



# Uttarakhand Electricity Regulatory Commission

'Vidyut Niyamak Bhawan',

Near ISBT, PO- Majra, Dehradun-248171

PH. 0135-2641115 FAX- 2641314 Website www.uerc.gov.in E-mail- secy.uerc@gov.in

No. UERC/6/TF/509/2018-19/ 1392

Date: 09 January, 2019

To,

Managing Director,  
UJVN Limited,  
"UJJWAL", Maharani Bagh, GMS Road,  
Dehradun.

**Sub: Technical Validation Session in the matter of UJVN Ltd.'s Petitions for True up for FY 2017-18, Annual Performance Review for FY 2018-19 and Multi Year Tariff for the Third Control Period from FY 2019-20 to FY 2021-22 and Business Plan for 10 LHPs of UJVN Ltd.**

Sir,

This is with reference to the Technical Validation Session (TVS) held on 08.01.2019 in the Commission's office on the subject matter. In this regard, the minutes of meeting of the said TVS is enclosed herewith as **Annexure-A** for information and necessary action at your end. You are required to submit your reply in seven copies alongwith the soft of the same under affidavit latest by 18.01.2019.

Encl.: As above.

Yours Sincerely,

  
(Neeraj Sati)  
Secretary

**First Technical Validation Session on**

**Petitions 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 and Business Plan for 10 LHPs of UJVN Ltd.**

**Minutes of Meeting held on January 08, 2019 at the Commission's office**

**Present:**

**UERC**

Shri Neeraj Sati, Secretary  
Shri Prabhat Kishor Dimri, Director (Technical)  
Shri Deepak Pandey, Director (Finance/Tariff)  
Shri Rajnish Mathur, Director (Costing/Licensing)  
Shri Yashwardhan Dimri, Deputy Director (Technical)  
Shri Gaurav Lohani, Assistant Director (Accounts)  
Shri Suresh Gehani, Consultant (ABPS Infrastructure Advisory Pvt. Ltd.)  
Shri Rahul Verma, Consultant (ABPS Infrastructure Advisory Pvt. Ltd.)

**UJVN Ltd.**

Sh. S.N. Verma, Managing Director  
Sh. Purushottam Singh, Director (Operations)  
Sh. L.M. Verma, Director (Finance)  
Sh. Pankaj Kumar, Executive Director (O&M)  
Sh. Meg Bahadur, General Manager (Comm.)  
Sh. Vivek Atreya, General Manager (RMU)  
Sh. Sanjeev Lohani, General Manager (CM)  
Sh. Sudhakar Badoni, General Manager (F)  
Sh. Satish Kumar Singh, Dy. General Manager  
Ms. Shuchi Rai, Executive Engineer (CR)  
Sh. C.K. Pandey, Executive Engineer (M&U-BP)  
Sh. Priyank Chauhan, Executive Engineer (PSL)  
Sh. MS Adhikari, Executive Engineer (PCM), Dakpathar  
Sh. Sanjay Tiwari, Executive Engineer (CM), Dehradun  
Sh. Girish Chandra Joshi, Executive Engineer (Civil) PCM Dhalipur  
Sh. Dinesh Chandra Sharma, Executive Engineer  
Sh. Ambrish Sharma, Executive Engineer  
Sh. Amit Sharma, Executive Engineer

The queries raised by the Commission and the replies submitted by UJVN Ltd. were discussed in detail as follows:

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1. It was observed that UJVN Ltd. in its reply dated 07.01.2019 has submitted its response for Plant wise CUF and net generation of its installed solar power plants for FY 2017-18. Further, with regards to the apportionment of common expense related to solar plants UJVN Ltd. in its reply dated 28.12.2018 has submitted that it has deputed total 5 No. of employees who looks after the works related to billing, official communication etc., UJVN Ltd. has also submitted that it has not incurred any substantial amount on account of Employee and A&G Expenses and the same is not expected to be increased in the future also and hence not allocated any cost to its Solar power plants.

In this regard, it was discussed that certain proportion common expenses pertaining to Corporate and Head Office needs to be allocated to all the non regulated businesses. UJVN Ltd. agreed to relook into the matter and submit the approach for allocating the common expenses to solar power plants as it is a new business vertical for UJVN Ltd.

