



Uttarakhand Electricity Regulatory Commission

Vidyut Niyamak Bhawan',

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No. UERC/6/TF-503/2018-19/2018//२३२

Date: 06-Dec., 2018

To,

Managing Director,
Uttarakhand Power Corporation Ltd.,
Victoria Cross Vijeta Gabar Singh Bhawan,
Kanwali Road, Dehradun.

Sub.: Multi Year Tariff (MYT) Petition for the Control Period of three Financial Years from FY 2019-20 to FY 2021-22 alongwith tariff determination for FY 2019-20, True-Up for FY 2017-18 and Annual Performance Review (APR) for FY 2018-19.

Sir,

This is with reference to your petition dated 30.11.2018 on the above-mentioned subject. In this regard, certain 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 12.12.2018 in seven copies alongwith the soft copy of the reply accompanied with an affidavit.

Yours sincerely,

Encl. as above


(Neeraj Sati)
Secretary

Multi Year Tariff (MYT) Petition for the Control Period from FY 2019-20 to FY 2021-22 along with tariff determination for FY 2019-20, True-up for FY 2017-18 and Annual Performance Review for FY 2018-19.

Preliminary information required for admission of Petition

A. General

1. UPCL has not submitted the Audited Accounts for FY 2017-18, on the basis of which it has sought true up for FY 2017-18. UPCL should submit the audited statement of Accounts and Monthly Trial Balance (MTB) for FY 2017-18.

B. Forms related

2. The formats submitted by UPCL along with the Petition are independent and are not linked to each other. Further, the formats have external linkages for most of the data. UPCL should resubmit all the Formats using formulae and appropriately link the same to the relevant formats for ensuring consistency and accuracy of the data submitted.
3. For all Formats, the break-up of actuals for H1 (April to September) and estimated for H2 (October to March) as required in the formats specified by the Commission has not been submitted for the Current year i.e. FY 2018-19. UPCL should submit the same.
4. Some of the Forms submitted in MS Excel formats along with the Petition are not properly/fully filled as per the Formats prescribed by the Commission, as mentioned in the table below:

Table 1: Forms not submitted as per UERC Regulations

Form	Description
F 1	Interest capitalisation (IDC) details and calculation has not been given, even though schemes are spilling over to subsequent years Income from Wheeling Charges has not been shown separately Income from Cross Subsidy Surcharge has not been considered
F 2.2	Actual consumer (no. of consumers) data has not been submitted for April to September 2018
F 2.3	Actual consumer demand data has not been submitted for April to September 2018
F 2.5(2) to F 2.5(4)	Data on Energy Available in MU have not been submitted.
F 2.7	Supporting documents (UI Charges) have not been submitted.
F 2.8	(i) Source wise summary of quantity purchased has not been submitted (ii) Data to be submitted in the prescribed format for FY 2017-18 to FY 2021-22
F 2.9 to F 2.9(4)	(i) Source wise details of AFC to be provided (ii) Actual data to be submitted for April to September 2018
F 5.1	(i) Scheme wise details of capex projects not submitted (ii) Details (Asset class-wise opening & closing balance) not submitted for FY 2018-19 to FY 2021-22
F 5.2	Depreciation not computed as per the prescribed Format

13

Form	Description
F 5.4	Consumer Contribution & Grant & Subsidy not submitted as per prescribed Format
F 6.1	Statement of Capex not submitted as per prescribed Format
F 6.2	Data not submitted for the IDC for FY 2017-18 to FY 2021-22
F 6.4	CWIP not submitted as per prescribed Format
F 6.10	De-Capitalisation Data not submitted as per prescribed Format
F 7.1	Details of Financial Package not submitted as per prescribed Format
F 7.4	Data not submitted as per prescribed Format; Loan wise details have to be submitted, followed by summary
F 12	Income from Wheeling Charges not submitted as per prescribed Format
F 13, F 13(1), F 13(2) & F 14	Revenue from Existing and Proposed Tariff to be submitted as per prescribed Format
F 15	Data on category wise collection efficiency not submitted
F 18.2	Electrical Accident data to be submitted as mentioned in the Note in the Format
F 18.5	Performance Data to be submitted as prescribed in the Format
F 18.7	Performance Data to be submitted as prescribed in the Format

UPCL is required to submit the duly filled in forms in MS Excel formats.

5. The amount of internal resources capitalized in FY 2017-18 of Rs. 13.46 Crore in Table 33 does not reconcile with the amount of internal resources of Rs. 12.46 Crore given in Table 23. UPCL should reconcile the same.
6. The Commission in its Tariff Order dated 21.03.2018 had admitted closing GFA of Rs. 2381.56 Crore as on 31.03.2017. However, it is observed from Table 28 of the Petition, that UPCL has considered Rs. 2450.39 Crore as opening Depreciable GFA for FY 2017-18. In this regard, UPCL should submit justification for such variation.
7. UPCL should submit the proposed tariff hike in terms of percentage for each consumer category for FY 2019-20 to meet the projected revenue gap.
8. UPCL should justify the proposed tariff hike in terms of reduction of cross-subsidy between various consumer categories, in accordance with the provisions of the EA, 2003, Tariff Policy and previous Orders of the Commission.
9. As regards Cross Subsidy, UPCL should submit table indicating the existing and proposed category wise cross subsidy, in view of the proposed tariff revision.

