

BEFORE THE HON'BLE UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

Dehradun, Uttarakhand.

FILING NO. _____

CASE NO. _____

In the matter of: Filing of Reply to the Hon'ble UERC Letter No. 340/UERC/08 dated 19/06/08 pertaining to determination of PROVISIONAL Tariff for Maneri Bhali-II generating station of Uttarakhand Jal Vidyut Nigam 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: 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 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 certain grounds.

The said petition was submitted along with supplementary petition with the Hon'ble commission vide letter no. 104/Tariff/UERC/MB-II dated 25/02/08.

There after the Hon'ble UERC vide its Letter No 63/UERC/MB-II/08 dated 17.04.08 informed certain deficiencies in the said petition and desired further information/ documents which were provided vide letter no. 158/ Tariff/ UERC/ MB-II dated 05.05.08.

There after The Hon'ble Commission vide its Letter No 221/UERC/08 dated 16/05/08 informed further certain deficiencies in the said petition and

desired further information/ documents which were provided vide letter no. 282/ Tariff/ UERC/ MB-II dated 17.06.08.

6. It is further submitted that the Hon'ble UERC vide its Letter No 340/UERC/08 dated 19/06/08 informed further deficiencies.

7. Further to the submissions in the above referred petitions filled, point wise replies to the above referred letter of the Hon'ble commission are submitted as follows:

- i) Reference is invited to "Para 1" of the above mentioned letter. As desired the following information/documents have already been submitted vide letter no. 251/D(F)/UJVNL/UERC dated 23/06/08:
 - a) Letter No-03/05/UJVNL/Maneri-II/2002/Vol-I dated 27.3.02 of PFC pertaining to financial assistance of Rs. 800 Crores for on going MB-II HEP (4x76 MW) in Uttaranchal (Loan No-09202001).
 - b) Letter No-03/05/UJVNL/Vol-1/05-06/MB-II loan dated 20.10.2005 of PFC pertaining to Additional financial assistance of Rs. 400 Crores for on going MB-II HEP (4x76 MW) in Uttaranchal (Loan No-09202002).
 - c) Letter No- 599/1/2006-04(8)/58/04 dated 21.4.2006 of GoU pertaining to Govt. guarantee against PFC loan for MB-II HEP confirming the capital cost of Rs. 1714 Crores.
 - d) Letter No-03/05/UJVNL/05-06/MB-II loan dated 19.5.2006 pertaining to 1st Amendment in terms & conditions of Loan No-09202002 dated 20.10.2005 sanctioned to UJVNL for execution of MB-II HEP(4x76 MW)
 - e) Letter No-03/05/UJVNL/II/05-06/MB-II loan dated 2.8.2006 of PFC pertaining to IInd Amendment in terms & conditions of Loan No-09202002 dated 20.10.2005 sanctioned to UJVNL for execution of MB-II HEP(4x76 MW).

f) Letter No-775/1(2)/2008-4(8)/13/07 dated 20.3.08 of GOU pertaining to sanction of loan of Rs. 90.00 Crores to UJVNL for MB-II HEP for F.Y 2007-08.

ii) Reference is invited to the "Para 2" of the above mentioned letter. It is submitted that basis of taking the LIC loan component of only Rs. 31.12 Crores is provided in Para 102 (Page 058) of part 1 of the original petition filed for determination of provisional tariff of MB-II HEP.

It is further submitted that in the absence of project specific allocation of the total LIC loan of Rs. 359.59 Crores, the documentary evidence thereof as desired is not available.

It is respectfully submitted that the Hon'ble Commission may take an appropriate view in this regard.

(iii) Reference is invited to the "Para 3" of the above mentioned letter. In this regard it is submitted as follows:

The original petition was submitted on 14/11/06 on the basis of the then estimated capital cost of MB-II HEP of Rs. 1807.89 Crores, whereas the capital expenditure of Rs. 1896.74 Crores certified by the Auditor is as on 31/05/08.

It is further respectfully submitted that except for the cost of work in progress inherited from UPJVNL of Rs. 164 Crores the auditor's certificate is based on expenditure actually incurred on MB-II HEP as on 31.5.08.

Though loan from GoU of Rs. 90 Crores has been considered in the means of financing of the capital expenditure as certified by the auditors LIC loan has not been considered since it was provided in the original petition on allocation basis and not on actual receipt basis.

The comparative position of capital expenditure incurred on MB-II HEP and mean of financing thereof as stated in original petition vis-à-vis auditor's certificate is as follows:

(Rs. In Crores)

Source of Financing	As per Original Petition	As per Auditor Certificate
1. Equity	576.78	634.31
2. PFC Loan	1200.00	1200.00
3. GoU Loan	-	90.00
4. LIC Loan	31.12	-
Total	1807.89	1924.31
<u>Application of Fund</u>		
	As per Original Petition	As per Auditor Certificate
Interest during Construction	154.50	310.32
Financial Charges (LIC loan & Interest thereon)	31.12	-
Capital Expenditure	1622.27	1586.42
Balance in Hand	-	27.57
Total	1807.89	1924.31

iii) Reference is invited to "Para 4" of the above mentioned letter. As desired the details of equity employed in MB-II HEP and source thereof along with the following documentary evidences of the same have already been submitted vide letter no. 251/D(F)/UJVNL/UERC dated 23/06/08:

- a. Letter No-1560/1/2005—5/1 dated 29.3.05
- b. Letter No-2866/2005-04(1)/29/05 dated 21.6.05
- c. Letter No- 3490/1/2004-05/13/2003 dated 29.7.05
- d. Letter No- 3811/1/2005-04(1)29/05 dated 16.8.2005
- e. Letter No-19/1/2004-05 dated. 22.8.05
- f. Letter No-5312/1/2005-04(1)/29/05 dated 7.11.2005
- g. Letter No-41/1/2004-05/13/2003 dated 2.12.2005

- h. Letter No-67/1/2004-05/13/2003 dated 23.2.06
- i. Letter No-70/1/2004-05/13/2003 dated 6.3.06
- j. Letter No-1015/1/2006-04/45/06 dated 17.7.2006
- k. Letter No-1981/1/2007-04(1)/45/06 dated 30.3.2007
- l. Letter No- 73/1/2006-05/77/2008 dated 11.5.2007
- m. Letter No-120/1/2006-05/77/2008 dated 19.12.2007
- n. Letter No-121/1/2006-05/77/2008 dated 28.12.2007
- o. Letter No-135/1/2006-05/77/2008 dated 17.3.08
- p. Letter No-136/1/2006-05/77/2008 dated 20.3.08

- iv) Reference is invited to the "Para 5" of the above mentioned letter. As desired the revised cost estimate of Rs. 1714.40 Crores is being submitted herewith as **Annexure-1**.

The break up of capital cost of Rs.1714.40 crores is placed on **Annexure-II** and copy of the Resolution of the Board of Directors in this regard is placed on **Annexure-III** enclosed.

8. Kind attention of the Hon'ble Commission is invited to "Para 11" of the Supplementary petition filled in reply to Hon'ble Commission's letter dated 04/12/06 wherein it was submitted that financial implication of withdrawal of interest subsidy under AG & SP on account of non-commencement of project during X Plan amounting Rs. 72.53 Crores may kindly be considered. The documentary evidence of withdrawal of such subsidy were also submitted with the earlier supplementary petition filled.
9. In view of all above it is respectfully prayed that the following capital cost of MB-II HEP may kindly be considered for determination of provisional Tariff:
- i. Capital expenditure as per Auditor's certificate: Rs.1896.74 Crores
 - ii. Financial implication of withdrawal of interest subsidy under AG & SP: Rs. 72.53 Crores
Rs.1969.27 Crores

In addition to the above the Hon'ble Commission may kindly consider & allow the LIC loan and Interest thereon as stated in "Para 7(ii)" above.

D. Cause of Action

10. UJVNL is required to submit the additional information/ explanations on Petition for determination of provisional tariff for Maneri Bhali-II Hydro Generation station of Uttarakhand Jal Vidyut Nigam Limited under Section 62 and 86 of the Electricity Act, 2003 read with the relevant regulations and guidelines of the Commission.

Reply to Hon'ble Commission letter no. 340/UERC/08 dated 19/06/08 is being submitted accordingly.

E. Ground of Relief

11. 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

12. Not Applicable.

G. Matter Not Previously Filed or Pending With any Court

13. 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

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

- 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.
- Consider interest rate of 14% P.A. on LIC loan for MB-II HEP.
- Considered the financial implications of withdrawal/ refund of interest subsidy alongwith the interest allowed under AG & SP.
- Considered the following capital cost of MB-II HEP for determination of provisional Tariff:

i.	Capital expenditure as per auditor certificate:	Rs.1896.74 Crores
ii.	Financial implication of withdrawal of interest subsidy under AG & SP:	<u>Rs. 72.53 Crores</u>
		Rs.1969.27 Crores

In addition to the above the Hon'ble Commission may kindly consider & allow the LIC loan and Interest thereon as stated in "Para 7(ii)" above.

- Provisional tariff of MB-II HEP may kindly be determined thereby enabling meeting of the financial commitments to PFC within time.

I. Interim Order, in any, prayed for

15. Not applicable

J. Details of Index

16 The list of enclosures is detailed below:

- (a) Copy of revised cost estimate of Rs.1714.40 crores.
- (b) Break up of revised cost Rs. 1714.40 crores.
- (c) Copy of extract from Minutes of 24th Board Meeting dated 10/11/05

K. Particulars of Fee Remitted

17.It is respectfully submitted that this petition is a part & parcel of the petitions filled earlier for determination of provisional tariff of Maneri Bhali-II along with requisite fee of Rs. 10,00,000 deposited vide Draft No. 809929 dated 03/05/08.

L. List Of Enclosures

18. This Petition containing the following documents/ annexure:

- (i) **Annexure – 1:** Copy of revised cost estimate of Rs.1714.40 crores.
- (ii) **Annexure – 2:** Break up of revised cost Rs. 1714.40 crores
- (iii) **Annexure-3:** Copy of extract from Minutes of 24th Board Meeting dated 10/11/05

Uttarakhand Jal Vidyut Nigam Limited
Petitioner

Dehradun

Dated: