

**BEFORE THE HON'BLE UTTARAKHAND ELECTRICITY REGULATORY
COMMISSION, DEHRADUN, UTTARAKHAND.**

FILING NO. _____

CASE NO. _____

In the matter of: Filing of Reply of the Hon'ble UERC letter no. UERC/6/TF-202/13-14/2013/1233 dated 10/12/13 pertaining to petitions for true up for the financial years from 2011-12 to 2012-13 and Annual Performance Review for the FY 2013-14 of 10 large hydro power stations of UJVN Ltd. 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: UJVN Ltd., 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. UJVN Ltd. under Section 16 of the Uttarakhand Electricity Regulatory Commission (Conduct of Business) Regulations, 2004 and in accordance with the Hon'ble Commission letter no. UERC/6/TF-202/13-14/2013/1233 dated 10/12/13 pertaining to petitions for true up for the financial years from 2011-12 to 2012-13 and Annual Performance Review for the FY 2013-14 of 10 large hydro power stations of UJVN Ltd.

B) Limitation

2. This petition is not barred by Limitation.

C) Facts of the Matter

3. UJVN Ltd. had submitted MYT Petitions for its 10 large hydro projects on 29th November 2013 before the Hon'ble Commission for true up of tariff for the financial years from 2011-12 to 2012-13 and Annual Performance Review for the FY 2013-14 for 10 large hydro power stations of UJVN Ltd.
4. Hon'ble Commission vide letter no. UERC/6/TF-202/13-14/2013/1233 dated 10/12/13 informed certain information gaps/ deficiencies in the Tariff Petitions of UJVN Ltd. The point wise reply of UJVN Ltd. against information gaps/ deficiencies informed by Hon'ble Commission are submitted as follows:

➤ **Nine Large Hydro Projects**

I. Information required for Admission of the Petition

A. Data submitted in Forms for FY 2013-14

- 1) *UJVN Ltd. in some of the forms submitted along with the Petition has submitted the projected figures for current year, i.e. FY 2013-14. As per the forms prescribed by the Commission along with Regulations, all the details are to be provided for current year separately for first 6 months (April to September) based on actual data and revised estimates for next 6 months (October to March). Accordingly, UJVN Ltd. should re-submit all the forms for FY 2013-14 and provide the details for first six months i.e., April to September 2013 based on actual data half yearly accounts and revised estimates for next six months i.e., October 2013 to March 2014.*

- It is respectfully submitted that actual data of Operation & Maintenance for first 6 months (April to September) of current year are placed on Annexure-I. Details for first six months i.e., April to September 2013 based on actual half yearly accounts and revised estimates for next six months i.e., October 2013 to March 2014 have also been provided in the prescribe forms. Soft copy of the all the revised forms alongwith petitions for 10 LHPs is enclosed with this filing. It is also respectfully submitted that there is no revision in the components of AFC and tariff for FY 2013-14 on account of actual data for 6 month (April to September 2013) and revised estimates for next six months i.e., October 2013 to March 2014.

B. Annual Performance Review for FY 2013-14

- 1) *UJVN Ltd. in its Petition has not submitted the revised ARR for FY 2013-14 based on actual data for first six months i.e., April to September 2013 and revised estimates for next six months i.e., October 2013 to March 2014. UJVN Ltd. should submit the revised ARR for FY 2013-14 based on actual data for first six months i.e., April to September 2013 and revised estimates for next six months i.e., October 2013 to March 2014.*

- It is respectfully submitted that actual data of Operation & Maintenance for first 6 months (April to September) of current year are placed on Annexure-I. Details for first six months i.e., April to September 2013 based on actual half yearly accounts and revised estimates for next six months i.e., October 2013 to March 2014 have also been provided in the prescribe forms. Soft copy of the all the revised forms alongwith petitions for 10 LHPs is enclosed with this filing. It is also respectfully submitted that there is no revision in the components of AFC and tariff for FY 2013-14 on account of actual data for 6 month (April to September 2013) and revised estimates for next six months i.e., October 2013 to March 2014.

C. General

1. *UJVN Ltd. in its Petition has stated that it has submitted annexure-VIII to the Petition. However, the desired information has not been submitted by UJVN Ltd in Annexure-VIII. UJVN Ltd. is required to submit the Copy of documents, pertaining to capacity charges, Capacity Index Incentive Charges and Deemed generation.*

- **It is respectfully submitted that requisite documents pertaining to capacity charges, Capacity Index Incentive Charges and Deemed generation have already been submitted as Annexure-VIII to the petition.**
- 2. *UJVN Ltd. in its Petition has stated that it has submitted annexure-IX to the Petition. However, the desired information has not been submitted by UJVN Ltd in Annexure-IX. UJVN Ltd. is required to submit the copy of documents, pertaining to payment of arrear/differential amount on account of revision of tariff.*
- **It is respectfully submitted that requisite documents pertaining to payment of arrear/differential amount on account of revision of tariff have already been submitted as Annexure-IX to the petition.**
- 3. *Partial information has been furnished by UJVN Ltd. in Form 1.2 of the Petitions while UJVN Ltd is required to submit complete information in the prescribed format.*
 - **It is respectfully submitted that requisite data in Form 1.2 has already been submitted. The breakup of actual and estimated expenses for the FY 2013-14 have been incorporated in Form no. 1.2.**

D. O&M Expenses

1. *UJVN Ltd. in its Petition has submitted that it incurred around Rs 17.18 Cr and Rs 12.35 Cr towards R&M of P&M, and Major Civil works for FY 2011-12 and FY 2012-13 respectively. UJVN Ltd. in this regard should submit the details of such work carried out for FY 2011-12 and FY 2012-13.*
 - **It is respectfully submitted that desired information is under compilation and shall be submitted shortly.**
2. *UJVN Ltd. in its Petition with regard to cost of colony consumption for FY 2011-12 and FY 2012-13 has stated that it shall shortly submit the same. UJVN Ltd. should submit the same.*
 - **It is respectfully submitted that desired information is under compilation and shall be submitted shortly.**

E. Additional Capitalization

UJVN Ltd. is required to submit details of Additional Capitalization:- for the true-up period , current year and proposed Additional Capitalization for FY 2014-15.

- **It is respectfully submitted that desired information is under compilation and shall be submitted shortly.**

a) FY 2011-12

1. *UJVN Ltd. in its Petition for Chilla LHP has submitted that there was a de-capitalisation of Rs 14.41 Lakh from Plant and Machinery out of which Rs 11.09 Lakh was transferred to Dhalipur LHP. However, UJVN Ltd. has not submitted the booking done for the balance Rs 3.22 lakh. UJVN Ltd. should clarify the same.*

- **It is respectfully submitted that desired information is under compilation and shall be submitted shortly.**

2. *UJVN Ltd. in its Petition has submitted a de-capitalization of Rs 1.21 Cr under P&M from PCM Yamuna Valley. UJVN Ltd. has however submitted that an amount of Rs 1.39 Cr was transferred to another unit. UJVN Ltd. in this regard should submit*

a) Justification for transferring Rs 1.39 Cr from PCM Yamuna Valley whereas only debiting an amount of Rs 1.21 Cr from the additional capitalization.

b) Unit to which such assets were transferred to.

- **It is respectfully submitted that desired information is under compilation and shall be submitted shortly.**

b) FY 2013-14

1. *UJVN Ltd. in its Petition for Khodri LHP has submitted no additional capitalisation for FY 2013-14, however in the form F-4 it submits an additional capitalisation of Rs 10.59 Cr. UJVN Ltd. should reconcile the difference and maintain consistency at all places.*

- **It is respectfully submitted that additional capitalization for FY 2013-14 for Khodri HEP may be considered as NIL. Inadvertently additional capitalization till FY 2012-13 has been reflected in Form F-4. It is respectfully**

submitted that Hon'ble commission may condone this error. Soft copy of rectified forms along with petitions is enclosed with this petition.

F. Depreciation

1. UJVN Ltd. in its Petition for Chibro LHP in Table 16 has submitted details for depreciation. The depreciation figure provided in column number 3 for FY 2012-13 doesn't match with the depreciation figures provided in Table 6 of the Petition. UJVN Ltd. should reconcile the difference and maintain consistency at all places.

➤ It is respectfully submitted that inadvertently depreciation for Chibro HEP Rs 0.04 Crore mentioned in the table 16 of relevant petition instead of Rs0.0046 Crore. The rectified table 16 of Chibro HEP is given below:

Rs. Crore				
Year	Opening Balance	Additional Capitalisation	Depreciation	Closing Balance
2012-13	0.25	0.17	0.0046	0.25
2014-15	0.95	8.10	1.4	1.38

However, there is no change in the forms and other components of AFC as petitioned. It is respectfully submitted that Hon'ble commission may condone this error. Soft copy of rectified petition is enclosed with this petition.

2. UJVN Ltd. in its Petition for Chilla LHP in form F 5-1(12) for FY 2011-12 has computed negative depreciation on additional capitalization for the year and has added the same to compute accumulated depreciation at the end of the year. UJVN Ltd. should submit the rationale behind computing depreciation in such a manner.

➤ It is respectfully submitted that depreciation has been calculated on additional capitalization in following manner:

Depreciation provided for the year = Additions during the year X rate of depreciation

Accumulated depreciation at the end of the year= Accumulated depreciation at the beginning of the year + depreciation provided for the year

In case of Chilla HEP, due to transfer of some assets to the other units in FY 2011-12, total additional capitalization for the year become negative, accordingly, negative depreciation has been computed.

3. UJVN Ltd. in its Petition for MB-I LHP in form F-3 has submitted total depreciation of Rs 6.27 Cr whereas in table 16 and table 22 has submitted total depreciation of Rs 4.94 Cr. UJVN Ltd. should reconcile the difference and maintain consistency at all places.

➤ It is respectfully submitted that total depreciation of Rs. 6.27 Crores may be considered as mentioned in form F-3. Accordingly table 16 and Table 22 has been rectified as below:

Depreciation

Rs Crore

Year	Opening Dep.	Dep. On Additional Capitalisation	Total Depreciation during the year	Closing Balance
2012-13	83.20	0.03	3.31	85.89
2014-15	89.15	2.36	6.27	94.09

Annual Fixed Charges

Rs. Crore

Particulars	FY 2012-13 (Actual)	FY 2014-15 (RE)
Interest on Loan	1.69	6.78
Depreciation	3.31	6.27
ROE	5.72	7.40
O&M Expenses	28.80	34.79
Interest on Working Capital	1.67	2.27
Gross AFC	41.19	57.51
Less Non tariff Income	1.59	0.64
Total AFC	39.60	56.87

It is respectfully submitted that Hon'ble commission may condone this error and allow the Annual Fixed Charges amounting to Rs. 56.87 Crores for the FY 2014-15. Soft copy of rectified petition is enclosed with this petition.

4. UJVN Ltd. is required to submit basis/computation for rate of depreciation as 2.38% & 2.66% on Opening GFA & Additional Capitalization for FY 2011-12 & FY 2012-13.

