Tariff Order

On

Approval of Capital Cost,

True-up for FY 2022-23,

&

Annual Fixed Charges for FY 2024-25

For

Vyasi Hydro Electric Project

Of

UJVN Ltd.

March 24, 2025

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.: 47 of 2023

In the Matter of:

Petition filed by UJVN Ltd. for Approval of Project Cost & Annual Fixed Charges for the FY 2022-23, FY 2023-24 & FY 2024-25 for Vyasi Hydro Power Project (2x60 MW).

AND

In the Matter of:

UJVN Ltd.

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

Coram

Shri M. L. Prasad	**Chairman**
Shri Anurag Sharma	**Member (Law)**

Date of Order: March 24, 2025

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 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.

Vyasi Hydro Electric Project is a Run-of-River (RoR) with pondage scheme on river Yamuna, in District Dehradun (Uttarakhand). The Project comprises of two units of 60 MW each. The Project achieved COD on 24.05.2022. The Petitioner filed Petition No. 32 of 2022, before the Commission for approval of Provisional Tariff for Vyasi HEP under Section 62 and 86 of the Electricity Act, 2003 read with Regulation 42(4) of the UERC Tariff Regulations, 2011 on 18.10.2022. The Commission vide Order dated 09.11.2022 allowed Provisional Tariff of Rs. 7.60 per unit, to meet/recover the expenses till determination of final tariff and directed the Petitioner to file the petition for determination of final tariff in accordance with the UERC Tariff Regulations, 2021.

In view of the above directions and in compliance with the provisions of the Act and Regulation 42(5) of UERC Tariff Regulations, 2021, UJVN Limited (hereinafter referred to as "UJVN Ltd." or "Petitioner") has filed the instant Petition (Petition No. 47 of 2023 hereinafter referred to as the "Petition") on 30.11.2023, giving details of capital cost incurred as on COD along with projections of Annual Fixed Charges (AFC) for FY 2022-23, FY 2023-24 and FY 2024-25. The Petitioner, in the instant Petition has also sought True-up for FY 2022-23 and Annual Performance Review for FY 2023-24.

The Commission provisionally admitted the Petition for further processing subject to the condition that UJVN Ltd. shall furnish 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.

The Petition filed by UJVN Ltd. had certain critical data gaps/information/ infirmities/deficiencies which were informed to UJVN Ltd. as Preliminary Data gaps/Information vide Commission's letter no. UERC/5/Tech/785(2)/2024-25/562 dated 18.07.2024 and UERC/5/Tech/785(2)/2024-25/647 dated 02.08.2024. UJVN Ltd. was directed to submit certain additional information necessary for detailed analysis for the admission of the Petition. UJVN Ltd. vide its letter no. No. 112/UJVNL/03/D(P)/ dated 21.08.2024 and No. 118/UJVNL/03/D(P)/ dated 13.09.2024 submitted its reply to critical data gaps/information sought by the Commission.

In order to have better clarity on the reply/data filed by the Petitioner, the Commission scheduled a discussion with UJVN Ltd. at the Commission's office on 27.09.2024 followed by Site inspection of Vyasi HEP on 28.09.2024 and 29.09.2024.

Based on the Site-visit and detailed discussions on the submissions made by UJVN Ltd. a second set of queries were informed to UJVN Ltd. vide Commission's letter no. UERC/5/Tech/785(2)/2024-25/940 dated 03.10.2024 to which UJVN Ltd. submitted replies vide following letter numbers:

(a) letter no. 141 /UJVNL/03/D(P)/D-5 dated 16.10.2024

(b) letter no. 146/UJVNL/03/D(P)/D-5 dated 25.10.2024

(c) letter no. 150/UJVNL/03/D(P)/ dated 29.10.2024

(d) letter no. 113/UJVNL/03/D(P)/D-5 dated 26.11.2024.

(e) 175/UJVNL/03/D(P)/D-5 dated 30.12.2024

The Commission further analysed the above submission made by UJVN Ltd. and raised third set of queries vide letter no. UERC/5/Tech/785(2)/2024-25/1440 dated 24.01.2025 to which replies by UJVN Ltd. were submitted vide. letter no. 13/UJVNL/03/D(P)/D-5 dated 05.02.2025 and letter no. 14/UJVNL/03/D(P)/D-5 dated 08.02.2025.

The Commission scheduled a discussion with UJVN Ltd. officials on 15.02.2025 with regards to expenses incurred in FY 2022-23 against Additional Capitalisation and O&M expenses post COD and set of queries were raised to UJVN Ltd. vide letter dated 15.02.2025 to which UJVN Ltd. submitted its reply vide letter no. No. M-169/UJVNL/02/D(0)/B-8 dated 21.02.2025.

The Commission further scheduled a discussion with UJVN Ltd. officials on 25.02.2025 with respect to Capital Cost, expenses incurred in FY 2023-24 against Additional Capitalisation and O&M expenses post COD and set of queries were raised to UJVN Ltd. on 25.02.2025 to which UJVN Ltd. submitted in its reply vide letter no. 25/UJVNL/03/D(P)/D-5 dated 04.03.2025 and letter no. 27/UJVNL/03/D(P)/D-5 dated 06.03.2025.

The Commission also raised Fourth set of queries on the basis of replies received from UJVN Ltd. till 08.02.2025. UJVN Ltd. submitted its reply to these queries vide letter no. 28/UJVNL/03/D(P)/ dated 07.03.2025.

During the pendency of the said Petition, the Commission notified the Uttarakhand Electricity Regulatory Commission (Terms and Conditions for Determination of Multi Year Tariff) Regulations, 2024, in short, "UERC Tariff Regulations, 2024" which are applicable for determination of tariff from FY 2025-26 onwards and up to FY 2027-28, i.e., from April 1, 2025, to March 31, 2028. In accordance with the said Regulation, the Petitioner on 30.11.2024 has filed a Petition seeking multiyear tariff for the fourth Control Period i.e., FY 2025-26 to FY 2027-28, and has also sought Truing up of FY 2023-24 and Annual Performance Review for FY 2024-25. The Commission observes that based on the audited accounts for FY 2023-24, the Petitioner in its Petition No. 22 of 2025 has sought truing up of FY 2023-24 which is being dealt by the Commission through a separate Order and therefore, annual performance review of FY 2023-24 will serve no purpose. The Commission, therefore, vide this Order has decided to approve the Capital Cost of the Project and carry out truing up of FY 2022-23 along with determination of tariff for FY 2024-25 for which the Commission has considered original as well as all the subsequent submissions made by UJVN Ltd. during the course of the proceedings and the relevant findings made during the current tariff proceedings.

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 the generating company. 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 Capital Cost of Vyasi HEP.

Chapter 4 - Petitioner's Submissions, Commission's Analysis, Scrutiny and Conclusion on Truing-up of Vyasi HEP for FY 2022-23.

Chapter 5 - Petitioner's Submissions, Commission's Analysis, Scrutiny and Conclusion on AFC for FY 2024-25.

Chapter 6 - 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. UJVN Ltd. has commissioned and another LHP as Vyasi HEP (also known as Hathiari HEP) on 24.05.2022 in respect of which this Order is being passed. 100 % of the Electricity generated from this generating station is being supplied to Uttarakhand Power Corporation Ltd. (UPCL), the sole distribution licensee in the State.

The Commission vide its Order dated 09.11.2022 approved the Provisional Tariff for Vyasi Hydro Power Project (2x60 MW) under Section 62 and 86 of the Electricity Act, 2003 read with the relevant regulations and guidelines of the Commission and ruled the following:

> *"11. Accordingly, the Commission decides to allow Provisional Tariff of Rs. 7.60 per unit, which is equivalent to the interim tariff claimed by the Petitioner to meet/recover the expenses till determination of final tariff. The same shall be recovered based on energy generated/supplied to the beneficiary. Any arrear against the energy supplied shall be recovered in three equal monthly instalments beginning from November, 2022 onwards.*
>
> *12. The Commission at present is not taking any view on NAPAF and saleable primary energy of the Project and shall take a final view on the same while determining the final tariff. However, the Petitioner is directed to maintain a proper data for calculation of actual PAFM, e-flow etc"*

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 30.11.2023. UJVN Ltd. in compliance of the said Regulations has submitted the Petition for approval of capital cost and Truing-up for FY 2022-23, Annual Performance Review (APR) for FY 2023-24 and determination of Annual Fixed Charges (AFC) for FY 2024-25 on 30.11.2023.

The above Petitions were provisionally admitted by the Commission vide Order dated 28.12.2023. The Commission, through its above Admittance Order dated 28.12.2023, to provide transparency to the process of tariff determination and for giving all Stakeholders an opportunity to submit their objections/suggestions/comments on the proposals of UJVN Ltd., also directed UJVN

Ltd. to publish the salient points of its Petitions in the leading newspapers. The salient points of the Petitions were published by the Petitioner in the following newspapers:

Table 1.1: Publication of Notice

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

Through the above notices, the Stakeholders were requested to submit their objections/ suggestions/comments latest by 31.01.2024 (copy of the notice is enclosed as **Annexure-1A**). Besides suggestions/comments of the State Advisory Committee, the Commission received **01** objections/suggestions/comments in writing against the Petition filed by UJVN Ltd. The list of Stakeholders who have submitted their objections/suggestions/comments in writing is enclosed as **Annexure-2A.**

The Commission also issued a Public Notice for Inviting Comments on the revised claim filed by UJVN Ltd. vide reply dated 25.11.2024 before the Uttarakhand Electricity Regulatory Commission for approval of capital cost & determination of Annual Fixed Charges for FY 2022-23, FY 2023-24 and FY 2024-25 of its new Vyasi Large Hydropower Project (Vyasi LHP) dated 09.01.2025.

Through the above notice, the Stakeholders were requested to submit their objections/ suggestions/comments latest by 28.01.2025 (copy of the notice is enclosed as **Annexure-1B**). Besides suggestions/comments of the State Advisory Committee, the Commission received **02** objections/suggestions/comments in writing against the Petition filed by UJVN Ltd. The list of Stakeholders who have submitted their objections/suggestions/comments in writing is enclosed as **Annexure-2B.**

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

Table 1.2: Schedule of Hearing

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

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

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

Thereafter, based on the scrutiny of the Petitions submitted by UJVN Ltd., the Commission communicated certain additional clarifications/justification vide its letter no.

(1) UERC/5/Tech/785(2)/2024-25/562 dated 18.07.2024

(2) UERC/5/Tech/785(2)/2024-25/647 dated 02.08.2024,

(3) UERC/5/Tech/785(2)/2024-25/940 dated 03.10.2024

(4) UERC/5/Tech/785(2)/2024-25/1440 dated 24.01.2025

(5) Add Cap and R&M Scrutiny for FY 2022-23 dated 15.02.2025

(6) Capital Cost, Add Cap and R&M Scrutiny for FY 2023-24 dated 25.02.2025

(7) Email dated 28.02.2025

The Petitioner submitted the replies to data gaps/ information sought by the Commission vide its letter no.

(a) 112/UJVNL/03/D(P)/ dated 21.08.2024

(b) 118/UJVNL/03/D(P)/ dated 13.09.2024

(c) 141 /UJVNL/03/D(P)/D-5 dated 16.10.2024

(d) 146/UJVNL/03/D(P)/D-5 dated 25.10.2024

(e) 150/UJVNL/03/D(P)/ dated 29.10.2024

(f) 113/UJVNL/03/D(P)/D-5 dated 26.11.2024

(g) 175/UJVNL/03/D(P)/D-5 dated 30.12.2024

(h) 13/UJVNL/03/D(P)/D-5 dated 05.02.2025

(i) 14/UJVNL/03/D(P)/D-5 dated 08.02.2025

(j) M-169/UJVNL/02/D(0)/B-8 dated 21.02.2025

(k) 25/UJVNL/03/D(P)/D-5 dated: 04.03.2025

(l) 27/UJVNL/03/D(P)/D-5 dated 06.03.2025

(m) 28/UJVNL/03/D(P)/ dated 07.03.2025

The Commission vide its letter no. UERC/5/Tech/784/Petition No. 54 to 63 of 2023/1275 dated 29.02.2024 and UERC/5/Tech/785(2)/2024-25/1466 dated 30.01.2025 communicated the comments received from various stakeholders with the direction to furnish their response on the same.

Thereafter, the Petitioner submitted its reply to the Commission's letter dated 29.02.2024 and 30.01.2025 pertaining to Stakeholder comments vide its letter no. M-196/UJVNL/02/D(O)/B-8 dated 11.03.2024 and 20/UJVNL/03/D(P)/ dated 17.02.2025.

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

2.1 Generation cost of Vyasi HEP

2.1.1 *Stakeholder's Comments*

Shri Pankaj Gupta of M/s Industries Association of Uttarakhand submitted that the generation cost from Vyasi is excessively high. Any project from UJVNL must be seen in ultimate benefit to consumer. The high cost of generation from Vyasi has gone against the socio-economic behaviour from a public utility. Further, submitted that such project should not be developed by UJVNL in future, which results in such high cost to consumers.

2.1.2 *Petitioner's Reply*

The Petitioner submitted that the cost of Vyasi project has gone up due to delay in work during Covid 19 pandemic which has further resulted in increase in IDC.

2.1.3 *Commission's Views*

The Commission has gone through the comments of the Stakeholders and its response submitted by the Petitioner. The Commission has conducted a detailed scrutiny of the capital cost and tariff before approving the same. The approach and workings have been elaborated in detail in the subsequent Chapters of this Order.

2.2 Revised claim by UJVN Ltd.

2.2.1 *Stakeholder's Comments*

Shri Pankaj Gupta of M/s Industries Association of Uttarakhand on the revised claim by the Petitioner submitted that the project has been abnormally delayed which has resulted in very heavy interest burden in project cost and has requested the Commission to undertake proper scrutiny of the project cost as this cost is too high resulting in very heavy burden on consumers.

Further, Shri Pankaj Gupta also requested the Commission to take special care while scrutinizing on the following points:

(1) While CEA gave clearance in October 2010, why the supplementary agreement was signed with start date of October 2013.

(2) Why the project took so long to complete (almost 9 years). Whether the delay was due to controllable factors or non-controllable factors.

(3) Whether all civil works included in project cost were essential for Vyasi HEP project and if any other unrelated work was done and now included in the project cost.

(4) Why the design energy is reduced from initial estimate of 375.24 MU to now 353 MU.

(5) Why NAPAF is being requested of 75% by UJVNL instead of 90% as per the regulations.

2.2.2 *Petitioner's Reply*

The scrutiny of project cost by the Hon'ble Commission is in process wherein UJNV Ltd. has already provided specific activity wise reasons for delay in project work. The Petitioner submitted that the delay is uncontrollable and therefore requested the Commission to allow claimed project cost on actual basis.

The Petitioner further submitted point wise reply as follows.

(1) When CEA gave clearance in October 2010, why the supplementary agreement was signed with start date of October 2013 –

CEA gave clearance in October 2010, however, according to the Forest Act, to start the execution of works at site, forest land had to be first transferred to UJVN Limited from the Irrigation Department. The process of transfer of land could only commence after the approval of the DPR. Following the approval of the DPR and stage I & stage II forest clearance, MoEF accorded the approval for change of user agency from Irrigation department to UJVN Limited in respect of 99.93 Ha. forest land for construction of Vyasi HEP on 14.10.2013. After getting approval of change of user agency of forest land, works of project started from October, 2013.

(2) Why the project took so long in completion (almost 9 years). Whether the delay was due to controllable factors or non controllable factors.

Reply- The delay was due to non-controllable factors explained as below: -

(a) Allotment of dedicated Quarry and approval of Crusher.

The Govt of Uttarakhand provided the permission of reuse of excavated material on 07.01.2016 after a span of 2 years from the date of start of the work and the permission for installation & operation of stone crusher at Plankhera on 11.06.2015(after a span of one year).

Dam site material availability was ensured through crushing of excavated material only. However, at Power House site, material was being purchased directly from market as per availability which is a time taking activity.

(b) R&R related issues.

Project affected people had hampered the progress of work for R&R Package. Govt of Uttarakhand issued direction in January, 2016 (after a span of 2 years) for implementation of R&R. One of the affected village Lohari which was coming under submergence was not accepting R&R package and demanding land against their already acquired land. Villagers of Lohari were hampering the progress of work and were raising their demand for land allotment. Still, Lohari villagers are unwilling to resettle at place Dehra-Khadar mentioned in award declared by Collector, Dehradun.

(c) Geological issues-

At dam site, the deepest foundation level had gone down by about 7 meters for suitable foundation conditions which changed the construction methodology due to additional efforts. It was beyond the control of contractor and the Project authorities.

- Slope Protection measures were taken for Stability of 150m high back slope of Power house which took approximately 2 years of time.
- Manual excavation of Penstock in limited length due to bad geological conditions.
- Slow progress in HRT in treatment of 600 m squeezing zone.

(d) Enhanced quantity of Concrete, Reinforcement and Hydro Mechanical Equipment at various structures-

During detailed Design Engineering/Model Study various changes have occurred which were incorporated after recommendation of Technical Advisory Committee (TAC) formed by the Board of UJVN Ltd. to seek advice on technical issues of Vyasi HEP.

Technical changes with respect to DPR stage design parameters for Vyasi HEP was accepted by Central Electricity Authority on following changes in technical parameters of Vyasi HEP.

1. No. & size of openings in spillways for passing probable maximum flood
2. Additional cost incurred to achieve suitable foundation level of dam in deepest blocks due to poor geological conditions.
3. Change in size and number of intake gates.
4. Treatment for stabilization of hill slope upstream of power house due to relocation of powerhouse by 4m in u/s due to inadequate straight length of the tail race.

5. Exclusion of Butterfly valve chamber adjacent to the Surge Shaft.

6. Quantity of reinforcement, steel liner & plasticizer in dam works to sustain impact and abrasive action of rolling boulders.

7. Additional provision of rails in overflow Blocks to sustain impact and abrasive action of rolling boulders.

8. Provision of Gas Insulated Switchgear (GIS), self-lubricating bushes, change in cooling water system and deletion of butterfly gate valve due to constraints of space and modernization in latest technology.

(e) COVID**-19 Pandemic-**

The project got delayed due to 1st, 2nd and 3rd wave of COVID-19 pandemic & resumption of work with restrictions under SOPs of MHA, Gol/GoU after lifting of lockdown period, the project commissioning was badly affected.

Besides above, the Petitioner submitted that the progress was continuously monitored by Project Implementation Steering Committee (PISC) formed by the Board of UJVN Ltd. headed by shri N.N. Singhal, Retd. Chief Engineer (HoD), Irrigation Department from November 2017 to May, 2019 and by Shri Indu Kumar Pande, Ex-Chief Secretary, GoU from April 2019 to May,2022.

(3) Whether all civil works included in project cost were essential for Vyasi HEP project and if any other unrelated work was done and now included in the project cost.

Reply- All civil works included in the project cost were essential for Vyasi HEP as it is indicated and evident from the reply of Comment No. 2 point no. d (Enhanced quantity of Concrete, Reinforcement and Hydro Mechanical Equipment at various structures).

No unrelated work was done.

Revised cost of Vyasi Project was reviewed at different levels as discussed below: -

- High Powered Special Committee having Shri. N.N. Singhal, Retd. Chief Engineer (HoD), Irrigation Department and Shri D.K. Agarwal, Retd. Chief Engineer (HoD), Irrigation Department.

- Technical Advisory Committee (TAC) headed by Shri A.K. Bajaj, Ex-Chairman CWC.
- Project Implementation Steering Committee headed by Shri. Indu Kumar Pande, Ex-Chief Secretary, GoU& Independent Director, UJVN Limited.
- Board of UJVN Limited in the 112th meeting held on 28.11.2022.
- Public Investment Board, GoU in the meeting D1.01.03.2023 disallowed Rs. 1.21 Cr on account of establishment charges & approved the final project cost of Rs. 2047.01 Cr.

(4) Why the design energy is reduced from initial estimate of 375.24 MU to now 353 MU as is being taken in A.F.C.

Reply- As per the original DPR, there was a provision of 2.00 cumecs as E-flow but later it was revised to 4.33 cumecs as per the instructions issued by GoU in compliance to the order of National Green Tribunal dated 09.08.2017.

Change in TWL due to realignment of TRC, resulted into reduction in Gross Head and Net Head.

Consequent to above, there was reduction in Design Energy as assessed during DPR appraisal. The Petitioner further submitted that the Change in Design Energy with respect to DPR has been approved by Central Electricity Authority.

(5) Why NAPAF is being requested of 75% by UJVNL instead of 90% as per the regulations.

Reply- NAPAF of 75% has been requested by UJVN Limited on the following grounds-

(a) UJVNL is required to release 12 cumecs water instead of 4.33 cumecs water as e-flow continuously for irrigation purpose from Dam separately during non-generating period.

(b) The reservoir at Vyasi Dam Juddo has capacity to reserve the water upto the FRL EL-631.50 meter. But as the reservoir level reaches beyond EL-629.75 meter, the residential area at Lohari village nearby the Vyasi dam, gets affected due to the high-water level of the dam. Most of the villagers of Lohari village have been shifted to other locations, however some of the families are still residing in the village. Due to this the Net available head for generation of power is reduced.

(c) During monsoon, there is heavy inflow of trash and debris, which causes choking at the Trash Rack & consequently the head loss. The generation from the plant goes on decreasing as the head loss increases. Once, it crosses the upper limit of the head loss, the shutdown of Power Station is required for clearing of debris/trash. Several flushing is required during monsoon months resulting in shutdown of the plant. In view of the above, the Petitioner requested to allow additional allowance of 2% in the NAPAF.

(d) Similarly located hydro power plants in Yamuna and Tons river namely Chibro, Khodri, Dhakrani, Dhalipur and Kulhal plant has achieved maximum Annual PAF is 71.30%, 62.24%, 69.22%, 70.58% and 76.56% respectively for the period FY 2014-15 to FY 2021-22 in any year.

Considering all above, UJVNL has proposed to approve NAPAF of 75% for Vyasi HEP.

2.2.3 *Commission's Views*

The Commission has gone through the comments of the Stakeholders and has dealt with these issues as per the UERC Tariff Regulations, 2021 at relevant places of this Order.

2.3 Funding

2.3.1 *Stakeholder's Comments*

Shri Pawan Agarwal of M/s Uttarakhand Steel Manufacturers Association submitted whenever a new power project is set up, its entire cost should have been taken from the Power Development Fund created by the Uttarakhand government, but here, out of the total cost of Rs 1916.79 crore of this Vyasi project, only Rs 330.12 crore was taken from the government for this project and a loan of Rs 1251.70 crore was taken from REC. Whereas the Power Development Fund is being continuously collected by the government from the consumers through cess, royalty and water tax since April 2003 and its total amount along with the percentage of ROE comes to about Rs 30000 crore by March 2025. Therefore, the total cost of this above project of Rs 1916.79 crore should have been adjusted from this fund and if this had happened, then there would have been no need to allow Interest on Loan, Depreciation, ROE, Interest on WC on it.

For the last few years, the government and its electricity departments in the State of Uttarakhand have paid less attention to economic reforms and more attention to exploiting the consumers. While the State government should focus on industrial development, the State government is more focused on filling its treasury in the form of cess, royalty and water tax on electricity and consuming that treasury for its political interests.

Further submitted that some time back it was also said in a case related to UJVN Ltd. that any government power project can be set up from Power Development Fund. This should be done and the consumer should not be burdened with any kind of extra expenses, because the purpose of creating this fund was that any government hydro power project/transmission project/distribution project will be established with the help of this fund to meet the needs of the State and this has been clearly mentioned in paragraph number 4.7 of page number 82 in the tariff of the year 2003-04 issued by the Commission as:

"4.7 Power Development Fund

The State has the unique advantage of immense potential for hydro generation. Of the estimated potential of 15000 MW only about 1000 MW has been developed so far. If the twin advantages of sufficient availability and low cost of power that the State has inherited is to be passed on to future generations it is essential that the hydro potential of the State is fully exploited. This involves huge investments. To ensure availability of sufficient funds for such investments the Commission has utilized part of the surplus in the licensee's ARR for creating a special dedicated fund to be used for leveraging investments in hydro generation projects and in related evacuation and transmission systems. For this the Commission in exercise of its powers under section 86 (2) has separately advised the State Government to levy a Cess on the hydro power being currently produced and used in the State and with that establish a special fund for promotion of investments in new hydro generation units. In view of this recommendation the Commission is including a charge of 43 paise/unit over and above the adhoc provisional purchase rate of 37 paise/unit for power purchase from UJVNL, allowed by the Commission in absence of proper scrutiny and approval of their tariff…"

The same has been mentioned in Para No. 7 of Power Development Fund Act 2003 as:

Paragraph No. 7-

"The fund shall be utilized for---

(1) Development of Hydro Power Projects in the State Sector;

(2) Development of electricity evacuation system and extension of transmission system etc.;

(3) For any other schemes/projects directly/indirectly co-operating in the development of Hydro Power Projects and development of power projects based on Renewable Energy Sources, construction of power evacuating system and development of power transmission system in State sector as determined by the Government.

..."

The Stakeholder requested the Commission to calculate the total amount given to the Power Development Fund from April 2003 till date at 14% / 16% compound interest (Return on Investment) and bring that total amount in front of the public openly all government power projects should be funded through this fund and the remaining amount should be demanded back from the State government and its carrying cost should be imposed on the government and its benefit should be given in the retail tariff.

The Stakeholder further submitted that it is not seeking AFC component wise clarification on the total AFC amount of Rs 1188.88 crores claimed by UJVN Ltd. for FY 2022-23 to FY 2024-25 as the basis itself is wrong.

Stakeholder submitted that the expenses are imaginary because if the cost of this project was taken from the Power Development Fund, then none of the above expenses would have been applicable except the O&M expenses. This is a double blow to the consumer in a way, first it was recovered in the name of the fund and now instead of taking it from that fund, these expenses are being recovered separately.

Stakeholder submitted that only Rs. 60.03, 83.79 and 90.94 crores sought towards O&M expenses for FY 2022-23, FY 2023-24 and FY 2024-25 should be allowed and the remaining amount should be adjusted from the carrying cost of the power development fund deposited with the Government (GOU).

Apart from this, at present, a total of Rs. 1 per unit is being given to the state government in the form of 10 paise as royalty, 30 paise as cess and 60 paise as water tax and the industrial retail tariff in the state is Rs. 1.25 per unit as compared to Uttar Pradesh.

Since it has become expensive, the burden of Rs. 1 per unit cannot be loaded on the consumers. Therefore, the recommendation to remove this burden should be sent to the state government by the UERC. The same has been directed to the state governments twice by the Energy Department of the Central Government but the departments are more interested in taking and less in giving.

