-mail: gm.commercial@uprvunl.org cecommercialunl@gmail.com

Date: 2

No. 193/UNL/CE(Comml.)/True-up (2014-19)/Anp-A

Date: 21, May-2021

The Secretary,

U.P. Electricity Regulatory Commission Vibhuti Khand-II, Gomti Nagar Lucknow-2260010

# Subject:- Re-Submission of True-up Petition of 3x210 MW Anpara-'A' Thermal Power Stations of UPRVUNL for FY 2014-15 to 2018-19.

Dear Sir,

Kindly find enclosed herewith True-up Petition of 3x210 MW Anpara-'A' Thermal Power Station of UPRVUNL for FY 2014-15 to 2018-19 in 06 copies (one original + 05 photocopies + 01 soft copy) as per UPERC (Terms and Conditions of Generation Tariff) Regulations-2014 in compliance of directive of Hon'ble Commission during hearing on dated 16.03.2021 on Petition No. 1520/2019 for True-up of various Thermal Power Stations of UPRVUNL for FY 2014-15 to 2018-19.

The True-up Petitions (2014-19) for various TPS of UPRVUNL were originally submitted to Hon'ble Commission vide this office single covering letter no. 816/UNL/CE(Comml.)/True-up (2014-19), dt. 25.10.2019 (copy attached), with station wise fees Rs One Lac per Station and total Rs Eleven Lacs for 11 Stations in form of Bankers Cheque (No. 557569 dt. 25.10.2019, State Bank of India) in favour of Secretary, UPERC, payable at Lucknow as per Part-D, Sl. No. 13-of Addendum to "Schedule of Fee" of Amendment-I dated 11.12.2018 of UPERC (Fee & Fines) Regulation-2010 and U.P. Govt. Gudget Notification dartd 21.01.2019.

Submitted for kind consideration of the Hon'ble Commission.

Encl: As above.

Yours Sincerely,

(Avikshit Singh)

Chief Engineer(Commecial)

Date: , May-2021

No./93/UNL/CE(Comml.)/True up (2014-19)
Copy to the following respondents for their kind information:-

- 1. M.D., U.P. Power Corporation Ltd., 7<sup>th</sup> floor, Shakti Bhawan, 14 Ashok Marg, Lucknow.
- 2. M.D., Madyanchal Vidyut Vitran Nigam Ltd., P.N. Road, Gokhale Marg, Lucknow.
- 3. M.D., Poorvaranchal Vidyut Vitran Nigam Ltd., 132 KV S/S Bhikhari Vidyut Nagar, Varanasi.
- 4. M.D., Pashimanchal Vidyut Vitran Nigam Ltd., Victoria Park, Meerut.

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U.P. Rajya Vidyut Utpadan Nigam Ltd. 14<sup>th</sup> floor, Shakti Bhawan Extn. Lucknow-226001 Tel. No.- 0522-2288056/2287030

CIN: U40101UP1980SGC005065

E-mail: gm.commercial@uprvunl.org
cecommercialunl@gmail.com

- 5. M.D., Dakshinanchal Vidyut Vitran Nigam Ltd., Vidyut Bhawan, Gailana Road, Agra.
- 6. M.D., Kanpur Electric Supply Co. Ltd., KESA House, Kanpur.
- 7. Chief Executive Officer, Noida Power Company Ltd., H-Block, Alpha-II Sector, Gr Noida.
- 8. Chief Engineer (PPA), UPPCL, 14th floor, Shakti Bhawan Ext, Lucknow alongwith enlosure

No.193/UNL/CE(Comml.)/True up (2014-19)/Anp-A

Date: 7, May-2021

Copy to the followings for their kind information:-

- 1. PS to Managing Director, UPRVUNL, 7th floor, Shakti Bhawan, 14 Ashok Marg, Lucknow.
- 2. Director (Project & Commercial), UPRVUNL, 8<sup>th</sup> floor, Shakti Bhawan Ext, Lucknow.
- 3. Director (Technical), UPRVUNL, 8th floor, Shakti Bhawan Ext, Lucknow.
- 4. Director (Finance), UPRVUNL, 8th floor, Shakti Bhawan Ext, Lucknow alongwith enlosures

(Avikshit Singh )
Chief Engineer(Commercial

# ANPARA 'A' THERMAL POWER STATION

# TRUE UP PETITION FOR FY 2014-15 to FY 2018-19



UP RAJYA VIDYUT UTPADAN NIGAM LTD

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SE(Com)

(इं० अविश्वित विहें) मुख्य अभियन्ता (विशिव्य) मुख्य अभियन्ता (विशिव्य) भूका अभियन्ता अवन विस्तार भूका तता.

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(इं० अतिहात विहि) मुख्य अभियत्ता (वाशित्य) मुख्य अभियत्ता (वाशित्य) उ०प्र०४०ति०च्या भवत विस्ताय भवा तता.

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Annexure-15	UPRVUNL Audited Accounts for the period FY 2014-15 to FY 2018-19 (Soft Copy Attached)	
Annexure-16	Cost Audited Report for the period FY 2014-15 to FY 2018-19 (Soft Copy Attached)	

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(इं० अवीक्षित सिंह)
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मुख्य अभियन्ता (वाणिज्य)
चुठप्रठराठिकच्छित्रकार
चुठप्रठराठिकच्छित्रकार
स्वन तल. शक्ति

# FORM-1

# (See Regulation 30) BEFORE THE HON'BLE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION, GOMTI NAGAR, LUCKNOW

Receipt Register No.:
Petition No.:
IN THE MATTER OF
ANPARA – A TPS PETITION FOR DETERMINATION OF FINAL TRUE-UP OF FY 2014-15, FY 2015-16, FY 2016-17, FY 2017-18 and FY 2018-19.
AND
IN THE MATTER OF
UTTAR PRADESH RAJYA VIDYUT UTPADAN NIGAM LIMITED (UPRVUNL), SHAKTI BHAWAN, 14-ASHOK MARG, LUCKNOW.
V/s
UTTAR PRADESH POWER CORPORATION LIMITED (UPPCL), SHAKTI BHAWAN, 14-ASHOK MARG, LUCKNOW.
MADHYANCHAL VIDYUT VITRAN NIGAM LTD. PN ROAD, LUCKNOW.
POORVANCHAL VIDYUT VITRAN NIGAM LTD. 132 KV S/S BHIKARI VIDYUT NAGAR, VARANASI
PASCHIMANCHAL VIDYUT VITRAN NIGAM LTD. VICTORIA PARK, MEERUT

KANPUR ELECTRICITY SUPPLY CO. LTD. KESA HOUSE, KANPUR

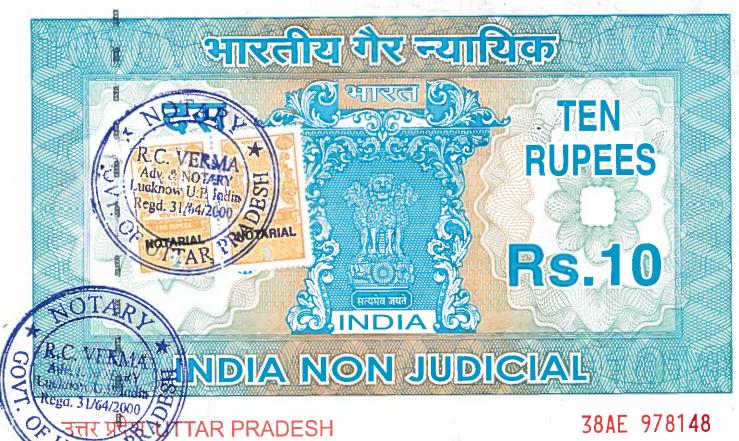
GALINA ROAD AGRA.

DAKSHINACHAL VIDYUT VITRAN NIGAM LTD.

NOIDA POWER CO. LTD. COMMERCIAL COMPLEX, H BLOCK, ALPHA-II SECTOR GREATER NOIDA CITY

ed As

क्षित्र विद्या (क्षित्र)
मुख्य अभियत्या (क्षित्र)



AFFIDAVIT

I, Avikshit Singh, Son of Late Dr. Chandra Pal Singh aged about 59 years, office of Commercial Unit, 13th Floor, Shakti Bhawan Extn., 14 Ashok Marg, Lucknow, do hereby solemnly affirm and state as under:

- 1. If say that I am Chief Engineer, Commercial Unit, UPRVUNL, the Applicant in the matter and am duly authorized by the said Applicant to swear the present Anpara 'A' TPS

  True-up Petition for the period FY 2014-15 to FY 2018-19.
- 2. I say that I have read the contents of the True-up Petition and I have understood the same.
- 3. That the contents attached herewith filed by the Applicant on behalf of UPRVUNL are based on the information available with the Applicant in the normal course of business and believed by me to be true.

4. I say that the Text, Appendixes and Annexures to the submissions are true and correct copies of their original.

**VERIFICATION** 

DFPONENT (इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०नि०लि०

I, the deponent above named, do hereby verify the contents of the above affidavit to be true to the best of my knowledge, no part of it is false and nothing material has been concealed therefrom.

Verified at Luckpow purple refe , 202

Adv. & NOTARY Lucknow U.P. INDIA Regd. No 11/64/2000 DEPONENT

(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०नि०लि० 14वां तल, शक्ति भवन विस्तार

ख्यमस्य **२**२६००४

# 1. Anpara ATPS

As per direction of Hon'ble Commission on date 16.03.2021 during hearing on Petition No. 1520/2019 for True-up of various Thermal Power Stations of UPRVUNL for FY 2014-15 to 2018-19 to re-submit the True-up Petitions Station wise with separate covering letter, this section presents the final true-up for FY 2014-15 to FY 2018-19 in respect of Anpara - A Thermal Power Station.

The audited accounts of UPRVUNL for the period FY 2014-15 to FY 2018-19 and Cost Audit Report for the period FY 2014-15 to FY 2018-19 have already been submitted in hard copy with Petition No. 1520/2019 on date 25.10.2019 in the Commission. However, soft copy of the audited accounts of UPRVUNL and Cost Audit Report for the period FY 2014-15 to FY 2018-19 is attached in soft copy with this Petition.

## 1.1. Annual Capacity Charges

As per tariff regulations the annual capacity (fixed) charges consist of

- a) Interest on Loan Capital
- b) Depreciation including Advance against Depreciation
- c) Return on Equity
- d) Operation and maintenance expenses including insurance
- e) Interest on Working Capital
- f) Special Allowance

This section provides the description of the approved capacity charges Vs allowable capacity charges for FY 2014-15 to FY 2018-19 based on financial statements of the UPRVUNL.

### 1.2. Gross Fixed Assets

The Petitioner submits that it has considered the opening balance of gross fixed assets for the financial year 2014-15 from the MYT Order issued by the Hon'ble Commission on 29th April 2016 and review order dated 18<sup>th</sup> January 2017. The Petitioner submits that there have been additional capitalisation to the tune of Rs 143.01 Crores and decapitalisation of Rs. 4.41 crore spread across the Control period and the details of such capitalization have been shown in the specific formats annexed to this petition.

Accordingly, the following table depicts the approved gross fixed asset balance vis-à-vis actual gross fixed asset balance for FY 2014-15 to FY 2018-19:

Table: Gross Fixed Asset Balance of 'Anpara A'

Figures in Rs Crore

	2014-15		2015-16		2016-17		2017-18		2018-19	
Particulars	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual
Opening GFA	885.62	885.62	885.62	885.86	885.62	1,017.99	885.62	1,022.80	885.62	1,023.88
Capitalisation	-	0.24	-	132.13	-	9.23	-	1.07		0.34
Deletions	- 100	-	-	- 10 %	-	4.41	300 100 00	. 165		
Closing GFA	885.62	885.86	885.62	1,017.99	885.62	1,022.80	885.62	1,023.88	885.62	1,024.21

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# 1.3. Means of Finance

The Hon'ble Commission in its order dated 29<sup>th</sup> April 2016 and review order dated 18th January 2017 had prescribed a normative approach of financing of the capital expenditure in the ratio of 70% debt and 30% equity in line with the Tariff Regulations. Further the allowable depreciation had been considered as normative loan repayment.

In order to maintain consistency in approach, the Petitioner has considered the aforementioned philosophy and calculated the normative debt and normative equity. The opening values of accumulated depreciation, normative loan and normative equity as on 1.4.2014 has been adopted from the approved values in the order dated 29<sup>th</sup> April 2016 and review order dated 18<sup>th</sup> January 2017. Accordingly, the gross fixed asset balance, the net fixed asset balance and its financing is presented in the table below:

Table: Calculation of GFA, NFA and its financing - Anpara A
Figures in Rs Crore

Anpara A Power Station	2014-15	2015-16	2016-17	2017-18	2018-19
			True up		
Opening GFA	885.62	885.86	1,017.99	1,022.80	1,023.88
Additions	0.24	132.13	9.23	1.07	0.34
Deletions	-	_	4.41		
Closing GFA	885.86	1,017.99	1,022.80	1,023.88	1,024.21
Closing Net FA	196.17	278.37	229.13	176.01	122.09
Financing:					
Opening Equity	241.39	241.46	281.10	282.54	282.87
Additions	0.07	39.64	2.77	0.32	0.10
Deletion	-	-	1.32	-	
Closing Equity	241.46	281.10	282.54	282.87	282.97
Open. Accumulated Depreciation	643.62	689.70	739.63	793.68	847.87
Depreciation during the year	46.08	49.93	54.05	54.19	54.25
Closing Accumulated Depreciation	689.70	739.63	793.68	847.87	902.12
Opening Debts	0.61	-	42.56	-	-
Additions	0.17	92.49	6.46	0.75	0.24
Less: Depreciation (normative repayment)	0.78	49.93	49.02	0.75	0.24
Closing Debts		42.56	_	-	-

# 1.4. Depreciation

The Petitioner submits that the depreciation as per accounts is calculated as per the prescription of Schedule XIV of the Companies Act, 1956 which is depicted in the accounting policies annexed with the audited accounts. However, the Tariff Regulations prescribe that the eligible depreciation shall be calculated annually, based on straight line method over the useful life of the asset and the rates

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prescribed in Appendix II of such regulations. It is noteworthy of mentioning that the Appendix II prescribes distinct depreciation rates for each class of assets.

The Petitioner has provided the asset class wise list of gross fixed assets in Form 11 of the tariff formats submitted along with this petition. Accordingly, the Petitioner has calculated the eligible depreciation based on the rates prescribed in the tariff regulations.

The allowable depreciation is depicted in the table below:

Table: Allowable Depreciation - Anpara A

							Figures in	Rs Crore		
	2014-15		2015-16		2016-17		2017-18		2018-19	
Particulars	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual
Depreciation including AAD	46.07	46.08	46.07	49.93	46.07	54.05	15.24	54.19	-	54.25

### 1.5. Interest on Loan

As discussed above, the Hon'ble Commission in its order dated 29<sup>th</sup> April 2016 and review order dated 18<sup>th</sup> January 2017 had prescribed a normative approach of financing of the capital expenditure in the ratio of 70% debt and 30% equity in line with the Tariff Regulations. Further the allowable depreciation has been considered as normative loan repayment. The weighted average interest on loan capital was worked out at 11.25%.

The total capitalisation for FY 2014-15 to FY 2018-19 is depicted below in table. 70% of the same been considered to be funded through debt. Considering the debt worked out as above and applying the rate of 11.25%, the interest on loan capital has been worked out in the table below:

Table: Allowable Interest on Loan-Anpara A

					Figures in Rs Crore								
	2014-15		2015-16		2016-17		2017-18		2018-19				
Particulars •	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actua			
Opening Debts	0.61	0.61		-	-	42.56	-	-	-	-			
Additions	-	0.17	-	92.49	-	6.46	-	0.75	-	0.24			
Less: Normative repayment	0.61	0.78	-	49.93	T	49.02	-	0.75	•	0.24			
Closing Debts	**	•	-	42.56	-	-	-	-	- 141	•			
Average Debt	0.31	0.31		21.28	-	21.28	-	-8	-	- 3			
Interest on Loan	0.03	0.03		2.39	-	2.39	-	-		i.			

### 1.6. Return on Equity

The opening equity base of Rs. 241.39 crore as on 1.4.2014 has been adopted from the Tariff order dated 29th April 2016 and review order dated 18th January 2017. Considering that 30% of the capital

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expenditure funded by equity has been considered. The Tariff Regulations-2014 prescribe that return on equity would be allowed at the rate of 15.50%.

However, it is brought to the attention of the Hon'ble Commission that based on the Government Order dated 31st July 2017 and subsequent adoption of the same by Board of Directors on 9th April 2018 of the Petitioner, the Petitioner has billed the RoE at 2% for FY 2017-18 and 2018-19 and rest of 13.5% has been foregone to take its advantage in Merit Order Despatch (MOD) schedule as per Hon'ble Commission Order dated 21.06.2016 against Petition No. 1070/2015. Therefore, RoE component would be adjusted by UPRVUNL with beneficiary only 2%. But it is requested to Hon'ble Commission to approve the Capacity Charge with RoE @ 15.5%.

Accordingly, the approved return on equity and the trued up figures have been furnished in the table below:

Table: Allowable Return on Equity - Anpara A

						Fig	gures in Rs C	rore		
	2014	-15	2015-16		2016-17		2017-18		2018	·19
Particulars	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual
Opening Equity	241.39	241.39	241.39	241.46	241.39	281.10	241.39	282.54	241.39	282.87
Additions	-	0.07	-	39.64	-	2.77	•	0.32	-	0.10
Deletion	•	-		-		1.32				-
Closing Equity	241.39	241.46	241.39	281.10	241.39	282.54	241.39	282.87	241.39	282.97
Average	241.39	241.43	241.39	261.28	241.39	281.82	241.39	282.71	241.39	282.92
Rate of Return on Equity (%)	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%
Allowable RoE	37.42	37.42	37.42	40.50	37.42	43.68	37.42	43.82	37.42	43.85

### **Operation and Maintenance Expenses** 1.7.

The tariff regulations prescribe that only capital expenditure would be eligible for truing up. The regulations do not provide for truing up in respect of O&M expenses and also provides relaxed operating norms considering of vintage of certain generating stations like Obra A, Obra B, Panki, Harduaganj and Parichha.

Regulation 21(iv) of the UPERC Generation Regulations, 2014 deals with the allowance of O&M expenses. The Hon'ble Commission in the generation tariff regulations - Para 25 (iv) (a) have prescribed the yearly O&M expenses for the control period FY 2014-15 to FY 2018-19 based upon the Installed Capacity for the thermal power stations.

Accordingly, based on the above stated norms, the O&M expenses as allowed through the MYT Order dated 29 April 2016 read with Review Order dated 18 January 2017 for the power station for the Control period is depicted in the table below:

Table: Allowable Operation and Maintenance Expenses - Anpara A

							Figure.	s in Rs Cı	rore	
	2014-15		2015-16		2016-17		2017-18		2018-19	
Particulars	Approved	Claim	Approved	Claim	Approved	Claim	Approved	Claim	Approved	Claim
O&M Expenses	150.57	150.57	160.02	160.02	170.10	170.10	180.81	180.81	192.21	192.21

# 1.8. Interest on Working Capital

The tariff regulations do not prescribe any variation to be allowed in true-up in respect of interest on working capital. Clause (a) and (d) of provision (v) of Regulation 25 of the UPERC Generation Tariff Regulations 2014 prescribe payment of Interest on Working Capital on a normative basis. Para 25 (v) of the UPERC Generation Tariff Regulations 2014 prescribe the following normative parameters for determination of normative working capital for coal based generating stations:

- Cost of coal for 15 days for pit-head generating stations and 30 days for non-pit-head generating stations for generation corresponding to the normative annual plant availability factor or the maximum coal stock storage capacity whichever is lower
- ii. Cost of coal for 30 days for generation corresponding to the target availability
- iii. Cost of secondary fuel oil for two months corresponding to the target availability and in case of use of more than one secondary fuel oil, cost of fuel oil stock for the main secondary fuel oil;
- iv. Operation and Maintenance expenses for one month;
- v. Maintenance spares @ 20% of operation and maintenance expenses; and
- vi. Receivables equivalent to two months of capacity charges and energy charges for sale of electricity calculated on the target availability.

Based on the above premise, the allowable Interest on Working capital as worked out by the Hon'ble Commission in its order dated 29 April 2016 read with Review Order dated 18 January 2017 for the generating station has been reproduced below:

Table: Allowable Interest on Working Capital-Anpara A

		Figures in Rs Crore						
Anpara A Power Station	2014-15	2015-16	2016-17	2017-18	2018-19			
Interest on Working Capital	47.95	48.62	49.17	49.12	49.48			

# 1.9. Summary of the true-up claimed for FY 2014-15 to FY 2018-19

Based on the foregoing discussions, the following table summarizes the truing-up computations of Anpara A for the financial years 2014-15 to FY 2018-19 for approval by the Hon'ble Commission.

Table: True-up Summary for FY 2014-15 to FY 2018-19 - Anpara A

							Fi	gures in F	ls Crore	
	2014	4-15	201	5-16	201	6-17	201	7-18	201	8-19
Particulars	Order	Actual	Order	Actual	Order	Actual	Order	Actual	Order	Actual
Depreciation	46.07	46.08	46.07	49.93	46.07	54.05	15.24	54.19	-	54.25
Interest on Long Term Loans	0.03	0.03	-	2.39	-	2.39	-		-	
Return on Equity	37.42	37.42	37.42	40.50	37.42	43.68	37.42	43.82	37.42	43.85
loWC	47.95	47.95	48.62	48.62	49.17	49.17	49.12	49.12	49.48	49.48
O&M	150.57	150.57	160.02	160.02	170.10	170.10	180.81	180.81	192.21	192.21
Special Allowance	47.25	47.25	50.25	50.25	53.44	53.44	56.83	56.83	60.44	60.44
Total	329.29	329.30	342.38	351.71	356.20	372.84	339.42	384.77	339.55	400.23

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(इं० अवीषित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०नि०लि०

तल, शक्ति भवन विस्तार लखनऊ-228001 10

# 2. Other Related Issues

### 2.1. Reimbursement of Actual Income Tax

It is submitted that UPRVUNL had paid Income Tax amounting to Rs. 192.65 Crore for FY 2016-17, 35.34 Crore for FY 2017-18 and 36.34 Crore for FY 2018-19. The said payments are duly reflected in the ITR (Attached as Annexure-1) of the above years. These taxes arise on account of the revenues accrued to the Petitioner from the invoices raised to UPPCL. Such invoices were based on the UPERC Tariff order on dated 29<sup>th</sup> April 2016 & 18<sup>th</sup> January 2017. Accordingly, the bills were raised by UPRVUNL seeking reimbursement of the Statutory charges including Income Tax in line with Clause-11G of Tariff order dated 18<sup>th</sup> January 2017 which provides as below:

"1.98 The Commission found the prayer reasonable and decided that the following shall be added in clause "11" of UPRVUNL's Tariff Order dated 29.04.2016,:

(G) Recovery of Statutory Charges and Tax on income etc.

In addition to the above tariff UPRVUNL is allowed to recover the payment of statutory charges like water cess, cost of water, payment to Pollution Control Board, rates and taxes, FBT and Regulatory Fee paid to the Commission and taxes on income etc., on production of details of actual payment made and duly supported with the certificate of the Statutory Auditors......"

In response to the claims of Petitioner, UPPCL has verified Income Tax amount of Rs. 169.61 crore for FY 2016-17, Rs. 21.75 crore for FY 2017-18 and Rs. 24.09 crore for FY 2018-19. Total gap between amount claimed by UPRVUNL and verified by UPPCL is tune to Rs. 48.73 crore. Since UPRVUNL had already made payments to the income tax authorities for FY 2016-17, FY 2017-18 and FY 2018-19 based on the methodology of Annual Fixed Charges as approved by Hon'ble Commission, UPPCL ought to reimburse the tax amount in actuals. Non reimbursement of actual tax by UPPCL will be in violation of order dated 18.01.2017 Clause-11G and will also cause serious financial injury to Petitioner. Therefore, Hon'ble Commission is request to direct UPPCL for reimbursement the Tax amount in actual paid by UPRVUNL.

# 2.2. Reimbursement of UPSLDC & NRPC Fee

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It is submitted that UPRVUNL has paid UPSLDC & NRPC fees towards annual charges during past years. However, the same has never been claimed by the UPRVUNL due to non provision in the Tariff Order for claiming the UPSLDC and NRPC charges.

Therefore, Hon'ble Commission is requested to grant for reimbursement of the UPSLDC and NRPC fees paid in actual by UPRVUNL.

(इं० अवीसित सिंह) मुख्य अभियन्ता (वागिज्य) उठप्रठराठविठउठनिठलिठ उठप्रठराठविठउठनिठित १४वां तल, शक्ति भवन विस्तार लखनऊ-226001

# 2.3. Interest on Income Tax

The Tariff Regulations issued by the Commission provides that tax on the income streams of the generating company from its core business shall be computed as an expense and shall be permitted to be recovered from the beneficiaries. It is submitted that huge amount is outstanding on the part of UPPCL and UPRVUNL is not getting its money for timely payments for essential spares, works & Coal payments timely. Such delay affects the capacity of UPRVUNL to make timely payments to statutory authorities in the form of tax etc. Non-payment of taxes to the authorities incurs levy of interest charges on such dues to the authorities. But UPPCL is not paying interest on Income Tax.

UPRVUNL has in past also paid interest on Income Tax due to such delay caused by untimely payments from UPPCL. It is therefore requested that the Commission may kindly direct UPPCL to reimburse such interest on Income Tax incurred by UPRVUNL owing to the delay in payments done by UPPCL.

# 2.4. Intimation of Profit sharing with UPPCL as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 Clause 6 (6).

UPRVUNL wishes to intimate the Hon'ble Commission that it has shared its profits with UPPCL in accordance to the profit-sharing mechanism specified as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 clause 6 (6); the same is reproduced below:

"(6) The financial gains by a generating company on account of controllable parameters shall be shared between generating company and the beneficiaries. The financial gains computed as per following formulae in case of generating station on account of operational parameters contained in Clause (4) (a) to (c)above shall be shared in the ratio of 80:20 between generating company and the beneficiaries:

Net Gain = (ECRN-ECRA) x Scheduled Generation

Where,

ECRN – Normative Energy Charge Rate computed on the basis of norms specified/approved for Gross Station Heat Rate, Auxiliary Consumption and Secondary Fuel Oil Consumption.

ECRA – Actual Energy Charge Rate computed on the basis of actual Gross Station Heat Rate, Auxiliary Consumption and Secondary Fuel Oil Consumption for the month.

Provided that in case of financial gains on account of parameters contained in Clause (4)(d) above shall be shared in accordance with Clause (i) (e) of Regulation 25& Regulation 44 of these regulations."

UPRVUNL had prepared a 'Profit Centre Analysis' for the period FY 2014-15 to FY 2018-19, based on the Audited Accounts (Annexed as Annexure-2). A copy of the same was shared with UPPCL. On the basis of the 'Profit Centre Analysis', UPPCL computed the profit-sharing amount of Rs. 200.97 Crore and UPPCL deducted the profit-sharing amount from the running bills raised by UPRVUNL for 2014-15 to 2017-18 while UPRVUNL shared Profit Sharing for FY 2018-19 with a Bill (Copy attached).

The profit shared between UPRVUNL and UPPCL for Rs. 200.97 Crore is summarized as follows:

Anpara- A: True-up Petition for FY 2014-15 to FY 2018-19

# Summary of Profit Sharing for the Period FY 2014-15 to FY 2018-19

Figures in Rs. Crore

			The second second second				-
No	TPS Name		2014-15	2015-16	2016-17	2017-18	2018-19
		Billing	640.82	743.12	751.42	670.16	693.81
1	Anpara A	Actual	679.77	715.70	748.30	705.41	714.17
		Profit	-	27.42	3.12		
		Billing	932.63	1,380.53	1,462.11	1,124.42	1,119.88
2	Anpara B	Actual	838.15	1,169.93	1,380.09	1,050.68	1,117.92
	' ,	Profit	94.48	210.60	82.02	73.74	1.95
ST 12		Billing	90.40	64.05	96.52	9.28	-
3	Obra A	Actual	107.99	94.79	43.38	13.49	-
		Profit		-	53.14	-	
		Billing	625.76	655.78	811.24	835.74	603.12
4	Obra B	Actual	583.51	670.85	854.37	790.82	632.59
•		Profit	42.25			44.92	il e-
		Billing	368.21	201.47	265.35	119.21	-
5	Panki	Actual	389.20	226.36	347.80	172.68	-
		Profit	-				-
		Billing	36.88	154.13	200.05	108.14	70.70
6	Harduaganj	Actual	71.58	213.34	203.04	95.88	75.76
		Profit		-		12.26	-
		Billing	955.88	925.84	1,006.58	1,025.09	821.56
7	Harduaganj Extn	Actual	1,115.48	1,066.99	1,057.31	978.16	836.73
	,	Profit		-	-	46.93	
		Billing	121.54	287.97	175.35	96.75	49.44
8	Parichha	Actual	152.52	327.58	217.23	110.75	61.64
_		Profit		-	-	100	-
		Billing	674.66	909.14	930.26	807.10	579.50
9	Parichha Extn	Actual	789.67	949.15	926.89	799.50	580.23
		Profit	-		3.37	7.60	-
		Billing	986.77	1,041.83	1,108.99	946.21	809.0
10	Parichha Extn Stage II	Actual	1,034.33	1,024.76	1,076.19	919.20	797.2
		Profit		17.08	32.80	27.01	11.81
-0911		Billing	-	-	727.30	834.03	1,186.0
11	Anpara D	Actual	-	-	639.93	811.74	1,083.3
	,	Profit		-	87.37	22.29	102.7
	Grand Total (Prof		136.73	255.10	261.82	234.75	116.4
	Profit Share of UPPCL		27.35	51.02	52.36	46.95	23.29
FY	Total Profit Share to UF ( 2014-15 to FY 2018-19	PCL for			200.97		

The petitioner requests the Hon'ble Commission to kindly consider the intimation of Profit Sharing with UPPCL as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 clause 6 (6)

मुख्य अभियन्ता (वाणिज्य) 14वां तल, शक्ति भवन विस्तार

2.5. Information for Prudence Check of Statutory Charges as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 Clause 25 (iv)(C) for the period FY 2014-15 to FY 2018-19.

UPRVUNL wishes to submit Information <u>for Prudence Check of Statutory Charges as per UPERC</u> (Terms and Conditions of Generation Tariff) Regulations 2014 clause 25(iv)(c); the same clause is reproduced below:

v) Operation and Maintenance expenses
)
)
The expenses on regulatory fee, payment to pollution control board, impact o
ny revision, capital spares, cost of water and water cess shall be paid additionall
actuals subject to prudence check. The details regarding the same shall be
rnished along with the petition.
,,,

The Tariff Order dated 18.01.2017, Clause- 11G is also reproduced below:

(G) Recovery of Statutory Charges and Tax on income etc.

In addition to the above tariff UPRVUNL is allowed to recover the payment of statutory charges like water cess, cost of water, payment to Pollution Control Board, rates and taxes, FBT and Regulatory Fee paid to the Commission and taxes on income etc., on production of details of actual payment made and duly supported with the certificate of the Statutory Auditors......"

As per Regulation Clause 25(iv)(c) and Tariff Order mentioned above, the UPRVUNL hereby summarized below in table statutory charges Billed by UPRVUNL and verified by UPPCL for the period FY 2014-15 to FY 2018-19.

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(इं० अवीक्षित सिंह)
मुख्य अभियन्ता (वागिज्य)
पुष्य अभियन्ता (वागिज्य)
उठप्रवराविवज्जनिविक उठप्रवराविवज्जनिविक १४वां तल, शक्ति भयन विस्तार लखनऊ-226001 Summary of Statutory Charges Billed by UPRVUNL and Verified by UPPCL for the Period FY 2014-15 to FY 2018-19

Figures in Rs. Crore

S No	Bill No	Bill date	Billed by UPRVUNL	Verified by UPPCL	Unverified amount by UPPCL	Remarks	Annexure No
H	UNL/Statuary Charges/FY 2014-15	04-09-15	205.4758306	200.7131189	4.7627117	Amount of Rs. 4.7627117 Crore claimed later by UPRVUNL vide Bill No. UNL/Statuary Charges/Adj.2016 dated 23-05-16 and the same has been verified by the UPPCL	Invoice billed by UPRVUNL and verified by UPPCL are Enclosed herewith as <i>Annexure-3</i>
7	UNL/Statuary Charges/Adj.2016	23-05-16	425.7690779	425.7690779	1	Amount of Rs. 425.7690779 has been claimed under the head MPRI & RD Tax, 6th pay Arrear and UP Forest Transit Fee. The same amount has already been approved by the Hon'ble Commission vide its order dated 29-04-2016 and the same amount has been verified by the UPPCL as well. The breakup of the same is as below: MPRI & RD Tax- Rs. 174.25 Crore,6th Pay Appear- Rs. 4.7627117 Crore & UP Forest Transit Fee- Rs. 246.75 Crore	Invoice billed by UPRVUNL and verified by UPPCL are enclosed herewith as <i>Annexure-4</i> UPERC Order dated 29-04-2016 relevant pages are enclosed as <i>Annexure-5</i>
m	UNL/Statutory Charges/FY 2015-16	31-08-16	131.9533239	131.9533239	1		Invoice billed by UPRVUNL and verified by UPPCL are Enclosed herewith as <i>Annexure-6</i>
4	UNL/Statutory Charges/FY 2016-17	31-08-17	240.4216706	233.8466656	6.5750050	Amount of Rs. 0.0250050/- Crore on account of Pollution Cess of Parichha has been verified by UPPCL vide Bill No. UNL/Statutory Charges/FY 2016-17/01 dated 29-11-17, Further Interest due to late payment of Income tax amounting Rs. 6.5500000/- Crore not verified by UPPCL	Invoice billed by UPRVUNL and verified by UPPCL are Enclosed herewith as <i>Annexure-7</i>

Anpara- A: True-up Petition for FY 2014-15 to FY 2018-19

(इं० अवीक्षित सिंह) 5 मुख्य अभियन्ता (वाणिज्य) उ०प्र०ए।वि०उ०नि०ति० 14वां तल, शावित भवन विस्तार

लखनऊ-226001

					Louisian		
SNo	Bill No	Bill date	Billed by UPRVUNL	Verified by UPPCL	amount by UPPCL	Remarks	Annexure No
							Invoice billed by UPRVUNL and
	UNL/Statutory Charges/FY	29-11-17	0.0320050	0.0320050	1		verified by UPPCL are enclosed
n	2016-17/01	11177					herewith as Annexure-8
						Amount of Rs. 109.61 Crore and 8.6615311	Invoice billed by UPRVUNL and
						crore withdrawn by UPRVUNL vide letter no.	verified by UPPCL are enclosed
						341/UNL/CE(Comml.)/Statutory Charges	herewith as Annexure-9
						dated 08-05-2019. Further a supplementary	
						invoice of Rs. 109.61 Crore raised to UPPCL	UPRVUNL letter no.
						for reimbursement of balance income tax for	341/UNL/CE(Comml.)/Statutory
	UNL/Statutory Charges/FY	18-08-18	188 5344357	152.0571674	36.4772683	FY 2016-17 within the limit of MAT vide Bill	2019
Φ	2017-18	0 H - 0 - 0 H				No.UNL/Statutory Charges/FY 2016-	withdrawal amount of Rs.
						×	109.61 Crore and 8.6615311
						127	crore is enclosed herewith as
<u> </u>						Amount of Re 36,4772683 Crore has not	Annexure-10
						Programmed by IIBDCI on account of Income	
					1 33	Tax	
						Interest due to late payment of Income tax	Invoice billed by UPRVUNL and
						monthing Re O 8297889/- crore not verified	verified by UPPCL are Enclosed
	UNL/Statutory Charges/FY	27-03-19	22.5064487	21.6766598	0.8297889	alliquing has 0.8237 803/ - cross sections.	herewith as Annexure-11
	2014-15/Income Tax						
	UNL/Statutory Charges/FY	07.50.70	109 610000	109 6100000			verified by UPPCL are Enclosed
00	2016-17/Income Tax	C1-C0-/7	703.010.007				herewith as Annexure-12
							Invoice billed by UPRVUNL and
	UNL/Statutory Charges/FY	00 80	140 6004058	149 6094058	1		verified by UPPCL are Enclosed
ത 	2018-19	6T-00-47	000000000000000000000000000000000000000				herewith as Annexure-13
	Value of the state						Invoice billed by UPRVUNL and
	UNL/Statutory Charges/F1					Amount of Rs. 12.2516/09 Crore flas floor	verified by UPPCL are Enclosed
10	2018-	15-10-19	17.9435926	5.6919217	12.2516709	been verified by UPPCL on account of income	herewith as Annexure-14
	Tox					פא	
	Annara- A: True-up Petition for FY 2014-15 to FY 2018-19	Y 2014-15 to	FY 2018-19			9	The same of the sa

Anpara- A: Irue-up

(इ० अवीक्षित सिर्ध) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०नि०ति० 14यां ततः, शक्ति भवन विस्तार

In the view of the above, amount of Rs. 36.4772683 Crore and Rs. 12.2516709 Crore totalling Rs. 48.7289392 Crore has not been verified by the UPPCL on account of Income Tax head. The same amount has already been submitted by the UPRVUNL before the Hon'ble Commission vide its True-up Petition additional submission No. 1 dated 3<sup>rd</sup> January 2020. The Petitioner humbly requested to Hon'ble Commission to direct UPPCL for reimbursement the Income Tax amount paid by the UPRVUNL as actual.

Further, amount of Rs. 7.38 crore on account of Interest on income tax has also not verified by the UPPCL. It is therefore requested that the Hon'ble Commission may kindly direct to UPPCL to reimburse such interest on income tax incurred by the UPRVUNL owing to delay in the payments done by UPPCL.

The petitioner hereby requests the Hon'ble Commission to kindly consider this Information for Prudence Check of Statutory Charges as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 clause 25(iv)(c) and Tariff Order dated 18.01.1017, clause-11G.

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# 3. Prayer

The Petitioner respectfully prays followings to the Hon'ble Commission:

- The Hon'ble Commission is requested to Accept this Petition for true-up of additional capitalization and associated tariff components for the financial year 2014-15 to 2018-19
- The Hon'ble Commission is requested to Allow recovery of the additional claim generating out of the true up from the beneficiaries in line with the provision of the Regulations or in any manner that the Hon'ble Commission deems appropriate.
- 3. The Hon'ble Commission is requested to Permit recovery of expenses understated/ not considered in this Petition subsequent to the submission of this petition.
- Hon'ble commission is requested to direct the UPPCL to reimburse the actual amount on account of Income Tax and Interest on Income Tax to UPRVUNL.
- Hon'ble commission is requested to direct the UPPCL to reimburse the UPSLDC and NRPC Charges to UPRVUNL.
- 6. The Hon'ble Commission is requested to Condone any inadvertent omissions / errors / short comings and permit the applicant to add /change /modify / alter this Petition and make further submissions as may be required at later stages.

7. The Hon'ble Commission is requested to Pass such orders as Hon'ble Commission may deem fit and proper and necessary in the facts and circumstances of the case, to grant relief to the Petitioner.

Anpara- A: True-up Petition for FY 2014-15 to FY 2018-19

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# Office of Chief Engineer Commercial Unit



U.P. Rajya Vidyut Utpadan Nigam Ltd. 14<sup>th</sup> floor, Shakti Bhawan Extn. Lucknow-226001

Tel. No.- 0522-2288056/2287030 CIN:U40101UP1980SGC005065

E-mail: gm.commercial@uprvunl.org cecommercialunl@gmail.com

No. 74 /UNL/CE(Comml.)/True-up (2014-19)/Anp-B

Date: 21, May-2021

The Secretary,
U.P. Electricity Regulatory Commission
Vibhuti Khand-II, Gomti Nagar
Lucknow-2260010

# Subject:- Re-Submission of True-up Petition of 2x500 MW Anpara-'B' Thermal Power Stations of UPRVUNL for FY 2014-15 to 2018-19.

Dear Sir,

Kindly find enclosed herewith True-up Petition of 2x500 MW Anpara-'B' Thermal Power Station of UPRVUNL for FY 2014-15 to 2018-19 in 06 copies (one original + 05 photocopies + 01 soft copy) as per UPERC (Terms and Conditions of Generation Tariff) Regulations-2014 in compliance of directive of Hon'ble Commission during hearing on dated 16.03.2021 on Petition No. 1520/2019 for True-up of various Thermal Power Stations of UPRVUNL for FY 2014-15 to 2018-19.

The True-up Petitions (2014-19) for various TPS of UPRVUNL were originally submitted to Hon'ble Commission vide this office single covering letter no. 816/UNL/CE(Comml.)/True-up (2014-19), dt. 25.10.2019 (copy attached), with station wise fees Rs One Lac per Station and total Rs Eleven Lacs for 11 Stations in form of Bankers Cheque (No. 557569 dt. 25.10.2019, State Bank of India) in favour of Secretary, UPERC, payable at Lucknow as per Part-D, Sl. No. 13 of Addendum to "Schedule of Fee" of Amendment-I dated 11.12.2018 of UPERC (Fee & Fines) Regulation-2010 and U.P. Govt. Gudget Notification dartd 21.01.2019.

Submitted for kind consideration of the Hon'ble Commission. Encl: As above.

Yours Sincerely,

(Avikshit Singh)

Chief Engineer(Commecial)

No. 194/UNL/CE(Comml.)/True up (2014-19)/Anp-B Copy to the following respondents for their kind information:-

Date<sup>2</sup>, May-2021

- 1. M.D., U.P. Power Corporation Ltd., 7<sup>th</sup> floor, Shakti Bhawan, 14 Ashok Marg, Lucknow. 2. M.D., Madyanchal Vidyut Vitran Nigam Ltd., P.N. Road, Gokhale Marg, Lucknow.
- 3. M.D., Poorvaranchal Vidyut Vittan Nigam Ltd., 132KV S/S Bhikhari Vidyut Nagar, Varanasi.
- 4. M.D., Pashimanchal Vidyut Vitran Nigam Ltd., Victoria Park, Mecrut.

# Office of Chief Engineer Commercial Unit



U.P. Rajya Vidyut Utpadan Nigam Ltd. 14<sup>th</sup> floor, Shakti Bhawan Extn. Lucknow-226001
Tel. No.- 0522-2288056/2287030
CIN:U40101UP1980SGC005065

E-mail: gm.commercial@uprvunl.org cecommercialunl@gmail.com

- 5. M.D., Dakshinanchal Vidyut Vitran Nigam Ltd., Vidyut Bhawan, Gailana Road, Agra.
- 6. M.D., Kanpur Electric Supply Co. Ltd., KESA House, Kanpur.
- 7. Chief Executive Officer, Noida Power Company Ltd., H-Block, Alpha-II Sector, Gr Noida.
- 8. Chief Engineer (PPA), UPPCL, 14th floor, Shakti Bhawan Ext, Lucknow alongwith enlosures

No. 194 /UNL/CE(Comml.)/True up (2014-19)/Anp-B

Date: 21, May-2021

Copy to the followings for their kind information:-

- 1. PS to Managing Director, UPRVUNL, 7th floor, Shakti Bhawan, 14 Ashok Marg, Lucknow.
- 2. Director (Project & Commercial), UPRVUNL, 8th floor, Shakti Bhawan Ext, Lucknow.
- 3. Director (Technical), UPRVUNL, 8th floor, Shakti Bhawan Ext, Lucknow.
- 4. Director (Finance), UPRVUNL, 8th floor, Shakti Bhawan Ext, Lucknow alongwith enlosures

(Avikshit Singh)
Chief Engineer(Commercial)

# ANPARA 'B' THERMAL POWER STATION

# TRUE UP PETITION

FOR

FY 2014-15 to FY 2018-19



UP RAJYA YIDYUT UTPADAN NIGAM LTD

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(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०विठ्यु०नि०लि० 14वां तल, शक्ति भवन विस्तार लखनऊ-226001

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(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) ল্ফ্লন্ড-226001

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Anpara- B: True-up Petition for FY 2014-15 to FY 2018-19

(इं० अविक्रित सिंह) मुख्य अभियन्ता (वाणिज्य) सुख्य अभियन्ता (वाणिज्य) सुज्य अभियन्ता भवन विस्तार

### FORM-1

# (See Regulation 30) BEFORE THE HON'BLE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION, GOMTI NAGAR, LUCKNOW

Receipt Register No.:
Petition No.:

### IN THE MATTER OF

ANPARA -B TPS PETITION FOR DETERMINATION OF FINAL TRUE-UP OF FY 2014-15, FY 2015-16, FY 2016-17, FY 2017-18 and FY 2018-19.

AND

# IN THE MATTER OF

UTTAR PRADESH RAJYA VIDYUT UTPADAN NIGAM LIMITED (UPRVUNL), SHAKTI BHAWAN, 14-ASHOK MARG, LUCKNOW.

APPLICANT

V/s

UTTAR PRADESH POWER CORPORATION LIMITED (UPPCL), SHAKTI BHAWAN, 14-ASHOK MARG, LUCKNOW.

MADHYANCHAL VIDYUT VITRAN NIGAM LTD. PN ROAD, LUCKNOW.

POORVANCHAL VIDYUT VITRAN NIGAM LTD. 132 KV S/S BHIKARI VIDYUT NAGAR, VARANASI

PASCHIMANCHAL VIDYUT VITRAN NIGAM LTD. VICTORIA PARK, MEERUT

DAKSHINACHAL VIDYUT VITRAN NIGAM LTD. GALINA ROAD AGRA.

KANPUR ELECTRICITY SUPPLY CO. LTD. KESA HOUSE, KANPUR

NOIDA POWER CO. LTD.
COMMERCIAL COMPLEX, H BLOCK, ALPHA-II SECTOR
GREATER NOIDA CITY

RESPONDENTS

Sounder No.

or. Suyan.

(इं० अवेश्वित विद्या मुख्य अभियन्ता वित्यिज्य) मुख्य अभियन्ता वित्यिज्य उ०प्र०रा०वि०उ०नि०वि० उ०प्र०रा०वि०उ०नि०वि० विस्तार अवेश तल, शक्ति भवन विस्तार



Unit, 14th Floor, Shakti Bhawan Extn., 14 Ashok Marg, Lucknow, do hereby solemnly affirm and state as under:

- 1. II say that I am Chief Engineer, Commercial Unit, UPRVUNL, the Applicant in the matter and am duly authorized by the said Applicant to swear the present Anpara 'B' TPS True-up Petition for the period FY 2014-15 to FY 2018-19.
- 2. I say that I have read the contents of the True-up Petition and I have understood the same.
- 3. That the contents attached herewith filed by the Applicant on behalf of UPRVUNL are based on the information available with the Applicant in the normal course of business and believed by me to be true.
- 4. If say that the Text, Appendixes and Annexures to the submissions are true and correct copies of their original.

VERIFICATION

DEPONENT (इं॰ अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०नि०लि०

I, the deponent above named, do hereby verify the contents of the above affidavit to be true to the best of my knowledge, no part of it is false and nothing material has been concealed therefrom.

Verified at Lucknow of Before me

R.C. DERMA

Adv. & NOTARY
Lucknow U.P. INDIA
Regd. No 31/64/2000

DEPONENT (इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य)

उ०प्र०रा०वि०उ०नि०लि० 14वां तल. शक्ति भवन विस्तार

## 1. Anpara BTPS

As per direction of Hon'ble Commission on date 16.03.2021 during hearing on Petition No. 1520/2019 for True-up of various Thermal Power Stations of UPRVUNL for FY 2014-15 to 2018-19 to re-submit the True-up Petitions Station wise with separate covering letter, this section presents the final true-up for FY 2014-15 to FY 2018-19 in respect of Anpara - B Thermal Power Station.

The audited accounts of UPRVUNL for the period FY 2014-15 to FY 2018-19 and Cost Audit Report for the period FY 2014-15 to FY 2018-19 have already been submitted in hard copy with Petition No. 1520/2019 on date 25.10.2019 in the Commission. However, soft copy of the audited accounts of UPRVUNL and Cost Audit Report for the period FY 2014-15 to FY 2018-19 is attached in soft copy with this Petition.

# 1.1. Annual Capacity Charges

As per tariff regulations the annual capacity (fixed) charges consist of

- a) Interest on Loan Capital
- b) Depreciation including Advance against Depreciation
- c) Return on Equity
- d) Operation and maintenance expenses including insurance
- e) Interest on Working Capital
- f) Special Allowance

This section provides the description of the approved capacity charges Vs allowable capacity charges for FY 2014-15 to FY 2018-19 based on financial statements of the UPRVUNL.

### 1.2. Gross Fixed Assets

The Petitioner submits that it has considered the opening balance of gross fixed assets for the financial year 2014-15 from the MYT Order issued by the Hon'ble Commission on 29th April 2016 and review order dated 18th January 2017. The Petitioner submits that there have been additional capitalisation to the tune of Rs. 309.08 Crores and decapitalisation of Rs. 23.17 crore spread across the Control period and the details of such capitalization have been shown in the specific formats annexed to this petition.

Accordingly, the following table depicts the approved gross fixed asset balance vis-à-vis actual gross fixed asset balance for FY 2014-15 to FY 2018-19:

Table: Gross Fixed Asset Balance of 'Anpara B'

Figures in Rs Crore

- · · · · ·	2014	1-15	2019	5-16	2016	5-17	2017	7-18	2018	-19
Particulars	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual
Opening GFA	4,855.81	4,855.82	4,855.81	4,884.36	4,855.81	4,906.94	4,855.81	4,918.41	4,855.81	4,947.28
Capitalisation	-	33.54	~	22.58	-	29.64	-	28.87	-	194.45
Deletions	un un un en	5.00	-		-	18.17		- 1992-1993		-
Closing GFA	4,855.81	4,884.36	4,855.81	4,906.94	4,855.81	4,918.41	4,855.81	4,947.28	4,855.81	5,141.73

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Appara- B: True-up Petition for FY 2014-15 to FY 2018-19

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## 1.3. Means of Finance

The Hon'ble Commission in its order dated 29<sup>th</sup> April 2016 and review order dated 18th January 2017 had prescribed a normative approach of financing of the capital expenditure in the ratio of 70% debt and 30% equity in line with the Tariff Regulations. Further the allowable depreciation had been considered as normative loan repayment.

In order to maintain consistency in approach, the Petitioner has considered the aforementioned philosophy and calculated the normative debt and normative equity. The opening values of accumulated depreciation, normative loan and normative equity as on 1.4.2014 has been adopted from the approved values in the order dated 29<sup>th</sup> April 2016 and review order dated 18<sup>th</sup> January 2017. Accordingly, the gross fixed asset balance, the net fixed asset balance and its financing is presented in the table below:

Table: Calculation of GFA, NFA and its financing - Anpara B

Figures in Rs Crore

Anpara B Power Station	2014-15	2015-16	2016-17	2017-18	2018-19
			True up		
Opening GFA	4,855.82	4,884.36	4,906.94	4,918.41	4,947.28
Additions	33.54	22.58	29.64	28.87	194.45
Deletions	5.00	-	18.17	-	-
Closing GFA	4,884.36	4,906.94	4,918.41	4,947.28	5,141.73
Closing Net FA	630.14	490.69	491.84	494.73	514.17
Financing:					
Opening Equity	1,317.01	1,325.57	1,332.35	1,335.79	1,344.45
Additions	10.06	6.77	8.89	8.66	58.34
Deletion	1.50	60	5.45	-	-
Closing Equity	1,325.57	1,332.35	1,335.79	1,344.45	1,402.78
Open. Accumulated Depreciation	3,975.50	4,254.22	4,416.25	4,426.56	4,452.55
Depreciation during the year	278.72	162.02	10.32	25.98	175.01
Closing Accumulated Depreciation	4,254.22	4,416.25	4,426.56	4,452.55	4,627.56
Opening Debts	-	-		10.43	4.65
Additions	23.48	15.81	20.75	20.21	136.12
Less: Depreciation (normative repayment)	23.48	15.81	10.32	25.98	140.77
Closing Debts	-	-	10.43	4.65	

# 1.4. Depreciation

The Petitioner submits that the depreciation as per accounts is calculated as per the prescription of Schedule XIV of the Companies Act, 1956 which is depicted in the accounting policies annexed with the audited accounts. However, the Tariff Regulations prescribe that the eligible depreciation shall be calculated annually, based on straight line method over the useful life of the asset and the rates

prescribed in Appendix II of such regulations. It is noteworthy of mentioning that the Appendix II prescribes distinct depreciation rates for each class of assets.

The Petitioner has provided the asset class wise list of gross fixed assets in Form 11 of the tariff formats submitted along with this petition. Accordingly, the Petitioner has calculated the eligible depreciation based on the rates prescribed in the tariff regulations.

The allowable depreciation is depicted in the table below:

Table: Allowable Depreciation - Anpara B

							Figures in i	is crore		
	2014	-15	2015	-16	2016-	17	2017-	18	2018	-19
Particulars	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual
Depreciation including AAD	277.75	278.72	106.49	162.02	1045	10.32	-	25.98	-	175.01

### 1.5. Interest on Loan

As discussed above, the Hon'ble Commission in its order dated 29<sup>th</sup> April 2016 and review order dated 18<sup>th</sup> January 2017 had prescribed a normative approach of financing of the capital expenditure in the ratio of 70% debt and 30% equity in line with the Tariff Regulations. Further the allowable depreciation has been considered as normative loan repayment. The weighted average interest on loan capital was worked out at 11.40%.

The total capitalisation for FY 2014-15 to FY 2018-19 is depicted below in table. 70% of the same been considered to be funded through debt. Considering the debt worked out as above and applying the rate of 11.40%, the interest on loan capital has been worked out in the table below:

Table: Allowable Interest on Loan-Anpara B

						P	igures in Rs	Crore		
	2014-	15	2015-	16	2016-	17	2017-	18	2018-	19
Particulars	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual
Opening Debts	-	_	**		400	-	-	10.43	- :E	4.65
Additions	-	23.48	-	15.81	-	20.75	-	20.21	-	136.12
Less: Normative repayment	-	23.48	_	15.81	-	10.32	w	25.98	-	140.77
Closing Debts	4		-	-	4	10.43		4.65		→
Average Debt	-	-	-		-	5.21	-	7.54	-	2.33
interest on Loan	•	n#	-	1,8	-	0.59	-	0.86	-	0.27

### 1.6. Return on Equity

The opening equity base of Rs. 1317.01 crore as on 1.4.2014 has been adopted from the Tariff order dated 29th April 2016 and review order dated 18th January 2017, Considering that 30% of the capital

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Anpara- B: True-up Petition for FY 2014-15 to FY 2018-19

(इं० अवीक्षित सिंह) च्या अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०निजनिज उ०प्र०रा०वि०उ०निजनिज expenditure funded by equity has been considered. The Tariff Regulations-2014 prescribe that return on equity would be allowed at the rate of 15.50%.

