UPCL's comments on the response / suggestion received from Sh. Amit Joshi, Dehradun on the ARR and Tariff Petition of UPCL for FY 2017-18.

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<tr><td>1.</td><td>Power Purchase Cost

There is a sudden increase of —Rs 300 Cr. in the revised power purchase cost in account of Water Tax. As per Uttarakhand Water Tax on Electricity Generation Act,20I2, water Tax is applicable from the date of Notification of Uttarakhand Water Tax on Electricity Generation Act,20I2 and is a pass through in tariff of generating station. I request Hon'ble Commission to kindly verify the earlier submission whether water tax was included that time or not.

If not, then a genuine reason needs to be submitted for not including the same</td><td rowspan="3">On the Tariff Petition of UPCL, Hon'ble Commission conducted Technical Validation Session and pointed out various deficiencies. As per direction of Hon'ble Commission revised submission was made by UPCL vide its letter no. 211/UPCL/RM/B-18, dated 19-01-2017. The details of variation due to revision in ARR may be shown as follows:-

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<tr><td>2.</td><td>PGCIL Charges - Reason for increase in revised submission.</td></tr>
<tr><td>3.</td><td>Interest Charge: Reason for increase of Rs 28 Cr. in revised submission. Further, i requests Hon'ble Commission do not pass through any late payment surcharge of Discom</td></tr>
</table>

UPCL's comments on the response / suggestion received from Sh. L.S. Chamyal, Factory Manager, M/s Khatema Fibres Ltd., UPSIDC Industrial Area, Khatima-262308, Uttarakhand on the ARR and Tariff Petition of UPCL for FY 2017-18.

S. No.	Objections/Comments/Suggestions	Response
1.	Voltage wise cost of supply for Tariff fixation	Presently, voltage wise / category wise losses are not available and Category wise Tariff has been calculated on the basis of average cost of supply and permissible level of cross subsidy. This is as per Regulation 91 of the UERC Tariff Regulations, 2015. Further, it is to apprise the Hon'ble Commission that UPCL is in process to calculate the voltage wise cost of supply as per direction of Hon'ble Commission.
2.	Load factor based tariff to HT industrial consumers	(i) Hence, it is submitted that higher energy charges are levied for higher consumption due to the fact that each procurement of additional power (marginal power) has higher cost. Secondly, at higher load factor demand charges per unit is reduced which is the incentive to the consumer for having higher load factor and average tariff per unit for the consumers having load factor upto 40% and above 40% is maintained at the same level. (ii) Load Factor formula is based on the actual requirement of load of the consumer. In case maximum demand is lower than the contracted load, maximum demand (actual requirement) is considered. In case maximum demand is higher than the contracted load, contracted load is considered because the consumer has contracted this capacity.
3.	Levy of Minimum Consumption Guarantee (MCG) charge in the tariff to industries	(i) The total cost of UPCL may be segregated into power purchase cost and other cost. The other cost is about 10% to15% of total cost and fixed in nature. This cost should be recovered through fixed/demand charges. (ii) About 40% of total Power Purchase Cost of UPCL is also fixed cost and is borne by UPCL whether or not to draw the power

S. No.	Objections/Comments/Suggestions	Response
		from the respective generating station. UPCL has its arrangement to sufficient power supply to the consumers but in case the consumer does not consume power even at very low load factor, UPCL is required not to draw its some power having fixed cost. This fixed cost needs to be recovered from the consumers through Minimum Consumption Guarantee Charges. (iii) Minimum Consumption Guarantee has been proposed at very low level of consumption i.e. at 6.85% load factor in respect of non-domestic category and LT industry category and at 13.70% in respect of HT industry category. In case during certain month, actual consumption is less than MCG, MCG is charged in those months. Any excess of billed consumption over (actual consumption or minimum consumption, whichever is higher) is adjusted at the end of the financial year.
4.	Admissibility of high voltage rebate	(i) Rebate for taking supply at higher voltage was revised by the Hon'ble Commission in its Tariff Order dated 10th April 2014 from 1.5% to 2.5% and 5% to 7.5% for taking supply at 33 kV and 132 kV and above respectively. Thus, presently there is no justification for increasing the existing level of High Voltage Rebates. (ii) The total cost of UPCL may be segregated into power purchase cost and other cost. The other cost is about 10% to15% of total cost and fixed in nature. This cost should be recovered through fixed/demand charges. There are no relation of Distribution Losses with Contracted Load and Demand Charges and therefore voltage rebate should not be admissible on demand charges.

S. No.	Objections/Comments/Suggestions	Response
5.	Revision in terms & conditions for seasonal industries. The Commission may consider the issue and provide relief to casual un-intentional increase in demand beyond 30% in any one month of the off season.	With a view to provide the benefit of the seasonal industry in right manner, the terms & conditions specified by the Hon'ble Commission may be complied with completely.
6.	Compensation for interruption is in power supply to industries opting for continuous supply	Para-8.2.1 (1) of Tariff Policy provides that the consumers willing to avail continuous and quality power supply are required to pay a tariff which reflects efficient costs. This is an additional charge (premium) payable by the consumer to have the facility of getting continuous supply of power. These consumers are exempted from load shedding during scheduled/unscheduled power cuts and during restricted hours of the period of restriction of usages approved by the Hon'ble Commission from time to time. However, load shedding required due to emergency break-down / shut-down is imposed on these consumers as and when the situation arise.

UPCL's comments on the response / suggestion received from Sh. Achal Sharma, President, M/s East West Products Ltd., Lohia Head Road, Khatima-262308, Udham Singh Nagaron the ARR and Tariff Petition of UPCL for FY 2017-18.

S. No.	Objections/Comments/Suggestions	Response
1.	**Power Purchase Expenses:** The UPCL has trued-up expenses and revenue for FY 2015-16 on the basis of provisional accounts. Against approved power purchase expenses and UJVNL's arrears of Rs. 3429.49 crores, trued up expenses are given as Rs. 3513.30 crores meaning an excess of Rs. 83.80 crores in power purchase. The commission is requested to scrutinize the actual power purchase cost in line with the MYT order for the year and allow legitimate variations, if any actually due.	All information with respect to power purchase cost for FY 2015-16 as specified in the Regulations and as desired by the Hon'ble Commission during this Tariff Determination Exercise has been / is being provided to the Hon'ble Commission for examination at their level.
2.	**Depreciation:** The UPCL has calculated depreciation on opening and closing values of gross fixed assets (GFA) in the provisional accounts for FY 2015-16 and claimed depreciation of Rs. 114.12 crores against approved depreciation of Rs. 94.54 crores by the Commission. Thus Rs. 19.58 crores claimed in excess over the approved. The matter of finalization of transfer scheme is still sub-juiced before APTEL as such GFA is under dispute.	(i) Calculation of depreciation has been done considering the opening (as on 08-11-2001) GFA of Rs. 508 Cr. This is in line with the approach adopted by the Hon'ble Commission. (ii) Hon'ble Commission approved depreciation on the opening balance of GFA as on 31-03-2015. However, UPCL claimed the same on the average balance of GFA for FY 2015-16 keeping in view the fact that assets were capitalized during all the months of the year.

S. No.	Objections/Comments/Suggestions	Response
	Accordingly till final decision of ATE in the matter, the impact of above excess depreciation claims of Rs. 19.58 crorers is opposed before the Commission.	
3.	**Return of Equity:** This is the head of major variations. The UPCL has claimed ROE of Rs. 85.64 crores against the approved ROE of Rs. 48.88 crores for FY 2015-16. The variation of Rs. 36.76 crores which is 75% higher is alarming and needs through scrutiny by the Hon'ble Commission.	(i) Hon'ble Commission in its Tariff Order for FY 2015-16 approved Return on Equity @ 16% on the opening equity of Rs. 305.49 Cr. Hon'ble Commission computed the value of equity for each year equivalent to 30% of (capitalization as reduced by grant and loans). Remaining 70% of capitalization has been considered normative loan. Return on Equity computed Rs. 48.88 Cr. (ii) UPCL in the Petition computed return on equity @ 16% on the opening equity of Rs. 535.27 Cr. for FY 2015-16. Year wise addition of equity has been considered at maximum of 30% of the capitalization excluding grants for each year. In the year when the equity deployed was less than 30%, actual equity has been considered. The equity in excess of 30% has been considered as normative loan. Detailed computation of return on equity is mentioned at page 19 and 20 of the Petition.
4.	The UERC regulations or the previous Tariff Orders have not provided trajectory of performance standards for employee cost. A & G expenses, R & M expenses. The UPCL has claimed gain sharing against these parameters and loss sharing against un-achievement target of distribution losses as revenue from additional	Sharing of gains and losses has been claimed on the basis of the provisions of UERC Tariff Regulations, 2011. These Regulations inter-alia provides for gaining and loss on account of employee cost and R&M Expenses. Hon'ble Commission in its Tariff Order for FY 2016-17 also considered the same basis for allowing sharing of gains and losses (refer para – 4.4 of the Tariff Order).

S. No.	Objections/Comments/Suggestions	Response
	sales. The Commission is requested to allow the sharing strictly for controllable factors for which the trajectory has been provided by the Commission in line with the Regulations.	
5.	**Calculation of energy sales to each consumer category:** Compound Annual Growth Rate (CAGR) of 4.43% over the past 5 years from FY 2011-12 to FY 2015-16 has been considered by UPCL and it has been assumed that energy consumption in future will continue to grow based on the past trends of consumption. The CAGR of past 5 years may not be a good approach for energy sales during FY 2017-18 due to recent demonetization and consequent recession in the market. The Commission may consider demonetization factor also while allowing category wise sales specially for HT & LT industries and non-domestic categories	In this connection, it is submitted that impact of demonetization is for short term and will not affect the economy in future. In this connection, the extract of Economic Survey 2016-17 may be quoted as follows:- ***" We expect real GDP growth to be in the 6¾ to 7½ percent range in FY 2018. Even under this forecast, India would remain the fastest growing major economy in the world."***
6.	**Distribution Loss Trajectory:** UPCL has projected its energy requirement for FY 2016-17 & 2017-18 based on its own proposed trajectory. The proposal of UPCL is highly	It is true that the Hon'ble Commission has fixed Distribution Losses @ 14.75% for FY 2017-18 but these losses have not been fixed keeping in view the existing level of Distribution Losses of the Company. The actual Distribution Losses for FY 2015-16 are 18.39% hence it is

S. No.	Objections/Comments/Suggestions	Response
	opposed. There are many distribution entities in the country with distribution loss level below 12%. There is need for constant vigil and monitor which is not being there Hon'ble Commission may follow its declared trajectory of losses in its order for current ARR/Tariff proposal for FY 2017- 18.	practically not possible to achieve the loss level of 14.75% in FY 2017-18 and therefore UPCL proposed a realistic level of Distribution Losses @ 16.39% for FY 2017-18 considering 1% reduction in losses in each year.
7.	**Power Procurement Plan:** So far as the power purchase is concerned from state generating status and states allocated share of CGS of (NTPC, NHPC, NPCIL, SJVNL, THDC) unallocated share of the central generating stations during the year is concerned, there is no problem as their rates of are by UERC or CERC. The objections are sometimes on purchase of power from external sources through mutual discussion and trading sources. There have been instances of allegations in the past on UPCL for purchase of power from outside at higher rates with mutual discussion.	All purchases of power are made through a transparent process as specified in the Act, Regulations and Orders & Approvals of the Hon'ble Commission.