2.3.2 *Petitioner's Reply*

It is to be noted that Power Development Fund Act 2003 has been implemented by the Uttarakhand Government. Under the said Act, cess/duty has been imposed on UJVN Ltd. by the Uttarakhand Government. Apart from the said Act, royalty and water tax have also been imposed by the Uttarakhand Government on the working projects of UJVN Ltd. under which the bill of tax/duty/cess/royalty imposed by UJVN Ltd. is sent to UPCL, and the amount received from UPCL in the name of the said bills is deposited to the Uttarakhand Government. The Uttarakhand Government has complete control over the amount deposited under the above tax/duty/cess/royalty. The use of this amount in any form is beyond the jurisdiction of UJVN Ltd.

Therefore, the amount of cess/royalty/water tax, the complete control of which is with the Uttarakhand government, cannot be adjusted with the amount spent by UJVNL Ltd. on the Vyasi project. The Petitioner further submitted that no amount has been released by the Uttarakhand government to UJVNL Ltd. from the Power Development Fund for the Vyasi project.

UJVN Ltd. submitted that it has filed a Petition before the Commission seeking of AFC for the years 2022-23, 2023-24 and 2024-25 in accordance with the tariff regulation issued by the Commission. The Petitioner requested the Commission to accept the tariff petition submitted by UJVN Ltd.

2.3.3 *Commission's Views*

The Commission has noted the submissions of the stakeholders and the Petitioner's response. The issues pertaining to tariff has been dealt in accordance with UERC Tariff Regulations, 2021 and has been discussed by the Commission in the relevant section of this Order.

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 06, 2024, the Members made the following observations/suggestions/comments:

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

2.4.2 *Petitioner's Response*

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

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 this Order and is as detailed in subsequent Chapters of this Order.

3 Petitioner's Submissions, Commission's Analysis, Scrutiny and Conclusion on Capital Cost of Vyasi HEP

3.1 Project Background

Vyasi HEP was originally planned to be developed along with Lakhwar HEP with combined capacity of 420 MW. The Project comprised of two dams each for Lakhwar and Vyasi HEP and one balancing barrage to regulate water flow. The combined project was approved by the Planning Commission of Government of India under 5th Plan on 09.01.1976 as a multipurpose scheme with estimated cost of Rs. 140.97 Crore. The project was originally to be developed by the Irrigation Department of erstwhile Uttar Pradesh.

The Petitioner submitted that the approval for transfer of 868.08 Ha. Forest land (combined for Lakhwar-Vyasi Project) in favor of Irrigation Department, Govt. of UP, was accorded by Ministry of Environment and Forest in the year 1986 vide letter no 8-172/86-FRY(cons), dated 31 August 1986. Out of 868.08 Ha. already transferred forest land, 99.93 Ha. land was for Vyasi HEP and balance 768.15 Ha land was for Lakhwar MPP. Subsequently, Environment Clearance for the combined Lakhwar-Vyasi Multi-purpose project was accorded in 1987 by MoEF vide letter no 3/83/79-HCT/En.V/IA dated 3.02.1987 to Irrigation department of erstwhile Uttar Pradesh.

The infrastructural development and preliminary works of Lakhwar-Vyasi Project was started in 1979 while the major civil works such as construction of dam, powerhouse, HRT etc. commenced in 1987 for which three major contracts for main civil works for the construction of the project were signed in July 1987. The work on this project were in progress up to 1992 and construction works, mainly open and underground excavation on both Lakhwar dam scheme and Vyasi project was executed partially. The work on this project was suspended in 1992 due to non-availability of funds.

With the formation of new State of Uttarakhand in November 2000, the State Government of Uttarakhand restarted the work on this project and vide letter No. 1547 dated 03.10.2002 conveyed their decision to allot this project in principle to NHPC. A Memorandum of Understanding (MOU) was signed between GoU, UJVN Ltd. and NHPC on 01.11.2003 regarding further execution of Vyasi HEP through NHPC without linking it with the construction of Lakhwar HEP. As envisaged in the

MOU, DPR of Lakhwar-Vyasi project as multipurpose scheme was submitted to CWC, Govt. of India, by NHPC in March 2006.

Later on, GoU transferred Lakhwar-Vyasi Project to UJVN Ltd. on 23.06.2008 and with the permission of the State Government, Vyasi Project (120 MW) was taken up by UJVN Ltd. The Petitioner submitted Detailed Project Report (DPR) of the Project to CEA for its approval on 05.07.2008 and CEA gave its concurrence on 25.10.2011. UJVN Ltd. has commissioned both the Project with Unit 2 achieving COD on 22.04.2022 while Unit 1 achieved COD on 24.05.2022.

3.2 Regulatory Framework

Regulation 42 of the UERC Tariff Regulations, 2021 specifies as follows:

"42. Petition for determination of generation tariff

(1) A Generating Company may file petition for determination of tariff for supply of electricity to Distribution Licensees complying with the provisions of Part II of these Regulations.

(2) Tariff in respect of a generating station under these Regulations shall be determined stage-wise, unit-wise or for the whole generating station. The terms and conditions for determination of tariff for generating stations specified in this Part shall apply in like manner to stages or Units, as the case may be, as to generating stations.

(3) Where the tariff is being determined for stage or Unit of a generating station, the Generating Company shall adopt a reasonable basis for allocation of capital cost relating to common facilities and allocation of joint and common costs across all stages or Units, as the case may be:

Provided that the Generating Company shall maintain an Allocation Statement providing the basis for allocation of such costs, and submit such statement to the Commission along with the application for determination of tariff.

(4) A Generating Company may file a petition for determination of provisional tariff in advance of the anticipated date of commissioning of a generating station based on the capital expenditure actually incurred up to the date of making the petition or a date prior to making of the petition, duly audited and certified by the statutory auditors and the

provisional tariff shall be charged from the date of commercial operation of the generating station.

(5) *A Generating Company for whom the Commission has determined provisional tariff shall have to file a fresh petition as per these Regulations, for determination of final tariff based on the actual capital expenditure incurred up to the date of commercial operation of the generating station duly certified by the statutory auditors based on the annual audited accounts."*

The Petitioner after commissioning the Project, in accordance with Regulation 42(4) had filed Petition No. 32 of 2022, before the Commission for approval of Provisional Tariff for Vyasi HEP under Section 62 and 86 of the Electricity Act, 2003 read with Regulation 42(4) of the UERC Tariff Regulations, 2021 on 18.10.2022. The Commission vide Order Dt. 09.11.2022 allowed Interim Tariff of Rs. 7.60 per unit, to meet/recover the expenses till determination of final tariff and directed the Petitioner as follows:

"10. The Commission has taken cognizance of the submission of the Petitioner made during the hearing that some works are pending and expected to be completed by March, 2023, thereafter, it shall be in a position to file the petition for determination of final tariff. Therefore, the Commission, at present finds it appropriate to determine the provisional tariff in place of allowing it an interim tariff as the Petitioner has assured that within few months it will file a separate petition for the final tariff of the Project. In this regard, the Commission directs the Petitioner to file the petition for determination of final tariff at the earliest in accordance with the MYT Regulations.

11. Accordingly, the Commission decides to allow Provisional Tariff of Rs. 7.60 per unit, which is equivalent to the interim tariff claimed by the Petitioner to meet/recover the expenses till determination of final tariff. The same shall be recovered based on energy generated/supplied to the beneficiary. Any arrear against the energy supplied shall be recovered in three equal monthly instalments beginning from November, 2022 onwards.

12. The Commission at present is not taking any view on NAPAF and saleable primary energy of the Project and shall take a final view on the same while determining the final tariff. However, the Petitioner is directed to maintain a proper data for calculation of actual PAFM, e-flow etc.

The Petition is hereby disposed off."

In compliance to the above, the Petitioner has filed this instant Petition for approval of project cost and final tariff.

3.3 Date of Commissioning

The Petitioner in its Petition submitted that it has successfully achieved COD of Unit 1 and Unit 2 on 24.05.2022 and 22.04.2022 respectively. The Petitioner in support of successful completion of trial run and commissioning of the units submitted Certificate in accordance with Regulation 20(3)(v) of UERC Tariff Regulations, 2021.

The Commission has gone through the submissions of the Petitioner and taking into consideration documents provided in support of COD, the Commission approves COD of Unit 1 and Unit 2 as 24.05.2022 and 22.04.2022 respectively.

3.4 Capital Cost

Regulation 21 of UERC Tariff Regulations, 2021 specifies as follows:

"21. Capital Cost and capital structure

(1) The Capital cost as determined by the Commission after prudence check in accordance with this regulation shall form the basis of determination of tariff for existing and new projects of the Generating Company, Transmission Licensee, Distribution Licensee and SLDC.

(2) The Capital cost of an existing project shall include the following:

a) The capital cost admitted by the Commission prior to 01.04.2022 duly trued up as on 01.04.2022;

b) Additional capitalization and de-capitalization for the respective year of tariff as determined in accordance with Regulation 22; and

c) Expenditure on account of renovation and modernisation as admitted by this Commission in accordance with Regulation 23.

(3) The Capital Cost of a new project shall include the following:

a) The expenditure incurred or projected to be incurred up to the date of commercial operation of the project;

b) Interest during construction and financing charges, on the actual amount of loan.

c) Interest during construction and Incidental Expenditure during construction as computed in accordance with Regulation 21(9) & 21(10) of these Regulations;

d) Capitalised Initial spares subject to the ceiling rates specified in Regulation 21(11) of these Regulations;

e) Expenditure on account of additional capitalization and de-capitalisation determined in accordance with Regulation 22 of these regulations;

f) Adjustment of revenue due to sale of infirm power in excess of fuel cost prior to the CoD as specified under Regulation 45 of these regulations; and

g) Adjustment of any revenue earned by the generating company, transmission licensee and distribution licensee by using the assets before CoD.

(4) The capital cost in case of new hydro generating station shall also include:

a) Cost of approved rehabilitation and resettlement (R&R) plan of the project in conformity with National R&R Policy and R&R package as approved; and

b) Cost of developer's 10% contribution towards Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) project in the affected area.

(5) The following shall be excluded or removed from the capital cost of the existing and new project:

a) The assets forming part of the project, but not in use;

b) Decapitalisation of Asset;

c) In case of hydro generating station any expenditure incurred or committed to be incurred by a project developer for getting the project site allotted by the State government by following a two stage transparent process of bidding, and

d) the proportionate cost of land which is being used for generating power from generating station based on renewable energy:

Provided that any grant received from the Central or State Government or any statutory body or authority for the execution of the project which does not carry any liability of repayment shall be excluded from the Capital Cost for the purpose of computation of interest on loan, return on equity and depreciation;

(6) *Petition for 'in principle' approval of capital cost:*

Any licensee intending to establish, operate and maintain or augment capacity of a transmission system or distribution system or SLDC shall file an application/petition under affidavit to the Commission in accordance with UERC (Conduct of Business) Regulations, 2014 as amended from time to time for 'in principle' approval of the project capital cost and financing plan before taking up a project. The application/petition of transmission system or distribution system or SLDC for investment approval shall clearly provide the purpose of the project as follows:

a) *The transmission application/petition shall consist of information on system strengthening, load growth, etc. as may be relevant for particular utility, its cost-benefit analysis and other details such as location of the project, site specific features, break up of capital cost, financial package, performance parameters, commissioning schedule, reference price level, estimated completion cost including foreign exchange component (if any), environment standards prescribed and to be achieved, etc:*

b) *The distribution application/petition shall consist of information on system strengthening, loss reduction, to meet load growth, fulfill obligations under UERC (Standards of Performance) Regulations, 2007 etc financial package, performance parameters, commissioning schedule, reference price level, estimated completion cost including foreign exchange component (if any), environment standards prescribed and to be achieved, etc.*

Provided that where the Commission has given an 'in principle' approval to the estimated capital cost and financing plan, the same shall act as a guiding factor for applying prudence check on the actual capital expenditure while determining the ARR and Tariffs for a particular utility.

(7) *The approved Capital Cost shall be considered for tariff determination and if sufficient justification is provided for any escalation in the Project Cost, the same may be considered by the Commission subject to prudence check:*

Provided that in case the actual capital cost is lower than the approved capital cost, then the actual capital cost will be considered.

Provided that prudence check of capital cost may be carried out based on the benchmark norms to be specified by the Commission from time to time;

Provided further that in cases where benchmark norms have not been specified, prudence check may include scrutiny of the capital expenditure, financing plan, interest during construction, incidental expenditure during construction for its reasonableness, use of efficient technology, cost over-run and time over-run, competitive bidding for procurement and such other matters as may be considered appropriate by the Commission for determination of tariff;

Provided further that if the generating station is not commissioned on the SCOD or actual COD whichever is later of the associated transmission system, the generating company shall bear the IDC and IEDC or transmission charges if the transmission system is declared under commercial operation by the Commission in accordance with second proviso of Clause (c) of sub-Regulation (20) of Regulation 3 of these Regulations till the generating station is commissioned;

Provided also that if the transmission system is not commissioned on SCOD of the generating station, the transmission licensee shall arrange the evacuation from the generating station at its own arrangement and cost till the associated transmission system is commissioned.

Provided further that in cases where benchmark norms have been specified, the generating company or transmission licensee shall submit the reasons for exceeding the capital cost from benchmark norms to the satisfaction of the Commission for allowing cost above benchmark norms.

Provided also that in case, the site of a hydro generating station is awarded to a developer (not being a State controlled or owned company), by a State Government by following a two stage transparent process of bidding, any expenditure incurred or committed to be incurred by the project developer including premium paid/payable for getting the project site allotted shall not be included in the capital cost:

(8) Where power purchase agreement or transmission or wheeling agreement provides for a ceiling of capital cost, the capital expenditure admitted by the Commission shall take into consideration such ceiling for determination of tariff.

(9) Interest During Construction (IDC):

a) Interest during construction shall be computed corresponding to the loan from the date of infusion of debt fund, and after taking into account the prudent phasing of funds upto SCOD.

b) In case of additional costs on account of IDC due to delay in achieving the SCOD, the generating company or the transmission licensee or the distribution licensee or SLDC as the case may be, shall be required to furnish detailed justifications with supporting documents for such delay including prudent phasing of funds:

Provided that if the delay is not attributable to the generating company or the transmission licensee or the distribution licensee or SLDC as the case may be, and is due to uncontrollable factors as specified in Regulation 12(5) of these Regulations, IDC may be allowed after due prudence check and taking into account prudent phasing of funds.

(10) Incidental Expenditure During Construction (IEDC):

a) Incidental expenditure during construction shall be computed from the zero date and after taking into account pre-operative expenses upto SCOD:

Provided that any revenue earned during construction period up to SCOD on account of interest on deposits or advances, or any other receipts may be taken into account for reduction in incidental expenditure during construction.

b) In case of additional costs on account of IEDC due to delay in achieving the SCOD, the generating company or the transmission licensee or the distribution licensee or SLDC as the case may be, shall be required to furnish detailed justification with supporting documents for such delay including the details of incidental expenditure during the period of delay and liquidated damages recovered or recoverable corresponding to the delay:

Provided that if the delay is not attributable to the generating company or the transmission licensee or the distribution licensee or SLDC, as the case may be, and is due to uncontrollable factors as specified in Regulation 12(5), IEDC may be allowed after due prudence check:

Provided further that where the delay is attributable to an agency or contractor or supplier engaged by the generating company or the transmission licensee or the distribution licensee or SLDC, the liquidated damages recovered from such agency or contractor or supplier shall be kept in view while computing the capital cost.

c) *In case the time over-run beyond SCOD is not admissible after due prudence, the increase of capital cost on account of cost variation corresponding to the period of time over run may be excluded from capitalization irrespective of price variation provisions in the contracts with supplier or contractor of the generating company or the transmission licensee or the distribution licensee or SLDC.*

…."

The Petitioner had submitted the DPR of the Project with an estimated cost of Rs. 936.23 Crore including IDC and Financing Charges at February 2010 price levels. CEA accorded its concurrence at an estimated cost of US$ 0.143 Million at Exchange Rate of Rs. 46.10/US$ + Rs. 935.57 Crores which included IDC of Rs. 72.51 Crore and Financing Charges of Rs. 6.55 Crore at (February, 2010 level) vide their letter no 2/UTR/20/CEA/10-PAC/7508-38, dated 25.10.2010.

The Petitioner has submitted that due to delay in transfer of land from UP Irrigation Department, the work on the Project could only start from January 2014. The Petitioner further submitted that following five major contracts were awarded in relation to erection and commissioning of Vyasi HEP.

Table 3.1: Details of Major Contracts Awarded for Vyasi HEP

S. No.	Brief details of Contract	Name of the agency	Date of Contract	Value of contract Price Level (Rs. in Crore)
1	**Dam Works** - Agreement No-01/DGM(Civil)/VP/UJVNL/DAM /2013-14, Dated 03/01/2014 for the Execution of balance Civil Works related to concrete dam, diversion works, intake and 1.35 km. HRT.	M/s Gammon India Limited/ M/s GECPL	20.01.2014	Rs. 317.05 Cr. (At PL April 2013)
2	**Power House** - Construction of Hathiari Surface Power House Along with surge Tank, Penstock, 7 M Dia 1.35 Km. Long Head Read tunnel from Hathiari and appurtenant works.	M/s NPCC Limited M/s Alpha Pacific	Date of Contract – 13.03.2012 Date of contract - 06.07.2020	Rs. 101.83 Cr. (At PL Nov 2009) Rs. 12.76 Cr. (At PL Nov 2009)

Table 3.1: Details of Major Contracts Awarded for Vyasi HEP

S. No.	Brief details of Contract	Name of the agency	Date of Contract	Value of contract Price Level (Rs. in Crore)
3	**Hydro Mech Works** - Detailed Design & Engineering, Procurement, Manufacturing, Inspection, shop assembly, shop testing, painting, transportation, site storage, site erection, Installation, testing & commissioning of Hydro mechanical works.	OM Metals InfraProjects Ltd.	30.12.2015	Supply – Rs. 93.30 Cr. Services – Rs. 12.61 Cr.
4	**E&M Works** - Design, engineering, manufacture, quality assurance, quality control, shop assembly, shop testing, transportation, delivery at site, site storage & preservation, erection, testing, commissioning, performance testing, field acceptance testing, training & handing over of E&M equipment.	M/s BHEL 3rd Floor, Advani Navis Park, Sector-142, Express way, Noida-201305.	31.07.2014	Supply – Rs. 103.43 Cr. Services: Rs. 21.49 Cr.
5	**Detailed Design and Engineering** - Agreement No- 01/UJVNL/DGM (CD)/CD&H/2012-13, Dated 09/07/2012 for the Consultancy services for Detailed Design Engineering	Tractabel Engineering Pvt Ltd. formerly known as M/s Lahmeyer International India Pvt Ltd.	16.07.2012	Rs. 6.22 Cr.

The Petitioner submitted that the Excavation work of dam site was completed in 2017, and excavation work of Powerhouse was completed in December 2016. While the works were under progress, due to design changes, increase in scope of works, price escalation from the previous price levels, increase in IDC component the project cost was revised from the earlier estimated value of Rs. 936.23 Crore to Rs. 1581.01 Crore. The Petitioner submitted the break-up of the increase in the estimated price along with the percentage increase as follows:

Table 3.2: Break-up of increase in the estimated cost of Capital Cost

Sl. No.	Item Particulars	Amount (₹ Crore)	Percentage (%)
(a)	Direct additional cost due to increase in the quantity of work.	147.65	23%
(b)	Additional provision due to design changes recommended by Technical Advisory Committee (TAC)	121.84	19%

Table 3.2: Break-up of increase in the estimated cost of Capital Cost

Sl. No.	Item Particulars	Amount (₹ Crore)	Percentage (%)
(c)	Price Escalation in DPR cost (From the price level Feb. 2010 to Dec. 2019) *	199.19	31%
(d)	Taxes*	23.00	4%
(e)	Increase in R&R provision as per GoU guidelines against B-Land DPR	39.02	6%
(f)	Others (anticipated increase in O-Miscellaneous, Establishment, consultancy work, X-Environment and Royalty)	30.36	4%
(g)	Anticipated increase in IDC up to December 2019	83.72	13%
(h)	Net Difference	644.78	100%

** Impact of escalation and taxes was only tentative and was subject to variation as per actual.*

The Petitioner submitted that the revised estimated project cost was approved by the BoD in its 95th BoD Meeting held on 27.09.2019. The Petitioner further provided the details of increase in the estimated capital cost due to increase in the quantity of works as well as additional works due to design changes recommended by TAC amounting to Rs. 269.49 Crore. The detailed break up of additional works resulting in an increase in the project cost is as shown in the Table below:

Table 3.3: Break up of Additional Works and its impact on estimated Project Cost (in Rs. Cr.)

S. No.	Particulars	Amount
1	Additional spillway bay	12.29
2	Additional cost incurred to achieve suitable foundation level of dam in deepest blocks	21.95
3	Quantity of reinforcement in dam work	77.33
4	Treatment of squeezing zone of HRT and variation in quantity of concrete and support system in HRT	22.21
5	Quantum of excavation and steel plate in penstocks	11.18
6	TRC alignment along with extra provision of outfall gate	45.02
7	PH back slope treatment	24.63
8	Provision of GIS in place of AIS	41.76
9	Provision of rail lines in spillway bays	7.55
10	Others	5.57
	Total	**269.49**

The Petitioner further submitted that while the works were underway, COVID-19 pandemic struck resulting in further delay in completion of the project and therefore, the project cost was revised again to incorporate the impact of increase in IDC considering 30.09.2021 as revised project completion. After factoring in the IDC component of up to September 2021, the earlier IDC of Rs. 156.23 Crore was revised to Rs. 352.52 Crore resulting in the increase in earlier estimated project cost of Rs. 1581.01 Crore to Rs. 1777.30 Crore. The Petitioner submitted that no other cost component was revised and the revised cost of Rs. 1777.30 Crore was approved by the BoD in its 101st Meeting held on 26.03.2021.

The Petitioner, in its Petition has further submitted that due to second and third COVID wave, and also due to R&R issues related to Lohari village, the project got further delayed and Unit-1 & Unit -2 of the project were commissioned on 24.05.2022 & 22.04.2022 respectively. The Petitioner in its Petition submitted that the actual project cost incurred as on COD of the Project i.e., 24.05.2022 was Rs. 1922.52 Crore. The Petitioner however, in its subsequent submissions revised the Project cost as on 24.05.2022 to Rs. 1916.79 Crore.

The Petitioner has further submitted that though the Project achieved COD on 24.05.2022, some of the works were yet to be completed. The Petitioner, based on the works to be completed and payments to be made, estimated the final project cost as Rs. 2048.22 Crore. The cost was approved by the BoD of the Petitioner's Company in the 112th Meeting held on 28.11.2022. The Petitioner, however, also submitted that the PIB, GoU disallowed Rs. 1.21 Crore towards establishment charges and approved final project cost of Rs. 2047.01 Crore. Thereafter, GoU on 25.09.2023, after considering the cost of Rs. 2047.01 Crore approved by PIB, approved the final Project cost. The Petitioner submitted the comparison of the project cost approved by CEA along with subsequent revisions and is as shown in the Table below:

Table 3.4: Comparison of Project Cost as approved by CEA vis-à-vis subsequent Revisions

DPR Head	DPR Provision at PL Feb 2010	Revised DPR Cost Estimate Dec 2019	Revised DPR Cost Estimate Sep 2021	Revised DPR Final Cost 28.11.2022	Capital Cost (till 21.04.2022)	Capital Cost (till 23.05.2022)
					As per submission dated 26.11.2024	
	1	2	3	4	5	6
A-Preliminary	28.36	32.00	32.00	37.30	29.98	29.98
B-Land	32.52	71.54	71.54	82.20	62.98	63.00
C-Works	317.79	521.36	521.36	556.38	530.25	530.25
J-Power Plant Civil Works	172.57	423.80	423.80	505.79	484.58	484.58
Electrical Works	149.79	190.45	190.45	204.45	140.62	140.62
O-Miscellaneous	16.61	27.50	27.50	36.27	51.06	51.26
K-Buildings	19.66	19.66	19.66	22.76	18.86	18.86
M-Plantation	1.00	1.00	1.00	0.10	0.02	0.02
P-Maintainance during construction	5.44	5.44	5.44	4.30	4.78	4.80
Q-Special Tools and Plants	1.27	1.27	1.27	1.37	0.30	0.30
R-Communication	34.06	34.06	34.06	28.31	24.90	24.90
Y-Losses on Stock	1.35	1.62	1.62	-	0.00	0.00
X-Environment and Ecology	23.34	26.17	26.17	25.93	25.06	25.06
Establishment	49.72	60.00	60.00	140.00	136.80	137.58
Tools & Plants	1.00	1.00	1.00	-	0.01	0.01
Suspense	-	-	-	-	0.00	0.00
Reciept and Recoveries	-0.94	-4.00	-4.00	-51.74	-33.69	-33.69
Capitalised Value of Abatement of Land Revenue	0.36	0.36	0.36	-	0.00	0.00
Audit and Account charges	3.27	5.00	5.00	0.44	0.14	0.14
IDC	72.51	156.23	352.52	446.52	423.64	429.00
Financing Charges	6.55	6.55	6.55	7.84	5.44	5.44
Total	**936.23**	**1,581.01**	**1,777.30**	**2,048.22**	**1,905.74**	**1,912.13**
Depreciation					4.65	4.65
Total Cost	**936.23**	**1,581.01**	**1,777.30**	**2,048.22**	**1,910.39**	**1,916.79**

As against the above, the Petitioner in its Petition has claimed Project Cost as on COD i.e., 24.05.2022 of Rs. 1922.52 Crore.