➤ kindly reference of the Hon'ble commission is invited to para 2.7.1 under the heading of "Depreciation" of the petitions submitted with the Hon'ble commission which is reproduced below:

“It is respectfully submitted that the depreciation for the FY 2011-12 and FY 2012-13 has been computed based on the rates as considered by the Hon’ble Commission in its earlier tariff orders. In the said tariff orders the rate of depreciation on opening GFA has been considered at an average rate of 2.38% and 2.66% on additional capitalization.”

5. In Form F3 of MB-I, depreciation for FY 2014-15 is shown as Rs 6.27 Crore whereas in Table 16 & Table 22 the same is shown as 4.94 Crore.

➤ It is respectfully submitted that total depreciation of Rs. 6.27 Crores may be considered as mentioned in form F-3. Accordingly table 16 and Table 22 has been rectified as below:

Depreciation

Rs Crore

Year	Opening Dep.	Dep. On Additional Capitalisation	Total Depreciation during the year	Closing Balance
2012-13	83.20	0.03	3.31	85.89
2014-15	89.15	2.36	6.27	94.09

Annual Fixed Charges

Rs. Crore

Particulars	FY 2012-13 (Actual)	FY 2014-15 (RE)
Interest on Loan	1.69	6.78
Depreciation	3.31	6.27
ROE	5.72	7.40
O&M Expenses	28.80	34.79
Interest on Working Capital	1.67	2.27
Gross AFC	41.19	57.51
Less Non tariff Income	1.59	0.64
Total AFC	39.60	56.87

It is respectfully submitted that Hon’ble commission may condone this error and allow the Annual Fixed Charges amounting to Rs. 56.87 Crores for the FY 2014-15. Soft copy of rectified petition is encoded with this petition.

G. Interest On Working Capital

1. *UJVN Ltd, in its Petition for Chibro LHP in Table 21 has submitted total working capital of Rs 13.75 Cr for FY 2014-15 whereas in the formats the total working capital submitted is Rs 20.45 Cr. UJVN Ltd. UJVN Ltd. should reconcile the difference and maintain consistency at all places.*
- **It is respectfully submitted that inadvertently total working capital for Chibro HEP has been mentioned as Rs. 13.75 Cr in table 21 instead of Rs. 20.45 Cr. as mentioned in formats. The rectified table 21 is given below:**

Interest on Working Capital

Rs. Crore

Particulars	FY 2012-13 (Actual)	FY 2014-15 (RE)
O & M expenses - 1 month	3.17	3.89
Spares (15% of O&M Expenses)	1.77	7.00
Receivables- 2 months	7.46	9.55
Total Working Capital	12.40	20.45
Normative Interest Rate (%)	14.50%	14.75%
Normative Interest on Working Capital	1.80	3.02

However, there is no change in the forms and other components of AFC of the petition filed with Hon'ble Commission. It is respectfully submitted that Hon'ble commission may condone this error. Soft copy of the rectified petition is enclosed with this petition.

2. *UJVN Ltd. is required to submit the basis of considering the rate of interest as 14.5% & 14.75% on working capital for FY 2012-13 & FY 2014-15. UJVN Ltd. should submit supporting documents for substantiating of the same.*
- **kind reference is invited to para 2.10.02 and 3.9.2 under the heading of "Interest on Working Capital" of the petitions submitted to the Hon'ble commission which is reproduced below:**

2.10.2 Interest on working capital has been considered at 13.25% and 14.50% per annum for FY 2011-12 and FY 2012-13 respectively on the basis of the PLR

of State Bank of India as considered by Hon'ble Commission in previous orders.

3.9.2 The rate of Interest on Working Capital has been considered 14.75% equal to SBI PLR as on date for Revised Estimates for FY 2014-15.

The PLR of SBI is 14.75% w.e.f. 07.11.2013. Documentary evidence (downloaded from the web site of SBI) is placed at Annexure-II enclosed

II. Information Required for detailed analysis of the Petition

A. O&M Expenses

1. *UJVN Ltd. should submit the generation linked incentives, performance related incentives paid to its employees for FY 2011-12 and FY 2012-13.*

➤ **It is respectfully submitted that desired information is under compilation and shall be submitted shortly.**

2. *UJVN Ltd. should submit the receipt of insurance premiums paid for FY 2011-12 and FY 2012-13.*

➤ **It is respectfully submitted that details of insurance premiums paid along with receipts are placed at Annexure-III enclosed.**

3. *UJVN Ltd. should submit the actual number of employees recruited in FY 2013-14 till September 2013 and projected to be recruited during October to March in the balance period of FY 2013-14 and also during FY 2014-15.*

➤ **It is respectfully submitted that desire details of employee recruited and to be recruited is placed at Annexure-IV enclosed.**

B. Additional Capitalization

FY 2011-12

1. *UJVN Ltd. in its Petition has submitted a de-capitlisation of Rs 96.30 lakh under P&M from UGC Pathri Haridwar. UJVN Ltd. in this regard should submit the necessary details of such de-capitalisation.*

➤ **It is respectfully submitted that desired information is under compilation and shall be submitted shortly.**

2. UJVN Ltd. in its Petition has submitted a de-capitalization of Rs 25.15 lakh under P&M from HGD Dhakrani. UJVN Ltd. in this regard should submit the necessary details of such de-capitalisation.

➤ **It is respectfully submitted that desired information is under compilation and shall be submitted shortly.**

3. UJVN Ltd. in its Petition has submitted a de-capitalisation of Rs 17 lakh under Office Equipment and Furniture and Fixtures of Corporate Office. UJVN Ltd. in this regard should submit the necessary details of such de-capitalisation.

