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

**Date of Order : 05.08.2014**

**PRESENT:**

1. Hon'ble Sri Desh Deepak Verma, Chairman
2. Hon'ble Smt Meenakshi Singh, Member
3. Hon'ble Sri Indu Bhushan Pandey, Member

**IN THE MATTER OF:** Suo-motu review of performance of UPRVUNL

UP Rajya Vidyut Utpadan Nigam Limited,  
(Through its Chairman and Managing Director)  
7th floor, Shakti Bhawan,  
14, Ashok Marg  
Lucknow - 226001

**ATTENDEES:**

1. Sri A.K. Srivastava, Secretary, UPERC
2. Sri Sanjay Srivastava, Director(generation), UPERC
3. Sri Vikas Chandra Agrawal, Director(distribution), UPERC
4. Sri Amit Bhargav, Director(tariff), UPERC
5. Sri Abhishek Srivastava, Jt. Director(generation), UPERC
6. Sri Muralidhar Bhagchandani, Director(technical), UPRVUNL
7. Sri A.K. Agrawal, Director(finance), UPRVUNL
8. Sri R.B. Pandey, Director(personnel), UPRVUNL
9. Sri S.P. Chaubey, Chief Engineer, UPRVUNL
10. Sri A.K. Shukla, Executive Engineer, UPRVUNL
11. Sri Bhushan Rastogi, Consultant, UPRVUNL
12. Sri Shailendra Tewari, Consultant, UPRVUNL



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## Order

1. The UPRVUNL is a state government undertaking carved out of erstwhile UPSEB, involved in the business of thermal power generation, having total 26 Units installed at 5 locations across UP with total installed capacity of 4933MW and manpower of around 7000 personnel. The average PLF of the Nigam has been around 60% in previous years which is at par with average all India state sectors PLF. However, after discounting the capacities under R&M and deletion of old non-functional Units, the PLF in the year 2013-14 was around 80% which is even better than the average central sector PLF of 76%.
2. The fleet of Units owned by the Nigam is mix of old and new Units out of which 2513 MW capacity is more than 25 years old. In last couple of years 1000 MW capacity has been added and further 1000 MW is presently under commissioning stage which is expected to be operational within current financial year. The tender for installing 1X660 MW super critical Unit at Harduaganj has been floated. Presently out of 4933 MW capacity, only 3960 MW capacity is available for generation and remaining 973 MW is non-operational due to R&M/forced outage/under deletion.
3. The UPPCL is the sole procurer of the electricity generated by Nigam, which is reeling under severe cash crunch and the same is being felt by the Nigam also. The Nigam has total outstanding of Rs. 5,560 Cr. on UPPCL (as on 31.03.2014). The paucity of



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funds is severely affecting the day to day operation and generation as well as expansion of the Nigam and its performance has been marred with several inefficiencies and inconsistency. From UPPCL the Nigam gets payment against coal and manpower but gets no money against R&M, which worsens the situation.

4. Further, BHEL is the major contractor for supply of materials and works for UPRVUNL. The Nigam has failed to extract desired level of performance from BHEL. The upcoming 2X500 MW Anpara D project for which BHEL is the main EPC agency for boiler and turbine area, is already running well beyond schedule and estimated cost. The R&M project entrusted with BHEL for 5X200 MW Obra B and likewise other R&M projects are also running well beyond schedule. In past too, BHEL hardly ever delivered any project to the Nigam on time.
5. Quality and quantity of coal is also area of concern for Nigam. Of late availability of coal at its power stations have been reportedly low.
6. Since the performance of UPRVUNL has not been upto mark and it is not generating upto its potential, to discuss the reasons and bottlenecks the meeting was called in the office of the Commission on 16.06.2014.



7. A detailed presentation was made by CMD, UPRVUNL to apprise the Commission of current as well as past performance of the UPRVUNL .

