



## उत्तराखण्ड पावर कारपोरेशन लिमिटेड

(उत्तराखण्ड सरकार का उपक्रम)

Uttarakhand Power Corporation Limited

(A. Govt. of Uttarakhand Undertaking)

CIN: U40109UR2001SGC025867

Website: [www.upcl.org](http://www.upcl.org)

Letter No.: 521 /UPCL/Comm/SE-II/B-II/Greenko

Date:- 28/01/2026

### BEFORE UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

**IN THE MATTER OF:** Petition for True-Up of Annual Fixed Cost (AFC) for FY 2024-25, Annual Performance Review for FY 2025-26 and Annual Revenue Requirement for FY 2026-27 for Budhil Hydro Electric Project of M/s Greenko Budhil Hydro Power Pvt. Ltd. under Section 62 and 86 of the Electricity Act, 2003 read with the UERC (Terms and Conditions for Determination of Multi Year Tariff) Regulations, 2021 and UERC (Terms and Conditions for Determination of Multi Year Tariff) Regulations, 2024.

**IN THE MATTER OF:** M/s Greenko Budhil Hydro Power Pvt. Ltd.,  
.....(Petitioner)

AND

**IN THE MATTER OF:** Uttarakhand Power Corporation Ltd.  
.....(Respondent)

वि०क्रासवि० गबर सिंह ऊर्जा भवन", कांवली रोड, देहरादून-248001, दूरभाष:0135-2762444 फ़ैक्स: 91-135-2763839  
"VCV Gabar Singh Urja Bhawan", Kanwali Road, Dehradun-248001 Tel. 0135-2762444 Fax: 91-135 -2763839



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*The following submissions on behalf of the Respondent (UPCL), seeking directions to the Petitioner (M/s Greenko Budhil Hydro Power Private Limited), is being made for production and disclosure of certain documents relevant and essential for the adjudication of the tariff petition.*

That UPCL respectfully submits as hereunder: -

1. That the petitioner in its petition while seeking True-up for FY 2024-25 has submitted the Additional Capitalization of Rs 1.86 Cr. mentioning in its petition that the "Hon'ble Commission vide its order dated 28.03.2024 has stated that the additional capitalization shall be allowed at the time of truing-up of FY 2024-25 based on the actual expenditure and after carrying out the prudence check of the same".

In regard to above, the observation made by Hon'ble Commission in its order dated 28.03.2024 during the ARR of the petitioner's plant for FY 2024-25 is reproduced below:

*"In the matter, as discussed above in this Order the Commission has decided to consider the additional capitalisation at the time of truing up of FY 2024-25 based on the audited accounts and as per prevailing Regulations as amended from time to time. Accordingly, proposed additional capitalisation for FY 2024-25 has been considered as nil, however, the same shall be reviewed at the time of truing up."*

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That the works projected for Additional Capitalization for FY 2024-25 during the proceedings of ARR of the petitioner's plant for FY 2024-25 which is mentioned in the order dated 28.03.2024 is enclosed as **Annexure-1**. Further, the list of Works requested for additional capitalization of FY 2024-25 mentioned in the present petition in the True-up section at page no. 17 is enclosed as **Annexure-2** for ready reference.

It is apparent from the comparison of both the lists that the substantial amount of works such as installation of CCTV Cameras, ABT Software, Vehicles and Early Warning System were not even proposed.

Further, the petitioner has submitted the particulars of works for Additional Capitalization claim during the APR of FY 2024-25 (**Annexure-3**) which are recorded in the Hon'ble Commission's order dated 11.04.2025. The Hon'ble Commission in its order dated 11.04.2025 has observed as following during the APR proceedings in reference to the Additional Capitalization claim for FY 2024-25:-

*“With regard to proposed additional capitalisation for FY 2024-25, the Commission observed that it has already approved additional capitalisation amounting to Rs. 0.02 Crore pertaining to ‘Supply and Installation of Aluminium Doors & Windows for Security post room at Budhil Site’ vide its Tariff Order dated 28.03.2024 for FY 2022-23. In the present case, the Petitioner has once again proposed additional capitalisation amounting to Rs. 0.08 Crore for ‘Fixing of Door and windows in Security Room’ during FY 2024-25. In the matter, the Commission could not establish whether it is*



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*a new work or balance work. The Commission directs the Petitioner to ensure to provide proper justification duly substantiating the same with documentary proofs during the proceedings of true-up for FY 2024-25. Further, the Petitioner is also directed to claim additional capitalisation only when the entire works are completed, and asset is put to use.*

*The Commission also observed from the submissions of the Petitioner that additional capitalisation amounting to Rs. 0.40 Crore has been done against the total projected additional capitalisation of Rs. 2.92 Crore for FY 2024-25. Major expenditure against the proposed additional capitalisation claimed for FY 2024-25 is yet to be incurred.*

*Accordingly, the Commission is of the view that the additional capitalisation shall be allowed at the time of true-up of FY 2024-25 based on the actual expenditure incurred and after carrying out prudence check of the same and give effect on this account in the AFC of FY 2026-27. Further, the Petitioner is directed to submit independent agency report for the capitalisation describing the necessity of the work. The Petitioner is cautioned to keep the additional capitalisation within the ambit of the original Project Scope and any capitalisation which is not within the original project scope of work or not necessary for smooth operation of the project will be disallowed by the Commission.*



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*Further, the Commission directs the Petitioner to give prior information to the licensee before incurring any major capital expenditure or any major repair & maintenance in its plant and the licensee will be at liberty to physically verify the claims of the Petitioner so as to avoid any dispute in future regarding the claims of the Petitioner. The Petitioner is also directed to maintain documentary evidence in the form of geotagged photographs of the site (prior execution of work and post execution of work) etc. in support of works to be executed and submit the same to the Commission at the time of truing up of respective years.*

.....emphasis added

That the Hon'ble Commission in its order dated 28.03.2024 has rightly observed, that in case of works being proposed and re-scheduled for execution in multiple financial years, it would be practically difficult to establish whether it is a new work or balance work as is evident from the case of "New Governor Panel" work.

Therefore, in light of the above, and in lines of the directions of Hon'ble Commission relating to the Additional Capitalization of FY 2024-25, it is necessary that the petitioner be directed to place on record the following documents/information:-

- i) The petitioner may be directed to submit the justification of work vis-a-vis its utilization and impact on the efficiency of the plant.
- ii) The petitioner may be directed to submit the independent agency report for capitalisation establishing the necessity of the work.



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- iii) The petitioner may be directed to submit the additional capitalization works proposed during ARR proceedings of FY 2024-25, APR proceedings of FY 2024-25 and True-Up Proceedings of FY 2024-25 alongwith the reasons and justification from deviating from the proposed works. The petitioner may further be directed to demonstrate that the additional capitalization remains within the ambit of the original project scope of work, in accordance with the directions of the Hon<sup>7</sup>ble Commission.
- iv) The petitioner may be directed to furnish the provisions of relevant regulations or supporting document which mandates for execution of works claimed against additional capitalization for FY 2024-25.
- v) The petitioner may be directed to submit the details of prior information, provided to the Respondent before incurring any major capital expenditure as directed by the Hon<sup>7</sup>ble Commission in the past tariff orders.
- vi) The Petitioner may be directed to submit the documentary evidence in the form of geotagged photographs of the site (prior execution of work and post execution of work) etc.
- vii) The petitioner may be directed to furnish the basis of selection of agency for works claimed against additional capitalization for FY 2024-25.
- viii) The petitioner may be directed to submit the break-up of cost of Rs 0.27 Cr. incurred under the head "Vehicles".
- ix) The petitioner may be directed to submit the following details and process opted for work pertaining to additional capitalization as claimed in the present petition:-



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- Estimates prepared by the petitioner against works,
- Tenders/Quotations floated by the petitioner for engagement /hiring the agency for execution of work,
- Technical & Financial Comparison sheet for selection of L1 bidder/agency
- Letter of Intent, Letter of Award, Agreements, Work Orders/Purchase Orders executed against works,
- Date of Supply of Items along with e-way bill & Shipment Details,
- Date of Start of Work & Date of Completion of Work,
- Date-wise Invoices,
- Date of Measurement of Work
- Date of Payment against Work.

The above work wise information must be furnished by the petitioner mapping the page numbers on which information is specified, enabling respondent UPCL to submit its comments thereon.

2. That the petitioner has claimed O&M expenses of Rs 26.91 Cr. against the normative allowed O&M expenses of Rs 21.31 Cr. Further, the petitioner in its petition in Form F-11 has claimed as following:-



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| Sr No        | Particulars      | Amount (Rs in Cr.)     |                      |                        |                        |
|--------------|------------------|------------------------|----------------------|------------------------|------------------------|
|              |                  | Normative (FY 2024-25) | Claimed (FY 2024-25) | Projected (FY 2025-26) | Projected (FY 2026-27) |
| 1            | Employee Expense | 8.18                   | 10.28                | 8.68                   | 9.15                   |
| 2            | R&M Expense      | 7.48                   | 6.71                 | 4.14                   | 5.37                   |
| 3            | A&G Expense      | 5.65                   | 9.91                 | 2.80                   | 2.97                   |
| <b>Total</b> |                  | <b>21.31</b>           | <b>26.91</b>         | <b>15.62</b>           | <b>14.53</b>           |

