Tariff Order

On

True-up for FY 2022-23,

Annual Performance Review for

FY 2023-24

&

Annual Fixed Charges

for FY 2024-25

For

UJVN Ltd.

March 28, 2024

UTTARAKHAND ELECTRICITY REGULATORY COMMISSION
Vidyut Niyamak Bhawan,
Near I.S.B.T., P.O. Majra, Dehradun–248171

Table of Contents

List of Tables

Before

UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

Petition No.: 54 to 63 of 2023

In the Matter of:

Petition filed by UJVN Ltd. for True-up for FY 2022-23, Annual Performance Review for FY 2023-24 and Annual Fixed Charges for FY 2024-25 for 10 LHPs.

AND

In the Matter of:

UJVN Ltd.

UJJWAL, Maharani Bagh, GMS Road, Dehra Dun-248006 …Petitioner

Coram

Shri D. P. Gairola	**Member (Law)/Chairman (I/c)**
Shri M. L. Prasad	**Member (Technical)**

Date of Order: March 28, 2024

Section 64(1) read with Section 61 and 62 of the Electricity Act, 2003 (hereinafter referred to as "the Act") requires the Generating Companies and the Licensees to file an application for determination of tariff before the Appropriate Commission in such manner and along with such fee as may be specified by the Appropriate Commission through Regulations.

In accordance with the relevant provisions of the Act, the Commission had notified Uttarakhand Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2011 (hereinafter referred to as "UERC Tariff Regulations, 2011") for the First Control Period from FY 2013-14 to FY 2015-16 specifying therein terms, conditions and norms of operation for licensees, generating companies and SLDC. The Commission had issued the MYT Order dated May 6, 2013 for the First Control Period from FY 2013-14 to FY 2015-16. In accordance with the provisions of the UERC Tariff Regulations, 2011, the Commission had carried out the Annual Performance Review for FY

2013-14, FY 2014-15 and FY 2015-16 vide its Orders dated April 10, 2014, April 11, 2015 and April 5, 2016 respectively.

Further, in accordance with the relevant provisions of the Act, the Commission had notified Uttarakhand Electricity Regulatory Commission (Terms and Conditions for Determination of Multi Year Tariff) Regulations, 2015 (hereinafter referred to as "UERC Tariff Regulations, 2015") for the Second Control Period from FY 2016-17 to FY 2018-19 specifying therein terms, conditions and norms of operation for licensees, generating companies and SLDC. The Commission had issued the MYT Order on approval of Business Plan and Multi Year Tariff Order dated April 5, 2016 for the Second Control Period from FY 2016-17 to FY 2018-19. In accordance with the provisions of the UERC Tariff Regulations, 2015, the Commission had carried out the Annual Performance Review for FY 2016-17 FY 2017-18 and FY 2018-19 vide its Order dated March 29, 2017, March 21, 2018 and February 27, 2019 respectively.

Subsequently, in accordance with the relevant provisions of the Act, the Commission had notified Uttarakhand Electricity Regulatory Commission (Terms and Conditions for Determination of Multi Year Tariff) Regulations, 2018 (hereinafter referred to as "UERC Tariff Regulations, 2018") for the Third Control Period from FY 2019-20 to FY 2021-22 specifying therein terms, conditions and norms of operation for licensees, generating companies and SLDC. The Commission had issued Order on approval of Business Plan and Multi Year Tariff Petition on February, 27, 2019 for the Third Control Period from FY 2019-20 to FY 2021-22. Further, the Commission had carried out the Annual Performance Review for FY 2019-20 and FY 2020-21 vide its Order dated April 18, 2020 and April 26, 2021 respectively.

Further, in accordance with the relevant provisions of the Act, the Commission had notified Uttarakhand Electricity Regulatory Commission (Terms and Conditions for Determination of Multi Year Tariff) Regulations, 2021 (hereinafter referred to as "UERC Tariff Regulations, 2021") for the Fourth Control Period from FY 2022-23 to FY 2024-25 specifying therein terms, conditions and norms of operation for licensees, generating companies and SLDC. The Commission had issued Order on approval of Business Plan and Multi Year Tariff Petition on March 31, 2022 for the Fourth Control Period from FY 2022-23 to FY 2024-25. Further, the Commission had carried out the Annual Performance Review for FY 2021-22 & FY 2022-23 vide its Order dated March 31, 2022 & March 30, 2023 respectively.

In compliance with the provisions of the Act and Regulation 12 of UERC Tariff Regulations, 2021, UJVN Limited (hereinafter referred to as "UJVN Ltd." or "Petitioner") filed the Petitions (Petitions No. 54 to 63 of 2023 hereinafter referred to as the "Petitions"), giving details of its revised projections of Annual Fixed Charges (AFC) for FY 2024-25, based on True-up for FY 2022-23 and Annual Performance Review for FY 2023-24 on November 30, 2023.

The Petitions filed by UJVN Ltd. had certain critical data gaps/information/ infirmities/deficiencies which were informed to UJVN Ltd. vide Commission's letter no. UERC/5/Tech/784/Misc. App. No. 49 to 58 of 2023/973 dated December 15, 2023 and UJVN Ltd. was directed to rectify the said infirmities in the Petition critical for admission of Petition and to submit certain additional information necessary for detailed analysis of the admission of the Petitions. UJVN Ltd. vide its letter no. 128/ UJVNL/03/D(P)/ dated December 26, 2023 submitted its reply to critical data gaps/information sought by the Commission. Based on the submission dated December 26, 2023 made by UJVN Ltd., the Commission vide its Order dated December 28, 2023 provisionally admitted the Petition for further processing subject to the condition that UJVN Ltd. shall furnish any further information/ clarifications as deemed necessary by the Commission during the processing of the Petition and provide such information and clarifications to the satisfaction of the Commission within the time frame, as may be stipulated by the Commission, failing which the Commission may proceed to dispose off the matter as it deems fit based on the information available with it.

This Order, accordingly, relates to Petitions filed by UJVN Ltd. for True-up for FY 2022-23, APR for FY 2023-24 and revised AFC for FY 2024-25 and is based on the original as well as all the subsequent submissions made by UJVN Ltd. during the course of the proceedings and the relevant findings contained in the MYT Order for Fourth Control Period dated March 31, 2022 and Order dated March 30, 2023.

Tariff determination being one of the most vital functions of the Commission, it has been the practice of the Commission to elaborate in detail the procedure and to explain the underlying principles in determination of Tariff. Accordingly, in the present Order also, in line with past practices, the Commission has tried to elaborate the procedure and principles followed by it in determining the AFC of the licensee. The Annual Fixed Charges of UJVN Ltd. are recoverable from the beneficiaries. It has been the endeavour of the Commission in past also, to issue Tariff Orders for UJVN Ltd. concurrently with the issue of Order on Retail Tariffs for UPCL, so that UPCL is able to honour the payment liability towards generation charges of UJVN Ltd. For the sake of convenience and clarity, this Order has further been divided into following Chapters:

Chapter 1 -	Background and Procedural History.
Chapter 2 -	Stakeholders' Objections/suggestions, Petitioner's Responses & Commission's Views.
Chapter 3 -	Petitioner's Submissions, Commission's Analysis, Scrutiny and Conclusion on Truing-up of 9 LHPs & MB-II for FY 2022-23.
Chapter 4 -	Petitioner's Submissions, Commission's Analysis, Scrutiny and Conclusion on APR for FY 2023-24 and AFC for FY 2024-25.
Chapter 5 -	Commission's Directives.

1 Background and Procedural History

UJVN Ltd. is a company wholly owned by the State Government and is engaged in the business of generation of power in the State including ten large hydro generating stations to which this Order relates. These generating stations are Dhakrani, Dhalipur, Chibro, Khodri, Kulhal, Ramganga, Chilla, Maneri Bhali-I, Maneri Bhali-II and Khatima. Electricity generated by these generating stations is supplied to Uttarakhand Power Corporation Ltd. (UPCL), the sole distribution licensee in the State and Himachal Pradesh State Electricity Board Limited (HPSEB Ltd.), which, as per an old arrangement/scheme, has share in five of these generating stations viz. Dhakrani (25%), Dhalipur (25%), Chibro (25%), Khodri (25%) and Kulhal (20%).

The Commission vide its Order dated May 6, 2013 approved the Business Plan and Multi Year Tariff for UJVN Ltd. for the First Control Period from FY 2013-14 to FY 2015-16. Further, the Commission had carried out the Annual Performance Review for FY 2013-14, FY 2014-15 and FY 2015-16, vide its Orders dated April 10, 2014, April 11, 2015 and, April 5, 2016 respectively.

The Commission vide its Order dated April 5, 2016 approved the Business Plan and Multi Year Tariff for UJVN Ltd. for the Second Control Period from FY 2016-17 to FY 2018-19. Further, the Commission had carried out the Annual Performance Review for FY 2016-17, FY 2017-18 and FY 2018-19 vide its Orders dated March 29, 2017, March 21, 2018 and February 27, 2019 respectively.

The Commission vide its Order dated February 27, 2019 approved the Business Plan and Multi Year Tariff for UJVN Ltd. for the Third Control Period from FY 2019-20 to FY 2021-22. Further, the Commission had carried out the Annual Performance Review for FY 2019-20, FY 2020-21 and FY 2021-22 vide its Order dated April 18, 2020, April 26, 2021 and March 31, 2022 respectively.

The Commission vide its Order dated March 31, 2022, approved the Business Plan and Multi Year Tariff for UJVN Ltd. for the Fourth Control Period from FY 2022-23 to FY 2024-25. Further, the Commission had carried out the Annual Performance Review for FY 2021-22 & FY 2022-23 vide its Order dated March 31, 2022 & March 30, 2023 respectively.

As also mentioned earlier, in accordance with the provisions of the Electricity Act, 2003 and Regulation 12(2) of the UERC Tariff Regulations, 2021, Generating companies are required to submit application for Annual Performance Review latest by November 30, 2023. UJVN Ltd. in compliance to the above Regulations submitted the Petition for True-up for FY 2022-23, Annual Performance Review (APR) for FY 2023-24 and determination of Annual Fixed Charges (AFC) for FY 2024-25 on November 30, 2023.

The above Petitions were provisionally admitted by the Commission vide Order dated December 28, 2023. The Commission, through its above Admittance Order dated December 28, 2023, to provide transparency to the process of tariff determination and give all Stakeholders an opportunity to submit their objections/suggestions/comments on the proposals of UJVN Ltd., also directed UJVN Ltd. to publish the salient points of its Petitions in the leading newspapers. The salient points of the Petitions were published by the Petitioner in the following newspapers:

Table 1.1: Publication of Notice

Sl. No.	Newspaper Name	Date of Publication
1	Amar Ujala, Hindi Daily	31.12.2023
2	Hindustan, Hindi Daily	31.12.2023
3	Times of India, English Daily	31.12.2023
4	Hindustan Times, English Daily	31.12.2023

Through the above notices, the Stakeholders were requested to submit their objections/ suggestions/comments latest by 31.01.2024 (copy of the notice is enclosed as **Annexure-1**). Besides suggestions/comments of the State Advisory Committee, the Commission received **05** objections/suggestions/comments in writing on the Petition filed by UJVN Ltd. The list of Stakeholders who have submitted their objections/suggestions/comments in writing is enclosed as **Annexure-2.**

Further, for direct interaction with all the Stakeholders and public at large, the Commission also held public hearings on the proposals filed by the Petitioner at the following places in the State of Uttarakhand.

Table 1.2: Schedule of Hearing

Sl. No.	Place	Date
1	Almora	19.02.2024
2	Rudrapur	20.02.2024
3	Tehri	24.02.2024
4	Dehradun	26.02.2024

The list of participants who attended the Public Hearing is enclosed at **Annexure-3.**

The Commission also sent the copies of the salient features of the tariff proposals to Members of the State Advisory Committee and the State Government. The salient features of the tariff proposals submitted by UJVN Ltd. were also made available on the website of the Commission, i.e., www.uerc.gov.in. The Commission also held a meeting with the Members of the State Advisory Committee on March 06, 2024, wherein, detailed deliberations were held with the Members of the Advisory Committee on the various issues linked with the Petitions filed by UJVN Ltd.

The objections/suggestions/comments, as received from the Stakeholders through mail/post as well as during the course of the public hearings were sent to the Petitioner for its response. All the issues raised by the Stakeholders, Petitioner's response and Commission's views thereon are detailed in Chapter 2 of this Order. In this context, it is also to underline that while finalizing this Order, the Commission has, as far as possible, tried to address all the issues raised by the Stakeholders related to approval of True-up for FY 2022-23, APR for 2023-24 and AFC for 2024-25.

Meanwhile, based on the scrutiny of the Petitions submitted by UJVN Ltd., the Commission communicated certain additional clarifications/justification vide its letter no. UERC/5/Tech/784/Misc. App. No. 49 to 58 of 2023/973 dated December 15, 2023. The Petitioner submitted the replies to data gaps/ information sought by the Commission vide its letter no. 128/ UJVNL/03/D(P) dated December 26, 2023 and letter no. 05/UJVNL/03/D(P)/D-5 dated January 08, 2024. The Commission vide its letter no. UERC/5/Tech/784/Petition No. 54 to 63 of 2023/1092 dated 15.01.2024 communicated requirement of certain additional information pertaining to expenditure against RMU of Tiloth LHP.

So as to have better clarity on the data filed by the Petitioner and to remove inconsistency in the data, a Technical Validation Session (TVS) was also held with the Petitioner's Officers on January 18, 2024, for further deliberations on certain issues related to the Petitions filed by UJVN Ltd. Minutes of above Technical Validation Session were sent to the Petitioner vide Commission's letter no. UERC/5/Tech/784/Petition No. 54 of 63 of 2023/1134 dated January 23, 2024, for its response.

The Petitioner submitted its reply to the Commission's letter dated 15.01.2024 pertaining to RMU of Tiloth LHP vide its letter no. M-14/UJVNL/03/D(P) dated 24.01.2024. Further, the Petitioner submitted reply to the Minutes of TVS sought by the Commission vide its letter no. 15/UJVNL/03/D(P) dated February 02, 2024.

Further, the Commission vide its letter no. UERC/5/Tech/784/Petition No. 54 to 63 of

2023/1183 dated 06.02.2024 communicated requirement of certain additional information pertaining to RMU of Tiloth LHP. Furthermore, the Commission vide its letter no. UERC/5/Tech/784/Petition No. 54 to 63 of 2023/1229 dated 15.02.2024 communicated requirement of certain additional information for detailed analysis of the Petitions.

The Petitioner submitted its reply to the Commission's letter dated 06.02.2024 pertaining to RMU of Tiloth LHP vide its letter no. 25/UJVNL/03/D(P) dated 15.02.2024 and letter no. 26/UJVNL/03/D(P)/D-5 dated 16.02.2024.

The Commission vide its letter no. UERC/5/Tech/784/Petition No. 54 to 63 of 2023/1275 dated 29.02.2024 communicated the comments received from various stakeholders with the direction to furnish their response on the same.

The Petitioner submitted its reply to the Commission's letter dated 15.02.2024 pertaining to additional information vide its letter no. M-159/UJVNL/02/D(O)/B-8 dated 01.03.2024.

Thereafter, the Petitioner submitted its reply to the Commission's letter dated 29.02.2024 pertaining to Stakeholder comments vide its letter no. M-196/UJVNL/02/D(O)/B-8 dated 11.03.2024. Further, the Petitioner vide its letter no. 46/UJVNL/03/D(P)/D-5 dated 23.03.2024 submitted information pertaining to additional capitalization of MB-II and current status of recruitment in FY 2023-24.

The submissions made by UJVN Ltd. in the Petitions as well as subsequent submissions have been discussed by the Commission at appropriate places in the Order along with the Commission's views on the same.

2 Stakeholders' Objections/suggestions, Petitioner's Responses & Commission's Views

The Commission has received suggestions/objections on UJVN Ltd.'s Petition for True-up for FY 2022-23, Annual Performance Review for FY 2023-24, and Determination of Annual Fixed Charges for FY 2024-25 for 10 Large Generating Stations. List of Stakeholders/Respondents who submitted their objections/suggestions/comments in writing is given at **Annexure-2** and the list of Respondents who participated in the Public Hearings is enclosed at **Annexure-3**. The Commission has further, obtained replies from UJVN Ltd. on the objections/suggestions/comments received from the Stakeholders. For the sake of clarity, the objections raised by the Stakeholders and responses of the Petitioner have been consolidated and summarized issue-wise. In the subsequent Chapters of this Order, the Commission has kept in view the objections/suggestions/comments of the Stakeholders while deciding the Annual Fixed Charges and tariffs for different generating stations of UJVN Ltd.

2.1 Overall Performance of UJVN Ltd.

2.1.1 *Stakeholder's Comments*

Shri Pankaj Gupta of M/s Industries Association of Uttarakhand submitted that UJVN Ltd. is not acting in the interest of the people, he further, submitted that UJVN Ltd. should accept the fact that it is a public utility and therefore, discipline in all respect is expected from them. It was further, submitted that it does not want to deprive UJVN Ltd. from attaining positive growth, however, in the present case, UJVN Ltd. has not shown commercial discipline and therefore, is not acting in public interest and has proposed abnormally high increase in all heads in all the generating stations which is not commensurate with past and needs to be reviewed by the Commission. It was also submitted that all the utilities are not working within the cost approved by the Commission and are coming up with their own costs which are always different from the cost approved by the Commission.

Shri Pawan Agarwal of M/s Uttarakhand Steel Manufacturers Association submitted that UPCL has claimed Rs. 366 Cr for power purchase cost against energy to be sourced from UJVN Ltd. Further, he submitted that in the State of Uttarakhand in last couple of years there are no new projects which has been commissioned and most of the projects that have been set up by other entities are supplying electricity out of the State as a result UPCL has been purchasing power from other sources at higher prices which has resulted in increase in tariff.

Shri Pawan Agarwal of M/s Uttarakhand Steel Manufacturers Association, Shri Sanjay Agarwal of M/s KVS Casting Private Limited and Shri Pankaj Gupta of M/s Industries Association of Uttarakhand submitted that Uttarakhand government for past many years have been charging Cess, royalty and Water tax which has led to increase in the average pooled power purchase cost for UPCL and it should be reviewed.

Shri Pawan Agarwal also submitted that as MoP has also directed the State governments though letter no. 15/27/2023-Hydel-11 (MOP), dated 25.04.2023 and letter no. 09/01/2023-RCM dated 25.10.2023 to do away with Cess, Royalty, Water Tax and any other Tax which are being imposed on generation of electricity.

Shri Munish Talwar of M/s Asahi India Glass Limited submitted that it has become a regular phenomenon that generating and distributing bodies are often filing petitions before UERC seeking additional recovery.

2.1.2 *Petitioner's Reply*

UJVN Ltd. submitted that it is a responsible generating company which has always strived for the better utilization of resources and attaining utmost efficiency and it is making continuous efforts to run its power stations for optimum output with minimum input cost. UJVN Ltd. further, submitted that it has worked round the clock during Covid 19 pandemic to generate electricity from all its Plants in the larger public interest, despite loss of lives of its several officers and staff.

UJVN Ltd. further, submitted that it sells most of the energy generated from its Power Plants to UPCL, however, some generation of its Plants in Yamuna valley (i.e. Chibro, Khodri, Dhakrani, Dhalipur & Kulhal) is going to HPSEB Ltd. as per earlier agreements and apart from tariff, impact of Cess, Royalty and Water Tax levied by State Govt. is added on final tariff recovered from the consumers.

UJVN Ltd. with regard to applicability of cess and royalty submitted that the Cess, Royalty and Water Tax have been imposed by Government of Uttarakhand and any decision in this regard can be taken by Government of Uttarakhand only.

UJVN Ltd. further, submitted that details of the UPCL's claim of Rs. 366 Crore towards power procured from UJVN Ltd., can be provided by UPCL only.

With regard to tariff claimed, UJVN Ltd. submitted that it has never intended to increase the cost and all the costs under various heads are projected on the basis of Regulations specified by the State Commission.

2.1.3 *Commission's Views*

The Commission, in this regard, would like to clarify that the additional capitalisation, both incurred and proposed by the Petitioner are examined separately in detail while carrying out the Truing-up of expenses and projecting tariff and only legitimate expenses are allowed in accordance with UERC Tariff Regulations as applicable from time to time.

2.2 New Generation Capacities

2.2.1 *Stakeholder's Comments*

Shri Pawan Agarwal of M/s Uttarakhand Steel Manufacturers Association submitted that in the last few years no new Hydro Generating Project has been commissioned by the State Govt. The Hydro Projects are commissioned by the entities of other States and the State is getting only 12% free power.

Shri Munish Talwar of M/s Asahi India Glass Limited submitted that generation bodies must give attention to find some alternate options like setting up Hydro Power and Wind Power Plants within the state.

Shri Sanjay Agarwal of M/s KVS Casting Private Limited submitted that there is huge scope of hydro power generation in Uttarakhand and Hon'ble Commission is requested to discuss the concern authorities to increase the hydroelectric power generation in the State and reduce the cost of power.

2.2.2 *Petitioner's Reply*

UJVN Ltd. submitted that it has commissioned 120 MW Vyasi Project in April-May 2022. UJVN Ltd. has also commissioned 4.5 MW Kaliganga-II and 5 MW Suringad SHPs in May 2022 and February 2024 respectively in recent past. UJVN Ltd. further, submitted that it is making all its efforts to construct more Hydro projects in future. Presently, 15 MW Madyamaheshwar and 300 MW Lakhwar projects are also under construction.

UJVN Ltd. with regards to alternate options of establishing Hydro, Wind Power Plants submitted that it has already established 26.49 MW of Solar Power Plants. UJVN Ltd. further, submitted that it is planning to install 17 MW Solar Power Plants in 2024, 29.25 MW in 2025, 44.75 MW in 2027, 18 MW in 2028 and 8 MW in 2029. UJVN Ltd. also submitted that it is making all its efforts to construct more Hydro projects in future.

2.2.3 *Commission's Views*

The Commission has noted the submissions of Stakeholder and Petitioner's response and as the issues raised do not pertain to the current tariff proceedings, therefore, the same has not been dealt with in this Order.

2.3 Additional Capitalisation

2.3.1 *Stakeholder's Comments*

Shri Pankaj Gupta of M/s Industries Association of Uttarakhand submitted that it has noticed a clear trend that all utilities are projecting very high cost in capitalisation as that gives them better returns and therefore, has vehemently opposed the same and has requested the Commission to scrutinize any addition in capitalisation very carefully. Further, he submitted that the thrust of UJVN Ltd. is to spend more and so that they can earn better RoE, depreciation and Interest on normative loan and requested the Commission to disallow any additional capitalisation that do not provide any appreciable benefit.

Shri Vijay Singh Verma submitted that UJVN Ltd. should carry out only those civil works which are essential for the Plants and that it directly affects the generation.

2.3.2 *Petitioner's Reply*

The Petitioner submitted that it is running hydro power stations which have completed their normative useful life and renovation of Power Plants and dam/barrages has become necessary for life extension and ensuring efficient and safe operation of power projects. Further, UJVN Ltd. submitted that the additional capitalisation proposed in the petition are those which are necessary to carry out in upcoming years for reliable and safe operation of Power Plants to achieve maximum generation otherwise on account of breakdowns, lower generation may impact the tariff.

The Petitioner also submitted that UJVN Ltd. is carrying out only the essential works of the Plants and the related important structures. The safety and robustness of civil structure is responsible for the continuous and optimised generation by the respective Plants. Further, it is to submit that priority is being given to those Civil Works which directly/genuinely influence the generation of the Plant or are essentially required for safety of the plant.

2.3.3 *Commission's Views*

The Commission, in this regard, would like to clarify that the additional capitalisation, both incurred and proposed by the Petitioner are examined separately in detail while carrying out the Truing-up of expenses and projecting tariff and only legitimate expenses are allowed in accordance with UERC Tariff Regulations as applicable from time to time.

2.4 Design Energy

2.4.1 *Stakeholder's Comments*

Shri Pankaj Gupta of M/s Industries Association of Uttarakhand submitted that in earlier Order, the Commission had taken average of annual generation of last 15 years as projected generation for year 2004-05. Further, submitted that lower of this projected generation and the plant wise design energy mutually agreed between UPJVNL and UPPCL was taken for the purpose of working out the primary energy rate and therefore, Commission had fixed 3169.13 MU as approved primary energy generation for the year 2004-05. In this regard, the Stakeholder submitted that the analogy should not hold good for future years as the same was acceptable then because of unavailability of sufficient data and that UJVN Ltd. has pleaded that the Plants were not optimally maintained which is no more relevant.

2.4.2 *Petitioner's Reply*

The Petitioner submitted that in past years it has made all efforts to keep its Plants in good condition and achieved machine availability of 85.84% in FY 2022-23 and optimum generation from Power Plants based on the hydrology. Further, UJVN Ltd. submitted that the design energy has been lowered by the Commission on account of NGT/NMGC orders for releasing minimum environmental discharge into the river. In FY 2022-23, UJVN Ltd. despite releasing minimum environmental discharge into the rivers has achieved generation of 4846.24 MU from 10 LHPs against approved design energy of 4419.21MU. Further, UJVN Ltd. submitted that it has already completed RMU of 41.4 MW Khatima and 90 MW MB-I large hydro power projects and the Commission has already reviewed the design energy of the RMU completed Plants i.e., Khatima and MB-I, where the design energy has been increased after RMU from 194.05 MU to 235.59 MU and 366.45 MU to 478 MU respectively. Also, submitted that after RMU, the generation and machine availability of the Power Plants has increased.

2.4.3 *Commission's Views*

The Commission has specifically dealt with the issue of design energy in Chapter 3 and Chapter 4 of this Order and therefore, not repeated herein.

2.5 RMU works

2.5.1 *Stakeholder's Comments*

Shri Pankaj Gupta of M/s Industries Association of Uttarakhand submitted that with additional capitalisation and RMU there is not much increase in the generation and therefore, needs to be looked into. Further, submitted that there should be proper co-ordination between UJVN Ltd. and UPCL in terms of timing of undertaking RMU work so that effect of such RMU on energy generation be minimised.

Shri Vijay Singh Verma submitted that UJVN Ltd. should complete its RMU in time as any delay such as that seen in case of Chilla LHP, results in generation loss.

2.5.2 *Petitioner's Reply*

UJVN Ltd. submitted that after RMU, the generation and machine availability of the Power Plants has increased. Further, UJVN Ltd. submitted that generation data pre and post RMU for Pathri, Mohammadpur, Khatima and MB-I stations shows an increase in generation by around 200 MUs and considerable increase in machine availability. Furthermore, UJVN Ltd. submitted that it takes up RMU works only after prior intimation and approval from UPCL and SLDC duly considering minimum generation loss.

UJVN Ltd. also submitted that it makes its all efforts to complete the RMU works with in the scheduled period. However, sometimes the project gets delayed due to unforeseen circumstances. As regards Chilla LHP, the RMU works got delayed due to Covid 19 pandemic.

2.5.3 *Commission's Views*

The Commission has gone through the comments of the Stakeholders and its response submitted by the Petitioner and is of the view that any delay in RMU works shall be subject to prudence check by the Commission.

2.6 MU-MW Co-Relation

2.6.1 *Stakeholder's Comments*

Shri Pankaj Gupta of M/s Industries Association of Uttarakhand submitted that there should be some benchmark of MU generated with rated MW of any Power Plant. Further, suggested the benchmark to be 4 MW per MU and requested the Commission to ask UJVN Ltd. to come up with some co-relation of MU with MW.

2.6.2 *Petitioner's Reply*

The Petitioner submitted that UJVN Ltd. is a responsible generating company which has always strived for the better utilisation of resources and attaining utmost efficiency and UJVN Ltd. is making continuous efforts to run its power stations for optimum output with minimum input cost. Further, UJVN Ltd. submitted that each hydro power plant is unique and the generation from the plant is envisaged based on design energy and as the generation quantum is totally dependent upon the hydrology of the catchment area and machine availability, therefore, co-relating generation in MU with MW is not the right approach to benchmark the generation of the hydropower plant.

2.6.3 *Commission's Views*

The Commission has noted the submissions of Stakeholder and Petitioner's response and as the issue with regards to benchmarking do not pertain to the current tariff proceedings, therefore, the same has not been dealt with in this Order.

2.7 Issues raised during the meeting of State Advisory Committee

2.7.1 *Views of the State Advisory Committee*

During the State Advisory Committee meeting held on March 06, 2024, the Members made the following observations/suggestions/comments:

(1) UJVN Ltd. has urged for substantial increase in tariff with respect to previous periods.

(2) UJVN Ltd. has commissioned a new project as Vyasi LHP and has asked for a Tariff of Rs. 12/unit which is too high, and someone should be held responsible for such a high cost. A plant with such a high cost should not be set up in the first place.

(3) UJVN Ltd. needs to state the consumer benefit from capital expenditure being done, and all utilities must submit an explanation/reasoning as to why the numbers changed from the approved numbers by the Commission.

(4) UJVN Ltd. should inform its shutdown time to UPCL, which when not done, the consumer bears the impact of the same as UPCL is not able to manage power demand and supply.

2.7.2 *Petitioner's Response*

(1) As regards observation of increase in tariff, UJVN Ltd. submitted that it is better than THDC in terms of cost of power, where THDC is supplying the power at Rs.5.5 per unit the average cost of UJVN Ltd. is Rs. 2.06 per unit. It is to note that, UJVN Ltd. has old Plants which need more maintenance and additional capitalisation. However, the projects undertaken by RMU have shown an increase of 20-30% in annual generation.

(2) UJVN Ltd. submitted that with regards to Vyasi project, it is to be noted that the IDC component of a project has increased during COVID-19 and similar problems are being experienced with all projects on a national level. UJVN Ltd. is looking forward to refinancing the loan on Vyasi to reduce the cost and has even tried to negotiate with REC to reduce the loan rate.

(3) UJVN Ltd. further, submitted that the DRIP works are funded by the GoU as an interest free loan so does not raise a liability of interest on the loan along with that GoU also

provides Special Assistance to fund other works such as RMU and new LHP development.

(4) UJVN Ltd. further, submitted the shutdowns can never be taken independently by UJVN Ltd. and only after the concurrence of UPCL and SLDC, the shutdowns are taken by UJVN Ltd.

2.7.3 *Commission's View*

The issues raised by the Members of the Advisory Committee have been taken into consideration while deciding on the Petitioner's claims in the Petition filed for True-up of FY 2022-23, APR for FY 2023-24 and Tariff for FY 2024-25 as detailed in subsequent Chapters of this Order.

3 Petitioner's Submissions, Commission's Analysis, Scrutiny and Conclusion on Truing-up of 9 LHPs and MB-II for FY 2022-23

Regulation 12 of the UERC Tariff Regulations, 2021 specifies as follows:

"12. Annual Performance Review

(1) Under the multi-year tariff framework, the performance of the Generating Company or Transmission and Distribution Licensees or SLDC, shall be subject to an Annual Performance Review.

(2) The Applicant shall under affidavit and as per the UERC Conduct of Business Regulations as amended from time to time, make an application for Annual Performance Review by November 30th of every year;

…

(3) The scope of the Annual Performance Review shall be a comparison of the actual performance of the Applicant with the approved forecast of Aggregate Revenue Requirement and expected revenue from tariff and charges and shall comprise of following:

a) A comparison of the audited performance of the applicant for the previous financial year with the approved forecast for such previous financial year and truing up of expenses and revenue subject to prudence check including pass through of impact of uncontrollable factors;

b) Categorisation of variations in performance with reference to approved forecast into factors within the control of the applicant (controllable factors) and those caused by factors beyond the control of the applicant (un-controllable factors).

c) Revision of estimates for the current and/or ensuing financial year, if required, based on audited financial results for the previous financial year;

d) Computation of the sharing of gains and losses on account of controllable factors for the previous year."

In its present filings, the Petitioner has submitted the data relating to its expenses and revenues for FY 2022-23 for nine LHPs and MB-II based on the audited accounts and has, accordingly, requested the Commission to carry out the Truing-up for FY 2022-23 along with the sharing of gain and losses. In addition to the above, with regard to MB-II, the Petitioner for the purpose of the instant Petition has claimed the Capital Cost as on CoD of Rs. 1,885.50 Crore in line with the approved amount. Notwithstanding the claim of Rs. 1,885.50 Crore, the Petitioner requested the Commission to pass on the impact of the Capital Cost for MB-II (i.e., Rs. 1923.60 Crore) as claimed previously in case the Appeal No. 283 of 2016 filed before the Hon'ble APTEL in this regard is ruled in its favour.

It is observed that Appeal No. 215 of 2016, Appeal No. 283 of 2016 and Appeal No. 139 of 2018 before the Hon'ble ATE filed by the Petitioner agitating the issues of Capital Cost of MB-II LHP and RoE on PDF against the principle adopted by the Commission are still pending. Hence, the Commission in the current tariff proceedings has decided to carry out Truing-up of MB-II for FY 2022-23 considering the capital cost as on CoD as approved by the Commission in the Tariff Order dated March 30, 2023, i.e., Rs. 1885.50 Crore in accordance with the UERC Tariff Regulations, 2021.

3.1 Impact of Sharing of Gains and Losses on account of Controllable Factors for FY 2022-23

Regulation 14 of the UERC Tariff Regulations, 2021 specifies as follows:

"14. Sharing of Gains and Losses on account of Controllable factors

(1) The approved aggregate gain and loss to the Applicant on account of controllable factors shall be dealt with in the following manner:

a) 1/3rd of such gain or loss shall be passed on as a rebate or allowed to be recovered in tariffs over such period as may be specified in the Order of the Commission;

b) The balance amount of such gain or loss may be utilized or absorbed by the Applicant."

The UERC Tariff Regulations, 2021 requires a comparison of the audited performance of the applicant for the previous financial year with the approved forecast for such previous financial year and Truing-up of expenses and revenues subject to prudence check including pass through of impact of uncontrollable factors.

O&M expenses comprises of the major portion of AFC of UJVN Ltd. and are within the control of the Petitioner and, moreover, in accordance with UERC Tariff Regulations, 2021, these are controllable expenses. Similarly, in accordance with the UERC Tariff Regulations, 2021, the variation in working capital requirements and variations in performance parameters are also a controllable factor. Hence, the sharing of gains and losses has been carried out for these expenses/performance parameters viz. O&M expenses (excluding employee expenses), variation in working capital requirements and variation in performance parameters, i.e., PAFY Vs. NAPAF.

Accordingly, the Commission has worked out the Trued-up (Surplus)/Gap of the Petitioner after sharing of gains and losses as per the provisions of UERC Tariff Regulations, 2021.

3.1.1 *Physical Parameters*

3.1.1.1 *Relaxation sought in approved NAPAF*

A. Relaxation sought for 9 LHPs

The Commission vide its MYT Order dated March 31, 2022 had approved the NAPAF for 9 LHPs of UJVN Ltd. in accordance with Regulations 47(1)(b) of UERC Tariff Regulations, 2021 as under:

Table 3.1: NAPAF approved vide Order dated 31.03.2022 for FY 2022-23

Sl. No.	Name and Type of Plant		NAPAF approved in MYT Order dated 31.03.2022 (%)
1	Dhakrani	RoR	66.17%
2	Dhalipur	RoR	61.07%
3	Chibro	Pondage	65.06%
4	Khodri	Pondage	57.23%
5	Kulhal	RoR	65.00%
6	Ramganga	Storage	16.00%
7	Chilla	RoR	74.00%
8	MB-I	Pondage	79.00%
9	Khatima	RoR	69.30%

Further, with regard to outages on account of RMU works, the Commission in its aforesaid Order held that:

"... while truing up for respective years, the Commission shall consider the outage period on account of RMU works while re-stating the actual PAFM subject to prudence check in accordance with the Regulations/Orders of the Commission in this regard."

In the current Petition, the Petitioner has submitted the actual PAFY values achieved during FY 2022-23 and requested the Commission to relax the NAPAF norms for its Plants namely Dhakrani, Chilla, MB-I and Khatima to the extent of PAFY achieved during FY 2022-23. The actual PAFY achieved during FY 2022-23 on weighted average basis is as under.

Table 3.2: Plant-wise actual PAFY achieved during FY 2022-23 (%)

Sl. No.	Name and Type of Plant		NAPAF approved in MYT Order dated 31.03.2022	PAFY (Claimed)	PAFY (Claimed- computed on Weighted Average basis)
1	Dhakrani	RoR	66.17%	61.82%	61.86%
2	Dhalipur	RoR	61.07%	61.93%	61.89%
3	Chibro	Pondage	65.06%	66.39%	66.48%
4	Khodri	Pondage	57.23%	61.35%	61.43%
5	Kulhal	RoR	65.00%	76.50%	76.60%
6	Ramganga	Storage	16.00%	24.93%	24.64%
7	Chilla	RoR	74.00%	68.96%	68.98%
8	MB-I	Pondage	79.00%	73.05%	72.86%
9	Khatima	RoR	69.30%	60.87%	61.01%

In support of its claim, the Petitioner submitted the Plant-wise reasons for not being able to achieve the prescribed NAPAF, as follows:

- **Dhakrani:** The Petitioner has submitted that the generating station is very old & requires more maintenance, hence, has to be shut down for longer periods to carry out maintenance. Also, the Unit-I remained under shut down from 28.01.2022 to 09.08.2022 for Reverse Engineering for RMU. The Petitioner, further, submitted that the Power Channel of Dhakrani LHP remained under shut down for civil maintenance works from 26.04.2023 to 31.05.2023 and RMU works of first unit of Dhakrani LHP is expected to be started from November 2023. The Petitioner, in view of ongoing RMU works in the plant, requested the Commission to consider and approve the NAPAF of Dhakrani LHP as actual achieved PAFY of 61.86% on weighted average basis for FY 2022-23.

