



UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

Vidyut Niyamak Bhawan

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No. UERC/6/TF/239/2014-15/1861

Date: 12- January, 2015

To,

Managing Director,
UJVN Ltd.
"Ujjwal", Maharani Bagh,
GMS Road, Dehradun-248006


Sub: Filing of Petitions for true up of FY 2013-14, Annual Performance Review (APR) of FY 2014-15 and Tariff Petition for FY 2015-16.

Sir,

This has reference to your petitions dated 28.11.2014 on the above mentioned subject. In this regard, certain deficiencies/shortcomings have been observed which are enclosed as Annexure-I. You are required to submit the point-wise replies/information duly quoting titles/sub-title and S. No. identical with the deficiencies referred to in enclosed Annexure-I. And submit the same latest by 15.01.2015 in seven copies alongwith the soft copy of the reply accompanied with an affidavit.

Yours sincerely

Encl: As above.


(Neeraj Sati)
Secretary
o/c

**UJVN Ltd. Truing -Up of FY 2013-14 and APR Petition for
FY 2014-15 and Tariff Petition for FY 2015-16**

UJVN Ltd. should submit the replies in soft copy and hard copy.

Nine Large Hydro Projects

A. Additional Capitalisation

1. UJVNL should provide the actual funding with regard to the actual additional capitalisation for FY 2013-14
2. For all the 10 LHPs including MB-II, the total additional capitalization for FY 2013-14 is Rs 82.31 Cr. as per the excel format "Add_Cap" submitted by UJVNL along with the Petition. Whereas, as per the Audited Accounts (Note 10A) for FY 2013-14, total additions is Rs 64.11 Cr. UJVN Ltd. should submit the reasons for variation in the additional capitalisation.
3. UJVN Ltd. in its audited accounts has mentioned adjustments/write off of Rs 18.00 Cr for FY 2013-14. In this regard, UJVNL should provide the detailed station wise breakup for this adjustment amount.

B. O&M

1. In Annex 7(ii) of Chilla LHP, UJVNL has provided the details of R&M expenses for FY 2013-14. In the hydraulic works, UJVNL has shown expenses of Rs 3.16 Cr under hydraulic work Virbhadra Barrage Rishikesh. In this regard, UJVNL should provide the detailed breakup.
2. For all the 10 LHPs including MB-II, the R&M expenses as submitted by the Petitioner is Rs 77.95 Cr, whereas, it is Rs 76.08 Cr as per audited accounts (Note 22) for FY 2013-14. In this regard, UJVNL should provide the detailed justification.
3. For all the 10 LHPs including MB-II, there is a variation in O&M expenses from Rs 9.17 Lakh/MW to Rs 40.69 Lakh/MW as given in the table below:

S. No.	Particulars	Chilla	Tiloth	Kalagarh	Lohiyahead	Chibro	Khodri	Dhakrani	Dhalipur	Kulhal	MB-II
	Capacity (MW)	144	90	198	41.4	240	120	33.75	51	30	304
a)	Repair and Maintenance										
	In Rs Crore	9.85	8.89	1.38	1.71	10.00	3.86	5.78	3.52	2.74	30.21
	In Rs Lakh/MW	6.84	9.87	0.70	4.13	4.17	3.21	17.13	6.91	9.14	9.94
b)	Administrative Expenses										
	In Rs Crore	3.22	2.51	1.90	1.05	2.80	1.33	1.05	1.39	0.89	6.38
	In Rs Lakh/MW	2.24	2.79	0.96	2.55	1.17	1.11	3.12	2.73	2.98	2.10
c)	Employee Cost										
	In Rs Crore	23.98	17.68	14.87	9.84	23.64	12.98	6.90	9.29	5.89	14.93
	In Rs Lakh/MW	16.65	19.64	7.51	23.78	9.85	10.82	20.44	18.22	19.64	4.91
Total O&M Expense											
	In Rs Crore	37.05	29.08	18.15	12.61	36.45	18.17	13.73	14.21	9.53	51.53
	In Rs Lakh/MW	25.73	32.31	9.17	30.45	15.19	15.14	40.69	27.86	31.77	16.95

. In this regard, UJVNL should provide the detailed justification for such variation on station to station basis.