Additionally, the petitioner in its present petition at Form F-11 & Form-F-11.2 has mentioned the cost incurred on account of the following O&M Charges for FY 2024-25 which are significant: -

| Sr No.                         | Particulars                      | Amount (Rs in Cr.) |
|--------------------------------|----------------------------------|--------------------|
| <b>R&amp;M Expenses</b>        |                                  |                    |
| 1                              | Plant & Machinery                | 3.76               |
| 2                              | Consumption of Stores and Spares | 2.77               |
| <b>Administration Expenses</b> |                                  |                    |
| 3                              | Insurance                        | 1.82               |
| 4                              | Legal Expenses                   | 1.38               |
| 5                              | Others (Specify elements)        | 5.85               |
| <b>Employee Cost</b>           |                                  |                    |
| 6                              | Other Allowances & Relief        | 2.04               |
| 7                              | Others (Specify elements)        | 1.38               |

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Since, the above expenses involve significant amount, it is requested that the petitioner be directed to furnish the detailed break-up of all above heads along with following particulars:-

- i) Nature of Work, Date of invoices, Date of payment done under Plant & Machinery and whether shutdown was undertaken for the same.
- ii) Details of Spares procured along with invoices, date of payment against spares and consumed along with date of consumption.
- iii) Details of Insurances done along with date of payment.
- iv) Break-up of Legal Expenses alongwith date of payment.
- v) Break-up of cost incurred on account of head "Other (Specify Elements)" under Administration Expenses amounting to Rs 5.85 Cr.
- vi) Break-up of cost incurred under the head Other Allowances & Relief under Employee Expenses amounting to Rs 2.04 Cr.
- vii) Details of employees retired in FY 2024-25 and FY 2023-24 alongwith the break-up of expense under "Payment under Workman's Compensation and Gratuity" marking the date of payment.
- viii) Further, the petitioner may also be directed to submit the reason of increase in actual cost incurred on account of Employee Expense, R&M Expense and A&G Expense vis-à-vis the cost incurred in FY 2023-24 and proposed in FY 2025-26 and FY 2026-27.

The above information are essentially required from the petitioner in order to enable respondent UPCL to submit meaningful and substantial comments on the tariff petition filed by the petitioner.



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3. That, the petitioner in its petition at Page no. 39 has mentioned the detail of Actual Energy in MUs for FY 2024-25, whereas the month-wise energy as per REA considering the Ex-Seller Units, and by applying the Aux-Consumption Losses and Free Energy, the month-wise Energy Comes to as follows:-

| Month        | EX-Seller Energy as per REA (in MU) | Aux Consumption | Free Energy | Energy Translated to Actual Generated Energy (in MU) |       |
|--------------|-------------------------------------|-----------------|-------------|--|-------|
| Apr-24       | 11.99                               | 1.20%           | 12%         | 13.79  |       |
| May-24       | 31.57                               |                 | 12%         | 36.31  |       |
| Jun-24       | 36.25                               |                 | 18%         |  | 44.74 |
| Jul-24       | 43.14                               |                 |             |  | 53.25 |
| Aug-24       | 41.95                               |                 |             |  | 51.78 |
| Sep-24       | 27.58                               |                 |             |  | 34.04 |
| Oct-24       | 12.58                               |                 |             |  | 15.53 |
| Nov-24       | 7.52                                |                 |             |  | 9.28  |
| Dec-24       | 4.9                                 |                 |             | 6.05   |       |
| Jan-25       | 3.75                                |                 |             | 4.63   |       |
| Feb-25       | 2.68                                |                 |             | 3.31   |       |
| Mar-25       | 5.37                                |                 |             | 6.63   |       |
| <b>Total</b> |                                     |                 |             | <b>279.34</b>  |       |

In regard to above, it is to submit that the petitioner be directed to furnish the reason for difference in the same and may also be directed to furnish the energy as per the meters available which can provide the generation details at ex-bus level.

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4. The petitioner in its present petition has projected the Additional Capitalization of Rs 2.57 Cr. for FY 2025-26.

In regard to above, it is requested to kindly direct the petitioner to furnish the progress of works carried out so far along with financial progress and to submit the relevant provision of applicable Regulations/guidelines which provides for the provision of the proposed work.

Further, it is submitted that UPCL has already contested the "Construction of Drinking Water supply scheme for project affected LAHAL village" as the work is of welfare nature of the local people, the expenditure for such work needs to be borne by the Petitioner from its profits under CSR head rather than being loading the same on the consumers of the State of Uttarakhand. Further, the petitioner has stated that the project aligns with the NoC conditions imposed by the IPH Department, GoHP.

In view of the above, the petitioner may be directed to furnish the information related to guidelines issued for Local Area Development Fund for project affected areas.

5. That the petitioner in its petition has proposed the additional capitalization of Rs 3.95 Cr for FY 2026-27.

In this regard the petitioner may be directed to submit the justification of the work vis-à-vis impact on the efficiency of the plant in order to verify the necessity of the work.



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Therefore, to summarize all the points mentioned above, the petitioner may be directed to furnish the details/ information as sought from Point No. 1 to Point No. 5 and explained hereinabove in order to have a fair opportunity and enable UPCL to provide meaningful and substantial comments in the matter and accordingly it is humbly requested to extend the timelines for submission of the the comments in the tariff petition.

