

PURVANCHAL VIDYUT VITARAN NIGAM LTD.
PURVANCHAL VIDYUT BHAVAN,
VIDYUT NAGAR, P.O.-D.L.W.,
VARANASI-221004
E-Mail :- cecompuvvnl@gmail.com

No. **1622** /PuVVNL/Commercial/

Date: **23.02.2023**

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

Sub: 2nd Information Requirement/Discrepancies/Data Gaps 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: UPERC Email dated 13.02.2023

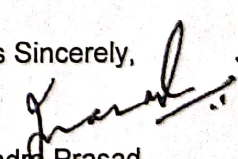
Dear Sir,

This is with reference to your above-mentioned letter directing submission of replies to 2nd Information Requirement/Discrepancies/Data Gaps 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 uploaded 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.**

**Reply to 2nd Information Requirement / Discrepancies/ Data Gaps in the
Petition Nos. 1949,- 2023 ofPuVVNL
Dated:-February 20, 2023**

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

1. The Petitioners to provide justification why there is an abnormal trend in Billing Determinants for FY 2021-22 vis-à-vis FY 2020-21 in the following consumer categories:
- LMV-1 category (Life Line Consumers (both Rural and Urban) (up to 100 kWh/month), Dom: Rural Schedule (unmetered), Dom: Rural Schedule (metered) other than BPL, Dom: Supply at Single Point for Bulk Load)
 - LMV-3: Public Lamp (Unmetered – Gram Panchayat and Metered)
 - LMV-5: Private Tube Wells/ Pumping Sets (PTW: Rural Schedule unmetered and metered)

Response:

- LMV-1 category (Life Line Consumers (both Rural and Urban) (up to 100 kWh/month), Dom: Rural Schedule (unmetered), Dom: Rural Schedule (metered) other than BPL, Dom: Supply at Single Point for Bulk Load)

For Lifeline consumers

It is submitted that under the SaubhagyaYojana, the Petitioner has added substantial number of Lifeline consumers at LT network. These consumers were small consumers which were qualified under tariff sub-category "Lifeline consumers". These consumers which are flagged under different LMV-1 sub-categories werereclassified during the financial year FY 2021-22 and same was submitted before the Commission along with last submission with detailed justification. The consumers having 1 kW load and consumption upto 100 units are covered in Life line category and any change in this criteria will result in change of sub category / slab of such consumers. This is a dynamic situation which may keep on changing on monthly basis.


It is further submitted that the abnormality observed by the Commission in data for FY 2021-22 viz-a-viz FY 2020-21 under this category is mainly due to dynamic nature of all consumers 1kW load and consumption upto 100 units under lifeline category.

- LMV-3: Public Lamp (Unmetered – Gram Panchayat and Metered)

It is submitted that the abnormal trend under unmetered gram panchayat and metered gram panchayat as observed by the Hon'ble Commission is due to the migration of unmetered connection to metered connection. It is further submitted that the Petitioner has taken various initiatives for the sanitization of street lighting connections under LMV-3 along with local urban bodies. Street light connection points are re-verified and updated in the database. Further, the increase in LMV-3 consumers is being recorded in some discoms due to electrification of new/rural areas.

- LMV-5: Private Tube Wells/ Pumping Sets (PTW: Rural Schedule unmetered and metered)

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It is submitted that as per the directions of the Hon'ble Commission, Discoms prefers to release new LMV-5 connections under metering arrangement. Therefore, some increase in metered LMV-5 consumers is observed.

2. DVVNL to explain, whether the distribution losses claimed for FY 2021-22 are inclusive of distribution losses of distribution franchisee (Torrent Agra). If yes, then why not the energy sold to consumer instead of energy sold to distribution franchisee shall be considered in claimed energy sales for FY 2021-22.

Response:

This query does not pertain to PuVVNL.

3. The total investment during the year is not consistent with the Audited Accounts of FY 2021-22. Petitioners shall submit the reconciliation of investment during the year with the Audited Accounts for FY 2021-22.

Response:

The Petitioner hereby submits that the total investment during the year is Rs 2173.52 Cr. The same amount is reflected in Note -3 of the Audited Accounts of FY 2021-22 as CWIP additions.

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(A wholly owned subsidiary of U. P. Power Corporation Limited)
VIDYUT NAGAR , BHIKHARIPUR, B. L. W., VARANASI



CAPITAL WORK IN PROGRESS

Note - 3

(₹ in Lakhs)

PARTICULARS	AS AT 01-04-2021 (A)	ADDITIONS (B)	DEDUCTIONS/ ADJUSTMENTS (C)	CAPITALISATION (D)	AS AT 31-03-2022 (A+B-C-D)
Capital Work in Progress	2,03,667.40	2,17,352.55	-	2,42,389.37	1,78,630.58
Sub Total (A)	2,03,667.40	2,17,352.55	-	2,42,389.37	1,78,630.58
Advances to Suppliers / Contractors (Net of Provisions)	48,239.90	24,281.52	17,442.08	-	55,079.34
Sub Total (B)	48,239.90	24,281.52	17,442.08	-	55,079.34
Total (A+B)	2,51,907.30	2,41,634.07	17,442.08	2,42,389.37	2,33,709.92

4. KESCO to provide justification why energy sold at 132 kV system (shown in Table 2.4 of Petition: "ACTUAL DISCOM LOSSES IN LT&HT SYSTEM FOR CONTROL PERIOD FY 2021-22") is more than the energy received in such network.

