



PURVANCHAL VIDYUT VITARAN NIGAM LTD.
PURVANCHAL VIDYUT BHAVAN,
VIDYUT NAGAR, P.O.-D.L.W.,
VARANASI-221004
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No. 1978 /PuVVNL/Commercial/

Date: 13.03.2023

To,
The Secretary,
Uttar Pradesh Electricity Regulatory Commission
VibhutiKhand, Gomti Nagar
Lucknow- 226010

Sub: TVS (Technical Validation Session) Reply in the Petition No.1949 of 2023 dated 9th January, 2023 of True-Up (FY 2021-22), Annual Performance Review (FY 2022-23), Aggregate Revenue Requirement (FY 2023-24).

Ref: TVS (Technical Validation Session) dated 27.02.2023 at UPERC Lucknow.


Dear Sir,

This is with reference to your above-mentioned letter directing submission of TVS (Technical Validation Session) Reply in the Petition No. 1949 of 2023 dated 09th January, 2023 of True-Up (FY 2021-22), Annual Performance Review (FY 2022-23), Aggregate Revenue Requirement (FY 2023-24) of PuVVNL, Varanasi.

The Licensee hereby submits the point-wise replies to the queries/information required by the Hon'ble Commission along with all the Annexures, wherever required. Some Annexures are very heavy and required huge quantum of papers for print outs. As such the same are up-loaded in soft copies.

Enclosure as above. [06 (1+ 5 copies)]

Yours Sincerely,


Rajendra Prasad
Director (Comm.)

CC:

1. Managing Director, PuVVNL Varanasi.
2. CE, RAU, UPPCL.

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**Reply to Additional Requirement sought in TVS Session in the
Petition Nos, 1949, - 2023
Dated:- March04, 2023**

of
**True-Up (FY 2021-22), Annual Performance Review (FY 2022-23), Aggregate Revenue
Requirement (FY 2023-24)**
of
PuVVNL

1. DVVNL to provide justification for the mismatch between connected load of DF of Agra in the submission made by the Petitioner in the MYT Petition and in response to the 1 deficiency raised by the Commission.

Response:

The Query Does not Pertains to PuVVNL.

2. For FY 2021-22, Petitioners have claimed additional R&M expenses as approved by the Commission for ARR of FY 2021-22 in the Tariff Order dated July 29, 2021. The Commission had approved additional R&M expenses with following provisions:

Quote

6.7.45. Further, the Commission has directed the Licensees to strictly comply with the SoP regulations. Hence, for the first year of implementation, they would need additional support over and above the norms, to carry out the work and comply with the SoP Regulations and better consumer satisfaction. Hence, 50% of R&M expenses allowed for the year (as per norms) has been provided as additional one-time R&M expenses for proper execution of work in these difficult Covid time and to provide better services to the consumers also. The same shall be reviewed at the time of True-Up wrt to the actuals to the satisfaction of the Commission.

Unquote

In this regard Petitioners to provide actual additional R&M expenses incurred in this regard and also explain as to how the expenses has been utilised to implement SoP Regulations.

Response:

It is hereby submitted that the Hon'ble Commission has approved the additional R&M under the O&M for the implementation of UPERC SOP & CGRF Regulations. Accordingly, Discoms have made provisions for the implementation of the said Regulations. In this regard, it is submitted that for the implementation of these regulations various expenses is being booked under the various item of expenses as a part of O&M. Discom have incurred the amount approved by the Commission in the head of additional R&M for implementation of SOP Regulations. The amount incurred/to be incurred in this regard has been booked under various accounting heads of O&M. It is submitted that Discoms faced challenges while segregating this amount under the similar duplicate accounting heads, therefore, the amount incurred/ to be incurred is booked/provisioned under the various accounting head under O&M as per the exiting practice adopted as per Companies Act.

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3. Petitioners to provide date of Commercial Operation (COD) of MSW plants.

Response:

The details are as under: -

Generator	Contracted Capacity (MW)	Date of PPA	COD Remark	Duration of PPA (Years)
Ms Spaak bression Pvt Ltd, Agra	14	24-01-2018	ECOD Feb,2019 which is delayed, (Petition no 1610/2020)	20
Ms Eco Green Energy Pvt. Ltd., Lucknow	13.5	27-09-2017	Terminated	20
Ms Accord Hydro (SWM) Barabanki	2	14-06-2017	March, 2018	20
Total	29.5			

4. For FY 2023-24, there is discrepancies in the power purchase cost submitted by Petitioners at different place i.e. Petition, Form No. F1 and Summary Sheet (Excel), as shown in the Table below:

Particulars	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Consolidated
IN ARR Tabel (Summary Sheet)	12,513.14	14,475.23	25,679.92	16,283.43	3,920.93	72872.66
In DBST Table of Petition	13,464.04	23,849.75	16,896.68	15,229.58	3,432.61	72872.66
Form No. F1	12,512.76	14,474.79	25,679.14	16,285.18	3,920.79	72872.66

Petitioners to provide clarification and also confirm which numbers are to be considered.