However, it is brought to the attention of the Hon'ble Commission that based on the Government Order dated 31stJuly 2017 and subsequent adoption of the same by Board of Directors on 9thApril 2018 of the Petitioner, the Petitioner has billed the RoE at 2% for FY 2017-18 and 2018-19 and rest of 13.5% has been foregone to take its advantage in Merit Order Despatch (MOD) schedule as per Hon'ble Commission Order dated 21.06.2016 against Petition No. 1070/2015. Therefore, RoE component would be adjusted by UPRVUNL with beneficiary only 2%. But it is requested to Hon'ble Commission to approve the Capacity Charge with RoE @ 15.5%.

Accordingly, the approved return on equity and the trued up figures have been furnished in the table below:

Table: Allowable Return on Equity - Anpara B

Figures	in	Rs.	Crore	
---------	----	-----	-------	--

	2014	1-15	2015	5-16	2016	-17	2017	7-18	2018	1-19
Particulars	Approved	Actual								
Opening Equity	1,317.01	1,317.01	1,317.01	1,325.57	1,317.01	1,332.35	1,317.01	1,335.79	1,317.01	1,344.45
Additions	-	10.06	-	6.77	-	8.89	-	8.66	-	58.34
Deletion	-	1.50	-	-	-	5.45	-	•	-	-
Closing Equity	1,317.01	1,325.57	1,317.01	1,332.35	1,317.01	1,335.79	1,317.01	1,344.45	1,317.01	1,402.78
Average Rate of	1,317.01	1,321.29	1,317.01	1,328.96	1,317.01	1,334.07	1,317.01	1,340.12	1,317.01	1,373.62
Return on Equity (%)	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%
Allowable RoE	204.14	204.80	204.14	205.99	204.14	206.78	204.14	207.72	204.14	212.91

### 1.7. Operation and Maintenance Expenses

The tariff regulations prescribe that only capital expenditure would be eligible for truing up. The regulations do not provide for truing up in respect of O&M expenses and also provides relaxed operating norms considering of vintage of certain generating stations like Obra A, Obra B, Panki, Harduaganj and Parichha.

Regulation 21(iv) of the UPERC Generation Regulations, 2014 deals with the allowance of O&M expenses. The Hon'ble Commission in the generation tariff regulations — Para 25 (iv) (a) have prescribed the yearly O&M expenses for the control period FY 2014-15 to FY 2018-19 based upon the Installed Capacity for the thermal power stations.

Accordingly, based on the above stated norms, the O&M expenses as allowed through the MYT Order dated 29 April 2016 read with Review Order dated 18 January 2017 for the power station for the Control period is depicted in the table below:

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Anpara- B: True-up Petition for FY 2014-15 to FY 2018-19

(इं० अवीधित सिंह)
मुख्य अभियन्ता (वाणिज्य)
मुख्य अभियन्ता (वाणिज्य)
पुरुष्य अभियन्ता (वाणिज्य)
पुरुष्य अभियन्ता (वाणिज्य)
पुरुष्य अभियन्ता भवन विस्ता

# Table: Allowable Operation and Maintenance Expenses – Anpara B Figures in Rs Crore

	2014-15		2015-16		2016-17		2017-18		2018-19	
Particulars	Approved	Claim								
O&M Expenses	160.00	160.00	170.10	170.10	180.80	180.80	192.20	192.20	204.30	204.30

# 1.8. Interest on Working Capital

The tariff regulations do not prescribe any variation to be allowed in true-up in respect of interest on working capital. Clause (a) and (d) of provision (v) of Regulation 25 of the UPERC Generation Tariff Regulations 2014 prescribe payment of Interest on Working Capital on a normative basis. Para 25 (v) of the UPERC Generation Tariff Regulations 2014 prescribe the following normative parameters for determination of normative working capital for coal based generating stations:

- Cost of coal for 15 days for pit-head generating stations and 30 days for non-pit-head generating stations for generation corresponding to the normative annual plant availability factor or the maximum coal stock storage capacity whichever is lower
- Cost of coal for 30 days for generation corresponding to the target availability
- Cost of secondary fuel oil for two months corresponding to the target availability and in case
  of use of more than one secondary fuel oil, cost of fuel oil stock for the main secondary fuel
  oil;
- Operation and Maintenance expenses for one month;
- Maintenance spares @ 20% of operation and maintenance expenses; and
- Receivables equivalent to two months of capacity charges and energy charges for sale of electricity calculated on the target availability.

Based on the above premise, the allowable Interest on Working capital as worked out by the Hon'ble Commission in its order dated 29 April 2016 read with Review Order dated 18 January 2017 for the generating station has been reproduced below:

Table: Allowable Interest on Working Capital-Anpara B

			Figures in Rs Crore			
Anpara B Power Station	2014-15	2015-16	2016-17	2017-18	2018-19	
Interest on Working Capital	73.38	70.19	68.29	68.99	69.75	

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Anpara- B: True-up Petition for FY 2014-15 to FY 2018-19

(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) मुख्य अभियन्ता (वाणिज्य) उठप्रठराठविठ्यठनिठतिठ उठप्रठराठविठ्यठनिठतिठ

# 1.9. Summary of the true-up claimed for FY 2014-15 to FY 2018-19

Based on the foregoing discussions, the following table summarizes the truing-up computations of Anpara B for the financial years 2014-15 to FY 2018-19 for approval by the Hon'ble Commission.

Table: True-up Summary for FY 2014-15 to FY 2018-19 -- Anpara B

Figures in Rs Crore

	2014-15		2015-16		2016-17		2017-18		2018-19	
Particulars	Order	Actual								
Depreciation	277.75	278.72	106.49	162.02	-	10.32	-	25.98	-	175.01
Interest on Long Term Loans	-	-	-	-	-	0.59	•	0.86	_	0.27
Return on Equity	204.14	204.80	204.14	205.99	204.14	206.78	204.14	207.72	204.14	212.91
loWC	73.38	73.38	70.19	70.19	68.29	68.29	68.99	68.99	69.75	69.75
O&M	160.00	160.00	170.10	170.10	180.80	180.80	192.20	192.20	204.30	204.30
Compensation Allowance	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50
Total	722.77	724.40	558.42	615.80	460.73	474.28	472.83	503.25	485.69	669.73

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Anpara- B: True-up Petition for FY 2014-15 to FY 2018-19

(इं० अवीक्षित सिंह)
मुख्य अभियन्ता (वाणिज्य)
मुख्य अभियन्ता (वाणिज्य)
उठप्रठगठिठउठिठिठ

### 2. Other Related Issues

# 2.1. Reimbursement of Actual Income Tax

It is submitted that UPRVUNL had paid Income Tax amounting to Rs. 192.65 Crore for FY 2016-17, 35.34 Crore for FY 2017-18 and 36.34 Crore for FY 2018-19. The said payments are duly reflected in the ITR (Attached as Annexure-1) of the above years. These taxes arise on account of the revenues accrued to the Petitioner from the invoices raised to UPPCL. Such invoices were based on the UPERC Tariff order on dated 29<sup>th</sup> April 2016 & 18<sup>th</sup> January 2017. Accordingly, the bills were raised by UPRVUNL seeking reimbursement of the Statutory charges including Income Tax in line with Clause-11G of Tariff order dated 18<sup>th</sup> January 2017 which provides as below:

"1.98 The Commission found the prayer reasonable and decided that the following shall be added in clause "11" of UPRVUNL's Tariff Order dated 29.04.2016,:

(G) Recovery of Statutory Charges and Tax on income etc.

In addition to the above tariff UPRVUNL is allowed to recover the payment of statutory charges like water cess, cost of water, payment to Pollution Control Board, rates and taxes, FBT and Regulatory Fee paid to the Commission and taxes on income etc., on production of details of actual payment made and duly supported with the certificate of the Statutory Auditors......"

In response to the claims of Petitioner, UPPCL has verified Income Tax amount of Rs. 169.61 crore for FY 2016-17, Rs. 21.75 crore for FY 2017-18 and Rs. 24.09 crore for FY 2018-19. Total gap between amount claimed by UPRVUNL and verified by UPPCL is tune to Rs. 48.73 crore. Since UPRVUNL had already made payments to the income tax authorities for FY 2016-17, FY 2017-18 and FY 2018-19 based on the methodology of Annual Fixed Charges as approved by Hon'ble Commission, UPPCL ought to reimburse the tax amount in actuals. Non reimbursement of actual tax by UPPCL will be in violation of order dated 18.01.2017 Clause-11G and will also cause serious financial injury to Petitioner. Therefore, Hon'ble Commission is request to direct UPPCL for reimbursement the Tax amount in actual paid by UPRVUNL.

# 2.2. Reimbursement of UPSLDC & NRPC Fee

It is submitted that UPRVUNL has paid UPSLDC & NRPC fees towards annual charges during past years. However, the same has never been claimed by the UPRVUNL due to non provision in the Tariff Order for claiming the UPSLDC and NRPC charges.

Therefore, Hon'ble Commission is requested to grant for reimbursement of the UPSLDC and NRPC fees paid in actual by UPRVUNL.

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Anpara- B: True-up Petition for FY 2014-15 to FY 2018-19

(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) मुख्य अभियन्ता (वाणिज्य) पुठप्र०रा०वि०उ०नि०का० पुठप्र०रा०वि०उ०नि०का० पुरुष्ट भावत भवन विस्तार पुरुष्ट शावत भवन विस्तार

### 2.3. Interest on Income Tax

The Tariff Regulations issued by the Commission provides that tax on the income streams of the generating company from its core business shall be computed as an expense and shall be permitted to be recovered from the beneficiaries. It is submitted that huge amount is outstanding on the part of UPPCL and UPRVUNL is not getting its money for timely payments for essential spares, works & Coal payments timely. Such delay affects the capacity of UPRVUNL to make timely payments to statutory authorities in the form of tax etc. Non-payment of taxes to the authorities incurs levy of interest charges on such dues to the authorities. But UPPCL is not paying interest on Income Tax.

UPRVUNL has in past also paid interest on Income Tax due to such delay caused by untimely payments from UPPCL. It is therefore requested that the Commission may kindly direct UPPCL to reimburse such interest on Income Tax incurred by UPRVUNL owing to the delay in payments done by UPPCL.

# 2.4. Intimation of Profit sharing with UPPCL as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 Clause 6 (6).

UPRVUNL wishes to intimate the Hon'ble Commission that it has shared its profits with UPPCL in accordance to the profit-sharing mechanism specified as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 clause 6 (6); the same is reproduced below:

> "(6) The financial gains by a generating company on account of controllable parameters shall be shared between generating company and the beneficiaries. The financial gains computed as per following formulae in case of generating station on account of operational parameters contained in Clause (4) (a) to (c)above shall be shared in the ratio of 80:20 between generating company and the beneficiaries:

Net Gain = (ECRN-ECRA) x Scheduled Generation

Where.

ECRN - Normative Energy Charge Rate computed on the basis of norms specified/approved for Gross Station Heat Rate, Auxiliary Consumption and Secondary Fuel Oil Consumption.

ECRA – Actual Energy Charge Rate computed on the basis of actual Gross Station Heat Rate, Auxiliary Consumption and Secondary Fuel Oil Consumption for the month.

Provided that in case of financial gains on account of parameters contained in Clause (4)(d) above shall be shared in accordance with Clause (i) (e) of Regulation 25& Regulation 44 of these regulations."

UPRVUNL had prepared a 'Profit Centre Analysis' for the period FY 2014-15 to FY 2018-19, based on the Audited Accounts (Annexed as Annexure-2). A copy of the same was shared with UPPCL. On the basis of the 'Profit Centre Analysis', UPPCL computed the profit-sharing amount of Rs. 200.97 Crore and UPPCL deducted the profit-sharing amount from the running bills raised by UPRVUNL for 2014-15 to 2017-18 while UPRVUNL shared Profit Sharing for FY 2018-19 with a Bill (Copy attached).

The profit shared between UPRVUNL and UPPCL for Rs. 200.97 Crore is summarized as follows in the profit shared between UPRVUNL and UPPCL for Rs. 200.97 Crore is summarized as follows in the profit shared between UPRVUNL and UPPCL for Rs. 200.97 Crore is summarized as follows in the profit shared between UPRVUNL and UPPCL for Rs. 200.97 Crore is summarized as follows in the profit shared between UPRVUNL and UPPCL for Rs. 200.97 Crore is summarized as follows in the profit shared between UPRVUNL and UPPCL for Rs. 200.97 Crore is summarized as follows in the profit shared between UPRVUNL and UPPCL for Rs. 200.97 Crore is summarized as follows in the profit shared between UPRVUNL and UPPCL for Rs. 200.97 Crore is summarized as follows in the profit shared between UPRVUNL and UPPCL for Rs. 200.97 Crore is summarized as follows in the profit shared between UPRVUNL and UPPCL for Rs. 200.97 Crore is summarized as follows in the profit shared between UPRVUNL and UPPCL for Rs. 200.97 Crore is summarized as follows in the profit shared between UPRVUNL and UPPCL for Rs. 200.97 Crore is summarized as follows in the profit shared between UPRVUNL and UPPCL for Rs. 200.97 Crore is summarized as follows in the profit shared between UPRVUNL and UPPCL for Rs. 200.97 Crore is summarized as follows in the profit shared between UPRVUNL and UPPCL for Rs. 200.97 Crore is summarized as follows in the profit shared between UPRVUNL and UPPCL for Rs. 200.97 Crore is summarized as follows in the profit shared between UPRVUNL and UPPCL for Rs. 200.97 Crore is summarized as follows in the profit shared between UPRVUNL and UPPCL for Rs. 200.97 Crore is summarized as follows in the profit shared between UPRVUNL and UPPCL for Rs. 200.97 Crore is summarized as follows in the profit shared between UPRVUNL and U ত্তত্ত্বতাৰিতত্ত্তি

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Anpara- B: True-up Petition for FY 2014-15 to FY 2018-19

शवित भवन विस्तार

# Summary of Profit Sharing for the Period FY 2014-15 to FY 2018-19

Figures in Rs. Crore

5 No	TPS Name		2014-15	2015-16	2016-17	2017-18	2018-19		
		Billing	640.82	743.12	751.42	670.16	693.81		
1	Anpara A	Actual	679.77	715.70	748.30	705.41	714.17		
		Profit		27.42	3.12	-			
2		Billing	932.63	1,380.53	1,462.11	1,124.42	1,119.88		
	Anpara B	Actual	838.15	1,169.93	1,380.09	1,050.68	1,117.92		
		Profit	94.48	210.60	82.02	73.74	1.95		
		Billing	90.40	64.05	96.52	9.28	-		
3	Obra A	Actual	107.99	94.79	43.38	13.49	-		
		Profit	-		53.14	w	7.3		
		Billing	625.76	655.78	811.24	835.74	603.12		
4	Obra B	Actual	583.51	670.85	854.37	790.82	632.59		
		Profit	42.25			44.92	94		
		Billing	368.21	201.47	265.35	119.21	-		
5	Panki	Actual	389.20	226.36	347.80	172.68	-		
		Profit			м	-	-		
	Harduaganj	Billing	36.88	154.13	200.05	108.14	70.70		
6		Actual	71.58	213.34	203.04	95.88	75.76		
		Profit				12.26			
	Harduaganj Extn	Billing	955.88	925.84	1,006.58	1,025.09	821.56		
7		Actual	1,115.48	1,066.99	1,057.31	978.16	836.73		
		Profit				46.93	-		
	Parichha	Billing	121.54	287.97	175.35	96.75	49.44		
8		Actual	152.52	327.58	217.23	110.75	61.64		
		Profit	-		-	[	-		
		Billing	674.66	909.14	930.26	807.10	579.50		
9	Parichha Extn	Actual	789.67	949.15	926.89	799.50	580.23		
		Profit	-	-	3.37	7.60	60		
		Billing	986.77	1,041.83	1,108.99	946.21	809.07		
10	Parichha Extn Stage II	Actual	1,034.33	1,024.76	1,076.19	919.20	797.25		
		Profit	-	17.08	32.80	27.01	11.81		
11	Anpara D	Billing	-		727.30	834.03	1,186.0		
		Actual	-		639.93	811.74	1,083.3		
		Profit		-	87.37	22.29	1.02.70		
	Grand Total (Profi	t)	136.73	255.10	261.82	234.75	116.47		
	Profit Share of UPPCL(	27.35	51.02	52.36	46.95	23.29			
FY	Total Profit Share to UPPCL for FY 2014-15 to FY 2018-19 (Rs Crore)			200.97					

The petitioner requests the Hon'ble Commission to kindly consider the intimation of Profit Sharing A with UPPCL as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 clause 6 (6).

(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०नि०लि०

14वां तल, शक्ति भवन विस्तार लखनऊ-226001

2.5. Information for Prudence Check of Statutory Charges as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 Clause 25 (Iv)(C) for the period FY 2014-15 to FY 2018-19.

UPRVUNL wishes to submit Information <u>for</u> Prudence Check of Statutory Charges as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 clause 25(iv)(c); the same clause is reproduced below:

iv) Operation and Maintenance expenses
1)
)
) The expenses on regulatory fee, payment to pollution control board, impact of
ay revision, capital spares, cost of water and water cess shall be paid additionally
t actuals subject to prudence check. The details regarding the same shall be
rnished along with the petition.
<i>n</i>

The Tariff Order dated 18.01.2017, Clause- 11G is also reproduced below:

(G) Recovery of Statutory Charges and Tax on income etc.

In addition to the above tariff UPRVUNL is allowed to recover the payment of statutory charges like water cess, cost of water, payment to Pollution Control Board, rates and taxes, FBT and Regulatory Fee paid to the Commission and taxes on income etc., on production of details of actual payment made and duly supported with the certificate of the Statutory Auditors......"

As per Regulation Clause 25(iv)(c) and Tariff Order mentioned above, the UPRVUNL hereby summarized below in table statutory charges Billed by UPRVUNL and verified by UPPCL for the period FY 2014-15 to FY 2018-19.

(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०नि०ति० विस्तार तल, शक्ति भवन विस्तार लखनऊ-226001

Souded As Dr. Suyour.

Summary of Statutory Charges Billed by UPRVUNL and Verified by UPPCL for the Period FY 2014-15 to FY 2018-19

Figures in Rs. Crore

s No	Bill No	Bill date	Billed by UPRVUNI	Verified by UPPCL	Unverified amount by UPPCL	Remarks	Annexure No
rel	UNL/Statuary Charges/FY 2014-15	04-09-15	205.4758306	200.7131189	4.7627117	Amount of Rs. 4.7627117 Crore claimed later by UPRVUNL vide Bill No. UNL/Statuary Charges/Adj.2016 dated 23-05-16 and the same has been verified by the UPPCL	Invoice billed by UPRVUNL and verified by UPPCL are Enclosed herewith as <i>Annexure-3</i>
7	UNL/Statuary Charges/Adj.2016	23-05-16	425.7690779	425.7690779		Amount of Rs. 425.7690779 has been claimed under the head MPRI & RD Tax, 6th pay Arrear and UP Forest Transit Fee. The same amount has already been approved by the Hon'ble Commission vide its order dated 29-04-2016 and the same amount has been verified by the UPPCL as well. The breakup of the same is as below: MPRI & RD Tax- Rs. 174.25 Crore,6th Pay Appear- Rs. 4.7627117 Crore & UP Forest Transit Fee- Rs. 246.75 Crore	Invoice billed by UPRVUNL and verified by UPPCL are enclosed herewith as <i>Annexure-4</i> UPERC Order dated 29-04-2016 relevant pages are enclosed as <i>Annexure-5</i>
m	UNL/Statutory Charges/FY 2015-16	31-08-16	131.9533239	131.9533239	1		Invoice billed by UPRVUNL and verified by UPPCL are Enclosed herewith as Annexure-6
4	UNL/Statutory Charges/FY 2016-17	31-08-17	240.4216706	233.8466656	6.5750050	Amount of Rs. 0.0250050/- Crore on account of Pollution Cess of Parichha has been verified by UPPCL vide Bill No. UNL/Statutory Charges/FY 2016-17/01 dated 29-11-17, Further Interest due to late payment of Income tax amounting Rs. 6.5500000/- Crore not verified by UPPCL	Invoice billed by UPRVUNL and verified by UPPCL are Enclosed herewith as <b>Annexure-7</b>
							1

Anpara- B: True-up Petition for FY 2014-15 to FY 2018-19

(इं० अवीक्तित सिंह) उज्य आरोपन्ता (वामिन्य) १४वां तत, शावित भयन विस्तार लखनऊ-26001

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S No	Bill No	Bill date	Billed by UPRVUNL	Verified by UPPCL	Unverified amount by UPPCL	Remarks	Annexure No
ιn	UNL/Statutory Charges/FY 2016-17/01	29-11-17	0.0320050	0.0320050	t		Invoice billed by UPRVUNL and verified by UPPCL are enclosed herewith as <i>Annexure-8</i>
9	UNL/Statutory Charges/FY 2017-18	18-08-18	188.5344357	152.0571674	36.4772683	Amount of Rs. 109.61 Crore and 8.6615311 crore withdrawn by UPRVUNL vide letter no. 341/UNL/CE(Comml.)/Statutory Charges dated 08-05-2019. Further a supplementary invoice of Rs. 109.61 Crore raised to UPPCL for reimbursement of balance income tax for FY 2016-17 within the limit of MAT vide Bill No.UNL/Statutory Charges/FY 2016-17/Income Tax dated 27-03-19. Amount of Rs. 36.4772683 Crore has not been verified by UPPCL on account of Income Tax	Invoice billed by UPRVUNL and verified by UPPCL are enclosed herewith as <i>Annexure-9</i> UPRVUNL letter no. 341/UNL/CE(Comml.)/Statutory Charges dated 08-05-2019 for withdrawal amount of Rs. 109.61 Crore and 8.6615311 crore is enclosed herewith as <i>Annexure-10</i>
_	UNL/Statutory Charges/FY 2014-15/Income Tax	27-03-19	22.5064487	21.6766598	0.8297889	Interest due to late payment of Income tax amounting Rs. 0.8297889/- crore not verified by UPPCL	Invoice billed by UPRVUNL and verified by UPPCL are Enclosed herewith as Annexure-11
00	UNL/Statutory Charges/FY 2016-17/Income Tax	27-03-19	109.6100000	109.6100000			Invoice billed by UPRVUNL and verified by UPPCL are Enclosed herewith as Annexure-12
ø	UNL/Statutory Charges/FY 2018-19	24-08-19	149.6094058	149.6094058	ı		Invoice billed by UPRVUNL and verified by UPPCL are Enclosed herewith as Annexure-13
10	UNL/Statutory Charges/FY 2018-19//Supplementary/Income	15-10-19	17.9435926	5.6919217	12.2516709	Amount of Rs. 12.2516709 Crore has not been verified by UPPCL on account of income Tax	Invoice billed by UPRVUNL and verified by UPPCL are Enclosed herewith as Annexure-14
ľ	2. True_un Dotition for EV 2014.15 to EV 2018-19	EV 2014-15 to	n FV 2618-19				A SOUTH THE

Anpara- B: True-up Petition for FY 2014-15 to FY 2018-19

मुख्य अभियन्ता (मिह्ह) उ०प्रव्याविवयविवयविवयो 14वां तल, शक्ति भवन विस्तार लखनऊ-226001

In the view of the above, amount of Rs. 36.4772683 Crore and Rs. 12.2516709 Crore totalling Rs. 48.7289392 Crore has not been verified by the UPPCL on account of Income Tax head. The same amount has already been submitted by the UPRVUNL before the Hon'ble Commission vide its True-up Petition additional submission No. 1 dated 3<sup>rd</sup> January 2020. The Petitioner humbly requested to Hon'ble Commission to direct UPPCL for reimbursement the Income Tax amount paid by the UPRVUNL as actual.

Further, amount of Rs. 7.38 crore on account of Interest on income tax has also not verified by the UPPCL. It is therefore requested that the Hon'ble Commission may kindly direct to UPPCL to reimburse such interest on income tax incurred by the UPRVUNL owing to delay in the payments done by UPPCL.

The petitioner hereby requests the Hon'ble Commission to kindly consider this Information for Prudence Check of Statutory Charges as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 clause 25(iv)(c) and Tariff Order dated 18.01.1017, clause-11G.

Sanded

AB

or Suyon,

(इं० अविधित सिंह) मुख्य अभियन्ता (वाणिज्य) मुख्य अभियन्ता (वाणिज्य) उठप्रठराठिवठउठिन०ति० उठप्रठराठिवठउठिन०ति० स्थान्त भयन विस्तार तल, शक्ति भयन विस्तार लखनऊ-226001

Anpara- B: True-up Petition for FY 2014-15 to FY 2018-19

#### 3. Prayer

The Petitioner respectfully prays followings to the Hon'ble Commission:

- The Hon'ble Commission is requested to Accept this Petition for true-up of additional capitalization and associated tariff components for the financial year 2014-15 to 2018-19
- 2. The Hon'ble Commission is requested to Allow recovery of the additional claim generating out of the true up from the beneficiaries in line with the provision of the Regulations or in any manner that the Hon'ble Commission deems appropriate.
- 3. The Hon'ble Commission is requested to Permit recovery of expenses understated/ not considered in this Petition subsequent to the submission of this petition.
- 4. Hon'ble commission is requested to direct the UPPCL to reimburse the actual amount on account of Income Tax and Interest on Income Tax to UPRVUNL.
- Hon'ble commission is requested to direct the UPPCL to reimburse the UPSLDC and NRPC Charges to UPRVUNL.
- 6. The Hon'ble Commission is requested to Condone any inadvertent omissions / errors / short comings and permit the applicant to add /change /modify / alter this Petition and make further submissions as may be required at later stages
- 7. The Hon'ble Commission is requested to Pass such orders as Hon'ble Commission may deem fit and proper and necessary in the facts and circumstances of the case, to grant relief to the Petitioner.

Sr. Suyon,

(इं० अवीक्षित सिंह) मुख्य अभियन्ता (यागिज्य) मुख्य अभियन्ता (यागिज्य) उ०प्र०रा०वि०उ०नि०वि० उ०प्र०रा०वि०उ०नि०वि० विस्तार स्थानक-226001

Sanded

Anpara- 8: True-up Petition for FY 2014-15 to FY 2018-19

## Office of Chief Engineer Commercial Unit



U.P. Rajya Vidyut Utpadan Nigam Ltd.
14<sup>th</sup> floor, Shakti Bhawan Extn.
Lucknow-226001
Tel. No.- 0522-2288056/2287030
CIN:U40101UP1980SGC005065
E-mail: gm.commercial@uprvunl.org

No. 5/UNL/CE(Comml.)/True-up (2014-19)/Anp-D

cecommercialunl@gmail.com Date:2 May-2021

The Secretary,
U.P. Electricity Regulatory Commission
Vibhuti Khand-II, Gomti Nagar

Lucknow-2260010

Subject:- Re-Submission of True-up Petition of 2x500 MW Anpara-'D' Thermal Power
Stations of UPRVUNL for FY 2016-17 to 2018-19.

Dear Sir,

Kindly find enclosed herewith True-up Petition of 2x500 MW Anpara-'D' Thermal Power Station of UPRVUNL for FY 2016-17 to 2018-19 in 06 copies (one original + 05 photocopies + 01 soft copy) as per UPERC (Terms and Conditions of Generation Tariff) Regulations-2014 in compliance of directive of Hon'ble Commission during hearing on dated 16.03.2021 on Petition No. 1520/2019 for True-up of various Thermal Power Stations of UPRVUNL for FY 2014-15 to 2018-19.

The True-up Petitions (2014-19) for various TPS of UPRVUNL were originally submitted to Hon'ble Commission vide this office single covering letter no. 816/UNL/CE(Comml.)/True-up (2014-19), dt. 25.10.2019 (copy attached), with station wise fees Rs One Lac per Station and total Rs Eleven Lacs for 11 Stations in form of Bankers Cheque (No. 557569 dt. 25.10.2019, State Bank of India) in favour of Secretary, UPERC, payable at Lucknow as per Part-D, Sl. No. 13 of Addendum to "Schedule of Fee" of Amendment-I dated 11.12.2018 of UPERC (Fee & Fines) Regulation-2010 and U.P. Govt. Gudget Notification dartd 21.01.2019.

Submitted for kind consideration of the Hon'ble Commission. Encl: As above.

Yours Sincerely,

(Avikshit Singh) Chief Engineer(Commecial)

No. /UNL/CE(Comml.)/True up (2014-19)/Anp-D Copy to the following respondents for their kind information:-

Date: , May-2021

- 1. M.D., U.P. Power Corporation Ltd., 7th floor, Shakti Bhawan, 14 Ashok Marg, Lucknow.
- 2. M.D., Madyanchal Vidyut Vitran Nigam Ltd., P.N. Road, Gokhale Marg, Lucknow.
- 3. M.D., PoorvaranchalVidyutVitranNigamLtd.,132KV S/S Bhikhari Vidyut Nagar, Varanasi.
- 4. M.D., Pashimanchal Vidyut Vitran Nigam Ltd., Victoria Park, Meerut.

## Office of Chief Engineer Commercial Unit



U.P. Rajya Vidyut Utpadan Nigam Ltd. 14<sup>th</sup> floor, Shakti Bhawan Extn. Lucknow-226001 Tel. No.- 0522-2288056/2287030 CIN:U40101UP1980SGC005065

E-mail: gm.commercial@uprvunl.org cecommercialunl@gmail.com

5. M.D., Dakshinanchal Vidyut Vitran Nigam Ltd., Vidyut Bhawan, Gailana Road, Agra.

6. M.D., Kanpur Electric Supply Co. Ltd., KESA House, Kanpur.

- 7. Chief Executive Officer, Noida Power Company Ltd., H-Block, Alpha-II Sector, Gr Noida.
- 8. Chief Engineer (PPA), UPPCL, 14th floor, Shakti Bhawan Ext, Lucknow alongwith enlosure

No. 195/UNL/CE(Comml.)/True up (2014-19)/Anp-D

Date: 2 , May-2021

Copy to the followings for their kind information:-

- 1. PS to Managing Director, UPRVUNL, 7th floor, Shakti Bhawan, 14 Ashok Marg, Lucknow.
- 2. Director (Project & Commercial), UPRVUNL, 8th floor, Shakti Bhawan Ext, Lucknow.
- 3. Director (Technical), UPRVUNL, 8th floor, Shakti Bhawan Ext, Lucknow.
- 4. Director (Finance), UPRVUNL, 8th floor, Shakti Bhawan Ext, Lucknow alongwith enlosures

(Avikshit Singh)
Chief Engineer(Commercial)

# ANPARA 'D' THERMAL POWER STATION

# TRUE UP PETITION

JOR

FY 2916-17 to FY 2018-19



UP RAJYA VIDYUT UTPADAN NIGAM LTD

sourced to

St. Swy

(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उठप्रठराठविठउठनिठनिठ

14वां तल, शक्ति भवन विस्तार लगानऊ-225001

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(इ० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०नि०लि० १४वां तल. शवित भवन विस्तार लखनऊ-226001

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(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०यि०उ०नि०लि० १४वां तल, शक्ति भवन विस्तार लखनऊ-226001

#### FORM-1

# (See Regulation 30) BEFORE THE HON'BLE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION, GOMTI NAGAR, LUCKNOW

Receipt Register No.:
Petition No.:
IN THE MATTER OF
ANPARA –D TPS PETITION FOR DETERMINATION OF FINAL TRUE-UP OF FY 2016-17, FY 2017-18 and FY 2018-19.
AND
IN THE MATTER OF
UTTAR PRADESH RAJYA VIDYUT UTPADAN NIGAM LIMITED (UPRVUNL), SHAKTI BHAWAN, 14-ASHOK MARG, LUCKNOW.
V/s APPLICANT
UTTAR PRADESH POWER CORPORATION LIMITED (UPPCL), SHAKTI BHAWAN, 14-ASHOK MARG, LUCKNOW.
MADHYANCHAL VIDYUT VITRAN NIGAM LTD. PN ROAD, LUCKNOW.
POORVANCHAL VIDYUT VITRAN NIGAM LTD. 132 KV S/S BHIKARI VIDYUT NAGAR, VARANASI
PASCHIMANCHAL VIDYUT VITRAN NIGAM LTD. VICTORIA PARK, MEERUT
DAKSHINACHAL VIDYUT VITRAN NIGAM LTD. GALINA ROAD AGRA.

NOIDA POWER CO. LTD. COMMERCIAL COMPLEX, H BLOCK, ALPHA-II SECTOR GREATER NOIDA CITY

KANPUR ELECTRICITY SUPPLY CO. LTD.

Sounder V/3

KESA HOUSE, KANPUR

SI. Suyoni

(इं० अविक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०नि०लि० 14वां तल, शक्ति भवन विस्तार लखनऊ-226001



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AFFIDAVIT

Thit Singh, Son of Late Dr. Chandra Pal Singh aged about 59 years, office of Commercial Unit, 14th Floor, Shakti Bhawan Extn., 14 Ashok Marg, Lucknow, do hereby solemnly affirm and state as under:

- 1. II say that I am Chief Engineer, Commercial Unit, UPRVUNL, the Applicant in the matter and am duly authorized by the said Applicant to swear the present Anpara 'D' TPS True-up Petition for the period FY 2016-17 to FY 2018-19.
- 2. I say that I have read the contents of the True-up Petition and I have understood the same.
- 3. That the contents attached herewith filed by the Applicant on behalf of UPRVUNL are based on the information available with the Applicant in the normal course of business and believed by me to be true.

4. If say that the Text, Appendixes and Annexures to the submissions are true and correct copies of their original.

VERIFICATION

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I, the deponent above named, do hereby verify the contents of the above affidavit to be true to the best of my knowledge, no part of it is false and nothing material has been concealed therefrom.

Sworn and Verified

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Adv. & NOTAR

Lucknow U.P. INDIA Regd. No 31/64/2000

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#### 1. Anpara DTPS

As per direction of Hon'ble Commission on date 16.03.2021 during hearing in Petition No. 1520/2019 for True-up of various Thermal Power Stations of UPRVUNL for FY 2014-15 to 2018-19 to re-submit the True-up Petitions Station wise with separate covering letter, this section presents the final true-up for FY 2016-17 to FY 2018-19 in respect of Anpara- D Thermal Power Station.

Anpara D comprising of Units 6 & 7 (2 x 500 MW) units started commercial operation in 2016-17. Unit#6 achieved COD on 08.05.2016 and Unit#7 achieved COD on 18.10.2016. The Board of Directors of UPRVUNL in the 159th Board Meeting had accorded approval to the project cost of Rs 7,027.40 crs on 08.08.2014. The Energy Task Force has also approved the same on 19th November, 2014 and by the State Cabinet on 19th March, 2015. The Petitioner had submitted the projected ARR for the control period 2016-17 to 2018-19 based on the aforementioned project cost. However, the Hon'ble Commission through its order dated 29th April 2016 read with Review Order dated 18th January 2017 had allowed a provisional project cost of Rs 6089.06 Crores and based on recovery of 95% of the project cost, allowed the same as provisional tariff.

The Board of Directors of UPRVUNL in the 169th Board meeting accorded its approval to the revised project cost of Rs. 7,799 core on 14-09-2016. The cabinet approval for the capital cost of Rs. 7799 croe was also accorded on 24th November 2016. The Energy Task Force has also approved the same on 28th September 2016. The documentary evidence in respect of minutes of BoD meeting, minutes of the ETF and Goyt, approval are enclosed herewith and marked as Annexure-B, C and D.

Subsequently, the Petitioner filed petition no. 1200/2017 before the Hon'ble Commission for approval of Capital Cost and determination of Multi Year Tariff for the control period FY 2016-17 to FY 2018-19, for which final order is under consideration before the Hon'ble Commission. It is hereby submitted that in petition No. 1200/2017, the Petitioner has claimed the IDC of Rs. 2349.48 crore (out of the total project cost of Rs. 7,799 Crore) as against Rs. 2353.37 crore. Thus, the Petitioner has achieved a saving of Rs. 3.89 crore on account of reduction in IDC. Thus, the revised Project Cost works out to be Rs. 7.795.11 crore.

The instant True up petition filed by the Petitioner has been done so on the basis of Annual Audited Accounts of FY 2016-17 to FY 2018-19; the Opening GFA has as per FY 2016-17 audited accounts, which is to the tune of Rs. 7,086.18 crores. The closing GFA for FY 2018-19 is to the tune of Rs. 7,156.52 crore as per the Audited Accounts of FY 2018-19.

Since, out of the revised project cost of Rs. 7795.11 crore, Rs 7156.52 crore has been booked in audited accounts up to the FY 2018-19, the balance cost of Rs. 638.59 crore will be distributed as projections in the MYT petition for the control period FY 2019-20 to FY 2023-24.

Based on the revised project cost, the Petitioner hereby prays for the true up of the revenue for the respective years as detailed in the following items.

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#### 1.1. Annual Capacity Charges

As per tariff regulations the annual capacity (fixed) charges consist of

- a) Interest on Loan Capital
- b) Depreciation including Advance against Depreciation
- c) Return on Equity
- d) Operation and maintenance expenses including insurance
- e) Interest on Working Capital
- f) Special Allowance

This section provides the description of the approved capacity charges Vs allowable capacity charges for FY 2016-17 to FY 2018-19 based on financial statements of the UPRVUNL.

#### 1.2. Gross Fixed Assets

The Petitioner submits that it has considered the opening balance of gross fixed assets for the financial year 2016-17 from the Audited Accounts. The Petitioner submits that there have been additional capitalisation to the tune of Rs 70.35 Crores spread across the Control period and the details of such capitalization have been shown in the specific formats annexed to this petition.

Accordingly the following table depicts the approved gross fixed asset balance vis-à-vis actual gross fixed asset balance for FY 2016-17 to FY 2018-19:

Table: Gross Fixed Asset Balance of 'Anpara D'

Figures in Rs Crore

2016	i-17	2017	7-18	2018	3-19	
Approved	Actual	Approved	Actual	Approved	Actual	
6,089.06	7,086.18	6,089.06	7,086.18	6,089.06	7,131.32	
=	¥	2	45.15	43	25.20	
-		₹)	161		-	
6,089.06	7,086.18	6,089.06	7,131.32	6,089.06	7,156.52	
	Approved 6,089.06	6,089.06 7,086.18	Approved Actual Approved 6,089.06 7,086.18 6,089.06	Approved Actual Approved Actual 6,089.06 7,086.18 6,089.06 7,086.18 - 45.15	2016-17   2017-18   2018   Approved   Actual   Approved   Actual   Approved   Actual   Approved   6,089.06   7,086.18   6,089.06   7,086.18   6,089.06   -   45.15   -	

#### 1.3. Means of Finance

The Hon'ble Commission in its order dated 29<sup>th</sup> April 2016 and review order dated 18th January 2017 had prescribed a normative approach of financing of the capital expenditure in the ratio of 70% debt and 30% equity in line with the Tariff Regulations. Further the allowable depreciation had been considered as normative loan repayment.

In order to maintain consistency in approach, the Petitioner has considered the aforementioned philosophy and calculated the normative debt and normative equity. The opening values of accumulated depreciation, normative loan and normative equity as on 1.4.2016 has been adopted from the approved values in the order dated 29<sup>th</sup> April 2016 and review order dated 18<sup>th</sup> January 2017. Accordingly, the gross fixed asset balance, the net fixed asset balance and its financing is presented in the table below:

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Table: Calculation of GFA, NFA and its financing - Anpara D

Figures in Rs Crore

Anpara D Power Station	2016-17	2017-18	2018-19
Opening GFA	7,086.18	7,086.18	7,131.32
Additions	(2)	45.15	25.20
Deletions		-	
Closing GFA	7,086.18	7,131.32	7,156.52
Closing Net FA	6,707.67	6,373.12	6,016.95
Financing:			
Opening Equity	2,125.85	2,125.85	2,139.40
Additions	-	13.54	7.56
Deletion	-	-	- 100 - 100 A
Closing Equity	2,125.85	2,139.40	2,146.96
Open. Accumulated Depreciation	-	378.50	758.21
Depreciation during the year	378.50	379.70	381.36
Closing Accumulated Depreciation	378.50	758.21	1,139.57
Opening Debts	4,960.32	4,581.82	4,233.72
Additions	-	31.60	17.64
Less: Depreciation (normative repayment)	378.50	379.70	381.36
Closing Debts	4,581.82	4,233.72	3,870.00

#### 1.4. Depreciation

The Petitioner submits that the depreciation as per accounts is calculated as per the prescription of Schedule XIV of the Companies Act, 1956 which is depicted in the accounting policies annexed with the audited accounts. However, the Tariff Regulations prescribe that the eligible depreciation shall be calculated annually, based on straight line method over the useful life of the asset and the rates prescribed in Appendix II of such regulations. It is noteworthy of mentioning that the Appendix II prescribes distinct depreciation rates for each class of assets.

The Petitioner has provided the asset class wise list of gross fixed assets in Form 11 of the tariff formats submitted along with this petition. Accordingly, the Petitioner has calculated the eligible depreciation based on the rates prescribed in the tariff regulations.

The allowable depreciation is depicted in the table below:

Table: Allowable Depreciation - Anpara D

				Fig	gures in Rs	
Particulars	2016-	17	2017-	18	2018-	19
Particulars	Approved	Actual	Approved	Actual	Approved	Actual
Depreciation including AAD	316.64	378.50	315.64	379.70	316.64	381.36

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#### 1.5. Interest on Loan

As discussed above, the Hon'ble Commission in its order dated 29th April 2016 and review order dated 18th January 2017 had prescribed a normative approach of financing of the capital expenditure in the ratio of 70% debt and 30% equity in line with the Tariff Regulations. Further the allowable depreciation has been considered as normative loan repayment. The weighted average interest on loan capital was worked out at 11.40%.

The total capitalisation for FY 2016-17 to FY 2018-19 is depicted below in table, 70% of the same been considered to be funded through debt. Considering the debt worked out as above and applying the rate of 11.40%, the interest on loan capital has been worked out in the table below:

Table: Allowable Interest on Loan-Angara D

Figures in I	35	Crore
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D-M-1-	2016	5-17	2017	7-18	2018	3-19
Particulars	Approved	Actual	Approved	Actual	Approved	Actual
Opening Debts	-	4,960.32	-	4,581.82	-	4,233.72
Additions	98	140	G.	31.60	14-	17.64
Less: Normative repayment	120	378.50	=	379.70	(2)	381.36
Closing Debts	*	4,581.82		4,233.72	Ε.Ψ.	3,870.00
Average Debt	1000 E 30 1500	4,771.07	A BAN I TO SE	4,407.77	-	4,051.86
Interest on Loan	486.36	543.90	486.36	502.49	486.36	461.91

#### 1.6. Return on Equity

The opening equity base of Rs. 2125.85 crore as on 1.4.2016 has been adopted from the audited accounts. Considering that 30% of the capital expenditure funded by equity has been considered. The Tariff Regulations-2014 prescribe that return on equity would be allowed at the rate of 15.50%.

However, it is brought to the attention of the Hon'ble Commission that based on the Government Order dated 31stJuly 2017 and subsequent adoption of the same by Board of Directors on 9thApril 2018 of the Petitioner, the Petitioner has billed the RoE at 2% for FY 2017-18 and 2018-19 and rest of 13.5% has been foregone to take its advantage in Merit Order Despatch (MOD) schedule as per Hon'ble Commission Order dated 21.06.2016 against Petition No. 1070/2015. Therefore, RoE component would be adjusted by UPRVUNL with beneficiary only 2%. But it is requested to Hon'ble Commission to approve the Capacity Charge with RoE @ 15.5%.

Accordingly, the approved return on equity and the trued up figures have been furnished in the table below:

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Table: Allowable Return on Equity - Anpara D

Figures in Rs Crore

Na ataulasa	2016	5-17	2017	7-18	2018	-19
Particulars	Approved	Actual	Approved	Actual	Approved	Actual
Opening Equity	1735.38	2,125.85	1735.38	2,125.85	1735.38	2,139.40
Additions	Ψ	-	2	13.54	2)	7.56
Deletion	3-		H	·		-
Closing Equity	1735.38	2,125.85	1735.38	2,139.40	1735.38	2,146.96
Average	1735.38	2,125.85	1.735.38	2,132.62	1735.38	2,143.18
Rate of Return on Equity (%)	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%
Allowable RoE	268.98	329.51	268.98	330.56	268.98	332.19

#### 1.7. Operation and Maintenance Expenses

The tariff regulations prescribe that only capital expenditure would be eligible for truing up. The regulations do not provide for truing up in respect of O&M expenses and also provides relaxed operating norms considering of vintage of certain generating stations like Obra A, Obra B, Panki, Harduaganj and Parichha.

Regulation 21(iv) of the UPERC Generation Regulations, 2014 deals with the allowance of O&M expenses. The Hon'ble Commission in the generation tariff regulations — Para 25 (iv) (a) have prescribed the yearly O&M expenses for the control period FY 2014-15 to FY 2018-19 based upon the Installed Capacity for the thermal power stations.

Accordingly, based on the above stated norms, the O&M expenses as allowed through the MYT Order dated 29 April 2016 read with Review Order dated 18 January 2017 for the power station for the Control period is depicted in the table below:

Table: Allowable Operation and Maintenance Expenses - Anpara D

Figures in Rs Crore

- W V	2016	i-17	2017	-18	2018	-19
Particulars	Approved	Claim	Approved	Claim	Approved	Claim
O&M Expenses	171.76	180.80	171.76	192.20	171.76	204.30

#### 1.8. Interest on Working Capital

The tariff regulations do not prescribe any variation to be allowed in true-up in respect of interest on working capital. Clause (a) and (d) of provision (v) of Regulation 25 of the UPERC Generation Tariff Regulations 2014 prescribe payment of Interest on Working Capital on a normative basis. Para 25 (v) of the UPERC Generation Tariff Regulations 2014 prescribe the following normative parameters for determination of normative working capital for coal based generating stations:

Cost of coal for 15 days for pit-head generating stations and 30 days for non-pit-head generating stations for generation corresponding to the normative annual plant availability factor on the maximum coal stock storage capacity whichever is lower

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Anpara- D: True-up Petition for FY 2016-17 to FY 2018-19

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- Cost of coal for 30 days for generation corresponding to the target availability
- Cost of secondary fuel oil for two months corresponding to the target availability and in case
  of use of more than one secondary fuel oil, cost of fuel oil stock for the main secondary fuel
  oil:
- Operation and Maintenance expenses for one month;
- Maintenance spares @ 20% of operation and maintenance expenses; and
- Receivables equivalent to two months of capacity charges and energy charges for sale of electricity calculated on the target availability.

Based on the above premise, the allowable Interest on Working capital as worked out by the Hon'ble Commission in its order dated 29 April 2016 read with Review Order dated 18 January 2017 for the generating station has been reproduced below:

Table: Allowable Interest on Working Capital-Anpara D

Figures in Rs Crore

No. 14 St. 1992 III IV III IV III IV III IV III III II	water transfer was a way of the first of the	1 1901 65 111	115 01010
Particulars	2016-17	2017-18	2018-19
Cost of Coal <sup>1 (45 Days)</sup>	131.68	131.68	131.68
Cost of Main Secondary Fuel Oil1	5.58	5.58	5.58
O & M Expenses	15.07	16.02	17.03
Maintenance Spares	36.16	38.44	40.86
Receivables	435.70	431.04	426.83
Total Working Capital	624.20	622.77	621.98
Interest on Working Capital	79.90	79.71	79.61

#### 1.9. Summary of the true-up claimed for FY 2014-15 to FY 2018-19

Based on the foregoing discussions, the following table summarizes the truing-up computations of Anpara D for the financial years 2014-15 to FY 2018-19 for approval by the Hon'ble Commission.

Table: True-up Summary for FY 2014-15 to FY 2018-19 - Angara D

Figures in Rs Crore

Particulars	2016-17		2017-18		2018-19	
Particulars	Order	Actual	Order	Actual	Order	Actual
Depreciation	316.64	378.50	316.64	379.70	316.64	381.36
Interest on Long Term Loans	486.36	543.90	486.36	502.49	486.36	461.91
Return on Equity	268.98	329.51	268.98	330.56	268.98	332.19
loWC	79.28	79.90	79.28	79.71	79.28	79.61
0&M	171.76	180,80	171.76	192.20	171.76	204.30
Compensation Allowance	-	-		(4)	-	-
Total	1,323.02	1,512.61	1,323.02	1,484.66	1,323.02	1,459.38

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#### 2. Other Related Issues

#### 2.1. Reimbursement of Actual Income Tax

It is submitted that UPRVUNL had paid Income Tax amounting to Rs. 192.65 Crore for FY 2016-17, 35.34 Crore for FY 2017-18 and 36.34 Crore for FY 2018-19. The said payments are duly reflected in the ITR (Attached as Annexure-1) of the above years. These taxes arise on account of the revenues accrued to the Petitioner from the invoices raised to UPPCL. Such invoices were based on the UPERC Tariff order on dated 29<sup>th</sup> April 2016 & 18<sup>th</sup> January 2017. Accordingly, the bills were raised by UPRVUNL seeking reimbursement of the Statutory charges including Income Tax in line with Clause-11G of Tariff order dated 18<sup>th</sup> January 2017 which provides as below:

"1.98 The Commission found the prayer reasonable and decided that the following shall be added in clause "11" of UPRVUNL's Tariff Order dated 29.04.2016,:

(G) Recovery of Statutory Charges and Tax on income etc.

In addition to the above tariff UPRVUNL is allowed to recover the payment of statutory charges like water cess, cost of water, payment to Pollution Control Board, rates and taxes, FBT and Regulatory Fee paid to the Commission and taxes on income etc., on production of details of actual payment made and duly supported with the certificate of the Statutory Auditors......"

In response to the claims of Petitioner, UPPCL has verified Income Tax amount of Rs. 169.61 crore for FY 2016-17, Rs. 21.75 crore for FY 2017-18 and Rs. 24.09 crore for FY 2018-19. Total gap between amount claimed by UPRVUNL and verified by UPPCL is tune to Rs. 48.73 crore. Since UPRVUNL had already made payments to the income tax authorities for FY 2016-17, FY 2017-18 and FY 2018-19 based on the methodology of Annual Fixed Charges as approved by Hon'ble Commission, UPPCL ought to reimburse the tax amount in actuals. Non reimbursement of actual tax by UPPCL will be in violation of order dated 18.01.2017 Clause-11G and will also cause serious financial injury to Petitioner. Therefore, Hon'ble Commission is request to direct UPPCL for reimbursement the Tax amount in actual paid by UPRVUNL.

#### 2.2. Reimbursement of UPSLDC & NRPC Fee

It is submitted that UPRVUNL has paid UPSLDC & NRPC fees towards annual charges during past years. However, the same has never been claimed by the UPRVUNL due to non provision in the Tariff Order for claiming the UPSLDC and NRPC charges.

Therefore, Hon'ble Commission is requested to grant for reimbursement of the UPSLDC and NRPC fees paid in actual by UPRVUNL.

#### 2.3. Interest on Income Tax

The Tariff Regulations issued by the Commission provides that tax on the income streams of the generating company from its core business shall be computed as an expense and shall be permitted to be recovered from the beneficiaries. It is submitted that huge amount is outstanding on the part of the

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Anpara- D: True-up Petition for FY 2016-17 to FY 2018-19

UPPCL and UPRVUNL is not getting its money for timely payments for essential spares, works & Coal payments timely. Such delay affects the capacity of UPRVUNL to make timely payments to statutory authorities in the form of tax etc. Non-payment of taxes to the authorities incurs levy of interest charges on such dues to the authorities. But UPPCL is not paying interest on Income Tax.

UPRVUNL has in past also paid interest on Income Tax due to such delay caused by untimely payments from UPPCL. It is therefore requested that the Commission may kindly direct UPPCL to reimburse such interest on Income Tax incurred by UPRVUNL owing to the delay in payments done by UPPCL.

2.4. Intimation of Profit sharing with UPPCL as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 Clause 6 (6).

UPRVUNL wishes to intimate the Hon'ble Commission that it has shared its profits with UPPCL in accordance to the profit-sharing mechanism specified as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 clause 6 (6); the same is reproduced below:

"(6) The financial gains by a generating company on account of controllable parameters shall be shared between generating company and the beneficiaries. The financial gains computed as per following formulae in case of generating station on account of operational parameters contained in Clause (4) (a) to (c)above shall be shared in the ratio of 80:20 between generating company and the beneficiaries:

Net Gain = (ECRN-ECRA) x Scheduled Generation

Where,

ECRN – Normative Energy Charge Rate computed on the basis of norms specified/approved for Gross Station Heat Rate, Auxiliary Consumption and Secondary Fuel Oil Consumption.

ECRA – Actual Energy Charge Rate computed on the basis of actual Gross Station Heat Rate, Auxiliary Consumption and Secondary Fuel Oil Consumption for the month.

Provided that in case of financial gains on account of parameters contained in Clause (4)(d) above shall be shared in accordance with Clause (i) (e) of Regulation 25& Regulation 44 of these regulations."

UPRVUNL had prepared a 'Profit Centre Analysis' for the period FY 2014-15 to FY 2018-19, based on the Audited Accounts (Annexed as Annexure-2). A copy of the same was shared with UPPCL. On the basis of the 'Profit Centre Analysis', UPPCL computed the profit-sharing amount of Rs. 200.97 Crore and UPPCL deducted the profit-sharing amount from the running bills raised by UPRVUNL for 2014-15 to 2017-18 while UPRVUNL shared Profit Sharing for FY 2018-19 with a Bill (Copy attached).

