



Uttarakhand Electricity Regulatory Commission

Vidyut Niyamak Bhawan',

Near ISBT, PO- Majra, Dehradun-248171

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No. UERC/6/TF-502/2018-19/2018/1329

Date: 21 Dec., 2018

To,

Managing Director,
Power Transmission Corporation of Uttarakhand Ltd.,
Vidyut Bhawan, Near I.S.B.T. Crossing,
Saharanpur Road, Majra
Dehradun-248002.

Sub.: Petition for true up for FY 2017-18, Annual Performance Review (APR) for FY 2018-19 and Aggregate Revenue Requirement (ARR) for Control Period from FY 2019-20 to FY 2021-22 for PTCUL.

Sir,

This has reference to your petition dated 30.11.2018 and reply dated 12.12.2018 on the queries raised by the Commission with respect to above-mentioned subject. In this regard, certain additional 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 02.01.2019 in seven copies alongwith the soft copy of the reply accompanied with an affidavit.

Yours sincerely,

Encl. as above


(Neeraj Sati)
Secretary

o/c

Petition for true up for FY 2017-18, Annual Performance Review (APR) for FY 2018-19 and Aggregate Revenue Requirement (ARR) for Control Period from FY 2019-20 to FY 2021-22 for PTCUL.

Additional datagaps

A. True up for FY 2017-18

1. In respect of works capitalised in FY 2017-18, PTCUL is required to submit the details as mentioned in Appendix-1.
2. In Form 9.8 (Statement of Additional Capitalisation after COD), PTCUL submitted the list of projects along with the corresponding additional capitalisation claimed for FY 2017-18. In this regard, PTCUL is required to submit the documentary evidences to substantiate the additional capitalisation claimed for the following projects:
 - i. Increasing capacity of 132 KV S/s Bhupatwala Haridwar from 2x40MVA to 3x40MVA& Const. of 03 Nos. 33 KV Bays
 - ii. Procurement and Erection of 2x50MVA T/F alongwith 220 &33 kV Bays at 220 kV S/s Pantnagar
 - iii. Increasing Capacity of 220 kV S/s SIDCUL Haridwar from 2x80MVA (132/33 kV) to 2x80MVA (132/33) +1X50MVA (220/33 kV)
 - iv. 132 kVS/S Hardwar road Dehradun (Laltappar) (Project)
 - v. 132 kVS/S Sitarganj (SIDCUL) (Project)
 - vi. 220 kVS/S Dehradun (320MVA) (Project)
3. The actual O&M expenses of Rs. 132.91 Crore for FY 2017-18 is 22.88% higher than the actual O&M expenses of Rs. 108.16 Crore for FY 2016-17. PTCUL is required to submit the justification for the variation in actual employee, R&M and A&G expenses for FY 2017-18 w.r.t. the actual employee, R&M and A&G expenses for FY 2016-17.
4. The actual employee, R&M and A&G expenses claimed by PTCUL as against the actuals as per the audited accounts is shown in the Table below:

Particulars	Actual expenses claimed for true up	Actual expenses as per the audited accounts
Employee expenses	73.13	74.32
R&M expenses	35.01	35.44
A&G expenses	22.65	23.13
Total	130.79	132.91

PTCUL is required to submit the detailed justification and basis for allocation of actual employee, R&M and A&G expenses amongst UITP and Non-UITP projects.

5. The Commission vide directives in the 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 2017-18 that the Petitioner has not maintained separate accounts for UITP Schemes. With regard to capitalisation under UITP scheme, PTCUL is required to submit the following details:

- i. Dates of capitalisation of (i) 400 kV S/s Srinagar and (ii) 400 kV D/C Srinagar PH-Srinagar S/s line
- ii. Detailed breakup of employee, R&M and A&G expenses capitalized during FY 2017-18.
- iii. Details of employees deployed along with year wise salary details, for the projects capitalized under UITP Scheme upto FY 2017-18.
- iv. Asset class wise (Land, Building, Hydraulic works, etc.) capital expenditure incurred in the actual GFA addition for FY 2017-18.
- v. Details of ongoing UITP projects during FY 2017-18 along with their actual/anticipated completion dates.
- vi. Reasons for non-compliance of Commission's directive.

6. PTCUL has claimed the actual weighted average interest rate on long term loan as 11.41%. The interest expenses considered by PTCUL for computing the weighted average interest rate is found to be different from the interest expenses as per the audited accounts as shown in the Table below:

Particulars	Form 15.2	Note 26
Interest expense	Rs. 59.43 Crore	Rs. 47.91 Crore

PTCUL is required to submit the reasons for variation in loan balances and interest expenses and reconcile the figures.

7. PTCUL is required to submit the actual interest on working capital for FY 2017-18.
8. The income from open access charges for FY 2017-18 has been submitted as Rs. 6.24 Crore. As per Note 21 of the audited accounts, the actual revenue from open access is Rs. 8.40 Crore. PTCUL is required to submit the reconciliation of the income from open access charges as considered by it with the actual revenue from open access as per the audited accounts.

B. MYT for FY 2019-20 to FY 2021-22

9. PTCUL is required to submit the details of provisioning and actual payments towards impact of 7th Pay Commission in the following format:

Particulars	Units	FY 2016-17	FY 2017-18	FY 2018-19
		Actual	Actual	Estimated
Provisioning done in the audited accounts for the corresponding year	Rs. Crore			
Actual payments made corresponding to the following years				
FY 2016-17	Rs. Crore			
FY 2017-18	Rs. Crore			
FY 2018-19	Rs. Crore			
Total	Rs. Crore			

10. PTCUL is required to submit the details of actual employee, A&G and R&M expenses corresponding to Non-UITP projects for FY 2012-13 to FY 2017-18 in the following format:

Particulars	Units	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Gross employee expenses	Rs. Crore						
Capitalisation	Rs. Crore						
Net employee expenses	Rs. Crore						
Gross A&G expenses	Rs. Crore						
Capitalisation	Rs. Crore						
Net A&G expenses	Rs. Crore						
R&M expenses	Rs. Crore						

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Appendix-1

S. No.	Name of the project	Name of the scheme	Investment approval date	Scheduled Start date	Schedule commissioning date	Investment approval cost	Actual start date	Actual commissioning date	Capital expenditure upto COD	Capitalisation as on COD	IDC included in actual capitalisation as on COD	Time overrun	Reasons for time overrun	Cost overrun	Reasons for cost overrun

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