



# दक्षिणांचल विद्युत वितरण निगम लि०

(उ०प्र० सरकार का उपक्रम) CIN- U31200UP2003SGC027460 GSTIN: 09AACCD0695D1ZS

उ० प्र० सरकार का उपक्रम

Letter. No. 105 /Dir. (Comm.)/DVVNL/RAU/ARR FY2023-24

Date 23.02.2023

To,

The Secretary,  
Uttar Pradesh Electricity Regulatory Commission  
Vibhuti Khand, Gomti Nagar  
Lucknow- 226010

Sub:- 2<sup>nd</sup> Information Requirement/Discrepancies/Data Gaps in the Petition No. 1948 of 2023 dated 9<sup>th</sup> January, 2023 of True-Up (FY 2021-22), Annual Performance Review (FY 2022-23), Aggregate Revenue Requirement (FY 2023-24).

Ref: UPERC Email dated 13.02.2023


Dear Sir,

This is with reference to your above-mentioned Email directing submission of replies to 2nd Information Requirement/Discrepancies/Data Gaps in the Petition No. 1948 of 2023 dated 09<sup>th</sup> January, 2023 of True-Up (FY 2021-22), Annual Performance Review (FY 2022-23), Aggregate Revenue Requirement (FY 2023-24) of DVVNL.

The Licensee hereby submits the point-wise replies to the queries/information required by the Hon'ble Commission along with all the Annexures, wherever required. As such the same are up-loaded in soft copies.

Enclosure as above. [06 (1+ 5 copies) + 1- CD (soft copies)]


Yours  
Sincerely,

  
Rajeev Sharma  
Director (Comm.)

Letter. No. 105 /Dir. (Comm.)/DVVNL/RAU/ARR FY2023-24

Date 23.02.2023

CC: 1. Managing Director, DVVNL.  
2. CE, RAU, UPPCL.

  
Rajeev Sharma  
Director (Comm.)

**Reply to 2<sup>nd</sup> Information Requirement / Discrepancies / Data Gaps in the  
Petition Nos. 1948- 2023**

**Dated:- February , 2023**

of

**True-Up (FY 2021-22), Annual Performance Review (FY 2022-23), Aggregate Revenue  
Requirement (FY 2023-24)**

of

**DVVNL (1948 of 2023)**

1. The Petitioners to provide justification why there is an abnormal trend in Billing Determinants for FY 2021-22 vis-à-vis FY 2020-21 in the following consumer categories:
- LMV-1 category (Life Line Consumers (both Rural and Urban) (up to 100 kWh/month), Dom: Rural Schedule (unmetered), Dom: Rural Schedule (metered) other than BPL, Dom: Supply at Single Point for Bulk Load)
  - LMV-3: Public Lamp (Unmetered – Gram Panchayat and Metered)
  - LMV-5: Private Tube Wells/ Pumping Sets (PTW: Rural Schedule unmetered and metered)

**Response:**

- LMV-1 category (Life Line Consumers (both Rural and Urban) (up to 100 kWh/month), Dom: Rural Schedule (unmetered), Dom: Rural Schedule (metered) other than BPL, Dom: Supply at Single Point for Bulk Load)

**For Lifeline consumers**

It is submitted that under the Saubhagya Yojna, the Petitioner has added substantial number of Lifeline consumers at LT network. These consumers were small consumers which were qualified under tariff sub-category "Lifeline consumers". These consumers which are flagged under different LMV-1 sub-categories were reclassified during the financial year FY 2021-22 and same was submitted before the Commission along with last submission with detailed justification. The consumers having 1 kW load and consumption upto 100 units are covered in Life line category and any change in this criteria will result in change of sub category / slab of such consumers. This is a dynamic situation which may keep on changing on monthly basis.

It is further submitted that the abnormality observed by the Commission in data for FY 2021-22 viz-a-viz FY 2020-21 under this category is mainly due to dynamic nature of all consumers 1kW load and consumption upto 100 units under lifeline category.

- LMV-3: Public Lamp (Unmetered – Gram Panchayat and Metered)

It is submitted that the abnormal trend under unmetered gram panchayat and metered gram panchayat as observed by the Hon'ble Commission is due to the migration of unmetered connection to metered connection. It is further submitted that the Petitioner has taken various initiatives for the sanitization of street lighting connections under LMV-3 along with local urban bodies. Street light connection points are re-verified and updated in the database. Further, the increase in LMV-3 consumers is being recorded in some discoms due to electrification of new/rural areas.

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- LMV-5: Private Tube Wells/ Pumping Sets (PTW: Rural Schedule unmetered and metered)

It is submitted that as per the directions of the Hon'ble Commission, Discoms prefers to release new LMV-5 connections under metering arrangement. Therefore, some increase in metered LMV-5 consumers is observed.

2. DVVNL to explain, whether the distribution losses claimed for FY 2021-22 are inclusive of distribution losses of distribution franchisee (Torrent Agra). If yes, then why not the energy sold to consumer instead of energy sold to distribution franchisee shall be considered in claimed energy sales for FY 2021-22.

**Response:**

It is submitted that the Licensee has recognized Torrent Agra as Distribution franchise (Bulk Consumer) and the Distribution loss computed by the petitioner is considering Torrent as a bulk consumer. It is further submitted that it is the responsibility of distribution franchises to maintain loss level of franchisee area as per agreement. DVVNL bills energy charges to the Torrent Franchisee as per the terms of agreement. In case the franchisee does not maintain the appropriate loss level in its area, that does not impact the revenue realization of DVVNL. Therefore, it is requested that the Hon'ble Commission may kindly consider Torrent Agra as a bulk consumer in line with its previous methodology.

3. The total investment during the year is not consistent with the Audited Accounts of FY 2021-22. Petitioners shall submit the reconciliation of investment during the year with the Audited Accounts for FY 2021-22.

**Response:**

Tabular comparison of total Investment during FY 2021-22 as claimed in petition and audited accounts is shown below:

Particulars	Amount (In Cr)	Reference
Total Investment in FY22 as claimed	<b>2712.30</b>	Table 2-21 of petition
CWIP additions (Tangible) in B.S.	2716.11	Note-3 of B.S.
CWIP additions (Intangible) in B.S.	2.34	Note-4 of B.S.
Total investment in B.S.	<b>2718.45</b>	

Hence from above table it is evident that there is difference of 6.16Cr in Investment amount claimed in petition and audited Balance Sheet and this difference is due to adjustment of prior period item in CWIP which is also shown at point no.32 of Note No. 1B (Notes on Accounts) as restatement of opening balance of CWIP as on 01.04.2021.

**A- Balance Sheet**

₹ In Lakh

S No.	Particulars	Note	Audited figures as on 31.03.2021	Adjustment	Restated figures as on 31.03.2021	Remarks
I	<b>ASSETS</b>					
1	Non-current assets					
	(a) Property, Plant and Equipment	2	13,28,193.04	-	13,28,193.04	
	(b) Capital work-in-progress	3	1,99,953.25	(616.29)	1,99,336.96	PPE Adjustment

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On considering the effect of above rectification made during the year the value will be completely matched with the audited accounts.

4. KESCO to provide justification why energy sold at 132 kV system (shown in Table 2.4 of Petition: "ACTUAL DISCOM LOSSES IN LT&HT SYSTEM FOR CONTROL PERIOD FY 2021-22") is more than the energy received in such network.

**Response:**

Query does not pertain to DVVNL.

5. The calculation of Interest on Loans (Opening / Closing, Interest paid and Interest Rate) as submitted in Form F31 along with the Petition is not matching with the details given in Note 12 (for DVVNL, MVVNL, PVVNL and PuVVNL) and Note 13 (for KESCO) of the Audited Accounts for FY 2021-22. The Petitioners shall submit the reconciliation of the Interest Rate claimed and Interest Rate derived from the Audited Accounts along with the basis for such claim.

**Response:**

It is submitted that in audited accounts of licensee, Current Maturity is part of term loan and reconciliation of calculation of Interest on Loan (Loan Opening / Closing, Interest paid and Interest Rate) as submitted in Form F31 with the Audited Accounts for FY 2021-22 is given below:

Long-Term Loan		Current Maturity of Long Term Borrowings		Total Long-Term Loan		Average Loan	Total Interest Paid	Interest Rate Derived
Opening	Closing	Opening	Closing	Opening	Closing			
19696.47	18749.33	2045.961	2753.465	21742.43	21502.795	21622.613	2068.023	9.56%

Long-Term Loan		UPSIDC		HDFC		Loan from State Govt. for		Total Term Loan		Average Loan	Total Interest Paid	Rate
Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing			
21591.522	21370.75	0.0054	0.0054	0.0007	0.0007	150.9	132.04	21742.43	21502.795	21622.613	2067.7	9.56%

From the Table 1 above, the interest value paid Rs 2068.023 Cr is inclusive of Rs 0.3194 Cr finance charges paid by UPPCL on behalf of DVVNL. The same has been booked under the head Interest on Secured Loans (REC) in the Balance Sheet. The Petitioner has excluded this amount while claiming the interest paid in FY 2021-22. The reconciliation is captured under Table -2 above.

The Hon'ble Commission is requested to kindly consider revised form F-31 enclosed as Annexure-I.

6. Petitioners to provide justification why depreciation / amortization on the assets created from consumer contribution / grant / subsidy is less than the past year amount given in the Audited Accounts of FY 2020-21 despite increase in the assets base created from contribution / grant / subsidy.

**Response:**

As per Note-24 of balance sheet of DVVNL for FY 2021-22:

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Amortization Expenses (in Cr.)		
Items	FY 2021-22	FY 2020-21
Consumer Contribution towards capital assets	92.6838	83.0032
Subsidy towards capital assets	58.2137	77.6140
<b>Total Amortization</b>	<b>150.90</b>	<b>160.62</b>

From above table it is evident that amortisation on assets created from subsidy is lesser in FY22 as compared to last FY21. Justification on this reduction is given below para:

OTHER EQUITY		NOTE-13	
		(₹ in Lakh)	
PARTICULARS	As on 31.03.2022	As on 31.03.2021	
<b>A. SHARE APPLICATION MONEY</b>			
Pending for allotment to UPPCL	99303.79	68319.40	
<b>Sub Total (A)</b>	<b>99303.79</b>	<b>68319.40</b>	
<b>B. CAPITAL RESERVE</b>			
<b>i) Consumers Contribution towards Service Line and Other Charges</b>			
Opening Balance	220154.87	210875.77	
Add: Received during the year	9019.25	17579.42	
Less: Amortized during the year	8268.08	8300.32	
Closing Balance	219905.74	220154.87	
<b>ii) Subsidy towards Cost of Capital Assets</b>			
Opening Balance	162232.19	1037347.08	
Add: Received during the year	4460.72	(59015.73)	
Less: UDAY Grant Transferred to Surplus	0.00	808337.76	
Less: Amortized during the year	5821.37	7761.40	
Closing Balance	160871.54	162232.19	
<b>Sub Total (B)</b>	<b>380777.28</b>	<b>382387.06</b>	

From above screenshot of Note-13, it can be observed that in FY21 around Rs 8083.4 Cr of UDAY grants were transferred to Surplus on behalf of UP Govt. G.O. for conversion of UDAY grant as repayment of Govt. department dues. As a result, opening balance of Subsidy towards cost of Capital Assets in FY22 is reduced to 1622.32Cr and hence amortization on assets created from subsidy is reduced from last year.

7. It is observed in Audited Accounts that PVVNL has purchased additional power of Rs 0.44 Crore from Uttar Haryana Bijli Vitran Nigam Limited and PuVVNL has purchased power of Rs. 7.95 Crore from generators. Petitioners to provide justification whether power purchased from such sources has been approved by the Commission.

**Response:**

This query does not pertain to DVVNL.

8. Numbers of smart meters installed by the Petitioners till March 2022 is not consistent with the total number of smart meters installed till March 2021 (submitted by the Petitioners in last ARR/ Tariff filing). Reason for deviation in total number of smart meters installed till March 2022 vis-à-vis March 2021 shall be provided.

**Response:**

It is submitted that the smart meter installed ending Mar-22 is as under: -

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