S. No.	Objections/Comments/Suggestions	Response
8.	**Capital Expenditure Plan:** The need of expenditure on capital works cannot be disputed. Such expenditures are required to be made on year to year basis for creation of infrastructure to facilitate loss reduction increase in operational efficiency and for improvement quality and relia power supply. However, it has to be proved that the projected/targeted results are there from the expenditure incurred. There are a few examples of expenditures made by UPCL in the past against which result has been decimel.	(i) In this connection, the details of year wise capital expenditure and improvement in collection (productivity) is mentioned herein below:- (see table below)

Year	Cumulative Capital Investments	Increase in per unit Collection	Input Energy	Improvement in Productivity	Rate of Return
	Rs Cr	Rs.	MU	Rs Cr	%
	A	*B*	*C*	*D (B*C)*	*E (D/A)*
2008-09	252.97	0.10	7,631.44	73.48	29.04%
2009-10	503.68	0.21	8,280.09	170.67	33.88%
2010-11	768.67	0.26	9,249.42	238.99	31.09%
2011-12	1,070.61	0.30	10,310.64	311.38	29.08%
2012-13	1,327.58	0.39	10,789.11	417.91	31.48%
2013-14	1,626.25	0.45	11,216.31	505.90	31.11%
2014-15	2,090.42	0.49	11,888.23	577.12	27.61%
2015-16	2,622.34	0.65	12,559.60	822.21	31.35%
Total	**10262.52**			**3117.66**	**30.38%**

Average Rate of Return on Investments- 3117.66/10262.52= 30.38%

It is clear from the above details that UPCL earned a healthy return on its investments.

(ii) The benefit of all the improvement as mentioned herein above has been passed on to the Consumers of the State.

UPCL's comments on the response / suggestion received fromSh. Shakeel A. Siddiqui, Sr. General Manager (Finance), M/s Kashi Vishwanath Textile Mill (P) Ltd., 5th KM, Stone, Ramnagar Road, Kashipur-244713, Distt. Udham Singh Nagaron the ARR and Tariff Petition of UPCL for FY 2017-18.

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<tr><td>2</td><td>UPCL has initially proposed hike of 3.35% and then revised by 13.48%.</td><td>On the Tariff Petition of UPCL, Hon'ble Commission conducted Technical Validation Session and pointed out various deficiencies. As per direction of Hon'ble Commission revised submission was made by UPCL vide its letter no. 211/UPCL/RM/B-18, dated 19-01-2017. The details of variation due to revision in ARR may be shown as follows:-
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<tr><td>3.</td><td>Tariff not aligned with cost of supply</td><td>Presently, voltage wise / category wise losses are not available and Category wise Tariff has been calculated on the basis of average cost of supply and permissible level of cross subsidy. This is as per Regulation 91 of the UERC Tariff Regulations, 2015. Further, it is to apprise the Hon'ble Commission that UPCL is in process to calculate the voltage wise cost of supply as per direction of Hon'ble Commission.</td></tr>
<tr><td>4.</td><td>Principle of rewarding efficiency in performance

·Consider cheaper rates for consumers who are utilizing better loads, instead of making them to pay more which is practice in our State.

·Rebates should be increase for 33 kV and 132 kV consumers from 2.5% to 5% and 7.5% to 12 % for the consumers who constitute 53% revenue of UPCL.

·Incentives from 5% to 10% should be introduced for achieving higher load factors above 70%.

·If there is penalties for late payments, incentives should be there for promoting timely and advance payments.</td><td>(i) Hence, it is submitted that higher energy charges are levied for higher consumption due to the fact that each procurement of additional power (marginal power) has higher cost. Secondly, at higher load factor demand charges per unit is reduced which is the incentive to the consumer for having higher load factor and average tariff per unit for the consumers having load factor upto 40% and above 40% is maintained at the same level.

(ii) Rebate for taking supply at higher voltage was revised by the Hon'ble Commission in its Tariff Order dated 10th April 2014 from 1.5% to 2.5% and 5% to 7.5% for taking supply at 33 kV and 132 kV and above respectively. Thus, presently there is no justification for increasing the existing level of High Voltage Rebates.

(iii) Presently, no consumer is required to make advance payment of his electricity dues.</td></tr>
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		(iv) Incentive for prompted payment may be considered by the Hon'ble Commission but the rate of incentive may be computed as follows:- ***10% annual rate / 365 days x 7 days = 0.19%.***
5.	Open Access	(i) Presently, voltage wise / category wise losses are not available and distribution loss for all the consumers including open access consumers is considered at the same level. However, it is to apprise the Hon'ble Commission that UPCL is in process to calculate the voltage wise cost of supply. (ii) UERC (Terms and Conditions of Intra-State Open Access) Regulations, 2015 were issued on 13-01-2015 and as per Regulation 29 (2), system distribution losses shall be as determined by the Hon'ble Commission in the Tariff Order for the open access customers. (iii) For the purpose of ensuring continuous supply, UPCL is required to incur extra infrastructure cost as well as arrangement of energy availability at higher cost. Even in case the consumer purchase power through Open Access, UPCL is required to incur this cost and therefore recovery of the same is also required on the Open Access Energy consumed.

UPCL's comments on the response / suggestion received from Shri Nikhil Tyagi– M/s BST Textile Mills Pvt. Ltd., Plot 9, Sector 9, IIE, SIDCUL, Pantnagar, Rudrapur-263153, Udham Singh Nagaron the ARR and Tariff Petition of UPCL for FY 2017-18.

S. No.	Objections/Comments/Suggestions	Response
1.	Load Factor based tariff should be abolished	(i) As per section 62(3) of the Electricity Act, 2003 tariff may be differentiated on the basis of consumers load factor. (ii) Hence, it is submitted that higher energy charges are levied for higher consumption due to the fact that each procurement of additional power (marginal power) has higher cost. Secondly, at higher load factor demand charges per unit is reduced which is the incentive to the consumer for having higher load factor and average tariff per unit for the consumers having load factor upto 40% and above 40% is maintained at the same level.
2.	Security deposit rule of 2 months should be changed and it should be maximum of 1.5 months instead of 2 months, at-least this should be applicable for timely bill paying consumers.	It is submitted that once the supply is drawn by a consumer the bill is generated after a 1 month period. In 15 days the bill is received by the consumer and again after 15 days the time period is given for payment. Thus a 2 month period is justifiable and is also in accordance with the UERC supply code.
3	Voltage rebates of 33 kV customers should be increased from 2.5% to 5%.	Rebate for taking supply at higher voltage was revised by the Hon'ble Commission in its Tariff Order dated 10th April 2014 from 1.5% to 2.5% and 5% to 7.5% for taking supply at 33 kV and 132 kV and above respectively. Thus, presently there is no justification for increasing the existing level of High Voltage Rebates.
4	Wheeling charges on open access power should be NIL as we are already paying the demand charges.	Wheeling Charges is the sum of all expenses of UPCL other than power purchase expenses and Transmission charges. As the demand charges has been kept less than the required wheeling charges, the differential of required wheeling charges and demand charges is also payable as

S. No.	Objections/Comments/Suggestions	Response
		wheeling charges by the embedded open access consumers.
5	UPCL software generated monthly bill should be the NET Bill after adjustment of open access power refund amount in the same month bill, however this is doing by UPCL manually. About this honorable UERC instructed to UPCL in tariff order of FY 2014-15, TO FRAME A MECHANISM AND SHOULD EXCLUDE THE ENERGY RECEIVED BY A CONSUMER THROUGH OPEN ACCESS", but unfortunately it has not been implemented even after 3 years.	We are working on this and shall be implemented in due course of time.

UPCL's comments on the response / suggestion received from Dr. Ganesh Upadhayaya, Uttarakhand State Congress Committee, Off.-Congress Bhawan, 21, Rajpur Road, Dehradun-248001 on the ARR and Tariff Petition of UPCL for FY 2017-18.

S. No.	Objections/Comments/Suggestions	Response
1.	Fixed rate based tariff for Private Tube Well	Electricity Charges should be based on consumption made by the consumer. Any consumer who consume more electricity should pay more and vice-versa. Therefore, per unit energy charges based tariff is necessary.
2.	Fixed charge should be reduce from Domestic Category	The total cost of UPCL may be segregated into power purchase cost and other cost. The other cost is about 10% to15% of total cost and fixed in nature. This cost has necessarily to be incurred by UPCL and not related to the energy consumed, but which is related to the contracted load of the consumers. Thus, this cost needs to be recovered through fixed/demand charges.

UPCL's comments on the response / suggestion received from Sh. Teeka Singh Saini, Former State General Secretary, Kisan Congress, Uttarakhand on the ARR and Tariff Petition of UPCL for FY 2017-18.

S. No.	Objections/Comments/Suggestions	Response
1.	There should be no increase in Agriculture tariff	(i) UPCL is a commercial organization and is required to meet its Annual Revenue Requirement out of the revenue realized from the consumers through electricity tariffs. The revenue deficit for FY 2017-18 has been estimated at Rs. 748.99 Cr. for which tariff hike of 13.48% is required. This average tariff hike has been proposed for all the categories. (ii) Further, it is to apprise that the tariff of PTW Category has been proposed at only 36% of average cost of supply.

