



# UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

Vidyut Niyamak Bhawan, Near I.S.B.T., P.O.-Majra, Dehradun-248171

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No. UERC/6/TF-240/14-15/2014/1703

Date: 09-December, 2014

To,

Managing Director,  
Uttarakhand Power Corporation Ltd. (UPCL),  
Urja Bhawan, Kanwali Road,  
Dehradun.

**Sub.: Filing of Petition for Annual Performance Review (APR) of FY 2014-15, Tariff Petition for FY 2015-16 and True-up of Expenses & Revenues for FY 2013-14.**

Sir,

This is with reference to your petition dated 29.11.2014 on the above-mentioned subject. In this regard, certain 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 16.12.2014 in seven copies alongwith the soft copy of the reply accompanied with an affidavit so that your application may be put up before the Commission for admission.

Encl. as above

Yours sincerely,

(Neeraj Sati)  
Secretary  
9c

**Uttarakhand Power Corporation Limited (UPCL) Tariff Petition for FY 2015-16 along with the True-up of FY 2013-14**

**Additional Information Requirement/Discrepancies to be rectified for admission of the Petition**

**A. General**

1. UPCL has not submitted the formats in MS Excel. In this regard, formats should be submitted in MS Excel along with proper linkages and formulae.
2. UPCL has provided the formats in MS Excel format. The cells in the formats have been linked to external files as mentioned below:

UERC-Distribution\_Formats\_APR\_Final.xls  
UERC Formats-Revised after first TVS.xlsx  
UERC Format - no. of employees(1).xlsx  
True-up for FY 14 Ver 1\_8 nov.xlsx  
True-up for FY 14 Ver 1\_8 nov.xlsx  
True-up for FY 12&13, Proj for FY 15.xlsx  
PP Model Ver 2.7 Nov.xlsx  
PP Model - v2.28.10.xlsx  
Modified Comdata 12-13.xls  
Manpower.xlsx  
Draft\_Sales projections\_Ver 16.xlsx  
Draft\_Sales projections\_Ver 1.4 Nov.xlsx  
Draft\_O&M Projections\_UPCL\_FY15\_Ver1.xlsx  
Draft\_O&M Projections\_UPCL\_FY14\_Ver 9.xlsx  
Depreciation 2011-12.xls  
BS\_2011-12\_Final\_16.07.2013.xls  
BS 2009\_10.xls  
BS 13-14 Final Oct.14.xlsx  
BS 12-13 Final-21.12.13.xls  
BALANCE SHEET & MTB 2008-09.xls  
BALANCE SHEET & MTB 2007-08.xls  
BALANCE SHEET & MTB 2006-07.xls  
B.Sheet 2010-11(Final).xls  
3 COMMERCIAL DIARY March 2014.xls  
03 Commercial Diary March, 2012.xls  
03 Commercial Diary March, 2008.xls  
03 Commercial Diary March, 2007.xls  
03 Commercial Diary March 2013.xls  
03 Commercial Diary March 2011.xls  
03 Commercial Diary March 2010.xls

UPCL should provide the copy of all the above reference documents.

3. In Format F-2.1 (Customer Sales Forecast) in the soft copy, UPCL has provided the table of past sales data for FY 2006-07 to FY 2012-13. However, some of the cells in the table have reference error. In this regard, UPCL should rectify the same and submit revised formats in MS Excel.

**B. FY 2013-14**

1. UPCL should submit the computation of distribution losses for FY 2013-14.
2. UPCL should submit the detailed computation of Inter-State Transmission losses for FY 2013-14.

### C. Tariff Determination for FY 2015-16

3. In para 4.69(a) at page 42 of the Tariff Petition, UPCL for projecting cost of power from THDC station has submitted as follows:

*“Annual fixed charges (AFC) as specified in the respective CERC tariff orders/monthly bills has been considered. Since CERC (terms and Conditions of Tariff) Regulations, 2009 is applicable from FY 2009-14, fixed cost for FY 16 was not available, therefore UPCL has considered fixed cost for FY 16 after taking 5% escalation twice on the fixed cost determined by CERC for FY 14.”*

In this regard, UPCL should provide the copy of the above specified CERC tariff order for FY 2013-14 and furnish the rationale for assuming 5% escalation for each year on AFC.

4. In Format F-7.1, UPCL has not given the details of financial packages, the same should be furnished.
5. In Form F 5.2, UPCL has provided the statement of asset class wise depreciation for FY 2013-14. In its 11<sup>th</sup> row (sub-total for civil structures including building & residential colony), the opening GFA is Rs. 123.63 Crore, depreciation provided for the year is Rs. 3.53 Crore and there are no withdrawals during the year. However, the closing GFA is Rs. 87.9 Crore. In this regard, UPCL should provide necessary justification for the reduction of GFA.
6. UPCL should submit the proposed tariff hike in terms of percentage for each consumer category for FY 2015-16 to meet the projected revenue gap. UPCL should justify the proposed tariff revision, in terms of reduction of cross-subsidy between various consumer categories, in accordance with the provisions of the Electricity Act, 2003, Tariff Policy, and previous Orders of the Commission.
7. UPCL should furnish a table indicating the existing and proposed category-wise cross subsidy keeping in view of proposed tariff revision.
8. As regards Non-Tariff Income UPCL should submit the detailed break up of Non Tariff Income for FY 2014-15 and FY 2015-16. UPCL should include the same in the Tariff Petition as well as Form F-11 of the formats submitted along with Petition.

### D. Discrepancies

9. As regards A&G expenses for FY 2013-14, it is observed as follows:

(Rs. Crore)

Particulars	FY 2013-14	
	Table 6 Page No. 13	Form F-4.3
Administrative and General Expenses	24.97	33.51
Less: Capitalisation	6.96	-3.62
Net Administrative and General Expenses	18.01	37.13

UPCL should submit the reason for the discrepancy and rectify the same.

10. In Form F-4.3 (Administration & General Expenses), there is negative capitalisation for FY 2012-13 to FY 2015-16. In this regard, UPCL should provide the necessary justification for the negative capitalisation.
11. It is observed that in Form F-9 'Provision for Bad Debts', Provision for Bad debts for FY 2015-16 is shown as Rs. 64.68 Crore, while in Table 57 on Page No. 54 of the Tariff Petition, provision for Bad debts for FY 2015-16 has been shown as Rs. 81.65 Crore. UPCL should submit the reason for the discrepancy and rectify the same.