



पावर ट्रांसमिशन कारपोरेशन ऑफ उत्तराखण्ड लि०

(उत्तराखण्ड सरकार का उपक्रम)

मुख्य अभियन्ता (वाणिज्य एवं नियामक) कार्यालय

विद्युत भवन, नजदीक-आई०एस०बी०टी० क्रासिंग, सहारनपुर रोड, माजरा, देहरादून-248002

दूरभाष नं० 0135.2131559 फैक्स नं० 0135.2645960 email:- kamal.kant@ptcul.org

No. 121 /CE(C&R)/PTCUL/

Date: 19/02/2018

To,

→ The Secretary
Uttarakhand Electricity Regulatory Commission
"Vidyut Niyamak Bhawan"
Dehradun (Uttarakhand).

Subject:- Stakeholder's comment on PTCUL's Petition for True-up of FY 2016-17, Annual Performance Review (APR) for FY 2017-18 & Aggregate Revenue Requirement for FY 2018-19.

Sir,

Kindly take reference of Hon'ble UERC Letter No. UERC/6/TF-430/17-18/2018/1761 dated 09.02.2018 on above mentioned subject vide which 03 Nos. Stakeholders Comments on the PTCUL's Petition received from Shri Pankaj Gupta, President, Industries Association Of Uttarakhand, Dehradun, Sr. Munish Talwar, M/s Asahi India Glass Ltd. Roorkee & Sh. V.K. Garg, Munirka New Delhi have been provided by the Hon'ble UERC to PTCUL for response on the same.

In this regard, PTCUL is hereby submitting its Comments on the response of Stakeholders along the with soft copy of same.

Submitted for kind consideration of the Hon'ble Commission.

Encls: As above.

Thanking you,

Yours Faithfully,

(Kamal Kant)

Chief Engineer (C&R)

Cc:-

1. PA to MD, PTCUL for kind information of Managing Director, PTCUL.
2. Director (Projects), PTCUL for kind information.
3. Shri Pankaj Gupta, President, Industries Association of Uttarakhand, Mohabewala Industrial Area, Dehradun - 248 110 Uttarakhand (India) alongwith comments of PTCUL in response to your comment on PTCUL's Petition and in compliance of the Hon'ble UERC Letter No. UERC/6/TF-430/17-18/2018/1761 dated 09.02.2018. (Through Registered Post)
4. Sh. Munish Talwar, M/s Asahi India Glass Ltd., Intergrated Glass Plant, Village- Latherdeva Hoon, Manglaur-Jhabrera Road, P.O. Jhabrera, Tehsil Roorkee, Dist- Haridwar, Uttarakhand alongwith comments of PTCUL in response to your Comment on PTCUL's Petition and in compliance of the Hon'ble UERC Letter No. UERC/6/TF-430/17-18/2018/1761 dated 09.02.2018. (Through Registered Post)
5. Shri. V.K. Garg, (by E-mail:-vkgarg48@gmail.com) alongwith comment of PTCUL in response to your comment on PTCUL's Petition and in compliance of the Hon'ble UERC Letter No. UERC/6/TF-430/17-18/2018/1761 dated 09.02.2018.

1. PTCUL's comments on the response/suggestion received from Sh. Munish Talwar, M/s Asahi India Glass Limited on Petition for True-Up for FY 2016-17, Annual Performance Review for FY 2017-18 & Revised ARR for FY 2018-19 by Power Transmission Corporation of Uttarakhand Limited.

S. No.	Objections/Comments/Suggestions	Response
1	"...interstate and intrastate transmission charges have been projected to the tune of 7559.59 crores which is very cumbersome for us to understand...if claims are accepted by the Commission it would necessitate a hike of 18% in consume tariff..."	It is submitted that the revenue requirement claimed for the years FY 2016-17, FY 2017-18 and FY 2018-19 are Rs 273.64 Crore, Rs266.72 Crore and Rs. 342.79 Crore respectively. It is also submitted that all expenses (actual as well as projected) have been determined as per the UERC (Terms and Conditions of Multi-year Tariff) Regulations, 2015.

