

पावर ट्रांसमिशन कारपोरेशन ऑफ उत्तराखण्ड लि०

(उत्तराखण्ड सरकार का उपक्रम)

निदेशक (परियोजना) कार्यालय

विद्युत भवन, नजदीक-आई०एस०बी०टी० क्रासिंग, सहारनपुर रोड, माजरा, देहरादून-248002  
दूरभाष नं० 0135-2645753 फैक्स नं० 0135-2645753 ई-मेल shrawan\_k\_sharma@ptcul.org

No. 2267 /Dir. (Projects)/PTCUL/ ARR  
To,

Date: 25/11/2016

The Secretary  
Uttarakhand Electricity Regulatory Commission  
"Vidyut Niyamak Bhawan",  
Near I.S.B.T., P.O. Majra  
Dehradun (Uttarakhand)

Subject:- Filing of Petition for approval of True-up for FY 2015-16, Annual Performance Review (APR) for FY 2016-17 and Revised Aggregate Revenue Requirement for FY 2017-18 of PTCUL.

Sir,

Kindly find enclosed herewith the Petition for approval of True-up for FY 2015-16, Annual Performance Review (APR) for FY 2016-17 and Revised Aggregate Revenue Requirement for FY 2017-18 of PTCUL submitted alongwith Demand Draft amounting to Rs.1,00,000.00/- (Rs. One Lac Only) in favour of Secretary, UERC as Petition fee.

It is requested that the approval of aforesaid Tariff Petition may kindly be accorded by the Hon'ble Commission.

Submitted for kind consideration of the Hon'ble Commission.

Encl: As above.

1. Draft No. 600863 Dated 22.11.2016, for Rs. 1.00 Lac.
2. Tariff Petition (1 No. original + 6 Nos. copies).
3. Soft copy of Model & Petition (CD).

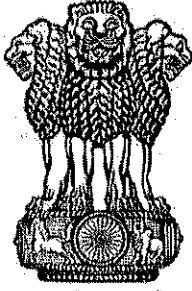
Thanking you,

Yours Faithfully,

(S.K. Sharma)  
Director (Projects)

Copy forwarded to: -

1. PS to MD, PTCUL, Dehradun for kind information of MD, PTCUL.

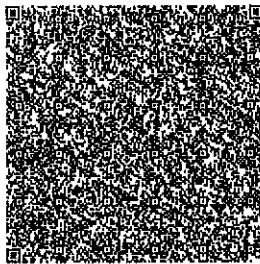


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BEFORE UTTARAKHAND ELECTRICITY REGULATORY COMMISSION, DEHRADUN

FILE NO.

CASE NO.

IN THE MATTER OF:

Filing of Petition for approval of True-up for FY 2015-16, Annual Performance Review (APR) for FY 2016-17 and Revised Aggregate Revenue Requirement for FY 2017-18 of PTCUL.

AND

IN THE MATTER OF:

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

*[Signature]*  
Director (Projects)  
PTCUL, Dehradun  
Petitioner

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**Affidavit**

I, Shrawan Kumar Sharma, S/o Late Sh. C.D. Sharma aged about 60 and 1/2 years, Director(Projects), Power Transmission Corporation of Uttarakhand Ltd., "Vidyut Bhawan", Near I.S.B.T. Crossing, Saharanpur Road, Majra, Dehradun, the deponent named above do hereby solemnly affirm and state on oath as under: -

1. That the deponent is the Director(Projects) who is authorized as per the resolution of the company (In case the Petitioner is a Company) dated 12.11.2016 and is acquainted with the facts deposed to below.
2. I, the deponent named above do hereby verify that the contents of the paragraph Nos. 1 of the affidavit and the statements made and data presented in the accompanying petition are true to my personal knowledge and are based on present information/ records of the Company and are based on estimation arising from present data/ records of the company which I believe to be true and verify that no part of this affidavit is false and nothing material has been concealed

I, Shailendra Pundir Advocate, Dehradun

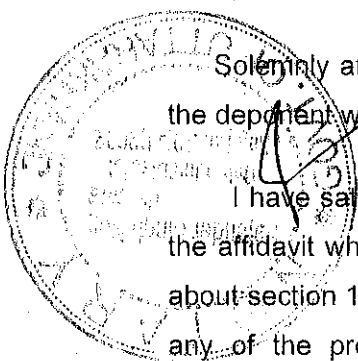
do hereby declare that the person making this affidavit is known to me through the perusal of records and I am satisfied that he is the same person alleging to be deponent himself.

(Deponent's letter)  
Director (Projects)  
PTCUL, Dehradun

*Pundir*  
Advocate

Solemnly affirmed before me on this 25 day of 11, 2016 at 1 a.m. / p.m. by the deponent who has been identified by the aforesaid Advocate.

I have satisfied myself by examining the deponent that he understood the contents of the affidavit which has been read over and explained to him. He has also been explained about section 193 of Indian Penal Code that whoever intentionally gives false evidence in any of the proceedings of the Commission or fabricates evidence for purpose of being used in any of the proceedings shall be liable for punishment as per law.



REGISTERED  
*[Signature]*  
(RAJESH KUMAR)  
Advocate & Notary  
Chamber No. 22, 1st Floor  
Corporate Law Office  
Lal Bahadur Shastri Court Building  
Dehradun

(Notary Public)

BEFORE THE UTTARAKHAND ELECTRICITY REGULATORY COMMISSION,

DEHRADUN

In the matter of: Filing of Petition for True-up for FY 2015-16, Annual Performance Review for FY 2016-17 and Revised Annual Revenue Requirement for FY 2017-18 for PTCUL

AND

IN THE MATTER OF: Power Transmission Corporation of Uttarakhand Ltd.  
"Vidyut Bhawan", Near I.S.B.T. Crossing, Saharanpur Road, Majra,  
Dehradun 248002.

.....Petitioner

1. **Specific Legal Provisions under which the petition is being filed:** This petition is being filed under Section 64 (1) of the Electricity Act, 2003, Regulation 43 of UERC (Conduct of Business) Regulations, 2014, Regulation 11, Regulation 12 and Regulation 16 of the Uttarakhand Electricity Regulatory Commission (Terms and Conditions for determination of Multi Year Tariff) Regulation 2015, Regulation 13, Regulation 14 and Regulation 17 of Uttarakhand Electricity Regulatory Commission (Terms and Conditions for determination of Tariff) Regulation 2011.
2. **Limitation:** The Petitioner submits that due to non-finalization of Transfer Scheme, the petitioner has continued with the opening Gross Fixed Assets for FY 2004-05 as approved by the Commission in the Tariff Order on Approval of Business Plan and Multi Year Tariff Petition For Power Transmission Corporation of Uttarakhand Ltd. for First Control Period (FY 2013-14 to FY 2015-16).
3. **Facts of the Case:**


The Petitioner has submitted for true-up of ARR for FY 2015-16 based on the Audited annual accounts as per the UERC (Terms and Conditions for Determination of Tariff) Regulations, 2011.

Further, the Petitioner has also submitted the Annual Performance Review for FY 2016-17 in line with the UERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2015. The Petitioner has further requested the revision of the estimates for FY 2017-18 based on the audited financial accounts of previous years as it would provide more realistic estimate for FY 2017-18.
4. **Cause of Action:** The Petitioner has proposed true-up for the FY 2015-16 based on the audited annual accounts of PTCUL along with the review of Aggregate Revenue Requirement for FY 2016-17 and determination of transmission charges for FY 2017-18 for the kind approval of the Hon'ble Commission.
5. **Detail of Remedy Exhausted:** The petitioner declares that he has availed all the remedies available to him under the relevant provisions of applicable law and rules/regulations framed there under.
6. **Matter not previously filed or pending with any other court:** The Petitioner further declares that he has not previously filed any petition or writ petition or suit regarding the matter

  
Director (Projects)  
PTCUL, Dehradun

in respect of which this petition has been made, before the Hon'ble Commission, or any court or any other authority, nor any such writ petition or suit is pending before any of them.

7. **Relief Sought:** The Petitioner has sought recovery of the revenue gap based on the true-up of FY 2015-16 on audited accounts. Further, the Petitioner has proposed revision of ARR for FY 2017-18. The revenue gap on account of true-up of FY 2015-16 is proposed to be recovered along with the Annual Revenue Requirement of FY 2017-18 in the current petition which is being submitted for approval of the Hon'ble commission. The Petitioner has also sought approval of transmission charges to be recovered for 220 kV DC Bhilangana III - Ghansali line.
8. **Details of Tariff Filing Fees:** Enclosed Demand Draft of Rupees 100000.00 (Rs. One Lac) bearing number " 600863 " of PNB Bank, Dated 22.11.2016

  
(Signature of the Director (Projects)  
Director (Projects)  
PTCUL, Dehradun

I, Shrawan Kumar Sharma S/o late Sh. C.D. Sharma aged about 60 & 1/2 years, working as Director (Projects), Power Transmission Corporation of Uttarakhand Ltd., "Vidyut Bhawan", Near I.S.B.T. Crossing, Saharanpur Road, Majra, Dehradun, do verify that the contents of the Para 1 to 8 are true to my personal knowledge and are derived from official records, which are true from record, and para 1 to 8 are believed to be true on legal advice and that I have not suppressed any material fact.

  
(Signature of the Director (Projects)  
Director (Projects)  
PTCUL, Dehradun

पंजाब नैशनल बैंक  
punjabnational bank

पंजाब नैशनल बैंक (उत्तराखण्ड) (1658)  
Indira Nagar DEHRADUN (Uttarakhand) 248001

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THE SECRETARY, UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

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Sinha

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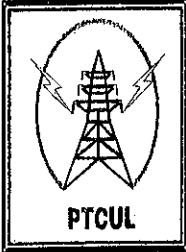
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# पावर ट्रांसमिशन कारपोरेशन ऑफ उत्तराखण्ड लि०

(उत्तराखण्ड सरकार का उपक्रम)

उपमहाप्रबन्धक (विधि) एव कम्पनी सचिव कार्यालय

विद्युत भवन, नजदीक-आई०एस०बी०टी० क्रॉसिंग, सहारनपुर रोड़, माजरा, देहरादून-248002

दूरभाष नं० 0135-2642796 email:- [praveentandon@ptcul.org](mailto:praveentandon@ptcul.org)

No. 396 /DGM(Legal) & C.S/PTCUL/

Date 22.11.2016

**CERTIFIED TRUE COPY OF THE RESOLUTION PASSED IN THE 56<sup>TH</sup> MEETING OF THE BOARD OF DIRECTORS OF POWER TRANSMISSION CORPORATION OF UTTARAKHAND LIMITED HELD ON 12TH NOVEMBER, 2016 AT 04:30 PM AT BOARD ROOM, "UJJVAL" UJVNL LTD, MAHARANI BAGH, G.M.S ROAD, DEHRADUN.**

## **RESOLUTION AT AGENDA ITEM NO: 56.12**

**To Consider Tariff Petition for true-up of FY 2015-16, Annual Performance Review for FY 2016-17 and Annual Revenue Requirement for FY 2017-18 to FY 2018-19 of PTCUL.**

**"RESOLVED THAT** the Board be and hereby approves the Tariff Petition for true-up of FY 2015-16, Annual Performance Review for FY 2016-17 and Annual Revenue Requirement for FY 2017-18 to FY 2018-19 of PTCUL as tabled before the meeting and initialed by C.E. (C&R) for the purpose of identification.

**"RESOLVED FURTHER THAT** the Managing Director/ Director(Projects) be and are hereby severally authorized to sign the Petition for True-up of FY 2015-16, Annual Performance Review for FY 2016-17 and Annual Revenue Requirement for FY 2017-18 to FY 2018-19 of PTCUL and submit the same to Hon'ble UERC for approval.

**"RESOLVED FURTHER THAT** Director(Project) /C.E. (C&R) be and is hereby authorized to do all such acts, deeds and things as he may deem fit, expedient and necessary including signing of documents to get the ARR, True-up approved from the Hon'ble UERC."

**Certified True Copy**

**For Power Transmission Corporation of Uttarakhand Limited**

  
**(Praveen Tandon)**  
**DGM (Legal) & CS**

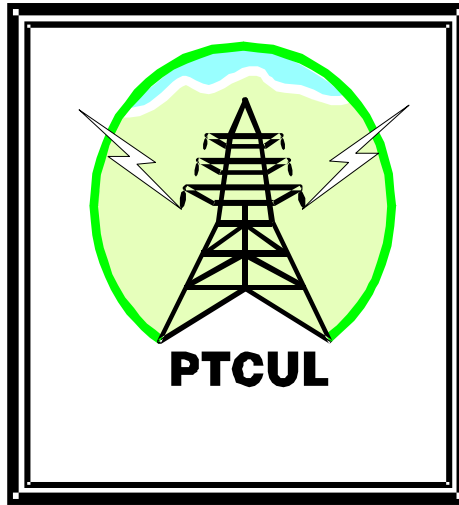
**Date: 22.11.2016**

**Place: Dehradun.**

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POWER TRANSMISSION CORPORATION OF  
UTTARAKHAND LIMITED



**PETITION**  
FOR  
TRUE-UP FOR FY 2015-16,  
ANNUAL PERFORMANCE REVIEW FOR FY 2016-17  
AND  
REVISED ARR FOR FY 2017-18

SUBMITTED TO:  
UTTARAKHAND ELECTRICITY REGULATORY  
COMMISSION



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# ***Introduction***

In accordance with the provisions of the Uttar Pradesh Reorganization Act 2000 (Act 29 of 2000), enacted by the Parliament of India on 25th August 2000, the State of Uttaranchal came into existence on 9th November 2000. Section 63(4) of the above Reorganization Act allowed the Government of Uttaranchal (hereinafter referred to as “GoU” or “State Government”) to constitute a State Power Corporation at any time after the creation of the State. GoU, accordingly, established the Uttaranchal Power Corporation Limited (UPCL) under the Companies Act, 1956, on 12th February 2001 and entrusted it with the business of Transmission and distribution in the State. Subsequently, from 1st April 2001, all works pertaining to the Transmission, Distribution and Retail Supply of Electricity in the area of Uttaranchal were transferred from Uttar Pradesh Power Corporation Limited (UPPCL) to UPCL, in accordance with the Memorandum of Understanding dated 13th March 2001, signed between the Governments of Uttaranchal and Uttar Pradesh.

Meanwhile, Electricity Act 2003 was enacted by the Parliament of India on 10th June 2003, which mandated separate licenses for Transmission and Distribution activities. In exercise of powers conferred under sub-section 4 of Section 131 of the Electricity Act 2003, therefore, the Government of Uttarachal through transfer scheme dated 31st May 2004 first vested all the interests, rights and liabilities related to Power Transmission and Load Dispatch of “Uttaranchal Power Corporation Limited” into itself and thereafter, re-vested them into a new company, i.e. “Power Transmission Corporation of Uttaranchal Limited”, now “Power Transmission Corporation of Uttarakhand Limited” (hereinafter referred to as ‘PTCUL’) after change of name of the State. The State Government, further vide another notification dated 31st May 2004 declared Power Transmission Corporation of Uttarakhand as the State Transmission Utility (STU) responsible for undertaking, amongst others, the following main functions:

- To undertake Transmission of Electricity through Intra-State Transmission System
- To discharge all functions of planning and co-ordination relating to Intra-State Transmission System
- To ensure development of an efficient, coordinated and economical system of Intra-State Transmission lines.
- To provide Open Access.

A new company in the State was thus, created to look after the functions of Intra-State Transmission and Load Dispatch with effect from 31st May 2004. In view of re-structured function of UPCL and creation of a separate company for looking after the Transmission related works, the Uttarakhand Electricity Regulatory Commission (hereinafter referred to as the ‘Hon’ble Commission’ or the ‘UERC’ or the ‘State Commission’ or the ‘Commission’) amended the earlier ‘Transmission and Bulk Supply License’ granted to UPCL and Transmission license was vested on PTCUL for carrying out Transmission related works in the State vide Commission’s order dated June 9, 2004.

Post the formation of a separate Transmission company, the Hon’ble Commission issued separate Tariff Orders for PTCUL in line with the UERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2004 (hereinafter referred to as “UERC Tariff Regulations, 2004”) which was notified on 25th August 2004.

The Hon’ble Commission has issued new Tariff Regulations i.e. UERC (Terms and Conditions for Determination of Multi Year Tariff) Regulations 2015 (hereinafter referred to as “UERC Tariff Regulations, 2015” or “MYT Regulations”). As per the new Tariff Regulations, the Transmission Licensee is required to submit an MYT Petition for the three-year Control Period i.e. FY 2016-17-18 to FY 2018-19, accordingly Petitioner has filed the Multi-Year Tariff petition for FY 2016-17 to FY 2018-19 in the previous financial year.

In accordance with Regulation 12 of the UERC Tariff Regulations, 2015 and Regulation 13 of the UERC Tariff Regulations, 2011, PTCUL is required to file each year an Annual Performance Review (APR) petition for true-up of past year and review of estimates for the ensuing year. Accordingly, the Petitioner is filing this APR Petition for true-up of FY 2015-16, Review of ARR for FY 2016-17 and Revised ARR for FY 2017-18.

The Petitioner prays to the Hon'ble Commission to consider its submission for true-up of FY 2015-16 as well as the Revised ARR for FY 2017-18 and pass appropriate order in this regard.

# 1. True-Up for FY 2015-16

## 1.1. Background

The Hon'ble Commission had issued the MYT Order for the Control Period FY 2013-14 to FY 2015-16 on 6th May 2013. In the MYT Order, the Hon'ble Commission had approved ARR for each year of the Control Period which is to be trued-up as part of Annual Performance Review (APR):

*“The scope of the Annual Performance Review shall be a comparison of the performance of the Applicant with the approved forecast of Aggregate Revenue Requirement and expected revenue from tariff and charges and shall comprise of following:*

- *A comparison of the audited performance of the applicant for the previous financial year with the approved forecast for such previous financial year and truing up of expenses and revenue subject to prudence check including pass through of impact of uncontrollable factors;*
- *Categorization of variations in performance with reference to approved forecast into factors within the control of the applicant (controllable factors) and those caused by factors beyond the control of the applicant (un-controllable factors).*
- *Revision of estimates for the ensuing financial year, if required, based on audited financial results for the previous financial year;*
- *Computation of the sharing of gains and losses on account of controllable factors for the previous year.”*

Since FY 2015-16 is complete and audited accounts are available, PTCUL is submitting the truing-up for FY2015-16 as per the provisions of MYT Regulations, 2011.

The MYT Order of SLDC was issued in April, 2014 when the year of FY 2013-14 was complete. Also, no separate audited accounts are available for SLDC and auditing of financial accounts has been undertaken for PTCUL including SLDC and SCADA units. Therefore, based on the audited accounts, the truing-up for FY 2015-16 has been proposed for PTCUL as a whole.

## 1.2. Capital Expenditure and Capitalisation

For the opening GFA of FY 2015-16, PTCUL has considered the closing GFA as approved by the Hon'ble Commission for FY 2014-15. As per the Annual Audited accounts for FY 2015-16, the scheme-wise actual capitalization of PTCUL during FY 2015-16 is summarized in table below:

**Table 1 : Actual Scheme-wise Capitalization and funding for FY 2015-16 (Figures in Rs Crore)**

Capitalization	GFA	Debt %	Debt	Equity	Grant
REC New	22.82	70%	15.97	6.84	
REC IV	5.94	70%	4.16	1.78	
REC V	4.30	70%	3.01	1.29	
PFC	18.00	70%	12.60	5.40	
REC-9029	12.48	70%	8.74	3.74	
REC-5534	0.20	70%	0.14	0.06	
REC-9664	0.81	70%	0.57	0.24	
REC-II	0.24	70%	0.17	0.07	
REC-7086	0.83	70%	0.58	0.25	
REC 7085	1.39	70%	0.98	0.42	

Capitalization	GFA	Debt %	Debt	Equity	Grant
Deposit works	4.70	0%	0.00	0.00	4.70
Internal Resource	3.87	70%	2.71	1.16	
Capital R&M-REC	0.85	70%	0.60	0.26	
<b>Total</b>	<b>76.43</b>		<b>50.21</b>	<b>21.52</b>	<b>4.70</b>

The asset wise Capital Expenditure made in FY 2015-16 is as specified below:

**Table 2: Capital Expenditure in FY 2015-16 (Figures in Rs Crore)**

S.No.	Name of Work/ Asset	Name of Scheme	Amount
1	Ashish Transport Realignment and height ex for 220 Kv Khodri-Rishikesh and Majra-Rishikesh line AG-no-1479 & 1478 dt 15/11/2014	Deposit work	2.95
2	Realignment and height ex of tower 132 Kv Majra-Rishikesh & Majra-Bindal line near ISBT (Ashish LOA NO-1369 & 1370 dt- 21/10/2015	Deposit work	(0.57)
3	Shifting of 132 Kv Majra-Kulhal line from 400/220 Kv S/s Dehradun(PGCIL)(m/c Shanz)(Order no-1169&1168 dt-26/08/2013)	Deposit work	0.81
4	Rudraveera Associate construction 2 no. 33Kv bay at 132 Kv majra for (Doon University) no-06/2014-15	Deposit work	0.10
5	Telmos Electricals, Roorkee Agreement No. GZR-05/2015-16 dt- 22/06/2015	Deposit work	0.00
6	Bay (132Kv bay at 132Kv Purkul & Bindal(CWIP)	Deposit work	0.14
7	Construction of 33 Kv Mahuadabra bay at 132Kv S/s Jaspur	Deposit work	0.01
8	Construction of security guard hut & store shed at 132 Kv Substation Jaspur	Capital R&M	0.10
9	T&P	T&P	0.00
10	Supply & Erection of ACDB and 630 KVA& 250 KVA T/F at Haldwani & Bhowali	PFC	0.00
11	Construction of 2 no. 33Kv foolchaur & footkaun bay at 220Kv S/s Haldwani	Deposit work	0.06
12	Supply & Fixing DCDB Bhowali	PFC	0.03
13	Augmentation Of 132Kv S/s Haldwani	PFC	2.84
14	Augmentation Of 132Kv S/s Bhowali	PFC	1.96
15	Const. of 220Kv Bus coupler bay at 220Kv S/s Haldwani	M&R Capital	0.46
16	33Kv bay at 132 Kv S/s , SPH Lohiahead, Khatima	(Capital) R&M Work	0.10
17	Construction of 33 Kv bays at 220/132/33Kv S/s, Pantnagar & Haridwar(02 No. 33Kv bays at Pantnagar S/s)	Deposit Work	0.19
18	Construction of 07No. 132Kv bays at various S/s of PTCUL (const. of 132Kv bay at Kichha S/s)	REC	(0.00)
19	01No. 220Kv bay at 220Kv S/s Pantnagar (Shanz Powertech)	REC-7085	0.87

S.No.	Name of Work/ Asset	Name of Scheme	Amount
20	Construction of 33 Kv bay for M/s Shirde Industries at 220Kv S/s Pantnagar (M/s G.R. Enterprises)	Deposit Work	0.19
21	Construction of 1No. 132Kv incoming bay at 132Kv substation Sitarganj from 220Kv Substation PGCIL, Sitarganj	Capital Work	0.03
22	Transformer received through IUT		1.43
23	T&P		0.00
24	Construction of 132Kv underground line for 132Kv Railway S/s Jwalapur Haridwar	Deposit Work	7.68
25	Line from 400Kv Puhana to 220Kv Roorkee		0.02
26	132Kv LILO Line_132Chudiyala_Haridwar	REC-9029	0.59
27	132 LILO Bhagwanpur_Chudiyala_Pirankaliyar	REC-9218	0.02
28	Augmentation of 220Kv S/s Rishikesh	REC-9666	8.42
29	Construction of 2*220&2*33Kv bay 220 Pantnagar	REC-7085	0.82
30	Construction of App. Road & S/Y Gate 220 Chamba	REC-5534	0.16
31	Construction of Concrete Tile Flooring 220 Chamba	REC-5535	0.04
32	Increasing Capacity 220 SIDCUL Haridwar	REC-8851	0.89
33	132 Kv bay 132 Kv S/s Jwalapur	REC-9025	1.52
34	132 Kv Roorkee (Replacement of 40 MVA T/F)		3.07
35	132Kv S/s Chudiyala (Control Room Bldg)	REC-9029	0.53
36	132 Kv S/s Chudiyala (Erect. Of Equip)	REC-9029	8.23
37	Augmentation of 132Kv Bhupatwala Const of bay	REC-9664	0.78
38	Construction of 132 Kv S/s Chudiyala (Land)	REC-9029	0.06
39	Erection of 40 MVA T/F Jwalapur	PFC-14	3.38
40	SF 6 Circuit Breaker	REC	0.45
41	M/s Karan Super Elect. Works, 3, A Lot Vihar, Opp. Beahampur Tana, Meerut, AGR no. CE(O&M)/05/2014-15 dt. 8/8/2014 IC Almora		0.45
42	Material Received from M/s Megha Sales, Vikas Niwas GIC Link Road, Pithoragarh As per AGR No. CE(O&M) 07/2014-15 dt. 7/10/2014 deposit work		0.07
43	Increasing capacity of 132Kv S/s Ranikhet from 30MVA against CE AG 4/15-16 Dt. 7/5/15, SE AG 5/2015-16 DT 7/5/15, EEAG 14/15-16 DT 13/7/15		1.09
44	Construction of protection wall at various tower on 132Kv Almora-Ranikhet line against CE(H) AG 25/2015-16 DT 29/10/15		0.12
45	Work of foundation of wave trap and erection of structure of wave trap at 400Kv		0.00

S.No.	Name of Work/ Asset	Name of Scheme	Amount
46	Shifting of towers from THDC Doo Kshetra stock & T&P items receipt back from HPCL		(1.98)
47	220Kv Shakti Bhag line	Deposit Work	0.34
48	66Kv Roorkee Pathri line	Capital M&R	0.11
49	Cartage of 40 MVA from Jwalapur to Roorkee	to be sanctional	0.06
50	Increasing Capacity of 40 MVA T/F to 80 MVA T/F at 132 Kv S/s Bazpur		0.55
51	Placing of 20 MVA Transformer at 132 Kv S/s Bazpur		2.07
52	Construction of flood protection work at 132Kv S/s kashipur	PFC-09303009	0.84
53	Construction of 20MVA plinth 132S/s Ranikhet	PFC-09303008	0.02
54	Construction of O&M Division office at 132Kv S/s Kashipur	O&M capital	0.14
55	Construction of 2 no. well fondation 74 B & 75 B 132Kv S/s sitarganj	capital R & M	1.33
56	Construction of well foundation Loc. 146B at 220Kv S/s Pantnagar	REC 7086	0.57
57	Verandah closing work at residential colony of 220 KV S/s Roorkee	capital R & M	0.02
58	Installation cost of 275 CMR under SCADA EMS Project	REC-II	0.06
59	Supply and installation on 04 no. Split AC, 02 no. at SIDCUL, Haridwar and 02 no. at Roorkee and other related works.	REC-II	0.07
60	Supply of 01 no. V Battery set (Tubular Type) at 220Kv S/s SIDCUL, Haridwar	REC-II	0.04
61	400Kv Srinagar-Srinagar(PH) Line	Project Expenditure A/c	0.00
62	Const. of 220Kv Twin Zebra PGCIL-Jhajra S/s		4.19
63	LILO of 220Kv Puhana-Piran Kaliyar Line		0.00
64	Realignment of 220 Khodri-Rishikesh Line		0.00
65	132Kv D/C Ranikhet-Bageshwar Line		4.99
66	132Kv Pithoragarh(PGCIL)-Lohaghat Line		0.04
67	132Kv Srinagar-Simli Line		0.00
68	LILO of 132kv Majra-Rishikesh Line		0.00
69	Realignment of Majra-Rishikesh Line		0.00
70	400/132Kv S/s Srinagar II(Khandukhal)		0.01
71	400Kv S/s Landhoura,Roorkee		0.01
72	220Kv S/s Haridwar(SIDCUL-S/s)		0.01

S.No.	Name of Work/ Asset	Name of Scheme	Amount
73	220Kv S/s Piran Kaliyar		2.24
74	220Kv S/s Almora		0.01
75	220Kv S/s Baram(Jauljivi)		1.72
76	220Kv S/s Ghansali		0.18
77	220Kv S/s Joshimath(Gulabkoti)		0.01
78	220Kv S/s Piran Kaliyar		1.13
79	Augmentation of 220Kv S/s Pantnagar		0.00
80	132Kv S/s Almora		0.00
81	132Kv S/s Bazpur		0.00
82	132Kv S/s Bhowali(33Kv Bay)		0.00
83	132Kv S/s Haridwar Road (Laltappar)		0.00
84	132Kv S/s Kathgodam		0.00
85	132Kv S/s Lohaghat		0.00
86	132Kv S/s Ranikhet		0.00
87	132Kv S/s Srinagar		0.00
88	Augmentation of 132Kv S/s Jwalapur		0.00
89	Construction of 132Kv S/s Chudiyala		0.01
90	220Kv Line from 400Kv Kashipur-220Kv Mahuakheraganj		0.03
91	220 kV Mahuakheraganj (Road, Drains, WaterSupply)	REC-V	0.08
92	Mahuakheraganj Residences(Type III)		0.53
93	220Kv Ghuttu-Ghansali Line		0.02
94	LILO of 220 Khodri-Rishikesh Line at 220 Dehradun		1.13
95	Kulhal-Majra Line (Tower Protection)		1.11
96	LILO of 132 Kulhal-Majra (Line 1) at 220 Dehradun		1.52
97	132Kv Purkul-Bindal Line		0.23
98	LILO of 132 Majra-Rishikesh at 132 Dehradun		0.02
99	LILO of 132 Purkul-Dhalipur (Line 2) at 220 Dehradun		1.37
100	Stringing of 132Kv Sitarganj-Kiccha (Line B)	REC- IV	0.11
101	220Kv Dehradun (Residences Balaji)		0.48
102	220Kv Dehradun (Residences Hariom)		0.70
103	220Kv S/s Dehradun		0.61
104	132Kv Dehradun (Laltappar)		0.60
105	132Kv Laltappar (Residences Chamoli Assoc.)		0.91
106	132Kv Laltappar (Residences M/s Shanz)		0.37
107	220Kv S/c Maneri-Bhali II-Rishikesh		0.00
108	132 Kv Srinagar-Simli Line	OLD REC A/C	23.59

S.No.	Name of Work/ Asset	Name of Scheme	Amount
109	132Kv S/s Simli		0.36
110	132Kv Bajpur-Kashipur Line	NEW REC A/C	0.14
111	LILO of 132Kv Almora-Pithoragarh at Pithoragarh		0.39
112	132 Kv Switching S/s Srinagar		7.41
113	220Kv Srinagar-Rudrapur(Brahmwari)Line		20.25
114	220Kv S/s Baramwari	PFC A/C	0.00
115	220Kv S/s IIP Dehradun (Harrawala)		0.36
116	220Kv S/s Jaffarpur		0.53
117	132Kv S/s Almora		0.00
118	132Kv S/s Bazpur		0.00
119	132Kv S/s Bhowali		0.00
120	132Kv S/s Bageshwar		3.73
	<b>Grand Total</b>		

The detailed list of assets Capitalised in 2015-16 is specified in the table below:

**Table 3: Project wise Capitalisation in FY 2015-16 (Figures in Rs Crore)**

S.No	Name of Project	Cost of project	Name of Scheme
1	Work of foundation of wave trap and erection of structure of wave trap at 400 KV S/s Kashipur	0.00	REC-V
2	Shifting of 132KV Majra Kulhal line from 400/200 KV S/s Dehradun(PGCIL) (m/c Shanz) (order no.-1169&1168 Dt.26.08.2013)	1.78	Deposit work
3	Increasing capacity of 80 MVA T/F at Bazpur S/s	5.24	PFC-09303007
4	132 KV S/s Chudiyala	8.83	REC-9029
5	220KV S/s Chamba	0.20	REC-5534
6	132 KV S/s Bhupatwala	0.78	REC-9664
7	132 KV S/s Jwalapur	3.37	PFC-09303014
8	132 KV S/s Ramnagar, Roorkee	3.07	REC-9029
9	132 KV S/s LILO Line for Chudiyala	0.59	REC-9029
10	Construction of SLDC Dehradun and Two Sub-LDC at Kashipur & Rishikesh	0.24	REC-II
11	IMP Power Ltd. Mumbai, S/o no. 343/CE(C&P)/SE/C&P/PTCUL 13-14/LOA Dt.25/03/2014 against Supply of 20MVA 132/33KV Power T/F for 132KV S/s Almora I/C Almora	1.67	PFC -09303008
12	M/s Safety Control & Devices C-43/28/1, behind Slylark Building, Lucknow. As per S/o no. 1020/CE(C&P)/PTCUL/SS-01/2014-15/LOA Dt.14/08/2014 I/C Almora	0.47	PFC -09303009

