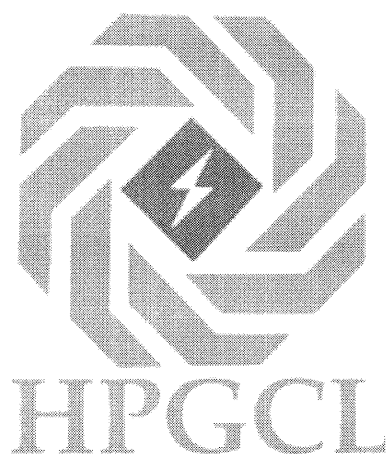


**Executive Summary of Petition for
True-up of FY 2022-23,
Mid-Year Performance Review for FY 2023-24
&
Generation Tariff for FY 2024-25**

Submitted to
Haryana Electricity Regulatory Commission

NOVEMBER 2023



Haryana Power Generation Corporation Limited

(An ISO: 9001, ISO: 14001 and ISO: 45001 Certified Company)

Corporate Identity Number: U45207HR1997SGC033517

Urja Bhawan, C-7, Sector-6, Panchkula, Haryana

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CHAPTER 1

A1 BRIEF PROFILE OF THE COMPANY

1. HPGCL presently owns and operate the following power plants in the state as mentioned in Table 1.1 below:

Table 1-1: Present Install Capacity

Particulars	Installed Capacity	Date of Commissioning	Make/OEM
Panipat Thermal Power Station, Panipat	Unit No-6: 210 MW Unit No-7: 250 MW Unit No-8: 250 MW	31/03/2001 28/09/2004 28/01/2005	BHEL
	Solar PV:10 MW	01/11/2016	Sterling Wilson
DCRTPP, Yamuna Nagar	Unit No-1: 300 MW Unit No-2: 300 MW	14/04/2008 24/06/2008	SEC (China)
RGTPP, Hisar	Unit No-1: 600 MW Unit No-2: 600 MW	24/08/2010 01/03/2011	SEC (China)
Western Yamuna Canal Hydro Project (Yamuna Nagar)	Power House A Unit No-1: 8 MW Unit No-2: 8 MW	29/05/1986 13/06/1986	Fuji Limited (Now acquired by Voith Hydro Limited)
	Power House B Unit No-1: 8 MW Unit No-2: 8 MW	15/05/1987 01/06/1987	
	Power House C Unit No-1: 8 MW Unit No-2: 8 MW	27/03/1989 18/04/1989	
	Power House D Unit No-1: 7.2 MW Unit No-2: 7.2 MW	16/04/2004 12/05/2004	BHEL
Total Capacity	2582.4 MW		

2. Haryana State is having 25% equity through HPGCL in the joint venture with Govt of Delhi and NTPC for 1500MW Indira Gandhi Super Thermal Power Project (IGSTPP) situated at Jhajjar, Haryana.
3. Coal Linkage status of HPGCL:

Table 1-2: Existing Coal Linkage status of HPGCL Units

Generating Plant	Coal Company	Existing ACQ (in Lac MT)
RGTPP, Hisar	MCL	4.00
	NCL	15.00
	CCL	18.34
	BCCL	7.24
	TOTAL	44.58
DCRTPP	CCL	28.00
PTPS, Panipat	CCL	20.60
	BCCL	11.60
	NCL	2.15
	TOTAL	34.35
HPGCL as a whole		106.93


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CHAPTER 2

A2 PERFORMANCE OF HPGCL STATIONS OVER THE YEAR

4. The current installed capacity of HPGCL is 2582.4 MW. The following sections present the unit-wise historical performance of HPGCL plants.

Gross Generation & PLF

Table 2-1: Historical Trend of Generation

Generation (MU)				
	2020-21	2021-22	2022-23	2023-24 (Up to Sept,23)
PTPS-6	51.93	194.79	1332.63	657.99
PTPS-7	619.48	1384.46	1847.70	866.29
PTPS-8	547.08	1175.70	1679.03	630.26
DCRTPP-1	1316.67	1013.09	2176.39	993.06
DCRTPP-2	1294.75	1597.06	2049.94	880.45
RGTPP-1	1230.98	2674.31	3561.45	835.67
RGTPP-2	405.92	0.00	3075.09	1471.88
HPGCL Thermal	5466.81	8039.40	15722.23	6335.60
WYC Hydel	242.91	257.40	258.42	107.83

Table 2-2: Historical Deemed PLF (%) PAF

Deemed PLF (%)				
	2020-21	2021-22	2022-23	2023-24 (Up to Sept 23)
PTPS-6	89.71	95.93	89.81	83.21
PTPS-7	89.75	98.19	94.32	96.25
PTPS-8	99.24	91.62	85.31	70.43
DCRTPP-1	101.12	68.00*	95.16	97.81
DCRTPP-2	99.55	98.52	87.44	89.00
RGTPP-1	90.47	96.12	83.89	45.27
RGTPP-2	47.14	0.00**	73.34	75.90

Table 2-3: Historical PLF (%)

PLF (%)				
	2020-21	2021-22	2022-23	2023-24 (Up to Sep 23)
PTPS-6	2.82	10.59	72.44	71.34
PTPS-7	28.29	63.22	84.37	78.90
PTPS-8	24.98	53.68	76.67	57.40
DCRTPP-1	50.10	38.55	82.82	75.37
DCRTPP-2	49.27	60.77	78.00	66.82
RGTPP-1	23.42	50.88	67.76	31.71



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RGTPP-2	7.72	0.00	58.51	55.85
HPGCL Thermal	24.86	36.56	71.50	57.47
WYC Hydel	44.44	47.09	47.28	39.35

Table 2-4: Historical Trends of State Based Generators

		2018-19	2019-20	2020-21	2021-22	2022-23
APCPL		56.51	28.96	47.85	54.02	63.20
CLP		60.18	50.52	46.99	67.07	70.45
FGPS		16.51	14.92	25.08	3.93	0.13
HPGCL	PTPS 7&8	65.71	44.92	26.63	58.45	80.52
	DCRTPP	63.2	52.01	49.68	49.66	80.41
	RGTPP	36.65	21.97	15.57*	50.88**	63.13

* The lower PLF of RGTPP is due to outage of Unit-2 due to rotor issue. ** RGTPP1 only

Table 2-5: Details of Start / Stop of HPGCL Units

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
PTPS -6	-	2	1	0
PTPS-7	12	11	7	0
PTPS -8	10	11	4	0
DCRTPP-1	5	8	3	2
DCRTPP-2	5	12	5	-
RGTPP-1	6	6	4	0
RGTPP-2	8	4	-	0

Table 2-6: Historical Trends of Backing Down (%) of HPGCL Units

	2020-21	2021-22	2022-23	2023-24 (Up to Sept 23)
PTPS-6	86.89	85.34	2.25	11.87
PTPS-7	61.46	34.98	8.89	17.35
PTPS-8	74.25	37.93	7.12	13.02
DCRTPP-1	51.02	29.45	12.39	19.31
DCRTPP-2	50.28	37.75	10.54	17.81
RGTPP-1	67.05	45.24	11.39	13.56
RGTPP-2	39.42	**	10.41	20.05

** RGTPP 2 is not available due to rotor issue

Specific Oil Consumption

Table 2-7: Historical Trends of Specific Oil Consumption

Specific oil Consumption (ml/kwh)				
	2020-21	2021-22	2022-23	2023-24 (Upto Sept 23)
PTPS-6	5.17	2.42	1.01	0.98
PTPS-7	0.96	0.37	0.48	0.36
PTPS-8	0.92	0.39	0.42	0.84
DCRTPP-1	0.28	0.24	0.20	0.38
DCRTPP-2	0.37	0.20	0.22	0.90
RGTPP-1	0.65	0.32	0.47	2.43
RGTPP-2	1.70	0.00	0.60	1.13
HPGCL Thermal	0.68	0.35	0.47	1.00


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Auxiliary Consumption

Table 2-8: Historical Trend of Auxiliary Consumption on Bar

Auxiliary Consumption on bar (%)				
	2020-21	2021-22	2022-23	2023-24 (Up to Sept 23)
PTPS-6	9.69	9.33	9.36	9.57
PTPS-7	8.72	8.95	9.01	9.12
PTPS-8	8.54	8.81	9.14	9.00
DCRTPP-1	7.85	8.35	8.48	9.05
DCRTPP-2	8.08	8.52	8.40	8.98
RGTPP-1	5.48	5.40	5.70	6.31
RGTPP-2	5.64	-	5.46	6.12

Station Heat Rate

Table 2-9: Historical Trend of Station Heat rate

SHR (Kcal/kwh)				
	2020-21	2021-22	2022-23	2023-24 (Up to Sept 23)
PTPS-6	2537	2541	2531	2527
PTPS-7	2476	2474	2484	2495
PTPS-8	2480	2482	2487	2499
DCRTPP-1	2341	2326	2336	2319
DCRTPP-2	2342	2332	2330	2324
RGTPP-1	2431	2398	2395	2412
RGTPP-2	2461	**	2390	2396


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CHAPTER 3

A3 CAPITAL INVESTMENT PLAN FOR HPGCL UNITS

A. Status of approved Capital Investment Plan vide order dated 25.01.2023.

5. Hon'ble Commission vide its Order dated 25.01.2023 in Petition no 64 of 2022 has approved the following Capital Investment Plan as under:

Table 3-1: Approved Capital Investment Plan vide order dated 25.01.2023

Sr No	Capital Expenditure Work	Approved by the Commission (in Rs Cr)			
		Year	2022-23	2023-24	2024-25
1	ERP System and allied works			18.45	12.81
2	Data Centre, Data Recovery centre etc. for ERP Solution			3.94	6.90
3	Balance Payment to R-Infra against EPC contract for RGTPP, Hisar			4.43	5
4	Construction of 2 no. Barracks for CISF for RGTPP Hisar	0.71			
5	Installation of CCTV surveillance System in RGTPP Hisar	1.65			
6	Construction of DAV school in power plant colony for RGTPS Hisar				6.87
7	Improvement work of Cooling Towers of RGTPP Unit I & II				6
8	Up gradation of C&I system for RGTPP Hisar	3		8.00	
9	Procurement of ID fan blades, RGTPP, Hisar	0.82			
10	Replacement of 03 Nos. Fire Tenders at RGTPP, Hisar	1.2			
11	Up gradation of hardware and software of PLC at RGTPP, Khedar, Hisar	4		3.00	
12	Procurement of Complete Battery Banks Lead Acid Plante 220V, 2140AH in each Unit (Unit 1&2), RGTPP, Khedar, Hisar	3.35			
13	Work for Supply, Erection, Testing and Commissioning of 02 Nos. ABB make unitrol-6080 Digital Automatic Voltage Regulator (DAVR) for Generator Excitation System and replacement with existing ABB make Unitrol-F DAVR at RGTPP, Khedar, Hisar			2.00	
14	Construction of First Aid Centre and additional RCC Roof slab of DG Set house at RGTPP, Khedar, Hisar	0.55			
15	Purchase of Ion Chromatography system fully automatic PC based, RGTPP Hisar	0.65			
16	Revival of Fire Fighting System of Unit6, PTPS, Panipat			0.600	
17	Replacement of damaged floor and Construction of Roads in PTPS Colony, Panipat as per new norms of Government of Haryana			0.952	
18	Up-gradation of PTPS Unit-6 HMI System of pro-control supplied by M/s BHEL			4.600	
19	Energy Management System PTPS Unit- 7-8			1.22	
20	Modernization of Boiler Lift for PTPS Unit 8	0.80			


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21	Replacement of 02 Nos. Fire Tenders at PTPS Panipat		0.44	
22	Renovation of centralized AC System of Unit-7&8, PTPS Panipat		1.80	
23	Replacement of 8" water lines around the circular road in PTPS, Colony	0.49		
24	Township for DCRTPP, Yamunanagar		2.36	
25	Refurbishment of BFP Cartridge: DCRTPP, YamunaNagar	1.55		
26	Purchase of 01 no. Runner Hub without blades and new set of guide vanes-WYC		7	
27	Replacement of 03 Nos fire tenders at DCRTPS, as the useful life is going to be exhausted		1.91	
28	Supply, ETC and 5 years comprehensive ARC of IP based CCTV network camera system at various sites of PTPS		5.65	
29	EV charging Station (06 Nos) at all respective locations (i.e., Plants and Head Quarter), at a tentative cost of Rs 80 lakh for each site having six charging stations, totalling to Rs 3.2 Crore (approximately)		3.20	
TOTAL		18.77	69.552	37.58
GRAND TOTAL			125.902	

Table 3-2: List of schemes completed or dropped

Sr No	Completed/Dropped Schemes	Amount	Remarks
4	Construction of 2 no. Barracks for CISF for RGTPP Hisar	0.71	Work Completed
5	Installation of CCTV surveillance System in RGTPP Hisar	1.65	Work Completed
12	Procurement of Complete Battery Banks Lead Acid Plante 220V, 2140AH in each Unit (Unit 1&2), RGTPP, Khedar, Hisar	3.35	Work Completed
11	Up gradation of hardware and software of PLC at RGTPP, Khedar, Hisar	3.83	The upgradation work of PLCs of DM Plant, CHP, AHP, ESP-I&II &Wagon Tippler/Stacker-Reclaimer for Rs. 3.83Cr has been completed in 2022-23 and the proposed upgradation of remaining PLCs will be carried out in the year of 2023-24.
15	Purchase of Ion Chromatography system fully automatic PC based, RGTPP Hisar	0.65	Work Completed
20	Modernization of Boiler Lift for PTPS Unit 8	0.80	Work Completed
23	Replacement of 8" water lines around the circular road in PTPS, Colony	0.49	Work Completed
25	Refurbishment of BFP Cartridge, DCRTPP, Ynr	1.55	Work Completed


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Table 3-3: The revised capital investment plan against the already approved by commission after offsetting dropped / completed scheme

Proposed/Revised CIP				
Sr No	Capital Expenditure Work	(Rs. Cr.)		
		2023-24	2024-25	2025-26
1	ERP System and allied works		29.52	
2	Data Centre, Data Recovery centre etc. for ERP Solution		6.68	
3	Balance Payment to R-Infra against EPC contract for RGTPP, Hisar	4.43	5.00	
4	Construction of DAV school in power plant colony for RGTPS Hisar	0.95	0.60	-
5	Improvement work of Cooling Towers of RGTPP Unit I & II	6.00	-	
6	Up gradation of C&I system for RGTPP Hisar	9.50	-	-
7	Procurement of ID fan blades, RGTPP	0.82		
8	Replacement of 03 Nos. Fire Tenders at RGTPP	-	1.77	-
9	Up gradation of hardware and software of PLC at RGTPP, Khedar, Hisar	3.00	-	-
10	Work for Supply, Erection, Testing and Commissioning of 02 Nos. ABB make unitrol-6080 Digital Automatic Voltage Regulator (DAVR) for Generator Excitation System and replacement with existing ABB make Unitrol-F DAVR at RGTPP, Khedar, Hisar	2.00	-	-
11	Construction of First Aid Centre and additional RCC Roof slab of DG Set house at RGTPP, Khedar, Hisar	0.55		
12	Revival of Fire Fighting System of Unit6, PTPS, Panipat	0.600	1.45	
13	Replacement of damaged floor and Construction of Roads in PTPS Colony, Panipat as per new norms of Government of Haryana.		0.952	
14	Up-gradation of PTPS Unit-6 HMI System of pro-control supplied by M/s BHEL		21.60	
15	Energy Management System PTPS Unit- 7-8	1.09		
16	Replacement of 02 Nos. Fire Tenders at PTPS Panipat	0.85		
17	Renovation of centralized AC System of Unit-7&8, PTPS Panipat	1.65		
18	Supply, ETC and 5 years comprehensive ARC of IP based CCTV network camera system at various sites of PTPS	5.65		
19	Township for DCRTPP, Yamunanagar		2.36	
20	Purchase of 01 no. Runner Hub without blades and new set of guide vanes-WYC		7	
21	Replacement of 03 Nos fire tenders at DCRTPS, as the useful life is going to be exhausted	1.91		
22	EV charging Station (06 Nos) at all respective locations (i.e., Plants and Head Quarter), at a tentative cost of Rs 80 lakh for each site having six charging stations, totalling to Rs 3.2 Crore (approximately)		3.2**	
	Total	39.0	80.132	0
	Grand Total	119.132		

** HPGCL is exploring the options to have EV Charger under PPP mode, so the impact under Capex, be avoided. Therefore, HPGCL is presently not proposing any amount under CAPEX for the same in present ARR.


