

U.P. Power Transmission Corporation Limited

उ० प्र० पावर ट्रान्समिशन कार्पोरेशन लिमिटेड

(उ० प्र० सरकार का उपक्रम)

कार्यालय :-
निदेशक (वाणिज्य)
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CIN No. - U40101UP2004SGC028687

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No. 349 Dir(Comm.)/UPPTCL/2017/DC-2

Date: 09 June, 2017

To,

The Secretary,
Uttar Pradesh Electricity Regulatory Commission,
2nd Floor, Kisan Mandi Bhawan,
Vibhuti Khand, Gomti Nagar,
Lucknow.

Sub: Preliminary information Requirement / Discrepancies in the Petition- Uttar Pradesh Power Transmission Corporation Limited (UPPTCL) Truing-up of FY 2014-15 & Business Plan and Multi Year Tariff Petition for FY 2017-18 to FY 2019-20.

Sir,

With reference to your letter no. UPERC/Secy/D(T)/17-317 dated 18.05.2017, please find enclosed herewith replies (in 6 copies along with one CD) on above cited subject matter for kind consideration.

Kind regards.

Encl: As above

Yours Faithfully,

(A.P. Singh)

Director (Commercial)

No. Dir(Comm.)/UPPTCL/2017/DC-2 Dated: June, 2017

Copy for kind information of:

1. PS to Chairman, UPPTCL
2. PS to Managing Director, UPPTCL

(A.P. Singh)

Director (Commercial)

Response to Hon'ble UPERC's letter dated 18th May 2017 regarding information required in the Petition-Uttar Pradesh Power Transmission Corporation Limited (UPPTCL) Truing-up of FY 2014-15 & Business Plan and Mufti Year Tariff Petition for FY 2017-18to FY2019-20.

1. The petitioner needs to submit whether the details of the capacity additions, evacuation plan and capital expenditure plan submitted in the Multi Year Tariff petition (till March 2020) have been prepared taking into cognizance, the DISCOMs' upcoming requirements in respect of "UDAY" and "Power for All" documents. If not, the same needs to be resubmitted in view of the same.

Petitioner's Response:

The Petitioner respectfully submits that the details of the capacity additions, evacuation plan and capital expenditure plan submitted along with the Multi Year Tariff Petition dated 13th February 2017 for the 1st Control period (i.e. from 2017-18 to 2019-20), were based on the ongoing works and schemes, works expected to be completed in the MYT period and those to be undertaken during the MYT period.

The "Power for All" document was finalised in the month of April 2017 and was signed on 14th April 2017. As per the Power for All programmes the GoUP has proposed additional transmission infrastructure in order to meet the 24x7 power supply for the state. In view of the revised capacity addition plan and expenditure plan proposed for 2017-18 and 2018-19 in the "Power for All" document, we hereby submit the updated capital expenditure plan for the MYT period as follows:

(In Rs. Crore)

FY	2017-18	2018-19	2019-20
As per the MYT Petition	5800	6255	6600
Revised Submission (after taking cognizance of Power for All programme)	6113	6736	7200

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उत्तर प्रदेश विद्युत निगम लि.

2. Submit whether the projected capacity is optimum to cater to the demand of both interstate and intrastate. Accordingly submit the ATC (Available Transmission Capacity) and TTC (Total Transmission Capacity) for the MYT period.

Petitioner's Response:

The Petitioner respectfully submits that the capacity addition planned for the MYT period is optimum to cater to the demand of both interstate and intrastate. The expected ATC (Available Transmission Capacity) and TTC (Total Transmission Capacity) for the MYT period are provided in the table below:

FY	TTC (MW)	ATC (MW)	Remark
2017-18	7800	7200	Actual TTC/ATC from 1 st from April 2017 to 14 th May 2017
	8600	8000	Actual TTC/ATC from 15 th May 2017 to 25 th May 2017)
	9500	8900	Expected ATC/TTC from 26 th May 2017 to 31 st March 2018
2018-19	10000	9400	Expected TTC/ATC during the year
2019-20	11000	10400	Expected TTC/ATC during the year

Note: The ATC/TTC is also time/season/intra-state generation variant and thus the TTC/ATC is revised periodically by SLDC.

3. Submit the ATC (Available Transmission Capacity) and TTC (Total Transmission Capacity) for FY 2011-12 to FY 2016-17.

Petitioner's Response:

The Petitioner humbly submits the actual ATC and TTC are available only from FY 2014-15 and the same provided in the table below:

FY	Period	TTC (MW)	ATC (MW)
2014-15	1 st April 2014 to 19 th October 2014	6000	5700
	20 th October 2014 to 31 st March 2015	6400	6000
2015-16	1 st April 2015 to 13 th August 2015	6400	6000
	14 th August 2015 to 31 st March 2016	7100	6600
2016-17	1 st April 2016 to 27 th July 2016	7100	6600
	28 th July 2016 to 23 rd November 2016	7500	6850
	23 rd November 2016 to 31 st March 2017	7800	7200

4. UPPTCL has considered the impact of the 7th pay revision while computing the norms for the employee expenses by 15%. It has further claimed the onetime arrears payable due to the 7th pay revision of Rs.44.74 Crore each in 2017-18 and FY 2018-19 respectively.

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However, as per various sources available it has been found out that the 7th pay revision would impact and increase the annual salaries of UP by 12.35%. The link to one such article of Business Standard is given herewith:

www.business-standard.com/article/economy-policy/7th-pay-commission-inflates-uttar-pradesh-salary-bill-by-12-116121400827_1.html

5. Accordingly, the petitioner needs to submit the basis of projecting the increase of employee expenses by 15% due impact of 7th Pay Commission and submit a detailed computation w.r.t category/grade wise raise in employee expenses before and after 7th pay Commission for each year.

Petitioner's Response for (4.) & (5.):

The Petitioner respectfully submits that the implementation of 7th Pay for UPPTCL is in process, and the revised pay structure after the implementation of 7th Pay is yet to be finalised. Hence, the Petitioner is unable to project the category/grade wise raise in employee expenses for each year.

The Petitioner further submits that as per resolution no. 1-5/2016-IC Government of India, Ministry of Finance (**Annexure-1**) the revised basic pay is to be fixed by multiplying the existing basic pay by 2.57. However, as on 1st January 2016 dearness allowance was 125% of the basic pay which results in total pay as 2.25 times of basic pay considering the above facts the impact of 7th Pay Revision is 14.22%, detailed computation of the same is provided in the table below:

Basic Pay as on 01.01.2016 (a)	Dearness Allowance @125% as on 01.01.2016 (b)	Pay As on 01.01.2016		Impact of Seventh Pay Revision (%) $e=(d/c-1)*100$
		Without Pay Revision (c=a+b)	Considering 7 th Pay Revision@ 2.57 times of Basic Pay (d=2.57*a)	
P	1.25P	2.25P	2.57P	14.22%

Further the new pay structure of 7th pay will be applicable for all the new recruitments done after 1st January, 2016. Thus, in view of this Petitioner has considered the overall impact of 15% in the employee expenses with effect from 1st January 2016.

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6. Further, based on the submission vide affidavit dated 2-5-2017, the revised Note on "Treatment & Computation of Operation and Maintenance (O&M) Expenses as per Uttar Pradesh Electricity Regulatory Commission (Multi Year Transmission Tariff) Regulations, 2014" is attached as 'Annexure-A' for your comments.

Petitioner's Response:

The Hon'ble UPERC in Annexure A has stated that:

"Further, UPPTCL has claimed the onetime arrears of 2015-16 and 2016-17 payable due to the 7th pay revision of Rs.44.74 Crore each in FY 2017-18 and FY 2018-19 respectively. Since, the norms have already taken into cognizance the impact of 7th pay revision and the true-up of FY 2015-16 and FY 2016-17 is still pending, the same shall be considered at the time of trueing up of M 2015-16 and FY 2016-17. Accordingly, impact of arrears has not been considered while calculating O&M expenses as per norms for the MYT control period."

In view of the Hon'ble UPERC's observation as mentioned above, the Petitioner respectfully submits that the arrears of 7th Pay for FY 2015-16 and FY 2016-17 are expected to be released in FY 2017-18 and FY 2018-19 and the same will be reflected in the annual accounts of FY 2017-18 and FY 2018-19. Whereas, the true-up of FY 2017-18 and FY 2018-19 will be considered in FY 2019-20 and FY 2020-21, by the Hon'ble UPERC. Thus, considering the arrears only at the time of true-up will lead to under recovery of such additional expenses.