13	M/s Karan Super Elect. Works, 3, A Lot Vihar Opp. Beahampur Tana, Meerut, AGR no. CE(O&M)/05/2014-15 dt.08/08/2014 I/C Almora	0.62	PFC -09303010
14	Increasing capacity of 132 KV S/s Ranikhet from 30 MVA to 50 MVA against CE AG 4/15-16 Dt.07/05/15, SE AG 5/2015-16 Dt. 7/5/15, EEAG 14/15-16 Dt.13/7/15	1.09	Internal sources
15	Const. of 33 KV bay for M/s Shirdi Industries at 220 KV S/s Pantnagar (M/s G.R. Enterprises)	0.50	Deposit work
16	132KV incoming bay at Sitarganj	0.85	Capital R&M-REC
17	02 no. 33KV bays at Pantnagar S/s (TATA Motors)	0.79	Deposit work
18	220KV bay at Pantnagar S/s	1.39	REC-7085
19	132KV ELDECO bay at Kichha S/s	0.67	REC-IV
20	I/C work for 40MVA T/F at Haldwani	3.02	PFC-09303006
21	I/C work for 20MVA T/F at Bhowali	2.45	PFC-09303005
22	Supply and Erection of ACDB and 630 KVA & 250 KVA T/F at Haldwani & Bhowali	0.00	PFC 09303002
23	Supply and fixing DCDB at 132KV Bhowali	0.03	PFC 09303002
24	Construction of 02 no. well foundation at tower location no. 74B, 75B at Khatima Sitarganj 132 KV DC Line at River Kailash	1.33	Internal Resource
25	Construction of 01 no. well foundation of 220KV Double circuit Bareilly Pantnager Line Location 146A at river Gaula	0.83	REC-7086
26	Construction of 33 KV Mahuabadra Bay at 132 KV S/s Jaspur	0.17	Deposit work
27	Supply & erection of SF-6 Circuit Breaker at 400 KV O&M Rishikesh	0.45	PFC-093023002
28	160 MVA T/F	0.05	PFC-09303012
29	40 MVA T/F Bhupatwala	0.03	REC-9664
30	40 MVA T/F Jwalapur	0.65	PFC-09303014
31	132 Kv SIDCUL-Roorkee LINE	0.97	Deposit work
32	132 Kv SUKHI NADI(JWP-BHPT)	0.48	Deposit work
33	220KV Line From 400 Kv Kashipur to 220 Kv Mahuakheraganj	0.03	REC V
34	132Kv Purkul - Bindal Line	0.06	REC IV
35	132Kv S/s Laltappar	0.59	REC IV
36	220Kv S/s Dehradun (Jhjhra)	0.61	REC IV
37	220Kv Ghuttu-Ghansali Line	0.02	REC IV
38	LILO of 132Kv Kulhal-Majra Line at 220 Dehradun	2.86	REC IV
39	LILO of 132Kv Majra -Rishikesh at 132 Laltappar	0.01	REC IV
40	LILO of 220Kv Khodra-Rsk at 220 Dehradun	1.13	REC IV
41	220Kv Maneribhali II-Rishikesh Line	0.00	Old REC
42	132Kv Switching S/s Srinagar	0.10	New REC
43	Other civil works 132 Kv Switching Srinagar	0.48	New REC
44	132 Kv Switching Srinagar	17.52	New REC
45	132 Kv Kashipur-Bazpur Line	0.14	New REC
46	LILO 132 Kv Almora-Pithoragarh at 220 Pithoragarh (PGCIL)	0.40	New REC
47	LILO of 132 Kv Rishikesh-Srinagar at Srinagar	1.78	New REC

48	T&P	0.01	Internal Resources
49	Miscellaneous equipment	1.43	Internal Resources
50	LILO of 132kV Almora-Pithoragarh line for 220 kV S/s Pithoragarh (PGCIL)*	2.39	REC II
51	02 No. 220 kV Bay at 400 kV S/s Kashipur*	4.27	REC V
<b>Total</b>		<b>76.43</b>	

\*Adjustment from previous submission

The Electrical Inspector Certificate for all the relevant projects as mentioned above have been attached as Annexure 2 for the perusal of the Hon'ble Commission.

The above list also includes adjustment against the Capitalization of 'LILO of 132kV Almora-Pithoragarh line for 220 kV S/s Pithoragarh (PGCIL)' and '02 No. 220 kV Bay at 400 kV S/s Kashipur' projects. The capitalization against these projects was partially disallowed by the Hon'ble Commission in its Tariff Order for FY 2016-17. The petitioner then prayed to the Hon'ble commission to reconsider this issue through a Review Petition on which the Hon'ble commission released its order on 11 July 2016. The specific cases as discussed in the order on review petition are as follows.

#### **LILO of 132kV Almora-Pithoragarh line for 220 kV S/s Pithoragarh (PGCIL)**

- The Petitioner submitted that in the true up petition it had claimed a total Capitalisation in FY 2014-15 of Rs. 9.03 Crore for the said project. However, the Hon'ble Commission did not allow the cost escalation in the construction of the project and had only considered the allowable cost of Rs. 5.07 Crore including IDC of Rs. 1.05 Crore for the project on the ground that there was no practice of recording the cost escalation during the execution nor the Contract Agreements were revised.
- The Petitioner also submitted that the Hon'ble Commission had granted Investment Approval for the project in 2007 for an amount of Rs. 4.02 Crore. The Contract Agreement dated 12th March, 2010 provided for  $\pm 20\%$  variation in quantity and price. Accordingly, contract price could only have been finally ascertained upon completion of the work. Further, in the execution of the said project work there was variation in the quantity which was within the limit prescribed in the Contract, hence, the variation as per the provisions of the Contract did not require Contract Agreement to be amended.
- The amount of Rs. 9.03 Crore claimed by Petitioner as Capitalisation for the project included both the price variation and quantity variation. The Petitioner vide its submission dated 20-01-16 before the Hon'ble Commission gave the reasons for the delay in commissioning of the project which primarily were (i) Severe Right of Way problem; (ii) Re-routing of line due to ROW problems. The Petitioner submitted that the District Magistrate vide letter dated 13-08-10 directed for the shifting/re-routing of line after a joint meeting of all the stakeholders. Subsequently, the resurvey work was conducted and consequently the alternate route was adopted. Hence, the forest clearance was again required to be obtained and the same was granted vide letter dated 15-04-11. After the grant of forest clearance, the land transfer was informed for the said line vide letter dated 29-02-12. Hence, the delay and resulting increase in cost due to price variation was not attributable as within the reasonable control of PTCUL as the Petitioner had made all the possible efforts to sort out the ROW problems and major reasons in delay of the project were due to force majeure situation and for reasons beyond the control of the Petitioner.
- Taking cognizance of the above submission by the petitioner the Hon'ble Commission decided to allow a cost escalation of Rs 1.57 Crore on account of price variation. However, the Hon'ble Commission did not allow the remaining cost escalation of Rs 2.39 Crore on account of time overrun on the basis that all facts were not presented to the Hon'ble Commission in the Petitioner's original tariff petition for true-up, and were only made available in the Review Petition filed by the Petitioner. The Petitioner was advised to raise

this issue in the following tariff proceedings. The Petitioner therefore prays to the Hon'ble Commission to allow the cost escalation component on account of time overrun in this petition.

## 02 No. 220 kV Bay at 400 kV S/s Kashipur

- The Petitioner submitted that the Hon'ble Commission did not consider the Capitalization amount of 2 No. 220 kV Bay at 400 kV S/s Kashipur for Rs. 4.27 Crore in FY 2014-15. The Hon'ble Commission while observing that the first time Capitalisation of projects claimed in FY 2014-15 were part Capitalisations in comparison to the approved cost and thus had not approved such part Capitalisation of the schemes in FY 2014-15 in accordance with the directions in the previous Tariff Orders.
- The Petitioner submitted that it had provided relevant document pertaining to commissioning of the said bays and also certificate of the Electrical Inspector dated 14-11-13 in the tariff petition, from which it was apparent that the Capitalisation of Rs. 4.27 Crore sought against the approved cost of Rs. 5.78 Crore was not the part Capitalisation but was in fact based upon the executed cost of the work which was less than the approved project cost.
- However, the Hon'ble Commission did not allow the Capitalization on the basis that all facts were not presented to the Hon'ble Commission in the Petitioner's original tariff petition for true-up, and were only made available in the Review Petition filed by the Petitioner. The Petitioner was advised to raise this issue in the following tariff proceedings. The Petitioner therefore prays to the Hon'ble Commission to allow the capitalization against the project in this petition.

Based on the Capitalization in GFA for FY 2015-16, the opening and closing GFA considered for true-up of FY 2015-16 is summarized in table below:

**Table 4 : Opening and Closing GFA for True-up of FY 2015-16 (Figures in Rs Crore)**

S.No.	Particulars	Approved	Actual
1	Opening GFA for FY 2015-16	1006.64*	1006.64*
2	Addition during the FY 2015-16	130.89**	76.43
3	Deletion during the FY 2015-16	0	0.00
4	Closing GFA	1137.53	1083.07

\*Opening GFA as per approved closing GFA of FY 2014-15 as per order for true-up of FY 2014-15

\*\*As per order for true-up of FY 2013-14

## 1.3. Depreciation

The depreciation has been calculated at the rates prescribed by the UERC MYT Regulations 2011. The average depreciation of 5.28% has been applied on the opening and closing GFA determined above.

Further the depreciation towards assets created out of consumer contribution and grants, deposit works has not been considered for the computation of eligible depreciation for true-up purposes in accordance with the UERC MYT Regulations 2011. The proposed depreciation expenses for the years FY 2015-16 for true-up have been presented in the table below:

**Table 5 : Depreciation for FY 2015-16 (Figures in Rs Crore)**

Particulars	FY 2015-16
Opening GFA	1006.64
Less: Grants	87.13
Opening GFA eligible for depreciation	919.51
<b>Addition</b>	<b>76.43</b>

Particulars	FY 2015-16
Less: Grants	4.70
<b>Addition in GFA (net of deposit work)</b>	<b>71.73</b>
Closing GFA eligible for depreciation	991.24
Rate of Depreciation	5.28%
<b>Depreciation</b>	<b>50.44</b>
<b>Depreciation (Repayment) actual</b>	<b>77.60</b>

The Petitioner submits that although the normative depreciation works out to Rs 50.44 Crore, the actual loan repayment made by the petitioner for FY 2015-16 is Rs. 77.60 Crore. Therefore, the petitioner prays to the Hon'ble Commission to approve the actual repayment made.

### **1.4. Interest and Finance Charges**

For computation of Interest and Finance Charges, the closing balance of loans for FY 2014-15 as approved by the Hon'ble Commission in its tariff order for true up of FY 2014-15 has been considered for the opening loan balance for FY 2015-16. As per the MYT Regulations 2011, the loan payment has been considered equal to the depreciation for FY 2015-16. The interest cost for FY 2015-16 has been computed considering the effective rate of interest of 11.72% on the gross loans as per the audited accounts. The computation of interest charges is provided in the table below:

**Table 6 : Interest Charges for FY 2015-16 (Figures in Rs Crore)**

Particulars	Approved	Actual (normative)
Opening Balance of Loans	496.79	382.11*
Addition in loans of capitalized assets during FY 2015-16	106.05	50.21
Repayment	57.32	50.44
Closing Balance of Loans	545.53	381.88
Effective Interest Rate	11.81%	11.72%
<b>Interest (normative)</b>	<b>61.55</b>	<b>44.75</b>
<b>Actual interest paid in FY 2015-16</b>		<b>59.33</b>

\*Opening loan balance as per the order for true-up of FY 2014-15

It is submitted that at the time of issuance of Order for True-up of FY 2013-14, the Hon'ble Commission had considered the weighted average rate of interest on loan as 11.81% and had mentioned that any variation in the interest due to change in rate of interest shall be considered while undertaking trueing up based on audited accounts of the respective financial year. The interest rates of REC and PFC have undergone revision in the past years, therefore, the actual weighted average interest rate for FY 2015-16 works out to be 11.72% as per the audited accounts which has been considered for the purpose of trueing-up.

The Petitioner submits that although the normative interest works out to Rs 44.75 Crore, the actual interest payment made by the petitioner for FY 2015-16 is Rs. 59.33 Crore. Therefore, the petitioner prays to the Hon'ble Commission to approve the actual interest payment made.

The detailed calculation regarding the same is specified in the UERC formats and model being submitted along with this petition. Also, the terms of loan for each of the loans availed is also being submitted as **Annexure-3** of this petition for the perusal of the Hon'ble Commission.

It is humbly submitted that the increase in interest cost is towards uncontrollable factors and interest charge of Rs. 59.33 Crore as proposed for true-up of FY 2015-16 in the table above may be approved.

## 1.5. Return on Equity

The computation of Return on Equity (RoE) has been undertaken as per the stipulations of UERC MYT Regulations, 2011 for the purposes of true-up.

A Return on Equity of 15.50% has been considered as per the provisions of the UERC MYT Regulations 2011. Opening equity for FY 2015-16 has been considered in line with the closing equity approved by the Hon'ble Commission in its past order on true-up of 2014-15. The table below shows the computation of Return on Equity being proposed for true-up for FY 2015-16.

**Table 7 : Return on Equity for FY 2015-16 (Figures in Rs Crore)**

Particulars	Approved	Actual
Opening Equity	201.36	179.17*
Addition	24.84	21.52
Closing Equity	226.20	200.69
Eligible equity for return	95.22	189.93
RoE rate	15.50%	15.50%
<b>RoE</b>	<b>14.76</b>	<b>29.44</b>

\*Opening equity as per the order for true-up of FY 2014-15

In the previous Tariff Orders issued by the Hon'ble Commission, the Return on Equity was not allowed to PTCUL on the ground that the equity provided by the Govt of Uttarakhand was out of Power Development Fund which was realized from the consumers in form of a Cess.

As per the Hon'ble Appellate Tribunal of Electricity (ATE) dated 15th May 2015 in R.P. No. 2 of 2015 in Appeal No. 163 of 2015,

*"The Tribunal has upheld the findings of the State Commission in the impugned order but has not given any finding relating to disallowance of ROE on the funds deployed by the State Government from PDF towards capital cost of the project. We feel that the findings of this Tribunal in Appeal no. 189 of 2005 will be applicable to the present case. If the State Commission has not provided the amount as a grant and has invested the amount as equity, **ROE has to be allowed as per the Regulations of the State Commission.** Accordingly, this issue is decided in favour of the Petitioner."*

It is pertinent to mention that the above APTEL order also considered and gave its view on a second issue, that is the case of allowing Transmission Charges for 220 kV D/C Bhilangana-III- Ghansali line, an issue that is unrelated to the allowing RoE on account of PDF. However, M/s BHPL filed a Civil Appeal being C.A. No. 2368-2370 of 2015 before Hon'ble Supreme Court of India along with an interim application for stay against the Judgment of Hon'ble ATE dated November 29, 2014. Hon'ble Supreme Court of India vide its Daily Order dated October 12, 2015 decided as under:

*"In the circumstances, we are of the opinion that the Orders of the respondent no. 3 dated 29.4.2013 and 6.5.2013 be stayed until further orders without prejudice to the rights of the respondents. The appellant-applicant will continue to pay the transmission charges at the rate for which it was paying during the pendency of the appeals."*

**It is crucial to note that the stay ordered by the Hon'ble Supreme Court is on a particular order of Hon'ble UERC which was over the issue of allowing transmission charges for 220 kV D/C Bhilangana-III- Ghansali line, and not about the allowance RoE on account of PDF.**

Also, the Petitioner is in process of seeking clarification and removing stay on the said order and the next date for hearing of the same has been set as December 02, 2016. The Petitioner is hopeful of receiving the clarification and removing the stay in the current financial year, hence the Petitioner has claimed Return on Equity of fund received through PDF also in this petition.

The Petitioner submits that as per the provisions of the National Tariff Policy, 2006 notified by the Central Government, "The rate of return should be such that it allows generation of reasonable surplus for growth of the sector". In view of the same, the Petitioner submits to the Hon'ble Commission that due to non-consideration of equity infused by the GoU for the purpose of computation of Return on Equity in the Tariff Orders, the surplus allowed in the ARR for the respective years is negligible. This disallowance not only restricts internal surplus generation but also adversely impacts the financial position of the Petitioner. Therefore, PTCUL humbly requests the Hon'ble Commission to consider the proposal with regard to Return on Equity as submitted in this petition.

## **1.6. Income Tax**

The UERC Tariff Regulations, 2011 provide for recovery of actual income tax paid at the time of truing up of the respective year. Therefore, PTCUL submits to the Hon'ble Commission to approve the actual income tax liability of Rs 26.44 Crore for the FY 2015-16. The same has been claimed as per audited accounts of FY 2015-16. The supporting documents in the form of ITR V form/Tax acknowledgement is submitted as Annexure 4 for the consideration of the Hon'ble commission.

## **1.7. Non-Tariff Income**

As per audited annual accounts, the Non-Tariff Income of Rs 6.11 Crore has been considered for true-up as compared with the approved Rs.1.44 Crore for FY 2015-16. The Hon'ble Commission is requested to approve the same.

## **1.8. O&M Expenses**

O&M expenses comprise of expenses towards Employee costs, Administrative and General (A&G) expenses and expenses towards Repairs and Maintenance (R&M).

The actual O&M expense under various heads as per audited accounts compared with the approved components of O&M expenses is summarized in table below:

**Table 8 : O&M Expense for FY 2015-16 (Figures in Rs Crore)**

<b>Particulars</b>	<b>Approved</b>	<b>Actual</b>
Employees Cost	68.08	57.71
Repair & Maintenance	35.50	21.82
Admin & General Expenses	13.57	16.79
<b>Total O&amp;M</b>	<b>117.15</b>	<b>96.32</b>

Since O&M expense is a controllable parameter as per MYT Regulations, the gain or loss with regard to same is required to be shared with the consumers. The gain on account of difference between approved and actual O&M expense and sharing of the same is computed as per table below:

**Table 9: Gain / Loss on account of O&M for FY 2015-16 (Figures in Rs Crore)**

S. No.	Particular	Actual (As per BS)	Approved (As per TO FY 15-16)	Variation	PTCUL share	Consumer share
1	Employee Expenses	57.71	68.08	10.37	8.29	2.07
2	Administrative & General Expenses (A&G)	16.79	13.57	-3.22	-2.42	-0.81
3	Repair & Maintenance Expenses (R&M)	21.82	35.50	13.68	10.95	2.74
	<b>Total</b>	<b>96.32</b>	<b>117.15</b>	<b>20.83</b>	<b>16.82</b>	<b>4.00</b>

The Hon'ble Commission is requested to approve sharing of the gain as per the table above computed as per Regulation 15 (1) of the UERC Tariff Regulations 2011.

## 1.9. Interest on Working Capital

The Petitioner has considered Working Capital computation as per the provisions of UERC Tariff Regulations 2011. SBI PLR as on 05/10/2015 has been considered as the interest rate for computing the Interest on Working Capital. The source along with the historic values of SBI PLR rate are submitted as Annexure 5 or this petition. The table below depicts the proposed Interest on Working Capital for FY 2015-16:

**Table 10 : Interest on Working Capital for FY 2015-16 (Figures in Rs Crore)**

Particulars	Amount
O & M Expenses for one month	9.43
Maintenance & Spares (@ 1% of the historical cost escalated @ 6%)	16.01
Receivable (2 months)	57.17
Total Working Capital	82.61
Interest rate for working capital (in %)	14.05%
<b>Working Capital Interest</b>	<b>11.61</b>

## 1.10. Approved and Proposed ARR for True-up of FY 2015-16

Based on the parameters discussed above, Revenue Gap for FY 2015-16 has been computed as provided in table below:

**Table 11 : True-up for FY 2015-16 (Figures in Rs Crore)**

Particulars	Approved	Actual
Net O&M expenses	117.15	96.32
Interest charges	61.55	59.33
Guarantee Fees	2.19	-
Depreciation	57.32	77.60
Interest on Working Capital	10.51	11.61
Reasonable Return	14.76	29.44
Income Tax		26.44
Add : Gain/loss (on account of controllable items) of licensee		16.82
<b>Gross Expenditure</b>	<b>263.48</b>	<b>317.56</b>
Less: Non-Tariff Income	1.44	6.11

<b>Particulars</b>	<b>Approved</b>	<b>Actual</b>
<b>Net Expenditure</b>	<b>262.04</b>	<b>311.45</b>
Add : True up of previous years including carrying cost	40.71	40.71
Less: SLDC related expense	7.45	9.12
<b>Aggregate Revenue Requirement</b>	<b>295.3</b>	<b>343.03</b>
Total Revenue from Transmission Charges		295.30
<b>Revenue Surplus/(Gap)</b>		<b>(47.73)</b>

Based on the above comparison of approved and actual ARR parameters, a revenue gap of Rs. 47.73 Crore is computed for FY 2015-16 which is proposed to be carried forward. The Hon'ble Commission is requested to approve to same along with carrying cost which is computed in the subsequent chapter.

## **2. Annual Performance Review of FY 2016-17**

### **2.1. Background**

On 5th April, 2016, the Hon'ble Commission had issued the MYT Order for PTCUL for the Control Period FY 2016-17 to FY 2018-19. PTCUL is required to file for Annual Performance Review (APR) in line with Regulation 12 (1) of the MYT Regulations, 2015. The Clause (3) of Regulation 12 of MYT Regulations, 2015 states that:

*"The scope of the Annual Performance Review shall be a comparison of the performance of the Applicant with the approved forecast of Aggregate Revenue Requirement and expected revenue from tariff and charges and shall comprise of following:*

- *A comparison of the audited performance of the applicant for the previous financial year with the approved forecast for such previous financial year and truing up of expenses and revenue subject to prudence check including pass through of impact of uncontrollable factors;*
- *Categorization of variations in performance with reference to approved forecast into factors within the control of the applicant (controllable factors) and those caused by factors beyond the control of the applicant (un-controllable factors).*
- *Revision of estimates for the ensuing financial year, if required, based on audited financial results for the previous financial year;*
- *Computation of the sharing of gains and losses on account of controllable factors for the previous year."*

In this section, PTCUL has outlined its performance for FY 2016-17 for six months against the Tariff Order for FY 2016-17 issued by the Hon'ble Commission and has also proposed review of ARR for FY 2016-17. PTCUL submits that the six monthly figures are currently provisional and subject to change. Therefore, PTCUL is proposing the Capital Expenditure and Capitalization for FY 2016-17 in line with the revised projections which are as per realistic estimates for FY 2016-17.

The Revised Estimates for FY 2016-17 and actual six months (April-September 2016) expenditure as per provisional balance sheet for various parameters are discussed below:

### **2.2. Capital Expenditure and Capitalization**

In the Tariff Order for the first Control Period, the Hon'ble Commission has approved the Business Plan and Multi Year Tariff Petition of PTCUL. Based on detailed analysis of the submission made by PTCUL in the Business Plan, the Hon'ble Commission has approved Capital Expenditure for each year of the Control Period against each scheme. Accordingly, Capitalization for each year has been approved for the purpose of computation of various parameters of ARR.

During the first six months of the current financial year (FY 2016-17), PTCUL has capitalized assets of Rs 114.64 crore. The details of assets capitalized during this six-month period are specified in the table below.

**Table 12: Capitalisation in FY 2016-17 (till Sept) (Figures in Rs Crore)**

S.No.	Project	Amount capitalised - FY 2016-17 (upto sept)	Scheme
1	132 KV S/s, Simli	13.03	REC I
2	132 KV Srinagar Simli Line	101.01	REC I
3	132 KV Switching S/s, Srinagar	0.45	REC II
4	LILO of 132 KV Rishikesh Srinagar at Srinagar	0.01	REC II
5	220 KV S/s, Dehradun	0.14	REC IV
	<b>Total</b>	<b>114.65</b>	

Based on the six month progress of the capital works in FY 2016-17 and estimated works to be completed during balance months of FY 2016-17, PTCUL estimates that it would be able to surpass the capitalization targets approved for FY 2016-17. The details of the works estimated to be completed and capitalized during the balance six months is provided in the table below:

**Table 13: Works Estimates to be completed during FY 2016-17 (Figures in Rs Crore)**

S.No	Name of Project	Cost of project	Region	Division
1	132 KV D/C Srinagar -Simli Line	122.07	Garhwal	Projects
2	132 kV Simli s/s	13.03	Garhwal	Projects
3	Construction of 132 KV s/s Srinagar	0.45	Garhwal	Projects
4	LILO of 132 KV Rishikesh - Srinagar at Srinagar	0.01	Garhwal	Projects
5	Construction of 132 KV s/s Haridwar road, Dehradun (80 MVA) (Laltappar)	2.49	Garhwal	Civil Projects
6	220 KV s/s Dehradun (320 MVA) (Jhajhra)	0.14	Garhwal	Projects
7	220 KV s/s Dehradun (Colony Non-Turnkey works) (Jhajhra)	3.37	Garhwal	Projects
8	Construction of LILO of 132 KV Purkul-Dhalipur Line at 220 KV s/s Dehradun	2.09	Garhwal	Civil Projects
9	Construction of LILO of 132 KV Kulhal-Majra Line at 220 KV s/s Dehradun	0.17	Garhwal	Projects
10	Construction of LILO of Roshnabad-Puhana 220 KV line at 220 Kv s/s Piran kaliyar	9.91	Garhwal	Projects
11	Pile foundation of LILO of Roshnabad-Puhana 220 KV line at 220 Kv s/s Piran kaliyar	1.13	Garhwal	Projects
12	Construction of 220 Kv line from 400 KV PGCIL s/s to 220 KV s/s Dehradun	15.3	Garhwal	Projects
13	Re-alignment of tower at loc. No. 30 to a safe place of 132 KV Kathgodam - Bhowali line.	0.50	Kumaon	O&M
14	Augmentation of 220 KV S/s Jhajhra by dismantling of 2X40 MVA transformer and installation of 2X80 MVA under O & M division Dehradun.	24.85	Garhwal	O&M
15	Increasing capacity of 220 KV S/s Rishikesh from 2X160 MVA to 3X160 MVA and associated bays.	18.19	Garhwal	O&M
16	Augmentation of 220/33 KV S/s to 220/132 KV S/s with additional 2X 100 MVA transformers at Piran Kaliyar.	13.20	Garhwal	O&M
17	Replacement of 132 KV Roorkee-Manglore line conductor by new AAAC/ HTLS conductor at 132 KV S/S Manglore	10.64	Garhwal	O&M

18	Construction of 2X40 MVA 132/33 KV Chudiyala S/s and its LILO line	16.80	Garhwal	O&M
19	Construction of 132 KV S/C line from 220 KV SIDCUL S/s to 132 KV Jwalapur S/s and 2 Nos associated bays.	16.75	Garhwal	O&M
20	Installation of 220/33 KV 50 MVA transformer and construction of 3 Nos 33 KV bay at 220 KV SIDCUL S/s Haridwar	9.20	Garhwal	O&M
21	Construction of LILO of 132 KV Bhagwanpur-Chudiyala line at 220 KV S/s Piran Kaliyar.	12.80	Garhwal	O&M
22	Replacement of 132 KV Roorkee-Laksar line old wolf conductor by new AAAC/ HTLS conductor at 132 KV S/S Laksar	30.74	Garhwal	O&M
23	Civil work, 132 KV S/S Chudiyala Roorkee	0.10	Garhwal	Civil O&M
24	PTCUL office building 132 KV S/s Majra Dehradun	0.35	Garhwal	Civil O&M
25	Civil work, 132 KV S/S Pithroragarh	0.70	Kumaon	Civil
	<b>Total</b>	<b>324.98</b>		

The comparison with the approved figures is as follows.

**Table 14: GFA addition estimated against approved values (Figures in Rs Crore)**

Particulars	Approved	Actual (till Sept)	Revised Estimate
GFA Addition	115.69	114.65	324.98

Considering the actual works capitalized during first six months of FY 2016-17 and the existing status of the above mentioned projects, PTCUL would be in a position to meet the Capitalization planned for FY 2016-17.

### ***2.3. Operation and Maintenance Expenditure***

The Tariff Regulations provide that the Operation and Maintenance (O&M) expenses shall comprise of the following: -

- (a) Salaries, wages, pension contribution and other employee costs;
- (b) Administrative and General Expenses including insurance charges if any;
- (c) Repairs and Maintenance Expenses;

The Tariff Regulations provide that the O&M expenses for the first year of the Control Period will be approved by the Hon'ble Commission taking into account the actual O&M expenses for last five years till Base Year subject to prudence check and any other factors considered appropriate by the Hon'ble Commission.

The Tariff Regulations further provide that the O&M expenses for the nth year shall be approved based on the formula given below: -

$$\mathbf{O\&M_n = R\&M_n + EMP_n + A\&G_n}$$

Where –

O&M<sub>n</sub> – Operation and Maintenance expense for the nth year;

EMP<sub>n</sub> – Employee Costs for the nth year;

R&M<sub>n</sub> – Repair and Maintenance Costs for the nth year;

A&Gn – Administrative and General Costs for the nth year;

Further the regulations provide that the Employee Expenses shall be computed in the manner specified below:

### **2.3.1. Employee Expenses**

$$\text{EMP}_n = (\text{EMP}_{n-1}) \times (1 + \text{G}_n) \times (\text{CPI inflation})$$

Where -

EMP<sub>n-1</sub> – Employee Costs for the (n-1)th year;

CPI inflation – is the average increase in the Consumer Price Index (CPI) for immediately preceding three years;

G<sub>n</sub> is a growth factor for the nth year. Value of G<sub>n</sub> shall be determined by the Hon'ble Commission in the MYT tariff order for meeting the additional manpower requirement based on Transmission Licensee's filings, benchmarking and any other factor that the Hon'ble Commission feels appropriate:

The table below provides the Consumer Price Indices for the past few years.

**Table 15 : Consumer Price Index**

Year	Jan	Feb	Mar	April	May	June	July	August	Sept	Oct	Nov	Dec	Average (Apr-Mar)
FY 2007	127.00	128.00	127.00	128.00	129.00	130.00	132.0	133.00	133.00	134.0	134.0	134.00	<b>125.00</b>
FY 2008	134.00	135.00	137.00	138.00	139.00	140.00	143.0	145.00	146.00	148.0	148.0	147.00	<b>132.75</b>
FY 2009	148.00	148.00	148.00	150.00	151.00	153.00	160.0	162.00	163.00	165.0	168.0	169.00	<b>144.83</b>
FY 2010	172.00	170.00	170.00	170.00	172.00	174.00	178.00	178.00	179.00	181.00	182.0	185.00	<b>162.75</b>
FY 2011	188.00	185.00	185.00	186.00	187.00	189.00	193.0	194.00	197.00	198.0	199.0	197.00	<b>179.75</b>
FY 2012	198.00	199.00	201.00	205.00	206.00	208.00	212.0	214.00	215.0	217.0	218.0	219.00	<b>194.83</b>
FY 2013	221.00	223.00	224.0	226.00	228.00	231.00	235.0	237.00	238.0	241.0	243	239.0	<b>215.17</b>
FY 2014	237.00	238.0	239.00	242.00	244.00	246.00	252.0	253.00	253.0	253.0	253.0	253.00	<b>236.00</b>
FY 2015	254.00	253.00	254.00	256.00	258.00	261.00	263.0	264.00	266.00	269.00	270.00	269.00	<b>250.83</b>
FY 2015	269.00	267.00	268.00	271.00	275.00	277.00	280.00	278.00	277.00				<b>265.00</b>

The average increase in the CPI indices for immediately preceding three years is 7.21%. Further the PTCUL has prepared elaborate additional employee recruitment projections for the plan period. The recruitment plan is specified in the table below.