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CHAPTER 4

A4 NEW ENVIRONMENTAL NORMS AND OTHER ISSUES

A. New Environmental norms Background:

6. Hon'ble Commission has already granted in-principle approval in **HERC/PRO-59 of 2018 vide order dated 07.03.2019** for implementation of New Environmental Norms. HPGCL shall approach the Hon'ble Commission through separate petition after the completion of the work for seeking pass through of the same.

B. Status of FGD (for SOx) at PTPS, RGTPP & DCRTPP Station:

7. The Status of the matter, as directed in the past was again put up for the appraisal of the Government, wherein it has been decided to float the tenders. Accordingly, the tenders for the same have been floated for HPGCL Units.

C. Status for installation of low NOx Burners at HPGCL Plants

8. As per MoEF&CC vide notification dated 19.10.2020, the timeline for compliance of new environment norms in respect of NOx for Category "A" (PTPS Units) is up to 31.12.2022 and for Category "C" (RGTPP & DCRTPP Units) is up to 31.12.2024.
9. The case in respect of NOx was placed before the State level HPPC (SHPPC) for consideration and approval, SHPPC has accorded the approval to allot the tender to the successful bidder. Accordingly, the work has been awarded to M/s ISGEC Heavy Engineering Limited Noida with the amount of Rs 60.50Cr including taxes.
10. HPGCL will claim the impact of NOx after the completion of the work as approved by the Hon'ble Commission vide order dated 07.03.2019 after considering all aspects of IEDC & IDC.


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CHAPTER 5

A5 MISCELLANEOUS ISSUES

A. Installation of Retrofitted Emissions Control Device on DG Sets of PTPS Units in compliance of CAQM directives.

11. The reference is invited to MoEF&CC/Gol , in exercise of the powers conferred under Section 3 of the Commission for Air Quality Management in National Capital Region and Adjoining Areas Act 2021 has constituted the Commission for Air Quality Management ("CAQM") in National Capital Region and Adjoining Areas.
12. As per the Section 12 of the Act, the Commission is vested with powers to take all such means, issue directions, etc, as it deems necessary or expedient for the purpose of protecting and improving the quality of the air in the National Capital Region and Adjoining Areas .
13. The Commission vested with the above powers, has deliberated the issue of deteriorating of air quality in NCR and observed that the DG sets are also one of the factors responsible for air quality deterioration. Thus, to reduce the impact of the same, the Commission has issued the advisory to have retro fitting for Diesel Gen sets under NCR w.e.f 01.10.2023 which was further extended by the Commission to 31.12.2023 vide its order dated 29.09.2023.
14. HPGCL PTPS unit falls under the NCR region and thus, bound to adhere the advisory of CAQM in the matter.
15. The Hon'ble Commission (i.e. HERC) has already identified the directives of the CAQM as "Change in Law" in its order dated 19.07.2022 & in Review Petition No 5 of 2022 & IA no 13 of 2022.
16. Thus, HPGCL needs to adhere the directives of CAQM for having retro fitting for Diesel Gensets to operate on Gas cum Diesel or to install Retrofitted Emission Control Device (RECDs) with presently installed DG Sets.
17. The Commission is requested to kindly consider the advisory of CAQM under "Change in Law" and allow the expenses to be incurred in the matter to be pass through for PTPS units for carrying such retrofitting works which will be claimed after the completion of the work.

B. Request for revisit of HERC directions for booking CAPEX below Rs 50Lakh under R&M.

18. In the past, HPGCL plants generation was on meagre side on account of DISCOMs, who were resorting to power from outside state on pretext of cheaper power on account of their concluding liabilities.


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19. It was presumed by the Commission that the margins be there under tariff heads on account of less scheduling, and further directed to book the CAPEX schemes below Rs 50Lakhs under O&M head by the Hon'ble Commission vide its directive issued in order dated 26.04.2017 (page no 84 , directive 1).
20. After the continuous pursual by HPGCL in respect of HPGCL scheduling issue, the Commission in past has agreed with the submissions made by HPGCL and issued various directives to schedule HPGCL Units before adding any power which is costlier than HPGCL on landed cost basis.
21. After the said directive issued by the Hon'ble Commission and in view of sudden rise in power demand post COVID resulted to continuous scheduling of HPGCL Units. Thus, HPGCL is liable to make more expenditure on O&M of the plants on account of higher scheduling.
22. Therefore, on account of change in scenario from meagre scheduling to the highest PLF of the Units, it becomes necessary in present circumstances to revisit the said directive issued by the Hon'ble Commission. This create constrains for HPGCL to shift/ delay such CAPEX, till the margins are there, which may impact HPGCL plants performance. Thus, such directives hampering the regular O&M practices on account of delay of such petty CAPEX schemes, which in longer run may impact the HPGCL performances.
23. It is worth to apprise that the Hon'ble Commission has been vested with such powers under MYT Regulation 2019 as amended thereof, to revisit its own directives.
24. Accordingly, the Hon'ble Commission is hereby requested to recall the said directive in terms of the power vested in Regulation, as the Hon'ble Commission always have the powers to adjust any CAPEX against any margin of O&M available for any True-up to avoid the burden on the Consumers, without impacting financials of the Generating entity.

C. Status of 800MW to be Commissioned at DCRTPP

25. The Hon'ble Commission was apprised in the previous ARR filing in FY 2022 about the status of 800MW Unit 3 DCRTPP, wherein the Government of Haryana has accorded in-principle approval for the proposal to have 800 MW at Yamuna Nagar.
26. HPGCL vide letter dated 17.01.2023 had intimated Central Electricity Authority ("CEA") regarding the floating of global tender for setting up of 1x800MW Super Critical Thermal Unit at DCRTPP, Yamunanagar on EPC basis, as Brownfield project.
27. The MoP/Gol had convened the meeting on 22.06.2023 to review the 51GW thermal capacity, wherein it was conveyed as under:

" It was reiterated that the govt decision is that the new coal based plant should be close to the coal source and not more than 500KMs away. The project may not be considered."


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28. The Advisor (Energy) to Hon'ble CM of Haryana informed MoP/Gol that to have Unit -3 DCRTPP is in favor of State on financial grounds on account of cost to consumer aspects be evaluated. He apprised the MoP/Gol that ECR for state-based project be around Rs 3.23/KWh, whereas for pit head ECR comes to around Rs 3.43/KWh. It was further submitted that other aspects of financial savings in terms of regulation are also there.
29. After the above submissions, Secretary/MoP directed CEA to conduct the detailed study, cost of coal transport vs ISTS charges, before arriving at any decision.
30. Accordingly, in terms of the above, HPGCL had placed all the concerns before CEA vide letter dated 27.06.2023.
31. In pursuant to the communication, CEA had carried out the detailed analysis considering all aspects and Gol policy for renewable insertion, where it emerged that, the balance of convenience lied with the State to have inhouse generation and the same would be cheaper in terms of cost to consumer considering PoC charges and losses.
32. HPGCL further submitted additional comments vide letter dated 23.08.2023 on the evaluation made by CEA and submitted that some aspects were still needed to be examined.
33. Accordingly, after careful perusal of submissions made by HPGCL, and presentation made by CEA, the MoP/Gol has allowed to proceed further on the said units and requested to bring the unit on production at the earliest possible time.
34. Further, on 19.09.2023, Standing Linkage Committee (Long term) for power sector has agreed to recommend the "Bridge Linkage" to the competent authority.

D. Intimation of decision of Government of Haryana for retaining PTPS 6,7,8 Units till 2035 as advised by MoP/Gol.

35. CEA vide its letter dated 20.01.2023 has advised all Generating Utilities not to retire any units till 2030 and ensure the availability of units after R&M , if required.
36. MoP Vide letter dated 01.08.2023 has also issued guidelines regarding "approach to be adopted for Life Extension (LE) and Renovation and Modernization (R&M) of coal based units-reg.
37. HPGCL has placed the issue for consideration of Government of Haryana for seeking the in-principle approval for carrying out the RLA studies for PTPS 2x250MW & 1x210MW Units along with the permission to carry out the associated works of R&M as per the outcome of RLA studies for extension of life cycle of PTPS units for next 10 years in terms of MoP letter dated 01.08.2023 & CEA letter dated 20.01.2023.
38. After considering all the aspects presented in the matter by HPGCL, Hon'ble CM/Haryana has approved the proposal of carrying out the RLA studies for Unit 6,7,8 of PTPS and its related works, as per the outcome of the studies. So, the Units can be retained up to next 10 years i.e. 2035 as advised by MoP/Gol.


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39. Thus, HPGCL has initiating the process of the carrying the RLA studies in the matter to retain the units of PTPS till 2035.
40. The above is placed before the Commission for kind intimation please.

E. Guidance from the Commission to manage the Unrecovered Depreciation of HPGCL Units

41. The Hon'ble Commission reference is invited to Regulation 13.4 of MYT Regulation 2019 as amended thereof as under:

" 13.4 Over or under recoveries of true-up amount in previous years(s) of the control period shall be allowed to be adjusted in the ensuing year of the control period by appropriate resetting of tariff. The unrecovered amount in the one control period shall be adjusted in the subsequent control period."

42. Thus, HPGCL on relying the above regulation placed the issue of unrecovered depreciation of the HPGCL units from 2017-18 to 2022-23 as under:

Year	PTPS	DCRTPP	RGTPP	WYC Hydel	Total
2017-18	1.25	6.16		0.40	7.82
2018-19		1.22			1.22
2019-20		12.28	26.53		38.80
2020-21			45.73	0.28	46.01
2021-22		5.79	102.63	1.11	109.53
2022-23			15.50		15.50
TOTAL	1.25	25.45	190.40	1.79	218.89

43. It is worth to apprise that CPSUs plants covered under CERC Regulations have always allowed to be trued up for control periods, which allows the CPSUs to adjust the under recoveries during the control periods of the regulations, whereas HPGCL is being trued -up on yearly basis and hardly any margins being left with HPGCL to adjust any under recovery of tariff head.
44. The Hon'ble Commission is requested to take the note of the above, with the request to make the guidance for recovery of unrecovered depreciation for HPGCL Units in term of Regulation 13.4 of MYT Regulation 2019, either, by allowing to adjust against the higher normative plant availability factor achieved by HPGCL Units/ to adjust in the margins of tariff heads or by spreading the same under next control period of the MYT Regulation in future, which helps HPGCL to recover the public exchequer invested in the Units.

F. Tertiary Treated Water consumption for DCRTPP.

45. The Hon'ble Commission vide order dated 21.02.2022 in petition 38 of 2021 has identified that the TTW is mandatory for consumption in thermal plants located near 50Km radius of sewage treatment plant from Municipality/Local Bodies / similar organization and increase in the expenditure on account of the same is allowed under tariff.


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46. It is worth to apprise that after the said order, as per the decision of the Government, the department of PHED shall proceed for having TTW plants at their sewage treatment plants and HPGCL is now liable to pay the water charges for availing the water being offered as per the policy.
47. As the change in water charges has already been identified under "Change in law", Thus, HPGCL is liable to make the claim of the impact of the same under True-up, whenever, it be paid. The Commission is requested to take the note of the same, please.

G. Migration from Standard Fire and Peril Services (SFPS) to Mega policy for HPGCL Units– impact in A&G expenses thereof.

48. HPGCL in the past has opted for SFPS based insurance which is primarily covering all its operational generation units on its depreciated value. It is worth to mention that present insurance policy which is on the basis of SFPS which is on the depreciated market value and have experienced severe deductions in claim assessment /pay out on account of depreciation and under insurance.
49. It has been learnt that other thermal plants viz, West Bengal State Power Corporation, UP Rajya Vidyut Utpadam Nigam, Durgapur Projects, SCCL, NTPC, Rajasthan Rajya Vidyut Utpadan Nigam, Gujarat State Electricity, ONGC Thermal Power Company, DVC, NLC etc, all are opting the MEGA Policy for their units.
50. It is imperative to state that in the past, all the efforts were there to reduce the generation cost, and thus, minimum expenditure has been made on the insurance aspects, on account of less scheduling.
51. Thus, at present on account of maximum scheduling and plants are remains on bar for more than the normative limits, it become mandatory to have the comprehensive policy i.e. MEGA policy to reduce any losses on account of failure and in turn burden the consumers. Thus, in view of the above, HPGCL is migrating from SFPS policy to MEGA policy, which may have financial implications.
52. Therefore, the Hon'ble Commission is requested to take the note of the above, and allow the variance of the same under A&G as per differential actual expenses of MEGA policy vs SFPS policy. As in the past, benefits of savings on account of less insurance cost have been availed by DISCOMs in turn of lesser impact of Fixed cost.

H. Guidance from the Commission for booking of CISF expense under Employee cost or under A&G in view of the observation of CAG in Financial Statement

53. CAG has made the repeated comments for shifting of CISF expense from Employee cost to other Expense i.e. A&G expense.


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54. It is worth to submit that CERC even allowing the Security Charges in respect of CISF and other related expense under Security Expenses as per actual under O&M head of tariff as per its prevailing Tariff Regulations.
55. HPGCL is of the considered view that Security Expense whether outsourced or having own employed security workers falls under the Employee Cost head, irrespective whether it be booked under Employee Cost or under Security expense, which needs to be allowed as per actual.
56. Thus, HPGCL is have two options, either carry the present practice for booking of security charges under Employee Cost or the same may be booked under "other expense" by making entry of security expense, the same may be considered as a part of employee cost while carrying the true.
57. HPGCL is being the government entity needs to settle all aspects, and it has been desired that the guidance may be sought from the Commission to handle such issues.
58. Therefore, in view of the above, the guidance may be imparted in the matter, how the booking of CISF charges be made by HPGCL to avoid any loss to the generating entity.



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CHAPTER 6

A6 TRUE-UP FOR FY 2022-23

Introduction:

59. Generation tariff for FY 2022-23 was determined by the Hon'ble Commission as per HERC MYT Regulation, 2019 or as amended thereof on the tariff Petition of HPGCL, vide its Order dated 22.02.2022.
60. As per the Regulation 13.1 of the HERC, MYT Regulation, 2019, truing up of ARR of the previous year shall be carried out with midyear performance review of each year of the control period only when the audited accounts in respect of the year under consideration is submitted along-with the application. In case audited accounts pertaining to the year, of which truing up is to be undertaken, are not available, the generating company or the licensee as the case may be shall submit the provisional account duly approved by the BoD's of the company/ licensee.
61. Accordingly, HPGCL is submitting the true-up for FY 2022-23 based upon the audited accounts for the FY 2022-23 for the approval of the Hon'ble Commission.
62. The following components have been considered by HPGCL for true up claim for FY 2022-23:
- i) Operation & Maintenance (O&M) Expenses
 - ii) Depreciation
 - iii) Interest & Finance charges
 - iv) Interest on working capital
 - v) Return on Equity (RoE)
63. Component wise variation in the approved fixed cost as adjudicated by HERC in terms of MYT Regulation, recovered cost as per instant MYT Regulation and actual fixed cost exclusive of solar business as per the audited accounts is submitted for consideration and approval of Hon'ble Commission for true-up of FY 2022-23.
64. The reference is invited to HERC MYT Regulation 2019 as under:
- "30. RECOVERY OF ANNUAL FIXED CHARGES (CAPACITY) CHARGES FOR THERMAL POWER PROJECTS
(a) The fixed cost of a thermal generating station shall be computed on annual basis, based on norms specified under these Regulations. Payment of capacity charge by the beneficiaries shall be on monthly basis in proportion to allocated / contracted capacity. The total capacity charges payable for a generating plant shall be shared by its beneficiaries as per their respective percentage share / allocation in the capacity of the generating plant;
(b) A generating plant shall recover full capacity charge at the normative annual plant availability factor specified by the Commission. Recovery of capacity charge below the level of target availability shall be on pro-rata basis....."
65. Further the reference is invited to the Regulation 13 of MYT regulation 2019 as under:
- "13. TRUING-UP


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13.1 Truing-up of the ARR of the previous year shall be carried out along with mid-year performance review of each year of the control period only when the audited accounts in respect of the year(s) under consideration is submitted along with the application. In case audited accounts pertaining to the year, of which truing-up is to be undertaken, are not available, the generating company or the licensee as the case may be, shall submit the provisional account duly approved by the Board of Directors of the company/licensee.

13.2 Truing-up of uncontrollable items shall be carried out at the end of each year of the control period through tariff resetting for the ensuing year and for controllable items shall be done only on account of force majeure conditions and for variations attributable to uncontrollable factors.

13.3 The Commission shall allow carrying costs for the trued-up amount (positive or negative) at the interest rates specified in these Regulations by adjusting the interest allowed on the working capital requirement for the relevant year of the control period. Upon completion of the mid-year performance review and truing up in accordance with these regulations, the Commission shall pass an order recording:

(a) The revised ARR for such financial year including approved modifications, if any;

(b) Holding cost for under/over recovered amount from the close of the relevant year and upto the middle of the ensuing year of the control period whereupon the trued-up amount has been adjusted by appropriate resetting of tariff in accordance with regulation 13.4, calculated as additional borrowing for working capital for that period.

Provided that no carrying cost shall be allowed on account of delay in filing for true-up due to unavailability of the audited accounts

13.4 Over or under recoveries of trued-up amount in previous year(s) of the control period shall be allowed to be adjusted in the ensuing year of the control period by appropriate resetting of tariff. The unrecovered amount in the one control period shall be adjusted in the subsequent control period."

66. The above regulations clearly specify the methodology for recovery of the fixed charges components as per the availability of the plants and the True-up is also required to be carried between "**Recovered**" as per plant availability in terms of Regulation 30 of MYT Regulation 2019 and "**Actuals**" as per audited accounts. Thus, in view of the above, HPGCL has "**Recovered**" the components of the tariff as per the availability of the Units and accordingly, the "**Recovered**" shall become the "**Approved**" charges as per the Regulation 30 of MYT Regulation 2019.. Therefore, the True-up has been offered on "**Recovered**" vs "**Actual**" as per audited accounts in the matter.


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A. TRUE-UP OF HPGCL UNITS.

Operation and Maintenance Expenses

67. The operation and maintenance expense include actual expenses incurred by HPGCL towards Employees cost, Repair & Maintenance expenses and A&G expenses.

Employee Cost

68. Hon'ble Commission had approved O&M Expenses of Rs. 812.132Cr for FY 2022-23. The total actual O&M Expenses as per audited accounts for FY 2022-23 remains Rs.1182.515Cr after deducting solar business of Rs 0.81Cr.

Table 6-1: Operation and Maintenance Expenses of HPGCL Units (Rs. Cr.)

Particular	FY 2022-23 (Approved) 1	FY 2022-23 (Recovered) 2	FY 2022-23 (Actual) 3	Variance 4=(3-2)	True Up claimed (5)
Employee Cost	632.836	616.62	847.786	231.17	231.17
a) Employee salary			321.62		
b) Terminal Liability for 2022-23			263.73		
c) Terminal Liability for 2021-22 carried over to FY 2022-23			262.44		
Repair & Maintenance	157.374	153.39	306.783	153.39	153.39
Administrative & General Expense	21.921	21.23	27.946	6.72	6.72
Total	812.132	791.24	1182.515	391.28	391.28

69. The primary reason for the significant gap between the Approved, Recovered and Actual O&M expenses is due to increase in uncontrollable expenses on account of the employee cost including terminal liabilities & less availability of RGTPP (83.89% Unit 1 & 73.34% Unit2).

70. Approved Employees Cost for FY 2022-23 was Rs. 632.836Crore as allowed by Hon'ble Commission, whereas, the Actual employee cost for FY 2022-23 as per audited accounts remains Rs 585.35Crore inclusive of net Defined Benefit liability (terminal liability) of Rs 263.73Crore in respect of employees as per the Actuary Valuation Report submitted by the independent actuary.

71. HPGCL in its disclosure at Point 2 , Page 42 in Audited Accounts for FY 21-22 in last year ARR at page no 128 has already apprised that the total defined terminal liabilities stands at Rs 664.51Crore which was a sudden increase, thus as guided by the Hon'ble Commission in the past, to avoid the impact of increase in terminal liabilities, it is appropriate to spread in future to avoid sudden financial impact of the same.


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72. HPGCL has acted as per the advice in the past by deferring the terminal liabilities for FY 2021-22 by restricting the recovery of the same to the level of FY 2020-21 at Rs 402.07Cr. Thus, under recovery of Rs 262.44 Cr was there in the said year, which is being claimed as part of Terminal benefits in line with the advice of the Hon'ble Commission.
73. Further, HPGCL is bound by the rules and regulations of State Government pertaining to employee's benefits (pay structure, D.A., annual increment@3%). Any revision, therefore in the pay structure of its employees is beyond the control of the HPGCL and falls under Regulation 8.3.8(b). All these factors lead to the increase in the employees cost of HPGCL.
74. Terminal liability is an uncontrollable expenditure under Regulation 8.3.8(b) of MYT Regulation 2019 and the same is being allowed by the Hon'ble Commission with the True-up of respective year.
75. Therefore, in view of the above, the Hon'ble Commission is requested to kindly take note of the above and allow the net true up of Rs. 231.17Cr. in respect of Employee Cost as per actual basis in line with Regulation 8.3.8 (b) of MYT Regulation 2019.

R&M and A&G Expenses:

76. The O&M expenses other than employee cost, i.e. R&M and A&G expenses Approved by the Hon'ble Commission for FY 2022-23 are Rs 157.374Crore & Rs 21.921 Crore. However, the amount Recovered by HPGCL is Rs. 153.39Cr and 21.23Cr respectively on account of availability of the HPGCL Units. The actual R&M and A&G expense for the year remains Rs. 306.783Cr (excluding solar business of Rs 0.81Cr) and Rs 27.946Cr.
77. The increase in R&M amount is primarily attributable to the following issues:
78. Increase in water charges on account of notification of HWRA, which was identified as "Change in law" by the Hon'ble Commission vide order dated 25.01.2023, and direct to claim the difference under True -Up (Page 65 of order dated 25.01.2023).
79. Increase in R&M and A&G expenses of PTPS Units which was capped by the Hon'ble Commission @ 50% for PTPS Units and was allowed under true up on account of increase in scheduling in last order dated 25.01.2023.
80. The cost of operating of coal handling plant.
81. The increase in water charges as per notification of HWRA unit wise is tabulated as under:

Table 6-2 : Water Charges implication on account HWRA Notification

Plant	Financial Implication on account of Increase in water charges (in Rs Cr)
PTPS	9.51
DCRTPP	9.55
RGTPP	7
Total	26.06


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82. Further, the increase in expense of R&M & A&G are primarily on account of increase in scheduling of HPGCL Units on account of higher demand placed by DISCOMs.
83. PTPS Units R&M and A&G was capped at 50% considering 55% PAF, however, the PLF for PTPS station as whole is at 78.13% which is more than the PLF allowed by the Hon'ble Commission. It is the matter of the fact that the PTPS Units were used to remain on meager scheduling now remain on bar on account of change in circumstances. HPGCL is bound to spend more on O&M activities which leads to increase in R&M and A&G expenses.
84. Thus, Hon'ble Commission may take the note of the same and allow the balance 50% as allowed in its order dated 25.01.2023. **The amount pertaining to 50% of PTPS Units comes out to be Rs 43.023Cr. The same also needs to be allowed**
85. The issue of CHP expense amounting to Rs 67.19 Cr has been booked under O&M and HPGCL is opted to make the claim for the same, as the matter is presently pending at APTEL for adjudication.
86. The reference is further invited to Regulation 13.4 of the MYT Regulations 2019 has specified as under:
- "13.4 Over or under recoveries of trued-up amount in previous year(s) of the control period shall be allowed to be adjusted in the ensuing year of the control period by appropriate resetting of tariff. The unrecovered amount in the one control period shall be adjusted in subsequent control period."
87. The Hon'ble Commission is aware that in the past, when HPGCL units were meagerly scheduled the savings in the Tariff heads had been deducted and the benefits of savings were passed on to beneficiaries. Thus, in case, the generator is liable to incur expense on higher side of R&M on the units on account of higher scheduling by beneficiaries, the higher expense being done by the generator on account of the same also need to be considered and required to be pass through.
88. Thus, in view of the above, HPGCL has right to claim any over recovery as per 13.4 of MYT regulation any variance, on account of increase in A&G/R&M expenses.
89. In view of above, Hon'ble Commission is requested to allow the true up of the Employe cost of Rs 231.17 Cr, R&M expenses of Rs 153.39 Cr and A&G expense of Rs 6.72 Cr as per MYT Regulations,2019 as amended thereof.
90. The Hon'ble Commission is requested to take the note of above & allow the true up of Rs 391.28 Cr as proposed above, accordingly.

Depreciation

91. The depreciation detail for the FY 2022-23 is as under:


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Table 6-3: True-up of Depreciation of HPGCL Units in Rs Cr

S. No	Unit	Approved	Actual as per audited accounts*	Dep. on GAAP Spares	Dep. on account of Ind AS	Net allowable dep.	Recovered Dep.	Variance as per Actuals	True-Up claimed
A	B	C	D	E	F	G=(D-E-F)	H	I=(G-H)	J
1	PTPS-6	0.46	1.95	0.08	1.31	0.56	0.46	0.10	0.10
2	PTPS-7&8	53.95	56.76	0.47	4.32	51.97	53.95	(1.98)	(1.98)
3	DCRTPP	56.13	58.26	1.22	1.42	55.62	56.13	(0.51)	(0.51)
4	RGTPP	206.54	211.48	4.00	3.67	203.81	191.04	12.77	12.77
5	Hydel	7.74	5.83		(0.02)	5.85	7.74	(1.89)	(1.89)
	Total	324.82	334.28	5.77	10.70	317.81	309.32	8.49	8.49

*Excluding Solar business of Rs. 3.15Cr.

Interest & Finance Charges

Table 6-4: Pre-Restructuring Loan Portfolio & Repayments schedule (Rs. Cr.)

Particulars	Rate of Interest	Opening Bal	Drawls during the year	Repayments during the year	Closing Balance	Interest during the year
GPF Bonds	7.10%	27.13	0.00	6.78	20.35	1.44
SBI DCRTPP YNR (PFC Takeover)	12.50%	271.38	0.00	120.64	150.74	26.38
REC	12.25%	350.44	0.00	75.60	274.84	38.30
State Bank of India(RGTPP) (PFC Takeover)	11.45%	336.66	0.00	101.64	235.02	32.73
APDP Loan	12.50%	2.81	0.00	0.15	2.66	0.66
Punjab National Bank (Andhra Takeover)	8.65%	0.00	0.00	0.00	0.00	0.00
Punjab National Bank (Andhra Takeover Hisar)	8.65%	0.00	0.00	0.00	0.00	0.00
Punjab National Bank (REC Takeover)	12.25%	81.73	0.00	20.52	61.21	8.75
Nabard Loan	5.25%	22.99	0.00	11.50	11.49	1.32
Total		1093.13	0.00	336.83	756.30	109.60

* Total Interest during the year excluding solar business 109.60-1.32 = Rs108.28Cr

Table 6-5: Post -Restructuring (Actual) Loan Portfolio and Int. & Fin. Charges (Rs. Cr.)

Particulars	Rate of Interest	Opening Bal	Additions during the year	Repayments during the year	Closing Balance	Interest during the year
GPF Bonds	7.10%	27.13	0.00	6.78	20.35	1.44
SBI DCRTPP YNR	0.00%	0.00	0.00	0.00	0.00	0.00
REC	7.75%	302.35	0.00	75.60	226.75	22.02
State Bank of India(RGTPP)	0.00%	0.00	0.00	0.00	0.00	0.00
APDP Loan	12.50%	2.81	0.00	0.15	2.66	0.67
Punjab National Bank (Andhra Takeover)	8.50%	0.00	0.00	0.00	0.00	0.00
Punjab National Bank (Andhra Takeover Hisar)	8.50%	0.00	0.00	0.00	0.00	0.00
Punjab National Bank	8.50%	0.00	0.00	0.00	0.00	0.00
Nabard Loan	5.25%	22.99	0.00	11.50	11.49	1.32
Punjab National Bank(SBI Takeover)	0	0.00	0.00	0.00	0.00	0.00

Particulars	Rate of Interest	Opening Bal	Additions during the year	Repayments during the year	Closing Balance	Interest during the year
Total		355.28	0.00	94.03	261.25	25.46

*Excluding solar business of Rs 1.23Cr the IFC is Rs 24.14Cr

92. As per the approved Tariff order dated 22.02.2022, HPGCL is proposing to pass on 50% of the savings on interest and finance charges to the beneficiaries on account of restructuring of loan and consider the true up of interest & finance charges as given in the below table:

Table 6-6: Interest & Finance Charges (Rs. Cr.)

Particular	Approved interest & Finance Charges	Actual interest & Finance Charges	Pre-restructuring interest & Finance Charges	Savings on account of restructuring of loan	Allowable interest & Finance Charges	Recovered by HPGCL	True-up
1	2	3	4	5= 4-3	6=3+50%(5)	7	8=6-7
Int.&Fin. Charges (A)	73.74	24.14	108.28	84.14	66.21	69.55	(3.34)
Int. On Normative Debt(B)					0.23		0.23
Total True up of Int.& Fin. Charges(A+B)	73.74				66.44	69.55	(3.11)

93. The Hon'ble Commission is hereby requested to kindly approve the true-up of Rs (3.11)Cr on account of interest and Finance Charges.


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Return on Equity

Table 6-7:Details of Equity Employed (Rs. Cr.)

Plants	Opening	Additions	Closing	RoE
PTPS-6	156.84	0.04	156.882	15.69
PTPS – 7	218.04	0.05	218.089	21.81
PTPS – 8	218.02	0.29	218.309	21.82
DCRTPP-1	251.421	0.26	251.680	25.16
DCRTPP-2	251.371	0.26	251.630	25.16
RGTPP-1	494.889	1.58	496.468	49.57
RGTPP-2	493.014	1.58	494.593	49.38
Hydel	18.355		18.355	1.84
Total	2101.95	4.057	2,106.007	210.40

Table 6-8:True-up of RoE (Rs Cr.)

Approved RoE (A)	Actual RoE (B)	Recovered RoE (C)	Variance in RoE Cost (B-C)	True up claimed (E)
211.15	210.40	203.70	6.70	---

Interest on Working Capital

94. Interest on working capital amounting to Rs 103.729Cr has been allowed by the Hon'ble Commission in its order dated 22.02.2022 regarding generation tariff for FY 2022-23 after considering the average coal and oil prices without any fuel price escalation on account of imported coal & RCR coal as proposed by HPGCL. However, there has been variation in prices of coal and oil during the financial year in consideration for true-up on account of procurement of imported coal and RCR coal. Therefore, while computing the true-up of working capital for FY 2022-23, actual rate of coal has been considered.
95. Due to variation in Fuel prices on account of imported coal and RCR coal , the interest on normative working capital requirement for FY 2022-23, as per the approved norms of the HERC, has increased to **Rs 133.93Crore** against the approved interest on working capital of **Rs 103.729Crore**.
96. The Hon'ble Commission is aware for the methodology for calculating the IWC as per Regulation 21.1 of MYT, wherein the one month of coal stock is the major contributing factor for evaluating IWC. HPGCL in present year has proceeded for imported coal and RCR to meet the demand place by beneficiaries, being unprecedented year of rise in demand of power. Thus, this leads to increase in IWC for HPGCL as whole, thus HPGCL here proposed that the actual increase in IWC needs to be allowed by the Hon'ble Commission while taking the true up for this component.


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97. It is worth to apprise that HPGCL has paid Rs 1652Cr approx. for alternate coal out of which Rs 1140.92 Cr has been arranged by taking short term loan (STL) from PFC & REC. the balance of Rs 511Crore has been availed through the available Cash Credit limits. Thus, the total implication of IWC on account of STL turns out to be Rs 35.16 Crore and from using Cash Credit is Rs 13.41 Crore, thus the additional implication of interest on account of imported coal is Rs 48.57 Crore.
98. The RCR coal also have the additional financial implication on account of coal on "As is Where is basis" and the generator has to arrange transportation for the same till the railway siding. The financial implication in terms of Interest for the additional implication of RCR which is above the ACQ limit under FSA is also there. Thus, the total additional interest implication of additional burden of imported and RCR coal turns out to be Rs 54.24 Cr (Imported Rs 48.57 Cr + RCR Rs 5.67Cr).
99. Thus, in view of the submission, the IWC calculations needs to be revisited and thus actual interest paid in the matter needs to be allowed as per the Financial Statement for FY 2022-23.
100. Accordingly, the below table summarizes True-up of interest on working capital for FY 2022-23.

Table 6-9:Detail of WC & IWC (Rs Cr)

S.No	Particular	Approved IWC (Rs. Cr) @ 8.50%	Normative (Revised) IWC (Rs. Cr) @ 8.60%*	As per Balance sheet
1	Coal Stock	468.483	605.51	
2	Oil Stock	4.032	4.03	
3	O&M Expenses	67.678	67.68	
4	Maint. Spares	80.505	80.50	
5	Receivables	599.646	738.76	
6	Total W/C Requirement	1220.343	1496.48	
	Int. on W/C	103.729	128.70	133.93

*W.e.f 01.04.2022

Table 6-10: True-up of IWC (Rs Cr.)

