

Office of Chief Engineer  
Commercial Unit



U.P. Rajya Vidyut Utpadan Nigam Ltd.  
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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 dardt 21.01.2019.

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

Yours Sincerely,

  
(Avikshit Singh)

Chief Engineer(Commercial)

No. 193/UNL/CE(Comml.)/True up (2014-19)  
Copy to the following respondents for their kind information:-

Date: 21, 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., 132KV S/S Bhikhari Vidyut Nagar, Varanasi.
4. M.D., Pashimanchal Vidyut Vitran Nigam Ltd., Victoria Park, Meerut.

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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, 14<sup>th</sup> floor, Shakti Bhawan Ext, Lucknow alongwith enclosure

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

Date: **21**, May-2021

Copy to the followings for their kind information:-

1. PS to Managing Director, UPRVUNL, 7<sup>th</sup> 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, 8<sup>th</sup> floor, Shakti Bhawan Ext, Lucknow.
4. Director (Finance), UPRVUNL, 8<sup>th</sup> floor, Shakti Bhawan Ext, Lucknow alongwith enclosure

(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

*Sandeep*  
AE(Coml)

*AS*  
EE

*M. S. Singh*  
SE(Com)

*(इं० अवीक्षित सिंह)*  
मुख्य अभियन्ता (वाणिज्य)  
उत्तर प्रदेश विद्युत निगम लि०  
14वां तल, शक्ति भवन विस्तार  
लखनऊ-226001

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*Sandeep*  
*AE (Comlg)*

*AK*

*Singh*

*(इं० अवीक्षित सिंह)*  
*मुख्य अभियन्ता (वाणिज्य)*  
*उ०प्र० रा० वि० उ० नि० लि०*  
*14वां तल, शक्ति भवन विस्तार*  
*लखनऊ-226001*



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Annexure-2	Copy of Profit Centre Analysis for the period FY 2014-15 to FY 2018-19	
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Annexure-15	UPRVUNL Audited Accounts for the period FY 2014-15 to FY 2018-19 (Soft Copy Attached)	
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*Sandeep*

*AS*

*Singh*

(इ० अवीक्षित सिंह)  
मुख्य अभियन्ता (वाणिज्य)  
उपप्रबन्धन विभाग  
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**

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.

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

*Sandeep*

*AS*

*A. Singh*

*[Signature]*

(इं० अवीक्षित सिंह)  
मुख्य अभियन्ता (वाणिज्य)  
उ०प्र० रा० वि० उ० नि० लि०  
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## 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

- Interest on Loan Capital
- Depreciation including Advance against Depreciation
- Return on Equity
- Operation and maintenance expenses including insurance
- 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 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'

Particulars	2014-15		2015-16		2016-17		2017-18		2018-19	
	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	-	-	-	-	-	4.41	-	-	-	-
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

### 1.3. Means of Finance

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 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

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*

Particulars	2014-15		2015-16		2016-17		2017-18		2018-19	
	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*

Particulars	2014-15		2015-16		2016-17		2017-18		2018-19	
	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual
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	-	49.02	-	0.75	-	0.24
Closing Debts	-	-	-	42.56	-	-	-	-	-	-
Average Debt	0.31	0.31	-	21.28	-	21.28	-	-	-	-
Interest on Loan	0.03	0.03	-	2.39	-	2.39	-	-	-	-

### 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 29<sup>th</sup> 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 – Anpara A**

*Figures in Rs Crore*

Particulars	2014-15		2015-16		2016-17		2017-18		2018-19	
	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	-	-	-	-
<b>Closing Equity</b>	<b>241.39</b>	<b>241.46</b>	<b>241.39</b>	<b>281.10</b>	<b>241.39</b>	<b>282.54</b>	<b>241.39</b>	<b>282.87</b>	<b>241.39</b>	<b>282.97</b>
<b>Average</b>	<b>241.39</b>	<b>241.43</b>	<b>241.39</b>	<b>261.28</b>	<b>241.39</b>	<b>281.82</b>	<b>241.39</b>	<b>282.71</b>	<b>241.39</b>	<b>282.92</b>
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%
<b>Allowable RoE</b>	<b>37.42</b>	<b>37.42</b>	<b>37.42</b>	<b>40.50</b>	<b>37.42</b>	<b>43.68</b>	<b>37.42</b>	<b>43.82</b>	<b>37.42</b>	<b>43.85</b>

#### 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 A**

*Figures in Rs Crore*

Particulars	2014-15		2015-16		2016-17		2017-18		2018-19	
	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

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

मुख्य अभियन्ता (वाणिज्य)  
उपप्रशासक (उनि.लि.)  
वि. भवन विस्तार

## 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 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 true-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**

*Figures in Rs Crore*

Particulars	2014-15		2015-16		2016-17		2017-18		2018-19	
	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
IoWC	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

## 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.

*Sandeep*

*AS*

*A. Sanyal*

*(इं० अवीक्षित सिंह)  
मुख्य अभियन्ता (वाणिज्य)  
उ०प्र०रा०वि०उ०नि०लि०  
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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, Auxillary Consumption and Secondary Fuel Oil Consumption.*

*ECRA – Actual Energy Charge Rate computed on the basis of actual Gross Station Heat Rate, Auxillary 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:

*Sandeep*

*AS*

*M. Sanyal*

*(डॉ अवीशित सिंह)  
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उपमंडलाधिकारि (नि.नि.)  
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बुखनऊ-226001*



# 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
1	Anpara A	Billing	640.82	743.12	751.42	670.16	693.81
		Actual	679.77	715.70	748.30	705.41	714.17
		Profit	-	27.42	3.12	-	-
2	Anpara B	Billing	932.63	1,380.53	1,462.11	1,124.42	1,119.88
		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
3	Obra A	Billing	90.40	64.05	96.52	9.28	-
		Actual	107.99	94.79	43.38	13.49	-
		Profit	-	-	53.14	-	-
4	Obra B	Billing	625.76	655.78	811.24	835.74	603.12
		Actual	583.51	670.85	854.37	790.82	632.59
		Profit	42.25	-	-	44.92	-
5	Panki	Billing	368.21	201.47	265.35	119.21	-
		Actual	389.20	226.36	347.80	172.68	-
		Profit	-	-	-	-	-
6	Harduaganj	Billing	36.88	154.13	200.05	108.14	70.70
		Actual	71.58	213.34	203.04	95.88	75.76
		Profit	-	-	-	12.26	-
7	Harduaganj Extn	Billing	955.88	925.84	1,006.58	1,025.09	821.56
		Actual	1,115.48	1,066.99	1,057.31	978.16	836.73
		Profit	-	-	-	46.93	-
8	Parichha	Billing	121.54	287.97	175.35	96.75	49.44
		Actual	152.52	327.58	217.23	110.75	61.64
		Profit	-	-	-	-	-
9	Parichha Extn	Billing	674.66	909.14	930.26	807.10	579.50
		Actual	789.67	949.15	926.89	799.50	580.23
		Profit	-	-	3.37	7.60	-
10	Parichha Extn Stage II	Billing	986.77	1,041.83	1,108.99	946.21	809.07
		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	-	-	639.93	811.74	1,083.30
		Profit	-	-	87.37	22.29	102.70
Grand Total (Profit)			136.73	255.10	261.82	234.75	116.47
Profit Share of UPPCL@20%			27.35	51.02	52.36	46.95	23.29
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 with UPPCL as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 clause 6 (6).

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

(इं० अशोक सिंह)  
मुख्य अभियन्ता (वाणिज्य)  
उपप्रबंधन विभाग  
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 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***

***(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.

*Sandeep*

*AE*

*Singh*

*(इ० अवीक्षित सिंह)  
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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*

S No	Bill No	Bill date	Billed by UPRVUNL	Verified by UPPCL	Unverified amount by UPPCL	Remarks	Annexure No
1	UNL/Statutory 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/Statutory 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 <b>Annexure-3</b>
2	UNL/Statutory 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 Arrear- Rs. 4.7627117 Crore & UP Forest Transit Fee- Rs. 246.75 Crore	Invoice billed by UPRVUNL and verified by UPPCL are enclosed herewith as <b>Annexure-4</b>  UPERC Order dated 29-04-2016 relevant pages are enclosed as <b>Annexure-5</b>
3	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 <b>Annexure-6</b>
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>

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

*(Signature)*

(इं० अवीर सिंह) 15  
मुख्य अभियन्ता (वाणिज्य)  
उपप्रान्त वि० उ० नि० लि०  
14वां तल, शक्ति भवन विस्तार  
लखनऊ-226001

*(Signature)*  
*(Signature)*

S No	Bill No	Bill date	Billed by UPRVUNL	Verified by UPPCL	Unverified amount by UPPCL	Remarks	Annexure No
5	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 <b>Annexure-8</b>
6	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(Comm.).)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	UPRVUNL letter no. 341/UNL/CE(Comm.).)Statutory Charges dated 08-05-2019 for withdrawal amount of Rs. 109.61 Crore and 8.6615311 crore is enclosed herewith as <b>Annexure-10</b>
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 <b>Annexure-11</b>
8	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 <b>Annexure-12</b>
9	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 <b>Annexure-13</b>
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 <b>Annexure-14</b>

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

*Dr. Sushant*

*Dr. Sushant*

*Dr. Sushant*

(डॉ अवीशित सिंह)  
मुख्य अभियन्ता (वाणिज्य)  
उपगणराजिउनिऑलि  
14वां तल, शक्ति भवन विस्तार  
उपगणराजिउनिऑलि

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 18.01.2017, clause-11G.

*Sandeep*  
AE(Coml)

*AS*

*Dr. Sanyal*

*(Dr. Alok Singh)*  
मुख्य अभियन्ता (वाणिज्य)  
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14वां तल, शक्ति भवन विस्तार  
लखनऊ-226001

### 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.

*Sandeep*

*AS*

*Dr. Sanyal*

*(इं० अवीक्षित सिंह)*  
मुख्य अभियन्ता (वाणिज्य)  
उ०प्र०रा०वि०उ०नि०लि०  
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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. 194/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 dardt 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: 21, 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., 132KV S/S Bhikhari Vidyut Nagar, Varanasi.
4. M.D., Pashimanchal Vidyut Vitran Nigam Ltd., Victoria Park, Meerut.

<b>Office of Chief Engineer Commercial Unit</b>		<b>U.P. Rajya Vidyut Utpadan Nigam Ltd.</b> <b>14<sup>th</sup> floor, Shakti Bhawan Extn.</b> <b>Lucknow-226001</b> <b>Tel. No.- 0522-2288056/2287030</b> <b>CIN : U40101UP1980SGC005065</b> <b>E-mail: gm.commercial@uprvunl.org</b> <b>cecommercialunl@gmail.com</b>
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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, 14<sup>th</sup> 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, 7<sup>th</sup> 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, 8<sup>th</sup> floor, Shakti Bhawan Ext, Lucknow.
4. Director (Finance), UPRVUNL, 8<sup>th</sup> 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 VIDYUT UTPADAN NIGAM LTD

Sanded  
AE

AE

M. Sanyal  
SE (Com)

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

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*Sandeep*

*As*

*Suryan*  
SE (Com)

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

*(इ० अवीक्षित सिंह)*  
मुख्य अभियन्ता (वाणिज्य)  
उ०प्र०रा०वि०उ०नि०लि०  
14वां तल, शक्ति भवन विस्तार  
लखनऊ-226001

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*Sandeep*

*AS*

*SE (Comm)*

(डॉ० अवीशित सिंह)  
मुख्य अभियन्ता (वाणिज्य)  
उपप्रशासक वि० उ० नि० लि०  
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**

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



भारतीय गैर न्यायिक

TEN  
RUPEES

Rs.10

INDIA NON JUDICIAL



उत्तर प्रदेश

AFFIDAVIT

38AE 978147

I, Anshu Singh, Son of Late Dr. Chandra Pal Singh aged about 59 years, office of Commercial Unit, 1<sup>st</sup> Floor, Shakti Bhawan Extn., 14 Ashok Marg, Lucknow, do hereby solemnly affirm and state as under:

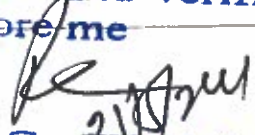
1. I say that I am Chief Engineer, Commercial Unit, UPRVUNL, the Applicant in the matter and am duly authorized by the said Applicant to swear the present Anpara 'B' TPS True-up Petition for the period FY 2014-15 to FY 2018-19.
2. I say that I have read the contents of the True-up Petition and I have 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. I say that the Text, Appendixes and Annexures to the submissions are true and correct copies of their original.

