

Before

UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

In the matter of:

UPCL's Petition on Aggregate Revenue Requirement and Tariff Proposal for FY 2010-11.

AND

In the matter of:

Uttarakhand Power Corporation Limited
Urja Bhawan, Kanwali Road, Dehradun

.....Petitioner

Coram

Shri V. J. Talwar	Chairman
Shri Anand Kumar	Member

Date of Order: 09th December, 2009

Order

This order relates to the Petition on Annual Revenue Requirement and Tariff Petition for FY 2010-11 filed by Uttarakhand Power Corporation Limited (UPCL), hereinafter referred to as the Petitioner, on 30.11.2009.

2. The application contains certain information gaps which UPCL was required to file along with the Petition. However, keeping in view the timely completion of the tariff process for the next year, the Commission hereby provisionally admits the Petition for further processing subject to the condition that UPCL shall furnish any further
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information/clarifications as deemed necessary by the Commission during the processing of the Petition and provide such information and clarifications to the satisfaction of the Commission within the time frame as may be stipulated by the Commission failing which the Petition would be treated as deemed returned on the due date for last information sought by the Commission and the Commission would proceed to dispose off the matter as it deems fit based on the information available with it.

3. The Commission further directs the Petitioner to publish a public notice within 3 days from the date of this Order detailing the salient information and facts of the ARR petitions & proposals filed by it for FY 2010-11 in the format given at Annexure 1 in at least two daily newspapers (one Hindi and one English) widely circulated in the area of its operation both in Hindi and English languages for comments by all stakeholders and public at large. The Petitioner is also directed to place the Petition on its website and its headquarters/other offices for inspection or making relevant extracts available to the public.

-Sd-

(Anand Kumar)
Member

-Sd-

(V.J. Talwar)
Chairman

UTTARAKHAND POWER CORPORATION LIMITED
Urja Bhawan, Kanwali Road, Dehradun

Public Notice

INVITING COMMENTS ON UPCL'S PETITION FOR APPROVAL OF ARR AND PROPOSED ELECTRICITY TARIFFS FOR
FY 2010-11

Uttarakhand Power Corporation Limited (UPCL), Distribution licensee in the State of Uttarakhand has filed a Petition with Uttarakhand Electricity Regulatory Commission (UERC or Commission) for approval of its Annual Revenue Requirement (ARR) for the financial year 2010-11 and has sought a revision of retail Tariff to be charged from consumers of electricity in the State. The summary of the ARR, Revenue Gap and the tariff proposal for the year is given below:

1. Annual Revenue Requirement and Revenue Gap:

- i. Although, UPCL has not claimed truing up for 2009-10, it has submitted the revised estimates for 2009-10. The summary of the ARR and the revenue Gap for 2009-10 and for 2010-11 (as projected by UPCL) is given in the following Table:

Table: ARR Summary of UPCL (Figures in Rs Crore)

Summary of the ARR of UPCL				
S.No.	Item	FY 2009-10		FY 2010-11
		Approved	Estimated	Projected
	Expenditure			
1	Power Purchase Expenses	1373.57	1728.11	2071.95
2	Transmission Charges - PGCIL	85.94	85.94	91.14
3	Transmission Charges- PTCUL	75.81	75.81	108.73
4	O&M expenses	264.25	264.25	289.25
5	Interest charges	62.89	81.55	83.99

Summary of the ARR of UPCL				
S.No.	Item	FY 2009-10		FY 2010-11
		Approved	Estimated	Projected
6	Depreciation	21.70	32.57	40.62
7	Interest on Working Capital	16.08	14.46	19.64
	Gross Expenditure	1900.24	2282.69	2705.32
	Other Expenses / Appropriations			
8	Provision for Bad & Doubtful Debts	28.80	57.56	68.28
9	Return on Equity	0.84	0.84	2.94
	Net Expenditure	1929.88	2341.09	2776.55
10	Less: Non Tariff Income	35.40	38.40	38.77
	Net Annual Revenue Requirement	1894.48	2302.69	2737.78
11	Revenue Gap of 2007-08 & 2008-09	68.51	-	-
	Total Revenue Requirement	1962.99	2302.69	2737.78
11	Revenues at Approved/Existing Tariffs	1965.99	1972.44	2300.04
	Revenue Surplus/(Gap)	3.00	-330.25	-437.74

- ii. UPCL has submitted that the gap is primarily due to increase in its power purchase cost over a period of last one year and has been projected based on the distribution loss level of 24%. Further, it has submitted that the power purchase cost do not include the element of variable cost of Fossil fuel in the energy cost to be purchased from NTPC and the impact of MYT rates of CPSUs due for revision by CERC and hence, the gap projected was bound to increase further.
- iii. Further, UPCL has submitted that the Commission had disallowed not only UPCL's capital investments but those of PTCUL also for FY 08 to FY 10 in absence of the certificates of the Electrical Inspector. If such investments are also considered the gap so estimated would increase further due to the impact of depreciation and interest causing tariff shocks to the consumers.
- iv. Further, UPCL has also requested to consider the impact of the re-determination of tariff for HT industries with contracted load above 1000 kVA and load factor above 50% and subjected to additional supply surcharge for continuous supply in accordance with the ATE's Order dated 06.10.2009.

