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Himachal Government Judicial Paper

BEFORE THE HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION, SHIMLA.

Filing No. 101 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 SAINJ HYDRO ELECTRIC PROJECT (2 X 50 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 THERAFTER 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:- 06-11-2023

SHIMLA

FILLED BY


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



No. 2493685

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Himachal Government Judicial Paper

BEFORE THE HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION, SHIMLA

Filing No. 101 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 SAINJ HYDRO ELECTRIC PROJECT (2 X 50 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 THERAFTER 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

ATTESTED

Vijay Kumar
Advocate cum Notary
Yash Gauron
Shimla (H.P.)

Reply on behalf of the Petitioner to the Queries raised by the Hon'ble Commission vide letter dated 12.10.2023 i.r.o Sainj HEP (2x50 MW) Petition.

Respectfully Showeth:

1. That the Petitioner i.e. HPPCL has filed the above titled petition for approval.
2. That the Petitioner i.e. HPPCL has filed the replies on dt. 13.09.2023 on the queries raised by Hon'ble HPERC vide letter dt. 15.07.2023 on above titled petition for approval.
- A. That vide letter dated 12.10.2023, the Hon'ble Commission has raised certain observations/shortcomings after going through the preliminary scrutiny of



replies filed by the Petitioner i.e. HPPCL on the above titled petition (i.e., General queries, Queries related to capital cost and additional capitalization & Related to Set-1 Queries raised by Commission vide letter dated 15.07.2023.

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 previous replies on SAINJ HEP (2x50 MW) Petition:-

General Queries:-

1. In reply to Query 7 and Annexure R1-4 (DoE, POSOCO), the letter related to certificate for completion of trial run from POSOCO dated 30.08.2017 has been submitted. However, the CoD has been declared on 04.09.2017 in this regard, please clarify the mismatch.

Reply:-

After completion of trial run of both the Units, POSOCO had issued certificate for completion of trial run of both the Units on dated 30.08.2017 which was a pre-requisite for declaration of COD. Thereafter, CoD has been declared on 04.09.2017 after obtaining permission of Declaration of Commercial Operation date for Unit#1 & Unit#2 from Directorate of Energy (DoE) and after compliance to all points as required therein.

2. Please submit completion certificate issued to the contractors for civil works and electromechanical works.

ATTESTED

Vijay Kumar Saklani
Advocate cum Public
Yash Bhatia
Sharda (H.P.)

Reply:-

Completion certificate issued to contractor for E&M works attached as **Annexure R2-1** and completion certificate in r/o EPC Contract civil package of Sainj HEP is attached as **Annexure R2-2**

3. In Table No. 8 of Petition, the year -wise details of debt from FY 2011-12 to FY 2018-19 has been provided in this context, please provide the date wise drawl of loan and amount of loan.



Reply:-

The available date wise drawls are already therein in IDC calculations provided earlier. Also the certified copy of year wise debt drawl from CAG cerified Chartered Accountant is attached as Annexure R2 – F(1)

Please submit the number of employees, year –on- year since the start of construction of the project and broad categorization of employees at various levels.

Reply:-

The desired information is attached as **Annexure R2-3**

- In reference to Table 11 (detail of variation in civil works) of the Petition, please submit the rationale for claiming zero cost against "Environment & Ecology" and "Audit and Accounts" whereas cost in DPR is R. 46.83 Cr. and Rs. 2.10 Cr. respectively.

Reply:-

The zero cost against the head "Environment & Ecology" i/c Audit and Accounts was given inadvertently and the same was booked in the head contingencies charges (as per **Annexure R1/16(8)**).

- Please submit the start date and end date for the delay in 1st and 2nd Extension of Time (EoT) finally approved by the Board of HPPCL for both Civil works and electromechanical works in the following format (in MS Excel).

Sr No.	Description/ Reason	From(A) DD/MM/ YYYY	To(B) DD/MM/ YYYY	Delay in Days	Delay in Days after	Attribution of delay in days			Documentary Evidence for start/ end date of Delay
						Contractor	None	HPPCL	
				B-A	Overlapping				
1	Civil Works								
	Reason 1								
	Reason 2								

ATTESTED

Vijay Kumar Saksena
Advocate cum-Notary Public
Yash Bhawan, Vyas Nagar
Shimla (H.P.)



2	E&M Works								
	Reason 1								
	Reason 2								

Further, please submit proper documentary evidence to substantiate the reason for delay along with documentary evidence (like Govt. Orders/notifications, etc.), wherever applicable.

Reply:-

The start date and end date for the delays in 1st and 2nd Extension of Time (EoT) finally approved by the Board of HPPCL for both Civil works and Electro-mechanical works in the desired format (in MS Excel) is attached as per **Annexure R2-4** & supporting document as **Annexure R2-4(1)**.

7. Please clarify the delegation of power for approving escalation in cost due to reasons like price escalation, change in scope of works etc. along with amount details. Further, please submit the rationale for price increases in actual vs. awarded costs with supporting board approvals for both E&M package and Civil works.

Reply:-

For Civil works: The delegation of power for approving variation in cost due to reasons like Price Variation/Escalation has been followed as per Contract Agreement G.C.C Clause 13.8 & and change in scope of works is as per DoFP Section-V Sr. No. 9.1.2.3 (for EPC / Turnkey Contracts covering variations with / without rate revision and new/ extra/ substituted items.etc. along with amount details is here by attached **(Annexure-P13 & P14 of original Tariff Petition, Annexure-R2-5 & Annexure R2-5(1)**).

ATTENDED

Vijay Kumar Sakiani
Advocate
Yash Bhatnagar, Vikas Nigam
Shimla (H.P.)

For E&M package:

The delegation of power for approving variation in cost due to reasons like Price Variation/Escalation has been followed as per Contract Agreement Section-I, Appendix-2 and change in scope of works is as per DoFP Section-V Sr. No. 9.1.2.3 **(Annexure R2-5)** (for EPC / Turnkey Contracts covering variations with / without rate revision and new/ extra/ substituted items.etc. along with amount details is here by attached as **Annexure P/18 to Annexure P/23**).



Payment(s) under supply portion:-

The Director (E), HPPCL had empowered DGM (E) under HoP of respective power houses for verification of payments on account of supply of goods, PVC, Completion of E&M works, issuance of final certificate(s), taxes and duties etc. for further payment(s).

Payment(s) against Erection / Service portion:-

The Director (E), HPPCL had empowered D.G.M (E) under HoP of respective power house for payment(s) on account of advance, Pro-rata Progressive, PVC on completion of E&M works, Final Certificate, Transportation and Taxes & Duties.

Letter of Director (E) to support the same has been attached as **Annexure R2-6**

Reasons for price escalation in actual vs awarded costs have already been elaborated in write-up of tariff petition.

8. Please submit the following documents in Ms Excel:-

Document	Annexure reference
Original Petition	Annexure P 24B, Annexure P 13 C, Annexure P18, Annexure P 24 A, Annexure P 24 B
Reply to HPERC Queries	Annexure R1/1, Annexure R-16(2), Annexure R1-16(3), Annexure R1-16(4), Annexure R1-16(5), Annexure R1-16(6), Annexure R1-16 (7), Annexure R1-16(8) Annexure R1-18, Annexure R1-21, Annexure R1-22(1), Annexure R1-23, Annexure R1-31, Annexure R1-36, Annexure R1-39 and Annexure R1-40

ATTESTED

Vijay Kumar Saklam
Advocate cum Notary Public
Vish Bhawan, Vikas Nagar
Shimla (H.P.)

B. Related to Set- 1 Queries raised by Commission vide letter dated 15.07.2023



Reply:-

Annexure P24A :	Softcopy of MS Excel Sheet attached as Annexure R2-7
Annexure P24B :	Softcopy of MS Excel Sheet attached as Annexure R2-8(1) & Annexure R2-8(2)
Annexure P18 :	Softcopy of MS Excel sheet attached as Annexure R2-9
Annexure P13C :	Softcopy of MS Excel sheet attached as Annexure R2-10
Annexure R1-1 :	Softcopy of MS Excel Sheet attached as Annexure R2-11
Annexure R1-16(2) :	Softcopy of MS Excel Sheet attached as Annexure R2-12
Annexure R1-16(3) :	Softcopy of MS Excel Sheet attached as Annexure R2-13
Annexure R1-16(4) :	Softcopy of MS Excel Sheet attached as Annexure R2-14
Annexure R1-16(5) :	Softcopy of MS Excel Sheet attached as Annexure R2-15
Annexure R1-16(6) :	Softcopy of MS Excel Sheet attached as Annexure R2-16
Annexure R1-16 (7) :	Softcopy of MS Excel Sheet attached as Annexure R2-17
Annexure R1-16(8) :	Softcopy of MS Excel Sheet attached as Annexure R2-18
Annexure R1-18 :	Softcopy of MS Excel Sheet attached as Annexure R2-19
Annexure R1-21 :	Softcopy of MS Excel Sheet attached as Annexure R2-20
Annexure R1-22(1) :	Softcopy of MS Excel Sheet attached as Annexure R2-21
Annexure R1-31 :	Softcopy of MS Excel Sheet attached as Annexure R2-22
Annexure R1-36 :	Softcopy of MS Excel Sheet attached as Annexure R2-23
Annexure R1-39 :	Softcopy of MS Excel Sheet attached as Annexure R2-24
Annexure R1-40 :	Softcopy of MS Excel sheet attached as Annexure R2-25

9. In reference to Query 2 and Annexure R1/1 (DEA/REA Sheets), please submit summary of month wise and year wise actual Net Saleable energy in MUs from FY 2017-18 to FY2022-23 in MS Excel.

ATTESTED
 Vijay Kumar Saktani
 Advocate cum Notary Public
 Yash Bhawan
 Bhabha (I.P.)

Summary of Net Saleable Energy in MUs from FY 2017-18 to FY 2022-23 in MS Excel format is attached as **Annexure R2-26**

10. In reference to Query 4 Table 1 (Energy and revenue detail from CoD till FY 2022-23 of Petition and standard format, please reconcile the following difference in Net Saleable energy details in MUs given in Column D.



	A (Table 1 of Petition)	B (Format)	C=87%xB	D=C-A
FY 2018	115.53	133.36	116.02	0.49
FY 2019	352.4	405.44	352.73	0.33
FY 2020	297.39	341.37	296.99	-0.40
FY 2021	364.79	419.69	365.13	0.34
FY 2022	353.06	413.80	360.01	6.95
FY 2023	360.89	418.22	363.85	2.96

Reply:-

Revised table as per DSA sheets issued by NRPC is as follows:-

	A (Table 1 of Petition)	B (Format)	C = 87% x B	D = C-A
FY 2017-18	115.53	133.36	116.02	0.49
FY 2018-19	352.40	405.44	352.73	0.33
FY 2019-20	297.40	341.37	296.99	-0.41
FY 2020-21	364.79	419.69	365.13	0.34
FY 2021-22	359.43*	413.80	360.01	0.58
FY 2022-23	363.45*	418.22	363.85	0.40

*Revised readings as per DSA sheets issued by NRPC

Difference in readings of Column-A & Column-C is because the data of Column A is as per weekly reading taken though Special Energy Meters installed by NRLDC which have higher Accuracy Class whereas the data of Column-C is as per the Generation data taken manually from the energy meters installed in GIS control room of Sainj HEP which are simple energy meters and have lower accuracy class.

11. In reply to Query 15, the HPPCL was required to provide the details of equity infusion from GoHP. However, the HPPCL has not submitted project wise bifurcation of equity



towards Sainj Project as required in the query. Therefore, please submit Board approval/any other document in support of the same.

Reply:-

Necessary certification by CA firm has already been supplied. Copy of the same is again enclosed herewith as **Annexure R2-F(2)**.

12. In reply to Query 16, please clarify if HPPCL has sought any relaxations in terms of repayment of loan and interest rate for the loan taken from GoHP. Any specific order from GoHP in this regard be also shared please.

Reply: -

The deferment approvals in respect of relaxations in repayment terms of loan and interest rate for the loan taken from GoHP are attached herewith as **Annexure R2-F3**.

13. In reply to Query 17(b), and Annexure R1-15 (Infrastructure work awarded to third Parties), please list/summarize the documents of contracts provided in following table in MS Excel.

Head in Table 4	Work/Contract	Amount of Award in Rs./-	Date as per document shared in DD/MM/YYYY	Ref to document (Page No...etc.)

ATTESTED

Vijay Kumar
Advocate cum
Notary Public
Shimla (H.P.)

*The Petitioner is required to submit the head under which the work is categorized in Table 4 of Petition like Contingency expense, establishment charge, Township etc.

Reply:-

The desired information regarding contract awarded to third parties pertain to the head 1.4 (Infra Works/ Town ship) as mentioned in table No 4 of original petition is hereby submitted in MS Excel as per **Annxure-R2-27**.



14. In reference to Query 17 (c) (iii) and Table 11 (Detail of variation in Civil works) of Petition, it has been submitted that necessary board approvals are being obtained for deviation of actual cost. In this context, please submit the necessary compliance for the same.

Reply:-

The desired information is hereby submitted in as per approval given by worthy BOD (MoM attached as per Annexure-28)

15. In reference to Query 17 (c) (iii) it has been submitted that "Preliminary i/c development investigation and planning is included in "Township (Miscellaneous work)". In this regard, please submit reference to the Annexure RI-16 (4) (Township/Infrastructure) in which it is claimed along with relevant supporting documents.

Reply:

The expenditure regarding Township (Miscellaneous works) - Annexure-R1/16(4) was inadvertently mentioned in place of Annexure R1-16(8) i.e reflected in contingency charges and actual expenses pertaining to preliminary & Investigation Survey was considered Zero expenditure due to non booking of head as per DPR.

16. In reference to Query 17 (c) (iii) and Annexure RI-16(2) (Details of land), please provide the following clarification.

a. Proof of payment for only Rs. 21,22,06.109/- is submitted in Annexure RI-16 (2), whereas the amount claimed in Table-4 (Details of actual capital cost till CoD) is 32.47 Cr. please clarify the mismatch.

b. Based on the documents provided, it cannot be verified that the land acquired is towards Sainj Project.

c. Also provide summary of land records along with references in MS Excel.

Reply:-

In reference to Sr. 16(b):- The private land was acquired for construction of Sainj HEP as per payment details attached as above.

In reference to Sr. 16(c):- The desired information is already mentioned in Annexure-

R2-12.



17. In reference to Query 17 (c) (iii) and Annexure R1-16 (4) (Township/Infrastructure), the Petitioner has claimed expenses under several heads. In this context, submit detailed justification and supporting documents to substantiate claim.

Sr. No	Particulars	Cost (Rs. Crore)	Provide Nature of Works and detailed justification	Supporting documents
1.	Asset Capitalisation as per UC from HPSEBL	4.21		
2.	Deposit work construction of 400 KV D/C Transmission Line LILO	7.03		
3.	Asset Cap Tally V No 04/24 dt. 9.4.12 load extension	1.13		
4.	Other works less than Rs. 1 Cr.	0.66		

Reply:-

ATTESTED

Jay Kumar Sekhani
Advocate cum Judicial Officer
Bar, Shimla
H.P.

Sr. No	Particulars	Cost (Rs. Crore)	Provide Nature of Works and detailed justification	Supporting documents
1.	Asset Capitalisation as per UC from HPSEBL	4.21	Providing of supply of Power house to Sainj HEP from 33/11kV 3x3.15+6.3 MVA substation Sainj ESD Larji	Annexure R2-29 attached
2.	Deposit work construction of 400 KV	7.03	Construction 400kV transmission line by LILO	Annexure R2-29



	D/C Transmission Line LILO		from Parbati-II to PGCIL Banala	attached
3.	Asset Cap Tally V No 04/24 dt. 9.4.12 load extension	1.13	Load extension of additional load of 2780kW making total load 3261kW with total contract demand of 2500kVA at 33kV supply	Annexure R2-29 attached
4.	Other works less than Rs. 1 Cr.	0.66	Various works related to construction power executed by contractors	Annexure R2-29 attached

The expenditure details amounting to Rs 13.04 Crore was given earlier vide Annexure 16(4) against total expenditure 13.15 crore and balance amount of Rs 11.00 lakh has been booked in another Misc. head.

18. In reference to Query 17 (c) (iii) and Annexure R1-16 (5) (Plant & Machinery), the HPPCL has submitted break up under different heads like Office machinery, Vehicles, Furniture, & Fixtures, etc. which sum up to Rs. 1.77 Cr., whereas the HPPCL has claimed no such head in Table 4 (details of actual cost till CoD) of the Petition. In this context, please clarify the discrepancy. Also, please submit the relevant head under capital cost submitted in table 11 of petition under which these costs are booked.

Reply:

ATTESTED

Vijay Kumar Gakhar
Advocate
Yash Prakash
Shankar (H.S.)

The expenditure regarding Plant & Machinery R1-16(5) was submitted break up under different heads like Office machinery, Vehicles, Furniture, & Fixtures, etc. which sum up to Rs. 1.77 Cr and the same has not been mentioned in Table no. 4 inadvertently.

19. In reference to Query 17 (c) (iii) and Annexure R1-16 (6) (Detail of Communication).
- a. Details for the Communication expenses are submitted in Annexure R1-16 (20.48 Cr., whereas the claimed amount in Table 4 (Details of actual capital cost till CoD) is Rs. 24.54 Cr. please clarify the mismatch.



- b. The HPPCL has submitted journal document for "Roads and Paths (CWIP)-14.081". Please submit the correct documents showing the breakup of Communication expenses in MS Excel along with justification.

Reply:

In reference to Sr No.19 (a) & (b) above, the revised break up of communication expenses is hereby attached as per **Annexure R2-16**.

20. In reference to Query 17 (c) (iii) and Annexure R1-16 (8) (Contingency expense), the HPPCL has claimed several heads. In this regard, please supply the following:

- a. Detailed justification and supporting documents to substantiate claim.

Sr. No.	Particulars	Cost (Rs. Crore)	Provide Nature of Works and detailed justification
1.	Survey & Investigation	7.36	
2.	Environment & Cat plan expense	22.53	
3.	AUC-LADA	10.70	
4.	Common Cost Incidental pending alloc (HO & SNR)	26.95	
5	Suind- Neuli road not owned by HPPCL	6.26	
6	Hired vehicle expense	6.80	
7	OS Manpower charges Emp Cost (Proejct)	1.49	
8	Depreciation Sainj (Pending allocation)	6.39	
9	Outsourced Manpower expenses	4.81	

ATTESTED

Vijay Kumar
Advocate
Vishal Kumar
Sainj (HPPCL)

- b. How is the depreciation amount calculated (under S. No. 8 in above table) during construction period?



- c. Expenses under "Suind- Neuli road not owned by HPPCL "has been claimed. Please clarify as to why this amount is claimed in project cost.
- d. Why are Manpower charges claimed twice (under S. No. 7 &9 in above table).
- e. Submit item wise break up of Establishment charges (like employee cost, etc.) (Annexure R1-16 (7)) along with justification and documentary evidence..
- f. Rationale for claiming vehicles expenses in multiple heads under contingency Expenses, plant & machinery expense, etc.
- g. Summary of the documentary proofs submitted in Annexure R1-16 (8) in reference to the relevant heads claimed under contingency expenses.

