

**BEFORE THE HON'BLE APPELLATE TRIBUNAL FOR
ELECTRICITY AT NEW DELHI
APPELLATE JURISDICTION
APPEAL NO. ____ OF 2025**

IN THE MATTER OF:

Power Transmission Corporation of Uttarakhand Limited

...Appellant

Versus

Uttarakhand Electricity Regulatory Commission

...Respondent

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Place: New Delhi

Date: 11.06.2025



system and extension of Transmission System etc. and any other purpose which the State Government notifies in the official Gazette from time to time.

(ii) Without prejudice, it is submitted that the amounts credited in the said fund is from different sources as provided in section 6(2) above out of which funds collected as duty under section 3 are first credited to the consolidated fund of the State Government and the State Government may if the state assembly by appropriation so provides credit its proceeds to the fund after certain deduction as provided in the section 4 of the Act and further section 5 of the Act provides that the State Government after appropriation by State Assembly credit by way of grant, or loans such sum as Government may considered necessary hence, the fund may comprise of proceeds under section 4 or section 5 or the sums realized by government in out its function or in administration of the Act or the funds the State Government may provide for evaluation of electricity system and extension of transmission system, the duty collected under section 3 is only a part of the fund and all the sum in said fund is not recovered necessarily from the consumers further, as the duty collected is credited to state consolidated fund any deposit of the duty collected from the consumer would necessarily loose its character as a sum recovered from the consumer. Moreover, section 6(c) is independent of section 6(a) so all the funds for developing transmission would necessarily be credited to PDF fund but that does not imply that the same are under section 6(a). PTCUL is funded by GoU as its owner. PTCUL is entitled to RoE on its equity share capital under the regulation 20 of UERC (Terms & Conditions of Transmission Tariff) Regulation, 2004. The Regulation does not provide for any exemption in awarding RoE on the source of funding by the State Government."

4.6.5 It is submitted that the principles laid down in the said judgement by Hon'ble ATE were general and cannot be confined only to relate a particular matter. The Hon'ble APTEL in the said order has categorically held that if the amount has been invested by GoU as equity then the RoE has to be allowed as per the Regulations of the State Commission. The Additional Secretary vide Letter No 3375(2)/2011-04-01/84/2008 dated February 11, 2011 conveyed the directions of the Government of Uttarakhand to the Hon'ble Commission that the amount contributed by the Government from PDF fund is from the Consolidated fund of the state. Accordingly, the letter asked the Hon'ble Commission to consider the amount as equity and allow the Return on Equity on the said amount to the Petitioner. The same has been submitted has Annexure-XIV along with this Petition.

4.6.6 In light of general principle as laid down by Hon'ble APTEL, the grant of RoE, only consideration to be seen is the nature of investment made by the Government and not the source of fund. Thus, the principle applies in the instant issue as well, as the investment made by GoU is by way of equity and not as a grant, and therefore the Petitioner is entitled for RoE as claimed in the tariff Petition.

4.6.7 Further, it is pertinent to note here that the amount contributed by Government of

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Uttarakhand was provided against various schemes as equity, as clearly provided in various 'Government Orders' issued by the Government. Also, the said amount received from GoU has been treated as equity in books of accounts, which have been audited by CAQ.

4.6.8 PTCUL would also like to submit that in light above submissions, no specific directions are required for applying the law of land or the principles determined by the Hon'ble APTEL. Accordingly, the Hon'ble Commission should consider the same independently as per the clarity given by the Hon'ble APTEL regarding grant of RoE in RP No. 02 of 2015 in Appeal No. 163 of 2015 while considering retrospective effects for previous years as well.

4.6.9 The Petitioner would also like to highlight that earlier Hon'ble Commission had not allowed the return on equity on account of power development fund due to pending Hon'ble Supreme Court's judgement in the matter of Civil Appeal No. 2348-79. The Hon'ble Supreme Court has already passed its judgement dated May 10, 2018, in the said matter, but the Hon'ble Commission still has disallowed the return on equity on account of power development fund on the basis of finality of tariff order of FY 2011-12, thereby not upholding the Hon'ble Supreme Court judgement in the said matter. Further, the Petitioner has filed an appeal in APTEL vide Appeal No. 187 of 2019 dated April 15, 2019, in relation to the disallowance of return on initial equity and return on equity on account of Power Development Fund. The matter is sub-judice in APTEL, however the Petitioner would like to reiterate its claim for return on equity on account of power development fund. The computation of Return on equity on these schemes is provided in tables below:

Table 4-13: Details of Capitalization as per Accounts of PTCUL (INR Crore)

Particular	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14
NABARD Equity	-	-	68.14	91.12	27.87	42.89	12.17	49.42	1.67	1.14
RSC Old Equity	3.21	18.86	-	4.61	-	0.02	45.27	64.93	8.98	54.20
RSC IV	-	-	-	-	-	-	20.67	22.64	22.81	50.60

Table 4-14: Equity Portion of the Schemes and Computation of RoE as per Regulations (INR Crore)

Particular	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
RSC Old Equity @18%	0.58	3.39	-	0.83	-	-	8.15	11.33	1.62	8.76
RSC IV @10%	-	-	-	-	-	-	2.91	6.79	6.86	15.18
Total Equity	0.58	3.39	13.14	18.52	5.30	8.15	13.39	27.71	8.80	24.16
Opening Equity	-	0.58	3.97	17.11	35.63	40.93	49.08	62.47	90.18	98.98



Petition for True-up of FY 22-23, APR for FY 22-24 and APR for FY 24-25

Particular	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14
Rate of return	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	15.30%
RoE	-	0.08	0.56	2.40	4.99	5.73	6.87	8.78	11.63	18.34

Particular	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Opening Equity	124.14	124.14	124.14	124.14	124.14	124.14	124.14	124.14	124.14	124.14	124.14
Rate of return	13.50%	13.50%	13.50%	13.50%	13.50%	13.50%	13.50%	13.50%	13.50%	13.50%	13.50%
RoE	19.24	19.24	19.24	19.24	19.24	19.24	19.24	19.24	19.24	19.24	19.24

4.6.10 Further, PTCUS, requests the Hon'ble Commission to approve appropriate carrying cost on the above computed return on equity as computed below:

Table 4-15: Return on Equity including Carrying cost (RNR Cross)

Particular	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14
Opening	0.00	0.00	0.00	0.48	3.33	6.00	16.19	25.36	37.97	57.13
Addition	0.00	0.08	0.56	2.40	4.99	5.73	6.87	8.78	12.63	17.34
Closing	0.00	0.08	0.64	3.07	8.29	14.73	23.06	34.11	50.60	72.47
Rate for Carrying Cost	10.25%	10.25%	10.25%	12.25%	12.25%	12.25%	11.75%	13.90%	14.75%	14.75%
Carrying Cost	0.00	0.00	0.04	0.33	0.71	1.65	2.31	3.87	6.10	9.54
Closing balance including Carrying Cost	0.00	0.08	0.68	3.38	9.00	16.19	25.36	37.97	57.13	82.05

Particular	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Opening	81.03	114.32	151.38	193.94	240.04	274.23	313.14	357.34	407.63	454.78	510.64
Addition	19.24	19.24	19.24	19.24	19.24	19.24	19.24	19.24	19.24	19.24	19.24
Closing	101.27	133.56	170.64	211.28	259.29	293.48	332.38	376.60	426.87	474.02	529.88
Rate for Carrying Cost	14.40%	14.00%	14.00%	13.70%	13.70%	13.70%	13.70%	13.70%	11.30%	12.00%	12.00%
Carrying Cost	13.24	17.46	22.80	27.78	34.30	38.89	44.22	50.28	47.14	55.86	62.59
Closing balance including Carrying Cost	114.52	151.38	193.94	240.04	274.23	313.14	357.36	407.63	454.78	508.64	573.21

4.6.11 The Hon'ble Commission is humbly requested to allow the total claim of RoE along with the carrying cost for the assets funded on account of power development fund as submitted by the Petitioner.



4.7 Return on Initial Equity corresponding to Value of Assets Vested in PTCUL

- 4.7.1 PTCUL was incorporated on May 27, 2004, as a separate company under Companies Act, 1956 and assigned separately the business of Transmission of Electricity and State Load Dispatch Centre (SLDC) function in the state of Uttarakhand. The scope of the business, Assets & Liabilities of the said entity and other incidental & consequential matters were laid down in the detailed transfer scheme notified by the Govt. of Uttarakhand vide notification No. 85/1/2004-06(3)/259/2003 dated May 31, 2004, and 87/1/2004-06(3)/259/2003 dated May 31, 2004. In balance sheet as on March 31, 2005, the variation in value of assets and liabilities taken over as on May 31, 2004, amounting to Rs. 188.81 Crore was considered as unsecured loan from State Government by the Company. A meeting was held between UPCL and PTCUL dated May 23, 2018, to finalize various issues pertaining to Transfer Scheme between UPCL and PTCUL. It was decided that the correct approach would be to show the balancing amount as "Capital Reserves" in accordance with the Transfer Scheme. Accordingly, an amount of Rs. 188.80 Crore was transferred from "Other Long-Term Liability" to "Capital Reserves" account in accounts for FY 2017-18.
- 4.7.2 PTCUL had filed its Aggregate Revenue Requirement and Tariff for FY 2004-05 before the Hon'ble Commission on June 8, 2004. The Hon'ble Commission advised PTCUL to file its ARR application at the time when Uttarakhand Power Corporation Limited files its ARR. Accordingly, PTCUL filed its ARR and Tariff proposals for FY 2004-05 & 2005-06 on January 15, 2005. The Hon'ble Commission in its Tariff Order issued on April 25, 2005, in the matter of the said Petition approved a OFA of Rs. 126.34 as on March 31, 2003, and Rs. 163.63 Crore as on March 31, 2005. However, no return on normative equity corresponding to the said amount was allowed in Tariff Order dated April 25, 2005, and the subsequent Tariff Orders. The Hon'ble Commission stated that since PTCUL has not invested any of its own funds for meeting any capital expenditure, the question of claiming return on the same does not arise.
- 4.7.3 If return is not allowed on the opening value of assets, it would amount to considering the value of assets owned by the company as zero, which is not the case in present context. It may be noted that in states, which have reorganized the electricity sector including Orissa, Andhra Pradesh, Rajasthan, Delhi, etc., book value of equities in successor undertakings was viewed in the context of the overall Financial Restructuring Plan for the sector and respective State Electricity Regulatory Commissions have permitted book values of equity in successor entities to qualify for earning return on equity.
- 4.7.4 In the state of Uttarakhand itself, the Hon'ble Commission has allowed return on equity to UJVNL, a sister concern of PTCUL, on opening value of assets, though no notification has been issued by the State Government, finalizing the value of assets, or allocating of the



capital reserves as equity or loan or grant. The Return on Equity on opening value of assets is being allowed to UJVNL for FY 2007-08 onward in line with the Hon'ble APTEL's direction in its judgement in Appeal No. 185 of 2005 dated September 14, 2006. Hon'ble Appellate Tribunal's observations/directions in the said judgement are as follows:

"23. — The non-specification by the State Government as to the allocation of equity may be for ever so many reasons of State reorganization or it may take some more time but that cannot be a ground for deprivation of return on the investment made in the generating stations, presently held by appellant, which was held by a larger State, now vested with the Government of Uttarakhand on re-organization...."

"24. The appellant had sought return on equity on 30% of the share capital based/GFA as valued by the Commission. The Commission has assessed the GFA and that being so, the Commission should have allowed RoE at least on that basis...."

"26. The UP Electricity Regulatory Commission in its earlier proceedings, which is since being followed by Uttarakhand Electricity Commission, has fixed the capital cost/GFA for nine hydro generating plants at Rs. 303.96 crores as seen from Table 5.9, Page 48 of the tariff order. It is not only just but also appropriate to provide ROE on 30% on the said capital base, being normative equity. If such a portion of ROE on normative basis is not allowed, on the reasoning that the government has not issued a notification or allocation or fixed it either as equity or loan or subsidy or a grant, as already pointed out on a later date, this will not be possible for the Commission to put back the clock or reopen the matter and revise the tariff retrospectively and eventually liability has to be fastened on the new generation of consumers ultimately."

- 4.7.3 The Hon'ble APTEL has laid out general principles for allowing Return on Equity in the said judgement, which are equally applicable in the Petitioner's case. The vesting of assets has taken place consequent to provision of the Electricity Act, 2003 and it is the state, which own the assets throughout. The Hon'ble Commission has already assessed the GFA and that being so, the Hon'ble Commission should allow Return on normative equity corresponding to that GFA. The Petitioner in the MYT Petition for FY 2019-20 to FY 2022-23 following the principles laid by the Hon'ble Commission had claimed the return on initial equity to the tune of INR 276.56 crore along with carrying cost. However, the Hon'ble Commission had only allowed INR 62.71 crore with respect to the same while considering the opening equity of INR 123.75 crore as against INR 163.63 crore claimed by the Petitioner while fully deducting the decapitalization during FY 2005-06 to FY 2017-18. The Petitioner would like to bring Hon'ble Commission's attention to the fact that decapitalization considered was in respect to the total opening assets of INR 263.39 crore (claimed opening assets as per transfer scheme), therefore deductions done year wise

Signature
MANAGING DIRECTOR

Uttarakhand TRANSMISSION CORPORATION
OF UTTARAKHAND LTD., DEHRADUN



should also be in the ratio of the allowed to claimed opening equity.

- 6.7.6 Further, the Petitioner has filed an appeal in APTEL vide Appeal No. 187 of 2019 dated April 15, 2019, in relation to the disallowance of return on initial equity and return on equity on account of Power Development Fund. The matter is sub judice in APTEL, however the Petitioner would like to again reiterate its claim regarding the return on initial equity after adjusting the allowed return in the tariff order dated February 27, 2019. The computation for the same has been shown in the following table:

Table 4-16: Return on initial equity corresponding to value of assets vested in FTCCUL (INR Crore)

Particulars	FY 00	FY04	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
Opening GPA	123.75	123.75	123.33	123.33	123.38	123.49	123.49	123.47	123.47	123.47	123.47	123.47	123.47	123.47	123.47
Deductions	0.00	0.00	0.00	-	-	0.23	0.00	-	0.00	0.00	0.00	-	-	-	-
Deductions w.r.t. other GPA	0.00	0.00	0.00	-	-	0.00	0.00	-	0.00	0.00	0.00	-	-	-	-
Closing GPA	123.75	123.75	123.33	123.33	123.38	123.26	123.47	123.47	123.47	123.47	123.47	123.47	123.47	123.47	123.47
Equity (50%)	27.12	27.12	27.12	27.12	27.12	27.12	27.12	27.12	27.12	27.12	27.12	27.12	27.12	27.12	27.12
Rate of Return	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
Net	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Table 4-17: Return on initial equity along with carrying cost (INR Crore)

Particulars	FY00	FY04	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
Opening	-	5.47	11.49	18.12	25.80	34.43	44.11	54.74	67.38	82.89					
Addition	5.38	5.38	5.18	5.15	5.15	5.15	5.14	5.19	5.19	5.17					
Allowed Return															
Closing	5.38	10.67	16.67	23.27	30.95	39.58	49.25	59.93	72.57	88.06					
Rate for Carrying Cost	10.25%	10.25%	10.25%	10.25%	10.25%	10.25%	10.25%	10.25%	10.25%	10.25%					
Average	2.60	8.07	14.08	20.69	28.38	37.06	46.88	57.33	69.37	83.43					
Carrying Cost	0.37	0.83	1.44	2.53	3.48	4.53	5.48	6.45	7.45	8.52					
Closing before loading Carrying Cost	5.47	11.49	18.12	25.80	34.43	44.11	54.74	67.38	82.89	100.41					

Particulars	FY19	FY18	FY17	FY16	FY15	FY14	FY13	FY12	FY11	FY10	FY09	FY08	FY07	FY06	FY05
Opening	100.61	120.45	142.49	167.62	198.89	238.32	286.37	343.16	409.67	486.97	575.17	675.17	787.17	901.17	1017.17
Addition	4.94	4.78	4.78	4.78	-	-	-	-	-	-	-	-	-	-	-
Allowed Return				42.71											
Closing	105.55	125.23	147.27	172.40	198.89	238.32	286.37	343.16	409.67	486.97	575.17	675.17	787.17	901.17	1017.17
Rate for Carrying	14.45%	14.45%	14.45%	14.45%	14.45%	14.45%	14.45%	14.45%	14.45%	14.45%	14.45%	14.45%	14.45%	14.45%	14.45%

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Petition for True-up of FY 22-23, APR for FY 23-24 and ACR for FY 24-25

Particulars	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25
Cost											
Average	103.08	122.84	144.88	138.66	138.69	146.32	166.37	189.16	215.07	239.37	268.17
Carrying Cost	14.90	17.28	36.26	19.00	17.63	20.00	22.79	22.81	24.18	28.79	32.26
Closing balance including Carrying Cost	120.45	142.49	167.62	128.69	146.32	166.37	189.16	215.87	239.37	268.17	306.42

4.7.7 The Petitioner prays to the Hon'ble Commission to allow the balance Return on initial equity along with the carrying cost as claimed by the Petitioner. However, the final claim shall be made as and when the final transfer scheme is notified by the Government.

4.8 Depreciation

4.8.1 The depreciation has been calculated at the rates prescribed by the UERC Tariff Regulations, 2021. The closing GFA eligible for depreciation for FY 2023-24 has been considered as the opening GFA for FY 2024-25.

4.8.2 The addition of GFA for FY 2024-25 has been appropriated between various asset categories in ratio of actual addition in assets for FY 2022-23 in the books of the Petitioner. The closing GFA has been determined by adding capitalisation in the year, net of consumer contribution, grants and subsidies. The depreciation expense has been calculated by applying asset wise rate of depreciation provided in UERC Tariff Regulations, 2021 on the average GFA for the year, as shown in the tables below.

Table 4-18: Depreciation expense for FY 2024-25 (INR Crore)

S. No.	Particulars	Dep rate	Opening GFA	Addition	Deletion	Closing GFA	Average	Depreciation
1.	Land	0.00%	8.18	1.58	0.00	9.76	8.87	0.00
2.	Land (Lease Right)	3.34%	65.01	0.08	0.00	65.09	65.85	2.17
3.	Buildings	3.14%	36.25	1.45	0.00	37.80	37.67	1.24
4.	Hydraulic Works	5.28%	5.91	0.42	0.00	6.36	6.15	0.32
5.	Other Civil Works	3.34%	21.27	0.00	0.00	21.27	21.27	0.71
6.	Plant & Machinery	3.28%	1023.38	43.81	0.00	1068.09	1044.19	35.13
7.	Lines & Cable Network	3.28%	1157.34	125.94	0.00	1283.47	1220.31	40.44
8.	Vehicles	9.50%	0.35	0.00	0.00	0.35	0.33	0.03
9.	Furniture and Fixtures	8.33%	4.22	0.21	0.00	4.43	4.33	0.27
10.	Office Equipment	6.33%	1.83	0.08	0.00	1.91	1.88	0.12
11.	Computer & IT Equipment	15.00%	2.98	0.35	0.00	3.33	3.15	0.47
12.	Total		1286.54	175.94	0.00	1568.08	1473.13	126.94

4.8.3 The Petitioner prays to the Hon'ble Commission to approve the depreciation expense for

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P-20 | 105, BHAVAN, 1ST FLOOR
POWER TRANSMISSION CORPORATION
OF UTTARAKHAND LTD., DEHRADUN



Petition for True up of FY 22-23, AFR for FY 23-24 and ARS for FY 24-25

FY 2024-25, as proposed in the table above. The details of the Depreciation for FY 2024-25 are provided in Form F-10.I of the Petition Formats, submitted along with this filing.

4.9 Interest on Working Capital

- 4.9.1 The Petitioner has considered working capital base as per Regulation 33(i)(b) of UERC Tariff Regulations, 2021 as below:

"In case of hydro power generating stations and transmission system and SLDC, the working capital shall cover:

- (i) Operation and maintenance expenses for one month*
- (ii) Maintenance spares @ 15% of operation and maintenance expenses; and*
- (iii) Reserves equivalent to two months of the annual fixed charges."*

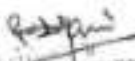
- 4.9.2 Further, the interest rate on normative working capital loans has been considered in accordance with the Regulation 33 of the UERC Tariff Regulations, 2021 - "weighted average of one year Marginal Cost of Funds based Lending Rate (MCLR) has declared by the State Bank of India which the application for determination of tariff is made".

- 4.9.3 Accordingly, the rate of interest has considered as equal to the weighted average of one-year Marginal Cost of Funds based Lending Rate (MCLR) has declared by the State Bank of India and as considered for FY 2023-24 in this petition. The screenshot of SBI website is being submitted as Annexure-XXI for reference of the Hon'ble Commission in this regard. The table below depicts Interest on Working Capital for FY 2024-25.

Table 4-19: Interest on working capital for FY 2024-25 (INR Crore)

S. No.	Particular	Approved in Order dt. March 24, 2022	Revised estimates for FY 2024-25
1	O&M expenses for 1 month	17.14	20.38
2	Maintenance spares	33.84	37.04
3	Reserves equivalent to 2 months	68.09	101.21
4	Working Capital	116.07	158.63
5	Rate of interest on Working Capital	10.50%	12.05%
6	Interest on Working Capital	12.18	19.18

- 4.9.4 The Petitioner humbly requests the Hon'ble Commission to approve the interest on working capital as proposed for FY 2024-25. The details of the Interest on Working Capital for FY 2024-25 are provided in Form F-17 of the Petition Formats, submitted along with this filing.


 PETITIONER'S COUNSEL
 OF UTTAKHAND LTD., DEHRADUN



4.10 Non-Tariff Income

- 4.10.1 The non-tariff income for FY 2023-24 has been considered equivalent to the amount as considered for FY 2023-24 in this petition.

Table 4-20: Non-Tariff Income for FY 2024-25 (INR Crore)

Particular	Approved in Order dt. March 31, 2022	Revised estimate for FY 2024-25
Total Non-Tariff Income	15.00	6.73

- 4.10.2 The Petitioner humbly requests the Hon'ble Commission to approve the Non-Tariff Income as proposed for FY 2024-25.

4.11 Revenue from Open Access

- 4.11.1 The revenue from Short-term open access has been considered the same as per the estimates of value of FY 2023-24. Accordingly, the revenue from short-term open access for FY 2024-25 is proposed as INR 5.16 Crore and request the Hon'ble Commission to approve the same.

4.12 Aggregate Revenue Requirement for Control Period

- 4.12.1 As per the parameters discussed above, the aggregate revenue requirement for FY 2024-25 is summarized in the table below.

Table 4-21: ARR for FY 2024-25 (INR Crore)

S. No	Particular	Approved in Order dt. March 31, 2022	Revised estimate for FY 2024-25
1	O&M Expenses		
1.1	Employee Expenses	131.01	157.21
1.2	R&M Expenses	48.45	56.69
1.3	L&O Expenses	26.17	33.02
	Total O&M expenses	205.63	246.92
2	Interest on Loan	66.61	52.98
3	Return on Equity	60.58	87.17
4	Depreciation	106.21	126.94
5	Interest on Working Capital	12.19	19.10
6	Annual Revenue Requirement (ARR)	451.21	533.11
7	Add: True-up of previous years	6.00	87.22
8	Net Aggregate Revenue Requirement	451.21	620.33
9	Less: Non-Tariff Income	15.00	6.73



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S. No	Particulars	Approved in Order dt. 30 March 2023	Revised estimating for FY 2024-25
10	Less: Revenue from STOA charges	2.44	5.18
11	Less: Revenue from Natural Gas Lines	1.20	1.20
12	Less: SLDC Charges	24.05	0.00
13	Net Aggregate Revenue Requirement	408.52	607.24

4.12.2 The Petitioner requests the Hon'ble Commission to approve the revised Aggregate Revenue Requirement of PTCUL for FY 2024-25 as estimated in the table above.

For

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POWER TRANSMISSION CORPORATION
OF UTTARANCHAL LTD., DEHRADUN

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5 ARR for Bhilangana III (Ghuttu)- Ghansali line

5.1 Introduction

- 5.1.1 The Bhilangana Hydro Power Limited (BHPL) had set up a 24 MW hydroelectric power project and the power is evacuated from 220 kV D/C Bhilangana-III Ghansali line. The said project was allocated under the competitive bidding process by the Government of Uttarakhand in the year 2003 and was commissioned on 26.12.2011. BHPL has been selling all its power outside the State of Uttarakhand under Open Access and is using the 220 kV Double Circuit (D/C) Ghuttu-Ghansali transmission line also represented as 220 kV Bhilangana-III-Ghuttu line which has been established by PTCUL. Accordingly, a Transmission Service Agreement (TSA) was executed by BHPL with PTCUL on 23.10.2008.
- 5.1.2 PTCUL being State transmission utility & also transmission licensee of the State had filed a petition dated 03.07.2009 before the Commission for approval of capital investment covered under loan assistance from REC. The Commission while recording no objection to it for going ahead with its proposed investment vide Order dated 24.11.2011, excluded the following projects from the proposed investment scheme, (i) 220 kV S/C Chamba-Ghansali line;(ii) 61 No. 220 kV bay at 220 kV S/S Chamba; (iii) 220 kV D/C Bhilangana-III- Ghansali line; (iv) 220 kV S/S Ghansali. The Hon'ble UERC vide its Order dated 24.11.2011, provided the rational of exclusion as herein below:

"With regard to the integrated transmission projects, within the scheme, which are proposed to be developed for evacuation of power from the Generators for sale of electricity outside the State cannot be considered in the system strengthening schemes proposed by the Petitioner. The transmission/hauling charges for these dedicated lines and sub-stations used only for evacuation of such power shall be borne by the beneficiary generators in accordance with UERC (Tariff and Other Terms for Supply of Electricity from Renewable Energy Sources and non-fossil fuel based Co-generating Stations) Regulations, 2010 and UERC (Terms & Conditions of Intra-State Open Access) Regulations, 2010. However, in case of more than 50% of the total power carried through such system is inter-state power and the system is duly certified by REC, then these lines shall be non-ISTS or deemed inter-state lines in accordance with the provisions of the Electricity Act, 2003 and CERC (Sharing of Inter-state Transmission charges and losses) Regulations, 2010 read with various Removal of Difficulty Order of CERC issued under the aforesaid Regulations. Accordingly, the Commission has decided to exclude the following projects, mentioned in Table-2 below, from REC-IV investment proposal of the Petitioner."

- 5.1.3 This line was planned as an 'integrated transmission system' to serve the purpose of all the upcoming generators which were to establish their respective generating plants in that area where the BHPL's project is located. Coincidentally, besides Petitioner's Power Plant, no other Plant could come up in time thus making Petitioner a sole user of the aforesaid



transmission system, this attracted 3rd proviso to Regulation 20 (1)(b) of the UERC (Terms and Conditions of Intra-State Open Access) Regulations, 2015 (erstwhile 2nd proviso to Regulation 21(1)(b) of the UERC OA Regulations, 2010), obligating the Petitioner to pay transmission charges for the Ghutti-Ghansali transmission line. The said proviso reads as:

"Provided further that where augmentation of transmission system including dedicated transmission system used for open access has been constructed for exclusive use of or being used exclusively by an open access customer, the transmission charges for such dedicated system shall be worked out by transmission licensee for their respective systems and got approved by the Commission and shall be borne entirely by such open access customer till such time the surplus capacity is elicited and use for by other persons or purposes."

- 3.1.4 The Hon'ble UERC vide its order dated April 29, 2013, concluded that: *The entire transmission system from Bhilangana III SHP to Chamba should not be treated as dedicated system stand resolved to the extent that 220 KV GIS substation at Ghansali, 220 KV DC Chamba-Ghansali line and 61 No. bay at 220 KV substation Chamba shall be considered as system strengthening works of the transmission licensee and one circuit of 220 KV DC Bhilangana-III Ghansali line shall be considered as a transmission line for evacuation of power from the Generators."*
- 3.1.5 Further the Hon'ble UERC vide its Multi Year Tariff order dated 06.5.2013, inter alia, directed PTCUL to ensure the compliance that the line to be included in the PoC mechanism for recovery of Transmission charges as deemed ISTS system in accordance with CERC (Sharing of Intra-state Transmission charges & losses) Regulations, 2010, then the Petitioner shall accordingly recover the charges applicable thereof from the Generator. In this regard the PTCUL has filed an Appeal before the Appellate Tribunal for Electricity (APTEL) and a Common Order was passed by APTEL dated November 29, 2014, dismissing the appeal and upholding the Order passed by Hon'ble UERC. Hon'ble APTEL upheld the Order of the Hon'ble Commission and stated as herein below:
- 3.1.5.1 BHPL is liable to pay entire transmission charges for one circuit of the line as determined by the Commission which is as per the Regulations.
 - 3.1.5.2 PTCUL is entitled to recover charges for only one circuit of the line from the Appellant.
- 3.1.6 BHPL challenged the by the aforesaid common order before Hon'ble Supreme Court in Civil Appeal No. 2368, Civil Appeal No. 2369 and Civil Appeal No. 2370 of 2013. Hon'ble Supreme Court has dismissed the appeal of BHPL vide order dated 10.03.2018 giving it a liberty to move before the Central Commission to establish that for any particular period the transmission was inter-State.

[Signature]
SALVAGE DIVISION



Petition for Stay up of FY 23-24, APR for FY 23-24 and ARR for FY 24-25

As per the direction of the Hon'ble Supreme Court dated 10.05.2018 in Civil Appeal No. 2368, Civil Appeal No. 2369 and Civil Appeal No. 2370 of 2015, BHPL has filed petition for determination of transmission charges for the 220 KV DVC Bhilangana-III - Ghansali line before the Hon'ble CERC.

- 5.1.7 In this regard the Hon'ble CERC vide its Order P.No.246/MP/2018 dated 21.04.2022 (provided as Annexure-XXV) has held that the transmission charges of the said one circuit of 220kV DVC Bhilangana-III - Ghansali line cannot be decided as per the POC mechanism in accordance with the CERC (Sharing of Inter State Transmission Charges and Losses) Regulations, 2010 and shall be governed as per Regulations and Orders of the State Commission. The Relevant extract of the same is reproduced as below:

"In view of above discussions, we observe that the subject transmission line of the present petition, namely, one circuit of 220kV DVC Bhilangana-III - Ghansali line does not satisfy the criteria under which an intra-state line can be considered as being used for interstate transfer of power under 2010 Sharing Regulations. Accordingly, we find and hold that for the period from 01.05.2012 to 02.04.2015, the said 220KV DVC Bhilangana-III Ghansali line was not part of the inter-state transmission system (ISTS) and shall continue to be an intra-state transmission system. Hence, the transmission charges of the said one circuit of 220kV DVC Bhilangana-III - Ghansali line cannot be decided as per the POC mechanism in accordance with the CERC (Sharing of Inter State Transmission Charges and Losses) Regulations, 2010 and shall be governed as per Regulations and Orders of the State Commission."

- 5.1.8 This is to be submitted that Hon'ble CERC vide Order dated 21.04.2022 clarified that transmission charges are to be determined by the State Commission as the said line is an Intra-State line and not an Inter-State line.
- 5.1.9 BHPL further to the above, challenged the validity of the 3rd proviso to Regulations 20 (1)(b) of the UERC Open Access Regulations, 2015 and filed a Writ Petition before the Hon'ble High Court of Uttarakhand, however, later during the proceedings before the Hon'ble Court, Petitioner requested the Hon'ble Court to permit it to make a representation to the Commission to re-consider/examine the 3rd proviso to Regulation 20 (1)(b) of UERC Open Access Regulations 2015 and the Regulations which existed prior to the said Regulation of 2015. Accordingly, the Hon'ble Court vide Order dated 20.06.2023 directed the Counsel for the petitioner to make a representation, which may be considered by the Commission. The Petitioner hereby submits that the aforementioned act of BHPL is nothing but a forum shopping and non-abidance of the Hon'ble APTEL and Hon'ble Supreme Court is equivalent to contempt of court and liable to be set aside by this Hon'ble Commission.
- 5.1.10 The Petitioner with to take cognizance of the recent order issued by the Hon'ble UERC in Case No 30 of 2023 dated 17th October 2023. The Petitioner hereby submits that there is no explicit direction on the way forward while adjudicating the matter, Hon'ble UERC has



concluded that the order shall be applicable on prospective basis, however, there is no clarity w.r.t. whether the previous outstanding claims of the ARR will be allowed or not and whether UPCL is agreeable to the sharing of such additional cost as eventual cost of the same will be borne by UPCL. Therefore, in this regard, we request the Hon'ble Commission to consider the tariff proceedings of 220 kV Bhilangana-III - Ghansali separate from the matter adjudicated by this Hon'ble Commission, till the final resolution of the concerns.

5.1.11 Based on the judgement of Hon'ble Supreme Court of India in Civil Appeals No. 2368-2370 of 2015 and Order of Hon'ble CERC in Petition No. 246/MP/2018, PTCUL has approached the Commission for determination of ARR for 220 kV D/C Bhilangana-III - Ghansali line for FY 2022-23 and FY 2023-24 in the last tariff order. Accordingly, in tariff order dated 30 March 2023, the Hon'ble Commission has approved the ARR for Bhilangana III - Ghansali Line for FY 2022-23 and FY 2023-24 of Rs. 1.55 Crore and Rs. 1.51 Crore respectively in accordance with UERC Tariff Regulations, 2021.

5.1.12 In this regard, PTCUL is filing the ARR for 220 kV Bhilangana-III - Ghansali Line for FY 2022-23 to FY 2024-25.

5.2 Capitalisation and GFA

5.2.1 The actual expenditure of 220 kV Bhilangana-III - Ghansali Line was Rs. 21.80 Crore against the Hon'ble Commission approved cost of Rs. 21.91 Crore. The Hon'ble Commission in its Order dated April 29, 2013, had held as under:

"It is apparent that only one circuit has been energised and put to use. Taking cognisance of the provisions of the Tariff regulations that any capital expenditure towards creation of an asset is deemed fit for capitalisation 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."

5.2.2 Accordingly, GFA base has been considered as Rs. 10.90 Crore, as approved by the Hon'ble Commission in its Order dated May 6, 2013 and in order dated 31 March 2023. 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.

5.2.3 Further, no additional capitalisation has been undertaken for FY 2022-23 and is proposed for FY 2023-24 and FY 2024-25 respectively.

For *PTCUL*

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Petitioner
MANAGING DIRECTOR
POWER TRANSMISSION CORPORATION
OF UTTARANCHAL LTD., DEHRADUN



5.3 Means of Finance

- 5.3.1 The Petitioner has considered debt: equity ratio as 70:30 which is the approved means of finance for REC IV Scheme. Accordingly, opening debt and equity has been considered as Rs. 7.63 Crore and Rs. 3.27 Crore respectively.

5.4 Depreciation

- 5.4.1 The Petitioner has considered average depreciation rate of 5.28% for determining the depreciation for FY 2022-23 to FY 2024-25 in accordance with rate of depreciation as defined in the Appendix-II of UERC Tariff Regulations, 2021. Accordingly, the Petitioner has claimed Rs. 0.58 Crore for FY 2022-24 to FY 2024-25 respectively.

Table 5-1: Depreciation for 220 KV DVC Bhilangana-III – Ghazali line (INR Crore)

Particulars of Asset	FY 2022-23	FY 2023-24	FY 2024-25	Depreciation Rate (%)
Lines & Cable Network	0.58	0.58	0.58	5.28%

5.5 Interest on Loan

- 5.5.1 The opening balance of loan for FY 2022-23 is considered as Rs. 1.69 Crore as approved by the Hon'ble Commission in Tariff order dated March 30, 2023. The repayment has been considered equal to depreciation for the year in accordance with UERC Tariff Regulations, 2021. The Petitioner has claimed interest based on the interest rate for REC-IV scheme of 8.51% for FY 2022-23 onwards as approved by the Hon'ble Commission. The same has been calculated considering the total interest paid under REC-IV scheme (including IDC) and average of opening and closing loan balance for the scheme. The table below shows the interest charges claimed for FY 2022-23 to FY 2024-25.

Table 5-2: Revised estimates for Interest on Loans for Bhilangana III (Ghazali)- Ghazali line for FY 2022-23 to FY 2024-25 (INR Crore)

S. No.	Particulars	FY 2022-23	FY 2023-24	FY 2024-25
1	Net Normative Loan - Opening	1.69	1.12	0.54
2	Increase or Decrease during the year	-	-	-
3	Loan Requirement of Normative Loan during the year	0.58	0.58	0.54
4	Net Normative Loan - Closing	1.12	0.54	-
5	Average Normative Loan	1.41	0.83	0.27
6	Weighted Average Rate of Interest on Actual Loan on Annual Basis	8.51%	8.51%	8.51%
7	Interest on Normative Loan	0.12	0.07	0.02

- 5.5.2 The Petitioner request the Hon'ble Commission to approve the Interest cost for Bhilangana III – Ghazali Line as submitted for FY 2022-23 to FY 2024-25.

For S.

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POWER TRANSMISSION CORPORATION
OF UTTARANCHAL LTD., DEHRADUN



5.6 Return on Equity

- 5.6.1 The opening equity considered by the Hon'ble Commission in Tariff order dated May 6, 2013 and as approved in Tariff Order dated March 30, 2023, has been considered as opening equity for FY 2022-23 for calculation of Return on Equity.
- 5.6.2 The rate of return has been considered as 15.5% in accordance with UERC Tariff Regulations, 2021. The table below shows the calculation of Return on Equity for FY 2022-23 to FY 2024-25.

Table 5-3: Revised estimates for Return on Equity for Rihalgawan III (Ghutti)- Ghassali line for FY 2022-23 to FY 2024-25 (TNR Case)

S. No.	Particulars	FY 2022-23	FY 2023-24	FY 2024-25
1	Equity at the beginning of the year	1.27	3.27	3.27
2	Addition in Equity	-	-	-
4	Closing Equity	3.27	3.27	3.27
3	Average Equity during the year	3.27	3.27	3.27
7	Rightful equity for return	1.27	3.27	3.27
8	Rate of Return on Equity	15.50%	15.50%	15.50%
9	Return on Equity	0.51	0.51	0.51

- 5.6.3 In the past Tariff Orders, the Hon'ble Commission has not allowed Return on Equity on entire equity has approved by the Hon'ble Commission in the respective Tariff Order. The Return on Equity was disallowed to the extent of equity contributed by the Government of Uttarakhand from Power Development Fund, considering that the Power Development Fund was realized from the consumers in form of a surb.
- 5.6.4 The Hon'ble Appellate Tribunal of Electricity (ATE) in judgement dated May 15, 2015 in R.P. No. 2 of 2015 in appeal No. 163 of 2015 had issued directions to allow the RoE on the amount invested by the State Government, if the amount has not been provided as grant. The relevant extract from the judgement is reproduced below:

"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 toward capital cost of the project. We feel that the findings of this Tribunal in Appeal no. 189 of 2003 will be applicable to the present case. If the State Commission has not provided the amount as a grant and has treated 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."

- 5.6.5 Consequently, the Hon'ble Commission had allowed the Return on Equity on the 10% of capitalisation amount approved for the project for period from FY 2016-17 to FY 2018-19 in Tariff Order dated March 29, 2017. However, no relief was provided to the Petitioner



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for past years from FY 2011-12 to FY 2015-16. In view of the same, the Petitioner submits to the Hon'ble Commission that the Return on Equity be allowed on the equity contribution of Government of Uttarakhand for period from FY 2011-12 to FY 2015-16. The disallowance is not only restricting the internal surplus generation but also adversely affecting 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. The computation for the Return on Equity along with carrying cost is provided in the table below.

Table 5-4: Return on Equity for Bhillagans III-Ghamsal Line for FY 2011-12 to FY 2015-16 (INR Crore)

S.No.	Particular	FY12	FY13	FY14	FY15	FY16
1	Eligible equity for return	3.27	3.27	3.27	3.27	3.27
2	Rate of Return on Equity	15.50%	15.50%	15.50%	15.50%	15.50%
3	Return on Equity	0.51	0.51	0.51	0.51	0.51

Table 5-5: Return on Equity including Carrying cost for Bhillagans III - Ghamsal Line (INR Crore)

S.No.	Particular	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25
1	Opening Balance	-	4.24	1.31	1.88	2.09	2.47	4.12	4.49	5.32	6.65	5.85	7.62	6.48	6.51
2	Additions	0.20	4.21	0.30	0.31	0.31	-	-	-	-	-	-	-	-	-
3	Closing balance	0.56	1.33	1.61	2.19	2.40	2.52	4.12	4.49	5.32	6.65	5.85	7.62	6.48	6.51
4	Average Balance	0.28	0.76	1.42	2.12	2.25	2.65	4.12	4.49	5.32	6.65	5.85	7.62	6.48	6.51
5	Carrying cost rate	12.00 %	14.75 %	14.75 %	14.45 %	14.45 %	14.33 %	12.70 %	12.70 %	12.70 %	12.13 %	12.13 %	11.18 %	11.22 %	12.43 %
6	Carrying cost	0.03	0.12	0.21	0.34	0.31	0.33	0.28	0.46	0.73	0.79	0.63	0.86	1.02	1.14
7	Total Closing balance inc. carrying cost	0.54	1.14	1.82	2.49	2.71	3.15	4.40	5.22	6.05	6.84	5.48	8.48	7.50	10.05

5.7 Operation & Maintenance (O&M) expenses

5.7.1 In accordance with methodology adopted by the Hon'ble Commission in Tariff Order dated March 29, 2017 and March 31, 2023, the O&M expenses for FY 2022-23 to FY 2024-25 have been projected considering the O&M expenses approved by the Hon'ble Commission for FY 2018-19 as base expense. Accordingly, the base O&M expenses as approved for FY 2021-22 as per Tariff Order dated March 31, 2023 has been considered for computation of O&M expenses.

5.7.2 While, projecting the expenses, inflation has been considered based on past 3 years' CPI and WPI data (55% WPI inflation and 45% CPI inflation), which works out to be 5.58% for FY 2022-23 and 6.77% for FY 2023-24 and FY 2024-25.

5.7.3 The table below shows the revised estimates of O&M expenses for FY 2022-23 to FY

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FOR TRANSMISSION CORPORATION
OF UTTARAKHAND LTD., DEHRADUN



Petition for Draw up of FY 22-23, APR for FY 23-24 and ARR for FY 24-25

2024-25;

Table 5-6: Revised Estimates for O&M Expenses for Bhilangana III (Ghettu)- Ghansali line for FY 2022-23 to FY 2024-25 (INR Crore)

S. No.	Particular	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
1	Inflation		5.38%	6.77%	6.77%
2	O&M Expenses	6.78	6.30	6.32	6.34

- 5.7.4 The Petitioner prays to the Hon'ble Commission to approve the normative O&M expenses for FY 2023-24 to FY 2024-25 for Bhilangana III (Ghettu)- Ghansali line, as proposed in the table above.

5.8 Interest on Working Capital

- 5.8.1 The Petitioner has considered working capital base as per Regulation 33(1)(b) of UERC Tariff Regulations, 2021 as below:

"In case of hydro power generating stations and transmission system and SLDC, the working capital shall cover:

(i) Operation and maintenance expenses for one month.

(ii) Maintenance spares @ 15% of operation and maintenance expenses; and

(iii) Receivables equivalent to two months of the annual fixed charges."

- 5.8.2 Further, the interest rate on normative working capital loans has been considered in accordance with the Regulation 33 of the UERC Tariff Regulations, 2021 - "weighted average of one-year Marginal Cost of Funds based Lending Rate (MCLR) as declared by the State Bank of India which the application for determination of tariff is made".
- 5.8.3 Accordingly, the rate of interest has considered as equal to the weighted average of one-year Marginal Cost of Funds based Lending Rate (MCLR) as declared by the State Bank of India and as claimed for FY 2022-23 to FY 2024-25 respectively in this petition. The screenshot of SBI website has been submitted as Annexure-XV and Annexure-XXI for reference of the Hon'ble Commission along with the MYT Petition. The table below depicts interest on Working Capital for FY 2022-23 to FY 2024-25:

Table 5-7: Revised Estimates for Interest on Working Capital for Bhilangana III (Ghettu)- Ghansali line for FY 2022-23 and FY 2023-24 (INR Crore)

S.No.	Particular	FY 2022-23	FY 2023-24	FY 2024-25
1	O&M expenses - 1 month	0.01	0.03	0.03
2	Spare (15% of O&M Expenses)	0.04	0.05	0.05
3	Receivables - 2 months	0.26	0.25	1.87
4	Total Working Capital	0.33	0.33	1.96
5	Normative Interest Rate (%)	11.30%	12.33%	12.63%
6	Normative Interest on Working Capital	0.04	0.04	0.23



- 5.8.4 The Petitioner humbly requests the Hon'ble Commission to approve the interest on working capital as proposed for FY 2022-23 to FY 2024-25.

5.9 Income Tax

- 5.9.1 The UERC MYT Regulations, 2021 provide for recovery of actual income tax paid at the time of true-up of the respective year. The Petitioner hereby submits that the actual income tax paid by PTCUL, which is inclusive of profit from Inter / Intra - State line, Bhilangana-II-Ghansali Line, profit not claimed in ARR and SLDC / SCADA profit is Rs 3.89 Crore.

- 5.9.2 Accordingly, the income tax is also adjusted on the income tax paid on the revenue which is not claimed under ARR as either the same is from the profit of the RoE invested or against the Inter-State Transmission lines. The Petitioner requests the Hon'ble Commission to approve INR 3.24 Crore which has been estimated based on the pro-rata allocation against the revenue of PTCUL, SLDC and revenue from other sources not claimed in the ARR, against the actual income tax paid for the year FY 2022-23 as outlined below:

Table 5-8: Allocation of Income Tax to Bhilangana-II-Ghansali Line for FY 2022-23 (INR Crore)

Sr. No.	Particulars	INR	Total
1.	Current Income tax as per Profit & Loss of PTCUL at a whole	Rs. Cr.	3.89
2.	Total Revenue of PTCUL	Rs. Cr.	372.68
3.	Revenue from Bhilangana-II-Ghansali Line	Rs. Cr.	1.83
4.	Income Tax considered for ARR for PTCUL - (1 / (2) x 3)	Rs. Cr.	0.02

- 5.9.3 Accordingly, the Petitioner requests the Hon'ble Commission to approve Rs. 0.02 Crore as considered from the audited accounts for the year FY 2022-23, whereby the details of income tax details are submitted at Annexure-XVI.

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

- 5.10.1 Based on the parameters discussed in the above paragraphs, the Aggregate Revenue Requirement (ARR) of 220kV D/C Bhilangana-II-Ghansali Line for FY 2022-23 to FY 2024-25 is provided in table below:

Table 5-9: ARR for Bhilangana III - Ghansali Line for FY 2022-23 to FY 2024-25 (INR Crore)

S.No.	Particular	FY 2022-23	FY 2023-24	FY 2024-25
1	Operation & Maintenance Expenses	0.10	0.32	0.34
2	Interest on Loan	0.12	0.07	0.02

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OF UTTARANCHAL LTD., DEHRADUN



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S.No.	Particular	FY 2023-24	FY 2023-24	FY 2024-25
3	Return on Equity	0.51	0.51	0.51
4	Depreciation	0.18	0.18	0.58
5	Interest on Working Capital	0.04	0.04	0.23
6	Income Tax	0.02	-	-
7	ARR	1.85	1.51	1.68
8	Less: Non-tariff Income	-	-	-
9	Add: True up of previous years including carrying cost		-	0.51
10	Add: True up of FY 2022-23 including carrying cost		-	0.03
11	Net ARR	1.55	1.51	1.11
12	ATC approved in the Tariff Order dt. 28th March 2023	1.53		
13	Revenue Gap (Surplus)	0.82		

5.10.2 The Petitioner requests the Hon'ble Commission to approve the Transmission charges for Bhilangana III - Ghanauli Line for FY 2024-25 as proposed in the above table.

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Signature

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Petitioner
 CHANDAN KUMAR
 POWER TRANSMISSION CORPORATION
 OF UTTARAKHAND LTD., DEHRADUN



6 Directives & Compliances

The Hon'ble Commission had issued several directives to PTCUL in MYT Order for the Control Period of FY 2022-23 to FY 2024-25, True up for FY 2020-21, Annual Performance Review for FY 2022-23 and ARR for FY 2022-23 to FY 2024-25 dated March 31, 2022. The below table shows the status of compliance to the directives.

Table 6-1: Compliance to directives issued in MYT Order dated March 30, 2023

Directive No.	Issue	Directive	Status of Compliance
S.1.1	Electrical Inspector Certificate	<i>The Petitioner is directed to submit the Electrical Inspector Certificates for all the assets claimed for capitalisation during the respective years with proper cross referencing as part of the Petition.</i>	The Electrical Inspector Certificates for all projects/works claimed for capitalisation are being submitted to the Hon'ble Commission along with this petition. The certificates have been cross-referenced as per the directions of the Hon'ble Commission.
S.1.2	Capital cost of transferred assets	<i>The Commission directs the Petitioner to submit the impact of finalisation of transfer scheme between UPCL and PTCUL as part of ARR and Tariff Petition for FY 2024-25. The Commission will consider the impact of this notification and final transfer scheme between UPCL and PTCUL after due public process and prudence check in the ARR and Tariff Proceedings for FY 2024-25.</i>	It is submitted to the Hon'ble Commission that various meetings and correspondence were done between UPCL & PTCUL regarding Transfer Scheme. The draft policy of the same after reconciliation between UPCL & PTCUL has been submitted to the Govt. of Uttar Pradesh for finalisation and issuing of Notification. The same is vigorously being pursued. It is also submitted to the Hon'ble Commission to consider and allow time.
S.1.3	Ring Fencing of SLDC	<i>The Commission directs PTCUL to take suitable actions and implement Ring Fencing of SLDC and submit the status of the same to the Commission.</i>	It is submitted to the Hon'ble Commission that the detailed report on ring fencing of SLDC is provided at Annexure-XXIV.



Petition for Tariff of FY 22-23, APR for FY 23-24 and APR for FY 24-25

Directive No.	Issue	Directive	Status of Compliance
		while filing the Annual Performance Review for FY 2023-24	
5.1.4	Capitalisation of partially completed schemes	The Petitioner is directed to ensure that all the information required to be submitted in accordance with the Tariff Regulations is furnished along with its Tariff Petitions for the ensuing years.	It is submitted to the Hon'ble Commission that the details as required by the Commission have been submitted in requisite formats.
5.1.5	Additional Capitalisation beyond the cutoff date	The Petitioner is directed to be vigilant in furnishing information to the Commission for future years also, taking cognizance of the earlier Tariff Orders of the Commission and its own submissions during various proceedings, for future years also.	It is submitted to the Hon'ble Commission that PTCUL shall be vigilant in furnishing information to the Commission for future years also, taking cognizance of the earlier Tariff Orders of the Commission and its own submissions during various proceedings, for future years also.
5.1.6	Frequent Grid Failures	The Commission directs PTCUL to submit report on the major incident, if any, occurring in future in accordance with Clause 19 of the License no. 1 of 2003.	The details of any major incident are shared with the Hon'ble Commission on a regular basis. However, there were no major Grid failures in FY 2022-23. The Petitioner submits that there has been minor breakdowns in 33 kV switchyard at 220 kV Bhajwa S/s and breakdown in 220 kV Dehradun to Vyasi D/C line, the same has been intimated to the Hon'ble UERC vide its letter dated 23.08.2023. This is to be submitted that in spite of unprecedented weather conditions, the Petitioner has



Petition for True-up of FY 22-23, APR for FY 23-24 and ARR for FY 24-25

Directive No.	Issue	Directive	Status of Compliance
			restored the system up and running and achieved not only the improved technical availability factor but also achieved reduced transmission losses.
5.1.7	Transmission System Availability	<i>The Commission directs the Petitioner to submit the Availability of its AC System along with the SLDC Certification for the same, during every true up exercise.</i>	The transmission availability for FY 2022-23 is being submitted along with the petition in Annexure-XXIII .
5.1.8	Submission of Completed Cost	<i>The Commission once again directs the Petitioner to ensure timely submission of the completed cost of the project alongwith the scheduled CoD, actual date of commissioning and actual IDC incurred within 30 days of CoD of the project/works.</i>	The Petitioner submits that in compliance with the Directive, the Petitioner has submitted the Form 9.5 for the Project of Construction of 132kV Single Circuit overhead line of D/C Towers from 220 kV S/s SIDCUL Haridwar to 132kV S/s Jawalpur Haridwar vide Letter No. 1929/MD/PTCUL/URC dated 06.07.2022. Further with regard to the Project completed during FY 2022-23, the details are submitted in the Form 9.5 of this Petition.
5.1.9	Submission of consistent information in proper format	<i>The Commission directs the Petitioner to be consistent in the information to be submitted before the Commission.</i>	The details as directed by the Hon'ble Commission are being submitted in the requisite format.
5.1.10	ATC of Natural ISTS Lines	<i>The Commission once again directs the Petitioner to submit quarterly progress report before</i>	PTCUL has separately booked the amount in its accounts as and when received against



Petition for True-up of FY 23-24, APR for FY 23-24 and ARR for FY 24-25

Directive No.	Issue	Directive	Status of Compliance
		<i>the Commission regarding ATC of Natural ISTS lines of PTCUL.</i>	Natural ISTS loss. The Revenue against Natural ISTS Transmission Lines amounting to Rs.1.16 Crore and the details are provided at Section 2.14.
5.1.11	Submission of DPR	<i>The Commission directs the Petitioner to submit the DPR's with the comprehensive cost benefit analysis at the time of filing the applications for investment approvals.</i>	It is submitted to the Hon'ble Commission that the DPR's along with the comprehensive cost benefit analysis shall be submitted while filing applications for investment approvals.
5.1.12	Proposed additional capitalization	<i>The Commission once directs the Petitioner to provide firm capitalization amount in the subsequent true-up tariff proceedings and if there is any variation in figure of capitalization in the different forms, the same shall be explained properly in the Petition.</i>	It is submitted that the directive of the Hon'ble Commission is well taken and PTCUL will ensure that the consistency of data shall be maintained in the all the requisite formats of the Petition.

P. S. Rao
 MANAGING DIRECTOR
 POWER TRANSMISSION CORPORATION
 OF UTTARAKHAND LTD., DEHRADUN

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Erasmus Kumpf

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[illegible]

(101127)

Dr. Walter Kemp



पावर ट्रॉसमिशन कारपोरेशन ऑफ उत्तराखण्ड लि०

(उत्तराखण्ड सरकार का उपखण्ड)

प्रबन्ध निदेशक कार्यालय

विद्युत भवन, नवदीप-आईएनएसटीआई इलीग, सहानगुन रोड, मजरा, देहरादून-248002
दूरभाष नं० 0135-2642008 फ़ैसल नं० 0135-2643480 email: md.ptcu@rediffmail.com

No. 667/MD/PTCUL/UPKE

Date: 26.02/2024

To,

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

Subject: PTCU'S Petition for True Up of FY 2023-23, Annual Performance Review (APR) for FY 2023-24 and ARR/Tariff for FY 2024-25.

Sir,

Kindly take reference of the Hon'ble Commission's Letter No. UERC/7/CL/Petition No. 49 of 2023/1267 dated 21.02.2024 on the above-mentioned subject vide which certain queries have been raised as Annexure-A on TVS reply submitted to Hon'ble Commission on dated 30.01.2024 and directed PTCU to submit the reply in seven copies alongwith the soft copy of the reply under an affidavit latest by 26.02.2024.

In compliance of the same, it is humbly submitted herewith the pointwise replies duly quoting titles/sub-titles and S.No. identical with the deficiencies in seven copies along with the soft copy of the under an affidavit.

Submitted for kind consideration of the Hon'ble Commission.

Thanking You,

Encl: As above.

Yours faithfully,


(P.C. Dhillon)
Managing Director



सत्यमेव जयते



IN-UKD474858342443TV

INDIA NON JUDICIAL

Government of Uttarakhand

e-Stamp

Certificate No.	IN-UKD474858342443TV
Certificate Issued Date	25-Dec-2020 04:30 PM
Account Reference	NONACC (SV) uk1214604/ DEHRADUN UK.DH
Unique Doc. Reference	SUBIN-UKUK121460496123446403679V
Purchased by	PTCUL
Description of Document	Article Miscellaneous
Property Description	NA
Consideration Price (Rs.)	0 (Zero)
First Party	PTCUL
Second Party	NA
Stamp Duty Paid By	PTCUL
Stamp Duty Amount(Rs.)	10 (Ten only)



MANAGER DIRECTOR
POWER TRANSMISSION CORPORATION
OF UTTARAKHAND LTD. DEHRADUN

Notary Agent

- The authenticity of the e-stamp certificate is not a condition for the validity of the e-stamp certificate.
- The validity of the e-stamp certificate is not a condition for the validity of the e-stamp certificate.
- The value of the e-stamp certificate is not a condition for the validity of the e-stamp certificate.
- In case of any discrepancy please report to the Commission Authority.

BEFORE UTTARAKHAND ELECTRICITY REGULATORY COMMISSION, DEHRADUN

FILE NO.
CASE NO.

IN THE MATTER OF: Regarding filing of Tariff Petition before Hon'ble UERC for approval of True-up for FY 2022-23, Annual Performance Review (APR) for FY 2023-24 and Aggregate Revenue Requirement (ARR) for FY 2024-25 of SLDC (Reply to Annexure-A letter no. UERC/7/CL/Petition No. 48 of 2023/1248 dated 21.02.2024).

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

Affidavit

I, P.C. Dhyani, S/o Late Shri Shridhar Prasad Dhyani, aged about 57, working as Managing Director, Power Transmission Corporation of Uttarakhand Limited, the deponent named above do hereby solemnly affirm and state on oath as under: -

1. That the deponent is the Managing Director of Power Transmission Corporation of Uttarakhand Limited, who is authorized as per the resolution of the company (In case the Petitioner is a Company) dated 28.11.2023 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, Uttam Bhatnagar Advocate, do hereby declare that the person making the 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.



-ii-

P.C. Dhyani
Petitioner
(MANAGING DIRECTOR)
POWER TRANSMISSION CORPORATION
OF UTTARAKHAND LTD., DEHRADUN

Uttam Bhatnagar
(Deponent)
(MANAGING DIRECTOR)
POWER TRANSMISSION CORPORATION
OF UTTARAKHAND LTD., DEHRADUN

Uttam Bhatnagar
Advocate

Solemnly affirmed before me on this 16 day of April, 2024 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.

(Notary Public)



P. C. Dhawan
 Chairman, District
 Education Officer
 HOD, U. P. UNIVERSITY
 Advocate & Notary, Dehra Dun

NSU, UT
Advocate & ...

Annexure A: PTCUL's response to datagap raised by Hon'ble UERC dated 21.02.2024

A. True Up for FY 2022-23

1. PTCUL in its reply dated 30.01.2024 has revised/updated the value of capitalisation for the various schemes. Accordingly, PTCUL is required to submit the revised Form 9.5 in softcopy and hardcopy for the following schemes.

- a. 220 kV D/C line on Twin Zebra Conductor from Lakhwar to Dehradun & its LILO at Vyasi.

PTCUL's Response:

It is submitted to the Hon'ble Commission that the same was already submitted in TVS response dated 30.01.2024. The details of the same as required are again being attached as **Exhibit A**.

- b. Construction of 132/33 kV S/s Padartha (Patanjali), Haridwar

PTCUL's Response:

The details of the same as required are being attached as **Exhibit B**.

- d. LILO of 132 kV Chilla Nazibabad Line at 132 kV S/s Padartha (Patanjali), Haridwar (Construction of Boundary wall at various locations of LILO of 132 kV Chilla-Nazibabad line at Ganga River near village Sejanpur Pili, Haridwar)

PTCUL's Response:

It is submitted to the Hon'ble Commission that the same was already submitted in TVS response dated 30.01.2024. The details of the same as required are again being attached as **Exhibit C**.

- e. Implementation of Intra-state ABT metering scheme for Online ABT meters to be installed interface points for energy accounting and transmission level emergency auditing under PTCUL Dehradun.

PTCUL's Response:

Details of the same as required are being attached as **Exhibit D**.

2. PTCUL is required to submit the revised Form 9A according to revised Form 9.5

PTCUL's Response:

Details of the same as required are being attached as **Exhibit E**.


 — 1 —
 MANAGING DIRECTOR
 POWER TRANSMISSION CORPORATION
 OF UTTARAKHAND LTD., DEHRADUN

3. PTCUL in its reply dated 30.01.2024 on the issue of time overrun for 'Construction of 132/33 kV S/s Padartha (Potanjali), Hardwar' submitted the delay due to the addition of new item i.e. SITC of SAS system in the existing contract. In this regard, PTCUL is required to submit a copy of internal approval for the addition of the aforesaid item in the existing contract.

PTCUL's Response:

Details of the same as required are being attached as **Exhibit F**.

[Signature]

[Signature]

[Signature]
(H/O)

[Signature]

MANAGING DIRECTOR
POWER TRANSMISSION CORPORATION
OF UTTARAKHAND LTD., DEHRADUN



पावर ट्रांसमिशन कारपोरेशन ऑफ उत्तराखण्ड लि०

(उत्तराखण्ड सरकार का अंग संस्था)

मुख्य कार्यालय (शांतिनगर एवं नियंत्रण) काशीनाथ

विद्युत नगर, पार्वती-बर्ही/पार्वती नगर, बहालपुर रोड, पाला, देहरादून-248001

दूरभाष नं० 0135-2645441, 2645442-48, 2645443@ptcul.org

No. 129/CL(C&R)/PTCUL/

Dated: 28/02/2024

To,

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

Subject:- Stakeholder's comments on PTCUL's Petition for approval of Turn-up for FY 2022-23, Annual Performance Review (APR) for FY 2023-24 and Aggregate Revenue Requirement (ARR) for FY 2024-25 of PTCUL.

Sir,

Kindly take reference of the Hon'ble Commission's Letter No. UEBC/7/CL/676/2023-24/1742 dated 17.02.2024 on the above-mentioned subject vide which comments received from Shri Anagha Pujari, Shri Pawan Agarwal, Vice President, Uttarakhand Steel Manufacturers Association, C/o Shree Sidhballi Industries Ltd. Kandi Road, Kotdwara, Shri Manish Talwar, Head-electrical Maint., Aashi India Glass Ltd., Roorkee & Shri Pankaj Gupta, President, Industries Association of Uttarakhand (IAU), Mohabewala Industrial Area, Dehradun (as per enclosure), are forwarded to PTCUL for comments and also replying directly to the respondent.

In compliance of the same, it is humbly submitted herewith the pointwise replies of comments referred to as per enclosure pertaining to PTCUL is enclosed as Annexure-A, B & C along with the soft copy of the same.

Submitted for kind consideration of the Hon'ble Commission.

Encl: As above.



Yours faithfully,

(Hla Chandra)
Chief Engineer (C&R)

CC:

1. Shri Anagha Pujari (anaghapujari7@gmail.com) alongwith a copy of reply as enclosed.
2. Shri Pawan Agarwal, Vice President, Uttarakhand Steel Manufacturers Association, C/o Shree Sidhballi Industries Ltd. Kandi Road, Kotdwara- alongwith a copy of reply as enclosed.
3. Shri Manish Talwar, Head-electrical Maint., Aashi India Glass Ltd., Roorkee.

in cl
29/02/2024

Queries raised by Shri Pawan Agarwal, Vice President, Uttarakhand Steel Manufacturers Association, C/o Shree Sidhballi Industries Ltd, Kandi Road, Kottwar

If claims of UJVNL, PTCUL and SLDC is accepted by UERC even marginally, then the tariff is likely to increase by 38.88%. Seeing UPCL, UJVNL, PTCUL and SLDC has additionally claimed Rs 1150 Crore meaning thereby the total tariff hike will be 38.86% instead of 27.06%

PTCUL's Response

We humbly submit that the Truing up for FY 2022-23, Annual Performance Review (APR) for FY 2022-23 and Annual Revenue Requirement (ARR) for FY 2024-25 by PTCUL and SLDC has been filed in strict compliance of UERC MYT Regulations 2021. The truing-up gap has been filed based on the provisions of the tariff regulations and Hon'ble Commission undertakes prudence on the expenses incurred and capitalisation achieved vis-à-vis approved while allowing any gap which will adjusted into the revised ARR for FY 2024-25.

We request the Hon'ble Commission that remaining queries are raised specific.

$\frac{C}{66}$ $\frac{P}{12}$ $\frac{23}{18}$

Queries raised by Shri Manish Talwar, Head-electrical Maint., M/s Asahi India Glass

PTCUL, SJVN and UJVNL have also submitted their ARR and tariff petition for the FY 2024-25 before the Commission. If all the claims as proposed are accepted by the Commission, it would necessitate the tariff hike of 38.98% in consumer tariffs for FY 2024-25, which is not justified and forced us to quit.

PTCUL's Response

We humbly submit that the tariff filings by the PTCUL is statutory obligations to present to the Hon'ble Commission the cost deviations in accordance with the UERC MYT Regulations 2021. We are regulated government entities and our tariffs are subject to the approval of the Hon'ble Commission subject to prudence check of all our expenditures and revenues pertaining to the business so the tariff making exercise is mandated as part for business survival as commercial entity.

CC P S
EC UL CH

ANNEXURE A/3

FORM I

REVIEW PETITION AGAINST THE ORDER DATED MARCH 28, 2024 IN CASE NO. 49
OF 2023)

BEFORE UTTARAKHAND ELECTRICITY REGULATORY COMMISSION, DEER
DADUN

Filing No.: _____

Case No.: _____

IN THE MATTER OF
REVIEW PETITION IN THE MATTER OF ORDER DATED MARCH 28, 2024 IN
CASE NO. 49 OF 2023 OF POWER TRANSMISSION CORPORATION OF UTTA-
RAKHAND LIMITED FOR TRUE UP FOR FY 2022-23, ANNUAL PERFORMANCE
REVIEW FOR FY 2023-24 AND REVISED AGGREGATE REVENUE REQUIREMENT
FOR FY 2024-25.

IN THE MATTER OF
SECTION 94 (1) (i) OF THE ELECTRICITY ACT, 2003;

AND

IN THE MATTER OF
REGULATION 54 OF UERC (CONDUCT OF BUSINESS) REGULATIONS, 2014;
REGULATION 3 (REVIEW OF DECISIONS, DIRECTIONS & ORDERS) OF UERC
(FEES AND FINES) (SECOND AMENDMENT) REGULATIONS, 2018;

AND

IN THE MATTER OF
POWER TRANSMISSION CORPORATION OF UTTARAKHAND LIMITED
VIDYUT BHAWAN, NEAR I.S.B.T. CROSSING,
SAHARANPUR ROAD, MAJRA, DEERDADUN-244002

[Signature]
..... PETITIONER

[Signatures]

[Signature]
MANAGING DIRECTOR
POWER TRANSMISSION CORPORATION
OF UTTARAKHAND LTD., DEERDADUN

Page 1 of 43

True Copy

THE PETITIONERS, ABOVE NAMED MOST RESPECTFULLY SHWETH:

1. LEGAL PROVISIONS UNDER WHICH PETITION IS BEING FILED

- 1.1. The present Petition is filing for Review of certain findings/decisions in the Impugned Order under Section 94 of the Electricity Act 2003 and the provisions of Regulation 54 of the UERC (Conduct of Business) Regulations 2014 and Regulation 3 of the UERC (Fees and Fines) Regulations, 2018, *inter alia*, for reasons and/or grounds set out here in below for kind consideration of the Hon'ble Commission.

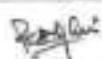
2. LIMITATIONS

- 2.1. The said Order (herein after to be referred to as "Impugned Order") was communicated to the Petitioners vide letter no/ No. UERC/7/CL-076/2023-24/108 dated 26.04.2024 by the Hon'ble UERC, thus the effective date of the Order for the purpose of compliance shall deemed to be effective from April 01, 2024.
- 2.2. As per Regulation 54 of the UERC (Conduct of Business) Regulations 2014, the stipulated timeline for seeking review is 60 days of such order of the Hon'ble Commission. As the Order conveyed by the Hon'ble Commission is on 26.04.2024, the present review petition is being filed within stipulated timeline prescribed by the Hon'ble Commission.
- 2.3. The Petitioner avows leaves from this Hon'ble Commission to allow submitting any additional information either required by the Hon'ble Commission or find it pertinent in support of the argument presented as part of this Review Petition.

3. FACT OF THE CASE

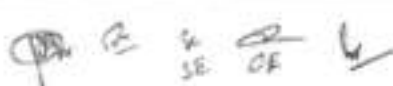
- 3.1. Power Transmission Corporation of Uttarakhand Limited", now "Power Transmission Corporation of Uttarakhand Limited" (hereinafter referred to as "PTCLUL") is the State Transmission Utility (STU) for the state of Uttarakhand notified vide Govt of Uttarakhand notification dated May 31, 2004 under section 19 of the Electricity Act 2003. Hon'ble 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 PTCLUL for carrying out transmission related works in the state vide Commission's order dated June 9, 2014. Accordingly, the Petitioner is functioning in accordance with the provision




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entrusted in the Electricity Act, 2003 and is engaged, within the framework of the Electricity Act, 2003, in the business of Transmission of Electricity.

- 3.2 Post the formation of a separate transmission company, the Hon'ble Commission issued separate Tariff Orders for PTCUL in accordance with the UERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2004 (hereinafter referred to as "UERC Tariff Regulations, 2004") which were notified on August 24, 2004. Subsequently, the applicability of these Regulations was extended until April 30, 2012.
- 3.3 Considering the provisions in the Tariff Policy, the Commission replaced the separate Regulations for Generation, Transmission and Distribution with a comprehensive MYT Regulation - UERC (Terms and Conditions for Determination of Tariff) Regulations from time to time for separate sections for Generation, Transmission, Distribution and SEDC for different control periods defined by the Hon'ble Commission from time to time.
- 3.4 Hon'ble Commission has issued new tariff regulations i.e., UERC (Terms and Conditions for Determination of Multi Year Tariff) Regulations 2021 (hereinafter referred to as "MYT Regulations 2021") vide Notification dated September 14, 2021. The prevailing regulation covers for the fourth control period from FY 2022-23 to FY 2024-25. The Petitioner filed for approval of business plan for fourth control period and MYT Petition, the same was approved by the Hon'ble Commission by its Order dated March 31, 2022. Subsequent to the aforesaid, in accordance with the provisions of MYT Regulations 2018, the Petitioner filed for taking up of FY 2021-22 and Grid for the Annual Performance Review of FY 2022-23 and Revised ARR for the FY 23-24 against which the Tariff Order was issued vide dated March 10, 2023.
- 3.5 Further PTCUL filed its Petition on November 29, 2023 seeking Take Up for FY 2022-23, Review of ARR for FY 2023-24 and Revised Aggregate Revenue Requirement for FY 2024-25 based on the audited accounts for FY 2022-23. The above Petition was provisionally admitted by the Commission vide its Order dated December 28, 2023.
- 3.6 The Hon'ble Commission, in exercise of the powers vested in it under Section 61 and Section 62 of the Electricity Act, 2003 and all other powers entitling it in this behalf,




and after taking into consideration submissions made by the Petitioner, suggestions and objections of the public, and responses of the Petitioner thereto, issues raised during the Public Hearing, and all other relevant material has issued Order dated March 28, 2024 in Case No. 48 and 49 of 2023 for Tuning-up of Aggregate Revenue Requirement (ARR) for FY 2022-23, Provisional Tuning-up of ARR for FY 2023-24 and revised estimates of ARR for FY 2024-25. The said Order (hereinafter to be referred to as "Impugned Order") was communicated to the Petitioner vide letter ref No. UERC/74C1-676/2023-24/108 dated 26.04.2024 by the Hon'ble UERC, thus the effective date of the Order for the purpose of compliance shall deemed to be effective from April 01, 2024.

- 3.7 However, the Petitioner respectfully submits that in the Impugned Order, there seems to be error apparent in respect of certain findings/decisions, which have led to miscarriage of justice, as elaborated subsequently. Therefore, the Petitioner is approaching the Hon'ble Commission with this Petition seeking review of the said impugned Order.
- 3.8 The present Petition is filing for Review of certain findings/decisions in the impugned Order under Section 94 of the Electricity Act 2003 and the provisions of Regulation 54 of the UERC (Conduct of Business) Regulations 2014 and Regulation 3 of the UERC (Fees and Fines) Regulations, 2018, inter alia, for reasons and/or grounds set out hereinafter for kind consideration of the Hon'ble Commission. A copy of the said order dated March 28, 2024 passed in Case No. 48 and Case No. 49 of 2023 is hereto annexed and marked as "Annexure-1". The relevant reference of the Electricity Act, 2003 and the Regulations are outlined as below:

a) Electricity Act 2003

The Section 94 (1) (f) of the Electricity Act 2003 (P.A 2003) allows the Appropriate Commission to review its own decisions, directions and orders. The relevant clause is reproduced below for reference:

"94. Powers of Appropriate Commission

- (1) The Appropriate Commission shall, for the purposes of any inquiry or proceedings under this Act, have the same powers as are vested in a civil court under the Code of Civil Procedure, 1908 (5 of 1908) in respect of the following matters, namely:—

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(f) Reviewing its decisions, directions and orders;

h) UERC Regulation

Regulation 54 (Review of the decisions, directions and orders) of UERC (Conduct of Business) Regulations, 2014, which is reproduced here below:

"54. Review of decisions, directions, and orders:

- (1) The Commission may on its own or on the application of any of the person or parties concerned within 60 days of the making of any decisions, direction or order, review such decisions, directions and Orders and pass appropriate orders as the Commission thinks fit.*
- (2) An application for such review shall be filed in same manner as a Petition under Chapter II of these Regulations.*
- (3) An application for review shall be listed before the Commission within a period of 15 days from the date of filing such application.*
- (4) The Review applications shall be disposed of within 30 days from the date of hearing if the review is not admitted and within a period of ninety days from the date of admission if the application is admitted.*
- (5) Provided that where the review applications cannot be disposed of within the period as stipulated, the Commission shall record the reasons for the additional time taken for disposal of review applications.*

- 3.9 The Petitioner further submits that no Appeal under Section 111 of EA 2003 has as far been preferred against the Impugned Order and that present Petition is being filed within the prescribed time limit. The Petitioner has submitted the Fees for the Review application as per Regulation 3 of the UERC (Fees and Fines) Regulations 2018.

4. CAUSE OF ACTION

- 4.1 The Petitioner humbly submits that the Petition is submitted for consideration and rectification of the said mistakes and errors apparent so that, the resultant Revenue Gap after True-up of Aggregate Revenue Requirement (ARR) for FY 2022-23, Provisional True-up of ARR for FY 2023-24 and revised estimates of ARR for FY 2024-25 is appropriately retained to ensure that the Petitioner is able to recover the legitimate cost and is sufficiently able to discharge its duties as mandated in EA



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2003.

4.2 The Petitioner therefore requests the Hon'ble Commission to admit the Petition and review/modify/vary the below stated heads of the Impugned Order dated March 28, 2024 (Case No. 48 and Case No. 49 of 2023) on the following grounds:

- a) Disallowances in Capitalization
- b) Erroneous disallowance of Return on Equity
- c) Wrongful disallowance in Efficiency gains on Interest on Working Capital
- d) Erroneous consideration of Other Revenue as non-taxable Income
- e) Erroneous Interpretation to allow Income Tax
- f) Erroneous interpretation while allowing the O&M expenses
- g) Wrongful consideration of ARR for Bhilgaon III (Khami) – Ghansali Line

5. GROUNDS SEEKING REVIEW OF THE IMPUGNED ORDER

DISALLOWANCES IN CAPITALISATION

1. WRONGFUL DISALLOWANCE OF CAPITALISATION FOR FY 2022-23

5.1 The Petitioner hereby humbly submits that the approach adopted by the Hon'ble Commission has been erroneous while allowing the capitalization as well as additional capitalization for the FY 2022-23, the approach adopted by the Hon'ble Commission has been as herein below:

- Lower of the capitalization claimed in Form 9A and Form 9.3 has been considered.
- Schemes exceeding the Investment Approval Limit have been restricted to Investment Approval.
- IDC for the Schemes have been worked out on Pro-rata Basis by categorizing the delay under controllable and uncontrollable factors for Schemes Capitalized during FY 2022-23.

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A. REC II Scheme: OPGW connectivity in PTCUL under Phase II of the ULDC Project

5.2 The Petitioner has claimed the capitalisation towards the capex scheme as Rs 6.07

Crore and has also submitted the details of the same along with audited accounts as herein below:

Sl. No.	Name of Voucher	Amount Claimed	Approved by Hon'ble UPRD	Remarks
1	"OPGW connectivity in PTCUL under Phase-II of the ULDC Project"	Rs. 14 (work in progress)	00.98	Rs. 08.98 Cr are towards "OPGW connectivity in PTCUL under Phase-II of the ULDC Project" and capitalisation has been approved by Hon'ble Commission.
		Rs. 10 (materials)		
		GGT differential amount		
	Sub-Total (A)	08.98		
2	Replacement of old battery banks with new VRLA Battery Banks for one UPS and one DC Power supply at S.D.C. Dehradun	0.086	Nil	Rs. 0.086 Cr are towards "Replacement of old battery banks with new VRLA Battery Banks for one UPS and one DC Power supply at S.D.C. Dehradun". The work was executed by M/s. Proton India System Pvt. Ltd. New Mumbai vide EE SCADA, D.Dan No. 295/EE/SCADA/PTCUL dated 28.07.2022 amounting Rs. 18.25 Lacs (GST extra copy of LCA enclosed).
	Sub-Total (B)	0.086	-	
	Total (A+B)	09.07	09.98	

5.3 The Petitioner hereby submits that the capitalisation towards the replacement of old battery banks with new VRLA battery banks for one UPS and one DC power supply at S.D.C. Dehradun amounting Rs 0.086 Crore appears to be inadvertently missed by the Hon'ble Commission. As the supply/work is of capital nature, the Petitioner requests the Hon'ble Commission to approve the aforesaid work for capitalisation. Though the Petitioner has already provided the documentary evidence justifying the same, the same is being submitted again for easy reference of the Hon'ble Commission as Annexure-7.

5.4 The Petitioner further submits the capitalisation of Rs 0.05 Crore towards Furniture & Fixtures, and Office Equipment was claimed by the Petitioner. The Hon'ble Commission opined that since these expenses are towards minor assets and thus need to be considered as part of Operations & Maintenance (O&M) expenses and thus the Hon'ble Commission has disallowed the same as capitalisation during FY 2022-23 and added to actual O&M expenses for FY 2022-23. The Petitioner submits to the

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Hon'ble Commission that the present approach erred on the basis that it violates the basic principle of categorization and allocation of asset based on its useful life as recognised under the accounting principle rather than its value and also provisions related to such treatment does not exist in MYT Regulations 2021 also. The impugned order is erroneous from the perspective that it shifts the asset addition from the balance sheet to the P&L. Since the audited accounts has already been finalised for the FY 2022-23, disallowance of the asset addition would lead to dilute the asset base of the Petitioner from regulatory asset base considered by the Hon'ble Commission.

B. REC VI Scheme: 220/33 kV Substation at Piran Kalbar

- 3.5 The Petitioner hereby submits to the Hon'ble Commission that the capitalization towards the aforesaid capex scheme was incurred in accordance with the MYT Regulations 2021, which defines the cut-off period as herein below:

"Cut-off Date" means 31st March means of the year closing after two years of the year of commercial operation of whole or part of the project, and in case the whole or part of the project is declared under commercial operation in the last quarter of a year, the cut-off date shall be 31st March of the year closing after three years of the year of commercial operation.

Provided that the cut-off date may be extended by the Commission if it is proved on the basis of documentary evidence that the capitalization could not be done within the cut-off date for reasons beyond the control of the project developer.

- 3.6 The Petitioner hereby submits that the additional capitalization was claimed by the Petitioner in view of the aforesaid highlighted provision of the MYT Regulations 2021 and detailed justification for the same was provided to the Hon'ble Commission. However, the Hon'ble Commission appears to ignore such submissions and then has disallowed the capitalization restricting the same to be allowed upto the cut-off period date. The Petitioner submits that the impugned Order has not deliberated on which of the reasons submitted do not deserve consideration in accordance with the provisions of the MYT Regulations 2021. In wake of the above, the Petitioner requests the Hon'ble Commission to take into cognizance of the submissions made as already made, though the same is being reproduced as Annexure-1 and reiterate the capitalization for the aforesaid scheme.

C. REC VIII Scheme: 220 kV D/C line on Twin Zebra Conductor from Lakhwar to Dehradun & it's T.D.O at Vyas

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5.7 The Petitioner hereby humbly submits to the Hon'ble Commission in the impugned Order has commented in the fact that the Petitioner has submitted the details of IDC capitalised along with reasons of delay in execution of the scheme in chronological order. Based on the same, the Hon'ble Commission has also observed the reasons of delay as due to Forest Clearance preparation activities like Joint Inspection with Forest and Revenue Officials, delay in obtaining FRA 2006 Certifications, delay in allotment of land for compensatory afforestation, RoW Issues, Covid-19 first wave, unavailability of Shutdown of 33/11 KV feeders from UPCL, Covid-19 second wave, unapproachable road due to inclement weather conditions and delay in tree marking by Forest Department in III Section. The Petitioner submits that the Hon'ble Commission itself has classified the reasons of delay as mix of controllable and uncontrollable and majority due to force majeure events, yet rather than identifying the controllable reasons and reducing the IDC accordingly, has preferred adopted a lumpsum approach deducted the IDC across all such activities which were even force majeure as well as uncontrollable.

5.8 The Petitioner requests the Hon'ble Commission to kindly provide for the classification of reasons under the controllable, uncontrollable and force majeure events and adjust the IDC accordingly so that the Petitioner is aware of such factors and strategize accordingly for the future capital expenditures of such nature. The Petitioner requests the Hon'ble Commission to kindly take into cognizance of the fact that unless the IDC on specific activities considered as imprudent is known to the Petitioner, it will be difficult to obviate such instances that results in undue burden on the Petitioner and thus the end beneficiaries. Accordingly reduce the IDC for the activities which are uncontrollable and of force majeure in nature. The documentary evidence in this regard is being submitted again for easy reference of the Hon'ble Commission at Annexure-4.

B. REC 9995: Const. of Approach Road for Control Room and Residential Building at 132 kV S/s Rasikhet

5.9 The Petitioner hereby humbly submits the Hon'ble Commission in its impugned Order has erred in restricting the capitalisation upto the investment approval for the aforesaid scheme and has erred in ignoring the reasons for cost escalation.

5.10 The Petitioner request the Hon'ble Commission to take into cognizance of the fact that the Petitioner by terminating the tender because of non-responsiveness, has actu-

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ally saved the crucial time for execution of the project and it is irrational that the marginal cost increase resulted because of this has been resulted into disallowance, which is nothing but a punishment for the prompt and prudent step taken by the field officials.

5.11 Apart from the above, the Petitioner hereby submits that restricting the capitalization upto investment approval not only breaches the own directive of the Hon'ble Commission which accords investment approval and directs to provide detailed justification for cost deviation from the investment approval, but also ignores the ground implementation challenges faced by the Petitioner while executing the project.

5.12 Based on the above, the Petitioner requests the Hon'ble Commission to restore the capitalization for the aforesaid scheme.

E. REC 10740: Supply Erection and Testing & Commissioning of 40 MVA 132/33 kV Transformer and 132 kV and 33 kV Transformer Bay at 132 kV Srs Lakmar

5.13 The Petitioner hereby humbly submits the Hon'ble Commission in its Impugned Order has erred in disallowing the additional capitalization of Rs 0.53 Crore by restricting the total capitalization up to the investment approval of Rs 3.73 Crore for the aforesaid stages scheme.

5.14 The Petitioner hereby submits that restricting the capitalization upto the investment approval not only breaches the own directive of the Hon'ble Commission which accords investment approval and directs to provide detailed justification for cost deviation from the investment approval, but also ignores the ground implementation challenges faced by the Petitioner while executing the project.

5.15 The Petitioner hereby submits that the detailed justification was provided to the Hon'ble Commission as part of the tariff filing, however, the same appears to be ignored, as there has been no discussion on which reasons are not found prudent for consideration by the Hon'ble Commission. Hence the Petitioner requests the Hon'ble Commission to kindly review the decision of disallowance of the capitalization and restore the same taking cognizance of the justification of cost overrun provided by the Petitioner as part of the Petition, the same is being annexed herewith again as Annexure - 3 for easy reference of the Hon'ble Commission.


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- F. **RCRM 9025: Const. of 132 kV SC Overhead Line from 220 kV S/s SIDCUL, Haridwar to 132 kV S/s Jwalapur & Const. of 132 kV Bay(s) at both ends for 132 kV Overhead line from 220 kV Substation SIDCUL, Haridwar to 132 kV S/s Jwalapur***

5.16 The Petitioner hereby humbly submits the Hon'ble Commission in its impugned Order has erred in disallowing the additional capitalisation of Rs 0.05 Crore towards the aforesaid capex scheme. Against the claimed capitalisation of Rs 0.95 Crore, the Hon'ble Commission has approved the capitalisation of Rs 0.90 Crore citing the same breaches the investors approval link while allowing the cumulative capitalisation against aforesaid capex scheme.

5.17 The Petitioner hereby submits that restricting the capitalisation upto the investment approval not only breaches the own directive of the Hon'ble Commission which accords investment approval and directs to provide detailed justification for any deviation from the investment approval, but also ignores the ground implementation challenges faced by the Petitioner while executing the project.

5.18 The Petitioner hereby submits that the detailed justification was provided to the Hon'ble Commission as part of the tariff filing, however, we apprehend the same appears to be ignored, as there has been no discussion on which reasons are not found prudent for consideration by the Hon'ble Commission. Hence the Petitioner requests the Hon'ble Commission to kindly review the decision of disallowance of the capitalisation and rectify the same taking cognizance of the justification of cost-overrun provided by the Petitioner as part of the Petition, the same is being annexed herewith again as Annexure - 6 for easy reference of the Hon'ble Commission.

- G. **REC 10148: Implementation of Intra-state ART metering scheme for onlineing of ART meters to be installed at interface points for energy accounting and transmission level emergency auditing under PITUL, Dehradun**

5.19 The Petitioner hereby submits the Hon'ble Commission in its impugned Order has erred in disallowing the additional capitalisation of Rs 1.20 Crore against the aforesaid capex scheme. The Petitioner hereby submits that the Petitioner has claimed the capitalisation of Rs 13.26 Crore as per Form 9A and has also submitted that capitalisation claim for the FY 2022-23 to be considered as Rs 13.25 Crore. The reasons for delay in project execution was also cited as part of the Petition. The Petitioner submits that revised Form 9.5 was submitted post technical validation session, rectifying the inadvertent typo error and the capitalisation of Rs 11.43 Crore was

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made towards the aforesaid capex scheme.

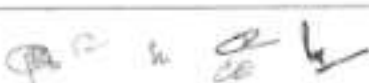
5.20 The Petitioner further submits that the Hon'ble Commission while passing the impugned Order has erred disallowing the AMC part of the scheme amounting to Rs. 1.19 Crore stating that the AMC is the maintenance contract being signed by PTCUL for the upkeep and maintenance of the Software and Hardware involved in APT Metering System, the same do not form the part of physical hardware being capitalised under the scheme. Accordingly, the Hon'ble Commission has erred to consider the same as part of the normative R&M expenses.

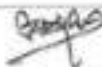
5.21 The Petitioner humbly submits that the aforesaid act of the Hon'ble Commission is in violation of its own investment approval granted in Case No 11 of 2016 dated May 06, 2016. The said order was pronounced by the Hon'ble Commission taking cognizance of not only the detailed cost estimate submitted for consideration of the Hon'ble Commission while giving in-principle approval for the same. The said approval by the Hon'ble Commission has neither opened nor directed to exclude the AMC cost of the detailed cost estimate from the total approved cost nor has specified to undertake the AMC as part of the normative R&M expenses. The Petitioner submits that the purchase order for the aforesaid capex scheme was awarded only after the investment approval and in same manner as projected in the DPR and detailed project cost.

5.22 The Petitioner humbly submits that the Hon'ble Commission appears to have ignored its own approval and the facts submitted on face of the record. The Petitioner humbly submits that the denial of the capitalisation from its original scheme in-principally approved by the Hon'ble Commission tantamount to changing the rule of the game when the game has already been played. Thus requests the Hon'ble Commission to take cognizance of the submissions made and restore the capitalisation, the documentary evidence in this regard is being submitted again for easy reference of the Hon'ble Commission as Annexure-7.

II. PFC (System Improvement): Supply and Installation of 61 no 168 MVA T/F and its associated 220 kV HV side & 132 kV LV side bay at 400 kV S/S Kashipur

5.23 The Petitioner humbly submits that the Hon'ble Commission has erred in restricting the capitalisation for the aforesaid capex scheme at Rs. 17.76 Crore instead Rs. 18.24 Crore submitted along with detailed justification for the cost escalation



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resulted due to cost and time overrun. The Petitioner further submits that the Hon'ble Commission itself has classified the reasons of delay as Delay due to Covid-19 Pandemic, delay due to Soil Filling permission for land development at 400 kV Substation at Kathpur, delay due to non-availability of Shutdown of 220 kV and 132 kV Bus at 400 kV Substation at Kathpur, and Delay due to Charging Clearance from Electrical Safety Department. The Hon'ble Commission also have appeared to be satisfied with the reasons and has opined that part of the delay could be considered as delay not attributable to the Petitioner, yet has preferred to disallow the capitalisation supposedly on account of higher IDC than computed by the Hon'ble Commission citing that the other activities could have been undertaken in parallel, and the delay could have been shortened/overrid by proper planning and follow up at the Petitioner's end.

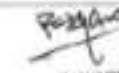
- 5.24 The Petitioner requests the Hon'ble Commission that such observation and direction would serve more benefit to the Petitioner if specified explicitly while pronouncing the order as it guides to consider the phasing of activity accordingly to avert future disallowance caused due to delay. The Petitioner understands that the Hon'ble Commission has worked out the allowable IDC as Rs 9.25 Crore accordingly, however, since the same is not part of the Impugned Order, the Petitioner is not able to understand the same. The Petitioner further submits that the justification for delay submitted along with the Petition and during the technical validation session interactions are justified enough to allow the capitalisation as none of the same could be attributable to the Petitioner. In wake of the aforementioned, the Petitioner humbly requests the Hon'ble Commission to review its decision taking cognizance of the submissions made and restate the capitalisation, for any reference the same is being submitted as Annexure - E.

1. PFC (System Improvement): Const. of 132/33 kV S/s Padartha (Patanjali), Haridwar

- 5.25 The Petitioner humbly submits that the Hon'ble Commission has erred in disallowance of the capitalisation for the aforesaid tapex scheme just only because of the fact that corrected information was submitted in February 26, 2024 and retained the information submitted as on 30th January 2024 as Rs 29.76 Crore. The Petitioner feels that it is impudent to ignore any information submitted which has significant commercial impact on the business entity.

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5.26 The Hon'ble Commission also have appeared to be committed with the reason and has opined that part of the delay could be considered as delay not attributable to the Petitioner, yet has preferred to disallow the capitalisation supposedly on account of higher TDC than computed by the Hon'ble Commission citing that the other activities could have been undertaken in parallel, and the delay could have been shortened/averted by proper planning and follow up at the Petitioner's end.

5.27 The Petitioner requests the Hon'ble Commission that such observation and direction would serve more benefits to the Petitioner if specified explicitly while pronouncing the order as it guides to consider the phasing of activity accordingly to obviate future disallowance caused due to delay. The Petitioner understands that the Hon'ble Commission has worked out the allowable TDC as Rs 2.34 Crore accordingly, however, since the same is not part of the impugned Order, the Petitioner is not able to understand the same. The Petitioner further submits that the justification for delay submitted along with the Petition and during the technical validation sessions interactions are justified enough to allow the capitalisation as none of the same could be attributable to the Petitioner. In wake of the aforementioned, the Petitioner humbly requests the Hon'ble Commission to review its decision taking cognizance of the submission made and restate the capitalisation, for easy reference the same is being submitted as Annexure-4.

2. **PFC (System Improvement): 132 kV Chila-Nazibulud L/HO Line at 132 kV Substation, Pataartha (Including Construction of Well foundation at various location of L/HO of 132 kV Chila Nazibulud line at Ganga River near village Sajanpur PO, Haridwar)**

5.28 The Petitioner hereby humbly submits that the Hon'ble Commission has erred in disallowance of the capitalisation for the aforesaid capex scheme only because of the fact that there has been delay in submission of the corrected information. The Petitioner feels that it is inequitable to ignore any information submitted which has significant commercial impact on the business entity.

5.29 The Petitioner further submits that the detailed justification for the submitted along with the original Petition and inadvertent typo error was corrected in the subsequent submissions. We understand the Hon'ble Commission take into consideration every submission made by the Petitioner before exercising its discretion to allow or disallow any work input in tariff. The perusal of the impugned Order reflect that the

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Hon'ble Commission has taken note of the revised submission and inadvertently missed to take into cognizance of the detailed justification submitted as part of the Petition. The Petitioner is confident of the fact that once the detailed justification is reviewed by the Hon'ble Commission, the rational for cost-escalation can be provided. The Petitioner understands that the Hon'ble Commission has worked out the allowable IDC as Rs. 0.75 Crore accordingly, however, since the same is not part of the impugned Order, the Petitioner is not able to understand the same.

5.30 The Petitioner further submits that the Hon'ble Commission has not only erred in denying the capitalization against the IDC but also erred in denying the principal amount. The Petitioner submits that the revised form 9-B and form 9-C for the scheme was submitted however, the same appears to be missed out from consideration while allowing the capitalization.

5.31In wake of the aforementioned, the Petitioner humbly requests the Hon'ble Commission to review its decision taking cognizance of the submissions made and restate the capitalization, for easy reference the same is being submitted as Annexure - 10.

K. PFC (System Improvement): Supply Erection and Testing & Commissioning of 40 MVA 132 kV Transformer & 132 kV & 33 kV Transformer Bay at 132 kV S/S Bindal

5.32 The Petitioner hereby humbly submits that the Hon'ble Commission has erred in disallowing the capitalization towards the aforesaid capex scheme. The Petitioner hereby submits that the additional capitalization claimed by PTCUL was within the cut-off date and the Hon'ble Commission has previously approved the capitalization of Rs. 5.85 Crore up to FY 2021-22 for the said scheme. However, considering the capitalization claimed for FY 2022-23, i.e. Rs. 0.61 Crore, total Project Cost for the scheme sums up to Rs. 6.52 Crore up to FY 2022-23 which exceeds the total approved cost of Rs. 6.93 Crore and thus the Hon'ble Commission has restricted the Project Cost of the Scheme to Rs. 6.63 Crore and have restricted the capitalization claimed during FY 2022-23 to Rs. 0.20 Crore.

5.33The Petitioner hereby submits that restricting the capitalization upon the investment approval not only breaches the own directive of the Hon'ble Commission which accords investment approval and directs to provide detailed justification for cost deviation from the investment approval, but also ignores the ground implementation challenges faced by the Petitioner while executing the project.

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5.34 The Petitioner hereby submits that the detailed justification was provided to the Hon'ble Commission as part of the tariff filing, however, we apprehend the same appears to be ignored, as there has been no discussion on which reasons are not found prudent for consideration by the Hon'ble Commission. Hence the Petitioner requests the Hon'ble Commission to kindly review the decision of disallowance of the capitalisation and restate the same taking cognizance of the justification of cost-overrun provided by the Petitioner as part of the Petition, the same is being annexed herewith again as Annexure - 11 for easy reference of the Hon'ble Commission.

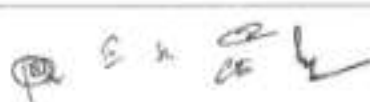
L. REC (System Improvement): Construction of 220 kV Pirakalliyar-Pahana (PGCIL) Line

5.35 The Petitioner hereby humbly submits that the Hon'ble Commission has erred in disallowing the capitalisation towards the aforesaid capex scheme. The Petitioner hereby submits that the Hon'ble Commission vide its Investment Approval Order dated October 09, 2015, had approved Rs. 11.14 Crore for construction of 220 kV Pirakalliyar-Pahana (PGCIL) single circuit line on double circuit towers (Zebra Conductor). Further, the Hon'ble Commission vide Investment Approval Order dated December 01, 2017, has approved the revised capital cost of Rs. 19.08 Crore for stringing of double circuit line on double circuit towers alongwith EHV cabling work. Accordingly, the Petitioner has claimed the additional capitalisation of Rs. 0.32 Crore during FY 2022-23.

5.36 The Petitioner submits a detailed justification for the cost escalation was submitted along with the Petition, however, it appears there has been an inadvertent omission to take into cognizance of such information submitted on the face of the record. Hence the Petitioner requests the Hon'ble Commission to kindly review the decision of disallowance of the capitalisation and restate the same taking cognizance of the justification of cost-overrun provided by the Petitioner as part of the Petition, the same is being annexed herewith again as Annexure -12 for easy reference of the Hon'ble Commission.

M. Other Schemes (System Strengthening): Furniture & Fixtures, and Office Equipment claimed by SLDC

5.37 The Petitioner hereby submits that the capitalisation of Rs 0.05 Crore towards Furniture & Fixtures, and Office Equipment for SLDC for the FY 2022-23. The Hon'ble



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Commission opined that since these expenses are towards minor assets and thus need to be considered as part of Operations & Maintenance (O&M) expenses and thus the Hon'ble Commission has disallowed the same as capitalization during FY 2022-23. The Petitioner submits to the Hon'ble Commission that the present approach erred on the basis that it violates the basic principle of categorisation of asset based on its useful life as recognised under the accounting principle rather than its value. The impugned order is erroneous from the perspective that it shifts the asset addition from the balance sheet to the P&L, and also provisions related to such treatment does not exist in MVT Regulations 2011 also. Since the audited accounts has already been finalised for the FY 2022-23, disallowance of the asset addition would lead to differ the asset base of the Petitioner from regulatory asset base considered by the Hon'ble Commission.

- 3.38 In view of the above, the Petitioner requests the Hon'ble Commission to kindly reverse the capitalisation and allow consequential impact in the Trading Up for the Petitioner.

II. ERROR APPARENT IN CAPITALIZATION OF FY 2023-24

- 3.39 The Petitioner hereby submit that there is an error apparent on face of the record that the Hon'ble Commission has erred in disallowing the capitalization of Rs 84.11 Crore towards '132 KV Single Circuit line on D/C Tower from Pitambarpur to Champawan (Laharhat)' in spite of fact that the same has been operationalised on the request of the beneficiary and upon seeking the directive of the Hon'ble Commission. Notwithstanding to the aforementioned on our contentions and rights to raise objections against the aforementioned disallowances in capitalization by the Hon'ble Commission, even if the said capitalization is deducted from the actual though unrealized capitalization of FY 2023-24, there is an apparent computation error on face of the record.

- 3.40 The Petitioner has submitted the actual capitalization for III (i.e., April to September 2023) of FY 2023-24 based on actual though unrealized account as per table hereto below:

Table 1: Capitalization for III (Apr-Sep) of FY 2023-24

S. No.	Name of the Scheme	Scheme	Date of Completion	Amount capitalised till Sep'23
PTCL 1. Asset Capitalization				



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S. No.	Name of the Scheme	Scheme	Date of Completion	Amount Capitalized till Sep'23
1	132 KV SVC line on D/C tower from Pithnagar (PGCL) - Champawat (Lokhwar)	RCC-VII	14-06-2023	81.95
2	132KV D/C (New) Tower Pithnagar to Lokhwar in Dehradun & its LLD at Vrasi	RCC-VIII	05-05-2022	9.60
3	Costs of 132 KV GDS S/S at Nagaria-2020-21	PFC-2021	15-08-2021	2.94
4	Supply, Freight & Testing and commissioning of 100 MVA 220/132 KV Transformer and its associated 220 KV and 132 KV Bays at 400 KV S/S Kashiya.	PFC-2022	04-05-2022	2.94
5	Tools & Plant	OTDRS	01-03-2023	2.42
6	Supply, Freight & Test of 40 MVA Transformer at 132 KV S/S Pithnagar against tender Specification No. PTCCL/CT-Tender/247/2020-21(1) to 10	RCC-10649	14-05-2022	1.42
7	Supply, Freight and Testing & Commissioning of 120/22KV Transformer and its associated 132KV and 33 KV bays including accessories and hardware of 33 KV main bus at 220 KV S/S Kashiya, Haridwar	RCC-10651	05-02-2022	1.29
8	Supply, Freight and Testing & Commissioning of 120/33KV Transformer and its accessories 122KV and 33KV Bays including accessories and hardware of 120KV main bus at 132KV S/S Jagesh	RCC-10650	24-02-2022	0.80
9	Building	OTDRS	01-03-2023	0.40
10	LLD of 132 KV D/Cs - Nagaria-Lokhwar at 132 KV S/S Pithnagar (Pithnagar), Haridwar	PFC-2021	14-08-2022	0.11
11	Implementation of Inter-Loc APT interlocking scheme for online APT meters to be installed at interface points for energy accounting and operational level contingency analysis under PTCCL, Dehradun	RCC-10148	12-04-2022	0.73
12	Furniture & Fittings	OTDRS	01-03-2023	0.21
13	Office Equipment	OTDRS	01-03-2023	0.42
14	IT Equipment & Computers	OTDRS	01-03-2023	0.88
15	Costs of 220 KV Pithnagar - Pithnagar (PGCL) Line	RCC-12290	04-09-2020	0.07
16	FURNITURE & FIXTURES	Other	15-05-2022	0.01
17	IT Equipment, Computer & Peripherals	Other	26-05-2022	0.86
18	Costs of 132/33 KV S/S Pithnagar (Pithnagar), Haridwar	PFC-2021	17-08-2022	1.40
Subtotal of PTCCL Capitalization				196.58
PTCCL Capital Work Capitalization				
19	Distribution of 220KV Jagesh-Badrinath railway line	DISPOST	24-05-2021	10.92
20	Setting of 220 KV D/C-Badrinath railway	DISPOST	30-05-2022	1.08







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S. No.	Name of the Scheme	Scheme	Date of Completion	Amount capitalised till Sep'23
	Item Type as falling structure below main telegraph			
Subtotal of Deposit Work capitalisation				20.99
Total Asset Capitalisation for FY 2023-24 (H1) of PTCCL as a whole				117.87
Less: Asset capitalised belong to SLDC				8.33
Total Asset Capitalisation for FY 2023-24 (H1) of PTCCL as a Transmission Division				117.84

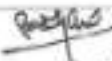
5.41 In support of such aforementioned claim, the provisional and unaudited accounts for first half of FY 2023-24, along with Trial Balance was submitted as Annexure-XVII and Annexure-XVIII along with this Petition. The electrical inspector certificate for the completed projects was also submitted in Annexure-XIX for perusal of the Hon'ble Commission to establish the definition of asset put on use. The Letter of Award/ Agreement/contract approval for the completed projects in FY 2023-24 was also submitted as Annexure-XX. The amount claimed as capitalisation for the current year was submitted as per the notified format of the Hon'ble Commission as Form - 9A submitted along with the Petition.

5.42 It was also submitted that the asset capitalisation related to 220 KV GIS Substation Baran of Rs. \$4.11 Crore, capitalised in FY 2023-23 was not claimed by Petitioner in corresponding year and then based on its expectancy to be commissioned in coming year was considered as part of the capitalisation in FY H2 of FY 2023-24. The Petitioner had submitted the projected capitalisation for H2 (Oct-March) of FY 2023-24, as per table herein below:

Table 2: Capitalisation for H2 (Oct-March) of FY 2023-24

Name of the Scheme	Scheme	Total Expected Expenditure	Status
220 KV GIS Substation Baran (220 KV GIS Project and Baran)	ROC IV (C-10000)	18.65	Transformer foundations 11/04; Tower erection 19/04; tower and stringing of 7.35/11 KV; work is under progress
Work of Supply and Location and Commissioning of 1 Nos. x 33/415 KV Substation Tamar-1 (including civil work with complete commissioning at 220 KV Substation Dugla)	Capital	0.27	Work in progress

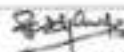
    

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Name of the Scheme	Scheme	Total Budgeted Expenditure	Status
Work of strengthening of 225 Volt 300 AH Battery Set (VRLA) at 220 KV Substation Rajpur	Capital	0.12	Work in progress
Work of Replacement of old 33 KV Vacuum Circuit Breaker For 80 MVA Transformer -L, 2 LV side at 220 KV Substation Rajpur	Capital	0.11	Tendering in progress
Supply & Erection for replacement of old 110 Volt 300 AH lead acid Battery Set and set's of 110 Volt, 300AH VRLA battery bank at 132 KV Substation, Binda	Capital	0.19	Work under progress
Procurement of 132 KV & 33 KV Current Transformer at 132 KV S/S Binda	Capital	0.12	Work under progress
Replacement of tower No. 18B+4 of 132 KV Binda-Kulibach-Majra line in Binda Block	Capital	0.29	Work under progress
Replacement of tower No. 48+4 of 132 KV Binda-Kulibach-Majra line in Binda Block	Capital	0.41	Work under progress
Work of Strengthening of 220 Volt 100AH Battery Set(VRLA) and Replacement of old 11kV Vacuum Circuit Breaker for 13KV Feeder at 220 KV Substation Rajpur	Capital	0.57	Pre-order activities under progress. Work is expected to be completed in March 2024
Construction of 1 No 33 KV Bay at 132KV Binda	Capital	0.30	Pre-order activities under progress. Work is expected to be completed in March 2024
Construction of 220/11 KV GIS Substation at Bansa (Jaljiwā, Pithoragarh)	REC-XBT	\$4.11	Expected COD through back charging in H2
Work of making protection wall for safety of tower no. 01 of 400kv dc kusha-champur line at 400kv substation, Kuchipura	Internal Resources	0.42	Under progress
Work of construction of new boundary wall around substation complex at 132KV Substation, Rajpur	Internal Resources	0.20	Under progress
Work of construction of new approach road at 132KV Sub-Station, Badiapur & 132KV Sub-Station, Rajpur	Internal Resources	0.32	Under progress
Work of erection of Jack Box Bay at 132 KV S/S Binda	Capital	0.12	Under progress
Construction of 132KV Switching S/S at S/S Goid plus Premium Landfillers	Deposit	4.5	Under progress and expected COD in Dec 23
Procurement of 13KV Different Ratio Single Phase (3 Core) CTs for 132KV S/S Majra, Dehradun	Internal Resources	0.087	Work under progress







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Names of the Schemes	Schemes	Total Bids and Expenditure	Notes
Procurement of 141KV 400-2021 Amp Single Phase (3 Core) C/Fs and 200/110/16 kv Single Phase (3 Core) C/Fs at 112KV S/S Mapa, Dehriahat	Internal Resources	0.081	Work under progress
Work of Replacement of old 33 KV VCB Circuit Breaker at 112 KV Substation Mapa	Internal Resources	0.26	Completed and shall be completed in books of accounts in FY 2023-24
Supply and Installation of MS SP Box Isolator with remote and Automatic discharge mechanism at 220 KV GIS S/S IP, Harmanda Dehriahat	Internal Resources	8.113	Completed and shall be completed in books of accounts in FY 2023-24
Work of Providing, Fixing and Installation of Indoor and Outdoor 72 in Isolator Panels and cabling work to provide 400 Amp HT with 4 pole MCCB supply in outside area near Transformer for doing various works like testing, Testing etc. at 220KV GIS Substation IP, Harmanda	Internal Resources	0.071	Work under progress
Work for providing, fixing, Commissioning and Installation of Transformer Oil Online Dry Out System at 112KV S/S Mapa, Dehriahat	Internal Resources	0.089	Work under progress
Total Capitalization		10.321	

5.43 The Petitioner hereby submits that the cumulative financial burden of already incurred expenditure towards the capitalization of H1 (Apr-Sept) and H2 (Oct-March) of FY 2023-24 was submitted as per table herein below:

Table 3: Provisionally projected Capitalization for FY 2023-24

Particular	Tariff Order dt. 16 March 2023	Actual (Apr-Sept)	Estimated (Oct-Mar)	Revised estimate for FY 2023-24
Capitalization	27.23	127.66	113.21	240.83

5.44 The Petitioner hereby submits that the Hon'ble Commission while evaluating the annual performance review for the FY 2023-24 during the technical validation session has sought for the revised status of the project under completion, the status of the same was submitted to the Hon'ble Commission by the Petitioner. The Petitioner wish to submit that the Hon'ble Commission was in possession of all requisite infor-



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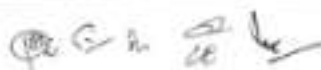
ention to evaluate and allow the capitalisation against such capex scheme submitted by the Petitioner and for any further information, the Petitioner would have submitted such further clarification or information as sought before and after the technical validation session.

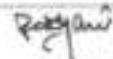
5.45 The Petitioner hereby submits that the Hon'ble Commission while evaluating the capitalisation for H1 of FY 2023-24 has erroneously ignored the capitalisation towards the "Construction of 132 kV S-C Line on Parallel Conductor on Double Circuit Towers from 220/132 kV S/s Pithoragarh (PGCL) to 132/33 kV Sub-station Lohaghat (Champanwat) of PTCUL", citing the same as incomplete as the Petitioner has not yet planned for the downstream asset (i.e. Sub-station at Lohaghat) yet. However, the Hon'ble Commission has erred in taking cognizance of its own direction to change the transmission line.

5.46 The Petitioner in this regard wish to highlight pertinent aspects that the proposed capitalisation of construction of 132 kV S-C line from Pithoragarh to Lohaghat and 132 kV GSS S/s at Lohaghat, are two independent capex schemes planned by the PTCUL, though linked to each other. The Petitioner hereby submits that the first part of the capex scheme was considered for expeditious capitalisation because of the specific direction by the Hon'ble Commission. The Petitioner wish to highlight the chronology wise schedule of events that caused them to expedite the first part of the capex scheme and consequential capitalisation in the books of accounts after following due process of capitalisation at the guidance of this Hon'ble Commission:

- It is to be noted that the load centres at Champanwat and Lohaghat is catered by the distribution licensee viz. Uttarakhand Power Corporation Limited (UPCL) using 33 kV feeders emanating from 132 kV S/s at Pithoragarh and Almora.
- Because of the terrain and weather conditions, the existing supply lines of UPCL are subject to low voltage and frequent interruptions resulting into load shedding to the load centres.
- Since the aforesaid 132 kV line of the Petitioner was under construction passing by through the same region, UPCL has requested to merge the 132 kV S-C line on DC tower from Pithoragarh to Lohaghat citing following reasons:-

- 1) 13 kV line passes through dense forest, river, and very remote places and in case of breakdown, it takes time to restore the supply. In case the above line is changed at 33



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11 KV voltage, the voltage breakdown issue will reduce to zero.

- II. To supply uninterrupted 24x7 power supply to district Champawat.
- III. To reduce the line losses.

- Accordingly, the Petitioner has sought guidance from the Hon'ble Commission and has submitted the status of the project and also the request made by the UPCL, vide its letter No Director (Projects)/PTCLL/225 dated 27.01.2021.
- The Petitioner hereby submits that the Hon'ble Commission had held a joint meeting with the presence of officials of PTCLL, UPCL, and the Hon'ble Commission itself. Pursuant to the same, the Hon'ble Commission vide its letter ref No UERC/TCL/460/2020-21/1388 dated 10.03.2021 has directed as herein below:

"I have been directed to inform you since the above proposal of PTCLL, would immediately improve the reliability of supply of Champawat district, the commission accords its principal approval in PTCLL for charging 132 KV Pithoragarh to Lohaghat (Champawat) line at 33 KV voltage level temporarily till completion reconstruction of 132 KV GIS substation at Lohaghat. However with regard to capitalisation of the said 132 KV line consequent to its charging at 33 KV voltage level the decision will be taken at the time of filing of Tariff/ARR Petition by the licensee later on."

- The Petitioner has expedited the execution of the capex scheme taking cognizance of the directive of the Hon'ble Commission. Further, during the 8th coordination meeting held on 08.05.2023, the matter was deliberated again and the Hon'ble Commission had directed as herein below:

"UPCL to coordinate with PTCLL for charging 132 KV Champak- Lohaghat line at 33 KV for interim relief till the time 132/33 KV Champawat St is commissioned"

- Accordingly, the construction work of 132 KV S/C line on D/C tower from Pithoragarh to Lohaghat was completed and Electrical Inspector has issued charging certificate to the Petitioner. Consequently, the Petitioner has submitted the compliance of directive of the Hon'ble Commission vide its letter dated 24.06.2023. Further to this, the UPCL has issued 'Commercial Utilisation Certificate' vide its letter dated 21.08.2023 to the Petitioner. Pursuant to the submissions there has been an

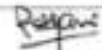
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observations, objections by either the Hon'ble Commission or any other stakeholder and beneficiary.

- 5.47 The Petitioner humbly submits that the Hon'ble Commission has neither sought any queries raising concerns on the aforesaid capitalisation nor sought the view of the Petitioner prior to disallowance. The Petitioner submits that the denial of capitalisation specifically incurred upon the direction of the Hon'ble Commission with no opportunity given to be heard of the Petitioner, leads to violate the principle of natural justice. The Petitioner submits that the impugned order neither deliberates the rational for the existing capitalisation, nor deliberates upon the reasons of disallowance.
- 5.48 In wake of the above, the Petitioner requests the Hon'ble Commission to kindly rectify the capitalisation as per the books of accounts by taking into cognizance the details already in possession of the Hon'ble Commission, (the same is being submitted for easy reference as Annexure -13).
- 5.49 The Petitioner wish to further submit that the impugned Order also appears to have computational error while allowing the capitalisation for the FY 2023-24 is aggregate. Notwithstanding to our contention and rights before the Hon'ble Commission to claim the capitalisation, even if the capitalisation towards the 'construction of 132 kV SC line from Pithoragarh to Lohaghat' is reduced from the total actual capitalisation of 111 of FY 2023-24, the summation leads to Rs 50.60 Crore, however, Hon'ble Commission has considered the actual capitalisation as Rs 46.36 Crore for 111 of FY 2023-24. Similarly, even if the Petitioner accepts the approved capitalisation for 102 of FY 2023-24 and defers the capitalisation towards the '132 kV SC link line between 132 kV S/S Paurai and Bindal' of Rs 19.65 Crore and 'Construction of 220/132 kV GIS Substation at Baner (Jauljani), Pithoragarh' of Rs 84.11 Crore towards FY 2024-25, the summation of approved capitalisation amounts to Rs 9.44 Crore instead of Rs 7.89 Crore considered by the Hon'ble Commission in Section 4.2 of the Impugned Order as highlighted herein below:
- "Based on the observations made by the Commission, the total amount of capitalisation for first half of FY 2023-24 approved by the Commission works out to Rs. 48.58 Crore and the total amount of capitalisation approved by the Commission for second half of FY 2023-24 works out to Rs. 7.82 Crore"*
- 5.50 In wake of the aforementioned, the Petitioner request the Hon'ble Commission to kindly rectify the correct capitalisation for the FY 2023-24 and allow the consequent



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nal impact on ARR accordingly.

III. ERRONEOUS DISALLOWANCES IN CAPITALISATION OF FY 2019-20, FY 2020-21 and FY 2021-22

3.31: The Petitioner hereby submits that the Hon'ble Commission in its Order in Case No. 69 of 2022 dated March 30, 2023 has deferred the capitalisation for aforementioned years for the purpose of additional justification. The Petitioner has submitted its claim based on justification available to be considered as part of the Truing up of FY 2022-23 as per table herein below:

Name of the Project	Amount Claimed	Amount Approved	Amount Disallowed to be claimed
FY 2019-20			
IDC disallowance in 132 KV S/C Ravihat-Bageshwar Line for project delay	1.94		1.94
IDC disallowance in Stringing of Second Circuit of 132 KV S/C Satyal-Kaddwa Transmission Line for project delay	0.09		0.09
FY 2020-21			
IDC disallowance in Construction of 220/33 KV Substation at Jaffarpur for project delay	0.60		0.60
Disallowance of capitalisation for Bay at 220/33 KV S/C Bajra from 2x40 MVA to 2x80 MVA along with associated accessories	0.41		0.41
FY 2021-22			
Supply Decision & Testing & Commissioning of 01 no. 40 MV Transformer 01 no. 132 KV & 33KV Transformer Bay at 132KV S/C Bishoherpur Kothari (Poon Garhwal)	3.84	5.70	0.14
Const. of Approach Road for Control Room and Residential Building at 132 KV S/C Ravihat	0.47	0.43	0.04
G.I.O of 220KV S/C Ravihat(Hardwar)-Pahara line at 220/33KV substation PoonKathu	0.32	-	0.32
Supply, Erection, Testing & Commissioning of 01 No.40 MVA Transformer at 132 KV S/C Kichla	3.96	3.37	0.59
Construction of 220KV Poonkathu-Pahara (PCCIL) Line	12.75	11.14	1.61
Construction of Boundary & Protection wall at 220 KV GIS Sub-station Bageshwar (Jaffarpur) Pithoragarh	3.01	0.00	3.01
Construction of 1 No. Type-IV, 4 Nos. Type-III & 10 Nos. Type-II Residences & Development works and construction of development of access, protection wall, CC road, drain & water supply main for colony at 220 kV GIS Sub-station Bageshwar	3.24	0.00	3.24
Total Capitalisation disallowed in Previous years claimed in FY 2022-23	35.81	20.64	14.58

3.32 REC- XIV: IDC disallowance in 132 KV S/C Ravihat-Bageshwar Line for project delay'

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- (ii) The Petitioner had claimed the Rs 49.66 Crore in the FY 2019-20 and the reasons for cost-overrun was submitted on account of delay of 44 months in completion of project as RoW issues, route diversion, weather conditions. Though the Petitioner submitted the relevant evidence/ document of communication regarding the resolving of RoW issue starting from October 2018 after 28 Months from scheduled completion date i.e., May 2016. However, Hon'ble Commission felt the reasons were pertinent to justify the delay of only 10 months and allows the IDC for the same duration. Accordingly, the Hon'ble Commission approves the total cost of Rs. 47.67 Crore after deducting the disallowed IDC of Rs. 1.98 Crore from the Petitioner's claim of Rs. 49.66 Crore.
- (iii) The Petitioner hereby submits that the detailed justification alongwith additional reasons for the time overrun was provided to the Hon'ble Commission as part of the Tariff filing as Annexure VIII. The Petitioner hereby humbly submits the Hon'ble Commission must acknowledge the severe RoW issues that stalled the project from the very beginning of the project. From Feb 2017 to March 2017 the project was completely stalled on account of fire raging in the forest of Hageswar encompassing the large area of forest leading to smoke and ash from the burning trees. This created not only hostile but dangerous working condition for the workers at site leading to stalling of the construction activities. Further to this last stringing work was stopped between 19.11.2016 to 21.11.2017, on account of the judicial proceeding due to approach road closed by the judiciary department. The Petitioner requests this Hon'ble Commission to take cognizance of the documentary evidence annexed herewith again as **Annexure -14** in this regard and reconsider the decision to disallow the IDC for the abovementioned capitalisation.

5.53 The Petitioner hereby humbly submits that the additional justification along with documentary evidence was shared along with the Petition, however, the Hon'ble Commission appears to have erred in ignoring the same as there was no deliberations or concerns has been raised by the Hon'ble Commission during the truing up. Further to this, the Impugned Order has no deliberations on whether justifications were rational enough and if not, what erred that leads to disallowance. The details of just-

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Equation to be considered for capitalisation claimed by the Petitioner which has been disallowed without any deliberation.

5.54 The Petitioner hereby submits that such approach of the Hon'ble Commission denies the third principle of natural justice as upheld by the Hon'ble Supreme Court in its judgment in *Sierren Fagg. & Mfg. Co. of India v. Union of India*, AIR 1978 SC 1785 case, the Apex Court held that the rules giving reasons in support of an order is the third principle of natural justice. Further in another judgment, in *Union v. E. G. Nambudiri*, AIR 1991 SC 1216 case, the Court held that an order of an administrative authority which is not under a statutory duty to record reasons is not rendered illegal only on account of the absence of reasons supporting its order.

5.55 The Petitioner in wake of the aforementioned requests this Hon'ble Commission to pass a speaking order so that the Petitioner remains aware of the factors that lead to cause capital disallowances which has significant bearing on the asset base of the Company.

6. ERRONEOUS DISALLOWANCE OF RETURNS ON EQUITY

6.1 The Petitioner submits that while submitting the petition has requested the Hon'ble Commission to consider allowing the return on equity on pro-rata basis for the additional capitalisation during the year out of the equity capital. The Petitioner submitted that as the details related to asset put to use and relevant commissioning certificate has been provided for the asset's addition during the FY 2022-23, the return on equity for the asset addition during the year should be allowed on pro-rata basis in accordance with the UERC Tariff Regulations 2021.

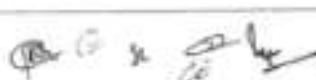
6.2 As per the first provision of Regulations 26 (1) of UERC Tariff Regulations, 2021 (hereinafter to be referred to as 'MTR Regulations 2021'), the asset addition during the year is entitled to be included while allowing the Return on Equity:

"26. Return on Equity

(1) Return on equity shall be computed on the equity base determined in accordance with Regulation 24.

Provided that, Return on Equity shall be allowed on account of allowed equity capital for the interest paid to and at the commencement of each financial year.

