



Office of Chief Engineer
Power Purchase Agreement Directorate,
14th Floor, Shakti Bhawan Extn.,
14-Ashok Marg, Lucknow -226 001
TeleFax:0522-2218812,
Email:ceppa2009@gmail.com

No. 1191- /CE/PPA/UNL

Date 16 /12/2017

Secretary
U.P. Electricity Regulatory Commission.
2nd Floor, Kisan Mandi Bhawan
Vibhuti Khand, Gomti Nagar.
Lucknow.

Sub :-Reply against rejoinder submitted filed by UPRVUNL in petition No. 1200/2017.

Dear Sir,

Kindly find enclosed herewith Reply (01 original+05 Photo copies) against Rejoinder filed by UPRVUNL in petition No. 1200/2017 for determination of final tariff and approval of capital cost for Anpara 'D' TPP, for kind consideration of Hon'ble Commission.

Encls: As above.

Your's faithfully

(V.P. Srivastava)
Chief Engineer (PPA)

Copy to following for kind information and necessary action :

1. PS to Managing Director, UPRVUNL, 7th floor, Shakti Bhawan, Lucknow.
2. Chief Engineer (Commercial), UPRVUNL, 14th floor, Shakti Bhawan Extn., Lucknow.

Petition No. 1200/2017

Petitioner UPRVUNL

Respondent UPPCL

Generating Station Anpara D

Nature of Petition Capital Cost and Determination of Tariff for
FY 2016-17 to 2018-19

Index

S. No.	Particulars	Page No.
1	Index Page	1
2	Form 1	2
3.	Form II (Affidavit)	3-4
4.	Reply and Prayer	5-15

Submission by:

M/s UPPCL Limited

Form 1

(see Regulation 30)

BEFORE THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION,

LUCKOW

Petition No. 1200/2017

IN THE MATTER OF:

Petition under Section 62 and Section 86(1)(a) of the Electricity Act ,2003 for determination of final tariff and approval of capital cost for Anpara D Thermal Power Plant comprising of Uni1 and Unit 2 for 500 MW each.

Between:

M/s UPRVUNL

Shakti Bhawan ,

14,Ashok Marg , Lucknow (UP)

....Petitioner

Vs

Uttar Pradesh Power Corporation Ltd. (UPPCL)

Shakti Bhawan, 14-Ashok Marg,

Lucknow – 226 001 & Others.....Respondent



उत्तर प्रदेश-UTTAR PRADESH

29AD 599670

Form 2

(see Regulation 31)

BEFORE THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION,
Lucknow

Receipt Register

No.:.....

Petition No. 1200/2017

IN THE MATTER OF:

Petition under Section 62 and Section 86(1)(a) of the Electricity Act, 2003 for determination of final tariff and approval of capital cost for Anpara D Thermal Power Plant comprising of Uni1 and Unit 2 for

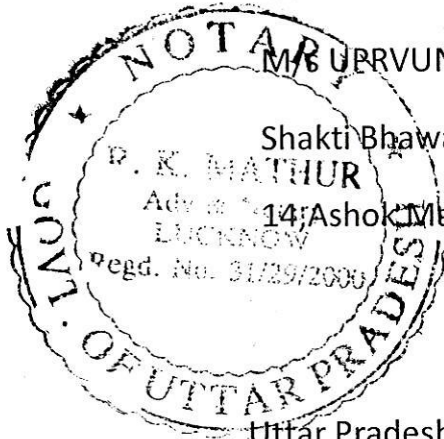
Sworn & Verified 1500 MW each.

Notary
R. K. MATHEE
Adv. & Notary
Lucknow, P. O. J. A.
Regd. No. 51 (28) 2009

[Signature]

AND IN THE MATTER OF:

Between:



M/6 UPRVUNL

Shakti Bhawan ,
14 Ashok Marg , Lucknow (UP)

.....Petitioner

Vs

Uttar Pradesh Power Corporation Ltd. (UPPCL)

Shakti Bhawan, 14-Ashok Marg,

Lucknow – 226 001 & others

.....Respondent

AFFIDAVIT

I, VinayPrakashSrivastava, aged about 56 years, son of Late C P Srivastava, is working as Chief Engineer in PPA Directorate, UPPCL, Lucknow, having its registered office at Shakti Bhawan, 14-Ashok Marg, Lucknow 226001, do hereby solemnly affirm and declare as under that :-

1. That the deponent is working as Chief Engineer with U.P. Power Corporation Ltd., the Respondent in the above matter and is duly authorized by the said Respondent to make this affidavit.
2. The deponent is filing this Reply , which is true to my knowledge and belief.