Particular	Approved IWC @8.50% (A)	Normative IWC @ 8.60% (B)	Actual (C)	Recovered IWC (D)	True-Up Claimed
Interest on WC	103.729	128.70	133.93	99.78	34.15

Summary of the True-up

101. Based on the above submission, HPGCL summaries proposed total true-up for FY 2022-23 considering Regulation 8.3.8, Regulation 13.4, Regulation 22, Regulation 29, Regulation 30, of MYT Regulation,2019 as under:


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Table 6-11: Total True Up (in Cr)

	O&M Expense	Deprecia tion Cost	IWC	Interest & Fin.	RoE	Total True-up
Total	391.28	8.49	34.15	(3.11)	--	430.81

Non-Tariff Income

102. Detail of Other Non-operating income included in the other income as per the Audited Balance Sheet for the FY 2022-23 is as under:

Table 6-12: Non-Operating income (Rs. Cr.)

Particulars	Amount in Cr.
Income from sale of scrap	7.03
50% of Other income	1.225
Total	8.255

103. The Hon'ble Commission may consider that certain under recoveries are always on account of metallurgical degradation on account of past meagre scheduling, which leads to under recovery of some tariff components under fixed cost, the state generator may be allowed to retain the Non -operating income to reduce the impact of under recoveries.

Net True -Up

104. The Commission may take the note of the above submissions and allows the Net True-up of Rs 430.81 Cr for the FY 2022-23.

105. HPGCL requests Hon'ble Commission to approve True-up as submitted above for FY 2022-23 along with applicable carrying cost. The carrying cost should be allowed as per the regulations of MYT 2019 along with LPS, if any as per Clause 43 of MYT Regulation 2019. However, HPGCL reserve its right to claim any variance on account of the adjudication of the matters pending at APTEL.


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CHAPTER 7

A7 MID-YEAR PERFORMANCE REVIEW FOR FY 2023-24 AND GENERATION TARIFF FOR FY 2024-25

106. HPGCL, in this section, submits the performance parameters for mid-year performance review for FY 2023-24 in line with Regulation 11 of the HERC MYT Regulations, 2019 as amended thereof.
107. Hon'ble Commission, in its previous orders, has not carried out any mid-year review. Accordingly, HPGCL is not submitting any tariff impact for the midyear performance review for FY 2023-24. Thus, for mid-year review, HPGCL reserve its right to claim the impact of Change in Law event viz impact of HWRA notification etc. at the time of seeking true-up.
108. Hon'ble Commission may take the note that for FY 2024-25, the tariff has been proposed as per the instant regulation as amended thereof.
109. HPGCL reserves its rights for making any additional submissions at filing of true up, if required in the matter.

Technical Parameters

Normative Annual Plant Availability Factor (NAPAF)

Table 7-1: NAPAF for FY 2023-24 and FY 2024-25

S.No	Unit #	Approved	Proposed	
		FY 23-24	FY23-24	FY 24-25
1	PTPS 6	85.00%	85.00%	85.00%
2	PTPS 7	85.00%	85.00%	85.00%
3	PTPS 8	85.00%	85.00%	85.00%
4	DCRTPP 1	85.00%	85.00%	85.00%
5	DCRTPP 2	85.00%	85.00%	85.00%
6	RGTPP 1	85.00%	85.00%	85.00%
7	RGTPP 2	85.00%	85.00%	85.00%
8	WYC Hydel	43.00%	43.00%	43.00%

Auxiliary Consumption

Table 7-2: Auxiliary Consumption (%) for FY 2023-24 and FY 2024-25

S.N	Unit #	Approved	Proposed	
		FY 23-24	FY23-24	FY 24-25
1	PTPS 6	9.00%	9.00%	9.00%
2	PTPS 7	8.50%	8.50%	8.50%
3	PTPS 8	8.50%	8.50%	8.50%
4	DCRTPP 1	8.50%	8.50%	8.50%
5	DCRTPP 2	8.50%	8.50%	8.50%
6	RGTPP 1	6.00%	6.00%	6.00%
7	RGTPP 2	6.00%	6.00%	6.00%
8	WYC Hydel	1.00%	1.00%	1.00%


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Secondary Fuel Consumption (SFC)

Table 7-3 :SFC (ml/kWh) for FY 2023-24 and FY 2024-25

S.No	Unit #	Approved	Proposed	
		FY 23-24	FY23-24	FY 24-25
1	PTPS 6	1.00	1.00	1.00
2	PTPS 7	0.50	0.50	0.50
3	PTPS 8	0.50	0.50	0.50
4	DCRTPP 1	0.50	0.50	0.50
5	DCRTPP 2	0.50	0.50	0.50
6	RGTPP 1	0.50	0.50	0.50
7	RGTPP 2	0.50	0.50	0.50

Station Heat Rate (SHR)

Table 7-4 :SHR (kCal/kWh) for FY 2023-24 and FY 2024-25

S.N	SHR(kcal/kWh)	Approved	Proposed	
		FY 23-24	FY 23-24	FY 24-25
1	PTPS 6	2550	2550	2550
2	PTPS 7	2500	2500	2500
3	PTPS 8	2500	2500	2500
4	DCRTPP 1	2344	2344	2344
5	DCRTPP 2	2344	2344	2344
6	RGTPP 1	2387	2387	2387
7	RGTPP 2	2387	2387	2387

Table 7-5: Proposed Gross Calorific Value & cost of coal for FY 2024-25

Particulars	PTPS 6	PTPS 7&8	DCRTPP	RGTPP
Gross Calorific Value of Coal (kcal/Kg)	3441	3486	3186	3269
Average landed cost of Coal (Rs/MT)	5501.22	5770.75	5201.13	5362.79

Table 7-6:Proposed Gross Calorific Value & cost of oil for FY 2024-25

Particulars	PTPS	DCRTPP	RGTPP
Gross Calorific Value of oil (kcal/L)	9648	9347	9398.35
Average landed cost of oil (Rs/KL)	74391.37	74756.37	72389

Energy Charge Rate

Table 7-7:Computation of ECR for FY 2024-25

Unit	Generation (Ex-bus)	Per Unit Variable Cost
	MU	Rs/ Unit
PTPS 6	1422.931	4.545
PTPS 7	1703.273	4.555
PTPS 8	1703.273	4.555
DCRTPP 1	2043.927	4.215
DCRTPP 2	2043.927	4.215
RGTPP 1	4199.544	4.196
RGTPP 2	4199.544	4.196

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Annual Fixed Cost

110. HPGCL is projecting following components of fixed cost for FY 2024-25 as per HERC MYT Regulations, 2019 and as amended thereof.

O&M Expense

Table 7-8: O&M Expenses (Rs. Cr.)

S.No	Unit #	Approved	Proposed as per MYT,2019
		FY 23-24	FY 2024-25
1	PTPS 6	106.820	109.96
2	PTPS 7	110.753	114.00
3	PTPS 8	110.753	114.00
4	DCRTPP 1	118.200	121.65
5	DCRTPP 2	118.200	121.65
6	RGTPP 1	143.157	147.36
7	RGTPP 2	143.157	147.36
8	WYC Hydel	29.172	30.03
9	Total	880.212	906.01

Depreciation

Table 7-9: Gross Fixed Assets for FY2024-25 (Rs Cr)

Sr. No.	Unit	GFA 01-	Addition	deletion	GFA 01-	Addition	Addition	GFA as on
		04-2022	FY 2022- 23	FY 2022- 23	04-2023	FY 2023- 24	FY 2024- 25	
1	PTPS – 6	999.76	0.16		999.92	2.52	25.13	1027.573
2	PTPS – 7	947.19	0.25		947.44	3.66	4.53	955.627
3	PTPS -8	957.31	1.71		959.02	3.66	4.53	967.206
4	DCRTPP-1	1151.02	2.65	0.34	1153.33	0.96	5.94	1160.225
5	DCRTPP-2	1148.36	0.80	0.34	1148.81	0.96	5.94	1155.715
6	RGTPP-1	2200.19	9.06		2209.25	13.63	12.66	2235.535
7	RGTPP-2	2176.26	5.04		2181.30	13.63	12.66	2207.585
8	Hydel	208.85	1.39	0.01	210.23		7.88	218.11
	Total	9788.95	21.06	0.70	9809.31	38.996	79.26	9927.576


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Table 7-10: Allowable GFA for FY 2024-25 (Cr.)

