



**THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION  
LUCKNOW**

**Petition Nos. 2152 of 2024, 2153 of 2024, 2155 of 2024, 2156 of 2024, 2157 of  
2024 and 2158 of 2024**

**QUORUM**

Hon'ble Shri Arvind Kumar, Chairman

Hon'ble Shri Sanjay Kumar Singh, Member

**IN THE MATTER OF**

Petition for determination of final true-up of FY 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24 for Anpara-A TPS.

**AND**

**IN THE MATTER OF**

Petition for determination of final true-up of FY 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24 for Parichha Extension Stage-II (2x250 MW) TPS.

**AND**

**IN THE MATTER OF**

Petition for determination of final true-up of FY 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24 for Obra 'B' (5x200 MW) TPS.

**AND**

**IN THE MATTER OF**

Petition for determination of final true-up of FY 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24 for Harduaganj Extension (2x250 MW) TPS.

**AND**

**IN THE MATTER OF**

Petition for determination of final true-up of FY 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24 for Parichha Extension (2x210 MW) TPS.

**AND**

**IN THE MATTER OF**

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Petition for determination of final true-up of FY 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24 for Anpara 'B' (2x500 MW) TPS.

**AND**

**IN THE MATTER OF**

**U.P. Rajya Vidyut Utpadan Nigam Limited (UPRVUNL)**

14th floor, Shakti Bhawan Extension, Ashok Marg, Lucknow – 226001

**...Petitioner**

**Versus**

**1. Uttar Pradesh Power Corporation Limited (UPPCL)**

14- Ashok Marg, Shakti Bhawan, Lucknow 226001

**2. Madhyanchal Vidyut Vitran Nigam Limited (MVVNL)**

4A Gokhale Marg, Lucknow

**3. Purvanchal Vidyut Vitran Nigam Limited (PuVVNL)**

DLW, Bhikaripur, Vidyut Nagar, Varanasi – 221004

**4. Paschimanchal Vidyut Vitran Nigam Limited (PVVNL)**

Urja Bhawan, Victoria Park, Meerut – 250001

**5. Dakshinanchal Vidyut Vitran Nigam Limited (DVVNL)**

Urja Bhawan, NH-2, Sikandara Road, Agra

**6. Kanpur Electricity Supply Co. Ltd. (KESCO)**

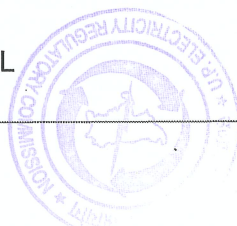
Kesha House Kanpur

**...Respondents**

**THE FOLLOWING WERE PRESENT**

1. Shri Hari Shyam, C.E. (Commercial), UPRVUNL
2. Shri Abhishek Srivastava, EE(Commercial), UPRVUNL
3. Shri Raj Kumar Verma, AE(Commercial), UPRVUNL
4. Shri Shailendra Tewari, Consultant, UPRVUNL
5. Shri Divyanshu Bhatt, Advocate, UPRVUNL
6. Shri Abhayaditya Singh, Advocate, UPRVUNL
7. Shri Jagnayak Singh, SE-PPA, UPPCL
8. Shri Gajendra Singh, EE-PPA, UPPCL
9. Shri Vijay Pratap Tiwari, EE-PPA, UPPCL

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10. Shri Dharm Ratna, AE-PPA, UPPCL
  11. Ms. Puja Priyadarshini, Advocate, UPPCL
  12. Shri Rishabh Bhardwaj, Advocate, UPPCL
  13. Shri Deepanshu Chandak, Advocate, UPPCL
  14. Shri Anirudh Narsaria, Consultant, UPPCL

**ORDER**

**(DATE OF HEARING: 21.05.2026)**

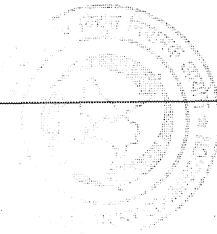
1. During the hearing, Ms. Puja Priyadarshini, counsel for UPPCL, submitted that, in terms of the directions issued by the Commission in the MYT Order dated 16.06.2023 and the Order dated 20.09.2024 passed in Petition No. 2088/2024, the Petitioner has failed to submit the Detailed Project Report (DPR), detailed justification, residual life assessment along with cost benefit analysis and prior approval of the Commission for expenditure claimed under Additional Capitalization (Ad-cap). Ms. Puja Priyadarshini further advanced following arguments:

**With regard to Anpara A (Petition No. 2152/2024)**

- i. Since auxiliaries in steam power plant are essential for continuous, safe and efficient operation of main boiler and turbine. So, any expenditure on these components would be related to repair, replacement and upkeep of these equipments. Hence, the Add-cap claim of Rs. 0.88 crore towards auxiliaries in steam power plant is in the nature of Operation and Maintenance (O&M) expenditure and, therefore, may result in double accounting of the same.
- ii. Against the claim of Rs. 5.35 crore towards the minor assets, documentary evidence is provided only for Rs. 56.32 lacs, and that too related to Anpara B and instead of Anpara A.
- iii. The expenses claimed towards Transformer/ Plant and Machinery are related to old/used assets, which cannot be made admissible as fresh investment and only the residual value thereof, if any, may be considered admissible.

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- iv. The expenditure relating to the Continuous Ambient Air Quality Monitoring System (CAAQMS) has been booked under the O&M expenses of Anpara B, therefore, should be rejected in Anpara A.
- v. The Add-cap towards raising of the Ash-Dyke is a pass-through item under the Tariff Regulations, 2019, subject to prudence check. The Petitioner has failed to provide any justification for cost escalation from the originally approved amount of Rs. 48.38 crore to Rs. 54.56 crore.
- vi. As per the documents submitted by the Petitioner, the expenditure claimed towards Pentograph Isolaters / Switchgear appears to be for Anapra B project. Further, the Petitioner has termed this expenditure as 'critical spares' (appears to be 'capital spares' as the term 'critical spares' is not defined in the Regulations) which are part of O&M expenses in accordance with the Regulations 24(iv)(h). Hence, the claim should be disallowed.
- vii. The expenditure towards pucca roads and pipelines is in the nature of repair and maintenance of old and depleted roads and water pipelines and therefore should be treated as O&M expenses.

**With regard to Anpara B (Petition No. 2158/2024)**

- i. Against the claim of Rs. 2.11 crore towards Ad-cap for minor assets, no documentary evidence has been submitted by the Petitioner. Further, the documents submitted relate to other projects.
- ii. An expenditure of Rs. 169.54 crore has been claimed towards Renovation and Modernization (R&M) though the R&M scheme was approved in 2009. UPRVUNL has not provided explanation on how a scheme approved a decade earlier continued to be implemented. Further, no documentary evidence such as DPR approved under R&M scheme and details regarding utilization and capitalization of approved cost have been furnished.
- iii. The Add-cap towards raising of Ash-Dyke is pass-through under Tariff Regulations, 2019, subject to prudence check. However, no justification has been provided for the escalation of cost from Rs. 48.38 crore to Rs. 54.56 crore.

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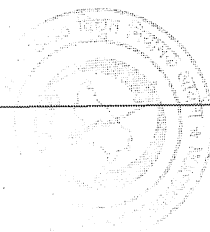
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- iv. The expenditure of Rs. 6.88 crore towards pucca roads and pipelines is in the nature of repair and maintenance and should therefore be accounted for under O&M expenses. Moreover, since R&M has already been allowed for Anpara B, the same expenditure cannot be claimed again under Add-cap as per the Regulations. She also contended that these are common facilities shared across all Anpara projects and, therefore, the Petitioner should furnish a clear bifurcation of costs attributable to each project.

**With regard to Parichha Extension Stage-II (Petition No. 2153/2024)**

- i. Regarding the expenditure towards rewinding, purchase and installation of the generator stator, it was submitted that the stator is an integral component of the generator and forms part of the original capital asset of the generating station. Any repair or replacement thereof does not create a new asset or addition to the capital base. The expenditure should be met from normative O&M expenses and allowing the same under Add-cap would result in double recovery.
- ii. Regarding claim of Rs. 4.59 crore for extension of cement concrete lining of the main river/channel, it was submitted that the Petitioner appears to have erroneously clubbed the expenditure of two separate projects namely Rs. 3.12 crore relating to the Phase I Expansion Project (2x210 MW) and Rs. 1.45 crore relating to the Phase II Expansion Project (2x250 MW). The Petitioner has admitted that the said work is meant to ensure operational reliability and falls under O&M expenses. Therefore, allowing the same under Add-cap would result in double recovery.
- iii. Regarding claim of Add-cap towards raising the Ash-Dyke, it was submitted that the Ash-Dyke is a common facility for all projects in Anpara complex including MEIL Lanco Anpara C and the Petitioner has not disclosed the ratio in which the costs have been apportioned among the projects. Additionally, there is a discrepancy between the claimed amount (Rs. 2.83 crore) and the supporting tax invoice (Rs. 2.45 crore), with no sufficient documentary evidence of the actual payment.



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- iv. Regarding expenditure related to Boiler Plant & Equipment, it was submitted that the office approval placed on record describes the expenses as plant maintenance proposal and to be booked under O&M expenses. Additionally, no proof of payment has been provided therefore, the claim remains unverified and should be disallowed.

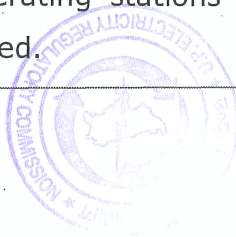
**With regard to Parichha Extension (Petition No. 2157/2024)**

- i. Against the claim of Rs. 35.76 crore as Add-cap for the turbine generator steam power generation, it was submitted that the Commission, vide its Order dated 26.10.2017, had already directed UPPCL to release Rs. 34 crore for procurement of the IP Module and related spares, with a specific direction that such payment could be adjusted from the outstanding dues and that capitalization of said spare would not be permitted.
- ii. With regard to the expenditure of Rs. 0.01 crore towards auxiliaries in the steam power plant, the documents provided by the Petitioner pertain to procurement of ordinary electric ceiling / wall fans. Further, these expenditures are booked under the head of O&M expenses in Bills of supplier. Hence, it would result in double recovery.
- iii. Against the claim of Rs. 3.40 crore towards Ad-cap for minor assets, documentary evidence has been furnished only to the extent of Rs. 19.65 lakh.

**With regard to Harduaganj Extension (Petition No. 2156/2024)**

- i. Against the claim of Rs. 3.83 crore towards Add-cap for minor assets, no documentary evidence has been submitted by the Petitioner and the Commission in its previous true up orders had disallowed this nature of expenses.
- ii. With regard to the claim of Rs. 11.4 crore related to compliance with new environmental norms and Boiler Plant & Equipment's, the Petitioner has not provided the completion certificate, commissioning report and execution details. Further, as per the scope of work provided, the work pertains to a composite package covering four generating stations and no plant-wise segregation of expenditure has been provided.

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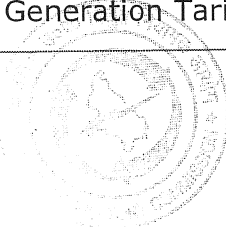
- iii. With regard to the payment of the 64th FRAB of M/s Apco Infratech, it was submitted that no documentary evidence of actual payment had been furnished and that the amount claimed appears to be slightly inflated.
- iv. Regarding the expenditure of Rs. 0.13 crore related to electrification of railway line, it was submitted that Petitioner's reliance upon the letter dated 05.03.2009 pertains to the original scope of the project and forms part of the original project cost.
- v. With regard to the claim of Rs. 5.28 crore towards settlement of pending EPC invoices of BHEL, it was submitted that BHEL's claims relating to GT failure were required to be adjusted against liquidated damages (LDs) recoverable on account of delay. However, the Petitioner has failed to furnish any details regarding the adjustment mechanism, including the quantum of LDs otherwise recoverable and the amount actually adjusted.
- vi. With regard to the claim of Rs. 0.23 crore for procuring a Hydra (Crane), it was submitted that the documents on record indicate that it was originally procured through a work order dated 12.01.2012 and formed part of the project's initial capital cost. The asset was later refurbished and transferred to Harduaganj station. Thus, the expenditure is in the nature of repair and maintenance and should be met through O&M expenses.
- vii. Regarding the expenditure of Rs. 0.139 crore related to firefighting equipment, it was submitted that the contract for erection of the said equipment was awarded in 2008 and formed part of the original capital cost of the project.

**With regard to Obra B (Petition No. 2155/2024)**

Ms. Puja Priyadarshini, counsel for UPPCL, sought the time to advance arguments in the matter concerning Obra B.

2. In response to the objections raised by counsel of the Respondent regarding UPRVUNL's claims for minor assets in the present petitions, Shri Divyanshu Bhatt, counsel for UPRVUNL, referred to the definition of O&M expenditure defined under Regulation 3(38) of the UPERC Generation Tariff Regulations, 2019, and submitted

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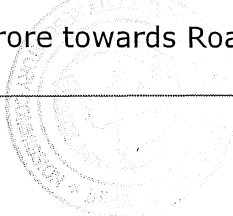


that the kind of expenditure incurred and claimed by UPRVUNL doesn't falls within the scope of O&M expenditure as defined therein. He also relied upon the Chartered Accountant's Certificate submitted on record. Shri Bhatt further sought six weeks' time to file a response to the objections raised by UPPCL during the hearing.

3. The Commission accepts the request of the Petitioner and allows six weeks to file their response through an additional affidavit. Further, the Commission directs the Petitioner to submit detailed replies, duly supported with documentary evidence, on the following issues:

- I. Justification for increase in expenditure for raising of the Ash-Dyke in case of **Anpara A** and **Anpara B** vis-à-vis the amount originally approved by the Commission, along with supporting documents. Since the Ash-Dyke is a common facility (including for MEIL Lanco Anpara C), provide project-wise allocation of the said expenditure.
- II. To provide details of R&M scheme approved in 2009 for **Anpara B**, including the DPR approved, sanctioned cost, utilization details, and the corresponding expenditure claimed in the present petition.
- III. Details regarding the adjustment of Liquidated Damages (LD) against the invoices raised by BHEL, including the quantum of LD recoverable and the mechanism of such adjustment in case of **Harduaganj Extension** (2x250MW).
- IV. Justification for claiming following expenditures, which appears to be of an O&M nature, under Additional Capitalization (Add-cap), in light of the applicable provisions of the UPERC Generation Tariff Regulations, 2019:
  - a) **Anpara A:**
    - i) Rs. 0.88 crore towards auxiliaries in steam power plant,
    - ii) Rs. 1.05 crore towards Pentograph Isolaters,
    - iii) Rs. 8.31 crore towards Roads and Pipelines

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b) **Anpara B:**

- i) Rs. 6.88 crore towards Roads and Pipelines

c) **Parichha Extension Stage-II:**

- i) Rs. 11.61 crore towards installation of the generator stator,  
ii) Rs. 4.59 crore towards extension of cement concrete lining of the main river/channel,  
iii) Rs. 0.1 crore Boiler Plant & Equipment

d) **Parichha Extension:**

- i) Rs. 0.01 crore towards auxiliaries in the steam power plant

e) **Harduaganj Extension:**

- i) Rs. 0.23 crore towards procurement a Hydra (Crane)

V. Explanation for clubbing of following expenditures pertaining to multiple generating stations without providing a project-wise bifurcation, as detailed below:

**a) Anpara B:** To clarify whether the claimed expenditure of Rs. 6.88 crore towards Roads and Pipelines pertains exclusively to Anpara B or to all Anpara projects. If the later, the Petitioner shall provide project-wise allocation of expenditure.

**b) Parichha Extension Stage - II:** To clarify whether the claimed expenditure of Rs. 4.59 crore for extension of cement concrete lining of the main river/channel pertains solely to Parichha Extension Stage - II. If not, a project-wise allocation of the expenditure shall be furnished.

**c) Harduaganj Extension:** To clarify whether the claimed expenditure of Rs. 11.4 crore related to compliance with new environmental norms and Boiler Plant & Equipment's pertains exclusively to the Harduaganj Extension project. In the event that expenditure relates to multiple

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projects, the Petitioner shall furnish a project-wise allocation thereof, along with the completion certificate and all other relevant supporting documents.

- VI. To clarify the claim pertaining to minor assets, particularly in view of the Commission's earlier decisions wherein such claims were not allowed, along with justification for their admissibility in the present petitions.
- VII. Provide clear and legible copy of Tax Invoice dated 19.02.2021 issued by Panki to **Anpara A** for transfer of Transformer provided under rejoinder dated 11.12.2025 in Petition No. 2152 of 2024.

List the matter for next hearing on 04.08.2026.

  
(Sanjay Kumar Singh)  
Member

  
(Arvind Kumar)  
Chairman

Place: Lucknow

Dated: 22.06.2026

