

Petition No. of 2023

# Trueup Tariff Petition for FY 2022-23.

U/s 62 & 64 of The Electricity Act 2003



MP POWER GENERATING COMPANY LIMITED



## **TABLE OF CONTENTS**

S.No.	PARTICULARS		Page No.
I	TRUE UP TARIFF PETITION FOR FY 2022-23		3 - 10
II	PRAYER		11
III	AFFIDAVIT		12 - 13
IV	AUTHORIZATION		14
V	SUB INDEX OF TRUE UP TARIFF PROPOSAL		
	1	CAPACITY	15 - 27
	2	PERFORMANCE PARAMETERS& OPERATING NORMS	28 - 32
	3	ENERGY CHARGES (VARIABLE CHARGES)	33
	4	CAPCITY (FIXED) CHARGES:-	
	4.1	O & M EXPENSES	34 - 38
	4.2	OTHER CHARGES	39 - 45
	4.3	ADDITIONAL CAPITALIZATION /DECAPITALIZTION& FUNDING THEREOF	46 - 61
	4.4	ASSETS &DEPRECIATION	62 - 73
	4.5	INTEREST & FINANCE CHARGES	74 - 81
	4.6	INTEREST ON WORKING CAPITAL	82 - 85
	4.7	RETURN ON EQUITY	86 - 93
	4.8	NON TARIFF INCOME	94 - 95
	4.9	ASH TRANSPORTATION EXPENSES	96 - 98
	5	REQUIREMENT FOR TRUE UP FY 2022-23	99 - 102
VI	FORMS - INDEX		103 onwards



**BEFORE THE M.P. ELECTRICITY REGULATORY COMMISSION  
BHOPAL**

Petition No. of 2023

**IN THE MATTER OF**

**True-up of Generation Tariff of Power Stations of MPPGCL for FY 2022-23  
determined by MP Electricity Regulatory Commission vide Multi Year  
Tariff order dated 19.05.2021 read with corrigendum dated 09.09.2021.**

**M.P. Power Generating Company Ltd, Jabalpur. : Petitioner**

**Vs**

- |  |   |                      |
|--|---|----------------------|
| <ol style="list-style-type: none"><li>1. M.P. Power Management Company Ltd., Jabalpur.</li><li>2. M.P. Power Transmission Co. Ltd., Jabalpur.</li><li>3. Rajasthan Rajya Vidyut Prasaran Nigam Ltd., Jaipur.</li><li>4. Uttar Pradesh Power Corporation Ltd., Lucknow.</li><li>5. MSEB (Holding Co) &amp; Maharashtra State Transmission Co. Ltd, Mumbai</li></ol> | } | <b>: Respondents</b> |
|--|---|----------------------|

The above named petitioner M.P. Power Generating Company Ltd. respectfully submits as under:-

1. The petitioner is a wholly owned company of Government of M.P. engaged in generation of electricity in the State of Madhya Pradesh. It is a successor entity of erstwhile Madhya Pradesh State Electricity Board (MPSEB).
2. The Company has been incorporated as part of implementation of the power sector reform in M.P. initiated by the Government of MP. The Company has taken over the generation activities of MPSEB. The company while operating and maintaining its existing Units is also constructing new power plants for increase in generating capacity in the State of Madhya Pradesh. The Company is registered under Companies Act 1956 and was incorporated on 22.11.2001. Its registered office is at Shakti Bhawan, Rampur, Jabalpur.



3. The activities of Generation, Transmission and Distribution have been looked after earlier in the State of M.P. by the integrated utility i.e. MPSEB constituted under Section 5 of Electricity (Supply) Act 1948. The Government of MP enacted M.P. VidyutSudharAdhiniyam 2000 and in the spirit of said Act, the unbundling process of the MPSEB was initiated by registering the following five Companies:-
  - (i) Madhya Pradesh Power Generating Co. Ltd., Jabalpur (MPPGCL) (GENCO).
  - (ii). Madhya Pradesh Power Transmission Co. Ltd., Jabalpur (MPPTCL) (TRANSCO).
  - (iii). Madhya Pradesh PoorvaKshetraVidyutVitaran Company Ltd. Jabalpur (MPPKVVCL) (EAST DISCOM).
  - (iv). Madhya Pradesh Madhya Kshetra Vidyut Vitaran Company Ltd. Bhopal. (MPMKVVCL) (CENTRAL DISCOM).
  - (v). Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Ltd. Indore (MPPKVVCL) (WEST DISCOM).
4. The above mentioned five companies, which were registered in November 2001 entered into Operation & Management Agreement with erstwhile MPSEB. They worked as agent of MPSEB from July 2002 to May 2005. The companies started independent functioning w.e.f. 01.06.2005 under Cash flow mechanism as per order dated 31.5.2005 of State Government.
5. A Sixth Company, namely the MP Power Trading Company Ltd. Was incorporated as per the State Government Notification dated 03.06.2006 specifying functions of TRADECO for purchase of electricity in bulk from Generating Companies / Traders, from within & outside the State and supply electricity in bulk to the Electricity Distribution Companies in the State of Madhya Pradesh.
6. GoMP vide letter No. 6074/13/12/02 dated 29.03.12 has changed the name of MP Power Trading Company Ltd. to MP Power Management Company Ltd. It has been made the holding company for all the DISCOMS of MP. Further, GoMP vide its notification dated 26.04.2012 has



- merged M.P. State Electricity Board with MP Power Management Company Ltd.(MPPMCL).
7. MPPMCL and the three DISCOMS of MP have entered into a management and corporate functions agreement on 05.06.2012, whereby the three DISCOMS have engaged MPPMCL to represent them in all the proceedings relating to power procurement and tariff petitions filed or to be defended before CERC, MPERC and other regulatory authorities, Appellate Tribunals, High Courts, Supreme Court and CEA etc.. Therefore, three DISCOMS have not been made as respondents, separately.
  8. Rajasthan Rajya Vidyut Prasaran Nigam Ltd.(RRVPL), Jaipur, (hereinafter referred as Respondent No. 3) has 50% share in Gandhi Sagar Hydro Power Station operated by MPPGCL. At the same time, MPPGCL has 50% share in the Ranapratap Sagar Hydro Power Station and Jawahar Sagar Hydro Power Station operated by the Respondent No. 3. Similarly, Uttar Pradesh Power Corporation Ltd (UPPCL), Lucknow (hereinafter referred as Respondent No. 4) has 40.32% share in Rajghat Hydro Power Station and MSEB (Holding Co) & Maharashtra State Transmission Co. Ltd, Mumbai (hereinafter referred as Respondent No. 5) has 33.3% share in Pench Hydro Power Station operated by MPPGCL.
  9. GoMP vide its notification dated 03.06.2006 has provided that MP Tradeco, now MP Power Management Company Ltd. (MPPMCL), shall purchase entire power from the Genco (MPPGCL) at the tariff to be determined by MPERC.
  10. MPPGCL entered into Power Purchase Agreements (PPAs) with MP Tradeco (now MPPMCL) on 29.11.2006 for existing power stations and on 04.01.2011 for new Thermal Power Stations. Further, the first amendment to the Power Purchase Agreement (PPA) dated 29.11.2006 towards Purchase of Power from then existing and ongoing Thermal and Hydel Units of M. P. Power Generating Company Limited, has been signed on 18.07.2017 at Jabalpur. This First Amendment in Agreement provides term period till retirement/ decommissioning of all Thermal



and Hydel Power Stations of MPPGCL listed in the agreement. The PPAs for new power stations have also been amended from time to time. These PPAs provides that the tariff payable by Tradeco to Genco and terms & conditions related thereto shall be as determined by the State Commission. MPPGCL has accordingly been raising the bills of energy sold to Tradeco since 1.6.2005 as per the tariff determined by Hon'ble Commission from time to time.

11. Hon'ble Commission notified, MPERC (Terms & Conditions for determination of Generation Tariff) Regulations, 2020{RG-26 (IV) of 2020} on 28.02.2020. This regulation was based on multiyear tariff principles and incorporated norms of operation for control period FY 2019-20 to FY 2023-24.
12. In the instant True up petition, MPPGCL has proposed true up for FY 2022-23 in respect of existing/new stations whose tariff was determined by Hon'ble Commission vide Multi Year Tariff order dated 19.05.2021 for the control period FY 2019-20 to FY 2023-24 read with corrigendum to aforesaid MYT order vide order dated 09.09.2021.
13. Accordingly, MPPGCL has prepared the Books of Accounts for FY 2022-23 and got the same audited by the Statutory Auditor M/s J.S. Oberoi & Co., Chhindwara, Chartered Accountants. The Audit Officers from O/o Dy. Accountant General (ES-III), Bhopal, has conducted Supplementary Audit of Annual Statement of Accounts of MPPGCL for FY 2022-23. The Final Comments Certificate from AG Audit to MPPGCL is awaited.

MPPGCL, therefore humbly request Hon'ble Commission to kindly permit to add/ change/modify/ alter this filing and make further submissions as may be required at later stages.

14. MPPGCL is submitting the True up petition for FY 2022-23 based on the Audited Annual Statements of Accounts for FY 2022-23 under section 62 & 64 of the Electricity Act 2003 read with proviso-9 of MPERC Generation Tariff Regulation, 2020.
15. The Annual Statement of Accounts for FY 2022-23 has been prepared on the basis of Indian Accounting Standards (IndAS) prescribed under



Section 133 of the Companies Act read with the rule 3 of Companies (Indian Accounting Standard) Rules, 2015 and Companies (Indian Accounting Standard) amendment Rules, 2016.

**16.** The Petitioner has adopted following approach for True-up of Generation Tariff for FY 2022-23: -

- a) The Energy Charges (Variable Charges) has been billed in accordance with proviso 18, 19 & 43 of MPERC (Terms & Condition for determination of Generation Tariff) (Revision-IV) Regulation, 2020. Therefore, no truing up of Energy Charges has been considered in this petition.
- b) Other Charges comprising of MPERC Fees, Water Charges, Rent, Rates & taxes, Cost of Chemical & Consumable, Publication Expenses and EL Encashment have been claimed on actuals based on Audited Books of Accounts for FY 2022-23.
- c) The expense shown in Audited Annual Statements of Accounts for FY 2022-23 pertains to MPPGCL's share. The expenses, as extracted from Audited Annual Statements of Accounts for FY 2022-23 for the shared portion have been factored to represent 100% capacity operated by MPPGCL to match with MPERC's Multi Year Tariff Order dated 19.05.2021.
- d) The expenses of Rana Pratap Sagar and Jawahar Sagar indicated in the Annual Statements of Accounts for FY 2022-23 of MPPGCL have not been considered in this True up Petition since Hon'ble Commission has not considered these projects in Tariff order, being operated by Rajasthan authorities.
- e) At present, expenditure towards Pension & Terminal benefits of all the Companies i.e. unbundled entities of MPSEB are being allowed in the MYT/ True up of Transmission Licensee i.e. MPPTCL on 'pay as you go' principle, subject to true-up in each year on availability of actual figures. Accordingly, MPPGCL has not claimed these expenses in this True-up tariff petition.





- f) Hon'ble Commission vide Second amendment to MPERC (Terms and Conditions for determination of Generation Tariff) (Second Amendment) Regulations, 2020 {ARG-26 (IV)(ii) of 2023} dated 21.02.2023 at Para 27 has issued Amendment to Regulation 65 of the principal Regulations, wherein Expenses towards Fly Ash Utilization and transportation shall be payable in accordance to the directives issued by Government of India, Ministry of Environment, Forest and Climate Change vide Notification No. S.O. 5481 (E) dated 31.12.2021 and subsequent amendment issued from time to time.

Accordingly, the details of expenditure incurred on Transportation of Fly Ash as captured in Note 31.1 Serial No.8 of Audited Financial Statements of FY 2022-23 amounts to Rs. 11.56 Crores. MPPGCL humbly request Hon'ble Commission to kindly permit the same.

17. The difference between element wise Annual Capacity (Fixed) Charges approved by the Hon'ble Commission for FY 2022-23 in its MYT order dated 19.05.2021 read with corrigendum dated 09.09.2021 vis-à-vis the true up requirement after applying Actual Availability on fixed cost elements of Thermal power stations and actual Availability applicable on Capacity charges for Hydro Power Stations based on 100% capacity of the plants operated by MPPGCL and detailed in subsequent chapters of instant petition, works out as under:-

**True Up Requirement for FY 2022-23**

*Amount in Rs. Crores*

Particulars	Elements	Annual Fixed Cost FY 2022-23		
		As per MPERC Orders	On actual Availability	Diff.
<b>Fixed Cost Elements</b>	O & M Expenses	1580.28	1135.14	-445.14
	Special Allowance	78.85	0.00	-78.85
	Interest on Loan+ Excess Equity	931.39	749.89	-181.50
	Interest on Working Capital	413.75	275.73	-138.02
	Depreciation	1040.98	833.35	-207.63
	Return on Equity	816.42	692.35	-124.07
<b>Less Non Tariff Income</b>		0.00	34.07	-34.07
<b>Total</b>		<b>4861.68</b>	<b>3652.39</b>	<b>-1209.29</b>





**MPPGCL - True-up Tariff Petition for FY 2022-23**

The Power station wise break up of true up amount for FY 2022-23 after applying actual Availability on fixed cost elements of thermal power stations and actual Availability on capacity charges for Hydro Power Stations is worked out as under:-

*in Rs. Crores*

S.No.	Station	As per MYT Order	As considered by MPPGCL on actual Availability	Diff.
1	ATPS PH-3	164.21	158.02	-6.19
2	STPS PH-2&3	424.78	-7.60	-432.38
3	STPS PH-4	615.42	610.07	-5.35
4	SGTPS PH-1&2	463.82	401.79	-62.02
5	SGTPS PH-3	311.19	306.28	-4.91
6	SSTPP PH-1	1277.12	1032.32	-244.80
7	SSTPP PH-2	1340.21	942.67	-397.53
<b>8</b>	<b>Thermal</b>	<b>4596.75</b>	<b>3443.56</b>	<b>-1153.19</b>
9	Gandhi Sagar	15.71	12.01	-3.70
10	Pench	27.75	27.11	-0.64
11	Rajghat	15.09	12.60	-2.49
12	Bargi	17.99	18.58	0.59
13	Bansagar PH-1,2&3	153.65	101.22	-52.43
14	Bansagar PH-4	9.55	10.94	1.40
15	Birsinghpur	6.15	4.47	-1.68
16	Madhikheda	19.05	21.90	2.86
<b>17</b>	<b>Hydro</b>	<b>264.93</b>	<b>208.82</b>	<b>-56.10</b>
<b>Total</b>		<b>4861.68</b>	<b>3652.39</b>	<b>-1209.29</b>

18. Apart from above, Other Charges comprising of MPERC Fees, Water Charges, Rent, Rates & taxes, Cost of Chemical & Consumable, Publication Expenses and EL Encashment have been claimed on actuals based on Audited Books of Accounts for FY 2022-23 on 100% basis as detailed in Chapter 4.2 -Other Charges, are as under: -

*in Rs. Crores*

S. No.	Particulars	Amount
1	Rent, Rates & Taxes	1.16
2	Water Charges	164.85
3	Cost of Chemicals & Consumables	18.08
4	MPERC Fee + Publication Exp.	1.49
5	EL Encashment	23.25
<b>Total</b>		<b>208.84</b>



The Power station wise break up of Other Charges is as under:-

*in Rs. Crores*

S.No.	Power Station	Amount
1	ATPS PH-3	9.23
2	STPS PH-2&3	3.77
3	STPS PH-4	16.23
4	SGTPS PH-1&2	19.54
5	SGTPS PH-3	11.63
6	SSTPP PH-1	39.26
7	SSTPP PH-2	35.82
8	<b>Total Thermal</b>	<b>135.47</b>
9	Gandhi Sagar HPS	18.82
10	Pench HPS	0.70
11	Rajghat HPS	0.57
12	Bargi HPS	19.72
13	Bansagar PH-1,2&3 HPS	20.82
14	Bansagar PH-4	1.03
15	Birsinghpur HPS	1.06
16	Madhikheda HPS	10.65
17	<b>Total Hydro</b>	<b>73.37</b>
<b>Total</b>		<b>208.84</b>

19. Details of each of the elements covered in Para 17 & 18 have been elaborated in respective Chapters enclosed in this petition.




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**PRAYER**

In view of the above, the petitioner respectfully prays that Hon'ble Commission may kindly:-

- (a) Approve Annual Capacity (Fixed) Charges and Other charges for FY 2022-23 and permit recovery of True up amount as per Para 17 & 18 in six equal monthly installments.
- (b) Allow additional capitalization as per audited Annual Statements of Accounts for 2022-23 and accordingly permit additional Depreciation, RoE and Interest on Normative Loan/excess equity.
- (c) Allow Other Charges comprising of MPERC Fees, Water Charges, Rent, Rates & taxes, Cost of Chemical & Consumable, Publication Expenses and EL Encashment on actual based on Audited Books of Accounts for FY 2022-23.
- (d) Allow additional expenses incurred towards Transportation of Ash amounting to Rs. 11.56 Crores.
- (e) In accordance with proviso 9.10 of Regulations, 2020, allow interest on differential true-up amount, if any.
- (f) On receipt of Final comment certificate from AG Audit, MPPGCL may kindly be permitted to revise the figures submitted in the instant petition at a later stage.
- (g) Condone any inadvertent omissions/ errors/ short comings and permit the applicant to add/ change/modify/ alter this filing and make further submissions as may be required at later stages.
- (h) Condone delay if any in filing the petition.
- (i) Pass such orders as Hon'ble MPERC may deem fit and proper and necessary in the facts and circumstances of the case, to grant relief to petitioner.

Date: 30/11/2023  
Place: Jabalpur

  
(Salil Choudhary)  
Superintending Engineer (CS)  
Officer-in-Charge  
For and on behalf of  
MP Power Generating Co. Ltd  
Jabalpur.



**BEFORE THE HON'BLE MADHYA PRADESH ELECTRICITY  
REGULATORY COMMISSION, BHOPAL**

Filing No.  
Petition No. of 2023

**IN THE MATTER OF**

Trueup of Generation Tariff of Power Stations of MPPGCL for  
FY 2022-23 determined by Hon'ble MPERC vide Multi Year Tariff  
Order dated 19.05.2021 read with corrigendum dated  
09.09.2021.

**AND**

**IN THE MATTER OF**

Madhya Pradesh Power Generating Company Limited,  
Shakti Bhawan,  
Rampur, Jabalpur.

**AFFIDAVIT**

I, Salil Choudhary, S/o Late Shri B.L. Choudhary, aged about 56 years,  
Superintending Engineer, O/o Chief Engineer (Corporate Services), M.P. Power  
Generating Company Limited at Jabalpur (M.P.) do solemnly affirm and say as  
follows :-

- I. That I am working as Superintending Engineer, O/o Chief Engineer  
(Corporate Services), MPPGCL, Block No. 9, Shakti Bhawan,  
Rampur, Jabalpur and I am duly authorized by the MPPGCL to  
make this affidavit on its behalf.

The statement made in paragraphs (1) to (19) of the petition  
herein shown to me are true to the best of my knowledge and the  
statement made are based on available information and I believe  
them to be true.

**30 NOV 2023**

**ANAND MOHAN CHOUDHARY**  
**NOTARY**  
**JABALPUR DISTRICT\***  
**M. P. INDIA**

*Salil Choudhary*





III. Solemnly affirm at Jabalpur on this 30<sup>th</sup> November 2023 that the contents of the above Affidavit are based on available documents and true to the best of my knowledge, no part of it is false and no material has been concealed there from.

ATTESTED   
DEPONENT

**VERIFICATION**

I, Salil Choudhary, the above named deponent do hereby verify that the contents of para I to III of this affidavit are true to the best of my personal knowledge. Signed and verified by me at Jabalpur on 30<sup>th</sup> November 2023.

ATTESTED   
DEPONENT



30 NOV 2023

ANAND MOHAN CHOUDHARY  
NOTARY  
JABALPUR DISTRICT  
M.P. INDIA



*MPPGCL - True-up Tariff Petition for FY 2022-23*



**MP POWER GENERATING COMPANY LTD**

**O/o EXECUTIVE DIRECTOR (HR&A)**

**Block No.9, First Floor, Shakti Bhavan, Rampur**

**CIN:U40109MP2001SGC014882**

**Jabalpur-482008**

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Email : [mppgcl@mp.nic.in](mailto:mppgcl@mp.nic.in)


No. E.D.(HR&A)/MPPGCL/LS/ M-11/4658 Jabalpur Date:

30 NOV 2023

**ORDER**

The Madhya Pradesh Power Generating Company Limited (MPPGCL), Jabalpur is pleased to authorize Shri Salil Choudhary, Superintending Engineer (Corporate Services), MPPGCL, Jabalpur to act as Officer-In-Charge on behalf of M.P. Power Generating Company Limited, Jabalpur to execute and authenticate by his signature, all paper and documents to be filed and represent the petition for Trueup of Generation Tariff of Power Stations of MPPGCL for FY 2022-23 before Madhya Pradesh Electricity Regulatory Commission, Bhopal.

**BY ORDER**

  
Chief Engineer (HR&A)  
MPPGCL: JABALPUR.



## 1 Capacity

### 1.1 Installed Capacity of Generating Stations of MPPGCL (Existing)

The installed capacity (MPPGCL share) as on 01.04.2022 is 6321.5 MW (including its share in bilateral interstate projects), consisting of 5400 MW Thermal and 921.5 MW Hydro power. The plant wise details are as under:

**Table 1.1 Details of Power Plants as on 01.04.2022**

Power Station				Installed Capacity (MW)			
				Total		MPPGCL Share	
Thermal Power Stations	1	Amarkantak Thermal Power Station (Chachai)	PH 3	1 x 210 =	210	100%	210
			Complex		210	100%	210
	2	Satpura Thermal Power Station (Sarni)	PH 2	200 + 210 =	410	100%	410
			PH 3	2 x 210 =	420	100%	420
			PH 4	2x250=	500	100%	500
			Complex		1330	100%	1330
	3	Sanjay Gandhi Thermal Power Station (Birsinghpur)	PH 1	2 x 210 =	420	100%	420
			PH 2	2 x 210 =	420	100%	420
			PH 3	1 x 500 =	500	100%	500
			Complex		1340	100%	1340
	4	Sri Singaji Thermal Power Station (Khandwa)	PH 1	2 x 600=	1200	100%	1200
			PH 2	2 x 660=	1320	100%	1320
			Complex		2520	100%	2520
	5	Total Thermal			5400	100%	5400
Hydro Power Stations	1	Chambal HPS	Gandhi Sagar	5 x 23 =	115	50%	57.5
			R.P. Sagar	4 x 43 =	172	50%	86
			Jawahar Sagar	3 x 33 =	99	50%	49.5
			Complex		386	50%	193
	2	Pench Totladoh HPS		2 x 80 =	160	66.67%	106.7
	3	Bansagar HPS	Tons	3 x 105 =	315	100%	315
			Silpara	2 x 15 =	30	100%	30
			Devlond	3 x 20 =	60	100%	60
			Jhinna (SHP)	2 x 10=	20	100%	20
			Complex		425	100%	425
	4	Birsinghpur HPS		1 x 20 =	20	100%	20
	5	Bargi HPS		2 x 45 =	90	100%	90
	6	Rajghat HPS		3 x 15 =	45	59.68%	26.9
	7	Madhikheda HPS		3 x 20=	60	100%	60
8	Total Hydro			1186		921.5	
Total					6586		6321.5





## 1.2 Generation Capacity Operated by MPPGCL

As on 01.04.2022, MPPGCL is operating 6315 MW, consisting of 5400 MW thermal and 915.0 MW Hydro power. Out of this 128.9 MW capacity belong to other States. The plant wise details are as under:-

**Table 1.2.1 Generation Capacity Operated by MPPGCL**

Station	Installed Capacity	MP Share	Other State's Share		
			MW	%	State's Name
ATPS Chachai	210	210	0		
STPS Sarni PH 2,3&4	1330	1330	0		
SGTPS Birsinghpur	1340	1340	0		
SSTPP Khandwa	2520	2520	0		
<b>Total Thermal</b>	<b>5400</b>	<b>5400</b>	<b>0</b>		
Gandhi Sagar	115	57.5	57.5	50.00%	Rajasthan
Pench	160	106.7	53.3	33.31%	Maharashtra
Bansagar Complex	425	425	0		
Birsinghpur	20	20	0		
Madhikheda	60	60	0		
Bargi	90	90	0		
Rajghat	45	26.9	18.1	40.32%	Uttar Pradesh
<b>Total Hydro</b>	<b>915</b>	<b>786.1</b>	<b>128.9</b>		
<b>Total Capacity</b>	<b>6315</b>	<b>6186.1</b>	<b>128.9</b>		

## 1.3 Share of MPPGCL in Generation Capacity installed in other States

Similarly, MPPGCL also has a share of 135.5 MW in hydro generation capacity installed in neighboring State of Rajasthan as under:-

**Table 1.3.1 Generation Capacity installed in other States MW**

Station	Installed Capacity	MPPGCL Share		Other State's Name
		MW	%	
Rana Pratap Sagar	172.0	86.0	50.00%	Rajasthan
Jawahar Sagar	99.0	49.5	50.00%	Rajasthan
<b>Total</b>	<b>271.0</b>	<b>135.5</b>		

## 1.4 Annual Statement of Accounts

The Annual Statement of Accounts of MPPGCL for the FY 2022-23 is prepared for the portion actually owned by MPPGCL and not for the capacity operated by MPPGCL. Therefore, the expenses as extracted from



the Annual Statement of Accounts of MPPGCL for the shared portion have been factored to represent 100% capacity operated by MPPGCL to match with Multi Year Tariff order dated 19.05.2021 for the control period FY 2019-20 to FY 2023-24 read with corrigendum to aforesaid MYT order vide order dated 09.09.2021.

The Audit Officers from O/o Dy. Accountant General (ES-III), Bhopal, has completed Supplementary Audit of Annual Statement of Accounts of MPPGCL for FY 2022-23. The Final Comments Certificate from AG Audit to MPPGCL is still awaited.

MPPGCL, therefore humbly request Hon'ble Commission to kindly permit to add/ change/modify/ alter this filing and make further submissions as may be required at later stages.

The Annual Statement of Accounts for the FY 2022-23 has been prepared on the basis of Indian Accounting Standards (IndAS) prescribed under Section 133 of the Companies Act read with the rule 3 of Companies (Indian Accounting Standard) Rules, 2015 and Companies (Indian Accounting Standard) amendment Rules, 2016. The copy of Audited Annual Statement of accounts for FY 2022-23 shall be submitted separately, after receipt of Final comment Certificated from AG Audit.

### **1.5.1 On-going Projects:-**

#### **(a) 1x660 MW ATPS, Chachai, Distt. Anuppur (M.P.)**

Based on the recommendation of Committee constituted for the assessment of Long term power demand in M.P., the Energy Department, GoMP vide letter No. F-3-137/2010/13 (Vol-2) dated 08.08.2018 has conveyed the decision of GoMP that Thermal Power Projects of 1320MW capacity is to be installed by MPPGCL. The BoD of MPPGCL in its 99<sup>th</sup> meeting held on 23.01.2019 has approved DPR for installation of 1X660 MW Unit at ATPS Chachai with the estimated project cost of Rs. 4665.87 Crores with provision of Air Cooled Condenser system (ACC).



The GoMP's Administrative approval for installation of unit; through JVC between MPPGCL & SECL was accorded on 11.04.2023, with an estimated project cost of Rs.4665.87 Cr (Base Jan'19)); having Debt to Equity ratio of 70:30, with equal equity contribution of JV partners. MoU was signed between MPPGCL & SECL on 17.06.2022. Draft JV agreement finalized in consultation with SECL/CIL, was approved in MPPGCL's & SECL/CIL's Boards, followed by GoMP's approval on 13.07.2023. JVA shall be signed shortly. MoEF&CC, GoI, New Delhi accorded the Environmental Clearance for the project, on 01.05.2023 with ACC.

Coal India Ltd granted Coal linkage from SECL mines. SECL issued LoA towards allocated coal of 2.542 MT, on 12.05.2023, followed by amended LoA with enhanced Coal quantity to 2.824 MTPA on 03.08.2023. Water allocation for the project has been obtained from WRD, GoMP on dtd. 07.03.2020 considering Air Cooled Condenser (ACC). After confirming the adequacy of water in the Sone river for installation of unit with Water Cooled Condenser (WCC), water allocation from WRD got revised to 17.34 MCM in Mar'23. Upon submission of allocation charges, Contract Agreement was signed with WRD on 08.06.2023.

Project Consultancy order for the Unit was placed on M/s NTPC on 17.04.2023. Project Consultant M/s NTPC have estimated the project cost of Rs. 7254.13 Cr based on present level; which was approved by BoD of MPPGCL in its meeting dtd. 29.09.2023. The preparation of tender documents for selection of EPC vendor is in advance stage at NTPC's end. Tentative commissioning date for the proposed unit is in FY 2027-28.

**(b) 1x660 MW STPS, Sarni, Distt. Betul, (MP)**

Energy Deptt., GoMP vide letter dtd 30.12.2022 informed that GoMP's Administrative approval earlier accorded in July-2012



prevails for installation of 1X660 MW unit at Satpura TPS-Sarni. As per Administrative approval accorded in July-2012; the Project Cost was ₹ 4563.55 Cr with DE ratio as 80:15:05 (i.e. Debt: Equity of GoMP: MPPGCL own sources); which has now been revised to the tune of Rs. 7325.25 Crores as estimated by our consultant M/s NTPC and considered by BoD of MPPGCL in its meeting dtd. 29.09.2023. The ToR has been accorded by Ministry of Environment, Forest and Climate Change (MoEF&CC) on 20.12.2019. Final EIA report has been submitted to MoEF&CC, GoI on 15.12.2022. Expert Appraisal Committee (EAC) of MoEF&CC in its 45<sup>th</sup> meeting held on 16.08.2023; has recommended the proposal for Grant of Environmental Clearance (EC) for the project. EC is awaited.

Coal India Limited in its 34<sup>th</sup> CLOA meeting held on 20.12.2019 has recommended Coal linkage from NCL & SECL coal mines. LoA has been issued by SECL to supply 1.412 MTPA coal of G-11 Grade (Representative) and by NCL to supply 1.224 MTPA coal of G-9 Grade (Representative). Water allocation for the project has been obtained from WRD, GoMP on 07.03.2020. Land is already available with MPPGCL.

M.P. Power Management Co. Ltd. in Feb'23 accorded In-Principle consent for purchase of 100% Power from the proposed unit. Addendum in existing PPA is to be executed, for which process is under way. Tender specification for EPC contract is under preparation with NTPC which is expected to be finalized in Nov'23. Loan tie-up with M/s PFC & M/s REC is under way. Commissioning of the unit is proposed in FY 2027-28.

**(c) ERP Project(e-GENCO)**

The estimate for project e-GENCO of MPPGCL has been revised with project cost as Rs. 203 Crores. The scope of work and status



under project e-GENCO comprises implementation of following components: -

**1. Data Centre: -**

**Scope of Work:-**In the Data Centre the Hardware and Software for various components of project e-GENCO shall be installed & commissioned for the purpose of collecting, storing, processing, distributing or allow access to large amount of data of different locations of MPPGCL.

**Status:-**MoU is signed in October 2016 between MPPGCL and MPSEDC, GoMP Bhopal. Required Hardware & Software related to ERP Solution and LAN Solution has been deployed in MPSEDC, Bhopal. Commissioning of the system is almost in final stage.

**2. WAN Connectivity:-**

**Scope of Work:-**Given the diverse and remote geographic locations of MPPGCL's Thermal and Hydro plants need to be connected through WAN for successful implementation of Project e-Genco.

a. **Primary WAN:-** It is an Optical Fiber based connectivity for connecting various LANs and Data Centre location at MPSEDC Bhopal.

b. **Secondary WAN:-** It will act as an backup to Primary WAN incase of failure.

**Status:-**For connectivity under primary WAN, contract awarded to BSNL. Site wise deployment has been completed. Commissioning of the system is in final stage and same is expected to be completed soon.

**3. LAN Connectivity:**

**Scope of Work:** - It shall be in house IT infrastructure connectivity at Power Stations & HQ.



**Status:** - Contract Agreement with M/s Takyon was signed on 28.04.2022. Implementation work is underway.

#### **4. Generation Control Centre Solution (GCCS):**

**Scope of Work:-** For real time performance monitoring of Thermal and Hydro Power Stations of MPPGCL, optimizing the cost of generation and to increase the revenue and profit of MPPGCL a client server based on line Generation Control Centre (GCC) solution will be implemented.

**Status:-** Tender has been refloated in Aug 2022. Two bids have been received. Tender was opened on 11<sup>th</sup> May 2023. After evaluation only one bid remained qualified. Techno-Commercial offer of the remaining qualified bidder was opened on 18<sup>th</sup> Aug 2023 which is under evaluation.

#### **5. ERP Solution:**

**Scope of Work:** -MPPGCL has envisaged implementing an integrated Commercial off the Shelf (COTS) Enterprise Resource Planning (ERP) Solutions including the required ICT Infrastructure for effective monitoring, increasing efficiency, reducing costs, streamlining processes and increased employee productivity and satisfaction. ERP Solutions shall bring Business process automation, document management system and Business intelligence in MPPGCL. It is envisaged that MPPGCL's Business transformation will result in new Business Process through extensive process change as it seeks improved efficiency, adaption of new technologies for expansion and improving its operational efficiencies etc. The key reason for seeking a centralized COTS ERP are insufficient, incongruent, lack integration and have become obsolete to extend to new business process.



Therefore, it is desired to establish an integrated business applications architecture based on a COTS ERP backbone along with the required ICT Infrastructure that will support MPPGCL's IT Road map Blueprint and will in turn move its business strategy forward.

**Status:** -Contract Agreement with M/s Accenture was signed on 11.03.2022. System is in advance stages of implementation and currently User Acceptance Testing (UAT) is underway.

#### **6. Video Conferencing Solution:**

**Scope of Work:** - Video Conferencing provides enterprise an edge to collaborate amongst their employees, business partners, suppliers, distributors, customers and other teams across different geographic locations. Video Conferencing is an interactive two-way visual and audio communication over a distance. It is often referred to as "video conferencing" or "video teleconferencing", both of which mean the same thing. It is one of many technologies within the domain of "video communication" including broad-cost, television, video streaming, video assessment and video collaboration.

**Status:** - Implemented and functional.

#### **7. Email and Messaging Solutions:**

**Scope of Work:** -For Corporate Communication, Emails are an effective way to interact with clients, customers, employees as well as within organization. The information sent through email keeps a record of the transactions of all emails that can be very helpful for future reference which is not possible through any other mode of communication. Another reason for the importance of email in business communication is that we





can keep an eye on your business even if we are away from your workplace.

**Status:** -Implemented and functional.

**8. Scheme Provision:** The total period of the project consisting of implementation and O&M phases is envisaged as 5 years. The cost estimate of Rs.203 Crores covers

- a. CAPEX of Rs. 143.00 Crores and
- b. OPEX of Rs. 60.00 Crores.

In the instant petition, the proposed expenditure towards project e-GENCO of MPPGCL has not been considered. However, after finalization of the Tenders, MPPGCL shall approach Hon'ble Commission through separate Petition for permitting the Capital Expenses and O&M expenses in Tariff.

### **1.5.2 On-going R&M Project: -**

#### **Gandhi Sagar HPS: -**

The 5x23 units of Gandhisagar Hydel Power Station were commissioned between the years 1960 to 1966. On 14.09.2019 due to heavy rains in the catchment area of Gandhisagar Dam, the inflow of water increased dangerously. The WRD authorities could not warn MPPGCL in time regarding fast rise in water level in the dam. The water started overflowing from the dam and sharply filling in to power station complex through ventilators. The ingress of water was so fast that the units of Gandhi Sagar HPS were submerged due to massive flooding. The water also entered in to Powerhouse through Pen stock gallery after reaching at level of 1317 ft. which is 5ft above the FRL (1312 feet) of the Gandhisagar Dam. The entry of water through lift Gallery was observed at 19:00 Hrs. At 19:35 hrs. Maintenance team reached at Power Station. Efforts were made to divert the water by keeping sand bags at various locations. On



observing heavy inrush of water flow in to the HPS, the maintenance team rushed to penstock gallery by road at 20:30 hrs since lift was inaccessible. On inspection it was found that the gallery was submerged with water with no access for manual gate operation. Immediately, the 4 running units were stopped between 21:00 hrs to 21:07 hrs after intimation to SLDC.

All Penstock gates, except gate of U#2, were closed remotely. Due to inaccessibility of Power Pack unit at Penstock gallery, the manual closing of Gate NO.2 was not possible. The inflow in dam was above 16 Lacs cusecs whereas discharge was to the tune of 5 lacs cusecs. The ingress of water in power house was beyond the dewatering capacity of HPS. For safety of Plant Personnel and station, the DC supplies of all units were switched off. All persons in Power House were evacuated by 22:00 Hrs. At 02:00 Hrs, the water entered in 130 KV switchyard due to collapsing of wall between switchyard and tailrace. All emanating feeders from HPS switchyard were arranged to be hand tripped at respective receiving ends. For restoration work, two transformers of 200 KVA were installed at outside of Power House to ensure electric supply.

An order was placed on M/s WAPCOS Limited, Gurugram, Haryana vide No. SE(O&M)/GS/WAPCOS/P&W/2020-21/2092 dated 04.12.2019 for Revival & Restoration of Unit # 1 (Siemens make) & #5 (Hitachi make) and its RLA study. Similar order was placed on M/s WAPCOS Limited, Gurugram for Revival & Restoration of Unit # 4. Accordingly, M/s WAPCOS Limited, Gurugram has submitted the RLA study report on 17.08.2020.

The Unit #1, #5 and #4 have been restored synchronized 31.10.2020, 10.09.2020 and 14.04.2021 respectively. Further, an order was placed on M/s WAPCOS Limited, Gurugram vide No. 07-10/Hydel/GHPS/Order/ 761 dated 31.12.2020 for preparation of DPR, tender Documents, etc for Renovation & Modernization of 5x23MW Units of Gandhi Sagar HPS. The Detailed Project Report has been submitted on 24.05. 2021. The Estimated cost towards R&M as per DPR is Rs. 328.72 Crores. As desired



by MPPMCL, DPR was sent to CEA for review. After incorporating the suggestion & comments of CEA the DPR was revised. The revised DPR cost is Rs 433.68 Cr and the same has been approved by BoD of MPPGCL and MPPMCL.

The tender for comprehensive R&M has been issued in 22.04.2023 and the Pre-Bid meeting conducted on 19.07.2023. The Comprehensive R&M of Gandhi Sagar HPS are to be carried out in three stages. The time period of completion of Comprehensive R&M is 54 months and the R&M of units is to be carried out in three stages i.e., R&M of 02 units will be carried out in first stage in (i.e. in 26 months) and the other three units will remain in operation. Similarly, R&M of two units will be carried out in 2<sup>nd</sup> stage (i.e. in 20 months), the other three units will remain in operation. The R&M of last unit will be carried out in last stage (i.e. in 08 months) and the other four units will remain in operation.

As the State of Rajasthan has share of 50% on the bilateral project, therefore, half of the R&M cost shall be borne by it. MPPGCL has already shared the approved DPR with concerned Rajasthan authority for obtaining consent for cost sharing, but confirmation from that end is still awaited. After obtaining consent from partner state, MPPGCL will approach Hon'ble commission through separate petition for permitting the capital expenses to be incurred towards comprehensive R&M works of Gandhisagar HPS in tariff.

**Pench HPS:-**

The 2x80 units of Pench Hydel Power Station were commissioned between the years 1986 to 1987 and completed its life of 30 years. On 22.12.2020 U#1 with Class "B" insulation, 80MW was running at 78MW load, tripped at 07:09 Hrs due to Stator earth fault protection with smoke and fire in generator barrel. On request M/s BHEL visited the site on 23.12.2020 to assess the quantum of damage/ suggest the remedial action. M/s BHEL suggested for R&M of the Generator and Turbine and submitted the estimate amounting to Rs. 24.78 Crores. To explore the possibility of repairing of Stator to utilize the water energy, short term



tender for repairing of generator issued by MPPGCL and M/s WAPCOS executed the partial repairing of generator. Unit was running on 45MW and not achieved its full load capacity due to constraint in stator winding temperature rise. Orders were placed on M/s Coral Rewinding works for replacement of week old stator coils with new one. After execution of above work the unit is running on full load of 80 MW.

Further, an order was placed on M/s WAPCOS Limited, Gurugram, Haryana vide No. 07- for conducting the RLA study. Accordingly, M/s WAPCOS Limited, Gurugram has submitted the RLA study report on 09.11.2021. MPPGCL has appointed M/s WAPCOS as consultant for for DPR Preparation, Tender document preparation, assistance in tendering M/s WAPCOS has submitted the draft DPR on 21.09.2023 and the same is under scrutiny.

**Bargi HPS:-**

The 2x45 units of Bargi Hydel Power Station were commissioned in the year 1988 and have completed 30 years of life. Order for conducting RLA study has been placed to M/s Mecon Ltd., Ranchi vide letter No. 07-10/RLA Bargi/ 182 dated 27.05.2022 at a total cost of Rs 2,17,08,460/-. RLA study has been completed and M/s MECON has submitted draft DPR and the same is under scrutiny.

**1.5.3 Project for implementation of New Emission Norms at Thermal Power Stations of MPPGCL.**

MPPGCL is required to incur additional capital expenditure in the existing generating station for compliance of the revised Emission Standards and share its proposal with the beneficiaries and file a petition before Commission for undertaking such additional capitalization.

MPPGCL has decided to install Wet FGD system using Limestone for capturing Sulphur Dioxide (SO<sub>2</sub>). The tendering for installation of Wet FGD system is already in process.



*MPPGCL - True-up Tariff Petition for FY 2022-23*

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Once the proposal is finalized, MPPGCL shall approach Hon'ble Commission through separate Petition for permitting the Capital Expenses in Tariff etc, as per the MPERC Tariff Regulations, 2020 read with subsequent amendments.



## 2. PERFORMANCE PARAMETERS AND OPERATING NORMS

### 2.1 Thermal Power Stations

#### 2.1.1 Gross Generation

The actual Gross generation in MU of Thermal Power Stations for FY 2022-23 is shown in the table below:

**Actual Gross Generation (MU) for FY 2022-23**

Table 2.1.1.1 in MU

Name of TPS	Actual Gross Generation
ATPS Chachai PH-3	1434
STPS Sarni PH- 2 & 3	0
STPS Sarni PH- 4	3968
SGTPS Birsinghpur PH-1 & 2	4831
SGTPS Birsinghpur PH-3	3928
SSTPP Khandwa PH-1	6756
SSTPP Khandwa PH-2	6411
<b>Total</b>	<b>27328</b>

#### 2.1.2 Plant Availability Factor

The comparison between NAPAF as approved in Regulations,2020 vis-à-vis the actual Annual PAF for FY 2022-23 is shown in the table below:

**Approved v/s Actual APAF (%) for FY 2022-23**

Table 2.1.2.1 in %

Name of TPS	As per MPERC Regulation,2020	MPPGCL Actuals APAF	Difference
ATPS Chachai PH-3	85.0%	78.4%	-6.6%
STPS Sarni PH- 2 & 3	70.0%	0.0%	-70.0%
STPS Sarni PH-4	85.0%	94.3%	9.3%
SGTPS Birsinghpur PH-1 & 2	75.0%	68.2%	-6.8%
SGTPS Birsinghpur PH-3	85.0%	91.7%	6.7%
SSTPP Khandwa PH-1	85.0%	69.6%	-15.4%
SSTPP Khandwa PH-2	85.0%	58.4%	-26.6%



### 2.1.3 Plant Load Factor

The comparison between NAPLF as approved in Regulations, 2020 vis-à-vis the actual Annual PLF for FY 2022-23 is shown in the table below:

#### Approved v/s Actual APLF (%) for FY 2022-23

Table 2.1.3.1 in %

Name of TPS	As per MPERC Regulation,2020	MPPGCL Actuals APLF	Difference
ATPS Chachai PH-3	85.0%	78.0%	-7.0%
STPS Sarni PH- 2 & 3	70.0%	0.0%	-70.0%
STPS Sarni PH-4	85.0%	90.6%	5.6%
SGTPS Birsinghpur PH-1 & 2	75.0%	65.7%	-9.3%
SGTPS Birsinghpur PH-3	85.0%	89.7%	4.7%
SSTPP Khandwa PH-1	85.0%	64.3%	-20.7%
SSTPP Khandwa PH-2	85.0%	55.4%	-29.6%

### 2.1.4 Auxiliary Consumption

MPPGCL is submitting the comparison between auxiliary consumption as approved in Regulations,2020vis-à-vis the actual consumption levels of its stations.

#### Approved v/s Actual Auxiliary Consumption (%) for FY 2022-23

Table 2.1.4.1 in %

Name of TPS	As per MPERC Regulation,2020	MPPGCL Actuals	Difference
ATPS Chachai PH-3	9.00%	9.40%	0.40%
STPS Sarni PH-2 & 3	10.00%	0.00%	-10.00%
STPS Sarni PH-4	8.50%	8.08%	-0.42%
SGTPS Birsinghpur PH-1 & 2	10.00%	9.55%	-0.45%
SGTPS Birsinghpur PH-3	5.75%	6.05%	0.30%
SSTPP Khandwa PH-1	5.75%	6.13%	0.38%
SSTPP Khandwa PH-2	5.75%	6.09%	0.34%





### 2.1.5 Station Heat Rate

The comparison of approved SHRas approved in Regulations,2020 vis-a-vis actual SHR for FY 2022-23is shown in table below:

#### Approved v/s Actual Station Heat Rates for FY 2022-23

Table 2.1.5.1

in kCal/kWh

Name of TPS	As per MPERC Regulation,2020	MPPGCL Actuals	Difference
ATPS Chachai PH-3	2450	2419	-31
STPS Sarni PH-2 & 3	2850	0	--
STPS Sarni PH-4	2400	2394	-6
SGTPS Birsinghpur PH-1 & 2	2700	2758	58
SGTPS Birsinghpur PH-3	2390	2419	29
SSTPP Khandwa PH-1	2384	2553	169
SSTPP Khandwa PH-2	2186	2329	143

### 2.1.6 Specific Oil Consumption

In the table below targets of specific oil consumption as approved in Regulations,2020 vis-à-vis the actual achieved by MPPGCL during FY 2022-23 have been elaborated.

#### Approved V/s Actual Specific Oil Consumption forFY 2022-23

Table 2.1.6.1

in ml/kWh

Name of TPS	As per MPERC Regulation,2020	MPPGCL Actuals	Difference
ATPS Chachai PH-3	0.50	0.40	-0.10
STPS Sarni PH-2 & 3	1.75	0.00	-1.75
STPS Sarni PH-4	0.50	0.14	-0.36
SGTPS Birsinghpur PH-1 & 2	1.15	0.81	-0.34
SGTPS Birsinghpur PH-3	0.50	0.24	-0.26
SSTPP Khandwa PH-1	0.50	0.67	0.17
SSTPP Khandwa PH-2	0.50	1.14	0.64



### **2.1.7 Transit and Handling losses.**

In the table below targets of Transit and Handling Losses specific oil consumption as approved in Regulations, 2020 vis-à-vis the actual achieved by MPPGCL during FY 2022-23 have been elaborated

**Table 2.1.6.1**

**in %**

<b>Name of TPS</b>	<b>As per MPERC Regulation, 2020</b>	<b>MPPGCL Actuals</b>	<b>Difference</b>
<b>ATPS Chachai PH-3</b>	0.80%	0.41%	-0.39%
<b>STPS Sarni PH-2 &amp; 3</b>	0.80%	0.00%	-0.80%
<b>STPS Sarni PH-4</b>	0.80%	0.71%	-0.09%
<b>SGTPS Birsinghpur PH-1 &amp; 2</b>	0.80%	0.68%	-0.12%
<b>SGTPS Birsinghpur PH-3</b>	0.80%	0.68%	-0.12%
<b>SSTPP Khandwa PH-1</b>	0.80%	0.26%	-0.54%
<b>SSTPP Khandwa PH-2</b>	0.80%	0.26%	-0.54%

### **2.1.8 Gains from Controllable Parameters**

It is to humbly submit that Regulations 56.1 & 56.2 provides that the financial gains by the generating company on account of controllable parameters shall be shared between generating company and the beneficiaries on annual basis.

From the above, it is noted that the Regulations clearly specify that the gain achieved by the Company need to be shared with beneficiary. As such since MPPGCL, as a Company, in totality has not achieved any financial gains on account of controllable parameters, therefore in accordance with regulations 56.2, no sharing of gains with the beneficiaries is required. MPPGCL humbly requests Hon'ble Commission to kindly consider the same.

It is also to submit that at ATPS PH-3 minor gain of Rs. 2.25 Crores and at STPS PH-4 gain of Rs. 10.67 Crores approx. has been achieved individually in FY 2022-23, therefore, the sharable gain (50%) works out to Rs. 1.12 Crores and Rs. 5.33 Crores respectively, whereas rests of the



Power stations have not achieved any Financial Gains on account of Controllable parameters as per the regulation.

## 2.2 Hydro Stations

The generation from Hydro power stations depends upon the rains in catchments area of dams of respective power stations. The actual Gross generation in MU of Hydro Power Stations for FY 2022-23 is shown in the table below:

**Actual Gross Generation (MU) for FY 2022-23**

Table 2.2.1		in MU	
Hydro Power Station / Units	Design Energy	Actual Gross Generation	Diff.
Gandhi Sagar HPS	421	289	-132
Pench HPS	315	357	42
Rajghat HPS	88	126	38
Bargi HPS	508	430	-78
Bansagar 1,2&3 HPS	1156	841	-315
Bansagar 4 HPS	80	110	30
Birsinghpur HPS	52	48	-4
Madhikheda HPS	74	170	96

The Plant Availability Factor of Hydro plants stations as approved in Regulations, 2020 vis-a-vis actual achieved by MPPGCL during FY 2022-23 have been elaborated below.

**Normative v/s Actual Plant Availability Factor**

Table 2.2.2		in %	
Hydro Power Station / Units	As per MPERC Regulation, 2020	MPPGCL Actuals	Difference
Gandhi Sagar HPS	85.00%	46.58%	-38.42%
Pench HPS	85.00%	72.77%	-12.23%
Rajghat HPS	60.00%	65.79%	5.79%
Bargi HPS	85.00%	88.71%	3.71%
Bansagar 1,2&3 HPS	85.00%	51.12%	-33.88%
Bansagar 4 HPS	85.00%	103.67%	18.67%
Birsinghpur HPS	85.00%	48.66%	-36.34%
Madhikheda HPS	85.00%	99.25%	14.25%



### **3. Energy Charges (Variable Charges)**

The Energy Charges (Variable Charges) has been billed in accordance with proviso 18, 19 & 43 of MPERC (Terms & Condition for determination of Generation Tariff) (Revision-IV) Regulations, 2020. Therefore, no truing up of Energy Charges has been considered in this petition.



#### 4. Capacity (Fixed) Charges –

##### 4.1 O&M Expenses

4.1.1 The Hon'ble Commission, in "MPERC (Terms and Conditions of Generation Tariff) Regulations, 2020 {RG-26 (IV) of 2020}" clause no. 40.1 & 40.2, has specified the rate for O&M expenses for Thermal stations for FY 2019-20 to FY 2023-24, as given below.

*"The Operation and Maintenance expenses admissible to the thermal power stations declared under commercial operation prior to 01.04.2012 comprise of employee cost, Repair & Maintenance (R&M) cost and Administrative and General (A&G) cost.*

*These norms for O&M exclude Pension and Terminal Benefits, EL encashment, and arrears to be paid to employees, taxes payable to the Government, and fees payable to MPERC. The generating company shall claim the rate, rent & taxes payable to the Government, cost of chemicals and consumables, fees to be paid to MPERC, EL encashment and any arrears paid to employees separately as actual. If the O&M expenses as per norms provided in these Regulations are more than the actual total O&M expenses including arrears if any, as per audited accounts of generating company, the O&M expenses to the extent of normative O&M expenses shall be allowed.*

*The claim of pension and Terminal Benefits shall be dealt as per Regulation 39.4 of these Regulations."*

##### **O&M Norms for Thermal Generating Units**

Table 4.1.1.1

Rs. In Lakhs/MW

Thermal Units (Old) (MW)	FY 20	FY 21	FY 22	FY 23	FY 24
<b>200/210/250</b>	28.30	29.29	30.32	31.39	32.49
<b>500</b>	22.72	23.52	24.34	25.2	26.08



**4.1.2** The Operation and Maintenance Expenses norms of Thermal Power Stations commissioned on or after 01.04.2012 are: -

Table 4.1.2.1 Rs. In Lakhs/MW

Thermal Units (Old) (MW)	FY 20	FY 21	FY 22	FY 23	FY 24
<b>200/210/250</b>	32.96	34.12	35.31	36.56	37.84
<b>600/660</b>	20.26	20.97	21.71	22.47	23.26

**4.1.3** Hon'ble Commission, in "MPERC (Terms and Conditions of Generation Tariff) Regulations, 2020 {RG-26 (IV) of 2020}" clause no. 41.1 & 41.2, has proposed the rate for O&M expenses for Hydro stations for FY 2019-20 to FY 2023-24, as given below.

*The Operation and Maintenance expenses admissible to existing hydro power stations comprise of employee cost, Repair & Maintenance (R&M) cost and Administrative and General (A&G) cost. These norms for O&M exclude Pension and Terminal Benefits, EL encashment, and arrears to be paid to employees, taxes payable to the Government, and fees payable to MPERC.*

*The generating company shall claim the rate, rent & taxes payable to the Government, cost of chemicals and consumables, fees to be paid to MPERC, EL encashment and any arrears paid to employees separately as actual. If the O&M expenses as per norms provided in these Regulations are more than the actual total O&M expenses including arrears if any, as per audited accounts of generating company, the O&M expenses to the extent of normative O&M expenses shall be allowed.*

*The claim of pension and Terminal Benefits shall be dealt as per Regulation 39.4 of these Regulations.*

**O&M Norms for Hydel Power Stations**

Table 4.1.3.1. Rs. In Lakhs/MW

Hydro Units	FY 20	FY 21	FY 22	FY 23	FY 24
<b>All capacity</b>	11.34	11.74	12.16	12.58	13.02



*MPPGCL - True-up Tariff Petition for FY 2022-23*

**4.1.4** The O&M expenditure as per Hon'ble Commission's Multi Year Tariff order for FY 2022-23 before applying Actual Availability is tabulated below:

Table No. 4.1.4.1

in Rs. Crores

S.No.	Station	Order for Petition No.	Page No.	As per MPERC orders/ Norms	As considered by MPPGCL on Norms	Diff.
1	ATPS PH-3	53/2020	59	65.92	65.92	0.00
2	STPS PH-2&3	53/2020	59	260.54	260.54	0.00
3	STPS PH-4	53/2020	59	182.80	182.80	0.00
4	SGTPS PH-1&2	53/2020	59	263.68	263.68	0.00
5	SGTPS PH-3	53/2020	59	126.00	126.00	0.00
6	SSTPP PH-1	53/2020	59	269.64	269.64	0.00
7	SSTPP PH-2	53/2020	59	296.60	296.60	0.00
<b>8</b>	<b>Total Thermal</b>			<b>1465.18</b>	<b>1465.18</b>	<b>0.00</b>
9	Gandhi Sagar	53/2020	59	14.47	14.47	0.00
10	Pench	53/2020	59	20.13	20.13	0.00
11	Rajghat	53/2020	59	5.66	5.66	0.00
12	Bargi	53/2020	59	11.32	11.32	0.00
13	Bansagar PH-1,2&3	53/2020	59	50.95	50.95	0.00
14	Bansagar PH-4	53/2020	59	2.52	2.52	0.00
15	Birsinghpur	53/2020	59	2.52	2.52	0.00
16	Madhikheda	53/2020	59	7.55	7.55	0.00
<b>17</b>	<b>Total Hydro</b>			<b>115.11</b>	<b>115.11</b>	<b>0.00</b>
<b>Total</b>				<b>1580.28</b>	<b>1580.28</b>	<b>0.00</b>





**4.1.5** The O&M expenditure as per Hon'ble Commission's Multi Year Tariff order for FY 2022-23 after applying Actual Availability is tabulated below:

Table No. 4.1.5.1

in Rs. Crores

S.No.	Station	Order for Petition No.	Page No.	As per MPERC orders/ Norms	As considered by MPPGCL on Actual Availability	Diff.
1	ATPS PH-3	53/2020	59	65.92	60.79	-5.13
2	STPS PH-2&3	53/2020	59	260.54	0.00	-260.54
3	STPS PH-4	53/2020	59	182.80	182.80	0.00
4	SGTPS PH-1&2	53/2020	59	263.68	239.92	-23.75
5	SGTPS PH-3	53/2020	59	126.00	126.00	0.00
6	SSTPP PH-1	53/2020	59	269.64	220.87	-48.77
6	SSTPP PH-2	53/2020	59	296.60	203.63	-92.97
<b>7</b>	<b>Total Thermal</b>			<b>1465.18</b>	<b>1034.01</b>	<b>-431.16</b>
8	Gandhi Sagar	53/2020	59	14.47	11.20	-3.27
9	Pench	53/2020	59	20.13	18.68	-1.45
10	Rajghat	53/2020	59	5.66	5.93	0.27
11	Bargi	53/2020	59	11.32	11.57	0.25
12	Bansagar PH-1,2&3	53/2020	59	50.95	40.80	-10.15
13	Bansagar PH-4	53/2020	59	2.52	2.79	0.28
14	Birsinghpur	53/2020	59	2.52	1.98	-0.54
15	Madhikheda	53/2020	59	7.55	8.18	0.63
<b>16</b>	<b>Total Hydro</b>			<b>115.11</b>	<b>101.13</b>	<b>-13.98</b>
<b>Total</b>				<b>1580.28</b>	<b>1135.14</b>	<b>-445.14</b>

At present, Hon'ble Commission has permitted MPPTCL (STU) to make payment of Pension & Terminal Benefits to retired employees of erstwhile MPSEB/MPEB including companies on "Pay as you go basis", The expenses towards Pension & Terminal Benefits have not been covered in the instant petition, in case MPPGCL in future is vested with such responsibilities, it shall approach Hon'ble Commission for allowance of the same in tariff.



#### **4.1.6 Special Allowance: -**

The proviso 30 of "MPERC (Terms and Conditions of Generation Tariff) Regulations, 2020 {RG-26 (IV) of 2020}" provides that the Generating Company, in case of thermal generating stations, instead of availing R&M may opt to avail a "special allowance" in accordance with the norms specified in this Regulation, as compensation for meeting the requirement of expenses including renovation and modernization beyond the useful life of the generating station or a unit thereof, and in such an event, upward revision of the capital cost shall not be allowed and the applicable operational norms shall not be relaxed but the special allowance shall be included in the annual fixed cost.

The Hon'ble Commission vide MTY order dated 19.05.2021 in petition No. 53 of 2020 has permitted Special Allowance for Units of PH-2 &3 STPS, Sarni upto FY 2019-20 to FY 2023-24. Accordingly, the Truing up of the same has been considered in the instant petition.

The total amount of Special Allowance at Normative Availability is elaborated in the table below: -

*Table No.4.1.6.1*

*Amount in Rs. Crores.*

S. No	Particulars	As per MPERC Order for FY 23	MPPGCL as per Normative Availability	Diff.
1	<b>STPS PH 2&amp;3</b>	78.85	78.85	0.00

The total amount of Special Allowance after applying Actual Availability is elaborated in the table below: -

*Table No.4.1.6.2*

*Amount in Rs. Crores.*

S. No	Particulars	As per MPERC Order for FY 23	MPPGCL as per actual Availability	Diff.
1	<b>STPS PH 2&amp;3</b>	78.85	0.00	<b>-78.85</b>

**4.1.7** MPPGCL humbly request Hon'ble Commission to kindly consider the O&M expenses and Special Allowances as elaborated above.



## **4.2 Other Charges**

Other Charges comprises of MPERC Fees& Publication Charges, Rent, Rates & Taxes, and Cost of Chemical&Consumableand Water Charges which are payable to Government have been paid based on rates specified by GoMP.

As per proviso 39.4 of the Regulations, 2020, the employee expenses considered in the above Operation and Maintenance expenses are excluding the Pension and other Terminal benefits. The funding of pension and other terminal benefit in respect of personnel including existing pensioners of the Board and the pensioners of M.P. Power Generating Company Ltd. shall be allowed in accordance with MPERC (Terms and Conditions for allowing pension and terminal benefits liabilities of personnel of the board and successor entities) Regulation's,2012 (G-38 of 2012) and its amendment, if any.

At present, expenditure towards Pension & Terminal benefits of all the Companies i.e. unbundled entities of MPSEB are being allowed in the MYT/ True up of Transmission Licensee i.e. MPPTCL on '**pay as you go**' principle, subject to true-up in each year on availability of actual figures. Accordingly, MPPGCL has not claimed these expenses in this True-up tariff petition.

### **4.2.1 MPERC Fees& Publication Expenses**

Proviso 65.1 of MPERC Generation Tariff Regulations, 2020 provides claim of MPERC Fee and Publication Expenses on actuals. The details of Fees actually paid to MPERC for various petitions and Publication expenses (Rs. 0.011 Crores booked in ATPS PH-3) thereof incurred during FY 2022-23 are shown in table below:



Table No.4.2.1.1

in Rs. Crores

S.No.	Power Station	MPERC Fee + Publication Exp.
1	ATPS PH-3	0.05
2	STPS PH-2&3	0.36
3	STPS PH-4	0.10
4	SGTPS PH-1&2	0.17
5	SGTPS PH-3	0.10
6	SSTPP PH-1	0.24
7	SSTPP PH-2	0.27
8	<b>Total Thermal</b>	<b>1.31</b>
9	Gandhi Sagar HPS	0.02
10	Pench HPS	0.03
11	Rajghat HPS	0.01
12	Bargi HPS	0.02
13	Bansagar PH-1,2&3 HPS	0.08
14	Bansagar PH-4	0.00
15	Birsinghpur HPS	0.00
16	Madhikheda HPS	0.01
17	<b>Total Hydro</b>	<b>0.19</b>
<b>Total</b>		<b>1.49</b>

#### 4.2.2 Cost of Chemicals & Consumables:

The Regulation 40.1 & 41.1 provides for claiming Cost of Chemicals and Consumables, separately on actual. Accordingly the cost of Chemicals and Consumables as captured in audited Books of accounts for FY 2022-23 at point No. 27.2, Sl. No. 2 & 3 page 85, factored to represent 100% capacity operated by MPPGCL has been worked out.



The Power station wise details of Cost of Chemicals and Consumables in FY 2022-23 are shown in Table below: -

Table No.4.2.2.1 in Rs. Crores

S.No.	Power Station	Cost of Chemicals, Lubricants & Consumables
1	ATPS PH-3	0.84
2	STPS PH-2&3	0.02
3	STPS PH-4	2.20
4	SGTPS PH-1&2	1.96
5	SGTPS PH-3	1.17
6	SSTPP PH-1	6.47
7	SSTPP PH-2	3.15
8	<b>Total Thermal</b>	<b>15.81</b>
9	Gandhi Sagar HPS	0.79
10	Pench HPS	0.23
11	Rajghat HPS	0.23
12	Bargi HPS	0.12
13	Bansagar PH-1,2&3 HPS	0.79
14	Bansagar PH-4	0.04
15	Birsinghpur HPS	0.00
16	Madhikheda HPS	0.08
17	<b>Total Hydro</b>	<b>2.27</b>
<b>Total</b>		<b>18.08</b>

#### 4.2.3 Rent, Rates & Taxes

Rent, Rates and Taxes for power stations of MPPGCL has been taken on actual basis. The Regulation 40.1 & 41.1 provides for claiming Rent, Rate & Taxes separately on actual. Accordingly, the Rent, Rate & Taxes as captured in audited Books of accounts for FY 2022-23 at point No.31.1



Sl. No. 1 & 3 page 90, factored to represent 100% capacity operated by MPPGCL has been worked out.

The Power station wise details Rent, Rate & Taxes in FY 2022-23 are shown in table below:

Table No.4.2.3.1 in Rs. Crores

S.No.	Power Station	Rent, Rates & Taxes
1	ATPS PH-3	0.01
2	STPS PH-2&3	0.00
3	STPS PH-4	0.99
4	SGTPS PH-1&2	0.01
5	SGTPS PH-3	0.01
6	SSTPP PH-1	0.00
7	SSTPP PH-2	0.01
8	<b>Total Thermal</b>	<b>1.02</b>
9	Gandhi Sagar HPS	0.01
10	Pench HPS	0.00
11	Rajghat HPS	0.01
12	Bargi HPS	0.00
13	Bansagar PH-1,2&3 HPS	0.11
14	Bansagar PH-4	0.01
15	Birsinghpur HPS	0.00
16	Madhikheda HPS	0.01
17	<b>Total Hydro</b>	<b>0.14</b>
<b>Total</b>		<b>1.16</b>

#### 4.2.4 Water Charges

Water Charges are payable to Government on rates specified by GoMP. The Regulation 65.2 provides for claiming Water Charges separately on actual. Accordingly the Water Charges as captured in audited Books of



accounts for FY 2022-23 at point No. 27.2 , Sl.No.1 on page 85, factored to represent 100% capacity operated by MPPGCL has been worked out.

The Power station wise details of Water Charges paid in FY 2022-23 are shown in Table below:-

Table No.4.2.4.1 in Rs. Crores

S.No.	Power Station	Water Charges
1	ATPS PH-3	6.41
2	STPS PH-2&3	2.64
3	STPS PH-4	7.64
4	SGTPS PH-1&2	14.56
5	SGTPS PH-3	8.67
6	SSTPP PH-1	27.55
7	SSTPP PH-2	30.31
8	<b>Total Thermal</b>	<b>97.77</b>
9	Gandhi Sagar HPS	17.57
10	Pench HPS	0.00
11	Rajghat HPS	0.00
12	Bargi HPS	19.09
13	Bansagar PH-1,2&3 HPS	18.30
14	Bansagar PH-4	0.90
15	Birsinghpur HPS	0.97
16	Madhikheda HPS	10.25
17	<b>Total Hydro</b>	<b>67.08</b>
<b>Total</b>		<b>164.85</b>

#### 4.2.5 EL Encashment.

The Regulation 40.1 & 41.1 provides for claiming EL Encashment separately on actual. Accordingly the EL Encashment as captured in



audited Books of accounts for FY 2022-23 at point No. 28.1, Sl. No. 14 page 87, factored to represent 100% capacity operated by MPPGCL has been worked out.

The Power station wise details of Leave Encashment in FY 2022-23 are shown in table below:

Table No.4.2.5.1 in Rs. Crores

S.No.	Power Station	EL Encashment
1	ATPS PH-3	1.92
2	STPS PH-2&3	0.74
3	STPS PH-4	5.30
4	SGTPS PH-1&2	2.84
5	SGTPS PH-3	1.69
6	SSTPP PH-1	4.98
7	SSTPP PH-2	2.09
8	<b>Total Thermal</b>	<b>19.56</b>
9	Gandhi Sagar HPS	0.43
10	Pench HPS	0.44
11	Rajghat HPS	0.32
12	Bargi HPS	0.50
13	Bansagar PH-1,2&3 HPS	1.55
14	Bansagar PH-4	0.08
15	Birsinghpur HPS	0.09
16	Madhikheda HPS	0.30
17	<b>Total Hydro</b>	<b>3.70</b>
<b>Total</b>		<b>23.25</b>





## 4.2.6 Total Other Charges

Considering the above elements, the overall Other Charges work out to be Rs.208.84 Crores. MPPGCL humbly prays before Hon'ble Commission to permit the same:-

Table No.4.2.6.1 in Rs. Crores

S. No.	Particulars	Amount
1	Rent, Rates & Taxes	1.16
2	Water Charges	164.85
3	Cost of Chemicals, Lubricants & Consumables	18.08
4	MPERC Fee + Publication Exp.	1.49
5	EL Encashment	23.25
<b>Total</b>		<b>208.84</b>

### Power station wise details of Other Charges

Table No.4.2.6 .2 in Rs. Crores

Power Station		Rent, Rates & Taxes	Water Charges	Cost of Chemicals, Lubricants & Consumables	MPERC Fee + Publication Exp.	EL Encashment	Total
1	ATPS PH-3	0.01	6.41	0.84	0.05	1.92	<b>9.23</b>
2	STPS PH-2&3	0.00	2.64	0.02	0.36	0.74	<b>3.77</b>
3	STPS PH-4	0.99	7.64	2.20	0.10	5.30	<b>16.23</b>
4	SGTPS PH-1&2	0.01	14.56	1.96	0.17	2.84	<b>19.54</b>
5	SGTPS PH-3	0.01	8.67	1.17	0.10	1.69	<b>11.63</b>
6	SSTPP PH-1	0.00	27.55	6.47	0.24	4.98	<b>39.26</b>
7	SSTPP PH-2	0.01	30.31	3.15	0.27	2.09	<b>35.82</b>
8	<b>Total Thermal</b>	<b>1.02</b>	<b>97.77</b>	<b>15.81</b>	<b>1.31</b>	<b>19.56</b>	<b>135.47</b>
9	Gandhi Sagar HPS	0.01	17.57	0.79	0.02	0.43	<b>18.82</b>
10	Pench HPS	0.00	0.00	0.23	0.03	0.44	<b>0.70</b>
11	Rajghat HPS	0.01	0.00	0.23	0.01	0.32	<b>0.57</b>
12	Bargi HPS	0.00	19.09	0.12	0.02	0.50	<b>19.72</b>
13	Bansagar PH-1,2&3 HPS	0.11	18.30	0.79	0.08	1.55	<b>20.82</b>
14	Bansagar PH-4 HPS	0.01	0.90	0.04	0.00	0.08	<b>1.03</b>
15	Birsinghpur HPS	0.00	0.97	0.00	0.00	0.09	<b>1.06</b>
16	Madhikheda HPS	0.01	10.25	0.08	0.01	0.30	<b>10.65</b>
17	<b>Total Hydro</b>	<b>0.14</b>	<b>67.08</b>	<b>2.27</b>	<b>0.19</b>	<b>3.70</b>	<b>73.37</b>
<b>Total</b>		<b>1.16</b>	<b>164.85</b>	<b>18.08</b>	<b>1.49</b>	<b>23.25</b>	<b>208.84</b>

MPPGCL humbly request Hon'ble Commission to kindly permit the same.



### 4.3 Additional Capitalization/De-capitalization& Funding thereof-

4.3.1. As per MPERC (Terms and Conditions of Generation Tariff) Regulations, 2020 {RG-26 (IV) of 2020} proviso 26, 27 & 28, the Thermal & Hydro power stations are eligible for claiming Additional Capital Expenditure in respect of New/ Existing projects. The provisos are reproduced hereunder :-

***“26. Additional Capitalization within the original scope and upto cut-off date:***

*26.1 The additional capital expenditure in respect of the new project or an existing project incurred or projected to be incurred, on the following counts within the original scope of work, after the date of commercial operation and up to the cut-off date may be admitted by the Commission, subject to prudence check:*

- (i) Un-discharged liabilities recognized to be payable at a future date; (ii) Works deferred for execution;*
- (iii) Procurement of initial capital spares within the original scope of work, in accordance with the provisions of Regulation 25 of these Regulations;*
- (iv) Liabilities to meet award of arbitration or for compliance of the directions or order of the any statutory authority or the order or decree of a court of law;*
- (v) Change in law or compliance of any existing law; and*
- (vi) Force Majeure events:*

*Provided that in case of any replacement of the assets, the additional capitalization shall be worked out after adjusting the gross fixed assets and cumulative depreciation of the assets replaced on account of de-capitalization.*

*26.2 The generating company shall submit the details of works asset wise/work wise included in the original scope of work along with estimates of expenditure, liabilities recognized to be payable at a future date and the works deferred for execution along with the application for determination of tariff.*



***27. Additional Capitalization within the original scope and after the cut-off date:***

*27.1 The additional capital expenditure incurred or projected to be incurred in respect of an existing project or a new project on the following counts within the original scope of work and after the cut-off date may be admitted by the Commission, subject to prudence check:*

- (i) Liabilities to meet award of arbitration or for compliance of the directions or order of any statutory authority, or order or decree of any court of law;*
- (ii) Change in law or compliance of any existing law: 36*
- (iii) Deferred works relating to ash pond or ash handling system including ash transportation facility in the original scope of work;*
- (iv) Liability for works executed prior to the cut-off date;*
- (v) Force majeure events;*
- (vi) Liability for works admitted by the Commission after the cut-off date to the extent of discharge of such liabilities by actual payment; and (vii) Additional capitalization on account of raising of ash dyke as a part of ash disposal system.*

*27.2 In case of replacement of assets deployed under the original scope of the existing project after cut-off date, the additional capitalization may be admitted by the Commission, after making necessary adjustments in the gross fixed assets and the cumulative depreciation, subject to prudence check on the following grounds:*

- (a) The useful life of the assets is not commensurate with the useful life of the project and such assets have been fully depreciated in accordance with the provisions of these Regulations;*
- (b) The replacement of the asset or equipment if necessary, on account of change in law or Force Majeure conditions;*
- (c) The replacement of such asset or equipment is necessary on account of obsolescence of technology; and*



*(d) The replacement of such asset or equipment has otherwise been allowed by the Commission.*

**28. Additional Capitalization beyond the original scope:**

*28.1 The capital expenditure in respect of existing generating station incurred or projected to be incurred on the following counts beyond the original scope, may be admitted by the Commission, subject to prudence check:*

*(a) Liabilities to meet award of arbitration or for compliance of the order or directions of the any statutory authority, or order or decree of any court of law;*

*(b) Change in law or compliance of any existing law;*

*(c) Force Majeure Events;*

*(d) Any capital expenditure to be incurred on account of need for higher security 37 and safety of the plant as advised or directed by appropriate Government Agencies or statutory authorities responsible for national security/internal security;*

*(e) Deferred works relating to ash pond or ash handling system in addition to the original scope of work, on case to case basis: Provided that if any expenditure has been claimed under Renovation and Modernization (R&M) or repairs and maintenance under O&M expenses, the same expenditure cannot be claimed under this Regulation; and*

*(f) Usage of water from sewage treatment plant in thermal generating station."*

Considering above, MPPGCL has claimed additional capital expenditure as per Audited Books of Accounts for FY 2022-23. The Station wise details are as under:-



### ATPS 210MW PH-3

- 4.3.2. The extension Unit No.5 (210MW) ATPS was commissioned on 10.09.2009. The Hon'ble Commission vide order dated 01.05.2012 has determined the Final Generation Tariff for said unit for FY 2009-10 & FY 2010-11 on actual basis and FY 2011-12 on projected basis.
- 4.3.3. Further, in its True up order for respective years, the Hon'ble Commission has approved the additional Capitalization in accordance with provisions of MPERC regulations.
- 4.3.4. The additional asset capitalization at ATPS PH-3 (210MW) as per the Audited books of Accounts for FY 2022-23 & considered in instant True up petition are detailed hereunder:

Table No.4.3.4.1

Rs. Crores

A/c Code	Description	Amount
10.101	Land Owned Under Full Title	0.001
10.322	Drainage And Sewerage Residential Colony	0.27
10.412	Railway Sidings	0.09
10.501	Boiler Plant & Equipments	1.00
10.509	Auxiliaries In Steam Power Plant	0.08
10.520	Instrumentation And Controls	0.13
10.541	Transmission Plant-Transformers 100 Kva& Above	1.85
10.542	Other Transformers Of Power House	0.41
10.551	Material Handling Equipment-Earth-Movers,Bulldozer	0.00
10.561	Switchgears Including Cable Connections	0.10
10.563	Batteries Including Charging Equipment	0.33
10.577	Air-Conditioning Plant-Portable	0.97
10.583	Tools And Tackles	0.01
10.588	Petrol Pump Refilling Service Tools & Tackles	0.05
10.599	Other Misc.Equip. Including Fire Protection System	0.44
10.740	Other Vehicles	0.00
10.800	Furniture And Fixtures	0.02
10.904	Others office Equipments	0.04
10.905	Computers	0.01
11.300	Capital Spares	0.08
11.602	Boiler/ Turbine Capital Overhaul Expenditure	7.38
11.603	Boiler/ Turbine Capital Overhaul Expenditure	15.59
<b>Total</b>		<b>28.84</b>



### **STPS PH-2&3**

- 4.3.5. MPPGCL has opted for Special Allowance for STPS PH-2&3. The Hon'ble Commission vide order dated 14.07.2016 in petition No. 08 of 2016 has permitted Special Allowance for Units of PH-2 & 3 STPS, Sarni upto FY 2018-19.
- 4.3.6. Further, the Hon'ble Commission vide MTY order dated 19.05.2021 in petition No. 53 of 2020 has permitted Special Allowance for Units of PH-2 & 3 STPS, Sarni upto FY 2020-21 to FY 2023-24. Accordingly, MPPGCL is not claiming any additional capitalization on these Units.

### **STPS PH-4**

- 4.3.7. The Unit No.10 & 11 (2x250MW) of STPS PH-4 was commissioned on 18.08.2013 and 16.03.2014 respectively. The Hon'ble Commission vide order dated 07.01.2016 has determined the Final tariff of STPS PH-4(2x250MW) for FY 14 on actual basis and FY 15 & FY 16 on projected basis.
- 4.3.8. Further, in its True up order for respective years, the Hon'ble Commission has approved the additional Capitalization in accordance with provisions of MPERC regulations.
- 4.3.9. The additional asset capitalization at STPS PH-4(2x250MW) as per the Audited books of Accounts for FY 2022-23 & considered in instant True up petition are detailed hereunder:

Table No.4.3.9.1 in Rs. Crores

A/c Code	Description	Amount
10.412	Railway Sidings	25.62
10.501	Boiler Plant & Equipments	0.80
10.503	Turbine-Generator-Steam Power Generation	9.03
10.515	Coal Handling Plant & Handling Equipments	0.95
10.520	Instrumentation And Controls	0.15
10.587	Other Electrical Equipment for BoP	0.00
10.588	Chemical Lab Equipments	0.05
10.904	Others office Equipments	0.06



A/c Code	Description	Amount
10.905	Computers	0.00
11.300	Capital Spares	0.04
11.603	Boiler/ Turbine Capital Overhaul Expenditure	1.49
<b>Total</b>		<b>38.19</b>

### **SGTPS PH-1&2**

4.3.10. Asset capitalization was carried out at SGTPS PH-1&2 during FY 2022-23 were mainly on account of Need based essential and statutory works. The details of additional asset capitalization at SGTPS PH-1&2 as per the Audited books of Accounts for FY 2022-23 & considered in instant True up petition are as under:-

Table No.4.3.10.1

in Rs. Crores

A/c Code	Description	Amount
10.102	Land Held Under Lease	0.00
10.507	Ash Handling Plant	0.29
10.515	Coal Handling Plant & Handling Equipments	0.00
10.520	Instrumentation And Controls	0.09
10.583	Tools And Tackles	0.25
10.588	Chemical Lab Equipments	0.08
10.611	Underground Cables Including Jt.Boxes & DisconnectBox	0.00
10.800	Furniture And Fixtures	0.00
10.904	Others office Equipments	0.07
10.905	Computers	0.02
11.602	Boiler/ Turbine Capital Overhaul Expenditure	2.28
<b>Total</b>		<b>3.09</b>

### **SGTPS PH-3**

4.3.11. The extension Unit No. 5 (500MW) SGTPS was commissioned on 28.08.2008. The Hon'ble Commission vide order dated 26.02.2013 has determined the Final Generation Tariff for FY 2008-09, FY 2009-10 & FY 2010-11 on actual basis and FY 2011-12 on projected basis.

4.3.12. Further, vide True up order for respective years; the Hon'ble Commission has approved the additional Capitalization for said years in accordance with MPERC Regulations.



4.3.13. The additional asset capitalization at SGTPS PH-3 (500MW) as per the Audited books of Accounts for FY 2022-23 & considered in instant True up petition are detailed hereunder:

Table No.4.3.13.1 in Rs. Crores

A/c Code	Description	Amount
10.401	Pucca Roads	4.21
10.507	Ash Handling Plant	0.20
10.520	Instrumentation And Controls	0.001
10.543	Others Transformer Plant Transformer Kiosks, Subs Equip Apparatus	0.001
10.563	Batteries Including Charging Equipment	3.42
10.582	Equipments In Hospitals/Clinics	0.02
10.588	Chemical Lab Equipments	0.11
10.800	Furniture And Fixtures	0.03
10.905	Computers	0.04
11.300	Capital Spares At Generating Stations	0.20
<b>Total</b>		<b>8.24</b>

#### **SSTPP PH-1:-**

4.3.14. The unit No.1 & 2 (2x600MW) of SSTPP PH-1 was commissioned on 01.02.2014 and 28.12.2014 respectively. The Hon'ble Commission vide order dated 30.12.2017 in petition No. 09 of 2015 has determined the Final Generation Tariff of SSTPP PH-1 from CoD of respective units to 31.03.2016.

4.3.15. Further, vide True up order for respective years; the Hon'ble Commission has approved the additional Capitalization for said years in accordance with MPERC Regulations.

4.3.16. The additional asset capitalization at SSTPP PH-1 (2x600MW) as per the Audited books of Accounts for FY 2022-23 & considered in instant True up petition are detailed hereunder:

Table No.4.3.16.1 in Rs. Crores

A/c Code	Description	Amount
10.233	Other Buildings	5.80
10.503	Turbine-Generator-Steam Power Generation	0.03
10.551	Material Handling Equipment-Earth-Movers,Bulldozer	0.001
10.565	Fabrication Shop/Workshop Plant & Equipments	0.31
10.578	A C & Ventilation System	0.04





A/c Code	Description	Amount
10.582	Equipments In Hospitals/Clinics	0.01
10.599	Oth.Other Misc.Equip. Including Fire Protection System	0.02
10.800	Furniture And Fixtures	0.001
10.904	Others office Equipments	0.09
10.905	Computers	0.04
11.300	Capital Spares	0.15
11.603	Boiler/ Turbine Capital Overhaul Expenditure	1.03
<b>Total</b>		<b>7.54</b>

## **SSTPP PH-2**

4.3.17. The unit No.1 & 2 (2x660MW) of SSTPP PH-2 was commissioned on 18.11.2018 and 27.03.2019 respectively. The Hon'ble Commission vide order dated 18.05.2021 in petition No. 25 of 2020 has determined the Final Generation Tariff of SSTPP PH-2 from CoD of respective units to 31.03.2019. Further, vide True up order for respective years; the Hon'ble Commission has approved the additional Capitalization for said years in accordance with MPERC Regulations.

4.3.18. The additional asset capitalization at SSTPP PH-2 (2x660MW) as per the Audited books of Accounts for FY 2022-23 & considered in instant True up petition are detailed hereunder:

Table No.4.3.18.1

in Rs. Crores

A/c Code	Description	Amount
10.233	Other Buildings	6.13
10.310	Cooling Water System	0.05
10.311	Cooling Towers	0.63
10.324	Tail Race Channel	0.08
10.401	Pucca Roads	0.001
10.501	Boiler Plant & Equipments	0.15
10.503	Turbine-Generator-Steam Power Generation	0.77
10.507	Ash Handling Plant	5.35
10.515	Coal Handling Plant & Handling Equipments	0.07
10.516	Oil Tanks, Oil Handling Plant & Equipments	0.16
10.520	Instrumentation And Controls	0.03
10.522	Misc. Pumps/ FO/ LDO/ HSD Tank	0.00



A/c Code	Description	Amount
10.523	220 Kv/400 Kv Switch Yard	11.34
10.524	Water Treatment Plant	0.18
10.542	Other Transformers Of Power House	0.40
10.561	Switchgear Including Cable Connections	0.06
10.578	Air Conditioning System	0.02
10.585	DG Set	0.01
10.586	Compressed Air System	0.001
10.587	Other Electrical Equipment for BoP	0.03
10.589	Other Lab & Testing Equipments	1.43
10.599	Other Misc.Equip. Including Fire Protection System	0.00
10.800	Furniture And Fixtures	0.01
10.904	Others office Equipments	0.01
11.300	Capital Spares	1.38
<b>Total</b>		<b>28.30</b>

4.3.19. The capitalization carried out were within the original scope of work & and included in Revised Cost estimate of Rs. 7738 Crores approved by BoD MPPGCL. The details of same are already submitted before the Hon'ble Commission in the matter of Determination of Final Generation Tariff of Unit No. 3 & 4 of SSTPP Stage-II Khandwa (Petition No.25 of 2020).

### **Gandhi Sagar HPS**

4.3.20. Asset addition as captured in the Annual Statement of Accounts of MPPGCL for FY 2022-23 at Gandhi Sagar Hydro Power Station amounts to Rs.0.05 Crores. The same is considered in the instant petition. The account code details of assets capitalized are as under:-

Table No.4.3.20.1 in Rs. Crores

A/c Code	Description	Amount
10.563	Batteries Including Charging Equipment	0.05
<b>Total</b>		<b>0.05</b>



### **Pench HPS**

4.3.21. The Asset capitalization was carried out at Pench Hydro Power Station during FY 2022-23 were mainly on account of Need based essential works. The details of additional asset capitalization at Pench Hydro Power Station per the Audited books of Accounts for FY 2022-23 & considered in instant True up petition are as under:-

Table No.4.3.21.1 in Rs. Crores

A/c Code	Description	Amount
10.531	Hydel Power Generation Plants	0.24
10.535	Auxiliaries In Hydel Power Plants	0.01
10.567	Lightning Arrestors	0.00
10.904	Other Office Equipments	0.02
11.603	Boiler/ Turbine Capital Overhaul Expenditure	2.98
<b>Total</b>		<b>3.26</b>

### **Rajghat HPS**

4.3.22. The Asset capitalization was carried out at Rajghat Hydro Power Station during FY 2022-23 were mainly on account of Need based essential works. The Asset addition as captured in the Annual Statement of Accounts of MPPGCL for FY 2022-23 at Rajghat Hydro Power Station amounts to Rs. 0.09 Crores and same is considered in instant petition. The account code details of assets capitalized is as under:-

Table No.4.3.22.1 in Rs. Crores

A/c Code	Description	Amount
10.563	Batteries Including Charging Equipment	0.03
10.535	Auxiliaries In Hydel Power Plants	0.03
10.542	Other Transformers Of Power House	0.01
10.599	Other Misc.Equip. Including Fire Protection System	0.02
<b>Total</b>		<b>0.09</b>



### **Bargi HPS**

4.3.23. The Asset capitalization was carried out at Bargi Hydro Power Station during FY 2022-23 were mainly on account of Need based essential works. The details of additional asset capitalization at Bargi Hydro Power Station per the Audited books of Accounts for FY 2022-23 & considered in instant True up petition are as under:-

Table No.4.3.231 in Rs. Crores

A/c Code	Description	Amount
10.531	Hydel Power Generation Plant Equipments	0.48
10.599	Other Misc. Equip. Including fire protection system	0.01
10.904	Others office Equipments	0.02
10.905	Computers	0.06
<b>Total</b>		<b>0.56</b>

### **Bansagar PH-1, 2 & 3 HPS:-**

4.3.24. The Asset capitalization was carried out at Bansagar PH-1,2&3 HPS during FY 2022-23 were mainly on account of Need based essential works. The details of additional asset capitalization at Bansagar PH-1,2&3 HPS per the Audited books of Accounts for FY 2022-23 & considered in instant True up petition are as under :-

Table No.4.3.24.1 in Rs. Crores

A/c Code	Description	Amount
10.101	Land Owned Under Full Title	0.00
10.531	Hydel Power Generation Plants	6.02
10.535	Auxiliaries In Hydel Power Plants	0.13
10.563	Batteries Including Charging Equipment	0.97
10.599	Other Misc.Equipments Including Fire Protection System	1.41
10.905	Computers	0.01
11.603	Boiler/ Turbine Capital Overhaul Expenditure	25.18
<b>Total</b>		<b>33.73</b>



#### **Bansagar PH-4 HPS:-**

4.3.25. The Asset capitalization was carried out at Bansagar PH-4 HPS during FY 2022-23 were mainly on account of Need based essential works. The details of additional asset capitalization at Bansagar PH-4 HPS per the Audited books of Accounts for FY 2022-23 & considered in instant True up petition are as under :-

Table No.4.3.25.1 in Rs. Crores

A/c Code	Description	Amount
10.563	Batteries Including Charging Equipment	0.59
<b>Total</b>		<b>0.59</b>

#### **Birsinghpur HPS**

4.3.26. The Asset capitalization was carried out at Birsinghpur HPS during FY 2022-23 were mainly on account of Need based essential works. The Asset Additions as captured in the Annual Statement of Accounts of MPPGCL for FY 2022-23 at Birsinghpur Hydro Power Station amounts to Rs.0.74 Crores and same is considered in instant petition. The account code details of assets capitalized are as under:-

Table No.4.3.26.1 in Rs. Crores.

A/c Code	Description	Amount
10.520	Instrumentation And Controls	0.74
<b>Total</b>		<b>0.74</b>

#### **Madhikheda HPS**

4.3.27. Asset addition at Madhikheda HPS as captured in the Annual Statement of Accounts of MPPGCL for FY 2022-23 amounts to Rs. 0.03 Crores. The same is considered in the instant petition. The account code wise details of assets capitalized is as under:-

Table No.4.3.27.1 in Rs. Crores

A/c Code	Description	Amount
10.904	Other office Equipments	0.01
10.905	Computers	0.02
<b>Total</b>		<b>0.03</b>



### Head Quarters

4.3.28. The additional capitalization as captured in the Annual Statement of Accounts of MPPGCL for FY 2022-23 at Head Quarters amounts to Rs. 0.63 Crores. The same is considered in the instant petition. The account code details of assets capitalized are as under:-

Table No.4.3.28.1

in Rs. Crores

A/c Code	Description	Amount
10.904	Others office Equipments	0.37
10.905	Computers	0.19
10.906	Office Equipments	0.07
<b>Total</b>		<b>0.63</b>

4.3.29. Accordingly, the Power Station wise summary of Asset additions considered in the Instant petition is as under:

### Asset Additions FY 2022-23

Table No.4.3.29.1

In Rs Crores

Stations		Amount
1	<b>ATPS PH-3</b>	<b>28.84</b>
2	STPS PH-2&3*	-
3	STPS PH-4	38.19
4	<b>STPS Total</b>	<b>38.19</b>
5	SGTPS PH-1&2	3.09
6	SGTPS-PH 3	8.24
7	<b>SGTPS Total</b>	<b>11.33</b>
8	SSTPP PH-1	7.54
9	SSTPP PH-2	28.30
10	<b>SSTPP Total</b>	<b>35.83</b>
11	<b>Total Thermal</b>	<b>114.20</b>
12	Gandhi Sagar	0.05
13	Pench	3.26
14	Rajghat	0.09
15	Bargi	0.56
16	Bansagar PH-1,2 &3	33.73



*MPPGCL - True-up Tariff Petition for FY 2022-23*

Stations		Amount
17	Bansagar PH-4	0.59
18	Birsinghpur	0.74
19	Madhikheda	0.03
<b>20</b>	<b>Total Hydro</b>	<b>39.05</b>
21	HQ	0.63
<b>Total</b>		<b>153.88</b>

*\* Asset additions at STPS PH-2&3 during FY 2022-23 are not considered as MPPGCL has availed Special Allowance for these units.*

4.3.30. The power station wise funding details w.r.t. additional capitalization are summarized as under : -

Table No.4.3.30.1

in Rs. Crores

Stations		Additional Capitalization	Funding Through		
			Loan	Equity/ internal Resources	Total
1	ATPS PH-3	28.84	0.00	28.77	28.77
2	STPS PH-2&3	-	-	-	-
3	STPS PH-4	38.19	0.68	37.52	38.19
4	SGTPS PH-1&2	3.09	0.00	3.09	3.09
5	SGTPS PH-3	8.24	0.00	8.24	8.24
6	SSTPP PH-1	7.54	5.27	2.26	7.54
7	SSTPP PH-2	28.30	19.81	8.49	28.30
<b>8</b>	<b>Total Thermal</b>	<b>114.20</b>	<b>25.76</b>	<b>88.36</b>	<b>114.12</b>
9	Gandhi Sagar	0.05	0.00	0.05	0.05
10	Pench	3.26	0.00	3.26	3.26
11	Rajghat	0.09	0.00	0.09	0.09
12	Bargi	0.56	0.00	0.56	0.56
13	Bansagar PH-1,2 &3	33.73	0.00	33.73	33.73
14	Bansagar PH-4	0.59	0.00	0.59	0.59
15	Birsinghpur	0.74	0.00	0.74	0.74
16	Madhikheda	0.03	0.00	0.03	0.03
<b>17</b>	<b>Total Hydel</b>	<b>39.05</b>	<b>0.00</b>	<b>39.05</b>	<b>39.05</b>
18	HQ & S&I	0.63	0.00	0.63	0.63
<b>Total</b>		<b>153.88</b>	<b>25.76</b>	<b>128.04</b>	<b>153.80</b>

4.3.31. MPPGCL humbly request the Hon'ble Commission to permit the additional Capitalization at Thermal & Hydro power Stations along with funding thereof.



#### 4.3.32. Details of Asset Written off/De-capitalized /Adjustments etc:

The Power Station wise details of written off/ adjustments as per Audited Books of Accounts for FY 2022-23 are as under:

Table No.4.3.32.1

in Rs. Crores

	Stations	Amount	Acc. Dep amount	Remarks
1	ATPS PH-3	-1.76	-1.03	Assets Write-off
2	STPS PH-2&3*	-2.01	-1.83	Assets Write-off
		-0.11	-0.10	transferred to ATPS PH-3
3	STPS PH-4	-0.22	-0.09	Assets Write-off
4	<b>STPS Total</b>	<b>-2.34</b>	<b>-2.02</b>	
5	SGTPS PH-1&2	-4.60	-3.90	Assets Write-off
6	SGTPS-PH 3	-2.31	-1.46	Assets Write-off
7	<b>SGTPS Total</b>	<b>-6.91</b>	<b>-5.36</b>	
8	SSTPP PH-1	-0.37	-0.14	Assets Write-off /Adjustments
9	SSTPP PH-2	-	-	
10	<b>SSTPP Total</b>	<b>-0.37</b>	<b>-0.14</b>	
11	<b>Total Thermal</b>	<b>-11.38</b>	<b>-8.55</b>	
12	Gandhi Sagar	-	-	
13	Pench	-0.23	-0.17	Assets Write-off
14	Rajghat	-0.01	-0.01	Assets Write-off
15	Bargi	-	-	
16	Bansagar PH-1,2 &3	-2.99	-2.24	Assets Write-off
17	Bansagar PH-4	-	-	
18	Birsinghpur	-	-	
19	Madhikheda	-	-	
20	<b>Total Hydro</b>	<b>-3.24</b>	<b>-2.42</b>	
21	HQ	-0.21	-0.19	Assets Write-off
	<b>Total</b>	<b>-14.83</b>	<b>-11.16</b>	

***\*Write-off of Assets including Computers/office Equipments at STPS PH-2&3 capitalized from FY 2011-12 onwards amounting to Rs.0.02 Crs is not considered as MPPGCL has not claimed/permitted assets additions for said years due to availment of Special Allowance.***

The aforesaid assets have been reduced from the Gross Block of respective stations in the chapter of Assets & depreciation for the purpose of claiming depreciation for FY 2022-23. As these assets are





funded through Loan/Equity Component, the Normative loan/Equity Balance has been reduced, proportionately as tabulated hereunder:-

Table No.4.3.32.2 in Rs. Crores

Power Station			Assets write off /Adjustments/ Transfer	Adjustment	
				Normative loan	Normative Equity
1	ATPS PH-3		-1.76	-1.23	-0.53
2	STPS PH-2&3	Write off	-2.01	-1.41	-0.60
		Transfer to ATPS	-0.11	-0.08	-0.03
3	STPS PH-4		-0.22	-0.16	-0.07
4	SGTPS PH-1&2		-4.60	-3.22	-1.38
5	SGTPS PH-3		-2.31	-1.62	-0.69
6	SSTPP PH-1		-0.37	-0.26	-0.11
7	Total Thermal		-11.38	-7.97	-3.41
8	Pench		-0.23	-0.16	-0.07
9	Rajghat		-0.01	-0.01	0.00
10	Bansagar PH-1,2&3		-2.99	-2.09	-0.90
11	Head Quaters		-0.21	-0.15	-0.06
Total			-14.83	-10.38	-4.45

Kindly refer the chapter of Interest and Finance Charges & Return on Equity, wherein the deduction of Normative Loan & Equity is made while calculating the Interest and Finance Charges and Return on Equity respectively.

MPPGCL humbly request the Hon'ble Commission to kindly consider the same.



#### 4.4 Assets & Depreciation –

4.4.1. The Power Station wise break up of Gross Block of Fixed Assets as per Audited books of account FY 2022-23 along with asset additions and adjustment/ deductions are tabulated below: -

Table No. 4.4.1.1

in Rs. Crores

Stations	As on 01.04.22	Additions	Deductions	As on 31.03.23
ATPS Chachai	1259.97	28.84	(1.76)	1287.06
STPS Sarni	4363.03	47.33	(2.36)	4408.00
SGTPS Birsinghpur	4499.61	11.33	(6.91)	4504.03
SSTPP Khandwa	14846.78	35.83	(0.37)	14882.24
Bansagar HPS	1306.65	34.32	(2.99)	1337.98
Bargi HPS	97.66	0.56		98.22
GandhiSagar HPS	11.62	0.05		11.67
Jawahar Sagar HPS	16.56	0.00		16.56
Madhikheda HPS	218.93	0.03		218.96
Pench HPS	119.78	3.26	(0.23)	122.81
R.P.Sagar HPS	18.86	0.00		18.86
Birsinghpur HPS	53.10	0.74		53.84
Rajghat HPS	112.78	0.09	(0.01)	112.85
HQ and S&I	5.86	0.63	(0.21)	6.28
<b>Total</b>	<b>26,931.19</b>	<b>163.01</b>	<b>(14.85)</b>	<b>27,079.36</b>
Add: Assets Not in use	56.09	0.73	(33.34)	23.48
Add: Contra Entries/ INDAS adjustments	4.04	(4.10)	0.06	0.00
<b>Total</b>	<b>26,991.32</b>	<b>159.64</b>	<b>(48.12)</b>	<b>27,102.84</b>
<b>Total as per Audited Accounts FY-23 Note-2</b>	<b>26991.32</b>	<b>159.64</b>	<b>-48.12</b>	<b>27102.84</b>

In reference to above mentioned table it is submit/clarify as under: -

- The amount under head- “Contra Entries/ INDAS Adjustments” in above table, are book adjustment entry towards prior period events in compliance to Indian Accounting Standard (INDAS).

The said adjustments were carried out in conformity to Indian Accounting Standards considering the presentation of Financial Statements under Companies Act 2013. Being a book



adjustment for presentation of Financial Statements, the same is not considered for Tariff Purpose in instant petition.

- b) The amount under head- “Asset not in use reflected” in above table pertains to the assets which have been Decommissioned/Written off and presently “Not in Use” at the respective Power Stations and held for sale. The same are separately shown in the Audit Financial statements of MPPGCL.

For the tariff purpose, the assets Decommissioned / Written off are being reduced from the Gross block of respective power stations. Accordingly, the Assets Not in Use are not considered for Tariff Purpose in the instant petition.

**4.4.2.** The Power house wise details of Opening Gross Block for FY 2022-23 is the Closing Gross Block as admitted by Hon’ble MPERC in the True up order for FY 2021-22 and considered in instant petition is tabulated hereunder:-

**Opening Gross Block**

Table No. 4.4.2.1

in Rs. Crores

S.No.	Power Stations	Amount
1	<b>ATPS PH-3</b>	<b>1133.19</b>
2	STPS PH-2&3	564.55
3	STPS PH-4	3242.10
4	<b>STPS Total</b>	<b>3806.65</b>
5	SGTPS PH-1&2	2212.21
6	SGTPS PH-3	2047.74
7	<b>SGTPS Total</b>	<b>4259.95</b>
8	SSTPP PH-1	7323.01
9	SSTPP PH-2	6755.72
10	<b>SSTPP Total</b>	<b>14078.73</b>
11	<b>Total Thermal</b>	<b>23278.52</b>
12	Gandhi Sagar	11.14
13	Pench	119.43
14	Rajghat	107.43



*MPPGCL - True-up Tariff Petition for FY 2022-23*

S.No.	Power Stations	Amount
15	Bargi	92.47
16	Bansagar PH-1,2&3	1177.56
17	Bansagar PH-4	116.85
18	Birsinghpur	52.41
19	Madhikheda	218.16
<b>20</b>	<b>Total Hydro</b>	<b>1895.45</b>
21	HQ	0.00
<b>Total</b>		<b>25173.97</b>

4.4.3. The Power Station wise Opening Accumulated depreciation for FY 2022-23 as admitted by Hon'ble MPERC in True up order for FY 2021-22 and considered in instant petition is as under:-

**Accumulated Depreciation as on 01.04.2022**

Table No. 4.4.3.1

in Rs. Crores

Stations		Amount	as % of GB
<b>1</b>	<b>ATPS PH-3</b>	<b>663.83</b>	58.58%
2	STPS PH-2&3	513.56	90.96%
3	STPS PH-4	1340.37	41.34%
<b>4</b>	<b>STPS Total</b>	<b>1853.93</b>	
5	SGTPS PH-1&2	1875.49	84.77%
6	SGTPS-PH-3	1297.46	63.36%
<b>7</b>	<b>SGTPS Total</b>	<b>3172.95</b>	
8	SSTPP PH-1	2796.16	38.18%
9	SSTPP PH-2	1075.46	15.91%
<b>10</b>	<b>SSTPP Total</b>	<b>3871.62</b>	
<b>11</b>	<b>Total Thermal</b>	<b>9562.33</b>	
12	Gandhi Sagar	9.61	86.26%
13	Pench	86.93	72.82%
14	Rajghat	66.78	62.23%
15	Bargi	73.04	79.02%
16	Bansagar PH-1,2&3	882.00	74.90%
17	Bansagar PH-4	85.25	72.95%
18	Birsinghpur	42.36	80.82%
19	Madhikheda	130.84	59.99%
<b>20</b>	<b>Total Hydro</b>	<b>1376.81</b>	
21	HQ	0.00	
<b>Total</b>		<b>10939.14</b>	



4.4.4. During FY 2022-23, asset capitalization was carried out at the Power Stations of MPPGCL as elaborated in the Chapter-4.3 “Additional Capitalization / de-capitalization and Funding thereof. “The power station wise summary of Asset additions made as per Audited Books of account for FY 2022-23 is as under:

**Asset Additions during FY 2022-23**

Table No. 4.4.4.1 in Rs. Crores

Stations		Amount
1	<b>ATPS PH-3</b>	<b>28.84</b>
2	STPS PH-2&3*	-
3	STPS PH-4	38.19
4	<b>STPS Total</b>	<b>38.19</b>
5	SGTPS PH-1&2	3.09
6	SGTPS-PH 3	8.24
7	<b>SGTPS Total</b>	<b>11.33</b>
8	SSTPP PH-1	7.54
9	SSTPP PH-2	28.30
10	<b>SSTPP Total</b>	<b>35.83</b>
11	<b>Total Thermal</b>	<b>114.20</b>
12	Gandhi Sagar	0.05
13	Pench	3.26
14	Rajghat	0.09
15	Bargi	0.56
16	Bansagar PH-1,2 &3	33.73
17	Bansagar PH-4	0.59
18	Birsinghpur	0.74
19	Madhikheda	0.03
20	<b>Total Hydro</b>	<b>39.05</b>
21	HQ	0.63
<b>Total</b>		<b>153.88</b>

*\* Asset additions at STPS PH-2&3 during FY 2022-23 are not considered as MPPGCL has availed Special Allowance for these units.*



4.4.5. The Write off /adjustments of Assets was made in the Gross Block of Fixed assets of the various power stations as reflected in the Audited Books of Accounts of MPPGCL for FY 2022-23 as elaborated in the Chapter-4.3 Additional Capitalization/de-capitalization and Funding thereof. The power station wise summary is as under:

**Asset deductions during FY 2022-23**

Table No. 4.4.5.1                      in Rs. Crores

Stations		Amount	Acc. Dep amount	Remarks
1	<b>ATPS PH-3</b>	-1.76	-1.03	Assets Write-off
2	STPS PH-2&3*	-2.01	-1.83	Assets Write-off
		-0.11	-0.10	transferred to ATPS PH-3
3	STPS PH-4	-0.22	-0.09	Assets Write-off
4	<b>STPS Total</b>	<b>-2.34</b>	<b>-2.02</b>	
5	SGTPS PH-1&2	-4.60	-3.90	Assets Write-off
6	SGTPS-PH 3	-2.31	-1.46	Assets Write-off
7	<b>SGTPS Total</b>	<b>-6.91</b>	<b>-5.36</b>	
8	SSTPP PH-1	-0.37	-0.14	Assets Write-off /Adjustments
9	SSTPP PH-2	-	-	
10	<b>SSTPP Total</b>	<b>-0.37</b>	<b>-0.14</b>	
11	<b>Total Thermal</b>	<b>-11.38</b>	<b>-8.55</b>	
12	Gandhi Sagar	-	-	
13	Pench	-0.23	-0.17	Assets Write-off
14	Rajghat	-0.01	-0.01	Assets Write-off
15	Bargi	-	-	
16	Bansagar PH-1,2 &3	-2.99	-2.24	Assets Write-off
17	Bansagar PH-4	-	-	
18	Birsinghpur	-	-	
19	Madhikheda	-	-	
20	<b>Total Hydro</b>	<b>-3.24</b>	<b>-2.42</b>	
21	HQ	-0.21	-0.19	Assets Write-off
<b>Total</b>		<b>-14.83</b>	<b>-11.16</b>	

*\*Write-off of Assets including Computers/office Equipments at STPS PH-2&3 capitalized from FY 2011-12 onwards amounting to Rs.0.02 Crs is not considered as MPPGCL has not claimed assets additions for said years due to availment of Special Allowance.*



4.4.6. Considering the above mentioned asset additions and deductions, the Closing Gross Block and the Average Gross Block for FY 2022-23 works out as under:-

**Closing and Average Gross Block for FY 2022-23**

Table No. 4.4.6.1

in Rs. Crores

	Station	Opening Gross Block 01-04-2022	Asset Additions	Deductions	Closing Gross Block 31-03-2023
1	ATPS PH-3	1133.19	28.84	-1.76	1160.27
2	STPS PH-2&3	564.55	0.00	-2.12	562.43
3	STPS PH-4	3242.10	38.19	-0.22	3280.07
4	<b>STPS Total</b>	<b>3806.65</b>	<b>38.19</b>	<b>-2.34</b>	<b>3842.50</b>
5	SGTPS PH-1&2	2212.21	3.09	-4.60	2210.70
6	SGTPS PH-3	2047.74	8.24	-2.31	2053.67
7	<b>SGTPS Total</b>	<b>4259.95</b>	<b>11.33</b>	<b>-6.91</b>	<b>4264.37</b>
8	SSTPP PH-1	7323.01	7.54	-0.37	7330.17
9	SSTPP PH-2	6755.72	28.30	-	6784.02
10	<b>SSTPP Total</b>	<b>14078.73</b>	<b>35.83</b>	<b>-0.37</b>	<b>14114.19</b>
11	<b>Total Thermal</b>	<b>23278.52</b>	<b>114.20</b>	<b>-11.38</b>	<b>23381.33</b>
12	Gandhi Sagar	11.14	0.05	0.00	11.19
13	Pench	119.43	3.26	-0.23	122.45
14	Rajghat	107.43	0.09	-0.01	107.51
15	Bargi	92.47	0.56	0.00	93.03
16	Bansagar PH-1,2&3	1177.56	33.73	-2.99	1208.30
17	Bansagar PH-4	116.85	0.59	-	117.44
18	Birsinghpur	52.41	0.74	-	53.15
19	Madhikheda	218.16	0.03	-	218.19
20	<b>Total Hydro</b>	<b>1895.45</b>	<b>39.05</b>	<b>-3.24</b>	<b>1931.27</b>
21	HQ	5.86	0.63	-0.21	6.28
	<b>Total</b>	<b>25179.83</b>	<b>153.88</b>	<b>-14.83</b>	<b>25318.88</b>



4.4.7. In the instant petition, the depreciation on the Gross Block has been worked out based on weighted Average Rate of depreciation as reflected in the Power House wise Asset cum Depreciation registers of MPPGCL. The approach is in line with the methodology adopted by Hon'ble Commission in the past Tariff/True up orders of MPPGCL.

The following principles are considered for depreciation calculation purpose:-

- The rates for depreciation are considered as approved by Hon'ble Commission in Appendix-I of MPERC Regulations, 2020.
- The salvage value of assets is considered as 10% i.e. none of the assets are depreciated more than 90% of the gross value.
- Proviso 37.6 of MPERC Regulations, 2020 specifies that the remaining depreciable value as on 31st March of the year closing after a period of 12 years from the effective date of commercial operation of the station shall be spread over the balance useful life. In this regard it is to submit as under:-
  - i. In accordance aforesaid said proviso, MPPGCL has worked out the depreciation rate for balance life of assets for the stations which have completed the useful life of 12 years.
  - ii. Gandhisagar HPS & SGTPS PH-1 Birsinghpur have outlived their useful life, accordingly, estimated useful life of 8 years & 5 years respectively has been considered for working out the depreciation rate for balance life for asset additions made at these stations.
- In case of asset addition made during the year, the depreciation is charged on pro-rata basis based on the commercial operation of the assets for part of the year.





- The Assets additions on account of need based R&M works at STPS PH-2&3 are not considered as Special Allowance has been opted for these units.
- The assets in the records of MPPGCL are only for its own share therefore depreciation is computed for MPPGCL share only.

4.4.8. Considering the above , the depreciation on various power stations has been worked out and is tabulated below:-

**Depreciation computation for FY 2022-23**

Table No. 4.4.8.1

in Rs. Crores

	Station	Average Gross Block	Wt. Av. Rate of Dep	Dep. Amount for FY 23
1	<b>ATPS PH-3</b>	<b>1146.73</b>	2.40%	<b>27.52</b>
2	STPS PH-2&3	563.49	0%	0.00
3	STPS PH-4	3261.09	5.15%	167.95
4	<b>STPS Total</b>	<b>3824.58</b>		<b>167.95</b>
5	SGTPS PH-1&2	2211.46	1.59%	35.16
6	SGTPS PH-3	2050.70	2.20%	45.12
7	<b>SGTPS Total</b>	<b>4262.16</b>		<b>80.28</b>
8	SSTPP PH-1	7326.59	5.06%	370.73
9	SSTPP PH-2	6769.87	5.15%	348.65
10	<b>SSTPP Total</b>	<b>14096.46</b>		<b>719.37</b>
11	<b>Total Thermal</b>	<b>23329.93</b>		<b>995.12</b>
12	Gandhi Sagar	11.17	0.54%	0.06
13	Pench	120.94	1.30%	1.57
14	Rajghat	107.47	1.65%	1.77
15	Bargi	92.75	1.13%	1.05
16	Bansagar PH-1,2&3	1192.93	1.10%	13.12
17	Bansagar PH-4	117.15	1.18%	1.38
18	Birsinghpur	52.78	0.95%	0.50
19	Madhikheda	218.18	1.20%	2.62
20	<b>Total Hydro</b>	<b>1913.36</b>		<b>22.08</b>
21	HQ	6.07	2.72%	0.17
	<b>Total</b>	<b>25249.36</b>		<b>1017.36</b>



4.4.9. Accordingly, the Closing Accumulated Depreciation for FY 2022-23 works out as under:

**Closing Accumulated Depreciation for FY 2022-23**

Table No. 4.4.9.1

in Rs. Crores

Station		Op.Acc.Dep 01-04-2022	Dep. Amount for FY 23	Acc. Dep reduction towards write off/ adjustment	Cl. Acc. Dep 31-03- 2023	As % of GB
1	<b>ATPS PH-3</b>	<b>663.83</b>	<b>27.52</b>	<b>-1.03</b>	<b>690.32</b>	<b>59%</b>
2	STPS PH-2&3	513.56	0.00	-1.93	511.63	90%
3	STPS PH-4	1340.37	167.95	-0.09	1508.22	46%
4	<b>STPS Total</b>	<b>1853.93</b>	<b>167.95</b>	<b>-2.02</b>	<b>2019.96</b>	
5	SGTPS PH-1&2	1875.49	35.16	-3.90	1906.76	86%
6	SGTPS PH-3	1297.46	45.12	-1.46	1341.11	65%
7	<b>SGTPS Total</b>	<b>3172.95</b>	<b>80.28</b>	<b>-5.36</b>	<b>3247.87</b>	
8	SSTPP PH-1	2796.16	370.73	-0.14	3166.74	43%
9	SSTPP PH-2	1075.46	348.65	0.00	1424.11	21%
10	<b>SSTPP Total</b>	<b>3871.62</b>	<b>719.37</b>	<b>-0.14</b>	<b>4590.85</b>	
11	<b>Total Thermal</b>	<b>9562.33</b>	<b>995.12</b>	<b>-8.55</b>	<b>10548.89</b>	
12	Gandhi Sagar	9.61	0.06	0.000	9.67	86%
13	Pench	86.93	1.57	-0.169	88.33	72%
14	Rajghat	66.78	1.77	-0.01	68.55	64%
15	Bargi	73.04	1.05	0.00	74.09	80%
16	Bansagar PH-1,2&3	882.00	13.12	-2.24	892.88	74%
17	Bansagar PH-4	85.25	1.38	0.00	86.63	74%
18	Birsinghpur	42.36	0.50	0.00	42.86	81%
19	Madhikheda	130.84	2.62	0.00	133.46	61%
20	<b>Total Hydro</b>	<b>1376.81</b>	<b>22.08</b>	<b>-2.42</b>	<b>1396.47</b>	
21	HQ	0.00	0.17	-0.19	-0.02	
<b>Total</b>		<b>10939.14</b>	<b>1017.36</b>	<b>-11.16</b>	<b>11945.34</b>	

4.4.10. The depreciation on the assets of HQ has been linked to the nearest power station i.e. Bargi HPS for simplicity.

4.4.11. The Hon'ble Commission has permitted depreciation for FY 2022-23 in the MYT order for FY 20 to FY 24 dated 19.05.2021. The Power Station wise break up of depreciation approved by Hon'ble Commission for FY 2022-23 is detailed as under:



**Approved by Hon'ble Commission**

Table No. 4.4.11.1

in Rs. Crores

Station		As per MYT order
1	ATPS PH-3	27.03
2	STPS PH-2&3	0.00
3	STPS PH-4	165.93
4	<b>STPS Total</b>	<b>165.93</b>
5	SGTPS PH-1&2	48.74
6	SGTPS-PH-3	45.46
7	<b>SGTPS Total</b>	<b>94.20</b>
8	SSTPP PH-1	368.22
9	SSTPP PH-2	332.02
10	<b>SSTPP Total</b>	<b>700.24</b>
11	<b>Total Thermal</b>	<b>987.40</b>
12	Gandhi Sagar	0.04
13	Pench	1.59
14	Rajghat	4.62
15	Bargi	1.74
16	Bansagar PH-1,2&3	40.96
17	Bansagar PH-4	1.05
18	Birsinghpur	0.90
19	Madhikheda	2.68
20	<b>Total Hydro</b>	<b>53.58</b>
21	HQ	0.00
<b>Total</b>		<b>1040.98</b>

**4.4.12.** Accordingly, the true up of depreciation claimed in the instant True up petition before applying Normative Annual Plant Availability Factor (NAPAF) works out as under:-



**True up of Depreciation for FY 2022-23**

Table No. 4.4.12.1

in Rs. Crores

	Station	As per MYT order	MPPGCL as per norms	Diff.
1	ATPS PH-3	27.03	27.52	0.49
2	STPS PH-2&3	0.00	0.00	0.00
3	STPS PH-4	165.93	167.95	2.02
4	<b>STPS Total</b>	<b>165.93</b>	<b>167.95</b>	<b>2.02</b>
5	SGTPS PH-1&2	48.74	35.16	-13.58
6	SGTPS-PH-3	45.46	45.12	-0.34
7	<b>SGTPS Total</b>	<b>94.20</b>	<b>80.28</b>	<b>-13.92</b>
8	SSTPP PH-1	368.22	370.73	2.51
9	SSTPP PH-2	332.02	348.65	16.63
10	<b>SSTPP Total</b>	<b>700.24</b>	<b>719.37</b>	<b>19.13</b>
11	<b>Total Thermal</b>	<b>987.40</b>	<b>995.12</b>	<b>7.72</b>
12	Gandhi Sagar	0.04	0.06	0.02
13	Pench	1.59	1.57	-0.02
14	Rajghat	4.62	1.77	-2.85
15	Bargi	1.74	1.21	-0.53
16	Bansagar PH-1,2&3	40.96	13.12	-27.84
17	Bansagar PH-4	1.05	1.38	0.33
18	Birsinghpur	0.90	0.50	-0.40
19	Madhikheda	2.68	2.62	-0.06
20	<b>Total Hydro</b>	<b>53.58</b>	<b>22.24</b>	<b>-31.34</b>
	<b>Total</b>	<b>1040.98</b>	<b>1017.36</b>	<b>-23.62</b>



**4.4.13.** The true up of depreciation claimed in the instant True up petition after applying Normative Annual Plant Availability Factor (NAPAF) works out as under:

Table No. 4.4.13.1

in Rs. Crores

	Station	As per MYT order	As considered by MPPGCL on actual Availability	Diff.
1	ATPS PH-3	27.03	25.38	-1.65
2	STPS PH-2&3	0.00	0.00	0.00
3	STPS PH-4	165.93	167.95	2.02
4	<b>STPS Total</b>	<b>165.93</b>	<b>167.95</b>	<b>2.02</b>
5	SGTPS PH-1&2	48.74	31.99	-16.75
6	SGTPS-PH-3	45.46	45.12	-0.34
7	<b>SGTPS Total</b>	<b>94.20</b>	<b>77.11</b>	<b>-17.09</b>
8	SSTPP PH-1	368.22	303.67	-64.55
9	SSTPP PH-2	332.02	239.36	-92.66
10	<b>SSTPP Total</b>	<b>700.24</b>	<b>543.03</b>	<b>-157.21</b>
11	<b>Total Thermal</b>	<b>987.40</b>	<b>813.47</b>	<b>-173.93</b>
12	Gandhi Sagar	0.04	0.05	0.01
13	Pench	1.59	1.46	-0.13
14	Rajghat	4.62	1.86	-2.76
15	Bargi	1.74	1.24	-0.50
16	Bansagar PH-1,2&3	40.96	10.51	-30.45
17	Bansagar PH-4	1.05	1.53	0.48
18	Birsinghpur	0.90	0.39	-0.51
19	Madhikheda	2.68	2.84	0.16
20	<b>Total Hydro</b>	<b>53.58</b>	<b>19.88</b>	<b>-33.70</b>
	<b>Total</b>	<b>1040.98</b>	<b>833.35</b>	<b>-207.63</b>

**4.4.14.** MPPGCL humbly requests the Hon'ble Commission to kindly permit the same.



## 4.5 Interest and Finance Charges-

4.5.1. The Power Station wise Normative opening loan balances as on 01.04.2022 (including excess equity) per True up order issued by MPERC for FY 2021-22 and considered in instant petition is as under:-

Table No. 4.5.1.1 in Rs. Crores

S.No.	Stations	Normative Loan Opening Bal as on 1-4-2022 (as per MPERC in True up order for FY 2021-22)
1	ATPS PH-3	200.41
2	STPS PH-4	1280.83
3	SGTPS PH-3	165.53
4	SSTPP PH-1	3109.88
5	SSTPP PH-2	4647.79
6	<b>Total Thermal</b>	<b>9404.44</b>
7	Gandhi Sagar	0.27
8	Pench	8.74
9	Madhikheda	15.58
10	<b>Total Hydro</b>	<b>24.59</b>
11	HQ & S&I	0.00
<b>Total</b>		<b>9429.03</b>

4.5.2. During FY 2022-23, asset additions were made in existing as well as in new projects. The details of Power Station wise asset additions along with their funding through Loan & Equity Component is detailed in the Chapter - 4.3 Additional Capitalization/ de-capitalization & Funding thereof.

The summary of assets additions and funding thereof along with working of Normative & excess Equity is tabulated as under:



### Additions & Funding Details

Table No. 4.5.2.1

in Rs. Crores

Stations		Additional Capital-ization	Funding Through			Permissible Equity 30% of GB	Normative Equity	Balance Excess Equity treated as Loan
			Loan	Equity/ internal Resources	Total			
1	ATPS PH-3	28.84	0.00	28.77	28.77	8.65	8.65	20.11
2	STPS PH-2&3	-	-	-	-	-	-	-
3	STPS PH-4	38.19	0.68	37.52	38.19	11.46	11.46	26.06
4	SGTPS PH-1&2	3.09	0.00	3.09	3.09	0.93	0.93	2.16
5	SGTPS PH-3	8.24	0.00	8.24	8.24	2.47	2.47	5.77
6	SSTPP PH-1	7.54	5.27	2.26	7.54	2.26	2.26	0.00
7	SSTPP PH-2	28.30	19.81	8.49	28.30	8.49	8.49	0.00
8	Total Thermal	114.20	25.76	88.36	114.12	34.26	34.26	54.10
9	Gandhi Sagar	0.05	0.00	0.05	0.05	0.02	0.02	0.04
10	Pench	3.26	0.00	3.26	3.26	0.98	0.98	2.279
11	Rajghat	0.09	0.00	0.09	0.09	0.03	0.03	0.061
12	Bargi	0.56	0.00	0.56	0.56	0.17	0.17	0.39
13	Bansagar PH-1,2 3	33.73	0.00	33.73	33.73	10.12	10.12	23.61
14	Bansagar PH-4	0.59	0.00	0.59	0.59	0.18	0.18	0.41
15	Birsinghpur	0.74	0.00	0.74	0.74	0.222	0.22	0.519
16	Madhikheda	0.03	0.00	0.03	0.03	0.01	0.01	0.02
17	Total Hydel	39.05	0.00	39.05	39.05	11.72	11.72	27.34
18	HQ & S&I	0.63	0.00	0.63	0.63	0.19	0.19	0.44
Total		153.88	25.76	128.04	153.80	46.16	46.16	81.88

**4.5.3.** During FY 2022-23, Assets were written-off/adjusted as reflected in Audited Books of Accounts for FY 2022-23. The same are elaborated in the Chapter 4.3 Additional Capitalization/De capitalization and funding thereof.

The details of Normative Loan/Equity adjustment are detailed hereunder:-



**Normative Loan/Equity adjustment due to Assets Write off /Adjustments**

Table No. 4.5.3.1

in Rs. Crores

Power Station			Assets write off /Adjustments/ Transfer	Adjustment	
				Normative loan	Normative Equity
1	ATPS PH-3		-1.76	-1.23	-0.53
2	STPS PH-2&3	Write off	-2.01	-1.41	-0.60
		Transfer to ATPS	-0.11	-0.08	-0.03
3	STPS PH-4		-0.22	-0.16	-0.07
4	SGTPS PH-1&2		-4.60	-3.22	-1.38
5	SGTPS PH-3		-2.31	-1.62	-0.69
6	SSTPP PH-1		-0.37	-0.26	-0.11
7	<b>Total Thermal</b>		<b>-11.38</b>	<b>-7.97</b>	<b>-3.41</b>
8	Pench		-0.23	-0.16	-0.07
9	Rajghat		-0.01	-0.01	0.00
10	Bansagar PH-1,2&3		-2.99	-2.09	-0.90
11	Head Quarters		-0.21	-0.15	-0.06
<b>Total</b>			<b>-14.83</b>	<b>-10.38</b>	<b>-4.45</b>

**4.5.4.** Considering above, thePower station wise Closing and Average balances of loan considering the repayment equal to depreciation charged during FY 2022-23 as per proviso 36 of MPERC Regulations, 2020 are indicated below:-

**Power Station wise Closing & Average Balances**

Table No. 4.5.4.1

in Rs. Crores.

Stations		Normative Loan Opening Bal 1-4-2022	Additions		Deletions towards asset write off / Transfer	Principal repayment (Dep)	Normative Loan Closing Bal 31-03-2023	Average Balance
			Loan	Excess Equity treated as loan				
1	ATPS PH-3	200.41	0.00	20.11	-1.23	27.52	191.77	196.09
2	STPS PH-2&3	0.00	0.00	0.00	-1.48	0.00	0.00	0.00
3	STPS PH-4	1280.83	0.68	26.06	-0.16	167.95	1139.46	1210.15
4	SGTPS PH-1&2	0.00	0.00	2.16	-3.22	0.00	0.00	0.00
5	SGTPS PH-3	165.53	0.00	5.77	-1.62	45.12	124.57	145.05





*MPPGCL - True-up Tariff Petition for FY 2022-23*

Stations		Normative Loan Opening Bal 1-4-2022	Additions		Deletions	Principal repayment (Dep)	Normative Loan Closing Bal 31-03-2023	Average Balance
			Loan	Excess Equity treated as loan	towards asset write off / Transfer			
6	SSTPP PH-1	3109.88	5.27	0.00	-0.26	370.73	2744.17	2927.02
7	SSTPP PH-2	4647.79	19.81	0.00	0.00	348.65	4318.95	4483.37
<b>8</b>	<b>Total Thermal</b>	<b>9404.44</b>	<b>25.76</b>	<b>54.10</b>	<b>-7.97</b>	<b>959.96</b>	<b>8518.92</b>	<b>8961.68</b>
9	Gandhi Sagar	0.27	0.00	0.04	0.00	0.06	0.25	0.26
10	Pench	8.74	0.00	2.28	-0.16	1.57	9.28	9.01
11	Rajghat	0.00	0.00	0.06	-0.01	0.05	0.00	0.00
12	Bargi	0.00	0.00	0.39	0.00	0.39	0.00	0.00
13	Bansagar PH-1,2 &3	0.00	0.00	23.61	-2.09	13.12	8.40	4.20
14	Bansagar PH-4	0.00	0.00	0.41	0.00	0.41	0.00	0.00
15	Birsinghpur	0.00	0.00	0.52	0.00	0.50	0.02	0.01
16	Madhikheda	15.58	0.00	0.02	0.00	2.62	12.98	14.28
<b>17</b>	<b>Total Hydel</b>	<b>24.59</b>	<b>0.00</b>	<b>27.34</b>	<b>-2.26</b>	<b>18.74</b>	<b>30.93</b>	<b>27.76</b>
18	HQ	4.10	0.00	0.44	-0.15	0.17	4.23	4.17
<b>Total</b>		<b>9433.13</b>	<b>25.76</b>	<b>81.88</b>	<b>-10.38</b>	<b>978.86</b>	<b>8554.07</b>	<b>8993.60</b>

*\*Principal repayment maximum upto loan Balance.*

**4.5.5.** The Station wise weighted average rate of Interest for FY 2022-23 are indicated below:-

Table No. 4.5.5.1

Particulars		Wt.Av.Rate of Interest of Loans FY 2022-23		
		PFC Loan	GoMP Loan	Total
<b>1</b>	ATPS PH-3	-	14.36%	<b>14.36%</b>
<b>2</b>	STPS PH-2&3	-	14.36%	<b>14.36%</b>
<b>3</b>	STPS PH-4	10.47%	14.36%	<b>10.49%</b>
<b>4</b>	SGTPS PH 1&2	10.29%	14.36%	<b>12.32%</b>
<b>5</b>	SGTPS PH 3	-	14.36%	<b>14.36%</b>
<b>6</b>	SSTTP PH-1	10.47%	14.36%	<b>10.48%</b>
<b>7</b>	SSTTP PH-2	10.40%	14.36%	<b>10.41%</b>
<b>8</b>	<b>Total Thermal</b>	<b>10.44%</b>	<b>14.36%</b>	<b>10.51%</b>



Particulars		Wt.Av.Rate of Interest of Loans FY 2022-23		
		PFC Loan	GoMP Loan	Total
9	Gandhi Sagar		14.36%	14.36%
10	R.P. Sagar			0.00%
11	J Sagar			0.00%
12	Pench		14.36%	14.36%
13	Rajghat		14.36%	14.36%
14	Bargi		14.36%	14.36%
15	Bansagar PH-1,2&3		14.36%	14.36%
16	Bansagar PH-4		14.36%	14.36%
17	Birsinghpur		14.36%	14.36%
18	Madhikheda		14.36%	14.36%
19	<b>Total Hydro</b>	<b>0.00%</b>	<b>14.36%</b>	<b>14.36%</b>
20	HQ		14.36%	
<b>Total</b>		<b>10.44%</b>	<b>14.36%</b>	<b>10.52%</b>

4.5.6. Considering above, the Power station wise Interest charges (including Intt. on Excess Equity) for FY 2022-23 has been worked out in accordance to the proviso 36 of the Generation Tariff Regulations, 2020 by applying Weighted Average Rate of Interest on loans as indicated hereunder :

**Station wise Interest on Normative Loan**

Table No. 4.5.6.1

in Rs. Crores

Stations		Average Bal	Wt.Av. Rate of Intt	Interest Amount
1	ATPS PH-3	196.09	14.36%	28.15
2	STPS PH-2&3	0.00	14.36%	0.00
3	STPS PH-4	1210.15	10.49%	126.96
4	SGTPS PH-1&2	0.00	12.32%	0.00
5	SGTPS PH-3	145.05	14.36%	20.83
6	SSTPP PH-1	2927.02	10.48%	306.66
7	SSTPP PH-2	4483.37	10.41%	466.69
8	<b>Total Thermal</b>	<b>8961.68</b>		<b>949.29</b>



*MPPGCL - True-up Tariff Petition for FY 2022-23*

Stations		Average Bal	Wt.Av. Rate of Intt	Interest Amount
9	Gandhi Sagar	0.26	14.36%	0.04
10	Pench	9.01	14.36%	1.29
11	Rajghat	0.00	14.36%	0.00
12	Bargi	0.00	14.36%	0.00
13	Bansagar PH-1,2 &3	4.20	14.36%	0.60
14	Bansagar PH-4	0.00	14.36%	0.00
15	Birsinghpur	0.01	14.36%	0.00
16	Madhikheda	14.28	14.36%	2.05
17	<b>Total Hydrel</b>	<b>27.76</b>		<b>3.99</b>
18	HQ	4.17	14.36%	0.60
<b>Total</b>		<b>8993.60</b>		<b>953.87</b>

4.5.7. The Hon'ble Commission has determined Interest& Finance Charges (including Intt. on excess equity) for FY 2022-23 in the MYT order for FY 20 to FY 24 dated 19.05.2021. The power Station wise break up of Interest on Normative Loan approved by Hon'ble Commission for FY 2022-23 is detailed as under:

**Interest on Normative Loan Permitted by MPERC**

Table No. 4.5.7.1 in Rs. Crores

S.No.	Station	As per MYT Order
1	ATPS PH-3	20.56
2	STPS PH-2&3	0.00
3	STPS PH-4	126.45
4	SGTPS PH-1&2	0.00
5	SGTPS PH-3	20.33
6	SSTPP PH-1	314.28
7	SSTPP PH-2	449.01
8	<b>Total Thermal</b>	<b>930.63</b>
9	Gandhi Sagar	0.04
10	Pench	0.00
11	Rajghat	0.00



S.No.	Station	As per MYT Order
12	Bargi	0.00
13	Bansagar PH-1,2&3	0.00
14	Bansagar PH-4	0.00
15	Birsinghpur	0.00
15	Madhikheda	0.72
<b>16</b>	<b>Total Hydro</b>	<b>0.76</b>
17	HQ	0.00
<b>Total</b>		<b>931.39</b>

**4.5.8.** The interest charges of HQ have been linked to the nearest power station i.e. Bargi HPS for simplicity.

**4.5.9.** Accordingly, the true up of Interest & Finance Charges (including Intt. on excess equity) claimed in the instant True up petition at Normative Annual Plant Availability Factor (NAPAF) works out as under:-

**True up of Interest & Finance Charges**

Table No. 4.5.9.1

in Rs. Crores

S.No.	Station	As per MYT Order	MPPGCL as per norms	Diff True up Amt
1	ATPS PH-3	20.56	28.15	7.59
2	STPS PH-2&3	0.00	0.00	0.00
3	STPS PH-4	126.45	126.96	0.51
4	SGTPS PH-1&2	0.00	0.00	0.00
5	SGTPS PH-3	20.33	20.83	0.50
6	SSTPP PH-1	314.28	306.66	-7.62
7	SSTPP PH-2	449.01	466.69	17.68
<b>8</b>	<b>Total Thermal</b>	<b>930.63</b>	<b>949.29</b>	<b>18.66</b>
9	Gandhi Sagar	0.04	0.04	0.00
10	Pench	0.00	1.29	1.29
11	Rajghat	0.00	0.00	0.00
12	Bargi	0.00	0.60	0.60
13	Bansagar PH-1,2&3	0.00	0.60	0.60



*MPPGCL - True-up Tariff Petition for FY 2022-23*

S.No.	Station	As per MYT Order	MPPGCL as per norms	Diff True up Amt
14	Bansagar PH-4	0.00	0.00	0.00
15	Birsinghpur	0.00	0.00	0.00
16	Madhikheda	0.72	2.05	1.33
17	<b>Total Hydro</b>	<b>0.76</b>	<b>4.58</b>	<b>3.82</b>
<b>Total</b>		<b>931.39</b>	<b>953.87</b>	<b>22.48</b>

**4.5.10.** The true up of Interest & Finance Charges (including Intt. on excess equity) claimed in the instant True up petition after applying Normative Annual Plant Availability Factor (NAPAF) works out as under:-

Table No. 4.5.10.1

in Rs. Crores

S.No.	Station	As per MYT Order	As considered by MPPGCL on Actual Availability	Diff True up Amt
1	ATPS PH-3	20.56	25.96	5.40
2	STPS PH-2&3	0.00	0.00	0.00
3	STPS PH-4	126.45	126.96	0.51
4	SGTPS PH-1&2	0.00	0.00	0.00
5	SGTPS PH-3	20.33	20.83	0.50
6	SSTPP PH-1	314.28	251.19	-63.09
7	SSTPP PH-2	449.01	320.40	-128.61
8	<b>Total Thermal</b>	<b>930.63</b>	<b>745.34</b>	<b>-185.29</b>
9	Gandhi Sagar	0.04	0.03	-0.01
10	Pench	0.00	1.20	1.20
11	Rajghat	0.00	0.00	0.00
12	Bargi	0.00	0.61	0.61
13	Bansagar PH-1,2&3	0.00	0.48	0.48
14	Bansagar PH-4	0.00	0.00	0.00
15	Birsinghpur	0.00	0.00	0.00
16	Madhikheda	0.72	2.22	1.50
17	<b>Total Hydro</b>	<b>0.76</b>	<b>4.55</b>	<b>3.79</b>
<b>Total</b>		<b>931.39</b>	<b>749.89</b>	<b>-181.50</b>

**4.5.11.** MPPGCL humbly requests to kindly permit the same.



#### **4.6 Interest on Working Capital**

**4.6.1.** The Working capital has been determined in Hon'ble Commission's MYT order dated 19.05.2021 in accordance with proviso 38.1(A) & 38.1(B) of MPERC (Terms and Conditions of Generation Tariff) Regulations, 2020 {RG-26 (IV) of 2020}" as elaborated below:-

##### **THERMAL STATIONS**

- Cost of coal towards stock, if applicable, for 15 days for pit-head generating stations and 30 days for non-pit-head generating stations for generation corresponding to the normative annual plant availability factor or the maximum coal stock storage capacity whichever is lower;
- Advance payment for 30 days towards cost of coal for generation corresponding to the normative annual plant availability factor;
- Cost of secondary fuel oil for two months for generation corresponding to the normative annual plant availability factor, and in case of use of more than one secondary fuel oil, cost of fuel oil stock for the main secondary fuel oil;
- Maintenance spares @ 20% of operation and maintenance expenses specified in Regulation 39 and 40 of these Regulations;
- Receivables equivalent to 45 days of capacity charges and energy charges for sale of electricity calculated on the normative annual plant availability factor; and
- Operation and maintenance expenses for one month.

##### **HYDRO STATIONS**

- Receivables equivalent to 45 days of Annual fixed cost;



- Maintenance spares @ 15% of operation and maintenance expenses specified in Regulation 39 and 41 of these Regulations;
- Operation and Maintenance expenses for one month.

**4.6.2.** The Rate of interest on working capital shall be on normative basis and shall be considered as the bank rate as on 01.04.2021. Whereas, the Bank Rate as per definition means the one-year Marginal Cost of Lending Rate (MCLR) of the State Bank of India issued from time to time plus 350 basis points.

**4.6.3.** The Power Station wise Working Capital approved by MPERC vide Tariff order dated 19.05.2021 read with Corrigendum date 09.09.2021 is detailed in the table below:-

Table No. 4.6.3.1 in Rs. Crores

S.No.	Station	Working Capital for FY-23
1	ATPS PH-3	97.16
2	STPS PH-2&3	512.05
3	STPS PH-4	357.49
4	SGTPS PH-1&2	443.20
5	SGTPS PH-3	262.41
6	SSTPP PH-1	943.94
7	SSTPP PH-2	1002.05
<b>8</b>	<b>Total Thermal</b>	<b>3618.30</b>
9	Gandhi Sagar	5.31
10	Pench	8.12
11	Rajghat	3.18
12	Bargi	4.86
13	Bansagar PH-1,2&3	30.83
14	Bansagar PH-4	1.76
15	Birsinghpur	1.35
16	Madhikheda	4.11
<b>17</b>	<b>Total Hydro</b>	<b>59.52</b>
<b>Total</b>		<b>3677.82</b>



**4.6.4.** The Normative Interest on Working Capital considering Interest rate as 10.50% (MCLR of SBI - 7.00% + 350 points as on 01.04.2022) works out as under before applying Normative Availability Factor:-

**Interest in Working Capital**

Table 4.6.4.1

in Rs. Crores

S.No.	Station	As per MPERC Order	As considered by MPPGCL on Norms	Diff.
1	ATPS PH-3	10.93	10.20	-0.73
2	STPS PH-2&3	57.61	53.77	-3.84
3	STPS PH-4	40.22	37.54	-2.68
4	SGTPS PH-1&2	49.86	46.54	-3.32
5	SGTPS PH-3	29.52	27.55	-1.97
6	SSTPP PH-1	106.19	99.11	-7.08
7	SSTPP PH-2	112.73	105.22	-7.51
<b>8</b>	<b>Total Thermal</b>	<b>407.06</b>	<b>379.92</b>	<b>-27.13</b>
9	Gandhi Sagar	0.60	0.56	-0.04
10	Pench	0.91	0.85	-0.06
11	Rajghat	0.36	0.33	-0.03
12	Bargi	0.55	0.51	-0.04
13	Bansagar PH-1,2&3	3.47	3.24	-0.23
14	Bansagar PH-4	0.20	0.18	-0.02
15	Birsinghpur	0.15	0.14	-0.01
16	Madhikheda	0.46	0.43	-0.03
<b>17</b>	<b>Total Hydro</b>	<b>6.70</b>	<b>6.25</b>	<b>-0.45</b>
<b>Total</b>		<b>413.75</b>	<b>386.17</b>	<b>-27.58</b>





**4.6.5.** Normative Interest on Working Capital considering Interest rate as 10.50% (MCLR of SBI - 7.00% + 350 points as on 01.04.2022) works out as under after applying Normative Availability Factor:-

Table 4.6.5.1 in Rs. Crores

S.No.	Station	As per MPERC Order	As considered by MPPGCL on Norms	Diff.
1	ATPS PH-3	10.93	9.41	-1.52
2	STPS PH-2&3	57.61	0.00	-57.61
3	STPS PH-4	40.22	37.54	-2.68
4	SGTPS PH-1&2	49.86	42.34	-7.52
5	SGTPS PH-3	29.52	27.55	-1.97
6	SSTPP PH-1	106.19	81.19	-25.00
7	SSTPP PH-2	112.73	72.23	-40.49
<b>8</b>	<b>Total Thermal</b>	<b>407.06</b>	<b>270.26</b>	<b>-136.79</b>
9	Gandhi Sagar	0.60	0.43	-0.17
10	Pench	0.91	0.79	-0.12
11	Rajghat	0.36	0.35	-0.01
12	Bargi	0.55	0.52	-0.03
13	Bansagar PH-1,2&3	3.47	2.59	-0.88
14	Bansagar PH-4	0.20	0.21	0.01
15	Birsinghpur	0.15	0.11	-0.04
16	Madhikheda	0.46	0.47	0.01
<b>17</b>	<b>Total Hydro</b>	<b>6.70</b>	<b>5.47</b>	<b>-1.23</b>
<b>Total</b>		<b>413.75</b>	<b>275.73</b>	<b>-138.02</b>

**4.6.6.** MPPGCL humbly requests Hon'ble Commission to kindly permit the same.



## 4.7 RETURN ON EQUITY:-

4.7.1. The proviso 33.1 of MPERC (Terms and Conditions for determination of Generation Tariff) Regulations, 2020 specifies debt Equity ratio of 70:30 of capital cost for the purpose of determination of Return on Equity.

4.7.2. In accordance with above, the normative Equity as on 01.04.2022 as admitted by Hon'ble MPERC in True up order for FY 2021-22 & considered in instant True Up petition is tabulated hereunder:-

### Normative Equity as on 01.04.2022

Table No.4.7.2.1

(in Rs. Crores)

Station		Normative Equity balance as on 01-04-2022 (as per MPERC TU order for FY 2021-22)
1	ATPS PH-3	259.28
2	STPS PH-2&3	167.29
3	STPS PH-4	655.21
4	SGTPS PH-1&2	657.17
5	SGTPS PH-3	578.65
6	SSTPP PH-1	1414.76
7	SSTPP PH-2	1032.32
8	<b>Total Thermal</b>	<b>4764.68</b>
9	Gandhi Sagar	3.37
10	Pench	35.84
11	Rajghat	27.03
12	Bargi	27.77
13	Bansagar PH-1,2&3	353.28
14	Bansagar PH-4	35.05
15	Birsinghpur	15.65
16	Madhikheda	46.30
17	<b>Total Hydro</b>	<b>544.30</b>
18	HQ	0.00
<b>Total</b>		<b>5308.98</b>



4.7.3. On account of Asset additions at power stations of MPPGCL, there is infusion of Equity during FY 2022-23. The details regarding asset additions and funding thereof during FY 2022-23 were already provided in the Chapter-4.3 Additional Capitalization/de-capitalization and funding thereof. The table indicating the source of funding towards additional capitalization along with the calculation of normative Equity addition during FY 2022-23 is detailed as follows:-

**Normative Equity addition during FY 2022-23**

Table No.4.7.3.1

( in Rs. Crores)

Stations		Additional Capital-ization	Funding Through			Permissible Equity 30% of GB	Normative Equity	Balance Excess Equity treated as Loan
			Loan	Equity/ internal Resources	Total			
1	ATPS PH-3	28.84	0.00	28.77	28.77	8.65	8.65	20.11
2	STPS PH-2&3	-	-	-	-	-	-	-
3	STPS PH-4	38.19	0.68	37.52	38.19	11.46	11.46	26.06
4	SGTPS PH-1&2	3.09	0.00	3.09	3.09	0.93	0.93	2.16
5	SGTPS PH-3	8.24	0.00	8.24	8.24	2.47	2.47	5.77
6	SSTPP PH-1	7.54	5.27	2.26	7.54	2.26	2.26	0.00
7	SSTPP PH-2	28.30	19.81	8.49	28.30	8.49	8.49	0.00
8	<b>Total Thermal</b>	<b>114.20</b>	<b>25.76</b>	<b>88.36</b>	<b>114.12</b>	<b>34.26</b>	<b>34.26</b>	<b>54.10</b>
9	Gandhi Sagar	0.05	0.00	0.05	0.05	0.02	0.02	0.04
10	Pench	3.26	0.00	3.26	3.26	0.98	0.98	2.279
11	Rajghat	0.09	0.00	0.09	0.09	0.03	0.03	0.061
12	Bargi	0.56	0.00	0.56	0.56	0.17	0.17	0.39
13	Bansagar PH-1,2 3	33.73	0.00	33.73	33.73	10.12	10.12	23.61
14	Bansagar PH-4	0.59	0.00	0.59	0.59	0.18	0.18	0.41
15	Birsinghpur	0.74	0.00	0.74	0.74	0.222	0.22	0.519
16	Madhikheda	0.03	0.00	0.03	0.03	0.01	0.01	0.02
17	<b>Total Hydel</b>	<b>39.05</b>	<b>0.00</b>	<b>39.05</b>	<b>39.05</b>	<b>11.72</b>	<b>11.72</b>	<b>27.34</b>
18	HQ & S&I	0.63	0.00	0.63	0.63	0.19	0.19	0.44
<b>Total</b>		<b>153.88</b>	<b>25.76</b>	<b>128.04</b>	<b>153.80</b>	<b>46.16</b>	<b>46.16</b>	<b>81.88</b>



4.7.4. During FY 2022-23, Assets were written-off /adjustments as reflected in Audited Books of Accounts for FY 2022-23. The same is elaborated in the Chapter 4.3 Additional Capitalization/De capitalization and funding thereof. The details of Normative Equity/Loan adjustments on account of above is tabulated hereunder :

Table No.4.7.4.1 ( in Rs. Crores)

Power Station			Assets write off /Transfer	Adjustment	
		Normative loan		Normative Equity	
1	ATPS PH-3		-1.76	-1.23	-0.53
2	STPS PH-2&3	Write off	-2.01	-1.41	-0.60
		Transferred to ATPS	-0.11	-0.08	-0.03
3	STPS PH-4		-0.22	-0.16	-0.07
4	SGTPS PH-1&2		-4.60	-3.22	-1.38
5	SGTPS PH-3		-2.31	-1.62	-0.69
6	SSTPP PH-1		-0.37	-0.26	-0.11
7	Total Thermal		-11.38	-7.97	-3.41
8	Pench		-0.23	-0.16	-0.07
9	Rajghat		-0.01	-0.01	0.00
10	Bansagar PH-1,2&3		-2.99	-2.09	-0.90
11	Head Quarters		-0.21	-0.15	-0.06
Total			-14.83	-10.38	-4.45

4.7.5. Considering above, the closing normative Equity balance a along with the Average Equity works out as under:-

#### Normative Closing & Average Equity

Table No.4.7.5.1 ( in Rs. Crores)

Station		Normative Equity as on 01-04-2022	Normative Equity Addition due to Asset Capitalization	Normative Equity deletions towards asset write off / Transfer	Normative Equity as on 31-3-2023	Average Equity
1	ATPS PH-3	259.28	8.65	-0.53	267.41	263.34
2	STPS PH-2&3	167.29	0.00	-0.64	166.65	166.97
3	STPS PH-4	655.21	11.46	-0.07	666.60	660.91
4	SGTPS PH-1&2	657.17	0.93	-1.38	656.72	656.94
5	SGTPS PH-3	578.65	2.47	-0.69	580.43	579.54



*MPPGCL - True-up Tariff Petition for FY 2022-23*

Station		Normative Equity as on 01-04-2022	Normative Equity Addition due to Asset Capitalization	Normative Equity deletions towards asset write off / Transfer	Normative Equity as on 31-3-2023	Average Equity
6	SSTPP PH-1	1414.76	2.26	-0.11	1416.91	1415.83
7	SSTPP PH-2	1032.32	8.49	0.00	1040.81	1036.56
8	<b>Total Thermal</b>	<b>4764.68</b>	<b>34.26</b>	<b>-3.41</b>	<b>4795.52</b>	<b>4780.10</b>
9	Gandhi Sagar	3.37	0.02	0.00	3.39	3.38
10	Pench	35.84	0.98	-0.07	36.75	36.29
11	Rajghat	27.03	0.03	0.00	27.05	27.04
12	Bargi	27.77	0.17	0.00	27.94	27.85
13	Bansagar PH-1,2&3	353.28	10.12	-0.90	362.50	357.89
14	Bansagar PH-4	35.05	0.18	0.00	35.23	35.14
15	Birsinghpur	15.65	0.22	0.00	15.87	15.76
16	Madhikheda	46.30	0.01	0.00	46.31	46.31
17	<b>Total Hydro</b>	<b>544.30</b>	<b>11.72</b>	<b>-0.97</b>	<b>555.04</b>	<b>549.67</b>
18	HQ	1.76	0.19	-0.06	1.88	1.82
<b>Total</b>		<b>5310.74</b>	<b>46.16</b>	<b>-4.45</b>	<b>5352.45</b>	<b>5331.59</b>

4.7.6. As per proviso 34.2 of MPERC (Terms and Conditions for determination of Generation Tariff) Regulations, 2020, the Return on Equity is to be computed at a base rate of 15.50 % for thermal for stations & 16.50% for Hydel Power stations which is to be grossed up by the tax rate.

Since MPPGCL has not paid any Corporate tax during FY 2022-23, MPPGCL has worked out the Return on Equity on pre tax basis at a base rate as tabulated below:-

**Return on Equity for FY 2022-23**

Table No.4.7.6.1 (in Rs. Crores)

Station		Average Equity	RoE @ 15.50% for Thermal & 16.50 % for Hydel Stations
1	ATPS PH-3	263.34	40.82
2	STPS PH-2&3	166.97	25.88
3	STPS PH-4	660.91	102.44
4	SGTPS PH-1&2	656.94	101.83



Station		Average Equity	RoE @ 15.50% for Thermal & 16.50 % for Hydel Stations
5	SGTPS PH-3	579.54	89.83
6	SSTPP PH-1	1415.83	219.45
7	SSTPP PH-2	1036.56	160.67
8	<b>Total Thermal</b>	<b>4780.10</b>	<b>740.92</b>
9	Gandhi Sagar	3.38	0.56
10	Pench	36.29	5.99
11	Rajghat	27.04	4.46
12	Bargi	27.85	4.60
13	Bansagar PH-1,2&3	357.89	59.05
14	Bansagar PH-4	35.14	5.80
15	Birsinghpur	15.76	2.60
16	Madhikheda	46.31	7.64
17	<b>Total Hydro</b>	<b>549.67</b>	<b>90.70</b>
18	HQ	1.82	0.30
<b>Total</b>		<b>5331.59</b>	<b>831.91</b>

4.7.7. The Hon'ble Commission has determined Return on Equity for FY 2022-23 in the MYT order for FY 20 to FY 24 vide its order dated 19.05.2021. The power Station wise break up of Interest on Normative Equity approved by Hon'ble Commission for FY 2022-23 is detailed as under:

**RoE as per MPERC MYT order for FY-2022-23**

Table No.4.7.7.1 (in Rs. Crores)

Station		As per MYT order
1	ATPS PH-3	39.78
2	STPS PH-2&3	27.79
3	STPS PH-4	100.02
4	SGTPS PH-1&2	101.54
5	SGTPS PH-3	89.88
6	SSTPP PH-1	218.79
7	SSTPP PH-2	149.85
8	<b>Total Thermal</b>	<b>727.65</b>



*MPPGCL - True-up Tariff Petition for FY 2022-23*

Station		As per MYT order
9	Gandhi Sagar	0.56
10	Pench	5.12
11	Rajghat	4.45
12	Bargi	4.38
13	Bansagar PH-1,2&3	58.27
14	Bansagar PH-4	5.78
15	Birsinghpur	2.58
16	Madhikheda	7.63
17	<b>Total Hydro</b>	<b>88.77</b>
18	HQ	0.00
<b>Total</b>		<b>816.42</b>

4.7.8. The Equity of HQ has been linked to nearest power station i.e. Bargi HPS for simplicity.

4.7.9. Considering above, the true up of Return on Equity claimed in the instant True up petition at before applying Normative Annual Plant Availability Factor (NAPAF) works out as under:-

**True up of RoE ( before applying NAPAF)**

Table No.4.7.9.1

(in Rs. Crores)

Station		As per MYT order	MPPGCL as per norms	Diff True up Amt
1	ATPS PH-3	39.78	40.82	1.04
2	STPS PH-2&3	27.79	25.88	-1.91
3	STPS PH-4	100.02	102.44	2.42
4	SGTPS PH-1&2	101.54	101.83	0.29
5	SGTPS PH-3	89.88	89.83	-0.05
6	SSTPP PH-1	218.79	219.45	0.66
7	SSTPP PH-2	149.85	160.67	10.82
8	<b>Total Thermal</b>	<b>727.65</b>	<b>740.92</b>	<b>13.27</b>
9	Gandhi Sagar	0.56	0.56	0.00
10	Pench	5.12	5.99	0.87



*MPPGCL - True-up Tariff Petition for FY 2022-23*

Station		As per MYT order	MPPGCL as per norms	Diff True up Amt
11	Rajghat	4.45	4.46	0.01
12	Bargi	4.38	4.90	0.52
13	Bansagar PH-1,2&3	58.27	59.05	0.78
14	Bansagar PH-4	5.78	5.80	0.02
15	Birsinghpur	2.58	2.60	0.02
16	Madhikheda	7.63	7.64	0.01
17	<b>Total Hydro</b>	<b>88.77</b>	<b>91.00</b>	<b>2.23</b>
<b>Total</b>		<b>816.42</b>	<b>831.91</b>	<b>15.49</b>

4.7.10. The true up of Return on Equity claimed in the instant True up petition at after applying Normative Annual Plant Availability Factor (NAPAF) works out as under

**True up of RoE (after applying NAPAF)**

Table No.4.7.10.1

(in Rs. Crores)

Station		As per MYT order	As considered by MPPGCL on Actual Availability	Diff True up Amt
1	ATPS PH-3	39.78	37.64	-2.14
2	STPS PH-2&3	27.79	0.00	-27.79
3	STPS PH-4	100.02	102.44	2.42
4	SGTPS PH-1&2	101.54	92.65	-8.89
5	SGTPS PH-3	89.88	89.83	-0.05
6	SSTPP PH-1	218.79	179.76	-39.03
7	SSTPP PH-2	149.85	110.30	-39.55
8	<b>Total Thermal</b>	<b>727.65</b>	<b>612.63</b>	<b>-115.02</b>
9	Gandhi Sagar	0.56	0.43	-0.13
10	Pench	5.12	5.56	0.44
11	Rajghat	4.45	4.68	0.23
12	Bargi	4.38	5.00	0.62





*MPPGCL - True-up Tariff Petition for FY 2022-23*

Station		As per MYT order	As considered by MPPGCL on Actual Availability	Diff True up Amt
13	Bansagar PH-1,2&3	58.27	47.28	-10.99
14	Bansagar PH-4	5.78	6.44	0.66
15	Birsinghpur	2.58	2.04	-0.54
16	Madhikheda	7.63	8.28	0.65
17	<b>Total Hydro</b>	<b>88.77</b>	<b>79.71</b>	<b>-9.06</b>
<b>Total</b>		<b>816.42</b>	<b>692.35</b>	<b>-124.07</b>

5.1.1. MPPGCL humbly requests the Hon'ble Commission to kindly permit the same.



## 4.8 Non Tariff Income

4.8.1. The Hon'ble Commission in (Terms and conditions for determination of Generation Tariff) Regulations, 20, MPERC has prescribed for Non- Tariff Income, as per proviso 58.1:-

*“The non-tariff net income in case of generating station on account of following shall be shared in the ratio of 50:50 with the beneficiaries and the generating company on annual basis:*

- a) Income from rent of land or buildings;*
- b) Income from sale of scrap;*
- c) Income from sale of fly ash;*
- d) Interest on advances to suppliers or contractors;*
- e) Rental from staff quarters;*
- f) Rental from contractors;*
- g) Income from advertisements; and*
- h) Interest on investments and bank balances:”*

4.8.2. Considering above, the Non-Tariff income works out as under :-

Table No. 4.8.2.1		in Rs. Crores
Particulars	Amount	
Interest on Staff Loans and Advances.	0.005	
Interest/ hire charges from Contractors	0.08	
Interest From Fixed Deposits	6.03	
Interest From Fixed Deposits on Fly Ash	5.75	
Rent recoveries - Staff / contractors	4.04	
Recoveries for transport facilities etc	0.09	
Profit/Income on Sale of Stores / Scrap	30.58	
Sale of Fly Ash	1.45	
Other Miscellaneous Receipts	19.43	
Non Tariff Income( on Shared basis)	67.45	
<b>Non Tariff Income( on 100% basis)</b>	<b>68.14</b>	
50% to be shared by beneficiary as per MPERC Regulations 2020	34.07	
<b>Considered in the Instant Petition</b>	<b>34.07</b>	



**4.8.3.** The Powerhouse wise breakup of Non Tariff Income is tabulated below:-

Table No. 4.8.3.1 in Rs. Crores

Stations		Considered in instant petition (100% Basis)
1	ATPS PH-3	1.16
2	STPS PH-2&3	7.60
3	STPS PH-4	7.61
4	SGTPS PH-1&2	5.12
5	SGTPS PH-3	3.05
6	SSTPP PH-1	4.36
7	SSTPP PH-2	3.25
8	<b>Total Thermal</b>	<b>32.16</b>
9	Gandhi Sagar	0.13
9	Pench	0.58
10	Rajghat	0.22
11	Bargi	0.37
12	Bansagar PH-1,2 &3	0.45
13	Bansagar PH-4	0.02
14	Birsinghpur	0.06
15	Madhikheda	0.09
16	<b>Total Hydel</b>	<b>1.91</b>
<b>Total</b>		<b>34.07</b>

**4.8.4.** MPPGCL humbly requests before Hon'ble Commission to kindly consider the same.



## **4.9 Ash Transportation Expenses**

**4.9.1** Hon'ble Commission in its order dated 29.11.2021 in Petition No. 26 of 2021 at para 26 & 27 page 20 & 21, has issued guidelines/ conditions for fulfillment towards recovery of expenses incurred / likely to be incurred on Transportation of FLY ASH. The actual additional expenditure incurred/ to be incurred by the coal based thermal power plants towards transportation of fly ash in terms of the MoEF & CC Notification dated 25.01.2016 shall be considered under "**Change in Law**" as statutory expenses.

In However, the recovery of the ash transportation expenses by the generating company shall be subject to fulfillment of following conditions by the generating company and verification of the following conditions for each station by the MP Power Management Company Ltd:-

- i. Award of fly ash transportation contract through a transparent competitive bidding procedure. Alternatively, the schedule rates of the respective State Governments, as applicable for transportation of fly ash.
- ii. Details of the actual additional expenditure incurred on Ash transportation after MoEF & CC notification dated 25.01.2016, duly certified by the Auditors.
- iii. Details of the Revenue generated from sale of Fly ash/ Fly ash products and the expenditure incurred towards Ash utilization from 25.1.2016 to till date, separately.
- iv. Revenue generated from sale of Fly Ash is maintained in a separate account as per the MoEF & CC notification.
- v. The generating companies are also required to provide the details to the MPPMCL duly certified by the statutory Auditor.



The generating companies shall provide the copy of the bids if any, floated for disposal of fly ash from their generating station and copy of all the agreements entered into with the fly ash procurer companies to the MPPMCL. The generating companies shall claim the actual expenses towards Ash transportation on Monthly basis with Annual reconciliation based on the Annual Audited Account. The above directives of Hon'ble Commission have been complied by MPPGCL.

- 4.9.2** Meanwhile, the MoEF&CC vide notification dated 31.12.2021 on ash utilization from coal or lignite thermal power plants has directed generating companies to comply to the mandate. The spirit of the notification is to conserve top soil and natural resources by promoting utilization of ash in road laying, road and flyover embankments, shoreline protection measures, low lying areas of approved projects, back filling of mines, as an alternative for filling of earthen materials to the best possible extent. The notification has been considered as **"Change in Law"**.

Further, the MoEF & CC vide notification dated 31.12.2021 has chosen Projects of National interest and Coal mines as best options for utilization of Ash and provide special provision as supply of ash free of cost to these projects and transportation cost of ash to be borne by generating companies.

- 4.9.3** Hon'ble Commission vide Second amendment to MPERC (Terms and Conditions for determination of Generation Tariff) (Second Amendment) Regulations, 2020 {ARG-26 (IV)(ii) of 2023} dated 21.02.2023 at Para 27 has issued Amendment to Regulation 65 of the principal Regulations and reproduced as follows:-

*"65.3 Expenses towards Fly Ash Utilization and transportation shall be payable in accordance to the directives issued by Government of India, Ministry of Environment, Forest and Climate Change vide Notification No. S.O. 5481 (E) dated*



31.12.2021 and subsequent amendment issued from time to time.

*Provided that the generating company shall maintain separate accounts/records for expenses towards Fly Ash utilization & transportation reconciled with the Annual Audited Accounts and duly certified by the statutory Auditor. The generating company shall submit complete details of aforesaid expenses to the procurer in FORM TPS 19(A) along with supporting documents."*

- 4.9.4** Accordingly, the Power Stations wise details of expenditure incurred on Transportation of Fly Ash as captured in Note 31.1 Serial No.8 of Audited Financial Statements of FY 2022-23 is as under:

Table 4.9.4.1 in Rs. Crores

Stations	Amount
ATPS PH-3	0.94
STPS PH-2&3	0.00
STPS PH-4	4.37
SGTPS PH-1&2	0.00
SGTPS PH-3	0.00
SSTPP PH-1	2.41
SSTPP PH-2	3.84
<b>Total</b>	<b>11.56</b>

- 4.9.5** It is humbly requested before Hon'ble Commission to kindly consider it as additional expenses and permit the same.



## 5. Requirement for True up of FY 2022-23:-

- 5.1.1 The instant true up is based on the Annual Statement of Audited accounts for FY 2022-23. The Element wise breakup of difference in amount as per MPERC orders v/s Norms is given below:-

### Element wise Breakup

Table No. 5.1.1.1

(Amount in Rs. Crores)

Particulars	Elements	Annual Fixed Cost FY 2022-23		
		As per MPERC Orders	MPPGCL as per norms	Diff.
<b>Fixed Cost Elements</b>	O & M Expenses	1580.28	1580.28	0.00
	Special Allowance	78.85	78.85	0.00
	Interest on Loan + Excess Equity	931.39	953.87	22.48
	Interest on Working Capital	413.75	386.17	-27.58
	Depreciation	1040.98	1017.36	-23.62
	Return on Equity	816.42	831.91	15.49
<b>Less Non Tariff Income</b>		0.00	34.07	-34.07
<b>Total</b>		<b>4861.68</b>	<b>4814.38</b>	<b>-47.30</b>

- 5.1.2 The Power station wise break up of true up amount for FY 2022-23 at Normative Availability of thermal power stations & Hydro Power Stations is worked out as under:-

### Power Station wise Breakup

Table No. 5.1.2.1

Amount in Rs. Crores

S.No.	Station	As per MYT Order	MPPGCL as per norms	Diff.
1	ATPS PH-3	164.21	171.45	7.24
2	STPS PH-2&3	424.78	411.43	-13.35
3	STPS PH-4	615.42	610.07	-5.35
4	SGTPS PH-1&2	463.82	442.08	-21.73
5	SGTPS PH-3	311.19	306.28	-4.91
6	SSTPP PH-1	1277.12	1261.23	-15.89
7	SSTPP PH-2	1340.21	1374.57	34.36
8	<b>Thermal</b>	<b>4596.75</b>	<b>4577.11</b>	<b>-19.64</b>



*MPPGCL - True-up Tariff Petition for FY 2022-23*

S.No.	Station	As per MYT Order	MPPGCL as per norms	Diff.
9	Gandhi Sagar	15.71	15.55	-0.16
10	Pench	27.75	29.25	1.50
11	Rajghat	15.09	12.01	-3.08
12	Bargi	17.99	18.17	0.18
13	Bansagar PH-1,2&3	153.65	126.52	-27.13
14	Bansagar PH-4	9.55	9.86	0.31
15	Birsinghpur	6.15	5.70	-0.44
16	Madhikheda	19.05	20.20	1.16
17	Hydro	264.93	237.27	-27.66
<b>Total</b>		<b>4861.68</b>	<b>4814.38</b>	<b>-47.30</b>

5.1.3 The difference between Annual Capacity (Fixed) Charges approved by the Hon'ble Commission for FY 2022-23 in its MPERC orders read with corrigendum dated 09.09.2021 vis-à-vis the true up requirement after applying Actual Availability on fixed cost elements of thermal power stations and actual Availability applicable on capacity charges for Hydro Power Stations based on 100% capacity of the plants operated by MPPGCL worked out is tabulated below:-

**Element wise Breakup**

Table No. 5.1.3.1

(Amount in Rs. Crores)

Particulars	Elements	Annual Fixed Cost FY 2022-23		
		As per MPERC Orders	On actual Availability	Diff.
<b>Fixed Cost Elements</b>	O & M Expenses	1580.28	1135.14	-445.14
	Compensation Allowance	0.00	0.00	0.00
	Special Allowance	78.85	0.00	-78.85
	Interest on Loan+ Excess Equity	931.39	749.89	-181.50
	Interest on Working Capital	413.75	275.73	-138.02
	Depreciation	1040.98	833.35	-207.63
	Return on Equity	816.42	692.35	-124.07
<b>Less Non Tariff Income</b>		0.00	34.07	-34.07
<b>Total</b>		<b>4861.68</b>	<b>3652.39</b>	<b>-1209.29</b>





5.1.4 The Power station wise break up of true up amount after applying actual Availability on fixed cost elements of thermal power stations and actual Availability on capacity charges for Hydro Power Stations worked out as under:-

**Power Station wise Breakup**

Table No. 5.1.4.1

Amount in Rs. Crores

S.No.	Station	As per MYT Order	As considered by MPPGCL on actual Availability	Diff.
1	ATPS PH-3	164.21	158.02	-6.19
2	STPS PH-2&3	424.78	-7.60	-432.38
3	STPS PH-4	615.42	610.07	-5.35
4	SGTPS PH-1&2	463.82	401.79	-62.02
5	SGTPS PH-3	311.19	306.28	-4.91
6	SSTPP PH-1	1277.12	1032.32	-244.80
7	SSTPP PH-2	1340.21	942.67	-397.53
<b>8</b>	<b>Thermal</b>	<b>4596.75</b>	<b>3443.56</b>	<b>-1153.19</b>
9	Gandhi Sagar	15.71	12.01	-3.70
10	Pench	27.75	27.11	-0.64
11	Rajghat	15.09	12.60	-2.49
12	Bargi	17.99	18.58	0.59
13	Bansagar PH-1,2&3	153.65	101.22	-52.43
14	Bansagar PH-4	9.55	10.94	1.40
15	Birsinghpur	6.15	4.47	-1.68
16	Madhikheda	19.05	21.90	2.86
<b>17</b>	<b>Hydro</b>	<b>264.93</b>	<b>208.82</b>	<b>-56.10</b>
<b>Total</b>		<b>4861.68</b>	<b>3652.39</b>	<b>-1209.29</b>

5.1.5 Apart from above, Other Charges comprising of MPERC Fees, Water Charges, Rent, Rates & taxes, Cost of Chemical & Consumable, Publication Expenses and Wage Revision arrears have been claimed on actuals based on Audited Books of Accounts for FY 2022-23 on 100% basis as detailed in Chapter 4.2 -Other Charges are as under:-



*MPPGCL - True-up Tariff Petition for FY 2022-23*

*Amount in Rs. Crores*

S. No.	Particulars	Amount
1	Rent, Rates & Taxes	1.16
2	Water Charges	164.85
3	Cost of Chemicals & Consumables	18.08
4	MPERC Fee + Publication Exp.	1.49
5	EL Encashment	23.25
<b>Total</b>		<b>208.84</b>

The Power station wise break up of Other Charges is as under:-

*in Rs. Crores*

S.No.	Power Station	Amount
1	ATPS PH-3	9.23
2	STPS PH-2&3	3.77
3	STPS PH-4	16.23
4	SGTPS PH-1&2	19.54
5	SGTPS PH-3	11.63
6	SSTPP PH-1	39.26
7	SSTPP PH-2	35.82
8	<b>Total Thermal</b>	<b>135.47</b>
9	Gandhi Sagar HPS	18.82
10	Pench HPS	0.70
11	Rajghat HPS	0.57
12	Bargi HPS	19.72
13	Bansagar PH-1,2&3 HPS	20.82
14	Bansagar PH-4	1.03
15	Birsinghpur HPS	1.06
16	Madhikheda HPS	10.65
17	<b>Total Hydro</b>	<b>73.37</b>
<b>Total</b>		<b>208.84</b>

5.1.6 Kindly permit additional expenses incurred towards Ash Transportation amounting to Rs. 11.56 Crores.

5.1.7 It is humbly requested before the Hon'ble Commission to kindly permit the expenses as detailed in above paras.

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