



# Uttarakhand Electricity Regulatory Commission

'Vidyut Niyamak Bhawan',

Near ISBT, PO- Majra, Dehradun-248171

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No. UERC/6/TF-286/15-16/2016/ 1554

Date: 4- Jan., 2016

To,

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


**Sub.:** Power Transmission Corporation of Uttarakhand Limited's Petition for True up for FY 2014-15, Annual Performance Review for FY 2015-16 and Multi Year Tariff for the Control Period FY 2016-17 to FY 2018-19.

Sir,

This is with reference to the Technical Validation Session held on 12.01.2016 at 03.30 PM 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 seven copies alongwith the soft copy of the same accompanied with an affidavit.

Encl. as above

Yours sincerely,

  
(Neeraj Sati)  
Secretary  
SK

**Minutes of Technical Validation Session held on January 12, 2016**  
**in the matter of PTCUL's Petition for approval of true up for FY 2014-15, APR for FY 2015-16**  
**and MYT for the Control Period FY 2016-17 to FY 2018-19**

**Present:**

**UERC**

1. Shri Neeraj Sati, Secretary, UERC.
2. Shri Deepak Pandey, Director (Finance), UERC.
3. Shri Prabhat Kishor Dimri, Director (Technical), UERC.
4. Shri K.K. Gupta, Dy. Director (Finance/Tariff), UERC.
5. Shri Yashwardhan Dimri, Assistant Director (Technical), UERC.
6. Shri Gaurav Sabharwal, Assistant Director (Finance/Tariff), UERC.
7. Shri Gaurav Lohani, Assistant Director (Accounts), UERC.
8. Ms Divya Sood, Legal Consultant, UERC.
9. Shri Suresh Gehani, Consultant (ABPS Infrastructure Advisory Pvt. Ltd.).
10. Shri Namala K.M. Choudhary, Consultant (ABPS Infrastructure Advisory Pvt. Ltd.).

**PTCUL**

1. Sh. Ashish Kumar, Director (HR), PTCUL.
2. Sh. Amitabh Maitra, Director (F), PTCUL.
3. Sh. R.K. Sharma, Director (Operations), PTCUL.
4. Shri Shrawan K. Sharma, Director (Projects), PTCUL.
5. Sh. Kamal Kant, Chief Engineer (C&R), PTCUL.
6. Sh. Deep Sah, Chief Engineer (Projects), PTCUL.
7. Sh. Illa Chandra Pant, Superintending Engineer, PTCUL.
8. Sh. Anupam Sharma, Superintending Engineer, PTCUL.
9. Shri V.K. Pandey, Superintending Engineer, PTCUL.
10. Sh. Pankaj Kumar, Executive Engineer, PTCUL.
11. Sh. Balwant Singh Pangtey, Executive Engineer, PTCUL.
12. Sh. Himanshu Baliyan, Assistant Engineer, PTCUL.
13. Shri Santosh Vashisth, Executive Engineer, PTCUL.
14. Ms. Saima Kamal, Executive Engineer, PTCUL.
15. Ms. Hemlata Tewari, Assistant Engineer, PTCUL.
16. Sh. S.K. Tomar, General Manager (Finance), PTCUL.

17. Sh. P.C. Dhyani, General Manager (HR), PTCUL.
18. Shri Om Prakash, Dy. Chief Accounts Officer, PTCUL.
19. Sh. A.K. Juyal, Dy. CPO, PTCUL.
20. Ms. Shalu Jain, Sr. Accounts Officer, PTCUL.
21. Shri Tarun Singhal, Accounts Officer, PTCUL.
22. Shri Manmohan Dhek, Accountant, PTCUL.
23. Shri Kunal Singhal, Consultant, PTCUL.
24. Sh. Rohit Vadhawan, Consultant, PTCUL.

The queries raised by the Commission and the replies submitted by PTCUL were discussed in detail and salient features of the discussions are as follows:

1. Vide its submissions dated January 11, 2016, PTCUL submitted the revised Form 9.5 with details of projects completed in FY 2014-15. In this regard:
  - a. It was observed that the Form 9.5 was not complete in all respects as the cost under the heads of IDC, construction and pre-commissioning expenses, overheads etc. has not been submitted.
  - b. In the revised Form 9.5 submitted by PTCUL, the reason for variation in cost at many places has been mentioned as modification of requirement during implementation. PTCUL agreed to submit the exact details for variation in cost like change in scope, lower rates of estimations, delay in obtaining statutory clearances, price escalation in the contract, price escalation on account of default by the contractor, price escalation on account of default by PTCUL etc.
  - c. PTCUL agreed to indicate the scheduled date of completion and actual date of completion for the projects capitalised in FY 2014-15. In case of time overrun, PTCUL agreed to submit details of IDC upto schedule date of completion and from schedule date of completion to actual date of completion.
  - d. PTCUL agreed to submit the revised Form 9.5 rectifying the above discrepancies and additional information sought.
2. PTCUL agreed to submit the copies of Electrical Inspector Certificates for the following projects capitalised in FY 2014-15 clearly mentioning the Scheme under which projects/works have been capitalised.
  - a. Construction of 33 kV Bay at 220/132/33 kV S/s, Pantnagar & Haridwar on turnkey basis. (M/s Gupta Transformer Product).
  - b. Procurement and erection of various transformers 20 MVA, 40 MVA, 80 MVA & 160 MVA (220/132 kV class) for different substation at Kumaon & Garhwal zone (at Haridwar 160 MVA transformer has been installed).