Reply 20 (a)

Detailed justification and supporting documents to substantiate claim is as under:-

Sr. No.	Particulars	Cost (Rs. Crore)	Provide Nature of Works and detailed justification	Supporting Documents
1.	Survey & Investigation	7.36	This includes the expenditure incurred during the investigation & survey stage of the Project in preparation of pre-feasibility report/DPR of the project. Topographic survey, Geological survey, geo technical investigation i/c drilling bore holes	-

ATTESTED

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Yesh Bhawan, Vikas Nagar
Shimla (H.P.)



			and geo physical survey .	
2.	Environment & Cat plan expense	22.53	Cost of Forest tree, NPV cost, Fishery Management , Env Management , Monitoring of water & Air (HPSPCB), Biodiversity Consevation	Attached as Annexure - R2-29(1)
3.	AUC-LADA	10.70	Deposited LADA fund 1.5% total project cost i/c various public various work	Details already supplied vide Annexure R1-20(A)
4.	Common Cost Incidental pending alloc (HO & SNR)	26.95	Allocation of Expenses incurred by HO & design office HPPCL during the construction of Sainj HEP	-
5	Suind- Neuli road not owned by HPPCL	6.26	Various road protection work i.e retaining and b/b wall i/c road pavement etc.	Attached as Annexure - R2-29(2)
6	Hired vehicle expense	6.80	Facilitation of conveyance to the Project employees for the construction of Project. The vehicles were required as the	Vehicle was provided to the employees as per their entitlement and the vehicles were deployed only after the approvals from

ATTESTED

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Jash Bazar, Vikas Nagar
Shimla (H.P.)



			various components of the project were spread over large area ranging	the competent authority.
7	OS Manpower charges Emp Cost (Proejct)	1.49	It may be considered along with Sr. no 9 being same nature of works	-
8	Depreciation Sainj (Pending allocation)	6.39	Reply given below at 20(b)	
9	Outsourced Manpower expenses	4.81	It may be considered along with Sr. no 7 being same nature of works.	-

Reply 20(b):

The depreciation amount during construction period in case of Sainj HEP is calculated annually based on straight line method(SLM) of depreciation as per depreciation rates and methodology notified by Hon`ble HPERC vide notification No. HPERC/Gen./479 dated 01.04.2011. The approved rates of depreciation are attached herewith as Annexure R2-F(4).

Reply 20 (c):

Since the Suind Neuli Road was handed over by HPPWD department to HPPCL for the construction of Sainj HEP and its repair and maintenances was done by HPPCL . Hence the expenditure incurred on a/c of various road protection work has been claimed in Project cost.



Reply 20 (d):

As such the expenditure mentioned in Sr No 7 & 9 are of same nature Job and due to shifting of manual accounting to SAP after 31.03.2013 the related entries were booked under 2 different cods i.e manual and SAP

Reply 20 (e):

The salaries of Officers and Officials of Sainj HEP are booked consolidated in establishment charges.

Reply 20(f):

Only vehicle hiring charges are booked in Contingency charges and our own vehicle which was purchased by HPPCL shown in Plant and Machinery head.

Reply 20(g):

Details of contingency charges in MS format has been attached In **Annexure R2-18**

21. In reference to Query 17 (e) and Annexure R1-19 (IDC), the HPPCL has submitted details of IDC applicable for date wise loan draws from FY 2017-18 to FY 2022-23. However, as per original submissions, the HPPCL has drawn loan from FY 2011-12 onwards for the said project. Hence, please submit the complete details for computation of IDC of Rs. 253.08 Cr. from FY 2011-12 or inception.

Reply:

Necessary Certification by CA firm of year – wise Interest on ADB Loan (IDC) since inception of the project till FY 2022-23 is under process and shall be submitted shortly .

ATTESTED

Vijay Kumar Saklani
Advocate cum Notary
Yash Bhawan, Vikas Nagar
Shimla (H.P.)

22. The HPPCL has submitted that Sale of Infirm Power is apportioned in project Electro mechanical assets with their awarded amount, however, the HPPCL in a Query 17 (C) in Annexure 16 (8) has included the same in "Contingency expense" in this context, please clarify the same. Further please provide the following:

- Month wise quantum of infirm power sold till commissioning date in MUs and corresponding cost.
- Supporting documents to prove the sale of infirm power from NRLDC/SLDC.



Reply:-

Month wise quantum of infirm power sold till commissioning date in MUs is as follows:-

Month	Actual (MU)	Net Saleable (MU)	Amount (in Lakhs)	Remarks
Jun-17	1.01335	0.88161	15.63750	Page 2 of Annexure R1
Jul-17	18.11089	15.75647	256.32996	Pages 2, 4, 6, 8, 10, 12 of Annexure R1
Aug-17	38.99613	33.92663	575.43271	Pages 12,14,16,18,20 of Annexure R1
Sep-17	6.38837	5.55788	98.15807	Page 20 of Annexure R1
	64.50873	56.12259	945.55824	
Amount debited against (13% free power Share to GoHP)			113.46699	
Net receivable by HPPCL (87% HPPCL Share)			832.09125	

Supporting documents to prove the sale of infirm power from NRLDC / SLDC have been attached at page 2, 4, 6, 8, 10, 12, 16, 18 & 20 of Annexure R1/1.

23. The HPPCL (for E&M works) has submitted as follows:

Date of commissioning	Page 39 of Petition	Reply to Query 20
Unit-1	22.07.2017	17.07.2017
Unit-2	29.07.2017	30.06.2017

In this context, please clarify the above discrepancy or submit the final date of commissioning for E&M works.



Reply:-

Date of commissioning of Unit#1 & Unit#2 was inadvertently mentioned as 22.07.2017 for Unit#1 & 29.07.2017 for Unit#2 in page 39 of petition which is now corrected as under:-

Date of commissioning of Unit#1	:	06.07.2017 (Annexure R2/38)
Date of commissioning of Unit#2	:	19.06.2017 (Annexure R2/38)
Completion of Unit#1	:	17.07.2017 (Annexure R2/1)
Completion of Unit#2	:	30.06.2017 (Annexure R2/1)

24. In reference to Query 20, the following details are not provided in complete

- "In case of delay, LD to be recovered (in Rs. Cr.)" for M/s Voith Hydro.
- "Price variation allowed in contract agreements (in %)along with references" for M/s HCC Ltd.

Please provide the above details.

Reply:

- As the major delay was due to late handover of fronts by HPPCL as per HPPCL client obligation dates, No LD has been imposed on M/s VHN. So, no LD is to be recovered from M/s Voith Hydro (E&M contractor for Sainj HEP).

ATTESTED

Vijay Kumar Sahasr
Advocate cum Judiciary Officer
Yashwanthpur, Shimla (H.P.)
Shimla (H.P.)

- As per contract agreement Price variation allowed in (percentage) for Civil works, it is informed that there is no specified ceiling limit provided in the contract agreement. The detail of Payment made to the contractor M/s HCC Ltd. are detailed below:-

Detail of Payments made are as below:-

Sr.no.	Description of Payment	Amount Released (Rs)	Remarks
1	RA Bills	443,99,34,544	RA bills amount released up to 31.12.2014= Rs 320,18,47,748/- &RA



			bills amount released from 01.01.2015 up to 31.12.2018 =123,80,86,796
2	PE Bills	125,50,75,442	PE bills amount released up to 31.12.2014 = Rs 85,91,23,755/-&PE bills amount released from 01.01.2015 up to 31.12.2018 =39,59,51,687/-
	Total	569,50,09,986	Total payment released =443,99,34,544+125,50,75,442 =569,50,09,986

The total % age of Price escalation paid to M/s HCC Ltd. is 29.03% .

25. In reference to Query 20 and 22, the HPPCL has submitted reference of Price variation clause in contract for civil works with M/s HCC Ltd. and approval documents. However, please clarify the following:

- a. Is there any ceiling limit for price variation across the various contracts along with reference to clause in contract documents?
- b. Please submit supporting document i.e. Board approvals for payment of such high price variations.
- c. In reply to query 22, Board approval for increase in actual cost vs. Awarded. However, the Annexure R1-25 (Amendment in Civil contract) submitted does not provide the relevant details. Please submit the required document for the same.

ATTESTED

Vijay Kumar Saldani
Advocate cum Notary Public
Yash Bhanot, Vikas
Sharma (H.P.)

d. Summarize the documents submitted in Annexure R1-27 (Approved Price Escalation Sheet for E&M Works) and Annexure R1-22 (1) & (2) (Price Variation Civil works) In following table in MS Excel:

Particular	Amount of Price Escalation in Rs/-	Date as per Document shared DD/MM/YYYY	Ref to document (Page No., etc.)



Total			

Reply 25(a):-

As per contract agreement there is no ceiling limit for price variation across the various contracts. The price escalation is paid to the contractor as per procedure given in Clause no. 13.8 "Adjustment for changes in cost" If the Contract Price is to be adjusted for rises or falls in the cost of labour, Goods and other inputs to the Works, the adjustments shall be calculated in accordance with the provisions In the Particular Conditions.

Copies of provisions In the Particular Conditions are attached as **Annexure-R2-5(1)**.

Reply 25(b):-

The price escalation is paid to the contractor as per procedure given in Clause no. 13.8 "Adjustment for changes in cost" If the Contract Price is to be adjusted for rises or falls in the cost of labour, Goods and other inputs to the Works, the adjustments shall be calculated in accordance with the provisions In the Particular Conditions.