VERIFICATION

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

Verified at Lucknow on \_\_\_\_\_, 2021

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

DEPONENT

(इं० अवीक्षित सिंह)  
मुख्य अभियन्ता (वाणिज्य)  
उ०प्र०रा०वि०उ०नि०लि०

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

- Interest on Loan Capital
- Depreciation including Advance against Depreciation
- Return on Equity
- Operation and maintenance expenses including insurance
- 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 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

Particulars	2014-15		2015-16		2016-17		2017-18		2018-19	
	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	-	5.00	-	-	-	18.17	-	-	-	-
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



### 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	-	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 Rs Crore*

Particulars	2014-15		2015-16		2016-17		2017-18		2018-19	
	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual
Depreciation including AAD	277.75	278.72	106.49	162.02	-	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**

*Figures in Rs Crore*

Particulars	2014-15		2015-16		2016-17		2017-18		2018-19	
	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual
Opening Debts	-	-	-	-	-	-	-	10.43	-	4.65
Additions	-	23.48	-	15.81	-	20.75	-	20.21	-	136.12
Less: Normative repayment	-	23.48	-	15.81	-	10.32	-	25.98	-	140.77
Closing Debts	-	-	-	-	-	10.43	-	4.65	-	-
Average Debt	-	-	-	-	-	5.21	-	7.54	-	2.33
Interest on Loan	-	-	-	-	-	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 29<sup>th</sup> 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 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 B**

*Figures in Rs Crore*

Particulars	2014-15		2015-16		2016-17		2017-18		2018-19	
	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual	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 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:

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

Particulars	2014-15		2015-16		2016-17		2017-18		2018-19	
	Approved	Claim	Approved	Claim	Approved	Claim	Approved	Claim	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

### 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 true-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*

Particulars	2014-15		2015-16		2016-17		2017-18		2018-19	
	Order	Actual	Order	Actual	Order	Actual	Order	Actual	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
IoWC	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
<b>Total</b>	<b>722.77</b>	<b>724.40</b>	<b>558.42</b>	<b>615.80</b>	<b>460.73</b>	<b>474.28</b>	<b>472.83</b>	<b>503.25</b>	<b>485.69</b>	<b>669.73</b>



## 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.

*Sandeep*

*AK*

*M. Sanyal*

*(इं० अवीक्षित सिंह)  
मुख्य अभियन्ता (वाणिज्य)  
उपग्रंथालय वि० उ० नि० लि०  
14वां 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:

# 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
1	Anpara A	Billing	640.82	743.12	751.42	670.16	693.81
		Actual	679.77	715.70	748.30	705.41	714.17
		Profit	-	27.42	3.12	-	-
2	Anpara B	Billing	932.63	1,380.53	1,462.11	1,124.42	1,119.88
		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
3	Obra A	Billing	90.40	64.05	96.52	9.28	-
		Actual	107.99	94.79	43.38	13.49	-
		Profit	-	-	53.14	-	-
4	Obra B	Billing	625.76	655.78	811.24	835.74	603.12
		Actual	583.51	670.85	854.37	790.82	632.59
		Profit	42.25	-	-	44.92	-
5	Panki	Billing	368.21	201.47	265.35	119.21	-
		Actual	389.20	226.36	347.80	172.68	-
		Profit	-	-	-	-	-
6	Harduaganj	Billing	36.88	154.13	200.05	108.14	70.70
		Actual	71.58	213.34	203.04	95.88	75.76
		Profit	-	-	-	12.26	-
7	Harduaganj Extn	Billing	955.88	925.84	1,006.58	1,025.09	821.56
		Actual	1,115.48	1,066.99	1,057.31	978.16	836.73
		Profit	-	-	-	46.93	-
8	Parichha	Billing	121.54	287.97	175.35	96.75	49.44
		Actual	152.52	327.58	217.23	110.75	61.64
		Profit	-	-	-	-	-
9	Parichha Extn	Billing	674.66	909.14	930.26	807.10	579.50
		Actual	789.67	949.15	926.89	799.50	580.23
		Profit	-	-	3.37	7.60	-
10	Parichha Extn Stage II	Billing	986.77	1,041.83	1,108.99	946.21	809.07
		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	-	-	639.93	811.74	1,083.30
		Profit	-	-	87.37	22.29	102.70
Grand Total (Profit)			136.73	255.10	261.82	234.75	116.47
Profit Share of UPPCL@20%			27.35	51.02	52.36	46.95	23.29
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 with UPPCL as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 clause 6 (6).

(इ० अवीक्षित सिंह)

मुख्य अभियन्ता (वाणिज्य)

उ०प्र०रा०वि०उ०नि०लि०

14वां तल, शक्ति भवन विस्तार

लखनऊ-226001

Anpara- B: 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 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***

***(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.

*Sanded*

*AS*

*Dr. Sanyal*

*(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

S No	Bill No	Bill date	Billed by UPRVUNL	Verified by UPPCL	Unverified amount by UPPCL	Remarks	Annexure No
1	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 <b>Annexure-3</b>
2	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 <b>Annexure-4</b>  UPERC Order dated 29-04-2016 relevant pages are enclosed as <b>Annexure-5</b>
3	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 <b>Annexure-6</b>
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>

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

*Dr. Sanyal*

*Dr.*

(डॉ. अवीशित सिंह)  
मुख्य अभियन्ता (वाणिज्य)  
उपप्रचारिण/उपनिर्देशी  
14वां तल, शक्ति भवन विस्तार  
लखनऊ-226001



S No	Bill No	Bill date	Billed by UPRVUNL	Verified by UPPCL	Unverified amount by UPPCL	Remarks	Annexure No
5	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 <b>Annexure-8</b>
6	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(Comm.)/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	UPRVUNL letter no. 341/UNL/CE(Comm.)/Statutory Charges dated 08-05-2019 for withdrawal amount of Rs. 109.61 Crore and 8.6615311 crore is enclosed herewith as <b>Annexure-10</b>
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 <b>Annexure-11</b>
8	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 <b>Annexure-12</b>
9	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 <b>Annexure-13</b>
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 <b>Annexure-14</b>

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

*Sandesh*

*JS*

*Dr. Sushant*

*Dr. Sushant Singh* 17  
मुख्य अभियन्ता (वाणिज्य)  
उपप्रबन्धन विभाग  
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.

*Sandeep*

*AB*

*M. Sanyal*

(इ० 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:

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.

*Sandeep*

*AB*

*Dr. Suman*

*(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  
cccommercialunl@gmail.com

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

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-'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 dardt 21.01.2019.

Submitted for kind consideration of the Hon'ble Commission.

Encl: As above.

Yours Sincerely,

(Avikshit Singh)

Chief Engineer(Commercial)

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

Date: 21 May-2021

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., 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, 14<sup>th</sup> floor, Shakti Bhawan Ext, Lucknow alongwith enclosure

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, 7<sup>th</sup> 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, 8<sup>th</sup> floor, Shakti Bhawan Ext, Lucknow.
4. Director (Finance), UPRVUNL, 8<sup>th</sup> floor, Shakti Bhawan Ext, Lucknow alongwith enclosure

(Avikshit Singh )  
Chief Engineer(Commercial)



# ANPARA 'D' THERMAL POWER STATION

## TRUE UP PETITION

FOR

FY 2016-17 to FY 2018-19



UP RAJYA VIDYUT UTPADAN NIGAM LTD

*Sandeep*  
*AE*

*AB*  
*EE*

*Dr. Sugan*

*(Dr. Alok Singh)*  
मुख्य अभियन्ता (वाणिज्य)  
उ०प्र०रा०वि०उ०नि०  
14वां तल, शक्ति भवन, विस्तार  
लखनऊ-226001

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*Sander*

*AS*

*Singh*

(इ० अचोक्षित सिंह)  
मुख्य अभियन्ता (वाणिज्य)  
उ०प्र०रा०वि०उ०नि०लि०  
14वां तल. शक्ति भवन विस्तार  
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*Sander*

*AB*

*M. Sanyal*

(इं० अवीक्षित सिंह)  
मुख्य अभियन्ता (वाणिज्य)  
उ०प्र०रा०वि०उ०नि०लि०  
14वां तल, शक्ति भवन विस्तार  
लखनऊ-228001



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.

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

*Sandeep* *AS*

*M. Sugan*

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



भारतीय गैर न्यायिक

दस

भारत

TEN  
RUPEES

Rs.10

INDIA NON JUDICIAL

उत्तर प्रदेश UTTAR PRADESH

38AE 978146

AFFIDAVIT

I, Avinash Singh, Son of Late Dr. Chandra Pal Singh aged about 59 years, office of Commercial Unit, 14<sup>th</sup> 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 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. I say that the Text, Appendixes and Annexures to the submissions are true and correct copies of their original.

VERIFICATION

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

Before me \_\_\_\_\_, 2021

R.C. VERMA

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

(D. अविश्व सिंह)

मुख्य अभियन्ता (वाणिज्य)

उ०प्र०रा०वि०उ०नि०लि०

14वां तल, शक्ति भवन विस्तार

D. (अविश्व सिंह)

मुख्य अभियन्ता (वाणिज्य)

उ०प्र०रा०वि०उ०नि०लि०

14वां तल, शक्ति भवन विस्तार

लखनऊ-226001



## 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 169<sup>th</sup> 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 24<sup>th</sup> November 2016. The Energy Task Force has also approved the same on 28<sup>th</sup> September 2016. The documentary evidence in respect of minutes of BoD meeting, minutes of the ETF and Govt. 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

- Interest on Loan Capital
- Depreciation including Advance against Depreciation
- Return on Equity
- Operation and maintenance expenses including insurance
- Interest on Working Capital
- 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*

Particulars	2016-17		2017-18		2018-19	
	Approved	Actual	Approved	Actual	Approved	Actual
Opening GFA	6,089.06	7,086.18	6,089.06	7,086.18	6,089.06	7,131.32
Capitalisation	-	-	-	45.15	-	25.20
Deletions	-	-	-	-	-	-
Closing GFA	6,089.06	7,086.18	6,089.06	7,131.32	6,089.06	7,156.52

### 1.3. Means of Finance

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 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	-	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	-	-	-
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

Figures in Rs Crore

Particulars	2016-17		2017-18		2018-19	
	Approved	Actual	Approved	Actual	Approved	Actual
Depreciation including AAD	316.64	378.50	316.64	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 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 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- Anpara D

Figures in Rs Crore

Particulars	2016-17		2017-18		2018-19	
	Approved	Actual	Approved	Actual	Approved	Actual
Opening Debts	-	4,960.32	-	4,581.82	-	4,233.72
Additions	-	-	-	31.60	-	17.64
Less: Normative repayment	-	378.50	-	379.70	-	381.36
Closing Debts	-	4,581.82	-	4,233.72	-	3,870.00
Average Debt	-	4,771.07	-	4,407.77	-	4,051.86
Interest on Loan	486.36	543.90	486.36	502.49	486.36	461.91

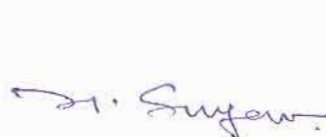
### 1.6. Return on Equity

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 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 tried up figures have been furnished in the table below:



  
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Table: Allowable Return on Equity – Anpara D

Figures in Rs Crore

Particulars	2016-17		2017-18		2018-19	
	Approved	Actual	Approved	Actual	Approved	Actual
Opening Equity	1735.38	2,125.85	1735.38	2,125.85	1735.38	2,139.40
Additions	-	-	-	13.54	-	7.56
Deletion	-	-	-	-	-	-
Closing Equity	1735.38	2,125.85	1735.38	2,139.40	1735.38	2,146.96
Average	1735.38	2,125.85	1735.38	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

Particulars	2016-17		2017-18		2018-19	
	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 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 D**

*Figures in Rs Crore*

Particulars	2016-17	2017-18	2018-19
Cost of Coal <sup>1</sup> (45 Days)	131.68	131.68	131.68
Cost of Main Secondary Fuel Oil <sup>1</sup>	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
<b>Total Working Capital</b>	<b>624.20</b>	<b>622.77</b>	<b>621.98</b>
<b>Interest on Working Capital</b>	<b>79.90</b>	<b>79.71</b>	<b>79.61</b>

#### 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 true-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 – Anpara D**

*Figures in Rs Crore*

Particulars	2016-17		2017-18		2018-19	
	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
IoWC	79.28	79.90	79.28	79.71	79.28	79.61
O&M	171.76	180.80	171.76	192.20	171.76	204.30
Compensation Allowance	-	-	-	-	-	-
<b>Total</b>	<b>1,323.02</b>	<b>1,512.61</b>	<b>1,323.02</b>	<b>1,484.66</b>	<b>1,323.02</b>	<b>1,459.38</b>

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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

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
1	Anpara A	Billing	640.82	743.12	751.42	670.16	693.81
		Actual	679.77	715.70	748.30	705.41	714.17
		Profit	-	27.42	3.12	-	-
2	Anpara B	Billing	932.63	1,380.53	1,462.11	1,124.42	1,119.88
		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
3	Obra A	Billing	90.40	64.05	96.52	9.28	-
		Actual	107.99	94.79	43.38	13.49	-
		Profit	-	-	53.14	-	-
4	Obra B	Billing	625.76	655.78	811.24	835.74	603.12
		Actual	583.51	670.85	854.37	790.82	632.59
		Profit	42.25	-	-	44.92	-
5	Panki	Billing	368.21	201.47	265.35	119.21	-
		Actual	389.20	226.36	347.80	172.68	-
		Profit	-	-	-	-	-
6	Harduaganj	Billing	36.88	154.13	200.05	108.14	70.70
		Actual	71.58	213.34	203.04	95.88	75.76
		Profit	-	-	-	12.26	-
7	Harduaganj Extn	Billing	955.88	925.84	1,006.58	1,025.09	821.56
		Actual	1,115.48	1,066.99	1,057.31	978.16	836.73
		Profit	-	-	-	46.93	-
8	Parichha	Billing	121.54	287.97	175.35	96.75	49.44
		Actual	152.52	327.58	217.23	110.75	61.64
		Profit	-	-	-	-	-
9	Parichha Extn	Billing	674.66	909.14	930.26	807.10	579.50
		Actual	789.67	949.15	926.89	799.50	580.23
		Profit	-	-	3.37	7.60	-
10	Parichha Extn Stage II	Billing	986.77	1,041.83	1,108.99	946.21	809.07
		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	-	-	639.93	811.74	1,083.30
		Profit	-	-	87.37	22.29	102.70
Grand Total (Profit)			136.73	255.10	261.82	234.75	116.47
Profit Share of UPPCL@20%			27.35	51.02	52.36	46.95	23.29
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 with UPPCL as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 clause 6 (6).