**Salient points of presentation**

I. Against the installed capacity Of 4933 MW from 26 Units (of various capacities from 50MW to 500 MW spread across 5 sites) only 18 units totaling 3960 MW are available for generation. The details are as under-

Sl. no	Name of plant	No. of Units	Capacity of Units (MW)	Installed capacity (MW)	Available capacity (MW)	Unavailable Capacity (MW)	Remarks
1	Anpara A	3	210	630	630	0	
2	Anpara B	2	500	1000	1000	0	
3	Obra A	2	50	100	100	0	
		2	94	188	0	188	U#7 (R&M) U#8 (under deletion)
4	Obra B	5	200	1000	600	400	U#10 & 11 (R&M)
5	Panki	2	105	210	210	0	
6	Parichha	2	110	220	0	220	U#1 (R&M) U#2 (major fire incident)
7	Parichha extn-I	2	210	420	420	0	
8	Parichha extn-II	2	250	500	500	0	
9	Harduaganj	1	60	60	0	60	U#5 (R&M)
		1	105	105	0	105	U#7(R&M)
10	Harduaganj Extn	2	250	500	500	0	
	<b>Total</b>	<b>26</b>		<b>4933</b>	<b>3960</b>	<b>973</b>	<b>8 units of total 973 MW aren't available .</b>



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- II.** Owing to measures taken by the Nigam, overall PLF of UPRVUNL in the preceding week (i.e. second week of June 2014) improved from around 60% to 72%.

*The same was appreciated by the Commission.*

- III.** The PLF in FY 2013-14 was 60.32%, however considering the fact that only 3960 MW was available for generation the PLF achieved was 73.57%.

*The Commission expressed concern on performance below desired level and directed to bring further improvement.*

- IV.** For 2014-15 and beyond a multipronged strategy is formulated to stick to the set targets. For same a format for daily monitoring of plants is developed.

*The Commission appreciated the format and directed to consult NTPC to find if can be further improved.*

- V.** Along with fresh recruitment at various levels, UPRVUNL was hiring retired personnel of NTPC/BHEL.

*The Commission directed to ensure that at each site at least two retired personnel NTPC/BHEL should be posted and stationed too. The personnel hired must be one from*



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*operation side and one from the maintenance side to guide Nigam officials at sites.*

- VI.** UPRVUNL proposed to carry out 100% radiography of joints in boiler.

*It was directed by the Commission that UPRVUNL officials must remain present at the time of radiography and option of engaging multiple agencies may also be explored to expedite radiography at any given time.*

- VII.** The outstanding of Rs. 5,560 Cr. on UPPCL (as on 31.03.2014) was cited as constraint affecting the performance of the Nigam severely on every front. Payment liabilities of good suppliers/ work agencies are affecting the Nigam adversely since it is not letting the Nigam engage quality supplier/agencies.

*The Commission strongly opined that the financial condition of the UPRVUNL must be improved so as to ensure desired level of performance.*

- 8.** Apart from above, several other aspects were discussed in details. Underperformance of newly commissioned Units at Harduaganj and Parichha plants were taken seriously by the Commission. The



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Commission gave following directions on improving the generation as well as financial performance of UPRVUNL:

- I.** On the issue of taxation, UPRVUNL may have talks with Income Tax Officials to explore other available taxation options considering poor cash flow/ recovery of dues faced by the Nigam.
- II.** The Nigam is to come up with a plan for improving its financial condition.
- III.** Regarding prolonged delays in commissioning of 2X500 MW Anpara D plant and R&M undergoing at Obra B power plant, it was directed by the Commission, to expedite the work, arrange meeting between Principal Secretary, Energy GoUP and CMD, BHEL .
- IV.** The Commission deliberated the option of approving all future overhauling and R&M schedules to ensure adherence to the schedules. The overhauling schedule for FY 2014-15 was also submitted to the Commission for its record.
- V.** It was deliberated that to ensure the payment of huge dues, UPRVUNL may consider LC or Escrow mechanism in consultation with UPPCL. The Commission further advised UPRVUNL, that as a last recourse, on their behest, they may seek recourse to remedial measures like open access also.
- VI.** The Commission also advised that to save their recurring losses UPRVUNL may reconsider their decision exempting UPPCL from paying interest against outstanding dues.



**9. The Commission further directed the Nigam to furnish details of followings within one month:**

- *Year-wise plant-wise expenditure on O&M and R&M incurred against allowed expenditure for pervious 3 years.*
- *Year-wise plant-wise data for tripping along with details of BTL for previous 3 years.*
- *Report on underperformance of newly commissioned Units at Parichha and Harduaganj.*
- *Explain the trends of availability and PLF for the period Nov 2013 to Jan 2014.*

The date for next meeting shall be communicated separately.

(Indu Bhushan Pandey)  
Member

(Meenakshi Singh)  
Member

(Desh Deepak Verma)  
Chairman

Place : Lucknow

Dated: 05.08.2014