UPCL's comments on the response / suggestion received from Sh. R.K. Singh, Head (CPED & E), M/s Tata Motors Ltd., Plot No. 1, Sector 11, Integrated Industrial Estate, SIDCUL, Pantnagar-263153, Udhamsingh Nagar on the ARR and Tariff Petition of UPCL for FY 2017-18.

S. No.	Objections/Comments/Suggestions	Response
1.	**CAPITAL EXPENDITURE** Most of the expenditure under this head are related to LV consumers or LT Industries, So the impact of this expenditure should not impact tariff plan of EHV/HV consumers.	Presently, voltage wise / category wise losses are not available and Category wise Tariff has been calculated on the basis of average cost of supply and permissible level of cross subsidy. This is as per Regulation 91 of the UERC Tariff Regulations, 2015. Further, it is to apprise the Hon'ble Commission that UPCL is in process to calculate the voltage wise cost of supply as per direction of Hon'ble Commission.
2.	**VOLTAGE SUPPLY REBATE:** At present voltage Supply Rebate for 132 or Above Category Consumers is applicable (&, 7.5% of Energy Charges. But a few consumers like Tata Motors Ltd are availing power at 220KV also and these connections are having negligible Transmission/Distribution losses so it is requested Hon'ble Commission to direct UPCL to grant rebate of 12.5% of Energy Charges to such EHV consumers.	Rebate for taking supply at higher voltage was revised by the Hon'ble Commission in its Tariff Order dated 10th April 2014 from 1.5% to 2.5% and 5% to 7.5% for taking supply at 33 kV and 132 kV and above respectively. Thus, presently there is no justification for increasing the existing level of High Voltage Rebates.
3.	**LOAD FACTOR:** Major power reforms of power tariffs are on th horizon in the country and central government has recommended lower tariffs for heavy users to encourage electricity consumption as the country is moving from power deficit to surplus situation, LF based tariff was designed for	Hence, it is submitted that higher energy charges are levied for higher consumption due to the fact that each procurement of additional power (marginal power) has higher cost. Secondly, at higher load factor demand charges per unit is reduced which is the incentive to the consumer for having higher load factor and average tariff per unit for the consumers having load factor upto 40% and above 40% is maintained at the same level.

S. No.	Objections/Comments/Suggestions	Response
	power shortage scenario in state, but with the excess power available the existing framework need to be changed.(Ref Economic Times 21st Jan 2017)	
4.	**REFUND OF LOSS OCCURRED DUE TO BREAKDOWN DURING OPEN ACCESS PERIOD:** there should be some mechanism to compensate the losses occurred to the consumer due to breakdown/Unplanned Shutdown which is a result of poor maintenance/ negligence of UPCL	This subject has been dealt in UERC (Terms and Conditions of Intra – State Open Access) Regulations, 2015.
5.	**ABOLITION OF GRACE PERIOD:** In this context TML request Hon'ble commission to direct UPCL to timely conduct MRI and bills should be generated up to 5th of the month because as of now bill is generating on llth,l2th or 13th of the month with payable date 19th or 20th. And Open Access adjustment should also be marked in same month.	Meter reading and bill generation activity is being done in time however, UPCL is in process to update its billing software to adjust the Open Access Energy in the consumer bill. This shall be implemented in due course of time.
6.	**USAGE OF RENEWABLE ENERGY** Solar power cost has been reduced to Rs 2.97/Unit, hence UERC should encourage to Power Generation licensee to install more solar power generating infrastructures which in turn result reduced power cost and availability of quality power to the consumers.(Reference: Economic times 11th Feb 2017)	Procurement of Solar Energy is being done as per direction of Hon'ble Commission and provisions of Regulations issued in this regard.

S. No.	Objections/Comments/Suggestions	Response
7.	There should be no tariff hike.	UPCL is a commercial organization and is required to meet its Annual Revenue Requirement out of the revenue realized from the consumers through electricity tariffs. The revenue deficit for FY 2017-18 has been estimated at Rs. 748.99 Cr. for which tariff hike of 13.48% is required. This average tariff hike has been proposed for all the categories.

UPCL's comments on the response / suggestion received from Sh. Kuldeep Singh Cheema, Bhartiya Kisan Union, Village-Dakiya Kalan, Post Off.-Dakiya No.-I, Distt. Udham Singh Nagar on the ARR and Tariff Petition of UPCL for FY 2017-18.

S. No.	Objections/Comments/Suggestions	Response
1.	Theft should be control by UPCL to reduce the Energy losses	In order to curb theft of energy, the following measures have been taken up by UPCL: • Vigilance Raids are being conducted and cases are being registered under Sections 126 and 135 of Electricity Act., 2003. Legal proceedings are being initiated against the person(s) who is found indulging in theft of electricity. • Mechanical meters are being replaced by electronic meters. • All defective meters are being replaced. • AB cable is being laid in theft prone areas. 700 Km. cable has been laid so far in this year. • New connections are being released by installing meters outside the premises of the consumers. • Meters installed on the connections of existing consumers are being shifted outside the premises of the consumers.
2.	No increase in Tariff under Private tube well consumers	(i) UPCL is a commercial organization and is required to meet its Annual Revenue Requirement out of the revenue realized from the consumers through electricity tariffs. The revenue deficit for FY 2017-18 has been estimated at Rs. 748.99 Cr. for which tariff hike of 13.48% is required. This average tariff hike has been proposed for all the categories.

S. No.	Objections/Comments/Suggestions	Response
		(ii) Further, it is to apprise that the tariff of PTW Category has been proposed at only 36% of average cost of supply.
3.	No free electricity to the departmental employees	The employees of UPCL are being given the facility of departmental electricity connection since U.P. State Electricity Board was in existence. Under this facility, a fix lump-sum amount is charged from the employees according to their designation towards electricity charges for electricity supplied to them. Erstwhile UPSEB was unbundled under the provisions of Uttar Pradesh Electricity Reforms Act, 1999 and Section-23(7) of the said act provides "terms and conditions of service of the personnel shall not be less favorable to the terms and condition which were applicable to them before the transfer". The same spirit has been echoed under first proviso of section 133(2) of the Electricity Act, 2003. The benefits for employees / pensioners as provided in section 12(b)(ii) of the Uttar Pradesh Reform Transfer Scheme, 2000 include "concessional rate of electricity", which means concession in rate of electricity to the extent it is not inferior to what was existing before 14th January, 2000. The rates and charges indicated above for this category are strictly in adherence of above statutory provisions. As UPCL is the successor entity of UPPCL (formed as a result of unbundling of UPSEB), the above legal provisions are also applicable on it (UPCL).

UPCL's comments on the response / suggestion received from Sh. Naveen Chandra Joshi, S/o Late Sh. Tara Datt Joshi, Former Warrant Officer, Resident-BakshiKhola, Post Off. & District Almora-263601, Uttarakhand on the ARR and Tariff Petition of UPCL for FY 2017-18.

S. No.	Objections/Comments/Suggestions	Response
1.	There should be separate electricity policy for Hill area.	Tariff of Electricity is determined as per the provisions of Electricity Act, 2003. The Tariff of BPL Consumers has been proposed near 50% of Average Cost of Supply. The Tariff of other Domestic Consumers has been proposed near 73% of Average Cost of Supply. The rates of Electricity cannot be kept below these rates keeping in view the cost estimates of UPCL and the provisions of Law.
2.	No provision of free electricity for departmental employee	(i) The employees of UPCL are being given the facility of departmental electricity connection since U.P. State Electricity Board was in existence. Under this facility, a fix lump-sum amount is charged from the employees according to their designation towards electricity charges for electricity supplied to them. Erstwhile UPSEB was unbundled under the provisions of Uttar Pradesh Electricity Reforms Act, 1999 and Section-23(7) of the said act provides "terms and conditions of service of the personnel shall not be less favorable to the terms and condition which were applicable to them before the transfer". The same spirit has been echoed under first proviso of section 133(2) of the Electricity Act, 2003. The benefits for employees / pensioners as provided in section 12(b)(ii) of the Uttar Pradesh Reform Transfer Scheme, 2000 include "concessional rate of electricity", which means concession in rate of electricity to the extent it is not inferior to what was existing before 14th January, 2000. The rates and charges indicated above for this category are strictly in adherence of above statutory provisions. As UPCL is the successor entity of UPPCL (formed as a result of unbundling of UPSEB), the above legal provisions are also applicable on it (UPCL). (ii) Meters have been installed on the connections of the Departmental Employees/Pensioners.

UPCL's comments on the response / suggestion received from Sh. Amar Singh Karki, Mohalla Makedi, Post Off. & District Almora-263601, Uttarakhand on the ARR and Tariff Petition of UPCL for FY 2017-18.

S. No.	Objections/Comments/Suggestions	Response
1.	There should be separate electricity policy for Hill area.	Tariff of Electricity is determined as per the provisions of Electricity Act, 2003. The Tariff of BPL Consumers has been proposed near 50% of Average Cost of Supply. The Tariff of other Domestic Consumers has been proposed near 73% of Average Cost of Supply. The rates of Electricity cannot be kept below these rates keeping in view the cost estimates of UPCL and the provisions of Law.
2.	No provision of free electricity for departmental employee	(i) The employees of UPCL are being given the facility of departmental electricity connection since U.P. State Electricity Board was in existence. Under this facility, a fix lump-sum amount is charged from the employees according to their designation towards electricity charges for electricity supplied to them. Erstwhile UPSEB was unbundled under the provisions of Uttar Pradesh Electricity Reforms Act, 1999 and Section-23(7) of the said act provides "terms and conditions of service of the personnel shall not be less favorable to the terms and condition which were applicable to them before the transfer". The same spirit has been echoed under first proviso of section 133(2) of the Electricity Act, 2003. The benefits for employees / pensioners as provided in section 12(b)(ii) of the Uttar Pradesh Reform Transfer Scheme, 2000 include "concessional rate of electricity", which means concession in rate of electricity to the extent it is not inferior to what was existing before 14th January, 2000. The rates and charges indicated above for this category are strictly in adherence of above statutory provisions. As UPCL is the successor entity of UPPCL (formed as a result of unbundling of UPSEB), the above legal provisions are also applicable on it (UPCL). (ii) Meters have been installed on the connections of the Departmental Employees/Pensioners.

