

**BEFORE THE HIMACHAL PRADESH ELECTRICITY REGULATORY
COMMISSION, SHIMLA**

Filing No.: 175/2020

IN THE MATTER OF

FILING OF THE PETITION FOR TRUE UP FOR THE PERIOD FY 2014-15 TO FY 2018-19 OF HIMACHAL PRADESH POWER TRANSMISSION CORPORATION LIMITED (HPPTCL) UNDER SECTION 62 READ WITH SECTION 86 OF THE ELECTRICITY ACT, 2003 (ACT NO. 36 OF 2003) AND HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION (TERMS AND CONDITIONS FOR DETERMINATION OF TRANSMISSION TARIFF) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENTS TO THE TARIFF REGULATIONS CARRIED THEREAFTER.

AND IN THE MATTER OF

HIMACHAL PRADESH POWER TRANSMISSION CORPORATION LIMITED, HIMFED BHAWAN, PANJARI, SHIMLA-171005.

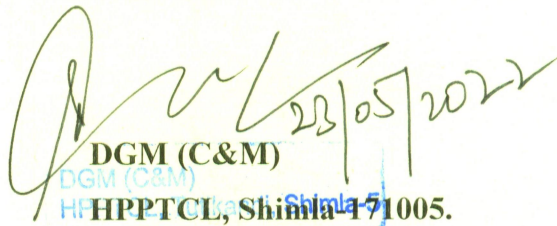
.....PETITIONER

INDEX

Sr. No.	PARTICULARS	PAGE No.
1	Reply to the queries raised by Hon'ble Commission vide letter dated 25.04.2022	1-4
2	Affidavit	5
3	Annexures	

DATED: 23.05.2022
SHIMLA

FILED BY


DGM (C&M)
HPPTCL, Shimla-171005.

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AND IN THE MATTER OF

HIMACHAL PRADESH POWER TRANSMISSION CORPORATION LIMITED, HIMFED BHAWAN, PANJARI, BELOW OLD MLA QUARTER, SHIMLA -171005

PETITIONER

Reply on behalf on the Petitioner to the Queries raised by the Hon'ble Commission vide letter dated 25.04.2022.

Respectfully Showeth:

1. That the Petitioner has filed the above titled Petition for True Up for the period FY 2014-15 to FY 2018-19.
2. That the Petitioner vide letter dated 23.02.2021 had submitted detailed replies to the queries sought by the Hon'ble Commission vide its letter dated 16.01.2021.
3. That the Petitioner vide letter dated 13.08.2021 had submitted detailed replies to the queries sought by the Hon'ble Commission vide its letter dated 23.06.2021.
4. That the Petitioner vide letter dated 09.02.2022 had submitted detailed replies to the queries sought by the Hon'ble Commission vide its letter dated 27.10.2021.
5. That vide letter dated 25.04.2022, the Hon'ble Commission has raised certain observations/shortcomings i.e., data gaps which need to be replied by the Petitioner.
6. That the Petitioner do hereby humbly submit the point wise reply to the data gaps raised by the Hon'ble Commission as under:

ATTESTED

RANITHAKUR

Advocate cum Notary Public
Nova Cottage, Dringra Estate
Bioteauganj Shimla

- 1) The employee cost claimed for FY19 is Rs.1.91 Cr. While the amount of employee cost booked in audited accounts is Rs. 0.33 Cr. It has been submitted that entire corporate office expenditure has been attributed to construction period for FY19 which led to booking of lower employee cost in Annual Accounts. However, no reason for undertaking such practice has been provided in the response. Specific reason for charging 100% of corporate employee cost towards construction needs to be detailed out.

Reply: In reply to deficiency note dated 27.10.2021, HPPTCL has submitted revised employee expenses for FY 2014-15 to FY 2018-19 wherein HPPTCL has claimed 25% of Corporate level employee expenses which is in line with methodology followed by Hon'ble HPERC in its previous Orders. For FY 2018-19, the Corporate level Employee expenses amounts to Rs. 7.66 Crore and 25 % of said expenses have been taken to arrive at STU expenses. The employee expenses of Rs. 0.33 Crore booked in audited accounts pertains to PIU Phozal only and are not part of Corporate employee expenses. Accordingly, the same are not claimed in the petition.