The Commission has gone through the submissions of the Petitioner and observes that the Petitioner had submitted the DPR for approval of CEA vide its letter dated 01.07.2010 and based on the submissions made therein and subsequently by the Petitioner, the CEA accorded concurrence to the DPR at an estimated cost of US$ 0.143 Million (@ exchange rate of Rs. 46.10/US$) and Rs. 935.57 Crore including IDC of Rs. 72.51 Crore and FC of Rs. 6.55 Crore (February 2010 Price Level) vide its letter dated 25.10.2011. While approving the DPR as well as the estimated cost, CEA in its letter dated 25.10.2011 stipulated the following:

"In exercise of the powers vested with the Authority under Section 8 of the Electricity Act, 2003, the Central Electricity Authority accords Concurrence to the aforesaid scheme at an estimated cost of US $ 0.143 Million + Rs. 935.57 Crores including IDC of Rs. 72.51 Crores and FC of Rs. 6.55 Crores at FE rate Rs. 46.10/US $ (February, 2010 Price Level) with the following stipulations:-

1. *The cost of the scheme shall not exceed the above cost except on account of:-*
   a) *Change in rates of Indian taxes and duties such as custom duty, excise duty, sales tax, works tax & service tax and additional taxes and duties levied, if any, subsequent to issue of this OM.*
   b) *Change in Indian Law resulting in change in cost.*
   c) *Variation in actual interest rate.*
2. *Interest During Construction (IDC) & financing charges (FC) shall be as per actuals but not exceeding the amount as indicated at Annex-I except for variation in actual interest rate(s) and the pro-rata variation in hard cost. as stated in clause 1(a), (b) & (c) of this O.M.*
3. *…..*
4. *The Concurrence is subject to fulfilment of the following conditions:-*
   (i) *The following conditions/circumstances shall not be a re-opener of the Project Cost/Concurrence:-*
      (a) *Non-acquisition of land.*
      (b) *Non-finalisation of power purchase agreement.*
5. *The cost of the project cleared by the authority is indicative. The tariff of the project shall be regulated by the Uttarakhand Electricity Regulatory Commission.*

6. *Commissioning schedule of the generating units (from zero date, i.e., December 2011) shall be as follows:-*

   Unit -1: 35 month

   Unit–2 : 36 month

…"

The Commission observed that even though the Petitioner has submitted that it has achieved COD of Unit 1 and Unit 2 separately, the capital cost as well as tariff claimed was post COD of the Project i.e., from 24.05.2022. The Commission vide its letter dated October 03, 2024, sought necessary explanation from the Petitioner for not seeking tariff for the intervening period between COD of Unit 1 and Project COD i.e., from 22.04.2022 to 24.05.2022. The Commission also directed the Petitioner to submit the capital cost claimed duly certified by the Statutory Auditor. The Petitioner in response to the same vide its reply dated 26.11.2024 submitted its revised claims. The Petitioner revised its capital cost as on project COD to Rs. 1916.78 Crore vis-à-vis earlier cost of Rs. 1922.52 Crore. The Petitioner also provided the statutory auditor certificate for the revised capital cost claimed. The Petitioner for working out the tariff for the intervening period post commissioning of Unit 2 and till 24.05.2022 allocated 50% of the cost incurred till 21.04.2022 towards capital cost of Unit 2. Accordingly, half of the cost of Rs. 1910.40 Crore incurred as on 21.04.2022, i.e, Rs. 955.20 Crore was allocated towards Capital Cost of Unit 2.

The Commission has perused the submissions made by the Petitioner and observes that as against Rs. 936.23 Crore approved by CEA, the actual capital cost claimed by the Petitioner as on COD of the project is substantially higher at Rs. 1916.79 Crore. Therefore, the increase in the project cost as on COD is of Rs. 980.56 which is around 104.73% higher than the cost as per DPR which was approved by CEA. The Commission also observed that the said increase has been due to both time as well as cost overrun as is also evident from the Table below:

Table 3.5: Comparison of Cost approved by CEA and Actual incurred as on Project COD

S. No	Particulars	Cost as Per TEC	Cost as on Project COD	Cost Overrun vis-à-vis TEC
1	Capital Cost – (A)	936.23	1916.79	980.55
Less: Overrun in IDC and IEDC - Impact of Time Overrun				
2	IDC and FC	79.06	434.44	355.38
3	IEDC	49.72	137.58	87.86
	Sub-Total – (B) – Time Overrun	**128.78**	**572.02**	**443.24**
4	**Capital Cost Less IDC and IEDC C = (A-B) – Increase in Hard Cost**	**807.45**	**1344.77**	**537.31**
Less:				
5	Preliminary	28.36	29.98	1.62
6	Land	32.52	63.00	30.48
	Sub-Total (D)	**60.88**	**92.98**	**32.10**
7	**Capital Cost less IDC, IEDC, Preliminary and Land Cost. E= (C-D)**	**746.57**	**1251.79**	**505.21**

In view of the above, it is observed that out of the total cost increase of Rs. 980.56 Crore, the delay directly resulted in an increase in establishment cost and Interest during construction (IDC) expenses by Rs. 443.24 Crore. The balance increase of Rs. 537.31 Crore is towards increase in hard cost of the project.

It is to be noted that the increase in hard cost is on account of following reasons.

(1) Additional Scope of Works.

(2) Increase in Quantity of material used.

(3) Cost of works discovered through competitive bidding is higher than the estimated cost.

(4) Price Variation due to delay in completion of works. In the present case, CEA approved the estimated Capital Cost at February 2010 price levels and therefore any delay in project beyond SCOD may entail increase in works costs due to inflation.

While reasons as specified under Sr. No. 1 and 2 may not be affected by delay, the reasons specified under Sr. No. 3 and 4 has a positive co-relation with the delay suffered by the Project. The Commission, therefore, while approving the time and cost overrun, has taken these aspects into consideration.

3.4.1 *Time Overrun*

It is observed that GoU, vide its letter date 23.06.2008 allotted the project to UJVN Ltd. Prior to that the project was being developed by NHPC and the land with regard to the project was in the name of UP Irrigation Department (UPID). GoU while allotting the project to UJVN Ltd., in its Letter dated 23.06.2008 stated that Vyasi HEP is required to be developed on immediate basis and all activities pertaining to the same shall be carried out by UJVN Ltd. GoU also mentioned that UJVN Ltd. shall carry out joint inspection with UPID and NHPC to prepare inventory of the works carryout out and shall also financially evaluate the works carried out.

Subsequently, the Petitioner vide its letter dated 01.07.2010 submitted DPR to CEA for its approval. CEA vide its letter dated 25.10.2011 approved the DPR with certain stipulations and recommendations of works to be carried out. With regard to works that have been already completed, the CEA in its letter stated as follows.

"4. …

…

vii) Following works have already been executed:

(a) Excavation of 110 m length of diversion channel out of total 416 m has been completed.

(b) Abutment striping & stabilization of both abutments upto river bed level for Vyasi dam has been completed.

(c) Full length excavation of HRT (2.7 km) has been completed.

(d) Full depth excavation of 3.0 m dia Pilot hole has been completed and 50% slashing of surge shaft has been completed.

(e) 50% excavation of both inclined pressure shafts each of 209 m long has been completed.

(f) Valve chamber size 40 m x 10 m x 19 m provided down stream of surge shaft has been partial excavated.

(g) 70% excavation of surface power house has been completed.

..."

CEA based on the above completed works specified timeline for completion of works as follows:

"5 ...

6. Commissioning schedule of the generating units (from zero date, i.e., December 2011) shall be as follows:-

Unit -1: 35 month

Unit–2: 36 month

..."

CEA specified Zero date as December 2011 and stipulated 35 months and 36 months for commissioning of Unit 1 and Unit 2 respectively. Considering 31.12.2011 as the zero date, the Scheduled COD (SCOD) of Unit 1 and Unit 2 works out to 30.11.2014 and 31.12.2014. As against which the Actual COD (ACOD) of Unit 1 and Unit 2 is 24.05.2022 and 22.04.2022. The Unit wise SCOD, Actual COD as well as the delay is as shown in the Table below.

Table 3.6: Unit wise SCOD, ACOD along with total delay

S. No	Unit	SCOD	ACOD	Delay
1.	Unit 1	30.11.2014	24.05.2022	7 Years 5 months 23 days
2.	Unit 2	31.12.2014	22.04.2022	7 Years 3 months 21 days

From the above Table, it is evident that the project has faced considerable delay in achieving COD. As against the original schedule of around 3 years for project completion, the total completion period from the zero-date specified by CEA is over 10 years. The delay has resulted in significant increase in the project cost on account of increase in the following costs.

1. Interest During Construction (IDC)
2. Establishment Expenses or Incidental Expenditure During Construction (IEDC)

3. Price Variation on account of inflation associated with the extended project implementation period.

As the delay has significantly impacted the capital cost, before passing on the impact of such delay, the Commission has therefore in the interest of consumers has carried out a detailed analysis and prudence check of the reasons that has resulted in such considerable delay. The Petitioner in its Petition has submitted that the delay in commissioning of the plant was on account of following reasons.

1. **Delay on account of transfer of Forest land from UPID to UJVN Ltd. -** The Petitioner has submitted that the forest land was in the name of UPID and that the land was handed over to UJVN Ltd. in the month of October 2013 resulting in delay in start of the work. The Petitioner submitted that as per GoU letter dated 18.01.2012, no work contract shall be implemented before transfer of land and thus neither contracts were awarded, nor any work could start before the transfer of land which resulted in delay of almost 21 months.

2. **Geological Issues, enhanced quantity of Concrete, Reinforcement and Hydro Mechanical Equipment at various structures –** The Petitioner submitted that during detailed design and engineering, additions and alterations in DPR stage / tender stage engineering became necessary and inevitable. The Petitioner submitted that following additional works were required to be carried out that resulted in delay:

   (i). Dam Works

   - **Increase in number of spillway openings from 4 to 5** – During detailed design, physical model studies were conducted at Irrigation Research Institute Bahadrabad, Haridwar. From the model study, requirement of 5 Nos. of openings of sizes 8.5 m (W) X 13.5 m (H) were found sufficient to pass Probable Maximum Flood (PMF) of 8850 cumecs.

   - **Increase in reinforcement quantity in Dam work** – During detailed design study, to factor in appropriate earthquake coefficient (α), the quantity of reinforcement steel in RCC work was revised to 17000 MT in place of DPR quantity of 7400 MT.

- **Additional provision of Steel liner and rails in Overflow Blocks** – After observing the effect of rolling boulders at head works of MB I & MB-II, provision of Steel liner in pier walls/divide wall of 2 spillway blocks up to certain level and provision of 90 Lbs scrap rails in 2 spillway glacis was considered to prevent the erosion of piers and spillway glacis.
- **Change in the deepest Dam foundation level and additional provision of abutment galleries in Dam foundation** - Due to geological conditions, the foundation of dam had to be taken to EL 541.37 against EL 548.00 as envisaged in DPR. Besides this, during detail design engineering additional provision of abutment galleries in Dam foundation was also made and executed at site.

(ii). Power House

- **Revised alignment of Tail Race -** With the experience of tail race alignment, its affect on turbines and modifications done in tail race alignment later during operation stage at MB-II, concern about short straight reach of 20m of tail race was felt during TAC meeting. TAC advised that Powerhouse location to be shifted hill side to achieve required straight length. The direction of machine was also revised from clockwise to anticlockwise. These changes resulted in some revisions in layout of powerhouse. Straight length got increased for Draft tube gate of Unit 2 from 20 meters to 30.5 metres.
- **TRC outfall gate -** For safety of powerhouse, TRC Outfall gate with handling and operating system was considered to protect back entry of boulders from river in case of high flood in river when units are shut.
- **Slope Stability Treatment of Back slope of Powerhouse -** The slope of 150 m required exhaustive slope protection including cable anchoring as suggested by GSI, design consultant and TAC which took 2 years.
- **220 kV Switchyard (AIS to GIS)** – Due to non-availability of required suitable area for AIS, provision of GIS was adopted. Provision of GIS in Powerhouse building resulted in the variation in quantity of civil works of Powerhouse

frames structure after incorporating provision of GIS, control room, service bay with unloading bay and erection bay.

(iii). Penstock

- **Excavation of penstock by mechanical means** - The cover of penstock below EL 535.00 was not adequate and was having poor rock due to which conventional drilling, blasting was prohibited and therefore excavation by mechanical was carried out.
- **Variation in Penstock liner** - The quantity estimated in DPR was 750 MT whereas the quantity calculated as per design was 950 MT and required additional backfilling and shotcrete.

(iv). Tunnel

- **Restoration of squeezing zone and already excavated HRT -** Additional work of restoration of squeezing zone in HRT, additional work in backfilling and support system required more time.

3. **Delay in allotment of dedicated Quarry and approval of Crusher –** The Petitioner submitted that Govt. of Uttarakhand had approved a quarry on 28.09.2016 after a span of about 2 years from the date of start of the work. The Petitioner further submitted that on 17.10.2016 Hon'ble High Court had banned all mining activities within 1.00 Km in upstream and downstream of the bridges throughout the State of Uttarakhand. The allotted quarry was within 1.00 km of Kalsi bridge and therefore Government of Uttarakhand was requested for relaxing the distance to 500 m in place of 1.00 Km in U/s and D/s of Kalsi bridge. However, the quarry was not made available till April 2020. The Petitioner submitted that on 16th May 2020, quarry of 46500 cum was allotted by district administration of Dehradun.

The Petitioner submitted that the Govt of Uttarakhand provided the permission of reuse of excavated material on 07.01.2016 after a span of 2 years from the date of start of the work and the permission for installation & operation of stone crusher at Plankhera on 11.06.2015 (after a span of one year). The Petitioner submitted that Dam site material availability was ensured through crushing of excavated material only. However, at

Powerhouse site, material was being purchased directly from market which was a time taking activity.

4. **R&R Related issues –** The Petitioner submitted that the project affected people had hampered the progress of work. Govt of Uttarakhand issued direction in January, 2016 (after a span of 2 years) for implementation of R&R. One of the affected villages, Lohari which was coming under submergence was not accepting R&R package and demanded land against their already acquired land resulting in delay.

The Commission after perusing the submissions made in the Petition observed that the Petitioner had merely listed the reasons for delay without quantifying the quantum of delay associated with each reason submitted. The Commission therefore in its Deficiency letter dated 18.07.2024 sought PERT/CPM chart comparing various milestones for each unit as per original schedule envisaged in the DPR vis-à-vis actual schedule of completion. The Commission also sought unit wise SCOD, and the reason wise quantification of delay and its impact on the total project delay after excluding overlapping period duly supported with documentary evidences.

The Petitioner in response to the above said queries vide its reply dated 21.08.2024 submitted CPM/PERT bar chart comparing milestone wise original and actual schedule for each unit. The Petitioner further submitted that the project could not be started from the zero-date i.e., 31.12.2011 as specified by CEA due to the following reasons.

(1) Supplementary Agreement between UJVN Ltd. and M/s NPCC for Powerhouse and related civil works was executed on 06.03.2012 but work could not start because as per the Forest Act, unless the land has been transferred in the name of UJVN Ltd. no works could be started. The said approval was received on 14.10.2013 resulting in a delay of around 2 years from the effective date specified by CEA.

(2) Contract was awarded to M/s GECPL for Dam Civil Works on 03.01.2014.

(3) Contract was awarded to M/s BHEL for Powerhouse E&M Works on 11.06.2014.

(4) Contract was awarded to M/s OM Metal InfraProjects Ltd. for Dam HM Works on 21.01.2016.

With regard to major milestone wise delay, the Petitioner submitted contract wise delay in achieving milestones for four major contracts awarded. Further, in response to data sought pertaining to unit wise unit wise SCOD and the reason wise quantification of delay incurred and its impact on the total project delay after excluding overlapping period, the Petitioner in its response referred to CPM/PERT chart provided and also provided contract wise reasons considered while granting extension of time to the contractors.

The Commission after perusing the submissions made, observed that the reasons provided by the Petitioner was Contract wise which affected the project deadline parallelly and therefore it was difficult to ascertain the critical activities that resulted in project getting delayed. The Commission therefore vide its letter dated 03.10.2024 sought critical path analysis from the Petitioner requiring a L2 level PERT/CPM chart clearly exhibiting the critical path activities of the project implementation and associated delays. The Petitioner was also required to submit the reason wise delay incurred and its impact on the total delay after excluding the overlapping period duly supported with documentary evidence.

The Petitioner in response vide its letter dated 25.10.2024 submitted the critical path analysis along with scheduled and actual start and completion date. From the submissions of the Petitioner, it was observed that the Petitioner has submitted SCOD of Unit 1 as 30.05.2017 and Unit 2 as 15.06.2017 which translates to schedule of 65 months for Unit 1 and 66 months for Unit 2 considering zero date as 31.12.2011. The Commission observes that even if zero date has been considered by the Petitioner as 14.10.2013, i.e., the date of land handover, the SCOD provided by the Petitioner is 43 and 44 months for Unit 1 and Unit 2 respectively which is 7 months more in case of Unit 1 and 8 months in case of Unit 2 considering the original schedule of 35 months for Unit 1 and 36 months for Unit 2. The Commission while analysing the time delay has considered the approved implementation schedule of 35 and 36 months. The submission of the Petitioner is as shown in the Table below:

Table 3.7: Critical Path Activities along with associated delays as submitted by the Petitioner.

S. No	Activity	Scheduled			Actual		
		Duration (Days)	Start (Date)	Finish (Date)	Duration (Days)	Start (Date)	Finish (Date)
A	Transfer of Land to UJVN Ltd.				886	17.01.12	14.10.13
B. DAM Works							
1	Concreting of Diversion Channel	56	5.5.2014	30.6.2014	577	09.06.14	07.01.16
2	Excavation below River Bed & foundation grading	120	16.10.2014	13.2.2015	406	07.01.16	16.02.17
3	Concreting works up to River Bed Level	152	29.01.2015	30.6.2015	659	25.01.17	15.11.18
4	Concrete works up to Crest Level	45	15.11.2015	30.12.2015	197	15.11.18	31.05.19
5	Concreting in Piers, breast wall and Trunnion beam	182	30.12.2015	29.6.2016	944	15.05.19	14.12.21
C. HM Works							
1	Erection of 2nd Stage EPs	298	16.07.2016	10.05.2017	376	22.10.19	01.11.20
2	Erection of ORG	425	1.11.2016	31.12.2017	698	02.12.19	30.10.21
D. Power House							
1	PH excavation up to deepest foundation	364	17.10.2013	16.10.2014	1134	17.10.13	24.11.16
2	PH Concreting	587	17.10.2014	26.05.2016	1437	25.11.16	01.11.20
3	PH Roofing	51	26.05.2016	16.6.2016	192	09.07.20	17.01.21
E. Reservoir Filling & Filling of HRT							
1	Reservoir Filing				135	28.11.21	12.04.22
F. Erection and Commission							
1	Unit 1 Commissioning	348	16.6.2016	30.5.2017	535	05.12.20	24.05.22
2	Unit 2 Commissioning	364	16.6.2016	15.6.2017	422	24.02.21	22.04.22

The Petitioner also submitted brief justification for delay associated with the above critical activities. The critical activity wise delay, Petitioner's submissions in support of such delays and Commission's views on the same is as follows:

3.4.1.1 *Transfer of Land to UJVN Ltd. from UPID*

The Petitioner in its Petition has submitted that as per the Forest Act, to start the execution of works at site, forest land had to be first transferred to UJVN Ltd. from Irrigation Department. The Petitioner further submitted that MoEF accorded the approval for change of user agency from Irrigation department to UJVN Ltd. in respect of 99.93 Ha. forest land for construction of Vyasi HEP on 14.10.2013. After getting approval of change of user agency of forest land, works of project started from January 2014 onwards after lapse of 2 years of concurrence of DPR by CEA. The Commission in this regard vide its letter dated 03.10.2024 asked the Petitioner to submit the correspondences done with various statutory authorities in relation to transfer of forest land since allotment of Project i.e., 23.06.2008. In response, the Petitioner vide its reply dated 16.10.2024 submitted the required correspondences. The Commission after perusing the submissions observed that even though UJVN Ltd. was aware that it had to develop the project, the process of getting land transfer started in January of 2012. In this context it is further observed that the application of transfer of Environmental Clearance was submitted swiftly and got approved in 2010. The Commission therefore asked the Petitioner to submit the reasons for delayed initiation of land handover. The Petitioner in response vide its reply dated 05.02.2025 submitted that after allotment of the Project in 2008, process of taking over of project from NHPC was started. The Petitioner submitted that the following activities were carried out.

1. Extensive correspondences were made with NHPC seeking handing over of the Project documents such as DPR, environmental clearance.
2. Transfer of Rs. 73.07 Crore to NHPC as per the demand raised by NHPC for the works carried out by it so that project can be taken over.
3. Transfer of Environmental Clearance in the favour of UJVN Ltd. on 22.04.2010.
4. Taking Over of Assets from NHPC along with project documents were completed on 22.07.2010.
5. The Petitioner also submitted DPR to CEA on 01.07.2010 which was approved on 25.10.2011.
6. After DPR approval letter was sent to Secretary Energy, GoU for transfer of land on 12.12.2011.

7. A meeting was held on 06.01.2012 with officers of Forest Department and UJVN Ltd. to discuss the issue of transferring of land.

The Petitioner submitted that DPR approval is required as project information such as cost of project, purpose of project, cost benefit analysis, muck disposal plan etc. are to be submitted with land case proposal in prescribed formats. Therefore, the Petitioner submitted that only after DPR approval land handover process with UPID could be taken up resulting in delay.

The Commission perused the submissions made by the Petitioner and observed that post allotment of the project, the Petitioner had been pursuing the matter aggressively with NHPC till the actual handover in the month of April 2010. It is also observed that there was delay in taking over of the project because of the difference of opinion on the amount to be re-imbursed to NHPC. From the correspondences submitted it is also observed that the settlement was critical as NHPC was not responding to frequent requests made by UJVN Ltd. for project handover as well as for providing NOC for transfer of Environmental Clearance. Once the payment was made, the issue was settled in April 2010, and NHPC handed over the project in the month of April 2010. The Commission observes that even though the Petitioner had submitted its DPR for approval in the month of July 2010, the DPR got approved by CEA in the month of October 2011 which also resulted in delay. The Commission while going through the CEA's approval letter dated 25.10.2011 observed as follows.

*"UJVNL had submitted DPR of the generation scheme of Vyasi Hydro Electric Project (2x60 = 120 MW) in Uttarakhand on 5.7.2010. Present DPR has hydrology for an extended period from 1971-72 to 2008-09 which needed fresh approval from Central Water Commission (CWC) as the water series earlier approved by CWC (as per NHPC DPR) was for 1971-72 to 2002-03. <u>UJVNL could not resolve the issue even after lapse of more than three months. Also UJVNL could not arrange observations/confirmation about adequacy of investigations carried out as per the present DPR, though, the scheme submitted by the NHPC in respect of Vyasi HE Project was cleared by Geological Survey of India (GSI) in June 2007</u>. <u>**In view of above, the DPR of Vyasi HE Project (2x60 = 120 MW) in Uttarakhand submitted by UJVNL was returned to the UJVNL vide CEA letter dated 15.12.2010**</u> till the time the hydrology/water series is reframed taking into account irrigation/drinking water requirements and control releases from Lakhwar Dam and approved by CWC and confirmation is received from GSI that investigations carried out are adequate."*

The Commission further observed that the issues as flagged above, got resolved in the month of January 2011 and CEA without seeking resubmission considered the earlier submitted DPR for approval in its 311th Meeting of CEA held on 29.08.2011. It is also observed from the letter that the Petitioner submitted the revised DPR addressing other pending issues of CEA/CWC/GSI on 18.10.2011 after which CEA accorded its approval on 25.10.2011.

From the above, it is observed that significant time was taken in DPR approval on account of delay in getting issues addressed by UJVN Ltd. To ascertain what caused the delay, the Commission sought all correspondences between CEA and the Petitioner in relation to the DPR approval. The Petitioner vide its reply dated 07.03.2025 submitted the correspondences in relation to the approval of DPR. After perusing the submissions of the Petitioner, it is observed that post submission of DPR by UJVN Ltd., CEA had written series of letters communicating comments on various aspects of the Project. Further, from the CEA's letter dated 15.12.2010, it is observed that even though CEA had communicated the shortcomings observed by CWC on the water series data considered in the DPR submitted vide its letter dated 26.08.2010, the Petitioner had failed to address the same even by December 2010 resulting in delay of 4 month. It is further observed that certain issues were also discussed during 311th meeting held on 29.08.2011 which was also communicated vide letter dated 26.09.2011.

The Commission with regards to delay in initiation of land handover observes that the Petitioner has stated that approved DPR is required for Land case proposal. It is also observed that the land case proposal was submitted on 21.05.2012, which is 7 months from the date of transfer of land in favour of UJVN Ltd. The Commission is of the view that no specific provisions or statute has been provided by the Petitioner which prohibits the Petitioner to start joint inspection of land in absence of an approved DPR. Had the Petitioner initiated joint inspection earlier, it could have saved at least 5-7 months of time which was taken by the Petitioner to prepare the land case proposal post transfer of land in favour of UJVN Ltd.

3.4.1.2 *Dam Works*

a) Concreting of Diversion Channel:

As per the original schedule provided, the activity was scheduled to start from 5.05.2014 and was required to be completed in 56 days i.e., by 30.06.2014. As against the same, the activity was started on 09.06.2014 and completed in 577 days with completion date of 07.01.2016. In view of the same, there was total delay of 521 days. In justification towards the said delay, the Petitioner submitted that the delay was on account of following reasons:

1. **Delay in approval of Crusher** – The Petitioner submitted that the NOC to install crusher was given by UJVN Ltd. on 19.2.2014 and the crusher plant was mobilised in schedule time, but the contractor submitted its application on 26.05.2014 and after rigorous follow up done by UJVN Ltd. the approval was secured on 11.06.2015. The Petitioner further submitted that the contractor was not responsible for the entire delay of 382 days (From 26.05.2014 to 15.06.2015). Further, as in the original schedule 108 days were considered towards non-working period the delay attributable to the reason is 274 days.

2. **Delay in approval of re-use of excavated material** – The Petitioner has submitted that as per contract technical specification of Section B.9 CONCRETE Clause No. 9.4.2.2(2) amended clause states as follows.

   *"Contractor shall make his **own arrangement** for obtaining all material required for coarse and fine aggregate. Contractor may obtain quarry material from approved quarries or apply separately to GoU (Government of Uttarakhand) for allotment of quarry. Employer will assist in process of allotment within stipulated timeframe."*

   The Petitioner further submitted that as per COPA clause 54.10 material obtained from excavation shall be allowed to be used free of cost provided that the same is found to be suitable. The Petitioner submitted that the permission to use the excavated material was sought on 28.10.2013 but was received on 07.01.2016 resulting in delay. The Petitioner further submitted that the delay in obtaining permission to reuse the excavated material is not attributable to the Contractor. The Petitioner submitted that the delay on account of the same is considered from the date of permission of installation of crusher i.e., 12.06.2015 to 07.01.2016 which is 210 days. Further, as in this period, 107 days were non-working period due to monsoon the effective delay on account of the same is 103 days.

The Commission after perusing the submissions of the Petitioner observed that the Petitioner has provided justification of around 377 days out of the total delay of 521 days. The Petitioner vide letter dated 24.01.2025 was asked to submit the balance justification. The Petitioner with regard to permission to be sought for installation of crusher was also asked to submit justification for delay in submission of application on 26.05.2014 when the contract was awarded in January 2014 and NOC was obtained in February 2014.