Copies of provisions In the Particular Conditions are attached as **Annexure-R2-5(1)**.

Approval to accommodate the amount of Price variation (PV) paid through various PV bills in respect of civil package of Sainj HEP have been taken from the funding agency Asian Development Bank. The copy of approvals are attached as Annexure-R2-5

ATTESTED

Vijay Kumar Gokhem
Advocate cum
Yash Chandra, Vikas Singh
Sharda

Reply 25(c):-

The desired information has already been supplied vide **Annexure R2-5 (1)**

Reply 25(d):-

Softcopy of summary of the documents submitted in Annexure R1-27 (Approved Price Escalation Sheet for E&M Works) is attached as **Annexure R2-30(1)**

Softcopy of the desired information in MS Excel format regarding price variation of civil works is hereby attached as **Annexure R2-30(2)**.



26. In reply to Query 24 (f), the HPPCL has submitted year wise bifurcation of entry taxes for Rs. 5.44 Cr., whereas the variation due to entry tax is up to Rs. 13.01 as per submission in Table 12 (Main reasons for variation in civil works) of the Petition and hence, not matching. In this regard, please clarify the discrepancy or provide the complete details.

Reply:-

The revised details amounting to Rs 13.01 Crore with respect to Entry tax, Royalty, Service Tax and VAT is hereby attached as annexure R2-22 .

27. In reply to Query 24 (o) (ii) and Table 14 (Main reasons for variation in E&M works), the HPPCL has submitted year wise bifurcation for variation due to change orders issued to M/s VHN. However, the amount submitted is mix up of both USD and INR currency. In this context please submit the corresponding INR values for USD considering the exchange rate and reconcile with the variation claimed up to Rs . 12.17 Cr.

Reply:

Corresponding INR values considered and conversion rate taken for reconciling the claimed variation of Rs 12.17 Crore is elaborated & attached as **Annexure R2-31**.

28. In reference to Table 14 (Main reasons for variation in E&M works), Query 24 (q), Annexure P24B(Foreign exchange rate fluctuation (FERF) and Annexure R1-36(Component wise FERF), the HPPCL has claimed variation due to FERF as follows:

Reference	Amount in Rs.
Table 14	24.70 Cr.
Annexure P24B	24,77,91,972/- [=10,01,62,104+14,76,29,868]
Annexure R1-36	24,80,39,006/-

- Please clarify the above discrepancy.
- Provide documentary proof to support the exchange rates (USD to INR and EURO to INR)



- c. Please submit the copy of invoice mentioned in Annexure P24B
d. Submit bank payment details.

Reply:-

- a. The correct value of Price variation due to Foreign Exchange Rate Variation (FERV) is **24,77,91,972** (Annexure P24B). The supporting MS Excel sheet is attached as **Annexure R2-23**.

Reasons for discrepancy are as follows:-

- While doing the calculations Contract price of Mandatory spares for GIS was incorrectly shown as 81,972 USD in R1-36, however when same was checked with contract document the value was 89,100 USD, same is now corrected.
- Exchange rate taken for Mandatory spares of GIS was incorrectly taken as 1USD=66.5, but the value taken in invoice is 1USD=65INR, same is now corrected in this sheet.
- Invoiced amount for Fiber Optic cable was less as per quantity received at site, contract value was 1,13,000 USD, however the invoiced amount is 1,07,635 USD.

- b. Documentary proof to support the exchange rates (USD to INR & EURO to INR is attached as per **Annexure R2-32(1) & Annexure R2-32(2)** respectively.

ATTESTED

Vijay Kumar Sakshi
Advocate
Yash Bhatnagar, Vikas
Sharma (UP)

- c. Copy of invoices mentioned in Annexure P24B are attached as **Annexure R2-33(1) & Annexure R2-33(2)**

- d. The payment on this account was released to M/s VHN through LC and the bank detail has been sourced from Axis Bank. As soon as the information/detail is received from the bank the same shall be supplied to Hon'ble HPERC.

29. In Query 24 (u) (ii), please justify the delay attributable to HPPCL of 860 days (out of 908 days) for Unit-1 and 817 days (out of 848 days) for Unit-2. Similarly, please justify the delay of 508 days (out of 1064 days) attributable to HPPCL for civil works.



Reply:-

There was delay in handover of fronts to M/s VHN as per HPPCL Client Obligation dates which led to HPPCL delay of 860 days for Unit#1 & 817 days for Unit#2. A brief description of fronts which were late handed over by HPPCL is as follows:-

Activity (HPPCL Obligation)	Date of hand over	Handed over on	Delay in days
Availability of P/S liner	25.03.2014	08.12.2016	968 days
Beam availability of GIS and its building	31.03.2014	30.04.2016	761 days
400kV Grid availability	01.12.2014	30.05.2017	911 days
Water availability at MIV for wet commissioning	01.12.2014	15.04.2017	866 days

Justification of Civil work delay has been attached as per **Annexure R2-34**.