- **Chilla:** The Petitioner has submitted that as the station is very old, it requires more maintenance and in order to carry out maintenance works, this station needs to be shut down for longer periods. In view of the above, the Petitioner requested the Commission to consider and approve actual NAPAF of Chilla LHP i.e. 68.98% on weighted average basis for FY 2022-23.

- **MB-I:** The Petitioner has submitted that as the station is very old, it requires more maintenance and in order to carry out maintenance works, this station needs to be shut down for longer periods. Further, the Petitioner submitted that RMU activities of Tiloth LHP were going on from 12/12/2018 to 09/09/2022. In view of the RMU works, the Petitioner has requested the Commission to consider and approve the NAPAF of MB-I LHP for FY 2022-23 as actual achieved PAFY i.e. 72.86% on weighted average basis.

- **Khatima:** The Petitioner has submitted that utmost efforts are being made to achieve the NAPAF approved for Khatima LHP but the same could not be achieved in FY 2020-21 to 2022-23. The Petitioner, further, submitted that the water control for Khatima LHP is with UPID and UPID releases water as per irrigation requirement. In view of above, the Petitioner has requested the Commission to consider and approve the NAPAF of Khatima LHP as actual achieved PAFY of i.e. 61.01% on weighted average basis for FY 2022-23.

Commission's Analysis

- **Dhakrani LHP**

With regard to Dhakrani LHP, the Petitioner has achieved a PAFY of 61.86% against the approved NAPAF of 66.17%. The NAPAF was set by the Commission in the MYT Order dated March 31, 2022 without considering any RMU.

The Petitioner's submission in the instant Petition shows that Reverse Engineering works for Unit#1 was carried out since January 28, 2022 to August 9, 2022. In cases where the NAPAF has not been achieved by the Petitioner on account of genuine reasons, the approach adopted by the Commission is to allow the Petitioner to recover maximum AFC up to the approved AFC of the Plant owing to such closure. Considering that Unit#1 of Dhakrani LHP was under shutdown up to August 9, 2022, in FY 2022-23 on account of reverse engineering works, the Commission has considered the same and re-stated the PAFY of Dhakrani LHP to 66.17%, i.e., up to approved NAPAF.

- **Ramganga LHP**

The Commission vide MYT Order dated 31.03.2022 ruled:

"… the Commission approves the NAPAF of Ramganga generating station as 16.00% for the Fourth Control Period. The Commission further clarifies that no incentive on achievement of higher PAFY shall be allowed in between 16.00% to 19.00%."

Therefore, the Commission has allowed incentive for achievement of PAFY above 19% only.

- **Chilla LHP**

With regard to Chilla LHP, it is observed that the stated reason with regard to RMU works affecting NAPAF do not pertain to FY 2022-23 as the same was planned to begin in FY 2023-24 which has, further, been rescheduled to start from June 01, 2024. Therefore, the Commission do not find the submission of the Petitioner to be prudent and hence has decided not to revisit the NAPAF of Chilla LHP for FY 2022-23.

- **MB-I LHP**

With regard to MB-I, it is observed that the Petitioner has achieved PAFY of 72.86% on weighted average basis against the approved NAPAF of 79%. It is observed that the Petitioner has submitted ageing of units and undergoing RMU works for not meeting the approved NAPAF. With regard to impact of ageing, it is observed that the Commission in its review Order dated September 03, 2013 and subsequent Tariff Orders for Second Control Period, Third Control Period and Fourth Control Period while determining NAPAF has already considered the operating problems on account of site conditions. The Commission has, therefore, not considered any change in the NAPAF on account of operational issues. With regard to undergoing RMU works, the Commission observes that Unit#2 of MB-I LHP was under shutdown from April 1, 2022 to September 09, 2022, and for MIV work on a combined S/D for Unit#2 and Unit#1 was taken from July 05, 2022 to August 05, 2022 and Unit#2 was under shutdown from July 05, 2022 to August 21, 2022 which was not considered while approving the NAPAF for the year. The Commission also notes that all units of MB-I were under shutdown from December 24, 2022 to January 08, 2023 for Wall protection works at Maneri under DRIP. The Commission, in the past has already decided to restate actual PAFY giving effect to outages caused due to RMU works. The Commission in line with its earlier practice has restated the PAFY on account of such outages. While restating actual PAFY, the Commission has also considered the outages caused due to approved works under DRIP. Accordingly, the Commission has re-stated the PAFY of MB-I LHP as 78.92% for FY 2022-23 based on the average PAFM achieved during the last 5 years prior to RMU, excluding the abnormal periods.

- **Khatima**

With regard to Khatima LHP, it is observed that the Petitioner has achieved a PAFY of 61.01% against the approved NAPAF of 69.30%. It is observed that the Petitioner has sought relaxation on account of the reason that the control of water release lies with Uttar Pradesh Irrigation Department (UPID) and, therefore, they have no control over the same.

It is further, observed that the Commission had revised the NAPAF for Khatima LHP as 69.30% post RMU in its Order dated 29.03.2017. The Commission, therefore, do not find any merit to re-state the PAFY for the said station for FY 2022-23.

The Commission directs the Petitioner to calculate PAFY on weighted average basis and not on average basis from the next Tariff Petition onwards.

B. Maneri Bhali-II (MB-II) LHP

Petitioner's Submission

The NAPAF for the station has been approved as 76.00% for FY 2022-23 as against which the Power Station has achieved PAFY of 80.11% on weighted average basis for FY 2022-23.

Commission's View

The Commission in its Order dated April 18, 2020 had approved NAPAF for MB-II as 76% considering the findings of Expert Consultant's report. The Commission in the said Order further, clarified as follows:

> *"However, the Commission would like to further clarify that the above relaxation in NAPAF is only for recovery of capacity charges and shall not be considered for claiming any incentive on account of higher PAFY. The Petitioner shall be allowed incentive on account of higher PAFY only in case it exceeds 82% since all the costs towards major works carried on the project has been allowed in tariffs."*

In view of the above, the Commission has allowed recovery of AFC for FY 2022-23, however, no incentives are being allowed as the PAFY achieved is below 82%.

3.1.1.2 *Energy Generation and Saleable Primary Energy*

The Petitioner submitted that in compliance to the NGT Order dated August 9, 2017, GoU issued Order No. 708 dated June 5, 2018 to UJVN Ltd. to maintain the minimum 15% of the average lean season flow in the rivers from the Dams/Barrages situated in the State of Uttarakhand. Further, the Gazette notification has also been issued by Govt. of India on 09.10.2018 in this regard. The Petitioner, further, submitted that in Ganga valley projects, e-flow is being released at 20%, 25% and 30% in dry, lean and monsoon season, respectively and the release of e-flow is being monitored by CWC directly.

The Petitioner submitted that in view of the aforesaid Orders of NGT and GoU, UJVN Ltd. has maintained the minimum discharges and, therefore, the available water discharge has reduced in the tunnels/power channels of the power stations of UJVN Ltd. Consequent to the reduction in the discharge available for power generation, the quantum of power generation as well as the declared capacity of the Power Plants have reduced accordingly.

Further, the Commission in its Tariff Order dated 30.03.2023 at para 5.5.2 had directed the Petitioner:

"… to maintain separate discharge data of rivers as well as the data of mandatory discharges being released in compliance to NGT/NMCG Order and any other data to substantiate the impact.

Further, the Petitioner shall submit the data at the time of truing-up of FY 2022-23 and also for subsequent years, thereafter, appropriate view will be taken by the Commission in this regard after carrying out due prudence check"

Accordingly, the Petitioner vide instant Petition has submitted that the actual generation loss due to E-flow released by the Petitioner as per NGT Order dated 09.08.2017 and NMCG Order dated 10.10.2018 and 14.09.2019 for FY 2022-23 is 496.86 MU against 8 LHPs namely Chibro, Khodri, Dhakrani, Dhalipur, Kulhal, MB-I, Chilla and MB-II.

The actual gross generation submitted by the Petitioner vis-à-vis MYT Order dated 31.03.2022 approved design energy and the revised design energy as per Tariff Order dated 26.04.2021 is as shown in the following **Table**.

Table 3.3: Actual Gross Generation vis-a-vis Revised on account of NGT Order & MYT Approved for 10 LHPs

Power Plant	FY 2022-23		
	Actual Gross Generation submitted by the Petitioner (MU)	Revised Design Energy after impact of NGT Order approved vide Order dated 18.04.2020 (MU)	Design Energy Approved in MYT Order dt. 31.03.2022 (MU)
	(A)	(B)	(C)
Dhakrani	135.41*	150.85	150.85
Dhalipur	199.76**	182.76	182.76
Chibro	836.68	728.11	728.11
Khodri	402.74	335.37	335.37
Kulhal	151.76	148.91	148.91
Ramganga	388.13	311.00	311.00
Chilla	809.60	557.62	557.62
MB-I	405.13***	366.45	478.00
Khatima	226.82	235.59	235.59
MB-II	1290.21	1,291.00	1291.00#
Total	**4846.23**	**4,307.65**	**4,419.20**

 # Approved in Tariff Order dated 18.04.2020 for Third Control Period
** Unit 1 under Reverse Engineering from 01.04.2022 to 09.08.2022*
*** Unit-1 RMU Completed on 26.10.2022, Common S/D of Unit-1 and Unit-2 in RMU from 20.03.2023 to 31.03.2023, Unit-3 under S/D RMU from 28.11.2022 t 30.03.2023*
**** Unit-2 RMU Completed on 08.09.2022, Unit-1 S/D for RMU from 05.07.2022 to 05.08.2022 and Unit-3 S/D for RMU from 05.07.2022 to 21.08.2022, Plant S/D from 24.12.2022 to 08.01.2023 for wall protection works*

From the above, it is observed that consolidated actual gross generation is even higher than the design energy approved in the MYT Order. It is further, observed that even though Dhalipur was under RMU, the generation from the said LHP was higher than the design energy approved in MYT Order. It is, therefore, observed that the actual data do not compel as of now for further, relaxation in the design energy for recovery of energy charges as proposed by the Petitioner for FY 2022-23.

The Commission observed that the Auxiliary consumption for Ramganga LHP was approved as 1% in MYT Order dated 31.03.2022 but there was a delay in completion of static excitation system works for Unit#1 as per Petitioners submission, therefore, the Auxiliary Consumption for Ramganga LHP is considered as 0.7% for FY 2022-23. Further, with regard to MB-I LHP, the Commission for True-up purpose has considered Design Energy as 366.45 MU instead of 478 MU as approved in MYT Order dt. 31.03.2022, to minimize the under recovery on account of energy charges.

Therefore, the Commission decides to consider the Design Energy and Saleable Primary Energy as shown in **Table** below:

Table 3.4: Revised Design Energy and Saleable Primary Energy Approved for FY 2022-23 (MU) (after impact of NGT/NMCG Order)

Name of the Station	Original Design Energy	Design Energy approved in MYT Order dt. 31.03.2022	Design Energy approved for FY 2022-23 (after impact of NGT)	Approved Auxiliary Consumption		Saleable Primary Energy
	MU	MU	MU	%	MU	MU
Dhakrani	169.00	150.85	150.85	0.70%	1.06	149.79
Dhalipur	192.00	182.76	182.76	0.70%	1.28	181.48
Chibro	750.00	728.11	728.11	1.20%	8.74	719.37
Khodri	345.00	335.37	335.37	1.00%	3.35	332.01
Kulhal	164.00	148.91	148.91	0.70%	1.04	147.87
Ramganga	385.00	311.00	311.00	0.70%	2.18	308.82
Chilla	725.00	557.62	557.62	1.00%	5.58	552.04
MB-I	546.00	478.00	366.45	0.70%	2.56	363.89
Khatima	235.59	235.59	235.59	1.00%	2.36	233.23
MB-II	1,566.10	1,291.00	1,291.00	1.00%	12.91	1,278.09
Total	**5,077.69**	**4,419.20**	**4,307.66**		**41.06**	**4,266.59**

**Design Energy Post RMU*

#Approved Design Energy in Order dated 18.04.2020 for Third Control Period

3.1.2 *Financial Parameters*

3.1.2.1 *Apportionment of Common Expenses*

The Commission in its Order dated March 30, 2023, March 31, 2022, Order dated April 26, 2021 and Order dated April 18, 2020 had considered the allocation for indirect expenses in the ratio of 85:10:05 among 9 LHPs, MB-II and SHPs, respectively.

The Commission, however, post commissioning of Vyasi LHP, in its Tariff Order dated March 30, 2023 directed UJVN Ltd. as follows:

"The Commission has considered the submission of the Petitioner and directs the Petitioner to adopt sound commercial principles while proposing the revised allocation methodology along with the next Tariff Petition. The Commission as of now has continued with its earlier approach, however, while carrying out the Truing-up of FY 2023-24, the revised allocation principles shall apply."

In compliance to the above, the Petitioner in its Petition has proposed methodology of apportionment of common expenses in the ratio of 95:05 among 11 LHPs (9 Old LHPs, MB-II & Vyasi) and SHPs respectively. Earlier 95% expenses were allocated among 09 LHPs and MB-II. Now

Petitioner has proposed to include Vyasi LHP with other 09 LHPs & MB-II in 95% common expense. Further, allocation among LHPs is proposed in ratio of the installed capacity of the plant. Thereby, the Petitioner has considered the existing allocation philosophy till the commissioning of Vyasi LHP and post COD of Vyasi LHP it has considered the proposed allocation.

With regard to Solar business expenses, the Petitioner submitted that the direct expenses on Solar Business for FY 2022-23 have been separated and the same has not been claimed from the tariff of LHPs.

The Petitioner submitted the allocation of expenses incurred by common Units serving more than one station as below:

- **Head Office/ CSPPO:** The 95% of the common expenses have been allocated to the 11 LHPs, and the remaining 5% to SHPs. Further, the allocation among the LHPs/SHPs is done on the basis of installed capacity of each LHP/SHP.
- **DDD Dakpathar:** The common expenses have been allocated between Chibro, Khodri, Dhakrani, Dhalipur and Kulhal in the ratio of their respective installed capacity.
- **DGM Civil Dhalipur:** The common expenses have been allocated on Chibro, Khodri, Dhakrani, Dhalipur and Kulhal LHPs in the ratio of their installed capacity.
- **Civil Haridwar:** The common expenses have been allocated on Chilla, Ramganga, Khatima and Pathri & Mohammadpur SHPs in the ratio of their installed capacity.

The Commission has gone through the submissions of the Petitioner and on examination of the actual O&M expenses, it is observed that the ratio of direct O&M expenses of 11 LHPs and SHPs for FY 2022-23 works out to be in the ratio of around 86:14 and therefore, the Commission has revised the methodology followed for apportionment of Common Expenses for truing-up of FY 2022-23 and has approved the allocation for indirect expenses in the ratio of 86:14 among 11 LHPs (9 Old LHPs, MB-II and Vyasi) and SHPs, respectively. However, the allocation ratio before commissioning of Vyasi LHP i.e. 25.05.2022 has been kept the same i.e., 85:10:05 on pro-rata basis.

3.1.2.2 ***Capital Cost***

A. Old Nine Generating Stations

Pending finalization of the Transfer Scheme, for various reasons recorded in the previous Tariff Orders, the Commission had been approving the opening GFA for the nine LHPs as on 14.01.2000 as Rs. 506.17 Crore.

The Commission vide its Order dated March 30, 2023 had directed UJVN Ltd. to closely follow up the issue and submit the quarterly status report towards finalization of Transfer Scheme. Further, the Commission also pointed out that there had been an inordinate delay in the finalization of the Transfer Scheme, which is attributable to the Petitioner, hence, any consequential claim arising due to finalization of the Transfer Scheme would be considered on merits by the Commission without any carrying cost on the same.

The Petitioner in the instant Petitions submitted that Quarterly progress report for December 2023 was already submitted to the Commission vide letter dated January 01, 2024. Although, the Petitioner vide its letter March 14, 2023 apprised the Commission that the transfer scheme has been finalised except LIC loan liabilities.

The Commission, therefore, **directs the Petitioner to closely follow up the pending issues and submit quarterly status report to the Commission. The Commission further reiterates that there has been an inordinate delay in the finalization of the Transfer Scheme, which is attributable to the Petitioner, hence, any consequential claim arising due to finalization of the Transfer Scheme shall be considered on merits by the Commission without any carrying cost on the same.**

Since, the Transfer Scheme is yet to be finalized, the Commission for the purposes of Truing-up for FY 2022-23 has considered the opening GFA of nine LHPs, as on 14.01.2000 as Rs. 506.17 Crore as per the details given below:

Table 3.5: Approved Capital Cost for 9 LHPs as on CoD (Rs. Crore)

Generating Station	Claimed	Approved
Dhakrani	12.40	12.40
Dhalipur	20.37	20.37
Chibro	87.89	87.89
Khodri	73.97	73.97
Kulhal	17.51	17.51
Ramganga	50.02	50.02
Chilla	124.89	124.89
MB-I*	111.93	111.93

Table 3.5: Approved Capital Cost for 9 LHPs as on CoD (Rs. Crore)

Generating Station	Claimed	Approved
Khatima	7.19	7.19
Total	**506.17**	**506.17**

**Including DRB claim of Rs. 2.21 Cr.*

B. Maneri Bhali-II

The Petitioner submitted that in order to comply with the directives issued in the previous Tariff Orders, it has claimed the capital cost of Rs. 1885.50 Crore for MB-II in line with the approved amount.

The Petitioner has filed an Appeal before the Hon'ble ATE vide its Appeal No. 283 of 2016 and Appeal No. 139 of 2018 agitating the issue of Capital Cost of MB-II LHP and RoE on PDF against the principle adopted by the Commission in its MYT Order dated 05.04.2016 and Order dated 29.03.2017 respectively.

Accordingly, the Petitioner requested the Commission to pass on the impact of the Capital Cost for MB-II (i.e., Rs. 1923.60 Crore) as claimed previously, in case the Appeal filed before the Hon'ble APTEL in this regard is ruled in favour of the Petitioner.

The Commission observed that the matter is still pending before the Hon'ble ATE, therefore, pending disposal of the Appeal, the Commission does not find any reason to revisit the capital cost of MB-II LHP approved by it in the Tariff Order dated March 30, 2023.

Accordingly, in line with the decision taken in Order dated March 30, 2023, the Commission for the purposes of this Tariff Order is considering the capital cost for MB-II Power Plant as on CoD, i.e., 15.03.2008, as Rs. 1885.50 Crore as per the details given below:

Table 3.6: Approved Capital Cost for MB-II as on CoD (Rs. Crore)

Particulars	Approved in Order dated 31.03.2022	Approved Now
Capital Expenditure	1490.98	1490.98
Add: Adjustment on Account of DRB Award	44.51	44.51
Price Variation	-7.94	-7.94
Sub-Total (A)	**1527.55**	**1527.55**
IDC & Other Financial Charges		
Interest paid to PFC	257.41	257.41
Guarantee Fee	28.86	28.86
Interest on GoU Loan	5.04	5.04
Interest Repayment AGSP	66.64	66.64
Excess Guarantee Fee Payable	0.00	0.00
Sub-Total (B)	**357.95**	**357.95**
Total Capital cost (A+B)	**1885.50**	**1885.50**

Further, financing of the approved capital cost of MB-II Power Station as on CoD is shown in the **Table** below:

Table 3.7: Financing for MB-II as on CoD (Rs. Crore)

Particulars	Approved in MYT Order dt. 31.03.2022	Approved Now
Loans		
PFC Loan	1200.00	1200.00
Unpaid Liability	-	-
Guarantee Fee Payable	-	-
Normative Loan	119.85	119.85
Total debts	**1319.85**	**1319.85**
Equity		
PDF	326.76	326.76
GoU Budgetary support	74.89	74.89
Pre-2002 expense	164.00	164.00
Total Equity	**565.65**	**565.65**
Total Loan and Equity	**1885.50**	**1885.50**

In the above **Table**, the total equity, i.e., Rs. 565.65 Crore which is 30% of the total approved Capital Cost of MB-II, has been considered to be funded by way of pre-2002 expenses of Rs. 164 Crore, actual disbursement from PDF up to CoD of Rs. 326.76 Crore and the balance amount of Rs. 74.89 Crore from the GoU budgetary support.

3.1.2.3 *Additional Capitalisation*

A. Old Nine Generating Stations

In addition to the opening GFA of Rs. 506.17 Crore as on 14.01.2000 of 9 LHPs, the Commission had approved the additional capitalisation from FY 2001-02 to FY 2021-22 amounting to Rs. 818.39 Crore including de-capitalisation as shown in **Table** below.

Accordingly, the additional capitalisation from FY 2001-02 to FY 2021-22 so far considered by the Commission for 9 LHPs is shown in the **Table** below:

Table 3.8: : Additional Capitalisation already approved by the Commission from FY 2001-02 to FY 2021-22 for 9 LHPs (Rs. Crore)

Generating Station	Amount
Dhakrani	37.70
Dhalipur	84.75
Chibro	107.19
Khodri	49.32
Kulhal	45.37
Ramganga	45.84
Chilla*	106.40
MB-I	178.05

Table 3.8: : Additional Capitalisation already approved by the Commission from FY 2001-02 to FY 2021-22 for 9 LHPs (Rs. Crore)

Generating Station	Amount
Khatima**	163.76
Total	**818.39**

** Including decapitalisation of Rs. 19.30 Crore in FY 2016-17 for DRIP*
*** Including de-capitalisation of Rs. 2.03 Crore in FY 2014-15*

Based on the approved capital cost of 9 LHPs as on 14.01.2000 and considering, the additional capitalisation up to FY 2021-22 for these LHPs, the Commission has considered the opening GFA for FY 2022-23 for nine LHPs as presented below:

Table 3.9: Opening GFA for 9 LHPs as considered by the Commission for FY 2022-23 (Rs. Crore)

Generating Station	Amount
Dhakrani	50.10
Dhalipur	105.12
Chibro	195.08
Khodri	123.29
Kulhal	62.88
Ramganga	95.86
Chilla*	231.29
MB-I**	289.98
Khatima***	170.95
Total	**1,324.56**

** Including de-capitalisation of Rs. 19.30 Crore in FY 2016-17 for DRIP*
*** Including DRB claim of Rs. 2.21 Crore*
**** Including de-capitalisation of Rs. 2.03 Crore in FY 2014-15*

The Petitioner for its 9 LHPs has claimed the additional capitalisation for FY 2022-23 as given in the **Table** below:

Table 3.10: Additional Capitalisation (Other Capital Works, DRIP & RMU) for 9 LHPs claimed by the Petitioner for FY 2022-23 (Rs. Crore)

Generating Station	Other Capital Works	DRIP-II	RMU works	Total
Dhakrani	3.65	9.55	-	**13.20**
Dhalipur	2.80	14.43	42.38	**59.60**
Chibro	9.38	7.44	-	**16.82**
Khodri	2.07	3.72	-	**5.79**
Kulhal	3.92	0.04	-	**3.96**
Ramganga	4.12	-	-	**4.12**
Chilla	7.36	11.46	-	**18.83**
MB-I	2.26	2.80	73.34	**78.39**
Khatima	7.33	-	-	**7.33**
Total	**42.90**	**49.43**	**115.71**	**208.04**

The Petitioner in the Petitions submitted that the additional capitalisation claimed above includes the capitalisation on account of Dam Rehabilitation and Improvement Project (DRIP), RMU (Renovation and Modernization) and other works essential for efficient Plant operations.

3.1.2.3.1 De-capitalisation

The Station-wise additional capitalisation, de-capitalisation carried out and Net Additional Capitalisation claimed by the Petitioner is as shown below:

Table 3.11: Net Additional Capitalisation for 9 LHPs claimed by the Petitioner for FY 2022-23 (Rs. Crore)

Generating Station	Additional Capitalisation	De-Capitalisation	Net Additional Capitalisation
Dhakrani	13.20	7.53	5.67
Dhalipur	59.60	(0.54)	60.15
Chibro	16.82	-	16.82
Khodri	5.79	-	5.79
Kulhal	3.96	-	3.96
Ramganga	4.12	0.01	4.11
Chilla	18.83	-	18.83
MB-I	78.39	0.08	78.32
Khatima	7.33	6.20	1.13
Total	**208.04**	**13.27**	**194.77**

Commission's Analysis

The Commission has observed that the Petitioner has claimed against the executed works amounting to Rs. 42.38 Crore and Rs 73.34 Crore under RMU works for Dhalipur and MB-I, respectively as against the approved amount for RMU for FY 2022-23 and is as shown below:

Table 3.12: Additional Capitalisation against RMU for 9 LHPs for FY 2022-23 (Rs. Crore)

Generating Station	Approved in MYT Order dt. 31.03.2022	Claimed
Dhakrani	-	-
Dhalipur	36.50	42.38
Chibro	-	-
Khodri	-	-
Kulhal	-	-
Ramganga	-	-
Chilla	-	-
MB-I	69.72	73.34
Khatima	-	-
Total	**106.22**	**115.71**

It is further observed that the claimed cost of RMU of Dhalipur and MB-I also includes Interest During Construction of Rs. 4.65 Crore and Rs 8.11 Crore respectively. The Commission directed the Petitioner to submit auditor certificate certifying the cost of RMU works claimed for Dhalipur and MB-I. The Petitioner, in response has submitted Auditor Certificate certifying the aforesaid claim vide its submission dated 02.02.2024 and 16.02.2024, respectively. Since, the works covered in RMU of Dhalipur had been awarded as a single contract, the Commission as of now has provisionally allowed the additional capitalisation claimed by the Petitioner for FY 2022-23, however, the Commission, after carrying out detailed analysis of RMU works post completion shall carry out necessary adjustments along with associated carrying cost in case cost presently being claimed are higher.

With regard to MB-I, it is observed that the RMU works have been completed requiring detailed prudence check of completed cost and therefore, the Commission has carried out detailed scrutiny of the expenses incurred and the works carried out at Point **3.1.2.3.3** of this Order.

Apart from RMU works, the Petitioner has claimed additional capitalisation towards DRIP and other capital works which has been shown as below.

Table 3.13: Additional Capitalisation against DRIP and Other works for 9 LHPs for FY 2022-23 (Rs. Crore)

Generating Station	Approved in MYT Order dt. 31.03.2022 (DRIP)	Claimed (DRIP-II)	Claimed (Other Works)
Dhakrani	3.92	9.55	3.65
Dhalipur	5.93	14.43	2.80
Chibro	4.35	7.44	9.38
Khodri	2.18	3.72	2.07
Kulhal	5.60	0.04	3.92
Ramganga	-	-	4.12
Chilla	32.63	11.46	7.36
MB-I	4.74	2.80	2.26
Khatima	3.92	-	7.33
Total	**59.35**	**49.43**	**42.90**

The Commission in its Order dated March 31, 2022 had approved the additional capitalisation of Rs. 59.35 Crore for FY 2022-23 towards DRIP works subject to prudence check at the time of True-up.

The Commission in the MYT Order while approving additional capitalisation directed the Petitioner as follows:

"In view of the above, the Commission for approving additional capitalisation for the Fourth Control Period has provisionally considered the additional capitalisation projected against RMU and DRIP schemes only. For works to be carried out under general works that do not fall either under RMU or DRIP, the Petitioner is directed to seek specific approval under Regulation 22(4) of UERC Tariff Regulations, 2021."

The Commission sought details of work claimed by the Petitioner and observed that as against Rs. 59.35 Crore approved towards DRIP works; the actual additional capitalisation claimed is Rs. 49.43 Crore. Although the overall capitalisation against DRIP was less than approved, there were Plant-wise deviations observed by the Commission, therefore, the Commission sought details of scheme-wise actual works carried out vis-à-vis that approved under DRIP-I & DRIP-II as per the specific format in which such works were approved. The Commission further observed that certain works which were approved in Part-A of the DRIP-II scheme were not indicated and included in the details provided by the Petitioner. The Petitioner was directed to submit the details and UJVN Ltd. vide its reply dated March 01, 2024 submitted the consolidated sheet of DRIP-II works with reasons to price variations in FY 2022-23. The Commission observed that the price variations were not approved by CPMU and found that the works undertaken under DRIP might have to be taken under normal additional capitalisation. This defies the purpose of getting approval of DRIP schemes from the Commission.

Therefore, **the Commission directs the Petitioner to ensure that CPMU approvals are obtained in time for price variations for works executed/being executed under DRIP-II**.

A summary of the DRIP-II works as per submission is as follows:

Table 3.14: Additional Capitalisation for DRIP-II works in 10 LHPs claimed/planned by the Petitioner till FY 2025-26 (Rs. Crore)

Dam/ Barrage	FY 2022-23		FY 2023-24		FY 2024-25		FY 2025-26		Total	
	Add Cap	R&M	Add Cap	R&M	Add Cap	R&M	Add Cap	R&M	Add Cap	R&M
Ichari dam	11.16	-	1.56	-	-	-	-	-	12.72	-
Dakpathar dam	23.97	-	6.91	-	-	-	-	-	30.88	-
Asan Barrage	0.04	-	7.34	-	5.08	-	-	-	12.46	-
Virbhadra Barrage	11.46	-	4.97	-	2.84	-	-	-	19.27	-
Joshiyara barrage	25.73	-	5.42	-	49.43	-	-	-	80.58	-
Maneri Dam	2.80	-	18.69	-	25.26	-	31.70	-	78.45	-
Total	**75.16***	**-**	**44.89**	**-**	**82.61**	**-**	**31.70**	**-**	**234.36**	**-**

** Rs. 25.73 Crore at Joshiyara Barrage is booked in MB-II*

From the above, it can be observed that an amount totalling to Rs. 75.16 Crore was capitalised till FY 2022-23 pertaining to DRIP-II works which only includes Additional capitalisation and there are no expenses pertaining to R&M for FY 2022-23.

The Commission has considered the additional capitalisation on account of DRIP-II works by directly considering the same under the Plant to which the Dam/Barrage is associated and in case the Dam/Barrage is associated with one or more Plants the expenditure on account of the same is apportioned to the Plants based on installed capacity of the Plants.

During the scrutiny of additional capital expenditure towards other capital works the Commission observed certain infirmities/deviations in the claimed figures. Necessary clarifications were sought from UJVN Ltd. and in compliance to the same the Petitioner submitted required clarifications which have been discussed in detail in the following points.

3.1.2.3.2 Disallowed/ Deferred Works

The Commission, during the scrutiny of the expenses booked at DGM, Dhalipur office has observed that the Petitioner has included an amount of Rs. 0.66 Crore towards "Supply & Installation of Godrej make furniture at Multistory Corporate office Building at Ujjwal" which is an expense associated with Corporate Building which is yet to be capitalised. **The Commission, therefore, has deferred the same and the Petitioner is deemed to claim the same along with the Capitalisation of Corporate Building.**

The Commission, during the scrutiny of the expenses booked at Head Quarter has observed that the Petitioner has included an amount of Rs. 0.57 Crore towards "Supply Installation Testing & Commissioning of 3 Nos. Passenger lifts in PEB Multi-story Corporate Ujjwal Building Dehradun" and Rs. 0.08 Crore towards "Construction of Temp. Rooms and Dismantling of Existing structure at Ujjwal, Dehradun" which is an expense to be booked along with capitalisation of Corporate Building which is yet to be capitalised. **The Commission, therefore, has decided to defer the said works associated with Corporate Building as per the new apportionment philosophy and directs the Petitioner to claim the same at the time of Truing-up of FY 2023-24 along with capitalisation of Corporate Building.**

The Commission also observed that an investment of Rs. 0.45 Crore was done at Dhakrani plant for "Construction of Community Hall at Power House Colony", as per the previous directions of the

Commission, the Commission disallows the same**. The Commission directs the Petitioner to meet such expenses from its profit and should not be claimed in its ARR.**

The details of all the disallowed and deferred works have been mentioned in **Annexure-5** of this Order. The Plant wise details of the same is as follows:

Table 3.15: Disallowed and Deferred claim of Additional Capitalisation for 9 LHPs in FY 2022-23 (Rs. Crore)

Generating Station	Add. Cap. (Disallowed)	Add. Cap. (Deferred)
Dhakrani	0.45	0.73
Dhalipur	-	0.42
Chibro	-	0.11
Khodri	-	0.05
Kulhal	-	0.01
Ramganga	-	0.09
Chilla	-	0.06
MB-I	-	0.04
Khatima	-	0.02
Total	**0.45**	**1.53**

The Petitioner vide its reply dated 02.02.2024 has requested to consider Rs. 0.03 Crore against 'Supply of Inverter and battery' in Ramganga LHP as R&M expenses under Plant and Machinery for FY 2022-23. Accordingly, the Commission has considered the same as R&M Expenses as shown in **Annexure-5**.

Apart from the above observations, the other capital works claimed are found to be in order and therefore, have been allowed.

With regard to de-capitalisation of Assets claimed by the Petitioner, the Commission has analysed the submissions of the Petitioner and has discussed the same as below:

- **Dhakrani LHP–** The Commission sought details of assets de-capitalised and the reasons for de-capitalisation of the assets. The Petitioner submitted the asset details corresponding to the De-cap of Rs. 7.53 Crore. The Petitioner further submitted that while executing RMU activities at Dhalipur it was found that these assets were pertaining to Dhalipur unit but were wrongly booked at Dhakrani Unit and therefore, these assets have been de-capitalised from Dhakrani LHP and transferred to Dhalipur LHP. The Commission has gone through the submissions of the Petitioner and approves de-capitalisation of Rs. 7.53 Crore for Dhakrani LHP.

- **Dhalipur LHP–** The Commission sought details of assets de-capitalised and the reasons for de-capitalisation of the assets. The Petitioner submitted that the assets amounting to Rs. 7.53 Crore which were wrongly booked in Dhakrani LHP were transferred to Dhalipur LHP. Out of these, assets amounting to Rs. 6.99 Crore were taken out of service during RMU works and therefore, were de-capitalised. The balance assets amounting to Rs. 0.54 Crore is the net additional capitalization.

  The Petitioner also submitted that out of Rs. 6.99 Crore of decapitalized assets, Rs. 6.87 Crore were capitalized in FY 2001-02, Rs 0.05 Crore were capitalised in FY 2010-11 and Rs. 1.096 Core were capitalised in FY 2016-17. The Commission further raised a query regarding assets against which loan adjustments were required, wherein the Petitioner vide its submission dated 02.02.2024 submitted that few works were inadvertently de-capitalised and have been re-capitalised in April 2023.

  The Commission has gone through the submissions of the Petitioner and has taken serious note of the frequent accounting errors with regards to de-capitalisation. The Petitioner is cautioned to refrain from such errors in future. The Commission in the past has been relying on audited accounts for allowing additional capitalisation and therefore, the Commission has considered Net additional capitalisation for FY 2022-23 as Rs. 0.54 Crore.

- **Ramganga –** The Commission sought details of assets de-capitalised and the reasons for de-capitalisation of the assets. The Petitioner submitted the asset details corresponding to the De-cap of Rs. 0.01 Crore i.e. historical asset as 132 kV CT and PT. The Commission has approved de-capitalisation of Rs. 0.01 Crore for Ramganga LHP.

- **Chilla –** The Commission sought details of final settlement against the claim of Rs. 32.77 Crore. The Petitioner submitted that final settlement has been completed for material loss and assessment report has been submitted to Insurance company by the Surveyor for releasing claim of amount of Rs 28549049.00 against business loss and its payment is expected shortly. the Commission again directs the Petitioner to expedite the claim process and submit the details of final Insurance claim received in the next tariff proceedings.

- **MB-I –** The Commission sought details of assets de-capitalised and the reasons for de-capitalisation of the assets. The Petitioner submitted the asset details corresponding to the De-cap of Rs. 0.08 Crore wherein PTs amounting to Rs. 0.03 Crore which were capitalised in FY 2020-21 had to be taken out of service due to frequent faults/disturbances. The Commission has gone through the submissions of the Petitioner and approves de-capitalisation of Rs. 0.08 Crore for MB-I LHP.

- **Khatima –** The Commission sought details of assets de-capitalised and the reasons for de-capitalisation of the assets. The Petitioner submitted the asset details corresponding to the De-cap of Rs. 6.19 Crore. The Petitioner further submitted that the value of Interest received against Advance that was supposed to be deducted from the Capitalisation done in FY 2015-16 got left out due to technical reasons and the Petitioner was not able to decapitalise the same in FY 2015-16. The Commission has gone through the submissions of the Petitioner and has taken serious note of delayed de-capitalisation of assets. It is observed that the assets were not in use since FY 2016-17 and due to delayed de-capitalisation, the Petitioner was recovering tariff on the assets that were not in service. The Commission has therefore, separately computed excess tariff recovered since the assets were not in service and has added the said amount to the final surplus amount that is to be refunded to UPCL.

  The Commission directs the Petitioner that as a matter of de-capitalisation policy, the Petitioner should carry out de-capitalisation in the same year in which the asset is taken out from its useful service.

3.1.2.3.3 RMU of MB-I

With regard to MB-I, The Commission vide its Order dated 30.07.2015, with certain amendment to the scope of work granted in-principle approval for carrying out the necessary RMU works. The Petitioner has been carrying out unit wise RMU and as and when RMU of a specific unit was completed and capitalised, UJVN Ltd. has been claiming the expenses incurred on RMU in its annual tariff Petitions which the Commission has been allowing. The details of additional capitalisation towards RMU claimed and allowed till FY 2021-22 is as per the **Table** below:

Table 3.16: Additional capitalisation for RMU of MB-I approved till FY 2021-22

Sl. No.	Particulars	Date of Capitalization	Total (with IDC) (Rs. Crore)
1	Unit-I	17.04.2020	66.79
2	Unit-II	07.07.2021	59.26
		Total	**126.05**

While allowing additional capitalisation towards RMU works, the Commission in its Tariff Orders had ruled as follows:

"…the Commission as of now has provisionally allowed the additional capitalisation claimed by the Petitioner for FY 2021-22, however, the Commission, after carrying out a detailed analysis of RMU works post completion shall carry out necessary adjustments in case cost claimed appears to be higher with associated carrying cost."

