

Before

UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

In the matter of:

Annual Performance Review & Tariff Petition for FY 2014-15 and True-up for FY 2011-12 & FY 2012-13.

AND

In the matter of:

Uttarakhand Power Corporation Limited
Urja Bhawan, Kanwali Road, Dehradun

.....Petitioner

Coram

Shri Jag Mohan Lal	Chairman
Shri C.S. Sharma	Member
Shri K.P. Singh	Member

Date of Order: 20th December 2013

Order

This order relates to the Petition for truing up of expenses from FY 2011-12 & FY 2012-13, Annual Performance Review for FY 2013-14 and determination of Annual Revenue Requirement of Uttarakhand Power Corporation Limited (UPCL), hereinafter referred to as the Petitioner, on 29.11.2013.

2. The Petition filed by UPCL had certain infirmities/deficiencies which were conveyed to UPCL vide Commission's letter dated 09.12.2013 asking it to rectify the said infirmities so that the Petition may be admitted by the Commission. UPCL vide its letter dated 19.12.2013 has removed critical deficiencies.
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3. Based on the submissions of UPCL, the Commission provisionally admits the Petition for further processing subject to the condition that UPCL shall furnish any further information/clarifications as deemed necessary by the Commission during the processing of the Petition and provides such information and clarifications to the satisfaction of the Commission within the time frame as may be stipulated by the Commission failing which the Commission may proceed to dispose off the matter as it deems fit based on the information available with it.
4. 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 Petition filed by it 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.

(K.P. Singh)
Member

(C.S. Sharma)
Member

(Jag Mohan Lal)
Chairman

**UTTARAKHAND POWER CORPORATION LIMITED
PUBLIC NOTICE**

Inviting Comments on ARR/Tariff Petition for the FY 2014-15 filed by UPCL before the Uttarakhand Electricity Regulatory Commission

Salient Points of the ARR/Tariff Petition

1. Uttarakhand Power Corporation Limited (UPCL), the sole Distribution and Retail Supply Licensee in the State, has filed a Petition before Uttarakhand Electricity Regulatory Commission (UERC or Commission) for approval of its Annual Revenue Requirement (ARR) for the FY 2014-15 and has sought revision of Retail Tariffs to be charged from different category of electricity consumers in the State for the FY 2014-15.
2. Through the above Petition, UPCL has also sought truing up of expenses for FY 2011-12 (based on audited accounts) and for FY 2012-13 (based on provisional accounts). However, in absence of actual/reliable data for the FY 2013-14, while providing revised estimates for different expense items, UPCL has not sought any true up for the FY 2013-14. The summary of the revised ARR and the revised revenue Gap for FY 2011-12, FY 2012-13 & FY 2013-14 and projected ARR & projected Revenue gap for the FY 2014-15 are given in the following Table:

(Figures in ₹Crore)

S. No.	Particulars	FY 2011-12		FY 2012-13		FY 2013-14		FY 2014-15
		Provisionally trued up by the Commission	Final truing up claimed by UPCL	Approved by the Commission	Provisional Truing up claimed by UPCL	Approved by the Commission	Revised Estimates submitted by UPCL*	Projected by UPCL
A.	Expenditure							
1	Power Purchase Expenses	2684.85	2687.90	2,884.64	2824.04	2838.88	2548.37	3069.78
1.A	Cost to meet RPO	0.00	0.00	0.00	0.00	0.00	0.00	63.18
2	Transmission Charges- PGCIL	211.02	264.03	119.02	168.37	163.91	232.98	273.23
3	Transmission Charges- PTCUL	131.82	131.82	159.54	169.88	195.63	195.63	192.67
4	O&M expenses	296.83	296.75	353.20	315.95	340.40	378.45	417.68
5	Interest charges	73.05	87.60	90.23	124.75	118.99	133.90	173.35
6	Depreciation	35.19	62.30	23.19	73.03	69.46	112.57	146.07
7	Provision for Bad and Doubtful Debts	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8	Return on Equity	19.80	132.95	10.75	152.03	25.48	191.88	211.15
9	Interest on Working Capital	2.85	21.88	13.59	33.18	7.26	0.30	21.46
B.	Gross Expenditure	3455.41	3685.23	3,654.45	3861.53	3760.01	3794.08	4568.57
C.	Less: Non-tariff income	145.99	145.99	37.50	110.00	66.70	56.87	59.71