The Petitioner vide its reply dated 05.02.2025 submitted that in the original schedule of 56 days no monsoon period was falling however, in the actual schedule two monsoon period (year 2014 and year 2015) are included in the entire 577 days. The Petitioner further submitted that apart from the 377 days delay as the diversion channel was constructed on the riverbed hence monsoon affected the progress of work by 200 days. With regard to delay in making application for installation of crusher, the Petitioner submitted that as per the provision of policy of stone crusher, screening plant and pulveriser Permit Policy, 2011 for "Hilly Area" of Uttarakhand, various information and documents were to be collected before submission of application hence the delay.

The Commission has gone through the submissions of the Petitioner and observes that as per Contract Technical Specification of Section B.9 CONCRETE Clause No. 9.4.2.2(2) amended clause makes the contractor responsible for arrangement of aggregate materials and therefore delay pertaining to contractor cannot be considered as uncontrollable. Further, regarding delay in submission of application for permission to install the crusher, the justification provided by the Petitioner that it took three months to collect information to fill an application is devoid of any logic and cannot be considered as uncontrollable.

b) Excavation below Riverbed & Foundation Grading

As per the original schedule provided, the activity was scheduled to start from 16.10.2014 and was required to be completed in 120 days i.e., by 13.02.2015. As against the same, the activity was started on 07.01.2016 and completed in 406 days with completion date of 16.02.2017. In view of the same, there was total delay of 286 days. In justification towards the said delay, the Petitioner submitted that the delay was on account of following reasons.

1. **Work Stoppages due to Law and Order Issues:** The Petitioner submitted that the contractor vide letter dated 25.06.2016 informed that on 25.03.2016 at 8.00 pm a group of 50 villagers from Lohari village demanded land for land, employment and other R&R compensation and forcibly stopped the work which resumed on 09.06.2016 at 1400 hrs. The Petitioner submitted that the delay attributable to the same is 16 days.

2. **Dam are filled with RBM/Silt/slush due to Flooding:** The Petitioner submitted that monsoon rain started on 28.06.2016 due to which excavated area got flooded due to heavy rain and overtopping of water from the diversion channel and coffer dam. The Petitioner further submitted that approx. 2.35 lakh cumecs of RBM/Silt/Slush got accumulated which needed to be removed. After monsoon de-watering and cleaning was carried out which took 168 days to complete and as 30 days of dewatering was already considered in the original schedule the net delay on account of flooding was 138 days.

3. **Due to Dam excavation below EL 548 to EL 541.37:** The Petitioner submitted that the deepest foundation level went down by 6.63 meter. This resulted in the change in construction methodology which further resulted in increase in the efforts required for dewatering and excavation. As the deepest foundation level went down by 6.63 meter, the same also resulted in additional concreting which also took additional time. The Petitioner submitted that the excavation till EL 548 was completed on 18.01.2017 and excavation and concreting between EL 541.37 and EL 548 was completed on 04.04.2017. The Petitioner therefore submitted that the actual delay due to excavation below EL 548 to EL 541.37 and concreting of deepest blocks up to EL 548.00 from 18.01.2017 to 04.04.2017 is 77 days.

The Commission after perusing the submissions of the Petitioner observed that the Petitioner has provided justification of around 231 days out of the total delay of 286 days. The Petitioner vide letter dated 24.01.2025 was asked to submit the balance justification.

The Petitioner vide its reply dated 05.02.2025 submitted that in the original schedule of 120 days did not involve monsoon period. However, in the actual schedule one monsoon period (16.06.2016 to 30.09.2016) was involved. The Petitioner for the balance delay of 55 days stated that the same was on account of time taken for dewatering.

The Commission has gone through the submissions of the Petitioner and observes that apart from the documented delay of 16 days due to local agitation and forceful stoppage of work, the Petitioner has not provided any supporting document to establish number of days of delay claimed. It is further observed that while the Petitioner had limited control over some of the factors such as increase in quantity of excavation and concreting due to increase in deepest foundation by 6.63 m, local hindrances, factors such as no work claim for the entire monsoon period do not appear to have logic. Further, without specific documents establishing the quantum of delay, it is difficult to pinpoint the delay attributable to controllable reasons and the delay that is attributable to uncontrollable reasons.

c) Concreting works up to Riverbed level and then up to Crest Level

As per the original schedule provided, the activity was scheduled to be completed in 197 days. As against the same, the activity was started on 25.01.2017 and completed in 856 days. In view of the same, there was total delay of 659 days. In justification towards the said delay, the Petitioner submitted brief justification of only 206 days and submitted as follows.

1. **Due to Flooding of Dam Area** – The Petitioner submitted that due to dewatering and removal of accumulated slush/silt/RBM of monsoon 2016 continued till 12.12.2016, successive activities also got delayed and could not be completed before the following monsoon and with heavy rain on 26.06.2017, the overflow area got inundated due to which approximately 0.90 lakh cumec of silt/slush/RBM got deposited over the dam foundation up to EL 582 m. The Petitioner further submitted that the removal work continued till 30.11.2017. The Petitioner further submitted that the process of removal of dewatering and accumulated silt/slush/RBM finally got completed on 15.01.2018. The Petitioner has therefore stated that the delay between 26.06.2017 to 15.01.2018 amounting to 204 days is on account of flooding in dam area.
2. **CITU Strike** – The Petitioner submitted that there was 2 days delay due to country wide strike of CITU.

The Commission after perusing the submissions of the Petitioner observed that the Petitioner has provided justification of around 206 days out of the total delay of 659 days. The Petitioner vide letter dated 24.01.2025 was asked to submit the balance justification.

The Petitioner vide its reply dated 05.02.2025 submitted that apart from the justification provided for 206 days, there was increase in execution period on account of the following reasons.

1. Increase in reinforcement steel quantity resulted in delay of 145 days.
2. Induction of additional work of 90 lb, rail arrangement in trajectory bucket of spillway resulted in delay of 124 days.

3. Variation in quantity of steel liner in spillway and inlet gates resulting in delay of 40 days.
4. Due to provision of additional spillway block from 4 to 5 resulting in increase in delay of 144 days.

The Commission has gone through the submissions of the Petitioner and observes that some of the delay occurred due to flooding may be uncontrollable however, the quantum of delay provided by the Petitioner has not been substantiated with any specific documentation. It is further observed that the Petitioner in its submission dated 25.10.2024 has attributed no delay on account of increase in nos. of spillway bay from 4 to 5 which has now been revised to 144 days without any supporting document and appears to be an afterthought to somehow justify the delay. It is also observed that some of the reason for delay such as additional work of 90 lb pertains to delay faced in the subsequent activity of concreting piers, breast wall and trunnion beam. Further, without specific documents establishing the quantum of delay, it is difficult to pinpoint the delay attributable to controllable reasons and delay that is attributable to uncontrollable reasons.

a) Concreting in Piers, breast wall and trunnion beam

As per the original schedule provided, the activity was scheduled to start from 30.12.2015 and was required to be completed in 182 days i.e., by 29.06.2016. As against the same, the activity was started on 15.05.2019 and completed in 944 days with completion date of 14.12.2021. In view of the same, there was total delay of 762 days. It is observed that start of this activity is important for the next critical activity to start and not the completion of the activity and therefore as delay in completion of this activity did not affect project schedule, the Commission has not gone into the reasons of delay pertaining to this activity.

3.4.1.3 ***HM Works***

a) Erection of 2nd Stage EPs

As per the original schedule provided, the activity was scheduled to start from 16.07.2016 and was required to be completed in 298 days i.e., by 28.02.2018. As against the same, the activity was started on 22.10.2019 and completed in 376 days with completion date of 01.11.2020. In view of the same, there was total delay of 78 days. It is observed that start of this activity is important for the next critical activity to start and not the completion of the activity and therefore as delay in completion of this activity did not affect project schedule, the Commission has not gone into the reasons of delay pertaining to this activity.

b) Erection of ORG

As per the original schedule provided, the activity was scheduled to start from 01.11.2016 and was required to be completed in 425 days i.e., by 31.12.2017. As against the same, the activity was started on 02.12.2019 and completed in 698 days with completion date of 30.10.2021. In view of the same, there was total delay of 273 days. In justification towards the said delay, the Petitioner submitted brief justification of only 226 days and submitted as follows.

1. **Delay due to lockdown on account of COVID-19:** The Petitioner has claimed 35 days towards delay on account of lockdown imposed due to COVID-19.
2. **Monsoon –** The Petitioner claimed 148 days delay on account of monsoon i.e., from 15.06.2020 to 10.11.2020.
3. **Delay due to COVID-19 Second wave –** The Petitioner has claimed delay of 43 days towards second wave from 23.4.2021 to 04.06.2021.

The Commission from the submissions of the Petitioner observed that it has provided justification of only 226 days and therefore vide letter dated 24.01.2025 the Petitioner was asked to provide balance justification. The Petitioner was also asked to submit why it has claimed delay on account monsoon with supporting documents. The Petitioner in response vide reply dated 08.02.2025 altered its earlier replies by removing delay of 43 days earlier claimed on account of second wave of COVID-19 and added delay of 120 days due to local agitation without any supporting document and justification. The Petitioner with regard to reasons for claiming delay on account of monsoon submitted that monsoon of 2020 was considered as it impacted work progress. The Petitioner however failed to submit any documentary evidence in support of the reason as well as number of days of delay claimed.

3.4.1.4 ***Power-House***

a) Powerhouse excavation up to deepest foundation.

As per the original schedule provided, the activity was scheduled to start from 17.10.2013 and was required to be completed in 364 days i.e., by 16.10.2014. As against the same, the activity was started on 17.10.2013 and completed in 1134 days with completion date of 24.11.2016. In view of the same, there was total delay of 770 days. In justification towards the said delay, the Petitioner submitted as follows.

1. Due to shifting of Power House by 4 m towards back slope, additional cutting of back slope requiring additional protection work was to be done which caused delay of 770 days.

The Commission observed that the Petitioner did not submit any documentary evidence substantiating the number of days of delay attributed to the reason.

b) Powerhouse concreting

As per the original schedule provided, the activity was scheduled to start from 17.10.2014 and was required to be completed in 587 days i.e., by 26.05.2016. As against the same, the activity was started on 25.11.2016 and completed in 1437 days with completion date of 01.11.2020. In view of the same, there was total delay of 850 days. In justification towards the said delay, the Petitioner submitted brief justification of delay in excess of 850 days suggesting overlapping reasons and submitted as follows.

1. Delay due to change in layout of powerhouse, re-alignment of TRC, provision of GIS, and provision of one auxiliary block to accommodate auxiliary equipment resulted in increase in quantity of concrete from 36950 cumec which was to be completed in 21 months to 89030 cumec which caused time overrun of 29 months.
2. Due to additional intermediate floor in service bay block there was delay of 180 days.
3. Delay due to COVID-1st wave – 180 days due to disruption caused by the lockdown.

The Commission from the submissions of the Petitioner observed that the justification of delay far exceeded the actual delay of 850 days suggesting overlapping of delays. The Commission also observed that the Petitioner did not submit any documentary evidence substantiating the number of days attributed to these delays. Further, the Petitioner due to COVID-19 in case of some of the activities has claimed 35 days of delay and in some activities, it has claimed delay of 180 days while also maintaining that it did deploy manpower during covid-19 to mitigate the delay. The Commission is of the view that though some of the reasons such as COVID-19 is uncontrollable, however, the reasons claiming proportionate increase in duration of schedule due to increase in quantity of concrete do not seem reasonable neither completely un-controllable as the Petitioner could have resorted to excess resource deployment to counter the excess work which could have resulted in saving of crucial time.

c) Powerhouse roofing

As per the original schedule provided, the activity was scheduled to start from 26.05.2016 and was required to be completed in 51 days i.e., by 16.06.2016. As against the same, the activity was started on 09.07.2020 and completed in 192 days with completion date of 17.01.2021. In view of the same, there was total delay of 141 days. In justification towards the said delay, the Petitioner submitted brief justification of only 135 days and submitted as follows.

1. Due to COVID-19 2nd wave – The Petitioner has claimed 48 days on account of the second wave.
2. Erection of Trusses and roofing carried out due to unconventional method due to approach road constraints causing delay of 87 days.

The Commission observed that the Petitioner again did not submit any documentary evidence substantiating the quantum of delay attributed to each delay.

The Commission with regard to insufficient reasons submitted towards delay incurred on critical activities of Powerhouse asked the Petitioner to properly justify the delay duly substantiating it with documentary evidence. The Petitioner in response modified its earlier reasons and vide reply dated 05.02.2025 submitted that the delay of 141-day for the PH Roofing was primarily caused due to increase in quantity of works as shown in the following Table:

a) Increase in executed quantity – The initial contract specified 70 MT, but 319.51 MT was executed, leading to 232 extra days as:

Description of Item	Quantity as per DPR/contract	Quantity as executed	Time allowed as per schedule	Time substantiated by increase in quantity
Furnishing and installing structural roofing in Power house.	70.00 MT	319.51 MT	51 Days	232 Days

The Petitioner further submitted that Erection of trusses and roofing required non-conventional method due to approach road constraints which caused an additional delay of 87-day. The Petitioner submitted that considering the delay the activity would have been delayed by 319 days, however due to best efforts the same were completed with a delay of only 141 days.

The Commission observes that Petitioner has modified its justification towards the delay and has attempted to justify the delay claiming proportionate increase in duration due to increase in quantity of work which do not appear logical.

3.4.1.5 ***Reservoir Filling & Filing of HRT***

As per the schedule submitted by the Petitioner this activity was not separately mentioned. The Petitioner submitted that the activity was on critical path which started on 28.11.2021 and completed in 135 days with completion date of 12.04.2022. As the activity was not included separately in the original schedule, there was total delay of 135 days with respect to the original schedule. In justification towards the said delay, the Petitioner submitted that the delay was in reservoir filing beyond EL 621 which was on account of local agitation by Lohari villagers.

3.4.1.6 *Erection and Commissioning*

a) Unit 1 Commissioning

As per the original schedule provided, the activity was scheduled to start from 16.06.2016 and was required to be completed in 348 days i.e., by 30.05.2017. As against the same, the activity was started on 05.12.2020 and completed in 535 days with completion date of 24.05.2022. In view of the same, there was total delay of 187 days. In justification towards the said delay, the Petitioner submitted brief justification of only 43 days on account of COVID-19 second wave.

The Petitioner was thus vide letter dated 24.01.2025 asked to submit complete justification. In response vide reply dated 08.02.2025 the Petitioner submitted revised justification as follows.

Table 3.8: Reasons for delay in Commissioning of Unit 1

Sl. No.	Uncontrollable Delays	Date From	Date To	No. of Days
1	Spread of COVID Second wave from March 2021 that badly affected the Project Site in April-May 2021, due to which 20 workers of Sub-Contractor got affected despite all precautions at Site.	15.03.2021	15.06.2021	92
2	There was delay in execution of works at Vyasi HEP in the second COVID wave, wherein the GoI had banned the use of Industrial Oxygen (Overlapping)	22.04.2021	01.06.2021	41
3	Non-availability of transmission line after mechanical run	31.12.2021	13.04.2022	103
	Total Uncontrollable delays (1 + 3)			195

The Commission observed that the Petitioner has now attributed delay of 103 days to unavailability of transmission system for evacuation of power which was to be developed by PTCUL. The Commission therefore sought response from PTCUL, which vide its submission dated 13.02.2025 stated that though its transmission line was delayed for which PTCUL provided detailed justification, however, it submitted that the system was ready before the Commissioning of the units and there was no loss of generation on account of delay in transmission system.

The reply of PTCUL was sent to UJVN Ltd. for their response. The Petitioner vide its reply dated 24.02.2025 submitted that it has no comments on the submission made by PTCUL.

In view of the above, the delay of 103 days attributed to PTCUL do not hold true and therefore cannot be considered.

b) Unit 2 Commissioning

As per the original schedule provided, the activity was scheduled to start from 16.06.2016 and was required to be completed in 364 days i.e., by 15.06.2017. As against the same, the activity was started on 24.02.2021 and completed in 422 days with completion date of 22.04.2022. In view of the same, there was total delay of 58 days. In justification towards the said delay, the Petitioner submitted brief justification of only 43 days on account of COVID-19 second wave.

The Petitioner was thus vide letter dated 24.01.2025 asked to submit complete justification. In response vide reply dated 08.02.2025 the Petitioner submitted the following revised justification for delay of 140 days as against delay of 58 days.

Table 3.9: Reasons for delay in Commissioning of Unit 2

Sl. No.	Uncontrollable Delays	Date From	Date To	No. of Days
1	Spread of COVID Second wave from March 2021 and badly affected the Project Site in April-May 2021, due to which 20 workers of Sub-Contractor got affected despite all precautions at Site	15.03.2021	15.06.2021	92
2	There was delay in execution of works at Vyasi HEP in the second COVID wave, wherein the GoI had banned the use of Industrial Oxygen (overlapping)	22.04.2021	01.06.2021	41
3	Non-availability of transmission line after mechanical run	24.02.2022	13.04.2022	48
	Total Uncontrollable delays (1 + 3)			140

The Commission observed that the Petitioner has now attributed delay of 48 days to unavailability of transmission system for evacuation of power which was to be developed by PTCUL.

For the reasons as already discussed above, the delay of 48 days cannot be attributed to non-availability of transmission line and therefore cannot be considered.

3.4.1.7 *Summary of Time Overrun*

The Commission, in the preceding paras, has discussed each reason submitted by the Petitioner to justify the delay. The Commission after perusing the submissions and facts placed on record has at several places observed that though some of the reasons stated appears to be uncontrollable, there are several other reasons that were controllable and are either due to contractors' fault or on account of other controllable reasons. It has also been observed from the data submitted that the Petitioner has failed to substantiate delay specific to each reasons even after being given sufficient opportunity to do so.

The Commission observes that the Hon'ble APTEL in its Judgment dated 27.04.2011 in Judgment No. 72 of 2010 has laid down approach to deal with such situations. The relevant section of the Appeal is as reproduced below.

"7.4. The delay in execution of a generating project could occur due to following reasons:

i) due to factors entirely attributable to the generating company, e.g., imprudence in selecting the contractors/suppliers and in executing contractual agreements including terms and conditions of the contracts, delay in award of contracts, delay in providing inputs like making land available to the contractors, delay in payments to contractors/suppliers as per the terms of contract, mismanagement of finances, slackness in project management like improper co-ordination between the various contractors, etc.

ii) due to factors beyond the control of the generating company e.g. delay caused due to force majeure like natural calamity or any other reasons which clearly establish, beyond any doubt, that there has been no imprudence on the part of the generating company in executing the project.

iii) situation not covered by (i) & (ii) above.

In our opinion in the first case the entire cost due to time over run has to be borne by the generating company. However, the Liquidated Damages (LDs) and insurance proceeds on account of delay, if any, received by the generating company could be retained by the generating company. In the second case the generating company could be given benefit of the additional cost incurred due to time over-run. However, the consumers should get full benefit of the LDs recovered from the contractors/suppliers of the generating company and the insurance proceeds, *if any, to reduce the capital cost. In the third case the additional cost due to time overrun including the LDs and insurance proceeds could be shared between the generating company and the consumer. It would also be prudent to consider the delay with respect to some benchmarks rather than depending on the provisions of the contract between the generating company and its contractors/suppliers. If the time schedule is taken as per the terms of the contract, this may result in imprudent time schedule not in accordance with good industry practices."*

"8.6 .... We agree with the State Commission that the infusion of debt & equity has to be more or less on pari passu basis as per normative debt equity ratio. However, the increase in IDC due to time over run has to be allowed only according to the principles laid down in para 7.4 above. Accordingly, the State Commission is directed to re-determine the IDC for the actual period of commissioning of the project and then work out the excess IDC for the period of time over run on a pro rata basis and limit the disallowance to 50% of the same on account of excess IDC. This question is answered accordingly."

The Commission observes that after assimilating all the replies of the Petitioner to the deficiencies pointed out by the Commission on the delay of the various works/contracts, the Petitioner has been able to at least cover all the delay duration citing various reasons. However, as has been pointed out as several places, the justification in many cases falls short in justifying the associated delays to be fully uncontrollable or reasonable.

The Commission further observes that the Zero date of the project as per CEA's approval was 31.12.2011 and the schedule completion of commissioning of the project was 36 months from the zero date. Therefore, the project SCOD was 30.12.2014. Instead, the actual COD of the project is 24.05.2022. The Commission has analysed the delay and has determined the base case IDC schedule as well as IDC schedule with 50% condonation of delay and is as shown in the following Table:

Table 3.10: Original Implementation Schedule vis-à-vis Actual Schedule and Summary of Delay

Sr. No.	Particulars	Date
1	Zero Date (As per CEA)	31.12.11
2	Project SCOD – 36 months from Zero Date	30.12.14
4	Actual Project COD	24.05.22
5	Actual Project Schedule (Days) **(4-1)**	3,797
6	Original Project Schedule (Days)	1,095
7	Delay **(5-6)**	2,702
8	Delay condoned - 50% of Total Delay	1,351
9	Approved Schedule (6+8)	2,446
10	Base Case IDC Schedule Days	1095
11	Approved Schedule for IDC - Base Case IDC Schedule + 50% approved Delay	2,446
12	Approved Project COD Schedule for IDC – Zero Date+2446 days	11.09.18

The Commission has therefore worked out allowable IDC, IEDC and Price variation in accordance with the above approved schedule and has been discussed in the following sections.

3.4.2 *Interest During Construction (IDC)*

Regulation 21(9) of UERC Tariff Regulations, 2021 provides as follows:

*"**21. Capital Cost and capital structure***

(1)..

..

(9) Interest During Construction (IDC):

a) Interest during construction shall be computed corresponding to the loan from the date of infusion of debt fund, and after taking into account the prudent phasing of funds upto SCOD.

b) In case of additional costs on account of IDC due to delay in achieving the SCOD, the generating company or the transmission licensee or the distribution licensee or SLDC as the case may be, shall be required to furnish detailed justifications with supporting documents for such delay including prudent phasing of funds:

Provided that if the delay is not attributable to the generating company or the transmission licensee or the distribution licensee or SLDC as the case may be, and is due to uncontrollable factors as specified in

Regulation 12(5) of these Regulations, IDC may be allowed after due prudence check and taking into account prudent phasing of funds.

(10) Incidental Expenditure During Construction (IEDC):

a) Incidental expenditure during construction shall be computed from the zero date and after taking into account pre-operative expenses upto SCOD:

Provided that any revenue earned during construction period up to SCOD on account of interest on deposits or advances, or any other receipts may be taken into account for reduction in incidental expenditure during construction.

b) In case of additional costs on account of IEDC due to delay in achieving the SCOD, the generating company or the transmission licensee or the distribution licensee or SLDC as the case may be, shall be required to furnish detailed justification with supporting documents for such delay including the details of incidental expenditure during the period of delay and liquidated damages recovered or recoverable corresponding to the delay:

Provided that if the delay is not attributable to the generating company or the transmission licensee or the distribution licensee or SLDC, as the case may be, and is due to uncontrollable factors as specified in Regulation 12(5), IEDC may be allowed after due prudence check:

Provided further that where the delay is attributable to an agency or contractor or supplier engaged by the generating company or the transmission licensee or the distribution licensee or SLDC, the liquidated damages recovered from such agency or contractor or supplier shall be kept in view while computing the capital cost.

c) In case the time over-run beyond SCOD is not admissible after due prudence, the increase of capital cost on account of cost variation corresponding to the period of time over run may be excluded from capitalization irrespective of price variation provisions in the contracts with supplier or contractor of the generating company or the transmission licensee or the distribution licensee or SLDC.

The IDC and Financing Charges approved by CEA was Rs. 72.51 Crore and Rs. 6.55 Crore respectively as against which the Petitioner has claimed IDC of Rs. 429 Crore and FC of Rs. 5.44 Crore. The Commission in support of IDC claimed by the Petitioner sought quarter wise IDC working along with date of disbursement of IDC. The Petitioner in response submitted IDC workings however, the actual date of disbursement was not submitted by the Petitioner.

The Commission has gone through the submissions made by the Petitioner and has taken the phasing of funds, interest rate based on which IDC has been worked out by the Petitioner and has crashed the phasing of funds as per approved IDC schedule. The IDC considering the approved schedule works out to be as follows.

Table 3.11: Actual IDC claimed vis-à-vis IDC allowed as per approved Schedule (in Rs. Crore)

Sr. No.	Particulars	Claimed	Approved
1	IDC	429.00	231.22
2	Financing Charges	5.44	5.44
3	**Total IDC and FC**	**434.44**	**236.66**

3.4.3 *Incidental Expenditure During Construction (IEDC)*

Regulation 21(10) of UERC Tariff Regulations, 2021 provides as follows:

*"**21. Capital Cost and capital structure***

(1)..

..

(10) Incidental Expenditure During Construction (IEDC):

a) Incidental expenditure during construction shall be computed from the zero date and after taking into account pre-operative expenses upto SCOD:

Provided that any revenue earned during construction period up to SCOD on account of interest on deposits or advances, or any other receipts may be taken into account for reduction in incidental expenditure during construction.

b) In case of additional costs on account of IEDC due to delay in achieving the SCOD, the generating company or the transmission licensee or the distribution licensee or SLDC as the case may be, shall be required to furnish detailed justification with supporting documents for such delay including the details of incidental expenditure during the period of delay and liquidated damages recovered or recoverable corresponding to the delay:

Provided that if the delay is not attributable to the generating company or the transmission licensee or the distribution licensee or SLDC, as the case may be, and is due to uncontrollable factors as specified in Regulation 12(5), IEDC may be allowed after due prudence check:

Provided further that where the delay is attributable to an agency or contractor or supplier engaged by the generating company or the transmission licensee or the distribution licensee or SLDC, the liquidated damages recovered from such agency or contractor or supplier shall be kept in view while computing the capital cost.

The Petitioner has claimed IEDC/Establishment Charges of Rs. 137.58 Crore as on Project COD as against the DPR value of Rs. 49.72 Crore approved by CEA. In terms of above regulation as the IEDC corresponding to delay disallowed is not to be allowed, the Commission has approved IEDC in proportion of the approved schedule (2446 days) vis-à-vis actual schedule (3797 days).

