



उत्तर प्रदेश UTTAR PRADESH

41AB 954327

BEFORE THE HON'BLE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION, KISAN  
MANDI BHAWAN, GOMTINAGAR, LUCKNOW

Receipt Register No.: \_\_\_\_\_

Petition No.: \_\_\_\_\_

IN THE MATTER OF

TRUE UP PETITION OF UTTAR PRADESH POWER TRANSMISSION CORPORATION LTD FOR 2008-09

AND

IN THE MATTER OF

UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED, LUCKNOW

*S. S. S.*

I, S. K. Garg son of Late R .S. Garg do solemnly affirm and declare as under:-

1. That I am Director of UPPTCL, the petitioner in the above matter and am duly empowered and authorized to make this affidavit on its behalf.
2. That I am filing the enclosed true-up petition for FY 2008-09.
3. That the contents of the Petition filed by the petitioner are based on the information available with the petitioner in the normal course of business and believed by me to be true and request to Hon'ble Commission to admit this Petition as an addition of previous true up petition.
4. That the Hon' ble commission may kindly be pleased to accept the true-up petition along with other documents and pass such necessary orders at it may deem necessary.

Date : 17 Nov, 2012  
Lucknow.

  
( S.K. Garg )  
DEPONENT

## True -up Petition:

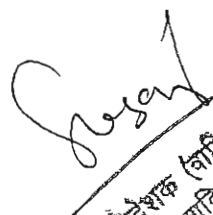
Uttar Pradesh Power Transmission Corporation Ltd (hereinafter referred to as 'UPPTCL' or 'the Licensee') is the company incorporated under the companies Act, 1956 and having its registered office at Shakti Bhawan ,14-Ashok Marg Lucknow. UPPTCL started functioning with effect from 26<sup>th</sup> July 2006 and is carrying out the business of transmission of electricity in the entire geographical area of State of Uttar Pradesh. Before incorporation of UPPTCL, transmission business was carried out by UPPCL. Govt of UP in exercise of power conferred under section -30 of Electricity Act 2003 notified U P Power Transmission Corporation as the State Transmission Utility vide notification No:122/U.N.N.P/24-07 dated 18 July 2007. Subsequently on 23rd December 2010 the GoUP by a notification in the official gazette issued the transfer scheme for UPPTCL and balances were transferred to it with retrospective effect from 01-04-2007.

At the time of determination of transmission tariff for the years 2008-09 the transfer scheme of UPPTCL was not finalized. As the opening balances for the successor transmission company were not available the balance sheet could not be prepared. Hence UPPTCL had applied for the transmission tariff for the years 2008-09 based on best estimates available at that time. In this regard the Hon'ble Commission had considered the above fact and had determined the transmission tariff for the years 2008-09. The relevant excerpt of the tariff order for FY 2007-08 and FY 2008-09 dated April 15, 2008 has been reproduced below:

6.2.4 Further, in response to the data deficiency letter issued by the Commission, the licensee submitted that the separate accounts of UPPTCL have not been prepared in absence of a Transfer Scheme to transfer the transmission assets of UPPCL to UPPTCL. However, the Annual accounts of UPPCL for FY 2003-04, FY 2004-05 and FY 2006-07 have been submitted. In view of the submission of the licensee, the Commission has taken a view and considered the information for past years available in the ARR / Tariff filing as the basis for determination of future costs.

Further, UPPTCL had filed true up petition for FY2007-08 on 24-05-2012 which is under consideration of the Hon'ble Commission. In continuation of this petition, petitioner is filing this true up petition for FY2008-09 and request Hon'ble to add this petition with earlier petition.

Although the Hon'ble Commission has not issued any specific regulations in respect of the procedure, manner and framework of preparation and filing of true-up petition, the UPERC (Terms and Conditions of Transmission Tariff) Regulations provide the basis and rationale for filing of such true-up petition.

  
निदेशक (वणिज्य)  
उत्तरप्रदेश विद्युत निगम लि.  
लखनऊ

**Regulation 2.1.4 & 2.1.5 provides:**

2.1.4 The Commission may broadly classify costs incurred by licensee as controllable and non-controllable. However, till the implementation of Multi-year tariff framework, the Commission may set annual targets for all controllable costs. These targets shall be used for computing revenue requirement. The Commission may index some of the controllable costs to appropriate indices/rates like Consumer Price Index (CPI), Wholesale Price Index (WPI), Bank Rate etc. as specified in the subsequent sections of these regulations.