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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 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*

*(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	Billed by UPRVUNL	Verified by UPPCL	Unverified amount by UPPCL	Remarks	Annexure No
1	UNL/Statutory 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/Statutory 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 <b>Annexure-3</b>
2	UNL/Statutory 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 Arrear- Rs. 4.7627117 Crore & UP Forest Transit Fee- Rs. 246.75 Crore	Invoice billed by UPRVUNL and verified by UPPCL are enclosed herewith as <b>Annexure-4</b>  UPERC Order dated 29-04-2016 relevant pages are enclosed as <b>Annexure-5</b>
3	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 <b>Annexure-6</b>
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>

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

*Sandesh* *Ar* *Dr. Sanyal*

*(इं अवीक्षित सिंह)*  
मुख्य अभियन्ता (वाणिज्य)  
उपप्रशासक (उपनिर्माण)  
14वां तल, शक्ति भवन विस्तार  
लखनऊ-226001



S No	Bill No	Bill date	Billed by UPRVUNL	Verified by UPPCL	Unverified amount by UPPCL	Remarks	Annexure No
5	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 <b>Annexure-8</b>
6	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(Comm.) / 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	UPRVUNL letter no. 341/UNL/CE(Comm.) / Statutory Charges dated 08-05-2019 for withdrawal amount of Rs. 109.61 Crore and 8.6615311 crore is enclosed herewith as <b>Annexure-10</b>
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 <b>Annexure-11</b>
8	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 <b>Annexure-12</b>
9	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 <b>Annexure-13</b>
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 <b>Annexure-14</b>

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

*Mr. Sanyal*

*Sanyal* *AK*

(इं. अ. शिक्षित सिद्ध)  
मुख्य अभियन्ता (वाणिज्य)  
उपप्रबंधन विभाग  
14वां तल, 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.

*Sandeep*

*AS*

*Singh*

(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:

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 2016-17 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.

*Sandeep* *AS* *M. Sanyal*

*(Dr. Avinash Singh)*  
मुख्य अभियन्ता (वाणिज्य)  
उपप्रशासक नि. नि. नि.  
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. 196/UNL/CE(Comml.)/True-up (2014-19)/Obra-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 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 dardt 21.01.2019.

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

Yours Sincerely,


  
(Avikshit Singh)  
Chief Engineer(Commercial)

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

Date: 21, May-2021

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., 132KV S/S Bhikhari Vidyut Nagar, Varanasi.
4. M.D., Pashimanchal Vidyut Vitran Nigam Ltd., Victoria Park, Meerut.
5. M.D., Dakshinanchal Vidyut Vitran Nigam Ltd., Vidyut Bhawan, Gailana Road, Agra.

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


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., 14<sup>th</sup> floor, Shakti Bhawan Ext, Lucknow alongwith enclosures

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

Date: 21, May-2021

Copy to the followings for their kind information:-

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

  
 (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 LTD

*Sandeep*  
AE

*AE*  
EE

*S. Sanyal*  
SE (Comm)

*Ad*  
(इ० अवीक्षित सिंह)  
मुख्य अभियन्ता (वाणिज्य)  
उ०प्र०रा०वि०उ०नि०लि०  
14वां तल, शक्ति भवन विस्तार  
लखनऊ-226001



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*Sunder*

*AS*

*Singh*

*AS*

(इ० अवीक्षित सिंह)  
मुख्य अभियन्ता (वाणिज्य)  
उ०प्र०रा०वि०उ०नि०लि०  
14वां तल, शक्ति भवन विस्तार  
लखनऊ-226001

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*Sandeep*

*AS*

*Surya*

*[Signature]*

(इ० 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

OBRA -A TPS PETITION FOR DETERMINATION OF FINAL TRUE-UP OF FY 2014-15, FY 2015-16, FY 2016-17 and FY 2017-18.

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

*Sanjay*

*AS*

*Singh*

*AS*  
(इं० अवीक्षित सिंह)  
मुख्य अभियन्ता (वाणिज्य)  
उ०प्र० रा० वि० उ० नि० लि०  
14वां तल, शक्ति भवन विस्तार  
लखनऊ-226001



भारतीय गैर न्यायिक

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INDIA NON JUDICIAL

उत्तर प्रदेश UTTAR PRADESH

38AE 978145

AFFIDAVIT

I, Avikshit Singh, Son of Late Dr. Chandra Pal Singh aged about 59 years, office of Commercial Unit, 14<sup>th</sup> 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 '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

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

Before me this \_\_\_\_\_ day of \_\_\_\_\_, 2021

R.C. VERMA  
Adv. & NOTARY  
Lucknow U.P. INDIA  
Regd. No 11/64/2000

DEPONENT

(इ० अवीक्षित सिंह)

मुख्य अभियन्ता (वाणिज्य)

उ०प्र०रा०वि०उ०नि०लि०

14वां तल, शक्ति भवन विस्तार

DEPONENT

(इ० अवीक्षित सिंह)

मुख्य अभियन्ता (वाणिज्य)

उ०प्र०रा०वि०उ०नि०लि०

14वां तल, शक्ति भवन विस्तार

लखनऊ-226001



## 1. 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

- Interest on Loan Capital
- Depreciation including Advance against Depreciation
- Return on Equity
- Operation and maintenance expenses including insurance
- 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 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.

*Sandeep*

*AS*

*S. Sanyal*

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

## 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'**

*Figures in Rs Crore*

Particulars	2014-15		2015-16		2016-17		2017-18	
	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual
Opening GFA	231.90	231.93	231.90	232.03	231.90	232.11	231.90	230.87
Capitalisation	-	0.10	-	0.08	-	0.03	-	0.14
Deletions	-	-	-	-	-	1.27	-	231.01
Closing GFA	231.90	232.03	231.90	232.11	231.90	230.87	231.90	-

## 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 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	-
Closing Net FA	165.78	153.11	139.12	-
Financing:				
Opening Equity	80.44	80.47	80.49	80.12
Additions	0.03	0.02	0.01	0.04
Deletion	-	-	0.38	80.16



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 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 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 loan repayment. The weighted average interest on loan capital was worked out at 11.40%.



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*

Particulars	2014-15		2015-16		2016-17		2017-18	
	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual
Opening Debts	107.49	107.49	94.75	94.82	82.01	82.12	72.40	69.39
Additions	-	0.07	-	0.05	-	0.02	-	0.10
Less:								
Normative repayment	12.74	12.74	12.74	12.75	9.61	12.75	-	69.49
Closing Debts	94.75	94.82	82.01	82.12	72.40	69.39	72.40	-
Average Debt	101.12	101.15	88.38	88.47	77.21	75.76	72.40	34.70
Interest on Loan	11.13	11.53	9.73	10.09	8.50	8.64	7.97	3.96

#### 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 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 – Obra A**

*Figures in Rs Crore*

Particulars	2014-15		2015-16		2016-17		2017-18	
	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	-	0.03	-	0.02	-	0.01	-	0.04
Deletion	-	-	-	-	-	0.38	-	80.16
Closing Equity	80.44	80.47	80.44	80.49	80.44	80.12	80.44	-
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	6.21

### 1.7. Operation and Maintenance Expenses

The tariff regulations prescribe that only capital expenditure would be eligible for true-up. The regulations do not provide for true-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*

Particulars	2014-15		2015-16		2016-17		2017-18	
	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

### 1.8. 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 A**

*Figures in Rs Crore*

Obra A Power Station	2014-15	2015-16	2016-17	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 true-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	2014-15		2015-16		2016-17		2017-18	
	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
IoWC	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	-	-	-	-	-	-	-	-
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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### 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:

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

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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
1	Anpara A	Billing	640.82	743.12	751.42	670.16	693.81
		Actual	679.77	715.70	748.30	705.41	714.17
		Profit	-	27.42	3.12	-	-
2	Anpara B	Billing	932.63	1,380.53	1,462.11	1,124.42	1,119.88
		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
3	Obra A	Billing	90.40	64.05	96.52	9.28	-
		Actual	107.99	94.79	43.38	13.49	-
		Profit	-	-	53.14	-	-
4	Obra B	Billing	625.76	655.78	811.24	835.74	603.12
		Actual	583.51	670.85	854.37	790.82	632.59
		Profit	42.25	-	-	44.92	-
5	Panki	Billing	368.21	201.47	265.35	119.21	-
		Actual	389.20	226.36	347.80	172.68	-
		Profit	-	-	-	-	-
6	Harduaganj	Billing	36.88	154.13	200.05	108.14	70.70
		Actual	71.58	213.34	203.04	95.88	75.76
		Profit	-	-	-	12.26	-
7	Harduaganj Extn	Billing	955.88	925.84	1,006.58	1,025.09	821.56
		Actual	1,115.48	1,066.99	1,057.31	978.16	836.73
		Profit	-	-	-	46.93	-
8	Parichha	Billing	121.54	287.97	175.35	96.75	49.44
		Actual	152.52	327.58	217.23	110.75	61.64
		Profit	-	-	-	-	-
9	Parichha Extn	Billing	674.66	909.14	930.26	807.10	579.50
		Actual	789.67	949.15	926.89	799.50	580.23
		Profit	-	-	3.37	7.60	-
10	Parichha Extn Stage II	Billing	986.77	1,041.83	1,108.99	946.21	809.07
		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	-	-	639.93	811.74	1,083.30
		Profit	-	-	87.37	22.29	102.70
Grand Total (Profit)			136.73	255.10	261.82	234.75	116.47
Profit Share of UPPCL@20%			27.35	51.02	52.36	46.95	23.29
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 with UPPCL as per 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

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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 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*

*(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	Billed by UPRVUNL	Verified by UPPCL	Unverified amount by UPPCL	Remarks	Annexure No
	UNL/Statutory 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/Statutory 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 <b>Annexure-3</b>
2	UNL/Statutory 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 Arrear- Rs. 4.7627117 Crore & UP Forest Transit Fee- Rs. 246.75 Crore	Invoice billed by UPRVUNL and verified by UPPCL are enclosed herewith as <b>Annexure-4</b>  UPERC Order dated 29-04-2016 relevant pages are enclosed as <b>Annexure-5</b>
3	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 <b>Annexure-6</b>
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>

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

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S No	Bill No	Bill date	Billed by UPRVUNL	Verified by UPPCL	Unverified amount by UPPCL	Remarks	Annexure No
5	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 <b>Annexure-8</b>
6	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(Comm.)//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 <b>Annexure-9</b>  UPRVUNL letter no. 341/UNL/CE(Comm.)//Statutory Charges dated 08-05-2019 for withdrawal amount of Rs. 109.61 Crore and 8.6615311 crore is enclosed herewith as <b>Annexure-10</b>
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 <b>Annexure-11</b>
8	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 <b>Annexure-12</b>
9	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 <b>Annexure-13</b>
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 <b>Annexure-14</b>

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



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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लखनऊ-228001

### 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 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.
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.



(इ० 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: 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 5x200 MW Obra-'B' Thermal Power Stations 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 dardt 21.01.2019.

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

Yours Sincerely,

  
(Avikshit Singh)  
Chief Engineer(Commercial)

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

Date: 21 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., 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, 14<sup>th</sup> floor, Shakti Bhawan Ext, Lucknow alongwith enlosures.

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

Date: **21**, May-2021

Copy to the followings for their kind information:-

1. PS to Managing Director, UPRVUNL, 7<sup>th</sup> 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, 8<sup>th</sup> floor, Shakti Bhawan Ext, Lucknow.
4. Director (Finance), UPRVUNL, 8<sup>th</sup> 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

*Sander*  
A E (cont)



*(इ० अवीक्षित सिंह)*  
मुख्य अभियन्ता (वाणिज्य)  
उ०प्र०रा०वि०उ०नि०लि०  
14वां तल, शक्ति भवन विस्तार  
लखनऊ-228001

UP RAJYA VIDYUT UTPADAN NIGAM LTD

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*Sandeep*

*AS*

*Singh*

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



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*Sander*

*AK*

*Sugan*

(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**

**OBRA -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**

*Sander*

*AS*

*Dr. Sugan*

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

भारतीय गैर न्यायिक

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TEN  
RUPEES

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INDIA NON JUDICIAL

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AFFIDAVIT

Shri Singh, Son of Late Dr. Chandra Pal Singh aged about 59 years, office of Commercial Unit, 1<sup>st</sup> 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 Obra 'B' 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.
- 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

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  
Before me

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

DEPONENT

(इ० अवीक्षित सिंह)  
मुख्य अभियन्ता (वाणिज्य)  
उ०प्र०रा०वि०उ०नि०लि०

14वां तल, शक्ति भवन विस्तार

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:

*Sunder*

*As*

*M. Suman*

*(इ० अवीक्षित सिंह)*  
मुख्य अभियन्ता (वाणिज्य)  
उ०प्र०रा०वि०उ०नि०लि०  
14वां तल, शक्ति भवन विस्तार  
लखनऊ-226001

Table: Gross Fixed Asset Balance of 'Obra B'

Figures in Rs Crore

Particulars	2014-15		2015-16		2016-17		2017-18		2018-19	
	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

#### 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*

Particulars	2014-15		2015-16		2016-17		2017-18		2018-19	
	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 Rs Crore*

Particulars	2014-15		2015-16		2016-17		2017-18		2018-19	
	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	187.51	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



## 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*

Particulars	2014-15		2015-16		2016-17		2017-18		2018-19	
	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual
Opening Equity	234.61	234.61	234.61	234.61	234.61	234.68	234.61	491.91	234.61	491.92
Additions	-	0.00	-	0.07	-	258.11	-	0.01	-	21.84
Deletion	-	-	-	-	-	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.

