



Uttarakhand Electricity Regulatory Commission

'Vidyut Niyamak Bhawan',

Near ISBT, PO- Majra, Dehradun-248171

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No. UERC/6/TF-430/17-18/1682

Date: 29 January, 2018

To,

Managing Director,
Power Transmission Corporation of Uttarakhand Ltd.,
Vidyut Bhawan, Majra,
Dehradun

Sub: Petition for approval of True-up for FY 2016-17, Annual Performance Review for FY 2017-18 and Revised Aggregate Revenue Requirement for 2018-19

Sir,

This is with reference to your Petition dated 30.11.2017 on above mentioned subject. In this regard, certain additional deficiencies/shortcomings have been observed which are enclosed as **Annexure- 1**. The said de deficiencies/shortcomings have already been made available by E-mail to the concerned Officer of PTCUL on 27.01.2018.

You are required to submit the point-wise reply on the same latest by 30.01.2018 in 7 copies alongwith softcopy of the reply accompanied with an affidavit.

Yours Sincerely,

Encl.: As above.


(Neeraj Sati)
Secretary
o/c

Annexure-1

1. The Petitioner is required to submit the scheme wise justification alongwith supporting document for the following additional capitalization:

S. No.	Scheme	Asset	Amount (Rs.Crore)	Query
1.	REC- I & III	132 KV Srinagar-Satpuli line	0.004	The Line was commissioned in the FY 2013-14 whereas the Petitioner has claimed capitalization on account of legal charges pertaining to NGT in FY 2016-17 whereas the same should have been charged to A&G expenses. Submit justification for capitalizing.
2.		Construction of 132 KV Double Circuit Srinagar-Simli line	122.72	1. Major milestones of works - Actual v/s Scheduled submitted by the Petitioner vide reply dated 15.1.2018 is not legible. Accordingly, you are required to submit the same once again. 2. Work wise and Year wise expenses incurred. 3. With regard to Forest clearance, the Petitioner is required to submit copy of 'Principal Approval obtained from GoI'. 4. Submit copy of letter dated 15.10.2010, vide which 'MOEF intimated to Nodal Officer for Forest Right Act, 2006 Compliance 5. Year wise IDC detail.
3.	REC- II	Construction of 132KV Substation Srinagar-II	0.42	Petitioner is required to submit the works along with the copy of bill for which bill was raised after COD.
4.		LILo 132 kV Rishikesh-Srinagar Line at 132 kV Substation Srinagar-II	0.01	1. Petitioner is required to submit the basis of capitalizing the crop compensation amount after commissioning of the line which was capitalized in FY 2011-12. 2. Submit reason for such crop compensation.
5.	REC IV	132 kV S/S Sitarganj (SIDCUL) 80MVA	0.36	1. Petitioner is required to submit the nature of work for which the bill has been received. 2. Whether the amount pertains to the Original scope of work.
6.		1 No. 132 KV Bay at 132 KV S/S Kicha	0.02	Reason for capitalization of "guarantee fee on loan" instead of charging it under the head of "Financial charges" in P&L account
7.		220 KV Bay at Chamba	0.10	Reason for capitalization of "guarantee fee on loan" instead of charging it under the head of "Financial charges" in P&L account
8.	REC V	220/132 kV S/s Mahuakheraganj	5.64	Petitioner is required to clarify whether the amount incurred pertaining to residence work is within Scope of work?
9.	REC 7085	Augmentation of 220 kV S/s Pantnagar alongwith construction of 2 No. 220	8.32	Petitioner has submitted that the amount pertains to the cost of transformers only and the same has been energized whereas as per EI

S. No.	Scheme	Asset	Amount (Rs.Crore)	Query
		kV Bays and 2 No. 33 kV Bays		certificate 2 no. of Bays have also been energized. 1. In this regard, the Petitioner is required to clarify whether the Transformers have been put to use? 2. Whether the cost of bays also included, if not, reason for not claiming the cost of bays when the same has also been energized as per EI certificate.
10.	RCMR-8851	Installation of 220/33 kV 50 MVA Transformer and construction of 3 No. 33 kV bay at 220 kV SIDCUL S/s Haridwar	0.17	Reason for capitalization of IDC only whereas hard cost of the asset has not been capitalized yet.
11	PFC Augmentation	Increasing capacity of existing 132/33 Bhowali S/s	0.001	Petitioner has claimed Add. Cap. pertaining to third party inspection. Petitioner is required to justify the above claim and submit whether the inspection was within the original scope of work.
12		Augmentation of 132 kV S/s Almora	0.002	
13.	PFC- 09303006	Supply and installation of ACDB and 630 KVA and 250 KVA 33/0.4 KV T/F at 132 KV Bhowali & Haldwani	0.02	Petitioner has claimed Add. Cap. pertaining to third party inspection. Petitioner is required to justify the above claim and submit whether the inspection was within the original scope of work.
14.		Increasing capacity of existing 132/33 kV Kathgodam S/s	0.002	
15.	Internal	Miscellaneous	1.06	The Petitioner has submitted that the miscellaneous works pertain to Office furniture & equipments and vehicle. In this regard, you are required to clarify whether the same are being utilized in Head Quarter or Project.

2. The Commission vide directives in Tariff Order dated 06.05.2013 had directed the Petitioner to maintain a separate account for UITP Schemes to ensure that no expenses related thereto devolve on the consumers in the State. However, it has been observed from the books of accounts for FY 2016-17 that the Petitioner has not maintained separate accounts for UITP Schemes. With regard capitalization under UITP scheme, the Petitioner is required to submit following details:

- Detail of the projects capitalised along with their date of capitalization.
- Submit detailed breakup of A&G expenses, Employee Expenses and Repair & Maintenance expenses capitalized and charged to P&L account separately.
- Submit the details of the Employees deployed alongwith year wise salary details for the projects capitalised under UITP Scheme upto FY 2016-17.

- d) Submit head wise (Land, Building, Hydraulic Works, Other Civil Works etc.) capital expenditure included in the Additional capitalization for FY 2016-17.
 - e) Submit the details of ongoing projects under UITP Scheme.
 - f) The Petitioner is required to submit reasons for non-compliance of the Commission's directive.
3. With regard to incentive, in Tariff Order dated 29.03.2017, the Petitioner was directed to maintain separate details for the same and submit to the Commission the amount for relating to the same every year in its Petition. In this regard, the Petitioner is required to submit the corresponding amount due in FY 2016-17 for the additional increment allowed to the employees in FY 2015-16. Further, you are also required to submit copy of the Office Order pertaining to payment of performance incentive to the employees amounting to Rs. 2.85 Crore for FY 2016-17.
 4. The Petitioner is required to clarify whether any provision for 7th Pay Commission has been accounted for in the books of accounts for FY 2016-17, if yes, submit the detail of the same.
 5. The Petitioner is required to clarify under which head of account wheeling charges for FY 2016-17 has been books along with the amount of the same.
 6. The Petitioner is required to submit the amount and details of incentive towards availability billed to UPCL for FY 2016-17.
 7. The Petitioner is required to submit the Assessment Order with regard to tax paid for FY 2016-17.