UPCL's comments on the response / suggestion received from Sh. Pooran Chandra Tiwari, General Secretary, Uttarakhand LokVahini, "Tiwari Sadan", Talla Galli, Jakhandevi, District Almora, Uttarakhand on the ARR and Tariff Petition of UPCL for FY 2017-18.

S. No.	Objections/Comments/Suggestions	Response
1.	Fixed Charge should be Abolished.	The total cost of UPCL may be segregated into power purchase cost and other cost. The other cost is about 10% to15% of total cost and fixed in nature. This cost has necessarily to be incurred by UPCL and not related to the energy consumed, but which is related to the contracted load of the consumers. Thus, this cost needs to be recovered through fixed/demand charges.
2.	Electricity duty should not be levied.	As per section 3 of Uttar Pradesh Electricity (Duty) Act (Uttarakhand adaptation and modification) order 2001, State Government is empowered to fix the rates of Electricity Duty to be charged from various category of consumers. Government of Uttarakhand vide its notification no. 79/I/2016-01(3)/01/2003, dated 25-01-2016 has fixed these rates applicable w.e.f. 1-01-2016. UPCL is charging electricity duty as per Government orders. The Electricity duty charged from consumers is payable by UPCL to GoU. Therefore, the matter may be taken up with GoU.
3.	Flying scot at divisional level to prevent theft control of electricity	In order to curb theft of energy, the following measures have been taken up by UPCL: • Vigilance Raids are being conducted and cases are being registered under Sections 126 and 135 of Electricity Act., 2003. Legal proceedings are being initiated against the person(s) who is found indulging in theft of electricity. • Mechanical meters are being replaced by electronic meters. • All defective meters are being replaced. • AB cable is being laid in theft prone areas. 700 Km. cable has been laid so far in this year. • New connections are being released by installing meters outside the premises of the consumers.

S. No.	Objections/Comments/Suggestions	Response
		• Meters installed on the connections of existing consumers are being shifted outside the premises of the consumers.
4.	Free Electricity should be given in hilly areas for Domestic purpose.	Tariff of Electricity is determined as per the provisions of Electricity Act, 2003. The Tariff of BPL Consumers has been proposed near 50% of Average Cost of Supply. The Tariff of other Domestic Consumers has been proposed near 73% of Average Cost of Supply. The rates of Electricity cannot be kept below these rates keeping in view the cost estimates of UPCL and the provisions of Law.

UPCL's comments on the response / suggestion received from Sh. P.S. Mehra, Secretary, Retired Central Employees Welfare Committee, Address-C/o Sh. Ravindra Nath Verma (Retd. Postmaster), BaansGali, Johri Market, District Almora, Uttarakhandon the ARR and Tariff Petition of UPCL for FY 2017-18.

S. No.	Objections/Comments/Suggestions	Response
1.	Electricity should not be free for working and retired official of UPCL	The employees of UPCL are being given the facility of departmental electricity connection since U.P. State Electricity Board was in existence. Under this facility, a fix lump-sum amount is charged from the employees according to their designation towards electricity charges for electricity supplied to them. Erstwhile UPSEB was unbundled under the provisions of Uttar Pradesh Electricity Reforms Act, 1999 and Section-23(7) of the said act provides "terms and conditions of service of the personnel shall not be less favorable to the terms and condition which were applicable to them before the transfer". The same spirit has been echoed under first proviso of section 133(2) of the Electricity Act, 2003. The benefits for employees / pensioners as provided in section 12(b)(ii) of the Uttar Pradesh Reform Transfer Scheme, 2000 include "concessional rate of electricity", which means concession in rate of electricity to the extent it is not inferior to what was existing before 14th January, 2000. The rates and charges indicated above for this category are strictly in adherence of above statutory provisions. As UPCL is the successor entity of UPPCL (formed as a result of unbundling of UPSEB), the above legal provisions are also applicable on it (UPCL).
2.	Fixed charge should be abolished.	The total cost of UPCL may be segregated into power purchase cost and other cost. The other cost is about 10% to15% of total cost and fixed in nature. This cost has necessarily to be incurred by UPCL and not related to the energy consumed, but which is related to the contracted load of the consumers. Thus, this cost needs to be recovered through fixed/demand charges.

UPCL's comments on the response / suggestion received from Sh. Sanjay Kumar Agrawal, Director & General Secretary, Shree Karuna Jan KalyanSamiti (Regd.), Sanjay Bhawan, Malla Joshi Khola, Almora, Uttarakhand-263601 on the ARR and Tariff Petition of UPCL for FY 2017-18.

S. No.	Objections/Comments/Suggestions	Response
1.	Tariff hike in domestic category.	(i) UPCL is a commercial organization and is required to meet its Annual Revenue Requirement out of the revenue realized from the consumers through electricity tariffs. The revenue deficit for FY 2017-18 has been estimated at Rs. 748.99 Cr. for which tariff hike of 13.48% is required. This average tariff hike has been proposed for all the categories. (ii) Tariff of Electricity is determined as per the provisions of Electricity Act, 2003. The Tariff of BPL Consumers has been proposed near 50% of Average Cost of Supply. The Tariff of other Domestic Consumers has been proposed near 73% of Average Cost of Supply. The rates of Electricity cannot be kept below these rates keeping in view the cost estimates of UPCL and the provisions of Law.
2.	Fixed/Demand charge should be abolish from Domestic, Commercial, Public Holdings and Public Lighting	The total cost of UPCL may be segregated into power purchase cost and other cost. The other cost is about 10% to15% of total cost and fixed in nature. This cost has necessarily to be incurred by UPCL and not related to the energy consumed, but which is related to the contracted load of the consumers. Thus, this cost needs to be recovered through fixed/demand charges.
3.	Timely distribution of Electricity bill to consumers	The meter reading of the consumers is being taken by the meter readers and the bill is being provided to the consumers at the time of meter reading. The following consumer services have also been started by UPCL. • Online billing of all the consumers

<table>
<tr><th>S. No.</th><th>Objections/Comments/Suggestions</th><th>Response</th></tr>
<tr><td></td><td></td><td>
• Online bill payment facility for all the consumers
• An agreement has been signed with M/s CSC to collect the payment of bills in various locations of the State.
</td></tr>
<tr><td>4.</td><td>Unscheduled load shedding</td><td>
(i) UPCL during FY 2015-16 met its more than 98% demand of Electricity. Less than 2% unmet demand was due to gap of demand and availability of energy / transmission network / distribution network.

(ii) UPCL has also prepared its power cut policy, which may be shown as follows:-

<table>
<tr><th>क्रम संख्या</th><th>औद्योगिक श्रेणी</th><th>अन्य श्रेणियां</th></tr>
<tr><td>1.</td><td>स्टील उद्योग/फरनेस उद्योग</td><td>ग्रामीण मैदानी क्षेत्र</td></tr>
<tr><td>2.</td><td>अविरल विद्युत आपूर्ति का चुनाव न करने वाले अन्य उद्योग</td><td>छोटे नगरीय मैदानी क्षेत्र</td></tr>
<tr><td>3.</td><td>अविरल विद्युत आपूर्ति का चुनाव करने वाले उद्योग</td><td>बड़े नगरीय मैदानी क्षेत्र</td></tr>
<tr><td>4.</td><td>—</td><td>पर्वतीय क्षेत्र</td></tr>
<tr><td>5.</td><td>—</td><td>राजधानी</td></tr>
<tr><td colspan="3">औद्योगिक श्रेणी एवं अन्य श्रेणियों के मध्य बिजली कटौती का निर्णय दिन के समयकाल एवं इन श्रेणियों की बिजली आवश्यकता के अनुसार निदेशक (परिचालन) द्वारा प्रबन्ध निदेशक की सहमति से लिया जायेगा। शाम के पीक ऑवर्स की अवधि में अन्य श्रेणियों की तुलना में औद्योगिक श्रेणी को बिजली कटौती के लिये प्राथमिकता दी जायेगी।</td></tr>
</table>
</td></tr>
</table>

S. No.	Objections/Comments/Suggestions	Response
		बिजली कटौती की नीति (पॉलिसी) 1. सामान्यतः राज्य में कोई बिजली कटौती नहीं की जायेगी। 2. बिजली की मांग उपलब्धता से अधिक होने, राज्य के बाहर अथवा भीतर पारेषण/वितरण तंत्र के उपलब्ध न होने आदि आपातकालीन स्थितियों (Emegency Conditions) में राज्य में बिजली कटौती निम्नलिखित प्राथमिकता के अनुसार की जायेगीः— 3. सभी पर्यटन/तीर्थ स्थल तथा स्वतंत्र पोषक से पोषित अस्पताल एवं पेयजल योजनाओं पर कोई विद्युत कटौती नहीं की जायेगी। 4. किसी भी क्षेत्र में लगातार एक नियत अवधि में बिजली कटौती 14 दिनों से अधिक नहीं की जायेगी। सभी उद्योगों को माह में न्यूनतम औसत 18 घण्टे प्रतिदिन बिजली आपूर्ति सुनिश्चित की जायेगी।

UPCL's comments on the response / suggestion received from Sh. Pratap Singh Satyal, General Secretary, M/s Day Care Centre, Thana Bazaar, District Almora, Uttarakhand. on the ARR and Tariff Petition of UPCL for FY 2017-18.

S. No.	Objections/Comments/Suggestions	Response
1.	Not increase in tariff for hilly area.	(i) UPCL is a commercial organization and is required to meet its Annual Revenue Requirement out of the revenue realized from the consumers through electricity tariffs. The revenue deficit for FY 2017-18 has been estimated at Rs. 748.99 Cr. for which tariff hike of 13.48% is required. This average tariff hike has been proposed for all the categories. (ii) Tariff of Electricity is determined as per the provisions of Electricity Act, 2003. The Tariff of BPL Consumers has been proposed near 50% of Average Cost of Supply. The Tariff of other Domestic Consumers has been proposed near 73% of Average Cost of Supply. The rates of Electricity cannot be kept below these rates keeping in view the cost estimates of UPCL and the provisions of Law.

UPCL's comments on the response / suggestion received from Sh. Girish Joshi, Retd. Principal, MohallaDubkiya, District Almora-263601, Uttarakhand, on the ARR and Tariff Petition of UPCL for FY 2017-18.

