



Uttarakhand Electricity Regulatory Commission

Vidyut Niyamak Bhawan',

Near ISBT, PO- Majra, Dehradun-248171

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No. UERC/6/TF-504/2018-19/2018/1233

Date: 06 Dec., 2018

To,

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

Sub.: Application seeking approval of Business Plan of the Petitioner Company for the Control Period of three financial year from FY 2019-20 to 2021-22.

Sir,

This is with reference to your petition dated 30.11.2018 on the above-mentioned subject. In this regard, certain deficiencies/shortcomings have been observed which are enclosed as **Annexure-A**. You are required to submit the point-wise replies duly quoting titles/sub-titles and S.No. identical with the deficiencies referred to in enclosed **Annexure-A**. You are required to submit your reply on the same latest by 12.12.2018 in seven copies alongwith the soft copy of the reply accompanied with an affidavit.

Yours sincerely,

Encl. as above


(Neeraj Sati)
Secretary

Uttarakhand Power Corporation Limited (UPCL) Petition for Business Plan for the Control Period from FY 2019-20 to FY 2021-22 in accordance with UERC (Terms and Conditions for Determination of Multi Year Tariff) Regulations, 2018

I. Preliminary information required for admission of Petition

1. It is observed that various forms of Distribution Formats submitted by UPCL are not interlinked within the forms, instead the figures are linked to external files. UPCL should submit the revised format after inter-linking the same within various forms of the Formats.
2. In Table No. 6 of the Petition, the energy sales to RTS-5 consumers (Private Tube wells / Pumping Sets) is decreasing, however, UPCL has projected the sales to this category of consumers at 3 year CAGR of 3.1%. Further, in lieu of the decreasing sales, the Petitioner has proposed to incur capital expenditure of Rs. 105.90 Crore for providing 3500 new connections Private Tube wells / Pumping Sets. In this regard the Petitioner is required to submit the basis of considering the requirement of 3500 new connections.
3. UPCL in Table No. 11 of the Petition has projected the distribution loss for FY 2020-21 as 13.42%, whereas at all other places it has submitted distribution loss for FY 2020-21 as 14.42%. UPCL should reconcile the same and maintain consistency at all places.
4. As per Regulation 8(1)(c)(v) of UERC Tariff Regulations, 2018, the Capital Investment Plan submitted by the Distribution Licensee should be in conformity with the perspective plan made by the STU. In this regard, UPCL should confirm that the Capital Investment Plan submitted is in conformity with the perspective plan made by the STU.
5. UPCL has not mentioned the existing and projected Wires Availability as well as Supply Availability for the Control Period as required under Regulation 9(1)(C) of UERC Tariff Regulations, 2018. UPCL should give details of the same.
6. As per Regulation 8(1)(c)(v) and Regulation 71 of UERC Tariff Regulations, 2018, UPCL has submitted financing plan for each scheme proposed. However, UPCL has not submitted any supporting documents including commitment of State Government for equity contribution, if any, and Lender's Commitment, cost/benefit analysis, alternatives considered etc. UPCL should submit the same.
7. It is observed from the SAUBHAGYA portal that Uttarakhand has achieved 100% electrification, however, UPCL in its Business Plan has projected to achieve 100% electrification by December 2018. In this regard, UPCL should submit the present status of actual number of unelectrified households.
8. In accordance with Regulation 73(2)(c) of UERC Tariff Regulations, 2018, UPCL is required to submit the monthly estimate of the power availability to meet Base load and peak load

requirement for the third control period. In this regard, UPCL should submit the same for consideration of the Commission.

9. As per Regulation 73 of UERC Tariff Regulations, 2018, UPCL should not plan to procure power on short term basis subject to unavoidable/unforeseen shortages as per conditions provided in Regulation 75 of UERC Tariff Regulations, 2018. In this regard, UPCL should provide detailed justification for projecting procurement of short term power during the third control period.

Preliminary information required for further analysis of Petition

1. UPCL in Para 5.40 has submitted that inter-state transmission losses for FY 2018-19 has been considered based on the actual losses for FY 2017-18. However, it is observed that for FY 2017-18, actual losses for all the generating station has been considered at 4.0%. Whereas, for FY 2018-19, it is different for all the generating stations. In this regard, UPCL should submit station wise actual losses for FY 2017-18.
2. As regards power purchase proposed from upcoming stations, UPCL should submit whether it has entered into any agreement or signed any MoU for power procurement from these stations along with a copy of such agreement/MoU.
3. UPCL, at para 3.21 of the Petition has mentioned that the impact of addition of 2,01,788 new BPL consumers under the SAUBHAGYA scheme have been added in projecting the demand from Domestic consumers for FY 2018-19. However, UPCL has not provided the details / assumptions/ norms used for its projection. In this regard, UPCL should submit the methodology adopted to projecting the demand from these 2,01,788 consumers.
4. UPCL has proposed recruitment of 600, 537 & 01 no. of employees during FY 2019-20, FY 2020-21 & FY 2021-22 respectively. UPCL should submit the category details of employees proposed to be recruited alongwith its preparedness & approval from GoU with regard to the same.
5. UPCL in its Business Plan has proposed to complete SAUBHAGYA scheme by December, 2018, however, the capex of Rs. 64.63 Crore is proposed for FY 2019-20 also (Table 32). Reasons for the same may be provided.