(N S Bisht)

Chief Engineer (Commercial)

Cc: M/s Greenko Budhil Hydro Power Pvt. Ltd., Second Floor, Block D, Plot No. 13, Sy. No. 64 Part, Hitech City Layout, Madhapur Village, Hyderabad, Rangareddi, 500081, Telangana.

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Order on True-up for FY 2022-23, APR for FY 2023-24 and ARR for FY 2024-25

Table 5.1: Projected Additional capitalisation claimed for FY 2024-25

| S. No. | Particulars  | Rs. in Crore | and justification of the work carried out/proposed to be carried out  |
|--------|--|--------------|---|
| 1.     | Protection work near Power House left bank of Ravi river                                       | 0.70         | <p>Budhil Power plant is in remote location and tribal area in Bharmour District Chamba of Himachal Pradesh. In FY2023-24 there were massive rains in Himachal Pradesh and particularly in Budhil river catchment area which caused flash floods on 8th, 9th &amp; 10th of July. 2023. The road from Pathankot (Pb) to Bharmour has been damaged from many places and it is difficult for material transportation and man power movement during rainy season. There is no alternative road and this single road gets damaged/blocked due to rains. The construction material comes from Pathankot (Pb). The work cannot be done in FY 2023-24, and it can be spilled over to 2024-25.</p> <p><i>Delay reason</i><br/>Due to flash floods, left bank area of Ravi river along residential accommodation and approach road got eroded and will be unusable and unsafe in near future. Protection work is necessary to avoid further damages and interruption in power generation due to damage to approach road or non-availability of accommodation at site. Moreover, staff quarters are located at the left side of Ravi river. So, further slidings and damages will endanger the residential building and staff in future.</p> |
| 2.     | Permanent staff accommodation at dam site  | 0.40         | <p>Budhil Power plant is located in remote location and tribal area Bharmour District Chamba of Himachal Pradesh. Massive rains occurred in Himachal Pradesh this year and particularly in Budhil river catchment area which caused flash floods on 8th, 9th &amp; 10th of July. 2023. The road from Pathankot (Pb) to Bharmour is damaged from many places and it is difficult for material transportation and man power movement during rainy season. There is no alternative road and this single road with rains gets damaged /blocked. The construction material comes from Pathankot (Pb). The work cannot be done in 2023-24, it can be spilled over to 2024-25.</p> <p><i>Delay reason</i><br/>Dam is located in remote location and tribal area of HP. Due to rains and snow, roads often get closed and movement is very difficult. The staff associated with dam O&amp;M activities required to be retained and available near to dam to avoid the incidents</p>   |
| 3.     | New turbine governor for unit -II (FY 2023-24) (old governor to be depreciated or refurbished) | 1.50         | <p>This work is the replacement of old existing system with new system. A detailed study and engineering is required by the vendor design department, causing the delay in the submission of the budgetary offer. After submission of the new design by the vendor the verification will be done at the Greenko's end.</p> <p>The present governors are Chinese make and experiencing operational challenges and this is adversely impacting the generation due to outages. As this is older version, availability of spares is a challenge and getting timely services from OEM</p>  |

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

| Table 5.1: Projected Additional capitalisation claimed for FY 2024-25 |   |              |   |
|---|---|--------------|---|
| S. No.  | Particulars   | Rs. in Crore | and justification of the work carried out/proposed to be carried out  |
|   |   |              | is a difficulty. For long life of governing system and smooth operation it is recommended to replace with new updated Indian version  |
| 4.  | Providing canopy on Surge Shaft and Surge shaft Gate operating Hoist structures | 0.30         | <p>Budhil Power plant is located in remote location and tribal area Bharmour District Chamba of Himachal Pradesh. This year there were massive rains in Himachal Pradesh and particularly in Budhil river catchment area which caused flash floods on 8th, 9th &amp; 10th of July 2023. The road from Pathankot (Pb) to Bharmour is damaged from many places and it is difficult for material transportation and man power movement during rainy season. There is no alternative road and this single road with rains gets damaged/blocked. The construction material comes from Pathankot (Pb). The work cannot be done in 2023-24, it can be spilled over to 2024-25.</p> <p>Budhil power plant was commissioned in May 2012. The canopy over the surge shaft was not provided for since commissioning. Temporary mesh is kept over the surge shaft with wide opening. However, there are many instances where stones have fallen from hill top, due to rains/ snowfall, grazing by animals. There are chances that such stones may get stuck in the runner of the turbine.</p> <p>Also, the old canopy provided over the gate operating hoist was with old CGI sheet and scrap material. Due to rain and snow fall the rusting of this structure is very frequent. So, it is proposed to provide the Canopy with pre-painted sheets.</p> |
| 5.  | Construction of Permanent panel room for Panel of Surge shaft gate at PH        | 0.05         | <p>Budhil Power plant is located in remote location and tribal area Bharmour District Chamba of Himachal Pradesh. This year there were massive rains in Himachal Pradesh and particularly in Budhil river catchment area which caused flash floods on 8th, 9th &amp; 10th of July 2023. The road from Pathankot (Pb) to Bharmour is damaged from many places and it is difficult for material transportation and man power movement during rainy season. There is no alternative road and this single road with rains gets damaged/blocked. The construction material comes from Pathankot (Pb). The work cannot be done in 2023-24, it can be spilled over to 2024-25.</p> <p><i>Delay</i></p> <p>Existing panels are kept either in temporary CGI sheets sheds/in open. Due to underground structure and excess humidity, there is lot of moisture ingress. To maintain healthy environment and protection of electrical and hydraulic operated panels and equipment's permanent switchgear room is required and the same is proposed to be constructed.</p>  |
| 6.  | Construction of single room workers and supervisors                             | 1.50         | Budhil Power plant is located in remote location and tribal area Bharmour District Chamba of Himachal Pradesh. This year there were massive rains in Himachal Pradesh and   |

