

**BEFORE THE UTTAR PRADESH ELECTRICITY REGULATORY  
COMMISSION, LUCKNOW**

Receipt Register No.....

Petition No.1642/2020

**In the Matter of:** Petition for determination of tariff for Shrinagar Hydro Electric Project (4 × 82.5 MW) for the control period FY 2019-20 to FY 2023-24 under Section-62 and 86 of the Electricity Act 2003 read with Uttar Pradesh Electricity Regulatory Commission (Terms and conditions of Determination of Tariff) Regulations-2019 and Amended and Restated PPA dated 28-06-2006 executed between Alaknanda Hydro Power Corporation Limited and Uttar Pradesh Power Corporation Ltd

**And**

**In the Matter of:**

Alaknanda Hydro Power Corporation Ltd.,  
156-159, Paigah House, SP Road,  
Secunderabad-500003

- Petitioner

Versus

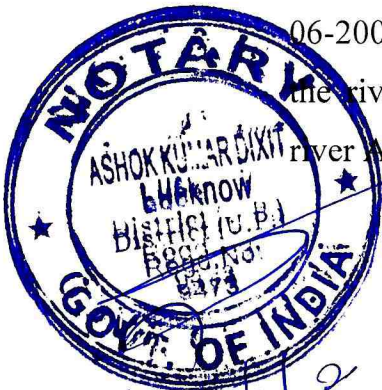
Uttar Pradesh Power Corporation Ltd.  
Shakti Bhawan, 14-Ashok Marg,  
Lucknow

- Respondent

**Reply on behalf of Uttar Pradesh Power Corporation Ltd, the  
Respondent**

The answering Respondent most respectfully submit as follows for kind consideration of the Hon'ble Commission, that -

- 1- The answering Respondent, UP Power Corporation Ltd. (in short UPPCL) has signed an 'Amended and Restated Power Purchase Agreement' dated 28-06-2006 with the Petitioner for purchase of 330 MW power from its run of the river Shrinagar Hydro Electric Project (4 × 82.5 MW) situated on the river Alaknanda in District Pauri Garwal (Uttrakhand).



1

  
**DEEPAK RAIZADA**  
 Chief Engineer  
 Shakti Bhawan,  
 U.P.P.C.L., Lucknow.

- 2- The Alaknanda Hydro Power Corporation Ltd. (in short AHPCL) has filed this Petition to seek determination of tariff for Shrinagar Hydro Electric Project (4 × 82.5 MW) for the control period FY 2019-20 to FY 2023-24 under Section-62 and 86 of the Electricity Act 2003 read with Uttar Pradesh Electricity Regulatory Commission(Terms and conditions of Determination of Tariff) Regulations-2019(in short Tariff Regulations-2019) and Amended and Restated PPA dated 28-06-2006 executed between Alaknanda Hydro Power Corporation Limited and Uttar Pradesh Power Corporation Ltd.

### INSTANT PETITION

- 3- In Para-4, 5 and 6 of the Petition, the Petitioner has stated that it filed Petition No. 1401/2019 for determination of tariff for the period 2015-19 considering capital cost of the project as Rs. 4061.96 Crore as per Order dated 24.08.2020 passed by the Commission in Petition no. 1267/2017 and norms and parameters provided in Tariff Regulations-2019 instead of that provided in Memorandum 15.02.2019 signed between AHPCL UPPCL.

During the pendency of Petition No. 1401/2019, the Petitioner also filed the instant Petition on 25.09.2020 for determination of tariff for the control period from FY 2019-20 to FY 2023-24 as per norms and parameters provided in the Tariff Regulations-2019.

- 4- For determination of tariff in the instant Petition; the capital cost of the Project has been considered Rs. 4061.96 Crore as on 01.04.2019 with no capital additions during 2019-24, and the capital cost as on 31.03.2024 also being Rs. 4061.96 Crore (Para-7 of the Petition).
- 5- The Petitioner has considered Design Energy as 1251.94 MU, NAPAF 43.31% and other norms & parameters as provided in Tariff Regulations-2019 for determination of tariff (Para-9 of the Petition).
- 6- The Petitioner has put up AFC of Rs. 359482.69 Lakh for 2019-24 and Energy Charge of Rs. 2.998/- to Rs. 2.754/- per unit for approval of the Commission (Para-10 to 24 of the Petition).



*[Handwritten Signature]*  
**PREPAK RAIZADA**  
 Chief Engineer  
 Shakti Bhawan  
 U.P.P.C.L., Lucknow.

