

Reply to 1st Data gaps in Petition No. 1804 of 2022

- 1. In the instant Petition, the Petitioner prayed for truing up from FY 2017-18 to FY 2019-20 and ARR for FY 2020-21 to FY 2024-25. The Petitioner is required to provide the status of true up of the past years after COD i.e. for the Period from FY 2014-15 to FY 2016-17**

The Tariff for FY 2014-15 to FY 2016-17 was determined by the Hon'ble Commission vide its order dated 29.06.2016. Since the tariff is determined by Hon'ble Commission at the fag-end of said period, Hon'ble Commission itself held that true-up would not be required for this period. Copy of relevant extract from UPERC Order dated 29.01.2018 mentioned below for ready reference.

"3.1 The Petitioner has filed petition for the FY 2014-15 to FY 2019-20, since the tariffs for FY 2014-15, FY 2015-16 and FY 2016-17 were determined by the Commission vide order dated 29.06.2016 all the factors for these years were taken into consideration and therefore no True-up for the FY 2014-15, 2015-16 and FY 2016-17 is required to be issued."

- 2. The Petitioner is required to provide the copy of audited accounts/documentary evidence duly certified by auditor for expenses for FY 2017-18, FY 2018-19 and FY 2019-20 for transmission line/ business;**

RPSCL is in the process of obtaining relevant information and shall submit the same duly certified by auditor shortly.

- 3. The Petitioner is required to provide the detail of actual Transmission System Availability Factor from FY 2014-15 to FY 2021-22.**

RPSCL being a dedicated transmission line has not maintained separate record for transmission availability and we are in the process of calculating the actual availability as per UPERC Regulations and shall submit the same shortly.

- 4. The Petitioner is required to substantiate the PGCIL charges in its balance sheet. Further, the Petitioner is required to provide the PGCIL bill on sample basis for each financial year from FY 2017-18 to FY 2019-20. Further, the Petitioner is required to provide the detail of actual payment made to PGCIL towards bay maintenance cost against the invoice claimed by PGCIL**

PGCIL charges are categorized under Repairs and Maintenance Expenses in Audited books of accounts. One sample invoice for each year i.e, FY 18 to FY 20 enclosed as Annexure 2. Statement of actual bill wise payment made to PGCIL enclosed as Annexure 1.

- 5. The Petitioner is required to bifurcate the combined O&M Expenses of generation and transmission line/business. It is observed that the Petitioner has only claimed R&M Expenses and PGCIL charges towards O&M Expenses. The Petitioner is required to provide the basis for claiming the same.**

As submitted in the petition, O&M Charges were not bifurcated between the Generation and Transmission business in Rosa. Considering the same fact, Hon'ble Commission has allowed a Normative O&M Expenses of 2% of capital cost of transmission asset in addition to actual bay maintenance charges.

RPSCL has claimed O&M Charges for the control period from FY 2020-21 to FY 2024-25 based on the provisions of MYT for Distribution and Transmission Regulations, 2019,

wherein Employee Cost, R&M Expenses and Administrative & General Expenses are calculated based on past year data escalated by WPI and CPI (in the ratio of 60:40)

- 6. The Commission in its Order dated 29.06.2016 approved the closing GFA for FY 2016-17 as Rs. 21.82 Crore, whereas the Petitioner has considered the closing GFA on 31.03.2017 as Rs. 33.31 Crore in its Petition. Further, scrutinizing the Petition, it is observed that the Petitioner has derived the closing GFA for FY 2016-17 after adding Rs. 11.49 Crore in opening GFA of FY 2016-17 (Rs. 21.82 Crore). The Petitioner is directed to provide the basis for variation in closing GFA of FY 2016-17 against the approved value.**

Additional capital cost (Rs. 11.49 Crs) towards installation of bays at PGCIL's sub-station considered by RPSCL based on actual date of commissioning of said two bays i.e., 22.03.2017 and 04.03.2017 respectively. However, Hon'ble Commission in its order dated 29.06.2016 inadvertently considered commissioning date as 31.03.2017 and considered additional capital cost w.e.f 01.04.2017.

In view of the above, requesting Hon'ble Commission to consider the addition to GFA in FY 2016-17 as per actual commissioning date of 400 kV bays of RPSCL.

- 7. The Petitioner is required to provide the Fixed Asset Register for transmission line/business clearly detailing each asset along its capital expenditure plan, capitalization, depreciation etc.**

RPSCL shall submit Fixed Asset Register shortly.

- 8. The Commission observed variation in closing loan and equity for FY 2016-17 considered by the Petitioner when compared to closing loan and equity base approved in Order dated 29.06.2016. The Petitioner is required to provide the reason for variation.**

Refer our reply against point no. 6

- 9. The Petitioner is required to provide the actual loans outstanding and actual equity as on March 31, 2017, March 31, 2018 and as on March 31, 2019 along with documentary evidence;**

RPSCL has not obtained separate financing for the transmission asset and as advised by Hon'ble UPERC in its order dated 16 May 2012 / 25 Jun 2012 in Petition no # 786 of 2012, RPSCL filed separate petition for approval of transmission tariff.

Further, RPSCL submitted loan details of Rosa TPP as per Regulation 23.5 of UPERC (MYT for Distribution and Transmission) Regulations 2019.

- 10. As per your submission, it is observed there is no loan and equity infusion during the period from FY 2017-18 to FY 2019-20. The Petitioner is required to provide the detail of actual loan and equity infusion, if any during FY 2017-18, FY 2018-19 and FY 2019-20 along with documentary evidence;**

May please refer to our reply at point no 6 above. Actual date of Commissioning of RPSCL's two Bays at Shajahanpur Substation of PGCIL is 22.03.2017 and 04.03.2017 respectively. However, Hon'ble Commission has inadvertently considered Commissioning date as 31.03.2017 and considered additional capital cost towards bays of Rs. 11.49 Crs wef 01.04.2017.

Based on the above facts, there were no additional equity / loan incurred by RPSCL during FY 2017-18 to FY 2019-20.

- 11. The Petitioner is required to provide the documentary evidence of actual interest paid during the FY 2017-18, FY 2018-19 and FY 2019-20;**

RPSCL does not have separate loan accounts for transmission and as per Regulation 23.5 of UPERC (MYT for Distribution and Transmission) Regulations 2019, RPSCL submitted actual loan details of Generation Business during the period FY 2017-18 to FY 2019-20.

- 12. The Petitioner is required to provide the detail of security deposits from consumers, if any for the period from FY 2017-18 to FY 2019-20;**

No such security deposits received from consumers

- 13. The Petitioner is required to provide the details of actual revenue realized during the FY 2017-18 to FY 2019-20 along with documentary evidence. Further, the Petitioner is required to provide the LPS/ incentive, if any.**

Please find below summary of actual revenue realized during FY 18 to FY 20:

S No	Year	Approved Transmission Charges as per UPERC order dated 29.01.2018 (Rs Crs)	Actual Revenue realized from UPPCL (Rs Crs)	Remarks
1	FY 18	6.06	6.06	Invoices dated 05.03.2018
2	FY 19	5.84	5.84	Invoices dated 25.10.2018, 03.12.2018 & 04.01.2019
3	FY 20	5.64	5.64	Invoices dated 03.07.2019, 03.10.2019, 03.01.2020, 20.03.2020

- 14. The Petitioner is required to provide the details of actual decapitalization since COD to FY 2019-20, substantiating the same with documentary evidence. Further, the Petitioner is required to provide the details of proposed decapitalization for the MYT period from FY 2020-21 to FY 2024-25 along with justification.**

No assets were decapitalized in the past period and proposed to be decapitalized during the MYT period from FY 21 to FY 25

- 15. The Petitioner is required to provide the detail calculation of interest rate @ 12.80% considered by Petitioner for calculation of Interest on Working Capital for FY 2017-18 to FY 2019-20;**

As per UPERC Transmission Tariff Regulations, IoWC shall be on normative basis at State Bank Advance Rate (SBAR) as of the date on which petition for determination of tariff is accepted by the Commission. UPERC vide order dated 29.01.2018 approved interest rate of 12.8% for calculating Interest on Working Capital. We have considered the same as approved by Hon'ble Commission.

- 16. The Petitioner is required to provide the basis for claiming the depreciation @5.27% per annum for the period from FY 2017-18 to FY 2019-20 and depreciation @5.28% for the MYT Period from FY 2020-21 to FY 2024-25;**

Depreciation rate @ 5.27% for the period from FY 2017-18 to FY 2019-20 considered as per UPERC (MYT Regulations), 2014 dated 12.05.2014 and the same is also considered by Hon'ble UPERC in its order dated 29.01.2018.

However, the Depreciation Rate of 5.28% for the MYT period from FY 2020-21 to FY 2024-25 is considered based on UPERC (MYT for Distribution and Transmission) Regulations, 2019 dated 23.09.2019

17. It is observed that the Petitioner has claimed Rs. 0.17 Crore as Contribution towards Contingency Fund for each financial year of MYT period from FY 2020-21 to FY 2024-25. In compliance to Regulation 27.1 of MYT Regulations, 2019, the Petitioner is required to submit the detailed proposal detailing the securities in which Contingency Fund will be invested.

RPSCL is proposing to invest Contribution towards Contingency Fund in Government Bonds as authorized under Indian Trusts Act, 1882.

18. The Petitioner is required to provide the detail of actual energy wheeled and transmission losses for the period from FY 2014-15 to FY 2021-22 duly certified by UPSLDC. Further, the Petitioner is required to provide the basis for estimating the energy for the MYT period from FY 2020-21 to FY 2024-25.

RPSCL being a dedicated transmission line is not maintaining records with reference to transmission losses and shall submit the information related to wheeled energy subsequently.

Further, the estimated energy for the period from FY 21 to FY 25 mentioned at Form F1/F4 is calculated assuming the maximum net sent out energy from Stage II (2 x 300 MW) of RPSCL at 85% availability.

For Rosa Power Supply Company Limited

Place: Lucknow
Date: 27.06.2022

(Sumeet Notani)
Authorized Signatory

Annexure 1

Statement of PGCIL Invoice towards bay maintenance charges and corresponding payment made to PGCIL

Year	From	To	Total Invoice value (Rs Lacs)	Actual payment made by Rosa* (Rs Lacs)	Date of payment
FY 18	01-Apr-17	30-Sep-17	59.64	58.63	08-May-18
	01-Oct-17	31-Dec-17	29.82	29.31	08-May-18
	01-Jan-18	31-Mar-18	29.82	29.32	19-Jul-18
FY 19	01-Apr-18	30-Jun-18	30.81	30.29	08-Aug-18
	01-Jul-18	30-Sep-18	30.81	30.29	20-Oct-18
	01-Oct-18	31-Dec-18	30.81	30.29	07-Jan-19
	01-Jan-19	31-Mar-19	30.81	30.29	04-Apr-19
FY 20	01-Apr-19	30-Jun-19	37.94	37.29	24-Sep-19
	01-Jul-19	30-Sep-19	37.94	37.29	17-Oct-19
	01-Oct-19	31-Dec-19	37.94	37.29	14-Jan-20
	01-Jan-20	31-Mar-20	37.94	37.29	05-May-20

* Net value after deducting TDS