Tariff Order

On

True-up for FY 2021-22,

Annual Performance Review for

FY 2022-23

&

Annual Fixed Charges

for FY 2023-24

For

UJVN Ltd.

March 30, 2023

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

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Before

UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

Petition No.: 38 to 47 of 2022

In the Matter of:

Petition filed by UJVN Ltd. for True-up for FY 2021-22, Annual Performance Review for FY 2022-23 and Annual Fixed Charges for FY 2023-24 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. K. Jain	**Member (Technical)**

Date of Order: March 30, 2023

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 vide its Order dated March 31, 2022. 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. 38 to 47 of 2022 hereinafter referred to as the "Petitions"), giving details of its revised projections of Annual Fixed Charges (AFC) for FY 2023-24, based on True-up for FY 2021-22 and Annual Performance Review for FY 2022-23 on November 30, 2022.

The Petitions filed by UJVN Ltd. had certain critical datagaps/information/ infirmities/deficiencies which were informed to UJVN Ltd. vide Commission's letter no. UERC/5/Tech/759/Misc. App. No. 46 to 55 of 2022/1102 dated December 7, 2022 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. M-1232/ UJVNL/02/D(O)/B-8 dated December 14, 2022 submitted its reply to critical datagaps/information sought by the Commission. Based on the submission dated December 14, 2022 made by UJVN Ltd., the Commission vide its Order dated December 28, 2022 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 2021-22, APR for FY 2022-23 and revised AFC for FY 2023-24 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 AFC Order for FY 2021-22 dated April 26, 2021 and MYT Order for Fourth Control Period dated March 31, 2022.

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 2021-22.
Chapter 4 -	Petitioner's Submissions, Commission's Analysis, Scrutiny and Conclusion on APR for FY 2022-23 and AFC for FY 2023-24.
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.

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, 2022. UJVN Ltd. in compliance to the above Regulations submitted the Petition for True-up for FY 2021-22, Annual Performance Review (APR) for FY 2022-23 and determination of Annual Fixed Charges (AFC) for FY 2023-24 on

November 30, 2022.

The above Petitions were provisionally admitted by the Commission vide Order dated December 28, 2022. The Commission, through its above Admittance Order dated December 28, 2022, 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	Dainik Jagran, Hindi Daily	31.12.2022
2	Hindustan, Hindi Daily	31.12.2022
3	Times of India, English Daily	31.12.2022
4	Hindustan Times, English Daily	31.12.2022

Through the above notices, the Stakeholders were requested to submit their objections/ suggestions/comments latest by 31.01.2023 (copy of the notice is enclosed as **Annexure 1**). Besides suggestions/comments of the State Advisory Committee, the Commission received 06 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	Rudrapur	22.02.2023
2	Pithoragarh	24.02.2023
3	Srinagar (Garhwal)	27.02.2023
4	Dehradun	01.03.2023

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 03, 2023, 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 2021-22, APR for 2022-23 and AFC for 2023-24.

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/759/Misc. App. No. 46 to 55 of 2022/1102 dated December 07, 2022. The Petitioner submitted the replies to data gaps/ information sought by the Commission vide its letter no. M-1232/ UJVNL/02/D(O)/B-8 dated December 14, 2022 and letter no. M-83/UJVNL/02/D(O)/B-8 dated January 23, 2023.

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 24, 2023, 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/759/2022-23/1308 dated January 25, 2023, for its response.

The Petitioner submitted the replies to Minutes of TVS sought by the Commission vide its letter no. M-143/UJVNL/02/D(O)/B-8 dated February 03, 2023.

Further, Plant-wise/cost centre-wise discussion were held from 03.02.2023 to 13.02.2023. During discussions requirement of certain additional clarifications/justification was observed pertaining to the additional capital expenditure and R&M expenses claimed in the Petition. Accordingly, the Commission along with the said requirement sent additional deficiencies to the Petitioner vide its letter no. UERC/5/Tech/759/2022-23/1421 dated 16.02.2023. The Petitioner submitted the replies to the data gaps/information sought by the Commission vide its letter no. M-218/UJVNL/02/D(O)/B-8 dated February 24, 2023.

Further, the Commission vide its E-mail dated 22.02.2023 raised some queries regarding interest earned on FDs out of investment from ROE etc. The Petitioner submitted its replies to the same vide its letter no. M-241/UJVNL/02/D(O)/B-8 dated February 22, 2023.

The Petitioner vide its letter dated March 04, 2023 submitted information on the remaining points.

Further, the Petitioner vide its letter no. M-273/UJVNL/02/D(O)/C-20 dated March 09, 2023 submitted its replies on Stakeholders comments sent to it vide the Commission's letter dated March 03, 2023.

Further, the response to the queries raised in the Commission's E-mail dated March, 15, 2023, the Petitioner vide its submission dated March 16, 2023 furnished its reply w.r.t. DRIP works and scrap details.

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 2021-22, Annual Performance Review for FY 2022-23, and Determination of Annual Fixed Charges for FY 2023-24 for 10 Large Generating Stations. List of Stakeholders/Respondents who submitted their objections/suggestions/comments in writing is given at **Annexure-3** and the list of Respondents who participated in the Public Hearings is enclosed at **Annexure-4**. 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 Puneet Mohindra of M/s Kashi Vishwanath Steels Pvt. Ltd. submitted that UJVN Ltd. is the main power generator in our State. As they do not deal with the general public, there is no focus on their working efficiency, capacity utilization, maintenance expenses, schedule projection etc. It was further submitted that directions to them, in this regard, are necessary to make them more accountable as the burden of Tariff hike due to these inefficiencies is inevitably borne by the consumers of the State and it is high time that UJVN Ltd. with respect to their new and upcoming Projects be made more accountable.

It was further submitted that UPCL should also be directed to analyse the PPA they execute with UJVN Ltd. as it is surprising that UPCL has no hesitation or resistance with regard to burdening of the consumers of the State by tying costlier power with UJVN Ltd. by signing long terms PPAs.

It has been further submitted that as per the present arrangement there is hardly any need for UJVN Ltd. to make efforts for selling power at competitive price due to which UPCL is burdening the consumers of the State and covering up all the deficiencies and inefficiency of the State Generator.

The Stakeholder objected that UJVN Ltd. cannot be permitted to take benefit of cheap power sold from the Plants which are in operation from a long time now, to project the overall cost of power purchased, as the Plants which are in continuous operation for a long time have already recovered its cost and there is hardly any comparison or basis for relying on such power rates.

The Stakeholder urged that PPAs with upcoming Plants of UJVN Ltd. be kindly strictly analysed and the approval of the PPAs be not given unless there are justified and sufficient reasons or the rate at which the power is being offered/tariff determined is competitive.

Shri Puneet also submitted that it has come to notice that there is huge spike in the tariff of some Plants due to grant of additional capitalisation, and UPCL has not been able to persuade the Commission for refusing such additional capitalisation. The Stakeholder requested the Commission to make provision to restrict such practices and make suitable amendment in the regulation so that additional capitalisation is not deployed as an illegal mode for increment in profits and in any case same shall only be permitted once and that too under exceptional circumstances after evaluating the cost benefit.

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 its resources and attaining utmost efficiency is its continuous endeavour and UJVN Ltd makes continuous efforts to run its power stations for optimum output with minimum input cost. As regards, PPA for sale of power with UPCL, the Petitioner submitted that PPA is sent for prior approval of UERC. Further, the tariff of the electricity generated by any Plant is approved by UERC after due prudence of expenses as per applicable Regulations.

UJVN Ltd. submitted that it has never intended to increase its spending just to earn higher Returns and UJVN Ltd. is running the Hydro Power Stations which mostly have completed their normative life and Renovation of the Power Plants and dams/barrages has become the necessity in the current times. The Renovation Modernization and Upgradation (RMU) of Khatima and MB-I has been completed while RMU of Dhalipur, Dhakrani and Chilla HEPs is in progress. The Petitioner further clarified that Renovation works of Dams/Barrages are being done under DRIP scheme funded by the World Bank through Government of India and Government of Uttarakhand.

Further additional capitalisation proposal of more than 5 Crore are taken up after prior approval of the Hon'ble UERC in accordance with the Regulation 22(4) of UERG Tariff Regulations, 2021.

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 Rakesh Kumar Bhatia of M/s Patelnagar Industrial Association submitted during the Public Hearing that UJVN Ltd. should be asked to submit efforts made by them to increase power generation and whether they are only upgrading the existing Plant or spending on new projects as well. The Stakeholder further submitted that in Lakhwar-Vyasi scheme, money has been spent on the Projects but Lakhwar Dam has not been built, due to which the load capacity is not being fully utilized and the Plants are working less than their capacity and therefore, sought reasons to justify the expenditure on these projects.

Shri Bhatia further submitted that in order to keep prices stable in any State, it is necessary that the state should have its own thermal base and that the Plant can be set up at any place even outside Uttarakhand where coal is available to meet its requirement.

Shri Vijay Singh Verma submitted that as long-term measure UJVN Ltd. should expedite construction of its upcoming hydro-projects namely Lakhwar, Tiuni, Bawla-Nand Prayag etc.

2.2.2 *Petitioner's Reply*

UJVN Ltd. submitted that it continuously strives towards the construction of new Hydro Power Projects viz. 1.5 MW Dunao (Pauri) in August'2017, 3 MW Urgam (Chamoli) in January'2018, 2.25 MW Pilang Gad (Uttarkashi) in February'2018, 4 MW Kaliganga-I (Rudraprayag) in July'2020 and 4.5

MW Kaliganga-II (Rudraprayag) in March'2022. Energy generation was started after completing the work of these Power Plants.

- With regards to construction of new large hydropower projects, production has been started after completing the construction work of 120 MW capacity Vyasi hydropower project in May 2022.
- Lakhwar Multipurpose Project is proposed on Yamuna River in Dehradun district. The project will provide irrigation to 22780 hectares of land, 78.83 MCM of drinking/industrial water, 300 MW, 572.54 MU of electricity generation. Water and irrigation benefits from the project will be shared by Delhi, Uttar Pradesh, Haryana, Rajasthan, Uttarakhand, and Himachal Pradesh. Letter of Acceptance (LOA) has been issued to M/s L&T Limited for the dam construction work of the project on 01.02.2023.

UJVN Ltd. submitted that it is already expediting hydroelectric projects allotted to it, in the Uttarakhand State and with regard to Lakhwar Multi-Purpose Project, LOA has been issued on 01.02.2023 to contractor agency M/s L&T Limited for Dam construction of project. For Tiuni-Plasu HEP, DPR was submitted before PIB, GoU on 22.02.2023 for approval. The approval of DPR is awaited from PIB, GoU. Bawla-Nand Prayag Project is in I&P stage and Central Govt. is being requested for issue of required clearances.

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 Others

2.3.1 *Stakeholder's Comments*

Shri Sanjay Aggarwal of M/s Mussoorie Hotels Association and Shri Deepak Gupta of M/s Uttarakhand Hotels & Restaurant Association have submitted that the Petitioner should work on the reduced capacity of the Power Plants which are leading to generation losses e.g. the barrages like the Asan Barrage, Dakpathar etc. are filled with silt and thereby the capacity of reservoir have been reduced. Further, it has also been suggested that steps should be taken to remove the silt and operate the existing infrastructure available at full capacity. This in-turn would increase in generation and thus would reduce the cost of generation.

During the Public Hearing, Shri Rakesh Kumar Bhatia of Patel Nagar Industrial Association submitted that the capacity addition plans are important for any State and also enquired about the action taken by UJVN Ltd. or the Central Agency in relation to the Projects which are pending due to the Court Orders and enquired whether the State will ever get the benefit of those schemes?

Shri Kartikeya Singh Tomar of M/s PSR Innovations (I) Pvt. Ltd. submitted that mostly it is found that the reason for the power cut is mainly reduction in hydro power generation due to excessive rainfall in rainy season or lean discharge in winter. In this regard, the Stakeholder submitted that failure in generation due to lack of quality maintenance results in reduced availability. Therefore, UJVN Ltd. should be directed to fix responsibility, in this regard.

Shri Vijay Singh Verma submitted that UJVN Ltd. should complete the Centrally funded scheme viz. DRIP etc. within stipulated timelines and should make its all efforts to obtain the funds in the form of grant from the Central Government for promotion of hydro projects.

2.3.2 *Petitioner's Reply*

The Petitioner submitted that UJVN Ltd. is a responsible generating company which has always strived for the better utilization of its resources and attaining utmost efficiency from them it its continuous endeavour. UJVN Ltd. further submitted that it clears the silt and debris by flushing during the monsoon season as per requirement as per permission from the concerned Departments of Government of Uttarakhand as it involves collection of revenue from auction of material.

With regards to reduction of capacity of powerhouses, UJVN Ltd. submitted that generation of 155.84 MU has been achieved from Dhakrani HEP against the design energy of 150.84 MU, generation of 247.12 MU has been achieved from Dhalipur HEP against the design energy of 182.76 MU and generation of 160.30 MU has been achieved from Kulhal HEP against the design energy of 148.91 MU.

With regard to new projects, the Petitioner submitted that requests have been made to the Central Government at the departmental level for the release of pending approvals for various hydroelectric projects.

UJVN Ltd. submitted that it is a responsible generating company, and strives for the better utilisation of its resources for attaining utmost efficiency. It further submitted that the power houses operated by UJVN Ltd. have completed their service life and RMU is being done to operate the power houses at the time with full efficiency and visibility. Renovation of the old power houses is being done through the Central and State Government under the DRIP Scheme with the grant given by the World Bank, so that maximum power generation can be obtained from the power houses.

UJVN Ltd. further submitted that DRIP-I has been completed on 31.03.2022 and work under DRIP-II would be completed by December 2027 and that efforts are being made for receiving grant of Central Government.

2.3.3 *Commission's Views*

The Commission in its Tariff Orders have been approving norms such as NAPAF and Design Energy for generating stations and the cost is allowed to be recovered only in case, these generating stations achieve the norms specified.

2.4 Issues raised during the meeting of State Advisory Committee

2.4.1 *Views of the State Advisory Committee*

During the State Advisory Committee meeting held on March 03, 2023, the Members made the following observations/suggestions/comments:

(1) UJVN Ltd. has been increasing capital expenditure every year without corresponding increase in generation.

(2) UJVN Ltd. has claimed considerably higher capital expenditure vis-à-vis that approved by the Commission.

2.4.2 *Petitioner's Response*

(1) With regard to observation of additional capital expenditure incurred/proposed to be incurred by the Petitioner, UJVN Ltd. submitted that three types of capital expenditure required, which are as follows.

(a) Renovation and Modernisation – For replacement of old equipment which have outlived their useful life, which in case of UJVN Ltd. all Plants except for MB-II and Vyasi have crossed 35 years.

(b) DRIP works which pertains to strengthening of Dam and Barrages and are funded by Central Government and are on account of safety.

(c) Other works which are essential for continued operations.

(2) UJVN Ltd. submitted that as per Regulation, it has to obtain prior approval of the Commission for any additional capital expenditure over and above Rs. 5 Crore and therefore, no imprudent expenses are being incurred.

(3) UJVN Ltd. further submitted that as a result of prudent capital expenditure, the machine availability has increased from 81.87% in FY 2020-21 to 87.4% in FY 2021-22 and is 87.25% in FY 2022-23 (till February 2023). Similarly, the generation has increased from 4754 MU in FY 2020-21 to 5157 MU in FY 2021-22 and is projected to achieve 5511 MU in FY 2022-23 which are also above targets specified by CEA.

(4) UJVN Ltd. further submitted that steady capital expenditure has enabled such increase in generation and therefore, should be allowed. Further, submitted that the average cost of power from UJVN Ltd. (excluding Vyasi) is Rs. 1.62/kWh.

(5) UJVN Ltd. submitted that the per MW generation of UJVN Ltd. is comparable to storage-based projects of THDC and SJVN Ltd.

(6) UJVN Ltd. also shared list of projects which are expected to be commissioned in future.

(7) UJVN Ltd. submitted that in view of the submissions made, the proposal of UJVN Ltd. should be accepted.

2.4.3 *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 2021-22, APR for FY 2022-23 and Tariff for FY 2023-24 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 2021-22

Regulation 12 of the UERC Tariff Regulations, 2018 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 2021-22 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 2021-22 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 2021-22 considering the capital cost as on CoD as approved by the Commission in the Tariff Order dated April 26, 2021, i.e., Rs. 1885.50 Crore in accordance with the UERC Tariff Regulations, 2018.

3.1 Impact of Sharing of Gains and Losses on account of Controllable Factors for FY 2021-22

Regulation 14 of the UERC Tariff Regulations, 2018 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, 2018 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, 2018, these are controllable expenses. Similarly, in accordance with the UERC Tariff Regulations, 2018, 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, 2018.

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 February 27, 2019 had approved the NAPAF for 9 LHPs of UJVN Ltd. in accordance with Regulations 47(1)(b) of UERC Tariff Regulations, 2018 as under:

Table 3.1: NAPAF approved vide Order dated 27.02.2019 for FY 2021-22

Sl. No.	Name and Type of Plant		NAPAF approved in MYT Order dated 27.02.2019 (%)
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	19.00%
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 2021-22 and requested the Commission to relax the NAPAF norms for its Plants namely Dhakrani, Ramganga, Chilla, MB-I and Khatima to the extent of PAFY achieved during FY 2021-22. The actual PAFY achieved during FY 2021-22 is as under.

Table 3.2: Plant-wise actual PAFY achieved during FY 2021-22

Sl. No.	Name and Type of Plant		NAPAF approved in MYT Order dated 27.02.2019 (%)	PAFY (%)
1	Dhakrani	RoR	66.17%	65.65%
2	Dhalipur	RoR	61.07%	70.58%
3	Chibro	Pondage	65.06%	65.52%
4	Khodri	Pondage	57.23%	59.39%
5	Kulhal	RoR	65.00%	74.46%
6	Ramganga	Storage	19.00%	15.77%
7	Chilla	RoR	74.00%	68.57%
8	MB-I	Pondage	79.00%	60.22%
9	Khatima	RoR	69.30%	68.36%

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 could not achieve NAPAF as the station is very old & requires more maintenance, hence, requiring longer period of shut down for carrying out maintenance. The Petitioner further submitted that Unit-I of the station remained under shut down from 28.01.2022 to 09.08.2022 for Reverse Engineering works for RMU. The Petitioner further submitted that RMU is expected to commence for Unit-I of Dhakrani HEP from November, 2023. The Petitioner, therefore, requested the Commission to revise the NAPAF for FY 2021-22 as 65.65% instead of 66.17% on account of RMU works for Dhakrani HEP.
- **Ramganga:** The Petitioner submitted that the water release from Ramganga Dam is purely irrigation based and the control of water release rests with Uttar Pradesh Irrigation Department (UPID) and, therefore, they have no control over the same. Therefore, the Petitioner requested the Commission to revise the NAPAF for FY 2021-22 as 15.77% instead of 19.00% for Ramganga HEP.
- **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. The Petitioner further submitted that RMU works are also planned during FY 2023-24.

The Petitioner, therefore, requested the Commission to revise the NAPAF for FY 2021-22 as 68.57% instead of 74% for Chilla HEP.

- **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. The Petitioner further submitted that RMU works were going on from 12/12/2018 to 09/09/2022. The Petitioner, therefore, requested the Commission to revise the NAPAF for FY 2021-22 as 60.22% instead of 79% for MB-I HEP.

- **Khatima:** The Petitioner has submitted that utmost efforts are being made to achieve the NAPAF approved as 69.30% by the Commission but the same could not be achieved in FY 2021-22.

Commission's Analysis

- **Dhakrani HEP**

With regard to Dhakrani HEP, the Petitioner has achieved a PAFY of 65.65% against the approved NAPAF of 66.17%. The NAPAF was set by the Commission in the MYT Order dated February 27, 2019 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 HEP was under shutdown since January 28 2022, in FY 2021-22 the Commission has considered the same and re-stated the PAFY of Dhakrani LHP to 66.17%, i.e., up to approved NAPAF.

- **Ramganga HEP**

With regard to Ramganga HEP, the Petitioner has achieved a PAFY of 15.77% against the approved NAPAF of 19% and the relaxation sought by the Petitioner is 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.

The Commission while approving NAPAF for the Second Control Period had considered the maximum of NAPAF approved for the First Control Period and that projected by the Petitioner for the Second Control Period, which already factors in the fact that the control of water release lies with UPID and the Commission in its MYT Order for Third Control Period retained the NAPAF considering the similar conditions under which the Plant is operating. The Commission has, therefore, not allowed any relaxation with regard to NAPAF or re-statement of PAFY for Ramganga HEP for FY 2021-22.

- **Chilla HEP**

With regard to Chilla HEP, the reasons for not achieving NAPAF as submitted by the Petitioner is on account of ageing and shutdowns and moreover, the proposed RMU has not been started yet. Therefore, the Commission do not find the submission of the Petitioner as prudent and decided not to re-state PAFY of Chilla LHP for FY 2021-22.

- **MB-I HEP**

With regard to NAPAF of MB-I for FY 2021-22, the Petitioner has achieved PAFY of 60.22% against the approved NAPAF of 79%. The Commission in its review Order dated September 03, 2013 and subsequent Tariff Orders for Second Control Period and Third 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. Further, the Commission observed that one Unit#2 of MB-I LHP was under shutdown from April 1, 2021 to March 31, 2022 for Comprehensive RMU works, and Unit#3 was under shutdown from April 1, 2021 to July 6, 2022 which was not considered while approving the NAPAF for the year. As the Commission has already decided to give effect of outages caused due to RMU, the Commission has considered the same and has re-stated the PAFY of MB-I LHP as 68.39% for FY 2021-22 based on the average PAFM of last 5 years prior to RMU achieved during the said period excluding the abnormal periods.

- **Khatima**

With regard to Khatima HEP, the Petitioner achieved a PAFY of 68.36% against the approved NAPAF of 69.30%. The Commission observes that no legitimate reasons have been submitted by the Petitioner for the lower achievement. It is 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 stations for FY 2021-22.

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

Petitioner's Submission

The NAPAF for the station has been approved as 76.00% for FY 2021-22 as against which the Power Station has achieved PAFY of 79.04% for FY 2021-22.

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 2021-22, 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 31.03.2022 at para 6.6.2 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 2021-22 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 2021-22 is 501.62 MU against 8 LHPs namely Chibro, Khodri, Dhakrani, Dhalipur, Kulhal, MB-I, Chilla and MB-II.

UJVN Ltd. was also directed to provide the justification of its claimed generation loss due to extra e-flow excluding the monsoon periods correlating the loss data with past discharge data alongwith availability of Plant and excluding generation loss due to RMU. UJVN Ltd. vide reply dated February 3, 2023 confirmed that in the computation of generation loss due to E-Flow, i.e. 501.75 MU for FY 2021-22, no other loss have been included and that there is no overlapping of the generation loss.

The actual gross generation submitted by the Petitioner vis-à-vis MYT Order dated 27.02.2019 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 MYT Approved & Revised on account of NGT Order for 10 LHPs

Power Plant	FY 2021-22		
	Actual Gross Generation submitted by the Petitioner (MU)	Design Energy Approved in MYT Order dt. 27.02.2019 (MU)	Revised Design Energy after impact of NGT Order approved vide Order dated 18.04.2020 (MU)
	(A)	(B)	(C)
Dhakrani	155.84*	156.88	150.85
Dhalipur	247.12**	192.00	182.76

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

Power Plant	FY 2021-22		
	Actual Gross Generation submitted by the Petitioner (MU)	Design Energy Approved in MYT Order dt. 27.02.2019 (MU)	Revised Design Energy after impact of NGT Order approved vide Order dated 18.04.2020 (MU)
	(A)	(B)	(C)
Chibro	904.76	750.00	728.11
Khodri	431.32	345.00	335.37
Kulhal	160.3	153.91	148.91
Ramganga	252.92	311.00	311.00
Chilla	801.16	671.29	557.62
MB-I	399.76***	395.00	366.45
Khatima	230.28	235.59	235.59
MB-II	1374.16	1291.00#	1,291.00
Total	**4,957.62**	**4,501.67**	**4,307.65**

 # Approved in Tariff Order dated 18.04.2020 for Third Control Period
** Unit 1 under Reverse Engineering from 28.01.2022 to 31.03.2022*
*** Unit-2 RMU Completed on 07.06.2021, Unit-1 in RMU from 03.12.2021 to 31.03.2022*
**** Unit-3 RMU Completed on 06.07.2021, Unit-2 in RMU from 01.04.2021 to 31.03.2022*

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 and MB-I were under RMU, the generation from the said LHPs were 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 2021-22.

Therefore, the Commission decides to consider the 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 the Order dated April 18, 2020 based on the recommendations of Expert Consultant's Report. Accordingly, the approved Design Energy for FY 2021-22 after considering NGT/NMCG Order impact is as under:

Table 3.4: Revised Design Energy and Saleable Primary Energy Approved for FY 2021-22 (MU) (after impact of NGT/NMCG Order)

Name of the Station	Original Design Energy (A)	Design Energy approved in MYT Order dt. 27.02.2019 (B)	Impact of NGT/ NMCG (C)	Revised Design Energy (D=B-C)	Approved Auxiliary Consumption	Approved Auxiliary Consumption	Saleable Primary Energy
	MU	MU	MU	MU	%	MU	MU
Dhakrani	169.00	156.88	6.03	150.85	0.70%	1.06	149.79
Dhalipur	192.00	192.00	9.24	182.76	0.70%	1.28	181.48
Chibro	750.00	750.00	21.89	728.11	1.20%	8.74	719.37
Khodri	345.00	345.00	9.63	335.37	1.00%	3.35	332.01
Kulhal	164.00	153.91	5.00	148.91	0.70%	1.04	147.87
Ramganga	385.00	311.00	-	311.00	0.70%	2.18	308.82
Chilla	725.00	671.29	113.67	557.62	1.00%	5.58	552.04
MB-I	546.00	395.00	28.55	366.45	0.70%	2.57	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**	**4,501.67**	**194.02**	**4,307.65**		**41.05**	**4,266.60**

**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 Petitioner in its Petition has considered the allocation for indirect expenses in the ratio of 85:10:5 among 9 LHPs, MB-II and SHPs, respectively, as considered by the Commission in its Order dated March 21, 2018.

The Commission in its Order dated 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 85:10:5 among 9 LHPs, MB-II and SHPs, respectively.

With regard to Solar business expenses, the Petitioner submitted that the direct expenses on Solar Business for FY 2021-22 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 85% of the common expenses have been allocated to the 9 LHPs, 10% of such expenses have been allocated to MB-II 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.

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 31, 2022 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 September 2022 was already submitted to the Commission vide letter dated October 31, 2022. Further, 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 2021-22 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
Khatima	7.19	7.19
Total	**506.17**	**506.17**

**Including DRB claim*

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 31, 2022.

Accordingly, in line with the decision taken in Order dated March 31, 2022, 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	0.00	0.00
Guarantee Fee Payable	0.00	0.00
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 2020-21 amounting to Rs. 687.74 Crore including de-capitalisation as shown in table below.

Accordingly, the additional capitalisation from FY 2001-02 to FY 2020-21 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 2020-21 for 9 LHPs (Rs. Crore)

Generating Station	Amount
Dhakrani	36.47
Dhalipur	45.04
Chibro	79.62
Khodri	43.77
Kulhal	37.83
Ramganga	37.56
Chilla	95.83*
MB-I	148.73
Khatima	162.88**
Total	**687.74**

** 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 2020-21 for these LHPs, the Commission has considered the opening GFA for FY 2021-22 for nine LHPs as presented below:

Table 3.9: Opening GFA for 9 LHPs as considered by the Commission for FY 2021-22 (Rs. Crore)

Generating Station	Amount
Dhakrani	48.87
Dhalipur	65.41
Chibro	167.51
Khodri	117.74
Kulhal	55.34
Ramganga	87.58
Chilla	220.72*
MB-I	260.66**
Khatima	170.07***
Total	**1,193.91**

** Including de-capitalisation of Rs. 19.30 Crore in FY 2016-17 for DRIP*
*** Including DRB claim*
**** 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 2021-22 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 2021-22 (Rs. Crore)

Generating Station	Other Capital Works	DRIP	RMU works	Total
Dhakrani	1.06	0.16	-	**1.23**
Dhalipur	0.30	0.24	38.79	**39.33**
Chibro	19.90	7.67	-	**27.57**
Khodri	1.72	3.83	-	**5.55**
Kulhal	1.65	5.62	-	**7.27**
Ramganga	8.29	-	-	**8.29**
Chilla	7.54	10.15	-	**17.69**
MB-I	1.97	1.70	59.26	**62.93**
Khatima	0.88	-	-	**0.88**
Total	**43.31**	**29.38**	**98.05**	**170.73**

The Petitioner in the Petitions submitted that the additional capitalisation claimed above includes the capitalisation on account of Dam Rehabilitation and Improvement Project (DRIP) (Executed under Phase-I, herein after referred as DRIP Works), RMU (Renovation and Modernization) and other works essential for efficient Plant operations. The Commission has observed that the Petitioner has executed works amounting to Rs. 38.79 Crore and Rs 59.26 Crore under RMU works for Dhalipur and MB-I which includes the Interest During Construction cost of Rs. 2.80 Crore and Rs 6.19 Crore respectively. The Petitioner has submitted Auditor Certificate certifying the aforesaid claim. Since, the works covered in RMU of Dhalipur and MB-I had been awarded as a single contract, 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 detailed analysis of RMU works post completion shall carry out necessary adjustments in case cost claimed appears to be higher with associated carrying cost.

The 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 2021-22 (Rs. Crore)

Generating Station	Additional Capitalisation	De-Capitalisation	Net Additional Capitalisation
Dhakrani	1.23	-	1.23
Dhalipur	39.33	-	39.33
Chibro	28.69	-	28.69
Khodri	6.11	-	6.11
Kulhal	7.27	-	7.27
Ramganga	8.29	-	8.29
Chilla	17.69	7.13	10.57

Table 3.11: Net Additional Capitalisation for 9 LHPs claimed by the Petitioner for FY 2021-22 (Rs. Crore)

Generating Station	Additional Capitalisation	De-Capitalisation	Net Additional Capitalisation
MB-I	61.25	33.61	27.64
Khatima	0.88	-	0.88
Total	**170.73**	**40.73**	**130.00**

The Commission with regard to de-capitalisation (De-cap) of the assets in Chilla HEP 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. 7.13 Crore and further submitted that the de-cap was done on account of additional repair work at Unit-4. The Petitioner also submitted that out of Rs. 7.13 Crore of decapitalized assets, Rs. 2.92 Crore were capitalized in FY 2001-02, Rs. 3.34 Crore were capitalized in FY 2003-04 and Rs. 0.87 Crore were capitalized in FY 2004-05. The Petitioner further submitted that the total depreciation recovered towards the de-cap assets till the date of de-capitalisation is Rs. 5.61 Crore. In view of the above, the Commission has, therefore, approved de-capitalisation of Rs. 7.13 Crore for Chilla LHP.

The Commission with regard to de-capitalisation (De-cap) of the assets in MB-I LHP 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. 33.70 Crore and further submitted that the de-cap was done due to RMU works. The Petitioner also submitted that out of Rs. 33.70 Crore of decapitalized assets, Rs. 29.97 Crore were capitalized in FY 2001-02, Rs. 3.62 Crore were capitalized in FY 2010-11 and Rs. 0.09 Crore were capitalized in FY 2019-20. The Petitioner further submitted that the total depreciation recovered towards the de-cap assets till the date of de-capitalisation is Rs. 24.09 Crore. The Petitioner in its reply dated January 23, 2023 submitted that asset (220 KV Capacitor Voltage T/F) of Rs. 0.09 Crore was inadvertently de-capitalized by error and the respective accounts department has been notified to ensure necessary entries are made in the books. In view of the above, the Commission has, therefore, approved de-capitalisation of Rs. 33.61 Crore for MB-I LHP.

Simultaneously, the Commission also sought a consolidated sheet with the details of all the works pertaining to DRIP-I Scheme executed during the period FY 2015-16 to FY 2021-22. The Petitioner vide its reply dated January 23, 2023 submitted the consolidated sheet of DRIP-I works. A summary of the DRIP-I works as per submission is as follows:

Table 3.12: Additional Capitalisation for DRIP-I works in 9 LHPs claimed by the Petitioner till FY 2021-22 (Rs. Crore)

Dam/ Barrage	up to FY 2018-19		FY 2019-20		FY 2020-21		FY 2021-22		Total	
	Add Cap	R&M	Add Cap	R&M	Add Cap	R&M	Add Cap	R&M	Add Cap	R&M
Ichari dam	1.13	0.27	19.86	0.08	9.90	0.02	13.18		**44.08**	**0.37**
Dakpathar dam	6.08	0.25	35.26	0.41	6.85	0.05	0.41		**48.60**	**0.71**
Asan Barrage	3.66	-	16.59	-	6.56	0.09	5.62	0.04	**32.43**	**0.13**
Virbhadra Barrage	37.34	-	2.67	-	16.38	-	10.15		**66.55**	**-**
Maneri Dam	0.54	-	14.31	-	24.09	-	0.02		**38.96**	**-**
Khatima	-	-	-	-	3.92	-			**3.92**	**-**
Head Office	-	-	-	-	1.13	-			**1.13**	**-**
Total	**48.76**	**0.52**	**88.7**	**0.49**	**68.83**	**0.16**	**29.38***	**0.04**	**235.67**	**1.22**

**Rs. 29.38 Crore included in the claim of Rs. 170.73 Crore claimed as additional capitalisation for FY 2021-22*

From the above, it can be observed that a total of Rs. 236.89 Crore (Rs. 235.67 Crore + Rs. 1.22 Crore) was incurred till FY 2021-22 pertaining to DRIP-I works which includes Rs. 29.42 Crore (Rs. 29.38 Crore pertains to Additional capitalisation and Rs. 0.04 Crore pertains to R&M) for FY 2021-22.

The Commission has gone through the details of the expenditure submitted in the consolidated sheet and found the same to be in order. With regard to the issue of considering whether the DRIP expenses should be booked under R&M head or under additional capitalisation, considering that these works are found to be similar to the Renovation and Modernization of Dams/Barrages, the Commission is of the view that the DRIP expenses booked under R&M head have to be considered as additional capitalisation as a one-time expense. Accordingly, an expense of Rs. 0.04 Crore pertaining to the expenses incurred in FY 2021-22 has been considered as additional capital expenditure. Further, the Commission has considered the additional capitalisation on account of DRIP 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 capitalisation claims of the Petitioner the Commission observed certain infirmities/deviations in the claimed figure. Accordingly, the Petitioner submitted clarifications regarding the same and the Commission has taken appropriate view in this Section below.

During the scrutiny of the additional capitalisation claimed in Kulhal HEP, it was observed that 'SITC of 3 phase 250 kVA Voltage Servo Stablizer' at Asan Barrage for Rs. 0.11 Crore was booked under Major civil works and same has been considered under Plant & Machinery.

With regard to the claim of additional capitalisation for DRIP-I works booked at Ichari Dam, the Commission observed that the total claim of Rs. 4.45 Crore against 'SITC of instrumentation software monitoring of DAM Monitoring System' under Plant & Machinery includes works for Ichari Dam and as well as for Maneri Dam (Rs. 2.77 Crore pertains to Ichari Dam and Rs. 1.68 Crore pertains to Maneri Dam). In this regard, the Commission has reworked and apportioned the same for the respective LHPs as below:

Table 3.13: Approved Additional Capitalisation after scrutiny for Ichari Dam (Rs. Crore)

Particulars	Ichari Dam	Maneri Dam	Ichari Dam
	(Claimed)	(Re-worked)	(Re-worked)
SITC of instrumentation software monitoring of DAM Monitoring System	4.45	1.68	2.77
Apportionment/Allocation		MB-I - 1.68	Chibro - 1.84 Khodri - 0.92

The Commission has, therefore, considered the re-worked claim and approved the same for the respective LHPs.

Besides above, the Commission has observed that certain Additional Capital nature works have been booked under R&M and based on queries raised by the Commission and the Petitioner's submission, the Commission has shifted the respective R&M works to Additional Capitalisation as discussed below.

With regard to the claim of R&M expenses for FY 2021-22 for Dhakrani HEP, the Commission observed that works related to 'Replacement of CT of 33 kV Chibro-2 feeder' were inadvertently booked under R&M Expenses whereas they had to be booked under Additional Capitalisation. Therefore, the Commission has transferred an expense of Rs. 0.001 Crore to Plant & Machinery.

With regard to the claim of the R&M expenses for FY 2021-22 for Dhalipur HEP, the Commission observed that works related to 'Enhancing fencing Security System required for illumination, luminaries, associated cabling, etc,' the expenses were inadvertently booked under R&M Expenses whereas they had to be booked under Additional Capitalisation. Therefore, the Commission has transferred an expense of Rs. 0.37 Crore to Plant & Machinery.

With regard to the claim of the R&M expenses for FY 2021-22 for Kulhal HEP, the Commission observed that erection & commissioning expenses related to '220V/50A battery charger & DCDB 150A' amounting to Rs. 0.02 Crore and expenses related to 'IIOT based asset monitoring online platform' amounting to Rs. 0.21 Crore have been booked under R&M Expenses whereas they had to be booked under Additional Capitalisation. Therefore, the Commission has shifted the aforesaid expenses to their respective sub-heads in Add Cap.

With regard to wrong booking of expenses under their respective heads as illustrated above, **the Commission directs the Petitioner to make sincere efforts while booking of its expenses under respective heads, i.e., Additional Capitalisation or R&M.** Any laxity shown in this regard in future submissions may result in disallowance of the same.

The details of all such expenses amounting to Rs. 0.65 Crore are provided at **Annexure 4** of this Order. The Commission has, accordingly, shifted the expenses of the nature of additional capitalisation booked under R&M expenses to additional capitalisation in FY 2021-22. The Plant-wise details are as per Table below:

Table 3.14: Expenses of Additional Capitalisation nature but included under R&M for 9 LHPs during FY 2021-22 (Rs. Crore)

Generating Station	Amount
Dhakrani	0.001
Dhalipur	0.37
Chibro	-
Khodri	-
Kulhal	0.28
Ramganga	-
Chilla	-
MB-I	-
Khatima	-
Total	**0.65**

The Commission, accordingly, approves an additional capitalisation for FY 2021-22 for 9 LHPs as shown below:

Table 3.15: Additional Capitalisation approved for 9 LHPs for FY 2021-22 (Rs. Crore)

Generating Station	Approved in Order dt. 26.04.2021	Considered in Order dt. 31.03.2022	Claimed#	Approved in this Order ##
Dhakrani	23.47	2.58	1.23	1.23
Dhalipur	29.68	36.98	39.33	39.70

Table 3.15: Additional Capitalisation approved for 9 LHPs for FY 2021-22 (Rs. Crore)

Generating Station	Approved in Order dt. 26.04.2021	Considered in Order dt. 31.03.2022	Claimed#	Approved in this Order ##
Chibro	4.61	37.56	28.69	27.57
Khodri	3.67	6.02	6.11	5.55
Kulhal	1.17	9.54	7.27	7.55
Ramganga	7.63	9.39	8.29	8.29
Chilla	4.00	13.93	10.57	10.57
MB-I	49.96	68.24	27.64	29.32
Khatima	0.07	0.67	0.88	0.88
Total	**124.28**	**184.92**	**130.00**	**130.65**

 # Including claim of Rs. 29.38 Crore against DRIP works included in add cap

including the claim of Rs. 29.38 Crore against DRIP works included in add cap, shifting of expenses after prudence check of Add cap & R&M 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 2020-21 amounting to Rs. 370.34 Crore in its previous Tariff Orders, as shown in the Table below:

Table 3.16: Year-wise Additional Capitalisation already approved by the Commission from FY 2007-08 to FY 2020-21 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
Total	**370.34**

Based on the above closing GFA approved for FY 2020-21, the opening GFA for FY 2021-22 for MB-II LHP is shown below:

Table 3.17: Opening GFA for MB-II as considered by the Commission for FY 2021-22 (Rs. Crore)

Particulars	Amount
Capital Cost	1,885.50
Additional Capitalisation from FY 2007-08 to FY 2020-21	370.34
Opening GFA for FY 2021-22	**2,255.84**

The Petitioner for MB-II LHP has claimed additional capitalisation for FY 2021-22 as given in the Table below:

Table 3.18: Additional Capitalisation claimed by the Petitioner for FY 2021-22 (Rs. Crore)

Components	Additional Capitalisation	De-capitalisation	Net Additional Capitalisation
Land	-	-	-
Building	1.34	-	1.34
Major Civil Works	12.46	4.70	7.76
Plant & Machinery	2.13	0.30	1.83
Vehicles	-	-	-
Furniture and Fixtures	0.06	-	0.06
Office Equipment & Others	0.03	-	0.03
IT Equipment's including Software	0.03	-	0.03
Total	**16.05**	**5.00**	**11.05**

The Commission with regard to de-capitalisation (De-cap) of the assets 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. 5.00 Crore for MB-II LHP and further submitted that the de-cap was done to write-off the assets lost due to Flood in 02/03 August 2012. Furthermore, the Petitioner vide its submission dated February 24, 2023 submitted that the insurance amount received from the Insurance Company is Rs. 2.17 Crore. Since, the Petitioner's aforesaid insurance claim has not been finalized, therefore, the same shall be considered after finalisation.

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 2012-13 and due to delayed de-capitalisation, the Petitioner was recovering tariff on the assets that were not in service since FY 2012-13. Further, the Petitioner has carried out restoration works associated with such de-capitalisation and such asset was also being serviced through tariff. In view of the Petitioner recovering tariff on such de-capitalised assets, the Commission has separately computed excess tariff recovered since the assets were not in service along with the carrying cost and has adjusted the same to the final Gap/(Surplus) computed for FY 2021-22.

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.

The Commission in its Order dated February 27, 2019 approved the additional capitalisation of Rs. 12.05 Crore for FY 2021-22 subject to prudence check at the time of True-up. Further, the Commission in its Order April 18, 2020 while Truing-up of the additional capitalisation for MB-II for FY 2018-19 had directed the Petitioner as follows:

"The Commission upon the scrutiny of the justification provided along with supporting documents it was observed that the Pending works except testing of surge shaft gate are uncontrollable in nature as the same were pending before various Courts. With regard to Testing of Surge Shaft Gate the Commission observes that the works are very important with respect to safety of the Plant and delaying of such works may be catastrophic from Plant safety perspective.

The Commission directs the Petitioner to complete the said works as soon as possible and cautions that any occurrence of damage to safety of the MB-II in future due to delay in execution of the testing of surge shaft gate shall solely be attributable to UJVN Ltd."

(Emphasis added)

The Commission observed that the Petitioner, apart from the details of additional capitalisation for FY 2021-22, has not submitted any information with respect to status of pending Balance Capital Works. Accordingly, the Commission vide letter dated December 7, 2022 sought the status of Balance Capital Works at MB-II in line with the Format provided in previous Tariff Order at **Annexure 7**. The Petitioner, vide its reply dated January 4, 2023 submitted that the Balance Capital Works allowed by the Commission for MB-II have been completed, however, some works viz. R&R, expenditure against arbitration, etc., proposed under Balance Capital Works have been transferred to be executed under normal add-cap. The Commission vide its Minutes of TVS dated January 24, 2023 sought status of such works which are to be transferred to normal add-cap from Balance Capital Works.

The Petitioner vide its reply dated February 3, 2023 submitted a detailed sheet showing the status of works and requested the Commission to allow the Balance Capital Works up to March 31, 2022 subject to condition that certain works may be allowed separately under normal capital work as & when required.

The sub-head-wise details of expenses as per Petitioner's submission dated February 3, 2023 for works covered under Balance Capital Works is given in **Annexure 6** of this Order. It was observed that out of 20 no. main items approved in DPR of Balance Capital Works (as summarized in **Annexure 6**) certain items, viz., 1, 4, 14, 16 and 20(g,h,i) and payment of court decree to Continental Company Ltd. are pending and the rest have been completed. The summary of justification of pending works as submitted by the Petitioner is as follows:

Table 3.19: Summary of pending works of Balance Capital Works of MB-II

Sl. No	Particulars/ Item	Status
1	Item No. 1 (Rehabilitation)	• In some cases, land could not be exchanged due to dispute. Compensation shall be paid after settlement of dispute. This is uncontrollable reason beyond the control of UJVN Ltd. It is requested that expenses beyond 31-03-22 may be allowed separately under normal capital work as & when required.
2	Item No. 4 (Compensation for affected people)	• District Magistrate Office Uttarkashi has given decision for rate of compensation of land submerged in Joshiyara reservoir. Due to increase in rate, the compensation amount has increased. However, the variation shall be put up after payment of allocated amount. This land was submerged in 1994. Thereafter, main land owners' family has divided into several separate families. Due to disputes between these family members, some payments will be finalised after settlement of disputes. This is uncontrollable reason beyond the control of UJVN Ltd. It is requested that expenses beyond 31-03-22 may be allowed separately under normal capital works as & when required.
3	Item No. 14 (Construction of Infrastructure for affected villagers)	• The balance work is proposed to be executed under normal O&M. UERC is requested to allow the same separately under normal capital work as and when required.
4	Item No. 16 (Testing of Surge Shaft Gate)	• This work is possible only after dewatering of tunnel and proposed to be executed with other important work to be executed in closure.
5	Item No. 20 (g,h,i) (Expenditure incurred for arbitration)	• Arbitration/Court cases are beyond the control of UJVN Ltd. It is proposed that additional expenditure on arbitration matter as per Order of Hon'ble Courts shall be put up before the Commission as & when required under normal capital head.
6	Payment of decree amount to M/s Continental Company Ltd against arbitration case	• Now the case is pending before District Judge (Commercial), Dehradun. In compliance of Order of District Court (Uttarkashi) dated 09-09-2019 decree amount of Rs 1.99 Cr. are against 09 claims has been deposited in account of ADJ, Commercial, Dehradun. Case of rest 03 claims is also pending before Hon'ble District Court (Commercial), Dehradun.

The Commission observed that UJVN Ltd. with regard to MB-II has claimed expenses of Rs. 258.77 Crore against Balance Capital Works (Rs. 241.21 Crore of Balance Capital Works + Rs. 17.56 Crore against provisionally allowed IDC in Tariff Order dated 21.03.2018) till FY 2021-22 as against estimated DPR cost of Rs. 211.74 Crore and revised estimate of Rs. 238.62 Crore. Since, the Commission has been repeatedly directing the Petitioner for completing the Balance Capital Works and the Petitioner, at this point of time, has requested the Commission to allow it for closing the works proposed under Balance Capital Works with transfer of aforementioned works under normal add-cap, therefore, the Commission has decided to close the account of works proposed under Balance Capital Works. Further, the works listed as in **Table 3.19** above shall be considered under normal additional capitalisation subject to prudence check.

The Commission upon the scrutiny of the justification provided along with supporting documents, observed that the pending works except testing of surge shaft gate are uncontrollable in nature as the same were pending before various Courts or are cases of Rehabilitation / disputes. 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.

The Commission has, accordingly, approved additional capitalisation for FY 2021-22 for MB-II LHP as shown below:

Table 3.20: Asset-wise Additional Capitalisation approved by the Commission for FY 2021-22 for MB-II (Rs. Crore)

Particulars of Assets	Approved in Order dt. 26.04.2021 for FY 2021-22	Considered in Order dt. 31.03.2022 for FY 2021-22	Net Additional Capitalisation Claimed*	Net Additional Capitalisation Approved now after Truing-up for FY 2021-22
Land	0.01		0.00	0.00

Table 3.20: Asset-wise Additional Capitalisation approved by the Commission for FY 2021-22 for MB-II (Rs. Crore)

Particulars of Assets	Approved in Order dt. 26.04.2021 for FY 2021-22	Considered in Order dt. 31.03.2022 for FY 2021-22	Net Additional Capitalisation Claimed*	Net Additional Capitalisation Approved now after Truing-up for FY 2021-22
Building	0.07	19.78	1.34	1.34
Hydraulic works	1.19		0.00	0.00
Major Civil Works	2.85		7.76	7.76
Plant & Machinery	7.67		1.83	1.83
Vehicles	0.03		0.00	0.00
Furniture and Fixtures	0.03		0.06	0.06
Office Equipment & Other Items	0.20		0.03	0.03
IT Equipment including Software	0.00		0.03	0.03
Total	**12.05**		**11.05**	**11.05**

** including de-capitalisation of Rs. 5.00 Crore in FY 2021-22*

3.1.2.4 *Depreciation*

A. Old Nine Generating Stations

Regulation 28 of the UERC Tariff Regulations, 2018 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.*

...

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

..."

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 and UERC Tariff Regulations, 2018.

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 2020-21, the Commission has computed the depreciation in accordance with the provisions of UERC Tariff Regulations, 2011, UERC Tariff Regulations, 2015 and UERC Tariff Regulations, 2018.

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 April 26, 2021 and as approved now by the Commission for FY 2021-22 after Truing-up is shown in the following Table:

Table 3.21: Depreciation approved for 9 LHPs after Truing-up of FY 2021-22 (Rs. Crore)

Generating Station	On Opening GFA as on 14.01.2000		On Additional Capitalisation up to FY 2020-21		Total Depreciation		
	Approved in Order dt. 26.04.2021 for FY 2021-22	Approved now after Truing-up for FY 2021-22	Approved in Order dt. 26.04.2021 for FY 2021-22	Approved now after Truing-up for FY 2021-22	Approved in Order dt. 26.04.2021 for FY 2021-22	Claimed by the Petitioner in FY 2021-22	Approved now after Truing-up for FY 2021-22
Dhakrani	0.00	0.00	1.47	1.71	1.47	1.96	1.71
Dhalipur	0.00	0.00	3.08	1.95	3.08	2.42	1.95
Chibro	0.00	0.00	3.59	4.23	3.59	4.65	4.23
Khodri	0.00	0.00	1.94	2.18	1.94	2.37	2.18
Kulhal	0.00	0.00	1.40	1.71	1.40	1.94	1.71
Ramganga	0.00	0.00	2.47	2.15	2.47	2.44	2.15
Chilla	0.00	0.00	3.53	4.24	3.53	4.98	4.24
MB-I	0.00	0.00	5.13	6.89	5.13	8.23	6.89
Khatima	0.00	0.00	8.20	8.45	8.20	8.73	8.45
Total	**0.00**	**0.00**	**30.81**	**33.52**	**30.81**	**37.72**	**33.52**

B. Maneri Bhali-II

As discussed earlier, the Commission has worked out the additional capitalisation for FY 2021-22 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 2021-22 in accordance with the UERC Tariff Regulations, 2018. 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 2021-22 for MB-II on the approved capital cost as on CoD of Rs. 1885.50 Crore along with the additional capitalisation of Rs. 370.34 Crore approved up to FY 2020-21. Accordingly, the Commission in this Order has Trued-up the depreciation for FY 2021-22 as follows:

Table 3.22: Depreciation for MB-II for FY 2021-22 (Rs. Crore)

Particulars	Approved in AFC Order dt. 26.04.2021 for FY 2021-22	Claimed	Approved now after Truing-up
Depreciation	46.23	51.27	46.33

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, 2018 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, 2018.

Regulation 26 of the UERC Tariff Regulations, 2018 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.

(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.*

..."

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, 2018.

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 2021-22, 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.

As the Transfer Scheme is yet to be finalized, the Commission is provisionally allowing a return on normative equity 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 in accordance with the provisions of UERC Tariff Regulations, 2018. The summary of the Return on Equity approved for 9 LHPs for FY 2021-22 is shown in the Table given below:

Table 3.23: Equity and Return on Equity for Nine Old LHPs for FY 2021-22 (Rs. Crore)

Generating Station	RoE approved in Order dt. 26.04.2021 for FY 2021-22			Claimed by the Petitioner		Approved now after Truing-up for FY 2021-22				
	On Transferred Asset	On Additional Capitalisation	RoE	Opening Equity	RoE	On Transferred Asset as on Jan 14, 2000		On Additional Capitalisation upto FY 2020-21		Total RoE
						Normative Equity	RoE	Opening Equity	RoE	
Dhakrani	0.58	1.19	1.77	12.72	1.97	3.72	0.58	8.99	1.39	1.97
Dhalipur	0.95	2.69	3.64	16.68	2.59	6.11	0.95	10.57	1.64	2.59
Chibro	4.35	2.96	7.31	47.96	7.91	26.37	4.35	21.57	3.56	7.91
Khodri	3.66	1.75	5.42	34.19	5.64	22.19	3.66	12.00	1.98	5.64
Kulhal	0.81	1.13	1.95	13.90	2.15	5.25	0.81	8.67	1.34	2.16
Ramganga	2.48	2.16	4.64	26.28	4.34	15.01	2.48	11.27	1.86	4.34
Chilla	5.81	3.08	8.89	73.23	11.35	37.47	5.81	23.00	3.57	9.37
MB-I	5.43	4.93	10.36	73.23	12.08	32.92	5.43	40.31	6.65	12.08
Khatima	0.24	7.32	7.56	50.02	7.75	1.55	0.24	48.47	7.51	7.75
Total	**24.30**	**27.23**	**51.53**	**348.20**	**55.79**	**150.58**	**24.30**	**184.86**	**29.50**	**53.81**

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 2021-22.

The Commission is of the view that the Regulation 34 of UERC Tariff Regulations, 2018 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, 2018.

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 2020-21 has considered the funding approved by it in its Order dated March 31, 2022. Further, with regard to additional capitalisation for FY 2021-22, the normative Debt: Equity ratio of 70:30 has been considered by the Commission.

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, 2018

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

Table 3.24: Opening Equity approved by the Commission for MB-II for FY 2021-22 (Rs. Crore)

Particulars	Claimed	Approved now after Truing-up
Opening Equity	313.25	313.25

The Commission on account of the financing of the additional capitalisation for FY 2020-21 has revised the RoE allowed for FY 2021-22 as shown below:

Table 3.25: RoE approved for MB-II for FY 2021-22 (Rs. Crore)

Particulars	Approved in AFC Order dt. 26.04.2021 for FY 2021-22	Claimed	Approved now after Truing-up
RoE	51.33	51.69	51.69

3.1.2.6 ***Interest on Loans***

A. Old Nine Generating Stations

Regulation 27 of the UERC Tariff Regulations, 2018 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 01.04.2019 shall be worked out by deducting the cumulative repayment as admitted by the Commission up to 31.3.2019 from the 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 submitted that as per the provisions of Regulation 24 of UERC Tariff Regulations, 2018, 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. The Petitioner during technical validation session held on January 24, 2023 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 2022-23 the actual capitalisation carried out by UJVN Ltd. during April-October is Rs. 21.67 Crore as against total estimated capitalisation of Rs. 295.49 Crore (Rs. 21.67 Crore + Rs. 273.82 Crore) 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 except for projects where CoD for RMU is attained during the year i.e. Dhalipur and MB-I. Accordingly, the Commission has considered the interest rate of 9.93% for Khatima and 6.55% for other 8 LHPs (including DRIP loans).

The assets decapitalised by the Petitioner in FY 2021-22 were partially depreciated as per the data submitted by the Petitioner in the reply dated January 4, 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 2021-22 for 9 LHPs as considered by the Commission is shown in the Table below:

Table 3.26: Opening/Closing Loan considered for FY 2021-22 for 9 LHPs (Rs. Crore)

Particulars	Opening Balance	Loan For Asset Capitalised	Repayment	Closing Balance
Dhakrani	22.98	0.87	1.71	22.14
Dhalipur	28.01	27.82	1.95	53.87
Chibro	40.28	20.07	4.23	56.13
Khodri	16.01	4.27	2.18	18.10
Kulhal	25.26	5.85	1.71	29.46
Ramganga	17.55	5.80	2.15	21.19
Chilla	54.26	13.40	4.24	63.42
MB-I	77.57	44.22	6.89	114.90
Khatima	79.75	0.62	8.45	71.91
Total	**361.74**	**122.91**	**33.52**	**451.13**

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 refund received for FY 2021-22 for the 10 LHPs (9 old LHPs and MB-II LHP) were submitted by the Petitioner vide TVS reply dated February 03, 2023.

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 2021-22 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 Chilla HEP and MB-II HEP. The same is shown in Table below:

Table 3.27: Interest on Loan as approved for 9 LHPs for FY 2021-22 (Rs. Crore)

Generating Station	Approved in AFC Order dt. 26.04.2021	Interest Claimed	Interest Approved
Dhakrani	1.23	2.31	1.45
Dhalipur	2.85	4.18	2.66
Chibro	1.95	4.99	2.50
Khodri	0.74	1.77	0.98
Kulhal	1.28	2.79	1.60
Ramganga	1.52	1.98	1.08

Table 3.27: Interest on Loan as approved for 9 LHPs for FY 2021-22 (Rs. Crore)

Generating Station	Approved in AFC Order dt. 26.04.2021	Interest Claimed	Interest Approved
Chilla	2.64	6.02	3.42
MB-I	3.04	9.77	6.22
Khatima	6.88	7.87	7.50
Total	**22.12**	**41.68**	**27.41**

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 erroneous interest claimed by the Petitioner on DRIP loans which do not bear any interest cost.

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 31, 2022. 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. 119.85 Crore in addition to PFC loan of Rs. 1200 Crore.

The details of interest refund/rebate on timely payments received on loans pertaining to MB-II LHP for FY 2021-22 were submitted by UJVN Ltd vide letter dated February 3, 2023 with refund of Rs. 0.57 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 2021-22, the Commission has computed the weighted average rate of interest as per the methodology specified above and has considered interest rate of 9.58% for MB-II.

The Opening/Closing loan for FY 2021-22 for MB-II considered by the Commission is shown in the Table below:

Table 3.28: Opening/Closing Loan considered for MB-II for FY 2021-22 (Rs. Crore)

Particulars	PFC Loan	GoU Loan	Normative Loan
Opening Loan	428.37	29.79	29.09
Addition	8.99	-	-
Repayment	40.73	2.83	2.77
Closing loan	396.62	26.96	26.32

The Commission based on the approved capital cost and the opening and closing loan including the normative loan for MB-II as on 31.03.2022 has computed the interest expenses for FY 2021-22 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, 2018 has considered the repayment for FY 2021-22 equal to the depreciation allowed for the year.

Also, the Commission has adjusted the rebate received by the Petitioner and Guarantee Fee for FY 2021-22 as per the methodology followed by the Commission in the Order dated March 31, 2022.

Based on the above considerations and the UERC Tariff Regulations, 2018, the Commission has calculated the interest expenses for MB-II for FY 2021-22 as shown in the Table below:

Table 3.29: Interest on Loan as approved for MB-II for FY 2021-22 (Rs. Crore)

Particulars	Approved in Order dt. 26.04.2021	Claimed	Approved now after Truing-up
Interest on Loan	45.29	49.54	46.09

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

A. *Truing-up of O&M Expenses for FY 2021-22 (Nine Large Generating Stations)*

The Petitioner submitted that O&M expenses for FY 2021-22 have been considered as per the audited accounts. Further, as per Regulation 30(1) of UERC Tariff Regulations, 2018, 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 in the Section dealing with apportionment of common expenses of this Order. The Commission, in this regard, has also taken a similar view on the approach of allocating indirect expenses.

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, 2018. Accordingly, for arriving at the normative O&M expenses for FY 2021-22, the Commission has escalated the expenses of FY 2020-21. The Commission for the purpose of escalation has considered following escalation rates.

Table 3.30: Escalation Rates as considered by the Commission for FY 2021-22

Particulars	FY 2021-22
CPI Inflation	6.00%
WPI Inflation	2.42%

Further, for the purpose of arriving at employee expenses for FY 2021-22, 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 as approved in the MYT Order dated 27.02.2019.

3.1.2.7.1 Employee Cost for 9 LHPs

The Commission has considered the same approach for computation of employee expenses for FY 2021-22 as considered by it in the Tariff Order dated March 31, 2022.

With regard to calculation for 'Gn', the Commission observed that opening number of employees for FY 2021-22, i.e, 1924 (1662 for Head Quarters (HQ) and LHPs) was submitted by the Petitioner vide its TVS reply dated February 3, 2023. The Commission observed that the actual additions during the year were less than the nos. of retirements, accordingly, the Growth Factor 'Gn' considered by the Commission is as given below:

Table 3.31: Growth Factor 'Gn' considered for FY 2021-22

Particulars	FY 2021-22
Opening No. of Employees (Pertaining to HQ & 10 LHPs)	1662
Employee Addition (Pertaining to HQ & 10 LHPs)	32
Retirement/Internal Transfers/Etc. (Pertaining to HQ & 10 LHPs)	175
Closing Balance (Pertaining to HQ & 10 LHPs)	1519
Gn	**0.00%**

With regard to approval of normative employee expenses for FY 2019-20, the Commission vide its Order dated February 27, 2019 had stated as follows:

"The Commission for arriving at the normative employee expense for FY 2019-20, has first calculated the normative employee expense for FY 2018-19 by escalating the normative employee expense of the base year i.e. FY 2017-18 without considering the impact of VII Pay Commission arrear and considering the Gn as 0% for FY 2018-19 and CPI of 4.34% for FY 2018-19. The Employee expense for FY 2018-19 so calculated have been multiplied considering a factor of 1.15 for taking care the impact of VII Pay Commission arrear to form the normative employee expense for FY 2018-19. Thus, the above calculated normative employee expense for FY 2018-19 has been used for calculating the normative employee expense for the Third Control Period by

considering the Gn and CPI factor applicable for the respective years as mentioned in the Table below in accordance with the provisions of Regulation 48(2) of the UERC Tariff Regulations, 2018

Table 5.21: Gn and CPI approved by the Commission

Particulars	*FY 2018-19 (%)*	*FY 2019-20 (%)*	*FY 2020-21 (%)*	*FY 2021-22 (%)*
Gn	***0.00***	***0.78***	***1.29***	***3.05***
CPI	***4.34***	***4.34***	***4.34***	***4.34***

The Commission shall consider the actual impact of VII Pay Commission during the True-up of FY 2018-19. Further, the Commission rules that the employee expenses shall be allowed at actual for FY 2019-20 subject to prudence check at the time of True-up without any sharing of gains and losses…."

From the above, it can be observed that the employee expenses shall be allowed at actuals for FY 2021-22 subject to prudence check at the time of True-up without any sharing of gains and losses. 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 2021-22 are shown in the Table below:

Table 3.32: Employee Expenses approved and claimed for 9 LHPs for FY 2021-22 (Rs. Crore)

Generating Station	Approved in AFC Order dt. 26.04.2021	Claimed	Actual Expenses*
Dhakrani	12.22	12.25	12.08
Dhalipur	18.44	11.60	11.34
Chibro	50.98	43.73	42.50
Khodri	28.15	22.11	21.50
Kulhal	10.86	9.49	9.34
Ramganga	34.20	31.22	30.22
Chilla	37.25	34.69	33.96
MB-I	27.23	25.39	24.93
Khatima	15.14	11.83	11.62
Total	**234.46**	**202.32**	**197.49**

** Excluding the GPF trust interest*

3.1.2.7.2 Repairs and Maintenance Expenses for 9 LHPs

The Commission in its MYT Order dated February 27, 2019 had computed the percentage of actual R&M expenses I actual opening GFA for each year from FY 2015-16 to FY 2017-18. Thereafter, the Commission had considered the average of such percentages as 'K' factor. The Commission had considered the constant factor 'K' as follows:

Table 3.33: K-Factor as considered by the Commission

Station	Average of 3 years
Dhakrani	47.60%
Dhalipur	32.05%
Chibro	11.97%
Khodri	8.12%
Kulhal	26.36%
Ramganga	9.72%
Chilla	9.84%
MB-I	7.90%
Khatima	2.00%

The Commission vide its Order dated 26.04.2021, in view of higher actual R&M expenses increased K-Factor for Khatima LHP to 3% from 2%. Accordingly, K-factor for Khatima has been considered as 3% for FY 2021-22.

For computing the R&M expenses for FY 2021-22, the Commission has multiplied the 'K' Factor as given above with the opening GFA approved for FY 2021-22. The Commission observed that the actual expenses claimed by the Petitioner includes the expenses on account of implementation of ERP, whereas, the normative O&M Expenses approved for the Third Control Period in MYT Order did not include the GFA on account of ERP. Accordingly, the Commission has adjusted the opening GFA for FY 2021-22 with the addition on account of ERP approved in FY 2018-19.