S. No.	Objections/Comments/Suggestions	Response
1.	Electricity should not be free for retired official of UPCL	The employees of UPCL are being given the facility of departmental electricity connection since U.P. State Electricity Board was in existence. Under this facility, a fix lump-sum amount is charged from the employees according to their designation towards electricity charges for electricity supplied to them. Erstwhile UPSEB was unbundled under the provisions of Uttar Pradesh Electricity Reforms Act, 1999 and Section-23(7) of the said act provides "terms and conditions of service of the personnel shall not be less favorable to the terms and condition which were applicable to them before the transfer". The same spirit has been echoed under first proviso of section 133(2) of the Electricity Act, 2003. The benefits for employees / pensioners as provided in section 12(b)(ii) of the Uttar Pradesh Reform Transfer Scheme, 2000 include "concessional rate of electricity", which means concession in rate of electricity to the extent it is not inferior to what was existing before 14th January, 2000. The rates and charges indicated above for this category are strictly in adherence of above statutory provisions. As UPCL is the successor entity of UPPCL (formed as a result of unbundling of UPSEB), the above legal provisions are also applicable on it (UPCL).
2.	Electricity theft should be detected and stopped.	In order to curb theft of energy, the following measures have been taken up by UPCL: • Vigilance Raids are being conducted and cases are being registered under Sections 126 and 135 of Electricity Act., 2003. Legal proceedings are being initiated against the person(s) who is found indulging in theft of electricity.

S. No.	Objections/Comments/Suggestions	Response
		• Mechanical meters are being replaced by electronic meters. • All defective meters are being replaced. • AB cable is being laid in theft prone areas. 700 Km. cable has been laid so far in this year. • New connections are being released by installing meters outside the premises of the consumers. • Meters installed on the connections of existing consumers are being shifted outside the premises of the consumers.
3.	Electricity Tariff should not be increased.	(i) UPCL is a commercial organization and is required to meet its Annual Revenue Requirement out of the revenue realized from the consumers through electricity tariffs. The revenue deficit for FY 2017-18 has been estimated at Rs. 748.99 Cr. for which tariff hike of 13.48% is required. This average tariff hike has been proposed for all the categories. (ii) Tariff of Electricity is determined as per the provisions of Electricity Act, 2003. The Tariff of BPL Consumers has been proposed near 50% of Average Cost of Supply. The Tariff of other Domestic Consumers has been proposed near 73% of Average Cost of Supply. The rates of Electricity cannot be kept below these rates keeping in view the cost estimates of UPCL and the provisions of Law.

UPCL's comments on the response / suggestion received from Sh. Trilok Singh Kadakoti, Kadakoti Niwas, PoorviPokhar Khaki, District Almora, Uttarakhand on the ARR and Tariff Petition of UPCL for FY 2017-18.

S. No.	Objections/Comments/Suggestions	Response
1.	Fixed charge should be abolished.	The total cost of UPCL may be segregated into power purchase cost and other cost. The other cost is about 10% to15% of total cost and fixed in nature. This cost has necessarily to be incurred by UPCL and not related to the energy consumed, but which is related to the contracted load of the consumers. Thus, this cost needs to be recovered through fixed/demand charges.
2.	Electricity duty should not be levied.	As per section 3 of Uttar Pradesh Electricity (Duty) Act (Uttarakhand adaptation and modification) order 2001, State Government is empowered to fix the rates of Electricity Duty to be charged from various category of consumers. Government of Uttarakhand vide its notification no. 79/I/2016-01(3)/01/2003, dated 25-01-2016 has fixed these rates applicable w.e.f. 1-01-2016. UPCL is charging electricity duty as per Government orders. The Electricity duty charged from consumers is payable by UPCL to GoU. Therefore, the matter may be taken up with GoU.

<u>UPCL's comments on the response / suggestion received from Sh. Vikas Jindal, President, M/s KumaonGarhwal Chamber of Commerce & Industry Uttarakhand, Chamber House, Industrial Estate, Bazpur Road, Kashipur, Udhamsingh Nagar on the ARR and Tariff Petition of UPCL for FY 2017-18.</u>

S. No.	Objections/Comments/Suggestions	Response
1.	**Power Purchase Expenses:** The UPCL has trued-up expenses and revenue for FY 2015-16 on the basis of provisional accounts. Against approved power purchase expenses and UJVNL's arrears of Rs. 3429.49 crores, trued up expenses are given as Rs. 3513.30 crores meaning an excess of Rs. 83.80 crores in power purchase. The commission is requested to scrutinize the actual power purchase cost in line with the MYT order for the year and allow legitimate variations, if any actually due.	All information with respect to power purchase cost for FY 2015-16 as specified in the Regulations and as desired by the Hon'ble Commission during this Tariff Determination Exercise has been / is being provided to the Hon'ble Commission for examination at their level.
2.	**Depreciation:** The UPCL has calculated depreciation on opening and closing values of gross fixed assets (GFA) in the provisional accounts for FY 2015-16 and claimed depreciation of Rs. 114.12 crores against approved depreciation of Rs. 94.54 crores by the Commission. Thus Rs. 19.58 crores claimed in excess over the approved. The matter of finalization of transfer scheme is still sub-juiced	(i) Calculation of depreciation has been done considering the opening (as on 08-11-2001) GFA of Rs. 508 Cr. This is in line with the approach adopted by the Hon'ble Commission. (ii) Hon'ble Commission approved depreciation on the opening balance of GFA as on 31-03-2015. However, UPCL claimed the same on the average balance of GFA for FY 2015-16 keeping in view the fact that assets were capitalized during all the months of the year.

S. No.	Objections/Comments/Suggestions	Response
	before APTEL as such GFA is under dispute. Accordingly till final decision of ATE in the matter, the impact of above excess depreciation claims of Rs. 19.58 crorers is opposed before the Commission.	
3.	**Return of Equity:** This is the head of major variations. The UPCL has claimed ROE of Rs. 85.64 crores against the approved ROE of Rs. 48.88 crores for FY 2015-16. The variation of Rs. 36.76 crores which is 75% higher is alarming and needs through scrutiny by the Hon'ble Commission.	(i) Hon'ble Commission in its Tariff Order for FY 2015-16 approved Return on Equity @ 16% on the opening equity of Rs. 305.49 Cr. Hon'ble Commission computed the value of equity for each year equivalent to 30% of (capitalization as reduced by grant and loans). Remaining 70% of capitalization has been considered normative loan. Return on Equity computed Rs. 48.88 Cr. (ii) UPCL in the Petition computed return on equity @ 16% on the opening equity of Rs. 535.27 Cr. for FY 2015-16. Year wise addition of equity has been considered at maximum of 30% of the capitalization excluding grants for each year. In the year when the equity deployed was less than 30%, actual equity has been considered. The equity in excess of 30% has been considered as normative loan. Detailed computation of return on equity is mentioned at page 19 and 20 of the Petition.
4.	The UERC regulations or the previous Tariff Orders have not provided trajectory of performance standards for employee cost. A & G expenses, R & M expenses. The UPCL has claimed gain sharing against these parameters and loss sharing against un-achievement target of	Sharing of gains and losses has been claimed on the basis of the provisions of UERC Tariff Regulations, 2011. These Regulations inter-alia provides for gaining and loss on account of employee cost and R&M Expenses. Hon'ble Commission in its Tariff Order for FY 2016-17 also considered the same basis for allowing sharing of gains and losses (refer para – 4.4 of the Tariff Order).

S. No.	Objections/Comments/Suggestions	Response
	distribution losses as revenue from additional sales. The Commission is requested to allow the sharing strictly for controllable factors for which the trajectory has been provided by the Commission in line with the Regulations.	
5.	**Calculation of energy sales to each consumer category:** Compound Annual Growth Rate (CAGR) of 4.43% over the past 5 years from FY 2011-12 to FY 2015-16 has been considered by UPCL and it has been assumed that energy consumption in future will continue to grow based on the past trends of consumption. The CAGR of past 5 years may not be a good approach for energy sales during FY 2017-18 due to recent demonetization and consequent recession in the market. The Commission may consider demonetization factor also while allowing category wise sales specially for HT & LT industries and non-domestic categories	In this connection, it is submitted that impact of demonetization is for short term and will not affect the economy in future. In this connection, the extract of Economic Survey 2016-17 may be quoted as follows:- ***" We expect real GDP growth to be in the $6^{3/4}$ to $7^{1/2}$ percent range in FY 2018. Even under this forecast, India would remain the fastest growing major economy in the world."***
6.	**Distribution Loss Trajectory:** UPCL has projected its energy requirement for FY 2016-17 & 2017-18 based on its own proposed	It is true that the Hon'ble Commission has fixed Distribution Losses @ 14.75% for FY 2017-18 but these losses have not been fixed keeping in view the existing level of Distribution Losses of the Company. The

S. No.	Objections/Comments/Suggestions	Response
	trajectory. The proposal of UPCL is highly opposed. There are many distribution entities in the country with distribution loss level below 12%. There is need for constant vigil and monitor which is not being there Hon'ble Commission may follow its declared trajectory of losses in its order for current ARR/Tariff proposal for FY 2017- 18.	actual Distribution Losses for FY 2015-16 are 18.39% hence it is practically not possible to achieve the loss level of 14.75% in FY 2017-18 and therefore UPCL proposed a realistic level of Distribution Losses @ 16.39% for FY 2017-18 considering 1% reduction in losses in each year.
7.	**Power Procurement Plan:** So far as the power purchase is concerned from state generating status and states allocated share of CGS of (NTPC, NHPC, NPCIL, SJVNL, THDC) unallocated share of the central generating stations during the year is concerned, there is no problem as their rates of are by UERC or CERC. The objections are sometimes on purchase of power from external sources through mutual discussion and trading sources. There have been instances of allegations in the past on UPCL for purchase of power from outside at higher rates with mutual discussion.	All purchases of power are made through a transparent process as specified in the Act, Regulations and Orders & Approvals of the Hon'ble Commission.
8.	**Capital Expenditure Plan:** The need of expenditure on capital works cannot be disputed. Such expenditures are required to be made on year to year basis for creation of infrastructure to facilitate loss reduction increase	(i) In this connection, the details of year wise capital expenditure and improvement in collection (productivity) is mentioned herein below:-

<table>
<tr><th>S. No.</th><th>Objections/Comments/Suggestions</th><th>Response</th></tr>
<tr><td></td><td>in operational efficiency and for improvement quality and relia power supply. However, it has to be proved that the projected/targeted results are there from the expenditure incurred. There are a few examples of expenditures made by UPCL in the past against which result has been decimel.</td><td>

Year	Cumulative Capital Investments	Increase in per unit Collection	Input Energy	Improvement in Productivity	Rate of Return
	Rs Cr	Rs.	MU	Rs Cr	%
	A	*B*	*C*	*D (B*C)*	*E (D/A)*
2008-09	252.97	0.10	7,631.44	73.48	29.04%
2009-10	503.68	0.21	8,280.09	170.67	33.88%
2010-11	768.67	0.26	9,249.42	238.99	31.09%
2011-12	1,070.61	0.30	10,310.64	311.38	29.08%
2012-13	1,327.58	0.39	10,789.11	417.91	31.48%
2013-14	1,626.25	0.45	11,216.31	505.90	31.11%
2014-15	2,090.42	0.49	11,888.23	577.12	27.61%
2015-16	2,622.34	0.65	12,559.60	822.21	31.35%
Total	**10262.52**			**3117.66**	**30.38%**

Average Rate of Return on Investments- 3117.66/10262.52= 30.38%

It is clear from the above details that UPCL earned a healthy return on its investments.

