



PURVANCHAL VIDYUT VITARAN NIGAM LTD.
PURVANCHAL VIDYUT BHAVAN,
VIDYUT NAGAR, P.O.-D.L.W.,
VARANASI-221004
E-Mail dir.compuvvnl@gmail.com
CIN-U31200UP2003SGC027461

No. 2532 /PuVVNL/Commercial/FY2023-24/1st Datagap

Date: 27.03.2024

The Secretary,
Uttar Pradesh Electricity Regulatory Commission
Vibhuti Khand, Gomti Nagar
Lucknow- 226010

Sub: 1st Information Requirement/Discrepancies/Data Gaps in the Petition No. 2041 of 2023 dated 30th November, 2023 of True-Up (FY 2022-23), Annual Performance Review (FY 2023-24), Aggregate Revenue Requirement (FY 2024-25).

Ref: UPERC Letter No. UPERC/Secy/D(T)/2024-1801 dated 13.02.2024.

Dear Sir,

This is with reference to your above-mentioned letter directing submission of replies to 1st Information Requirement/Discrepancies/Data Gaps in the Petition No. 2041 of 2023 dated 30th November, 2023 of True-Up (FY 2022-23), Annual Performance Review (FY 2023-24), Aggregate Revenue Requirement (FY 2024-25) 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 enclosed in soft copies.

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

Yours Sincerely,

(Rajendra Prasad)
Director (Commercial)

CC to:

1. Managing Director, PuVVNL.
2. Chief Engineer (Commercial), PuVVNL.
3. Chief Engineer, RAU, UPPCL, Lucknow.

Director (Commercial)
PuVVNL - Varanasi

**Reply to 1st Information Requirement / Discrepancies / Data Gaps in the
Petition No. 2041 - 2023
Dated:- February 13, 2024**

of

**True-Up (FY 2022-23), Annual Performance Review (FY 2023-24)&Aggregate Revenue
Requirement/ Tariff (FY 2024-25)**

of

PuVVNL (2041 of 2023)

True up (FY 2022-23)

Billing Determinants

1. The billing determinants (Number of consumers and connected load) submitted in the Petition and submitted in the format F9 are different. The Petitioner to submit the explanation for the same along with Billing Determinants vise Revenue.

Response:

It is respectfully submitted that the billing determinants as presented in the Tariff Petition and F9 format/Revenue Model are consistent. However, there was linking issue in the total which have now been rectified. The reconciled F9 format is enclosed at **Annexure-A**.

2. The Petitioner to submit the Billing Determinants on month wise, category-wise and slab-wise basis.

Response:

The Billing Determinants are hereby attached marked as **Annexure-B** for kind consideration of the Commission.

3. The Commission had approved normative consumption of 140 units per consumer per KW / month for unmetered consumers in LMV 5 category. The Petitioner to submit the details to demonstrate that the energy supplied to unmetered consumers in LMV 5 category is as per the norms for normative consumption in Tariff Order dated 03.09.2019 for FY 2019-20.

Response:

The Petitioner has considered the similar approach as adopted previous submissions. In regard to the PTW Connections, the Petitioner has considered the respective load in KW and apply the norms approved by the Commission to estimate the energy consumption with respect to PTW connections. The calculation is as under:

Particulars	Unit	LMV-5
Load (A)	kW	7,07,209
Norms (B)	kWh/Month/kW	140
Sales (C) = (A) * (B) *12/10⁶	MU	1188.11

- The Petitioner to confirm and provide details to confirm that the Billing Determinants are as per the normative consumption as approved by the Commission for unmetered consumer in LMV 1, LMV 2 and LMV 8 category of consumers.

Response:

As outlined in the Petition and Revenue Model, the consumption calculations for unmetered consumers in the unmetered LMV-1 and unmetered LMV-7& LMV-8 categories adhere to the norms approved by the Commission. Further, it's humbly submitted that there are no unmetered consumers in the unmetered LMV-2 category and since the Commission in its approved tariff for FY 2022-23 has discontinued unmetered LMV-2 tariff category.

Particulars	Unit	LMV-1
Load (A)	kW	57698
Norms (B)	kWh/Month/kW	144
Sales (C) = (A) * (B) *12/10 ⁶	MU	99.70
Particulars		LMV-7& LMV-8
Numbers (A)	No. of Connection	6951
Norms (B)	kWh/Connection/Month	7124.71
Sales (C) = (A) * (B) *12/10 ⁶	MU	594.29

- The Petitioner to submit the details on the billing determinant of LMV 11 category to show why the number of consumers have increased manifold (from 7 to 84) similarly, the load has increased from only 26 to 4355 kW.

Response:

It is submitted that the notable rise in the number of consumers within the LMV-11 category can be attributed to the increasing adoption of electric vehicles, driven by the State Government's EV Policy. The increase in consumer numbers signifies the expanding user base for electric vehicles in this tariff category. While the percentage growth appears significant, it's important to note that the average monthly addition of 7 to 8 consumers per month for the entire Discom might still be relatively lower side. This same rationale contributes to the observed trends in Load and Sales for the LMV-11 category.

- The Petitioner to submit the per capita consumption of electricity for the control period from FY 2020-21 to FY 2024-25 along with working of the same.

Response:

It is humbly submitted that computation of per capita consumption of electricity is based on energy consumed by the population of the State over the specified period. As such, the Discoms have no mechanism to ascertain required component i.e. population of the State as per its practice.

Distribution Loss

- The Petitioner to submit the copy of the notified documents in relation to the Distribution loss trajectory provided in Table 2-2 of the Petition.

Response: It is submitted that as per the RDSS scheme, the appropriate authority has only quantified AT&C loss Trajectory. Same is attached as **Annexure-C** for kind consideration of the Hon'ble Commission.

8. The Petitioner to submit consumer category wise billing and collection efficiency for the control period from FY 2020-21 to 2024-25.

Response:

It is submitted that there is no mechanism to allocate/compute category wise input energy, therefore category wise billing efficiency is not being computed by the Petitioner. Further, with respect to collection efficiency it is submitted that the Commission in its previous years orders has considered collection efficiency as 100%. Hence, the same has been considered by the Petitioner.

9. Voltage wise losses submitted by the Petitioner are not correct. The Petitioner to correct and resubmit the Table.

Response:

It is submitted that there was some excel issues which have now been rectified. Revised Table 2-4 is attached as **Annexure-D**.

Energy Balance

10. The Petitioner to submit as to why inter-state losses are so high in comparison to the approved losses.

Response:

The Hon'ble Commission in its Tariff Order for FY 2022-23 and FY 2023-24 has directed the Petitioner to follow the formats given under Energy Balance table. The same has been complied by the Petitioner. In its Computation the Petitioner has considered the Intra State Transmission losses as approved by the Hon'ble Commission for respective years. Further, for true up year, the Inter State Transmission losses has been auto computed based on all other components as mentioned in the Energy Balance (Input energy, Energy Sold, Intra State Transmission Losses) as per the methodology defined by the Hon'ble Commission in previous Tariff Orders.

11. The Petitioner to submit the calculation of BST and DBST in Excel along with the duly filled and linked corresponding formats. Further, it is to reconcile Audited Financial Statements with DBST computed values.

Response:

It is hereby submitted that for the True-up year the power purchase cost allocation is being done based on the DBST methodology approved by the Commission. It is hereby important to note that as per the requirement of Company Act DISCOM is preparing quarterly balance sheet wherein, power purchase cost segregation based on DBST is being done on Last year audited data. Therefore, annual reconciliation of the same considering the ratio analysis is not feasible.

12. The Petitioner to confirm that the interstate losses are shown and considered only for applicable plants. If not then submit a revised energy balance similar to the as provided in the Tariff Order.

Response:

It is submitted that in FY 2022-23, the actual units generated from interstate power plants during the year has been taken for deriving the interstate loss figures.

Power Purchase

13. In regard ‘annual other cost’ the Petitioner is required to adjust all values given in this column under the heads of annual fix charges, annual energy charges with explanation. Submit the revised Table with links.