## HISTORY OF TARIFF DETERMINATION

### Determination of Tariff for 2015-19

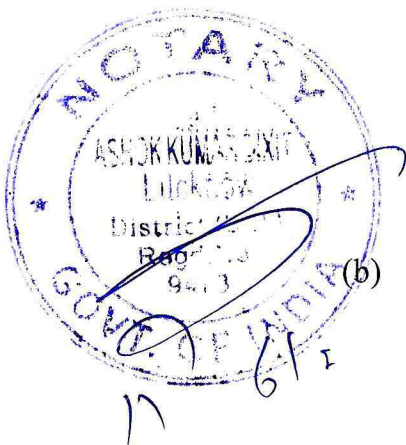
- 7- After the capital cost of the project was determined by the Commission IN Order dated 24.08.2020, the AHPCL filed an affidavit dated 24.09.2020 in Petition No. 1401/2019 seeking determination of tariff for the control period 2015-16 to 2018-19. The Commission was pleased to assign this affidavit a separate Petition no. 1628/2020.
- 8- The Commission heard the matter and pleased to determine the tariff of SHEP for the period 23.04.2015 to 31.03.2019 in Order dated 08.02.2021 passed in Petition No. 1628/2020 clubbed with Petition no. 1401/2019.
- 9- The Capital Cost determined by the Commission in Order dated 08.02.2021 for determination of tariff is as below;

Capital Cost as per Commissions' Order 8.02.2021 (Rs. Cr.)				
Particular	2015-16	2016-17	2017-18	2018-19
Opening Capital Cost	3893.90	3978.72	3989.25	3994.33
Discharges during the period	84.82	10.53	5.08	2.05
Closing Capital Cost	3978.72	3989.25	3994.33	3996.38

### AHPCL Review Petition 1694/2021

- 10- AHPCL filed a Review Petition 1694/2021 for review of Order dated 08.02.2021 passed by the Commission in Petition No. 1401/2019 and 1628/2020 submitting that:

- (a) while calculating the interest on loan for year 2015-16, the Commission has taken rate of interest on the basis of interest actually accrued for the period 21.06.2015 to 31.03.2016. The interest on loan so calculated has again be prorated for 285 days as such the interest on loan may be re-determined;
- (b) AFC be revised due to change in interest on loan;



*Deepak Raizada*  
**DEEPAK RAIZADA**  
 Civil Engineer (PPA)  
 Shakti Bhawan Extra.  
 U.P.P.C.L., Lucknow.

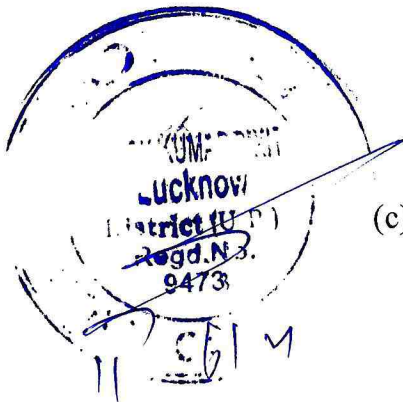
- (c) Normative Plant Availability Factor (NAPAF) be redetermined as below:

Normative Annual Plant Availability Factor (NAPAF) (%)				
	2015-16	2016-17	2017-18	2018-19
Order dated 18.02.2021	56.63	53.62	53.62	53.62
As per AHPCL	46.95	49.77	49.77	49.77

- (d) And, Energy Charge Rate be revised as being incidental upon change in Annual Fixed Charges.

11. The answering Respondent filed detailed objections to Review Petition no. 1694/2021 on 24.03.2021. Gist of the submissions is as below:

- (a) The Commission has taken rate of interest on loan on the basis of interest actually accrued for the period 21.06.2015 to 31.03.2016 and the same is again prorated for 285 days, as such it might be revised.
- (b) An error in the calculation of 'Net Loan -Opening' due to change in 'Cumulative Repayment of Normative Loan' in period 2016-17, 2017-18 and 2018-19 has occurred due to which interest on loan calculated by the Commission is higher than that is worked out on the basis of 'Cumulative Repayment of Normative Loan' due to mistake in carrying forward data of cumulative depreciation in the calculation of interest, as such IOL may also be revised on this account.
- (c) NAPAF of SHEP may be determined on the basis of peaking capability of the station based on the principle laid by CERC in Order dated 15.06.2014 passed in Petition No. 228/GT/2013 in the matter of run-of-the river Parbati Hydro Electric Project.
- (d) Based on the detailed reply to the Review Petition, UPPCL prayed the Commission the effect to: –



*[Handwritten Signature]*  
**PREPAK RAJADA**  
 Engineer (P)  
 Shakti Bhawan  
 U.P.P.C.L., Lucknow.

- (i) re-determine the 'Interest on Loan' in view of the submissions of AHPCL and UPPCL;
- (ii) re-determine 'Interest on Working Capital', 'Annual Fixed Cost', 'Energy Charge Rate' also be revised accordingly on account of revision in IOL; and
- (iii) re-determine NAPAF as the per case made out by UPPCL in that Reply.