4. For allocation of common expenses for O&M, additional capitalization and Non-Tariff Income, there is variation in the basis of allocation as given in the table below:

Common Expenses	Allocation done in O&M	Allocation done for Additional Capitalization and Non-Tariff Income
DGM Civil Dhalipur	For Chilla, Kalagarh, Lohiyahead, Chibro, Khodri, Dhakrani, Dhalipur & Kulhal LHPs and Pathri Hardwar SHP, allocation is done on the basis of work executed in these stations.	For Chilla, Kalagarh, Lohiyahead, Chibro, Khodri, Dhakrani, Dhalipur & Kulhal LHPs and Pathri Hardwar SHP, allocation is done on the basis of their installed capacity.
PCM (GV)	For Chilla, Kalagarh, Lohiyahead, and Pathri Hardwar SHP, allocation is done on the basis of their Employee Expenses.	For Chilla, Kalagarh, Lohiyahead, and Pathri Hardwar SHP, allocation is done on the basis of their installed capacity.
Head Office/CSPPO	In proportion on the basis of Employee Expenses	9 LHPs, MB-II and SHPs in the ratio of 80:10:10. Further for 9 LHPs, the 80% share is allocated in proportion on the basis of installed capacity.

In this regard, UJVN Ltd. should provide the detailed justification for adopting different approach for allocating common expenses for O&M, additional capitalization and Non-Tariff Income.

C. Non Tariff Income

1. For all the 10 LHPs including MB-II, UJVN Ltd. in its Petition in excel format “Non_Tariff_Income” has submitted Non-Tariff Income as Rs 17.68 Cr., whereas it is Rs 19.49 Cr. as per Audited Accounts (Note 21) for FY 2013-14. In this regard, UJVNL should provide the detailed justification.

D. NAPAF

1. UJVN Ltd. has sought relaxation in NAPAF for its various stations for FY 2013-14, FY 2014-15 and FY 2015-16 as stated below:

S. No	Name of the Generating Station	FY 2013-14 Norms(Proposed)	FY 2014-15 Norms(Proposed)	FY 2015-16 Norms(Proposed)
1	Maneri Bhali-I	77% (64.66%)	78% (69.24%)	78% (72.72%)
2	Chilla	74% (70.50%)	74% (69.85%)	74% (71.86%)
3	Ramganga	19% (14.71%)		
4	Khatima		47% (26.69%)	

In this regard, UJVNL should provide the basis of projecting NAPAF for the above stations.

E. Performance Benchmarking Report

1. The Commission in its Tariff Orders had directed UJVN Ltd. to complete the benchmarking of actual performance parameters study for all its stations. UJVN Ltd. in this regard has submitted a benchmarking report for its stations. However, it is observed that comparison of key parameters in Page 9 and Page 10 and at some other places is done on the basis of approved expenses for LHPs and CGS as allowed in respective Tariff Orders. Such comparison however, doesn’t show the real scenario until such study is backed up by comparison of actual performance parameters. Accordingly, it is suggested that UJVN Ltd. should submit benchmarking of performance parameters which has currently been done on the basis of approved expenses with actual expenses.

2. UJVN Ltd. with regards to the recommendations of the report should submit the steps taken/action plan/proposal on the basis of the benchmarking report to the Commission.

Maneri Bhali - II

A. Additional Capitalization

1. UJVNL should provide the actual funding with regard to the actual additional capitalisation for FY 2013-14.

B. R&M

1. In Annexure VII, UJVNL has provided the details of R&M for MB-II for FY 2013-14. In Sr. No. A-12, UJVNL has mentioned the R&M expense of Rs 10,03,46,166 under P&M, Rs 1,57,052 under Office Equipment, Rs 79,990 under vehicles and Rs 10,433 under Building towards Provision for the year 2013-14. In this regard, UJVNL should provide the basis of considering such provision along with necessary justification.