As per in-principle approval, the RMU works included following major work elements electro-Mechanical Works, Civil Works & Hydro Mechanical Works. The Commission observed that the Petitioner has partially completed activities planned under "Civil Works". The Commission further observed that these works were covered under SPA-R and DRIP. It was also observed that the Petitioner has not done any "Hydro-mechanical works" and have submitted that the same are planned to be taken up in FY 2024-25 as follows:

Table 3.17: Pending Hydro-mechanical works planed for RMU of MB-I in FY 2024-25

Sl. No.	Works as per DPR	Estimated Cost as per DPR (Nov 2013) (Rs. Lakh)	Estimated Cost in FY 2024-25 (Rs. Lakh)
1	Supply and installation of air compressor with air receiver at Maneri dam district Uttarkashi	40.00	68.40
2	Major overhauling/ renovation of stop log gates of Maneri Dam.	69.75	-
3	Fabrication transportation & erection of stop log gates of Maneri dam	169.50	-
4	Special repair and maintenance of E&M equipment of Maneri Bhali stage-1 Dam, Uttarkashi	79.60	136.12
5	Repairing of sill beam & replacement of bottom rubber seal with epoxy painting of spillway gate of Maneri dam	53.84	92.07
6	Supply & installation of ultra sonic flow meter for discharge measurement at HRT at Maneri Bhali stage-1 dam.	15.00	25.65
	Total	**427.69**	**322.24**

The Commission also observed that as per the estimate submitted during investment approval, "Hydro-mechanical works" were of Rs. 5.06 Crore and the Petitioner in these proceedings has also submitted that there were 6 works estimated for Rs. 4.29 Crore, out of which only 4 shall be taken by the Petitioner in FY 2024-25 with estimated cost as Rs. 3.22 Crore (with 5% escalation in price from Nov 2013).

The Petitioner also submitted the details of works which are not covered in SPA-R or DRIP and are pending under Civil works. The Petitioner further submitted that the estimated cost of pending works as Rs. 14.74 Crore, the works are as provided below:

Table 3.18: Pending Civil works for RMU of MB-I

Sl. No.	Works as per DPR	Estimated Cost as per DPR (Nov 2013) (Rs. Lakh)
1	Removal of deposited RBM from Pond of Maneri Dam.	69.52
2	Construction of TRC (Back Regulator) Gate at the confluence point of TRC of Tiloth House Power & Bhagirathi river	1404.00
	Total	**1473.52**

The Commission has considered the submissions made by the Petitioner and observes that some of the works that were planned in DPR are yet to be executed. **The Commission, therefore, directs the Petitioner to expedite the RMU works and complete the same within the cut-off date.**

RMU Cost for E&M works

The Petitioner in its investment approval, requested Rs. 230.48 Crore towards E&M works, as against which the actual expenses excluding IDC incurred up to September 08, 2022 is Rs. 181.15 Crore.

Table 3.19: Capital expenditure towards RMU of MB-I

Sl. No.	Particulars	As in DPR Rs. Crore	As on 08.09.2022 Rs. Crore	As on 31.03.2023 Rs. Crore	As on 31.03.2024* Rs. Crore
1	Power Plant & accessories (E&M)#	230.48	181.15	182.34	188.65
2	IDC	42.28	17.05	17.05	17.05
	Total	**272.26**	**198.20**	**199.39**	**205.70**

**Estimated*

#including Price Variation

The Petitioner further submitted the unit wise capitalisation against the 3 units along with the balance capitalisation as shown in the **Table** below:

Table 3.20: Unit-wise Capitalisation for RMU of MB-I

Sl. No.	Particulars	Date of Capitalization	Total (with IDC) (Rs. Crore)
1	Unit-I	17.04.2020	66.79
2	Unit-II	07.07.2021	59.26
3	Unit III	08.09.2022	72.15
4	Unit III	31.03.2023	1.18
5	Balance	01.11.2023	6.32
		Total	**205.70**

Hard Cost

The Commission observed that the actual hard cost claimed as on 08.09.2022 and 31.03.2024 is Rs. 181.15 Crore and Rs. 188.65 Crore respectively. The Commission, therefore, sought detailed justification from the Petitioner as to how the cost incurred is over and above the awarded value. The Petitioner in response submitted that the claimed cost also includes price variation. The Petitioner further submitted the unit wise bifurcation of price variation and base cost and is as shown below.

Table 3.21: Base cost and Price Variation details for RMU of MB-I

Sl. No.	Particulars	Date of Capitalization	Base Price (without PV)	PV	Total
1	Unit I	17.04.2020	55.42	8.66	64.08
2	Unit II	07.07.2021	45.11	7.95	53.05
3	Unit III	08.09.2022	53.76	10.26	64.02
4	Unit III	31.03.2023	1.09	0.09	1.18
5	Balance	01.11.2023	5.13	1.19	6.32
		Total	**160.51**	**28.15**	**188.65**

The Commission sought auditor certificate in support of capital cost claimed by the Petitioner. The Petitioner in its reply submitted the auditor certificate certifying the cost claimed by the Petitioner. The Petitioner, however, did not provide the basis for computation of price variation. The Commission in this tariff order has provisionally considered the hard cost claimed by the Petitioner. **The Petitioner is directed to submit the detailed workings with regard to price variation claimed including the following as on 08.09.2022 and as on 31.03.2023 certified by statutory auditor by June 30, 2024.**

(1) **Details of quantity - original quantity, revised quantity**

(2) **Details of price – original unit price as considered in LOA and revised unit price after escalation**

Time Overrun

The unit wise scheduled implementation and the actual implementation towards RMU work along with associated delay is as follows:

Table 3.22: Scheduled vs Actual Implementation Schedule for RMU of MB-I

Sl. No.	Unit No.	Start Date *Scheduled*	End Date *Scheduled*	Period in Days *Scheduled*	Start Date *Actual*	End Date *Actual*	Period in Days *Actual*	Delay in Days
1	Unit I	12-12-2018	11-12-2019	365	12-12-2018	17-04-2020	493	128
2	Unit II	12-12-2019	11-12-2020	366	27-02-2020	06-07-2021	496	130
3	Unit III	12-12-2020	11-12-2021	365	07-07-2021	08-09-2022	429	64

The Petitioner has provided the following unit-wise justification for the delay in carrying out the RMU works:

Unit#1: The Petitioner submitted that the delay in Unit 1 works is of 128 days which was due to the placement of additional orders as identified after the report on reverse engineering and also due to COVID-19 pandemic.

Unit#3: The Petitioner submitted that the delay of 130 days in completing RMU works of Unit#3 works, due to the COVID-19 pandemic.

Unit#2: The Petitioner submitted that there is a delay of 64 days due to the awarding of extra works beyond contractual scope and non-availability of common closure due to energy shortage in the state shifted the MIV work from 05.04.2022 to 05.07.2022 i.e. a 3-month delay.

Commission's Analysis:

Unit#1: The Commission observes that in view of the genuine issues being faced by the Petitioner due to additional works and on account of COVID-19 has condoned the delay in implementation of RMU works for Unit#1.

Unit#3: The Commission observes that the delay in completion of RMU for Unit#1 has caused a delay in start of RMU works for Unit 3. Further, COVID-19 pandemic impacted the pace at which work were going on as the RMU works were underway during first and second COVID wave.

The Commission further observes that the Ministry of Power vide letter dated 27.07.2020, allowed extension of SCOD by 5 months for all inter-State transmission projects whose SCOD is after the date of lock-down i.e. 25.3.2020. Further, Ministry of Power in the letter dated 12.6.2021 allowed extension of SCOD by 3 months to all the inter-State transmission projects with SCOD coming after 01.04.2021. The Commission is of the view that the pandemic has affected even the intra-state projects and therefore, the Commission has condoned the delay in implementation of RMU works for Unit#3.

Unit#2: The Commission has gone through the submissions of the Petitioner and observes that the delay was primarily on account of non-availability of common closure and therefore, the Commission condones the delay.

Funding

The Petitioner in its Capital Investment approval Petition had submitted that it has planned to execute the works in the debt equity ratio of 70:30. The Petitioner in this current Petition has submitted that the RMU works have been funded considering debt-equity ratio of 70:30.

The Petitioner submitted that it had secured loan approval of Rs. 216 Crore from REC out of which as on September 08, 2022 it has utilized Rs. 131.79 Crore towards completion of RMU and has invested equity of Rs. 56.86 Crore. In view of the above, the final capital structure of RMU of MB-I as on 08.09.2022 is as follows:

Table 3.23: Capital structure as on CoD for RMU of MB-I

Particulars	Financial Package as on Completion of Unit 3 (Rs. Crore)
Loan	**69.86%**
REC	131.79*
Total Loan	**132.56**
Equity	**30.14%**
Domestic	4.00
Internal Accruals	52.86
Total Equity	**56.86**
Total	**188.65**

**Pro-rated Debt considering un-discharged liability of Rs. 1.10 Crore submitted.*

The Petitioner further submitted that post commissioning of third machine, it has received funds through GoU SAS (Special Assistance Scheme). The Petitioner further submitted that it has availed loan of Rs. 16.22 Crore on 13.03.2023 and Rs. 21.50 Crore on 02.05.2023 through GoU SAS. The Petitioner failed to clarify as to what adjustment is required post receipt of such SAS funds as these funds have been submitted by the Petitioner to be bearing zero interest rate. The Petitioner has further failed to substantiate the claimed debt equity ratio. In absence of proper justification, the Commission for the purpose of this Order has provisionally considered debt equity ratio of 70:30.

In view of the above discussion, the Commission provisionally approves the following capital cost as on 08.09.2023, 31.03.2023 and 31.03.2024.

Table 3.24: Provisionally Approved Capital Cost for RMU of MB-I

Sl. No.	Particulars	As on 08.09.2022 Rs. Crore	As on 31.03.2023 Rs. Crore	As on 31.03.2024* Rs. Crore
1	Power Plant & accessories (E&M)#	181.15	182.34	188.65
2	IDC	17.05	17.05	17.05
	Total	**198.20**	**199.39**	**205.70**

The Commission further observes that the Petitioner has already claimed Rs. 66.79 Core in FY 2020-21 and Rs. 59.26 Crore in FY 2021-22. The Commission has therefore, provisionally allowed balance amount of Rs. 73.33 Crore as additional capitalisation in FY 2022-23.

The Commission has gone through the submissions of the Petitioner and **directs the Petitioner to complete all the works covered under RMU of MB-I LHP by the cut-off date, i.e. 31.03.2025, beyond which no expense (including IDC) in this regard would be allowed.**

The Petitioner is also directed to submit the details of actual debt, equity & grant infused for the RMU of MB-I LHP and detailed IDC workings on quarterly basis in support of its claimed IDC as on 08.09.2022 duly certified by statutory auditor by June 30, 2024.

The Commission is also of the view that Hydro-mechanical works and Civils works that are not yet executed pose a risk of increased shut-down times than as assumed in the DPR, thereby reducing the availability of the Plant and **directs the Petitioner to complete the said works as soon as possible, however, the reduction in PAFY due to delay in execution of the works shall solely be attributable to UJVN Ltd.**

Design Energy

The Commission in MYT Order dated 31.03.2022, ruled as follows:

"…The provisional Design Energy considered by the Commission for the purpose of this Order is 478 MU (Design Energy considered with reduced closure period) for FY 2022-23 to FY 2024-25 as per the Petitioner's submission dated 31.01.2022."

The Commission has considered the Design Energy as 478 MU as per DPR.

NAPAF

The Commission prior to RMU works had approved NAPAF of 79% which was applicable for the previous control periods. After carrying RMU works, it can be reasonably assumed that due to better machine availability and other improvements, the NAPAF should improve. However, as there is no considerable data to support any increase in the NAPAF, the Commission has retained the existing NAPAF norm for the fourth control period.

3.1.2.3.4 Approved Additional Capitalisation

In view of the detailed analysis carried out, the Commission, approves net additional capitalisation for FY 2022-23 for 9 LHPs as shown below:

Table 3.25: Additional Capitalisation approved for 9 LHPs for FY 2022-23 (Rs. Crore)

Generating Station	Approved in Order dt. 31.03.2022	Claimed#	Approved in this Order *#
Dhakrani	3.92	13.20	4.91
Dhalipur	42.43	59.60	59.69
Chibro	4.35	16.82	16.55
Khodri	2.18	5.79	5.65
Kulhal	5.60	3.96	3.93
Ramganga	-	4.12	3.85
Chilla	32.63	18.83	18.66
MB-I	74.46	78.39	78.21
Khatima	-	7.33	1.08
Total	**165.57**	**208.04**	**192.53**

 # Including claim of Rs. 49.43 Crore against DRIP works and Rs. 115.71 Crore against RMU works included in Add. cap
**shifting of expenses after prudence check of Add cap & R&M expenses and De-cap,disallowed and deferred expenses*

B. Maneri Bhali-II

In addition to the Capital Cost of Rs. 1885.50 Crore as on CoD, the Commission had approved additional capitalisation from FY 2007-08 to FY 2021-22 amounting to Rs. 381.39 Crore in its previous Tariff Orders, as shown in the **Table** below:

Table 3.26: Year-wise Additional Capitalisation already approved by the Commission from FY 2007-08 to FY 2021-22 for MB-II LHP (Rs. Crore)

Financial Year	Amount
2007-08	0.09
2008-09	10.26
2009-10	8.14
2010-11	21.70
2011-12	2.01
2012-13	17.90
2013-14	35.32
2014-15	36.77
2015-16	127.24
2016-17	55.08
2017-18	17.00
2018-19	10.64
2019-20	9.02
2020-21	19.17
2021-22	11.05
Total	**381.39**

Based on the above closing GFA approved for FY 2021-22, the opening GFA for FY 2022-23 for MB-II LHP is shown below:

Table 3.27: Opening GFA for MB-II as considered by the Commission for FY 2022-23 (Rs. Crore)

Particulars	Amount
Capital Cost	1885.50
Additional Capitalisation from FY 2007-08 to FY 2021-22	381.39
Opening GFA for FY 2022-23	**2266.89**

The Petitioner for MB-II LHP has claimed additional capitalisation for FY 2022-23 as given in the **Table** below:

Table 3.28: Additional Capitalisation claimed by the Petitioner for FY 2022-23 (Rs. Crore)

Components	Additional Capitalisation	De-capitalisation	Net Additional Capitalisation
Land	-	-	-
Building	2.58	-	2.58
Major Civil Works	31.36	-	31.36

Table 3.28: Additional Capitalisation claimed by the Petitioner for FY 2022-23 (Rs. Crore)

Components	Additional Capitalisation	De-capitalisation	Net Additional Capitalisation
Plant & Machinery	3.78	-	3.78
Vehicles	0.23	-	0.23
Furniture and Fixtures	0.01	-	0.01
Office Equipment & Others	0.11	-	0.11
IT Equipment's including Software	1.53	-	1.53
Total	**39.59**	**-**	**39.59**

The Commission in its Order dated March 31, 2022 approved the additional capitalisation of Rs. 19.55 Crore for FY 2022-23 towards DRIP-II works subject to prudence check at the time of True-up.

The Commission in the MYT Order dated 31.03.2022 at para 3.4.3 while approving additional capitalisation directed the Petitioner as follows:

"In view of the above, the Commission for approving additional capitalisation for the Fourth Control Period has provisionally considered the additional capitalisation projected against RMU and DRIP schemes only. For works to be carried out under general works that do not fall either under RMU or DRIP, the Petitioner is directed to seek specific approval under Regulation 22(4) of UERC Tariff Regulations, 2021."

The Commission sought details of work claimed by the Petitioner and observes that as against Rs. 19.55 Crore approved towards DRIP-II works; the actual additional capitalisation claimed is Rs. 25.73 Crore as per **Table 3.14** above. The Commission sought justification for increase in additional capitalisation along with supporting documents. The Commission observed that the Petitioner was able to take up only one of the approved works namely "Construction of cut off drain Seepage drain and curtain grouting in overburden to prevent leakage of water from right bank of Joshiyara reservoir area of Maneri Bhali Stage II LHP" with approved cost of Rs. 13.64 Crore, which was awarded for Rs. 13.53 Crore and executed for Rs. 25.73 Crore, with a price variation of 90% i.e. Rs. 12.20 Crore due to bad geological condition and associated reasons, the quantity of grouting increased & cost variation occurred.

The Commission has observed that there have been considerable price variations and these price variations are not approved by CPMU springing up a possibility that the works undertaken under DRIP-II might have to be taken under normal additional capitalisation which defies the purpose of getting approval of DRIP schemes from the Commission.

With regard to Testing of Surge Shaft Gate, the Commission observes that there has been no progress, and these works are very important with respect to safety of the Plant and delaying such works may be catastrophic from Plant's safety perspective. In this regard, the Petitioner submitted that the said works requires tunnel closure and proposes to take up the work as and when the complete tunnel closure is planned in future.

The Commission directs the Petitioner to complete the works for testing of Surge shaft gate as soon as possible and cautions that any occurrence of damage to the safety of the MB-II Plant in future due to delay in execution of the testing of surge shaft gate shall be solely attributable to UJVN Ltd. However, the Commission shall approve the additional capitalisation subject to prudence check during the Truing-up of the same.

Apart from DRIP works, the Petitioner has claimed additional capitalisation of Rs. 13.87 Crore in FY 2022-23. The Commission sought details of works carried out from the Petitioner which were submitted by the Petitioner. The Petitioner vide its submission dated 26.03.2024 submitted details pertaining to civil works other than DRIP works for MB-II executed in FY 2022-23 in the prescribed format as detailed at **Annexure-6**.

As also discussed earlier, the Commission, after the scrutiny of the expenses booked at Head Quarter has observed that the Petitioner has included an amount of Rs. 0.57 Crore towards "Supply Installation Testing & Commissioning of 3 Nos. Passenger lifts in PEB Multistory Corporate Ujjwal Building Dehradun " and Rs. 0.08 Crore towards "Construction Temp. Rooms and Dismantling of Existing structure at Ujjwal, Dehradun" which is an expense to be booked along with capitalisation of Corporate Building which is not capitalised yet and therefore, has not allowed in FY 2022-23. The allocation of such expenses on MB-II amounts to Rs. 0.12 Crore and has therefore, not been allowed.

In addition to the above, due to revised methodology of allocation of common additional capital expenditure as discussed at Point **3.1.2.1**, the Commission has allowed other capital works amounting to Rs. 13.53 Crore.

Further, the Commission while carrying out truing up of FY 2021-22, in relation to the De-cap of Rs. 5.00 Crore done to write-off the assets lost due to Flood in 02/03 August 2012 and claimed in FY 2021-22 for MB-II LHP ruled that as insurance claim was not finalized in previous proceedings, the same shall be considered once the same is firmed up. It is observed that UJVN Ltd. has received an amount of Rs. 2.16 Crore and same has been considered as part of non-tariff income as the beneficiary of the system has already funded the related works. Any future additional proceeds as and when received shall also be considered as part of NTI.

The Commission has, accordingly, approved additional capitalisation for FY 2022-23 for MB-II LHP as shown below as per the new apportionment philosophy:

Table 3.29: Asset-wise Additional Capitalisation approved by the Commission for FY 2022-23 for MB-II (Rs. Crore)

Particulars of Assets	Considered in Order dt. 31.03.2022 for FY 2022-23	Net Additional Capitalisation Claimed	Net Additional Capitalisation Approved now after Truing-up for FY 2022-23*
Land	**19.55**	-	-
Building		2.58	2.39
Hydraulic works		-	-
Major Civil Works		31.36	31.36
Plant & Machinery		3.78	3.78
Vehicles		0.23	0.23
Furniture and Fixtures		0.01	0.01
Office Equipment & Other Items		0.11	0.10
IT Equipment including Software		1.53	1.40
Total		**39.59**	**39.25**

** including claim of Rs. 25.73 Crore against DRIP-II works and deferred expenses of Rs. 0.12 Crore*

3.1.2.4 *Depreciation*

A. Old Nine Generating Stations

Regulation 28 of the UERC Tariff Regulations, 2021 specifies as follows:

"*28.* Depreciation

(1) *The value base for the purpose of depreciation shall be the capital cost of the asset admitted by the Commission.*

Provided that no depreciation shall be allowed on assets funded through Consumer Contribution and Capital Subsidies/Grants.

(2) *The salvage value of the asset shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of the capital cost of the asset.*

Provided that in case of generating stations, the salvage value shall be as provided in the agreement signed by the developers with the State Government for creation of site;

Provided further that the capital cost of the assets of the generating station, for the purpose of computation of depreciable value for determination of tariff, under these regulations shall correspond to the percentage of sale of electricity under long-term power purchase agreement at regulated tariff.

Provided also that any depreciation disallowed on account of lower availability of the generating station or generating unit or transmission system as the case may be, shall not be allowed to be recovered at a later stage during the useful life and the extended life.

Provided that the salvage value for IT equipment and software shall be considered as NIL and 100% value of the assets shall be considered depreciable.

(3) Land other than the land held under lease and the land for reservoir in case of hydro generating station shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the asset.

(4) Depreciation shall be calculated annually based on Straight Line Method and at rates specified in Appendix - II to these Regulations.

Provided that, the remaining depreciable value as on 31st March of the year closing after a period of 12 years from the date of commercial operation shall be spread over the balance useful life of the assets.

(5) Depreciation shall be chargeable from the first year of commercial operation. In case of commercial operation of the asset for part of the year, depreciation shall be charged on pro rata basis.

(6) In case of de-capitalization of assets in respect of generating station or unit thereof or distribution licensee or SLDC or transmission system or element thereof, the cumulative depreciation shall be adjusted by taking into account the depreciation recovered in tariff by the decapitalised asset during its useful services."

The Petitioner has submitted that no depreciation has been claimed on opening GFA as on January 2000 since depreciation of 90% has already been recovered.

The Petitioner submitted that it has computed depreciation on additional capitalisation from FY 2001-02 onwards at the rates specified by the Commission in UERC Tariff Regulations, 2004, UERC

Tariff Regulations, 2011, UERC Tariff Regulations, 2015, UERC Tariff Regulations, 2018 and UERC Tariff Regulations, 2021.

With regard to the depreciation on opening GFA as on January, 2000, as all the 9 LHPs have depreciated by 90% of the original cost, no depreciation has been allowed by the Commission in line with the submission of UJVN Ltd.

As regards the depreciation computation on the assets added during the period from FY 2001-02 to FY 2021-22, the Commission has computed the depreciation in accordance with the provisions of UERC Tariff Regulations, 2011, UERC Tariff Regulations, 2015, UERC Tariff Regulations, 2018 and UERC Tariff Regulations, 2021.

The Commission has computed the balance depreciable value for assets added in each year after January, 2000 by deducting the cumulative depreciation as admitted by the Commission up to 31.03.2016 from the gross depreciable value of the assets. The Commission, further, computed the difference between the cumulative depreciation as on 31.03.2016 and the depreciation so arrived and in case, where asset life has crossed 12 years of such asset addition, the remaining depreciable value as on 31st March of the year has been spread over the balance life.

Based on the above discussed approach, the summary of depreciation as approved in Order dated March 31, 2022 and as approved now by the Commission for FY 2022-23 after Truing-up is shown in the following **Table**:

Table 3.30: Depreciation approved for 9 LHPs after Truing-up of FY 2022-23 (Rs. Crore)

Generating Station	On Opening GFA as on 14.01.2000		On Additional Capitalisation up to FY 2022-23		Total Depreciation		
	Approved in Order dt. 31.03.2022 for FY 2022-23	Approved now after Truing-up for FY 2022-23	Approved in Order dt. 31.03.2022 for FY 2022-23	Approved now after Truing-up for FY 2022-23	Approved in Order dt. 31.03.2022 for FY 2022-23	Claimed by the Petitioner in FY 2022-23	Approved now after Truing-up for FY 2022-23
Dhakrani	-	-	1.82	1.75	1.82	2.02	1.75
Dhalipur	-	-	3.78	3.86	3.78	4.50	3.86
Chibro	-	-	6.01	5.47	6.01	6.00	5.47
Khodri	-	-	2.33	2.30	2.33	2.51	2.30
Kulhal	-	-	2.18	2.07	2.18	2.31	2.07
Ramganga	-	-	2.61	2.54	2.61	2.87	2.54
Chilla	-	-	4.93	4.74	4.93	5.90	4.74
MB-I	-	-	10.21	8.22	10.21	11.46	8.22
Khatima	-	-	8.48	8.48	8.48	8.77	8.48
Total	-	-	**42.36**	**39.44**	**42.36**	**46.34**	**39.44**

B. Maneri Bhali-II

As discussed earlier, the Commission has worked out the additional capitalisation for FY 2022-23 for MB-II Plant considering the Capital Cost approved as on CoD of the project and year-wise additional capitalisation approved by the Commission.

The Commission has computed the depreciation for FY 2022-23 in accordance with the UERC Tariff Regulations, 2021. As MB-II has completed 12 years from CoD in FY 2019-20, hence, the balance depreciable value of the capital cost as on CoD has been spread equally throughout the balance useful life of the assets.

With regard to additional capitalisation post commissioning, the Commission for computing depreciation has adopted the same approach as stated in its previous Orders.

In line with the above approach, the Commission has computed the depreciation for FY 2022-23 for MB-II on the approved capital cost as on CoD of Rs. 1885.50 Crore along with the additional capitalisation of Rs. 381.39 Crore approved up to FY 2021-22. Accordingly, the Commission in this Order has Trued-up the depreciation for FY 2022-23 as follows:

Table 3.31: Depreciation for MB-II for FY 2022-23 (Rs. Crore)

Particulars	Approved in AFC Order dt. 31.03.2022	Claimed	Approved now after Truing-up
Depreciation	46.65	51.68	46.35

3.1.2.5 *Return on Equity (RoE)*

A. Old Nine Generating Stations

The Petitioner has submitted that it has claimed RoE in accordance with the aforesaid UERC Tariff Regulations, 2021 at the rate of 16.50% for Chibro, Khodri, Ramganga and MB-I and at the rate of 15.50% for Dhakrani, Dhalipur, Kulhal, Chilla and Khatima on post-tax basis. Accordingly, the Commission has allowed RoE at the rates as claimed by the Petitioner in line with Regulation 26 of UERC Tariff Regulations, 2021.

Regulation 26 of the UERC Tariff Regulations, 2021 specifies as follows:

"26. Return on Equity

(1) Return on equity shall be computed on the equity base determined in accordance with Regulation 24.

Provided that, Return on Equity shall be allowed on amount of allowed equity capital for the assets put to use at the commencement of each financial year.

Provided further that, if the generating stations/licensees are able to demonstrate the actual date of asset being put to use and capitalized in its accounts of each asset for the purposes of business carried on by it through documentary evidence, including but not limited to 'asset put to use certificate', 'audited accounts' etc., then in such cases, after due satisfaction of the Commission, the RoE shall be allowed on pro-rata basis after considering additional capitalization done during the year out of the equity capital.

(2) Return on equity shall be computed on at the base rate of 15.5% for thermal generating stations, transmission licensee, SLDC and run of the river hydro generating station and at the base rate of 16.50% for the storage type hydro generating stations and run of river generating station with pondage and distribution Licensee on a post-tax basis.

Provided that return on equity in respect of additional capitalization after cut-off date beyond the original scope excluding additional capitalization due to Change in Law, shall be computed at the weighted average rate of interest on actual loan portfolio of the distribution company or the generating station or the transmission system;

..."

In the previous Tariff Orders, the Commission w.r.t. the pending finalisation of the Transfer Scheme of the Petitioner, had allowed RoE on the provisional value of the opening equity of Rs. 151.19 Crore in accordance with the directions of the Hon'ble Appellate Tribunal for Electricity issued in the Order dated 14.09.2006 (Appeal No. 189 of 2005) and detailed in the Commission's Order dated 14.03.2007. With regard to RoE on additional Capitalisation, the Commission has considered the normative equity of 30% where entire financing has been done through internal resources and on actual basis in other cases subject to a ceiling of 30% as specified in the UERC Tariff Regulations, 2021.

Further, for Khatima LHP, the Commission in line with its earlier Orders has carried out adjustment on account of de-capitalised assets of Rs. 2.03 Crore and has computed RoE on Rs. 150.58 Crore.

Further, with regard to funding of additional capitalisation for the works for FY 2022-23, the Petitioner submitted that normative Debt: Equity ratio of 70:30 has been considered for non-DRIP works and for DRIP works Debt : Equity ratio of 80:20 has been considered. Accordingly, the Commission has also considered normative Debt : Equity ratio of 70:30 for non-DRIP works and Debt: Equity ratio of 80:20 for DRIP works.

It is observed that Regulation 26 of UERC Tariff Regulations, 2021 specifies that RoE shall be allowed at the rate of 15.50% for ROR stations and 16.50% for storage type hydro stations and ROR stations with pondage. However, such rate of return shall be allowed only on equity infused on works that are part of original scope of works and have been executed prior to the cut-off date and on equity infused on works carried out on account of change in law. The rate of return on equity infused on works after cut-off date and works that are beyond original scope excluding works pertaining to change in law has been limited to the Weighted Average Rate Of Interest (WAROI) on actual loan portfolio, which is 9.98% for Khatima LHP, 10% for 07 LHPs and 16.5% for MB-I LHP.

The Commission, while calculating WAROI for computation of RoE for 07 LHPs, has taken a considerate view by not considering zero interest bearing DRIP loans for computation of WAROI for 07 LHPs.

In order to implement the same, the Commission sought details of additional capitalization incurred on account of Change in Law. The Petitioner however failed to submit the required details within the stipulated time. The Commission for computation of RoE has adopted the following approach.

1. LHPs where RMU has not been completed, RoE at 15.50% or 16.50%, as applicable has been allowed on the equity component corresponding to Transfer Value as on 14.01.2000. Equity infused on additional capitalisation post 14.01.2000 except unit-wise RMU works and DRIP works has been allowed rate of return at WAROI.
2. LHPs where RMU has been completed the total GFA as on cut-off date has been considered to be part of Original Scope of works hence RoE at the rate of 15.50% or 16.50% as applicable has been allowed. Post cut-off date, rate of return on equity infused on works except for unit-wise RMU works and DRIP works has been allowed at WAROI.
3. All DRIP works have been considered to be akin to RMU for the purpose of allowing RoE as these works also pertains to dam rehabilitation.
4. As the details of works incurred on account of Change in Law has not been provided by

the Petitioner, rate of return on equity infused on all other works have been computed at WAROI.

The Petitioner is however provided a final opportunity to provide the required details with regard to works carried out on account of change in law in the next tariff proceedings and the Commission shall consider the same after due prudence check and shall allow the impact without any carrying cost.

The summary of the Return on Equity approved for 9 LHPs for FY 2022-23 is shown in the **Table** given below:

Table 3.32: Equity and Return on Equity for Nine Old LHPs for FY 2022-23 (Rs. Crore)

Generating Station	RoE approved in Order dt. 31.03.2022 for FY 2022-23			Claimed by the Petitioner		Approved now after Truing-up for FY 2022-23			
	On Transferred Asset	On Additional Capitalisation	RoE	Opening Equity	RoE	On Transferred Asset as on Jan 14, 2000	On Additional Capitalisation up to FY 2021-22		Total RoE
						Normative Equity	Opening Equity (RMU+DRIP)*	Opening Equity (Others)	
Dhakrani	0.58	1.51	2.09	13.07	2.03	3.72	3.93	5.42	1.73
Dhalipur	0.95	3.36	4.30	28.56	4.43	6.11	17.57	4.88	4.16
Chibro	4.35	5.29	9.64	55.46	9.15	26.37	5.80	23.27	7.63
Khodri	3.66	2.21	5.88	35.48	5.85	22.19	2.90	10.38	5.18
Kulhal	0.81	1.70	2.51	15.61	2.42	5.25	6.47	3.90	2.21
Ramganga	2.48	2.32	4.80	28.76	4.75	15.01	-	13.75	3.85
Chilla	5.81	4.96	10.77	62.63	9.71	37.47	11.22	13.94	8.94
MB-I	5.43	10.03	15.46	81.85	13.51	32.92	35.89	13.05	13.51
Khatima	0.24	7.54	7.78	50.28	7.79	1.55	47.00	1.74	7.70
Total	**24.30**	**38.94**	**63.24**	**371.70**	**59.63**	**150.58**	**130.79**	**90.33**	**54.90**

** Including De-cap adjustments in Chilla and MB-I LHP in FY 2021-22*

With regard to the Income Tax, the Petitioner, in the Petition has submitted that on the basis of filing of Income Tax Return, the amount recoverable from the beneficiaries are determined. The Petitioner further submitted that it claims the reimbursement of income tax immediately on final assessment of tax & payment of the same to the income tax department. However, there is substantial delay in receiving the reimbursement of the tax paid from UPCL. The Petitioner further requested the amount of income tax to be recovered from beneficiaries may kindly be allocated in the Tariff Order itself after prudence check.

With regard to allocation of actual taxes paid among its generating stations and then to beneficiaries, the Commission has already specified the methodology while carrying out True-up for FY 2019-20 in its Order dated April 26, 2021 and the same has been adopted by the Petitioner for FY 2022-23.

The Commission is of the view that the Regulation 34 of UERC Tariff Regulations, 2021 allows recovery of actual Tax paid subject to submission of documentary proof. Therefore, the Commission allows the Petitioner to recover (actual) Income Tax paid separately from its beneficiaries in accordance with Regulation 34 of the UERC Tariff Regulations, 2021.

B. Maneri Bhali-II

As discussed earlier, the Commission has considered the Capital Cost of MB-II project as on CoD as Rs. 1885.50 Crore as approved by the Commission in its Order dated 05.04.2016. In the said Order, the Commission had approved financing of the Capital Cost and held as follows:

"As discussed earlier, the Commission has approved the Capital cost of MB-II project as on COD and, accordingly, the financing of the project. The Commission has reworked the total equity component as on COD to Rs. 685.50 Crore. In accordance with the Tariff Regulations, equity in excess of 30% has to be treated as normative loan. Accordingly, the equity for MB-II LHP as on COD works out to Rs. 565.65 Crore which includes pre-2002 expenses of Rs. 164 Crore, power development fund of Rs. 326.76 Crore and GoU budgetary support of Rs. 74.89 Crore and the balance amount of Rs. 119.85 Crore has been considered as normative loan."

The Commission has not been allowing Return on Equity on funds deployed by the GoU out of PDF fund for reasons recorded in the previous Tariff Orders. In line with the approach considered in previous Tariff Orders, the Commission is of the view that unlike other funds available with the Government, collected through taxes and duties, PDF is a dedicated fund created in accordance with the provisions of the PDF Act passed by the GoU and the amount is collected directly from the consumers through the electricity bills as the same forms part of the power purchase cost of UPCL, which in turn is loaded on to the consumers. PDF Act and Rules made thereunder, further, clearly indicate that money available in this fund has to be utilized for the purposes of development of generation and transmission assets.

Thus, the Commission has not deviated from its earlier approach and is of the view that the money for the purpose of this fund is collected by the State Government through cess imposed on the electricity generated from old hydro generating stations, which are more than 10 years old. The cost of such cess is further passed on to UPCL, which in turn recovers the same from ultimate consumers of electricity through tariffs. Further, as the Petitioner in this regard has preferred an Appeal before the Hon'ble APTEL, the Commission is not deviating from its approach, since the matter is sub-judice.

The Commission with regard to funding of additional capitalisation post CoD till FY 2021-22 has considered the funding approved by it in its Order dated March 30, 2023. Further, with regard to additional capitalisation for FY 2022-23, the normative Debt: Equity ratio of 70:30 has been considered by the Commission.

The Commission as discussed earlier, has allowed return of 16.50% on equity infused on works that are part of original scope of works and have been completed within the cut-off date i.e., by 31.03.2008. As no DRIP works were executed in case of MB-II till 31.03.2022, hence, rate of return on equity infused towards all additional capitalisation post 31.03.2008 till 31.03.2022 has been allowed at WAROI @ 9.53%.

As discussed above, against amount to be recovered for income tax, the Petitioner is allowed to recover the same in accordance with Regulation 34 of the UERC Tariff Regulations, 2021.

The opening equity considered by the Commission for the purpose of return on equity is as shown in the **Table** below:

Table 3.33: Opening Equity approved by the Commission for MB-II for FY 2022-23 (Rs. Crore)

Particulars	Claimed	Approved now after Truing-up
Opening Equity	316.57	316.57

The Commission on account of the financing of the additional capitalisation for FY 2021-22 has revised the RoE allowed for FY 2022-23 as shown below:

Table 3.34: RoE approved for MB-II for FY 2022-23 (Rs. Crore)

Particulars	Approved in AFC Order dt. 31.03.2022 for FY 2022-23	Claimed	Approved now after Truing-up
RoE	52.67	52.23	44.47

3.1.2.6 *Interest on Loans*

A. Old Nine Generating Stations

Regulation 27 of the UERC Tariff Regulations, 2021 specifies as follows:

"27. Interest and finance charges on loan capital and on Security Deposit

(1) The loans arrived at in the manner indicated in Regulation 24 shall be considered as gross normative loan for calculation of interest on loan.

(2) The normative loan outstanding as on 01.04.2022 shall be worked out by deducting the cumulative repayment as admitted by the Commission up to 31.3.2022 from the approved gross normative loan.

(3) The repayment for each year of the Control Period shall be deemed to be equal to the depreciation allowed for that year. In case of decapitalization of assets, the repayment shall be adjusted by taking into account cumulative repayment on a pro rata basis and the adjustment should not exceed cumulative depreciation recovered upto the date of decapitalization of such asset.

...

(5) The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio of the previous year after providing appropriate accounting adjustment for interest capitalised:

Provided that if there is no actual loan for a particular year but normative loan is still outstanding, the last available weighted average rate of interest shall be considered.

Provided further that if the generating station or the transmission system or the distribution system or SLDC, as the case may be, does not have actual loan, then the weighted average rate of interest of the generating company or the Transmission Licensee or the Distribution Licensee or SLDC as a whole shall be considered.

