



UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION
LUCKNOW

Petition No. 1950/2023

Date of Order: 19 .06.2023

Quorum:

Hon'ble Shri Raj Pratap Singh, Chairman

Hon'ble Shri Vinod Kumar Srivastava, Member (Law)

In the matter of:

Petition under Regulation 18, 44.2 and 45 of UPERC (Multi Year Tariff for Distribution and Transmission) Regulations, 2019 read with Regulation 15 of UPERC (Conduct of Business) Regulations, 2019 seeking prior approval for estimated capital expenditure of Rs 129.71 Crore and R&M expenses for power evacuation plan from upcoming 220kV & 132kV grid substations being constructed in Greater Noida to cater the future load growth & demand in Greater Noida area.

Noida Power Company Limited
Electric Sub-Station, Knowledge Park - IV,
Greater Noida, Gautam Budha Nagar- 201310

..... Petitioner

The following were present:

1. Sh. Samath Ganguly, V.P. (Operations), NPCL
2. Sh. A.K Arora, Resident Manager, NPCL
3. Sh. Divyanshu Bhatt, Advocate on behalf of Sh. Rama Shankar Awasthi
4. Sh. Shashwat Singh, Advocate on behalf of Sh. Rama Shankar Awasthi
5. Sh. Savyasachi Saumitia, Advocate on behalf of Sh. Rama Shankar Awasthi

ORDER

(Date of Hearing: 14.03.2023)

1. The instant petition is filed by Noida Power Company Limited ("NPCL") under Regulation 18, 44.2 and 45 of UPERC (Multi Year Tariff for Distribution and Transmission) Regulations, 2019 ("MYT Regulations 2019") read with Regulation 15 of UPERC (Conduct of Business) Regulations, 2019. The prayers of the Petitioner are as follows:
 - (i) Approve the estimated capital expenditure of Rs. 129.71 Crore for power evacuation plan from upcoming 220 kV & 132 kV Substations being constructed at Greater Noida during FY 2023-24 & FY 2024-25 as detailed in the Detailed Project Reports and as stipulated in Table-1 and Table-2 below;
 - (ii) Approve the R&M expenditure on the proposed Capex at the rate of 2.90% for FY 2023-24 and onwards along with escalation prescribed in MYT Regulations 2019;
 - (iii) Allow Petitioner to add/check/modify/alter this filing and make further submissions, as may be required at future date, including correction of inadvertent omissions/errors, if any; and



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- (iv) Pass such other Order/s, as the Commission may deem fit and proper, keeping in view the facts and circumstances of the case.

Brief of the Petition

2. The Petitioner is a distribution licensee and is engaged in the distribution and retail supply of electricity in Greater Noida, Gautam Buddha Nagar district in Uttar Pradesh. The Petitioner apprises the Commission that various data centers, multi-national electronics manufacturing units, large and small-scale industries, commercial and SEZ and residential sectors are coming in Greater Noida city which result in rise of demand and projected to multiply in upcoming 2-3 years. This load growth is expected to increase exponentially in two major clusters viz. Greater Noida (West) and Industrial Belts near Kasna, Greater Noida. These two clusters are length apart and geographically situated at two extremes of licensee area of the Petitioner. In addition, special esteemed projects of State and Central Government like Dedicated Freight Corridor, DMIC Multi Modal Transport Hub, DMIC Multi Modal Logistic Hub etc. are also in pipeline to boost the infrastructure requirement of Greater Noida area.
3. Considering the current and expected future load demand of Greater Noida, four nos. of new Grid Substations are being constructed by UPPTCL under deposit scheme of GNIDA in Greater Noida area as follow:
- 220/132/33 kV GIS Substation at Jalpura, Greater Noida (West)
 - 220/132/33 kV GIS Substation at Sector Knowledge Park-5, Greater Noida (West)
 - 132/33 kV GIS Substation at Sector Ecotech-8, Greater Noida
 - 132/33 kV GIS Substation at Sector Ecotech-10, Greater Noida