2. Summary of Tariff Proposal:

The total Revenue Gap for FY 2010-11 proposed by UPCL is Rs. 437.74 Crore which after including the revenue gap estimated for 2009-10 would be Rs. 767.99 Crore. The revenue gap for FY 2010-11 has been proposed to be bridged through an average increase of 19% in tariffs for FY 2010-11. If the gap for 2009-10 as per revised estimates submitted by UPCL is also considered, the tariff increase required would be about 33.39%.

The following table shows the summary of the existing and the proposed Tariff:

Table: Summary of Existing and Proposed Tariff Schedule and Effective Tariff

Category	Fixed/Demand Charges (Rs./month)		Energy Charges (Rs./kWh)		Minimum consumption charges	
	Existing	Proposed	Existing	Proposed	Existing	Proposed
RTS-1: DOMESTIC						
1.1 For consumers getting un-metered supply in Rural Areas						
1.1.1 Hilly areas	Rs. 120/ connection/month	Rs. 120/ kW/month				
1.1.2 Other Areas	Rs. 200/ connection/month	Rs. 200/ kW/month				
1.2 Domestic Metered						
1.2.1 Life line consumers						
Below Poverty Line and Kutir Jyoti having load upto 1kW and consumption upto 30 units per month	Nil	Nil	Rs 1.50/kWh	Rs 1.50/kWh		
1.3 Other domestic consumers	Upto 4 kW: Rs. 20/connection/month More than 4 kW: 40/connection/month	Rs. 24/kW/month	Rs 2.20/kWh	Rs 2.64/kWh		
1.4 Single Point Bulk	Rs. 20/kW/month	Rs. 24/kW/month	Rs	Rs		

Category	Fixed/Demand Charges (Rs./month)		Energy Charges (Rs./kWh)		Minimum consumption charges	
	Existing	Proposed	Existing	Proposed	Existing	Proposed
Supply			2.10/kWh	2.52/kWh		
RTS-1A: SNOWBOUND						
1) Domestic	Nil	Nil				
2) Non-domestic upto 1 kW	Nil	Nil	Rs 1.50/kWh	Rs 1.50/kWh		
2) Non-domestic more than 1 & upto 4 kW	Nil	Nil	Rs 2.00/kWh	Rs 2.00/kWh		
2) Non-domestic more than 4 kW	Nil	Nil	Rs 3.00/kWh	Rs 3.00/kWh		
RTS-2: NON-DOMESTIC						
1. Government/Municipal Hospitals, Government/Government aided Educational Institutions, Charitable Institutions registered under the Income Tax Act, 1961 and whose income is exempted from tax under this Act						
(a) Upto 25 kW	Rs. 20/kW/month	Rs. 24/kW/month	Rs 3.20/kWh	Rs 3.84/kWh		
(b) Above 25 kW	Rs. 20/kW/month	Rs. 24/kW/month	Rs 2.90/kVAh	Rs 3.48/kVAh	75 kVAh/kW/month & 900/ kVAh/kW/month	75 kVAh/kW/month & 900/ kVAh/kW/month
2. Other Non-Domestic/Commercial Users						
2.1 Upto 25 kW	Rs. 20/kW/month	Rs. 24/kW/month	Rs 3.90/kWh	Rs 4.68/kWh		
All units exceeding 200 Units	Rs. 20/kW/month	Rs. 24/kW/month	Rs 3.90/kVAh	Rs 4.68/kVAh	75 kVAh/kW/month & 900/ kVAh/kW/month	75 kVAh/kW/month & 900/ kVAh/kW/month
RTS-3: PUBLIC LAMPS - In addition to Tariff, Maintenance charge of Rs 10/- per light point per month was prevailing which has been proposed to be revised to Rs 12/- per light point per month						
1. Metered	Rs. 15/kW	Rs.18/kW	Rs 3.20/kWh	Rs 3.84/kWh		
2. Unmetered Rural	Rs. 115/100 watt lamp*	Rs. 138/100 watt lamp*	Nil	Nil		