Further, as per the Regulation 25.1 of the Uttar Pradesh Electricity Regulatory Commission (Multi Year Transmission Tariff) Regulations 2014 (MYT Regulations):

"Employee cost shall be computed as per the approved norm escalated by consumer price index (CPI), adjusted by provisions for expenses beyond the control of the Licensee and one time expected expenses, such as recovery/adjustment of terminal benefits, implications of pay commission, arrears, Interim Relief etc., governed by the following formula:

$$EMP_n = (EMP_b * CPI \text{ inflation}) + Provision$$

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Where:

EMPn: Employee expense for the year n. EMPb: Employee expense as per the norm CPI inflation: is the average increase in the Consumer Price Index (CPI) for immediately preceding three financial years. Provision: Provision for expenses beyond control of the Transmission Licensee and expected one-time expenses as specified above."

The Regulation 25.1 of the MYT Regulations as mentioned above provides the licensee to claim expenses beyond the control of the Petitioner and expected one-time expenses in the MYT control period. The arrears of the 7th Pay claimed in FY 2017-18 and FY 2018-19 are as per the above "Provision" of Regulation 25.1 of MYT Regulations and hence the same may be allowed by the Hon'ble UPERC.

Accepted
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निदेशक (सि)
उपरोपनिवेश/परिचालन

No.1-5/2016-IC
 Government of India/ Bharat Sarkar
 Ministry of Finance/ Vitta Mantralaya
 Department of Expenditure/ Vyaya Vibhag
 (Implementation Cell, 7th CPC)

Room No. 214, The Ashok
 New Delhi, the 29th July, 2016

OFFICE MEMORANDUM

Subject: Implementation of the recommendations of the 7th Central Pay Commission – fixation of pay and payment of arrears – instructions- regarding.

The undersigned is directed to refer to the Government of India, Ministry of Finance, Department of Expenditure's Resolution No 1-2/2016-IC dated 25.07.2016, bringing out the decisions of the Government on the recommendations of the 7th Central Pay Commission as well as the consequent promulgation of the Central Civil Services (Revised Pay) Rules, 2016, notified vide G.S.R No. 721(E) dated 25th July, 2016 regarding fixation of pay in the revised pay structure effective from 01.01.2016 and to say the provisions governing such fixation of pay have been clearly enunciated in the said Rules.


2. Accordingly, in pursuance of the CCS (RP) Rules, 2016, appropriate necessary action to fix the pay of the employees covered thereunder in the revised pay structure needs to be carried out forthwith in accordance with the provisions contained therein. In order to facilitate a smooth and systematic fixation of pay, a proforma for the purpose (Statement of Fixation of Pay) is enclosed at **Annexure**. The statement of fixation of pay in revised pay structure as per CCS (RP) Rules, 2016 be prepared in triplicate and one copy thereof be placed in the Service Book of the employee concerned and another copy made available to the concerned accounting authorities [Chief Controller of Accounts/Controller of Accounts/Accounts Officer] for post-check.

3. The revised pay structure effective from 01.01.2016 includes the Dearness Allowance of 125% sanctioned from 01.01.2016 in the pre-revised pay structure. Thus, Dearness Allowance in the revised pay structure shall be zero from 01.01.2016. The rate and the date of effect of the first installment of Dearness Allowance in the revised pay structure shall be as per the orders to be issued in this behalf in future.

4. The decision on the revised rates and the date of effect of all Allowances (other than Dearness Allowance), based on the recommendations of the 7th Central Pay Commission shall be notified subsequently and separately. Until then, all such Allowances shall continue to be reckoned and paid at the existing rates under the terms and conditions prevailing in the pre-revised pay structure as if the

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 R. K.


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 29.7.2016

existing pay structure has not been revised under the CCS (RP) Rules, 2016 issued on 25.07.2016 .

5. The contributions under the Central Government Employees Group Insurance Scheme (CGEGIS) shall continue to be applicable under the existing rates until further orders.

6. The existing system on interest free advances for medical treatment, Travelling Allowance for family of deceased, Travelling Allowance on tour or transfer and Leave Travel Concession shall continue as hitherto.

7. The arrears as accruing on account of revised pay consequent upon fixation of pay under CCS (RP) Rules, 2016 with effect from 01.01.2016 shall be paid in cash in one installment along with the payment of salary for the month of August, 2016 after making necessary adjustment on account of GPF and NPS, as applicable, in view of the revised pay. DDOs/PAOs shall ensure that action is taken simultaneously in regard to Government's contribution towards enhanced subscription.