S. No.	Particulars	FY 2011-12		FY 2012-13		FY 2013-14		FY 2014-15
		Provisionally trued up by the Commission	Final truing up claimed by UPCL	Approved by the Commission	Provisional Truing up claimed by UPCL	Approved by the Commission	Revised Estimates submitted by UPCL*	Projected by UPCL
D.	Aggregate Revenue Requirement (A-B)	3309.42	3539.25	3,616.95	3751.23	3693.31	3737.21	4508.86
E.	Revenues from Existing/ Approved Tariffs	3104.32	3104.32	3,556.88	3,559.13	3,753.36		4,203.92
F.	Additional Gap/(Surplus) from truing up of previous years	33.09	33.09	(67.27)	(67.27)	239.30		354.66
G.	Add: Carrying Cost on the total Gap	-	-	-				156.56
H.	Revenue Surplus/(Gap) ((E)-(F)-(D)-(G))	(238.20)	(468.02)	7.21	(124.83)	(179.25)		(816.16)

**UPCL has not computed Revenue gap/(surplus for FY 2013-14*

- UPCL has, accordingly, for the FY 2011-12, FY 2012-13 and FY 2014-15 taken together, projected a total revenue gap of ₹ 816.16 Crore.
- The revenue gap projected by UPCL for different financial years (as indicated above) is primarily due to increase in the power purchase cost (including transmission charges) of UPCL along with the increase in Capital Related Expenses. For FY 2014-15, UPCL has projected the distribution loss level of 17.28% based on the loss trajectory proposed in the business plan. It is also to mention that for projecting the power purchase cost for FY 2014-15 from Central Sector Generating Stations, UPCL has taken the rates as approved in the orders of CERC for FY 2013-14 and has further escalated it by 5% to project the power purchase costs for FY 2014-15.
- UPCL has proposed to recover the entire revenue gap of ₹ 816.16 Crore relating to FY 2011-12, FY 2012-13 and FY 2014-15 through tariffs in the FY 2014-15. UPCL has, accordingly, proposed an average tariff hike of 19.41% in the existing retail tariffs of consumers.
- Further, PTCUL, SLDC and UJVNL have also submitted their ARR and Tariff Petition for FY 2014-15 before the Commission. If their claims are accepted by the Commission it would necessitate a hike of 12.25% (approx) in consumer tariffs in addition to the hike of 19.41% proposed by UPCL for FY 2014-15.

The tariff proposals are as below:

Table: Summary of Existing and Proposed Tariff Schedule

Category	Fixed/Demand Charges		Energy Charges		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	₹ 140/ connection/month	₹ 140/ connection/month				
1.1.2 Other Areas	₹ 310/ connection/month	₹ 620/ connection/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	₹ 7/ connection/month	₹ 7/ connection/month	₹ 1.50/kWh	₹ 1.50/kWh		
1.3 Other domestic consumers						
Consumption upto 100 units	Upto 4 kW: ₹ 35/ connection/month More than 4 kW: 90/ connection/month	Upto 4 kW: ₹ 50/ connection/month More than 4 kW: 120/ connection/month	₹ 2.30/kWh	₹ 2.35/kWh		
Consumption between 101-200 units			₹ 2.70/kWh	₹ 2.80/kWh		
Consumption between 201-400 units/month			₹ 3.35/kWh	₹ 3.60/kWh		
Consumption Above 400 units			₹ 3.50/kWh	₹ 3.90/kWh		
1.4 Single Point Bulk Supply	₹ 35/kW/month	₹ 60/kW/month	₹ 3.15/kWh	₹ 3.50/kWh		
RTS-1A: SNOWBOUND*						
1) Domestic	₹ 7/ connection/month	Nil		Nil		
2) Non-domestic upto 1 kW			₹ 1.50/kWh	Nil		
3) Non-domestic more than 1 kW & upto 4 kW			₹ 2.15/kWh	Nil		
4) Non-domestic more than 4 kW			₹ 3.25/kWh	Nil		
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	₹ 35/kW/month	₹ 50/kW/month	₹ 3.85/kWh	₹ 4.60/kWh		

