Petition No – 1109/ 2016

BEFORE

THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION

LUCKNOW

**Date of Order: 15.05.2017**

**PRESENT:**

1. **Hon’ble Sri Desh Deepak Verma, Chairman**
2. **Hon’ble Sri Suresh Kumar Aggarwal, Member**

**IN THE MATTER OF:** Petition forTrue-Up for the period FY 2009-10 to FY 2013-14 and Multi Year Tariff Petition for Approval of Annual Revenue Requirement and determination of Tariff for FY 2014-15 to FY 2018-19 in respect of Hydro power stations namely Rihand, Obra, Matatila, Khara, Upper Ganga canal, Belka, Babail and Sheetla hydro power stations of UPJVNL.

**AND**

**IN THE MATTER OF**

Uttar Pradesh Jal Vidyut Nigam Limited

Shakti Bhawan, 14-Ashok Marg, Lucknow

**--------------- Petitioner**

UP Power Corporation Limited

(through its CMD)

7th Floor, Shakti Bhawan, 14-Ashok Marg, Lucknow.

**--------------- Respondent**

Following were present:

1. Shri V. P. Srivastava, CE (PPA), UPPCL
2. Shri H. R. Singh, CE, UPJVNL
3. Shri H. I. Maurya, SE, UPJVNL
4. Shri Atul Kumar, EE, UPJVNL
5. Shri Raindeep Maurya, AE, UPJVNL
6. Shri Pranjul Srivastava, AE, UPJVNL
7. Shri Amiy Chaturvedi, Consultant, UPJVNL

**Order**

(Date of Hearing: 03.05.2017)

1. Uttar Pradesh Jal Vidyut Nigam Limited (hereinafter ‘UPJVNL’ or the ‘Petitioner’) is a company incorporated on 15th April 1985 under the Companies Act 1956 in the name of “Uttar Pradesh Alparthak Evam Laghu Jal Nigam (UPAELJVN)” which was subsequently changed to “Uttar Pradesh Jal Vidyut Nigam Limited (UPJVNL)” on 17th December 1996.
2. The reforms in the state were initiated with the notification of the Uttar Pradesh Electricity Reforms Act, 1999 and Uttar Pradesh Electricity reforms Transfer Scheme, 2000 (hereinafter referred to as the First Transfer Scheme), post which Uttar Pradesh State Electricity Board (UPSEB) was unbundled into three different entities, Uttar Pradesh Power Corporation Limited (UPPCL), Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited (UPRVUNL) and Uttar Pradesh Jal Vidyut Nigam Limited (UPJVNL).
3. On 08.11.2001, the new state of Uttarakhand was carved out of the erstwhile Uttar Pradesh and assets falling under the new state were vested with a new company Uttarakhand Jal Vidyut Nigam Limited (UJVNL) w.e.f. 08.11.2001. The Ministry of Power (MoP) had laid down the procedure for division of ‘Assets and Liabilities’ between UPJVNL and UJVNL and accordingly the assets were transferred.
4. The following tables highlights the capital structure as per the transfer schemes

|  |  |  |
| --- | --- | --- |
| **Particulars**  **(in Rs. Cr)** | **Capital Structure as**  **per First Transfer Scheme** | **Capital structure as per Uttarakhand Transfer**  **scheme** |
| Uttar Pradesh Plants | 432.49 | 320.19 |
| Uttarakhand Plants | 510.88 | 676.22 |
| GFA Balance | 943.38 | 996.42 |

1. Consequent to the First Transfer Scheme the Actual Capacity transferred to UPJVNL was 1492.5 MW. On reorganization of the State of UP and formation of Uttarakhand major portion of the installed hydro generation capacity was shifted to Uttarakhand and Uttar Pradesh was left with an installed capacity of 514.7 MW.

|  |  |  |  |
| --- | --- | --- | --- |
| **S. No.** | **Hydro Power Station** | **No. of Units** | **Derated Capacity**  **(in MW)** |
| 1 | Rihand Power Station | 6 | 300 |
| 2 | Obra Hydel Power Station | 3 | 99 |
| 3 | Matatila Power Station | 3 | 30 |
| 4 | Khara Power Station | 3 | 72 |
| 5 | Nirgazini Power Station | 2 | 5 |
| 6 | Chitaura Power Station | 2 | 3 |
| 7 | Salawa Power Station | 2 | 3 |
| 8 | Bhola Power Station | 6 | 2.7 |
| **Total** | | | **514.7** |

Post the Uttarakhand Transfer Scheme, UPJVNL has commissioned the following hydro power stations:

|  |  |  |
| --- | --- | --- |
| **S.No** | **Name of the Project** | **Capacity (MW)** |
| 1 | Belka | 3.0 |
| 2 | Babail | 3.0 |
| 3 | Sheetla | 3.6 |

1. In the current petition no. 1109/2016, the Petitioner has submitted the Petitions for the following:
2. True-up for the period FY 2009-10 to FY 2013-14 for Rihand, Obra, Matatila, Khara and Upper Ganga Canal Hydro power stations
3. Multi-Year Tariff Petition for determination of ARR and Tariff for the period from FY 2014-15 to FY 2018-19 for Rihand, Obra, Matatila, Khara, Upper Ganga Canal, Belka and Babail Hydro power stations

In the above Petitions, the Petitioner has prayed the following before the Hon’ble Commission

* + to accept the revised values of opening GFA for FY 2009-10
  + to accept the Petition for final truing-up of additional capitalization and associated tariff components from financial year FY 2009-10 to FY 2013-14
  + to accept the Petition for the MYT period along with the power station wise tariff rates as elaborated in the Petition
  + to allow the Petitioner to apply the MYT Tariff from the beginning of   
    FY 2014-15
  + to permit the recovery of expenses understated/ not considered in this petition subsequent to the submission of this Petition
  + to allow True-up of uncontrollable expenses in the control period based on the audited accounts and normative parameters as applicable for various heads of expenditures
  + to condone any omissions/ errors and permit the applicant to add/ change/ modify the Petition and make further submissions as may be required at a later stage
  + to direct the respondent to make payment to the Petitioner for the bills raised for the supply of energy
  + to pass such orders as Hon’ble Commission may deem fit and proper and necessary in the facts and circumstances of the case, to grant relief to the Petitioner

1. The hearing for the admittance of the Petition was conducted on 03.05.2017 at the office of the Commission.
2. In the hearing, UPPCL mentioned that it has not received the Petitions. The Commission directed the Petitioner to provide copies of the Petition to UPPCL within seven days of the hearing and UPPCL was directed to file its replies within ten days thereafter.
3. The Commission expressed concern at the high capital cost incurred on Belka and Babail plants and the tariffs that has been proposed by the Petitioner for few of its hydro power plants. The Commission directed the Petitioner and the Respondent to file replies as to why tariff for the aforementioned hydro power stations of UPJVNL should not be governed by the UPERC (Captive and Renewable Energy Generating Plants) Regulations, 2014.
4. The Commission admits the Petition of UPJVNL and directs the Petitioner and the Respondent to submit the information as directed before the next hearing which shall be held on 30.05.2017.

(Suresh Kumar Aggarwal) (Desh Deepak Verma)

Member Chairman

Place: Lucknow

Dated: 15.05.2017