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 B**

*Figures in Rs Crore*

Particulars	2014-15		2015-16		2016-17		2017-18		2018-19	
	Approved	Claim	Approved	Claim	Approved	Claim	Approved	Claim	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

### 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 true-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

Figures in Rs Crore

Particulars	2014-15		2015-16		2016-17		2017-18		2018-19	
	Order	Actual	Order	Actual	Order	Actual	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

*Sandeep*

*AS*

*Dr. Sugam*  
SE (Comm)

*AS*

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



## 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.

*Sander*

*AS*

*Sunder*

*(इं० अवीक्षित सिंह)*  
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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:

### 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
1	Anpara A	Billing	640.82	743.12	751.42	670.16	693.81
		Actual	679.77	715.70	748.30	705.41	714.17
		Profit	-	27.42	3.12	-	-
2	Anpara B	Billing	932.63	1,380.53	1,462.11	1,124.42	1,119.88
		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
3	Obra A	Billing	90.40	64.05	96.52	9.28	-
		Actual	107.99	94.79	43.38	13.49	-
		Profit	-	-	53.14	-	-
4	Obra B	Billing	625.76	655.78	811.24	835.74	603.12
		Actual	583.51	670.85	854.37	790.82	632.59
		Profit	42.25	-	-	44.92	-
5	Panki	Billing	368.21	201.47	265.35	119.21	-
		Actual	389.20	226.36	347.80	172.68	-
		Profit	-	-	-	-	-
6	Harduaganj	Billing	36.88	154.13	200.05	108.14	70.70
		Actual	71.58	213.34	203.04	95.88	75.76
		Profit	-	-	-	12.26	-
7	Harduaganj Extn	Billing	955.88	925.84	1,006.58	1,025.09	821.56
		Actual	1,115.48	1,066.99	1,057.31	978.16	836.73
		Profit	-	-	-	46.93	-
8	Parichha	Billing	121.54	287.97	175.35	96.75	49.44
		Actual	152.52	327.58	217.23	110.75	61.64
		Profit	-	-	-	-	-
9	Parichha Extn	Billing	674.66	909.14	930.26	807.10	579.50
		Actual	789.67	949.15	926.89	799.50	580.23
		Profit	-	-	3.37	7.60	-
10	Parichha Extn Stage II	Billing	986.77	1,041.83	1,108.99	946.21	809.07
		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	-	-	639.93	811.74	1,083.30
		Profit	-	-	87.37	22.29	102.70
Grand Total (Profit)			136.73	255.10	261.82	234.75	116.47
Profit Share of UPPCL@20%			27.35	51.02	52.36	46.95	23.29
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 with UPPCL as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 clause 6 (6).

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

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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 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***

***(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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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
1	UNL/Statutory 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/Statutory 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 <b>Annexure-3</b>
2	UNL/Statutory 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 Arrear- Rs. 4.7627117 Crore & UP Forest Transit Fee- Rs. 246.75 Crore	Invoice billed by UPRVUNL and verified by UPPCL are enclosed herewith as <b>Annexure-4</b>  UPERC Order dated 29-04-2016 relevant pages are enclosed as <b>Annexure-5</b>
3	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 <b>Annexure-6</b>
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>

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

*[Signature]*

*[Signature]*

*[Signature]*  
(हो अवीक्षित सिंह)  
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S No	Bill No	Bill date	Billed by UPRVUNL	Verified by UPPCL	Unverified amount by UPPCL	Remarks	Annexure No
5	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 <b>Annexure-8</b>
6	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(Comm.)/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	UPRVUNL letter no. 341/UNL/CE(Comm.)/Statutory Charges dated 08-05-2019 for withdrawal amount of Rs. 109.61 Crore and 8.6615311 crore is enclosed herewith as <b>Annexure-10</b>
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 <b>Annexure-11</b>
8	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 <b>Annexure-12</b>
9	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 <b>Annexure-13</b>
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 <b>Annexure-14</b>

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

*Sandeep*

*AK*

*Dr. Suman*

(इ. व. सी. सिंह) 17

मुख्य अभियन्ता (वाणिज्य)

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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 18.01.2017, clause-11G.

*Sander*

*AS*

*Sugam*

*(इ० अवीक्षित सिंह)*  
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14वां तल, शक्ति भवन विस्तार  
लखनऊ-226001

### 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.

*Sander*

*AS*

*Singh*

(इ० अवीक्षित सिंह)  
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Office of Chief Engineer  
Commercial Unit



U.P. Rajya Vidyut Utpadan Nigam Ltd.  
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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

✓ The 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 dardt 21.01.2019.

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

Yours Sincerely,

  
(Avikshit Singh)

Chief Engineer(Commecial)

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

Date: 21, May-2021

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., 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.**  
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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, 14<sup>th</sup> floor, Shakti Bhawan Ext, Lucknow alongwith enlosures

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

Date: **21**, May-2021

Copy to the followings for their kind information:-

1. PS to Managing Director, UPRVUNL, 7<sup>th</sup> 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, 8<sup>th</sup> floor, Shakti Bhawan Ext, Lucknow.
4. Director (Finance), UPRVUNL, 8<sup>th</sup> 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

*Sunder*  
AE(Coml)

*AB*  
EE(Coml)

*MS*

*AS*  
(इ० अवीक्षित सिंह)  
मुख्य अभियन्ता (वाणिज्य)  
उ०प्र०रा०वि०उ०नि०लि०  
14वां तल, शक्ति भवन विस्तार  
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*Sandeep*

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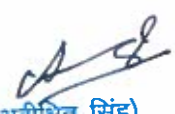
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 लखनऊ-226001

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**

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

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

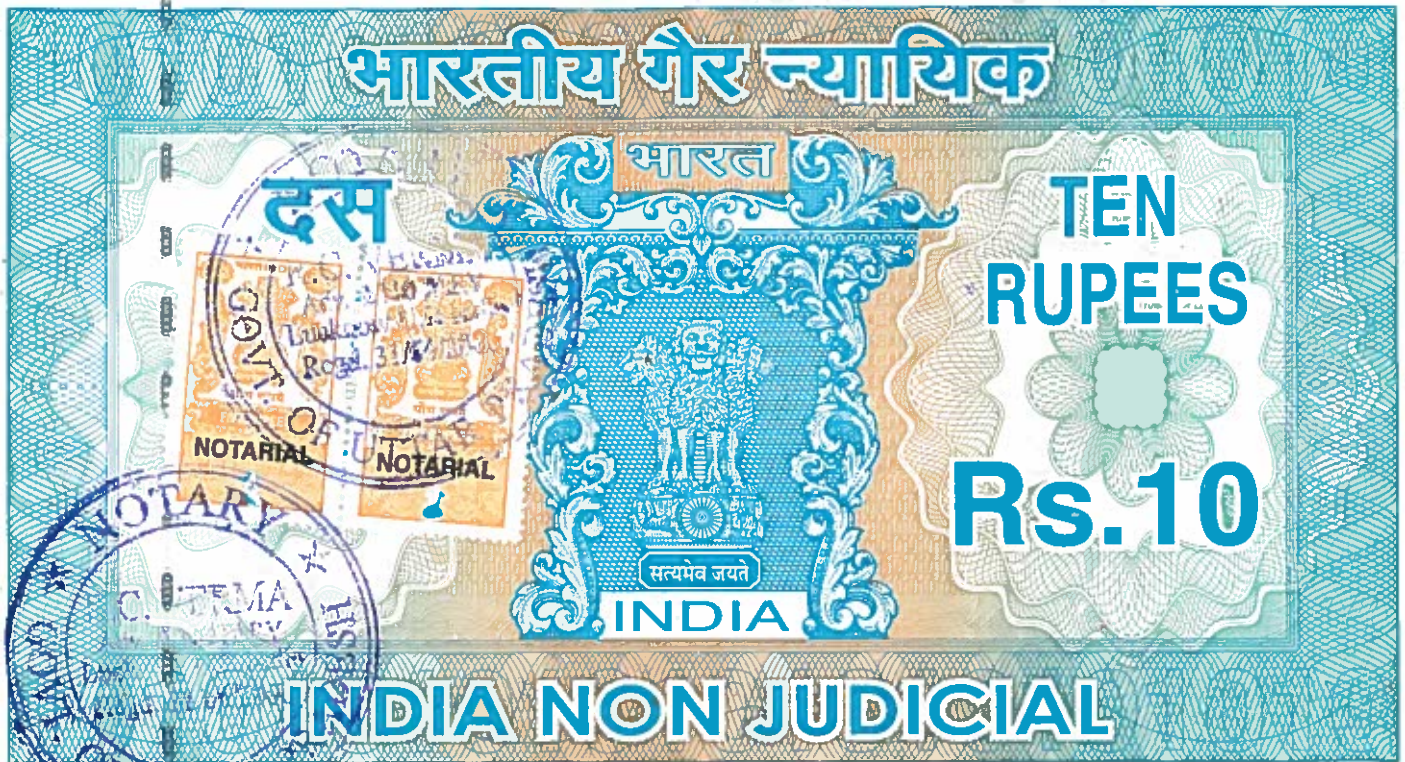
RESPONDENTS

*Sandeep*

*AS*

*M. Sanyal*

*(Signature)*  
(इं० अवीक्षित सिंह)  
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14वां तल, शक्ति भवन विस्तार  
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उत्तर प्रदेश UTTAR PRADESH

38AE 978143

**AFFIDAVIT**

I, Avikshit Singh, Son of Late Dr. Chandra Pal Singh aged about 59 years, office of Commercial Unit, 14<sup>th</sup> 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**

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 at Lucknow, 2021  
Before me

R.C. VERMA  
Adv. & NOTARY  
Lucknow U.P. INDIA

DEPONENT

(इं० अवीक्षित सिंह)

मुख्य अभियन्ता (वाणिज्य)

उ०प्र०रा०वि०उ०नि०लि०

14वां तल, शक्ति भवन विस्तार

DEPONENT

(इं० अवीक्षित सिंह)

मुख्य अभियन्ता (वाणिज्य)

उ०प्र०रा०वि०उ०नि०लि०

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

- Interest on Loan Capital
- Depreciation including Advance against Depreciation
- Return on Equity
- Operation and maintenance expenses including insurance
- 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 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:

Table: Gross Fixed Asset Balance of 'Panki'

Figures in Rs Crore

Particulars	2014-15		2015-16		2016-17		2017-18	
	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual
Opening GFA	159.97	160.00	159.97	170.41	159.97	170.42	159.97	182.44
Capitalisation	-	10.41	-	0.01	-	12.65	-	0.12
Deletions	-	-	-	-	-	0.62	-	182.56
Closing GFA	159.97	170.41	159.97	170.42	159.97	182.44	159.97	-

### 1.3. Means of Finance

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 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 – Panki

Figures in Rs Crore

Panki Power Station	2014-15	2015-16	2016-17	2017-18
<b>True up</b>				
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	-
<b>Financing:</b>				
Opening Equity	36.63	39.75	39.75	43.36
Additions	3.12	0.00	3.79	0.04
Deletion	-	-	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	-
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	-

#### 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**

*Figures in Rs Crore*

Particulars	2014-15		2015-16		2016-17		2017-18	
	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**

*Figures in Rs Crore*

Particulars	2014-15		2015-16		2016-17		2017-18	
	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	-	0.00	-	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 Loan	2.48	2.68	1.62	2.25	0.77	1.87	0.17	0.96



### 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 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 – Panki**

*Figures in Rs Crore*

Particulars	2014-15		2015-16		2016-17		2017-18	
	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	-	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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*[Signature]*

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

Particulars	2014-15		2015-16		2016-17		2017-18	
	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 true-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*

Particulars	2014-15		2015-16		2016-17		2017-18	
	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
<b>Total</b>	<b>172.53</b>	<b>173.19</b>	<b>177.82</b>	<b>179.36</b>	<b>183.26</b>	<b>185.77</b>	<b>189.19</b>	<b>180.26</b>

*Saved*

*AE*

*→ S. Suman*

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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:

### 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
1	Anpara A	Billing	640.82	743.12	751.42	670.16	693.81
		Actual	679.77	715.70	748.30	705.41	714.17
		Profit	-	27.42	3.12	-	-
2	Anpara B	Billing	932.63	1,380.53	1,462.11	1,124.42	1,119.88
		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
3	Obra A	Billing	90.40	64.05	96.52	9.28	-
		Actual	107.99	94.79	43.38	13.49	-
		Profit	-	-	53.14	-	-
4	Obra B	Billing	625.76	655.78	811.24	835.74	603.12
		Actual	583.51	670.85	854.37	790.82	632.59
		Profit	42.25	-	-	44.92	-
5	Panki	Billing	368.21	201.47	265.35	119.21	-
		Actual	389.20	226.36	347.80	172.68	-
		Profit	-	-	-	-	-
6	Harduaganj	Billing	36.88	154.13	200.05	108.14	70.70
		Actual	71.58	213.34	203.04	95.88	75.76
		Profit	-	-	-	12.26	-
7	Harduaganj Extn	Billing	955.88	925.84	1,006.58	1,025.09	821.56
		Actual	1,115.48	1,066.99	1,057.31	978.16	836.73
		Profit	-	-	-	46.93	-
8	Parichha	Billing	121.54	287.97	175.35	96.75	49.44
		Actual	152.52	327.58	217.23	110.75	61.64
		Profit	-	-	-	-	-
9	Parichha Extn	Billing	674.66	909.14	930.26	807.10	579.50
		Actual	789.67	949.15	926.89	799.50	580.23
		Profit	-	-	3.37	7.60	-
10	Parichha Extn Stage II	Billing	986.77	1,041.83	1,108.99	946.21	809.07
		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	-	-	639.93	811.74	1,083.30
		Profit	-	-	87.37	22.29	102.70
Grand Total (Profit)			136.73	255.10	261.82	234.75	116.47
Profit Share of UPPCL@20%			27.35	51.02	52.36	46.95	23.29
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 with UPPCL as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 clause 6 (6).