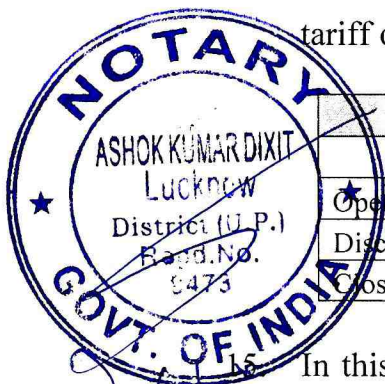
12. The Commission has heard the Petition on 25.03.2021 and 8.04.2021 and it is pending disposal before the Commission.

UPPCL Review Petition ...../2021 filed on 19.05.2021

13. UPPCL has filed Review Petition before the Commission on being aggrieved by the Order dated 08.02.2021 passed in Petition No. 1401/2018 & 1628/2020 insofar as it concerns with:

- a) the calculation of capital cost considered for determination of tariff as on the date of commissioning of the Project; and
- b) the Commission not considering the norms for determination of tariff as mutually agreed between AHPCL and UPPCL in Agreement/MoU dated 15.02.2019

14. Based on submissions made in the Review Petition, UPPCL put up the Capital Cost for consideration of the Commission for redetermination of the tariff of SHEP for 2015-19 as below:



Capital Cost as per the Petitioner (Rs. Cr.)				
Particular	2015-16	2016-17	2017-18	2018-19
Opening Capital Cost	3775.02	3859.84	3870.37	3875.42
Discharges during the period	84.82	10.53	5.05	2.05
Closing Capital Cost	3859.84	3870.37	3875.42	3877.47

In this Review Petition, UPPCL has prayed the Commission to consider to re-determine the tariff of SHEP for the period from 2015-16 to 2018-19 based on:

*Deepak Raj*  
**DEEPAK RAJ**  
 Engineer (E)  
 Ganga Bhawan  
 U.P.P.C.L., Lucknow.

- (i) the norms mutually agreed between AHPCL and UPPCL in Agreement/MoU dated 15.02.2019; and
- (ii) Capital Cost of the Project calculated by UPPCL for the control period 2015-19 under as detailed in that Review Petition.

16. The said Review Petition is to be listed for hearing.

**TARIFF DETERMINATION IN THE INSTANT PETITION**

17. In the context of the submissions made from Para-1 to 16 of this Reply, this is to state that the capital cost and the norms to be considered for determination of tariff in the instant Petition shall depend on the outcome of (i) Review Petition 1694/2021 filed by AHPCL and, (ii) Review Petition filed by UPPCL on 19.05.2021, both filed for review of Order dated 08.02.2021 passed in Petition No. 1401/2019 and 1628/2020. As such the Commission may please to consider keeping the instant Petition in abeyance till disposal of the review petitions filed by AHPCL and UPPCL and, directing the Petitioner to file revised computation of tariff based on the outcome of the said to Review Petitions.

**PARA WISE REPLY**

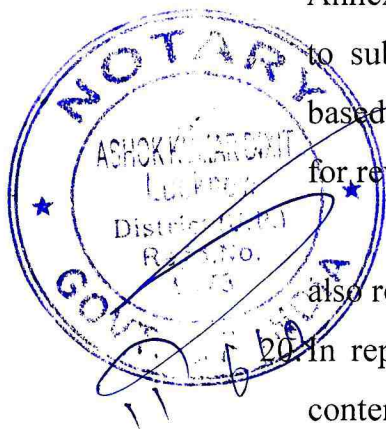
18. The contents of Para-1 to 3 of the Petition are matter of facts and records, and need no specific comment.

19. In reply to Para-3 and 24 of the Petition, the answering Respondent is submitting provisional/ interim objections to the calculation of tariff at Annexure-1 to this reply with the prayer to allow the answering Respondent to submit comments after the Petitioner revises the computation of tariff based on decision of the Commission in the said two Review Petitions filed for review of order dated 08-02-2021.

In reply to Para-3 and 24 of the Petition, the answering Respondent also reiterates the contents of Para-1 to 18 of this Reply.

In reply to Prayer in the Petition, the answering Respondent reiterates the contents of Para-1 to 19 of this Reply.

  
**DEEPAK RAIZADA**  
 Chief Engineer  
 Shakti Bhaw  
 U.P.P.C.L., Lucknow



**PRAYER**

21. The Commission is most humbly prayed to consider the submissions made by the answering Respondent from Para 1 to 20 of this reply and may please to:

- (a) keep the instant Petition in abeyance till disposal of the said review petitions filed by AHPCL and UPPCL;
- (b) direct the Petitioner to file revised computation of tariff based on the outcome of the said to Review Petitions; and
- (c) pass any order or direction as it may deem fit in the facts and circumstances of this case.

Place : Lucknow

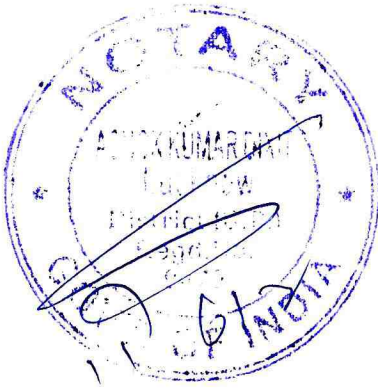
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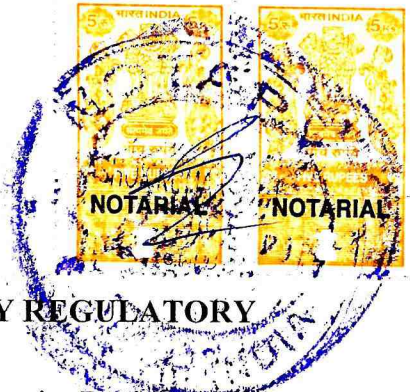
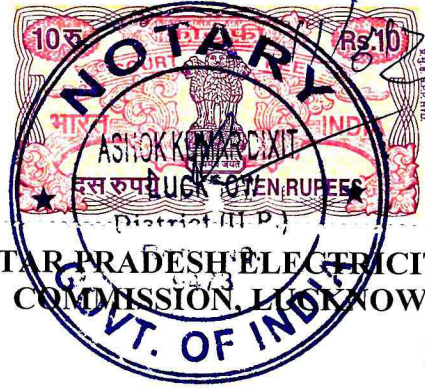


Deponent  
**DEEPAK RAIZADA**  
 Chief Engineer (PPA) )  
 Shakti Bhawan Ext )  
 U.P.P.C. Lucknow.  
 Through



B. K. Saxena  
 Advocate





BEFORE THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION, LUCKNOW

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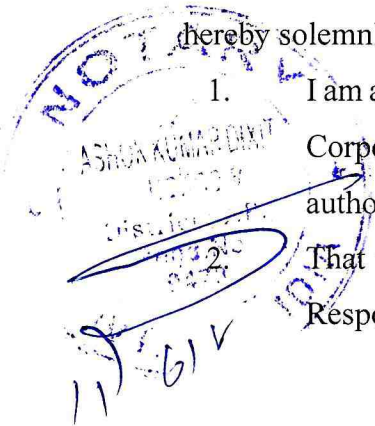
- Respondent

**Affidavit verifying the Reply**

I, Deepak Raizada, son of Late Shri T.N. Shrivastav, aged about 54 year with Office at 14<sup>th</sup> Floor, Shakti Bhawan Extension, 14-Ashok Marg, Lucknow -226001, do hereby solemnly affirm and declare as under that:

1. I am a Chief Engineer, Power Purchase Agreement (R) of Uttar Pradesh Power Corporation Ltd., the Respondent in the above matter and am empowered and authorized by the said Respondent to make this affidavit on its behalf.

That the contents of the Reply are based on the information available with Respondent and believed to be true by me.



Deponent

**DEEPAK RAIZADA**  
Chief Engineer (PPA-II)  
Shakti Bhawan Extn.  
U.P.C.L., Lucknow.



Verification

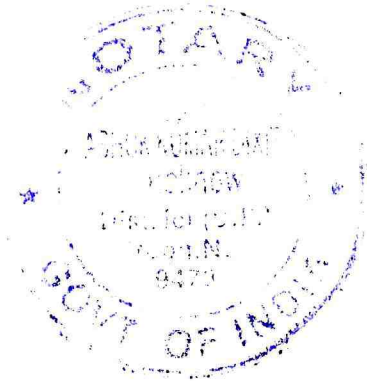
I, the above deponent to hereby verify that the contents of this affidavit are true to my knowledge and belief, no part of its false and nothing material has been concealed.

Signed and verified on the 11 day of June 2021

Dated: 11/6/21



Deponent  
**DEEPAK RAIZADA**  
Chief Engineer (PPA-II)  
Shakti Bhawan Extn.  
U.P.C.L., Lucknow.



**Sworn and Verified  
before me.**

**ASHOK KUMAR DIXIT**  
Advocate & Notary  
9839361342

11/6/21

## Objections On The MYT Tariff Petition Of Alaknanda Hydro Power Company Limited (AHPCL) For FY 2019-20 To FY 2023-24

### 1. Objection on Determination of Tariff Petition of Alaknanda Hydro Power Company for the period of FY 2019-24

#### 1.1 Annual Fixed Charges Summary for FY 2019-24

1.1.1 The Summary of Annual Fixed Charges for determination of Tariff for the period FY 2019-24 as submitted by the Alaknanda Hydro Power Company Limited (hereinafter referred as 'AHPCL' or 'Petitioner') in the current Petition is summarised below:

**Table 1: Summary of AFC for FY 2019-24 as per Petitioner's Submission**

*(in Rs. Crore)*

Particulars	As per Petitioner Submission				
	FY 2019 -20	FY 2020 -21	FY 2021 -22	FY 2022 -23	FY 2023 -24
Depreciation	151.51	152.75	152.75	152.75	152.75
Interest on Loan	316.34	297.09	277.83	258.58	239.32
Return on Equity	124.20	125.21	125.21	125.21	125.21
Interest on Working Capital	14.09	14.06	14.01	13.97	13.94
O&M Expenses	118.22	123.50	129.02	134.79	140.82
<b>Total</b>	<b>724.35</b>	<b>712.61</b>	<b>698.82</b>	<b>685.29</b>	<b>672.03</b>

1.1.2 The Objector has analysed each of the element of Annual Fixed Charges w.r.t. Uttar Pradesh Electricity Regulatory Commission (Terms and Conditions of Generation Tariff) Regulations, 2019 (hereinafter referred to as "Tariff Regulations, 2019").

#### 1.2 Capital Cost

1.2.1 The Petitioner in the present Petition has claimed the Capital Cost for the period FY 2019-24 as detailed below:

**Table 2: Capital Cost claimed by the Petitioner for the period FY 2019-24**

*(in Rs. Crore)*

Particulars	As per Petitioner Submission				
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Opening Capital Cost	3,996.38	4,061.97	4,061.97	4,061.97	4,061.97
Add: Addition during the year/ period	-	-	-	-	-
Less: Decapitalisation during the year/ period	-	-	-	-	-
Less: Reversal during the year/ period	-	-	-	-	-
Add: Discharges during the year/ period	65.59	-	-	-	-
Closing Capital Cost	4,061.97	4,061.97	4,061.97	4,061.97	4,061.97
<b>Average Capital Cost</b>	<b>4,029.18</b>	<b>4,061.97</b>	<b>4,061.97</b>	<b>4,061.97</b>	<b>4,061.97</b>

1.2.2 The Objector humbly submits that the Petitioner has not provided any proper justification or documentary evidence for claiming the discharges of Rs. 65.59 Crore during the year FY 2019-20. Also, the Petitioner has not clarified whether the discharge towards such liability were admitted by the Commission after the cut-off date or not. The Petitioner has not provided details of 'Statement of Liability Flow' as per Form-16. Accordingly, Objector requests Hon'ble Commission to may disallow discharge of Rs. 65.59 Crore in the absence of such documents and direct the Petitioner to abide the Tariff Regulations, 2019.

1.2.3 The Objector requests Hon'ble Commission to may direct the Petitioner to provide the actual Capital Cost for FY 2018-19&FY 2019-20 as the Petitioner has filed the Petition on 25-09-2020 and FY 2020-21 as half of the quarter of FY 2021-22 is completed so actual Capital Cost is available with the Petitioner. Therefore, Objector requests Hon'ble Commission to may consider the actual Capital Cost for FY 2018-19, FY 2019-20& FY 2020-21.

1.2.4 On the basis of aforesaid disallowance of Additional Capital Expenditure, the Objector has reassessed the Capital Cost for the period FY 2019-24as detailed below:

**Table 3: Allowable Capital Cost for the period of FY 2019-24 as per Objector's Assessment**

(in Rs. Crore)

Particulars	As per Petitioner's Submission					As per Objector's Assessment				
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
<b>Opening Capital Cost</b>	3,996.38	4,061.97	4,061.97	4,061.97	4,061.97	3,996.38	3,996.38	3,996.38	3,996.38	3,996.38
Add: Addition during the year / period	-	-	-	-	-	-	-	-	-	-
Less: Decapitalisation during the year / period	-	-	-	-	-	-	-	-	-	-
Less: Reversal during the year / period	-	-	-	-	-	-	-	-	-	-
Add: Discharges during the year / period	65.59	-	-	-	-	-	-	-	-	-
<b>Closing Capital Cost</b>	<b>4,061.97</b>	<b>4,061.97</b>	<b>4,061.97</b>	<b>4,061.97</b>	<b>4,061.97</b>	<b>3,996.38</b>	<b>3,996.38</b>	<b>3,996.38</b>	<b>3,996.38</b>	<b>3,996.38</b>
<b>Average Capital Cost</b>	<b>4,029.18</b>	<b>4,061.97</b>	<b>4,061.97</b>	<b>4,061.97</b>	<b>4,061.97</b>	<b>3,996.38</b>	<b>3,996.38</b>	<b>3,996.38</b>	<b>3,996.38</b>	<b>3,996.38</b>

1.2.5 Therefore, Objector requests Hon'ble Commission to allow the Capital Cost to the tune of Rs. 3996.38 Crore as on 31-03-2024 against the 4061.97 Crore as claimed by the Petitioner.