(ii) The benefit of all the improvement as mentioned herein above has been passed on to the Consumers of the State.</td></tr>
<tr><td>9.</td><td>Voltage wise Cost of Supply:
In the absence of Voltage wise Cost of Supply, Tariff of HT Consumers should be determined considering their losses on a rational basis.</td><td>(i) Presently, voltage wise / category wise losses are not available and Category wise Tariff has been calculated on the basis of average cost of supply and permissible level of cross subsidy. This is as per Regulation 91 of the UERC Tariff Regulations, 2015. Further, it is to apprise the Hon’ble Commission that UPCL is in process to calculate the voltage wise cost of supply as</td></tr>
</table>

S. No.	Objections/Comments/Suggestions	Response
		per direction of Hon'ble Commission. (ii) In the absence of availability of voltage wise losses, which is mix of Technical Losses and Commercial Losses, the Distribution Losses are required to be charged on average basis from all category of Consumers.
10.	**LOAD FACTOR BASED TARIFF TO HT INDUSTRIAL CONSUMERS:-** The load factor based existing tariff to HT industries is penalizing them with consumption within their contracted demand being charged in the higher slab of energy charges on whole of their consumption. This approach appears to be unscientific and illogical. If load factor based tariff is at all necessary, the telescopic charging energy rates method needs to considered for billing of the consumers so that the consumer depending upon his load factor pays energy charges in the slabs.	Hence, it is submitted that higher energy charges are levied for higher consumption due to the fact that each procurement of additional firm power (marginal power) has higher cost. Secondly, at higher load factor demand charges per unit is reduced which is the incentive to the consumer for having higher load factor and average tariff per unit for the consumers having load factor upto 40% and above 40% is maintained at the same level. In case telescopic energy charges are imposed, the rate of higher load factor shall increase accordingly with a view to have a uniform average effective tariff at both the levels of load factors.
11.	The existing Load Factor formula does not allows consumer for the consumption for load factor based on the contracted load if the consumer is running load less than its contracted and paying billable demand for 80% of contracted load and thus consuming less power than for the contracted load. On this account, a consumer using less	Load Factor formula is based on the actual requirement of load of the consumer. In case maximum demand is lower than the contracted load, maximum demand (actual requirement) is considered. In case maximum demand is higher than the contracted load, contracted load is considered because the consumer has contracted this capacity.

S. No.	Objections/Comments/Suggestions	Response
	maximum demand than the contracted but paying demand charges for minimum 80% of contracted load is subjected to higher energy charges for the high load factor based on his actual low maximum demand even without consuming power for the minimum billable demand. This anomaly can be rectified by revising the formula for calculation of load factor as follows: Load factor = Consumption during billing period x 100 / Billable demand or contracted demand if billable demand is higher than Contracted demand X No. of hrs. in billing period. The Commission may consider this issue of load factor based tariff and remove the anomaly prevailing.	
12.	**Minimum Consumption Guarantee:** It is submitted that the existing tariff to industries is a two part tariff comprising of fixed/demand charges based on contracted load of the industry and consumption charge based on The electricity consumed. The fixed/demand charges are provided to meet out the fixed cost of the licensee as such the provision for charging minimum charges for consumption additionally is not justified from this consideration also.	(i) The total cost of UPCL may be segregated into power purchase cost and other cost. The other cost is about 10% to15% of total cost and fixed in nature. This cost should be recovered through fixed/demand charges. (ii) About 40% of total Power Purchase Cost of UPCL is also fixed cost and is borne by UPCL whether or not to draw the power from the respective generating station. UPCL has its arrangement to sufficient power supply to the consumers but in case the consumer does not consume power even at very low load factor, UPCL is required not to draw its some power having fixed cost. This fixed cost needs to be recovered from

S. No.	Objections/Comments/Suggestions	Response
	Interestingly, the Commission had been increasing fixed charge/demand charge also almost in its every tariff order and additionally continuing with the provision of minimum consumption guarantee in the Tariff to the industries on the plea of recovery of fixed cost of the licensee. The approach is not justified.	the consumers through Minimum Consumption Guarantee Charges. (iii) Minimum Consumption Guarantee has been proposed at very low level of consumption i.e. at 6.85% load factor in respect of non-domestic category and LT industry category and at 13.70% in respect of HT industry category. In case during certain month, actual consumption is less than MCG, MCG is charged in those months. Any excess of billed consumption over (actual consumption or minimum consumption, whichever is higher) is adjusted at the end of the financial year.

UPCL's comments on the response / suggestion received from Sh. R.S. Yadav, Vice President (HR &Admn.), India Glycols Ltd., A-1, Industrial Area, Bazpur Road, Kashipur-244713, Distt. Udham Singh Nagar on the ARR and Tariff Petition of UPCL for FY 2017-18.

S. No.	Objections/Comments/Suggestions	Response
1.	**High Voltage Rebate** Voltage rebate on 132 KV line should be increased from 7.5% to 10% as line losses for high voltage consumers are very less	(i) Presently, voltage wise / category wise losses are not available and Category wise Tariff has been calculated on the basis of average cost of supply and permissible level of cross subsidy. This is as per Regulation 91 of the UERC Tariff Regulations, 2015. Further, it is to apprise the Hon'ble Commission that UPCL is in process to calculate the voltage wise cost of supply as per direction of Hon'ble Commission. (ii) Rebate for taking supply at higher voltage was revised by the Hon'ble Commission in its Tariff Order dated 10th April 2014 from 1.5% to 2.5% and 5% to 7.5% for taking supply at 33 kV and 132 kV and above respectively. Thus, presently there is no justification for increasing the existing level of High Voltage Rebates.
2.	High voltage rebate on Power Purchased through Open Access should be admissible. Alternatively Open Access Consumers should be charged only transmission loss and not Distribution Loss.	(i) High Voltage Rebate is admissible on the Energy Charges. As no energy charges is payable on the Open Access Energy, there is no question arise for allowing rebate on Open Access Energy. (ii) In the absence of availability of voltage wise losses, which is mix of Technical Losses and Commercial Losses, the Distribution Losses are required to be charged from the consumers as well as Open Access Consumers.
3.	Voltage wise losses should be computed by UPCL.	Submission is same as mentioned at para -1 above.
4.	Continuous supply surcharge should be reduced to 10% from prevailing 15%. If this surcharge is reduce more consumers may opt for continuous	Para-8.2.1 (1) of Tariff Policy provides that the consumers willing to avail continuous and quality power supply are required to pay a tariff which reflects efficient costs. This is an additional charge (premium) payable by

S. No.	Objections/Comments/Suggestions	Response
	power supply which will result in increase of Revenue Realization of UPCL.	the consumer to have the facility of getting continuous supply of power. These consumers are exempted from load shedding during scheduled/unscheduled power cuts and during restricted hours of the period of restriction of usages approved by the Hon’ble Commission from time to time. However, load shedding required due to emergency break-down / shut-down is imposed on these consumers as and when the situation arise. For the purpose of ensuring continuous supply, UPCL is required to incur extra infrastructure cost as well as arrangement of energy availability at higher cost which cannot be kept below 15% of energy charges and this cost is required to be recovered from the consumers having the facility of getting continuous supply.
5.	Additional Surcharge for continuous power supply on Open Access Energy should not be charged.	For the purpose of ensuring continuous supply, UPCL is required to incur extra infrastructure cost as well as arrangement of energy availability at higher cost. Even in case the consumer purchase power through Open Access, UPCL is required to incur this cost and therefore recovery of the same is also required on the Open Access Energy consumed.
6.	Presently Increase/Reduction of Load is allowed once a year. In view of changes in Open Access regulations consumers should be allowed to reduce / increase the Contracted Load once in a quarter (3 months) to facilitate the Open Access consumers to plan Open Access.	As per Regulation – 9 (1) of the UERC (Release of new HT & EHT Connections, Enhancement and Reduction of Loads) Regulations, 2008 as amended from time to time, Consumer can enhance his Contracted Load any time, however, reduction of contracted load is permitted only once in a Financial Year. This provision was finalized by the Hon’ble Commission considering the suggestions of all the Stakeholders. Further, facility for reducing the contracted load more frequently will lead to the hardship to UPCL in its planning. Thus, this should not be changed.
7.	NOC for short open access should be for minimum period of one year / quarter. However in case of	This subject has been dealt in UERC (Terms and Conditions of Intra –

S. No.	Objections/Comments/Suggestions	Response
	bilateral power, it should be for the period of bilateral power purchase period.	State Open Access) Regulations, 2015.

UPCL's comments on the response / suggestion received from Sh. Balkar Singh, Chairman, BhartiyaKisan Union (Uttarakhand), Kashipur, Distt. Udhamsingh Nagar on the ARR and Tariff Petition of UPCL for FY 2017-18.

