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Himachal Government Judicial Paper

BEFORE THE HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION, SHIMLA.

Filing No. 128 of 2023

Petition No.....

IN THE MATTER OF FILING OF PETITION FOR APPROVAL OF CAPITAL COST AS ON COD TAKING IN CONSIDERATION THE ADDITIONAL CAPITAL EXPENDITURE AND DETERMINATION OF TARIFF FROM COD TO FY 2023-24 FOR INTEGRATED KASHANG HYDRO ELECTRIC PROJECT STAGE 1 (1X65 MW), OF HIMACHAL PRADESH POWER CORPORATION Ltd. (HPPCL) UNDER THE HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION (TERMS AND CONDITIONS FOR DETERMINATION OF HYDRO GENERATION TARIFF) REGULATIONS, 2011 AND ITS AMMENDMENTS THEREAFTER AND UNDER SECTION-62 READ WITH SECTION 86 OF THE ELECTRICITY ACT 2003.

THE HIMACHAL PRADESH POWER CORPORATION LIMITED, HIMFED BUILDING, BCS, NEW SHIMLA, SHIMLA -9.

PETITIONER

VERSUS

THE HIMACHAL PRADESH STATE ELECTRICITY BOARD LIMITED, HPSEBL, VIDYUT BHAWAN, SHIMLA-171004.

RESPONDENT

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DATED:-

SHIMLA

FILLED BY


Dy. General Manager (SoP)
HPCL, Shimla-09.


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2 Himachal Government Judicial Paper

BEFORE THE HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION, SHIMLA

Filing No. 128 of 2023

Petition No.....

IN THE MATTER OF FILING OF PETITION FOR APPROVAL OF CAPITAL COST AS ON COD TAKING IN CONSIDERATION THE ADDITIONAL CAPITAL EXPENDITURE AND DETERMINATION OF TARIFF FROM COD TO FY 2023-24 FOR INTEGRATED KASHANG HYDRO ELECTRIC PROJECT STAGE 1 (1X65 MW), OF HIMACHAL PRADESH POWER CORPORATION Ltd. (HPPCL) UNDER THE HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION (TERMS AND CONDITIONS FOR DETERMINATION OF HYDRO GENERATION TARIFF) REGULATIONS, 2011 AND ITS AMMENDMENTS THEREAFTER AND UNDER SECTION-62 READ WITH SECTION 86 OF THE ELECTRICITY ACT 2003.

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PETITIONER

VERSUS

THE HIMACHAL PRADESH STATE ELECTRICITY BOARD LIMITED, HPSEBL, VIDYUT BHAWAN, SHIMLA-171004.

RESPONDENT

Reply on behalf of the Petitioner to the Queries raised by the Hon'ble Commission vide letter dated 24.07.2023 i.r.o Integrated Kashang HEP Stage 1 (1x65 MW) Petition.

Respectfully Showeth:

1. That the Petitioner i.e. HPPCL has filed the above titled petition for approval.

2. That vide letter dated 15.07.2023, the Hon'ble Commission has raised certain observations/shortcomings after going through the preliminary scrutiny of the petition (i.e. General queries & Queries related to capital cost and additional capitalization) which need to be replied by the Petitioner by 28.07.2023 and further additional time of three weeks granted by the Hon'ble HPERC.

ATTESTED

Witness
Address
Date



3. That the HPPCL is submitting the point wise reply to the General queries & Queries related to capital cost and additional capitalization raised by the Hon'ble Commission i.r.o Integrated Kashang HEP Stage 1 (1x65 MW)Petition:-

General Queries:

The point wise replies to the queries raised by the Hon'ble commission vide its letter dated 24.07.2023 in respect of Tariff Petition of Integrated Kashang HEP Stage 1 is submitted as below:-

A. General Queries:

1. Please submit model in soft copy (in MS Excel) with working linkages of the model used for calculation of Capital Cost and Tariff from COD to FY 2023-24 along with Formats as per HPERC (Terms and Conditions for Determination of Hydro Generation Tariff) Regulations, 2011 as amended from time to time.

Reply:

There is no specific model used for calculation of Capital Cost. The Cost Capitalized in respect of IKHEP Stage 1 has been considered based on the accounts finalised by HPPCL and Tariff from COD to FY 2023-24 has been worked out as per HPERC Regulations. MS Excel file is attached as Annexure-1

2. In the Table 7, the Petitioner has mentioned COD as 31stMarch, 2017 for Unit -1 whereas in the Table 9, the COD is mentioned as 01st September, 2016 for Unit-2. In this regard, please clearly/specify name of Unit (Unit 1 or Unit 2) for which the Petition has been filed for determination of Capital Cost and Tariff accordingly, submit revised information / data for concerned Unit only.

Reply:

The COD of units of IKHEP is as under:-

1. 1st Unit - 01.09.2016
2. 2nd Unit - 03.03.2017

ATTESTED

Manoj Kumar - Sakshi
Advocate cum Public
Notary
Village - Khatol
District - Shimla



3. 3rd Unit - 31.03.2017

It is clarified that in Table 7, actual cost as on 31.03.2017 has been considered i.e. after COD of all the units.

In Table 9, Gross infirm power generated indicated is combined of all three units and under COD, the period may please be read as 01.09.2016 to 31.03.2017.

It is further submitted that capital cost has been considered for all the three generating units of IKHEP along with related civil works. The necessary approval from HPPCL management to capitalize the cost of three units under IKHEP Stage-1 has already been provided with the petition as Annexure- P14.

3. In continuation with query No. 2, in the Table 26 (Design Energy), the Petitioner has mentioned COD as 01st September, 2016 for Unit-2. Please submit revised table for the Unit for which the Petition has been filed for determination of Capital Cost and Tariff.

Reply:-

As explained in the reply to query No. 2, the tariff petition is being filed for all the three units and the table has been filled accordingly as the first unit was commissioned on 01.09.2016.

4. As per the submitted Electrical Inspector Certificate, the dates of COD mentioned for the Units are 15.06.2016, 20.09.16 and 14.03.2017 as against the claimed COD of 31.03.2017 for the specific Unit from which power is being contracted with HPSEBL. In this context, please clarify the correct date of commissioning and provide the supporting COD certificates.

Reply:

The date indicated by the Electrical Inspector is the Electrical clearance date for running of the units. The supporting documents for COD are attached as Annexure - R1

Please provide the Audited Accounts for last three years along with segregation of project specific revenue and costs.

Reply:

Project specific Annual Accounts are not prepared by this corporation. However the records of each project are separately maintained and on the basis of Trial Balances of

ATTESTED

Witness
Advocate
5



all the projects, the consolidated Annual Accounts for the Corporation as a whole are prepared. This was not done as it was not mandated by the Companies Act 2013. Therefore, Trial Balances of F.Y. 2016-17 to F.Y. 2021-22 Are attached as Annexure- R2

6. Please submit the cost audit report for IKHEP Stage – I or Unit for which Petition has been filed.

Reply:

Cost Audit Reports for the last 3 years i.e. 2018-19 to 2020-21 are attached as Annexure-R3.

The petition has been filed for all the three units as already explained at reply to query no. 2.

7. Please clarify the difference between Actual Commissioning of Units and Actual COD of Units as provided in the Table 4 of the Petition.

Reply:

Actual Commissioning of Units refers to the date when the trial run of a unit is completed successfully. However, COD refers to the date when permission is granted to operate the unit commercially i.e. Sell the power generated from the unit.

8. Please provide the Auditor Certificate as the supporting document for the Actual Capital Cost as on COD and year-wise Additional Capitalization beyond COD as claimed in the Petition.

Reply:

Necessary certification by CA firm of actual cost on COD attached as Annexure-R4

9. Please provide the supporting document acknowledged by SLDC for the actual energy data mentioned in table 42. Also, provide the maximum generation in MW actually generated by the Plant since its commissioning.

ATTESTED
 Name of Officer
 Address
 Date
 Signature

Reply:

Energy bills are attached as Annexure-R5

10. Please provide the detail of capital spares capitalized as on COD.

Reply:



Details of Mandatory Spares are attached as Annexure – R6.

Queries related to Capital Cost and Financing

11. Audited Accounts of FY 2016-17 as well as TEC (Annexure – P9), specifies loan from PFC for Kashang HEP Project. Whereas, Petitioner has provided loan agreement only for ADB loan. In this context, please provide details of all loans availed against the project along with copies of loan agreement.

Reply:

Loan agreements, relevant to loans pertaining to the project are attached as Annexure-R7

12. Please submit time overrun and cost overrun attributable to controllable and uncontrollable factors.

Reply:

The detailed reasons for time overrun of civil and electrical contracts are already given in Table 17 (Page 36 of 62 of petition and in point no. 3.10.10 (page 42 of 62) of the petition respectively. From Table 17 delay of 998 days is due to uncontrollable factors whereas delay of 180 days is due to controllable factors. For E&M works, the time overrun is due to uncontrollable factors.

There is no Cost overrun related to Time overrun for Civil as well as E&M works.

13. Please submit class wise breakup of each asset and corresponding depreciation till COD.

Reply:

Class wise breakup of each asset and corresponding depreciation since CoD is attached as Annexure – R8.

14. In the DPR, it is specified that the cost estimates are for Kashang Stage-I comprising three units (total 195 MW). Also, contract agreement of civil works (Annexure P11) and E&M works (Annexure P12) have mentioned awarded cost for all three Units (3x65 MW= 195 MW). However, considering the allocation metrics of DPR, cost allocation of Civil Works to one Unit is Rs. 290.13 Crore out of Rs. 313.12 Crore, which is 92.66% as shown in the table

ATTESTED

View Kumar
Advocate
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Class

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COD.



below. In this context, please submit detailed break-up of the awarded cost between each Units duly certified by the Auditor.

S. No	Particulars	Cost of Stage -I as per DPR	Cost of One Unit claimed	Bifurcation of cost as per DPR
A	Civil Works	313.12	290.13	92.66%
B	E&M Works	246.5	114.67	46.52%
C	Total (A+B)	559.62	404.80	72.33%

Reply:

It is clarified that the DPR of Kashang Stage-I is for 65 MW only with provision of one standby unit. This has been clarified in detail at Page No. 10 and 11 of Annexure – P10 Vol. 1 (overall page no. 200 and 201) and the first paragraph of Annexure – P9 of Petition. It is further submitted that while awarding the works, all the civil works i.e. Power House cavern, Transformer Hall cavern, Pot Head Yard etc were awarded considering all the three units. Similarly, E&M works were awarded for all the three units. This was done, as it was not possible to award the works in phases. As such the cost of these components has been considered in Stage-I in the Capital Cost. The works of Stage-II have been awarded separately and are under progress. Annexure R-9 & R-10.

15. With regards to Table 5, the Petitioner has capitalized the Powerhouse, Transformer Hall and E&M works associated with IKHEP stage II & III. Since, the Petition has been filed for one Unit only. Therefore, please submit a detailed cost allocation of entire cost amongst each of the three Units. Also, based on the bifurcation of Capital Costs, the Petitioner

ATTESTED

Kuldeep Singh
Advocate cum Notary
Village Kharbala, Vikas Nagar
Bilaspur

should submit the following:

- (a) Total cost of works under heading "J" in the Table No. 5 should be Rs. 178.86 Crore (2.32+27.65+20.34+78.56+10.58+7.70+4.17+5.93+21.61) based on the break-up as against the total amount of Rs. 190.79 Crore claimed. Please submit clarification in this regard.
- (b) Cost of the Powerhouse Complex and Transformer Hall shown in DPR (Page No. 426 of Annexure -P10) is Rs. 16.74 Crore and Rs. 13.47 Crore respectively but petitioner has submitted it as Rs. 10.58 Crore and Rs. 7.70 Crore respectively. Please submit reasons for claiming lower cost.



- (c) Please submit the Revised Capital Cost based on above changes in the attached format i.e. Annexure 1, duly approved and signed by the auditor.

Reply:

Please refer to the explanation given at Point No. 2 and Point No. 14, for capitalisation of common works under IKHEP Stage-I and have already been put to use within the current PPA of 65 MW. It is therefore submitted that the entire cost capitalised may please be allowed under Stage-I

(a) The value indicated as 190.79 is a typographical error. It may kindly be read as 178.85 Crore.

(b) The pages being referred in the DPR Volume 1 have been revised in Volume 2 for Abstract of Cost.

(c) As such the cost of Power House complex and Transformer Hall is based on the values indicated in Vol. II, based on the classification to Point No. (a) and (b) above, there is no change in the capital cost indicated in the petition. The revised capital cost duly approved and signed by auditor is attached as Annexure-R11

16. With regards to Land Cost, please submit the following:

(a) Clarify, which Annexure is to be consider for land cost as Annexure 19 has two Annexure namely Annexure - A (with interest @2% PA on amount awarded by LAC) and Annexure -B (with interest @8% PA on amount awarded by LAC).

(b) Clarification for discrepancy of the cost in the Table 5 (Rs. 51.53 Cr.) and Table 14 (Rs. 45.55 Cr.) of the Petition.

ATTESTED

Vijay Kumar Saini
Advocate cum Notary Public
Vishakh Nagar, Vishakhapatnam
(d) Break-up of actual land cost amongst the three Units.

(c) Clarification for claiming land cost as Rs. 51.53 Crore while Annexure 19 reflects land cost as Rs. 27.49 Crore.

(a) It is clarified that the actual payments have been made as per Annexure B.

(b) It is clarified that since there is no head for Rehabilitation and Resettlement Expenses in Table 5 land amount of Rs 5.98 Cr. has been included in the land cost. The recovery of Interest on payments already made @8%, the same has also been



considered under Land Expenses. However, the amount of land and R&R has been indicated separately in Table-14.

(c) It is clarified that the second column in Annexure B of Annexure P19 refers to different villages where the land has been acquired for Kashang HEP Stage 1 only As such the land cost referred of Rs27.49 Cr is of Kashang Stage-1 village only. The reconciliation of the land details of both stages is attached herewith as Annexure – R12.

The entire land purchased for Kashang Stage 1 was essential to be acquired for even one unit to operate. The land acquired for Kashang Stage 2 is separate and has not been included in the capital cost.

17. With regards to IDC, please submit the following:

- (a) Unit-wise computation of IDC due to delay in achieving the COD along with supporting documents for such delay.
- (b) Unit-wise and month-wise physical and financial progress reports.
- (c) Actual loan drawl schedule supported by documents.

Reply:

(a) The financial year wise detail of the Interest during construction and the available date-wise loan drawl from all funding agencies along with calculations of interests on loan is attached for the F.Y. 2017-18 to 2022-23, in hard copy is attached as Annexure-13.

(b) The physical and financial progress is measured through the running bills and payments released accordingly. For civil contract RA bills are attached as Annexure – R14 & for E&M contracts Daily Progress Reports are attached as annexure R15 for reference.

(c) Date wise loan drawl from all funding agencies along with calculations of interest on loan is attached as Annexure-13.

18. The Petitioner has submitted contract agreements of around Rs. 473 Crore. However, claimed cost is Rs. 1044.24 Crore. In this context, please submit the details of work orders/contract agreement (in MS Excel) for execution of the project in the below format:

ATTESTED

Vijay Kumar Saklani
Advocate cum Notary Public
Vishu Bhawan, Vikas Nagar
Surinder (H.P.)



S. No.	Work order reference	Name of the contractor	Scope of work	Awarded cost (Rs. Crore)	Actual cost (Rs. Crore)	Reasons for increase in cost	Cost increase approved by BOD (Y/N)
1						
2						
.....	

Reply:

It is submitted that the details of actual cost & Additional capitalization total for 1044.24 Cr are given in table 5, table 6 & table 7.

It is further submitted that only one work order has been issued to a 3rd party regarding Geotechnical Instruments elaborated in detail at reply to query 22 and its relevant annexure. All other additional work as required have been got executed through the main contractors only. The details of variation of civil works have been given in Table - 16 of petition & all the documents along with approvals have been given in Annexure-P22 to Annexure P-25 of Petition. Similarly for E&M works the details are included in Annexure P-30 of Petition.

Details of the contract agreements are attached as Annexure - R16.

19. With regards to Preliminary Works, please submit the following:

- (a) In Annexure 18, there is one invoice entry (towards preliminary expenses) regarding Kashang Stage -II. Please clarify if the amount claimed under this head is for only stage -I or combined for both Stage-I and Stage-II. If it is consolidated of both the stages, then bifurcate the expenses of preliminary work among the stages and then among the units (units-I, unit-II and unit-III).
- (b) Reasons for increase in actual cost by 95.13% over DPR cost.
- (c) Scope of works along with detailed break-up under preliminary work.

Reply:

ATTESTED

Vijay Kumar Bakshi
Advocate cum Notary Public
Vishu Bhawan, Vishu Nagar
Bhimtal (U.P.)



(a) The Invoice No. Kashang – II at Sr. No. 3 and 4 is only an Invoice Number and does not pertain to Kashang Stage II. All these invoices pertain to expenses booked under IKHEP Stage 1. The Preliminary Expenses booked under IKHEP Stage 2 are separate. Bifurcation of expenses among the units is not possible as all the Preliminary work was carried for stage-1 of the Project.

(b) and (c) The proportionate expenditure amounting to INR 25.66 Cr is booked to S&I works on account of availing consultancy of Integrated Kashang HEP along with preparation of DPR by M/s SNC Lavalin and Contract Agreement is not available with this office as this agreement is of 2004-05. However, most of the invoices for the said expenses, are available and have been provided for reference as Annexure – R17.

20. With reference to Price Variation of E&M work at Page 40 of the Petition, the Petitioner has provided that PVC is approx. Rs. 26.5 Crore, whereas in the table, PVC supply is shown Rs. 16.61 Crore and PVC service as Rs. 3.33 Crore, totaling to Rs. 19.94 Crore. In this context, please submit justification in this regard along with supporting documents.

Reply:

It is submitted that supply contract is in INR & foreign currency (CHF & EURO) whereas service contract is in INR only. As such in the table given at page 40 of Petition, Price variation on supply has been given on foreign currency portion also as per provision of contract. The supporting documents for payment of price Escalation are attached as Annexure – R18 for E&M Contract.

21. With reference to Para "Tax and Duties" at Page 40 of the Petition, please submit the documentary proof for payment of tax and duties as Rs. 11.5 Crore paid to the E&M Contractor along with approval of competent authority.

ATTACHED

Reply:

Kumar Subram
Agencies cum Heavy Public
Work Division
Shimla (171001)

As the Entry Tax was a disputed matter between the E&M contractor and HPPCL, the same has been paid by HPPCL directly, the payment proof the same are attached as Annexure – R19. The CST and Service Tax, however, were paid directly by the contractor and reimbursed to the E&M contractor. As the contractor was simultaneously executing multiple projects, returns specific to IKHEP Stage 1 are not available. However, the verified



invoices for reimbursement of the CST and Service Tax are provided as proof of the same as Annexure – R19 (a).

22. With reference to Table 16 i.e. "Variation in Civil Works", the Petitioner has submitted total variation of Rs. 181.43 Crore whereas supporting documents / proofs have been submitted only for Rs. 21.54 Crore (Annexure 24 is 6.55 Crore and Annexure 25 is 14.99 Crore). In this context:

(a) Please submit the same as per the below tables.

Particulars	Claimed amount Rs. Cr	Remark
Variation in cost of civil works due to increased awarded amount	98.82	Submit justification and list of works /items included under this head dully specifying works /items are part of DPR or not. Also, submit supporting documents to substantiate its claim.
Price escalation as approved by Engineer in charge paid to the contractor	54.26	Submit justification and list of works /items included under this head dully specifying works /items are part of DPR or not. Also, submit supporting documents to substantiate its claim.
Price variation due to installation of Geo Technical Instruments	6.55	Clarify that this work was part of DPR or not. If this was not the part of DPR, submit BOD approval of the same. Also, submit justification for installation of Geo Technical Instruments.
Variations were encountered both in terms of quantity of materials as per DPR provisions as well as extra items to be incorporated which were not part of DPR	21.80	1. Petitioner has submitted supporting documents only for Rs. 14.55 Cr. (Annexure 25) for Price variation as per work site conditions. The Petitioner needs to submit supporting document for balance amount claimed under this head. 2. Submit justification and list of

ATTESTED

Vijay Kumar Sakshi
Advocate cum Solicitor Public
Yash (2014) 1020, Vidyalaya
Jalandhar 141 001



		works/items included under this head duly specifying works /items are part of DPR or not.
Total Variation	181.43	

Further, the Petitioner needs to submit bifurcation of variation in the following format:

Particulars	Total Amount (Rs. Cr)	Unit-I	Unit-II	Unit-III
Variation in cost of civil works due to increased awarded amount				
Price escalation as approved by Engineer in charge paid to the contractor				
Price variation due to installation of Geo Technical Instruments				
Variations were encountered both in terms of quantity of material as per DPR provisions as well as extra items to be incorporated which were not part of DPR				
Total Variation				

(b) Please submit clarification regarding uniqueness of each head and that the amounts are not overlapping accompanied by a justification note along with approval of competent authority for the cost variation.

ATTENDED

Yash Kumar Sakam
Advocate cum Notary
Yash Bhanawat, Vasant Nagar
Shimla (H.P.)

Reply:

(a)



Variation in cost of civil works due to increased awarded amount: There was change in scope of work such as inclusion of Powerhouse Cavern and Transformer Hall Cavern portion of Stage 2&3 among other changes. The complete working estimate for tendering purpose framed by the site office based on actual requirement foreseen at the tendering stage. The working estimate was framed at INR 267.53 Crore which is attached as Annexure R20. Beyond this, the international competitive bidding process resulted in an award price of 296.91 Crores. FBER report attached as Annexure- R20(a) in support of Price Variation beyond the working estimate.

Price escalation as approved by Engineer in charge was paid to the contractor: Price Escalation has been paid to the contractor as per contract provision already provided at Annexure – P23 of the petition. The approvals of the price escalation are attached as Annexure – R20 (b).

Price Variation due to installation of Geo Technical Instruments: It is submitted that the installation of Geo Technical Instruments was not within the scope of the DPR. However, approval of the same was taken from The Worthy Managing Director of HPPCL and awarded separately to M/s PMT at a total cost of Rs 2,94,14,487/- only. During execution of contract the cost increased to a total of 6.54 Cr due to various reasons and the price variation approval of the same was accorded from the BOD of HPPCL. The approval of BOD is already attached at Annexure-P24 of Petition. The complete agenda item containing the approval from The Worthy Managing Director of HPPCL, the original award, the various reasons for price variation, and other relevant record is now attached as Annexure – R21.

23. Please submit detailed justification and supporting documents to substantiate the claim for following works:

ATTESTED

Vijay Kumar Sekhri
Advocate cum Notary Public
Vishw Nath, Vikas
Bhimpur (H.P.)