2.1.5 All non-controllable costs as checked by the Commission with due diligence and prudence shall be allowed as pass-through while determining the ARR of the transmission licensee.


**Regulation 3.15 Amendment of Tariff provides:**

1. No tariff or part of any tariff may ordinarily be amended, more frequently than once in any financial year.

2. Subject to other provisions of these regulations, the ARR determined by the commission for any financial year shall be trued up on the basis of audited financial and operational results. Any deficit or surplus arising out of such true up shall be adjusted while determining the tariff for the subsequent years. Provided that the Commission shall allow higher expenditure actually incurred by the licensee in any financial year on account of non controllable factors only after due verification of such expenses and prudence check.

The following table summarizes the truing up computations for 2008-09 for approval by the Hon'ble Commission. The Petitioner also provides the details of truing up in the subsequent paragraphs:

Particulars (Rs Crs)	FY 2008-09 - UPPTCL	
	Approved	Actuals
Estt (Gross)	316.99	328.01
Less: Capitalisation	91.93	71.90
Estt (Net)	225.06	256.10
A&G (Gross)	32.32	9.72
Less: Capitalisation	6.14	2.69
A&G (Net)	26.18	7.03
R&M	66.83	64.12
Depreciation	325.65	278.26
Interest & Finance Charges	243.77	161.40
Provisions for Bad & Doubtful Debts	0.00	0.00
Others	0.00	15.71
RoE	321.96	0.00
Sub-Total	1209.45	782.63
Less:		
Income from open access		1.49
Other Income	14.33	22.78
SLDC Charges		0.17
Annual Revenue Requirement	1195.12	758.20
Energy Supplied to DisComs(MU)	55411	52719
Wheeling Rate per unit	0.22	0.1438

  
निदेशक (वित्तिय)।  
उत्पादकालि शक्ति भवन विस्तार,  
लखनऊ

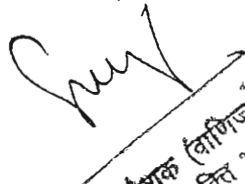
## 1. Operation and Maintenance Expenses

### 1.1. Employee Expenses

The Petitioner submits that the actual net employee expenses for the FY 2008-09 is Rs. 256.10 crore against the approved expenses of Rs. 225.06 crore as per the table below:

Employee Cost Particulars	UPPTCL	
	Approved	Actuals
Salaries & Allowance		167.81
Dearness Allowance		56.62
Other Allowance		6.97
Bonus/Ex-gratia		2.93
Medical Expenses (Re- imbursement)		2.83
Leave Travel Assistance		0.00
Earned Leave Encashment	316.99	50.90
Compensation		0.11
Uniform Expenses		0.00
Staff Welfare Exp		0.41
Contribution towards Pension & Gratuity		37.21
Other Terminal Benefit		2.05
Expenditure on Trust		0.17
Interim Relief / Others		0.00
<b>Gross Employee Expenses</b>	<b>316.99</b>	<b>328.01</b>
Capitalized	91.93	71.90
<b>Net Employee Expenses</b>	<b>225.06</b>	<b>256.10</b>

The Petitioner requests the Hon'ble Commission to consider the employee expenses of UPPTCL as per its audited accounts.


  
निदेशक (वित्तिय)  
सामग्री/कालि शक्ति भवन विस्तार  
राजनाज

## 1.2. Administrative and General (A&G) Expenses

The Petitioner submits that the actual net administrative and general expenses for the FY 2008-09 is Rs. 7.03 crore against the approved expenses of Rs. 26.18 crore as per the table below:

A&G Expenses Particulars	UPPTCL	
	Approved	Actuals
Rent,		0.22
Rate and Taxes		0.01
Insurance		0.04
Communication Charges		1.56
Legal Charges		0.39
Regulatory Expenses		0.00
Billing & Collection Expenses		0.00
Auditor's Fee		0.08
Traveling Exp (Audit)		0.05
Consultancy Charges		0.20
Technical Fee & professional Charges	32.32	0.38
Travelling & Conveyance		3.13
Printing & Stationary		0.54
Advertisement Expenses		0.59
Electricity Charges		0.55
Water Charges		0.00
Entertainment		0.07
Expenditure on Trust		0.02
Misc Expenses		1.89
FBT		0.00
Loss of Materials due to pilferage		0.00
Other Losses		0.00
Compensation Staff		0.00
Compensation (Other than Staff)		0.00
<b>Gross A&amp;G Expenses</b>	<b>32.32</b>	<b>9.72</b>
Less: A&G Expenses Capitalised	6.14	2.69
<b>Net A&amp;G Expenses</b>	<b>26.18</b>	<b>7.03</b>

The Petitioner requests the Hon'ble Commission to consider the A&G expenses of UPPTCL as per its audited accounts.