Unit	GFA as on 01.04.23- exclusive of Ind AS	Disallowances – GAAP spares	Allowable GFA as on 01.04.2023	Addition during 2023-24	Allowable GFA as on 01.04.2024	Addition during 2024-25	Allowable GFA as on 01.04.2025
PTPS – 6	999.92	1.07	998.85	2.52	1001.37	25.13	1026.50
PTPS – 7	947.44	2.35	945.10	3.66	948.75	4.53	953.28
PTPS -8	959.02	5.53	953.49	3.66	957.15	4.53	961.68
DCRTP-1	1153.33	13.65	1139.68	0.96	1140.64	5.94	1146.57
DCRTP-2	1148.81	13.65	1135.17	0.96	1136.12	5.94	1142.06
RGTPP-1	2209.25	37.76	2171.49	13.63	2185.11	12.66	2197.77
RGTPP-2	2181.30	37.76	2143.54	13.63	2157.17	12.66	2169.83
Hydel	210.23	-	210.23	-	210.23	7.88	218.10
Total	9809.31	111.76	9697.55	38.996	9736.54	79.26	9815.80

Table 7-11: Depreciation for FY 2024-25 (Rs Cr.)

S.No.	Unit	Actual Depreciation	Depreciation on GAAP Spares	Depreciation on account of Ind AS	Net allowable depreciation
A	B	D	E	F	G=(D-E-F)
1	PTPS – 6	16.07	0.08	1.31	14.68
2	PTPS – 7	30.59	0.15	1.82	28.62
3	PTPS – 8	33.17	0.32	2.48	30.36
4	DCRTPP-1	29.03	0.61	0.53	27.89
5	DCRTPP-2	30.01	0.61	0.89	28.51
6	RGTPP-1	50.28	1.23	0.57	48.48
7	RGTPP-2	52.89	1.23	0.73	50.93
8	Hydel	6.14	-	-	6.14
	Total	248.18	4.25	8.33	235.60

Interest & Finance Charges

Table 7-12: Interest and finance charges for FY 2024-25 (Rs. Cr.)

FY 2024-25	Int. & Fin. Charges post restructuring	Int. & Fin. Charges pre restructuring	Savings due to restructuring	Incentive (50% of savings)	Total interest expense	Interest expense on normative loan	Final Interest Expense
1	2	3	4= (3-2)	5=50% of 4	6= (2+5)	7	8=6+7
PTPS 6	1.95	1.95	-	-	1.95		1.95
PTPS 7	0.63	0.65	0.03	0.01	0.64	0.01	0.65
PTPS 8	0.63	0.65	0.03	0.01	0.64	0.01	0.65
DCRTPP-1	0.55	1.52	0.97	0.49	1.03		1.03
DCRTPP-2	0.55	1.52	0.97	0.49	1.03		1.03
RGTPP-1	7.37	18.67	11.30	5.65	13.02	0.11	13.13
RGTPP-2	7.37	18.67	11.30	5.65	13.02	0.11	13.13
WYC Hydel	0.55	0.55	-	-	0.55		0.55
Total	19.60	44.19	24.59	12.30	31.90	0.23	32.14

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Return on Equity

Table 7-13: Equity Employed (Rs Cr.)

S.N	Unit#	Closing FY 2022-23	Additions FY 2023-24	Additions FY 2024-25	Closing FY 2024-25	Proposed RoE@ 12%/13%
1	PTPS – 6	156.882	0.76	7.54	165.18	19.37
2	PTPS – 7	218.089	1.10	1.36	220.54	26.38
3	PTPS – 8	218.309	1.10	1.36	220.76	26.41
4	DCRTPP-1	251.680	0.29	1.78	253.75	30.34
5	DCRTPP-2	251.630	0.29	1.78	253.70	30.34
6	RGTPP-1	496.468	4.09	3.80	504.35	60.29
7	RGTPP-2	494.593	4.09	3.80	502.48	60.07
8	Hydel	18.355	-	2.36	20.72	2.57
	Total	2,106.007	11.70	23.78	2,141.48	255.75

Interest on Working Capital (IWC)

Table 7-14; Calculation of IWC (Normative)(Rs Cr)

Unit	Coal Stock	Oil Stock	O&M Expenses	Maint. Spares	Receivables	Total W/C Requirement	Int. on W/C
PTPS – 6	52.92	0.97	9.16	11.00	67.24	141.29	14.20
PTPS – 7	64.07	0.58	9.50	11.40	80.18	165.73	16.66
PTPS – 8	64.07	0.58	9.50	11.40	80.33	165.88	16.67
DCRTPP-1	71.09	0.70	10.14	12.17	88.39	182.48	18.34
DCRTPP-2	71.09	0.70	10.14	12.17	88.44	182.53	18.34
RGTPP-1	145.50	1.35	12.28	14.74	172.19	346.05	34.78
RGTPP-2	145.50	1.35	12.28	14.74	172.37	346.24	34.80
Hydel	-	-	2.50	4.50	3.36	10.36	1.04
Total	614.25	6.21	75.50	92.10	752.49	1540.55	154.83

Total Fixed Cost

Table 7-15: Annual Fixed Cost (Rs Cr)

S.N	Unit	O&M	Depreciation	Interest & Finance Charges	Return on Equity	W/C Interest	Total Fixed Cost
1	PTPS – 6	109.96	14.68	1.95	19.37	14.20	160.15
2	PTPS – 7	114.00	28.62	0.65	26.38	16.66	186.31
3	PTPS – 8	114.00	30.36	0.65	26.41	16.67	188.09
4	DCRTPP-1	121.65	27.89	1.03	30.34	18.34	199.26
5	DCRTPP-2	121.65	28.51	1.03	30.34	18.34	199.87
6	RGTPP-1	147.36	48.48	13.13	60.29	34.78	304.05
7	RGTPP-2	147.36	50.93	13.13	60.07	34.80	306.29
8	Hydel	30.03	6.14	0.55	2.57	1.04	40.30
	Total	906.01	235.61	32.14	255.75	154.83	1584.32


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Summary of tariff computation for FY 2024-25

Table 7-16: Tariff Summary for FY 2024-25

Unit	Total Fixed Cost	Energy Charge Rate* (Rs/Kwh)
PTPS-6	160.15	4.545
PTPS-7	186.31	4.555
PTPS -8	188.09	4.555
DCRTPP1	199.26	4.215
DCRTPP2	199.87	4.215
RGTPP1	304.05	4.196
RGTPP2	306.29	4.196
WYC	40.30	
TOTAL	1584.32	

* on the basis of actual blended fuel consumed in first half


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CHAPTER: 8

A8 PRAYERS

111. HPGCL humbly prays the Hon'ble Commission to:

- a) Admit this Petition.
- b) To approve the Revised Capital Investment Plan as proposed in Chapter 3.
- c) To declare the directive of CAQM as "Change in Law" for RECD on DG Set for PTPS units, and allow the actual expense after completion of work under True Up of the relevant year as proposed in Chapter 5.
- d) To revisit the directive for booking of Capex below Rs 50Lakh under R&M as proposed in Chapter 5.
- e) To take the note of status of 800MW to be commissioned at DCRTTP as submitted in Chapter 5.
- f) To take the note of approval of Government of Haryana for carrying associated works of PTPS Unit 6,7,8 after carrying requisite RLA studies for retaining pf Unit till 2035 as per the advisory of Gol as submitted in Chapter 5.
- g) To guide the way of recovering of un-recovered depreciation as submitted in Chapter 5.
- h) To take the note for increase in water charges for availing TWW water as per policy as submitted in Chapter 5.
- i) To allow increase in A&G charges on account of migration from SPFS insurance policy to Mega Insurance Policy as submitted in chapter 5.
- j) To provide necessary clarification in respect of booking of CISF charges as submitted in Chapter 5.
- k) To allow true up of water charges as per HWRA notification and Commission order dated 25.01.2023 as submitted in Chapter 6.
- l) To allow PTPS Units R&M and A&G charges as per Normative allowed under the Regulation as proposed in Chapter 6.
- m) To allow IWC as per the balance sheet, as the increase in IWC is primarily on account of procurement of alternate fuel i.e., Imported /RCR coal.
- n) To allow to retain the non-tariff income as proposed in Chapter 6.
- o) To allow true up of Rs 430.81 Cr as proposed in Chapter 6.
- p) To allow the tariff for FY 2024-25 as proposed in Chapter 7.
- q) Allow recovery of all expenditure relating to petition filing fees including publication of notices etc. and any other statutory fees/ regulatory fees, taxes and levies from the beneficiaries as per actual.
- r) Condone any inadvertent omissions / errors / delays / short comings and permit the applicant to add/ change/modify/ alter this filing and make further submissions as may be required at later stage as the filing is being done based on the best available information.
- s) Treat the filing as complete in view of substantial compliance as also the specific requests for waivers with justification placed on record.


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