2. PTCUL's comments on the response / suggestion received from Sh. Pankaj Gupta, President, Industries Association of Uttarakhand on Petition for True-Up for FY 2016-17, Annual Performance Review for FY 2017-18 & Revised ARR for FY 2018-19 by Power Transmission Corporation of Uttarakhand Limited

S. No.	Objections/Comments/Suggestions	Response
1	The intention of PTCUL in the past and present has been....is not a good policy and is expected from public utility.	PTCUL would like to submit that it is an established practice to get the investment approval for all major projects from the Hon'ble Commission which is only given post detailed technical and financial appraisal. Also, PTCUL would like to submit that it is the constant endeavor of its officials to undertake projects within the stipulated estimates.
2	<u>Capitalisation of new assets:</u> In this head also, it is noteworthy to recall...actual cost as per audit report submitted by the Petitioner.	PTCUL would like to submit that the detailed reasons for time and cost over runs, if any, which are uncontrollable in nature, have been provided to the Hon'ble Commission on regular basis and also as a part of response to queries received from Hon'ble UERC post submission of petition.
3	<u>Major Repair and Maintenance (R&M) expenses:</u> Any major R&M works cannot be...from UERC before they are incurred.	PTCUL would like to submit that all R&M expenses are claimed as per the UERC (Terms and Conditions of Multi-year Tariff) Regulations, 2015. Also, standard accounting principles are followed while recording such R&M expenses.
4	<u>Carrying cost of deficit:</u> The very fact that PTCUL is claiming...allowed as that is due to the delay on the part of UPCL/PTCUL.	PTCUL would like to submit that it has claimed carrying cost as per UERC (Terms and Conditions of Multi-year Tariff) Regulations, 2015. The under recovered amount computed as a result of truing up exercise is in the nature

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		<p>of deferred payments & requires additional funding by the utility. The carrying cost enables the utility to service funding of such deferred payments and, hence, it has proposed the carrying cost on the revenue gap of the past years, which is also as per the practice followed under the accounting principles. Also, it is submitted that the True-up for FY 2016-17 has been computed based on the audited accounts of FY 2016-17 and given effect for the actual capitalization during FY 2015-16.</p>
5	<p><u>Return on Equity on account of Power Development Fund:</u> PTCUL has tried to justify Return...on assets created out of PDF as was done by it in the past.</p>	<p>PTCUL would like to submit that the case has already been decided in favour of PTCUL by the Hon'ble Appellate Tribunal of Electricity (ATE) dated 15th May 2015 in R.P. No. 2 of 2015 in Appeal No. 163 of 2015. Regarding the stay order issued by the Hon'ble Supreme Court in its Order dated 12th Oct, 2015, PTCUL is in process of seeking clarification and removing stay on allowing return on equity on fund received through PDF.</p>
6	<p><u>High Rate of Interest:</u> What is seen in the...actual fact in consideration of low rate on interest.</p>	<p>It is hereby submitted that PTCUL is committed to providing the most efficient and economical service to its consumers and that it is an established practice to avail only the most economical loans. It is also submitted that the credit rating of PTCUL has improved over the years, which is a proof of reliability and efficiency, and consequently the interest rates applicable for PTCUL have also gone down</p>

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		<p>compared to previous years. The complete details of the loans availed by the Petitioner have also been submitted to the Hon'ble Commission.</p>
7	<p><u>Project completion:</u> The past experience shows...reduce time in completion</p>	<p>PTCUL would like to submit that its officials are committed to timely completion of all projects and delays, if any, have mostly been a result of uncontrollable factors. PTCUL would also like to submit that all projects are approved by the Hon'ble Commission after a thorough prudence check which includes ensuring that the required clearances are in place.</p>
8	<p><u>True-up for previous years:</u> It is surprising to note...in this year Tariff petition also.</p>	<p>PTCUL would like to submit that the details of the true-up claimed for FY 2016-17 have been provided in the petition. Also, all the recording of expenses is being done in accordance with the standard accounting principles. PTCUL would also like to submit that expenses submitted by PTCUL are examined in detail by the Hon'ble Commission while carrying out the truing up of expenses and revenues and only legitimate expenses are allowed.</p>

3. PTCUL's comments on the response / suggestion received from Dr V K Garg, A-24/E, DDA Flats, Munirka, New Delhi on Petition for True-Up for FY 2016-17, Annual Performance Review for FY 2017-18 & Revised ARR for FY 2018-19 by Power Transmission Corporation of Uttarakhand Limited.

S. No.	Objections/Comments/Suggestions	Response
1	<p>"...on cost side the correlation between capitalization...on revenue side the gross collection of current year..."</p>	<p>It is submitted that the revenue requirement claimed for the years FY 2016-17, FY 2017-18 and FY 2018-19 are Rs 273.64 Crore, Rs 266.72 Crore and Rs 342.79 Crore respectively.</p> <p>The APR for FY 2017-18 and revised ARR for FY 2018-19 have been projected on the basis of the project completion schedule envisaged by the Petitioner and that it is an established practice to get the investment approval for all major projects from the Hon'ble Commission which is only given post detailed technical and financial appraisal.</p> <p>It is also submitted that the all expenses (actual as well as projected) have been determined as per the UERC (Terms and Conditions of Multi-Year Tariff) Regulations, 2015.</p>