

**Reply to 1<sup>st</sup> Information Requirement / Discrepancies/ Data Gaps in  
the Petition No. 1835 - 2022 dated 8<sup>th</sup> March, 2022**

of

**True-Up (FY 2020-21), Annual Performance Review (FY 2021-22), Aggregate  
Revenue Requirement (FY 2022-23)**

of

**MVVNL**

**Ref: UPERC/Secy/D(T)/2022-008 dated: 01/04/2022**

**Compliance to Directives (vide Tariff Order dated 29 July 2021 for FY 2021-22)**

<b>S. No.</b>	<b>Directives</b>	<b>Compliance</b>
1	<p>The State Government is providing annual subsidy of Rs. 11650 Crores for FY 2021-22. Petitioners have not developed any transparent mechanism for proper utilization of this subsidy only for the directed class of consumers namely, agricultural, lifeline, rural domestic etc. In view of ensuring transparent utilization of public resources by way of subsidy, Petitioners are directed to prepare a scheme for transfer of subsidy in a transparent manner with the approval of the State Government to be implemented with effect from 1st April 2022. For introduction of DBT, Petitioners will need to achieve 100% metering of all consumers and also computerise the details</p>	<p>The Licensee hereby submits that GoUP vide is letter dated 26.03.2021 has provided the following:</p> <p>a) mechanism of mentioning the rate of Govt. Subsidy as decided by GoUP in the monthly bills of consumers and making adjustment of the same in the amount billed to consumers.</p> <p>b) The quarterly account of the utilization of Govt. subsidy provided as per the actual per unit/per BhP/per KW consumption for subsidized consumers' categories sub categories/slabs will be submitted by UPPCL to GoUP within one month of the completion of every quarter.</p> <p>C) On the basis of quarterly account the amount of subsidy for next quarter will be revised after adjusting the amount of remaining subsidy or the amount of additional subsidy required from the Govt. Further, the point-b of above roadmap approved by GoUP meets the requirement of advance subsidy as per Electricity Act-2003. The GoUP letter no. 833/24-1-21-1307/2020 dated 13.05.2021 was also issued under section-65 of Electricity Act-2003 and was accepted by Hon'ble Commission.</p> <p>This fulfils the requirement of transfer of subsidy in a transparent manner with the approval of the State Government.</p>

	<p>of all those consumers who are to be benefitted with subsidy under DBT including agricultural consumers. Petitioners shall submit the roadmap for DBT in their next ARR filing for year 2022-23.</p>																																																																																								
2	<p>The Commission also directs Petitioners to submit the voltage wise (440V, 11kV, 33kV, 66kV, 132 kV) - Energy Sales and Losses. Also, the now mandatory energy audit report and the cost audit report (prepared in accordance with Companies (Cost Records and Audit) Rules 2014) shall also be submitted every year along with the ARR Petitions.</p>	<p>1. For Voltage Wise Energy Sales and Losses, please refer point 2.2.11 of the petition. Same is attached here for reference:</p> <table border="1" data-bbox="635 674 1401 1626"> <thead> <tr> <th>S.No.</th> <th>Voltage Level</th> <th>Actual (MUs)</th> </tr> </thead> <tbody> <tr> <td><b>A</b></td> <td><b>System Losses At 220 kV</b></td> <td></td> </tr> <tr> <td>1</td> <td>Energy received into the system</td> <td>9.31</td> </tr> <tr> <td>2</td> <td>Energy sold at this voltage level</td> <td>9.31</td> </tr> <tr> <td>3</td> <td>Energy transmitted to the next (lower) voltage level</td> <td>0.00</td> </tr> <tr> <td>4</td> <td>Energy Lost</td> <td>0.00</td> </tr> <tr> <td><b>5</b></td> <td><b>Total Loss in the system (4/1)*100%</b></td> <td><b>0.00%</b></td> </tr> <tr> <td><b>B</b></td> <td><b>System Losses At 132 kV</b></td> <td></td> </tr> <tr> <td>1</td> <td>Energy received into the system</td> <td>82.17</td> </tr> <tr> <td>2</td> <td>Energy sold at this voltage level</td> <td>82.17</td> </tr> <tr> <td>3</td> <td>Energy transmitted to the next (lower) voltage level</td> <td>0.00</td> </tr> <tr> <td>4</td> <td>Energy Lost</td> <td>0.00</td> </tr> <tr> <td><b>5</b></td> <td><b>Total Loss in the system (4/1)*100%</b></td> <td><b>0.00%</b></td> </tr> <tr> <td><b>C</b></td> <td><b>System Losses At 33 kV</b></td> <td></td> </tr> <tr> <td>1</td> <td>Energy received into the system</td> <td>23,429.49</td> </tr> <tr> <td>2</td> <td>Energy sold at this voltage level</td> <td>528.82</td> </tr> <tr> <td>3</td> <td>Energy transmitted to the next (lower) voltage level</td> <td>22,725.49</td> </tr> <tr> <td>4</td> <td>Energy Lost</td> <td>175.18</td> </tr> <tr> <td><b>5</b></td> <td><b>Total Loss in the system (4/1)*100%</b></td> <td><b>0.75%</b></td> </tr> <tr> <td><b>D</b></td> <td><b>System Losses at 11 kV &amp; LT</b></td> <td></td> </tr> <tr> <td>1</td> <td>Energy received into the system</td> <td>22,725.49</td> </tr> <tr> <td>2</td> <td>Energy sold at this voltage level</td> <td>18,144.93</td> </tr> <tr> <td>3</td> <td>Energy transmitted to the next (lower) voltage level</td> <td>0.00</td> </tr> <tr> <td>4</td> <td>Energy Lost</td> <td>4,580.56</td> </tr> <tr> <td><b>5</b></td> <td><b>Total Loss in the system (4/1)*100%</b></td> <td><b>20.16%</b></td> </tr> <tr> <td><b>E</b></td> <td><b>Overall Losses</b></td> <td></td> </tr> <tr> <td>1</td> <td><b>Energy In (A1+B1+C1)</b></td> <td><b>23,520.97</b></td> </tr> <tr> <td>2</td> <td><b>Energy Out (A2+B2+C2+D2)</b></td> <td><b>18,765.22</b></td> </tr> <tr> <td>3</td> <td><b>Total T&amp;D Loss ((1-2)/1)*100%</b></td> <td><b>20.22%</b></td> </tr> </tbody> </table> <p>2. Cost Audit is attached herewith marked as Annexure-1</p> <p>3. Energy Audit for all the Discoms is being done upto the Feeder Level, on monthly basis by dedicated energy audit cell at UPPCL. The sample report for February, 2022 month is attached herewith marked as Annexure-2.</p>	S.No.	Voltage Level	Actual (MUs)	<b>A</b>	<b>System Losses At 220 kV</b>		1	Energy received into the system	9.31	2	Energy sold at this voltage level	9.31	3	Energy transmitted to the next (lower) voltage level	0.00	4	Energy Lost	0.00	<b>5</b>	<b>Total Loss in the system (4/1)*100%</b>	<b>0.00%</b>	<b>B</b>	<b>System Losses At 132 kV</b>		1	Energy received into the system	82.17	2	Energy sold at this voltage level	82.17	3	Energy transmitted to the next (lower) voltage level	0.00	4	Energy Lost	0.00	<b>5</b>	<b>Total Loss in the system (4/1)*100%</b>	<b>0.00%</b>	<b>C</b>	<b>System Losses At 33 kV</b>		1	Energy received into the system	23,429.49	2	Energy sold at this voltage level	528.82	3	Energy transmitted to the next (lower) voltage level	22,725.49	4	Energy Lost	175.18	<b>5</b>	<b>Total Loss in the system (4/1)*100%</b>	<b>0.75%</b>	<b>D</b>	<b>System Losses at 11 kV &amp; LT</b>		1	Energy received into the system	22,725.49	2	Energy sold at this voltage level	18,144.93	3	Energy transmitted to the next (lower) voltage level	0.00	4	Energy Lost	4,580.56	<b>5</b>	<b>Total Loss in the system (4/1)*100%</b>	<b>20.16%</b>	<b>E</b>	<b>Overall Losses</b>		1	<b>Energy In (A1+B1+C1)</b>	<b>23,520.97</b>	2	<b>Energy Out (A2+B2+C2+D2)</b>	<b>18,765.22</b>	3	<b>Total T&amp;D Loss ((1-2)/1)*100%</b>	<b>20.22%</b>
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3	<p>The Commission directs Petitioners, not to book excess sales under the unmetered categories.</p>	<p>The Petitioner has not booked any excess sales under unmetered categories. The sale booked under the unmetered categories are as per the norms approved by the Hon'ble Commission in its order dated 09.12.2016 and as considered by the Hon'ble Commission in its order dated 18.08.2021 in the matter of P. No. 1718 of 2021.</p>																																																																																							

4	<p>The Commission directs Petitioners to submit details of the amount of Rs. 116.21 Crs of M/s PTC claimed as ‘PTC unverified’ power purchase related expenses, along with the bills at the time of Truing up of FY 2020-21, clearly mention the revision if any. Further, if there are no revisions, the same should be deducted (not claimed) in the Power purchase cost of FY 2020-21.</p>	<p>Letter is attached as Annexure - 13</p>
5	<p>The Commission directs Petitioners to submit the detailed explanation for the variation in O&amp;M expenses with respect to True-Up (wherein the Commission had approved the lower of the two i.e. actual and normative) in its next filings.</p>	<p>Detailed explanation already provided in the ARR Petition. Please refer point 2.6.19 to 2.6.29 of the petition.</p>
6	<p>Petitioners must submit the details of each investment scheme / project exceeding Rs. 10 Crore and obtain prior approval of the Commission as per Regulations for inclusion as regulatory expenditure in the ARR. Failure to do so will result in disallowance of such investment in the ARR in order to safeguard the consumers from unjust and unfair charges.</p>	<p>Petitioners have provided the cost benefit analysis as per the format provided by the Hon’ble Commission for the IT capex schemes (letter 219/RAU/IT dated 28<sup>th</sup> June, 2021). Based on the approval, Petitioner will prepare the reports for other schemes for prior approval on the basis of the mechanism approved by the Hon’ble Commission for the IT Schemes.</p> <p>The Petitioner hereby further informs that Ministry of Power has approved the capex plan under the Revamped Distribution Sector Scheme. The same will be submitted to the Hon’ble Commission.</p>
7	<p>The Commission directs Petitioners to submit the</p>	<p><b>FAR is attached as Annexure -4</b></p>

	<p>detailed Fixed Asset Register (FAR) in Excel with all the details of the assets opening, addition, deduction &amp; closing values, as well as depreciation &amp; cumulative depreciations, with the bifurcation of the assets owned by Petitioner, assets created out of Grants and assets created out of consumer contribution.</p>	
8	<p>Petitioners have not made any submission for LMV-11 i.e. Electric Vehicle Charging consumer category. It is important that proper assessment is made for consumers of this category and submissions are made taking into account the initiatives taken by the Government for promotion of this consumer category.</p>	<p>Same is already submitted along with ARR petition.</p>
9	<p>The details of category/sub-category wise billing determinants and revenue of consumers of Franchisee for DVVNL is to be properly submitted in similar manner as is done for own consumers i.e. rather than showing billing determinants of Torrent Power as bulk supply, category wise billing determinants are to be submitted from next filing otherwise the</p>	<p>It does not pertain to MVVNL</p>