Further, in line with earlier approach, with regard to DRIP works, the Commission has considered R&M expenses as 4% of DRIP works and RMU works for computing normative R&M expenses. Further, as two of the Units of Dhalipur and MB-I were under shutdown in FY 2021-22, proportionate R&M for balance Units under operations have been allowed.

The Commission has revised the WPI Inflation for FY 2021-22 based on the WPI Indices for the preceding three years and, accordingly, approved the WPI Inflation of 2.42% for FY 2021-22.

3.1.2.7.2.1 Transfer of R&M expenses to additional capitalisation

As discussed earlier, the Commission has shifted some of the works of the nature of capital expenditure, which were booked under R&M expenses for FY 2021-22 amounting to Rs. 0.65 Crore as shown in **Table: Expenses of Additional Capitalisation nature but included under R&M for 9 LHPs during FY 2021-22 (Rs. Crore)**, as discussed in **Additional Capitalisation** Section of this Chapter. The detailed list of works transferred from R&M expenses to Additional capitalisation are provided in **Annexure 4** of this Order.

3.1.2.7.2.2 Disallowed/ Deferred R&M Expenses

The Commission, during the scrutiny of the Plant-wise details of R&M expenses of Khodri LHP, has observed that the Petitioner has inadvertently included an extra amount for Rs. 0.063 Crore towards scrap items and confirmed that the same is to be excluded from R&M Expenses. Accordingly, the Commission has not considered the same and reduced the claim of R&M Expenses by Rs. 0.063 Crore.

The Commission, during the scrutiny of the Plant-wise details of R&M expenses of Ramganga HEP observed that expenses of Rs. 0.04 Crore related to Runner cone is booked under R&M Expenses due to input error in SAP and is still available in the store. Accordingly, the Commission has not considered the same and reduced the claim of R&M Expenses by Rs. 0.041 Crore

The Commission also observed that the Petitioner has booked an extra amount of Rs. 0.069 Crore under R&M expenses with description as "Stock Issue" for FY 2021-22 for Khatima HEP which was already claimed in earlier Petition. Accordingly, the Commission has not considered the same and reduced the claim of R&M Expenses by Rs. 0.069 Crore.

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

Table 3.34: Disallowed/deferred claim of R&M Expenses for 9 LHPs in FY 2021-22 (Rs. Crore)

Generating Station	Expenditure
Dhakrani	-
Dhalipur	-
Chibro	-
Khodri	0.063
Kulhal	-
Ramganga	0.041
Chilla	-
MB-I	-
Khatima	0.069
Total	**0.173**

Accordingly, the Commission has Trued-up the normative R&M expenses for FY 2021-22 as shown in the Table below:

Table 3.35: R&M Expenses approved for 9 LHPs for FY 2021-22 (Rs. Crore)

Generating Station	Approved in Order dt. 26.04.2021	Claimed	Approved now after Truing-up as per norms for FY 2021-22
Dhakrani	13.43	5.95	14.71

Table 3.35: R&M Expenses approved for 9 LHPs for FY 2021-22 (Rs. Crore)

Generating Station	Approved in Order dt. 26.04.2021	Claimed	Approved now after Truing-up as per norms for FY 2021-22
Dhalipur	2.45	4.74	10.49
Chibro	16.97	17.61	18.06
Khodri	8.81	11.98	9.09
Kulhal	8.31	8.18	8.59
Ramganga	8.89	13.35	8.24
Chilla	17.94	22.48	18.44
MB-I	9.31	7.99	11.11
Khatima	4.91	4.13	5.11
Total	**91.02**	**96.39**	**103.85**

3.1.2.7.3 *Administrative & General Expenses for 9 LHPs*

The Commission in its MYT Order dated February 27, 2019 on approval of AFC for FY 2019-20 approved the A&G expenses in accordance with the UERC Tariff Regulations, 2018. The Commission is considering the same approach for Truing-up of the A&G expenses for FY 2021-22 in accordance with the aforesaid Regulations.

With regard to the insurance expenses, the Commission in the MYT Order dated February 27, 2019, observed as follows:

"The UERC Tariff Regulations, 2018 stipulate the normative O&M expenses for the Third Control Period to be approved taking into account the actual O&M expenses for FY 2013-14 to FY 2017-18. The Commission observed that the A&G expenses have increased significantly in the immediately preceding years partly on account of the increase in insurance expenses. In view of the above, as discussed in Chapter 4, the Commission has decided to treat insurance expense as uncontrollable in nature.

….

In addition to the above, the Commission shall allow to recover actual Petition filing fees and insurance charges subject to prudence check at the time of truing up"

The normative A&G expenses for FY 2021-22 have been arrived by escalating the normative A&G expenses for FY 2020-21 with the revised WPI escalation rate of 2.42% after excluding Petition filing fees, actual insurance expenses paid and normative security expenses in FY 2021-22, and thereafter, adding the actual insurance expenses, security expenses, ERP expenses and Petition filing fees incurred in FY 2021-22.

The Commission has not considered the claim of the Petitioner pertaining to CSR expenses amounting to Rs. 2.01 Crore for 9 LHPs in accordance with the approach adopted in previous Tariff Orders.

The A&G expenses approved by the Commission for FY 2021-22 is as shown in the Table given below:

Table 3.36: A&G Expenses approved for 9 LHPs for FY 2021-22 (Rs. Crore)

Generating Station	Approved in AFC Order dt. 26.04.2021	Claimed	Approved now after Truing-up as per norms for FY 2021-22
Dhakrani	0.94	2.97	1.64
Dhalipur	1.53	2.55	2.19
Chibro	6.38	9.39	8.05
Khodri	3.03	5.91	4.60
Kulhal	0.81	2.43	1.62
Ramganga	4.81	7.32	5.95
Chilla	4.39	7.64	6.91
MB-I	2.65	5.87	4.90
Khatima	0.97	2.40	1.39
Total	**25.51**	**46.49**	**37.24**

The Petitioner under the A&G expenses has included expenses of Rs. 4.91 Crore on account of operational expenses of ERP implemented in UJVN Ltd. The Petitioner has apportioned the said amount of Rs. 4.91 Crore for 10 LHPs by apportioning the total in the ratio of 85:10:5 between 9 LHPs, MB-II and SHPs, which works out to Rs. 4.64 Crore for 9 LHPs. Accordingly, the Commission has considered the same for FY 2021-22.

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 April 18, 2020 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, 2018 as elaborated below.

3.1.2.7.4 Sharing of O&M expenses for 9 LHPs

As per the UERC Tariff Regulations, 2018, 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. 345.20 Crore including interest on GPF trust of Rs. 4.83 Crore Further, the Petitioner has claimed Rs. 349.05 Crore after sharing of gains and losses as per UERC Tariff Regulations, 2018.

As discussed in the above Sections, the employee expenses for FY 2021-22 have been considered as actuals without any sharing of gains and losses.

With regards to R&M Expenses the Commission has deferred/disallowed a claim of Rs. 0.173 Crore and further shifted a claim of Rs. 0.65 Crore as discussed above for FY 2021-22.

For computing net gain or loss with respect to R&M and A&G expenses, the Commission has considered actual O&M expenses excluding the Petition filing fee of Rs. 1.20 Crore, Expenses pertaining to ERP of Rs. 4.64 Crore, insurance expense of Rs. 10.92 Crore and Security expenses of Rs. 11.45 Crore and adjusted the expenses of the nature of capital expenses shifted from R&M expenses to additional capitalisation for FY 2021-22 along with the disallowed works in R&M.

The Insurance expenses of Rs. 10.92 Crore, Petition filing fee of Rs. 1.20 Crore, Expenses pertaining to ERP of Rs. 4.64 Crore, Security Expenses of Rs. 11.45 Crore and employee expenses less interest on GPF trust of Rs. 4.83 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 2021-22 after sharing of gains and losses as shown in the Table below:

Table 3.37: O&M Expenses approved for 9 LHPs for FY 2021-22 (Rs. Crore)

Generating Station	Approved in Order dt. 26.04.2021	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	26.59	21.17	12.25	7.30	14.81	7.51	12.31	25.93
Dhalipur	22.42	18.89	11.60	5.14	11.00	5.86	9.05	22.06
Chibro	74.32	70.73	43.73	21.12	20.74	(0.38)	20.87	68.74
Khodri	39.99	40.01	22.11	13.76	9.88	(3.89)	11.17	36.49
Kulhal	19.98	20.10	9.49	8.61	8.55	(0.05)	8.57	19.57
Ramganga	47.90	51.89	31.22	16.14	10.13	(6.01)	12.13	46.41

Table 3.37: O&M Expenses approved for 9 LHPs for FY 2021-22 (Rs. Crore)

Generating Station	Approved in Order dt. 26.04.2021	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)	
Chilla	59.57	64.81	34.69	25.01	20.55	(4.46)	22.03	60.80
MB-I	39.20	39.25	25.39	9.59	11.93	2.34	11.15	40.16
Khatima	21.01	18.36	11.83	5.17	5.30	0.13	5.25	18.08
Total	**350.99**	**345.20**	**202.32**	**111.84**	**112.89**	**1.05**	**112.54**	**338.23**

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, 2018.

With regard to the employee expenses for FY 2021-22, the Commission, as discussed in earlier Sections, has considered the actual employee expenses for FY 2021-22 without any sharing of gains and losses after disallowing GPF trust interest of Rs. 0.57 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 2021-22, the Commission has multiplied the K Factor as approved in MYT Order dated February 27, 2019 with the opening GFA approved for FY 2021-22. The Commission has considered the average increase in WPI for preceding three years from FY 2018-19 to FY 2020-21 as 2.42%.

For computing the normative A&G Expenses for FY 2021-22, the Commission has considered the normative A&G expenses for FY 2020-21 and escalated the same with the revised WPI escalation rate of 6.00% after excluding Petition filing fees, security expenses, ERP and actual insurance expenses incurred in FY 2021-22. Thereafter, the actual insurance expenses incurred in FY 2021-22 of Rs. 6.13 Crore and Petition filing fees for FY 2021-22 of Rs. 0.304 Crore, Security expenses of Rs. 2.45 Crore, ERP expenses of Rs. 0.55 Crore has been added to the normative expenses.

As discussed in the above Section 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 after apportionment amounting to Rs. 0.24 Crore has been adjusted from the claim of the Petitioner.

Further, the Commission observed that the Petitioner had claimed expenses of Rs. 0.30 Crore pertaining to two nos. of SF6 Circuit Breakers amounting to Rs. 0.30 Crore, which were booked under R&M expenses in FY 2020-21 but were capitalized in Add Cap of FY 2021-22. The expenses were deferred in the Order dated March 31, 2022 by the Commission and were allowed to be claimed under Additional Capitalisation for FY 2021-22. The Petitioner submitted that Rs. 0.30 Crore has been booked under Additional Capitalisation, but negative entry was also made in R&M Expenses. The Commission has, therefore, added the claim of Rs. 0.30 Crore under Repair and Maintenance Expenses for FY 2021-22.

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

Table 3.38: Normative O&M Expenses as approved for MB-II Station for FY 2021-22 (Rs. Crore)

Particulars	Approved in Order dt. 26.04.2021	Claimed	Normative O&M Expenses
Employee Expenses	28.60	27.22	28.48
R&M Expenses	20.80	23.03	20.75
A&G Expenses	12.23	11.89	12.95
Total O&M	**61.62**	**62.14**	**62.19**

Further, the UERC Tariff Regulations, 2018 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 excluding Petition filing fee of Rs. 0.30 Crore, Expenses pertaining to ERP of Rs. 0.55 Crore and Insurance Expense of Rs. 6.13 Crore for FY 2021-22. The Insurance expenses of Rs. 6.13 Crore, Petition filing fee of Rs. 0.30 Crore, Expenses pertaining to ERP of Rs. 0.55 Crore, Security Expenses of Rs. 2.45 Crore and actual Employee expenses after disallowing GPF interest of Rs 0.57 Crore have been allowed on actual basis and added in the Net O&M Entitlement as shown in Table below:

Table 3.39: O&M Expenses approved after sharing of gains and losses for FY 2021-22

(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	62.14	26.65	25.56	24.83	(0.73)	(0.49)	25.07	61.15

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, 2018, on normative basis. The rate of interest considered by the Petitioner for computing interest on working capital for FY 2021-22 has been considered as 13.45%.

The components of working capital as per Regulation 33 (1) b) of UERC Tariff Regulations, 2018 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, 2018 specifies as under:

"Rate of interest on working capital shall be on normative basis and shall be equal to the State Bank Advance Rate (SBAR) of State Bank of India as on the date on which the application for determination of tariff or truing up or annualerformance review is made.

...."

3.1.2.8.1 *One Month O&M Expenses*

The Commission has Trued-up the Plant-wise annual O&M expenses for FY 2021-22. 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, 2018. The Commission has determined the Plant-wise maintenance spares requirement at the rate of 15% of the Trued-up O&M Expenses for FY 2021-22.

3.1.2.8.3 Receivables

The UERC Tariff Regulations, 2018 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 2021-22.

As regards the interest on working capital, Regulation 33 of the UERC Tariff Regulations, 2018 specifies rate of interest on working capital to be taken equal to the State Bank Advance Rate (SBAR) of State Bank of India as on the date on which the application for determination of tariff or True-up or Annual Performance Review is made. As the Tariff Petition for FY 2021-22 was filed on 30.11.2020, the Commission has considered the SBAR prevailing at the time, i.e. 12.15% for computing the Interest on Working Capital.

Accordingly, the normative Interest on Working Capital for FY 2021-22 as approved by the Commission is shown in the Table below:

Table 3.40: Interest on Working Capital for 9 LHPs for FY 2021-22 (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. 26.04.2021	Claimed	Normative Approved
Dhakrani	2.16	3.89	4.63	10.68	1.40	1.31	1.30
Dhalipur	1.84	3.31	4.84	9.98	1.30	1.25	1.21
Chibro	5.73	10.31	13.99	30.03	3.93	4.29	3.65
Khodri	3.04	5.47	7.56	16.07	2.14	2.43	1.95
Kulhal	1.63	2.94	4.01	8.57	1.08	1.26	1.04
Ramganga	3.87	6.96	8.84	19.67	2.53	3.06	2.39
Chilla	5.07	9.12	13.16	27.34	3.26	4.08	3.32
MB-I	3.35	6.02	11.02	20.39	2.32	2.85	2.42

Table 3.40: Interest on Working Capital for 9 LHPs for FY 2021-22 (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. 26.04.2021	Claimed	Normative Approved
Khatima	1.51	2.71	7.03	11.24	1.50	1.57	1.37
Total	**28.19**	**50.73**	**75.07**	**153.99**	**19.46**	**22.10**	**18.71**

Further, the UERC Tariff Regulations, 2018 provides for sharing of gains/losses due to controllable factors and as per UERC Tariff Regulations, 2018, variation in working capital requirements is a controllable factor. The books of accounts had no actual short-term loans for 9 LHPs. Therefore, the Commission for 9 LHPs has considered actual interest on working capital as Nil. As the actual interest on working capital incurred by the Petitioner 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, 2018.

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

Table 3.41 Interest on Working Capital for 9 LHPs for FY 2021-22 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	-	18.71	18.71	6.24	12.47

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, 2018 is shown in the Table below:

Table 3.42: Interest on Working Capital as approved for FY 2021-22 (Rs. Crore)

Particulars	Approved in Order dt. 26.04.2021	Claimed	Normative Approved
Interest on Working Capital	5.99	6.92	5.94

As discussed above, with regard to actual interest on working capital, the Petitioner vide its submission dated January 04, 2023 submitted the details of overdraft drawn for O&M purpose and submitted the amount of Rs. 0.47 Crore towards interest on overdraft for FY 2021-22. The Commission has, accordingly, considered the same. As the actual interest on working capital incurred by the Petitioner for FY 2021-22 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, 2018.

The interest on working capital for MB-II after sharing the gains for FY 2021-22 is as given in the Table below:

Table 3.43: Interest on Working Capital for MB-II for FY 2021-22 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	0.47	5.94	5.47	1.82	4.12

3.1.2.9 Annual Fixed Charges for Nine LHPs for FY 2021-22

Based on the above analysis, the Commission has worked out the approved figures of Gross AFC for FY 2021-22 after Truing-up. The summary of Gross AFC for FY 2021-22 is as shown in the Table below:

Table 3.44: Summary of AFC for 9 LHPs for FY 2021-22 (Rs. Crore)

Generating Station	Approved in Order dt. 26.04.2021 for FY 2021-22	AFC Claimed*	AFC Approved after Truing-up of FY 2021-22					
			Depreciation	Interest on loan	Interest on Working Capital after sharing of gains	O&M expenses*	RoE	Gross Annual Fixed Cost
Dhakrani	32.46	32.33	1.71	1.45	0.87	25.93	1.97	31.92
Dhalipur	33.29	31.68	1.95	2.66	0.81	22.06	2.59	30.06
Chibro	91.10	94.96	4.23	2.50	2.43	68.74	7.91	85.81
Khodri	50.22	52.20	2.18	0.98	1.30	36.49	5.64	46.59
Kulhal	25.69	28.17	1.71	1.60	0.69	19.57	2.16	25.73
Ramganga	59.06	61.04	2.15	1.08	1.59	46.41	4.34	55.57
Chilla	77.89	87.75	4.24	3.42	2.21	60.80	9.37	80.04
MB-I	60.05	72.15	6.89	6.22	1.65	40.16	12.08	67.00
Khatima	45.15	46.05	8.45	7.50	0.91	18.08	7.75	42.70
Total	**474.90**	**506.33**	**33.52**	**27.41**	**12.47**	**338.23**	**53.81**	**465.43**

** 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, 2018 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 2021-22 in accordance with the audited accounts.

The Petitioner made additional submission vide letter dated January 4, 2023 stating that for True-up of 10 LHPs for FY 2021-22, it has not considered interest on fixed deposit as a part of Non-Tariff Income as the interest amount is earned from investment made out of Return on Equity for 9 LHPs and MB-II. The Petitioner has further submitted that Non-Tariff income for FY 2021-22 has been claimed in accordance with the following proviso provided in Regulation 46 of UERC Tariff Regulations, 2018.

"…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 also submitted details in prescribed format shared by the Commission during scrutiny of previous year Tariff Petitions. Further, the Petitioner in additional submission vide letter dated January 4, 2023, attempted to substantiate that such fixed deposits were made through Return on Equity allowed by the Commission.

The Commission vide letter dated January 12, 2023, raised additional deficiency and directed the Petitioner to submit the details of interest earned on fixed deposits out of Investment from RoE in FY 2021-22.

The Petitioner vide its reply dated January 23, 2023, submitted the desired information. The Commission analysed the submissions with regards to funding of Fixed deposits through RoE and observed that the Petitioner while substantiating that fixed deposits were funded through RoE did not show the funding of following cash outflow.

1. Funding of Losses on account of disallowances pertaining to achievement of lower plant availability factor vis-à-vis NAPAF.
2. Funding of Losses on account of achievement of lower energy generation vis-à-vis design energy.
3. Actual Repayment of Outstanding Loans of MB-II and Khatima LHPs.

The Commission vide its E-mail dated 22.02.2023 directed the Petitioner to consider the above cash outflows and resubmit the workings. The Petitioner vide its reply dated 28.02.2023 submitted the same. After going through the submissions of the Petitioner, it is observed that instead of only incorporating the changes communicated through E-mail dated 22.02.20223, the Petitioner also utilised interest income to justify that it had surplus to invest in fixed deposits. As the revised submissions also included the surplus income on account of interest from normative loans and fixed deposits that the Commission had allowed since FY 2001-02, the entire data needed to be re-validated which is a time-consuming exercise. However, after going through the submissions made, *prima-facie* following issues emerge which need to be analysed in detail:

1. No RoE was earned by the Petitioner in FY 2001-02 to FY 2002-03, yet the FD amount was Rs. 100.30 Crore.
2. The amount of Rs. 86.80 Crore shown as funds allowed in Tariff Order dated 16.12.2004 is not Return on Equity and only fraction of this revenue could be RoE and therefore, considering the entire amount as RoE is erroneous and such revenue earned need bifurcation.
3. Loss on account of lower energy generation was shown only from FY 2020-21 onwards even though the Petitioner since FY 2013-14 has not been able to generate upto design energy for some of its generating stations.
4. Mismatch in funding of additional capitalisation shown from internal accruals vis-à-vis cumulative additional capitalisation for 9 LHPs and MB-II.

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.

With regard to sale of scrap, the Petitioner in its submissions dated March 16, 2023 attempted to clarify reasons for not considering the amount of Rs. 3.12 Crore in Non-Tariff income and submitted that the sale of scrap amount is part of salvage value of 10% and the same is allowed to be kept with the utility. Further, the Petitioner submitted that assets sold as scrap were part of the original assets of respective plants. Moreover, with regard to sale of assets of Rs. 0.26 Crore, the Petitioner has submitted that it is related to profit on sale of land of Pala Maneri to Govt. of Uttarakhand and profit on buy back of assets by Directors in head office.

For the purpose of this Order, the Commission has considered the interest earned from Fixed Deposits of Rs. 6.73 Crore for FY 2021-22 as Non-Tariff Income for FY 2021-22. The Commission has apportioned the amount of Rs. 6.73 Crore in the ratio of 85:10:5 for 9 LHPs, MB-II and SHPs, respectively, as considered by the Commission in its Tariff Order dated March 31, 2022 (As in True-up for FY 2020-21) and accordingly the Non-Tariff Income for 9 LHPs works out to Rs. 15.00 Crore, which also includes the amount of Rs. 9.34 Crore as claimed by the Petitioner for 9 LHPs.