Response:

The petitioner hereby submits that the following statutory charges are being claimed under “Annual Other Cost” under **Annexure-E:**

- Transmission Charges
- Wage Revision Charges
- Ash Transportation Charges
- Water Usages Charges
- Advance Tax
- Differed Tax
- Foreign Exchange Rate Variation
- Recovery of Short Fall
- Supplementary Energy Bill
- Gain Sharing
- Impact of PAF
- Provision
- Bills other than above mentioned

14. The Petitioner is required to reconcile power purchase cost, inter-state transmission & intra-state transmission cost in Audited accounts with the submission that has been made.

Response:

It is submitted that the Petitioner in TABLE 2-6 ‘GENERATING STATION-WISE POWER PURCHASE COST FOR FY 2022-23’ has submitted the breakup of transmission charged (Inter State) is as under which is as per the note 22 of UPPCL balance sheet, same is also reproduced for ready reference:

Transmission Charges	Rs Cr.
PGCIL / POSOCO Charges	5,446.55
WUPPTCL Charges	832.99
SEUPPTCL Charges	258.37
POWER GRID TRANSMISSION	91.52
GHATAMPUR TRANSMISSION LTD.	116.66
OBRA BADAUN TRANSMISSION LTD.	83.38
Power Grid Rampur Sambhal Trans. (PRSTL)	15.87
NOAR	1.21
Sub-total	6,846.55

UTTAR PRADESH POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

CIN : U32201UP1999SGC024928



NOTE '22' - PURCHASE OF POWER

[Amount in ₹Crore]

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Power purchased from Generators & Traders*	61,805.10	51,214.55
Surcharge**	583.47	(60.08)
Unscheduled Interchange & Reactive charges #	(67.89)	(513.94)
Transmission & Related charges	6,846.55	4,559.00
Sub Total	69,167.23	55,199.53
Less: Rebate against Power Purchase	237.88	147.18
Subsidy against Power Purchase	275.42	172.99
Total	68,653.93	54,879.36

It is further submitted that the Petitioner has claimed the intra State transmission charges as per the Balance Sheet Note-21 of PuVVNL. Same is exhibited as under: -

PURVANCHAL VIDYUT VITRAN NIGAM LIMITED
Vidyut Nagar, Bhikharipur, BLW, varanasi.
CIN:U31200UP2003SGC027461

Note-21

PURCHASE OF POWER

[₹ in Crore]

Particulars	For the Year Ended on 31.03.2023	For the Year Ended on 31.03.2022
Transmission Charges	789.85	773.49
Power Purchase from UPPCL	15,235.90	11,273.72
PURCHASE FROM OTHERS	5.21	7.95
Sub Total	16,030.96	12,055.16
Total	16,030.96	12,055.16

15. The Petitioner to insert a column of plant wise PLF in the Table 2-6& resubmit the same.

Response: The Petitioner humbly submits the details attached under **Annexure-F**.

16. The Petitioner to submit the detailed calculations on the banking that is shown in the power purchase from captive as it is shown that energy is received while payment of Rs. 13.39 crores have been made.

Response: It is submitted that detailed calculations on the banking is submitted as **Annexure-G**.

17. The Petitioner to provide explanation why variable charge of Rs. 17.7 Crores is claimed when no energy is supplied/ received. The Petitioner to provide is approval of the Commission for the banking done by the Petitioner.

Response:

It is submitted that the Petitioner has claimed Rs 14.70 under Variable charges heads such as STOA charges, Application Fees etc, it is requested to the Commission that same shall be considered under Other charges.

18. In late payment that is shown as negative will not be considered. The Petitioner to provide details only of the late payment that is paid to the generator.

Response:

It is submitted that the payment shown as negative is due to the reversal of excess provisioning made against late payment surcharge. The detailed plant wise LPS has already been submitted to the Commission under format F13B.

19. The Petitioner to submit the details of the power purchase agreements that have been entered and the impact of the same.

Response:

The details of all the power purchase agreements are available on <https://uppcl.org/uppcl/en/page/case1-amp;-case2>

20. The Petitioner to provide measures taken to contain the increase in power purchase cost.

Response:

The key measures taken for power purchase cost optimization by Discom is as under: -

1. Strategic Banking Arrangements: UPPCL has meticulously examined diverse banking arrangements to enhance the efficiency of its power procurement cost, particularly during peak seasons.
2. Advanced Power Procurement Forecasting: UPPCL has enlisted the expertise of specialized professionals to conduct precise forecasting of power procurement requirements. This approach has empowered UPPCL to establish more accurate demand forecasts by factoring in various environmental variables.
3. Proactive Short-Term Power Procurement and Sale: UPPCL strategically plans its short-term power procurement well in advance, enabling the organization to capitalize on more favorable market pricing conditions.
4. Optimizing Energy Mix: UPPCL is actively exploring avenues to achieve an optimal energy mix, aiming to reduce power procurement costs by incorporating hybrid and renewable sources into its portfolio.
5. Adoption of Energy Storage Systems: In alignment with the directives of the Hon'ble Commission, UPPCL is in the process of implementing energy storage systems to mitigate the impact of peak pricing, contributing to a more stable and cost-effective energy supply.
6. Demand-Side Management Initiatives: UPPCL has launched various Demand-Side Management (DSM) activities to flatten its load requirements, enhancing operational efficiency and reducing overall energy consumption.

21. The Petitioner to submit the details in additional formats required by the Commission vide letter no. UPERC/Secy/D (Tariff)/ 2022-23-1372 dated December 26, 2022.

Response:

Details in additional formats required by the Commission have been enclosed as **Annexure-H**.

22. The Petitioner to provide consumer category/ sub-category wise details of energy received under net metering/ net feed-in arrangement and reconcile the same with the Audited Financial Statements.

Response: The Petitioner humbly submits that the data is under compilation.

23. The Petitioner to provide details of the time block wise power purchased and sold on exchange along with the prices.

Response: The time block wise purchased/sold in exchange for FY 2022-23 is attached at **Annexure-I**. It may be noted that the minor difference in revenue as submitted viz a viz time block wise attached sheet is due to the below mentioned components: -

- i. NLDC application fees
- ii. CTU transmission charges
- iii. NLDC and SLDC scheduling and operating charges
- iv. SGST and CGST.
- v. Injection/Drawl CTU transmission charges.
- vi. IEX/PXIL trading margin and other incidental charges.

24. The details of RPO are not provided in the Petition. The Petitioner to resubmit the Petition and include RPO details and the compliance of RPO regulations.

Response:

It is submitted that the Hon'ble Commission has provided the format under MYT format (F-13F) for capturing the RPO details. The petitioner is required to adhere to this format, and accordingly, the RPO details have been submitted in the prescribed formats, including the additional format provided by the Hon'ble Commission. The same is again enclosed at **Annexure-J**.

25. The Petitioner to submit year on year increase in Fixed Charges & Energy Charges of Thermal & Hydro Plants.

Response:

It is submitted that year on year increase in Fixed Charges & Energy Charges of Thermal & Hydro Plants has been mentioned in Format F13D and the same is submitted under MYT Formats and Power Purchase Model.

26. The Petitioner is required to provide the reconciliation with the UPPTCL Monthly Energy Account, along with per unit charge, annexed as Annexure-2 for the FY 2022-23 for all Discoms.

Response: It is submitted that Discom submits its Petition based on the Historical data approved by the Commission pertaining to UPPTCL and audited data as per the Book of Accounts.

Transmission Charges

27. The Petitioner to provide the detailed calculations on the Intra State Transmission charges that have been claimed.

Response: It is submitted that Intra State Transmission charges has been claimed as per the Audited account for FY 2022-23.

O & M charges

28. The WPI and CPI rates that have been provided in the Petition are different from the rates provided in the Tariff Order for FY 2023-24 the Petitioner to provide justification and correct Table, if required.

Response: The WPI & CPI rates considered in Petition for FY 2022-23 are considered as under: -

FY	Index	
	WPI	CPI
FY 2019-20	121.8	322.50
FY 2020-21	123.4	338.71
FY 2021-22	139.4	356.06
FY 2022-23	152.5	377.62
FY 2023-24	150.25	387.22

The above mentioned WPI & CPI Index is as per data available for

WPI:<https://www.eaindustry.nic.in>&CPI:

<https://www.labourbureau.gov.in/allindiageneralindex-1>

The snapshot of the Indexes, obtained from the website is reproduced as under: -

WPI INDEX	
Financial Year	Index
2022-23	152.5
2021-22	139.4
2020-21	123.4
2019-20	121.8
2018-19	119.8
2017-18	114.9
2016-17	111.6
2015-16	109.7
2014-15	113.9
2013-14	112.5
2012-13	106.9

CPI INDEX (Linking Factor: 2.88)

29. In Table 2-11, it is mentioned that additional employee expenses have been claimed. The Petitioner to provide why is the additional employee expenses claimed.

Response:

It is submitted that there is a minor typographical error in the heading of Table 2-11. As such no Additional Employee Expenses have been claimed under Table 2-11.

30. The employee expense, R&M expense and A&G expense claimed is not as per the methodology provided in the Regulations. The Petitioner to compute these expenses as per the Regulations and submit the same.

Response:

It is hereby submitted that Petitioner has submitted the detailed justification in the petition from point number 2.6.11 to 2.6.14. However, the same is reproduced below for the reference of Hon'ble Commission.

Petitioner submits that since the Hon'ble Commission has already trued up the O&M expenses for FY 2019-20, the same shall be considered as the base value rather than deriving the base value for FY 2019-20 as stipulated in Regulation 45 of MYT Regulations, 2019. In this context, it is submitted that, the Hon'ble Commission while truing-up for FY2019-20 has Trued-up O&M expenses and computations done by the Hon'ble Commission on the O&M expenses in the Tariff Order dated 29.07.2021 for the base year value (FY 2019-20) is as under:

TRUED UP AND BASE YEAR O&M EXPENSES FOR FY 2019-20 (RS.CRORE)

Particulars	DVVNL	MVVNL	PVVNL	PUVVNL	KESCO	Total (in Crs.)
Trued-up O&M expenses	1193.06	1433.57	1360.66	1804.31	246.43	6038.03
Computed O&M expenses	1038.11	1256.36	1117.22	1528.79	239.36	5179.84

However, Hon'ble Commission while computing the O&M expenses in the Tariff Order dated 29.07.2021 has computed the base year value (FY 2019-20) which is less than the approved O&M Expenses and the same is shown in the table above.

It can be perceived from the above data that the Hon'ble Commission has itself estimated two different O&M Expenses for the same year. Thus, the Petitioner has considered the Trued-up value for FY 2019-20 as a base value for the escalation of normative O&M Expenses for FY 2020-21 and subsequently for FY 2021-22 as per the MYT Regulations, 2019.

The Petitioner request the Hon'ble Commission to allow the O&M Expenses in line with the methodology proposed in the instant petition which is based on the Trued-up O&M Expenses for FY 2019-20 and considering the applicable CPI escalation factors (for Employee Expenses) and WPI escalation factors (R&M Expenses and A&G Expenses) for FY 2021-22, FY 2022-23 and FY 2023-24.

31. The values as per the Balance Sheet of R&M and A&G are not provided. The Petitioner to submit the figures as per Audited Financial Statements also.

Response: The values of R&M and A&G as per balance sheet are provided as below:

As Per Balance Sheet		
DISCOM	R&M	A&G
PuVVNL	715.67	705.93

32. The Petitioner has claimed special R&M expenses approved in Tariff Order dated 20.07.2022 to be claimed in True up of FY 2022-23. The Petitioner to provide complete details on how such claims have been made and why these expenses should be allowed along with the documents.

Response:

The Petitioner submitted that the provisions for Additional R&M expenses that were approved by the Commission for FY 2022-23 are already included under R&M expenses and part of it and the mechanism of SOP Regulations are complied. Further, the Petitioner has prepared software for compliance of UPERC SOP Regulations, 2019 and making required arrangements. These expenditures fall in various heads under O&M Expenses. The Commission is requested to allow the R&M expenses as mentioned under True-up Section.

33. The claims made by the Petitioner in Table 2-15 and 2-16 are not as per the Regulations. The Petitioner to re submit the same strictly as per the Regulations.

Response:

It is humbly submitted that the Petitioner is actively working to enhance its performance by prioritizing billing and collection efforts. In pursuit of this, the company has hired contractual personnel for metering, billing, and collection activities, resulting in a substantial increase in Administrative and General Expenses (A&G) since FY 2017-18.

The expenses under "Payment to Contractual Person," "Incidental Stores Expenses," and "Expenses on Spot Billing Centre" within A&G have notably risen along with the resultant increase in internal energy consumption since the hiring initiative, contrasting with lower expenses before FY 2018. The methodology used by the Commission to derive O&M expenses, based on the average of the Trued-up values for the last five financial years, seems to suppress the base year value due to the minimal expenses prior to FY 2018.

The Petitioner urges the Commission to recognize the specific nature of these expenses, driven by establishment costs and manpower, and requests separate consideration under A&G Expenses. Additionally, the Petitioner highlights its commitment to service improvement, marked by expanded consumer facilities and new offices and substations.

To accommodate increased operational demands, the Petitioner appeals to the Commission for additional provisions above normative A&G expenses to ensure optimal service delivery. Therefore, the Petitioner respectfully requests the Hon'ble Commission to acknowledge and separately allow the mentioned expenses as part of Employee Expenses beyond the normative calculation.

Smart Meter

34. With reference to the MoP letter dated 16.09.2023 file no.14/02/2021-UR&SI-II-Part (1) (E-258136) on self-sustaining model for Smart Meter implementation under RDSS. The Petitioner is required to submit the justification of claims made towards Smart Meters.

Response:

The Distribution Company (Discom) presented an extensive plan for the implementation of smart meters in accordance with the approved model to the Hon'ble Commission.

This strategic initiative involves the implementing agency making the initial capital investment during the development phase, followed by the recovery of costs from project gains based on an Operational Expenditure (OPEX) framework.

According to the rollout plan, UP Discoms are required to pay a monthly fee to the implementing agency, structured as an Operations and Maintenance (O&M) expenditure on a per meter per month basis. The calculation of this cost entails spreading the total project expenditure over the actual recovery period post the integration of meters, resulting in a monthly cost per meter. This financial arrangement ensures the gradual recoupment of the investment, aligning with the OPEX model's principle of recovering costs based on operational gains.

It is additionally conveyed that, under the RDSS scheme, Discom is in the process of a large-scale rollout plan for smart meters, necessitating substantial involvement of finances. It is hereby submitted that recovering this substantial amount solely through efficiency improvements in the project life cycle may pose challenges. It is further emphasized that the majority of consumers in the State fall into the low-paying category, making the recovery and payback of smart meters a formidable task. Moreover, if the Hon'ble Commission does not allow for the inclusion of operational costs, this project may pose a significant burden on Discom's already constrained financial position.

35. In Table no. 2-18, the Petitioner has submitted that no smart meters have been installed in FY 2022-23. The Petitioner is required to make submission as to why no smart meters have been installed during the year. And, if smart meters have been installed, under which scheme and how the cost has been recovered.

Response:

It is submitted that in the True-up year FY 2022-23 no smart meter has been installed by the Discom, as such no direct capex has been claimed on behalf of smart meter installation. However, Discom has claimed OPEX on account of already installed smart meters. Further the Petitioner has filed separate petition for approval of scheme under RDSS and it is submitted before the Commission for approval, on date **13.10.2022**.

36. The Petitioner is also required to submit the details of Smart Meter Capex claimed in the True up.

Response:

It is submitted that in the True-up year FY 2022-23 no smart meter has been installed by the Discom, as such no direct capex has been claimed on behalf of smart meter installation. However, Discom has claimed OPEX on account of already installed smart meters.

