

To,

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

Sub.: Filing of Petition for True-up of FY 2013-14, Annual Performance Review for FY 2014-15 & Annual Revenue Requirement (ARR)/Tariff Petition for FY 2015-16.

Sir,

This is with reference to your petition dated 29.11.2014 on the above-mentioned subject. In this regard, additional deficiencies/shortcomings have been observed which are enclosed as Annexure-A. You are required to submit the point-wise replies duly quoting titles/sub-title 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 22.12.2014 in seven copies alongwith the soft copy of the reply accompanied with an affidavit.

Yours sincerely,

Encl. as above


(Neeraj Sati)
Secretary
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**PTCUL's Petition for true up for FY 2013-14, Annual Performance Review for FY 2014-15 and Revised
Aggregate Revenue Requirement for FY 2015-16**

Information requirement/Discrepancies to be rectified for analysis of the Petition

I. Final true up for FY 2004-05 to FY 2012-13

1. Project-wise details of capitalisation under different schemes as given in Table-1 of the Petition should be submitted alongwith date of capitalization, approved cost, actual completed cost with & without IDC. PTCUL is also required to submit justification for cost overrun & time overrun, if any, in completion of the projects alongwith clearance certificates issued by Electrical Inspector clearly indicating name of the Schemes under which the work/project has been capitalized alongwith the means of finance for each projects.
2. Financial year wise Receipts & payments A/c of loans taken under various schemes alongwith interest due and paid from FY 2004-05 to FY 2012-13 should be submitted. Sanction letters from banks/FI's are also to be provided.
3. Sources of equity eligible for return purposes as given in Table 8 of the petition should be reconciled with that given in Annexure 5 of the petition.

II. True up for FY 2013-14

4. PTCUL has in Table-13 of the Petition mentioned that projects/works of Rs. 144.33 Crore have been capitalised during FY 2013-14. In this regard, PTCUL is required to submit complete details of projects/works capitalised under various scheme in Format- 19 including, actual date of completion, approved cost, actual cost with & without IDC. PTCUL is required to submit the impact of time over run on the IDC for the Schemes capitalised in FY 2013-14. PTCUL is also required to submit certificates issued by Electrical Inspector clearly indicating name of the Schemes under which the work/project has been capitalised.
5. Regarding the capitalisation submitted for FY 2013-14, PTCUL is required to submit whether the capitalisation mentioned against each Scheme is the final capitalisation or some capital expenditure is yet to be accounted for.
6. In Table 13 of the petition, PTCUL has mentioned debt of 75.50% in respect of REC old Scheme, however, in earlier tariff orders the Commission has approved debt of 82% for this Scheme. PTCUL is

required to submit basis for modifying the financing of the Scheme alongwith the supporting documents.

7. In Table 16 at para 2.10 of the petition, PTCUL has submitted revised rate of interest as 11.85% against the earlier approved rate of interest as 10.06%. In this regard, PTCUL is required to submit the schemewise details of actual loan received, loan repayment, interest due and paid alongwith the computation of the weighted rate of interest in workable excel sheet with formulae and linkages for FY 2013-14 & for first six months of FY 2014-15 alongwith the demand note raised by FI's.
8. PTCUL is required to submit the revised form F15.2 by clearly showing the Scheme wise details in place of REC loan, PFC loan etc.
9. PTCUL should confirm that depreciation in FY 2013-14 is less than 90% of GFA for all assets, since assets cannot be depreciated beyond 90% of GFA in accordance with the Uttarakhand Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2011.
10. In Table 17 and also Form 2 of the petition, PTCUL has submitted computation of RoE based on average of opening & closing values of equity which is not consistent with provision of MYT Regulations, 2011. Accordingly, PTCUL is required to make computation consistent with the regulations and resubmit the same.
11. PTCUL has claimed Rs. 1.25 Crore towards Income Tax liability for FY 2013-14. PTCUL should submit the copy of challan and the tax returns in this regard.
12. Status of recruitment and retirements during FY 2013-14 alongwith the new recruitments carried out till Sept., 2014 and proposed in balance period of FY 2014-15 & FY 2015-16 alongwith the no. of employees retiring during these period.
13. Why R&M expenses for FY 2013-14 has been reworked on the new asset base when actual expenses are available. PTCUL should justify the same in accordance with the Regulations.
14. In Table 23 of the petition, PTCUL has mentioned Guarantee Fee of Rs. 1.15 Crore for FY 2013-14. PTCUL should submit the computation of the aforesaid Guarantee Fee in workable MS excel sheet with formulae and linkages.
15. PTCUL is required to submit the actual Interest on Working Capital for FY 2013-14, reconciling the same with the audited accounts for FY 2013-14.
16. In Form 15.2 of the petition, PTCUL has mentioned repayment of NABARD loan during FY 2013-14 as Rs. 24.79 Crore against the actual repayment of Rs. 37.29 Crore during FY 2012-13. Further, no

repayment has been claimed during FY 2014-15. PTCUL is required to submit the reason for reduction in repayments for NABARD scheme in FY 2013-14 and also for not making any repayment during FY 2014-15.

17. In Form 15.2 of the petition, PTCUL has given details of REC short term loan (STL) of Rs. 27.36 Crore in FY 2013-14. PTCUL is required to submit the nature of the said loans alongwith the sanction letter of REC in this regard.
18. In Form 19, at page 92 of the petition, PTCUL has given actual transmission works capitalized during FY 2013-14. PTCUL is required to submit nature of works carried out under capital R&M scheme.
19. In Form 19(a) of the petition, in respect of capital works, PTCUL has submitted physical/financial progress upto Sept., 2014. In the said Form, PTCUL has in Sr. Nos. 5,6,7,8,9 submitted details of capitalization to be completed by March, 2015. However, in respect of these works, PTCUL has not submitted status of physical/financial progress. Similarly, works/projects mentioned at Sr. no. 10 & 11 has been proposed to be completed in June, 2015, however, status of physical progress has been reported as 5%. PTCUL is required to justify how it would be able to complete the works within timelines as proposed in the said Form and also its preparedness to complete the works as proposed by it.
20. PTCUL is required to submit the monthly trial balance as on 31.03.2014.

III. APR for FY 2014-15 and revised ARR for FY 2015-16

21. PTCUL, in Section 3.2 of the Petition, mentioned that capitalisation of assets as per the six months actual information in FY 2014-15 is Rs. 30.53 Crore. In this regard, PTCUL should submit the scheme wise list of projects in the format specified in form F19 and the Electrical Inspector Certificates clearly indicating name of the Scheme for those projects alongwith the financing of the same.
22. PTCUL should submit the scheme wise means of finance for the additional capitalisation proposed in FY 2014-15 and FY 2015-16.
23. When REC has allowed replacement of existing provision of securing the loan by Govt. guarantee by Hypothecation of 100% assets created under the project then why Govt. guarantee has been claimed again for FY 2014-15 and FY 2015-16.
24. With regard to works/projects namely i) Construction of 132 kV Sub-station at Simli, ii) Construction of 132 kV D/C Srinagar-II to Satpuli Line & iii) Construction of 132 kV D/C Line Srinagar-II to Simli and LILO of Rishikesh - Srinagar Line at 132 kV Srinagar-II sub-station, the Commission has not considered capitalisation of these works/projects for the reasons recorded in the previous orders. In this regard,

PTCUL is required to submit the status/progress of these works.

25. In Table 25 of the petition, PTCUL has mentioned Rs. 42.67 Crore to be incurred under "Other O&M works". PTCUL is required to submit nature of the aforesaid work alongwith the justification for the same.
26. In Table 27 of the petition, PTCUL has mentioned a claim of Rs. 38.41 Crore in R&M expenses against the approved amount of Rs. 32.26 Crore for FY 2015-16 PTCUL is required to submit detailed computation for the same in workable excel sheet alongwith the justification for the same.
27. In Table 32 of the petition, PTCUL has mentioned computation of RoE inconsistent with MYT Regulations, 2013. PTCUL is required to make computation in accordance with the regulations and resubmit the same.
28. In Form 8.2 of the petition, PTCUL has mentioned details of actual expenditure of Rs. 2.41 Crore under Lines, Cables, Networks etc. for initial six month of FY 2014-15. However, under the same head total expenditure has been claimed as Rs. 6.06 Crore. Further, PTCUL has incurred an expense of Rs. 4.27 Crore in the 1st six months of FY 2014-15 towards R&M expenses for plant & machinery. However, the same has been projected as Rs. 15.46 Crore for balance 6 months in FY 2014-15. PTCUL is required to submit justification for such increase in expenditure in these heads. PTCUL is also required to justify the increase in R&M expenses projected for FY 2014-15 vis-à-vis incurred during FY 2013-14.
29. PTCUL is required to submit the monthly trial balance as on 30.09.2014.
30. PTCUL has submitted the "Shunt Capacitor Addition/Repair Program" in form F21.1. PTCUL should also submit the detailed note outlining the reasons thereof and measures taken/planned for improvement as specified in the UERC (Terms and Conditions for Determination of Tariff) Regulations, 2011.