**Table 16: Recruitment Plan for FY 2016-17**

Particulars	Approved	Revised Estimate
Opening no. of Employees	845	798
Recruitment	126	253
Retirement	18	13
Closing No. of Employees	953	1038

Considering the above, the projected employee expenses for FY 2016-17:

**Table 17 : Employee Expenses for FY 2016-17 (Figures in Rs. Crore)**

Particulars	Approved	Actual (till Sept)	Revised Estimate
Employee Expenses	94.45	32.14	99.46

### **2.3.2. Repair & Maintenance (R&M) Expenses**

The Tariff Regulations provide that the Repair and Maintenance Expenses shall be computed in the manner specified below:

$$R\&M_n = K \times (GFAn-1) \times (1+WPIinflation)$$

Where -

'K' is a constant specified by the Hon'ble Commission in %. Value of K for each year of the control period shall be determined by the Hon'ble Commission in the MYT Tariff order based on Transmission Licensee's filing, benchmarking of Repair and Maintenance Expenses, approved Repair and Maintenance Expenses vis-à-vis GFA approved by the Hon'ble Commission in past and any other factor considered appropriate by the Hon'ble Commission;

GFAn-1 - Gross Fixed Asset of the Transmission Licensee for the n-1th year;

WPI inflation – is the average increase in the Wholesale Price Index (WPI) for immediately preceding three years;

The Average Wholesale Price Indices over the last few years is provided in the table below:

**Table 18 : Wholesale Price Indices**

Financial Year	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
WPI	176.70	181.20	177.60	167.60	156.10	143.30

The average increase in the WPI indices for immediately preceding three years is 1.83%.

The Petitioner has arrived at value of K by seeing the average value of K over last three years (FY 2012-13 – FY 2014-15) i.e. average of ratio of R&M expenses and GFA. The detailed calculations can be found in the models being submitted along with this petition.

**Table 19 : R&M Expenses for FY 2016-17 (Figures in Rs. Crore)**

Particulars	Approved	Actual (till Sept)	Revised Estimate
K factor	1.78%		2.20%
WPI inflation	5.11%		1.83%
<b>R&amp;M Expense</b>	<b>23.53</b>	<b>9.11</b>	<b>23.81</b>

### **2.3.3. Administrative and General Expenses**

The Tariff Regulations provide that the A&G expenses shall be computed in the manner specified below:

$$A\&G_n = (A\&G_{n-1}) \times (1+WPIinflation) + Provision$$

Where -

A&Gn-1 – Administrative and General Costs for the (n-1)th year;

WPI inflation – is the average increase in the Wholesale Price Index (WPI) for immediately preceding three years;

Provision: Cost for initiatives or other one-time expenses as proposed by the Transmission Licensee and approved by the Hon'ble Commission after prudence check.

The A&G expenses have been projected considering Rs. 16.79 Crore in FY 2015-16 (which is the actual A&G expense) and thereafter escalated each year by the WPI index of 1.83%.

**Table 20 : Administrative and General Expenses for FY 2016-17 (Figures in Rs Crore)**

Particulars	Approved	Actual (till Sept)	Revised Estimate
A&G Expenses	14.42	8.90	17.10

### **2.3.4. Total Operation and Maintenance Expenses**

Considering the foregoing sections, the total Operation and Maintenance Expenses have been summarized in the table below:

**Table 21 : Operation and Maintenance Expenses for FY 2016-17 (Figures in Rs Crore)**

Particulars	Approved	Actual (till Sept)	Revised Estimate
Employee Expenses	94.45	32.14	99.46
R&M Expenses	23.53	9.11	23.81
A&G Expenses	14.42	8.90	17.10
<b>Total O&amp;M Expenses</b>	<b>132.41</b>	<b>50.15</b>	<b>140.37</b>

### **2.4. Depreciation**

The actual closing Gross Fixed Asset at the end of FY 2015-16 has been provided in the chapter for True-up. Average depreciation rate of 5.28% for FY 2015-16 has been considered for the purpose of computing depreciation on the Gross Fixed Assets at the beginning of the year for FY 2016-17. Also, pro-rata depreciation has been calculated for assets which are expected to be commissioned during FY 2016-17. The computation for revised depreciation is similar to that followed by the Hon'ble Commission in the MYT Order and is detailed in table below:

**Table 22 : Depreciation for FY 2016-17 (Figures in Rs Crore)**

Particulars	Revised Estimate
Opening Depreciable GFA	991.24
Addition in GFA	324.98
Less: Grants	0.00
Depreciable assets of addition	324.98
Closing GFA eligible for depreciation	1316.22
Depreciation Rate (%)	5.28%
<b>Depreciation</b>	<b>60.92</b>

The Petitioner prays to the Hon'ble Commission to approve the revised depreciation charges for FY 2016-17, as proposed in the table above.

## 2.5. Interest on Term Loan

For the purpose of projection of interest on term-loans for FY 2016-17, PTCUL has considered the closing loans for FY 2015-16 based on the loan amount corresponding to the assets Capitalised in each year considering the approved means of finance by the Hon'ble Commission in the MYT Order and additions during FY 2015-16 as per the approved loans.

The revised interest rates are based on the actual effective weighted average interest rate of 11.72% as per audited accounts for FY 2015-16 has been considered as against the approved 12.13% in the MYT Order. It is The Hon'ble Commission is requested to consider the incidental interest rate for approval of interest and finance charges for FY 2016-17.

Further, the repayment of loans for each year has been considered as equivalent to the depreciation computed above for FY 2016-17. The computation of interest for FY 2016-17 is summarized in table below:

**Table 23 : Interest on Term Loans for FY 2016-17 (Figures in Rs Crore)**

Particulars	Approved	Revised Estimate
Opening Loan	519.54	381.88
Addition	80.98	227.49
Repayment	62.49	60.92
Closing	538.04	548.45
Effective Interest Rate	12.13%	11.72%
<b>Interest Expense</b>	<b>64.14</b>	<b>54.50</b>

The detailed calculation regarding the same is specified in the UERC formats and model being submitted along with this petition. Also, the terms of loan for each of the loans availed is also being submitted as **Annexure-3** of this petition for the perusal of the Hon'ble Commission.

## 2.6. Interest on Working Capital

The Petitioner has considered Working Capital computation as per the provisions of UERC Tariff Regulations 2015. SBI PLR as on 05/10/2015 has been considered as the interest rate for computing the interest on working capital. The source along with the historic values of SBI PLR rate are attached as **Annexure-5** or this petition. The table below depicts the proposed Interest on Working Capital for FY 2016-17:

**Table 24 : Interest on Working Capital for FY 2016-17 (Figures in Rs Crore)**

Particulars	Approved	Revised Estimate
O&M Expenses of one month	11.03	11.70
Maintenance at 15% of O&M	19.86	21.06
Two months receivables	43.51	45.67
Working Capital	74.40	78.42
Rate of Interest on Working Capital	14.05%	14.05%
<b>Interest on Working Capital</b>	<b>10.45</b>	<b>11.02</b>

The Petitioner prays to the Hon'ble Commission to approve the interest on Working Capital for FY 2016-17 as proposed.

## 2.7. Return on Equity

The closing balance of equity for FY 2015-16 as computed in the true-up section has been considered as the opening for FY 2016-17 and equity portion of the capitalized assets have been considered as equity addition during FY 2016-17.

The Computation of Opening Equity has been provided in table below:

**Table 25 : Computation of Opening Equity for FY 16-17 (Figures in Rs. Crore)**

Particulars	2015-16	2016-17
Opening Level of Equity	179.17	200.69
Addition	21.52	97.49
Closing Equity	200.69	298.18

Considering the revised opening equity base and in accordance with MYT Regulations, 2015, the revised RoE has been computed for the FY 2016-17. The computation of RoE for FY 2016-17 is summarized in table below:

**Table 26 : Computation of Reasonable Equity for FY 2016-17 (Figures in Rs Crore)**

Particulars	Approved	Revised Estimate
Opening Equity base eligible for Return	243.16	200.69
Addition	34.71	97.49
Closing Equity	277.87	298.18
Eligible Equity for Return	96.62	249.44
Rate of Return	15.50%	15.50%
Return on Equity	<b>14.98</b>	<b>38.66</b>

In the previous Tariff Orders issued by the Hon'ble Commission, the Return on Equity was not allowed to PTCUL on the ground that the equity provided by the Govt of Uttarakhand was out of Power Development Fund which was realized from the consumers in form of a Cess.

As per the Hon'ble Appellate Tribunal of Electricity (ATE) dated 15th May 2015 in R.P. No. 2 of 2015 in Appeal No. 163 of 2015,

*"The Tribunal has upheld the findings of the State Commission in the impugned order but has not given any finding relating to disallowance of ROE on the funds deployed by the State Government from PDF towards capital cost of the project. We feel that the findings of this Tribunal in Appeal no. 189 of 2005 will be applicable to the present case. If the State Commission has not provided the amount as a grant and has invested the amount as equity, **ROE has to be allowed as per the Regulations of the State Commission.** Accordingly this issue is decided in favour of the Petitioner."*

It is pertinent to mention that the above APTEL order also considered and gave its view on a second issue, that is the case of allowing transmission charges for 220 kV D/C Bhilangana-III- Ghansali line, an issue that is unrelated to the allowing RoE on account of PDF. However, M/s BHPL filed a Civil Appeal being C.A. No. 2368-2370 of 2015 before Hon'ble Supreme Court of India along with an interim application for stay against the

Judgment of Hon'ble ATE dated November 29, 2014. Hon'ble Supreme Court of India vide its Daily Order dated October 12, 2015 decided as under:

*"In the circumstances, we are of the opinion that the Orders of the respondent no. 3 dated 29.4.2013 and 6.5.2013 be stayed until further orders without prejudice to the rights of the respondents. The appellant-applicant will continue to pay the transmission charges at the rate for which it was paying during the pendency of the appeals."*

**It is crucial to note that the stay ordered by the Hon'ble Supreme Court is on a particular order of Hon'ble UERC which was over the issue of allowing transmission charges for 220 kV D/C Bhilangana-III- Ghansali line, and not about the allowance RoE on account of PDF.**

Also, the Petitioner is in process of seeking clarification and removing stay on the said order and the next date for hearing of the same has been set as December 02, 2016. The Petitioner is hopeful of receiving the clarification and removing the stay in the current financial year, hence the Petitioner has claimed Return on Equity of fund received through PDF also in this petition.

The Petitioner submits that as per the provisions of the National Tariff Policy, 2006 notified by the Central Government, "The rate of Return should be such that it allows generation of reasonable surplus for growth of the sector". In view of the same, the Petitioner submits to the Hon'ble Commission that due to non-consideration of equity infused by the GoU for the purpose of computation of Return on Equity in the Tariff Orders, the surplus allowed in the ARR for the respective years is negligible. This disallowance not only restricts internal surplus generation but also adversely impacts the financial position of the Petitioner. Therefore, PTCUL humbly requests the Hon'ble Commission to consider the proposal with regard to Return on Equity as submitted in this petition.

## ***2.8. Incentive for achieving Target Availability***

In accordance with the Tariff Regulations 2015, Incentive depends on the actual availability at the end of the year. The Petitioner has billed the incentive amount on account of higher availability during FY 2014-15 and FY 2015-16. For FY 2016-17, the Petitioner will bill for incentive at the end of the year.

## ***2.9. Non-Tariff income***

The non-tariff income has been estimated to increase by 5% from the actual non-tariff income of 2015-16 as determined in the true up. Hence the petitioner prays that the non-tariff income of Rs 6.42 Crore be approved by the Hon'ble Commission.

## ***2.10. Aggregate Revenue Requirement***

As per the parameters discussed above, the revised ARR of PTCUL for FY 2016-17 is summarized in the table below:

**Table 27 : Approved and Revised Estimate of ARR for FY 2016-17 (Figures in Rs Crore)**

<b>Particulars</b>	<b>Approved</b>	<b>Revised Estimate</b>
Net O&M expenses	132.41	140.37
Interest charges	64.14	54.50
Depreciation	62.49	60.92
Interest on Working Capital	10.45	11.02

<b>Particulars</b>	<b>Approved</b>	<b>Revised Estimate</b>
Reasonable Return	14.98	38.66
<b>Gross Expenditure</b>	<b>284.47</b>	<b>305.47</b>
Less: Non-Tariff Income	2.67	6.42
<b>Net Expenditure</b>	<b>281.80</b>	<b>299.05</b>
Add : True up of previous years including carrying cost	-6.52	-6.52
Less: SLDC related expense	10.08	14.35
Add: Impact of revised year wise Capitalisation of REC II Scheme for previous years	-4.16	-4.16
<b>Aggregate Revenue Requirement</b>	<b>261.04</b>	<b>274.02</b>

The Petitioner requests the Hon'ble Commission to approve the Revised Aggregate Revenue Requirement of PTCUL for FY 2016-17 as estimated in the table above.

## 3. Aggregate Revenue Requirement for FY 2017-18

### 3.1. Capital Expenditure and Capitalization

In the Tariff Order for the first Control Period, the Hon'ble Commission has approved the Business Plan and Multi Year Tariff Petition of PTCUL. Based on detailed analysis of the submission made by PTCUL in the Business Plan, the Hon'ble Commission has approved Capital Expenditure for each year of the Control Period against each scheme. Accordingly, Capitalization for each year has been approved for the purpose of computation of various parameters of ARR.

Based on the estimated works to be completed during months of FY 2017-18, PTCUL estimates that it would be able to surpass the Capitalization targets approved for FY 2017-18. The details of the works estimated to be completed and capitalized is provided in the table below:

**Table 28: Works Estimates to be completed during FY 2017-18 (Figures in Rs Crore)**

S.No.	Name of Project	Cost of project	Region	Division
1	220 KV GIS s/s IIP, Harrawala , Dehradun	65.87	Garhwal	Projects
2	Construction of 132 KV Purkul- Bindal link line (10.73 Km.)	8.00	Garhwal	Projects
3	220 KV s/s Piran Kaliyar (2*50 MVA)	46.12	Garhwal	Projects
4	220 KV s/s Piran Kaliyar (Non Turnkey civil works)	4.50	Garhwal	Civil Project
5	Stringing of Second circuit of 132 KVSatpuli Kotdwar Line with Single Panther conductor	22.75	Garhwal	Projects
6	Augmentation of Transformer from 2x40 MVA to 3x40 MVA at 220KV Substation, Kamaluaganja (Haldwani)	6.70	Kumaon	O&M
7	I/C of existing 33KV Capacitor Bank from 2X5 MVAR TO 3X5 MVAR at 132KV Substation, Almora	0.40	Kumaon	O&M
8	Supply and Commissioning of 2X5MVA capacitor bank at 132 KV Substation, Kathgodam	0.45	Kumaon	O&M
9	Provision of additional 2X5 MVAR 33 KV Capacitor Bank at 132 KV Substation, Pithoragarh	0.56	Kumaon	O&M
10	Replacement of 1x3x5MVA T/F bank with 20MVA Transformer at 132 KV Bhowali (T/F at Bajpur shall be utilized)	0.32	Kumaon	O&M
11	Increasing capacity of 132 KV S/S Jaspur from 2x40MVA to 3x40MVA.	7.66	Kumaon	O&M
12	Installation of 1 no. 315MVA T/F (400/220KV) at 400KV Substation, Kashipur	19.34	Kumaon	O&M
13	Construction of 02 Nos. 400KV Bay at 400KV Substation, Kashipur ((i) Bay for 315MVA T/F-III (ii) Bay for future 400KV Srinagar-Kashipur line II ckt)	10.06	Kumaon	O&M
14	Supply and installation of 125MVAR Reactor & associated bay and related work at 400KV Substation, Kashipur	14.93	Kumaon	O&M
15	Construction of 220 KV Bus Sectionizing at 400KV Substation, Kashipur	0.98	Kumaon	O&M

16	Installation of 01 no. 160MVA T/F (220/132KV) and its associated bays at 400KV Substation, Kashipur	18.39	Kumaon	O&M
17	Construction of 1 Nos. 220KV T/F Bay at 400KV Substation, Kashipur	2.71	Kumaon	O&M
18	Construction of 1 Nos. 132KV Bay and related works at 400KV Substation, Kashipur	2.37	Kumaon	O&M
19	Installation of 01 No. 40MVA T/F and its 132 KV bay at 400KV Substation, Kashipur	5.18	Kumaon	O&M
20	Construction of 03 no. 33KV bays and related work at 400KV Substation, Kashipur	1.66	Kumaon	O&M
21	Work of replacement of old ACSR panther conductor with HPC conductor in 132 KV Kashipur(400) – Kashipur Ckt-II line at 132 KV Substation, Kashipur	3.20	Kumaon	O&M
22	Stringing of HPC in second circuit of 132 KV Kashipur(400) –Bazpur line along with construction of one no. 132 KV bay at 132 KV S/S Bazpur	14.08	Kumaon	O&M
23	Replacement of 02 Nos 220KV D/C towers (with DD+15) at location no 55 & 56 in 220 KV Kashipur(400)- Mahuakheraganj line for providing safe clearance.	3.70	Kumaon	O&M
24	Increasing capacity of 132 KV S/S Ramnagar from 1x20+1x40MVA to 2x40MVA	4.00	Kumaon	O&M
25	Construction of 02 Nos. 132KV Bay at 132KV S/s Jaspur	2.76	Kumaon	O&M
26	I/C of 132 KV S/S, Kichha from 2 X 40 to 3 x 40 MVA alongwith construction of Bus Coupler bay at Kichha.	4.85	Kumaon	O&M
27	Replacement of ACSR Panther conductor in 132 KV Pantnagar-Rudrapur line with ACCC Casablanca conductor	8.00	Kumaon	O&M
28	Construction of 01 no. 33KV Bay against requirement of UPCL at 132 KV Substation, Almora	0.23	Kumaon	O&M
29	Provision of Hybrid module (due to space constraint) for construction of Transfer Bus at 132KV S/s, Pithoragarh	1.59	Kumaon	O&M
30	Augmentation of 132KV T/F from 2x20MVA +2x3x5VMA T/F to 1x40MVA+1x20MVA +2x3x5VMA at 132KV Substation Pithoragarh	4.27	Kumaon	O&M
31	Construction of Type 2,3 4 residences for 220 KV MahuakheraGanj S/s (Additional Capitalization)	4.75	Kumaon	Projects
32	LILO Of 220KV Kashipur-Pantnagar line at 220KV S/s Jafarpur	8.34	Kumaon	Projects
33	132 KV S/S Sitarganj (ELDECO)(Additional Capitalization for Civil Works)	1.19	Kumaon	Projects
34	132 KV S/S Lohaghat	93.16	Kumaon	Projects
35	Increasing capacity of 132/33 KV S/S Srinagar from 1X20 MVA+1X40 MVA to 2X40 MVA	6.03	Garhwal	O&M
36	Increasing capacity of 132/66 KV S/S Srinagar from 1X20 MVA+1X15 MVA to 2X20 MVA	3.12	Garhwal	O&M
37	Replacement of old 1X20 MVA transformer by new 1X20 MVA transformer Simli.	3.60	Garhwal	O&M
38	Proposed 220 KV Puhana- Piran Kaliyar D/C line	15.75	Garhwal	O&M
39	Increasing capacity of 2X25 MVA to 1X25+1X50 MVA at 220 KV S/S Chamba	10.28	Garhwal	O&M

40	Augmentation of 132 KV Substation Kotdwar from 2x40 MVA to 3x40 MVA by procurement, erection & commissioning of 01 No 132/33 KV 40MVA Transformer & Construction of 03 Nos. 33 KV Bays at 132 KV S/S Kotdwar (P.G.)	10.20	Garhwal	O&M
41	Augmentation of 132 KV Substation Bindal from 2x40 MVA to 3x40 MVA by procurement, erection & commissioning of 01 No 132/33 KV 40MVA Transformer & Construction of 132 KV & 33 KV Bays at 132 KV S/S Bindal	8.61	Garhwal	O&M
42	Shifting of 132 kv Lines in Dev Sanskriti Vishwavidyalya in Shantikunj	3.89	Garhwal	O&M
43	Increasing capacity 2X40 MVA (132/33 KV) to 3X40 MVA (132/33 KV) at 132 KV S/S Laksar	8.19	Garhwal	O&M
44	Civil work, 132 KV S/S Srinagar (G)	2.34	Garhwal	Civil O&M
45	Civil work, 220 KV S/S Chamba	1.20	Garhwal	Civil O&M
46	Civil work, 400/220/132 KV S/S Virbhadrha Rishikesh	2.74	Garhwal	Civil O&M
47	Civil work, 220 KV S/S SIDCUL	2.62	Garhwal	Civil O&M
48	Civil work, 132 KV S/S Bhagwanpur	0.03	Garhwal	Civil O&M
49	Civil work, 132 KV S/S Manglore	0.71	Garhwal	Civil O&M
50	Civil work, 132 KV S/S Laksar	1.92	Garhwal	Civil O&M
51	Civil work, 132 KV S/S Jwalapur (Haridwar)	0.09	Garhwal	Civil O&M
52	Civil work, 132 KV S/S Bhopatwala Haridwar	3.82	Garhwal	Civil O&M
53	Civil work, 132 KV S/S Kotdwar (G)	2.12	Garhwal	Civil O&M
54	Civil work, 132 KV S/S Simli (G)	0.83	Garhwal	Civil O&M
55	Civil work, 132 KV S/S Majra Dehradun	0.70	Garhwal	Civil O&M
56	Civil work, 400 KV S/S Kashipur	3.31	Kumaon	Civil
57	Civil work, 220 KV S/S Kamalvaganja	2.60	Kumaon	Civil
58	Civil work, 132 KV S/S Almora	2.93	Kumaon	Civil
59	Civil work, 132 KV S/S Ranikhet	2.42	Kumaon	Civil
60	Renovation & upgradation of protection system of PTCUL under PSDF	31.70	PSDF Grant	
	<b>Total</b>	<b>524.82</b>		

The comparison with the approved figures is as follows.

**Table 29: GFA addition estimated against approved values (Figures in Rs Crore)**

Particulars	Approved	Revised Estimate
GFA Addition	137.82	524.82

Considering the existing status of the above mentioned projects, which is discussed in the form 19 which is submitted along with this petition, PTCUL would be in a position to meet the Capitalization planned for FY 2017-18.

### ***3.2. Operation and Maintenance Expenditure***

The Tariff Regulations provide that the Operation and Maintenance (O&M) Expenses shall comprise of the following:-

- Salaries, wages, pension contribution and other employee costs;
- Administrative and General Expenses including insurance charges if any;

(c) Repairs and Maintenance Expenses;

The Tariff Regulations provide that the O&M expenses for the first year of the Control Period will be approved by the Hon'ble Commission taking into account the actual O&M expenses for last five years till Base Year subject to prudence check and any other factors considered appropriate by the Hon'ble Commission.

The Tariff Regulations further provide that the O&M Expenses for the nth year shall be approved based on the formula given below:-

$$\mathbf{O\&M_n = R\&M_n + EMP_n + A\&G_n}$$

Where –

O&M<sub>n</sub> – Operation and Maintenance Expense for the nth year;

EMP<sub>n</sub> – Employee Costs for the nth year;

R&M<sub>n</sub> – Repair and Maintenance Costs for the nth year;

A&G<sub>n</sub> – Administrative and General Costs for the nth year;

Further the Regulations provide that the Employee Expenses shall be computed in the manner specified below:

### ***3.2.1. Employee Expenses***

$$\mathbf{EMP_n = (EMP_{n-1}) \times (1+G_n) \times (CPI\ inflation)}$$

Where -

EMP<sub>n-1</sub> – Employee Costs for the (n-1)th year;

CPI inflation – is the average increase in the Consumer Price Index (CPI) for immediately preceding three years;

G<sub>n</sub> is a growth factor for the nth year. Value of G<sub>n</sub> shall be determined by the Hon'ble Commission in the MYT tariff order for meeting the additional manpower requirement based on Transmission Licensee's filings, benchmarking and any other factor that the Hon'ble Commission feels appropriate:

The table below provides the Consumer Price Indices for the past few years.

**Table 30 : Consumer Price Index**

Year	Jan	Feb	Mar	April	May	June	July	August	Sept	Oct	Nov	Dec	Average (Apr-Mar)
FY 2007	127.00	128.00	127.00	128.00	129.00	130.00	132.0	133.00	133.00	134.0	134.0	134.00	<b>125.00</b>
FY 2008	134.00	135.00	137.00	138.00	139.00	140.00	143.0	145.00	146.00	148.0	148.0	147.00	<b>132.75</b>
FY 2009	148.00	148.00	148.00	150.00	151.00	153.00	160.0	162.00	163.00	165.0	168.0	169.00	<b>144.83</b>
FY 2010	172.00	170.00	170.00	170.00	172.00	174.00	178.00	178.00	179.00	181.00	182.0	185.00	<b>162.75</b>
FY 2011	188.00	185.00	185.00	186.00	187.00	189.00	193.0	194.00	197.00	198.0	199.0	197.00	<b>179.75</b>
FY 2012	198.00	199.00	201.00	205.00	206.00	208.00	212.0	214.00	215.0	217.0	218.0	219.00	<b>194.83</b>
FY 2013	221.00	223.00	224.0	226.00	228.00	231.00	235.0	237.00	238.0	241.0	243	239.0	<b>215.17</b>

Year	Jan	Feb	Mar	April	May	June	July	August	Sept	Oct	Nov	Dec	Average (Apr-Mar)
FY 2014	237.00	238.0	239.00	242.00	244.00	246.00	252.0	253.00	253.0	253.0	253.0	253.00	<b>236.00</b>
FY 2015	254.00	253.00	254.00	256.00	258.00	261.00	263.0	264.00	266.00	269.00	270.00	269.00	<b>250.83</b>
FY 2015	269.00	267.00	268.00	271.00	275.00	277.00	280.00	278.00	277.00				<b>265.00</b>

The average increase in the CPI indices for immediately preceding three years is 7.21%. Further the PTCUL has prepared elaborate additional employee recruitment projections for the plan period. The recruitment plan is specified in the table below.

**Table 31: Recruitment Plan for FY 2017-18**

Particulars	Approved	Revised Estimate
Opening no. of Employees	953	1038
Recruitment	38	104
Retirement	31	31
Closing No. of Employees	960	1111

Considering the above, the projected employee expenses for FY 2017-18:

**Table 32 : Employee Expenses for FY 2017-18 (Figures in Rs. Crore)**

Particulars	Approved	Revised Estimate
Employee Expenses	103.56	110.81

### ***3.2.2. Repair & Maintenance (R&M) Expenses***

The tariff regulations provide that the Repair and Maintenance Expenses shall be computed in the manner specified below:

$$R\&M_n = K \times (GFAn-1) \times (1+WPI \text{ inflation})$$

Where -

'K' is a constant specified by the Hon'ble Commission in %. Value of K for each year of the control period shall be determined by the Hon'ble Commission in the MYT Tariff order based on Transmission Licensee's filing, benchmarking of Repair and Maintenance Expenses, approved Repair and Maintenance Expenses vis-à-vis GFA approved by the Hon'ble Commission in past and any other factor considered appropriate by the Hon'ble Commission;

GFAn-1 - Gross Fixed Asset of the Transmission Licensee for the (n-1)th year;

WPI inflation – is the average increase in the Wholesale Price Index (WPI) for immediately preceding three years;

The Average Wholesale Price Indices over the last few years is provided in the table below:

**Table 33 : Wholesale Price Indices**

Financial Year	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
WPI	176.70	181.20	177.60	167.60	156.10	143.30

The average increase in the WPI indices for immediately preceding three years is 1.83%.

The Petitioner has arrived at the value of K by increasing the K factor (average of ratio of R&M expenses and GFA) of FY 2016-17 by the average increase in the WPI inflation over FY 2013-14 to FY 2015-16). The detailed calculations can be found in the models being submitted along with this petition.

**Table 34 : R&M Expenses for FY 2017-18 (Figures in Rs. Crore)**

Particulars	Approved	Revised Estimate
K factor	1.78%	2.24%
WPI inflation	5.11%	1.83%
<b>R&amp;M Expense</b>	<b>25.69</b>	<b>31.53</b>

### **3.2.3. Administrative and General Expenses**

The Tariff Regulations provide that the A&G Expenses shall be computed in the manner specified below:

$$A\&G_n = (A\&G_{n-1}) \times (1+WPI \text{ inflation}) + \text{Provision}$$

Where -

A&G<sub>n-1</sub> – Administrative and General Costs for the (n-1)th year;

WPI inflation – is the average increase in the Wholesale Price Index (WPI) for immediately preceding three years;

Provision: Cost for initiatives or other one-time expenses as proposed by the Transmission Licensee and approved by the Hon'ble Commission after prudence check.

The A&G expenses have been projected considering Rs. 17.10 Crore in FY 2016-17 and thereafter escalated each year by the WPI index of 1.83%.

**Table 35 : Administrative and General Expenses for FY 2017-18 (Figures in Rs Crore)**

Particulars	Approved	Revised Estimate
A&G Expenses	15.18	17.42

### **3.2.4. Total Operation and Maintenance Expenses**

Considering the foregoing sections, the total Operation and Maintenance Expenses have been summarized in the table below:

**Table 36 : Operation and Maintenance Expenses for FY 2017-18 (Figures in Rs Crore)**

Particulars	Approved	Revised Estimate
Employee Expenses	103.56	110.81
R&M Expenses	25.69	31.53
A&G Expenses	15.18	17.42
<b>Total O&amp;M Expenses</b>	<b>144.43</b>	<b>159.76</b>

## **3.3. Depreciation**

The closing Gross Fixed Asset at the end of FY 2016-17 has been provided in the chapter for APR. Average depreciation rate of 5.28% for FY 2016-17 has been considered for the purpose of computing depreciation on PTCUL

the Gross Fixed Assets at the beginning of the year for FY 2017-18. The computation for revised depreciation is similar to that followed by the Hon'ble Commission in the MYT Order and is detailed in table below:

**Table 37 : Depreciation for FY 2017-18 (Figures in Rs Crore)**

Particulars	Revised Estimate
Opening Depreciable GFA	1316.22
Addition in GFA	524.82
Less: Grants	31.70
Depreciable assets of addition	493.12
Closing GFA eligible for depreciation	1809.34
Depreciation Rate (%)	5.28%
<b>Depreciation</b>	<b>82.51</b>

The Petitioner prays to the Hon'ble Commission to approve the revised depreciation charges for FY 2017-18, as proposed in the table above.

### **3.4. Interest on Term Loan**

For the purpose of projection of Interest on Term-Loans for FY 2017-18, PTCUL has considered the closing loans for FY 2016-17 based on the loan amount corresponding to the assets capitalized in each year considering the approved means of finance by the Hon'ble Commission in the MYT Order and additions during FY 2016-17 as per the approved loans.

The revised interest rates are based on the actual effective weighted average interest rate of 11.72% as per audited accounts for FY 2015-16 has been considered as against the approved 12.13% in the MYT Order. It is The Hon'ble Commission is requested to consider the incidental interest rate for approval of interest and finance charges for FY 2017-18.

Further, the repayment of loans for each year has been considered as equivalent to the depreciation computed above for FY 2017-18. The computation of interest for FY 2017-18 is summarized in table below:

**Table 38 : Interest on Term Loans for FY 2017-18 (Figures in Rs Crore)**

Particulars	Approved	Revised Estimate
Opening Loan	538.04	548.45
Addition	96.47	345.18
Repayment	69.17	82.51
Closing	565.35	811.12
Effective Interest Rate	12.13%	11.72%
<b>Interest Expense</b>	<b>66.92</b>	<b>79.64</b>

The detailed calculation regarding the same is specified in the UERC formats being submitted along with this petition. Also, the terms of loan for each of the loans availed is also being submitted as Annexure 3 of this petition for the perusal of the Hon'ble commission.

### **3.5. Interest on Working Capital**

The Petitioner has considered working capital computation as per the provisions of UERC Tariff Regulations 2015. SBI PLR as on 05/10/2015 has been considered as the interest rate for computing the interest on working

capital. The source along with the historic values of SBI PLR rate are attached as Annexure 5 or this petition. The table below depicts the proposed interest on working capital for FY 2017-18:

**Table 39 : Interest on Working Capital (Figures in Rs Crore)**

Particulars	Approved	Revised Estimate
O&M Expenses of one month	12.04	13.31
Maintenance at 15% of O&M	21.66	23.96
Two months receivables	49.34	72.48
Working Capital	83.04	109.76
Rate of interest on working capital	14.05%	14.05%
<b>Interest on Working Capital</b>	<b>11.67</b>	<b>15.42</b>

The Petitioner prays to the Hon'ble Commission to approve the interest on Working Capital for FY 2017-18 as proposed.

### **3.6. Return on Equity**

The closing balance of Equity for FY 2016-17 as computed in the APR section has been considered as the opening for FY 2017-18 and Equity portion of the capitalized assets have been considered as Equity addition during FY 2017-18.

The computation of Opening Equity has been provided in table below:

**Table 40 : Computation of Opening Equity for FY 17-18 (Figures in Rs. Crore)**

Particulars	2015-16	2016-17
Opening Level of Equity	200.69	298.18
Addition	97.49	147.94
Closing Equity	298.18	446.12

Considering the revised opening Equity base and in accordance with MYT Regulations, 2015, the revised RoE has been computed for the FY 2017-18. The computation of RoE for FY 2017-18 is summarized in table below:

**Table 41 : Computation of Reasonable Equity for FY 2017-18 (Figures in Rs Crore)**

Particulars	Approved	Revised Estimate
Opening Equity base eligible for Return	277.87	298.18
Addition	41.35	147.94
Closing Equity	319.22	446.12
Eligible Equity for Return	131.33	372.15
Rate of Return	15.50%	15.50%
Return on Equity	<b>20.36</b>	<b>57.68</b>

In the previous Tariff Orders issued by the Hon'ble Commission, the Return on Equity was not allowed to PTCUL on the ground that the equity provided by the Govt of Uttarakhand was out of Power Development Fund which was realized from the consumers in form of a Cess.

As per the Hon'ble Appellate Tribunal of Electricity (ATE) dated 15th May 2015 in R.P. No. 2 of 2015 in Appeal No. 163 of 2015,

*“The Tribunal has upheld the findings of the State Commission in the impugned order but has not given any finding relating to disallowance of ROE on the funds deployed by the State Government from PDF towards capital cost of the project. We feel that the findings of this Tribunal in Appeal no. 189 of 2005 will be applicable to the present case. If the State Commission has not provided the amount as a grant and has invested the amount as equity, **ROE has to be allowed as per the Regulations of the State Commission.** Accordingly, this issue is decided in favour of the Petitioner.”*

It is pertinent to mention that the above APTEL order also considered and gave its view on a second issue, that is the case of allowing transmission charges for 220 kV D/C Bhilangana-III- Ghansali line, an issue that is unrelated to the allowing RoE on account of PDF. However, M/s BHPL filed a Civil Appeal being C.A. No. 2368-2370 of 2015 before Hon’ble Supreme Court of India along with an interim application for stay against the Judgment of Hon’ble ATE dated November 29, 2014. Hon’ble Supreme Court of India vide its Daily Order dated October 12, 2015 decided as under:

*“In the circumstances, we are of the opinion that the Orders of the respondent no. 3 dated 29.4.2013 and 6.5.2013 be stayed until further orders without prejudice to the rights of the respondents. The appellant-applicant will continue to pay the transmission charges at the rate for which it was paying during the pendency of the appeals.”*

**It is crucial to note that the stay ordered by the Hon’ble Supreme Court is over the issue of allowing transmission charges for 220 kV D/C Bhilangana-III- Ghansali line, and not about the allowance RoE on account of PDF.**

Also, the Petitioner is in process of seeking clarification and removing stay on the said order and the next date for hearing of the same has been set as December 02, 2016. The Petitioner is hopeful of receiving the clarification and removing the stay in the current financial year, hence the Petitioner has claimed Return on Equity of fund received through PDF also in this petition.

The Petitioner submits that as per the provisions of the National Tariff Policy, 2006 notified by the Central Government, “The rate of return should be such that it allows generation of reasonable surplus for growth of the sector”. In view of the same, the Petitioner submits to the Hon’ble Commission that due to non-consideration of equity infused by the GoU for the purpose of computation of Return on Equity in the Tariff Orders, the surplus allowed in the ARR for the respective years is negligible. This disallowance not only restricts internal surplus generation but also adversely impacts the financial position of the Petitioner. Therefore, PTCUL humbly requests the Hon’ble Commission to consider the proposal with regard to Return on Equity as submitted in this petition.

### **3.7. Revenue Gap and Carrying Cost**

Based on the true-up of FY 2015-16, the revenue gap computed for the respective year is provided in table below:

**Table 42 : Revenue Gap for FY 2015-16 (Figures in Rs Crore)**

Financial year	FY 2015-16
Revenue Surplus /(Gap)	(47.73)

The Petitioner requests the Hon’ble Commission to allow recovery of the Revenue Gap of FY 2015-16 in the transmission charges to be approved by the Hon’ble Commission for FY 2017-18 and also allow for Carrying Cost on the under-recovered amount during FY 2016-17.

Accordingly, the Petitioner has computed the carrying cost on the Revenue Gap for FY 2015-16 considering the applicable SBI PLR rate which is provided in the table below:

**Table 43 : Capital Expenditure and Capitalization for Control Period (Figures in Rs Crore)**

Particulars	FY 2015-16	FY 2016-17	FY 2017-18	Total
Opening Revenue Gap (including carrying cost)		54.44	62.09	
Addition	47.73			
Closing Revenue Gap	47.73	54.44	0.00	
Interest Rate	14.05%	14.05%	14.05%	
Carrying Cost	6.71	7.65	4.36	18.72
Effective gap including carrying cost				<b>66.45</b>

PTCUL requests the Hon'ble Commission to include the effective adjustment of Rs. 1.09 Crore in the ARR for FY 2017-18 for recovery through Transmission Charges.

### ***3.8. Return on Equity on account of Power Development Fund***

The issue of allowing RoE on account of PDF was raised in the previous tariff petition. However the same was disallowed by the Hon'ble Commission in its tariff order. The petitioner then prayed to the Hon'ble commission to reconsider this issue through a Review Petition on which the Hon'ble Commission released its order on 11 July 2016. The specific issues as raised in the order on review petition are as follows.

- The Petitioner submitted that it had claimed a recovery of Rs. 114.84 Crore in the proposed Annual Transmission Charges for FY 2016-17 on account of the RoE on GoU contribution from PDF for past years which was disallowed by the Hon'ble Commission for the following reasons: -

*“With regard to the reference of the Order dated May 15, 2015 of Hon'ble ATE in the matter of M/s BHPL and PTC, the Commission reiterates its views expressed at Para 5.3.3 of this Order that the aforesaid Order issued in R. P. No. 2 of 2015 in Appeal No. 163 of 2015 have been issued on a different matter and, accordingly, Return on Equity on the Government contribution from PDF has not been allowed for the past years till FY 2013-14. The Petitioner also submitted that the Order of Hon'ble ATE referred by the Petitioner has been stayed by the Hon'ble Supreme Court of India. Nevertheless, the Hon'ble ATE in its Order had nowhere directed the Commission to reopen the Commission's Orders for the Petitioner for the previous years. Hence, the Commission does not find the claim of the Petitioner in this regard as tenable.”*

- The Petitioner submitted that there was an error apparent on record considering the facts recorded in the order of the Hon'ble APTEL and the finding therein because of which the reason of refusal has been against the record causing an error. PTCUL further submitted that the Hon'ble Commission had held that Hon'ble ATE in its Order had nowhere directed the Hon'ble Commission to reopen the Hon'ble Commission's Orders which showed that the Hon'ble Commission itself was considering the matter as per general principle and independently of the same, yet has refused to consider the law and the principle determined by the Hon'ble APTEL by stating that no specific directions were issued to the State Commission to re-open the Hon'ble Commission's order for previous years. PTCUL submitted that no specific directions are required for applying the law of land or the principles determined by the Hon'ble APTEL. Further, no such orders could have been passed in the said matter and the Hon'ble Commission should have considered the same independently as per the clarity given by the Hon'ble APTEL regarding grant of RoE in the said order.

- The Petitioner further submitted that in case the Hon'ble Commission was of the view that the matter was subject to adjudication before the Hon'ble Supreme Court of India and it was not proper to dwell upon the said issue, then in such case it was not proper to have kept the matter in abeyance and not to decide the matter till the decision of the Hon'ble Court but passing a specific and express Order on the issue thereby disallowing the ROE was an apparent error.
- Taking cognizance of the above points the Hon'ble commission arrived at the opinion that deciding on the issue of Return on Equity on PDF while the case is pending in the Supreme Court is barred under Section 11 of the Code of Civil Procedure, 1908 of the Code of Civil Procedure. Accordingly, the Hon'ble Commission also clarified that raising the issue again in the Hon'ble Commission while it is pending in the Hon'ble Supreme Court amounts to Res-Judicata and is not maintainable. The Hon'ble Commission conveyed that it would wait for the Apex Court's Orders on the issue and would decide accordingly.

The petitioner would like to reiterate that the **Hon'ble ATE in its Order had nowhere directed the Hon'ble Commission to reopen the Hon'ble Commission's Orders which showed that the Commission itself was considering the matter as per general principle and independently of the same, yet has refused to consider the law and the principle determined by the Hon'ble APTEL by stating that no specific directions were issued to the State Commission to re-open the Hon'ble Commission's order for previous years.**

**PTCUL would also like to submit that no specific directions are required for applying the law of land or the principles determined by the Hon'ble APTEL. Further, no such orders could have been passed in the said matter and the Hon'ble Commission should have considered the same independently as per the clarity given by the Hon'ble APTEL regarding grant of RoE in the said order while considering retrospective effects for previous years as well.**

It is pertinent to mention that the APTEL considered above also considered and gave its view on a second issue, that is the case of allowing transmission charges for 220 kV D/C Bhilangana-III- Ghansali line, an issue that is unrelated to the allowing RoE on account of PDF. However, M/s BHPL filed a Civil Appeal being C.A. No. 2368-2370 of 2015 before Hon'ble Supreme Court of India along with an interim application for stay against the Judgment of Hon'ble ATE dated November 29, 2014. Hon'ble Supreme Court of India vide its Daily Order dated October 12, 2015 decided as under:

*"In the circumstances, we are of the opinion that the Orders of the respondent no. 3 dated 29.4.2013 and 6.5.2013 be stayed until further orders without prejudice to the rights of the respondents. The appellant-applicant will continue to pay the transmission charges at the rate for which it was paying during the pendency of the appeals."*

**It is crucial to note that the stay ordered by the Hon'ble Supreme Court is on a particular order of Hon'ble UERC which was over the issue of allowing transmission charges for 220 kV D/C Bhilangana-III- Ghansali line, and not about the allowance RoE on account of PDF.**

Also, the Petitioner is in process of seeking clarification and removing stay on the said order and the next date for hearing of the same has been set as December 02, 2016. The Petitioner is hopeful of receiving the clarification and removing the stay in the current financial year, hence the Petitioner has claimed Return on Equity of fund received through PDF also in this petition.

PTCUL requests the Hon'ble Commission to allow return on equity on the NABARD, REC Old and REC IV schemes as well which have been developed by utilizing the State Government equity. The computation of Return on Equity on these schemes is provided in table below:

**Table 44 : Details of Capitalization as per Accounts of PTCUL (Rs. Crore)**

Capitalization as per Accounts	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14
Nabard Equity	-	-	69.14	93.12	27.87	42.89	12.17	49.42	1.67	1.14
REC Old Equity	3.21	18.86	-	4.61	-	0.02	45.27	64.03	8.98	54.20
REC IV	-	-	-	-	-	-	20.67	22.64	22.85	50.60

**Table 45 : Equity Portion of the Schemes and Computation of RoE as per Regulations (Rs.Crore)**

Capitalization as per Accounts	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14
Nabard Equity @19%	-	-	13.14	17.69	5.30	8.15	2.31	9.39	0.32	0.22
REC Old Equity @18%	0.58	3.39	-	0.83	-	0.00	8.15	11.53	1.62	9.76
REC IV @30%	-	-	-	-	-	-	2.93*	6.79	6.86	15.18
Total Equity	0.58	3.39	13.14	18.52	5.30	8.15	13.39	27.71	8.79	25.15
Opening Equity	0	0.58	3.97	17.11	35.63	40.93	49.08	62.47	90.18	98.97
Return	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	15.50%
<b>RoE</b>	-	<b>0.08</b>	<b>0.56</b>	<b>2.40</b>	<b>4.99</b>	<b>5.73</b>	<b>6.87</b>	<b>8.75</b>	<b>12.63</b>	<b>15.34</b>

Further, PTCUL requests the Hon'ble Commission to approve appropriate carrying cost on the above computed Return on Equity as computed below:

**Table 46 : Return on Equity including Carrying Cost (Rs.Crore.)**

Capitalization as per Accounts	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY 18
Opening	0.68	3.30	9.00	16.19	25.36	37.97	57.13	82.03	93.88	107.07	122.12
Addition	2.40	4.99	5.73	6.87	8.75	12.63	15.34				
Closing	3.07	8.29	14.73	23.06	34.11	50.60	72.47	82.03	93.88	107.07	-
Rate for Carrying Cost	12.25%	12.25%	12.25%	11.75%	13.00%	14.75%	14.75%	14.45%	14.05%	14.05%	14.05%
Carrying Cost	0.23	0.71	1.45	2.31	3.87	6.53	9.56	11.85	13.19	15.04	8.58
<b>Closing bal including Carrying Cost</b>	<b>3.30</b>	<b>9.00</b>	<b>16.19</b>	<b>25.36</b>	<b>37.97</b>	<b>57.13</b>	<b>82.03</b>	<b>93.88</b>	<b>107.07</b>	<b>122.12</b>	<b>130.70</b>

As computed above, the total impact of Rs. 130.70 Crore (including carrying cost) is required to be approved on account of the Return on Equity disallowed on the NABARD, REC Old and REC IV schemes to PTCUL.

### **3.9. Non-Tariff income**

The non-tariff income has been estimated to increase by 5% from the actual non-tariff income of 2015-16 as determined in the true up. Hence the petitioner prays that the non-tariff income of Rs 6.74 Crore be approved by the Hon'ble Commission.

### **3.10. Income Tax and other Taxes**

As per Regulation 34 of the Tariff Regulations, 2015; Income Tax payable for each year of the control period is based on the actual income tax paid. Any variation in income tax actually paid & approved shall be reimbursed at the time of truing up for each year of the control period. Taxes on incomes and other taxes would be recovered on actual basis as and when incurred.

### 3.11. Incentive for achieving Target Availability

In accordance with the Tariff Regulations 2015, Incentive depends on the actual availability at the end of the year, hence same shall be considered at the time of truing up.

### 3.12. Aggregate Revenue Requirement for FY 2017-18

Based on the parameters discussed in the above paragraphs, the Projected Aggregate Revenue Requirement (ARR) of PTCUL for FY 2017-18 is provided in table below:

**Table 47 : ARR for Intra State Transmission for FY 2017-18 (Figures in Rs Crore)**

Particulars	Approved	Revised Estimate
Net O&M expenses	144.43	159.76
Interest charges	66.92	79.64
Depreciation	69.17	82.51
Interest on Working Capital	11.67	15.42
Reasonable Return	20.36	57.68
<b>Gross Expenditure</b>	<b>312.55</b>	<b>395.01</b>
Less: Non-Tariff Income	2.80	6.74
<b>Net Expenditure</b>	<b>309.75</b>	<b>388.27</b>
Add : True up of previous years including carrying cost (including gap from 15-16)	0.00	66.45
Less: SLDC related expense	13.72	19.81
<b>Aggregate Revenue Requirement</b>	<b>296.03</b>	<b>434.91</b>
<b>Provision for carrying cost on PDF</b>		<b>130.70</b>

### 3.13. ARR for FY 2015-16 to FY 2017-18 in respect of Bhilangana III (Ghuttu)- Ghansali line

The Hon'ble commission in its previous tariff order had disallowed the transmission charges for Bhilangana III (Ghuttu)- Ghansali line. The details of the case are discussed in brief as follows.

- The Hon'ble Commission in its Order dated April 29, 2013 has held as under:

*“With regard to 220 kV D/C Bhilangana-III- Ghansali line, the Commission considers this as a transmission line which will be primarily used for evacuation of power from existing and proposed hydro generating stations in the area. The Commission has taken note of the fact that as of now while one circuit of this double circuit line is strung upto 220 kV S/s at Chamba and is being used for evacuation of power from the existing generating station namely Bhilangana-III (24 MW) the other circuit is strung upto Ghansali and is proposed to be connected to upcoming 220 kV S/s at Ghansali. It is apparent that only one circuit has been energised and put to use. Taking cognizance of the provisions of the Tariff regulations that any capital expenditure towards creation of an asset is deem fit for capitalization only if that asset is put to use, therefore, the Commission has decided to allow cost of servicing/ARR on only 50% of the capital cost incurred by the Petitioner towards the construction of the 220 kV D/C Bhilangana –III- Ghansali line which shall be recovered from the generator namely Bhilangana-III SHP, the only beneficiary as of now, subject to pro-rata recovery of this cost from other generators as and when they are commissioned and connected with this line. As far as the recovery of the balance capital cost of the*

*line, disallowed as above, the Commission will take a view as and when the second circuit of the line is energised and put to use...*

*The Commission has decided that the transmission charges payable by the Generator towards 220 kV D/C Bhilangana-III-Ghansali line shall be determined in the proposed Tariff Order for PTCUL for the 1st control period (FY14 to FY16) on principles mentioned in Para 17 of this Order. These charges are provisional and will be replaced by the charges determined under the PoC mechanism by CERC. The Commission allows the Petitioner to recover these charges till December 2013 or till charges under PoC mechanism are determined. In case charges under PoC mechanism are not determined till December 2013, Petitioner should come up for further continuance of these charges furnishing details of efforts made/actions taken in this regard. The Commission may consider further continuance of these charges after satisfying itself of the due diligence of the Petitioner."*

- Further, the Hon'ble Commission in its Tariff Order dated May 6, 2013 had determined the provisional transmission charges for FY 2011-12 to FY 2015-16 and had directed the Petitioner to ensure compliance of the directions of the Hon'ble Commission given in the Order dated April 29, 2013.
- Appeals had been filed both by M/s BHPL and PTCUL on the above stated Orders of the Hon'ble Commission. The Appeals were settled vide the Order of Hon'ble ATE in Appeal No. 128, 129 and 163 of 2013 dated November 29, 2014 and Order dated May 15, 2015 in R.P. No. 2 of 2015 in Appeal No. 163 of 2015. Meanwhile M/s BHPL filed a Civil Appeal being C.A. No. 2368-2370 of 2015 before Hon'ble Supreme Court of India along with an interim application for stay against the Judgment of Hon'ble ATE dated November 29, 2014. Hon'ble Supreme Court of India vide its Daily Order dated October 12, 2015 decided as under:

*"In the circumstances, we are of the opinion that the Orders of the respondent no. 3 dated 29.4.2013 and 6.5.2013 be stayed until further orders without prejudice to the rights of the respondents. The appellant-applicant will continue to pay the transmission charges at the rate for which it was paying during the pendency of the appeals."*

- In light of the decision of the Hon'ble Supreme Court of India reproduced above, the Hon'ble Commission decided that as the matter is sub-judice, the Hon'ble Commission would not approve the ARR for Bhilangana III – Ghansali Line for the second Control Period from FY 2016-17 to FY 2018-19 .

The Petitioner would like submit that the decision of Hon'ble supreme does not restrict the Petitioner from appealing for approval of its ARR on account of transmission charges and neither does it restrict the Hon'ble commission from discharging its duties of approving the corresponding ARR. The Hon'ble Supreme Court's order dated October 12, 2015 is reproduced as follows:

*"In the circumstances, we are of the opinion that the Orders of the respondent no. 3 dated 29.4.2013 and 6.5.2013 be stayed until further orders **without prejudice to the rights of the respondents. The appellant-applicant will continue to pay the transmission charges at the rate for which it was paying during the pendency of the appeals.**"*

Accordingly the petitioner prays to the Hon'ble Commission to approve the ARR for Bhilangana III (Ghuttu)-Ghansali line as per the calculations shown in the following sections.

### **Capitalisation and GFA**

The actual expenditure of 220 kV Bhilangana-III – Ghansali Line as Rs. 21.80 Crore against the Hon'ble Commission approved cost of Rs. 21.91 Crore. In line with the Hon'ble Commission's approach, the Petitioner has considered only 50% of capital cost incurred, i.e. Rs 10.90 Cr as GFA for calculation of tariff. The Petitioner

also prays the Hon'ble Commission to allow for filing of the revised tariff on charging of the second circuit of this line.

### Depreciation

The Petitioner has considered average depreciation rate of 5.28% for determining the depreciation for each year of FY 2015-16, FY 2016-17 and FY 2017-18, which works out to be Rs. 0.58 Crore for each year of the period.

### Means of Finance

The Petitioner has considered Debt-Equity ratio of REC-IV Scheme of 70:30 as approved by the Hon'ble Commission for 220 kV D/C Bhilangana-III –Ghansali Line also. Accordingly, out of total project cost of Rs. 10.90 Crore, the Debt component works out to Rs. 7.63 Crore and Equity component works out to Rs. 3.27 Crore.

### Interest on Loan

The Petitioner has claimed interest based on the interest rate of REC-IV at 13.78% as approved by the Hon'ble Commission. Petitioner has considered closing loan for FY 2014-15 as approved by the Hon'ble Commission in its order dated 6th May, 2013 as opening loan for FY 2015-16. The Petitioner has considered the repayment equal to depreciation in accordance with UERC Tariff Regulations, 2015. The table below shows the interest charges claimed for each year of the Control Period:

**Table 48 : Interest on Loans (Figures in Rs Crore)**

Debt Profile	FY 2015-16	FY 2016-17	FY 2017-18
Opening Loan	5.71	5.13	4.56
Normative Repayment (equal to depreciation)	0.58	0.58	0.58
Closing Loan	5.13	4.56	3.98
Average Loan	5.42	4.85	4.27
Interest Rate	13.78%	13.78%	13.78%
<b>Interest on Loan</b>	<b>0.75</b>	<b>0.67</b>	<b>0.59</b>

### Return on Equity

The petitioner has considered return on the equity portion of the capitalised assets. The Petitioner has considering the opening equity as approved by the Hon'ble Commission in its order dated 6<sup>th</sup> May, 2013.

**Table 49 : Computation of Reasonable Return for the Control Period (Figures in Rs Crore)**

Equity Profile	FY 2015-16	FY 2016-17	FY 2017-18
Opening Equity	3.27	3.27	3.27
Addition	0.00	0.00	0.00
Closing Equity	3.27	3.27	3.27
Return on equity rate	15.50%	15.50%	15.50%
<b>RoE</b>	<b>0.51</b>	<b>0.51</b>	<b>0.51</b>

In the previous Tariff Orders issued by the Hon'ble Commission, the Return on Equity was not allowed to PTCUL on the ground that the equity provided by the Govt of Uttarakhand was out of Power Development Fund which was realized from the consumers in form of a cess.

As per the Hon'ble Appellate Tribunal of Electricity (ATE) dated 15th May 2015 in R.P. No. 2 of 2015 in Appeal No. 163 of 2015,  
PTCUL

*“The Tribunal has upheld the findings of the State Commission in the impugned order but has not given any finding relating to disallowance of ROE on the funds deployed by the State Government from PDF towards capital cost of the project. We feel that the findings of this Tribunal in Appeal no. 189 of 2005 will be applicable to the present case. If the State Commission has not provided the amount as a grant and has invested the amount as equity, **ROE has to be allowed as per the Regulations of the State Commission.** Accordingly this issue is decided in favour of the Petitioner.”*

Hon'ble Supreme Court in its Order dated 12<sup>th</sup> Oct, 2015 has stayed the order of the Hon'ble ATE. The Petitioner is in process of seeking clarification and removing stay on allowing Return on Equity on fund received through PDF. The Petitioner is hopeful of receiving the clarification and removing the stay in the current financial year, hence the Petitioner has claimed Return on Equity of fund received through PDF also in this petition.

### **Operation & Maintenance (O&M) expenses**

The Petitioner has considered the approved O&M expense for FY 2014-15 by the Hon'ble Commission in its order dated 6<sup>th</sup> May, 2013 as base O&M expenses and escalated the same using average CPI and WPI (50% CPI and 50% WPI) for last three year, i.e. 8.21%.

**Table 50 : Projected O&M Expenses in the Control Period (Figures in Rs. Crore)**

Particulars	FY 2015-16	FY 2016-17	FY 2017-18
O&M Expenses	0.22	0.24	0.26

### **Interest on Working Capital**

The interest on working capital is worked out on normative basis and is based on norms specified under the Regulation 33 (1) of UERC MYT Regulations, 2015. Effective SBI PLR for respective years has been considered as the interest rate for computing the interest on working capital in line with the regulations. Accordingly the interest on working capital has been calculated as given below:

**Table 51 : Interest on Working Capital (Figures in Rs Crore)**

Particulars	FY 2015-16	FY 2016-17	FY 2017-18
O&M for One month	0.02	0.02	0.02
maintenance @15% of O&M	0.03	0.04	0.04
2 months receivables	0.35	0.34	0.50
WC Requirement	0.40	0.40	0.56
SBI PLR	14.05%	14.05%	14.05%
<b>Interest on WC</b>	<b>0.06</b>	<b>0.06</b>	<b>0.08</b>

### **Non-Tariff Income**

The Petitioner has not proposed any Non-Tariff income.

### **Annual Transmission Charges (ATC) of 220 kV D/C Bhilangana-III – Ghansali Line**

Based on the parameters discussed in the above paragraphs, the Projected Aggregate Revenue Requirement (ARR) of 200kV D/C Bhilangana-II-Ghansali Line for each year of FY 2015-16 to FY 2017-18 is provided in table below:

**Table 52 : ARR for Bhilangana-III – Ghansali Line for FY 2015-16 to FY 2017-18 (In Rs Crore)**

Particulars	FY 2015-16	FY 2016-17	FY 2017-18
Net O&M expenses	0.22	0.24	0.26
Interest charges	0.75	0.67	0.59
Depreciation	0.58	0.58	0.58
Interest on Working Capital	0.06	0.06	0.08
Reasonable Return	0.51	0.51	0.51
True up of previous years including carrying cost (including gap from 15-16)			0.99
Net Expenditure	2.12	2.06	3.01
<b>Aggregate Revenue Requirement</b>	<b>2.12</b>	<b>2.06</b>	<b>3.01</b>

## **4. Prayer**

The Petitioner respectfully prays to the Hon'ble Commission to:

- a) Admit this Petition
- b) Grant an expeditious hearing of the Petition
- c) Approve true-up of expenses and revenue for FY 2015-16 based on the audited accounts of the said year
- d) Approve Review of Aggregate Revenue Requirement for FY 2017-18
- e) Approve various controllable and uncontrollable parameters along with ARR for FY 2017-18
- f) Approve the Annual Revenue Requirement for the period FY 2015-16 to FY 2017-18 for 220 kV DC Bhilangana III – Ghansali line as detailed in this petition for recovery of charges from generators utilizing intrastate lines for inter-state sale of energy
- g) Allow recovery of the gap on account of truing up of FY 2015-16 along with ARR of FY 2017-18
- h) Allow carrying cost on the revenue gap amount as per the computations and rates provided by the Petitioner.
- i) Permit recovery of expenses understated/ not considered in this Petition subsequent to the submission of this petition.
- j) Condone any inadvertent omissions / errors / short comings and permit the applicant to add/change /modify / alter this Petition and make further submissions as may be required at later stages
- k) Pass such orders as Hon'ble Commission may deem fit and proper and necessary in the facts and circumstances of the case, to grant relief to the petitioner.

## 5. Compliance of Directives

In the APR Order for FY 2016-17, the Hon'ble Commission had issued certain directives to PTCUL. The table below provides the compliance against each of directive:

**Table 53 : Compliance of the Directives**

Directive	Status of Compliance
<p><b>Capital cost of transferred assets:</b> The Commission directs the Petitioner to get the Transfer Scheme finalised and submit the same to the Commission along with its Petition for Annual Performance Review of FY 2016-17</p>	<p>PTCUL has appointed consultant (M/s Prudential Project Syndicate) for finalization of transfer scheme. They have submitted the draft details and the same is under reconciliation with UPCL for authentication. It is requested to kindly give more time for finalization of transfer scheme, so that the same may be submitted to GoU for revised notification of Transfer scheme.</p>
<p><b>Electrical Inspector Certificate</b> The Petitioner is directed to submit the Clearance Certificates for all the assets claimed for Capitalisation along with the truing up Petition for the ensuing years.</p>	<p>The Petitioner submits that it has submitted all electrical inspector certificates to the Hon'ble Commission for all the assets that have been claimed for Capitalisation.</p>
<p><b>Capitalisation of partially completed schemes</b> The Commission directs the Petitioner to take appropriate action to Capitalise the works in the books of accounts in the year of commissioning. Further, the Commission also directs the Petitioner to submit the detailed reasons for any additional Capitalisation claimed for future years in accordance with the applicable Tariff Regulations.</p>	<p>As per the Hon'ble Commission directives, the works are being capitalized in the book of accounts in the year of commissioning. However, there are certain works like civil works such as residential colonies, or fencing etc. that can take place only after the CoD of the asset. Further, as per directives, the detailed reasons for any additional capitalization are being submitted as Format 9.8</p>
<p><b>SLDC Charges</b> The Commission directs PTCUL to submit a final compliance report on ring fencing of SLDC while filing the Annual Performance Review for FY 2016-17</p>	<p>As per the direction of the Hon'ble Commission, the Director (Projects) has been provided charge for undertaking ring-fencing of SLDC and SCADA. As a first step, employees of PTCUL have been allocated towards SLDC business and a separate requisition for approval of manpower has been submitted with the Govt of Uttarakhand. Also, as per the Hon'ble Commission directives, the compliance status report has been submitted to the Hon'ble UERC vide Letter No. 834/Dir(Project)/PTCUL/UERC dated 14.05.2015 for kind consideration of the Hon'ble Commission.</p>
<p><b>Additional Capitalisation beyond the cutoff date</b> The Commission directs the Petitioner to take appropriate action to Capitalise the works in the books of accounts in the year of commissioning or within the cut-off date. Further, the Commission also directs the Petitioner to submit the detailed reasons for any additional Capitalisation claimed for future years in accordance with the applicable Tariff Regulations.</p>	<p>As per the Hon'ble Commission directives, the works are being capitalized in the book of accounts in the year of commissioning or within the cut-off date. Further, as per directives, the detailed reasons for any additional capitalization are also submitted on regular basis.</p>
<p><b>Advance Against Depreciation</b> The Commission directs the Petitioner to submit the fixed asset registers for FY 2004-05 to FY</p>	<p>As per the Hon'ble Commission directives, the draft fixed asset register has been prepared, however, it is under reconciliation and review; the petitioner shall submit the</p>

<b>Directive</b>	<b>Status of Compliance</b>
2012-13 depicting the treatment of utilization of AAD approved by the Commission	same as soon as it is finalized.
<p><b>Frequent Grid Failures</b></p> <p>The Commission directs PTCUL to submit report on the major incident, if any, occurring in future in accordance with Clause 10 of the License no. 1 of 2003</p>	The Petitioner submits that any major incident or grid failure shall be brought to the notice of Hon'ble Commission as per Clause 10 of the License no. 1 of 2003
<p><b>Transmission System Availability</b></p> <p>The Commission directs the Petitioner to submit the Availability of its AC System during the truing up exercise</p>	The Petitioner submits that the details of system availability have been submitted in Format 5 being submitted along with this petition
<p><b>Submission of Completed Cost</b></p> <p>In this regard, the Petitioner is hereby, directed to ensure timely submission of completed cost of the project along with the scheduled CoD, actual date of commissioning and actual IDC incurred within 30 days of CoD of the projects/works and should not wait for furnishing of the same along with the ARR Petitions</p>	The Petitioner humbly submits that the Hon'ble Commission's directive shall be adhered to.
<p><b>Capitalisation towards works like transformer plinth</b></p> <p>The Petitioner is directed to bring up such amount along with the truing up Petition of the year in which such augmentation works are completed</p>	The Petitioner humbly submits that the Hon'ble Commission's directive shall be adhered to and no such works are being submitted in the current petition.
<p><b>Submission of consistent information in proper format</b></p> <p>The Petitioner is hereby cautioned to ensure submission of complete and consistent information in all respect so as to avoid delay in the regulatory process</p>	The Petitioner submits that all relevant formats as required by the Hon'ble Commission are being submitted along with this petition
<p><b>Separate accounting of Open Access Charges</b></p> <p>The Petitioner is hereby directed that the transmission charges recovered from short term open access customers shall be shown separately as a separate head of income in the ARR/Tariff filings for subsequent years. Further, the Petitioner is also directed to refund the transmission charges collected from long term/medium term open access customers to UPCL and show this amount as a separate expense head in its ARR/Tariff filings from next year onwards rather than reducing it from its revenue</p>	The Petitioner submits that the transmission charges recovered from short term open access customers has been shown as a separate head of income in the ARR filing. As regards the refund of transmission charges collected from long term/medium term open access customers to UPCL, it is under the process of reconciliation and adjustment.

# ***6. Annexures***