The profit shared between UPRVUNL and UPPCL for Rs. 200.97 Crore is summarized as follows:

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### Summary of Profit Sharing for the Period FY 2014-15 to FY 2018-19

Figures in Rs. Crore

No	TPS Name		2014-15	2015-16	2016-17	2017-18	2018-19
		Billing	640.82	743.12	751.42	670.16	693.81
1	Anpara A	Actual	679.77	715.70	748.30	705.41	714.17
		Profit	741 741 E S	27,42	3.12	41	-1
		Billing	932.63	1,380.53	1,462.11	1,124.42	1,119.88
2	Anpara B	Actual	838.15	1,169.93	1,380.09	1,050.68	1,117.92
	120	Profit	94.48	210.60	82.02	73.74	1.95
10.500		Billing	90.40	64.05	96.52	9.28	-
3	Obra A	Actual	107.99	94.79	43.38	13.49	-
		Profit	-	1,00	53.14	-	-
		Billing	625.76	655.78	811.24	835.74	603.12
4	Obra B	Actual	583.51	670.85	854.37	790.82	632.59
		Profit	42.25	12	20	44.92	
25.50%	MARINE SE	Billing	368.21	201.47	265.35	119.21	:50
5	Panki	Actual	389.20	226.36	347.80	172.68	-,
		Profit		- 35/		7 m	
		Billing	36.88	154.13	200.05	108.14	70.70
6	Harduaganj	Actual	71.58	213.34	203.04	95.88	75.76
		Profit			-	12.26	2
	-	Billing	955.88	925.84	1,006.58	1,025.09	821.56
7	Harduaganj Extn	Actual	1,115.48	1,066.99	1,057.31	978.16	836.73
		Profit		-	-	46.93	
		Billing	121.54	287.97	175.35	96.75	49.44
8	Parichha	Actual	152.52	327.58	217.23	110.75	61.64
		Profit	-	7#		-	-
		Billing	674.66	909.14	930.26	807.10	579.50
9	Parichha Extn	Actual	789.67	949.15	926.89	799.50	580.23
		Profit			3.37	7.60	•
		Billing	986.77	1,041.83	1,108.99	946.21	809.07
10	Parichha Extn Stage II	Actual	1,034.33	1,024.76	1,076.19	919.20	797.25
		Profit	-	17.08	32.80	27.01	11.81
	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Billing		(4)	727.30	834.03	1,186.00
11	Anpara D	Actual	-	-	639.93	811.74	1,083.30
		Profit	-	1277	87.37	22.29	102.70
	Grand Total (Profi	t)	136.73	255.10	261.82	234.75	116.47
	Profit Share of UPPCLO	20%	27.35	51.02	52.36	46.95	23.29
	Total Profit Share to UP 2014-15 to FY 2018-19 (				200.97		,

The petitioner requests the Hon'ble Commission to kindly consider the intimation of Profit Sharing with UPPCL as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 clause 6 (6).

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(इं० अचीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०नि०लि० १४यां तल, शवित भवन विस्तार

लखनऊ-226001

 Information for Prudence Check of Statutory Charges as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 Clause 25 (Iv)(C) for the period FY 2014-15 to FY 2018-19.

UPRVUNL wishes to submit Information <u>for Prudence Check of Statutory Charges as per UPERC</u> (Terms and Conditions of Generation Tariff) Regulations 2014 clause 25(iv)(c); the same clause is reproduced below:

"(iv) Operation and Maintenance expenses
(a)
(b)
(c) The expenses on regulatory fee, payment to pollution control board, impact o
pay revision, capital spares, cost of water and water cess shall be paid additionally
at actuals subject to prudence check. The details regarding the same shall be
furnished along with the petition.
<i>y</i>

The Tariff Order dated 18.01.2017, Clause- 11G is also reproduced below:

(G) Recovery of Statutory Charges and Tax on income etc.

In addition to the above tariff UPRVUNL is allowed to recover the payment of statutory charges like water cess, cost of water, payment to Pollution Control Board, rates and taxes, FBT and Regulatory Fee paid to the Commission and taxes on income etc., on production of details of actual payment made and duly supported with the certificate of the Statutory Auditors......"

As per Regulation Clause 25(iv)(c) and Tariff Order mentioned above, the UPRVUNL hereby summarized below in table statutory charges Billed by UPRVUNL and verified by UPPCL for the period FY 2014-15 to FY 2018-19.

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(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०राठविठउ०निठलिठ 14यां तल, शवित भवन विस्तार लखनऊ-226001

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Summary of Statutory Charges Billed by UPRVUNL and Verified by UPPCL for the Period FY 2014-15 to FY 2018-19

Figures in Rs. Crore

								200000000000000000000000000000000000000
UNL/Statuary Charges/FY 04-09-15 205.4758306 200.7131189 4.7627117  UNL/Statuary Charges/Adj.2016 23-05-16 425.7690779 425.7690779 - UNL/Statutory Charges/FY 31-08-16 131.9533239 131.9533239 - UNL/Statutory Charges/FY 31-08-17 240.4216706 233.8466656 6.5750050	0	***************************************	Bill date	Billed by UPRVUNL	Verified by UPPCL	Unverified amount by UPPCL	Remarks	Annexure No
UNL/Statuary  Charges/Adj.2016  Charges/Adj.2016  Charges/Adj.2016  Charges/Adj.2016  Charges/Adj.2016  Charges/Adj.2016  Charges/Adj.2016  Charges/Adj.2016  Charges/FY  31-08-16  UNL/Statutory Charges/FY  31-08-17  240.4216706  233.84666556  Charges/FY  Further Inter I		UNL/Statuary Charges/FY 2014-15	04-09-15		200.7131189	4.7627117	Amount of Rs. 4.7627117 Crore claimed later by UPRVUNL vide Bill No. UNL/Statuary Charges/Adj.2016 dated 23-05-16 and the same has been verified by the UPPCL	Invoice billed by UPRVUNL and verified by UPPCL are Enclosed herewith as <i>Annexure-3</i>
UNL/Statutory Charges/FY 31-08-16 131.9533239 131.9533239 - 2015-16 UNL/Statutory Charges/FY 31-08-17 240.4216706 233.8466656 6.5750050	275.00	UNL/Statuary Charges/Adj.2016	23-05-16	425.7690779	425.7690779	9	Amount of Rs. 425.7690779 has been claimed under the head MPRI & RD Tax, 6th pay Arrear and UP Forest Transit Fee. The same amount has already been approved by the Hon'ble Commission vide its order dated 29-04-2016 and the same amount has been verified by the UPPCL as well. The breakup of the same is as below: MPRI & RD Tax- Rs. 174.25 Crore,6th Pay Appear- Rs. 4.7627117 Crore & UP Forest Transit Fee- Rs. 246.75 Crore	Invoice billed by UPRVUNL and verified by UPPCL are enclosed herewith as <i>Annexure-4</i> UPERC Order dated 29-04-2016 relevant pages are enclosed as <i>Annexure-5</i>
31-08-17 240.4216706 233.8466656 6.5750050		UNL/Statutory Charges/FY 2015-16	31-08-16	131.9533239	131.9533239	E		Invoice billed by UPRVUNL and verified by UPPCL are Enclosed herewith as Annexure-6
		UNL/Statutory Charges/FY 2016-17	31-08-17	240.4216706	233.8466656	6.5750050	Amount of Rs. 0.0250050/- Crore on account of Pollution Cess of Parichha has been verified by UPPCL vide Bill No. UNL/Statutory Charges/FY 2016-17/01 dated 29-11-17, Further Interest due to late payment of Income tax amounting Rs. 6.5500000/- Crore not verified by UPPCL	Invoice billed by UPRVUNL and verified by UPPCL are Enclosed herewith as Annexure-7

Anpara- D: True-up Petition for FY 2016-17 to FY 2018-19

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(इंट अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उठप्रव्यविवज्जनिव्विव १४वां तल, शवित भवन विस्तार लखनऊ-226001

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S No	Bill No	Bill date	Billed by UPRVUNL	Verified by UPPCL	Unverified amount by UPPCL	Remarks	Annexure No
20	UNL/Statutory Charges/FY 2016-17/01	29-11-17	0.0320050	0.0320050	1		Invoice billed by UPRVUNL and verified by UPPCL are enclosed herewith as Annexure-8
ω	UNL/Statutory Charges/FY 2017-18	18-08-18	188.5344357	152.0571674	36.4772683	Amount of Rs. 109.61 Crore and 8.6615311 crore withdrawn by UPRVUNL vide letter no. 341/UNL/CE(Comml.)/Statutory Charges dated 08-05-2019. Further a supplementary invoice of Rs. 109.61 Crore raised to UPPCL for reimbursement of balance income tax for FY 2016-17 within the limit of MAT vide Bill No.UNL/Statutory Charges/FY 2016-17/Income Tax dated 27-03-19. Amount of Rs. 36.4772683 Crore has not been verified by UPPCL on account of Income Tax	Invoice billed by UPRVUNL and verified by UPPCL are enclosed herewith as <i>Annexure-9</i> UPRVUNL letter no. 341/UNL/CE(Comml.)/Statutory Charges dated 08-05-2019 for withdrawal amount of Rs. 109.61 Crore and 8.6615311 crore is enclosed herewith as <i>Annexure-10</i>
7	UNL/Statutory Charges/FY 2014-15/Income Tax	27-03-19	22.5064487	21.6766598	0.8297889	Interest due to late payment of income tax amounting Rs. 0.8297889/-crore not verified by UPPCL	Invoice billed by UPRVUNL and verified by UPPCL are Enclosed herewith as Annexure-11
00	UNL/Statutory Charges/FY 2016-17/Income Tax	27-03-19	109.6100000	109.6100000	1		Invoice billed by UPRVUNL and verified by UPPCL are Enclosed herewith as Annexure-12
0	UNL/Statutory Charges/FY 2018-19	24-08-19	149,6094058	149.6094058	Ü		Invoice billed by UPRVUNL and verified by UPPCL are Enclosed herewith as Annexure-13
10	UNL/Statutory Charges/FY 2018- 19//Supplementary/Income Tax	15-10-19	17.9435926	5.6919217	12.2516709	Amount of Rs. 12.2516709 Crore has not been verified by UPPCL on account of Income Tax	Invoice billed by UPRVUNL and verified by UPPCL are Enclosed herewith as Annexure-14

(इंट्रे अवीक्षित सिंह) मुख्य अभियन्ता (बाणिज्य) उ०प्र०सावविञ्डवनिवित्व 14वां तल, शक्ति भवन विस्तार

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In the view of the above, amount of Rs. 36.4772683 Crore and Rs. 12.2516709 Crore totalling Rs. 48.7289392 Crore has not been verified by the UPPCL on account of Income Tax head. The same amount has already been submitted by the UPRVUNL before the Hon'ble Commission vide its True-up Petition additional submission No. 1 dated 3<sup>rd</sup> January 2020. The Petitioner humbly requested to Hon'ble Commission to direct UPPCL for reimbursement the Income Tax amount paid by the UPRVUNL as actual.

Further, amount of Rs. 7.38 crore on account of Interest on income tax has also not verified by the UPPCL. It is therefore requested that the Hon'ble Commission may kindly direct to UPPCL to reimburse such interest on income tax incurred by the UPRVUNL owing to delay in the payments done by UPPCL.

The petitioner hereby requests the Hon'ble Commission to kindly consider this Information for Prudence Check of Statutory Charges as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 clause 25(iv)(c) and Tariff Order dated 18.01.1017, clause-11G.

मुख्य आनयरा (सा उ०प्र०रा०वि०उ०नि०लि० 14वां तल, शक्ति भवन विस्तार

लखनऊ-226001

### 3. Prayer

The Petitioner respectfully prays followings to the Hon'ble Commission:

- The Hon'ble Commission is requested to Accept this Petition for true-up of additional capitalization and associated tariff components for the financial year 2016-17 to 2018-19
- The Hon'ble Commission is requested to Allow recovery of the additional claim generating out of the true up from the beneficiaries in line with the provision of the Regulations or in any manner that the Hon'ble Commission deems appropriate.
- The Hon'ble Commission is requested to Permit recovery of expenses understated/ not considered in this Petition subsequent to the submission of this petition.
- Hon'ble commission is requested to direct the UPPCL to reimburse the actual amount on account of Income Tax and Interest on Income Tax to UPRVUNL.
- Hon'ble commission is requested to direct the UPPCL to reimburse the UPSLDC and NRPC Charges to UPRVUNL.
- 6. The Hon'ble Commission is requested to Condone any inadvertent omissions / errors / short comings and permit the applicant to add /change /modify / alter this Petition and make further submissions as may be required at later stages

 The Hon'ble Commission is requested to Pass such orders as Hon'ble Commission may deem fit and proper and necessary in the facts and circumstances of the case, to grant relief to the Petitioner.

> उ०प्र०रा०वि०उ०नि०लि० १४वां तल, शक्ति भवन विस्तार

लखनऊ-226001

(इंठ अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य)

## Office of Chief Engineer Commercial Unit



U.P. Rajya Vidyut Utpadan Nigam Ltd. 14<sup>th</sup> floor, Shakti Bhawan Extn. Lucknow-226001 Tel. No.- 0522-2288056/2287030 CIN:U40101UP1980SGC005065

E-mail: gm.commercial@uprvunl.org cecommercialunl@gmail.com

No. 19-6/UNL/CE(Comml.)/True-up (2014-19)/Obra-A

Date: 7, May-2021

The Secretary,
U.P. Electricity Regulatory Commission
Vibhuti Khand-II, Gomti Nagar
Lucknow-2260010

# Subject:- Re-Submission of True-up Petition of Obra-'A' Thermal Power Stations of UPRVUNL for FY 2014-15 to 2017-18.

Dear Sir,

Kindly find enclosed herewith True-up Petition of Obra-'A' Thermal Power Station of UPRVUNL for FY 2014-15 to 2017-18 in 06 copies (one original + 05 photocopies + 01 soft copy) as per UPERC (Terms and Conditions of Generation Tariff) Regulations-2014 in compliance of directive of Hon'ble Commission during hearing on dated 16.03.2021 on Petition No. 1520/2019 for True-up of various Thermal Power Stations of UPRVUNL for FY 2014-15 to 2018-19.

The True-up Petitions (2014-19) for various TPS of UPRVUNL were originally submitted to Hon'ble Commission vide this office single covering letter no. 816/UNL/CE(Comml.)/True-up (2014-19), dt. 25.10.2019 (copy attached), with station wise fees Rs One Lac per Station and total Rs Eleven Lacs for 11 Stations in form of Bankers Cheque (No. 557569 dt. 25.10.2019, State Bank of India) in favour of Secretary, UPERC, payable at Lucknow as per Part-D, Sl. No. 13 of Addendum to "Schedule of Fee" of Amendment-I dated 11.12.2018 of UPERC (Fee & Fines) Regulation-2010 and U.P. Govt. Gudget Notification dartd 21.01.2019.

Submitted for kind consideration of the Hon'ble Commission.

Encl: As above.

Yours Sincerely,

(Avikshit Singh) Chief Engineer(Commecial)

No/96 /UNL/CE(Comml.)/True up (2014-19)/Obra-A Copy to the following respondents for their kind information:-

Date: , May-2021

- 1. M.D., U.P. Power Corporation Ltd., 7th floor, Shakti Bhawan, 14 Ashok Marg, Lucknow.
- 2. M.D., Madyanchal Vidyut Vitran Nigam Ltd., P.N. Road, Gokhale Marg, Lucknow.
- 3. M.D., PoorvaranchalVidyutVitranNigamLtd.,132KV S/S Bhikhari Vidyut Nagar, Varanasi.
- 4. M.D., Pashimanchal Vidyut Vitran Nigam Ltd., Victoria Park, Mcerut.
- 5. M.D., Dakshinanchal Vidyut Vitran Nigam Ltd., Vidyut Bhawan, Gailana Road, Agra.

## Office of Chief Engineer Commercial Unit



U.P. Rajya Vidyut Utpadan Nigam Ltd. 14<sup>th</sup> floor, Shakti Bhawan Extn. Lucknow-226001

Tel. No.- 0522-2288056/2287030 CIN:U40101UP1980SGC005065

E-mail: gm.commercial@uprvunl.org cecommercialunl@gmail.com

- 6. M.D., Kanpur Electric Supply Co. Ltd., KESA House, Kanpur.
- 7. Chief Executive Officer, Noida Power Company Ltd., H-Block, Alpha-II Sector, Gr Noida.
- 8. Chief Engineer (PPA), UPPCL, 14th floor, Shakti Bhawan Ext, Lucknow alongwith enlosures

No.196 /UNL/CE(Comml.)/True up (2014-19)/Obra-A

Date: 2 |, May-2021

Copy to the followings for their kind information:-

- 1. PS to Managing Director, UPRVUNL, 7th floor, Shakti-Bhawan, 14 Ashok Marg, Lucknow.
- 2. Director (Project & Commercial), UPRVUNL, 8th floor, Shakti Bhawan Ext, Lucknow.
- 3. Director (Technical), UPRVUNL, 8th floor, Shakti Bhawan Ext, Lucknow.
- 4. Director (Finance), UPRVUNL, 8th floor, Shakti Bhawan Ext, Lucknow alongwith enlosures.

(Avikshit Singh)
Chief Engineer(Commercial)

## OBRA 'A' THERMAL POWER STATION

## TRUE UP PETITION

FOR

FY 2014-15 to FY 2017-18



UP RAJYA VIDYUT UTPADAN NIGAM LAD

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(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) मुख्य अभियन्ता (वाणिज्य) उठप्रठराठविठ्यठनिठविठ् १४वां तल, शक्ति भवन विस्तार लखनऊ-226001

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(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उठप्रठराठविठउठनिठलिठ उठप्रठराठविठउठनिठलिठ १४यां तल, शक्ति भवन विस्तार लखनऊ-226001

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(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०नि०लि० १४वां तल, शवित भवन विस्तार लखनऊ-226001

#### FORM-1

# (See Regulation 30) BEFORE THE HON'BLE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION, GOMTI NAGAR, LUCKNOW

Receipt Register No.:	
Petition No.:	
IN THE MATTER OF	
OBRA -A TPS PETITION FOR DETERMINATION OF FINAL TRUE-UP 2015-16, FY 2016-17 and FY 2017-18.	OF FY 2014-15, FY
AND	
IN THE MATTER OF	
UTTAR PRADESH RAJYA VIDYUT UTPADAN NIGAM LIMITED (UPRVI SHAKTI BHAWAN, 14-ASHOK MARG, LUCKNOW.	
V/s	APPLICANT
UTTAR PRADESH POWER CORPORATION LIMITED (UPPCL), SHAKTI BHAWAN, 14-ASHOK MARG, LUCKNOW.	
MADHYANCHAL VIDYUT VITRAN NIGAM LTD. PN ROAD, LUCKNOW.	
POORVANCHAL VIDYUT VITRAN NIGAM LTD. 132 KV S/S BHIKARI VIDYUT NAGAR, VARANASI	
PASCHIMANCHAL VIDYUT VITRAN NIGAM LTD. VICTORIA PARK, MEERUT	RESPONDENTS
DAKSHINACHAL VIDYUT VITRAN NIGAM LTD. GALINA ROAD AGRA.	
KANPUR ELECTRICITY SUPPLY CO. LTD. KESA HOUSE, KANPUR	
NOIDA POWER CO. LTD.	

Scruden A

GREATER NOIDA CITY

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(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०राठविठउठनिठलि० उ०प्र०राठविठउठनिठलि० १४वां तल, शक्ति भवन विस्तार

COMMERCIAL COMPLEX, H BLOCK, ALPHA-II SECTOR



AFFIDAVIT

I, Avikshit Singh, Son of Late Dr. Chandra Pal Singh aged about 59 years, office of Commercial Unit, 14th Floor, Shakti Bhawan Extn., 14 Ashok Marg, Lucknow, do hereby solemnly affirm and state as under:

- 1. Is say that I am Chief Engineer, Commercial Unit, UPRVUNL, the Applicant in the matter and am duly authorized by the said Applicant to swear the present Obra 'A' TPS

  True-up Petition for the period FY 2014-15 to FY 2017-18.
- 2. I say that I have read the contents of the True-up Petition and I have understood the same.
- 3. That the contents attached herewith filed by the Applicant on behalf of UPRVUNL are based on the information available with the Applicant in the normal course of business and believed by me to be true.
- 4. I say that the Text, Appendixes and Annexures to the submissions are true and correct copies of their original.

VERIFICATION

DEPONENT (इं॰ अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) তত্মত্বাতবিতত্তলিতলি০

I, the eponent above named, do hereby verify the contents of the above affidavit to be true to the best of my knowledge, no part of it is false and nothing material has been concealed therefrom.

Sworn and Verified Before highow on the

, 2021

Adv. & NOTARY Lucknow U.P. INDIA Regd. No 31/64/2000

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DEPONENT (इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०स०वि०उ०नि०लि० 14वां तल, शक्ति भवन विस्तार लखनऊ-226001

#### Obra A TPS

As per direction of Hon'ble Commission on date 16.03.2021 during hearing on Petition No. 1520/2019 for True-up of various Thermal Power Stations of UPRVUNL for FY 2014-15 to 2018-19 to re-submit the True-up Petitions Station wise with separate covering letter, this section presents the final true-up for FY 2014-15 to FY 2017-18 in respect of Obra- A Thermal Power Station.

Obra Unit 1 and Unit 2 having capacities 50MW each have completed their useful life of 25 years and have been operational for more than 50 years considering their Date of Commercial operations being 15th August 1967 and 11th March 1968 respectively. Accordingly, an approval from the Government of Uttar Pradesh was forwarded vide letter with reference 1345/24-1-17-1345/2017 wherein the deletion of the said units was acknowledged. Thereafter, vide Office Memorandum no 591 dated 15th July 2017, the said directive was adopted by the Petitioner. Similarly, an approval towards deletion of Unit 8 of Obra A, having capacity of 94 MW was forwarded by the Government of Uttar Pradesh vide letter dated 26 February 2018 having reference 363/24-1-2018-1058/2011. The Petitioner through Office Memorandum 162 dated 6th March 2018 adopted the deletion of the said Unit of Obra A.

Accordingly, the said Units 1 and 2 and 8, with combined capacity of 194 MW stand deleted from the capacity of the Station with effect from 1st July 2017.

The audited accounts of UPRVUNL for the period FY 2014-15 to FY 2018-19 and Cost Audit Report for the period FY 2014-15 to FY 2018-19 have already been submitted in hard copy with Petition No. 1520/2019 on date 25.10.2019 in the Commission. However, soft copy of the audited accounts of UPRVUNL and Cost Audit Report for the period FY 2014-15 to FY 2018-19 is attached in soft copy with this Petition.

#### 1.1. Annual Capacity Charges

As per tariff regulations the annual capacity (fixed) charges consist of

- a) Interest on Loan Capital
- b) Depreciation including Advance against Depreciation
- c) Return on Equity
- d) Operation and maintenance expenses including insurance
- e) Interest on Working Capital
- f) Special Allowance

This section provides the description of the approved capacity charges Vs allowable capacity charges for FY 2014-15 to FY 2017-18 based on financial statements of the UPRVUNL.

The audited accounts of the Station and HQ as well as Cost Audit Report have already been submitted with Petition No. 1520/2019 on date 25.10.2019 in the Commission.

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(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०नि०लि० 14वां तल, शक्ति भवन विस्तार लखनज-226001

Ob- A: True-up Petition for FY 2014-15 to FY 2017-18

#### 1.2. Gross Fixed Assets

The Petitioner submits that it has considered the opening balance of gross fixed assets for the financial year 2014-15 from the MYT Order issued by the Hon'ble Commission on 29th April 2016 and review order dated 18th January 2017. The Petitioner submits that there have been additional capitalisation to the tune of Rs 0.35 Crores and decapitalisation of Rs. 232.28 Crore spread across the Control period and the details of such capitalization have been shown in the specific formats annexed to this petition.

Accordingly, the following table depicts the approved gross fixed asset balance vis-à-vis actual gross fixed asset balance for FY 2014-15 to FY 2017-18:

Table: Gross Fixed Asset Balance of 'Obra A'

Flaures in Rs Crore

2014	4.00						
July 14-7	-1.5	2015	-16	2016	-17	2017	-18
Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual
231.90	231.93	231.90	232.03	231.90	232.11	231,90	230.87
inc.	0.10	-	0.08	MISSEL NI SE	0.03	10A NI	0.14
		-	5	1.31	1.27	-	231.01
231.90	232.03	231.90	232.11	231.90	230.87	231,90	
	Approved 231.90	Approved Actual 231.90 231.93 0.10	Approved Actual Approved 231.90 231.93 231.90 - 0.10 -	Approved         Actual         Approved         Actual           231.90         231.93         231.90         232.03           -         0.10         -         0.08	Approved         Actual         Approved         Actual         Approved           231.90         231.93         231.90         232.03         231.90           -         0.10         -         0.08         -	Approved         Actual         Approved         Actual         Approved         Actual           231.90         231.93         231.90         232.03         231.90         232.11           -         0.10         -         0.08         -         0.03           -         -         -         -         1.27	Approved         Actual         Approved         Actual         Approved         Actual         Approved           231.90         231.93         231.90         232.03         231.90         232.11         231.90           -         0.10         -         0.08         -         0.03         -           -         -         -         -         1.27         -

#### 1.3. Means of Finance

The Hon'ble Commission in its order dated 29<sup>th</sup> April 2016 and review order dated 18th January 2017 had prescribed a normative approach of financing of the capital expenditure in the ratio of 70% debt and 30% equity in line with the Tariff Regulations. Further the allowable depreciation had been considered as normative loan repayment.

In order to maintain consistency in approach, the Petitioner has considered the aforementioned philosophy and calculated the normative debt and normative equity. The opening values of accumulated depreciation, normative loan and normative equity as on 1.4.2014 has been adopted from the approved values in the order dated 29th April 2016 and review order dated 18th January 2017. Accordingly, the gross fixed asset balance, the net fixed asset balance and its financing is presented in the table below:

Table: Calculation of GFA, NFA and its financing - Obra A

Figures in Rs Crore

Obra A Power Station	2014-15	2015-16	2016-17	2017-18	
	True up				
Opening GFA	231,93	232,03	232,11	230.87	
Additions	0.10	0.08	0.03	0.14	
Deletions			1.27	231.01	
Closing GFA	232.03	232.11	230.87	14	
Closing Net FA	165.78	153,11	139.12	1	
Financing:		** *** ******			
Opening Equity	80.44	80.47	80.49	80.12	
Additions	0.03	0.02	0.01	0.04	
Deletion		mw <sup>2</sup> /r s	0.38	80.16	

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Ob- A: True-up Petrijon for FX 2014-15 to FY 2017-18

(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उठप्रठराठीवज्यनिकतिक

Obra A Power Station	2014-15	2015-16	2016-17	2017-18	
Closing Equity	80.47	80.49	80.12		
Open. Accumulated Depreciation	53.51	66.25	79.00	91.75	
Depreciation during the year	12.74	12.75	12.75	-	
Closing Accumulated Depreciation	66.25	79.00	91.75		
Opening Debts	107.49	94.82	82.12	69.39	
Additions	0.07	0.05	0.02	0.10	
Less: Depreciation (normative repayment)	12.74	12.75	12.75	69.49	
Closing Debts	94.82	82.12	69.39		

#### 1.4. Depreciation

The Petitioner submits that the depreciation as per accounts is calculated as per the prescription of Schedule XIV of the Companies Act, 1956 which is depicted in the accounting policies annexed with the audited accounts. However, the Tariff Regulations prescribe that the eligible depreciation shall be calculated annually, based on straight line method over the useful life of the asset and the rates prescribed in Appendix II of such regulations. It is noteworthy of mentioning that the Appendix II prescribes distinct depreciation rates for each class of assets.

The Petitioner has provided the asset class wise list of gross fixed assets in Form 1.1. of the tariff formats submitted along with this petition. Accordingly, the Petitioner has calculated the eligible depreciation based on the rates prescribed in the tariff regulations.

The allowable depreciation is depicted in the table below:

Table: Allowable Depreciation - Obra A

					Figures in Rs Crore				
Particulars	2014-15		2015-16		2016-17		2017-18		
	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual	
Depreciation including AAD	12.74	12.74	12.74	12.75	9.61	12.75		* *	

#### 1.5. Interest on Loan

As discussed above, the Hon'ble Commission in its order dated 29<sup>th</sup> April 2016 and review order dated 18<sup>th</sup> January 2017 had prescribed a normative approach of financing of the capital expenditure in the ratio of 70% debt and 30% equity in line with the Tariff Regulations. Further the allowable depreciation has been considered as normative Joan repayment. The weighted average interest on Joan capital was worked out at 11.40%.

Ob- A: True-up Petition for FY 2014-15 to FY 2017-18

(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य)

उठप्रवराविक्यविक्यिक्ति उठप्रवराविक्यविक्यिक्ति 14यां तल, शक्ति भवन विस्तार अस्वनक २१६००18 The total capitalisation for FY 2014-15 to FY 2017-18 is depicted below in table. 70% of the same been considered to be funded through debt. Considering the debt worked out as above and applying the rate of 11.40%, the interest on loan capital has been worked out in the table below:

Table: Allowable Interest on Loan-Obra A

Figures in Rs Crore

2014	-15	2015	-16	2016	-17	2017	-18
Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual
107.49	107.49	94.75	94.82	82.01	82.12	72.40	69.39
2	0.07	=	0.05	-	0.02		0.10
12.74	12.74	12.74	12.75	9.61	12.75	100	69.49
94.75	94.82	82.01	82.12	72.40	69.39	72.40	N me
101.12	101.15	88.38	88.47	77.21	75.76	72.40	34.70
44.43	44.00	0.72	10.00	0 50	0.01	7.07	2.00
11.13	11.55	9.73	10.09	8.50	8.64	7.97	3.96
	Approved 107.49 12.74 94.75	107.49 107.49 - 0.07 12.74 12.74 94.75 94.82 101.12 101.15	Approved         Actual         Approved           107.49         107.49         94.75           -         0.07         -           12.74         12.74         12.74           94.75         94.82         82.01           101.12         101.15         88.38	Approved         Actual         Approved         Actual           107.49         107.49         94.75         94.82           -         0.07         -         0.05           12.74         12.74         12.74         12.75           94.75         94.82         82.01         82.12           101.12         101.15         88.38         88.47	Approved         Actual         Approved         Actual         Approved           107.49         107.49         94.75         94.82         82.01           -         0.07         -         0.05         -           12.74         12.74         12.74         12.75         9.61           94.75         94.82         82.01         82.12         72.40           101.12         101.15         88.38         88.47         77.21	Approved         Actual         Approved         Actual         Approved         Actual           107.49         107.49         94.75         94.82         82.01         82.12           -         0.07         -         0.05         -         0.02           12.74         12.74         12.75         9.61         12.75           94.75         94.82         82.01         82.12         72.40         69.39           101.12         101.15         88.38         88.47         77.21         75.76	Approved         Actual         Approved         Actual         Approved         Actual         Approved           107.49         107.49         94.75         94.82         82.01         82.12         72.40           -         0.07         -         0.05         -         0.02         -           12.74         12.74         12.75         9.61         12.75         -           94.75         94.82         82.01         82.12         72.40         69.39         72.40           101.12         101.15         88.38         88.47         77.21         75.76         72.40

#### 1.6. Return on Equity

The opening equity base of Rs. 80.44 crore as on 1.4.2014 has been adopted from the order dated 29th April 2016 and review order dated 18th January 2017. Considering that 30% of the capital expenditure would be funded by equity has been considered. The Tariff Regulations prescribe that return on equity would be allowed at the rate of 15.50%.

However, it is brought to the attention of the Hon'ble Commission that based on the Government Order dated 31stJuly 2017 and subsequent adoption of the same by Board of Directors on 9thApril 2018 of the Petitioner, the Petitioner has billed the RoE at 2% for FY 2017-18 and 2018-19 and rest of 13.5% has been foregone to take its advantage in Merit Order Despatch (MOD) schedule as per Hon'ble Commission Order dated 21.06.2016 against Petition No. 1070/2015. Therefore, RoE component would be adjusted by UPRVUNL with beneficiary only 2%. But it is requested to Hon'ble Commission to approve the Capacity Charge with RoE @ 15.5%.

Accordingly, the approved return on equity and the trued up figures have been furnished in the table below:

Table: Allowable Return on Equity - Obra A

Figures in Rs Crore

					1.01.00	SAME AND ASSESSED ASSESSED.	12017	
Dantinulaus	2014	-15	2015	-16	2016	-17	2017	-18
Particulars	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual
Opening Equity	80.44	80.44	80.44	80.47	80.44	80.49	80.44	80.12
Additions	8	0.03	9	0.02	đ	0.01	1.55	0.04
Deletion	#	570		(#	*	0.38		80.16
Closing Equity	80.44	80.47	80.44	80.49	80.44	80.12	80.44	A04 45 55
Average	80.44	80.46	80.44	80.48	80.44	80.31	80.44	40.06
Rate of Return on Equity (%)	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%
Allowable RoE	12.47	12.47	12.47	12.47	12.47	12.45	12,47	5.21

Ob- A: True-up Petition for FY 2014-15 to FY 2017-18

(इं० अपीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०कु०नि०लि० भग्नां तल शक्ति भवन विस्तार

#### 1.7. Operation and Maintenance Expenses

The tariff regulations prescribe that only capital expenditure would be eligible for truing up. The regulations do not provide for truing up in respect of O&M expenses and also provides relaxed operating norms considering of vintage of certain generating stations like Obra A, Obra B, Panki, Harduaganj and Parichha.

Regulation 21(iv) of the UPERC Generation Regulations, 2014 deals with the allowance of O&M expenses. The Hon'ble Commission in the generation tariff regulations - Para 25 (iv) (a) have prescribed the yearly O&M expenses for the control period FY 2014-15 to FY 2018-19 based upon the Installed Capacity for the thermal power stations.

Accordingly, based on the above stated norms, the O&M expenses as allowed through the MYT Order dated 29 April 2016 read with Review Order dated 18 January 2017 for the power station for the Control period is depicted in the table below:

Table: Allowable Operation and Maintenance Expenses - Obra A Figures in Rs Crore

No other Lane	2014-	15	2015-	16	2016-	17	2017-	18
Particulars	Approved	Claim	Approved	Claim	Approved	Claim	Approved	Claim
O&M Expenses	133,14	133.14	138.70	138.70	144.43	144.43	150.34	150.34

#### 1.3. Interest on Working Capital

The tariff regulations do not prescribe any variation to be allowed in true-up in respect of interest on working capital. Clause (a) and (d) of provision (v) of Regulation 25 of the UPERC Generation Tariff Regulations 2014 prescribe payment of Interest on Working Capital on a normative basis. Para 25 (v) of the UPERC Generation Tariff Regulations 2014 prescribe the following normative parameters for determination of normative working capital for coal based generating stations:

- Cost of coal for 15 days for pit-head generating stations and 30 days for non-pit-head generating stations for generation corresponding to the normative annual plant availability factor or the maximum coal stock storage capacity whichever is lower
- Cost of coal for 30 days for generation corresponding to the target availability
- Cost of secondary fuel oil for two months corresponding to the target availability and in case of use of more than one secondary fuel oil, cost of fuel oil stock for the main secondary fuel oil; US
- Operation and Maintenance expenses for one month;

Maintenance spares @ 20% of operation and maintenance expenses; and

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Ob- A: True-up Petition for FY 2014-15 to FY 2017-18

 Receivables equivalent to two months of capacity charges and energy charges for sale of electricity calculated on the target availability.

Based on the above premise, the allowable Interest on Working capital as worked out by the Hon'ble Commission in its order dated 29 April 2016 read with Review Order dated 18 January 2017 for the generating station has been reproduced below:

Table: Allowable Interest on Working Capital-Obra A

Figures in Rs Crore

Obra A Power Station	2014-15	2015-16	2015-17	2017-18
Interest on Working Capital	16.96	17.29	17.53	17.66

#### 1.9. Summary of the true-up claimed for FY 2014-15 to FY 2017-18

Based on the foregoing discussions, the following table summarizes the truing-up computations of Obra A for the financial years 2014-15 to FY 2017-18 for approval by the Hon'ble Commission.

Table: True-up Summary for FY 2014-15 to FY 2017-18 - Obra A

Figures in Rs Crore

Particulars	201	4-15	201	5-16	201	6-17	2017	7-18
raruculars	Order	Actual	Order	Actual	Order	Actual	Order	Actual
Depreciation	12.74	12.74	12.74	12.75	9.61	12.75		-
Interest on Long Term Loans	11.13	11.53	9.73	10.09	8.50	8.64	7.97	3.96
Return on Equity	12.47	12.47	12.47	12.47	12.47	12.45	12.47	6.21
loWC	16.96	16.96	17.29	17.29	17.53	17.53	17.66	17.66
O&M	133.14	133.14	138.70	138.70	144.43	144.43	150.34	150.34
Special Allowance	-			-			-	041
Total	186.44	186.84	190.93	191.30	192.54	195.79	188.44	178.16

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#### 2. Other Related Issues

#### 2.1. Reimbursement of Actual Income Tax

It is submitted that UPRVUNL had paid Income Tax amounting to Rs. 192.65 Crore for FY 2016-17, 35.34 Crore for FY 2017-18 and 36.34 Crore for FY 2018-19. The said payments are duly reflected in the ITR (Attached as Annexure-1) of the above years. These taxes arise on account of the revenues accrued to the Petitioner from the invoices raised to UPPCL. Such invoices were based on the UPERC Tariff order on dated 29<sup>th</sup> April 2016 & 18<sup>th</sup> January 2017. Accordingly, the bills were raised by UPRVUNL seeking reimbursement of the Statutory charges including Income Tax in line with Clause-11G of Tariff order dated 18<sup>th</sup> January 2017 which provides as below:

"1.98 The Commission found the prayer reasonable and decided that the following shall be added in clause "11" of UPRVUNL's Tariff Order dated 29.04.2016,:

(G) Recovery of Statutory Charges and Tax on income etc.

In addition to the above tariff UPRVUNL is allowed to recover the payment of statutory charges like water cess, cost of water, payment to Pollution Control Board, rates and taxes, FBT and Regulatory Fee paid to the Commission and taxes on income etc., on production of details of actual payment made and duly supported with the certificate of the Statutory Auditors......"

In response to the claims of Petitioner, UPPCL has verified Income Tax amount of Rs. 169.61 crore for FY 2016-17, Rs. 21.75 crore for FY 2017-18 and Rs. 24.09 crore for FY 2018-19. Total gap between amount claimed by UPRVUNL and verified by UPPCL is tune to Rs. 48.73 crore. Since UPRVUNL had already made payments to the income tax authorities for FY 2016-17, FY 2017-18 and FY 2018-19 based on the methodology of Annual Fixed Charges as approved by Hon'ble Commission, UPPCL ought to reimburse the tax amount in actuals. Non reimbursement of actual tax by UPPCL will be in violation of order dated 18.01.2017 Clause-11G and will also cause serious financial injury to Petitioner. Therefore, Hon'ble Commission is request to direct UPPCL for reimbursement the Tax amount in actual paid by UPRVUNL.

#### 2.2. Reimbursement of UPSLDC & NRPC Fee

It is submitted that UPRVUNL has paid UPSLDC & NRPC fees towards annual charges during past years. However, the same has never been claimed by the UPRVUNL due to non provision in the Tariff Order for claiming the UPSLDC and NRPC charges.

Therefore, Hon'ble Commission is requested to grant for reimbursement of the UPSLDC and NRPC fees paid in actual by UPRVUNL.

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(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) पुण्य पुण्य अभियन्ता (वाणिज्य) पुण्य पुण्य पुण्य वाणिज्य (वाणिज्य) पुण्य पुण्य पुण्य (वाणिज्य)

Ob- A: True-up Petition for FY 2014-15 to FY 2017-18

#### 2.3. Interest on Income Tax

The Tariff Regulations issued by the Commission provides that tax on the income streams of the generating company from its core business shall be computed as an expense and shall be permitted to be recovered from the beneficiaries. It is submitted that huge amount is outstanding on the part of UPPCL and UPRVUNL is not getting its money for timely payments for essential spares, works & Coal payments timely. Such delay affects the capacity of UPRVUNL to make timely payments to statutory authorities in the form of tax etc. Non-payment of taxes to the authorities incurs levy of interest charges on such dues to the authorities. But UPPCL is not paying interest on Income Tax.

UPRVUNL has in past also paid interest on Income Tax due to such delay caused by untimely payments from UPPCL. It is therefore requested that the Commission may kindly direct UPPCL to reimburse such interest on Income Tax incurred by UPRVUNL owing to the delay in payments done by UPPCL.

2.4. Intimation of Profit sharing with UPPCL as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 Clause 6 (6).

UPRVUNL wishes to intimate the Hon'ble Commission that it has shared its profits with UPPCL in accordance to the profit-sharing mechanism specified as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 clause 6 (6); the same is reproduced below:

"(6) The financial gains by a generating company on account of controllable parameters shall be shared between generating company and the beneficiaries. The financial gains computed as per following formulae in case of generating station on account of operational parameters contained in Clause (4) (a) to (c)above shall be shared in the ratio of 80:20 between generating company and the beneficiaries:

Net Gain = (ECRN-ECRA) x Scheduled Generation Where,

ECRN – Normative Energy Charge Rate computed on the basis of norms specified/approved for Gross Station Heat Rate, Auxiliary Consumption and Secondary Fuel Oil Consumption.

ECRA – Actual Energy Charge Rate computed on the basis of actual Gross Station Heat Rate, Auxiliary Consumption and Secondary Fuel Oil Consumption for the month.

Provided that in case of financial gains on account of parameters contained in Clause (4)(d) above shall be shared in accordance with Clause (i) (e) of Regulation 25& Regulation 44 of these regulations."

UPRVUNL had prepared a 'Profit Centre Analysis' for the period FY 2014-15 to FY 2018-19, based on the Audited Accounts (Annexed as Annexure-2). A copy of the same was shared with UPPCL. On the basis of the 'Profit Centre Analysis', UPPCL computed the profit-sharing amount of Rs. 200.97 Crore and UPPCL deducted the profit-sharing amount from the running bills raised by UPRVUNL for 2014-15 to 2017-18 while UPRVUNL shared Profit Sharing for FY 2018-19 with a Bill (Copy attached).

The profit shared between UPRVUNL and UPPCL for Rs. 200.97 Crore is summarized as follows:

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मुख्य अभियन्ता (वाणिज्य) उठप्रठसर्वबेठच्छ०निर्वाट १४वां तल, शक्ति भवन विस्तार लखनऊ-226001

Ob- A: True-up Petition for FY 2014-15 to FY 2017-18

#### Summary of Profit Sharing for the Period FY 2014-15 to FY 2018-19

Figures in Rs. Crore

S No	TP5 Name	276 7630072534	2014-15	2015-16	2016-17	2017-18	2018-19
		Billing	640.82	743.12	751.42	670.16	693.81
1	Anpara A	Actual	679.77	715.70	748.30	705.41	714.17
		Profit	-	27.42	3.12	-	**
#0 F4 -		Billing	932.63	1,380.53	1,462.11	1,124.42	1,119.88
2	Anpara B	Actual	838.15	1,169.93	1,380.09	1,050.68	1,117.92
		Profit	94.48	210.60	82.02	73.74	1.95
A 1445 1	BACIN IN MINISTERINAMI IN STEEL	Billing	90.40	64.05	96.52	9.28	
3	Obra A	Actual	107.99	94.79	43.38	13.49	35.
		Profit			53.14	1#	Ze.
W W-11-11		Billing	625.76	655.78	811.24	835.74	603.12
4	Obra B	Actual	583.51	670,85	854.37	790.82	632.59
		Profit	42.25			44.92	
		Billing	368.21	201.47	265.35	119.21	12 May 1
5	Panki	Actual	389.20	226.36	347.80	172.68	7.50
		Profit				AT.	100
	,	Billing	36.88	154.13	200.05	108.14	70.70
6	Harduaganj	Actual	71.58	213.34	203.04	95.88	75.76
		Profit			*	12.26	- Coat
		Billing	955.88	925.84	1,006.58	1,025.09	821.56
7	Harduaganj Extn	Actual	1,115.48	1,066.99	1,057.31	978.16	836.73
		Profit	- W - S			46.93	
V		Billing	121.54	287.97	175.35	96.75	49.44
8	Parichha	Actual	152.52	327.58	217.23	110.75	61.64
		Profit	-	100	-	(a)	*
	()	Billing	674.66	909.14	930.26	807.10	579,50
9	Parichha Extn	Actual	789.67	949.15	926.89	799,50	580.23
		Profit	m.		3.37	7.60	- X X
		Billing	986.77	1,041.83	1,108.99	946.21	809.07
10	Parichha Extn Stage II	Actual	1,034.33	1,024.76	1,076.19	919.20	797.25
		Profit		17.08	32.80	27.01	11.81
		Billing	-	(46)	727.30	834.03	1,186.00
11	Anpara D	Actual		1+1	639.93	811.74	1,083.30
		Profit	4	The I	87.37	22.29	1.02.70
	Grand Total (Profi	t)	136.73	255.10	261.82	234.75	116.47
20 20 3	Profit Share of UPPCLO	920%	27.35	51.02	52.36	46.95	23.29
	Total Profit Share to UP 2014-15 to FY 2018-19 (				200.97	****	* ( *

The petitioner requests the Hon'ble Commission to kindly consider the intimation of Profit Sharing with UPPCL as par UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 clause 6 (6).

Ob- A: True-up Petition for FY 2014-15 to FY 2017-18

(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०नि०लि०

14वां तल, श्रांक्ति भवन विस्ता लखनऊ-226001  Information for Prudence Check of Statutory Charges as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 Clause 25 (Iv)(C) for the period FY 2014-15 to FY 2018-19.

UPRVUNL wishes to submit Information <u>for</u> Prudence Check of Statutory Charges as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 clause 25(iv)(c); the same clause is reproduced below:

"(iv) Operation and Maintenance expenses
(a)
(b)
(c) The expenses on regulatory fee, payment to pollution control board, impact of
pay revision, capital spares, cost of water and water cess shall be paid additionally
at actuals subject to prudence check. The details regarding the same shall be
furnished along with the petition.

The Tariff Order dated 18.01.2017, Clause- 11G is also reproduced below:

(G) Recovery of Statutory Charges and Tax on Income etc.

In addition to the above tariff UPRVUNL is allowed to recover the payment of statutory charges like water cess, cost of water, payment to Pollution Control Board, rates and taxes, FBT and Regulatory Fee paid to the Commission and taxes on income etc., on production of details of actual payment made and duly supported with the certificate of the Statutory Auditors................"

As per Regulation Clause 25(iv)(c) and Tariff Order mentioned above, the UPRVUNL hereby summarized below in table statutory charges Billed by UPRVUNL and verified by UPPCL for the period FY 2014-15 to FY 2018-19.

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(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उठप्रठराठविठउठनिठविठ उप्रवेश भवन विस्तार सर्वा तल, शक्ति भवन विस्तार लखनऊ-226001

# 5

Summary of Statutory Charges Billed by UPRVUNL and Verified by UPPCL for the Period FY 2014-15 to FY 2018-19

		nd	sed sed as	ed d	0 0 0 0 0 0	
Figures In Rs. Crore	Annexure No	Invoice billed by UPRVUNL and verified by UPPCL are Enclosed herewith as <i>Annexure-3</i>	Invoice billed by UPRVUNL and verified by UPPCL are enclosed herewith as Annexure-4 UPERC Order dated 29-04-2016 relevant pages are enclosed as Annexure-5	Invoice billed by UPRVUNL and verified by UPPCL are Enclosed herewith as Annexure-6	Invoice billed by UPRVUNL and verified by UPPCL are Enclosed herewith as Annexure-7	17
	Remarks	Amount of Rs. 4.7627117 Crore claimed later by UPRVUNL vide Bill No. UNL/Statuary Charges/Adj.2016 dated 23-05-16 and the same has been verified by the UPPCL	Amount of Rs. 425.7690779 has been claimed under the head MPRI & RD Tax, 6th pay Arrear and UP Forest Transit Fee. The same amount has already been approved by the Hon'ble Commission vide its order dated 29-04-2016 and the same amount has been verified by the UPPCL as well. The breakup of the same is as below: MPRI & RD Tax- Rs. 174.25 Crore,6th Pay Appear- Rs. 4.7627117 Crore & UP Forest Transit Fee- Rs. 246.75 Crore		Amount of Rs. 0.0250050/- Crore on account of Pollution Cess of Parichha has been verified by UPPCL vide Bill No. UNL/Statutory Charges/FY 2016-17/01 dated 29-11-17, Further Interest due to late payment of Income tax amounting Rs. 6.5500000/- Crore not verified by UPPCL	
	Unvertified amount by UPPCL	4.7627117		ī	6.5750050	
	Verified by UPPCL	200,7131189	425.7690779	131,9533239	233.8466656	
	Billed by UPRVUNL	205.4758306	425.7690779	131.9533239	240.4216706	2017-18
	Sill date	04-09-15	23-05-16	31-08-16	31-08-17	14-15 to FY
	Bill No	UNL/Statuary Charges/FY 2014-15	UNL/Statuary Charges/Adj.2016	UNL/Statutory Charges/FY 2015-16	UNL/Statutory Charges/FY 2016-17	Ob- A: True-up Petition for FY 2014-15 to FY 2017-18
	s No	José -	7	Suy	ব (৪০	अभाकत सिंह)
	15	July 1	VI .	2	उ०प्रव स्थानां र	भियन्ता (वाणिज्य) राठविठउठनिठलिठ शक्ति भवन विस्ताः

	S No	Bill No	Bill date	Billed by UPRVUNL	Verified by UPPCL	Unverified amount by UPPCL	Remarks	Annexure No.
Sor	10	UNL/Statutory Charges/FY 2016-17/01	29-11-17	0.0320050	0.0320050	112		Invoice billed by UPRVUNL and verified by UPPCL are enclosed herewith as Annexure-8
AS.	ω	UNL/Statutory Charges/FY 2017-18	00 00 00 00 00 00 00 00	188.5344357	152.0571674	36,4772683	Amount of Rs. 109.61 Crore and 8.6615311 crore withdrawn by UPRVUNL vide letter no. 341/UNL/CE(Comml.)/Statutory charges dated 08-05-2019. Further a supplementary invoice of Rs. 109.61 Crore raised to UPPCL for reimbursement of balance income tax for FY 2016-17 within the limit of MAT vide Bill No.UNL/Statutory Charges/FY 2016-17/Income Tax dated 27-03-19. Amount of Rs. 36.4772683 Crore has not been verified by UPPCL on account of Income Tax	Invoice billed by UPRYUNL and verified by UPPCL are enclosed herewith as Annewure-9 UPRYUNL letter no. 341/UNL/CE(Comml.)/Statutory Charges dated 08-05-2019 for withdrawal amount of Rs. 109-61 Crore and 8-6615311 grore is enclosed herewith as Annexure-10
21.5		UNL/Statutory Charges/FY 2014-15/Income Tax	27-03-19	22.5064487	21.6766598	0.8297889	Interest due to late payment of Income tax amounting Rs. 0.8297889/- crore not verified by UPPCL	Invoice billed by UPRVUNL and verified by UPPCL are Enclosed herewith as Annexure-11
nya	00	UNL/Statutory Charges/FY 2016-17/Income Tax	27-03-19	109.5100000	109.6100000	Ĭ.		invoice billed by UPRVUNL and verified by UPPCL are Enclosed herewith as Annexure-12
<b></b>	0	UNL/Statutory Charges/FY 2018-19	24-08-19	149.6094058	149.6094058	4.		Invoice billed by UPRVUNL and verified by UPPCL are Enclosed herewith as Annexure-13
अवा तिव 14वां तिव	्र (इं० उ	UNL/Statutory Charges/FY 2018- 19//Supplementary/Income Tax	15-10-19	17.9435926	5.6919217	12.2516709	Amount of Rs. 12.2516709 Crore has not been verified by UPPCL on account of Income Tax	Invoice billed by UPRVUNL and verified by UPPCL are Enclosed herewith as Annexure-14
विश्वित सिंह) विश्वित सिंह) व्यन्ता (वाणिज्य) व्यन्ता (वाणिज्य) सार्वित ज्यन विर सार्वित भवन विर सार्वित भवन विर	विश्वित (वाणिज्य) स्यन्ता (वाणिज्य)	9- A: True-up Petition for FY 2014-15 to FY 2017-18	14-15 to FY 2	1017-18				7.7

In the view of the above, amount of Rs. 36.4772683 Crore and Rs. 12.2516709 Crore totalling Rs. 48.7289392 Crore has not been verified by the UPPCL on account of Income Tax head. The same amount has already been submitted by the UPRVUNL before the Hon'ble Commission vide its True-up Petition additional submission No. 1 dated 3<sup>rd</sup> January 2020. The Petitioner humbly requested to Hon'ble Commission to direct UPPCL for reimbursement the Income Tax amount paid by the UPRVUNL as actual.

Further, amount of Rs. 7.38 crore on account of Interest on income tax has also not verified by the UPPCL. It is therefore requested that the Hon'ble Commission may kindly direct to UPPCL to reimburse such interest on income tax incurred by the UPRVUNL owing to delay in the payments done by UPPCL.

The petitioner hereby requests the Hon'ble Commission to kindly consider this Information for Prudence Check of Statutory Charges as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 clause 25(iv)(c) and Tariff Order dated 18.01.1017, clause-11G.

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(इं० अविश्वित सिंह) मुख्य अभियत्ता (वाणिज्य) मुख्य अभियत्ता (वाणिज्य) उ०प्र०ए। विश्वित भवन विस्तार प्रवा तत. शवित भवन विस्तार स्वा तत. शवित भवन विस्तार

#### 3. Prayer

The Petitioner respectfully prays followings to the Hon'ble Commission:

- The Hon'ble Commission is requested to Accept this Petition for true-up of additional capitalization and associated tariff components for the financial year 2014-15 to 2017-18
- The Hon'ble Commission is requested to Allow recovery of the additional claim generating out of the true up from the beneficiaries in line with the provision of the Regulations or in any manner that the Hon'ble Commission deems appropriate.
- The Hon'ble Commission is requested to Permit recovery of expenses understated/ not considered in this Petition subsequent to the submission of this petition.
- Hon'ble commission is requested to direct the UPPCL to reimburse the actual amount on account of Income Tax and Interest on Income Tax to UPRVUNL.
- Hon'ble commission is requested to direct the UPPCL to reimburse the UPSLDC and NRPC Charges to UPRVUNL.
- The Hon'ble Commission is requested to Condone any Inadvertent omissions / errors / short comings and permit the applicant to add /change /modify / alter this Petition and make further submissions as may be required at later stages
- The Hon'ble Commission is requested to Pass such orders as Hon'ble Commission may deem fit and proper and necessary in the facts and circumstances of the case, to grant relief to the Petitioner.

