

<b>MOM</b>	<b>Minutes of Meeting</b>		<b>Date: February 27, 2023</b>
<b>Particular</b>	Technical Validation Session (TVS)	<b>Place of Meeting</b>	Commission's Office
<b>Participating Companies</b>	DVVNL, MVVNL, PVVNL, PUVVNL, KESCO and UPPCL	<b>Date of Meeting &amp; time</b>	February 27, 2023 @ 11.30 Hours

#### Background

The Commission vide Letter No. UPERC/Secy/D(T)/2023-1622 dated February 17, 2023 has directed the State Discoms (herein referred as 'Petitionmers') to attend Technical Validation Session (TVS) on the ARR / Tariff Petition for FY 2023-24 on February 27, 2023 at 11:30 Hours. During the TVS, the State Discoms shall give presentation and give clarification on the deficiencies. The brief details of the deficiencies are as below:

The Commission vide deficiency dated January 31, 2023 directed the State Discoms to submit the CAG Audit Report for FY 2021-22, category & sub-category wise Billing Determinants & Revenue for Torrent Power Agra DF, Fixed Asset Registers (FAR), Asset-wise capitalisation and details of 132 kV and above assets (in Excel) for FY 2021-22, Billing Determinants, power purchase, supply hours, details of penalties and compensation with regards to standards of performance, details of DBST computation, status of compliance of all the directives etc.

The Commission raised certain queries vide email dated February 13, 2023 on issues such as category wise energy sales for distribution franchisee area (inclusive of distribution losses), abnormal trend in Billing Determinants for LMV-1, LMV-3 & LMV-5 category from last audited year, reconciliation of the opening and closing balances of the long-term loans for FY 2021-22 with the audited accounts for calculation of interest on long term loans, reconciliation of investment during the year with audited accounts.

Further, the Commission vide e-mail dated February 22, 2023, has also sought queries from the State Discoms to provide information for energy sales for unmetered categories on monthly basis, copy of banking agreements, details of four wheelers capitalised in GFA, computation of Cross Subsidy Surcharge (CSS) based revenue at proposed tariff, revenue on discom wise basis at proposed tariff and status in regard to Standard of Performance (SoP) & Consumer Grievances Redressal Forum (CGFR) along with various other deficiencies. The copy of queries raised to State Discoms is enclosed as **Annexure 'A'**.

In the TVS, the State Discoms made short presentations wherein they addressed several queries raised by the Commission vide deficiency notes through vide email as well. The State Discoms also addresses the queries raised during the TVS.

**Further, the Commission sought the following additional queries during the TVS.**

*Anil Kumar*

<b>MOM</b>	<b>Minutes of Meeting</b>	<b>Date: February 27, 2023</b>
------------	---------------------------	------------------------------------

- DVVNL to provide justification for the mismatch between connected load of DF of Agra in the submission made by the Petitioner in the MYT Petition and in response to the 1<sup>st</sup> deficiency raised by the Commission.
- For FY 2021-22, Petitioners have claimed additional R&M expenses as approved by the Commission for ARR of FY 2021-22 in the Tariff Order dated July 29, 2021. The Commission had approved additional R&M expenses with following provisions:

**Quote**

*6.7.45. Further, the Commission has directed the Licensees to strictly comply with the SoP regulations. Hence, for the first year of implementation, they would need additional support over and above the norms, to carry out the work and comply with the SoP Regulations and better consumer satisfaction. Hence, 50% of R&M expenses allowed for the year (as per norms) has been provided as additional one-time R&M expenses for proper execution of work in these difficult Covid time and to provide better services to the consumers also. The same shall be reviewed at the time of True-Up wrt to the actuals to the satisfaction of the Commission.*

**Unquote**

In this regard Petitioners to provide actual additional R&M expenses incurred in this regard and also explain as to how the expenses has been utilised to implement SoP Regulations.

- Petitioners to provide date of Commercial Operation (COD) of MSW plants.
- For FY 2023-24, there is discrepancies in the power purchase cost submitted by Petitioners at different place i.e. Petition, Form No. F1 and Summary Sheet (Excel), as shown in the Table below:

Particulars	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Consolidated
In ARR Table (Summary Sheet)	12,513.14	14,475.23	25,679.92	16,283.43	3,920.93	72,872.66
In DBST Table of Petition	13,464.04	23,849.75	16,896.68	15,229.58	3,432.61	72,872.66
Form No. F1	12,512.76	14,474.79	25,679.14	16,285.18	3,920.79	72,872.66

Petitioners to provide clarification and also confirm which numbers are to be considered.