(6) The interest on loan shall be calculated on the normative average loan of the year by applying the weighted average rate of interest.

Provided that on account of additional capitalization during the year, interest on additional loan shall be calculated on pro-rata basis.

…"

The Petitioner submitted that as per the provisions of Regulation 24 of UERC Tariff Regulations, 2021, interest on normative debt has been considered on the value equivalent to 70% of additional capitalisation only.

It is observed that the Petitioner during the previous tariff proceedings submitted a copy of the letter dated 12.03.2021 directing the concerned officials to ensure circulation of Work Completion Certificate after completion of capital works to ensure service equity in SAP (measurement) and technical completion of respective Work Breakdown Structure (WBS) in ERP followed by timely capitalisation of the works in the accounting records of company in line with applicable Ind-AS. Previously, it was also submitted that the Petitioner is adopting the practice of capitalizing the assets as soon as assets are available to use/put to use, instead of booking at the end of financial year. It is however observed that in FY 2023-24 the actual capitalisation carried out by UJVN Ltd. for 9 LHPs during April-October is Rs. 43.46 Crore as against total estimated capitalisation of Rs. 323.84 Crore i.e. 13.42%, which still depicts that major capitalisation is being done at the end of the financial year. The Commission, therefore, only for the purpose of allowing interest on loan, it has calculated the interest rate on opening loan less average repayment. Accordingly, the Commission has considered the interest rate of 9.98% for Khatima, 10.51% for MB-I and 7.08% for other 7 LHPs (including DRIP loans).

The assets decapitalised by the Petitioner in FY 2022-23 for Dhalipur and MB-I were partially depreciated as per the data submitted by the Petitioner in the reply dated December 26, 2023. Accordingly, for normative loan calculation, i.e., 70% of asset value, the Commission has adjusted the normative loan addition of the respective LHPs.

The opening/closing loan for FY 2022-23 for 9 LHPs as considered by the Commission is shown in the **Table** below:

Table 3.35: Opening/Closing Loan considered for FY 2022-23 for 9 LHPs (Rs. Crore)

Particulars	Opening Loan	Loan For Asset Capitalised	Repayment	Closing Loan
Dhakrani	22.14	4.39	1.75	24.78
Dhalipur	53.87	43.23	3.86	93.24
Chibro	56.13	12.33	5.47	62.98
Khodri	18.10	4.33	2.30	20.12
Kulhal	29.46	2.75	2.07	30.15
Ramganga	21.19	2.69	2.54	21.35
Chilla	63.42	14.21	4.74	72.88

Table 3.35: Opening/Closing Loan considered for FY 2022-23 for 9 LHPs (Rs. Crore)

Particulars	Opening Loan	Loan For Asset Capitalised	Repayment	Closing Loan
MB-I	114.90	54.65	8.22	161.34
Khatima	71.91	0.76	8.48	64.19
Total	**451.13**	**139.34**	**39.44**	**551.03**

Further, the Petitioner has submitted that repayment has been considered as equal to the depreciation claimed for the year. The details of quarter-wise actual loan repayment, and interest paid towards existing loans along with interest rebate received for FY 2022-23 for the 10 LHPs (9 old LHPs and MB-II LHP) were submitted by the Petitioner vide reply dated January 10, 2024 and March 11, 2024.

Based on the above considerations, the Commission has approved interest on loan based on the average of opening and closing loans for 9 LHPs for FY 2022-23 after excluding the loan corresponding to Additional Capitalisation during the year as the practice of the Petitioner is to capitalise the assets at the end of the year (except for the Projects where CoD for RMU is attained during the year i.e. Dhalipur and MB-I) and adjusting the loan repayment on de-capitalized assets in Dhalipur LHP and MB-I LHP. The same is shown in **Table** below:

Table 3.36: Interest on Loan as approved for 9 LHPs for FY 2022-23 (Rs. Crore)

Generating Station	Approved in AFC Order dt. 31.03.2022	Interest Claimed	Interest Approved
Dhakrani	1.80	2.29	1.50
Dhalipur	5.11	6.39	4.73
Chibro	4.89	5.18	3.78
Khodri	1.40	1.66	1.20
Kulhal	2.41	2.59	2.01
Ramganga	1.68	1.85	1.41
Chilla	4.74	5.90	4.32
MB-I	11.20	13.41	14.32
Khatima	6.92	7.00	6.76
Total	**40.16**	**46.27**	**40.02**

It is observed that there is a considerable variation in the approved interest vis-à-vis that claimed by the Petitioner which is on account of including actual loan towards Vyasi LHPs while computing WAROI. As the capital cost as well as funding of Vyasi LHP is yet to be decided by the Commission, the Commission has not considered the actual loan details of Vyasi LHP while computing WAROI for 7 LHPs.

B. Maneri Bhali-II

The Commission has considered the Capital Cost of Maneri Bhali-II as on CoD and the financing thereof as approved in Tariff Order dated March 30, 2023. The Commission has considered the equity in excess of 30% of the capital cost of MB-II as normative loan, which works out to Rs. 129.56 Crore in addition to PFC loan of Rs. 1200 Crore.

The details of interest rebate on timely payments received on loans pertaining to MB-II LHP for FY 2022-23 were submitted by UJVN Ltd. vide letter dated January 10, 2024 with rebate of Rs. 0.39 Crore on account of rebate on timely payments.

In case of MB-II station, as the actual loans have been availed for the project, therefore, the interest has been computed on the basis of interest rate applicable to these loans availed for the project.

For calculating the interest expense for FY 2022-23, the Commission has computed the weighted average rate of interest as per the methodology specified above and has considered interest rate of 9.53% for MB-II.

The Opening/Closing loan for FY 2022-23 for MB-II considered by the Commission is shown in the **Table** below:

Table 3.37: Opening/Closing Loan considered for MB-II for FY 2022-23 (Rs. Crore)

Particulars	PFC Loan	GoU Loan	DRIP Loan	Normative Loan
Opening Loan	396.62	26.96	0.00	26.32
Addition	-	-	20.58	9.47
Repayment	40.86	2.78	0.00	2.71
Closing loan	355.77	24.18	20.58	33.08

The Commission based on the approved capital cost and the opening and closing loan including the normative loan for MB-II as on 31.03.2023 has computed the interest expenses for FY 2022-23 after excluding the loan corresponding to the additional capitalisation during the year as the practice of the Petitioner is to capitalise the asset at the end of the year. The Commission, in accordance with Regulation 27(3) of UERC Tariff Regulations, 2021 has considered the repayment for FY 2022-23 equal to the depreciation allowed for the year.

Also, the Commission has adjusted the rebate received by the Petitioner and Guarantee Fee for FY 2022-23 as per the methodology followed by the Commission in the Order dated March 30, 2023.

Based on the above considerations and the UERC Tariff Regulations, 2021, the Commission has calculated the interest expenses for MB-II for FY 2022-23 as shown in the **Table** below:

Table 3.38: Interest on Loan as approved for MB-II for FY 2022-23 (Rs. Crore)

Particulars	Approved in Order dt. 31.03.2022	Claimed	Approved now after Truing-up
Interest on Loan	46.55	43.99	41.64

3.1.2.7 *Operation & Maintenance (O&M) Expenses*

A. Truing-up of O&M Expenses for FY 2022-23 (Nine Large Generating Stations)

The Petitioner submitted that O&M expenses for FY 2022-23 have been considered as per the audited accounts. Further, as per Regulation 30(1) of UERC Tariff Regulations, 2021, the Petitioner submitted the O&M expenses comprising of Employee Expenses, Repair & Maintenance expenses and Administrative & General expenses. The components of total O&M expenses have been bifurcated into direct and indirect expenses. Direct expenses have been allocated to respective hydro power project for which corresponding expenses have been incurred. The Petitioner has allocated indirect expenses as already detailed at Point **3.1.2.1** of this Order. The Commission as discussed earlier, post commissioning of Vyasi LHP has revised the approach of allocating indirect expenses among 11 LHPs and SHPs on the basis of direct O&M expenses which is now 86:14.

The Commission has considered the revision in CPI Inflation and WPI Inflation on the basis of actual data and has computed the O&M expenses on the basis of Regulation 48(2) of UERC Tariff Regulations, 2021. Accordingly, for arriving at the normative O&M expenses for FY 2022-23, the Commission has escalated the normative expenses of FY 2021-22. The Commission for the purpose of escalation has considered following escalation rates.

Table 3.39: Escalation Rates as considered by the Commission for FY 2022-23

Particulars	FY 2022-23
CPI Inflation	5.89%
WPI Inflation	5.32%

Further, for the purpose of arriving at employee expenses for FY 2022-23, the Commission has considered the value of Growth Factor 'Gn' on the basis of actual details of recruitment provided by UJVN Ltd. Further, the Commission has considered the 'K' factor for R&M expenses as approved in the MYT Order dated 31.03.2022.

3.1.2.7.1 Employee Cost for 9 LHPs

The Commission has considered the same approach for computation of employee expenses for FY 2022-23 as considered by it in the Tariff Order dated March 30, 2023.

With regard to calculation for 'Gn', the Commission observed that opening number of employees for FY 2022-23, i.e. 1519 for Head Quarters (HQ) and LHPs was submitted by the Petitioner. The Commission observed that the actual additions during the year were less than the number of retirements, accordingly, the Growth Factor 'Gn' considered by the Commission is as given below:

Table 3.40: Growth Factor 'Gn' considered for FY 2022-23

Particulars	FY 2022-23
Opening No. of Employees (Pertaining to HQ & 10 LHPs)	1519
Employee Addition (Pertaining to HQ & 10 LHPs)	6
Retirement/Internal Transfers/Etc. (Pertaining to HQ & 10 LHPs)	56
Closing Balance (Pertaining to HQ & 10 LHPs)	1469
Gn	**0.00%**

It is also observed that the Petitioner has included interest on GPF trust liabilities. The Commission has not considered the claim of interest on GPF trust liability in line with its earlier approach.

A summary of the employee expenses claimed and approved by the Commission for FY 2022-23 as per new apportionment philosophy are shown in the **Table** below:

Table 3.41: Employee Expenses approved and claimed for 9 LHPs for FY 2022-23 (Rs. Crore)

Generating Station	Approved in AFC Order dt. 31.03.2022	Claimed	Actual Expenses*
Dhakrani	11.64	12.66	12.36
Dhalipur	11.76	11.67	11.22
Chibro	43.43	41.09	38.98
Khodri	21.45	21.70	20.64
Kulhal	9.05	9.86	9.60
Ramganga	29.99	28.48	26.73
Chilla	33.00	35.17	33.91
MB-I	26.22	25.78	24.99
Khatima	12.00	11.91	11.54
Total	**198.54**	**198.31**	**189.97**

** As per new apportionment philosophy and excluding the GPF trust interest*

3.1.2.7.2 *Repairs and Maintenance Expenses for 9 LHPs*

The Commission in its MYT Order dated March 31, 2022 had computed the percentage of actual R&M expenses, actual opening GFA for each year from FY 2018-19 to FY 2020-21. Thereafter, the Commission had considered the average of such percentages as 'K' factor. The Commission had considered the constant factor 'K' as follows:

Table 3.42: K-Factor as considered by the Commission

Station	Average of 3 years
Dhakrani	29%
Dhalipur	17%
Chibro	12%
Khodri	14%
Kulhal	22%
Ramganga	9%
Chilla	10%
MB-I	5%
Khatima	3%

The Commission vide its Order dated 31.03.2022, in view of higher actual R&M expenses increased K-Factor for Khatima LHP to 4% from 3%. Accordingly, K-factor for Khatima has been considered as 4% for FY 2022-23.

The Commission in its Order dated 31.03.2022 ruled that for MB-I, post RMU, the R&M expenses have been limited to 2.00% of GFA. Accordingly, for MB-I, post RMU, R&M expenses are considered as 2.00% of GFA for FY 2022-23.

For computing the R&M expenses for FY 2022-23, the Commission has multiplied the 'K' Factor as given above with the opening GFA approved for FY 2022-23. The Commission observed that the actual expenses claimed by the Petitioner includes the expenses on account of implementation of ERP, and the normative O&M Expenses approved for the Fourth Control Period in MYT Order included the GFA on account of ERP. Accordingly, the Commission has adjusted the opening GFA for FY 2022-23 with the addition on account of ERP approved in FY 2018-19.

Further, in MYT Order dated 31.03.2022, with regard to DRIP and RMU works, the Commission has considered R&M expenses as 3% of DRIP works and RMU works for computing normative R&M expenses. As detailed at **Table 3.3** above, Units of Dhakrani, Dhalipur and MB-I LHPs were under shutdown in FY 2022-23 for RMU and DRIP works and proportionate R&M for balance Units under operations have been allowed.

The Commission has revised the WPI Inflation for FY 2022-23 based on the WPI Indices for the preceding three years and, accordingly, approved the WPI Inflation of 5.32% for FY 2022-23.

3.1.2.7.2.1 Transfer of Additional capitalisation to R&M expenses

As discussed earlier, the Commission has shifted work amounting to Rs. 0.03 Crore to R&M expenses for FY 2022-23 as shown in **Table 3.25: Additional Capitalisation approved for 9 LHPs for FY 2022-23 (Rs. Crore)** and also discussed in **Additional Capitalisation** of this Chapter.

Accordingly, the Commission has Trued-up the normative R&M expenses for FY 2022-23 as shown in the **Table** below:

Table 3.43: R&M Expenses approved for 9 LHPs for FY 2022-23 (Rs. Crore)

Generating Station	Approved in Order dt. 31.03.2022	Claimed	Approved now after Truing-up as per norms for FY 2022-23
Dhakrani	9.94	8.13	6.69
Dhalipur	6.06	5.90	6.23
Chibro	21.23	17.11	20.58
Khodri	15.53	14.89	15.89
Kulhal	8.00	7.13	7.73
Ramganga	8.11	6.48	6.48
Chilla	15.21	22.34	19.71
MB-I	6.55	10.56	6.69
Khatima	6.79	3.67	6.76
Total	**97.42**	**96.19**	**96.76**

3.1.2.7.3 Administrative & General Expenses for 9 LHPs

The Commission in its MYT Order dated March 31, 2022 on approval of AFC for FY 2022-23 approved the A&G expenses in accordance with the UERC Tariff Regulations, 2021. The Commission is considering the same approach for Truing-up of the A&G expenses for FY 2022-23 in accordance with the aforesaid Regulations.

With regard to the Petition filing fees, Insurance expenses, ERP expenses and Security expenses, the Commission has continued its approach to treat the above as uncontrollable in nature and has allowed the Petitioner to recover the actual expenses which are prudent in nature.

The normative A&G expenses for FY 2022-23 have been arrived by escalating the normative A&G expenses for FY 2021-22 with the revised WPI escalation rate of 5.32% after excluding Petition filing fees, actual insurance expenses paid and normative security expenses in FY 2022-23, and thereafter, adding the actual insurance expenses, security expenses, ERP expenses and Petition filing fees incurred in FY 2022-23.

The Commission has not considered the claim of the Petitioner pertaining to CSR expenses amounting to Rs. 1.96 Crore for 9 LHPs in accordance with the approach adopted in previous Tariff Orders as detailed at **Annexure-4**.

The A&G expenses approved by the Commission for FY 2022-23 is as shown in the **Table** given below:

Table 3.44: A&G Expenses approved for 9 LHPs for FY 2022-23 (Rs. Crore)

Generating Station	Approved in AFC Order dt. 31.03.2022	Claimed	Approved now after Truing-up as per norms for FY 2022-23
Dhakrani	2.53	3.15	2.55
Dhalipur	2.44	3.15	2.47
Chibro	9.01	9.54	9.12
Khodri	5.86	6.29	5.92
Kulhal	2.27	2.53	2.29
Ramganga	6.22	7.12	6.29
Chilla	6.30	8.05	6.37
MB-I	4.28	6.11	4.33
Khatima	1.99	2.18	2.01
Total	**40.90**	**48.13**	**41.35**

The Petitioner under the A&G expenses has included expenses of Rs. 5.45 Crore on account of operational expenses of ERP implemented in UJVN Ltd. (11 LHPs and SHPs). The Petitioner has apportioned the said amount of Rs. 5.18 Crore for 11 LHPs by apportioning the total expenses in the ratio of 95:05 between 11 LHPs along with MB-II & Vyasi and SHPs. The Commission has worked out the apportionment as per 86:14 between 11 LHPs along with MB-II & Vyasi and SHPs, which works out to Rs. 3.44 Crore for 9 LHPs. Accordingly, the Commission has considered the same for FY 2022-23.

Further, the Commission is of the view that as the expenses on account of the ERP were not included in the normative expenses approved in the Tariff Order dated March 31, 2022 and as the nature of such expenses falls under A&G expenses, the Commission has, accordingly, considered the same on actual basis by excluding the same from sharing and has added in the net entitlement of

O&M expenses after sharing of O&M expenses.

As A&G expenses are controllable in nature, the Commission has carried out sharing of gains excluding insurance charges, Security expenses, Petition Filing Fees and operational expenses on account of ERP as the same were not part of earlier normative A&G expenses in accordance with UERC Tariff Regulations, 2021 as elaborated below.

3.1.2.7.4 Sharing of O&M expenses for 9 LHPs

As per the UERC Tariff Regulations, 2021, O&M Expenses are controllable expenses and, accordingly, the sharing of gains and losses have been carried out for O&M expenses.

The Petitioner has submitted the actual O&M expenses of Rs. 342.64 Crore including interest on GPF trust of Rs. 3.37 Crore. Further, the Petitioner has claimed Rs. 338.62 Crore after sharing of gains and losses as per UERC Tariff Regulations, 2021.

As discussed in the above paras, the employee expenses for FY 2022-23 have been considered as actuals and as per new apportionment philosophy without any sharing of gains and losses.

With regards to R&M Expenses the Commission has shifted an expense of Rs. 0.03 Crore from additional capitalisation to R&M Expenses.

For computing net gain or loss with respect to R&M and A&G expenses, the Commission has considered actual O&M expenses as per new apportionment philosophy excluding the Petition filing fee of Rs. 1.26 Crore, Expenses pertaining to ERP of Rs. 3.44 Crore, Insurance expense of Rs. 10.79 Crore and Security expenses of Rs. 12.10 Crore.

The Insurance expenses of Rs. 10.79 Crore, Petition filing fee of Rs. 1.26 Crore, Expenses pertaining to ERP of Rs. 3.44 Crore, Security Expenses of Rs. 12.10 Crore and employee expenses less interest on GPF trust of Rs. 3.11 Crore have been allowed on actual basis and added in the Net O&M Entitlement.

Accordingly, the Commission has approved the total O&M expenses for FY 2022-23 after sharing of gains and losses as shown in the **Table** below:

Table 3.45: O&M Expenses approved for 9 LHPs for FY 2022-23 (Rs. Crore)

Generating Station	Approved in Order dt. 31.03.2022	Claimed based on actual	Actual Empl. Exp.*	R&M, A&G Actual Adjusted for sharing	R&M, A&G Normative for Sharing	Efficiency gain/(loss) of R&M and A&G	R&M and A&G approved after sharing	Net O&M Entitlement
			(A)	(B)	(C)	(D)=(C)-(B)	(E)=(B)+2/3 of (D)	
Dhakrani	24.10	23.94	12.47	9.80	9.41	(0.39)	9.54	23.50
Dhalipur	20.26	20.72	11.39	7.57	8.65	1.08	8.29	21.17
Chibro	73.68	67.74	39.76	22.41	28.52	6.11	26.48	70.53
Khodri	42.84	42.88	21.04	17.66	21.67	4.01	20.33	44.91
Kulhal	19.31	19.51	9.69	8.07	10.25	2.18	9.53	20.80
Ramganga	44.32	42.07	27.38	10.52	11.67	1.15	11.29	41.78
Chilla	54.52	65.57	34.38	26.23	23.83	(2.41)	24.63	63.19
MB-I	37.06	42.46	25.29	12.85	9.95	(2.91)	10.92	40.04
Khatima	20.78	17.75	11.68	4.88	8.67	3.79	7.41	20.06
Total	**336.87**	**342.64**	**193.08**	**120.01**	**132.62**	**12.62**	**128.42**	**345.98**

**as per new apportionment philosophy*

B. O&M Expenses for Maneri Bhali-II

With regard to the O&M expenses of MB-II, the Commission has adopted the same approach as adopted for approving the O&M expenses of 9 LHPs.

The escalation rates have been computed on the basis of revised CPI Inflation and WPI Inflation. The Commission has considered the revision in CPI Inflation and WPI Inflation on the basis of actual data and has computed the normative O&M expenses on the basis of Regulation 48(2) of UERC Tariff Regulations, 2021.

With regard to the employee expenses for FY 2022-23, the Commission, as discussed earlier, has considered the actual employee expenses for FY 2022-23 without any sharing of gains and losses after disallowing GPF trust interest as per new apportionment philosophy of Rs. 0.87 Crore in line with the ruling of the Commission in MYT Order dated February 27, 2019.

For computing the normative R&M expenses for FY 2022-23, the Commission has multiplied the K Factor as approved in MYT Order dated March 31, 2022 with the opening GFA approved for FY 2022-23. The Commission has considered the average increase in WPI for preceding three years which computes to 5.32%.

For computing the normative A&G Expenses for FY 2022-23, the Commission has considered the normative A&G expenses for FY 2022-23 and escalated the same with the revised WPI escalation rate of 5.32% after excluding Petition filing fees, security expenses, ERP and actual insurance expenses incurred in FY 2022-23. Thereafter, as per new apportionment philosophy, the actual insurance expenses incurred in FY 2022-23 of Rs. 6.12 Crore and Petition filing fees for FY 2022-23 of Rs. 0.30 Crore, Security expenses of Rs. 2.69 Crore, ERP expenses of Rs. 0.97 Crore has been added to the normative expenses.

As discussed above for 9 LHPs, with regard to claim of A&G Expenses, the Commission has not considered the claim of the Petitioner pertaining to CSR expenses and the amount pertaining to MB-II as per new apportionment philosophy amounting to Rs. 0.55 Crore has been adjusted from the claim of the Petitioner.

The Commission, accordingly, approves the normative O&M expenses for MB-II as shown in the **Table** below:

Table 3.46: Normative O&M Expenses as approved for MB-II Station for FY 2022-23 (Rs. Crore)

Particulars	Approved in Order dt. 31.03.2022	Claimed	Normative O&M Expenses
Employee Expenses	30.11	26.31	30.16
R&M Expenses	21.37	37.84	22.82
A&G Expenses	12.36	14.97	14.46
Total O&M	**63.84**	**79.11**	**67.44**

Further, the UERC Tariff Regulations, 2021 provides for sharing of gains/losses due to controllable factors. For computing net gain or loss, the Commission has considered actual R&M and A&G expenses as per new apportionment philosophy excluding Petition filing fee of Rs. 0.30 Crore, Expenses pertaining to ERP of Rs. 0.97 Crore and Insurance Expense of Rs. 6.12 Crore for FY 2022-23. The Insurance expenses of Rs. 6.12 Crore, Petition filing fee of Rs. 0.30 Crore, Expenses pertaining to ERP of Rs. 0.97 Crore, Security Expenses of Rs. 2.69 Crore and actual Employee expenses after disallowing GPF interest of Rs 0.87 Crore have been allowed on actual basis and added in the Net O&M Entitlement as shown in **Table** below:

Table 3.47: O&M Expenses approved after sharing of gains and losses for FY 2022-23 (Rs. Crore)

Particulars	Claimed based on actual	Actual Adjusted Employee Expenses*	Actual adjusted claim of R&M and A&G	Normative R&M and A&G	Efficiency gain/(loss)	Generator Share	R&M and A&G approved after sharing	Net O&M Entitlement
		(A)	(B)	(C)	(D)=(C)-(B)	(E)=2/3 of (D)	(F)=(B)+(E)	
O&M Expenses of MB-II	**79.11**	**35.29**	**30.22**	**26.85**	**-3.37**	**-2.25**	**27.97**	**73.34**

3.1.2.8 *Interest on Working Capital*

A. Old Nine Large Hydro Generating Stations

The Petitioner has claimed that it has computed the working capital for each Plant in accordance with the provisions of the UERC Tariff Regulations, 2021, on normative basis. The rate of interest considered by the Petitioner for computing interest on working capital for FY 2022-23 has been considered as 10.50%.

The components of working capital as per Regulation 33 (1) b) of UERC Tariff Regulations, 2021 are as follows:

"In case of hydro power generating stations and transmission system and SLDC, the working capital shall cover:

(i) Operation and maintenance expenses for one month

(ii) Maintenance spares @ 15% of operation and maintenance expenses; and

(iii) Receivables equivalent to two months of the annual fixed charges"

With respect to the interest on working capital, Regulation 33 of the UERC Tariff Regulations, 2021 specifies as under:

"Rate of interest on working capital shall be on normative basis and shall be equal to the weighted average of 'one year Marginal Cost of Funds based Lending Rate (MCLR)' as declared by the State Bank of India from time to time for the financial year in which the application for determination of tariff is made plus 350 basis points.

...."

3.1.2.8.1 One Month O&M Expenses

The Commission has Trued-up the Plant-wise annual O&M expenses for FY 2022-23. Based on the approved Plant-wise O&M expenses, one month's O&M expenses has been worked out for determining the working capital requirement.

3.1.2.8.2 Maintenance Spares

The Commission has considered the maintenance spares in accordance with UERC Tariff Regulations, 2021. The Commission has determined the Plant-wise maintenance spares requirement at the rate of 15% of the Trued-up O&M Expenses for FY 2022-23.

3.1.2.8.3 Receivables

The UERC Tariff Regulations, 2021 envisages receivables equivalent to two months of fixed charges for sale of electricity as an allowable component of working capital. Plant-wise Annual Fixed Charges (AFC) for the Petitioner includes O&M expenses, depreciation, interest on loan, return on equity and interest on working capital. The Commission has considered the receivables for two months based on the Plant-wise Trued-up AFC for FY 2022-23.

As regards the interest on working capital, Regulation 33 of the UERC Tariff Regulations, 2021 specifies rate of interest on working capital shall be on normative basis and shall be equal to the weighted average of 'one year Marginal Cost of Funds based Lending Rate (MCLR)' as declared by the State Bank of India from time to time for the financial year in which the application for determination of tariff is made plus 350 basis points. As the Tariff Petition for FY 2022-23 was filed in FY 2021-22, the Commission has considered the weighted average of 'one year Marginal Cost of Funds based Lending Rate (MCLR)' as declared by the State Bank of India, i.e. 7.00% plus 350 basis points for computing the Interest on Working Capital.

Accordingly, the normative Interest on Working Capital for FY 2022-23 as approved by the Commission is shown in the **Table** below:

Table 3.48: Interest on Working Capital for 9 LHPs for FY 2022-23 (Rs. Crore)

Generating Station	Approved Working Capital after Truing-up				Interest on Working Capital		
	1-month O&M Expenses	Maintenance Spares @15% of O&M	2 months Receivables	Total Working Capital	Approved in Order dt. 31.03.2022	Claimed	Normative Approved
Dhakrani	1.96	3.52	4.78	10.26	1.12	1.14	1.08
Dhalipur	1.76	3.17	5.56	10.50	1.09	1.16	1.10
Chibro	5.88	10.58	14.25	30.71	3.50	3.26	3.22
Khodri	3.74	6.74	8.65	19.13	1.99	2.01	2.01
Kulhal	1.73	3.12	4.55	9.40	0.95	0.96	0.99
Ramganga	3.48	6.27	8.04	17.79	2.05	1.97	1.87
Chilla	5.27	9.48	13.56	28.30	2.68	3.19	2.97
MB-I	3.34	6.01	12.70	22.05	2.24	2.50	2.31
Khatima	1.67	3.01	7.22	11.90	1.30	1.18	1.25
Total	**28.83**	**51.90**	**79.31**	**160.04**	**16.92**	**17.36**	**16.80**

Further, the UERC Tariff Regulations, 2021 provides for sharing of gains/losses due to controllable factors and as per UERC Tariff Regulations, 2021, variation in working capital requirements is a controllable factor. The books of accounts had no actual short-term loans for 9 LHPs although vide submission dated January 08, 2024 the Petitioner submitted interest on overdraft amount drawn of Rs. 1.54 Crore for Salary in UJVN Ltd. Therefore, the Commission for 9 LHPs has considered actual interest on working capital as per new apportionment philosophy as Rs. 0.97 Crore for 9 LHPs. As the actual interest on working capital incurred by the Petitioner i.e. Rs. 0.97 Crore for FY 2022-23 is less than the normative interest on working capital, the Commission has shared the gain in interest on working capital in accordance with the provisions of UERC Tariff Regulations, 2021.

The interest on working capital for nine LHPs after sharing the gains is as given in the **Table** below:

Table 3.49 Interest on Working Capital for 9 LHPs for FY 2022-23 after sharing of Gains (Rs. Crore)

Particulars	Actual	Normative	Efficiency gain/(loss)	Rebate in Tariff	Net Entitlement
	(A)	(B)	(C)=(B)-(A)	(D)=1/3x (C)	(E)= (A)+(C)-(D)
Interest on Working Capital	**0.97**	**16.80**	**15.83**	**5.28**	**11.53**

B. Maneri Bhali-II

As discussed earlier, the Commission has approved the Capital Cost of MB-II as on CoD and considered additional capitalisation and reviewed all the components of AFC. The Interest on Working Capital calculated in accordance with UERC Tariff Regulations, 2021 is shown in the **Table** below:

Table 3.50: Interest on Working Capital for MB-II as approved for FY 2022-23 (Rs. Crore)

Particulars	Approved in Order dt. 31.03.2022	Claimed	Normative Approved
Interest on Working Capital	5.31	6.02	5.38

As discussed above, with regard to actual interest on working capital, the Petitioner vide its submission dated January 08, 2024 submitted the details of overdraft drawn for Project Requirement and submitted the amount of Rs. 2.00 Crore towards interest on overdraft for FY 2022-23. The Commission has, accordingly, considered the same along with apportioned interest on overdraft amount drawn of Rs. 1.54 Crore for Salary in UJVN Ltd. i.e. Rs. 0.27 Crore as discussed above. As the actual interest on working capital incurred by the Petitioner i.e. Rs. 2.28 Crore for FY 2022-23 is less than the normative interest on working capital, the Commission has shared the gain in interest on working capital in accordance with the provisions of UERC Tariff Regulations, 2021.

The interest on working capital for MB-II after sharing the gains for FY 2022-23 is as given in the **Table** below:

Table 3.51: Interest on Working Capital for MB-II for FY 2022-23 after sharing of gains (Rs. Crore)

Particulars	Actual	Normative	Efficiency gain/(loss)	Rebate in Tariff	Net Entitlement
	(A)	(B)	(C)=(B)-(A)	(D)=1/3x(C)	(E)=(A)+(C)-(D)
Interest on Working Capital	2.28	5.38	3.10	1.03	4.34

3.1.2.9 Annual Fixed Charges for Nine LHPs for FY 2022-23

Based on the above analysis, the Commission has worked out the approved figures of Gross AFC for FY 2022-23 after Truing-up. The summary of Gross AFC for FY 2022-23 is as shown in the **Table** below:

Table 3.52: Summary of AFC for 9 LHPs for FY 2022-23 (Rs. Crore)

Generating Station	Approved in Order dt. 31.03.2022	AFC Claimed*	AFC Approved after Truing-up of FY 2022-23					
			Depreciation	Interest on loan	Interest on Working Capital after sharing of gains	O&M expenses*	RoE	Gross Annual Fixed Cost
Dhakrani	30.95	32.20	1.75	1.50	0.73	23.50	1.73	29.21
Dhalipur	34.54	36.82	3.86	4.73	0.75	21.17	4.16	34.66
Chibro	97.71	93.72	5.47	3.78	2.23	70.53	7.63	89.65
Khodri	54.44	55.06	2.30	1.20	1.38	44.91	5.18	54.97
Kulhal	27.37	28.21	2.07	2.01	0.67	20.80	2.21	27.76
Ramganga	55.46	53.98	2.54	1.41	1.31	41.78	3.85	50.90
Chilla	77.64	84.34	4.74	4.32	2.03	63.19	8.94	83.23
MB-I	76.16	79.43	8.22	14.32	1.57	40.04	13.51	77.65
Khatima	45.26	44.45	8.48	6.76	0.85	20.06	7.70	43.84
Total	**499.54**	**508.22**	**39.44**	**40.02**	**11.53**	**345.98**	**54.90**	**491.87**

** including sharing of gain/losses*

3.1.2.10 *Non-Tariff Income*

A. Old Nine Large Hydro Generating Stations

Regulation 46 of the UERC Tariff Regulations, 2021 specifies as follows:

*"**46. Non-Tariff Income***

The amount of non-tariff income relating to the Generation Business as approved by the Commission shall be deducted from the Annual Fixed Charges in determining the Net Annual Fixed Charges of the Generation Company.

Provided that the Generation Company shall submit full details of its forecast of non-tariff income to the Commission in such form as may be stipulated by the Commission from time to time.

The indicative list of various heads to be considered for non-tariff income shall be as under:

a) Income from rent of land or buildings;

b) Income from sale of scrap;

c) Income from statutory investments;

d) Interest on delayed or deferred payment on bills;

e) Interest on advances to suppliers/contractors;

f) Rental from staff quarters;

g) Rental from contractors;

h) Income from hire charges from contactors and others;

i) Income from advertisements, etc.;

j) Any other non- tariff income.

Provided that the interest earned from investments made out of Return on Equity corresponding to the regulated business of the Generating Company shall not be included in Non-Tariff Income."

The Petitioner has submitted the details of actual Non-Tariff Income for 9 old Large Hydro Plants (LHPs) as well as for MB-II LHP for FY 2022-23 in accordance with the audited accounts.

The Petitioner submitted details in prescribed format shared by the Commission during scrutiny of previous year Tariff Petitions to attempt to substantiate that such fixed deposits were made through Return on Equity allowed by the Commission.

The Commission vide TVS letter dated January 18, 2024, raised additional deficiency and directed the Petitioner to submit the details of interest earned on fixed deposits out of Investment from RoE in FY 2022-23.

The Petitioner vide its reply dated February 02, 2024, submitted the required information. The

Commission analysed the submissions and observed major deficiencies in the data submitted.

The Commission vide letter dated February 15, 2024, raised additional query that cash flow data as submitted by the Petitioner wherein for FY 2022-23 and FY 2021-22 the "Cash flow from Investing Activities" for "Purchase of PPE, intangible assets and Capital work in progress (CWIP)" is as (-) Rs. 460.40 Cr. and (-) Rs. 472.15 Cr, respectively, whereas as per Balance sheet the CWIP for FY 2022-23 and FY 2021-22 is as Rs. 429.40 Cr. and Rs. 489.28 Cr., respectively. The Petitioner was asked to rectify similar discrepancies and revise its submission.

The Petitioner vide letter dates March 01, 2024 submitted that the cash outflow from investing activities on account of purchase of PPE, intangible assets and Capital work in progress as per Cash flow statement also includes impact of amount of additions directly made in fixed assets, Depreciation and another adjustments, due to which, amount of outflow of purchase of PPE, intangible assets and Capital work in progress as per Cash flow statement and amount of additions of CEOP as CWIP note will not be the same.

The Commission has gone through the submissions of the Petitioner and observes that in several years the Petitioner has negative cash flows on overall basis despite which it has been able to make significant deposits in its FD account during the year. It is also observed that the exception with regard to interest earned from investments made out of Return on Equity corresponding to the regulated business of the Generating Company shall not be included in Non-Tariff Income was introduced by the Commission from the Second Control Period starting FY 2016-17. The Commission has therefore, for accounting the interest amount that Petitioner can retain has considered interest on incremental deposits made as fixed deposit from FY 2016-17 provided that the company was having positive cash flow during the year.

The Commission, has therefore, computed Net Cash availability with the Petitioner for each year along with pro-rated interest income as per the **Table** below.

Table 3.53: Non-Tariff Income computation for recovery for 10 LHPs for FY 2022-23 (Rs. Crore)

Particulars	FY 2022-23	FY 2021-22	FY 2020-21	FY 2019-20	FY 2018-19	FY 2017-18	FY 2016-17
Net Cash availability	60.65	(90.95)	(189.20)	(217.50)	(216.69)	(34.55)	8.04
Deposits Account's Balance	274.19	281.66	296.42	267.39	327.08	332.70	343.56
Net Cash availability / Deposits Account's Balance	0.22	-	-	-	-	-	0.02
Interest from FDR from Net Cash	3.38	-	-	-	-	-	0.73
Interest from FDR to be disallowed	11.91	13.46	15.84	24.81	24.98	25.91	30.35
Previous Disallowances	-	6.73	15.84	23.12	23.94	-	-
NTI to be recovered:							
Total (9 LHPs)	**7.53**	**5.72**	**-**	**-**	**-**	**22.02**	**25.80**
Total (MB-II)	**2.11**	**0.67**	**-**	**-**	**-**	**2.59**	**3.04**

The Commission observes that Net Cash availability was positive only in FY 2016-17 and FY 2022-23 which signifies that the Petitioner did not have funds to invest in FDs in years FY 2017-18 to FY 2021-22.

The Commission in Order dated March 30, 2023 ruled that:

"…

The Commission in view of the above, observes that the working submitted by the Petitioner needs thorough validation before the plea of Petitioner can be considered. However, as there could be a possibility that part of the fixed deposits could be financed through RoE, the Commission in order to minimise the impact of final decision has considered only 50% of the interest earned on fixed deposits in the FY 2021-22 as part of non-tariff income. The Commission shall take final decision in the said matter in the next tariff proceedings."

Accordingly, the Commission has disallowed any Interest earned from FDs post FY 2016-17 wherein the Net Cash availability is negative. In the years where the Net Cash availability is positive; the Commission has allowed to keep pro-rated interest earned to the tune of Net Cash availability during the year. As the Commission, in previous years had allowed the Petitioner to retain the interest earned which were not to be retained by the Petitioner, the net amount of Rs. 53.54 Crore is to be recovered from the Petitioner towards excess recoveries made till FY 2021-22. The excess recovery has been added to the Surplus amount for FY 2022-23.

