

Uttarakhand Electricity Regulatory Commission

'Vidyut Niyamak Bhawan',

Near ISBT, PO- Majra, Dehradun-248171

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No. UERC/6/TF-290/15-16/2016/ 15 65

Date: 15- Jan, 2016

To,

Managing Director
UJVN Ltd.,
"Ujjwal", Maharani Bagh,
GMS Road, Dehradun -248006

Sub: TVS in the matters:-


- (i) True up for FY 2014-15, APR for FY 2015-16 & MYT for FY 2016-17 to FY 2018-19 for 10 LHPs of UJVN Ltd.
- (ii) Business Plan for the period FY 2016-17 to FY 2018-19 of UJVN Ltd.

Sir,

This is with reference to the Technical Validation Session held on 14.01.2016 in the Commission's office on the subject matters. In this regard, the minutes of the said TVS meeting are enclosed herewith as **Annexure-A & Annexure-B** 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,


Secretary
o/c

First Technical Validation Session on

UJVN Ltd's Petition for approval of Business Plan for the MYT Control Period FY 2016-17
to FY 2018-19

Minutes of Meeting held on January 14, 2016 at the Commission's office

Present:

UERC

Shri Neeraj Sati, Secretary, UERC

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

Shri Prabhat Kishor Dimri, Director (Technical), UERC

Shri K.K. Gupta, Deputy Director (Finance/Tariff), UERC

Shri Yashwardhan Dimri, Assistant Director (Technical), UERC

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

Shri Gaurav Lohani, Assistant Director (Accounts), UERC

Shri Shivanku Bhatt, Legal Consultant, UERC

Ms Divya Sood, Legal Consultant, UERC

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

Shri Namala K.M. Choudhary, Consultant (ABPS Infrastructure Advisory Pvt. Ltd.)

UJVN Ltd.

Shri B.C.K. Mishra, Director (O)

Shri L.M. Verma, Director (F)

Dr. A.C. Joshi, Director (HR)

Shri Purushottam Singh, Executive Director (O&M)

Shri Arvind Kumar, Executive Director (Civil)

Shri Pankaj Kumar, GM (MDO)

Shri Meg Bahadur, GM (Commercial)

Shri Pankaj Kulshrestha, GM

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

1. It was discussed that the Petition and formats submitted by UJVN Ltd. had several discrepancies in the figures and figures at most of the places were not matching, which has been rectified to great extent, but still there are certain discrepancies in the figures. It was agreed that UJVN Ltd. will once again cross-check the discrepancies in the figures and inform the Commission about correct figures.
2. As regards status of new recruitment, UJVN Ltd. in its replies submitted that total 5 employees have joined till November 2015 in FY 2015-16 and 316 are likely to be joined during December 2015 to March 2016. The proposed recruitment was discussed in detail and UJVN Ltd. during the meeting informed that out of 316 employees, around 142 employees will join in FY 2016-17. UJVN Ltd. agreed to submit the following details related to year wise recruitment and retirement :
 - Actual Number of Employees recruited during FY 2015-16 till 31st December 2015
 - Actual Number of new employees joined during FY 2015-16 till 31st December 2015
 - Employees likely to be joined during January to March 2016
 - Actual Number of Employees retired during FY 2015-16 till 31st December 2015
 - Employees likely to retired during January to March 2016
 - Revised recruitment plan for each year from FY 2016-17 to FY 2018-19 alongwith current status
 - Number of employees retiring during each year from FY 2016-17 to FY 2018-19.
3. As regards to the opening and closing number of employees of FY 2014-15. The error in calculation was informed to UJVN Ltd. during the meeting. UJVN Ltd. should resubmit the correct calculation for opening & closing No. of employees at the end of FY 2014-15 to FY 2018-19.
4. In response to the Commission's query, UJVN Ltd. in its replies submitted most of the information. UJVN Ltd. to submit the expected COD of Pilangad and Dunao Project.
5. The details of additional capitalisation proposed by UJVN Ltd. was discussed in detail and it was observed that UJVN Ltd. has not submitted the complete information and there are certain discrepancies in the information submitted. UJVN Ltd. to submit project-wise

complete details of year wise additional capitalisation and capitalisation for existing generation projects from FY 2015-16 to FY 2018-19 under following categories:

- RMU Works indicating IDC cost separately
 - DRIP Works
 - Other Additional Capitalisation with justification
 - Allocation of Common Additional Capital Expenditure
6. As regards the capital expenditure plan submitted by UJVN Ltd. for each year of Control period, UJVN Ltd. to submit the following information with respect to preparedness for each scheme separately:
- Action Plan for each scheme
 - Current Status of Detailed Project Report
 - Status of Tendering process
 - Status of Fund Tie-Up
7. UJVN Ltd. in its replies submitted the apportionment policy of the head office expenses has been changed from 85%:10%:5% among 9 LHPs, MB-2 and SHPs respectively to 80%:10%:10%. UJVN Ltd. informed that there is an error in this statement and apportionment policy of the head office expenses has been changed from 80%:10%:10% among 9 LHPs, MB-2 and SHPs respectively to 85%:10%:5%, due to handover of some SHPs to UREDA.
8. As regards the Generation loss and PAF computations, UJVN Ltd. to submit the soft copy of computations of PAF duly factoring the generation loss as per outage plan. UJVN Ltd. to submit the PAF computations for each station for FY 2014-15, for FY 2015-16 till December 2015, for FY 2015-16 from January to March 16 and for each year of Control Period. UJVN Ltd. requested for relaxation of NAPAF for MB-II and submitted that MB-II may be treated as Run-Off-River Plant. Once the detailed computations are submitted by UJVN Ltd. a separate meeting will be arranged to discuss the PAF and NAPAF for existing stations.

UJVN Ltd. agreed to submit the information in the phased manner and the last date for submission of entire information is fixed as January 27, 2016.

First Technical Validation Session on

UJVN Ltd's Petition for approval of APR for FY 2014-15 and MYT for the MYT Control
Period FY 2016-17 to FY 2018-19

Minutes of Meeting held on January 14, 2016 at the Commission's office

Present:

UERC

Shri Neeraj Sati, Secretary, UERC
Shri Deepak Pandey, Director (Finance/Tariff), UERC
Shri Prabhat Kishor Dimri, Director (Technical), UERC
Shri K.K. Gupta, Deputy Director (Finance/Tariff), UERC
Shri Yashwardhan Dimri, Assistant Director (Technical), UERC
Shri Gaurav Sabharwal, Assistant Director (Finance/Tariff), UERC
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Shri Arvind Kumar, Executive Director (Civil)
Shri Pankaj Kumar, GM (MDO)
Shri Meg Bahadur, GM (Commercial)
Shri Pankaj Kulshrestha, GM

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

1. It was discussed that the Petition filed by UJVN Ltd. had several discrepancies and figures in the Petition were not matching with the forms. Such discrepancies were highlighted by the Commission in first set to data gaps and have been rectified by UJVN Ltd. to great extent. However, there are still some discrepancies in figures as submitted in the Petition and in Annexures. UJVN. Ltd agreed to thoroughly cross check all the figures once again and inform the discrepancies with correct figures to the Commission.
2. UJVN Ltd. to submit the Trial Balances for FY 2014-15 and also trial balance as on 30.9.2015
3. In response to the Commission's query, UJVN Ltd. vide its replies dated January 7, 2016 submitted the copies of insurance policies for FY 2014-15. In this regard, UJVN Ltd. to submit the following :
 - a. Summary Table of all the Insurance Policies availed during the year depicting Name of Policy, Amount Insured, Start and End Date of Policy and Premium paid.
 - b. Reasons for availing Insurance Policies on quarterly basis instead on annual basis.
 - c. UJVN Ltd. has also availed Loss of Profit Insurance Policies. UJVN Ltd. to submit the details whether any amount has been claimed for loss of profit due to force majeure instances and replies received from insurance companies.
 - d. UJVN Ltd. in Annexure-8 of the replies dated January 7, 2016 has submitted that an amount of Rs 20465608 has been adjusted as loss due to flood. UJVN Ltd. to submit the details and current status of insurance claim for this amount under loss of profit policy.
4. In response to the Commission's query, UJVN Ltd. has submitted the details of Employee, A&G and R&M expenses for FY 2014-15 which were discussed in detail. Based on the information submitted it is observed that for certain stations such as Dhalipur, there is reduction in salary in FY 2014-15 as compared to FY 2013-14. In case of Chibro and Khodri, though the salary has increased in FY 2014-15 as compared to FY 2013-14 but there is reduction in terminal benefits. For some of the stations, insurance amount in FY 2014-15 has increased substantially as compared to FY 2013-14. Further, substantial increase in R&M

expenses was also observed for some of the stations. UJVN Ltd. in this regard agreed to submit the following information:

- a. Reasons for reduction in salary or terminal benefits expenses for stations for which the salary or terminal benefits have reduced in FY 2014-15 with respect to FY 2013-14.
 - b. Check and confirm that the total insurance premium amount is within the overall limit for FY 2014-15
 - c. Details of all Repairs and Maintenance works above Rs 2 Lakh for works carried out in FY 2014-15
 - d. Copy of bills for all Repairs and Maintenance works above Rs 10 Lakh for works carried out in FY 2014-15.
5. In response to the Commission's query regarding additional capitalisation for FY 2014-15, UJVN Ltd. in its replies dated January 7, 2016 submitted that the additional capitalisation is carried out under Regulation 24(2)(d) of UERC (Terms and Conditions of Multi Year Tariff) Regulations, 2011. UJVN Ltd. to submit the exact details of various works executed towards additional capitalisation in FY 2014-15.
6. While providing the quarter-wise loan details for FY 2014-15, UJVN Ltd. has not provided details of quarterly repayments. UJVN Ltd. to provide the quarter wise complete details of all the loans including opening balance, additions during the quarter, repayments during the quarter, closing balance and interest.
7. As regards additional capitalisation for MB-II from COD till FY 2014-15, UJVN Ltd. to submit the complete details of additional capitalisation alongwith the justification in accordance with the provisions of applicable Regulations.
8. UJVN Ltd. in its Petition has computed the Return on Average Equity during the year, while as per the provisions of UERC Tariff Regulations, 2011 as well UERC Tariff Regulations, 2015, Return on Equity is permissible on opening equity only.
9. UJVN Ltd. to submit the following details with respect to Sixth Pay Commission Arrears
- a. Year-wise provision actual payment made and provisioning made in the accounts
 - b. Year-wise Arrears allowed by the Commission while carrying out the truing up
10. UJVN Ltd. to submit the likely impact of Seventh Pay Commission on employee expenses for the second control period from FY 2016-17 to FY 2018-19.

11. UJVN Ltd. is required to submit project-wise actual capital expenditure incurred during the period FY 2009-10 to 2014-15 and for FY 2015-16 upto 31st December, 2015.

UJVN Ltd. agreed to submit the information in the phased manner and the last date for submission of entire information is fixed as January 27, 2016.