  
निदेशक (वार्डिज्ज)  
सुभाषदाकालि शक्ति भवन विस्तार,  
राज्यनरु

### 1.3. Repair and Maintenance (R&M) Expenses


The Petitioner submits that the actual R&M expenses for the FY 2008-09 is Rs. 64.12 crore against the approved expenses of Rs. 66.83 crore. The sub-element of the R&M expenses as per audited accounts are provided below

R&M Expenses	UPPTCL	
	Approved	Actuals
Plant & Machinery		54.78
Buildings		4.61
Other Civil Works		0.01
Lines Cables net works etc.	66.83	4.69
Furniture & Fixture		0.01
Office Equipments		0.02
Vehicles-Exp		0.00
<b>Total</b>	<b>66.83</b>	<b>64.12</b>

The Petitioner requests the Hon'ble Commission to consider the R&M expenses as per its audited accounts.

### 2. Interest and Finance Charges

The Petitioner in the table below has provided the details in respect of interest on long term loans, interest on working capital and finance charges pertaining to expenditures like bank charges, finance charges, etc.

  
निदेशक (वणिज्य)  
उत्पादात्मक शक्ति भवन विस्तार  
बिड़ना


Interest & Finance Charges Particulars	UPPTCL	
	Approved	Actuals
<b>A) Interest on Long Term Loans</b>		
Govt. of UP		16.67
PFC		108.78
REC		52.33
IDBI		0.00
NCPRB		3.08
Hudco		25.83
Banks		
others		
UPSIDC		
APDRP		
Interest on Existing loan	151.70	
Interest to new Loan	116.74	
<b>Total Interest on Long Term Loans</b>	<b>268.44</b>	<b>206.69</b>
Less: Interest Capitalized	61.74	51.07
<b>Net Interest on Long Term Loans</b>	<b>206.70</b>	<b>155.63</b>

<b>B) Interest on Working Capital</b>		
Interest on Working Capital	29.84	
Interest on Existing Short Term Loan		
<b>Total Interest on Working Capital</b>	<b>29.84</b>	<b>0.00</b>

<b>C) Finance Charges</b>		
Interest to Consumer		
Liability towards PF trust		
Cost of raising finance		
Cost of LC etc.		
Interest on consumer security deposits		
Guarantee Charges		5.62
Bank Charges		0.16
<b>Total Finance Charges</b>	<b>7.23</b>	<b>5.78</b>

<b>Total Interest and Finance Charges (A+B+C)</b>	<b>243.77</b>	<b>161.40</b>
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The Petitioner humbly submits that against the approved expenses of Rs.243.77 crore, the actual expenses are Rs. 161.40 crore.

  
निदेशक (वित्तिय)।  
समाप्तकालि शक्ति भवन विभाग,  
लाखनऊ



### 3. Depreciation

In the tariff order for FY 2008-09, the Hon'ble Commission had approved a depreciation expense of Rs. 325.65 crore on a gross fixed asset base of Rs. 5620.12 crore.

Depreciation	UPPTCL	
	Approved	Actuals
Depreciation	325.65	284.10
Less: Equivalent amount of Depreciation on Assets acquired out of the Consumers contribution and GOUP's capital Subsidy		5.84
<b>Total</b>	<b>325.65</b>	<b>278.26</b>

The Petitioner submits that the actual depreciation expense as per audited accounts is Rs. 278.26 crore. The Petitioner requests the Hon'ble Commission to consider the expenses as per its audited accounts.

### 4. Prior Period Expenses

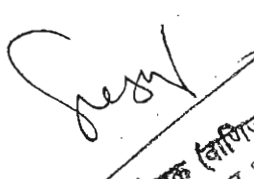
The financial statements of the Petitioner are prepared in compliance with Generally Accepted Accounting Principles (GAAP's) and Accounting Standards issued by Accounting Standards Board of Institute of Chartered Accountants of India.