➤ **It is respectfully submitted that desired information is under compilation and shall be submitted shortly.**

FY 2012-13

1. UJVN Ltd. in its Petition has submitted a capitalisation of Rs 16.32 Cr under UGC Pathri Haridwar. UJVN Ltd. in this regard should submit the necessary details of the same.

➤ **It is respectfully submitted that desired information is under compilation and shall be submitted shortly.**

2. UJVN Ltd. in its Petition has submitted a de-capitalisation of Rs 2.79 lakh under P&M and Rs 11.07 lakh under Office Equipment of Corporate Office. UJVN Ltd. in this regard should submit the necessary details of such de-capitalisation.

➤ **It is respectfully submitted that desired information is under compilation and shall be submitted shortly.**

C. General

1. With regard to request for revision of NAPAF against the approved NAPAF for the respective plants, UJVN Ltd. is required to submit the detailed computation/basis for such revisions.

➤ **It is respectfully submitted that petitioner has submitted before the Hon'ble UERC in Annual Performance Review that the expected achievable PAFM for MB-I HEP for the year 2013-14 is approx. 61%. UJVN Ltd. therefore requested the Hon'ble Commission to revise the NAPAF of MB-I**

HEP at 61% in view of the damages suffered by MB-I HEP during FY 13-14 due to natural calamity in June, 2013 which was beyond the control of UJVN Limited.

The detailed computation for calculation of NAPAF is given below:

Declared Capacity (DC) in MW and verified by SLDC for MB-I HEP

Day	Apr, 13	May, 13	Jun, 13	Jul, 13	Aug, 13	Sep, 13
1	0	85	89	0	30	85
2	0	85	89	0	60	85
3	0	85	89	0	90	85
4	0	85	89	0	88	86
5	0	85	89	0	87	86
6	0	85	89	0	87	86
7	0	85	89	0	87	86
8	0	85	89	0	88	88
9	0	85	89	0	88	60
10	0	87	89	0	88	87
11	0	88	89	0	88	86
12	0	88	89	0	88	86
13	0	88	89	0	88	86
14	0	88	89	0	88	86
15	0	88	89	0	88	86
16	90	88	0	0	88	75
17	60	87	0	0	88	75
18	60	88	0	0	88	80
19	60	88	0	0	87	80
20	60	88	0	0	0	85
21	60	88	0	0	0	85
22	90	88	0	0	60	85
23	90	88	0	0	80	85
24	75	88	0	0	80	85
25	75	88	0	0	80	60
26	75	88	0	0	82	55
27	85	88	0	0	82	60
28	85	89	0	0	82	85
29	85	89	0	0	82	60
30	85	89	0	0	82	60
31		89		0	83	
Total DC	1135	2703	1335	0	2377	2379
PAFM (%)	42.33	97.56	49.79	0.00	85.80	88.73
Avg. PAFM (%)	60.70					

The average Actual PAFM for MB-I HEP from April'13 to September' 13 has been 60.70 %. From previous experience and expected availability of discharge in the river Bhagirathi and maintenance of machines during this period, it has been assumed that the average declared capacity for the period October, 13 to March, 14 will be approximately 55 MW. As such, the expected PAFM for the duration October, 13 to March, 14 will be approximately 61% (55 MW / 90 MW).

Therefore, the expected Annual PAF for MB-I HEP will be approximately 61% only in the year 2013-14.

The NAPAF for MB-I HEP has been approved at 77% and 78% for the FY 2013-14 and FY 2014-15 respectively in Hon'ble Commission's Order dated 03/09/2013. In this regard, it is respectfully submitted that MB-I HEP is not likely to achieve NAPAF determined by the Hon'ble Commission for FY 2013-14. The Power station remained closed for attending leakage from spherical valve of Unit 1 from 01.04.2013 to 16.04.2013 as there is a common penstock and to attend even one spherical valve complete shutdown of Power Station is technically essential. Also there has been leakage problem in main valve of strainer attached with penstock and gland seal of units no. 2 & 3. Further the Power Station remained closed w.e.f 16th June 2013 upto 1st August 2013 due to natural calamity faced by the state on 16-17th June 2013. As evident from the details provided the performance of the Power Station was affected for reasons beyond the control of petitioner. The Plant Availability Factor in FY 2014-15 may also not be achieved for the reasons of excessive silt in monsoon & high river discharges in monsoon period.

2. *UJVN Ltd. is required to submit basis for considering rate of interest as 11% for FY 2014-15.*
- **It is respectfully submitted that Interest on loan capital for FY 11-12 and 12-13 has been considered 11% as directed by the Hon'ble commission in previous order. Inadvertently, same rate of interest has been considered for FY 2014-15. It is respectfully submitted that Hon'ble commission may**

condone this error and kindly considered rate of interest as 11.96 % for FY 14-15 for 9 LHPs and MB-II detailed as given below:

<i>FY</i>	<i>Average Loan (Rs. In Crore)</i>	<i>Interest and Finance Charges</i>	<i>Weighted Avg. Rate of Interest</i>
2011-12	970.56	113.76	11.72%
2012-13	831.26	99.39	11.96%

3. Table 21 of MB-I shows maintenance spare of Rs 2.25 Crore for FY 2012-13 @ 15% of O&M expense, which is not consistent with the Regulation. UJVN Ltd. is required to give the reason for the same.

➤ It is respectfully submitted that maintenance spare of Rs. 2.25 Crore for FY 12-13 has been calculated as per Regulations'2004 which is reproduced below:

Maintenance spares @ 1% of the historical cost escalated @ 6% per annum from the date of commercial operation (in case of UJVNL's stations transferred from UPJVNL, historical cost shall be the cost as on the date of unbundling of UPSEB to be escalated @ 6% p.a. thereafter.

Accordingly, In table 21 of petition to MB-I HEP, spares of Rs. 2.25 Cr has been considered for the FY 2012-13.

It is further respectfully submitted that in Table 21 of petition of MB-I HEP maintenance spare of Rs 2.90 Crore for FY 2014-15 have been computed @ 15% of O&M expenses as per Regulations'2011.

4. At point no. 2.7.3 in the petition of Chilla HEP, UJVN Ltd. has submitted that Opening GFA as Rs 87.89 Crore whereas in Table 3 it has shown as Rs 124.89 Crore. UJVN Ltd. is required to rectify/clarify the above discrepancy and maintain the consistency at all places.

➤ It is respectfully submitted that Opening GFA of Chilla HEP is Rs 124.89 Crore. Hon'ble commission may kindly condone the typographical error. However, there is no impact on the components of AFC as petitioned and formats due the above typographical error. Soft copy of rectified petition is enclosed with this petition.

Maneri Bhali – II

I. Information Required for admission of Petition

A. Data submitted in Forms for FY 2013-14

1) UJVN Ltd. in the forms submitted along with the Petition has submitted the projected figures for current year, i.e. FY 2013-14. As per the forms prescribed by the Commission along with Regulations, all the details are to be provided for current year separately for first 6 months (April to September) based on actual data and revised estimates for next 6 months (October to March). Accordingly, UJVN Ltd. should re-submit all the forms for FY 2013-14 and provide the details for first six months, i.e. April to September 2013 based on actual data/ half yearly accounts and revised estimates for next six months, i.e. October 2013 to March 2014.

- **It is respectfully submitted that actual data of Operation & Maintenance for first 6 months (April to September) of current year are placed on Annexure-I. Details for first six months i.e., April to September 2013 based on actual half yearly accounts and revised estimates for next six months i.e., October 2013 to March 2014 have also been provided in the prescribe forms. Soft copy of the all the revised forms alongwith petitions for 10 LHPs including MB-II HEP is enclosed with this filing. It is also respectfully submitted that there is no revision in the components of AFC and tariff for FY 2013-14 on account of actual data for 6 month (April to September 2013) and revised estimates for next six months i.e., October 2013 to March 2014.**

B. Annual Performance Review for FY 2013-14

1) UJVN Ltd. in its Petition has not submitted the revised ARR for FY 2013-14 based actual data for first six months i.e., April to September 2013 and revised estimates for next six months i.e., October 2013 to March 2014. UJVN Ltd. should submit the revised ARR for FY 2013-14 based on actual data for first six months, i.e. April to September 2013 and revised estimates for next six months i.e., October 2013 to March 2014.

- **It is respectfully submitted that actual data of Operation & Maintenance for first 6 months (April to September) of current year are placed on Annexure-I. Details for first six months i.e., April to September 2013 based on actual**

half yearly accounts and revised estimates for next six months i.e., October 2013 to March 2014 have also been provided in the prescribe forms. Soft copy of the all the revised forms alongwith petitions for 10 LHPs including MB-II HEP is enclosed with this filing. It is also respectfully submitted that there is no revision in the components of AFC and tariff for FY 2013-14 on account of actual data for 6 month (April to September 2013) and revised estimates for next six months i.e., October 2013 to March 2014.

A. General

1. *UJVN Ltd. in its Petition has stated that it has submitted annexure-VIII to the Petition. However, the desired information has not been submitted by UJVN Ltd in Annexure-VIII. UJVN Ltd. is required to submit the copy of documents, pertaining to capacity charges, Capacity Index Incentive Charges and Deemed generation.*

➤ **It is respectfully submitted that requisite documents pertaining to capacity charges, Capacity Index Incentive Charges and Deemed generation have already been submitted as Annexure-VIII to the petition.**

2. *UJVN Ltd. in its Petition has stated that it has submitted annexure-IX to the Petition. However, the desired information has not been submitted by UJVN Ltd in Annexure-IX UJVN Ltd. is required to submit copy of documents, pertaining to payment of arrear/differential amount on account of revision of tariff.*

➤ **It is respectfully submitted that requisite documents pertaining to payment of arrear/differential amount on account of revision of tariff have already been submitted as Annexure-IX to the petition.**

B. NAPAF

1. *UJVN Ltd. in its Petition has requested to lower down the normative NAPAF for the station to 42% on account of damage caused by natural calamity stating that the NAPAF approved by the Commission shall not be achieved as the operations were disrupted due to outages. UJVN Ltd. should submit the basis of projecting NAPAF of 42% for FY 2014-15.*

- It is respectfully submitted that PAFM of MB-II HEP has been lower down on account of damage caused by natural calamity. Detailed computation of PAFM achieved and verified by SLDC in FY 13-14 (from April'13 to September'13) is given below:

Declared Capacity (DC) in MW and verified by SLDC for Maneri Bhali-II

Project						
Day	Apr, 13	May, 13	Jun, 13	Jul, 13	Aug, 13	Sep, 13
1	110	140	175	0	196	191
2	110	140	180	0	196	196
3	120	140	153	0	196	196
4	120	140	169	0	196	196
5	120	140	180	0	196	196
6	120	140	180	0	141	196
7	110	140	180	0	141	196
8	110	140	180	0	196	196
9	110	140	180	0	196	196
10	120	150	180	0	196	196
11	120	150	180	0	196	196
12	100	160	255	0	196	196
13	100	150	244	170	136	196
14	100	150	246	241	196	196
15	100	150	246	246	196	196
16	125	150	0	246	196	196
17	120	150	0	246	196	196
18	120	150	0	196	196	120
19	120	190	0	246	196	120
20	120	190	0	196	196	120
21	120	190	0	196	196	196
22	120	190	0	196	196	196
23	120	190	0	196	196	196
24	120	190	0	196	196	196
25	120	190	0	196	196	170
26	126	190	0	196	201	165
27	150	126	0	196	201	170
28	140	86	0	196	201	190
29	140	76	0	196	201	170
30	140	76	0	196	201	190
31		86		196	201	
Total DC	3571	4590	2928	3943	5936	5526
PAFM (%)	39.55	49.20	32.43	42.26	63.62	61.20
Avg. PAFM (%)	48.04					