8. With a view to expediting the authorization and disbursement of arrears, it has been decided that the arrear claims may be paid without pre-check of the fixation of pay in the revised scales of pay. However, the facilities to disburse arrears without pre-check of fixation of pay will not be available in respect of those Government servants who have relinquished service on account of dismissal, resignation, discharge, retirement etc. after the date of implementation of the Pay Commission's recommendations but before the preparation and drawal of the arrears claims, as well as in respect of those employees who had expired prior to exercising their option for the drawal of pay in the revised scales.

9. The requirement of pre-check of pay fixation having been dispensed with, it is not unlikely that the arrears due in some cases may be computed incorrectly leading to overpayments that might have to be recovered subsequently. Therefore, the Drawing & Disbursing Officers should make it clear to the employees under their administrative control, while disbursing the arrears; that the payments are being made subject to adjustment from amounts that may be due to them subsequently should any discrepancies be noticed later. For this purpose, an undertaking as prescribed as per a "Form of Option" under Rule 6(2) of the CCS(RP) Rules, 2016 shall be obtained in writing from every employee at the time of exercising option under Rule 6(1) thereof.

10. In authorizing the arrears, Income Tax as due may also be deducted and credited to Government in accordance with the instructions on the subject.


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11. On receipt of the necessary options, action for drawal and disbursement of arrears should be completed immediately.
12. Hindi version will follow.


29.7.2016

(R.K Chaturvedi)
Joint Secretary to the Government of India

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No.1-5/2016-IC
Government of India/ Bharat Sarkar
Ministry of Finance/ Vitta Mantralaya
Department of Expenditure/ Vyaya Vibhag
(Implementation Cell, 7th CPC)

Room No. 214, The Ashok
New Delhi, the 1st August, 2016

OFFICE MEMORANDUM

Subject: Implementation of the recommendations of the 7th Central Pay Commission – fixation of pay and payment of arrears – instructions regarding.

The undersigned is directed to refer to this Ministry's OM of even number dated 29.07.2016 regarding fixation of pay and payment of arrears and to say that the statement of fixation of pay under Central Civil Services (Revised Pay) Rules, 2016 annexed with the said OM dated 29.07.2016 stands superseded by the statement of fixation of pay under Central Civil Services (Revised Pay) Rules, 2016 enclosed at Annexure to this OM


(R.K Chaturvedi)
1.8.2016

Joint Secretary to the Government of India

Encl: as above.

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Statement of fixation of pay under Central Civil Service (Revised Pay) Rules, 2016

1. Name of the Employee
2. Designation of the post in which pay is to be Fixed as on January 1, 2016
3. Status (substantive/ officiating)
4. Pre-revised Pay Band and Grade Pay or Scale
5. Existing Emoluments
 - a. Basic Pay (Pay in the applicable Pay Band plus applicable Grade Pay or basic pay in the applicable scale) in the pre-revised structure as on January 1, 2016
 - b. Dearness Allowance sanctioned w.e.f. 01.01.2016
 - c. Existing emoluments (a+b)
6. Basic pay (Pay in the applicable Pay Band plus applicable Grade Pay or basic pay in the applicable scale) in the pre-revised structure as on January 1, 2016:
7. Applicable Level in Pay Matrix corresponding to Pay Band and Grade Pay or scale shown at S.No 4
8. Amount arrived at by multiplying basic pay as at Sl.No. 6 by 2.57
9. Applicable Cell in the Level either equal to or just above the Amount at Sl. No. 8
10. Revised Basic Pay (as per Sl. No. 9)
11. Stepped up pay with reference to the revised Pay of Junior, if applicable [Rule 7(8) and 7(10) of CCS (RP) Rules, 2016]. Name and pay of the junior also to be indicated distinctly.

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- 12 Revised pay with reference to the Substantive Pay in cases where the pay fixed in the officiating post is lower than the pay fixed in the substantive post if applicable [Rule 7(11)]
13. Personal Pay, if any [Rule 7(7) and 7(9)]
- 14 Non-Practicing Allowance as admissible at present in the existing pre-revised structure (in terms of para 4 of this OM)
15. Date of next increment (Rule 10) and pay pay after grant of increment

Date of Increment Pay after increment in applicable Level of Pay Matrix

16. Any other relevant information

Date:
Office:

Signature & Designation of Head of Department

A. S. Raut
R.R.