Capital Investment, Capitalization and Financing

37. The Petitioner is required to submit the breakup of capitalization claimed vs approved under the following heads:

- (a) Capitalization for expansion/ new connection/ network growth
- (b) Capitalization for loss reduction
- (c) Capitalization for any other work, with details

Response:

It is submitted that the capitalization claimed is done towards Capitalization for expansion/ new connection/ network growth only.

38. The Petitioner to confirm that the approval of the Commission for project above Rs. 10 crore has been taken as per the Regulations 44 of MYT Regulation 2019, if any, submit the same along with the details thereof.

Response:

It is submitted that Petition for approval of scheme under RDSS is submitted before the Commission as Petition for approval, on date **13.10.2022**.

39. The Petitioner is required to provide asset wise details of assets related to 132 kV and above which are forming part of capitalization for the year.

Response:

Information is not available since separate details are not being maintained in books of Accounts. Further, FAR is attached under **Annexure-K**.

40. The value of investment shown in Table 2-19 and Table 2-20 are not matching. The Petitioner to reconcile the same along with the formats submitted with the Petition.

Response:

It is submitted that the tables mentioned were not matching due to excel issue, the same has been revised as under after fixing of linking:

CAPEX FOR FY 2022-23 (IN RS. CR)

Schemes	Investments	Capitalisation
Other Schemes	1663.94	1519.27
RGVY	1.75	41.24
DDUGJY	90.37	160.50
ADB	565.89	0.00
RAPDRP	8.42	134.47
IPDS	66.35	145.94
Saubhagya Yojna	26.11	28.24
Revamped scheme (RDSS)	51.08	0.00
Intangible Assets	45.30	45.30
Total(A)	2519.21	2074.95
Employee Cost Capitalised (B)	0.00	306.39
Interest Expenses Capitalised (C)	0.00	0.00
Total (D= A + B + C)	2519.21	2381.34

CAPITAL INVESTMENT IN FY 2022-23 (IN RS. CR)

Particulars	Derivation	Approved in T.O. 20.07.2022	Claimed
Opening WIP as on 1st April	A	1,708.79	2,858.37
Investments	B	515.02	2,519.21
Employee Expenses capitalization	C	240.63	
A&G Expenses Capitalisation	D	-	-
Interest Capitalisation on	E	157.62	-

Particulars	Derivation	Approved in T.O. 20.07.2022	Claimed
Interest on long term loans			
Total Investments	F= A+B+C+D+E	2,622.06	5,377.58
Transferred to GFA (Total Capitalisation)	G	1,287.78	2,074.95
Closing WIP	H=F-G	1,334.28	3,302.63

It is to be noted that the figure is taken as per actual figure of addition in capital work in progress in audited balance sheet.

41. The Petitioner to provide the source & value of funding of the investment under RDSS scheme.

Response: It is submitted that the details of funding are enclosed as **Annexure-L**.

42. The Petitioner to provide the details of funding for the entire period for which RDSS is applicable along with documentary proof.

Response:

It is submitted that Petition for approval of scheme under RDSS is submitted before the Commission as Petition for approval, on date **13.10.2022**.

Interest & Finance Charges

43. With reference to the weighted average rate of interest of 9.65% taken in Table 2-23, the corresponding format F31 is not formula driven and linked. The Petitioner to resubmit all the formats with proper linked and formula driven.

Response:

The Petitioner is resubmitting format F31 along with rest of the MYT formats enclosed as **Annexure-A**.

44. In Table 2-23 the interest capitalized is taken as zero, the Petitioner to reconcile the same with the Audited Financial Statements.

Response:

It is submitted that the interest capitalized for FY 2022-23 is Nil in the audited Balance sheet. The same is considered as Nil in Petitioners submission.

The Snapshot from Note-23 of Balance sheet is as under:

Sub Total	2,744.56	2,742.97
Interest Capitalised	-	-67.86
Total	2,744.56	2,675.11

45. The Petitioner to submit the interest on Consumer Security Deposits working along with format and documentary evidence for interest rate considered.

Response:

It is submitted that the details of interest on Consumer Security Deposits has been provided under Additional Formats. Further, documentary evidence for interest rate is attached as **Annexure-M**.

46. In case of Bank and Finance Charge – The Petitioner to re submit the same strictly as per the Regulations.

Response:

The Petitioner has claimed bank and finance charges as a separate item of expense considering it as a different nature against the A&G expenses. It is requested to the Hon'ble Commission kindly consider the nature of expense as an interest amount and allow separately as claimed by the Petitioner.

47. The Petitioner is required to re submit the interest on working capital considering the each component of the same as per Regulations along with working and documentary evidence for interest rate.

Response: The Petitioner has claimed interest on working capital on normative basis as per the MYT Regulations 2019 the same is as under :

Particulars	Derivation	Claimed
One Month's O&M Expenses	A	221.49
One and half months equivalent of the expected revenue from charges for use of Distribution system at the prevailing Tariff (excluding Electricity Duty)	B	2,110.68
Maintenance spares @ 40% of R&M expenses for two month	C	96.61
Less: Security Deposit from consumers, if any	D	510.02
Total Working Capital Requirement	E=A+B+C-D	1,918.75
Interest rate (actual wt. avg. MCLR rate of SBI for FY23 Plus 250 basis points)	F	11.00%
Interest on Working Capital	G=ExF	211.06

Further, the Interest rate of SBI for FY 22-23 has been considered as per data available on (<https://sbi.co.in/web/interest-rates/interest-rates/mclr-historical-data>) i.e 8.5% plus 250 basis points.

48. The Petitioner to submit detailed calculations for additions during the year of Rs. 409.49 Crore as provided in Table 2-23.

Response:The Petitioner has claimed additions as per the MYT Regulations 2019 and the bifurcation of the same is as under:

Particulars	Claimed
Addition to GFA (A)	2074.95
Net Consumer Contribution (B)	593.15

Particulars	Claimed
Deductions to GFA (C)	896.81
Total (D = A-B-C)	584.99
Additions (70% of Capitalization net of Consumer Contribution and Grants)	409.49

Revenue from Sale of Power/ CSS

49. The Petitioner to provide category/ sub-category wise Revenue details along with Billing Determinants. Separate data to be submitted for employees / retirees those who were previously covered under LMV-10 category and now covered under LMV-1.

Response:The Hon'ble Commission is requested may kindly consider Annexure A/ F9 format as submitted to the response to Question no 1.

50. The Petitioner to reconcile the Revenue realized under renting of Pole/ 5G activities with the Audited Financial Statements.

Response:

It is submitted that the Revenue realized under renting of Pole/ 5G activities is accounted under the head other income Miscellaneous Income/ Receipts.

51. As per Regulation 4.6 of UP Electricity Regulatory Commission (Facilitation of Telecommunication Network) Regulations, 2022 an amount equal to 30% from the Gross Revenue as received from the Telecommunication Company from renting & related services of distribution assets, in a given financial year shall be retained by the Distribution Licensee whereas, the remaining 70% shall be included as non-tariff income of corresponding ARR with the classification given under Multi Year Tariff Regulation. The Petitioner to submit how the compliance of the above Regulation has been done.

Response:

The Petitioner has submitted the bifurcation of Gross Revenue as received from the Telecommunication Company from renting & related services of distribution assets for FY 2022-23 as considered in Non Tariff income and in revenue of FY 2022-23 , is as under:

S.No.	Particulars	Approved upon Truing Up				
		DVVNL	MVVNL	PVVNL	PUVVNL	KESCO
1	Revenue Realized under Renting of Pole/5G Activities	12.74	26.51	27.10	8.16	2.34
2	Revenue under these activities considered under NTI	8.92	18.56	18.97	5.71	1.64

52. As per Regulation 4.7 of UP Electricity Regulatory Commission (Facilitation of Telecommunication Network) Regulations, 2022 the Distribution Licensee shall submit certificate from the Auditor for the Gross Revenue generated from the renting and

related services of Distribution assets along with the Tariff Petition at the time of Truing up. The Petitioner is required to provide the same.

Response: The amount recovered under the above mentioned regulation is part of CAG Audited balance sheet under the miscellaneous charges as mentioned in the reply to Question no 51.

53. The Petitioner to provide the total amount under following heads:

- (a) 2% discount given on prepaid connections;
- (b) 1% rebate given for early payments;
- (c) Interest paid on advance payment of electricity bill;
- (d) Any other rebate.
- (e) Amount paid as compensation or others in SOP Regulations.

Response: The data is voluminous in nature and is under compilation.

54. The Petitioner is also required to clarify whether above rebates/ discounts are included in the Revenue. If no, how the treatment has been done.

Response: Any rebate or income are being considered in the balance sheet either under Note 19 or Note 20.

55. The Petitioner to provide details of consumer wise energy purchased under Open Access and the Revenue realized in the form of Cross Subsidy Surcharge, Wheeling and Other Charges.

Response:

It is submitted that details of consumer wise energy purchased under Open Access and the Revenue realized in the form of Cross Subsidy Surcharge, Wheeling and Other Charges are provided under Additional Formats attached as **Annexure-N**.

56. The Petitioner to reconcile the Revenue realized from Open Access charges with the Audited Financial Statements.

Response:

It is submitted that the Revenue realized from Open Access charges are accounted under the head Miscellaneous charges from consumer under the head Revenue from operations. The consumer wise details are already provided under reply to Question 55.

57. The Petitioner to provide the details of OTS scheme along with the amount of waiver given to the consumers. Such information should be provided for each category/ sub-category along with the Billing Determinants.

Response:

It is submitted that OTS scheme is not governed under the provision of UPERC MYT Regulations 2019. Discoms has not separately claimed any OTS related relaxation in its Petition. All the OTS scheme is introduced by UPPCL to boost up its revenue collections. The revenue collected through the scheme and other regular activities is recorded as a revenue from consumers.

58. The Petitioner to reconcile the GoUP subsidy with the Audited Financial Statements.

Response:

It is submitted that the Petitioner has claimed the subsidy as actual received and accounted under the Balance sheet of Discom.

Note-20

OTHER INCOME

(₹ in Crore)

Particulars	For the Year Ended on 31.03.2023	For the Year Ended on 31.03.2022
From U.P. Govt.		
RE Subsidy from Govt. of U.P.	393.43	397.36
Revenue Subsidy from Govt. of U.P.	2,831.01	3,380.35
Subsidy for Operational Losses	2,681.12	2,292.66
Subsidies for Government Guarantee Loan	2.61	13.91
Subsidy Under Atmnirbhar Bharat Scheme	775.12	775.12
	6,683.29	6,859.40

Non-Tariff Income

59. The Petitioner is required to reconcile the non-tariff income claimed in the Petition with the Audited Financial Statements.

Response:

The reconciliation of the non-tariff income claimed in the Petition with the audited financial statements is given as under:

Particulars	PuVVNL	
	Audited Balance Sheet	Claimed
Fixed Deposits	10.78	10.78
Loans to Staff	-	-
Rental from Staff	-	-
Income from Contractors/Suppliers	3.07	3.07
Delayed Payment Charges	127.94	127.94
Miscellaneous receipts	10.31	*7.86
Others	-	-
Less: Cost of borrowing DPS	-	58.64
Total	152.10	91.01

***Note:** The Miscellaneous receipts claim after adjustment of the 70% revenue from renting of pole.

60. The Petitioner has claimed financing cost of DPS of Rs. 58.64 crore. The Petitioner is required to submit that under which Regulation the same is being claimed and submit the documentary proof of financing of DPS.

Response:

It is submitted that since DPS recovered from consumers is considered as an income of UP Discoms and is deducted from the ARR, similarly the LPS paid by the UP Discoms to the generating companies shall also be considered as an expense of the UP Discoms

and allowed as pass through in tariff. LPS is a legitimate expense being incurred by the UP Discoms for payment to the generating company for ensuring continuous supply of power. Further, in terms of Section 61 of the Electricity Act, 1980, UP Commission is mandated to safeguard consumers' interest and at the same time ensure recovery of the cost of electricity in a reasonable manner.

Furthermore, it is submitted that the principal amount on which Demand Penalty Surcharge (DPS) was levied on consumers amounted to Rs. 127.94 Cr., which is significantly high and beyond the manageable capacity of working capital. Consequently, financing for DPS was essential to ensure the uninterrupted functioning of the Discom. The Discom has incurred an expenditure of Rs. 58.64 Cr. based on the applicable rate of interest used for calculating interest on working capital. This expense is associated with the financing of DPS to facilitate smooth operations.

FINANCING COSTS OF DPS FOR FY 2022-23 (IN RS. CR)

Particulars	FY 2022-23
Delayed payment Surcharge Received	127.94
DPS grossed-up at 2% per month	24%
Amount after grossing-up of DPS	533.08
Applicable interest rate for working capital finance	11.00%
Financing costs of DPS	58.64

Bad & Doubtful Debts

61. The Petitioner to submit the details of Electricity Duty that is part of the bad debts claimed.

Response:

It is submitted that there is no provisioning of electricity duty in Bad debts in Audited balance sheet. Further the claimed Bad debts is normative in nature.

General

62. The Petitioner is required to make Audited Financial Statement as part of the Petition and resubmit the scanned copy as some of the pages are not legible.

Response:

The Audited Financial Statement is resubmitted as **Annexure-O**.

63. The Petitioner to provide the CAG Report for Audited Financial Statement of FY 2022-23.

Response:

It is submitted that the CAG Report for Audited Financial Statement of FY 2022-23 is yet to be issued by CAG, the same will be submitted when it is issued by CAG.

64. In regard to the prepaid metering, how is the 75% of contracted load clause handled, also if the meter is not recharged for a couple of months - how are the fixed charges due dealt with?

Response:

The petitioner is obligated to follow the mechanism for levying fixed charges as per the Tariff Order issued by the Commission for respective years.

65. Does the 6 months/ 2 years ceiling of a connection as per clause 4.14 of the UP Electricity Supply Code, 2005 also work on pre-paid consumers?

Response:

DISCOM is obligated to follow the UPERC Electricity Supply Code 2005 and its Amendments from time to time.

66. Is there a laid procedure for shifting a pre-paid consumer to a new address? This often happens with the Jughi-Jhopdi consumers.

Response:

DISCOM is obligated to follow the UPERC Electricity Supply Code 2005 and its Amendments from time to time.

Annual Performance Review (FY 2023-24)

Billing Determinants

67. Petitioner to provide Billing Determinants and Revenue on month-wise, category and slab-wise basis for till last billing month of the last quarter (in MS-Excel format).

Response: It is submitted that intermediary billing determinants and revenue does not represent accurate picture due to various reconciliation of subsidy, prior adjustment of arrears etc. Therefore, licensee requests Hon'ble Commission to allow submission of the same at the time of True-up.

Energy Balance

68. The Petitioner to submit as to why inter state transmission losses are so high in comparison to the approved losses as shown in the Table no. 3-3 of the Petition. The Petitioner is also required to provide the data to substantiate this along with the benchmarking with the states like Uttarakhand & Bihar etc.

Response: The Petitioner humbly submits that it is not maintaining any benchmark study with the States like Uttarakhand and Bihar.

Power Purchase

69. The Petitioner to submit the details of the power purchase agreements that have been entered and the impact of the same.

Response:

The details of all the power purchase agreements is available on <https://uppcl.org/uppcl/en/page/case1-amp;-case2>

70. Petitioner to provide month wise and element wise (Mus, energy charges, fixed charges, breakup of other charges, rebate received, delayed payment surcharge, etc.) details of power purchase till last month of the last quarter.

Response: The Petitioner humbly submits that the details are provided under **Annexure-P**.