The Non-Tariff income as approved by the Commission for FY 2021-22 is shown in the Table below:

Table 3.45: Non-Tariff Income for 9 LHPs for FY 2021-22 (Rs. Crore)

Generating Station	Approved in AFC Order dt. 26.04.2021 for FY 2021-22	Claimed	Approved now after Truing-up for FY 2021-22
Dhakrani	0.39	3.92	4.12
Dhalipur	0.50	0.74	1.04
Chibro	1.18	0.43	1.85
Khodri	0.69	0.54	1.25
Kulhal	0.30	1.50	1.68
Ramganga	1.01	1.34	2.54
Chilla	0.54	0.23	1.10
MB-I	0.38	0.35	0.89
Khatima	0.37	0.29	0.54
Total	**5.34**	**9.34**	**15.00**

B. MB-II

In case of MB-II, the Non-Tariff Income approved vide Order dated April 26, 2021 for FY 2021-22 was Rs. 0.92 Crore, and the Petitioner has now claimed Rs. 0.91 Crore.

As held for 9 LHPs, the Commission has considered the Non-Tariff Income as Rs. 1.58 Crore after including the apportionment of Interest on FDs for MB-II as discussed above for 9 LHPs.

3.1.2.11 ***Truing-up for Nine LHPs for FY 2021-22 and its net impact on UPCL***

The Commission has Trued-up the (Surplus)/Gap for 9 LHPs pertaining to FY 2021-22 to be refunded/recovered by UJVN Ltd. to/from UPCL.

Table 3.46: Summary of net AFC as Trued-up by the Commission for 9 LHPs for FY 2021-22 to be recovered from UPCL (Rs. Crore)

Generating Stations	Approved in Order dt. 26.04.2021 for FY 2021-22	Total AFC to be recovered from UPCL
Dhakrani	24.35	19.82
Dhalipur	24.96	21.50
Chibro	68.33	62.51

Table 3.46: Summary of net AFC as Trued-up by the Commission for 9 LHPs for FY 2021-22 to be recovered from UPCL (Rs. Crore)

Generating Stations	Approved in Order dt. 26.04.2021 for FY 2021-22	Total AFC to be recovered from UPCL
Khodri	37.66	33.70
Kulhal	20.55	18.90
Ramganga	59.06	53.03
Chilla	77.89	78.94
MB-I	60.05	66.11
Khatima	45.15	42.15
Total	**418.00**	**396.69**

The summary of Truing-up for FY 2021-22 for UPCL after considering the actual performance parameters achieved in FY 2021-22 and the total amount to be refunded by UJVN Ltd. to UPCL excluding the carrying cost is summarized in the Table below:

Table 3.47: Summary of net Truing-up for FY 2021-22 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	19.82	9.91	66.17	66.17	9.91	9.91	114.29	0.88	9.91	-	0.79	-	19.82	23.89	(4.07)
Dhalipur	21.50	10.75	61.07	70.58	12.43	11.87	184.89	0.79	10.75	41.90	0.75	3.15	25.77	29.95	(4.18)
Chibro	62.51	31.26	65.06	65.52	31.48	31.40	674.75	0.58	31.26	119.00	0.56	6.69	69.35	74.60	(5.25)
Khodri	33.70	16.85	57.23	59.39	17.49	17.27	316.52	0.68	16.85	60.35	0.66	3.97	38.09	42.04	(3.95)
Kulhal	18.90	9.45	65.00	74.46	10.83	10.37	126.25	0.80	9.45	-	0.73	-	19.82	21.74	(1.92)
Ramganga	53.03	26.52	19.00	15.77	22.02	23.52	251.20	0.86	21.57	-	0.69	-	45.08	47.69	(2.61)
Chilla	78.94	39.47	74.00	68.57	36.57	37.54	788.83	0.72	39.47	71.08	0.55	3.91	80.92	78.36	2.56
MB-I	66.11	33.06	79.00	68.39	28.62	30.10	394.44	0.91	33.06	-	0.61	-	63.15	52.67	10.49
Khatima	42.15	21.08	69.30	68.36	20.79	20.89	223.64	0.90	20.21	-	0.90	-	41.10	43.63	(2.54)
Total	**396.69**	**198.34**			**190.13**	**192.87**	**3,074.81**		**192.53**	**292.33**		**17.72**	**403.12**	**414.57**	**(11.46)**

Thus, for 9 LHPs, the Commission has computed the net Surplus of Rs. 11.46 Crore for FY 2021-22 after sharing of gains and losses and considering the actual performance parameters.

Accordingly, the Commission has Trued-up the (Surplus)/Gap for 9 LHPs pertaining to FY 2021-22 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 is as summarized in the Table below:

Table 3.48: Summary of net AFC as Trued-up by the Commission for 9 LHPs to be refunded to UPCL (Rs. Crore)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24
Opening (Surplus)/Gap	-	(12.15)	(13.43)
True-up Amount	(11.46)	-	-
Carrying Cost	(0.70)	(1.28)	(0.76)

Table 3.48: Summary of net AFC as Trued-up by the Commission for 9 LHPs to be refunded to UPCL (Rs. Crore)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24
Closing (Surplus)/Gap	(12.15)	(13.43)	(14.19)
Interest Rate	12.15%	10.50%	11.29%

The Commission directs UJVN Ltd. to refund Rs. 14.19 Crore to UPCL in accordance with the provisions of UERC Tariff Regulations, 2018 in twelve equal monthly instalments starting from April 2023 to March 2024.

3.1.2.12 ***Truing-up of 5 LHPs of UJVN Ltd. for FY 2021-22 for HPSEB Ltd.***

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

Table 3.49: Summary of net AFC as Trued-up for FY 2021-22 by the Commission for 5 LHPs to be recovered from HPSEB Ltd. (Rs. Crore)

Generating Stations	Approved in AFC Order dt. 26.04.2021 for FY 2021-22	Total AFC to be recovered from HPSEB Ltd.
Dhakrani	8.12	7.98
Dhalipur	8.32	7.51
Chibro	22.78	21.45
Khodri	12.55	11.65
Kulhal	5.14	5.15
Total	**56.90**	**53.74**

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

Particulars	FY 2021-22	FY 2022-23	FY 2023-24
Opening (Surplus)/Gap	-	(3.35)	(3.70)
True-up Amount	(3.16)	-	-
Carrying Cost	(0.19)	(0.35)	(0.21)
Closing (Surplus)/Gap	(3.35)	(3.70)	(3.91)
Interest Rate	12.15%	10.50%	11.29%

The Commission directs UJVN Ltd. to refund Rs. 3.91 Crore to HPSEB Ltd. on the basis of actual PAFY and energy billed in accordance with the provisions of UERC Tariff Regulations, 2018 in twelve equal monthly instalments starting from April, 2023 to March, 2024.

3.1.2.13 *Net Annual Fixed Charges for MB-II from FY 2021-22*

Based on the approved capital cost of MB-II, the approved additional capitalisation and O&M expenses in accordance with MYT Regulations 2018, the net Truing-up of AFC for FY 2021-22 is as shown in the Table below:

Table 3.51: Summary of Truing-up of Net AFC of MB-II for FY 2021-22 (Rs. Crore)

Particulars	Approved in Order dt. 26.04.2021 for FY 2021-22	Claimed	Approved now after Truing-up
Interest on loan	45.29	49.54	46.09
Depreciation	46.23	51.27	46.33
RoE	51.33	51.69	51.69
O&M expenses	61.62	61.79	61.15
Interest on Working Capital	5.99	6.92	4.12
Total Annual Fixed Costs	**210.46**	**221.20**	**209.38**
NTI	0.92	0.91	1.58
Net AFC	**209.54**	**220.29**	**207.79**

3.1.2.14 *Net impact on account of Truing-up of FY 2021-22 of MB-II*

The summary of Truing-up of MB-II after considering the actual performance parameter achieved in FY 2021-22 is as shown in the Table below:

Table 3.52: Net impact on account of Truing-up of FY 2021-22 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)
207.79	103.90	76.00	79.04	103.90	103.90	1365.83	0.81	103.90	207.79	209.55	(1.75)

3.1.2.15 *Excess Tariff Recovered on De-capitalized Assets and Adjustment of Insurance Proceeds*

As discussed earlier in Additional Capitalisation Section, the Petitioner's assets with historical value of Rs. 5.00 Crore got damaged beyond repair during the natural calamity in FY 2013-14 and were put out of service from FY 2013-14. The Petitioner, however, did not de-capitalise the assets 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 amounting to Rs. 14.74 Crore in FY 2020-21 and had received insurance proceeds of Rs. 14.57 Crore against it. Further, the Petitioner has de-capitalised assets amounting to Rs. 5.00 Crore in FY 2021-22 against it has received insurance proceeds amounting to Rs. 2.17 Crore and the same is yet to be finalized. Therefore, impact of insurance proceed has not been considered.

The Commission in order to compute the excess tariff recovered on the de-cap assets upto FY 2021-22, 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.

Table 3.53: Year Wise Impact on De- capitalised Assets allowed by the Commission for MB-II (Rs. Crore)

Financial Year	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	Total
Impact Allowed	0.42	0.49	0.65	0.74	0.82	0.92	1.07	1.10	1.26	**7.46**

Impact of excess tariff recovered on De-Capitalised assets as depicted in above Table of Rs. 7.46 Crore (including carrying cost) has been added to the Surplus accrued in FY 2021-22.

3.1.2.16 *Summary of Net Impact on Account of Truing-up of FY 2021-22 of MB-II including Carrying Cost*

The Commission has Trued-up the (Surplus)/Gap for MB-II pertaining to FY 2021-22 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 is summarized in the Table below:

Table 3.54: Summary of net amount Trued-up by the Commission for FY 2021-22 to be recovered from UPCL for MB-II (Rs. Crore)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24
Opening (Surplus)/Gap	-	(9.78)	(10.80)
True-up Amount	(9.22)*	-	-
Carrying Cost	(0.56)	(1.03)	(0.61)
Closing (Surplus)/Gap	(9.78)	(10.80)	(11.41)
Interest Rate	12.15%	10.50%	11.29%

** Including adjustment of Rs. 7.46 Crore on account of delayed de-capitalisation of Rs. 5.00 Crore*

The Commission directs UJVN Ltd. to refund the above approved amount of Rs. 11.41 Crore on account of Truing-up of MB-II for FY 2021-22 to UPCL in accordance with the provisions of UERC Tariff Regulations, 2018 in twelve equal monthly instalments starting from April, 2023 to March, 2024.

4 Petitioner's Submissions, Commission's Analysis, Scrutiny & Conclusion on APR for FY 2022-23 and AFC for FY 2023-24

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 2021-22 on the basis of 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 2021-22 in accordance with the UERC Tariff Regulations, 2018.

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 2021-22 based on the audited accounts for that year and give effect on this account in the AFC of FY 2023-24. Hence, the Commission, under the provisions of Regulation 12(3) of the UERC Tariff Regulations, 2018, has revised the AFC for FY 2023-24 based on the revised additional capitalisation for FY 2021-22. The approach adopted by the Commission in the approval of each element of AFC for FY 2023-24 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 2023-24 lower than approved NAPAF for Dhakrani, Chilla, Ramganga and Khatima LHPs and it has sought relaxation of NAPAF for Chilla LHP for FY 2023-24. 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 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 333.58 MU for 9 LHPs (excluding Ramganga and Khatima) for FY 2023-24. In support of its claim, the Petitioner requested for relaxation in NAPAF for Chilla HEP as mentioned below:

- **Chilla –** The Petitioner submitted that Chilla Power Station is very old HEP & requires more maintenance, hence, has to be shut down for longer periods to carry out maintenance. The Petitioner further submitted that the RMU works have been planned in FY 2023-24 and works have been awarded to M/s BHEL and the shutdown of the first unit is planned from August 2023. In view of the planned RMU works the Petitioner has requested the Commission to approve the NAPAF of 63.67% computed on the basis of past years actual and after factoring in the Impact of NGT Order.

NAPAF as approved by the Commission vide its Tariff Order dated 31.03.2022 and as proposed by the Petitioner is summarized for FY 2023-24 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 2023-24

Name of the Generating Station	Approved for FY 2023-24 in MYT Order dated 31.03.2022	Claimed for FY 2023-24
	%	%
Dhakrani	66.17	65.79
Dhalipur	61.07	62.50
Chibro	65.06	65.94
Khodri	57.23	58.91
Kulhal	65.00	73.15
Ramganga	16.00	15.38
Chilla	74.00	63.67
MB-I	79.00	79.00
Khatima	69.30	68.37
MB-II	76.00	78.78

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 vis-a-vis 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 2023-24. However, while Truing-up of FY 2023-24, 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 2021-22 is even higher than that achieved in FY 2020-21 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 2023-24 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

Table 4.2: Original Design Energy, Design Energy and Saleable Primary Energy for 10 LHPs for FY 2023-24 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
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 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 in its earlier Orders has been considering the ratio of 85:10:5 for allocating common expenses on 9 LHPs, MB-II and SHPs, respectively. The Commission however observed that the Petitioner has also commissioned Vyasi LHP in FY 2022-23 which needs to be factored in while allocating the common expenses in the Fourth Control Period and therefore, sought the impact of the same on the allocation methodology. The Petitioner in its reply dated 24.02.2023 submitted that commissioning of Unit#1 and Unit#2 of Vyasi HEP was achieved on 24.05.2022 and 22.04.2022 respectively and therefore, the first year of commercial operation of Vyasi HEP is FY 2022-23. UJVN Ltd. requested the Commission that the apportionment philosophy for common expenses may be reviewed during the next tariff filing for True-up of expenses for FY 2022-23. **The Commission has considered the submissions of the Petitioner and is of the view that the allocation philosophy will need modification from FY 2022-23 and therefore, 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 the out Truing-up of FY 2023-24, the revised allocation principles shall apply**.

4.3.2 *Capital Cost*

A. Old Nine Generating Stations

As detailed earlier in the Truing-up Section, 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 2023-24 is considering the opening GFA of nine old LHPs, as on 14.01.2000, as Rs. 506.17 Crore only.

Further, as discussed in Chapter 3 of this Order, the Commission has 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

**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 31, 2022. 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 26.04.2021	Approved Now
Loans		
PFC Loan	1200.00	1200.00
Unpaid Liability	0.00	0.00
Guarantee Fee Payable	0.00	0.00
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. 818.35 Crore from FY 2001-02 to FY 2021-22 as discussed in Chapter 3 of this Order.

With regard to additional capitalisation for FY 2022-23, the Commission directed the Petitioner to submit the details of additional capitalisation for FY 2022-23 along with break-up such works into DRIP, RMU and other works. The Petitioner submitted the following details along with actuals incurred during April-September 2022 and that estimated during October 2022 to March 2023 through its reply dated January 4, 2023. The details of the same are as below:

Table 4.5: Details of additional capitalisation proposed during FY 2022-23 for 9 LHPs (Rs. in Crore)

Description	Normal Add. Cap.			DRIP			RMU			Total for FY 2022-23		
	Actual (From April 22 to Sept. 22)	Projected (From Oct.22 to Mar.23)	Total	Actual (From April 22 to Sept. 22)	Projected (From Oct.22 to Mar.23)	Total	Actual (From April 22 to Sept. 22)	Projected (From Oct.22 to Mar.23)	Total	Actual (From April 22 to Sept. 22)	Projected (From Oct.22 to Mar.23)	Total
Dhakrani	1.73	5.46	7.19	2.25	1.54	3.79	0.00	0.00	0.00	3.98	7.00	10.97
Dhalipur	0.78	4.21	4.99	3.39	2.33	5.72	0.00	39.00	39.00	4.17	45.55	49.71
Chibro	6.40	27.16	33.57	0.65	8.86	9.51	0.00	0.00	0.00	7.05	36.02	43.08
Khodri	0.35	10.29	10.64	0.33	4.43	4.75	0.00	0.00	0.00	0.67	14.72	15.40
Kulhal	3.09	3.50	6.59	0.00	1.11	1.11	0.00	0.00	0.00	3.09	4.61	7.70
Ramganga	0.31	25.55	25.86	0.00	0.00	0.00	0.00	0.00	0.00	0.31	25.55	25.86
Chilla	0.96	36.39	37.35	0.00	13.27	13.27	0.00	0.00	0.00	0.96	49.66	50.62
MB-I	1.09	8.36	9.45	0.31	1.90	2.21	0.00	72.00	72.00	1.39	82.26	83.66
Khatima	0.05	8.44	8.49	0.00	0.00	0.00	0.00	0.00	0.00	0.05	8.44	8.49
Total	14.75	129.37	144.12	6.92	33.45	40.37	0.00	111.00	111.00	21.67	273.82	295.49

The Petitioner also submitted the projected additional capitalisation for FY 2023-24 as shown in the table below.

Table 4.6: Details of additional capitalisation proposed during FY 2023-24 for 9 LHPs (Rs. in Crore)

Stations	Normal Add Cap	DRIP	RMU	Total
Dhakrani	11.39	3.54	0.00	14.93
Dhalipur	37.19	5.35	39.60	82.14
Chibro	91.69	7.79	0.00	99.47
Khodri	20.77	3.89	0.00	24.67
Kulhal	8.77	18.95	0.00	27.72
Ramganga	15.98	0.00	0.00	15.98
Chilla	25.76	9.66	0.00	35.43
MB-I	16.61	6.94	16.00	39.55
Khatima	4.94	0.00	23.64	28.58
Total	**233.11**	**56.13**	**79.24**	**368.47**

The Commission has gone through the submissions of the Petitioner and observes that the Petitioner has revised its projections for FY 2022-23 and FY 2023-24 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 2022-23 and FY 2023-24 as follows.

Table 4.7: Additional Capitalisation Approved by the Commission for 9 LHPs for FY 2022-23 and FY 2023-24 (Rs. Crore)

Name of the Generating Station	FY 2022-23			FY 2023-24		
	MYT Order	Claimed	Approved	MYT Order	Claimed	Approved
Dhakrani	3.92	10.97	3.92	8.12	14.93	8.12
Dhalipur	42.43	49.71	42.43	47.76	82.14	47.76
Chibro	4.35	43.08	4.35	11.71	99.47	11.71
Khodri	2.18	15.40	2.18	5.86	24.67	5.86
Kulhal	5.60	7.70	5.60	10.70	27.72	10.70
Ramganga	-	25.86	-	-	15.98	-
Chilla	32.63	50.62	32.63	116.24	35.43	116.24
MB-I	74.46	83.66	74.46	9.32	39.55	9.32
Khatima	-	8.49	-	-	28.58	-
Total	**165.57**	**295.49**	**165.57**	**209.71**	**368.47**	**209.71**

B. Maneri Bhali-II

The Commission, as discussed earlier in Chapter 3 of this Order has approved additional capitalisation of Rs. 381.39 Crore till 31.03.2022.

With regard to FY 2022-23, the Petitioner submitted the actual additional capitalisation from April to September, 2022, i.e., Rs. 0.55 Crore as and proposed capitalisation from October to March, 2023, i.e., Rs. 15.59 Crore as per its submission dated January 04, 2023. The Petitioner has further projected additional capitalisation of Rs. 80.74 Crore for FY 2023-24. 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 2022-23 and FY 2023-24. The same shall be subject to detailed scrutiny during the APR/Truing-up of FY 2022-23 and FY 2023-24 and shall be finally allowed after carrying out due prudence check of actual expenditure incurred.

Table 4.8: Additional Capitalisation approved for FY 2022-23 and FY 2023-24 for MB-II

Generating Station	FY 2022-23			FY 2023-24		
	MYT Order	Claimed	Approved	MYT Order	Claimed	Approved
MB-II	19.55	16.14	19.55	21.06	80.74	21.06

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.

...

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

..."

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 31.03.2023 from the gross depreciable value of the assets. The Commission further computed the difference between the cumulative depreciation as on 31.03.2023 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 2023-24.

The depreciation expenses 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 2023-24 is carried out.

The summary of Depreciation Charges for FY 2023-24 as approved by the Commission is shown in the Table below:

Table 4.9: Depreciation as approved for FY 2023-24 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	-	1.99	1.99	2.54	-	1.92	1.92
Dhalipur	-	5.85	5.85	7.02	-	5.93	5.93
Chibro	-	6.17	6.17	8.05	-	5.63	5.63
Khodri	-	2.36	2.36	3.15	-	2.33	2.33
Kulhal	-	2.43	2.43	2.67	-	2.32	2.32
Ramganga	-	2.59	2.59	4.03	-	2.52	2.52
Chilla	-	6.41	6.41	8.08	-	6.23	6.23
MB-I	-	13.48	13.48	14.71	-	11.48	11.48
Khatima	-	8.47	8.47	9.20	-	8.48	8.48
Total	**-**	**49.75**	**49.75**	**59.44**	**-**	**46.84**	**46.84**

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, the Commission has computed the depreciation for FY 2023-24 for MB-II on the approved GFA.

The depreciation expenses 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 2023-24 is carried out.

The depreciation for MB-II for FY 2023-24, accordingly, works out as shown in the Table below:

Table 4.10: Depreciation as approved for FY 2023-24 for MB-II (Rs. Crore)

Particular	**FY 2023-24**		
	Approved in MYT Order dated 31.03.2022	**Claimed**	**Approved**
Depreciation	46.52	51.33	46.21

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 2022-23 to FY 2023-24 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.