Category	Fixed/Demand Charges		Energy Charges		Minimum consumption charges#	
	Existing	Proposed	Existing	Proposed	Existing	Proposed
(b) Above 25 kW	₹ 35/ kVA/month	₹ 50/kVA/month	₹ 3.45/kVAh	₹ 4.20/kVAh	60 kVAh/kVA/month & 720/ kVAh/kVA/annum	60 kVAh/kVA/month & 720/ kVAh/kVA/annum
2. Other Non-Domestic/Commercial Users						
(a) Small Non Domestic consumers (at hill) with connected load upto 4kW and consumption upto 100 units per month**	₹ 35/kW/month	₹ 50/kW/month	₹4.00/kWh	₹4.00/kWh		
(b) Upto 25 kW	₹ 35/kW/month	₹ 50/kW/month	₹4.55/kWh	₹5.45/kWh		
(c) Above 25 kW	₹ 35/kW/month	₹ 50/kVA/month	₹4.55/kVAh	₹ 5.45/kVAh	60 kVAh/kVA/month & 720/ kVAh/kVA/annum	60 kVAh/kVA/month & 720/ kVAh/kVA/annum
3. Single Point Bulk Supply	₹ 35/kW/month	₹ 60/kVA/month	₹4.45/kVAh	₹ 5.25/kVAh	60 kVAh/kVA/month & 720/ kVAh/kVA/annum	60 kVAh/kVA/month & 720/ kVAh/kVA/annum
RTS-3: PUBLIC LAMPS - In addition to Tariff, Maintenance charge of ₹ 10/- per light point per month. Further, for every 50 W or part thereof increases over and above 100 W lamp, additional ₹ 100/month shall be charged.						
1. Metered	₹ 30/kW/month	₹ 45/kW/month	₹ 4.10/kWh	₹ 4.95/kWh		
2. Unmetered Rural	₹ 175/100 watt lamp/month	₹ 215/100 watt lamp/month	Nil	Nil		
RTS-4: PRIVATE TUBE WELLS/PUMPING SETS - In addition to Tariff, charge of ₹ 20/connection/month for lighting load of not more than two lamps has been retained.						
1 Unmetered	₹ 180/BHP/month	₹ 180/BHP/month	Nil	Nil		
2 Metered	Nil	Nil	₹1.10kWh	₹ 1.10/kWh	₹ 100 BHP/month & ₹ 1200 BHP/annum	₹ 100/BHP/month & ₹1200/BHP/annum
RTS-5: GOVERNMENT IRRIGATION SYSTEM						
Upto 75 kW	₹ 30/kW/month	₹ 45/kW/month	₹ 4.10/kWh	₹ 4.95/kWh		
More than 75 kW	₹ 30/kVA/month	₹ 45/kVA/month	₹ 3.95/kVAh	₹4.70/kVAh		
RTS-6: PUBLIC WATER WORKS***						
Upto 25 kW	₹ 30/kVA/month	₹ 45/kW/month	₹4.00/kVAh	₹ 5.15/kWh		
Above 25 kW		₹ 45/kVA/month		₹ 4.85/kVAh		
RTS-7: LT & HT INDUSTRIES****						
1. LT Industry having contracted load upto 100 BHP/75kW						
1.1 Connected load up to 25 kW	₹ 100/kW of contracted load	₹ 125/kW/month	₹3.75/kWh	₹4.45/kWh	60 kWh/kW of contracted load/month & 720/ kWh/kW of contracted load /annum	60 kWh/kW of contracted load/month & 720/ kWh/kW of contracted load /annum