71. Petitioner to provide details of monthly as well as fortnightly transactions of Banking with forward and reverse Banking along with the approval of the Commission.

Response: Banking details are attached under **Annexure-Q**.

72. Petitioner to provide justification for proposing 6.95% of interstate transmission losses in the Petition. Also, detail calculation of transmission charges i.e., projected energy wheeled, transmission tariff for each Transmission Petitioner i.e., PGCIL, WUPPTCL and SEUPPTCL to be provided.

Response:

The Hon'ble Commission in its Tariff Order for FY 2022-23 and FY 2023-24 has directed the Petitioner to follow the formats given under Energy Balance table. The same has been complied by the Petitioner. In its Computation the Petitioner has considered the Intra State Transmission losses as approved by the Hon'ble Commission for respective years which may vary as per actuals booked by transmission company. In the tabulated format of Energy Balance, the Inter State Transmission losses have been auto computed.

Further, transmission charges i.e., projected energy wheeled, transmission tariff for each Transmission Petitioner i.e., PGCIL, WUPPTCL and SEUPPTCL are computed under considering 2% escalation of FY 2022-23 actual values. The same has been provided under Power Purchase Model submitted to the Commission.

Smart Meter

73. With reference to the MoP letter dated 16.09.2023 file no. 14/02/2021-UR&SI-II-Part (1) (E-258136) on self-sustaining model for Smart Meter implementation under RDSS. The Petitioner is required to submit the justification of claims made towards Smart Meters.

Response:

The Distribution Company (Discom) presented an extensive plan for the implementation of smart meters in accordance with the approved model to the Hon'ble Commission. This strategic initiative involves the implementing agency making the initial capital investment during the development phase, followed by the recovery of costs from project gains based on an Operational Expenditure (OPEX) framework.

According to the rollout plan, UP Discoms are required to pay a monthly fee to the implementing agency, structured as an Operations and Maintenance (O&M) expenditure on a per meter per month basis. The calculation of this cost entails spreading the total project expenditure over the actual recovery period post the integration of meters, resulting in a monthly cost per meter. This financial arrangement

ensures the gradual recoupment of the investment, aligning with the OPEX model's principle of recovering costs based on operational gains.

It is additionally conveyed that, under the RDSS scheme, Discom is in the process of a large-scale rollout plan for smart meters, necessitating substantial involvement of finances. It is hereby submitted that recovering this substantial amount solely through efficiency improvements in the project life cycle may pose challenges. It is further emphasized that the majority of consumers in the State fall into the low-paying category, making the recovery and payback of smart meters a formidable task. Moreover, if the Hon'ble Commission does not allow for the inclusion of operational costs, this project may pose a significant burden on Discom's already constrained financial position.

74. In Table no. 3-15, the Petitioner has submitted that 3,66,289 more smart meters to be installed till March, 2024 as compared to installed till March, 2022 & March, 2023. The Petitioner is required to make submission as to how 3,66,289 smart meters will be installed in a Financial Year & no. of smart meters installed till date.

Response: The projections has been done by the Petitioner based on the approved action plan as submitted under the RDSS Petition before the Hon'ble Commission.

Capital Investment, Capitalization and Financing

75. Petitioner should submit the capital expenditure of each project and confirm that prior approval of the Commission for project above Rs. 10 Crores has been taken as per Regulation 44 of MYT Regulations, 2019. The details of these projects were also required to be provided as in the additional formats provided by the Commission vide letter no. UPERC/Secy/D(T)/21-1019 dated 2nd November, 2021.

Response:

The Petitioner has submitted the Petition for Capex approval of RDSS Scheme along with the break-up of its components of scheme, before the Commission as Petition for approval, on date **13.10.2022**.

76. The Petitioner has claimed Capex and Capitalization under RDSS Scheme which includes Grants/Subsidy from State Government. However, the Petitioner has not submitted the details of Grants/Subsidy for such schemes. Petitioner to submit the details of Grant/Subsidies along with funding structure of the same.

Response:

It is submitted that Petition for approval of scheme under RDSS is submitted before the Commission as Petition for approval, on date **13.10.2022**. Further, for FY 2023-24 the petitioner has considered CAPEX under RDSS net off grant. As per the approval of action plan of Discoms for the State of Uttar Pradesh under RDSS, the funding pattern is as under:

2. Funding Pattern:

- a. The funding Pattern for the State of Uttar Pradesh is a given below:

Item Description	GBS % (Max)
Prepaid Smart metering solution including at consumer, DT, and feeder level including integration of existing infrastructure	15% of the approved cost of metering including the operational cost, provided that it is not more than Rs. 900 per meter for consumer metering only
Distribution Infrastructure works	60% the approved cost of Distribution infrastructure works
PMA Charges for Metering and Infrastructure works	60% of the approved cost of PMA

- b. The project cost approved by the Monitoring Committee or actual cost incurred whichever is less, shall be the eligible cost for determining the grant under the scheme for Infrastructure works and PMA Components. Any cost overrun after approval of the project (by Monitoring Committee) due to any reason whatsoever shall not be eligible for any grant and shall be borne by the DISCOM/respective State Government.
- c. The release of GBS by Government of India will be subject to prescribed scheme guidelines and would be contingent to award of prepaid smart metering works & its satisfactory progress.

Depreciation

77. Petitioner to provide the detailed breakup of the Assets made out of the, Grants Subsidy and Consumer Contribution for FY 2023-24. Also submit the Gross Block and Depreciation on Assets made out of Consumer Contribution, Grants separately, as in the Additional Formats provided by the Commission vide letter no. UPERC/Secy/D(T)/21-1019 dated 2nd November, 2021.

Response:

Information is not readily available in separate heads as desired by the Hon'ble Commission.

General

78. The Petitioner is required to provide the documents that it has received the subsidy of Rs. 15,020 Crore as claimed in the Table No. 3-32.

Response: It is submitted that the actual DISCOM wise allocation of subsidy can be ascertained only after closure of financial year FY 2023-24.

79. The Petitioner is required to provide the copies of bills of all the Discoms as per following details:
- 1) All consumers availing GoUP Subsidy: 5 bills each of different months for each category/ sub category of consumers i.e. Rural Domestic, Life Line, Farmers & Power Loom etc.)
 - 2) All other consumers: 5 bills each of different months for each category/ sub category of consumers.
 - 3) Open Access consumers: 5 bills each of different months for 10 different consumers (5 connected on 132kV & 5 connected on 33 kV).
 - 4) Roof Top Solar:
 - A) Residential: 5 bills each of different months of different consumers.

B) Others: 5 bills each of different months of different consumers.

Response: The Petitioner submits that the details under **Annexure-R**.

ARR (FY 2024-25)

Billing Determinants

80. The Petitioners to provide Billing Determinates submitted in Petition in the format enclosed as Annexure -1.

Response: It is submitted that same is attached as per **Annexure-S**.

Energy Balance

81. The Petitioner to submit as to why inter state losses are considerable low than claimed in the True up of FY 2022-23.

Response:

The Petitioner while estimating the ARR for 2024-25 has segregated inter state and intrastate plants and to estimate delivery at discom periphery only appropriate transmission losses is considered for respective plant. Further, for estimation purpose the latest available 52 weeks ISTS losses as average is considered which comes approx. 3.62%. Further, for true-up year power has already been scheduled accordingly the interstate losses percentage is balancing number in energy balance due to all other fixed components.

82. The Petitioner to submit the calculation of BST and DBST in Excel along with the duly filled and linked corresponding formats.

Response:

The calculation of BST and DBST in Excel along with the duly filled and linked corresponding formats are submitted by the Petitioner in its Petition. The same has been attached again as **Annexure-T**.

83. The Petitioner to confirm that the interstate losses for are shown and considered only for applicable plants. If not then submit a revised energy balance similar to the as provided in the Tariff Order.

