

No 2493743

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Himachal Government Judicial Paper

BEFORE THE HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION,
SHIMLA.

Filing No. 103 of 2023

Petition No.....

IN THE MATTER OF FILING OF PETITION FOR APPROVAL OF CAPITAL COST AS ON COD TAKING IN CONSIDERATION THE ADDITIONAL CAPITAL EXPENDITURE AND DETERMINATION OF TARIFF FROM COD TO FY 2023-24 FOR SAWRA KUDDU HYDRO ELECTRIC PROJECT (3 X 37 MW), OF HIMACHAL PRADESH POWER CORPORATION Ltd. (HPPCL) UNDER THE HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION (TERMS AND CONDITIONS FOR DETERMINATION OF HYDRO GENERATION TARIFF) REGULATIONS, 2011 AND ITS AMMENDMENTS THERAFTER AND UNDER SECTION-62 READ WITH SECTION 86 OF THE ELECTRICITY ACT 2003.

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

PETITIONER

VERSUS

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

RESPONDENT

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DATED:- 06-11-2023

SHIMLA

FILLED BY

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



No. 2493744

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BEFORE THE HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION,
SHIMLA

Filing No. 103 of 2023

Petition No.....

IN THE MATTER OF

FILING OF PETITION FOR APPROVAL OF CAPITAL COST AS ON COD TAKING IN CONSIDERATION THE ADDITIONAL CAPITAL EXPENDITURE AND DETERMINATION OF TARIFF FROM COD TO FY 2023-24 FOR SAWRA KUDDU HYDRO ELECTRIC PROJECT (3 X 37 MW), OF HIMACHAL PRADESH POWER CORPORATION Ltd. (HPPCL) UNDER THE HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION (TERMS AND CONDITIONS FOR DETERMINATION OF HYDRO GENERATION TARIFF) REGULATIONS, 2011 AND ITS AMMENDMENTS THERAFTER AND UNDER SECTION-62 READ WITH SECTION 86 OF THE ELECTRICITY ACT 2003.

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

PETITIONER

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

RESPONDENT

Reply on behalf of the Petitioner to the Queries raised by the Hon'ble Commission vide letter dated 12.10.2023 i.r.o Sawra Kuddu (3x37 MW) Petition.

Respectfully Showeth:

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

2. That the Petitioner i.e. HPPCL has filed the replies on dt. 13.09.2023 on the queries raised by Hon'ble HPERC vide letter dt. 15.07.2023 on above titled petition for approval.



3. That vide letter dated 12.10.2023, the Hon'ble Commission has raised certain observations/shortcomings after going through the preliminary scrutiny of replies filed by the Petitioner i.e. HPPCL on the above titled petition (i.e., General queries, Queries related to capital cost and additional capitalization & Related to Set-1 Queries raised by Commission vide letter dated 15.07.2023).
4. That the HPPCL is submitting the point wise reply to the General queries & Queries related to capital cost and additional capitalization raised by the Hon'ble Commission i.r.o previous replies on Sawra Kuddu (3x37 MW) Petition:-

A. General Queries:-

1. Please submit a copy of the completion certificate issued to the contractors for civil works and electromechanical works.

Reply:-

The Copies of completion Certificates issued to the Main Contracting Agencies of Civil Works Components of Sawra-Kuddu HEP (111MW) is as under;

- a) DBID Package- Issued to M/s PEL vide letter No HPPCL/DGM/DBID-Vol-116/2021-22-182-87 dated 07-10-2021 Annexure-1 A.
- b) HRT, Package- Issued to M/s HCC vide letter No HPPCL/SKHEP/DGM/HRT/HCC Vol-42/2020-21-334-40 dated 29-09-2020 Annexure-1 B.
- c) Power House Package- Issued to M/s PEL vide letter No HPPCL/DGM/Power House /(PH- Patel)2020-21-188-94 dated 22-12-2020 Annexure-1 C.

- d) Additional - Issued to M/s PEL vide letter No HPPCL/ SKHEP/DGM (HRT)/E-12/2020-21-510-16 dated 07-01-2021 Annexure-1 D.

The copies of the completion certificate issued to the main contractor vide letter dated 19.09.2020 for electromechanical works are attached as Annexure-1 E.

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



Reply:-

The detail of number of employees year-on-year since the start of construction of the project and broad categorization of employees at various levels is attached as Annexure-2.

3. Please submit MS-Excel of Annexure—P-17(price escalation bills for package I), P-24 (Price variation paid to M/s Aban-Coastal JV), P-27 (Price variation paid to M/s HCC Ltd.),P-31 (Differential amount of GST for Package II), P-33 (Price variation paid for package III) and P-47 (Price variation for E&M package). Further, please submit all the annexures in MS-Excel wherein calculation /reconciliation is involved.

Reply:-

MS Excel sheet of Annexure P-17,P-24,P-27,P-31,P-33 & P-47 (Price Escalation bills & Differential amount of GST) are being send through email /CD (Annexure 3 A and Annexure 3 B).

B. Queries related to Capital Cost and Financing

4. With respect to Table 9 of the Petition (year-wise details of debt from FY 2011-12 to FY 2018-19), please submit debt drawl specifying date and amount of each drawl from FY 2011-12 to COD/beyond COD for all loan i.e. loan from UCO bank, PFC and Govt. of HP.

Reply:-

The certified copy of year wise debt drawl from CAG certified Chartered Accountant is attached herewith Annexure-4.

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

ATTESTED
Vijay Kumar Saini
Advocate cum Public
Veer Bhawan, Vikas Nagar
Batala (H.P.)



Reply:-Civil Works

As per Delegation of power, Full power is delegated to the Managing Director for variations in contracts being executed during Survey & Investigation stage of project(s) and also full powers regarding advances to various agencies i.e. University, Institute, Central/ State Govt. Undertaking and Govt. Agencies etc. (Annexure 5).

The rational for price increase, for Price variation, as per Contract Agreement Document-II of V, Section-8-Particular condition of Contract, sub Clause 13.8 (Adjustments for Changes in cost) (Package-I & III), & Clause 70 for package No-II " the amount paid to the Contractor for the work done shall be adjusted for each quarter of calendar year to compensate for increase or decrease in the rates of labor and material.

The price escalation clauses are generally included in the contract to account The price escalation clauses are generally included in the contract to account for, the increase in material indices and the labor indices, POL. Certain unforeseen supply/ works could not be envisaged in the original contract and had only indentified during actual execution of the contract, which resulted in change in scope of work.

Variations have been ordered in line with the powers vested with the Engineer-in-Charge under GCC Clause-13.1 in Contract Agreement Document-II of V (Package-I & III)&Clause 51 (variation) for Package no-II.

The varied quantities have been executed as per approved constructions drawings issued by the Design Cell, HPPCL, Sundernagar.

The final Bill/ Deviation statement in respect of each Civil Package is under finalization & approval of the same shall be obtained from the Board accordingly (Annexure-5A).

E&M Works

The delegation of power for approving variation in cost due to reasons like Price Variation/Escalation has been followed as per Contract Agreement G.C.C Clause 39 & and change in scope of works is as per DoFP Section-V Sr. No. 9.1.2.3 (for EPC / Turnkey Contracts covering

ATTESTED

Vijay Kumar Saktani
Advocate cum Notary
Yash Bhargava, Vikas Nagre
Shimla (H.P.)



variations with / without rate revision and new/ extra/ substituted items.etc. along with amount details is here by attached as .(Annexure-5B).

Payment(s) under supply portion:-

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

Payment(s) against Erection / Service portion:-

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

Letter of Director (E) to support the same has been attached as Annexure-5C

The rationale for price increase in actual vs awarded price is the already stipulated contract clause for price escalation (Appendix-2 'Price Adjustment' of Vol-1 A & Vol. 1 B) and for change in scope of work (GCC Clause no. 39 of Vol-1 A and Vol-1 B) of E&M Contract. The price escalation clauses are generally included in the contract to account for, the increase in material indices and the labor indices. Certain unforeseen supply/works could not be envisaged in the original contract and had only been identified during actual execution of the contract, which resulted in the change in scope of works.

6. With regards to Package 1 (Diversion Barrage, Intake and Desanding Arrangement & HM works), the Petitioner has claimed actual cost for 'other Misc works' as Rs. 5.33 Crore (Table 14 of Petition) whereas as per Annexure P-21 cost is Rs. 5.04 Crore. In this context, please clarify the difference.

Reply:-The supporting documents for the differential amount of Rs. 29,48,079/- are annexed as Annexure-6.

7. For E&M work, the Petitioner has claimed Rs. 180.54 Crore (Table No. 22 of the Petition). However, as per Annexure P 46 submitted along with the Petition, Rs.

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Vijay Kumar Saktawat
Advocate cum Notary Public
Vishw Gharan, Vikas Nagar
Shimla (H.P.)



134.62 Crore is towards supply contract and Rs. 16.37 Crore towards Services part (total Rs. 150.99 Crore). In this context, please clarify the difference.

Reply:-

The supply contract of Rs. 134.62 Cr. also includes the EURO 4,424,613 which shall make the total amount against supply contract equal to Rs. 134.62 Cr. + (4,424,613 x 66.78)=Rs. 164.17 Cr. The Service contract was for Rs. 16.37 Cr. Hence the total E&M contract price comes out to Rs. 164.17 Cr. + 16.37 Cr.=180.54 Cr.

8. Please submit supporting documents (internal approval copies/note sheet/any approval from competent authority) along with the bills to support claim of Rs. 2.05 Crore (Table No. 27 of the Petition) against cost of Risk Insurance Policy for the supplies/service under E&M work.

Reply:-

The requisite documents (internal approval/note sheet) are attached as Annexure 8. The copy of bills have already been submitted vide Annexure 24-i (Claim Invoice) of the HPPCL reply to the Commission queries raised vide its letter dated 15.07.2023.

9. With regards to 'variation in exchange rate' of Rs. 29.35 Crore (Page No. 69 of Petition), please submit conversion rate on date of payment and bank payment details along with detailed working in MS-Excel.

Reply:-

The detail of invoicing of EURO currency is attached as Annexure-9. The MS-Excel sheet is being send through email/CD . The payment of EURO currency was made through LC and the bank detail has been outsourced from AXIS Bank. As soon as the information/detail is received from the Bank the same shall be supplied to Hon'ble HPERC.

10. With regard to claim of Rs. 22.93 Crore (Table 23 of the Petition) towards cost of warranty for the supplies/service under E&M work, please submit the following:

- Supporting documents (internal approval copies/note sheet/any approval from competent authority) to substantiate the claim.
- Original bills in support of claim.
- Original copy of warranty.
- Copy of extended warranty duly approved by the BOD.

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Vijay Kumar Sekhari
Advocate cum Notary Public
Yash Bhargava, Vikas Nandan
Gurgaon (H.P.)



Reply:-

- (a) The supporting documents (internal approval copies/note sheet/any approval from competent authority) to substantiate the warranty claim is attached as Annexure 10- A and Annexure 12-A.
- (b) The copy of original bills have already been submitted vide Annexure 24-i (Claim Invoice) of the HPPCL reply to the Commission queries raised vide its letter dated 15.07.2023.
- (c) The initial warranty of the E&M components was included in the awarded price of the E&M components. The Original Contract agreement is the only evidence to that effect (Annexure-10-B).
- (d) The copy of extended warranty duly approved by the BOD is attached as Annexure 10-C.

11. In reference to Page No. 35 of Petition, the Petitioner has claimed several heads under 'Establishment Charges and audit & accounts' as shown in the table below. In this context, please submit detailed justification and supporting documents to substantiate claim as per given table :

S. No.	Particulars	Cost (Rs. Crore)	Provide Nature of Works and detailed justification	Supporting documents
1.	Employee Cost	84.39		
2.	Vehicle Expenses	5.23		
3.	Office & Administrative Expenses	7.03		
4.	Repair & Maintenance Expenses	1.07		
5.	Investigation & Survey	8.25		
6.	Consultancy Charges	3.35		
7.	LADF	30.01		

S. No.	Particulars	Cost (Rs. Crore)	Provide Nature of Works and detailed justification	Supporting documents
8.	Common Cost (corporate office) & depreciation during construction	103.63		
	Establishment Charges and audit & accounts	242.96		

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Vijay Kumar Sekhon
Advocate cum Public Petitioner
Vishal Bhargava, Vikas Nandan
Shimla (H.P.)



Reply:-

Sr. No	Particulars	Cost (Rs. Cr.)	Provide Nature of works and detailed justification	Supporting documents
1.	Employee Cost	84.39	Manpower cost for the construction of Project	Annexure-2 The bifurcation of the expenditure is attached as Annexure-11
2.	Vehicle Expenses	5.23	Facilitation of conveyance to the Project employees for the construction of Project. The vehicles were required as the various components of the project were spread over large area ranging from Jhalta panchayat to Seema Panchayat which about 35-40 Kms.	Vehicle were provided to the employees as per their entitlement and the vehicles were deployed only after the approvals from the competent authority. The bifurcation of the expenditure is attached as Annexure-11
3.	Office & Administrative	7.03	Day to Day expenditure incurred for running the offices and Project construction related	The bifurcation of the expenditure is

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Vijay Kumar Saklam
Advocate cum Public
Vishwanath, Vikas Nagar
Shimla (H.P.)



	Expenses		work viz. electricity charges, telephone/internet charges, printing & stationary, hospitality, meeting expenses etc.	attached as Annexure-11
4.	Repair & Maintenance Expenses	1.07	Cost incurred for the repair and maintenance of various infrastructure viz. buildings (residential and non-residential), office equipment, STP, incinerator, roads & bridges etc. utilized for construction of the Project	The bifurcation of the expenditure is attached as Annexure-11
5.	Investigation & Survey	8.25	This includes the expenditure incurred during the investigation & survey stage of the Project in preparation of pre-feasibility report/DPR of the project.	--
6.	Consultancy Charges	3.35	Expenditure towards expert advise and opinion from various agencies during construction of the Project.	--
7.	LADA	30.01	As replied at pt. no. 11 (a) below.	