	Torrent Power could be subsidize rest of the consumers which should not be the case.																			
10	There is lack of clarity on the interest of security deposited that has been given to the consumers. This concern has been raised by several consumers in the public hearing. Petitioner in its submission should clearly demonstrate how much interest on security deposit was required to be given and how much interest has been actually disbursed.	<p>The Petitioner humbly submits to the Hon'ble Commission to deal this matter separately. The petitioner is continuously apprising Hon'ble Commission on the matter of updating of Consumer Security Deposit. The Petitioner has submitted the latest details on affidavit in the matter of P. No. 780/2012.</p> <p>Further, the latest information submitted by the Petitioner in the above matter is hereby attached for kind consideration of the Hon'ble Commission as per Annexure-5</p>																		
11	Petitioners are directed to ensure 100% feeder metering and DT metering within next one year.	The petitioner has already submitted that 100% feeder metering is completed. Further, it is submitted that 20.10% of DTs have been metered as on date and the metering of balance DTs will done under RDSS.																		
12	Petitioners are directed to submit year wise data regarding Surcharge Waiver in various One-Time Settlement (OTS) schemes from the year the same was abolished, to FY 2020-21, in the next filing.	OTS details are under compilation.																		
13	All procurements made by Petitioners should be through Competitive Bidding only.	<p>It is hereby submitted that all the power purchase is being carried out by UPPCL through Competitive Bidding process. Further, the new PPAs signed during FY 2021-22 are as under:</p> <table border="1"> <thead> <tr> <th>Sr. No.</th> <th>Developer</th> <th>PPA date</th> <th>Commissions' Approval date &amp; Petition No.</th> <th>Quantum</th> <th>Source</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>M/s SJVN Ltd.</td> <td>16<sup>th</sup> June 2021</td> <td>17<sup>th</sup> Jan 2022 (1773/2021)</td> <td>75 MW</td> <td>Solar</td> </tr> <tr> <td>2.</td> <td>M/s GMR Bajoli Holi Hydro Power Pvt Ltd</td> <td>17<sup>th</sup> May 2021 &amp; 8<sup>th</sup> Oct 2021 (SPPA)</td> <td>27<sup>th</sup> Aug 2021 (1744/2021)</td> <td>60 MW</td> <td>Hydro</td> </tr> </tbody> </table>	Sr. No.	Developer	PPA date	Commissions' Approval date & Petition No.	Quantum	Source	1.	M/s SJVN Ltd.	16 <sup>th</sup> June 2021	17 <sup>th</sup> Jan 2022 (1773/2021)	75 MW	Solar	2.	M/s GMR Bajoli Holi Hydro Power Pvt Ltd	17 <sup>th</sup> May 2021 & 8 <sup>th</sup> Oct 2021 (SPPA)	27 <sup>th</sup> Aug 2021 (1744/2021)	60 MW	Hydro
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14	<p>Petitioner are directed to strictly follow the Central Government Guidelines for Procurement of power for short term (i.e. for a period more than one day to one year) through tariff-based bidding process using National e-bidding portal. However, no approval will be required for purchasing power (i) through exchange or (ii) to fulfil contingent short term power requirements. For all other power purchases, prior approval of the Commission is necessary.</p>	<p>The Petitioners are obligated to follow the Central Government Guidelines for Procurement of power for short term (i.e. for a period more than one day to one year) through tariff-based bidding process using National e-bidding portal. Accordingly, the petitioners through the Petition No. 1805/2021 has taken the Hon'ble Commissions' approval for the approval of procurement of bilateral power from DEEP Portal of Government of India for the Period May 2022 to September 2022.</p>												
15	<p>Petitioners are directed to ensure that they fulfil all the Renewable Purchase Obligations (solar, non-solar, HPO) and may procure power from GTAM markets or as per Central Government Guidelines, and get prior approval of the Commission wherever required.</p>	<p>It is submitted that UPPCL has executed Solar and Hydro PPAs of 475 MW for meeting its RPO Obligations. The detailed bifurcation of PPAs signed is already provided under point no. 13 of these directives.</p>												
16	<p>The Commission directs Petitioners to submit the MOD stack in</p>	<p>Petitioner respectfully submits that as per clause 5(2) of UPERC Merit order despatch and optimization of power purchase regulations 2021, UPPCL on behalf of the discom submits the details of variable charges (includes transmission charges and losses) at discom periphery for all the</p>												

	accordance with MOD Regulation 2021.	<p>Generating Stations/units to SLDC for preparation of the MOD stack on fortnightly basis.</p> <p>Further, SLDC schedules power based on the lower variable cost taking into account technical, regulatory, and operational limits of generation and transmission facilities.</p> <p>MOD Stack for the month of February, 2022 is attached to Annexure-24.</p>
17	The Commission directs Petitioners to ensure to file its ARR/ Tariff Petition on time strictly in accordance with the applicable UPERC MYT Regulations.	The Hon'ble Commission vide letter dated 06/10/2021 and 02/11/2021 has directed to submit additional details along with ARR petition. The detailed information desired by the Commission was voluminous in nature. Therefore, UPPCL vide letter no. 503/RAU/ARR 2022-23 dated 30-11-2021 requested the Hon'ble Commission to provide additional time to file the petitions by the Discoms. Further, the petition was filed on 08/03/2022 before the Commission along with the additional submissions.
18	The Commission directs that metering of LMV-10 consumers should be completed by end of FY 2021-22. Petitioners shall also strive to ensure metering of consumers in LMV-5 category as well because 100% metering of consumers is necessary for implementing DBT mechanism.	<p>LMV-5: 1,80,933 number of consumers are unmetered (as on Mar'22). Discoms are in process of metering of these consumers.</p> <p>Further, for LMV-10, the petitioner humbly requests the Hon'ble Commission to allow additional time till March, 2023 for installation of meters.</p>
19	The Commission directs that the direction of earlier Tariff Orders which have not been complied yet may be complied with immediately.	The Petitioner is obligated to follow the directives given by Hon'ble Commission. The status of compliance of directives issued by Hon'ble Commission has been provided in the ARR petition for FY 2022-23. Further, the status on the directives which could not be complied, is being submitted through to this letter.
20	Petitioner shall upload on its website the Petition filed before the Commission along with all regulatory filings, information, particulars and related documents, which shall be signed digitally and in searchable pdf formats along with all Excel files	Complied

	<p>and as per any other provision of the Regulations and Orders of the Commission. Petitioner shall also ensure that these files are broken into such size which can be easily downloaded.</p>	
21	<p>The Commission has noted that Petitioners have successfully completed a pilot implementation of peer to peer (P2P) trading of electricity in rooftop solar energy using Blockchain technology. The Commission directs Petitioners to take the pilot forward to its next phase for integrating it with the existing billing system (ERP)/ financial settlement etc. so that P2P rooftop solar energy may become operational for the prosumers and consumers of the State.</p>	<p>As per the direction of the Hon'ble Commission. UPPCL has appointed M/s ISGF for the same. The Pilot Project report on Block chain Technology is attached as Annexure-15</p>
22	<p>The Commission has approved the Smart Meter rollout plan for State Discoms of Uttar Pradesh vide Order dated 15.11.2018. Petitioners had sought the date for extension of the timeline, the same has expired. Petitioner is directed to submit the status of completion of the rollout and also submit the technical/financial impact of such rollout on their system.</p>	<p>The required details are attached in Annexure-16.</p>



23	<p>The Commission encourages Petitioner to implement more of such projects including battery storage. Petitioners are directed to seek innovative solutions based on energy storage systems, other innovative technologies to reduce the system losses, provide better services to the consumers etc.</p>	<p>It is submitted that UPPCL is presently considering battery energy storage as an option to meet its peak demand. In this regard, consent has already been provided to SECI vide letter 425/CEPPA dated 26/03/2022 for 1000 MWh energy Storage. The letter is attached herewith marked as Annexure-26.</p> <p>Further, UPPCL is also exploring feasibility of energy storage at various substations in U.P. as per the directions of Hon'ble Commission in order dated 11.03.2022</p>
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**Compliance to Directives (vide Commission's letter no. UPERC/Secy/D(T)/2021-826 06.10.2021)**

<b>S. No.</b>	<b>Directives</b>	<b>Compliance</b>
1	Provide the details of all the pending cases filed against UPERC in various forums along with the status of the same.	It is humbly submitted that the details of the court cases pending in various forums are submitted along with the ARR petition of MVVNL, wherein all other Discoms are the party to such cases. The Hon'ble Commission is requested to consider the same for all the Discoms.
2	Provide the details of the land capitalised during the year, along with the purpose of usage and status of usage of land, along with the lease deed for each land capitalised. Also, provide the list of un-utilised land capitalised.	As per the audited account for FY 2020-21, no land capitalization is recorder during the period.
3	Provide list of Open Access consumers (Long Term, Short Term, Medium Term) along with their respective Consumption from Open Access, Contracted Demand, Contracted Demand for Open Access, Wheeling Charges collected and Cross Subsidy Surcharge collected.	The relevant data is submitted in Annexure-3
4	Wherever the opening values in the new audited account doesn't match with the closing shown in the previous audited account, the reasons for the same to be provided as part of Balance Sheet.	Replied submitted along with ARR petition and duly accepted by the Hon'ble Commission.
5	Provide the detailed breakup of CWIP claimed for the year along with the Petition,	Replied submitted along with ARR petition and duly accepted by the Hon'ble Commission.
6	Provide the portion of electricity duty in the Bad Debts along with the Petition and reconcile the same with the Balance Sheet for the year.	It is humbly submitted to Hon'ble Commission that the Petitioner has claimed the provisions for bad debts as per the audited balance sheet. It is further submitted that the provisioning is being done on the basis of bad debts policy and the bifurcation of electricity duty is not possible from the same.
7	Submit the month-wise actual category/ sub-category wise Billing Determinants (No. of Consumers, Connected Load & Sales) & actual Revenue for the year along with the Petition.	Replied submitted along with ARR petition and duly accepted by the Hon'ble Commission.
8	Submit the reconciliation of the actual O&M expenses (i.e. employee expenses, A&G expenses, R&M expenses) vis-à-vis the normative expenses for the year.	Reconciliation of the actual O&M expenses (i.e. employee expenses, A&G expenses, R&M expenses) vis-à-vis the normative expenses is submitted in the ARR petition.

<b>S. No.</b>	<b>Directives</b>	<b>Compliance</b>
9	Petitioner is directed to ensure that actual Power Purchased (MUs) & ex-bus & at energy delivered at Discom periphery (MU) along with inter & intra state losses are made part of the Audited Balance Sheet	Audited Balance Sheet is prepared as per the requirements of Company's Act.
10	Ensure that the actual category/ sub-category wise Billing Determinants (No. of Consumers, Connected Load & Sales) & actual Revenue are made part of the Audited Balance Sheet.	Audited Balance Sheet is prepared as per the provisions of Company's Act. Further, category-wise Revenue is already a part of the Balance Sheet. Making sub-category wise billing determinants part of Balance Sheet is under discussion with finance department.
11	Petitioner is directed to ensure that the actual Power Purchase Cost with detailed breakup of each source, inter-state transmission charges, intra-state transmission charges are made part of the Audited Balance Sheet.	Audited Balance Sheet is prepared as per the provisions of Company's Act. Further, Petitioner submits that UPPCL is the sole power supplier for all state Discoms. Petitioner receives the energy bill from UPPCL only. However, the reconciled statement duly certified by auditor is attached as Annexure- 18
12	Submit the PPA's, Commission's approval and bills of each source from which power is procured, along with the True-up/ARR Petition.	The required details are provided under Annexure -19A and 19B. Further the source wise power purchase bills are submitted under Annexure-21 for the month of August 2021( soft copy in CD)
13	Submit the details of each investment scheme/project exceeding Rs. 10 Crs. And obtain prior approval of the Commission as per Regulations for inclusion as regulatory expenditure in the ARR. Further, Petitioner should submit the Petitions on quarterly basis for approval of the Commission in line with the MYT Regulations 2019. Failure to do so will result in disallowance of such investment in the ARR in order to safeguard the consumers from unjust and unfair charges.	Petitioners have provided the cost benefit analysis as per the format provided by the Hon'ble Commission for the IT capex schemes (letter 219/RAU/IT dated 28 <sup>th</sup> June, 2021). Based on the approval, Petitioner will prepare the reports for other schemes for prior approval on the basis of the mechanism approved by the Hon'ble Commission for the IT Schemes. The Petitioner hereby further informs that Ministry of Power has approved the capex plan under the Revamped Distribution Sector Scheme. The same will be submitted to the Hon'ble Commission.
14	Provide the daily load curves and monthly load curves for last year along with the corresponding N2 region demand curves of exchange.	The load curves is attached as Annexure- 17A, 17B ( Soft copy in CD)

**Additional Formats provided by the Commission vide letter no. UPERC/Secy/D(T)/21-1019 dated 2<sup>nd</sup> November, 2021**

Petitioners have not completely filed the Additional Formats. This is Non-compliance of Commission's directives.

The deficiencies are as below:

**General**

1. The data submitted has not been checked & verified properly. For example: for all Discoms, MYT Formats: Form 10A, Cell-E12 has been left blank.

**Reply:**

It is humbly submitted to Hon'ble Commission that, the same has been rectified and revised format is uploaded on the tariff filing portal of UPERC.

2. All the Tariff Formats are to be linked and formula driven. There are data errors and hard punched numbers in the Formats provided, making it difficult for processing and validating the data. The Petitioner is directed to resubmit all the Tariff Formats after ensuring that they have all the links and formulas embedded.

**Reply:**

Already submitted. However as per the direction of the Commission same is again uploaded on the tariff filing portal of UPERC.

3. The Consolidation of Billing Determinants has not been provided by Petitioner. The Petitioner is required to submit the same in linked and formula driven Excel. There is already a delay in submission as directed by the Commission and with errors/omissions in the data the same cannot be analysed correctly by the Commission, thus wasting the precious time of the Commission.

**Reply:**

It is humbly submitted to Hon'ble Commission that; the consolidated revenue model which includes the consolidated billing determinants is hereby attached in the soft copy as **Annexure -6**

4. Submit the Comptroller and Auditor General of India (CAG) Report for FY 2019-20 & FY 2020-21 for Discoms and UPPCL. It is observed that the Commission had raised the same query for FY 2019-20 which has not been submitted till date.

