

To,

Superintending Engineer,
(System Control)
SLDC, PTCUL
132 kV Sub-station, H/Q Bldg.
Majra, Dehradun


Sub.: Filing of Petition for Annual Performance Review (APR) for FY 2014-15 & Revised Aggregate Revenue Requirement (ARR) for FY 2015-16.

Sir,

This is with reference to your petition dated 29.11.2014 on the above-mentioned subject. In this regard, additional deficiencies/shortcomings have been observed which are enclosed as Annexure-A. You are required to submit the point-wise replies duly quoting titles/sub-title and S.No. identical with the deficiencies referred to in enclosed Annexure-A. You are required to submit your reply on the same latest by 22.12.2014 in seven copies alongwith the soft copy of the reply accompanied with an affidavit.

Encl. as above

Yours sincerely,


(Neeraj Sati)
Secretary
१२.

SLDC 's Petition for Annual Performance Review for FY 2014-15 and Revised Aggregate Revenue Requirement for FY 2015-16

Information requirement/Discrepancies to be rectified for analysis of the Petition

I. APR for FY 2014-15

1. SLDC is required to submit the Trial Balances for the month of March, 2014 for SLDC and SCADA divisions of PTCUL.
2. At Para 3.2 of the petition, SLDC has submitted that the SCADA project "Construction of SLDC at Dehradun and 2 Nos. Sub-SLDC at Kashipur and Rishikesh" is to be completed in two phases, first phase of which was completed in FY 2013-14 and the second phase of the project is still in tendering process. SLDC has also submitted that total cost incurred in Phase-1 is Rs. 14.58 Crores and rest of the cost would be incurred under phase-2 of the SCADA project out of which the petitioner expects to incur the financial expenditure of around Rs. 9 Crore in FY 2015-16 under Phase-2. However, SLDC has at Form 6.1 of the petition not submitted capital expenditure to be incurred in ensuing years under phase II of the project.

SLDC is required to submit the source wise and year wise funding alongwith IDC computations. In this regard, SLDC is required to submit details of addition of GFA during April-Sep of FY 2014-15 as submitted in Form 4.1 of the petition. SLDC is also required to submit expected date of completion of the phase-II of the project work.

II. Review of ARR for FY 2015-16

3. SLDC, in Table 9 and relevant Form namely "Repair & Maintenance Expenses" at page no. 35 of the petition submitted that AMC fee of Rs. 0.34 Crore has been paid during FY 2014-15 to the original executioner of the project for the upkeep and maintenance of SLDC assets created under the project. In this regard, SLDC should submit a documents in support of the aforesaid fee paid to the contractor alongwith a copy of the above stated Annual Maintenance Contract.
4. In Table 9 of the Petition, SLDC has claimed Rs. 0.76 Crore under R&M expenses for FY 2014-15 against the approved expenses of Rs. 0.07 Crore vide earlier tariff order of the Commission. SLDC has also submitted actual R&M expenses incurred in FY 2013-14 as Rs. 0.29 Crore. In this regard, SLDC is

required to submit justification for more than 100% increase in R&M expenses in FY 2014-15 vis-à-vis that incurred in FY 2013-14.

5. In Table 11 of the Petition, SLDC has claimed Rs. 0.73 Crore under A&G expenses for FY 2014-15 against the approved expenses of Rs. 0.48 Crore vide earlier tariff order of the Commission. SLDC has also submitted actual A&G expenses incurred in FY 2013-14 as Rs. 0.38 Crore. In this regard, SLDC is required to submit justification for more than 100% increase in A&G expenses in FY 2014-15 vis-à-vis that incurred in FY 2013-14.
6. In para 2.21 of the petition, SLDC has submitted that GoU has, now, agreed to infuse 30% capital funding for this project hence, the capital structure of construction of SCADA is changed to 70:30 Debt and Equity from previously 100% debt funded project. The 70% of the total asset created under the projects are now deemed through loan funding by REC at interest rates as prescribed in interest rate schedule of REC. In Table 13 of the petition SLDC has also submitted that equity has been infused in FY 2013-14 & FY 2014-15. In this regard, SLDC is required to submit details alongwith supporting substantiating actual fund received from GoU as claimed by SLDC. SLDC is also required to submit details of actual loan amount received under REC-II alongwith sanction letters for the same.
7. In para 2.21 of the petition, SLDC has also submitted that the current interest rate applicable for FY 2013-14 and FY 2014-15 on the REC loan is 12.5%. In this regard, SLDC is required to submit relevant correspondences exchanged with REC substantiating restructuring of funding of the project and also verifying the change in rate of interest from 11.44% to 12.50%. SLDC is also required to submit the supporting documents to substantiate the actual interest rate on long term loans for FY 2013-14.
8. In Form 3.1B of the petition, SLDC has submitted during FY 2015-16, no. of employees shall increase from 15 to 35 in SCADA division and also from 21 employees to 49 employees in SLDC division. In this regard, SLDC is required to submit the plan & status of recruitment and of retirement for FY 2014-15 & FY 2015-16.
9. In Table 9 of the petition, SLDC has claimed Rs. 0.76 Crore against approved Rs. 0.07 Crore under R&M expenses for FY 2014-15. In this regard, SLDC is required to submit justification for such a higher value of R&M expenses.
10. SLDC should submit the computations of year wise $CPI_{Inflation}$ and $WPI_{Inflation}$ in MS excel.