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(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०नि०लि० 14वां तल, शक्ति भवन विस्तार लखनऊ-226001

#### Office of Chief Engineer Commercial Unit



U.P. Rajya Vidyut Utpadan Nigam Ltd. 14<sup>th</sup> floor, Shakti Bhawan Extn. Lucknow-226001

Tel. No.- 0522-2288056/2287030 CIN: U40101UP1980SGC005065

E-mail: gm.commercial@uprvunl.org cecommercialunl@gmail.com

No.197/UNL/CE(Comml.)/True-up (2014-19)/Obra-B

Date: 2 | May-2021

The Secretary,
U.P. Electricity Regulatory Commission
Vibhuti Khand-II, Gomti Nagar
Lucknow-2260010

# <u>Subject:- Re-Submission of True-up Petition of 5x200 MW Obra-'B' Thermal Power Stations</u> of UPRVUNL for FY 2014-15 to 2018-19.

Dear Sir,

Kindly find enclosed herewith True-up Petition of 5x200 MW Obra-'B' Thermal Power Station of UPRVUNL for FY 2014-15 to 2018-19 in 06 copies (one original + 05 photocopies + 01 soft copy) as per UPERC (Terms and Conditions of Generation Tariff) Regulations-2014 in compliance of directive of Hon'ble Commission during hearing on dated 16.03.2021 on Petition No. 1520/2019 for True-up of various Thermal Power Stations of UPRVUNL for FY 2014-15 to 2018-19.

The True-up Petitions (2014-19) for various TPS of UPRVUNL were originally submitted to Hon'ble Commission vide this office single covering letter no. 816/UNL/CE(Comml.)/True-up (2014-19), dt. 25.10.2019 (copy attached), with station wise fees Rs One Lac per Station and total Rs Eleven Lacs for 11 Stations in form of Bankers Cheque (No. 557569 dt. 25.10.2019, State Bank of India) in favour of Secretary, UPERC, payable at Lucknow as per Part-D, Sl. No. 13 of Addendum to "Schedule of Fee" of Amendment-I dated 11.12.2018 of UPERC (Fee & Fines) Regulation-2010 and U.P. Govt. Gudget Notification dartd 21.01.2019.

Submitted for kind consideration of the Hon'ble Commission. Encl: As above.

Yours Sincerely

(Avikshit Singh)
Chief Engineer(Commecial)

No. 197 /UNL/CE(Comml.)/True up (2014-19)/Obra-B Copy to the following respondents for their kind information:-

Date: , May-2021

- 1. M.D., U.P. Power Corporation Ltd., 7<sup>th</sup> floor, Shakti Bhawan, 14 Ashok Marg, Lucknow.
- 2. M.D., Madyanchal Vidyut Vitran Nigam Ltd., P.N. Road, Gokhale Marg, Lucknow.
- 3. M.D., PoorvaranchalVidyutVitranNigamLtd.,132KV S/S Bhikhari Vidyut Nagar, Varanasi.
- 4. M.D., Pashimanchal Vidyut Vitran Nigam Ltd., Victoria Park, Meerut.

## Office of Chief Engineer Commercial Unit



U.P. Rajya Vidyut Utpadan Nigam Ltd. 14th floor, Shakti Bhawan Extn. Lucknow-226001 Tel. No.- 0522-2288056/2287030 CIN: U40101UP1980SGC005065

E-mail: gm.commercial@uprvunl.org cecommercialunl@gmail.com

- 5. M.D., Dakshinanchal Vidyut Vitran Nigam Ltd., Vidyut Bhawan, Gailana Road, Agra.
- 6. M.D., Kanpur Electric Supply Co. Ltd., KESA House, Kanpur.
- 7. Chief Executive Officer, Noida Power Company Ltd., H-Block, Alpha-II Sector, Gr Noida.
- 8. Chief Engineer (PPA), UPPCL, 14th floor, Shakti Bhawan Ext, Lucknow alongwith enlosures.

No. 197 /UNL/CE(Comml.)/True up (2014-19)/Obra-B

Date: 2/, May-2021

Copy to the followings for their kind information:-

- 1. PS to Managing Director, UPRVUNL, 7th floor, Shakti Bhawan, 14-Ashok-Marg, Lucknow.
- 2. Director (Project & Commercial), UPRVUNL, 8th floor, Shakti Bhawan Ext, Lucknow.
- 3. Director (Technical), UPRVUNL, 8th floor, Shakti Bhawan Ext, Lucknow.
- 4. Director (Finance), UPRVUNL, 8th floor, Shakti Bhawan Ext, Lucknow alongwith enlosures.

(Avikshit Singh) Chief Engineer(Commercial)

# OBRA 'B' THERMAL POWER STATION

# TRUE UP PETITION

FOR

FY 2014-15 to FY 2018-19

Sounded (compl)



(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०नि०लि० 14वां तल, शक्ति भवन विस्तार लखनऊ-226001

UP RAJYA VIDYUT UTPADAN NIGAM LTD

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(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०नि०लि० 14वां तल, शक्ति भवन विस्तार লखনজ-226001

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Annexure-16	Cost Audited Report for the period FY 2014-15 to FY 2018-19 (Soft Copy Attached)	

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(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०नि०लि० उ०प्र०रा०वि०उ०नि०लि० १४वां तल, शक्ति भवन विस्तार लखनऊ-226001

# (See Regulation 30) BEFORE THE HON'BLE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION, GOMTI NAGAR, LUCKNOW

Receipt Register No.:	
Petition No.:	
IN THE MATTER OF	
OBRA -B TPS PETITION FOR DETERMINATION OF FINAL TRUE-UP OF FY 2015-16, FY 2016-17, FY 2017-18 and FY 2018-19.	2014-15, FY
AND	
IN THE MATTER OF	200
UTTAR PRADESH RAJYA VIDYUT UTPADAN NIGAM LIMITED (UPRVUNL), SHAKTI BHAWAN, 14-ASHOK MARG, LUCKNOW.	ADDI ICANO
V/s	APPLICANT
UTTAR PRADESH POWER CORPORATION LIMITED (UPPCL).	

SHAKTI BHAWAN, 14-ASHOK MARG, LUCKNOW.

MADHYANCHAL VIDYUT VITRAN NIGAM LTD.

PN ROAD, LUCKNOW.

POORVANCHAL VIDYUT VITRAN NIGAM LTD. 132 KV S/S BHIKARI VIDYUT NAGAR, VARANASI

PASCHIMANCHAL VIDYUT VITRAN NIGAM LTD. VICTORIA PARK, MEERUT

DAKSHINACHAL VIDYUT VITRAN NIGAM LTD. GALINA ROAD AGRA.

KANPUR ELECTRICITY SUPPLY CO. LTD. KESA HOUSE, KANPUR

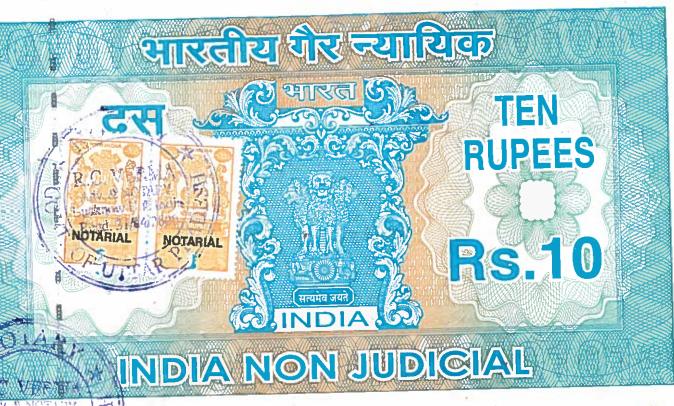
NOIDA POWER CO. LTD. COMMERCIAL COMPLEX, H BLOCK, ALPHA-II SECTOR GREATER NOIDA CITY

S. Sugar.

(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०नि०लि० 14वां तल, शक्ति भवन विस्तार लखनऊ-226001

RESPONDENTS

Sander



TAR PRADESH

38AE 978144

**AFFIDAVIT** 

This Singh, Son of Late Dr. Chandra Pal Singh aged about 59 years, office of Commercial Floor, Shakti Bhawan Extn., 14 Ashok Marg, Lucknow, do hereby solemnly affirm and state as under:

- 1. I say that I am Chief Engineer, Commercial Unit, UPRVUNL, the Applicant in the matter and am duly authorized by the said Applicant to swear the present Obra 'B' TPS True-up Petition for the period FY 2014-15 to FY 2018-19.
- 2. I say that I have read the contents of the True-up Petition and I have understood the same.
- 3. That the contents attached herewith filed by the Applicant on behalf of UPRVUNL are based on the information available with the Applicant in the normal course of business and believed by me to be true.

4. It say that the Text, Appendixes and Annexures to the submissions are true and correct copies of their original.

VERIFICATION

DEPONENT (इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०त्ता०वि०उ०नि०लि०

I, the deponent above named, do hereby verify the contents of the above altidavit to be true to the best of my knowledge, no part of it is false and nothing material has been concealed therefrom.

Swamandkwenfied Before me , 2021

R.C. VERMA Adv. & NOTARY Lucknow U.P. INDIA DEPONENT (इ० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०नि०लि० 14वां तल, शक्ति भवन विस्तार लखनऊ-226001

#### 1. Obra B TPS

As per direction of Hon'ble Commission on date 16.03.2021 during hearing on Petition No. 1520/2019 for True-up of various Thermal Power Stations of UPRVUNL for FY 2014-15 to 2018-19 to re-submit the True-up Petitions Station wise with separate covering letter, this section presents the final true-up for FY 2014-15 to FY 2018-19 in respect of Obra-B Thermal Power Station.

The audited accounts of UPRVUNL for the period FY 2014-15 to FY 2018-19 and Cost Audit Report for the period FY 2014-15 to FY 2018-19 have already been submitted in hard copy with Petition No. 1520/2019 on date 25.10.2019 in the Commission. However, soft copy of the audited accounts of UPRVUNL and Cost Audit Report for the period FY 2014-15 to FY 2018-19 is attached in soft copy with this Petition.

#### 1.1. Annual Capacity Charges

As per tariff regulations the annual capacity (fixed) charges consist of

- a) Interest on Loan Capital
- b) Depreciation including Advance against Depreciation
- c) Return on Equity
- d) Operation and maintenance expenses including insurance
- e) Interest on Working Capital
- f) Special Allowance

This section provides the description of the approved capacity charges Vs allowable capacity charges for FY 2014-15 to FY 2018-19 based on financial statements of the UPRVUNL.

The audited accounts of the Station and HQ as well as Cost Audit Report have already been submitted with Petition No. 1520/2019 on date 25.10.2019 in the Commission.

#### 1.2. Gross Fixed Assets

The Petitioner submits that it has considered the opening balance of gross fixed assets for the financial year 2014-15 from the MYT Order issued by the Hon'ble Commission on 29th April 2016 and review order dated 18th January 2017. The Petitioner submits that there have been additional capitalisation to the tune of Rs 933.43 Crores and de-capitalisation of Rs. 2.93 crore spread across the Control period and the details of such capitalization have been shown in the specific formats annexed to this petition.

Accordingly, the following table depicts the approved gross fixed asset balance vis-à-vis actual gross fixed asset balance for FY 2014-15 to FY 2018-19:

्इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०नि०लि० १४वां तल, शक्ति भवन विस्तार

लखनऊ-226001

#### Table: Gross Fixed Asset Balance of 'Obra B'

Figures in Rs Crore

	2014	.15	2015	-16	2016	-17	2017	7-18	2018	-19
Particulars	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual
Opening GFA	849.89	849.89	849.89	849.90	849.89	850.14	849.89	1,707.56	849.89	1,707.59
Capitalisation		0.01	-	0.24		860.35	•	0.03	-	72.79
Deletions	•	•		-		2.93		-	-	-
Closing GFA	849.89	849.90	849.89	850.14	849.89	1,707.56	849.89	1,707.59	849.89	1,780.38

#### 1.3. Means of Finance

The Hon'ble Commission in its order dated 29<sup>th</sup> April 2016 and review order dated 18th January 2017 had prescribed a normative approach of financing of the capital expenditure in the ratio of 70% debt and 30% equity in line with the Tariff Regulations. Further the allowable depreciation had been considered as normative loan repayment.

In order to maintain consistency in approach, the Petitioner has considered the aforementioned philosophy and calculated the normative debt and normative equity. The opening values of accumulated depreciation, normative loan and normative equity as on 1.4.2014 has been adopted from the approved values in the order dated 29<sup>th</sup> April 2016 and review order dated 18<sup>th</sup> January 2017. Accordingly, the gross fixed asset balance, the net fixed asset balance and its financing is presented in the table below:

Table: Calculation of GFA, NFA and its financing - Obra B

Figures in Rs Crore

Obra B Power Station	2014-15	2015-16	2016-17	2017-18	2018-19
			True up		
Opening GFA	849.89	849.90	850.14	1,707.56	1,707.59
Additions	0.01	0.24	860.35	0.03	72.79
Deletions	-	-	2.93	- /	
Closing GFA	849.90	850.14	1,707.56	1,707.59	1,780.38
Closing Net FA	399.01	353.86	1,141.64	1,047.89	1,024.78
Financing:					
Opening Equity	234.61	234.61	234.68	491.91	491.92
Additions	0.00	0.07	258.11	0.01	21.84
Deletion	-	-	0.88	•	-
Closing Equity	234.61	234.68	491.91	491.92	513.76
Open. Accumulated Depreciation	405.50	450.88	496.27	565.92	659.70
Depreciation during the year	45.38	45.39	69.64	93.79	95.90
Closing Accumulated Depreciation	450.88	496.27	565.92	659.70	755.60
Opening Debts	210.20	164.82	119.60	652.20	558.44
Additions	0.00	0.17	602.25	0.02	50.96
Less: Depreciation (normative repayment)	45.38	45.39	69.64	93.79	95.90
Closing Debts ()	164.82	119.60	652.20	558.44	513.49

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Obra- B: True-up Petition for FY 2014-15 to FY 2018-19

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#### 1.4. Depreciation

The Petitioner submits that the depreciation as per accounts is calculated as per the prescription of Schedule XIV of the Companies Act, 1956 which is depicted in the accounting policies annexed with the audited accounts. However, the Tariff Regulations prescribe that the eligible depreciation shall be calculated annually, based on straight line method over the useful life of the asset and the rates prescribed in Appendix II of such regulations. It is noteworthy of mentioning that the Appendix II prescribes distinct depreciation rates for each class of assets.

The Petitioner has provided the asset class wise list of gross fixed assets in Form 11 of the tariff formats submitted along with this petition. Accordingly, the Petitioner has calculated the eligible depreciation based on the rates prescribed in the tariff regulations.

The allowable depreciation is depicted in the table below:

Table: Allowable Depreciation - Obra B

							Figures in	RS Crore		
	2014-	15	2015-	16	2016-	17	2017-	18	2018-	19
Particulars	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual
Depreciation including AAD	45.38	45.38	45.38	45.39	45.38	69.64	45.38	93.79	45.38	95.90

#### 1.5. Interest on Loan

As discussed above, the Hon'ble Commission in its order dated 29<sup>th</sup> April 2016 and review order dated 18<sup>th</sup> January 2017 had prescribed a normative approach of financing of the capital expenditure in the ratio of 70% debt and 30% equity in line with the Tariff Regulations. Further the allowable depreciation has been considered as normative loan repayment. The weighted average interest on loan capital was worked out at 11.40%.

The total capitalisation for FY 2014-15 to FY 2018-19 is depicted below in table. 70% of the same been considered to be funded through debt. Considering the debt worked out as above and applying the rate of 11.40%, the interest on loan capital has been worked out in the table below:

Table: Allowable Interest on Loan-Obra B

							Figures in F	Rs Crore		
- 1 1 0	2014-	15	2015-	16	2016-	17	2017-	18	2018-	· <b>1</b> 9
Particulars	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual
Opening Debts	210.20	210.20	164.82	164.82	119.44	119.60	74.06	652.20	28.68	558.44
Additions	-	0.00	-	0.17	-	602.25	-	0.02	-	50.96
Less: Normative repayment	45.38	45.38	45.38	45.39	45.38	69.64	45.38	93.79	28.68	95.90
Closing Debts	164.82	164.82	119.44	119.60	74.06	652.20	28.68	558.44	0.00	513.49
Average Debt	187.51	187.5 <b>1</b>	142.13	142.21	96.75	385.90	51.37	605.32	14.34	535.97
Interest on Loan	21.49	21.38	16.29	16.21	11.09	43.99	5.89	69.01	1.64	61.10

Obra- B: True-up Petition for FY 2014-15 to FY 2018-19

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#### 1.6. Return on Equity

The opening equity base of Rs. 234.61 crore as on 1.4.2014 has been adopted from the Tariff order dated 29th April 2016 and review order dated 18<sup>th</sup> January 2017. Considering that 30% of the capital expenditure funded by equity has been considered. The Tariff Regulations-2014 prescribe that return on equity would be allowed at the rate of 15.50%.

However, it is brought to the attention of the Hon'ble Commission that based on the Government Order dated 31<sup>st</sup>July 2017 and subsequent adoption of the same by Board of Directors on 9<sup>th</sup>April 2018 of the Petitioner, the Petitioner has billed the RoE at 2% for FY 2017-18 and 2018-19 and rest of 13.5% has been foregone to take its advantage in Merit Order Despatch (MOD) schedule as per Hon'ble Commission Order dated 21.06.2016 against Petition No. 1070/2015. Therefore, RoE component would be adjusted by UPRVUNL with beneficiary only 2%. But it is requested to Hon'ble Commission to approve the Capacity Charge with RoE @ 15.5%.

Accordingly, the approved return on equity and the trued up figures have been furnished in the table below:

Table: Allowable Return on Equity - Obra B

Figures in Rs Crore

	2014	-15	2015	-16	2016	-17	2017	-18	2018	-19
Particulars	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual
Opening	234.61	234.61	234.61	234.61	234.61	234.68	234.61	491.91	234.61	491.92
Equity Additions	-	0.00	-	0.07	-	258.11	-	0.01	-	21.84
Deletion		<del>-</del>		-	-	0.88				
Closing Equity	234.61	234.61	234.61	234.68	234.61	491.91	234.61	491.92	234.61	513.76
Average	234.61	234.61	234.61	234.65	234.61	363.30	234.61	491.91	234.61	502.84
Rate of Return on Equity (%)	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%
Allowable RoE	36.36	36.36	36.36	36.37	36.36	56.31	36.36	76.25	36.36	77.94

#### 1.7. Operation and Maintenance Expenses

The tariff regulations prescribe that only capital expenditure would be eligible for truing up. The regulations do not provide for truing up in respect of O&M expenses and also provides relaxed operating norms considering of vintage of certain generating stations like Obra A, Obra B, Panki, Harduaganj and Parichha.

Regulation 21(iv) of the UPERC Generation Regulations, 2014 deals with the allowance of O&M expenses. The Hon'ble Commission in the generation tariff regulations — Para 25 (iv) (a) have prescribed the yearly O&M expenses for the control period FY 2014-15 to FY 2018-19 based upon the Installed Capacity for the thermal power stations.

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**Table: Allowable Operation and Maintenance Expenses – Obra B**Figures in Rs Crore

	2014	-15	2015-	-16	2016-	17	2017-	18	201	8-19
Particulars	Approved	Claim								
O&M Expenses	239.00	239.00	254.00	254.00	270.00	270.00	287.00	287.00	305.10	305.10

#### 1.8. Interest on Working Capital

The tariff regulations do not prescribe any variation to be allowed in true-up in respect of interest on working capital. Clause (a) and (d) of provision (v) of Regulation 25 of the UPERC Generation Tariff Regulations 2014 prescribe payment of Interest on Working Capital on a normative basis. Para 25 (v) of the UPERC Generation Tariff Regulations 2014 prescribe the following normative parameters for determination of normative working capital for coal based generating stations:

- Cost of coal for 15 days for pit-head generating stations and 30 days for non-pit-head generating stations for generation corresponding to the normative annual plant availability factor or the maximum coal stock storage capacity whichever is lower
- Cost of coal for 30 days for generation corresponding to the target availability
- Cost of secondary fuel oil for two months corresponding to the target availability and in case
  of use of more than one secondary fuel oil, cost of fuel oil stock for the main secondary fuel
  oil:
- Operation and Maintenance expenses for one month;
- Maintenance spares @ 20% of operation and maintenance expenses; and
- Receivables equivalent to two months of capacity charges and energy charges for sale of electricity calculated on the target availability.

Based on the above premise, the allowable Interest on Working capital as worked out by the Hon'ble Commission in its order dated 29 April 2016 read with Review Order dated 18 January 2017 for the generating station has been reproduced below:

Table: Allowable Interest on Working Capital - Obra B

Figures in Rs Crore

Obra B Power Station	2014-15	2015-16	2016-17	2017-18	2018-19
Interest on Working Capital	61.42	62.33	63.10	64.04	65.07

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Obra- B: True-up Petition for FY 2014-15 to FY 2018-19

### 1.9. Summary of the true-up claimed for FY 2014-15 to FY 2018-19

Based on the foregoing discussions, the following table summarizes the truing-up computations of Obra B for the financial years 2014-15 to FY 2018-19 for approval by the Hon'ble Commission.

Table: True-up Summary for FY 2014-15 to FY 2018-19- Obra B

	201	1-15	201	5-16	2016	5-17	201	7-18	201	3-19
Particulars	Order	Actual	Order	Actual	Order	Actuai	Order	Actual	Order	Actual
Depreciation	45.38	45.38	45.38	45.39	45.38	69.64	45.38	93.79	45.38	95.90
Interest on Long Term Loans	21.49	21.38	16.29	16.21	11.09	43.99	5.89	69.01	1.64	61.10
Return on Equity	36.36	36.36	36.36	36.37	36.36	56.31	36.36	76.25	36.36	77.94
IoWC	61.42	61.42	62.33	62.33	63.10	63.10	64.04	64.04	65.07	65.07
O&M	239.00	239.00	254.00	254.00	270.00	270.00	287.00	287.00	305.10	305.10
Special Allowance	-	-	-	-	-	-	•	-		-
Total	403.65	403.54	414.36	414.30	425.93	503.05	438.67	590.08	453.55	605.11

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#### 2. Other Related Issues

#### 2.1. Reimbursement of Actual Income Tax

It is submitted that UPRVUNL had paid Income Tax amounting to Rs. 192.65 Crore for FY 2016-17, 35.34 Crore for FY 2017-18 and 36.34 Crore for FY 2018-19. The said payments are duly reflected in the ITR (Attached as Annexure-1) of the above years. These taxes arise on account of the revenues accrued to the Petitioner from the invoices raised to UPPCL. Such invoices were based on the UPERC Tariff order on dated 29th April 2016 & 18th January 2017. Accordingly, the bills were raised by UPRVUNL seeking reimbursement of the Statutory charges including Income Tax in line with Clause-11G of Tariff order dated 18th January 2017 which provides as below:

> "1.98 The Commission found the prayer reasonable and decided that the following shall be added in clause "11" of UPRVUNL's Tariff Order dated 29.04.2016,:

#### (G) Recovery of Statutory Charges and Tax on income etc.

In addition to the above tariff UPRVUNL is allowed to recover the payment of statutory charges like water cess, cost of water, payment to Pollution Control Board, rates and taxes, FBT and Regulatory Fee paid to the Commission and taxes on income etc., on production of details of actual payment made and duly supported with the certificate of the Statutory Auditors....."

In response to the claims of Petitioner, UPPCL has verified Income Tax amount of Rs. 169.61 crore for FY 2016-17, Rs. 21.75 crore for FY 2017-18 and Rs. 24.09 crore for FY 2018-19. Total gap between amount claimed by UPRVUNL and verified by UPPCL is tune to Rs. 48.73 crore. Since UPRVUNL had already made payments to the income tax authorities for FY 2016-17, FY 2017-18 and FY 2018-19 based on the methodology of Annual Fixed Charges as approved by Hon'ble Commission, UPPCL ought to reimburse the tax amount in actuals. Non reimbursement of actual tax by UPPCL will be in violation of order dated 18.01.2017 Clause-11G and will also cause serious financial injury to Petitioner. Therefore, Hon'ble Commission is request to direct UPPCL for reimbursement the Tax amount in actual paid by UPRVUNL.

#### 2.2. Reimbursement of UPSLDC & NRPC Fee

It is submitted that UPRVUNL has paid UPSLDC & NRPC fees towards annual charges during past years. However, the same has never been claimed by the UPRVUNL due to non provision in the Tariff Order for claiming the UPSLDC and NRPC charges.

Therefore, Hon'ble Commission is requested to grant for reimbursement of the UPSLDC and NRPC

fees paid in actual by UPRVUNL.

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#### 2.3. Interest on Income Tax

The Tariff Regulations issued by the Commission provides that tax on the income streams of the generating company from its core business shall be computed as an expense and shall be permitted to be recovered from the beneficiaries. It is submitted that huge amount is outstanding on the part of UPPCL and UPRVUNL is not getting its money for timely payments for essential spares, works & Coal payments timely. Such delay affects the capacity of UPRVUNL to make timely payments to statutory authorities in the form of tax etc. Non-payment of taxes to the authorities incurs levy of interest charges on such dues to the authorities. But UPPCL is not paying interest on Income Tax.

UPRVUNL has in past also paid interest on Income Tax due to such delay caused by untimely payments from UPPCL. It is therefore requested that the Commission may kindly direct UPPCL to reimburse such interest on Income Tax incurred by UPRVUNL owing to the delay in payments done by UPPCL.

# 2.4. Intimation of Profit sharing with UPPCL as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 Clause 6 (6).

UPRVUNL wishes to intimate the Hon'ble Commission that it has shared its profits with UPPCL in accordance to the profit-sharing mechanism specified as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 clause 6 (6); the same is reproduced below:

"(6) The financial gains by a generating company on account of controllable parameters shall be shared between generating company and the beneficiaries. The financial gains computed as per following formulae in case of generating station on account of operational parameters contained in Clause (4) (a) to (c)above shall be shared in the ratio of 80:20 between generating company and the beneficiaries:

Net Gain = (ECRN- ECRA) x Scheduled Generation
Where

ECRN – Normative Energy Charge Rate computed on the basis of norms specified/approved for Gross Station Heat Rate, Auxiliary Consumption and Secondary Fuel Oil Consumption.

ECRA – Actual Energy Charge Rate computed on the basis of actual Gross Station Heat Rate, Auxiliary Consumption and Secondary Fuel Oil Consumption for the month.

Provided that in case of financial gains on account of parameters contained in Clause (4)(d) above shall be shared in accordance with Clause (i) (e) of Regulation 25& Regulation 44 of these regulations."

UPRVUNL had prepared a 'Profit Centre Analysis' for the period FY 2014-15 to FY 2018-19, based on the Audited Accounts (Annexed as Annexure-2). A copy of the same was shared with UPPCL. On the basis of the 'Profit Centre Analysis', UPPCL computed the profit-sharing amount of Rs. 200.97 Crore and UPPCL deducted the profit-sharing amount from the running bills raised by UPRVUNL for 2014-15 to 2017-18 while UPRVUNL shared Profit Sharing for FY 2018-19 with a Bill (Copy attached).

The profit share between UPRVUNL and UPPCL for Rs. 200.97 Crore is summarized as follows:

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#### Summary of Profit Sharing for the Period FY 2014-15 to FY 2018-19

Figures in Rs. Crore

S No	TPS Name		2014-15	2015-16	2016-17	2017-18	2018-19
		Billing	640.82	743.12	751.42	670.16	693.81
1,	Anpara A	Actual	679.77	715.70	748.30	705.41	714.17
		Profit		27.42	3.12	-	-
		Billing	932.63	1,380.53	1,462.11	1,124.42	1,119.88
2	Anpara B	Actual	838.15	1,169.93	1,380.09	1,050.68	1,117.92
		Profit	94.48	210.60	82.02	73.74	1.95
		Billing	90.40	64.05	96.52	9.28	
3	Obra A	Actual	107.99	94.79	43.38	13.49	-
		Profit			53.14		
		Billing	625.76	655.78	811.24	835.74	603.12
4	Obra B	Actual	583.51	670.85	854.37	790.82	632.59
		Profit	42.25		-	44.92	-
		Billing	368.21	201.47	265.35	119.21	-
5	Panki	Actual	389.20	226.36	347.80	172.68	
		Profit				-	
		Billing	36.88	154.13	200.05	108.14	70.70
6	Harduaganj	Actual	71.58	213.34	203.04	95.88	75.76
		Profit		-	-	12.26	-
		Billing	955.88	925.84	1,006.58	1,025.09	821.56
7	Harduaganj Extn	Actual	1,115.48	1,066.99	1,057.31	978.16	836.73
		Profit	- 1	-		46.93	н
		Billing	121.54	287.97	175.35	96.75	49.44
8	Parichha	Actual	152.52	327.58	217.23	110.75	61.64
		Profit			M	-	
		Billing	674.66	909.14	930.26	807.10	579.50
9	Parichha Extn	Actual	789.67	949.15	926.89	799.50	580.23
		Profit		-	3.37	7.60	
		Billing	986.77	1,041.83	1,108.99	946.21	809.07
10	Parichha Extn Stage II	Actual	1,034.33	1,024.76	1,076.19	919.20	797.25
		Profit		17.08	32.80	27.01	11.81
		Billing	-	-	727.30	834.03	1,186.00
11	Anpara D	Actual	-	-	639.93	811.74	1,083.30
		Profit	T - 1		87.37	22.29	102.70
	Grand Total (Profi	t)	136.73	255.10	261.82	234.75	116.47
	Profit Share of UPPCL	<b>@20%</b>	27.35	51.02	52.36	46.95	23.29
	Total Profit Share to UP 2014-15 to FY 2018-19				200.97	.1	

The petitioner requests the Hon'ble Commission to kindly consider the intimation of Profit Sharing with UPPCL as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 clause 6 (6).

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Obra- B: True-up Petition for FY 2014-15 to FY 2018-19

14वां तल, शक्ति भवन विस्तार लखनऊ-226001 2.5. Information for Prudence Check of Statutory Charges as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 Clause 25 (Iv)(C) for the period FY 2014-15 to FY 2018-19.

UPRVUNL wishes to submit Information <u>for</u> Prudence Check of Statutory Charges as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 clause 25(iv)(c); the same clause is reproduced below:

"(iv) Operation and Maintenance expenses	
(a)	
(b)	
(c) The expenses on regulatory fee, payment to pollution control board, in	ipact of
pay revision, capital spares, cost of water and water cess shall be paid add	tionally
at actuals subject to prudence check. The details regarding the same s	shall be
furnished along with the petition.	
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"	

The Tariff Order dated 18.01.2017, Clause- 11G is also reproduced below:

(G) Recovery of Statutory Charges and Tax on income etc.

In addition to the above tariff UPRVUNL is allowed to recover the payment of statutory charges like water cess, cost of water, payment to Pollution Control Board, rates and taxes, FBT and Regulatory Fee paid to the Commission and taxes on income etc., on production of details of actual payment made and duly supported with the certificate of the Statutory Auditors......"

As per Regulation Clause 25(iv)(c) and Tariff Order mentioned above, the UPRVUNL hereby summarized below in table statutory charges Billed by UPRVUNL and verified by UPPCL for the period FY 2014-15 to FY 2018-19.

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# Summary of Statutory Charges Billed by UPRVUNL and Verified by UPPCL for the Period FY 2014-15 to FY 2018-19

Figures in Rs. Crore

S No	Bill No	Bill date	Billed by UPRVUNE	Verified by UPPCL	Unverified amount by UPPCL	Remarks	Annexure No
-	UNL/Statuary Charges/FY 2014-15	04-09-15	205.4758306	200.7131189	4.7627117	Amount of Rs. 4.7627117 Crore claimed later by UPRVUNL vide Bill No. UNL/Statuary Charges/Adj.2016 dated 23-05-16 and the same has been verified by the UPPCL	Invoice billed by UPRVUNL and verified by UPPCL are Enclosed herewith as <i>Annexure-3</i>
~	UNL/Statuary Charges/Adj.2016	23-05-16	425.7690779	425.7690779	8	Amount of Rs. 425.7690779 has been claimed under the head MPRI & RD Tax, 6th pay Arrear and UP Forest Transit Fee. The same amount has already been approved by the Hon'ble Commission vide its order dated 29-04-2016 and the same amount has been verified by the UPPCL as well. The breakup of the same is as below: MPRI & RD Tax- Rs. 174.25 Crore,6th Pay Appear- Rs. 4.7627117 Crore & UP Forest Transit Fee- Rs. 246.75 Crore	Invoice billed by UPRVUNL and verified by UPPCL are enclosed herewith as Annexure-4 UPERC Order dated 29-04-2016 relevant pages are enclosed as Annexure-5
m	UNL/Statutory Charges/FY 2015-16	31-08-16	131.9533239	131.9533239	•		Invoice billed by UPRVUNL and verified by UPPCL are Enclosed herewith as Annexure-6
4	UNL/Statutory Charges/FY 2016-17	31-08-17	240.4216706	233.8466656	6.5750050	Amount of Rs. 0.0250050/- Crore on account of Pollution Cess of Parichha has been verified by UPPCL vide Bill No. UNL/Statutory Charges/FY 2016-17/01 dated 29-11-17, Further Interest due to late payment of Income tax amounting Rs. 6.5500000/- Crore not verified by UPPCL	Invoice billed by UPRVUNL and verified by UPPCL are Enclosed herewith as <i>Annexure-7</i>
							7-1

Obra- B: True-up Petition for FY 2014-15 to FY 2018-19

(इं० अवीक्षित सिह्, 16 मुख्य अभियन्ता (वाणि हा) उ०प्रवराविव्उवनिविव्य 14वां तल, शवित भवन विस्तार

लखनक-226001

		The same of the sa			The same of the sa		
S No	Bill No	Bill date	Billed by UPRVUNL	Verified by UPPCL	Unverified amount by UPPCL	Remarks	Annexure No
ın	UNL/Statutory Charges/FY	29-11-17	0.0320050	0.0320050	1		Invoice billed by UPRVUNL and verified by UPPCL are enclosed because the scanners.
		**					
						Amount of Rs. 109.61 Crore and 8.6615311	Invoice billed by UPRVUNL and
				45555	West.	crore withdrawn by UPRVUNL vide letter no.	verified by UPPCL are enclosed
						341/UNL/CE(Comml.)/Statutory Charges	herewith as Annexure-9
						dated 08-05-2019. Further a supplementary	
						invoice of Rs. 109.61 Crore raised to UPPCL	UPRVUNL letter no.
		. 100				for reimbursement of balance income tax	341/UNL/CE(Comml.)/Statutory
Œ	UNL/Statutory Charges/FY	18-08-18	188.5344357	152.0571674	36.4772683	for FY 2016-17 within the limit of MAT vide	
)	2017-18					Bill No.UNL/Statutory Charges/FY 2016-	withdrawal amount of Rs.
				-		17/Income Tax dated 27-03-19.	109.61 Crore and 8.6615311
		501	1200	200			crore is enclosed herewith as
				8. 0		Amount of Rs. 36.4772683 Crore has not	Annexure-10
			- 3			been verified by UPPCL on account of	
						Income Tax	
						Interest due to late payment of income tax	Invoice billed by UPRVUNL and
	IIMI /Ctatuton/ Charges/FV					amounting Rs. 0.8297889/- crore not	verified by UPPCL are Enclosed
7	2014-15/income Tax	27-03-19	22.5064487	21.6766598	0.8297889	_;	herewith as Annexure-11
			•				
							Invoice billed by UPRVUNL and
0	UNL/Statutory Charges/FY	27-03-19	109.6100000	109.6100000	1		verified by UPPCL are Enclosed
5	2016-17/Income Tax				,		herewith as Annexure-12
							Invoice billed by UPRVUNL and
c	UNL/Statutory Charges/FY	24_08_19	149 6094058	149 6094058	1		verified by UPPCL are Enclosed
ת	2018-19	200					herewith as Annexure-13
	TINI /Ctatatatata						Invoice billed by UPRVUNL and
	סויני/ שניים אליים ומיים ביים ו					. 12.2516/03	verified by UPPCL are Enclosed
10	19//Supplementary/Income	15-10-19	17.9435926	5.6919217	12.2516709	been verified by UPPCL on account of Income Tax	herewith as Annexure-14
	Гах						1
-	OL D. T 110 Dottition for EV 2014-15 to EV 2018-19	2014-15 to F	TV 2018-19				

Obra- B: True-up Petition for FY 2014-15 to FY 2018-19

(इंग्निसिता सिंह) 17 मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०नि०ति० 14वां तल, शक्ति मवन विस्तार लखनऊ-226001

In the view of the above, amount of Rs. 36.4772683 Crore and Rs. 12.2516709 Crore totalling Rs. 48.7289392 Crore has not been verified by the UPPCL on account of Income Tax head. The same amount has already been submitted by the UPRVUNL before the Hon'ble Commission vide its True-up Petition additional submission No. 1 dated 3<sup>rd</sup> January 2020. The Petitioner humbly requested to Hon'ble Commission to direct UPPCL for reimbursement the Income Tax amount paid by the UPRVUNL as actual.

Further, amount of Rs. 7.38 crore on account of Interest on income tax has also not verified by the UPPCL. It is therefore requested that the Hon'ble Commission may kindly direct to UPPCL to reimburse such interest on income tax incurred by the UPRVUNL owing to delay in the payments done by UPPCL.

The petitioner hereby requests the Hon'ble Commission to kindly consider this Information for Prudence Check of Statutory Charges as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 clause 25(iv)(c) and Tariff Order dated 18.01.1017, clause-11G.

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Obra-B: True-up Petition for FY 2014-15 to FY 2018-19

(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०नि०लि० 14वां तल, शक्ति भवन विस्तार

#### 3. Prayer

The Petitioner respectfully prays followings to the Hon'ble Commission:

- 1. The Hon'ble Commission is requested to Accept this Petition for true-up of additional capitalization and associated tariff components for the financial year 2014-15 to 2018-19
- 2. The Hon'ble Commission is requested to Allow recovery of the additional claim generating out of the true up from the beneficiaries in line with the provision of the Regulations or in any manner that the Hon'ble Commission deems appropriate.
- 3. The Hon'ble Commission is requested to Permit recovery of expenses understated/ not considered in this Petition subsequent to the submission of this petition.
- 4. Hon'ble commission is requested to direct the UPPCL to reimburse the actual amount on account of Income Tax and Interest on Income Tax to UPRVUNL.
- 5. Hon'ble commission is requested to direct the UPPCL to reimburse the UPSLDC and NRPC Charges to UPRVUNL.
- 6. The Hon'ble Commission is requested to Condone any inadvertent omissions / errors / short comings and permit the applicant to add /change /modify / alter this Petition and make further submissions as may be required at later stages

7. The Hon'ble Commission is requested to Pass such orders as Hon'ble Commission may deem fit and proper and necessary in the facts and circumstances of the case, to grant relief to the Petitioner.

Obra-B: True-up Petition for FY 2014-15 to FY 2018-19

(इंठ अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०नि०लि० १४वां तल, शक्ति भवन विस्तार लखनऊ-226001

#### Office of Chief Engineer Commercial Unit



U.P. Rajya Vidyut Utpadan Nigam Ltd. 14th floor, Shakti Bhawan Extn. Lucknow-226001 Tel. No.- 0522-2288056/2287030 CIN: U40101UP1980SGC005065

E-mail: gm.commercial@uprvunl.org cecommercialunl@gmail.com

No. 198 /UNL/CE(Comml.)/True-up (2014-19)/Panki

Date: 21, May-2021

he Secretary, U.P. Electricity Regulatory Commission Vibhuti Khand-II, Gomti Nagar Lucknow-2260010

#### Subject:- Re-Submission of True-up Petition of 2x105 MW Panki Thermal Power Stations of UPRVUNL for FY 2014-15 to 2017-18.

Dear Sir,

Kindly find enclosed herewith True-up Petition of 2x105 MW Panki Thermal Power Station of UPRVUNL for FY 2014-15 to 2017-18 in 06 copies (one original + 05 photocopies + 01 soft copy) as per UPERC (Terms and Conditions of Generation Tariff) Regulations-2014 in compliance of directive of Hon'ble Commission during hearing on dated 16.03.2021 on Petition No. 1520/2019 for True-up of various Thermal Power Stations of UPRVUNL for FY 2014-15 to 2018-19.

The True-up Petitions (2014-19) for various TPS of UPRVUNL were originally submitted to Hon'ble Commission vide this office single covering letter no. 816/UNL/CE(Comml.)/True-up (2014-19), dt. 25.10.2019 (copy attached), with station wise fees Rs One Lac per Station and total Rs Eleven Lacs for 11 Stations in form of Bankers Cheque (No. 557569 dt. 25.10.2019, State Bank of India) in favour of Secretary, UPERC, payable at Lucknow as per Part-D, Sl. No. 13 of Addendum to "Schedule of Fee" of Amendment-I dated 11.12.2018 of UPERC (Fee & Fines) Regulation-2010 and U.P. Govt. Gudget Notification dartd 21.01.2019.

Submitted for kind consideration of the Hon'ble Commission. Encl: As above.

Yours Sincerely.

(Avikshit Singh)

Chief Engineer(Commecial)

Date: , May-2021

No. /UNL/CE(Comml.)/True up (2014-19)/Panki Copy to the following respondents for their kind information:-

- 1. M.D., U.P. Power Corporation Ltd., 7th floor, Shakti Bhawan, 14 Ashok Marg, Lucknow.
- 2. M.D., Madyanchal Vidyut Vitran Nigam Ltd., P.N. Road, Gokhale Marg, Lucknow.
- 3. M.D., Poorvaranchal Vidyut Vitran Nigam Ltd., 132 KV S/S Bhikhari Vidyut Nagar, Varanasi.
- 4. M.D., Pashimanchal Vidyut Vitran Nigam Ltd., Victoria Park, Meerut.

#### Office of Chief Engineer Commercial Unit



U.P. Rajya Vidyut Utpadan Nigam Ltd. 14<sup>th</sup> floor, Shakti Bhawan Extn. Lucknow-226001 Tel. No.- 0522-2288056/2287030

CIN: U40101UP1980SGC005065 E-mail: gm.commercial@uprvunl.org cecommercialunl@gmail.com

- 5. M.D., Dakshinanchal Vidyut Vitran Nigam Ltd., Vidyut Bhawan, Gailana Road, Agra.
- 6. M.D., Kanpur Electric Supply Co. Ltd., KESA House, Kanpur.
- 7. Chief Executive Officer, Noida Power Company Ltd., H-Block, Alpha-II Sector, Gr Noida.
- 8. Chief Engineer (PPA), UPPCL, 14th floor, Shakti Bhawan Ext, Lucknow alongwith enlosures

No. 198/UNL/CE(Comml.)/True up (2014-19)/Panki

Date: 2 , May-2021

Copy to the followings for their kind information:-

- 1. PS to Managing Director, UPRVUNL, 7th floor, Shakti Bhawan, 14 Ashok Marg, Lucknow.
- 2. Director (Project & Commercial), UPRVUNL, 8th floor, Shakti Bhawan Ext, Lucknow.
- 3. Director (Technical), UPRVUNL, 8th floor, Shakti Bhawan Ext, Lucknow.
- 4. Director (Finance), UPRVUNL, 8th floor, Shakti Bhawan Ext, Lucknow alongwith enlosures

(Avikshit Singh)
Chief Engineer(Commercial)

# PANKI THERMAL POWER STATION

# TRUE UP PETITION

FOR

FY 2014-15 to FY 2017-18



UP RAJYA VIDYUT UTPADAN NIGAM LTD

AE (only)

EE (com)

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(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०नि०लि० 14वां तल, शक्ति भवन विस्तार लखनऊ-226001

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(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०नि०ति० 14वां तल, शक्ति भवन विस्तार लखनऊ-226001

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(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०नि०लि० 14वां तल, शक्ति भवन विस्तार लखनऊ-226001

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### FORM-1

# (See Regulation 30) BEFORE THE HON'BLE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION, GOMTI NAGAR, LUCKNOW

Receipt Register No.:	<del></del>
Petition No.:	_
IN THE MATTER OF	
Panki TPS PETITION FOR DETERMINATION OF FINA 2015-16, FY 2016-17 and FY 2017-18.	AL TRUE-UP OF FY 2014-15,
AND	2

IN THE MATTER OF

UTTAR PRADESH RAJYA VIDYUT UTPADAN NIGAM LIMITED (UPRVUNL), SHAKTI BHAWAN, 14-ASHOK MARG, LUCKNOW.

**APPLICANT** 

RESPONDENTS

FY

V/s

UTTAR PRADESH POWER CORPORATION LIMITED (UPPCL), SHAKTI BHAWAN, 14-ASHOK MARG, LUCKNOW.

MADHYANCHAL VIDYUT VITRAN NIGAM LTD. PN ROAD, LUCKNOW.

POORVANCHAL VIDYUT VITRAN NIGAM LTD. 132 KV S/S BHIKARI VIDYUT NAGAR, VARANASI

PASCHIMANCHAL VIDYUT VITRAN NIGAM LTD. VICTORIA PARK, MEERUT

DAKSHINACHAL VIDYUT VITRAN NIGAM LTD. GALINA ROAD AGRA.

KANPUR ELECTRICITY SUPPLY CO. LTD. KESA HOUSE, KANPUR

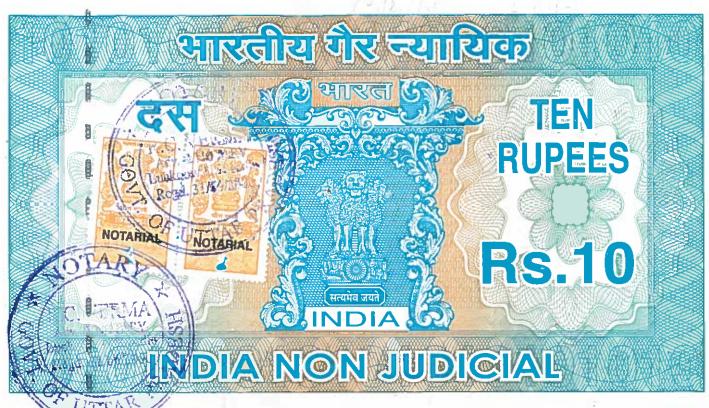
NOIDA POWER CO. LTD. COMMERCIAL COMPLEX, H BLOCK, ALPHA-II SECTOR GREATER NOIDA CITY

> (इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०नि०लि० 14वां तल, शक्ति भवन विस्तार

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I, Avikshit Singh, Son of Late Dr. Chandra Pal Singh aged about 59 years, office of Commercial Unit, 44th Floor, Shakti Bhawan Extn., 14 Ashok Marg, Lucknow, do hereby solemnly affirm and state as under:

- 1. I say that I am Chief Engineer, Commercial Unit, UPRVUNL, the Applicant in the matter and am duly authorized by the said Applicant to swear the present Panki TPS True-up Petition for the period FY 2014-15 to FY 2017-18.
- 2. I say that I have read the contents of the True-up Petition and I have understood the same.
- 3. That the contents attached herewith filed by the Applicant on behalf of UPRVUNL are based on the information available with the Applicant in the normal course of business and believed by me to be true.

4. I say that the Text, Appendixes and Annexures to the submissions are true and correct copies of their original.

**VERIFICATION** 

DEPONENT (इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०नि०लि०

I, the deponent above named, do hereby verify the contents of the above at larger to best of my knowledge, no part of it is false and nothing material has been concealed therefrom.

S Verified at Lackway united

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Betode me

DEPONENT (इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०नि०लि०

उ०प्रवरावाववज्ञवानवालव 14वां तल, शक्ति भवन विस्तार

### 1. Panki TPS

As per direction of Hon'ble Commission on date 16.03.2021 during hearing on Petition No. 1520/2019 for True-up of various Thermal Power Stations of UPRVUNL for FY 2014-15 to 2018-19 to re-submit the True-up Petitions Station wise with separate covering letter, this section presents the final true-up for FY 2014-15 to FY 2017-18 in respect of Panki Thermal Power Station

Panki Unit 3 and Unit 4 having derated capacities of 105 MW each have completed their useful life of 25 years and have been operational since their Date of Commercial operation of 29th January 1977 and 29th May 1977 respectively. Based on their vintage, an approval according deletion of the said units was forwarded by the Government of Uttar Pradesh to the Petitioner vide letter with reference 178/24-1-2018 -149(B)/2018 dated 16 February 2018. Thereafter, vide Office Memorandum no 119 dated 17th February 2018, the said directive was adopted by the Petitioner. Accordingly, the said Units 3 and 4 with combined derated capacity of 210 MW stand deleted from the operational capacity of the Petitioner with effect from 16st February 2018.

The audited accounts of UPRVUNL for the period FY 2014-15 to FY 2018-19 and Cost Audit Report for the period FY 2014-15 to FY 2018-19 have already been submitted in hard copy with Petition No. 1520/2019 on date 25.10.2019 in the Commission. However, soft copy of the audited accounts of UPRVUNL and Cost Audit Report for the period FY 2014-15 to FY 2018-19 is attached in soft copy with this Petition.

### 1.1. Annual Capacity Charges

As per tariff regulations the annual capacity (fixed) charges consist of

- a) Interest on Loan Capital
- b) Depreciation including Advance against Depreciation
- c) Return on Equity
- d) Operation and maintenance expenses including insurance
- e) Interest on Working Capital
- f) Special Allowance

This section provides the description of the approved capacity charges Vs allowable capacity charges for FY 2014-15 to FY 2017-18 based on financial statements of the UPRVUNL.

### 1.2. Gross Fixed Assets

The Petitioner submits that it has considered the opening balance of gross fixed assets for the financial year 2014-15 from the MYT Order issued by the Hon'ble Commission on 29th April 2016 and review order dated 18th January 2017. The Petitioner submits that there have been additional capitalisation to the tune of Rs 23.18 Crores and decapitalization of Rs. 183.18 spread across the Control period and the details of such capitalization have been shown in the specific formats annexed to this petition.

Accordingly the following table depicts the approved gross fixed asset balance vis-à-vis actual gross fixed asset balance for FY 2014-15 to FY 2017-18:

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(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०नि०लि०

14वां तल, शक्ति भवन विस्तार लखनऊ-226001

Panki: True-up Petition for FY 2014-15 to FY 2017-18

### Table: Gross Fixed Asset Balance of 'Panki'

Figures in Rs Crore

2014	-15	2015	-16	2016	-17	2017	-18
Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual
159.97	160.00	159.97	170.41	159.97	170.42	159.97	182.44
	10.41	-	0.01		12.65		0.12
	_0	-	-	-	0.62	-	182.56
159.97	170.41	159.97	170.42	159.97	182.44	159.97	-
	Approved 159.97	159.97 160.00 - 10.41	Approved         Actual         Approved           159.97         160.00         159.97           -         10.41         -           -         -         -	Approved         Actual         Approved         Actual           159.97         160.00         159.97         170.41           -         10.41         -         0.01           -         -         -         -	Approved         Actual         Approved         Actual         Approved           159.97         160.00         159.97         170.41         159.97           -         10.41         -         0.01         -           -         -         -         -         -	Approved         Actual         Approved         Actual         Approved         Actual           159.97         160.00         159.97         170.41         159.97         170.42           -         10.41         -         0.01         -         12.65           -         -         -         -         0.62	Approved         Actual         Approved         Actual         Approved         Actual         Approved         Actual         Approved           159.97         160.00         159.97         170.41         159.97         170.42         159.97           -         10.41         -         0.01         -         12.65         -           -         -         -         -         0.62         -

#### 1.3. **Means of Finance**

The Hon'ble Commission in its order dated 29th April 2016 and review order dated 18th January 2017 had prescribed a normative approach of financing of the capital expenditure in the ratio of 70% debt and 30% equity in line with the Tariff Regulations. Further the allowable depreciation had been considered as normative loan repayment.

In order to maintain consistency in approach, the Petitioner has considered the aforementioned philosophy and calculated the normative debt and normative equity. The opening values of accumulated depreciation, normative loan and normative equity as on 1.4.2014 has been adopted from the approved values in the order dated 29th April 2016 and review order dated 18th January 2017. Accordingly, the gross fixed asset balance, the net fixed asset balance and its financing is presented in the table below:

Table: Calculation of GFA, NFA and its financing - Panki

Figures in Rs Crore

Panki Power Station	2014-15	2015-16	2016-17	2017-18
		True	ир	
Opening GFA	160.00	170.41	170.42	182.44
Additions	10.41	0.01	12.65	0.12
Deletions	-	-	0.62	182.56
Closing GFA	170.41	170.42	182.44	-
Closing Net FA	68.99	61.16	65.13	*
Financing:				
Opening Equity	36.63	39.75	39.75	43.36
Additions	3.12	0.00	3.79	0.04
Deletion	Ш-	-	0.19	43.40
Closing Equity	39.75	39.75	43.36	-
Open. Accumulated Depreciation	93.80	101.42	109.25	117.30
Depreciation during the year	7.62	7.83	8.05	127
Closing Accumulated Depreciation	101.42	109.25	117.30	-
Opening Debts	25.14	24.81	16.98	17.78
Additions	7.29	0.00	8.85	0.08
Less: Depreciation (normative repayment)	7.62	7.83	8.05	17.86
Closing Debts	24.81	16.98	17.78	4

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### 1.4. Depreciation

The Petitioner submits that the depreciation as per accounts is calculated as per the prescription of Schedule XIV of the Companies Act, 1956 which is depicted in the accounting policies annexed with the audited accounts. However, the Tariff Regulations prescribe that the eligible depreciation shall be calculated annually, based on straight line method over the useful life of the asset and the rates prescribed in Appendix II of such regulations. It is noteworthy of mentioning that the Appendix II prescribes distinct depreciation rates for each class of assets.