The average PAFM achieved for Maneri Bhali-II HEP from April,13 to September, 13 is 48.04 %. From previous experience and expected availability of discharge in the river Bhagirathi and maintenance of machines, it has been assumed that the average Declared capacity for the period October, 13 to March, 14 will be approximately 110 MW. As such, the expected PAFM for the duration October, 13 to March, 14 will be approximately 36% (110 MW / 304 MW).

Therefore, the expected Annual PAF for Maneri Bhali-II HEP will be approximately 42% only in the year 2013-14.

The NAPAF for Maneri Bhali-II HEP has been approved at 71% and 73% for the FY 2013-14 and FY 2014-15 respectively in Hon'ble Commission's Order dated 03/09/2013. In this regard, it is respectfully submit that Maneri Bhali-II HEP is not likely to achieve the normative plant availability factor determined by the Hon'ble Commission for the FY 2013-14 on account of closure of Maneri Bhali-II Power Station w.e.f. 16.6.13 to 12.7.13 due to damages in the Barrage area caused by natural calamity on 16th and 17th June 2013 and damages in under water parts of unit 1 due to excessive silt in the tunnel due to natural calamity, rendering machine no. 1 inoperative for approx. 2 ½ half months, which was beyond the control of the petitioner. Also, design head could not be achieved due to local problems and there are high vibrations in the machines due to short tail race channel resulting in restriction of loading of machines. The problem of head and vibrations would exist in the year 2014-15 also. Therefore, NAPAF determined by Hon'ble UERC would not be achievable in the year 2014-15 also.

C. O&M Expenses

1. *UJVN Ltd. in its Petition has submitted that it incurred around Rs 22.72 Cr towards R&M of Plant and Machinery in FY 2011-12 and Rs 30.24 Cr towards R&M of P&M, buildings and Major Civil works for FY 2012-13. UJVN Ltd. in this regard should submit the details of such work carried out for FY 2011-12 and FY 2012-13.*

- **It is respectfully submitted that desired information is under compilation and shall be submitted shortly**

D. Capital Expenditure and Capitalization

1. UJVN Ltd. in its Annexure XI to the Petition has claimed additional capitalization on account of Arbitration charges of Rs 41.52 Crore on the basis of court order. UJVN Ltd. should submit a copy of the court order directing UJVN Ltd. to make such payments.

➤ **It is respectfully submitted that desire information is placed at Anexuure-VIII enclosed.**

II. Information Required for detailed analysis of the Petition

A. Capital Expenditure and Capitalization

1. UJVN Ltd. in its Petition has submitted capitalization of Rs 6.85 Cr towards land and a capitalisation of Rs 2.06 Cr towards major civil works for FY 2012-13. Further, it has submitted a de-capitalization of Rs 1.85 lakh under P&M. UJVN Ltd. should submit the details of the same.

➤ **It is respectfully submitted that desire information is under compilation and shall be submitted shortly.**

2. UJVN Ltd. in its Petition has submitted actual additional capitalisation after CoD till FY 2012-13. UJVN Ltd. in this regard should submit the actual funding of such capital expenditure. Further, for FY 2013-14 and FY 2014-15, UJVN Ltd. should submit the actual funding mechanism for the additional capitalisation for FY 2013-14 and FY 2014-15.

➤ **It is respectfully submitted that desire information is under compilation and shall be submitted shortly.**

3. UJVN Ltd. in its Annexure XI to the Petition has projected considerable expenses towards raising of reservoir level stating the benefit of the same shall result in increased generation. UJVN Ltd. should submit the estimated benefit arising out by increasing the proposed reservoir level and when such work shall be completed.

➤ **It is respectfully submitted that raising of reservoir is to be done along with Protection work of Reservoir area of Joshiyara Barrage of MB-II HEP. These**

protection works are essentially required to ensure safety of the public assets adjacent to Reservoir & also to safeguard Barrage structure. Therefore this is more or less a safety requirement. Local people are having strong objection to operation of Power House especially in monsoon season without these protection works. Therefore protection works are essentially required to maintain generation from Power house as without this operation of Barrage/power house will not be possible & Civil structures will also not be safe. The raising of Reservoir is to be attained simultaneously with this protection work. Further the proposed work is part of the work already included in the Project cost of Rs.2323.23 Crores approved by the GoU.

The cost benefit is safety of reservoir area & survival of the projects. Additionally about 21.76 MU energy will be generated extra. Peaking benefits will also be available due to increased reservoir capacity. The detail calculation table is given below:.

Details of Benefit

S.No.	Details of generation		UNIT	Explanation/Reference
1	Annual Generation on 90% dependable year discharge basis	1566.00	MU	
2	Energy for sale after excluding 1% auxiliary consumption & transformation charges	1550.34	MU	
3	Average annual Generation from April 2008 to March 2013 (for 5 years)	1215.54	MU	Data collected from Dharasu Power House
4	Advantage of operating at EL 1108 m against existing 1104 m on a gross head of 285 m and without TRC modification	21.76	MU	$1550.34 \times (1108-1104)/285$
5	Advantage in Rs. (Rate @188.14 paise per unit as approved by UERC for the year 2011-12) of operating at EL 1108 m against existing 1104 m on a gross head of 285 m and without TRC modification	Rs 4.0938		$21.76 \times 1.8814/10$ Cr
6	Considering the balance life of the Project is 30 years			
7	TOTAL BENEFIT in terms of generation at reservoir level El 1108 m (over 30 years at 12% discounting factor)	Rs 33.3781	Cr	

Note: Major benefit will be in terms of safe and hindrance free operation and generation from the project.

