



Uttarakhand Electricity Regulatory Commission

'Vidyut Niyamak Bhawan',
Near ISBT, PO- Majra, Dehradun-248171

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No. UERC/6/TF-356/2016-17/2017/1569

Date: 11-Jan., 2017

To,

Managing Director,
Uttarakhand Power Corporation Ltd.,
Victoria Cross Vijeta Gabar Singh Bhawan,
Kanwali Road, Dehradun.

Sub.: UPCL's Petition for tariff determination for FY 2017-18, True-up for FY 2015-16 and Annual Performance Review for FY 2016-17.

Sir,

This is with reference to the Technical Validation Session held on 10.01.2017 at 12.00 Hrs. at the Commission's office on the above-mentioned subject. In this regard, the minutes of the said TVS meeting are enclosed as Annexure-A for information and necessary action at your end. You are required to submit your reply in seven copies alongwith the soft copy of the same accompanied with an affidavit latest by 23.01.2017.

Encl. as above

Yours sincerely,


(Neeraj Sati)
Secretary

o/c

Minutes of Technical Validation Session held on January 10, 2017
in the matter of UPCL's Petition for tariff determination for FY 2017-18, True-up for FY
2015-16 and Annual Performance Review for FY 2016-17.

Present:

UERC

1. Shri Subhash Kumar, Chairman, UERC.
2. Shri Neeraj Sati, Secretary, UERC.
3. Shri Deepak Pandey, Director (Finance), UERC.
4. Shri Rajnish Mathur, Director (C&L), UERC.
5. Shri Prabhat Kishor Dimri, Director (Technical), UERC.
6. Shri K K Gupta, Joint Director (Finance/Tariff), UERC .
7. Shri Yashwardhan Dimri, Deputy Director (Technical), UERC.
8. Shri Gaurav Sabharwal, Assistant Director (Finance/Tariff), UERC.
9. Shri Gaurav Lohani, Assistant Director (Accounts), UERC.
10. Shri Suresh Gehani, Consultant (ABPS Infrastructure Advisory Pvt. Ltd.).
11. Shri Sanjiv Kumar Singh, Consultant (ABPS Infrastructure Advisory Pvt. Ltd.).
12. Shri Namala K M Choudhary, Consultant (ABPS Infrastructure Advisory Pvt. Ltd.).

UPCL

1. Shri M.K. Jain, Managing Director, UPCL.
2. Shri A.K. Agarwal, Director (Operations), UPCL.
3. Shri M.A. Khan, Director (Finance), UPCL.
4. Shri P.C. Dhyani, Director (HR), UPCL.
5. Shri A.K. Singh, Chief Engineer, UPCL.
6. Shri S.K. Mehta, Accounts Officer, UPCL.
7. Shri Prashant Kimothi, Consultant, UPCL.
8. Shri Joyant Nayak, Consultant, UPCL.
9. Shri Sachin Singh, Consultant, UPCL.

The queries raised by the Commission and the replies submitted by UPCL were discussed in detail, the salient features of the discussions are as follows:

1. The Commission observed that for various divisions the average billing rate in FY 2015-16 for various categories specifically in case of domestic and agricultural consumers are even below the energy charge rate approved for the category. The Commission sought explanation for the same. UPCL agreed to submit the same.
2. The Commission observed that UPCL has not maintained proper fixed asset register. In response to query sought by the Commission, UPCL replied that the works have been awarded for updation of fixed asset register which shall be completed within 6 months. The Commission directed UPCL to complete the works as soon as possible and submit monthly progress report of the same to the Commission.
3. In response to the Commission's query on submission of Electrical Inspector Certificate for works capitalised in FY 2015-16, UPCL agreed to submit the same within 2 days.
4. The Commission observed that despite repeated directions given to UPCL for submitting voltage wise cost of supply, UPCL has not been able to submit the same. UPCL in response submitted that it has completed metering at 11 kV and has already completed metering at 33 kV level for 5 circles out of 11 circles. UPCL further submitted that 33 kV metering for 5 more circles shall be completed by end of January 2017. Whereas, Srinagar Circle shall require two more months for complete metering. The Commission further stated that in addition to making arrangements for computing voltage wise losses as submitted above, UPCL should also segregate voltage wise assets and corresponding costs. UPCL agreed to submit the timeframe along with detailed action plan by which the voltage wise cost of supply can be computed to the Commission.
5. The Commission observed that UPCL in FY 2015-16 has written off bad debts totalling Rs. 56 Crore. The Commission sought information on the nature of bad debts written off and also as to the categories of consumers to whom such bad debts pertain. UPCL in response submitted that the bad debts pertain to bills raised against ghost consumers and fictitious billing adjustments done to permanently disconnected consumers which are irrecoverable in nature. The Commission directed UPCL to submit division wise record of such consumers against whom bad debts have been written off. UPCL agreed to submit the same.
6. The Commission observed that UPCL is yet to finalise its Bad Debt Policy. UPCL in response submitted that the same shall be finalised and submitted before March 2017.
7. The Commission observed that though there was no tariff applicable for unmetered consumers in contravention to the Commission's Orders, UPCL has submitted that billing of unmetered consumers of domestic and agricultural categories have been carried out till June, 2015 due to delay in