Name of Works	Original DPR Cost	DPR Cost in the Petition	Actual Cost	Remarks
K-Building	11.48	11.48	6.58	a. Submit list of items / works included under



Name of Works	Original DPR Cost	DPR Cost in the Petition	Actual Cost	Remarks
				this head.
O-Miscellaneous	8.05	8.05	9.7	b. Submit list of items / works included under this head. c. Reason for variation in the cost.
R-Communication	21.675	12.67	22.75	d. Submit list of items / works included under this head. e. Reason for variation in the cost.
Establishment @8% (I Work -B Land)	22.07	20.37	112.24	f. Submit list of items / works included under this head. g. Reason for variation in the cost.
Audit & Accountings & pro-rata of H.O Establishment (0.5%)	1.34	1.34	0.01	h. Submit list of items / works included under this head.

ATTEST
 V. K. KUMAR, Solicitor
 Advocate cum Public Notary
 Yamki, Shimla
 Shikha (P.F.)

Reply:

It is submitted that the column 'Original DPR Cost' above appears to have been taken from Volume 1 of the DPR. It is requested to kindly refer the Volume 2 of the DPR for



the Abstract of cost and it will be found that the said costs will match those specified under the column 'DPR Cost in the Petition'.

K-Building: The list of items / works under this head is attached herewith as Annexure – R22.

O-Miscellaneous: The list of items / works under this head is attached herewith as Annexure – R23. The cost is higher because vehicle expenses and construction power expenses have also been booked under O-Miscellaneous which naturally increased with time over run.

R-Communication: The list of items / works under this head is attached herewith as Annexure – R24. Reasons for variation have been already provided as Petition Clause 3.10.4.

Establishment: The list of items/ works under this head is attached herewith as Annexure – R25. Establishment expenses naturally exceeded the DPR provision with the time over run involved.

Audit & Accountings: The list of items/ works under this head is attached herewith as Annexure –R26.

24. Please provide the details of Capital Cost along with year-wise bifurcation certified by the Auditor as follows (in Rs. Cr)

Financial Year	Debt	Equity	Grant (if any)	Total Capital Cost
FY 2009-10				
FY 2010-11				
FY 2011-12				
.....				
FY 2023-24				

Reply:

Auditor's Certificate for capital cost with Year-wise bifurcation of Debt, Equity & Grant is attached as Annexure. R27

25. With regards to Local Area Development Fund (LDAF). Please submit the following:

(a) At para no. 3.7.4 of the Petition, the Petitioner has mentioned the following:



"..... HPPCL is in the process of getting the capital cost of the project approved from its Board of Directors and once the capital cost is approved, process to release the balance amount shall be initiated."

In this regard, please clarify as to whether the total Capital Cost claimed by the Petitioner is approved by BOD. If not approved yet, the Petitioner should submit:

1. Details of approved Capital Cost for the project by BOD as against the claimed Capital Cost.
2. Amount for which BOD approval is still pending with reference to cost items which have been claimed in the Petition.

- (b) In the Table 13, Petitioner has mentioned that Rs. 9.06 Crore has been deposited towards LADF and balance amount to be paid is Rs. 5.55 Crore. In this context, please submit computation and supporting documents to substantiate payment of Rs. 9.06 Crore.

Reply:

(a) The matter is being pursued as and when the BOD approval are obtained they shall be communicated accordingly as Annexure R 28

(b) LADF amount is taken as 1.5% of the Total Capital Cost of the Project. As per the DPR, the LADA amount was 7.06 Crore based on DPR cost (470.95 Crore) which was paid into LADF by HPPCL as on COD. However, after the execution of the project, it was observed that the amount of Rs 1003.23 Crore has been spent up to CoD. Therefore, the revised amount of LADA would be 14.61 Crore. The approval of this capital cost from the BoD of HPPCL is under process. However, an additional INR 2.00 Crore has been deposited to LADF by HPPCL through DoE, GoHP. (Annexure -R29)

26. With regards to Additional Capital Expenditure (Table 6), please submit information as per below table.

Particulars	Details
Civil Works	Submit list of works /items included under this head duly specifying works /items are part of DPR or not. If any work / item was not part of DPR, submit BOD approval for the same.
E&M Works	Submit list of works /items included under this head duly