Response:

This query does not pertain to PuVVNL.

5. The calculation of Interest on Loans (Opening / Closing, Interest paid and Interest Rate) as submitted in Form F31 along with the Petition is not matching with the details given in Note 12 (for DVVNL, MVVNL, PVVNL and PuVVNL) and Note 13 (for KESCO) of the Audited Accounts for FY 2021-22. The Petitioners shall submit the reconciliation of the Interest Rate claimed and Interest Rate derived from the Audited Accounts along with the basis for such claim.

Response:

The petitioner humbly submits that in case of PuVVNL, the Interest on Loans (Opening / Closing, Interest paid and Interest Rate) as submitted in Form F31 is matching with the amount mentioned in Note No 12 & 15 (Current Maturity on Long Term Borrowings) of the Audited Accounts of FY 2021-22.

	2021-22	2020-21
Sub Total	<u>4,82,490.34</u>	<u>4,48,252.18</u>
(b) Unsecured Loan :		
PFC	8,16,460.95	8,28,813.24
REC	7,29,760.56	7,57,537.73
9.7 % UDAY Bond	2,02,903.13	2,26,737.09
Loan from State Govt	9,322.86	12,430.61
Sub Total	<u>17,58,439.60</u>	<u>18,23,518.67</u>
Total - B	<u>22,51,928.64</u>	<u>22,71,770.85</u>
Grand Total	<u>24,77,986.40</u>	<u>25,17,797.89</u>

Note - Refer to Annexure to Note No. 12.

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**NOTE - 15****OTHER FINANCIAL LIABILITIES**

1	Current Maturity of Long Term borrowings	3,59,662.28	2,31,845.72
2	Liability for Capital Supplies/Works	2,50,577.97	2,33,327.29
3	Liability for O&M Supplies/works	35,890.50	42,648.04
4	Staff Related Liabilities	21,868.08	29,700.22
5	Liability for Leave Encashment	1,936.45	1,670.79
6	Deposits & Retentions from Suppliers & Other	88,176.44	1,48,012.07
7	Electricity Duty & Other Levies Payable to Govt.	1,89,268.68	1,30,777.08
8	Sundry Liabilities	5,048.46	32,353.99
9	Liabilities for Expenses	5,052.91	3,120.29
10	Liability towards Power Sector Employees Trust :		
	(a) CPF Liability	20,971.63	1,982.13
	(b) Provident Fund	51,285.57	25,747.92

6. Petitioners to provide justification why depreciation / amortization on the assets created from consumer contribution / grant / subsidy is less than the past year amount given in

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the Audited Accounts of FY 2020-21 despite increase in the assets base created from contribution / grant / subsidy.

Response:

It is respectfully submitted that in case of PuVVNL Discom depreciation/amortization on the assets created from consumer contribution / grant / subsidy is greater than the past year amount. Same has been captured in Note -21 of the Audited Accounts of FY 2021-22.

(A wholly owned subsidiary of U. P. Power Corporation Limited)



(₹ in Lakhs)

Sl. No.	PARTICULARS	As at 31st March, 2022	As at 31st March, 2021	
				NOTE - 21
	DEPRECIATION AND AMORTIZATION EXPENSES			
	Depreciation On :			
	Buildings	784.82	881.27	
	Other Civil Works	38.42	53.84	
	Plant & Machinery	58,869.45	58,239.89	
	Vehicles	1.08	1.08	
	Furniture & Fixtures	11.54	9.84	
	Lines, Cable Network etc	40,672.23	36,984.81	
	Office Equipments	370.74	360.92	96,331.45
		1,00,748.08	360.92	
	Amortisation on Capital assets not belonging to PuVVNL	203.22		197.38
		1,00,951.30	360.92	96,528.83
	Less - Equivalent amount of depreciation on assets acquired out of the Consumer's contribution & Government of Uttar Pradesh Subsidy	16,176.44		15,017.12
	Total	84,774.86	360.92	81,511.71

7. It is observed in Audited Accounts that PVVNL has purchased additional power of Rs 0.44 Crore from Uttar Haryana Bijli Vitran Nigam Limited and PuVVNL has purchased power of Rs. 7.95 Crore from generators. Petitioners to provide justification whether power purchased from such sources has been approved by the Commission.

Response:

The Petitioner hereby submits that, agreement for supply of Electrical Energy Executed between Electric Distribution Division -II, Ballia, Purvanchal Vidyut Vitran Nigam Limited (PuVVNL) and Electrical Supply Division, Buxar, South Bihar Power Distribution Company Limited (SBPDCL) at Buxar on 21.02.2015 is attached herewith as Annexure -I for PuVVNL for kind consideration of Hon'ble Commission.

8. Numbers of smart meters installed by the Petitioners till March 2022 is not consistent with the total number of smart meters installed till March 2021 (submitted by the Petitioners in last ARR/ Tariff filing). Reason for deviation in total number of smart meters installed till March 2022 vis-à-vis March 2021 shall be provided.

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Response:

It is submitted that the smart meter installed ending Mar-22 is as under: -

Discom	Installed till March 2022
PuVVNL	3,21,433

Further, it is submitted that no progress is recorded during Mar-21 and Mar-22.

9. It is observed that Indexation factors applied on the trued up value of FY 2019-20 (as claimed by the Petitioners in Petition) is not appropriate which is resulting inappropriate calculation of R&M and A&G expenses for FY 2020-21 and subsequently for ensuing years as well. The Petitioners (except DVVNL) shall provide detailed calculation for arriving R&M and A&G expenses for FY 2021-22 and for ensuing year as well, in the format given below.

Particulars	FY 2019-20		FY 2020-21		FY 2021-22		FY 2022-23		FY 2023-24	
	Amount	Index	Amount	Index	Amount	Index	Amount	Index	Amount	Index
R&M Expenses										
A&G Expenses										

Response:

Particulars	FY 2019-20		FY 2020-21		FY 2021-22		FY 2022-23		FY 2023-24	
	Amount	Index	Amount	Index	Amount	Index	Amount	Index	Amount	Index
R&M Expenses	869.83		916.40	5.35%	938.54	2.42%	988.49	5.32%	1069.06	8.15%
A&G Expenses	164.93		173.76	5.35%	177.96	2.42%	187.43	5.32%	202.71	8.15%

Note- The above representation does not have impact on amount claimed under respective item of expenses.

10. The DBST rate considered by the Petitioner for calculation of power purchase cost for FY 2022-23 in Table 3-7 is not consistent with the rate given in the Table 3-6 of the Petition. Petitioners (except MVVNL) shall provide justification for such abnormality.

Response:

It is submitted that table 3.6 as submitted under MVVNL Petition is correct and also represents DBST for all the Discoms. For the computation of power purchase cost, Discoms have considered DBST as mentioned in the Table 3.7. which is same as under table 3.6 of MVVNL Petition. The same is reproduced herein 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	12,045.33	21,617.17	15,473.52	13,875.90	3,161.67	66,173.58
2	Energy Sales (MU)	B	21,304.05	33,430.07	26,048.94	22,844.07	3,979.14	1,07,606.27
3	Power Procurement Cost							
A1	Power Procurement Cost – Allocated and Unallocated PPAs (Rs Cr)							61,314.54

S.No.	Particulars	Formulae	DVVNL	PVVNL	PuVVNL	MVVNL	KESCO	Total	
A2	Inter State Transmission Charges (Rs Cr)							3366.84	
A1+A2	Total Power Procurement Cost excluding intra state Transmission Charges (In Rs Cr)	C						64681.38	
4	Power Procurement cost of Allocated PPAs (Rs Cr)	D	2464.20	4710.68	2583.82	2583.82	179.18	12,521.71	
5	Total Power Required at Discom Periphery (MU)	E	26,646.71	39,418.45	31,605.32	27,593.34	4,349.96	1,29,613.78	
6	Power at Discom Periphery from allocated PPAs (MU)	F	5903.25	11963.56	6014.55	6014.55	461.88	30,357.79	
7	Other Cost (Intra State Transmission, O&M, Interest, Dep etc.) (Rs. Cr.)	G	3,756.55	4,201.56	4,456.31	3,998.11	611.07	17,023.60	
8	ABR (Rs/ Unit)	H=(A/B)*10	5.65	6.47	5.94	6.07	7.95	6.15	
9	Other Cost (Rs/Unit of Sale)	I=G*10/B	1.76	1.26	1.71	1.75	1.54	1.58	
10	Power Purchase Rate								
A	Allocated PPAs per unit of sale (Rs/unit)	J=D*10/B	1.16	1.41	0.9919	1.13	0.45	1.16	
B	Unallocated PPAs per unit of sale	K=(C-Total PP at "D")*10/Total Sale at "B"	4.85						
11	Revenue available for unallocated PPAs (Rs./unit of sale)	L=H-I-J	2.73	3.80	3.24	3.19	5.96	3.40	
12	Power Purchase Allocation (per unit of sale) "K" in the ratio of available Revenue "L"	M	3.89	5.41	4.610	4.55	8.49	4.85	
13	Total Power Purchase cost per unit of sale including allocated PPAs	N=J+M	5.05	6.82	5.602	5.68	8.94	6.01	
14	Total Power Purchase Cost (RsCrS)	O=N*B/10	10,758.56	22,802.84	14,593.19	12,970.64	3,556.15	64,681.38	
	DBST (Rs/Unit)								
15	DBST Computation of Allocated PPAs	P= D/FX10	4.17	3.94	4.30	4.30	3.88	4.12	
16	DBST Computation of Unallocated PPAs	Q=M*B/(E-F)	4.00	6.59	4.69	4.81	8.69	5.26	
17	DBST of total PPAs	R=O*10/E	4.04	5.78	4.62	4.70	8.18	4.99	

Note- The above representation does not have impact on cost of power purchase claimed under table 3.7.


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