communicating Commission's directions to its field officers in this regard. UPCL agreed to submit facts and monthwise status of the billing of unmetered consumers (category wise).

8. The Commission with regard to power purchase cost submitted for FY 2015-16 observed that UPCL has considered interstate transmission losses for power sourced from outside the State as 4%. The Commission directed UPCL to revise its submission considering actual POC losses incurred in FY 2015-16.
9. The Commission with regard to projection of power purchase for FY 2017-18 observed as follows;
 - a. The PLF for gas station has been considered as 70% as against norm of 85% as specified in UERC Tariff Regulations, 2015.
 - b. The expected COD for some of the stations have been submitted as October 2016 which has already past but in actual the stations are yet to achieve its COD. Further, for most of the stations the expected COD considered is not based on the current status of the projects.
 - c. The interstate transmission losses considered for projection purpose has been considered as 4% across all the stations instead of earlier direction to submit the same on case to case basis as notified under POC mechanism.

UPCL with regard to above agreed to revised its power purchase projection from gas based stations on the basis of normative PLF and new generation stations considering realistic expected COD and also factoring in the interstate transmission losses on the basis of recent POC losses approved for various injection and drawal points. UPCL agreed to submit the revised power purchase quantum and cost projections for FY 2017-18.

10. The Commission observed that UPCL has submitted the PGCIL charges paid by it for the period April to November 2016. In this regard UPCL was directed to submit the corresponding input energy received by it at the State Periphery.
11. In response to the Commission's query on whether the A&G expenses submitted for FY 2015-16 includes cost towards data centre, UPCL submitted that the same is part of A&G expenses submitted.
12. The Commission observed that UPCL has shown financing of additional capital expenditure of new additions from REC loans. In this regard the Commission queried UPCL on whether these REC loans also include AREP loans. UPCL in response submitted that AREP loans have not been included in REC loan and these loans have been disbursed under NEF scheme starting FY 2013-14. The Commission directed the petitioner to submit the receipt and payment details of the scheme along with loan documents of such financing.
13. UPCL with regard to pre paid metering has not submitted any proposal for the same in its tariff schedule neither the same has been mentioned in the tariff design and tariff rationalisation section. The Commission directed UPCL to submit the same.

14. The Commission observed that UPCL is yet to take over the distribution system at Koti colony, Dakpathar and Dhalipur from UJVN Limited. UPCL agreed to submit compliance to the same.
15. The Commission with regard to billing carried out on the basis of IDF, NA/NR cases observed that still such cases are being reported over and above the limit specified by the Commission. UPCL in response submitted that there has been considerable reduction in such cases and it shall take all efforts to bring it well below the limit specified by the Commission.
16. The Commission with regard to replacement of mechanical meter observed that the progress has been slow in this regard. The Commission directed UPCL to submit the current status of pending replacement and timeframe by which the work shall be completed. UPCL agreed to submit the same.
17. In response to query sought by the Commission with regard to UPCL's preparedness to implement kVAH billing for public lamps, UPCL submitted that it is in position to do so with effect from April 1, 2017.
18. The Commission observed that there are still around 472 number of fictitious consumers in the billing data of UPCL. The Commission directed UPCL to submit justification in this regard.
19. The Commission further directed UPCL to submit commercial statement (CS-3 and CS-4) for October 2016 in hard and soft form.
20. As the Govt. Order has been issued for VII Pay Commission, UPCL to submit the computations of the impact of VII Pay Commission considering the Government Order issued in this regard.
21. The Commission directed UPCL to submit the current status of recruitment carried out in FY 2016-17 vis-à-vis that projected in the Petition. Further, UPCL should also submit its preparedness for recruitment to be carried out in FY 2017-18.
22. The Commission directed UPCL to submit replies to all the balance queries and queries sought above by January 22, 2017. UPCL agreed to submit all the replies within the stipulated time.