The Petitioner has provided the asset class wise list of gross fixed assets in Form 11 of the tariff formats submitted along with this petition. Accordingly, the Petitioner has calculated the eligible depreciation based on the rates prescribed in the tariff regulations.

The allowable depreciation is depicted in the table below:

Table: Allowable Depreciation – Panki

						Figur	es in Rs Cro	re
	2014-	15	2015-	16	2016-	17	2017-	18
Particulars	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual
Depreciation including AAD	7.40	7.62	7.40	7.83	7.40	8.05	7.40	

### 1.5. Interest on Loan

As discussed above, the Hon'ble Commission in its order dated 29<sup>th</sup> April 2016 and review order dated 18<sup>th</sup> January 2017 had prescribed a normative approach of financing of the capital expenditure in the ratio of 70% debt and 30% equity in line with the Tariff Regulations. Further the allowable depreciation has been considered as normative loan repayment. The weighted average interest on loan capital was worked out at 10.75%.

The total capitalisation for FY 2014-15 to FY 2017-18 is depicted below in table. 70% of the same been considered to be funded through debt. Considering the debt worked out as above and applying the rate of 10.75%, the interest on loan capital has been worked out in the table below:

Table: Allowable Interest on Loan-Panki

					r	igures in	RS Crore	
	2014-	15	2015-	16	2016-	17	2017-	18
Particulars	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual
Opening Debts	25.14	25.14	17.74	24.81	10.34	16.98	2.94	17.78
Additions	-	7.29	- 3	0.00	9	8.85	-	0.08
Less: Normative repayment	7.40	7.62	7.40	7.83	7.40	8.05	2.94	17.86
Closing Debts	17.74	24.81	10.34	16.98	2.94	17.78		
Average Debt	21.44	24.97	14.04	20.89	6.64	17.38	1.47	8.89
Interest on	2.48	2.68	1.62	2.25	0.77	1.87	0.17	0.96

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### 1.6. Return on Equity

The opening equity base of Rs. 36.63 crore as on 1.4.2014 has been adopted from the Tariff order dated 29th April 2016 and review order dated 18th January 2017. Considering that 30% of the capital expenditure funded by equity has been considered. The Tariff Regulations-2014 prescribe that return on equity would be allowed at the rate of 15.50%.

However, it is brought to the attention of the Hon'ble Commission that based on the Government Order dated 31stJuly 2017 and subsequent adoption of the same by Board of Directors on 9thApril 2018 of the Petitioner, the Petitioner has billed the RoE at 2% for FY 2017-18 and 2018-19 and rest of 13.5% has been foregone to take its advantage in Merit Order Despatch (MOD) schedule as per Hon'ble Commission Order dated 21.06.2016 against Petition No. 1070/2015. Therefore, RoE component would be adjusted by UPRVUNL with beneficiary only 2%. But it is requested to Hon'ble Commission to approve the Capacity Charge with RoE @ 15.5%.

Accordingly, the approved return on equity and the trued up figures have been furnished in the table below:

Table: Allowable Return on Equity - Panki

					Figur	es in Rs Ci	ore	
	2014	-15	2015	-16	2016	-17	2017	-18
Particulars	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual
Opening Equity	36.63	36.63	36.63	39.75	36.63	39.75	36.63	43.36
Additions	er T -	3.12	_	0.00	-	3.79	-	0.04
Deletion	_		-	-	-	0.19		43.40
Closing Equity	36.63	39.75	36.63	39.75	36.63	43.36	36.63	-
Average	36.63	38.19	36.63	39.75	36.63	41.56	36.63	21.68
Rate of Return on Equity (%)	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%
Allowable RoE	5.68	5.92	5.68	6.16	5.68	6.44	5.68	3.36

### 1.7. Operation and Maintenance Expenses

The tariff regulations prescribe that only capital expenditure would be eligible for truing up. The regulations do not provide for truing up in respect of O&M expenses and also provides relaxed operating norms considering of vintage of certain generating stations like Obra A, Obra B, Panki, Harduaganj and Parichha.

Regulation 21(iv) of the UPERC Generation Regulations, 2014 deals with the allowance of O&M expenses. The Hon'ble Commission in the generation tariff regulations — Para 25 (iv) (a) have prescribed the yearly O&M expenses for the control period FY 2014-15 to FY 2018-19 based upon the Installed Capacity for the thermal power stations.

Accordingly, based on the above stated norms, the O&M expenses as allowed through the MYT Order dated 29 April 2016 read with Review Order dated 18 January 2017 for the power station for the Control period is depicted in the table below:

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Table: Allowable Operation and Maintenance Expenses - Panki

Figures in Rs Crore

						_		
	2014-	15	2015-	16	2016-	17	2017-	18
Particulars	Approved	Claim	Approved	Claim	Approved	Claim	Approved	Claim
O&M Expenses	115.37	115.37	120.20	120.20	125.18	125.18	130.28	130.28

### 1.8. Interest on Working Capital

The tariff regulations do not prescribe any variation to be allowed in true-up in respect of interest on working capital. Clause (a) and (d) of provision (v) of Regulation 25 of the UPERC Generation Tariff Regulations 2014 prescribe payment of Interest on Working Capital on a normative basis. Para 25 (v) of the UPERC Generation Tariff Regulations 2014 prescribe the following normative parameters for determination of normative working capital for coal based generating stations:

- Cost of coal for 15 days for pit-head generating stations and 30 days for non-pit-head generating stations for generation corresponding to the normative annual plant availability factor or the maximum coal stock storage capacity whichever is lower
- Cost of coal for 30 days for generation corresponding to the target availability
- Cost of secondary fuel oil for two months corresponding to the target availability and in case
  of use of more than one secondary fuel oil, cost of fuel oil stock for the main secondary fuel
  oil;
- Operation and Maintenance expenses for one month;
- Maintenance spares @ 20% of operation and maintenance expenses; and
- Receivables equivalent to two months of capacity charges and energy charges for sale of electricity calculated on the target availability.

Based on the above premise, the allowable Interest on Working capital as worked out by the Hon'ble Commission in its order dated 29 April 2016 read with Review Order dated 18 January 2017 for the generating station has been reproduced below:

Table: Allowable Interest on Working Capital-Panki

Figures in Rs Crore

Panki Power Station	2014-15	2015-16	2016-17	2017-18
Interest on Working Capital	25.85	26.17	26.42	26.72

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### 1.9. Summary of the true-up claimed for FY 2014-15 to FY 2017-18

Based on the foregoing discussions, the following table summarizes the truing-up computations of Panki for the financial years 2014-15 to FY 2017-18 for approval by the Hon'ble Commission.

Table: True-up Summary for FY 2014-15 to FY 2017-18 - Panki

Figures in Rs Crore

	201	4-15	201	5-16	201	5-17	201	7-18
Particulars	Order	Actual	Order	Actual	Order	Actual	Order	Actual
Depreciation	7.40	7.62	7.40	7.83	7.40	8.05	7.40	
Interest on Long Term Loans	2.48	2.68	1.62	2.25	0.77	1.87	0.17	0.96
Return on Equity	5.68	5.92	5.68	6.16	5.68	6.44	5.68	3.36
IoWC	25.85	25.85	26.17	26.17	26.42	26.42	26.72	26.72
O&M	115.37	115.37	120.20	120.20	125.18	125.18	130.28	130.28
Special Allowance	15.75	15.75	16.75	16.75	17.81	17.81	18.94	18.94
Total	172.53	173.19	177.82	179.36	183.26	185.77	189.19	180.26

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### 2. Other Related issues

### 2.1. Reimbursement of Actual Income Tax

It is submitted that UPRVUNL had paid Income Tax amounting to Rs. 192.65 Crore for FY 2016-17, 35.34 Crore for FY 2017-18 and 36.34 Crore for FY 2018-19. The said payments are duly reflected in the ITR (Attached as Annexure-1) of the above years. These taxes arise on account of the revenues accrued to the Petitioner from the invoices raised to UPPCL. Such invoices were based on the UPERC Tariff order on dated 29<sup>th</sup> April 2016 & 18<sup>th</sup> January 2017. Accordingly, the bills were raised by UPRVUNL seeking reimbursement of the Statutory charges including Income Tax in line with Clause-11G of Tariff order dated 18<sup>th</sup> January 2017 which provides as below:

"1.98 The Commission found the prayer reasonable and decided that the following shall be added in clause "11" of UPRVUNL's Tariff Order dated 29.04.2016,:

(G) Recovery of Statutory Charges and Tax on income etc.

In addition to the above tariff UPRVUNL is allowed to recover the payment of statutory charges like water cess, cost of water, payment to Pollution Control Board, rates and taxes, FBT and Regulatory Fee paid to the Commission and taxes on income etc., on production of details of actual payment made and duly supported with the certificate of the Statutory Auditors......"

In response to the claims of Petitioner, UPPCL has verified Income Tax amount of Rs. 169.61 crore for FY 2016-17, Rs. 21.75 crore for FY 2017-18 and Rs. 24.09 crore for FY 2018-19. Total gap between amount claimed by UPRVUNL and verified by UPPCL is tune to Rs. 48.73 crore. Since UPRVUNL had already made payments to the income tax authorities for FY 2016-17, FY 2017-18 and FY 2018-19 based on the methodology of Annual Fixed Charges as approved by Hon'ble Commission, UPPCL ought to reimburse the tax amount in actuals. Non reimbursement of actual tax by UPPCL will be in violation of order dated 18.01.2017 Clause-11G and will also cause serious financial injury to Petitioner. Therefore, Hon'ble Commission is request to direct UPPCL for reimbursement the Tax amount in actual paid by UPRVUNL.

### 2.2. Reimbursement of UPSLDC & NRPC Fee

It is submitted that UPRVUNL has paid UPSLDC & NRPC fees towards annual charges during past years. However, the same has never been claimed by the UPRVUNL due to non provision in the Tariff Order for claiming the UPSLDC and NRPC charges.

Therefore, Hon'ble Commission is requested to grant for reimbursement of the UPSLDC and NRPC fees paid in actual by UPRVUNL.

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### 2.3. Interest on Income Tax

The Tariff Regulations issued by the Commission provides that tax on the income streams of the generating company from its core business shall be computed as an expense and shall be permitted to be recovered from the beneficiaries. It is submitted that huge amount is outstanding on the part of UPPCL and UPRVUNL is not getting its money for timely payments for essential spares, works & Coal payments timely. Such delay affects the capacity of UPRVUNL to make timely payments to statutory authorities in the form of tax etc. Non-payment of taxes to the authorities incurs levy of interest charges on such dues to the authorities. But UPPCL is not paying interest on Income Tax.

UPRVUNL has in past also paid interest on Income Tax due to such delay caused by untimely payments from UPPCL. It is therefore requested that the Commission may kindly direct UPPCL to reimburse such interest on Income Tax incurred by UPRVUNL owing to the delay in payments done by UPPCL.

# 2.4. Intimation of Profit sharing with UPPCL as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 Clause 6 (6).

UPRVUNL wishes to intimate the Hon'ble Commission that it has shared its profits with UPPCL in accordance to the profit-sharing mechanism specified as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 clause 6 (6); the same is reproduced below:

"(6) The financial gains by a generating company on account of controllable parameters shall be shared between generating company and the beneficiaries. The financial gains computed as per following formulae in case of generating station on account of operational parameters contained in Clause (4) (a) to (c)above shall be shared in the ratio of 80:20 between generating company and the beneficiaries:

Net Gain = (ECRN-ECRA) x Scheduled Generation Where.

ECRN - Normative Energy Charge Rate computed on the basis of norms specified/approved for Gross Station Heat Rate, Auxiliary Consumption and Secondary Fuel Oil Consumption.

ECRA – Actual Energy Charge Rate computed on the basis of actual Gross Station Heat Rate, Auxiliary Consumption and Secondary Fuel Oil Consumption for the month.

Provided that in case of financial gains on account of parameters contained in Clause (4)(d) above shall be shared in accordance with Clause (i) (e) of Regulation 25& Regulation 44 of these regulations."

UPRVUNL had prepared a 'Profit Centre Analysis' for the period FY 2014-15 to FY 2018-19, based on the Audited Accounts (Annexed as Annexure-2). A copy of the same was shared with UPPCL. On the basis of the 'Profit Centre Analysis', UPPCL computed the profit-sharing amount of Rs. 200.97 Crore and UPPCL deducted the profit-sharing amount from the running bills raised by UPRVUNL for 2014-15 to 2017-18 while UPRVUNL shared Profit Sharing for FY 2018-19 with a Bill (Copy attached).

The profit shared between UPRVUNL and UPPCL for Rs. 200.97 Crore is summarized as follows:

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### Summary of Profit Sharing for the Period FY 2014-15 to FY 2018-19

Figures in Rs. Crore

S No	TPS Name		2014-15	2015-16	2016-17	2017-18	2018-19
		Billing	640.82	743.12	751.42	670.16	693.81
1	Anpara A	Actual	679.77	715.70	748.30	705.41	714.17
		Profit		27.42	3.12		
		Billing	932.63	1,380.53	1,462.11	1,124.42	1,119.88
2	Anpara B	Actual	838.15	1,169.93	1,380.09	1,050.68	1,117.92
		Profit	94.48	210.60	82.02	73.74	1.95
	-	Billing	90.40	64.05	96.52	9.28	-
3	Obra A	Actual	107.99	94.79	43.38	13.49	, -
		Profit		-	53.14		
		Billing	625.76	655.78	811.24	835.74	603.12
4	Obra B	Actual	583.51	670.85	854.37	790.82	632.59
		Profit	42.25		**	44.92	
		Billing	368.21	201.47	265.35	119.21	-
5	Panki	Actual	389.20	226.36	347.80	172.68	-
		Profit	-			-	-
		Billing	36.88	154.13	200.05	108.14	70.70
6	Harduaganj	Actual	71.58	213.34	203.04	95.88	75.76
		Profit		-	10	12.26	•
		Billing	955.88	925.84	1,006.58	1,025.09	821.56
7	Harduaganj Extn	Actual	1,115.48	1,066.99	1,057.31	978.16	836.73
		Profit				46.93	-
		Billing	121.54	287.97	175.35	96.75	49.44
8	Parichha	Actual	152.52	327.58	217.23	110.75	61.64
		Profit	-				(-)
		Billing	674.66	909.14	930.26	807.10	579.50
9	Parichha Extn	Actual	789.67	949.15	926.89	799.50	580.23
		Profit	-	•	3.37	7.60	-
		Billing	986.77	1,041.83	1,108.99	946.21	809.07
10	Parichha Extn Stage II	Actual	1,034.33	1,024.76	1,076.19	919.20	797.25
		Profit	-	17.08	32.80	27.01	11.81
		Billing	-	-	727.30	834.03	1,186.00
11	Anpara D	Actual	-	-	639.93	811.74	1,083.30
		Profit	-	-	87.37	22.29	102.70
	Grand Total (Profi	t)	136.73	255.10	261.82	234.75	116.47
	Profit Share of UPPCLO	*-	27.35	51.02	52.36	46.95	23.29
FY	Total Profit Share to UP 2014-15 to FY 2018-19	PCL for		1	200.97		·I

The petitioner requests the Hon'ble Commission to kindly consider the intimation of Profit Sharing with UPPCL apper UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 clause 6 (6).

Panki: True-up Petition for FY 2014-15 to FY 2017-18

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2.5. Information for Prudence Check of Statutory Charges as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 Clause 25 (Iv)(C) for the period FY 2014-15 to FY 2018-19.

UPRVUNL wishes to submit Information <u>for Prudence Check of Statutory Charges</u> as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 clause 25(iv)(c); the same clause is reproduced below:

'(iv) Operation and Maintenance expenses
(a)
(b)
(c) The expenses on regulatory fee, payment to pollution control board, impact of
pay revision, capital spares, cost of water and water cess shall be paid additionally
at actuals subject to prudence check. The details regarding the same shall be
furnished along with the petition.
// ****

The Tariff Order dated 18.01.2017, Clause- 11G is also reproduced below:

(G) Recovery of Statutory Charges and Tax on income etc.

In addition to the above tariff UPRVUNL is allowed to recover the payment of statutory charges like water cess, cost of water, payment to Pollution Control Board, rates and taxes, FBT and Regulatory Fee paid to the Commission and taxes on income etc., on production of details of actual payment made and duly supported with the certificate of the Statutory Auditors......"

As per Regulation Clause 25(iv)(c) and Tariff Order mentioned above, the UPRVUNL hereby summarized below in table statutory charges Billed by UPRVUNL and verified by UPPCL for the period FY 2014-15 to FY 2018-19.

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Summary of Statutory Charges Billed by UPRVUNL and Verified by UPPCL for the Period FY 2014-15 to FY 2018-19

Figures in Rs. Crore

S No Bill No Bill date UPRVUNI.  2 UNL/Statuary Charges/FY 04-09-15 205.475830  2 UNL/Statuary  2 Charges/Adj.2016  3 UNL/Statutory Charges/FY 31-08-16 131.953323				
UNL/Statuary Charges/FY 04-09-15 2014-15 UNL/Statuary Charges/Adj.2016 UNL/Statutory Charges/FY 31-08-16 2015-16	Billed by Ve	urified by amount by UPPCL UPPCL	Remarks	Annexure No
UNL/Statuary Charges/Adj.2016 23-05-16 UNL/Statutory Charges/FY 31-08-16	205.4758306	200.7131189 4.7627117	Amount of Rs. 4.7627117 Crore claimed later by UPRVUNL vide Bill No. UNL/Statuary Charges/Adj.2016 dated 23-05-16 and the same has been verified by the UPPCL	Invoice billed by UPRVUNL and verified by UPPCL are Enclosed herewith as <i>Annexure-3</i>
UNL/Statutory Charges/FY 31-08-16 2015-16	425.7690779	425.7690779 -	Amount of Rs. 425.7690779 has been claimed under the head MPRI & RD Tax, 6th pay Arrear and UP Forest Transit Fee. The same amount has already been approved by the Hon'ble Commission vide its order dated 29-04-2016 and the same amount has been verified by the UPPCL as well. The breakup of the same is as below: MPRI & RD Tax- Rs. 174.25 Crore,6th Pay Appear- Rs. 4.7627117 Crore & UP Forest Transit Fee- Rs. 246.75 Crore	Invoice billed by UPRVUNL and verified by UPPCL are enclosed herewith as Annexure-4 UPERC Order dated 29-04-2016 relevant pages are enclosed as Annexure-5
\\	131.9533239	131.9533239		Invoice billed by UPRVUNL and verified by UPPCL are Enclosed herewith as <b>Annexure-6</b>
4 UNL/Statutory Charges/FY 31-08-17 240.421670	240.4216706	233.8466656 6.5750050	Amount of Rs. 0.0250050/- Crore on account of Pollution Cess of Parichha has been verified by UPPCL vide Bill No. UNL/Statutory Charges/FY 2016-17/01 dated 29-11-17, Further Interest due to late payment of Income tax amounting Rs. 6.5500000/- Crore not verified by UPPCL	Invoice billed by UPRVUNL and verified by UPPCL are Enclosed herewith as <i>Annexure-7</i>

Panki: True-up Petition for FY 2014-15 to FY 2017-18

Remarks Annexure No	Invoice billed by UPRVUNL and verified by UPPCL are enclosed herewith as Annexure-8	Amount of Rs. 109.61 Crore and 8.6615311 invoice billed by UPRVUNL and scrore withdrawn by UPRVUNL vide letter no. 341/UNL/CE(Comml.)/Statutory charges for reimbursement of balance income tax for FY 2016-17 within the limit of MAT vide withdrawal amount of Rs. 36.4772683 Crore has not lincome Tax dated 27-03-19. Income Tax dated been verified by UPPCL on account of Rs. 109.61 Crore and 8.6615311 crore is enclosed herewith as Annexure-10.	ate payment of income tax 0.8297889/- crore not	Invoice billed by UPRVUNL and verified by UPPCL are Enclosed herewith as Annexure-12	Notice billed by UPRYONL and verified by UPPCL are Enclosed herewith as Annexure-13	f Rs. 12.2516709 Crore has not fied by UPPCL are Enclosed herewith as Annexure-14
Unverified amount by	-	Amount of Rs. 1 crore withdrawn 341/UNL/CE(Cordated 08-05-201 invoice of Rs. 10 for reimbursem for FY 2016-17 v Bill No.UNL/St 17/Income 17/Income Income Tax Income Tax	0.8297889 amounting Rs. verified by UPPCL	ŧ		Amount of Rs. 12.2516709 been verified Income Tax
Verified by am	0.0320050	152.0571674 36.	21.6766598 0.8	109.6100000	149.6094058	5.6919217 12
Billed by UPRVUNL	0.0320050	188.5344357	22.5064487	109.6100000	149.6094058	17.9435926
Bill date	29-11-17	18-08-18	27-03-19	27-03-19	24-08-19	15-10-19
Bill No	UNL/Statutory Charges/FY 2016-17/01	UNL/Statutory Charges/FY 2017-18	UNL/Statutory Charges/FY 2014-15/income Tax	UNL/Statutory Charges/FY 2016-17/Income Tax	UNL/Statutory Charges/FY 2018-19	UNL/Statutory Charges/FY 2018- 19//Supplementary/Income Tax
S No	Ŋ	ded N	\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \	00	თ	०० मुख्य स्वरा

In the view of the above, amount of Rs. 36.4772683 Crore and Rs. 12.2516709 Crore totalling Rs. 48.7289392 Crore has not been verified by the UPPCL on account of Income Tax head. The same amount has already been submitted by the UPRVUNL before the Hon'ble Commission vide its True-up Petition additional submission No. 1 dated 3<sup>rd</sup> January 2020. The Petitioner humbly requested to Hon'ble Commission to direct UPPCL for reimbursement the Income Tax amount paid by the UPRVUNL as actual.

Further, amount of Rs. 7.38 crore on account of Interest on income tax has also not verified by the UPPCL. It is therefore requested that the Hon'ble Commission may kindly direct to UPPCL to reimburse such interest on income tax incurred by the UPRVUNL owing to delay in the payments done by UPPCL.

The petitioner hereby requests the Hon'ble Commission to kindly consider this Information for Prudence Check of Statutory Charges as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 clause 25(iv)(c) and Tariff Order dated 18.01.1017, clause-11G.

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### 3. Prayer

The Petitioner respectfully prays followings to the Hon'ble Commission:

- The Hon'ble Commission is requested to Accept this Petition for true-up of additional capitalization and associated tariff components for the financial year 2014-15 to 2017-18
- 2. The Hon'ble Commission is requested to Allow recovery of the additional claim generating out of the true up from the beneficiaries in line with the provision of the Regulations or in any manner that the Hon'ble Commission deems appropriate.
- 3. The Hon'ble Commission is requested to Permit recovery of expenses understated/ not considered in this Petition subsequent to the submission of this petition.
- 4. Hon'ble commission is requested to direct the UPPCL to reimburse the actual amount on account of Income Tax and Interest on Income Tax to UPRVUNL.
- Hon'ble commission is requested to direct the UPPCL to reimburse the UPSLDC and NRPC Charges to UPRVUNL.
- 6. The Hon'ble Commission is requested to Condone any inadvertent omissions / errors / short comings and permit the applicant to add /change /modify / alter this Petition and make further submissions as may be required at later stages
- 7. The Hon'ble Commission is requested to Pass such orders as Hon'ble Commission may deem fit and proper and necessary in the facts and circumstances of the case, to grant relief to the Petitioner.

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(इं अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०नि०लि० 14वां तल, शक्ति भवन विस्तार

### Office of Chief Engineer Commercial Unit



U.P. Rajya Vidyut Utpadan Nigam Ltd. 14th floor, Shakti Bhawan Extn. Lucknow-226001 Tel. No.- 0522-2288056/2287030

CIN: U40101UP1980SGC005065 E-mail: gm.commercial@uprvunl.org cecommercialun@gmail.com

No. 199/UNL/CE(Comml.)/True-up (2014-19)/Harduagani

Date: 2 |, May-2021

The Secretary,

U.P. Electricity Regulatory Commission Vibhuti Khand-II, Gomti Nagar Lucknow-2260010

### Subject:- Re-Submission of True-up Petition of Harduaganj Thermal Power Stations of UPRVUNL for FY 2014-15 to 2018-19.

Dear Sir.

Kindly find enclosed herewith True-up Petition of Harduaganj Thermal Power Station of UPRVUNL for FY 2014-15 to 2018-19 in 06 copies (one original + 05 photocopies + 01 soft copy) as per UPERC (Terms and Conditions of Generation Tariff) Regulations-2014 in compliance of directive of Hon'ble Commission during hearing on dated 16.03.2021 on Petition No. 1520/2019 for True-up of various Thermal Power Stations of UPRVUNL for FY 2014-15 to 2018-19.

The True-up Petitions (2014-19) for various TPS of UPRVUNL were originally submitted to Hon'ble Commission vide this office single covering letter no. 816/UNL/CE(Comml.)/True-up (2014-19), dt. 25.10.2019 (copy attached), with station wise fees Rs One Lac per Station and total Rs Eleven Lacs for 11 Stations in form of Bankers Cheque (No. 557569 dt. 25.10.2019, State Bank of India) in favour of Secretary, UPERC, payable at Lucknow as per Part-D, Sl. No. 13 of Addendum to "Schedule of Fee" of Amendment-I dated 11.12.2018 of UPERC (Fee & Fines) Regulation-2010 and U.P. Govt. Gudget Notification dartd 21.01.2019.

Submitted for kind consideration of the Hon'ble Commission. Encl: As above.

Yours Sincerely

Chief Engineer(Commecial)

No. 199 /UNL/CE(Comml.)/True up (2014-19)/Harduaganj Copy to the following respondents for their kind information:- Date. May-2021

- 1. M.D., U.P. Power Corporation Ltd., 7th floor, Shakti Bhawan, 14 Ashok Marg, Lucknow.
- 2. M.D., Madyanchal Vidyut Vitran Nigam Ltd., P.N. Road, Gokhale Marg, Lucknow.
- M.D., PoorvaranchalVidyutVitranNigamLtd., 132KV S/S Bhikhari Vidyut Nagar, Varanasi.
- M.D., Pashimanchal Vidyut Vitran Nigam Ltd., Victoria Park, Meerut.
- 5. M.D., Dakshinanchal Vidyut Vitran Nigam Ltd., Vidyut Bhawan, Gailana Road, Agra.

### Office of Chief Engineer Commercial Unit



U.P. Rajya Vidyut Utpadan Nigam Ltd.
14<sup>th</sup> floor, Shakti Bhawan Extn.
Lucknow-226001
Tel. No.- 0522-2288056/2287030
CIN:U40101UP1980SGC005065
E-mail: gm.commercial@uprvunl.org
cecommercialunl@gmail.com

- 6. M.D., Kanpur Electric Supply Co. Ltd., KESA House, Kanpur.
- 7. Chief Executive Officer, Noida Power Company Ltd., H-Block, Alpha-II Sector, Gr Noida.
- 8. Chief Engineer (PPA), UPPCL, 14th floor, Shakti Bhawan Ext, Lucknow alongwith enlosure

No. 199/UNL/CE(Comml.)/True up (2014-19)/Harduaganj

Date: 2 | May-2021

Copy to the followings for their kind information:-

- 1. PS to Managing Director, UPRVUNL, 7th floor, Shakti Bhawan, 14 Ashok Marg, Lucknow.
- 2. Director (Project & Commercial), UPRVUNL, 8th floor, Shakti Bhawan Ext, Lucknow.
- 3. Director (Technical), UPRVUNL, 8th floor, Shakti Bhawan Ext, Lucknow.
- 4. Director (Finance), UPRVUNL, 8th floor, Shakti Bhawan Ext, Lucknow alongwith enlosures

(Avikshit Singh ) Chief Engineer(Commercial

### HARDUAGANJ THERMAL POWER STATION

# FOR FY 2014-15 to FY 2018-19



UP RAJYA VEDYUT UTPADAN NIGAM LTD

AE (Com)

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(ইত রামিজার বিস্তৃ) মুখ্য রামিজারা (মাসিকা) তত্ত্বতালিতভালিতবিদিন্তিত

14वां तल, शक्ति भवन विस्तार लखनक-228001

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(इं० अयोधित सिंग) मुख्य अभियन्ता (वाणिजा) उ०प्रधराजविञ्चादित्वीला 14यां तल, रावित भवन विस्तार

<u>লখান্ড-226001</u>

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(इ० अवीरित सित्र) मुख्य जिन्यन्ता (पाणिष्य) छ०प्रज्याव्यय्वव्यवस्थितिक १४या तल, शक्ति भवन विस्तार लखनक-226001

### FORM-1

# (See Regulation 30) BEFORE THE HON'BLE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION, GOMTI NAGAR, LUCKNOW

Receipt Register No.:
Petition No.;
IN THE MATTER OF
HARDUAGANJ TPS PETITION FOR DETERMINATION OF FINAL TRUE-UP OF FY 2014-15, FY 2015-16, FY 2016-17, FY 2017-18 and FY 2018-19.
AND
IN THE MATTER OF
UTTAR PRADESH RAJYA VIDYUT UTPADAN NIGAM LIMITED (UPRVUNL), SHAKTI BHAWAN, 14-ASHOK MARG, LUCKNOW.
V/s APPLICANT
UTTAR PRADESH POWER CORPORATION LIMITED (UPPCL), SHAKTI BHAWAN, 14-ASHOK MARG, LUCKNOW.
MADHYANCHAL VIDYUT VITRAN NIGAM LTD. PN ROAD, LUCKNOW.
POORVANCHAL VIDYUT VITRAN NIGAM LTD. 132 KV S/S BHIKARI VIDYUT NAGAR, VARANASI
PASCHIMANCHAL VIDYUT VITRAN NIGAM LTD. RESPONDENTS

KANPUR ELECTRICITY SUPPLY CO. LTD. KESA HOUSE, KANPUR

DAKSHINACHAL VIDYUT VITRAN NIGAM LTD.

NOIDA POWER CO. LTD: COMMERCIAL COMPLEX, H BLOCK, ALPHA-II SECTOR GREATER NOIDA CITY

Sanded As

VICTORIA PARK, MEERUT

GALINA ROAD AGRA.

Sur Eman

(इंट जागीसित सिंह) मुख्य अभिजनता (वाणिज्य) उट्यावसार्विटउटिनिटिन 14वां सम्, शक्ति मवन विस्तार टास्डनक-226001



उत्तर अवेश UTTAR PRADESH

38AE 978142

AFFIDAVIT

 Avillahit Singh, Son of Late Dr. Chandra Pal Singh aged about 59 years, office of Commercial Unit, 14th Floor, Shakti Bhawan Extn., 14 Ashok Marg, Lucknow, do hereby solemnly affirm and state as under:

- 1. I say that I am Chief Engineer, Commercial Unit, UPRVUNL, the Applicant in the matter and am duly authorized by the said Applicant to swear the present Hardwaganj TPS If True-up Petition for the period FY 2014-15 to FY 2018-19.
- 2.7 I say that I have read the contents of the True-up Petition and I have understood the same.
- That the contents attached herewith filed by the Applicant on behalf of UPRVLINI, are based on the information available with the Applicant in the normal course of business and believed by me to be true.

4. If I say that the Text, Appendixes and Annexures to the submissions are true and correct copies of their original.

DEPONENT

VERIFICATION

(इं० अवीवित सिंह) मुख्य अभियन्ता (प्राप्तिज्य) उठाव्यावविवच्चनिवसिक

I, the dependent above named, do hereby verify the contents of the above affidavit to be true to the best of my knowledge, no part of it is false and nothing americal has been concealed therefrom.

ZU

Verified at a copy on the

2021

DEPONENT (ईo अपीक्षित सिंह)

(इंठ अयोहित सिंह) मुख्य अभियन्ता (वाणिज्य) चव्यव्यावधिवयवनिव्यक्ति १४वां सल, शक्ति भगन विस्तार

লবাশক-228001

Adv. & NOTARY Lucknow U.P. INDIA Regd. No 31/64/2000

### 1. Harduagani TPS

As per direction of Hon'ble Commission on date 16.03.2021 during hearing on Petition No. 1520/2019 for True-up of various Thermal Power Stations of UPRVUNL for FY 2014-15 to 2018-19 to re-submit the True-up Petitions Station wise with separate covering letter, this section presents the final true-up for FY 2014-15 to FY 2018-19 in respect of Harduagani Thermal Power Station.

Harduaganj Unit 5 with a capacity of 60MW has been operational from 14th May 1977 beyond the useful life of 25 years. An approval from the Government of Uttar Pradesh vide letter with reference 1022/24-1-17-295/2017 was forwarded to Petitioner wherein the deletion of the said units was acknowledged. Thereafter, vide Office Memorandum no 592 dated 15th July 2017, the said directive was adopted by the Petitioner and Unit 5 of Harduaganj stands deleted from the operational capacity with effect from 12th January 2017.

Harduaganj Unit 7 with capacity 105MW has underwent R&M and the same scheme envisages the unit to attain an uprated capacity of 120MW. The current matter towards uprating of the scheme and approved normative parameters is under consideration vide petition no 1354 of 2018 filed by UPPCL to the Hon'ble Commission. Till finalisation of the said petition, and as per the various submissions made by the Petitioner in the matter, it is humbly submitted that the uprated capacity for the Unit 7 of Harduaganj after R&M has been considered at 110MW for true up exercise.

The audited accounts of UPRVUNL for the period FY 2014-15 to FY 2018-19 and Cost Audit Report for the period FY 2014-15 to FY 2018-19 have already been submitted in hard copy with Petition No. 1520/2019 on date 25.10.2019 in the Commission. However, soft copy of the audited accounts of UPRVUNL and Cost Audit Report for the period FY 2014-15 to FY 2018-19 is attached in soft copy with this Petition.

### 1.1. Annual Capacity Charges

As per tariff regulations the annual capacity (fixed) charges consist of

- a) Interest on Loan Capital
- b) Depreciation including Advance against Depreciation
- c) Return on Equity
- d) Operation and maintenance expenses including insurance
- e) Interest on Working Capital
- Special Allowance

This section provides the description of the approved capacity charges Vs allowable capacity charges for FY 2014-15 to FY 2018-19 based on financial statements of the UPRYUNI.

### 1.2. Gross Fixed Assets

The Petitioner submits that it has considered the opening balance of gross fixed assets for the financial year 2014-15 from the MYT Order issued by the Hon'ble Commission on 29th April 2016 and review order dated 18th January 2017. The Petitioner submits that there have been additional capitalisation to the tune of Rs 496.97 Crores and decapitalisation of Rs. 73.72 Crore spread across the Control period and the details of such capitalization have been shown in the specific formats annexed to this petition.

Harduagani: True-up Pertion for FY 2014-15 to FY 2018-19

দুত্য आभवन्ता (वाणिज्य) উভয়ত্যাগরিতত্তলৈ লৈত Accordingly the following table depicts the approved gross fixed asset balance vis-à-vis actual gross fixed asset balance for FY 2014-15 to FY 2018-19:

### Table: Gross Fixed Asset Balance of 'Harduagani'

Flaures In Rs Crore

	The state of the s	1000	1747 417 41	W1017	200		1 PMC	1	- uph	
Particulars	2014-15		2015-16		2016	2016-17		-1B	2018	-19
S. O. Correlation D.	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual
Opening GFA	145.39	145,42	145.39	145.62	145.39	145.62	145.39	626.17	145.39	568,65
Capitalisation		0.20		0.01	- 2	496,75		0.01		0.01
Deletions				195		16.20	2	57.52		(2)
Closing GFA	145.39	145.62	145.39	145.62	145,39	626.17	145.39	568.65	145.39	568,66
The state of the s							***			

### 1.3. Means of Finance

The Hon'ble Commission in its order dated 29th April 2016 and review order dated 18th January 2017 had prescribed a normative approach of financing of the capital expenditure in the ratio of 70% debt and 30% equity in line with the Tariff Regulations. Further the allowable depreciation had been considered as normative loan repayment.

In order to maintain consistency in approach, the Petitioner has considered the aforementioned philosophy and calculated the normative debt and normative equity. The opening values of accumulated depreciation, normative loan and normative equity as on 1.4.2014 has been adopted from the approved values in the order dated 29th April 2016 and review order dated 18th January 2017. Accordingly, the gross fixed asset balance, the net fixed asset balance and its financing is presented in the table below:

Table: Calculation of GFA, NFA and its financing - Harduagenj

Flaures in Rs Crore

Harduagan) Power Station	2014-15	2015-16	2016-17	2017-18	2018-19
Opening GFA	145.42	145.62	145.62	526.17	568.65
Additions	0.20	0.01	496.75	0.01	0.01
Deletions			16.20	57.52	E
Closing GFA	145.62	145,62	626,17	568,65	568.66
Closing Net FA	37.59	30,52	504.53	465.09	432.84
Financing:					17. 17
Opening Equity	44.62	44.68	44.68	188.85	171.59
Additions	0.06	0.00	149.02	0.00	0.00
Deletion		-	4.86	17.26	-
Closing Equity	44.68	44,58	188.85	171,59	171.59
Open. Accumulated Depreciation	100.96	108.03	115.11	121.64	103.57
Depreciation during the year	7.07	7.08	21.11	33.70	32.25
Less: Cumulative depreciation adjustment on account of de-capitalisation			14.58	51.77	- 7
Closing Accumulated Depreciation	108.03	115.11	121,64	103.57	135.82
Opening Debts		2	i ar	315.27	241.31
Additions	0.14	0.00	347.72	0.01	0.01
Less: Depreciation (normative repayment)	0.14	0.00	21.11	33,70	32.25
Less: Cumulative depreciation adjustment on account of de-capitalisation		9.	11.34	40,27	-
Closing Debts	-		315,27	241.31	209.06

Hardinganf: True-up Petition for FY 2014-15 to FY 2018-19

### 1.4. Depreciation

The Petitioner submits that the depreciation as per accounts is calculated as per the prescription of Schedule XIV of the Companies Act, 1956 which is depicted in the accounting policies annexed with the audited accounts. However, the Tariff Regulations prescribe that the eligible depreciation shall be calculated annually, based on straight line method over the useful life of the asset and the rates prescribed in Appendix II of such regulations. It is noteworthy of mentioning that the Appendix II prescribes distinct depreciation rates for each class of assets.

The Petitioner has provided the asset class wise list of gross fixed assets in Form 11 of the tariff formats submitted along with this petition. Accordingly, the Petitioner has calculated the eligible depreciation based on the rates prescribed in the tariff regulations.

The allowable depreciation is depicted in the table below:

Table: Allowable Depreciation -- Harduagani

							Figures :	in Rs Cro	re	
11.12	2014	15	2015	16	2016	17	2017-	18	2018	
Particulars	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actiral	Approved	Actuil
Depreciation Including AAD	7.06	7.07	6.34	7.08	10	21.11	ą.	33.70	4	32.25

### 1.5. Interest on Loan

As discussed above, the Hon'ble Commission in its order dated 29th April 2016 and review order dated 18th January 2017 had prescribed a normative approach of financing of the capital expenditure in the ratio of 70% debt and 30% equity in line with the Tariff Regulations. Further the allowable depreciation has been considered as normative loan repayment. The weighted average interest on loan capital was worked out at 11.40%.

The total capitalisation for FY 2014-15 to FY 2018-19 is depicted below in table. 70% of the same been considered to be funded through debt. Considering the debt worked out as above and applying the rate of 11.40%, the interest on loan capital has been worked out in the table below:

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(इंठ अविधित्त रिस्ट) मुख्य अभियन्ता (वाणिका उठप्रवद्यविक्यवनिव्यत्ति १४वां तस, शक्ति मयन दिर अधनक-११४००।

### Tuble: Allowable Interest on Loan-Hardusganj

Figures in Rs Crore

William Broken	2014	15	2015	16	2016	-17	2017	18	2018	19
Particulars	Approved	Actual								
Opening Debts		-			16.1			315.27		241.31
Additions	2 -	0.14	VI	0.00	1 =	347.72	5_	0.01		0.01
Less: Cumulative depreciation adjustment on account of de- capitalisation	8	ŧ		i E		11,34		40,27		12
Loss: Normative repayment	*	0.14	8	0.00	=	21.11		33.70	3.	32.25
Closing Debts		-	* 1			315,27	3.5	241.37	·	209.06
Average Debt	2	- 4	-	*	100	157.64	-	278.29		225.19
Interest on Loan	- 5		0 0	¥	-	17.97		31.73	æ	25.67

### 1.6. Return on Equity

The opening equity base of Rs. 44.62 crore as on 1.4.2014 has been adopted from the Tariff order dated 29th April 2016 and review order dated 18th January 2017. Considering that 30% of the capital expenditure funded by equity has been considered. The Tariff Regulations-2014 prescribe that return on equity would be allowed at the rate of 15.50%.

However, it is brought to the attention of the Hon'ble Commission that based on the Government Order dated 31 Pluly 2017 and subsequent adoption of the same by Board of Directors on 9 April 2018 of the Petitioner, the Petitioner has billed the RoE at 2% for FY 2017-18 and 2018-19 and rest of 13.5% has been foregone to take its advantage in Merit Order Despatch (MOD) schedule as per Hon'ble Commission Order dated 21.06.2016 against Petition No. 1070/2015. Therefore, RoE component would be adjusted by UPRVUNL with beneficiary only 2%. But it is requested to Hon'ble Commission to approve the Capacity Charge with RoE @ 15.5%.

Accordingly, the approved return on equity and the trued up figures have been furnished in the table below:

Table: Allowable Return on Equity - Harduagani

Flaures In Rs Crore

Word Service Street	2014	-15	2015	-16	2016	-17	201.7	-1.8	2018	-19
Marticulars	Approved	Actual								
Opening Eguity	44.62	44.62	44,62	44.63	44.62	44.68	44.62	188.85	14.62	171.59
Additions	150	0.06	23	0.00	23	149.02		0.00	-	0.00
Deletion	-	5			2	4,86		17,26	540	
Closing Equity	44,62	44,68	44,62	44.68	44.62	188,85	44.62	171.59	44.52	171.59
Average	44.62	44.65	44.62	44.68	44.62	115.76	44,52	180.22	44.62	171.59
Rate of Return on Equity (%)	15.50%	15.50%	15.50%	15.50%	15,50%	15.50%	15.50%	15.50%	15.50%	15.50%
Allowable RoE	6.92	6.92	6.92	6.93	6.92	18.10	6.92	27.93	6.92	26,50

Hardunganj: True-up Petition for FY 2014-15 to FY 2018-19

(इं० अधीतित सिंह) मुख्य अभियन्ता (वाणिज्य)

### 1.7. Operation and Maintenance Expenses

The tariff regulations prescribe that only capital expenditure would be eligible for truing up. The regulations do not provide for truing up in respect of O&M expenses and also provides relaxed operating norms considering of vintage of certain generating stations like Obra A, Obra B, Panki, Harduagani and Parichha.

Regulation 21(iv) of the UPERC Generation Regulations, 2014 deals with the allowance of O&M expenses. The Hon'ble Commission in the generation tariff regulations - Para 25 (iv) (a) have prescribed the yearly O&M expenses for the control period FY 2014-15 to FY 2018-19 based upon the Installed Capacity for the thermal power stations:

Accordingly, based on the above stated norms, the O&M expenses as allowed through the MYT Order dated 29 April 2016 read with Review Order dated 18 January 2017 for the power station for the Control period is depicted in the table below:

Table: Allowable Operation and Maintenance Expenses - Harduagani Figures in Rs Crore

Particolars	2014-	15	2015-	16	2016-	17	2017-	13	2018-	19
Fatationia	Approved	Clafm	Approved	Claim	Approved	Claim	Approved	Claim	Approved	Claim
ORM Expenses	87,91	87.91	91.59	91.59	95.37	95,37	99.28	99.28	103.29	103,29

### 1.8. Interest on Working Capital

The tariff regulations do not prescribe any variation to be allowed in true-up in respect of interest on working capital. Clause (a) and (d) of provision (v) of Regulation 25 of the UPERC Generation Tariff Regulations 2014 prescribe payment of Interest on Working Capital on a normative basis, Para 25 (v) of the UPERC Generation Tariff Regulations 2014 prescribe the following normative parameters for determination of normative working capital for coal based generating stations:

- Cost of coal for 15 days for pit-head generating stations and 30 days for non-pit-head generating stations for generation corresponding to the normative annual plant availability factor or the maximum coal stock storage capacity whichever is lower
- Cost of coal for 30 days for generation corresponding to the target availability
- Cost of secondary fuel oil for two months corresponding to the target availability and in case of use of more than one secondary fuel oil, cost of fuel oil stock for the main secondary fuel oil:
- Operation and Maintenance expenses for one month;
- Maintenance spares @ 20% of operation and maintenance expenses; and

Harduaganj: True-up Petition for FY 2014-15 to FY 2018-19

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 Receivables equivalent to two months of capacity charges and energy charges for sale of electricity calculated on the target availability.

Based on the above premise, the allowable Interest on Working capital as worked out by the Hon'ble Commission in its order dated 29 April 2016 read with Review Order dated 18 January 2017 for the generating station has been reproduced below:

Table: Allowable Interest on Working Capital-Harduaganj

Figures in Rs Crore

Harduaganj Power Station	2014-15	2015-16	2016-17	2017-18	2018-19
Interest on Working Capital	19.14	19.38	19.44	19.69	19.94

### 1.9. Summary of the true-up claimed for FY 2014-15 to FY 2018-19

Based on the foregoing discussions, the following table summarizes the truing-up computations of Harduaganj for the financial years 2014-15 to FY 2018-19 for approval by the Hon'ble Commission.

Table: True-up Summary for FY 2014-15 to FY 2018-19 - Hardusganl

Flaures in Rs Crore

War and Art Touton	201	4-15	2013	5-36	2.03,	6-37	201	7-18	2019	1.19
Particulars	Order	Actual								
Depreciation	7.06	7.07	6,34	7.08	-	21.11	7.5	33,70		32.25
Interest on Long Termi Loans		-	(E)	á	7.	17.97	+;	31.73	-	25.67
Return on Equity	6,92	6.92	6.92	6.93	6.92	18.10	6.92	27.93	6.92	26.60
toWC	19.14	19.14	19.38	19.38	19.44	19.44	19.69	19.69	19.94	19.94
G&M	87.91	87.91	91.59	91.59	95:37	95.37	99.28	99.28	103.29	103.29
Special Allowance		-	-		=		*:			-
Total	121.03	121.04	124,23	124.97	121.73	171.99	125,89	212.33	130,15	207.75

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(६० अथीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उज्यवसविवेशवनिविवे १४वां तल, शक्ति भवन विस्तार लखनऊ-226001

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### 2. Other Related Issues

### 2.1. Reimbursement of Actual Income Tax

It is submitted that UPRVUNL had paid Income Tax amounting to Rs. 192.65 Crore for FY 2016-17, 35.34 Crore for FY 2017-18 and 36.34 Crore for FY 2018-19. The sald payments are duly reflected in the iTR (Attached as Annexure-1) of the above years. These taxes arise on account of the revenues accrued to the Petitioner from the invoices raised to UPPCL. Such invoices were based on the UPERC Tariff order on dated 29th April 2016 & 18th January 2017. Accordingly, the bills were raised by UPRVUNL seeking reimbursement of the Statutory charges including Income Tax in line with Clause-11G of Tariff order dated 18th January 2017 which provides as below:

"1.98 The Commission found the proyer reasonable and decided that the following shall be added in clause "11" of UPRVUNL's Tariff Order dated 29.04.2016;:

(G) Recovery of Statutory Charges and Tax on Income etc.

In addition to the above tariff UPRVUNL is allowed to recover the payment of statutory charges like water cess, cost of water, payment to Pollutian Control Board, rates and taxes, FBT and Regulatory Fee paid to the Commission and taxes an income etc., on production of details of actual payment made and duly supported with the certificate of the Statutary Auditors.......

In response to the claims of Petitioner, UPPCL has verified income Tax amount of Rs. 169.61 crore for FY 2016-17, Rs. 21.75 crore for FY 2017-18 and Rs. 24.09 crore for FY 2018-19. Total gap between amount claimed by UPRVUNL and verified by UPPCL is tune to Rs. 48.73 crore. Since UPRVUNL had already made payments to the income tax authorities for FY 2016-17, FY 2017-18 and FY 2018-19 based on the methodology of Annual Fixed Charges as approved by Hon'ble Commission, UPPCL ought to reimburse the tax amount in actuals. Non reimbursement of actual tax by UPPCL will be in violation of order dated 18.01.2017 Clause-11G and will also cause serious financial injury to Petitioner. Therefore, Hon'ble Commission is request to direct UPPCL for reimbursement the Tax amount in actual paid by UPRVUNL.

### 2.2. Reimbursement of UPSLDC & NRPC Fee

It is submitted that UPRVUNL has paid UPSLDC & NRPC fees towards annual charges during past years. However, the same has never been claimed by the UPRVUNL due to non provision in the Tariff Order for claiming the UPSLDC and NRPC charges.

Therefore, Hon'ble Commission is requested to grant for reimbursement of the UPSLDC and NRPC fees paid in actual by UPRVUNL.

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Dr. Sman.

(इंव अवीक्षित सिंह) मुख्य अभिमन्ता (वाणिक्व) स्वप्रवस्तविकस्वनिव्यवि १४वां तस् सिक्त भवन विस्तार

### 2.3. Interest on Income Tax

The Tariff Regulations issued by the Commission provides that tax on the income streams of the generating company from its core business shall be computed as an expense and shall be permitted to be recovered from the beneficiaries. It is submitted that huge amount is outstanding on the part of UPPCL and UPRVUNI. Is not getting its money for timely payments for essential spares, works & Coal payments timely. Such delay affects the capacity of UPRVUNI. to make timely payments to statutory authorities in the form of tax etc. Non-payment of taxes to the authorities incurs levy of interest charges on such dues to the authorities. But UPPCL is not paying interest on Income Tax.

UPRVUNL has in past also paid interest on Income Tax due to such delay caused by untimely payments from UPPCL. It is therefore requested that the Commission may kindly direct UPPCL to reimburse such interest on Income Tax incurred by UPRVUNL owing to the delay in payments done by UPPCL.

 Intimation of Profit sharing with UPPCL as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 Clause 6 (6).

UPRVUNL wishes to intimate the Hon'ble Commission that it has shared its profits with UPPCL in accordance to the profit-sharing mechanism specified as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 clause 6 (6); the same is reproduced below:

"(6) The financial gains by a generating company on account of controllable parameters shall be shared between generating company and the beneficiaries. The financial gains computed as per following formulae in case of generating station on account of operational parameters contained in Clause (4) (a) to (c)above shall be shared in the ratio of 80:20 between generating company and the beneficiaries:

Net Gain = (ECRN- ECRA) x Scheduled Generation

Where,

ECRN - Normative Energy Charge Rate computed on the basis of norms specified/approved for Gross Station Heat Rate, Auxiliary Consumption and Secondary Fuel Oil Consumption.

ECRA – Actual Energy Charge Rate computed on the basis of actual Gross Station Heat Rate, Auxiliary Consumption and Secondary Fuel Oil Consumption for the month.

Provided that in case of financial gains on account of parameters contained in Clause (4)(d) above shall be shared in accordance with Clause (i) (e) of Regulation 25% Regulation 44 of these regulations."

UPRVUNL had prepared a 'Profit Centre Analysis' for the period FY 2014-15 to FY 2018-19, based on the Audited Accounts (Annexed as Annexure-2). A copy of the same was shared with UPPCL. On the basis of the 'Profit Centre Analysis', UPPCL computed the profit-sharing amount of Rs. 200.97 Crore and UPPCL deducted the profit-sharing amount from the running bills raised by UPRVUNL for 2014-15 to 2017-18 while UPRVUNL shared Profit Sharing for FY 2018-19 with a Bill (Copy attached).

The profit share: Fyetween UPRVUNL and UPPCL for Rs. 200.97 Crore is summarized as follows:

Harduagan): True-up Petiliperfor FY 2014-15 to FY 2018-19

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आनंदना (बाणज्य क्रांक्षकी किल्ल

 Information for Prudence Check of Statutory Charges as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 Clause 25 (IV)(C) for the period FV 2014-15 to FY 2018-19.

UPRVUNL wishes to submit information for Prudence Check of Statutory Charges as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 clause 25(iv)(c); the same clause is reproduced below:

"(Iv) Operation and Maintenance expenses
fa)
(6)
(c) The expenses on regulatory fee, payment to pollution control board, impact of
pay revision, capital spares, cost of water and water cess shall be paid additionall
at actuals subject to prudence check. The details regarding the same shall b
furnished along with the petition.
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The Tariff Order dated 18.01.2017, Clause- 11G is also reproduced below:

of the Statutory Auditors....."

(G) Recovery of Statutory Charges and Tax on Income etc.
In addition to the above tariff UPRVUNL is allowed to recover the payment of statutory charges like water cess, cost of water, payment to Pollution Control Board, rates and taxes, FBT and Regulatory Fee paid to the Commission and taxes on Income etc., an production of details of actual payment made and duly supported with the certificate

As per Regulation Clause 25(iv)(c) and Tariff Order mentioned above, the UPRVUNL hereby summarized below in table statutory charges Billed by UPRVUNL and verified by UPPCL for the period FY 2014-15 to FY 2018-19.