30. In reply to Query 24 (u), the HPPCL has submitted that there is no claim for delay on account of "infusion of inadequate resources" in respect of E&M works. However, the Petitioner has used the term "infusion of inadequate resources" in para (i) in Page no. 39 to justify its delay. In this context, please clarify the same.

Reply:-

ATTESTED

Vijay Kumar, Advocate cum Notary Public
Yash Bhowan, Vikram Bhowan
Sharma (I.P.)

In page no. 39 of main petition, delay on account of Infusion of inadequate resources by the EPC Civil contractor has been mentioned. There is no delay in infusion of inadequate resources in r/o E&M works.

31. In reply to Query 24 (u), please clarify how the HPPCL has arrived at the dates of incidence (for calculating delay) i.e. 21.01.2015 (Unit-1) and 5.03.2015 (Unit-2).

Reply:-

Dates of incidence (for calculating delay) i.e. 21.01.2015 (Unit#1) & 05.03.2015 (Unit#2) are taken as per finish date of first approved Master Time Schedule (MTS Rev. 02). Copy of MTS-02 is attached as per **Annexure R2-35**.

32. In reply to Query 25, please submit the exact date in DD/MM/YYYY under column "Extension from DD/MM/YYYY" in order to compute the delay.



Reply :

Needful done. Revised table is as below:-

Sr. No. Unit No.	Contractor Name	Completion date as per Agreement DD/MM/YY	Total Extension of time approved				Remarks
			Extension From DD/MM/YY	Extension to DD/MM/YY (1 st EOT)	Extension to DD/MM/YY (2 nd EOT)	Total extension granted In Days	
Unit # 1	Voith Hydro Pvt. Ltd.	January; 2015 (40 months from effective date i.e. from 22/09/2011)	21/01/2015	31/10/2016	17/07/2017	908 days	
Unit # 2	Voith Hydro Pvt. Ltd.	March; 2015 (42 months from effective date i.e. from 22/09/2011)	05/03/2015	31/10/2016	30/06/2017	848 days	

33. In reference to Query 26, the HPPCL has shared Gantt chart of civil works. Please share the Gantt chart of civil and electromechanical works in MS Excel.

Reply:-

ATTACHED

Gantt chart for E&M works in MS Excel format is attached as per Annexure R2-25

Vijay Kumar Saini
Advisor to Chief Engineer
Yash Bhargava, Chief Engineer
Srinagar (J.P.)

Gantt chart for Civil works in MS excel format is attached as per Annexure R2-36

34. Reply to Query 27 provided is not proper. Please submit the bifurcation of the claimed delay in completion of project for all award of contracts into 3 categories along with adequate reasoning:

- Delay attributable to HPPCL,
- Delay attributable to Contractor and
- Force Majeure.



Reply :

Unit#1

Total Delay	:	908 days
Delay attributable to both HPPCL & VHN (Concurrent Delay)	:	815 days
HPPCL Delay	:	45 days
Delay attributable to none (Activity Days)	:	48 days
Force Majeure.	:	0 days

Unit#2

Total Delay	:	848 days
Delay attributable to both HPPCL & VHN (Concurrent Delay)	:	772 days
HPPCL Delay	:	45 days
Delay attributable to none (Activity days)	:	31 days
Force Majeure.	:	0 days

35. In reply to Query 30, the HPPCL has submitted justification for additional capitalization up to FY 2019-20 (cut -off date). Please provide justification for additional capitalization claimed beyond FY 2019-20 to FY 2023-24.

ATTESTED

Vijay Kumar Saldam
Advocate cum N
Vish. Sharma, Vikas Kumar
Shimla (H.P.)

Reply:

As the capitalization of the expenditure incurred on account of Sainj HEP was finalized after COD and some due balance payment pertaining to the construction stage was capitalized after cutoff date. The details of additional capitalization is hereby attached as per Annexure R2-37.



No 2493737

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Himachal Government



BEFORE THE HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION, SHIMLA

Filing No. 101 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 SAINJ HYDRO ELECTRIC PROJECT (2 X 50 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 THERAFTER 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 (SoP), 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.



No 2493738

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Himachal Government Judicial Paper

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 ...06... day of November, 2023.



ATTESTED

Vijay Kumar Sahasr
 Additional Magistrate (Civil)
 Yash Bhawan, Vasant Nagar
 Shimla (H.P.)

Handwritten signature
 IDENTIFIED BY
 NO
 243696941716

sworn before me on the date of affirmation
 the ... *6/11/23* ...
 at ...
 by Sh- *Sangram Singh*
 Identified by *Dharmendra Thakur*
 who is ...
 and ...
 and correct affidavit is hereby attested
Handwritten signature
 6/11/23