Category	Fixed/Demand Charges (Rs./month)		Energy Charges (Rs./kWh)		Minimum consumption charges	
	Existing	Proposed	Existing	Proposed	Existing	Proposed
RTS-4: PRIVATE TUBE WELLS/PUMPING SETS						
1 Unmetered	Rs. 130/BHP/month**	Rs. 156/BHP/month**	Nil	Nil		
2 Metered	Nil	Nil	Rs 0.80/kWh	Rs 0.96/kWh		
RTS-5: GOVERNMENT IRRIGATION SYSTEMS						
Upto 75 kW	Rs. 15/kW	Rs. 18/kW	Rs. 3.20/kWh	Rs. 3.84/kWh		
More than 75 kW	Rs. 15/kVA	Rs. 18/kVA	Rs. 2.90/kVAh	Rs. 3.48/kVAh		
RTS-6: PUBLIC WATER WORKS	Rs 15/kW	Rs 18/kW	Rs 2.90/kVAh	Rs 3.48/kVAh	Nil	Nil
RTS-7: LT & HT INDUSTRIES#						
1. LT Industry having contracted load upto 100 BHP/75kW						
1.1 Connected load up to 25 kW	Rs. 80/kW of connected load	Rs. 96/kW of connected load	Rs. 3.15/kWh	Rs. 3.78/kWh	75 kWh/kW/month & 900/kWh/kW/month	75 kWh/kW/month & 900/kWh/kW/month
1.2 Connected load more than 25 kW			Rs. 2.85/kVAh	Rs. 3.42/kVAh	75 kVAh/kW/month & 900/kVAh/kW/month	75 kVAh/kW/month & 900/kVAh/kW/month
2. HT Industry having contracted load above 100 BHP/75kW/88kVA						
2.1 Connected load upto 1000 kVA						
2.1.1 Upto 33%	Rs. 160/kVA of billable demand	Rs. 192/kVA of billable demand	Rs. 2.50/kVAh	Rs. 3.00/kVAh	110 kVAh/kVA/month & 1320/kVAh/kVA/month	110 kVAh/kVA/month & 1320/kVAh/kVA/month
2.1.2 Above 33% and upto 50%			Rs. 2.75/kVAh	Rs. 3.30/kVAh		
2.1.3 Above 50%			Rs. 3.00/kVAh	Rs. 3.60/kVAh		
2.2 Connected load more than 1000 kVA						

Category	Fixed/Demand Charges (Rs./month)		Energy Charges (Rs./kWh)		Minimum consumption charges	
	Existing	Proposed	Existing	Proposed	Existing	Proposed
2.2.1 Upto 33%	Rs. 220/kVA of billable demand	Rs. 264/kVA of billable demand	Rs. 2.50/kVAh	Rs. 3.00/kVAh	110 kVAh/kVA/month & 1320/kVAh/kVA/month	110 kVAh/kVA/month & 1320/kVAh/kVA/month
2.2.2 Above 33% and upto 50%			Rs. 2.75/kVAh	Rs. 3.30/kVAh		
2.2.3 Above 50%			Rs. 3.00/kVAh	Rs. 3.60/kVAh		
RTS-8: MIXED LOADS	Rs. 20/kW	Rs. 24/kW	Rs. 3.00/kWh	Rs. 3.60/kWh		
RTS-9: RAILWAY TRACTION	Rs. 160/kVA/month	Rs. 192/kVA/month	Rs. 3.00/kVAh	Rs. 3.60/kVAh		
RTS-10: TEMPORARY SUPPLY						
(1) For Illumination / public address/ ceremonies for load up to 15 kW	Rs. 750 per day	Rs. 1000 per day				
(2) Temporary shops set up during festivals / melas and having load upto 2 kW	Rs. 40 per day	Rs. 45 per day				
(3) Other Temporary shops/ Jhuggi /Jhopris for load upto 1 kW						
3.1) Rural	Rs. 75/month/connection	Rs. 85/month/connection				
3.2) Urban	Rs. 150/month /connection	Rs. 170/month /connection				

* Plus Rs. 20/connection/month for lighting load of not more than two lamps.

4. Responses/suggestions, if any, are sought from consumers and other stakeholders on the Petition. Responses may be sent to the Secretary, Uttarakhand Electricity Regulatory Commission, either in person, or by post at Uttarakhand Electricity Regulatory

Commission, Ist Floor of Institution of Engineers (I), Near I.S.B.T., Majra, Dehradun or through e-mail to **uttaranchalerc@rediffmail.com** by 31.12.2009.

5. Detailed Petition can be seen free of cost on any working day at the Commission's office or at the offices of General Manager (Regulatory Management) at Urja Bhawan, Kanwali Road, Dehradun/General Manager (Distribution), Garhwal Zone, UPCL, 120-Haridwar Road, Dehradun/General Manager (Distribution), Kumaon Zone, UPCL, 132-KV Substation, Kathgodam, Haldwani. Relevant extracts can also be obtained from the above mentioned offices of the Petitioner.

6. The Petition is also available at the website of the Commission (www.uerc.in) and at the Petitioner's website (www.upcl.org).