For the purpose True-up of FY 2022-23, the Commission has considered the interest earned from Fixed Deposits of Rs. 11.91 Crore as Non-Tariff Income for FY 2022-23. The Commission has apportioned the amount of Rs. 11.91 Crore as per the new apportionment philosophy as 86:14 for 11 LHPs (9 Old LHPs, MB-II & Vyasi) and SHPs, respectively and accordingly the Non-Tariff Income for 9 LHPs works out to Rs. 16.00 Crore.

With regard to sale of scrap, the Petitioner is allowed to keep the sale of scrap amount as it is part of salvage value of 10%.

The Non-Tariff income as approved by the Commission for FY 2022-23 is shown in the **Table** below:

Table 3.54: Non-Tariff Income for 9 LHPs for FY 2022-23 (Rs. Crore)

Generating Station	Approved in AFC Order dt. 31.03.2022	Claimed	Approved now after Truing-up for FY 2022-23
Dhakrani	0.42	0.29	0.55
Dhalipur	0.85	0.94	1.32
Chibro	1.11	2.32	4.12
Khodri	0.47	2.16	3.06
Kulhal	0.12	0.25	0.48
Ramganga	0.37	1.16	2.65
Chilla	0.70	0.81	1.90
MB-I	0.32	0.75	1.43
Khatima	0.10	0.19	0.50
Total	**4.47**	**8.86**	**16.00**

B. MB-II

In case of MB-II, the Non-Tariff Income approved vide Order dated March 31, 2022 for FY 2022-23 was Rs. 0.73 Crore, and the Petitioner has now claimed Rs. 1.49 Crore.

As discussed earlier and shown in **Table 3.53**, the Commission has disallowed Interest earned from FDs post FY 2016-17 wherein the Net Cash availability is negative. However, in years where Net Cash availability is positive, the Commission has allowed to keep pro-rated interest earned proportionate to the Net Cash availability. It is observed that in previous years the Commission had allowed the Petitioner to retain the interest earned which were not to be retained by the Petitioner, the net amount of Rs. 6.30 Crore is to be recovered from the Petitioner towards excess recoveries made till FY 2021-22. The excess recovery has been added to the Surplus amount for FY 2022-23.

As held for 9 LHPs, the Commission has considered the Non-Tariff Income as Rs. 3.47 Crore after including the apportionment of Interest on FDs in FY 2022-23 for MB-II and as discussed above for 9 LHPs. Also, MB-II has received insurance proceed of Rs. 2.16 Crore on 11.05.2022 against the claim on material damage for loss on 03.08.2012, the Commission has considered the same as Non-

Tariff Income. Therefore, total Non-Tariff Income of MB-II is approved as Rs. 5.64 Cr.

3.1.2.11 *Truing-up for Nine LHPs for FY 2022-23 and its net impact on UPCL*

The Commission has Trued-up the (Surplus)/Gap for 9 LHPs pertaining to FY 2022-23 to be refunded/recovered by UJVN Ltd. to/from UPCL.

Table 3.55: Summary of net AFC as Trued-up by the Commission for 9 LHPs for FY 2022-23 to be recovered from UPCL (Rs. Crore)

Generating Stations	Approved in Order dt. 31.03.2022	Total AFC to be recovered from UPCL
Dhakrani	22.79	21.36
Dhalipur	25.05	24.67
Chibro	72.17	63.11
Khodri	40.36	38.17
Kulhal	21.78	21.73
Ramganga	55.08	48.25
Chilla	76.94	81.33
MB-I	75.85	76.22
Khatima	45.17	43.35
Total	**435.19**	**418.19**

The summary of Truing-up for FY 2022-23 for UPCL after considering the actual performance parameters achieved in FY 2022-23 and the total amount to be refunded by UJVN Ltd. to UPCL excluding the carrying cost is summarized in the **Table** below:

Table 3.56: Summary of net Truing-up for FY 2022-23 for UPCL (Rs. Crore)

Generating Station	AFC to be recovered from UPCL (Rs. Crore)	Capacity Charges (Rs. Crore)	NAPAF (%)	Actual/Re-stated PAFY (%)	Capacity charges allowable (Rs. Crore)	Capacity charges after sharing	Actual Billed Energy (MU)	Per unit rate approved (Rs/kWh)	Allowable EC (Rs. Crore)	Secondary energy (MU)	Sec Energy Rate (Rs/kWh)	Total Sec. Energy charges (Rs. Crore)	Total allowable (EC+CC) (Rs. Crore)	Total Billed to UPCL	Truing-up-impact Gap/(Surplus)
Dhakrani	21.36	10.68	66.17	66.17	10.68	10.68	99.78	0.951	9.49	-	0.849	-	20.17	20.77	(0.60)
Dhalipur	24.67	12.34	61.07	61.89	12.50	12.45	148.67	0.906	12.34	5.68	0.863	0.49	25.28	25.72	(0.44)
Chibro	63.11	31.55	65.06	66.48	32.24	32.01	624.44	0.585	31.55	68.69	0.568	3.90	67.47	77.42	(9.95)
Khodri	38.17	19.08	57.23	61.43	20.48	20.02	299.05	0.766	19.08	42.89	0.745	3.20	42.30	45.22	(2.92)
Kulhal	21.73	10.87	65.00	76.60	12.81	12.16	119.34	0.919	10.87	-	0.834	-	23.03	23.72	(0.70)
Ramganga	48.25	24.12	16.00	24.64	31.29	28.90	384.95	0.781	24.12	2.65	0.631	0.17	53.19	69.76	(16.57)
Chilla	81.33	40.67	74.00	68.98	37.91	38.83	796.69	0.737	40.67	78.94	0.567	4.47	83.97	78.56	5.40
MB-I	76.22	38.11	79.00	78.92	38.07	38.09	399.69	1.047	38.11	-	0.805	-	76.20	66.99	9.21
Khatima	43.35	21.67	69.30	61.01	19.08	19.95	220.46	0.929	20.49	-	0.900	-	40.43	41.23	(0.79)
Total	**418.19**	**209.10**			**215.07**	**213.08**	**3,093.08**		**206.72**	**198.84**		**12.22**	**432.02**	**449.38**	**(17.36)**

Thus, for 9 LHPs, the Commission has computed the net Surplus of Rs. 17.36 Crore for FY 2022-23 after sharing of gains and losses and considering the actual performance parameters.

3.1.2.12 ***Interest earned from FDs post FY 2016-17***

As discussed at Point **3.2.1.10Error! Reference source not found.**, the Commission has decided to disallow any Interest earned from FDs post FY 2016-17 wherein the Net Cash availability is negative and in years where Net Cash availability is positive, the Commission has allowed to keep pro-rated interest earned to the tune of Net Cash availability. The same has been adjusted to the Opening (Surplus)/Gap for FY 2022-23.

3.1.2.13 ***Excess Tariff Recovered on De-capitalized Assets at Khatima LHP***

As discussed earlier at para pertaining to Add. Capitalisation, the Petitioner did not De-cap the assets at Khatima of Rs. 6.19 Crore in FY 2015-16 due to which such assets continued to be serviced through tariff and due to which the Petitioner has recovered tariff on De-cap assets since then. The Petitioner de-capitalised assets in FY 2022-23.

The Commission, in order to compute the excess tariff recovered on the De-cap assets up to FY 2022-23, has worked out the impact considering the previous workings and the actual PAFY achieved during the respective years. The year-wise impact allowed to the Petitioner on account of the same is shown in the **Table** below.

Financial Year	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	Total
Impact Allowed	2.05	1.89	1.72	1.64	1.75	1.64	1.76	12.44

Impact of excess tariff recovered on de-Capitalised assets as depicted in above **Table** of Rs. 12.44 Crore (excluding carrying cost) has been added to the Surplus accrued in FY 2023-24.

3.1.2.14 ***Summary of Net Impact on Account of Truing-up of FY 2022-23 of 9 LHPs including Carrying Cost***

As discussed above, the Commission has Trued-up the (Surplus)/Gap for 9 LHPs pertaining to FY 2022-23 to be refunded by UJVN Ltd. to UPCL. Based on the above, the total amount to be refunded by UJVN Ltd. to UPCL along with the carrying cost on standalone Surplus of Rs. 17.36 Crore is as summarized in the **Table** below:

Table 3.57: Summary of net AFC as Trued-up by the Commission for 9 LHPs to be refunded to UPCL (Rs. Crore)

Particulars	FY 2022-23	FY 2023-24	FY 2024-25
Opening (Surplus)/Gap	(53.54)*	(89.88)#	(100.04)

Table 3.57: Summary of net AFC as Trued-up by the Commission for 9 LHPs to be refunded to UPCL (Rs. Crore)

Particulars	FY 2022-23	FY 2023-24	FY 2024-25
True-up Amount	(17.36)	-	-
Carrying Cost	(6.53)	(10.16)	(5.65)
Closing (Surplus)/Gap	(77.44)	(100.04)	(105.69)
Interest Rate	10.50%	11.30%	11.30%

** Including adjustment of Rs. 53.54 Crore on account of Interest earned from FDs post FY 2016-17*
 # Excess Tariff Recovered of Rs 12.44 Crore on de-capitalized Assets at Khatima LHP

The Commission directs UJVN Ltd. to refund Rs. 105.69 Crore to UPCL in accordance with the provisions of UERC Tariff Regulations, 2021 in twelve equal monthly instalments starting from April 2024 to March 2025.

3.1.2.15 ***Truing-up of 5 LHPs of UJVN Ltd. for FY 2022-23 for HPSEB Ltd.***

The Commission has determined the Plant-wise total Truing-up expenses to be recovered from HPSEB Ltd. as follows:

Table 3.58: Summary of net AFC as Trued-up for FY 2022-23 by the Commission for 5 LHPs to be recovered from HPSEB Ltd. (Rs. Crore)

Generating Stations	Approved in AFC Order dt. 31.03.2022	Total AFC to be recovered from HPSEB Ltd.
Dhakrani	7.74	7.30
Dhalipur	8.64	8.66
Chibro	24.43	22.41
Khodri	13.61	13.74
Kulhal	5.47	5.55
Total	**59.89**	**57.67**

Based on the above, the total amount refundable by UJVN Ltd. to HPSEB Ltd. along with carrying cost is as summarised in the **Table** below:

Table 3.59: Summary of net AFC as Trued-up by the Commission to be refunded to HPSEB Ltd. (Rs. Crore)

Particulars	FY 2022-23	FY 2023-24	FY 2024-25
Opening (Surplus)/Gap	-	(2.33)	(2.59)
True-up Amount	(2.21)	-	-
Carrying Cost	(0.12)	(0.26)	(0.15)
Closing (Surplus)/Gap	(2.33)	(2.59)	(2.74)
Interest Rate	10.50%	11.30%	11.30%

The Commission directs UJVN Ltd. to refund Rs. 2.74 Crore to HPSEB Ltd. on the basis of actual PAFY and energy billed in accordance with the provisions of UERC Tariff Regulations, 2021 in twelve equal monthly instalments starting from April, 2024 to March, 2025.

3.1.2.16 *Net Annual Fixed Charges for MB-II from FY 2022-23*

Based on the approved capital cost of MB-II, the approved additional capitalisation and O&M expenses in accordance with MYT Regulations 2021, the net Truing-up of AFC for FY 2022-23 is as shown in the **Table** below:

Table 3.60: Summary of Truing-up of Net AFC of MB-II for FY 2022-23 (Rs. Crore)

Particulars	Approved in Order dt. 31.03.2022	Claimed	Approved now after Truing-up
Interest on loan	46.55	43.99	41.64
Depreciation	46.65	51.68	46.35
RoE	52.67	52.23	44.47
O&M expenses	63.84	74.08	73.34
Interest on Working Capital	5.31	6.02	4.34
Total Annual Fixed Costs	**215.02**	**228.00**	**210.14**
NTI	0.73	1.49	5.64
Net AFC	**214.29**	**226.51**	**204.50**

3.1.2.17 *Truing-up for MB-II for FY 2022-23 and its net impact on UPCL*

The summary of Truing-up of MB-II after considering the actual performance parameter achieved in FY 2022-23 is as shown in the **Table** below:

Table 3.61: Net impact on account of Truing-up of FY 2022-23 for MB-II

AFC to be recovered from UPCL (Rs. Crore)	Capacity Charges (Rs. Crore)	NAPAF (%)	Actual/ Re-stated PAFY (%)	Capacity charges allowable (Rs. Crore)	Capacity charges after sharing	Actual Billed Energy (MU)	Per unit rate Trued-up (Rs/kWh)	Allowable EC (Rs. Crore)	Total allowable (EC+CC) (Rs. Crore)	Total recovered from UPCL	Truing-up impact Gap/ (Surplus)
204.50	102.25	76.0%	80.1%	102.25	102.25	1,280.64	0.800	102.25	102.25	107.14	(9.91)

3.1.2.18 *Interest earned from FDs post FY 2016-17*

As shown in **Table 3.53Error! Reference source not found.**, the Commission has decided to recover Rs. 6.30 Crore recovery from the Petitioner, the same has been adjusted to the Opening (Surplus)/Gap for FY 2022-23.

3.1.2.19 *Summary of Net Impact on Account of Truing-up of FY 2022-23 of MB-II including Carrying Cost*

The Commission has Trued-up the (Surplus)/Gap for MB-II pertaining to FY 2022-23 to be refunded by UJVN Ltd. to UPCL. Based on the above, the total amount to be refunded to UPCL along with the carrying cost on standalone surplus is summarized in the **Table** below:

Table 3.62: Summary of net amount Trued-up by the Commission for FY 2022-23 to be recovered from UPCL for MB-II (Rs. Crore)

Particulars	FY 2022-23	FY 2023-24	FY 2024-25
Opening (Surplus)/Gap	(6.30)	(17.39)	(19.36)

Table 3.62: Summary of net amount Trued-up by the Commission for FY 2022-23 to be recovered from UPCL for MB-II (Rs. Crore)

Particulars	FY 2022-23	FY 2023-24	FY 2024-25
True-up Amount	(9.91)	-	19.36
Carrying Cost	(1.18)	(1.97)	(1.09)
Closing (Surplus)/Gap	(17.39)	(19.36)	(20.45)
Interest Rate	10.50%	11.30%	11.30%

** Including adjustment of Rs. 6.30 Crore on account of Interest earned from FDs post FY 2016-17*

The Commission directs UJVN Ltd. to refund the above approved amount of Rs. 20.45 **Crore on account of Truing-up of MB-II for FY 2022-23 to UPCL in accordance with the provisions of UERC Tariff Regulations, 2021 in twelve equal monthly instalments starting from April, 2024 to March, 2025.**

4 Petitioner's Submissions, Commission's Analysis, Scrutiny & Conclusion on APR for FY 2023-24 and AFC for FY 2024-25

4.1 Annual Performance Review

The Commission vide its Order dated March 31, 2022 had approved the Multi Year Tariff for the Petitioner for the Fourth Control Period from FY 2022-23 to FY 2024-25. Regulation 12(3) of the UERC Tariff Regulations, 2021 specifies that under the MYT framework, the performance of the generating company shall be subject to Annual Performance Review.

Regulation 12(3) of the UERC Tariff Regulations, 2021 specifies as under:

"The scope of Annual Performance Review shall be a comparison of the actual performance of the Applicant with the approved forecast of Aggregate Revenue Requirement and expected revenue from tariff and charges and shall comprise of following:

a) A comparison of the audited performance of the applicant for the previous financial year with the approved forecast for such previous financial year and truing up of expenses and revenue subject to prudence check including pass through of impact of uncontrollable factors;

b) Categorization of variations in performance with reference to approved forecast into factors within the control of the applicant (controllable factors) and those caused by factors beyond the control of the applicant (un-controllable factors);

c) Revision of estimates for the current and/ or ensuing financial year, if required, based on audited financial results for the previous financial year;

d) Computation of sharing of gains and losses on account of controllable factors for the previous year."

The Commission vide its Order dated March 31, 2022, on approval of Business Plan and MYT Petition for the Fourth Control Period from FY 2022-23 to FY 2024-25 approved the AFC for the Control Period based on the audited accounts till FY 2020-21. The Petitioner, in this Petition, has proposed Truing-up of FY 2022-23 based on audited annual accounts. The Commission, in Chapter 3 of this Order, has carried out the Truing-up of 9 LHPs and MB-II for FY 2022-23 in accordance with the UERC tariff Regulations, 2021.

In accordance with Regulation 12(3) of the UERC Tariff Regulations, 2021, the scope of Annual Performance Review is limited to the revision of estimates for the current and /or ensuing financial year, if required, based on the audited financial results for the previous year.

The Commission in its MYT Order dated March 31, 2022 held that it shall carry out the Truing-up of FY 2022-23 based on the audited accounts for that year and give effect on this account in the AFC of FY 2024-25. Hence, the Commission, under the provisions of Regulation 12(3) of the UERC Tariff Regulations, 2021, has revised the AFC for FY 2024-25 based on the revised additional capitalisation for FY 2022-23. The approach adopted by the Commission in the approval of each element of AFC for FY 2024-25 is elaborated in the subsequent paragraphs.

4.2 Physical Parameters

4.2.1 *NAPAF*

A. Old Nine Generating Station

Regulation 47(1) (b) of UERC Tariff Regulations, 2021 specifies as under:

"(b) For existing hydro generating stations:

The trajectory for NAPAF fixed by the Commission in case of existing hydro generating stations, in the preceding Control Period would continue to be applicable. However, the NAPAF of the stations undergone RMU would be adjusted accordingly, considering the impact of RMU."

The Commission in its Order dated March 31, 2022 had approved NAPAF for 10 LHPs. The Commission in its MYT Order also stated that a fresh view on the same shall be taken once the RMU works for the stations get completed.

The Commission observes that the Petitioner has projected PAFY for FY 2024-25 lower than approved NAPAF for Dhakrani, Chilla, and MB-II LHPs and it has sought relaxation of NAPAF for Dhakrani, Chilla and Khatima LHP for FY 2024-25. Further, the Petitioner has submitted that the projected NAPAF is based on actual PAFM of previous years after factoring in the impact on availability due to RMU and release of additional water in compliance to NGT Order dated August 9,2017. The Petitioner submitted the total loss due to implementation of NGT/NMCG Order as 487.90 MU for 9 LHPs (excluding Ramganga and Khatima) for FY 2024-25. In support of its claim, the Petitioner requested for relaxation in NAPAF for following LHPs:

- **Dhakrani**: The Petitioner has submitted that the generating station is very old LHP & requires more maintenance, hence, has to be shut down for longer periods to carry out maintenance. The Petitioner further submitted that RMU works of first unit of Dhakrani LHP is expected to be start from November, 2023 will end in September, 2024. The Petitioner requested the Commission to kindly consider and approve the NAPAF of Dhakrani LHP as 57.58% for FY 2024-25 in view of ongoing RMU works in the plant.
- **Chilla –** The Petitioner submitted that Chilla Power Station is very old LHP & requires more maintenance, hence, has to be shut down for longer periods to carry out maintenance. The Petitioner further submitted that the RMU works for its first unit have been planned in FY 2023-24 for Chilla LHP. In view of the above, the Petitioner has requested the Commission to kindly consider and approve the NAPAF of Chilla LHP as 52.79% for FY 2024-25. The Petitioner however revised its submission stating that first unit will be under RMU from June 2024 to March 2025.
- **Khatima–** The Petitioner has submitted that utmost efforts are being made to achieve the NAPAF approved for Khatima LHP by the Commission but the same could not be achieved in FY 2020-21 to 2022-23. The Petitioner further submitted that the water control for Khatima LHP is with UPID and UPID releases water as per irrigation requirement. In view of above, the Petitioner requested the Commission to kindly consider and approve the NAPAF of Khatima LHP as 65.51% for FY 2024-25.

NAPAF as approved by the Commission vide its Tariff Order dated 31.03.2022 and as proposed by the Petitioner is summarized for FY 2024-25 as under:

Table 4.1: NAPAF as claimed by the Petitioner for 10 LHPs vis-à-vis approved by the Commission in MYT Order dated March 31, 2022 for FY 2024-25

Name of the Generating Station	Approved for FY 2023-24 in MYT Order dated 31.03.2022	Claimed for FY 2024-25
	%	%
Dhakrani	66.17	57.58%
Dhalipur	61.07	61.07%
Chibro	65.06	65.72%
Khodri	57.23	59.35%
Kulhal	65.00	71.18%
Ramganga	16.00	17.02%
Chilla	74.00	52.79%
MB-I	79.00	79.00%
Khatima	69.30	65.51%

Table 4.1: NAPAF as claimed by the Petitioner for 10 LHPs vis-à-vis approved by the Commission in MYT Order dated March 31, 2022 for FY 2024-25

Name of the Generating Station	Approved for FY 2023-24 in MYT Order dated 31.03.2022	Claimed for FY 2024-25
	%	%
MB-II	76.00	72.77%

With regard to the relaxation of NAPAF, the Commission while approving the NAPAF in MYT Order dated March 31, 2022 for various stations has already factored in Plant operating conditions and past performance. However, with regard to the impact of NGT/NMCG Order, the Commission in its Order dated March 31, 2022 ruled as under.

> *"Therefore, the Commission, at this point of time has not considered any impact of the NGT/NMCG Order on NAPAF for FY 2022-23 to FY 2024-25. However, the Petitioner is at liberty to submit the actual impact at the time of truing-up of respective financial years, i.e. FY 2022-23 to FY 2024-25 along with the relevant documents in support of the same. The Petitioner is required to submit the actual impact/ loss of availability due to the NGT/NMCG Order based on the actual daily discharge from the Dams/Barrages during the lean season I such flows prior to the NGT/NMCG Order. Accordingly, appropriate view shall be taken in this regard after carrying out due prudence check on case to case basis in case of any severe impact in the actual generation/PAFM."*

In view of the above, the Commission has not allowed any relaxation in NAPAF for any station for FY 2024-25. With regard to MB-I, the Commission as discussed in Chapter 3 of this Order has retained the NAPAF for the current control period and therefore, the NAPAF for all 9 LHPs as approved in MYT Order date March 31, 2022 shall be applicable. However, while Truing-up of FY 2024-25, the Commission shall consider relaxation in case there is any substantial impact due to NGT/NMCG Order and to factor in the actual outage period on account of RMU works while re-stating the actual PAFM subject to prudence check in accordance with the Regulations/Orders of the Commission in this regard.

4.2.2 *Design Energy and Saleable Primary Energy*

A. Old Nine Large Generating Station

The Commission in its MYT Order dated March 31, 2022 had approved Design Energy and Saleable Primary Energy for 10 LHPs as per UERC Tariff Regulations, 2021. With regard to the impact of implementation of the NGT Order, the Commission in its MYT Order dated March 31, 2022 taking into account higher generation achieved in FY 2020-21 vis-à-vis design energy, ruled as follows:

> *"From the above, it is observed that consolidated actual gross generation is higher than even the design energy approved in the MYT Order. It is further observed that as Dhalipur and MB-I were under RMU, the generation are lower than the design energy. It is observed that the actual data do not substantiate further relaxation in the design energy for recovery of energy charges as proposed by the Petitioner for the Fourth Control Period."*

The Commission observes that the actual generation in FY 2022-23 is even higher than that revised by the Commission on account of NGT Order dated 09.07.2017 vide Order dated 18.04.2020 and therefore, do not find any merit in relaxing the same and hence approves the Design Energy and Saleable Primary Energy as approved in MYT Order dated March 31, 2022 and is shown in the **Table** below:

Table 4.2: Original Design Energy, Design Energy and Saleable Primary Energy for 10 LHPs for FY 2024-25 as approved by the Commission

Name of the Generating Station	Original Design Energy	Design Energy	Auxiliary Consumption including Transformation Loss		Saleable Primary Energy
	MU	MU	%	MU	MU
Dhakrani	169.00	150.85	0.70%	1.06	149.79
Dhalipur	192.00	182.76	0.70%	1.28	181.48
Chibro	750.00	728.11	1.20%	8.74	719.37
Khodri	345.00	335.37	1.00%	3.35	332.02
Kulhal	164.00	148.91	0.70%	1.04	147.87
Ramganga	385.00	311.00	1.00%	3.11	307.89
Chilla	725.00	557.62	1.00%	5.58	552.04
MB-I	546.00	478.00*	1.00%	4.78	473.22
Khatima	208.00	235.59	1.00%	2.36	233.23
MB-II	1566.10	1291.00	1.00%	12.91	1278.09
Total	**5050.10**	**4419.20**		**44.20**	**4375.00**

**provisional design energy*

Recognising the fact, that most of the 9 LHPs are old and have run for 32 to 60 years, the Commission has not considered the Original Design Energy for calculation of energy charge rate (ECR) as it would result in under-recovery of the AFC of the Petitioner. The Commission has, accordingly, relaxed the requirement of the UERC Tariff Regulations, 2021 for calculation of ECR. The ECR will be calculated based on the approved Saleable Primary Energy as shown above.

With regard to MB-I, the Commission has already discussed the post RMU performance norms such as Design Energy and NAPAF in Chapter 3 of this Order and therefore, approves the same for FY 2024-25.

With respect to the benefit of excess generation over and above the Original Design Energy, i.e. the Secondary Energy, the rate of Secondary Energy shall be based on the Original Design Energy and not on the basis of Design Energy considered by the Commission for recovery of Energy Charges.

Further, in case such energy charge rate is higher than 90 paise/kWh, the rate of Secondary Energy shall be considered as 90 paise/kWh in accordance with Regulation 50 (7) of the UERC Tariff Regulations, 2021.

Further, recovery from Energy Charges shall in no case exceed 50% of the Annual Fixed Cost up to the Original Design Energy. However, the Commission as decided in MYT Order dated 31.03.2022 shall revisit the Design Energy once the RMU works get completed and actual impact/loss of generation by **maintaining separate discharge data of rivers as well as the data of mandatory discharges being released in compliance to NGT/NMCG Order and any other data to substantiate the impact and thereafter appropriate view will be taken by the Commission in this regard after carrying out due prudence check on case to case basis in case of any severe impact in the actual generation.**

4.3 Financial Parameters

4.3.1 *Apportionment of Common Expenses*

The Commission, post commissioning of Vyasi LHP, in its Tariff Order dated March 30, 2023 directed UJVN Ltd. as follows:

> *"The Commission has considered the submission of the Petitioner and directs the Petitioner to adopt sound commercial principles while proposing the revised allocation methodology along with the next Tariff Petition. The Commission as of now has continued with its earlier approach, however, while carrying out the Truing-up of FY 2023-24, the revised allocation principles shall apply.*
>
> *…"*

In compliance to the above, the Petitioner in its Petition has proposed to continue with the existing allocation philosophy till the commissioning of Vyasi LHP and post COD of Vyasi LHP it has proposed revised allocation of indirect expenses between the 11 LHPs (9 Old LHPs, MB-II and

Vyasi) and SHPs in the ratio of 95:05, respectively.

The Commission as discussed in Chapter 3 of this Order has considered revised allocation ratio of 86:14 between 11 LHPs and SHPs post commissioning of Vyasi LHP. **The Commission therefore, directs the Petitioner to adopt apportionment methodology as the approved in Chapter 3 of this order i.e. 86:14 among 11 LHPs (9 Old LHPs, MB-II and Vyasi) and SHPs, respectively in the next Tariff Petition.**

4.3.2 *Capital Cost*

A. Old Nine Generating Stations

As detailed earlier in the Truing-up Chapter, pending finalization of the Transfer Scheme, for various reasons recorded in the previous Tariff Orders, the Commission had been approving opening GFA for the nine old LHPs as on 14.01.2000, as Rs. 506.17 Crore.

Since, the Transfer Scheme is yet to be finalized, the Commission for the purpose of tariff determination for FY 2024-25 is considering the opening GFA of nine old LHPs, as on 14.01.2000, as Rs. 506.17 Crore only.

Further, the Commission has previously revised the original cost of Khatima LHP as on 01.04.2015 on account of de-capitalisation of Rs. 2.03 Crore carried out in FY 2014-15. The GFA considered are as per the details given below:

Table 4.3: Approved Original Cost inherited from UPJVNL for 9 LHPs (Rs. Crore)

Generating Station	Claimed	Approved as on 14.01.2000	Approved as on 01.04.2016
Dhakrani	12.40	12.40	12.40
Dhalipur	20.37	20.37	20.37
Chibro	87.89	87.89	87.89
Khodri	73.97	73.97	73.97
Kulhal	17.51	17.51	17.51
Ramganga	50.02	50.02	50.02
Chilla	124.89	124.89	124.89
MB-I*	111.93	111.93	111.93
Khatima	7.19	7.19	5.16**
Total	**506.17**	**506.17**	**504.14**

**Including DRB claim of Rs. 2.21 Cr.*
***Including de-capitalisation of Rs. 2.03 Crore in FY 2014-15*

B. Maneri Bhali-II

The issues related to the Capital Cost of MB-II generating station as on CoD have been discussed in detail in Chapter 3. Based on the above, the Commission has considered the capital cost as on CoD of Rs. 1885.50 Crore in accordance with the Order dated March 30, 2023. The financing for the project has been considered as shown in the **Table** below:

Table 4.4: Approved Capital Cost and Financing for MB-II as on CoD (Rs. Crore)

Particulars	Approved in Order dated 31.03.2022	Approved Now
Loans		
PFC Loan	1200.00	1200.00
Unpaid Liability	-	-
Guarantee Fee Payable	-	-
Normative Loan	119.85	119.85
Total debts	**1319.85**	**1319.85**
Equity		
PDF	326.76	326.76
GoU Budgetary support	74.89	74.89
Pre-2002 expense	164.00	164.00
Total Equity	**565.65**	**565.65**
Total Loan and Equity	**1885.50**	**1885.50**

4.3.3 *Additional Capitalisation*

A. Old Nine Generating Stations

The Commission in addition to the opening GFA of Rs. 506.17 Crore as on 14.01.2000, has also approved additional capitalisation of Rs. 1010.92 Crore from FY 2001-02 to FY 2022-23 as discussed in Chapter 3 of this Order.

With regard to additional capitalisation for FY 2023-24, the Petitioner submitted the following details along with actuals incurred during April-September 2023 and that estimated during October 2023 to March 2024. The details of the same are as below:

Table 4.5: Details of additional capitalisation proposed during FY 2023-24 for 9 LHPs (Rs. in Crore)

Description	Actual (From Apr 23 to Sept 23)	Projected (From Oct 23 to Mar 24)	Total
Dhakrani	1.64	4.43	6.07
Dhalipur	1.69	88.43	90.12
Chibro	2.54	18.60	21.14
Khodri	1.05	19.76	20.82
Kulhal	3.30	22.15	25.45
Ramganga	1.00	28.39	29.39
Chilla	4.79	82.03	86.81
MB-I	27.22	10.16	37.38

Table 4.5: Details of additional capitalisation proposed during FY 2023-24 for 9 LHPs (Rs. in Crore)

Description	Actual (From Apr 23 to Sept 23)	Projected (From Oct 23 to Mar 24)	Total
Khatima	0.22	6.44	6.66
Total	**43.46**	**280.38**	**323.84**

The Petitioner also submitted the projected additional capitalisation for FY 2024-25 as shown in the **Table** below.

Table 4.6: Details of additional capitalisation proposed during FY 2024-25 for 9 LHPs (Rs. in Crore)

Stations	Normal Add Cap	DRIP	RMU	Total
Dhakrani	2.33	2.00	35.00	39.33
Dhalipur	20.65	-	15.00	35.65
Chibro	98.02	-	-	98.02
Khodri	29.39	-	-	29.39
Kulhal	11.40	-	-	11.40
Ramganga	18.19	-	-	18.19
Chilla	45.08	16.13	76.00	137.21
MB-I	21.51	0.70	0.50	22.71
Khatima	14.76	-	-	14.76
Total	**261.34**	**18.83**	**126.50**	**406.67**

The Commission has gone through the submissions of the Petitioner and observes that the Petitioner has revised its projections for FY 2023-24 and FY 2024-25 as compared to that submitted along the Business Plan for the Fourth Control Period. The Commission in its MYT Order dated March 31, 2022, while approving the capitalisation has approved only works pertaining to RMU and DRIP. The Commission regarding other additional capitalisation directed the Petitioner to seek approval of the Commission in terms of Regulation 22(4) of UERC Tariff Regulations, 2021. In view of the above, the Commission provisionally approved the additional capitalisation for the Fourth Control Period and ruled that approved additional capitalisation shall be subject to detailed scrutiny during Annual Performance Review/True-up and shall be finally allowed after carrying out due prudence check based on the approval of the Commission and actual expenditure incurred.

The Commission, therefore, does not find any merit in revising the additional capitalisation approved in the MYT Order dated March 31, 2022. The Commission accordingly approves the following additional capitalisation for FY 2023-24 and FY 2024-25 as follows.

Table 4.7: Additional Capitalisation approved by the Commission for 9 LHPs for FY 2023-24 and FY 2024-25 (Rs. Crore)

Name of the Generating Station	FY 2023-24			FY 2024-25		
	MYT Order	Claimed	Approved	MYT Order	Claimed	Approved
Dhakrani	8.12	6.07	8.12	36.75	39.33	36.75
Dhalipur	47.76	90.12	47.76	9.83	35.65	9.83
Chibro	11.71	21.14	11.71	4.73	98.02	4.73
Khodri	5.86	20.82	5.86	2.37	29.39	2.37
Kulhal	10.70	25.45	10.70	2.62	11.40	2.62
Ramganga	-	29.39	-	-	18.19	-
Chilla	116.24	86.81	116.24	75.00	137.21	75.00
MB-I	9.32	37.38	9.32	77.59	22.71	77.59
Khatima	-	6.66	-	-	14.76	-
Total	**209.71**	**323.84**	**209.71**	**208.88**	**406.67**	**208.88**

B. Maneri Bhali-II

The Commission, as discussed earlier in Chapter 3 of this Order has approved additional capitalisation of Rs. 420.65 Crore till 31.03.2023.

With regard to FY 2022-23, the Petitioner submitted the actual additional capitalisation from April to September, 2023, i.e., Rs. 4.93 Crore and proposed capitalisation from October to March, 2024, i.e., Rs. 28.12 Crore as per its submission. The Petitioner has further projected additional capitalisation of Rs. 85.46 Crore for FY 2024-25. The Commission as discussed in case of 9 LHPs, has considered the additional capitalisation as approved in its MYT Order dated March 31, 2022, for FY 2023-24 and FY 2024-25. The same shall be subject to detailed scrutiny during the APR/Truing-up of FY 2023-24 and FY 2024-25 and shall be finally allowed after carrying out due prudence check of actual expenditure incurred.

Table 4.8: Additional Capitalisation approved for FY 2023-24 and FY 2024-25 for MB-II

Generating Station	FY 2023-24			FY 2024-25		
	MYT Order	Claimed	Approved	MYT Order	Claimed	Approved
MB-II	21.06	33.05	21.06	50.84	85.46	50.84

4.3.4 *Depreciation*

A. Old Nine Generating Stations

Regulation 28 of the UERC Tariff Regulations, 2021 specifies as follows:

"28. Depreciation

(1) The value base for the purpose of depreciation shall be the capital cost of the asset

admitted by the Commission.

Provided that depreciation shall not be allowed on assets funded through Consumer Contribution and Capital Subsidies/Grants.

(2) The salvage value of the asset shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of the capital cost of the asset.

Provided that in case of generating stations, the salvage value shall be as provided in the agreement signed by the developers with the State Government for creation of site;

Provided further that the capital cost of the assets of the generating station, for the purpose of computation of depreciable value for determination of tariff, under these regulations shall correspond to the percentage of sale of electricity under long-term power purchase agreement at regulated tariff.

Provided also that any depreciation disallowed on account of lower availability of the generating station or generating unit or transmission system as the case may be, shall not be allowed to be recovered at a later stage during the useful life and the extended life.

Provided that the salvage value for IT equipment and software shall be considered as NIL and 100% value of the assets shall be considered depreciable.

(3) Land other than the land held under lease and the land for reservoir in case of hydro station shall not be a depreciable asset and its cost shall be excluded from the capital cist while computing depreciable value of the asset.

(4) Depreciation shall be calculated annually based on Straight Line Method and at rates specified in Appendix - II to these Regulations.

Provided that, the remaining depreciable value as on 31st March of the year closing after a period of 12 years from the date of commercial operation shall be spread over the balance useful life of the assets.

(5) Depreciation shall be chargeable from the first year of commercial operation. In case of commercial operation of the asset for part of the year, depreciation shall be charged on pro rata basis.

(6) In case of de-capitalization of assets in respect of generating station or unit thereof or distribution licensee or SLDC or transmission system or element thereof, the

cumulative depreciation shall be adjusted by taking into account the depreciation recovered in tariff by the decapitalised asset during its useful services."

The Petitioner submitted that no depreciation has been claimed on the opening GFA determined for the transfer of assets, since the asset is already 90% depreciated. The depreciation has only been claimed for additional expenditure capitalized post the transfer scheme. Accordingly, the depreciation is calculated by the Petitioner for the Fourth Control Period.

The Commission in accordance with Regulation 28 of UERC Tariff Regulations, 2021 has computed the depreciation for the Fourth Control Period as detailed below:

(i) **Depreciation on Opening GFA as on 14.01.2000:** All the 9 LHPs are over 12 years old and all of them have already depreciated by 90% of the original cost, hence, no depreciation would be applicable for the Fourth Control Period on opening GFA as on 14.01.2000 for the 9 LHPs.