Response:

The Petitioner while estimating the ARR for 2024-25 has segregated inter state and intrastate plants and to estimate delivery at discom periphery only appropriate transmission losses is considered for respective plant. Further, for estimation purpose the latest available 52 weeks ISTS losses as average is considered which comes approx. 3.62%.

No. of Hrs. Supply

84. The Petitioner to provide the Excel link model for the methodology described in the point no. 4.1.2 of the Petition, Considering the expected sales with no. of hour supply along with past 7 years' CAGR as per Regulation No. 42.1. And any exception should be properly reasoned.

Response:

It is hereby submitted that the Petitioner in its revenue model has considered CAGR for 7 years till 2 years and also Y-o-Y growth, the same is linked with the projected number. However, considering the various factors, the Petitioner has taken appropriate growth rate for different category of consumers.

Power Purchase

85. Provide plant wise details of power purchase from 'Slop based power project' along with the approval of the Commission.

Response: The details of Slop based power projects are as under:-

SLOP- TENDERS			
Name of Generating entity	PPA date	Contracted Capacity	Date of Approval of PPA (Pet no 1695/2021)
Balrampur Chini Mills Limited (Gularia)	23.12.2020	3.5 MW	15.07.2021
Avadh Sugar & Energy Limited (Hargaon)	14.12.2020	3.5 MW	15.07.2021
Avadh Sugar & Energy Limited (Seohara)	18.12.2020	2 MW	15.07.2021
Dwarikesh Sugar Industries Limited	28.12.2020	2 MW	15.07.2021
Dalmia Bharat Sugar And Industries Limited	30.12.2020	2 MW	15.07.2021
DCM Shriram Limited, Distillery Unit: Ajbapur	31.12.2020	4 MW	15.07.2021
Gobind Sugar Mills Ltd	24.12.2020	2 MW	15.07.2021
The Seksariya Biswan Sugar Factory Ltd., Biswan (Sitapur)	31.12.2020	2 MW	15.07.2021

86. Petitioners should provide details of new plants / capacities that are expected to come up in FY 2024-25 along with PPAs and approvals.

Response: The Petitioner submits the details under **Annexure-U**.

87. The Petitioner to provide consumer category/ sub-category wise details of energy received under net metering/ net feed-in arrangement and captive.

Response: The Petitioner submits that the data is under compilation.

88. The Petitioner to provide justification as to why PLF of 85% (as mentioned in point no.1 in Table 4-8) has been considered for State Thermal Generating Stations & not the actual PLF that is being realized. The Petitioner to provide PLF of last five years of Plants of State Thermal Generating Stations.

Response: It is submitted that Month wise power purchase quantum for FY 24-25 & remaining months of FY 2023-24 has been projected based on the monthly average PLF of generating stations from April 2018 to March 2023. For upcoming generating thermal generating stations of UPRVUNL, 85% PLF is considered. The details of PLF of last 5 years of State Thermal Generating Plants has already been provided to the Hon'ble Commission under Power Purchase Model.

89. The Petitioner to provide justification as to why escalation factor of 2% to the Fixed Charges & 5.5% for Energy Charge (as mentioned in point no.2 in Table 4-8) has been considered for State Thermal Generating Stations.

Response: It is respectfully submitted that there are no specific regulations under MYT Regulations 2019 and its subsequent amendments regarding consideration of escalation factors for fixed and variable charge pertaining to the power plant. Therefore, in absence of standard guidelines petitioner has considered the market trend for escalation factor of 2% for fixed charge and 5.5% for Energy Charge.

90. The Petitioner to provide justification for the escalation factor considered for different category of Plants.

Response: It is respectfully submitted that there are no specific regulations under MYT Regulations 2019 and its subsequent amendments regarding consideration of escalation factors for fixed and variable charge pertaining to the power plant. Therefore, in absence of standard guidelines petitioner has considered the market trend for suitable escalation factor for various categories of plants.

Smart Meter

91. With reference to the MoP letter dated 16.09.2023 file no. 14/02/2021-UR&SI-II-Part (1) (E-258136) on self-sustaining model for Smart Meter implementation under RDSS. The Petitioner is required to submit the justification of claims made towards Smart Meters.

Response:

The Distribution Company (Discom) presented an extensive plan for the implementation of smart meters in accordance with the approved model to the Hon'ble Commission. This strategic initiative involves the implementing agency making the initial capital investment during the development phase, followed by the recovery of costs from project gains based on an Operational Expenditure (OPEX) framework.

According to the rollout plan, UP Discoms are required to pay a monthly fee to the implementing agency, structured as an Operations and Maintenance (O&M) expenditure on a per meter per month basis. The calculation of this cost entails spreading the total project expenditure over the actual recovery period post the integration of meters, resulting in a monthly cost per meter. This financial arrangement ensures the gradual recoupment of the investment, aligning with the OPEX model's principle of recovering costs based on operational gains.

It is additionally conveyed that, under the RDSS scheme, Discom is in the process of a large-scale rollout plan for smart meters, necessitating substantial involvement of finances. It is hereby submitted that recovering this substantial amount solely through

efficiency improvements in the project life cycle may pose challenges. It is further emphasized that the majority of consumers in the State fall into the low-paying category, making the recovery and payback of smart meters a formidable task. Moreover, if the Hon'ble Commission does not allow for the inclusion of operational costs, this project may pose a significant burden on Discom's already constrained financial position.

92. In Table no. 4-20, the Petitioner has submitted that no smart meters to be installed in the FY 2024-25. The Petitioner is required to make submission as to why no smart meters to be installed along with the details of Smart Meter Capex claimed in the True up.

Response:

It is submitted that installation of smart meters has been proposed in FY 2024-25 the details of the same was not captured in table 4-20 due to excel issue the same has been reproduced as under:

SMART METERING OPEX FOR FY 2024-25

Particulars	Smart Meters installed till March 2024	Smart Meters installed till March 2025	Rate (Rs. /meter/month including GST @18%)	Projected OPEX (IN RS. CR)
FY 2024-25	6,87,722	43,51,716	113.60	362.34

93. The Petitioner has claimed, Rs. 362.34 Crore towards Smart Meter opex in Table 4-20 whereas in Table-4-21 it is taken as NIL. The Petitioner to correct the submission that has been made.

Response: The Petitioner submits that the claimed smart meter opex would be considered at the time of true-up of FY2024-25 based on actuals.

OPERATION & MAINTENANCE EXPENSES PROJECTED FOR FY 2024-25 (IN RS. CR)

Particulars	Projected
Repair & Maintenance expenses	1,114.79
Employee expenses	1,003.07
Administrative and General expenses	674.21
Gross O&M Expenses	2,792.06
Less:	-
Employee expenses capitalized	300.66
Administrative and General expenses capitalized	-
Gross expenses Capitalized	300.66
Smart Meter Opex	362.34
Net O&M Expenses	2,853.75

Capital Investment, Capitalization and Financing

94. The Petitioner in the Table 4-22 claimed the Capex for FY 2024-25 through RDSS of Rs. 1,513.22 crore, the Petitioner to provide the source of funding of the investment of Rs. 3,783.04 crore that is claimed under RDSS scheme.

Response:

It is submitted that Petition for approval of scheme under RDSS is submitted before the Commission as Petition for approval, on date 13.10.2022.

95. The Petitioner to provide the details of funding for the entire period for which RDSS is applicable along with documentary proof.

Response:

It is submitted that Petition for approval of scheme under RDSS is submitted before the Commission as Petition for approval, on date 13.10.2022.

96. The Petitioner in the Table 4-22 claimed the Capex for FY 2024-25 through Other Schemes of Rs. 1,419.74 crore against which the investment is NIL, the Petitioner to provide reasons for the same.

Response:

It is submitted that there is no investment under other schemes for FY 2024-25. However, Capitalization projected is 40% of Opening CWIP for FY 2024-25.

97. In Table 4-24 the additions during the year for consumer contribution is shown as Nil. The Petitioner to provide justification for the same.

Response:

It is submitted that the Petitioner has not projected any asset creation through consumer contribution same shall be taken care at the time of True-up based on the Actual account for under the head of consumer contribution.