**Reply:**

It is humbly submitted that, CAG Reports for FY 2019-20 & FY 2020-21 are still awaited and the same will be submitted to UPERC as when it is issued by CAG.

5. Provide the details of Open Access consumer in the format given below:

**Reply:**

It is humbly submitted to Hon'ble Commission that required data is attached in **Annexure -3**

## Queries on Power Purchase

### True-Up FY 2020-21

6. Petitioner shall furnish daily energy sold along with Average rate of that day by UPPCL on exchange for FY 2020-21. Also, list the generating sources from which power have been purchased for sale, on power exchange.

#### Reply:

The Petitioner submits that daily energy sold data is voluminous therefore monthly data is attached below

PURCHASE DETAILS									
Month	DAM		TAM		RTM		Total Details		Wtd. Average Cost in Rs/kWh
	Buy MU	Buy Amt in Cr	Buy MU	Buy Amt in Cr	Buy MU	Buy Amt in Cr	Total Buy MU	Total Buy Amt in Cr	
Apr-20	68.61	18.00	4.22	1.33	0.00	0.00	72.83	19.33	2.65
May-20	82.85	25.70	1.52	0.45	0.00	0.00	84.37	26.15	3.10
Jun-20	21.08	6.55	0.00	0.00	5.55	1.69	26.63	8.24	3.09
Jul-20	153.91	50.98	0.02	0.00	22.63	7.96	176.56	58.94	3.34
Aug-20	142.82	45.25	0.00	0.00	23.24	7.29	166.06	52.55	3.16
Sep-20	317.40	100.09	0.60	0.26	24.52	9.61	342.51	109.97	3.21
Oct-20	141.80	42.99	0.00	0.00	13.04	4.25	154.83	47.24	3.05
Nov-20	38.47	12.05	1.71	0.62	21.68	7.26	61.86	19.93	3.22
Dec-20	85.52	31.67	0.08	0.02	19.77	7.40	105.37	39.09	3.71
Jan-21	102.31	46.16	0.00	0.00	21.27	8.92	123.58	55.09	4.46
Feb-21	36.14	16.99	0.00	0.00	21.18	10.74	57.32	27.73	4.84
Mar-21	99.83	51.64	0.00	0.00	20.23	11.63	120.06	63.26	5.27
<b>Total MU/Cr</b>	<b>1290.74</b>	<b>448.08</b>	<b>8.14</b>	<b>2.69</b>	<b>193.10</b>	<b>76.76</b>	<b>1491.98</b>	<b>527.53</b>	<b>3.54</b>

7. Provide UPPCL audited Balance Sheet for FY 2020-21, in hard and soft copy (Excel and pdf). Also provide a detailed statement of month-wise, source wise power purchase quantum & costs, duly certified by auditor. The true up of FY 2020-21 cannot be completed without reconciling the power purchase claimed in the Balance Sheets of the Discoms with the UPPCL Balance Sheet.

#### Reply:

UPPCL Audited balance sheet in PDF and Excel format is attached under Annexure -20. Detailed statement of month-wise, source wise power purchase quantum & costs, duly certified by auditor is attached under Annexure-18.

8. Provide for any 1 month, the power purchase bills of each source, inter-state and intra-state transmission bills for FY 2020-21.

#### Reply:

It is hereby submitted that required details are submitted under Annexure-21 for the month of August 21.

9. Submit the source-wise (plant wise) Orders / documents of approval / allocation / adoption of power purchase for UP Discoms. Also, submit the documents which show the capacity allocated to UP for each source.

#### Reply:

The Petitioner submits that the desired information is attached as Annexure-19A and 19B.

10. Petitioner has claimed the Power Purchase cost of Rs. 59982.99 Crores in the Petition for FY 2020-21. However, as per the format F13 20-21\_TrueUp its Rs. 60782.05 Crores. Provide justification for the difference. Petitioner is also required to reconcile the same with the Balance Sheets.

**Reply**– It is humbly submitted that the difference observed may be attributable towards the Typographical/inadvertent error. The Hon’ble Commission may kindly consider the power purchase value at Rs. 60,449.16 Crores, as captured in the audited balance sheet of UPPCL for FY 2020-21.

11. Provide the detail of each source of power as per the
12. Additional Formats provided by the Commission vide letter no. UPERC/Secy/D(T)/21-1019 dated 2nd November, 2021.

**Reply to Query number 11 and 12 –**

It is hereby submitted that the data cannot be provided in the requisite format as source wise Transmission energy loss is not available with the Petitioner, considering that power purchase accounting is done on the basis of power purchase bills raised by the various generators. Further, the Petitioner has already submitted the detailed breakup of power purchase incurred for FY 2020-21, including source wise breakup of energy purchased, total transmission charges and other charges incurred by the Petitioner.

13. Petitioner is required to provide the details on the below mentioned groups of power purchase expenses along with the justification:
- UPRVUNL consolidated;
  - UPJVNL consolidated;
  - NTPC consolidated;
  - NHPC consolidated;
  - RRAS.

**Reply:**

It is submitted that these are the statutory charges that are mentioned in the bills raised by the generators. The details are attached at Annexure-22.

14. Provide details and justification of ‘Annual Other Cost’ as claimed by Petitioner for each source. Petitioner is further required to allocate the ‘Annual Other cost’ in specific cost head, for example: Fixed Charges, Energy Charges, Transmission Charges, etc.

**Reply:**

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

- 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

It is further submitted that the charges which are not qualified under Fixed/Energy Charges are being claimed in the under above mentioned heads. Sample bill is attached as Annexure- 7

15. Provide details and justification of ‘Late payment Surcharge’ as claimed by Petitioner for each source.

**Reply:**

It is respectfully submitted that the Licensees/UPPCL are financially stressed due to various reasons including lower revenue collections due to COVID – 19 Pandemic, poor revenue collection from rural areas and delay in payment of electricity bills by various consumers, etc. Due to cash deficit the licenses are unable to pay its power procurement bills on time. Further Discoms have to borrow working capital loan to pay the power purchase bills of generators. In this regard it is respectfully submitted that on one hand the Hon’ble Commission does not allow the actual interest incurred by the Petitioner on Working Capital Loans, and on the other hand, the Hon’ble Commission is reducing the late payment surcharge recovered from the consumer from the ARR of the Licensee Thus if there is any disallowance in Late payment surcharge incurred by the Petitioner, the same would double whammy for the Petitioner. It is therefore requested that the Late Payment Surcharge claimed by the Petitioner may kindly be allowed by the Hon’ble Commission.

16. Provide the details of trading margin for each source for FY 2020-21.

**Reply –**

The licenses pay the trading margin of 7 paisa per unit for the renewable power procured through M/s SECI. Further, the trading margin for other short term procurement which is being done through energy exchange, the trading margin is being paid as per CERC (Terms and Conditions for grant of trading licence and other related matters) Regulations, 2020.

17. Petitioner to provide detailed justification with reasons for buying costly power from the various sources in FY 2020-21. A few examples are as follows:

Source of Power	Power Purchased (MU)	Power Purchased (Rs. Crs)	Energy Charges (Rs/KWh)	Power Purchased (Rs./kWh)
Auriya GPS	351.88	278.52	4.89	7.92
Anta GPS	232.16	154.13	4.46	6.64
DADRI GPS	788.91	413.24	3.8	5.24

**Reply –**

As per the direction of Hon'ble Commission in the matter of Petition No. 1406 of 2019, UPPCL has procured power from above plants under take and pay agreement with Gas Stations of NTPC. The station wise reasons are provided as under:

Sr. No.	Source of Power	Reasons
1.	Auriya GPS	Lower scheduling of Power plant due to high variable cost of Rs 4.89/kWh, has resulted in higher fixed charges of Rs 2.83/kWh, thereby resulting in overall rate of Rs 7.92/kWh.
2.	Anta GPS	Lower scheduling of Power plant due to high variable cost of Rs 4.46/kWh, has resulted in higher fixed charges of Rs 2.16/kWh, thereby resulting in overall rate of Rs 6.64/kWh.
3.	DADRI GPS	High Variable cost and no scheduling/ less scheduling in some months has resulted in overall rate of Rs 5.24/kWh

18. Petitioner has submitted that it has purchased 1490.08 MUs for Rs. 560.43 Crores from exchange at Rs. 3.76/kWh and has sold 4677.90 MUs for Rs. 1408.55 Crores at Rs. 3.01/kWh. Petitioner must submit detailed justification why purchase cost is high and sale cost is low. In addition, Petitioner needs to provide month-wise details of purchase and sale of power (MUs, source name, price, period, etc.) on exchange in MUs and Cost (Rs. Crores).

**Reply –**

The detailed breakup of month wise purchase and sale of power from IEX, as claimed in the Power purchase cost for FY 2020-21 is summarized below: -

IEX MONTHWISE PURCHASE/SALE DETAILS FOR FY 2020-21						
Month	ENERGY (in MUs)	PURCHASE COST (in Rs. Crore)	COST PER UNIT (Rs/kWh)	ENERGY (in MUs)	SALE COST (in Rs. Crore)	COST PER UNIT (Rs/kWh)
Apr-20	72.12	20.78	2.88	382.51	78.34	2.05
May-20	83.77	28.38	3.39	172.97	36.75	2.12
Jun-20	26.63	9.01	3.38	97.36	19.92	2.05
Jul-20	176.56	64.06	3.63	115.42	25.33	2.19
Aug-20	166.06	57.68	3.47	93.03	18.88	2.03
Sep-20	341.91	120.33	3.52	46.63	10.75	2.31
Oct-20	154.83	52.06	3.36	187.09	46.85	2.50
Nov-20	61.86	21.85	3.53	245.56	64.26	2.62
Dec-20	105.37	39.49	3.75	578.77	166.72	2.88
Jan-21	123.58	55.38	4.48	729.25	218.93	3.00
Feb-21	57.32	27.86	4.86	921.65	303.27	3.29
Mar-21	120.07	63.55	5.29	1,107.67	418.54	3.78
<b>TOTAL</b>	<b>1,490.08</b>	<b>560.43</b>	<b>3.76</b>	<b>4,677.90</b>	<b>1,408.53</b>	<b>3.01</b>

Further, it is clarified that the power is being purchased from the Exchange only in peak hours when there is shortage and it is being sold on exchange in off peak hours, when there is a surplus capacity available. As the rates are high during peak hours and low during off peak hours, hence, the power purchase cost is high and sales is low.



19. Petitioner has provided a head of ‘Purchase from Open Access (OA)’ for 1556.03 MUs at cost of 613.41 Crores (Rs. 3.94 Crore) in FY 2020-21. Petitioner to provide details of such power under open access. Provide the details of tender and along with the supporting documents. Further, Petitioner is required to provide the reason when there is surplus, then why Petitioner is purchasing the power from open market.

**Reply –**

The details of power purchased under open access is as under: -

<b>Open Access For FY 2020-21</b>			
<b>S.No.</b>	<b>Trader Sources</b>	<b>Energy (MUs)</b>	<b>Energy Charges (Rs. Crores)</b>
1	NHPC	142.93	53.1195
2	TATA POWER / MANIKARAN / PSPCL	207.82	69.9851
3	NVVN	410.79	144.8425
4	PTC	794.49	281.5302
	<b>TOTAL</b>	<b>1,556.03</b>	<b>549.4773</b>

The above details are as per the details submitted under the Format “F13 20-21 \_ TrueUp”. Further, it is humbly submitted that UPPCL purchase power from Open Market, through short term/ bilateral route meets the power requirement during peak hours through DEEP Portal of GoI.

20. Detail calculation of transmission charges i.e., energy wheeled, transmission tariff for each Transmission Petitioner i.e., PGCIL, WUPPTCL and SUUTPCL along with documentary evidence. Further, Petitioner is required to provide whether WUPPTCL and SUUTPCL is treated as intra-state or inter-state transmission.

**Reply:**

The License humbly submits that it is getting supply at DBST rate at Discom Periphery from UPPCL, which includes Case-1 Transmission Charges, SEUPPTCL, WUPPTCIL and PGCII. Charges. Therefore, Discom wise breakup of this data is not available. Further, Discom wise energy wheeled and UPPTCL charges have already been submitted before Hon'ble Commission in ARR Petition. It is further submitted that the WUPPTCL and SUUTPCL is treated as intra-state -state transmission.

21. Petitioner needs to provide details of source-wise monthly Short-term power purchase in MUs and Cost (Rs. Crores) in Form 13-H, which is not provided. Further, they should provide monthly short-term transaction details ign enclosed format **Annexure-A**.

**Reply:**

It is hereby submitted that Form-13H is attached as Annexure-23.

22. Petitioner needs to provide details of monthly transactions of Banking with forward and reverse Banking. Also provide the basis for considering Rs. 33.38 Crores total Cost for Banking. Further, whether prior approval of the Commission was taken or not if yes, provide the documentary evidence and the sources of energy.