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(হ০ এবীনির নির্চ) দুব্দে অগিয়ন্তা (ব্যাপ্যতম) ত্রতম্বতবিতত্তবিভালিত

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Summary of Statutory Charges Billed by UPRVUNL and Verified by UPPCL for the Period FY 2014-15 to FY 2018-19

Figures in Rs. Crare

S No	Bill No	Sill date	Billed by UPRVUNI	Verified by UPPCL	Unverified amount by UPPCL	Remarks	Annexure No
-4	UNL/Statuery Charges/FY 2014-15	04-09-15	205,4758306	200.7131189	4.7627117	Amount of Rs. 4.7627117 Crore claimed later by UPRVUNL vide Bill No. UNL/Statuary Charges/Adj.2016 dated 23-05-16 and the same has been verified by the UPPCL	Invoice billed by UPRVUNL and verified by UPPCL are Enclosed herewith as Annexure-3
-	UNL/Statuary Charges/Adj.2016	23-05-16	23-05-16 425.7690779	425.7690779	( <del>*</del>	Amount of Rs. 425.7690779 has been claimed under the head MPRI & RD Tax, 6th pay Arrear and UP Forest Transit Fee. The same amount has already been approved by the Hon'ble Commission vide its order dated 29-04-2016 and the same amount has been verified by the UPPCL as well. The breakup of the same is as below: MPRI & RD Tax- Rs. 174.25 Crore,6th Pay Appear. 8s. 4.7627117 Crore & UP Forest Transit Fee-Rs. 246.75 Crore	Involce billed by UPRVUNL and verified by UPPCL are enclosed herewith as Annexure-4 UPERC Order dated 29-04-2016 relevant pages are enclosed as Annexure-5
en.	UNL/Statutory Charges/FY 2015-16	31-08-16	131.9533239	131,9533239	T.		Invoice billed by UPRVUNL and verified by UPPCL are Enclosed horewith as Annexure-6
42	UNL/Statutory Charges/FY 2016-17	31-08-17	240.4216706	233.8466656	6.5750050	Amount of Rs. 0.0250050/- Crore on account of Pollution Cess of Parichha has been verified by LIPPCL vide Bill No. UNL/Statutory Charges/FY 2016-17/01 dated 29-11-17, Further Interest due to late payment of Income tax amounting Rs. 6.5500000/- Crore not verified by UPPCL	Invoice billed by UPRVUNL and verified by UPPCL are Enclosed herewith as Annexure-7

Hardueganj: True-up Petition for FY 2014-15 to FY 2018-19

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(इं० अमीक्षित सिंह) मुख्य अभियन्ता (मामिज्य) उ०प्रवस्तिवस्त्रीवस्त्र

S No	SIII No	Bill date	Billed by UPRVUNL	Verified by UPPCL	Unverified amount by UPPCL	Remarks	Annexure No
wy	UNL/Statutory Charges/FY 2016-17/01	29-11-17	0.0320050	0.0320050	16		Invoice billed by UPRVIUNL and verified by UPPCL are enclosed herewith as Annexure-8
140	UNL/Statutory Charges/FY 2017-18	18-08-18	138,5344357	152,0571674	36.4772683	Amount of Rs. 109.61 Crore and 8.6615311 crore withdrawn by UPRVUNL vide letter no. 341/UNL/CE(Comml.)/Statutory Charges dated 08-05-2019. Further a supplementary invoice of Rs. 109.61 Crore raised to UPPCL for reimbursement of balance income tax for FY 2016-17 within the limit of MAT vide Bill No.UNL/Statutory Charges/FY 2016-17/Income Tax dated 27-03-19. Amount of Rs. 36.4772683 Crore has not been verified by UPPCL on account of Income Tax	Invoice billed by UPRVUNL and verified by UPPCL are enclosed herewith as Annexure-9  UPRVUNL letter no, 341/UNI/CE(Cornml.)/Statutory Charges dated 08-05-2019 for withdrawal amount of Rs. 109-61 Crore and 8-5615311 crore is enclosed herewith as Annexure-10
6	UNL/Statutory Charges/FY 2014-15/income Tax	27-03-19	22.5064487	21,6766598	0,8297889	Interest due to late payment of Income tax amounting Rs. 0.8297889/- crore not verified by UPPCL	Invoice billed by UPRVUNL and verified by UPPCL are Enclosed herewith as Annaxure-11
03	UNL/Statutory Charges/FY 2016-17/income Tax	27-03-19	109,6100000	109.6100000			Invoice billed by UPRVUNL and verified by UPPCL are Enclosed herewith as Annexure-12
641	UNI,/Statutory Charges/FY 2018-19	24-08-19	149,6094058	149.6094058	74		Invoice billed by UPRVUNL and verified by UPPCL are Enclosed horewith as Annexure-13
9	UNL/Statutory Charges/FY 2018- 19//Supplementary/Income Tax	15-10-19	17,9435926	5.6919217	12.2515709	Amount of Rs. 12.2516769 Crore has not been verified by UPPCL on account of Income Tax	Invoice billed by UPRVUNL and verified by UPPCL are Enclosed herewith as Annexure-14

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(इट अगोक्षेत्र सिंह) मुख्य अभियन्त्रा (पाशिच्य) उठप्रवरपाविद्यवनिव्हेठ In the view of the above, amount of Rs. 36.4772683 Crore and Rs. 12.2516709 Crore totalling Rs. 48.7289392 Crore has not been verified by the UPPCL on account of income Tax head. The same amount has already been submitted by the UPRVUNL before the Hon'ble Commission vide its True-up Petition additional submission No. 1 dated 3<sup>rd</sup> January 2020. The Petitioner humbly requested to Hon'ble Commission to direct UPPCL for reimbursement the Income Tax amount paid by the UPRVUNL as actual.

Further, amount of Rs. 7.38 crore on account of Interest on Income tax has also not verified by the UPPCL. It is therefore requested that the Hon'ble Commission may kindly direct to UPPCL to reimburse such interest on income tax incurred by the UPRVUNL owing to delay in the payments done by UPPCL.

The petitioner hereby requests the Hon'ble Commission to kindly consider this Information for Prudence Check of Statutory Charges as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 clause 25(iv)(c) and Tariff Order dated 18.01.1017, clause-11G.

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(हॅं) अविधित सिंह) मुख्य अभियन्ता (याधिज्य) छ०प्रवराविवज्ञवनिव्सिव १४वां चल, शक्ति मयन विस्तार लखनज-226001

Harduaganj: True-up Petition for FY 2014-15 to FY 2018-19

## 3. Prayer

The Petitioner respectfully prays followings to the Hon'ble Commission:

- The Hon'ble Commission is requested to Accept this Petition for true-up of additional capitalization and associated tariff components for the financial year 2014-15 to 2018-19
- Z. The Hon'ble Commission is requested to Allow recovery of the additional claim generating out of the true up from the beneficiaries in line with the provision of the Regulations or in any manner that the Hon'ble Commission deems appropriate.
- The Hon'ble Commission is requested to Permit recovery of expenses understated/ not considered in this Petition subsequent to the submission of this petition.
- Hon'ble commission is requested to direct the UPPCL to reimburse the actual amount on account of Income Tax and Interest on Income Tax to UPRVUNL.
- Hon'ble commission is requested to direct the UPPCL to reimburse the UPSLOC and NRPC Charges to UPRVUNL.
- 6. The Hon'ble Commission is requested to Condone any inadvertent omissions / errors / short comings and permit the applicant to add /change /modify / after this Petition and make further submissions as may be required at later stages
- The Hon'ble Commission is requested to Pass such orders as Hon'ble Commission may deem fit and proper and necessary in the facts and circumstances of the case, to grant relief to the Petitioner.

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(६० अयोदील सिंह) मुख्य अभियन्ता (वाणिज्य) उठावराठविठस्ट०निठलिठ १४वां तल, शक्ति भवन विस्तार लखनऊ-226001

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Harduagan): True-up Petition for FY 2014-15 to FY 2018-19

## Office of Chief Engineer Commercial Unit



U.P. Rajya Vidyut Utpadan Nigam Ltd. 14<sup>th</sup> floor, Shakti Bhawan Extn. Lucknow-226001

Tel. No.- 0522-2288056/2287030 CIN:U40101UP1980SGC005065

E-mail: gm.commercial@uprvunl.org cecommercialunl@gmail.com

No. 2014-19)/Harduaganj Ext

Date: 2 | May-2021

The Secretary,
U.P. Electricity Regulatory Commission
Vibhuti Khand-II, Gomti Nagar
Lucknow-2260010

## <u>Subject:- Re-Submission of True-up Petition of 2x250 MW Harduaganj Ext Thermal Power</u> Stations of UPRVUNL for FY 2014-15 to 2018-19.

Dear Sir,

Kindly find enclosed herewith True-up Petition of 2x250 MW Harduaganj Ext Thermal Power Station of UPRVUNL for FY 2014-15 to 2018-19 in 06 copies (one original + 05 photocopies + 01 soft copy) as per UPERC (Terms and Conditions of Generation Tariff) Regulations-2014 in compliance of directive of Hon'ble Commission during hearing on dated 16.03.2021 on Petition No. 1520/2019 for True-up of various Thermal Power Stations of UPRVUNL for FY 2014-15 to 2018-19.

The True-up Petitions (2014-19) for various TPS of UPRVUNL were originally submitted to Hon'ble Commission vide this office single covering letter no. 816/UNL/CE(Comml.)/True-up (2014-19), dt. 25.10.2019 (copy attached), with station wise fees Rs One Lac per Station and total Rs Eleven Lacs for 11 Stations in form of Bankers Cheque (No. 557569 dt. 25.10.2019, State Bank of India) in favour of Secretary, UPERC, payable at Lucknow as per Part-D, Sl. No. 13 of Addendum to "Schedule of Fee" of Amendment-I dated 11.12.2018 of UPERC (Fee & Fines) Regulation-2010 and U.P. Govt. Gudget Notification dartd 21.01.2019.

Submitted for kind consideration of the Hon'ble Commission. Encl: As above.

Yours Sincerely,

(Avikshit Singh)
Chief Engineer(Commecial)

No. 200/UNL/CE(Comml.)/True up (2014-19)/Harduaganj Ext Copy to the following respondents for their kind information:-

Date: , May-2021

- 1. M.D., U.P. Power Corporation Ltd., 7<sup>th</sup> floor, Shakti Bhawan, 14 Ashok Marg, Lucknow.
- 2. M.D., Madyanchal Vidyut Vitran Nigam Ltd., P.N. Road, Gokhale Marg, Lucknow.
- 3. M.D., Poorvaranchal Vidyut Vitran Nigam Ltd., 132 KV S/S Bhikhari Vidyut Nagar, Varanasi.
- 4. M.D., Pashimanchal Vidyut Vitran Nigam Ltd., Victoria Park, Meerut.

## Office of Chief Engineer Commercial Unit



U.P. Rajya Vidyut Utpadan Nigam Ltd. 14<sup>th</sup> floor, Shakti Bhawan Extn. Lucknow-226001 Tel. No.- 0522-2288056/2287030

CIN: U40101UP1980SGC005065 E-mail: gm.commercial@uprvunl.org cecommercialunl@gmail.com

- 5. M.D., Dakshinanchal Vidyut Vitran Nigam Ltd., Vidyut Bhawan, Gailana Road, Agra.
- 6. M.D., Kanpur Electric Supply Co. Ltd., KESA House, Kanpur.
- 7. Chief Executive Officer, Noida Power Company Ltd., H-Block, Alpha-II Sector, Gr Noida.
- 8. Chief Engineer (PPA), UPPCL, 14th floor, Shakti Bhawan Ext, Lucknow alongwith enlosures

No. 200 /UNL/CE(Comml.)/True up (2014-19)/Harduaganj Ext

Date: 2 , May-2021

## Copy to the followings for their kind information:-

- 1. PS to Managing Director, UPRVUNL, 7th floor, Shakti Bhawan, 14 Ashok Marg, Lucknow.
- 2. Director (Project & Commercial), UPRVUNL, 8th floor, Shakti Bhawan Ext, Lucknow.
- 3. Director (Technical), UPRVUNL, 8th floor, Shakti Bhawan Ext, Lucknow.
- 4. Director (Finance), UPRVUNL, 8th floor, Shakti Bhawan Ext, Lucknow alongwith enlosures

(Avikshit Singh)
Chief Engineer(Commercial)

## HARDUAGANJ EXTENSION THERMAL POWER STATION

## TRUE UP PETITION

FOR

FY 2014-15 to FY 2018-19



(इं० अवीक्षित सिंह)

UP RAJYA VIDYUT UTPADAN NIGAM LTDउ०प्र०रा०वि०उ०नि०लि०

14वां तल, शक्ति भवन विस्तार लखनऊ-226001

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(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०नि०लि० 14वां तल, शक्ति भवन विस्तार लखनऊ-226001

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(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०नि०लि० 14वां तल, शक्ति भवन विस्तार लखनऊ-226001

### FORM-1

# (See Regulation 30) BEFORE THE HON'BLE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION, GOMTI NAGAR, LUCKNOW

Receipt Register No.:	
Petition No.:	

### IN THE MATTER OF

HARDUAGANJ EXTENSION TPS PETITION FOR DETERMINATION OF FINAL TRUE-UP OF FY 2014-15, FY 2015-16, FY 2016-17, FY 2017-18 and FY 2018-19.

AND

### IN THE MATTER OF

UTTAR PRADESH RAJYA VIDYUT UTPADAN NIGAM LIMITED (UPRVUNL), SHAKTI BHAWAN, 14-ASHOK MARG, LUCKNOW.

**APPLICANT** 

RESPONDENTS

V/s

UTTAR PRADESH POWER CORPORATION LIMITED (UPPCL), SHAKTI BHAWAN, 14-ASHOK MARG, LUCKNOW.

MADHYANCHAL VIDYUT VITRAN NIGAM LTD. PN ROAD, LUCKNOW.

POORVANCHAL VIDYUT VITRAN NIGAM LTD. 132 KV S/S BHIKARI VIDYUT NAGAR, VARANASI

PASCHIMANCHAL VIDYUT VITRAN NIGAM LTD. VICTORIA PARK, MEERUT

DAKSHINACHAL VIDYUT VITRAN NIGAM LTD. GALINA ROAD AGRA.

KANPUR ELECTRICITY SUPPLY CO. LTD. KESA HOUSE, KANPUR

NOIDA POWER CO. LTD. COMMERCIAL COMPLEX, H BLOCK, ALPHA-II SECTOR GREATER NOIDA CITY

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(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०नि०लि० 14वां तल, शक्ति भवन विस्तार

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I, Avikshit Singh, Son of Late Dr. Chandra Pal Singh aged about 59 years, office of Commercial Unit, 14th Floor, Shakti Bhawan Extn., 14 Ashok Marg, Lucknow, do hereby solemnly affirm and state as under:

- 1. I say that I am Chief Engineer, Commercial Unit, UPRVUNL, the Applicant in the matter and am duly authorized by the said Applicant to swear the present Harduaganj Extension TPS True-up Petition for the period FY 2014-15 to FY 2018-19.
- 2. I say that I have read the contents of the True-up Petition and I have understood the same.
- 3. That the contents attached herewith filed by the Applicant on behalf of UPRVUNL are a based on the information available with the Applicant in the normal course of business and believed by me to be true.

4.8 I say that the Text, Appendixes and Annexures to the submissions are true and correct copies of their original.

**VERIFICATION** 

**उ०प्र०रा०वि०उ०नि०लि०** 

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I, the deponent above named, do hereby verify the contents of the above affidavit to be true to the best of my knowledge, no part of it is false and nothing material has been concealed therefrom.

yorh and Verified Verified at Lucknow on the

2021

मुख्य अभियन्ता (वाणिज्य) **ড**০प्र०रा०वि०**उ०नि०लि०** 14वां तल, शक्ति भवन विस्तार

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Lucknow U.P. INDIA Regd. No 31/64/2000

## 1. Harduaganj Extension TPS

As per direction of Hon'ble Commission on date 16.03.2021 during hearing on Petition No. 1520/2019 for True-up of various Thermal Power Stations of UPRVUNL for FY 2014-15 to 2018-19 to re-submit the True-up Petitions Station wise with separate covering letter, this section presents the final true-up for FY 2014-15 to FY 2018-19 in respect of Harduaganj Extension Thermal Power Station.

The audited accounts of UPRVUNL for the period FY 2014-15 to FY 2018-19 and Cost Audit Report for the period FY 2014-15 to FY 2018-19 have already been submitted in hard copy with Petition No. 1520/2019 on date 25.10.2019 in the Commission. However, soft copy of the audited accounts of UPRVUNL and Cost Audit Report for the period FY 2014-15 to FY 2018-19 is attached in soft copy with this Petition.

## 1.1. Annual Capacity Charges

As per tariff regulations the annual capacity (fixed) charges consist of

- a) Interest on Loan Capital
- b) Depreciation including Advance against Depreciation
- c) Return on Equity
- d) Operation and maintenance expenses including insurance
- e) Interest on Working Capital
- f) Special Allowance

This section provides the description of the approved capacity charges Vs allowable capacity charges for FY 2014-15 to FY 2018-19 based on financial statements of the UPRVUNL.

## 1.2. Gross Fixed Assets

The Petitioner submits that it has considered the opening balance of gross fixed assets for the financial year 2014-15 from the MYT Order issued by the Hon'ble Commission on 29th April 2016 and review order dated 18<sup>th</sup> January 2017. The Petitioner submits that there have been additional capitalisation to the tune of Rs 20.17 Crores and decapitalisation of Rs. 11.72 crore spread across the Control period and the details of such capitalization have been shown in the specific formats annexed to this petition.

Accordingly, the following table depicts the approved gross fixed asset balance vis-à-vis actual gross fixed asset balance for FY 2014-15 to FY 2018-19:

Table: Gross Fixed Asset Balance of 'Harduaganj Extension'

Figures in Rs Crore

								_		
	2014-15		2015-16		2016-17		2017-18		2018-19	
Particulars	Approved	Actual								
Opening GFA	3.117.77	3.117.68	3.117.77	3,130.14	3,117.77	3,133.58	3,117.77	3,125.40	3,117.77	3,126.12
Capitalisation		12.46	•	3.48		3.51	•	0.72	-10	0.01
Deletions				0.04		11.69		-	-	-
Closing GFA	3.117.77	3.130.14	3.117.77	3,133.58	3,117.77	3,125.40	3,117.77	3,126.12	3,117.77	3,126.13
Closing arA	0,22777	,								1

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#### 1.3. **Means of Finance**

The Hon'ble Commission in its order dated 29th April 2016 and review order dated 18th January 2017 had prescribed a normative approach of financing of the capital expenditure in the ratio of 70% debt and 30% equity in line with the Tariff Regulations. Further the allowable depreciation had been considered as normative loan repayment.

In order to maintain consistency in approach, the Petitioner has considered the aforementioned philosophy and calculated the normative debt and normative equity. The opening values of accumulated depreciation, normative loan and normative equity as on 1.4.2014 has been adopted from the approved values in the order dated 29th April 2016 and review order dated 18th January 2017. Accordingly, the gross fixed asset balance, the net fixed asset balance and its financing is presented in the table below:

Table: Calculation of GFA, NFA and its financing — Harduaganj Extension

Figures in Rs Crore

	rigares in the crore							
Harduaganj Extn Power Station	2014-15	2015-16	2016-17	2017-18	2018-19			
			True up					
Opening GFA	3,117.68	3,130.14	3,133.58	3,125.40	3,126.12			
Additions	12.46	3.48	3.51	0.72	0.01			
Deletions	-	0.04	11.69	-	-			
Closing GFA	3,130.14	3,133.58	3,125.40	3,126.12	3,126.13			
Closing Net FA	2,820.25	2,659.77	2,487.51	2,324.42	2,160.59			
Financing:								
Opening Equity	935.33	939.07	940.10	937.65	937.86			
Additions	3.74	1.04	1.05	0.22	0.00			
Deletion	-	0.01	3.51	-	-			
Closing Equity	939.07	940.10	937.65	937.86	937.86			
Open. Accumulated Depreciation	146.29	309.89	473.81	637.89	801.70			
Depreciation during the year	163.60	163.91	164.08	163.81	163.83			
Closing Accumulated Depreciation	309.89	473.81	637.89	801.70	965.53			
Opening Debts	2,036.15	1,881.27	1,719.79	1,558.16	1,394.85			
Additions	8.72	2.43	2.46	0.50	0.00			
Less: Depreciation (normative repayment)	163.60	163.91	164.08	163.81	163.83			
Closing Debts	1,881.27	1,719.79	1,558.16	1,394.85	1,231.03			

#### Depreciation 1.4.

The Petitioner submits that the depreciation as per accounts is calculated as per the prescription of Schedule XIV of the Companies Act, 1956 which is depicted in the accounting policies annexed with the audited accounts. However, the Tariff Regulations prescribe that the eligible depreciation shall be calculated annually, based on straight line method over the useful life of the asset and the rates

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prescribed in Appendix II of such regulations. It is noteworthy of mentioning that the Appendix II prescribes distinct depreciation rates for each class of assets.

The Petitioner has provided the asset class wise list of gross fixed assets in Form 11 of the tariff formats submitted along with this petition. Accordingly, the Petitioner has calculated the eligible depreciation based on the rates prescribed in the tariff regulations.

The allowable depreciation is depicted in the table below:

Table: Allowable Depreciation - Harduaganj Extension

						F	igures in R	Crore		
	2014-15		2015-16		2016-17		2017-18		2018-19	
Particulars	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual
Depreciation	163.35	163.60	163.35	163.91	163.35	164.08	163.35	163.81	163.35	163.83

### 1.5. Interest on Loan

As discussed above, the Hon'ble Commission in its order dated 29<sup>th</sup> April 2016 and review order dated 18<sup>th</sup> January 2017 had prescribed a normative approach of financing of the capital expenditure in the ratio of 70% debt and 30% equity in line with the Tariff Regulations. Further the allowable depreciation has been considered as normative loan repayment. The weighted average interest on loan capital was worked out at 10.90%.

The total capitalisation for FY 2014-15 to FY 2018-19 is depicted below in table. 70% of the same been considered to be funded through debt. Considering the debt worked out as above and applying the rate of 10.90%, the interest on loan capital has been worked out in the table below:

Table: Allowable Interest on Loan- Harduaganj Extension

							Figures in	Rs Crore		5.00
	2014	2014-15		-16	2016-17		2017-18		2018	-19
Particulars	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual
Opening Debts	2,036.15	2,036.15	1,872.80	1,881.27	1,709.45	1,719.79	1,546.10	1,558.16	1,382.75	1,394.85
Additions	•	8.72		2.43		2.46		0.50		0.00
Less: Normative repayment	163.35	163.60	163.35	163.91	163.35	164.08	163.35	163.81	163.35	163.83
Closing Debts	1,872.80	1,881.27	1,709.45	1,719.79	1,546.10	1,558.16	1,382.75	1,394.85	1,219.40	1,231.03
Average Debt	1,954.48	1,958.71	1,791.13	1,800.53	1,627.78	1,638.98	1,464.43	1,476.51	1,301.08	1,312.94
Interest on Loan	205.22	213.50	188.07	196.26	170.92	178.65	153.76	160.94	136.61	143.11

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## 1.6. Return on Equity

The opening equity base of Rs. 935.33 crore as on 1.4.2014 has been adopted from the Tariff order dated 29th April 2016 and review order dated 18<sup>th</sup> January 2017. Considering that 30% of the capital expenditure funded by equity has been considered. The Tariff Regulations-2014 prescribe that return on equity would be allowed at the rate of 15.50%.

However, it is brought to the attention of the Hon'ble Commission that based on the Government Order dated 31<sup>st</sup>July 2017 and subsequent adoption of the same by Board of Directors on 9<sup>th</sup>April 2018 of the Petitioner, the Petitioner has billed the RoE at 2% for FY 2017-18 and 2018-19 and rest of 13.5% has been foregone to take its advantage in Merit Order Despatch (MOD) schedule as per Hon'ble Commission Order dated 21.06.2016 against Petition No. 1070/2015. Therefore, RoE component would be adjusted by UPRVUNL with beneficiary only 2%. But it is requested to Hon'ble Commission to approve the Capacity Charge with RoE @ 15.5%.

Accordingly, the approved return on equity and the trued up figures have been furnished in the table below:

Table: Allowable Return on Equity - Harduaganj Extension

Figures in Rs Crore

144.98

145.53

145.35

2018-19 2017-18 2016-17 2015-16 2014-15 **Particulars Approved** Actual Actual **Approved** Actual Approved Approved Actual Approved Actual Opening 937.86 935.33 940.10 935.33 937.65 935.33 939.07 935.33 935.33 935.33 Equity 0.00 1.05 0.22 1.04 3.74 **Additions** 3.51 0.01 Deletion 935.33 937.86 937.65 935.33 937.86 940.10 935.33 935.33 **Closing Equity** 935.33 939.07 935.33 937.86 937.75 935.33 938.87 935.33 939.58 935.33 935.33 937.20 **Average** Rate of Return 15.50% 15.50% 15.50% 15.50% 15.50% 15.50% 15.50% 15.50% 15.50% 15.50%

144.98

## 1.7. Operation and Maintenance Expenses

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on Equity (%)

Allowable RoE

The tariff regulations prescribe that only capital expenditure would be eligible for truing up. The regulations do not provide for truing up in respect of O&M expenses and also provides relaxed operating norms considering of vintage of certain generating stations like Obra A, Obra B, Panki, Harduaganj and Parichha.

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Regulation 21(iv) of the UPERC Generation Regulations, 2014 deals with the allowance of O&M expenses. The Hon'ble Commission in the generation tariff regulations — Para 25 (iv) (a) have prescribed the yearly O&M expenses for the control period FY 2014-15 to FY 2018-19 based upon the Installed Capacity for the thermal power stations.

Accordingly, based on the above stated norms, the O&M expenses as allowed through the MYT Order dated 29 April 2016 read with Review Order dated 18 January 2017 for the power station for the Control period is depicted in the table below:

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## Table: Allowable Operation and Maintenance Expenses – Harduaganj Extension Figures in Rs Crore

70°FA,FF	2014-15		2015-16		2016-17		2017-18		2018-19	
Particulars	Approved	Claim								
O&M Expenses	119.50	119.50	127.00	127.00	135.00	135.00	143.50	143.50	152.55	152.55

## 1.8. Interest on Working Capital

The tariff regulations do not prescribe any variation to be allowed in true-up in respect of interest on working capital. Clause (a) and (d) of provision (v) of Regulation 25 of the UPERC Generation Tariff Regulations 2014 prescribe payment of Interest on Working Capital on a normative basis. Para 25 (v) of the UPERC Generation Tariff Regulations 2014 prescribe the following normative parameters for determination of normative working capital for coal based generating stations:

- Cost of coal for 15 days for pit-head generating stations and 30 days for non-pit-head generating stations for generation corresponding to the normative annual plant availability factor or the maximum coal stock storage capacity whichever is lower
- Cost of coal for 30 days for generation corresponding to the target availability
- Cost of secondary fuel oil for two months corresponding to the target availability and in case
  of use of more than one secondary fuel oil, cost of fuel oil stock for the main secondary fuel
  oil;
- Operation and Maintenance expenses for one month;
- Maintenance spares @ 20% of operation and maintenance expenses; and
- Receivables equivalent to two months of capacity charges and energy charges for sale of electricity calculated on the target availability.

Based on the above premise, the allowable Interest on Working capital as worked out by the Hon'ble Commission in its order dated 29 April 2016 read with Review Order dated 18 January 2017 for the generating station has been reproduced below:

Table: Allowable Interest on Working Capital-Harduaganj Extension

Figures in Rs Crore

Harduaganj Extension Power Station	2014-15	2015-16	2016-17	2017-18	2018-19
Interest on Working Capital	60,68	60.85	60.86	60.99	61.16

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Harduagani Extension: True-up Petition for FY 2014-15 to FY 2018-19

### Summary of the true-up claimed for FY 2014-15 to FY 2018-19 1.9.

Based on the foregoing discussions, the following table summarizes the truing-up computations of Harduaganj Extension for the financial years 2014-15 to FY 2018-19 for approval by the Hon'ble Commission.

Table: True-up Summary for FY 2014-15 to FY 2018-19 - Harduaganj Extension

Figures .	in Rs	Crore
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	2014-15		2015-16		2016-17		2017-18		2018-19	
Particulars	Order	Actual								
Depreciation	163.35	163.60	163.35	163.91	163.35	164.08	163.35	163.81	163.35	163.83
Interest on Long Term Loans	205.22	213.50	188.07	196.26	170.92	178.65	153.76	160.94	136.61	143.11
Return on Equity	144.98	145.27	144.98	145.64	144.98	145.53	144.98	145.35	144.98	145.37
loWC	60.68	60.68	60.85	60.85	60.86	60.86	60.99	60.99	61.16	61.16
O&M	119.50	119.50	127.00	127.00	135.00	135.00	143.50	143.50	152.55	152.55
Special Allowance	-	-	-	-	-	-	•	-	-	-
Total	693.73	702.55	684.25	693.66	675.11	684.11	666.58	674.59	658.65	666.02

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## 2. Other Related Issues

## 2.1. Reimbursement of Actual Income Tax

It is submitted that UPRVUNL had paid Income Tax amounting to Rs. 192.65 Crore for FY 2016-17, 35.34 Crore for FY 2017-18 and 36.34 Crore for FY 2018-19. The said payments are duly reflected in the ITR (Attached as Annexure-1) of the above years. These taxes arise on account of the revenues accrued to the Petitioner from the invoices raised to UPPCL. Such invoices were based on the UPERC Tariff order on dated 29<sup>th</sup> April 2016 & 18<sup>th</sup> January 2017. Accordingly, the bills were raised by UPRVUNL seeking reimbursement of the Statutory charges including Income Tax in line with Clause-11G of Tariff order dated 18<sup>th</sup> January 2017 which provides as below:

"1.98 The Commission found the prayer reasonable and decided that the following shall be added in clause "11" of UPRVUNL's Tariff Order dated 29.04.2016,:

(G) Recovery of Statutory Charges and Tax on income etc.

In addition to the above tariff UPRVUNL is allowed to recover the payment of statutory charges like water cess, cost of water, payment to Pollution Control Board, rates and taxes, FBT and Regulatory Fee paid to the Commission and taxes on income etc., on production of details of actual payment made and duly supported with the certificate of the Statutory Auditors......"

In response to the claims of Petitioner, UPPCL has verified Income Tax amount of Rs. 169.61 crore for FY 2016-17, Rs. 21.75 crore for FY 2017-18 and Rs. 24.09 crore for FY 2018-19. Total gap between amount claimed by UPRVUNL and verified by UPPCL is tune to Rs. 48.73 crore. Since UPRVUNL had already made payments to the income tax authorities for FY 2016-17, FY 2017-18 and FY 2018-19 based on the methodology of Annual Fixed Charges as approved by Hon'ble Commission, UPPCL ought to reimburse the tax amount in actuals. Non reimbursement of actual tax by UPPCL will be in violation of order dated 18.01.2017 Clause-11G and will also cause serious financial injury to Petitioner. Therefore, Hon'ble Commission is request to direct UPPCL for reimbursement the Tax amount in actual paid by UPRVUNL.

## 2.2. Reimbursement of UPSLDC & NRPC Fee

It is submitted that UPRVUNL has paid UPSLDC & NRPC fees towards annual charges during past years. However, the same has never been claimed by the UPRVUNL due to non provision in the Tariff Order for claiming the UPSLDC and NRPC charges.

Therefore, Hon'ble Commission is requested to grant for reimbursement of the UPSLDC and NRPC fees paid in actual by UPRVUNL.

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### 2.3. Interest on Income Tax

The Tariff Regulations issued by the Commission provides that tax on the income streams of the generating company from its core business shall be computed as an expense and shall be permitted to be recovered from the beneficiaries. It is submitted that huge amount is outstanding on the part of UPPCL and UPRVUNL is not getting its money for timely payments for essential spares, works & Coal payments timely. Such delay affects the capacity of UPRVUNL to make timely payments to statutory authorities in the form of tax etc. Non-payment of taxes to the authorities incurs levy of interest charges on such dues to the authorities. But UPPCL is not paying interest on Income Tax.

UPRVUNL has in past also paid interest on Income Tax due to such delay caused by untimely payments from UPPCL. It is therefore requested that the Commission may kindly direct UPPCL to reimburse such interest on Income Tax incurred by UPRVUNL owing to the delay in payments done by UPPCL.

## 2.4. Intimation of Profit sharing with UPPCL as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 Clause 6 (6).

UPRVUNL wishes to intimate the Hon'ble Commission that it has shared its profits with UPPCL in accordance to the profit-sharing mechanism specified as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 clause 6 (6); the same is reproduced below:

"(6) The financial gains by a generating company on account of controllable parameters shall be shared between generating company and the beneficiaries. The financial gains computed as per following formulae in case of generating station on account of operational parameters contained in Clause (4) (a) to (c)above shall be shared in the ratio of 80:20 between generating company and the beneficiaries:

Net Gain = (ECRN- ECRA) x Scheduled Generation

Where,

ECRN – Normative Energy Charge Rate computed on the basis of norms specified/approved for Gross Station Heat Rate, Auxiliary Consumption and Secondary Fuel Oil Consumption.

ECRA – Actual Energy Charge Rate computed on the basis of actual Gross Station Heat Rate, Auxiliary Consumption and Secondary Fuel Oil Consumption for the month.

Provided that in case of financial gains on account of parameters contained in Clause (4)(d) above shall be shared in accordance with Clause (i) (e) of Regulation 25& Regulation 44 of these regulations."

UPRVUNL had prepared a 'Profit Centre Analysis' for the period FY 2014-15 to FY 2018-19, based on the Audited Accounts (Annexed as Annexure-2). A copy of the same was shared with UPPCL. On the basis of the 'Profit Centre Analysis', UPPCL computed the profit-sharing amount of Rs. 200.97 Crore and UPPCL deducted the profit-sharing amount from the running bills raised by UPRVUNL for 2014-15 to 2017-18 while UPRVUNL shared Profit Sharing for FY 2018-19 with a Bill (Copy attached).

The profit shared between UPRVUNL and UPPCL for Rs. 200.97 Crore is summarized as follows(इं अवीक्षित सिंह)

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Harduaganj Extension: True-up Petition for FY 2014-15 to FY 2018-19

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## Summary of Profit Sharing for the Period FY 2014-15 to FY 2018-19

Figures in Rs. Crore

No	TPS Name		2014-15	2015-16	2016-17	2017-18	2018-19
		Billing	640.82	743.12	751.42	670.16	693.81
1	Anpara A	Actual	679.77	715.70	748.30	705.41	714.17
	·	Profit		27.42	3.12		
		Billing	932.63	1,380.53	1,462.11	1,124.42	1,119.88
2	Anpara B	Actual	838.15	1,169.93	1,380.09	1,050.68	1,117.92
		Profit	94.48	210.60	82.02	73.74	1.95
		Billing	90.40	64.05	96.52	9.28	-
3	Obra A	Actual	107.99	94.79	43.38	13.49	-
		Profit			53.14		
		Billing	625.76	655.78	811.24	835.74	603.12
4	Obra B	Actual	583.51	670.85	854.37	790.82	632.59
	2.	Profit	42.25			44.92	-
-		Billing	368.21	201.47	265.35	119.21	-
5	Panki	Actual	389.20	226.36	347.80	172.68	-
		Profit	-	-		-	-
		Billing	36.88	154.13	200.05	108.14	70.70
6	Harduaganj	Actual	71.58	213.34	203.04	95.88	75.76
		Profit	-		•	12.26	-
		Billing	955.88	925.84	1,006.58	1,025.09	821.56
7	Harduaganj Extn	Actual	1,115.48	1,066.99	1,057.31	978.16	836.73
		Profit		-		46.93	-
		Billing	121.54	287.97	175.35	96.75	49.44
8	Parichha	Actual	152.52	327.58	217.23	110.75	61.64
		Profit			-	-	
		Billing	674.66	909.14	930.26	807.10	579.50
9	Parichha Extn	Actual	789.67	949.15	926.89	799.50	580.23
		Profit	-	-	3.37	7.60	-
		Billing	986.77	1,041.83	1,108.99	946.21	809.07
10	Parichha Extn Stage II	Actual	1,034.33	1,024.76	1,076.19	919.20	797.2
		Profit		17.08	32.80	27.01	11.81
		Billing		-	727.30	834.03	1,186.0
11	Anpara D	Actual	- ,	-	639.93	811.74	1,083.3
		Profit		V (100)	87.37	22.29	102.7
	Grand Total (Prof	I phase and a	136.73	255.10	261.82	234.75	116.4
	Profit Share of UPPCL		27.35	51.02	52.36	46.95	23.29
F	Total Profit Share to UI Y 2014-15 to FY 2018-19	PCL for			200.97		

The petitioner requests the Hon'ble Commission to kindly consider the intimation of Profit Sharing with UPPCI. as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 clause 6 (6).

31. Enjor

(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) च०प्र०रा०वि०उ०नि०लि०

Harduaganj Extension: True-up Petition for FY 2014-15 to FY 2018-19

14वां तल, शक्ति भवन विस्ता

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2.5. Information for Prudence Check of Statutory Charges as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 Clause 25 (lv)(C) for the period FY 2014-15 to FY 2018-19.

UPRVUNL wishes to submit Information <u>for</u> Prudence Check of Statutory Charges as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 clause 25(iv)(c); the same clause is reproduced below:

The Tariff Order dated 18.01.2017, Clause- 11G is also reproduced below:

(G) Recovery of Statutory Charges and Tax on income etc.

In addition to the above tariff UPRVUNL is allowed to recover the payment of statutory charges like water cess, cost of water, payment to Pollution Control Board, rates and taxes, FBT and Regulatory Fee paid to the Commission and taxes on income etc., on production of details of actual payment made and duly supported with the certificate of the Statutory Auditors......"

As per Regulation Clause 25(iv)(c) and Tariff Order mentioned above, the UPRVUNL hereby summarized below in table statutory charges Billed by UPRVUNL and verified by UPPCL for the period FY 2014-15 to FY 2018-19.

(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०नि०लि० 14वां तल, शक्ति भवन विस्तार

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Summary of Statutory Charges Billed by UPRVUNL and Verified by UPPCL for the Period FY 2014-15 to FY 2018-19

Figures in Rs. Crore

rightes in its. close	Unverified Remarks Annexure No UPPCL	Amount of Rs. 4.7627117 Crore claimed Invoice billed by UPRVUNL and later by UPRVUNL vide Bill No. UNL/Statuary verified by UPPCL are Enclosed 4.7627117 Charges/Adj.2016 dated 23-05-16 and the same has been verified by the UPPCL	Amount of Rs. 425.7690779 has been claimed under the head MPRI & RD Tax, 6th pay Arrear and UP Forest Transit Fee. The same amount has already been approved by the Hon'ble Commission vide its order dated 29-04-2016 the Hon'ble Commission vide its order dated 29-04-2016 and the same amount has been verified by the UPPCL as well. The breakup of the same is as below:  MPRI & RD Tax- Rs. 174.25 Crore,6th Pay Appear- Rs. 4.7627117 Crore & UP Forest Transit Fee- Rs. 246.75 Crore	Invoice billed by UPRVUNL and verified by UPPCL are Enclosed herewith as Annexure-6	Amount of Rs. 0.0250050/- Crore on Invoice billed by UPRVUNL and account of Pollution Cess of Parichha has been verified by UPPCL vide Bill No. herewith as <i>Annexure-7</i> 6.5750050 UNL/Statutory Charges/FY 2016-17/01 dated 29-11-17, Further Interest due to late payment of Income tax amounting Rs.
	Verified by am UPPCL U	200.7131189 4.7	425.7690779	131.9533239	233.8466656 6.5
	Billed by UPRVUNL	205.4758306	425.7690779	131.9533239	240.4216706
	Bill date	04-09-15	23-05-16	31-08-16	31-08-17
	Bill No	UNL/Statuary Charges/FY 2014-15	UNL/Statuary Charges/Adj.2016	UNL/Statutory Charges/FY 2015-16	UNL/Statutory Charges/FY 2016-17
	S No	- lees	AS	m - Sh	Aon :

Harduaganj Extension: True-up Petition for FY 2014-15 to FY 2018-19

(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य)

Annexure No		set15311 Invoice billed by UPRVUNL and etter no. verified by UPPCL are enclosed Charges herewith as <i>Annexure-9</i> mentary o UPPCL letter no. one tax 341/UNL/CE(Comml.)/Statutory AAT vide Charges dated 08-05-2019 for vithdrawal amount of Rs. 7-03-19. 109.61 Crore and 8.6615311 crore is enclosed herewith as has not Annexure-10	1//	verified by UPPCL are Enclosed herewith as Annexure-12	verified by UPPCL are Enclosed herewith as Annexure-13		17
Remarks		Amount of Rs. 109.61 Crore and 8.6615311 crore withdrawn by UPRVUNL vide letter no. 341/UNL/CE(Comml.)/Statutory Charges dated 08-05-2019. Further a supplementary invoice of Rs. 109.61 Crore raised to UPPCL for reimbursement of balance income tax for FY 2016-17 within the limit of MAT vide Bill No.UNL/Statutory Charges/FY 2016-17/Income Tax dated 27-03-19. Amount of Rs. 36.4772683 Crore has not been verified by UPPCL on account of income Tax	Interest due to late payment of Income tax amounting Rs. 0.8297889/- crore not verified by UPPCL			Amount of Rs. 12.2516709 Crore has not been verified by UPPCL on account of income Tax	
Unverified amount by UPPCL		36.4772683	0.8297889	ı	ı	12.2516709	
Verified by UPPCL	0.0320050	152.0571674	21.6766598	109.6100000	149.6094058	5.6919217	2018-19
Billed by UPRVUNL	0.0320050	188.5344357	22.5064487	109.6100000	149.6094058	17.9435926	Y 2014-15 to FY
Bill date	29-11-17	18-08-18	27-03-19	27-03-19	24-08-19	15-10-19	Petition for F
Bill No	UNL/Statutory Charges/FY 2016-17/01	UNL/Statutory Charges/FY 2017-18	UNL/Statutory Charges/FY 2014-15/Income Tax	UNL/Statutory Charges/FY 2016-17/Income Tax	UNL/Statutory Charges/FY 2018-19	UNL/Statutory Charges/FY 2018- 19//Supplementary/Income Tax	Harduaganj Extension: True-up Petition for FY 2014-15 to FY 2018-19
S No	2	0		∞	თ	g (	पूर्व अवीक्षित य अभियन्ता ( प्रारुपाठविठ्यु

In the view of the above, amount of Rs. 36.4772683 Crore and Rs. 12.2516709 Crore totalling Rs. 48.7289392 Crore has not been verified by the UPPCL on account of Income Tax head. The same amount has already been submitted by the UPRVUNL before the Hon'ble Commission vide its Trueup Petition additional submission No. 1 dated 3rd January 2020. The Petitioner humbly requested to Hon'ble Commission to direct UPPCL for reimbursement the Income Tax amount paid by the UPRVUNL as actual.

Further, amount of Rs. 7.38 crore on account of Interest on income tax has also not verified by the UPPCL. It is therefore requested that the Hon'ble Commission may kindly direct to UPPCL to reimburse such interest on income tax incurred by the UPRVUNL owing to delay in the payments done by UPPCL.

The petitioner hereby requests the Hon'ble Commission to kindly consider this Information for Prudence Check of Statutory Charges as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 clause 25(iv)(c) and Tariff Order dated 18.01.1017, clause-11G.

(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०नि०लि० 14वां तल, शक्ति भवन विस्तार

#### 3. Prayer

The Petitioner respectfully prays followings to the Hon'ble Commission:

- The Hon'ble Commission is requested to Accept this Petition for true-up of additional 1. capitalization and associated tariff components for the financial year 2014-15 to 2018-19
- The Hon'ble Commission is requested to Allow recovery of the additional claim 2. generating out of the true up from the beneficiaries in line with the provision of the Regulations or in any manner that the Hon'ble Commission deems appropriate.
- The Hon'ble Commission is requested to Permit recovery of expenses understated/ not 3. considered in this Petition subsequent to the submission of this petition.
- Hon'ble commission is requested to direct the UPPCL to reimburse the actual amount on 4. account of Income Tax and Interest on Income Tax to UPRVUNL.
- Hon'ble commission is requested to direct the UPPCL to reimburse the UPSLDC and 5. NRPC Charges to UPRVUNL.
- The Hon'ble Commission is requested to Condone any inadvertent omissions / errors / 6. short comings and permit the applicant to add /change /modify / alter this Petition and make further submissions as may be required at later stages

The Hon'ble Commission is requested to Pass such orders as Hon'ble Commission may 7. deem fit and proper and necessary in the facts and circumstances of the case, to grant relief to the Petitioner.

Sonder

(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०नि०लि० 14वां तल, शक्ति भवन विस्तार

Harduaganj Extension: True-up Petition for FY 2014-15 to FY 2018-19

## Office of Chief Engineer Commercial Unit



U.P. Rajya Vidyut Utpadan Nigam Ltd. 14<sup>th</sup> floor, Shakti Bhawan Extn. Lucknow-226001
Tel. No.- 0522-2288056/2287030
CIN: U40101UP1980SGC005065

E-mail: gm.commercial@uprvunl.org cecommercialunl@gmail.com

No 20 /UNL/CE(Comml.)/True-up (2014-19)/Parichha

Date: 2], May-2021

The Secretary,
U.P. Electricity Regulatory Commission
Vibhuti Khand-II, Gomti Nagar
Lucknow-2260010

## <u>Subject:- Re-Submission of True-up Petition of 2x110 MW Parichha Thermal Power Stations</u> of UPRVUNL for FY 2014-15 to 2018-19.

Dear Sir.

Kindly find enclosed herewith True-up Petition of 2x110 MW Parichha Thermal Power Station of UPRVUNL for FY 2014-15 to 2018-19 in 06 copies (one original + 05 photocopies + 01 soft copy) as per UPERC (Terms and Conditions of Generation Tariff) Regulations-2014 in compliance of directive of Hon'ble Commission during hearing on dated 16.03.2021 on Petition No. 1520/2019 for True-up of various Thermal Power Stations of UPRVUNL for FY 2014-15 to 2018-19.

The True-up Petitions (2014-19) for various TPS of UPRVUNL were originally submitted to Hon'ble Commission vide this office single covering letter no. 816/UNL/CE(Comml.)/True-up (2014-19), dt. 25.10.2019 (copy attached), with station wise fees Rs One Lac per Station and total Rs Eleven Lacs for 11 Stations in form of Bankers Cheque (No. 557569 dt. 25.10.2019, State Bank of India) in favour of Secretary, UPERC, payable at Lucknow as per Part-D, Sl. No. 13 of Addendum to "Schedule of Fee" of Amendment-I dated 11.12.2018 of UPERC (Fee & Fines) Regulation-2010 and U.P. Govt. Gudget Notification dartd 21.01.2019.

Submitted for kind consideration of the Hon'ble Commission. Encl: As above.

Yours Sincerely,

(Avikshit Singh)
Chief Engineer(Commecial)

No. /UNL/CE(Comml.)/True up (2014-19)/Parichha Copy to the following respondents for their kind information:- Date: , May-2021

- 1. M.D., U.P. Power Corporation Ltd., 7th floor, Shakti Bhawan, 14 Ashok Marg, Lucknow.
- 2. M.D., Madyanchal Vidyut Vitran Nigam Ltd., P.N. Road, Gokhale Marg, Lucknow.
- 3. M.D., PoorvaranchalVidyutVitranNigamLtd.,132KV S/S Bhikhari Vidyut Nagar, Varanasi.
- 4. M.D., Pashimanchal Vidyut Vitran Nigam Ltd., Victoria Park, Meerut.

## Office of Chief Engineer Commercial Unit



U.P. Rajya Vidyut Utpadan Nigam Ltd.
14<sup>th</sup> floor, Shakti Bhawan Extn.
Lucknow-226001
Tel. No.- 0522-2288056/2287030
CIN: U40101UP1980SGC005065
E-mail: gm.commercial@uprvunl.org
cecommercialunl@gmail.com

- 5. M.D., Dakshinanchal Vidyut Vitran Nigam Ltd., Vidyut Bhawan, Gailana Road, Agra.
- 6. M.D., Kanpur Electric Supply Co. Ltd., KESA House, Kanpur.
- 7. Chief Executive Officer, Noida Power Company Ltd., H-Block, Alpha-II Sector, Gr Noida.
- 8. Chief Engineer (PPA), UPPCL, 14th floor, Shakti Bhawan Ext, Lucknow alongwith enlosures.

No. 201/UNL/CE(Comml.)/True up (2014-19)/Parichha

Date: 2/, May-2021

Copy to the followings for their kind information:-

- 1. PS to Managing Director, UPRVUNL, 7th floor, Shakti Bhawan, 14 Ashok Marg, Lucknow.
- 2. Director (Project & Commercial), UPRVUNL, 8th floor, Shakti Bhawan Ext, Lucknow.
- 3. Director (Technical), UPRVUNL, 8th floor, Shakti Bhawan Ext, Lucknow.
- 4. Director (Finance), UPRVUNL, 8th floor, Shakti Bhawan Ext, Lucknow alongwith enlosures.

(Avikshit Singh)
Chief Engineer(Commercial)

## PARICHHA THERMAL POWER STATION

## TRUE UP PETITION

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FY 2014-15 to FY 2018-19



UP RAJYA YIDYUT UTPADAN NIGAM LTD

(इं० अविश्वित स्वर मुख्य अभियन्ता (वा) उ०प्र०रा०वि०उ०ि

मुख्य अभियन्ता (व उ०प्र०रा०वि०उ०) 14वां तल, शक्ति ?

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(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०नि०लि० 14वां तल, शक्ति भवन विस्तार

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(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०नि०लि० 14वां तल, शक्ति भवन विस्तार

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### FORM-1

# (See Regulation 30) BEFORE THE HON'BLE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION, GOMTI NAGAR, LUCKNOW

Receipt Register No.:	
Petition No.:	

### IN THE MATTER OF

PARICHHA TPS PETITION FOR DETERMINATION OF FINAL TRUE-UP OF FY 2014-15, FY 2015-16, FY 2016-17, FY 2017-18 and FY 2018-19.

AND

## IN THE MATTER OF

UTTAR PRADESH RAJYA VIDYUT UTPADAN NIGAM LIMITED (UPRVUNL), SHAKTI BHAWAN, 14-ASHOK MARG, LUCKNOW.

**APPLICANT** 

V/s

UTTAR PRADESH POWER CORPORATION LIMITED (UPPCL), SHAKTI BHAWAN, 14-ASHOK MARG, LUCKNOW.

MADHYANCHAL VIDYUT VITRAN NIGAM LTD. PN ROAD, LUCKNOW.

POORVANCHAL VIDYUT VITRAN NIGAM LTD. 132 KV S/S BHIKARI VIDYUT NAGAR, VARANASI

PASCHIMANCHAL VIDYUT VITRAN NIGAM LTD. VICTORIA PARK, MEERUT

DAKSHINACHAL VIDYUT VITRAN NIGAM LTD. GALINA ROAD AGRA.

KANPUR ELECTRICITY SUPPLY CO. LTD. KESA HOUSE, KANPUR

NOIDA POWER CO. LTD. COMMERCIAL COMPLEX, H BLOCK, ALPHA-II SECTOR GREATER NOIDA CITY RESPONDENTS

(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०नि०लि०

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14वां तल, शक्ति भवन विस्तार

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**AFFIDAVIT** 

I, Avikshit Singh, Son of Late Dr. Chandra Pal Singh aged about 59 years, office of Commercial Unit, 14th Floor, Shakti Bhawan Extn., 14 Ashok Marg, Lucknow, do hereby solemnly affirm and state as under:

- I say that I am Chief Engineer, Commercial Unit, UPRVUNL, the Applicant in the matter and am duly authorized by the said Applicant to swear the present Parichha TPS True-up Petition for the period FY 2014-15 to FY 2018-19.
- 2. I say that I have read the contents of the True-up Petition and I have understood the same.
- 3. That the contents attached herewith filed by the Applicant on behalf of UPRVUNL are based on the information available with the Applicant in the normal course of business and believed by me to be true.
- I say that the Text, Appendixes and Annexures to the submissions are true and correct copies of their original.

**VERIFICATION** 

DEPONENT (इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य)

उ०प्र०रा०वि०उ०नि०लि०

I, the deponent above named, do hereby verify the contents of the above all davit to be true to the best of my knowledge, no part of it is false and nothing material has been concealed therefrom.

S-Verified at Litck won the

प्रिक्त अविद्यासी हैं। (इं० अविद्यासीत सिंह)
मुख्य अभियन्ता (वाणिज्य)
उ०प्र०रा०वि०उ०नि०लि०
14वां तल, शक्ति भवन विस्तार

usknow U.P. INDIA.

#### Parichha TPS 1.

As per direction of Hon'ble Commission on date 16.03.2021 during hearing on Petition No. 1520/2019 for True-up of various Thermal Power Stations of UPRVUNL for FY 2014-15 to 2018-19 to re-submit the True-up Petitions Station wise with separate covering letter, this section presents the final true-up for FY 2014-15 to FY 2018-19 in respect of Parichha Thermal Power Station.

The audited accounts of UPRVUNL for the period FY 2014-15 to FY 2018-19 and Cost Audit Report for the period FY 2014-15 to FY 2018-19 have already been submitted in hard copy with Petition No. 1520/2019 on date 25.10.2019 in the Commission. However, soft copy of the audited accounts of UPRVUNL and Cost Audit Report for the period FY 2014-15 to FY 2018-19 is attached in soft copy with this Petition.

#### **Annual Capacity Charges** 1.1.

As per tariff regulations the annual capacity (fixed) charges consist of

- a) Interest on Loan Capital
- b) Depreciation including Advance against Depreciation
- c) Return on Equity
- d) Operation and maintenance expenses including insurance
- e) Interest on Working Capital
- f) Special Allowance

This section provides the description of the approved capacity charges Vs allowable capacity charges for FY 2014-15 to FY 2018-19 based on financial statements of the UPRVUNL.

#### 1.2. **Gross Fixed Assets**

The Petitioner submits that it has considered the opening balance of gross fixed assets for the financial year 2014-15 from the MYT Order issued by the Hon'ble Commission on 29th April 2016 and review order dated 18th January 2017. The Petitioner submits that there have been additional capitalisation to the tune of Rs 181.65 Crores and decaptilisation of Rs. 1.14 crore spread across the Control period and the details of such capitalization have been shown in the specific formats annexed to this petition.

