



# Uttarakhand Electricity Regulatory Commission

'Vidyut Niyamak Bhawan',

Near ISBT, PO- Majra, Dehradun-248171

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No. UERC/6/TF/502/Petition No. 56 of 2018/1393

Date: 09 January, 2019

To,

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

**Sub.: Petition for approval of 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 of PTCUL.**

Sir,

This is with reference to the Technical Validation Session held on 08.01.2019 at the Commission's Office on the above-mentioned subject. In this regard, the minutes of the said TVS meeting are enclosed as **Annexure-A** for information and necessary action at your end. You are required to submit your reply in the seven copies alongwith the soft copy of the same accompanied with an affidavit latest by 15.01.2019.

Encl : as above.

Yours Sincerely,

  
(Neeraj Sati)  
Secretary

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## ANNEXURE-A

### Minutes of Technical Validation Session held on January 08, 2019 in the matter of PTCUL's Petition for true up of FY 2017-18, Annual Performance Review (APR) of FY 2018-19 and Multi Year Tariff for the Third Control Period from FY 2019-20 to FY 2021-22

#### PRESENT:

##### UERC

1. Shri Neeraj Sati, Secretary, UERC
2. Shri Deepak Pandey, Director (Finance/Tariff), UERC
3. Shri Rajnish Mathur, Director (Costing/Licensing), UERC
4. Shri Prabhat Kishor Dimri, Director (Technical), UERC
5. Shri Yashwardhan Dimri, Deputy Director (Technical), UERC
6. Shri Gaurav Sabharwal, Assistant Director (Finance/Tariff), UERC
7. Shri Gaurav Lohani, Assistant Director (Tariff), UERC
8. Shri Suresh Gehani, Consultant (ABPS Infrastructure Advisory Pvt. Ltd.)
9. Shri Rahul Verma, Consultant (ABPS Infrastructure Advisory Pvt. Ltd.)

##### PTCUL

1. Shri Sandeep Singhal, Managing Director, PTCUL
2. Shri A. Maitra, Director (Finance), PTCUL.
3. Shri Sanjaya Mittal, Director (Operations), PTCUL.
4. Shri A. K. Agarwal, CE, PTCUL
5. Shri Rajeev Gupta, CE (MM), PTCUL
6. Shri. D.C. Pandey, CE (O&M), PTCUL
7. Shri Vikas Sharma, SE, PTCUL
8. Shri Anupam Sharma, SE, SLDC
9. Shri Ila Chandra Pant, SE (PI), PTCUL
10. Shri Lalit Kumar, SE (PI), PTCUL
11. Shri Rakesh Kumar, SE(PI), PTCUL
12. Shri A.C. Awasthi, SE (O&M)
13. Shri Sanjay Kumar Gupta, SE(O&M), PTCUL
14. Shri S.P. Arya, SE (PI), PTCUL
15. Shri L.M. Bisht, SE (O&M), PTCUL
16. Shri Prajjwal K. Bhaskar, SE (O&M), PTCUL
17. Shri Anupam Singh, SE (T&C), PTCUL

The additional information requirement was discussed as follows:

1. PTCUL in its business plan petition submitted that it has planned to recruit 265 no. of employees in FY 2018-19. In this regard, PTCUL to submit the following:
  - Exact category wise actual no. of employees recruited till 31.12.2018.
  - Likely employees to be recruited till 31.3.2019
  - Preparedness and Action plan for recruitment of Employees proposed
2. PTCUL in its reply dated 02.01.2019 has submitted the details of the work proposed in the Capital Investment Plan for the Control Period. However, in its submission PTCUL has not mentioned any estimated timelines for Board Approvals, Govt. Approval, Date of commencement of work etc. In this regard, PTCUL to submit the tentative dates for each concerned activity.
3. Vide its reply dated January 2, 2019 (Annexure-I), PTCUL submitted that the reasons for delay in commissioning for some of the works capitalized during FY 2017-18. In this regard, PTCUL to submit the following:

S.No.	Name of the work	Delay in commissioning	Reasons for delay submitted by PTCUL	Remarks
1	Const. of 132 KV & 33 KV Bays Including bisection of 132 KV & 33 KV main Bus and Const. of 132 KV Bus Coupler by using Hybrid Switchgear at 132 KV S/s Kiccha	177 days	<i>Non-availability of Shut down at 132 kV S/s Kiccha due to UPCL's denial of permission.</i>	PTCUL is required to submit correspondences of UPCL denying shutdowns sought.
2	Increasing capacity of 220 KV S/s Virbhadr, Rishikesh from 2x160 MVA to 3x160MVA alongwith its 220 KV & 132 KV Bays	458 days	<i>Due to non-availability of required size angle. Additional 145 kV CB is added. Due to increase in nos. of towers and therefore corresponding increase in civil works /erection work. Also spacing of earth mat reduced thus increase in earth mat material and laying thereon.</i>	The reasons for delay submitted by PTCUL do not substantiate the delay.
3	Procurement & Erection of HTLS Conductor for 132 KV Roorkee-Laksar Line	104 days	<i>1. It is submitted that the HTLS technology is first time introduced in PTCUL and being the new project of its kind considerable time has been consumed in completion of project. The existing conductor was to be replaced by the new HTLS conductor without</i>	PTCUL is required to submit the documentary evidences for the same.

S.No.	Name of the work	Delay in commissioning	Reasons for delay submitted by PTCUL	Remarks
			<p>disturbing the Power Supply as 132 kV S/s Manglore is radially feeded through 220 kV S/s Roorkee.</p> <p>2. It is submitted that being the new HTLS technology introduced in PTCUL, the new vendors for supplying the items to be used for HTLS work was approved after detailed deliberations, assessment of the credentials of vendors, submission of type test reports and after their factory inspection.</p> <p>3. It is submitted that due to high load demand at 132 kV S/s Laksar and non-availability of sugar mill generation and due to festival season in the month of October shut down could not be possible for this work.</p>	
4	Procurement & Erection of HTLS Conductor for 132 KV Roorkee-Manglore Line	104 days	<p>1. It is submitted that the HTLS technology is first time introduced in PTCUL and being the new project of its kind considerable time has been consumed in completion of project. The existing conductor was to be replaced by the new HTLS conductor without disturbing the Power Supply as 132 kV S/s Manglore is radially feeded through 220 kV S/s Roorkee.</p> <p>2. It is submitted that being the new HTLS technology introduced in PTCUL, the new vendors for supplying the items to be used for HTLS work was approved after detailed deliberations, assessment of the credentials of vendors, submission of type test reports and after their factory inspection.</p> <p>3. It is submitted that due to high load demand at 132 kV S/s Manglore and non-availability of sugar mill generation and due to festival season in the month of October shut down could not be possible for this work.</p>	PTCUL is required to submit the documentary evidences for the same.

4. Vide its reply dated January 2, 2019 (Annexure-II), PTCUL submitted the supporting documents for the additional capitalisation sought by the Commission, in this regard:

- a. It is observed that some of the pages (page nos. 26, 28, and 30) are not legible. PTCUL to re-submit the same in legible form.
- b. For 132 kV S/s Sitarganj (SIDCUL), the copy of Journal Voucher submitted at