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



8.	Common cost (Corporate office) & depreciation during construction	103.63	The detailed justification with respect to the Common cost (Corporate office) and Depreciation during construction amounting to Rs. 103.63 crores is as per Annexure 11(Sr.No.8).	
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Further, please submit the following:

- a. Year wise computation of LADF.

Reply:-

The Project developer shall contribute a minimum of 1.5% of final cost of the project for projects of more than 5MW capacity. The Project authorities have to contribute minimum of 1.5% of project cost of LADF. Initially the LADF will be worked out on the basis of the Project cost as per DPR for depositing with the concerned DC. After completion of the Project, the LADF will be worked out only the final completed cost and the balance amount of LADF worked out on the final cost shall be deposited by the developer within one year of Commercial Operation Date of the Project.

The year-wise break up of payment is as below:-

Sr. No	Year	Amount	Cheque No & date
1.	FY-2007-08	Rs. 2,00,000/-	Vide cheque No. 110878 dated 12.07.2007
2.		Rs. 1,92,40,000/-	Vide cheque No. 110984 dated 23.08.2007
3.	FY-2008-09	Rs. 1,94,00,000/-	Vide cheque No.

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Vijay Kumar Sharma
Advocate cum Notary Public
Yash Bhawan, Vikas Nagar
Bawana (H.S.)



			996291 dated 2.03.2009
4.		Rs. 44,00,000/-	Vide DD No. 639506 dated 3.04.2012
5.	FY-2012-13	Rs. 32,53,000/-	Vide demand draft. 640726 dated 4.04.2013
6.		Rs. 1,00,00,000/-	Office letter No SML- SR (Sawra- Kuddu)/2009-221-23 dated 19.04.2012
7.		Rs. 1,00,00,000/-	Office letter No SML- SR (Sawra- Kuddu)/2009-655 dated 7.10.2012
8.	FY-2013-14	Rs. 1,20,00,000/-	Vide demand draft. 564233 dated 05.08.2013
9.		Rs. 52,86,500/-	Through RTGS Vide No.sbinhi 4062337129 on dated 3.03.2014
10.	FY-2017-18	Rs. 16,12,00,000/-	Out of the above amount provions of an amount of Rs.21,58 has been kept in respective financial years.
11.	FY-2018-19	Rs. 2,71,92,502/-	
12.	FY-2019-20	Rs. 1,90,00,000/-	
13.	FY-2020-21	Rs. 90,00,000/-	
	Toal	Rs. 30,01,72,002/-	

ATTESTED
Vijay Kumar Sharma
Advocate cum Notary Public
Yash Binsani, Village Naam
Srinagar (P.H.)

- b. Methodology and computation of depreciation amount during construction period.



Reply:-

The depreciation amount during construction period in case of Sawra Kuddu HEP was calculated annually based on Straight Line Method (SLM) of depreciation as per depreciation rates and methodology notified by Hon'ble HPERC vide Notification No. HPERC/Gen/479 dated 1st April, 2011. The approved rates of Depreciation are attached herewith at **Annexure-"11(b)"**.

- c. Clarify why expenses towards vehicles are claimed under the head of 'Establishment Charges and audit & accounts' and under head of **Other (Misc-O) including vehicles, construction power**'.

Reply:-

The claimed expenditure of Govt. vehicle expenses under head "Other (Misc-O) including vehicles, construction power" is the expenditure incurred for procurement of govt. vehicles, whereas amount claimed under establishment charges and audit & accounts is against expenditure on hired vehicles and running & maintenance of govt. vehicles.

12. With regard to E&M work claimed (in Page No. 60 onwards of Petition), please submit supporting documents and rationale for each element/item.

Particular	Amount	Supporting Documents	Rationale
Warehouse charges due to delay	0.34		
Loading unloading	0.15		
Transportation	0.16		
Extended supervision cost	0.20		
Additional cost	4.40		
Cost for extension of bank guarantee	1.01		
Risk insurance policy	2.05		

ATTACHED

Vijay Kumar Saktani
Advisor cum Public
Works Division, Vikas
Sangra (H.P.)

Reply:-

Particular	Amount	Supporting Documents	Rationale
Ware house charges due to delay	0.34	Attached as Annexure 12-A	Extension of time claim paid as per



Loading unloading	0.15		GCC clause 10.8. of E&M Contract.
Transportation	0.16		
Extended supervision	0.20		
Additional cost	4.40	Attached as Annexure 12-B. The note sheet attached as supporting document is for Rs. 3.73 Cr. which is excluding GST of Rs. 0.67 Cr.	
Cost for extension of bank guarantee	1.01	Attached as Annexure 12-C	
Risk insurance policy	2.05	Stand submitted at sr. no. 8	

The copy of bills have already been submitted vide Annexure 24-i (Claim Invoice) of the HPPCL reply to the Commission queries raised vide its letter dated 15.07.2023.

