

**BEFORE THE HON'BLE UTTARAKHAND ELECTRICITY REGULATORY COMMISSION**

At 80, Vasant Vihar, Phase-I, Dehradun, Uttarakhand.

FILING NO. \_\_\_\_\_

CASE NO. \_\_\_\_\_

**In the matter of: Filing of Supplementary petition for determination of PROVISIONAL Tariff for Maneri Bhali-II generating station of Uttarakhand Jal Vidyut Nigam Ltd. and filing of Reply to the Hon'ble UERC Letter No. 674/UERC/Misc. App. No. 38/2006 dated 04.12.2006 under Section 62 and 86 of the Electricity Act, 2003 read with the relevant regulations and guidelines of the Commission**

**AND**

**In the matter of: Uttrakhand Jal Vidyut Nigam Limited (hereinafter referred to as "UJVNL"), a Company incorporated under the provisions of the Companies Act, 1956 and having its registered office at UJJWAL, Maharani Bagh, GMS Road, Dehra Dun – Petitioner.**

### **A. Specific Legal Provisions under which the Petition is being filed**

1. The Uttarakhand Jal Vidyut Nigam Limited (hereinafter referred to as "UJVNL"), under Section 16 of the Uttarakhand Electricity Regulatory Commission (Conduct of Business) Regulations, 2004 is filing this Petition before the Hon'ble Commission for submission of reply to the Hon'ble Commission's letter No. 674/UERC/Misc. App. No. 38/2006 dated 04.12.2006 and for approval of **Provisional Tariff** of its Maneri Bhali-II Power Station.

### **B. Limitation**

2. The petition is not barred by any Limitation.

### **C. Facts of the case**

3. The Petitioner, Uttarakhand Jal Vidyut Nigam Limited (hereinafter referred to as "UJVNL") is a company incorporated under the provisions of the Companies Act, 1956, having its registered office at UJJWAL, Maharani Bagh, GMS Road, Dehradun.
4. The petitioner submitted the petition for determination of provisional Tariff of its Maneri Bhali-II power station on 14.11.2006.
5. It is further submitted that the above stated petition was returned by the Hon'ble UERC along with the filing fees vide its letter No. 674/UERC/Misc. App. No. 38/2006 dated 04/12/2006 on the following grounds: -
  - The anticipated date for completion of the Project based on the Current Status was not indicated.

- The details of capital expenditure actually incurred, duly audited and certified by statutory auditors upto the date of making application or a date prior to this date has not been submitted.
- The authorization as per the Board resolution dated 14.08.2006 does not cover authorisation for filing the Petitions pertaining to Maneri Bhali- II.

6. It is respectfully submitted that Maneri Bhali-II Hydro Generating Station is now nearing completion. Unit No-1, 3 &4 have already been synchronized with the grid and synchronization of unit –2 is expected to be synchronized with the grid shortly. The generation from Maneri Bhali-II generating station by 31.3.08 is expected to be 80 MU.

The relevant information in this regard has been submitted with the Hon'ble Commission vide letter No-88-DGM (Comm)/UJVNL dated 18.2.08 in response to Hon'ble Commission's letter No-1108/UERC/07 dated 14.2.08 wherein the expected date of commencement of commercial operation of each unit is also informed.

7. It is humbly submitted that for the Statutory audit of Accounts of a Government Company, the following steps are to be taken: -

- a) The final Accounts for the year are to be authenticated by the Board of Directors of the Company after which the same are forwarded to the Statutory Auditors for Audit. The statutory Auditor completes the Audit and furnishes the Audit report to CAG under Section 619 (3) (a) of the Company's Act 1956.
- b) There after C&AG conducts supplementary Audit and furnishes its report.
- c) The Final Accounts along with the report of Statutory Auditor, and Supplementary Audit report of CAG and report of Board of Director are placed before the shareholders in the Annual general meeting for adoption.