As the Transfer Scheme is yet to be finalized, the Commission is provisionally allowing return on normative equity 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 in accordance with the provisions of UERC Tariff Regulations, 2021. The summary of the Return on Equity approved for 9 LHPs for FY 2023-24 is shown in the Table given below:

Table 4.11: Return on Equity approved for 9 LHPs for FY 2023-24 (Rs. Crore)

Name of the Generating Stations	Claimed	Approved		
		On Transferred Asset as on Jan 14, 2000	On Additional Capitalisation	Total
Dhakrani	2.51	0.58	1.57	2.15
Dhalipur	6.69	0.95	5.36	6.31
Chibro	11.17	4.35	4.94	9.29
Khodri	6.56	3.66	2.26	5.92
Kulhal	2.75	0.81	1.78	2.60
Ramganga	6.03	2.48	2.27	4.75
Chilla	13.83	5.81	4.91	10.72
MB-I	17.56	5.43	11.68	17.11
Khatima	8.19	0.24	7.55	7.79
Total	**75.28**	**24.30**	**42.33**	**66.64**

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. 400.94 Crore till FY 2022-23, Rs. 671.87 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 31.03.2023

Particular	Amount (Rs. Crore)
Approved Capital cost as on 15.03.2008 (CoD)	1885.50
Additional Capitalisation up to 31.03.2023	400.94
GFA as on 31.03.2023	2286.44
Financing through grant received from GoU as relief for natural calamity	40.37
Net GFA	2246.07
Equity	**671.87**
(i) Through PDF	351.39
(ii) GoU budgetary support	156.48
(iii) Pre-2002 expenses	164.00

However, since, out of the total equity of Rs. 671.87 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. 320.48 Crore [Rs 156.48 Crore (GoU budgetary support) + Rs 164.00 Crore (Pre-2002 expenses)] eligible for return purposes for FY 2023-24. The Commission has computed the RoE at the rate of 16.50% as specified in UERC Tariff Regulations, 2021. The summary of the Return on Equity approved for MB-II for FY 2023-24 is shown in the Table given below:

Table 4.13: Return on Equity approved for MB-II for FY 2023-24

Particular	FY 2023-24		
	Approved in MYT Order	Claimed	Approved
Return on Equity	53.31	53.03	52.88

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 during TVS held on January 24, 2023 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.

The Commission has noted down the submission of the Petitioner and only for the purpose of allowing interest on loan, it has calculated the interest rate on the basis of opening loan less average repayment. Accordingly, the Commission has considered the interest rate of 9.93% for Khatima and 6.55% for other 8 LHPs (including DRIP loans).

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 2023-24 i.e., Dhalipur, which is as shown in the Table below:

Table 4.14: Interest on Loan approved for Nine Old LHPs for FY 2023-24 (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	1.90	3.28	23.53	6.50	1.92	28.11	1.48
Dhalipur	6.14	11.27	80.31	33.93	5.93	108.30	6.05
Chibro	4.67	11.63	54.14	9.37	5.63	57.88	3.36
Khodri	1.35	3.54	17.53	4.68	2.33	19.89	1.07
Kulhal	2.59	4.28	31.88	8.56	2.32	38.12	2.01
Ramganga	1.47	4.10	18.65	-	2.52	16.14	1.14
Chilla	6.40	10.56	84.78	84.39	6.23	162.94	5.35
Maneri Bhali-I	15.53	17.17	158.90	7.46	11.48	154.88	10.04
Khatima	6.05	7.72	63.43	0.00	8.48	54.95	5.88
Total	**43.11**	**73.55**	**533.15**	**154.89**	**46.84**	**641.21**	**36.38**

B. Maneri Bhali-II

As discussed in the preceding paras, the Commission has considered the weighted average interest rate of 9.58% based on the outstanding loans for the project. The Commission for computing interest for MB-II station for FY 2023-24 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 31, 2022.

The Commission has calculated Interest on Loan based on the approach adopted in this Chapter for 9 LHPs for FY 2023-24. 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 2023-24 as shown in the Table below:

Table 4.15: Interest on Loan approved for MB-II for FY 2023-24 (Rs. Crore)

Particular	FY 2023-24		
	Approved in MYT Order dated 31.03.2022	Claimed	Approved
Interest on Loan	41.77	42.55	38.81

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 clauseI) 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 claI (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 2019-20 to FY 2021-22 and has considered the same for determination of indices for FY 2022-23 and subsequently for FY 2023-24. The summary of the same is provided in the Table below:

Table 4.16: Inflation Indices approved for 9 LHPs for FY 2023-24

Particulars	FY 2021-22	FY 2022-23	FY 2023-24
CPI	6.00%	5.89%	5.89%
WPI	2.42%	5.32%	5.32%

The submissions of the Petitioner and the Commission's analysis for approving the various components of the O&M expenses for FY 2023-24 is detailed below:

A. Old Nine Generating Stations

4.3.7.1 ***Employee expenses***

The Commission had approved the employee expenses of Rs. 216.13 Crore for FY 2023-24 in its MYT Order dated March 31, 2022. The Petitioner, in its Petition, has proposed the employee expenses for FY 2023-24 as Rs. 252.57 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 2021-22 as the opening gross employee expenses for projecting employee expenses for FY 2023-24. This normative opening gross employee expenses have been adjusted for the Gn factor for FY 2022-23 to FY 2023-24 as approved in the table below and escalated with CPI Inflation of 5.89% to arrive at normative employee expenses for FY 2023-24.

The Commission, based on the submission of the Petitioner on expected recruitments and retirements vide its reply dated February 03, 2023 has approved Gn as shown in the table below:

Table 4.17: Gn approved by the Commission

Particulars	FY 2021-22	FY 2022-23	FY 2023-24
Closing no. of employees	1519	1507	1595
Gn	0.00%	0.00%	2.92%

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 2023-24 is as shown in the Table below:

Table 4.18: Employee Expenses approved for 9 LHPs for FY 2023-24
(Rs. Crore)

Name of the Generating Stations	FY 2023-24	
	Claimed	Approved
Dhakrani	15.67	12.66
Dhalipur	14.71	12.80
Chibro	53.50	47.26
Khodri	27.33	23.34
Kulhal	11.89	9.84
Ramganga	39.11	32.63
Chilla	43.90	35.91
MB-I	31.66	28.53
Khatima	14.81	13.06
Total	**252.57**	**216.03**

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 2023-24 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%
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 2023-24 as approved by the Commission in this Order. The Commission has further considered the WPI inflation of 5.32% which is the average increase in the Wholesale Price Index (WPI) for FY 2019-20 to FY 2021-22. The Commission has computed R&M Expenses for FY 2023-24 as per the methodology as stated above using the following formulae:

$R\&M_n = K \times (GFA_{n-1}) \times (1+WPI_{inflation})$

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 is 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 2023-24 has been limited to 2.00% of GFA.

Based on above, the R&M expenses approved by the Commission for FY 2023-24 is as shown in the Table below:

Table 4.20: R&M Expenses approved for 9 LHPs for FY 2023-24 (Rs. Crore)

Name of the Generating Stations	FY 2023-24	
	Claimed	Approved
Dhakrani	13.06	6.64
Dhalipur	12.61	7.39
Chibro	26.97	20.16
Khodri	18.49	15.53
Kulhal	9.90	7.71
Ramganga	12.15	8.01
Chilla	25.01	16.47
MB-I	17.77	7.94
Khatima	7.56	6.80
Total	**143.52**	**96.65**

4.3.7.3 *A&G expenses*

The Petitioner has projected A&G expenses on the basis of Normative A&G expenses for FY 2021-22 and has proposed the A&G expenses of Rs. 53.68 Crore for FY 2023-24.

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 2023-24. The normative A&G expenses approved by the Commission for FY 2023-24 is shown in the Table below:

Table 4.21: A&G Expenses approved for 9 LHPs for FY 2023-24
(Rs. Crore)

Name of the Generating Stations	FY 2023-24	
	Claimed	Approved
Dhakrani	3.40	2.61
Dhalipur	4.06	2.51
Chibro	10.53	9.33
Khodri	6.55	6.04
Kulhal	2.77	2.32
Ramganga	8.23	6.42
Chilla	8.89	6.51
MB-I	6.59	4.41
Khatima	2.65	2.06
Total	**53.68**	**42.22**

4.3.7.4 *O&M expenses*

Based on above discussions, the O&M expenses approved by the Commission for FY 2023-24 is as shown in the Table below:

Table 4.22: O&M Expenses approved for 9 LHPs for FY 2023-24 (Rs. Crore)

Name of the Generating Stations	FY 2023-24		
	MYT Order dated 31.03.2022	Claimed	Approved
Dhakrani	22.16	32.13	21.91
Dhalipur	22.59	31.38	22.69
Chibro	77.75	91.00	76.76
Khodri	44.86	52.36	44.91
Kulhal	20.30	24.56	19.88
Ramganga	47.03	59.49	47.06
Chilla	58.48	77.80	58.89
MB-I	40.91	56.02	40.87
Khatima	21.86	25.02	21.91
Total	**355.94**	**449.76**	**354.89**

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 2023-24 as shown below:

Table 4.23: O&M Expenses approved for MB-II for FY 2023-24 (Rs. Crore)

Particulars	FY 2023-24		
	MYT Order dated 31.03.2022	Claimed	Approved
Employee Expenses	32.78	34.15	32.87
R&M Expenses	21.56	22.60	22.09
A&G Expenses	12.47	13.41	14.09
Total	**66.81**	**70.16**	**69.05**

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

(iv) (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 to the aforementioned regulation as 10.98% for FY 2023-24.

The Commission has determined the interest on working capital for FY 2023-24, 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 2023-24, 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 2023-24.

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 2023-24. Further, the Commission has considered the rate of interest on working capital as 11.29%, 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. 7.79% plus 350 basis points.

Accordingly, the interest on working capital for FY 2023-24 is shown in the Table below:

Table 4.24: Interest on Working Capital for 9 LHPs for FY 2023-24 (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	1.83	3.29	4.69	9.80	1.59	1.11
Dhalipur	1.89	3.40	6.92	12.21	1.87	1.38
Chibro	6.40	11.51	16.30	34.21	4.65	3.86
Khodri	3.74	6.74	9.33	19.81	2.59	2.24
Kulhal	1.66	2.98	4.62	9.26	1.28	1.05
Ramganga	3.92	7.06	9.57	20.55	2.92	2.32
Chilla	4.91	8.83	13.94	27.68	4.09	3.12
MB-I	3.41	6.13	13.63	23.17	3.43	2.62
Khatima	1.83	3.29	7.57	12.68	1.59	1.43
Total	**29.57**	**53.23**	**86.57**	169.38	**24.00**	19.12

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. 11.29%. The summary of the interest on working capital for MB-II for FY 2023-24 is shown in the Table below:

Table 4.25: Interest on Working Capital for MB-II for FY 2023-24 (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	5.75	10.36	35.34	51.45	5.88	5.81

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. 4.47 Crore FY 2023-24 same as that approved by the Commission in its MYT Order dated March 31, 2022. The Commission provisionally accepts the same. The same shall, however, be Trued-up based on the actual audited accounts for the respective year.

Table 4.26: Non-Tariff Income for 9 LHPs for FY 2023-24 (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
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**	**4.47**	**4.47**

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 provisionally accepts the same. 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 2023-24*

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 2023-24 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 2023-24 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 2023-24 (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	1.92	1.48	1.11	21.91	2.15	28.56	21.42	0.42	21.00	7.14
Dhalipur	5.93	6.05	1.38	22.69	6.31	42.36	31.77	0.85	30.92	10.59
Chibro	5.63	3.36	3.86	76.76	9.29	98.90	74.17	1.11	73.06	24.72
Khodri	2.33	1.07	2.24	44.91	5.92	56.47	42.36	0.47	41.89	14.12
Kulhal	2.32	2.01	1.05	19.88	2.60	27.85	22.28	0.12	22.16	5.57
Ramganga	2.52	1.14	2.32	47.06	4.75	57.79	57.79	0.37	57.42	-
Chilla	6.23	5.35	3.12	58.89	10.72	84.31	84.31	0.70	83.61	-
MB-I	11.48	10.04	2.62	40.87	17.11	82.12	82.12	0.32	81.80	-
Khatima	8.48	5.88	1.43	21.91	7.79	45.50	45.50	0.10	45.40	-
Total	**46.84**	**36.38**	**19.12**	**354.89**	**66.64**	**523.88**	**461.73**	**4.47**	**457.26**	**62.15**

The summary of Capacity Charge and Energy Charge Rate (ECR) for 9 LHPs for FY 2023-24 is as given in the Table below:

Table 4.29: Approved Capacity Charge and Energy Charge Rate for 9 LHPs for FY 2023-24

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	21.00	10.50	112.34	0.93	7.14	3.57	37.45	0.95
Dhalipur	30.92	15.46	136.11	1.14	10.59	5.30	45.37	1.17
Chibro	73.06	36.53	539.53	0.68	24.72	12.36	179.84	0.69
Khodri	41.89	20.94	249.01	0.84	14.12	7.06	83.00	0.85
Kulhal	22.16	11.08	118.30	0.94	5.57	2.79	29.57	0.94
Ramganga	57.42	28.71	307.89	0.93	-	-	-	-
Chilla	83.61	41.81	552.04	0.76	-	-	-	-
MB-I	81.80	40.90	473.22	0.86	-	-	-	-
Khatima	45.40	22.70	233.23	0.97	-	-	-	-
Total	**457.27**	**228.63**	**2,721.67**	**0.84**	**62.15**	**31.07**	**375.24**	**0.83**

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 2023-24. 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 2023-24 is given in the Table below:

Table 4.30: Approved AFC, Capacity Charge and Energy Charge Rate for MB-II for FY 2023-24

Year	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)
FY 2023- 24	46.21	38.81	5.81	69.05	52.88	212.76	0.73	212.03	106.01	1278.09	0.83

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.

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 31, 2022, considering the submissions of the Petitioner during the Tariff proceedings for FY 2022-23 to FY 2024-25 had directed the Petitioner to closely follow up the pending issues and submit quarterly status report to the Commission. The Commission further directed 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 above, UJVN Ltd., vide its letter dated March 14, 2023 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. 19.14 crore from UPCL and the balance of Rs. 23.50 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. Necessary adjustments of LIC loan has already been made by UJVNL in its books of accounts during FY 2018-19".

Further, the Petitioner vide its aforesaid letter dated 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 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 31, 2022 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 its Petition dated November 30, 2022 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.

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 for February 2023 vide its letter no. M-19 dated 14.03.2023.

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 2022-23 vide its letter no. M-698 dated 26.07.2022.

The Commission 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 *Financial Relief towards restoration of damage caused due to Natural Calamity*

The Commission in its Tariff Order dated 29.03.2017 had considered the funding of additional capitalisation of around Rs. 40.37 Crore as grant as the same was used to restore the damage caused due to natural calamity, which occurred in FY 2013-14 and directed the Petitioner to pursue the matter with the GoU and submit the quarterly status report to the Commission.

In this regard, the Petitioner during the True-up proceedings for FY 2016-17 submitted that it had received Rs. 125.52 Crore on account of disaster relief for MB-II and the utilisation certificates for Rs. 67.82 Crore had been given to Government of Uttarakhand.

On examination of the above submissions, the Commission in its Order dated 21.03.2018 directed the Petitioner to submit the details of financial year-wise expenditures made against the grant amount received from GoU/GoI for respective works at the time of filing of True-up of FY 2017-18 and FY 2018-19.

In compliance to the above direction, the Petitioner during the True-up proceedings for FY 2018-19 submitted the details of financial year-wise expenditure made against the grant received from GoU/GoI for respective works. The Commission took note of the same and directed the Petitioner to submit the details of financial year-wise expenditures made against the grant amount received from GoU/GoI for respective works at the time of filing of True-up of FY 2019-20.

In compliance to the same, the Petitioner, vide its submission dated December 24, 2020 submitted that all the works amounting to Rs. 31.95 Crore had been completed in MB-I and utilization certificate for the same was already submitted to GoU. For MB-II, UJVN Ltd. submitted that works amounting to Rs. 122.93 Crore had been completed out of total grant amount of Rs. 125.52 Crore and remaining works of Rs. 2.59 Crore would be completed by March, 2021. UJVN Ltd. further submitted that utilization certificate of Rs. 67.82 Crore was submitted to GoU and the utilization certificate of balance amount would be submitted in March 2021. In view of the submissions made, the Commission directed the Petitioner to complete the rest of the works and submit the details of financial year-wise expenditures made against the grant amount received from GoU/GoI for respective works at the time of filing of True-up of FY 2020-21.

109urther, the Petitioner vide its submission dated November 22, 2021 submitted the details of financial year wise expenditures made against the grant amount received from GoU/GoI for respective works. The Petitioner also submitted that for MB-II works amounting to Rs. 125.52 Crore have been completed. However, the Petitioner didn't submit the utilization certificate in the instant Petition.

The Petitioner vide its letter no. M-19 dated March 14, 2023 furnished the copy of utilization certificate amounting to Rs. 125.52 crore.

The Commission has taken note of the submission.

5.3.2 *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. Further, the Petitioner was also directed to submit the details of scrap available on de-capitalisation of old Plant and machinery and expected time frame in which same would be disposed.

Accordingly, during the True-up proceedings for FY 2016-17, the Petitioner complied to the directive of submission of details of scrap available on de-capitalisation. However, with regard to completion of entire scope of works of Khatima RMU, the Commission in its Tariff Order dated 21.03.2018 directed the Petitioner to complete all the works covered under RMU of Khatima LHP latest by the cut-off date, i.e., 31.03.2019, beyond which no expense (including IDC) in this regard would be allowed.

In compliance to this, the Petitioner during the True-up proceeding of FY 2017-18 submitted that it is making its all efforts to comply with the above directive of the Commission.

The Commission in its MYT Order dated 27.02.2019 again directed the Petitioner to complete all the works covered under RMU of Khatima LHP latest by the cut-off date, i.e., 31.03.2019, beyond which no expense (including IDC) in this regard would be allowed.

In compliance to the same, the Petitioner during the proceedings for True-up of FY 2018-19 submitted that works covered under RMU, viz., Refurbishment of pole fencing around switchyard at Sharda Power Plant, Renovation works at 132 kV and 33 kV switchyard, and Installation of diffuser valves after manufacturing as per new design had not been completed and also submitted justification for the same. The Commission noted the submissions and considering that the works are related to safety of the Plant, it had directed the Petitioner to complete the said works as soon as possible and cautioned that any occurrence of damage to safety of the Khatima LHP in future due to delay in execution of the works shall solely be attributable to UJVN Ltd.

In compliance to the above directive, 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 14.12.2029 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 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.**

5.3.3 *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 vide its letter no. M-265 dated 04 March, 2023 has submitted the details of sale of scrap for FY 2021-22 for MB-I, Kulhal, MB-II LHPs and MB-I & II Units. Further, the Petitioner submitted that the scrap for other plants/units may be considered as Nil for FY 2021-22.

Further, with regard to sale of scrap, the Petitioner in its submission dated March 16, 2023 attempted to clarify regarding not considering the amount of Rs. 3.12 Crore in Non-Tariff income and submitted that the sale of scrap amount is part of salvage value of 10% and the same is allowed to be kept with the utility.

The Commission took note of the same and **further 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.**

5.4 Compliance to the Directives Issued in Tariff Order dated 21.03.2018

5.4.1 *Balance Capital Works of MB-II LHP*

The Commission in its Tariff Order dated 05.04.2016 had allowed expenses of Rs. 211.72 Crore for balance capital works of MB-II, however, the Petitioner in its Tariff Petition for FY 2017-18 had revised the projection to Rs. 238.62 Crore to be incurred till FY 2018-19. The Petitioner in its Tariff Petition for FY 2019-20 had again revised the projection to Rs. 252.07 Crore till FY 2018-19. The Commission observed that the Petitioner had incurred Rs. 217.05 Crore (i.e., Rs. 190.06 Crore up to 31.03.2016 + Rs. 26.99 Crore in FY 2016-17) up to FY 2016-17 and was projecting to incur total Rs.

252.07 Crore by FY 2018-19 against balance capital works of MB-II LHP.

Accordingly, the Commission in its Tariff Order dated 27.02.2019 directed the Petitioner to complete all the works covered in the Petition of balance capital works of MB-II LHP latest by 31.03.2019, beyond which no expense (including IDC) in this regard would be allowed. Further, UJVN Ltd. was directed to complete the remaining works of Rs. 57.70 Crore for which it had received grant from GoI through GoU under disaster funding during 2013 and had directed to submit the copy of utilisation certificate along with the next Tariff filing.

In compliance to the above, the Petitioner during the True-up proceedings for FY 2018-19 and FY 2019-20, submitted its justification for non-completion of the balance capital works of MB-II. The Commission observed that the pending works except testing of surge shaft gate are uncontrollable in nature as the same were pending before various Courts. With regard to the works pertaining to testing of surge shaft gate, the Commission observed that the works are very important with respect to safety of the Plant and delaying of such works may be catastrophic from Plant safety perspective. Accordingly, the Commission directed the Petitioner to complete the said works as soon as possible and cautioned that any occurrence of damage to safety of the MB-II in future due to delay in execution of the testing of surge shaft gate shall solely be attributable to UJVN Ltd.

As discussed in Chapter 3 of this Tariff Order, **the Commission has decided to close the account of works proposed under Balance Capital Works**. The remaining works as submitted by the Petitioner shall 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 submits 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.

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 before allowing any expenditure on account of restoration of Chilla LHP, vide its Order dated April, 18, 2020, directed the Petitioner to submit the details of final Insurance claim received in the next Tariff proceedings.