### 1.3 Depreciation

1.3.1 The Petitioner in the current Petition has claimed the Depreciation for the period of FY 2019-24 as depicted below:

**Table 4: Depreciation as claimed by the Petitioner for the period FY 2019-24**  
(in Rs. Crore)

Particulars	As per Petitioner's Submission				
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Depreciation	151.51	152.75	152.75	152.75	152.75

1.3.2 It is humbly submitted that the Petitioner has claimed the depreciation rate of 3.77% as approved by the Hon'ble Commission for FY 2015-19 vide its Order dated 17-05-2021 in Petition No. 1694 of 2021. However, Petitioner in its Petition and Tariff formats has computed depreciation rate of 4.10%. The Objector has considered the depreciation rate at 3.77% for the computation of depreciation for FY 2019-24.

1.3.3 On the basis of aforesaid contentions and proposed disallowance in Capital Cost, the Objector has reassessed the allowable depreciation for the period of FY 2019-24 as detailed below:

**Table 5: Depreciation as claimed by the Petitioner and Allowable Depreciation as per Objector's Assessment**

(in Rs. Crore)

Particulars	As per Petitioner's Submission					As per Objector's Assessment				
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Opening Capital Cost	3,996.38	4,061.97	4,061.97	4,061.97	4,061.97	3,996.38	3,996.38	3,996.38	3,996.38	3,996.38
Closing Capital Cost	4,061.97	4,061.97	4,061.97	4,061.97	4,061.97	3,996.38	3,996.38	3,996.38	3,996.38	3,996.38
<b>Average Capital Cost</b>	<b>4,029.18</b>	<b>4,061.97</b>	<b>4,061.97</b>	<b>4,061.97</b>	<b>4,061.97</b>	<b>3,996.38</b>	<b>3,996.38</b>	<b>3,996.38</b>	<b>3,996.38</b>	<b>3,996.38</b>
Freehold land	14.29	14.29	14.29	14.29	14.29	14.29	14.29	14.29	14.29	14.29
Rate of depreciation	3.77%	3.77%	3.77%	3.77%	3.77%	3.77%	3.77%	3.77%	3.77%	3.77%
Depreciable value	3,626.26	3,655.77	3,655.77	3,655.77	3,655.77	3,596.74	3,596.74	3,596.74	3,596.74	3,596.74
Remaining depreciable value	4,029.18	4,061.97	4,061.97	4,061.97	4,061.97	3,996.38	3,996.38	3,996.38	3,996.38	3,996.38
Depreciation (for the period)	151.50972	152.7473	152.7473	152.7473	152.7473	150.27213	150.27213	150.27213	150.27213	150.27213
Depreciation (annualised)	151.50972	152.7473	152.7473	152.7473	152.7473	150.27213	150.27213	150.27213	150.27213	150.27213

## Annexure-1

Particulars	As per Petitioner's Submission					As per Objector's Assessment				
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Net Cumulative depreciation at the end of the period	716.90	869.65	1,022.39	1,175.14	1,327.89	715.66	865.93	1,016.21	1,166.48	1,316.75

1.3.4 Therefore, Objector requests the Hon'ble Commission to allow the Depreciation to the tune of Rs. 751.36 Crore against Rs. 762.50 Crore as claimed by the Petitioner.

## 1.4 Return on Equity

1.4.1 The Comparison of the Return on Equity as claimed by the Petitioner and allowable Return on Equity as computed by the Objector considering the revised Capital Cost is explained in the table below:

**Table 6: Comparison of Return on Equity as claimed by the Petitioner & as per Objector's Assessment for FY 2019-24**

(in Rs. Crore)

Particulars	As per Petitioner's Submission					As per Objector's Assessment				
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
<b>Opening Equity</b>	821.26	834.73	834.73	834.73	834.73	821.26	821.26	821.26	821.26	821.26
Add: Increase due to addition during the year / period	-	-	-	-	-	-	-	-	-	-
Less: Decrease due to de-capitalisation during the year / period	-	-	-	-	-	-	-	-	-	-
Less: Decrease due to reversal during the year / period	-	-	-	-	-	-	-	-	-	-
Add: Increase due to discharges during the year / period	13.48	-	-	-	-	-	-	-	-	-
<b>Closing Equity</b>	834.73	834.73	834.73	834.73	834.73	821.26	821.26	821.26	821.26	821.26
<b>Average Equity</b>	828.00	834.73	834.73	834.73	834.73	821.26	821.26	821.26	821.26	821.26
Rate of ROE	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
<b>Return on Equity</b>	124.20	125.21	125.21	125.21	125.21	123.19	123.19	123.19	123.19	123.19
<b>Grand Total</b>			625.04					615.94		

1.4.2 Based on the aforesaid disallowance, it is humbly requested to this Hon'ble Commission to disallow the claims of the Petitioner of Rs. 625.04 Crore and may approve 615.94 Crore towards Return on Equity for the period FY 2019-24.