Table 5.1: Projected Additional capitalisation claimed for FY 2024-25

| S. No. | Particulars  | Rs. in Crore | and justification of the work carried out/proposed to be carried out   |
|--------|--|--------------|--|
|        | accommodation at PH  |              | particularly in Budhil river catchment area which caused flash floods on 8th, 9th & 10th of July 2023. The road from Pathankot (Pb) to Bharmour is damaged from many places and it is difficult for material transportation and man power movement during rainy season. There is no alternative road and this single road with rains gets damaged/blocked. The construction material comes from Pathankot (Pb). The work cannot be done in 2023-24, it can be spilled over to 2024-25.<br><i>Delay reason</i><br>Powerhouse is in remote location and tribal area of HP. During rains and snowy seasons, roads often get closed and movement is very difficult. The staff associated with power house O&M activities is required to be retained and available near to power house to avoid the incidents.  |
| 7.     | Establishment of dam SCADA system & interfacing with Budhil PH with main SCADA | 1.30         | This work is the replacement of old existing system with new system. So detailed study and engineering is required by the vendor design department, causing the delay in the submission of the budgetary offer. After submission of the new design by the vendor the verification will be done at the Greenko's end.<br>The operation of Dam gate is done manually & its status is not visible in Dam & Power House control room. Moreover, in case of emergency the operator has to operate gates in local manual mode. Hence to give greater visibility and control on operations, it is proposed to establish dam SCADA system.   |
| 8.     | Construction of main Store near workshop at PH                                 | 0.30         | Budhil Power plant is located in remote location and tribal area of Bharmour District Chamba of Himachal Pradesh. This year there were massive rains in Himachal Pradesh and particularly in Budhil river catchment area which caused flash floods on 8th, 9th & 10th of July 2023. The road from Pathankot (Pb) to Bharmour is damaged from many places and it is difficult for material transportation and man power movement during rainy season. There is no alternative road and this single road with rains gets damaged/blocked. The construction material comes from Pathankot (Pb). The work cannot be done in 2023-24, it can be spilled over to 2024-25.<br>The Main store Outside Power house near workshop is temporary structure made by angle and CGI sheet. This Store was constructed during construction stage for storing construction material. After commissioning same store was used for storing the spare parts of the Power House. Presently the side sheet was damaged at many places. The E&M spares are costly so the new store is required to give a safe storage space for the spares. |
| 9.     | Air Dryer for HP compressor  | 0.10         | The air dryer installed with HP compressor is Old model and hence, the spare for the existing models are not available.  |
| 10.    | Spare Seal Ring (Fixed   | 0.30         | No Spare Seal Ring (Fixed & Moveable) of MIV Seal is   |

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

| Table 5.1: Projected Additional capitalisation claimed for FY 2024-25 |  |              |  |
|---|--|--------------|--|
| S. No.  | Particulars  | Rs. in Crore | and justification of the work carried out /proposed to be carried out  |
|   | & Moveable) of MIV Seal - 2 set  |              | available at site. Since MIV is Chinese make so it is to be fabricated at India by local vendors.  |
| 11.   | Air Dryer for LP compressor  | 0.10         | The air dryer installed with LP compressor is Old model and hence, the spare for the existing models are not available.  |
| 12.   | Providing Permanent kotta stone flooring at workshop   | 0.10         | The existing flooring is not dust proof as per the requirements. Lot of dust is entering in main Machines and control Panels. To make the dust free environment in workshop permanent flooring is required.  |
| 13.   | Supply and Erection of RIBS and backfilling with concrete at the Junction of Penstock Tunnel with MAT. | 0.30         | The Main access Tunnel (MAT) is the entrance to the power house. At the junction of the Penstock Tunnel with MAT the rock falling is very often. No protection work is done during the construction stage. For the safety of the employees the protection work at the Junction point with RIBS is to be provided.  |
| 14.   | Construction of DG room for Standby DG at PH   | 0.08         | No DG room is available for Spare DG set. Permanent DG room to keep DG set and operating panel/distribution panel is required.   |
| 15.   | Steel Lining of vertical shaft 2 no's of 18 mtrs depth used for SFT gate 1 & 2 cavern                  | 0.30         | The Silt Flushing Gate Cavern is 18 mtrs below the DAM GOC. The Vertical Shaft of 2 mtrs dia of 18 mts depth is excavated to reach the Silt flushing Gate Cavern. The vertical shaft is unfinished. There is chance of small stone falling on the maintenance staff while going down for gate maintenance work, so steel Lining in the vertical shaft is required for the safety of the employees. |
|   | <b>Total</b>   | <b>7.33</b>  |  |