The proposed and under construction two nos. of 220 kV Substations in Jalpura & KP-5 shall cater the increasing and existing power demand in Greater Noida (West) and two nos. of 132 kV Substations at Ecotech-8 & Ecotech-10 shall cater the energy demand of industries along the Eastern Peripheral Expressway near Kasna region of Greater Noida. These Grid Substations will not only enhance the transmission connectivity for Greater Noida but will also relieve the overloading of existing Grid Substations at 220 kV RC Green and 132 kV Surajpur. The initial proposed installed capacity in above mentioned Grid Substations of UPPTCL is 504 MVA at 33 kV voltage level with provisions for future capacity expansion. The Petitioner has entered into connection agreement(s) with STU/UPPTCL for connectivity from 220/132/33 kV Substations - Jalpura & KP-5 and 132/33 kV Substations - Ecotech-8 & Ecotech-10.

4. The Petitioner hereby proposes the power evacuation plan in two clusters as follows:
- Scheme No. 1 (Cluster-1):** Power evacuation plan from the upcoming 220/132/33 kV GIS Grid Substations in Jalpura and Knowledge Park-5, Greater Noida (W).
 - Scheme No. 2 (Cluster-2):** Power evacuation plan from the upcoming 132/33 kV GIS Grid Substations in Sector Ecotech-8 and Ecotech-10, Greater Noida.

The estimated cost for Scheme No. 1 (Cluster-1) and Scheme No. 2 (Cluster-2) is summarized as follows:





Sr. No.	Particulars	Estimated Amount (Rs. Cr.)			
		FY 2023-24			FY 2024-25
		Sector-10	Sector-1/ Sector-3	Sector-4	ESS-1, KP-5
1	Civil works excluding boundary wall	2.75	2.75	2.75	1.68
2	Civil work for boundary wall	-	0.63	0.63	-
3	Electrical works	4.85	10.84	7.90	4.69
4	Land to be acquired	-	-	4.06	-
5	Smart substations, automation & security	0.18	0.18	0.18	0.18
6	33kV Feeder evacuation		10.38		3.73
7	11kV Network development		2.42		0.09
	Total Plan Cost in Rs. Crore (Exclusive of land and boundary wall cost, if already incurred in previous FY)		50.53		10.38

Sr. No.	Particulars	Estimated Amount (Rs. Cr.)			
		FY 2023-24		FY 2024-25	
		Ecotech-8	Ecotech-10	Techzone-2	Omnicon-1A
1	Civil works excluding boundary wall	2.75	2.75	2.89	1.68
2	Civil work for boundary wall	0.63	0.63	-	-
3	Electrical works	7.90	7.90	7.90	4.69
4	Land to be acquired	2.04	2.04	-	-
5	Smart substations, automation & security	0.18	0.18	0.18	0.18
6	33kV Feeder evacuation		8.16		13.62
7	11kV Network development		1.62		0.85
	Total Plan Cost in Rs. Crore (Exclusive of land and boundary wall cost, if already incurred in previous FY)		36.80		32.01

The Petitioner in its additional submission dated 10.03.2023 clarifies that the cost estimated is inclusive of applicable taxes.

5. As per the provisions of Regulations 44.2 of MYT Regulations 2019, the Petitioner is required to get prior approval of the Commission for each plan/project exceeding value of Rs. 10 Crore. Further, the Petitioner in its Tariff Petition of ARR for FY 2023-24, APR for FY 2022-23 and True-Up for FY 2021-22 (Petition No. 1919/2022) has submitted a detailed Capital Investment Plan for FY 2023-24 wherein it has estimated a total Capex of Rs. 315.42 Crores for FY 2023-24 including the proposed estimated Capex of Rs. 42.38 Crores for power evacuation plan from upcoming 220 kV & 132 kV Grid Substations for FY 2024-25.

Accordingly, the Petitioner is filing the instant Petition seeking prior approval of the Commission for the estimated capital expenditure of Rs. 129.71 Crore with Detailed Project Report (DPR), for power evacuation plan from upcoming 220 kV & 132 kV Grid Substations being constructed by UPPTCL in Greater Noida in terms of Regulation 18 and 44.2 of the MYT Regulations 2019.

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Further, the Petitioner has also projected recurring cost towards operation, safety and maintenance of proposed substation after its successful commissioning. Preventive & predictive maintenance shall be required for equipment's like 33/11 kV power transformer, periodic testing of equipment's, 33 kV & 11 kV GIS/AIS switchgear, battery banks, LT ACDB panel & station transformer. R&M expenditure is projected at rate of 2.90% based on the projected figure of ARR for FY 2023-24 and onwards along with escalation at the rate prescribed in MYT Regulations, 2019.

6. The scheme wise details as submitted by the Petitioner is listed subsequently.

Scheme No. 1 (Cluster-1): Power evacuation plan from the upcoming 220/132/33 kV GIS Grid Substations in Jalpura and KP-5, Greater Noida (W).

(a) In Scheme-1, three nos. of 33/11 kV Substation cum Switching Station and one no. of 33kV Switching Station is proposed in Greater Noida (W) as follows:

- 33 kV Switching Station cum 33/11 kV Substation at Sector-10, Greater Noida (West) with I/D AIS Switchboard (1x12.5 MVA) (FY 2023-24)
- 33 kV Switching Station cum 33/11 kV Substation at Sector-1/3, Greater Noida (West) with 33 kV Double Bus GIS (2x12.5 MVA) (FY 2023-24)
- 33 kV Switching Station cum 33/11 kV Substation with 33 kV Double Bus GIS Switchboard at Sector-4, Greater Noida (W) (1x12.5 MVA) (FY 2023-24)
- 33 kV Switching Station with 33 kV Double Bus GIS Switchboard at ESS-1 Sector KP-5, Greater Noida (W) (FY 2024-25)

(b) The peak load served during FY 2022-23 in Greater Noida (W) area is close to 125 MW and this is expected to increase annually by 15%-20% due to various upcoming high rise residential and commercial projects in the area, which are in their final stage of providing possession to buyers and existing projects in which each year occupancy level is in increasing trend. Moreover, various high rise residential projects, commercial projects, SEZ's, industries etc. are demanding connections at 33 kV and 11 kV voltage level. To distribute the power evacuated through upcoming UPPTCL's 220/132/33 kV GIS Grid Substations at Jalpura & Knowledge Park-5 and cater the load growth in Greater Noida (W), there is an earnest requirement of new three nos. of 33 kV switching stations along with construction of 33/11 kV Substations as the existing 33 kV Switching cum 33/11 kV Substations are either fully utilised or are at verge of saturation to cater new load in future.

(c) The Petitioner also proposes to construct a new 33 kV Switching Station with Double Bus GIS Switchboard for effectively managing the load growth and have a well-organized connectivity to existing and proposed 33 / 11 kV Substations with ring distribution network in various sectors in Greater Noida (W). The switching station will not only manage the load growth in the area but will also enhance reliability with better switching control at 33 kV.

(d) The Petitioner shall utilise the land(s) already purchased in previous years for the construction of three proposed substations out of the four nos. planned in Greater Noida (W) area. However, the Petitioner will need to purchase one no. of additional land plot from GNIDA in Sector-4 for the construction of the proposed substation.

(e) Petitioner has projected the payback period as 4.55 years based on new consumer growth.





(f) The Petitioner has submitted an IRR of 18.58% for the scheme.

Scheme No. 2 (Cluster-2): Power evacuation plan from the upcoming 132/33 kV GIS Grid Substations in Sector Ecotech-8 and Ecotech-10, Greater Noida

- (a) In Scheme-2, three nos. of 33/11 kV Substation cum Switching Station and one no. of 33 kV Switching Station is proposed in Greater Noida as follows:
- 33 kV Switching Station cum 33/11 kV Substation with 33 kV Double Bus GIS Switchboard at Sector Ecotech-8, Greater Noida (1x12.5 MVA) (FY 2023-24)
 - 33 kV Switching Station cum 33/11 kV Substation with 33 kV Double Bus GIS Switchboard at Sector Ecotech-10, Greater Noida (1x12.5 MVA) (FY 2023-24)
 - 33 kV Switching Station cum 33/11 kV Substation with 33 kV Double Bus GIS Switchboard at Sector Techzone-2, Greater Noida (1x12.5 MVA) (FY 2024-25)
 - 33 kV Switching Station with 33 kV Double Bus GIS Switchboard at Sector Omicron-1A, Greater Noida (W) (FY 2024-25).
- (b) The load growth is increasing and is expected to exponentially grow in the new developing industrial and institutional sectors along the Eastern Peripheral Expressway and in Kasna area of Greater Noida, as lot of heavy/medium/small scale industries are setting up their manufacturing units. Moreover, various residential and commercial projects, industries etc. are demanding connections at 33 kV and 11 kV voltage level. Therefore, to cater the upcoming load growth and optimizing the current loading of 220 kV RC Green Substation, UPPTCL is already constructing two nos. of new 132/33 kV GIS Grid Substations in Ecotech-8 and Ecotech-10, Greater Noida. Hence, to evacuate the power from these 132 kV Grid Substations through new 33 kV feeders, the Petitioner has proposed to construct new three nos. of 33/11 kV Substations cum Switching Stations in fast developing industrial sectors in vicinity of the upcoming 132 kV Grid Substations to effectively manage the future load growth of industries, commercial & residential projects and nearby rural areas. This new Substations shall also relieve the existing Switching cum Substations in vicinity.
- (c) Two nos. of new 132/33 kV GIS Substations in the Sector Ecotech-8 and Ecotech-10 which will help in optimizing the current loading at 220 kV RC Green Substation and further to create the ring network between the existing 220 kV RC Green and upcoming 132 kV GIS Substations at Ecotech-8 & Ecotech-10, there is an earnest requirement to construct a 33 kV Switching Station, through which the existing/new 33/11 kV Substations and 33 kV consumers can be connected in a ring network, which are presently connected radially.
- (d) The Petitioner shall utilise the land(s) already purchased in previous years for the construction of two proposed substations/switching stations out of the four nos. planned in the Kasna Industrial area. However, the Petitioner will need to purchase two nos. of additional land plot from GNIDA in the developing industrial sectors and clusters of the Kasna area for the construction of the remaining two nos. proposed substations.
- (e) Petitioner has projected the payback period as 5.05 years based on new consumer growth.
- (f) The Petitioner has submitted an IRR of 17.93% for the scheme.

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7. Presently, the power demand of Greater Noida is catered through 33 kV feeders emanating from 132 kV Surajpur Substation (8 nos.), 220/132/33 kV RC Green Substation (22 nos.), 400/220/132/33 kV GIS Substation at Sector-148 Noida (5 nos.) and 400/132/33 kV GIS Substation at Sector-123 Noida (8 nos.) and are serving the restricted peak load demand of 565 MW in NPCL's licensee area, which is expected to increase considerably in next few years. Moreover, new 33 kV feeders proposed for evacuation of power from upcoming 220 kV & 132 kV GIS Substations shall also create a ring network and will optimize the loading at 220 kV RC Green Substation and 132 kV Surajpur Substation.
8. The Petitioner has proposed to lay new 33 kV 3Cx400 sq. mm underground XLPE cables from the proposed 220 kV & 132 kV GIS Substations to existing or upcoming new 33/11 kV Substations cum Switching Stations or 33/11 kV Switching Stations. The new 33 kV feeders which will be emanating from proposed Grid Substations shall benefit as follows:
- N-1 redundancy at 33 kV feeder level for 33/11 kV Substation with connectivity from two different receiving Grid Substations.
 - Optimize loading of power transformers at 220 kV RC Green & 132 kV Surajpur Grid Substations.
 - Length of 33 kV feeders shall be shortened which are mainly emanating from 220 kV RC Green Substation and are extending till Greater Noida area.
 - Optimize loading of existing 33 kV feeders which deteriorates the life of underground cables etc.
 - Improved voltage profile during peak loading/summer season due to shorten in feeder overloading and excessive feeder length.
9. The Petitioner also proposes to lay 11 kV 3Cx300 sq. mm XLPE cables for evacuation of new 11 kV feeders from the proposed 33/11 kV Substations in FY 2023-24 & FY 2024-25, for Greater Noida area. Along with the laying of 11 kV cables, the isolators with chair structures shall also be erected for proper termination and isolation of 11 kV cables or underground circuits. The laying of 11 kV 3Cx300 sq. mm XLPE cable is important to evacuate the power through new 11 kV feeders and further cater the load demand of existing and potential consumers of Greater Noida. The new 11 kV feeders which will be emanating from proposed 33/11 kV Substations shall benefit as follows:
- Distribute power to existing and potential new consumers.
 - Relieve and optimize loading of existing 11 kV feeders in adjoining sectors/area where new 33/11 kV Substations are proposed.
 - Reduce circuit length of existing lengthy 11 kV circuits.
 - Reduce number of interruptions and affected consumers in the event of an outage/ breakdowns.
 - Ring Distribution Network.
 - Better quality and reliability of power with stronger customer satisfaction; and
 - Enhanced life of electrical assets due to optimum loading of equipment/cables.

Hearing dated 14.03.2023





10. During the hearing, Sh. Sarnath Ganguly appeared on behalf of the Petitioner submitted that two nos. 220/132/33 kV GIS Grid Substations in Greater Noida (West) and two nos. 132/33 kV GIS Grid Substations near Kasna region are coming in Greater Noida. These substations are located in two different areas far from each other. Petitioner's licensee area is sub divided into three areas i.e. West, Central and East. Greater Noida (West) where all multistorey buildings and industrial developments, data centres and ancillary IT & electronics centers are coming up. So, after detailed discussion with UP Government, Greater Noida Authority and UPPTCL, it was decided that four grid substations need to be constructed along with one 400 kV grid substation at present, so that these two areas get proper supply based on future load growth.
11. In regard to the Commission's query whether any investment related to data center is included in the petition, Sh. Sarnath Ganguly submitted that the instant petition does not include any Capex for the data centres load. Further, as per the Commission's earlier direction, Petitioner had conducted an independent study in year 2016 through M/s Feedback Infra about the load projections. Based on that load projection, it is found that in the year 2022-23 actual load is matching with that load projections. Further, all the infrastructure proposed/planned is only for 33 and 11 kV level. The data center will be directly connected to 220 kV grid substations and will be fed from two separate sources through two 220 kV transmission lines to ensure redundancy.
12. Sh. Sarnath Ganguly further submitted that it has proposed to construct new six nos. of 33/11 kV Substations cum Switching Stations and two nos. of 33 kV Switching Stations along with laying of 33 kV & 11 kV cable laying in fast developing residential and industrial sectors to effectively manage the future load growth of industries, commercial & residential projects and nearby rural areas. These new Substations shall also relieve the existing Switching cum Substations in vicinity. 33 kV Switching Stations, through which the existing/new 33/11 kV Substations and 33 kV consumers can be connected in a ring network, which are presently connected radially. The schemes are prepared on the basis of technical reasons and the network design philosophy as per the CEA Regulations 2022.
13. In reply to Commission query regarding phasing of load, Sh. Sarnath Ganguly submitted that after the approval of the Commission, Petitioner will start the process and in the 1st year (FY 2023-24), loading will come only after nine months therefore, 5% loading is considered for FY 2023-24, which is gradually increased in the subsequent years.
14. In regard to capital cost, Sh. Sarnath Ganguly submitted that the cost estimation is based on the previous price offered and received from the approved OEM's/manufactures for the major equipment like 12.5 MVA Power Transformer, 33 kV GIS & AIS panel, 11 kV AIS panel, battery bank and FCBC charger, 33 kV & 11 kV cables etc. The price will be discovered through a competitive bidding process among the approved OEM's/manufacturers. The complete project will be funded through 70:30 debt equity ratio.
15. Sh. Divyanshu Bhatt, Counsel appeared on behalf of Sh. Rama Shankar Awasthi prayed to the Commission to implead him as a Respondent in the instant petition and direct the Petitioner to serve him a copy of the petition for filing a reply on the same by the Applicant. He submitted that he is filling an impleadment application dated 14.03.2023 which states that the Applicant is a consumer of the electricity in the state of Uttar Pradesh and is acting in his capacity of a

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consumer representative, who has been diligently and relentlessly pursuing the cause of representing and safeguarding the interests of the consumers during the exercise of tariff determination. Such inputs and opinions are of extreme relevance and importance as it is the consumers who have to bear the burden of any escalation/ increase in tariff. The interest of the consumers' needs to be accounted for during any exercise of tariff determination as mandated in terms of Section 61(d) of the Act. Further, the Applicant by a Civil Appeal bearing Diary No. 34124 of 2022 which has been tagged along with the Civil Appeal bearing Diary No. 39737 of 2022 has raised the question of validity of license of NPCL, as a distribution licensee for the future period. The Hon'ble Supreme Court has issued notice in the aforementioned case and the matter is next listed for hearing on 21.03.2023.

Commission's view

16. The instant petition filed by the Petitioner was scrutinized by the Commission wherein various data gaps were observed which were sent vide letter dated 28.02.2023 to the Petitioner. The response on the same was filed by the Petitioner vide submission dated 10.03.2023 before the Commission. Subsequently the Commission heard the matter on 14.03.2023 during which an impleadment application of Sh. Rama Shankar Awasthi came up before the Commission. The Commission before deciding upon the petition would like to take up the impleadment application and decide whether impleadment of Sh. Rama Shankar Awasthi as party Respondent is necessary and proper in subsequent paras.
17. The Commission heard the counsel appearing for Sh. Rama Shankar Awasthi and considered his impleadment application however, he was not able to satisfy or demonstrate before the Commission that he is necessary party to the proceedings as his interests are not directly affected by the outcome of the case nor is he aggrieved in any express manner. It is settled law that a party is not rendered as a necessary or a proper party merely because it has some relevant evidence to advance or some arguments to make, the test for determination thereof is that such a party must be directly and legally interested in the outcome of the proceedings i.e. such an outcome would directly affect such a party legally. In this regard, reliance is placed on the Judgment of the Supreme Court in Ramesh Hirachand Kundanmal V. Municipal Corporation of Greater Bombay and Ors. reported as (1992) 2 SCC 524. The relevant extract of the judgement is reproduced below:

*“--It cannot be said that the main object of the rule is to prevent multiplicity of actions though it may incidentally have that effect. But that appears to be a desirable consequence of the rule rather than its main objectives. The person to be joined must be one whose presence is necessary as a party. What makes a person a necessary party is not merely that he has relevant evidence to give on some of the questions involved; that would only make him a necessary witness. It is not merely that he has an interest in the correct solution of some questions involved and has thought or relevant arguments to advance. **The only reason which makes it necessary to make a person a party to an action is that he should be bound by the result of the action and the question to be settled, therefore, must be a question in the action which cannot be effectually and completely settled unless he is a party.** The line has been drawn on wider construction of the rule between the direct interest or the legal interest and commercial interest. It is, therefore, necessary that the person must be directly or legally interested in the action in the answer, i.e., he can say that*





the litigation may lead to a result which will affect him legally that is by curtailing his legal rights. It is difficult to say that the rule contemplates joining as a defendant a person whose only object is to prosecute his own cause of action. Similar provision was considered in Amon v. Raphael Tuck & Sons Ltd., (1956) 1 All E.R. 273, wherein after quoting the observations of Wynn-Parry, J. in Dollfus Mieg et Compagnie S.A v. Bank of England, (1950) 2 All E.R. 611, that the true test lies not so much in an analysis of what are the constituents of the applicants' rights, but rather in what would be the result on the subject-matter of the action if those rights could be established, Devlin, J. has stated:- "The test is 'May the order for which the plaintiff is asking directly affect the intervener in the enjoyment of his legal rights.'"

In view of above, an impleadment application cannot be allowed merely on the grounds that someone has some legal contentions to advance or has suggestion to give on any of the questions involved. Hence, the Commission is of the view that the impleadment application filed by Sh. Rama Shanker Awasthi does not stand good considering he has not been able to demonstrate himself as necessary or proper part to the proceedings.