Accordingly the following table depicts the approved gross fixed asset balance vis-à-vis actual gross fixed asset balance for FY 2014-15 to FY 2018-19:

Table: Gross Fixed Asset Balance of 'Parichha'

Figures in Rs Crore

								_	
2014-15		2015-16		2016-17		2017-18		2018-19	
		Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual
	305.26	305.27	372.95	305.27	468.36	305.27	473.50	305.27	481.28
-	67.69		95.41	2	6.29	-	7.78	-	4.48
-	-	-	12	-	1.14	4		-	-
305.27	372.95	305.27	468.36	305,27	473.50	305.27	481.28	305.27	485.76
	Approved 305,27 -	305.27 305.26 - 67.69	Approved Actual Approved 305.27 305.26 305.27 - 67.69 -	Approved         Actual         Approved         Actual           305.27         305.26         305.27         372.95           -         67.69         -         95.41           -         -         -         -	Approved Actual Approved Actual Approved 305.27 305.26 305.27 372.95 305.27 - 67.69 - 95.41 -	Approved         Actual         Approved         Actual         Approved         Actual           305.27         305.26         305.27         372.95         305.27         468.36           -         67.69         -         95.41         -         6.29           -         -         -         -         1.14	Approved         Actual         Approved         Actual         Approved         Actual         Approved         Actual         Approved         Actual         Approved           305.27         305.26         305.27         372.95         305.27         468.36         305.27           -         67.69         -         95.41         -         6.29         -           -         -         -         -         1.14         -           -         -         -         -         473.50         305.27	Approved         Actual           305.27         305.26         305.27         372.95         305.27         468.36         305.27         473.50           -         67.69         -         95.41         -         6.29         -         7.78           -         -         -         1.14         -         -         -         473.50         305.27         481.28	Approved         Actual         Actual         Approved         Actual         Actual         Actual         Approved         Actual         Actual         Actual         Act

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### 1.3. Means of Finance

The Hon'ble Commission in its order dated 29<sup>th</sup> April 2016 and review order dated 18th January 2017 had prescribed a normative approach of financing of the capital expenditure in the ratio of 70% debt and 30% equity in line with the Tariff Regulations. Further the allowable depreciation had been considered as normative loan repayment.

In order to maintain consistency in approach, the Petitioner has considered the aforementioned philosophy and calculated the normative debt and normative equity. The opening values of accumulated depreciation, normative loan and normative equity as on 1.4.2014 has been adopted from the approved values in the order dated 29th April 2016 and review order dated 18th January 2017. Accordingly, the gross fixed asset balance, the net fixed asset balance and its financing is presented in the table below:

Table: Calculation of GFA, NFA and its financing - Parichha

Figures in Rs Crore

				Liânies III i	.5 0.0.0				
Parichha Power Station	2014-15	2015-16	2016-17	2017-18	2018-19				
	True up								
Opening GFA	305.26	372.95	468.36	473.50	481.28				
Additions	67.69	95.41	6.29	7.78	4.48				
Deletions	-	-	1.14		-				
Closing GFA	372.95	468.36	473.50	481.28	485.76				
Closing Net FA	182.86	255.63	235.18	216.99	195.20				
Financing:		a							
Opening Equity	79.03	99.34	127.96	129.50	131.84				
Additions	20.31	28.62	1.89	2.33	1.34				
Deletion			0.34	-	-				
Closing Equity	99.34	127.96	129.50	131.84	133.18				
Open. Accumulated Depreciation	172.20	190.09	212.73	238.33	264.30				
Depreciation during the year	17.89	22.64	25.60	25.97	26.27				
Closing Accumulated Depreciation	190.09	212.73	238.33	264.30	290.57				
Opening Debts	54.12	83.61	127.76	106.56	86.04				
Additions	47.38	66.79	4.40	5.44	3.14				
Less: Depreciation (normative repayment)	17.89	22.64	25.60	25.97	26.27				
Closing Debts	83.61	127.76	106.56	86.04	62.90				

## 1.4. Depreciation

The Petitioner submits that the depreciation as per accounts is calculated as per the prescription of Schedule XIV of the Companies Act, 1956 which is depicted in the accounting policies annexed with the audited accounts. However, the Tariff Regulations prescribe that the eligible depreciation shall be calculated annually, based on straight line method over the useful life of the asset and the rates

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prescribed in Appendix II of such regulations. It is noteworthy of mentioning that the Appendix II prescribes distinct depreciation rates for each class of assets.

The Petitioner has provided the asset class wise list of gross fixed assets in Form 11 of the tariff formats submitted along with this petition. Accordingly, the Petitioner has calculated the eligible depreciation based on the rates prescribed in the tariff regulations.

The allowable depreciation is depicted in the table below:

Table: Allowable Depreciation -- Parichha

						F	igures in Rs	Crore		10.75
	2014-15		2015-16		2016-17		2017-18		2018-19	
Particulars	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual
Depreciation	15.92	17.89	15.92	22.64	15.92	25.60	15.92	25.97	15.92	26.27

### 1.5. Interest on Loan

As discussed above, the Hon'ble Commission in its order dated 29<sup>th</sup> April 2016 and review order dated 18<sup>th</sup> January 2017 had prescribed a normative approach of financing of the capital expenditure in the ratio of 70% debt and 30% equity in line with the Tariff Regulations. Further the allowable depreciation has been considered as normative loan repayment. The weighted average interest on loan capital was worked out at 11.40%.

The total capitalisation for FY 2014-15 to FY 2018-19 is depicted below in table. 70% of the same been considered to be funded through debt. Considering the debt worked out as above and applying the rate of 11.40%, the interest on loan capital has been worked out in the table below:

Table: Allowable Interest on Loan-Parichha

							Figures in R	s Crore		
	2014	-15	2015-16		2016-17		2017-18		2018	-19
Particulars	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual
Opening Debts	54.12	54.12	38.20	83.61	22.28	127.76	6.36	106.56	_	86.04
Additions	•	47.38	2.7	66.79	•	4.40		5.44	-	3.14
Less: Normative repayment	15.92	17.89	15.92	22.64	15.92	25.60	6.36	25.97		26.27
Closing Debts	38.20	83.61	22.28	127.76	6.36	106.56		86.04	-	62.90
Average Debt	46.16	68.87	30.24	105.69	14.32	117.16	3.18	96.30		74.47
Interest on Loan	5.78	7.85	3.79	12.05	1.79	13.36	0.40	10.98	-	8.49

### 1.6. Return on Equity

The opening equity base of Rs. 79.03 crore as on 1.4.2014 has been adopted from the Tariff order dated 29th April 2016 and review order dated 18<sup>th</sup> January 2017. Considering that 30% of the capital expenditure funded by equity has been considered. The Tariff Regulations-2014 prescribe that return on equity would be allowed at the rate of 15.50%.

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However, it is brought to the attention of the Hon'ble Commission that based on the Government Order dated 31<sup>st</sup>July 2017 and subsequent adoption of the same by Board of Directors on 9<sup>th</sup>April 2018 of the Petitioner, the Petitioner has billed the RoE at 2% for FY 2017-18 and 2018-19 and rest of 13.5% has been foregone to take its advantage in Merit Order Despatch (MOD) schedule as per Hon'ble Commission Order dated 21.06.2016 against Petition No. 1070/2015. Therefore, RoE component would be adjusted by UPRVUNL with beneficiary only 2%. But it is requested to Hon'ble Commission to approve the Capacity Charge with RoE @ 15.5%.

Accordingly, the approved return on equity and the trued up figures have been furnished in the table below:

Table: Allowable Return on Equity - Parichha

Figures in Rs Crore

	110									
2014	2014-15		2015-16		2016-17		2017-18		2018-19	
Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual	
79.03	79.03	79.03	99.34	79.03	127.96	79.03	129.50	79.03	131.84	
_	20.31	-	28.62	-	1.89	-	2.33	-	1.34	
-	-	-	~	-	0.34		-	-		
79.03	99.34	79.03	127.96	79.03	129.50	79.03	131.84	79.03	133.18	
79.03	89.18	79.03	113.65	79.03	128.73	79.03	130.67	79.03	132.51	
15.50%	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%	
12.25	13.82	12.25	17.62	12.25	19.95	12.25	20.25	12.25	20.54	
	79.03 	Approved         Actual           79.03         79.03           -         20.31           -         -           79.03         99.34           79.03         89.18           15.50%         15.50%	Approved         Actual         Approved           79.03         79.03         79.03           -         20.31         -           -         -         -           79.03         99.34         79.03           79.03         89.18         79.03           15.50%         15.50%         15.50%	Approved         Actual         Approved         Actual           79.03         79.03         79.03         99.34           -         20.31         -         28.62           -         -         -         -           79.03         99.34         79.03         127.96           79.03         89.18         79.03         113.65           15.50%         15.50%         15.50%         15.50%	Approved         Actual         Approved         Actual         Approved           79.03         79.03         79.03         99.34         79.03           -         20.31         -         28.62         -           -         -         -         -         -           79.03         99.34         79.03         127.96         79.03           79.03         89.18         79.03         113.65         79.03           15.50%         15.50%         15.50%         15.50%         15.50%	Approved         Actual         Approved         Actual         Approved         Actual           79.03         79.03         79.03         99.34         79.03         127.96           -         20.31         -         28.62         -         1.89           -         -         -         -         0.34           79.03         99.34         79.03         127.96         79.03         129.50           79.03         89.18         79.03         113.65         79.03         128.73           15.50%         15.50%         15.50%         15.50%         15.50%         15.50%	Approved         Actual         Approved         Actual         Approved         Actual         Approved         Actual         Approved           79.03         79.03         79.03         99.34         79.03         127.96         79.03           -         20.31         -         28.62         -         1.89         -           -         -         -         -         0.34         -           79.03         99.34         79.03         127.96         79.03         129.50         79.03           79.03         89.18         79.03         113.65         79.03         128.73         79.03           15.50%         15.50%         15.50%         15.50%         15.50%         15.50%         15.50%	Approved         Actual         Approved         Actual         Approved         Actual         Approved         Actual         Approved         Actual           79.03         79.03         79.03         99.34         79.03         127.96         79.03         129.50           -         20.31         -         28.62         -         1.89         -         2.33           -         -         -         -         0.34         -         -           79.03         99.34         79.03         127.96         79.03         129.50         79.03         131.84           79.03         89.18         79.03         113.65         79.03         128.73         79.03         130.67           15.50%         15.50%         15.50%         15.50%         15.50%         15.50%         15.50%	Approved         Actual         Approved         <	

## 1.7. Operation and Maintenance Expenses

The tariff regulations prescribe that only capital expenditure would be eligible for truing up. The regulations do not provide for truing up in respect of O&M expenses and also provides relaxed operating norms considering of vintage of certain generating stations like Obra A, Obra B, Panki, Harduaganj and Parichha.

Regulation 21(iv) of the UPERC Generation Regulations, 2014 deals with the allowance of O&M expenses. The Hon'ble Commission in the generation tariff regulations — Para 25 (iv) (a) have prescribed the yearly O&M expenses for the control period FY 2014-15 to FY 2018-19 based upon the Installed Capacity for the thermal power stations.

Accordingly, based on the above stated norms, the O&M expenses as allowed through the MYT Order dated 29 April 2016 read with Review Order dated 18 January 2017 for the power station for the Control period is depicted in the table below:

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## Table: Allowable Operation and Maintenance Expenses - Parichha Figures in Rs Crore

	2014-	15	2015-	16	2016-	17	2017-	18	2018-	19
Particulars	Approved	Claim	Approved	Claim	Approved	Claim	Approved	Claim	Approved	Claim
O&M Expenses	70.20	70.20	<b>7</b> 3.1 <b>3</b>	73.13	76.14	76.14	79.27	79.27	82.46	82.46

#### **Interest on Working Capital** 1.8.

The tariff regulations do not prescribe any variation to be allowed in true-up in respect of interest on working capital. Clause (a) and (d) of provision (v) of Regulation 25 of the UPERC Generation Tariff Regulations 2014 prescribe payment of Interest on Working Capital on a normative basis. Para 25 (v) of the UPERC Generation Tariff Regulations 2014 prescribe the following normative parameters for determination of normative working capital for coal based generating stations:

- Cost of coal for 15 days for pit-head generating stations and 30 days for non-pit-head generating stations for generation corresponding to the normative annual plant availability factor or the maximum coal stock storage capacity whichever is lower
- Cost of coal for 30 days for generation corresponding to the target availability
- Cost of secondary fuel oil for two months corresponding to the target availability and in case of use of more than one secondary fuel oil, cost of fuel oil stock for the main secondary fuel oil;
- Operation and Maintenance expenses for one month;
- Maintenance spares @ 20% of operation and maintenance expenses; and
- Receivables equivalent to two months of capacity charges and energy charges for sale of electricity calculated on the target availability.

Based on the above premise, the allowable Interest on Working capital as worked out by the Hon'ble Commission in its order dated 29 April 2016 read with Review Order dated 18 January 2017 for the generating station has been reproduced below:

Table: Allowable Interest on Working Capital-Parichha

Figures in Rs Crore

Parichha Power Station	2014-15	2015-16	2016-17	2017-18	2018-19
Interest on Working Capital	28.18	28.37	28.46	28.62	28.81

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## 1.9. Summary of the true-up claimed for FY 2014-15 to FY 2018-19

Based on the foregoing discussions, the following table summarizes the truing-up computations of Parichha for the financial years 2014-15 to FY 2018-19 for approval by the Hon'ble Commission.

Table: True-up Summary for FY 2014-15 to FY 2018-19 - Parichha

<b>Figures</b>	in	Rs	Crore

Particulars	2014-15		2019	2015-16		2016-17		2017-18		2018-19	
	Order	Actual	Order	Actual	Order	Actual	Order	Actuai	Order	Actual	
Depreciation	15.92	17.89	15.92	22.64	15.92	25.60	15.92	25.97	15.92	26.27	
Interest on Long Term Loans	5.78	7.85	3.78	12.05	1.79	13.36	0.40	10.98	-	8.49	
Return on Equity	12.25	13.82	12.25	17.62	12.25	19.95	12.25	20.25	12.25	20.54	
IoWC	28.18	28.18	28.37	28.37	28.46	28.46	28.62	28.62	28.81	28.81	
O&M	70.20	70.20	73.13	73.13	76.14	76.14	79.27	79.27	82.46	82.46	
Special Allowance	-		-	-		-	-		-	•	
Total	132.33	137.95	133.45	153.80	134.56	163.51	136.46	165.09	139.44	166.57	

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### 2. Other Related Issues

## 2.1. Reimbursement of Actual Income Tax

It is submitted that UPRVUNL had paid Income Tax amounting to Rs. 192.65 Crore for FY 2016-17, 35.34 Crore for FY 2017-18 and 36.34 Crore for FY 2018-19. The said payments are duly reflected in the ITR (Attached as Annexure-1) of the above years. These taxes arise on account of the revenues accrued to the Petitioner from the invoices raised to UPPCL. Such invoices were based on the UPERC Tariff order on dated 29<sup>th</sup> April 2016 & 18<sup>th</sup> January 2017. Accordingly, the bills were raised by UPRVUNL seeking reimbursement of the Statutory charges including Income Tax in line with Clause-11G of Tariff order dated 18<sup>th</sup> January 2017 which provides as below:

"1.98 The Commission found the prayer reasonable and decided that the following shall be added in clause "11" of UPRVUNL's Tariff Order dated 29.04.2016,:

(G) Recovery of Statutory Charges and Tax on income etc.

In addition to the above tariff UPRVUNL is allowed to recover the payment of statutory charges like water cess, cost of water, payment to Pollution Control Board, rates and taxes, FBT and Regulatory Fee paid to the Commission and taxes on income etc., on production of details of actual payment made and duly supported with the certificate of the Statutory Auditors......"

In response to the claims of Petitioner, UPPCL has verified Income Tax amount of Rs. 169.61 crore for FY 2016-17, Rs. 21.75 crore for FY 2017-18 and Rs. 24.09 crore for FY 2018-19. Total gap between amount claimed by UPRVUNL and verified by UPPCL is tune to Rs. 48.73 crore. Since UPRVUNL had already made payments to the income tax authorities for FY 2016-17, FY 2017-18 and FY 2018-19 based on the methodology of Annual Fixed Charges as approved by Hon'ble Commission, UPPCL ought to reimburse the tax amount in actuals. Non reimbursement of actual tax by UPPCL will be in violation of order dated 18.01.2017 Clause-11G and will also cause serious financial injury to Petitioner. Therefore, Hon'ble Commission is request to direct UPPCL for reimbursement the Tax amount in actual paid by UPRVUNL.

## 2.2. Reimbursement of UPSLDC & NRPC Fee

It is submitted that UPRVUNL has paid UPSLDC & NRPC fees towards annual charges during past years. However, the same has never been claimed by the UPRVUNL due to non provision in the Tariff Order for claiming the UPSLDC and NRPC charges.

Therefore, Hon'ble Commission is requested to grant for reimbursement of the UPSLDC and NRPC fees paid in actual by UPRVUNL.

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### 2.3. Interest on Income Tax

The Tariff Regulations issued by the Commission provides that tax on the income streams of the generating company from its core business shall be computed as an expense and shall be permitted to be recovered from the beneficiaries. It is submitted that huge amount is outstanding on the part of UPPCL and UPRVUNL is not getting its money for timely payments for essential spares, works & Coal payments timely. Such delay affects the capacity of UPRVUNL to make timely payments to statutory authorities in the form of tax etc. Non-payment of taxes to the authorities incurs levy of interest charges on such dues to the authorities. But UPPCL is not paying interest on Income Tax.

UPRVUNL has in past also paid interest on Income Tax due to such delay caused by untimely payments from UPPCL. It is therefore requested that the Commission may kindly direct UPPCL to reimburse such interest on Income Tax incurred by UPRVUNL owing to the delay in payments done by UPPCL.

# 2.4. Intimation of Profit sharing with UPPCL as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 Clause 6 (6).

UPRVUNL wishes to intimate the Hon'ble Commission that it has shared its profits with UPPCL in accordance to the profit-sharing mechanism specified as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 clause 6 (6); the same is reproduced below:

"(6) The financial gains by a generating company on account of controllable parameters shall be shared between generating company and the beneficiaries. The financial gains computed as per following formulae in case of generating station on account of operational parameters contained in Clause (4) (a) to (c)above shall be shared in the ratio of 80:20 between generating company and the beneficiaries:

Net Gain = (ECRN- ECRA) x Scheduled Generation

Where,

ECRN - Normative Energy Charge Rate computed on the basis of norms specified/approved for Gross Station Heat Rate, Auxiliary Consumption and Secondary Fuel Oil Consumption.

ECRA – Actual Energy Charge Rate computed on the basis of actual Gross Station Heat Rate, Auxiliary Consumption and Secondary Fuel Oil Consumption for the month.

Provided that in case of financial gains on account of parameters contained in Clause (4)(d) above shall be shared in accordance with Clause (i) (e) of Regulation 25& Regulation 44 of these regulations."

UPRVUNL had prepared a 'Profit Centre Analysis' for the period FY 2014-15 to FY 2018-19, based on the Audited Accounts (Annexed as Annexure-2). A copy of the same was shared with UPPCL. On the basis of the 'Profit Centre Analysis', UPPCL computed the profit-sharing amount of Rs. 200.97 Crore and UPPCL deducted the profit-sharing amount from the running bills raised by UPRVUNL for 2014-15 to 2017-18 while UPRVUNL shared Profit Sharing for FY 2018-19 with a Bill (Copy attached).

The profit shared between UPRVUNL and UPPCL for Rs. 200.97 Crore is summarized as follows:

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# Summary of Profit Sharing for the Period FY 2014-15 to FY 2018-19

Figures in Rs. Crore

No	TPS Name		2014-15	2015-16	2016-17	2017-18	2018-19
		Billing	640.82	743.12	751.42	670.16	693.81
1	Anpara A	Actual	679.77	715.70	748.30	705.41	714.17
_	·	Profit		27.42	3.12	-	-
		Billing	932.63	1,380.53	1,462.11	1,124.42	1,119.88
2.	Anpara B	Actual	838.15	1,169.93	1,380.09	1,050.68	1,117.92
		Profit	94.48	210.60	82.02	73.74	1.95
		Billing	90.40	64.05	96.52	9.28	-
3	Obra A	Actual	107.99	94.79	43.38	13.49	
-		Profit		-	53.14	-	
		Billing	625.76	655.78	811.24	835.74	603.12
4	Obra B	Actual	583.51	670.85	854.37	790.82	632.59
·	*	Profit	42.25			44.92	9
		Billing	368.21	201.47	265.35	119.21	-
5	Panki	Actual	389.20	226.36	347.80	172.68	
		Profit		-		-	-
		Billing	36.88	154.13	200.05	108.14	70.70
6	Harduaganj	Actual	71.58	213.34	203.04	95.88	75.76
	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	Profit		-	-	12.26	714.17 - 1,119.88 1,117.92 1.95 603.12 632.59 70.70 75.76 - 821.56 836.73 - 49.44 61.64 - 579.50 580.23 - 809.07 797.25 11.81 1,186.0 1,083.3 102.70 116.47
		Billing	955.88	925.84	1,006.58	1,025.09	821.56
7	Harduaganj Extn	Actual	1,115.48	1,066.99	1,057.31	978.16	836.73
•	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	Profit	-		-	46.93	
		Billing	121.54	287.97	175.35	96.75	49.44
8	Parichha	Actual	152.52	327.58	217.23	110.75	61.64
		Profit		-	M	-	-
		Billing	674.66	909.14	930.26	807.10	579.50
9	Parichha Extn	Actual	789.67	949.15	926.89	799.50	580.23
		Profit			3.37	7.60	
<del>-</del>		Billing	986.77	1,041.83	1,108.99	946.21	809.07
10	Parichha Extn Stage II	Actual	1,034.33	1,024.76	1,076.19	919.20	797.25
10		Profit		17.08	32.80	27.01	11.81
		Billing		-	727.30	834.03	1,186.00
11	Anpara D	Actual	_		639.93	811.74	1,083.30
	,,	Profit			87.37	22.29	102.70
	Grand Total (Prof		136.73	255.10	261.82	234.75	116.47
	Profit Share of UPPCL		27.35	51.02	52.36	46.95	23.29
F	Total Profit Share to Ul Y 2014-15 to FY 2018-19	PPCL for			200.97		

The petitioner requests the Hon'ble Commission to kindly consider the intimation of Profit Sharing with UPPCL as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 clause 6 (6).

Parichha: True-up Petition for PY 2014-15 to FY 2018-19

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2.5. Information for Prudence Check of Statutory Charges as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 Clause 25 (Iv)(C) for the period FY 2014-15 to FY 2018-19.

UPRVUNL wishes to submit Information <u>for</u> Prudence Check of Statutory Charges as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 clause 25(iv)(c); the same clause is reproduced below:

(iv) Operation and Maintenance expenses
a)
b)
c) The expenses on regulatory fee, payment to pollution control board, impact of
pay revision, capital spares, cost of water and water cess shall be paid additionally
nt actuals subject to prudence check. The details regarding the same shall be
urnished along with the petition.
,,,

The Tariff Order dated 18.01.2017, Clause- 11G is also reproduced below:

(G) Recovery of Statutory Charges and Tax on income etc.

In addition to the above tariff UPRVUNL is allowed to recover the payment of statutory charges like water cess, cost of water, payment to Pollution Control Board, rates and taxes, FBT and Regulatory Fee paid to the Commission and taxes on income etc., on production of details of actual payment made and duly supported with the certificate of the Statutory Auditors......"

As per Regulation Clause 25(iv)(c) and Tariff Order mentioned above, the UPRVUNL hereby summarized below in table statutory charges Billed by UPRVUNL and verified by UPPCL for the period FY 2014-15 to FY 2018-19.

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J. Swarr

, (इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०नि०लि० 14वां तल, शक्ति भवन विस्तार लखनऊ-226001 Summary of Statutory Charges Billed by UPRVUNL and Verified by UPPCL for the Period FY 2014-15 to FY 2018-19

Figures in Rs. Crore

					Unverified		
SNo	Bill No	Bill date	Billed by UPRVUNL	Verified by UPPCL	amount by UPPCL	Remarks	Annexure No
+	UNL/Statuary Charges/FY 2014-15	04-09-15	205.4758306	200.7131189	4.7627117	Amount of Rs. 4.7627117 Crore claimed later by UPRVUNL vide Bill No. UNL/Statuary Charges/Adj.2016 dated 23-05-16 and the same has been verified by the UPPCL	Invoice billed by UPRVUNL and verified by UPPCL are Enclosed herewith as <i>Annexure-3</i>
43						Amount of Rs. 425.7690779 has been claimed under the head MPRI & RD Tax, 6th pay Arrear and UP Forest Transit Fee. The	Invoice billed by UPRVUNL and verified by UPPCL are enclosed herewith as <i>Annexure-4</i>
						same amount has already been approved by the Hon'ble Commission vide its order dated	UPERC Order dated 29-04-2016
2	UNL/Statuary Charges/Adj.2016	23-05-16	425.7690779	425.7690779	<b>N</b>	29-04-2016 and the same amount has been verified by the UPPCL as well. The breakup	relevant pages are enclosed as Annexure-5
						or the same is as below. MPRI & RD Tax- Rs. 174.25 Crore,6th Pay Appear- Rs. 4.7627117 Crore &	
						UP Forest Transit Fee- Rs. 246.75 Crore	
							Invoice billed by UPRVUNL and
m	UNL/Statutory Charges/FY 2015-16	31-08-16	131.9533239	131.9533239	0		verified by UPPCL are Enclosed herewith as Annexure-6
						Amount of Rs. 0.0250050/- Crore on	Invoice billed by UPRVUNL and
						account of Pollution Cess of Parichha has	verified by UPPCL are Enclosed
	UNL/Statutory Charges/FY	000	240 4246206	222 046666	6 5750050	been verified by UPPCL vide Bill NO. IINI /Statutory Charges/FY 2016-17/01	nerewith as Amichare.
4	2016-17	31-08-17	240.4219709	220000000000000000000000000000000000000			
			,			payment of Income tax amounting Rs. 6 5500000/- Crore not verified by UPPCL	

Parichha: True-up Petition for FY 2014-15 to FY 2018-19

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(इं० अवीक्षित सिंह) अभियन्ता (वाणिज्य) उउप्रवरावविवरविनिव्

14वां तल, शक्ति भवन विस्तार

<u>ο</u>

S No	Bill No	Bill date	Billed by UPRVUNL	Verified by UPPCL	Unverified amount by	Remarks	Annexure No
					5		Invoice billed by UPRVUNL and
	UNL/Statutory Charges/FY	7	000000	0.000000	•		verified by UPPCL are enclosed
ம	2016-17/01	71-11-67	0.0320050	0.03500.0			herewith as Annexure-8
		-				Amount of Rs. 109.61 Crore and 8.6615311	Invoice billed by UPRVUNL and
							verified by UPPCL are enclosed
						341/UNL/CE(Comml.)/Statutory Charges	herewith as Annexure-9
						dated 08-05-2019. Further a supplementary	:
						invoice of Rs. 109.61 Crore raised to UPPCL	UPRVUNL letter no.
						for reimbursement of balance income tax	341/UNL/CE(Comml.)/Statutory
	UNL/Statutory Charges/FY	000	100 5244257	152 0571674	36.4772683	for FY 2016-17 within the limit of MAT vide	ed 08-05-2019
9	2017-18	18-00-SI	Toother oot	10-100-701		Bill No.UNL/Statutory Charges/FY 2016-	withdrawal amount of Rs.
					-	17/Income Tax dated 27-03-19.	109.61 Crore and 8.6615311
							crore is enclosed herewith as
						ton ac a stanced Crose has not	Annexure-10
						Amount of KS. 30.4/72003 Civile ites ited	
<u></u>						been veilled by or the or the control of the contro	
						HICOHIE I de tete managet of Income tax	Invoice billed by UPRVUNL and
						11	verified by UPPCL are Enclosed
r	UNL/Statutory Charges/FY	97-03-19	22 5064487	21.6766598	0.8297889	70077500	herewith as Annexure-11
	2014-15/Income Tax	7				Verified by Orrice	
							invoice billed by UPRVUNL and
	HMI /Statiston/ Charges/FY	1		20000			verified by UPPCL are Enclosed
00	2016-17/Income Tax	27-03-19	109.6100000	TOS. BIOGOGO			herewith as Annexure-12
							Invoice billed by UPRVUNL and
	LIMI /Statuton/Charges/FV			010000			verified by UPPCL are Enclosed
თ	2018-19	24-08-19	149.6094058	149.6034036			herewith as Annexure-13
	CT-0107						Invoice billed by UPRVUNL and
	UNL/Statutory Charges/FY						verified by UPPCL are Enclosed
10	2018-	15-10-19	17.9435926	5.6919217	12.2516709	been verified by UPPCL on account of	herewith as Annexure-14
	19//Supplementary/Income					Income Tax	
	1 1 1 ax 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	V 2014 15 +0	EV 2019-10				

Parichha: True-up Petition for FY 2014-15 to FY 2018-19

(इं० अवीक्षित सिंह)

- नुख्य अभियन्ता (वाणिज्य)
उ०प्र०रा०वि०उ०मि०ति०

In the view of the above, amount of Rs. 36.4772683 Crore and Rs. 12.2516709 Crore totalling Rs. 48.7289392 Crore has not been verified by the UPPCL on account of Income Tax head. The same amount has already been submitted by the UPRVUNL before the Hon'ble Commission vide its True-up Petition additional submission No. 1 dated 3<sup>rd</sup> January 2020. The Petitioner humbly requested to Hon'ble Commission to direct UPPCL for reimbursement the Income Tax amount paid by the UPRVUNL as actual.

Further, amount of Rs. 7.38 crore on account of Interest on income tax has also not verified by the UPPCL. It is therefore requested that the Hon'ble Commission may kindly direct to UPPCL to reimburse such interest on income tax incurred by the UPRVUNL owing to delay in the payments done by UPPCL.

The petitioner hereby requests the Hon'ble Commission to kindly consider this Information for Prudence Check of Statutory Charges as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 clause 25(iv)(c) and Tariff Order dated 18.01.1017, clause-11G.

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(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०नि०लि० 14वां तल, शक्ति भवन विस्तार लखनऊ-226001

### 3. Prayer

The Petitioner respectfully prays followings to the Hon'ble Commission:

- The Hon'ble Commission is requested to Accept this Petition for true-up of additional capitalization and associated tariff components for the financial year 2014-15 to 2018-19
- 2. The Hon'ble Commission is requested to Allow recovery of the additional claim generating out of the true up from the beneficiaries in line with the provision of the Regulations or in any manner that the Hon'ble Commission deems appropriate.
- 3. The Hon'ble Commission is requested to Permit recovery of expenses understated/ not considered in this Petition subsequent to the submission of this petition.
- 4. Hon'ble commission is requested to direct the UPPCL to reimburse the actual amount on account of Income Tax and Interest on Income Tax to UPRVUNL.
- Hon'ble commission is requested to direct the UPPCL to reimburse the UPSLDC and NRPC Charges to UPRVUNL.
- 6. The Hon'ble Commission is requested to Condone any inadvertent omissions / errors / short comings and permit the applicant to add /change /modify / alter this Petition and make further submissions as may be required at later stages
- 7. The Hon'ble Commission is requested to Pass such orders as Hon'ble Commission may deem fit and proper and necessary in the facts and circumstances of the case, to grant relief to the Petitioner.

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(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०नि०लि० 14वां तल, शक्ति भवन विस्तार लखनऊ-226001

### Office of Chief Engineer Commercial Unit



U.P. Rajya Vidyut Utpadan Nigam Ltd. 14<sup>th</sup> floor, Shakti Bhawan Extn. Lucknow-226001

Tel. No.- 0522-2288056/2287030 CIN:U40101UP1980SGC005065

E-mail: gm.commercial@uprvunl.org cecommercialunl@gmail.com

No. 202/UNL/CE(Comml.)/True-up (2014-19)/Parichha Ext

Date: 21, May-2021

The Secretary,
U.P. Electricity Regulatory Commission
Vibhuti Khand-II, Gomti Nagar
Lucknow-2260010

# <u>Subject:- Re-Submission of True-up Petition of 2x210 MW Parichha Ext Thermal Power</u> <u>Stations of UPRVUNL for FY 2014-15 to 2018-19.</u>

Dear Sir,

Kindly find enclosed herewith True-up Petition of 2x210 MW Parichha Ext Thermal Power Station of UPRVUNL for FY 2014-15 to 2018-19 in 06 copies (one original + 05 photocopies + 01 soft copy) as per UPERC (Terms and Conditions of Generation Tariff) Regulations-2014 in compliance of directive of Hon'ble Commission during hearing on dated 16.03.2021 on Petition No. 1520/2019 for True-up of various Thermal Power Stations of UPRVUNL for FY 2014-15 to 2018-19.

The True-up Petitions (2014-19) for various TPS of UPRVUNL were originally submitted to Hon'ble Commission vide this office single covering letter no. 816/UNL/CE(Comml.)/True-up (2014-19), dt. 25.10.2019 (copy attached), with station wise fees Rs One Lac per Station and total Rs Eleven Lacs for 11 Stations in form of Bankers Cheque (No. 557569 dt. 25.10.2019, State Bank of India) in favour of Secretary, UPERC, payable at Lucknow as per Part-D, Sl. No. 13 of Addendum to "Schedule of Fee" of Amendment-I dated 11.12.2018 of UPERC (Fee & Fines) Regulation-2010 and U.P. Govt. Gudget Notification dartd 21.01.2019.

Submitted for kind consideration of the Hon'ble Commission. Encl: As above.

Yours Sincerely,

(Avikshit Singh) Chief Engineer(Commecial)

No. 7UNL/CE(Comml.)/True up (2014-19)/Parichha Ext Copy to the following respondents for their kind information:-

Date:2 / May-2021

- 1. M.D., U.P. Power Corporation Ltd., 7th floor, Shakti Bhawan, 14 Ashok Marg, Lucknow.
- 2. M.D., Madyanchal Vidyut Vitran Nigam Ltd., P.N. Road, Gokhale Marg, Lucknow.
- 3. M.D., Poorvaranchal Vidyut Vitran Nigam Ltd., 132 KV S/S Bhikhari Vidyut Nagar, Varanasi.
- M.D., Pashimanchal Vidyut Vitran Nigam Ltd., Victoria Park, Meerut.

### Office of Chief Engineer Commercial Unit



U.P. Rajya Vidyut Utpadan Nigam Ltd. 14<sup>th</sup> floor, Shakti Bhawan Extn. Lucknow-226001

Tel. No.- 0522-2288056/2287030 CIN: U40101UP1980SGC005065

E-mail: gm.commercial@uprvunl.org cecommercialunl@gmail.com

- 5. M.D., Dakshinanchal Vidyut Vitran Nigam Ltd., Vidyut Bhawan, Gailana Road, Agra.
- 6. M.D., Kanpur Electric Supply Co. Ltd., KESA House, Kanpur.
- 7. Chief Executive Officer, Noida Power Company Ltd., H-Block, Alpha-II Sector, Gr Noida.
- 8. Chief Engineer (PPA), UPPCL, 14th floor, Shakti Bhawan Ext, Lucknow alongwith enlosures

No. 202/UNL/CE(Comml.)/True up (2014-19)/Parichha Ext

Date: 2/ May-2021

Copy to the followings for their kind information:-

- 1. PS to Managing Director, UPRVUNL, 7th floor, Shakti Bhawan, 14 Ashok Marg, Lucknow.
- 2. Director (Project & Commercial), UPRVUNL, 8th floor, Shakti Bhawan Ext, Lucknow.
- 3. Director (Technical), UPRVUNL, 8th floor, Shakti Bhawan Ext, Lucknow.
- 4. Director (Finance), UPRVUNL, 8th floor, Shakti Bhawan Ext, Lucknow alongwith enlosures.

(Avikshit Singh)
Chief Engineer(Commercial)

# PARICHHA EXTENSION THERMAL POWER STATION

# TRUE UP PETITION

FOR

FY 2014-15 to FY 2018-15



UP RAJYA VIDYUT UTPADAN NIGAM LITD

AE (com!)

As

SE (Com)

(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य)

उ०प्र०रा०वि०उ०नि०लि० 14वां तल, शवित भवन विस्तार लखनऊ-226001

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Sounded) At

(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०नि०ति० 14वां तल, शक्ति भवन विस्तार लखनऊ-226001

At

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Annexure-15	UPRVUNL Audited Accounts for the period FY 2014-15 to FY 2018-19 (Soft Copy Attached)	
Annexure-16	Cost Audited Report for the period FY 2014-15 to FY 2018-19 (Soft Copy Attached)	-

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(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०नि०ति० 14वां तल, शक्ति भवन विस्तार लखनऊ-226001

### FORM-1

# (See Regulation 30) BEFORE THE HON'BLE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION, GOMTI NAGAR, LUCKNOW

Receipt Register No.:
Petition No.:
IN THE MATTER OF
PARICHHA EXTENSION TPS PETITION FOR DETERMINATION OF FINAL TRUE-UP OF FY 2014-15, FY 2015-16, FY 2016-17, FY 2017-18 and FY 2018-19.
AND
IN THE MATTER OF
UTTAR PRADESH RAJYA VIDYUT UTPADAN NIGAM LIMITED (UPRVUNL), SHAKTI BHAWAN, 14-ASHOK MARG, LUCKNOW.
V/s
UTTAR PRADESH POWER CORPORATION LIMITED (UPPCL), SHAKTI BHAWAN, 14-ASHOK MARG, LUCKNOW.
MADHYANCHAL VIDYUT VITRAN NIGAM LTD. PN ROAD, LUCKNOW.
POORVANCHAL VIDYUT VITRAN NIGAM LTD. 132 KV S/S BHIKARI VIDYUT NAGAR, VARANASI

RESPONDENTS

KANPUR ELECTRICITY SUPPLY CO. LTD. KESA HOUSE, KANPUR

PASCHIMANCHAL VIDYUT VITRAN NIGAM LTD.

DAKSHINACHAL VIDYUT VITRAN NIGAM LTD.

NOIDA POWER CO. LTD.
COMMERCIAL COMPLEX, H BLOCK, ALPHA-II SECTOR
GREATER NOIDA CITY

Sir Engen

(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०निऽति० 14वां तल, शक्ति भवन विस्तार लखनऊ-226001

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VICTORIA PARK, MEERUT

GALINA ROAD AGRA.



उत्तर प्रदेश UTTAR PRADESH

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AFFIDAVIT

I, Avikshit Singh, Son of Late Dr. Chandra Pal Singh aged about 59 years, office of Commercial Unit, 14th Floor, Shakti Bhawan Extn., 14 Ashok Marg, Lucknow, do hereby solemnly affirm and state as under:

- I say that I am Chief Engineer, Commercial Unit, UPRVUNL, the Applicant in the matter and am duly authorized by the said Applicant to swear the present Parichha Extension TPS True-up Petition for the period FY 2014-15 to FY 2018-19.
- 2. I say that I have read the contents of the True-up Petition and I have understood the same.
- 3. That the contents attached herewith filed by the Applicant on behalf of UPRVUNL are based on the information available with the Applicant in the normal course of business and believed by me to be true.
- I say that the Text, Appendixes and Annexures to the submissions are true and correct copies of their original.

VERIFICATION

DEPONENT (इं॰ अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) ড০प्र०रा०वि॰उ०नि॰लि॰

I, the deponent above named, do hereby verify the contents of the above affidavit to be true to the best of my knowledge, no part of it is false and nothing material has been concealed therefrom.

Verified at Luckroffedhe\_\_\_\_\_

.2021

DEPONENT (इ॰ अविक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्रठराजविज्उजनिक्तिक 14वां तल, शक्ति भवन विस्तार

लखनऊ-226001

AGV. & FOTAICA NO 31/64/2000

### 1. Parichha Extension TPS

As per direction of Hon'ble Commission on date 16.03.2021 during hearing on Petition No. 1520/2019 for True-up of various Thermal Power Stations of UPRVUNL for FY 2014-15 to 2018-19 to re-submit the True-up Petitions Station wise with separate covering letter, this section presents the final true-up for FY 2014-15 to FY 2018-19 in respect of Parichha Extension Thermal Power Station.

The audited accounts of UPRVUNL for the period FY 2014-15 to FY 2018-19 and Cost Audit Report for the period FY 2014-15 to FY 2018-19 have already been submitted in hard copy with Petition No. 1520/2019 on date 25.10.2019 in the Commission. However, soft copy of the audited accounts of UPRVUNL and Cost Audit Report for the period FY 2014-15 to FY 2018-19 is attached in soft copy with this Petition.

### 1.1. Annual Capacity Charges

As per tariff regulations the annual capacity (fixed) charges consist of

- a) Interest on Loan Capital
- b) Depreciation including Advance against Depreciation
- c) Return on Equity
- d) Operation and maintenance expenses including insurance
- e) Interest on Working Capital
- f) Special Allowance

This section provides the description of the approved capacity charges Vs allowable capacity charges for FY 2014-15 to FY 2018-19 based on financial statements of the UPRVUNL.

### 1.2. Gross Fixed Assets

The Petitioner submits that it has considered the opening balance of gross fixed assets for the financial year 2014-15 from the MYT Order issued by the Hon'ble Commission on 29th April 2016 and review order dated 18th January 2017. The Petitioner submits that there have been additional capitalisation to the tune of Rs 103.91 Crores spread across the Control period and the details of such capitalization have been shown in the specific formats annexed to this petition.

Accordingly the following table depicts the approved gross fixed asset balance vis-à-vis actual gross fixed asset balance for FY 2014-15 to FY 2018-19:

Table: Gross Fixed Asset Balance of 'Parichha Extension'

Figures in Rs Crore

								200	The state of the s	
	2014	1-15	201	5-16	2010	6-17	201	7-18	201	3-19
Particulars	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual
Opening GFA	1,758.35	1,758.35	1,758.35	1,758.51	1,758.35	1,783.33	1,758.35	1,780.26	1,758.35	1,781.42
Capitalisation	· · · · · · ·	0.15	- 2	24.82	- T	3.52		1.15		67.71
Deletions	-	7.				5.59	*		= N/A /	in said
Closing GFA	1,758.35	1,758.51	1,758.35	1,783.33	1,758.35	1,780.26	1,758.35	1,781.42	1,758.35	1,849.12

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(इं० अवीक्षित ।सह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०नि०ति०

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14वां तल, शक्ति भवन विस्तार लखनऊ-226001

### 1.3. Means of Finance

The Hon'ble Commission in its order dated 29<sup>th</sup> April 2016 and review order dated 18th January 2017 had prescribed a normative approach of financing of the capital expenditure in the ratio of 70% debt and 30% equity in line with the Tariff Regulations. Further the allowable depreciation had been considered as normative loan repayment.

In order to maintain consistency in approach, the Petitioner has considered the aforementioned philosophy and calculated the normative debt and normative equity. The opening values of accumulated depreciation, normative loan and normative equity as on 1.4.2014 has been adopted from the approved values in the order dated 29th April 2016 and review order dated 18th January 2017. Accordingly, the gross fixed asset balance, the net fixed asset balance and its financing is presented in the table below:

Table: Calculation of GFA, NFA and its financing - Parichha Extension

Figures in Rs Crore

				rigures in	ns civie
Parichha Extn Power Station	2014-15	2015-16	2016-17	2017-18	2018-19
			True up		
Opening GFA	1,758.35	1,758.51	1,783.33	1,780.26	1,781.42
Additions	0.15	24.82	3.52	1.15	67.71
Deletions	•	- W 45540	6.59		
Closing GFA	1,758.51	1,783.33	1,780.26	1,781.42	1,849.12
Closing Net FA	1,211.32	1,137.77	1,035.50	937.53	904,95
Financing:	83° IA	( domino do de la composição de la compo			
Opening Equity	357.76	357.81	365.25	364.33	364.68
Additions	0.05	7.45	1.06	0.35	20.31
Deletion	-	-	1.98	S 141 W	WW 77 2
Closing Equity	357.81	365.25	364.33	364.68	384.99
Open. Accumulated Depreciation	449.54	547.19	645.56	744.77	843.89
Depreciation during the year	97.65	98.38	99.21	99.12	100.28
Closing Accumulated Depreciation	547.19	645.56	744.77	843.89	944.17
Opening Debts	951.06	853.52	772.52	675.78	577.47
Additions	0.11	17.37	2.47	0.81	47.40
Less: Depreciation (normative repayment)	97.65	98.38	99.21	99.12	100.28
Closing Debts	853.52	772.52	675.78	577.47	524.58

### 1.4. Depreciation

The Petitioner submits that the depreciation as per accounts is calculated as per the prescription of Schedule XIV of the Companies Act, 1956 which is depicted in the accounting policies annexed with the audited accounts. However, the Tariff Regulations prescribe that the eligible depreciation shall be calculated annually, based on straight line method over the useful life of the asset and the rates

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prescribed in Appendix II of such regulations. It is noteworthy of mentioning that the Appendix II prescribes distinct depreciation rates for each class of assets.

The Petitioner has provided the asset class wise list of gross fixed assets in Form 11 of the tariff formats submitted along with this petition. Accordingly, the Petitioner has calculated the eligible depreciation based on the rates prescribed in the tariff regulations.

The allowable depreciation is depicted in the table below:

Table: Allowable Depreciation - Parichha Extension

						ŀ	igures in Rs	Crore		
NI W MAI E	2014		2015	-16	2016	-17	2017	-18	2018	-19
Particulars	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual
Degreciation	97.64	97.65	97.64	98.38	97.64	99.21	97.64	99 12	97.64	100.28

### 1.5. Interest on Loan

As discussed above, the Hon'ble Commission in its order dated 29th April 2016 and review order dated 18th January 2017 had prescribed a normative approach of financing of the capital expenditure in the ratio of 70% debt and 30% equity in line with the Tariff Regulations. Further the allowable depreciation has been considered as normative loan repayment. The weighted average interest on loan capital was worked out at 10.90%.

The total capitalisation for FY 2014-15 to FY 2018-19 is depicted below in table. 70% of the same been considered to be funded through debt. Considering the debt worked out as above and applying the rate of 10.90%, the interest on loan capital has been worked out in the table below:

Table: Allowable Interest on Loan-Parichha Extension

Figures in Rs Crore 2014-15 2015-16 2016-17 2017-18 2018-19 Particulars Approved Actual Approved Actual Approved Actual Approved Actual Approved Actual Opening 951.06 951.06 853.42 853.52 755.78 772.52 658.14 675.78 560.50 577.47 Debts 0.11 17.37 2.47 0.81 Additions 47.40 Less: 97.64 97.65 97.64 98.38 97.64 Normative 99.21 97.64 99.12 97.64 100.28 repayment Closing 853.52 853.42 755.78 772.52 658.14 675.78 560.50 577.47 462.86 524.58 Debts Average 902.24 902.29 804.60 813.02 706.96 724.15 609.32 626.62 511.68 551.02 Debt Interest 81.74 98.35 72.90 88.62 64.05 78.93 55.20 68.30 46.36 60.06 on Loan

### 1.6. Return on Equity

dated 29th April 2016 and review order dated 18th January 2017. Considering that 30% of the capital The opening equity base of Rs. 241.39 crore as on 1.4.2014 has been adopted from the Tariff order

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expenditure funded by equity has been considered. The Tariff Regulations-2014 prescribe that return on equity would be allowed at the rate of 15.50%.

However, it is brought to the attention of the Hon'ble Commission that based on the Government Order dated 31stJuly 2017 and subsequent adoption of the same by Board of Directors on 9thApril 2018 of the Petitioner, the Petitioner has billed the RoE at 2% for FY 2017-18 and 2018-19 and rest of 13.5% has been foregone to take its advantage in Merit Order Despatch (MOD) schedule as per Hon'ble Commission Order dated 21.06.2016 against Petition No. 1070/2015. Therefore, RoE component would be adjusted by UPRVUNL with beneficiary only 2%. But it is requested to Hon'ble Commission to approve the Capacity Charge with RoE @ 15.5%.

Accordingly, the approved return on equity and the trued up figures have been furnished in the table below:

Table: Allowable Return on Equity - Parichha Extension

Figures in Rs Crore

							33			
P	2014	-15	2015	-16	2016	-17	2017	-18	2018	-19
Particulars	Approved	Actual								
Opening Equity	357.76	357.76	357.76	357.81	357.76	365.25	357.76	364.33	357.76	364.68
Additions	8	0.05	H	7.45	27	1.06	540	0.35	-	20.31
Deletion		181		(+)	. н	1.98	· ·	+	¥	¥
Closing Equity	357.76	357.81	357.76	365.25	357.76	364.33	357.76	364.68	357.76	384.99
Average	357.76	357.78	357.76	361.53	357.76	364.79	357.76	364.51	357.76	374.83
Rate of Return on Equity (%)	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%
Allowable RoE	55.45	55.46	55.45	56.04	55.45	56.54	55.45	56.50	55.45	58.10

### 1.7. Operation and Maintenance Expenses

The tariff regulations prescribe that only capital expenditure would be eligible for truing up. The regulations do not provide for truing up in respect of O&M expenses and also provides relaxed operating norms considering of vintage of certain generating stations like Obra A, Obra B, Panki, Harduagani and Parichha.

Regulation 21(iv) of the UPERC Generation Regulations, 2014 deals with the allowance of O&M expenses. The Hon'ble Commission in the generation tariff regulations - Para 25 (iv) (a) have prescribed the yearly O&M expenses for the control period FY 2014-15 to FY 2018-19 based upon the Installed Capacity for the thermal power stations.

Accordingly, based on the above stated norms, the O&M expenses as allowed through the MYT Order dated 29 April 2016 read with Review Order dated 18 January 2017 for the power station for the Control period is depicted in the table below:

Table: Allowable Operation and Maintenance Expenses - Parichha Extension

Figures in Rs Crore

ne di cilere	2014-	15	2015-	16	2016-	17	2017-	18	2018-19	
Particulars	Approved	Claim	Approved	Claim	Approved	Claim	Approved	Claim	Approved	Claim
O&M Expenses	100.38	100.38	106.68	106.68	113.40	113.40	120.54	120.54	128.14	128.14
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Parichha Extension: True-up Petition for FY 2014-15 to FY 2018-19

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### 1.8. Interest on Working Capital

The tariff regulations do not prescribe any variation to be allowed in true-up in respect of interest on working capital. Clause (a) and (d) of provision (v) of Regulation 25 of the UPERC Generation Tariff Regulations 2014 prescribe payment of Interest on Working Capital on a normative basis. Para 25 (v) of the UPERC Generation Tariff Regulations 2014 prescribe the following normative parameters for determination of normative working capital for coal based generating stations:

- Cost of coal for 15 days for pit-head generating stations and 30 days for non-pit-head generating stations for generation corresponding to the normative annual plant availability factor or the maximum coal stock storage capacity whichever is lower
- Cost of coal for 30 days for generation corresponding to the target availability
- Cost of secondary fuel oil for two months corresponding to the target availability and in case
  of use of more than one secondary fuel oil, cost of fuel oil stock for the main secondary fuel
  oil:
- Operation and Maintenance expenses for one month;
- Maintenance spares @ 20% of operation and maintenance expenses; and
- Receivables equivalent to two months of capacity charges and energy charges for sale of electricity calculated on the target availability.

Based on the above premise, the allowable Interest on Working capital as worked out by the Hon'ble Commission in its order dated 29 April 2016 read with Review Order dated 18 January 2017 for the generating station has been reproduced below:

Table: Allowable Interest on Working Capital - Parichha Extension

Figures in Rs Crore

Parichha Extension Power Station	2014-15	2015-16	2016-17	2017-18	2018-19
Interest on Working Capital	53.45	53.73	53.85	54.09	54.36

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### 1.9. Summary of the true-up claimed for FY 2014-15 to FY 2018-19

Based on the foregoing discussions, the following table summarizes the truing-up computations of Parichha Extension for the financial years 2014-15 to FY 2018-19 for approval by the Hon'ble Commission.

Table: True-up Summary for FY 2014-15 to FY 2018-19 - Parichha Extension

Figures in Rs Crore

					V7			1 Igui	C3 111 113 61	Ore
Deutlauleur	2014-15		201	2015-16		2016-17		2017-18		8-19
Particulars	Order	Actual	Order	Actual	Order	Actual	Order	Actual	Order	Actual
Depreciation	97.64	97.65	97.64	98.38	97.64	99.21	97.64	99.12	97.64	100.28
Interest on Long Term Loans	81.74	98.35	72.90	88.62	64.05	78.93	55.20	68.30	46.36	60.06
Return on Equity	55.45	55.46	55.45	56.04	55.45	56.54	55.45	56.50	55.45	58.10
IoWC	53.45	53.45	53.73	53.73	53.85	53.85	54.09	54.09	54.36	54.36
O&M	100.38	100.38	106.68	106.68	113.40	113.40	120.54	120.54	128.14	128.14
Special Allowance	-	<u> </u>	No.	C KW & X X	-	2	1941	<u> </u>	-	77
Total	388.66	405.28	386.40	403.44	384.39	401.93	382.92	398.55	381.95	400.95
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### Other Related Issues

### 2.1. Reimbursement of Actual Income Tax

It is submitted that UPRVUNL had paid Income Tax amounting to Rs. 192.65 Crore for FY 2016-17, 35.34 Crore for FY 2017-18 and 36.34 Crore for FY 2018-19. The said payments are duly reflected in the ITR (Attached as Annexure-1) of the above years. These taxes arise on account of the revenues accrued to the Petitioner from the invoices raised to UPPCL. Such invoices were based on the UPERC Tariff order on dated 29<sup>th</sup> April 2016 & 18<sup>th</sup> January 2017. Accordingly, the bills were raised by UPRVUNL seeking reimbursement of the Statutory charges including Income Tax in line with Clause-11G of Tariff order dated 18<sup>th</sup> January 2017 which provides as below:

"1.98 The Commission found the prayer reasonable and decided that the following shall be added in clause "11" of UPRVUNL's Tariff Order dated 29.04.2016;:

(G) Recovery of Statutory Charges and Tax on income etc.

In addition to the above tariff UPRVUNL is allowed to recover the payment of statutory charges like water cess, cost of water, payment to Pollution Control Board, rates and taxes, FBT and Regulatory Fee paid to the Commission and taxes on income etc., on production of details of actual payment made and duly supported with the certificate of the Statutory Auditors......"

