



Uttarakhand Electricity Regulatory Commission

'Vidyut Niyamak Bhawan',

Near ISBT, PO- Majra, Dehradun-248171

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No. UERC/6/TF-358/2016-17/2016/1351

Date: 01 Dec., 2016

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 2016-17 & Revised Aggregate Revenue Requirement for FY 2017-18 of SLDC.

Sir,

This is with reference to your petition dated 25.11.2016 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-titles 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 06.12.2016 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.

Further, certain additional deficiencies/shortcomings have also been observed which are enclosed as Annexure-B. You are required to submit the point-wise replies duly quoting titles/sub-titles and S.No. identical with the deficiencies referred to in enclosed Annexure-B. You are required to submit your reply on the same latest by 30.12.2016 in seven copies alongwith the soft copy of the reply accompanied with an affidavit.

Encl. as above

Yours sincerely,


(Neeraj Sati)
Secretary

o/c

State Load Despatch Centre (SLDC) Petition for the Annual Performance Review (APR) for FY 2016-17 and Revised Aggregate Revenue Requirement for FY 2017-18

Preliminary information required for admission of Petition

A. Form related

1. Following formats of SLDC are not complete as per the UERC (Terms and Conditions of Multi Year Tariff) Regulations, 2015:

Table 1: SLDC forms to be submitted in accordance with the format specified by UERC (Terms and Conditions of Multi Year Tariff) Regulations, 2015

S. No.	Form	Particulars
1	1	Aggregate Revenue Requirement (Details of 1 st & 2 nd of FY 17 to be provided)
2	5	Return on Equity (Details of 1 st and 2 nd half of FY 17 to be provided)
3	7	Draw Down Schedule for Calculation of IDC & Financing Charges
4	8	Details of Capital Cost and Financing Structure (Details of 1 st and 2 nd of FY 17 to be provided)

2. Some of the fields in the excel format submitted by SLDC have links with external excel file such as "HR_Information_Latest-SLDC & SCADA.xls", "ARR_2016-17_SCADA_1.xls" and "ARR_2016-17_SLDC1.xls" which are not submitted by SLDC alongwith the Tariff petition. SLDC is required to submit the requisite information.

B. APR for FY 2016-17 and ARR for FY 2017-18

3. SLDC, in Table 5 of the Petition, submitted the opening GFA as Rs. 12.83 Crore while as per accounts details submitted by SLDC for the Month of March'16 , GFA works out to Rs. 12.98 Crore. SLDC is required to reconcile the data and maintain consistency at all places.
4. In context to the deduction from the GFA as mentioned in Table-6 of the Petition, the Petitioner is required to submit the justifications for the deduction/adjustments proposed to be made in FY 2016-17. Further, SLDC is required to submit Form 6.7, i.e. "Statement of De-capitalization".
5. In Form 8, deduction and adjustment of Rs. 0.15 Crore in FY 2016-17 as mentioned in Table- 6 of the Petition has not been considered while calculating the gross capital cost. The Petitioner is required to rectify the Form-8.
6. The employee cost submitted by SLDC under O&M expenses for FY 2016-17 in "Table 8" of the petition does not match with the employee cost for FY 2016-17 given in "Table 10" and Table 18 of the petition. SLDC may clarify the discrepancy shown in the table below:

Table 2: Employee cost as submitted by SLDC in the petition

Particular	Employee cost as per "Table 8"	Employee cost as per "Table 10"	Employee cost as per "Table 18"
Employee cost	8.49	8.31	8.31

7. SLDC is required to reconcile the closing balances of the Assets submitted in Form 4.1 for FY 2015-16 with the Accounts submitted for SCADA and SLDC.

Considering the above deficiencies, the Petitioner is required to submit the revised computation of ARR along Tariff Forms in workable excel format latest by 06.12.2016.

State Load Despatch Centre (SLDC) Petition for the Annual Performance Review (APR) for FY 2016-17 and Revised Aggregate Revenue Requirement for FY 2017-18

Additional deficiencies for analysis of the Petition

1. The actual employee expenses in 1st half of FY 2016-17 were Rs. 1.82 Crore, whereas the employee expenses projected for entire FY 2016-17 is Rs. 8.31/8.49 Crore. In this regard, SLDC should justify the projected steep increase in employee expenses in 2nd half of FY 2016-17.
2. As per Form 3.1 of the Petition, actual number of employees at the year-end of FY 2015-16 was 37 and the same has been proposed to be increased to 71 in FY 2016-17. In this regard, the Petitioner is required to submit the present progress status of recruitment of additional employees in FY 2016-17.
3. SLDC should justify the projected O&M expenses for FY 2016-17 and FY 2017-18 in view of Regulation 100 of the UERC Tariff Regulations, 2015, which specify the principles for allowance of normative O&M expenses linked to the inflation indices.
4. As regards the AMC Agreement entered into for the upkeep of the SLDC assets:
 - a. SLDC should submit the copy of the AMC Agreement.
 - b. SLDC should submit the justification for claiming additional R&M expenses for FY 2016-17 and FY 2017-18 under the AMC Agreement over and above the R&M expenses approved by the Commission.
5. SLDC, in Table 6 of the Petition, submitted that there is deduction and adjustment of Rs. 0.01 Crore during the FY 2015-16 whereas PTCUL has not considered any deduction for the purpose of determination of ARR. Petitioner is required to submit the reasons for deviation
6. SLDC, in Table 6 of the Petition, submitted the capitalization during FY 2015-16 of Rs. 0.28 Crore whereas PTCUL, in Table 3 of the Petition, submitted capitalization for SLDC is of Rs. 0.24 Crore. Petitioner is required to submit the reasons for variations and file revised forms, if required.
7. PTCUL, in Form 15.1, i.e. "Statement of Outstanding Loans" submitted interest rate of 12.26% for REC-II scheme, whereas SLDC, in Form 10.1, i.e. "Statement of Outstanding Loans" has considered interest rate of 12.50%. The Petitioner should submit the reason for discrepancies.
8. SLDC, in Table 6 of the Petition, has claimed capitalization during the FY 2016-17 of Rs. 0.71 Crore and deduction of Rs. 0.15 Crore whereas the same has not been considered by the PTCUL

while claiming the capitalization for FY 2016-17. The same issue also arises in FY 2017-18 where SLDC has claimed capitalization of Rs. 32.94 Crore and no amount has been claimed by PTCUL in their Petition.

9. As per Form-5, RoE has been computed on the average equity. The Petitioner is required to compute the Equity as per Tariff Regulations 2015 for FY 2016-17 and FY 2017-18.
10. SLDC in Form- 9, Form-10.1 and Form-10.2 has submitted interest rate of 12.25%, 12.50% and 12.44% respectively. the Petitioner is required to submit the justification for different interest rate for the same scheme. Further, Petitioner is required to submit the supporting document for interest rate to be considered for the weighted average rate of interest.