(ii) **Depreciation on additional capitalisation:** In accordance with the UERC Tariff Regulations, 2021, the Commission has computed the balance depreciable value for assets added in each year after January 2000 by deducting the cumulative depreciation as admitted by the Commission up to 31.03.2024 from the gross depreciable value of the assets. The Commission further computed the difference between the cumulative depreciation as on 31.03.2024 and the depreciation so arrived at by applying the depreciation rates as specified in the UERC Tariff Regulations, 2021 corresponding to 12 years. The Commission has spread over the above difference in the remaining period up to 12 years of such asset addition. Further, in case where the asset life has exceeded 12 years from the year of addition, the remaining depreciable value as on March 31 of the year closing has been spread over the balance useful life.

In line with the above approach, the Commission has computed the depreciation for 9 LHPs for FY 2024-25.

The depreciation expenses for FY 2024-25 will be Trued-up in accordance with the provisions of UERC Tariff Regulations, 2021 once the final Truing-up for all the years prior to FY 2024-25 is carried out.

The summary of Depreciation Charges for FY 2024-25 as approved by the Commission is shown in the **Table** below:

Table 4.9: Depreciation as approved for FY 2024-25 for 9 LHPs (Rs. Crore)

Name of the Generating Station	MYT Order dt. March 31, 2022			Claimed	Approved		
	On Opening GFA	On Additional Capitalisation	Total		On Opening GFA	On Additional Capitalisation	Total
Dhakrani	-	2.37	2.37	3.00	-	2.34	2.34
Dhalipur	-	8.14	8.14	12.34	-	8.95	8.95
Chibro	-	6.66	6.66	7.80	-	6.69	6.69
Khodri	-	2.63	2.63	3.68	-	2.76	2.76
Kulhal	-	2.94	2.94	3.83	-	2.74	2.74
Ramganga	-	2.56	2.56	4.52	-	2.68	2.68
Chilla	-	11.98	11.98	11.14	-	11.06	11.06
MB-I	-	13.70	13.70	16.32	-	11.73	11.73
Khatima	-	8.47	8.47	9.49	-	8.53	8.53
Total	**-**	**59.46**	**59.46**	**72.12**	**-**	**57.49**	**57.49**

B. Maneri Bhali-II

The Commission has computed depreciation for MB-II in accordance with the UERC Tariff Regulations, 2021.

As MB-II has completed 12 years from CoD in FY 2019-20, the balance depreciable value of the capital cost as on CoD has been spread equally throughout the balance useful life of the assets.

In line with the above approach adopted for 9 LHPs, the Commission has computed the depreciation for FY 2024-25 for MB-II on the approved GFA.

The depreciation expenses for FY 2024-25 will be Trued-up in accordance with the provisions of UERC Tariff Regulations, 2021 once the final Truing-up for all the years prior to FY 2024-25 is carried out.

The depreciation for MB-II for FY 2024-25, accordingly, works out as shown in the **Table** below:

Table 4.10: Depreciation as approved for FY 2024-25 for MB-II (Rs. Crore)

Particular	FY 2024-25		
	Approved in MYT Order dated 31.03.2022	Claimed	Approved
Depreciation	47.19	54.43	47.80

4.3.5 *Return on Equity*

A. Old Nine Generating Stations

Regulation 26 of the UERC Tariff Regulations, 2021 specifies as follows:

*"**26. Return on Equity***

(1) Return on equity shall be computed on the equity base determined in accordance with Regulation 24.

Provided that, Return on Equity shall be allowed on account of allowed equity capital for the assets put to use at the commencement of each financial year.

Provided further that, if the generating stations/licensees are able to demonstrate the actual date of asset being put to use and capitalized in its accounts of each asset for the purposes of business carried on by it through documentary evidence, including but not limited to 'asset put to use certificate, 'audited accounts' etc. then in such cases after due satisfaction of the Commission, the ROE shall be allowed on pro-rata basis after considering additional capitalization done during the year out of the equity capital.

(2) Return on equity shall be computed on at the base rate of 15.5% for thermal generating stations, transmission licensee, SLDC and run of the river hydro generating station and at the base rate of 16.50% for the storage type hydro generating stations and run of river generating station with pondage and distribution licensee on a post-tax basis.

Provided that Return on Equity in respect of additional capitalization after cut-off date beyond the original scope of work excluding additional capitalization due to Change in Law, shall be computed at the weighted average rate of interest on actual loan portfolio of the distribution company or the generating station or the transmission system

…."

The Petitioner submitted that it has claimed RoE in accordance with the aforesaid Regulations at the rate of 16.50% for Chibro, Khodri, Ramganga and MB-I and at the rate of 15.50% for Dhakrani, Dhalipur, Kulhal, Chilla & Khatima on post-tax basis. Further, the Petitioner submitted that RoE has been calculated on average equity during the year as per the applicable regulations for the Fourth Control Period.

The Petitioner further submitted that it may be allowed to recover Income Tax as per Regulations 34 of UERC Tariff Regulations, 2021, which specifies as follows:

"Income Tax, if any, on the income stream of the regulated business of Generating Companies, Transmission Licensees, Distribution Licensees and SLDC shall be reimbursed to the Generating

Companies, Transmission Licensees, Distribution Licensees and SLDC as per actual income tax paid, based on the documentary evidence submitted at the time of truing up of each year of the Control Period, subject to the prudence check."

The Petitioner claimed the reimbursement of income tax immediately on final assessment of tax & payment of the same to the income tax department and requested to allow the same on actual basis to be recovered from the beneficiaries.

The Commission observes that pending finalisation of the Transfer Scheme, the Commission had allowed RoE on the provisional value of the opening equity of Rs. 150.58 Crore in accordance with the directions of the Hon'ble Appellate Tribunal for Electricity issued in the Order dated 14.09.2006 (Appeal No. 189 of 2005) and detailed in the Commission's Order dated 14.03.2007.

As regards RoE on additional Capitalisation, the Commission has considered the normative equity of 30% where entire financing has been done through internal resources and on actual basis in other cases subject to a ceiling of 30% as specified in the Regulations.

The additional capitalisation approved by the Commission for the Period FY 2023-24 to FY 2024-25 includes DRIP works and the works were financed with a debt : equity ratio of 80:20. The same has been considered and RoE at the respective rates have been applied on the equity amount corresponding to 20% of asset addition on account of DRIP.

With regard to recovery of Income Tax paid, the Commission is of the view that Regulation 34 of UERC Tariff Regulations, 2021 allows recovery of actual Tax paid, subject to submission of documentary proof. Therefore, the Petitioner is entitled to claim the same at the time of Truing-up as per the actuals in accordance with Regulation 34 of UERC Tariff Regulations, 2021 for the respective financial years.

With regard to rate of return applicable to various works, it is observed that Regulation 26 of UERC Tariff Regulations, 2021 specifies that RoE shall be allowed at the rate of 15.50% for ROR stations and 16.50% for storage type hydro stations and ROR stations with pondage. However, such rate of return shall be allowed only on equity infused on works that are part of original scope of works and have been executed prior to the cut-off date and on equity infused on works carried out on account of change in law. The rate of return on equity infused on works after cut-off date and works that are beyond original scope excluding works pertaining to change in law has been limited to the weighted average rate of interest (WAROI) on actual loan portfolio, which is 9.98% for Khatima LHP, 10% for 07 LHPs and 16.5% for MB-I LHP.

The Commission, while calculating WAROI for computation of RoE for 07 LHPs, has taken a considerate view by not considering zero interest bearing DRIP loans for computation of WAROI for 07 LHPs.

To implement the same, the Commission sought details of additional capitalization incurred on account of Change in Law. The Petitioner however failed to submit the required details within the stipulated time. The Commission for computation of RoE for FY 2024-25 has adopted the approach as discussed in Chapter 3 of this Order.

Accordingly, the summary of the Return on Equity approved for 9 LHPs for FY 2024-25 is shown in the **Table** given below:

Table 4.11: Return on Equity approved for 9 LHPs for FY 2024-25 (Rs. Crore)

Generating Station	Claimed	Approved			
		On Transferred Asset as on Jan 14, 2000	On Additional Capitalisation up to FY 2023-24		Total RoE
		Normative Equity	Opening Equity (Original)	Opening Equity (Additional)	
Dhakrani	2.42	3.72	5.20	4.03	1.79
Dhalipur	11.18	6.11	47.17	5.75	8.83
Chibro	10.81	26.37	9.63	26.00	8.54
Khodri	7.06	22.19	4.82	10.96	5.55
Kulhal	3.70	5.25	8.62	5.07	2.66
Ramganga	6.40	15.01	(0.00)	14.91	3.97
Chilla	14.38	37.47	5.36	16.10	14.45
MB-I	19.19	32.92	60.29	13.67	17.63
Khatima	8.16	1.55	45.14	2.06	7.44
Total	**83.29**	**150.58**	**226.23**	**98.54**	**70.86**

B. Maneri Bhali-II

The Petitioner in its Petition has submitted that they have computed return on equity on opening equity for the year as per UERC Tariff Regulations, 2021.

As discussed earlier in Chapter 3, the Commission has revised the Capital Cost as on CoD to Rs. 1885.50 Crore. As per the financing considered by the Commission for the total approved Capital Cost of Rs. 1885.50 Crore and additional capitalisation of Rs. 441.71 Crore till FY 2023-24, Rs. 681.41 Crore has only been funded through equity and is detailed in the **Table** below:

Table 4.12: Details of Equity for MB-II up to 31.03.2024

Particular	Amount (Rs. Crore)
Approved Capital cost as on 15.03.2008 (CoD)	1,885.50
Additional Capitalisation up to 31.03.2024	441.71
GFA as on 31.03.2024	2,327.21
Financing through grant received from GoU as relief for natural calamity	40.37
Net GFA	2,286.84
Equity	**681.41**
(i) Through PDF	351.39
(ii) GoU budgetary support	166.02
(iii) Pre-2002 expenses	164.00

However, since, out of the total equity of Rs. 681.41 Crore, Rs. 351.39 Crore had come through PDF, the Commission has not allowed the Return on Equity on the GoU contribution from PDF in the approval of AFC and Truing-up for the Petitioner for past years for reasons recorded in the respective Orders of the Commission. Hence, the Commission does not find the need to allow Return on Equity on GoU contribution from PDF.

The Commission has, therefore, considered the equity of Rs. 330.02 Crore [Rs 166.02 Crore (GoU budgetary support) + Rs 164.00 Crore (Pre-2002 expenses)] eligible for return purposes for FY 2024-25.

As, discussed in Chapter 3 of this Order, the Commission has allowed return of 16.50% on equity infused on works that are part of original scope of works and have been completed within the cut-off date i.e., by 31.03.2008. The Commission observes that no DRIP works were executed in case of MB-II before 31.03.2022, although, actual expenditure of Rs. 25.73 Crore was done in FY 2022-23 and Rs. 21.06 Crore is approved in FY 2023-24. Therefore, as per the criteria laid out in Chapter 3 of this Order for allowing RoE, DRIP expenditure has been considered to be akin to RMU and the Commission has allowed return of 16.50% on equity infused against these expenditures. The rate of return on equity infused towards other additional capitalisation except above, post 31.03.2008 till 31.03.2024 has been allowed at WAROI @ 9.53% after adjustment of capitalisation done from PDF grant.

The summary of the Return on Equity approved for MB-II for FY 2024-25 is shown in the **Table** given below:

Table 4.13: Return on Equity approved for MB-II for FY 2024-25

Particular	FY 2024-25		
	Approved in MYT Order	Claimed	Approved
Return on Equity	54.01	55.31	46.40

4.3.6 *Interest on Loans*

A. Old Nine Generating Stations

Regulation 27 of the UERC Tariff Regulations, 2021 specifies as follows:

*"**27. Interest and finance charges on loan capital and on Security Deposit***

(1) The loans arrived at in the manner indicated in Regulation 24 shall be considered as gross normative loan for calculation of interest on loan.

(2) The normative loan outstanding as on 01.04.2022 shall be worked out by deducting the cumulative repayment as admitted by the Commission up to 31.03.2022 from the approved gross normative loan.

(3) The repayment for each year of the Control Period shall be deemed to be equal to the depreciation allowed for that year.

...

(5) *The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio of the previous year after providing appropriate accounting adjustment for interest capitalised:*

Provided that if there is no actual loan for a particular year but normative loan is still outstanding, the last available weighted average rate of interest shall be considered.

Provided further that if the generating station or the transmission system or the distribution system or SLDC, as the case may be, does not have actual loan, then the weighted average rate of interest of the generating company or the Transmission Licensee or the Distribution Licensee or SLDC as a whole shall be considered.

(6) The interest on loan shall be calculated on the normative average loan of the year by applying the weighted average rate of interest.

…"

The Petitioner previously submitted that the practice of capitalizing the assets as soon as assets are available to use/put to use, instead of booking at the end of financial year is being actively followed. The Commission notes that the Petitioner was able to capitalise Rs. 43.46 Crore during April

2023 to September 2023 out of total estimated expenditure for the year as Rs. 323.84 Crore in FY 2023-24 which is 13.42% of total expenditure estimates. Although, the Commission had considered the submission of the Petitioner and only for the purpose of allowing interest on loan, calculated the interest rate on the basis of opening loan less average repayment and has considered the same approach in FY 2024-25 and shall review the capitalisation trend in the next tariff Petition, upon which final review on the methodology shall be taken. Accordingly, the Commission has considered the interest rate after adjusting the yearly interest rebates received by the Petitioner of 9.98% for Khatima, 10.51% for MB-I and 7.08% for other 7 LHPs (including DRIP loans).

The Commission also observed that RMU at Dhalipur for its last unit i.e., Unit#3 was complete on 11.10.2023 and station specific loan will be considered during true-up of FY 2023-24.

Based on the above considerations, the Commission has approved interest on loan based on the average of opening and closing loans for 9 LHPs for respective financial years after excluding the loan corresponding to Additional Capitalisation during the year except for projects where CoD for RMU is expected during FY 2024-25 i.e., Dhakrani, which is as shown in the **Table** below:

Table 4.14: Interest on Loan approved for Nine Old LHPs for FY 2024-25 (Rs. Crore)

Name of the Generating Stations	Approved in MYT Order 31.03.2022	Claimed by UJVN Ltd.	Approved in this Order				
			Opening Loan	Loan Addition	Repayment	Closing Loan	Interest
Dhakrani	2.25	2.62	29.32	26.37	2.34	53.35	2.74
Dhalipur	8.33	12.22	120.45	7.86	8.95	119.36	8.21
Chibro	4.91	5.79	66.15	3.79	6.69	63.24	4.44
Khodri	1.53	2.61	22.31	1.89	2.76	21.45	1.48
Kulhal	3.07	3.78	36.48	2.10	2.74	35.84	2.48
Ramganga	1.26	3.13	18.65	-	2.68	15.97	1.22
Chilla	12.51	10.39	151.78	52.50	11.06	193.22	10.35
Maneri Bhali-I	12.03	15.88	157.27	62.07	11.73	207.61	15.91
Khatima	5.19	6.14	55.66	-	8.53	47.12	5.13
Total	**51.09**	**62.55**	**658.07**	**156.58**	**57.49**	**757.16**	**51.97**

B. Maneri Bhali-II

As discussed in the preceding paras, the Commission has considered the weighted average interest rate of 9.53% based on the outstanding loans for the project. The Commission for computing interest for MB-II station for FY 2024-25 has considered the above-mentioned interest rate.

In case of MB-II station, as the actual loans have been availed for the project, therefore, the interest has been computed on the basis of interest rate applicable to these loans availed for the project. The Commission has adjusted the yearly interest refunds received by the Petitioner as done previously in the Order dated March 30, 2023.

The Commission has calculated Interest on Loan based on the approach adopted in this Chapter for 9 LHPs for FY 2024-25. The Commission in accordance with UERC Tariff Regulations, 2021 has considered the repayment equal to the depreciation allowed for the year.

Based on the above considerations and the UERC Tariff Regulations, 2021, the Commission has calculated the interest expense for MB-II for FY 2024-25 as shown in the **Table** below

Table 4.15: Interest on Loan approved for MB-II for FY 2024-25 (Rs. Crore)

Particular	FY 2024-25		
	Approved in MYT Order dated 31.03.2022	Claimed	Approved
Interest on Loan	36.98	38.18	33.98

4.3.7 *Operation and Maintenance expenses*

Regarding the Operation and Maintenance expenses, Regulation 48(2) of the UERC Tariff Regulations, 2021 specifies as follows:

(iii) ***"48 Operation and Maintenance Expenses for Hydro Generating Stations***

(a) ***For Generating Stations in operation for more than five years preceding the Base Year***

The operation and maintenance expenses for the first year of the control period will be approved by the Commission taking in to account the actual O&M expenses for last five years till base year, based on the audited balance sheets, excluding abnormal operation and maintenance expenses, if any, subject to prudence check and any other factors considered appropriate by the Commission.

(b) ***For Generating Stations in operation for less than 5 years preceding the base year:***

In case of the hydro electric generating stations, which have not been in existence for a period of five years preceding the base year, i.e. FY 2020-21, the operation and maintenance expenses for the base year of FY 2020-21 shall be *fixed at 4% and 2.5% of the actual capital cost (excluding cost of rehabilitation & resettlement works) as admitted by the Commission, for stations less than 200 MW projects and for stations more than 200 MW respectively, for the first year of operation and shall be escalated from the subsequent year in accordance with the escalation principles specified in clause(e) below.*

(c) ***For Generating Stations declared under commercial operation on or after 01.4.2022.***

In case of new hydro electric generating stations, i.e. the hydro electric generating stations declared under commercial operation on or after 1.4.2022, the base operation and maintenance expenses for the year of commissioning shall be fixed at 4% and 2.5% of the actual capital cost (excluding cost of rehabilitation & resettlement works) as admitted by the Commission, for stations less than 200 MW projects and for stations more than 200 MW respectively and shall be escalated from the subsequent year in accordance with the escalation principles specified in clause (e) *below.*

(d) *Post determination of base O&M Expenses for the base year, i.e. FY 2020-21, the O&M expenses for the nth year and also for the year immediately preceding the Control Period, i.e. 2021-22 shall be approved based on the formula given below:-*

O&Mn = R&Mn + EMPn + A&Gn

Where –

- *O&Mn – Operation and Maintenance expenses for the nth year;*
- *EMPn – Employee Costs for the nth year;*
- *R&Mn – Repair and Maintenance Costs for the nth year;*
- *A&Gn – Administrative and General Costs for the nth year;*

The above components shall be computed in the manner specified below:

EMPn = (EMPn-1) x (1+Gn) x (1+CPIinflation)

R&Mn = K x (GFA n-1) x (1+WPIinflation) and

A&Gn = (A&Gn-1) x (1+WPIinflation)+ Provision–Where -

- *EMPn-1 – Employee Costs for the (n-1)th year;*
- *A&G n-1– Administrative and General Costs for the (n-1)th year;*
- *Provision: Cost for initiatives or other one-time expenses as proposed by the Generating Company and approved by the Commission after prudence check.*
- *'K' is a constant to be specified by the Commission %. Value of K for each year of the control period shall be determined by the Commission in the MYT Tariff order based on Generating Company's filing, benchmarking of repair and maintenance expenses, approved repair and maintenance expenses vis-à-vis GFA approved by the Commission in past and any other factor considered appropriate by the Commission;*

  Provided that for the projects whose Renovation and Modernisation has been carried out, the R&M expenses for the nth year shall not exceed 4% of the capital cost admitted by the Commission.
- *CPI inflation – is the average increase in the Consumer Price Index (CPI) for immediately preceding three years;*
- *WPI inflation – is the average increase in the Wholesale Price Index (CPI) for immediately preceding three years;*
- *GFAn-1 – Gross Fixed Asset of the Generating Company for the n-1th year;*
- *Gn is a growth factor for the nth year and it can be greater than or less than zero based on the actual performance. Value of Gn shall be determined by the Commission in the MYT tariff order for meeting the additional manpower requirement based on Generating Company's filings, benchmarking and any other factor that the Commission feels appropriate*

Provided that repair and maintenance expenses determined shall be utilised towards repair and maintenance works only.

(e) *O&M expenses determined in sub-Regulation 2(b) & 2(c) above, shall be escalated for subsequent years to arrive at the O&M expenses for the control period by applying the Escalation factor (EFk) for a particular year (Kth year) which shall be calculated using the following formula:*

$EF_k = 0.55xWPI_{Inflation} + 0.45xCPI_{Inflation}$

(f) *In case of multi-purpose hydroelectric stations, with irrigation, flood control and power components, the O&M expenses chargeable to power component of the station only shall be considered for determination of tariff."*

The O&M expenses includes Employee expenses, R&M expenses and A&G expenses. In accordance with Regulation 48(2) of the UERC Tariff Regulations, 2021, the O&M expenses for the FY 2023-24 has been determined by the Commission in line with the approach followed by the Commission in its MYT Order dated March 31, 2022.

The Commission has calculated the annual growth in values of CPI (overall) for Industrial Workers and WPI (overall) based on the average of FY 2020-21 to FY 2022-23 and has considered the same for determination of indices for FY 2023-24 and subsequently for FY 2024-25. The summary of the same is provided in the **Table** below:

Table 4.16: Inflation Indices approved for 9 LHPs for FY 2024-25

Particulars	FY 2022-23	FY 2023-24	FY 2024-25
CPI	5.89%	5.40%	5.40%
WPI	5.32%	7.90%	7.90%

The submissions of the Petitioner and the Commission's analysis for approving the various components of the O&M expenses for FY 2024-25 is detailed below:

A. Old Nine Generating Stations

4.3.7.1 ***Employee expenses***

The Commission had approved the employee expenses of Rs. 234.02 Crore for FY 2024-25 in its MYT Order dated March 31, 2022. The Petitioner, in its Petition, has proposed the employee expenses for FY 2024-25 as Rs. 236.40 Crore as per Regulation 48 2(d) of the UERC Tariff Regulations, 2021.

The Commission while approving the Employee expenses for the Fourth Control Period in its MYT Order dated March 31, 2022 ruled as follows.

"In view of the above, the Commission does not find it prudent to approve the normative employee expenses for the Fourth Control Period based on the actual employee expenses for FY 2016-17 to FY 2020-21 as this period of the employee expenses include impact of revision in salaries as well as arrears due to the Seventh Pay Commission.

Regulation 103(2) of the UERC Tariff Regulations, 2021 stipulates as under:

"Nothing in these Regulations shall bar the Commission from adopting in conformity with provisions of the Act, a procedure which is at variance with any of the provisions of these Regulations, if the Commission, in view of the special circumstances of a matter or a class of matters, deems it just or expedient for deciding such matter or class of matters."

In view of the special circumstances in this case, in exercise of powers conferred by the above stated Regulation, the Commission finds it prudent to deviate from the methodology stipulated in the UERC Tariff Regulations, 2021 for approval of normative employee expenses for the Fourth Control Period from FY 2022-23 to FY 2024-25 to the extent of consideration of actual employee expenses for the preceding five years.

The Commission has considered the normative gross employee expenses (without the impact of Seventh Pay Commission) approved in the true up of FY 2020-21 as the opening gross employee expenses. This normative opening gross employee expenses have been adjusted for the Gn factor approved for FY 2021-22 and escalated with CPI Inflation of 6.00% to arrive at normative employee expenses for FY 2021-22. The gross employee expenses so arrived have been considered as the gross employee expenses (EMPn-1) for FY 2021-22. From FY 2022-23 onwards, the Commission has computed the normative employee expenses in accordance with the Regulation 48 (2) considering the Gn factor approved for the corresponding year and the CPI inflation of 6.00%."

The Commission in line with the approach adopted in its MYT Order has considered the normative gross employee expenses for FY 2022-23 as the opening gross employee expenses for projecting employee expenses for FY 2024-25. This normative opening gross employee expenses have been adjusted for the Gn factor for FY 2023-24 to FY 2024-25 as approved in the **Table** below and escalated with CPI Inflation of 5.40% to arrive at normative employee expenses for FY 2024-25.

The Commission, based on the submission of the Petitioner for retirements and further submission dated 23.03.2024 w.r.t. the status of recruitment in FY 2023-24, the Commission has approved Gn as shown in the **Table** below:

Table 4.17: Gn approved by the Commission

Particulars	FY 20222-23	FY 2023-24	FY 2024-25
Closing no. of employees	1469	1438	1610
Gn	0.00%	0.00%	5.98%

However, if the actual addition to number of employees is lower than the number of employee addition considered in this Order, the impact of the same shall be adjusted while carrying out the Truing-up and will not be considered as reduction in employee expenses on account of controllable factors.

With this approach, the normative employee expenses approved for FY 2024-35 is as shown in the **Table** below:

Table 4.18: Employee Expenses approved for 9 LHPs for FY 2024-25 (Rs. Crore)

Name of the Generating Stations	FY 2024-25	
	Claimed	Approved
Dhakrani	15.40	13.68
Dhalipur	13.71	13.82
Chibro	49.62	51.06
Khodri	25.63	25.21
Kulhal	11.64	10.63
Ramganga	33.62	35.25
Chilla	41.88	38.80
MB-I	30.55	30.82
Khatima	14.35	14.11
Total	**236.40**	**233.38**

4.3.7.2 *R&M expenses*

The UERC Tariff Regulations, 2021 specify that the R&M expenses shall be arrived at by multiplying the constant factor K with the opening GFA approved for the respective financial years of the Fourth Control Period.

The Commission has considered K factor for FY 2024-25 as approved by the Commission in its MYT Order dated March 31, 2022 and is as detailed in the **Table** below:

Table 4.19: K Factor as considered by the Commission

Generating Station	Average 3 yrs (FY 2018-19 to FY 2020-21)
Dhakrani	29%
Dhalipur	17%

Table 4.19: K Factor as considered by the Commission

Generating Station	Average 3 yrs (FY 2018-19 to FY 2020-21)
Chibro	12%
Khodri	14%
Kulhal	22%
Ramganga	9%
Chilla	10%
MB-I	5%
Khatima	3%

For computing R&M expenses, the Commission has considered the opening GFA for FY 2024-25 as approved by the Commission in this Order. The Commission has further considered the WPI inflation of 7.90% which is the average increase in the Wholesale Price Index (WPI) for FY 2020-21 to FY 2022-23. The Commission has computed R&M Expenses for FY 2024-25 as per the methodology as stated above using the following formulae:

R&Mn = K x (GFA n-1) x (1+WPIinflation)

F Further, with regard to the constant K, the Regulations specify that for the projects whose Renovation and Modernization has been carried out, the R&M expenses for n^{th} year shall not exceed 4% of capital cost admitted by the Commission. Furthermore, the R&M expenses for the Plant proposed to be under RMU, the proportionate R&M for balance Units under operations have been allowed.

The Commission further observes that RMU works of Khatima LHP were completed in FY 2016-17 and for MB-I was completed in September 2022. Further, with regard to Dhakrani, Dhalipur, Chilla, the RMU works are projected to be carried out in Fourth Control Period.

With regard to Khatima, Regulation 48(2) of the UERC Tariff Regulations, 2021 states that the R&M expenses for the nth year shall not exceed 4% of the capital cost admitted by the Commission. Considering that there is a significant variation between the actual incurred expenses of Khatima LHP in FY 2020-21 from the approved expenses with 'K' factor as 3%, the Commission has considered the K factor as 4% in the case of Khatima LHP for the Fourth Control Period, which is subject to revision during True-up based on the actual R&M expenses incurred during the year and prudence check.

Further, with regard to DRIP works, the Commission has considered R&M expenses as 3% of capex incurred in DRIP works in the Fourth Control Period for computing normative R&M expenses.

With regard to MB-I, in view of past R&M expenses, post RMU, R&M expenses for FY 2024-25 has been limited to 2.00% of GFA.

Based on above, the R&M expenses approved by the Commission for FY 2024-25 is as shown in the **Table** below:

Table 4.20: R&M Expenses approved for 9 LHPs for FY 2024-25 (Rs. Crore)

Name of the Generating Stations	FY 2024-25	
	Claimed	Approved
Dhakrani	7.34	3.76
Dhalipur	11.02	6.34
Chibro	26.05	22.78
Khodri	20.13	16.84
Kulhal	14.08	9.12
Ramganga	12.56	8.79
Chilla	20.09	20.05
MB-I	17.51	8.06
Khatima	7.71	6.76
Total	**136.51**	**102.50**

4.3.7.3 *A&G expenses*

The Petitioner has projected A&G expenses based on Normative A&G expenses for FY 2023-24 which are bases on actual A&G expenses of FY 2022-23 and has proposed the A&G expenses of Rs. 60.70 Crore for FY 2024-25.

The Commission while approving the normative A&G Expenses for the Fourth Control Period specified the methodology which is stated below.

"The actual A&G Expense in FY 2016-17 to FY 2018-19 are almost constant. Hence, there is aberration in past years actual expenses for computation of the normative employee expenses.

In view of the above, the Commission does not find it prudent to approve the normative A&G expenses for the Fourth Control Period based on the actual A&G expenses for FY 2016-17 to FY 2020- 21.

Regulation 103 (2) of the UERC Tariff Regulations, 2021 stipulates as under:

"Nothing in these Regulations shall bar the Commission from adopting in conformity with provisions of the Act, a procedure which is at variance with any of the provisions of these Regulations, if the Commission, in view of the special circumstances of a matter or a class of matters, deems it just or expedient for deciding such matter or class of matters."

In view of the special circumstances in this case, in exercise of powers conferred by the above stated

Regulation, the Commission finds it prudent to deviate from the methodology stipulated in the UERC Tariff Regulations, 2021 for approval of normative A&G expenses for the Fourth Control Period from FY 2022-23 to FY 2024-25 to the extent of consideration of actual employee expenses for the preceding five years.

In view of the above, the Commission computed the normative A&G expenses for the Fourth Control Period based on the average of actual A&G expenses from FY 2018-19 to FY 2020-21 after adjusting it for Petition filing fees, Insurance expenses, ERP expenses and security expenses. The average expenses for the three years have been considered as base expenses for the middle year i.e. FY 2019-20. The normative expenses thus arrived has then been escalated by WPI inflation true up for FY 2019-20 to FY 2021-22 to arrive at the normative expenses for FY 2022-23. The gross A&G expenses so arrived for FY 2022-23, have been considered for calculating the A&G expenses for Second and Third year of the Fourth Control Period considering the WPI inflation of 2.42%. The Commission has then added the insurance expenses, ERP expenses, Petition filing fees, security expenses and has approved the A&G expenses for the Fourth Control Period."

In line with the above approach the Commission has projected the A&G expenses for FY 2024-25. The normative A&G expenses approved by the Commission for FY 2024-25 is shown in the **Table** below:

Table 4.21: A&G Expenses approved for 9 LHPs for FY 2024-25 (Rs. Crore)

Name of the Generating Stations	FY 2024-25	
	Claimed	Approved
Dhakrani	3.98	2.72
Dhalipur	3.90	2.61
Chibro	12.36	9.77
Khodri	8.77	6.30
Kulhal	3.29	2.40
Ramganga	9.15	6.70
Chilla	9.38	6.80
MB-I	7.12	4.57
Khatima	2.76	2.15
Total	**60.70**	**44.02**

4.3.7.4 *O&M expenses*

Based on above discussions, the O&M expenses approved by the Commission for FY 2024-25 is as shown in the **Table** below:

Table 4.22: O&M Expenses approved for 9 LHPs for FY 2024-25 (Rs. Crore)

Name of the Generating Stations	FY 2024-25		
	MYT Order dated 31.03.2022	Claimed	Approved
Dhakrani	23.47	26.72	20.16
Dhalipur	22.09	28.63	22.77

Table 4.22: O&M Expenses approved for 9 LHPs for FY 2024-25 (Rs. Crore)

Name of the Generating Stations	FY 2024-25		
	MYT Order dated 31.03.2022	Claimed	Approved
Chibro	82.11	88.03	83.61
Khodri	47.02	54.52	48.35
Kulhal	21.45	29.02	22.16
Ramganga	49.80	55.34	50.75
Chilla	65.00	71.35	65.65
MB-I	43.49	55.18	43.45
Khatima	22.97	24.83	23.01
Total	**377.39**	**433.61**	**379.90**

B. Maneri Bhali-II

The Commission has adopted the same approach as discussed above in case of 9 LHPs. Further, the Commission in the MYT Order observed that the actual k factor is less than 1% for MB-II, and therefore, the Commission had restricted K factor for DRIP works as approved for normal add capitalisation works. The Commission in line with its approach adopted in MYT Order dated 31.03.2022 has approved the O&M expenses for MB-II for FY 2024-45 as shown below:

Table 4.23: O&M Expenses approved for MB-II for FY 2024-25 (Rs. Crore)

Particulars	FY 2024-25		
	MYT Order dated 31.03.2022	Claimed	Approved
Employee Expenses	35.49	44.68	35.60
R&M Expenses	21.76	23.73	23.03
A&G Expenses	12.59	17.42	14.88
Total	**69.84**	**85.83**	**73.51**

4.3.8 ***Interest on Working Capital***

A. Old Nine Generating Stations

The Petitioner submitted that the interest on working capital has been proposed in accordance with the Regulation 33 of UERC Tariff Regulations, 2021.

Regulation 33 of UERC Tariff Regulations, 2021 specifies as follows:

"Rate of interest on working capital shall be on normative basis and shall be equal to the weighted average of 'one year Marginal Cost of Funds based Lending Rate (MCLR)' as declared by the State Bank of India from time to time for the financial year in which the application for determination of tariff is made plus 350 basis poIs".

…

b) In case of hydro power generating stations and transmission system and SLDC, the working capital shall cover:

(i) Operation and maintenance expenses for one month;

(ii) Maintenance spares @ 15% of operation and maintenance expeand

(iii) Receivables equivalent to two months of the annual fixed charges."

The Petitioner submitted that it has considered the rate of interest on working capital, i.e. prevailing weighted average of 'One year marginal Cost of funds based lending rate (MCLR) as declared by the State Bank of India from time to time for the financial year in which the application for determination of tariff is made, i.e. in accordance with the Regulations.

The Petitioner has submitted documentary proof towards rate of interest on working capital considered in accordance with the aforementioned regulation as 12.08% for FY 2024-25.

The Commission has determined the interest on working capital for FY 2024-25, i.e. in accordance with the aforesaid Regulations and the same is as discussed below.

4.3.8.1 ***One Month O&M Expenses***

One month O&M expenses has been considered by the Commission based on the approved annual O&M expenses for FY 2024-25, i.e. in accordance with the UERC Tariff Regulations, 2021.

4.3.8.2 ***Maintenance Spares***

The Commission has considered the maintenance spares as 15% of the approved annual O&M expenses in accordance with UERC Tariff Regulations, 2021 for FY 2024-25.

4.3.8.3 ***Receivables***

The Commission has approved the receivables for two months based on the approved AFC for FY 2023-24, i.e. in accordance with the UERC Tariff Regulations, 2021.

Based on the above, the Commission computed total working capital requirement of the Petitioner for FY 2024-25. Further, the Commission has considered the rate of interest on working capital as 11.30%, i.e. the prevailing weighted average of 'One year marginal Cost of funds based lending rate (MCLR)' as declared by the State Bank of India from time to time for the financial year in which the application for determination of tariff is made, i.e. 7.80% plus 350 basis points.

Accordingly, the interest on working capital for FY 2024-25 is shown in the **Table** below:

Table 4.24: Interest on Working Capital for 9 LHPs for FY 2024-25 (Rs. Crore)

Generating Station	1-month O&M Expenses	Maintenance Spares@15% of O&M	2 months Receivables	Total Working Capital	Interest on Working Capital	
					Claimed	Approved
Dhakrani	1.68	3.02	4.61	9.31	1.48	1.05
Dhalipur	1.90	3.42	8.24	13.55	2.14	1.53
Chibro	6.97	12.54	17.73	37.24	4.82	4.21
Khodri	4.03	7.25	10.01	21.29	2.95	2.41
Kulhal	1.85	3.32	5.18	10.35	1.66	1.17
Ramganga	4.23	7.61	10.12	21.96	3.00	2.48
Chilla	5.47	9.85	17.42	32.73	4.24	3.70
MB-I	3.62	6.52	15.21	25.35	3.76	2.86
Khatima	1.92	3.45	7.58	12.95	1.70	1.46
Total	**31.66**	**56.98**	**96.10**	**184.75**	**25.74**	**20.87**

B. Maneri Bhali-II

As regards the interest on working capital for MB-II, the Commission has computed the same based on the Regulation 33 of the UERC Tariff Regulations, 2021 and considering the prevailing weighted average of 'One year marginal Cost of funds based lending rate (MCLR) as declared by the State Bank of India from time to time for the financial year in which the application for determination of tariff is made, i.e. 11.30%. The summary of the interest on working capital for MB-II for FY 2024-25 is shown in the **Table** below:

Table 4.25: Interest on Working Capital for MB-II for FY 2024-25 (Rs. Crore)

Generating Station	1 month O&M Expenses	Maintenance Spares@15% of O&M	2 months Receivables	Total Working Capital	Interest on Working Capital	
					Claimed	Approved
MB-II	6.15	11.06	34.51	51.45	7.24	5.84

4.3.9 ***Non-Tariff Income***

A. Old Nine Generating Station

Regulation 46 of UERC Tariff Regulations, 2021 specifies as follows:

"46. Non-Tariff Income

The amount of non-tariff income relating to the Generation Business as approved by the Commission shall be deducted from the Annual Fixed Charges in determining the Net Annual Fixed Charges of the Generating Company.

Provided that the Generating Company shall submit full details of its forecast of non-tariff *income to the Commission in such form as may be stipulated by the Commission from time to time.*

The indicative list of various heads to be considered for non-tariff income shall be as under;

a) *Income from rent of land or buildings;*

b) *Income from sale of scrap;*

c) *Income from statutory investments;*

d) *Interest on delayed or deferred payment on bills;*

e) *Interest on advances to suppliers/contractors;*

f) *Rental from staff quarters;*

g) *Rental from contractors;*

h) *Income from hire charges from contactors and others;*

i) *Income from advertisements, etc.;*

j) *Any other non- tariff income.*

Provided that the interest earned from investments made out of Return on Equity corresponding to the regulated business of the Generating Company shall not be included in Non-Tariff Income."