In reference to Table No. 16 of the Petition, for Package III (Construction of Power House Complex comprising Surge & Pressure Shaft, Machine Hall, MAT, Cable Tunnel and TRT), please submit the following for variation in cost as shown in table below:

- Supporting documents to substantiate the claim.
- the rationale for variation in the cost.



Sr. No.	Particulars	Awarded Amount as per Contract Agreement (Rs. Crore)	Actual Cost as on CoD of Petition (in Rs. Crore)
1	Surge shaft	18.25	16.06
2	P/shaft	38.33	39.73
3	Powerhouse & Transformer Hall	48.51	63.19
4	MAT, TRT & Adits	47.80	35.01

Reply:-

The rationale for variation in the cost alongwith the supporting documents to substantiate the claim are as under:

Surge- Shaft

On the commencement of bench development for the execution of open to sky underground Surge shaft loose overburden was encountered, subsequently the height of surge shaft top was reduced from EL 1453.50 to EL 1448.0 m on achieving the stable rock strata ,thereby reducing to overall of surge Shaft by 5.0 mtr.(Tender specification Drawing & Construction drawing attached as Annexure-13).

The work executed as per the approved construction drawings issued by Design Cell, Sundernagar & site specific requirements. Some of the items as provisioned in the contract were substituted/not executed based upon the geological conditions and site specific requirement.

Pressure Shaft

- Less provisions of some of the items in the Bill of quantities. The work executed as per the approved construction drawings issued by Design Cell, Sundernagar & site specific requirements.
- Change in the specification in the concrete grades were introduced during the construction stage , as per the site specific requirement ,the provision of which was not kept in the awarded scope of work. This additional work were notified as variations. The list of additional works is submitted with initial petition vide Annexure P-32 page No.(1980-2030).

ATTESTED

Vijay Kumar Saklam
Advocate cum Notary Public
Vishu Sharan, Vikas Nagar
Karnal (U.P.)

Power House

- The work executed as per the approved construction drawings issued by Design Cell, Sundernagar & site specific requirements. In view of the poor & very poor rock mass in the Caverns & based upon the 3-D



modeling results & actual site conditions the supporting system as provisioned in the BoQ was inadequate and accordingly the support system for the various stages of excavation adopted as per the drawings issued by the design unit as per the recommendations of Panel of Expert Annexure-19).

- ii) Some of the items / sub components were introduced during the construction stage, as per the geological conditions & site specific requirement, the provision of which was not kept in the awarded scope of work. This additional work were notified as variations. Some of the major variations executed are detailed as under:-
- Steel fibre reinforced shot crete (SFRS).
 - Finishing work of Control Block & service Block
 - Surge Chamber (To take care of the surges & negative pressure in the Turbine Draft tube).
 - Steel works for Cut out gratings ,Railing etc.
 - Chemical Grout in Surge Shaft

14. Please submit supporting documents for change in rate of interest from any debt provider i.e., GoHP, PFC or UCO Bank during construction period, if any.

Reply:- No rate change during construction period was implemented by any lender.

15. With regard to GoHP loan, please provide details of any relaxation in terms of repayment of loan, interest rate and tenure. Further, please submit order from GoHP, if any.

Reply:- The deferment approvals in respect of relaxation in repayment terms are attached herewith as Annex-15.

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

16. In reference to reply of Query 18 e, the Petitioner has provided IDC computation (Annexure 18e) from FY 2017-18 and only for GoHP loan. Whereas, in the table 32 of the Petition loan drawn is shown form FY 2012-13 and loans have been availed from GoHP, PFC and UCO Bank. Thus, please submit the complete details for computation of IDC of Rs. 530.79 Cr from inception of the project for all loan



availed during construction period.

Reply:-

Necessary certification by CA firm of Year-wise Interest on Loan (IDC) ADB, UCO bank since inception of the project till FY 2022-23 is under process and shall be submitted shortly.

17. With reference to Query 18a (details of land cost), please provide following clarifications:

- a) There is a discrepancy in the cost of land submitted in the Annexure 18 a (Rs. 291.62 Crore) and amount claimed in the Petition Rs. 288.72 Crore (Table No. 4 of Petition). Please submit clarification in this regard.
- b) Based on the documents provided, it cannot be verified that the land acquired is towards Sawra Kuddu project.
- c) Please provide summary of land records along with references in MS Excel.