- In True Up year, for R&M and A&G expenses, Petitioners have wrongly applied WPI index on trued up value of FY 2019-20. In response to the Commission's query the Petitioners produced a Table with same numbers as submitted in the Petition and said that the above representation does not have impact on amount claimed under respective item of expenses. The Petitioners to clarify how this will no impact on other item of expenses.
- There are discrepancies in the number of smart meters submitted in the ARR / Tariff Petition of FY 2022-23 and ARR / Tariff Petition of FY 2023-24, which is shown in the table below:

*Anil Bhanu*



<b>MOM</b>	<b>Minutes of Meeting</b>	<b>Date: February 27, 2023</b>
------------	---------------------------	------------------------------------

Particulars	Smart Meters installed till March 2021	Smart Meters installed till March 2022
DVVNL	1,47,460	3,78,862
MVVNL	3,75,849	1,98,726
PVVNL	1,98,422	147991
PuVVNL	3,19,946	3,21,433
KESCO	1,06,422	1,07,318
<b>Consolidated (5 Discoms)</b>	<b>11,48,099</b>	<b>11,54,330</b>

Petitioners to provide clarification for this discrepancies.

7. Petitioners to clarify where Cross Subsidy amount is being captured in audited accounts '**Revenue from Operation**' or '**Other Income**'.
8. In response to the 1<sup>st</sup> deficiency raised by the Commission, power purchase details submitted under 'Consolidated' head by Petitioners are not in line with Petitions and audited accounts. Petitioners are directed to reconcile the same.
9. For power purchase expenses of FY 2021-22, Petitioners to provide details for LPS of Rs. -557.84 Crore booked under '**WUPPTCL**' Charges and Rs. -343.04 Crore booked '**Other Charges**'. Petitioners are also required to provide details of LPS added in any of the power purchase cost element.
10. Petitioners to provide details of rebate received against payment of power purchase bill, if any.
11. Petitioners to submit revised PPT by incorporating the followings:
  - (i) Incorporate a slide of DBTS computation for FY 2021-22;
  - (ii) Incorporate a slide of on distribution loss reduction trajectory proposed and approved under RDSS scheme;
  - (iii) Correct load of LMV-2 category;
  - (iv) Incorporate a note on for per unit Total cost of '**PGCIL/WUPPTCL/SEUPPTCL/Case-I Transmission Charges**' (Rs. 5.17 /kWh).
12. Petitioners to provide CSS computation considering the revenue at proposed tariff in Ms-Excel.

**The State Discoms to provide the replies to the same within 7 days.**

**List of the attendees is annexed herewith.**

**Encl: As above.**

  
**Dr. Amit Bhargava**  
 Director (Tariff)  
 U.P. Electricity Regulatory Commission  
 Vidyut Niyamak Bhawan  
 Vibhuti Khand, Gomti Nagar  
 Lucknow - 226010
















ATTENDANCE SHEET

PETITIONS: - DVVNL (1948 OF 2023) MVVNL (1945 OF 2023) PVVNL (1947 OF 2023) PUVVNL (1949 OF 2023) KESCO (1946 OF 2023) STATE DISCOMS.

DATE: 27<sup>TH</sup> FEBRUARY 2023 AT 11:30 HRS.

IN THE MATTER OF: TECHNICAL VALIDATION SESSION ON THE TRUE-UP FOR FY 2021-22, ANNUAL PERFORMANCE REVIEW (APR) FOR FY 2022-23 AND AGGREGATE REVENUE REQUIREMENT (ARR) TARIFF FOR FY 2023-24.

SL. NO.	NAME	DESIGNATION	APPEARING ON BEHALF OF	SIGNATURE & MOBILE NO.
01	R. Prasad	Dir. Comm. PUVVNL	-	 945096377
02	योगेश कुमार	Director (Commercial) MVVNL	-	 9415999417
03	DC Veme	SEC (RAU) UPPCL	UPPCL	9415209324 
04	VINEK ASTHANIA	SE, EDC DVVNL	DVVNL	9415900351 
05	VIVEK DIKSHIT	CE (COMM), PVVNL	PVVNL	 9193330041
06	Sanjay Verma	CE (COMM) PUVVNL	PUVVNL	 9415755426
07	C.P. Maurya	AE (PPA), UPPCL	UPPCL	0433100440 
08	Vijay Shankar.	EE. (RAU)	UPPCL	 0304012050
09	Pratijsha Khandelwal	CONSULTANT	KESCO	 9818801335
10	Pratik Saxena	Consultant	MVVNL	 908245316

SL. NO.	NAME	DESIGNATION	APPEARING ON BEHALF OF	SIGNATURE & MOBILE NO.
11	Tannoy Chatterjee	Consultant	PVVNL	Tannoy Chatterjee 7003194735
12	Vikram Singh dahiya	Consultant	PVVNL	9303640707
13	Sonil Ganguly	Consultant	DVVNL	9711434463
14	Atok Mehrotra	SE	UPPCL	9415099257
15	Amit Mehta	Consultant	Mercados EMI.	9794950672
16	Nitin Gupta	Consultant	Mercados EMZ	7983713292
17	Mohit Singh	Accounts officer	PVVNL, MERCAD	7464995011 
18	Ankur Juyal	Consultant	UPPCL	 7044069231
19	Sanjay Srivastava	D(COR)	Kesco	7054899777 
20	C.V. Singh Gautam	CE, RAV UPPCL	UPPCL	9450102400