The Petitioner has proposed Non-Tariff Income of Rs. 4.46 Crore FY 2024-25 which was approved as Rs. 4.47 Crore by the Commission in its MYT Order dated March 31, 2022. The Commission has considered the Petitioner's claim. The same shall, however, be Trued-up based on the actual audited accounts for the respective year.

The Commission directs the Petitioner to maintain a separate account for investing funds from Return on equity.

Table 4.26: Non-Tariff Income for 9 LHPs for FY 2024-25 (Rs. Crore)

Name of the Generating Stations	MYT Order dated 31.03.2022	Claimed	Approved
Dhakrani	0.42	0.42	0.42
Dhalipur	0.85	0.85	0.85
Chibro	1.11	1.11	1.11
Khodri	0.47	0.47	0.47

Table 4.26: Non-Tariff Income for 9 LHPs for FY 2024-25 (Rs. Crore)

Name of the Generating Stations	MYT Order dated 31.03.2022	Claimed	Approved
Kulhal	0.12	0.12	0.12
Ramganga	0.37	0.37	0.37
Chilla	0.70	0.70	0.70
MB-I	0.32	0.32	0.32
Khatima	0.10	0.10	0.10
Total	**4.47**	**4.46**	**4.46**

B. Maneri Bhali-II

The Petitioner has proposed Non-Tariff Income of Rs. 0.73 Crore for FY 2023-24 as approved by the Commission in MYT Order dated March 31, 2022. The Commission has considered the same approach as considered for 9 LHPs. The same shall, however, be Trued-up based on the actual audited accounts for the respective year.

Table 4.27: Non-Tariff Income for MB-II for FY 2023-24 (Rs. Crore)

Name of the Generating Station	MYT Order dated 31.03.2022	Claimed	Approved
MB-II	0.73	0.73	0.73

4.3.10 ***Annual Fixed Charges, Capacity Charge and Energy Charge Rate (ECR) for the FY 2024-25***

A. Old nine Generating Stations

Based on the above analysis for all the heads of expenses of AFC, the Commission has approved the Annual Fixed Charges (AFC) of UJVN Ltd. for FY 2024-25 attributable to its two beneficiaries.

The Commission has allocated the AFC among the two beneficiaries of the Petitioner, viz. UPCL and HPSEB Ltd., based on their share in Dhakrani, Dhalipur, Chibro, Khodri and Kulhal and 100% on UPCL for other Plants. Further, as discussed above, the Commission has adjusted the entire Non-Tariff Income in the AFC of UPCL.

Regulation 50 of UERC Tariff Regulations, 2021 specifies as follows:

"50. Computation and Payment of Capacity Charges and Energy Charges for Hydro Generating Stations

(1) The Annual Fixed Charges of Hydro Generating Station shall be computed on annual basis, based on norms specified under these Regulations, and recovered on monthly basis under capacity charge (inclusive of incentive) and Energy Charge, which shall be payable by the beneficiaries in proportion to their respective percentage share/allocation

in the saleable capacity of the generating station, i.e. in the capacity excluding the free power to the home State.

(2) *The capacity charge (inclusive of incentive) payable to a hydro generating station for a calendar month shall be:*

AFC x 0.5 x NDM / NDY x (PAFM / NAPAF) (in Rupees)
Where,
AFC = Annual fixed cost specified for the year, in Rupees.
NAPAF= Normative Plant availability factor in percentage
NDM= Number of days in the month
NDY= Number of days in the year
PAFM = Plant availability factor achieved during the month, in Percentage

(3) *The PAFM shall be computed in accordance with the following formula:*

$PAFM = 10000\ x \sum_{i=1}^{N} DCi/\{N\ x\ IC\ x\ (100 - Aux)\}\%$
Where,
AUX= Normative auxiliary energy consumption in percentage
DCi = Declared capacity (in ex-bus MW) for the ith day of the month which the station can deliver for at least three (3) hours, as certified by the Uttarakhand State Load Despatch Centre after the day is over.
IC= Installed capacity (in MW) of the complete generating station
N= Number of days in the month

(4) *The Energy Charge shall be payable by every beneficiary for the total energy supplied to the beneficiary, during the calendar month, on ex-power Plant basis, at the computed Energy Charge rate. Total Energy Charge payable to the Generating Company for a month shall be:*

(Energy Charge Rate in Rs./kWh) x {Energy supplied (ex-bus)} for the month in kWh} x (100- FEHS)/100

(5) *Energy Charge Rate (ECR) in Rupees per kWh on ex-power Plant basis, for a Hydro Generating Station, shall be determined up to three decimal places based on the following formula, subject to the provisions of sub-Regulation (7):*

ECR = AFC x 0.5 x 10 / {DE x (100 – AUX) x (100 –FEHS)}

Where,

DE = Annual Design Energy specified for the hydro generating station, in MWh,.

FEHS = Free Energy for home State, in percent, as applicable"

In accordance with the above Regulations, the Annual Fixed Charge (AFC), Capacity Charges and Energy Charge Rate for FY 2024-25 for 9 LHPs as approved by the Commission is shown in the **Table** below:

Table 4.28: Approved AFC of 9 LHPs of UJVN Ltd. for FY 2024-25 (Rs. Crore)

Generating Station	Depreciation	Interest on Loan	Interest on working Capital	O&M Expenses	RoE	Gross Annual Fixed Cost	Gross AFC (UPCL)	Non-Tariff Income	Net AFC (UPCL)	Gross/Net AFC (HPSEB Ltd.)
Dhakrani	2.34	2.74	1.05	20.16	1.79	28.08	21.06	0.42	20.64	7.02
Dhalipur	8.95	8.21	1.53	22.77	8.83	50.29	37.72	0.85	36.87	12.57
Chibro	6.69	4.44	4.21	83.61	8.54	107.49	80.62	1.11	79.51	26.87
Khodri	2.76	1.48	2.41	48.35	5.55	60.55	45.41	0.47	44.94	15.14
Kulhal	2.74	2.48	1.17	22.16	2.66	31.21	24.97	0.12	24.85	6.24
Ramganga	2.68	1.22	2.48	50.75	3.97	61.10	61.10	0.37	60.73	-
Chilla	11.06	10.35	3.70	65.65	14.45	105.20	105.20	0.70	104.50	-
MB-I	11.73	15.91	2.86	43.45	17.63	91.59	91.59	0.32	91.27	-
Khatima	8.53	5.13	1.46	23.01	7.44	45.58	45.58	0.10	45.48	-
Total	**57.49**	**51.97**	**20.87**	**379.90**	**70.86**	**581.09**	**513.24**	**4.46**	**508.78**	**67.84**

The summary of Capacity Charge and Energy Charge Rate (ECR) for 9 LHPs for FY 2024-25 is as given in the **Table** below:

Table 4.29: Approved Capacity Charge and Energy Charge Rate for 9 LHPs for FY 2024-25

Generating Station	Net AFC (UPCL) (Rs. Cr.)	Capacity Charge (UPCL) (Rs. Cr.)	Saleable Primary Energy (UPCL) (MU)	Energy Charge Rate (UPCL) (Rs./kWh)	Gross/ Net AFC (HPSEB Ltd.) (Rs. Cr.)	Capacity Charge (HPSEB Ltd.) (Rs. Cr.)	Saleable Primary Energy (HPSEB Ltd.) (MU)	Energy Charge Rate (HPSEB Ltd.) (Rs./kWh)
Dhakrani	20.64	10.32	112.34	0.919	7.02	3.51	37.45	0.937
Dhalipur	36.87	18.44	136.11	1.354	12.57	6.29	45.37	1.386
Chibro	79.51	39.75	539.53	0.737	26.87	13.44	179.84	0.747
Khodri	44.94	22.47	249.01	0.902	15.14	7.57	83.00	0.912
Kulhal	24.85	12.42	118.30	1.050	6.24	3.12	29.57	1.055
Ramganga	60.73	30.36	308.82	0.983	-	-	-	-
Chilla	104.50	52.25	552.04	0.947	-	-	-	-
MB-I	91.27	45.64	473.22	0.964	-	-	-	-
Khatima	45.48	22.74	233.23	0.975	-	-	-	-
Total	**508.78**	**254.39**	**2,722.61**	**0.934**	**67.84**	**33.92**	**375.24**	**0.904**

In accordance with the provisions of the Regulations, the secondary energy rate shall be equal to the rate derived based on the original design energy and shall be applicable when the Saleable Primary Energy exceeds the Saleable Original Design Energy. In case the rate exceeds Rs. 0.90/kWh, the secondary energy rate shall be equal to Rs. 0.90/kWh. The Petitioner shall not be entitled for any ECR recovery for energy generation above Revised Saleable Design Energy of respective LHPs and up to original Saleable Original Design Energy.

B. Maneri Bhali-II

Based on the analysis of all the heads of expenses of AFC, the Commission has approved the Annual Fixed Charges (AFC) for MB-II for FY 2024-25. The Commission, to arrive at the Net AFC for MB-II, has adjusted the Non-Tariff Income from the gross AFC of MB-II. The summary of Annual Fixed Charge, Capacity Charge and Energy Charge rate for MB-II for FY 2024-25 is given in the **Table** below:

Table 4.30: Approved AFC, Capacity Charge and Energy Charge Rate for MB-II for FY 2024-25

Depreciation	Interest on Loan (Rs. Cr.)	Interest on working Capital Rs. Cr.)	O&M Expenses Rs. Cr.)	RoE (Rs. Cr.)	Gross Annual Fixed Cost (Rs. Cr.)	Non-Tariff Income (Rs. Cr.)	Net AFC (Rs. Cr.)	Capacity Charge (Rs. Cr.)	Saleable Primary Energy (MU)	Energy Charge Rate (Rs./kWh)
47.80	33.98	5.84	73.75	46.40	207.78	0.73	207.05	103.52	1278.09	0.810

In accordance with the provisions of the Regulations, the secondary energy rate shall be equal to the rate derived based on the original design energy and shall be applicable when the Saleable Primary Energy exceeds the Saleable Original Design Energy. In case the rate exceeds Rs. 0.90/kWh, the secondary energy rate shall be equal to Rs. 0.90/kWh. The Petitioner shall not be entitled for any ECR recovery for energy generation above Revised Saleable Design Energy of 1278.09 MU and up to Saleable Original Design Energy of 1544.44 MU.

C. Vyasi LHP

UJVN Ltd. vide its letter No. 118/UJVNL/03/D(P)/D-5 dated 30.011.2023 had also filed a **Petition for approval of Project Cost & Annual Fixed Charges for FY 2022-23, FY 2023-24 & FY 2024-25 for Vyasi Hydro Power Project (2x60 MW)** in addition to its 10 LHPs Petitions**.**

In this regard, earlier, the Commission vide its Order dated 09.11.2022 had allowed provisional Tariff of Rs. 7.60 /Unit for Vyasi LHP to meet/recover the expenses till determination of final Tariff.

The Commission opines that capital cost determination/scrutiny is a vital exercise which is required to be undertaken prior to taking any decision w.r.t. the AFC for FY 2022-23, FY 2023-24 & FY 2024-25 of Vyasi LHP.

The Commission shall take decision on the AFC for Vyasi LHP once the capital cost determination/scrutiny is finalized.

5 Commission's Directives

5.1 Compliance to the Directives Issued in Order dated 05.04.2010.

5.1.1 *Transfer Scheme*

The Commission in its Tariff Order dated 05.04.2010 and in its subsequent Orders gave suitable directions to expedite finalisation of the Transfer Scheme. In compliance, the Petitioner in its APR Petition for FY 2014-15, submitted the initiatives taken by it to finalize the Transfer Scheme. Accordingly, the Commission in its APR Order dated 10.04.2014 had directed the Petitioner as under:

"The Commission directs UJVN Ltd. that till the time transfer scheme is finalised it should submit the quarterly progress report to the Commission"

In this regard, the Commission in its Tariff Order dated March 30, 2023, directed the Petitioner to closely follow up the pending issues and submit quarterly status report to the Commission. The Commission further re-iterated that there has been an inordinate delay in the finalization of the Transfer Scheme, which is attributable to the Petitioner, hence, any consequential claim arising due to finalization of the Transfer Scheme shall be considered on merits by the Commission without any carrying cost on the same.

In compliance to the same, UJVN Ltd., vide its letter dated January 18, 2024 under quarterly progress report on Transfer Scheme submitted that a meeting between Chief Secretaries of Uttarakhand and Uttar Pradesh was held on 17.08.2019 at Dehradun, wherein following was discussed:

"GPF Trust Liability

During the meeting, both the states agreed to the principal amount of GPF payable by UPPCL to UPCL/ UJVNL for Rs. 162.14 crore, which includes Rs. 42.64 crore towards opening balance of principal amount of GPF recoverable by UJVNL. It was further agreed that UPPCL shall pay Rs. 1.56 crore (Net) to UPCL after adjustment of Rs. 160.58 crore for amount payable by UPCL to UPPCL for revenue dues. The matter of Interest on GPF recoverable by UJVNL is not yet settled. UJVNL has received Rs. 21.14 crores from UPCL and the balance of Rs. 21.50 crore towards opening balance of GPF is recoverable from UPCL. Regular follow up with UPCL is being made by UJVNL in this regard.

LIC Loan Liabilities

That the matter of LIC loan liability shall be referred for reconsideration by Uttarakhand State to Government of India. In this regard, a letter has already been sent by Hon'ble Chief Minister of Uttarakhand to Government of India vide Letter no. 693/I/2021-04(03)/2003 dated 04.10.2021 and Letter No. 437/I/2019-04(03)/20/2003 dated 01.04.2019."

The Commission notes that the Petitioner, previously vide its letter dated March 14, 2023 apprised the Commission that the transfer scheme has been finalised except LIC loan liabilities but no update has been provided in this regard.

The Commission, therefore, **directs the Petitioner to closely follow up the pending issues and submit quarterly status report to the Commission. The Commission further re-iterates that there has been an inordinate delay in the finalization of the Transfer Scheme, which is attributable to the Petitioner, hence, any consequential claim arising due to finalization of the Transfer Scheme shall be considered on merits by the Commission without any carrying cost on the same.**

5.1.2 *Design Energy*

With respect to the Design Energy of 9 LHPs, the Commission in its MYT Order dated 06.05.2013 and its subsequent Orders directed the Petitioner to expedite the process of arranging the Detailed Project Report for each of its hydro generating stations and submit the same to the Commission. Further, considering that there is no progress in the actual status of the same, the Commission in its Order dated March 30, 2023 again directed the Petitioner to nominate/depute senior officers to pursue the above matter personally with appropriate authorities to arrange the DPR for each of its 9 Large Hydro Generating Stations along with the next Tariff Petition.

In compliance to the same, UJVN Ltd. vide reply dated March 1, 2024 submitted that efforts are being made to trace out the Original DPRs of old LHPs of UJVN Ltd. However, no DPR except Chibro and Khodri could be found, which have already been submitted to the Commission. In case the DPR of any of the other Plants becomes available the same shall be submitted with the Commission. However, new DPRs of project under RMU have been submitted with the Hon'ble UERC for kind consideration and approval.

The Commission has noted the submissions of the Petitioner; however, it is of the view that the Petitioner has made no progress from past many years. Therefore, **the Commission again directs**

the Petitioner to nominate/depute senior officers to pursue the above matter personally with appropriate authorities to arrange the DPR for each of its 9 Large Hydro Generating Stations along with the next Tariff Petition.

5.2 Directives specifically issued in Meeting dated 04.09.2013

5.2.1 *Status of upcoming projects*

The Commission in its previous Tariff Orders had been directing the Petitioner to submit quarterly progress report of the upcoming projects, without fail.

The Petitioner has submitted the quarterly progress report as of December 2023 vide its letter no. M-38 dated 18.01.2024.

The Commission directs the Petitioner to continue submitting the quarterly progress report on status of all upcoming projects without fail.

5.2.2 *Utilisation of Expenses approved by the Commission*

As per directions issued by the Commission in the previous Tariff Orders, UJVN Ltd. has been submitting the Annual Budget after approval from Audit Committee/BoD for the ensuing year for each Plant.

The Petitioner has submitted the Annual Budget for the FY 2023-24 vide its letter no. M-754 dated 05.07.2023.

The Commission noted the delayed submission for FY 2023-24 and directs the Petitioner to continue submitting the annual budget for future financial years by 31st May of the respective financial year.

5.3 Compliance to the Directives Issued in Tariff Order dated 29.03.2017

5.3.1 *RMU works of Khatima LHP*

The Commission in its investment approval dated 17.05.2015 had given in-principle approval of Rs. 256 Crore towards RMU works subject to prudence check. In this regard, the Commission in its Tariff Order dated 29.03.2017 had directed the Petitioner to submit the audited RMU expenses as on date of completion of RMU works along with details of de-capitalisation in respect of the same as soon as the same is available including quantity.

In compliance to the directives issued in this regard, in the previous Tariff Orders, the Petitioner submitted that RMU of machines had already completed in 2016, however, some civil works related to upstream and downstream were pending, which pertained to UPID and submitted that the efforts were made in the past to complete the said civil works through UPID. The Petitioner further submitted that UPID in meeting dated June 28, 2018 agreed to submit their estimates in this regard and communication to obtain the estimates and finalize the work was going on. Further, the Petitioner vide its letter dated February 18, 2021 submitted copies of recent communication held between August, 2019 and February, 2020 with UPID to discuss regarding the works to be carried out by UPID.

The Commission took note of the submissions of the Petitioner and further directed the Petitioner vide its Order dated April 26, 2021 to complete all the works covered under RMU of Khatima as soon as possible by making its best possible efforts and with regard to the pending works related to the safety of the Plant, the Commission again cautions that any occurrence of damage in future due to delay in execution of the works shall solely be attributable to UJVN Ltd.

Further, the Commission, after considering the submission made by the Petitioner during Truing-up of FY 2020-21, had directed the Petitioner to complete all the works covered under RMU of Khatima as soon as possible by making its best possible efforts and with regard to the pending works related to the safety of the Plant, the Commission again cautions that any occurrence of damage in future due to delay in execution of the works shall solely be attributable to UJVN Ltd.

The Petitioner in its submission dated October 31, 2022 submitted that *"……In compliance of directives, meetings were held between UPID and UJVN Ltd. on 14.12.2019 and 16.12.2021 detailed estimate of revised works were submitted to UJVN Ltd. by UPID vide letter number 733 dated 02.02.2022. After making corrections in estimates pointed out by UJVN Ltd., UPID again submitted the revised estimates to UJVN Ltd. vide letter no. 3358 dated 18.05.2022. These estimates are to be submitted for concurrence and approval from management and Hon'ble UERC. Status report has also been submitted to higher authorities vide letter no. 86/UJVNL/01/MD Office/EE (C-Lohiahead)/O-7 Dated 09.06.2022."*

The Petitioner vide its reply dated 01.03.2024 submitted that the RMU of Machines of Khatima has already been completed in 2016. However, it is making its utmost efforts for completing the remaining civil works related to upstream and downstream.

The Commission has noted the submissions of the Petitioner and **again directs the Petitioner to complete all the works covered under RMU of Khatima as soon as possible by making its best possible efforts and with regard to the pending works related to the safety of the Plant, the Commission again cautions that any occurrence of damage in future due to delay in execution of the works shall solely be attributable to UJVN Ltd.**

5.3.2 *Non-Tariff Income*

The Commission in its Tariff Order dated 29.03.2017 observed that most of the 9 LHPs are under RMU, which involves replacement of old and obsolete equipment, which would be eventually disposed, as it gets de-capitalised. In this regard, the Commission in its Tariff Order dated 29.03.2017 had directed the Petitioner to maintain proper accounting with regard to disposal of such assets including sale of scrap and submit the same separately along with subsequent tariff filings.

The Commission, during the previous True-up proceedings observed that the Petitioner complied with the direction and submitted the details of the same. Further, the Commission had been directing the Petitioner to maintain proper accounting with regard to disposal of such assets including sale of scrap and submit the same separately along with subsequent tariff filings.

The Petitioner has submitted the details of sale of scrap for FY 2022-23 against 10 LHPs as 1.878 Crore as per apportionment philosophy of 95:05 (11 LHPs : SHPs) along with its instant Petition.

Previously, the Commission had taken a note that the sale of scrap amount is part of salvage value of 10% and the same is allowed to be kept with the utility and with approved allocation philosophy the sale of scrap for FY 2022-23 is of Rs 1.875 Crore against 10 LHPs.

The Commission **directs the Petitioner to maintain proper accounting with regard to disposal of such assets including sale of scrap and submit the same separately along with subsequent tariff filings and follow the new allocation methodology as approved in Chapter-3 of this order.**

5.4 Compliance to the Directives Issued in Tariff Order dated 21.03.2018

5.4.1 *Balance Capital Works of MB-II LHP*

As per Tariff Order dated 30.03.2023, **the Commission had decided to close the account of works proposed under Balance Capital Works** and the remaining works of the Petitioner would be considered under normal additional capitalisation subject to prudence check.

With regard to Testing of Surge Shaft Gate, the Commission observes that there has been no progress and these works are very important with respect to safety of the Plant and delaying of such works may be catastrophic from Plant safety perspective, the Petitioner previously submitted that the said works requires tunnel closure and proposes to take up the work as and when the complete tunnel closure is planned in future.

The Commission observed that the Petitioner has not projected any expenditure against "Testing of Surge Shaft Gate" in FY 2023-24 or FY 2024-25**. In this regard, the Commission directs the Petitioner to complete the works for testing of Surge shaft gate as soon as possible and cautions that any occurrence of damage to safety of the MB-II plant in future due to delay in execution of the testing of surge shaft gate shall be solely attributable to UJVN Ltd.**

5.5 Compliance to the Directives Issued in Tariff Order dated 18.04.2020

5.5.1 *Insurance Claim of Chilla LHP due to flooding event in July 13, 2018*

The Commission during the True-up proceedings for FY 2018-19 observed that the Petitioner had taken insurance for breakdown cover for Chilla LHP and the claim recovery was under progress with the expected claim of around Rs. 25.00 Crore. Accordingly, the Commission in its previous Tariff Orders dated 18.04.2020, 22.04.2021, 31.03.2022 & 30.03.2023 had been directing the Petitioner to submit the details of final Insurance claim received in the next Tariff proceedings. However, the claim is yet to be settled between the Petitioner and the M/s Oriental Insurance Company Ltd.

The petitioner vide its reply dated February 03, 2023 and February 24, 2023 had submitted that total claim of petitioner of Rs. 32.77 Crore was categorized into two categories, viz. generation loss of Rs. 12.13 crore and material damage of Rs. 20.64 Crore and the insurance company has approved and processed only Rs. 10.05 Crore against UJVN Ltd.'s claim of Rs. 20.64 Crore.

In this regard, the Commission vide its letter dated 15.12.2023, asked the Petitioner to submit the details insurance claim of Chilla LHP as the claim against material loss/generation loss was pending with the insurance company. The Petitioner vide its reply dated 08.01.2024 shared the following details:

Head	Amount Settled (Rs. Cr.)	Amount Received (Rs. Cr.)	Received on	Remarks
Material Damage	9.98	1) 4.96 2) 2.59 3) 2.44	07.12.2021 23.03.2022 18.01.2023	
	1.58	1.58	02.04.2022	Against Salvage through Auction
Business Interruption (FLOP)	-	-	-	Loss of Rs. 2.85 Cr. has been assessed by Surveyor and accepted by UJVN Ltd. but has not been settled as on February, 2024.

Further, the Commission vide its letter dated 15.02.2024 had sought the present status of pending insurance claim of Rs. 2.85 Crore and petitioner vide reply dated 01.03.2024 had submitted that the payment of Rs. 2.85 Crore against business interruption loss of Chilla LHP is yet to be received from M/s Oriental Insurance Company Limited, New Delhi.

The Commission observed that the claim is in final stages, however the claims are yet to be settled. Therefore, **the Commission again directs the Petitioner to expedite the claim process and submit the details of final Insurance claim received in the next Tariff proceedings.**

5.5.2 *Impact of NGT Order dated August 9, 2017 on Design Energy*

The Commission in its Tariff Order dated 30.03.2023 had directed the Petitioner:

"… to maintain separate discharge data of rivers as well as the data of mandatory discharges being released in compliance to NGT/NMCG Order and any other data to substantiate the impact.

Further, the Petitioner shall submit the data at the time of truing-up of FY 2022-23 and also for subsequent years, thereafter, appropriate view will be taken by the Commission in this regard after carrying out due prudence check"

Accordingly, the Petitioner vide its instant Petition has submitted that the actual generation loss due to E-flow released by the Petitioner as per NGT Order dated 09.08.2017 and NMCG Order dated 10.10.2018 and 14.09.2019 for FY 2022-23 is 496.86 MU against 8 LHPs namely Chibro, Khodri, Dhakrani, Dhalipur, Kulhal, MB-I, Chilla and MB-II.

UJVN Ltd. in its submission confirmed that in the computation of generation loss due to E-Flow, i.e. 496.86 MU for FY 2022-23, does not include any other loss and that there is no overlapping of the generation loss.

From the submission of the Petitioner, it is observed that consolidated actual gross generation is even higher than the design energy approved in the MYT Order. It is further observed that Dhalipur was under RMU, yet the generation from the said LHPs was higher than the design energy approved in MYT Order. Moreover, it is observed that consolidated actual gross generation is even higher than the Design Energy approved in the MYT Order. Therefore, the actual data do not compel as of now for further relaxation in the design energy for recovery of energy charges as proposed by the Petitioner for FY 2022-23.

Therefore, the Commission decides to consider the Revised Design Energy and Saleable Primary Energy as approved in the Commission's Order dated February 27, 2019. However, with regard to MB-II, the Commission has considered the Design Energy and Saleable Primary Energy as 1291 MU and 1278.09 MU respectively as approved for the Third Control Period in Order dated April 18, 2020 based on the recommendations of Expert Consultant's Report.

The Commission further directs the Petitioner to maintain separate discharge data of rivers as well as the data of mandatory discharges being released in compliance to NGT/NMCG Order and any other data to substantiate the impact.

Further, the Petitioner shall submit the data at the time of Truing-up of FY 2023-24 and also for subsequent years, thereafter, appropriate view will be taken by the Commission in this regard after carrying out due prudence check.

5.6 Compliance to the Directives Issued in Tariff Order dated 26.04.2021

5.6.1 *Delay in completion of RMU works*

The Commission during the proceedings of the AFC for FY 2022-23 observed that the status of the RMU works were undergoing in variation with the schedule proposed during the MYT proceedings for Fourth Control Period with significant delay. In this regard, the Commission directed the Petitioner to ensure the completion of RMU works without any further delay as the generation loss as well as revenue loss occur on account of the same. Further with regard to the reasons for delay, the Commission would be considering the same during the prudence check at the time of Truing-up of the respective expenditures.

In compliance to the above, the Petitioner in its submission dated March 01, 2024, submitted that it has completed the RMU works of Tiloth and Dhalipur power Stations in spite of unprecedented Covid-19 pandemic and consequent restrictions. The Petitioner also submitted that it is making all efforts for completion of ongoing RMU works of Dhakrani and Chilla.

The Commission has taken note of the submission made by the Petitioner and **the Commission directs the Petitioner to ensure that the RMU works are to be completed without any further delay thereby reducing the generation and revenue loss on account of the same.**

5.7 Compliance to the Directives Issued in Tariff Order dated 31.03.2022

5.7.1 *Solar Energy Business*

The Petitioner has planned to add 111.75 MW of Solar Power Plants in ensuing years and as per the implementation schedule submitted by the Petitioner mostly addition is during the Fourth Control Period. In this regard, the Petitioner is cautioned to take extreme care with regard to BOO/BOOT Schemes and it should safeguard its commercial interests.

The Commission in its MYT Order dated March 31, 2022 had directed the Petitioner to ensure that expenses incurred on account of Solar power evacuation should be borne by the developer and any financial implication on account of Solar Power Plants should not be included in its AFC of respective LHPs.

In compliance to the above, the Petitioner has submitted that they are not claiming the expenses incurred on solar unit in the instant Petitions. Therefore, **the Commission again directs the Petitioner to ensure that expenses incurred on account of Solar power evacuation should be borne by the developer and any financial implication on account of Solar Power Plants should not be included in its AFC of the respective LHPs.**

5.7.2 *Auxiliary Energy Consumption*

The Petitioner is to comply with the Regulation 3(8) of the UERC Tariff Regulations, 2021 and record Auxiliary Energy Consumption separately for Sewage Treatment Plants (STPs) for its 10 LHPs/Dams/Barrages. UJVN Ltd. has submitted that the necessary arrangement for recording it separately will be done. The Commission took note of the submission and directed UJVN Ltd. to submit the actual figures of Auxiliary consumption in line with the aforesaid regulation during Fourth Control Period.

Also, the Commission in its MYT Order dated March 31, 2022 & Tariff Order dated March 30, 2023 directed the Petitioner to ensure correct energy accounting of the Auxiliary Energy Consumption at its Dams/Barrages and their apportionment amongst respective LHPs as per apportionment philosophy/methodology.

In compliance to the above, the Petitioner submitted that they have taken necessary measures for correct energy accounting of the Auxiliary Energy Consumption at Dams/Barrages and their apportionment amongst respective LHPs as per the apportionment methodology is being done. In this regard the Petitioner vide its submission dated March 01, 2024 has attempted to furnish the details of Auxiliary Energy Consumption in Plant/Dam/Barrage/STP. However, it was observed that the Auxiliary Energy Consumption in STP of Chilla LHP is not being accounted separately.

Therefore, **the Commission again directs the Petitioner to ensure correct energy accounting of the Auxiliary Energy Consumption at its Dams/Barrages and their apportionment amongst respective LHPs as per apportionment philosophy/methodology.**

5.7.3 *Release of SoR*

The Commission in its MYT Order dated March 31, 2022 and Tariff Order dated March 30, 2023 directed the Petitioner to ensure the timely release of SoR of ensuing year, positively by 1st April of the ensuing year and the approved SoR to be uploaded in its websites for ready reference of all Units.

In compliance to the above, the Petitioner vide its submission dated July 5, 2023 furnished copy of SoR for FY 2023-24 and had also uploaded the same in its website.

The Commission has noted the submission of the Petitioner and **directs the Petitioner to release its SoR for the subsequent FY and upload it prior to the commencement of the respective financial year.**

5.7.4 *Decapitalisation Policy*

The Commission in its MYT Order dated March 31, 2022 and Tariff Order dated March 30, 2023 had directed the Petitioner that as a matter of de-capitalisation policy, the Petitioner should carry out de-capitalisation in the same year in which the asset is taken out from its useful service.

In compliance to the above, the Petitioner vide its submission dated 01.03.2024 has submitted that petitioner is taking necessary efforts in carrying out de-capitalisation in the same year in which the asset is taken out from its useful service. Further, the Petitioner has claimed de-capitalisation in Dhakrani, Ramganga, MB-I and Khatima LHPs and a Net add-capitalisation in Dhalipur LHP in FY 2022-23 as discussed in Chapter 3 of this Order.

The Commission directs the Petitioner that as a matter of de-capitalisation policy, the Petitioner should continue to carry out de-capitalisation in the same year in which the asset is taken out from its service.

5.7.5 *Booking under right Asset head*

The Commission in its MYT Order dated March 31, 2022 and Tariff Order dated March 30, 2023 had directed the Petitioner to ensure the booking of items appropriately under relevant head and any expenditure incurred on account of repetition of such instances in future shall be liable for disallowance.

The Commission during the Truing-up of FY 2022-23 has still observed that the Petitioner has failed to comply the directions of the Commission w.r.t the booking of items appropriately under the relevant head as discussed in Chapter 3 of this Order.

With regard to wrong booking of expenses under their respective heads, **the Commission directs the Petitioner to make sincere efforts while booking of its expenses under respective heads i.e., Additional Capitalisation or R&M.**

5.7.6 *Proposed/Planned Additional capitalisation Works*

The Commission in its MYT Order dated March 31, 2022 and Tariff Order dated March 30, 2023 had directed the Petitioner to give priority to those Civil Works which directly/genuinely influence the generation of the Plant or are essentially required for safety of the Plants keeping in view of the budget provision.

In compliance to the above, the Petitioner has submitted that priority is being given to those Civil Works which directly/genuinely influence the generation of the Plant or are essentially required for safety of the Plants.

However, the Commission during True-up of the FY 2022-23 has found work which contravene the above submission of the Petitioner. Therefore, the Commission has disallowed the works which do not fulfill the criteria as set by the Commission. The same is discussed at chapter 3 of this order. The Petitioner is required to ensure not to claim such expenses in its ARR which do not fulfil the criteria as set by the Commission.

Therefore, the Commission again directs the Petitioner to give priority to only those Civil Works which directly/genuinely influence the generation of the Plant or are essentially required for safety of the Plants keeping in view of the budget provision.

5.7.7 *Security Expense under head of Administrative and General Expenses*

The Commission in its MYT Order dated March 31, 2022 and Tariff Order dated March 30, 2023 had directed the Petitioner to furnish cost centre wise details of security expenses in future Tariff/True-up filings.

In compliance to the above, the Petitioner has furnished the details of security expenses in the instant Petitions.

The Commission has noted the Petitioner's submission and **directs the Petitioner to continue furnishing the cost centre-wise details of security expenses in future Tariff/True-up filings as per the new apportionment philosophy.**

5.8 Compliance to the Directives Issued in Tariff Order dated 30.03.2023

5.8.1 *Apportionment of common expenses (Vyasi LHP)*

The Commission in its Tariff Order dated March 30, 2023 directed the Petitioner to adopt sound commercial principles while proposing the revised allocation methodology along with the next Tariff Petition due to addition of a new LHP namely Vyasi LHP.

The Petitioner made its submission by apportioning common expenses in the ratio of 95:05 among 11 LHPs (9 Old LHPs, MB-II & Vyasi) and SHPs respectively. Earlier 95% expenses were allocated among 09 LHPs and MB-II and in the instant Petition, the Petitioner proposed to include Vyasi LHP with other 09 LHPs & MB-II in 95% common expense and further, allocation among LHPs was proposed in ratio of the installed capacity of the plant.

The Commission has reviewed the Petitioner's submission and based on actual O&M expenses, has approved new apportionment philosophy while carrying out the Truing-up of FY 2022-23 as discussed in Chapter-3 of this order i.e. 86:14 for 11 LHPs (9 Old LHPs, MB-II and Vyasi in ratio of the installed capacity of the plant) : SHPs while carrying out the Truing-up of FY 2022-23.

The Commission directs the Petitioner to adopt allocation methodology as approved in this Order for the next Tariff Petition.

5.9 New Directives

5.9.1 *Calculation of PAFY*

The Commission has observed that the Petitioner is claiming the PAFY as per average of 12-months PAFM.

The Commission directs the Petitioner to calculate PAFY on weighted average basis instead of average basis from the next Tariff Petition onwards.

5.9.2 *RMU works of MB-I*

The Commission has observed that some of the works that were planned in DPR for RMU of MB-I are yet to be executed. **The Commission therefore directs the Petitioner to expedite the RMU works and complete the same within the cut-off date i.e. 31.03.2025, beyond which no expense (including IDC) in this regard would be allowed.**

The Commission is also of the view that Hydro-mechanical works and Civils works that are not yet executed pose a risk of increased shut-down times than as assumed in the DPR, thereby reducing the availability of the Plant. **The Commission directs the Petitioner to complete the said works as soon as possible, reduction in PAFY due to delay in execution of the works shall solely be attributable to UJVN Ltd.**

Further, the Petitioner, did not provide the basis for computation of price variation for RMU of Tiloth LHP. The Commission in this tariff order has provisionally considered the hard cost claimed by the Petitioner. **The Commission directs the Petitioner to submit the detailed workings with regard to price variation claimed including the following as on 08.09.2022 and as on 31.03.2023 certified by statutory auditor by June 30, 2024.**

(1) **Details of quantity - original quantity, revised quantity.**

(2) **Details of price – original unit price as considered in LOA and revised unit price after escalation.**

The Petitioner is also directed to submit the details of actual debt, equity & grant infused for the RMU of MB-I LHP and detailed IDC workings on quarterly basis in support of its claimed IDC as on 08.09.2022 duly certified by statutory auditor by June 30, 2024.

5.9.3 *Approval of price-variations in DRIP works*

The Commission has observed that the Petitioner is unable to produce CPMU approvals for works where price variation has occurred for approved DRIP works by the Commission.

The Commission directs the Petitioner to ensure that CPMU approvals are obtained in time for price variations for works executed/being executed under DRIP-II.

5.9.4 *Interest on FDs made from RoE approved by the Commission*

The Commission has gone through the submissions of the Petitioner to substantiate that investment in fixed deposits were made through Return on Equity allowed by the Commission and observes that in several years the Petitioner has negative cash flows on overall basis despite which it has been able to make significant deposits in its FD account during the year. It is also observed that the exception with regard to interest earned from investments made out of Return on Equity corresponding to the regulated business of the Generating Company shall not be included in Non-Tariff Income was introduced by the Commission from the Second Control Period starting FY 2016-17.

The Commission observes that Net Cash availability was positive only in FY 2016-17 and FY 2022-23 which signifies that the Petitioner did not have funds to invest in FDs in years FY 2017-18 to FY 2021-22.

The Commission has closed the issue till FY 2022-23 in this Order and has partially allowed interest on FDs made from RoE discussed in Chapter-3 of this order. From FY 2023-24 onwards the Petitioner must make a better attempt with relativity in numbers to substantiate that such fixed deposits were made through Return on Equity allowed by the Commission.

The Commission directs the Petitioner to maintain a separate account for investing funds from Return on Equity.

The approved AFC of FY 2024-25 shall be recoverable in accordance with the mechanism specified in UERC Tariff Regulations, 2021. The Tariffs approved in this Order shall be applicable from 01.04.2024 and shall continue to apply till further Orders of the Commission.