Reply:-

- a) The claimed amount in the Petition is Rs. 288.72 crore as on COD which also included the provisional amount to be paid on account of pending enhancement cases u/s 18 & 28 A, however the Annexure 18 a amounting to Rs. 291.62 crore is the updated actual amount deposited with the judicial bodies as on date of filing of petition.
- b) The land acquired towards Sawra Kuddu Project initially for 45 Crores only, which can be verified from the various awards awarded in this regard, moreover the same was further enhanced amounting to Rs.291.62 Crores by the various judiciary bodies time to time. (Annexure-17-A).
- c) The Summary of land records along with references is being send through email/CD in MS Excel (Annexure 17-B).

18. In reference to Query 30, the Petitioner has shared Gantt chart of civil works. In this context, please share the Gantt chart of both civil and electromechanical works in MS Excel.



Reply:-

The Gantt chart of both civil (Annexure 18 A) and electromechanical works (Annexure 18 B) in MS Excel is being send through email/CD.

19. In reference to Query 31, please justify the delay attributable to HPPCL in the following works:

Package	Delay due to HPPCL	Delay due to Contractor	Delay due to Force Majeure	Justify the delay due to HPPCL
Package I				
1st Extension	426		47	
2nd Extension	1714			
Final Extension	Under review & shall be finalised shortly			
Package II: Head Tunnel & Adits				
1st & final extension	502	279	126	
Package II: Balance work of HRT				
1st extension	137	34	478	
2nd extension	357	144	2	
Final Extension	656	270	480	
Package II: Additional Adit				

Package	Delay due to HPPCL	Delay due to Contractor	Delay due to Force Majeure	Justify the delay due to HPPCL
1st Extension	31	101	1206	
2nd & Final Extension	submitted for approval			
Package III: Power House				
1st Extension	426	65	147	
2nd Extension	1671	186	0	
2nd & Final Extension	submitted for approval			
Total	5920	1079	2486	

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Vijay Kumar Saktani
Advocate cum Notary
Vishal Tiharwal, Vikas Nandan
Baramulla (J.P.S)

Also, please submit final BOD approval for the extension of time for civil and E&M works.

Reply:-

The justification in delay attributable to HPPCL is shown in the following



Sr. no	Package	Delay due to HPPCL	Delay due to Contract or	Delay due to Force Majeure events	Justification of the delay due to HPPCL
1	Package-I				
	1 st Extension of Time	426		47	Revision in the Construction
	2 nd Extension of Time	1714	0	0	drawing viz-a-via as issued after the commencement of work by the contractor based upon the recommendation of PoE. (Copies of PoE 6 th , 7 th & 8 th Meeting attached as Annexure-19. Introduction of additional works as per the site specific requirement, which were not in the ambit in the original scope.
	Final Extension of Time	Under review & shall be finalized shortly			
2A	Package-II Head Race Tunnel & Adits				
	1 st & Final Extension of Time	502	279	126	Delay in handing over of site (45 days of adit-4 due modification of

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Vijay Kumar Saktani
Advocate cum Faculty
Vishw. Dharma, Vikas Nagar
Shimla (H.P.)



					curve of approach road) & delay in providing electric connection (457days)
2B	Package-II (Balance work of HRT)				
	1 st Extension of Time	137	34	478	Delay in installation of electric transformer at adit - 2 due to pilferage / theft of already installed transformer provided to earlier contractor. Substantial increase in the quantities of various items as considered in the Contract Bill & introduction of addition items as per site specific requirement.
	2 nd Extension of Time	357	144	2	
	Final Extension of Time (Reviewed from the date of commencement of work till the completion)	656	270	480	
2C	Package-II, Additional Adit.				
	1 st Extension of Time	31	101	1206	
	2 nd & Final Extension of Time	The Case is submitted for Approval of the Competent Authority with Levy of Liquidated damages			

ATTESTED

Vijay Kumar Sekhari
Advocate (Specialized Public
Works Division, Village Name
- - - - -) (H.P.)



3	Package No :-III Power House Complex				Revision in the Construction drawing viz-a-viz as issued after the commencement of work by the contractor based upon the recommendation of PoE. (Copies of PoE 6 th , 7 th & 8 th Meeting attached as Annexure-19. Introduction of additional works as per the site specific requirement, which were not in the ambit in the original scope.
	1 st Extension of Time	426	65	147	
	2 nd Extension of Time	1671	186		
	3 rd & Final Extension of Time	Submitted for Approval			Under Approval

The final BOD approval for the final extension of time for E&M works is under process.

20. In reply to Query 15 (details of equity), there is discrepancy in the amount of equity claimed in Annexure 14 and Annexure 15a of 1st reply as shown in the table below. In this context, please submit clarification in this regard.