- d) The Statutory Auditor can certify the Account for immediately succeeding year only when the Accounts of the proceeding year have been adopted by Share Holders as mentioned above.
- e) The above stated procedure is to be followed for Audit of each year Accounts.

The Status of Audit of Accounts of UJVNL for respective years is as detailed below: -

- **FY 2001-02** The Audited Balance Sheet completed in all respects for the FY 2001-02 is placed **at Annexure 1** for ready reference
- **FY 2002-03** The Audited Balance Sheet completed in all respects for the FY 2002-03 is placed **at Annexure 2** for ready reference
- **FY 2003-04** The Audited Balance Sheet for the FY 2003-04 is placed **at Annexure 3** for ready reference
- **FY 2004-05** Copy of provisional accounts for the FY 2004-05 is placed **at Annexure 4** for ready reference.
- **FY 2005-06** Copy of provisional accounts for the FY 2005-06 is placed **at Annexure 5** for ready reference.
- **FY 2006-07** Copy of provisional accounts for the FY 2006-07 is placed **at Annexure 6** for ready reference.

It is respectfully submitted that all efforts are being taken for expeditious finalization of Accounts. **It is submitted further that the above referred enclosed Audited / Provisional Accounts also incorporate Capital Expenditure incurred on MB-II project.**

- 8. The Copy of the Resolution passed in the meeting of the Board of Directors held on 17.10.2006 in this regard is being enclosed at **Annexure-7.**
- 9. It is submitted that the project cost considered in the above referred petition filed on 14.11.06 for determination of provisional tariff of Maneri

Bhali-II Power Station was Rs.1807.89 crores with the following proposed means of financing.

**(Rs.in Crores)**

PFC Loan	1200.00
LIC Loan & interest thereon	31.12
Total debts	1231.12
Equity by UJVNL	576.78
Total (Debts+Equity)	1807.89

It is further submitted that the proposed date of Commercial Operation was considered as 31.3.07.

10.It is submitted that the revised cost of the project is estimated at Rs.2131.01 crores.

The details of the revised cost estimate of Rs. 2131.01 crores as stated above are placed on **Annexure-8** enclosed.

11.It is further submitted that financial implication of withdrawal of interest subsidy under AG&SP on account of non commencement of project during Xth plan period would amount to Rs.72.53 crores.

Hence the revised project cost after considering interest subsidy under AG&SP refundable to Power Finance Corporation would amount to Rs.2203.54 crores. (i.e. Rs.2131.01 crores + Rs.72.53 crores).

Copy of letter No-04:06:AG&SP:2006-07 dated 18.9.07 of Power Finance Corporation Ltd. regarding withdrawal of interest subsidy referred to above is placed on **Annexure-9** enclosed.

12.It is further submitted that the loan sanctioned and released by Power Finance Corporation against the original project cost of Rs. 1714.41 is Rs.1200 crores which is required to be repaid in ten years in equal

installments with the first quarterly installment falling due for re- payment on 15<sup>th</sup> July 2008 amounting to Rs.30 crores.

Accordingly the yearly installment in accordance to the re-payment schedule is Rs.120 crores per annum. The repayment falling due in the FY 2008-09 is Rs. 90.0 crores.

13. It is further submitted that quarterly interest @11.33 % per Annum on the above mentioned loan amount of Rs. 1200 crores is payable to Power Finance Corporation.

Accordingly interest payable to Power Finance Corporation during the financial year 2008-09 amounts to Rs.133.41 crores.

14. Hence the financial obligation on account of re-payment of loan as well as interest to Power Finance Corporation during the Financial Year 2008-09 amounts to Rs.223.42 crores.

The details of re-payment of loan of Rs.1200 crores from PFC and interest payable thereon financial year wise are placed on **Annexure-10** enclosed.

15. It is further submitted that the above stated financial obligation towards repayment of loan and interest payable to PFC has been considered on the amount of loan Rs. 1200 crores sanctioned and released. The proposed loan for funding of revised project cost of Rs. 2203.54 crores @ 70% thereof amounting to Rs. 1542.48 crores has not been considered for the present filling.