- c. 20 MVA Transformer replaced at 132 kV S/s Ramnagar.
  - d. Extension of switchyard at 132 kV S/s Jaspur.
  - e. Supply and erection of SF-6 Circuit Breaker at 400 kV O&M Rishikesh.
  - f. Installation of 132/66 kV 20 MVA Transformer.
  - g. Augmentation of 220 kV S/S Roorkee.
  - h. Supply and erection of ACDB and 630 KVA & 250 KVA T/F at Haldwani & Bhowali.
  - i. Construction of 2 no of 220 kV bays at 400 kV S/S Kashipur.
  - j. 132 kV S/S Laltappar.
  - k. 220 kV Line for M/S Tata Power, Pantnagar.
  - l. 220 kV Line from 400 kV Kashipur to 220 kV Mahuakheraganj.
  - m. LILO of 132 kV Majra-Rishikesh at 132 Laltappar.
3. Vide the submissions dated December 16, 2015 (Annexure 3), PTCUL submitted the details of capitalisation claimed for FY 2014-15. In this regard:
- a. PTCUL claimed capitalisation of ₹ 1,48,124 and ₹ 3,95,642 under the same head "SF-6 Replace Purkul". PTCUL agreed to submit the clarification for mentioning work of "SF-6 Replace Purkul" twice, if it was mentioned inadvertently, PTCUL also agreed to submit the justification for variation in the cost for the same work.
  - b. PTCUL claimed capitalisation categorising some of the schemes under Capital R&M and Capital R&M (REC-4365). PTCUL confirmed that the capitalisation claimed under Capital R&M is funded through internal accruals and capitalisation claimed under Capital R&M (REC-4365) is funded under REC 4365 Scheme.
  - c. PTCUL claimed capitalisation of ₹ 302366.48 under Replacement of 5 MVA Transformer (Repaired) without mentioning the name of the Scheme. PTCUL submitted that the same is funded through internal accruals.
  - d. It is observed that PTCUL claimed the capitalisation for the same project under two different Schemes. For example, the capitalisation towards 132 kV S/s Laltappar is claimed in REC IV while the capitalisation of furniture and fixtures of 132 kV S/s Laltappar is claimed in REC IX. PTCUL submitted that it is due to error in submissions and the same shall be rectified.
  - e. PTCUL claimed the capitalisation of ₹ 1574679 towards 132 kV ELDECO Sitarganj (Store Shed) (Additional capitalisation). PTCUL agreed to submit the details of the same.
  - f. It is observed that the name of the Scheme and name of the project is not mentioned for many of the items for which capitalisation is claimed for FY 2014-15. Further, naming convention of the

projects capitalised in FY 2014-15 is different from the naming convention as per the Investment Approval Order of the Commission for the respective Schemes. PTCUL agreed to rectify the same.

g. Vide the letter dated January 5, 2016 (query no. 3), the details of capitalisation was sought in the prescribed format. PTCUL replied that the same would be submitted by January 19, 2016. PTCUL agreed to submit the capitalisation of FY 2014-15 in the prescribed format duly rectifying the discrepancies in submissions dated December 16, 2015 and reconciling the scheme wise capitalisation with details of capitalisation submitted in the Petition.

4. PTCUL was asked to submit the write-up on the procedure and accounting treatment of assets taken away for repairs (de-capitalisation) and again put to use (capitalisation) of the same assets. PTCUL agreed to submit atleast 2-3 such instances depicting the above mentioned procedure followed by it clearly indicating the date of capitalisation, funding pattern, Scheme under which assets have been capitalised, for example 20 MVA Transformer has been replaced at 132 kV S/s Ramnagar, replacement of 5 MVA Transformer (Repaired) etc. submitted in the capitalisation details for FY 2014-15.
5. Vide submissions dated December 16, 2015, PTCUL submitted the details of capitalisation for an amount of ₹ 68.14 Crore for FY 2014-15 whereas vide submissions dated December 28, 2015, the capitalisation in FY 2014-15 is submitted as ₹ 68.29 Crore in Form 9.3 and Form 9.4. PTCUL agreed to reconcile the same.
6. Vide submissions dated December 16, 2015 (Annexure 3), PTCUL submitted the GFA addition through deposit works in FY 2014-15 as ₹ 0.59 Crore while the same has been submitted as ₹ 1.31 Crore in Form 9.3 vide submissions dated December 28, 2015. PTCUL agreed to reconcile the same.
7. PTCUL agreed to submit the actual gross employee expenses, A&G expenses, capitalised employee expenses, A&G expenses and net employee expenses, A&G expenses for the last 5 years till FY 2014-15.
8. In Form 8.3, PTCUL submitted the head wise A&G expenses for FY 2014-15 by allocating the actual A&G expenses as per the audited accounts, in the same proportion of actual head wise A&G expenses for FY 2013-14. PTCUL agreed to submit the head wise A&G expenses for FY 2014-15 in Form 8.3 as per the A&G expenses in the audited accounts.
9. PTCUL confirmed that distribution profit incentive allowance as depicted in the monthly trial balance for March, 2015 is the incentive paid out of the profit earned by it.
10. PTCUL agreed to submit the actual expenses incurred out of the one-time provision of ₹ 1 Crore approved by the Commission in the A&G expenses for FY 2014-15.

11. PTCUL confirmed that it had not paid any penal interest charges in FY 2014-15. In this context, PTCUL agreed to submit an undertaking.
12. PTCUL agreed to submit the copies of loan agreements for the working capital loans for which the actual interest on working capital has been claimed in FY 2014-15.
13. Under Investment approval of REC-II (REC New), capital cost of Rs 4.02 Crore were approved against which PTCUL has capitalised Rs 9.85 Crore towards "LILO 132 Almora-Pithoragarh at 220 Pithoragarh (PGCIL), Work of protecting tower No. 197 of 132 kV A-P Line and Work of protecting tower No. 194 of 132 kV Almora - Pithoragarh Line". PTCUL is required to submit the justification for the cost overrun. If cost overrun is due to delay in commissioning of the project, submit details of IDC giving breakup of the same up to Schedule date of completion (SCOD) and from SCOD to actual date of completion.
14. PTCUL claimed the income tax of ₹ 11.63 Crore for FY 2014-15. Vide submissions dated December 16, 2015 PTCUL submitted its ITR V for Assessment year 2015-16 in which income tax depicted is ₹ 9.63 Crore. PTCUL agreed to submit the reasons for the variation in income tax paid and claimed in the petition alongwith supporting documents for the same.
15. In addition, PTCUL was informed that considerable no. of works/projects have achieved CoD under REC-II Scheme and committee's report on cost validation of such projects/works have been already provided to PTCUL. In this regard, the Commission is of the view that detailed analysis of the aforesaid report similar to analysis of report on REC-Old & NABARD schemes should also be taken up during the current tariff proceedings so as to avoid undue delay in finalisation of capital cost of works/projects under REC-II Scheme. Accordingly, PTCUL is required to furnish the details in the format enclosed in Annexure-1 so as to complete the exercise of analysis latest by February 01, 2016.

PTCUL agreed to submit the information sought from Point 1 to Point 14 latest by January 19, 2016.

**Statement Showing The Position Of Cost And Time Over Run in REC-II (NEW) Scheme of PTCUL**

Sl. No.	Name of Project	Sanction cost of project in lacs of Rs.	Date of floating of tender for the work	Date of execution of contract	Period taken by management of PTCUL in finalisation of tender documents	Date of Start of work	Date of completion of work	Period allowed in contract for completion of project	Period taken in completion of project	Time over run in completion of project	Actual expenditure incurred on the project	IDC claimed by PTCUL in lacs of rupees	Cost recommended by the Committee (Amount in Lacs)	IDC recommended for Capitalisation	Price Variation (Submitted by PTCUL) (Rs. Lakh)	
															Upto Schedule completion date	Beyond completion date
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15		
1	Construction of 132KV Substation Srinagar-II															
2	LILO 132 kV Rishikesh-Srinagar Line at 132 kV Substation Srinagar-II															
3	Construction of 4 Nos. Bay at 132 kV Substation Kotdwar															
4	Construction of SLDC at Dehradun and Construction of 2No. Sub LDC at Kashipur and Rishikhesh															
5	Construction of 132 kV Substation Laksar															
6	LILO of 132 kV Roorkee-Nehtaur-II Line for 132 kV S/s Laksar															
7	LILO of 132 kV Kashipur-Jaspur Line at 400 kV S/S Kashipur															
8	LILO of 132 kV Kashipur-Ramnagar Line at 400 kV Substation Kashipur															
9	132 kV Line S/C Line on D/C Towers from 400 kV S/s Kashipur to Bazpur															
10	220 kV D/C Line from Kashipur - Barhani															
11	220 kV S/C Line from Barhani-Pantnagar															
12	LILO of 132 kV Almora-Pithoragarh Line for 220 kV S/s Pithoragarh (PGCIL)															
13	LILO of 132 kV Dohna-Khatima line for 132 kV Substation Sitarganj															
14	LILO of 132 kV Kicha-Pantnagar Line at Rudrapur 132 kV S/S															
15	132 kV SC Line on DC Towers from Ranikhet-Bageshwar															
16	Construction of 132 KV Substation Bageshwar															
17	Increasing Capacity of 132/66/33															

	kV Substation Haldwani															
18	Construction of 132 kV Bays at Ranikhet and Pithoragarh															
19	Increasing Capacity of 132/33 kV Substation Mazra															
20	Augmentation of 132/33 kV S/s Purkul															
	<b>Total</b>															