ATTESTED

Vijay Kumar
Advocate cum Public
Notary
Vikas Place
Sewana 141 001



	specifying works /items are part of DPR or not. If any work / item was not part of DPR, submit BOD approval for the same.
Buildings	Submit list of works /items included under this head duly specifying works /items are part of DPR or not. If any work / item was not part of DPR, submit BOD approval for the same.
Roads	Submit list of works /items included under this head duly specifying works /items are part of DPR or not. If any work / item was not part of DPR, submit BOD approval for the same.
Office equipment and others / ROU	Submit list of works /items included under this head duly specifying works /items are part of DPR or not. If any work / item was not part of DPR, submit BOD approval for the same.

Reply:

With regard to Additional capitalization, the details of year wise changes in capital cost is as per the already submitted Form F5, Please refer the Annexure-R30 for item wise list (same items at Form F5) with details on which items are part of the original E&M Contract, which items are part of original Civil Contract and which items are mandatory payments/provisions as per Statutory Requirements.



ATTES 

Uday Kumar Sakshani
Advocate cum Notary Public
Vish Ekanson, Vidya Nagar
Shimla-171004

No 2493817

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Himachal Government Ju



BEFORE THE HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION, SHIMLA

Filing No. 128 of 2023

Petition No.....

IN THE MATTER OF

IN THE MATTER OF FILING OF PETITION FOR APPROVAL OF CAPITAL COST AS ON COD TAKING IN CONSIDERATION THE ADDITIONAL CAPITAL EXPENDITURE AND DETERMINATION OF TARIFF FROM COD TO FY 2023-24 FOR INTEGRATED KASHANG HYDRO ELECTRIC PROJECT (1X65 MW), OF HIMACHAL PRADESH POWER CORPORATION Ltd. (HPPCL) UNDER THE HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION (TERMS AND CONDITIONS FOR DETERMINATION OF HYDRO GENERATION TARIFF) REGULATIONS, 2011 AND ITS AMMENDMENTS THEREAFTER AND UNDER SECTION-62 READ WITH SECTION 86 OF THE ELECTRICITY ACT 2003.

THE HIMACHAL PRADESH POWER CORPORATION LIMITED, HIMFED BUILDING, BCS, NEW SHIMLA, SHIMLA -9.

PETITIONER

VERSUS

THE HIMACHAL PRADESH STATE ELECTRICITY BOARD LIMITED, HPSEBL, VIDYUT BHAWAN, SHIMLA-171004.

RESPONDENT

Affidavit verifying the petition

I, Er. Sangram Singh, son of Sh. Ranjeet Singh Guleria, aged about 56 years, presently working as a Dy. General Manager (Sale of Power), Himachal Pradesh Power Corporation Limited, Shimla, do hereby solemnly affirm and declare as under:-

1. That I am duly authorised to file this Compliance Report and swear in the affidavit therein.
2. That the HPPCL Reply has been prepared and drafted at my instance and under my instruction. The content of reply are true and correct to the best of my personal knowledge based on the official record. No part of it is false and nothing material has been concealed there from.

ATTENDED

Er. Sangram Singh
Dy. General Manager (Sale of Power)
Himachal Pradesh Power Corporation Limited
Shimla (H.P.)



- 3. That the Petitioners further declares that this affidavit of mine is true and correct to the best of my personal knowledge, no part of it is false and nothing material has been concealed there from.
- 4. Verified at Shimla on ^{21st} day of ^{Sep} 2023.



ATTESTED

Vijay Kumar Saldani
 Advocate cum Notary Public
 10/1, Sector-10, Vasant Marg
 Shimla (H.P.)

Vijay Kumar
 IDENTIFIED BY
[Signature]
 243696941716

sworn before me on my affirmation
 the ^{21st} day of ^{Sep} 2023
 at Shimla he declared that
 by ^{Sangram Singh}
 identified by ^{Dharam Singh Thakur}
 who is a ^{...}
 and correct affidavit is hereby attested
[Signature]
 21/9/23