**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 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***

***(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.

*Sandeep*

*AS*

*→ Sugan*

*(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

S No	Bill No	Bill date	Billed by UPRVUNL	Verified by UPPCL	Unverified amount by UPPCL	Remarks	Annexure No
1	UNL/Statutory 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/Statutory 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 <b>Annexure-3</b>
2	UNL/Statutory 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 Appeal- Rs. 4.7627117 Crore & UP Forest Transit Fee- Rs. 246.75 Crore	Invoice billed by UPRVUNL and verified by UPPCL are enclosed herewith as <b>Annexure-4</b>  UPERC Order dated 29-04-2016 relevant pages are enclosed as <b>Annexure-5</b>
3	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 <b>Annexure-6</b>
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>

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

S No	Bill No	Bill date	Billed by UPRVUNL	Verified by UPPCL	Unverified amount by UPPCL	Remarks	Annexure No
5	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 <b>Annexure-8</b>
6	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(Comm.).) 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	UPRVUNL letter no. 341/UNL/CE(Comm.).) Statutory Charges dated 08-05-2019 for withdrawal amount of Rs. 109.61 Crore and 8.6615311 crore is enclosed herewith as <b>Annexure-10</b>
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 <b>Annexure-11</b>
8	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 <b>Annexure-12</b>
9	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 <b>Annexure-13</b>
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 <b>Annexure-14</b>

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

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.

*Sandeep*

*AS*

*M. Sugam*

(इ० 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:

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 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.
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.

*Sandeep*

*AB*

*M. Sanyal*

(इं० अशोक 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  
cecommercialun@gmail.com

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

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 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. Budget Notification dtd 21.01.2019.

Submitted for kind consideration of the Hon'ble Commission.

Encl: As above.

Yours Sincerely,

  
(Avikshit Singh)

Chief Engineer(Commercial)

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

Date: 21, 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., 132KV S/S Bhikhari Vidyut Nagar, Varanasi.
4. 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, 14<sup>th</sup> floor, Shakti Bhawan Ext, Lucknow alongwith enclosure

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

Date: 21 May-2021

Copy to the followings for their kind information:-

1. PS to Managing Director, UPRVUNL, 7<sup>th</sup> 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, 8<sup>th</sup> floor, Shakti Bhawan Ext, Lucknow.
4. Director (Finance), UPRVUNL, 8<sup>th</sup> floor, Shakti Bhawan Ext, Lucknow alongwith enclosure

(Avikshit Singh )  
Chief Engineer(Commercial)

# HARDUAGANJ THERMAL POWER STATION

## TRUE UP PETITION

FOR

FY 2014-15 to FY 2018-19



UP RAJYA VIDYUT UTPADAN NIGAM LTD

*Sandeep*  
AE (Coml)

*AE*  
*EE*

*Dr. Shyam*

*(Signature)*  
(श्री अशोक सिंह)  
मुख्य अभियन्ता (वाणिज्य)  
उपप्रबंधन विभाग  
14वां तल, शक्ति भवन विस्तार  
लखनऊ-226001



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*Sandeep*

*AB*

*Dr. Sanyal*

*[Signature]*

हि० अयोजित (वि०)  
मुख्य अभियन्ता (वाणिज्य)  
उपप्रशासक (वित्त)  
14वां तल, शक्ति भवन विस्तार  
लखनऊ-226001

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*Sandeep*

*AB*

*Dr. Suresh*

*A. S.*

(डॉ. अवीशित सिंह)  
मुख्य जमानता (प्रमाणित)  
उपप्रबंधन निदेशक  
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 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

DAKSHINANCHAL 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

*Sandeep*

*AB*

*M. Sanyal*

*[Signature]*

(ई० जगदीश सिंह)  
मुख्य अभियन्ता (वाणिज्य)  
उत्तरप्रदेश विद्युत निगम लि०  
14वां तल, शक्ति भवन विस्तार  
लखनऊ-226001



भारतीय गैर न्यायिक

दस

भारत

TEN  
RUPEES

Rs.10

INDIA NON JUDICIAL

उत्तर प्रदेश UTTAR PRADESH

38AE 978142

AFFIDAVIT

1. Avinshit Singh, Son of Late Dr. Chandra Pal Singh aged about 59 years, office of Commercial Unit, 14<sup>th</sup> 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 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.

DEPONENT

(ई० अवीशित सिंह)  
मुख्य अभियन्ता (वाणिज्य)  
उत्तरप्रदेश विद्युत निगम लि०

VERIFICATION

1. 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  
Verified at Lucknow on the

2021

R.C. VERMA  
Adv. & NOTARY  
Lucknow U.P. INDIA  
Regd. No 71/64/2000

DEPONENT

(ई० अवीशित सिंह)  
मुख्य अभियन्ता (वाणिज्य)  
उत्तरप्रदेश विद्युत निगम लि०  
14वां तल, शक्ति भवन विस्तार  
लखनऊ-228001



## 1. Harduaganj 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 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
- 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 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.

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'**

*Figures in Rs Crore*

Particulars	2014-15		2015-16		2016-17		2017-18		2018-19	
	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	-	496.75	-	0.01	-	0.01
Deletions	-	-	-	-	-	16.20	-	57.52	-	-
Closing GFA	145.39	145.62	145.39	145.62	145.39	626.17	145.39	568.65	145.39	568.66

### 1.3. Means of Finance

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 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 – Harduaganj**

*Figures in Rs Crore*

Harduaganj Power Station	2014-15	2015-16	2016-17	2017-18	2018-19
Opening GFA	145.42	145.62	145.62	626.17	568.65
Additions	0.20	0.01	496.75	0.01	0.01
Deletions	-	-	16.20	57.52	-
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:					
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	44.68	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	-
Closing Accumulated Depreciation	108.03	115.11	121.64	103.57	135.82
Opening Debts	-	-	-	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	-	-	11.34	40.27	-
Closing Debts	-	-	315.27	241.31	209.06



#### 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 -- Harduaganj

Figures in Rs Crore

Particulars	2014-15		2015-16		2016-17		2017-18		2018-19	
	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual
Depreciation including AAD	7.06	7.07	6.34	7.08	-	21.11	-	33.70	-	32.25

#### 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 11.40%.

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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Table: Allowable Interest on Loan-- Harduaganj

Figures in Rs Crore

Particulars	2014-15		2015-16		2016-17		2017-18		2018-19	
	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual
Opening Debts	-	-	-	-	-	-	-	315.27	-	241.31
Additions	-	0.14	-	0.00	-	347.72	-	0.01	-	0.01
Less: Cumulative depreciation adjustment on account of de-capitalisation	-	-	-	-	11.34	-	40.27	-	-	-
Less: Normative repayment	-	0.14	-	0.00	-	21.11	-	33.70	-	32.25
Closing Debts	-	-	-	-	-	315.27	-	241.31	-	209.06
Average Debt	-	-	-	-	-	157.64	-	278.29	-	225.19
Interest on Loan	-	-	-	-	-	17.97	-	31.73	-	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 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

Figures in Rs Crore

Particulars	2014-15		2015-16		2016-17		2017-18		2018-19	
	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual
Opening Equity	44.62	44.62	44.62	44.68	44.62	44.68	44.62	188.85	44.62	171.59
Additions	-	0.06	-	0.00	-	149.02	-	0.00	-	0.00
Deletion	-	-	-	-	-	4.86	-	17.26	-	-
Closing Equity	44.62	44.68	44.62	44.68	44.62	188.85	44.62	171.59	44.62	171.59
Average	44.62	44.65	44.62	44.68	44.62	116.76	44.62	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	26.60

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

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### 1.7. Operation and Maintenance Expenses

The tariff regulations prescribe that only capital expenditure would be eligible for true-up. The regulations do not provide for true-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 – Harduaganj**

*Figures in Rs Crore*

Particulars	2014-15		2015-16		2016-17		2017-18		2018-19	
	Approved	Claim	Approved	Claim	Approved	Claim	Approved	Claim	Approved	Claim
O&M 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

- \* 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 true-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 - Harduaganj**

*Figures in Rs Crore*

Particulars	2014-15		2015-16		2016-17		2017-18		2018-19	
	Order	Actual	Order	Actual	Order	Actual	Order	Actual	Order	Actual
Depreciation	7.06	7.07	6.34	7.08	-	21.11	-	33.70	-	32.25
Interest on Long Term Loans	-	-	-	-	-	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
IoWC	19.14	19.14	19.38	19.38	19.44	19.44	19.69	19.69	19.94	19.94
O&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

*Sandeep*

*AS*

*M. Singh*

*A. S.*

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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:



**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 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*

*{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.

*Sandeep* *AS*

*Singh*

*Ad*

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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 UPRVUNL	Verified by UPPCL	Unverified amount by UPPCL	Remarks	Annexure No
1	UNL/Statutory 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/Statutory 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
2	UNL/Statutory 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 Arrear- 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
3	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 Annexure-7

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

*Sandhu*

*Dr. Singh*

*[Signature]*

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उपग्रह/वित्त/निर्माण

S No	Bill No	Bill date	Billed by UPRVUNL	Verified by UPPCL	Unverified amount by UPPCL	Remarks	Annexure No
5	UNL/Statutory Charges/FY 2016-17/Q1	29-11-17	0.0320050	0.0320050	-	Amount of Rs. 109.61 Crore and 8.6615311 crore withdrawn by UPRVUNL vide letter no. 341/UNL/CE(Comm.)/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.	Invoice billed by UPRVUNL and verified by UPPCL are enclosed herewith as Annexure-8
6	UNL/Statutory Charges/FY 2017-18	18-08-18	188.5344357	152.0571674	36.4772683	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/UNL/CE(Comm.)/Statutory Charges dated 08-05-2019 for withdrawal amount of Rs. 109.61 Crore and 8.6615311 crore is enclosed herewith as Annexure-10
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
8	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
9	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

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

*Sandesh*

*Dr. Sandesh*

(३० अक्टूबर २०१९)  
मुख्य अभियन्ता (वाणिज्य)  
उपकरण विभाग, निले



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 18.01.2017, clause-11G.

*Sandeep*

*Singh*


(श्री अरविशिता सिंह)  
मुख्य अभियन्ता (वाणिज्य)  
उपप्रबंधन विभाग  
14वां तल, शक्ति भवन विस्तार  
लखनऊ-226001

*AZ*

### 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.



(ई० अशोक सिंह)  
मुख्य अभियन्ता (वाणिज्य)  
उपग्रहसंचालन विभाग  
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. 209UNL/CE(Comml.)/True-up (2014-19)/Harduaganj Ext

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 2x250 MW Harduaganj Ext Thermal Power  
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 dardt 21.01.2019.

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

Yours Sincerely,

  
(Avikshit Singh)

Chief Engineer(Commercial)

No. 200UNL/CE(Comml.)/True up (2014-19)/Harduaganj Ext  
Copy to the following respondents for their kind information:-

Date: 21 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., 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, 14<sup>th</sup> floor, Shakti Bhawan Ext, Lucknow alongwith enlosures

No. 200 /UNL/CE(Comml.)/True up (2014-19)/Harduaganj Ext

Date: 21, May-2021

**Copy to the followings for their kind information:-**

1. PS to Managing Director, UPRVUNL, 7<sup>th</sup> 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, 8<sup>th</sup> floor, Shakti Bhawan Ext, Lucknow.
4. Director (Finance), UPRVUNL, 8<sup>th</sup> 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



UP RAJYA VIDYUT UTPADAN NIGAM LTD.

(इ० अवीक्षित सिंह)  
मुख्य अभियन्ता (वाणिज्य)  
उ०प्र०रा०वि०उ०नि०लि०  
14वां तल, शक्ति भवन विस्तार  
लखनऊ-226001

*Sanjay*  
AE (Coml) AS  
EE (Coml)

*Singh*  
SE (Coml)

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*Sandeep*

*AB*

*M. Sanyal*

*(इ० अवीक्षित सिंह)*  
मुख्य अभियन्ता (वाणिज्य)  
उ०प्र०रा०वि०उ०नि०लि०  
14वां तल, शक्ति भवन विस्तार  
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*Sandeep*

*AB*

*M. Sanyal*

*[Signature]*

(इ० 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

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

*Sunder* *AB*

*Mr. Suman*

*A. S.*  
(इ० अवीक्षित सिंह)  
मुख्य अभियन्ता (वाणिज्य)  
उ०प्र०रा०वि०उ०नि०लि०  
14वां तल, शक्ति भवन विस्तार  
लखनऊ - 226 001



38AE 978141

I, **Avikshit Singh**, Son of Late Dr. Chandra Pal Singh aged about 59 years, office of Commercial Unit, 14<sup>th</sup> 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 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

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  
Before me

Verified at Lucknow on the \_\_\_\_\_, 2021

**R. C. VERMA**  
Adv. & NOTARY  
Lucknow U.P. INDIA  
Regd. No 31/64/2000

*[Signature]*

DEPONENT  
(इं० अवीक्षित सिंह)

मुख्य अभियन्ता (वाणिज्य)  
उ०प्र०रा०वि०उ०नि०लि०

14वां तल, शक्ति भवन विस्तार

*[Signature]*

DEPONENT  
(इं० अवीक्षित सिंह)

मुख्य अभियन्ता (वाणिज्य)  
उ०प्र०रा०वि०उ०नि०लि०

14वां तल, शक्ति भवन विस्तार  
लखनऊ-226001



## 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

- Interest on Loan Capital
- Depreciation including Advance against Depreciation
- Return on Equity
- Operation and maintenance expenses including insurance
- 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 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'

Particulars	Figures in Rs Crore									
	2014-15		2015-16		2016-17		2017-18		2018-19	
	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual	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	-	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

*Sander*

*AS*

*Dr. Suman*

*[Signature]*

(इं० अवीक्षित सिंह)  
मुख्य अभियन्ता (वाणिज्य)  
उपप्रशासक (वित्त)

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 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 – Harduaganj Extension**

*Figures in Rs Crore*

Harduaganj Extn Power Station	2014-15	2015-16	2016-17	2017-18	2018-19
	<b>True up</b>				
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
<b>Financing:</b>					
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

### 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 – Harduaganj Extension**

*Figures in Rs Crore*

Particulars	2014-15		2015-16		2016-17		2017-18		2018-19	
	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*

Particulars	2014-15		2015-16		2016-17		2017-18		2018-19	
	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

*Sandeep*

*AS*

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*AS*

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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*

Particulars	2014-15		2015-16		2016-17		2017-18		2018-19	
	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual
Opening Equity	935.33	935.33	935.33	939.07	935.33	940.10	935.33	937.65	935.33	937.86
Additions	-	3.74	-	1.04	-	1.05	-	0.22	-	0.00
Deletion	-	-	-	0.01	-	3.51	-	-	-	-
<b>Closing Equity</b>	<b>935.33</b>	<b>939.07</b>	<b>935.33</b>	<b>940.10</b>	<b>935.33</b>	<b>937.65</b>	<b>935.33</b>	<b>937.86</b>	<b>935.33</b>	<b>937.86</b>
<b>Average</b>	<b>935.33</b>	<b>937.20</b>	<b>935.33</b>	<b>939.58</b>	<b>935.33</b>	<b>938.87</b>	<b>935.33</b>	<b>937.75</b>	<b>935.33</b>	<b>937.86</b>
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%
<b>Allowable RoE</b>	<b>144.98</b>	<b>145.27</b>	<b>144.98</b>	<b>145.64</b>	<b>144.98</b>	<b>145.53</b>	<b>144.98</b>	<b>145.35</b>	<b>144.98</b>	<b>145.37</b>

## 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:

*[Signature]*

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सचनर, 22/04/2019

**Table: Allowable Operation and Maintenance Expenses – Harduaganj Extension**  
*Figures in Rs Crore*

Particulars	2014-15		2015-16		2016-17		2017-18		2018-19	
	Approved	Claim	Approved	Claim	Approved	Claim	Approved	Claim	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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### 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 true-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

Particulars	2014-15		2015-16		2016-17		2017-18		2018-19	
	Order	Actual	Order	Actual	Order	Actual	Order	Actual	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
IoWC	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, Auxillary Consumption and Secondary Fuel Oil Consumption.*

*ECRA – Actual Energy Charge Rate computed on the basis of actual Gross Station Heat Rate, Auxillary 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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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

S No	TPS Name		2014-15	2015-16	2016-17	2017-18	2018-19
1	Anpara A	Billing	640.82	743.12	751.42	670.16	693.81
		Actual	679.77	715.70	748.30	705.41	714.17
		Profit	-	27.42	3.12	-	-
2	Anpara B	Billing	932.63	1,380.53	1,462.11	1,124.42	1,119.88
		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
3	Obra A	Billing	90.40	64.05	96.52	9.28	-
		Actual	107.99	94.79	43.38	13.49	-
		Profit	-	-	53.14	-	-
4	Obra B	Billing	625.76	655.78	811.24	835.74	603.12
		Actual	583.51	670.85	854.37	790.82	632.59
		Profit	42.25	-	-	44.92	-
5	Panki	Billing	368.21	201.47	265.35	119.21	-
		Actual	389.20	226.36	347.80	172.68	-
		Profit	-	-	-	-	-
6	Harduaganj	Billing	36.88	154.13	200.05	108.14	70.70
		Actual	71.58	213.34	203.04	95.88	75.76
		Profit	-	-	-	12.26	-
7	Harduaganj Extn	Billing	955.88	925.84	1,006.58	1,025.09	821.56
		Actual	1,115.48	1,066.99	1,057.31	978.16	836.73
		Profit	-	-	-	46.93	-
8	Parichha	Billing	121.54	287.97	175.35	96.75	49.44
		Actual	152.52	327.58	217.23	110.75	61.64
		Profit	-	-	-	-	-
9	Parichha Extn	Billing	674.66	909.14	930.26	807.10	579.50
		Actual	789.67	949.15	926.89	799.50	580.23
		Profit	-	-	3.37	7.60	-
10	Parichha Extn Stage II	Billing	986.77	1,041.83	1,108.99	946.21	809.07
		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	-	-	639.93	811.74	1,083.30
		Profit	-	-	87.37	22.29	102.70
Grand Total (Profit)			136.73	255.10	261.82	234.75	116.47
Profit Share of UPPCL@20%			27.35	51.02	52.36	46.95	23.29
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 with UPPCL as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 clause 6 (6).

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Harduaganj 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 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***

***(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	Billed by UPRVUNL	Verified by UPPCL	Unverified amount by UPPCL	Remarks	Annexure No
1	UNL/Statutory 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/Statutory 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 <b>Annexure-3</b>
2	UNL/Statutory 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 Arrear- Rs. 4.7627117 Crore & UP Forest Transit Fee- Rs. 246.75 Crore	Invoice billed by UPRVUNL and verified by UPPCL are enclosed herewith as <b>Annexure-4</b>  UPERC Order dated 29-04-2016 relevant pages are enclosed as <b>Annexure-5</b>
3	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 <b>Annexure-6</b>
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>

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

S No	Bill No	Bill date	Billed by UPRVUNL	Verified by UPPCL	Unverified amount by UPPCL	Remarks	Annexure No
5	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 <b>Annexure-8</b>
6	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(Comm.).)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	UPRVUNL letter no. 341/UNL/CE(Comm.).)Statutory Charges dated 08-05-2019 for withdrawal amount of Rs. 109.61 Crore and 8.6615311 crore is enclosed herewith as <b>Annexure-10</b>
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 <b>Annexure-11</b>
8	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 <b>Annexure-12</b>
9	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 <b>Annexure-13</b>
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 <b>Annexure-14</b>

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

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:

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.

*Sander*

*AS*

*M. Sanyal*

*(इ० 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  
cccommercialunl@gmail.com

No. 201/UNL/CE(Comml.)/True-up (2014-19)/Parichha

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 2x110 MW Parichha Thermal Power Stations 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 dardt 21.01.2019.

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

Yours Sincerely,

  
(Avikshit Singh)  
Chief Engineer(Commercial)

No. 201/UNL/CE(Comml.)/True up (2014-19)/Parichha  
Copy to the following respondents for their kind information:-

Date: 21, 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., 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, 14<sup>th</sup> floor, Shakti Bhawan Ext, Lucknow alongwith enlosures.

No. 201/UNL/CE(Comml.)/True up (2014-19)/Parichha

Date: 21, May-2021

Copy to the followings for their kind information:-

1. PS to Managing Director, UPRVUNL, 7<sup>th</sup> 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, 8<sup>th</sup> floor, Shakti Bhawan Ext, Lucknow.
4. Director (Finance), UPRVUNL, 8<sup>th</sup> floor, Shakti Bhawan Ext, Lucknow alongwith enlosures.

(Avikshit Singh )  
Chief Engineer(Commercial)

# PARICHHA THERMAL POWER STATION

## TRUE UP PETITION

FOR

FY 2014-15 to FY 2018-19



UP RAJYA VIDYUT UTPADAN NIGAM LTD.

*Sandeep*  
AE (cont.)

*AS*  
EE (cont.)

*M. Sanyal*

(इं० अवाधेश कुमार)  
मुख्य अभियन्ता (वाणिज्य)  
उ०प्र०रा०वि०उ०नि०  
14वां तल, शक्ति भवन  
लखनऊ



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*Sunder* *AS*


*Dr. Sanyal*

(इ० अवीक्षित सिंह)  
मुख्य अभियन्ता (वाणिज्य)  
उ०प्र०रा०वि०उ०नि०लि०  
14वां तल, शक्ति भवन विस्तार  
लखनऊ-226001

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*Sander* *AS*

  
 (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 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



(इ० अवीक्षित सिंह)  
मुख्य अभियन्ता (वाणिज्य)  
उ०प्र०रा०वि०उ०नि०लि०  
14वां तल, शक्ति भवन विस्तार  
लखनऊ-226001



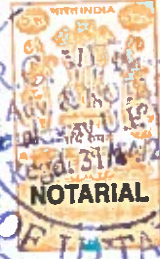
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उत्तर प्रदेश UTTAR PRADESH

38AE 978140

**AFFIDAVIT**

I, Avikshit Singh, Son of Late Dr. Chandra Pal Singh aged about 59 years, office of Commercial Unit, 14<sup>th</sup> 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 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**

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 on the \_\_\_\_\_, 2021

*Signature of R.C. Verma*  
R.C. VERMA  
NOTARY  
Lucknow U.P. INDIA  
31/6/2020

*Signature of Avikshit Singh*  
DEPONENT

(इं० अवीक्षित सिंह)

मुख्य अभियन्ता (वाणिज्य)

उ०प्र०रा०वि०उ०नि०लि०

14वां तल, शक्ति भवन विस्तार

*Signature of Avikshit Singh*  
DEPONENT

(इं० अवीक्षित सिंह)

मुख्य अभियन्ता (वाणिज्य)

उ०प्र०रा०वि०उ०नि०लि०

14वां तल, शक्ति भवन विस्तार



## 1. Parichha 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 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

- Interest on Loan Capital
- Depreciation including Advance against Depreciation
- Return on Equity
- Operation and maintenance expenses including insurance
- 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 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 decapitalisation 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

Particulars	2014-15		2015-16		2016-17		2017-18		2018-19	
	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual
Opening GFA	305.27	305.26	305.27	372.95	305.27	468.36	305.27	473.50	305.27	481.28
Capitalisation	-	67.69	-	95.41	-	6.29	-	7.78	-	4.48
Deletions	-	-	-	-	-	1.14	-	-	-	-
Closing GFA	305.27	372.95	305.27	468.36	305.27	473.50	305.27	481.28	305.27	485.76

### 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 – Parichha**

*Figures in Rs Crore*

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:					
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

*Sandil* *AS*

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

*Dr. Sanyal*

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

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**

*Figures in Rs Crore*

Particulars	2014-15		2015-16		2016-17		2017-18		2018-19	
	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 Rs Crore*

Particulars	2014-15		2015-16		2016-17		2017-18		2018-19	
	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	-	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%.

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*

Particulars	2014-15		2015-16		2016-17		2017-18		2018-19	
	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual
Opening Equity	79.03	79.03	79.03	99.34	79.03	127.96	79.03	129.50	79.03	131.84
Additions	-	20.31	-	28.62	-	1.89	-	2.33	-	1.34
Deletion	-	-	-	-	-	0.34	-	-	-	-
Closing Equity	79.03	99.34	79.03	127.96	79.03	129.50	79.03	131.84	79.03	133.18
Average	79.03	89.18	79.03	113.65	79.03	128.73	79.03	130.67	79.03	132.51
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	12.25	13.82	12.25	17.62	12.25	19.95	12.25	20.25	12.25	20.54

#### 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:

*Sandeep*

*HS*

*Suyam*  
(इ० अवीक्षित सिंह)  
मुख्य अभियन्ता (वाणिज्य)  
उ०प्र०रा०वि०उ०नि०लि०  
14वां तल, शक्ति भवन विस्तार  
लखनऊ-226001



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

Particulars	2014-15		2015-16		2016-17		2017-18		2018-19	
	Approved	Claim	Approved	Claim	Approved	Claim	Approved	Claim	Approved	Claim
O&M Expenses	70.20	70.20	73.13	73.13	76.14	76.14	79.27	79.27	82.46	82.46

### 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**  
*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

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 true-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

Figures in Rs Crore

Particulars	2014-15		2015-16		2016-17		2017-18		2018-19	
	Order	Actual	Order	Actual	Order	Actual	Order	Actual	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

*Sandeep*

*AS*

*Singh*

*(Signature)*  
 (इ० अवीक्षित सिंह)  
 मुख्य अभियन्ता (वाणिज्य)  
 उ०प्र०रा०वि०उ०नि०लि०  
 14वां तल, शक्ति भवन विस्तार  
 लखनऊ-226001

## 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.



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

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.

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

***“(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:***

**Where,**

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

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).

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

मुख्य अभियन्ता (वाणिज्य)  
उ०प्र०स०वि०उ०नि०लि०



# 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
1	Anpara A	Billing	640.82	743.12	751.42	670.16	693.81
		Actual	679.77	715.70	748.30	705.41	714.17
		Profit	-	27.42	3.12	-	-
2	Anpara B	Billing	932.63	1,380.53	1,462.11	1,124.42	1,119.88
		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
3	Obra A	Billing	90.40	64.05	96.52	9.28	-
		Actual	107.99	94.79	43.38	13.49	-
		Profit	-	-	53.14	-	-
4	Obra B	Billing	625.76	655.78	811.24	835.74	603.12
		Actual	583.51	670.85	854.37	790.82	632.59
		Profit	42.25	-	-	44.92	-
5	Panki	Billing	368.21	201.47	265.35	119.21	-
		Actual	389.20	226.36	347.80	172.68	-
		Profit	-	-	-	-	-
6	Harduaganj	Billing	36.88	154.13	200.05	108.14	70.70
		Actual	71.58	213.34	203.04	95.88	75.76
		Profit	-	-	-	12.26	-
7	Harduaganj Extn	Billing	955.88	925.84	1,006.58	1,025.09	821.56
		Actual	1,115.48	1,066.99	1,057.31	978.16	836.73
		Profit	-	-	-	46.93	-
8	Parichha	Billing	121.54	287.97	175.35	96.75	49.44
		Actual	152.52	327.58	217.23	110.75	61.64
		Profit	-	-	-	-	-
9	Parichha Extn	Billing	674.66	909.14	930.26	807.10	579.50
		Actual	789.67	949.15	926.89	799.50	580.23
		Profit	-	-	3.37	7.60	-
10	Parichha Extn Stage II	Billing	986.77	1,041.83	1,108.99	946.21	809.07
		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	-	-	639.93	811.74	1,083.30
		Profit	-	-	87.37	22.29	102.70
Grand Total (Profit)			136.73	255.10	261.82	234.75	116.47
Profit Share of UPPCL@20%			27.35	51.02	52.36	46.95	23.29
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 with UPPCL as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 clause 6 (6).