Category	Fixed/Demand Charges		Energy Charges		Minimum consumption charges#	
	Existing	Proposed	Existing	Proposed	Existing	Proposed
					contracted load / annum and 40/kWh/kW of contracted load / month & 480 kWh /kW of contracted load / annum for Atta Chakki	and 40/kWh/kW of contracted load / month & 480 kWh /kW of contracted load / annum for Atta Chakki
1.2 Connected load more than 25 kW	₹ 100/kVA of contracted load	₹ 125/kVA/month	₹ 3.40/kVAh	₹ 4.20/kVAh	60 kVAh/kVA of connected load/month & 720/ kVAh/kVA of connected load / annum	60 kVAh/kVA of connected load/month & 720/ kVAh/kVA of connected load / annum
2. HT Industry having contracted load above 100 BHP/75kW/88kVA						
2.1 Connected load upto 1000 kVA						
2.1.1 Upto 33%	₹ 210/kVA of billable demand	₹ 260/kVA of billable demand	₹3.05 /kVAh	₹3.70/kVAh	110 kVAh/kVA of contracted load/month & 1320/ kVAh/kVA of contracted load/ annum	110 kVAh/kVA of contracted load/month & 1320/ kVAh/kVA of contracted load/ annum
2.1.2 Above 33% and upto 50%			₹ 3.30/kVAh	₹ 4.00/kVAh		
2.1.3 Above 50%			₹ 3.60/kVAh	₹ 4.30/kVAh		
2.2 Connected load more than 1000 kVA						
2.2.1 Upto 33%	₹ 270/kVA of billable demand	₹ 330/kVA of billable demand	₹ 3.05/kVAh	₹3.70/kVAh	110 kVAh/kVA of contracted load/month & 1320/ kVAh/kVA of contracted load/ annum	110 kVAh/kVA of contracted load/month & 1320/ kVAh/kVA of contracted load/ annum
2.2.2 Above 33% and upto 50%			₹ 3.30/kVAh	₹ 4.00/kVAh		
2.2.3 Above 50%			₹ 3.60/kVAh	₹ 4.30/kVAh		
RTS-8: MIXED LOADS	₹ 40/kW/month	₹ 50/kW/month	₹ 3.80/kWh	₹4.65/kWh		
RTS-9: RAILWAY TRACTION	₹ 190/kVA/month	₹ 240/kVA/month	₹ 3.25/kVAh	₹ 3.90/kVAh		
RTS-10: TEMPORARY SUPPLY						
(1) For Illumination / public address/ ceremonies for load up to 15 kW	₹ 1110 per day	₹ 1350 per day				
(2) Temporary shops set up during festivals / melas and having load upto 2 kW	₹ 70 per day	₹ 100 per day				

Category	Fixed/Demand Charges		Energy Charges		Minimum consumption charges#	
	Existing	Proposed	Existing	Proposed	Existing	Proposed
(3) Other Temporary shops/ Jhuggi /Jhopris for load upto 1 kW						
3.1) Rural	₹ 100/month/connection	₹ 125/month/connection				
3.2) Urban	₹ 200/month /connection	₹ 250/month /connection				

* UPCL has proposed to abolish the snowbound category (RTS-1A) as there are no existing consumers under this category over last five (5) years.

**UPCL has proposed sub-category of small non domestic consumers with connected load upto 4 kW and consumption upto 50 units per month under RTS-2 category be applicable for consumers only in the hilly areas and with a higher consumption limit of 100 units per month. The energy charges for the said category is retained at existing ₹ 4/kWh

*** In RTS-6 (Public water works), the current tariff schedule has prescribed only kVA/kVAh tariff. However, for PWW connections where connected load is lower than 25 kW, meter which is capable of recording kVAh consumption is not installed, UPCL has proposed to introduce kWh tariff for PWW connections with connected load upto 25 kW.

UPCL has also proposed a mechanism for charging and refund for MCG for HT consumers.

****For industries opting continuous supply, UPCL has proposed to increase the continuous supply surcharge to 20% from 15%. Besides this, UPCL has proposed the following ToD charges for the industries:

Industries	Rate of charge during		
	Normal hours	Peak hours	Off-peak hours
LT Industries	₹ 4.20/kVAh	₹ 6.45/kVAh	₹ 3.75/kVAh
HT Industries with Load Factor			
Less than 33%	₹ 3.70/kVAh	₹ 6.45/kVAh	₹ 3.30/kVAh
Above 33% and upto 50%	₹ 4.00/kVAh	₹ 6.45/kVAh	₹ 3.60/kVAh
Above 50%	₹ 4.30/kVAh	₹ 6.45/kVAh	₹ 3.85/kVAh

- Objections/suggestions are sought from consumers and other stakeholders on the Petition. These may be sent to the Secretary, Uttarakhand Electricity Regulatory Commission, either in person, or by post at Vidyut Niyamak Bhawan, Near I.S.B.T., P.O. Majra, Dehradun or through e-mail to uttaranchalerc@rediffmail.com by 31.01.2014.
- 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.gov.in) and at the Petitioner's website (www.upcl.org).