Table 3.12: Actual IEDC claimed vis-à-vis IEDC allowed as per approved Schedule (in Rs. Crore)

Sr. No.	Particulars	Claimed	Approved
1	IEDC	137.58	88.63

3.4.4 *Cost Overrun*

As brought out earlier, apart from the increase in IDC and IEDC/Establishment expenses that the project has suffered, there has been substantial increase in the hard cost. As against Rs. 807.45 Crore estimated in the DPR approved by CEA, the actual expenses as on project COD as claimed by the Petitioner is Rs. 1344.77 Crore which is Rs. 537.31 Crore higher than the approved cost. The actual capital cost claimed by the Petitioner vis-à-vis cost as per DPR as approved by CEA along with increase in cost is as shown in the following Table.

Table 3.13: Increase in Hard Cost incurred vis-à-vis DPR approved cost by CEA as on Project COD

S. No	Particulars	Cost as Per TEC	Cost as on Project COD	Cost Overrun vis-à-vis TEC
1	**Capital Cost**	**936.23**	**1916.79**	**980.55**
2	Less: IDC, IEDC and FC	128.78	572.02	443.24
3	**Hard Cost**	**807.45**	**1344.77**	**537.31**

As can be inferred from the above Table, the increase in hard cost with respect to cost approved as per TEC is Rs. 537.31 Crore which is substantial and therefore the Commission has carried out a detailed prudence check before approving the hard cost.

3.4.4.1 *Preliminary Expenses and Land*

The Commission observed that in the hard cost claimed by the Petitioner, cost overrun of Rs. 1.62 Crore pertains to preliminary expenses and Rs. 30.48 Crore was towards land cost. The total increase on account of the two expenses were Rs. 32.10 Crore and is as shown in the Table below:

Table 3.14: Increase in Preliminary Expenses and Land as on Project COD

S. No	Particulars	Cost as Per TEC	Cost as on Project COD	Cost Overrun vis-à-vis TEC
1	Preliminary Expenses	28.36	29.98	1.62
2	Land Cost	32.52	63.00	30.48

The Petitioner in its Petition with regard to increase in land cost has submitted that the increase in land cost is because of the notification of Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013. The Petitioner further submitted that after the restart of the project in 2014, on different demand of Project Affected People, GoU vide order no.66/1/2016-05/104/2005 dated 13.01.2016 issued certain directions pertaining to R&R issues of Lakhwar and Vyasi Project in which it also directed to grant ex-gratia payment of @ Rs.75 lakh/hectare against already acquired land resulting in cost increase.

The Petitioner with regard to above was asked to submit the year wise payment made towards land procurement along with the details of owner wise land acquired. The Petitioner in response to the same vide submission dated 05.02.2025 submitted the details pertaining to land procurement. The Commission also asked the Petitioner to submit the break-up of preliminary expenses claimed. The break-up of preliminary expenses was also provided by the Petitioner vide its submission dated 08.02.2025. The Commission has gone through the submissions of the Petitioner and observes that the Petitioner had paid around Rs. 29.8 Crore towards procurement of land in FY 2016-17 corroborating the explanation provided above. The Commission in view of actual land parcel wise details provided along with justification given in support of cost increase allows the cost claimed by the Petitioner towards land.

With regard to Preliminary expenses incurred, it is observed that the same includes Rs. 20.29 Crore towards payment made to NHPC at the time of taking over of the project. The expenses also include an amount of Rs. 7.86 Crore incurred towards design and consultancy charges which was awarded to M/s Tractabel Engineering Pvt Ltd. formerly known as M/s Lahmeyer International

India Pvt Ltd. The Commission with regards to the payment made to NHPC, sought the necessary due diligence done by UJVN Ltd. while making payments. The Petitioner in response submitted certain details and correspondences made with NHPC. It was observed that the Petitioner had sought audited accounts from NHPC and had raised certain objections with regard to supervision charges and Return on funds claimed. It is however understood after several correspondences in this regard, matter was settled with the letter of Ministry of Power, Government of India dated 22.12.2009 asking UJVN Ltd. to pay the amount claimed including supervision charges of 15% and return on equity as 14%. The Commission in view of the same approves the preliminary expenses as claimed by the Petitioner.

3.4.4.2 *Cost Overrun – Major and Other Contracts*

The Commission with the purpose to carry out detailed prudence check of balance cost overrun of Rs. 505.21 Crore, vide its letter dated 18.07.2024 asked the Petitioner to submit a copy of all contracts along with amendments and supplementary agreements, executed for the construction of the Project. The Commission also sought cost break up of Construction /Supply/Service Packages. The Petitioner in its response vide its letter dated 13.09.2024 submitted the same. The Petitioner vide its earlier reply dated 21.08.2024 also submitted the cost break up of the contracts awarded.

The Commission after perusing the submission made by the Petitioner observed that the Petitioner has awarded several contracts. These contracts can be broadly categorised under the following categories.

1. **Main Contracts** – 5 Contracts pertaining to execution of major works related to Dam, Powerhouse, E&M works and HM Works amounts to Rs. 662.48 Crore.
2. **Other Contracts** – These are 746 small value contracts with total award value of Rs. 120.22 Crore.
3. **Procurement Contracts** – These are 179 nos. of small value contracts to procure cement and steel for issuing the stock to M/s NPCC at Fixed rates as per the contracts terms and Condition amounting to Rs. 103.38 Crore.

The summary of work under these contracts is shown in the following Table:

Table 3.15: Summary of Contracts awarded in relation of Vyasi HEP

Sr. No.	Scope	Brief details of Contract	Name of the executing Agency	Value of Contract (Rs. Cr.)
1	Dam Works	Agreement No- 01/DGM (Civil)/VP/UJVNL/DAM/2013-14, Dated 03/01/2014 for the Execution of balance Civil Works related to concrete dam, diversion works, intake and 1.35 km. HRT of Vyasi hydroelectric project (120 MW) in District Dehradun, Uttarakhand. **Date of Contract-20.01.2014**	M/s Gammon India Limited/ M/s GECPL	317.05 (At Price Level April 2013)
2	Powerhouse	Construction of Hathiari Surface Power House Along with surge Tank, Penstock, 7 M Dia 1.35 Km. Long Head Read tunnel from Hathiari and appurtenant works of Vyasi hydroelectric project (120 MW) in District Dehradun, Uttarakhand. **Date of start -17.10.2013** **Date of Contract – 13.03.2012**	M/s NPCC Limited	114.59 (At Price Level Nov 2009)
3	HM Works	Detailed Design & engineering, procurement, manufacturing, Inspection, shop assembly, shop testing, painting, transportation, site storage, site erection, Installation, testing & commissioning of Hydro mechanical works of Vyasi HEP. **Date of Contract - 30.12.2015**	OM Metals InfraProjects Ltd.	Supply 93.30 (Taxes Extra) Services 12.61 (Taxes Extra)
4	E&M Works	Design, engineering, manufacture, quality assurance, quality control, shop assembly, shop testing, transportation, delivery at site, site storage & preservation, erection, testing, commissioning, performance testing, field acceptance testing, training & handing over of E&M equipment of 2x60 MW Vyasi HEP Date of Contract - 31.07.2014	M/s BHEL	Supply: 103.43 Services: 21.49
5	Civil Works – Power House	Debitable work of Execution of Balance work of control block and GIS block under the contract entered with M/s NPCC against principal agreement No.- 02/SELVCC-II/1987-88 dated: 15th July 1987 & its Supplementary agr. Dated 06th March 2012 Date of Contract - 01.07.2020	ALPHA PACIFIC SYSTEM PVT LTD	BoQ Included in NPCC (Rs. 12.76 Cr.)
6	Other Contracts	Small value contracts towards various specific works	Multiple Vendors	120.22
7	Procurement Contracts	Small value contracts to procure cement and steel for issuing the stock to M/s NPCC at Fixed rates as per the contracts terms and Condition	Multiple Vendors	103.38
8	**Total**			**886.07**

The Commission also sought closure report pertaining to the main contracts. In response the Petitioner submitted that only one contract pertaining to HM works awarded to M/s OM Metals has been closed and other contracts are yet to be finalised. The Petitioner submitted the status of other contracts as follows.

1. **M/s GECPL** – UJVN Ltd. submitted that Draft Final Statement has been prepared and M/s GECPL vide letter dated 21.11.2023 has accepted the amount related to the work done but claims are under process of settlement.
2. **M/s NPCC Ltd**. – UJVN Ltd. has sent the final bills to M/s NPCC for acceptance. Further, UJVN Ltd. has issued final completion certificate on 09.05.2024 and has also sent final payment settlement to M/s NPCC dated 14.06.2024 and requested the balance GST invoices. However, M/s NPCC is not accepting the settlement offered resulting in delay in contract closure.
3. **M/s BHEL** – The firm is yet to accept the settlement amount against best effort schedule due to which the contract is yet to be closed.

The Commission, with regards to cost increase further analysed the cost estimated towards the major works in the DPR vis-à-vis awarded cost and cost claimed as on COD of the project. The summary of the various costs is as shown in the Table below:

Table 3.16 Comparison of cost of works estimated in the DPR, vis-à-vis awarded cost and actual cost incurred as on COD of the Project (in Rs. Crore)

S. No	Works Contract	Cost as Per TEC	Contracted Cost	Cost as on Project COD	Cost Overrun vis-à-vis TEC	Cost overrun vis-à-vis Contracted Cost
1	DAM - M/s GECPL	265.29	317.05	475.14	209.85	158.09
2	Power House – M/S NPCC	112.61	101.83	316.17	203.56	214.34
3	Power House – M/s Alpha		12.76	44.14	44.14	31.38
4	E&M - M/s BHEL	149.79	124.93	138.8	-10.99	13.87
5	HM - M/s OM	77.61	105.91	115.2	37.59	9.29
Sub-Total (Main Contracts)		**605.30**	**662.48**	**1089.45**	**484.15**	**426.97**
6	**Other work Contracts**	141.27	120.22	127.03	90.87	6.81
7	**Procurement Contracts**		103.38	105.11		2.06
Total		**746.57**	**886.08**	**1321.59**	**575.02**	**435.51**

The Commission observed that the awarded cost in most of the cases was higher than the DPR approved cost. The Commission vide its letter dated 18.07.2024 sought copy of bid evaluation reports along with justification of how least cost principle was followed. The Commission also sought works that were awarded on nomination basis. The Petitioner vide its reply dated 21.08.2024 submitted the required details. It was observed that the details of works that were awarded on nomination basis did not include the value of contract. The Commission therefore sought the value of contracts to be provided vide its letter dated 03.10.2024. The Petitioner in response to the same provided the said details vide its letter dated 16.10.2024. The Commission has gone through the submissions made by the Petitioner and observes that all the major contracts except for M/s NPCC has been awarded through competitive bidding. Regarding M/s NPCC, the firm being the original contractor that executed work prior to 1992, a supplementary agreement was executed in 2012 to carry out balance works. Regarding works awarded through nomination basis, it was observed that these works were awarded to specialised firms such as Geological Survey of India, Irrigation institute and other such specialised government institutes. Some minor expenses pertained to sitting fees were paid to technical members and also comprised of minor legal fees paid to lawyers.

With regard to five major contracts, it was observed that there has been significant increase in the actual cost vis-à-vis the awarded cost. The Commission therefore vide its letter dated 03.10.2022 sought details of amendments/supplementary agreements/change orders to the contracts that may have been carried out by the Petitioner given there was significant increase in the quantity as well as change of scope along with necessary approvals. The Petitioner vide its reply dated 25.10.2022 submitted as follows:

1. **Dam Contract –** The contract was awarded to M/s GECPL for a value of Rs. 317.05 Crore. No supplementary agreement or amendment was carried out as there was provision in the contract to carry out extra item works. Further, the Petitioner submitted that final capital cost of Rs. 2048.22 Crore approved by the BoD in its 112th Meeting had already approved revised estimates of Rs. 477.99 Crore towards these works including the increase in variation in quantity, impact of GST, Price Variation.
2. **Powerhouse Contract** – The Petitioner submitted that supplementary agreement with M/s NPCC was executed for a value of Rs. 114.59 Crore. Thereafter, some of the works were awarded to M/s Alpha Pacific Systems Pvt. Ltd., a debitable agency to carry out some of the

works. The Petitioner submitted that no other agreement has been executed and a total cost of Rs. 371.82 Crore including impact of quantity variation, GST, price variation and other taxes has been approved by BoD in its 112th Meeting wherein the final capital cost of Rs. 2048.22 was approved.

3. **HM Works** – The contract was awarded to M/s OMIL for Rs. 105.91 Crore. The Petitioner submitted that one amendment was issued to include the impact of GST or Rs. 4.98 Crore resulting in the increase in the contract price to Rs. 110.89 Crore which was approved by the Managing Director being the competent authority.
4. **E&M Contract** – The contract was awarded to M/s BHEL for Rs. 124.93 Crore. However, six change orders were issued with respect to the contract which also included change from AIS to GIS. The modified contract price after all the change orders was Rs. 164.58 Crore.

The Commission has perused the submissions made by the Petitioner and observes that there has been significant increase in the cost on account of various reasons but mainly on account of quantity variation, price variation, impact of GST and other taxes. The Commission to ascertain the individual impact of these factors, asked Petitioner to submit statutory audited certificate of cost incurred towards various major contracts clearly bifurcating the increase vis-à-vis awarded cost to various factors. The Petitioner in response submitted the required details duly certified by its Statutory Auditor. The Commission in the following section has carried out the contract wise analysis of the same before allowing the cost.

3.4.4.3 ***Dam Contract – M/s GECPL.***

The Contract was awarded to M/s GECPL to complete balance works pertaining to concrete dam, diversion works, intake and 1.35 km HRT for an amount of Rs. 317.05 Crore. As against the same, the Petitioner has claimed cost of Rs. 475.14 Crore as on project COD which amounts to an increase of Rs. 158.09 Crore. The Petitioner in its Petition in support of the increase in completed cost submitted that the cost increased due to the following reasons.

1. Increase in number of spillways opening from 4 to 5 resulting in an increase of Rs. 12.29 Crore. The Petitioner submitted that during the DPR approval stage, CWC issued following directions.
    a. Seismic parameter may be got approved from National Committee of Seismic Design Parameter (NCSDP)

b. The spillway and energy dissipation arrangements may be model tested

In compliance with the above, the Petitioner during detailed design carried out physical model studies at Irrigation Research Institute Bahadrabad, Haridwar. From the model study, requirement of 5 Nos. of openings of sizes 8.5 m (W) X 13.5 m (H) were found sufficient to pass PMF of 8850 cumecs resulting in increase in the cost.

2. During detailed design stage, considering the approved earthquake co-efficient increase in reinforcement quantity in Dam work to factor in earthquake co-efficient the quantity of reinforcement steel in RCC work was worked out to 17000 MT in place of DPR quantity of 7400 MT. The Petitioner attributed increase in cost by Rs. 77.33 Crore to this increase.
3. Additional provision of Steel liner and rails in Overflow Blocks were required to prevent the erosion of piers and spillway glacis. The Petitioner submitted that after observing the effect of rolling boulders at head works of MB I & MB-II, provision of Steel liner in pier walls/divide wall of 2 spillway blocks up to certain level and provision of 90 Lbs scrap rails in 2 spillway glacis was considered to prevent erosion. The cost incurred due to additional provision of Rail line amounted to Rs. 7.55 Crore and Steel liner amounted to Rs. 8.16 Crore.
4. Change in the deepest Dam foundation level and additional provision of abutment galleries in Dam foundation. The Petitioner submitted that due to geological conditions, the foundation of dam had to be taken to EL 541.37 against EL 548.00 as envisaged in the DPR. Besides this, during detail design engineering additional provision of abutment galleries in Dam foundation was also made and executed at site. The Petitioner attributed cost of Rs. 21.95 Crore towards these works.
5. Cost overrun of Rs. 4.00 Crore was attributed to other miscellaneous works. The Petitioner vide letter dated 18.07.2024 was asked to submit the details of the work carried out amounting to Rs. 4 Crore. The Petitioner in response vide its reply dated 21.08.2022 submitted that Rs. 1.50 Crore was incurred on landscaping and site development of Dam complex while Rs. 2.50 Crore was incurred on protection works at U/s of right side of Dam block.

The Petitioner was also asked to submit the statutory auditor certificate of the cost actually incurred as on COD along with bifurcation of expenses on factors resulting in increase in the hard cost. The Petitioner vide its reply dated 16.10.2022 submitted the statutory auditor certificate certifying the actual cost incurred along with bifurcation of increase in the cost to various factors responsible for cost increase. The summary of the auditor certificate is as shown in the Table below:

Table 3.17: Analysis of increase in cost of contract awarded to M/s GECPL as certified by Statutory Auditor. (in Rs. Crore)

Awarded Cost	Actual Cost as on 24.05.2022	Increase in Cost	Qty variation	Price Variation	Impact of GST	Royalty / Environmental Cess	Medical insurance due to COVID-19	Total increase
317.05	475.14	158.09	107.22	44.19	3.84	2.69	0.15	**158.09**

The Commission with regards to quantity variation sought explanation with regard to the following costs:

1. Cost over-run due to additional spillway amounting to Rs. 12.29 Crore.
2. Cost over-run due to increase in suitable foundation level of dam in deepest blocks by Rs. 21.95 Crore.
3. Reasons along with supporting documents to justify the requirement of increased quantity resulting in the increase in cost by Rs. 77.33 Crore.

The Petitioner in response vide its reply dated 16.10.2024 re-iterated the reason submitted in its Petition towards additional spillway, as per Point 1 above. The Petitioner however submitted a copy of required study carried out in support of the recommendation of additional spillway.

Regarding additional expenses of Rs. 21.95 Crore, as per Point 2 above, the Petitioner submitted that the same was towards idling charges paid to M/s GECPL and the same was amicably settled with the Contractor. The Commission further queried the Petitioner to submit how an amicable settlement was arrived at and also asked the Petitioner to submit a copy of all correspondences and approval of this settlement. In response to the same, the Petitioner vide its reply dated 05.02.2025 submitted that the amicable settlement was carried out in accordance with Sub-Clause 67.1 of the Contract which provided for an amicable settlement. The Petitioner also submitted all correspondences and BoD approval pertaining to this amicable settlement and therefore the same has been considered.

Regarding increase in reinforcement quantity required towards dam, as per Point 3 above, the Petitioner submitted that during DPR and tender stage, provision of reinforcement cement concrete was kept on percentage/lump sum basis based on experience, however during detailed design and engineering stage site specific factor such as water column height, seismic parameter, geo technical properties of foundation material etc., were considered and accordingly drawings were issued resulting in increase in quantity from 6070 MT as considered in the DPR to 16192 MT actually utilised. The Petitioner submitted a copy of design report of spillway. The Petitioner with regard to detailed break up of cost, clarified that the additional costs incurred including labor, materials, equipment, and any other associated expenses was as per the BoQ rates specified in the contract.

The Commission has gone through the submissions of the Petitioner and supporting documents filed. In view of the submissions made and statutory auditor certificate the Commission approves the cost towards quantity variation as claimed by the Petitioner.

With regard to expenses claimed towards price variation, the Commission asked the Petitioner to submit the soft copy of the PV computed in accordance with the formulation provided in the contract. The Petitioner in response submitted the required computation. In view of the supporting computations provided and the statutory auditor certifying the PV cost, the Commission has considered the Price variation claimed by the Petitioner. The Commission has however reduced the price variation for the period for which delay has not been condoned which has been discussed subsequently.

With regard to impact of GST, medical reimbursement and royalty/cess additionally paid by the Petitioner, the Commission, in view of the cost being certified by the Statutory auditor has approved the same.

3.4.4.4 *Powerhouse – M/s NPCC and M/s Alpha Pacific System.*

M/s NPCC was the original contractor with which the Principal Agreement No. 02/SE/LVCC-II/1987-88 was executed on 15.07.1987 between UPID and NPCC. The Petitioner submitted that to carry out balance works, a negotiation committee was formed on 13.10.2009. The scope of the Committee was to negotiate the rates of original contract and finalisation of current working rates with M/s NPCC and other contractors. The committee finalised the rates in 2009 and based on the negotiated rates, M/s NPCC was asked to complete the balance works vide supplementary agreement dated 06.03.2012. The Scope included Construction of Hathiari Surface Powerhouse along with Surge Tank, Penstock, 7 m dia. 1.35 km Head Race Tunnel from Hathiari end and Appurtenant Works on River Yamuna for an amount of Rs. 101.83 Crore. M/s Alpha Pacific System was also appointed as debitable agency to complete balance Work of Control Block and GIS Block under the contract entered with M/s NPCC. The BoQ price of the works that was to be carried out by M/s Alpha Pacific was Rs. 12.76 Crore. As against the same, the Petitioner has claimed cost of Rs. 316.17

Crore and Rs. 44.14 Crore as on project COD towards the works completed by M/s NPCC and M/s Alpha Pacific respectively. The increase in the cost vis-à-vis awarded cost works out to be Rs. 214.34 Crore for M/s NPCC and Rs. 31.38 Crore for M/s Alpha Pacific. The Petitioner in its Petition in support of the increase in capital cost submitted that the cost increased due to the following reasons.

Table 3.18: Reasons for increase in the cost incurred towards construction of Powerhouse

Sr. No.	Additional Work	Details of works	Increase in the Cost (Rs. Crore)
1	Revised alignment of Tail Race	The Petitioner submitted that from the experience of tail race alignment and its effect on turbines and modifications done in case of MB-II, there were concerns felt during Technical Advisory Committee (TAC) with regard to short straight reach of 20m of tail race. TAC advised that Powerhouse location to be shifted hill side to achieve required straight length. The direction of machine was also revised from clockwise to anticlockwise. These changes resulted in some revisions in layout of powerhouse. Straight length got increased for Draft tube gate of Unit 2 from 20 meters to 30.5 metres.	39.62
2	TRC outfall gate	For safety of powerhouse, TRC Outfall gate with handling and operating system was considered to protect back entry of boulders from river in case of high flood in river when units are shut.	5.40
3	Slope Stability Treatment of Back slope of Powerhouse	The slope of 150 m required exhaustive slope protection including cable anchoring as suggested by GSI, design consultant and TAC.	24.63
4	Increase in Civil Works due to Change in 220 kV Switchyard (AIS to GIS)	Based on the advantages of the advanced technology and non-availability of required suitable area from geological point of view for AIS, provision of GIS was adopted. Provision of GIS in Powerhouse building resulted in the variation in quantity of civil works of Powerhouse frames structure after incorporating provision of GIS, control room, service bay with unloading bay and erection bay.	41.76
5	Other misc. work	Cost overrun due to different misc. work	4.00
6	Excavation of penstock by mechanical means	The cover of penstock below EL 535.00 was not adequate and having poor rock, conventional drilling blasting was prohibited and excavation by mechanical was carried out.	2.51
7	Variation in Penstock liner	The quantity estimated in DPR was 750 MT whereas the quantity calculated as per design was 950 MT and additional backfilling and shotcrete.	8.67
8	Restoration of squeezing zone and already excavated HRT	Additional work of restoration of squeezing zone in HRT required additional work in backfilling and support system.	22.21

The Petitioner in support of the above increase in works, submitted approval of BoD along with the details of quantity and cost variation.

The Petitioner was also asked to submit the statutory auditor certificate of the cost actually incurred as on COD along with bifurcation of expenses on factors resulting in increase in the hard cost. The Petitioner vide its reply dated 26.11.2024 submitted the statutory auditor certificate certifying the actual cost incurred along with bifurcation of increase in the cost to various factors responsible for cost increase. The summary of the auditor certificate is as shown in the Table below:

Table 3.19: Analysis of increase in cost of contract awarded to M/s NPCC and M/s Alpha Pacific as certified by Statutory Auditor. (in Rs. Crore)

Awarded Cost	Actual Cost as on 24.05.2022	Increase in Cost	Qty variation	Price Variation	Impact of GST	Labour Cess/ /Royalty/ Taxes	Cartage Extra Lead	Price difference Steel	Electricity Tariff Diff + medical reimburse ment COVID	Total increase
NPCC - 101.83	316.17	214.34	93.44	44.65	33.15	8.00	13.46	20.57	1.08	214.34
Alpha - 12.76	44.14	31.38	12.45	6.66	5.56	0.99	1.98	3.68	0.05	31.38

The Commission has gone through the submissions of the Petitioner and supporting documents provided. In view of the submissions made and statutory auditor certificate provided, the Commission approves the cost towards quantity variation as claimed by the Petitioner.

Regarding expenses claimed towards price variation, the Commission asked the Petitioner to submit the soft copy of the PV computed in accordance with the formulation provided in the contract. The Petitioner in response to the same submitted the required computation. The Commission, in view of the supporting computations provided and the statutory auditor certifying the PV cost, has considered the Price variation claimed by the Petitioner. The Commission has however reduced the price variation for the period for which delay has not been condoned.

Further, regarding impact of GST, the Commission observed that given the awarded value, the impact claimed towards GST is considerably higher. The Commission therefore vide its letter dated 24.01.2025 sought explanation for such impact. The Petitioner vide its reply dated 08.02.2025 submitted that as per Clause S.1.3.05 of the Contract agreement, the Petitioner was required to refund the work contract taxes and service tax to M/s NPCC and with the implementation of GST, the Petitioner had to refund the GST. The Petitioner submitted that the total GST paid by the Petitioner was Rs. 33.52 Crore which has been claimed in the Petition. The Commission after perusing the submissions of the Petitioner and the contract document, observed that the sub-clause (c) of the referred clause specifies as follows.

*"**S.1.3.05 QUANTITIES, UNIT PRICES, TAXES AND ROYALTY ETC**.*

(a)….

(b)…

(c) The unit price shall also include Sales Tax, local tax, excise duty, octori, royalty on quarry rights etc. on brought out items and material required for this work. The contractor shall not request the Engineer-in-charge for issue of exception certificate for octori or any other taxes.

(i) Service Tax, Labour Cess, if applicable will be reimbursed by the department on producing documentary proof.

(ii)…

"

As implementation of GST subsumed several taxes that were included in the contract price, the Commission sought the differential impact from the Petitioner. The Petitioner vide its reply dated 04.03.2025 submitted that the issue was analysed by CA Firm M/s R Gupta and Associates appointed by UJVN Ltd. and it was recommended that a negative multiplication factor of 1.37% should be considered towards impact of previous taxes that got subsumed in the GST regime as per Section 171 of the GST Act for finalisation of amounts to be paid. The Petitioner submitted that the same has been carried out and an amount of Rs. 1.86 Crore has been adjusted in the bills of M/s NPCC and an amount of Rs. 0.28 Crore has been adjusted towards payments made to M/s Alpha Pacific. As the benefit has already been included, the Commission in view of the submissions made allows the same.

Regarding impact on account of other factors, in view of the statutory auditor certificate certifying the cost, the Commission has approved the same.