2. It is observed that the Petitioner in its reply dated 07.01.2019 has claimed the additional capital expenditure pertaining to E&M and Civil works broadly under Regulation 22 and works pertaining to DRIP and RMU under Regulation 23. In this regard, UJVN Ltd. agreed to substantiate its claim by stating specific Regulation under which the said expenditure is claimed as well as the necessity for claiming that expenditure.
3. UJVN Ltd. agreed to submit the cost benefit analysis of each scheme including payback period, Improvement in generation (MU) etc., for each scheme whose projected expenditure is more than Rs. 2 Crore, wherever the quantitative analysis is possible.
4. UJVN Ltd. agreed to submit the 10 day's daily discharge data of all Barrage/Dams released to its respective 10 LHPs and released in the river from FY 2001-02 to FY 2017-18. UJVN Ltd. also requested the Commission to consider its submission for calculating the impact in Design Energy and for providing relaxation in NAPAF for the Third MYT Control Petition due to the impact of NGT Order.
5. UJVN Ltd. agreed to reschedule its RMU plan for the generating stations which are at initial stages or wherein the tendering process is yet to be done so as to



ensure maximum sale of power to UPCL as the same will impact the power purchase cost of UPCL which in turn affect the Tariff of the state. UJVN Ltd. to submit the revised schedule of RMU plan for various generating stations.

6. On the issue of interest earned from RoE invested in Fixed Deposits, UJVN Ltd. agreed to submit the relevant documents to substantiate its claim that the fixed deposits have been made through its earning from RoE. UJVN Ltd. requested to freeze the investments made from RoE from FY 2017-18 onwards.
7. UJVN Ltd. agreed to submit the actual no. of employees added / recruited till 31.12.2018 and likely to be recruited from January to March 2019 for Head Quarters and 10 LHPs. UJVN Limited to also submit the preparedness of detailed plan adopted by UJVN Ltd. for recruitment of employees in FY 2019-20. UJVN Limited to also submit the details of sanctioned strength and actual employees for overall UJVN Ltd. and separately for all the plants, Corporate Office and Head Office.
8. UJVN Ltd. in its reply dated 28.12.2018 has submitted that it has received a grant of Rs. 7.15 Crore in FY 2017-18. It is also submitted that the same has been received on 27.03.2018 and no utilization is shown for the above-mentioned grant in FY 2017-18. In this regard, UJVN Ltd. agreed to submit the sanction letter from the GoU in case of SPA-R Grant fund for MB-I.
9. UJVN Ltd. agreed to submit the revised RMU schedule for Chilla power house.
10. UJVN Ltd. in its business plan Petition has proposed Vyasi LHP (120 MW) to be Commissioned in December 2019. The Petitioner has revised the cost of project from Rs. 936.23 Crore to Rs. 1575.00 Crore for which the approval from competent authority is under process. In this regard, UJVN Ltd. agreed to submit the revised approval of Capital Cost and Design energy for Vyasi LHP.
11. UJVN Ltd. agreed to submit Form 6.9 for De-capitalization of assets.
12. UJVN Ltd. agreed to submit the summary of compliance of direction issued by the Commission with respect to Schedule of Rates, Procurement of centralized items and strengthening of internal Audit mechanism.

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13. UJVN Ltd. agreed to submit the Year Wise Capital Expenditure for the works covered under Balance Capital Works of MB-II as per the prescribed format of T.O. dated 21.03.2018 duly giving justification for any deviation from approved expenses.
14. It is observed that UJVN Ltd. in its MYT Petition has provisioned Rs. 4.48 Cr, Rs. 6.12 Cr and Rs. 9.11 Cr in FY 2019-20, FY 2020-21 and FY 2021-22 respectively in O&M expenses on account of ERP. The Petitioner in this regard agreed to submit the detailed break-up of the expenses claimed along with supporting documents such as AMC and other contracts awarded, Licence Renewal Fees etc. Also, UJVN Ltd. is required to submit the current status of work.
15. UJVN Ltd. agreed to submit the actual employee expenses excluding arrears along with sub-head wise break up for the period of April-September 2017 and April-September 2018.
16. UJVN Ltd. agreed to submit separate information on DRIP works covering Financial Year wise details of expenses incurred /proposed to be incurred along with the funding details as per below mentioned table:

Sl. No.	Description of work executed/ Proposed	Expense incurred/ proposed to be incurred. (In Rs.)	Whether work was approved as per Commission's order dated 29.04.2016, If yes, details of amount approved under the said work (In Rs.)	Whether work was disallowed/ deferred as per Commission's Order dated 29.04.2016. If yes, details of amount disallowed/ deferred under the said work (In Rs.)	Whether work done/ proposed is proposed is other than works covered in Column (4) and (5)
(1)	(2)	(3)	(4)	(5)	(6)

17. It is observed that the Petitioner in Ramganga generating station has claimed Rs. 27.22 Crores as additional capitalization in FY 2017-18, out of which approximately Rs. 22 Crore has been incurred on account of Dam Safety works. Ramganga being a multipurpose hydro project and therefore UJVN Ltd. is required to clarify whether apportionment for the said expenditure has been done considering the power & irrigation component.

18. In Additional capitalization for Ramganga HEP, the Petitioner has claimed Rs. 3.97 Crore for under water parts investigation under Office Equipment in additional capitalization for FY 2017-18 for Ramganga HEP. UJVN Ltd. is required to clarify the same.
19. UJVN ltd. agreed to submit the details of additional capital expenditure of Khatima generating station as per the format submitted during True Up exercise for FY 2016-17 giving details of works executed under RMU / works executed other than approved under RMU for the year FY 2017-18 onwards.
20. It is observed that UJVN Ltd. has claimed Rs. 3.50 Crore as Interest During Construction during FY 2017-18 in case of Khatima HEP. UJVN Ltd. is required to submit the detailed calculation for the same.
21. UJVN Ltd. has claimed a De-capitalization of Rs. 2.5Cr in during FY 2017-18 in Khatima HEP. The Petitioner agreed to submit the details for the same. Further, UJVN Ltd. is directed to complete all the works covered under RMU by 31.03.2019.
22. UJVN Ltd. has claimed Rs. 8.09 Crore in FY 2017-18 as capital maintenance of Unit 2 of Chibro HEP whereas the expense on capital expenditure claimed by UJVN Ltd. in recent past for unit 4 was Rs. 4.90 Crore. UJVN Ltd. to clarify the reason for such increase in the cost of capital maintenance. Moreover, the same has been claimed under Additional Capital Expenditure despite specific direction of the Commission for claiming such expenditure under R&M.
23. It is also observed that the expenditure for Capital Maintenance of Unit 2 of Khodri power station having a unit of 30 MW costs Rs. 9.76 Crore which is more than that of the Capital Maintenance expenditure required in a 60 MW unit of Chibro power house. UJVN Ltd. to submit the appropriate justification for the same.
24. UJVN Ltd. has claimed Rs. 3.94 Crore for major overhauling of Unit 1 of Dhalipur generating station during FY 2017-18 and also as per the RMU Schedule submitted by the Petitioner, Unit 1 likely to undergo RMU from 09.01.2019 to 08.08.2019. In this regard, UJVN Ltd. agreed to put any other unit

other than Unit 1 for RMU. UJVN Ltd. to submit the revised details in this regard.

25. UJVN Ltd. has claimed Rs. 13.98 Crore against construction of new sub-station at Dhalipur. UJVN Ltd. is required to submit proper justification along with the need for incurring such expense. Further, UJVN Ltd. is required to submit the details of outgoing feeders and beneficiaries of the Sub-station.
26. UJVN Ltd. has claimed Rs. 1.48 Crore against procurement of isolators in Kulhal HEP. On examination it is observed that the cost of isolator with earth switch and without earth switch are almost twice in comparison to the cost provided in Schedule of rates of PTCUL. UJVN Ltd. to justify the same and submit the compliance of direction pertaining to Centralized Procurement of common items.
27. The Commission in its T.O. dated 21.03.2018 had approved expenses on account of office building excluding sports complex whereas it is observed that UJVN Ltd. has claimed expenses for Residential Building along with expenses for training and sports complex at Dehradun. UJVN Ltd. in response submitted that for 800 employee's accommodation is available for only 250 no. of employees and hence requested to allow the same. In this regard, UJVN Ltd. to submit year wise expenses incurred / proposed to be incurred for Office Building excluding sports complex duly apportioning among 10 LHPs.

UJVN Ltd. agreed to submit replies to all the balance queries already sought and queries as sought above in the phased manner latest by January 18, 2019.