C. Discrepancies

10. It is observed that the UPCL has claimed Depreciation of Rs. 127.40 Crore at Table 28 of the Petition, whereas in Form F 5.2 it is Rs. 127.56 Crore. UPCL should remove the discrepancy and maintain consistency at all places.
11. It is observed that there is a computation error in Form 4.3. UPCL should rectify the error and resubmit the Form.

12. Actual Operation and Maintenance Expense in Table 20 for FY 2017-18 does not tally with the values submitted in Format- F 4. In this regard, UPCL should justify the same and submit the revised format, if required.

Information Requirement for Further Analysis of the Petition

1. The Commission in its Tariff Order dated 29.03.2017 had directed that UPCL shall submit all the relevant information along with the supporting documents for substantiating the actual expenses incurred on account of Water Tax, for FY 2016-17 and FY 2017-18 along with its proposals for True up for FY 2017-18. In this regard, UPCL is required to submit the same.
2. The Commission in Tariff Order dated 29.03.2017 had approved provision of Rs. 3.36 Crore towards cost of data centre and other expenses related to R-APDRP projects. However, it is observed that UPCL has claimed an amount of Rs. 10.78 Crore for the same. In this regard, UPCL should justify such huge increase in actual cost.
3. UPCL in Para 3.84 (a) submitted that the expected COD for new stations has been taken from sources like CEA reports, PPA signed and as per information provided by the generator. UPCL should provide the status & details of expected COD considered with supporting documents to substantiate the same.
4. In Para 3.105, UPCL submitted that the cost of power from new CGS stations which are under development has been considered as Rs. 4/kWh, whereas, for those being developed by the private developers has been projected on the basis of PPA/relevant regulation etc. UPCL should submit the basis and assumptions considered for projecting cost of power.
5. UPCL in Para 3.271 to 3.275 has submitted to approve the provision of Bad & Doubtful debt, however same has not been claimed in the ARR. In this regard, UPCL should clarification on the same.
6. UPCL is required to submit the status of the works (financial as well as physical progress) for the capital expenditure incurred during the control period ending 31.03.2019.
7. For FY 2017-18, UPCL is required to segregate the additions of fixed assets into HT & LT works and should submit the Clearance from the Electrical Inspector for capitalisation of various HT/EHT schemes for FY 2017-18.
8. The Commission in Tariff Order dated 29.03.2017 had approved Guarantee fee of Rs. 3.42 Crore for FY 2017-18. It is observed that the Petitioner has claimed Guarantee Fee of Rs. 10.73 Crore in true up of FY 2017-18. In this regard, UPCL should submit the breakup of the same, along with the basis and computation of provisions, if considered any.

9. UPCL should submit the voltage-wise cost of supply for Current year and FY 2019-20, and the Cross-subsidy w.r.t. voltage wise cost of supply.
10. UPCL should submit the details of employees recruited and retired during FY 2017-18. UPCL is also required to submit the basis as to how the impact of VII Pay Commission has been worked out as Rs. 20.64 Crore in FY 2017-18.
11. Opening balance of A&G expenses for FY 2017-18 already includes an expenditure of Rs. 3.35 Crore towards maintenance of data centre. Further, during the truing up of R&M expenses for FY 2016-17, the Commission had allowed Rs. 2.79 Crore as AMC charges under R&M expenses. Hence, why cost towards data centre of Rs. 10.78 Crore has been claimed additionally as provision for FY 2017-18 under A&G expenses.
12. Interest on REC old loans has been considered as Rs. 13.57 Crore in its accounts whereas UPCL is claiming Rs. 20.39 Crore for FY 2017-18 in its truing up. Reason for the variation needs to be provided.
13. UPCL is required to submit the category wise bad debts written off during FY 2017-18.
14. UPCL is required to submit the details of the following as occurring in Table 37 of the Petition:
 - a. Prior Period Income-others
 - b. Prior Period Income-Power purchase
 - c. Prior Period Expenses-Power purchase
 - d. Prior Period Expenses-Assessment
15. UPCL has submitted that revenue from inter-state sale of power was Rs. 129.73 Crore during FY 2017-18. UPCL should submit the monthwise quantum power sold and revenue earned thereon.
16. For calculation of sales of domestic category, UPCL has submitted that it has separately analysed sales of BPL consumers in the last 3 years and has then added its impact in domestic sales for FY 2018-19. UPCL should provide calculation for the same.
17. UPCL has considered power from Bhyunder Ganga SHP and Khairoganga SHP from FY 2018-19. Status of these 2 projects should be submitted. Further, power from SECI (Solar and non-solar) has been considered from FY 2020-21. Agreements/basis for the same should be provided.

18. UPCL should provide all the contracts for additional provisioning claimed under A&G expenses as given in Table 158.
19. UPCL is also required to submit the category wise number of consumers and load which will be impacted from shifting to kVAh billing from kWh billing for LT and non-domestic consumers having load more than 10 kW and upto 25 kW.
20. UPCL is also required to submit the monthly trial balances for FY 2017-18 and upto September, 2018 for FY 2018-19.

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