Particulars	Annexure 14 A	Annexure 15 a B	Difference C-B-A
Equity	1,552.76	1,602.95	50.19



Also, above mentioned Annexure doesn't highlight the name of Sawra Kuddu. Please submit letter of GoHP or BOD letter clearly mentioning that issued equity amount has been utilized for SKHEP.

Reply:-

HPPCL executed Sainj HEP, Sawra Kuddu HEP & IKHEP Stage-I under H.P. Clean Energy Investment Development Program. GoHP provided its proportionate Equity contribution against this program as a whole to HPPCL, & not project wise. Therefore, no such letters of GoHP, wherein specific reference of Sawra Kuddu HEP, for equity investment has been made.

Further, the information detailed in 1st reply to HPERC observations (Annexure-14 auditor's certificate) is related to debt and equity detail in respect of Sawra Kuddu HEP only, wherein under Annexure-14 the amounts of Rs.1552.76 Crore, contains portion of Share Capital contributed by GoHP and HPSEBL plus the own funds invested by the HPPCL, Whereas, data in Annexure 15a of 1st reply to HPERC includes details of equity **received from Govt. of HP only, for HPPCL i.e for all the projects of HPPCL.** However, it is submitted here that the equity capital of the Corporation as on 08.05.2023 was actually Rs.2323,97,79,000/- only, which includes Share capital of Rs. 130,77,51,000/-, Contributed by HPSEBL and Rs.2193,20,28,000/-, invested by GoHP (inclusive of HPIDB Share Capital). Hence, the Equity Capital infused by GoHP, as on 08.05.2023 may be considered Rs.2193,20,28,000/-, instead of Rs. 1602.95 Crores as shown in Annexure-15A.

21. In reply to Query 15 (details of debt), there is discrepancy in the amount of equity claimed in Annexure 14 and Annexure 15a of 1st reply as shown in the table below. In this context, please submit clarification.

Particulars	Annexure 14	Annexure 17	Annexure 16	Annexure 18	Difference
	A	(UCO Bank) B	C (PFC) C	E (Govt HP) D	
Debt	659.41	23.41	28.02	635.53	27.55

Reply:-

Information detailed in Annexure 14 of 1st reply to HPERC i.e. auditor certified copy of debt (659.41 Cr.) in respect of Sawra Kuddu HEP is upto FY 2023-24. However, the balance in aforecited Annexure 14 upto FY 2020-21 i.e. till CoD is 653.6 Cr. only which consists of UCO bank loan (Annexure-17) amounting to Rs. 18.07 Cr. as on 31.03.2021, PFC loan balance as on 31.03.2021 as per Annexure 16C is NIL, which is fully repaid (Loan statement is also attached at Annexure-'C') and GoHP loan as per Annexure 18E and as per trial balance is 635.53 Cr., aggregating to debt amount of 653.60 Cr., which is detailed and tabulated below:



Particulars	Amount as per query raised by HPERC at Sr. No. 21 (In Cr.)	Remarks	Balance as on 31.03.2021 (In Cr.)
GoHP Loan (ADB) Annexure-18E	635.53	Repayment has been deferred by GoHP	635.53
PFC Loan Annexure-16C	28.02	Fully Repaid	NIL
UCO bank Annexure-17 (Balance as per UCO bank statement,)	23.41 (Which includes 20.83 Cr. Loan and 2.58 Cr. Interest thereof).	Fully Repaid as on 31.03.2023	18.07
Total	686.96		653.60
Balance as per Annexure-14 (As on 31.03.2021)			653.60

Therefore, the balances as on 31.03.2021 shown in the last column of table above as per Annexure-14 and as per Annexure-16C, Annexure-18E and Annexure-17 are matching.

22. In reference to reply to Query 20, please submit summary sheet of Annexure — 20 (details of copies of LOA and contract agreement other than civil work and E&M) in MS-Excel format.

Reply:-

The summary sheet of Annexure-20 is being send through email /CD in MS excel (Annexure-22).

23. In reference to reply of Query 23a, please submit Annexure 23 a (cost increase due to price escalation) in MS-Excel.

Reply:-

The cost increase due to price escalation (Annexure 23 A of the reply of query 23 A) is being send through email/CD in MS excel (Annexure 23).

24. With regards to reply of Query 31, please submit the start date and end date for the delay in 1st, 2nd Extension of Time (EoT) finally approved by the Board of HPPCL for both Civil works and Electromechanical works in the following format (in MS

Excel).