Response:

In this regard it is submitted that the under "TABLE 4-13 POWER PURCHASE COST FOR FY 2023-24", "TABLE 4-39 ARR FOR FY 2023-24 (IN RS. CR)", Form No. F1 & DBST computed in Power Purchase Model are same. It is further submitted that the DBST Table as submitted before the Hon'ble Commission under Power Purchase Model and Commissions MYT format have also the same numbers. However, as per the Commission requirement, the Petitioner while reproducing the similar data multiple times, the DBST table under write up being slightly modified due to linking and circular reference issues of excel. The DBST Table is again reproduced hereunder for kind consideration of Hon'ble Commission.

S.No.	Particulars	Formulae	DVVNL	PVVNL	PuVVNL	MVVNL	KESCO	Total
1	Revenue from Tariff including subsidy (Rs Cr)	A	12,905.61	22,880.08	16,168.26	14,586.75	3,266.10	69,806.79
2	Energy Sales (MU)	B	22,717.91	35,672.08	27,767.68	24,333.50	4,182.79	1,14,673.95
3	Power Procurement Cost							
A1	Power Procurement Cost - Allocated and Unallocated PPAs (Rs Cr)							69337.47
A2	Inter State Transmission Charges (Rs Cr)							3535.18
A1+A2	Total Power Procurement Cost excluding intra state Transmission Charges (In Rs Cr)	C						72872.66
4	Power Procurement cost of Allocated PPAs (Rs Cr)	D	2586.46	4961.57	2707.78	2707.78	189.00	13152.59

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S.No.	Particulars	Formulae	DVVNL	PVVNL	PuVVNL	MVVNL	KESCO	Total
5	Total Power Required at Discom Periphery (MU)	E	27403.99	41213.08	32884.03	28706.10	4544.28	134751.48
6	Power at Discom Periphery from allocated PPAs (MU)	F	5345.96	10928.91	5413.44	5413.44	418.70	27520.46
7	Other Cost (Intra State Transmission, O&M, Interest, Dep etc.) (Rs. Cr.)	G	3762.79	4234.46	4492.54	4106.81	612.23	17208.83
8	ABR (Rs/ Unit)	$H=(A/B)*10$	5.68	6.41	5.82	5.99	7.81	6.09
9	Other Cost (Rs/Unit of Sale)	$I=G*10/B$	1.66	1.19	1.62	1.69	1.46	1.50
10	Power Purchase Rate							
A	Allocated PPAs per unit of sale (Rs/unit)	$J=D*10/B$	1.14	1.39	0.98	1.11	0.45	1.15
B	Unallocated PPAs per unit of sale	$K=(C-\text{Total PP at "D"})*10/\text{Total Sale at "B"}$				5.21		
11	Revenue available for unallocated PPAs (Rs./unit of sale)	$L=H-I-J$	2.89	3.84	3.23	3.19	5.89	3.44
12	Power Purchase Allocation (per unit of sale) "K" in the ratio of available Revenue "L"	M	4.37	5.81	4.89	4.84	8.92	5.21
13	Total Power Purchase cost per unit of sale including allocated PPAs	$N=J+M$	5.51	7.20	5.86	5.95	9.37	6.35
14	Total Power Purchase Cost (Rs/Crs)	$O=N*B/10$	12,512.76	25,679.14	16,285.18	14,474.79	3,920.79	72,872.66
	DBST (Rs/Unit)							
15	DBST Computation of Allocated PPAs	$P=D/F*10$	4.84	4.54	5.00	5.00	4.51	4.78
16	DBST Computation of Unallocated PPAs	$Q=M*B/(E-F)$	4.50	6.84	4.94	5.05	9.05	5.57
17	DBST of total PPAs	$R=O*10/E$	4.57	6.23	4.95	5.04	8.63	5.41

5. In True Up year, for R&M and A&G expenses, Petitioners have wrongly applied WPI index on trued up value of FY 2019-20. In response to the Commission's query the Petitioners produced a Table with same numbers as submitted in the Petition and said that the above representation does not have impact on amount claimed under respective item of expenses. The Petitioners to clarify how this will no impact on other item of expenses.