S. No.	Objections/Comments/Suggestions	Response
1.	Arrear should be recovered from Industrial Category	Continuous efforts are being made for recovery of arrears from all category of consumers. The Collection Efficiency in respect of Industrial Consumers is more than 100%.
2.	Tariff should not be increased under Private Tube Well Category	(i) UPCL is a commercial organization and is required to meet its Annual Revenue Requirement out of the revenue realized from the consumers through electricity tariffs. The revenue deficit for FY 2017-18 has been estimated at Rs. 748.99 Cr. for which tariff hike of 13.48% is required. This average tariff hike has been proposed for all the categories. (ii) Further, it is to apprise that the tariff of PTW Category has been proposed at only 36% of average cost of supply.

<u>UPCL's comments on the response / suggestion received from Sh. Arunesh Kumar Singh, Village Fulsunga, Post Off.-Transit Camp, Rudrapur, Distt. Udhamsingh Nagar on the ARR and Tariff Petition of UPCL for FY 2017-18.</u>

S. No.	Objections/Comments/Suggestions	Response
1.	The proposed land has been transferred to UPCL for preparation of 33/11 kV substation in Gangapur, but after 1.5 year the power house construction work has not started. We requested you to kindly look into this matter and complete the work on urgent basis.	Instructions have been issued to the field officers in the matter.

UPCL's comments on the response / suggestion received from M/s Sanjay Techno Plast Pvt. Ltd., Pant Nagar Plant :Khata No. 182, Khasra No. 301 Min., Village-Fulsunga, Tehsil-Kichha, Rudrapur, Distt. Udham Singh Nagar, Uttarakhand-263153 on the ARR and Tariff Petition of UPCL for FY 2017-18.

S. No.	Objections/Comments/Suggestions	Response
1.	We are facing the power tripping and fluctuation problem 4 to 6 times & 3 to 5 hrs per day due to power tripping and fluctuation, our production is badly affected. and we are facing daily 40 or 50 thousand loses. So you are requested to please look this matter seriously and solve the power tripping problem of our industry	Instructions have been issued to the field officers in the matter.

UPCL's comments on the response / suggestion received from Puneet Jain, Energy & CRT Manager,M/s Air Liquide Indiaon the ARR and Tariff Petition of UPCL for FY 2017-18.

S. No.	Objections/Comments/Suggestions	Response
1.	Voltage wise distribution losses – Air Liquid is connected to 132 kV and similarly several others Industries chosen to invest efficiency by choosing 132 kV connection. However, we are obliged to pay 15% distribution losses on our open access power purchases. We thank you to kindly take this into consideration and decide on fair voltage wise distribution losses.	(i) Presently, voltage wise / category wise losses are not available and distribution loss for all the consumers including open access consumers is considered at the same level. However, it is to apprise the Hon'ble Commission that UPCL is in process to calculate the voltage wise cost of supply. (ii) UERC (Terms and Conditions of Intra-State Open Access) Regulations, 2015 were issued on 13-01-2015 and as per Regulation 29 (2), system distribution losses shall be as determined by the Hon'ble Commission in the Tariff Order for the open access customers.
2.	The open access power lost during unscheduled load shedding / voltage fluctuations is not being reimbursed today to allow recovery of cost due to unavailability of transmission / distribution system. We thank the commission to devise clear framework for refund of such loss of power.	In this matter action is taken as per the provisions of UERC (Terms and Conditions of Intra-State Open Access) Regulations, 2015.
3	High continuous surcharge - the rate of continuous surcharge is very high today at 15% and it should be reduced to 8-10%.	Para-8.2.1 (1) of Tariff Policy provides that the consumers willing to avail continuous and quality power supply are required to pay a tariff which reflects efficient costs. This is an additional charge (premium) payable by the consumer to have the facility of getting continuous supply of power.

S. No.	Objections/Comments/Suggestions	Response
		These consumers are exempted from load shedding during scheduled/unscheduled power cuts and during restricted hours of the period of restriction of usages approved by the Hon'ble Commission from time to time. However, load shedding required due to emergency break-down / shut-down is imposed on these consumers as and when the situation arise. For the purpose of ensuring continuous supply, UPCL is required to incur extra infrastructure cost as well as arrangement of energy availability at higher cost which cannot be kept below 15% of energy charges and this cost is required to be recovered from the consumers having the facility of getting continuous supply.

UPCL's comments on the response / suggestion received from Sh. MunishTalwar, M/s Asahi India Glass Ltd., Integrated Glass Plant, Village-LatherdevaHoon, Manglaur-Jhabrera Road, P.O. Jhabrera, Tehsil Roorkee, Distt. Haridwar, Uttarakhand on the ARR and Tariff Petition of UPCL for FY 2017-18.

S. No.	Objections/Comments/Suggestions	Response
1.	Proposed Tariff increased is very high.	UPCL is a commercial organization and is required to meet its Annual Revenue Requirement out of the revenue realized from the consumers through electricity tariffs. The revenue deficit for FY 2017-18 has been estimated at Rs. 748.99 Cr. for which tariff hike of 13.48% is required. This average tariff hike has been proposed for all the categories.
2.	Power Purchase cost, O&M Cost, Return on Equity and Interest	All the details with justification have been given in the Petition in respect of the claim of UPCL of power purchase cost, O&M Expenses, Return on Equity and Interest Charges etc.
3.	Capital Expenditure	The need for capital expenditure in UPCL is for two primary reasons: a) The rising electricity demand makes it essential for the Petitioner to make investments in procuring power to meet the demand and also prepare its distribution infrastructure for evacuating the increasing power that shall be procured and subsequently distributed to its growing consumers. b) Making investments to facilitate loss reduction, increase operational efficiency through IT and automation to improve the quality and reliability of supply. Thus the Petitioner has proposed the capital investments in purview of the abovementioned objectives which will in turn help in more revenue generation for the Petitioner.

S. No.	Objections/Comments/Suggestions	Response
	continuous supply surcharge (CSS) on open access power purchase should be less than 15%	For the purpose of ensuring continuous supply, UPCL is required to incur extra infrastructure cost as well as arrangement of energy availability at higher cost. Even in case the consumer purchase power through Open Access, UPCL is required to incur this cost and therefore recovery of the same is also required on the Open Access Energy consumed. This cost has been estimated equivalent to 15% of Energy Charges.
4.	Distribution Loss for high voltage end consumers should not be charged.	(i) Presently, voltage wise / category wise losses are not available and Category wise Tariff has been calculated on the basis of average cost of supply and permissible level of cross subsidy. This is as per Regulation 91 of the UERC Tariff Regulations, 2015. Further, it is to apprise the Hon'ble Commission that UPCL is in process to calculate the voltage wise cost of supply as per direction of Hon'ble Commission. (ii) In the absence of availability of voltage wise losses, which is mix of Technical Losses and Commercial Losses, the Distribution Losses are required to be charged from the consumers as well as Open Access Consumers.

UPCL's comments on the response / suggestion received from Sh. Sanjay Kumar Chaurasia, Manager (Accounts), M/s Hindustan National Glass & Industries Ltd., Works :Virbhadra, Rishikesh-249202, Dehradun on the ARR and Tariff Petition of UPCL for FY 2017-18.

S. No.	Objections/Comments/Suggestions	Response
1.	Continues Supply surcharge should be 8 -10 %.	Para-8.2.1 (1) of Tariff Policy provides that the consumers willing to avail continuous and quality power supply are required to pay a tariff which reflects efficient costs. This is an additional charge (premium) payable by the consumer to have the facility of getting continuous supply of power. These consumers are exempted from load shedding during scheduled/unscheduled power cuts and during restricted hours of the period of restriction of usages approved by the Hon'ble Commission from time to time. However, load shedding required due to emergency break-down / shut-down is imposed on these consumers as and when the situation arise. For the purpose of ensuring continuous supply, UPCL is required to incur extra infrastructure cost as well as arrangement of energy availability at higher cost which cannot be kept below 15% of energy charges and this cost is required to be recovered from the consumers having the facility of getting continuous supply.
2.	Fixed charges should not be increased	The total cost of UPCL may be segregated into power purchase cost and other cost. The other cost is about 10% to15% of total cost and fixed in nature. This cost has necessarily to be incurred by UPCL and not related to the energy consumed, but which is related to the contracted load of the consumers. Thus, this cost needs to be recovered through fixed/demand charges.
3.	➢ Voltage rebate must be given on open access units also ➢ Voltage rebate should increase to 5 % for 33 KV at 10 % for 132 kV and above	(i) High Voltage Rebate is admissible on the Energy Charges. As no energy charges is payable on the Open Access Energy, there is no question arise for allowing rebate on Open Access Energy.

S. No.	Objections/Comments/Suggestions	Response
		(ii) Rebate for taking supply at higher voltage was revised by the Hon'ble Commission in its Tariff Order dated 10th April 2014 from 1.5% to 2.5% and 5% to 7.5% for taking supply at 33 kV and 132 kV and above respectively. Thus, presently there is no justification for increasing the existing level of High Voltage Rebates.
4.	Electricity duty is very high, we are also paying green energy cess	(i) As per Section 4 of the Uttarakhand Green Energy Cess Act, 2014, Government of Uttarakhand has levied this cess w.e.f. 01-07-2015 @ Rs. 0.10/unit on the Electricity consumption by Commercial and Industrial Consumers. UPCL is charging this cess as per Government orders. This cess charged from consumers is payable by UPCL to GoU. Therefore, the matter may be taken up with GoU. (ii) As per section 3 of Uttar Pradesh Electricity (Duty) Act (Uttarakhand adaptation and modification) order 2001, State Government is empowered to fix the rates of Electricity Duty to be charged from various category of consumers. Government of Uttarakhand vide its notification no. 79/I/2016-01(3)/01/2003, dated 25-01-2016 has fixed these rates applicable w.e.f. 1-01-2016. UPCL is charging electricity duty as per Government orders. The Electricity duty charged from consumers is payable by UPCL to GoU. Therefore, the matter may be taken up with GoU.
5.	Proposed Tariff hike is very high.	UPCL is a commercial organization and is required to meet its Annual Revenue Requirement out of the revenue realized from the consumers through electricity tariffs. The revenue deficit for FY 2017-18 has been estimated at Rs. 748.99 Cr. for which tariff hike of 13.48% is required. This average tariff hike has been proposed for all the categories.

UPCL's comments on the response / suggestion received from Sh. Raj Singh, Chairman, DevbhoomiDharmshalaPrabhandak Sabha (Regd.), NarsinghBhawan, Upper Road, Haridwar, Uttarakhand on the ARR and Tariff Petition of UPCL for FY 2017-18.