S. No.	Description/Reason	From (A)	To (B)	Delay in Days	Delay in Days after Overlapping	Attribution of delay in days			Discussion/Remarks/Start and end date of delay
		DD/MM/YYYY	DD/MM/YY	B-A		Control	None	HPSC	
A	Civil Works								
1.	Package I								
	Reason 1								
	Reason 2								
	...								
2.	Package II								
	Reason 1								
	Reason 2								
	...								
2.	Package III								
	Reason 1								
	Reason 2								
	...								
B	E&M Works								
	Reason 1								
	Reason 2								
	...								

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

Reply:-

The requisite information in above format in MS excel sheet is being send through email/CD (Annexure 24-A, Annexure 24-B, Annexure 24-C). The documentary evidence to substantiate the reason for delay along with documentary evidence are attached as Annexure 24-D .

25. In reply to Query 27g (delay in date of synchronization and COD), in the Annexure 27(g) (letter from DoE, GoHP)), DoE had given permission for provisional COD and further specified that provisional COD shall be reviewed after two months and permission for final COD shall be accorded after satisfactory compliance and fulfillment of certain conditions. Letter was issued by the DoE dated January 20, 2021 and the Petitioner declared COD on dated ,January 21, 2021 without final permission of DoE. In this context, please submit justification in this regard along with final approval letter from DoE, GoHP.

Reply:- The permission for declaration of the provisional COD in respect of Sawra Kuddu HEP was conveyed by DOE vide letter No.HPDOE/CE/Energy/Project COD/2019-8236-45 dated 20.01.2021 subject

ATTESTED
Vijay Kumar Solanki
Advocate cum Public Hearing Officer
Yamuna Nagar, Haryana
Shimla (H.P.)



to fulfillment of some compliances & certain conditions and reviewing of same after two months from the date of ibid letter.

Accordingly, in pursuance to the permission of DOE, HPPCL has declared the COD on dated 21.01.2021.

The progressive reporting of the requisite compliances supported with photographs/documents has been conveyed to DOE time to time. The latest status of the satisfactory compliances to the observations as pointed out vide DoE Letter No.8236-45 dated 20.01.2021 has been conveyed to DOE vide Letter No.HPPCL/SKHEP/DGM(E)/General/2023-24-1521-1527 dated 30.10.2023.

As soon as the final approval for COD in r/o Sawra Kuddu HEP is accorded from DoE, the copy of same shall be provided to Hon'ble HPERC.(Annexure-25).

Reply of Pending queries:-

Query no 18(c) i.r.o HPERC letter no 18 dt. 15.07.2023.

18 C:- In reference to Table No. 4, please provide adequate justification for variation with DPR approved cost for the following components:

Vide last reply it was intimated that Necessary approval from BOD is under process and shall be submitted shortly.

Reply:-

Necessary approval from BOD approval alongwith memo is attached as-

18 C.



ATTES
V
VIRY KUMAR
HPPCL
SHIMLA

No 2493768

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Himachal Governm

paper



BEFORE THE HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION,
SHIMLA

Filing No. 103 of 2023

Petition No.....

IN THE MATTER OF

FILING OF PETITION FOR APPROVAL OF CAPITAL COST AS ON COD TAKING IN CONSIDERATION THE ADDITIONAL CAPITAL EXPENDITURE AND DETERMINATION OF TARIFF FROM COD TO FY 2023-24 FOR SAWRA KUDDU HYDRO ELECTRIC PROJECT (3 X 37 MW), OF HIMACHAL PRADESH POWER CORPORATION Ltd. (HPPCL) UNDER THE HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION (TERMS AND CONDITIONS FOR DETERMINATION OF HYDRO GENERATION TARIFF) REGULATIONS, 2011 AND ITS AMMENDMENTS THERAFTER AND UNDER SECTION-62 READ WITH SECTION 86 OF THE ELECTRICITY ACT 2003.

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

PETITIONER

VERSUS

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

RESPONDENT

Affidavit verifying the petition

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

1. That I am duly authorised to file this Compliance Report and swear in the affidavit therein.



- 2. That the HPPCL Reply has been prepared and drafted at my instance and under my instruction. The content of reply are true and correct to the best of my personal knowledge based on the official record. No part of it is false and nothing material has been concealed there from.
- 3. That the Petitioners further declares that this affidavit of mine is true and correct to the best of my personal knowledge, no part of it is false and nothing material has been concealed there from.
- 4. Verified at Shimla on ..26.. day of November, 2023.



ATTESTED

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

L. Lal
 IDENTIFIED BY
 NO
 243 69694/716

appeared before me on his affirmation
 the *6th* day of *Nov* 23
 at *Shimla*
 by Sh. *Sangram Singh*
 Identified by *Sh. Manmohan Thakur*
 who is personally known to me the
 good name of the Deponent are duly read
 and explained to the deponent, who
 has acknowledged the contents of the
 said correct affidavit as hereby attested
Manmohan Thakur
 6/11/23