In the matter, as discussed above in this Order the Commission has decided to consider the additional capitalisation at the time of truing up of FY 2024-25 based on the audited accounts and as per prevailing Regulations as amended from time to time. Accordingly, proposed additional capitalisation for FY 2024-25 has been considered as nil, however, the same shall be reviewed at the time of truing up.

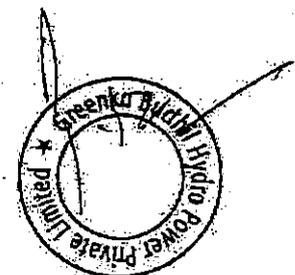
Therefore, GFA approved as on 31.03.2023 has been considered as opening GFA for FY 2024-25. Further, the same shall be reviewed at the time of truing up based on the audited annual accounts.

### 5.2.2 Capital Structure

The Petitioner submitted that the capital expenditure to be incurred in FY 2024-25 is to be financed by equity/internal sources. As mentioned above, the Commission has not considered the additional capitalisation for FY 2024-25. However, based on the actual admissible additional

Table 4: Additional Capitalisation for FY 2024-25 - Justification of works

| Sr. No. | Particulars and Justification of the work carried out   | INR                         |
|---------|---|-----------------------------|
| 1       | <b>Fabrication &amp; Installation of PGT Sheet</b><br>Providing of side cladding with CGI Sheets at both side of MAT is required to avoid the spread of dust into powerhouse equipment  | 2,77,224.00                 |
| 2       | <b>New Governor Panel</b><br>New turbine governor for one unit. Supply of Digital Electronic Governor Panel and Providing side cladding with CGI sheet both side of MAT. fabrication & Installation of PPGI Sheet.  | 63,27,750.00<br>2,77,224.48 |
| 3       | <b>Early Warning System (Radar water Level transmitter)</b><br>Water level sensor for installation of early warning system in the upstream of Budhil dam as per dam safety act 2021.  | 1,08,205.00                 |
| 4       | <b>Installation of CCTV Camera</b><br>For safety and security of the plant and employes from external threat CCTV cameras are installed at DAM and Powerhouse location.   | 35,90,268.23                |
| 5       | <b>ABT Software</b><br><b>Supply of Hardware and X Force Software</b><br>Presently Heavy Deviation charges are paid due to non-maintenance of the time block wise average load within the permissible limit as per the latest CERC regulation. To minimize the penalty, a real time measurement mechanism of energy export is | 9,13,320.00                 |

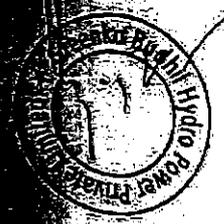


required which will give the details of energy generated and will automatically inform the operator for a set point change to limit the overall generation within allowed deviation limit. The software will measure the actual energy generated in each block, compare with scheduled energy and provide pop-up/alarms if the scheduled energy is not achieved or extra generated

Presently Heavy Deviation charges are paid due to non maintenance of the time block wise average load within the permissible limit as per the latest CERC regulation. To minimize the penalty, a real time measurement mechanism of energy export is required which will give the operator the quantum of energy generated and will automatically inform the operator for a set point change to limit the overall generation within allowed deviation limit. The software will measure the actual energy generated in each block and compare with scheduled energy and provide pop-up/alarms if the scheduled energy is not achieved or extra generated.

Installation and configuration of ABT Software System

|   |                           |           |
|---|---------------------------|-----------|
| 6 | Software License Firewall | 97,940.00 |
| 7 | Laptop                    | 62,950.00 |
| 8 | Vehicles                  | 26,60,535 |



|           |  |                    |
|-----------|--|--------------------|
|           | <p>1. The condition of the existing shift vehicle, Bolero HP-46-1959 is not good. Every year, repair and maintenance costs are increasing.</p> <p>2. It was purchased in 2017, and it has been plyed more than 1.80 KM.</p> <p>3. We will use this vehicle for administrative work as an alternative to the breakdown &amp; repair maintenance period of other vehicles at power plant.</p> <p>Existing emergency vehicle HP 46 -3836 are often engeged for pick-up drop-of guests, HOP, and other requirements; at that time there is no vehicle to use in an emergency at power plant.</p> |                    |
| Deletions |  |                    |
| 9         | Relay transformers   | -2,38,747          |
|           | <b>Total</b>   | <b>1,84,06,345</b> |

1.3.4 The additional capitalisation for the FY 2024-25 is based on the company's Audited Annual Accounts for the FY 2024-25.