M. L. Prasad **Member (Technical)**	**D. P. Gairola** **Member (Law) /Chairman (I/c)**

6 Annexures

6.1 Annexure-1: Public Notice

UJVN LIMITED

H.O.: "UJJWAL", Maharani Bagh, G.M.S. Road, Dehradun-248006

Telephones: 0135-2763808, Fax: 0135-2763508

CIN No.U40101UR2001SGC025866, Website:www.ujvnl.com

Letter No. 1291 **PUBLIC NOTICE** Dated 30.12.2023

Inviting Comments on Petitions filed by UJVN Ltd. before the Uttarakhand Electricity Regulatory Commission (Hon'ble Commission) for Truing-up of FY 2022-23, Annual Performance Review for FY 2023-24 & determination of Annual Fixed Charges for FY 2024-25 for its 10 Large Hydro Generating Stations

&

Approval of Capital Cost & determination of Annual Fixed Charges for FY 2022-23, FY 2023-24 & FY 2024-25 of its new Vyasi Large Generating Station.

1.Salient Points of the AFC/Tariff Petition for 10 LHPs

i. UJVN Ltd. a Government owned generating company, has filed the Petitions for the determination of Generation Tariff for the FY 2024-25 and Annual Performance Review of FY 2023-24 for its 10 Large Hydro Generating Stations before the Hon'ble Uttarakhand Electricity Regulatory Commission. Through the above Petitions, UJVN Ltd. has also proposed Truing-up of its expenses for FY 2022-23 for its 9 old Hydro Generating Stations & Maneri Bhali-II HEP. The salient features of the Tariff Petitions filed by UJVN Ltd. for its 10 Large Hydro Generating Stations are given in the Table below:

Annual Fixed Charges (₹Crore)

Station	FY 2022-23 (True-up)		FY 2023-24 (APR)		FY 2024-25 (AFC)	
	Approved (MYT T.O. dt. 31.03.2022)	Claimed	Approved (T.O. dt. 30.03.2023)	Revised Estimated by UJVN Ltd.	Approved (MYT T.O. dt. 31.03.2022)	Claimed
Dhakrani	30.53	31.91	28.14	34.17	31.27	35.81
Dhalipur	33.69	35.89	41.51	53.72	47.41	65.65
Chibro	96.60	91.40	97.79	107.18	106.62	116.14
Khodri	53.97	52.90	56.00	62.45	59.03	70.35
Kulhal	27.25	27.96	27.73	32.56	31.44	41.86
Ramganga	55.09	52.82	57.42	62.26	60.32	72.02
Chilla	76.94	83.53	83.61	97.48	109.02	110.79
MB-I	75.84	78.68	81.80	101.93	90.94	110.01
Khatima	45.16	44.27	45.40	48.65	45.67	50.22
MB-II	214.29	226.51	212.03	236.35	212.72	240.26
Total	**709.36**	**725.87**	**731.44**	**836.76**	**794.42**	**913.11**

ii. UJVN Ltd. has computed a Gap of Rs. 19.87 Crore (excluding the gap of HPSEB) by working out the difference of AFC claimed now vis-à-vis actual revenue collected in FY 2022-23.

iii. UJVN Ltd. has proposed an increase of about 24.84% for FY 2024-25 (with respect to the approved tariff for FY 2023-24). In case the entire claim of UJVN Ltd. is accepted by the Commission, an additional hike of around 1.02% in consumer tariff shall be required over and above the hike proposed by UPCL.

2. Salient Points of the AFC for Vyasi LHP

Besides aforesaid 10 LHPs, UJVN Ltd. has also filed the Petition for the approval of capital cost of ₹ 1922.52 Crore (as on COD i.e 24.05.2022) & determination of Annual Fixed Charges for FY 2022-23, FY 2023-24 & FY 2024-25 of its new Vyasi Large Generating Station before the Hon'ble Uttarakhand Electricity Regulatory Commission. Further, UJVN Ltd. has proposed Additional Capitalization & Annual Fixed Charges as follows:-

(in Rs. Crore)

Description	FY 2022-23	FY 2023-24	FY 2024-25
Additional capitalization (Post CoD)	49.75	38.79	37.79
AFC	346.18	414.31	418.37

3. Detailed proposals as submitted by UJVN Ltd. can be seen free of cost on any working day in the Commission's office or at the office of UJVN Ltd., "UJJWAL", Maharani Bagh, GMS Road, Dehradun. Relevant extracts can also be obtained from the above-mentioned office of UJVN Ltd.

4. The proposals filed by UJVN Ltd. are also available at the website of the Commission **(www.uerc.gov.in)** and at the UJVN Ltd.'s website (**www.ujvnl.com**).

5. Objections/suggestions are invited from the consumers and other stakeholders on the above proposals. These may be sent to the Secretary, Uttarakhand Electricity Regulatory Commission, either in person, or by post at 'Vidyut Niyamak Bhawan', Near I.S.B.T., P.O. Majra, Dehradun-248171 or through e-mail to **secy.uerc@gov.in** as a statement of objections or comments with copies of the documents and evidence in support thereof so as to reach the Secretary by 31.01.2024.

"AVOID WASTEFUL USE OF ELECTRICITY"

6.2 Annexure-2: List of Respondents

Sl. No.	Name	Designation	Organization	Address
1.	Sh. Pawan Agarwal	-	M/s Uttarakhand Steel Manufacturers Association	Kandi Road, Kotdwar
2.	Sh. Munish Talwar	Head	M/s Asahi India Glass Ltd.	Roorkee
3.	Sh. Sanjay Agarwal	Vice President	M/s KVS Castings Private Limited	Kashipur
4.	Sh. Pankaj Gupta	President	Industries Association of Uttarakhand	Mohabewala Industrial Area, Dehradun
5.	Sh. Vijay Singh Verma	-	-	Village- Delna, P.O.- Jhabrera-247665, Haridwar.

6.3 Annexure-3: List of Participants in Public Hearings

List of Participants in Hearing at Almora on 19.02.2024

Sl. No.	Name of the Participants	Designation	Organization	Postal Address
1.	Dr. R.S. Shahi	-	-	Near CMO Office, Pandeykhola, Distt. Almora, Uttarakhand.
2.	Sh. Gopal Singh	-	-	New Indira Colony, Khatyari-263656, Distt. Almora, Uttarakhand.
3.	Sh. Girish Chand Malhotra	-	-	G.S. Sadan, Gopaldhara, Dharanaula-263601, Distt. Almora, Uttarakhand.
4.	Smt. Halima Ansari	-	-	Near Haldwani Taxi Stand, Gurudwara, Tilakpur-263601, Distt. Almora, Uttarakhand.
5.	Sh. Manjul Mittal	-	-	Ashirwad Bhawan, Ranidhara Road, Distt. Almora, Uttarakhand.
6.	Sh. N.C. Pant	-	-	Pant Bhawan, West Pokharkhali-263601, Near District Jail, Distt. Almora, Uttarakhand.
7.	Sh. P.C. Tewari	President	Uttarakhand Parivartan Party	Dipti Niwas, Dharanaula-263601, Distt. Almora, Uttarakhand.
8.	Sh. Prakash Chand	-	-	S/o Sh. Nathuram, Village-Chitai Pant, Post Office-Chitai, Distt. Almora, Uttarakhand.
9.	Sh. Shubham Joshi	-	-	House No. 1, Gangola Mohalla-263601, Distt. Almora, Uttarakhand.
10.	Sh. Amit Shah	Ward Member	-	Near Petrol Pump, Pandeykhola, Distt. Almora, Uttarakhand.
11.	Sh. Atul Pandey	-	-	Pandeykhola, Deen Dayal Upadhyay Park, Distt. Almora, Uttarakhand.
12.	Sh. Akash Mehra	-	-	Village-Kasar Devi, Freedom Guest House, Distt. Almora, Uttarakhand.
13.	Sh. Pan Singh	-	-	S/o Sh. Soban Singh, Village-Surchaura, Tehsil-Jaiti, Distt. Almora, Uttarakhand.
14.	Sh. Sushil Shah	-	-	S/o Late Sh. Lal Shah, Khajanchi Bazar-263601, Distt. Almora, Uttarakhand.

List of Participants in Hearing at Rudrapur on 20.02.2024

Sl. No.	Name of the Participants	Designation	Organization	Postal Address
1.	Sh. Shakeel A. Siddiqui	Legal Advisor	M/s Kashi Vishwanath Textile Mill (P) Ltd.	House No. T-4, Prakash City, Bazpur Road, Kashipur, Distt. Udham Singh Nagar.
2.	Sh. Sanjay Kumar Adhlakha	Director	M/s Ambashakti Glass India Pvt. Ltd.	Plot No. 41, Sector-3, IIE, SIDCUL, Pantnagar, Rudrapur-263153, Distt. Udhamsingh Nagar.
3.	Sh. Shreekar Sinha	President	SIDCUL Entrepreneur Welfare Society	SHIRDI Industries, SIDCUL, Pantnagar, Rudrapur-263153, Distt. Udhamsingh Nagar.
4.	Sh. Ashok Bansal	President	M/s Kumaon Garhwal Chamber of Commerce & Industry Uttarakhand	Chamber House, Industrial Estate, Bazpur Road, Kashipur, Distt. Udhamsingh Nagar.
5.	Sh. Vicky Sachdeva	-	M/s Bhagwati Alloys	Khasra No. 280/10/2, Bannakhera Road, Village-Vikrampur, Bazpur, Distt. Udhamsingh Nagar.
6.	Sh. Devesh Pant	-	M/s Tata Motors Ltd.	Plot No. 1, Sector 11, Integrated Industrial Estate, SIDCUL, Pantnagar-263153, Distt. Udham Singh Nagar
7.	Sh. Mahesh Chand Pandey	-	-	Village-Sufi Bhagwanpur, Lalkuan, Haldwani, Uttarakhand.
8.	Sh. Teeka Singh Saini	Block President	Bhartiya Kisan Union	Office-33, Katoratal, Kashipur, Distt. Udhamsingh Nagar
9.	Sh. Mukesh Tyagi	-	SIDCUL Entrepreneur Welfare Society	Plot No. 1, Sector-9, IIE, SIDCUL, Pantnagar, Distt. Udhamsingh Nagar.
10.	Sh. Rahul Jain	-	M/s Bhagwati Alloys	Khasra No. 280/10/2, Bannakhera Road, Village-Vikrampur, Bazpur, Distt. Udhamsingh Nagar.
11.	Sh. Balkar Singh Fauzi	-	-	Village-Raipur Khurd, P.O.-Kashipur, Distt. Udhamsingh Nagar
12.	Sh. Baljinder Singh Sandhu	District General	Bhartiya Kisan Union	Pega Farm, P.O.-Mahuakheraganj, Kashipur, Distt. Udhamsingh Nagar

List of Participants in Hearing at Rudrapur on 20.02.2024

Sl. No.	Name of the Participants	Designation	Organization	Postal Address
		Secretary		
13.	Shri Kalyan Singh	-	Bhartiya Kisan Union	Village-Gurdei, P.O.-Mahuakhera, Kashipur, Distt. Udhamsingh Nagar
14.	Sh. Rajeev Gupta	-	M/s Kashi Vishwanath Steels Pvt. Ltd.	Narain Nagar Industrial Estate, Bazpur Road, Kashipur-244713, Distt. Udham Singh Nagar
15.	Sh. Sanjay Agarwal	Vice President	M/s KVS Castings Pvt. Ltd.	Works: B-25-29, Industrial Estate, Bazpur Road, Kashipur-244713, Distt. Udhamsingh Nagar.
16.	Sh. Chandresh Agarwal	-	M/s India Glycols Ltd.	A-1, Industrial Area, Bazpur Road, Kashipur-244713, Distt. Udham Singh Nagar.
17.	Sh. Rajesh Chand Saxena	-	M/s India Glycols Ltd.	A-1, Industrial Area, Bazpur Road, Kashipur-244713, Distt. Udham Singh Nagar.
18.	Sh. Neeraj Bhatt	-	M/s Ashok Leyland Ltd.	Plot No. 1, Sector-12, IIE, SIDCUL, Pantnagar, Rudrapur-263153, Distt. Udhamsingh Nagar
19.	Shri Rajeev Sharma	-	M/s Varroc Engg. Pvt. Ltd.	Plot No. 20, Sector-9, SIDCUL, Pantnagar, Distt. Udhamsingh Nagar
20.	Sh. Ashok Tiwari	-	M/s Roqueete India Pvt. Ltd.	Plot No. 12, Sector–9, IIE, SIDCUL Pantnagar, Rudrapur-263153, Distt. Udhamsingh Nagar.
21.	Sh. Bhupinder Singh	-	M/s Roqueete India Pvt. Ltd.	Plot No. 12, Sector–9, IIE, SIDCUL Pantnagar, Rudrapur-263153, Distt. Udhamsingh Nagar.
22.	Sh. K.R. Pathak	-	M/s Belrise Industries Ltd.	Plot No. 15, Sector–10, IIE, SIDCUL Pantnagar, Rudrapur, Distt. Udhamsingh Nagar.
23.	Sh. Ram Kumar Agarwal	-	M/s Umashakti Steels Pvt. Ltd.	Village-Vikrampur, Post Off.-Bazpur–262401, Distt. Udhamsingh Nagar
24.	Sh. Thakur Jagdish Singh	-	-	Village-Dharampur, P.O.-Chhatarpur, Rudrapur-263153, Distt. Udhamsingh Nagar
25.	Sh. Rajesh Mishra	-	SIDCUL Association	Plot No. 1, Sector–9, IIE, SIDCUL Pantnagar, Rudrapur, Distt.

List of Participants in Hearing at Rudrapur on 20.02.2024

Sl. No.	Name of the Participants	Designation	Organization	Postal Address
				Udhamsingh Nagar.
26.	Sh. Ajay Kumar Agarwal	-	-	D-69, Old Allahabad Bank Lane, Main Market, Rudrapur, Distt. Udhamsingh Nagar
27.	Sh. R.B. Biradar	Sr. General Manager	M/s Radico Khaitan Ltd.	A-1, A-2, B-3, Industrial Area, Bazpur, Distt. Udhamsingh Nagar
28.	Sh. Anil Kumar	-	M/s La Opala RG Ltd.	B-108, Eldeco Sidcul Industrial Park, Sitarganj, Distt. Udhamsingh Nagar
29.	Sh. Prem Narayan Singh	-	M/s Uttaranchal Ispat (P) Ltd.	Plot No. D-1 to D-8, Pipalia Industrial Area, Village-Jagannathpur, Kashipur, Distt. Udhamsingh Nagar.
30.	Sh. Sanjeev Jindal	-	M/s Vishwanath Papers & Boards Ltd.	Village-Halduashahu, Patti-Jagatpur, Kashipur-Jaspur Road, Jaspur-244712, Distt. Udhamsingh Nagar.
31.	Sh. Mukesh Kumar Pant	-	RSB Transmission India Ltd.	Plot No. 23, Sector-11, Tata Vendor Park, SIDCUL, Pantnagar, Rudrapur-263153, Distt. Udhamsingh Nagar
32.	Sh. Devkinandan Dumka	-	RSB Transmission India Ltd.	Plot No. 23, Sector-11, Tata Vendor Park, SIDCUL, Pantnagar, Rudrapur-263153, Distt. Udhamsingh Nagar
33.	Sh. Ashwani Gupta	-	M/s Parmatama Ferro Alloys Pvt. Ltd.	Works : Ramraj Road, Village-Vikrampur, Bazpur, Distt. Udham Singh Nagar
34.	Sh. Sukhwinder Pal	-	-	Village-Bhajuanagla, Bazpur, Distt. Udham Singh Nagar
35.	Sh. Jaspal	-	-	Village-Bhajuanagla, Bazpur, Distt. Udham Singh Nagar

List of Participants in Hearing at Tehri on 24.02.2024

Sl. No.	Name of the Participants	Designation	Organization	Postal Address
1.	Sh. Jagjeet Singh Negi	-	-	L-Block, Type - 4, 1/4, New Tehri, Uttarakhand.
2.	Sh. C.P. Dabral	-	-	Sector-4D, II, Building No. 17, Village-Moldhar, Block-Jaunpur, New Tehri, Uttarakhand.
3.	Sh. Arvind Nautiyal	-	-	33/4, C-Block, Type–3, New Tehri, Uttarakhand.
4.	Sh. Kamal Singh Mehar	-	-	305, 7-C, Bauradi, New Tehri, Uttarakhand.
5.	Sh. Kishori Lal Chamoli	-	-	House No. 215, Sector-8B, Bauradi, New Tehri, Uttarakhand.
6.	Sh. Rajesh Vyas	-	-	House No. 365, Sector-7C, Bauradi, New Tehri, Uttarakhand.
7.	Sh. Chandra Mohan	-	-	Near Dheeraj Pundir General Store, Talla Chamba, Tehri Garhwal
8.	Sh. Ayush Kaintura	-	-	C-Block, Type-5, New Tehri, Uttarakhand.
9.	Sh. Rakesh Uniyal	-	-	E-Block, 20/4, New Tehri, Uttarakhand.
10.	Sh. Peetambar Dutt Chamoli	-	-	Village-Pata, P.O. Gyansyun, Tehri Garhwal, Uttarakhand.
11.	Sh. Ajay Gusain	-	-	Gusain Sadan, Near Thana Building, New Tehri, Uttarakhand.
12.	Sh. Vijay Singh Parmar	-	-	House No. 524, Sector-8 E, Bauradi, New Tehri, Uttarakhand.
13.	Sh. Anand Prakash Ghildiyal	-	-	House No. 524, Sector-8 E, Bauradi, New Tehri, Uttarakhand.
14.	Sh. Mukesh Raturi	-	-	J-15/1, Type-2, New Tehri, Uttarakhand.
15.	Sh. Munendra Negi	-	-	J-15/2, Type-2, New Tehri, Uttarakhand.

List of Participants in Hearing at Dehradun on 26.02.2024

Sl. No.	Name of the Participants	Designation	Organization	Postal Address
1.	Sh. Pankaj Gupta	President	Industries Association of Uttarakhand	Mohabewala Industrial Area, Dehradun-248110
2.	Sh. Rajiv Agarwal	-	M/s Industries Association of Uttarakhand	Mohabewala Industrial Area, Dehradun-248110
3.	Sh. Sanjeev Kumar	Office Executive	M/s Industries Association of Uttarakhand	C/o Satya Industries, Mohabbewala Industrial Area, Dehradun
4.	Sh. Sunil Kashyap	-	-	Near Madhur Milan Tent House, Daurwala, Mothrowala, Dehradun.
5.	Sh. Gulshan Khanduja	-	M/s Shree Ganesh Roller Flour Mills	Mohabewala Industrial Area, Subhash Nagar, Dehradun
6.	Sh. Pawan Agarwal	Vice-President	M/s Uttarakhand Steel Manufacturers Association	C/o Shree Sidhbali Industries Ltd., Kandi Road, Kotdwar, Uttarakhand
7.	Sh. Suresh Bansal	-	M/s Kukreti Steel Ltd.	Jasodharpur Industrial Area, Kotdwar
8.	Sh. Ashish Raturi	-	-	House No. 1, Badowala, near petrol pump, Shimla Bypass Road, Dehradun-248007.
9.	Sh. Ramesh Joshi	State President	Suraj Sewa Dal	Office-Kaulagarh Road, Sirmaur Marg, Dehradun.
10.	Sh. Shanti Prasad Bhatt	-	Uttarakhand Kranti Dal	Residence-124, Mitralok Colony, Ballupur Road, Dehradun, Uttarakhand.
11.	Sh. Sunil Kotnala	-	Uttarakhand Kranti Dal	Residence-124, Mitralok Colony, Ballupur Road, Dehradun, Uttarakhand.
12.	Sh. Sunil Masson	General Secretary	C/o Doon Udhyog Vyapar Mandal	1, Saraffa Bazar, Dhamawala, Dehradun.

List of Participants in Hearing at Dehradun on 26.02.2024

Sl. No.	Name of the Participants	Designation	Organization	Postal Address
13.	Sh. Mohit Bhatia	-	C/o Doon Udhyog Vyapar Mandal	47/21, West Patelnagar, Dehradun.
14.	Sh. Ashok Goswami	Manager	Shetra Mai Jeevni Ram Sukhdevi Ram Trust	Haridwar Road, Rishikesh-249201, Dehradun.
15.	Sh. Uma Shankar Pandey	-	Budget Hotel Association	Office-Almora Bhawan, Vijay Laxmi Niwas, Shravan Nath Nagar, Haridwar-249401.
16.	Sh. Surya Prakash	-	-	271/153, Araghar, Dehradun.
17.	Sh. Vijay Singh Verma	-	-	Village-Delna, P.O. Jhabrera, Roorkee-247665, Haridwar
18.	Sh. Rakesh Bhatia	State Chairman	Patelnagar Industrial Association	E-8, Govt. Industrial Area, Patel Nagar, Dehradun.
19.	Sh. Veeru Bisht	-	-	Mohanpur, Post Off.-Premnagar, Dehradun-248007
20.	Sh. Yashveer Arya	-	-	Surbhi Enclave, Canal Road, Jakhan, Rajpur Road, Dehradun.
21.	Sh. Vijay Mohan Mishra	-	**M/s Jubilant Generics Limited**	Sikandarpur Bhainswal, Bhagwanpur, Roorkee, Haridwar.
22.	Sh. Sunil Uniyal	President	M/s Uttarakhand Industrial Welfare Association	222/5, Gandhi Gram, Dehradun-248001, Uttarakhand.
23.	Sh. D.K. Maajhi	-	M/s Indian Extrusions Pvt. Ltd.	Address-1393, Langha Road, Industrial Area, Chharba-248142, Dehradun.
24.	Sh. Mukesh Sharma	-	M/s Uttarakhand Industrial Welfare Association	222/5, Gandhi Gram, Dehradun-248001, Uttarakhand.

6.4 Annexure-4: List of items disallowed/deferred from the claim of Add Cap for FY 2022-23

Sl. No.	Reference No.	Asset Name	Amount in Rs.
(A) Disallowed			
Dhakrani LHP			
Building			
1.	21/2021-22 Dt.14.12.2021 Dhalipur	Construction of community hall at power house colony, Dhakrani	45,14,858.00
		Sub Total (A) disallowed claim of Add Cap	**45,14,858.00**
(B) Deferred			
Head Quarter			
Building			
1.	11/2019-20 Dt.08.08.2019 D.Dun	Supply Installation Testing & Commissioning of 3 No Passengers in PEB Multistory Corporate Ujjwal Building Dehradun	57,47,499.00
2.	13/2017-18 EE(C-M) Dehra Dun	Construction Temp. Rooms and Dismantling of Existing structure at Ujjwal, Dehradun	8,32,192.00
Civil Dhalipur			
Furniture & Fixtures			
3.	13/2022-23 Dt.15.12.2022 D.Dun	Supply & Installation of Godrej make furniture at multi-Story Corporate office building at Ujjwal	65,93,698.00
		Sub Total (B) deferred claim of Add Cap	**1,31,73,389.00**
		Grand Total (A+B) of deferred/disallowed claim of Add Cap	**1,76,88,247.00**

CSR Expense disallowed from the claim of A&G expenses for FY 2022-23

Sl. No.	Name of Plant	Amount in Rs. Crore
1.	Dhakrani	0.07
2.	Dhalipur	0.11
3.	Chibro	0.50
4.	Khodri	0.25
5.	Kulhal	0.06
6.	Ramganga	0.41
7.	Chilla	0.30
8.	MB-I	0.19
9.	Khatima	0.09
10.	MB-II	0.55
	Total A&G to be Disallowed on account of CSR works	**2.51**

6.5 Annexure-5: List of items shifted from Add Cap to R&M for FY 2022-23

Sl. No.	Reference No.	Asset Name/Description	Amount in Rs.
Ramganga LHP			
Plant & Machinery			
1	-	Supply of Inverter and battery	2,92,038.00
		Total amount transferred from Add Cap to R&M	**2,92,038.00**
		Grand Total of expenses transferred from Add Cap to R&M	**2,92,038.00**

6.6 Annexure-6: Details of the Additional Capitalisation for MB-II (Other works not covered under Balance Capital Works)

Sl. No.	Description of claimed item	Estimated Amount as Per DPR (Rs. In Lakhs)	Agreement Amount (Rs. In Lakhs)	2016-17 (Actual) (Rs. In Lakhs)	2017-18 (Actual) (Rs. In Lakhs)	2018-19 (Actual) (Rs. In Lakhs)	2019-20 (Actual) (Rs. In Lakhs)	2020-21 (Actual) (Rs. In Lakhs)	2021-22 (Actual) (Rs. In Lakhs)	2022-23 (Actual) (Rs. In Lakhs)
1	Renovation and Modification of Roller Bucket, Guide Wall and Piers of Joshiyara Barrage MB-II, Uttarkashi (Annexure A-1)	495.00	468.46	112.00	286.95	0.00	69.51	0.00	0.00	0.00
2	Design, Supply, Erection, Commissioning & Testing of Sewer Treatment Plant with (STP) with BIO-DIGESTER, REED BED & ETP at Dharasu Power House ,MB-II, Uttarkashi.	30.59	26.13	10.00	13.26	0.00	2.88	0.00	0.00	0.00
3	Reconstruction and laying of Semi Dense Bituminous Concrete (SDBC) of Roads from Switchyard to Surge shaft at Dharasu Power House of MB-II Project. 6% dedcuted sale tax + 10.50% service tax = Rs 3.27 L	90.89	77.78	0.00	55.88	21.99	0.00	0.00	0.00	0.00
4 (a)	Reconstruction and laying of Semi Dense Bituminous Concrete (SDBC) of Roads of Shaktipuram colony, Chinyalisaur of MB-II Project. (Annexure A-4)	126.5	119.85	0.00	66.84	0.00	53.01	0.00	0.00	0.00
4(b)	Balance reconstruction and laying of Semi Dense Bituminous Concrete (SDBC) of Roads at Shaktipuram colony, Chinyalisaur, MB-II Project, Uttarkashi."	117.53	138.56	0.00	0.00	0.00	0.00	0.00	128.56	0.00
5	Design, Supply, Erection, Commissioning & Testing of Sewer Treatment Plant with (STP) with BIO-DIGESTER, REED BED & ETP and Laying of sewer line in Joshiyara colony ,Uttarkashi.	90	74.98	0.00	0.00	0.00	0.00	83.78	0.00	0.00
			74.95	0.00	0.00	0.00	0.00	0.00	68.44	0.00
		-	54.07	-	-	-	-	-	54.07	0.00
6	Fencing and CC road work of Office and Residential colony of Joshiyara Uttarkashi.	70	76.97	0.00	51.08	0.00	21.46	0.00	0.00	0.00
7	CC Road and Fencing work from Police line to sadhubela Gyansu at right side Uttarkashi.	145	142	0.00	29.08	25.79	0.00	79.87	0.00	0.00
8	Renovation of water treatment plant in Joshiyara Uttarkashi.	30	27.78	0.00	13.68	5.59	4.00	0.00	0.00	0.00
9	Slope protection of hill slope from chainage 30 to 180 Rm from Dharasu steel bridge to Dharasu power house of Maneri Bhali Project Stage -II at	70	78.05	0.00	0.00	0.00	78.05	0.00	0.00	0.00

Sl. No.	Description of claimed item	Estimated Amount as Per DPR (Rs. In Lakhs)	Agreement Amount (Rs. In Lakhs)	2016-17 (Actual) (Rs. In Lakhs)	2017-18 (Actual) (Rs. In Lakhs)	2018-19 (Actual) (Rs. In Lakhs)	2019-20 (Actual) (Rs. In Lakhs)	2020-21 (Actual) (Rs. In Lakhs)	2021-22 (Actual) (Rs. In Lakhs)	2022-23 (Actual) (Rs. In Lakhs)
	Dharasu, Uttarkashi. (Annexure A-9)									
10	Security Fencing and misc. civil work around Shring Camp and NPCC campus area.	65	65.68	0.00	32.28	0.00	33.41	0.00	0.00	0.00
11(a)	Laying of sewer line in Shaktipuram colony Ag. Amount= 150.34+GST extra after variation = 170.97+ GST extra with GST Variation amont=201.74	175	201.74	0.00	0.00	0.00	0.00	201.75	0.00	0.00
11(b)	Execution of household sewage service connection to existing sewage network and balance appurtenant works at Shaktipuram colony Chinyalisaur, Uttarkashi.	60.45	60.15	0.00	0.00	0.00	0.00	0.00	65.40	0.00
11(c)	Supply, Erection, Commission & Testing of Sewage Treatment Plant capacity 120 KLD with automatic membrane Bio-Reactor (MBR) including operation & maintenance for two year at plant store, Chinyalisaur.	75	146.01	0.00	0.00	0.00	0.00	0.00	116.82	0.00
12	Renovation of spillway Gate no. 1,2 & 3 of Joshiyara Barrage			0.00	0.00	0.00	0.00	0.00	0.00	0.00
13 (a)	Flood protection works right bank of Bhagirathi river in front of Tail Race Channel at Dharasu power house near Hitara village, Dharasu, Uttarkashi.		271.56	0.00	0.00	117.61	153.96	0.00	0.00	0.00
13 (b)	Balance protection works right bank of Bhagirathi river in front of Tail Race Channel at Dharasu power house near Hitara village, Dharasu, Uttarkashi.	297.6	199.19	0.00	0.00	0.00	0.00	0.00	0.00	169.98
13 (c)	Balance flood protection work left bank of Bhagirathi river ahead TRC outlet Chainage 100 mtr to chainage 200mtr at Dharasu Power House, MB-II, Dharasu, Uttarkashi.		149.86	0.00	0.00	0.00	0.00	0.00	174.49	0.00
14	Balance work of slope protection on hill slope behind Surge Shaft Tank of Maneri Bhali Project stage -II at Dharasu Uttarkashi.	92	92	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15 (a)	Construction of multipurpose hall (Badminton court, Gym, Table Tennis etc) at Shaktipuram Colony, Chinyalisaur.	120	113.32	0.00	0.00	0.00	113.31	0.00	0.00	0.00

Sl. No.	Description of claimed item	Estimated Amount as Per DPR (Rs. In Lakhs)	Agreement Amount (Rs. In Lakhs)	2016-17 (Actual) (Rs. In Lakhs)	2017-18 (Actual) (Rs. In Lakhs)	2018-19 (Actual) (Rs. In Lakhs)	2019-20 (Actual) (Rs. In Lakhs)	2020-21 (Actual) (Rs. In Lakhs)	2021-22 (Actual) (Rs. In Lakhs)	2022-23 (Actual) (Rs. In Lakhs)
15 (b)	Balance Construction work of Badminton Hall /Multipurpose hall at Shaktipuram Colony, Chinyalisaur,Uttarkashi.		89.55	0.00	0.00	0.00	0.00	0.00	89.52	0.00
16	Construction of Security hut and its associate work at Dharasu Power house Complex at Dharasu, Uttarkashi.	31.03	30.28	0.00	17.09	0.00	13.19	0.00	0.00	0.00
17	Renovation and modernization of officers field hostel at Shaktipuram colony Chinyalisaur, Uttarkashi. 6% dedcuted sale tax = Rs 2.10 L	40	41.37	0.00	10.19	0.00	28.60	0.00	0.00	0.00
18	Construction of security hut & fencing at Dhanari Gad Adit of MB-II Project at Dhanari, Uttarkashi.	40	38.6	0.00	17.40	0.00	20.21	0.00	0.00	0.00
19	Construction of garage & vehicle shed at Shaktipuram colony Chinyalisaur, Uttarkashi.	70	71.48	0.00	32.14	37.18	0.00	0.00	0.00	0.00
20	Renovation and modernization of BP type Quarters at Shaktipuram colony Chinyalisaur, Uttarkashi. 6% dedcuted sale tax = Rs 2.23 L	45	43.76	0.00	24.13	0.00	19.63	0.00	0.00	0.00
21	Renovation and modernization of CP type Quarters in Shaktipuram colony Chinyalisaur, Uttarkashi. 6% dedcuted sale tax = Rs 3.72 L	45	77.73	0.00	0.00	73.19	0.00	0.00	0.00	0.00
22	Renovation and modernization of balance CP type Quarters in Shaktipuram colony Chinyalisaur, Uttarkashi	30	103.98	0.00	0.00	0.00	103.78	0.00	0.00	0.00
23	Renovation and modernization of Type –III Club near Shiv Mandir at Shaktipuram colony Chinyalisaur, Uttarkashi. 6% dedcuted sale tax = Rs1.74 L	35	34.26	0.00	0.00	15.43	18.60	0.00	0.00	0.00
24	Reconstruction of damaged left wing wall at d/s of Joshiyara barrage	1993.36	1993.36	0.00	0.00	0.00	0.00	2290.73	0.00	0.00
	Consultancy services for drawing, design, technical supervision for wing wall construction		38.00	0.00	0.00	0.00	0.00	0.00	0.00	31.57
25	Const. of GM Office Room with toilet at shaktipuram colony, Chinyalisaur		23.88	23.88	-11.15	0.00	0.00	0.00	0.00	0.00
26	Purches/TR of assest from HO (Computer, Printer etc.		1.40	0.00	1.40	0.00	0.00	0.00	0.00	0.00
27	Construction of Parking Garage in Nigam Office & Febrication of		29.83	-	-	-	-	-	29.83	0.00

Sl. No.	Description of claimed item	Estimated Amount as Per DPR (Rs. In Lakhs)	Agreement Amount (Rs. In Lakhs)	2016-17 (Actual) (Rs. In Lakhs)	2017-18 (Actual) (Rs. In Lakhs)	2018-19 (Actual) (Rs. In Lakhs)	2019-20 (Actual) (Rs. In Lakhs)	2020-21 (Actual) (Rs. In Lakhs)	2021-22 (Actual) (Rs. In Lakhs)	2022-23 (Actual) (Rs. In Lakhs)
	MS work for converting the Nala near Barrage.									
28	Construction of Boundary wall uplifting flushing Valve houses & Chambers at Joshiyara Barrage Uttarkashi.		47.29	-	-	-	-	-	47.29	0.00
29	Construction of 1st Floor of Office Building at Joshiyara Uttarkashi (shifted from balance capital work item No. 14)		103.00	-	-	-	-	-	0.00	101.87
30	Construction of 02 Nos. Type IV Quarters in backside of Patwari Chowki at M.B-II, Joshiyara, Uttarkashi (shifted from balance capital work item No. 14)		142.52	-	-	-	-	-	0.00	0.00
31	Re-construction of Suman Grammer School located on UJVN Ltd.'s land in Joshiyara village (shifted from balance capital work item No. 14)		84.70	-	-	-	-	-	0.00	69.59
Total		**4479.95**	**5654.08**	**145.88**	**640.24**	**296.78**	**733.60**	**2656.13**	**774.42**	**373.01**

(1) Rs 0.53 Crore for work at Sl. No. 4(a) for FY 2019-20 was not allowed by UERC in add cap. UERC vide its Tariff Order dated April 26, 2021 on page 43 has shifted this expenditure in R&M expenses.
(2) FY 2016-17- Rs. 1.46 Crore (Allowed by UERC in its Tariff Order dated 21-03-2018)
(3) FY 2017-18 – Rs. 6.40 Crore (Allowed by UERC in its Tariff Order dated 27-02-2019)
(4) FY 2018-19 – Rs. 2.97 Crore (Allowed by UERC in its Tariff Order dated 18-04-2020)
(5) FY 2019-20 - Rs. 6.81 Crore (Allowed by UERC in its Tariff Order dated 26-04-2021. Rs 0.53 Crore of repair of roads in Shaktipuram Colony has been shifted in O&M work)
(6) FY 2020-21 – Rs. 26.56 Crore (Allowed by UERC in its Tariff Order dated 31.03.2022)
(7) FY 2021-22 – Rs. 7.74 Crore (Allowed by UERC in its Tariff Order dated 30.03.2023)
(8) FY 2022-23 – Rs. 7.23 Crore (Rs. 3.73 Crore + Rs. 3.50 Crore) (has been allowed during the Truing-up of FY 2022-23 in this Order)
(9) All works are completed except the works mentioned above at Sl. No. 14 & 30.

STATUS OF ADDITIONAL CAPITAL WORK IN MB-II in FY 2022-2023 (NEW WORKS IN ADDITION TO OLD 31 WORKS)

Sl No	Name of work	Agreement Amount (In lacs)	Agreement No.	Name of Agency	2022-23 (Actual) (Rs. In Lakhs)	Total Physical progress	Status
1	Shifting of 11 KV/LT Line of Gyanshu feeder near police line road due to UJVN Ltd.'s Joshiyara Work.	17.00	Lttr. No.-987/EE EDD/Uttarkashi.	UPCL Uttarkashi.	17.00	100%	COMPLETED
2	Providing, Laying & fixing 9450 mtr. (lenght) 80 mm dia GI pipe from Gagungad Head RL 1010 to Saktipuram Colony to RL 895 & other misc. Civil work at Nagungad Head MB-II Chinyalisaur Uttarkashi.	151.94	01/EE(Civil)/MB-II/Chinyalisaur/2021-22	Sh. Jayraj Singh Khanka	178.72	100%	COMPLETED
3	Carrying out Geophysical test regarding remedial measures for controlling stopping of leckage /sweepage water over alignment of HRT of MB-II LHP (4876) at Dhanari Gad.	13.90	06/EE(Civil)/MB-II/Chinyalisaur/2022-23	M/s Parsan Overseas Pvt. Ltd.	16.41	100%	COMPLETED
4	Providing Fencing Boundary wall and Other Associated work around Nigam Land at various location of Joshiyara Barrage MB-II Project at Joshiyara Uttarkashi.	116.99	17/EE(C&M)/MB-II/Joshiyara/2021-22	M/s Triveni Construction Co.	138.04	100%	COMPLETED
		168.94			**350.17**		
	Amount in crore	**1.69**			**3.50**		