**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 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***

***(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.

*Sandeep*

*AS*

*M. Sanyal*

*(इ० 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*

S No	Bill No	Bill date	Billed by UPRVUNL	Verified by UPPCL	Unverified amount by UPPCL	Remarks	Annexure No
1	UNL/Statutory 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/Statutory 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 <b>Annexure-3</b>
2	UNL/Statutory 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 Arrear- Rs. 4.7627117 Crore & UP Forest Transit Fee- Rs. 246.75 Crore	Invoice billed by UPRVUNL and verified by UPPCL are enclosed herewith as <b>Annexure-4</b>  UPERC Order dated 29-04-2016 relevant pages are enclosed as <b>Annexure-5</b>
3	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 <b>Annexure-6</b>
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>

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

16

  
 (ई० अवीक्षित सिंह)  
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 14वां तल, शक्ति भवन विस्तार





S No	Bill No	Bill date	Billed by UPRVUNL	Verified by UPPCL	Unverified amount by UPPCL	Remarks	Annexure No
5	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 <b>Annexure-8</b>
6	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(Comm.)/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	UPRVUNL letter no. 341/UNL/CE(Comm.)/Statutory Charges dated 08-05-2019 for withdrawal amount of Rs. 109.61 Crore and 8.6615311 crore is enclosed herewith as <b>Annexure-10</b>
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 <b>Annexure-11</b>
8	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 <b>Annexure-12</b>
9	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 <b>Annexure-13</b>
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 <b>Annexure-14</b>

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

*Sandesh* *AK* *Dr. S. S. Singh* (इं० अवीक्षित सिंह)  
मुख्य अभियन्ता (वाणिज्य)  
उपप्रबन्धन विभाग



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.

Sandeep

AR

M. Sanyal

(इ० 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:

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.

*Sandeep*

*AS*

*Shyam*

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

**Subject:- Re-Submission of True-up Petition of 2x210 MW Parichha Ext Thermal Power  
Stations of UPRVUNL for FY 2014-15 to 2018-19.**

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 dardt 21.01.2019.

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


Yours Sincerely,

(Avikshit Singh)  
Chief Engineer(Commercial)

No. 202/UNL/CE(Comml.)/True up (2014-19)/Parichha Ext  
Copy to the following respondents for their kind information:-

Date: 21, 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., 132KV S/S Bhikhari Vidyut Nagar, Varanasi.
4. M.D., Pashimanchal Vidyut Vitran Nigam Ltd., Victoria Park, Meerut.

<p><b>Office of Chief Engineer Commercial Unit</b></p>		<p><b>U.P. Rajya Vidyut Utpadan Nigam Ltd.</b>  <b>14<sup>th</sup> floor, Shakti Bhawan Extn.</b>  <b>Lucknow-226001</b>  <b>Tel. No.- 0522-2288056/2287030</b>  <b>CIN :U40101UP1980SGC005065</b>  <b>E-mail: gm.commercial@uprvnl.org</b>  <b>cecommercialunl@gmail.com</b></p>
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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, 14<sup>th</sup> 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, 7<sup>th</sup> 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, 8<sup>th</sup> floor, Shakti Bhawan Ext, Lucknow.
4. Director (Finance), UPRVUNL, 8<sup>th</sup> 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 2018-19**



**UP RAJYA VIDYUT UTPADAN NIGAM LTD**

*Sunder*  
**AE (cont)**

*AS*  
**EE**

*Mr. Sugan*  
**SE (Cont)**

*[Signature]*  
(इं० अयोधित सिंह)  
मुख्य अभियन्ता (वाणिज्य)  
उ०प्र०रा०वि०उ०नि०लि०  
14वां तल, शक्ति भवन विस्तार  
लखनऊ-226001

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Sunder  
AE(cont)

AS

Dr. Shyam

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14वां तल, शक्ति भवन विस्तार  
लखनऊ-226001

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*Sunder*

*AS*

*M. Sanyal*

*AS*

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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.

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 अयोधित सिंह)  
मुख्य अभियन्ता (वाणिज्य)  
उ०प्र०रा०वि०उ०मि०लि०  
14वां तल, शक्ति भवन विस्तार  
लखनऊ-226001



भारतीय गैर न्यायिक

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TEN  
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उत्तर प्रदेश UTTAR PRADESH

AFFIDAVIT

38AE 978139

I, Avikshit Singh, Son of Late Dr. Chandra Pal Singh aged about 59 years, office of Commercial Unit, 14<sup>th</sup> 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 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

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, the \_\_\_\_\_, 2021

Sworn and  
Declared

R.C. VERMA  
AGV. & NOTARY  
LUCKNOW U.P. INDIA  
No 31/64/2000

DEPONENT

(ई० अवीक्षित सिंह)

मुख्य अभियन्ता (वाणिज्य)

उ०प्र०रा०वि०उ०नि०लि०

14वां तल, शक्ति भवन विस्तार

DEPONENT

(ई० अवीक्षित सिंह)

मुख्य अभियन्ता (वाणिज्य)

उ०प्र०रा०वि०उ०नि०लि०

14वां तल, शक्ति भवन विस्तार

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## 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

- Interest on Loan Capital
- Depreciation including Advance against Depreciation
- Return on Equity
- Operation and maintenance expenses including insurance
- 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 UPRVUNL.

### 1.2. Gross Fixed Assets

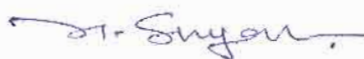
The Petitioner submits that it has considered the opening balance of gross fixed assets for the financial year 2014-15 from the MYT Order issued by the Hon'ble Commission on 29th April 2016 and review order dated 18th January 2017. The Petitioner submits that there have been additional capitalisation 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

Particulars	2014-15		2015-16		2016-17		2017-18		2018-19	
	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	-	24.82	-	3.52	-	1.15	-	67.71
Deletions	-	-	-	-	-	6.59	-	-	-	-
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



(Dr. Arvind Singh)  
मुख्य अभियन्ता (वाणिज्य)  
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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 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 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 – Parichha Extension**

*Figures in Rs Crore*

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	-	-	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:					
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	-	-
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

*Sandeep*

*AS*

*Dr. Sanyal*

*[Signature]*



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**

*Figures in Rs Crore*

Particulars	2014-15		2015-16		2016-17		2017-18		2018-19	
	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual
Depreciation	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 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– Parichha Extension**

*Figures in Rs Crore*

Particulars	2014-15		2015-16		2016-17		2017-18		2018-19	
	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual
Opening Debts	951.06	951.06	853.42	853.52	755.78	772.52	658.14	675.78	560.50	577.47
Additions	-	0.11	-	17.37	-	2.47	-	0.81	-	47.40
Less: Normative repayment	97.64	97.65	97.64	98.38	97.64	99.21	97.64	99.12	97.64	100.28
Closing Debts	853.42	853.52	755.78	772.52	658.14	675.78	560.50	577.47	462.86	524.58
Average Debt	902.24	902.29	804.60	813.02	706.96	724.15	609.32	626.62	511.68	551.02
Interest on Loan	81.74	98.35	72.90	88.62	64.05	78.93	55.20	68.30	46.36	60.06

#### 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 29<sup>th</sup> 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 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 – Parichha Extension**

*Figures in Rs Crore*

Particulars	2014-15		2015-16		2016-17		2017-18		2018-19	
	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual	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	-	0.05	-	7.45	-	1.06	-	0.35	-	20.31
Deletion	-	-	-	-	-	1.98	-	-	-	-
<b>Closing Equity</b>	<b>357.76</b>	<b>357.81</b>	<b>357.76</b>	<b>365.25</b>	<b>357.76</b>	<b>364.33</b>	<b>357.76</b>	<b>364.68</b>	<b>357.76</b>	<b>384.99</b>
<b>Average</b>	<b>357.76</b>	<b>357.78</b>	<b>357.76</b>	<b>361.53</b>	<b>357.76</b>	<b>364.79</b>	<b>357.76</b>	<b>364.51</b>	<b>357.76</b>	<b>374.83</b>
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%
<b>Allowable RoE</b>	<b>55.45</b>	<b>55.46</b>	<b>55.45</b>	<b>56.04</b>	<b>55.45</b>	<b>56.54</b>	<b>55.45</b>	<b>56.50</b>	<b>55.45</b>	<b>58.10</b>

### 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**

*Figures in Rs Crore*

Particulars	2014-15		2015-16		2016-17		2017-18		2018-19	
	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

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

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उपप्रशासक (वाणिज्य)

### 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

*Sandeep*

*AK*

*G. Sanyal*

*[Signature]*

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लखनऊ-226001

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 true-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

Particulars	2014-15		2015-16		2016-17		2017-18		2018-19	
	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	-	-	-	-	-	-	-	-	-	-
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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लखनऊ-226001



## 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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उ०प्र०रा०वि०उ०नि०लि०  
14वां 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:

### 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
1	Anpara A	Billing	640.82	743.12	751.42	670.16	693.81
		Actual	679.77	715.70	748.30	705.41	714.17
		Profit	-	27.42	3.12	-	-
2	Anpara B	Billing	932.63	1,380.53	1,462.11	1,124.42	1,119.88
		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
3	Obra A	Billing	90.40	64.05	96.52	9.28	-
		Actual	107.99	94.79	43.38	13.49	-
		Profit	-	-	53.14	-	-
4	Obra B	Billing	625.76	655.78	811.24	835.74	603.12
		Actual	583.51	670.85	854.37	790.82	632.59
		Profit	42.25	-	-	44.92	-
5	Panki	Billing	368.21	201.47	265.35	119.21	-
		Actual	389.20	226.36	347.80	172.68	-
		Profit	-	-	-	-	-
6	Harduaganj	Billing	36.88	154.13	200.05	108.14	70.70
		Actual	71.58	213.34	203.04	95.88	75.76
		Profit	-	-	-	12.26	-
7	Harduaganj Extn	Billing	955.88	925.84	1,006.58	1,025.09	821.56
		Actual	1,115.48	1,066.99	1,057.31	978.16	836.73
		Profit	-	-	-	46.93	-
8	Parichha	Billing	121.54	287.97	175.35	96.75	49.44
		Actual	152.52	327.58	217.23	110.75	61.64
		Profit	-	-	-	-	-
9	Parichha Extn	Billing	674.66	909.14	930.26	807.10	579.50
		Actual	789.67	949.15	926.89	799.50	580.23
		Profit	-	-	3.37	7.60	-
10	Parichha Extn Stage II	Billing	986.77	1,041.83	1,108.99	946.21	809.07
		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	-	-	639.93	811.74	1,083.30
		Profit	-	-	87.37	22.29	102.70
Grand Total (Profit)			136.73	255.10	261.82	234.75	116.47
Profit Share of UPPCL@20%			27.35	51.02	52.36	46.95	23.29
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 with UPPCL as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 clause 6 (6).



**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 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*

*(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.

*Sandesh*

*AS*

*A. Sanyal*

*A. S.*

(इ० 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

S No	Bill No	Bill date	Billed by UPRVUNL	Verified by UPPCL	Unverified amount by UPPCL	Remarks	Annexure No
1	UNL/Statutory 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/Statutory 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 <b>Annexure-3</b>
2	UNL/Statutory 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 Arrear- Rs. 4.7627117 Crore & UP Forest Transit Fee- Rs. 246.75 Crore	Invoice billed by UPRVUNL and verified by UPPCL are enclosed herewith as <b>Annexure-4</b>  UPERC Order dated 29-04-2016 relevant pages are enclosed as <b>Annexure-5</b>
3	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 <b>Annexure-6</b>
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>

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



S No	Bill No	Bill date	Billed by UPRVUNL	Verified by UPPCL	Unverified amount by UPPCL	Remarks	Annexure No
5	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 <b>Annexure-8</b>
6	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(Comm.)/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	UPRVUNL letter no. 341/UNL/CE(Comm.)/Statutory Charges dated 08-05-2019 for withdrawal amount of Rs. 109.61 Crore and 8.6615311 crore is enclosed herewith as <b>Annexure-10</b>
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 <b>Annexure-11</b>
8	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 <b>Annexure-12</b>
9	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 <b>Annexure-13</b>
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 <b>Annexure-14</b>

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

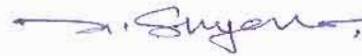
In the view of the above, amount of Rs. 36.4772683 Crore and Rs. 12.2516709 Crore totalling Rs. 48.7289392 Crore has not been verified by the UPPCL on account of Income Tax head. The same amount has already been submitted by the UPRVUNL before the Hon'ble Commission vide its True-up Petition additional 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.









(इ० 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:

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.



(इ० अवीशित 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. 203/UNL/CE(Comml.)/True-up (2014-19)/Parichha Ext-II

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 2x250 MW Parichha Ext-II Thermal Power  
Stations of UPRVUNL for FY 2014-15 to 2018-19.**

Dear Sir,

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 dardt 21.01.2019.

Submitted for kind consideration of the Hon'ble Commission.

Encl: As above.

