



Truing up of additional capitalization incurred for period from COD to 31.03.2014 in respect of Barkhera, Khambarkhera, Maqsoodapur, Utraula, & Kundarki Thermal power project of Bajaj Energy Limited.

respect of 2X45 MW Utraula, Thermal Power Project of Bajaj Energy Limited.

AND

IN THE MATTER OF

Petition Under Section 62 and 86(1)(a) of the Electricity Act, 2003 read with UPERC (Terms and Condition of Tariff) Regulations, 2009 for truing up of additional capitalization for the period from COD to 31.03.2014 in respect of 2X45 MW Kundarki, Thermal Power Project of Bajaj Energy Limited.

Bajaj Energy Limited (BEL),
TC-13, Vibhuti Khand, Gomti Nagar, Lucknow

..... **Petitioner**

Versus

UP Power Corporation Limited (UPPCL),
Shakti Bhawan, 14, Ashok Marg, Lucknow – 226 001

..... **Respondent**

AND

Shri. R. S. Awasthi,
301, Surbhi Deluxe Apartment,
6/7 Dalibagh, Lucknow – 226 001

..... **Intervener**

(Date of Hearing: 07.10.2021)

The following were present:

1. Shri Akshat Jain, Counsel, BEL
2. Shri Amit Kapur, Counsel, BEL
3. Shri Amit Mittal, BEL
4. Shri Upendra Prasad, BEL
5. Shri Sanjeev Kumar, BEL
6. Shri Amit Pandey, BEL
7. Shri Raghav Malhotra, Counsel, BEL
8. Ms. Puja Priyadarshini, Advocate, UPPCL
9. Shri J.P.S Gangwar, CE (PPA), UPPCL
10. Shri Hemant Sahai, Counsel, UPPCL
11. Shri Nehul Sharma, Advocate, UPPCL
12. Shri Divyanshu Bhatt, Counsel of Shri. R. S. Awasthi





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BACKGROUND AND PROCEDURAL HISTORY

1.1 Background

1.1.1 The Petitioner, BEL is a company incorporated under the Companies Act, 1956, promoted by Bajaj Hindustan Limited (BHL) having its registered Office at Khambarkhera, District Lakhimpur-Khiri, Uttar Pradesh. BEL has set up 5 projects of 2X45 MW coal-based Thermal Power Plant (TPP) subsequent to a Memorandum of Understanding ('MoU') dated 14.01.2010 & 22.04.2010 between Government of Uttar Pradesh ('GoUP') and BHL under GoUP Energy Policy, 2009.

1.1.2 BEL and UPPCL had entered into a Power Purchase Agreement ('PPA') on 10.12.2010 for purchase of 90 % of the power from each of the power stations. Subsequent to the GoUP Order No. 456 dated 26.05.2011, BEL entered into Supplementary PPA dated 15.06.2011 with UPPCL for sale of 100% saleable power from the Petitioner's power station at the rates to be determined by the Commission. The details of Petitioner's power stations are as below:

Power Station	Unit No.	COD	Capacity (MW)	COD of Station
Barkhera	1	02.12.2011	45	24.03.2012
	2	24.03.2012	45	
Khambarkhera	1	10.03.2012	45	10.03.2012
	2	15.12.2011	45	
Maqsoodapur	1	16.12.2011	45	28.03.2012
	2	28.03.2012	45	
Utraula	1	03.04.2012	45	24.04.2012
	2	24.04.2012	45	
Kundarki	1	31.03.2012	45	21.04.2012
	2	21.04.2012	45	
Total			450	

1.1.3 The Commission approved the final capital cost as on COD, true up for the period from COD to 31.03.2014 and MYT Tariff for the period from FY 2014-15 to FY 2018-19 in Petition No. 973 of 2014, 1036 to 1040 of 2015, 1079 to 1083 of 2016 vide Order dated 24.05.2017. While dealing with the additional capital expenditure in the aforesaid Order, the Commission has not decided any additional capital expenditure claimed by BEL due to lack of satisfactory evidence and verifiable information. However, the Commission granted liberty to the Petitioner to approach the Commission with a separate petition.

Prayers

1.2.1 The Petitioner has filed this Petition for truing up of additional capitalisation from COD to 31.03.2014 for the above said five plants and has prayed for





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the following:

- a) Admit the instant Petition for allowing additional capital expenditure from COD to 31.03.2014 and truing up of tariff for this period;
- b) Approve the additional capitalization as claimed by the Petitioner for the aforesaid period;
- c) Relax the cut-off date for the purpose of allowing initial mandatory spares along with additional capitalisation under 'Power to Relax" provided in the Tariff Regulation;
- d) Revise the tariff of the station for the period up to 31.03.2014 based on the aforesaid additional capital expenditure.
- e) Pass any such order as the Hon'ble Commission deems just and proper in nature and circumstances of the present case.

1.2 Record of Proceedings

1.3.1 The Commission heard the matter on 06.04.2021, 08.06.2021, 20.07.2021, 31.08.2021 and 07.10.2021.

1.3.2 During the hearing dated 06.04.2021, the Commission allowed impleadment application of Sh. R.S. Awasthi, consumer representative and directed the Petitioner to furnish a copy of petition to Shri. R. S. Awasthi and further granted time to the Respondent and Shri. R. S. Awasthi to file replies in the matter and Petitioner to file its rejoinder thereafter.

1.3.3 UPPCL vide email dated 11.05.2021 filed its reply with respect to Barkhera TPP (i.e., 1584/2020) covering all issues and stated that similar issues are there in other petitions. Shri. R. S. Awasthi vide email dated 06.06.2021 submitted its replies in the matter. During the hearing dated 08.06.2021, the Commission on the request of the Petitioner granted more time to the Petitioner to file its rejoinder to the replies of UPPCL and Shri. R. S. Awasthi.

1.3.4 The Petitioner filed its rejoinders on 20.07.2021 to the replies of UPPCL and Shri. R. S. Awasthi. During the hearing dated 20.07.2021, the Commission adjourned the hearing with a direction to the Petitioner to submit the details (date wise) of the Work Order placed against purchase of initial spares for all its power stations till FY 2013-14. The aforesaid details were filed by the Petitioner on 27.08.2021.

1.3.5 The matter was again heard on 31.08.2021, wherein the Counsel of Respondent and Shri. R. S. Awasthi reiterated their respective replies. The Petitioner too countered the replies of the Respondent and Shri. R. Awasthi. After hearing the parties, the Commission vide Order dated 13.09.2021 directed the Petitioner to furnish the following details:

