
Petition No 1284 of 2018

**BEFORE
THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION
LUCKNOW**

(Date of Order: 15 .03.2018)

PRESENT:

Hon'ble Sri S. K. Agarwal, Chairman

IN THE MATTER OF: for seeking applicability of tariff for Parichha Unit -2 for FY 2018-19 same as already approved in tariff order dated 29.04.2016 and review order dated 18.01.2017.

UP Rajya Vidyut Utpadan Nigam Ltd.
14th Floor, Shakti Bhawan Extn.
14, Ashok Marg, Lucknow.

-----**Petitioner**

1. The Managing Director, U.P Power Corporation Ltd., 7th Floor, Shakti Bhawan, 14, Ashok Marg, Lucknow.
2. The Managing Director, Purvanchal Vidyut Vitran Nigam Ltd., 132KV Substation, Bhikaripur, Vidyut Nagar, Varanasi.
3. The Managing Director, Pachimanchal Vidyut Vitran Nigam Ltd., Victoria Park, Meerut.
4. The Managing Director, Madhyanchal Vidyut Vitran Nigam Ltd., Prag Narain Road, Lucknow.
5. The Managing Director, Dakchinanchal Vidyut Vitran Nigam Ltd., Gailana Road, Agra.
6. The Managing Director, KESCO, Kesa House, Kanpur

-----**Respondent**

The following were present:

1. Sri V.K. Asthana, CE PPA UPPCL
2. Sri Ramesh Chandra, CE UPRVUNL
3. Sri Mahendra Kumar, SE UPRVUNL
4. Sri Anand Kumar, SE UPRVUNL
5. Sri Haroon Aslam, EE UPPCL
6. Sri Hari Shyam, EE, UPRVUNL
7. Sri Brajesh Singh, EE UPRVUNL
8. Sri Shubham Srivastava, AE UPPCL
9. Sri Mohit Goyal, Consultant, UPRVUNL
10. Sri Rajiv Srivastava, Advocate UPPCL
11. Sri Maneesh Garg, Consultant UPPCL

Order

(Date of Hearing: 14.03.2018)

1. UPRVUNL, the state owned thermal generation utility, filed instant petition seeking applicability of tariff for Parichha Unit -2 for FY 2018-19 same as already approved in tariff order dated 29.04.2016 and review order dated 18.01.2017. The petitioner has also sought the permission to seek tariff revision for aforementioned Unit on account of its R&M scheme at the time of true-up.
2. The Commission in the order dated 29.04.2016 in petition no. 1025 and 1026 of 2015 while deciding tariff for UPRVUNL plants for the control period 2014-15 to 2018-19 made following observations:

“The Tariff approved for FY 2018-19 shall not be applicable to power generated from the vintage units specified in the following table:

Plant	Units
<i>Obra-A</i>	<i>Unit –1,2,3 and 4</i>
<i>Panki</i>	<i>Unit 3</i>
<i>Harduaganj</i>	<i>Unit 5</i>
<i>Parichha</i>	<i>Unit 1 & 2</i>

3. Further, while reviewing the above mentioned tariff order vide order dated 18.01.2017 in petition no. 1117 of 2016 and 1126 of 2016 the Commission made following observation”

“1.94 In case of Unit -2 of Parichha Thermal Power Station the R&M has been completed and the machine is running on desired load. Therefore the Commission will decide the tariff for Unit-2. However, the R&M work on Unit-1 had not started and as per the Commission’s earlier order the R&M of Unit-1 should not have been taken up. The status regarding Unit-1 should be communicated to the Commission separately.”

4. UPPCL vide its counter dated 13.03.2018 submitted that R&M expenditure of Unit should be considered while finalizing tariff for the subject Unit so as to

avoid the interest burden on arrears. Further, they sought that RoE should be considered @ 2% w.e.f. FY 2017-18 as GoUP has directed that for ROE for UPRVUNL projects shall be kept at 2%. Regarding variable charges UPRVUNL vide its letter dated 20.02.2018 has proposed that w.e.f 22.02.2018 the variable charges for Parichha Unit -2 shall be capped at RS. 3.35 per unit thus UPPCL has sought to cap the ceiling of variable charges at Rs. 3.35 per unit.

5. UPRVUNL rebutted the statement of UPPCL saying that the ceiling of Rs. 3.35 per unit is offered only for 3 months time and not beyond that. Regarding rate of RoE UPRVUNL has decided to approach the Government for review.
6. The Commission observed that variable charges are determined on the basis of norms set by the Regulations and these norms are ceiling norms. If with mutual understanding UPPCL and UPRVUNL arrive at lower variable charges and RoE the Commission has no objection to it as the Regulations itself provides for the same.
7. The Commission decided to allow the tariff for Parichha Unit-2 as provided in tariff order dated 29.04.2016 and 18.01.2017. The R&M cost shall be considered at the time of true-up.
8. The petition is accordingly disposed of.

(S. K. Agarwal)
Chairman

Place: Lucknow

Dated: 15 .03.2018