Thus it is evident from the above facts that the expenditure on reservoir protection work can't be analyzed with generation benefits because this is part of the already proposed works & is essentially required for safety of

assets laying on both the bank of Barrage reservoir & if these protection work are not completed local people will not allow generation from the power house specially during monsoon when water availability as well as generation is maximum. Under these circumstances the entire generation would be adversely affected if these works are not executed.

Therefore proposed protection works are required for maintaining safe & hindrance free generation from the power house.

4. UJVN Ltd. in its Annexure XI to the Petition has projected an expense of Rs 1.50 Crore towards other consultancy charges. UJVN Ltd. in this regard has not submitted the details for which such expenses have been envisaged in FY 2014-15. UJVN Ltd. should submit details of such expenses.

➤ It is respectfully submitted that till date following orders have been awarded for consultancy assignment as per detail given below:

I. Consultancy for modification of TRC of Maneri Bhali Stage-II HEP through M/s WAPCOS Ltd amounting to Rs. 44,90,000.00 /- only. Studies have established that some modification is required in TRC to get generation upto installed capacity of 304 MW. The work is critical & for execution of it careful planning & proper methodology is essential which require assistance from consultant also. Therefore consultancy is essential.

II. Providing Consultancy services for design & drawing, technical supervision, monitoring & quality assurance of River Training works around Joshiyara Reservoir, Uttarkashi through M/s WAPCOS Ltd. amounting Rs. 1,71,60,000.00 /- only. Protection around reservoir is to be designed properly to ensure safety of Barrage structure & nearby assets around reservoir rim. Further third party inspection & quality control is essentially also required to ensure proper check. Therefore this consultancy assignment is also essential.

Thus total anticipated expenditure on account of consultancy charges assigned so far is about Rs. 2,16,50,000.00 /- as per order awarded till date.

The relevant documents are placed at Annexure-V enclosed.

5. UJVN Ltd. in its Annexure XI to the Petition has projected works to be done by UJVN Ltd. on agency basis to be funded by GoU from special allocation amounting to Rs 21

Cr for FY 2013-14 and Rs 40.70 Cr for FY 2014-15. UJVN Ltd. in this regard should submit the details for such works and the benefit arising out of completion of such works.

UJVN Ltd. with regard to funding of such works should submit nature of special allocation that is proposed to be received from GoU.

- **It is respectfully submitted that Rs. 21.00 Crore for FY 2013-14 and Rs. 40.70 Crore for FY 2014-15 is proposed for additional works assigned by GoU on agency basis. The works pertains to area existing on upstream side of Reservoir area of Joshiyara Barrage & has no relation to the generation from Power House.**

These works are required for safety of human lives & assets lying adjacent to the River banks of Bhagirathi River upstream of Jhula Pul upto Tiloth Bridge.

The extra funds for execution of these works are proposed to be released from GoU only & tariff benefits will not be claimed against this expenditure.

B. Interest on Loan

1. *UJVN Ltd. should submit the quarter wise actual loan repayment, interest paid towards existing loans along with interest refund received for FY 2011-12 and FY 2012-13.*

- **It is respectfully submitted that desire information is placed at Annexure-VI enclosed.**

C. General

1. *In Table 19 of petition of MB II, receivable for 2 months for FY 2012-13 is not consistent with the AFC for FY 2012-13 depicted in Table 20. UJVN Ltd. is required to rectify/clarify the above discrepancy and maintain the consistency at all places.*

- **It is respectfully submitted that inadvertently value of depreciation (excluding of advance against Dep.) has been reflected in table 20 for FY 2012-13. Accordingly, net AFC of Rs. 289.49 has been reflected instead of Rs. 377.04 Crores for FY 2012-13. However, in table no. 10 in chapter 1 of the petition , all components of the AFC have been specified. Rectified table 20 is given below:**

Annual Fixed Charges

Rs. Crore

Particulars	FY 2012-13 (Actual)	FY 2014-15 (RE)
Interest on Loan	99.39	93.05
Depreciation incl. AAD	138.47	83.99
ROE	83.20	98.10
O&M Expenses	47.81	54.16
Interest on Working Capital	10.63	10.21
Gross AFC	379.50	339.51
Less Non tariff Income	2.46	2.08
Total AFC	377.04	337.43

It is respectfully submitted that Hon'ble commission may condone this error. Soft copy of rectified petition is enclosed with this petition.

2. *In Table 23 of petition of MB-II, True up summary for FY 2011-12 is not consistent with Table 10 & Form -3 of the Petition. UJVN Ltd. is required to rectify/clarify the above discrepancy and maintain the consistency at all places.*

- **It is respectfully submitted that inadvertently, actual data in table 23 has been linked wrongly. Rectified table 23 is given below:**

➤ **Table 1: True up Summary for FY 2011-12**

(Rs. Crore)						
S. No.	Particulars	Approved	Actual	Deviation	Controllable	Uncontrollable
A.	Net Annual Fixed Charges					
1	Interest on Loan (Including Interest on Normative Loans)	101.68	113.76	(12.08)		(12.08)
2	Depreciation	44.78	50.79	(6.01)		(6.01)
3	Advance Against Depreciation	75.22	87.67	(12.45)		(12.45)
4	Return on Equity	28.05	82.77	(54.72)		(54.72)
5	O&M Expenses	33.35	44.29	(10.94)		(10.94)
6	Interest on Working Capital	8.62	9.85	(1.23)		(1.23)
7	Income Tax					
8	Gross Annual Fixed Charges (1+2+3+4+5+6+7)	291.7	389.13	(97.43)		(97.43)
9	Less; Other Income (provide details)	0	2.30	(2.30)		(2.30)
10	Net Annual Fixed Charges (8-9)	291.7	386.83	(95.13)		(95.13)
B.	Revenue from Sale of Power					-
C	Surplus/(Gap)			(95.13)		(95.13)

It is respectfully submitted that Hon'ble commission may condone this error. Soft copy of rectify petition is enclosed with this petition.

3. *UJVN Ltd. is required to submit basis for rate of interest as 11.96% for FY 2012-13 & FY 2014-15 in MB-II. UJVN Ltd. should submit supporting documents/computation for substantiating of the same.*

- Kind reference is invited to para 1.8.3 of petition of MB-II HEP which is reproduced below:

The interest rate for the purpose of Interest calculation has been considered actual weighted average interest rate on loan from all sources for respective financial year for which True Up is being undertaken. The details of loans for MB-II hydro power project are mentioned in respective financial year. Summary of principal amount due and actual interest and finance charges paid during respective financial years is given as under:

Table 2: Weighted Average Rate of Interest for MB-II HEP

<i>FY</i>	<i>Average Loan (Rs. In Crore)</i>	<i>Interest and Finance Charges</i>	<i>Weighted Avg. Rate of Interest</i>
<i>2011-12</i>	<i>970.56</i>	<i>113.76</i>	<i>11.72%</i>
<i>2012-13</i>	<i>831.26</i>	<i>99.39</i>	<i>11.96%</i>

Accordingly, rate of interest for FY 2014-15 has been considered @11.96% as computed for FY 2012-13.

D. Generation Plan for FY 2014-15

UJVN Ltd. is required to submit stationwise and monthwise generation plan for FY 2014-15 for its large hydro projects and small hydro projects.

- It is respectfully submitted that station wise and month wise generation plan for FY 2014-15 for UJVN Ltd.'s large hydro projects and small hydro projects is placed at Annexure- VII enclosed.

Information/Data Gaps/ in Status of Directives issued in Tariff Order dated 5th May 2013 or additional information required in this regard (Chapter 4 of Petition for FY 2014-15):-

- It is respectfully submitted that current status of compliance of the directives of the Hon'ble Commission are under compilation and shall be submitted shortly.

D) Cause of Action

As per Hon'ble UERC's letter dated 10.12.13 UJVN Ltd. is required to submit the additional information/ explanations on Petitions for true up of tariff for the financial years from 2011-12 to 2012-13 and Annual Performance Review for the FY 2013-14 of 10 large hydro power stations of UJVN Ltd.

E) Ground of Relief

The Present reply petition has been prepared in accordance to the Conduct of Business Regulations 2004.

F) Matter Not Previously Filed or Pending With any Court

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.

G) Relief Sought

In view of the facts mentioned above, the Petitioner respectfully prays for the relief as stated below:

1. The Petitioner respectfully requests that the orders of the Hon'ble Commission may adequately consider the positions expounded in the petitions of 10 large HEPs for true up of tariff for the financial years from 2011-12 to 2012-13 and Annual Performance Review for the FY 2013-14 for 10 large hydro power stations of UJVN Ltd.
2. The petitioner respectfully requests to allow reasonable time to the petitioner to submit the replies pertaining to remaining queries of the Hon'ble Commission's letter dated 08.01.13.
3. In view of the foregoing, the Petitioner respectfully prays that the Hon'ble Commission may:
 - Accept and approve the accompanying projected financial information of the Petitioner for determination of generation tariff for the FY 2013-14, FY 2014-15 and FY 2015-16 and true up for the F.Y. 2008-09, 2009-10 and FY 2010-11 prepared in accordance with Tariff Regulations established by the Hon'ble Commission and directives of the Hon'ble Commission contained in the earlier tariff orders.
 - Grant suitable opportunity to the Petitioner within a reasonable time frame to file additional material information that may be subsequently available;

- Grant the waivers prayed with respect to such filing requirements as the Petitioner is unable to comply with at this stage of filing;
- Treat the filing as complete in view of substantial compliance and also the specific humble requests for waivers 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 the submissions of Petitioner that could be at variance with the orders and regulations of the Hon'ble Commission, but are nevertheless fully justified from a practical viewpoint;
- Pass such orders as the Hon'ble Commission may deem fit and proper keeping in mind the facts and circumstances of the case.

H) Interim Order, in any, prayed for

Not Applicable

I) Particulars of Fee Remitted

It is respectfully submitted that this petition is a part & parcel of the petitions for Annual Performance Review for FY 2013-14.

J) List Of Enclosures

Supporting documents and Annexure mentioned in the petition;

Annexure I: Copy of O & M expenses for first six month (April'13 to Sep'13)

Annexure II: Copy of documentary evidence of PLR of State Bank of India. .

Annexure III: Copy of details of insurance premium paid alongwith receipt of insurance for Fy 2011-12 and Fy 2012-13.

Annexure IV: Details of employees recruited and to be recruited.

Annexure V: Copy of relevant documents pertaining to consultancy charges.

Annexure VI: Details of loan repayment and interest paid for FY 2011-12 and FY 2012-13.

Annexure VII: Copy of generation Plan for FY 2014-15

Annexure VIII: Copy of documents pertaining to arbitration Charges of Rs. 41.52 Cr.