

Before

UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

In the Matter of:

Approval of Capital Investment under Para 11 of the Transmission Licence [Licence No. 1 of 2003].

In the Matter of:

Power Transmission Corporation of Uttarakhand Limited

Applicant

AND

In the Matter of:

Application No. 931/PTCUL/MD/UERC dated 29.05.2012 for approval of SI (Transmission) Scheme filed by Power Transmission Corporation of Uttarakhand Limited.

Coram

Shri Jag Mohan Lal Chairman

Shri C. S. Sharma Member

Shri K.P. Singh Member

Date of Order: 19th December, 2012

ORDER

The Petitioner, Power Transmission Corporation of Uttarakhand limited (PTCUL) has sought approval for proposed capital investment vide their Application No. 931/PTCUL/MD/UERC dated 29.05.2012 under Para 11 of Transmission Licence [Licence No. 1 of 2003].

2. The proposed work comprises of Procurement, Erection/Commissioning of 315 MVA 400/220/33 kV Auto Transformer, 400kV, 220kV, 33kV LA, Armoured Control Cable of different sizes,

Mulsifier system in ICT-II Bay at 400 kV S/s at Rishikesh. The capital cost structure of proposed scheme is presented below:

Details of Capital Cost structure under the Scheme

| Particulars | Proposal sent to REC (as per DPR) (Rs. Crore) | Considered by REC (Rs. Crore) |
|--|---|-------------------------------|
| Procurement, Erection/Commissioning of 315 MVA 400/220/33 kV Auto Transformer, 400kV,220kV, 33 kV LA, Armoured Control Cable of different sizes, Mulsifier system in ICT-II Bay at 400 kV S/s at Rishikesh | 12.58 | 12.58 |
| Total | 12.58 | 12.58 |
| Debt (70% of above) | 8.81 | 8.81 |
| Equity (30% of above) | 3.77 | - |

3. On preliminary examination of the DPR, the Commission observed that the details of funding of the scheme, approval of the Petitioner's Board for the scheme, load flow studies etc. has not been submitted along with the DPR. Accordingly, the Petitioner was asked to submit the same vide Commission's letter No. UERC/Petition No. 16 of 2012/1055 dated 02.11.2011.
4. In response to the aforesaid letter the Petitioner submitted the loan sanction letter of REC vide their letter No. 2032/MD/PTCUL/UERC dated 22.11.2012. The Petitioner also informed that the proposal has not been put up before the BoD till now and shall be put up to BoD for approval after loan agreement with the financial institution i.e. REC
5. From the sanction letter of REC it is apparent that the financial institution has sanctioned the full capital cost of the project as demanded by the Petitioner and accordingly sanctioned loan (calculated @ 70% of the proposed capital cost) amounting to Rs. 8.81 Crores. However, the Petitioner did not elaborate the mode of funding of the equity portion amounting to Rs. 3.77 Crores (calculated @ 30% of the proposed capital cost)
6. The Petitioner has confirmed that the proposed work under this EHV project for assistance under P:SI (Transmission) Scheme through REC has not been financed or tied up for financial assistance from any other source or lending organization and, thus, there is no duplicate financing for the proposed works.
7. The need for this investment has been assessed by the Petitioner on the basis of the system study report showing that in low hydro conditions, and tripping of one ICT, the loading on the other ICT increases to around 305 MVA. Therefore, one transformer of 315 MVA in ICT-II Bay at 400 kV s/s at Rishikesh has been proposed.

8. Based on the above submission of the Petitioner, the Commission has no objection to the Petitioner going ahead with this capital investment subject to fulfillment of the following conditions:
- (a) The Petitioner shall within one month of the issue of this Order submit the loan agreement with REC containing detailed terms and conditions of the loan. However, the Petitioner is directed to explore the possibility of swapping this loan with cheaper debt option available in the market.
 - (b) The Petitioner shall, within three months of the issue of this Order, submit the approval of its BoD for the investment.
 - (c) With regard to equity funding, the Petitioner shall, within one month of the Order, inform the Commission from where is it going to arrange the same and submit the documentary evidence thereof.
 - (d) After completion of the projects within the scheme, the time line of which has been fixed as 13 months, the Petitioner shall submit the completed cost and financing of the scheme within 03 months. The petitioner must endeavor to shorten the period of completion of project
 - (e) The cost of servicing of loan amount shall be allowed in the Annual Revenue requirement of the petitioner after the assets are capitalised and subject to prudence check of cost incurred.
 - (f) The damaged 240 MVA transformer, in lieu of which this 315 MVA transformer is proposed to be procured, should either be got repaired, if economical to do so, or else it should be disposed off within 06 months of the issue of this Order.

(K.P. Singh)
Member

(C.S. Sharma)
Member

(Jag Mohan Lal)
Chairman