A copy of the Evidence for Additional Capitalisation of for FY 2024-25 has been annexed herewith and marked as **ANNEXURE 9**.

A copy of the Summary of invoices/ contracts/ PO/ WO pertaining to additional capitalization claimed and copy of key contracts during FY 2024-25 has been annexed herewith and marked as **ANNEXURE 10**.

1.3.5 It is pertinent to note here that to ensure efficiency, safety and continuous operation of the plant, the gross Additional Capitalization of INR 1.86 Crores was required to be



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

### 5.1 Annual Performance Review

The Commission, vide its MYT Order dated 31.03.2022, approved the Tariff for the fourth Control Period, i.e. FY 2022-23 to FY 2024-25 for the Petitioner's plant. Subsequently, the present Petition has been filed for approval of APR for FY 2024-25. Regulation 12(3) of the UERC Tariff Regulations, 2021 stipulates 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 performance of the Applicant with the approved forecast of Aggregate Revenue Requirement and expected revenue from tariff and charges and shall comprise the 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 factor) and those caused by factors beyond the control of the applicant (un-controllable factors);*
- c) Revision of estimates for the ensuing financial year, if required, based on audited financial results for the previous financial year;*
- d) Computation of sharing of gains and losses on account of controllable factors for the previous year."*

The Commission vide its Tariff Order dated 28.03.2024, had approved the AFC for FY 2024-25 based on the approved capital cost as on 31.03.2023. The Petitioner, in its present Petition, has proposed revision of estimates for FY 2024-25 based on the audited accounts for FY 2023-24 and revised estimates for FY 2024-25. Details of the same are as follows:

Order on True-up for FY 2023-24, APR for FY 2024-25 and MYT for the fifth Control Period from FY 2025-26 to FY 2027-28

**Table 5.1: Additional capitalisation claimed for FY 2024-25**

| S. No. | Particulars   | Rs. in Crore | Justification of the work carried out/proposed to be carried out   |
|--------|---|--------------|--|
| 1.     | Fabrication & Installation of PPGI Sheet                                    | 0.07         | Providing of side cladding with CGI Sheets at both side of MAT is required to avoid the spread of dust into powerhouse equipment.  |
| 2.     | Fixing of Door and windows in Security Room at Dam                          | 0.08         | The existing security check post at dam is not having Door & windows, so these are required to protect health of security from wind and rain etc.  |
| 3.     | ABT Software:<br>(a) Supply of Hardware and X Force Software                | 0.07         | Presently Heavy Deviation charges are paid due to non-maintenance of the time block wise average load within the permissible limit as per the latest CERC regulation. To minimize the penalty, a real time measurement mechanism of energy export is required which will give the details of energy generated and will automatically inform the operator for a set point change to limit the overall generation within allowed deviation limit. The software will measure the actual energy generated in each block, compare with scheduled energy and provide pop-up/alarms if the scheduled energy is not achieved or extra generated. |
|        | (b) Installation and configuration of ABT Software System                   | 0.02         |  |
| 4.     | Satellite phone<br>(a) Inmarsat IsatPhone2 Handset                          | 0.02         | As per Dam safety act, 2021 all the dams has to establish 24X7 communication system like satellite phone to have effective communication during the time of any eventuality/hazard.  |
|        | (b) Activation and Annual Subscription for Isat Phone Handset               | 0.01         |  |
| 5.     | Integrated Electronic Siren   | 0.02         | As per Dam Safety Act, 2021 all the dams have to establish information to downstream people on 24X7 basis, so it is required to install integrated electronic siren for awareness of the people at the time of any emergency.  |
| 6.     | Ultrasonic Flow Meter: Installation charges of Ultrasonic flow meter device | 0.003        | 2X35 MW Budhil Power Plant was commissioned in 2012 and is in operation. The flow /discharge measurement system of both units was installed by OEM China during commissioning.<br>The flow measurement system could not be commissioned as the tapping taken from draft tube is not through. Efforts were made by Chinese experts in year 2018 also to commission the same but they failed. Now alternate possibility is explored for providing "ultrasonic clamp on type flow meters" to measure the unit discharge for efficiency calculation & operational optimization of the units which will increase the Generation.              |
| 7.     | Protection work near Power House left bank of Ravi river                    | 0.10         | Due to recent flash flood, residential accommodation and approach road got eroded which is at the left bank of Ravi river and these are not in safe condition. To avoid further damages, it is required to construct protection walls.   |
| 8.     | New turbine governor for one unit   | 1.50         | The present governors are Chinese make and are facing operational issues, causing the outages leading to the   |