There are certain prior period items which have been identified and incorporated in the audited financial statements for 2008-09. As per Accounting Standards (AS 5) (Revised) on 'Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies' states:

*"Prior period items are income or expenses which arise in the current period as a result of errors or omissions in the preparation of the financial statements of one or more prior periods"*

In the audited financial statements of UPPTCL, there has been recognition of Rs 0.27 crore of prior period incomes and prior period expenses of Rs 15.97 crore, thereby increasing the eligible true-up by Rs. 15.71 crore.

The following table provides the detailed break-up of the prior period items for as per audited accounts

  
निदेशक (वित्तिय)  
वित्तिय विभाग  
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Particulars	
Particulars	UPPTCL
<b>Income</b>	
Other Excess Provisions	0.27
<b>Sub Total of Prior Period Incomes</b>	<b>0.27</b>
<b>Expenditure</b>	
O & M Expenses	(2.16)
Employee Cost	0.73
Interest and Finance Charges	(0.01)
A & G Exp	0.06
Depreciation Under/Excess Provided	17.03
Preliminary Expenses	0.01
Others	0.32
<b>Sub Total of Prior Period Expenditures</b>	<b>15.97</b>
<b>Net Prior Period (Income) / Expenditure</b>	<b>15.71</b>


## 5. Provision for Bad and Doubtful Debts

The provision for bad debts has not been claimed by the petitioner. However as per audited accounts the provision for B&D Debts has been shown in the following table:

Bad Debts & Provisions	UPPTCL	
	Approved	Actuals
Doubtful debts (Sale of Power)		6.26
Doubtful advances (Employees)		-
Doubtful advances (Others)		1.58
Doubtful Other Current Asset (Receivables)		0.18
Estimated Losses (Fixed Assets)		-
Doubtful Advances against Capital Works		0.43
<b>Total</b>		<b>8.45</b>

## 6. Other Incomes

The Petitioner submits that against the approved Other incomes of Rs. 14.33 crore in the tariff order, the actual incomes have been Rs. 24.43 crore which also includes income from open access & SLDC charges.

  
निदेशक (वित्तिय)।  
समाचारकाली शक्ति भवन विस्तार,  
लखनऊ

## 7. Derivation of the Transmission Tariff

UPPTCL is providing transmission service as a company that owns the 'wires'. Now that the various true-up elements of ARR of UPPTCL have been discussed above, the transmission tariff has been calculated in the following table:


Transmission Charges	UPPTCL	
	Approved	Actuals
ARR	1,195.12	758.20
Energy Supplied to DisComs	55,411	52,719
<b>Transmission Charges(Rs/Unit)</b>	<b>0.22</b>	<b>0.1438</b>

Here Petitioner submit that actual transmission charges are Rs 0.1438 /unit as against approved of Rs 0.22/Unit. Hon'ble Commission is requested to kindly approve the true up and transmission rates as calculated above for FY2008-09.

## 8. Prayers

The Petitioner respectfully prays the Hon'ble Commission to:

- Admit this Petition as an addition of previous true up petition.
- Grant and expeditious hearing of the Petition
- Allow final true-up of expenses for the financial year 2000-09 based on the audited accounts for various heads of expenditures and as per the rationale given in this Petition
- Permit UPPTCL an internal adjustment of the tariff amongst its subsidiary distribution companies such that it bills its cost to the Discoms on its cost of service without having any implication on the retail tariff.
- Permit recovery of expenses understated/ not considered in this Petition subsequent to the submission of this petition.
- Condone any inadvertent omissions / errors / short comings and permit the applicant to add /change /modify / alter this Petition and make further submissions as may be required at later stages
- Pass such orders as Hon'ble Commission may deem fit and proper and necessary in the facts and circumstances of the case, to grant relief to the petitioner.

  
निदेशक (वित्तिय)  
हृप्रपाद्राकालि शक्ति भवन विस्तार,  
लखनऊ

NEW

# UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

(Formerly known as UTTAR PRADESH VIDYUT VYAPAR NIGAM LIMITED)

## BALANCE SHEET

AS AT

31.03.2009

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## PROFIT & LOSS ACCOUNT

FOR THE PERIOD FROM

01.04.2008

TO

31.03.2009

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Registered Office :- 14, Ashok Marg, Lucknow - 226 001.

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