

Reply to TVS Information Requirement / Discrepancies in the Petition No. 2164 - 2024

Dated:- 29th November, 2024

of

True-Up (FY 2023-24), Annual Performance Review (FY 2024-25), Aggregate Revenue Requirement (FY 2025-26) of MVVNL

1. Provide replies to all pending data deficiencies raised by the Commission.

Response: It is humbly submitted that discom has provided the replies of previous data deficiencies raised by the Hon'ble Commission.

2. Provide detailed computation of Distribution Losses Trajectory starting from True up year (FY 2023-24) to the end of the control period as per the UPERC (Multi Year Tariff for Distribution and Transmission) Regulations, 2025 as per the format P1_DL.

Response: It is humbly submitted that petitioner has admitted its distribution loss trajectory starting from True up year (FY 2023-24) to the end of the control period as per the UPERC (Multi Year Tariff for Distribution and Transmission) Regulations, 2025 in latest petition submission dated 19.05.2025, reproduced below for kind consideration of the Commission:

Distribution Loss trajectory (%) of State Discoms							
DISCOM	FY 24 (Actual)	FY 25 (Prov)	FY 26 (Proj)	FY 27 (Proj)	FY 28 (Proj)	FY 29 (Proj)	FY 30 (Proj)
MVVNL	14.96%	13.59%	13.59%	13.32%	13.05%	12.79%	12.53%

AT&C Loss trajectory (%) of State Discoms						
DISCOM	FY 25 (Prov)	FY 26 (Proj)	FY 27 (Proj)	FY 28 (Proj)	FY 29 (Proj)	FY 30 (Proj)
MVVNL	21.93%	21.93%	19.92%	17.87%	15.77%	13.62%

Collection efficiency trajectory (%) of State Discoms						
DISCOM	FY 25 (Prov)	FY 26 (Proj)	FY 27 (Proj)	FY 28 (Proj)	FY 29 (Proj)	FY 30 (Proj)
MVVNL	90.35%	90.35%	92.39%	94.46%	96.58%	98.75%

3. Recompute Energy Balance for FY 2024-25 & FY 2025-26 as per proposed interstate losses for FY 2024-25 and FY 2025-26.

Response: It is humbly submitted that the petitioner in its revised submission dated 19.05.2025 has submitted the Energy Balance for FY 2024-25 & 2025-26 as per proposed interstate losses as under:

ENERGY BALANCE PROPOSED FOR MVVNL			
Particulars	FY 2024-25		FY 2025-26
	Approved in T.O. dt.10.10.2024	Claimed	Projected
Retail Sales	26,112.43	27,417.96	29,012.45
Distribution Losses	14.20%	13.59%	13.59%
Energy at Discom Periphery for Retail Sales	30,434.07	31,730.07	33,575.34
Intra-State Transmission Losses	3.18%	3.18%	3.18%

ENERGY BALANCE PROPOSED FOR MVVNL			
Particulars	FY 2024-25		FY 2025-26
	Approved in T.O. dt.10.10.2024	Claimed	Projected
Energy Available at State periphery for Transmission	31,433.66	32,772.23	34,678.10
Energy Purchase from Stations connected to Intra-State Transmission network (UPPTCL)	20,065.28	21,288.04	23,467.38
Energy Purchase from Stations connected to Inter-State Transmission network (PGCIL)	11,368.38	11,484.18	11,210.72
Inter-State Transmission Loss	3.77%	4.78%	3.72%
Net Energy Received from Stations connected to Inter-State Transmission network at UPPTCL Periphery (Ex-Bus)	11,813.87	12,060.33	11,644.22
Power Purchase Required & Billed Energy (MU) (Ex-Bus)	31,879.15	33,348.37	35,111.61

4. Provide category-wise detailed break-up of revenue subsidy received from GoUP during FY 2023-24 & FY 2024-25. Further, for FY 2025-26, provide category-wise expected revenue subsidy receivable from GoUP.

Response: It is humbly submitted that break-up of revenue subsidy as captured in the Audited Balance Sheet during FY 2023-24 & FY 2024-25 is mentioned below:

Tariff Subsidy	FY 2023-24	FY 2024-25
	Amount (in Cr.)	Amount (in Cr.)
Agriculture or RE Subsidy from Govt. of U.P.	458.56	527.89
Revenue Subsidy from Govt. of U.P.	2937.65	3253.54
Subsidy against Electricity Duty	549.32	571.88
Subsidy from Govt. against UPERC order	77.54	-
Total	4023.07	4353.32

Further, it is submitted that regarding FY 2025-26, the expected revenue subsidy receivable from GoUP is under estimation and will be duly furnished as and when available with the licensee.

5. Submit category-wise billing determinants including revenue details for True up, APR, and ARR years regarding Distribution Franchisee M/s. Torrent Power Limited.

Response: It is submitted that the query does not pertain to MVVNL.

6. Submit the rationale adopted to arrive at projected figures for billing determinants (along with revenue details) for FY 2025-26, as the 7-year CAGR was not considered.

Response: It is submitted that for projecting billing determinants and revenue for FY 2025-26 in the Annual Performance Review (APR), data up to March 2025 has been considered. While multiple CAGRs (7-year to 2-year) and year-on-year growth rates were analyzed for each sub-category, the 7-year CAGR alone was not adopted. This is because the period from 2020 to 2022 was significantly impacted by the COVID-19 pandemic, which introduced distortions in consumption patterns and consumer base. As a result, relying solely on CAGR during this period does not yield realistic projections.

A balanced approach has therefore been adopted, for projections where necessary and applying reasonable growth rates based on recent trends to arrive at more accurate and realistic billing determinants for FY 2025-26.

7. Resubmit the audited figures for Consumer Contribution for FY 2023-24, as the figures claimed in the petition do not match the audited Balance sheet (for DVVNL, MVVNL, PVVNL, and PuVVNL).

Response: The consumer contribution for FY 2023-24 as per audited balance sheet and as claimed is shown as under:

DISCOM	Audited	Claimed	Remarks
MVVNL	202.41	202.41	Note-24

8. Provide an appropriate reason for the consistently declining audited depreciation figures for PuVVNL over the past 3 years (FY 2023-24, FY 2022-23, and FY 2021-22).

Response: It is submitted that the query does not pertain to MVVNL.

9. Provide an appropriate reason for the difference in energy sales (MUs), specifically for the domestic consumer category, as submitted in the petition versus the audited balance sheet for FY 2023-24 (e.g., PuVVNL's domestic sales: 14,813 MU in audited vs. 15,182 MU in petition).

Response: It is submitted that the query does not pertain to MVVNL.

10. Submit a detailed break-up of Rs. 398 Cr. claimed under the head “Any other charges” in the format F1_PP_Annual_23_24 of Power Purchase.

Response: It is submitted that the ₹398 crore under “Any Other Charges” in Format F1_PP_Annual_23_24 arises from the net impact of prior period expenses and receivables/credits.

- **Prior Period Expenses (AG Code 83.1):** ₹224.51 crore
- **Receivables/Credits:**
 - UI Charges: ₹9.01 crore
 - Reactive Charges: ₹3.49 crore
 - NEDA Subsidy: ₹174.30 crore
 - IREDA Subsidy: ₹10.01 crore
 - Rebate/Other Credit: ₹426.37 crore
- Total Deductions:** ₹623.18 crore

The difference of **₹623.18 crore – ₹224.51 crore = ₹398.67 crore** accounts for the amount shown under “Any Other Charges.” The above break-up is also provided in the Format F3_PP_Monthly_23-24_True Up submitted under new MYT Formats.

11. Submit a detailed explanation of charges regarding Generation Based Incentive (GBI) of Rs. 12.24 per unit, which seems to be on the higher side.

Response: It is humbly submitted that the GBI is calculated as per the Hon'ble UPERC order dated 22.06.2010, which states GBI shall be equal to the difference between the tariff determined by the Central Electricity Regulatory Commission (CERC) and the base rate. The base rate is determined as per the provisions of Hon'ble UPERC order and the tariffs are given by CERC order dt. 09.11.2010. The relevant orders are attached as **Annexure-1.**

12. Submit a detailed explanation regarding generation sources NSM-II (thermal) and NSM-II (Solar) submitted in the format F1_PP_Annual_23_24 of Power Purchase.

Response: Detailed explanation regarding generation sources NSM-II (thermal) and NSM-II (Solar) is submitted as under:

A. NTPC has been identified by the Govt. of India as the nodal agency for purchase and sale of 33kV and above grid connected 'Solar PV' power under the "State Specific Bundling Scheme" under National Solar Mission by Ministry of Power (MoP). Government of India (GoI).

B. NTPC has also been authorized by MoP, GoI and under the provisions of the National Solar Mission Phase-II, Guidelines for selection of 3000 MW Grid connected Solar PV power project under Batch II to bundle the purchased Solar Power with unallocated quota from NTPC thermal power stations on 2:1 on MW basis as per allocations made by MoP, GoI.

C. NTPC has signed Power Purchase Agreements (PPAs) with Solar Power Developers assigned by parent Company Prayatna Developers Pvt. Ltd and Azure Power India Pvt. Ltd. (hereinafter referred to as "SPDs") for procurement of 50 MW (5X 10 MW) and 50 MW (5X 10 MW), Solar Power on a long term basis @ Rs.4.78/kWh respectively.

D. NTPC Vidyut Vyapar Nigam Limited (NVVN) in behalf of NTPC, will purchase Solar Power from SPDs and sell it to Discom after bundling it with the Thermal Power allocated by MoP GoI, for this purpose. Further on behalf of NTPC, NVVN will facilitate Daily Scheduling, Billing, Realization, Data Submission and other associated day to Day activities for fulfilling the obligations of NTPC as assigned in this agreement.

E. The agreed Contracted thermal power from different stations of NTPC for bundling shall be as per the allocation letter to be issued by MoP, GoI from time to time.

13. Submit a detailed explanation for submission of NTI figures under the head "Audited" for FY 2023-24, in the format F28_NTI, which is not in line with the audited balance sheet.

Response: It is submitted that NTI figures under head "Audited" for FY 2023-24, in the format F28_NTI is in line with the Audited Balance Sheet of discoms, the comparative is shown in below table for the reference of the Commission:

DISCOM	Audited	Audited as per(F28_NTI)	Remarks
MVVNL	686.97	686.97	Note-20

14. Provide the reason for considering Rs. 126.94 Cr. (FY 2019-20) and Rs. 145.95 Cr. (FY 2020-21) for Employee expense and A&G calculations, as these figures do not match the audited balance sheets (for KESCO).

Response: It is submitted that the query does not pertain to MVVNL.

15. Submit the reason for the negative sales figure under open access for FY 2023-24.

Response: It is submitted that the petitioner has claimed Purchase From Open Access (OA) under 'F3_PP_Monthly_23-24_True Up' the petitioner as 1,407.74 MU.

16. Provide a detailed break-up of CAPEX submissions pertaining to figures submitted under the head of "OTHERS" as per Regulation 32.6 of MYT Regulations 2025.

Response: It is humbly submitted that the break-up of CAPEX submissions pertaining to figures submitted under the head of "OTHERS" for the year FY 2024-25 has been provided under **Appendix-1**, the same has been escalated for the year FY 2025-26.

17. Provide component-wise break-up of CAPEX submitted under the head "RDSS."

Response: Break-up of Capex submitted under head “RDSS is attached as **Annexure-2** for kind consideration of the Commission.

18. Provide the break-up of smart metering expenses claimed under O&M expenses vis-à-vis smart metering under RDSS and other smart metering works.

Response: The break-up of smart metering expenses claimed under O&M expenses vis-à-vis smart metering under RDSS and other smart metering works is depicted below in the table for consideration of the Commission:

MVVNL			(Rs. in Cr.)
FY	EESL	RDSS	Total
2023-24	46.34	-	46.34
2024-25	46.34	17.25	63.59
2025-26	46.34	475.30	521.64

19. Submit under which head of O&M expenses of past years smart metering expenses have been included, along with the amount, and reconcile these with the smart metering expenses claimed in the control period covered under MYT Regulation, 2019.

Response: It is humbly submitted that the smart metering expenses figures is submitted under the head of A&G Expense (Online, Spot Billing and Camp Charges) of O&M Expense. Further, the smart Metering expenses as reflected in the payments made for Smart Metering for the control period covered under MYT Regulation, 2019 are as under:

Smart Metering Expenses	
Financial Year	Amount (Rs. In Cr.)
FY 2019-20	19.32
FY 2020-21	41.48
FY 2021-22	43.84
FY 2022-23	44.23
FY 2023-24	38.70
Total	187.59

APPENDIX-1 (Question No.16)

MVVNL Business plan for FY 2024-25			
Sl. No.	Description of Work	MVVNL	
		Description of Approved Works	
		No.	Amount (in Rs. Lakh)
1	Construction Work of 33/11 KV Substation	21	15477
2	Capacity enhancement work of 33/11 kV Substation	148	11824
3	Construction Work of 33KV line	51	19418
	Strengthening Work of 33 kV Line	90	3458
4	Work of installation of 11/0.4 kV distribution transformer.	1260	9413
5	Capacity enhancement of 11/0.4 kV distribution transformer.	7470	17156
6	Construction Work of 11KV line	340	4388
7	Work of system strengthening (replacement of damaged wires, G.I. wire, and poles, guarding, etc.) Replacement of damaged VCBs. Strengthening of 33/11 kV substations, installation of protection systems on 100 kVA distribution transformers, etc	2981	21407
8	Cost of fresh oil (110 K.L.) required for power transformers as per the requirement of the Stores Committee	1	93
9	Cost of old and used transformer oil	1	120
10	For kitty (Fund) enhancement	1	3335
11	Workshop	8	8700
12	Store Committee	6	454
13	Civil	418	3413
14	IT Equipment/Work	1	1330
Total		12797	119986
Reserved funds at the DISCOM headquarters for emergency works		1	1000
MVVNL Total		12798	120986