3.4.4.5 *HM Works – M/s OM InfraProjects*

The contract regarding supply of Hydro-Mechanical Equipment was awarded to M/s OM InfraProjects at an awarded price of Rs. 105.91 Crore. As already discussed, one amendment to the contract was issued to include the impact of GST of Rs. 4.98 Crore resulting in the increase in the contract price to Rs. 110.89 Crore which was approved by the Managing Director. As against the same, the Petitioner has claimed total cost as on COD of Rs. 115.20 Crore.

The Petitioner was also asked to submit the statutory auditor certificate of the cost actually incurred as on COD along with bifurcation of expenses on factors resulting in increase in the hard cost. The Petitioner vide its reply dated 16.10.2024 submitted the statutory auditor certificate certifying the actual cost incurred along with bifurcation of increase in the cost to various factors responsible for cost increase. The summary of the auditor certificate is as shown in the Table below:

Table 3.20: Analysis of increase in cost of contract awarded to M/s OM Metals as certified by Statutory Auditor. (in Rs. Crore)

Awarded Cost	Actual Cost as on 24.05.2022	Increase in Cost	Qty variation	Price Variation	Impact of GST	Labour Cess/ /Royalty/ Taxes	medical reimbursement COVID	Total increase
105.91	115.20	9.29	-	7.20	6.13	-	-	13.33

The Commission observed that the total impact on account of price variation and impact of GST i.e. Rs. 13.33 Crore exceeds the total increase in contract cost of Rs. 9.29 Crore. The Petitioner was accordingly asked to explain the variation. The Petitioner vide its letter dated 08.02.2025 submitted that the completed cost of Rs. 115.20 Crore is the capitalised cost and do not include the mandatory spares cost and therefore there is difference in the two values. The Petitioner further submitted that the contract of HM works has been finalised at Rs. 120.41 Crore which includes audited expenditure of Rs. 119.80 Crore and mandatory spares of Rs. 0.61 Crore that shall be capitalised post FY 2023-24. The Petitioner further submitted that the audited expenditure of Rs. 119.80 Crore also includes Rs. 1.42 Crore + taxes and have been approved by the BoD. The Petitioner further stated that as the awarded cost of Rs. 105.91 Crore do not include the claim but include mandatory spares of Rs. 0.61 Crore on the other hand Audited capital cost of Rs. 119.80 Crore does include the claim amount of Rs. 1.69 Crore but do not include the mandatory spares cost hence there is variation in the amount. The Petitioner also submitted the computation of price variation as per the formula specified in the contract.

The Commission has gone through the submissions of the Petitioner and observes that there is no quantity variation involved in the contract. It is further observed that the contract has been closed, and closure report has also been submitted. The Commission therefore in view of the submissions made, approves the cost claimed by the Petitioner except for price variation. With regard to PV, the Commission has curtailed the same in proportion to the delay that has been disallowed by the Commission.

3.4.4.6 *E&M Works – M/S BHEL*

The Electro-Mechanical Works of 2x60 MW Vyasi HEP included "Detailed design & engineering, manufacture, quality assurance, quality control, shop assembly, shop testing, transportation, delivery at site, site storage and preservation, erection, testing and commissioning, performance testing, field acceptance testing, training of UJVNL personnel, handing over and guarantee of two years for the Electro-mechanical equipment & systems", on EPC (Engineering, Procurement & Construction) basis was awarded to M/s BHEL at a price of Rs. 124.93 Crore. Six change orders were issued to M/s BHEL which was approved by the competent authority i.e., BoD.

The summary of all the change orders along with its impact is as shown in the following Table:

Table 3.21: Change Order issued to M/s BHEL along with its impact (in Rs. Cr.)

S. No.	Date and Order No.	Description	Additional financial impact	Revised Order Value
1	Letter No. 65 dt. 17.03.2015	Change in direction of rotation of Machines and revision in zero date.	NIL	124.93
2	Letter No. 45 dt. 14.02.2017	Self-Lubricating Bushes	0.682	125.61
3	Letter No. 151 dt. 08.05.2017	220 kV GIS and pothead yard instead of AIS	37.14	162.75
4	Letter No. 318 dt. 15.09.2017	Revised Cooling water system tapping from Draft Tube in place of penstock	2.24	164.99
5	Letter No. 499 dt. 02.08.2019	Deletion of Penstock valve & modification of cooling water system & HP compressor.	(4.40)	160.59
6	Letter No. C-20 dt. 05.02.2022	GST impact on E&M contract.	3.98	164.58

The Petitioner further submitted that the above revised contract price of Rs. 164.58 Crore was inclusive of GST impact but excluded price escalation. The Petitioner was also asked to submit the statutory auditor certificate of the cost actually incurred as on COD along with bifurcation of expenses on factors resulting in increase in the hard cost. The Petitioner vide its reply dated 16.10.2024 submitted the statutory auditor certificate certifying the actual cost incurred along with bifurcation of increase in the cost to various factors responsible for cost increase. The summary of the auditor certificate is as shown in the Table below:

Table 3.22: Analysis of increase in cost of contract awarded to M/s BHEL as certified by Statutory Auditor. (in Rs. Crore)

Awarded Cost	Actual Cost as on 24.05.2022	Increase in Cost	Qty variation	Price Variation	Impact of GST	Labour Cess/ /Royalty/ Taxes	medical reimburseme nt COVID	Total increase
124.93	138.80	13.87	35.67*	-	3.98*	-	-	*

**The Petitioner did not submit separate break up of factors that resulted in increase in the cost as on COD. The impact shown is w.r.t to cost incurred and estimated till FY 2024-25.*

The Commission observes that the change in AIS to GIS resulted in an increase in the cost by Rs. 37.14 Crore and considering the same, the cost claimed as on COD is within the approved cost. The Commission, therefore, in view of necessary approvals provided toward change in scope and statutory auditor certificate provided certifying cost as on COD of the plant, approves the cost claimed as on COD. Further, as there is no price variation involved in the contract, hence no curtailment on account of delay disallowed has been done. The Commission accordingly approves Rs. 138.80 Crore towards E&M works carried out as on COD.

3.4.4.7 *Other Contracts and Procurement Contracts*

The Commission observes that the other minor contracts were awarded to carry out minor and specific works that were not covered under the main contract. The Commission had sought details of these works seeking the awarded and completed costs. It is observed that there is minor differences in between the awarded cost and completed cost under these contracts. These differences are as summarised below:

Table 3.23: Comparison of cost of works estimated in the DPR, vis-à-vis awarded cost and actual cost incurred as on COD of the Project (in Rs. Crore)

S. No	Works Contract	Cost as Per TEC	Contracted/ Awarded Cost	Cost as on Project COD	Cost Overrun vis-à-vis TEC	Cost overrun vis-à-vis Contracted Cost
1	**Other work Contracts**	141.27	120.22	127.03	90.87	6.81
2	**Procurement Contracts**		103.38	105.11		2.06
Total		**141.27**	**223.60**	**232.14**	**90.87**	**8.54**

In view of the contract wise details submitted, the Commission has approved the expenses claimed towards the above contracts.

3.4.5 *Price Variation*

Regulation 21(10) of UERC Tariff Regulations, 2021 provides as follows:

*"**21. Capital Cost and capital structure***

(1)..

..

(10) Incidental Expenditure During Construction (IEDC):

a) ..

c) In case the time over-run beyond SCOD is not admissible after due prudence, the increase of capital cost on account of cost variation corresponding to the period of time over run may be excluded from capitalization irrespective of price variation provisions in the contracts with supplier or contractor of the generating company or the transmission licensee or the distribution licensee or SLDC.

In accordance with the above, while approving the hard cost and delay associated with the project, the Commission has decided to disallow proportionate price variation resulting out of delay that has not been condoned by the Commission. In order to do so, the Commission has ascertained the price levels for each contract and then based on the ratio of approved implementation schedule including delay condoned to the period of delay that has not been condoned has proportionally allowed PV. The Table below shows contract wise working of PV disallowed.

Table 3.24: Contract Wise Price Variation disallowed (in Rs. Crore)

S. No.	Contract	Date of Contract	Awarded Price	PV Level	PV as on COD	PV Duration till COD (Days)	Disallowed delay (Days)	Disallowed PV (Tentative)
			A		**B**	**C**	**D**	**F=(B*D/C)**
1	GECPL	20.01.14	317.05	Apr-13	44.19	3340	1351	17.87
2	NPCC	06.03.12	101.83	Nov-09	44.65	4587	1351	13.15
3	BHEL	11.06.14	124.93	Jul-12	0	3600	1351	0.00
4	OIML	27.01.16	105.91	Sep-15	7.20	2457	1351	3.96
5	Alpha	06.07.20	12.76	Nov-09	6.66	4587	1351	1.96
	Total		**662.48**		**102.70**			**36.95**

3.4.6 *Summary of Capital Cost approved*

Based on the time overrun and cost overrun approved by the Commission, the capital cost approved as on COD of Unit 2 i.e., 22.04.2022 and project cost i.e., 24.05.2022 is as shown in the Table below:

Table 3.25: Summary of Capital Cost approved as on COD (in Rs. Crore)

Particulars	Unit 2 - As on 22.04.2022		Project - As on 24.05.2022	
	Claimed	Approved	Claimed	Approved
Hard Cost	672.26	653.79	1344.77	1307.22*
IDC & FC	214.54	116.87	434.44	236.66
Establishment	68.4	44.06	137.58	88.63
Total	955.2	814.72	1916.79	1632.51

**After reducing PV disallowed.*

The Capital Cost approved for Unit 2 has been derived considering the same ratio as considered by UJVN Ltd. The capital cost so approved has been considered for computing tariff for the intervening period i.e., from 22.04.2022 to 23.05.2022. For the period post project COD, the capital cost approved as on 24.05.2022 has been considered.

4 Petitioner's Submissions, Commission's Analysis, Scrutiny and Conclusion on Truing-up for FY 2022-23

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

"12. Annual Performance Review

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

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

…

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

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

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

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

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

In its present filings, the Petitioner has also submitted the data relating to its expenses and revenues for FY 2022-23 for Vyasi HEP based on the audited accounts and has, accordingly, requested the Commission to carry out the Truing-up for FY 2022-23 along with the sharing of gain and losses.

The Commission had approved the provisional Tariff of Rs.. 7.60/Unit vide Order dt. 09.11.2022 so that the Petitioner do not face any financial hardship. The Petitioner has provisionally billed energy sold to UPCL at the approved provisional tariff during FY 2022-23. The Petitioner based on audited accounts and in terms of UERC Tariff Regulations, 2021 has now sought truing up of tariff and recovery of the actual expenses.

The Commission has already dealt with Capital Cost as on COD i.e. 24.05.2022 in Chapter 3 of this Order. Further, as also discussed earlier, as the financial year of FY 2022-23 has already passed the Commission in the current tariff proceedings has decided to carry out Truing-up of Vyasi for FY 2022-23 considering the capital cost as on CoD as approved by the Commission in this Order and on the basis of provisions of UERC Tariff Regulations, 2021.

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

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

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

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

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

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

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

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

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

4.1.1 *Physical Parameters*

4.1.1.1 *NAPAF*

As per the UERC Tariff Regulations, 2021 the norms for Generating Stations such as Vyasi HEP are applicable as:

"47. Norms of operation for Generating Stations

…

(c) For new hydro generating stations:

Storage and Pondage type plants with head variation between Full Reservoir Level (FRL) and Minimum Draw Down Level (MDDL) of up to 8%, and where plant availability is not affected by silt. – 90% NAPAF

Storage and Pondage type plants with head variation between FRL and MDDL of more than 8%, where plant availability is not affected by silt. – The month wise peaking capability as provided by the project authorities in the DPR (approved by CEA or the State Government) shall form basis of fixation of NAPAF

Pondage type plants where plant availability is significantly affected by silt. – 85% NAPAF

Run-of-river type plants - To be determined plant-wise, based on 10-day design energy data, moderated by past experience where available/relevant.

(i) A further allowance may be made by the Commission in NAPAF determination under special circumstances, e.g., abnormal site problem or other operating conditions, and known plant conditions.

Provided that in case of new hydro generating station the developer shall have the option of approaching the Commission in advance for fixation of NAPAF based on the principles enumerated in the Table above.

Provided further that Generating Companies shall submit plant wise NAPAF alongwith the detailed calculations and reasons thereof as per the guidelines for calculation of NAPAF as laid down in Appendix - III to these Regulations, for seeking approval of the Commission.

…"

The Commission observes that the financial year of FY 2022-23 has already passed and as there was no NAPAF specified for the Station, the Petitioner had no opportunity to match its performance with the norm. In view of the same it would be difficult to retrospectively specify performance target and link the same to recovery of capacity charges of the Petitioner. In view of the same, the Commission has not specified any NAPAF norm for FY 2022-23. However, the Petitioner was able to achieve the PAFY of only 71.89% in FY 2022-23. The Petitioner shall recover the AFC approved in this Order after adjusting for tariff already recovered.

4.1.1.2 *Energy Generation and Saleable Primary Energy*

It is observed that as per the DPR originally approved by CEA, the design energy approved was 375.24 MU (Pre-Lakhwar) and 439.80 MU (Post-Lakhwar). While computing the said design energy, the Petitioner had factored in e-flow as 2 cumec. The CEA's Hydro Project Appraisal Division vide its Memorandum of Changes dated 11.05.2021 had approved 353 MU as Design Energy which included the impact of e-flow of 4.33 cumec as was proposed by the Petitioner. In addition to the same the design energy was revised because of increase in the head loss due to increase in the normal tail water level from 514 m to 515.7 meter. The Commission in view of the design energy being approved by CEA, has approved design energy of 353 MU for Vyasi HEP.

It is further stated that as the entire AFC approved in this Order is required to be recovered, therefore Energy charge rate for FY 2022-23 has not been determined.

As per Regulation 47(4)(ii) of UERC Tariff Regulations, 2021, the normative Auxiliary Consumption of Hydro generation stations is defined as:

"…ii. Hydro generating stations:

(a) Surface hydro electric power generating stations

i. With rotating exciters mounted on the generator shaft: 0.7%

ii. With static excitation system: 1%

(b) Underground hydro generating station

i. With rotating exciters mounted on the generator shaft: 0.9%

ii. With static excitation system: 1.2%..."

Since, Vyasi HEP is a Surface type Station with Static Excitation, hence, the Normative Auxiliary Consumption is allowed as 1.00%. Therefore, the Commission decides to approve the Design Energy and Saleable Primary Energy as shown in Table below:

Table 4.1: Design Energy Saleable Primary Energy approved for Vyasi

Name of the Station	Original Design Energy	Design Energy approved in CEA's MoC dated 11.05.2021	Approved Auxiliary Consumption		Saleable Primary Energy
	MU	MU	%	MU	MU
Vyasi	375.24	353.00	1.00%	3.53	349.47

Since, Vyasi HEP achieved COD during FY 2022-23, the Design Energy for the year is calculated based on 10-day monthly generation data as approved by CEA in MoC dated 11.05.2021, proportionate to the number of days each unit was operational. Accordingly, the Commission approves the Design Energy and Saleable Primary Energy for FY 2022-23, as detailed in the Table below:

Table 4.2: Proportionate Energy & Saleable Primary Energy approved for Vyasi for FY 2022-23

Name of the Station	Design Energy approved in MoC dated 11.05.2021	Proportionate Design Energy for FY 2022-23	Approved Auxiliary Consumption		Proportionate Saleable Primary Energy for FY 2022-23
	MU	MU	%	MU	MU
Vyasi	353.00	316.09	1.00%	3.16	312.93

The actual generation of Vyasi HEP in FY 2022-23 was 350.03 MUs.

4.1.2 *Financial Parameters*

4.1.2.1 *Apportionment of Common Expenses*

The Commission in its Tariff Order dated March 28, 2024, revised the methodology followed for apportionment of Common Expenses for truing-up of FY 2022-23 and approved the allocation for indirect expenses in the ratio of 86:14 among 11 LHPs (9 Old LHPs, MB-II and Vyasi) and SHPs, respectively.

4.1.2.2 *Capital Cost*

In line with the capital cost approved in Chapter 3 of this Order, the Commission for the purposes of this Tariff Order is considering the capital cost for Vyasi Power Plant as on CoD, of Unit 2 and Unit 1 as per the details given below:

Table 4.3: Approved Capital Cost for Vyasi as on CoD (Rs. Crore)

Particulars	As on 22.04.2022		As on 24.05.2022	
	Claimed	Approved	Claimed	Approved
Hard Cost	672.26	653.79	1344.77	1307.22
IDC & FC	214.54	116.87	434.44	236.66
Establishment Expenses	68.4	44.06	137.58	88.63
Total Capital cost	**955.2**	**814.72**	**1916.79**	**1632.51**

Further, financing of the approved capital cost of Vyasi Power Station as on CoD is shown in the Table below:

Table 4.4: Financing for Vyasi as on Project CoD (Rs. Crore)

Particulars	As on 22.04.2022		As on 24.05.2022	
	Claimed	Approved	Claimed	Approved
Debt (Sources)	668.64	570.30	1341.75	1142.76
Equity (Sources)	286.56	244.42	575.04	489.75
Total	**955.20**	**814.72**	**1916.79**	**1632.51**

4.1.2.3 *Additional Capitalisation*

In addition to the Capital Cost claimed as on CoD, the Petitioner, in its revised submission dated November 26, 2024, has claimed additional capitalisation under Regulation 22(1) for works covered under the Original Scope and executed within the cut-off date as Rs. 48.09 Crore. The Commission has approved additional capitalisation for FY 2022-23 as Rs. 48.04 Crore, as discussed in the section below.

4.1.2.3.1 Disallowed/ Deferred Works

In Tariff Order dated March 28, 2024, the Commission, during the scrutiny of the expenses booked at DGM, Dhalipur office observed that the Petitioner has included an amount of Rs. 0.66 Crore towards "Supply & Installation of Godrej make furniture at Multistory Corporate office Building at Ujjwal" which is an expense associated with Corporate Building which is yet to be capitalised. **The**

Commission, therefore, had deferred the same and the Petitioner is deemed to claim the same along with the Capitalisation of Corporate Building.

Also, in Tariff Order dated March 28, 2024, the Commission, during the scrutiny of the expenses booked at Head Quarter has observed that the Petitioner has also included an amount of Rs. 0.57 Crore towards "Supply Installation Testing & Commissioning of 3 Nos. Passenger lifts in PEB Multi-story Corporate Ujjwal Building Dehradun" and Rs. 0.08 Crore towards "Construction of Temp. Rooms and Dismantling of Existing structure at Ujjwal, Dehradun" which is an expense to be booked along with capitalisation of Corporate Building which is yet to be capitalised. **The Commission, therefore, had decided to defer the said works associated with Corporate Building as per the new apportionment philosophy and directed the Petitioner to claim the same at the time of Truing-up of FY 2023-24 along with capitalisation of Corporate Building.**

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

Table 4.5: Disallowed and Deferred claim of Additional Capitalisation for Vyasi in FY 2022-23 (Rs. Crore)

Generating Station	Add. Cap. (Disallowed)	Add. Cap. (Deferred)
Vyasi	-	0.05
Total	**-**	**0.05**

4.1.2.4 *Approved Additional Capitalisation*

Based on the capital cost approved as on COD in Chapter 3 of this Order, the opening GFA for Truing up of FY 2022-23 for Vyasi HEP is considered as Rs. 1632.51 Cr.

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

Table 4.6: Additional Capitalisation claimed by the Petitioner for FY 2022-23 (Rs. Crore)

Components	Additional Capitalisation	De-capitalisation	Net Additional Capitalisation
Land	3.56	-	3.56
Building	0.28	-	0.28
Major Civil Works	12.79	-	12.79
Plant & Machinery	30.59	-	30.59
Vehicles	-	-	-
Furniture and Fixtures	0.18	-	0.18
Office Equipment & Others	0.04	-	0.04
IT Equipment's including Software	0.65	-	0.65
Total	**48.09**	**-**	**48.09**

The Commission has, accordingly, approved additional capitalisation for FY 2022-23 for Vyasi LHP the new apportionment philosophy and also Disallowed/Deferred some of the expenses as decided by the Commission in its Tariff Order dated March 28, 2024 as shown in the Table below:

Table 4.7: Asset-wise Additional Capitalisation approved by the Commission for FY 2022-23 for Vyasi (Rs. Crore)

Particulars of Assets	Net Additional Capitalisation Claimed	Net Additional Capitalisation Approved
Land	3.56	3.56
Building	0.28	0.24*
Major Civil Works	12.79	12.79
Plant & Machinery	30.59	30.59
Vehicles	-	-
Furniture and Fixtures	0.18	0.18
Office Equipment & Other Items	0.04	0.04
IT Equipment including Software	0.65	0.65
Total	**48.09**	**48.04**

On account of deferred expenses as discussed above.

The Commission has approved the Capital Cost of Vyasi project along with its funding in Chapter 3 of this Order. It is observed that the Petitioner has received funds of Rs. 39.93 Crore under the State Assistance Scheme (SAS) at zero percent interest rate but has to be repaid to GoU. The Commission has therefore for the purpose of funding the additional capitalisation for FY 2022-23 has considered these SAS loan first and then the balance additional capitalisation has been considered to be funded through equity. Based on the same, the financing of capital cost as on 31.03.2023 has been approved as follows.

Table 4.8: Financing for Vyasi as on 31.03.2023 (Rs. Crore)

Particulars	Claimed	Approved
Debt (Sources)	1375.45	1182.69*
Equity (Sources)	589.48	497.86*
Total	**1964.93**	**1680.55**

**Including SAS fund of Rs. 39.93 Crore.*

4.1.2.5 *Depreciation*

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

"**28.** Depreciation

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

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

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

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

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

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

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

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

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

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

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

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

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

The Petitioner submitted that for the FY 2022-23, it has computed depreciation on pro-rata basis from the COD i.e 24.05.2022.

As regards the depreciation computation towards the Capital Cost as on COD, the Commission has computed the depreciation for FY 2022-23 in accordance with the provisions of the UERC Tariff Regulations, 2021.

Accordingly, the Commission in this Order has approved the depreciation for FY 2022-23 as follows:

Table 4.9: Depreciation for Vyasi for FY 2022-23 (Rs. Crore)

Particulars	**22.04.2022 to 23.05.2022**		**24.05.2022 to 31.03.2023**	
	Claimed	**Approved**	**Claimed**	**Approved**
Depreciation	4.26	3.63	83.08	70.76

4.1.2.6 *Return on Equity (RoE)*

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

"26. Return on Equity

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

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

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

(2) Return on equity shall be computed on at the base rate of 15.5% for thermal generating stations, transmission licensee, SLDC and run of the river hydro generating station

and at the base rate of 16.50% for the storage type hydro generating stations and run of river generating station with pondage and distribution Licensee on a post-tax basis.

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

..."

The Commission has calculated RoE in line with the UERC Tariff Regulations, 2021. As discussed earlier, the Commission has approved the Capital Cost of Vyasi project along with its funding.

The Commission in accordance with Regulation 26(2) has allowed return at the rate of 16.50% on equity infused as per **Table 4.4.**

With regard to the Income Tax, the Petitioner, in the Petition has submitted that the income Tax shall be reimbursed 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.

As the Commission is carrying out the truing up of FY 2022-23, the Commission had dealt with the issue in this Order. The Commission observes that the Petitioner pays income tax as a consolidated business. 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 for 10 LHPs in its Order dated April 26, 2021 ruled as:

"…The Commission has considered the income tax recoverable without including interest under section 234B. Further, it is observed that the Petitioner has apportioned the total tax amount (pertaining to sale of power to UPCL, HPSEB and sale of SHP's power) into individual plants by considering the installed capacity of the Plants. However, the apportionment should have been on the basis revenue contribution out of total revenue."

The Petitioner is directed to strictly apply the methodology as approved by the Commission claim, considering that the same methodology has been adopted by the Petitioner for FY 2022-23, the Commission is of the view that the Regulation 34 of UERC Tariff Regulations, 2021 allows recovery of actual Tax paid subject to submission of documentary proof. Therefore, the Commission allows the Petitioner to recover (actual) Income Tax paid separately from its beneficiaries in accordance with Regulation 34 of the UERC Tariff Regulations, 2021.

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

Table 4.10: Opening Equity approved by the Commission for Vyasi for FY 2022-23 (Rs. Crore)

Particulars	22.04.2022 to 23.05.2022		24.05.2022 to 31.03.2023	
	Claimed	Approved	Claimed	Approved
Opening Equity	286.56	244.42	575.04	489.75

The Commission on account of the Opening Equity approved by the Commission for Vyasi for FY 2022-23 as shown below:

Table 4.11: RoE approved for Vyasi for FY 2022-23 (Rs. Crore)

Particulars	22.04.2022 to 23.05.2022		24.05.2022 to 31.03.2023	
	Claimed	Approved	Claimed	Approved
RoE	4.15	3.54	81.86	68.85

4.1.2.7 *Interest on Loans*

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

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

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

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

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

...

(5) The rate of interest shall be the weighted average rate of interest calculated on the basis

of the actual loan portfolio of the previous year after providing appropriate accounting adjustment for interest capitalised:

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

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

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

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

…"

The Petitioner submitted that as per the provisions of Regulation 24 of MYT Regulations, 2021, it has considered actual loan portfolio as on the date of COD and accordingly computed the weighted average rate of interest applicable for the normative loan for the FY 2022-23. Further, interest on loan for FY 2022-23 has been calculated on pro-rata basis from the COD.

The Commission has considered the Capital Cost of Vyasi as on CoD and the financing thereof as approved in this Order.

In case of Vyasi station, as the actual loans have been availed for the project, therefore, the interest has been computed based on the interest rate applicable to these loans availed for the project which works out to be 10.79%.

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

Table 4.12: Opening/Closing Loan considered for Vyasi for FY 2022-23 (Rs. Crore)

Particulars	Normative Loan
Opening Loan	1,139.12
Addition	-
Repayment	70.76
Closing loan	1,068.36

The Commission while carrying out truing up of 9 LHPs and MB-II for FY 2022-23 in section 3.1.2.6 of its Order dated 28.03.2024 had ruled as follows:

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

In accordance with the above, based on the approved capital cost, and the repayment the Commission has computed the interest expenses for FY 2022-23. The Commission, in accordance with Regulation 27(3) of UERC Tariff Regulations, 2021 has considered the repayment for FY 2022-23 equal to the depreciation allowed for the year.