Yours Sincerely,

  
(Avikshit Singh)

**Chief Engineer(Commercial)**

No. 203/UNL/CE(Comml.)/True up (2014-19)/Parichha Ext-II  
Copy to the following respondents for their kind information:-

Date: 21, 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., 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  
cccommercialunl@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, 14<sup>th</sup> floor, Shakti Bhawan Ext, Lucknow alongwith enlosures.

No. <sup>203</sup>/UNL/CE(Comml.)/True up (2014-19)/Parichha Ext-II

Date: <sup>21</sup>, May-2021

Copy to the followings for their kind information:-

1. PS to Managing Director, UPRVUNL, 7<sup>th</sup> 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, 8<sup>th</sup> floor, Shakti Bhawan Ext, Lucknow.
4. Director (Finance), UPRVUNL, 8<sup>th</sup> 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**

*Sandeep*  
AE(Com)

*AS*  
EE(Com)



*Shyam*  
SE(Com)  
**UP RAJYA VIDYUT UTPADAN NIGAM LTD**

*Ad*  
(इ० अवीक्षित सिंह)  
मुख्य अभियन्ता (वाणिज्य)  
उ०प्र०रा०वि०उ०नि०लि०  
14वां तल, शक्ति भवन विस्तार  
लखनऊ-226001

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*Sandeep*  
AE

*AS*

*Singh*

*(इ० अवीक्षित सिंह)*  
मुख्य अभियन्ता (वाणिज्य)  
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*Sandeep*

*AS*

*Dr. Sanyal*

*A/S*

(इं० अवीक्षित सिंह)  
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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 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.

**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

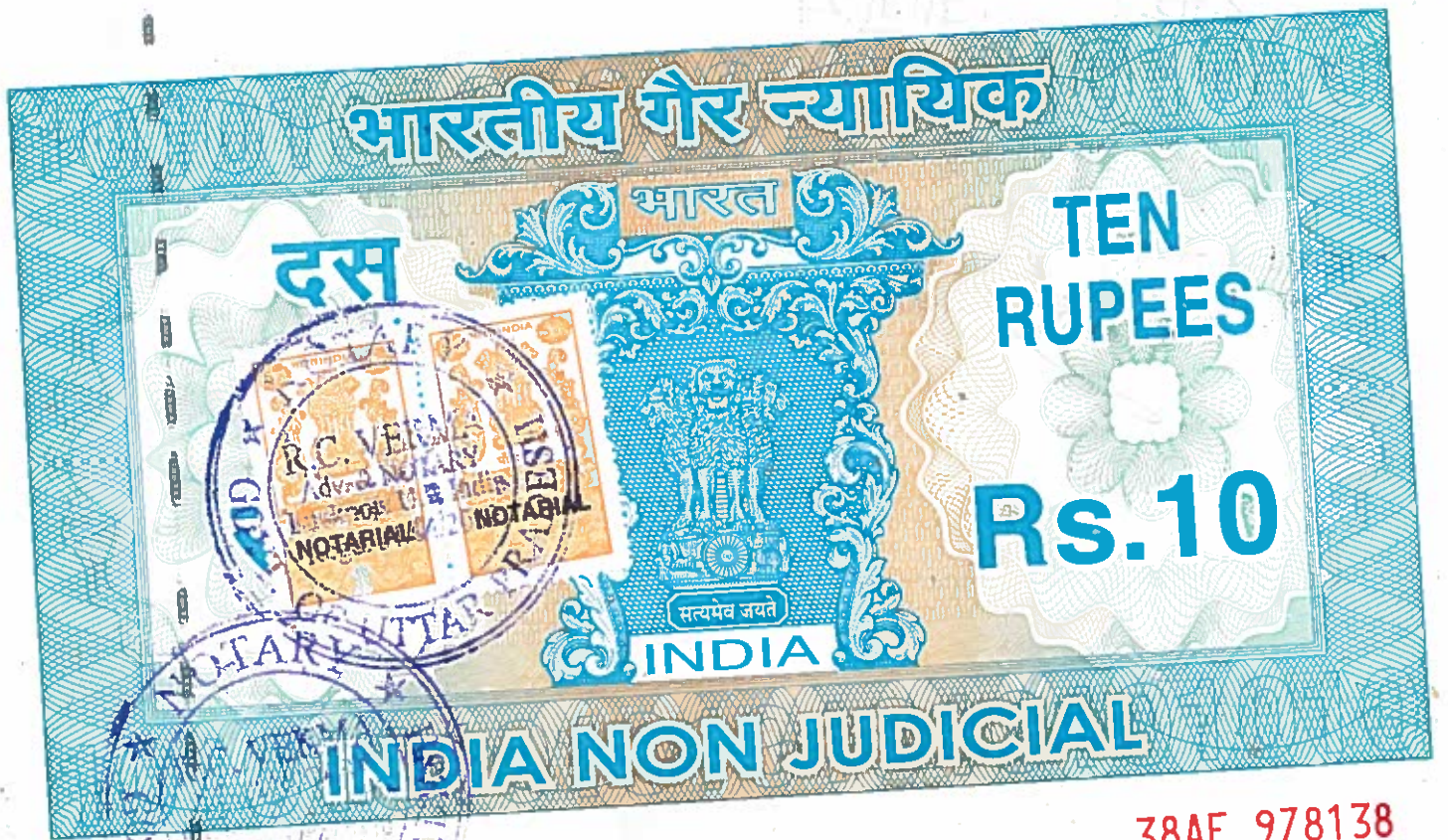
NOIDA POWER CO. LTD.  
COMMERCIAL COMPLEX, H BLOCK, ALPHA-II SECTOR  
GREATER NOIDA CITY

**RESPONDENTS**

*Sandeep* *AR*

*M. Sanyal*

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



38AE 978138

उत्तर प्रदेश UTTAR PRADESH

**AFFIDAVIT**

I, **Aakash Singh**, Son of Late Dr. Chandra Pal Singh aged about 59 years, office of Commercial Unit, 14<sup>th</sup> 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.
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**

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 on the \_\_\_\_\_, 2021

Sworn and Verified  
Before me

**R.C. VERMA**  
Adv. & Notary  
Lucknow U.P. INDIA  
21/6/2000

DEPONENT

(इ० अवीक्षित सिंह)  
मुख्य अभियन्ता (वाणिज्य)  
उ०प्र०रा०वि०उ०नि०लि०

DEPONENT  
(इ० अवीक्षित सिंह)  
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 Parichha 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

- Interest on Loan Capital
- Depreciation including Advance against Depreciation
- Return on Equity
- Operation and maintenance expenses including insurance
- 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 UPRVUNL.

*Sandeep*

*AR*

*Dr. Suman*

*[Signature]*

(इ० अवीक्षित सिंह)  
मुख्य अभियन्ता (वाणिज्य)  
उ०प्र०रा०वि०उ०नि०लि०  
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## 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 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'**

*Figures in Rs Crore*

Particulars	2014-15		2015-16		2016-17		2017-18		2018-19	
	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	-	-	-	-	-	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

## 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 – Parichha Extension Stage II**

*Figures in Rs Crore*

Parichha Extn stage II Power Station	2014-15	2015-16	2016-17	2017-18	2018-19
Opening GFA	2,673.54	2,679.55	2,728.99	2,752.75	2,774.12
Additions	6.01	49.44	33.84	21.37	21.66
Deletions	-	-	10.08	-	-
Closing GFA	2,679.55	2,728.99	2,752.75	2,774.12	2,795.78
Closing Net FA	2,404.13	2,302.76	2,182.82	2,050.60	1,917.81
Financing:					
Opening Equity	802.03	803.83	818.66	825.79	832.20
Additions	1.80	14.83	10.15	6.41	6.50
Deletion	-	-	3.02	-	-
Closing Equity	803.83	818.66	825.79	832.20	838.70



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*

Particulars	2014-15		2015-16		2016-17		2017-18		2018-19	
	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual
Depreciation	149.36	149.44	149.36	150.81	149.36	152.77	149.36	153.59	149.36	154.46

#### 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 (वाणि)  
उ०प्र०रा०वि०उ०नि०लि  
14वां तल, शक्ति भवन नि  
लखनऊ-226001

**Table: Allowable Interest on Loan– Parichha Extension Stage II**

*Figures in Rs Crore*

Particulars	2014-15		2015-16		2016-17		2017-18		2018-19	
	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual	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	-	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 of de-capitalisation						7.06				
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 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:

*Sandeep*

*JS*

*Surya*

(इ० अवीक्षित सिंह)  
मुख्य अभियन्ता (वाणिज्य)  
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लखनऊ-226001

**Table: Allowable Return on Equity – Parichha Extension Stage II***Figures in Rs Crore*

Particulars	2014-15		2015-16		2016-17		2017-18		2018-19	
	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual	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	-	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*

Particulars	2014-15		2015-16		2016-17		2017-18		2018-19	
	Approved	Claim	Approved	Claim	Approved	Claim	Approved	Claim	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– Parichha Extension Stage II**

*Figures in Rs Crore*

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 true-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*

Particulars	2014-15		2015-16		2016-17		2017-18		2018-19	
	Order	Actual	Order	Actual	Order	Actual	Order	Actual	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
IoWC	67.53	67.53	67.75	67.75	67.77	67.77	67.94	67.94	68.14	68.14
O&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



## 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.

*Sandeep* *AS*

*M. Sanyal*

*(इ० अवीक्षित सिंह)*  
मुख्य अभियन्ता (वाणिज्य)  
उ०प्र०रा०वि०उ०नि०लि०  
14वां 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, Auxilliary Consumption and Secondary Fuel Oil Consumption.*

*ECRA – Actual Energy Charge Rate computed on the basis of actual Gross Station Heat Rate, Auxilliary 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:

# 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
1	Anpara A	Billing	640.82	743.12	751.42	670.16	693.81
		Actual	679.77	715.70	748.30	705.41	714.17
		Profit	-	27.42	3.12	-	-
2	Anpara B	Billing	932.63	1,380.53	1,462.11	1,124.42	1,119.88
		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
3	Obra A	Billing	90.40	64.05	96.52	9.28	-
		Actual	107.99	94.79	43.38	13.49	-
		Profit	-	-	53.14	-	-
4	Obra B	Billing	625.76	655.78	811.24	835.74	603.12
		Actual	583.51	670.85	854.37	790.82	632.59
		Profit	42.25	-	-	44.92	-
5	Panki	Billing	368.21	201.47	265.35	119.21	-
		Actual	389.20	226.36	347.80	172.68	-
		Profit	-	-	-	-	-
6	Harduaganj	Billing	36.88	154.13	200.05	108.14	70.70
		Actual	71.58	213.34	203.04	95.88	75.76
		Profit	-	-	-	12.26	-
7	Harduaganj Extn	Billing	955.88	925.84	1,006.58	1,025.09	821.56
		Actual	1,115.48	1,066.99	1,057.31	978.16	836.73
		Profit	-	-	-	46.93	-
8	Parichha	Billing	121.54	287.97	175.35	96.75	49.44
		Actual	152.52	327.58	217.23	110.75	61.64
		Profit	-	-	-	-	-
9	Parichha Extn	Billing	674.66	909.14	930.26	807.10	579.50
		Actual	789.67	949.15	926.89	799.50	580.23
		Profit	-	-	3.37	7.60	-
10	Parichha Extn Stage II	Billing	986.77	1,041.83	1,108.99	946.21	809.07
		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	-	-	639.93	811.74	1,083.30
		Profit	-	-	87.37	22.29	102.70
Grand Total (Profit)			136.73	255.10	261.82	234.75	116.47
Profit Share of UPPCL@20%			27.35	51.02	52.36	46.95	23.29
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 with UPPCL as per UPERC (Terms and Conditions of Generation Tariff) Regulations 2014 clause 6 (6).

**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 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***

***(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.

*Sandeep* *AS*

*M. Sanyal*

*(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**

S No	Bill No	Bill date	Billed by UPRVUNL	Verified by UPPCL	Unverified amount by UPPCL	Remarks	Annexure No
1	UNL/Statutory 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/Statutory 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 <b>Annexure-3</b>
2	UNL/Statutory 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 <b>Annexure-4</b>  UPERC Order dated 29-04-2016 relevant pages are enclosed as <b>Annexure-5</b>
3	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 <b>Annexure-6</b>
4	UNL/Statutory Charges/FY 2016-17	31-08-17	240.4216706	233.8466656	6.5750050	Amount of Rs. 0.02500050/- 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>

Parichha Extension Stage-II: True-up Petition for FY 2014-15 to FY 2018-19

*Dr. Sanyal*

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(डॉ अवीक्षित सिंह)  
मुख्य अभियन्ता (वाणिज्य)  
उपप्रचारक/विंडो/निर्माण  
14वां तल, शक्ति भवन विस्तार

*AS*

*Sandesh*

S No	Bill No	Bill date	Billed by UPRVUNL	Verified by UPPCL	Unverified amount by UPPCL	Remarks	Annexure No
5	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 <b>Annexure-8</b>
6	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(Comm.) / 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	UPRVUNL letter no. 341/UNL/CE(Comm.) / Statutory Charges dated 08-05-2019 for withdrawal amount of Rs. 109.61 Crore and 8.6615311 crore is enclosed herewith as <b>Annexure-10</b>
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 <b>Annexure-11</b>
8	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 <b>Annexure-12</b>
9	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 <b>Annexure-13</b>
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 <b>Annexure-14</b>

Parichha Extension Stage-II: True-up Petition for FY 2014-15 to FY 2018-19

*Dr. Suman*

*AS*

*Ranbir*

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.

*Sandesh*

*AS*

*Dr. Suman*

*(Signature)*  
(इ० 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:

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.

*Sandeep*

*AS*

*Dr. Suman*

*(Signature)*

(इ० अवीक्षित सिंह)  
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