## 1.5 Interest on Loan

1.5.1 The Petitioner in the present Petition has claimed the Interest on Loan for the period of FY 2019-24 as detailed below:

**Table 7: Interest on Loan as claimed by the Petitioner for the period FY 2019-24**  
(in Rs. Crore)

Particulars	As per Petitioner's Submission				
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Interest on Loan	322.60	306.71	287.46	268.20	248.94

1.5.2 The historical benchmark interest rates in terms of the SBI Base Rate for the last 6 years is presented below:

**Table 8: Historical Benchmark Interest rate**

Effective Date	Interest Rate (%)
10.03.2021	7.40
10.12.2020	7.30
10.09.2020	7.40
10.06.2020	7.40
10.03.2020	8.15
16.12.2019	8.45
10.09.2019	8.95
10.12.2018	9.05
01.10.2018	9.00
01.07.2018	8.95
01.04.2018	8.70
01.01.2018	8.65
01.10.2017	8.95
01.07.2017	9.00
01.04.2017	9.10
01.01.2017	9.25
05.10.2015	9.30
08.06.2015	9.70
10.04.2015	9.85
07.11.2013	10.00

Source: <https://www.sbi.co.in/web/interest-rates/interest-rates/base-rate-historical-data>

1.5.3 It can be observed that the benchmark interest rate in terms of the SBI Base Rate has fallen from 10% as on 01.04.2014 to 7.40% as on present date which is a total reduction of 260 basis points.

1.5.4 As against the fall in 260 basis points in the benchmark interest rates, the Petitioner has claimed an interest rate of 12.60% which does not correspond to prevailing interest rate regime in the country applicable for domestic rupee term loans. The Petitioner has neither submitted the audited accounts nor the interest rate certificates from its bankers and loan agreements to collaborate on the interest rate claimed by it on long term loans.

1.5.5 In view of the above, it is urged that the Commission may direct the Petitioner to:

1. Seek copies of the audited accounts
2. Seek interest rate confirmation from the bankers of the Petitioner
3. Seek copies of loan agreements including the loan agreement(s) in terms of refinanced loan

## Annexure-1

4. Seek copies of monthly loan statements wherein interest and debt service details are provided.

1.5.6 On the basis of aforesaid proposed disallowance in Capital Cost, the loan balances would consequently undergo a change resulting into reduced loan amount that projected by the Petitioner. The Objector has recomputed the allowable Interest on Loan for the period FY 2019-24 as detailed below:

**Table 9: Comparison of Interest on Loan as claimed by the Petitioner and as per Objector's Assessment for the period FY 2019-24**

(in Rs. Crore)

Particulars	As per Petitioner's Submission					As per Objector's Assessment				
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Gross Normative loan – Opening	3,175.12	3,227.24	3,227.24	3,227.24	3,227.24	3,175.12	3,175.12	3,175.12	3,175.12	3,175.12
Cumulative repayment of Normative loan upto previous year	565.40	716.90	869.65	1,022.39	1,175.14	565.39	715.66	865.93	1,016.21	1,166.48
Net Normative loan – Opening	2609.72	2510.32	2357.58	2204.83	2052.08	2609.72	2459.45	2309.18	2158.91	2008.63
Add: Increase due to addition during the year /period	-	-	-	-	-	-	-	-	-	-
Less: Repayment during the year	151.50	152.74	152.74	152.74	152.74	150.27	150.27	150.27	150.27	150.27
Less: Decrease due to reversal during the year /period	-	-	-	-	-	-	-	-	-	-
Add: Increase due to discharges during the year /period	52.11	-	-	-	-	-	-	-	-	-
<b>Net Normative loan - Closing</b>	<b>2510.32</b>	<b>2357.58</b>	<b>2204.83</b>	<b>2052.08</b>	<b>1899.34</b>	<b>2459.45</b>	<b>2309.18</b>	<b>2158.91</b>	<b>2008.63</b>	<b>1858.36</b>
Average Normative loan	2560.02	2433.95	2281.20	2128.45	1975.70	2534.587	2384.31	2234.04	2083.77	1933.49
Weighted average rate of interest	12.60%	12.60%	12.60%	12.60%	12.60%	12.60%	12.60%	12.60%	12.60%	12.60%
<b>Interest on Loan</b>	<b>322.60</b>	<b>306.71</b>	<b>287.46</b>	<b>268.20</b>	<b>248.94</b>	<b>319.40</b>	<b>300.46</b>	<b>281.51</b>	<b>262.57</b>	<b>243.62</b>

1.5.7 Therefore, Objector requests Hon'ble Commission to allow the Interest on Loan to the tune of Rs. 1,407.56 Crore against the Rs.1,433.91 Crore as claimed by the Petitioner.

