

No 2493501

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Himachal Government Judicial Paper

BEFORE
HIMACHAL PRADESH ELECTRICITY REGULATORY
COMMISSION, SHIMLA

PETITION FOR
APPROVAL OF CAPITAL COST ALONG WITH
ADDITIONAL CAPITALIZATION AND
DETERMINATION OF TARIFF FOR
SAINJ HYDRO ELECTRIC PROJECT
(2 X 50 MW)
FROM COD TO FY 2023-24

FILED BY



HIMACHAL PRADESH POWER CORPORATION LIMITED

No 2493502

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Himachal Government Judicial Paper

APPROVAL OF CAPITAL COST ALONG WITH ADDITIONAL CAPITALIZATION AND DETERMINATION OF TARIFF FOR SAINJ HYDRO ELECTRIC PROJECT (2 X 50 MW) FROM COD TO FY 2023-24.

HPPCL,
Sainj HEP.

BEFORE THE HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION, SHIMLA

Filing No.....

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 23-24 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 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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No 2493503 Himachal Government Judicial Paper

APPROVAL OF CAPITAL COST ALONG WITH ADDITIONAL CAPITALIZATION AND DETERMINATION OF TARIFF FOR SAINJ HYDRO ELECTRIC PROJECT (2 X 50 MW) FROM COD TO FY 2023-24.

HPPCL,
Sainj HEP.

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APPROVAL OF CAPITAL COST ALONG WITH ADDITIONAL CAPITALIZATION AND DETERMINATION OF TARIFF FOR SAINJ HYDRO ELECTRIC PROJECT (2 X 50 MW) FROM COD TO FY 2023-24.

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APPROVAL OF CAPITAL COST ALONG WITH ADDITIONAL CAPITALIZATION AND DETERMINATION OF TARIFF FOR SAINJ HYDRO ELECTRIC PROJECT (2 X 50 MW) FROM COD TO FY 2023-24.

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ABBREVIATIONS

Sr. No	Abbreviations	Descriptions
1.	A&G	Administrative and General
2.	FY	Financial Year
3.	GFA	Gross Fixed Assets
4.	Gol	Government of India
5.	GoHP	Government of Himachal Pradesh
6.	HP	Himachal Pradesh
7.	HEP	Hydro Electric Project
8.	kV	Kilo Volt
9.	kVA	Kilo Volt Ampere
10.	MW	Mega Watt
11.	MYT	Multi Year Tariff
12.	NTPC	National Thermal Power Corporation
13.	O&M	Operation & Maintenance
	PFC	Power finance Corporation
	PPA	Power Purchase Agreement
16.	REC	Rural Electrification Corporation
17.	R&M	Repair and Maintenance
18.	ROE	Return on Equity
19.	Rs	Rupees
20.	SBI	State Bank of India
21.	HPSEBL	Himachal Pradesh State Electricity Board Limited
22.	HPERC	Himachal Pradesh Electricity Regulatory Commission
23.	HPPCL	Himachal Pradesh Power Corporation Limited
24.	WAROD	Weighted Average Rate of Depreciation

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1 EXECUTIVE SUMMARY

1.1 PREAMBLE

1.1.1 The Himachal Pradesh Electricity Regulatory Commission (HPERC), in exercise of the powers conferred on it by section 181 of the Electricity Act 2003 (Act 36 of 2003) and all other powers, has issued HPERC (Terms and Conditions for Determination of Hydro Generation Tariff) Regulations, 2011 along with Amendments thereafter, hereinafter referred to as "MYT Regulations".

1.1.2 The Petitioner has declared the CoD of 2 X 50 MW Hydro Electric Project at Sainj on 04.09.2017 (Unit # I & II) (ANNEXURE-P/1) and is submitting the petition for approval of capital cost taking into consideration additional capitalization and determination of tariff from COD to FY 2023-24 for 2 x 50 MW Sainj Hydro Electric Project with due reference and tariff filing formats in **Annexure as mentioned in the MYT Regulations.**

1.2 PETITION STRUCTURE

1.2.1 The Petition includes the following Chapters:

- a) **Section 1** contains executive summary of the Petition
- b) **Section 2** contains introduction and overall approach to filing of the Petition
- c) **Section 3** contains brief of capital cost incurred for commissioning the plant
- d) **Section 4** contains annual fixed cost as derived from the labeled parameters in Regulations
- e) **Section 5** contains operational norms designed for the plant as per HPERC Regulations
- f) **Section 6** contains detail of capacity charges & fixed charges for the plant
- g) **Section 7** contains prayers to the Hon'ble Commission

1.2.2 HPPCL is filing this petition for approval of capital cost taking into consideration additional capitalization and determination of tariff from COD to FY 2023-24 for 2 x 50 MW Sainj Hydro Electric Project as per HPERC Regulations on Terms and Conditions for Determination of Hydro Generation Tariff, 2011 and subsequent amendments thereafter.

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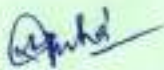
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HPPCL,
Sainj HEP.

- 1.2.3 This section highlights the summary of petition for capital cost and tariff approval from COD to FY 2023-24.
- 1.2.4 HPPCL submits this petition in compliance with the Regulations and subsequent amendments thereafter of the Hon'ble Commission along with the specified data formats for generating plants.

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2 INTRODUCTION

2.1 BACKGROUND

2.1.1 Himachal Pradesh Power Corporation Limited (HPPCL), was incorporated in December, 2006 (ANNEXURE-P/2) under the Companies Act, 1956, with the objective to plan, promote and organize the development of all aspects of hydroelectric power on behalf of Himachal Pradesh Government (GoHP) and Himachal Pradesh State Electricity Board (now HPSEBL). As per Electricity Act 2003 section-10 (2) subject to the provisions of this Act, the duties of a generating company shall be to establish, operate and maintain generating stations, tie-lines, sub-stations and dedicated transmission lines connected therewith in accordance with the provisions of this Act or the rules or regulations made there under. As per MoA and AoA (ANNEXURE-P/3) dt. 05.12.2006 the GoHP has a 60%, and HPSEB, a 40% shareholding in HPPCL.

2.1.2 HPPCL is a fast upcoming power generating utility with all the Technical and Organizational capabilities at par with other generating companies like NTPC / SJVNL / NHPC. Efforts are afoot to further strengthen the respective departments with professionals of proven credentials and qualified technical manpower.

2.1.3 HPPCL, apart from Hydro Power Development, intends to diversify its power development activities in other areas such as thermal, renewable sources of energy, mainly solar power etc. The basic idea is to have a long term corporate plan for planned implementation of power projects to meet the growing energy demand, ensuring environment and ecological balance for contributing towards the progress and prosperity of the State. HPPCL intends to meet the challenges of dynamically transforming business and environment to build a sustainable relationship with the stakeholders for maximum benefits and economic growth by achieving performance excellence.

2.1.4 Consequent to the enactment of the Electricity Act, 2003 (hereinafter referred to as the "Act"), the process of approval of proposed tariffs is vested with the State Commission. Pursuant to the provisions of Section 61, 62 and 64 of the Act. HPPCL is filing the current petition for approval of capital cost taking into consideration additional capitalization and determination of tariff from COD to FY 2023-24 for 2 x 50 MW Sainj Hydro Electric Project.

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APPROVAL OF CAPITAL COST ALONG WITH ADDITIONAL CAPITALIZATION AND DETERMINATION OF TARIFF FOR SAINJ HYDRO ELECTRIC PROJECT (2 X 50 MW) FROM COD TO FY 2023-24.

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2.2 SAINJ HEP AT A GLANCE:-

- 2.2.1 The Sainj Hydel Project is a run of the river scheme on river Sainj, a tributary of Beas River in Kullu district of Himachal Pradesh. It is located at a distance of 35 Kms from NH-21 and about 255 Kms from Shimla. It envisages utilization of river Sainj water through a gross head of 409.60 m for generation of 100 MW of power in underground power house on the right bank of Sainj river village.
- 2.2.2 The project is located upstream of the Parbati Stage-III HEP (520 MW). Several other hydro projects are in different stages of development in the area of the project. Consequently, communication and transport facilities in the area are quite developed and are being continuously improved.

2.3 SALIENT FEATURES OF THE PLANT

- 2.3.1 The Project comprises a diversion barrage 24.50 m high above the bed level on river Sainj near Village Niharni. The project also comprises of a gated spillway with radial gates 6 nos. bays 8.00 m long at crest El.1732 m to pass standard project flood of 3060 cumecs, an intake arrangement on the right side of barrage for drawing discharge of 94.44 cumecs, an underground de-silting arrangement on the right bank with two chamber each to exclude all slit particles down to 0.20m, a 6300m long, 3.76 m diameter modified horse shoe shaped head race tunnel terminating in an underground restricted office type surge shaft, 9.00 m dia, 79.50m high with top elevation of 1776.22 m.
- 2.3.2 The maximum reservoir level has been kept as 1753 m normal reservoir levels as 1752 m, min drawdown levels as 1738.50 m. The live storage capacity of the Sainj reservoir is 38.41 Ha m, which is adequate for running the power station at full installed capacity for about three hours during period of lean inflows.
- 2.3.3 The project enables energy generation of 322.23 GWh in a 90% dep. year and 428.16 GWh in a 50% mean year pattern of flows. The power of Sainj HEP is being evacuated through LILO of Parbati-II to Parbati-III 400 kV (Quad) line at Sainj HEP.

2.3.4 STATUS OF SALE OF POWER OF SAINJ HEP AND DETAIL OF ITS BENEFICIARY

- i. As per CMM (Council of Ministers), GoHP decision dt. 05.12.2013 the matter regarding sale of power of HPPCL projects was taken up with different utilities all over the region, but no beneficiaries/utilities have shown their willingness/consent for purchasing of

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APPROVAL OF CAPITAL COST ALONG WITH ADDITIONAL CAPITALIZATION AND DETERMINATION OF TARIFF FOR SAINJ HYDRO ELECTRIC PROJECT (2 X 50 MW) FROM COD TO FY 2023-24.

HPPCL,
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power from HPPCL.

- ii. As a result, due to non availability of buyer for purchasing power from HPPCL Projects on CERC/SERC determined tariff throughout India, power traders were approached for selling power of HPPCL projects. Accordingly, the power of Sainj Hydro Electric Project was being sold on short term basis through Power Trader since CoD.

The detail of revenue earned from Sale of Power of Sainj HEP from CoD of the Project till FY 22-23 as per trial balance sheet (Annexure-P/4) is tabulated as below:-

TABLE 1: ENERGY AND REVENUE DETAIL FROM COD TILL FY 2022-23

Financial Year	Gross Generation in MU	Net Saleable Energy in MU	Gross Revenue Realized in Crores
2017-18	134.98	115.53	45.95
2018-19	410.36	352.40	144.61
2019-20	345.52	297.39	95.83
2020-21	424.79	364.79	106.43
2021-22	418.83	353.06	166.20
2022-23	423.08	360.89	209.56

ATTES

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- iii. Meanwhile CEA had been regularly seeking the status of untied capacity from HPPCL commissioned project. Hence a meeting for the review of hydro projects with untied capacity was held under the chairmanship of Hon'ble Minister of Power and New & Renewable Energy on 07.09.2021, vide which CEA highlighted that out of 8 projects with untied capacities throughout the nation, 03 were that of HPPCL i.e. Integrated Kashang HEP (195 MW), Sainj HEP (100 MW) and Sawra Kuddu HEP (111 MW). Accordingly after reviewing the issue it was decided that, Ministry of Power would take up the matter of procurement of power from Integrated Kashang, Sainj and Sawra Kuddu HEPs by HPSEB with Govt. of Himachal Pradesh.
- iv. Consequently, meetings were conducted between HPPCL and HPSEBL and initially it was decided in the meeting held on 19.02.2022 that, HPSEBL will purchase the power of Kashang HEP (65 MW) and Sawra Kuddu HEP (111 MW) on short term basis for a period of one year i.e. during FY 2022-23 at Ex-Bus and the deliberations for purchase of power of HPPCL projects on long term basis shall continue.
- v. Further on the basis of meeting held on 19.02.2022, subsequent meetings were held in the

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Chairmanship of the Managing Director HPPCL on 29.06.2022 and 26.07.2022. After detailed deliberations it has been agreed between both HPPCL and HPSEBL for sale/purchase of power from HPPCL Hydro Electric Projects viz-a-viz Kashang HEP Stage I (1X65 MW), Sawra Kuddu HEP (3X37 MW) and 50% generation of HPPCL share of power from Sainj HEP (2 X 50MW) for useful life of these projects at Ex-Bus on HPERC determined tariff.

- vi. 50% generation of HPPCL share of power from Sainj HEP has been committed to World bank for their mission regarding "INDIA: Himachal Pradesh Power Sector Development Program (P176032)" as the pilot project (i.e Bundled power project for RTC power) that's why, only 50% generation of HPPCL share of power from Sainj HEP (2 X 50MW) has been tied up with HPSEBL.
- vii. Accordingly, a joint petition was submitted at HPERC for the approval of Power Purchase Agreements to be executed between HPPCL and HPSEBL here-to for sale of power by Himachal Pradesh Power Corporation Limited to Himachal Pradesh State Electricity Board Limited from Kashang HEP (1X65 MW), Sainj HEP (2X50 MW) and Sawra Kuddu HEP (3X37 MW). The HPERC vide its order dt. 13.02.2023 (ANNEXURE-P/5) had approved these PPAs with minor amendments. The approved PPAs were signed between HPPCL and HPSEBL on dt. 29.03.2023(ANNEXURE-P/6).

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- viii. This Power Purchase Agreement signed on 23.03.2023 has come into force from 01/04/2023 and shall remain operative till the useful life of these projects. Accordingly the power of Sainj HEP is being supplied to HPSEBL as per the Long Term PPA and balance 50% power is being sold through IEX.

2.4 APPROACH FOR FILING THE PETITION

- 2.4.1 The key aspects of the approach to the filing related to Multi-Year Tariff framework are below:
- 2.4.2 Section 61 of the EA 2003, empowers the State Electricity Regulatory Commission to set the terms and conditions for determination of tariff. Further, it also lists down certain guiding principles which have to be considered while determining the terms and conditions of tariff. One of the key guiding factors is that the Commission shall adopt Multi Year Tariff (MYT) principles and other principles that reward efficiency in performance.

2.4.3 Accordingly the Commission had notified HPERC (Terms and Conditions for Determination of Hydro Generation Tariff) Regulations, 2007 which was thereafter repealed by publishing HPERC (Terms and Conditions for Determination of Hydro Generation Tariff) Regulations, 2011 on 2nd April 2011 and its further amendments.

2.4.4 Pursuant to the provisions of the Electricity Act, 2003 and the MYT Regulations'2011 and its amendments, HPPCL hereby submits this petition for consideration of the Hon'ble Commission along with the specified formats for providing information on various parameters.

2.5 PROVISIONS OF LAW

2.5.1 The Hon'ble Commission had published HPERC (Terms and Conditions for Determination of Hydro Generation Tariff) Regulations, 2011 in the Rajpatra, Himachal Pradesh dated 2nd April 2011 and its amendments thereafter.

2.5.2 The scope of the Regulations is read as under:

"2. Scope and application

(1) These regulations shall apply in all cases where tariff for a generating station or a unit thereof is to be determined by the Commission under section 62 of the Act, read with section 86 thereof.

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(2) Where a power purchase agreement has been executed between the generating company and the utility before existence of the Commission, the Commission shall determine such tariff in accordance with the terms and conditions of such power purchase agreement.

(3) Where a power purchase agreement has been executed between the generating company and the utility after existence of the Commission and the power purchase agreement has been approved by the Commission, the Commission shall determine such tariff in accordance with the terms and conditions of such approved power purchase agreement.

(4) Where tariff has been determined through transparent process of bidding in accordance with the guidelines issued by the Central Government, the Commission shall adopt such tariff in accordance with the provisions of the Act."

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2.5.3 Provision in Clause 35 of filing MYT:-

"35. Multi-Year Filings for the control period

(1) "For the Approval of the Commission, the multi-year ARR and tariff filing for each year of the control period consistent with the business plan, shall be done by the petitioner generator not less than 120 days before the commencement of the first year of the control period or such other date as may be directed by the Commission, in such form and in such manner as may be laid down by the Commission by an order and also as per the provisions of the Conduct of Business Regulations.

(2) The applicant shall also submit the multi-year ARR and tariff filing in electronic format to the Commission...."

2.5.4 Provisions in Clause 37 for ARR for the control period and respective tariff filing:-

" (1) The generator /generating company shall file not less than 120 days before the commencement of the first year of the control period or such other date as may be directed by the Commission, an application for approval of multi-year Aggregate Revenue Requirement (ARR) and determination of tariff for each year of the control period.....

(4) The generator/generation company shall furnish to the Commission, such additional information, particulars and documents as the Commission may require from time to time after such filing of revenue calculations and tariff proposals.

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The generator/generation company shall publish, for the information of the public, the contents of the application in an abridged form in such manner as the Commission may direct and shall host the complete copy of the filing on its website and shall also provide copies of the documents filed with the Commission to any person at a price not exceeding normal photocopying charges. "


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APPROVAL OF CAPITAL COST ALONG WITH ADDITIONAL CAPITALIZATION AND DETERMINATION OF TARIFF FOR SAINJ HYDRO ELECTRIC PROJECT (2 X 50 MW) FROM COD TO FY 2023-24.

HPPCL,
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3 CAPITAL COST

3.1 COST AS APPROVED IN DPR

The pre-feasibility report of Sainj hydro-electric project (100MW) was prepared by HPSEB during 1998-99 and A/A & E/S amounting to Rs. 1,74,42,000/-only was accorded during 5/99 for carrying out the investigation of the project. Later on dated 14th June 2002, the Himachal Pradesh Govt. signed a memorandum of understanding with M/S Jindal Hydro electric Company Ltd. for further investigation and implementation of the project. M/S Jindal Hydro electric Company Ltd. has submitted DPR of the project. However, H.P. Govt. cancelled the MOU with M/S Jindal Hydro electric Company Ltd. during 6/04 and handed over the project to HPSEB for its execution. Sainj Hydro-electric Project in Beas basin has been identified, so that it could be taken up for further development during 11th & 12th Plans. The identified Sainj HEP in Kullu Valley involves construction of diversion barrage on river Sainj near village Niharni and power house on right bank of river Sainj near village Suind with an installed capacity of 100MW.

M/s Himachal Pradesh Power Corporation Limited (HPPCL) submitted Detailed Project Report (DPR) of the generation scheme of Sainj Hydro Electric Project (2 x 50 = 100 MW) vide letter No. HPCL/DC/SAINJ/DPR/07-157 dated 30.10.2007. The presentation of the scheme was made by M/s HPPCL on 27.11.2007 to appraisal groups of CEA/CWC/GSI. The DPR was returned on 18.12.2007 due to inadequate geological explorations, updation of hydrology, confirmation of important levels of upstream as well downstream projects, old price level of cost estimates etc.

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M/s HPPCL have again submitted Four (4) sets of DPR vide their letter No. HPPCL/CP/Sainj Vol-IV/09-11844 dated 14.09.2009 and Eighteen (18) sets vide their letter No. HPPCL/CP/Sainj Vol-IV/09-14741 dated 05.11.2009. Presentation of the scheme was held on 01.12.2009 and accepted for examination.

M/s HPPCL submitted the confirmation of Govt. of Himachal Pradesh on operating levels of Sainj HEP on 18.10.2010. In the DPR, geological investigations carried out were not complete and on the advice of GSI, M/s HPPCL completed additional geological explorations/ investigation in November, 2010 and also submitted land availability certificate, water availability certificate and information on land & population affected by the project during November, 2010.

The project comprises 24.50m high diversion barrage on river Sainj near village Niharni about 35 km from Larji, an intake arrangement on the right bank for drawing

discharge of 36.72 cumecs through one approach tunnel leading to an underground desilting arrangement to exclude all silt particles down to 0.2mm, a 3.85 m dia and 6357 m long modified horse shoe shaped tunnel designed for a discharge of 28.7 cumecs opening into one 9m dia, underground restricted orifice type surge shaft, 2.75m dia and 570m long pressures Shaft bifurcating into two 1.95 m dia and 30m long each branch pressure shafts, feeding two Pelton vertical axis generating units of 50 MW each through a net head of 397.30 Cum in an underground powerhouse on the right bank of Sainj river a tributary of river beas near village Siund. The project will enable energy generation of 322.23 GWh in 90 % dependable year of flows.

The detailed project report DPR (ANNEXURE-P/7) of Sainj HEP (100 MW) was prepared during the year 2008 and which was finally by CEA (Central Electricity Authority) vide TEC (ANNEXURE-P/8) letter No. 2/HP/30/CEA/07-PAC/6009-39 Dated 29.12.2010 at an estimated cost of Rs. 676.29 Crores including IDC of Rs. 96.77 Crores at June 2009 price level.

TABLE 2: PROJECT COST APPROVED IN DPR (INR Crores)

S. No	Cost Component	Cost (INR Crores)
1	Cost of Civil Works	445.79
2	Cost of E&M Works	133.73
3	Total Hard Cost	579.52
4	IDC	96.77
5	Total Cost	676.29

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IMPLEMENTATION OF THE PROJECT

The Civil work of Sainj Hydroelectric project was awarded to M/s HCC Ltd. on 23.06.2010 (ANNEXURE-P/9) with the total Awarded amount Rs 431Crore with the duration of 4 year for the completion i.e. on 01/08/2014. HCC had mobilized within the scheduled period and started the work on various fronts like power house and barrage components. The Contract for Electro-Mechanical package for Sainj HEP (2x50 MW) was awarded on 17.08.2011 (ANNEXURE-P/10) between M/s Voith Hydro Pvt. Ltd. (VHN) and Himachal Pradesh Power Corporation Ltd. (HPPCL). The period stipulated in the original contract for completion of units was 40 months for Unit#1 and 42 months for Unit#2 from the effective date. The effective date agreed between the parties for the E&M contract of Sainj HEP was 22-09-2011 which took the stipulated completion of Unit #1 to January, 2015 and of Unit#2 to March, 2015.

[Signature]

Dy. General Manager (SuP)
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APPROVAL OF CAPITAL COST ALONG WITH ADDITIONAL CAPITALIZATION AND DETERMINATION OF TARIFF FOR SAINJ HYDRO ELECTRIC PROJECT (2 X 50 MW) FROM COD TO FY 2023-24.

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TABLE 3: DETAIL OF IMPLEMENTATION OF THE PROJECT

Particulars	Approved by/Awarded to	Dates
DPR approval	Central Electricity Authority (CEA)	29.12.2010
Date of Award Civil Contract	M/s HCC Limited	23.06.2010
Date of Award of E&M Contract	M/s Voith Hydro Private Limited	17.08.2011
Scheduled Commissioning as per contract awarded	January-2015 for Unit#1 and March 2015 for Unit#2	
Actual Commissioning of Project	19 June 2017 for Unit#2 and 06 July 2017 for Unit#1	
Actual CoD of the project (Unit#I and Unit#II)	04.09.2017	

3.2 CAPITAL COST AS ON COD

3.2.1 Regulation 11 (1)(a) of Himachal Pradesh Electricity Regulatory Commission (HPERC) (Terms and Conditions for Determination of Hydro Generation Tariff) Regulations, 2011 read along with its amendments specifies as under:

"Capital cost for a project shall include-

(a) *the expenditure incurred or projected to be incurred, including interest during construction and financing charges, any gain or loss on account of foreign exchange risk variation during construction on the loan - (i) being equal to 70% of the funds deployed, in the event of the actual equity in excess of 30% of the funds deployed, by treating the excess equity as normative loan, or (ii) being equal to the actual amount of loan in the event of the actual equity less than 30% of the funds deployed, - up to the date of commercial operation of the project, as admitted by the Commission, after prudence check*

(b) *capitalised initial spares subject to the ceiling norms as per regulation 12;*

(c) *additional capital expenditure determined under regulation 13:*

Provided that the assets forming part of the project, but not in use, shall be taken out of the capital cost."

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Shimla (H.P.)


Dy. General Manager (SoP)
HPPCL, Himfed Building
BCS, New Shimla-171009

3.2.2 Regulation 12 of Himachal Pradesh Electricity Regulatory Commission (HPERC) (Terms and Conditions for Determination of Hydro Generation Tariff) Regulations, 2011 read along with its amendments specifies as under:

"For hydro generating stations, initial spares shall be capitalised as a percentage of the original project cost, subject to the ceiling norm of 1.5%:

Provided that the Commission, may for sufficient reasons to be recorded in writing, after exercising due diligence and applying prudence check, deviate from the above ceiling norm."

3.2.3 Regulation 13 of Himachal Pradesh Electricity Regulatory Commission (HPERC) (Terms and Conditions for Determination of Hydro Generation Tariff) Regulations, 2011 read along with its amendments specifies as under:

"(1) The capital expenditure incurred or projected to be incurred, on the following counts within the original scope of work, after the date of commercial operation and up to the cut-off date, may be admitted by the Commission, subject to prudence check:-

(a) Undercharged liabilities;

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(b) Works deferred for execution;

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(c) Procurement of initial capital spares within the original scope of work, subject to the provisions of regulation 12;

(d) Liabilities to meet award of arbitration or for compliance of the order or decree of a court; and

(e) Change in law;

Provided that the details of works included in the original scope of work, along with estimates of expenditure, undercharged liabilities and the works deferred for execution, shall be submitted along with the application for determination of tariff.

(2) The capital expenditure incurred on the following counts after the cutoff date may, in its discretion, be admitted by the Commission, subject to prudence check:-

(a) Liabilities to meet award of arbitration or for compliance of the order or decree of a court;

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HPPCL,
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(b) Change in law;

(c) Any expenditure which has become necessary on account of damage caused by natural calamities (but not due to flooding of power house attributable to the negligence of the generating company) including due to geological reasons after adjusting for proceeds from any insurance scheme, and expenditure incurred due to any additional work which has become necessary for successful and efficient plant operation;

(d) Any expenses to be incurred on account of need for higher security and safety of the capital asset as advised or directed by appropriate Government agencies or statutory authorities responsible for national security/internal security;

(e) Any liability for works executed prior to the Cut-off Date, after prudence check of the details of such un-discharged liability, total estimated cost of package, reasons for such withholding of payment and release of such payments etc.;

(f) Any liability for works admitted by the Commission after the Cut-off Date to the extent of discharge of such liabilities by actual payments;

(g) Any additional capital expenditure, which has become necessary for efficient operation of the plant. The claim shall be substantiated with the technical justification supported by the documentary evidence like test results carried out by an independent agency in case of deterioration of assets, report of an independent agency in case of damage caused by natural calamities, obsolescence of technology etc.:

Provided that in any expenditure on acquiring the minor items or the assets like tools and tackles, furniture, air-conditioners, voltage stabilizers, refrigerators, coolers, fans, washing machines, heat convectors, mattresses, carpets etc. bought after the cut-off date shall not be considered for additional capitalization for determination of tariff."

TABLE 4: DETAILS OF ACTUAL CAPITAL COST TILL COD (INR CRORE)

1.0	Infrastructure Works	
1.1	Preliminary including Development, Investigation and planning	
1.2	Land	32.47
1.3	Buildings,	8.048
1.4	Township (Miscellaneous)	13.15
1.5	Maintenance	0.33
1.6	Tools & Plants	1.86
1.7	Communication	24.54

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APPROVAL OF CAPITAL COST ALONG WITH ADDITIONAL CAPITALIZATION AND DETERMINATION OF TARIFF FOR SAINJ HYDRO ELECTRIC PROJECT (2 X 50 MW) FROM COD TO FY 2023-24.

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1.8	Environment & Ecology	0
1.9	Losses on stock	0
1.10	Receipt & Recoveries	0
	Total (Infrastructure works)	80.398
2.0	Major Civil Works (i/ c H/M works)	
2.1	Dam, Intake & Desilting Chambers	355.1
2.2	HRT, TRT, Surge Shaft & Pressure shafts	141.8
2.3	Power Plant civil works	
2.4	Intake, Desanding arrangement, Power House	81.98
	Total (Major Civil Works)	578.88
3.0	Hydro Mechanical equipments	incl. in 2.0
4.0	E&M Plant & Equipment	219.13
4.1	Initial spares of Plant & Equipment	incl. in 4.0
	Total (Plant & Equipment)	219.13
5.0	Taxes and Duties	
5.1	Custom Duty	incl. in 4.0
5.2	Other taxes & Duties	incl. in 4.0
	Total Taxes & Duties	incl. in 4.0
6.0	Construction & Pre-commissioning expenses	
6.1	Erection, testing & commissioning	incl. in 4.0
6.2	Construction Insurance	incl. in 4.0
6.3	Site supervision	incl. in 4.0
	Total (Const. & Pre-commissioning)	incl. in 4.0
7.0	Overheads	
7.1	Establishment	81.08
7.2	Design & Engineering	
7.3	Audit & Accounts	
	Contingency/others expenses	71.38
	Rehabilitation & Resettlement	4.09
	Total (Overheads)	156.55
8.0	Capital Cost without IDC & FC	1034.96
9.0	Financing charges (FC)	0.00
10.0	Interest during construction (IDC) Civil	210.70
11.0	Interest during construction (IDC) E&M	42.38
11.0	Capital Cost with IDC & FC	1288.04

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3.3 ADDITIONAL CAPITALIZATION (ACE)

The Additional Capitalization in Crores incurred up to cutoff date and beyond cutoff date of the project is submitted as below:-

[Signature]
Dy. General Manager (SOP)
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APPROVAL OF CAPITAL COST ALONG WITH ADDITIONAL CAPITALIZATION AND DETERMINATION OF TARIFF FOR SAINJ HYDRO ELECTRIC PROJECT (2 X 50 MW) FROM COD TO FY 2023-24.

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TABLE 5: DETAILS OF ACE TILL CUT OFF DATE & ACE BEYOND CUT OFF DATE (INR CRORE)

PARTICULARS	ACE UPTO CUT OFF DATE		ACE BEYOND CUT OFF DATE			Proposed
	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Civil Work	-0.45	2.32	0	1.26	0	3
E&M Works	-0.05	0.87	0	0.47	0	0
Buildings	0	0	0.09	0.00	0	0
Land Lease Hold	0	0	0	0.03	0	0
Plant & Machinery	0	0	0	0.42	0.02	0
Road	0.36	0				0
Office Equip & Furniture	0	0.01	0	0.03	0	0
Construction Power	7.04	0				0
Data Processing	0	0	0	0.09	0.04	0
ROU Asset Buildings	0	0	0	0.30	0	0
Total	6.9	3.2	0.09	2.63	0.06	3
Total	10.1		5.78			

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3.4 TOTAL PROJECT COST

The detail of total project cost in Crores along with the ACE is tabulated in the table below:-

TABLE 6: DETAILS OF TOTAL PROJECT COST (INR CRORE)

Name of Project	Cost as per DPR	Capital Cost as on CoD	Capital Cost till cutoff date and upto 31.03.2020	Projected Capital cost beyond cutoff date and upto 31.03.2024
Sainj HEP	676.29	1288.04	1298.14	1303.92

In addition to above, the amount involved in the Arbitration matters in respect of Civil and E&M package of Sainj HEP is as tabulated below:-

APPROVAL OF CAPITAL COST ALONG WITH ADDITIONAL CAPITALIZATION AND DETERMINATION OF TARIFF FOR SAINJ HYDRO ELECTRIC PROJECT (2 X 50 MW) FROM COD TO FY 2023-24. HPPCL, Sainj HEP.

TABLE 6A: ARBITRATION MATTER

Sr. No.	Arbitration matter	Sum involved (in Rs.)	Status
1.	Civil works AT-1	6.04 Crore	The award of AT-I was given by Hon'ble Arbitral Tribunal on 19.09.2018 for an amount of Rs. 6.04 crores ,However the appeal by HPPCL regarding above has been filed before the Hon'ble High Court and at present the matter is sub-judice.
2.	Civil works AT-2	72.54 Crore	The award of AT-2 was given by Hon'ble Arbitral Tribunal on 27.06.2019 for an amount of Rs. 72.54 crore s, However the appeal by HPPCL regarding above has been filed before the Hon'ble High Court and at present the matter is sub-judice.
	Civil works AT-3	101.14 Crore	The award of AT-3 was given by Hon'ble Arbitral Tribunal on 31.01.2023 for an amount of Rs. 101.14 crores, However the appeal by HPPCL regarding above has been filed before the Hon'ble High Court and at present the matter is sub-judice.
4.	Electro-Mechanical package	13.32 Crore	The application / appeal against the Arbitration order dated 09.03.2020 has been filed before the Hon'ble High court of H.P by HPPCL and the matter is sub-judice.
Total		193.04 Crore	

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As the above mentioned cases and the cost involved is sub-judice therefore above cost has not been considered in the total cost of the project and same shall be considered during true up.


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APPROVAL OF CAPITAL COST ALONG WITH ADDITIONAL CAPITALIZATION AND DETERMINATION OF TARIFF FOR SAINJ HYDRO ELECTRIC PROJECT (2 X 50 MW) FROM COD TO FY 2023-24.

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The additional cost involved in the land, residential buildings of Sainj HEP is as tabulated below:-

TABLE 6B: LAND AND RESIDENTIAL BUILDINGS

Sr. No.	Description	Sum involved (in Rs.)	Status
1.	Land & Residential Buildings	45.99 Crore	The decision of worthy management regarding the payment adjustment of permanent assets (Land and Buildings) of Sarabai colony and Thalout is pending

The decision regarding above amount has yet not been taken, therefore above amount has not been considered in the total cost of the project and same shall be considered during true up.

3.5 SALE OF INFIRM POWER:-

Regulation 15 of Himachal Pradesh Electricity Regulatory Commission (HPERC) (Terms and Conditions for Determination of Hydro Generation Tariff) Regulations, 2011 read along with its amendments specifies as under:

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Shimla (H.P.)

Sale of infirm power shall be accounted as Unscheduled Interchange (UI) and paid for from the regional or State UI pool account at the applicable frequency-linked UI rate:

Provided that any revenue earned by the generating company from sale of infirm power shall be applied for reduction in capital cost."

The detail of revenue earned from Sale of Power in r/o Sainj HEP as per Trial Balance Sheet (ANNEXURE-P/11) is tabulated as below:-

TABLE 7: DETAILS OF INFIRM POWER

Particulars	Detail
Synchronization date	19.06.2017
COD	04.09.2017
Gross Infirm power generated (MU)	52.97 MU
Net HPPCL share of Revenue from sale of infirm power in Crores	8.32 Crore

* The revenue earned from infirm power has already excluded from the original Capital Cost booked on COD.

3.6 DEBT: EQUITY RATIO:-

Regulation 16 of Himachal Pradesh Electricity Regulatory Commission (HPERC) (Terms and Conditions for Determination of Hydro Generation Tariff) Regulations, 2011 read along with its amendments specifies as under:-

"2) New Stations:

(a) For new stations, the normative debt-equity ratio shall be considered to be 70:30 for determination of tariff.

(b) In case of a generating station where equity employed is more than 30%, the amount of equity for determination of tariff shall be limited to 30% and the balance amount shall be considered as the normative loan.

(c) In case of a generating station where actual equity employed is less than 30%, the actual debt and equity shall be considered for determination of tariff:

Provided that the equity invested in foreign currency shall be designated in Indian rupees on the date of each investment."

3.6.1 Background of funding Debt and Equity participation:-

DEBT:-

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Yash Shrivastava, Vikas Singh
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Asian Development Bank had sanctioned loan facility to Government of India for the execution of Sainj HEP under Himachal Pradesh Clean Energy Development Investment Programme (HPCEDIP). This multilateral loan was routed to the Corporation, through Government of Himachal Pradesh. Government of Himachal Pradesh has given loan to HPPCL at the interest rate of 10% per annum. (ANNEXURE-P/27)

Total Debt Received from GoHP by HPPCL for Sainj HEP is tabulates as under:-

TABLE 8: DETAILS OF DEBT (INR CRORE)

Financial Year	Amount Received in Crores.
2011-12	79.02
2012-13	122.46

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2013-14	129.46
2014-15	133.85
2015-16	109.96
2016-17	73.97
2017-18	83.72
2018-19	0.84
TOTAL	733.28

EQUITY:-

The project wise segregation of the equity is not maintained in the accounts. However, an amount of Rs 554.76 Cr upto COD and 567.64 Cr upto 31.03.2023 has been used for Sainj HEP from Equity and own resources.

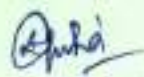
3.6.2 Debt Equity ratio considered is tabulated as under:-

TABLE 9: DEBT EQUITY RATIO AS ON COD

Particulars	Debt: Equity ratio as per DPR in Crore	Debt: Equity ratio as per DPR in %	Actual Debt: Equity ratio in Crore	Actual Debt: Equity ratio in %	Funding claimed in Crore	Normative Debt: Equity
Debt	405.66	70%	733.28	57%	901.63	70%
Equity	173.86	30%	554.76	43 %	386.41	30%
Total	579.52	100%	1288.04	100	1288.04	100%

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APPROVAL OF CAPITAL COST ALONG WITH ADDITIONAL CAPITALIZATION AND DETERMINATION OF TARIFF FOR SAINJ HYDRO ELECTRIC PROJECT (2 X 50 MW) FROM COD TO FY 2023-24.

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3.6.3 Total completion project cost including ACE is shown as under:-

TABLE 10: ABSTRACT OF FUNDING OF TOTAL PROJECT COST (INR CRORE)

Particulars	Claimed Capital cost as on COD	ACE up to cutoff date		ACE beyond cutoff date			Proposed ACE	Total Project cost as on 31.03.2024
		FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	
Debt	901.63	4.84	2.23	0.06	1.84	0.04	2.10	912.74
Equity	386.41	2.07	0.96	0.03	0.79	0.02	0.90	391.18
Total	1288.04	6.91	3.19	0.09	2.63	0.06	3.00	1303.92

3.7 LADF:-

For addressing the impact of project execution, various local development activities need to be carried out in the local area surrounding the project. For this purpose, the initiative of the Government of Himachal Pradesh was the first in the country with an eye on welfare of the local communities. A special provision of Local Area Development Fund (LADF) from the projects was made under the State Hydro Power Policy - 2006 by the Government of Himachal Pradesh, so as to ensure visible additional benefit to local communities in the project area as part of the cost of a project. The people of the affected area were aimed to be made aware of the allocation likely to flow to them so that on one hand, gainful infrastructure and local area development activities can be planned well in advance and on the other hand local communities develop an interest in expeditious completion of projects. Accordingly, a provision of 1.5% of the final cost of projects above 5 MW capacity and 1% for projects up to 5 MW capacity was made mandatory to be made by the project developer toward Local Area Development Fund (LADF).

COMPOSITION OF LADF

The LADF shall comprise of contribution by Project i) based on Final Project cost and ii) as Additional Free Power after commissioning as envisaged in the State and National Hydro Power Policies. The Project Developers in the State shall contribute towards LADF in two stages.

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Notary Public
Yash, Pauri, J.
Shimla, (H.P.)

[Signature]
Dy General Manager (SoP)
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i. Pre-Commissioning LADF:

The Project Developer shall contribute a minimum of 1.5% of Final Project Cost for Projects of capacity more than 5 MW and a minimum of 1% for Projects of capacity up to 5 MW towards LADF for financing local area development activities during execution on of Project.

ii. Post Commissioning LADF:

Project Developer shall contribute additional 1% Free Power over and above the agreed rates of normal Free Power Royalty Component to the State Government. The revenue generated from sale of such 1% Free Power from the Project will be assigned to the LADF for providing regular stream of revenue for income generation to the Project Affected Families in the form of annuity over the entire life of the Project. This additional 1% free power share of the host State will be a pass through in tariff.

The stipulations regarding Post-Commissioning Local Area Development Fund will be applicable on Projects, which are commissioned after notification dated 30.11.2009, under implementation and which are to be allotted in future.


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Total Payment released by HPPCL under LADF against Sainj HEP (100MW) is Rs. 10.70 Crore as on Commercial Operation Date (COD). (ANNEXURE-P/12).

3.8 CDM AND CARBON CREDIT.

The project had been commissioned during the year 2017. Initially HPPCL had not taken any steps regarding sale of Carbon Credit in respect of Sainj HEP due to the sluggish carbon market. During 2022, HPPCL had initiated the process to avail benefit from sale of Carbon Credit. After completing all the formalities under Contract Provisions, HPPCL had signed contract agreement with EKI Energy Service Limited on 13th October 2022. EKI Energy Service Ltd is preparing the documents for getting the project registered under GCC Mechanism but till date HPPCL has not received any benefits from sale of Carbon Credit.


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3.9 HYDRO PURCHASE OBLIGATION (HPO)/RENEWABLE PURCHASE OBLIGATION (RPO)

As per the provisions of HPO/RPO issued by CERC/HPERC/Ministry of Power Regulations/Notifications as amended from time to time, Sainj HEP is not eligible for availing these benefits at present.

3.10 REASONS FOR VARIATION OF COST & TIME OVERRUN i.r.o DPR APPROVED COST.

3.10.1 CIVIL WORKS :- EPC Contract package for 100 MW Sainj HEP located in Distt Kullu (Civil and Hydro Mechanical works) awarded for the amount of INR 431.00 Crore to M/s HCC ltd on dated 23.06.2010. The period stipulated in the original contract for completion of Project was 48 months. The component wise detail is as under:

TABLE 11: DETAIL OF VARIATION IN CIVIL WORKS (INR CRORE)

Sr. No.	Particulars	Original cost as approved by Authority (in Crores)	Awarded Amount to M/s HCC Ltd (in Crores)	Cost on COD (in Crores)	Variation (in Crores)
		A	B	C	D=C-A
1. Major Civil Work					
1.1	Dam, Intake & Desilting Chambers	59.99	249.70	355.10	295.11
1.2	HRT, Surge Shaft & Pressure shafts	123.78	105.73	141.80	18.02
1.3	Power House civil works including TRT	76.59	75.57	81.98	5.39
	Total Cost	260.36	431.00	578.88	318.52
2. Infrastructure work					
2.1	Preliminary including Development, Investigation and planning	12.60			-12.6
2.2	Land	29.23		32.47	3.23
2.3	Buildings,	29.98		8.048	-21.93
2.4	Township (Miscellaneous)	12.60		13.15	0.55
2.5	Maintenance	3.14		0.33	-2.81
2.6	Tools & Plants	1.87		1.86	-0.01
2.7	Communication	23.48		24.54	1.06
2.8	Environment & Ecology	46.83		0	-46.83
2.9	Losses on stock	0.78		0	-0.78
2.10	Receipt & Recoveries	-0.63		0	0.63
	Total	159.8841		80.398	-79.486
3 Misc. and others works					
3.1	Establishment	23.44		81.08	57.64

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APPROVAL OF CAPITAL COST ALONG WITH ADDITIONAL CAPITALIZATION AND DETERMINATION OF TARIFF FOR SAINJ HYDRO ELECTRIC PROJECT (2 X 50 MW) FROM COD TO FY 2023-24.

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3.2	Design & Engineering			0
3.3	Audit & Accounts	2.10		-2.10
3.4	Contingency/others expenses	0.00	71.38	81.49
3.5	Rehabilitation & Resettlement	0.00	4.09	4.09
	Total	25.54	156.55	131.01
	Total cost of Civil work (1+2+3)	445.79	815.83	370.4
	IDC (E&M+Civil)	96.77	253.08	156.31
	Grand Total	542.56	1068.91	526.35

The difference in the Cost of Civil works resulted due to the following reasons:

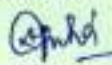
TABLE 12: MAIN REASONS FOR VARIATIONS IN CIVIL WORKS (INR CRORE)

Sr. No.	Reason	Variation Amount (in Crore)	Remarks
a)	Variation in cost of civil works due to increased awarded amount	170.64	Annexure P/13A
b)	Price escalation as approved by the Engineer-in-charge that was paid to the Contractor	125.51	Annexure P/13B
c)	Variation due to extra payment of entry tax and change in rate of service taxes	13.01	Annexure P/13C
d)	Variation due to Change order of additional work of construction of firewall at CVT portal and bus duct gallery portal of Sainj HEP	9.36	Annexure P/14
	Total	318.52	

ATTESTED

Vijay Kumar Sakran
Advocate cum Notary
Yash Raj Singh, Villas Nagar
Shimla (H.P.)

- a) The variation mentioned at S.No (a) of above table No. 13 to the tune of Rs. 170.64 Crores is due to difference in award of work (431.00 Crores compared to DPR cost of 260.36 Crores). This variation resulted due to difference between quoted price amounting to Rs. 435.11 Crores as quoted by the lowest bidder i.e. M/s Hindustan Construction Company Limited and executing agency's estimate (HPPCL) for amounting to Rs. 364.80 Crores only. The quoted rates of lowest bidder (M/s HCC Limited) were 19.33% higher than the estimated amount based on June 2009 prevailing market rates). Finally the contract was awarded to M/s HCC Ltd. (lowest bidder) for Rs. 431.00 Crores and the same was recommended by TEC vide Annexure P/13A.


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BCS, New Shimla-171009

- b) The Contract price was subject to price escalation during performance of the Contract to reflect changes in the cost of labour and material components etc. in accordance with the provisions stipulated under Variations and Adjustments clause of EPC contract civil package for 100 MW Sainj HEP i.e. Clause 13.7 'Variation and Adjustment of Section 8, Particular Conditions of Contract (PCC). The price escalation as approved by the Engineer-in-charge was paid to the Contractor amounting to Rs.125.51crores (ANNEXURE-P/13B)
- c) The variation amounting to Rs. 13.01 Crores occurred due extra payment of Entry Tax, change in rates of Service Tax etc.) (ANNEXURE-P/13C)
- d) Variation due to Change order of additional work of construction of firewall at CVT portal and bus duct gallery portal of Sainj HEP amounting to Rs. 9.36 crores (ANNEXURE-P/14).

e) **Time Overrun**

i) **1st Extension of Time (E.O.T) granted to E.P.C. contractor :-**

The 1st Extension of Time was granted to EPC contractor (i.e. M/s H.C.C. Ltd.) in the basis of delays/ hindrances occurred w.r.t. different contract clauses (8.4,8.5,8.6,8.7 & 19.1) due to various reasons e.g. forced suspension of works on projects due to non availability of access roads due to non availability of access roads and due to non availability of encumbrance free land for the construction of project components . The Total delay as above was occurred to 517 days and out of which net 305 days were considered as justified grounds by the department (HPPCL)) as per Supplementary Agreement No. 3, stage wise payment schedule was amended at the request of the Claimant /contractor subject to the condition that work will be completed by 2nd June 2015. Accordingly 1st EOT was granted for **305 days** w.e.f. 2nd Aug. 2014 to 2nd June 2015 vide Supplementary Agreement No. 4. These Supplementary Agreements are part of Contract Agreement.

Total Extension of Time granted on a/c of 1st E.O.T = 305 days

ii) **The Final completion of EPC Civil contract package of 100MW Sainj HEP got delayed due to many hindrances / delays which are mentioned below:-**

The final (2nd) Extension of Time (EOT) has been granted to the Contractor M/S Hindustan Construction Company Limited ,Mumbai without prejudice to the right of HPPCL to levy delay damages under relevant contract provisions for the work * EPC

ATTES/ED

Vijay Kumar Sahasr
Advocate cum Notary Public
Yash Shrivastava, Vikas
Sharma (N.P.)

Contract Package for 100 MW Sainj Hydroelectric Project located in Kullu District, Himachal Pradesh, India w.e. f. 02.08.2014 to 30.06.2017 for a total period of 1064 days as per provision contained in GCC Sub-clauses 8.4,8.5,8.6,8.7 & 19.1 of the contract Agreement as under:

- Extension of time without Delay Damages attributable to HPPCL /None i/c 305 days granted in 1st EOT (305+203+148) =656 days
- Extension of time attributable to contractor with Delay Damages amounting to Rs.43,10,00,000.00 (Rupees Forty Three Crore Ten Lakh) only Sub- clause 8.7 of GCC & PCC Document II of IV of Contract Agreement.= 408 days
Total EOT w. e. f. 02.08.2014 to 30.06.2017=(a+b)=1064 days
- The Delay Damages were levied & recovered from the Contractor after complying with the codel requirements under the Law, which will be ensured by the Head of Project (HOP) and the Engineer-in -Charge (EIC)
- .Payment of price Variation during the extended period shall be regulated strictly accordance with the provision under Sub-clause 13.8 of GCC read with PCC Section of the Contract Agreement.

The brief description of delays /hindrances on account of 2nd and final E.O.T. as elaborated is as under:-

- **Delay due to Strike by project area labour on participating in Agitation at Raison Catch Factory :-**

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Yash Sharan, Vikas Narwan
Shimla (H.P.)


The workers of the project area participated in the strike on 20.09.2013 to support the workers Catch Factory at Raison Distt. Kullu so the delay claim of one day is considered as Force Majeure under sub clause 19.1(a) of GCC, General Conditions, document II of IV attributable to none. **Total Delay = 01 Day.**

- **Delay due to non availability of access to site on account of damages to Adit – 1 road due to flash flood :-**

Flash floods in Kartaul nallah on 16.07.2015 occurred and due to which access road to Adit-1 and Barrage site got totally damaged and work remained suspended for 147 days and the same was considered as Force Majeure under sub clause 19.1(a) of GCC, General Conditions, document II of IV attributable to none. **Total Delay = 147 Days.**

- **Delay due to erection of Adit – 1 Plug Gate:-** Delay occurred on account of erection and commissioning of Adit-1 Plug gate of Sainj HEP under sub clause 13.1 & 8.4 of GCC, General Conditions.

Total delay = 15 days.


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BCS, New Shimla-171000

- **Delay caused due to laying of invert concrete of Adit – I of HRT :-** Delay occurred on account of laying invert concrete (M:25) in Adit-1 of HRT as a variation item under GCC sub clause 13.1 & 8.4.

Total delay = 31 days.

- **Delay due to handing over of HRT by HPPCL E&M Contractor:-** Delay occurred handing over of HRT by HPPCL E&M Contractor by under GCC sub clause 8.4.

Total delay = 81 days.

- **Delay due to water availability and T.O.C(Taking Over Certificate):-** The construction of HRT was the longest finishing activity which was substantially completed on 02.03.2017 with a delay of 657 days vis avis L2R1 after plugging of Adit-4. After this water filling of reservoir started and water was made available for spinning of machines on 15.04.2017 (44 days) and TOC for substantial completion of work was issued on 30.06.2017 (76 days). As per L2R1 18 days were required for water availability. Thus water availability was delayed by 26 days . The delay of 102 days has been added to HRT being critical activity for completion of Project.

Total delays = 102 days (.76 + 26)

ATTESTED

Vijay Kumar Sakam
Advocate cum Notary
Vishwanagar, Vileas Nagar
Shimla (H.P.)

- **Slow progress due to adverse geology, bad weather conditions / force majeure & infusion of inadequate resources by the EPC contractor:**

A considerable delay has occurred on account of slow progress and infusion of inadequate resources by the contractor at different project fronts/ components during the construction of Civil & HM (Hydro-mechanical)works. The works of underground excavation of Head Race Tunnel , Adit -3 and Adit-5 were delayed up to a gret extent due to very poor/ adverse geology i.e lose fall / cavity formations etc. and ensuring necessary treatment / remedial measures thereof.

Total Delay = 382 days.

Total Delay (1st & 2nd Final, E.O.T= 305 + 01 + 147 + 15 + 31 + 81 + 102 + 382 = 1064 days (Annexure-P/15 MOM of EOT Committee & Annexure P/16 BOD decision).

Anika
Dy. General Manager (SOP)
HPPCL, Himed Building
BCS, New Shimla-171009

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No 2493533 Himachal Government Judicial Paper

APPROVAL OF CAPITAL COST ALONG WITH ADDITIONAL CAPITALIZATION AND DETERMINATION OF TARIFF FOR SAINJ HYDRO ELECTRIC PROJECT (2 X 50 MW) FROM COD TO FY 2023-24.

HPPCL,
Sainj HEP.

3.10.3 ELECTROMECHANICAL WORKS:-

The Contract for Electro-Mechanical package for Sainj HEP (2x50 MW) was signed on 06-09-2011 between M/s Voith Hydro Pvt. Ltd. (VHN) and Himachal Pradesh Power Corporation Ltd. (HPPCL). The period stipulated in the original contract for completion of units was 40 months for Unit#1 and 42 months for Unit#2 from the effective date. The effective date agreed between the parties for the E&M contract of Sainj HEP was 22-09-2011 which took the stipulated completion of Unit #1 to January, 2015 and of Unit#2 to March, 2015. The component wise detail is as under:-

TABLE 13: DETAIL OF VARIATION IN E&M WORKS (INR CRORE)

S.No	Cost Component	Original cost as approved by Authority	Awarded Amount to M/s Voith Hydro Pvt. Ltd.	Cost up to cut off date after COD (in Crores)	Variation
		A	B	C	D=C-A
1	Preliminary	4.00			
	Generator, Turbine, Auxiliary & Accessories	90.9731		142.20	46.45
	GIS Equipment, Generator		146.40		
3	Transformers, SST & UAT, XLPE Cables etc.	21.5675		76.93	53.28
4	Taxes and Duties	11.1417		Included in above	Included in above
	Sub-Total A	127.68	146.40	219.13	91.45
Overheads					
5	Contingencies, Tools & Plants	1.4703	--	--	--
6	Establishment	3.9209	--	--	--
7	Audit & Accounts	0.6607	--	--	--
	Sub-Total B	6.0519	--	--	--
	Grand Total (A+B)	133.73	146.40		

ATTESTED
Vijay Kumar Saklam
Advocate and Notary Public
Yash Bhargava, Vikas Nagar
Bhimtal (U.P.)

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Himachal Government Judicial Paper

APPROVAL OF CAPITAL COST ALONG WITH ADDITIONAL CAPITALIZATION AND DETERMINATION OF TARIFF FOR SAINJ HYDRO ELECTRIC PROJECT (2 X 50 MW) FROM COD TO FY 2023-24.

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The difference in the cost of Electro mechanical works resulted due to the following reasons:

TABLE 14: MAIN REASONS FOR VARIATION IN E&M WORKS (INR CRORE)

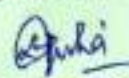
Sr. No.	Reason	Variation Amount in Crores	
a)	Variation in cost of electromechanical works due to increased awarded amount	23.8	(ANNEXURE-P/17)
b)	Price escalation	23.1	(ANNEXURE-P/18)
c)	Change order for the supply and erection of 400 kV GIB complete with all accessories	8.1	(ANNEXURE-P/19)
d)	Change order for the supply and erection of 400 kV XLPE complete with all accessories	2.04	(ANNEXURE-P/20)
e)	Change order for the supply and erection of OFC complete with all accessories	0.24	(ANNEXURE-P/21)
f)	Change order for the supply and erection of LV Switchgear & associated cables	0.99	(ANNEXURE-P/22)
g)	Change order for the supply and erection of PLCC Equipments	0.8	(ANNEXURE-P/23)
h)	Variation in the Taxes & Duties	7.68	(ANNEXURE-P/24A)
i)	Foreign exchange rate fluctuation and etc	24.7	(ANNEXURE-P/24B)
Total		91.45	

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

The variation in cost of electromechanical works of Rs. 23.81 Crore is due to increased awarded amount (Rs. 146.40 Cr.-Eq. INR) over the DPR cost of 122.58 Crore (prices exclusive of taxes and duties) as the price levels taken are based on June 2009 prevailing market rates, however the contract for Electro-Mechanical package was awarded to the L-1 bidder i.e M/s Voith Hydro Pvt. Ltd. In September 2011.

- (b) The Contract price was subject to price escalation during performance of the Contract to reflect changes in the cost of labour and material components etc. in accordance with the provisions stipulated under price adjustment clause of Supply and Service portions of the E&M Contract i.e. Section-I, Appendix-2. The price adjustment provisions was applicable separately for price components relating to Equipment, Installation works as per price break-up furnished by the Contractor. The price escalation was accordingly calculated as per the stipulated formulas in the Contract and were approved by the Project Manager/Engineer-in-charge and was paid to the E&M Contractor which is as below:-


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HPPCL, Himfad Building
BCS, New Shimla-171008

Supply part

INR (In Crores)	EURO	USD
12.18	1,71,842	11,48,441

Service part

INR 2, 03, 33,045/-

The total price variation paid to the E&M Contractor was 23, 13, 91,127/- (Eq. INR)

DETAIL OF THE CHANGES & THEIR IMPACT

c) DETAILS OF LAYOUT CHANGES

GIS:- Based on the changes proposed by HPPCL during detailed engineering, many detailed discussions/site visits, HPPCL requested the Electro-Mechanical Contractor of Sainj HEP (100 MW) to furnish technical proposal in line with GCC clause no. 39.2 of E&M Contract due to changes originating from HPPCL for 400 kV System. Accordingly, VHN furnished several layout proposals to HPPCL for finalization of GIS layout.

Pothead yard:- Single bench Pothead yard was situated at CVT Portal during Bid stage. However, after award of Contract, due to civil constraints, the Pothead yard was shifted to a new location with two benches arrangement.

Impact due to Layout Changes:-

Following equipment/packages were affected due to layout change:-

- GIB between GIS to Pothead yard & its support structure
- 400 kV Cable & its support structure other associated common systems
- Pothead yard design due to change from single bench to double bench.

i. DETAILS OF IMPACT ON MAIN EQUIPMENTS

• **ADDITIONAL GAS INSULATED BUSDUCT (GIB)**

Due to change in location of GIS hall and pothead yard, GIB length was increased. Total length of GIB was revised from 54 m to approx 349 m. Accordingly, quantity of associated support structure and accessories was also increased.

(d) **ADDITIONAL 400kV CABLE LENGTH:**

Due to change in location of GIS hall 400kV Length has also increased. Total length of 400kV Cable was revised from 2560 m to approx 3451 m.

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Shimla (H.P.)

Accordingly, quantity of associated support structure and accessories was also increased.

CHANGE IN POTHEAD YARD DESIGN:

Due to change in pothead yard design from single bench to double bench, there is an addition in support structure and accessories.

SUMMARY

In view of aforesaid changes were of major in nature and were due to following main reasons:

- Change in location of 400kV Gas insulated Switchgear
- Change in location and layout of 400kV Pothead yard.

From the above, it can be seen that the substantial changes in E&M systems from the original contractual requirement took place causing the variation.

ADDITIONAL COST DUE TO THIS CHANGE:

The change order for the supply and erection of 400 kV GIB complete with all accessories (racks/ fixing arrangements etc.)-295 mtr. was issued by HPPCL vide change order form number HPPCL/EC/E&M/Sainj/Vol-IX/2015-1328 dated 27.08.2015 with authorized price of USD 11,35,750 + INR 62,25,820/-. Taxes and Duties were paid as per the Contract Clauses.

ATTESTED

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Shimla (H.P)

Total variation due to the change order for the supply and erection of 400 kV GIB complete with all accessories is 8,16,66,310/- (Eq. INR).

The change order for the supply and erection of 400 kV XLPE complete with all accessories (racks/ fixing arrangements etc.)-890 mtr. was issued by HPPCL vide change order form number HPPCL/EC/E&M/Sainj/Vol-VIII/2014-2377-81 dated 20.11.2014 with authorized price of USD 2,88,146.4 + INR 12,76,134/- Taxes and Duties were paid as per the Contract Clauses.

Total variation due to the change order for the supply and erection of 400 kV XLPE complete with all accessories is 2,04,36,429/- (Eq. INR).

Change proposal for LV switch gear and associated cables, PLCC and OFC.

(e) OFC:-

As per the provision of the contract, the optical fibre cable was to be laid between Pothead yard and Barrage site and the cable route was envisaged as 9 kms approx. and was to be laid on 11 kV line pole between PH and barrage.

The tentative length of OFC from CVT portal to barrage control room as per the requirement and the data procured from HPSEBL was given as 10.9 km which was further intimated to the Electro-Mechanical Contractor in response of which the contractor submitted a requirement of 12 km OFC for overall laying and maintenance of the same.

The change order for the supply and erection of OFC complete with all accessories was issued by HPPCL vide change order form number HPPCL/EC/E&M/Sainj/Vol-22/2018-93513 dated 05.02.2019 with authorized price of USD 35,878/- + INR 52,172.9/- Taxes and Duties were paid as per the Contract Clauses.

Total variation due to the change order for the supply and erection of OFC complete with all accessories is 24,48,106/-.

(f) LV Switch gear & Associated cables:-

The change requirements for 415 V Switchgear, Earthing and Cable system packages of Sainj HEP with respect to the Contract was done with additional requirement of Barrage Distribution Board, Additional requirement of Feeder in BFV Distribution Board, Power Pack for BFV Area, Power Pack for Barrage Area, Addition in Cable system, Addition of Cable tray & accessories and Addition of Earthing Material.

ATTESTED

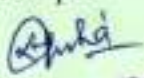
Vijay Kumar Sakshi
Advocate with Hon'ble
Jawahar Lal Nehru
Law Centre (H.P.)

The change order for the supply and erection of LV Switchgear & associated cables was issued by HPPCL vide change order form number HPPCL/EC/E&M/Sainj/Vol-21/2017-24607 dated 03.01.2018 with authorized price of INR 99,88,721/-. Taxes and Duties were paid as per the Contract Clauses.

(g) PLCC equipment:-

The provision of PLCC equipment was not envisaged in the original contract and was not in contractor's scope. The requirement of PLCC equipment was felt during detail engineering as its installation was important for distance protection & communication purposes. The PLCC equipment were also installed at the NHPC Parbati projects.

The change order for the supply and erection of PLCC Equipment was issued by HPPCL vide change order form number HPPCL/EC/E&M/Sainj/Vol-21/2017-24608 dated 03.01.2018 at a price of INR 82,77,788/-. Taxes and Duties were paid as per the Contract Clauses.


Dy. General Manager (SOP)
HPPCL, Himed Building
BCS, New Shimla-171009

APPROVAL OF CAPITAL COST ALONG WITH ADDITIONAL CAPITALIZATION AND DETERMINATION OF TARIFF FOR SAINJ HYDRO ELECTRIC PROJECT (2 X 50 MW) FROM COD TO FY 2023-24.

HPPCL,
Sainj HEP.

(h) **Variation in Taxes and Duties.**

The Central Sales Tax (CST) was reimbursed to the Contractor at the prevailing rates as per the relevant provision of the Electro-mechanical contract under Supply part of the Electro-mechanical contract. And the Service tax was reimbursed to the Contractor at the prevailing rates as per the relevant provision of the Electro-mechanical contract under Service part of the Electro-mechanical contract. The actual rate of Service Tax reimbursed to the contractor was on the higher side as provisioned in DPR. The entry tax paid to the Tax Authorities was not provisioned in the DPR. The variation in the Taxes & Duties actually reimbursed to the contractor against E&M Contract i.e. 18.826 crore with respect to the Taxes & Duties stipulated in DPR (E&M) i.e. 11.14 is **7.68 crore.**

(i) **Foreign Exchange Rate Variation**

Due to fluctuation in the exchange rate of USD and EURO portion of the currencies there is a foreign exchange rate variation amounting to **Rs. 24.77 Crore** which is calculated as per the exchange rates mentioned in the corresponding invoices of USD and EURO. There was no foreign currency component envisaged in the DPR.

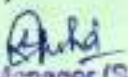
Time Overrun

The Contract for Electro-Mechanical package for Sainj HEP (2x50 MW) was signed on 06-09-2011 between M/s Voith Hydro Pvt. Ltd. (VHN) and Himachal Pradesh Power Corporation Ltd. (HPPCL). The period stipulated in the original contract for completion of units was 40 months for Unit#1 and 42 months for Unit#2 from the effective date. The effective date agreed between the parties for the E&M contract of Sainj HEP was 22-09-2011 which took the stipulated completion of Unit #1 to January, 2015 and of Unit#2 to March, 2015. The Units were not completed within the original stipulated period and the completion certificates were issued to VHN only on 18-07-2017 for Unit#2 and on 22-07-2017 for Unit#1.

Hence, a delay of 28 months for completion of units of Sainj HEP from the effective date has occurred. The first extension of time (EOT) was granted to Voith Hydro Pvt. Ltd. for 19 months i.e. up to October, 2016 by HPPCL and second & final extension of time was granted to Voith Hydro Pvt. Ltd. Up to July 2017 by HPPCL. **The decisions of BOD of HPPCL to this effect are attached (ANNEXURE-P/25).**

ATTESTED

Vijay Kumar Saklani
Advocate cum Notary Public
Yash Sharan, Vikas Nandan
Shimla (H.P.)


Dy. General Manager (SoP)
HPPCL, Himfed Building
BCS, New Shimla-171008

Reasons for Time Overrun:

The detailed high points of contract are as follows:-

Effective date of start of contract	22.09.2011
Time of completion of Unit#1	40 month from effective date i.e. up to January 2015
Time of completion of Unit#2	Month from effective date i.e. up to March 2015
Actual date of commissioning of Unit#1	22.07.2017
Actual date of commissioning of Unit#2	29.07.2017

The main reasons that resulted in delay in completion of Electro-Mechanical Package of 100MW Sainj HEP are as follows:-

- (i) As a result of adverse geology, bad weather conditions, force majeure and infusion of inadequate resources by the EPC Civil contractor time overrun was observed in following activities :-

ATTESTED

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

- Water availability for mechanical spinning : Front availability date 15.04.2017 (time overrun of 866 days)

- (ii) Change in facilities.

- During detailed engineering following change in facilities due to actual site conditions resulted in time overrun:-
- Increase in length of 400kV XLPE cable due to change in GIS location.
 - Increase in length of GIB between GIS to Pothead yard due to location change of GIS.
 - Change of design of pothead yard from single bench to double bench : Delay in finalization of design of pothead yard and Occurrences of force majeure.

Consequent to the delays in the Civil works, some of the fronts were handed over to the E&M contract with some delay and the last front that was handed over to the E&M contractor was 400 kV Grid availability i.e. on 30.05.2017 (clearance to back charge till GT). **The minutes of meeting of committee for extension of time for completion of E&M package of Sainj HEP are attached (ANNEXURE-P/26).**

4 ANNUAL FIXED COST

4.1 COMPONENTS OF ANNUAL FIXED COST

4.1.1 The Petitioner, for the purpose of determination of Annual Fixed Cost of the electricity generated from the Sainj Hydro Electric Project, has considered the below mentioned elements as components of Annual Fixed Cost, as specified by the HPERC (Terms and Conditions for Determination of Hydro Generation Tariff) Regulations, 2011, read along with its amendments thereafter.

- (a) Operation and Maintenance Expenses;
- (b) Depreciation;
- (c) Interest on Loans;
- (d) Interest on Working Capital; and
- (e) Return on Equity (RoE).

4.2 Operations & Maintenance Expenses

4.2.1 Clause 22 of the Himachal Pradesh Electricity Regulatory Commission (Terms and Conditions for Determination of Hydro Generation Tariff) Regulations, 2011 and its amendments thereafter states as follows:

ATTESTED

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Advocate cum Notary Public
Yash Bhatnagar, Vikas
Sharma (H.P.)

(4) In case of hydro generating stations, which have been in commercial operation for less than 5 years as on 31 March 2018, the Operation and maintenance expenses shall be fixed at 2% of the original project cost, excluding cost of rehabilitation and resettlement works, and shall be escalated in accordance with the escalation principles specified in sub regulation (6).

(6) O&M expenses determined in sub-regulations (3) and (4), shall be escalated for subsequent years to arrive at the O&M expenses for the control period by applying the Escalation factor (EF_k) for a particular year (Kth year) which shall be calculated using the following formula

$$EF_k = 0.20 \times WPI_{Inflation} + 0.80 \times CPI_{Inflation}$$

Provided that, out of the O&M expenses so determined based on the above regulations, at least 30% shall be spent towards repair and maintenance activities:

Provided further that, the impact of pay revision (including arrears) shall be allowed on actual during the mid-term performance review or at the end of the control period as per audited /unaudited accounts, subject to prudence check and any other factor considered appropriate by the Commission."

4.2.2 Rehabilitation and Resettlement works:-

For the benefit of Project Affected Families, HPPCL is implementing following welfare schemes in its Project Affected Area since the year 2008:

- a) Scheme for skill up-gradation of local youth – sponsoring candidates from Project Affected Families in ITI
- b) Merit and Support Scholarship Scheme for wards of PAFs
- c) Training-cum-Awareness Camp
- d) Scheme for involving Community Based Organization
- e) Sports tournament Scheme
- f) Competitions for school students
- g) Self Employment Scheme for Project Affected Families
- h) R&R Medical Fund Scheme
- i) Crop Compensation Policy

HPPCL has created many success stories through these welfare schemes and few of them are illustrated below:

ATTESTED

Vijay Kumar Saktani
Advocate cum H.P. Officer
Yash Bhawan, Vikas Nagar
Shimla (H.P.)

Scheme for Technical Training of Local Youth in Project Affected Area/Zone (ITI

Scheme): This scheme aims to upgrade the skills of PAFs to make them employable /self dependent by providing education/training in technical fields through various Industrial Training Institutes (ITIs) of the State. This scheme is fully sponsored scheme of HPPCL and full fee of the course has been paid to 24 beneficiaries by HPPCL and sponsored candidate is also given a scholarship per month during the course.

Merit and Support Scholarship Scheme for wards of PAFs: The scheme aims to enhance educational standards and employability of the wards of PAF; minimize dropouts. The scholarship is awarded from 6th Standards onwards till degree courses like MBBS, Engineering etc. This scheme is fully sponsored scheme of HPPCL and scholarship has been paid to 292 beneficiary by HPPCL.

Dy. General Manager (SoP)
HPPCL, Himad Building
BCS, New Shimla-171000

APPROVAL OF CAPITAL COST ALONG WITH ADDITIONAL CAPITALIZATION AND DETERMINATION OF TARIFF FOR SAINJ HYDRO ELECTRIC PROJECT (2 X 50 MW) FROM COD TO FY 2023-24.

HPPCL,
Sainj HEP.

Scheme for involving Community Based Organizations: The scheme aims to involve local Community Based Organizations (CBOs) like Mahila Mandals and Yuvak Mandals in creating awareness on a number of issues and also about HPPCL like various safeguarding measures being taken by HPPCL. Nodal CBO is identified to help HPPCL in creating awareness and CBO would get one-time financial assistance in cash or in kind to a maximum amount of Rs. 1,15,000/-.

In Sainj HEP, 7 CBOs (Yuvak Mandal/ Mahila Mandals) have been provided with financial assistance of Rs. 07.19 lakh which was utilized by them for income generation activities like purchase of grinding machine, utensils & wedding/party tent (for rent), sewing machines, knitting machine, candle making machine etc. These machines or facilities are being used for commercial gain by the CBOs.

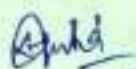
Self-employment Scheme: This scheme is based on self employment through small business venture. This could be in the form of small industry, agriculture or horticulture based activity, animal husbandry related activity or any service. Activity could be taken up by one family or one member in the family on individual basis. The activity could also be taken up in a group where either the activity is large or there are advantages of working in a group. The objective of the scheme is to assist families for starting their own occupation towards becoming self-employed and also becoming capable to provide employment to others. Financial Assistance worth Rs. 50,000/- per applicant (sole or joint) is being provided to the eligible families fulfilling the requirement for this assistance.

In Sainj HEP 32 families has been provided with one time financial assistance of Rs. 50,000/- each to start new business or up-grade the existing one. These families are engaged in different income generating activities like running grocery shops, General Store, Tea stalls, horticulture Nursery and goods carriers etc.

R&R Medical Fund Scheme: The principal aim of the scheme is to improve health conditions and increase longevity of PAFs and other eligible persons. Objectives of the scheme are preventing diseases in PAA and PAZ through providing free medical check-up, purveying free medicine to needy, giving assistance for such medical treatment as are not possible in medical camps, providing assistance for treatment by specialist(s) or for critical diseases or referral cases, assistance in case of accidents, assisting the disabled PAFs acquire specialized kits/aid.

ATTESTED

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Yash Bhawan, Vikas
Shimla (H.P.)



Dy. General Manager (SO)
HPPCL, Himfed Building
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APPROVAL OF CAPITAL COST ALONG WITH ADDITIONAL CAPITALIZATION AND DETERMINATION OF TARIFF FOR SAINJ HYDRO ELECTRIC PROJECT (2 X 50 MW) FROM COD TO FY 2023-24.

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100 units free electricity to PAFs: Every month amount equivalent to 100 units of electricity is being paid by HPPCL to LADC/DoE and the same is being disbursed among PAFs by the concerned LADC.

Crop Compensation: Crop compensation was paid to 1416 beneficiaries residing in PAA/PAZ on account of Policy for compensation of damage to crops during construction of Power Projects in H.P.

The total Expenditure incurred under R&R works is 4.09 Cr.

4.2.3 The relevant clause of the Regulation for determination of escalation factor, the "WPI Inflation" and "CPI Inflation" has been computed as described in the HPERC Tariff Regulation (Amendment 2) as given below:

"CPIinflation – is the average increase in the Consumer Price Index (CPI) for the three years immediately preceding the base year;

WPIinflation – is the average increase in the Wholesale Price Index (WPI) for the three years immediately preceding the base year;....."

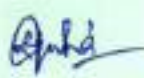
4.2.4 For the subsequent years, the O&M Expenses have been escalated at the rate as tabulated below as per Regulations:-

ATTESTED

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TABLE 15: DETAILS OF CALCULATION OF ESCALATION FACTOR FROM FY 2017-18 TO FY 2023-24.

Particulars	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
WPI	0.33	2.99	2.96	2.42	5.31	7.9	
CPI	4.3	4.22	5.35	5.98	5.89	5.4	
Escalation factor (%)		3.97	4.87	5.27	5.78	5.90	5.90


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APPROVAL OF CAPITAL COST ALONG WITH ADDITIONAL CAPITALIZATION AND DETERMINATION OF TARIFF FOR SAINJ HYDRO ELECTRIC PROJECT (2 X 50 MW) FROM COD TO FY 2023-24.

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4.2.5 For the subsequent years, the O&M Expenses have been calculated after applying escalation factor to actual O&M expenses of F.Y. 2021-22 as base O&M expenses.

4.2.6 The actual and projected O&M expenses incurred in the project are tabulated as below:-

TABLE 16: ACTUAL & PROJECTED O&M EXPENSES (INR CRORE)

Particulars	FY	FY	FY	FY	FY	FY	FY
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
	Actual					Projected	
Total O&M Expenses	8.42	18.03	11.39	13.39	22.14	23.45	24.83

*Accounts of FY 2022-23 yet to be audited

4.2.7 The Petitioner requests the Hon'ble Commission to approve the O&M expenses as per Table 16 above.

4.3 Depreciation

4.3.1 Clause 20 of Himachal Pradesh Electricity Regulatory Commission (Terms and Conditions for Determination of Hydro Generation Tariff) Regulations, 2011 and its subsequent amendments states as follows

"(1) The value base for the purpose of depreciation shall be the capital cost of the asset admitted by the Commission.

ATTESTED

Vijay Kumar Saktoni
Advocate cum Notary Public
Yash Poonam, Vice Registrar
Shimla (H.P.)

"(2) The salvage value of the asset shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of the capital cost of the asset:

Provided that the salvage value for IT equipment and software shall be considered as NIL and 100% value of the assets shall be considered depreciable:

Provided also that in case of hydro generating stations, the salvage value shall be as provided in the agreement signed by the developers with the State Government for creation of the site:

Provided further that the capital cost of the assets of the hydro generating station for the purpose of computation of depreciable value shall correspond to the percentage of sale of electricity under long-term power purchase agreement at regulated tariff."

4.3.2 A depreciation rate has been considered as per Himachal Pradesh Electricity Regulatory Commission (Terms and Conditions for Determination of Hydro Generation Tariff)

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Regulations, 2011 Appendix I: Depreciation Schedule for the first 12 years of capitalization. Thereafter, the balance net asset value is equally spread over the useful life of the plant, as per the Tariff conditions issued by Hon'ble HPERC.

4.3.3 The depreciation booked in the project since COD and its projection is tabulated as below:-

TABLE 17: ACTUAL DEPRICIATION (BOOKED) & PROJECTED DEPRECIATION (INR CRORE)

Particulars	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
	Actual					Projected	
Opening GFA	1288.04	1288.04	1294.94	1298.14	1298.23	1300.86	1300.92
Addition during the year	0	6.9	3.2	0.09	2.63	0.06	3.00
Less Grant Received	-	-	-	-	-	-	-
Closing GFA	1288.04	1294.94	1298.14	1298.23	1300.86	1300.92	1303.92
Average GFA	1288.04	1291.49	1296.54	1298.185	1299.545	1300.89	1302.42
Lee: Freehold Land	32.47	32.47	32.47	32.47	32.47	32.47	32.47
Average GFA excluding Land	1255.57	1259.02	1264.07	1265.715	1267.075	1268.42	1269.95
WAROD (%)	4.60%	4.67	4.68	4.66	4.80	4.79	4.79
Depreciation	33.69	58.79	59.19	58.95	60.82	60.82	60.82

4.3.4 HPPCL requests the Hon'ble Commission to kindly approve the Depreciation as per table 17 above.

4.4 INTEREST ON LOANS

4.4.1 Interest on loans is mainly payable on account of the capital expenditure planned in the Control Period. Interest on normative loan has been projected considering Debt : Equity ratio of 70:30 for Sainj Hydro Generation as per Regulations.

4.4.2 The relevant clause of the Regulations pertaining to Interest on Loans is produced below.

"17. Interest and Finance Charges

(1) Interest and finance charges on loan capital shall be computed on the outstanding loans, duly taking into account the schedule of repayment in accordance with the terms and conditions of relevant agreements of loan, bond or non-convertible debentures.

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Sainj HEP.

Exception can be made for the existing or past loans which may have different terms as per the agreements already executed if the Commission is satisfied that the loan has been contracted for and applied to identifiable and approved projects.

(2) The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio at the beginning of each year applicable to the project:

Provided that if there is no actual loan for a particular year but normative loan is still outstanding, the last available weighted average rate of interest shall be considered: Provided further that if the generating station, does not have actual loan, then the weighted average rate of interest of the generating company as a whole shall be considered:

Provided further that if the generating company does not have actual loan, then one (1) Year State Bank of India (SBI) MCLR / any replacement thereof as notified by RBI for the time being in effect applicable for one (1) Year period, as may be applicable as on 1st April of the relevant Year plus 300 basis points shall be considered as the rate of interest for the purpose of allowing the interest on the normative loan.

(3) The interest rate on the amount of equity in excess of 30% treated as notional loan shall be the weighted average rate of the loans of the respective years and shall be

further limited to the rate of return on equity specified in these regulations.....

(4) In case any moratorium period is availed of in any loan, depreciation provided for in the tariff during the years of moratorium shall be treated as notional repayment during those years and interest on loan capital shall be calculated accordingly..."

4.4.3 Asian Development Bank had sanctioned loan facility to Government of India for the execution of Sainj HEP under Himachal Pradesh Clean Energy Development Investment Programme (HPCEDIP). This multilateral loan was routed to the Corporation, through Government of India and, subsequently, through Government of Himachal Pradesh also. Government of Himachal Pradesh on-lent these loan funds to HPPCL at the interest rate of 10% per annum. Copy of On-lending Loan Agreement attached. (Annexure-P/27)

As per the terms and conditions of the On-lending Loan Agreement, the repayment of loan and interest has become due. But due to financial constraints, Corporation is unable to repay its loan liabilities and has sought deferment of the same from GoHP. The

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deferment of loan has been approved by the State Government up to 2020-21 (Annexure-P/28) and a case for further deferment of loan has already been placed before the Government. Therefore, as per Regulation 17(4) quoted above, notional repayment of loan has been considered equal to depreciation and interest on loan capital has been calculated accordingly.

4.4.4 Accordingly, the interest on loan has been computed as per table given below:

TABLE 18: PROJECTED INTEREST ON LOAN EXPENSES (INR CRORE)

Particulars	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Gross loan - Opening	901.63	901.63	906.47	908.70	908.76	910.60	910.64
Cumulative repayments of Loans up to previous year	0.00	33.69	92.47	151.67	210.62	271.44	332.26
Net loan - Opening	901.63	867.94	814.00	757.03	698.14	639.16	578.38
Add: Drawl (s) during the Year	0.00	4.84	2.23	0.06	1.84	0.04	2.10
Less: Repayments considered equal to depreciation	33.69	58.78	59.20	58.96	60.82	60.82	60.82
Net loan - Closing	867.94	814.00	757.03	698.14	639.16	578.38	519.65
Average Net Loan	884.79	840.97	785.51	727.58	668.65	608.77	549.02
Rate of Interest on Loan on annual basis	10%	10%	10%	10%	10%	10%	10%
Interest on loan	90.16	86.79	81.40	75.70	69.81	63.92	57.84

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Shimla (H.P.)

4.4.5 HPPCL requests the Hon'ble Commission to kindly approve the Interest on Loan as per Table 18 above.

4.5 Interest on Working Capital

4.5.1 Regulation 18 and 19 of Himachal Pradesh Electricity Regulatory Commission (Terms and Conditions for Determination of Hydro Generation Tariff) Regulations, 2011 and its subsequent amendments states as follows:-

"The Commission shall calculate the working capital requirement for hydroelectric power stations containing the following components: -

(a) Operation & Maintenance (O&M) expenses for 1 month;

(b) Maintenance spares equivalent to 15% of O&M;

(c) Receivables equivalent to two months of fixed cost

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Rate of interest on working capital to be computed as provided hereinafter in these regulations shall be on normative basis and shall be equal one (1) Year State Bank of India (SBI) MCLR / any replacement thereof as notified by RBI for the time being in effect applicable for one (1) Year period, as may be applicable as on 1st April of the Financial Year in which the Petition is filed plus 300 basis points. The interest on working capital shall be payable on normative basis notwithstanding that the generating company has not taken working capital loan from any outside agency or has exceeded the working capital loan based on the normative figures."

4.5.2 The petitioner has calculated the interest on working capital considering prevalent SBI MCLR as on 01.04.2023 respectively plus 300 basis points. In accordance with the above regulations the interest on working capital claimed is as shown below.

4.5.3 Rate of Interest on working capital has been calculated @ 11.50 percent (SBI Prime Lending Rate) in accordance with the above Regulations.

4.5.4 The interest on working capital thus computed as per the Regulation is provided in the table given below:

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**TABLE 19: PROJECTED INTEREST ON WORKING CAPITAL EXPENSES
(INR CRORE)**

Particulars	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Operation & Maintenance Expenses for 1 Month	1.20	1.50	0.95	1.12	1.84	1.95	2.07
Maintenance Spares Equivalent to 15% of O&M	1.26	2.71	1.71	2.01	3.32	3.52	3.73
Receivable Equivalent of 2 Months of Fixed Cost	18.15	32.30	27.26	33.44	32.36	33.08	30.65
Total Working Capital Requirement	20.62	36.51	29.92	36.56	37.53	38.55	36.44
Interest on Working Capital %	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%
Interest on Working Capital	2.37	4.20	3.44	4.20	4.32	4.43	4.19

4.5.5 HPPCL requests the Hon'ble Commission to kindly approve the Interest on working capital as per table 19 above.

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4.6 Return on Equity

4.6.1 Regulation 21 of Himachal Pradesh Electricity Regulatory Commission (Terms and Conditions for Determination of Hydro Generation Tariff) Regulations, 2011 and its subsequent amendment states as follows:-

"(1) Return on equity shall be computed on the equity determined in accordance with regulation 16 and on pre-tax basis at the base rate of 15.5% to be grossed up as per sub-regulation (3) of this regulation:

(2) The rate of return on equity shall be computed by grossing up the base rate with the normal tax rate as per latest available audited accounts of the generating company:

Provided that in line with the provisions of the relevant Finance Acts of the respective year, the return on equity with respect to the actual tax rate applicable to the generating company during the years of the control period shall be tried up separately for each year during the mid-term performance review and at the end of the control period along with the tariff petition filed for the next control period."

4.6.2 Since, HPPCL is continuously incurring losses and no profit has been earned till date for any Financial Year since its incorporation i.e. 18/12/2006. Therefore, No Liability of Income Tax has arisen on HPPCL as on date. However, if HPPCL earns profits, then Income Tax liability may arise as per the provisions of Income Tax Act and which may attract Income Tax @ 25% of the Net Profit for FY 2022-23 plus Surcharge extra (i.e. depending upon quantum of the profits).

4.6.3 Accordingly, the ROE has been considered @ 15.50 % as per the regulations mentioned above.

4.6.4 The return on equity as per the Regulation is provided in the table given below:

TABLE 20: PROJECTED RETURN ON EQUITY (INR CRORE)

Particulars	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Opening balance	386.41	386.41	388.48	389.44	389.47	390.26	390.28
Addition	0.00	2.07	0.96	0.03	0.79	0.02	0.9
Closing Balance	386.41	388.48	389.44	389.47	390.26	390.28	391.18
Average	386.41	387.45	388.96	389.46	389.87	390.27	390.73
Rate of RoE	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%
ROE	59.89	60.05	60.29	60.37	60.43	60.49	60.56

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APPROVAL OF CAPITAL COST ALONG WITH ADDITIONAL CAPITALIZATION AND DETERMINATION OF TARIFF FOR SAINJ HYDRO ELECTRIC PROJECT (2 X 50 MW) FROM COD TO FY 2023-24.

HPPCL,
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4.6.5 HPPCL requests the Hon'ble Commission to kindly approve the Return on Equity as per Table 20 above.

4.7 Summary of Annual Fixed Charges

4.7.1 The summary of annual fixed charges as computed with the above components is presented in the table below:


TABLE 21: ANNUAL FIXED CHARGES (INR CRORE)

Particulars	FY	FY	FY	FY	FY	FY	FY
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Operation & Maintenance Charges	8.42	18.03	11.39	13.39	22.14	23.45	24.83
Interest on Loan	90.16	86.79	81.40	75.70	69.81	63.92	57.84
Depreciation	33.69	58.78	59.20	58.96	60.82	60.82	60.82
Interest on Working Capital	2.37	4.20	3.44	4.20	4.32	4.43	4.19
Return on Equity	59.89	60.05	60.29	60.37	60.43	60.49	60.56
Total	194.53	227.85	215.72	212.62	217.52	213.11	208.24

ATTESTED

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Yesh Bhawan, Vignesh Nagar
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4.7.2 The petitioner humbly requests the Hon'ble Commission to approve the same.


Dy. General Manager (SoP)
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5 OPERATIONAL NORMS

5.1 Performance Targets

The Commission shall set targets for each year of the control period for the items or parameters that are deemed to be "controllable" and which will include-

- (a) Normative Annual Plant Availability Factor;
- (b) Auxiliary energy consumption;

5.2 Normative Annual Plant Availability Factor (NAPAF)

5.2.1 Regulation 23 of Himachal Pradesh Electricity Regulatory Commission (Terms and Conditions for Determination of Hydro Generation Tariff) Regulations, 2011 and its subsequent amendments specifies as under.

"(1) The norms of operation for hydro generating stations shall be as under-

(a) Normative Annual Plant Availability Factor (NAPAF) for hydro generating stations shall be determined by the Commission as per the following criteria:-.....

(iv) run-of-river type plants: NAPAF to be determined plant-wise, based on 10-day design energy data, moderated by past experience where available/relevant "

The energy data of the project is tabulated as below:-

TABLE 22: DETAIL OF ACTUAL ENERGY GENERATED

Month	Period	Design Energy (MU)	FY 18-19 (MU)	FY 19-20 (MU)	FY 20-21 (MU)	FY 21-22 (MU)	FY 22-23 (MU)	FY 23-24 (MU)
April	I	1.37	4.12	0	3.86	3.71	8.69	4.52
	II	1.34	4.03	0	7.02	3.53	8.77	6.73
	III	1.41	4.79	0	7.92	5.66	8.88	7.15
May	I	5.15	7.53	0	10.34	8.16	7.64	
	II	4.98	9.73	0	11.33	8.89	12.57	
	III	3.64	13.76	0	18.43	13.58	11.6	
June	I	4.54	8.42	0	16.24	17.07	9.24	
	II	4.69	13.16	3.38	25.69	23.09	13.53	
	III	6.16	15.12	21.03	26.33	22.31	16.13	
July	I	5.49	21.57	25.78	26.33	25.82	25.24	
	II	7.45	24.02	26.33	26.3	26.34	26.32	
	III	9.35	26.83	28.75	28.35	28.14	27.57	

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Aug	I	12.9	24.44	24.41	26.08	25.66	26.3
	II	17.44	26.31	22.85	26.1	25.27	25.34
	III	19.72	27.51	28.89	27.07	26.08	28.39
Sep	I	22.8	26.35	26.02	25.01	22.36	24.75
	II	22.8	20.97	23.11	21.04	23.85	20.39
	III	22.8	23.79	16.99	14.73	17.82	22.39
Oct	I	22.8	16.62	12.44	11.11	12.79	13.69
	II	22.8	11.95	9.38	10.05	10.57	11.04
	III	25.08	9.98	8.54	7.05	8.66	8.26
Nov	I	13.04	8.42	6.78	4.52	6.23	7.16
	II	14.71	7.38	5.97	3.97	5.35	7.07
	III	11.75	6.52	5.54	3.53	4.57	5.13
Dec	I	7.23	5.52	5.06	3.27	4.12	5.8
	II	5.82	4.92	4.72	2.9	3.45	5.12
	III	4.6	4.82	4.64	3.46	3.57	4.6
Jan	I	3.75	4.02	3.84	3.3	3.03	3.71
	II	2.85	3.65	4.09	3.14	2.82	3.52
	III	2.72	3.89	4.16	3.44	3.03	3.45
Feb	I	2.18	3.44	3.58	3	2.61	3.23
	II	1.9	3.69	4	2.94	2.64	3.46
	III	1.94	3.61	3.29	2.4	2.27	2.61
Mar	I	1.82	4.19	3.67	2.93	2.94	3.2
	II	1.63	3.26	3.64	2.14	5.66	2.61
	III	1.57	0	4.02	3.83	7.17	4.58

5.3 Auxiliary Energy Consumption

ATTESTED
 The Hon'ble Commission shall set targets for performance improvement as per the below clause of HPERC Regulations.
 Advocate cum Notary Public
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 Shimla (H.P.)

5.3.2 Regulation 23 (b) of Himachal Pradesh Electricity Regulatory Commission (Terms and Conditions for Determination of Hydro Generation Tariff) Regulations, 2011 and its subsequent amendments specifies as under

Surface hydroelectric power generating station	With rotating exciters mounted on the generator shaft	0.7%
	With static excitation system	1%
Underground hydro electric power generating station	With rotating exciters mounted on the generator shaft	0.9%
	With static excitation system	1.2%

5.3.3 The petitioner presents that Sainj HEP is an underground hydroelectric power generating

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Sainj HEP.

station with static excitation system and accordingly the Petitioner is requesting to approve an auxiliary consumption of 1.2%.

TABLE 23: GENERATION DETAIL

Annual Energy (MUs)	
Gross Generation	322.23
Aux. Consumption (%)	1.20%
Net Generation	318.36
Free Energy to State (FEHS) %	13%
Net Saleable Energy	276.98

ATTES TED

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Advocate cum Notary Public
Vishwanath, Vikas Nagar
Shimla D.P.

[Signature]
Dy General Manager (SO)
HPPCL, Himed Building
BCS, New Shimla-171009

6 CAPACITY CHARGES

6.1 Capacity Charges and Energy Charges

Regulation 26 of Himachal Pradesh Electricity Regulatory Commission (Terms and Conditions for Determination of Hydro Generation Tariff) Regulations, 2011 and its subsequent amendments specifies as under:

"26. Computation of Capacity Charge and Energy Charge

(1) The fixed cost of a hydro generating station shall be computed on annual basis, based on norms specified under these regulations, and recovered on monthly basis under capacity charge (inclusive of incentive) and energy charge, which shall be payable by the beneficiaries in proportion to their respective allocation in the saleable capacity of the generating station, that is to say, in the capacity excluding the free power to the State:

The capacity charge (inclusive of incentive) payable to a hydro generating station for a calendar month shall be –

ATTESTED

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Advocate cum Notary Public
Yash Bhatnagar, Vikas Arora
Shimla (H.P.)

$AFC \times 0.5 \times NDM / NDY \times (PAFM / NAPAF)$ (in Rupees)

Where,

AFC = Annual fixed cost specified for the year, in Rupees.

NAPAF = Normative plant availability factor in percentage

NDM = Number of days in the month

NDY = Number of days in the year

PAFM = Plant availability factor achieved during the month, in percentage....

$PAFM = 10000 \times i = \frac{1}{N} \sum DC_i / f \{N \times IC \times (100 - AUX)\}$

Where,

AUX = Normative auxiliary energy consumption in percentage

DC_i = Declared capacity (in ex-bus MW) for the ith day of the month which the station can deliver for at least three (3) hours, as certified by the State Load Dispatch Centre after the day is over.

IC = Installed capacity (in MW) of the complete generating station

APPROVAL OF CAPITAL COST ALONG WITH ADDITIONAL CAPITALIZATION AND DETERMINATION OF TARIFF FOR SAINJ HYDRO ELECTRIC PROJECT (2 X 50 MW) FROM COD TO FY 2023-24.

HPPCL,
Sainj HEP.

N = Number of days in the month.

Energy charge rate (ECR) in Rupees per kWh on ex-power plant basis, for a hydro generating station, shall be determined up to three decimal places based on the following formula, subject to the provisions of sub-regulation (7):-

$$ECR = AFC \times 0.5 \times 10 / \{DE \times (100 - AUX) \times (100 - FEHS)\}$$

Where,

DE = Annual design energy specified for the hydro generating station, in MWh, subject to the provisions of sub-regulations (6)

$FEHS$ = Free energy for State, in per cent defined in regulation 28."

Dy. General Manager (SoP)
HPPCL, Himfad Building
BCS, New Shimla-171008

ATTESTED

Vijay Kumar, Assistant
Advocate General, Property Public
Yash Bhawan, Vikas Nagar
Shimla (H.P.)

APPROVAL OF CAPITAL COST ALONG WITH ADDITIONAL CAPITALIZATION AND DETERMINATION OF TARIFF FOR SAINJ HYDRO ELECTRIC PROJECT (2 X 50 MW) FROM COD TO FY 2023-24.

HPPCL,
Sainj HEP.

7 PRAYERS TO COMMISSION

HPPCL respectfully prays to the Hon'ble Commission:-

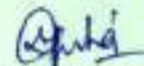
- i. To admit the Petition seeking Capital Cost along with Additional capitalization approval and determination of tariff from COD till FY 2023-24.
- ii. To approve the capital cost along with Additional capitalization and subsequent determination of Annual Fixed Charges under each MYT including periodic review and true-up for Sainj HEP.
- iii. To determine Annual Fixed Charges from COD till FY 2023-24 in accordance with HPERC Hydro Tariff Regulation 2011 parameters as amended from time to time as the same were not been booked by the petitioner in line with the CERC/HPERC Regulations (i.e *Operation & Maintenance Charges, Interest on Finance Charges, Return on Equity & Interest on Working Capital*) due to uncertainty of beneficiary throughout the Nation till 31.03.2023.
- iv. To devise a mechanism to overcome the loss/profit incurred to HPPCL since COD till 31.03.2023 because of Sale of Power of Sainj HEP on Short Term Basis due to non availability of beneficiary.

ATTESTED

Vijay Kumar Saksena
Advocate
Yash Bhawan, Vikas Nagar
Shimla (H.P.)

The Arbitration cases in r/o Civil and Electromechanical works of Sainj HEP are sub-judice and the cost involved (193.04 Crore) has not been considered in the total capital cost of the project and may be considered during true up.

- vi. The decision of HPPCL Management regarding the payment adjustment of permanent assets for an amount of 45.99 Crore (Land and Buildings) of Sarabai Colony and Thalout is pending and cost involved (45.99 Crore) has not been considered in the total capital cost of the project and may be considered during true up.
- vii. To pass such order to avail the benefit of the Hydro Purchase Obligation (HPO)/Renewable Purchase Obligation (RPO) as per the relevant CERC/HPERC/Ministry of Power Regulations/Notifications as amended from time to time.
- viii. The expenditure incurred towards levies, taxes, duties, cess etc., if any and Water Cess on HEP being leived by HP, fee and charges of Regional Load Dispatch Centre (NRLDC) etc. may be allowed to be recovered from the Respondent.
- ix. To approve auxiliary consumption of 1.2%.


Dy. General Manager (SO)
HPPCL, Himad Building
BCS, New Shimla-171000

APPROVAL OF CAPITAL COST ALONG WITH ADDITIONAL CAPITALIZATION AND DETERMINATION OF TARIFF FOR SAINJ HYDRO ELECTRIC PROJECT (2 X 50 MW) FROM COD TO FY 2023-24. HPPCL, Sainj HEP.

- x. To determine NAPA of the Project for calculation of Capacity Charges.
- xi. To issue appropriate mechanism for calculation of Declared Capacity (in ex-bus MW) for further calculation of Plant Availability Factor achieved during the month in % (PAFM) for computation of Capacity Charges.
- xii. To pass such orders that the Petition filing fee amounting to Rs. 73,62,500/- and other expenditure incurred in may be allowed to be recovered by the Petitioner from the Respondent.
- xiii. To condone any inadvertent omissions/ errors/ shortcomings and permit the Petitioner to add/ change/ modify/ alter this filing and make further submissions as may be required at a future date.
- xiv. To allow further submissions, addition and alteration to this Petition as may be necessitating from time to time.
- xv. To treat the filing as complete in view of substantial compliance as also the specific requests for waivers with justification placed on record;

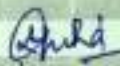
ATTESTED

Vijay Kumar Saklani
Advocate cum Public
Wish Bhawan, Vikas Nagar
Shimla (H.P.)

- xvi. To pass such other and further orders as are deemed fit and proper in the facts and circumstances of the case.
- xvii. To grant any relief as the Hon'ble Commission may consider appropriate.

By the Applicant

Through its


Dy. General Manager (DGP)
HPPCL, Himed Building
B-3, New Shimla-171008



Filing No.....

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 TILL FY 2023-24 FOR 2 X 50 MW SAINJ HYDRO ELECTRIC PROJECT, 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.

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

ATTESTED

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

PETITIONER

VERSUS

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

RESPONDENT

Dy. General Manager (SoP)
HPPCL, Himfed Building
BCS, New Shimla-171008

I, Er. Sangram Singh, son of Sh. Ranjeet Singh Guleria, aged about 56 years, occupation Dy. General Manager (Sale of Power), HIMFED Building, HPPCL, BCS, Shimla-171009, do hereby solemnly affirm and declare that I have gone through the contents of the accompanying petition and that the contents of the same are true and correct to the best of my personal knowledge as derived from the official record.

I further solemnly affirm and verify that the contents of this affidavit are true and correct to the best of my personal knowledge, no part of it is false and nothing material has been concealed therein.

Verified and signed at Shimla on this 3rd day of June, 2023.

ATTESTED
 Vijay Kumar Chakraborty
 Advocate cum Faculty Public
 Yash Bhawan, Vikas Nagar
 Shimla (H.P.)

[Signature]
Deponent
 Dy. General Manager (SOP)
 HPPCL, Himfed Building
 BCS, New Shimla-171009

Witness:

1. Er. Rohit Sharma, GM (Gen)
[Signature]
 HPPCL
2. Er. Gulshan Kumar
 Sr. Manager (E)
 HPPCL

[Signature]
 5/4/2023
IDENTIFIED BY
[Signature]
 24369694/716

sworn before me on the 3rd day of June, 2023
 at Shimla by Er. Sangram Singh
 Identified by Dr. Harimendu Thakur
 who is personally known to me the
 contents of the affidavit read to me
 and explained to me and I believe the
 same to be true and correct and I have
 attested the same as a true and correct
 affidavit is hereby attested
[Signature]
 3/6/23