Response:

It is submitted that the licensees have not found any issue in DVVNL submission. However due to inadvertent excel link issue in MVVNL, PVVNL, PuVVNL and KESCO Discom the figures for FY 2020-21 was linked to wrong cell. The same was communicated during the TVS. The corrected excel linked file is attached as Annexure-G.

6. There are discrepancies in the number of smart meters submitted in the ARR/ Tariff Petition of FY 2022-23 and ARR/ Tariff Petition of FY 2023-24, which is shown in the table below:

Particulars	Smart Meters installed till March 2021	Smart Meters installed till March 2022
DVVNL	1,47,460	3,78,862
MVVNL	3,75,849	1,98,726
PVVNL	1,98,422	147991
PuVVNL	3,19,946	3,21,433
KESCO	1,06,422	1,07,318
Consolidated (5 Discoms)	11,48,099	11,54,330

Petitioners to provide clarification for these discrepancies.

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Response:

The response to this query has already been submitted under point no.8 of data Gap-2. However, the same is again reproduced as under: -

Particulars	Smart Meters installed till March 2022
DVVNL	1,47,991
MVVNL	3,78,862
PVVNL	1,98,726
PuVVNL	3,21,433
KESCO	1,07,318
Consolidated (5 Discoms)	11,54,330

7. Petitioners to clarify where Cross Subsidy amount is being captured in audited accounts '**Revenue from Operation**' or '**Other Income**'.

Response: For PuVVNL

It is respectfully submitted that Cross Subsidy amount is being captured in audited accounts in note No 17 (Miscellaneous Receipts) under other income.

8. In response to the 1st deficiency raised by the Commission, power purchase details submitted under 'Consolidated' head by Petitioners are not in line with Petitions and audited accounts. Petitioners are directed to reconcile the same.

Response:

The consolidated information has been submitted by the Petitioner in its reply to Data Gap-3 the same is re-attached at Annexure-F in this reply. It may be noted that the Bills of LPS, Statutory taxes etc. are being raised by NTPC/NHPC etc on consolidated basis, therefore, the same cannot be allocated plant wise.

9. For power purchase expenses of FY 2021-22, Petitioners to provide details for LPS of Rs. -557.84 Crore booked under '**WUPPTCL**' Charges and Rs. -343.04 Crore booked '**Other Charges**'. Petitioners are also required to provide details of LPS added in any of the power purchase cost element.

Response:

With regard to LPS, it is submitted that the LPS details for amount booked under WUPPTCL head is as under: -

LPS Provision for WUPPTCL (A):	Rs 589.71 Cr.
WUPPTCL LPS Verified for FY 2021-22 (B):	Rs 31.87 Cr
Excess Provision withdrawn (B)-(A):	Rs -557.84 Cr.

Regarding amount in other charges head, the breakup is mentioned as under: -

	Figures in Rs Cr.
U.I. Charges Receivable (AG code 62.803)	15.29
Reactive Charges Receivable (AG code 62.804)	6.96
LPS Receivable (AG code 62.805)	0.00
Subsidy Receivable NEDA (AG code 63.140) (NET)	165.39

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Subsidy Receivable IREDA (AG code 63.150) (NET)	8.21
Rebate/other credit (AG Head 70 Credit)	147.19
Prior Period Incomes (AG Code 65.9)	-
Total Receivable/Other Credit	343.04

LPS detail is attached at Annexure - B

10. Petitioners to provide details of rebate received against payment of power purchase bill, if any.

Response:

The Petitioner during FY 2021-22 has received rebate of Rs 147.19 Cr. The detailed breakup is enclosed at Annexure-C

11. Petitioners to submit revised PPT by incorporating the followings:

- (i) Incorporate a slide of DBST computation for FY 2021-22;
- (ii) Incorporate a slide of on distribution loss reduction trajectory proposed and approved under RDSS scheme;
- (iii) Correct load of LMV-2 category;
- (iv) Incorporate a note on for per unit Total cost of 'PGCIL/WUPPTCL/SEUPPTCL/Case-1 Transmission Charges' (Rs. 5.17 /kWh).

Response:

The revised presentations is attached as Annexure-D

12. Petitioners to provide CSS computation considering the revenue at proposed tariff in Ms-Excel.

Response:

The CSS computation considering the revenue at proposed tariff in Ms-Excel is attached at Annexure-E

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