Sworn & Verified
before me Dated:-

P. K. MATHUR
Adv. & NOTARY
Lucknow U.P. INDIA
Regd. No. 31 (29) 2000

Deponent

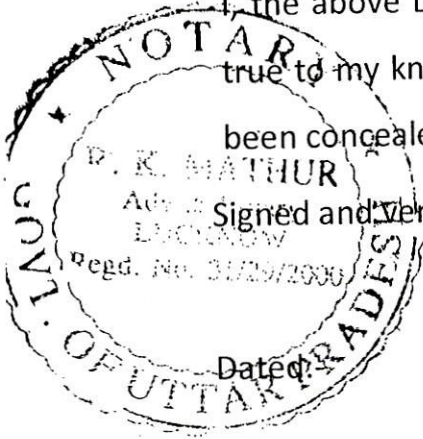
VERIFICATION

I, the above Deponent to hereby verify that the contents of this affidavit are true to my knowledge and belief, no part of its false and nothing material has been concealed.

Signed and Verified this the _____ day of _____ 2017



Deponent



Sworn & Verified
before me
P. K. Mathur
16/12/17
Adv. & Notary
Lucknow U.P. INDIA
Regd. No. 31 (29) 2000

BEFORE THE Uttar Pradesh ELECTRICITY REGULATORY COMMISSION,

Lucknow, UP

Petition No. 1200/2017

IN THE MATTER OF:

Petition under Section 62 and Section 86(1)(a) of the Electricity Act ,2003 for determination of final tariff and approval of capital cost for Anpara D Thermal Power Plant comprising of Uni1 and Unit 2 for 500 MW each.

AND IN THE MATTER OF:

Between:

M/s UPRVUNL

Shakti Bhawan, 14 Ashok Marg,

Lucknow.

..... Petitioner

Vs

Uttar Pradesh Power Corporation Ltd. (UPPCL)

Shakti Bhawan, 14-Ashok Marg,

Lucknow – 226 001.

.....Respondent

This is with reference to :-

- i. The Rejoinder submitted vide affidavit dated November 22nd 2017



We submit herewith :-

1. Computation of IDC (Para 2 and 3 of the Rejoinder by M/s UPRVUNL)

This paras in response to Para B.1 of M/s UPPCL's submission vide affidavit dated 04.08.2017.

M/s UPRVUNL has acceded to observation of M/s UPPCL regarding computation of IDC and revised IDC from Rs. 2153.15 crores to Rs.2349.48 crores . Consequently

- i. Estimated Project cost shall reduce from Rs. 7799 crores to Rs.7795.11 crores. (a reduction of Rs.3.89 crores) .
- ii. Additional capital expenditure from COD to 31.3.2017 shall reduce from Rs. 213.76 crores by Rs.196.33 crores(as IDC was wrongly considered as part of additional capital expenditure) .

It is humbly submitted that Ld. Commission may direct Petitioner to make changes in Tariff Formats and submit the same.

2. Liquidated Damages Levied on BHEL (Para 5 of the Rejoinder)

M/s UPRVUNL has stated that it has imposed liquidated damages of Rs.152 crores on BHEL and the matter is subjudice.



From the submissions made it is not apparent whether amount of Rs. 152 crores shall be deductible from unpaid liability payable to BHEL or would be refunded by BHEL. If the amount is not paid to BHEL, it is submitted that the amount may be considered as undischarged liability and may be deducted from capital cost to determine 'actual expenditure incurred' under Reg.19(1).

3. Foreign Exchange Variation Claim by BHEL (Para 6 of the Rejoinder)

M/s UPRVUNL has stated that BHEL has raised a claim on account of Foreign Exchange Rate Variation of Rs.31.50 crores.M/s UPRVUNL has sought legal opinion on same.

It is submitted that legal opinion has not been submitted as to whether FERV claim is payable. We request Ld. Commission that claim may be allowed only when it is paid .Further, it may evaluated as part of prudence check of the Commission.

4. Time and Cost Overrun (Para 7 of the Rejoinder)

The reply by the Petitioner is in response to Para B.4 and B.6 of the Counter submitted by M/s UPPCL. Petitioner has submitted that increase of Rs.1952.09 crores is on account of two major components viz.

- i. Increase in Hard Cost Rs.609.24 crores.



- ii. Increase in IDC Rs.1342.85 crores.

M/s UPPCL reiterates its earlier request that 'reasons for delay may be examined in detail by the Hon'ble Commission as part of prudence check. We further request Hon'ble Commission that M/s UPPCL may be given an opportunity to offer comments in respect of prudence check conducted by the Commission.'

M/s UPPCL would like to point out to the notice of Ld. Commission that expenditure on CSR (Corporate social Responsibility) of Rs.21 crores cannot be forming part of capital cost.Ld. Commission has in its order dated 22.8.2017 in M/s RPSCL had disallowed expenditure on CSR activity (para 3.2.25,page 59 of the order).

As regards reasons for time overrun submitted by the Petitioner, M/s UPPCL reiterates its earlier request that Petitioner may be directed to classify reasons for delay as controllable/uncontrollable and claim IDC /IEDC only for uncontrollable factors as stipulated under Regulation 20.

5. Computation of IDC (Para 8 of the Rejoinder)

This para is in response to Para B.3 of M/s UPPCL's submission vide affidavit dated 04.08.2017.



Petitioner has confirmed that computation of IDC for Unit 1 and Unit II is till COD i.e 8th May 2016 and 18th October 2016.

No further comments by M/s UPPCL.

6. Financing Plan (Debt and Equity)(Para 9 of the Rejoinder)

This pariahs in response to Para C of the Counter submitted by M/s UPPCL.

M/s UPPCL has in its counter submitted that :-

“The petitioner has availed of loan from REC for Anpara D project. Details of loan from REC are summarized as under :-

Date	Particulars.	Rs. Crores
27.6.2008	Loan Agreement	3693.00
4.3.2014	Supplementary loan agreement	397.11
26.12.2014	Supplementary loan agreement	829.07
	Sub Total	4919.18
30.3.2017	Loan Agreement	540.12
	Total Loan	5459.30

The Petitioner has considered Debt : Equity ratio of 70:30 on normative basis. The total capital cost as on project COD date is Rs.6875.52 crores.Placed below is comparative statement of actual financing plan vis a vis normative financing plan (as proposed by petitioner).



Particulars	As Per Actuals	As per Normative Basis	Variation
	Rs. Crores	Rs. Crores	Rs. Crores
Capital Cost as on Project COD (18.10.2016) RsCrores	6872.52	6872.52	
Debt Drawdown till Project COD date	4919.18	4810.764	-108.416
Equity(residual)	1953.34	2061.756	108.416

As per Actuals , Debt amount is higher by Rs.108.41 Crores. As per Proviso (i) of reg. 24(1) 'In case of a generating station where actual equity employed is less than 30%, the actual debt and equity shall be considered for determination of tariff.'

We request Hon'ble Commission that since the actual debt employed is higher than 70% , actual debt deployed amount needs to be considered and only the residual amount needs to be considered as Equity."

Petitioner has in its rejoinder stated that 'compression of actual drawn with the total capitalization as on the date of COD of the project is not justified and the loan and equity drawal should be seen in respect to the total capital expenditure till date and not in respect to the total capitalization, as some of the activities would be under process on which some portion of capital expenditure would have been incurred.'



M/s UPPCL submits that the matter may be evaluated by the Hon'ble commission at the time of prudence check as it shall have a direct impact on IDC computation.



Respondent

Chief Engineer (PPA)

M/s UPPCL