



Uttarakhand Electricity Regulatory Commission

'Vidyut Niyamak Bhawan',

Near ISBT, PO- Majra, Dehradun-248171

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No. UERC/7/CL/401/Petition. No. 49 of 2019/1525

Date: 29 January, 2020

To,

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

Sub Minutes of the TVS meeting held on 28.01.2020 at 3:30 PM in the matter of Petitions filed by PTCUL for True-up for FY 2018-19, Annual Performance Review (APR) for FY 2019-20 and Aggregate Revenue Requirement (ARR) for FY 2020-21 of PTCUL.

Sir,

This is with reference to the Technical Validation Session held on 28.01.2019 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 latest by 05.02.2020.

Yours sincerely,

Encl: as above


(Neeraj Sati)
Secretary

Minutes of Technical Validation Session held on 28.01.2020 in the matter of Petition filed by Power Transmission Corporation of Uttarakhand Limited for True up for FY 2018-19, Annual Performance Review for FY 2019-20 and Revised ARR for FY 2020-21

Present:

UERC

Shri D P Gairola, Chairman-Incharge

Shri M K Jain, Member Technical

Shri Neeraj Sati, Secretary, UERC

Shri Deepak Pandey, Director (Finance/Tariff), UERC

Shri Rajnish Mathur, Director (Costing/Licensing), UERC

Shri Prabhat Kishor Dimri, Director (Technical), UERC

Shri Yash Dimri, Deputy Director (Technical), UERC

Shri Gaurav Lohani, Assistant Director (Tariff), UERC

Shri Gaurav Sabharwal, Assistant Director (Finance/Tariff), UERC

Shri Suresh Gehani, Consultant (ABPS Infrastructure Advisory Pvt. Ltd.)

Shri Sanjiv Kumar Singh, Consultant (ABPS Infrastructure Advisory Pvt. Ltd.)

Power Transmission Corporation of Uttarakhand Ltd. (PTCUL)/PTCUL

Shri Sandeep Singhal, Managing Director

Shri Sanjaya Mittal, Director (Operations)

Shri Anil Kumar, Director (Projects)

Shri Amitabha Maitra, Director (Finance)

Shri Kamal Kant, Chief Engineer, (O&M)

Shri Deep Sah, Chief Engineer, PTCUL/SLDC

Shri. D.C. Pandey, Chief Engineer (O&M)

Shri A.K. Agarwal, Chief Engineer (P)

Shri Rajeev Gupta, Chief Engineer (P)

Shri S.K. Tomar, GM (Finance)

Shri Kartikey Dubey, SE (O&M)

Shri S.P. Arya, SE (C&R)

Shri Anupam Sharma, SE, SLDC

Ms. Saima Kamal, EE (C&R)

Shri Tarun Singal, AO (Projects)

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

1. The actual employee expenses for FY 2018-19 is Rs 84.31 Crore as against Rs 74.32 Crore in FY 2017-18. In response to query raised regarding increase in employee expenses, PTCUL submitted that employee expenses have increased mainly because of increase in number of employees and the impact of 7th Pay Commission. In this regard PTCUL agreed to submit the following:
 - a. Impact of 7th Pay Commission with workings separately for regular increase and arrears
 - b. Impact of increase in employee expenses toward increase in number of employees in terms of number of employees added month-wise and month-wise increase in employee expenses towards new employees.
2. The actual A&G expenses for FY 2018-19 is Rs 32.82 Crore as against Rs 23.12 Crore in FY 2017-18. In response to query raised regarding increase in A&G expenses, PTCUL submitted that A&G expenses have increased mainly because of increase in number of UERC license fees and the revised salary of security guards by the GoU. In this regard PTCUL agreed to submit the following:
 - a. GoU Order towards increase in salaries for Security Guards
 - b. Copies of Security Contracts
 - c. Impact of revised salary of security guards with workings
 - d. Comparison of Salary of Security Guards in FY 2018-19 with respect to FY 2017-18
3. PTCUL in Form 8 and 8.1-8.3 has not submitted the details of actual Employee, A&G and R&M expenses for previous five years. PTCUL agreed to submit the same from FY 2013-14 onwards.
4. In response to query on apportionment of actual employee, A&G and R&M expenses for FY 2018-19 to UITP schemes submitted the supporting documents. Based on the supporting documents it is observed that the project 220 Chakrada-Rudrapur line has been considered as part of UITP for period 1 Jan-31 March 2019 and 1 Oct - 31 Dec 2018 (Page 33 and 38 of replies), while the same has been considered as Non-UITP for

the period 1 July-30 Sept 2018 (Page 42 of replies). PTCUL agree to revisit and submit the reasons for the same.

Further, the Commission vide its Order dated May 6, 2013 directed PTCUL to maintain separate account for UITP and Non-UITP schemes. In this regard, PTCUL should submit the complete details of apportioning the expenses to UITP schemes. For first six months of FY 2019-20 (Apr – Sept 2019), PTCUL has submitted the details of expenses incurred for UITP schemes as per the trial balances. PTCUL agreed to submit the proposed methodology towards apportioning of Head office (employee and A&G) expenses to UITP schemes alongwith Trial Balance for UITP schemes and apportioned expenses for FY 2018-19.

5. In response to query regarding expenses towards supply of free electricity to its employees, PTCUL submitted that it has incurred expenses for Rs 23.19 Lakh in FY 2018-19. In this regard, PTCUL agreed to submit the following:
 - a. Basis of computing Rs 23.19 Lakh in term of number of employees, consumption and tariff applied for computing this amount.
 - b. Bills raised by UPCL in this regard from FY 2014-15 onwards
 - c. Year-wise expenses incurred from FY 2014-15 onwards
6. PTCUL has submitted the revised actual/revised anticipated commissioning dates for projects, initially proposed to be completed before 31 December 2019 for around 19 schemes (**Refer Annexure 3 of Replies dated 17/1/2020**). For some of the schemes, the date of commissioning submitted is prior to 28th January 2020. In this regard, PTCUL agreed to submit the following:
 - a. For projects for which commissioning date is date prior to 28th January 2020, whether the scheme is actually commissioned or it is anticipated date.
 - b. Electrical Inspector Certificates for the schemes commissioned
 - c. Physical and Financial Progress Status for schemes likely to be commissioned before 31st March 2020
 - d. Reasons for Cost-over run for schemes at S. No 4 and 9.
7. For scheme wise capitalisation claimed for FY 2018-19, the capitalisation claimed is not matching with Form 9.5, 9.A and 9.8. Some such instances are enclosed at

Annexure-1. PTCUL to cross check all the figures and forms. PTCUL to submit the scheme wise details of Schemes capitalised in FY 2018-19 and schemes capitalised in FY 2019-20 till date in the format enclosed at Annexure-2.

8. PTCUL agreed to submit the pending Electrical Inspector Certificates for the schemes capitalised in FY 2018-19 and in FY 2019-20 till date.
9. PTCUL has claimed the amount of Rs 1.04 Crore towards sharing of gains on account of refinancing of loans. PTCUL has submitted the PFC and REC letters. PTCUL has not submitted the correspondence made by PTCUL with PFC & REC and the computations to arrive the total savings. PTCUL agreed to submit the same.
10. PTCUL has proposed the recruitment of 244 number of employees in FY 2020-21 and while submitting the current status, PTCUL submitted that recruitment will be done after approval of GoU. PTCUL agreed to submit the status of approval of GoU and considering the current status, the realistic number of recruitments in FY 2020-21. PTCUL to also submit the details of actual employees already joined and likely to be joined in FY 2019-20.
11. PTCUL has proposed certain capitalisation for SLDC in FY 2020-21. The current status of the same was discussed and based on discussions PTCUL suggested to shift most of the capitalisation in FY 2021-22. PTCUL to submit the revised proposed capitalisation for SLDC in FY 2020-21 considering the current status of the scheme/work.
12. PTCUL agreed to submit the details of actual incentive given to employees during FY 2018-19.
13. PTCUL in its Petition has submitted that the interest income on investments made during FY 2018-19 should not be considered as Non-Tariff Income. Further, PTCUL vide its submission dated 17.12.2019 has submitted that the miscellaneous receipts of Rs. 1.75 Crore have been shown as part of open access income in ARR of 2018-18. In this regard PTCUL agreed to submit the complete details of investments made on which interest income has been received supported with year-wise cash flow position alongwith breakup of Rs. 1.75 Crore duly reconciling with Annual Accounts.

PTCUL agreed to submit replies to all the queries as sought above latest by February 05, 2020.

S. No	Project	Capitalisation Claimed in Table 3 of the Replies	Form 9.5	Form 9A & 9.8	Remarks
1	220 kV S/S IIP Harrawala	Rs 57.02 Crore	Original estimates= 131.12 Crore Actual cost as on COD= 54.86 Crore from CoD to 31.03.2019 = Rs. 2.05 Crore Liability = Rs. 2.85 Crore Actual Completion cost= Rs. 59.75 Crore	Form - 9.A - Capitalisation for FY 2018-19 = Rs. 51.38 Crore Form- 9.8 - Addcap for FY 2018-19 = Rs. 5.64 Crore	1. In Form 9.A, whether Rs. 51.38 Crore are inclusive of AddCap of Rs. 5.64 Crore? If yes , how come the capitalisation for FY 2018-19 i.e. Rs. 51.38 Crore, is less than the expenditure incurred as on COD i.e. Rs. 54.86 Crore as per Form 9.5. If no , capitalisation for FY 2018-19 is Rs. 56.90 Crore (Rs. 54.86 Crore plus Rs. 2.05 Crore) as per Form 9.5 and Rs. 57.02 Crore (Rs. 51.38 Crore plus Rs. 5.64 Crore) as per Form 9.A & 9.8. 2. Original estimations were for Rs. 131.12 Crore against the completion cost of Rs. 59.75 Crore. Submit the reasons for such over-estimations;?? 3. As per LoI dated 16.06.2015, completion period was 18 months, however, scheduled completion period of 32 months has been considered in Form 9A (Schedule Start date 01.04.2014 and Schedule Completion date 15.12.2016).
2	LILO of 220 kV Jhajra-Rishikesh Line at 220 kV S/S IIP Harrawala	Rs 0.32 Crore	Original estimates= 131.12 Crore Actual Completion cost= Rs. 59.75 Crore	Form 9.A - Capitalisation for FY 2018-19 = Rs. 0.30 Crore Completion cost = Rs. 0.34 Crore Form 9.8 - Addcap for FY 2018-19 = Rs. 0.02 Crore	It appears that the Petitioner has submitted the same Form 9.5 for project at S. No. 1 for project at S. No. 2 Submit Form 9.5 For the project at S. No. 2 duly recociling with other relevant Forms.
3	Augmentation of 220/33 kV S/S to 220/132 kV S/S with additional 2x100 MVA T/F at Pirankaliyar & 132 kV LILO of Bhagwanpur-Chudiyala Line at 220 kV S/S Pirankaliyar	Rs 14.72 Crore	Original estimates= 9.18 Crore (for LILO Line) Actual cost as on COD= Rs. 11.57 Crore CoD to 31.03.2019= 0.05 Crore Liabilities = Nil Completion cost = Rs. 11.62 Crore	Form 9.A - Capitalisation for FY 2018-19 = Rs. 14.72 Crore Completion Cost = Rs. 14.72 Crore	1. Amounts submitted in Form 9.5 and Form 9.A does not match. 2. The Project claimed by the Petitioner includes two assets with Original estimates of Rs. 9.18 Crore i.e. for Bhagwanpur-Chudiyala line only whereas the Commission had provided separate completion cost for both the assets. The Petitioner is to clarify whether the project contains cost of both assets? 3. LOA has been provided for Augmentation of T/F at Pirankaliyar only. 4. In Form 9A, details for the project pertaining to Augmentation has been provided however, approved cost has been submitted for Line only. 5. In Form 9.A, IDC has been provided as Rs. 11.62 Crore.
4	Replcement of ACSR Pnther Conductor in 132 kV Pantnagar-Rudrapur S/C line	Rs 5.9 Crore	Original estimate = Rs. 8.139 Crore Cost as on COD = Rs. 7.614 Crore COD to 31.03.2019 = Nil Liability = Nil	Form 9.1 - Completion Cost = Rs. 7.61 Crore. Capitalisation for FY 2018-19 = Rs. 5.90 Crore	1. Capitalisation for FY 2018-19 is less than the captial cost as on COD. How is it possible? 2. Investment Approval was approved by the Commission for Rs. 12.11 Crore for the said project including 2 more projects. The Petitioner has considered IA amount of Rs. 8.139 Crore. Submit the basis of approtionment
5	OPGW Connectivity in PTCUL under Phase-II of ULDC project	Rs 0.54 Crore	Form Not submitted	Form 9.1 - Completion Cost = Rs. 31.27 Crore. Capitalisation for FY 2018-19 = Rs. 0.54 Crore	Submit Form 9.5 and LoA, The Petitioner has submitted that the said project is under REC II scheme. Submit the relevent document dipicting that he projects is covered under REC II

S. No	Project	Capitalisaton Claimed in Table 3 of the Replies	Form 9.5	Form 9A & 9.8	Remarks
6	(2x25 MVA) 220/33 kV S/S at Pirankaliyar	Rs 46.01 Crore	Original estimate = Rs. 65.81 Crore Cost as on COD = Rs. 37.61 Crore CoD to 31.03.2019 = NIL Liabilities = Rs. 15.63 Crore Completion cost = Rs. 53.29 Crore (37.61+15.63)	Form 9.A Completion Cost = Rs. 57.44 Crore Capitalisation for FY 2018-19 = Rs. 33.51 Crore Form 9.8 Addcap for FY 2018-19 = Rs. 12.50 Crore	1. Completion cost in Form 9.5 is Rs. 53.29 Crore whereas in Form 9.A the same is Rs. 57.44 Crore 2. Whether in Form 9.A, Rs. 33.51 Crore is inclusive of Rs. 12.50 Crore i.e AddCap. (i) If Yes, As per Form 9.5 the Cost as on COD is Rs. 37.61 Crore then how come the capitalisation for FY 2018-19 is only 33.51 Crore (less the COD cost). (ii) If No, as per Form 9.5, for FY 2018-19 capitalsiation is Rs. 37.61 Crore only, and as per Form 9.A, capitalisation for the same period is Rs. 46 Crore (33.51+12.25.) 3. as per LoA, the work was awarded on 14.10.2014, however as per Form 9.Am the work was actually started on 14.10.2015. Reason for delay in execution of one year.
7	LILO of 220 kV S/C Roshnabad (Haridwar-Puhana) Line at 220/33 kV S/S Pirankaliyar	Rs 11 Crore	Original estimates = Rs. 9.33 Crore Cost as on COD = Rs. 10.318 Crore from COD to 31.03.2019= Nil Liabilities = Rs. 1.136 Crore Completion Cost = Rs. 11.45 Crore	Form 9.A- Completion Cost = Rs. 11.50 Crore Capitalisation for FY 2018-19 = Rs. 10.20 Crore Form 9.8 Addcap for FY 2018-19 = Rs. 0.80 Crore Balance = 0.50 Crore	Completion cost as per Form 9.5 and Form 9.A does not reconcile. Capitalisation for FY 2018-19 as per Form 9.5 does not reconcile with capitalisation for the same period as per Form 9.A
8	Augmentation of transformer capacity from 80 MVA to 100 MVA at 132/33 kV S/s Rudrapur	Rs 0.55 Crore	Original estimates = Rs. 0.5863 Crore cost as on COD = Rs. 0.5481 Crore from COD to 31.03.2019= Nil Libilities = Nil	Form 9.A Completion Cost = Rs. 0.55 Crore Capitaliation for FY 2018-19 = Rs. 2.55 Crore	How is it possible that the completion cost is Rs. 0.55 Crore but the capitalisation for FY 2018-19 is Rs. 2.55 Crore Submit LoA

