Replies to the queries

Data gaps and additional Information required on the petition filed by APNRL for Truing-up for FY 2016-17 and APR for FY 2017-18 on May 4, 2018 (Case (T) No. 2/2018)

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<u>Replies to the queries</u>

Data gaps and additional Information required on the petition filed by APNRL for Truing-up for FY 2016-17 and APR for FY 2017-18 on May 4, 2018 (Case (T) No. 2/2018)

1. **Query:** Actual plant availability of each Unit for FY 2016-17 duly certified by Jharkhand SLDC.

   Reply:

   APNRL is connected to PGCIL 400 KV Pooling Station at Ramchandrapur.

   Further, Indian Electricity Grid Code Regulations 2010 provides as under:

   > *"The following generating stations shall come under the respective Regional ISTS control area and hence the respective RLDC shall coordinate the scheduling of the following generating stations:*
   >
   > *a) Central Generating Stations (excluding stations where full Share is allocated to host state),*
   >
   > *b) Ultra-Mega power projects*
   >
   > *(c) In other cases, the control area shall be decided on the following criteria:*
   >
   > *(i)* ***If a generating station is connected only to the ISTS, RLDC shall coordinate the scheduling, except for Central Generating Stations where full Share is allocated to one State.***
   >
   > *(ii) If a generating station is connected only to the State transmission network, the SLDC shall coordinate scheduling, except for the case as at (a) above.*

   Hence, Petitioner submits that the station falls under the control area of ERLDC. Therefore, Petitioner is not in position to submit the Jharkhand SLDC certified copy of plant availability of each Unit for FY 2016-17. Hence, we request this Hon'ble Commission may kindly considered the plant availability certificate issued by Jharkhand-SLDC annexed at page no.90 of the Tariff petition.

2. **Query:** Actual operational parameters of each Unit for FY 2016-17 i.e., Gross Generation, auxiliary consumption, Net Generation (units sold to JBVNL), Station heat rate, specific oil consumption, transit loss supported with documentary evidence.

   Reply: Based on the requirements of the Hon'ble Commission, the Petitioner hereby provides the data for the units for the FY 2016-17. The Petitioner submits that the same depicts the true state of operation of the units with respect to the PPA with JBVNL. The unit wise actual performance parameter for 2016-17 are provided below:

Parameter	Unit-1	Unit-2
Gross Generation (in MU)	1579.29	1679.32
Auxiliary Consumption (%)	9.05%	9.05%
Net Generation (in MU)	1429.23	1519.76
Station Heat Rate (kCal/kWh)	2387	2387
Specific Oil Consumption (ml/kWh)	1.00	1.00
Transit Loss (%)	1.17	1.17

3. **Query:** Detail/letter/correspondence/approval related to Strategic Debt Restructuring (SDR) process letter dated 22.07.2016. Whether the SDR detail was submitted in MYT petition or during its proceeding. If not, why when the same was finalized on 22.07.2016, well before the finalization of MYT Order for Control Period for FY 2016-17 to FY 2020-21?

   Reply: The Petitioner submits that pursuant to SDR, there has been no change in the rate of interest. As per JSERC (Terms & Conditions for Determination of Generation Tariff) Regulations 2015 (JSERC Tariff Regulations), the Petitioner has to consider the impact of lower rate of interest pursuant to loan restructuring to be passed on consumers. However, this is not the case in the current matter. The implication of SDR is only to the extent of increase in equity base as has been explained in the petition. So far as disclosure of the details, the Petitioner as part of its submission has transparently shared the audited accounts which clearly provide the details of such SDR. The said audited accounts are an integral part of the Petition which may kindly be considered by this Hon'ble Commission.

It is further submitted that the approval of interest expenses are based on normative loan amount which are agnostic to the overall loan amount as per the book of accounts. Accordingly, the said SDR had no impact on the interest rate which is a prime factor for tariff purposes. So far as the impact on equity is concerned, the same has been elaborated in detail in the petition as also in the books of accounts and the Petitioner has requested the Hon'ble Commission to consider the change in the position of the equity with detailed rationale.

4. **Query:** Detail of additional capitalization proposed for FY 2014-15 and FY 2015-16 in its earlier True up petition along with audit accounts of FY 2014-15 & FY 2015-16.

   Reply: The Petitioner hereby submits that the final true up of FY 2014-15 and FY 2015-16 has already been undertaken by the Hon'ble Commission and all such details have already been shared with the Hon'ble Commission.

5. **Query:** Justification for claiming Capital spares for FY 2016-17 and further why the same was not claimed in MYT petition for FY 2016-17 to FY 2020-21.

   Reply: The reason for claiming the capital spares for FY 2016-17 has been already provided with the petition as Annexure 7 and the same is also attached herewith.
   The regulation for claiming the capital spares is reproduced herein below:
   7.46 (JSERC, Terms and Conditions for determination of Generation Tariff Regulation, 2015.

   > *"The Water Charges and capital spares for thermal generating stations shall be allowed separately:*
   > *Provided that water charges shall be allowed based on water consumption depending upon type of plant, type of cooling water system etc., subject to prudence check. The details regarding the same shall be furnished along with the petition"*
   > ***Provided that the generating station shall submit the details of year wise actual capital spares consumed at the time of truing up with appropriate justification for incurring the same (Emphasis Supplied)*** *and substantiating that the same is not funded through compensatory allowance as per Clause 7.47 of the Regulation or special allowance as per Clause 7.10 and 7.11 of the*

Regulation or claimed as a part of additional capitalisation or consumption of stores and spares and renovation and modernization."

As per the regulation, the Petitioner has to submit the detail of actual capital spares consumed at the time of truing up. Hence, the Petitioner could not have claimed the capital spares actually consumed as part of its MYT petition for FY 2016-17 to FY 2020-21.

6. **Query:** Detail of de-capitalized assets claimed in FY 2016-17 along with of date of commissioning of each asset.

   Reply: The detail of de-capitalized asset claimed in FY 2016-17 along with of date of commissioning is shown below.

Asset Description	Capitalized on	Opening Cost (In Rs. Crore)	Retirement (In Rs. Crore)
SUV TATA ARIA PRIDE 2.2L DICOR 140 PS	**15-09-2012**	**0.17**	**0.17**

7. **Query:** Detail excel calculation of GCV and landed price of coal for FY 2016-17 for each Unit.

   Reply: Detail Excel Calculation of GCV and Landed price of coal for FY 2016-17 for each unit is enclosed as Annexure 1.

8. **Query:** Provide clarification on whether transit loss is also included in the landed price of coal.

   Reply: Regulation 8.21 JSERC Tariff Regulation provides as under:

   " Provided that in case of pit head stations if coal or lignite is procured from sources other than the pit head mines which is transported to the station through rail, ***transit loss of 0.8% shall be applicable****"*

   Therefore, APNRL has been considered normative Transit loss on the landed price of coal**.**

9. **Query**: Documentary evidence of revenue of Rs. 179.02 Crore and Rs. 176.58 Crore as claimed by the petitioner for FY 2016-17 for Unit-1 & Unit-2 respectively. The same need to be supported by audited accounts.

   Reply: Complete computation of Revenue of of Rs. 179.02 Crore and Rs. 176.58 Crore has been already provided in Form T1b (Phase I and Phase II) at page no. 135 and 136 of the Petition submitted by Petitioner.

   However, as required by this Hon'ble Commission, the Petitioner hereby enclosed the Auditor's Certificate showing the Revenue as Rs. 355.61 Crore {Rs.179.02 Crore (Unit 1) + Rs.176.58 Crore (Unit 2) generated against supply of Power to JBVNL during FY 2016-17.