In response to the claims of Petitioner, UPPCL has verified Income Tax amount of Rs. 169.61 crore for FY 2016-17, Rs. 21.75 crore for FY 2017-18 and Rs. 24.09 crore for FY 2018-19. Total gap between amount claimed by UPRVUNL and verified by UPPCL is tune to Rs. 48.73 crore. Since UPRVUNL had already made payments to the income tax authorities for FY 2016-17, FY 2017-18 and FY 2018-19 based on the methodology of Annual Fixed Charges as approved by Hon'ble Commission, UPPCL ought to reimburse the tax amount in actuals. Non reimbursement of actual tax by UPPCL will be in violation of order dated 18.01.2017 Clause-11G and will also cause serious financial injury to Petitioner. Therefore, Hon'ble Commission is request to direct UPPCL for reimbursement the Tax amount in actual paid by UPRVUNL.

### 2.2. Reimbursement of UPSLDC & NRPC Fee

It is submitted that UPRVUNL has paid UPSLDC & NRPC fees towards annual charges during past years. However, the same has never been claimed by the UPRVUNL due to non provision in the Tariff Order for claiming the UPSLDC and NRPC charges.

Therefore, Hon'ble Commission is requested to grant for reimbursement of the UPSLDC and NRPC fees paid in actual by UPRVUNL.

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### 2.3. Interest on Income Tax

The Tariff Regulations issued by the Commission provides that tax on the income streams of the generating company from its core business shall be computed as an expense and shall be permitted to be recovered from the beneficiaries. It is submitted that huge amount is outstanding on the part of UPPCL and UPRVUNL is not getting its money for timely payments for essential spares, works & Coal payments timely. Such delay affects the capacity of UPRVUNL to make timely payments to statutory authorities in the form of tax etc. Non-payment of taxes to the authorities incurs levy of interest charges on such dues to the authorities. But UPPCL is not paying interest on Income Tax.

UPRVUNL has in past also paid interest on Income Tax due to such delay caused by untimely payments from UPPCL. It is therefore requested that the Commission may kindly direct UPPCL to reimburse such interest on Income Tax incurred by UPRVUNL owing to the delay in payments done by UPPCL.

2.4. Intimation of Profit sharing with UPPCL as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 Clause 6 (6).

UPRVUNL wishes to intimate the Hon'ble Commission that it has shared its profits with UPPCL in accordance to the profit-sharing mechanism specified as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 clause 6 (6); the same is reproduced below:

"(6) The financial gains by a generating company on account of controllable parameters shall be shared between generating company and the beneficiaries. The financial gains computed as per following formulae in case of generating station on account of operational parameters contained in Clause (4) (a) to (c)above shall be shared in the ratio of 80:20 between generating company and the beneficiaries:

Net  $Gain = (ECRN-ECRA) \times Scheduled Generation$ Where,

ECRN – Normative Energy Charge Rate computed on the basis of norms specified/approved for Gross Station Heat Rate, Auxiliary Consumption and Secondary Fuel Oil Consumption.

ECRA – Actual Energy Charge Rate computed on the basis of actual Gross Station Heat Rate, Auxiliary Consumption and Secondary Fuel Oil Consumption for the month.

Provided that in case of financial gains on account of parameters contained in Clause (4)(d) above shall be shared in accordance with Clause (i) (e) of Regulation 25& Regulation 44 of these regulations."

UPRVUNL had prepared a 'Profit Centre Analysis' for the period FY 2014-15 to FY 2018-19, based on the Audited Accounts (Annexed as Annexure-2). A copy of the same was shared with UPPCL. On the basis of the 'Profit Centre Analysis', UPPCL computed the profit-sharing amount of Rs. 200.97 Crore and UPPCL deducted the profit-sharing amount from the running bills raised by UPRVUNL for 2014-15 to 2017-18 while UPRVUNL shared Profit Sharing for FY 2018-19 with a Bill (Copy attached).

The profit shaped between UPRVUNL and UPPCL for Rs. 200.97 Crore is summarized as follows:

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Parichha Extension: True up Petition for FY 2014-15 to FY 2018-19

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### Summary of Profit Sharing for the Period FY 2014-15 to FY 2018-19

Figures in Rs. Crore

S No	TPS Name		2014-15	2015-16	2016-17	2017-18	2018-19
		Billing	640.82	743.12	751.42	670.16	693.81
1	Anpara A	Actual	679.77	715.70	748.30	705.41	714.17
		Profit		27.42	3.12		-
		Billing	932.63	1,380.53	1,462.11	1,124.42	1,119.88
2	Anpara B	Actual	838.15	1,169.93	1,380.09	1,050.68	1,117.92
		Profit	94.48	210.60	82.02	73.74	1.95
5/20/4 RAS	I I I'm Yazarina Manail 1916—19	Billing	90.40	64.05	96.52	9.28	
3	Obra A	Actual	107.99	94.79	43.38	13.49	
		Profit	-	20	53.14	-	3
		Billing	625.76	655.78	811.24	835.74	603.12
4	Obra B	Actual	583.51	670.85	854.37	790.82	632.59
		Profit	42.25	12	-	44.92	
***		Billing	368.21	201.47	265.35	119.21	177
5	Panki	Actual	389.20	226.36	347.80	172.68	
		Profit	-	-	-	2 000	
	Harduaganj	Billing	36.88	154.13	200.05	108.14	70.70
6		Actual	71.58	213.34	203.04	95.88	75.76
		Profit		-	-	12.26	-
		Billing	955.88	925.84	1,006.58	1,025.09	821.56
7	Harduaganj Extn	Actual	1,115.48	1,066.99	1,057.31	978.16	836.73
		Profit		4 4	TOH-15	46.93	
		Billing	121.54	287.97	175.35	96.75	49.44
8	Parichha	Actual	152.52	327.58	217.23	110.75	61.64
		Profit			-		-
		Billing	674.66	909.14	930.26	807.10	579.50
9	Parichha Extn	Actual	789.67	949.15	926.89	799.50	580.23
		Profit	-		3.37	7.60	
	M.	Billing	986.77	1,041.83	1,108.99	946.21	809.07
10	Parichha Extn Stage II	Actual	1,034.33	1,024.76	1,076.19	919.20	797.25
		Profit		17.08	32,80	27.01	11.81
11	Anpara D	Billing	-	-	727.30	834.03	1,186.00
		Actual	:48		639.93	811.74	1,083.30
		Profit	(2)	- 1000	87.37	22.29	102.70
	Grand Total (Profi	t)	136.73	255.10	261.82	234.75	116.47
104 104 94	Profit Share of UPPCL@	920%	27.35	51.02	52.36	46.95	23.29
	Total Profit Share to UP 2014-15 to FY 2018-19 (		*6		200.97		

The petitioner requests the Hon'ble Commission to kindly consider the intimation of Profit Sharing with UPPCL as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 clause 6 (6).

Parichha Extension: True-up Petition for FY 2014-15 to FY 2018-19

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2.5. Information for Prudence Check of Statutory Charges as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 Clause 25 (Iv)(C) for the period FY 2014-15 to FY 2018-19.

UPRVUNL wishes to submit Information <u>for</u> Prudence Check of Statutory Charges as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 clause 25(iv)(c); the same clause is reproduced below:

"(iv) Operation and Maintenance expenses
(a)
(b)
(c) The expenses on regulatory fee, payment to pollution control board, impact o
pay revision, capital spares, cost of water and water cess shall be paid additionally
at actuals subject to prudence check. The details regarding the same shall be
furnished along with the petition.
"

The Tariff Order dated 18.01.2017, Clause- 11G is also reproduced below:

(G) Recovery of Statutory Charges and Tax on income etc.

As per Regulation Clause 25(iv)(c) and Tariff Order mentioned above, the UPRVUNL hereby summarized below in table statutory charges Billed by UPRVUNL and verified by UPPCL for the period FY 2014-15 to FY 2018-19.

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# Summary of Statutory Charges Billed by UPRVUNL and Verified by UPPCL for the Period FY 2014-15 to FY 2018-19

Figures in Rs. Crore

			Televisia Va Va		
rigures in Rs. Crore	Annexure No	Invoice billed by UPRVUNL and verified by UPPCL are Enclosed herewith as <b>Annexure-3</b>	Invoice billed by UPRVUNL and verified by UPPCL are enclosed herewith as Annexure-4 UPERC Order dated 29-04-2016 relevant pages are enclosed as Annexure-5	Invoice billed by UPRVUNL and verified by UPPCL are Enclosed herewith as Annexure-6	Invoice billed by UPRVUNL and verified by UPPCL are Enclosed herewith as <i>Annexure-7</i>
	Remarks	Amount of Rs. 4.7627117 Crore claimed later by UPRVUNL vide Bill No. UNL/Statuary Charges/Adj.2016 dated 23-05-16 and the same has been verified by the UPPCL	Amount of Rs. 425.7690779 has been claimed under the head MPRI & RD Tax, 6th pay Arrear and UP Forest Transit Fee. The same amount has already been approved by the Hon'ble Commission vide its order dated 29-04-2016 and the same amount has been verified by the UPPCL as well. The breakup of the same is as below: MPRI & RD Tax- Rs. 174.25 Crore,6th Pay Appear- Rs. 4.7627117 Crore & UP Forest Transit Fee- Rs. 246.75 Crore		Amount of Rs. 0.0250050/- Crore on account of Pollution Cess of Parichha has been verified by UPPCL vide Bill No. UNL/Statutory Charges/FY 2016-17/01 dated 29-11-17, Further Interest due to late payment of Income tax amounting Rs. 6.5500000/- Crore not verified by UPPCL
	Unverified amount by UPPCL	4.7627117	ā	(4)	6.5750050
	Verified by UPPCL	200.7131189	425.7690779	131,9533239	233.8466656
	Billed by UPRVUNL	205.4758306	425.7690779	131,9533239	240,4216706
	Bill date	04-09-15	23-05-16	31-08-16	31-08-17
	Bill No	UNL/Statuary Charges/FY 2014-15	UNL/Statuary Charges/Adj.2016	UNL/Statutory Charges/FY 2015-16	UNL/Statutory Charges/FY 2016-17
	S No	0 1	2	m	4
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Parichha Extension: True-up Petition for FY 2014-15 to FY 2018-19

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SNo	Bill No	Bill date	Billed by UPRVUNL	Verified by UPPCL	Unverified amount by UPPCI.	Remarks	Annexure No
ro	UNL/Statutory Charges/FY 2016-17/01	29-11-17	0.0320050	0.0320050	£.		Invoice billed by UPRVUNL and verified by UPPCL are enclosed herewith as Annexure-8
9	UNL/Statutory Charges/FY 2017-18	18-08-18	188.5344357	152.0571674	36.4772683	Amount of Rs. 109.61 Crore and 8.6615311 crore withdrawn by UPRVUNL vide letter no. 341/UNL/CE(Comml.)/Statutory Charges dated 08-05-2019. Further a supplementary invoice of Rs. 109.61 Crore raised to UPPCL for reimbursement of balance income tax for FY 2016-17 within the limit of MAT vide Bill No.UNL/Statutory Charges/FY 2016-17/Income Tax dated 27-03-19. Amount of Rs. 36.4772683 Crore has not been verified by UPPCL on account of Income Tax	Invoice billed by UPRVUNL and verified by UPPCL are enclosed herewith as <i>Annexure-9</i> UPRVUNL letter no. 341/UNL/CE(Comml.)/Statutory Charges dated 08-05-2019 for withdrawal amount of Rs. 109.61 Crore and 8.6615311 crore is enclosed herewith as <i>Annexure-10</i>
7	UNL/Statutory Charges/FY 2014-15/Income Tax	27-03-19	22.5064487	21.6766598	0.8297889	Interest due to late payment of Income tax amounting Rs. 0.8297889/- crore not verified by UPPCL	Invoice billed by UPRVUNL and verified by UPPCL are Enclosed herewith as Annexure-11
100	UNL/Statutory Charges/FY 2016-17/Income Tax	27-03-19	109.6100000	109.6100000	ì		Invoice billed by UPRVUNL and verified by UPPCL are Enclosed herewith as Annexure-12
o	UNL/Statutory Charges/FY 2018-19	24-08-19	149.6094058	149.6094058			Invoice billed by UPRVUNL and verified by UPPCL are Enclosed herewith as Annexure-13
10	UNL/Statutory Charges/FY 2018- 19//Supplementary/Income Tax	15-10-19	17.9435926	5,6919217	12.2516709	Amount of Rs. 12,2516709 Crore has not been verified by UPPCL on account of Income Tax	Invoice billed by UPRVUNL and verified by UPPCL are Enclosed herewith as Annexure-14

(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्रव्याविवस्तविविद्या

In the view of the above, amount of Rs. 36.4772683 Crore and Rs. 12.2516709 Crore totalling Rs. 48.7289392 Crore has not been verified by the UPPCL on account of Income Tax head. The same amount has already been submitted by the UPRVUNL before the Hon'ble Commission vide its True-up Petition additional submission No. 1 dated 3<sup>rd</sup> January 2020. The Petitioner humbly requested to Hon'ble Commission to direct UPPCL for reimbursement the Income Tax amount paid by the UPRVUNL as actual.

Further, amount of Rs. 7.38 crore on account of Interest on income tax has also not verified by the UPPCL. It is therefore requested that the Hon'ble Commission may kindly direct to UPPCL to reimburse such interest on income tax incurred by the UPRVUNL owing to delay in the payments done by UPPCL.

The petitioner hereby requests the Hon'ble Commission to kindly consider this Information for Prudence Check of Statutory Charges as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 clause 25(iv)(c) and Tariff Order dated 18.01.1017, clause-11G.

Soundary 1/2

- Suyona,

(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उठप्रठराठविठउठनिठलिठ 14वां तल, शक्ति भवन विस्तार लखनऊ-226001

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### Prayer

The Petitioner respectfully prays followings to the Hon'ble Commission:

- The Hon'ble Commission is requested to Accept this Petition for true-up of additional capitalization and associated tariff components for the financial year 2014-15 to 2018-19
- The Hon'ble Commission is requested to Allow recovery of the additional claim generating out of the true up from the beneficiaries in line with the provision of the Regulations or in any manner that the Hon'ble Commission deems appropriate.
- The Hon'ble Commission is requested to Permit recovery of expenses understated/ not considered in this Petition subsequent to the submission of this petition.
- Hon'ble commission is requested to direct the UPPCL to reimburse the actual amount on account of Income Tax and Interest on Income Tax to UPRVUNL.
- Hon'ble commission is requested to direct the UPPCL to reimburse the UPSLDC and NRPC Charges to UPRVUNL.
- 6. The Hon'ble Commission is requested to Condone any inadvertent omissions / errors / short comings and permit the applicant to add /change /modify / alter this Petition and make further submissions as may be required at later stages
- The Hon'ble Commission is requested to Pass such orders as Hon'ble Commission may deem fit and proper and necessary in the facts and circumstances of the case, to grant relief to the Petitioner.

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Si. Suyou,

(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०नि०लि० 14वां तल, शक्ति भवन विस्तार लखनऊ-226001

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### Office of Chief Engineer Commercial Unit



U.P. Rajya Vidyut Utpadan Nigam Ltd. 14<sup>th</sup> floor, Shakti Bhawan Extn. Lucknow-226001

Tel. No.- 0522-2288056/2287030 CIN:U40101UP1980SGC005065

E-mail: gm.commercial@uprvunl.org cecommercialunl@gmail.com

No. 205/UNL/CE(Comml.)/True-up (2014-19)/Parichha Ext-II

Date: 2/, May-2021

The Secretary,
U.P. Electricity Regulatory Commission
Vibhuti Khand-II, Gomti Nagar

### <u>Subject:- Re-Submission of True-up Petition of 2x250 MW Parichha Ext-II Thermal Power</u> Stations of <u>UPRVUNL for FY 2014-15 to 2018-19.</u>

Dear Sir,

Lucknow-2260010

Kindly find enclosed herewith True-up Petition of 2x250 MW Parichha Ext-II Thermal Power Station of UPRVUNL for FY 2014-15 to 2018-19 in 06 copies (one original + 05 photocopies + 01 soft copy) as per UPERC (Terms and Conditions of Generation Tariff) Regulations-2014 in compliance of directive of Hon'ble Commission during hearing on dated 16.03.2021 on Petition No. 1520/2019 for True-up of various Thermal Power Stations of UPRVUNL for FY 2014-15 to 2018-19.

The True-up Petitions (2014-19) for various TPS of UPRVUNL were originally submitted to Hon'ble Commission vide this office single covering letter no. 816/UNL/CE(Comml.)/True-up (2014-19), dt. 25.10.2019 (copy attached), with station wise fees Rs One Lac per Station and total Rs Eleven Lacs for 11 Stations in form of Bankers Cheque (No. 557569 dt. 25.10.2019, State Bank of India) in favour of Secretary, UPERC, payable at Lucknow as per Part-D, Sl. No. 13 of Addendum to "Schedule of Fee" of Amendment-I dated 11.12.2018 of UPERC (Fee & Fines) Regulation-2010 and U.P. Govt. Gudget Notification dartd 21.01.2019.

Submitted for kind consideration of the Hon'ble Commission. Encl: As above.

Yours Sincerely,

(Avikshit Singh)
Chief Engineer(Commecial)

No. 203/UNL/CE(Comml.)/True up (2014-19)/Parichha Ext-II Copy to the following respondents for their kind information:-

Date: , May-2021

- 1. M.D., U.P. Power Corporation Ltd., 7<sup>th</sup> floor, Shakti Bhawan, 14 Ashok Marg, Lucknow.
- 2. M.D., Madyanchal Vidyut Vitran Nigam Ltd., P.N. Road, Gokhale Marg, Lucknow.
- 3. M.D., Poorvaranchal Vidyut Vitran Nigam Ltd., 132 KV S/S Bhikhari Vidyut Nagar, Varanasi.
- 4. M.D., Pashimanchal Vidyut Vitran Nigam Ltd., Victoria Park, Meerut.

### Office of Chief Engineer Commercial Unit



U.P. Rajya Vidyut Utpadan Nigam Ltd. 14<sup>th</sup> floor, Shakti Bhawan Extn. Lucknow-226001 Tel. No.- 0522-2288056/2287030

CIN: U40101UP1980SGC005065

E-mail: gm.commercial@uprvunl.org cecommercialunl@gmail.com

- 5. M.D., Dakshinanchal Vidyut Vitran Nigam Ltd., Vidyut Bhawan, Gailana Road, Agra.
- 6. M.D., Kanpur Electric Supply Co. Ltd., KESA House, Kanpur.
- 7. Chief Executive Officer, Noida Power Company Ltd., H-Block, Alpha-II Sector, Gr Noida.
- 8. Chief Engineer (PPA), UPPCL, 14th floor, Shakti Bhawan Ext, Lucknow alongwith enlosures.

No. 203/UNL/CE(Comml.)/True up (2014-19)/Parichha Ext-II

Date: 7, May-2021

### Copy to the followings for their kind information:-

- 1. PS to Managing Director, UPRVUNL, 7th floor, Shakti Bhawan, 14 Ashok Marg, Lucknow.
- 2. Director (Project & Commercial), UPRVUNL, 8th floor, Shakti Bhawan Ext, Lucknow.
- 3. Director (Technical), UPRVUNL, 8th floor, Shakti Bhawan Ext, Lucknow.
- 4. Director (Finance), UPRVUNL, 8th floor, Shakti Bhawan Ext, Lucknow alongwith enlosures.

(Avikshit Singh)
Chief Engineer(Commercial)

# PARICHHA EXTENSION STAGE II THERMAL POWER STATION

# TRUE UP PETITION

FOR

FY 2014-15 to FY 2018-19

(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०नि०लि० 14वां तल, शक्ति भवन विस्तार লঅনজ-226001

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(इं० अवीक्षित सिंह)
मुख्य अभियन्ता (वाणिज्य)
उ०प्र०रा०वि०उ०नि०लि०
14वां तल. शक्ति भवन विस्तार
लखनऊ-226001

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(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०नि०लि० 14वां तल, शक्ति भवन विस्तार लखनऊ-226001

### FORM-1

# (See Regulation 30) BEFORE THE HON'BLE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION, GOMTI NAGAR, LUCKNOW

Receipt Register No.:
Petition No.:
IN THE MATTER OF
PARICHHA EXTENSION STAGE-II TPS PETITION FOR DETERMINATION OF FINAL TRUE-UP OF FY 2014-15, FY 2015-16, FY 2016-17, FY 2017-18 and FY 2018-19.
AND
IN THE MATTER OF
UTTAR PRADESH RAJYA VIDYUT UTPADAN NIGAM LIMITED (UPRVUNL), SHAKTI BHAWAN, 14-ASHOK MARG, LUCKNOW.
V/s
UTTAR PRADESH POWER CORPORATION LIMITED (UPPCL), SHAKTI BHAWAN, 14-ASHOK MARG, LUCKNOW.
MADHYANCHAL VIDYUT VITRAN NIGAM LTD. PN ROAD, LUCKNOW.

RESPONDENTS

DAKSHINACHAL VIDYUT VITRAN NIGAM LTD. GALINA ROAD AGRA.

PASCHIMANCHAL VIDYUT VITRAN NIGAM LTD.

POORVANCHAL VIDYUT VITRAN NIGAM LTD. 132 KV S/S BHIKARI VIDYUT NAGAR, VARANASI

KANPUR ELECTRICITY SUPPLY CO. LTD. KESA HOUSE, KANPUR

VICTORIA PARK, MEERUT

NOIDA POWER CO. LTD. COMMERCIAL COMPLEX, H BLOCK, ALPHA-II SECTOR GREATER NOIDA CITY

es. Emper-

(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०नि०लि० 14वां तल, शक्ति भवन विस्तार लखनऊ-226001



I, Avikshit Singh, Son of Late Dr. Chandra Pal Singh aged about 59 years, office of Commercial Unit, 14th Floor, Shakti Bhawan Extn., 14 Ashok Marg, Lucknow, do hereby solemnly affirm and state as under:

- 1. I say that I am Chief Engineer, Commercial Unit, UPRVUNL, the Applicant in the matter and am duly authorized by the said Applicant to swear the present Parichha Extension Sgate-II TPS True-up Petition for the period FY 2014-15 to FY 2018-19.
- I say that I have read the contents of the True-up Petition and I have understood the same.
- 3. That the contents attached herewith filed by the Applicant on behalf of UPRVUNL are based on the information available with the Applicant in the normal course of business and
- I say that the Text, Appendixes and Annexures to the submissions are true and correct copies of their original.

VERIFICATION

(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०नि०लि०

DEPONENT

I, the deponent above named, do hereby verily the contents of the above afficiavit to be true to the best of my knowledge, no part of it is false and nothing material has been concealed therefrom.

Verified at Lucko worthed

मुख्य अभियन्ता (वाणिज्य) **उ०प्र०रा०वि०उ०नि०लि०** 14वां तल, शक्ति भवन विस्तार लखनऊ-226001

### 1. Parichha Extension Stage II TPS

As per direction of Hon'ble Commission on date 16.03.2021 during hearing on Petition No. 1520/2019 for True-up of various Thermal Power Stations of UPRVUNL for FY 2014-15 to 2018-19 to re-submit the True-up Petitions Station wise with separate covering letter, this section presents the final true-up for FY 2014-15 to FY 2018-19 in respect of Parichha Extension Stage-II Thermal Power Station.

The Petitioner would like to bring to the notice of the Hon'ble Commission that the amount of Rs. 5.16 Crore towards mandatory spares has been booked under the Material Stock & Related Accounts (AG Code 22) head in the Audited Accounts for the year 2016-17 because the same spares has been kept under the Mandatory Spares and it is in stock. UPRVUNL will use these spares as and when required as capital spares. Therefore, we would like to request Hon'ble Commission to consider it as capital spares.

The copy of work order issued by the UPRVUNL to M/s Bharat Heavy Electricals Ltd vide order No. 2400/CPD-II/PTPP/MPED-V (50/2014)O-1 dated 04-01-2016 for "Supply order for supply "BHEL" make Planetary Gear Box for 2x250 MW, PTPP" is annexed herewith as Annexure-15.

In light of this, the Petitioner humbly requests the Hon'ble Commission to allow the amount of Rs. 5.16 crores towards mandatory spares for Parichha 2x250 MW, which it has already approved vide its Order dated 26.10.2017 against petition No. 1143 of 2016 for purchase of Mandatory Spares at Parichaa 2x250 MW.

The audited accounts of UPRVUNL for the period FY 2014-15 to FY 2018-19 and Cost Audit Report for the period FY 2014-15 to FY 2018-19 have already been submitted in hard copy with Petition No. 1520/2019 on date 25.10.2019 in the Commission. However, soft copy of the audited accounts of UPRVUNL and Cost Audit Report for the period FY 2014-15 to FY 2018-19 is attached in soft copy with this Petition.

### 1.1. Annual Capacity Charges

As per tariff regulations the annual capacity (fixed) charges consist of

- a) Interest on Loan Capital
- b) Depreciation including Advance against Depreciation
- c) Return on Equity
- d) Operation and maintenance expenses including insurance
- e) Interest on Working Capital
- f) Special Allowance

This section provides the description of the approved capacity charges Vs allowable capacity charges for FY 2014-15 to FY 2018-19 based on financial statements of the UPRVUNL.

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(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०नि०लि०

14वां तल, शक्ति भवन विस्तार

लखनऊ-226001

#### **Gross Fixed Assets** 1.2.

The Petitioner submits that it has considered the opening balance of gross fixed assets for the financial year 2014-15 from the MYT Order issued by the Hon'ble Commission on 29th April 2016 and review order dated 18th January 2017. The Petitioner submits that there have been additional capitalisation to the tune of Rs 132.32 Crores and decapitalisation of Rs. 10.08 crore spread across the Control period and the details of such capitalization have been shown in the specific formats annexed to this petition.

Accordingly the following table depicts the approved gross fixed asset balance vis-à-vis actual gross fixed asset balance for FY 2014-15 to FY 2018-19:

Table: Gross Fixed Asset Balance of 'Parichha Extension Stage II'

								rigures.		
	2014	1-15	2019	5-16	2016	5-17	2017	7-18	2018	-19
Particulars	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual
Opening GFA	2.673.43	2,673.54	2,673.43	2,679.55	2,673.43	2,728.99	2,673.43	2,752.75	2,673.43	2,774.12
Capitalisation		6.01	-	49.44		33.84		21.37		21.66
Deletions	-	-		-	v.— <u>-</u> 380—	10.08	-		-	
Closing GFA	2,673.43	2,679.55	2,673.43	2,728.99	2,673.43	2,752.75	2,673.43	2,774.12	2,673.43	2,795.78

Figures in Rs Crore

#### Means of Finance 1.3.

The Hon'ble Commission in its order dated 29th April 2016 and review order dated 18th January 2017 had prescribed a normative approach of financing of the capital expenditure in the ratio of 70% debt and 30% equity in line with the Tariff Regulations. Further the allowable depreciation had been considered as normative loan repayment.

In order to maintain consistency in approach, the Petitioner has considered the aforementioned philosophy and calculated the normative debt and normative equity. The opening values of accumulated depreciation, normative loan and normative equity as on 1.4.2014 has been adopted from the approved values in the order dated 29th April 2016 and review order dated 18th January 2017. Accordingly, the gross fixed asset balance, the net fixed asset balance and its financing is presented in the table below:

Table: Calculation of GFA, NFA and its financing - Parichha Extension Stage II

		Figure	es in Rs Cro	re
2014-15	2015-16	2016-17	2017-18	2018-19
2,673.54	2,679.55	2,728.99	2,752.75	2,774.12
6.01	49.44	33.84	21.37	21.66
-	-	10.08	-	-
2,679.55	2,728.99	2,752.75	2,774.12	2,795.78
2,404.13	2,302.76	2,182.82	2,050.60	1,917.81
802.03	803.83	818.66	825.79	832.20
1.80	14.83	10.15	6.41	6.50
-	-	3.02	-	-
803.83	818.66	825.79	832.20	838.70
	2,673.54 6.01 - 2,679.55 2,404.13 802.03 1.80	2,673.54 2,679.55 6.01 49.44	2014-15         2015-16         2016-17           2,673.54         2,679.55         2,728.99           6.01         49.44         33.84           -         -         10.08           2,679.55         2,728.99         2,752.75           2,404.13         2,302.76         2,182.82           802.03         803.83         818.66           1.80         14.83         10.15           -         -         3.02	2,673.54       2,679.55       2,728.99       2,752.75         6.01       49.44       33.84       21.37         -       10.08       -         2,679.55       2,728.99       2,752.75       2,774.12         2,404.13       2,302.76       2,182.82       2,050.60         802.03       803.83       818.66       825.79         1.80       14.83       10.15       6.41         -       3.02       -

Parichha Extension Stage-II: True up Petition for FY 2014-15 to FY 2018-19

Parichha Extn stage II Power Station	2014-15	2015-16	2016-17	2017-18	2018-19
Open. Accumulated Depreciation	125.98	275.42	426.23	569.93	723.52
Depreciation during the year	149.44	150.81	152.77	153.59	154.46
Less: Cumulative depreciation adjustment on account of de- capitalisation			9.07		
Closing Accumulated Depreciation	275.42	426.23	569.93	723.52	877.97
Opening Debts	1,745.42	1,600.18	1,483.98	1,347.84	1,209.21
Additions	4.20	34.61	23.69	14.96	15.17
Less: Depreciation (normative repayment)	149.44	150.81	152.77	153.59	154.46
Less: Cumulative depreciation adjustment on account of de- capitalisation			7.06		
Closing Debts	1,600.18	1,483.98	1,347.84	1,209.21	1,069.92

## 1.4. Depreciation

The Petitioner submits that the depreciation as per accounts is calculated as per the prescription of Schedule XIV of the Companies Act, 1956 which is depicted in the accounting policies annexed with the audited accounts. However, the Tariff Regulations prescribe that the eligible depreciation shall be calculated annually, based on straight line method over the useful life of the asset and the rates prescribed in Appendix II of such regulations. It is noteworthy of mentioning that the Appendix II prescribes distinct depreciation rates for each class of assets.

The Petitioner has provided the asset class wise list of gross fixed assets in Form 11 of the tariff formats submitted along with this petition. Accordingly, the Petitioner has calculated the eligible depreciation based on the rates prescribed in the tariff regulations.

The allowable depreciation is depicted in the table below:

Table: Allowable Depreciation – Parichha Extension Stage II

Figures in Rs Crore 2018-19 2017-18 2015-16 2016-17 2014-15 **Particulars Actual Approved** Actual Approved Actual **Actual** Approved Actual Approved Approved 154.46 153.59 149.36 152.77 149.36 149.36 149.36 149,44 149.36 150.81 Depreciation

## 1.5. Interest on Loan

As discussed above, the Hon'ble Commission in its order dated 29<sup>th</sup> April 2016 and review order dated 18<sup>th</sup> January 2017 had prescribed a normative approach of financing of the capital expenditure in the ratio of 70% debt and 30% equity in line with the Tariff Regulations. Further the allowable depreciation has been considered as normative loan repayment. The weighted average interest on loan capital was worked out at 11.50%.

The total capitalisation for FY 2014-15 to FY 2018-19 is depicted below in table. 70% of the same been considered to be funded through debt. Considering the debt worked out as above and applying the rate of 11.50%, the interest on loan capital has been worked out in the table below:

(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिर उ०प्र०रा०वि०उ०नि०िर वां तत्व शक्ति भवन वि

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## Table: Allowable Interest on Loan-Parichha Extension Stage II

Figures in Rs Crore

	2014	-15	2015	-16	2016	-17	2017	-18	2018	-19
Particulars	Approved	Actual								
Opening Debts	1,745.42	1,745.42	1,596.06	1,600.18	1,446.70	1,483.98	1,297.34	1,347.84	1,147.98	1,209.21
Additions	-	4.20		34.61		23.69	N.T.	14.96	•	15.17
Less: Normative repayment	149.36	149.44	149.36	150.81	149.36	152.77	149.36	153.59	149.36	154.46
Less: Cumulative depreciation adjustment on account						7.06				
of de- capitalisation							- 33			
Closing Debts	1,596.06	1,600.18	1,446.70	1,483.98	1,297.34	1,347.84	1,147.98	1,209.21	998.62	1,069.92
Average Debt	1,670.74	1,672.80	1,521.38	1,542.08	1,372.02	1,415.91	1,222.66	1,278.53	1,073.30	1,139.56
Interest on Loan	175.43	182.34	159.74	168.09	144.06	154.33	128.38	139.36	112.70	124.21

## 1.6. Return on Equity

The opening equity base of Rs. 802.03 crore as on 1.4.2014 has been adopted from the Tariff order dated 29th April 2016 and review order dated 18th January 2017. Considering that 30% of the capital expenditure funded by equity has been considered. The Tariff Regulations-2014 prescribe that return on equity would be allowed at the rate of 15.50%.

However, it is brought to the attention of the Hon'ble Commission that based on the Government Order dated 31stJuly 2017 and subsequent adoption of the same by Board of Directors on 9thApril 2018 of the Petitioner, the Petitioner has billed the RoE at 2% for FY 2017-18 and 2018-19 and rest of 13.5% has been foregone to take its advantage in Merit Order Despatch (MOD) schedule as per Hon'ble Commission Order dated 21.06.2016 against Petition No. 1070/2015. Therefore, RoE component would be adjusted by UPRVUNL with beneficiary only 2%. But it is requested to Hon'ble Commission to approve the Capacity Charge with RoE @ 15.5%.

Accordingly, the approved return on equity and the trued up figures have been furnished in the table

below:

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Table: Allowable Return on Equity – Parichha Extension Stage II

Figures in Rs Crore

	2014	-15	2015	-16	2016	-17	2017	-18	2018	-19
Particulars	Approved	Actual								
Opening Equity	802.03	802.03	802.03	803.83	802.03	818.66	802.03	825.79	802.03	832.20
Additions	-	1.80	-	14.83	•	10.15	17	6.41	-	6.50
Deletion		-	-	-	-	3.02	-	-		-
Closing Equity	802.03	803.83	802.03	818.66	802.03	825.79	802.03	832.20	802.03	838.70
Average	802.03	802.93	802.03	811.25	802.03	822.23	802.03	829.00	802.03	835.45
Rate of Return on Equity (%)	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%
Allowable RoE	124.31	124.45	124.31	125.74	124.31	127.45	124.31	128.49	124.31	129.49

## 1.7. Operation and Maintenance Expenses

The tariff regulations prescribe that only capital expenditure would be eligible for truing up. The regulations do not provide for truing up in respect of O&M expenses and also provides relaxed operating norms considering of vintage of certain generating stations like Obra A, Obra B, Panki, Harduaganj and Parichha.

Regulation 21(iv) of the UPERC Generation Regulations, 2014 deals with the allowance of O&M expenses. The Hon'ble Commission in the generation tariff regulations — Para 25 (iv) (a) have prescribed the yearly O&M expenses for the control period FY 2014-15 to FY 2018-19 based upon the Installed Capacity for the thermal power stations.

Accordingly, based on the above stated norms, the O&M expenses as allowed through the MYT Order dated 29 April 2016 read with Review Order dated 18 January 2017 for the power station for the Control period is depicted in the table below:

Table: Allowable Operation and Maintenance Expenses – Parichha Extension Stage II
Figures in Rs Crore

	2014-	15	2015-	16	2016-	17	2017-	18	2018-	19
Particulars	Approved	Claim								
O&M Expenses	119.50	119.50	127.00	127.00	135.00	135.00	143.50	143.50	152.55	152.55

### 1.8. Interest on Working Capital

The tariff regulations do not prescribe any variation to be allowed in true-up in respect of interest on working capital. Clause (a) and (d) of provision (v) of Regulation 25 of the UPERC Generation Tariff Regulations 2014 prescribe payment of Interest on Working Capital on a normative basis. Para 25 (v) of the UPERC Generation Tariff Regulations 2014 prescribe the following normative parameters for determination of normative working capital for coal based generating stations:

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Parichha Extension Stage-II: True-up Petition for FY 2014-15 to FY 2018-19

- Cost of coal for 15 days for pit-head generating stations and 30 days for non-pit-head generating stations for generation corresponding to the normative annual plant availability factor or the maximum coal stock storage capacity whichever is lower
- Cost of coal for 30 days for generation corresponding to the target availability
- Cost of secondary fuel oil for two months corresponding to the target availability and in case
  of use of more than one secondary fuel oil, cost of fuel oil stock for the main secondary fuel
  oil;
- Operation and Maintenance expenses for one month;
- Maintenance spares @ 20% of operation and maintenance expenses; and
- Receivables equivalent to two months of capacity charges and energy charges for sale of electricity calculated on the target availability.

Based on the above premise, the allowable Interest on Working capital as worked out by the Hon'ble Commission in its order dated 29 April 2016 read with Review Order dated 18 January 2017 for the generating station has been reproduced below:

Table: Allowable Interest on Working Capital-Parichha Extension Stage II

			Figure	es in Rs Cro	re
Parichha Extension Stage II Power Station	2014-15	2015-16	2016-17	2017-18	2018-19
Interest on Working Capital	67.53	67.75	67.77	67.94	68.14

## 1.9. Summary of the true-up claimed for FY 2014-15 to FY 2018-19

Based on the foregoing discussions, the following table summarizes the truing-up computations of Parichha Extension Stage II for the financial years 2014-15 to FY 2018-19 for approval by the Hon'ble Commission.

Table: True-up Summary for FY 2014-15 to FY 2018-19 - Parichha Extension Stage II

Figures	in	Rs	Crore

	2014	-15	2015	-16	2016	-17	201	7-18	2018	-19
Particulars	Order	Actual								
Depreciation	149.36	149.44	149.36	150.81	149.36	152.77	149.36	153.59	149.36	154.46
Interest on Long Term Loans	175.43	182.34	159.74	168.09	144.06	154.33	128.38	139.36	112.70	124.21
Return on Equity	124.31	124.45	124.31	125.74	124.31	127.45	124.31	128.49	124.31	129.49
loWC	67.53	67.53	67.75	67.75	67.77	67.77	67.94	67.94	68.14	68.14
0&M	119.50	119.50	127.00	127.00	135.00	135.00	143.50	143.50	152.55	152.55
Total	636.13	643.26	628.16	639.39	620.50	637.32	613.49	632.88	607.06	628.86

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## 2. Other Related Issues

## 2.1. Reimbursement of Actual Income Tax

It is submitted that UPRVUNL had paid Income Tax amounting to Rs. 192.65 Crore for FY 2016-17, 35.34 Crore for FY 2017-18 and 36.34 Crore for FY 2018-19. The said payments are duly reflected in the ITR (Attached as Annexure-1) of the above years. These taxes arise on account of the revenues accrued to the Petitioner from the invoices raised to UPPCL. Such invoices were based on the UPERC Tariff order on dated 29<sup>th</sup> April 2016 & 18<sup>th</sup> January 2017. Accordingly, the bills were raised by UPRVUNL seeking reimbursement of the Statutory charges including Income Tax in line with Clause-11G of Tariff order dated 18<sup>th</sup> January 2017 which provides as below:

"1.98 The Commission found the prayer reasonable and decided that the following shall be added in clause "11" of UPRVUNL's Tariff Order dated 29.04.2016,:

(G) Recovery of Statutory Charges and Tax on income etc.

In addition to the above tariff UPRVUNL is allowed to recover the payment of statutory charges like water cess, cost of water, payment to Pollution Control Board, rates and taxes, FBT and Regulatory Fee paid to the Commission and taxes on income etc., on production of details of actual payment made and duly supported with the certificate of the Statutory Auditors......"

In response to the claims of Petitioner, UPPCL has verified Income Tax amount of Rs. 169.61 crore for FY 2016-17, Rs. 21.75 crore for FY 2017-18 and Rs. 24.09 crore for FY 2018-19. Total gap between amount claimed by UPRVUNL and verified by UPPCL is tune to Rs. 48.73 crore. Since UPRVUNL had already made payments to the income tax authorities for FY 2016-17, FY 2017-18 and FY 2018-19 based on the methodology of Annual Fixed Charges as approved by Hon'ble Commission, UPPCL ought to reimburse the tax amount in actuals. Non reimbursement of actual tax by UPPCL will be in violation of order dated 18.01.2017 Clause-11G and will also cause serious financial injury to Petitioner. Therefore, Hon'ble Commission is request to direct UPPCL for reimbursement the Tax amount in actual paid by UPRVUNL.

## 2.2. Reimbursement of UPSLDC & NRPC Fee

It is submitted that UPRVUNL has paid UPSLDC & NRPC fees towards annual charges during past years. However, the same has never been claimed by the UPRVUNL due to non provision in the Tariff Order for claiming the UPSLDC and NRPC charges.

Therefore, Hon'ble Commission is requested to grant for reimbursement of the UPSLDC and NRPC fees paid in actual by UPRVUNL.

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### 2.3. Interest on Income Tax

The Tariff Regulations issued by the Commission provides that tax on the income streams of the generating company from its core business shall be computed as an expense and shall be permitted to be recovered from the beneficiaries. It is submitted that huge amount is outstanding on the part of UPPCL and UPRVUNL is not getting its money for timely payments for essential spares, works & Coal payments timely. Such delay affects the capacity of UPRVUNL to make timely payments to statutory authorities in the form of tax etc. Non-payment of taxes to the authorities incurs levy of interest charges on such dues to the authorities. But UPPCL is not paying interest on Income Tax.

UPRVUNL has in past also paid interest on Income Tax due to such delay caused by untimely payments from UPPCL. It is therefore requested that the Commission may kindly direct UPPCL to reimburse such interest on Income Tax incurred by UPRVUNL owing to the delay in payments done by UPPCL.

# 2.4. Intimation of Profit sharing with UPPCL as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 Clause 6 (6).

UPRVUNL wishes to intimate the Hon'ble Commission that it has shared its profits with UPPCL in accordance to the profit-sharing mechanism specified as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 clause 6 (6); the same is reproduced below:

"(6) The financial gains by a generating company on account of controllable parameters shall be shared between generating company and the beneficiaries. The financial gains computed as per following formulae in case of generating station on account of operational parameters contained in Clause (4) (a) to (c)above shall be shared in the ratio of 80:20 between generating company and the beneficiaries:

Net Gain = (ECRN- ECRA) x Scheduled Generation

Where,

ECRN — Normative Energy Charge Rate computed on the basis of norms specified/approved for Gross Station Heat Rate, Auxiliary Consumption and Secondary Fuel Oll Consumption.

ECRA – Actual Energy Charge Rate computed on the basis of actual Gross Station Heat Rate, Auxiliary Consumption and Secondary Fuel Oil Consumption for the month.

Provided that in case of financial gains on account of parameters contained in Clause (4)(d) above shall be shared in accordance with Clause (i) (e) of Regulation 25& Regulation 44 of these regulations."

UPRVUNL had prepared a 'Profit Centre Analysis' for the period FY 2014-15 to FY 2018-19, based on the Audited Accounts (Annexed as Annexure-2). A copy of the same was shared with UPPCL. On the basis of the 'Profit Centre Analysis', UPPCL computed the profit-sharing amount of Rs. 200.97 Crore and UPPCL deducted the profit-sharing amount from the running bills raised by UPRVUNL for 2014-15 to 2017-18 while UPRVUNL shared Profit Sharing for FY 2018-19 with a Bill (Copy attached).

The profit share between UPRVUNL and UPPCL for Rs. 200.97 Crore is summarized as follows:

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Parichha Extension Stage-II: True-up Petition for FY 2014-15 to FY 2018-19

(इठ जवादास सिक्) मुख्य अभिमन्ता (वाणिज्य)

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# Summary of Profit Sharing for the Period FY 2014-15 to FY 2018-19

Figures in Rs. Crore

No	TPS Name		2014-15	2015-16	2016-17	2017-18	2018-19
		Billing	640.82	743.12	751.42	670.16	693.81
1	Anpara A	Actual	679.77	715.70	748.30	705.41	714.17
	·	Profit		27.42	3.12		
		Billing	932.63	1,380.53	1,462.11	1,124.42	1,119.88
2	Anpara B	Actual	838.15	1,169.93	1,380.09	1,050.68	1,117.92
		Profit	94.48	210.60	82.02	73.74	1.95
		Billing	90.40	64.05	96.52	9.28	-
3	Obra A	Actual	107.99	94.79	43.38	13.49	
		Profit		2	53.14		
		Billing	625.76	655.78	811.24	835.74	603.12
4	Obra B	Actual	583.51	670.85	854.37	790.82	632.59
1.0		Profit	42.25	-		44.92	-
		Billing	368.21	201.47	265.35	119.21	-
5	Panki	Actual	389.20	226.36	347.80	172.68	-
		Profit			-	- 1	-
		Billing	36.88	154.13	200.05	108.14	70.70
6	Harduaganj	Actual	71.58	213.34	203.04	95.88	75.76
		Profit		-		12.26	-
		Billing	955.88	925.84	1,006.58	1,025.09	821.56
7	Harduaganj Extn	Actual	1,115.48	1,066.99	1,057.31	978.16	836.73
		Profit		-		46.93	-
		Billing	121.54	287.97	175.35	96.75	49.44
8	Parichha	Actual	152.52	327.58	217.23	110.75	61.64
		Profit		-	-		
		Billing	674.66	909.14	930.26	807.10	579.50
9	Parichha Extn	Actual	789.67	949.15	926.89	799.50	580.23
		Profit		-	3.37	7.60	
		Billing	986.77	1,041.83	1,108.99	946.21	809.07
10	Parichha Extn Stage II	Actual	1,034.33	1,024.76	1,076.19	919.20	797.25
		Profit		17.08	32.80	27.01	11.81
		Billing	-	-	727.30	834.03	1,186.0
11	Anpara D	Actual	-	-	639.93	811.74	1,083.3
		Profit		-	87.37	22.29	102.70
	Grand Total (Prof		136.73	255.10	261.82	234.75	116.4
	Profit Share of UPPCL		27.35	51.02	52.36	46.95	23.29
F	Total Profit Share to UF Y 2014-15 to FY 2018-19	PCL for			200.97		

The petitioner requests the Hon'ble Commission to kindly consider the intimation of Profit Sharing with UPPCL as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 clause 6 (6).

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Parichha Extension Stage-II: True-up Petition for FY 2014-15 to FY 2018-19

2.5. Information for Prudence Check of Statutory Charges as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 Clause 25 (Iv)(C) for the period FY 2014-15 to FY 2018-19.

UPRVUNL wishes to submit Information <u>for</u> Prudence Check of Statutory Charges as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 clause 25(iv)(c); the same clause is reproduced below:

(iv) Operation and Maintenance expenses
a)
b)
c) The expenses on regulatory fee, payment to pollution control board, impact of
ay revision, capital spares, cost of water and water cess shall be paid additionally
at actuals subject to prudence check. The details regarding the same shall be
urnished along with the petition.
"

The Tariff Order dated 18.01.2017, Clause- 11G is also reproduced below:

(G) Recovery of Statutory Charges and Tax on income etc.

In addition to the above tariff UPRVUNL is allowed to recover the payment of statutory charges like water cess, cost of water, payment to Pollution Control Board, rates and taxes, FBT and Regulatory Fee paid to the Commission and taxes on income etc., on production of details of actual payment made and duly supported with the certificate of the Statutory Auditors......"

As per Regulation Clause 25(iv)(c) and Tariff Order mentioned above, the UPRVUNL hereby summarized below in table statutory charges Billed by UPRVUNL and verified by UPPCL for the period FY 2014-15 to FY 2018-19.

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Figures in Rs. Crore

Summary of Statutory Charges Billed by UPRVUNL and Verified by UPPCL for the Period FY 2014-15 to FY 2018-19

S No	Bill No	Bill date	Billed by UPRVUNL	Verified by UPPCL	Unverified amount by	Remarks	Annexure No
-	UNL/Statuary Charges/FY 2014-15	04-09-15	205.4758306	200.7131189		Amount of Rs. 4.7627117 Crore claimed later by UPRVUNL vide Bill No. UNL/Statuary Charges/Adj.2016 dated 23-05-16 and the same has been verified by the UPPCL	Invoice billed by UPRVUNL and verified by UPPCL are Enclosed herewith as <i>Annexure-3</i>
7	UNL/Statuary Charges/Adj.2016	23-05-16	425.7690779	425.7690779		425.7690779 has been head MPRI & RD Tax, 61 property for Transit Fee. The already been approved the same amount has been poct as well. The breakt here is as below Rs. 174.25 Crore, 6th Property here is as below Rs. 174.25 Crore, 6th Property for the property fo	Invoice billed by UPRVUNL and verified by UPPCL are enclosed herewith as <i>Annexure-4</i> UPERC Order dated 29-04-2016 relevant pages are enclosed as <i>Annexure-5</i>
						Appear- Rs. 4.7627117 Crore & UP Forest Transit Fee- Rs. 246.75 Crore	Invoice billed by UPRVUNL and
m	UNL/Statutory Charges/FY 2015-16	31-08-16	131.9533239	131.9533239		Amount of Rc 0.0250050/- Crore on	verified by UPPCL are Enclosed herewith as <i>Annexure-6</i> Invoice billed by UPRVUNL and
4	UNL/Statutory Charges/FY 2016-17	31-08-17	240.4216706	233.8466656	6.5750050	bilution Cess of Parichha by UPPCL vide Bill 7 Charges/FY 2016-17, 7, Further Interest due to Income tax amounting crore not verified by UPPCL	verified by UPPCL are Enclosed herewith as <i>Annexure-7</i>
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Parichha Extension Stage-II: True-up Petition for FY 2014-15 to FY 2018-19

(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०नि०लि० 14वां तल, शक्ति मवन विस्तार

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			o illo	Verified by	Unverified		Appexime No
S No	Bill No	Bill date	UPRVUNE	UPPCL	amount by	Kemarks	
	LINI /Statutory Charges/FY		00000	0.00300050			Invoice billed by UPRYUNL and verified by UPPCL are enclosed
ഹ	2016-17/01	29-11-1/	0.0320030	0.002000			herewith as Annexure-8
						Amount of Rs. 109.61 Crore and 8.6615311	Invoice billed by UPRYUNE and
			1			crore withdrawn by UPRVUNL vide letter no.	herewith as Annexure-9
					- G	apple	
				V		invoice of Rs. 109.61 Crore raised to UPPCL	UPRVUNL letter no.
						for reimbursement of balance income tax	341/UNL/CE(Comml.)/Statutory
· ·	UNL/Statutory Charges/FY	18-08-18	188.5344357	152.0571674	36.4772683	for FY 2016-17 within the limit of MAT vide	Charges dated 08-05-2019 for
o 	2017-18					IL/Statutory	in
						17/Income lax dated 27-03-13.	crore is enclosed herewith as
						Amount of Bs. 36.4772683 Crore has not	Annexure-10
						been verified by UPPCL on account of	
(a)						Income Tax	
						e to late payment of Income	Invoice billed by UPRVUNL and
						amounting Rs. 0.8297889/- crore not	Verified by UPPCL die Eliciosed
7	UNL/Statutory Charges/FY 2014-15/Income Tax	27-03-19	22.5064487	21.6766598	0.8297889	UPPCL	herewith as Annexure-11
							Invoice billed by UPRVUNL and
	V3/ 2002 CdO						verified by UPPCL are Enclosed
00	ONE/Statutory charges/iii	27-03-19	109.6100000	109.6100000	1		herewith as Annexure-12
	2010-17/ HICOHIC 1 CO						Invoice billed by UPRVUNL and
	Value (Chat. topo Charace (EV						verified by UPPCL are Enclosed
თ	UNL/Statutory Circles/11	24-08-19	149.6094058	149.6094058	•		herewith as Annexure-13
	61-0107						Invoice billed by UPRVUNL and
<u> </u>	UNL/Statutory Charges/FY					Amount of Rs. 12.2516709 Crore has not	
5	2018-	15-10-19	17.9435926	5.6919217	12.2516709	been verified by UPPCL on account or	herewith as Annexure-14
3	19//Supplementary/Income					Income Tax	
	Liax Extraction Starte III. True-III Petition for FY 2014-15 to FY 2018-19	In Patition	n for FY 2014-15	to FY 2018-19			A Si
	Parichna Extension Stage-III. 111					· · ·	7

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In the view of the above, amount of Rs. 36.4772683 Crore and Rs. 12.2516709 Crore totalling Rs. 48.7289392 Crore has not been verified by the UPPCL on account of Income Tax head. The same amount has already been submitted by the UPRVUNL before the Hon'ble Commission vide its True-up Petition additional submission No. 1 dated 3<sup>rd</sup> January 2020. The Petitioner humbly requested to Hon'ble Commission to direct UPPCL for reimbursement the Income Tax amount paid by the UPRVUNL as actual.

Further, amount of Rs. 7.38 crore on account of Interest on income tax has also not verified by the UPPCL. It is therefore requested that the Hon'ble Commission may kindly direct to UPPCL to reimburse such interest on income tax incurred by the UPRVUNL owing to delay in the payments done by UPPCL.

The petitioner hereby requests the Hon'ble Commission to kindly consider this Information for Prudence Check of Statutory Charges as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 clause 25(iv)(c) and Tariff Order dated 18.01.1017, clause-11G.

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(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०नि०लि० 14वां तल, शक्ति भवन विस्तार

## 3. Prayer

The Petitioner respectfully prays followings to the Hon'ble Commission:

- The Hon'ble Commission is requested to Accept this Petition for true-up of additional capitalization and associated tariff components for the financial year 2014-15 to 2018-19
- 2. The Hon'ble Commission is requested to Allow recovery of the additional claim generating out of the true up from the beneficiaries in line with the provision of the Regulations or in any manner that the Hon'ble Commission deems appropriate.
- 3. The Hon'ble Commission is requested to Permit recovery of expenses understated/ not considered in this Petition subsequent to the submission of this petition.
- Hon'ble commission is requested to direct the UPPCL to reimburse the actual amount on account of Income Tax and Interest on Income Tax to UPRVUNL.
- 5. Hon'ble commission is requested to direct the UPPCL to reimburse the UPSLDC and NRPC Charges to UPRVUNL.
- 6. The Hon'ble Commission is requested to Condone any inadvertent omissions / errors / short comings and permit the applicant to add /change /modify / alter this Petition and make further submissions as may be required at later stages
  - 7. The Hon'ble Commission is requested to Pass such orders as Hon'ble Commission may deem fit and proper and necessary in the facts and circumstances of the case, to grant relief to the Petitioner.

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Dr. Shyan

(इं० अवीक्षित सिंह) मुख्य अभियन्ता (वाणिज्य) उ०प्र०रा०वि०उ०नि०लि० 14वां तल, शक्ति भवन विस्तार लखनऊ-226001

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