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

Table 4.13: Interest on Loan as approved for Vyasi for FY 2022-23 (Rs. Crore)

Particulars	22.04.2022 to 23.05.2022		24.05.2022 to 31.03.2023	
	Claimed	Approved	Claimed	Approved
Interest on Loan	5.93	5.38	113.22	101.52

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

A. Truing-up of O&M Expenses for FY 2022-23

Regulation 48(2)(c) of the UERC Tariff Regulations, 2021 specifies as follows:

"48 Operation and Maintenances Expenses

…

(c) For Generating Stations declared under commercial operation on or after 1.4.2022.

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

…"

The Petitioner submitted that O&M expenses for FY 2022-23 have been computed in two parts, first towards unit 2 which is from the COD of Unit 2 to project COD and then for the Project from COD of the project to the end of the financial year. The Petitioner further submitted that the same has been computed considering 4% of capital cost as provided under the Regulation.

The Commission has gone through the submission of the Petitioner and observes that the Petitioner did not deduct R&R expenses before applying the norm of 4% which is not in accordance with the regulation. The Commission has approved normative O&M expenses for the FY 2022-23 considering 4% of capital cost and after excluding cost incurred towards R&R.

The Petitioner in its submission dated 26.11.2024 vide which it has revised its Petition has submitted that it has adopted the revised allocation philosophy of 86:14 as directed by the Commission vide letter dated 18.07.2024.

As the Commission is carrying out the truing up of FY 2022-23, the Commission has carried out sharing of gain and loss based on actual expenses. The O&M expenses as trued up for FY 2022-23 is as shown in the Table below.

Table 4.14: Normative O&M Expenses as approved for Vyasi Station for FY 2022-23 (Rs. Crore)

Particulars	22.04.2022 to 23.05.2022		24.05.2022 to 31.03.2023	
	Claimed	Approved	Claimed	Approved
Normative O&M Expenses	3.35	2.78	65.33	54.14
Actual O&M Expenses	1.62	1.93	41.12	37.65
Efficiency Gain/(Loss)	1.73	0.85	24.21	16.50
Sharing (2/3rd) of Gain	0.58	0.56	8.07	11.00
Net O&M Entitlement	**2.77**	**2.50**	**57.26**	**48.76**

4.1.2.9 *Interest on Working Capital*

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

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

(i) Operation and maintenance expenses for one month

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

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

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

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

...."

The Petitioner has claimed that it has computed the working capital for each Plant in accordance with the provisions of the UERC Tariff Regulations, 2021, on normative basis. The rate of interest considered by the Petitioner for computing interest on working capital for FY 2022-23 has been considered as 12.03% as the weighted average of 'one-year Marginal Cost of Funds based Lending Rate (MCLR)' as declared by the State Bank of India for the period 01.04.2023 to 30.09.2023 is 8.53%. Accordingly, rate of interest for calculating the interest on working capital has been considered as 12.03% (8.53% + 3.5%).

4.1.2.9.1 One Month O&M Expenses

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

4.1.2.9.2 Maintenance Spares

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

4.1.2.9.3 Receivables

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

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

As discussed earlier, the Commission has approved the Capital Cost of Vyasi as on CoD and reviewed all the components of AFC.

Hence, the Interest on Working Capital calculated in accordance with UERC Tariff Regulations, 2021 is shown in the Table below:

Table 4.15: Interest on Working Capital for Vyasi as approved for FY 2022-23 (Rs. Crore)

Particulars	22.04.2022 to 23.05.2022		24.05.2022 to 31.03.2023	
	Claimed	Approved	Claimed	Approved
Interest on Working Capital	0.43	0.22	9.69	4.24

With regard to actual interest on working capital, the Commission in the Tariff Order dated March 28, 2024 had considered interest on overdraft amount drawn of Rs. 1.54 Crore for Salary in UJVN Ltd during FY 2022-23. The Commission has, accordingly, considered the same along with apportioned interest on overdraft amount drawn, i.e. Rs. 0.09 Crore. As the actual interest on working capital incurred by the Petitioner i.e. Rs. 0.09 Crore for FY 2022-23 is less than the normative interest on working capital, the Commission has shared the gain in interest on working capital in accordance with the provisions of UERC Tariff Regulations, 2021.

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

Table 4.16: Interest on Working Capital for Vyasi for FY 2022-23 after sharing of gains (Rs. Crore)

Particulars	Actual	Normative	Efficiency gain/(loss)	Rebate in Tariff	Net Entitlement
	(A)	(B)	(C)=(B)-(A)	(D)=1/3x(C)	(E)=(A)+(C)-(D)
Interest on Working Capital	0.09	6.65	6.55	2.18	4.46

4.1.2.10 *Non-Tariff Income*

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

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

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

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

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

a) Income from rent of land or buildings;

b) Income from sale of scrap;

c) Income from statutory investments;

d) Interest on delayed or deferred payment on bills;

e) Interest on advances to suppliers/contractors;

f) Rental from staff quarters;

g) Rental from contractors;

h) Income from hire charges from contactors and others;

i) Income from advertisements, etc.;

j) Any other non- tariff income.

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

The Petitioner has submitted the details of actual Non-Tariff Income for Vyasi HEP for FY 2022-23 in accordance with the audited accounts.

The Petitioner submitted details in prescribed format shared by the Commission during scrutiny of 10 LHPs' Tariff Petitions to attempt to substantiate that such fixed deposits were made through Return on Equity allowed by the Commission and the Commission in its Tariff Order dated March 28, 2024 ruled as:

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

…"

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

Table 4.17: Non-Tariff Income computation for recovery for Vyasi for FY 2022-23 (Rs. Crore)

Particulars	FY 2022-23
Net Cash availability (A)	60.83
Deposits Account's Balance (B)	281.66
Net Cash availability / Deposits Account's Balance (C=A/B)	0.22
Interest from FDR (D)	15.29
Interest from FDR from Net Cash (E=CxD)	3.30
Interest from FDR to be disallowed (F=D-E)	11.99
Interest from FDR not included in NTI	0.49
NTI to be recovered	11.50
Total (apportioned to Vyasi)	0.74

The Commission observes that Net Cash availability was positive in FY 2022-23. Accordingly, as per the approach followed in Tariff Order dated March 28, 2024, the Commission has allowed to keep pro-rata interest earned to the tune of Net Cash availability during FY 2022-23.

For the purpose True-up of FY 2022-23, the Commission has worked the interest earned from Fixed Deposits of Rs. 11.99 Crore as Non-Tariff Income for FY 2022-23. The Commission after excluding the Petitioner's claim of Rs. 0.49 Crore has considered an amount of Rs. 11.50 Crore and on applying the approved apportionment methodology as 86:14 for 11 LHPs (9 Old LHPs, MB-II & Vyasi) and SHPs the total interest on FD to be disallowed against Vyasi works out to Rs. 0.74 Crore.

Accordingly, after including the claim of the Petitioner of Rs. 0.65 Crore as Non-Tariff Income, the total Non-Tariff Income for Vyasi is approved as Rs. 1.39 Crore.

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

4.1.2.11 *Net Annual Fixed Charges for Vyasi from FY 2022-23*

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

Table 4.18: Summary of Truing-up of Net AFC of Vyasi for FY 2022-23 (Rs. Crore)

Particulars	22.04.2022 to 23.05.2022		24.05.2022 to 31.03.2023		Total	
	Claimed	**Approved**	**Claimed**	**Approved**	**Claimed**	**Approved**
Interest on loan	5.93	5.38	113.22	101.52	119.15	106.90
Depreciation	4.26	3.63	83.08	70.76	87.34	74.39
RoE	4.15	3.54	81.86	68.85	86.01	72.39
O&M expenses	2.77	2.50	57.26	48.76	60.03	51.26
Interest on Working Capital	0.43	0.22	9.69	4.24	10.12	4.46
Total Annual Fixed Costs	**17.53**	**15.27**	**345.11**	**294.14**	**362.64**	**309.40**
NTI	0.00	0.00	0.65	1.36	0.65	1.39

Table 4.18: Summary of Truing-up of Net AFC of Vyasi for FY 2022-23 (Rs. Crore)

Particulars	22.04.2022 to 23.05.2022		24.05.2022 to 31.03.2023		Total	
	Claimed	Approved	Claimed	Approved	Claimed	Approved
Net AFC	17.53	15.27	344.46	292.78	361.99	308.05
Tariff recovered	8.92	8.41	256.52	257.61	265.44	266.02
Gap/(Surplus)					96.55	41.99

4.1.2.12 ***Truing-up for Vyasi for FY 2022-23 and its net impact on UPCL***

As already discussed, the difference in the provisional tariff recovered at the rate of Rs. 7.60/kWh and AFC approved herein shall be recovered as per UERC Tariff Regulations, 2021. It is also observed that the Petitioner has failed to submit its Petition on time and there have been subsequent delays in submission of its replies. In most cases the replies submitted were after months of clarification sought and therefore, the Commission is of the view that there is no case to allow carrying cost on the differential amount as the burden of delay in filing of Petition and subsequent replies cannot be put on to the consumers. The Commission therefore denies any carrying cost on gap amount as determined above.

The Commission directs UJVN Ltd. to recover the differential amount of Rs. 41.99 Crore on account of Truing-up of Vyasi for FY 2022-23 from UPCL in accordance with the provisions of UERC Tariff Regulations, 2021 in twelve equal monthly instalments starting from April, 2025 to March, 2026.

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

5.1 Annual Performance Review

The Commission vide its Order dated November 09, 2022 had allowed provisional Tariff of Rs. 7.60 /Unit for Vyasi LHP to meet/recover the expenses till determination of final Tariff and also directed the Petitioner as:

"10. The Commission has taken cognizance of the submission of the Petitioner made during the hearing that some works are pending and expected to be completed by March, 2023, thereafter, it shall be in a position to file the petition for determination of final tariff. Therefore, the Commission, at present finds it appropriate to determine the provisional tariff in place of allowing it an interim tariff as the Petitioner has assured that within few months it will file a separate petition for the final tariff of the Project. In this regard, the Commission directs the Petitioner to file the petition for determination of final tariff at the earliest in accordance with the MYT Regulations.

…"

Also, 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 Petitioner, in this Petition, has sought approval of the Capital Cost of the generating station and as the audited annual account of FY 2022-23 is available it has sought Truing-up of FY 2022-23 based on the audited annual accounts. The Commission, in Chapter 3 of this Order has approved Capital Cost of the generating station and in Chapter 4 has carried out the Truing-up for FY 2022-23 in accordance with the UERC Tariff Regulations, 2021.

In accordance with Regulation 12(3) of the UERC Tariff Regulations, 2021, the scope of Annual Performance Review is limited to the revision of estimates for the current and /or ensuing financial year, if required, based on the audited financial results for the previous year. As already discussed, the Commission is carrying out the truing up of FY 2023-24 as the Petitioner has already filed a separate Petition on November 29, 2024, for True Up of Tariff for FY 2023-24, APR of FY 2024-25 and AFC of FY 2025-26 to FY 2027-28 and therefore APR of FY 2023-24 is not required.

The Commission has however undertaken to approve the Annual Fixed Charges (AFC) in accordance with the provisions of Regulation 12(3) of the UERC Tariff Regulations, 2021 for the Financial Year 2024-25 based on the Capital cost approved as on COD and additional capitalisation approved for FY 2022-23 in Chapter 4 of this Order and the additional capitalisation for FY 2023-24. The approach adopted by the Commission in the approval of each element of AFC for FY 2024-25 is elaborated in the subsequent paragraphs.

5.2 Physical Parameters

5.2.1.1 *NAPAF*

As per the UERC Tariff Regulations, 2021, the norms for Generating Stations such as Vyasi HEP are applicable as:

"47. Norms of operation for Generating Stations

…

(c) For new hydro generating stations:

Storage and Pondage type plants with head variation between Full Reservoir Level (FRL) and Minimum Draw Down Level (MDDL) of up to 8%, and where plant availability is not affected by silt. – 90% NAPAF

Storage and Pondage type plants with head variation between FRL and MDDL of more than 8%, where plant availability is not affected by silt. – The month wise peaking capability as provided by the project authorities in the DPR (approved by CEA or the State Government) shall form basis of fixation of NAPAF

Pondage type plants where plant availability is significantly affected by silt. – 85% NAPAF

Run-of-river type plants - To be determined plant-wise, based on 10-day design energy data, moderated by past experience where available/relevant.

(i) A further allowance may be made by the Commission in NAPAF determination under special circumstances, e.g., abnormal site problem or other operating conditions, and known plant conditions.

Provided that in case of new hydro generating station the developer shall have the option of approaching the Commission in advance for fixation of NAPAF based on the principles enumerated in the Table above.

Provided further that Generating Companies shall submit plant wise NAPAF alongwith the detailed calculations and reasons thereof as per the guidelines for calculation of NAPAF as laid down in Appendix - III to these Regulations, for seeking approval of the Commission.

…"

In the instant petition, the Petitioner has sought an allowance in NAPAF.

The Commission while allowing a provisional Tariff for Vyasi HEP ruled as follows:

"12. The Commission at present is not taking any view on NAPAF and saleable primary energy of the Project and shall take a final view on the same while determining the final tariff. However, the Petitioner is directed to maintain a proper data for calculation of actual PAFM, e-flow etc.

…"

As already discussed, the financial year of FY 2024-25 is almost over and as there was no NAPAF specified for the Station, the Petitioner had no opportunity to match its performance with the norm set by the Commission. In view of the same, it would be difficult to retrospectively specify the performance target and link the same to the recovery of annual fixed charges of the Petitioner.

In view of the same, the Commission has not specified any NAPAF norm for FY 2024-25. The Petitioner shall recover the AFC approved in this Order after adjusting for the tariff already recovered.

In line with the above, as per the UERC Tariff Regulations, 2021, the norms for Generating Stations such as Vyasi HEP are applicable as:

5.2.2 *Design Energy and Saleable Primary Energy*

The Commission has already taken a view on Design Energy in Chapter 4 of this Order. Accordingly, the Commission approves Desing Energy for Vyasi HEP as 353.00 MU until Lakhwar HEP is Commissioned.

As per Regulation 47(4)(ii) of UERC Tariff Regulations, 2021, the normative Auxiliary Consumption of Hydro generation stations is defined as:

"…ii. Hydro generating stations:

(a) Surface hydro electric power generating stations

i. With rotating exciters mounted on the generator shaft: 0.7%

ii. With static excitation system: 1%

(b) Underground hydro generating station

i. With rotating exciters mounted on the generator shaft: 0.9%

ii. With static excitation system: 1.2%..."

Since, Vyasi is a Surface type Station with Static Excitation, hence, the Normative Auxiliary Consumption is allowed as 1.00%. Therefore, the Commission decides to consider the Design Energy and Saleable Primary Energy as shown in **Table** below:

Table 5.1: Approved Design Energy and Saleable Primary Energy for Vyasi (MU)

Name of the Station	Design Energy	Approved Auxiliary Consumption		Saleable Primary Energy
	MU	%	MU	MU
Vyasi	353.00	1.00%	3.53	349.47

The Commission approves Saleable Primary Energy as 349.47 MU for FY 2024-25.

With respect to the benefit of excess generation over and above the Design Energy, i.e. the Secondary Energy, the rate of Secondary Energy shall be based on the Design Energy.

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 Design Energy i.e. 353.00 MU. However, the Commission shall revisit the Design Energy once Lakhwar HEP is commissioned and the Petitioner shall ensure that the revised combined DPR of Vyasi and Lakhwar duly approved by CEA is submitted in the due course of time. The impact of mandatory discharges being released in compliance to NGT/NMCG Order has already been considered by CEA as 4.33 cumec, therefore no additional impact is being allowed to the Petitioner. However, if in case of any severe impact to the actual generation is established by the Petitioner on the basis of actual generation, the Commission in this regard after carrying out a due prudence check may consider to provide appropriate relief.

5.3 Financial Parameters

5.3.1 *Apportionment of Common Expenses*

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

"The Commission has considered the submission of the Petitioner and directs the Petitioner to adopt sound commercial principles while proposing the revised allocation methodology along with the next

Tariff Petition. The Commission as of now has continued with its earlier approach, however, while carrying out the Truing-up of FY 2023-24, the revised allocation principles shall apply.

…"

In compliance with the above, the Petitioner had proposed to continue with the existing allocation philosophy till the commissioning of Vyasi LHP and post COD of Vyasi LHP it had proposed revised allocation of indirect expenses between the 11 LHPs (9 Old LHPs, MB-II and Vyasi) and SHPs in the ratio of 95:05, respectively.

The Commission in its Tariff Order dated March 28, 2024, approved the revised allocation methodology, post-commissioning of Vyasi HEP as:

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

The Commission has continued with the same methodology in this Order.

5.3.2 *Capital Cost*

The Capital Cost of Vyasi generating station as on CoD has been discussed in detail in Chapter 3. Based on the above, the Commission has considered the capital cost as on CoD of Rs. 1632.51 Crore. The financing for the project has been considered as shown in the **Table** below:

Table 5.2: Approved Capital Cost and Financing for Vyasi as on CoD (Rs. Crore)

Particulars	Claimed	Approved
Normative Loan	**1341.75**	**1142.76**
Equity		
GoU budgetary support	336.16	336.16
Internal Resource	238.88	153.59
Total Equity	**575.04**	**489.75**
Total Loan and Equity	**1916.79**	**1632.51**

5.3.3 *Additional Capitalisation*

The Commission in addition to the opening GFA of Rs. 1632.51 Crore as on 24.05.2022, has also approved additional capitalisation of Rs. 48.09 Crore in FY 2022-23 as discussed in Chapter 4 of this Order.

With regard to additional capitalisation for FY 2023-24, the Petitioner has claimed an expenditure of Rs. 36.93 Crore. The Commission while carrying out truing up of FY 2022-23 has deferred some works of Rs. 0.05 Crore which has now been considered in FY 2023-24 as the works got completed in FY 2023-24. With regard to additional capitalisation for FY 2024-25, the Petitioner has further projected an expenditure of Rs. 50.07 Crore.

The Commission regarding other additional capitalisation again directs 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 approves the additional capitalisation claimed for FY 2023-24 & FY 2024-25. The provisionally approved additional capitalisation shall be subject to detailed scrutiny during True-up and shall be finally allowed after carrying out a due prudence check based on the approval of the Commission versus actual expenditure incurred.

In view of the above, the Commission accordingly approves the following additional capitalisation for FY 2023-24 and FY 2024-25:

Table 5.3: Additional Capitalisation approved for FY 2023-24 and FY 2024-25 for Vyasi

Generating Station	FY 2023-24		FY 2024-25	
	Claimed	Approved	Claimed	Approved
Vyasi	36.93	36.98	50.07	50.07

5.3.4 *Depreciation*

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

*"28. **Depreciation***

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

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

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

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

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

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

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

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

(4) Depreciation shall be calculated annually based on Straight Line Method and at rates specified in Appendix - II to these Regulations.
Provided that, the remaining depreciable value as on 31st March of the year closing after a period of 12 years from the date of commercial operation shall be spread over the balance useful life of the assets.

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

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

The Petitioner submitted that it has claimed depreciation in line with Regulation 28(1) of the UERC Tariff Regulations, 2021 and is based on the capital cost of the Vyasi HEP considered as on project COD i.e. 24.05.2022 and subsequent additional capitalisation.

The Commission in accordance with Regulation 28 of UERC Tariff Regulations, 2021 has computed the depreciation for FY 2024-25 on a flat rate basis as per the rates specified in Appendix-

IV of the UERC Tariff Regulations, 2021.

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

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

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

Table 5.4: Depreciation as approved for FY 2024-25 for Vyasi (Rs. Crore)

Particular	FY 2024-25	
	Claimed	**Approved**
Depreciation	101.73	87.14

5.3.5 *Return on Equity*

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 Vyasi HEP 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 has not considered income tax as part of RoE and same shall be claimed at the time of True-up for the year

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 Income Tax shall be reimbursed as per actual income tax paid, based on the documentary evidence submitted at the time of truing up of FY 2024-25, subject to the prudence check.

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.

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 of this Order, the Commission has approved the Capital Cost as on CoD to Rs. 1632.51 Crore. As per the financing considered by the Commission for the total approved Capital Cost of Rs. 1632.51 Crore and additional capitalisation of Rs. 85.02 Crore till FY 2023-24, Rs. 497.91 Crore has only been funded through equity and is detailed in the **Table** below:

Table 5.5: Details of Equity for Vyasi up to 31.03.2024

Particular	Amount (Rs. Crore)
Approved Capital cost as on 24.05.2022 (CoD)	1632.51
Additional Capitalisation up to 31.03.2024	85.02
GFA as on 31.03.2024	1717.53
Financing through grant	-
Net GFA	1717.53
Equity	**497.86**
(i) GoU budgetary support	336.16
(ii) Internal Resource	161.70
(iii) SASCI	-

The Commission has, therefore, considered the equity of Rs. 497.86 Crore eligible for return purposes for FY 2024-25. The summary of the Return on Equity approved for Vyasi for FY 2024-25 is shown in the **Table** given below:

Table 5.6: Return on Equity approved for Vyasi for FY 2024-25

Particular	FY 2024-25	
	Claimed	Approved
Return on Equity	100.33	82.15

5.3.6 *Interest on Loans*

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.

…"

In case of Vyasi station, as the actual loans have been availed for the project during FY 2022-23, therefore, the interest has been computed based on the interest rate applicable to these loans availed for the project which works out to be 10.79%. Accordingly, the Commission has considered the interest rate for Vyasi HEP as 10.79%.

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 Vyasi for FY 2024-25 as shown in the **Table** below.

Table 5.7: Interest on Loan approved for Vyasi for FY 2024-25 (Rs. Crore)

Particular	FY 2024-25	
	Claimed	Approved
Interest on Loan	112.92	97.61

5.3.7 *Operation and Maintenance expenses*

Regarding the Operation and Maintenance expenses for Generating Stations declared under commercial operation on or after 01.4.2022, Regulation 48(2) of the UERC Tariff Regulations, 2021 specifies as follows:

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

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

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

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

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

(d) …

(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) *…"*

The Petitioner submitted that Operation and maintenance expenses for the FY 2024-25 have been calculated by escalating the base O&M expenditure i.e. 4% of capital cost by the prescribed escalation factor.

The Commission has gone through the submission of the Petitioner and observes that the Petitioner did not deduct R&R expenses before applying the norm of 4% for computing O&M Expenses for FY 2022-23 which is not in accordance with the regulations. The Commission has approved normative O&M expenses for the FY 2022-23 considering 4% of capital cost and after excluding cost incurred towards R&R in Chapter 4 of this Order, the same have been escalated in line with the UERC Tariff Regulations, 2021 for computing O&M Expenses for FY 2024-25.

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

Table 5.8: Inflation Indices approved for Vyasi for FY 2024-25

Particulars	FY 2022-23	FY 2023-24	FY 2024-25
CPI	6.05%	5.19%	3.28%
WPI	9.41%	(0.73%)	2.26%
Inflation (Average 55:45)	4.19%		

Accordingly, the Commission approved O&M Expenses for FY 2024-25 as in the Table below:

Table 5.9: O&M Expenses approved for Vyasi for FY 2024-25 (Rs. Crore)

Particulars	FY 2024-25	
	Claimed	Approved
Employee Expenses	90.94	70.46
R&M Expenses		
A&G Expenses		
Total	**90.94**	**70.46**

5.3.8 *Interest on Working Capital*

The Petitioner submitted that the interest on working capital has been proposed in accordance with the Regulation 33 of UERC Tariff Regulations, 2021.

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

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 points".

...

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

"…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 expense and

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

The Petitioner submitted that it has considered the rate of interest on working capital, i.e. prevailing weighted average of One-year marginal Cost of funds-based lending rate (MCLR) as declared by the State Bank of India from time to time for the financial year in which the application for determination of tariff is made, i.e. in accordance with the Regulations.

The Petitioner has submitted documentary proof towards rate of interest on working capital considered in accordance with the aforementioned regulation as 12.03% for FY 2024-25.

The Commission has determined the interest on working capital for FY 2024-25, i.e. in accordance with the aforesaid Regulations and the same is as discussed below.

5.3.8.1 ***One Month O&M Expenses***

One month O&M expense has been considered by the Commission based on the approved annual O&M expenses for FY 2024-25, i.e. in accordance with the UERC Tariff Regulations, 2021.

5.3.8.2 ***Maintenance Spares***

The Commission has considered the maintenance spares as 15% of the approved annual O&M expenses for FY 2024-25 in accordance with UERC Tariff Regulations, 2021.

5.3.8.3 ***Receivables***

The Commission has approved the receivables for two months based on the approved AFC for FY 2024-25, i.e. in accordance with the UERC Tariff Regulations, 2021.

Based on the above, the Commission computed total working capital requirement of the Petitioner for FY 2024-25. Further, the Commission has considered the rate of interest on working capital as 12.06%, 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. 8.56% plus 350 basis points.

Accordingly, the summary of the interest on working capital for Vyasi for FY 2024-25 is shown in the Table below:

Table 5.10: Interest on Working Capital for Vyasi for FY 2024-25 (Rs. Crore)

Generating Station	1 month O&M Expenses	Maintenance Spares@15% of O&M	2 months Receivables	Total Working Capital	Interest on Working Capital	
					Claimed	Approved
Vyasi	5.87	10.57	57.55	73.99	10.76	8.92

5.3.9 *Non-Tariff Income*

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. 0.99 Crore for FY 2024-25 as estimated in its revised submission dated 26.11.2024. The Commission has considered the Petitioner's claim. The same shall, however, be Trued-up based on the actual audited accounts for the respective year.

Table 5.11: Non-Tariff Income for Vyasi for FY 2024-25 (Rs. Crore)

Name of the Generating Station	Claimed	Approved
Vyasi	0.99	0.99

5.3.10 *Annual Fixed Charges, Capacity Charge and Energy Charge Rate (ECR) for the FY 2024-25*

Based on the analysis of all the heads of expenses of AFC, the Commission has approved the Annual Fixed Charges (AFC) for Vyasi for FY 2024-25. The Commission, to arrive at the Net AFC for Vyasi, has adjusted the Non-Tariff Income from the gross AFC of Vyasi. The summary of Annual Fixed Charge, Capacity Charge and Energy Charge rate for Vyasi for FY 2024-25 is given in the **Table** below:

Table 5.12: Approved AFC, Capacity Charge and Energy Charge Rate for Vyasi for FY 2024-25

Depreciation	Interest on Loan (Rs. Cr.)	Interest on working Capital Rs. Cr.)	O&M Expenses Rs. Cr.)	RoE (Rs. Cr.)	Gross Annual Fixed Cost (Rs. Cr.)	Non-Tariff Income (Rs. Cr.)	Net AFC (Rs. Cr.)
87.14	97.61	8.92	70.46	82.15	346.27	0.99	345.28

As already discussed above Chapter 4 of this Order, the difference in the provisional tariff recovered at the rate of Rs. 7.60/kWh and AFC approved herein shall be recovered as per UERC Tariff Regulations, 2021.