**Reply:**

The Petitioner humbly submits that required details along with the documentary evidence and the sources of energy are submitted as Annexure-8A and 8B.

23. Provide Inter-state loss, Intra-state loss and Distribution Loss at each voltage Level (i.e. 132 kV, 66 kV, 33 kV, 11kV, LT) along with MUs & detailed computations for each Discom separately and on consolidated (5 Discom) basis.

**Reply:**

The Petitioner humbly submits that the required details are already submitted under format P1.

24. Provide details of Net metering & Gross metering including units and commercial details.

**Reply:**

It is humbly submitted that the new Revenue Management system has been deployed by the Petitioner and the consumer billing data is under transition from the old billing system to new billing system. Further, the Petitioner has incorporated the provision for tagging the consumers under net metering and gross metering.

**ARR FY 2022-23**

25. Provide the month -wise as well as fortnightly details of Power purchase for FY 2022-23 as in the Additional Formats provided by the Commission vide letter no. UPERC/Secy/D(T)/21-1019 dated 2nd November, 2021.

**Reply to Query no. 25.**

The data of power purchase additional formats has been shared along with the other power purchase formats uploaded on UPERC tariff filling portal.

26. Petitioner needs to provide details of source-wise monthly as well as fortnightly Short-term power purchase in MUs and Cost (Rs. Crores) in Form 13-H, which is not provided.

**Reply to Query no. 26.**

It is hereby submitted that the projection for short term power purchase during FY 2022-23 is already submitted in the Petition under section 4.4 "Power Purchase Expense". It is further submitted that, the desired information in Format F13H will be submitted at the time of True-Up of FY 2022-23.

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

**Reply to Query no. 27**

The Petitioner submits that the desired information will be submitted at the time of True-Up of FY 2022-23.

28. Provide detailed calculation of transmission charges i.e., projected energy wheeled, transmission tariff for each Transmission Petitioner i.e., PGCIL, WUPPTCL and SUUTPCL.

**Reply to Query no. 28.**

The Licensee humbly submits that it is getting supply as per the DBST rates at Discom periphery of UPPCL, which includes case I Transmission charges, SEUPPTCL, WUPPTCL and PGCIL charges. Therefore, Discom wise breakup of these data is not available. Further, Discom wise energy wheeled and UPPTCL charges have already been submitted before Hon'ble Commission in ARR Petition.

29. Petitioner has submitted that it has considered PLF by taking monthly average of last 5 years (FY 2016-17 to FY 2020-21). Petitioner needs to submit PLF for each plant on yearly basis for FY 2016-17 to FY 2020-21. Submit the actual details of Fixed Charge, Energy Charge, Plant Load Factor (PLF) and Plant Availability Factor (PAF) for last 5 years (i.e. FY 2016-17 to FY 2020-21) along with APR period of FY 2021-22 (Total 6 years PLF) for all the generating stations as per the following format:

S. No.	Generating Station	Fixed Charges		Energy Charges		Plant Availability Factor (PAF)	Plant Load Factor (PLF)
		As per Tariff Order	Actual	As per Tariff Order	Actual		
1							
2							
3							
4							
5							
6							
7							

**Reply to Query no. 29:**

The Licensee humbly submits that while considering PLF for projecting generation for FY 2022-23, it has considered monthly average of last 5 years, as it will subsume any abruption in generation during last 1-3 years for any abnormal circumstances including COVID 19. The fixed charges and energy charges has already been submitted in Format 13B. Further, plant wise PLF for past 5 years are attached as Annexure-25.

30. Provide the basis and justification for considering 2% escalation for energy charges and 5% for fixed charges for FY 2022-23.

**Reply to Query no. 30.**

The licensee submits that the basis of considering 2% escalation on energy charges has been in line with the assumptions considered by the Hon'ble Commission in its Tariff Order for FY 2021-22 and 5% escalation for Fixed charges has been normalized as against the commission considered 10% escalation for fixed charges.

31. Petitioner is required to confirm if any other charge with respect to each source as claimed in True up period (FY 2020-21) have also been considered for FY 2022-23. If yes, in which cost head it has been allocated.

**Reply to Query no. 31.**

No, other cost has not been considered in projection for FY 2022-23. Same will be claimed at the time of True up as per actual.

32. Petitioner is required to provide documentary evidence that all the power sources projected for FY 2022-23 is already approved by the Commission.

**Reply to Query no. 32.**

The Petitioner Submits that the plants considered for FY 2022-23 are approved plants under the tariff order of Hon'ble Commission dated 29.07.2021. Further the new plants/ upcoming plants as considered for FY 2022-23 are provided under reply to query number 35. The approval of the new plants has already been given by the Hon'ble Commission in its various Orders.

33. Provide details of power purchase source - 'Slop based power project' along with the approval of the Commission.

**Reply to Query no. 33.**

The Petitioner hereby submits the details of Slop Based Power Project are mentioned in table below. It is further submitted that the below mentioned PPA's are already approved by the Hon'ble Commission. Approval of the same is attached as Annexure-

Details of BAGASSE + SLOP (SPENT WASH)						
S.No.	Generator	Installed Capacity	Contracted Capacity (MW)	Date of PPA	Duration of PPA (Years)	Fixed Cost (Levelized )
1	DHAMPUR SUGAR MILLS, DHAMPUR, BIJNOR	7.47MW	3MW	22.02.2018	10	APPC OF FY 2017-18
2	BALRAMPUR CHINNI MILLS, BHABNAN, GONDA	6.76MW	5MW	20.02.2018	10	APPC OF FY 2017-18
3	DCM SHRIRAM LTD., HARIAWAN, HARDOI	6MW	3MW	19.02.2018	10	APPC OF FY 2017-18
4	BALRAMPUR CHINNI MILLS, BALRAMPUR	6MW	5MW	04.02.2016	10	APPC OF CURRENT YEAR
5	MANKAPUR CHINI MILLS, MANKAPUR, GONDA	6.6MW	5MW	04.02.2016	10	APPC OF CURRENT YEAR

34. For FY 2022-23, Petitioner to provide detailed reasons why it has claimed a cost of Rs. 18.18 Crore, Rs. 109.96 Crore and Rs. 3.38 Crore for Harduaganj, Auraiya GPS and Gadarwara STPS-I generating station respectively, when no energy is procured for the same?

**Reply:**

Harduaganj – It is hereby submitted that during the FY 2020-21, the plant was under the Reserve Shut Down, therefore, only Fixed cost was mentioned for FY 2020-21. During projections, due to inadvertent error/ excel error the fixed cost against Harduaganj is captured under the model. Commission is requested to may kindly ignore the same.

Regarding Auraiya GPS – It is submitted that as the variable cost of the power plant is Rs 5.09/kWh, hence the plant is not getting scheduled and for Gardawara STPS –I, this is URS (Un Requisitioned Power) power.

35. Petitioner should provide details of new plants / capacities that are expected to come up in FY 2022-23 along with PPAs and approvals.

**Reply:**

The Petitioner submits that new thermal plants / capacities that are expected to come up in FY 2022-23 is as under.

Plants	Capacities (MW)	Units	Expected COD
Panki Extension	660	Unit#1	Mar-23
OBRA-C	1320	Unit#1/#2	Aug-22/Mar-23
Jawaharpur	1320	Unit#1/#2/#3	Mar-22/Jul-22/Nov-22
Ghatampur	1683	Unit#1/#2	Aug-22/Mar-23

36. The Petitioner is required to submit Monthly and Fortnightly load curves for FY 2020-21 and FY 2021-22.

**Reply to Query No. 36:**

It is humbly submitted by the Petitioner that requisite data is attached as Annexure-17A, 17B

**RPO/HPO**

37. Provide the Source-wise Breakup of Solar Energy, Non-Solar Energy and Hydro Energy Purchased for the FY 2020-21, FY 2021-22 & FY 2022-23 and RPO and HPO obligations as submitted in the Format 13F as per the following format:

Sr. no.	Source	Technology	PLF (%)	Status (Must Run)	Auxiliary Consumption (%)	UP's Share in %	UP's Share in MW	Total Units (MU)	Fixed Charges (Rs. Cr.)	Energy Charges (Rs. Cr.)	Other Cost (Rs. Cr.)	Total Cost (Rs. Cr.)	Average Cost at Interface Point (Rs. kWh)

**Reply to Query No. 37:**

It is hereby submitted that the information as per the desired format is already provided under Format 13B.

**Inter-State Transmission Loss**

38. Provide the basis for assumption of inter-state transmission loss of 2.28 %, 1.58% and 1.27% for FY 2020-21, FY 2021-22 and FY 2022-23 respectively.

**Reply to Query No. 38:**

It is humbly submitted to the Hon'ble Commission that based on the energy requirement at Discom Periphery, the petitioner has projected the Ex-bus power Purchase Quantum. While estimating the power purchase quantum at Discom periphery PGCIL losses for Inter-State plants have been considered at 3.74% for FY 2021-22 & 22-23. The said percentage has been arrived on the basis of prevailing PGCIL transmission losses. Further the rates shown by the Hon'ble Commission in the above query have been worked out on the total energy purchased from both inter and Intra state generating stations.

### **Queries on True-Up of FY 2020-21**

#### **Billing Determinants**

39. Petitioner should submit the Month-wise details of Billing Determinants for all the consumer categories as in the
40. Additional Formats provided by the Commission vide letter no. UPERC/Secy/D(T)/21-1019 dated 2nd November, 2021 for the following:
  - (a) Sales based on actual meter reading;
  - (b) Sales billed on provisional / assessment basis for FY 2020-21.

#### **Reply to Query 39 and 40:**

The billing determinants are hereby attached marked as Annexure-14

41. The Petitioner is required to submit the details of Billing Determinants of the Distribution Franchisees as per Regulation 42 of the MYT Regulations, 2019. However, DVVNL has not submitted the same. Petitioner is directed to submit month-wise, the category and sub-category-wise and slab-wise actual Billing Determinants as per the Additional Formats provided by the Commission vide letter no. UPERC/Secy/D(T)/21-1019 dated 2nd November, 2021

#### **Reply**

This query does not pertain to MVVNL.

42. Petitioner should explain the variance in different categories related to % change in no. of consumers, connected load and sales. These are as follows:
  - **LMV-1: Domestic Light, Fan & Power: Dom: Rural Schedule (unmetered)**  
Provide reason as to why consumer category which was not approved by the Commission in the Tariff Order dated 11.11.2020 for FY 2020-21 has been considered in the Petition.

#### **Reply**

It is humbly submitted that Hon'ble Commission has approved the rates for LMV-1: Domestic Light, Fan & Power: Dom: Rural Schedule (unmetered) in Tariff order dated 11.11.2020 on page number 550 of the tariff order. The relevant extract of the same is also reproduced below for ready reference of the Hon'ble Commission.

**(a) Consumers getting supply as per 'Rural Schedule':**

1. **Lifeline consumers:** Consumers with contracted load upto 1 kW, energy consumption up to 100 kWh / month.

Description	Fixed Charge	Energy Charge
Metered Lifeline*	Rs. 50.00 / kW/ month	Rs. 3.00 / kWh

*\*Only for consumers with connected load upto 1 kW and for consumption up to 100.00 kWh / month*

2. **Others:** Other than Lifeline consumers (i.e. consumers who do not qualify under the criteria laid above for lifeline consumers)

Description	Fixed Charge	Energy Charge
i) Un-Metered (all Loads)	Rs. 500 / kW / month	Nil

● **LMV-1: Multi Story Building**

The decrease in number of consumers is abnormally high. Provide list of consumers present in this category, along with the contracted demand, consumption, load factor.

**Reply**

As per the direction of Hon'ble Commission under Supply Code Amendment no 13, Licensees are in progress of converting single point supply connections to multi point connections. It is further submitted that the required list was submitted to the Hon'ble Commission in the proceedings of matter of P.No 30 SM of 2019.

● **LMV-2: Non Domestic Light, Fan & Power: Non Dom: Rural Schedule (unmetered)**

Provide reason as to why consumer category which was not approved by the Commission in the Tariff Order dated 11.11.2020 for FY 2020-21 has been considered in the Petition.

**Reply**

It is humbly submitted that Hon'ble Commission has approved the rates for LMV-2: Non Domestic Light, Fan & Power: Non Dom: Rural Schedule (unmetered) in Tariff order dated 11.11.2020 on page number 553 of the tariff order. The relevant extract of the same is also reproduced below for ready reference of the Hon'ble Commission.

(a) Consumers getting supply as per 'Rural Schedule'

Description	Description	Fixed charge	Energy charge)
i) Un-metered	All Load	Rs. 1000 / kW / month	Nil
ii) Metered	All Load	Rs. 110 / kW / month	Rs. 5.50 / kWh

- **LMV-3: Public Lamps: Unmetered**

For DVVNL & PVVNL there is an abnormal increase in number of consumers whereas the contracted demand has reduced and sales have increased, provide justifications for the same.