Table 5.1: Additional capitalisation claimed for FY 2024-25

| S. No. | Particulars                               | Rs. in Crore | Justification of the work carried out/proposed to be carried out  |
|--------|---|--------------|---|
|        |   |              | generation loss. The Old version of Governor spares are not available in the market and services are not available from OEM, so it is required to replace the existing Governors by new Indian make Governors.  |
| 9.     | Flood Control Pumps                       | 0.12         | Budhil Power Plant of 2X35 MW was commissioned in 2012 and is in operation. The Budhil Plant has underground power house. In October, 2020 due to failure of Air Release valve of unit 2, leakage water increased beyond the capacity of dewatering pumps, resulting in submergence of the Plant. The existing Drainage system control/starter panels got failed due to increased water level. After submergence, dewatering Panels were relocated to higher elevation & safe location, i.e. Shifted these from Turbine floor to Service Bay Floor (9.00 meter above the previous location). Keeping in view of the past incident and future safety of Plant it is Planned & proposed to install a flood control pump in MIV (EL 1382.46) floor having capacity of 3500 LPM 50 HP. The control Panel shall be kept at the top most level of Power house cavern, i.e. Control Room with new header of 200 mm diameter.   |
| 10.    | Establishing of bailey bridge at dam site | 0.80         | Budhil Hydro Power Plant is a run of the river Power Plant with four hours live storage for peak generation. The Plant consists of concrete gravity Dam with sill level at 1620.00 meter MSL and Top level at 1651.50 meters MSL. There are two inlet gates connecting water conductor system with three radial gates for spilling of excess inflow or opened in high silt level & flood in river. Due to river bed material passing through the radial gate rubber seals are getting damaged every year. To carry out the repair/ replacement of radial gate seals and repair of sill beam concrete damaged stop log gates needs to be lowered to retain the water in reservoir and continue the generation. These gates are lower with gantry crane at the top of the Dam. The movement of man and material over the dam top gate main Dam is connected through bridge of 30.00 metre span. The existing bridge earlier used for construction activities, was relocated from coffer dam to Dam top and got damaged due to heavy rock falling in month of August 2022. There is now no approach to Dam top through road after damage of the bridge and in routine or emergency carrying out the repair of Dam radial gates and intake would not be possible. The movement of any type of the vehicle is not possible. The alternate way (Emergency Stairs) are being used by the shift and maintenance staff from the date of damage of the bridge. The connectivity of the Dam top with road is the |

Order on True-up for FY 2023-24, APR for FY 2024-25 and MYT for the fifth Control Period from FY 2025-26 to FY 2027-28

**Table 5.1: Additional capitalisation claimed for FY 2024-25**

| S. No. | Particulars   | Rs. in Crore | Justification of the work carried out/proposed to be carried out |
|--------|---|--------------|--|
|        |   |              | essential requirement for day-to-day activity.                   |
| 11.    | Providing side cladding with CGI sheet both side of MAT | 0.10         | -  |
|        | <b>Total</b>  | <b>2.92</b>  |  |

In accordance with Regulation 12(3) of the UERC Tariff Regulations, 2021 the scope of annual performance review is limited to the revision of the estimates for the ensuing year, if required, based on the audited financial results for the previous year and does not provide for the revision of estimates for the current year and give effect on this account in the estimates of the ensuing year.

With regard to proposed additional capitalisation for FY 2024-25, the Commission observed that it has already approved additional capitalisation amounting to Rs. 0.02 Crore pertaining to 'Supply and Installation of Aluminium Doors & Windows for Security post room at Budhil Site' vide its Tariff Order dated 28.03.2024 for FY 2022-23. In the present case, the Petitioner has once again proposed additional capitalisation amounting to Rs. 0.08 Crore for 'Fixing of Door and windows in Security Room' during FY 2024-25. In the matter, the Commission could not establish whether it is a new work or balance work. **The Commission directs the Petitioner to ensure to provide proper justification duly substantiating the same with documentary proofs during the proceedings of true-up for FY 2024-25. Further, the Petitioner is also directed to claim additional capitalisation only when the entire works are completed, and asset is put to use.**

The Commission also observed from the submissions of the Petitioner that additional capitalisation amounting to Rs. 0.40 Crore has been done against the total projected additional capitalisation of Rs. 2.92 Crore for FY 2024-25. Major expenditure against the proposed additional capitalisation claimed for FY 2024-25 is yet to be incurred.

Accordingly, the Commission is of the view that the additional capitalisation shall be allowed at the time of true-up of FY 2024-25 based on the actual expenditure incurred and after carrying out prudence check of the same and give effect on this account in the AFC of FY 2026-27. Further, the Petitioner is directed to submit independent agency report for the capitalisation describing the necessity of the work. The Petitioner is cautioned to keep the additional capitalisation within the ambit of the original Project Scope and any capitalisation which is not within the original project scope of work or not necessary for smooth operation of the project will be disallowed by the Commission.