## 1.6 Interest on Working Capital

1.6.1 The Petitioner in the present MYT Petition for FY 2019-24, has claimed the Interest on Working Capital at Rs. 70.74 Crore as detailed below:

**Table 10: Interest on Working Capital as claimed by the Petitioner for FY 2019-24**  
(in Rs. Crore)

Particulars	As per Petitioner's Submission				
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
<b>Interest on Working Capital</b>	14.18	14.20	14.15	14.12	14.09

1.6.2 On the basis of aforesaid proposed disallowance, the Objector has computed the allowable Interest on Working Capital for the period FY 2019-24 as detailed below:

**Table 11: Comparison of Interest on Working Capital as claimed by the Petitioner and as per Objector's Assessment for the period FY 2019-24**

(in Rs. Crore)

Particulars	As per Petitioner's Submission					As per Objector's Assessment				
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
<b>O&amp;M Expenses for the Year</b>	118.22	123.50	129.02	134.79	140.82	118.22	123.50	129.02	134.79	140.82
O&M Expenses (for 1 month)	9.85	10.29	10.75	11.23	11.73	9.85	10.29	10.75	11.23	11.73
Maintenance Spares (15% of O&M Expenses)	17.73	18.53	19.35	20.22	21.12	17.73	18.53	19.35	20.22	21.12
Receivables	90.09	89.06	87.36	85.69	84.06	89.41	87.47	86.05	84.43	82.83
<b>Total Working Capital</b>	117.67	117.88	117.47	117.14	116.91	116.99	116.29	116.16	115.88	115.69
Rate of Interest	12.05%	12.05%	12.05%	12.05%	12.05%	12.05%	12.05%	12.05%	12.05%	12.05%
<b>Interest on Working Capital</b>	14.18	14.20	14.15	14.12	14.09	14.10	14.01	14.00	13.96	13.94

1.6.3 Therefore, Objector requests Hon'ble Commission to allow Rs. 70.01 Crore towards Interest on Working Capital for the period of FY 2019-24 as against the Petitioner's submission of Rs.70.74 Crore.

## 1.7 Energy Charge per unit of Generation

1.7.1 The Objector submits that the Petitioner has claimed the Energy Charge per unit of generation for FY 2019-24 as detailed below:

**Table 12: Energy Charges as claimed by the Petitioner**

Particulars	Unit	As per Petitioner's Submission				
		FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Annual Fixed Charges	INR Cr.	749.61	734.00	718.62	703.49	688.63
DE	MU	1251.94	1251.94	1251.94	1251.94	1251.94
AUX	%	1%	1%	1%	1%	1%
Free Energy for Home State (FEHS)	%	12%	12%	12%	12%	12%
<b>Energy Charge Rate</b>	INR/ kWh	2.998	2.935	2.874	2.818	2.754



1.7.2 It is submitted that the Petitioner has not revised energy charge rate as per the revised AFC as per revised tariff forms as submitted by the Petitioner. Therefore, Objector has computed the energy charge rate for FY 2019-24 as per revised AFC as detailed below:

**Table 13: Energy Charge as per Objector's Assessment**

Particulars	As per Objector's Assessment				
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Annual Fixed Cost	725.17	711.43	697.99	684.78	671.84
Design Energy MWh	1,251.94	1,251.94	1,251.94	1,251.94	1,251.94
Aux. Consumption (%)	1%	1%	1%	1%	1%
Free Energy Services	12%	12%	12%	12%	12%
<b>Energy Charge Rate (Rs./ kWh)</b>	<b>3.32</b>	<b>3.26</b>	<b>3.20</b>	<b>3.14</b>	<b>3.08</b>

### 1.8 Annual Fixed Charges

1.8.1 The Objector submits below the Objector's Assessment of the allowable Annual Fixed Charge for AHPCL for the period FY 2019-20 to FY 2023-24 showing the revised values of the components, wherever applicable as per the objection filed herein and pleads the Hon'ble Commission to consider the same in its tariff order.

1.8.2 The allowable AFC as per Objectors Assessment is Rs. 3,491.22 Crore (FY 2019-24) as against claimed AFC of Rs. 3,538.54 Crore.

**Table 14: Allowable Annual Fixed Charges for the Period of FY 2019-24 as per Objectors Assessment  
(in Rs. Crore)**

Particulars	As per Petitioner's Submission					As per Objector's Assessment				
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Depreciation	151.51	152.75	152.75	152.75	152.75	150.27	150.27	150.27	150.27	150.27
Interest on Loan	322.60	306.71	287.46	268.20	248.94	319.40	300.46	281.51	262.57	243.62
Return on Equity	124.20	125.21	125.21	125.21	125.21	123.19	123.19	123.19	123.19	123.19
Interest on Working Capital	14.18	14.20	14.15	14.12	14.09	14.10	14.01	14.00	13.96	13.94
O&M Expenses	118.22	123.50	129.02	134.79	140.82	118.22	123.50	129.02	134.79	140.82
<b>Total AFC</b>	<b>730.71</b>	<b>722.38</b>	<b>708.59</b>	<b>695.06</b>	<b>681.80</b>	<b>725.17</b>	<b>711.43</b>	<b>697.99</b>	<b>684.78</b>	<b>671.84</b>
<b>Grand Total</b>	<b>3,538.54</b>					<b>3,491.22</b>				