**Reply**

It is humbly submitted that this query does not pertain to MVVNL.

- **LMV-8: State Tube Wells & Pump Canals upto 100 HP: Unmetered**

Provide reason as to why consumer category which was not approved by the Commission in the Tariff Order dated 11.11.2020 for FY 2020-21 has been considered in the Petition.

**Reply**

It is humbly submitted that Hon'ble Commission has approved the rates for LMV-8: State Tube Wells & Pump Canals upto 100 HP: Unmetered in Tariff order dated 11.11.2020 on page number 567 of the tariff order. The relevant extract of the same is also reproduced below for ready reference of the Hon'ble Commission.

**3. RATE:**

Rate gives the fixed and energy charges at which the consumer shall be billed during the billing period applicable to the category:

Description	Fixed Charge	Energy Charge
Metered	Rs. 330.00 / BHP / month	Rs. 8.50 / kWh
Un-metered	Rs. 3300.00 / BHP / month	Nil

- **LMV-8: State Tube Wells & Pump Canals upto 100 HP: Unmetered: Laghu Dal Nahar above 100 BHP**

Provide reason why number of consumers have drastically increased in this category.

**Reply**

It is humbly submitted to Hon'ble Commission that number of consumers under LMV-8: State Tube Wells & Pump Canals upto 100 HP: Unmetered: Laghu Dal Nahar above 100 BHP in FY 2019-20 were 9218 which has reduced to 7865 in FY 2020-21.



43. In Excel Formats submitted along with the Petition, Number of Consumers are given in fractions, which cannot be the Actual/Projected data. Submit the revised numbers.

**Reply:**

It is submitted that the consumer data are in whole integer figures for FY 2020-21, considering the same are on the basis of actuals. Further for FY 2021-22 and FY 2022-23, it is humbly submitted to the Hon'ble Commission that the projections are based on certain growth percentages based on the historical data. However, the consumer data shown in the petition are the nearest integer number without any fraction. The representation of numbers of consumers in excel model is also shown as integer number. The Hon'ble Commission may kindly consider the limitation of formulated working.

44. Minimum of 1 kW of load or in multiples of 1 can be applied for a new connection but Petitioner has submitted load in fractions in the Excel Formats, the same need to be rectified and submit the revised numbers.

**Reply:**

It is submitted that the consumer data are in whole integer figures for FY 2020-21, considering the same are on the basis of actuals. Further for FY 2021-22 and FY 2022-23, it is humbly submitted to the Hon'ble Commission that the projections are based on certain growth percentages based on the historical data. However, the consumer data shown in the petition are the nearest integer number without any fraction. The representation of numbers of consumers in excel model is also shown as integer number. The Hon'ble Commission may kindly consider the limitation of formulated working.

**Details of Asset**

45. Petitioner to submit the Fixed Asset Registers of FY 2020-21 in soft copy (Excel), depicting the life of the assets, asset addition, depreciation, etc. during the year.
46. Petitioner to provide details of assets (quantity & cost) pertaining to above 33 kV voltage level (i.e. 132 kV, 220 kV etc), owned & operated by Petitioner and part of FAR.
47. Petitioner is required to provide FAR (Fixed Asset Register), Asset-wise capitalisation and details of 132 kV and above assets (in Excel) (FY 2020-21) as in the
48. Additional Formats provided by the Commission vide letter no. UPERC/Secy/D(T)/21-1019 dated 2nd November, 2021. Wherever cost is not provided in the cost data book, the cell may be marked yellow and a market value to be taken.

**Reply to Query from 45 to 48:**

It is hereby submitted that FAR is attached in the soft copy as in Annexure-4

49. Petitioner should provide the break-up of capex claimed v/s approved from FY 2020-21 in following heads:
- ⇒ Capex required for expansion / new connection / network growth;
  - ⇒ Capex required for Loss reduction;
  - ⇒ Capex required for any other work with details.

**Reply:**

Below mentioned table shows break-up of capex claimed v/s approved from FY 2020-21

Schemes	Approved in TO 11.11.2020	Claimed	Purpose
	Investments / Capex (Rs. Cr)	Investments / Capex (Rs. Cr)	
Other Schemes		1,088.14	Network expansion / Network Growth / Loss reduction
RGGVY 11th Plan and 12th Plan		204.56	Network expansion / Network Growth
DDUGJY		94.55	Network expansion / Network Growth
IPDS		67.69	Network expansion / Network Growth / Loss reduction
SAUBHAGYA YOJNA		198.94	Network expansion / Network Growth
Total excluding Interest and employee capitalization (A)	2,429.40	1,145.44	
Add: Employee Capitalization (B)	327.29	373.40	
Add: Interest Capitalization (C)	19.76	135.04	
<b>Total (D= A+B+C)</b>	<b>2,776.45</b>	<b>1,653.88</b>	

**Capex & Capitalization**

50. It is observed that some of the licensees have not considered the opening and closing value of GFA as approved by the Commission in its Tariff Order for FY 2021-22 dated 29<sup>th</sup> July, 2021. Petitioner to provide justification for the same.

**Reply:**

It is humbly submitted to Hon'ble Commission that the detailed justification for the same is provided in the petition on Point number 2.10.3. However, the same is reproduced below for ready reference of the Hon'ble Commission.

It is pertinent to highlight that since the methodology for calculating depreciation is changed, it is necessary to calculate the opening GFA without the impact of cumulative depreciation in it. To calculate the depreciation for Part- A for assets capitalised before 1.4.2020, the petitioner has taken last three years' (FY 2017-18 to FY 2019-20) Opening GFA, Addition to GFA and Deduction of GFA approved by Hon'ble Commission. The Petitioner has considered the Trued-up Opening GFA for FY 2017-18 and further Hon'ble Commission approved additions and deductions are considered in it to derive the closing GFA for FY 2017- 18. The GFA so derived is considered as Opening GFA for FY 2018-19 and further Hon'ble Commission approved additions and deductions are considered in it to derive closing GFA for FY 2019-20. This GFA is considered as opening GFA for FY 2019-20 similarly closing GFA for FY 2019-20 is calculated. This closing GFA is considered as Opening GFA for FY 2020-21 so that the depreciation can be calculated by SLM methodology in line with regulation of Hon'ble Commission. Below mentioned table summarizes the calculation of Opening and Closing GFA.

Particulars	Derivation	GFA Calculation MVVNL		
		FY 18	FY19	FY 20
		Trued-Up		
Opening GFA	A	6,591.91	7,579.04	9,694.46
Additions to GFA (Trued-Up)	B	1,473.96	2,683.20	3,742.94
Less: Deductions to GFA (Trued-up)	C	486.83	567.78	639.40
<b>Closing GFA</b>	<b>D=A+B-C</b>	<b>7,579.04</b>	<b>9,694.46</b>	<b>12,798.00</b>

51. In reference to the Capital Expenditure submitted by Petitioner for FY 2020-21 and prior approval of projects above Rs 10 Crores as per Regulations 44 of the MYT Regulations, 2019, Petitioner should submit the capital expenditure cost of each project and confirm that prior approval of the Commission for projects with cost above Rs. 10 Crores has been taken. The details of these projects were also required to be provided as in the
52. Additional Formats provided by the Commission vide letter no. UPERC/Secy/D(T)/21-1019 dated 2nd November, 2021.

**Reply to Query 51 and 52:**

It is pertinent to highlight that Hon'ble Commission has approved the total capex of Rs. 2,776.45 Cr. for FY 2020-21 vide TO dated 11.11.2020, whereas the Petitioner has only claimed the capex of Rs. 1,653.88 Cr. and its breakup is provided in Reply to Query no 49.

53. It is observed that no contribution from Grants is claimed for FY 2021-22 in Form F18 of the Formats submitted along with the Petition. Hence, Petitioner should provide scheme-wise break-up and fund flow of Grants for RGGVY 11th Plan, DDUGJY, ADB, RAPDRP, IPDS, SAUBHAGYA YOJNA, etc., till FY 2021-22.

**Reply:**

It is pertinent to highlight that the petitioner has claimed the investment for FY 2021-22 and FY 2022-23 net of Consumer contribution, Grants and subsidy. Further, the petitioner has only claimed the investment under two schemes viz. ADB and RDSS and balance investment is under Other Schemes. However, ADB scheme is only funded by debt and equity. Below mentioned table shows fund flow of Grants under RDSS and Other Scheme.

S. No.	Particulars	APR	ARR
		FY 2021-22	FY 2022-23
		Revised Estimates	Projected
		Additions during the Year (Rs. Cr)	Additions during the Year (Rs. Cr)
1	Consumer Contribution Towards Cost of Capital Assets	-	-
2	Subsidies Towards Cost of Capital Asset	-	-
3	Grant Towards Cost of Capital Assets (Other Schemes)	1,448.88	850.60

S. No.	Particulars	APR	ARR
		FY 2021-22	FY 2022-23
		Revised Estimates	Projected
		Additions during the Year (Rs. Cr)	Additions during the Year (Rs. Cr)
4	Grant Towards Cost of Capital Assets (RDSS)	-	773.42
	<b>Total</b>	<b>1,448.88</b>	<b>1,624.01</b>

54. Petitioner should submit the following details of each Asset being retired for FY 2020-21:

- i. The useful life of the Asset.
- ii. Whether it has simultaneously reduced the depreciation for such assets.
- iii. Whether the asset was in warranty / guarantee period.
- iv. Whether the asset was insured and provide the details of insurance cost recovered from it.
- v. The depreciation charged till date.
- vi. Date of put to use & its cost.

**Reply:**

The Petitioner submits that it has simultaneously reduced the depreciation for such assets. The Gross block against the retired assets for FY 2020-21 is reduced to Rs. 765 Crore and depreciation charged till date for retired assets is Rs. 195.78 Cr. The same is also reflected in Note-2 of the audited balance sheet.

**Capital Work in Progress**

55. Petitioner in Note 3 of the Audited Accounts for FY 2020-21 mentioned the capital advances as “Advance to Suppliers/Contractors”. Petitioner should provide the detail of such advances w.r.t the asset for which such advances have been provided and details of the party to which such advances has been given etc.

**Reply:**

The Petitioner submits that details are as under:

**MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED**

4A, GOKLEY MARG, LUCKNOW - 226001

**DETAILS OF ADVANCE TO SUPPLIERS/CONTRACTORS (AG CODE - 25) FOR THE YEAR 2020-21**

Zone Name	AS ON 31.03.2020	Debit	Credit	AS ON 31.03.2021
Lucknow	7,09,88,45,172.56	28,96,04,746.64	6,39,25,21,673.67	99,59,28,245.53
LESA CISS	89,70,44,837.89	7,37,83,179.77	76,22,95,225.01	20,85,32,792.65
LESA TRANS	65,34,10,892.42	-22,05,51,565.48	31,76,38,827.43	11,52,20,499.51
Bareilly	5,46,56,06,927.09	12,28,66,727.08	76,14,38,428.74	4,82,70,35,225.43
Ayodhya	5,35,47,27,411.32	-93,40,69,291.31	68,36,94,743.78	3,73,69,63,376.23
Devipatan	3,56,45,61,518.73	1,43,07,941.36	88,16,25,760.08	2,69,72,43,700.01
DDO	1,12,46,00,656.22	-	-	1,12,46,00,656.22
RGGVY 11	16,55,73,019.00	-	-	16,55,73,019.00
RGGVY 12	1,22,01,25,218.00	-	-	1,22,01,25,218.00
Agency Charges	-4,19,81,700.00	-	-4,26,89,700.00	7,08,000.00
ADB Project	-	49,64,61,672.00	-	49,64,61,672.00
Saubhagya	54,31,60,083.00	-	53,33,90,650.00	97,69,433.00
<b>Total</b>	<b>26,04,56,74,036.23</b>	<b>-15,75,96,589.94</b>	<b>10,28,99,15,608.71</b>	<b>15,59,81,61,837.58</b>

**Depreciation**

56. It is observed that Petitioner has not calculated Depreciation as per the methodology adopted by the Commission in the Tariff Order for FY 2020-21 dated 11.11.2020 for assets that were capitalized before 01.04.2020 and assets that were capitalized after 01.04.2020. Petitioner is required to submit the same as per the methodology approved by the Commission. Assets pertaining to Consumer Contribution/ Grants/ Subsidy.

**Reply:**

It is pertinent to highlight that since the methodology for calculating depreciation is changed, from WDV method to SLM method, it is necessary to calculate the opening GFA without the impact of cumulative depreciation in it. The methodology adopted by Hon'ble Commission in TO dated 11.11.2020 for calculation depreciation of Part-A is WDV method. However, as per Regulations, 2019 the depreciation for both part A and Part B shall be calculated on SLM method. Further the depreciation from assets created out of consumer contribution, grant and subsidy is deducted to arrive at Net allowable depreciation.

57. Petitioner to provide the detailed breakup of the Assets made out of the, Grants Subsidy and Consumer Contribution for FY 2020-21. Also submit the Gross Block and Depreciation on Assets made out of Consumer Contribution, Grants separately, as in the

58. Additional Formats provided by the Commission vide letter no. UPERC/Secy/D(T)/21-1019 dated 2nd November, 2021.

**Reply to 57 and 58:**

The Petitioner submits that such details are not maintained in desired format.

**Interest on Working capital**

59. Petitioner has considered the Govt. Subsidy along with one-and-a-half-month revenue plus Govt. Subsidy Received/Declared for deriving Interest on Working Capital, which is not as per MYT Regulations, 2019. Provide the justification for the same.

**Reply:**

The Petitioner submits that as per clause 54.1 of MYT Regulations, 2019, subsidy to any consumer or class of consumers in the Tariff determined by the Commission, the same shall be provided as per Section 65 of the Act.

Further, extract of Section-65 of EA 2003 is reproduced below:

Section 65. (Provision of subsidy by State Government):

*“If the State Government requires the grant of any subsidy to any consumer or class of consumers in the tariff determined by the State Commission under section 62, the State Government shall, notwithstanding any direction which may be given under section 108, pay, in advance and in such manner as may be specified, the amount to compensate the person affected by the grant of subsidy in the manner the State Commission may direct, as a condition for the licence or any other person concerned to implement the subsidy provided for by the State Government:*

*Provided that no such direction of the State Government shall be operative if the payment is not made in accordance with the provisions contained in this section and the tariff fixed by State Commission shall be applicable from the date of issue of orders by the Commission in this regard.”*

Combined reading of clause 54.1 of MYT Regulations, 2019 and Section 65 of EA, 2003 itself clarifies that subsidy is the part of Tariff which State Government provides on behalf of poor consumers who can't pay their bills. Further, it is pertinent to highlight that states like Madhya Pradesh, Maharashtra also adopts the same approach and considers subsidy as a part of revenue for determining IOWC. Accordingly, the Petitioner has considered the subsidy as a part of revenue for computing IOWC as the tariff approved by Hon'ble does not includes subsidy.

### **Interest on Long Term Loans**

60. Petitioner to provide list of long-term loans (Form 31) along with the details of start date, amount, purpose, period of loan, interest payable, interest rate, any other special conditions, etc.

#### **Reply:**

The Petitioner submits that it has provided the desired details in Excel in Form 31 of MYT Formats and the same is also uploaded of Tariff Filing Portal of UPERC.

### **O&M Expenses**

61. Petitioner has considered the trued up the O&M expenses for FY 2019-20 rather than deriving the base value for FY 2019-20 as stipulated in Regulation 45 of MYT Regulations, 2019. Petitioner should submit detailed justification for the same.

#### **Reply:**

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 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 for the year as under:

<b>FY 19-20</b>	<b>DVVNL</b>	<b>MVVNL</b>	<b>PVVNL</b>	<b>PUVVN L</b>	<b>KESC O</b>	<b>Total (in Cr.)</b>
<b>Trued-up O&amp;M expenses</b>	1193.06	1433.57	1360.66	1804.31	246.43	6038.03

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 below.

<b>FY 19-20</b>	<b>DVVNL</b>	<b>MVVNL</b>	<b>PVVNL</b>	<b>PUVVNL</b>	<b>KESCO</b>	<b>Total (in Cr.)</b>
<b>Computed O&amp;M expenses</b>	1038.11	1256.36	1117.22	1528.79	239.36	5179.84

It can be perceived from the above two tables 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 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 2020-21, FY 2021-22 and FY 2022-23.

## **Revenue**

62. Petitioner to provide details if any OTS scheme was implemented during FY 2018-19, FY 2019-20, FY 2020-21. If yes, provide details of consumer Category-wise/ Sub Category-wise surcharge waived-off, rebate in revenue and revenue collected for the year. Further, reconcile the same with the Balance Sheet.

### **Reply:**

OTS data is under compilation.

63. Petitioner must provide Billing Determinants along with Revenue of respective sub-category & slab-wise for FY 2020-21.

### **Reply:**

The Billing Determinants are hereby attached marked as Annexure-14

64. Petitioner in the Note 17 of the Audited Accounts has mentioned 'Miscellaneous charges from consumer' under the revenue from Operation. Petitioner should clarify what are these charges and why such charges were not added in the Non-Tariff Income and provide the breakup of the same.

### **Reply:**

It is humbly submitted to Hon'ble Commission that treatment of Miscellaneous Charges from Consumers would have the same impact in the Final Revenue Gap/Surplus whether it is considered in Revenue from Operation Charges or under Non-Tariff Income. Further the breakup of the same is mentioned below as required by the Hon'ble Commission.

<b>Description</b>	<b>Amount (in Rs. Cr)</b>
Line Rent	0.00
Reconnection/Disconnection Fee	12.92
Other recoveries from Consumers	142.36
Recoveries for Theft of Power	1.41
Recoveries for Mal Practices	0.83
Wheeling Charges	11.36
<b>Total</b>	<b>168.89</b>

65. Petitioner should provide details of consumer under Prepaid metering and their billing determinants including revenue for FY 2018-19, FY 2019-20 and FY 2020-21.

**Reply:**

The data is being compiled and will be submitted shortly.

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

- ⇒ 2% Discount on Prepaid connections
- ⇒ 1% Rebate for early payment
- ⇒ Any other rebate

The Petitioner is also required to clarify whether above Rebates/Discounts are included in the revenue. If no, how the treatment has been done.

**Reply:**

The data is being compiled and will be submitted shortly.

67. Petitioner should clarify whether any open access and cross subsidy charges collected from HV-3 (Railway Traction and Metro). Also, provide the details of the same. If not, specify the reasons.

**Reply:**

The Petitioner hereby submits that it has not collected any open access charges from HV-3 consumers. As it is not an Open Access Consumer and a Deemed Licensee.

68. Provide the List of consumers & their connection details & consumption details for the categories:

- a. HV2 Urban Schedule: Supply above 66 kV & upto 132 kV
- b. HV2 Urban Schedule: Supply above 132 kV

**Reply:**

The Petitioner submits that such details are attached as **Annexure - 10**

**Interest on consumer Security Deposit**

69. Petitioner should submit an undertaking that, it has paid all the dues pertaining to interest on consumer security deposit for FY 2020-21.

**Reply:**



The Petitioner humbly submits to the Hon'ble Commission to deal this matter separately. The petitioner is continuously updating Hon'ble Commission on the matter of updating of Consumer Security Deposit. The Petitioner has submitted the latest details on affidavit in the matter of P. No. 780/2012

Further, the latest information submitted by the Petitioner in the above matter is hereby attached for kind consideration of the Hon'ble Commission as per Annexure-5

### **Non-Tariff Income**

70. Petitioner is required to submit a month wise detailed explanation for calculation of cost of borrowing of DPS with illustration, justifying the claim. Also submit whether it has actually incurred any cost towards borrowing of DPS and reconcile the same with the Balance Sheet.

#### **Reply:**

The petitioner submits that it has incurred Rs. 1,336.65 Cr. towards Finance cost and the same can be verified from Note-21 of the audited balance sheet. However, it has only claimed Rs. 654.85 Cr. towards Finance Cost. Balance interest was incurred by MVVNL for funding cash gaps due to DPS as detailed under para of the petition 2.14.6. However, the Petitioner has claimed only Normative Financing Cost of DPS as justified below.

It is pertinent to highlight that the Hon'ble Commission in its last Tariff Order directed to demonstrate the genuineness and need of financing DPS for allowing the same. It is submitted that Principal amount on which the DPS was charged to consumers was Rs. 1599.40 Cr. which is substantially high and cannot be managed by working capital. Hence financing of DPS was required to carry out the smooth working of Discom. The Discom has procured the short term loan at 9.57% and has incurred Rs. 153.06 Cr. toward the financing of DPS for Discom operation.

### **Subsidy**

71. As regard GoUP Subsidy for FY 2020-21, Petitioner to provide detailed break-up of subsidy provided for the consumer category and reconcile the same in respect to the actual subsidy reimbursed and the actual consumption of the various subsidized consumer categories. Provide documentary evidence (Govt. Order for the same). Apart from above, provide details of any other subsidy / rebate / relaxation provided by the Government, especially announcements by Govt. during COVID pandemic for relief of consumers. Further, treatment of such relief in ARR, revenue.

#### **Reply:**

The details of subsidy / rebate / relaxation provided by the Government, during COVID pandemic for relief of consumers and the transfer to relief vis-à-vis relaxation provided by the Government is attached in Annexure-11.

72. Provide details of RE subsidy of received from the Govt of UP/UPNEDA etc.

#### **Reply:**

The Petitioner submits that RE subsidy as mentioned in Note-18 of the Balance Sheet is Rs. 222.40 Cr.

### **Supply: Number of hours**

73. Petitioner is required to provide the supply hours for the various areas in Petitioner's area for FY 2020-21. Further, Petitioner should provide the supply hours (monthly) given to rural areas in FY 2020-21.

Petitioner should specify the areas where supply hours were less than 18 hours with evidence from SLDC.

**Reply:**

The Petitioner submits that such details are attached as **Annexure – 12**

**Standards of Performance**

74. As per the Regulations 41.1 – penalties and compensation payable by the licensee for failure to meet standards of performance shall not be allowed to be recovered. The licensee to provide details of such penalties and compensation that have been accounted for.

**Reply:**

The Petitioner submits that the IT enabled system for penalties and compensation payable by the licensee for failure to meet standards of performance is under development and it is expected to be live in April 2022.

**Queries on APR of FY 2021-22**

**Billing Determinants**

75. The Petitioner is required to submit the details of Billing Determinants of the Distribution Franchisees as per Regulation 42 of the MYT Regulations, 2019. However, DVVNL has not submitted the same. Petitioner is directed to submit month-wise, the category and sub-category-wise and slab-wise actual Billing Determinants as per the Additional Formats provided by the Commission vide letter no. UPERC/Secy/D(T)/21-1019 dated 2nd November, 2021

**Reply:**

The Petitioner submits that this query does not pertain to MVVNL.

76. In Excel Formats submitted along with the Petition, Number of Consumers are given in fractions, which cannot be the Actual/Projected data. Submit the revised numbers.

**Reply:**

It is submitted that the consumer data are in whole integer figures for FY 2020-21, considering the same are on the basis of actuals. Further for FY 2021-22 and FY 2022-23, it is humbly submitted to the Hon'ble Commission that the projections are based on certain growth percentages based on the historical data. However, the consumer data shown in the petition are the nearest integer number without any fraction. The representation of numbers of consumers in excel model is also shown as integer number. The Hon'ble Commission may kindly consider the limitation of formulated working.

77. Minimum of 1 kW of load or in multiples of 1 can be applied for a new connection but Petitioner has submitted load in fractions in the Excel Formats, the same need to be rectified and submit the revised numbers.

**Reply:**

It is submitted that the consumer data are in whole integer figures for FY 2020-21, considering the same are on the basis of actuals. Further for FY 2021-22 and FY 2022-23, it is humbly submitted to the

Hon'ble Commission that the projections are based on certain growth percentages based on the historical data. However, the consumer data shown in the petition are the nearest integer number without any fraction. The representation of numbers of consumers in excel model is also shown as integer number. The Hon'ble Commission may kindly consider the limitation of formulated working.

### **Capex & Capitalisation**

78. It is observed that no contribution from Grants is claimed for FY 2021-22 in Form 18 of the Formats submitted along with the Petition. Hence, Petitioner should provide scheme-wise break-up and fund flow of Grants for RGGVY 11th Plan, DDUGJY, ADB, RAPDRP, IPDS, SAUBHAGYA YOJNA, etc., till FY 2021-22.

#### **Reply:**

It is pertinent to highlight that the petitioner has claimed the investment for FY 2021-22 and FY 2022-23 net of Consumer contribution, Grants and subsidy. Further, the petitioner has only claimed the investment under two schemes viz. ADB and RDSS and balance investment is under Other Schemes. However, ADB scheme is only funded by debt and equity. Below mentioned table shows fund flow of Grants under RDSS and Other Scheme.

S. No.	Particulars	APR	ARR
		FY 2021-22	FY 2022-23
		Revised Estimates	Projected
		Additions during the Year (Rs. Cr)	Additions during the Year (Rs. Cr)
1	Consumer Contribution Towards Cost of Capital Assets	-	-
2	Subsidies Towards Cost of Capital Asset	-	-
3	Grant Towards Cost of Capital Assets (Other Schemes)	1,448.88	850.60
4	Grant Towards Cost of Capital Assets (RDSS)	-	773.42
	<b>Total</b>	<b>1,448.88</b>	<b>1,624.01</b>

79. Consumer contribution (Form-18) for FY 2021-22 is Zero (0). Provide justification for the same.

#### **Reply:**

The Petitioner submits that the capex in FY 2021-22 is incurred under ADB scheme which is funded by Debt and Equity. Further Other scheme is financed by Debt, equity and Grants.