S. No.	Objections/Comments/Suggestions	Response
1.	Dharamshala/Trust/Ashram should be treated under domestic category	As per the existing categorization of consumers, Dharamshala/Trust/ Ashrams fall under the category of RTS-2 (Non-domestic). The domestic category applies only on the residential premises for light, fan & power and other domestic purposes including single point bulk supply above 50 KW for residential colonies, residential multistoried buildings where energy is exclusively used for such purpose. Non-domestic category is a subsidizing category whereas the domestic category is subsidized category. As per the provisions of Electricity Act, 2003 and National Tariff Policy, the cross subsidy should be reduced. In view of the facts mentioned hereinabove, consumers covered under subsidizing category cannot be transferred into the subsidized category. Thus, the Dharamshala/Trust/Ashrams are rightly categorized under Rate Schedule RTS-2 (Non-domestic).
2.	Fixed charges should not be levied.	The total cost of UPCL may be segregated into power purchase cost and other cost. The other cost is about 10% to15% of total cost and fixed in nature. This cost has necessarily to be incurred by UPCL and not related to the energy consumed, but which is related to the contracted load of the consumers. Thus, this cost needs to be recovered through fixed/demand charges.
3.	There should be no tariff hike	UPCL is a commercial organization and is required to meet its Annual Revenue Requirement out of the revenue realized from the consumers through electricity tariffs. The revenue deficit for FY 2017-18 has been estimated at Rs. 748.99 Cr. for which tariff hike of 13.48% is required. This average tariff hike has been proposed for all the categories.

UPCL's comments on the response / suggestion received from Shri Ram Kumar, Senior vice President, Mussoorie Hotel Association, Gandhi Chowk Mussoorie, Uttarakhand (India) on the ARR and Tariff Petition of UPCL for FY 2017-18.

S. No.	Objections/Comments/Suggestions	Response
1.	The fixing of Tariff for the Electricity should be done at-least in three years. Increase in Tariff every year brings immense burden on the consumers.	Hon'ble UERC vide its Tariff Order dated 05-04-2016 fixed the base lines of demand and supply of electricity for a period from FY 2016-17 to FY 2018-19. However, with a view to estimate the price closer to the actual cost of supply it is necessary to determine the tariff every year.
2.	The proposed increase in Tariff of RTS-2 category —"Above 25KW' from 5.00/kVAh to Rs.5.70/kVAh is exorbitant. The inefficiency of the department results in losses, the burden of which is passed on to the honest customers. The distribution loss of 16.39% merely shows the departments incapability to curb electricity theft and misuse. Why should the honest customers bear the brunt of this inefficiency?	(i) UPCL is a commercial organization and is required to meet its Annual Revenue Requirement out of the revenue realized from the consumers through electricity tariffs. The revenue deficit for FY 2017-18 has been estimated at Rs. 748.99 Cr. for which tariff hike of 13.48% is required. This average tariff hike has been proposed for all the categories. (ii) It is true that the Hon'ble Commission has fixed Distribution Losses @ 14.75% for FY 2017-18 but these losses have not been fixed keeping in view the existing level of Distribution Losses of the Company. The actual Distribution Losses for FY 2015-16 are 18.39% hence it is practically not possible to achieve the loss level of 14.75% in FY 2017-18 and therefore UPCL proposed a realistic level of Distribution Losses @ 16.39% for FY 2017-18 considering 1% reduction in losses in each year. (iii) In order to curb theft of energy, the following measures have been taken up by UPCL: • Vigilance Raids are being conducted and cases are being registered under Sections 126 and 135 of Electricity Act., 2003. Legal proceedings are being initiated against the person(s) who is found indulging in theft of electricity.

S. No.	Objections/Comments/Suggestions	Response
		• Mechanical meters are being replaced by electronic meters. • All defective meters are being replaced. • AB cable is being laid in theft prone areas. 700 Km. cable has been laid so far in this year. • New connections are being released by installing meters outside the premises of the consumers. • Meters installed on the connections of existing consumers are being shifted outside the premises of the consumers.
3.	The department should use non-conventional energy sources like solar energy for generation and encourage its consumers to install such in their premises as well by giving them concessions. This would decrease the demand of purchasing the electricity by the department at high costs.	With a view to promote generation and consumption of solar power, Hon'ble Commission has issued Regulations for the same. UPCL is taking action as per the provisions of these Regulations. Further, UPCL is also giving Solar Water Heating System Rebate as per the provisions of Tariff Order issued by Hon'ble Commission.

UPCL's comments on the response / suggestion received from Col SPS Rawat, President, Lansdowne Hotel Association, Uttarakhand (India) on the ARR and Tariff Petition of UPCL for FY 2017-18.

<table>
<tr><th>S. No.</th><th>Objections/Comments/Suggestions</th><th colspan="2">Response</th></tr>
<tr><td>1.</td><td>The tourism industry has not yet recovered from the Himalayan Tsunami of 2013 and another blow is being inflicted on it by the proposal to increase the power tariffs in the state.The CM had earlier announced that the electricity and water bills of the hotels would be exempted but after a lapse of three years they have been handed bills for this period for want of any Govt. letter for this exemption.</td><td>(i)

(ii)</td><td>The following decision of the Cabinet of Uttarakhand was issued vide Government of Uttarakhand's Order no. 4/2/XIV/2014-lh0,Dl0] dated 20-05-2014 :-

''आपदा जून, 2013 से प्रभावित चारधाम यात्रा को सुचारु रुप से संचालित किये जाने एवं यात्रा को प्रोत्साहित किये जाने के दृष्टिगत मंत्रिमण्डल द्वारा विचारोपरान्त निम्न निर्णय पारित किये गयेः–

1. श्री केदारनाथ धाम के यात्रा पड़ाव तिलवाड़ा से श्री केदारनाथ धाम तक, श्री बद्रीनाथ धाम के यात्रा पड़ाव जोशीमठ से श्री बद्रीनाथ तक, गंगोत्री धाम के यात्रा पड़ाव गंगनाणी से गंगोत्री तक एवं यमुनोत्री धाम के यात्रा पड़ाव बड़कोट से यमुनोत्री तक मुख्य मार्ग से सटे हुए (दोनो तरफ अवस्थित) व्यावसायिक प्रतिष्ठानों (होटल,रेस्त्रां, लॉज, ढाबा, सराय एवं धर्मशाला) को सम्बन्धित जिलाधिकारी की संस्तुति पर आगामी तीन वर्षों (मार्च, 2017) तक विद्युत एवं पेयजल देयकों से मुक्त रखा जाय।

2. यह भी निर्देशित किया गया कि उक्त विद्युत एवं पेयजल देयकों की प्रतिपूर्ति मुख्यमंत्री राहत कोष से की जाय।''

Government of Uttarakhand vide its letter no. 1022/I(2)/2014-5-40/2013 Vh-lh-] dated 26-05-2014 communicated the above decision of the Cabinet to UPCL for taking further necessary action in the matter.</td></tr>
</table>

S. No.	Objections/Comments/Suggestions	Response
		(iii) As per direction received from the Government of Uttarakhand vide its above letter dated 26-05-2014, UPCL vide its O. M. No. 1261/उपाकालि/नि0प्र0/एन–30, dated 7-06-2014 ordered that the Electricity Bills of the Commercial establishments (Hotel, Restaurant, Lodge, Dhaba, Sarai and Dharamshala) of the above mentioned areas for the period from 01-04-2014 to 31-03-2017 shall be waived off by the concerned Executive Engineer (Distribution) of UPCL on the recommendation of the concerned District Magistrate. The Electricity Bills for the above period have been waived off.
2.	Even the demonetization had hit the hotel industry badly with just 50 % arrivals as compared to last year.The proposed hike in the power tariff is again going to be a damper and will have adverse effect on tourism,a major contributor to the Govt. exchequer.	UPCL is a commercial organization and is required to meet its Annual Revenue Requirement out of the revenue realized from the consumers through electricity tariffs. The revenue deficit for FY 2017-18 has been estimated at Rs. 748.99 Cr. for which tariff hike of 13.48% is required. This average tariff hike has been proposed for all the categories.

UPCL's comments on the response / suggestion received from Shri Sandeep Sharma, Head (Engineering), M/s Cavendish Industries Ltd., Village-Khedimubarakapur, Tehsil-Laksar, Haridwar-247663, Uttarakhand. on the ARR and Tariff Petition of UPCL for FY 2017-18.

S. No.	Objections/Comments/Suggestions	Response
1.	Continuous Supply Surcharge	Para-8.2.1 (1) of Tariff Policy provides that the consumers willing to avail continuous and quality power supply are required to pay a tariff which reflects efficient costs. This is an additional charge (premium) payable by the consumer to have the facility of getting continuous supply of power. These consumers are exempted from load shedding during scheduled/unscheduled power cuts and during restricted hours of the period of restriction of usages approved by the Hon'ble Commission from time to time.However, load shedding required due to emergency break-down / shut-down is imposed on these consumers as and when the situation arise. For the purpose of ensuring continuous supply, UPCL is required to incur extra infrastructure cost as well as arrangement of energy availability at higher cost which cannot be kept below 15% of energy charges and this cost is required to be recovered from the consumers having the facility of getting continuous supply.
2.	Fixed Charge should not increase	The total cost of UPCL may be segregated into power purchase cost and other cost. The other cost is about 10% to15% of total cost and fixed in nature. This cost has necessarily to be incurred by UPCL and not related to the energy consumed, but which is related to the contracted load of the consumers. Thus, this cost needs to be recovered through fixed/demand charges.
3.	Voltage rebate should increased	Rebate for taking supply at higher voltage was revised by the Hon'ble Commission in its Tariff Order dated 10th April 2014 from 1.5% to 2.5% and 5% to 7.5% for taking supply at 33 kV and 132 kV and above respectively. Thus, presently there is no justification for increasing the

S. No.	Objections/Comments/Suggestions	Response
		existing level of High Voltage Rebates.
4.	Quality of Power very poor	UPCL always committed to supply quality and reliable power to consumers. UPCL during FY 2015-16 met its more than 98% demand of Electricity. Less than 2% unmet demand was due to gap of demand and availability of energy / transmission network / distribution network.
5.	ToD Tariff	Presently, the peak hours have been fixed keeping in view the trend of increased demand during the period.