In compliance to the above, the Commission observed that the Petitioner during the True-up proceedings for FY 2019-20 had claimed an amount of Rs. 32.77 Crore under two categories, viz., generation loss of Rs. 12.13 Crore and material damage of Rs. 20.64 Crore and the Insurance Company is currently looking in to the claim against the material damage claim and after that, the generation loss component shall be considered. The Petitioner submitted that the claim on material damage was being processed and was at final stages of discussion and the claim on account of generation loss was at initial stages of scrutiny. Considering the present status that the claim on account of generation loss is yet to be finalized, the Commission has not allowed any relaxation with regard to NAPAF or O&M expenses. Accordingly, the Commission had directed the Petitioner to expedite the claim process and submit the details of final Insurance claim received during the next tariff proceedings.

Further, during the True-up proceeding for FY 2020-21, the Commission vide letter dated December 23, 2021 again directed the Petitioner to submit the current status of Insurance claim of Chilla LHP due to flooding event in July 13, 2018. The Petitioner vide its reply dated January 12, 2022 submitted as below:

> *"Chilla Power House was damaged on 13.07.2018. The Power house was covered under the insurance policy of M/s Oriental Insurance Company. The insurance company along with the surveyor visited the Chilla Power House on 01.08.2018. Insurance claim amounting to Rs. 32.77 Crore submitted to Insurance company. In this regard, it is to bring to notice that due to incident of 13.07.2018 claim of Rs. 32.77 Crore were submitted along with the supporting documents. On the above claims, net assessed loss of Rs. 10.63 Crore has only been assessed by the surveyor which are merely 32.43% of loss, which has been assessed by UJVNL.*

M/s Oriental Insurance company credited Rs. 4.96 Crore on 07.12.2021 against Rs. 10.63 Crore. Whereas Rs. 5.66 Crore shall be credited after settlement of scrap value. Tender of scrap/salvage was floated, tender was allotted to the M/s Global India Corporation at Rs. 1.25 Crore but M/s Global India Corporation requested that the firm wants 90 days' time for submission of amount. The firm was not able to submit the amount in this regard, Rs. 3 Lakhs was forfeit. In the above context remaining insurance claim shall be settle down after finalization of the salvage tender. Salvage tender shall be published on 10.01.2022".

In line with the Petition submitted during the True-up proceeding for the FY 2020-21, it is observed that only Rs. 10.63 Crore of loss has been assessed by the surveyor against the claim of Rs. 32.77 Crore which is merely 32.43% of the claimed loss, therefore, the Commission again directed the Petitioner to expedite the claim process and submit the details of final Insurance claim received in the next tariff proceedings.

The Commission vide Minutes of TVS dated January 24, 2023, asked the Petitioner to submit the status of insurance claim made by UJVN Ltd. along with supporting documents. The Petitioner, vide its reply dated February 03, 2023 and February 24, 2023 submitted that the 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.

The Petitioner further submitted it is also following up the claim of generation loss with the insurance company. It is observed that though some progresses have been made, however the claims are yet to be finalized. 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 31.03.2022 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 2021-22 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 2021-22 is 501.62 MU against 8 LHPs namely Chibro, Khodri, Dhakrani, Dhalipur, Kulhal, MB-I, Chilla and MB-II.

UJVN Ltd. was also directed to provide the justification of its claimed generation loss due to extra e-flow excluding the monsoon periods correlating the loss data with past discharge data along with availability of plant and excluding generation loss due to RMU. UJVN Ltd. vide reply dated February 3, 2023 confirmed that in the computation of generation loss due to E-Flow, i.e. 501.75 MU for FY 2021-22, no other loss have been included 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 even though Dhalipur and MB-I were under RMU, the generation from the said LHPs were 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 2021-22.

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 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.

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 2021-22 had observed that the status of the RMU works were undergoing in variation with the schedule proposed during the MYT proceedings for Third 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 Petition dated November 30, 2022, has submitted that *"It is respectfully submitted that the petitioner has been making utmost efforts for completing the works within the due date, but due to unprecedented Covid-19 pandemic and consequent restrictions the progress in RMU works in various power plants got severely hampered."*

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*

In Chapter 3 of the previous Tariff Order, it was discussed that the Petitioner is planning to add 111.75 MW of Solar Power Plants in ensuing years and as per the implementation schedule submitted by the Petitioner mostly addition would be in 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 has 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 in its Petition dated November 30, 2022, 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 respective LHPs.**

5.7.2 *Auxiliary Energy Consumption*

In Chapter 3 of the previous Tariff Order, it was discussed that the Commission vide TVS directed the Petitioner 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. vide its reply dated 31.01.2022, 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 Truing-up of respective financial years, i.e., for FY 2022-23 to FY 2024-25.

Further, the Commission in its MYT Order dated March 31, 2022 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 in its Petition dated November 30, 2022, has 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 January 04, 2023 has attempted to furnish the details of Auxiliary Energy Consumption in Plant/Dam/Barrage/STP. However, it was observed that the Auxiliary Energy Consumption of Dam/Barrage/STP was not included in its claim of Auxiliary Consumption of its respective LHP.

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 Tariff Order dated 31.03.2022 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. The Petitioner vide its reply dated February 26, 2022 submitted that it shall take necessary steps in order to release the SoR within time line and publishing it in the website.

The Commission in its MYT Order dated March 31, 2022 had directed the Petitioner to release its SoR for FY 2022-23 positively by 30.04.2022 and uploading of the same on its website. Further, SoR for the subsequent FY be released and uploaded prior to commencement of the respective FY.

In compliance to the above, the Petitioner vide its submission dated May 19, 2022, had furnished copy of SoR for FY 2022-23.

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 FY.**

5.7.4 *Decapitalisation Policy*

The Commission in its MYT Order dated March 31, 2022 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 in its Petition dated November 30, 2022, has submitted that *"In compliance to the directive, 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 the details of de-capitalisation in Chilla, MB–I & MB–II LHPs in FY 2021-22 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 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 2021-22 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. Moreover, the items amounting to Rs. 65 lakhs have been shifted from R&M to Add Cap for FY 2021-22 and the details of the same are discussed in the Chapter 3 of this Order.

With regard to wrong booking of expenses under their respective heads as discussed above, **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 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 in its Petition dated November 30, 2022, has submitted that *"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 Plants."*

The Commission has noted the Petitioner's submission and **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 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 vide its submission dated January 04, 2023 has furnished the details of security expenses.

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.**

5.8 New Directives

5.8.1 *Apportionment of Common Expenses (Vyasi LHP)*

As discussed in Chapter 4 with regard to the apportionment of Common Expenses considering Vyasi LHP, the Petitioner requested the Commission that the apportionment philosophy may be reviewed during the next tariff filling for True-up of expenses for FY 2022-23.

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.**

The approved AFC of FY 2023-24 shall be recoverable in accordance with the mechanism specified in UERC Tariff Regulations, 2021. The Tariffs approved in this Order shall be applicable from 01.04.2023 and shall continue to apply till further Orders of the Commission.

M. K. Jain **Member (Technical)**	**D. P. Gairola** **Member (Law) /Chairman (I/c)**

6 Annexures

6.1 Annexure 1: Public Notice

UJVN LIMITED

(An Uttarakhand Govt. Enterprise)

H. O. "UJJAWAL" MAHARANI BAGH, GMS ROAD, DEHRADUN - 248006, CIN No. U40101UR2001SGC025866

Tele.: 0135-2763508, 2763808, Fax: 0135-2763507, website: www.ujvnl.com

No. 971

Public Notice

Date: 29.12.2022

Inviting Comments on Petitions filed by UJVN Ltd. before the Hon'ble Uttarakhand Electricity Regulatory (Hon'ble Commission) for Truing-up of FY 2021-22, Annual Performance Review for FY 2022-23 and determination of Annual Fixed Charges for FY 2023-24 for its 10 Large Hydro Generating Stations.

Salient Points of the AFC/Tariff Petition

1. UJVN Ltd., a Government owned generating company, has filed the Petitions for the determination of Generation Tariff for the FY 2023-24 & Annual Performance Review of FY 2022-23 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 2021-22 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 2021-22 (True-up)		FY 2022-23 (APR)		FY 2023-24 (AFC)	
	Approved (T.O. dt. 26.04.2021)	Claimed	Approved (T.O. dt. 31.03.2022)	Revised Estimated by UJVN Ltd.	Approved (T.O. dt. 31.03.2022)	Claimed
Dhakrani	32.07	28.41	30.53	34.80	28.89	41.64
Dhalipur	32.79	30.94	33.69	42.86	41.20	57.37
Chibro	89.92	94.53	96.60	105.11	100.94	125.39
Khodri	49.53	51.66	53.97	59.79	56.13	67.73
Kulhal	25.39	26.66	27.25	30.39	28.89	35.42
Ramganga	58.05	59.70	55.09	64.39	57.68	76.20
Chilla	77.35	87.52	76.94	96.05	85.30	113.66
MB-I	59.67	71.80	75.84	89.92	88.21	108.56
Khatima	44.78	45.76	45.16	48.20	45.40	51.61
MB-II	209.55	220.29	214.29	219.07	213.05	222.23
Total	**679.11**	**717.27**	**709.36**	**790.58**	**745.69**	**899.81**

2. UJVN Ltd. has computed Gap of ₹46.60 Crore which includes the impact of carrying cost (excluding the gap of HPSEB) by working out the difference of AFC claimed now vis-a-vis actual revenue collected in FY 2021-22.
3. UJVN Ltd. has proposed an increase of about 26.85% for FY 2023-24 (with respect to approved tariff for FY 2022-23). In case, the entire claim of UJVN Ltd. is accepted by the Hon'ble Commission, an additional hike of around 2.43% in consumer tariff shall be required over and above the hike proposed by UPCL.
4. Detailed proposals as submitted by UJVN Ltd. can be seen free of cost on any working day in the Hon'ble 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.
5. The proposals filed by UJVN Ltd. are also available at the website of the Hon'ble Commission **(www.uerc.gov.in)** and at the UJVN Ltd.'s website **(www.ujvnl.com).**
6. 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 **31.01.2023.**

"Avoid wasteful use of Electricity"

6.2 Annexure 2: List of Respondents

Sl. No.	Name	Designation	Organization	Address
1.	Sh. Sanjay Aggarwal	President	Mussoorie Hotels Association	Hotel Mall Palace, Mall Road Jhulaghar, Mussoorie
2.	Sh. Deepak Gupta	Hony. Secretary	Uttarakhand Hotels & Restaurant Association	Hotel Deep, Mussoorie
3.	Sh. Rakesh Kumar Bhatia	-	Patelnagar Industrial Association	E-8, State Industrial Estate, Patelnagar, Dehradun
4.	Sh. Puneet Mohindra	-	M/s Kashi Vishwanath Steels Pvt. Ltd.	Narain Nagar Industrial Estate, Bazpur Road, Kashipur-244713
5.	Sh. Kartikeya Singh Tomar	-	PSR Innovations (I) LLP	Vill- Gopipura, P.O.- R.T.C. Hempur-244716, Kashipur
6.	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 Rudrapur on 22.02.2023

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.	5th Km. Stone, Ramnagar Road, Kashipur-244713, Distt. Udham Singh Nagar.
2.	Sh. Mukesh Tyagi	-	M/s Voltas Ltd.	Plot No. 2-5, Sector-8, IIE, Pantnagar Industrial Area, Rudrapur-263153, Distt. Udhamsingh Nagar
3.	Sh. Teeka Singh Saini	Block President	Bhartiya Kisan Union	Office-33, Katoratal, Kashipur, Distt. Udhamsingh Nagar
4.	Sh. Sheetal Singh	-	-	Village-Jagatpur Patti, P.O. Shivrajpur, Jaspur, Distt. Udhamsingh Nagar
5.	Sh. Baljinder Singh Sandhu	District General Secretary	Bhartiya Kisan Union	Office-33, Katoratal, Kashipur, Distt. Udhamsingh Nagar
6.	Sh. Manoj Khantwal	Head (HR)	M/s Green Panel India Ltd.	Plot No. 2, Sector-9, IIE, Rudrapur-263153, Distt. Udhamsingh Nagar
7.	Sh. R.S. Yadav	President	M/s India Glycols Ltd.	A-1, Industrial Area, Bazpur Road, Kashipur-244713, Distt. Udham Singh Nagar.
8.	Sh. Vineet Kumar Sangal	President	M/s Kumaon Garhwal Chamber of Commerce & Industry-Uttarakhand	Chamber House, Industrial Estate, Bazpur Road, Kashipur, Udhamsingh Nagar.
9.	Sh. Madhup Mishra	Vice President	M/s India Glycols Ltd.	A-1, Industrial Area, Bazpur Road, Kashipur-244713, Distt. Udham Singh Nagar.
10.	Sh. Laxmikant Sharma	-	M/s Aurangabad Auto Engineering Pvt. Ltd.	Sector-9, Plot No.-7H, Sidcul, Pantnagar-263153, Distt. Udham Singh Nagar.
11.	Sh. Om Prakash	-	M/s Imperial Auto Industries	Plot No. 48, Sector-11, IIE, Sidcul, Rudrapur-263153, Distt. Udhamsingh Nagar

List of Participants in Hearing at Rudrapur on 22.02.2023

Sl. No.	Name of the Participants	Designation	Organization	Postal Address
12.	Sh. Amit Goel	-	M/s Ashok Leyland Ltd.	Plot No. 1, Sector-12, IIE, Sidcul, Rudrapur-263153, Distt. Udhamsingh Nagar
13.	Sh. Naresh	-	M/s Aica Laminates India Pvt. Ltd.	Plot No. 23-26 and 45-48, Sector-5, IIE, Sidcul, Pantnagar, Rudrapur-263153, Distt. Udhamsingh Nagar
14.	Sh. R.K. Gupta	-	M/s Polyplex Corporation Ltd.	Lohia Head Road, Village Amau, Khatima-262308, Distt. Udhamsingh Nagar
15.	Sh. Rajeev Gupta	-	M/s Kashi Vishwanath Steels Pvt. Ltd.	Narain Nagar Industrial Estate, Bazpur Road, Kashipur-244713, Distt. Udham Singh Nagar
16.	Sh. Virat Seth	-	M/s Tata Motors Ltd.	Plot No.-1, Sector-11, Integrated Industrial Estate, SIDCUL, Pantnagar-263153, Distt. Udhamsingh Nagar.
17.	Sh. Sanjay Kumar Adhlakha	Director	M/s Ambashakti Glass India Pvt. Ltd.	Plot No. 41, Sector 3, IIE, Pantnagar, Rudrapur-263153, Distt. Udhamsingh Nagar
18.	Sh. Sukha Singh Virk	-	-	Village & P.O. Chattarpur, Rudrapur, Distt. Udham Singh Nagar
19.	Sh. Nipun Mahajan	Manager (Engg.)	M/s G.S. Pharmbutor Pvt. Ltd.	Plot No 58, 59, 66 & 67, Sector-3, IIE, Pantnagar, Rudrapur-263153, Distt. Udhamsingh Nagar
20.	Sh. Rampal Bisht	-	M/s G.S. Pharmbutor Pvt. Ltd.	Plot No. 58, 59, 66 & 67, Sector-3, IIE, Pantnagar, Rudrapur-263153, Distt. Udhamsingh Nagar
21.	Sh. Ram Kumar Agarwal	-	M/s Umashakti Steels Pvt. Ltd.	Village-Vikrampur, Post Off.-Bazpur–262401, Distt. Udhamsingh Nagar
22.	Sh. Harvinder Singh	-	M/s ALF Engineering Pvt. Ltd.	Plot No. 74-A, Sector-11, Sidcul, IIE, Pantnagar, Rudrapur-263153, Distt. Udhamsingh Nagar
23.	Sh. Kapil Talwar	Fish Farmer	Talwar Farms	Tehsil-Khatima, Distt. Udhamsingh Nagar.

List of Participants in Hearing at Rudrapur on 22.02.2023

Sl. No.	Name of the Participants	Designation	Organization	Postal Address
24.	Sh. Vineet Agarwal	Fish Farmer	-	Village-Jaitpur, P.O.-Kundeshwari, Kashipur, Distt. Udhamsingh Nagar.
25.	Sh. N.C. Singh	Fish Farmer	Raja Farm	Village-Bhagwantpur, P.O.-Dhanauri, Kashipur, Distt. Udhamsingh Nagar.
26.	Sh. D.K. Singh	-	M/s Omega Icehill Pvt. Ltd.	Plot No. 37, Sector-4, IIE, Sidcul, Pantnagar, Rudrapur-263153, Distt. Udhamsingh Nagar
27.	Sh. Amarendra Patel	-	M/s Manjushree Technopack Ltd.	Plot No. 22(b) 23 23(a), IIE, SIDCUL, Pantnagar, Distt. Udhamsingh Nagar.
28.	Sh. Ajeet Sharma	-	M/s SRF Ltd.	Plot No. 12, Ramnagar Road, Kashipur, Distt. Udham Singh Nagar
29.	Sh. Balbeer Singh	-	-	Dhakia No. 1, Kashipur-244713, Distt. Udham Singh Nagar
30.	Sh. Mahesh Chandra Pant	-	-	Dariya Nagar, Ward No. 37, Rudrapur, Distt. Udham Singh Nagar
31.	Sh. V.S. Gangwar	-	-	Awas Vikas Colony, Rudrapur-263153, Distt. Udham Singh Nagar
32.	Sh. Ramanjeet Singh	-	-	Hotel Channi Raja, Mall Road, Nainital.
33.	Sh. Hemant Pathak	-	-	Gaujajali, Haldwani, Nainital.
34.	Sh. Ajay Bansal	-	-	Teachers Colony, Subhash Nagar, Ward No. 8, Bazpur-262401, Distt. Udham Singh Nagar
35.	Sh. Umesh Sharma	-	M/s Voltas Ltd.	Plot No. 2-5, Sector-8, IIE, Pantnagar Industrial Area, Rudrapur-263153, Distt. Udhamsingh Nagar

List of Participants in Hearing at Pithoragarh on 24.02.2023

Sl. No.	Name of the Participants	Designation	Organization	Postal Address
1.	Sh. Umakant Dwivedi	-	-	New Piyana, Near Plaza Hotel, Pithoragarh
2.	Sh. Manoj Chauhan	-	-	Chauhan Medical Store, Pithoragarh
3.	Sh. Govind Singh Bisht	-	-	New Bajeti Shivaji Nagar, Pithoragarh
4.	Sh. Mohan Singh	-	-	Village-Bisa Bajer, P.O. Bisa Bajer, Pithoragarh
5.	Sh. T.N. Pant	Advocate	-	Pant Bhawan, Takana, Pithoragarh.
6.	Sh. Kishan	Sabhasad	Nagarpalika	Kharkot, Pithoragarh.
7.	Sh. Chandrashekhar Martoliya	-	-	Rai, Pithoragarh.
8.	Sh. Neeraj Gururani	-	-	Aincholi, Pithoragarh.
9.	Sh. Vipin Chandra Joshi	-	-	Village-Toli, P.O.-Toli, Gurna, Pithoragarh.
10.	Sh. Ajay Prasad	-	-	Meldungri, Pithoragarh.
11.	Sh. Anil Kumar	-	-	Pithoragarh.
12.	Sh. Mohan Bhatt	-	-	Siltham Zila Panchayat, Pithoragarh.
13.	Sh. Dinesh Kapdi	-	-	Sabhasad, Dhanaura Ward and President, Nagar Mandal, Dhanaura Ward, Pithoragarh.
14.	Sh. Hemant Singh Bisht	Zonal President	Gauran Desh	Village-Majhera, P.O.-Nakote, Pithoragarh.
15.	Sh. Yogesh Chandra Bhatt	-	-	Village-Jakh, P.O. Jakh Puran, Pithoragarh.
16.	Sh. Vikram Valmiki	-	-	Takana Colony, Pithoragarh.
17.	Sh. Subhash Singh Bisht	-	-	Takana, Pithoragarh.

List of Participants in Hearing at Pithoragarh on 24.02.2023

Sl. No.	Name of the Participants	Designation	Organization	Postal Address
18.	Sh. Bhagwan Rawat	-	-	GIC Road, Pithoragarh.
19.	Sh. Sushil Khatri	-	-	Simalgair Bazar, Pithoragarh.
20.	-	-	Social Welfare Society	Punetha Niwas, Takana Road, Pithoragarh.
21.	Sh. Shamsher Mehar, GDSM	Pradesh Mantri	Udyog Vyapar Pratinidhi Mandal-Uttarakhand	101, Krishnapuri, Tanakpur Road-262501, Pithoragarh.