S. No.	Particulars	APR	ARR
		FY 2021-22	FY 2022-23
		Revised Estimates	Projected
		Additions during the Year (Rs. Cr)	Additions during the Year (Rs. Cr)
1	Consumer Contribution Towards Cost of Capital Assets	-	-
2	Subsidies Towards Cost of Capital Asset	-	-
3	Grant Towards Cost of Capital Assets (Other Schemes)	1,448.88	850.60
4	Grant Towards Cost of Capital Assets (RDSS)	-	773.42
	<b>Total</b>	<b>1,448.88</b>	<b>1,624.01</b>

### O&M Expenses

80. Petitioner has considered the trued up the O&M expenses for FY 2019-20 rather than deriving the base value for FY 2019-20 as stipulated in Regulation 45 of MYT Regulations, 2019. Petitioner should submit detailed justification for the same.

#### Reply:

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 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 for the year as under:

FY 19-20	DVVNL	MVVNL	PVVNL	PUVVNL	KESCO	Total (in Crs.)
<b>Trued-up O&amp;M expenses</b>	1193.06	1433.57	1360.66	1804.31	246.43	6038.03

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 below.

FY 19-20	DVVNL	MVVNL	PVVNL	PUVVNL	KESCO	Total (in Crs.)
<b>Computed O&amp;M expenses</b>	1038.11	1256.36	1117.22	1528.79	239.36	5179.84

It can be perceived from the above two tables 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 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 2020-21, FY 2021-22 and FY 2022-23.

### **Subsidy**

81. As regard GoUP Subsidy for FY 2021-22, Petitioner to provide detailed break-up of subsidy provided for the consumer category and reconcile the same in respect to the actual subsidy reimbursed and the actual consumption of the various subsidized consumer categories. Provide documentary evidence (Govt. Order for the same). Apart from above, provide details of any other subsidy / rebate / relaxation provided by the Government, especially announcements by Govt. during COVID pandemic for relief of consumers. Further, treatment of such relief in ARR, revenue.
82. Provide details of RE subsidy of received from the Govt of UP/UPNEDA etc.

#### **Reply to 81 and 82:**

The documentary evidences of the GOUP tariff subsidy received during FY 2021-22 are attached herewith marked as Annexure-9. No COVID subsidy is provided in FY 2021-22.

### **Revenue**

83. Petitioner to provide details if any OTS scheme was implemented during the year. If yes, provide consumer Category-wise/ Sub Category-wise details. Provide details of surcharge waived-off.

#### **Reply:**

OTS data is under compilation.

84. Petitioner is directed to submit month-wise, the category and sub-category-wise and slab-wise actual Revenue.

#### **Reply:**

The same has been provided in the Revenue models being submitted to the Hon'ble Commission.

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

- ⇒ 2% Discount on Prepaid connections
- ⇒ 1% Rebate for early payment
- ⇒ Any other rebate

The Petitioner is also required to clarify whether above Rebates/Discounts are included in the revenue. If no, how the treatment has been done.

#### **Reply:**

The same is under compilation.

### **Supply: Number of hours**

86. Submit the Number of supply hours given to Rural Schedule, Urban Schedule and Agricultural Consumers. Also, submit the Status of Agricultural Feeder Segregation. Also, Petitioner should specify the areas where supply hours were less than 18 hours. Provide certified evidence from SLDC.

#### **Reply:**

The Petitioner submits that such details are attached as **Annexure – 12 and 12A**.

### **Standards of Performance**

87. As per the Regulations 41.1 – penalties and compensation payable by the licensee for failure to meet standards of performance shall not be allowed to be recovered. The licensee to provide details of such penalties and compensation that have been accounted for.

#### **Reply:**

The Petitioner submits that the IT enabled system for penalties and compensation payable by the licensee for failure to meet standards of performance is under development and it is expected to be live in April 2022.

### **Queries on ARR & Tariff of FY 2022-23**

#### **Billing Determinants**

88. Petitioner is directed to submit monthly as well as fortnightly, the category and sub-category-wise and slab-wise actual Billing Determinants as in the
89. Additional Formats provided by the Commission vide letter no. UPERC/Secy/D(T)/21-1019 dated 2nd November, 2021.

#### **Reply to query 88 and 89:**

The Petitioner hereby submits that actual Billing Determinant for FY 2022-23 will be provided at the time of True Up of FY 2022-23.

90. The Petitioner is required to submit the details of Billing Determinants of the Distribution Franchisees as per Regulation 42 of the MYT Regulations, 2019. However, DVVNL has not submitted the same. Petitioner is directed to submit monthly as well as fortnightly, the category and sub-category-wise and slab-wise actual Billing Determinants as per the
91. Additional Formats provided by the Commission vide letter no. UPERC/Secy/D(T)/21-1019 dated 2nd November, 2021

#### **Reply to query 90 and 91:**

The Petitioner hereby submits that this query does not pertain to MVVNL.

92. Taking into consideration the economic indicators, the proposed 3.81% of growth in sales for FY 2022-23 is lower than growth in FY 2021-22. This is shown below:

FY 2016-17		FY 2017-18		FY 2018-19		FY 2019-20		FY 2020-21		FY 2021-22		FY 2022-23	
Sales	% Growth in Sales (YoY)	Sales	% Growth in Sales (YoY)	Sales	% Growth in Sales (YoY)	Sales	% Growth in Sales (YoY)	Sales	% Growth in Sales (YoY)	Sales	% Growth in Sales (YoY)	Sales	% Growth in Sales (YoY)
78285.66	13.64%	88138.65	12.59%	88095.25	-0.05%	91486.05	3.85%	90372.03	-1.22%	96557.76	6.84%	100236.60	3.81%

Provide justification for the same.

**Reply:**

The Petitioner submits that it has projected the sales for FY 2022-23 based on sales of FY 2021-22. It is to be noted that during FY 2020-21 negative growth was recorded ( -1.22%) thus in normal scenario the Growth recorded higher against the negative of last year. However, it is considered appropriate growth in each Tariff Category.

93. Petitioner should explain the variance in different categories related to % change in no. of consumers, connected load and sales. These are as follows:

- **LMV-1: Domestic Light, Fan & Power: Dom: Rural Schedule (unmetered)**

Provide reason as to why consumer category which was not approved by the Commission in the Tariff Order dated 29.07.2021 for FY 2021-22 has been considered in the Petition.

**Reply**

It is humbly submitted that Hon’ble Commission has approved the rates for LMV-1: Domestic Light, Fan & Power: Dom: Rural Schedule (unmetered) in Tariff order dated 29.07.2021 on page number 567 of the tariff order. The relevant extract of the same is also reproduced below for ready reference of the Hon’ble Commission.

<b>(a) Consumers getting supply as per ‘Rural Schedule’:</b>		
1. <b>Lifeline consumers:</b> Consumers with contracted load upto 1 kW, energy consumption up to 100 kWh / month.		
Description	Fixed Charge	Energy Charge
Metered Lifeline*	Rs. 50.00 / kW/ month	Rs. 3.00 / kWh
<i>*Only for consumers with connected load upto 1 kW and for consumption up to 100.00 kWh / month</i>		
2. <b>Others:</b> Other than Lifeline consumers (i.e. consumers who do not qualify under the criteria laid above for lifeline consumers)		
Description	Fixed Charge	Energy Charge
i) Un-Metered (all Loads)	Rs. 500 / kW / month	Nil

- **LMV-8: State Tube Wells & Pump Canals upto 100 HP: Unmetered**

Provide reason as to why consumer category which was not approved by the Commission in the Tariff Order dated 29.07.2021 for FY 2021-22 has been considered in the Petition.

**Reply**

It is humbly submitted that Hon'ble Commission has approved the rates for LMV-8: State Tube Wells & Pump Canals upto 100 HP: Unmetered in Tariff order dated 29.07.2021 on page number 584 of the tariff order. The relevant extract of the same is also reproduced below for ready reference of the Hon'ble Commission.

**3. RATE:**

Rate gives the fixed and energy charges at which the consumer shall be billed during the billing period applicable to the category:

Description	Fixed Charge	Energy Charge
Metered	Rs. 330.00 / BHP / month	Rs. 8.50 / kWh
<u>Un-metered</u>	<u>Rs. 3300.00 / BHP / month</u>	Nil

94. In Excel Formats submitted along with the Petition, Number of Consumers are given in fractions, which cannot be the Actual/Projected data. Submit the revised numbers.

**Reply:**

It is submitted that the consumer data are in whole integer figures for FY 2020-21, considering the same are on the basis of actuals. Further for FY 2021-22 and FY 2022-23, it is humbly submitted to the Hon'ble Commission that the projections are based on certain growth percentages based on the historical data. However, the consumer data shown in the petition are the nearest integer number without any fraction. The representation of numbers of consumers in excel model is also shown as integer number. The Hon'ble Commission may kindly consider the limitation of formulated working.

95. Minimum of 1 kW of load or in multiples of 1 can be applied for a new connection but Petitioner has submitted load in fractions in the Excel Formats, the same need to be rectified and submit the revised numbers.

**Reply:**

It is submitted that the consumer data are in whole integer figures for FY 2020-21, considering the same are on the basis of actuals. Further for FY 2021-22 and FY 2022-23, it is humbly submitted to the Hon'ble Commission that the projections are based on certain growth percentages based on the historical data. However, the consumer data shown in the petition are the nearest integer number without any fraction. The representation of numbers of consumers in excel model is also shown as integer number. The Hon'ble Commission may kindly consider the limitation of formulated working.



## **Capex & Capitalisation**

96. In reference to the Capital Expenditure submitted by Petitioner for FY 2022-23 and prior approval of projects above Rs 10 Crores as per Regulations 44 of the MYT Regulations, 2019, Petitioner should submit the capital expenditure cost of each project likewise (as explained above) and take prior approval of the Commission for projects with cost above Rs. 10 Crores. Petitioner should submit the CAPEX accordingly and provide DPRs for approval of the projects in line with Regulation 44 MYT Regulations, 2019, failing which the same may be disallowed.

### **Reply:**

The Petitioner hereby further informs that Ministry of Power has approved the capex plan under the Revamped Distribution Sector Scheme. The same will be submitted to the Hon'ble Commission.

97. It is observed that no contribution from Grants is claimed for FY 2022-23 in Form F18 of the Formats submitted along with the Petition. Hence, Petitioner should provide scheme-wise break-up and fund flow of Grants for RGGVY 11th Plan, DDUGJY, ADB, RAPDRP, IPDS, SAUBHAGYA YOJNA, etc., till FY 2022-23.

### **Reply:**

The Petitioner submits that required details are submitted in reply to Query number 53

98. Consumer contribution (Form-18) for FY 2022-23 is Zero (0). Provide justification for the same.

### **Reply: Number in Formant**

The Petitioner submits that the capex in FY 2022-23 is incurred under ADB scheme which is funded by Debt and Equity. Further, RDSS is financed through Debt, Equity and Grant. Other scheme is financed by Debt, equity and Grants. The details of grants are provided in reply to query number 53.

## **Interest on Working capital**

99. Petitioner to clarify why it has considered the Govt. Subsidy while deriving one and half month revenue for computation of Interest on Working Capital. It is observed that the same methodology was adopted in the previous Petition as well. Hence, the Petitioner is directed to adopt the Commission's methodology henceforth.

### **Reply:**

The Petitioner submits that as per clause 54.1 of MYT Regulations, 2019, subsidy to any consumer or class of consumers in the Tariff determined by the Commission, the same shall be provided as per Section 65 of the Act.

Further, extract of Section-65 of EA 2003 is reproduced below:

Section 65. (Provision of subsidy by State Government):

*"If the State Government requires the grant of any subsidy to any consumer or class of consumers in the tariff determined by the State Commission under section 62, the State Government shall, notwithstanding any direction which may be given under section 108, pay, in advance and in such manner as may be specified, the amount to compensate the person affected by the grant of subsidy in the manner the State Commission may direct, as a condition for the licence or any other person concerned to implement the subsidy provided for by the State Government:*

*Provided that no such direction of the State Government shall be operative if the payment is not made in accordance with the provisions contained in this section and the tariff fixed by State Commission shall be applicable from the date of issue of orders by the Commission in this regard.”*

Combined reading of clause 54.1 of MYT Regulations, 2019 and Section 65 of EA, 2003 itself clarifies that subsidy is the part of Tariff which State Government provides on behalf of poor consumers who can't pay their bills. Further, it is pertinent to highlight that states like Madhya Pradesh, Maharashtra also adopts the same approach and considers subsidy as a part of revenue for determining IOWC. Accordingly, the Petitioner has considered the subsidy as a part of revenue for computing IOWC as the tariff approved by Hon'ble does not includes subsidy.

### **Bad and Doubtful Debt**

100. Petitioner has considered 2% of the Revenue for FY 2022-23 for computation of the Bad and Doubtful debt. However, the Commission has adopted the methodology of approving the Bad and Doubtful debt as a percentage of Revenue. Provide the justification for the same.

#### **Reply**

The Petitioner submits that it has claimed bad and doubtful debts in line with regulation 46.1 of the MYT Regulations, 2019. The is reproduced below for the reference of Hon'ble Commission

*“46.1 For any Year, the Commission may allow a provision for write off of bad and doubtful debts upto 2% of the amount shown as Revenue Receivables from sale of electricity in the audited accounts of the Distribution Licensee for that Year or the actual write off of bad debts, whichever is less.”*

101. As regard GoUP Subsidy for FY 2022-23, Petitioner to provide detailed break-up of subsidy to be provided for each consumer category. Provide documentary evidence (Govt. Order for the same). Apart from above, provide details of any other subsidy / rebate / relaxation provided by the Government, especially announcements by Govt. during COVID pandemic for relief of consumers. Further, treatment of such relief in ARR, revenue.
102. Provide details of RE subsidy of to be received from the Govt of UP/UPNEDA etc.

#### **Reply to 101 and 102:**

The Govt. subsidy for FY 2022-23 yet to be approved in state budget for FY 2022-23. As such this is not available at present. Therefore, the Petitioner has taken provisional value as budgeted for FY 2021-22 by GoUP. It is further submitted that the State Government directly informs the Hon'ble Commission on the Tariff Subsidy to be provided to the respective category of consumes.

### **O&M Expenses**

103. Petitioner has considered the trued up the O&M expenses for FY 2019-20 rather than deriving the base value for FY 2019-20 as stipulated in Regulation 45 of MYT Regulations, 2019. Petitioner should submit detailed justification for the same.

**Reply:**

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 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 for the year as under:

<b>FY 19-20</b>	<b>DVVNL</b>	<b>MVVNL</b>	<b>PVVNL</b>	<b>PUVVNL</b>	<b>KESCO</b>	<b>Total (in Crs.)</b>
<b>Trued-up O&amp;M expenses</b>	1193.06	1433.57	1360.66	1804.31	246.43	6038.03

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 below.

<b>FY 19-20</b>	<b>DVVNL</b>	<b>MVVNL</b>	<b>PVVNL</b>	<b>PUVVNL</b>	<b>KESCO</b>	<b>Total (in Crs.)</b>
<b>Computed O&amp;M expenses</b>	1038.11	1256.36	1117.22	1528.79	239.36	5179.84

It can be perceived from the above two tables 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 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 2020-21, FY 2021-22 and FY 2022-23.

**AT&C LOSS**

**104.** Petitioner to submit the AT&C Losses Computation as per the format P2 for FY 2022-23.

**Reply:**

The Petitioner submits that it has submitted the AT&C Losses Computation as per the format P2 for FY 2022-23 in MYT Formats for FY23.

**Supply: Number of hours**

**105.** Provide the SAIDI & SAIFI for FY 2020-21, FY 2021-22 & FY 2022-23.

**Reply:**

It is submitted that the UPPCL is in process of automating the computation of SAIDI & SAIFI in the billing software.

106. Submit the Transformer, Line Length and capacitor bank details for FY 2022-23 as per format P7.

**Reply:**

The Petitioner submits that it has submitted the Transformer, Line Length and capacitor bank details for FY 2022-23 as per format P7 in MYT Formats for FY23.

107. Submit the maximum Peak Demand (Restricted and Unrestricted), Peak Availability Assessed, Shortfall in meeting Peak Demand as per Form P7 of MYT Distribution Tariff Regulations, 2019.

**Reply:**

The above data is not being captured at Discom level.

**Metering**

108. Provide the status of Metering, designation wise of the employees of Petitioner.

**Reply:**

The status of meter installed for the consolidated Discoms as on March, 2021 is shown below:

S.No.	Category	Numbers	Metered installed
(i)	Class IV Employees	11250	Nil
(ii)	Class III Employees	18300	Nil
(iii)	Junior Engineers & Equivalent	3067	Nil
(iv)	Assistant Engineers & Equivalent	1557	Nil
(v)	Executive Engineers & Equivalent	528	Nil
(vi)	Deputy General Manager & Equivalent	118	Nil
(vii)	CGM/GM & Equivalent posts and above	38	Nil
Total Pensioner & Family Pensioner		49036	Nil
<b>Total</b>		<b>83894</b>	Nil

Further, for LMV-10, the petitioner humbly requests the Hon'ble Commission to allow additional time till March, 2023 for installation of meters.

**Revenue/Tariff Proposal/Rate Schedule**

109. Petitioner is directed to submit monthly as well as fortnightly, the category and sub-category-wise and slab-wise actual Revenue as in the

110. Additional Formats provided by the Commission vide letter no. UPERC/Secy/D(T)/21-1019 dated 2nd November, 2021.

**Reply to 109 and 110:** The projection for FY 2022-23 is being done on annual basis. Therefore, the monthly details cannot be provided.

111. The Petitioner is required to submit the desired representation of full cost Tariff, subsidy provided by the GoUP and the effective Tariff to be paid by the subsidized consumers to be incorporated in the Rate Schedule for FY 2022-23.
112. Petitioner to submit the Category-wise, sub-category-wise, slab-wise Tariff Proposal for FY 2022-23 along with the Excel Sheet with all linkages and Formula driven. The same should be full cost (without subsidy) and must be designed to achieve +/- 20% Cross Subsidization and Zero gap. Accordingly, the revised Rate Schedule applicable for FY 2022-23 may be submitted.
113. Further, the Petitioner is required to submit the Proposed Roadmap for reduction of Cross-subsidies as per the Tariff Policy for the approval of the Commission.

**Reply: Point 111 to 113:**

It is respectfully submitted that the roadmap for the reduction of Cross-subsidy is the prerogative of the Hon'ble Commission. The relevant extract of the tariff policy is as under:

- i. *“2. For achieving the objective that the tariff progressively reflects the cost of supply of electricity, the Appropriate Commission would notify a roadmap such that tariffs are brought within  $\pm 20\%$  of the average cost of supply. The road map would also have intermediate milestones, based on the approach of a gradual reduction in cross subsidy.”*

In this context, it is respectfully submitted that the Hon'ble Commission may kindly consider the petitioner's submission.

The proposal for a rate schedule requires cross-subsidy amongst various consumer categories. The road map for cross-subsidy reduction as per the tariff policy clause mentioned above has not been yet approved by the Hon'ble Commission. It is hereby submitted that an approved road map for the reduction of cross-subsidies is required for the preparation of a Tariff without subsidy. In this context, it is submitted that, as existing rates are not without Government Subsidy and slab wise treatment of GoUP subsidy in T.O. dated 29.07.2021 is not clear, these cannot be considered as a basis to meet the requirements of GoUP direction for Tariff without Govt subsidy w.e.f. FY 2022-23. The road map for DBT in the transparent manner approved by GoUP has also been informed in section 4.15.3 of the Petition. The Petitioner does not have the authority to restructure subcategories of the slabs based on rates of other sub-categories of the slabs without the approval of the Hon'ble Commission on Rationalized Tariff Categories/ Subcategories/ Slabs.

Further, the revenue model also requires the Break-up of 'Fixed Charge' and 'Energy Charge'. The component of Total Fixed Costs is about 66% and Variable Cost is about 34% of ARR for FY 2022-23. The recovery as per the existing 'Fixed Charge' tariff is about 23% only on the existing tariff. UPERC approved methodology for the recovery of the remaining component of Fixed Cost through 'Energy Charge' Tariff is not available in the existing UPERC Tariff order. As the proposed tariff should also ensure recovery of total approved Fixed costs of ARR, the details of the UPERC mechanism are required for the revenue model.

Further, since the UP Govt. issues the per unit tariff subsidy notification on the basis of the letter sent by the Hon'ble Commission, the Petitioner in absence of per unit Govt. subsidy is not in the position to prepare the full cost tariff structure for FY 2022-23.

In this context it is respectfully submitted that Hon'ble Commission may kindly consider the petitioner submission.

- 114.** Each Petitioner to submit Revenue Model along with Consolidated Model (5 Discoms) depicting load factor along with Revenue - category-wise, sub-category-wise & slab-wise at existing Rate schedule. The Excels of the Revenue model should be linked and formula driven

**Reply:** Desired Model is being uploaded on the Commission Portal

- 115.** As there is a gap, hence each Petitioner to submit Revenue Model along with the Consolidated Model (5 Discoms) depicting load factor along with Revenue - category-wise, sub-category-wise & slab-wise at the proposed Tariff to cover the gap. The same should be full cost (without subsidy) and must be designed to achieve +/- 20% Cross Subsidization and Zero gap. Accordingly, the revised Rate Schedule applicable for FY 2022-23 may be submitted. The Excels of the Revenue model should be linked and formula driven. Further, Petitioner to provide the revised computation of Open Access charges, Additional Surcharge, etc.
- 116.** Each Petitioner to submit Revenue Model along with Consolidated Model (5 Discoms) depicting load factor along with Revenue - category-wise, sub-category-wise & slab-wise at the proposed Tariff Category Rationalization. The same should be full cost (without subsidy) and must be designed to achieve +/- 20% Cross Subsidization and Zero gap. Accordingly, the revised Rate Schedule applicable for FY 2022-23 may be submitted. The Excels of the Revenue model should be linked and formula driven. Further, Petitioner to provide the revised computation of Open Access charges, Additional Surcharge, etc.
- 117.** With regard to the proposal for provision of Green Energy Tariff, provide the proposed modifications along with Tariffs to be made in the Rate Schedule for the respective category.
- 118.** Petitioner has to provide the tariff proposal as per the tariff Rationalization Proposal submitted. Further, accordingly Petitioner need to submit also the revised Rate Schedule for FY 2022-23. This would be in compliance to Regulation 11.3 of UPERC's Multi Year Tariff for Distribution and Transmission) Regulations, 2019.

Quote

*Provided further that the Petition shall be accompanied by a detailed Tariff revision proposal showing category-wise Tariffs and how such revision would meet the gap/ surplus, if any, in the ARR*

Unquote

**Reply to Query 115 to 118:**

It is respectfully submitted that the roadmap for the reduction of Cross-subsidy is the prerogative of the Hon'ble Commission. The relevant extract of the tariff policy is as under:

- i. *“2. For achieving the objective that the tariff progressively reflects the cost of supply of electricity, the Appropriate Commission would notify a roadmap such that tariffs are brought within  $\pm 20\%$  of the average cost of supply. The road map would also have intermediate milestones, based on the approach of a gradual reduction in cross subsidy.”*

In this context, it is respectfully submitted that the Hon’ble Commission may kindly consider the petitioner's submission.

The proposal for a rate schedule requires cross-subsidy amongst various consumer categories. The road map for cross-subsidy reduction as per the tariff policy clause mentioned above has not been yet approved by the Hon’ble Commission. It is hereby submitted that an approved road map for the reduction of cross-subsidies is required for the preparation of a Tariff without subsidy. In this context, it is submitted that, as existing rates are not without Government Subsidy and slab wise treatment of GoUP subsidy in T.O. dated 29.07.2021 is not clear, these cannot be considered as a basis to meet the requirements of GoUP direction for Tariff without Govt subsidy w.e.f. FY 2022-23. The road map for DBT in the transparent manner approved by GoUP has also been informed in section 4.15.3 of the Petition. The Petitioner does not have the authority to restructure subcategories of the slabs based on rates of other sub-categories of the slabs without the approval of the Hon’ble Commission on Rationalized Tariff Categories/ Subcategories/ Slabs.

Further, the revenue model also requires the Break-up of 'Fixed Charge' and 'Energy Charge'. The component of Total Fixed Costs is about 66% and Variable Cost is about 34% of ARR for FY 2022-23. The recovery as per the existing 'Fixed Charge' tariff is about 23% only on the existing tariff. UPERC approved methodology for the recovery of the remaining component of Fixed Cost through 'Energy Charge' Tariff is not available in the existing UPERC Tariff order. As the proposed tariff should also ensure recovery of total approved Fixed costs of ARR, the details of the UPERC mechanism are required for the revenue model.

Further, since the UP Govt. issues the per unit tariff subsidy notification on the basis of the letter sent by the Hon’ble Commission, the Petitioner in absence of per unit Govt. subsidy is not in the position to prepare the full cost tariff structure for FY 2022-23.

In this context it is respectfully submitted that Hon’ble Commission may kindly consider the petitioner submission.

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