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- page no. 37 depicts an amount of Rs. 1.08 Crore whereas PTCUL, in its Petition, has claimed the additional capitalisation of Rs. 1.03 Crore. PTCUL agreed to submit the justification for this discrepancy and reconcile the figures.
- c. For 220 kV S/s Dehradun, the Journal Vouchers submitted at page nos. 40 and 41 depict the total amount of Rs. 0.73 Crore whereas PTCUL, in its Petition, has claimed the additional capitalisation of Rs. 3.51 Crore. PTCUL agreed to submit the justification for this discrepancy and reconcile the figures.
5. As per the trial balance for FY 2017-18, the actual employee expenses for FY 2017-18 are inclusive of performance incentive of Rs. 1.82 Crore. In this regard, PTCUL is required to submit the following:
- a. Nature of such performance incentive paid to its employees i.e., whether paid out of the efficiency gains in employee expenses from past years/current year etc.
  - b. Documentary evidence like Office Order, Board Approval etc. for disbursement of such performance incentive.
6. PTCUL has submitted its total Non-Tariff Income for FY 2017-18 as Rs. 8.48 Crore, however, as per the Audited accounts submitted by the Petitioner, the non-tariff income is Rs. 33.21 Crore out of Rs. 33.21 Crore, PTCUL has not considered Rs. 2.95 Crore i.e. interest income from capital FDR. In this regard, PTCUL to check whether the FDR is made through its earning from RoE and if yes, submit the details to substantiate that the investments in FDR have been made out of RoE.
7. Vide its reply dated January 4, 2019, PTCUL submitted that the Final Electrical Inspector Certificate for 220 kV GIS S/s IIP Harrawala is expected by January 12, 2019. PTCUL to submit the same by 12<sup>th</sup> January, 2019.
8. PTCUL, on page 140 of its reply dated January 4, 2019, submitted the comparison of DPR cost and executed cost for 220 kV GIS S/s IIP Harrawala. From the same, it is observed that the executed cost is inclusive of contingency of Rs. 0.26 Crore. PTCUL to submit the justification for including contingency in the actual executed cost.

9. Vide its reply dated January 4, 2019 (S. No. 8 in Query No. 4), PTCUL submitted that the miscellaneous expenditure of Rs. 7.60 Crore includes miscellaneous civil works of Rs. 3.60 Crore. PTCUL is required to submit the list of works include in such miscellaneous civil works.

10. Vide its reply dated January 2, 2018 (Query No. 10), PTCUL submitted the actual O&M expenses towards non-UITP projects from FY 2012-13 to FY 2017-18. In this regard, it has been observed that the actual O&M expenses as submitted in the reply is not matching with the actual O&M expenses claimed for true up for the respective years as shown in the table below:

Particulars	FY 2014-15		FY 2015-16		FY 2016-17		FY 2017-18	
	As claimed for true up	As submitted in reply dtd. January 2, 2019	As claimed for true up	As submitted in reply dtd. January 2, 2019	As claimed for true up	As submitted in reply dtd. January 2, 2019	As claimed for true up	As submitted in reply dtd. January 2, 2019
Actual employee expenses					65.92	65.39		
Actual A&G expenses			16.79	16.35			22.65	21.21
Actual R&M expenses	16.56	16.36			23.94	23.89		

PTCUL to submit the justification for this discrepancy and reconcile the figures.

11. Vide its reply dated January 2, 2019 (Query No. 9), PTCUL submitted the actual/estimated payments towards VII th Pay Commission in FY 2016-17, FY 2017-18 and FY 2018-19, in this regard:

- a. PTCUL has not segregated the actual/estimated payments towards VII th Pay Commission under the heads of arrears of past years and amounts for the subject year separately in the specified format. PTCUL is required to submit the same in the specified format.

Particulars	Units	FY 2016-17	FY 2017-18	FY 2018-19
		Actual	Actual	Estimated
		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			

b. PTCUL is required to submit if any arrears towards VII th Pay Commission for FY 2016-17 and FY 2017-18 are payable beyond FY 2018-19. If yes, the same may be submitted separately for FY 2016-17, FY 2017-18 and FY 2018-19.

12. PTCUL has submitted its updated physical and financial progress of the projects expected to be completed by 31.03.2018. PTCUL to submit the updated status on the same by 1<sup>st</sup> week of February.

13. PTCUL has submitted Form 8.1 regarding the Employee Expense. In this regard, it is observed that the details of Employee Expense as stated in Form 8.1 is not matching with the Monthly Trial Balance submitted by the Petitioner. PTCUL, to reconcile the same.

14. PTCUL to submit the updated status on compliance of direction issued by the Commission with respect to DSM activities.

15. PTCUL to submit last 5 years breakup of CWIP for UITP and non-UITP projects.

PTCUL agreed to submit the additional information sought above in phased manner latest by January 15, 2019.