However, while finalization of Annual Accounts for FY 2018-19, HPPTCL has followed methodology of charging whole in-direct expenditure to expenditure attributable to Construction Period as HPPTCL is executing a number of projects which are in construction phase. Hence, total corporate level expenses have been charged towards construction. Accordingly, 25% of these expenses are charged as STU expenses in the petition based on the existing methodology.

- 2) Since 100% of corporate office employee cost has been allocated to construction works, its claim should be zero in this Petition. The revised claim for employee cost based on P&L employee cost and approach of the Commission needs to be submitted.

Reply: It is submitted that corporate level employee expenses for FY 2018-19 amounts to Rs. 7.67 Crore and STU expenses have been considered as nil as per Annual Accounts for FY 2018-19. However, in the Petition 25 % of corporate level employee expenses have been charged towards STU system in line with methodology followed by the Hon'ble Commission in its earlier Orders. The Hon'ble Commission is requested to take appropriate view regarding the same.

- 3) Similar to employee cost, it is observed in case of A&G cost as well, the claimed amount for FY19 is Rs. 0.61 Cr. while the actual amount charged in Audited Accounts is zero. Any reason for undertaking such practice has not been provided in the response. Specific reason for charging 100% of corporate A&G expense towards construction works needs to be detailed out.

ATTESTED

RANITHAKUR

Advocate cum Notary Public
Nova Cottage, Dhingra Estate
Biolauganj Shimla

Reply: It is humbly submitted that in the reply to the deficiency note dated 27.10.2021, HPPTCL has claimed revised A&G expenses as 25% of Corporate level A&G expense in line with methodology approved by Hon'ble HPERC vide its earlier Orders.

However, while finalization of Annual Accounts for FY 2018-19, HPPTCL has followed methodology of charging whole in-direct expenditure to expenditure attributable to Construction Period as HPPTCL is executing a number of projects which are in construction phase. Hence, total corporate level A&G expenses have been charged towards construction. Accordingly, 25% of corporate A&G expenses are charged as STU expenses in the petition based on the existing methodology.

- 4) Since 100% of corporate office A&G expense has allocated to construction works, its claim should be zero in this Petition. Revised claim for A& expense based on P&L and approach of the Commission needs to be submitted.**

Reply: It is submitted that corporate level A&G expenses for FY 2018-19 amounts to Rs. 2.44 Crore and STU expenses have been considered as nil as per Annual Accounts for FY 2018-19. However, in the Petition 25 % of corporate level A&G expenses have been charged towards STU system in line with methodology followed by HPERC in its earlier Orders. The Hon'ble Commission is requested to take appropriate view regarding the same.

ATTESTED

RANITHAKUR

Advocate cum Notary Public
Nova Cottage, Daringra Estate
Bholeaunganj Shimla



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AND IN THE MATTER OF:

HIMACHAL PRADESH POWER TRANSMISSION CORPORATION LIMITED,
HIMFED BHAWAN, PANJARI, SHIMLA-171005.

.....PETITIONER

Affidavit verifying the Petition

I, Suresh Kumar Sharma, son of Late Shri Nikka Ram aged about 45 years, presently working as Dy. General Manager(C&M), Himachal Pradesh Power Transmission Corporation Limited, Shimla, do hereby solemnly affirm and declare as under:

1. That I am duly authorized to file this Compliance Report and swear in the affidavit therein.
2. That the Reply to data gaps has been prepared and drafted at my instance and under my instructions. The contents of the Data Gaps are true and correct to the best of my personal knowledge based on official record and the advice received. No part of it is false and nothing material has been concealed there from.
3. That the Petitioner further declares that this affidavit of mine is true and correct to the best of my personal knowledge, no part of it is false and nothing material has been concealed there from.

Verified at Shimla on this 23rd day of May, 2022.



Certified that the above/overleaf who was
declared before me on this 23rd day of May 2022 at Shimla
by S Suresh Kumar Sharma
Identified by Lalit Kumar
who is present in 5 5 and the
contents of the affidavit are duly read and
explained to the deponent in vernacular who
admitted the contents thereof to be true

Deponent

DGM (C&M)
HPPTCL, Tutikandi, Shimla-5

23/5/2022