List of Participants in Hearing at Srinagar on 27.02.2023

Sl. No.	Name of the Participants	Designation	Organization	Postal Address
1.	Sh. Rajveer Singh	Dy. Director	Fisheries Department	Office-Garhwal Region, Pauri (Garhwal).
2.	Ms. Suman Lata Rawat	Anganbadi Worker	-	Nursery Road, Ward No. 6, Srinagar (Garhwal), Uttarakhand
3.	Ms. Sunita	Anganbadi Worker	-	Brahman Mohalla-2, Srinagar (Garhwal), Uttarakhand
4.	Sh. Mukesh Rawat	-	-	Bhaktiyana, Near SSB, Srinagar (Garhwal), Uttarakhand
5.	Sh. Apal Raturi	President	Hotel Association	Hotel Sriyantra Tapu, Srinagar (Garhwal), Uttarakhand
6.	Sh. Naresh Nautiyal	-	-	Gayatri Medical Store, Srikot, Srinagar (Garhwal), Uttarakhand
7.	Sh. Atar Singh Aswal	-	-	Hotel Devlok, Srinagar (Garhwal), Uttarakhand
8.	Sh. Bimal Prasad Bahuguna	President	Retired Employees Association-Srinagar	Upper Bhaktiyana, Pauri Road, Srinagar (Garhwal), Uttarakhand
9.	Sh. Pankaj Sati	-	Zila Panchayat	New Dang, Ward No. 12, Srinagar (Garhwal), Uttarakhand
10.	Sh. D.S. Bhandari	-	-	Srikot, Ganganali, Srinagar (Garhwal)-246178, Uttarakhand
11.	Sh. Udayram Lakheda	-	-	Nursery Road, Ward No. 6, Srinagar (Garhwal), Uttarakhand
12.	Sh. Sehdev Singh Bisht	-	-	Kesharpur, Srinagar (Garhwal), Uttarakhand
13.	Sh. A.D. Pandey	-	-	Village & Post-Ufalda, Srinagar (Garhwal), Uttarakhand
14.	Sh. Mohan Singh Kunwar	-	-	Village & Post-Ufalda, Srinagar (Garhwal), Uttarakhand

List of Participants in Hearing at Srinagar on 27.02.2023

Sl. No.	Name of the Participants	Designation	Organization	Postal Address
15.	Sh. Pradeep Chauhan	-	-	Lower Bhaktiyana, Pauri Road, Srinagar (Garhwal), Uttarakhand
16.	Sh. Mohal Lal	Retd. Asstt. Engineer (Meter)	UPCL	Nursery Road, Near 132 kV Substation, Srinagar (Garhwal), Uttarakhand
17.	Sh. Sandeep Singh Rawat	-	-	Village-Nakot, P.O. Kirti Nagar, Pauri Garhwal-249161, Uttarakhand

List of Participants in Hearing at Dehradun on 01.03.2023

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. Padam	-	-	Near ISBT, MDDA Colony, Dehradun
5.	Sh. Ashok Saini	-	-	Mohit Vihar, Near Niranjanpur Mandi, Dehradun
6.	Sh. Narendra Malik	-	-	100/2, Bell Road, Clementown, Dehradun
7.	Sh. Vinod Sharma	-	-	House No. 28/16A, Lane No. 3, Turner Road, Clementown, Dehradun
8.	Sh. Satyapal Singh	-	-	60, Hill View Colony, Dehradun
9.	Sh. Pawan Agarwal	Vice-President	M/s Uttarakhand Steel Manufacturers Association	C/o Shree Sidhbali Industries Ltd., Kandi Road, Kotdwar, Uttarakhand
10.	Sh. Sanovar	-	-	Lane No. 3, Vijay Park Extension, Near Ballupur, Dehradun
11.	Sh. Suresh Chand Bansal	-	M/s Kukreti Steel Ltd.	Jasodharpur Industrial Area, Kotdwar
12.	Sh. Munish Talwar	-	M/s Asahi India Glass Ltd.	Integrated Glass Plant, Village-Latherdeva Hoon, Manglaur-Jhabrera Road, P.O. Jhabrera, Tehsil Roorkee, Distt. Haridwar, Uttarakhand.
13.	Sh. Gulshan Khanduja	-	M/s Shree Ganesh Roller Flour Mills	Mohabewala Industrial Area, Subhash Nagar, Dehradun

List of Participants in Hearing at Dehradun on 01.03.2023

Sl. No.	Name of the Participants	Designation	Organization	Postal Address
14.	Sh. Shashi Kant Singhal	-	M/s Shree Sidhbali Industries Ltd.	Kandi Road, Kotdwar, Uttarakhand.
15.	Sh. Vijay Singh Verma	-	-	Village-Delna, P.O. Jhabrera, Roorkee-247665, Haridwar
16.	Sh. Katar Singh	President	Bhartiya Kisan Club	Village-Sultanpur Sabatwali, P.O. Jhabrera-247665, Tehsil-Roorkee, Haridwar.
17.	Sh. Sunil Kumar Gupta	Editor	Teesri Aankh ka Tehalka	16, Chakrata Road (Tiptop Gali), Dehradun-248001
18.	Sh. Munendra Badoni	-	Fisheries Department	Dehradun
19.	Sh. Nitin Mittal	-	M/s Instrument & Systems	30, Mohabewala Industrial Area, Dehradun-248110
20.	Sh. Shanti Prasad Bhatt	-	Uttarakhand Kranti Dal	Residence-124, Mitralok Colony, Ballupur Road, Dehradun, Uttarakhand.
21.	Ms. Sulochana Istwal	-	-	10, Court Road, Dehradun
22.	Ms. Babita	-	-	Village-Bistipur, P.O. Jhabrera, Roorkee, Haridwar
23.	Sh. Nand Kishore	-	-	Village-Sherpur Khelmau, P.O. Khas, Tehsil-Roorkee, Block-Narsan, Haridwar
24.	Sh. Vijendra Singh	-	-	Village-Tanshipur, P.O. Mangalore, Tehsil-Roorkee, Haridwar
25.	Sh. Ramesh	-	-	Village-Bistipur, P.O. Jhabrera, Tehsil-Roorkee, Haridwar
26.	Sh. Rakesh Bhatia	State Chairman	Indian Industries Association	E-8, Govt. Industrial Area, Patel Nagar, Dehradun.
27.	Sh. Ramesh Joshi	State President	Suraj Sewa Dal	Office-Kaulagarh Road, Sirmaur Marg, Dehradun.

List of Participants in Hearing at Dehradun on 01.03.2023

Sl. No.	Name of the Participants	Designation	Organization	Postal Address
28.	Sh. Sunil Uniyal	President	M/s Uttarakhand Industrial Welfare Association	222/5, Gandhi Gram, Dehradun-248001, Uttarakhand.
29.	Sh. Nepal Singh Kashyap	President	District Cooperative Fisheries Development & Marketing Federation	Mangalore, Roorkee, District-Haridwar-247670, Uttarakhand.
30.	Sh. Ramesh Chand	President	Khedajatt Sehkari Matasya Jivi Samiti Ltd.	Office-Khedajatt Post Khaas, Vikas Khand-Narsan, Tehsil-Roorkee, Haridwar, Uttarakhand.
31.	Sh. Sushil Kumar	-	-	Society Road, Laksar, Haridwar
32.	Sh. Adarsh Jaiswal	Senior Manager (E&I)	M/s Ambuja Cement Ltd. (Unit-Roorkee)	Village Lakeshwari, P.O. Sikandarpur Bhainswal, Tehsil Roorkee, Distt. Haridwar-247661, Uttarakhand.
33.	Sh. Ajay Pandey	-	-	Jogiwala, Dehradun
34.	Sh. Deepak Dhaundiyal	-	-	Lower Nehrugram, Nanda Devi Enclave, Phase-2, Dehradun
35.	Sh. Amit Verma	-	M/s Finolex Cables Ltd.	Plot no. K1&K2, AIS Indl. Estate, Village-Latherdevahoon, Manglour, Jhabrera Road, P.O.-Jhabrera, Tehsil-Roorkee, Haridwar-247665, Uttarakhand.
36.	Sh. Rajendra Chaudhary	General Secretary	UKPCC	Address-423/35, Civil Lines, Roorkee, Distt. Haridwar.
37.	Sh. K.L. Sundriyal	General Secretary	M/s Prantiya Electrical Contractors Association-Uttarakhand	2(4/3), New Road, Near Hotel Relax, (Amrit Kaur Road), Dehradun.
38.	Sh. Sanjay Aggarwal	President	Mussoorie Hotel Association	Hotel Mall Palace, Mall Road Jhulaghar, Mussoorie, Dehradun.
39.	Sh. Ashish Goel	Joint Secretary	Mussoorie Hotel Association	Hotel Mall Palace, Mall Road Jhulaghar, Mussoorie, Dehradun.
40.	Sh. Sanjay Chaudhary	Zonal President (Garhwal)	Bhartiya Kisan Union (Tikait)	Village-Nagla Salaru, Post Off.-Gurukul Narsan, Distt. Haridwar.

List of Participants in Hearing at Dehradun on 01.03.2023

Sl. No.	Name of the Participants	Designation	Organization	Postal Address
41.	Sh. Kamaldeep Kamboj	-	-	G-3, Janpath Shopping Complex, Chakrata Road, Dehradun
42.	Sh. K.G. Behl	President	All India Consumer Council & SNS-Uttarakhand	8-A, Nemi Road, Dalanwala, Dehradun.
43.	Sh. Arvind Jain	-	-	Raghunathpuram, Near Bhuddhi, Shimla Bypass Road, Dehradun
44.	Ms. Ruby Goel	-	-	Chaman Vihar, Phase-2, ITBP Road, Dehradun
45.	Sh. Harjinder Singh	-	-	Office-278, Khurbuda, Dehradun-248001.
46.	Sh. Hari Om Pali	-	-	101/8, Govindgarh, Dehradun
47.	Sh. Manish Oli	-	-	34, Kailash Puri, ONGC Hospital, Chakrata Road, Dehradun
48.	Sh. Vijay Kumar	-	-	91, THDC Colony, Dehradun
49.	Sh. Deepak Sharma	Secretary	Shastri Enclave Welfare Society	Shastri Enclave, Haridwar Road, Dehradun
50.	Sh. Vishwa Mitra Gogia	-	-	36, Panchsheel Park, Chakrata Road, Dehradun-248006
51.	Sh. Insarul Hak	-	-	14/8, Turner Road, Clementown, Dehradun
52.	Sh. Veeru Bisht	-	-	Mohanpur, Post Off.-Premnagar, Dehradun-248007

6.4 Annexure 4: List of items shifted from R&M to Add Cap for FY 2021-22

Sl. No.	Reference No.	Asset Name/Description	Amount in Rs.
Dhakrani			
Lines, Cable Networks etc.			
1	5200005455, 30.12.2021	Replacement of CTs of 33 KV Chibro-2 Feeder	11,505.00
		Total amount transferred from R&M to Add Cap	**11,505.00**
Dhalipur			
Plant and Machinery			
1	5200004249, 29.05.2021	Enhancing fencing Security System	37,09,757.52
		Total amount transferred from R&M to Add Cap	**37,09,757.52**
Kulhal			
Plant and Machinery			
1	5200004414, 09.02.2022	220V/50A battery charger & DCDB150A	2,24,200.00
Office Equipment & Other Items			
1	5200004275, 25.05.2021	IIOT based asset monitoring online platform	21,47,600.00
Hydraulic Work			
1.	600009772, 31.03.2022	Complete Automation including engineering, monitoring system for water distribution and barrage management at Asan Barrage, Dhalipur (Dehradun) along with AMC for 5 years (DRIP)	4,30,955
		Total amount transferred from R&M to Add Cap	**28,02,755.00**
		Grand Total of expenses transferred from R&M to Add Cap	**65,24,017.52**

6.5 Annexure 5: List of items disallowed/deferred from the claim of R&M expenses for FY 2021-22

Sl. No.	Reference No.	Asset Name	Amount in Rs.
Khatima LHP			
Plant & Machinery			
1.	5200000006, 07.04.2021	NEYRPIC TADT Rack (Stock Issue)	3,00,000.00
2.	5200001996, 21.08.2021	16 Point Microprocessor Announciator (Stock Issue)	23,010.00
3.	5200001993, 15.12.2021	Distance Protection Relay (Stock Issue)	1,65,000.00
4.	5200001993, 15.12.2021	General Protection Relay (Stock Issue)	1,75,000.00
5.	5200000771, 28.07.2021	16 Point Microprocessor Announciator (Stock Issue)	23,010.00
		Total disallowed claim of R&M expenses	**6,86,020.00**
Khodri LHP			
Plant & Machinery			
1.	5200001642, 31.03.2022	Scrap (used & Received Back in Store)	6,29,760.00
2.	5200001643, 31.03.2022	Scrap (used & Received Back in Store)	2,800.00
		Total disallowed claim of R&M expenses	**6,32,560.00**
Ramganga LHP			
Plant & Machinery			
1.	600004689, 30.09.2021	Runner Cone (Stock Issue)	4,10,522.00
		Total deferred/disallowed claim of R&M expenses	**4,10,522.00**
		Grand Total of deferred/disallowed claim of R&M expenses	**17,29,102.00**

CSR Expense disallowed from the claim of A&G expenses for FY 2021-22

Sl. No.	Name of Plant	Amount in Rs. Crore
1.	Dhakrani	0.07
2.	Dhalipur	0.11
3.	Chibro	0.51
4.	Khodri	0.26
5.	Kulhal	0.06
6.	Ramganga	0.42
7.	Chilla	0.31
8.	MB-I	0.19
9.	Khatima	0.09
10.	MB-II	0.24
	Total A&G to be Disallowed on account of CSR works	2.25

6.6 Annexure 6: Details of Balance Capital Expenditure for MB-II

Sl. No.	Description of claimed item	Estimated amount as per DPR. (in Rs. Cr.)	Revised estimated cost (in Rs. Cr.)	Expenditure upto FY 2019-20 (in Rs. Cr.)	2020-21 (in Rs. Cr.)	2021-22 (in Rs. Cr.)	Total (in Rs. Cr.)
1. #	Rehabilitation	15.56	27.32	23.59	0.00	0.00	23.59
2.	Construction of school building for Saraswati Shishu Mandir School in Shaktipuram Colony Chinyalisaur	2	2.72	2.19	0.00	0.00	2.19
3.	Modification of tail race channel.	24	27.3	27.30	0.00	0.00	27.30
4. #	Compensation for the affected people	1.14	1.14	0.48	0.00	0.00	0.48
5.	Payments to M/s NPCC against claims of Principal Agreement in accordance to the decision of High Power Committee.	12.86	12.19	12.19	0.00	0.00	12.19
6.	Construction of Cement Concrete Protection wall around Joshiyara barrage reservoir.	83.08	75.87	52.29	0.00	0.00	52.29
7.	Construction of Office Building at Joshiyara.	1.03	1.06	1.06	0.00	0.00	1.06
8.	Construction of officer's residence at Joshiyara colony. (Annexure-CE-8)	1.1	1.15	1.15	0.00	0.00	1.15
9.	Construction of 04 Nos Type-IV Residences and 01 Nos Type-V Residence in Shaktipuram Colony, Chinyalisaur.	1.1	1.12	0.68	0.00	0.00	0.68
10.	Strengthening of water distribution system of Shaktipuram colony, Chinyalisaur.	0.89	0.84	0.84	0.00	0.00	0.84
11.	Construction of workshop building at Dharasu power house of MB-II project.	1.69	1.6	0.92	0.00	0.00	0.92
12.	Protection work on hill slope behind Dharasu power house.	2.57	3.12	3.07	0.00	0.00	3.07
13.	Construction of Road from Joshiyara Bridge to Flushing conduit on left Bank (1.2 km) and from Barrage to NH-108 on Right Bank (0.4 Km).	2.22	3.3	2.27	0.42	0.00	2.69
14. #	Construction of Infrastructure works for affected villagers from Joshiyara, Gyansu and Kansain village as per their demands.	9.5	9.5	2.44	1.68	5.94	10.06
15.	Construction of boundary wall, security fencing and gate for Shaktipuram colony and Shifting of existing boundary wall of Shaktipuram colony and provide the separate way for villagers behind Shaktipuram colony.	1.21	1.12	0.97	0.00	0.00	0.97
16. #	Testing of surge shaft gate.	5	5	0.00	0.00	0.00	0.00

Sl. No.	Description of claimed item	Estimated amount as per DPR. (in Rs. Cr.)	Revised estimated cost (in Rs. Cr.)	Expenditure upto FY 2019-20 (in Rs. Cr.)	2020-21 (in Rs. Cr.)	2021-22 (in Rs. Cr.)	Total (in Rs. Cr.)
17.	River training works from Dharasu Steel bridge to Dharasu Power house up to TRC.	2	3.63	3.37	0.27	0.00	3.64
18.	Slope protection work on uphill side of Surge shaft.	0.9	1.3	1.26	0.00	0.00	1.26
19.	Consultancy expenditure on TRC works & other works except for Joshiyara Barrage.	2	0.79	0.66	0.00	0.00	0.66
20.	Liabilities against major civil contract of MB-II Project.			0.11	0.00	0.00	0.11
a)	Reimbursement of Sales Tax.	8.15	19.24	19.24	0.00	0.00	19.24
b)	Reimbursement of royalty.	0.45	0.45	0.00	0.00	0.00	0.00
c)	Award given by the arbitrator in favour of M/s Hydel Construction (P) Ltd against dispute related to swellex Rock Bolt, Steel Fibre as Extra Item and loss due to flood along with interest of Rs. 95424/- per month.	30.73	35.3	35.30	0.00	0.00	35.30
d)	Payment against misc. Works.	0.26	0.26	0.19	0.00	0.00	0.19
e)	Security.	0.35	0.35	0.26	0.00	0.00	0.26
f)	Pending payment of GSI.	0.95	0.95	0.00	0.95	0.00	0.95
g) #	Expenditure incurred for arbitration.	1	2	1.19	0.00	0.00	1.19
h) #	Claim due to incentive & Idle Charges			0.00	0.00	0.00	0.00
i) #	Claim due to foreclosure			0.00	0.00	0.00	0.00
	IDC amount claimed by UJVN Ltd. against the works of Balance capital works Petition in FY 2016-17 (provisionally allowed by the Commission in TO dated 21.03.2018			17.56	0.00	0.00	17.56
	An adjustment entry considered to nullify the impact of decapitalisation of Rs 36.94 Crore considered by UJVN Ltd. in FY 2017-18*.			36.94	0.00	0.00	36.94
#	Payment of decree amount to M/s Continental Company Ltd against arbitration case of MB-II			0.00	1.99	0.00	1.99
	Total	**211.74**	**238.62**	**247.52**	**5.31**	**5.94**	**258.77**

* In FY 2017-18, UJVN Ltd. has considered a de-cap of Rs. 36.94 Crore against works covered under S. No. 6 above i.e. Construction of Cement Concrete Protection wall around Joshiyara barrage reservoir, as grant was received from GoU in FY 2017-18 against the said works executed in FY 2015-16. In this regard, it is observed that the Commission in its Tariff Order dated 23.03.2017 had considered the funding of additional capitalisation of around Rs. 40.37 Crore through grants from GoU and now UJVN Ltd. has received a grant of Rs. 36.94 Crore against the same in FY 2017-18. Therefore, an entry of +36.94 Crore is added to ascertain the actual amount of additional capitalisation done in FY 2017-18 by UJVN Ltd. against the Balance capital works Petition in FY 2017-18.

\# The direction of the Commission on these works can be referred at Chapter 3 of this Order

6.7 Annexure 7: 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)
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
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
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% deducted 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
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
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
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
			74.95	0.00	0.00	0.00	0.00	0.00	68.44
		-	54.07	-	-	-	-	-	54.07
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
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
8	Renovation of water treatment Plant in Joshiyara Uttarkashi.	30	27.78	0.00	13.68	5.59	4.00	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 Dharasu, Uttarkashi.	70	78.05	0.00	0.00	0.00	78.05	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)
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
11(a)	Laying of sewer line in Shaktipuram Colony Ag. Amount= 150.34+GST extra after variation = 170.97+ GST extra with GST Variation amount=201.74	175	201.74	0.00	0.00	0.00	0.00	201.75	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
11(c)	Supply, Erection, Commission & Testing of Sewage Treatment Plant capacity 120 KLD with automatic membrane Bio-Reactor (MBR) including operation & maintenance for two years at Plant store, Chinyalisaur.	75	146.01	0.00	0.00	0.00	0.00	0.00	116.82
12	Renovation of spillway Gate no. 1,2 & 3 of Joshiyara Barrage			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
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
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
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
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
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
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

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)
17	Renovation and modernization of officer's field hostel at Shaktipuram Colony Chinyalisaur, Uttarkashi. 6% deducted sale tax = Rs 2.10 L	40	41.37	0.00	10.19	0.00	28.60	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
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
20	Renovation and modernization of BP type Quarters at Shaktipuram colony Chinyalisaur, Uttarkashi. 6% deducted sale tax = Rs 2.23 L	45	43.76	0.00	24.13	0.00	19.63	0.00	0.00
21	Renovation and modernization of CP type Quarters in Shaktipuram colony Chinyalisaur, Uttarkashi. 6% deducted sale tax = Rs 3.72 L	45	77.73	0.00	0.00	73.19	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
23	Renovation and modernization of Type –III Club near Shiv Mandir at Shaktipuram Colony Chinyalisaur, Uttarkashi. 6% deducted sale tax = Rs1.74 L	35	34.26	0.00	0.00	15.43	18.60	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
	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
25	Construction of GM Office Room with toilet at Shaktipuram Colony, Chinyalisaur		23.88	23.88	-11.15	0.00	0.00	0.00	0.00
26	Purchase/TR of asset from HO (Computer, Printer etc.		1.40	0.00	1.40	0.00	0.00	0.00	0.00
27	Construction of Parking Garage in Nigam Office & Febrication of MS work for converting the Nala near Barrage.		29.83	-	-	-	-	-	29.83
28	Construction of Boundary wall uplifting flushing Valve houses & Chambers at Joshiyara Barrage Uttarkashi.		47.29	-	-	-	-	-	47.29
29	Construction of 1st Floor of Office Building at Joshiyara Uttarkashi (shifted from balance capital work item No. 14)		103.00	-	-	-	-	-	0.00
30	Construction of 02 Nos. Type IV Quarters in backside of Patwari		142.52	-	-	-	-	-	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)
	Chowki at M.B-II, Joshiyara, Uttarkashi (shifted from balance capital work item No. 14)								
31	Re-construction of Suman Grammer School located on UJVN Ltd. land in Joshiyara village (shifted from balance capital work item No. 14)		84.70	-	-	-	-	-	0.00
Total		**4479.95**	**5654.08**	**145.88**	**640.24**	**296.78**	**733.60**	**2656.13**	**774.42**

(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 (has been allowed during the Truing-up of FY 2021-22 in this Order)