Provided further that, if the generating stations/lines are able to demonstrate the actual date of asset put to use and capitalized in its accounts of each asset for the purpose of business carried on by it through documentary evi-



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duces, including but not limited to 'asset put in use certificate', 'audited accounts', etc., then in such cases, after due satisfaction of the Commission, the RoE shall be allowed on pro-rata basis after considering the additional capitalisation done during the year out of the equity capital.

(2) Return on equity shall be computed on at the base rate of 15.50% for thermal generating stations, transmission licenses, NDC..." (emphasis added)

- 6.3 Accordingly, the Petitioner has submitted in its Tying up petition, the details of capitalisation along with the documentary evidence for asset put in use and audited accounts as part of its claim towards the asset capitalised during the FY 2022-23 and consequential impact of the same on Return on Equity claim as per the aforementioned regulations.

- 6.4 This is to be noted that the Hon'ble Commission has not allowed Return on Equity on entire equity base approved by the Hon'ble Commission in the respective Tariff Orders. The Return on Equity was disallowed to the extent of equity contributed by the Government of Uttarakhand from Power Development Fund, considering that the Power Development Fund was realized from the commoners in form of a cess. The claim was made pursuant to the judgment pronounced by the Hon'ble APTEL in its judgment dated May 15, 2015, in R.P. No. 2 of 2015 in appeal No. 165 of 2013, wherein the Hon'ble APTEL has explicitly stated as herein below:

"The Tribunal has upheld the findings of the State Commission in its impugned order but has not given any finding relating to disallowance of RoE as the funds deposited by the State Government from PDF toward capital cost of the project. We feel that the findings of this Tribunal in appeal no. 165 of 2013 will be applicable to the present case. If the State Commission has not provided the amount as a grant and has treated 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."

- 6.5 In addition to the above, to substantiate the claim of return on equity, the Petitioner has also submitted the directive of the Government of Uttarakhand w.r.t. consideration of the Government of Uttarakhand's contribution to PDF as equity from consolidated fund of the State, for the purpose of allowance of Return on Equity (refer Annexure XIV - Additional Secretary vide Letter No 317/1 (2/2011-04-04)/94/2008 dated February 11, 2011). The Petitioner submitted that the denying cost to any capital contribution adversely affects the credit profile of the Petitioner to raise further capital and is also against the basic tenets of the corporate finance wherein time value of money is assigned and cost of capital is duly recognised to be recovered in cost plus regulatory regime. The Petitioner hereby submits that the claim of Return on Equity

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on account of Power Development Fund (PDF) was duly deliberated in Section 4.8 of the Petition and is in line with the provision of the MYT Regulations 2021. Though the details have already been provided as part of the Petition, however, for easy reference, the same is being reproduced herewith as Annexure -13.

- 6.6 The Petitioner has also provided detailed computation of RoE and its claim including the carrying cost on the same since its date of consideration is FY 2004-05. The Petitioner's claim w.r.t. RoE on PDF was submitted as per table herein below:

Table 4: Return on Equity (incl carrying cost) Claim on PDF

Particular	FY11	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Opening	82.30	134.32	171.20	191.89	240.84	274.23	311.14	337.56	407.83	454.78	516.64
Addition	16.24	19.24	19.24	19.24	19.24	19.24	19.24	19.24	19.24	19.24	19.24
Closing	98.54	153.56	190.44	211.13	259.29	293.46	330.38	356.80	426.97	474.02	535.88
Rate for Carrying Cost	14.03%	14.03%	14.03%	11.70%	11.70%	11.70%	11.70%	11.70%	11.30%	10.62%	11.61%
Carrying Cost	13.24	17.41	22.80	27.76	34.23	38.89	44.22	50.26	47.34	51.86	52.55
Closing balance including Carrying Cost	114.52	171.28	193.84	240.84	274.23	311.14	357.34	407.83	454.78	516.64	572.21

- 6.7 The Petitioner hereby submits that accordingly the claim of SLDC and PTCUL, towards the Return on Equity is calculated as per table herein below for the consideration of the Hon'ble Commission:

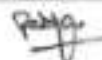
Table 5: Return on Equity Claim for FY 2022-23 for PTCUL and SLDC

Particular	FY 2022-23		FY 2023-24	
	PTCUL	SLDC	PTCUL	SLDC
Equity Addition during the year	63.38	1.87	64.61	3.10
Allowable Return	13.30%	15.50%	11.10%	11.70%
RoE as stated addition during the year	8.43	0.14	5.86	0.01

- 6.8 However, while issuing the Order in Case No 49 of 2021, the Hon'ble Commission has erred in allowing the RoE claims for the Petitioners. The Petitioner hereby submits that the Hon'ble Commission while undertaking the prudence check has made an error apparent on account of the following:

- Hon'ble Commission has considered the Return on Equity excluding its claim on




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RoE in PDF and considered only the opening equity base. This has led to the disallowance of Rs 573.21 Crore accrued till the FY 2024-25. The said claim was raised in accordance with the Hon'ble Supreme Court has already passed its judgement dated May 30, 2018.

- Hon'ble Commission has erred in allowing the RoE on asset addition during the year on pro-rata basis in accordance with the MYT Regulations 2021. The Petitioner estimates that as part of the true up petition for the FY 2022-23, the Petitioner has been submitted segregated audited account for both SLDC and PTCUL to the Hon'ble Commission for prudential check. This has led to the RoE disallowance Rs 5.26 Crore for the asset addition during the FY 2022-23 and Rs 5.01 Crore for the FY 2023-24 on cumulative basis.
- The Petitioner fails to decipher the basis of Hon'ble Commission consider allowing the RoE on Eligible Equity rather than the Opening Equity. The Petitioner understands that the MYT Regulations 2021 specifically states to consider: *Return on Equity on amount of allowed equity capital for the assets*, which should be Opening Equity base approved by the Hon'ble Commission.
- Notwithstanding to the Petitioner's rights towards claiming the capitalization disallowed by the Hon'ble Commission for the previous years, which has been disallowed, the Petitioner humbly submits even if the Petitioner's claim of Normative Equity Addition on account of capitalization disallowed in Previous Tariff Orders allowed during FY 2022-23 True Up, is ignored citing the matter as sub-judice and disallowance for the previous year as NIL, the Petitioner has rightful claim of Rs 21.57 Crore for the FY 2022-23.

6.9 Based on the above submission, as there is clearly an error apparent on the face of record of the Order, the Petitioner request the Hon'ble Commission to rectify the RoE claim of PTCUL and SLDC for the aforesaid years and allow the claim on RoE.

7. WRONGFUL DISALLOWANCE ON EFFICIENCY GAINS ON INTEREST ON WORKING CAPITAL

7.1 The Petitioner submits that at the time of filing of Tariff petition, PTCUL and SLDC has sought final True-up for FY 2022-23 in accordance with the MYT Regulations, 2021, based on the actual expenditure and revenue as per the audited Accounts

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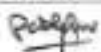
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BY 21 JALANANDH VEE. JAPPHOLAN

and has not only submitted the trial balance but also the detailed annual audited accounts for the prudence check of the Hon'ble Commission.

- 7.2 The Petitioner humbly submits that as per Regulation 33 of MPT Regulations, 2021, IoWC ought to be determined on normative basis and interest rate has to be equal to average of 'one-year Marginal Cost of Funds based Lending Rate' as declared by the State Bank of India from time to time for the financial year in which the application for determination of tariff is made plus 335 basis point.
- 7.3 The Petitioner humbly submits that the Hon'ble Commission has erred in considering the rate of interest on working capital as 10.50% equal to State Bank Advance Rate (SBAR) of State Bank of India as on the date of first time filing of the Tariff Petition of FY 2022-23 Tariff Determination rather than considering the interest rate based on One-year MCLR as considered by the Petitioner in its tariff petition. The Petitioner humbly submits that the Hon'ble Commission has erred in considering 'the year of filing the tuning up tariff petition' as 'the year of first filing of the tariff petition'. This inadvertent interpretation has lead to cause disallowance of interest rate consideration of 9.80% and its consequential impact of Rs 0.82 Crore (i.e., Rs 0.78 Crore for PTCUL and Rs 0.04 Crore for SLDC) for the FY 2022-23, if everything remains same as submitted by the Petitioner.
- 7.4 The Petitioner hereby submits that the Hon'ble Commission has considered the entire interest on working as efficiency gain ignoring the fact that the working capital requirement of the Petitioner for the FY 2022-23 had been met through internal accounts and not through debt, which also has inherent interest cost as per the relevant judgement of the Hon'ble APTEL.
- 7.5 The Petitioner hereby submits that it is settled principle of law that internal funds also deserve interest in as much as the external fund when employed as working capital as it loses the interest it could have earned by investment elsewhere. Further the licensee can never have any funds which has no cost. The internal accruals are not like some reserve which does not carry any cost. Internal accruals could have been inter-corporate deposits. In that case, the same would also carry the cost of interest. Simply because internal accruals were used for FY 2022-23, and there was no outflow of funds by way of interest on Working Capital, the IoWC cannot be denied.
- 7.6 The Petitioner humbly submits that in arriving at whether there was a gain or loss,






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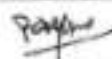
the Hon'ble Commission was required to take the total picture into consideration, it cannot be said that simply because internal accounts were used and there was no outflow of funds by way of interest on Working Capital, and hence the entire interest on working capital was gain.

- 7.7 The Petitioner humbly submits that as part of the petition, the annual accounts has been submitted to the Hon'ble Commission, the period of the balance sheet for the FY 2022-23 explicitly provides for the following details to compute the working capital for the PTCUL as whole. The Petitioner humbly submits that these are various definitions of working capital computation, however, the more focused and basic definition considers adjusting the current asset by current liabilities and such explanations, the same has been considered in the computation as hereto below.

Table 6: Working Capital for PTCUL for FY 2022-23

Particulars	Amount (in Rs Cr)
Current Assets	
Inventory	44.44
Financial Assets	-
Trade Receivables	88.75
Cash and Cash Equivalents (a)	154.77
Other Bank Balances	279.18
Other Financial Assets	9.95
Other Current Assets	21.78
Total Current Assets (A)	699.38
Current Liabilities	
Financial Liabilities	-
Short Term Borrowings	88.21
Other Financial Liabilities	255.81
Trade Payables	34.93
Short Term Provisions	32.97
Other Current Liabilities	5.32
Total Current Liabilities (B)	417.30
Working Capital (C)* (A)-(B)	274.08
Adjusted Working Capital (C)* (A)-(B)-(A)	119.31

- 7.8 The Petitioner humbly informs the Hon'ble Commission has cited in stating, 'The annual interest on working capital as per Audited Accounts for FY 2022-23 is Nil'. In wake of aforementioned documents and computation it is explicitly clear that the working capital can't be considered as Nil.
- 7.9 The Petitioner humbly submits that accordingly the efficiency gains on the interest



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on working capital should be considered as per table herein below:

Table 7: Efficiency gains in IoWC for FY 2022-23

Particulars	Actual	Normative
Adjusted Working Capital	116.33	98.07
IoWC	11.30%	11.31%
Interest on Working Capital	13.48	11.18
Efficiency Gains(Losses)	-2.89	
Sharing of efficiency Gains(Losses)	-0.89	
Entitlement of IoWC	91.89	
Approved in Trust up of FY 22-23	6.67	
Disallowance in sharing of efficiency gains in IoWC	2.21	

7.10 The Petitioner in this regard, wish to apprise to the Hon'ble APTEL Judgment in Appeal No Appeal No. 18 of 2019 & IA No. 2150 of 2019 & Appeal No. 173 of 2022 dated November 28, 2022 (refer Annexure16), on the subject matter of whether the interest on working capital shall be treated as efficiency gain because no debt has been availed for working capital. The relevant paragraph of the judgment is reproduced as herein below:

"68. It is, thus, clear that this Tribunal has held that the Internal funds also deserve interest when employed as working capital as it bears the interest it could have earned by investment elsewhere, also it cannot be said that simply because interest accrues were used and there was an outflow of funds by way of interest on working capital and hence the entire interest on working capital was efficiency gain.

71. It was also contended by MIRC the Appellant has failed to furnish any documentary evidence in relation to IoWC, on the contrary, the Appellant has contended that MIRC being a statutory body and being an auditor at the time of determination of IoWC, has the power to require any document/ information to verify the veracity of a particular cost and through its arguments, MIRC is trying to shift the complete onus of its failure in requiring and analyzing the necessary documents/ information in relation to the said IoWC upon the Appellant.

72. The State Commission in its order dated 12.09.2018 has not recorded any failure on the part of the Appellant in submitting any document as is being called for in relation to funding of working capital through internal resources, we therefore, find the argument totally unreasonable, the State Commission cannot shift its failure in examining the documents and calling for additional documents, if required before taking the decision.

74. We find no reason for us to depart from the position as set out in the aforesaid judgments rendered by this Tribunal on the issue in hand and thus decline to accept

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the contention of the State Commission observing that TeRC as after true-up for FY 2016-17 has to be treated as efficiency gain because the Appellant did not avail any working capital loan." (emphasis added)

- 7.11 The Petitioner hereby submits that the Hon'ble APTEL has adjudicated the same issue in numerous orders in Appeal Nos. 137, 138 and 139 of 2009 dated July 15, 2009, in Appeal No. 111 of 2008 dated May 23, 2009, and in Appeal No. 115 of 2008 dated May 28, 2009 and has allowed that the efficiency gain in interest on working capital cannot be considered entirely just only because there is no outflow of funds by way of interest on working capital or there is no specific borrowing w.r.t. working capital.
- 7.12 Also, as per Regulations 12 (6) (f) of MYT Regulations, 2021, the allowable factor includes variation in working capital requirements and does not specify that the actual cost related to working capital will be considered. Therefore, as per the Hon'ble APTEL order, even in funding of working capital through internal accruals has an inherent cost which is required to be considered while computing the gains / loss of interest on working capital loan.
- 7.13 Based on the above submission, it is clearly not only an error apparent on the face of record of the Order, but also the directive of the Hon'ble Commission is inconsistent with the settled regulatory principle upheld by the higher judicial forums under the electricity statute, viz., Hon'ble APTEL. Thus, the Petitioner request the Hon'ble Commission to restore the sharing of efficiency gains/losses of PUCUL and SI.DC for the aforesaid years and allow the claim as per Section 7.9.

8. ERRONEOUS CONSIDERATION OF OTHER REVENUE AS NON-TARIFF INCOME

- 8.1 The Petitioner hereby submits that while filing the tariff petition, the revenue realised from sale of scrap, sale of tender documents, registration fee, connectivity charges, fee for load flow study, etc are considered as non-tariff income as per the provisions of UERC MYT Regulations, 2021.
- 8.2 The Petitioner in line with MYT Regulations 2021, has submitted the non-tariff income as Rs 10.03 Crore which included the negative adjustment of Rs. 2.82 Crore of supervision charges and requested the Hon'ble Commission to approve the same.
- 8.3 The Petitioner submitted that actual non-tariff income has been negative for the FY

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2022-23 for the specific nature of supervision charges received from third party and claimed as income in past year has been reflected of Rs 2.79 Crore on behalf of Wazirani Industries Pvt Ltd as the project was cancelled. Accordingly, has submitted the table for revenue to be considered as part of non-tariff income as below:

Table 9: Non-Tariff income for FY 2022-23

Particulars	As per accounts	Claimed in PTCES	Claimed in LDC	Remarks
Interest on TDRs through Housing Accounts	7.13			Not considered as the same has no investment from Rail.
Interest on TDRs	14.21			
Interest from Banks & Other advances	23.85			
Deferred Revenue Grants written off against funding under Deposit & PSDF Scheme	11.04			These depreciation claimed including grants hence not considered
Profit On Sale of Irons	1.20	1.20	0.00	
Sub of Work	0.00	(0.00)	0.00	
Rate of Tender Fees	0.11	0.11	-	
Registration Fees	0.00	0.00	-	
Forfeited Earned Money - Security Money	26.17	-	-	The amount related to forgo the transmission line and hence ought not to be considered for deduction by Rail. The LDC has been made evident of the Problem.
Connectivity Charges	0.10	0.10	-	
Lost Floor Slab (Prime Excavation)	0.01	0.00	0.00	
Balance Misc. Materials	0.01	0.00	-	
Misc Revenue (Penalty)	0.00	0.00	-	
Interest on Income Tax Refund	0.03	-	-	Here included in the revenue working capital calculation, hence not claimed
Revenues for transport facilities	0.20	0.00	-	
Revenues from inspection house	0.01	0.00	-	
Supervision Charges from Third Party	(1.62)	17.62	-	
Tendering to L.T.O.	0.07	0.07	-	
Rental from Staff	0.04	0.04	-	
Rental from Contractors	0.00	0.00	-	
Recovery for Transport & Vehicle Expenses (Other than recovery from Staff)	0.00	(0.00)	0.00	
Provision for delay in Supplies/Execution of works	0.11	0.11	0.00	
Receipts of Fees under Right to Information Act-2005	0.00	0.00	-	
Miscellaneous Revenues	26.74	(0.00)	0.00	

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(MANAGING DIRECTOR)
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Particulars	As per accounts	Claimed in PTC I L	Claimed in PTD	Remarks
Total Non-Tariff Income	49.84	(6.85)	0.40	

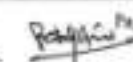
8.4 The Petitioner hereby submits that the Hon'ble Commission has erred in considering the other income as Rs 39.84 Crore which includes the revenue accrued pertaining to the following:

- Interest from banks and other advances of Rs 22.05 Crore, which is resulted due to Return on Equity earned by the Petitioner over the years.
- Deferred Revenue Grants written off against funding under Deposit & PSDF Schemes of Rs 11.64 Crore, and
- Revenue resulting due to forfeited Earnest Money and Security Money of Rs 26.18 Crore for the scheme pertaining to the PSTS lines.

8.5 The Petitioner hereby submits that the MYT Regulations 2021, specifically provides that the revenue resulting due to 'Interest earned from the investments made out of return on Equity corresponding to the regulated business of the Transmission Licensee shall not be included in Non-Tariff Income'. The Petitioner hereby submits that in past tariff orders, the Hon'ble Commission used to consider interest earned from investments made out of Return on Equity as part of non-tariff income on account of the fact that there is no documentary evidence confirming if the FDR is made through its banking from RoE. However, in the tariff petition filed, as part of the disaggregation made by the Hon'ble Commission, documentary evidence from the statutory auditor specifying the same has been submitted by the Petitioner. As per the Annexure 13 & 14 of TVS Reply submitted by the Petitioner, the same is being reproduced herewith as Annexure - 17, it was explicit that out of the total fund investment of Rs 441.28 Crore as on March 11, 2021, the fund amounting to Rs. 259.91 Crore pertains to the revenue earned against UTP Projects and Rs 107.03 Crore has been realized due to Bank Guarantees against UTP Projects awarded for the FY 2022-23. This results in total balance towards RoE as Rs 74.28 Crore. On the basis of above facts, it is requested to the Hon'ble Commission, that Other Income amounting to Rs. 48.70 Crore pertaining to interest on investment in FDRs/TDRs and Forfeited Bank Guarantees related to UTP Projects and balance against Return on Equity shall not be considered as Non-Tariff Income as the same pertains to UTP and Interest earned on RoE funds. However, the Hon'ble Commission has erroneously ig-







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nored the documentary evidence substantiating the claims of interest accrued on RoI to be deducted while considering the non-tariff income in accordance with the provisions of the MYT Regulations 2021.

- E.6 The Petitioner humbly submits that the Hon'ble Commission has specifically excluded allowing any claim of expenditure pertaining to inter-state transmission system lines as the same falls beyond the jurisdictional ambit of the Hon'ble Commission. The Petitioner humbly submits that the aforementioned act of the Hon'ble Commission appears a selective approach in considering the other revenues from ISTS business as non-tariff income, which is not regulated by the Hon'ble Commission, however, refuses allowing the claims of related expenditure stating the same belongs to jurisdiction of the Hon'ble CERC.
- E.7 The Petitioner hereby submits that the Hon'ble Commission has erred in considering the revenue accrued due to forfeited Earnest Money and Security Money of Rs 26.16 Crore on account of the UTP schemes. The Petitioner humbly submits that this scheme pertained to UTP scheme financially aided by Government of India and thus need to be excluded from the non-tariff income as the same will be excluded from Inter-State Project AAR by the Hon'ble CERC resulting in the disable financial impact to the Petitioner.
- E.8 Based on the above-mentioned submission, the Petitioner urge the Hon'ble Commission to take cognizance of the fact that such revenue items pertaining beyond the regulatory jurisdiction of MYT Regulations 2021, are ought to be deduced from the non-tariff income and allow the claim of the Petitioner.

9. ERRONEOUS INTERPRETATION TO ALLOW INCOME TAX

- 9.1 The Petitioner humbly submits that the UERC MYT Regulations, 2021 provide for recovery of actual income tax paid at the time of closing up of the respective year. The Petitioner while filing the tariff petition has submitted that the expenditure/income pertaining to SLDC activities is accounted and audited separately in line with the Hon'ble Commission directives for the purpose of regulatory reporting. It was submitted that there is neither separate filing of Income Tax Returns in respect of SLDC nor allocation/claim of Income Tax towards SLDC by PTCUL, however, since there is now a separate book of accounts for SLDC and SCADA available,



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there is need to recognise the income of both the businesses and its consequential share of income tax. Accordingly, the income tax for PTCUL and SLDC has been apportioned based on their respective revenue considered in audited accounts.

- 8.2 The Petitioner further submitted that the income tax submitted as part of the trial up for the FY 2022-23 need to be adjusted for the income tax paid on the revenue which is not claimed under ARE as either the same is from the profit of the RoI invested or against the Inter-State Transmission lines. Accordingly, the income tax for the PTCUL has been considered as per table herein below:

Table 9: Income Tax for FY 2022-23 for PTCUL

Particulars	Units	Total	PTCUL	SLDC
Revenue Considered for PTCUL	Rs. Cro	372.68	311.64	61.05
Current Income tax as per Profit & Loss	Rs. Cro	1.89	1.89	
Total Revenue as per Profit & Loss Account	Rs. Cro	372.68		
Less: Revenue not considered				
Revenue against STS Transmission Charges (RRI Income per Substation & Lines)	Rs. Cro	42.26		
Revenue against National STS Transmission Lines	Rs. Cro			
Revenue from WPPs	Rs. Cro	1.80		
OMI Charges from PTCUL for RoI of 400 KV DC Linkages	Rs. Cro	9.83		
Income from OMI charges from 36% Shareholder Agro Products Pvt. Ltd	Rs. Cro	0.04		
Net Revenue to be considered for Income Tax	Rs. Cro	329.04		
Income Tax considered for ARE	Rs. Cro		3.42	
Income Tax retained	Rs. Cro		3.26	0.17

- 8.3 The Petitioner further submits that the Hon'ble Commission has acted in considering the other income as Rs 54.84 Crores on account of the following reasons submitted as per Section 8.
- 8.4 The Petitioner is this regard wish to submit that the relevant provisions of the MYT Regulations 1992 regarding payment of income tax as per Regulation 34 as herein below:

"34. Tax on Income

Income Tax, if any, on the income stream of the regulated business of Generating Companies, Transmission Licensees, Distribution Licensees, and SLDC shall be reimbursed to the Generating Companies, Transmission Licensees, Distribution Licensees, and SLDC as per actual income tax paid, based on the documentary evidence submitted at the time of trial up of each year of the Control Period, subject to the prudence check."

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8.2 The Petitioner humbly submits that the aforementioned regulation specifically provides to consider the income stream of the regulated business under the regulatory regime of MYT Regulations 2021. The Petitioner humbly submits that the Hon'ble APTEL has also upheld at numerous occasions on the methodology for treatment of income tax for regulated and non-regulated business, few of the same is highlighted as hereunder:-

- In Appeal No.251 of 2006 (Jalisco Energy Ltd. V MERC & Ors), this Tribunal has observed as under:-

"... The consumers in the licensee's area must be kept in a water tight compartment from the risks of other business of the licensee and the Income Tax payable thereon. Under no circumstance, consumers of the licensee should be made to bear the Income Tax accrued in other businesses of the licensee. Income Tax assessment has to be made on stand-alone basis for the licensed business in that consumers are fully insulated and protected from the Income Tax payable from other businesses. We, therefore, allow the appeal in this respect..." (emphasis added)

- In Appeal No.90 of 2007 (Reliance Energy Ltd. V MERC & Anr) this Tribunal has observed as under:-

"[3] The criteria is that in spite of the enabling provision of the Income Tax Act the liability of the income tax out of other businesses cannot be allowed to be passed on to the consumers of the distribution licensee. It is equally just, fair and equitable that the reverse also does not happen i.e. the liability of income tax pertaining to the distribution business is not passed on to the other businesses."

33. In view of the foregoing discussion we decide that the income tax to be allowed must be worked out on the basis of the income tax payable solely on account of the distribution business of the licensee." (emphasis added)

- In Appeal No.104, 105, and 106 of 2012 (Tata Power Company Limited vs MERC) this Tribunal has observed as under:-

"... any notional or actual income even within regulated business that is not permissible to be considered as regulatory taxable income cannot be allowed as it would amount to allowance of more than warranted regulatory tax liability/profits." (emphasis added)

8.6 Hon'ble Commission has erroneously considered the revenue from UTP schemes, which is beyond regulatory jurisdiction of MYT Regulations 2021, while allowing the income tax and has partially increased the income tax allowance.

9.7 The Petitioner humbly submits that the Hon'ble Commission has erred to consider the revenue of non-regulated business stream to allow the income tax for the regu-

For E in G by

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 DEWASING DIRECTOR
 POWER TRANSMISSION CORPORATION
 OF UTTARANCHAL LTD., DEHRADUN

ad business of the Petitioner, which is against the settled regulatory principle by the Hon'ble APTEL at numerous instances. Based on the above, the Petitioner humbly request the Hon'ble Commission to kindly restore the income tax as claimed by the Petitioners.

10. ERRONEOUS INTERPRETATION WHILE ALLOWING THE O&M EXPENSES

10.1 The Petitioner hereby submits that the Hon'ble Commission has erred in allowing the O&M expenses on account of the fact that the capitalisation rate as proposed by the Petitioner based on the Costs charged to Capital Works as per Note 27 and 29 of the audited accounts (for Employee Expenses and Administrative & General (A&G) Expenses) does not reconcile with the capitalisation rate as considered by the Hon'ble Commission. This appears to have yielded slightly upward capitalisation rate and thus partial disallowances in the O&M expenses. Further, no details of the capitalisation rate and computation of the normative A&G expenses has been provided for A&G expenses in the impugned tariff order.

10.2 Based on the books of the accounts, the capitalisation rate as computed by the Petitioner for PTCIL as a whole is outlined as below:

(Table expressed in INR Lakhs)

Table 10: Capitalisation rate for Employee expenses			Table 11: Capitalisation rate for A&G Expenses		
Particulars	Formula	Employee Expenses	Particulars	Formula	A&G Expenses
Net expenses as per Audited accounts	a	13563.94	Net expenses as per Audited accounts	a	2361.43
Capitalised Expenses	b	2284.38	Capitalised Expenses	b	382.32
Long Performance Incentive	c	3.74	Long Tenure Incentive, CRR, and Leave Enc.	c	21.61
Gross Expenses	(a-b-c)	13329.82	Gross Expenses	(a-b-c)	2057.50
Capitalisation Rate	(b/d)*100	14.25%	Capitalisation Rate	(b/d)*100	9.81%

10.3 It is submitted that the capitalisation rate is usually calculated on the amount being capitalised from the Gross O&M Expenses and not on Net O&M expenses. Even considering the approach of the Hon'ble Commission while computing the normative O&M expenses, the Base / Gross O&M cost is calculated first after adjusting the growth rate and / or inflation and then capitalisation amount is deducted from the

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Gross O&M (whereby the capitalisation rate is applied on gross O&M cost) to arrive at the normative net (N&M) expenses. Similar approach is required to be adopted while calculating the capitalisation rate from books of account and is depicted in Table 10 and Table 11 of this Petition.

- 10.4 Against the proposed capitalisation rate of 14.31% for employee expenses, the Hon'ble Commission has considered 14.75% as the capitalisation rate. Also, the proposed capitalisation rate for A&G expenses is 9.41%, however, no details has been provided in the tariff order for the same.
- 10.5 The Petitioner wish to highlight that the impugned Order has not provided any justification evaluating the merits or demerits of considering the capitalisation rate different than as proposed by the Petitioner. In addition, there is no explanation w.r.t. the capitalisation rate considered while allowing the normative A&G expenses. The Petitioner further submits that the O&M expenses for the ILDC has been separately claimed, however, it appears while undertaking the pricing up, the Hon'ble Commission has erred to minus out including the same while allowing O&M expenses for PTCIL.
- 10.6 In view of the above, we wish to request the Hon'ble Commission to kindly restate the O&M expenses (for employee expenses and A&G expenses) as per the methodology proposed by the Petitioner and provide the details of the computation of A&G Expenses as well as the capitalisation rate as approved by the Hon'ble Commission.

11. WRONGFUL CONSIDERATION OF ARR FOR BHILGANGA III (GHUTTU) – GHANSALI LINE

- 11.1 The Petitioner hereby submits that the Hon'ble Commission has erred in including the impact of ARR of Bhilganga III (Ghutta) – Ghansali Line in accordance with the order passed by the Hon'ble Commission in Case No 59 of 2021 dated 17th October 2023.
- 11.2 The Petitioner submitted that as part of the Petition, it was explicitly been stated that pursuant to the judgement pronounced by the Hon'ble Supreme Court of India in Civil Appeals No. 2164-2378 of 2013 and Order of Hon'ble CSRC in Petition No. 246/MP/2018, the Petitioner has approached the Hon'ble Commission for determination of ARR for 220 kV D/C Bhilganga-III – Ghansali line for FY 2022-23 and FY

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2023-24 in the previous tariff order. Accordingly, in tariff order dated 30 March 2023, the Hon'ble Commission has approved the ARR for Bhihangra III - Ghansal Line for FY 2022-23 and FY 2023-24 of Rs. 1.35 Crore and Rs. 1.31 Crore respectively in accordance with UERC Tariff Regulations, 2021.

- 11.3 The Petitioner humbly submits that the since the aforementioned is sub-judice, the Petitioner intentionally kept the ARR separate from the ARR of the Petitioner. However, the Hon'ble Commission has erred in including the gross fixed asset approved as per its Order while allowing the GFA for the Petitioner. This erres in due consideration of not only the factual claim submitted and approved by the Hon'ble Commission but also ignores that the sub-judice matter need to be kept separate till its resolution. This act of the Hon'ble Commission contradicts itself wherein the Hon'ble Commission has not considered allowing the disallowed capitalization citing the matter is pending with Hon'ble APTEL for resolution. In wake of the above, the Petitioner requests the Hon'ble Commission to kindly restate the position as prayed by the Petitioner and allow consequential impact in the ARR accordingly.

12. DETAILS OF REMEDIES EXHAUSTED

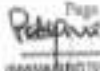
- 12.1 The Petitioner declares that filing the review petition against the impugned Order is the only remedy being exhausted and the grounds of the review has not been raised at no other judicial forum.
- 12.2 The Petitioner requests the Hon'ble Commission to review the impugned Order to the extent, not limited to the grounds raised by the Petitioner as part of the Review Petitioner, but also from the perspective of judicious and prudent treatment of expenses for the Petitioner and allow the relief.

13. MATTER NOT PREVIOUSLY FILED FOR PENDING WITH ANY OTHER COURT

- 13.1 The Petitioner affirms that the grounds raised as part of the present Review Petition has not been raised either to the Appellate Tribunal of Electricity or to any other courts specified under the Electricity Act 2003 or any other applicable statute.

14. RELIEF SOUGHT

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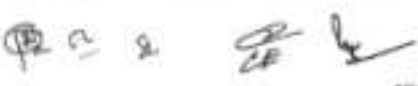

 (MANAGING DIRECTOR)
 POWER TRANSMISSION CORPORATION
 OF UTTARAKHAND LTD, DEHRADUN

14.1 That on the aforesaid facts and circumstances it is most respectfully prayed that this Hon'ble Commission may be pleased to :-

- a) Admit its Review Petition in accordance with Section 94 (1) (f) of the Electricity Act 2003 and Regulations 54 (Review of Decisions, Directions & Orders) of UERC (Conduct of Business) Regulations, 2014;
- b) Review the order dated 28.03.2024 passed in Case No. 48 and 49 of 2023 and modify/vary the same in accordance with paragraphs 2 to 8 hereinabove;
- c) Revise and correct the erroneous allowance of Return on Equity
- d) Revise and correct the wrongful disallowance of efficiency gain/loss in Interest on Working Capital
- e) Revise and correct the erroneous consideration of Other Revenue as non-tariff income
- f) Revise and correct the erroneous computation of Income tax
- g) Revise and correct the disallowances in O&M expenses
- h) Revise and correct the error apparent in capitalisation
- i) Revise and exclude the AURA impact of Bhilgaon III (Ghena) - Chausali Line
- j) Revise the ARR (including the impact of the working capital) for FY 2020-21 to FY 2024-25 based on the above said prayers;
- k) Provide the excel computation for the tariff working to understand the impact of disallowances
- l) Condone any inadvertent omissions / errors / short comings in the present Review Petition and may further permit the Review Petitioner to add / modify / change / amend / alter the present Review Petition and to make further admissions as may be required during the proceedings;
- m) Pass any Order(s) as this Hon'ble Commission may deem fit in the facts and circumstances of the present case.

Petitioner

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 True Copy

Before

UTTARAKHAND ELECTRICITY REGULATORY COMMISSION**Miscellaneous Application No. 45 of 2024****In the matter of:**

Review Petition filed by Power Transmission Corporation of Uttarakhand Limited against the Commission's Order dated March 28, 2024 in Pet. No. 49 of 2023 in the matter of true up for FY 2022-23, Annual Performance Review (APR) for FY 2023-24 and revised Aggregate Revenue Requirement (ARR) for FY 2024-25.

AND

In the matter of:

Power Transmission Corporation of Uttarakhand (PTCUL)
Vidyut Bhawan, Majra, Dehradun.

..... Petitioner

CORAM

Shri M. L. Prasad,	Member (Technical)-Chairman (I/C)
Shri Anurag Sharma,	Member (Law)

Date of Hearing: July 23, 2024

Date of Order: August 21, 2024

ORDER

Power Transmission Corporation of Uttarakhand Ltd. (herein after referred to as "PTCUL" or "the Petitioner") has filed a Petition for review of Commission's Order dated 28.03.2024 on True up of FY 2022-23, APR for FY 2023-24 and ARR for FY 2024-25 under Section 94(1)(f) of the Electricity Act, 2003 (herein after referred to as "the Act"), Regulation 54(1) of the Uttarakhand Electricity Regulatory Commission (Conduct of Business), Regulations, 2014 (herein after referred to as "UERC CBR").

1. Background

- 1.1 The Commission had notified Uttarakhand Electricity Regulatory Commission (Terms and Conditions for Determination of Multi Year Tariff) Regulations, 2021 (hereinafter referred to as "MYT Regulations, 2021") for the fourth Control Period from FY 2022-23 to FY 2024-25 specifying therein terms, conditions and norms of

operation for licensees, generating companies and SLDC. In accordance with the provisions of the MYT Regulations, 2021 the Commission had carried out truing up for 2022-23, Annual Performance Review for FY 2023-24 and ARR for FY 2024-25 vide its Order dated 28.03.2024. The Petitioner filed a Review Petition dated 20.06.2024 on the grounds that there were certain errors apparent on the conclusions drawn on certain issues by the Commission in its Tariff Order dated 28.03.2024.

- 1.2 The Petitioner through the current Review Petition requested the Commission to admit the Petition and review/modify/vary the below stated heads of the impugned Order dated 28.03.2024 on the following grounds:

- i. Disallowances in Capitalization.
- ii. Erroneous disallowance of Return on Equity.
- iii. Wrongful disallowance on Efficiency gains on Interest on Working Capital.
- iv. Erroneous consideration of Other Revenue as non-tariff income.
- v. Erroneous Interpretation to allow Income Tax.
- vi. Erroneous interpretation while allowing the O&M expenses.
- vii. Wrongful consideration of ARR for Bhilangana III (Ghutlu) - Ghansali Line.

- 1.3 For admissibility of the review Petition filed by PTCUL, the Commission decided to hold a Hearing in the matter. Accordingly, a hearing was held on 23.07.2024 and the Commission reserved the judgement vide order dated 23.07.2024.

2. Petitioner's Submission

A- Wrongful Disallowance of Capitalisation for FY 2022-23.

REC II Scheme: OPGW connectivity in PTCUL under Phase II of the ULDC Projects.

- 2.1 The Petitioner has submitted that the capitalisation towards the replacement of old battery banks with new VRLA battery banks for one UPS and one DC power supply at SLDC, Dehradun amounting to Rs 0.080 Crore has been inadvertently missed by the Hon'ble Commission. The Petitioner has requested the Commission to approve the aforesaid work for capitalization.

The Petitioner further submitted that the capitalisation of Rs 0.05 Crore towards minor assets viz, Furniture & Fixtures, and Office Equipment have been wrongly considered as a part of Operations & Maintenance (O&M) expenses. According to the Petitioner the impugned order is erroneous as it shifts the asset addition from the balance sheet to the P&L. As the audited accounts has already been finalised for

the FY 2022-23, disallowance of the asset addition would lead to differ the asset base of the Petitioner from Regulatory asset base considered by the Commission.

REC VI Scheme: 220/33 kV Substation at Piran Kaliyar.

- 2.2 The Petitioner submitted that proviso to Regulations 3(19) of MYT Regulations 2021 states that:

"Provided the cut-off date may be extended by the Commission if it is proved on the basis of documentary evidence that the capitalization could not be done within the cut-off date for reasons beyond the control of the project developer"

The Petitioner stated that the additional capitalisation was claimed by it in accordance with the aforesaid proviso and detailed justification for the same was provided to the Commission. However, the Commission appeared to ignore such submissions and disallowed the capitalisation restricting the same to the cut-off period date. In view of the above, the Petitioner requested the Commission to take into cognizance the submissions made and revise the capitalisation for the aforesaid scheme.

REC VIII Scheme: 220 kV D/C line on Twin Zebra Conductor from Lakhwar to Dehradun & it's LILO at Vyasi.

- 2.3 The Petitioner requested the Commission to provide for the classification of reasons under the controllable, uncontrollable and force majeure events and adjust the IDC accordingly so that the Petitioner is aware of such factors and strategize accordingly for the future capital expenditures of such nature. The Petitioner requested the Commission to take into cognizance the fact that unless the IDC on specific activities considered as imprudent is known to the Petitioner, it will be difficult to obviate such instances that results in undue burden on the Petitioner. Accordingly, restate the IDC for the activities which are uncontrollable and of force majeure in nature.

REC 9995: Const. of Approach Road for Control Room and Residential Building at 132 kV S/s Ranikhet.

- 2.4 The Petitioner submitted that the Commission in its impugned Order has erred in restricting the capitalisation upto the investment approval for the aforesaid scheme and has erred in ignoring the reasons for cost escalation.

The Petitioner informed the Commission that by terminating the tender because of non-responsiveness of the contractor, has actually saved the crucial time for execution of the project and marginal cost increase due to this has been disallowed, which is nothing but a punishment for the prompt and prudent step taken by the field officials.

The Petitioner further submitted that restricting the capitalisation upto investment approval not only breaches the own directives of the Commission which accords investment approval and directs to provide detailed justification for cost deviation, but also ignores the ground implementation challenges faced by the Petitioner while executing the project. The Petitioner requested the Commission to restate the capitalisation for the aforesaid scheme.

REC 10760: Supply erection and Testing & Commissioning of 40 MVA 132/33 kV Transformer and 132 kV and 33 kV Transformer Bay at 132 kV S/s Laksar.

- 2.5 The Petitioner submitted that the Commission in its impugned Order has erred in disallowing the additional capitalisation of Rs 0.53 Crore by restricting the total capitalisation up to the investment approval of Rs 5.73 Crore for the aforesaid capex scheme.

The Petitioner further submitted that restricting the capitalisation upto investment approval not only breaches the own directives of the Commission which accords investment approval and directs to provide detailed justification for cost deviation, but also ignores the ground implementation challenges faced by the Petitioner while executing the project. The Petitioner requested the Commission to review the decision of disallowance of the capitalisation and restate the same taking cognizance of the justification of cost-overrun provided by the Petitioner as part of the Petition.

RCRM 9025: Const. of 132 kV S/C Overhead Line from 220 kV S/s SIDCUL Haridwar to 132 kV S/s Jwalapur & Const. of 132 kV Bay(s) at both ends for 132 kV Overhead line from 220 kV Substation SIDCUL Haridwar to 132 kV S/s Jwalapur".

- 2.6 The Petitioner submitted that the Commission in its impugned Order has erred in disallowing the additional capitalisation of Rs 0.05 Crore towards the aforesaid capex scheme. Against the claimed capitalisation of Rs 0.95 Crore, the Commission

has approved the capitalisation of Rs 0.90 Crore thereby restricting the capitalisation upto the investment approval.

The Petitioner further submitted that the detailed justification was provided to the Commission as part of the tariff filing, however, the same appears to have been ignored. The Petitioner requested the Commission to review the decision of disallowance of the capitalisation and restate the same taking into cognizance of the justification of cost-overrun provided by the Petitioner as part of the Petition.

REC 10148: Implementation of Intra-state ABT metering scheme for onlineing of ABT meters to be installed at interface points for energy accounting and transmission level emergency auditing under PTCUL, Dehradun.

- 2.7 The Petitioner submitted that the Commission in its impugned Order has erred in disallowing the additional capitalisation of Rs 1.20 Crore against the aforesaid capex scheme. The Petitioner stated that it has claimed the capitalisation of Rs 13.26 Crore as per Form 9A and has also submitted that capitalisation claim for FY 2022-23 be considered as Rs 12.25 Crore. The reasons for delay in project execution was also cited as part of the Petition. The Petitioner submits that revised Form 9.5 was submitted post technical validation session, rectifying the inadvertent typo error and the capitalisation of Rs 11.45 Crore was made towards the aforesaid capex scheme.

The Petitioner further submitted that the Commission while passing the impugned Order has erred in disallowing the AMC part of the scheme amounting to Rs. 1.19 Crore stating that the AMC is the maintenance contract for the upkeep and maintenance of the Software and Hardware involved in ABT Metering System and the same do not form the part of physical hardware being capitalized under the scheme. Accordingly, the same has been erroneously considered by the Commission as part of the normative R&M expenses.

The Petitioner further submitted that the aforesaid act of the Commission is in violation of its own investment approval granted in Petition No. 11 of 2016 dated May 06, 2016. In the said Order the Commission has neither opined nor directed the Petitioner to exclude the AMC cost of the detailed cost estimate from the total approved cost nor has specified to undertake the AMC as part of the normative R&M expenses. The Petitioner submitted that the purchase order for the aforesaid capex scheme was awarded only after the investment approval and in same manner as

projected in the DPR and detailed project cost. The Petitioner submitted that the Commission appeared to have ignored its own approval and the facts submitted on face of the record and requested to take cognizance of the submissions made and restate the capitalisation.

PFC (System Improvement): Supply and Installation of 01 no 160 MVA T/F and its associated 220 kV HV side & 132 kV LV side bay at 400 kV S/s Kashipur.

- 2.8 The Petitioner submitted that the Commission has erred in restricting the capitalisation for the aforesaid capex scheme to Rs. 17.76 Crore in place of Rs. 18.24 Crore notwithstanding detailed justification submitted for the cost escalation resulted being cost and time overrun. The Petitioner further submits that the Commission itself has classified the reasons of delay as Delay due to Covid-19 Pandemic, delay due to Soil Filling permission for land development at 400 kV Substation at Kashipur, delay due to non-availability of shutdown of 220 kV and 132 kV Bus at 400 kV Substation at Kashipur, and Delay due to Charging Clearance from Electrical Safety Department. The Commission appeared to be contended with the reasons for delay and had opined that part of the delay could be considered as delay not attributable to the Petitioner yet has preferred to disallow the capitalisation supposedly on account of higher IDC than computed by the Commission citing that the other activities could have been undertaken in parallel, and the delay could have been shortened/ averted by proper planning and follow up at the Petitioner's end.

The Petitioner requested the Commission that such observation and direction would serve more benefit to the Petitioner if specified explicitly while pronouncing the order as it guides to consider the phasing of activity accordingly to obviate future disallowance caused due to delay. The Petitioner stated that the Commission has worked out the allowable IDC as Rs 0.25 Crore accordingly, however, since the same is not part of the impugned Order, the Petitioner is not able to understand the same. The Petitioner further submitted that the justification for delay submitted along with the Petition and during the technical validation session interactions are justifiable enough to allow the capitalisation as none of the same could be attributable to the Petitioner. In view of the aforesaid the Petitioner has requested the Commission to review its decision taking into cognizance of the submissions made and restate the capitalisation.

PFC (System Improvement): Const. of 132/33 kV S/s Padartha (Patanjali), Haridwar.

- 2.9 The Petitioner submitted that the Commission has erred in disallowing the capitalisation for the aforesaid capex scheme just because of the fact that corrected information was submitted on February 26, 2024 and retained the information submitted on 30th January 2024 as Rs 29.76 Crore. The Petitioner feels that it is imprudent to ignore any information submitted which has significant commercial impact on the business entity.

The Petitioner stated that the Commission itself opined that part of the delay could be considered as delay not attributable to the Petitioner yet has preferred to disallow the capitalisation supposedly on account of higher IDC than computed by the Commission citing that the other activities could have been undertaken in parallel, and the delay could have been shortened/ averted by proper planning and follow up at the Petitioner's end.

The Petitioner averred that such observations and directions would serve more benefit to the Petitioner if specified explicitly by the Commission while pronouncing the order as it would guide the Petitioner to consider the phasing of activity accordingly to obviate future disallowance caused due to delay. The Petitioner further submitted that the justification for delay submitted along with the Petition and during the technical validation session interactions are justified enough to allow the capitalisation as none of the same could be attributable to the Petitioner. In view of the aforesaid, the Petitioner requested the Commission to review its decision taking cognizance of the submissions made and restate the capitalisation accordingly.

PFC (System Improvement): 132 kV Chilla-Nazibabad LILO Line at 132 kV Substation, Padartha (Including Construction of Well foundation at various location of LILO of 132 kV Chilla Nazibabad line at Ganga River near village Sajanpur Pili, Haridwar).

- 2.10 The Petitioner submitted that the Commission has erred in disallowance of the capitalisation for the aforesaid capex scheme only because of the fact that there has been delay in submission of the corrected information. According to the Petitioner it is imprudent to ignore any information submitted which has significant commercial impact on the business entity.

The Petitioner further submitted that in its view the Commission should take into consideration every submission made by the Petitioner before exercising its discretion to allow or disallow any cost impact in tariff. The perusal of the impugned Order reflect that the Commission has taken note of the revised submissions and inadvertently missed to take into cognizance of the detailed justification submitted as part of the Petition.

The Petitioner further submitted that the Commission has not only erred in denying the capitalisation against the IDC but also erred in denying the principal amount. The Petitioner averred that the revised Form 9.8 and Form 9.5 for the scheme were submitted however, the same appear to be inadvertently missed out from consideration while allowing the capitalisation.

In view of the aforementioned, the Petitioner requested the Commission to review its decision taking into cognizance of the submissions made and restate the capitalisation.

PFC (System Improvement): Supply Erection and Testing & Commissioning of 40 MVA 132/kV Transformer & 132 kV & 33 kV Transformer Bay at 132 kV S/s Bindal.

- 2.11 The Petitioner submitted that the Commission has erred in disallowing the capitalisation towards the aforesaid capex scheme. The Petitioner submitted that the additional capitalization claimed by PTCUL was within the cut-off date and the Commission had previously approved the capitalization of Rs. 5.83 Crore up to FY 2021-22 for the said scheme. However, considering the capitalization claimed for FY 2022-23, i.e. Rs. 0.61 Crore, total Project Cost for the scheme summed up to Rs. 6.52 Crore up to FY 2022-23 which exceeds the total approved cost of Rs. 6.03 Crore and thus the Commission restricted the Project Cost of the Scheme to Rs. 6.03 Crore and have restricted the capitalization claimed during FY 2022-23 to Rs. 0.20 Crore.

The Petitioner submitted that restricting the capitalisation upto the investment approval not only breaches the own directive of the Commission which accords investment approval and directs to provide detailed justification for cost deviation from the investment approval, but also ignores the ground implementation challenges faced by the Petitioner while executing the project.

The Petitioner further averred that the detailed justification was provided to the Commission as part of the tariff filing, however, the same appeared to be ignored, as

there has been no discussion on the reasons not found prudent for consideration by the Commission. The Petitioner requested the Commission to kindly review the decision of disallowance of the capitalisation and restate the same taking into cognizance of the justification of cost-overflow provided by the Petitioner as part of the Petition.

REC (System Improvement): Construction of 220 kV Pirankaliyar-Puhana (PGCIL) Line.

2.12 The Petitioner submitted that the Commission has erred in disallowing the capitalisation of Rs. 0.32 Cr towards the aforesaid capex scheme.

The Petitioner submitted that detailed justifications for the cost escalation were submitted along with the Petition, however, it appears that they were inadvertently overlooked. Hence the Petitioner requested the Commission to kindly review the decision of disallowance of the capitalisation and restate the same taking cognizance of the justification of cost-overflow provided by the Petitioner as part of the Petition.

Other Schemes (System Strengthening): Furniture & Fixtures, and Office Equipment claimed by SLDC.

2.13 The Petitioner further submitted that the capitalisation of Rs 0.05 Crore towards minor assets viz, Furniture & Fixtures, and Office Equipment for SLDC have been wrongly considered as a part of Operations & Maintenance (O&M) expenses. According to the Petitioner the impugned order is erroneous as it shifts the asset addition from the balance sheet to the P&L. As the audited accounts has already been finalised for the FY 2022-23, disallowance of the asset addition would differ the asset base of the Petitioner from regulatory asset base considered by the Commission. In view of the above, the Petitioner requested the Commission to restate the capitalisation and allow consequential impact in the Truing Up for the Petitioner.

B- Error Apparent in Capitalization of FY 2023-24.

2.14 The Petitioner submitted that the Commission while evaluating the capitalisation for HI of FY 2023-24 has erroneously ignored the capitalisation towards the "Construction of 132 kV S/C Line on Panther Conductor on Double Circuit Towers from 220/132 kV S/s Pithoragarh (PGCIL) to 132/33 kV Sub-station Lohaghat (Changprant) of PTCUL", citing the same as incomplete as the Petitioner has not yet planned for the

downstream asset (i.e. Sub-station at Lohaghat) yet. However, the Commission has erred in taking cognizance of its own direction to charge the transmission line.

The Petitioner further submitted that the impugned Order also appears to have computational error while allowing the capitalisation for the FY 2023-24 in aggregate.

In view of the above, the Petitioner has requested the Commission to restate the capitalisation for the FY 2023-24 and allow the consequential impact on ARR accordingly.

C- Erroneous disallowance in capitalization of FY 2019-20, FY 2020-21 and FY 2021-22.

- 2.15 The Petitioner submitted that the Commission in its Tariff Order dated 30.03.2023 had deferred the capitalisation for aforementioned years for the purpose of additional justification.

The Petitioner has requested the Commission to pass a speaking order so that the Petitioner remains aware of the factors that lead to cause capital disallowances which has significant bearing on the asset base of the Company.

D- Erroneous disallowance of Return on Equity.

- 2.16 The Petitioner stated that the Commission has not allowed Return on Equity on entire equity base approved by the Commission in the respective Tariff Orders. The Return on Equity was disallowed to the extent of equity contributed by the Government of Uttarakhand from Power Development Fund, considering that the Power Development Fund was realized from the consumers in form of a cess. The Petitioner averred that the claim was made pursuant to the judgment pronounced by the Hon'ble APTEL in its judgment dated May 15, 2015, in R.P. No. 2 of 2015 in appeal No. 163 of 2015, wherein the Hon'ble APTEL has explicitly stated as herein below:

"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 toward 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."

To further substantiate the claim of return on equity, the Petitioner submitted the directives of the Government of Uttarakhand w.r.t. consideration of the Government of Uttarakhand's contribution to PDF as equity from consolidated fund of the State, for the purpose of allowance of Return on Equity (refer Annexure XIV - Additional Secretary vide Letter No 337/I (2)/2011-04-(01)/84/2008 dated February 11, 2011). The Petitioner submitted that the denying cost to any capital contribution adversely affects the credit profile of the Petitioner to raise further capital and is also against the basic tenets of the corporate finance wherein time value of money is assigned and cost of capital is duly recognised to be recovered in cost plus Regulatory regime.

The Petitioner stated that while issuing impugned Order, the Commission has erred in allowing the RoE claims for the Petitioner on account of the following:

- The Commission has considered the Return on Equity excluding its claim on RoE on PDF and considered only the opening equity base. This has led to the disallowance of Rs 573.21 Crore accrued till the FY 2024-25. The said claim was raised in accordance with the order of Hon'ble Supreme Court dated May 10, 2018.
- The Commission has erred in allowing the RoE on asset addition during the year on pro-rata basis in accordance with the MYT Regulations 2021. The Petitioner reiterates that as part of the trueing up petition for the FY 2022-23, the Petitioner has submitted segregated audited account for both SLDC and PTCUL to the Commission for prudence check. This has led to the RoE disallowance Rs 5.26 Crore for the asset addition during the FY 2022-23 and Rs 5.01 Crore for the FY 2023-24 on cumulative basis.

The Petitioner submitted that as there is clearly an error apparent on the face of record of the Order, the Commission should restate the RoE claim of PTCUL and SLDC for the aforesaid years and allow the claim on RoE.

E- Wrongful disallowance on efficiency gains on Interest on Working Capital.

- 2.17 The Petitioner submitted that as per Regulation 33 of MYT Regulations, 2021, IoWC ought to be determined on normative basis and interest rate has to be equal to average of 'one-year Marginal Cost of Funds based Lending Rate' as declared by the State Bank of India from time to time for the financial year in which the application for determination of tariff is made plus 350 basis point.

The Petitioner averred that the Commission has erred in considering the rate of interest on working capital as 10.50% equal to State Bank Advance Rate (SBAR) of State Bank of India as on the date of first time filing of the Tariff Petition of FY 2022-23 rather than considering the interest rate based on One-year MCLR as considered by the Petitioner in its tariff petition. The Petitioner submitted that the Commission has erred in considering 'the year of filing the truing up tariff Petition' as 'the year of first filing of the tariff petition'. This inadvertent interpretation has lead to cause disallowance of interest rate consideration of 0.80% and its consequential impact of Rs 0.82 Crore (i.e., Rs 0.78 Crore for PTCUL and Rs 0.04 Crore for SLDC) for the FY 2022-23.

The Petitioner submitted that the Commission has considered the entire interest on working capital as efficiency gain ignoring the fact that the working capital requirement of the Petitioner for the FY 2022-23 had been met through internal accruals and not through debt, which also has inherent interest cost as per the relevant judgement of the Hon'ble APTEL.

The Petitioner stated that it is a settled principle of law that internal funds also deserve interest in as much as the internal fund when employed as working capital as it loses the interest it could have earned by investment elsewhere. Further the the Petitioner can never have any funds which has no cost. The internal accruals are not like some reserve which does not carry any cost. Internal accruals could have been inter-corporate deposits. In that case, the same would also carry the cost of interest. Simply because internal accruals were used for FY 2022-23, and there was no outflow of funds by way of interest on Working Capital, the IoWC cannot be denied.

The Petitioner humbly submits that in arriving at whether there was a gain or loss, the Hon'ble Commission was required to take the total picture into consideration. It cannot be said that simply because internal accruals were used and

there was no outflow of funds by way of interest on Working Capital, and hence the entire interest on working capital was gain.

The Petitioner further submitted that the Commission has erred in stating 'The actual interest on working capital as per Audited Accounts for FY 2022-23 is 'Nil'. In view of the aforesaid it is explicitly clear that the working capital cannot be considered as 'Nil'.

The Petitioner further stated that as per Regulations 12 (6) (f) of MYT Regulations, 2021, the controllable factor includes variation in working capital requirements and does not specify that the actual cost related to working capital will be considered. Therefore, as per the Hon'ble APTEL order, even funding of working capital through internal accruals has an inherent cost which is required to be considered while computing the gains / loss of interest on working capital loan.

The Petitioner contended that based on the above submissions, it is clearly not only an error apparent on the face of record of the Order, but also the directives of the Commission are inconsistent with the settled regulatory principle upheld by the higher judicial forums under the electricity statute, viz., Hon'ble APTEL and requested the Commission to restate the sharing of efficiency gains/losses of PTCUL and SLDC for the year claimed.

F- Erroneous consideration of other revenue as non-tariff income.

2.18 The Petitioner submitted that while filing the tariff Petition, the revenue realised from sale of scrap, sale of tender documents, registration fee, connectivity charges, fee for load flow study, etc are considered as non-tariff income as per the provisions of MYT Regulations, 2021.

The Petitioner submitted that in line with MYT Regulations 2021, the non-tariff income of Rs (0.05) Crore which included the negative adjustment of Rs. 2.62 Crores of supervision charges was claimed in the impugned Order and it was requested to the Commission to approve the same.

The Petitioner submitted that the Commission has erred in considering the other income as Rs 59.84 Crore which includes the revenue accrued pertaining to the following:

- Interest from banks and other advances of Rs 22.05 Crore, which is resulted due to Return on Equity earned by the Petitioner over the years.
- Deferred Revenue Grants written off against funding under Deposit & PSDF Schemes of Rs 11.04 Crore, and
- Revenue resulting due to forfeited Earnest Money and Security Money of Rs 26.16 Crore for the scheme pertaining to the ISTS lines.

The Petitioner submitted that the MYT Regulations 2021, specifically provides that the revenue resulting due to 'Interest earned from the investments made out of return on Equity corresponding to the regulated business of the Transmission Licensee shall not be included in Non-Tariff Income'. The Petitioner submitted that in past tariff orders, the Commission used to consider interest earned from investments made out of Return on Equity as part of non-tariff income on account of the fact that there is no documentary evidence confirming if the FDRs are made through its earning from RoE. However, in the information filed, as part of the data-gap raised by the Commission, documentary evidence from the statutory auditor specifying the same has been submitted by the Petitioner. In the TVS Reply it was explicitly shown that out of the total fund invested of Rs 441.28 Crore as on March 31, 2023, the fund amounting to Rs. 259.95 Crore pertains to the revenue earned against UTP Projects and Rs 187.05 Crore has been resulted due to Bank Guarantees against UTP Projects encashed for the FY 2022-23. This results in total balance towards RoE as Rs 74.28 Crore. On the basis of above facts, it is requested to the Commission, that Other Income amounting to Rs. 48.70 Crore pertaining to interest on investment in FDRs/TDR's and Forfeited Bank Guarantees related to UTP Projects and balance against Return on Equity shall not be considered as Non-Tariff Income as the same pertains to UTP and Interest earned on RoE funds. However, the Commission has erroneously ignored the documentary evidence substantiating the claims of interest accrued on RoE to be deducted while considering the non-tariff income in accordance with the provisions of the MYT Regulations 2021.

The Petitioner submitted that the Commission has specifically excluded allowing any claim of expenditure pertaining to inter-state transmission system lines as the same falls beyond the jurisdictional aegis of the Commission. The Petitioner submitted that the aforementioned act of the Commission appears to be a selective approach in considering the other revenues from ISTS business as non-tariff income,

which is not regulated by the Commission, however commission refrains from allowing the claims of related expenditure stating the same belongs to jurisdiction of the Hon'ble CERC.

The Petitioner submitted that the Commission has erred in considering the revenue accrued due to forfeited Earnest Money and Security Money of Rs 26.16 Crore on account of the UTP schemes. The Petitioner submitted that UTP scheme is financially aided by Government of India, and thus need to be excluded from the non-tariff income as the same will be excluded from Inter-State Project ARR by the Hon'ble CERC resulting in the double financial impact to the Petitioner.

Based on the above-mentioned submission, the Petitioner urged the Commission to take cognizance of the fact that such revenue items beyond the Regulatory jurisdiction of MYT Regulations 2021, should ought to be reduced from the non-tariff income and allow the claim of the Petitioner.

G- Erroneous interpretation to allow income tax

- 2.19 The Petitioner submitted that Regulation 34 of MYT Regulations 2021 specifically provides that income tax, if any on the income stream of the Regulated business of Generating Companies, Transmission Licensees, Distribution Licensees, and SLDC shall be reimbursed to the Generating Companies, Transmission Licensees, Distribution Licensees, and SLDC as per the actual income tax paid subject to prudence check.

The Petitioner stated that the Commission has erroneously considered the revenue from UTP schemes, which is beyond Regulatory jurisdiction of MYT Regulations 2021, while allowing the income tax.

The Petitioner further submitted that the Commission has erred to consider the revenue of non-regulated business stream to allow the income tax for the regulated business of the Petitioner, which is against the regulatory principle settled by the Hon'ble APTEL at numerous instances. Based on the above, the Petitioner requested the Commission to restate the income tax as claimed by the Petitioner.

H- Erroneous interpretation while allowing the O&M Expenses

- 2.20 The Petitioner stated that the Commission has erred in considering the capitalization rate of 14.75 % for employee expenses, instead of 14.31 % as proposed by it. Also, the

proposed capitalisation rate for A&G expenses should be 9.41%, however, no details has been provided in the tariff order for the same.

The Petitioner submitted that the impugned Order has not provided any justification for evaluating the merits or demerits of considering the capitalisation rate different than as proposed by the Petitioner. In addition, there is no explanation w.r.t. the capitalisation rate considered while allowing the normative A&G expenses. The Petitioner further submitted that the O&M expenses for the SLDC has been separately claimed, however, it appears that while undertaking the truing up, the Commission has erred to miss out including the same while allowing O&M expenses for ITCUL.

In view of the above, the Petitioner requested the Commission to restate the O&M expenses (for employee expenses and A&G expenses) as per the methodology proposed by the Petitioner and provide the details of the computation of A&G Expenses as well as the capitalisation rate approved by the Commission.

1- Wrongful consideration of ARR for Bhilganga III (Ghutti)-Ghansali line

- 2.21 The Petitioner submitted that the Commission has erred in including the impact of ARR of Bhilganga III (Ghutti)-Ghansali Line in accordance with the order passed by the Commission in Petition No. 30 of 2023 dated 17th October 2023.

The Petitioner submitted that as part of the Petition, it was explicitly stated that pursuant to the judgement pronounced by the Hon'ble Supreme Court of India in Civil Appeals No. 2368-2370 of 2015 and Order of Hon'ble CERC in Petition No. 246/MP/2018, the Petitioner approached the Commission for determination of ARR for 220 kV D/C Bhilangana-III - Ghansali line for FY 2022-23 and FY 2023-24 in the previous Tariff Order. Accordingly, in Tariff Order dated 30 March 2023, the Commission approved the ARR for Bhilangana III-Ghansali Line for FY 2022-23 and FY 2023-24 of Rs. 1.55 Crore and Rs. 1.51 Crore respectively in accordance with MYT Regulations, 2021.

The Petitioner submitted that the since the aforementioned is sub-judice, it intentionally kept the ARR separate from the ARR of the Petitioner. However, the Commission has erred in including the gross fixed asset approved as per its Order while allowing the GFA for the Petitioner. This errs in due consideration of not only

the factual claim submitted and approved by the Commission but also ignores that the sub-judice matter need to be kept separate till its resolution. This act of the Commission contradicts itself wherein the Commission has not considered allowing the disallowed capitalisation citing the matter is pending with Hon'ble APTEL for resolution. In view of the above, the Petitioner requested the Commission to restate the position as prayed and allow consequential impact in the ARR accordingly.

3. Commission Observations, View & Decision.

3.1 Powers of the Commission and Grounds for Review

3.1.1 With regard to the Review Petition filed by PTCUL on various issues, the Commission first explores the powers vested in it to review its Orders in order to establish the legality of the Petition. In this regard, reference is drawn to section 94(1)(f) of the Act which specifically empowers the Commission to undertake review, which can be exercised in the same manner as a Civil Court would exercise such powers under Section 114 and Order XLVII of the Code of Civil Procedure, 1908 (CPC). Under the said provisions, review of the Order is permitted on three specific grounds only, namely:

- a. Discovery of new and important matter or evidence, which after the exercise of due diligence was not within the applicant's knowledge or could not be produced by him at the time of passing of the Order.
- b. Mistake or error apparent on the face of the record; or
- c. Any other sufficient reasons.

3.1.2 The application for review has to be considered with great caution to ensure that it fulfil one of the above requirements to be maintainable under law. On the discovery of new evidence, the application should conclusively demonstrate that (1) such evidence was available and was of undoubted character; (2) that it was so material that its absence might cause miscarriage of justice; (3) that it could not be with reasonable care and diligence brought forward at the time of proceedings/ passing of Order. It is well settled that new evidence discovered, if any, must be one, relevant, and second, of such character that had it been given, it might possibly have altered the judgement. With regard to mistake or error apparent on the face of the record, the error should be apparent enough to be noticed and presented before the Court

during review proceedings to take cognizance. However, if it is a case that the Petitioner was not able to properly explain a legal position at the time of proceedings, it does not make a ground for a review.

- 3.1.3 With regard to any other sufficient reason, the courts have interpreted these words that such reasons should be at least analogous to those specified immediately in the above clause. The courts have interpreted this phrase on the facts and circumstances of each case. It is a well-settled law that a review of the Orders of the Court/Commission should be used sparingly after examining the facts placed before the Court. An erroneous view or erroneous judgement is not a ground for review, but if the judgement or order completely ignores a positive rule of law and the error is so patent that it admits of no doubt or dispute, such an error must be corrected in the review. A review is by no means an appeal in disguise whereby an erroneous decision is re-heard and corrected but lies only for a patent error. A review can only lie if one of the grounds listed above is made out.

With this background on legal provisions related to Review Petition, the Commission has examined the issues raised by the Petitioner to assess whether all or any of the issues raised by the Petitioner qualify for review hereunder:

A-Wrongful Disallowance of Capitalisation for FY 2022-23.

REC II Scheme: OPGW connectivity in PTCUL under Phase II of the ULDC Projects.

- 3.1.4 With regard to issue at Para 2.1 above, the same has been dealt with at Page 25-26 of the impugned Order wherein the Commission during TVS has directed SLDC to clarify reasons for claiming capitalization of Rs. 6.874 Crore only when LoA was issued for Rs. 31.20 Crore. In response, SLDC vide Letter dated January 30, 2024 submitted the details of year wise capitalization wherein the Petitioner submitted that the Capitalization for FY 2022-23 is Rs. 5.99 Crore. Accordingly, the Commission considered Capitalization for FY 2022-23 as Rs. 5.99 Crore .

Further, in cases where the Commission observed frequent changes in the submissions made by PTCUL, the Commission had cleared its stance and remarked the same at numerous places in the Order as under:

The Commission observes that PTCUL has been frequently changing its submissions and Project Cost at every opportunity being provided to the Petitioner. The Commission takes a strong note of the same and expresses its displeasure over

the indecisiveness and inaccuracy with regard to the capitalization amount claimed by PTCUL during FY 2022-23. The Commission directs the Petitioner to submit firm values for the Scheme Project Cost with all the supporting computations at one instance and refrain from revising the submissions and creating confusion time and again till the last opportunity available."

Further, with regard to considering of minor assets towards O&M expenses, it is stated that shifting of Minor Items to R&M Expenses is in line with the consistent approach adopted by the Commission.

With regard to averment made by the Petitioner that the impugned order is erroneous from the perspective that it shifts the asset addition from the balance sheet to the P&L account and that the audited accounts have already been finalised for the FY 2022-23 wherein the disallowance of the asset addition would lead to differ the asset base of the Petitioner from Regulatory asset base considered by the Commission, the Commission is of the view that it is a consistent phenomenon where due to disallowances in the capitalization claimed the Regulatory Asset Base does not match with Actual Asset Base as maintained in the books of the Utilities, hence the same cannot be considered as an error apparent on record.

REC VI Scheme: 220/33 kV Substation at Piran Kaliyar

3.1.5 With regard to issue at Para 2.2 above, the Commission observes that false claims are being made by the Petitioner regarding the submission of justifications to the Commission. Further, the claim of the Petitioner is not maintainable on the fact itself that construction of residential colony & development works was not an activity which was beyond the reasonable control of Petitioner. Further under Regulation 22 of MYT Regulation 2021, the Petitioner has neither taken the effort to submit the details as to under which Clause of the said Regulation the Additional Capitalization is being claimed nor has submitted the reasons for delay in construction of residential colony to a date i.e. after 4 years of passing of cut-off date.

Accordingly, the Commission after considering the underlying issues and in the absence of supporting documents has decided to not consider the Additional Capitalization claimed by the Petitioner.

REC VIII Scheme: 220 kV D/C line on Twin Zebra Conductor from Lakhwar to Dehradun & it's LJLO at Vyasi

3.1.6 With regard to issue at Para 2.3 above, the Commission in its Order dated 28.03.2024 has dealt with the issue of IDC as follows:

"Based on the details submitted by the Petitioner, the Commission observed that the reasons of delay in the execution of "220 kV DC line on Twin Zebra conductor from Lakhwar to Dehradun & it's LJLO at Vyasi" include delay in Forest Case preparation activities like Joint Inspection with Forest and Revenue Officials, delay in obtaining FRA 2006 Certification, delay in allotment of land for compensatory afforestation, RelV Issues, Covid-19 first wave, unavailability of Shutdown of 33/11 kV feeders from UPCL, Covid-19 second wave, unapproachable road due to inclement weather conditions and delay in tree marking by Forest Department in Hill Section. The Commission observes that while the part of the delay could be considered under force majeure or delay not attributable to the Petitioner, however, it would be unreasonable to consider that each individual activity led to a situation which was beyond the control of the Petitioner, and it led to the overall delay of Four Years Eight Months in project execution. The Commission is of the view that other activities could have been undertaken in parallel, and the delay could have been shortened/ averted by proper planning and follow up at the Petitioner's end. In addition, the details provided with respect to time occurrences only mentioned various dates when issues emerged, or activities were completed. However, it could not be established as to how each activity had impacted the overall timeline of the project and whether other activities could have been planned in a manner where the delay could have been avoided.

Accordingly, based on the scrutiny of the reasons of delay submitted by the Petitioner, the IDC for the Scheme has been worked out as Rs. 8.22 Crore which has been allowed on Pro-rata Basis by categorizing the delay under controllable, partially controllable, and uncontrollable factors."

The Commission while issuing the tariff Order has reasoned out the methodology adopted to consider the delay wherein the Commission has clearly held that while the part of the delay is considered due to uncontrollable factors and part of delay is considered due to controllable factors.

REC 9995: Const. of Approach Road for Control Room and Residential Building at 132 kV S/s Ranikhet

3.1.7 With regard to issue at Para 2.4 above, the Commission in the impugned Order has held as under:

"The Commission observes that the reasons for increase in cost submitted by the Petitioner as not satisfactory and that the retendering could have been avoided if proper background checks of the contractor were carried out while awarding the said works to the contractor."

REC 10760: Supply Erection and Testing & Commissioning of 40 MVA 132/33 kV Transformer and 132 kV and 33 kV Transformer Bay at 132 kV S/s Laksar

3.1.8 With regard to issue at Para 2.5 above, the Commission in the impugned Order has held as under:

"The Commission observes that the total capital cost for the scheme, exceeds the project cost approved by the Commission, if the additional capitalization claimed by the Petitioner during FY 2022-23 is considered. Further, the Commission observes that the Petitioner has not provided the justification for claiming cost higher than the approved cost for the said scheme. In the absence of suitable justification, the Commission restricts the additional capitalization claimed for FY 2022-23 to Rs. 0.12 Crore and approves the capitalization of Rs. 0.12 Crore during FY 2022-23."

RCRM 9025: Const. of 132 kV S/c Overhead Line from 220 kV S/s SIDCUL Haridwar to 132 kV S/s Jwalapur & Const. of 132 kV Bay(s) at both ends for 132 kV Overhead line from 220 kV Substation SIDCUL Haridwar to 132 kV S/s Jwalapur"

3.1.9 With regard to issue at Para 2.6 above, the the Commission in the impugned Order has held as under:

"The Commission during the Truing Up of FY 2021-22 had approved the capitalization Rs. 7.26 Crore along with capitalization of Rs. 1.51 Crore disallowed vide MYT Tariff Order dated March 31, 2022. (Total Approval was of Rs. 8.77 Crore).

The additional capitalization claimed by PTCUL during FY 2022-23 is within cut-off date. Considering the capitalization claimed for FY 2022-23, i.e. Rs. 0.95 Crore, the total Project Cost for the scheme sums up to Rs. 9.71 Crore up to FY 2022-23 which exceeds

the total approved cost of Rs. 9.67 Crore. Accordingly, the Commission has restricted the Project Cost of the Scheme to Rs. 9.67 Crore and have restricted the capitalization claimed during FY 2022-23 to Rs. 0.90 Crore. Hence, the Commission approves the additional capitalization of Rs. 0.90 Crore towards "Const. of 132 kV S/C Overhead Line from 220 kV S/s SIDCUL Haridwar to 132 kV S/s Jwalapur & Const. of 132 kV Bay(s) at both ends for 132 kV Overhead line from 220 kV Substation SIDCUL Haridwar to 132 kV S/s Jwalapur."

Restricting capitalisation upto investment approval is in line with the consistent approach adopted by the Commission in its previous Tariff Orders.

REC 10148: Implementation of Intra-state ABT metering scheme for online-ing of ABT meters to be installed at interface points for energy accounting and transmission level emergency auditing under PTCUL, Dehradun.

3.1.10 With regard to issue at Para 2.7 above, the the Commission in the impugned Order has held as under:

"PTCUL in the present Petition has initially claimed the Capitalization of Rs. 13.26 Crore. The Commission vide TVS Letter dated January 22, 2024 directed the Petitioner to clarify the reason for claiming Project Cost of the Scheme as Rs. 11.45 Crore in Form 9.5 and Rs. 13.26 Crore in Form 9A. PTCUL vide Letter dated January 30, 2024 submitted that the amount claimed in the present Petition is Rs. 11.45 Crore as per revised Form 9.5, whereas in old Form 9.5 the Project Cost was Rs. 13.26 Crore. The Petitioner further submitted that amount of Rs. 2.3 Crore had to be deducted due to reversal of excess capitalization on 29.08.23. The amount of Rs. 1.29 Crore is an additional capitalization on account of payment of Final Erection Bill and AMC for hardware supplied in FY 2023-24 against Online Monitoring and Data Acquisition of contract. IDC is 0.80 Crore. The Petitioner submitted that as per the details submitted, the Final Project Cost works out as Rs. 11.45 Crore (Rs. 13.26 Crore - Rs. 2.3 Crore + Rs. 1.29 Crore - Rs. 0.80 Crore).

Based on the response submitted by the Petitioner, the Commission vide Letter dated February 21, 2024 further directed the Petitioner to submit Revised Form 9.5 and 9A in line with the submissions made during TVS Reply. The Commission observed that the Petitioner vide Letter dated February 26, 2024 revised the Values of Form 9.5 and 9A to

Rs. 12.15 Crore in contrast to the submissions made vide Letter dated January 30, 2024 without providing any justifications.

The Commission observes that PTCUL has been frequently changing its submissions and Project Cost at every opportunity being provided to the Petitioner. The Commission takes a strong note of the same and expresses its displeasure over the indecisiveness and inaccuracy with regard to the capitalization amount claimed by PTCUL during FY 2022-23. The Commission directs the Petitioner to submit firm values for the Scheme Project Cost with all the supporting computations at one instance and refrain from revising the submissions and creating confusion time and again till the last opportunity available.

Since, the Petitioner has revised the capitalization values for the scheme without providing any justifications vide Letter dated February 26, 2024, the Commission is not inclined to consider the submissions made vide Letter dated February 26, 2024.

Considering the submissions made by the Petitioner vide Letter dated January 30, 2024, the Commission has considered the capitalization claimed for FY 2022-23 as Rs. 11.45 Crore.

With regard to the said Scheme, the Commission after scrutiny of the documents observed that the Capitalization of Rs. 11.45 Crore is exclusive of IDC of Rs. 0.80 Crore. Since the Cost considered for the approval of scheme is without IDC, therefore, the Commission has not approved the IDC for the Scheme. The Commission shall review the issue of IDC during Truing Up of FY 2023-24.

Further, the Commission noted that the Capitalization amount of Rs. 11.45 Crore includes the AMC of Rs. 1.19 Crore. The Commission has not considered the AMC part of the Scheme being capitalized and claimed by the Petitioner as a part of the Project Cost during FY 2022-23. The Commission observes that since AMC is the maintenance contract being signed by PTCUL for the upkeep and maintenance of the Software and Hardware involved in A/B Metering System, the same do not form the part of physical hardware being capitalized under the scheme. The Commission is of the opinion that such AMC expenses have to be met from the normative R&M expenses being allowed by the Commission. Hence, the Commission in this Order has considered the project cost for the scheme as Rs. 10.25 Crore after deducting the AMC Expense of Rs. 1.19 Crore."

PFC (System Improvement): Supply and Installation of 01 no 160 MVA T/F and its associated 220 kV HV side & 132 kV LV side bay at 400 kV S/s Kashipur.

3.1.11 With regard to issue at Para 2.8 above, the the Commission in the impugned Order has held as under:

"Based on the details submitted by the Petitioner, the Commission observes that the reasons of delay in the execution of "Supply and Installation of 01 no 160 MVA T/F and its associated 220 kV HV side & 132 kV LV side bay at 400 kV S/s Kashipur" include Delay due to Covid-19 Pandemic, Delay due to Soil Filling permission for land development at 400 kV Sub-station at Kashipur, Delay due to non-availability of Shutdown of 220 kV and 132 kV Bus at 400 kV Sub-station at Kashipur, and Delay due to Charging Clearance from Electrical Safety Department. The Commission observes that while the part of the delay could be considered as delay not attributable to the Petitioner, however, it would be unreasonable to consider that each individual activity led to a situation which was beyond the control of the Petitioner, and it led to the overall delay of almost 2.5 Years in project execution. The Commission is of the view that other activities could have been undertaken in parallel, and the delay could have been shortened/ averted by proper planning and follow up at the Petitioner's end. In addition, the details provided with respect to time overruns only mentioned various dates when issues emerged, or activities were completed. However, it could not be established as to how each activity had impacted the overall timeline of the project and whether other activities could have been planned in a manner where the delay could have been avoided. Accordingly, based on the scrutiny of the reasons of delay submitted by the Petitioner, the IDC for the Scheme has been worked out as Rs. 0.25 Crore which has been allowed on Pro-rata Basis by categorizing the delay under controllable, and uncontrollable factors."

The Commission while issuing the tariff Order has reasoned out the methodology adopted to consider the delay wherein the Commission has clearly held that while the part of the delay is on account of uncontrollable factors and part of delay is on account of controllable factors.

PFC (System Improvement): Const. of 132/33 kV S/s Padartha (Patanjali), Haridwar.

3.1.12 With regard to issue at Para 2.9 above, the the Commission in the impugned Order has held as under:

"The Commission vide Letter dated February 22, 2024 further directed the Petitioner to submit Revised Form 9.5 and 9A in line with the submissions made during TVS Reply. However, the Commission observed that the Petitioner vide Letter dated February 26, 2024 revised the Values of Form 9A to Rs. 32.96 Crore aligning the cost claimed under Form 9.5 in contrast to the submissions made in the Petition without providing any justifications.

The Commission observes that PTCUL has been frequently changing its submissions and Project Cost at every opportunity being provided to the Petitioner. The Commission takes a strong note of the same and expresses its displeasure over the indecisiveness and inaccuracy with regard to the capitalization amount claimed by PTCUL during FY 2022-23. The Commission directs the Petitioner to submit firm values for the Scheme Project Cost with all the supporting computations at one instance and refrain from revising the submissions and creating confusion time and again till the last opportunity available.

Since, the Petitioner has revised the capitalization values for the scheme without providing any justifications vide letter dated February 26, 2024, the Commission is not inclined to consider the submissions made vide letter dated February 26, 2024 and accordingly, based on the submissions made by the Petitioner vide letter dated January 30, 2024, the Commission has considered the capitalization claimed for FY 2022-23 as Rs. 29.76 Crore."

Further, the Commission in its Order dated 28.03.2024 has dealt with the Issue of IDC as follows:

"Based on the details submitted by the Petitioner, the Commission observes that the reasons of delay in the execution of "Const. of 132/33 kV S/s Padairthia (Patanjali), Haridwar" include Delay in obtaining permission for Soil Filling of Land for Construction of Sub-station, No Entry of Heavy Vehicle during Kavad Mela, Heavy Rain, Amendment (New Item - SETC of SAS) in Contract Agreement Dated 13.10.2017 vide letter no. 890/SE(C&P-II)/PTCUL/SS-22/2016-17 dated 07.12.2019, and Delay in construction of associated transmission line (LJLO of 132 kV Chillo-Nazibabad line) due to delay in approval of Forest case, Delay in construction of Well foundations in River Ganga. The Commission observes that while the part of the delay could be considered under force majeure or delay not attributable to the Petitioner, however, it would be unreasonable to consider that each individual activity led to a situation which was

beyond the control of the Petitioner, and it led to the overall delay of Four Years Eight Months in project execution. The Commission is of the view that other activities could have been undertaken in parallel, and the delay could have been shortened/ averted by proper planning and follow up at the Petitioner's end. In addition, the details provided with respect to time overruns only mentioned various dates when issues emerged, or activities were completed. However, it could not be established as to how each activity had impacted the overall timeline of the project and whether other activities could have been planned in a manner where the delay could have been avoided.

Accordingly, based on the scrutiny of the reasons of delay submitted by the Petitioner, the IDC for the Scheme has been worked out as Rs. 2.54 Crore which has been allowed on Pro-rata Basis by categorizing the delay under controllable, partially controllable, and uncontrollable factors"

The Commission while issuing the tariff Order has reasoned out the methodology adopted to consider the delay wherein the Commission has clearly held that while the part of the delay is on account of uncontrollable factors and part of delay is on account of controllable factors.

PFC (System Improvement): 132 kV Chila-Nazibabad LILO Line at 132 kV Substation, Padartha (Including Construction of Well foundation at various location of LILO of 132 kV Chilla Nazibabad line at Ganga River near village Sajanpur Pili, Haridwar).

3.1.13 With regard to issue at Para 2.10 above, the the Commission in the impugned Order has held as under:

"PTCUL in the present Petition has initially claimed the Capitalization of Rs. 20.61 Crore. The Commission vide TVS Letter dated January 22, 2024 directed the Petitioner to clarify the reason for claiming Project Cost of the Scheme as Rs. 20.19 Crore in Form 9.5 and Rs. 20.61 Crore in Form 9A. PTCUL vide Letter dated January 30, 2024 reiterated that the cost claimed under Form 9.5 is Rs. 20.19 Crore only. However, PTCUL revised the values of Additional Capitalization claimed under Form 9.8 to Rs. 2.44 Crore and submitted the revised Form 9.8 without providing any justifications. The Commission further observed that the Petitioner vide Letter dated February 26, 2024 revised the Values of Form 9 A to Rs. 20.19 Crore aligning the cost claimed under Form 9.5 in contrast to the submissions made in the Petition without providing any justifications.

The Commission observes that PTCUL has been frequently changing its submissions and Project Cost at every opportunity being provided to the Petitioner. The Commission takes a strong note of the same and expresses its displeasure over the indecisiveness and inaccuracy with regard to the capitalization amount claimed by PTCUL during FY 2022-23. The Commission directs the Petitioner to submit firm values for the Scheme Project Cost with all the supporting computations at one instance and refrain from revising the submissions and creating confusion time and again till the last opportunity available.

Since, the Petitioner has revised the capitalization values for the scheme without providing any justifications vide Letter dated February 26, 2024, the Commission is not inclined to consider the submissions made vide Letter dated February 26, 2024 and accordingly, based on the submissions made by the Petitioner vide Letter dated January 30, 2024, the Commission has considered the capitalization claimed for FY 2022-23 as Rs. 20.19 Crore which is lower of the claim made in Form 9 A and Form 9.5 plus additional capitalization of Rs. 2.00 Crore i.e. Rs. 22.19 Crore."

Further, the Commission in its Order dated 28.03.2024 has dealt with the issue of IDC as follows:

"Based on the details submitted by the Petitioner, the Commission observes that the reasons of delay in the execution of "132 kV Chilla-Nazibabad LILO Line at 132 kV Substation, Paderthia (Including Construction of Well foundation at various location of LILO of 132 kV Chilla-Nazibabad line at Ganga River near village Sejanpur Pili, Haridwar)" include forest land transfer approval/clearance from Forest Department (Like Delay in Joint inspection with forest & revenue officials, delay in FRA meetings and delay in processing of the case at nodal & other forest officers, delay in approval of MoEF etc.), Covid-19 Pandemic First Wave, Redigument of Tower location due to RoV at Location No. 3, Unprecedented rain in area during monsoon in the Month of July to Sep-2020, RoV issue at Location-4 in the Line Route, Delay in Construction of well foundation due to delay in forest clearance, Sinking of well foundation due to issue of rocky strata and restriction on entry in river ganga from 15 June to 15 October due to flood by local Administration, Covid-19 Pandemic Second Wave, RoV issues between Location 6-7 during stringing of Transmission line, and High water level in River ganga during summer season/monsoon season. The Commission observes that while the part of the delay could be considered under force majeure or delay not attributable to the

Petitioner, however, it would be unreasonable to consider that each individual activity led to a situation which was beyond the control of the Petitioner, and it led to the overall delay of about Three Years Eight Months in project execution. The Commission is of the view that other activities could have been undertaken in parallel, and the delay could have been shortened/ averted by proper planning and follow up at the Petitioner's end. In addition, the details provided with respect to time overruns only mentioned various dates when issues emerged, or activities were completed. However, it could not be established as to how each activity had impacted the overall timeline of the project and whether other activities could have been planned in a manner where the delay could have been avoided.

Accordingly, based on the scrutiny of the reasons of delay submitted by the Petitioner, the IDC for the Scheme has been worked out as Rs. 0.75 Crore which has been allowed on Pro-rata Basis by categorizing the delay under controllable, partially controllable, and uncontrollable factors."

The Commission while issuing the tariff Order has reasoned out the methodology adopted to consider the delay wherein the Commission has clearly held that while the part of the delay is on account of uncontrollable factors and part of delay is on account of controllable factors.

PFC (System Improvement): Supply Erection and Testing & Commissioning of 40 MVA 132 kV Transformer & 132 kV & 33 kV Transformer Bay at 132 kV S/s Bindal.

- 3.1.14 With regard to issue at Para 2.11 above, the the Commission in the impugned Order has held as under:

"However, considering the capitalization claimed for FY 2022-23, i.e. Rs. 0.61 Crore, total Project Cost for the scheme sums up to Rs. 6.52 Crore up to FY 2022-23 which exceeds the total approved cost of Rs. 6.03 Crore. Accordingly, the Commission has restricted the Project Cost of the Scheme to Rs. 6.03 Crore and have restricted the capitalization claimed during FY 2022-23 to Rs. 0.20 Crore."

The Commission observes that the Petitioner while filing the Petition has not submitted the supporting justifications and is submitting the same at this juncture.

REC (System Improvement): Construction of 220 kV Pirankaliyar-Puhana (PGCIL) Line.

3.1.15 With regard to issue at Para 2.12 above, the the Commission in the impugned Order has held as under:

"The Commission vide its Investment Approval Order dated October 09, 2015, had approved Rs. 11.18 Crore for construction of 220 kV Pirankaliyar-Puhana (PGCIL) single circuit line on double circuit towers (Zebra Conductor). Further, the Commission vide Investment Approval Order dated December 01, 2017, has approved the revised capital cost of Rs. 19.08 Crore for stringing of double circuit line on double circuit towers alongwith EHV cabling work. The Petitioner claimed the capitalization of Rs. 0.32 Crore during FY 2022-23.

The Commission vide Order dated March 30, 2023 had observed the following:

"The commission vide order dated March 31, 2022 has approved the capitalization of Rs. 7.95 Crore for FY 2020-21 and has limited the capitalisation to Rs. 11.14 Crore for FY 2021-22 against the claimed amount of Rs. 12.78 Crore. In this regard, the Commission remarked that the Commission will re-examine the approved cost for the project alongwith capitalisation of this project either during the truing up of FY 2021-22 or once the project is completed for final capitalisation.

The Commission observes that the Petitioner has again claimed the capitalization of Rs. 12.78 Crore for the said scheme without providing any justifications for the same. In the absence of any suitable justification, the Commission is not inclined to approve the capitalization claimed by the Petitioner and limits the capitalization for FY 2021-22 to Rs. 11.14 Crore restricting the project Cost to Investment Approval. The Commission will re-examine the approved cost for the project alongwith capitalisation of this project once the project is completed for final capitalisation and petitioner submits the suitable justifications for increase in cost over the approved cost.

In view of the observations made by the Commission regarding non submission of suitable justifications for increase in cost over the approved cost, the Commission observed that PTCIL vide Annexure XII of the instant Petition only submitted the reasons of Time Over-run and failed to submit the suitable justifications for justifications for increase in cost over the approved cost. In view of the absence of any suitable justification, the Commission is not inclined to approve the capitalization

claimed by the Petitioner and decides to keep the Project Cost restricted to Investment Approval of Rs. 19.08 as approved vide order dated March 30, 2023."

The Commission observes that the Petitioner while filing the Petition has not submitted the supporting justifications and is submitting the same at this juncture.

Other Schemes (System Strengthening): Furniture & Fixtures, and Office Equipment claimed by SLDC.

- 3.1.16 With regard to issue at Para 2.13 above, regarding the shifting of Minor Items to R&M Expenses is in line with the long-standing consistent view of the Commission and hence the review is not maintainable.

Further with regard to averment made by the Petitioner that the impugned order is erroneous from the perspective that it shifts the asset addition from the balance sheet to the P&L and that the audited accounts has already been finalised for the FY 2022-23 wherein the disallowance of the asset addition would lead to differ the asset base of the Petitioner from regulatory asset base considered by the Hon'ble Commission, the Commission is of the view that it is a consistent phenomenon where due to disallowances in the capitalization claimed the Regulatory Asset Base different than the Actual Asset Base as is maintained in the books of the Utilities.

That disallowance of capitalization of various assets mentioned above, clearly demonstrate that the Commission has deliberated upon the issue and taken a judicious view on each such claims while approving capitalisation for FY 2022-23, and the same have been claimed as wrongful by the Petitioner, the review Petition cannot be an appeal in disguise nor provides an opportunity to substitute a different view, therefore, the grounds as such do not qualify for a review.

B- Error Apparent in Capitalization of FY 2023-24

- 3.1.17 With regard to issue at Para 2.14 above, the Capitalization approved for FY 2023-24 shall be reviewed during the Truing Up exercise of FY 2023-24.

C- Erroneous Disallowances in Capitalisation of FY 2019-20, FY 2020-21 and FY 2021-22.

- 3.1.18 With regard to issue at Para 2.15 above, the the Commission in the impugned Order has held as under:

"...With regard to the submissions by the Petitioner made against the disallowance, the Commission observes that PTCUL in the Present Petition has reiterated the facts as stated in the earlier Petitions. Further, the Commission also observes that the reasons of delay reiterated by PTCUL for certain schemes where the capitalization was disallowed are partially controllable and partially uncontrollable in nature. Further, PTCUL has not been able to provide any substantial evidence to prove that the delay was uncontrollable in nature. It is further observed that based on the documents provided by PTCUL in support of its claim and the submissions made by PTCUL, the Commission has already decided the capitalization for the said schemes. Therefore, the Commission is not inclined to revisit the capitalization disallowed for the schemes in the Final True Up of FY 2019-20, FY 2020-21 and FY 2021-22."

The Commission has already clarified its stand for not revisiting the disallowances in past and had reiterated the same in the Tariff Order. In view of the same there is no error apparent on the face of record and hence issue does not qualify for review.

D-Erroneous Disallowance of Return on Equity

3.1.19 With regard to issue at Para 2.16 above, the Commission in the impugned Order has held as under:

"With reference to "Return on Equity on opening Equity as on the date of creation of PTCUL", the Petitioner submitted that in the past Tariff Orders, the Commission had not allowed return on equity on entire opening equity base approved by the Commission in the respective Tariff Orders. The return on opening equity was disallowed to the extent of equity contributed by the Government of Uttarakhand from Power Development Fund, considering that the Power Development Fund was realized from the consumers in the form of a cess.

The Petitioner further submitted that the Hon'ble Appellate Tribunal of Electricity (ATE) in Judgement dated May 15, 2015 in R.P. No. 2 of 2015 in appeal No. 163 of 2015 had issued directions to allow the RoE on the amount invested by the State Government, if the amount has not been provided as grant. The relevant extract from the judgement is reproduced below:

"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 toward 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."

In view of the same, the Petitioner requested the Commission to allow the Return on Equity on the equity contribution of Government of Uttarakhnad. The Petitioner submitted that this disallowance is not only restricting the internal surplus generation but also adversely affecting the financial position of the Petitioner and the consequent development of transmission assets.

In line with the approach adopted by the Commission in the earlier Orders and as deliberated in earlier Orders, the Commission has not approved the RoE on Equity from PDF. The Commission has allowed the Return on Equity on the opening equity base excluding the equity from PDF at the rate of 15.50%."

The Commission in the Tariff Order has already clarified its stand of not revisiting the issue and continuing with the approach adopted by the Commission in the earlier Orders and as deliberated in earlier Orders. In view of the same there is no error apparent on the face of record and hence issue do not qualify for review.

E- Wrongful disallowance on Efficiency Gains on Interest on Working Capital.

3.1.20 With regard to issue at Para 2.17 above, the contention of the Petitioner that the Commission has erred in considering the rate of interest on working capital as 10.50% equal to State Bank Advance Rate of SBI rather than weighted Average of one-year MCLR declared by SBI, in this regard it is stated that there has been a typographical error in the Order. In fact, the Commission has taken weighted Average of one-year MCLR declared by SBI for FY 2022-23 for calculating the rate of interest on working capital. In this regard the Commission in its MYT Order for the Fourth Control Period dated 31.03.2022 has at page 113 stated:

"Based on the above, the total working capital requirement of the Petitioner for FY 2022-23, FY 2023-24 and FY 2024-25 works out to Rs. 93.86 Crore, Rs. 116.97 Crore and Rs. 129.27 Crore respectively. The Commission has considered the rate of interest on working capital as 10.50% equal to the weighted average of 'one year Marginal Cost of Funds based Lending Rate (MCLR)' as declared by the State Bank of India from time to

time for the financial year in which the application for determination of tariff is made plus 350 basis points and, accordingly, the interest on working capital works out to Rs. 9.85 Crore, Rs. 12.19 Crore, and Rs. 13.63 Crore for FY 2022-23, FY 2023-24..."

Further, regarding the averment made by the Petitioner regarding consideration of actual Working Capital from the Audited Accounts of FY 2022-23 while approving the efficiency gains on the interest on working capital, the Commission observed that the Petitioner has not availed any Loan from the Banks and Financial Institutions to fund the Working Capital and has not paid actual interest to service such loans. In the absence of the same the Commission has considered the Actual Interest on Working Capital as NIL.

Further, with regard to the averments made by the Petitioner regarding consideration of Hon'ble APTEL's judgements wherein it has been ruled that efficiency gain in interest on working capital cannot be considered entirely on normative basis only because there is no outflow of funds by way of interest on working capital or there are no specific borrowings w.r.t. working capital, the Commission observes that in such cases the onus of proving the fact that the working capital has been arranged by means of Internal Accrual, Internal Funding or Retained Earnings, etc. lies with the Petitioner. In the Present case PTCUL has not taken any effort to demonstrate the fact with supporting documents that the working capital required by PTCUL is being funded by means of Internal Accrual, Internal Funding or Retained Earnings, etc. Accordingly, the Commission has considered the Actual Interest as NIL and approved the efficiency gains on the interest on working capital for FY 2022-23.

The methodology adopted by the Commission is in line with previous Orders of the Commission and the same has been accepted by PTCUL as the same was not challenged by PTCUL. Hence this issue has attained finality.

In view of the above, the issue cannot be reargued again by way of present review Petition. There is no error apparent on the face of record and hence issue does not qualify for review.

F- Erroneous consideration of other revenue as Non-Tariff Income.

3.1.21 With regard to issue at Para 2.18 above, the the Commission in the impugned Order has held as under:

"The Commission had approved the non-tariff income of Rs. 15.00 Crore in the MYT Tariff Order dated March 31, 2022 for FY 2022-23. As against the same, the Petitioner has claimed the non-tariff income of Rs. (0.05) Crore in the final true up of FY 2022-23. The Commission observes that the actual 'other income' as per the audited accounts is Rs. 59.83 Crore for FY 2022-23 and as per Trial Balance is Rs. 60.90 Crore for FY 2022-23. The Petitioner has not considered the 'other income' pertaining to namely (1) Interest on Investments in FDR (Rs. 14.92 Crore), (2) Interest on TDRs through sweep accounts (Rs. 7.13 Crore), (3) Interest on Income Tax refund (Rs. 0.63 Crore), (4) Forfeited Earnest Money and Security Money (Rs. 26.17 Crore), etc. Regulation 63(2) of the UERC Tariff Regulations, 2021 stipulates that the interest earned from investments made out of Return on Equity corresponding to the regulated business of the transmission licensee shall not be included in the non-tariff income.

With regard to the treatment of interest earned on the return on the investment made from RoE and interest on TDRs and FDRs, the Commission during the Trueing Up of FY 2020-21 vide Order dated March 31, 2022 has remarked as under:

"Based on the submission of the Petitioner, the Commission observed that major BGs were encashed during FY 2017-18. However, FDRs as on March 31, 2018 were only amounting to Rs. 59.37 Crore as per Note-8 and Note-9 of audited annual accounts for FY 2017-18 against the encashed BGs amounting to Rs. 111.34 Crore. The Commission sought clarification from the Petitioner in this regard. Further, the Commission once again directed the Petitioner to clarify that if the entire funds received from UPCL against 400 kV Srinagar S/s and associated lines have been invested in FDRs, how the expenditure against these projects are being met. In the matter, the Petitioner submitted that out of encashment value of Bank Guaranties, i.e. Rs. 111.34 Crore during FY 2017-18, Rs. 59.37 Crore invested in FDR's and balance amount of Rs. 51.97 Crore was available in PTCUL Current Bank Account with auto sweep facility. Further, the expenditure against O&M and working capital for 400 kV Srinagar S/s and associated lines are being met through the available funds with PTCUL."

In the matter, as discussed above, the BGs pertain to UITP schemes, accordingly, the Commission analysed the Trial Balance for FY 2017-18 of UITP projects and observed

that no amount is shown under the head of FDRs and only Rs. 1.83 Crore entry appears in Trial Balance of UJTP Schemes or Current Account in the said Trial Balance. Further, as far as meeting the expenditure towards UJTP Scheme's projects through PTCUL funds is concerned, it is pertinent to mention that the Commission allows depreciation which is a non-cash item used to meet repayment of Loans, normative O&M and Interest on Loan to meet its respective expenses. Further, approved amount pertaining to RoE retained with the Petitioner which is being invested in the form of FDRs as per the submissions of the Petitioner. However, in contrary, the Petitioner submitted the expenditure pertaining to 400 kV Srinagar S/s and associated transmission lines are met through funds of PTCUL. Moreover, UPCL delayed payments towards transmission charges of 400 kV Srinagar S/s & associated lines.

In the absence of any satisfactory evidence to substantiate that the investments were made out of Return on Equity, the Commission has considered the actual Interest Income from FDRs and Interest on TDRs through sweep accounts as Non-Tariff income. Accordingly, the Commission approves the Non-Tariff income amounting to Rs. 26.51 Crore. (Rs. 25.54 Crore as per audited accounts for FY 2020-21 and Rs. 0.98 Crore towards O&M charges from PGCIL for bays at 400 kV S/s Keshinpur)."

Based on the methodology adopted in Truing Up of FY 2020-21 vide Order dated March 31, 2022, the Commission has considered the actual Interest Income from FDRs and Interest on TDRs through sweep accounts amounting to Rs. 22.05 Crore as Non-Tariff income. Further, the Commission has also considered forfeited earnest money and security money, penalties for delay in supplies/execution of works, connectivity charges etc. amounting to Rs. 26.65 Crore as Non-Tariff income. Accordingly, the Commission approves the Non-Tariff income amounting to Rs. 48.70 Crore."

The Commission in the Tariff Order has already clarified the approach adopted by the Commission in the Tariff Order as has been deliberated in earlier Orders. In view of the same there is no error apparent on the face of record and hence issue do not qualify for review.

G-Erroneous Interpretation to allow Income Tax.

3.1.22 With regard to issue at Para 2.19 above, the the Commission in the impugned Order has held as under:

"The Commission observed that the current tax for FY 2022-23 is amounting to Rs. 3.89 Crore as per audited annual accounts for FY 2022-23.

As per Regulations 34 of the UERC Tariff Regulations, 2021, Income Tax is to be considered as per actuals, based on the documentary evidence submitted at the time of truing up of each year of the Control Period, subject to prudence check. Accordingly, the Commission has considered the actual income tax of the Petitioner.

The Commission observed from the audited annual accounts for FY 2022-23 that the total revenue is amounting to Rs. 432.51 Crore, comprising of revenue from operations for FY 2022-23 amounting to Rs. 372.68 Crore and Other incomes of Rs. 59.84 Crore. The Commission has considered the revenue of Rs. 1.16 Crore from Natural ISTS Transmission line for FY 2022-23 which has been reduced and accordingly, total revenue works out to Rs. 431.35 Crore. Further, the total revenue includes revenue of Rs. 42.26 Crore from 400 kV Srinagar S/s & Lines which are towards UITP schemes and revenue from BHPL of Rs. 1.83 Crore. The proportionate income tax of Rs. 0.38 Crore pertaining to revenue billed from UITP schemes and BHPL needs to be reduced while allowing the Income Tax for FY 2022-23. Accordingly, the Commission has approved the income tax of Rs. 3.49 Crore for FY 2022-23.

The variation in the Income Tax as approved by the Commission vis-à-vis Income Tax as claimed by PTCUL is on account of consideration of Revenue wherein Commission has considered Total Revenue of Rs. 432.51 Crore for the purpose of computing Tax for Regulated and Non-Regulated Business whereas PTCUL has only considered Revenue from Operations i.e. Rs. 372.68 for the purpose of apportioning Tax for Regulated and Non-Regulated Business."

The Commission in the Tariff Order has already clarified the approach adopted by the Commission in the Tariff Order as has been deliberated in earlier Orders. In view of the same there is no error apparent on the face of record and hence issue do not qualify for review.

H-Erroneous interpretation while allowing the O&M Expenses.

3.1.23 With regard to issue at Para 2.20 above, the Capitalization Rate approved by the Commission is in line with the approach adopted by the Commission in the earlier Orders. In view of the same there is no error apparent on the face of record and hence issue do not qualify for review.

I- Wrongful consideration of ARR for Bhilangana-III (Ghuttu)-Ghansali Line.

3.1.24 With regard to issue at Para 2.21 above, the Commission has clearly dealt with the issue under Page 89 to Page 91 of the Tariff Order dated 28.03.2024 and does not need to reiterate the same.

3.2 Besides above, the Commission has delved upon the principles settled by judicial pronouncements of review which are succinctly summarized in the matter of **Kamlesh Verma Vs Mayawati & Ors (2013) 8 SCC 320** which is being reproduced below:

"20. Thus, in view of the above, the following grounds of review are maintainable as stipulated by the statute:

20.1. When the review will be maintainable:

- (i) Discovery of new and important matter or evidence which, after the exercise of due diligence, was not within knowledge of the petitioner or could not be produced by him;*
- (ii) Mistake or error apparent on the face of the record;*
- (iii) Any other sufficient reason.*

The words 'any other sufficient reason' has been interpreted in Chajju Ram vs. Neki¹⁷, and approved by this Court in Moran Mar Baselios Catholicos vs. Most Rev. Mar Poulose Athanasius & Ors.¹⁸ to mean 'a reason sufficient on grounds at least analogous to those specified in the rule'. The same principles have been reiterated in Union of India v. Sander Mangnese & Iron Ors Ltd. & Ors. ²⁵ .

20.2. When the review will not be maintainable; -

- (i) A repetition of old and overruled argument is not enough to reopen concluded adjudications.*
- (ii) Minor mistakes of inconsequential import.*
- (iii) Review proceedings cannot be equated with the original hearing of the case.*
- (iv) Review is not maintainable unless the material error, manifest on the face of the order, undermines its soundness or results in miscarriage of justice.*
- (v) A review is by no means an appeal in disguise whereby an erroneous decision is reheard and corrected but lies only for patent error.*

(vi) *The mere possibility of two views on the subject cannot be a ground for review. (vii) The error apparent on the face of the record should not be an error which has to be fished out and searched.*

(viii) *The appreciation of evidence on record is fully within the domain of the appellate court, it cannot be permitted to be advanced in the review petition.*

(ix) *Review is not maintainable when the same relief sought at the time of arguing the main matter had been negatived.*

Moreover, error referred to by Petitioner for seeking review is far from being the 'error' that invokes reviewing jurisdiction. Therefore, the Review Petition cannot be entertained and is rejected as non-maintainable. In view of the same there is no error apparent on the face of record and hence issue do not qualify for review.

3.3 Similarly, in *Col. Avatar Singh Sekhon v. Union of India and Others* (1980) Supp SSC 562, the Hon'ble Supreme Court had observed that a review of an earlier order cannot be done unless the court is satisfied that the material error, which is manifest on the face of the order, would result in miscarriage of justice or undermine its soundness. Further, in the matter of *Lily Thomas & Ors Vs Union of India & Ors* [(2000) 6 SCC 224] the Hon'ble Supreme Court had observed that, "...Error contemplated under the rule must be such which is apparent on the face of the record and not an error which has to be fished out and searched. It must be an error of inadvertence..."

XXX XXX XXX

"...Error apparent on the face of the proceedings is an error which is based on clear ignorance or disregard of the provisions of law. In T.C. Basappa v. T. Nagappa this Court held that such error is an error which is a patent error and not a mere wrong decision..."

From the above, it is clear that present Petition does not fall under the scope of Review. The Commission has deliberated on various issues raised in the review Petition and has already taken a view in the matter through its impugned order, this reasoned view of the Commission cannot be considered as an error for seeking review. The relief of review sought by the Petitioner points to a dissatisfaction /disagreement with the view of the Commission in the impugned order. Mere dissatisfaction over the view of a Court or disagreement with the view of the Court and calling such view

erroneous/wrongful, does not open doors to seek review which has a very narrow and limited scope.

3.4 In light of the above, the Commission does not find the instant Review Petition filed by PTCUL for review of Tariff Order dated 28.03.2024 as maintainable.

Ordered accordingly.

(Anurag Sharma)
Member (Law)

(M.L. Prasad)
Member (Technical)/Chairman (I/c)

Print No. 24

पावर ट्रान्समिशन साप्लायमेंट ऑफ चरतराखण्ड सि०
(उत्तराखण्ड सरकार का उपकरण)
अतिरिक्त कर्मियों (एकमात्र) कार्यलय
विद्युत भवन, नजदीक-आईएचसीसी जलविद्युत, सहायपुर रोड, मथुरा, देहरादून-248002.
तैयारी नं० 0138-2642400

245 /EE(SCADA)PTCUL

date: 29-07-2022

Subject:- Letter of Award (LOA) for "Replacement of old battery banks with new VRLA Battery Banks for one UPS and one DC Power Supply at SLDC Dehradun" against tender specification No. 04/EE(SCADA)PTCUL/2022-23.

M/s ProstarM Info System Ltd.
El. 35, TTC Industrial Area,
Mahape, Navi Mumbai-400710
Email: sales@prostarM.com

Dear Sir,

With reference to your offer/proposal for "Replacement of old battery banks with new VRLA Battery Banks for one UPS and one DC Power Supply at SLDC Dehradun" against tender specification No. 04/EE(SCADA)PTCUL/2022-23. We hereby accept your offer/proposal for the following works/items as per rate, terms and conditions mentioned below:

S. N	Description of work	Unit	Qty	Rate/Unit	Total Amount (in Rs.)
1	Supply of 384 V (192 cell) 200 AH Battery set at SLDC Dehradun and dismantling of old battery banks with erection of new battery banks with testing and commissioning etc complete work as per existing arrangement with taking back of 384 V (192 cell) 200 AH Battery Set.	Job	1	5,50,000.00	5,50,000.00
2	Supply of 48 V (24 cell) 200 AH Battery Set at SLDC Dehradun and dismantling of old battery banks with erection of new battery banks with testing and commissioning etc complete work as per existing arrangement with taking back 48 V (24 cell) 200 AH Battery Set.	Job	1	75000.00	75000.00
				Total	6,25,000.00

Total contract value in Rs. 6,25,000.00 (Rs. Six Lacs Twenty Five Thousand Only) GST will be paid extra as applicable. Any variation in the amount of taxes due to change in govt. policies will be charged at actual.

1) Scope of Works

Bidder has to supply battery as per table given above and with dismantle the old battery banks and erection of new battery banks with testing and commissioning etc complete work as per existing arrangement.

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Managing Director

3 Completion/Delivery Period of Contract:

The work against this contract shall be completed within 06 months from the date of dispatch of this LOA.

4 Quantity Variation:

The individual quantity may vary upto any extent subject to the variation of +/- 20% variation in contract value.

5 Payment Terms:

The 90% payment of tender value made after successful commissioning and award of completion certificate, remaining 10% will be made after 06 months of successful running of battery banks, subject to availability of funds.

6 Warranty Period:

Total material supplied and work executed shall be covered under guarantee period against any defect in materials, poor workmanship and defect/ wrong design etc. for a period of 03 years from the date of completion of work.

7 Security Deposit Cum Performance Guarantee:

The Contractor has to deposit a Security Deposit cum Performance Guarantee equal to 10% of the Contract value in the form of FDR/Bank Guarantee in the favor of Executive Engineer (SCADA), PTCU, Dehradun. This must be submitted before the signing of Contract Agreement and should be valid upto 60 days from the satisfactory completion of Warranty Period.

8 Penalty Clause:

Time is the essence of Contract. Contract completion period shall be strictly adhered to. For delay, penalty/liquidated damages @1/2% per week of Contract Value, subject to maximum 10% of the Contract Value shall be deducted.

9 Responsibility of the Contractor:

The contractor shall be responsible for the safety of his man and material, and also for the Corporation. Material at the time of working at site. Any damage caused to the Corporation's property during the course of work shall be recovered from Contractor's bill.

10 Contractor Employees at Site:

The representative and workers of the contractor shall abide by all general rules and regulations of the Corporation enforced at site from time to time and any special condition affecting the local administrative. All the employees working on the corporation's land shall be deemed to be aware of dangers and risks, incidental to activities of the Corporation and contractor for any event of accident. The Contractor shall be entirely responsible and no compensation act and labour laws as far as they may affect the work.

11 Administrative Control:

This work shall be supervised by A.E. (SCADA), Dehradun and Engineer-in-charge EE (SCADA), PTCU, Dehradun or any other person deputed by PTCU, for same under the administrative control of the S.E.(SCADA) (Engineer of the Contract).

12 Other Terms:

All other terms & conditions shall be as per tender specification no 04/EE(SCADA)/Dehradun/2022-23 and Power Transmission Corporation of Uttarakhand Limited Form 'A/B'.

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Managing Director

10 Jurisdiction:

All legal proceeding shall restrict upto jurisdiction of Hon'ble High Court of Nainital.
 MPTCUL has right to vary or omit any work given in the scope of work.

11 Notice to the Contractor:

Any notice to be given to the contractor may, if the purchaser thinks fit, shall be given by Registered Post/Speed Post at the address given below:

M/s ProstarM Info System Ltd.
 EL 35, TTC Industrial Area,
 Mahape, Navi Mumbai-400710
 Email:- sales@prostarM.com

Notice sent by e-mail shall also be considered valid.

12 Signing of the Agreement:

This LOA is being sent in duplicate, one copy duly signed and stamped is to be returned as acceptance of LOA. Further, you are requested to come along with a non-judicial stamp paper of Uttarakhand State of value Rs. 100/- (Rupees One Hundred only) for signing of agreement.

Please acknowledge receipt of same and confirm acceptance.

Encl.

- i) Format of PBG.
- ii) Form "A/B"


 (Vinayak Shetty)
 Executive Engineer


 Managing Director

000101


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ANNEXURE A/6

पंजीकरण संख्या: UADDDCR/M/2021-2022



सरकारी गजट, उत्तराखण्ड

उत्तराखण्ड सरकार द्वारा प्रकाशित

ठंडकी, चनिवार, दिनांक 02 अक्टूबर, 2021 ई0 (जारीकरण 10, 1943 तक सम्भव)

भाग 1-क

विद्युत, कार्य-विधियाँ, आकांक्ष, विनियमन इत्यादि विषयों पर उत्तराखण्ड की राज्यपाल महोदय, विभिन्न विभागों की कार्यवाही तथा राजस्व वसुली में जारी किया

UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

NOTIFICATION

September 14, 2021

No. F-1032/RG/UERC/2021/534 In exercise of powers conferred under Section 61 read with Section 181 of the Electricity Act, 2003, and all other powers enabling it in this behalf, and after previous publication, the Uttarakhand Electricity Regulatory Commission hereby makes the following regulations, namely:

PART I

PRELIMINARY

1. Short Title, extent and Commencement

- (1) These Regulations may be called the Uttarakhand Electricity Regulatory Commission (Terms and Conditions for Determination of Multi Year Tariff) Regulations, 2021, in short, UERC Tariff Regulations, 2021.
- (2) These Regulations shall extend to the whole of the State of Uttarakhand.
- (3) These Regulations shall be applicable for determination of tariff in all cases covered under these Regulations from FY 2022-23 onwards and upto FY 2024-25, i.e. from April 1, 2022 to March 31, 2025.

371-22

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2. Scope of Regulations

(1) These Regulations shall apply in the following cases:-

- a) Supply of electricity by a Generating Company to a Distribution Licensee;

Provided that the Commission may, in case of shortage of supply of electricity, fix the minimum and maximum ceiling of tariff for sale or purchase of electricity in pursuance of an agreement, entered into between a Generating Company and a Licensee or between Licensees, for a period not exceeding one year to ensure reasonable prices of electricity;

- b) Intra-State transmission of electricity;

- c) SLDC Charges;

- d) Retail supply of electricity;

Provided that in case of distribution of electricity in the same area by two or more Distribution Licensees, the Commission may, for promoting competition among Distribution Licensees, fix only maximum ceiling of tariff for retail sale of electricity;

Provided further that where the Commission has permitted open access to any category of consumers under section 47 of the Act, the Commission shall determine the wheeling charges, cross-subsidy surcharge, additional surcharge and other open access related charges in accordance with these Regulations and the UERC Intra-State Open Access Regulations as amended from time to time.

(2) These Regulations shall not apply for determination of tariff in case of the following:

- (a) Generating stations whose tariff has been discovered through a transparent process of bidding in accordance with the competitive bidding guidelines notified by the Central Government and adopted by the Commission under Section 43 of the Act;
- (b) Generating stations of renewable sources of energy, which shall be governed by UERC RE Regulations as amended from time to time or any subsequent enactment thereof;
- (3) For all purposes, including the review matters pertaining to the period till 31.03.2022, the issues related to determination of tariff shall be governed by the Regulations prevalent during that period.

3. Definitions

In these Regulations, unless the context otherwise requires,

(1) "Accounting Statement" means for each financial year, the following statements, namely:

- a) Balance sheet, prepared in accordance with the form contained in Part I of Schedule III to the Companies Act, 2013 as amended from time to time;
- b) Cash flow statement, prepared in accordance with the Accounting Standard on Cash Flow Statement (AS-3) of the Institute of Chartered Accountants of India or Ind AS 7 issued by the Accounting Standard Board;
- c) Cost records prescribed by the Central Government under Section 128(i) of the Companies Act, 2013;

- d) Together with notes thereto, and such other supporting statements and information as the Commission may direct from time to time;
- e) Profit and loss account, complying with the requirements contained in Part II of Schedule III to the Companies Act, 2013;
- f) Report of the statutory auditors;

Provided that in case of any local authority engaged in the business of distribution of electricity, the Accounting Statement shall mean the books, as mentioned above, prepared and maintained in accordance with the relevant Acts or Statutes as applicable to such local authority.

- (2) "Act" means the Electricity Act, 2003 (36 of 2003), including amendments thereto.
- (3) "Additional Capitalisation" means the capital expenditure actually incurred or projected to be incurred, after the date of commercial operation of the Project and admitted by the Commission after prudential check subject to provisions of Regulation 22.
- (4) "Aggregate Revenue Requirement" means the requirement of the Transmission Licensee or the Distribution Licensee or Generating Company or SLDC for recovery, through tariffs, of all the allowable expenses and return pertaining to its Licensed/Regulated Business for a particular financial year, in accordance with these Regulations;
- (5) "Allocation Statement" means for each financial year, a statement in respect of each of the separate businesses of the Licensee/Generating Company/SLDC, showing the amounts of any revenues, costs, assets, liabilities, reserves or provisions, which has been either:
 - a) Charged from or to each such separate business together with a description of the basis of that charge; or
 - b) Determined by apportionment or allocation between the Licensed/Regulated Business and every other separate business of the Licensee/Generating Company, together with a description of the basis of the apportionment or allocation;

Provided that such allocation statement in respect of a generating station shall be maintained in a manner so as to enable tariff determination, stage-wise, unit-wise or for the whole generating station.

- (6) "Applicant" means a Generating Company or a Transmission Licensee or a Distribution Licensee or SLDC who has made an application/Petition for determination of Aggregate Revenue Requirement and/or tariff or an application for Annual Performance Review in

- accordance with the Act and these Regulations and includes a Generating Company or a Transmission Licensee or a Distribution Licensee or SLDC whose tariff is the subject of a review by the Commission either suo-moto or on a petition filed by any interested or affected person or as part of an Annual Performance Review;
- (7) "Auditor" means an auditor appointed by the generating company or licensee or SLDC, as the case may be, in accordance with the provisions of Sections 224, 233B and 619 of the Companies Act, 1956 (1 of 1956), as amended from time to time or Chapter X of the Companies Act, 2013 (18 of 2013), or any other law for the time being in force;
- (8) "Auxiliary Energy Consumption" in relation to a period, in case of generating station means the quantum of energy consumed by auxiliary equipment of the generating station, such as the equipment used being used for the purpose of operating plant and machinery including switchyard of the generating station and transformation losses within the generating stations and shall be expressed as a percentage of the sum of gross energy generated at the generator terminals of all the units of the generating station;
- Provided that the colony consumption and other facilities of a Generating Station and the power consumed for construction works at the Generating Station shall not be included as part of the Auxiliary Energy Consumption for the purpose of these Regulations.
- Provided further that auxiliary energy consumption for compliance of revised emission standards, sewage treatment plant and external coal handling plant (jetty and associated infrastructure) shall be considered separately.
- (9) "Availability" in relation to a transmission system for a given period means the time in hours during that period in which the transmission system is capable of transmitting electricity at its rated voltage to the delivery point and shall be expressed in percentage of total hours in the given period;
- (10) "Base year" means the year which is two financial years preceding the first year of the Control Period and for the Control Period covered by these Regulations, the base year shall be FY 2009-21;
- (11) "Beneficiary" in relation to a generating station means a person purchasing electricity generated at such generating station whose tariff is determined under these Regulations; and in relation to the transmission business means the person who has contracted the transmission capacity on payment of transmission charges.
- (12) "Block" in relation to a combined cycle thermal generating station includes combustion

turbine - generators, associated waste heat recovery boilers, connected steam turbine - generators and auxiliaries;

- (13) "Capital Cost" means the Capital Cost as determined in accordance with Regulation 21;
- (14) "CERC" means the Central Electricity Regulatory Commission;
- (15) "Change in law" means occurrence of any of the following events having implication for the generating station or the transmission system or distribution system or SLDC's operations covered by these Regulations:
 - a) Enactment, bringing into effect, adoption, promulgation, amendment, modification or repeal of any law; or
 - b) Change in interpretation or application of any Indian law by a competent court, Tribunal or Indian Governmental Instrumentality which is the final authority under law for such interpretation or application; or
 - c) Change by any competent statutory authority, in any condition or covenant of any consent or clearances or approval or licence available or obtained for the project; or
 - d) Coming into force or change in any bilateral or multilateral agreement/treaty between the Government of India and any other Sovereign Government.
- (16) "Commission" means the Uttarakhand Electricity Regulatory Commission constituted under Section 82 of the Electricity Act, 2003.
- (17) "Control Period" means a period of three financial years from April 1, 2021 to March 31, 2025, for which the principles of determination of revenue requirement and tariff are specified in these Regulations;
- (18) "Conventional Power Plants" means gas based thermal, or hydro generating stations of capacity exceeding 25 MW.
- (19) "Cut-off Date" means 31st March of the year closing after two years of the year of commercial operation of whole or part of the project, and in case the whole or part of the project is declared under commercial operation in the last quarter of a year, the cut-off date shall be 31st March of the year closing after three years of the year of commercial operation;

Provided that the cut-off date may be extended by the Commission if it is proved on the basis of documentary evidence that the capitalization could not be done within the cut-off date for reasons beyond the control of the project developer;

(20) "Date of commercial operation" or "COO" of a generating station or unit or block thereof or a transmission system or element thereof shall be determined as under:

- a) Date of commercial operation in case of a generating unit or block of the thermal generating station shall mean the date declared by the generating company after demonstrating the maximum continuous rating (MCR) or the installed capacity (IC) through a successful trial run after notice to the beneficiaries, if any, and in case of the generating station as a whole, the date of commercial operation of the last generating unit or block of the generating station;
- b) Date of commercial operation in relation to a generating unit of hydro generating station shall mean the date declared by the generating company from 0000 hour after the scheduling process in accordance with the Grid code, is fully implemented, and in relation to the generating station as a whole, the date declared by the generating company after demonstrating peaking capability corresponding to installed capacity of the generating station through a successful trial run.

Provided that:

- (i) Where the beneficiaries have been tied up for purchasing power from the generating station, the trial run shall commence after seven days notice by the generating company to the beneficiaries and scheduling shall commence from 0000 hr after completion of the trial run;
- (ii) The generating company shall certify to the effect that the generating station meets the key provisions of the technical standards of Central Electricity Authority (Technical Standards for Construction of Electrical plants and electric lines) Regulations, 2010 and Grid Code;
- (iii) In case a hydro generating station with pondage or storage is not able to demonstrate peaking capability corresponding to the installed capacity for the reasons of insufficient reservoir or pond level, the date of commercial operation of the last unit of the generating station shall be considered as the date of commercial operation of the generating station as a whole, and it will be mandatory for such hydro generating station to demonstrate peaking capability equivalent to installed capacity of the generating unit or the generating station as and when such reservoir/pond level is achieved;
- (iv) If a run-of-river hydro generating station or a generating unit thereof is declared

under commercial operation during lean inflow period when the water inflow is insufficient for such demonstration of peaking capability, it shall be mandatory for such hydro generating station or generating unit to demonstrate peaking capability equivalent to installed capacity as and when sufficient water inflow is available.

- (v) The certificate regarding commissioning of the generating station and compliance of all the Rules and Regulations in this regard and also of the CEA Technical Standards for Construction of Electric Plants and Electric Lines Regulations, 2010, as amended from time to time, shall be signed by CMD/CEO/MD of the company subsequent to its approval by the Board of Directors in the format enclosed at Appendix - V.

- c) Date of commercial operation in relation to a transmission system shall mean the date declared by the transmission licensee from 00.00 hour of which an element of the transmission system is in regular service after successful trial operation for transmitting electricity at rated voltage.

Provided that:

- (i) Clearance from the Electrical Inspector as prescribed in the Rules would be required before charging any transmission line or substation.
- (ii) Where the transmission line or substation is dedicated for evacuation of power from a particular generating station, the generating company and transmission licensee shall endeavour to commission the generating station and the transmission system simultaneously as far as practicable and shall ensure the same through appropriate Transmission Service Agreement in accordance with Regulation 21(7) of these Regulations.
- (iii) In case a transmission system or an element thereof is prevented from regular service for reasons not attributable to the transmission licensee or its supplier or its contractors, the transmission licensee shall approach the Commission through an appropriate application for approval of the date of commercial operation of such transmission system or an element thereof. The Commission in such cases, may approve the date of commercial operation prior to the transmission system or an element coming into regular service.
- (iv) In case of a Distribution Licensee, date of commercial operation shall mean the

date of charging the electric line or sub-station of a Distribution Licensee to its rated voltage level or seven days after the date on which it is declared ready for charging by the Distribution Licensee, but is not able to be charged for reasons not attributable to its suppliers or contractors, whichever is earlier.

Provided that clearance from the Electrical Inspector as prescribed in the Rules would be required before charging any HT/EHT line or substation.

Provided that the date of commercial operation shall not be a date prior to the scheduled date of commercial operation mentioned in power purchase agreement or the implementation agreement or the transmission service agreement or wheeling agreement or the investment approval, as the case may be, unless mutually agreed to by all Parties.

- (21) "Day" means the 24 hour period starting at 0000 hour;
- (22) "Declared Capacity" or "DC" in relation to a generating station means, the capability to deliver ex-bus electricity in MW declared by such generating station in relation to any time-block of the day or whole of the day, duly taking into account the availability of fuel or water, and subject to further qualification included in the relevant Regulations;
- (23) "De-capitalization" for the purpose of the tariff under these regulations, means reduction in Gross Fixed Assets of the project corresponding to the removal/deletion of assets as admitted by the Commission;
- (24) "Design Energy" means the quantum of energy which can be generated in a 90% dependable year with 95% installed capacity of the hydro generating station;
- (25) "Deviation Settlement Charges" (DSM charges) means DSM charges as defined in UERC (Deviation Settlement Mechanism and Related matters) Regulations, 2017, as amended from time to time or any subsequent re-enactment thereof;
- (26) "Distribution Business" means the business of operating and maintaining a distribution system for supplying electricity in the area of the supply of the Distribution Licensee;
- (27) "Distribution loss" means the energy losses in the distribution system of a distribution licensee including auxiliary power consumption in the sub-station for the purpose of air-conditioning, lighting, battery charging, accessories of sub-station equipments etc;
- (28) "Element" in respect of a transmission system shall mean an asset which has been distinctively defined under the scope of the project in the Investment Approval;

- (29) "Existing Generating Station" or "Existing project" means the generating station or project which has achieved COD prior to 01.04.2022;
- (30) "Expected Revenue from Tariff and Charges" means the revenue estimated to accrue to the Licensee/Generating Company/SLDC from the Licensed/Regulated Business at the prevailing tariffs;
- (31) "Expenditure incurred" means the fund, whether equity or debt or both, actually deployed and paid in cash or cash equivalent, for creation or acquisition of a useful asset and does not include commitments or liabilities for which no payment has been released;
- (32) "Extended Life" means the life of a generating station or unit thereof or transmission system or element thereof beyond the period of useful life, as may be determined by the Commission on case to case basis;
- (33) "Financial year" means a period commencing on 1st April of a calendar year and ending on 31st March of the subsequent calendar year;
- (34) "Force Majeure Event" means, with respect to any party, any event or circumstance which is not within the reasonable control of, or due to an act or omission of, that party and which, by the exercise of reasonable care and due diligence, that party is not able to prevent, including, without limiting the generality of the foregoing:
- Acts of God like lightning, landslide, storm, action of the elements, earthquakes, flood, drought and natural disaster or exceptionally adverse weather conditions;
 - Any act of public enemy, wars (declared or undeclared), blockades, embargos, insurrections, riots, revolution, sabotage, terrorist or military action, vandalism and civil disturbances;
 - Unavoidable accident, fire, explosion, radioactive contamination and toxic dangerous chemical contamination;
 - Any shutdown or interruption of the grid, which is required or directed by the State or Central Government or by the Commission or the State Load Despatch Centre; and any shut down or interruption, which is required to avoid serious and immediate risks of a significant plant or equipment failure;
- (35) "Generation Business" means the business of production of electricity from a generating station;
- (36) "Generation Tariff" means tariff for ex-bus supply of electricity from a generating station;

- (37) "Generating Unit" in relation to a thermal generating station (other than combined cycle thermal generating station) means steam generator, turbine-generator and auxiliaries, or in relation to a combined cycle thermal generating station, means turbine-generator and auxiliaries; and in relation to a hydro generating station means turbine-generator and its auxiliaries;
- (38) "Generating Station" means any station for generating electricity, including any building and plant with step-up transformer, switch-gear, switch yard, cables or other appurtenant equipment, if any, used for that purpose and the site thereof; a site intended to be used for a generating station, and any building used for housing the operating staff of a generating station, and where electricity is generated by water-power, includes penstocks, head and tail works, main and regulating structures, dams and other hydraulic works, but does not in any case include any sub-station;
- (39) "Grid Code" means the UERC (State Grid Code) Regulations, 2015 as amended from time to time;
- (40) "Gross Calorific Value" or "GCV" in relation to a thermal generating station means the heat produced in kCal by complete combustion of one standard cubic meter of gaseous fuel;
- (41) "Gross Station Heat Rate" or "GSHR" means the heat energy input in kCal required to generate one kWh of electrical energy at generator terminals of a Thermal Generating Station;
- (42) "Indian Governmental Instrumentality" means the Government of India, Governments of State (where the project is located) and any ministry or department or board or agency or other regulatory or quasi judicial authority controlled by Government of India or Government of State, where the project is located;
- (43) "Infeed Power" means electricity injected prior to commercial operation of the Unit or block of the generating station;
- (44) "Installed Capacity" means the summation of the name plate capacities of all the Units of the generating station or the capacity of the generating station (peaked at the generator terminals) as admitted by the Commission from time to time;
- (45) "Interconnection Point" means the point where the power from the power station switchyard bus of the Seller is injected into the interstate/intrastate transmission system, or the case may be (including the dedicated transmission line connecting the power station with the interstate transmission system).

- (46) "Inter-State generating station" or "ISGS" has the meaning as assigned in the Indian Electricity Grid Code specified by the Central Commission;
- (47) "Intra-State generating station" shall mean a generating station or a captive generating plant [CGP] which is not an Inter-State generating station;
- (48) "Investment Approval" means approval by the Commission or in case of a generating Company by the CEA or Board of the generating company, as the case may be, conveying administrative sanction for the project including funding of the project and the timeline for the implementation of the project.

Provided that the date of Investment Approval shall be reckoned from the date of the approval by the Commission or in case of a generating company the date of resolution/minutes of the Board/approval by competent authority;

- (49) "Long-term transmission customer" means a person having a transmission service agreement for more than seven years with the transmission licensee including deemed transmission licensee to use Intra-State transmission system by paying transmission charges;
- (50) "Maximum Continuous Rating" or "MCR" in relation to a generating unit of the thermal generating station means the maximum continuous output at the generator terminals, guaranteed by the manufacturer at rated parameters, and in relation to a block of a combined cycle thermal generating station means the maximum continuous output at the generator terminals, guaranteed by the manufacturer with water or steam injection (if applicable) and converted to 50 Hz grid frequency and specified site conditions;
- (51) "New Project" means the Project achieving COD or anticipated to be achieving COD on or after 01.04.2022;
- (52) "Non-Tariff Income" means income other than income from tariff derived by use of assets of core business and may include proportion of income from other business;
- (53) "Normative Annual Plant Availability Factor" or "NAPAF" in relation to a thermal generating station means the availability factor specified in Regulation 47(1)(a) and in relation to a hydro generating station means the availability factor specified in Regulation 47(1)(b) and 47(1)(c);
- (54) "Operation and maintenance expenses" or "O&M expenses" means the expenditure towards operation and maintenance of the Company or of a particular project and includes the expenditure on manpower, repairs, spares, consumables, insurance and overheads but

excludes fuel expenses and water charges;

- (50) "Original project cost" means the capital expenditure incurred by the Generating Company or the Licensees or SLDC, as the case may be, within the original scope of the project up to the date of commercial operation as admitted by the Commission;
- (56) "Other Business" means any business undertaken by a Transmission Licensee under Section 41 of the Act or by a Distribution Licensee under Section 51 of the Act for optimum utilization of the assets of such Transmission Licensee or of such Distribution Licensee;
- (57) "Plant Availability Factor (PAF)" in relation to a generating station for any period means the average of the daily declared capacities (DCs) for all the days during that period expressed as a percentage of the installed capacity in MW, reduced by the normative auxiliary energy consumption;
- (58) "Plant Load Factor (PLF)" in relation to thermal generating station or unit for a given period means the total sent out energy corresponding to scheduled generation during the period, expressed as a percentage of sent out energy corresponding to installed capacity in that period and shall be computed in accordance with the following formula:

$$PLF = 10000 \times \sum_{i=1}^N \frac{SG_i}{[N \times IC \times (1.0 - AUX_i)]} \%$$

Where,

IC = Installed Capacity of the generating station or unit in MW,

SG_i = Scheduled Generation in MW for the *i*th time block of the period,

N = Number of time blocks during the period, and

AUX_i = Normative Auxiliary Energy Consumption as a percentage of gross energy generation;

- (59) "Project" means a Generating station or the Transmission system or a component in case of SLDC or the Distribution system, as the case may be, and in case of a multi-purpose hydro generating station includes all components of generating facility such as dam, intake water conductor system as apportioned to power generation, power generating station and generating units of the scheme;
- (60) "Prudence Check" means scrutiny of reasonableness of capital expenditure incurred or proposed to be incurred, financing plan, use of efficient technology, cost and time over-run and such other factors as may be considered appropriate by the Commission for determination of tariff. While carrying out the Prudence Check, the Commission shall look

into whether the generating company or transmission licensee or distribution licensee or SLDC has been careful in its judgments and decisions and vigilant in executing the project;

- (61) "Rated Voltage" means the manufacturer design voltage at which the transmission or distribution system is designed to operate and includes such lower voltage at which any transmission or distribution line is charged or for the time being charged in consultation with long-term transmission customers or Users;
- (62) "Regular Service" means putting into use a transmission system or element thereof after successful trial operation and a certificate to that effect has been issued by the concerned State / Regional Load Dispatch Centre (SLDC/RLDC);
- (63) "Run-of-river generating station" means a hydro generating station which does not have upstream pondage;
- (64) "Run-of-river generating station with pondage" means a hydro generating station with sufficient pondage for meeting the diurnal variation of power demand;
- (65) "Scheduled energy" means the quantum of energy scheduled by the concerned Load Dispatch Centre to be injected into the grid by a generating station over a day;
- (66) "Scheduled Commercial Operation Date" or "SCOD" shall mean the date(s) of Commercial Operation of a generating station or generating unit or block thereof or transmission system or element thereof as indicated in the investment approval or as agreed in power purchase agreement or transmission service agreement as the case may be, whichever is earlier;
- (67) "Scheduled generation" or "SG" at any time or for any period or time-block means schedule of ex-bus generation in MW or MWh given by the concerned Load Dispatch Centre;
- (68) "Small gas turbine generating station" means and includes open cycle gas turbine or combined cycle generating stations with gas turbines having capacity of 50 MW or below;
- (69) "Start Date or Zero Date" means the date indicated in the Investment Approval for commencement of implementation of the project and where no date has been indicated, the date of investment approval shall be deemed to be Start Date or Zero Date;
- (70) "Storage type generating station" means a hydro power generating station associated with storage capacity to enable variation in generation of electricity according to demand;
- (71) "Tariff" means the schedule of charges for either generation or transmission or wheeling and supply of electricity together with terms and conditions for application thereof.

- (72) "Tariff period" means the period for which tariff or the Aggregate Revenue Requirement is determined by the Commission under these Regulations;
- (73) "Time block" means a block of 15 minutes starting from 00.00 hrs. unless the context requires otherwise;
- (74) "Trading Business" means the business of purchase of electricity by the Trading Licensee or Distribution Licensee for resale of electricity to other Licensees or consumers or category of consumers;
- (75) "Transmission Business" means the business of establishing or operating transmission lines;
- (76) "Transmission Line" means the energy losses in the transmission system of a Transmission Licensee;
- (77) "Transmission Service Agreement" means the agreement, contract, memorandum of understanding, or any such covenants, entered into between the Transmission Licensee and the user of the transmission service/lines;
- (78) "Transmission system" means a line or a group of lines with or without associated sub-station, and includes equipment associated with transmission lines and sub-stations;
- (79) "Trial Run" in relation to generating station or unit thereof shall mean the successful running of the generating station or unit thereof at maximum continuous rating or installed capacity for continuous period of 72 hours in case of unit of a thermal generating station or unit thereof and 12 hours in case of a unit of a hydro generating station or unit thereof.
- Provided that where the beneficiaries have been tied up for purchasing power from the generating station, the trial run shall commence after seven days notice by the generating company to the beneficiaries.
- (80) "Trial operation" in relation to a transmission system or an element thereof shall mean successful charging of the transmission system or an element thereof for 24 hours at continuous flow of power, with requisite metering system, telemetry and protection system in service.
- (81) "Useful life" in relation to a unit of a generating station and transmission/distribution system from the COD shall mean the following, namely:-
- Hydro generating station - 35 years
 - Gas/Liquid fuel based thermal generating station - 25 years

- c) Transmission line - 35 years
- d) AC and DC sub-station - 35 years
- e) Gas Insulated Substation (GIS) - 35 years
- f) Distribution line and distribution systems - 35 years

Provided further that the extension of life of the projects beyond the completion of their useful life shall be decided by the Commission;

- (32) "User" means a Transmission or Distribution Licensee, a Generating Company, a person who has set up a captive generating plant or a consumer availing open access, utilizing the transmission system of a Transmission Licensee or distribution system of a Distribution Licensee.
- (33) "Year" means financial year ending on 31st March, and:
- a) "Current Year" shall mean the year in which the petition for determination of tariff is filed;
 - b) "Previous Year" shall mean the year immediately preceding the current year;
 - c) " ensuing Year" shall mean the year following the current year.

Words or expressions used in these regulations and not defined herein but defined in the Act shall bear the same meaning as in the Electricity Act, 2003 or any other regulations of the Commission, as amended from time to time, shall have the meaning assigned to them under the same.

PART II

MULTI YEAR TARIFF FRAMEWORK GENERAL PRINCIPLES

4. Multi-year Framework

The Multiyear tariff framework shall be based on the following:-

- a) Business plan submitted by the applicant for the entire Control Period for the approval of the Commission prior to the beginning of the Control Period ;
- b) Applicant's forecast of expected ARR for each year of the Control Period, based on reasonable assumptions and financial & operational principles/parameters laid down under these Regulations submitted alongwith the MYT petition for determination of Aggregate Revenue Requirement and Tariffs for first year of the Control Period ;

- c) Review of Control Period ending on 31.03.2022 shall also be taken up alongwith the ARR/Tariff petition for the first year of ensuing Control Period;
- d) Trajectory for specific parameters as may be stipulated by the Commission based on submissions made by the Licensee, actual performance data of the Applicants and performance achieved by similarly placed utilities;
- e) Annual review of performance shall be conducted vis-à-vis the approved forecast and categorization of variations in performance into controllable factors and uncontrollable factors;
- f) Sharing of excess profit or loss due to controllable and uncontrollable factors as per provisions of these Regulations.

5. Control Period

The Control Period under these Regulations shall be of three (3) financial years. The first application under these Regulations shall be made for the Control Period of three financial years starting from April 01, 2022 and upto March 31, 2025.

6. Norms of operation to be ceiling norms

The norms of operation specified herein are the ceiling norms and this shall not preclude the Commission from stipulating or the Generating Company, Transmission Licensee, Distribution Licensee, SLDC and the Beneficiaries from agreeing to improved norms of operation and in that case such improved norms shall be applicable for determination of tariff.

7. Determination of Baseline

The baseline values (operating and cost parameters) for the base year of the Control Period shall be determined by the Commission and shall be based on the approved values by the Commission, the latest audited accounts, estimates for the relevant year, prudence check and other factors considered by the Commission.

The Commission may re-determine the baseline values for the base year based on the actual audited accounts of the base year.

8. Business Plan

- (i) An Applicant shall submit, under affidavit and as per the UERC Conduct of Business Regulations as amended from time to time, a Business Plan by November 30th, 2021, for the

Control Period of three (3) financial years from April 1, 2022 to March 31, 2025:

- a) The Business Plan for the Generating Company shall be for the entire Control Period and shall, interalia, contain:
 - (i) Capital investment plan, which shall include details of the investments planned by the Generating Company for existing stations alongwith its cost-benefit analysis, yearly phasing of capital expenditure alongwith the source of funding, financing plan and corresponding capitalisation schedule. This plan shall be commensurate with T&M schemes and proposed efficiency improvements for various plants of the company;
 - (ii) The capital investment plan shall show separately, on-going projects that will spill over into the years under review, and new projects (along with justification) that will commence in the years under review but may be completed within or beyond the tariff period;
 - (iii) The Generating Company shall submit plant-wise details of the capital structure and cost of financing (interest on debt and return on equity), after considering the existing market conditions, terms of the existing loan agreements, risks associated in generation business and creditworthiness;
 - (iv) Details related to major shut down of machines, if any;
 - (v) Trajectory of performance parameters;
- b) The Business Plan for the Transmission Licensees shall be for the entire Control Period and shall, interalia, contain-
 - (i) Capital investment plan which should be commensurate with load growth and quality improvement proposed in the business plan alongwith its cost-benefit analysis. The investment plan should also include yearly phasing of capital expenditure alongwith the source of funding, financing plan and corresponding capitalisation schedule. The system augmentation/expansion plan to be submitted as a part of Capital Investment Plan by the Transmission Licensee shall be consistent with the load growth forecast/ generation evacuation requirement during the Control Period. Further, the Capital Investment Plan shall be in conformity with the plans made by the CEA/CTU/ STU/Distribution Licensee;
 - (ii) The appropriate capital structure of each scheme proposed and cost of financing

(interest on debt) and return on equity, terms of the existing loan agreements, etc);

- (iv) Transmission loss reduction trajectory for each year of the Control Period, including details of the measures proposed to be taken for achieving the target loss;
- c) The Business Plan for the Distribution Licenses shall be for the entire Control Period and shall, inter alia, contain-
 - (i) Sales/demand forecast for each customer category and sub-categories for each year of the Control Period;
 - (ii) Distribution loss reduction trajectory for each year of the Control Period, including details of the measures proposed to be taken for achieving the target loss;
 - (iii) Power procurement plan in case of long term, medium term and short term based on the sales forecast and distribution loss trajectory for each year of the business plan period; the power procurement plan may also include energy efficiency and demand side management measures;
 - (iv) Collection efficiency improvement trajectory for each year of the Control Period;
 - (v) Capital investment plan considering the sales/demand forecast, power procurement plan, distribution loss trajectory, targets for quality of supply, etc. The capital investment plan shall be consistent with the perspective plan drawn by the State Transmission Utility (STU), and the investment plan should also include yearly phasing of capital expenditure alongwith the source of funding, financing plan and corresponding capitalisation schedule;
 - (vi) The appropriate capital structure of each scheme proposed and cost of financing (interest on debt and return on equity), terms of the existing loan agreements, etc;
 - (vii) Details related to availability of power from renewable energy sources and actions proposed for complying with the RPO specified by the Commission.
- d) The Business Plan for the State Load Despatch Centre shall be for the entire Control Period and shall, inter alia, contain-
 - (i) Capital Investment Plan including phasing of expenditure and funding pattern;
 - (ii) Estimated budget for the Control Period;
- (2) The Applicant shall also submit the details in respect of its manpower planning for the

Control Period as part of Business Plan.

- (f) The Commission shall scrutinize and approve the business plan after following the due consultation process.

9. Specific Trajectory for Certain Variables

- (1) The Commission shall stipulate a trajectory for certain variables having regard to the past performance as also the performance of similarly situated licensees/generating companies. Provided that the variables for which a trajectory shall be stipulated, shall include but shall not be limited to:

- a) In case of Generating Stations:

Generating station's Availability, Station heat rate, Auxiliary consumption, etc.

- b) In case of Transmission Licensee:

Transmission losses, Transmission system availability, etc.

- c) In case of Distribution Licensee:

Supply availability, Wires availability, Distribution losses, Collection efficiency, etc.

Provided further that this trajectory should provide for sharing of gains and losses with the consumer on account of superior and inferior performance as against the targets prescribed.

- (2) The trajectory stipulated by the Commission in accordance with these Regulations shall be incorporated by the applicant in its MYT Petition.

10. MYT Petition for the Control Period

- (1) The applicant shall submit under affidavit and in accordance with UERC Conduct of Business Regulations as amended from time to time, the forecast of Aggregate Revenue Requirement and expected revenue from tariff for each year of the Control Period, accompanied by fees applicable, latest by 30th November of the year previous to the start of the Control Period in the formats at Annexure-I specified by the Commission.

Provided in case of new project(s), respective unit(s) and element(s), the applicant shall, in advance, make an application on or before 180 days prior to the anticipated date of commercial operation in the manner specified above.

- (2) Forecast of Aggregate Revenue Requirement for each of the financial year of the Control Period:

- a) For projecting different components of Aggregate Revenue Requirement for each financial year of the Control Period, the Applicant shall develop a mathematical model. For this purpose, applicant may utilize suitable macro-economic variables, market indexes, past year's trends etc. Applicant shall further submit a soft copy of the above model with all the formulas and linkages along with its MYT petition and petition for Annual Performance Review and Tariff determination.
- (f) *Forecast of expected revenue from tariff and charges*
 - a) The applicant shall develop mathematical model for projecting the expected revenue from tariff and charges based on the following:
 - (i) In the case of a Generating Company, based on prevailing generation tariffs as on the date of making the application and estimates of capacity allocated to Distribution Licensees and Open Access Customers and expected energy generation for each financial year of the Control Period;
 - (ii) In the case of a Transmission Licensee, based on prevailing transmission tariffs as on the date of making the application and estimates of transmission capacity allocated to Transmission System Users which includes Open Access Customers for each financial year of the Control Period;
 - (iii) In the case of a Distribution Licensee, based on prevailing retail & wheeling tariffs as on the date of making the application and estimates of quantum of electricity supplied to consumers in different categories and wheeled for open access consumers for each financial year of the Control Period;
 - (iv) In case of SLDC, based on Fee and Charges as applicable on the date of making the application and allocated transmission capacity to users of Intra State Transmission System.
 - (v) Applicants shall submit a soft copy of the above model with all the formulas and linkages along with its MYT petition and petition for annual performance review and tariff determination.
- (g) After examining the application, the Commission shall either-
 - a) Pass an order approving the forecast of Aggregate Revenue Requirement and expected revenue from tariff and charges for the Control Period, subject to such modifications and conditions as it may specify in the said Order; or

- h) Reject the application for reasons to be recorded in writing.

Provided that the applicant shall be given a reasonable opportunity of being heard before rejecting his application.

- (5) In its MYT Order, the Commission shall specify the variables included in the Aggregate Revenue Requirement and expected revenue from tariff and charges of the applicant that shall be reviewed by the Commission as part of the Annual Performance Review;

Provided that such variables shall be limited to the major items of cost and revenue forecast of the applicant that in the Commission's opinion could have a material impact on the cost of supply of electricity to consumers in the State over the Control Period.

Provided further that the variables, as may be stipulated by the Commission under Regulations below, shall form part of the Annual Performance Review, unless exempted by the Commission from such review in its Order.

11. Preparation & submission of Annual Accounts, Reports etc.

- (1) Every Applicant shall prepare annual statement of accounts and also prepare annual reports and statistics, giving an account of its activities during the current and previous year and likely to be undertaken in the remaining years of the MYT Control Period, including the ensuing year. The report of activities shall also indicate targets and achievements in respect of various performance parameters. These reports shall be furnished to the Commission in duplicate, by 30th November every year.
- (2) The Commission may also direct the Applicants to submit the half yearly accounting statements, as the Commission may require for reviewing their financial performance.
- (3) The Commission may also direct the Applicants to submit to the Commission or such other authority, as it may designate in this behalf, such additional information as the Commission may require for the performance of its functions.
- (4) The Commission at an appropriate time may specify the forms for preparation of separate regulatory accounts.

12. Annual Performance Review

- (1) Under the multi-year tariff framework, the performance of the Generating Company or Transmission and Distribution Licensees or SDC, shall be subject to an Annual Performance Review.

- (3) The Applicant shall under affidavit and as per the UERC Conduct of Business Regulations as amended from time to time, make an application for Annual Performance Review by November 30th of every year;

Provided that the Applicant shall submit information to the Commission in such form as may be stipulated by the Commission from time to time, together with the Accounting Statements, extracts of books of account and such other details as the Commission may require to assess the reasons for and extent of any variation in financial performance from the approved forecast of Aggregate Revenue Requirement and expected revenue from tariff and charges.

Provided further that the application for Annual Performance Review shall be submitted to and shall be dealt with by the Commission in the manner provided under these Regulations for submission of and dealing with an application for determination of tariff within the time limit specified in the Regulations for such application.

- (3) The scope of the Annual Performance Review shall be a comparison of the actual 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 tracing up of expenses and revenue subject to prudence check including pass through of impact of uncontrollable factors;
 - Categorisation 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 current and/or 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.
- (4) Upon completion of the review, the Commission shall attribute any variations or expected variations in performance, for variables stipulated under this Regulation, to factors within the control of the applicant (controllable factors) or to factors beyond the control of the applicant (uncontrollable factors);
- (5) The "uncontrollable factors" shall include such of the factors which are beyond the control of

the applicant, as determined by the Commission. Some examples of uncontrollable factors are as follows:

- a) Force Majeure events, such as acts of war, fire, natural calamities, etc.;
 - b) Change in law, judicial pronouncements and Orders of the Central Government, State Government or Commission;
 - c) Economy wide influences such as unforeseen changes in inflation rate, market interest rates, taxes and statutory levies;
 - d) Variation in power purchase expenses for the Distribution Licensees etc.;
 - e) Variation in freight rates;
 - f) Variation on account of change in hydro-thermal mix due to adverse natural events; and
 - g) Variation in number or mix of consumers or quantities of electricity supplied to the consumer.
- h) Primary fuel cost.
- (8) Some illustrative variations or expected variations in the performance of the applicant which may be attributed by the Commission to controllable factors shall include, but shall not be limited to, the following:
- a) Variations in capital expenditure on account of size and/or cost overruns on account of land acquisition issues;
 - b) Efficiency in the implementation of a project not attributable to an approved change in scope of such project, change in statutory levies or force majeure events and Delay in execution of the project on account of contractor, supplier or agency of the generating company or transmission licensee or Distribution licensee or SLDC;
 - c) Variations in technical and commercial losses;
 - d) Bad debts;
 - e) Variations in performance parameters;
 - f) Variations in working capital requirements;
 - g) Failure to meet the standards specified in the UERC (Standards of Performance) Regulations, 2007 as amended from time to time except where exempted in accordance with those Regulations;

- h) Variation in financing pattern due to variation in capital expenditure;
 - i) Variation in quality of supply;
 - j) Variation in operation & maintenance expense;
 - k) Rebate earned on discharge of power purchase liability;
 - l) Late payment surcharge on account of delayed discharge of power purchase liability;
- (7) Applicants may, as a result of additional information not previously known or available to them at the time the forecast under Regulation 10(2) was developed, apply for a modification in the approved forecast of Aggregate Revenue Requirement and expected revenue from tariff and charges for the remainder of the Control Period, as part of the Annual Performance Review.
- (8) The Commission may, as a result of additional information not previously known or available to it at the time the forecast under Regulation 10(2) was developed, if it so deems appropriate, *ex-ante* or on an application made by any interested or affected party, modify the approved forecast of Aggregate Revenue Requirement and expected revenue from tariff and charges for the remainder of the Control Period, as part of the Annual Performance Review.
- (9) The Commission shall treat an application made to it under Regulation 8 and sub-Regulation (2) above in the same manner as the original application for determination of tariff and upon completion of such review, either approve the proposed modification with such changes as it deems appropriate or reject the application made for reasons to be recorded in writing.
- (10) Upon completion of the Annual Performance Review, the Commission shall pass an order recording:-
- a) The approved aggregate gain or loss to the Applicant on account of uncontrollable factors and the mechanism by which the Applicant shall be allowed such gains or losses in accordance with Regulation 13;
 - b) The approved aggregate gain or loss to the Applicant on account of controllable factors and sharing of such gains or such losses that may be shared in accordance with Regulation 14;
 - c) The approved modifications to the forecast of the Applicant for the current and/or ensuing year, if any;

The surplus/deficit determined by the Commission in accordance with these Regulations on

amount of truing up of the ARR of Applicant shall be carried forward to the ensuing financial year, alongwith carrying cost at the rate of interest applicable for the year of the tariff period, determined in accordance with the Regulation 33 of these Regulations.

13. Sharing of Gains and Losses on account of Uncontrollable factors

- (1) The approved aggregate gain or loss to the Applicant on account of uncontrollable factors shall be allowed as an adjustment in the tariff/charges of the Applicant over such period as may be specified in the Order of the Commission;
- (2) Nothing contained in sub-regulation (1) above shall apply in respect of any gain or loss arising out of variations in the price of fuel, which shall be dealt with as specified under relevant parts of the Regulations.

14. Sharing of Gains and Losses on account of Controllable factors:

- (1) The approved aggregate gain and loss to the Applicant on account of controllable factors shall be dealt with in the following manner:
 - a) 1/3rd of such gain or loss shall be passed on as a rebate or allowed to be recovered in tariffs over such period as may be specified in the Order of the Commission;
 - b) The balance amount of such gain or loss may be utilized or absorbed by the Applicant.

15. Periodicity of Tariff determination

- (1) The Commission shall determine the tariff/charges, of a Generating Company/ Transmission Licensee/Distribution Licensee/SLDC covered under a multi-year tariff framework for each financial year during the Control Period, having regard to the following:
 - a) The MYT principles specified under these Regulations; and
 - b) The approved forecast of Aggregate Revenue Requirement and expected revenue from tariff and charges for such financial year, including approved modifications to such forecast; and
 - c) Impact of truing up for previous financial year and performance review for the current financial year; and
 - d) Approved gains and losses to be allowed as pass through in tariffs.
- (2) The tariff and charges for recovery of ARR for a Transmission Licensee or a Distribution Licensee or a Generating Company or SLDC shall ordinarily be determined not more than

once in a year, except in respect of any changes expressly permitted under the terms of fuel surcharge formula as may be specified under these Regulations on account of fuel cost and power purchase cost.

16. Petition for determination of Tariff

- (1) An application for determination of Tariff under the Act shall be made in such form and in such manner as specified in these Regulations, and accompanied by such fees as may be specified under the USRC (Fees and Fine) Regulations, 2002 as amended from time to time.
- (2) An application for determination of tariff for first year of the Control Period shall be made along with the Midl Year Tariff Petition for the Control Period under Regulation 19 and the Petition for determination of Tariff for subsequent years of the Control Period shall be made along with Petition for Annual Performance Review under Regulation 12.
- (3) The application for investment approval for the proposed schemes/ projects planned by the licensee or SLDC, for the ensuing year, shall be accompanied with the application for determination of tariff for the ensuing year in accordance with the provisions specified in Chapter VI of UERC (Conduct of Business) Regulations, 2014 as amended from time to time.
- (4) The formats for furnishing information for calculating expected revenue and expenditure and for determining tariff shall be furnished in the formats specified for Generation, Transmission, Distribution and SLDC. Information submitted in these formats should be accompanied by supporting documents/calculations and soft copies.
- (5) The Petition for determination of tariff shall include the following:
 - a) A statement of the current tariff and all applicable terms and conditions and expected revenue from the current tariff for each year of the Control Period.
 - b) A statement of proposed tariffs containing full details of calculation of any subsidy received, due or assumed to be due from the State Government, the purpose/ consumers to whom it is directed, and showing how the subsidy is reflected in the current and proposed tariff applicable to those consumers. This statement shall also include the tariff calculated without consideration of the subsidy for those consumers. The subsidy calculations shall also compare the situation for the period for which the tariff is to be implemented.
 - c) A statement of the estimated change in annual revenues that would result from the proposed tariff changes in the period in which they are to be implemented.

- d) If the proposed tariff is to be introduced after the start of a financial year, a statement of the proportion of revenue expected and quantities of electricity supplied under the proposed tariff modification during the remaining months of the financial year shall be included.
 - e) In case of a Distribution Licensee, detailed calculations of voltage-wise cost of supply, including external subsidies and cross-subsidies in respect of each category of consumer.
 - f) In case of a Distribution Licensee, a statement showing calculations of the amount of cross-subsidy in the existing tariff and in the proposed tariff. Such determination shall be as per the guidelines issued by the Commission.
 - g) An explanatory note giving rationale for the proposed tariff changes.
 - h) Any other information, as required by the relevant licence conditions or specified by the Commission.
- (6) If a person holds more than one licence and/or is deemed to be Licensee for more than one area of distribution or transmission, he shall submit separate calculations as above in respect of each licence or area of transmission or distribution. Similarly, a generating company shall submit generating station-wise calculations.
- (7) A Distribution Licensee owning and operating a generating station shall maintain and submit separate accounts for generation business, its licensed business, and other businesses.
- (8) The Transmission Licensee or Distribution Licensee or SLDC are required to file petition in a manner specified in Regulation 21(6) for 'in-principle' approval of all projects/schemes whose capital cost exceed the amount specified by the Commission in conditions of their respective licensee.
- Provided that where the Commission has given an 'in-principle' acceptance to the estimated capital cost and financing plan, it shall act as a guiding factor for applying prudence check on the actual capital expenditure.
- (9) Tariff petitions will be submitted in English. Soft copy of the Petition and the formats along with computation sheets and supporting document in MS Word and MS Excel format will also be submitted to the Commission.
- (10) Notwithstanding anything contained in these Regulations, in case of delay/non-submission of the application for determination of tariff and annual performance review beyond one

month from the scheduled date of submission, the Commission may initiate suo-moto proceedings for filing the said applications.

Provided that in the event of the applicant not filing the application despite the aforesaid proceeding, the Commission may on its own, decide the tariff based on the information available with the Commission and after incorporating suitable adjustments, as deemed appropriate by the Commission.

Provided further that the Commission may also pass directions under Section 129 and/or Section 142 of the Act, if required.

17. Review at the End of the Control Period

- (1) The end of the one Control Period may be the beginning of the next Control Period or as decided by the Commission. The Commission shall analyse the performance with respect to the targets set out at the beginning of the Control Period and shall determine the base value for the next Control Period, based on actual performance achieved, expected improvement and other relevant factors.
- (2) The Commission shall undertake the annual review of performance of the final year of Control Period and truing-up of the immediately preceding final year of the Control Period with the AAR/tariff petition filed for the first year of the subsequent Control Period. The annual review of performance of the final year of Control Period and truing-up of the immediately preceding final year of the Control Period shall be undertaken based on the norms as defined in the Regulations prevalent for the financial year.
- (3) The Commission shall upload the Petition filed under Regulation 8, 10, 12 and 14 above on its website, along with the details of all the information sought and received from the applicant with regard to the Petition for information of all the stakeholders. The Commission may also require the applicant to place such information in its website also.

18. Orders by Commission

- (1) The Commission shall, within one hundred and twenty (120) days from the receipt of a complete application, i.e. from its admission and after considering all suggestions and objections received from the public:
 - a) issue an Order accepting the application with such modifications or such conditions as may be contained in such Order; or

- b) Reject the application for reasons to be recorded in writing if such application is not in accordance with the provisions of the Act and the Rules and Regulations made thereunder or the provisions of any other Law for the time being in force.

Provided that an applicant shall be given a reasonable opportunity of being heard before his application is rejected.

- (2) The tariff determined by the Commission shall come into force from the date provided in the Tariff Order.

19. Publication of Tariff

The applicants shall publish the tariff or tariffs approved by the Commission in at least two (2) English and two (2) local language daily newspapers having circulation in the area of licence and shall put up the approved tariff/tariff schedule on its website and make available for sale, a booklet containing such tariff or tariffs, as the case may be, to any person upon payment of reasonable reproduction charges.

Provided that where the applicant is a Generating Company, the publication shall be in such newspapers as are widely circulated in the area of supply of the Distribution Licensee to whom the electricity is proposed to be supplied in terms of the Tariff Order and shall also be put up on the website of such Generating Company.

20. Communication of Tariff orders

The Commission shall, within seven days of making the Order, send a copy of the order to the Government of Uttarakhand, the Central Electricity Authority, applicant and respondents.

PART III

FINANCIAL PRINCIPLES FOR COMPUTING COSTS AND RETURN

21. Capital Cost and capital structure

- (1) The Capital cost as determined by the Commission after prudence check in accordance with this regulation shall form the basis of determination of tariff for existing and new projects of the Generating Company, Transmission Licensee, Distribution Licensee and SLDC.
- (2) The Capital cost of an existing project shall include the following:
- a) The capital cost admitted by the Commission prior to 01.04.2022 duly tuned up as on

01.04.2022:

- b) Additional capitalization and de-capitalization for the respective year of tariff as determined in accordance with Regulation 22; and
 - c) Expenditure on account of renovation and modernisation as admitted by this Commission in accordance with Regulation 23.
- (3) The Capital Cost of a new project shall include the following:
- a) The expenditure incurred or projected to be incurred up to the date of commercial operation of the project;
 - b) Interest during construction and financing charges, on the actual amount of loan;
 - c) Interest during construction and Incidental Expenditure during construction as computed in accordance with Regulation 21(9) & 21(10) of these Regulations;
 - d) Capitalised Initial spares subject to the ceiling rates specified in Regulation 22(11) of these Regulations;
 - e) Expenditure on account of additional capitalization and de-capitalisation determined in accordance with Regulation 22 of these regulations;
 - f) Adjustment of revenue due to sale of Inform power in excess of fuel cost prior to the CoD as specified under Regulation 45 of these regulations; and
 - g) Adjustment of any revenue earned by the generating company, transmission licensee and distribution licensee by using the assets before CoD.
- (4) The capital cost in case of new hydro generating station shall also include:
- a) Cost of approved rehabilitation and resettlement (R&R) plan of the project in conformity with National R&R Policy and R&R package as approved; and
 - b) Cost of developer's 10% contribution towards Rajiv Gandhi Gramin Vidyutikaran Yojana (RGGVY) project in the affected area.
- (5) The following shall be excluded or removed from the capital cost of the existing and new project:
- a) The assets forming part of the project, but not in use;
 - b) Decapitalisation of Asset;
 - c) In case of hydro generating station any expenditure incurred or committed to be

incurred by a project developer for getting the project site allotted by the State government by following a two stage transparent process of bidding; and

- d) the proportionate cost of land which is being used for generating power from generating station based on renewable energy;

Provided that any grant received from the Central or State Government or any statutory body or authority for the execution of the project which does not carry any liability of repayment shall be excluded from the Capital Cost for the purpose of computation of interest on loan, return on equity and depreciation;

- (6) Petition for 'in principle' approval of capital cost:

Any licensee intending to establish, operate and maintain or augment capacity of a transmission system or distribution system or SLDC shall file an application/petition under affidavit to the Commission in accordance with UERC (Conduct of Business) Regulations, 2014 as amended from time to time for 'in principle' approval of the project capital cost and financing plan before taking up a project. The application/petition of transmission system or distribution system or SLDC for investment approval shall clearly provide the purpose of the project as follows:

- a) The transmission application/petition shall consist of information on system strengthening, load growth, etc. as may be relevant for particular utility, its cost-benefit analysis and other details such as location of the project, site specific features, break up of capital cost, financial package, performance parameters, commissioning schedule, reference price level, estimated completion cost including foreign exchange component (if any), environment standards prescribed and to be achieved, etc;
- b) The distribution application/petition shall consist of information on system strengthening, loss reduction, to meet load growth, fulfill obligations under UERC (Standards of Performance) Regulations, 2007 etc financial package, performance parameters, commissioning schedule, reference price level, estimated completion cost including foreign exchange component (if any), environment standards prescribed and to be achieved, etc.

Provided that where the Commission has given an 'in principle' approval to the estimated capital cost and financing plan, the same shall act as a guiding factor for applying prudence check on the actual capital expenditure while determining the AER and Tariffs for a particular utility.

- (7) The approved Capital Cost shall be considered for tariff determination and if sufficient justification is provided for any escalation in the Project Cost, the same may be considered by the Commission subject to prudence check;

Provided that in case the actual capital cost is lower than the approved capital cost, then the actual capital cost will be considered.

Provided that prudence check of capital cost may be carried out based on the benchmark norms to be specified by the Commission from time to time;

Provided further that in cases where benchmark norms have not been specified, prudence check may include scrutiny of the capital expenditure, financing plan, interest during construction, incidental expenditure during construction for its reasonableness, use of efficient technology, cost over-run and time over-run, competitive bidding for procurement and such other matters as may be considered appropriate by the Commission for determination of tariff;

Provided further that if the generating station is not commissioned on the SCOD or actual COD whichever is later of the associated transmission system, the generating company shall bear the IDC and IEDC or transmission charges if the transmission system is declared under commercial operation by the Commission in accordance with second proviso of Clause (c) of sub-Regulation (20) of Regulation 3 of these Regulations till the generating station is commissioned;

Provided also that if the transmission system is not commissioned on SCOD of the generating station, the transmission licensee shall arrange the evacuation from the generating station at its own arrangement and cost till the associated transmission system is commissioned.

Provided further that in cases where benchmark norms have been specified, the generating company or transmission licensee shall submit the reasons for exceeding the capital cost from benchmark norms to the satisfaction of the Commission for allowing cost above benchmark norms.

Provided also that in case, the site of a hydro generating station is awarded to a developer (not being a State controlled or owned company), by a State Government by following a two stage transparent process of bidding, any expenditure incurred or committed to be incurred by the project developer including premium paid/payable for getting the project site allotted shall not be included in the capital cost;

- (8) Where power purchase agreement or transmission or wheeling agreement provides for a

costing of capital cost, the capital expenditure admitted by the Commission shall take into consideration such costing for determination of tariff.

(9) Interest During Construction (IDC):

- a) Interest during construction shall be computed corresponding to the loan from the date of infusion of debt fund, and after taking into account the prudent phasing of funds upto SCOD.
- b) In case of additional costs on account of IDC due to delay in achieving the SCOD, the generating company or the transmission licensee or the distribution licensee or SLDC as the case may be, shall be required to furnish detailed justifications with supporting documents for such delay including prudent phasing of funds.

Provided that if the delay is not attributable to the generating company or the transmission licensee or the distribution licensee or SLDC as the case may be, and is due to uncontrollable factors as specified in Regulation 12(5) of these Regulations, IDC may be allowed after due prudence check and taking into account prudent phasing of funds.

(10) Incidental Expenditure During Construction (IEDC):

- a) Incidental expenditure during construction shall be computed from the zero date and after taking into account pre-operative expenses upto SCOD:

Provided that any revenue earned during construction period up to SCOD on account of interest on deposits or advances, or any other receipts may be taken into account for reduction in incidental expenditure during construction.

- b) In case of additional costs on account of IEDC due to delay in achieving the SCOD, the generating company or the transmission licensee or the distribution licensee or SLDC as the case may be, shall be required to furnish detailed justification with supporting documents for such delay including the details of incidental expenditure during the period of delay and liquidated damages recovered or recoverable corresponding to the delay:

Provided that if the delay is not attributable to the generating company or the transmission licensee or the distribution licensee or SLDC, as the case may be, and is due to uncontrollable factors as specified in Regulation 12(5), IEDC may be allowed after due prudence check:

Provided further that where the delay is attributable to an agency or contractor or

supplier engaged by the generating company or the transmission licensee or the distribution licensee or SLDC, the liquidated damages recovered from such agency or contractor or supplier shall be kept in view while computing the capital cost.

- c) In case the time over-run beyond SCOD is not admissible after due prudence, the increase of capital cost on account of cost variation corresponding to the period of time over-run may be excluded from capitalization irrespective of price variation provisions in the contracts with supplier or contractor of the generating company or the transmission licensee or the distribution licensee or SLDC.
- (II) Initial Spares: Initial spares shall be capitalized subject to the following ruling norms as a percentage of the Plant and Machinery cost as per actuals upto the cut-off date:
 - (i) Thermal generating stations - 4.0%
 - (ii) Hydro generating stations - 4.0%
 - (iii) Transmission System
 - (a) Transmission line - 1.00%
 - (b) Transmission Sub-station - 4.00%
- (12) Restructuring of capital in terms of relative share of equity and loan shall be permitted during the tariff period provided it does not affect tariff adversely. Any benefit from such restructuring shall be shared with the persons sharing the capacity charge in case of a generating company and to long term intra-State open access customers of Transmission or Distribution Licensee or consumers in case of such Licensees in the ratio of 2:1, with 2/3rd being retained by the Applicant and 1/3rd being passed on to the beneficiaries.

22. Additional capitalization and De-capitalisation:

- (1) The following capital expenditure within the original scope of work actually incurred or projected to be incurred after the date of commercial operation and up to the cut-off date may be admitted by the Commission, subject to prudence check:
 - a) Undischarged liabilities;
 - b) Works deferred for execution;
 - c) Procurement of initial capital spares within the original scope of work, subject to the provisions of Regulation 21(11);
 - d) Liabilities to meet award of arbitration or for compliance of the order or decree of a

court; and

- e) On account of change in law.

Provided that the details included in the original scope of work along with estimates of expenditure, deferred liabilities and the works deferred for execution shall be submitted along with the application for determination of tariff.

- (2) The capital expenditure of the following nature actually incurred after the cut-off date may be admitted by the Commission, subject to prudence check:

- Liabilities to meet award of arbitration or for compliance of the order or decree of a court;
- Change in law;
- Works deferred for execution within the original scope of work;
- Any liability for works admitted by the Commission after the cut-off date to the extent of discharge of such liabilities by actual payments;
- Any additional capital expenditure which has become necessary for efficient operation of generating station or transmission system as the case may be. The claim shall be substantiated with the technical justification duly supported by the documentary evidence like test results carried out by an independent agency in case of deterioration of assets, report of an independent agency in case of damage caused by natural calamities, obsolescence of technology, up gradation of capacity for the technical reasons such as increase in load level;
- In case of hydro generating stations, any additional expenditure which has become necessary on account of damage caused by natural calamities (but not due to flooding of power house attributable to the negligence of the generating company), including due to geological surprises, after adjusting for proceeds from any insurance scheme, and expenditure incurred due to any additional work which has become necessary for successful and efficient plant operation;

Provided that additional capitalisation on this account would only be allowed if appropriate and adequate insurance cover was available at the time of occurrence of natural calamities referred to above.

- In case of transmission and distribution system any additional expenditure on items such as relays, control and instrumentation, computer system, power line carrier

communication, DC batteries, replacement of switchyard, equipment due to increase of fault level, emergency restoration system, insulators clearing infrastructure, replacement of damaged equipment not covered by insurance and any other expenditure which has become necessary for successful and efficient operation of transmission or distribution system.

- b) In case of replacement of any asset/equipment (e.g. transformer, circuit breaker, C.T./P.T. etc.) on account of non-performance/failure of the asset, the following approach shall be adopted:

- (i) In case of non-performance/failure of assets/equipment, it shall be sent to Store for assessment to check whether it is repairable or not at zero cost.
- (ii) In case the asset is repairable, then such asset/equipment shall not be retired from Books of Assets.

Provided, proper tracking should be available for the material like location, asset number etc.

- (iii) In case the asset is not repairable, then following process shall be carried out:

- * The asset is retired from the Books of Assets, at depreciated value.
- * Transfer the failed assets/equipments from failed to scrap material.
- * Dismantle it into of scrap inventory like iron, brass etc.
- * Build up scrap inventory.

Provided, exercise of dismantling of scrap inventory and build-up of scrap inventory shall be done simultaneously. Dismantled scrap value would be decided on the basis of last scrap sale value. Control Account (Dismantling) will be expense account. Difference of Control account, i.e. either profit or loss shall be booked accordingly.

- (iv) In case a new asset/equipment is issued, then it will be issued at weighted average cost and capitalized respectively, and accordingly, new asset would be created and corresponding entries shall be done in the Books of Accounts.

- (3) In case of de-capitalisation of assets of a generating company or the distribution licensee or the transmission licensee or SLDC, as the case may be, the original cost of such asset as on the date of de-capitalisation shall be deducted from the value of gross fixed asset and

corresponding loan as well as equity shall be deducted from outstanding loan and the equity respectively in the year such de-capitalisation takes place, duly taking into consideration the year in which it was capitalised.

- (4) Any addition/modification to the existing assets exceeding Rs. 250 Crore in case of distribution licensee and Rs. 5 Crore in case of generating companies/transmission licensee shall be taken up only after prior approval of the Commission. The investment approval applications covered under this sub-regulation are excluded from the application of *proviso* to Sub-regulation (2) of Regulation 30 of UERC (Conduct of Business) Regulations, 2016 in so far as the requirement of submission of documentary evidence with respect to the approval of InD is concerned.

23. Renovation and Modernisation

- (1) The generating company for meeting the expenditure on renovation and modernization (R&M) for the purpose of extension of life beyond the useful life of the generating station shall make an application before the Commission for in-principle approval of the proposal with a Detailed Project Report giving complete scope, justification, cost-benefit analysis, estimated life extension from a reference date, financial package, phasing of expenditure, schedule of completion, reference price level, estimated completion cost including foreign exchange component, if any, record of consultation with beneficiaries and any other information considered to be relevant by the generating company.
- (2) Where the Generating Company makes an application for the in-principle approval of its proposal for renovation and modernization, the in-principle approval shall be granted after due consideration of reasonableness of the cost estimates, financing plan, schedule of completion, interest during construction, use of efficient technology, cost-benefit analysis, and such other factors as may be considered relevant by the Commission.
- (3) Any expenditure incurred or projected to be incurred and admitted by the Commission after prudence check based on the estimates of renovation and modernization expenditure and life extension, and after writing off the original amount of the replaced assets and deducting the accumulated depreciation including advance against depreciation already recovered from the Original project cost, shall form the basis for determination of Tariff.

24. Debt-equity ratio

- (1) For a project declared under commercial operation on or after 1.4.2022, debt-equity ratio shall

be 70:30. Where equity employed is more than 30%, the amount of equity for the purpose of tariff shall be limited to 30% and the balance amount shall be considered as normative loan. Where actual equity employed is less than 30%, the actual equity would be used for determination of Return on Equity in tariff computations.

Explanation: The premium raised by the Generating Company, or the Transmission Licensee or the Distribution Licensee or SLDC while issuing share capital and investment of internal resources created out of free reserve, if any, shall also be reckoned as paid up capital for the purpose of computing return on equity, provided such premium amount and internal resources are actually utilized for meeting capital expenditures.

- (2) Equity invested in foreign currency shall be converted to rupee currency based on the exchange rate prevailing on the date(s) it is subscribed.
- (3) Any grant obtained for the execution of the project shall not be considered as a part of capital structure for the purpose of debt : equity ratio.
- (4) The generating company or the transmission licensee or SLDC or the distribution licensee shall submit the resolution of the Board of the company or approval from the State Government regarding infusion of fund from internal resources in support of the utilization made or proposed to be made to meet the capital expenditure of the generating station or the transmission system or distribution system or the SLDC, as the case may be.
- (5) Any expenditure incurred or projected to be incurred on or after 1.4.2022 as may be admitted by the Commission as additional capital expenditure for determination of tariff, and reservation and modernisation expenditure for life extension shall be serviced in the manner specified in Regulations 22 and 23 of these Regulations.
- (6) In case of Generating Company, Transmission Licensee, Distribution Licensee, or SLDC where investments have been made prior to 1.4.2022, Debt: Equity Ratio shall be as approved by the Commission in the previous Orders.

25. Treatment of Consumer contribution, Deposit works and Grants/ Subsidies

- (1) The following nature of works carried out by the generating company, Licensee or SLDC shall be classified under this category:
 - a) Works after obtaining a part or all of the funds from the users in the context of deposit works.
 - b) Capital works undertaken by utilising grants received from the State and Central

Governments, including funds under RGGVY, AFDRP, etc.

- (2) Principles for treatment of the expenses on such capital expenditure shall be as follows:
 - a) Normative O&M expenses as specified in these Regulations shall be allowed.
 - b) Provisions related to Depreciation as specified in Regulation 28, shall be applicable to the extent of financial support, including the loan and equity contribution, provided by the Licensee or SLDC or Generating Company, as the case may be. The depreciation shall not be allowed on the assets funded through Consumer Contribution or Capital Grants/Subsidies.
 - c) Provisions related to return on equity, as specified in Regulation 26, shall be applicable to the extent of normative debt:equity mix of 70:30 or actual equity, whichever is less, on the contribution made by the Licensee or SLDC or Generating Company, as the case may be.

26. Return on Equity

- (1) Return on equity shall be computed on the equity base determined in accordance with Regulation 28.

Provided that, Return on Equity shall be allowed on amount of allowed equity capital for the assets put to use at the commencement of each financial year.

Provided further that, if the generating stations/licensees are able to demonstrate the actual date of asset being put to use and capitalized in its accounts of each asset for the purposes of business carried on by it through documentary evidence, including but not limited to 'asset put to use certificate', 'audited accounts' etc., then in such cases, after due satisfaction of the Commission, the RoE shall be allowed on pro-rata basis after considering additional capitalization done during the year out of the equity capital.

- (2) Return on equity shall be computed on at the base rate of 15.5% for thermal generating stations, transmission licensee, SLDC and run of the river hydro generating station and at the base rate of 16.50% for the storage type hydro generating stations and run of river generating station with prelude and distribution licensee on a post-tax basis.

Provided that return on equity in respect of additional capitalization after cut-off date beyond the original scope excluding additional capitalization due to Change in Law, shall be computed at the weighted average rate of interest on actual loan portfolio of the distribution company or the generating station or the transmission system.

Provided further that:

- (i) In case of generation and transmission projects commissioned on or after 1st April, 2022, an additional Return of 0.5% shall be allowed if such projects are completed within the timeline as specified in Appendix - I to these Regulations.
- (ii) The additional return of 0.5% shall not be admissible if the project is not completed within the timeline specified above for whatsoever reason.
- (iii) Additional RoI of 0.50% may be allowed if any element of the transmission project is completed within the specified timeline and it is certified by the Northern Regional Power Committee that commissioning of the particular element will benefit the system operation in the regional/national grid.
- (iv) Additional RoI shall not be admissible for transmission line having length of less than 50 kilometers.

27. Interest and finance charges on loan capital and on Security Deposit

- (1) The loans arrived at in the manner indicated in Regulation 24 shall be considered as gross normative loan for calculation of interest on loan.
- (2) The normative loan outstanding as on 01.04.2022 shall be worked out by deducting the cumulative repayment as admitted by the Commission up to 31.03.2022 from the approved gross normative loan.
- (3) The repayment for each year of the Control Period shall be deemed to be equal to the depreciation allowed for that year. In case of decapitalization of assets, the repayment shall be adjusted by taking into account cumulative repayment on a pro rata basis and the adjustment should not exceed cumulative depreciation recovered upto the date of decapitalization of such asset.
- (4) Notwithstanding any moratorium period availed by the Generating Company or the Transmission Licensee or the Distribution Licensee or the SLDC, as the case may be the repayment of loan shall be considered from the first year of commercial operation of the project and shall be equal to the depreciation allowed for the year or part of the year.
- (5) The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio of the previous year after providing appropriate accounting adjustment for interest capitalised.

Provided that if there is no actual loan for a particular year but normative loan is still outstanding, the last available weighted average rate of interest shall be considered:

Provided further that if the generating station or the transmission system or the distribution system or SLDC, as the case may be, does not have actual loan, then the weighted average rate of interest of the generating company or the Transmission Licensee or the Distribution Licensee or SLDC as a whole shall be considered.

- (5) The interest on loan shall be calculated on the normative average loan of the year by applying the weighted average rate of interest.

Provided that on account of additional capitalization during the year, interest on additional loan shall be calculated on pro-rata basis.

- (7) The Generating Company or the Transmission Licensee or the Distribution Licensee, or the SLDC as the case may be, shall make every effort to re-finance the loan as long as it results in net savings on interest and in that event the costs associated with such re-financing shall be borne by the beneficiaries and the net savings on interest shall be shared between the beneficiaries and the Generating Company or the Transmission Licensee or the Distribution Licensee or the SLDC, as the case may be, in the ratio of 1:2.

- (8) The changes to the terms and conditions of the loans shall be reflected from the date of such re-financing.

- (9) Interest shall be allowed on the amount held as security deposit by the Distribution Licensee from consumers, at the rate as may be decided by the Commission from time to time.

Provided that during trial up proceedings of any year, if it is found that the actual interest paid to the consumer is lower than that provided by the licensee in its accounts, the actual interest paid shall be allowed as interest on security deposit.

28. Depreciation

- (1) The value base for the purpose of depreciation shall be the capital cost of the asset admitted by the Commission.

Provided that no depreciation shall be allowed on assets funded through Consumer Contribution and Capital Subsidies/Grants.

- (2) The salvage value of the asset shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of the capital cost of the asset.

Provided that in case of generating stations, the salvage value shall be as provided in the agreement signed by the developer with the State Government for creation of site.

Provided further that the capital cost of the assets of the generating station, for the purpose of computation of depreciable value for determination of tariff, under these regulations shall correspond to the percentage of sale of electricity under long-term power purchase agreement at regulated tariff.

Provided also that any depreciation disallowed on account of lower availability of the generating station or generating unit or transmission system as the case may be, shall not be allowed to be recovered at a later stage during the useful life and the extended life.

Provided that the salvage value for IT equipment and software shall be considered as Nil, and 100% value of the assets shall be considered depreciable.

- (3) Land other than the land held under lease and the land for reservoir in case of hydro generating station shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the asset.
- (4) Depreciation shall be calculated annually based on Straight Line Method and at rates specified in Appendix - II to these Regulations.

Provided that, the remaining depreciable value as on 31st March of the year closing after a period of 12 years from the date of commercial operation shall be spread over the balance useful life of the assets.

- (5) Depreciation shall be chargeable from the first year of commercial operation. In case of commercial operation of the asset for part of the year, depreciation shall be charged on pro rata basis.
- (6) In case of de-capitalization of assets in respect of generating station or unit thereof or distribution licensee or SLDC or transmission system or element thereof, the cumulative depreciation shall be adjusted by taking into account the depreciation recovered in tariff by the de-capitalized asset during its useful service.

29. Lease charges

Lease charges for assets taken on lease by a generating company, SLDC or a Transmission or Distribution Licensee shall be considered as per lease agreement provided they are considered reasonable by the Commission.

30. Operation & Maintenance expenses

- (1) 'Operation and Maintenance or O&M expenses' shall comprise of expenses incurred on manpower, repair & maintenance (R&M) and administrative and general expenses, including insurance expenses.
- (2) Operation and maintenance expenses shall be determined for the Control Period based on methodology specified by the Commission subsequently in these Regulations.
- (3) O&M expenses on assets taken on lease and those created out of consumer's contribution shall be considered, if the Generating Company or the Transmission or the Distribution Licensee or the SLDC has the responsibility for its O&M and bears the O&M expenses.
- (4) Annual O&M expenses for gross fixed assets added during the year shall be considered from the date of commissioning on pro-rata basis.
- (5) Increase in O&M charges on account of war, insurgency, change in laws, or like eventualities may be considered by the Commission for a specified period.
- (6) The variation in normative O&M expenses and actual O&M expenses shall be considered as part of gain/loss on account of controllable factors.

31. Bad and doubtful debts

- (1) The Commission may allow a provision for bad and doubtful debts upto one percent (1%) of the estimated annual revenue of the distribution licensee, subject to actual writing off of bad debts by it in the previous years.

Provided further that where the total amount of such provisioning allowed in previous years for bad and doubtful debts exceeds five (5) per cent of the receivables at the beginning of the year, no such appropriation shall be allowed which would have the effect of increasing the provisioning beyond the said maximum.

32. Foreign Exchange Rate Variation (FERV)

- (1) Cost of hedging for foreign exchange variation towards interest payment and loan repayment shall be allowed on year-to-year basis and shall be payable on the due date of payments and subject to prudent check by the Commission. The Applicant shall provide full particulars of such cost of hedging to the Commission.
- (2) In case hedging has not been arranged due to valid reasons, FERV shall be provisionally estimated by the Commission for the purpose of determining tariff and shall be subject to

adjustment as per actuals.

33. Interest on Working Capital

Rate of interest on working capital shall be on normative basis and shall be equal to the weighted average of 'one year Marginal Cost of Funds based Lending Rate (MCLR)' as declared by the State Bank of India from time to time for the financial year in which the application for determination of tariff is made plus 350 basis points.

(1) Generation, Transmission System & SLDC:

- a) In case of open cycle Gas Turbine/Combined Cycle thermal generating stations, working capital shall cover:
 - (i) Landed fuel cost for 1 (one) month corresponding to the NAFAP duty taking into account the mode of operation of the generating station on gas fuel and liquid fuel;
 - (ii) Liquid fuel stock for ½ (half) month corresponding to the NAFAP, and in case of use of more than one liquid fuel, cost of main liquid fuel duty taking into account mode of operation of the generating stations of gas fuel and liquid fuel;
 - (iii) Operation and maintenance expenses for one month;
 - (iv) Maintenance spares @ 30% of operation and maintenance expenses; and
 - (v) Receivables equivalent to 2 (two) months of Capacity Charge and Energy Charges for sale of electricity calculated on NAFAP duty taking into account the mode of operation of the generating station on gas fuel and liquid fuel.
- b) In case of hydro power generating stations and transmission system and SLDC, the working capital shall cover:
 - (i) Operation and maintenance expenses for one month;
 - (ii) Maintenance spares @ 15% of operation and maintenance expenses; and
 - (iii) Receivables equivalent to two months of the annual fixed charges.
- c) In case of own generating stations, no amount shall be allowed towards receivables, to the extent of supply of power by the Generation Business to the Retail Supply Business, in the computation of working capital in accordance with these Regulations.
- d) The cost of fuel in cases covered under sub-Regulation 1(a) above shall be based on the landed cost incurred (taking into account normative transit and handling losses) by the

generating company and gross calorific value of the fuel, as per actual for the three months preceding the first month for which tariff is to be determined and no fuel price escalation shall be provided during the tariff period.

Provided that in case of new generating stations covered under sub-Regulation 1(a) above, where the data for preceding three months is not available, the landed cost of fuel and gross calorific value of the fuel shall be taken as that actually incurred by the generating station.

(2) Distribution:

- a) The Distribution Licensee shall be allowed interest on the estimated level of working capital for the financial year, computed as follows:
 - (i) Operation and maintenance expenses for one month;
 - (ii) Maintenance spares @ 15% of operation and maintenance expenses; plus
 - (iii) Two months equivalent of the expected revenue from sale of electricity at the prevailing tariffs;
 - (iv) Capital required to finance such shortfall in collection of current dues as may be allowed by the Commission; minus
 - (v) One month equivalent of cost of power purchase, based on the annual power procurement plan.

34. Tax on Income

Income Tax, if any, on the income stream of the regulated business of Generating Companies, Transmission Licensees, Distribution Licensees and SLDC shall be reimbursed to the Generating Companies, Transmission Licensees, Distribution Licensees and SLDC as per actual income tax paid, based on the documentary evidence submitted at the time of truing up of each year of the Control Period, subject to the prudence check.

35. Regulatory Asset

In case of abnormal variation in income or expenses resulting in substantial revenue gap, full recovery of which in a single year is not feasible, the Commission may allow creation of Regulatory Asset as per guidelines provided in clause 8.2.2 of the Tariff Policy and suitably provide for its recovery through tariff or as a surcharge within a period not exceeding seven years. Amortisation of the regulatory asset so created shall be dealt in accordance with the Tariff Policy.

provided that the Commission may allow a carrying cost on Regulatory Asset at such rates as the Commission may deem fit.

PART IV REVENUES

36. Tariff income

Income of the Generating Company, Transmission Licensee, Distribution Licensee and SLDC arising out of all the charges determined by the Commission for generation, transmission, wholesaling and retail supply of electricity, SLDC charges, as the case may be, shall be considered as tariff income.

37. Other revenue

- (1) All revenues including charges for unauthorized use of electricity and money realized through compounding, other than tariff revenue shall be grouped as other revenue.
- (2) For the electricity supply to the housing colonies or townships for its operating staff drawn from the Power Station/Sub-Station bus bar, a separate account shall be maintained by the Generating Company/Transmission Licensee/Distribution Licensee/SLDC for such energy supply and revenue thereof recognized at the rate as per applicable tariff shall be reported annually to the Commission in the AFR/tariff petition, wherever applicable.
- (3) While determining the generation/transmission tariff, revenue so realized, i.e. the consumer category wise tariff of Distribution Licensee in case of a generating company or when the sub-station is situated in respect of Transmission Licensee, shall be considered by the Commission as one of the components of other income of the Generating Company/Transmission Licensee/SLDC and the same shall be reduced from the Annual Fixed Charges.

38. Surcharge and additional surcharge

Surcharge and additional surcharge under Sections 39, 40 and 42 of the Electricity Act, 2003 shall be considered as income and treated in the manner as may be specified by the Commission.

39. Income from Other Business

- (1) Revenue from other business shall be treated as income to the extent authorized by the Commission under Sections 41 and 51 of the Electricity Act, 2003.
- (2) The Generating Company, Transmission Licensee, Distribution Licensee and SLDC shall

submit the following information along with the Petition to the Commission:

Whether the Generating Company or SLDC or the Licensee is engaged in any Other Business within the meaning prescribed under Sections 41 and 51 of the EA, 2003?

If yes, then the Applicant should submit the following information:

- Name and description of all Other Business that the Applicant is engaged in;
- For each such Other Business, amount of revenue generated in the previous year, estimated during the current year and projected for the ensuing year;
- Assets of the business used by the Applicant to generate the above revenue;
- Expenses incurred to generate the above revenue, separately for each Other Business;
- Whether these expenses have already been included in the AFR of the Applicant fully or partly? If partly, proportion and basis of apportionment to be submitted.

40. Sharing of Clean Development Mechanism (CDM) credit

The proceeds of carbon credit from approved CDM project shall be shared in the following manner, namely:-

- 100% of the gross proceeds on account of CDM to be retained by the project developer in the first year after the date of commercial operation of the generating station or the transmission system, as the case may be;
- In the second year, the share of the beneficiaries shall be 10% which shall be progressively increased by 10% every year till it reaches 50%, whereafter, the proceeds shall be shared in equal proportion, by the generating company or the transmission licensee, as the case may be, and the beneficiaries.

PART-V

COMPUTATION OF GENERATION TARIFF

41. Applicability

- The Regulations specified in this Part shall apply for determining the tariff for supply of electricity to a Distribution Licensee in Uttarakhand from conventional generating stations.
- The Commission shall be guided by the terms and conditions contained in this Part in determining the tariff for supply of electricity by a Generating Company to a Distribution Licensee.

42. Petition for determination of generation tariff

- (1) A Generating Company may file petition for determination of tariff for supply of electricity to Distribution Licensees complying with the provisions of Part II of these Regulations.
- (2) Tariff in respect of a generating station under these Regulations shall be determined stage-wise, unit-wise or for the whole generating station. The terms and conditions for determination of tariff for generating stations specified in this Part shall apply in like manner to stages or Units, as the case may be, as to generating stations.
- (3) Where the tariff is being determined for stage or Unit of a generating station, the Generating Company shall adopt a reasonable basis for allocation of capital cost relating to common facilities and allocation of joint and common costs across all stages or Units, as the case may be.

Provided that the Generating Company shall maintain an Allocation Statement providing the basis for allocation of such costs, and submit such statement to the Commission along with the application for determination of tariff.

- (4) A Generating Company may file a petition for determination of provisional tariff in advance of the anticipated date of commissioning of a generating station based on the capital expenditure actually incurred up to the date of making the petition or a date prior to making of the petition, duly audited and certified by the statutory auditors and the provisional tariff shall be charged from the date of commercial operation of the generating station.
- (5) A Generating Company for whom the Commission has determined provisional tariff shall have to file a fresh petition as per these Regulations, for determination of final tariff based on the actual capital expenditure incurred up to the date of commercial operation of the generating station duly certified by the statutory auditors based on the annual audited accounts.

43. Components of tariff

- (1) The tariff for sale of electricity from a thermal Power Generating Station shall comprise of two parts, namely, the recovery of Annual Fixed Charges and Energy (variable) Charges (for recovery of primary fuel cost).
- (2) The tariff for sale of electricity from a Hydro Generating Station shall comprise of two parts, namely, the recovery of Annual Capacity Charges and Energy Charge.
- (3) Recovery of capacity charge, energy charge and incentive by the generating company shall be

based on the achievement of the operational norms specified in Regulation 47.

44. Annual Fixed Charges

The Annual Fixed Charges shall comprise of the following elements:

- a) Interest and Finance Charges on Loan Capital;
- b) Depreciation;
- c) Lease Charges
- d) Operation & Maintenance Expenses;
- e) Return on Equity;
- f) Interest on Working Capital;
- (i) Loss;
- g) Non-Tariff Income.

Provided that Depreciation, Interest and finance charges on Loan Capital, Interest on Working Capital and Return on Equity for Thermal and Hydro Generating Stations shall be allowed in accordance with the provisions specified in Part-III of these Regulations.

45. Sale of Infirm Power

Supply of infirm power shall be accounted as deviation and shall be paid for from the State deviation pool account in accordance with the Uttarakhand Electricity Regulatory Commission (Deviation Settlement Mechanism and Related matters) Regulations, 2017, as amended from time to time or any subsequent re-enactment thereof.

Provided that any revenue other than the recovery of fuel cost earned by the Generating Company from sale of infirm power shall be used for reduction in capital cost and shall not be treated as revenue.

46. Non Tariff Income

The amount of non-tariff income relating to the Generation Business as approved by the Commission shall be deducted from the Annual Fixed Charges in determining the Net Annual Fixed Charges of the Generating Company.

Provided that the Generating Company shall submit full details of its forecast of non tariff income to the Commission in such form as may be stipulated by the Commission from time to time.

The indicative list of various heads to be considered for non tariff income shall be as under:

- a) Income from rent of land or buildings;
- b) Income from sale of scrap;
- c) Income from statutory investments;
- d) Interest on delayed or deferred payment on bills;
- e) Interest on advances to suppliers/contractors;
- f) Rental from staff quarters;
- g) Rental from contractors;
- h) Income from hire charges from contractors and others;
- i) Income from advertisements, etc.;
- j) Any other non-tariff income.

Provided that the interest earned from investments made out of Return on Equity corresponding to the regulated business of the Generating Company shall not be included in Non-Tariff Income.

47. Norms of operation for Generating Stations

The norms of operation as given hereunder shall apply to the thermal generating stations:

(i) Normative Annual Plant Availability Factor (NAPAF):

- (a) For all thermal generating stations: 85%
- (b) For existing hydro generating stations:

The trajectory for NAPAF fixed by the Commission in case of existing hydro generating stations, in the preceding Control Period would continue to be applicable. However, the NAPAF of the stations undergone RMU would be adjusted accordingly, considering the impact of RMU.

- (c) For new hydro generating stations:

Particulars	Normative Plant Availability Factor
Storage and Pondage type plants with head variation between Full Reservoir Level (FRL) and Minimum Draw Down Level (MDDL) of up to 4%, and whose plant availability is not affected by silt.	90%
Storage and Pondage type plants with head variation between FRL and MDDL of more than 4%, where plant availability is not affected by silt.	The month wise peaking capability as provided by the project authorities in the LPS (approved by CEA or the State Government) shall form basis of fixation of NPAF.
Pondage type plants where plant availability is significantly affected by silt.	85%
Run-of-river type plants.	To be determined plant-wise, based on 10-day design energy data, moderated by past experience where available/relevant.

- (3) A further allowance may be made by the Commission in NPAF determination under special circumstances, e.g., abnormal site problem or other operating conditions, and known plant conditions.

Provided that in case of new hydro generating station the developer shall have the option of approaching the Commission in advance for fixation of NPAF based on the principles enunciated in the table above.

Provided further that Generating Companies shall submit plant wise NPAF alongwith the detailed calculations and reasons thereof as per the guidelines for calculation of NPAF as laid down in Appendix - III to these Regulations, for seeking approval of the Commission.

- (2) Normative Annual Plant Load Factor (NAPLF) for thermal generating stations for Incentive shall be 87%.

- (3) Gross Station Heat Rate for Gas-based/Liquid-based thermal generating unit(s)

= 1.05 X Design Heat Rate of the unit for Natural Gas and RLNG (kcal/kWh)

= 1.071 X Design Heat Rate of the unit for Liquid Fuel (kcal/kWh)

Where the Design Heat Rate of a unit shall mean the guaranteed heat rate for a unit at 100% MCR and at site ambient conditions; and the Design Heat Rate of a block shall mean the guaranteed heat rate for a block at 100% MCR, site ambient conditions, zero percent make up, design cooling water temperature/back pressure.

- (4) Auxiliary Energy Consumption

- i. Gas Turbine/Combined Cycle generating stations:

• Combined cycle: 2.5%

• Open cycle: 1.0%

ii. Hydro generating stations:

(a) Surface hydro electric power generating stations

- With rotating exciters mounted on the generator shaft: 0.7%
- With static excitation system: 1%

(b) Underground hydro generating station

- With rotating exciters mounted on the generator shaft: 0.9%
- With static excitation system: 1.2%

48. Operation and Maintenance Expenses

The operation and maintenance expenses shall be as follows, namely:

- Normative O&M expenses for Open Cycle Gas Turbine/Combined Cycle gas based generating stations shall be as under:

Year	Gas Turbine/ Combined Cycle generating stations		Small gas turbine power generating stations (less than 50 MW Unit size)	Advance F Class Machines
	With warranty spans for 10 years	Without warranty spans		
2021-22	13.61	20.41	24.75	42.14
2022-23	14.18	21.27	25.79	43.91
2023-24	14.79	22.16	26.89	45.76
2024-25	15.40	23.10	28.01	47.69

(2) For Hydro Generating Stations

(a) For Generating Stations in operation for more than five years preceding the Base Year

The operation and maintenance expenses for the first year of the Control Period will be approved by the Commission taking in to account the actual O&M expenses for last five years till base year, based on the audited balance sheets, excluding abnormal operation and maintenance expenses, if any, subject to prudence check and any other factors considered appropriate by the Commission.

(b) For Generating Stations in operation for less than 5 years preceding the base year:

In case of the hydro electric generating stations, which have not been in existence for a period of five years preceding the base year, i.e. FY 2020-21, the operation and maintenance expenses for the base year of FY 2020-21 shall be fixed at 4% and 2.5% of the actual capital cost (including cost of rehabilitation & resettlement works) as

admitted by the Commission, for stations less than 200 MW projects and for stations more than 200 MW respectively, for the first year of operation and shall be escalated from the subsequent year in accordance with the escalation principles specified in clause (e) below.

- (c) For Generating Stations declared under commercial operation on or after 1.4.2022.

In case of new hydro electric generating stations, i.e. the hydro electric generating stations declared under commercial operation on or after 1.4.2022, the base operation and maintenance expenses for the year of commissioning shall be fixed at 4% and 2.5% of the actual capital cost (excluding cost of rehabilitation & resettlement works) as admitted by the Commission, for stations less than 200 MW projects and for stations more than 200 MW respectively and shall be escalated from the subsequent year in accordance with the escalation principles specified in clause (e) below.

- (d) Post determination of base O&M Expenses for the base year, i.e. FY 2020-21, the O&M expenses for the nth year and also for the year immediately preceding the Control Period, i.e. 2021-22 shall be approved based on the formula given below:-

$$O\&M_n = R\&M_n + E\&M_n + A\&G_n$$

Where -

- O&M_n - Operation and Maintenance expenses for the nth year;
- E&M_n - Employee Costs for the nth year;
- R&M_n - Repair and Maintenance Costs for the nth year;
- A&G_n - Administrative and General Costs for the nth year.

The above components shall be computed in the manner specified below:

$$E\&M_n = (E\&M_{n-1}) \times (1 + C_n) \times (1 + CPI_{inflation})$$

$$R\&M_n = K \times (GFA_{n-1}) \times (1 + WPI_{inflation}) \text{ and}$$

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

Where -

- E&M_{n-1} - Employee Costs for the (n-1)th year;
- A&G_{n-1} - Administrative and General Costs for the (n-1)th year;
- Provision: Cost for initiatives or other one-time expenses as proposed by the

Generating Company and approved by the Commission after prudence check.

- 'K' is a constant to be specified by the Commission in %. Value of K for each year of the Control Period shall be determined by the Commission in the MYT Tariff order based on Generating Company's filing, benchmarking of repair and maintenance expenses, approved repair and maintenance expenses vis-a-vis GFA approved by the Commission in past and any other factor considered appropriate by the Commission;

Provided that for the projects whose Renovation and Modernisation has been carried out, the R&M expenses for the nth year shall not exceed 4% of the capital cost admitted by the Commission.

- CPIinflation - is the average increase in the Consumer Price Index (CPI) for immediately preceding three years;
- WPIinflation - is the average increase in the Wholesale Price Index (WPI) for immediately preceding three years;
- GFAn-1 - Gross Fixed Asset of the Generating Company for the n-1th year;
- Gn is a growth factor for the nth year and it can be greater than or less than one based on the actual performance. Value of Gn shall be determined by the Commission in the MYT tariff order for meeting the additional manpower requirement based on Generating Company's filings, benchmarking and any other factor that the Commission feels appropriate.

Provided that repair and maintenance expenses determined shall be utilised towards repair and maintenance works only.

- (e) O&M expenses determined in sub-Regulation 2(b) & 2(c) above, shall be escalated for subsequent years to arrive at the O&M expenses for the Control Period by applying the Escalation factor (EP_n) for a particular year (Nth year) which shall be calculated using the following formula:

$$EP_n = 0.55 \times WPI_{inflation} + 0.45 \times CPI_{inflation}$$

- (f) In case of multi-purpose hydroelectric stations, with irrigation, flood control and power components, the O&M expenses chargeable to power component of the station only shall be considered for determination of tariff.

which shall include O&M expenses and interest on loan only.

Where,

AFC = Annual fixed cost specified for the year, in Rupees.

NAPAF = Normative annual plant availability factor in percentage

PAFN = Percent Plant availability factor achieved upto the end of the n th month.

PAFY = Percent Plant availability factor achieved during the Year.

CC1, CC2, CC3, CC4, CC5, CC6, CC7, CC8, CC9, CC10, CC11 and CC12 are the Capacity Charges of 1st, 2nd, 3rd, 4th, 5th, 6th, 7th, 8th, 9th, 10th, 11th and 12th months respectively.

- (2) The PAFM upto the end of a particular month and PAFY shall be computed in accordance with the following formula:

$$\text{PAFM or PAFY} = \frac{N}{1000} \times \sum_{i=1}^N \text{DCI} / \{ N \times \text{IC} \times (100 - \text{AUX}) \} \%$$

Where,

AUX = Normative auxiliary energy consumption in percentage.

DCI = Average declared capacity (in ex-bus MW), for the i th day of the period, i.e. the month or the year as the case may be, as certified by the State load dispatch centre after the day is over.

IC = Installed Capacity (in MW) of the generating station.

N = Number of days during the period i.e. the month or the year as the case may be.

Note: DCI and IC shall exclude the capacity of generating units not declared under commercial operation. In case of a change in IC during the concerned period, its average value shall be taken.

- (4) Incentive to a generating station or unit thereof shall be payable at a flat rate of 50 paise/kWh for ex-bus scheduled energy corresponding to scheduled generation in excess of ex-bus energy corresponding to Normative Annual Plant Load Factor (NAPLF) as specified in Regulation 47(2).
- (5) The energy charge shall cover the primary fuel cost and shall be payable by every beneficiary for the total energy actually supplied to such beneficiary during the calendar month on ex-power plant basis, at the energy charge rate of the month (with fuel price adjustment). Total

Energy charge payable to the generating company for a month shall be

(Energy charge rate in Rs./kWh) × (Actual energy supplied (ex-bus) for the month in kWh.)

- (6) Energy charge rate (ECR) in Rupees per kWh on ex-power plant basis shall be determined to three decimal places in accordance with the following formulae:

- (a) For gas and liquid fuel based stations

$$ECR = GHR \times LPPF \times 100 / [CVPF \times (100 - AUX)]$$

Where,

AUX = Normative auxiliary energy consumption in percentage.

CVPF = Weighted Average Gross calorific value of primary fuel as received, in kCal per kg, per litre or per standard cubic metre, as applicable for gas and liquid fuel based stations.

ECR = Energy charge rate, in Rupees per kWh sent out.

GHR = Gross station heat rate, in kCal per kWh.

LPPF = Weighted average landed price of primary fuel, in Rupees per kg, per litre or per standard cubic metre, as applicable, during the month.

- (7) The generating company shall provide to the beneficiaries of the generating station the details of parameters of GCV and price of fuel, i.e. natural gas, RLNG, liquid fuel etc., as per the forms specified at Annexure-I to these regulations.

Provided further that copies of the bills and details of parameters of GCV and price of fuel i.e. natural gas, RLNG, liquid fuel etc., shall also be displayed on the website of the generating company. The details should be available on its website on monthly basis for a period of three months.

- (8) The landed cost of fuel shall include price of fuel corresponding to the grade/quality /calorific value of fuel inclusive of royalty, taxes and duties as applicable, transportation cost by rail/road/gas pipe line or any other means for the purpose of computation of energy charges.

50. Computation and Payment of Capacity Charges and Energy Charges for Hydro Generating Stations

- (i) The Annual Fixed Charges of Hydro Generating Station shall be computed on annual basis,

based on norms specified under these Regulations, and recovered on monthly basis under capacity charge (inclusive of incentive) and Energy Charge, which shall be payable by the beneficiaries in proportion to their respective percentage share/allocation in the saleable capacity of the generating station, i.e. in the capacity excluding the firm power to the home State.

- (2) The capacity charge (inclusive of incentive) payable to a hydro generating station for a calendar month shall be:

$$APC \times 0.5 \times NDM / NDY \times (PAFM / NAPAF) \text{ (in Rupees)}$$

Where,

APC = Annual fixed cost specified for the year, in Rupees.

NAPAF = Normative plant availability factor in percentage

NDM = Number of days in the month.

NDY = Number of days in the year

PAFM = Plant availability factor achieved during the month, in Percentage.

- (3) The PAFM shall be computed in accordance with the following formula:

$$PAFM = 1000 \times \sum_{i=1}^N DC_i / \{ N \times IC \times (100 - AUX) \} \%$$

Where,

AUX = Normative auxiliary energy consumption in percentage

DC_i = Declared capacity (in ex-bus MW) for the *i*th day of the month which the station can deliver for at least three (3) hours, as certified by the Uttarakhand State Load Dispatch Centre after the day is over.

IC = Installed capacity (in MW) of the complete generating station.

N = Number of days in the month

- (4) The Energy Charge shall be payable by every beneficiary for the total energy supplied to the beneficiary, during the calendar month, on ex-power plant basis, at the computed Energy Charge rate. Total Energy Charge payable to the Generating Company for a month shall be:

$$(\text{Energy Charge Rate in Rs. / kWh}) \times (\text{Energy supplied (ex-bus)} \text{ for the month in kWh}) \times (100 - FUE) / 100$$

- (5) Energy Charge Rate (ECR) in Rupees per kWh on ex-power plant basis, for a Hydro

Generating Station, shall be determined up to three decimal places based on the following formula, subject to the provisions of sub-regulation (7):

$$ECR = APC \times 0.5 \times 10 / [DE \times (100 - AUX) \times (100 - PHHS)]$$

Where,

DE = Annual Design Energy specified for the hydro generating station, in MWh,

PHHS = Free Energy for home State, in percent, as applicable

- (6) In case actual total energy generated by a Hydro Generating Station during a year is less than the Design Energy for reasons beyond the control of the Generating Company, the following treatment shall be applied on a rolling basis on an application filed by generating company:

- a) In case the energy shortfall occurs within ten years from the date of commercial operation of a generating station, the ECR for the year following the year of energy shortfall shall be computed based on the formula specified in sub-regulation (5) above with the modification that the DE for the year shall be considered as equal to the actual energy generated during the year of the shortfall, till the Energy Charge shortfall of the previous year has been made up, after which normal ECR shall be applicable;

Provided that in case actual generation from a hydro generating station is less than the design energy for a continuous period of 4 years on account of hydrology factor, the generating station shall approach CEA with relevant hydrology data for revision of design energy of the station.

- b) In case the energy shortfall occurs after ten years from the date of commercial operation of a generating station, the following shall apply:

Explanation: Suppose the specified annual Design Energy (DE) for the station is DE MWh, and the actual energy generated during the concerned (first) and the following (second) financial years is A1 and A2 MWh, respectively, A1 being less than DE. Then, the design energy to be considered in the formula in sub-regulation (5) above for calculating the ECR for the third financial year shall be moderated as $(A1 + A2 - DE)$ MWh, subject to a maximum of DE MWh and a minimum of A1 MWh.

- c) Actual energy generated (e.g. A1, A2) shall be arrived at by multiplying the net metered energy sent out from the station by $100 / (100 - AUX)$.
- (7) In case the Energy Charge Rate (ECR) for a hydro generating station, as computed above, exceeds ninety paise per kWh, and the actual saleable energy in a year exceeds $[DE \times (100 - AUX) \times (100 - PHHS) / 10000]$ MWh, the Energy Charge for the energy in excess of the above

shall be billed at ninety paise per kWh only.

Provided that in a year following a year in which total energy generated was less than the design energy for reasons beyond the control of the Generating Company, the Energy Charge Rate shall be reduced to ninety paise per kWh after the energy charge shortfall of the previous year has been made up.

- (6) The Uttarakhand State Load Dispatch Centre shall finalise the schedules for the hydro generating stations, in consultation with the beneficiaries, for optimal utilisation of all the energy declared to be available, which shall be scheduled for all beneficiaries in proportion to their respective allocations in the generating station.
- (7) The Uttarakhand State Load Dispatch Centre shall certify the declared capacity of the generating stations on daily basis and shall also issue a Certificate at the end of the year, validating the PAPY during the year, to the generating company.

51. Demonstration of declared capacity

- (1) The same shall be dealt in accordance with the Uttarakhand Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2017, as amended from time to time.

52. Scheduling

The methodology for scheduling and dispatch for the generating station shall be as specified in the Grid Code.

53. Metering and Accounting

The provisions of Uttarakhand Electricity Regulatory Commission (State Grid Code) Regulations, 2016 and Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006, as amended from time to time shall be applicable.

54. Billing and payment of Charges

Billing and payment of Charges shall be done on a monthly basis in the following manner:-

- (1) Billing and Payment of Annual Fixed Charges, Energy Charges and Incentive for Generating stations shall be done on a monthly basis subject to adjustments at the end of the year.
- (2) The Distribution Licensees and persons having power purchase agreement for firm power for more than one year shall pay the fixed/capacity charges in proportion to their percentage

share, allocation or contract in the installed capacity of a generating station.

- (3) If any capacity remains un-requisitioned in any period, full capacity charges shall be shared by the persons specified in sub-Regulation (2), subject to sub-Regulation (4).
- (4) If any capacity remains un-requisitioned in any period, the Generating Company shall be free to sell electricity to any person including a person outside the State and such person to whom electricity is sold shall also share the fixed/capacity charges in addition to persons mentioned in sub-Regulation (2) in proportion to the capacity utilized by each person.

55. Purchase of Electricity by the Generating station/Start up Power

- (1) Any person, who establishes, maintains and operates a generating station and normally does not need power from the licensee round the year, i.e. who is not a consumer of the licensee, may purchase electricity from any generating company or a distribution licensee in case his plant is not in a position to generate electricity to meet the its own requirement or for start up and consequently power is required to be drawn from distribution licensee.
- (2) In case of electricity generated from the plant is sold to the State Distribution Licensee, the electricity (in kWh) procured by the Generating Station from the State Distribution Licensee to meet its requirement of startup power, will be adjusted from the electricity sold to the Distribution Licensee. The Distribution Licensee shall make the payment for net energy sold to it by the Generating Company, i.e. difference of the total energy supplied by the Generating Company to the Distribution Licensee and energy supplied by the Distribution Licensee to the Generating Company.
- (3) In case of electricity generated from the plant is sold to third party other than the State Distribution Licensee, then such purchase of electricity by the generating company from the State distribution licensee, shall be charged as per the tariff determined by the Commission for temporary supply under appropriate "Rate Schedule of tariff" for Industrial Consumers considering maximum demand during the month as the contracted demand for that month. The Fixed/Demand charges for that month shall be payable for the number of days during which such supply is drawn. Such Generating Company shall, however, be exempted from payment of monthly minimum charges or monthly minimum consumption guarantee charges or any other charges.

PART - VI

TARIFF FOR TRANSMISSION

56. Applicability

The Regulations contained in this Part shall apply in determining tariffs for access to and use of the Intra-State Transmission System of a Transmission Licensee pursuant to a Bulk Power Transmission Agreement or other arrangement entered into by a Transmission System User with the Transmission Licensee.

Provided that the Commission may deviate from the norms contained in this Part or stipulate alternative norms for particular cases, where it so deems appropriate, having regard to the circumstances of the case:

Provided further that the reasons for such deviation shall be recorded in writing:

Provided further that in case of an existing transmission system, the Commission shall determine the tariffs having regard to the historical performance of such transmission system and on the basis of Business Plan and Multi Year Tariff Petition submitted by the Transmission Licensees at the beginning of the Control Period with reasonable opportunities for improvement in performance, if any.

The Commission shall be guided by the terms and conditions contained in this Part in specifying the rates, charges, terms and conditions for use of intervening transmission facilities pursuant to an application made in this regard by a Licensee under the proviso to Section 36 of the Electricity Act, 2003.

57. Annual Transmission Charges for each financial year of the Control Period

The Annual Transmission Charges for each financial year of the Control Period shall provide for the recovery of the Aggregate Revenue Requirement of the Transmission Licensees for the respective financial year of the Control Period, as reduced by the amount of non-tariff income, income from Other Business and short-term open access charges, as approved by the Commission and shall be computed in the following manner:

Aggregate Revenue Requirement, is the sum of:

- (a) Operation and maintenance expenses;
- (b) Loans Charges;

- (c) Interest and Finance Charges on loan capital;
- (d) Return on equity capital;
- (e) Income-tax;
- (f) Depreciation;
- (g) Interest on working capital and deposits from Transmission System Users; and Annual Transmission Charges of Transmission Licensee = Aggregate Revenue Requirement as above,

Minus:

- (h) Non-Tariff Income;
- (i) Short-Term Open Access Charges and
- (j) Income from Other Business to the extent specified in these Regulations.

Provided that in case of competitively awarded transmission system projects in pursuance of Section 63 of the Act and in accordance with the guidelines for competitive bidding for transmission, the Annual Transmission Charges shall be as per the Annual Transmission Service Charges (TSC) quoted by such competitively awarded transmission projects.

The Annual Transmission Charges of the Transmission Licensee shall be determined by the Commission on the basis of an application for determination of Aggregate Revenue Requirement or application for adoption of Annual Transmission Charges in case of competitively awarded transmission system project, as the case may be, made by the Transmission Licensee in accordance with Part - II of these Regulations.

58. Capital Investment Plan

- (1) The Transmission Licensee shall file a detailed capital investment plan, financing plan and physical targets for each financial year of the Control Period, as a part of Business Plan, for meeting the requirement of load growth, reduction in transmission losses, improvement in quality of supply, reliability, metering, reduction in congestion, etc. The capital investment plan along with the Business Plan should be filed at the beginning of the Control Period, detailing all aspects as specified in Regulation 8 contained in Part - II of these Regulations.
- (2) The investment plan shall be a least cost plan for undertaking investments on strengthening and augmentation of the intra-State transmission system for meeting the requirement of load growth, reduction in transmission losses, improvement in quality of supply, reliability,

metering, reduction in congestion, etc.

- (3) The investment plan shall cover all capital expenditure projects to be undertaken by the Transmission Licensee in the MYT Control Period and shall be in such form as may be stipulated by the Commission from time to time.
- (4) Separate prior approval of the Commission shall be required for all capital expenditure schemes of the value exceeding the ceiling specified by the Commission in the transmission license.
- (5) The investment plan shall be accompanied by such information, particulars and documents as may be required showing the need for the proposed investments, alternatives considered, cost/benefit analysis and other aspects that may have a bearing on the transmission charges. The investment plan shall also include capitalisation schedule and financing plan.
- (6) The Transmission Licensee shall submit, along with the MYT Petition or along with the Petition for Annual Performance Review, as the case may be, details showing the progress of capital expenditure projects, together with such other information, particulars or documents as the Commission may require for assessing such progress.
- (7) The Commission shall consider and approve the Transmission Licensee's capital investment plan, with modifications, if necessary. The costs corresponding to the approved investment plan of the Transmission Licensee for a given year shall be considered for its revenue requirement.

59. Capital Cost

- (1) Only such capital expenditure as is incurred or proposed to be incurred with the approval of the Commission, including that exempted from prior approval, as per the procedure specified in UERC (Conduct of Business) Regulations, 2014 shall be considered after prudence check for tariff purposes.
- (2) The final tariff shall be fixed based on the admitted capital expenditure of the transmission system and shall include capitalised initial spurs subject to a ceiling norms.
- (3) The provisions of Accounting Standards (AS10): Accounting for Fixed Assets of the Institute of Chartered Accountants of India/IAS16: Property, Plant and Equipment issued by the Accounting Standard Board, as amended from time to time, shall apply, to the extent not inconsistent with these Regulations, in determining the original cost of capital expenditure projects and/or original cost of fixed assets capitalised.

६०. Petition for determination of Transmission tariff

The Transmission Licensee may make an application for fixation of tariff for its Intra-State Transmission System in accordance with the historical performance of such transmission system and on the basis of Order of the Commission on the Business Plan Petition submitted as per Regulation 8, in such format and along with such information which the Commission may require from time to time, complying with provision of Part - II of these Regulations.

६१. Norms of Operation

The norms of operation, subject to modifications thereof from time to time, shall be as under:

(1) Auxiliary Energy Consumption in the sub-station**a. AC System**

The charges for auxiliary energy consumption in the AC sub-station for the purpose of air-conditioning, lighting, consumption, etc. shall be borne by the Transmission Licensee and shall be separately claimed by the licensee under the operation and maintenance expenses.

(2) Target Availability for recovery of full transmission charges**(a) AC System** : 99%

Note:

(a) *Recovery of fixed charges below the level of target availability shall be on pro-rata basis. At zero availability, no transmission charges shall be payable.*

(b) *The target availability shall be calculated in accordance with procedure specified in Appendix-IV to these Regulations and shall be certified by Uttarakhand State Load Dispatch Centre.*

Provided that no incentive shall be payable for availability beyond 99.75%.

Provided also that for AC system, two trippings per year shall be allowed. After two trippings in a year, additional 12 hours outage shall be considered in addition to the actual outage.

Provided also that in case of outage of a transmission element affecting evacuation of power from a generating station, outage hour shall be multiplied by a factor of 2.

६२. Operation and maintenance expenses

- (1) The O&M expenses for the first year of the Control Period will be approved by the 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 Commission.

- (2) The O&M expenses for the n th year and also for the year immediately preceding the Control Period, i.e. FY 2021-22, shall be approved based on the formula given below:-

$$O\&M_n = R\&M_n + E\&P_n + A\&G_n$$

Where -

- $O\&M_n$ - Operation and Maintenance expense for the n th year;
- $E\&P_n$ - Employee Costs for the n th year;
- $R\&M_n$ - Repair and Maintenance Costs for the n th year;
- $A\&G_n$ - Administrative and General Costs for the n th year;

- (3) The above components shall be computed in the manner specified below:-

$$E\&P_n = (E\&P_{n-1}) \times (1 + G_n) \times (1 + CPI_{inflation})$$

$$R\&M_n = K \times (GFA_{n-1}) \times (1 + WPI_{inflation}) \text{ and}$$

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

Where -

- $E\&P_{n-1}$ - Employee Costs for the $(n-1)$ th year;
- $A\&G_{n-1}$ - Administrative and General Costs for the $(n-1)$ th year;
- Provision: Cost for initiatives or other one-time expenses as proposed by the Transmission Licensee and approved by the Commission after prudence check.
- 'K' is a constant specified by the Commission in %. Value of K for each year of the Control Period shall be determined by the 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 Commission in past and any other factor considered appropriate by the Commission;
- $CPI_{inflation}$ - is the average increase in the Consumer Price Index (CPI) for immediately preceding three years;
- $WPI_{inflation}$ - is the average increase in the Wholesale Price Index (CPI) for immediately preceding three years;
- GFA_{n-1} - Gross Fixed Asset of the Transmission Licensee for the $n-1$ th year;
- G_n is a growth factor for the n th year and it can be greater than, or less than, zero

based on the actual performance. Value of Gs shall be determined by the 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 Commission feels appropriate.

Provided that repair and maintenance expenses determined shall be utilised towards repair and maintenance works only.

63. Non-Tariff Income

- (1) The amount of non-tariff income relating to the Transmission Business as approved by the Commission shall be deducted from the Aggregate Revenue Requirement in determining the Annual Transmission Charges of the Transmission Licensee:

Provided that the Transmission Licensee shall submit full details of his forecast of non-tariff income to the Commission in such form as may be stipulated by the Commission from time to time.

- (2) The indicative list of various heads to be considered for non tariff income shall be as under:

- (a) Income from rent on land or buildings;
- (b) Income from sale of scrap;
- (c) Income from statutory investments;
- (d) Interest on delayed or deferred payment on bills;
- (e) Interest on advances to suppliers/contractors;
- (f) Rental from staff quarters;
- (g) Rental from contractors;
- (h) Income from hire charges from contractors and others;
- (i) Income from advertisements, etc.;
- (j) Miscellaneous receipts;
- (k) Income based on physical verification;
- (l) Interest on investments, fixed and call deposits and bank balances;
- (m) Prior period income.

Provided that the interest earned from investments made out of Retain on Equity

corresponding to the regulated business of the Transmission Licensee shall not be included in Non-Tariff Income.

64. Income from Other Business

Where the Transmission Licensee is engaged in any Other Business under Section 41 of the Act, an amount equal to one-third of the revenues from such Other Business after deduction of all direct and indirect costs attributed to such Other Business shall be deducted from the Aggregate Revenue Requirement in calculating the Annual Transmission Charges of the Transmission Licensee.

Provided that the Transmission Licensee shall follow a reasonable basis for allocation of all joint and common costs between the Transmission Business and the Other Business and shall submit the Allocation Statement, duly audited and certified by the Statutory Auditor, to the Commission along with his application for determination of tariff.

Provided further that where the sum total of the direct and indirect costs of such Other Business exceed the revenues from such Other Business for whatever reasons, no amount shall be allowed to be added to the Aggregate Revenue Requirement of the Transmission Licensee on account of such Other Business.

65. Computation and Payment of Transmission Charge

- (1) The Annual Transmission Charges for the Transmission Licensee shall be determined, based on the norms as specified in these Regulations and recovered on monthly basis as transmission charge from the users who shall share the Transmission Charge in proportion of the allotted transmission capacity.

Provided that the charges payable by the Transmission System Users may also take into consideration factors such as voltage, distance, direction, quantum of flow and time of use, as may be specified by the Commission in its order.

- (2) The transmission charge (inclusive of incentive) payable for AC System or part thereof for a calendar month shall be computed in accordance with the following equation:
 - (a) For TAFM $\leq$ 98%
 $ATC \times (NDM/NDY) \times (TAFM/98\%)$
 - (b) For TAFM: $98\% < TAFM \leq 98.5\%$
 $ATC \times (NDM/NDY) \times (1)$
 - (c) For TAFM: $98.5\% < TAFM \leq 99.75\%$

$$ATC \times (NDM/NDY) \times (TAFM/98.5\%)$$

(d) For TAFM : $\geq 98.75\%$

$$ATC \times (NDM/NDY) \times (98.75\% / 98.5\%)$$

Where

- ATC = Annual transmission charges specified for the year, in Rupees.
 - NATAF = Normative annual transmission availability factor, in percent.
 - NDM = Number of days in the month.
 - NDY = Number of days in the year.
 - TAFM = Transmission system availability factor for the month, in Percent, computed in accordance with Appendix - IV.
- (3) The monthly Transmission Tariff as determined by the Commission as per sub- Regulation (7) above shall be shared by all long-term and medium-term open access customers on monthly basis (including existing Distribution Licensees) in the ratio of their allotted capacity.
- (4) The transmission licensee shall raise the bill for the transmission charges (inclusive of incentive) for a month based on its estimate of TAFM. Adjustments, if any, shall be made on the basis of the TAFM to be certified by the SLDC within 30 days from the last day of the relevant month.
- (5) The transmission charges shall be calculated separately for part of the transmission system having different NATAF, and aggregated thereafter, according to their sharing by the long term transmission customers/TOCs.

66. Open Access Transactions

All the matters related to Open Access Transactions shall be dealt in accordance with Uttarakhand Electricity Regulatory Commission (Terms and Conditions for Intra-State Open Access) Regulations, 2015 as applicable and as amended from time to time.

67. Transmission losses

The energy losses in the transmission system of the Transmission Licensee, as determined by the State Load Dispatch Centre and approved by the Commission, shall be borne by the Transmission System Users pro-rata to their usage of the Intra-State transmission system:

Provided that the Commission may stipulate a trajectory for reduction of transmission losses in accordance with Regulation 9, as a part of Multi Year Tariff framework applicable to the Transmission Licensee.

PART - VII

TARIFF FOR DISTRIBUTION RETAIL SUPPLY

68. Applicability

- (1) These Regulations shall apply for determination of tariff for retail sale of electricity by a Distribution Licensee to its consumers:

Provided that Wheeling charges and distribution losses payable to Distribution Licensee, by an open access customer for usage of its system shall be determined in accordance with UERC Intra-State Open Access Regulations as applicable and as amended from time to time.

69. Aggregate Revenue Requirement for each Financial Year of the Control Period

- (1) The total annual expenses and return on equity of the Distribution Licensee for each financial year of the Control Period shall be worked out on the basis of expenses and return allowed in terms of these Regulations.
- (2) The retail supply tariff of a Distribution Licensee for each financial year of the Control Period shall provide for recovery of the Aggregate Revenue Requirement of the Distribution Licensee for each financial year of the Control Period, as reduced by the amount of non-tariff income, income from wheeling in respect of open access customers, income from Other Business and receipts on account of cross-subsidy surcharge and additional surcharge for the relevant financial year, as approved by the Commission, and subsidy from the State Government for that financial year, if any, and shall comprise of the following:
- Cost of power purchase;
 - Transmission charges;
 - System Operation Charges, i.e. fee and Charges paid to NLDC/RLDC/SLDC;
 - Interest and Finance charges on Loan Capital and on consumer security deposit;
 - Depreciation, including and amortisation of intangible assets;
 - Lease Charges

- (g) Operation and Maintenance expenses;
 - (h) Interest on working capital; and
 - (i) Return on equity capital;
 - (j) Income-tax;
 - (k) Provision for Bad and doubtful debts.
- (7) Net Revenue Requirement from sale of electricity = Aggregate Revenue Requirement, as above, minus:
- (a) Non-tariff income;
 - (b) Income from wheeling charges received from open access customers;
 - (c) Income from Other Business, to the extent specified in these Regulations;
 - (d) Receipts from cross-subsidy surcharge from open access consumers; and
 - (e) Receipts from additional surcharge on charges of wheeling from open access consumers.
 - (f) Any revenue subsidy or grant received from the State Government other than the subsidy under Section 45 of the Electricity Act, 2003.

70. Business Plan

- (1) Each Distribution Licensee shall submit a Business Plan by November 30, 2021, for the Control Period of three (3) financial years from April 1, 2021 to March 31, 2023 with full details as stipulated by the Commission from time to time and in the manner specified in Regulation 8 contained in Part II of these Regulations.
- (2) The Business Plan shall comprise among other details capital investment plan, financing plan and physical targets in accordance with guidelines and formats, as may be stipulated by the Commission from time to time.

71. Capital Investment Plan

- (1) The Distribution Licensee shall file a detailed capital investment plan, financing plan and physical targets for each financial year of the Control Period, for meeting the requirement of load growth, reduction in distribution losses, improvement in quality of supply, reliability, metering, consumer services, etc. to the Commission for approval as a part of Business Plan. The capital investment plan should be filed at the beginning of the Control Period.

- (2) The investment plan shall be a least cost plan for undertaking investments on strengthening and augmentation of the distribution system for meeting the requirement of load growth, reduction in distribution losses, improvement in quality of supply, reliability, metering, etc.
- (3) The investment plan shall cover all capital expenditure projects to be undertaken by the Distribution Licensee in the Control Period and shall be in such form as may be stipulated by the Commission from time to time.
- (4) The prior approval of the Commission shall be required for all capital expenditure schemes of the value exceeding the ceiling specified by the Commission in the distribution license.
- (5) The investment plan shall be accompanied by such information, particulars and documents as may be required showing the need for the proposed investments, alternatives considered, cost/benefit analysis and other aspects that may have a bearing on the wheeling tariff and retail tariffs. The investment plan shall also include capitalisation schedule and financing plan.
- (6) The Distribution Licensee shall submit, along with the MYT Petition or along with the application for Annual Performance Review, details showing the progress of capital expenditure projects, together with such other information, particulars or documents as the Commission may require for assessing such progress.

72. Power procurement guidelines

- (1) The Distribution Licensee shall undertake its power procurement during the year in accordance with the power procurement plan for the Control Period, which may include long-term, medium-term and short-term power procurement, approved by the Commission in accordance with these Regulations.
- (2) Distribution Licensee shall follow the guidelines contained in this Part with respect to
 - a) Procurement of power under any arrangement or agreement with a term or duration exceeding seven (7) years (i.e., long-term power procurement);
 - b) Procurement of power under any arrangement or agreement with a term or duration exceeding one (1) year but not exceeding seven years (i.e., medium-term power procurement); and
 - c) Procurement of power under any arrangement or agreement with a term or duration less than or equal to one (1) year (i.e., short-term power procurement).

73. Power procurement plan

- (1) The Distribution Licensee shall prepare a plan for procurement of power to serve the demand for electricity in its area of supply and submit such plan to the Commission for approval.

Provided that such power procurement plan shall be submitted for the fourth Control Period commencing on April 1, 2022.

Provided further that the power procurement plan, approved as a part of the Business Plan, shall be submitted along with the application for determination of tariff.

Provided that the power procurement plan submitted by the Distribution Licensee may include long-term, medium-term and short-term power procurement sources of power, in accordance with these Regulations. However, the distribution licensee should as far as possible, not plan for short-term purchases except for conditions specified in Regulations 75 and should endeavor to meet its requirement from long term and medium term power procurement and make a plan accordingly.

- (2) The power procurement plan of the Distribution Licensee shall comprise of the following:

- A quantitative forecast of the unrestricted demand for electricity for each tariff category, within its area of supply over the Control Period;
- An estimate of the quantities of electricity supply from the identified sources of generation and power purchase;
- An estimate of availability of power to meet the base load and Peak load requirement.

Provided that estimate should be monthly estimation of demand and supply expressed both in Mega-Watt (MW) as well as in Million Units (MU).

- Standards to be maintained with regard to quality and reliability of supply, in accordance with the UERC (Standards of Performance) Regulations, 2007, as amended from time to time;
- Measures proposed to be implemented as regards energy conservation and energy efficiency;
- The requirement for new sources of power generation and/or procurement, including augmentation of generation capacity and identified new sources of supply, based on (a) to (d) above;
- The plan for procurement of power including quantities and cost estimates for such

procurement:

Provided that the forecast/estimate contained in the long-term procurement plan shall be separately stated for peak and off-peak periods, in terms of quantities of power to be procured (in millions of units of electricity) and maximum demand (in MW / MVA):

Provided further that the forecasts/estimates shall be prepared for each month of the Control Period:

Provided also that the long-term procurement plan shall be a cost-effective plan based on available information regarding costs of various sources of supply.

- h) Short-term power procurement proposed shall be in accordance with Regulation 75 of these Regulations.

- (3) The forecasts/estimates shall be prepared using forecasting techniques based on past data and reasonable assumptions regarding the future:

Provided that the forecasts/estimates shall take into account factors such as overall economic growth, consumption growth of electricity-intensive sectors, advent of competition in the electricity industry, trends in captive power, impact of loss reduction initiatives, improvement in Generating Station Plant Load Factors and other relevant factors.

- (4) Where the Commission has stipulated a percentage of the total consumption of electricity in the area of a Distribution Licensee to be purchased from co-generation and renewable sources of energy, the power procurement plan of such Distribution Licensee shall include the plan for procurement from such sources at least upto the stipulated level.

- (5) The Distribution Licensee shall be required to forward a copy of the power procurement plan to the State Transmission Utility for verification of its consistency with the transmission system plan for the intra-State transmission system:

Provided that the Distribution Licensee may also consult the State Transmission Utility at the time of preparation of the power procurement plan to ensure consistency of such plan with the transmission system plan.

- (6) The Distribution Licensee may, as a result of additional information not previously known or available to him at the time of submission of the procurement plan under sub-Regulation (1) above, apply for a modification in the power procurement plan, for the remainder of the Control Period, as part of the application for Annual Performance Review:

- (7) The Commission may, as a result of additional information not previously known or

available to the Commission at the time of submission of the procurement plan under sub-Regulation (1) above, if it so deems, either on suo motu basis or on an application made by any interested or affected party, modify the procurement plan of the Distribution Licensee for the remainder of the Control Period, as part of the Annual Performance Review.

- (5) The Commission shall review the power procurement plan of the Distribution Licensee, or any proposed modification thereto, and upon such review being completed, the Commission shall either-
- a) issue an order approving the power procurement plan, or modifications thereto, subject to such modifications and conditions as it may deem appropriate; or
 - b) Reject the power procurement plan or application for modification thereto, for reasons recorded in writing, if such plan is not in accordance with the guidelines contained in this Part, and direct the Distribution Licensee to submit a revised plan based on such considerations as it may specify;

Provided that the Distribution Licensee shall be given reasonable opportunity of being heard before rejecting its power procurement plan.

74. Approval of power purchase agreement/arrangement

- (1) Every agreement or arrangement for power procurement by a Distribution Licensee from a Generating Company or Licensee or from other source of supply entered into after the date of effectiveness of these Regulations shall come into effect only with the prior approval of the Commission:

Provided that the prior approval of the Commission shall be required in respect of any agreement or arrangement for power procurement by the Distribution Licensee from a Generating Company or Licensee or from any other source of supply on a standby basis:

Provided further that the prior approval of the Commission shall also be required for any change to an existing arrangement or agreement for power procurement, whether or not such existing arrangement or agreement was approved by the Commission.

- (2) The Commission shall review an application for approval of power procurement agreement/arrangement having regard to the approved power procurement plan of the Distribution Licensee and the following factors:
- a) Requirement for power procurement under the approved power procurement plan;

- b) Adherence to a transparent process of bidding in accordance with guidelines issued by the Central Government;
- c) Adherence to the terms and conditions for determination of tariff specified under these Regulations where the process specified in (b) above has not been adopted;
- d) Availability (or expected availability) of capacity in the intra-State transmission system for evacuation and supply of power procured under the agreement/arrangement;
- e) Need to promote co-generation and generation of electricity from renewable sources of energy.

75. Additional Short-term power procurement

- (1) The Distribution Licensee can undertake additional short-term power procurement during the year, over and above the power procurement plan for the Control Period approved by the Commission, in accordance with this Regulation.

- (2) Where there has been a shortfall or failure in the supply of electricity from any approved source of supply during the financial year, the Distribution Licensee may enter into additional short-term arrangement or agreement for procurement of power (short-term means upto period of one year):

Provided that if the total power purchase cost or quantum for any block of six months including such short-term power procurement exceeds 105% of the power purchase cost or quantum as approved by the Commission for the respective block of six months, the Distribution Licensee shall have to obtain prior approval of the Commission;

- (3) Where the Distribution Licensee has identified a new short-term source of supply from which power can be procured at a tariff that reduces its approved total power procurement cost, the Distribution Licensee may enter into a short-term power procurement agreement or arrangement with such supplier without the prior approval of the Commission.
- (4) The Distribution Licensee may enter into a short-term arrangement or agreement for procurement of power without the prior approval of the Commission when faced with emergency conditions that threaten the stability of the distribution system or when directed to do so by the State Load Dispatch Centre to prevent grid failure.
- (5) Within fifteen (15) days from the date of entering into an agreement or arrangement for short-term power procurement for which prior approval is not required, the Distribution Licensee shall provide the Commission, full details of such agreement or arrangement, including

quantity, tariff calculations, duration, supplier details, method for supplier selection and such other details as the Commission may require with regard to such agreement/arrangement to assess that the conditions specified in this Regulation have been complied with:

Provided that where the Commission has reasonable grounds to believe that the arrangement or agreement entered into by the Distribution Licensee does not meet the criteria specified in sub-Regulation (2) to sub-Regulation (4) above, the Commission may disallow any increase in the total cost of power procurement (net of additional revenue) over the approved level arising therefrom or any loss incurred by the Distribution Licensee as a result, from being passed through to consumers.

- (6) Subject to the cases specified in sub-Regulation (2) to sub-Regulation (4) above, where the Distribution Licensee enters into any agreement or arrangement for short-term power procurement without the approval of the Commission, any increase in the total cost of power procurement (net of additional revenue) over the approved level arising therefrom shall be deemed to be a variation in performance attributable entirely to controllable factors.

76. Petition for determination of Distribution Retail Supply Tariff

- (1) A Distribution Licensee shall make a petition for determination of retail tariff complying with the provisions of Part II of these Regulations.
- (2) A tariff petition filed by the Distribution Licensee for determination of tariff for the ensuing year shall contain data for the base year, actual and estimated data for the present year, and forecasts and targets for all the years of the Control Period based on the Distribution Licensee's business plan and principles contained in these Regulations.
- (3) The Commission shall determine Aggregate Revenue Requirement of a Distribution Licensee on MYT principles as laid down in these Regulations, for the Control Period specified under these Regulations.

77. Sales Forecast

- (1) Considering the importance of capturing seasonal variation, Monthly Sales Forecast for the Control Period shall be done in respect of each consumer category/sub-category and to each tariff slab within such consumer category/sub-category, based on the past trends, as far as possible and shall be submitted to the Commission for approval along with the Business Plan. Suitable adjustments shall be made to reflect the effect of known and measurable changes with respect to number of consumers, the connected load and the energy

consumption, thereby removing any abnormality in the past data.

Provided that where the Commission has stipulated a methodology for forecasting sales in any particular tariff category, the Distribution Licensee shall incorporate such methodology in developing the sales forecast for such tariff category.

- (2) The sales forecast shall be consistent with the load forecast prepared as part of the long-term power procurement plan submitted as a part of Business Plan under these Regulations and shall be based on past data and reasonable assumptions regarding the future.
- (3) The Commission shall examine the forecasts for reasonableness based on growth in number of consumers, the connected load and the energy consumption in previous years and anticipated growth in the next year and any other factor, which the Commission may consider relevant and approve the projected sale of electricity to consumers with such modifications as deemed fit.

78. Monitoring of sale of electricity to consumers

- (1) On the basis of approved sales forecast, the Distribution Licensee shall work out the requirement of monthly sales to different consumer categories, taking into account seasonal variations in demand during the year.
- (2) The Distribution Licensee shall monitor the sales to different consumer categories and ensure that sale to any category of consumer is not unduly restricted.
- (3) The Distribution Licensee shall submit monthly reports to the Commission regarding sale of electricity to different consumer categories.

79. Distribution losses

- (1) Energy loss in the distribution system shall be called Distribution Loss.
- (2) Distribution Loss above and up to a particular voltage level shall be calculated as the difference between the energy initially injected into the distribution system and the sum of energy sold up to that level and energy delivered to next voltage level.

% Distribution Loss above and up to a particular voltage level shall be expressed in terms of Distribution Loss up to that level as a percentage of the energy initially injected into the distribution system.

- (3) The Commission may require information on Circle-wise/Division-wise and/or month-wise Distribution loss calculation.

- (6) To substantiate the Distribution Loss calculations, the Commission may require the Distribution Licensee to conduct proper and reliable energy audit.
- (5) The Distribution Licensee shall also propose voltage-wise losses for each year of the Control Period for the determination of voltage-wise cost of supply. The Commission shall examine the filings made by the licensee for the distribution loss trajectory for each year of the Control Period and approve the same with modification as it may consider necessary.
- (6) The Commission may ask Distribution Licensee to submit detailed information on voltage-wise Distribution Losses segregating them into Technical loss (i.e. Ohmic/Cores loss in the lines, substations and equipment) and Commercial Loss (i.e. unaccounted energy due to metering inaccuracies/inadequacies, pilferage of energy, etc.). The Commission shall examine the filings made by the Distribution Licensee in respect of distribution loss (segregated into technical loss and commercial loss) and approve the same with modification, as it may consider necessary.
- (7) The Commission may fix targets, both long term and short term, for each year of Control Period for loss reduction to bring down the Distribution loss levels (both technical and commercial) gradually to acceptable norms of efficiency.

80. Availability of Power

- (1) For the tariff year, monthly availability of power shall be ascertained on the basis of the following:
 - i. From Central/State Sector Generating Stations
 - (a) Distribution Licensee's share in the allocated and unallocated capacity in the Central/State Sector Generating Stations;
 - (b) Likely availability of energy from each generating station based on projections given by the generators and the historical data of supply from the generators; or
 - (c) The PLF/Generation targets for the Station fixed by Central Electricity Authority; or
 - (d) The historical performance of the Station adjusted for any planned maintenance or shut-downs.
 - ii. From other sources:
 - (a) Distribution Licensee's banking arrangement with any other Distribution Licensee.

Board or Trading Licensee.

- (b) Distribution Licensee's agreement with any other Distribution Licensee, Board, Generating Company or Trading Licensee regarding purchase of power.
- (2) The distribution licensee shall also include its yearly requirement of the Renewable Purchase Obligation as specified by the Commission in its UERC (Tariff and Other Terms for Supply of Electricity from Renewable Energy Sources and non-fossil fuel based Co-generating Stations) Regulations, 2018 as amended from time to time, and measures to ensure compliance of its RPO for the Control Period.

81. Power Purchase Cost

- (1) The power purchase/banking/trading agreements as approved by the Commission shall be considered to determine the power purchase cost of the distribution licensee.
- (2) For the Control Period, the Distribution Licensee's requirement of power purchase for sale to its consumers shall be estimated based on the sales forecast, the transmission loss and target distribution loss level for the Control Period.
- (3) For the Control Period, the cost of electricity procured from State Generating Stations shall be determined based on tariffs approved by the Commission for purchase of electricity from such generating Station and that of electricity procured from Central Sector Generating Station shall be determined based on tariffs approved by the Central Electricity Regulatory Commission for such Generating Stations. The cost of energy from other sources shall be as per the power purchase/banking/trading agreements as may be approved by the Commission.
- (4) For different years under the Control Period, the power purchase cost of Distribution Licensee's shall be estimated on the basis of merit order principle. All power purchase costs will be considered legitimate unless it is established that the merit order principle has been materially violated or power has been purchased at unreasonable rates.
- (5) For determining the total power purchase cost of the Distribution Licensee for different years of the Control Period, the Commission shall also consider the renewable purchase obligation of the Distribution Licensee and the tariffs determined by the Commission for different types of renewable sources under relevant regulations/orders.
- (6) While the inter-state transmission charges shall be estimated as per orders of the Central Electricity Regulatory Commission, the intra-state transmission charges shall be estimated in

accordance with the transmission tariffs approved by the Commission, from time to time. Further, load despatch charges payable to System Operators (National Load Despatch Centre, Regional Load Despatch Centre, State Load Despatch Centre etc.) for availing load despatch services shall be estimated in accordance with the Fee & Charges approved by the Appropriate Commission, from time to time. SLDC charges paid for energy sold outside the State shall not be considered as expenses for determining tariff.

82. Variation in Power Purchase

- (1) Any power purchased by Distribution Licensee over and above the requirement of power approved by the Commission or variation in the mix of power purchased in any year shall be considered by the Commission if it is for reasons beyond the reasonable control of the Distribution Licensee and the resultant financial loss or gain shall be adjusted in next year's tariff.

83. Fuel Charge Adjustment (FCA)

- (1) The FCA charge shall be applicable on the entire sale of the Distribution Licensee without any exemption to any consumer.
- (2) The FCA charge shall be computed and charged on the basis of actual variation in fuel costs relating to power generated from own generation stations and power procured during any month subsequent to such costs being incurred, in accordance with these Regulations, and shall not be computed on the basis of estimated or expected variations in fuel costs.
- (3) The FCA charge for the quarter shall be computed within 15 days of quarter end and shall be charged for the quarter from the first month of second quarter itself, without prior approval of the Commission and under or over recovery shall be carried forward to the next quarter.
- (4) The Distribution Licensee shall submit the details of the fuel cost incurred and to be charged or refunded to all the consumers for the entire quarter, along with the detailed computations and supporting documents as may be required for verification by the Commission within 30 days of the end of quarter for post facto approval of the Commission.
- (5) The Commission shall examine the FCA computations and approve the same with modifications, if required before the end of second quarter. Any variation in FCA charged or refunded by the Distribution Licensee and FCA approved by the Commission will be adjusted in subsequent quarter's FCA computations.

- (6) In case the Distribution Licensee is found guilty of charging unjustified FCA charge to the consumers on regular basis, the Commission shall adjust the unjustified charges along with interest on the same.
- (7) The Distribution Licensee shall upgrade the billing and IT systems to incorporate FCA charge as a component in tariff design.
- (8) The formula for calculation of the FCA shall be as given under:

$$FCA \text{ (Rs. Crone)} = C + B,$$

Where

FCA = Fuel Cost Adjustment

C = Change in cost of own generation and power purchase due to the variation in the fuel cost,

B = Adjustment factor for over-recovery / under-recovery for previous quarter

$$C \text{ (Rs. Crone)} = AC_{own} + AF_{CPE}$$

Where

AC_{own} : Change in fuel cost of own generation. This would be computed based on the norms and directives of the Commission, including heat rate, auxiliary consumption, generation and power purchase mix, etc.

AF_{CPE} : Change in energy charges of power procured from other sources. This charge would be allowed to the extent it satisfies the criteria prescribed in these Regulations and the prevailing tariff order, and subject to applicable norms.

- (9) The FCA charge for any category shall not exceed 10% of the base energy charge for respective category, or such other ceiling as may be stipulated by the Commission from time to time:

Provided that any excess in the FCA charge over the above ceiling shall be carried forward by the Distribution Licensee and shall be recovered over such future period as may be directed by the Commission.

- (10) Calculation of FCA charge shall be as per the following formula:

$$\text{Average FCA Charge (Rs/kWh)} = \{FCA / (\text{Estimated sales within the State for the next quarter as approved by the Commission in the Tariff Order})\}^{10}.$$

- (11) Category wise PCA Charge (Rs./kWh) shall be calculated as per the following formula:

Average Billing Rate (ABR) of Consumer Category (in Rs./kWh) as approved in Tariff Order for the year/Average Billing Rate (ABR) of Distribution Licensees (in Rs./kWh) as approved in Tariff Order for the year $\times$ Average PCA (in Rs./kWh).

64. Operation and Maintenance Expenses

- (1) The O&M expenses for the first year of the Control Period shall be approved by the 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 Commission.
- (2) The O&M expenses for the n th year and also for the year immediately preceding the Control Period, i.e. 2021-22, shall be approved based on the formula given below:-

$$O\&M_n = E\&M_n + E\&M^n + A\&G_n$$

Where -

- $O\&M_n$ - Operation and Maintenance expense for the n th year;
- $E\&M^n$ - Employee Costs for the n th year;
- $R\&M_n$ - Repair and Maintenance Costs for the n th year;
- $A\&G_n$ - Administrative and General Costs for the n th year;

- (3) The above components shall be computed in the manner specified below:

$$E\&M^n = (E\&M^{n-1}) \times (1+G_n) \times (1+CP\text{inflation})$$

$$R\&M_n = K \times (CFA\ n-1) \times (1+WP\text{inflation}) \text{ and}$$

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

Where -

- $E\&M^{n-1}$ - Employee Costs for the $(n-1)$ th year;
- $A\&G_{n-1}$ - Administrative and General Costs for the $(n-1)$ th year;

Provision: Cost for initiatives or other one-time expenses as proposed by the Distribution Licensee and validated by the Commission.

- 'K' is a constant specified by the Commission in %. Value of K for each year of the control period shall be determined by the Commission in the MYT Tariff order based on licensee's filing, benchmarking of repair and maintenance expenses, approved repair

and maintenance expenses vis-à-vis GFA approved by the Commission in past and any other factor considered appropriate by the Commission;

- CPIinflation - is the average increase in the Consumer Price Index (CPI) for immediately preceding three years;
- WPIinflation - is the average increase in the Wholesale Price Index (WPI) for immediately preceding three years;
- GFAn-1 - Gross Fixed Asset of the distribution licensee for the n-1th year;
- Gn is a growth factor for the nth year and it can be greater than or less than zero based on the actual performance. Value of Gn shall be determined by the Commission in the MYT tariff order for meeting the additional manpower requirement based on licensee's filings, benchmarking, and any other factor that the Commission feels appropriate.

Provided that repair and maintenance expenses determined shall be utilised towards repair and maintenance works only.

Provided further that, repair and maintenance expenses for IT related assets and non-IT related assets shall be computed separately under these Regulations if the distribution utility maintains separate record of assets wise detail of R&M expenses claimed under these Regulations.

83. Non-Tariff Income

The amount of non-tariff income relating to the Distribution Business and/or the Retail Supply Business as approved by the Commission shall be deducted from the Aggregate Revenue Requirement in calculating the revenue requirement from retail sale of electricity of the Distribution Licensee:

Provided that the Distribution Licensee shall submit full details of his forecast of non-tariff income to the Commission along with his application for determination of tariff.

The indicative list of various heads to be considered for Non-Tariff Income shall be as under:

- (a) Income from rent of land or buildings;
- (b) Income from sale of scrap;
- (c) Delayed Payment Surcharge;
- (d) Rebates for timely payment of bills;

- (v) Income from statutory investments;
- (f) Interest on delayed or deferred payment on bill;
- (g) Interest on advances to suppliers/contractors;
- (h) Rental from staff quarters;
- (i) Rental from contractors;
- (j) Income from hire charges from contractors and others;
- (k) Income from advertisements, etc.;
- (l) Miscellaneous receipts;
- (m) Interest on advances to suppliers;
- (n) Excess found on physical verification;
- (o) Prior period income (net of prior period expenses).

६६. Income from Wheeling Charges

The amount of any income from Wheeling Charges, as approved by the Commission, in accordance with the UERC (Terms & Conditions of Intra-State Open Access) Regulations, 2015, as amended from time to time, shall be deducted from the Aggregate Revenue Requirement in calculating the revenue requirement from retail sale of electricity of the Distribution Licensee.

६७. Income from Other Business

Where the Distribution Licensee has engaged in any Other Business, an amount equal to one-third of the revenues from such Other Business after deduction of all direct and indirect costs attributed to such Other Business shall be deducted from the Aggregate Revenue Requirement in calculating the revenue requirement from retail sale of electricity of the Distribution Licensee.

Provided that the Distribution Licensee shall follow a reasonable basis for allocation of all joint and common costs between the Distribution Business and the Other Business and shall submit the Allocation Statement, duly audited and certified by statutory auditors, to the Commission along with his application for determination of tariff.

Provided further that once the Commission notifies the Regulations for submission of Regulatory Accounts, the applications for tariff determination and bring up shall be based on the Regulatory Accounts.

Provided further that where the sum total of the direct and indirect costs of such Other Business

owned the revenues from such Other Business or for any other reason, no amount shall be allowed to be added to the Aggregate Revenue Requirement of the Distribution Licensee on account of such Other Business.

88. Receipts on account of cross-subsidy surcharge and additional surcharge

- (1) The amount received by the Distribution Licensee by way of cross-subsidy surcharge, as approved by the Commission in accordance with the UERC Intra-State Open Access Regulations as amended from time to time, shall be deducted from the Aggregate Revenue Requirement in calculating the revenue requirement from retail sale of electricity of such Distribution Licensee.
- (2) The amount received by the Distribution Licensee by way of additional surcharge, from consumers of such Distribution Licensee who have chosen to receive supply of electricity from a Generating Company or Licensee other than such Distribution Licensee, as approved by the Commission in accordance with the UERC Intra-State Open Access Regulations as amended from time to time, shall be deducted from the Aggregate Revenue Requirement in calculating the revenue requirement from retail sale of electricity of such Distribution Licensee.

89. State Government Subsidy

- (1) In case the State Government declares subsidy under Section 65 of Electricity Act, 2003 for certain categories of consumers in advance or during tariff filing proceedings, the Commission shall notify two tariff schedules, one with subsidy and other without subsidy.
- (2) In case the State Government declares subsidy for certain categories of consumers after issuance of Tariff Order, the Licensee shall incorporate the same in the tariff and submit the revised Tariff Schedule for approval of the Commission.

Provided that the Government's subsidy provided for or declared shall be supported by documentary evidence of time schedule of payment, mode of payment of the subsidy and categorization of the subsidy amount into subsidized categories.

- (3) In case of non-disbursement or delayed disbursement of subsidy by the Government, the Licensee shall charge the consumers as per the tariff schedule which is approved by the Commission without Government Subsidy.

90. Revenue at existing Tariff

- (1) Revenue from supply of electricity to consumers shall be assessed based on current tariff applicable to different category of consumers and the quantity of electricity estimated to be sold to them.
- (2) For the tariff year, the difference between the Net ABR and the Forecasted Revenue at prevailing tariff shall be called the Revenue Gap.
- (3) The revenue gap shall be bridged by measures such as improvements in efficiency, utilisation of reserves, tariff changes, etc. as may be approved by the Commission.

91. Cost of Supply

The tariffs for various categories/voltages shall be benchmarked with and shall progressively reflect the cost of supply based on costs that are prudently incurred by the Distribution Licensee in its operations. The category-wise/voltage-wise cost to supply may factor in such characteristics as the load factor, voltage, extent of technical and commercial losses etc. The consumers availing electricity at higher voltage shall be entitled to receive suitable rebate, as stipulated by the Commission. However, pending the availability of information that reasonably establishes the category wise/voltage-wise cost to supply, average cost of supply shall be used as the benchmark for determining tariffs.

92. Determination of Retail Supply Tariff

- (1) While determining tariff for retail supply of electricity, the Commission shall be guided by the provisions of Section 61 and 62 of the Act.
- (2) The Commission, shall not, while determining the tariff, show undue preference to any consumer of electricity but may differentiate according to consumer's load factor, voltage, total consumption of electricity during any specified period or time at which the supply is required or the geographical position of any area, the nature of supply and the purpose for which the supply is required.
- (3) The Distribution Licensee in the tariff petition shall propose the suitable tariff structure for different category of consumers. The Distribution Licensee may further propose KVArh/TaD based tariffs for categories considered appropriate by it for such implementation.
- (4) The Commission may merge categories and sub categories to evolve a simple, easy to comprehend and logical tariff structure.

93. Performance of Distribution Licensee

- (1) The Distribution licensee shall conduct its system and operations in conformity and adherence to the Supply Code & Distribution Code.
- (2) The quality of service provided by the Distribution Licensee to its consumers shall be an important consideration and shall be judged by the extent of adherence by the Distribution Licensee to the Standards of Performance laid down by the Commission.
- (3) The Commission may by a separate order, lay down long term targets for technical improvement of the distribution system like supply availability, wtee availability, reduction in transformer failure rate, reduction in voltage imbalance, reduction in non-working/defective meters, etc.

PART - IX**SLDC CHARGES****94. Applicability**

The Regulations in this part shall apply to the users of Intra-State transmission system (i.e. Generating Companies, Licensees (i.e. Transmission, Distribution & Trading Companies) and Open Access Customers), who are monitored/served by the State Load Dispatch Centre (SLDC) and utilized for determination of Fees and Charges to be collected by the SLDC.

95. Application for Registration with SLDC

- (1) Each of the users of intra-State transmission system, i.e. all generating stations, distribution licensees, intra-State transmission licensees, traders and the buyers and sellers intending to avail the Grid Access, shall register themselves with the SLDC, within a month of coming into force of these Regulations, by filing an application to the SLDC along with the fee of Rs. 10,000 (Rupees Ten Thousand only) or such amended fees as may be decided by the Commission from time to time.

Provided that the generating companies, licensees, buyers and sellers who have been registered as per then prevalent Uttarakhand Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2011, 2013 and 2018 shall be deemed to have been registered with the SLDC, under these Regulations and they shall not be required to pay the registration fee as required under Sub-Regulation (1) above.

- (2) The new users of intra-State transmission system coming under the purview of SLDC, shall submit an application to the SLDC, at least one month before the proposed date of connection to the Intra-State transmission system, along with the above-mentioned fee.
- (3) After being satisfied with the completeness and correctness of the information furnished in the application, the SLDC, shall register the application in its records and duly intimate the applicant regarding such registration.
- (4) The SLDC shall maintain consolidated information about all the users connected to the Intra-State transmission system and being monitored / serviced by it, on a separate web-page on their web-site.

56. Petition for determination of SLDC Charges

- (1) The SLDC shall provide to the Commission, full details of its calculations of its Aggregate Revenue Requirement for the ensuing financial year, not later than four months before the commencement of the said ensuing Year.
- (2) The total annual expenses and return on equity of the SLDC for each financial year of the Control Period shall be worked out on the basis of expenses and return allowed in terms of these Regulations.
- (3) The SLDC shall also file the proposed allocation of charges to all the users of Intra State Transmission System being monitored and serviced by it in line with these Regulations. SLDC shall further forward a copy of its petition for determination of Aggregate Revenue Requirement along with the proposal for allocation of charges to all the users of Intra State Transmission System being monitored and serviced by it.
- (4) The SLDC shall provide the details of calculation of the expenses and other related information in the formats as specified by the Commission from time to time.
- (5) The SLDC shall also furnish the details of capital investment plan for the Control Period. For capital investment schemes exceeding the amount specified by the Commission, approval of the Commission shall be obtained in respect of each of such schemes prior to commencement of works.
- (6) The Aggregate Revenue Requirement and other details filed by the SLDC shall be scrutinised and as a result of such scrutiny, the Commission may call for such further information and clarification as may be required.
- (7) Based on the information furnished by SLDC and after due examination, scrutiny and

consultation process, the Commission will approve the Aggregate Revenue Requirement covering the expenses of the SLDC and determine the SLDC Charges.

- (8) In the event of non-revision of SLDC charges during any year, any variation (shortfall or excess) in recovery of SLDC charges shall be carried forward to the next financial year and adjusted as may be decided by the Commission.
- (9) The SLDC shall submit periodic returns containing operational and cost data, as may be prescribed by the Commission.
- (10) All filings and application for determination of SLDC Charges shall be made in conformity with the stipulations made in these Regulations.

97. Levy of SLDC Charges

All expenses incurred by the SLDC, established by the State Government under Section 31 of the Act, shall be accounted for separately.

Provided that if on the date of publication of these Regulations, the State Transmission Utility (STU) is operating the State Load Despatch Centre and performing the functions under the Act, as provided under sub-clause (2) of Section 31 of the Act, the STU shall maintain separate accounts for expenses related to operation of the State Load Despatch Centre.

Provided further that till such time the accounts are not segregated, the STU shall apportion its costs on the basis of an Allocation Statement to be submitted to the Commission with all relevant details.

98. LDC Development Fund:

- (1) The SLDC shall create and maintain a separate fund called 'Load Despatch Centre Development Fund' ("LDCD Fund").
- (2) All the other income of SLDC like short term open access charges, registration charges, scheduling and operating charges, etc. shall be deposited into LDCD Fund.
- (3) The SLDC shall be entitled to utilise the money available in the LDCD Fund for creation of new assets, meeting stipulated equity portion in asset creation, margin money for raising loan from the financial institutions and funding of R&D projects.
- (4) The LDCD Fund shall not be utilized for revenue expenditure except to meet the short fall, if any, in the annual charges allowed by the Commission or to meet the contingency expenses which were not foreseen at the time of making the application for fees and charges and are

considered necessary for the efficient power system operation. However, such draws from the said fund shall be recouped from the expenditure allowed by the Commission under the respective heads at the time of trading up.

- (2) Any asset created by the SLDC out of the money deposited into the LDCD Fund shall not be entitled for return on equity, interest on loan and depreciation on same principles as in case of grant. SLDC shall submit details of such assets in the CAPEX plan.
- (3) SLDC shall submit the amount accumulated in LDC development fund along with the break-up of sources from where the fund is received. The Commission shall review the LDC development fund every year and issue directions to SLDC for effective utilization of the funds, if required.

99. Annual SLDC Charges

The annual charges to be recovered by the SLDC shall include the component of Return on Equity and also the following expenses:

- (a) O&M expenses;
- (b) Return on Equity
- (c) Depreciation;
- (d) Lease Charges
- (e) Interest and Finance charges on Loan Capital;
- (f) Income Tax, if any;
- (g) Interest on working capital, if any;
- (h) Any other expenses incidental to discharging the functions of SLDC as deemed appropriate by the Commission;

100. Operation and Maintenance Expenses

- (1) The O&M expenses for the first year of the Control Period will be approved by the Commission taking into account actual O&M expenses for last five years till Base Year subject to prudence check and any other factors considered appropriate by the Commission.
- (2) The O&M expenses for the n th year and also for the year immediately preceding the Control Period, i.e. 2021-22, shall be approved based on the formula given below:-

$$O\&M_n = B\&M_n + E\&D^n + A\&G_n$$

Where -

- O&M_n - Operation and Maintenance expense for the nth year;
- EMP_n - Employee Costs for the nth year;
- R&M_n - Repair and Maintenance Costs for the nth year;
- A&G_n - Administrative and General Costs for the nth year;

(3) The above components shall be computed in the manner specified below:

$$O&M_n = (O&M_{n-1}) \times (1+G_n) \times (1+CPInflation)$$

$$R&M_n = K \times (GFA_{n-1}) \times (1+WPinflation) \text{ and}$$

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

Where -

- EMP_{n+1} - Employee Costs for the (n+1)th year;
- $A\&G_{n+1}$ - Administrative and General Costs for the (n+1)th year;
- Provision: Cost for initiatives or other one-time expenses as proposed by the SLDC and validated by the Commission;
- 'K' is a constant specified by the Commission in %. Value of K for each year of the Control Period shall be determined by the Commission in the MYT Tariff order based on SLDC's filing, benchmarking of repair and maintenance expenses, approved repair and maintenance expenses vis-à-vis GFA approved by the Commission in past and any other factor considered appropriate by the Commission;
- CPInflation - is the average increase in the Consumer Price Index (CPI) for immediately preceding three years;
- WPinflation - is the average increase in the Wholesale Price Index (WPI) for immediately preceding three years;
- GFA_{n-1} - Gross Fixed Asset of the transmission licensee for the n-1th year;
- G_n is a growth factor for the nth year and it can be greater than or less than zero based on the actual performance. Value of G_n shall be determined by the Commission in the MYT tariff order for meeting the additional manpower

requirement based on SLDC's filings, benchmarking, and any other factor that the Commission feels appropriate.

Provided that repair and maintenance expenses determined shall be utilized towards repair and maintenance works only.

101. Basis for collection of SLDC charges

- (1) The annual SLDC charges as determined by the Commission shall be allocated between the Beneficiaries using the Intra-State transmission system on the basis of contracted transmission capacity.

Provided further that SLDC shall be entitled to levy and collect fee and charges for any other services rendered to the users and power exchanges as specified in any other regulations.

- (2) The Short-term open access customers using the Intra-State transmission system shall however pay only such scheduling charges to the SLDC as may be specified by the Commission.

102. Billing of SLDC Charges:

- (1) The SLDC shall furnish necessary monthly bills at the rate of one twelfth of the annual charges as approved by the Commission, to the users of Intra State Transmission System being monitored and serviced by it for each billing month within seven days after the last day of the preceding month.

Provided that for the purpose of billing and collection of the prescribed charges, a fraction of a MW shall be treated as one full MW.

- (2) The Beneficiaries shall make payment to the SLDC of the amounts due within one month of the date of receipt of the bill.
- (3) Disputes arising out of billing of SLDC charges shall be, as far as possible, settled by mutual negotiations. If the disputes are not resolved through mutual negotiations within sixty (60) days of the receipt of the bills, the matter shall be referred to the Commission through a petition by either of the parties. The decision of the Commission shall be final and binding on all the parties.
- (4) Pending resolution of the dispute, 90% of the bill amount shall be paid under protest within the due date.

PART X.

MISCELLANEOUS

103. Savings

- (1) Nothing in these Regulations shall be deemed to limit or otherwise affect the power of the Commission to make such orders as may be necessary to meet the ends of justice.
- (2) Nothing in these Regulations shall bar the Commission from adopting in conformity with provisions of the Act, a procedure which is at variance with any of the provisions of these Regulations, if the Commission, in view of the special circumstances of a matter or a class of matters, deems it just or expedient for deciding such matter or class of matters.
- (3) Nothing in these Regulations shall, expressly or implied, bar the Commission dealing with any matter or exercising any power under the Act for which no Regulations have been framed, and the Commission may deal with such matters, powers and functions in a manner, as it considers just and appropriate.

104. Powers to Remove Difficulties

If any difficulty arises in giving effect to any of the provisions of these Regulations, the Commission may by general or special order give directions, not being inconsistent with the Act, which appears to the Commission to be necessary or expedient for the purpose of removing difficulties.

105. Power to Amend

The Commission may, at any time add, vary, alter, modify or amend any provision of these Regulations.

ANNEXURE A/7

Report

Subject:- Request for allowance for additional capitalization of Rs. 1.45 Crore claimed by PTCUL against residential colony 220 kV Substation, Pirankaliyar, Roorkee (Funding scheme REC-VI).

- 220/33 kV substation was proposed in village-Inlikhara (Pirankaliyar), Roorkee. The land finalized for the proposed substation was having 3.41 hectare. This land was very undulating having level difference 4-8 m from finished ground level. As per shape of the land PTCUL's priority was to finalize the substation and switchyard in the proposed land. This work was awarded to M/s Safety Control & Devices Pvt. Ltd. Lucknow (U.P.) against LOA No. 1123/CE(C&P)/SE(C&P)/PTCUL/SS-05/2014-15 dated: 14.10.2014. The original scope of work was 220 kV bays-05 nos., 33 kV bays-09 nos., 50 MVA 220/33 kV transformer-02 nos. Meanwhile as per requirement of the O&M PTCUL 220/332 kV switchyard was to be included in the same substation for strengthening 132 kV transmission network, a separate agreement was executed with M/s Talsma Electronics on 12.10.2015. The scope of work in extension of 220/33 kV substation was 220 kV feeder bays, 02 no. 100 MVA, 220/132 kV transformers bays and 05 no. 132 kV bays. After envisaging 220/132 kV switchyard, the scope of work of M/s Safety Control & Devices Pvt. Ltd. was revised as 220 kV bays-09 nos., 132 kV bays-05 nos., 33 kV bays-09 nos., 100 MVA 220/132 kV transformer-02 nos., 50 MVA 220/33 kV transformer-02 nos., 220 kV D/C Pulana-Pirankaliyar line was also to be associated in this substation. The layout of the switchyard and control room was to be finalized as per priority, after finalization of the layout residential colony was to be planned on the balance land of the substation.
- As per DPR, 01 no. type-IV, 06 nos. type-III, 09 nos. type-II and 06 nos. type-I residences were included as per norms of PTCUL, however it was revised as 01 no. type-IV, 06 nos. type-III & 08 nos. type-II residences as per requirement of O&M and space availability on 10.04.2017. Administrative & Financial approval for construction of residential colony and development works was granted on 03.06.2017. Tender process for the civil works of residential colony was initiated and NIT was published on 28.06.2018 further after processing of tender LOA was issued 08.03.2019. Thereafter the work of residential colony at the substation was started on 08.03.2019. It would be pertinent to inform that the work of residential colony was not included in the agreement which was done for the construction of substation. The substation land was very undulating having 4-8 m deeper than the finished ground level. Owing to this, approximately one lakh Cum earth filling was done in the substation and switchyard area. Therefore the date of start of the colony work was given as 08.03.2019. It is also to mention here that the site for colony was also low lying i.e. 7 m deeper with respect to finished ground level. Earth filling of 15964.00 Cum was required to bring the level of residential colony site at par with finished ground level, for which statutory approval from District Administration was required. The contractor identified the land where from earth could be obtained for filling in the substation and subsequently applied for mining approval. After receiving mining approval on 26.11.2019 and 17.02.2020. The earth was brought to site, spread layer wise and got compacted. Thus the reason for delay was statutory and technical requirement as per site constraint. Thus the work was delayed by 381 days due to earth mining approval and earth compaction.

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Thank
07.05.2024
EE (Civil) / Managing Director

Ready for
7.5.24
SE-019

for
7.5.24
SE-019

CEW

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3. Meanwhile worldwide pandemic was broke during 2019 & 2020 and lockdown was imposed in the last week of March 2020 which disrupted the construction work and the work got delayed by 193 days.
4. After subsidence of the pandemic and subsequent availability of the labour etc. the balance earth was filled along with construction of 09 m deep substructure. Layer wise earth filling and its compaction took the extra ordinary time in construction of foundation of the buildings. The work was delayed by 143 days due to layer wise compaction and construction of extra ordinary deep foundation having 09 m depth from finished ground level.
5. The pandemic Covid-19 was re-spread during 2021 and again the construction work was disrupted by pandemic second wave, monsoon and scarcity of the labourers. This reason delayed the work by 214 days.

Prayer:- Hon'ble Commission is requested very humbly to consider the above mentioned reasons for the delayed completion of the work and allow the Additional Capitalization of Rs. 1.45 Crore, which has been disallowed by Hon'ble Commission on the ground of cut off date in the final truing up for F.Y. 2022-23.

Handwritten signature
07.15.2024
EE (Civil) Joint. Mem.

Handwritten signature
P.S. 24
SRM/CRCL

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Managing Director

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Notes & Order

Subject:- Realignment of 220kV Twin Zebra Lakhwar to Dehradun Line and its LILO Vyasi from tower No AP 20 to AP 20/3 due to severe RoW issues.

It is to bring to your kind notice that construction work of 220kV Twin Zebra Lakhwar Dehradun Line and its LILO at Vyasi is in progress. Due to RoW issues foundation work tower No 01, 02, 2A, 20, 20/1, 20/2 & 20/3 are held up since last one year. Persuasion to all concern land owners was done for resolving RoW issues. Due to RoW issue the foundation work of Tower No 20, 20/1, 20/2 & 20/3 is held up from last 1 year. In tower No 20/2 and 20 foundation of 2 legs already casted but the Land owners stopped the work and asked PTCUL shift the Line. Project team consistently persued to the Land Owners but they were not agree for construction of Transmission Line over their Land. They informed that they belongs Boksha Scheduled Tribe and the Land is the only source of their livelihood so they can not allow construction of transmission Line over their Land. They have also submitted a application dated 28.08.2019 for shifting of above Transmission Line from their land. (Copy enclosed)

For resolving RoW issues in above Tower locations, PTCUL requested to Gram Pradhan, Village and Revenue Official and after site visit a new alternate route was find out which technically suitable for construction of Transmission Line. In new route there is less possibility of RoW issues.

In shifting the line to new route number of Towers will remain same but type of 2 Towers will be change from 2AT type to 2BT type as follows:-

Sl. No	Tower No	Type of Tower in original route	Type of Tower in final route
1	AP20	2BT+0	2BT+09
2	AP20/1	2AT+0	2BT+06
3	AP20/2	2AT+0	2AT+03
4	AP20/3	2AT+0	2BT+03

In original route length of line of from Tower No AP 15/3 to AP 21 was 2.074 and in new route is 2.105Km so there is only 0.031Km increase in Line length.

Under present circumstances for resolving above RoW issue shifting of above line from Tower No AP 20 to AP20/3 seems essential.

It is requested that kindly accord approval for shifting of above line from Tower No AP20 to AP20/3 so that RoW issue can be resolved and construction work of Line can be completed.

Encl:- As above

EE (Project) *28.08.19*

No. 201/J.C.C.(Project) PTCUL dtd. 03/07/19

SE (PI)

24.06.19

Chief Engineer (Project)

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Managing Director

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पावर ट्रांसमिशन कारपोरेशन ऑफ उत्तराखण्ड लि०

(उत्तराखण्ड राज्य का उपकरण)

अधिसूचना अभियन्ता (पी०आई०) कार्यालय

विद्युत मन्त्र, नवादीक-आई०एस०पी०डी० इलाहाबाद, सहायपुर रोड, नजफा, देहरादून-248002,
दूरभाष नं० 0135-2640039, फैक्स नं० 0135-2644151 email:- ita_chandra@ptcul.org

No-649 /SE(P)/PTCUL/L-20

Date :- 06 /07/2019

Subject: Approval of revised profile and Tower schedule for "Construction of 220KV D/C Line on Twin Zebra conductor from Lakhwar to Dehradun and it's J/L/O at Vyasi".

To,

M/s BTL EPC Ltd.
No. 2 Jessore Road,
Kolkata - 700028.

Mr. Dharmender Kumar, RM
by Speed post/email:- enquiry@shrachi.com

Dear Sir,

Please refer to your letter No BTU/PTCUL/SBD-403/203 dated 17.05.2019 vide which you have submitted, revised profile and tower schedule from Tower No AP 19/3 to AP 21 and letter No BTU/PTCUL/SBD-403/219 dated 29.06.2019 vide which you have submitted revised profile and tower schedule from Tower No AP 2A to AP 4 for Construction of 220KV D/C Line on Twin Zebra conductor from Lakhwar to Dehradun and its J/L/O at Vyasi. The revised profile and Tower schedule submitted by you of above locations is hereby approved and enclosed with this letter.

This approval will not absolve the contractor from any contractual obligations.

Encl :- As above


(Ila Chandra)

Superintending Engineer (P)
of dated

No-649 /SE(P)/PTCUL/L-20

Copy :-

1. Chief Engineer (Project) PTCUL Dehradun.
2. EE (P) PTCUL, Vrashnagar with reference to his endorsement dated 02/07/2019 and 04/07/2019.

Encl :- Copy of tower schedule


(Ila Chandra)
Superintending Engineer (P)


Managing Director

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SCADING 20 28307700
(Formerly Bengal Tools Ltd.)



Ref: STLPTCUL/SBD-483280

Dated: 16.02.2020

Executive Engineer (P)
Power Transmission Corporation of Uttarakhand Limited
Vijay Bhawan, Sahasragar Road
Muzo Dehradun- 248002

By Email

Gairi Rumitika-12

Subject: Request for Clearing ROW issues on various locations for carrying out the civil works
Project: Construction of 330 KV D/C line on Twin Zebra conductor from
Lakhtwar to Dehradun and its LLO at Vyas
Reference: (a) LOA No. 6356 SDB/CE/C&P/PTCUL/TL-18/2014-15 Dated 11.05.2015
(b) Our earlier letters

Dear Sir,

As you are aware that we have completed 58 foundations out of 61 at plain terrain and balance locations number are 1, 2, 2A and location no. 1, 2 & 2A are held due to ROW.

Request, please resolve the ROW issues at location no. 1, 2 & 2A ASAP and status of which are appended below:

S.No.	Location No.	Current Status
1	AP-1	Marking done but ROW issue not resolved
2	AP-2	Held up as the AP-1 is not resolved as yet
3	AP-2A	Held up as the AP-1 is not resolved as yet

Please take note and kindly resolve the ROW issues for us to complete the balance civil foundations at plain terrain at the earliest.

Assuring you of our best services at all times.

Sincerely,
For BTL EPC LIMITED (CO)

Authorized Signatory

CC: - Superintending Engineer (P), PTCUL, Dehradun
Chief Engineer (Project), PTCUL, Dehradun

Manoj Kumar
Managing Director

Manoj Kumar
24/02/20

Sd/-
For BTL EPC LIMITED (CO)

000283



No. 40-3/2020-DM-(A)
Government of India
Ministry of Home Affairs

North Block, New Delhi-110001
Dated 24th March, 2020

ORDER

Whereas, the National Disaster Management Authority (NDMA), is satisfied that the country is threatened with the spread of COVID-19 epidemic, which has already been declared as a pandemic by the World Health Organisation, and has considered it necessary to take effective measures to prevent its spread across the country and that there is a need for consistency in the application and implementation of various measures across the country while ensuring maintenance of essential services and supplies, including health infrastructure;

Whereas in exercise of the powers under section 6(2)(i) of the Disaster Management Act, 2005, the National Disaster Management Authority (NDMA), has issued an Order no. 1-29/2020-PP (PLI) dated 24.03.2020 (Copy enclosed) directing the Ministries/ Departments of Government of India, State/Union Territory Governments and State/ Union Territory Authorities to take effective measures so as to prevent the spread of COVID-19 in the country;

Whereas under directions of the aforesaid Order of NDMA, and in exercise of the powers, conferred under Section 10(2)(i) of the Disaster Management Act, the undersigned, in his capacity as Chairperson, National Executive Committee, hereby issues guidelines, as per the Annexure, to Ministries/ Departments of Government of India, State/Union Territory Governments and State/ Union Territory Authorities with the directions for their strict implementation. This Order shall remain in force, in all parts of the country for a period of 21 days with effect from 25.03.2020.


Home Secretary

To

1. The Secretaries of Ministries/ Departments of Government of India
2. The Chief Secretaries/Administrators of States/Union Territories
(As per list attached)

Copy to

- i. All members of the National Executive Committee.
- ii. Member Secretary, National Disaster Management Authority.


Managing Director

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Government of Uttarakhand
Office of the Secretary

(Medical, Health and Family Welfare and Medical Education)

No. UTH/MS/2020/100/317

Date: 22-March-2020

ORDER

Whereas, it is imperative to adopt strict social distancing and isolation measures to contain the spread of COVID-19, which is playing havoc in many countries across the world, including India.

Whereas, the Government of Uttarakhand, in exercise of powers conferred under the Epidemic Disease Act, 1897, has framed the Uttarakhand Epidemic Diseases, COVID-19, Regulations, 2020 for prevention and containment of Corona virus disease, 2019 (COVID-19).

Whereas, now under the aforesaid regulations, the Government of Uttarakhand hereby notifies a lockdown of non-essential services in the State of Uttarakhand from 2300 hours on 22nd March 2020 to 2359 hours on 31st March 2020, stipulating the following restrictions:

- a. No public transport services including operation of taxi, auto-rickshaws will be permitted. The exception will include Transport of all kinds to and from hospitals and airports. For to and fro airport transfer, carrying and producing valid documentation is mandatory.
- b. All shops, commercial establishments, offices and factories, workshops, godowns etc. shall close their operations.
- c. All domestic / foreign returnees to the State are directed to remain under strict home quarantine for a period as decided by local Health Authorities.
- d. People are required to stay at home and come out only for basic services while strictly following social distancing guidelines issued earlier.
- e. However, the following establishments providing essential services shall be excluded from the above restrictions: -
 - i. Offices charged with law and order and magisterial duties [District Magistrate, ADM/SOM and Tehsil]
 - ii. Police
 - iii. Medical and Health

Managing Director

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- iv. Urban Local Bodies
 - v. Fire
 - vi. Electricity, Water and Municipal Services
 - ~~vii. Banks/ATM~~
 - viii. Print, Electronic and Social Media
 - ix. Telecom & Internet Services including IT & ITeS
 - ~~x. Postal services~~
 - xi. Supply chain and related transportation
 - xii. E-Commerce (delivery) of all essential goods including food, pharmaceutical and medical equipment
 - xiii. Food, Groceries, Milk, Bread, Fruit, Vegetable, Meat, Fish and their transportation related activities and warehousing
 - xiv. Hospitals, Chemist stores, Drugs and Pharmaceuticals manufacturing and their transportation related activities.
 - xv. Petrol pumps, LPG gas, Oil agencies, their godowns and their transportation related activities.
 - xvi. Production and Manufacturing Units which require continuous process may continue to function, after obtaining the required permission from the District Magistrates
 - xvii. Manufacturing units engaged in production of essential commodities
2. Inter State border shall be closed except for the movement of vehicles related to the above mentioned goods and services.
 3. Any congregation of more than 5 persons shall be prohibited in public places.
 4. Private establishments that support the above services or are linked to the efforts for containment of COVID-19 will remain open.
 5. If there is any doubt as to whether a service establishment is essential or not, the District Magistrate shall be the competent authority to decide.
 6. District Magistrates, Superintendents of Police, ADM/SDM, Tahasildar and Executive Officer of Urban Local Bodies are hereby authorized to take all necessary actions for enforcement and implementation of the aforesaid measures.

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 Managing Director

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600) police shall render necessary assistance as and when requisitioned by the aforementioned officers.

7. Any person found violating the containment measures shall be deemed to have committed an offence punishable under section 188 of Indian Penal Code (45 of 1860).

8. The restrictions imposed earlier shall continue to be in force in the State and in case of any doubt, the State Government will issue necessary directions/clarifications.

(Nitesh Kumar Jha)
Secretary

1. All Additional Chief Secretaries/ Principal Secretaries/ Secretaries, Govt. of Uttarakhand.
2. District Magistrates, All Districts of Uttarakhand.
3. Chief Medical Officers, All Districts of Uttarakhand.

Cc:

1. Chief Secretary, Govt. of Uttarakhand.
2. Director General, Police, Uttarakhand.
3. Mission Director, National Health Mission, Uttarakhand.
4. Director General, Medical Health and F.W, Uttarakhand.
5. Director, Medical Education Uttarakhand.

(Nitesh Kumar Jha)
Secretary

Managing Director

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No. F. 180
 Government
 Ministry
 Department of Expenditure
 Procurement Policy Division

North Block, New Delhi
 New Delhi dated the 13th May, 2020

OFFICE MEMORANDUM

Subject: Force Majeure Clause (FMC)

Attention is invited to Department of Expenditure's O.M. No. 1804/2020-PPD dated 19th February, 2020 on the invocation of Force Majeure Clause (FMC). Vide the O.M., it was clarified that disruption of supply chains due to spread of Coronavirus will be covered under FMC which could be invoked, wherever considered appropriate, following the due procedure as stated in para 9.7.7. of the Manual on Procurement of Goods.

2. Subsequent to issuance of the above referred O.M., further disruptions have affected transportation, manufacturing and distribution of goods and services in the country. Limitations placed on the movement of men and material as per the guidelines issued by the Ministry of Home Affairs (MHA) under the Disaster Management Act, 2005 (DM Act 2005) and the respective State and UT governments from time to time have severely impeded the fulfillment of contractual obligations for supply of goods, works and consultancy services (including other services), and affected the volume of vehicular traffic.

3. Attention is invited to para 9.7.7 of the 'Manual for Procurement of Goods 2017', Para 5.4.2 of the 'Manual for Procurement of Works 2018' and para 8.14.1 of the 'Manual for Procurement of Consultancy and other Services 2017' issued by the Department of Expenditure. The above referred three Manuals recognize extraordinary events or circumstances beyond human control leading to delays in or non-fulfillment of contractual obligations. In a situation of such events happening, and after following due procedure, parties to the contract are allowed flexibility to invoke FMC following prescribed due procedure.

4. It is recognised that in view of the restrictions placed on the movement of goods, services and manpower on account of the lockdown situation prevailing overseas and in the country in terms of the guidelines issued by the MHA under the DM Act 2005 and the respective State and UT Governments, it may not be possible for the parties to the contract to fulfil contractual obligations. In respect of Public-private Partnership (PPP) concession contracts, a period of the contract may have become unremunerative. Therefore, after fulfilling due procedure and wherever applicable, parties to the contract may invoke FMC for all construction/works contracts, goods and services contracts and PPP contracts with Government Agencies and in such event, date for completion of contractual obligations which had to be completed on or after 20th February 2020 shall stand extended for a period not less than:

Handwritten signature
 Managing Director

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three months and not more than six months without imposition of any cost or penalty on the contractor/concessionaire. Concession period in PPP contracts ending on or after 20th February 2020 shall be extended by not less than three and not more than six months. The period of extension (between three and six months) may be decided based on the specific circumstances of the case and the period for which performance was affected by the force majeure events.

5. It is clarified that invocation of FMC would be held valid only in a situation where the parties to the contract were not in default of the contractual obligations as on 19th February, 2020. It is further clarified that invocation of FMC does not absolve all non-performances of a party to the contract, but only in respect of such non-performance as is attributable to a lockdown situation or restrictions imposed under any Act or executive order of the Government/s on account of COVID-19 global pandemic. It may be noted that, subject to above stated, all contractual obligations shall revive on completion of the period.

(Kotturu Narayana Reddy)

Deputy Secretary to the Govt. of India

Tel.No. : 24621305

Email: kn.reddy@gov.in

To,

Secretaries of all Central Government Ministries/Departments

Managing Director

000304

True Copy



पावर ट्रांसमिशन कार्पोरेशन ऑफ इण्डिया लिमिटेड
 (उत्तराखण्ड राज्य का उपकरण)
 अतिरिक्त अधिकारी, परियोजना विभाग,
 मुख्यालय, देहरादून
 फोन: 26617988 E-mail: cr2_jal@ptcl.org

Letter No. 22/ JEE/PTCL/Vyasaagar

Date: 11/12/2020

Executive Engineer (O&M)
 220KV O&M Division
 Jhajra, PTCUL

Subject: Shutdown of 132 KV Kuthwal-Jajra and 132 KV Dhalpur-Jajra line required for stringing of conductors between tower AP- 13 to AP-14 of under construction 220 KV D/C Twin Zebra Line from Lakhwar to Dehradun and its L/O at Vyasi.

In reference to the subject cited above, it is to apprise that the construction of 220 KV D/C Twin Zebra Line from Lakhwar to Dehradun and its L/O at Vyasi is in progress by PTCUL. It is to intimate that stringing of conductors between tower AP- 13 to AP-14 is to be carried by Contractor but there is 132 KV Kuthwal-Jajra and 132 KV Dhalpur-Jajra is crossing between Tower Location No. AP-13 to AP-14 for which a shutdown of 05 days is required for stringing of conductor. The details of required shutdown is mentioned below:-

S. No.	Name of Line/Feeder	Tower Location	Date	Shutdown Schedule (Hrs.) (Daily Basis)	Shutdown required For
1	132 KV Kuthwal-Jajra and 132 KV Dhalpur-Jajra line	AP-13 to AP-14	10-01-2021 to 14-01-2021 (05 days)	08:03 AM to 07:03 PM (11 Hrs.) Daily	For Stringing of conductors between tower AP- 13 to AP- 14

It is therefore requested to kindly arrange to provide the shutdown of above mentioned 132 KV line as per date and time mentioned above.

(Sandeep Kumar Ravi)
 Executive Engineer (PT)

Copy to following for kind information:-

1. Superintending Engineer (PT), PTCUL, Lakhwar - Vyasi Line.
2. Assistant Engineer (PT), Jhajra / Vyasi with the remark to coordinate with EE(O&M) Jhajra for arranging the shutdown as per schedule mentioned above.

प्राप्त के बिना नहीं भेजें - डिप्टी से, मनी-इंफार्मेशन ऑफिस, देहरादून (3), फोन: 26617988
 अधिकारी को ज्ञात करने के लिए फोन: 26617988 फोन: 26617988 ईमेल: www.ptcl.org

Managing Director

000:06



पावर ग्रिड कॉर्पोरेशन ऑफ इंडिया लिमिटेड

(विद्युत आपूर्ति एवं वितरण)

उपस्थिति अधिकारी, विद्युत वितरण विभाग,

लखनऊ, उत्तर प्रदेश

फैक्स नम्बर: 2222 2222 एवं 2222 2222, लखनऊ-222222

Letter No. 04 / JEE/PTCUL/Vikasnagar

Date: 16.01.2021

Executive Engineer

ECO, Vikasnagar

Uttarakhand Power Corporation Ltd.

Subject: Shutdown of 11 kV and 33 kV Distribution Line required for stringing works between Tower Location No. AP- 21 to AP-21A to AP-22 of under Construction 220 kV D/C Twin Zebra Line from Lakhwar to Dehradun and as L.L.O at Vyasi.

In reference to the subject cited above, it is to apprise that the construction of 220 kV D/C Twin Zebra Line from Lakhwar to Dehradun and as L.L.O at Vyasi is in progress by PTCUL. It is to intimate that for stringing work from Tower Location No. AP- 21 to AP- 21A to AP-22, shutdown of 09 days is required for stringing at Tower. The details of required shutdown is mentioned below:-

S. No.	Name of Distribution Line/Feeder	Tower Location	Date	Shutdown Schedule (Hrs.) (Daily Basis)	Shutdown required For
1	33kV BOC - Dhakrari to Rudrapur Line and Feeder - Dhakrari Rudrapur to Dadarwala Gawn & Feeder Rudrapur (11kV)	AP- 21 to AP- 21A to AP-22	22-01-2021 to 26-01-2021 And 27-01-2021 to 31-01-2021 (09 days)	06:00 AM to 07:00 PM (11 Hrs.) Daily	For Stringing work between Tower Location No. AP- 21 to AP-21A to AP- 22

It is therefore requested to kindly arrange to provide the shutdown of 11 kV and 33 kV Distribution Line as per date and time mentioned above.


(Sandeep Kumar Ravi)
Executive Engineer (P)

Copy to following for kind information:-

1. Superintending Engineer (PT), PTCUL, Lakhwar - Vyasi Line
2. Assistant Engineer (PI), Jhjhira / Vyasi with the remark to coordinate with UPCL for arranging the shutdown as per schedule mentioned above.

अ

पूरा एवं सही जानकारी के लिए कृपया संबंधित अधिकारियों को सूचित करें।
आपका सहयोग और सहकार्य हमारे लिए अत्यंत महत्वपूर्ण है।


Sandeep Kumar Ravi
Executive Engineer (P)

000:07

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ALOK KUMAR

D.O. No. 18/05/2020-Adm-II

May 3, 2021

Dear

This is with reference to the telephone conversation held yesterday regarding the capacity of maintaining uninterrupted power supply to the Oxygen Plants across the country in view of the enhanced oxygen demand because of the exponential rise in number of Covid patients. During the course of discussions, the issue of frequent droppings in the power supply to one of the Oxygen Plant namely in Uttarakhand also came up as this had resulted in disruption as production of oxygen.

2. The power supply to M/s is through 33 KV line from 220 KV Substation at in Uttarakhand to prevent such, it was that 33 KV underground cable from Substation to M/s Lindey Oxygen Plant at needs to be laid on an urgent basis as the nation can at afford any in oxygen production. A view emerged that Ministry of Home Affairs may arrange for the necessary funds amounting to Rs. 32 Crore, which is the estimated cost, required for undertaking the construction of dedicated underground 33 KV feeder line from Substation to M/s Lindey Oxygen Plant at.

3. Accordingly, Secretary (Energy) Uttarakhand has been advised to undertake the construction of this underground 33 KV cable line as mentioned above on top priority.

Yours Sincerely
Sd/-
(Alok Kumar)

Shri Ajay Kumar Bhalla
Home Secretary
Ministry of Home Affairs
North Block, New Delhi

Copy to

Smt. Radhika Jha, Secretary (Power), Govt. of Uttarakhand

Yours Sincerely
Sd/-
(Alok Kumar)



Ref No: BTL/PTCUL/S&C-403/443

Date: 18.08.2024

To,
Superintending Engineer (P),
Power Transmission Corporation of Uttarakhand Limited
Vidyal Bhawan, Saharanpur Road,
Muz Noida-246002

(By Email)

Sub: Information for stoppage of work due to Heavy Rain fall & Road Blockage at Site

Project: "Construction of 220 KV D/C line on Twin Zebra conductor from Lakhwar to Dehradun and its LLO at Vyasi"

Ref: LOA No. 0355-036/CS/C&P/PTCUL/IL/2014-15 Dated 11.01.2015

Dear Sir,

With reference to the above subject, we would like to inform your good self that our foundation works at Tower location no. AP-1 & AP-2 have been completed. In the evening of 18.08.2024, heavy rain fell and the road became very slippery. The speed up of work may take further some time.

Also photographs of damaged roads in the route of above construction line are enclosed for your kind information.

Thanking you and assuring you of our best services at all times.

Encls: As Above

For BTL EPC Limited



Authorized Signatory

Copy to:

1- Executive Engineer (P), PTCUL, Vikashnagar, Dehradun

CIN NO.: U22229WB1997PLN04044

Corporate Office: Dash Tera, 6th Floor, 2nd Phase, 32 Convent Road, Noida - 201 307, P.O. 2014004

Registered Office: 2, Janak Puri, New Delhi, India - 110 058, P.O. 110 058, J.P. 2014004, E: info@btlindia.com

Managing Director

True Copy

nr-1256

BTL EPC Ltd.
(Formerly Bengal Tools Ltd.)

Ref No. BTL/PTCUL/SBD-403/443

Dated: 13.08.2021

(By Email)

To

Superintending Engineer (PI)
Power Transmission Corporation of Uttarakhand Limited
Vidyut Bhiwan, Saharanpur Road
Majra Dehradun – 248002

Sub: Information for stoppage of work due to Heavy Rain Fall and Road Blockage at Site

Project: "Construction of 220 KV D/c Line on Twin Zebra from Lakhwar to Dehradun and its LILO at Vyasi"

Ref: LOA No. 835 & 836/CE (C&P)/PTCUL-18/2014-15 dated 11.05.2015

Dear Sir

With reference to the above subject, we would like to inform your good self that our foundation works at Tower location No. AP-1 & AP-2 have stopped due to heavy rain fall in the reason and road block since last 5 days and speed up of work may take further some time.

Also photographs of damaged roads in the route of above construction line are enclosed for your kind information.

Thanking you and assuming you of our best services at all times.

Encls: as above

FOR BTL EPC LIMITED

Sd/-

Authorized signatory

Copy to

1. Executive Engineer (PI), PTCUL, Vikashnagar, Dehradun



Ref No: - BTL/PTCUL/ABR/453448

Date: 25.08.2015

To,
 Superintending Engineer (P),
 Power Transmission Corporation of Uttarakhand Limited
 Vidya Bhawan, Sahasrpur Road,
 Meerut Dehradun- 248007

By Email

Sub: Information for stoppage of work due to Heavy Rain fall & Road Blockage at Site

Project: "Construction of 220 KV DIC line on Twin Zebra conductor from Lakhwar to Dehradun and its LLO at Vyal"

Ref: - LOA No. 835 & 836/CE/CP/PTCUL/TL-18/2014-15 Dated 11.05.2015

Dear Sir,

With reference to the above subject, we would like to inform your good self that our foundation works at Tower location no. AP-37, AP-4, AP-1 & AP-2 (Hilly Terrain) have stopped due to heavy rain fall in the season of heavy rain fall and road block since last 45 days and speed up of work may take further some time.

Also photographs of damaged roads in the route of above construction line are enclosed for your kind information.

Thanking you and assuring you of our best services at all times.

Yours, As Above

For BTL EPC Limited

Authorized Signatory

Copy to:

1. Executive Engineer (P), PTCUL, Vikashnagar, Dehradun - By Email

20/8/2015

000057

Managing Director

CIN No: U52300UP2010PL256454

Registered Office: Ground Floor, 401 - Akshay, 5th Floor, 50 Convent Avenue, Saket - 110 017, P.O. 22 264256

Registered Office: 2, Avenue Road, Saket, New Delhi - 110 007, P.O. 22 264 256, E-mail: info@btlindia.com





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P. S. S. S.
Managing Director



alone up tomorrow
simply Better than S&S



XLVI-C-541



REFNO: BTL/PTCUL/SB-403447

Date: 26.06.2021

To,
Superintending Engineer (PI),
Power Transmission Corporation of Uttarakhand Limited
Vijay Bhawan, Beharapur Road,
Nagina Dehradun- 248002

(By Email)

Sub: - Information for stoppage of work due to Heavy Rain fall, Cloud Burst & Road Blockage at Site (Hilly Terrain)

Project: - "Construction of 220 KV DVC line on Twin Zebra conductor from Lakhwar to Dehradun and its JLD at Vyas"

Ref. :- LOA No. 8358 836/CE/C&P/PTCUL/TL-19/2014-15 Dated 11.05.2015

Dear Sir,

With reference to the above subject, we would like to inform your good self that our all works like Tower Erection, foundation and stringing works have been stopped at hilly areas towers due to heavy rain fall, cloud burst and road blocked for least minimum 40 days and speed up of work may take further some time also.

Also Newspaper cuttings and photographs of damaged roads in the route of above construction line are enclosed for your kind information.

Thanking you and assuring you of our best services at all times.

Encl: As Above

For BTL EPC Limited



Authorized Signatory

Copy to:

1. Chief Engineer (Project), PTCUL, Dehradun- By Email
2. Executive Engineer (PI), PTCUL, Vikashnagar, Dehradun - By Email

20/06/21

000359

Managing Director

F No.: UN2236WBS92PL024541

Private Office: Ghadi Tawa, 6th - Awareness, Gurgaon, PO: Conductor Junction, Haryana - 122 107. P: 41 31 364064

24 Hours Office: 2 Jankar Road, Gurgaon, Haryana - 122 019. P: 41 31 350 2401. E: info@btlindia.com





Ref No:- BTUPPTCUC580-403483

Dated: 06.08.2021

To,
Superintending Engineer (PI),
Power Transmission Corporation of Uttarakhand Limited
Vidyal Bhawan, Sahasrpur Road,
Muzo Dehradun- 248002

(By Email)

Subj: - Information for stoppage of work due to Heavy Rain-fall, Cold Burst & Road Blockage at Site (Hilly Terrain)

Project: - "Construction of 220 KV DIC Site on Twin Zebra conductor from Lakhwar to Dehradun and its LILD at Vyasi"

Ref. > LOA No. 8356/835CE/C&P/PTCUL/TL-18/2014-15 Dated 11.03.2018

Dear Sir,

This is in reference to our letter no. BTUPPTCUC580-403447 dated 28.08.2021 regarding above subject matter. In this regard, we would like to inform your good self that our site team is daily visiting at site for resume the site work and they are finding that the main and approach road is not open yet. We can expect the road to open further within next 25 to 30 days.

Photographs of today's situation of damaged main in the route of above construction line are enclosed for your kind information.

Thanking you and assuring you of our best services at all times.

Encls: As Above

For BTL EPC Limited

Authorized Signatory

Copy to:

1. Chief Engineer (Project), PTCUL, Dehradun- By Email
2. Executive Engineer (PI), PTCUL, Vasantnagar, Dehradun - By Email



Managing Director

CIN No.: U5320MH9000PTCUL5643

Registered Office: Block Tower, 300 - Anandpur, 5th Floor, 33 Devedwar Junction, Kirti - 701 107, Pin - 401 10 Dehradun

Registered Office: 2, Janki Road, Sanjay, Dehradun - Pin 248 002, Tel: 0135 235 2875, Email: info@btlindia.com

EPC LTD.

A subsidiary of Power Transmission Corporation of Uttarakhand Limited

10, Sector-18
Gurgaon, Haryana-122002

Ref No: - BTUPTCUL/SRO-403455

Date: 14.09.2021

To,
Superintending Engineer (PI),
Power Transmission Corporation of Uttarakhand Limited
Vijay Bhawan, Seharanpur Road,
Meerut Dehradun- 240022

(By Email)

Subj: - Information for stoppage of work due to Heavy Rain fall, Circuit Burnt & Road Blockage at Site (Hilly Terrain)

Project: - "Construction of 220 KV D/C line on Twin Towers conductor from Lashwar to Dehradun and its ULO at Vyasi"

Ref: - LOA No. 835 & 836/CE/CS&P/PTCUL/1-19/2014-15 Dated: 11.05.2018

Dear Sir,

This is in reference to our letter no. BTUPTCUL/SRO-403447 dated 28.08.2021 and BTUPTCUL/SRO-403452 dated 06.09.2021 regarding above subject matter. In this regards, we would like to inform your good self that our site team is daily visiting at site for resume the site works and they are finding that the main and approach road is not open yet. We can expected the road to open further within next 20 to 25 days.

Photographs of today's situation of damaged roads in the route of above construction line are enclosed for your kind information.

Thanking you and assuring you of our best services at all times.

Encls: As Above

For EPC Limited

Authorized Signatory

Copy to:

1. Chief Engineer (Project), PTCUL, Dehradun - By Email
2. Executive Engineer (PI), PTCUL, Vrindavan, Dehradun - By Email



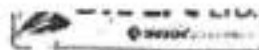
Managing Director

600361

CIN No.: U01229WB1999PL1004541

Registered Office (Head) Tower, 101 - Anandpur, 10 Deypur, 10 Gurgaon Road, Gurgaon - 122002, P. O. 122002, Haryana

Manufacturing Plant (Plant) Sector-18, Gurgaon Road, Gurgaon - 122002, Haryana



Shaping up Tomorrow
(Formerly Bengal Jute Ltd.)



Ref No: - BTL/PTCUBED-403/457

Dated: 20.09.2021

To,
Superintending Engineer (PI),
Power Transmission Corporation of Uttarakhand Limited
Vidyal Bhawan, Baharapur Road,
Majra Dehradun- 248002

By Email/By Hand

Without Prejudice

Sub: - Regarding timely completion of construction work of 220 KV DVC line on Twin Zebra conductor from Lakhwar to Dehradun and its LILO at Vyasal

Ref. :- LOA No. 838 & 839/CE/C&P/PTCUL/TL-18/2014-15 Dated 11.05.2015

Your office letter no. 215/EE(PI)/PTCULA-V dated 18.08.2021

Dear Sir,

We are in receipt of your above letter & would like to submit present progress of the line as under -

S. NO.	WORK	UNIT	QTY. AS PER SURVEY	COMPLETED	BALANCE QTY. TO BE DONE
1	CIVIL FOUNDATION	Nos.	103	91	12
2	TOWER ERECTION	Nos.	113	96	17
3	STRINGING	KM	35.5	25.332	10.168
4	EARTHING	Nos.	113	92	21
5	WELDING	Nos.	113	96	17

Except 82 KM Conductor & 7 No Tower for which locations not available for work, we have completed entire supply. 7 Nos Towers are under inspection and 82 KM Conductor is under manufacturing and inspection cell for the same will be submitted soon. Moreover due to stringent milestone conditions under contract, our more than 10 Cr is stuck up at this juncture (billed & unrolled together).

Further, as you can see that we have done remarkable progress at site also and keen to finish this project as early as possible but stuck up badly due to following reasons -

1. Road Blockage due to heavy rain and cloud burst: You are very well aware that our all site works have been stopped since last 2 months due to main and approach road blocked after cloud burst at hilly area. We have already informed you through our various letters time to time.
2. RoW on location No. AP-7, AP-37 & AP-8: Pending since last 6 months. Various letters have been given but not reached yet.
3. Shutdown of 132 KV Line: We have been requesting since last 10 months for arranging shutdown of 132 KV line for stringing b/w tower location no. AP-13 to AP-14 through various reminders but not provided yet.



UCL/PTCUBED-403/457

Corporate Office (SEWEL Tower), 185 - Anandpur, 1st Floor, 185 Octagon Arcade, Kolkata - 700 027, P. 41 23 284384

Registered Office: Jyoti Road, Durgam Chauri, Kolkata - 700 028, P. 41 23 284384, C. wipin@rediffmail.com



Managing Director

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4. **Tree Cutting issue:** We are requesting since last 6 months for tree cutting issue b/w tower location no. AP-31/1 to AP-32/1 for enables us to stringing works but not resolved yet.
5. **Approval of Time Extension Case:** We had been requested on 27.05.2021 through our letter No. BTLEPCULSBD-403DPE05 for approval of Time Extension without LD upto 31st December 2021 but yet to be approved.
6. **Payment issues:**
 - a) **Payment held up in Tower Erection:** 20% payment (approx 24Lacs) for tower erection (held back due to tower painting issue) is held by PTCUL since last 2 years. Request you to kindly release the same.
 - b) **Payment held up in Milestone:** Payment against supply of hardware fitting, Conductor, earth wire, disc insulator and foundation work is held by PTCUL approx 3.20 Cr. due to "Milestone" base payment. Request you to kindly release our held up payment as soon as possible.
 - c) **Payment in Old Foundations:** Approx 4 Lacs Payment to be released for old tower foundation works at Tower location no. 20/2 and 20/3 (2-2 pits, location changed due to R/W).
7. **Reduction of PBG Value:** PBG to be reduced by PTCUL from 15% to 3%

This is out of the place to mention here that due to delay from PTCUL on various accounts, we are incurring huge cost on account of Site Establishment expenses, Overheads on Salary & Wages, Bank Charges, BG Charges, our interest expenses on working capital, loss of opportunity cost, Insurance premium, idling of resources, machines, etc. This is just information about our losses on account of additional expenses being incurred by us due to delay not attributable to us. We are keeping note of all such losses for which BTLEPC Ltd is not responsible and claim of such losses may be submitted on due course of time.

Under the circumstances, request your good self to solve all above issues and help us in finishing this project within the time line given by you.

Hope we you will find above in order.

Thanking you and assuring our best services all the time.

For BTLEPC Limited

Authorized Signatory

Copy to:

- 1- Director (Project) Sir, PTCUL, Dehradun- By Email
- 2- Chief Engineer (Project), PTCUL, Dehradun- By Email
- 3- Executive Engineer, PTCUL, Vilashnagar- By Email



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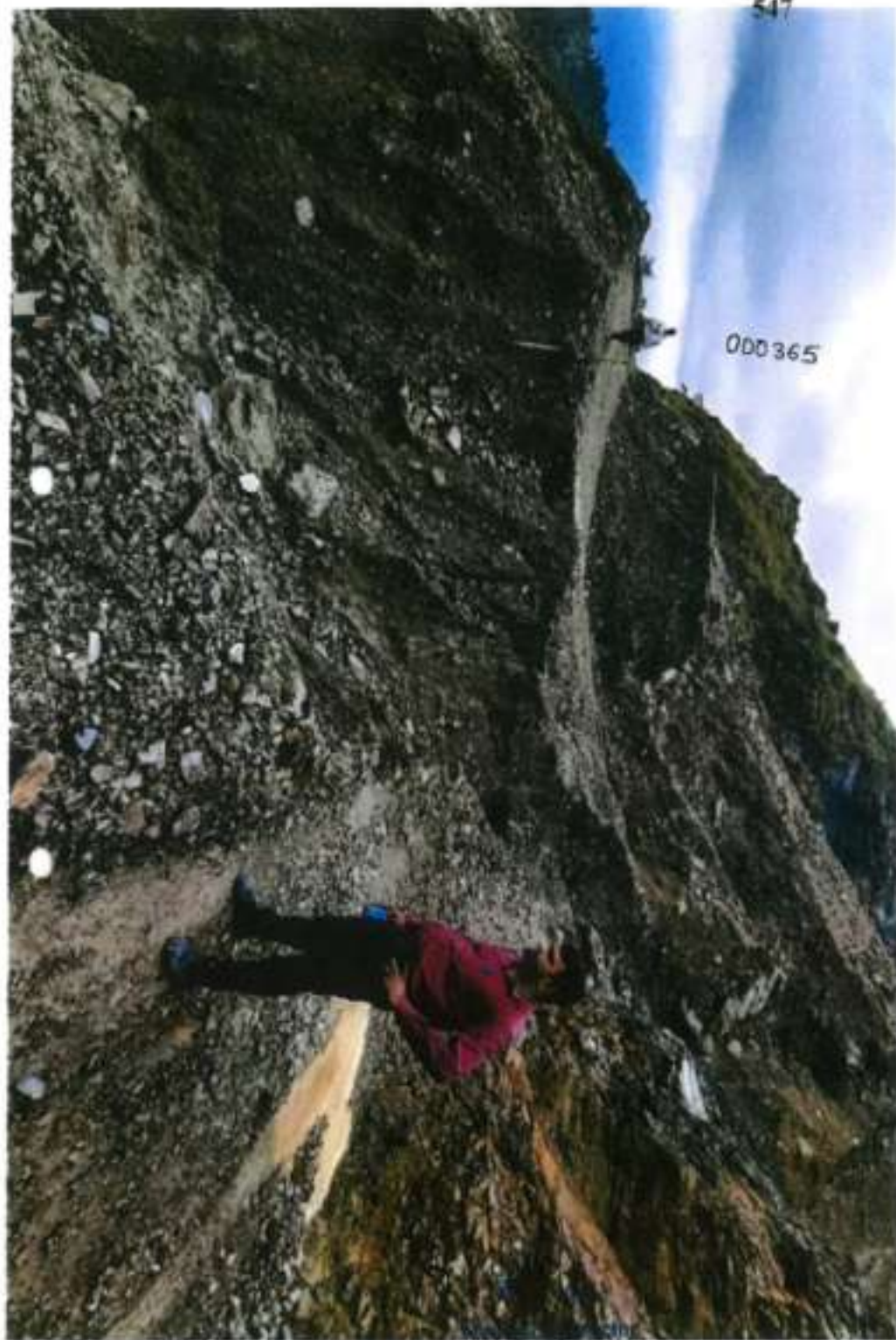
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Pooja Jha
 Managing Director



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Managing Director











Pradyumn
Managing Director

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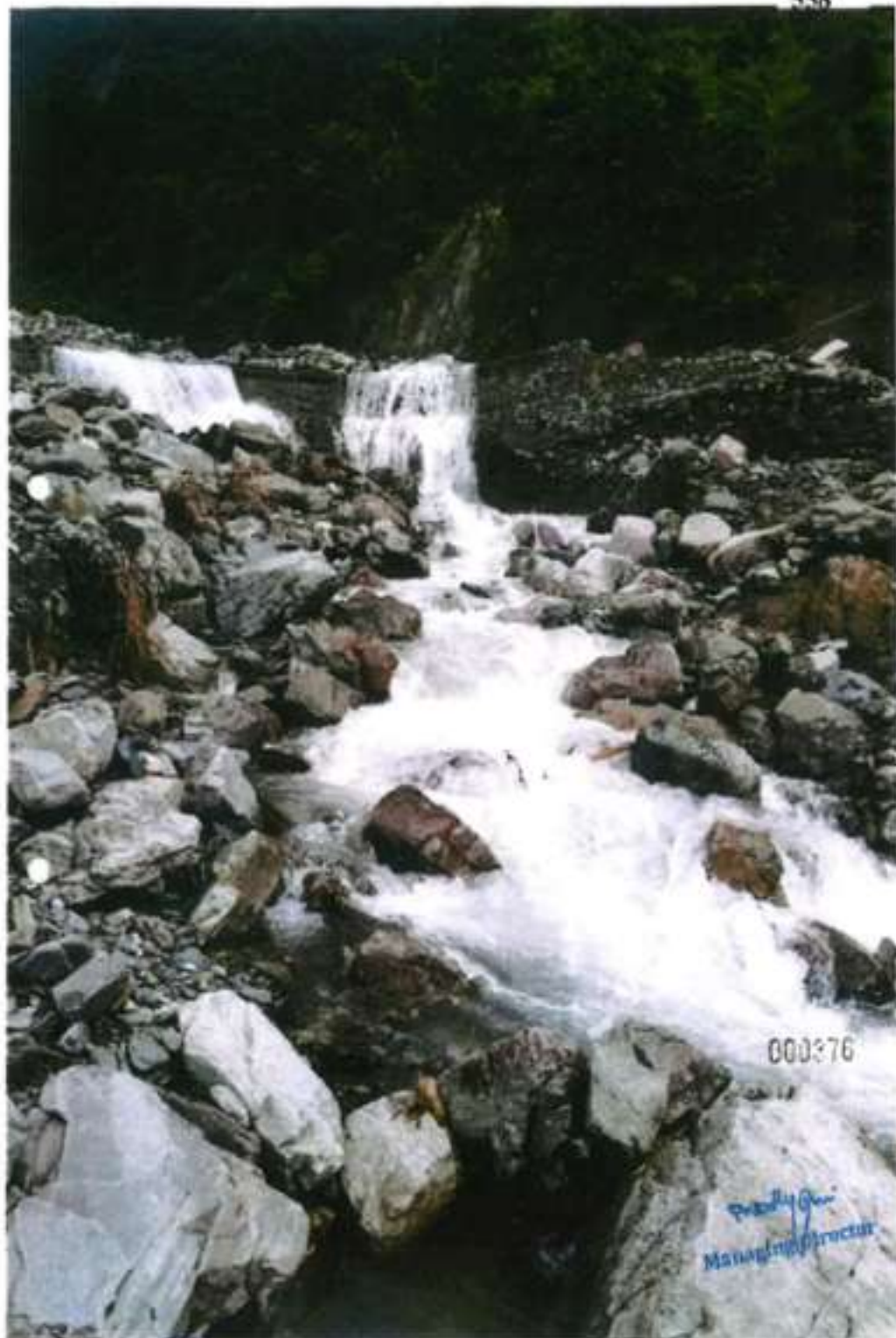
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Managing Director









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Managing Director





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Managing Director

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Managing Director

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ANNEXURE A/17

Activities wise impact of Reasons of delay in construction of 220 KV D/C (Twin Zebra) Transmission Line on Twin Zebra Conductor from Lakhwar to Dehradun and its L/ILO at Vyasi for review petition before Hon'ble UERC for FY 2024-25 for allowing the deduction of Interest During Construction (IDC) against construction of 220 KV D/C (Twin Zebra) Transmission Line on Twin Zebra Conductor from Lakhwar to Dehradun and its L/ILO at Vyasi under REC VIII scheme.

It is intimate that construction of 220 KV D/C (Twin Zebra) Transmission Line on Twin Zebra Conductor from Lakhwar to Dehradun and its L/ILO at Vyasi was awarded to M/s BTL EPC Ltd. as per contract No. 815 & 816 (Supply and Erection)/CE/C&P/PTCUL/TL-18/2014-15 dated 11.05.2015. The completion period of above Line was 27 months from the date of LOA i.e. 11.05.2015. The construction work of 220 KV D/C (Twin Zebra) Transmission Line on Twin Zebra Conductor from Lakhwar to Dehradun and its L/ILO at Vyasi could not be completed due to the following reasons. The impact of the delays and effects by PTCUL is as mentioned below:

Delay due to Approval of forest Case

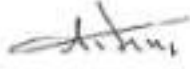
(a) Delay in Joint Inspection With Forest officials:-
Impact on Project Program:

- A. The Forest officials joint inspection activities were influenced by seasonal activities/factors, such as forest fire prevention, wildlife monitoring, or afforestation campaigns. During peak seasons, officials were preoccupied with these priority tasks, making it challenging to allocate time for transmission line project work inspections. The administrative workload might was another reason which diverted their resources and attention away from transmission line project work inspections.
- B. The delay in the joint inspection elongates the overall timeline for the forest case preparation and its timely submission. This delay cascade into further setbacks in project milestones and overall completion deadlines, leading to increased project duration.

Efforts made by PTCUL:

- i. **Timely Coordination:** Prompt and proactive coordination with Forest Department officials was initiated to schedule inspections at suitable times for both parties. This involved contacting the relevant authorities, understanding their availability, and proposing mutually convenient dates for inspections. The details of correspondence made with forest and administration by PTCUL is enclosed with Annexure A under the reason of delay in Joint Inspection With Forest officials.

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(b) Delay in FRA Meetings:**Impact on Project Progress:**

1.) Obtaining NoCs : The Forest Rights Act 2006 (FRA) establishes a comprehensive legal framework for recognizing and vesting forest rights in forest-dwelling communities. Compliance with FRA requirements for obtaining NoCs from Gram Sabhas involves navigating through complex legal provisions, including provisions related to community forest rights. Obtaining NoCs from Gram Sabhas in compliance with FRA may require extensive consultations with forest-dwelling communities to seek their consent and address any concerns or objections raised, which can lead to delays. Delays in the NoC issuance process under FRA may arise due to factors beyond the petitioner's control, such as disagreements or conflicts within forest-dwelling communities regarding forest rights claims, land use priorities, or benefit-sharing arrangements. Resolving these conflicts requires consensus-building efforts that prolongs the process of obtaining NoCs.

2.) Documentation and Verification: Verification of forest rights claims and documentation of traditional forest usage by forest-dwelling communities are integral to the NoC issuance process under FRA. Ensuring the accuracy and completeness of documentation, as well as verifying the authenticity of claims, is time-consuming and resource-intensive.

Delay in submission of forest case for Approval : Delays in holding the FRA meeting and obtaining NoCs from Gram Sabhas directly disrupt the project timeline for the transmission line project. These delays hinder the timely preparation and submission of the forest case required for approvals. Consequently, other forest case preparation activities such as land acquisition, environmental assessments, etc. as scheduled, leads to overall delays in project completion.

Efforts made by PTCUL:

i.) PTCUL initiated proactive engagement with local communities residing in or dependent on forested areas affected by the project. This involves identifying and reaching out to relevant members of Gram Sabhas and Forest Rights Committees (FRCs), to inform them about the project, its potential impacts, and the process for obtaining their consent.

ii.) During meetings and consultations it was intimated to community members about their rights under the Forest Rights Act and the implications of the project on their livelihoods, land, and resources. These sessions provide a platform for dialogue, information sharing, and clarification of doubts or concerns raised by community members.

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 Managing Director

iii) Overall, efforts made by PTCUL for conducting FRA meetings and obtaining NOC from Gram Sabha's involve inclusive community engagement, facilitation of transparent decision-making processes, documentation of forest rights claims, resolution of grievances, and compliance with legal requirements. These efforts are essential for securing community consent, fostering social acceptance, and ensuring the sustainable and equitable implementation of projects affecting forested areas. The details of correspondence made with forest and administration by PTCUL is enclosed with Annexure A under the reason of Delay in FRA Meetings.

(c) Delay in Searching of Civil Soyam Land (73.36 Hectare):

Impact on Project Progress:

Project Implementation Delays: Delays in searching for CA land can directly hinder the commencement of the transmission line project. The forest department's guidelines often mandate that compensatory afforestation (CA) land must be provided in a timely manner with forest case submission otherwise can lead to project delays, impacting construction schedules, milestones, and overall project completion timelines. Delays in searching for compensatory afforestation land have significant implications for transmission line projects, particularly in meeting the guidelines of the forest department.

Efforts made by PTCUL:

i) **Persuasion with forest officials:** Collaborating with forest departments to expedite the process of identifying suitable civil soyam land for CA. The details of correspondence made with forest and administration by PTCUL is enclosed with Annexure A under the Delay in Searching of Civil Soyam Land (73.36 Hectare).

(d) Delay in forest Approval of forest case and permission to start work

Impact on Project Progress:

i) **Complex Approval Procedures:** The MOEF & CC Regional office in Dehradun follows a rigorous approval process for forest-related cases, involving multiple stages of scrutiny, assessment and clearance. The complexity of these procedures often leads to delays in obtaining approvals due to the meticulous review required.

ii) **Construction Delays:** Delays in obtaining forest approvals and permissions can directly impede the commencement of construction activities. Without the necessary permissions to

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Managing Director

begin work in forested and non forest areas, construction activities that rely on these areas may be stalled or halted altogether. This can lead to delays in the overall project timeline, pushing back completion. Obtaining approvals from the MOEF & CC Regional office is mandatory for forest-related projects to ensure compliance with environmental regulations and conservation efforts. Delays in approvals are often inherent to the regulatory framework and are beyond the PTCUL control.

iii). **Resource Allocation:** Project resources, including manpower and equipment, was underutilized or redirected to other tasks while awaiting forest approvals. This inefficient allocation of resources impacted time line of the project.

Efforts made by PTCUL:

1. **Comprehensive Documentation:** PTCUL Provided Clear and detailed documentation to forestry authorities for assessment of the forest case and its timely approval.
2. **Compliance of all conditions mentioned in Principle Approval.** PTCUL submitted the compliance report but still the permission to start the work was not given by Forest Department. PTCUL started the work in forest area only after the issue of GO by GoU on dated 13-08-2018. The details of correspondence made with forest officials by PTCUL is enclosed with Annexure A under the Delay in forest Approval of forest case and permission to start work.

Delay due to others factors

a) Severe RoW at Location No AP 01 , AP 18, AP19/2 ,AP20, AP20/1 AP20/2, AP20/3 ;

Impact on Project Progress:

- i). **Construction Delays:** Severe RoW issues lead to delays in the construction progress of the project. Access to these locations is restricted or hindered due to disputes over land ownership or RoW acquisition, construction activities were be halted or slowed down, affecting the overall project timeline.
- ii). **Challenges to resolve the Row Issues:** Severe RoW issues triggered to the challenges in project execution. Disputes over land ownership or RoW acquisition lead to, requiring the allocation of resources and time to resolve Row Issues.

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Efforts made by PTCUL:

i). **Negotiation and Mediation:** PTCUL engaged in negotiations with affected landowners, local authorities, and other stakeholders to reach mutually acceptable agreements regarding RoW access to solve the issue. Mediation sessions facilitated by neutral third parties may help parties find common ground and resolve disputes amicably.

ii). **Alternative Routes:** If RoW issues persist despite efforts to resolve them, PTCUL had explored alternative routes that minimize the impact on affected properties or communities. Conducting technical and feasibility studies for alternative options helped to identify viable solutions to resolve the RoW issues.

In summary, severe RoW issues at multiple project locations can have significant implications for construction progress. The details of correspondence between land owners and PTCUL is enclosed with Annexure A under the Severe RoW at Location No AP 01 , AP 18, AP19/2 , AP20, AP20/1 AP20/2, AP20/3

b) Unavailability of Shutdown of 33/11 KV feeders from UPCL

Impact on Project Progress:

i). **Halting Progress:** The unavailability of shutdown from UPCL hampered the transmission line construction work as stringing work of transmission line cannot be proceeded in areas where the existing 33/11 KV feeders/lines are coming in the route of 220 KV transmission line . This interruption halts construction activities along the route of these feeders, leading to delays in the overall project timeline.

ii). **Man Power Idling:** During the unavailability of shutdown during scheduled period, resources such as manpower, T&P , and materials remains idle, resulting in wastage of time and resources. This idle time contributes to delays in completing project milestones.

Efforts made by PTCUL:

i). **Resource Reallocation:** During the event of non availability of shutdown from UPCL , PTCUL have tried to reallocated resources to other project construction site or manpower was engaged in alternative activities to minimize the impact of unavailability of shutdown on project progress. This ensured optimal utilization of available resources despite the shutdown delay.

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Manager
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2. Schedule Optimization: Efforts may have been made to optimize the project schedule by rescheduling shut down timelines, or accelerating critical path tasks once the shutdown period concludes. This helped to mitigate the delay's impact on project timelines. The details of correspondence between land owners and PTCUL is enclosed with **Annexure A** under **Unavailability of Shutdown of 33/11 KV feeders from UPCL**.

c) Due to Lockdown imposed by GoU/GoI because of COVID-19 Pandemic and due to Second Wave/Novel Corona Virus COVID-19 Pandemic, Supply of towers parts and construction work affected

Impact on Project Program:

i). **Workforce Disruption:** The lockdown resulted in restrictions on movement and labor shortages due to workers being unable to commute to the project site. This disrupted the planned workforce deployment and impacted construction activities, leading to delays in project milestones.

ii). **Supply Chain Disruptions:** The lockdown disrupted supply chains, affecting the timely delivery of materials, equipment, and machinery essential for project execution. Shortages or delays in obtaining critical resources hampered construction progress and contributed to delay in progress.

iii). **Government Mandates:** The lockdown was mandated by government authorities to curb the spread of COVID-19 and prioritize public health and safety. Compliance with these directives was non-negotiable and justified to prevent the risk of virus transmission among workers and the community. The lockdown necessitated compliance with government directives and safety regulations, such as social distancing measures and hygiene protocols. Implementing these measures slowed down construction operations, as additional time and resources were required to ensure compliance.

iv). **Force Majeure Event:** The lockdown constituted a force majeure event, an unforeseeable circumstance beyond the PTCUL control that hindered project execution. As such, the PTCUL cannot be held liable for delays caused by circumstances outside the sphere of influence. Prioritizing the health and well-being of workers and employees during a global health crisis is paramount. Delaying project activities to adhere to lockdown measures demonstrates a commitment to ethical and humanitarian considerations, justifying the impact on the project schedule.

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Efforts made by PTCUL:

- i). **Remote Work Arrangements:** Where feasible, PTCUL have implemented remote work arrangements for administrative tasks, project planning, and coordination during the lockdown period. This allowed essential project activities to continue remotely, mitigating the impact on overall progress.
- ii). **Rescheduling and Resource Optimization:** PTCUL have rescheduled project activities and optimized resource allocation to prioritize critical tasks once lockdown restrictions eased. This strategic planning aimed to minimize the backlog of work and accelerate progress to meet revised project timelines. The details of correspondence between land owners and PTCUL Government orders regarding Covid 19 is enclosed with Annexure A under Due to Lockdown imposed by GoU/Gul because of COVID-19 Pandemic and due to Second Wave/Novel Corona Virus COVID-19 Pandemic, Supply of towers parts and construction work affected.

d). Unapproachable Roads to working sites due to Road Blockages caused by Heavy Rainfall and Cloud bursts during Monsoon Season:

Impact on Project Progress:

- i). **Delayed Transportation:** Heavy rainfall often leads to road blockages, making transportation of materials, equipment, and manpower difficult or impossible. This directly impacts the progress of construction activities as essential resources cannot reach the project site on time.
 - ii). **Disruption of Work Schedule:** Road blockages disrupt the planned work schedule, causing delays in project milestones. Construction activities reliant on timely material deliveries, equipment mobilization, and workforce deployment are severely affected, leading to a slowdown in overall progress.
 - iii). **Increased Risks and Safety Concerns:** During heavy rainfall, road blockages can result in unsafe working conditions at the project site. Construction activities may need to be halted or modified to ensure the safety of workers and prevent accidents, further prolonging the project timeline.
- Measures Taken to Address the Situation:

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Efforts made by PTCUL:

i). **Alternative Routes:** Where ever it was feasible, PTCUL have explored alternative ways and routes to reach the construction site in order to minimize the impact of road blockages on project progress.

ii). **Resource Optimization:** During road blockages, PTCUL have optimized resource allocation and adjusted work schedules to focus on activities unaffected by the delays.

iii). **Persuasion with PWD officials:** PTCUL with PWD officials to expedite road clearance efforts and minimize the duration of the blockages. The details of correspondence between PWD Officials and PTCUL is enclosed with Annexure A under Unapproachable Roads to working sites due to Road Blockages caused by Heavy Rainfall and Cloud bursts during Monsoon Season.

e) Delay in Tree Marking/Chappan by Forest Department in Hill Section:-

i) **Project Timeline Disruption:** Delays in tree marking proving the stringing work of the transmission line project. Without the clearance of trees in the designated areas, subsequent activities such as paying of conductor ,taking rough sag etc cannot proceeded . This delay directly impacts the overall project timeline, leading to potential delays in completion and increased project duration

ii)**Impact of Heavy Rainfall and Cloudbursts:** Hill sections are particularly vulnerable to heavy rainfall and cloudbursts due to their steep terrain and susceptibility to soil erosion and landslides. These weather events made it unsafe or impractical for forestry personnel to conduct tree marking activities during that period. Roads may become impassable, and the risk of landslides can pose a threat to the safety of workers.

Efforts made by PTCUL:

Persuasion with forest officials: PTCUL regularly pursued with the forest department to expedite the tree marking process in hill sections affected by heavy rainfall or cloudbursts. By working together and by collective approach the challenges were mitigated more effectively. The details of correspondence made with forest officials by PTCUL is enclosed with Annexure A under the Delay in Tree Marking/Chappan by Forest Department in Hill Section




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No generation loss due to time over run of the 220KV Line as the 220 KV line was ready before the generation of Vyasi (120 MW) of UJVNL.

It is also to apprise here that the Hydro-Electric Power Project Vyasi (120 MW) of UJVNL was also under construction stage and was expected to start its generation in April 2022 however PTCUL completed the construction work of 220 KV D/C (Twin Zebra) Conductor from Vyasi (120 MW) of UJVNL to Dehradun Transmission Line on 28-03-2022 and obtained the electrical Inspector certificate on date 28-03-2022 but the 220 KV line (Twin Zebra) from Vyasi (120 MW) UJVNL to Jhajra PTCUL (Dehradun) was energized on 13-04-2022 as per readiness of their first generation unit of UJVNL and second 220 KV line (Twin Zebra) from Vyasi to Shekhar PGCIL (Dehradun) was energized on 07-05-2022 as per readiness of their second generation unit. Thus there was no generation loss due to time over run of the 220KV Line as the 220 KV line was ready before the generation of Vyasi (120 MW) of UJVNL.

Prayer: Throughout our journey, PTCUL has faced numerous challenges, many of which were unforeseen and beyond our control. Thus with the utmost respect it humbly requested that considering the above mentioned facts the deduction of Interest During Construction (IDC) against construction of 220 KV D/C (Twin Zebra) Transmission Line on Twin Zebra Conductor from Lakhwar to Dehradun and its LILO at Vyasi under REC VIII scheme may be allowed.






Managing Director

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Reasons of delay in construction of 220 KV D/C (Twin Zebra) Transmission Line on Twin Zebra Conductor from Lakhwar to Dehradun and its LILO at Vyasi :

It is intimate that construction of 220 KV D/C (Twin Zebra) Transmission Line on Twin Zebra Conductor from Lakhwar to Dehradun and its LILO at Vyasi was awarded to M/s BTL EPC Ltd. as per contract No. E35 & E36 (Supply and Erection)/CB(C&P)/PTCUL/TL-18/2014-15 dated 11.05.2015. The completion period of above Line was 27 months from the date of LOA i.e. 11.05.2015. The construction work of 220 KV D/C (Twin Zebra) Transmission Line on Twin Zebra Conductor from Lakhwar to Dehradun and its LILO at Vyasi could not be completed due to the following reasons:-

1. **Delay in Joint Inspection With Forest officials:** - For preparation of forest case proposal joint inspection of complete route of Line with Forest and Revenue Department is required for identification of different type land classification and accordingly for preparation of land schedule required for forest case proposal. Hence for preparation of forest PTCUL vide letter No. 476/ EE(P)/PTCUL/Dehradun dated 25-11-2015 requested to DM Dehradun and vide letter No. 475/ EE(P)/PTCUL/Dehradun dated 28-11-2015 (Copy enclosed as Annexure 'I-A to I-B') requested to DFO Kahi/Chakratta/Munroorie for joint inspection. DM Dehradun and vide letter No. 57/DLRC-2016 dated 10-02-2016 (Copy enclosed as Annexure 'II') directed SDM Kahi/Chakratta/Munroorie for joint inspection regarding forest case. Due to their own Departmental works it is difficult to fix schedule for joint inspection. Due to delay in joint inspection preparation of forest case proposal delayed. The joint inspection should have completed in two months i.e. by 28-01-2016 but the joint inspection was completed on 11/04/2016. So total delay of the 02 Months was done by Forest Department. (Period from 28-01-2016 to 11/04/2016)
2. **Delay in FRA Meetings:** In compliance to Forest Right Act 2006, FRA certificates are required to receive from District Magistrate. PTCUL vide letter 163/EE(P)/PTCUL/Dehradun dated 04.03.2016 (Copy enclosed as Annexure 'III') requested DM Dehradun for providing certificates of FRA 2006. As per Forest Right Act 2006 for obtaining certificates from DM, meetings in all Gram Sabha are required in presence of at least 50% members of Gram Sabha and NOC is to be obtained from them.

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After that meeting of Sub Divisional Committee of FRA conducted and recommendation is to be obtained from them. Finally meeting of Divisional Committee of FRA headed by DM is conducted and accordingly certificate issued by him.

In village Kedarwala due to agitation of villagers the meeting could not be conducted timely. FTCUL, proceeded to the Gram Pradhan and other Villagers and then meeting in Kedarwala was conducted on date 31-03-2017 and NOC from Gram Pradhan was obtained. After that meeting of Sub Divisional Committee was conducted on 31-03-2017 and Divisional Committee on date 03-04-2017 and finally certificate of FRA 2006 was issued by DM Dehradun on date 03-04-2017 (Copy of NOC from Villager Kedarwala and certificate issued by DM is enclosed as Annexure - 'IV-A to IV-C'). Complete FRA proceedings should have completed in two months but it took 13 Months time for obtaining Certificate of FRA 2006 for Forest Case proposal of line due to RoW issues. So total delay of the 11 Month was involved in obtaining certificate of FRA 2006 for forest case proposal of line. (Period from 04-05-2016 to 03/04/2017)

3. a)- Delay in Searching of Civil Soyam Land (73.36 Hectare): After preparation of Forest case proposal FTCUL vide letter No 204/EE(PI)/FTCUL/ Dehradun dated 26-05-2016 (Copy enclosed as Annexure 'V') requested to DM Dehradun for providing 73.36 Hect Civil Soyam Land for compensatory afforestation. As Land bank for CA was not available in Dehradun District (copy of Letter No. 368/संश्लो-संश्लो-2014 दिनांक 08.07.2014 to DM, Rudrapur, DM, Chamoli and Commissioner Garhwal is enclosed as Annexure - 'VI') so land identification was delayed. As Land identification was delayed at Revenue Department and so FTCUL discussed the matter with DFO, Kalsi and after discussion DFO was requested vide Letter No. 243/EE(PI)/FTCUL/Dehradun dated 26-06-2016 (Copy enclosed as Annexure 'VII') for providing 73.36 Hect Civil Soyam Land for compensatory Afforestation. Finally DFO, Kalsi on dated 15-09-2016 (Copy of Site suitability Certificate is enclosed as Annexure 'VIII A to VIII H ') intimated that 73.36 Hect land is available for CA. Proposal for CA was prepared on 29/10/2016 by Forest Department (Copy of Timeline is enclosed as Annexure 'IX'). It should have completed in two months i.e. 29/07/2016 but total five months time was taken. So total delay of five months in searching CA land was involved. The delay is

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 Managing Director

march of Civil Survey land for diversion of land of 36.68 Hectare was happened due to non availability of land bank in Dehradun District.

(b)- As per condition No. 1 of Principal approval of MOEF, Regional Office, Dehradun (Copy enclosed as Annexure 'X') 73.36 Hect. land proposal for Compensatory Afforestation is to be transferred in the name of Forest Department. Accordingly PTCUL vide letter No 560/EE(P)/PTCUL/Dehradun dated 14-09-2017 (Copy enclosed as Annexure 'XI') requested to DM Dehradun for transfer of land for CA in the name of Forest Department. This process should have completed in one month i.e. but 14-10-2017 but it took 03 (three) months was involved for transfer of land for CA in the name of Forest Department.

4. **Excessive delay in Nodal office:** Forest case of the line was submitted online on dated 29-10-2016, but Nodal office Dehradun raised some queries vide on dated 10-11-2016 (Copy of time line is enclosed as Annexure 'XII'). The reply of the queries was submitted by PTCUL on dated 10-11-2016 but again Nodal office Dehradun raised additional queries vide on dated 07-12-2016 (Copy of time line is enclosed as Annexure 'XIII'), after the removal of observations the reply of queries was submitted by Conservator of Forest to Nodal on dated 22-12-2016. (Copy of time line is enclosed as Annexure 'XIV'). Then Nodal submitted the forest case proposal to Forest department of GoI on dated 28-01-2017 (Copy enclosed as Annexure 'XV'). Excessive delay in processing of forest case of the line in Nodal office in spite of regular persuasion caused delay in timely submission of forest case to MOEF regional office Dehradun. Nodal office should have intimated all the queries at a time on 10-11-2016 but after submission of replies of queries, Nodal office again raised new queries. If all the queries were raised at a time i.e. on 10-11-2016 then forest case should have been submitted to GoI by 25-11-2016 i.e. after 15 days time from submission of reply by PTCUL. So total delay 04 months was done by Nodal office.
5. **Withdrawal of Online submission of forest Case:** Complete Forest case proposal no - FR/UK/TRANS/21689/2016 was submitted online on dated 29-10-2016 for diversion of 34.07 Hect. forest land. MOEF Regional Office, Dehradun raised the queries on dated 22/02/2017 (Copy of Timeline is enclosed as annexure - 'XVI') that Civil Survey Forest land is also to be included in total area of diversion of Forest land. Again joint inspection

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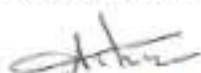



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was carried out and legal land papers of Civil Soyam land was obtained from Revenue Department. In Legal papers of land it was found that 2.61 Hect. Land is coming in Civil Soyam Forest land (5-3 A/B/C and 9-3 A/B/C) . As per classification of land intimated by Forest and Revenue Department Forest case was modified after including of 2.61 Hect. Civil Soyam Forest land in Forest Case proposal. After compliance of queries raised PTCUL vide letter No. 194/EE(P)/PTCUL/Dahradun dated 06-04-2017 submitted the reply to Nodal Office and requested for providing edit option in online Portal for changing the area of the land (Copy enclosed as Annexure 'XVII'). Nodal office vide letter No. 3359/FP/UK/TRANS/21689 dated 12-04-2017 intimated to PTCUL that there is no edit option in online portal and instructed to Withdraw that former Case Proposal No FP/UK/TRANS/21689/2016 and submit the fresh proposal of Forest case (Copy enclosed as Annexure "XVIII"). Revised forest case Proposal no FP/UK/TRANS/25653/2017 of the line was submitted online on 13-04-2017. Nodal office, Dahradun raised queries vide letter no dated 03-05-2017 (Copy time line is enclosed as Annexure 'XIX'). The reply of the queries was submitted by CF to Nodal on dated 18-05-2017. Nodal on dated 05-07-2017 submitted the Forest case proposal in forest department of GoI. (Copy of Online Submission details is enclosed as Annexure 'XX'). So the delay between revised date of submission and previous date of submission of proposal to MoEF Regional Office Dahradun i.e. 05 Months was beyond control of PTCUL, as land classification i.e. Private, Reserve Forest, Civil Soyam etc. is done by Revenue and Forest Department. During previous Joint inspection they could not identified that 2.61 Hect. land is Forest so in proposal it could not be included as a result revised proposal for Forest case was prepared.

6. Delay in forest Approval of forest case and permission to start work: Principle approval of the forest case was obtained on 11-09-2017 from MoEF and CC Regional Office Dahradun (Copy of Principle Approval is enclosed as Annexure 'XXI'). Final Approval obtained on 24-04-2018 from MoEF and CC (Copy of Final Approval is enclosed as Annexure 'XXII'). The GO for final Approval was issued by GoI on date 13-08-2018 (Copy of GO is enclosed as Annexure 'XXIII'). After obtaining the Principle Approval the firm started the work in Non Forest area but the permission to carry out the work in forest area was not by Nodal Officer Forest Department PTCUL, vide letter No. 281/EE(P)/PTCUL/Dahradun dated 02-05-2018 (Copy of letter is enclosed as

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Annexure "XXIV") requested to DFO Kalsi for tree cutting in gallery of line and permission to start the work but the same was not given by the Forest Department. PTCUL again vide letter No. 674/SE(P)/PTCUL/Dehradun dated 24-05-2018, 746/SE(P)/PTCUL/L-20 dated 06-06-2018, 1158/Dir(Projects)/PTCUL/Railway/220KV Lakhwar-Vyasi Line dated 19-06-2018 and 855/SE(NOR/FLA)/PTCUL/Dehradun dated 30-06-2018 (Copy of letters is enclosed as Annexure "XXVA-XXVD") requested Nodal Officer forest Department for giving permission to start the work in Forest area but the Nodal Officer forest Department verbally intimated that the permission to start the work in forest area can be given only after issue of GO from GoI. It is to intimate that as per directions issued by MOEF and CC, Govt. of India vide letter no F.No 11-306/2014-FC dated 08 August 2014 and vide letter no F.No 11-306/2014-FC dated 07 May 2014 (Copy of letter is enclosed as Annexure "XXVIA-XXVIB"). Forest Department can give permission for tree cutting and commencement of work for Green Projects after obtaining in Principle Approval and on compliance of all conditions mentioned in Principle Approval. PTCUL vide letter No. 67/EE(P)/PTCUL/Dehradun dated 27-01-2018 (Copy of letter is enclosed as Annexure "XXVII") submitted the compliance report but still the permission to start the work was not given by Forest Department. PTCUL started the work in forest area only after the issue of GO by GoI on dated 13-08-2018.

7. Severe RoW at Location No AP 01, AP 18, AP19/2, AP20, AP20/1 AP20/2, AP20/3 :

There were severe Right of way issues at location No AP 01, AP19/2, AP20, AP20/1 AP20/2, and AP20/3. There were severe ROW issues at location no AP 18 and AP19/2 land owners of locations no AP18 and AP19/2 requested PTCUL to shift the tower position from center to one side of the their farm so that there may be a minimum loss of the valuable farm land. (Copy of letter is enclosed as Annexure XXVII A) Though PTCUL pursued a lot to them but land owners didn't agreed and stopped the foundation work and finally M/s BTL submitted the revised tower schedule which was approved by PTCUL on vide SE (P) letter no 631/SE(P)/PTCUL-L-20 dated 01-07-2019 for tower location no. AP 18 and AP 19/2 (Copy of letter and tower schedule is enclosed as Annexure XXVII B). Similarly during construction of the line foundation work at location no AP 20/2 and AP 20/3 was started by the firm M/s BTL and during the foundation work when two legs of

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each locations where the foundation work was stopped by the concerned land owner and asked PTCUL to shift the locations from their land PTCUL pursued the land owner but they didn't agreed for the construction of foundation in their land. The land owners informed PTCUL that they belong to Boksha Scheduled Tribe and this land is only source of their livelihood. Land owner also submitted the application dated 28/06/2019 requesting for shifting of above 220 KV line from their land. (Copy of letter is enclosed as Annexure XXVII C)

For resolving this severe RoW issue at location no. AP 20/2 and AP 20/3 PTCUL requested Gram Pradhan of the village and revenue Officials for a site visit. After the site visit a new alternate route was explored to resolve the RoW issue. The new route was technically feasible and suitable for the construction of transmission line and also there were less possibility of RoW issues. Consequently after the re survey the proposal for shifting of tower AP 20/2 and AP 20/3 was put up to Chief Engineer (Project) and Chief Engineer (Project) vide note and order no.901/CE(P)/PTCUL dated 03/07/2019 approved the same (Copy is enclosed as Annexure XXVII D).SE(P) vide letter no 649/SE(P)/PTCUL/L-20 dated 06-07-2019 approved the revised profile and tower schedule for tower location no. AP 20/2 and AP 20/3(Copy of letter and revised tower schedule is enclosed as Annexure XXVII E). Due to Row at AP01 the adjacent foundations of tower no AP2 and AP 2A could not be completed. M/s BTL vide letter No. BTL/PTCUL/SBD-403/DPE/270 dated 13/01/2020 letter No. BTL/PTCUL/SBD-403/280 dated 26/02/2020 and letter No. BTL/PTCUL/SBD-403/310 dated 06/05/2020 (Copy of Land Owners and BTL letters is enclosed as Annexure 'XXVIII A to XXVIII C') requested PTCUL to resolve the RoW issue. PTCUL consistently pursued the landowner of location No AP 01 personally several times to resolve the RoW issue but he didn't agreed and after continuous persuasion and several talks on phone the landowner of location No AP 01 agreed for a meeting at site. Thus a joint visit along with PTCUL officials, M/s BTL and landowner was proposed on 28-05-2020 at site to resolve the RoW issue after lot of discussion and persuasion the representative of Land owner in principle agreed and requested to shift the location of AP 01 which was earlier adjacent between location no 16 and 17 of 220KV D/C Twin Zebra Line from Shergur (PGCL) to 226 KV S/s Rajga (PTCUL) to the front of location no 16 of 220KV D/C Twin Zebra

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Managing Director

Line from Shepur (PGCIL) to 220 KV S/S Jhajra (PTCUL which also belongs to him. Then PTCUL instructed to M/s BTL to make revised tower profile to check the feasibility of the new position of AP 01. Accordingly the tower profile was prepared by M/s BTL and submitted on dated 01-07-2020 but as per new arrangements of tower the angle between the new position of tower and AP2 was coming 57° - 58° and as per discussions held with line design engineering it was advised to minimize the angle between AP 1 and AP 2 then again a joint visit on dated 26-05-2020 (Copy of MOM enclosed as Annexure 'XXIX') was conducted along with PTCUL officials, M/s BTL and their surveyor, to explore the possibilities of minimizing the angle and as per actual site conditions it was jointly decided to increase no. of tower in order to minimize the angle between AP 1 and AP 2. Accordingly M/s BTL was instructed to make revised tower profile as per site constraints. Subsequently the tower profile was prepared by M/s BTL and submitted on dated 06-07-2020 and the same was approved by PTCUL on vide SE (PI) letter no. 251/SR(P)/PTCUL dated 13-07-2020 for tower location no. AP 01 and AP 02A (Copy of letter and revised tower schedule is enclosed as Annexure XXIXA). After approval of tower profile the foundation at AP 01 and its adjacent tower AP 01A, AP 2 and AP 2A could not be completed because of heavy rains and high rise of water level in river tons as these locations are adjacent to the river bed.

8. Due to Lockdown imposed by GoI/Gol because of COVID-19 Pandemic As per the Government of Uttarakhand order No. UCHS-FWS/PS-MDNHM/2019-20 /217 dated 22.03.2020 (Copy of GoI order is enclosed as Annexure 'XXX') and Government of India Ministry of Home affairs order no 46-3/2020-DM-I(A) dated 24-03-2020 (Copy of GoI order is enclosed as Annexure 'XXXI') notified complete lockdown within the state and accordingly lockdown of non-essential services in the state of Uttarakhand from 2100 hrs on 22.03.2020 to 03-05-2020 was implemented. The Construction work of project at site was stopped in compliance to the directives of GoI and Government of India because of COVID-19 Pandemic. Executive Engineer (PO), Vikas Nagar vide letter No. 116/EE(PO)/PTCUL dated 24.04.2020 (Copy of EE letter is enclosed as Annexure 'XXXII') requested SDM, Vikas Nagar for granting permission to start the work at construction site of 220 KV D/C (Twin Zebra) Transmission Line on Twin Zebra Conductor from Lakhwar to Dehradun and its L.I.O at Vyas.

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 Managing Director

SDM, Vikasnagar vide endorsement pass no. 120 dated 25.04.2020 (Copy of SDM pass is enclosed as Annexure 'XXXIII') granted permission to start the work at site subjected to the fulfilment of certain conditions/ Guidelines as per Government for Covid 19 pandemic. But Inspite of the SDM, Vikasnagar permission the work at construction site still could not be started in full swing, in absence of sufficient labour due to restriction and migration of skilled & non skilled labour in large number of quantity to their native place during the lockdown period to reach their home with a concern of safety of them and their family, which affected the progress of the construction work of the line considerably and delayed the progress of the work. The Delay occurred due to Lockdown in Covid 19 Pandemic was 98 days (Period From 22/03/2020 to 30/06/2020)

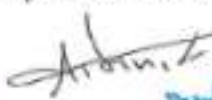
It is also to intimate that Ministry of Finance, Government of India has released one circular No.F.18/4/2020-PPD date 13-05-2020 (Copy of MoF circular enclosed as Annexure 'XXXIV') and instructed all Government agencies for extending period not less than three months and not more than six month to the projects which are completing on or after 20th February 2020, without imposition of any cost or penalty on the contractor/concessionaire, reason as COVID-19 is Force Majeure condition.

9. Unavailability of Shutdowns of 33/11 KV feeders from UPCL:-

After completing erection of tower at location span from 21 to 22, EE vide letter no 224/EE(P)/PTCUL/Vikasnagar dated 11-12-2020 (Copy of letter is enclosed as Annexure 'XXXV') requested EE UPCL Vikasnagar for providing shut down on dated 10-01-2021 to 14-01-2021 for stringing between span of location no AP 21 to AP22, but shut down was not granted from UPCL, again the required shut-down was requested vide letter no 04/EE(P)/PTCUL/Vikasnagar dated 16-01-2021 (Copy of letter is enclosed as Annexure 'XXXVI') for dated 22-01-2021 to 25-01-2021 and 27-01-2021 to 31-01-2021 for stringing between span of location no AP 21 to AP22.

UPCL allowed the shut-down on requested date but within one day UPCL intimated that due to overloading problem the requested shut down cannot be continued for further duration and will be allowed later on. Hence, the work of stringing between the between span of location no AP 21 to AP22 could not be completed in normal course of time and

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Managing Director

later on after several requests and with co-ordination of UPCL the work of stringing between AP 21 to AP22 was completed on 09-02-2021.

Similarly, after completion of pile foundation at location AP 13 and erection of tower in first week of December 2020, the stringing of the line between location no AP13to AP-14 was subjected to the availability of shut down of existing 132 KV S/C Kulhai-Jhagra and 132 KV Dhalpur -Jhagra lines of PTCUL along with 33KV and 11 KV lines of UPCL coming across the span of location no AP13to AP-14. EE(P) vide letter No. 224EE(P)/PTCUL/Vikasnagar Dated 11-12-2020 requested for shut down for the above 132 KV line of PTCUL and 33 KV and 11 KV Lines of UPCL for dated 10-01-2021 to 14-01-2021but due to some unavoidable circumstances in UPCL the said shutdown for 33 KV&11 KV of UPCL feeders was not granted on scheduled date. EE (P) vide letter No. 16/EE(P)/PTCUL/Vikasnagar Dated 17-02-2021 (Copy of letter is enclosed as Annexure 'XXXVII') requested for shut down 33 KV and 11 KV Lines of UPCL for dated 23-02-2021 to 27-02-2021but again due to only available source of 33KV feeder UPCL did not allow the shut-down on scheduled date. Again EE (P) vide letter No. 22/EE(P)/PTCUL/Vikasnagar Dated 02-03-2021(Copy of letter is enclosed as Annexure 'XXXVIII A') requested for shut down 33 KV and 11 KV Lines and also SE(P) and EE (P) personally requested SE(P)UPCL. Rurai and EE(UPCL) Vikas Nagar to allow the shut-downs of 33/11 KV feeder falling between AP13-14 so that the stringing between location no AP13 to AP-14 may be completed and PTCUL can plan further locations which are subjected to availability of shut down. EE UPCL Vikasnagar intimated verbally and later on vide letter no.2744/EDD dated 28/08/2021 in reference to PTCUL letters regarding shut (Copy of letter is enclosed as Annexure 'XXXVIII B') that the said feeder of 33/11 KV of which shut down is required is only available source of supply to major industrial area and such a long duration/interruption of power supply for 11 hours daily basis for 5-6 days will be very difficult for UPCL to manage. However, they have suggested an alternate solution that they have a dead feeder line of 33 KV from Dhalpurani to Sahaspur express feeder which needs some maintenance work and after maintenance of this feeder they will be able to provide shut of 33 KV Dhalpurani to Sahaspur ,which took a long time in getting maintenance and rectification in order to put the whole load of 33 KV Sahaspur feeder. Subsequently, again the required shut-down

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Managing Director

was requested vide letter no. 46/EE (PI)/PTCUL/Vikasnagar dated 09-04-2021(Copy of letter is enclosed as Annexure 'XXXIX') from dated 25-04-2021 to 30-04-2021 but by the time due to sharp increase in daily number of COVID-19 cases in the district Dehradun and in other major districts of state, it became challenge for the State administration to treat the rapid increased cases of COVID-19 along with maintaining the supply chain of Oxygen at that time.

Any unwanted long interruption at that time in power supply to Hospitals and oxygen plants may lead to worsen the situation. MD UPCL on dated 23-04-2021 issued order to maintain 24x7 power supply to oxygen plants and Hospitals in order to cope up with this tough situation of second wave of the COVID-19 pandemic. (Cuttings of local Newspapers and supporting letters are enclosed as Annexure 'XL A to XL C). Hence, once again, the shutdown of 13 KV UPCL Feeder was deferred by UPCL. In order to maintain the continuous power supply to oxygen plants and Hospitals. The shutdown for stringing of the line between locations no AP13to AP-14 will now only be available when the severity of the pandemic diminishes down and normalcy resumes. Hopefully in anticipation of the expectation that by the end of June 2021 the situation may become normal, the period of delay has been taken up to June 2021 (Period from 11/12/2020 to 30/06/2021)

10 . Due to Second Wave/Novel Corona Virus COVID-19 Pandemic, Supply of towers

parts and construction work affected :

The outbreak of second wave of the COVID-19 pandemic has raged with greater ferocity across the urban as well as rural areas of India from 25-March 2021 to May 2021. With COVID-19 cases rising by a lakh with every passing day, India's second wave of the COVID-19 pandemic has been seen more intense than the first one. Some States had imposed restrictions, such as night curfews and partial lockdowns, to curtail the spread of the second wave of the COVID-19 virus in the month of April 2021, and others states also followed the same. As a consequence of this, the fear of complete lockdown had sparked another wave of reverse migration of workers to their native places from cities that had reported a sharp increase in COVID-19 cases. Uttarachand, Uttar Pradesh,

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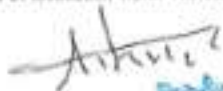
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Managing Director

Haryana, Delhi, Punjab, Telangana, and Maharashtra are some of the States that have reported migrant workers returning to their homes in large numbers. (Newspaper cuttings of local Newspapers are enclosed as Annexure 'XLI A to XLI G').

PTCUL has authorized third party for inspection of TC,TCR SPL Type Tower Stubs (Hilly terrain) at Good Luck India Ltd on dated 09-03-2021 but due increase in no of COVID-19 cases at that time, it became difficult by third party to carry out the inspection at Good Luck India Ltd Sikandrabad (Bulandshahr). On continuous permission by M/s BTL and PTCUL to Good Luck India Ltd to carry out the inspection, the inspection of the of TC,TCR, SPL Type Tower Stubs (Hilly terrain) was completed on 25-03-2021 then the Dispatch Instruction for the same were issued by PTCUL on 27-03-2021 (Copy of DI is enclosed as Annexure XLII) and then the material at construction site reached on 01-04-2021. Similarly third party for inspection of Plain and Hilly terrain tower structures was authorized on dated 17-03-2021 but M/s BTL informed that Good Luck India Ltd Sikandrabad (Bulandshahr) vide e-mail dated 21-04-2021 (Copy of e-mail is enclosed as Annexure 'XLIII') informed that due to several positive cases of Supervisors and Engineers and migration of approximate 300 labors from the Plant, Good Luck India Ltd has postponed the delivery of supply of TC Type Tower Structures (Hilly terrain) till situation normalizes. It took almost one month to carry out the inspection and the inspection Tower Structures material was completed on dated 23-04-2021 and then the Dispatch Instruction for Tower Structures material were issued by PTCUL 10-05-2021 (Copy of DI is enclosed as Annexure-XLIV). The tower structure material in three lots reached at site by 20-05-2021. Due to unavailability of Towers Structures, the erection work of the line could not be completed in time.

Similarly, some Labors from construction site of 220 KV line have also started returned to their respective places by the end of March 2021 and were reluctant to come back, fearing a possible lockdown in the country due to COVID-19 second wave pandemic. Workers left for their native places in the initial days of the lockdown, hence putting a brake on the construction activities that took a while to resume. The absence of laborers has affected the smooth functioning of the project. During the second wave of Covid-19, difficulty was faced in getting construction materials like coarse and fine aggregate from crusher plant, which in turn hampered the pace of foundation work. The current surge of

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S. K. Singh
Engrg

Anil Kumar
Manager (Construction)

COVID-19 second wave Pandemic has brought a temporary suspension to the rhythm of work, it is still uncertain when the pandemic will subside as there is also a prediction of third wave of COVID-19 pandemic with more severe fatal variants of corona virus. But still while facing with the current situation of COVID-19 second wave pandemic, M/s BTL has intimated that they have tried and still striving to keep the constructional activities of the 220 KV line in pace by taking work with available laborers at site and also by arranging more working gangs at their best level. (Period from 03/03/2021 to 20/05/2021)

11. Unapproachable Roads to working sites due to Road Blockages caused by Heavy

Rainfall and Cloud bursts during Monsoon Season:- To complete the line construction work within the time the firm has deployed its all available manpower and resources and also the additional gangs for erection and stringing work were also being arranged by the firm. The construction work was going at a good pace but due to incessant and localized extreme heavy rainfall also dubbed as Cloud Burst kind incident occurred in the Hill Section region of the Transmission Line Project. The scale of the Rainfall was unprecedented and it caused severe damage to Life and Property in the region. As this particular section of the Transmission Line lies in the Hilly Slopes which is vulnerable to Landslides due to its unstable nature of soil profile. This sudden and concentrated rainfall in the particular region caused several Nullah and Monsoonal Streams to flow with dangerous levels of floodwaters which damaged the sole approach road to various sites in multiple places. Damage done to the road was never like before, entire stretches of the road got washed away. Some stretches of roads were filled with mud from landslides which took months to clean by authorities. Also uprooted trees, boulders fallen on road and deep gullies eroded by heavy rainwater in road surface at multiple locations rendered it nearly unfit for any kind of transport vehicle. Due to damaged access and link roads at multiple way the efficient transportation of material to various sites was slowed down eventually demanding more effective work hours to perform construction activities. The challenges to mobilization of resources regarding transmission line work adversely impacted the work progress.

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Managing Director

Again, during the retreating period of the monsoon season, heavy spells of rain has hindered the work progress and slowed the pace for work. The magnitude of the rains has been staggering and disproportionately high. Disastrous rains in different parts of the country were caused due to such eastern and western storm disturbances. These untimely erratic rains were responsible for big human and environmental losses in the state. Heavy and unprecedented rains have struck Uttarakhand breaking all-time records. The entire state has been paralyzed due to the rainfall. (Copy of News Paper Cutting is enclosed as Annexure XLV A to XLV G*)

M/s BTL vide letter as

- BTL/PTCUL/SBD-403/443 Dated 13/08/2021
- BTL/PTCUL/SBD-403/446 Dated 25/08/2021
- BTL/PTCUL/SBD-403/447 Dated 28/08/2021
- BTL/PTCUL/SBD-403/452 Dated 06/09/2021
- BTL/PTCUL/SBD-403/455 Dated 14/09/2021
- BTL/PTCUL/SBD-403/457 Dated 20/09/2021

(Copy of BTL letter is enclosed as Annexure 'XLVI A to XLVI F')

M/s BTL informed PTCUL regarding road blockages and incidents of cloud bursts (Copy of Site photograph enclosed as Annexure 'XLVII A to XLVII F') causing severe damages as evident from attached photographs to the access roads leading to various tower locations at multiple places and further intimated that work related to of construction of foundation, erection and stringing has been stopped at the site.

SE(Pt) Lucknow-Vyasi line vide letter no 107/2021 dated 14/09/2021 (Copy of SE(Pt) letter is enclosed as Annexure 'XLVIII') intimated to EE PWD Dehradun that due to heavy rains and cloud burst incidents in the month of July and August 2021, the road from Village-Hathiyari to Village-Sarnet, Kuleth, Matogi and Road from Village-Pashta to Village-Matogi has been damaged and blocked due to which it is getting extremely difficult to reach at tower locations and transportation of heavy machinery, tower structure, conductor, etc at the construction site is not possible given the damaged roads. Due to unapproachability to the construction site, the construction work is getting delayed and further requested EE PWD Dehradun to take necessary action regarding the clearance of the blocked roads at the earliest so that the construction work of the line may be completed in time. The various construction activities related to transmission line work was affected badly

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Managing Director

and progress of the work got slowed down. The roads were cleared by PWD and local villagers by 15/10/2021 and the construction activities were resumed at the site with partially opened access roads. Further even after this partial opening of access roads and village link roads the rain again kept intermittently causing road blockages in the Hill Section of the line which negatively impacted work progress. Delay occurred due to road blockages caused by heavy Rain and Cloudburst is of 62 days (Period From 13/08/2021 to 15/10/2021)

12. Delay in Tree Marking/Chappan by Forest Department in Hill Section:- The Marking/Chappan of trees falling in the corridor of Hill Section of the Transmission Line was already under progress and being carried out by Forest Officials and subsequent felling of trees by Uttarakhand Van Vikas Nigam was being done at different tower locations and spans. The progress of tree marking at the end of the Forest Department was not sufficient to match the required pace to complete the project within time. The tree chappan/cutting work also got hampered due to heavy rainfall and cloudbursts in the hill section. To speed up the tree chappan work, EE (PI) vide letter No. 196/EE(PI)/PTCCL/Vikasnagar Dated 30-09-2021, (Copy of Range officer letter is enclosed as Annexure 'XLIX') requested DFO, Kalsi for the same. DFO Kalsi accordingly vide letter no 925/12-1 dated Kalsi 30-09-2021 Copy of DFO letter is enclosed as Annexure 'L'), instructed the Range Officer, Range-Langla/Chaudharpur for marking of remaining trees in Hill Section (After completion of tree chappan work by concerned Range Officers, the DFO Kalsi vide letter no 13949-I(1) dated Kalsi 16-11-2021 (Copy of DFO letter is enclosed as Annexure 'LJ'), submitted the final Tree Cutting Lots to Prabhagiyi Logging Pukhndak, Uttarakhand Van Vikas Nigam, Dehradun regarding cutting of trees falling in the transmission line corridor of the 320 KV Line. Finally, the tree cutting process was started in the First week of December - 2021(03/12/2021) and trees are being cut by Van Vikas Nigam to this date. Due to non-cutting of trees, the work of stringing work was hampered and the progress of the line was affected. Delay occurred due to non-cutting of trees is of 64 days (Period From 30/09/2021 to 03/12/2021)


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Managing Director

It is also to apprise here that at present the Hydro-Electric Power Project Vyasi (120 MW) of UJVNL was also under construction stage and was expected to start its generation in April 2022 however PTCUL completed the construction work of 220 KV D/C (Twin Zebra) Conductor from Vyasi (120 MW) of UJVNL to Dehradun Transmission Line on 28-03-2022 and obtained the electrical Inspector certificate on date 28-03-2022 (Copy of electrical Inspector certificate is enclosed as Annexure LII) but the 220 KV line (Twin Zebra) from Vyasi (120 MW) UJVNL to Jhagra PTCUL (Dehradun) was energized on 13-04-2022 as per readiness of their first generation unit of UJVNL and second 220 KV line (Twin Zebra) from Vyasi to Sheerpur POCIL (Dehradun) was energized on 07-05-2022 as per readiness of their second generation unit. Thus there was no generation loss due to time over run of the 220KV Line as the 220 KV line was ready before the generation of Vyasi (120 MW) of UJVNL.

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2024

Manoj Kumar
Managing Director

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Construction of 220 KV D.C. (Twin Extra) Transmission Line on Twin Extra Conductor from Lakhwar to Dehra Dun and its LLEO at Vyas

S.No.	Reason for Delay	Delay from start	Delay to date	Duration of delay	Overlapping Period	Efforts being making during overlapping Period	Remarks
1	Final cost preparation work of substation delay is interdependent with final cost review efficiency to identify PPA 2000 certificate fee in light of final delay in clearance of substation cost of equipment. Information from Administration and final Department delay in processing of final cost of substation and other items. Delay in approval of final cost by M&T. Delay by final Department for providing permit to start the work at site.	20-01-2014	13-06-2014	150	-	NA	
2	Review RFP and tender for AP 10, AP 16, AP100, AP101, AP102, AP103, AP104	10-02-2015	10-07-2015	150	-	NA	
3	Delay in tenders received by Substation because of CDDA at Pindwari	22-02-2015	20-06-2015	116	-	-	The duration of the delay is covered by the contract.
4	Preparation of Materials of AP10-17 before start of work	10-03-2015	11-08-2015	151	-	NA	
5	Delay in the start of work for supply of CDDA of Pindwari, supply of material and equipment work started.	10-03-2015	10-08-2015	171	-	-	The duration of the delay is covered by the contract.
6	Supervision work is working due to the Road widening work by Shree Ram and Chaudhary during the work.	13-06-2015	10-08-2015	57	-	NA	
7	Delay in Time Marking/Chopped by Forest Department in 501 Section	20-09-2015	10-10-2015	20	15	05	
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Note: Details reasons for delay/holdup are given with supporting documents here already. Items submitted along with T&D Petition from Page No. 28 to 43.

20/01/14

20/01/14

20/01/14

Managing Director

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