Interest & Finance Charges

98. The Petitioner is required to submit the interest on working capital considering the each component of the same as per Regulations.

Response:

The Petitioner has claimed interest on working capital on normative basis as per the MYT Regulations 2019 the same is as under :

Particulars	Projected
O&M expenses for 1 month	207.62
One and Half month Month equivalent of expected revenue	2,673.46
Maintenance spares @ 40% of R&M expenses for two months	74.32
Less: Security deposits from consumers, if any	650.66
Total Working Capital Requirement	2,304.74
State Bank Advance Rate (SBAR) %	11.05%
Interest on Working Capital	254.67

Revenue from Sale of Power/ CSS

99. The Petitioner has claimed the Revenue for Open Access Consumers as zero, the Petitioner is required to clarify the same.

Response:

It is submitted that Petitioner has not projected any revenue pertaining to the Open Access Charges, same shall be claimed during the True up of the respective year based on actual account for open access consumers.

100. As per Regulation 4.6 of UP Electricity Regulatory Commission (Facilitation of Telecommunication Network) Regulations, 2022 an amount equal to 30% from the Gross Revenue as received from the Telecommunication Company from renting & related services of distribution assets, in a given financial year shall be retained by the Distribution Licensee whereas, the remaining 70% shall be included as non-tariff income of corresponding ARR with the classification given under Multi Year Tariff Regulation. The Petitioner to submit how the compliance of the above Regulation has been done.

Response:

It is submitted that the projection and consideration of Revenue as received from the Telecommunication Company from renting & related services of distribution assets is not done for APR & ARR year.

101. The Petitioner to confirm whether the GoUP Subsidy mention in Sr. No. I of Table No. 4-37 is not included in the Revenue from Subsidy & Cross Subsidy at Sr. No. a of Table No. 4-37.

Response: It is respectfully submitted that GoUP while allowing the subsidy does not take care of any component of cross subsidy as per historical GoUP Notifications. The Petitioner has estimated subsidy in line with the previous approach of GoUP.

102. The Petitioner to provide the details of consumers for whom GoUP subsidy in Sr. No. I of Table No. 4-37 has been claimed.

Response: The Petitioner has claimed the subsidy for FY 2024-25 as per the previous notifications of GoUP for FY 2023-24. It is further submitted that the GoUP had provided subsidy for LMV-1 and LMV-5 consumers. It is further submitted that the notification for subsidy pertaining to FY 2024-25 is still pending, the qualified consumer can only be informed after the notification issued by the GoUP.

General

103. The Petitioner is required to resubmit all the formats along with the additional formats with proper linkage & formula driven as many of formats are not properly linked & formula driven. Further, a few formats submitted in the hard copy are not readable & some have been broken up to be printed in multiple sheets making them very difficult to understand & use.

Response:

The details are provided under **Annexure-A**. It is submitted that the Petitioner has submitted the Formats as per Commissions guidelines, it is further submitted some formats are lengthy and could not be printed as a single sheet.

104. The Petitioner is required to provide the details of Appeals/ Cases pending in various Tribunals/ Courts against the Order of the Commission and financial impact claimed in those Appeals/ Cases.

Response:

The details are provided under **Annexure-V**.

105. The Tariff Petition shows a Gap, the petitioner is required to provide the details as to how it proposes to take care of the same.

Response: The Hon'ble Commission is requested to take appropriate measures for bridging the gap.

106. The Petitioner to provide justification for considering rate of interest of carrying cost of Gap as 11% in table no. 4-38 of the Petition.

Response:The Petitioner submits that the rate of interest of carrying cost is considered as per proviso 28.5 of MYT Regulations, 2019.

107. The Petitioner has not provided the MOD table in the Petition, the same is required to be provided& incorporate in the Petition. Also, a dynamic MOD Excel model is required to be submitted, so as based on different values of rates the varied MOD be displayed with sales totals.

Response:

It is submitted that the MOD table is of dynamic in nature the same cannot be captured in word document. However, the same is provided in excel format under Power Purchase Model.

108. The Petitioner is required to provide the Snapshot as send vide email dated 04.12.2023 & reminder vide email dated 18.12.2023.

Response:

The required details are attached as **Annexure-W**.

109. The Petitioner to provide, in appropriate graphical format (Pie Chart, Bar Chart etc.) to highlight the share of Demand Charge & Energy Charge in total Revenue along with the backend data in Excel for all Discoms.

Response: It is respectfully submitted that the Petitioner will submit the graphical presentation at the time of Technical Validation Session.

110. The Petitioner to provide, in appropriate graphical format (Pie Chart, Bar Chart etc.) category, sub-category wise share of Demand Charge, Minimum Charge & Energy Charge in total Revenue along with the backend data in Excel for all Discoms.

Response: It is respectfully submitted that the Petitioner will submit the graphical presentation at the time of Technical Validation Session.

111. The Petitioner to provide, in appropriate graphical format (Pie Chart, Bar Chart etc.) share of Fixed Charges & Energy Charges of Power Purchase Cost along with the backend data in Excel for all Discoms.

Response: It is respectfully submitted that the Petitioner will submit the graphical presentation at the time of Technical Validation Session.

112. The Petitioner to provide, in appropriate graphical format (Pie Chart, Bar Chart etc.) share of different component of ARR along with the backend data in Excel for all Discoms.

Response: It is respectfully submitted that the Petitioner will submit the graphical presentation at the time of Technical Validation Session.

113. The Petitioner to provide, in appropriate graphical format (Pie Chart, Bar Chart etc.) share of different sources of Power Purchase along with the backend data in Excel for all Discoms.

Response: It is respectfully submitted that the Petitioner will submit the graphical presentation at the time of Technical Validation Session.

114. The Petitioner to provide, in appropriate graphical format (Pie Chart, Bar Chart etc.) share of different sources in total Renewable based Power Purchase along with the backend data in Excel for all Discoms.

Response: It is respectfully submitted that the Petitioner will submit the graphical presentation at the time of Technical Validation Session.

115. The Petitioner has not made additional details like Category/ sub-category wise Billing Determinants, Actual Revenue & details of Power Purchase etc. as part of Audited Financial Statements as provided in the previous directives & vide letter UPERC/Secy/D(T)/21-826 dated 06th October, 2021.

Response: The Petitioner submits that the details are provided in Audited Financial Statements of Note-19 under Revenue from Operations Head and complies as per Companies Act 2013.

116. The Petitioner is required to provide the Snapshot as send vide email dated 04.12.2023 & reminder vide email dated 18.12.2023.

Response:

The required details are attached as **Annexure-W**.

117. The Petitioner is required to provide the copies of the provision set in the Budget for FY 2024-25 of GoUP in regard to the subsidy.

Response: The Petitioner hereby submits that the same will be available to the Commission as and when available to the Petitioner. It is respectfully submitted that the Commission may kindly consider the subsidy as claimed by the Petitioner.

118. The Petitioner to submit the GoUP Orders for disbursement of subsidy that is given to the consumers along with the details of subsidy received from GoUP. For such consumers, the petitioner to provide 5 copies of bills before implementation of GoUP

Orders and 5 copies of bills of different months after the implementation of GoUP Orders. Subsequently, the GoUP had announced a subsidy of 100% for farmers. The Petitioner to confirm if the same has been implemented along with the GoUP Orders.

Response: Petitioner will submit the category/ sub-category wise bills for FY 2024-25 also after completion of one billing cycles in the precedent financial year i.e. FY 2024-25.

119. The Petitioner has not provided the MOD table in the Petition, the same is required to be provided & incorporate in the Petition. Also a dynamic MOD Excel model is required to be submitted, so as based on different values of rates & units etc. the varied MOD be displayed with sales totals. The same has to be provided for all three years under consideration (True up, APR & ARR).

Response: It is submitted that the MOD table is of dynamic in nature and the same cannot be captured in word document. However, the same is provided in excel format under Power Purchase Model.

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