16. It is further submitted that as against the total project cost of Rs.2203.54 crores as stated above the actual expenditure incurred on the project upto 31<sup>st</sup> Jan 2008 is 1814.11 crores the details of which are placed on **Annexure-11** enclosed.

17. It is further submitted that Govt. of Uttarakhand vide its letter No-425II/I(20/2007-04(8)/13/07 dated July 9, 2007 has constituted a committee for approval of the above stated revised project cost.

Copy of the above referred letter of Govt. of Uttarkhand is placed on **Annexure -12** enclosed.

**It is further submitted that Government of Uttarakhand vide its letter no. 1249/I(2)/2007-04(8)/13/2007 dated 20/09/07 has constituted a committee under the chairmanship of Additional Chief Secretary to accord final approval of the above stated revised project cost.**

Copy of the above referred letter of Govt. of Uttarkhand is placed on **Annexure -13** enclosed.

18. It is further submitted that the revised cost estimate referred to above have been submitted to the above committee constituted by Govt. of Uttarakhand on 16.8.07 for approval.

19. Kind attention of the Hon'ble Commission is invited to Clause – IV(2) of Chapter-2 of UERC Regulation 2004 (Terms & Conditions of Hydro Generating Tariff) which provides as follows:-

*“In case of a generating station declared under commercial operation on or after 1.4.2004, an application for fixation of tariff shall be made in two stages, namely: (a) A generating company may make an application for determination of provisional tariff in advance of the anticipated date of completion of project based on the capital expenditure actually incurred up to the date of making the application or a date prior to making of the application, duly audited and certified by the statutory auditors and the provisional tariff shall be charged from the date of commercial operation of the respective unit of the generating station.*

*(b) A generating company shall make a fresh application for determination of final tariff based on actual capital expenditure incurred upto the date of commercial operation of the generating station, duly audited and certified by the statutory auditors”.*

20. In accordance to the above referred provisions in the Regulations, the Hon'ble Commission is requested to consider the present filing for determination of provisional tariff in advance of the anticipated date of completion of the project based on capital expenditure actually incurred.

21. In view of all above the petition for determination of provisional tariff of Maneri Bhali –II generating station submitted earlier on 14.11.06 is being re-submitted.

#### **D. Cause of Action**

22. In accordance to Clause – IV(2) of Chapter-2 of UERC Regulation 2004 (Terms & Conditions of Hydro Generating Tariff), a generating company may make an application for determination of provisional tariff in advance of the anticipated date of commissioning of project.

#### **E. Ground of Relief**

23. The Petitioner hopes that Hon'ble Commission finds the above in order. The petitioner would be pleased to furnish any other Clarification/information in the matter as and when required. The same may be suitably considered for the orders of the Hon'ble Commission.

#### **F. Detail of Remedies Exhausted**

24. The petitioner submitted the petition for determination of provisional Tariffs of its Maneri Bhali-II power station on 14.11.2006 subsequently returned by Hon'ble UERC on 04/12/2006.

#### **G. Matter Not Previously Filed or Pending With any Court**



25. The petitioner (s) further declares that he has not previously filed any petition or writ petition or suit regarding the matter in respect of which this petition has been made, before the Commission, or any other court or any other authority, nor any such writ petition or suit is pending before any of them.

#### **H. Relief Sought**

26. It is respectfully In view of the facts mentioned above, the Petitioner prays for the following relief:

- **Determination of provisional tariff in advance of the anticipated date of completion of the project based on capital expenditure actually incurred.**
- Treat the present filing as complete in view of substantial compliance with justification placed on record;
- Condone any inadvertent omissions/ errors/ shortcomings and permit the Petitioner to add/ change/ modify/ alter this filing and make further submissions as may be required at a future date;
- Consider and approve the Petitioner's application including all requested regulatory treatments in the filing;
- Consider relaxation in the submissions of Petitioner that could be at variance with the orders and regulations of the Hon'ble Commission;
- Pass such orders, as the Hon'ble Commission may deem fit and proper in view of the facts and circumstances of the case.