6 Commission's Directives

6.1 Compliance to the Directives Issued in Order dated 05.04.2010.

6.1.1 *Design Energy*

The Commission observes that the commissioning of the Vyasi HEP in isolation has led to a significant reduction in Design Energy, and increase in cost of power component despite Vyasi and Lakhwar projects were originally conceived as part of a single, multi-purpose scheme and therefore, it is imperative that Lakhwar Project is expedited. In view of the same, the Petitioner is directed as follows.

6.1.2 *Status of Lakhwar project*

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 is hereby directed to submit the quarterly progress report of Lakhwar project.

6.1.3 *Auxiliary Energy Consumption*

The Petitioner is to comply with the Regulation 3(8) of the UERC Tariff Regulations, 2021 and record Auxiliary Energy Consumption separately for Sewage Treatment Plants (STPs) for its 11 LHPs/Dams/Barrages.

UJVN Ltd. is directed to submit the actual figures of Auxiliary consumption in line with the aforesaid regulation during tariff filings.

6.1.4 *Booking under right Asset head*

The Commission has been directing the Petitioner to ensure the booking of items appropriately under relevant head and any expenditure incurred on account of repetition of such instances in future shall be liable for disallowance.

The Commission during the Truing-up of FY 2022-23 has observed that the Petitioner is still not following the directions and is also booking assets as per DPR heads and not as per booking of items appropriately under the relevant head as approved in Chapter 3 of this Order.

With regard to wrong booking of expenses under their respective heads, **the Commission directs the Petitioner to make sincere efforts while booking of its expenses under respective heads i.e., Additional Capitalisation or R&**M as per heads approved in Chapter 3 of this Order.

6.1.5 *Completion of Balance Works*

The Petitioner is directed to complete all its works that were under original scope of work as any additional capitalisation beyond cut-off date shall only be allowed if there is substantial reason prohibiting the generator from completing the same within cut-off date.

Anurag Sharma **Member (Law)**	**M. L. Prasad** **Chairman**

7 Annexures

7.1 Annexure-1A: Public Notice

UJVN LIMITED

H.O.: "UJJWAL", Maharani Bagh, G.M.S. Road, Dehradun-248006
Telephones: 0135-2763808, Fax: 0135-2763508
CIN No.U40101UR2001SGC025866, Website:www.ujvnl.com

Letter No. 1291 **PUBLIC NOTICE** Dated 30.12.2023

Inviting Comments on Petitions filed by UJVN Ltd. before the Uttarakhand Electricity Regulatory Commission (Hon'ble Commission) for Truing-up of FY 2022-23, Annual Performance Review for FY 2023-24 & determination of Annual Fixed Charges for FY 2024-25 for its 10 Large Hydro Generating Stations
&
Approval of Capital Cost & determination of Annual Fixed Charges for FY 2022-23, FY 2023-24 & FY 2024-25 of its new Vyasi Large Generating Station.

1.Salient Points of the AFC/Tariff Petition for 10 LHPs

i. UJVN Ltd. a Government owned generating company, has filed the Petitions for the determination of Generation Tariff for the FY 2024-25 and Annual Performance Review of FY 2023-24 for its 10 Large Hydro Generating Stations before the Hon'ble Uttarakhand Electricity Regulatory Commission. Through the above Petitions, UJVN Ltd. has also proposed Truing-up of its expenses for FY 2022-23 for its 9 old Hydro Generating Stations & Maneri Bhali-II HEP. The salient features of the Tariff Petitions filed by UJVN Ltd. for its 10 Large Hydro Generating Stations are given in the Table below:

Annual Fixed Charges (₹Crore)

Station	FY 2022-23 (True-up)		FY 2023-24 (APR)		FY 2024-25 (AFC)	
	Approved (MYT T.O. dt. 31.03.2022)	Claimed	Approved (T.O. dt. 30.03.2023)	Revised Estimated by UJVN Ltd.	Approved (MYT T.O. dt. 31.03.2022)	Claimed
Dhakrani	30.53	31.91	28.14	34.17	31.27	35.81
Dhalipur	33.69	35.89	41.51	53.72	47.41	65.65
Chibro	96.60	91.40	97.79	107.18	106.62	116.14
Khodri	53.97	52.90	56.00	62.45	59.03	70.35
Kulhal	27.25	27.96	27.73	32.56	31.44	41.86
Ramganga	55.09	52.82	57.42	62.26	60.32	72.02
Chilla	76.94	83.53	83.61	97.48	109.02	110.79
MB-I	75.84	78.68	81.80	101.93	90.94	110.01
Khatima	45.16	44.27	45.40	48.65	45.67	50.22
MB-II	214.29	226.51	212.03	236.35	212.72	240.26
Total	**709.36**	**725.87**	**731.44**	**836.76**	**794.42**	**913.11**

ii. UJVN Ltd. has computed a Gap of Rs. 19.87 Crore (excluding the gap of HPSEB) by working out the difference of AFC claimed now vis-à-vis actual revenue collected in FY 2022-23.

iii. UJVN Ltd. has proposed an increase of about 24.84% for FY 2024-25 (with respect to the approved tariff for FY 2023-24). In case the entire claim of UJVN Ltd. is accepted by the Commission, an additional hike of around 1.02% in consumer tariff shall be required over and above the hike proposed by UPCL.

2. Salient Points of the AFC for Vyasi LHP

Besides aforesaid 10 LHPs, UJVN Ltd. has also filed the Petition for the approval of capital cost of ₹ 1922.52 Crore (as on COD i.e 24.05.2022) & determination of Annual Fixed Charges for FY 2022-23, FY 2023-24 & FY 2024-25 of its new Vyasi Large Generating Station before the Hon'ble Uttarakhand Electricity Regulatory Commission. Further, UJVN Ltd. has proposed Additional Capitalization & Annual Fixed Charges as follows:- **(in Rs. Crore)**

Description	FY 2022-23	FY 2023-24	FY 2024-25
Additional capitalization (Post CoD)	49.75	38.79	37.79
AFC	346.18	414.31	418.37

3. Detailed proposals as submitted by UJVN Ltd. can be seen free of cost on any working day in the Commission's office or at the office of UJVN Ltd., "UJJWAL", Maharani Bagh, GMS Road, Dehradun. Relevant extracts can also be obtained from the above-mentioned office of UJVN Ltd.

4. The proposals filed by UJVN Ltd. are also available at the website of the Commission **(www.uerc.gov.in)** and at the UJVN Ltd.'s website **(www.ujvnl.com)**.

5. Objections/suggestions are invited from the consumers and other stakeholders on the above proposals. These may be sent to the Secretary, Uttarakhand Electricity Regulatory Commission, either in person, or by post at 'Vidyut Niyamak Bhawan', Near I.S.B.T., P.O. Majra, Dehradun-248171 or through e-mail to **secy.uerc@gov.in** as a statement of objections or comments with copies of the documents and evidence in support thereof so as to reach the Secretary by 31.01.2024.

"AVOID WASTEFUL USE OF ELECTRICITY"

7.2 Annexure-2A: List of Respondents

Sl. No.	Name	Designation	Organization	Address
1.	Sh. Pankaj Gupta	President	Industries Association of Uttarakhand	Mohabewala Industrial Area, Dehradun

7.3 Annexure-1B: Public Notice

Uttarakhand Electricity Regulatory Commission
'Vidyut Niyamak Bhawan', Near ISBT, P.O.Majra, Dehradun-248171,
PH. 0135-2641115, Website www.uerc.gov.in, E-mail- secy.uerc@gov.in

Public Notice

Inviting Comments on the revised claim filed by UJVN Ltd. before the Uttarakhand Electricity Regulatory Commission for approval of capital cost & determination of Annual Fixed Charges for FY 2022-23, FY 2023-24 and FY 2024-25 of its new Vyasi Large Hydropower Project (Vyasi LHP).

1. **Salient Points of the capital cost and AFC for Vyasi LHP**

   Earlier, UJVN Ltd. had filed the Petition for the approval of capital cost of ₹ **1922.52 Crore** (as on COD of the project i.e. 24.05.2022) & determination of Annual Fixed Charges for FY 2022-23, FY 2023-24 & FY 2024-25 of its new Vyasi Large Generating Station before the Uttarakhand Electricity Regulatory Commission on **30.11.2023**. Further, UJVN Ltd. had proposed additional capitalization & Annual Fixed Charges as follows:-

(in ₹ Crore)

Description	FY 2022-23	FY 2023-24	FY 2024-25
Additional capitalization (Post CoD)	49.75	38.79	37.79
AFC	346.18	414.31	418.37

2. Thereafter, the Commission invited Objections/suggestions from the consumers and other stakeholders on the above proposals vide its notice dated **28.12.2023**.
3. On examination of the Petition, the Commission subsequently raised queries to the Petitioner vide deficiency note dated 18.07.2024, 02.08.2024 & 03.10.2024.
4. UJVN Ltd. vide its subsequent submission in the matter dated 26.11.2024 has revised its claim for the capital cost to ₹**1916.79 Cr**. (as on COD of the project i.e. 24.05.2022) with revised proposed additional capitalization & Annual Fixed Charges as follows:

(in ₹ Crore)

Description	FY 2022-23			FY 2023-24	FY 2024-25
	Unit # 2 23.04.2022 to 24.05.2022	Unit #1 & # 2 25.05.2022 to 31.03.2023	Total		
Additional capitalization (Post CoD)	6.39	48.09*	54.48	36.93*	50.08
AFC	17.53	344.46	361.99	411.20	415.69

**including apportioned Additional Capitalization of Rs. 0.83 Cr. for FY 2022-23, Rs. 4.04 Cr. for FY 2023-24*

5. The revised detailed proposals as submitted by UJVN Ltd. can be seen free of cost on any working day in the Commission's office or at the office of UJVN Ltd., "UJJWAL", Maharani Bagh, GMS Road, Dehradun. Relevant extracts can also be obtained from the above-mentioned office of UJVN Ltd.
6. The proposals filed by UJVN Ltd. are also available at the website of the Commission (www.uerc.gov.in).
7. Objections/suggestions are invited from the consumers and other stakeholders on the above revised 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 **28.01.2025**.

Advt. No. - 24/2024-25 **Secretary**

7.4 Annexure-2B: List of Respondents

Sl. No.	Name	Designation	Organization	Address
1.	Sh. Pankaj Gupta	President	Industries Association of Uttarakhand	Mohabewala Industrial Area, Dehradun
2.	Sh. Pawan Agarwal	Vice President	M/s Uttarakhand Steel Manufacturers Association	Kandi Road, Kotdwar

7.5 Annexure-3: List of Participants in Public Hearings

List of Participants in Hearing at Almora on 19.02.2024

Sl. No.	Name of the Participants	Designation	Organization	Postal Address
1.	Dr. R.S. Shahi	-	-	Near CMO Office, Pandeykhola, Distt. Almora, Uttarakhand.
2.	Sh. Gopal Singh	-	-	New Indira Colony, Khatyari-263656, Distt. Almora, Uttarakhand.
3.	Sh. Girish Chand Malhotra	-	-	G.S. Sadan, Gopaldhara, Dharanaula-263601, Distt. Almora, Uttarakhand.
4.	Smt. Halima Ansari	-	-	Near Haldwani Taxi Stand, Gurudwara, Tilakpur-263601, Distt. Almora, Uttarakhand.
5.	Sh. Manjul Mittal	-	-	Ashirwad Bhawan, Ranidhara Road, Distt. Almora, Uttarakhand.
6.	Sh. N.C. Pant	-	-	Pant Bhawan, West Pokharkhali-263601, Near District Jail, Distt. Almora, Uttarakhand.
7.	Sh. P.C. Tewari	President	Uttarakhand Parivartan Party	Dipti Niwas, Dharanaula-263601, Distt. Almora, Uttarakhand.
8.	Sh. Prakash Chand	-	-	S/o Sh. Nathuram, Village-Chitai Pant, Post Office-Chitai, Distt. Almora, Uttarakhand.
9.	Sh. Shubham Joshi	-	-	House No. 1, Gangola Mohalla-263601, Distt. Almora, Uttarakhand.
10.	Sh. Amit Shah	Ward Member	-	Near Petrol Pump, Pandeykhola, Distt. Almora, Uttarakhand.
11.	Sh. Atul Pandey	-	-	Pandeykhola, Deen Dayal Upadhyay Park, Distt. Almora, Uttarakhand.
12.	Sh. Akash Mehra	-	-	Village-Kasar Devi, Freedom Guest House, Distt. Almora, Uttarakhand.
13.	Sh. Pan Singh	-	-	S/o Sh. Soban Singh, Village-Surchaura, Tehsil-Jaiti, Distt. Almora, Uttarakhand.
14.	Sh. Sushil Shah	-	-	S/o Late Sh. Lal Shah, Khajanchi Bazar-263601, Distt. Almora, Uttarakhand.

List of Participants in Hearing at Rudrapur on 20.02.2024

Sl. No.	Name of the Participants	Designation	Organization	Postal Address
1.	Sh. Shakeel A. Siddiqui	Legal Advisor	M/s Kashi Vishwanath Textile Mill (P) Ltd.	House No. T-4, Prakash City, Bazpur Road, Kashipur, Distt. Udham Singh Nagar.
2.	Sh. Sanjay Kumar Adhlakha	Director	M/s Ambashakti Glass India Pvt. Ltd.	Plot No. 41, Sector-3, IIE, SIDCUL, Pantnagar, Rudrapur-263153, Distt. Udhamsingh Nagar.
3.	Sh. Shreekar Sinha	President	SIDCUL Entrepreneur Welfare Society	SHIRDI Industries, SIDCUL, Pantnagar, Rudrapur-263153, Distt. Udhamsingh Nagar.
4.	Sh. Ashok Bansal	President	M/s Kumaon Garhwal Chamber of Commerce & Industry Uttarakhand	Chamber House, Industrial Estate, Bazpur Road, Kashipur, Distt. Udhamsingh Nagar.
5.	Sh. Vicky Sachdeva	-	M/s Bhagwati Alloys	Khasra No. 280/10/2, Bannakhera Road, Village-Vikrampur, Bazpur, Distt. Udhamsingh Nagar.
6.	Sh. Devesh Pant	-	M/s Tata Motors Ltd.	Plot No. 1, Sector 11, Integrated Industrial Estate, SIDCUL, Pantnagar-263153, Distt. Udham Singh Nagar
7.	Sh. Mahesh Chand Pandey	-	-	Village-Sufi Bhagwanpur, Lalkuan, Haldwani, Uttarakhand.
8.	Sh. Teeka Singh Saini	Block President	Bhartiya Kisan Union	Office-33, Katoratal, Kashipur, Distt. Udhamsingh Nagar
9.	Sh. Mukesh Tyagi	-	SIDCUL Entrepreneur Welfare Society	Plot No. 1, Sector-9, IIE, SIDCUL, Pantnagar, Distt. Udhamsingh Nagar.
10.	Sh. Rahul Jain	-	M/s Bhagwati Alloys	Khasra No. 280/10/2, Bannakhera Road, Village-Vikrampur, Bazpur, Distt. Udhamsingh Nagar.
11.	Sh. Balkar Singh Fauzi	-	-	Village-Raipur Khurd, P.O.-Kashipur, Distt. Udhamsingh Nagar
12.	Sh. Baljinder Singh Sandhu	District General	Bhartiya Kisan Union	Pega Farm, P.O.-Mahuakheraganj, Kashipur, Distt. Udhamsingh Nagar

List of Participants in Hearing at Rudrapur on 20.02.2024

Sl. No.	Name of the Participants	Designation	Organization	Postal Address
		Secretary		
13.	Shri Kalyan Singh	-	Bhartiya Kisan Union	Village-Gurdei, P.O.-Mahuakhera, Kashipur, Distt. Udhamsingh Nagar
14.	Sh. Rajeev Gupta	-	M/s Kashi Vishwanath Steels Pvt. Ltd.	Narain Nagar Industrial Estate, Bazpur Road, Kashipur-244713, Distt. Udham Singh Nagar
15.	Sh. Sanjay Agarwal	Vice President	M/s KVS Castings Pvt. Ltd.	Works: B-25-29, Industrial Estate, Bazpur Road, Kashipur-244713, Distt. Udhamsingh Nagar.
16.	Sh. Chandresh Agarwal	-	M/s India Glycols Ltd.	A-1, Industrial Area, Bazpur Road, Kashipur-244713, Distt. Udham Singh Nagar.
17.	Sh. Rajesh Chand Saxena	-	M/s India Glycols Ltd.	A-1, Industrial Area, Bazpur Road, Kashipur-244713, Distt. Udham Singh Nagar.
18.	Sh. Neeraj Bhatt	-	M/s Ashok Leyland Ltd.	Plot No. 1, Sector-12, IIE, SIDCUL, Pantnagar, Rudrapur-263153, Distt. Udhamsingh Nagar
19.	Shri Rajeev Sharma	-	M/s Varroc Engg. Pvt. Ltd.	Plot No. 20, Sector-9, SIDCUL, Pantnagar, Distt. Udhamsingh Nagar
20.	Sh. Ashok Tiwari	-	M/s Roqueete India Pvt. Ltd.	Plot No. 12, Sector–9, IIE, SIDCUL Pantnagar, Rudrapur-263153, Distt. Udhamsingh Nagar.
21.	Sh. Bhupinder Singh	-	M/s Roqueete India Pvt. Ltd.	Plot No. 12, Sector–9, IIE, SIDCUL Pantnagar, Rudrapur-263153, Distt. Udhamsingh Nagar.
22.	Sh. K.R. Pathak	-	M/s Belrise Industries Ltd.	Plot No. 15, Sector–10, IIE, SIDCUL Pantnagar, Rudrapur, Distt. Udhamsingh Nagar.
23.	Sh. Ram Kumar Agarwal	-	M/s Umashakti Steels Pvt. Ltd.	Village-Vikrampur, Post Off.-Bazpur–262401, Distt. Udhamsingh Nagar
24.	Sh. Thakur Jagdish Singh	-	-	Village-Dharampur, P.O.-Chhatarpur, Rudrapur-263153, Distt. Udhamsingh Nagar
25.	Sh. Rajesh Mishra	-	SIDCUL Association	Plot No. 1, Sector–9, IIE, SIDCUL Pantnagar, Rudrapur, Distt.

List of Participants in Hearing at Rudrapur on 20.02.2024

Sl. No.	Name of the Participants	Designation	Organization	Postal Address
				Udhamsingh Nagar.
26.	Sh. Ajay Kumar Agarwal	-	-	D-69, Old Allahabad Bank Lane, Main Market, Rudrapur, Distt. Udhamsingh Nagar
27.	Sh. R.B. Biradar	Sr. General Manager	M/s Radico Khaitan Ltd.	A-1, A-2, B-3, Industrial Area, Bazpur, Distt. Udhamsingh Nagar
28.	Sh. Anil Kumar	-	M/s La Opala RG Ltd.	B-108, Eldeco Sidcul Industrial Park, Sitarganj, Distt. Udhamsingh Nagar
29.	Sh. Prem Narayan Singh	-	M/s Uttaranchal Ispat (P) Ltd.	Plot No. D-1 to D-8, Pipalia Industrial Area, Village-Jagannathpur, Kashipur, Distt. Udhamsingh Nagar.
30.	Sh. Sanjeev Jindal	-	M/s Vishwanath Papers & Boards Ltd.	Village-Halduashahu, Patti-Jagatpur, Kashipur-Jaspur Road, Jaspur-244712, Distt. Udhamsingh Nagar.
31.	Sh. Mukesh Kumar Pant	-	RSB Transmission India Ltd.	Plot No. 23, Sector-11, Tata Vendor Park, SIDCUL, Pantnagar, Rudrapur-263153, Distt. Udhamsingh Nagar
32.	Sh. Devkinandan Dumka	-	RSB Transmission India Ltd.	Plot No. 23, Sector-11, Tata Vendor Park, SIDCUL, Pantnagar, Rudrapur-263153, Distt. Udhamsingh Nagar
33.	Sh. Ashwani Gupta	-	M/s Parmatama Ferro Alloys Pvt. Ltd.	Works : Ramraj Road, Village-Vikrampur, Bazpur, Distt. Udham Singh Nagar
34.	Sh. Sukhwinder Pal	-	-	Village-Bhajuanagla, Bazpur, Distt. Udham Singh Nagar
35.	Sh. Jaspal	-	-	Village-Bhajuanagla, Bazpur, Distt. Udham Singh Nagar

List of Participants in Hearing at Tehri on 24.02.2024

Sl. No.	Name of the Participants	Designation	Organization	Postal Address
1.	Sh. Jagjeet Singh Negi	-	-	L-Block, Type - 4, 1/4, New Tehri, Uttarakhand.
2.	Sh. C.P. Dabral	-	-	Sector-4D, II, Building No. 17, Village-Moldhar, Block-Jaunpur, New Tehri, Uttarakhand.
3.	Sh. Arvind Nautiyal	-	-	33/4, C-Block, Type–3, New Tehri, Uttarakhand.
4.	Sh. Kamal Singh Mehar	-	-	305, 7-C, Bauradi, New Tehri, Uttarakhand.
5.	Sh. Kishori Lal Chamoli	-	-	House No. 215, Sector-8B, Bauradi, New Tehri, Uttarakhand.
6.	Sh. Rajesh Vyas	-	-	House No. 365, Sector-7C, Bauradi, New Tehri, Uttarakhand.
7.	Sh. Chandra Mohan	-	-	Near Dheeraj Pundir General Store, Talla Chamba, Tehri Garhwal
8.	Sh. Ayush Kaintura	-	-	C-Block, Type-5, New Tehri, Uttarakhand.
9.	Sh. Rakesh Uniyal	-	-	E-Block, 20/4, New Tehri, Uttarakhand.
10.	Sh. Peetambar Dutt Chamoli	-	-	Village-Pata, P.O. Gyansyun, Tehri Garhwal, Uttarakhand.
11.	Sh. Ajay Gusain	-	-	Gusain Sadan, Near Thana Building, New Tehri, Uttarakhand.
12.	Sh. Vijay Singh Parmar	-	-	House No. 524, Sector-8 E, Bauradi, New Tehri, Uttarakhand.
13.	Sh. Anand Prakash Ghildiyal	-	-	House No. 524, Sector-8 E, Bauradi, New Tehri, Uttarakhand.
14.	Sh. Mukesh Raturi	-	-	J-15/1, Type-2, New Tehri, Uttarakhand.
15.	Sh. Munendra Negi	-	-	J-15/2, Type-2, New Tehri, Uttarakhand.

List of Participants in Hearing at Dehradun on 26.02.2024

Sl. No.	Name of the Participants	Designation	Organization	Postal Address
1.	Sh. Pankaj Gupta	President	Industries Association of Uttarakhand	Mohabewala Industrial Area, Dehradun-248110
2.	Sh. Rajiv Agarwal	-	M/s Industries Association of Uttarakhand	Mohabewala Industrial Area, Dehradun-248110
3.	Sh. Sanjeev Kumar	Office Executive	M/s Industries Association of Uttarakhand	C/o Satya Industries, Mohabbewala Industrial Area, Dehradun
4.	Sh. Sunil Kashyap	-	-	Near Madhur Milan Tent House, Daurwala, Mothrowala, Dehradun.
5.	Sh. Gulshan Khanduja	-	M/s Shree Ganesh Roller Flour Mills	Mohabewala Industrial Area, Subhash Nagar, Dehradun
6.	Sh. Pawan Agarwal	Vice-President	M/s Uttarakhand Steel Manufacturers Association	C/o Shree Sidhbali Industries Ltd., Kandi Road, Kotdwar, Uttarakhand
7.	Sh. Suresh Bansal	-	M/s Kukreti Steel Ltd.	Jasodharpur Industrial Area, Kotdwar
8.	Sh. Ashish Raturi	-	-	House No. 1, Badowala, near petrol pump, Shimla Bypass Road, Dehradun-248007.
9.	Sh. Ramesh Joshi	State President	Suraj Sewa Dal	Office-Kaulagarh Road, Sirmaur Marg, Dehradun.
10.	Sh. Shanti Prasad Bhatt	-	Uttarakhand Kranti Dal	Residence-124, Mitralok Colony, Ballupur Road, Dehradun, Uttarakhand.
11.	Sh. Sunil Kotnala	-	Uttarakhand Kranti Dal	Residence-124, Mitralok Colony, Ballupur Road, Dehradun, Uttarakhand.
12.	Sh. Sunil Masson	General Secretary	C/o Doon Udhyog Vyapar Mandal	1, Saraffa Bazar, Dhamawala, Dehradun.

List of Participants in Hearing at Dehradun on 26.02.2024

Sl. No.	Name of the Participants	Designation	Organization	Postal Address
13.	Sh. Mohit Bhatia	-	C/o Doon Udhyog Vyapar Mandal	47/21, West Patelnagar, Dehradun.
14.	Sh. Ashok Goswami	Manager	Shetra Mai Jeevni Ram Sukhdevi Ram Trust	Haridwar Road, Rishikesh-249201, Dehradun.
15.	Sh. Uma Shankar Pandey	-	Budget Hotel Association	Office-Almora Bhawan, Vijay Laxmi Niwas, Shravan Nath Nagar, Haridwar-249401.
16.	Sh. Surya Prakash	-	-	271/153, Araghar, Dehradun.
17.	Sh. Vijay Singh Verma	-	-	Village-Delna, P.O. Jhabrera, Roorkee-247665, Haridwar
18.	Sh. Rakesh Bhatia	State Chairman	Patelnagar Industrial Association	E-8, Govt. Industrial Area, Patel Nagar, Dehradun.
19.	Sh. Veeru Bisht	-	-	Mohanpur, Post Off.-Premnagar, Dehradun-248007
20.	Sh. Yashveer Arya	-	-	Surbhi Enclave, Canal Road, Jakhan, Rajpur Road, Dehradun.
21.	Sh. Vijay Mohan Mishra	-	M/s Jubilant Generics Limited	Sikandarpur Bhainswal, Bhagwanpur, Roorkee, Haridwar.
22.	Sh. Sunil Uniyal	President	M/s Uttarakhand Industrial Welfare Association	222/5, Gandhi Gram, Dehradun-248001, Uttarakhand.
23.	Sh. D.K. Maajhi	-	M/s Indian Extrusions Pvt. Ltd.	Address-1393, Langha Road, Industrial Area, Chharba-248142, Dehradun.
24.	Sh. Mukesh Sharma	-	M/s Uttarakhand Industrial Welfare Association	222/5, Gandhi Gram, Dehradun-248001, Uttarakhand.