18. Further, it is also pertinent to mention that the approval of capex in the present petition is in the nature of in principle approval of the schemes so that the growth and evolution of power sector may take place in an unhindered manner in the area of licensee i.e., NPCL. The values approved in the present petition will reach their finality subsequent to actual tendering process, which will obviously happen on competitive bidding route, and its actual implementation and thereafter, the prudence check of the Commission at the stage of true-up. In nutshell, the present stage may be viewed as a genuine pre-estimate of the expenditure, which happens at the level of the Commission and accordingly, the consumer, aspiring to be impleaded, has a proper opportunity of presenting his case, when the Commission determines the tariff of NPCL on the basis of realistic values of capex. The Commission, under its MYT Regulations 2019 as amended from time to time, is mandated to conduct a public hearing in the process of tariff determination, wherein the consumer will have a direct and unbounded opportunity to express its views on all the matters governing the tariff. If the present impleadment application of the consumer is acceded to then it will create multiple layers of public participation thereby making the entire process extremely cumbersome and often repetitive in nature, which has not been either expressly or impliedly conceived under the contours of the Electricity Act 2003. Furthermore, there is no bearing on the instant matter of the Civil Appeal filed regarding question of validity of license of NPCL as these two are completely disparate matter governed under different proceedings and hence being party in the matter of license does not lend any justification for him for being impleaded in the present matter. Hence, the impleadment application filed by Sh. Rama Shanker Awasthi is not allowed considering he being neither necessary nor proper party. Accordingly, the Commission dismisses the impleadment application *in limine*.
19. As the Commission has dealt with the issue of impleadment application in above paras, the views of the Commission in the instant petition are deliberated in subsequent paras.
20. At the outset, it is pertinent to mention that the Commission has observed that the capital expenditure proposed by the Petitioner in the instant petition is in line with the Petitioner's Business Plan Order dated 26.11.2020, Mid-Term Review of Business Plan Order dated 22.11.2022 and Tariff Order for FY 2023-24 dated 24.05.2023. The Petitioner in its Business

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Plan petition for the Control Period for FY 2020-21 to FY 2024-25 (Petition No. 1526/2019) had projected the capex of Rs. 263.41 Crore for FY 2023-24 and Rs. 274.97 Crore for FY 2024-25 which was retained in Mid-Term Review Order dated 22.12.2022. Further, the Commission has considered the capital expenditure of Rs. 87.33 Crore for FY 2023-24 in Tariff Order dated 24.05.2023 on account of power evacuation from new / upcoming 220 kV & 132 kV Substations being constructed at Greater Noida during FY 2023-24.

21. A study was got conducted in the year 2016 by the Petitioner through independent third-party i.e. M/s Feedback Infra to assess the load growth (peak demand) in next 10 years i.e. from FY 2017-18 to FY 2026-27 in its area of supply. As per the report submitted by M/s Feedback Infra, the peak load demand of 365 MW was projected in FY 2017-18, 629 MW in FY 2022-23 and the same is projected to be 845 MW in FY2026-27. The CAGR of projected values of these six years comes out to be 9.49% whereas, the CAGR of actual value of these six years is 9.52%. Therefore, the projected peak demand of FY 2017-18 to FY 2022-23 when compared with the actual peak demand of these years, it is observed that the actual peak demand is close to the peak demand projected under the study. Hence, it is envisaged that the peak demand of future years may grow accordingly, for which adequate infrastructure to provide stable and reliable supply needs to be in place to cater to the growing demand of power in the area.
22. Regarding Scheme No.1, NPCL has proposed to construct three nos. of 33/11 kV Substation cum Switching Station and one no. of 33 kV Switching Station to evacuate power from above said UPPTCL Substations. The energy demand of Greater Noida (West) is going to increase due to proposed Multi-National Electronics Manufacturing Units, large and small-scale industries, commercial & residential sectors, SEZ coming in Greater Noida Western region.
23. Regarding Scheme No. 2, NPCL has proposed to construct three nos. of 33/11 kV Substation cum Switching Station and one no. of 33 kV Switching Station to evacuate the power from above said UPPTCL S/Ss. This cluster is an institutional cum industrial sector, new industrial along with various new institutions are coming in the vicinity of Eastern Peripheral Expressway.
24. Regarding Scheme No.1 and 2, the construction of new three nos. of 33/11 kV Substation cum Switching Station and one no. of 33 kV Switching Station proposed in each scheme for evacuation of power from upcoming 220 kV and 132 kV GIS Substations will not only cater the increasing demand in the area, but also create a ring network, (N-1) redundancy and will optimize the loading of existing 220 kV RC Green Substation and 132 kV Surajpur Substation, which is currently one of the main inputs for Greater Noida. These both Schemes will not only manage the load growth in the area but will also enhance reliability and better load management with switching control at 33 kV. Further, the construction of 33/11 kV Substation cum Switching Station feeders will also reduce the line length, which further address the voltage profile. Further, the addition of proposed 33/11 kV Substation cum Switching Station will relieve and optimize loading of existing 11 kV feeders in adjoining sectors/area and also reduce the number of interruptions and affected consumers, which eventually increase the Standard of Performance (SOP) like SIAFI, SAIDI, MAIFI etc.
25. The Commission for calculating IRR has taken appropriate utilization factor as proposed by the Petitioner along with the load factor as 50% for first 10 years and 70% from 11th year onwards and 50% contingency factor. The Commission finds the IRR of the Scheme No.1 to be 15.45%





and Scheme No.2 to be 12.69%, which are more than 9.91%, i.e., the last approved rate of interest on loan/debt as per Tariff Order dated 24.05.2023 for FY 2023-24 and hence considers the same in order. Further, these investments will reduce the loading of the existing primary substations and also cater the load requirement of coming years. Accordingly, Scheme-1 of Rs. 60.91 Crore and Scheme- 2 of Rs. 68.81 Crore are approved.

26. It is observed that the Petitioner has prayed to approve R&M expenditure on the proposed Capex at the rate of 2.90% for FY 2023-24 and onwards along with escalation prescribed in MYT Regulations, 2019. The Commission is of the view that treatment of R&M expenses which is part of O&M expenses is detailed in Regulation 45.2 of MYT Regulations 2019. Accordingly, R&M expenses shall be allowed as per MYT Regulations 2019 only and no separate treatment is required at this stage.

27. The summary of scheme wise capital expenditure approved for FY 2023-24 & FY 2024-25 :-

Sl. No.	Scheme No.	Detail of Scheme	Type	Claimed		Approved	
				Amount (Rs. Crore)	IRR (%)	Amount (Rs. Crore)	IRR (%)
1	Scheme - 1	Power evacuation plan from the upcoming 220/132/33 kV GIS Grid Substations in Jalpura and KP-5, Greater Noida (W).	New works	60.9	18.58%	60.9	15.45%
2	Scheme - 2	Power evacuation plan from the upcoming 132/33 kV GIS Grid Substations in Sector Ecotech-8 and Ecotech-10, Greater Noida	New works	68.8	17.93%	68.8	12.69%
Total (Rs. Crore)				129.7		129.7	

28. The approval of the schemes is subject to the following conditions:

- The Scheme shall be executed within the stipulated timeframe as indicated. No time overrun or cost overrun shall be allowed.
- The various equipment and material or execution of the schemes shall be procured through a fair and transparent competitive bidding process.
- All works shall be carried out in compliance with the Act/ Regulations/ Rules/ Standards of Commission/CEA or any other competent authority as applicable.
- The Licensee shall submit six monthly progress report to the Commission indicating the financial and physical progress of the implementation of the schemes.
- The Licensee shall submit the completion report indicating the actual cost incurred in implementation of the schemes. The final cost and quantity will be subject to verification by way of prudence check/truing up at the time of final approval/ capitalization.

29. Accordingly, the Petition is disposed of.

(Vineet Kumar Srivastava)
Member (Law)



(Raj Pratap Singh)
Chairman

Place: Lucknow

Dated: 19 .06.2023