#### **I. Interim Order, in any, prayed for**

27. Not applicable

#### **J. Details of Index**

28. The list of enclosures is detailed below: -

- a. Copy of the Audited Balance Sheet for the FY 2001-02.
- b. Copy of the Audited Balance Sheet for the FY 2002-03.
- c. Copy of the Audited Balance Sheet for the FY 2003-04.

- d. Copy of provisional\_accounts for the FY 2004-05.
- e. Copy of provisional\_accounts for the FY 2005-06.
- f. Copy of provisional\_accounts for the FY 2006-07.
- g. Copy of resolution.
- h. Copy of the Revised Cost Estimate
- i. Copy of letter No-04:06: AG&SP: 2006-07 dated 18.9.07 of Power Finance Corporation Ltd.
- j. Details of re-payment of loan
- k. Detail of Actual Expenditure incurred on the project upto 31th Jan 2008.
- l. Copy of letter No-425II/I(20/2007-04(8)/13/07 dated July 9, 2007
- m. Copy of letter no. 1249/I(2)/2007-04(8)/13/2007 dated 20/09/07
- n. Copy of letter no. 680/ED (B&C)/ UJVNL/2006 dated 05/05/06 and letter no. 105/ED(B & C)/UJVNL/2006 dated 23/01/06

#### **K. Particulars of Fee Remitted**

29. Kind attention of the Hon'ble Commission is invited to the matter pertaining to refund of excess amount of Rs. 40 Lacs paid along with Tariff petitions filled by UJVNL. Copy of letter no. 680/ED (B&C)/ UJVNL/2006 dated 05/05/06 and letter no. 105/ED (B & C)/UJVNL/2006 dated 23/01/06 are placed on **Annexure-14** for ready reference, the contents of which are self explanatory.

It is humbly requested that an amount of Rs. 10 Lacs towards filling fee of the current petition may kindly adjusted from the above amount refundable.

#### **L. List Of Enclosures**

28. This Petition containing the following documents/ annexure:
- a) **Annexure – 1:** Copy of the Audited Balance Sheet for the Financial Year 2001- 02.
  - b) **Annexure – 2:** Copy of the Audited Balance Sheet for the Financial Year 2002- 03.
  - c) **Annexure – 3:** Copy of the Audited Balance Sheet for the Financial Year 2003- 04.

- d) **Annexure – 4:** Copy of the Provisional Account for the Financial Year 2004- 05.
- e) **Annexure – 5:** Copy of the Provisional Account for the Financial Year 2005- 06.
- f) **Annexure – 6:** Copy of the Provisional Account for the Financial Year 2006- 07.
- g) **Annexure- 7:** Copy of resolution.
- h) **Annexure- 8:** Copy of the Revised Cost Estimate
- i) **Annexure- 9:** Copy of letter No-04:06: AG&SP: 2006-07 dated 18.9.07 of Power Finance Corporation Ltd.
- j) **Annexure - 10:** Details of re-payment of loan
- k) **Annexure - 11:** Detail of Actual Expenditure incurred on the project upto 31th Jan 2008.
- l) **Annexure- 12:** Copy of letter No-425II/I(20/2007-04(8)/13/07 dated July 9, 2007
- m) **Annexure 13 :** Copy of letter no. 1249/I(2)/2007-04(8)/13/2007 dated 20/09/07
- n) **Annexure 14 :** Copy of letter no. 680/ED (B&C)/ UJVNL/2006 dated 05/05/06 and letter no. 105/ED(B & C)/UJVNL/2006 dated 23/01/06

**Uttarakhand Jal Vidyut Nigam Limited**  
**Petitioner**

Dehradun

Dated: