

Uttarakhand Electricity Regulatory Commission

Order on UPCL's APR Petition for FY 2014-15 and ARR & Tariff Petition for FY 2015-16- Highlights

- UPCL filed the APR Petition for FY 2014-15 and the ARR & Tariff Petition for FY 2015-16 before the Commission on November 29, 2014. Through, the above Petition UPCL had also sought truing-up for FY 2013-14 based on the audited accounts.
- To meet its power purchase cost and other expenses, UPCL had projected a total ARR of Rs. 5443.22 Crore for FY 2015-16, considering distribution loss of 17.34%, thus projecting a total revenue gap of Rs. 1,131.39 Crore including truing up for FY 2013-14 and carrying cost. For recovery of this revenue gap, UPCL had requested for a average tariff hike of about 26.24%.
- **In the present Order, the Commission has, accordingly, scrutinised and approved the following:**
 - a. Final Truing-Up for FY 2013-14 based on audited accounts
 - b. Tariff Determination for FY 2015-16
- Based on the scrutiny of data submitted by UPCL, the Commission has determined the ARR for the FY 2015-16 as Rs. 4,590.88 Crore. The above ARR takes into account the impact of final truing-up for FY 2013-14. The Commission based on the revenues at existing tariffs estimated the revenue gap of Rs. 305.45 Crore. To recover this revenue gap of Rs. 305.45 Crore an annual tariff hike of 7.13% was required.
- The Commission approved the distribution loss of 15.00% for FY 2015-16 against UPCL's claim of 17.34%.
- While revising the tariffs for different category of consumers, the Commission has attempted to reduce the cross-subsidies for all the categories.
- The details of approved Annual Revenue Requirement (ARR) for FY 2015-16 are as below:-

Table 1: Annual Revenue Requirement for FY 2015-16 (Rs. Crore)

| S.No. | Particulars | Projected | Approved |
|----------|---|----------------|----------------|
| A | Expenditure | | |
| 1 | Power Purchase Expenses | 3483.76 | 3274.39 |
| 2 | Transmission Charges-PGCIL | 226.55 | 226.72 |
| 3 | Transmission Charges-PTCUL | 238.70 | 295.30 |
| 4 | SLDC Charges | - | 7.45 |
| 5 | Cost to meet RPO | 98.78 | -* |
| 6 | O&M expenses | 537.05 | 491.52 |
| 7 | Interest & Finance charges | 184.07 | 139.44 |
| 8 | Depreciation | 151.94 | 94.54 |
| 9 | Interest on Working Capital | 21.03 | 8.38 |
| B | Gross Expenditure | 4941.88 | 4537.74 |
| | Other Expenses / Appropriations | | |
| 1 | Return on Equity | 211.03 | 48.88 |
| 2 | Provision for Bad & Doubtful Debts | 0.00 | 0.00 |
| C | Net Expenditure | 5152.91 | 4586.62 |
| 10 | Less: Non Tariff Income | 95.38 | 73.54 |
| D | Annual Revenue Requirement for FY 2015-16 | 5057.32 | 4513.08 |
| E | Add: Adjustment for Past Years | | |
| | Additional Deficit/(Surplus) on account of Final Truing Up for FY 2013-14 with carrying cost | 385.70 | (77.30) |
| | Additional Deficit/(Surplus) on account of truing up of UJVN Ltd. for previous years with carrying cost | | 155.10 |
| F | Adjusted ARR for FY 2015-16 | 5443.22 | 4590.88 |
| G | Total Revenue at existing Tariffs for FY 2015-16 | 4311.8 | 4285.43 |
| H | Gap to be recovered in FY 2015-16 | 1131.39 | 305.45 |

- **Salient Points of Retail Tariff for the FY 2015-16**

- The Commission has approved the tariff hike to around 7.1% as against the UPCL's claim of 26.24%.
- The Commission has not specified any tariff for unmetered consumers as UPCL has submitted that it shall meter all its consumers by June 30, 2015. Till the time meter reading is carried out by UPCL, billing shall be done as per provisions of Rate Schedule.
- The Commission has retained the Snow Bound sub-category, though UPCL in its Petition had requested to abolish the same.
- An increase of Rs. 4/ connection per month in fixed charges for lifeline consumers with no change in Energy Charges for these consumers.

- The Commission has specified fixed charges for domestic consumers linked to consumption. As a relief to small domestic consumers, the fixed charge for consumers consuming up to 100 units kept unchanged.
- New sub category created in RTS-2 for independent advertisement hoardings.
- Agricultural Allied Service such as Nurseries, Polyhouses not involved in any kind of processing of farm produce except for storage and preservation shifted to new category under RTS-4 as RTS-4A with tariff at around 50% of Average Cost of Supply.
- Acknowledging the distinction between the quality of supply to PWW connections and Public Lamps in Rural and Urban areas, the Commission has specified differential fixed charges for rural and urban consumers of PWW and Public Lamps, however the energy charges have been kept same.
- HT Industrial slabs on the basis of load factor reduced from 3 slabs to 2 slabs. First slab shall cover HT Industrial Consumers with load factor upto 40% and second shall cover HT Industrial Consumers with load factor above 40%.
- Industrial consumers who are existing continuous supply consumers shall continue to remain continuous supply consumers and they need not apply again for continuous supply option.
- Non Continuous Processing industry can now also opt for continuous supply of power by paying surcharge of 15% of energy charge. Such willing consumers can make an application for such supply by April 30, 2015.
- The Consumers having Prepaid Metering shall continue to be eligible for a rebate of 4% (for Domestic) and 3% (for other LT Consumers) on energy charges as earlier.
- For other general improvement the Commission has asked UPCL to submit a concrete action plan for:
 - Reduction in AT&C loss
 - Reduction in Defective meters
 - Improvement of its collection system
 - Improvement in recovery of arrears
 - Classifying and writing off bad debts
 - Conducting of energy audit
- To ensure better energy audit the Commission has directed UPCL to release all new connections with correct meters in accordance with CEA Regulations.

- Energy Charges for domestic consumers increased as follows:
 - First 100 units – Rs. 0.10/unit
 - 101- 200 Units – Rs. 0.20/unit
 - 201 -300 Units – Rs. 0.45/unit
 - 301-400 Units – Rs. 0.45/unit
 - 401-500 Units – Rs. 0.50/unit
 - Above 500 units – Rs. 0.50/unit

- Minimum Consumption Guarantee (MCG) (of LT industries & Non domestic categories) reduced from 60 kWh (or kVAh)/kW (or kVA)/month reduced to 50 kWh (or kVAh)/kW (or kVA)/month with corresponding changes in Annual MCG. Further, MCG for Atta chakkis have been reduced to 30kWh/kW/month from 40 kWh/kW/Month.

- MCG for PTW consumers has been reduced from 70 kWh/BHP/Month or 840 kWh/BHP/year to 60 kWh/BHP/Month or 720 kWh/BHP/year

- Demand Charges of HT Industrial consumers, who do not receive minimum average supply of 18 hours per day during the month, shall be levied at 80% of approved Demand Charges during that month.

- The details of retail tariffs as applicable to different categories of consumes w.e.f. 01.04.2015 are as below:-

Existing, Proposed and Approved Tariffs for different category of Consumers
Category Wise Tariff

RTS-1: Domestic Tariff

Table 2: Tariff for Domestic Consumers

| S. No | Description | Existing Tariff | | UPCL Proposed Tariff | | Approved | |
|------------|---------------------------------|--|-----------------|--|-----------------|--------------------------|-----------------|
| | | Fixed Charge (Per Month) | Energy Charges | Fixed Charge (Per Month) | Energy Charges | Fixed Charge (Per Month) | Energy Charges |
| | RTS-1: Domestic | | | | | | |
| 1.1 | Life Line Consumers | Rs. 7/ Connection | Rs. 1.50/kWh | Rs. 10/ Connection | Rs. 1.90/kWh | Rs. 11/ Connection | Rs. 1.50/kWh |
| 1.2 | Other Domestic Consumers | | | | | | |
| (i) | 0-100 Units / Month | Rs. 35/ Connection upto 4 KW and Rs 90/connection for above 4 kW | Rs. 2.30/kWh | Rs. 45/ Connection upto 4 KW and Rs 120/connection for above 4 kW | Rs. 2.90/kWh | Rs.35/ Connection | Rs. 2.40/kWh |
| (ii) | 101-200 Units / Month | | Rs. 2.70/kWh | | Rs. 3.40/kWh | Rs.50/ Connection | Rs. 2.90/kWh |
| (iii) | 201-300 Units /Month | | Rs. 3.35/kWh | | Rs. 4.20/kWh | Rs.70/ Connection | Rs. 3.80/kWh |
| (iv) | 301-400 Units /Month | | Rs. 3.35/kWh | | Rs. 4.20/kWh | Rs.95/ Connection | Rs. 3.80/kWh |
| (v) | 401-500 Units /Month | | Rs. 3.50/kWh | | Rs. 4.40/kWh | Rs.120/ Connection | Rs. 4.00/kWh |
| (vi) | Above 500 Units/Month | | Rs. 3.50/kWh | | Rs. 4.40/kWh | Rs.145/ Connection | Rs. 4.00/kWh |
| 2 | Single point bulk supply | Rs. 35/kW | Rs. 3.15/kWh | Rs. 45/kW | Rs. 4.00/kWh | Rs. 40/kW | Rs. 3.40/kWh |

RTS-1A: Concessional Snowbound Areas Tariff

Table 3 : Concessional Tariff for Snowbound Areas

| S. No | Description | Existing Tariff | | UPCL Proposed Tariff | | Approved | |
|-------|--|--------------------------|-----------------|--------------------------|----------------|--------------------------|-----------------|
| | | Fixed Charge (Per Month) | Energy Charges | Fixed Charge (Per Month) | Energy Charges | Fixed Charge (Per Month) | Energy Charges |
| | RTS-1A: Snowbound | | | | | | |
| 1 | Domestic | Rs. 7/ Connection | Rs. 1.50/kWh | Not Proposed | | Rs. 11/ Connection | Rs. 1.50/kWh |
| 2 | Non-Domestic upto 1 kW | Rs. 7/ Connection | Rs. 1.50/kWh | Not Proposed | | Rs. 11/ Connection | Rs. 1.50/kWh |
| 3 | Non-Domestic above 1 kW & upto 4 kW | Rs. 7/ Connection | Rs. 2.15/kWh | Not Proposed | | Rs. 11/ Connection | Rs. 2.25/kWh |
| 4 | Non-Domestic above 4 kW | Rs. 14/ Connection | Rs. 3.25/kWh | Not Proposed | | Rs. 20/ Connection | Rs. 3.40/kWh |

RTS-2: Non-Domestic Tariff

Table 4: Tariff for Non-domestic consumers

| Sl. No. | Description | Existing Tariff | | | UPCL Proposed Tariff | | | Approved | | |
|--|---|---|----------------|--|-----------------------------------|----------------|--|-----------------------------------|----------------|--|
| | | Fixed/ Charges (Per Month) | Energy Charges | MCG | Fixed/ Demand Charges (Per Month) | Energy Charges | MCG | Fixed/ Demand Charges (Per Month) | Energy Charges | MCG |
| 1 Government, Educational Institutions and Hospitals etc. | | | | | | | | | | |
| 1.1 | Upto 25 kW | Rs. 35/ kW | Rs 3.85/ kWh | | Rs. 45/ kW | Rs 4.90/ kWh | | Rs. 40/ kW | Rs 4.05/ kWh | |
| 1.2 | Above 25 kW | Rs. 35/ kVA | Rs 3.45/ kVAh | 60 kVAh /kVA /month & 720 kVAh/ kVA/annum | Rs. 45/ kVA | Rs 4.50/ kVAh | 60 kVAh /kVA /month & 720 kVAh/ kVA/annum | Rs. 45/ kVA | Rs 3.65/ kVAh | 50 kVAh /kVA /month & 600 kVAh/ kVA/annum |
| 2 Other Non-Domestic Users | | | | | | | | | | |
| 2.1 | Upto 4 kW and consumption upto 50 units per month | Rs. 35 / kW | Rs 4.00/ kWh | | Rs. 45 / kW | Rs 5.10/ kWh | | Rs. 45 / kW | Rs 4.20/ kWh | |
| 2.2 | Others upto 25 kW not covered in 2.1 above | Rs. 35 / kW | Rs 4.55/ kWh | | Rs. 45 / kW | Rs 5.75/ kWh | | Rs. 45 / kW | Rs 4.85/ kWh | |
| 2.3 | Above 25 kW | Rs. 35 / kVA | Rs 4.55/ kVAh | 60 kVAh /kVA /month & 720 kVAh/ kVA/ annum | Rs. 45 / kVA | Rs 5.75/ kVAh | 60 kVAh /kVA /month & 720 kVAh/ kVA/ annum | Rs. 45 / kVA | Rs 4.75/ kVAh | 50 kVAh /kVA /month & 600 kVAh/ kVA/ annum |
| 3 | Single Point Bulk Supply above 75kW | Rs. 35 / kVA | Rs 4.45/ kVAh | 60 kVAh /kVA /month & 720 kVAh/ kVA/ annum | Rs. 45/ kVA | Rs 5.65/ kVAh | 60 kVAh /kVA /month & 720 kVAh/ kVA/ annum | Rs. 45 / kVA | Rs 4.65/ kVAh | 50 kVAh /kVA /month & 600 kVAh/ kVA/ annum |
| 4 | Independent Advertisement Hoardings | Covered in Other Non Domestic Consumers | | | Rs. 200 / kW | Rs. 8.00/kWh | | Rs. 60/ kW | Rs. 4.90/kWh | |

RTS-3: Public Lamps Tariff

Table 5 : Tariff for Public Lamps

| Description | Existing Tariff | | UPCL Proposed Tariff | | Approved | |
|----------------------------|--|-------------------|--|-------------------|--|-------------------|
| | Fixed/ Demand Charges (Per Month) | Energy Charges | Fixed/ Demand Charges (Per Month) | Energy Charges | Fixed/ Demand Charges (Per Month) | Energy Charges |
| RTS-3: Public Lamps | | | | | | |
| 3.1 Urban | Rs. 30/kW | Rs. 4.10/ kWh | Rs. 40/kW | Rs. 5.15/ kWh | Rs. 40/kW | Rs. 4.35/ kWh |
| 3.2 Rural | Rs. 30/kW | Rs. 4.10/ kWh | Rs. 40/kW | Rs. 5.15/ kWh | Rs. 35/kW | Rs. 4.35/ kWh |

RTS-4: Private Tube Wells / Pump Sets Tariff

Table 6: Tariff for Private tube Wells/ Pump Sets

| Category | Existing Tariff | | | UPCL Proposed Tariff | | | Approved | | |
|--|---|---------------------|---|---|---------------------|---|---|---------------------|---|
| | Fixed/ Demand Charges (Per Month) | Energy Charges | Minimum Charges | Fixed/ Demand Charges (Per Month) | Energy Charges | Minimum Charges | Fixed/ Demand Charges (Per Month) | Energy Charges | Minimum Charges |
| RTS-4: Private Tube-wells/ Pumping sets | | | | | | | | | |
| Metered | Nil | Rs. 1.10/ kWh | 70 units/ BHP/ month & 840 units /BHP/ annum | Nil | Rs. 1.40/ kWh | 70 units/ BHP/ month & 840 units /BHP/ annum | Nil | Rs. 1.40/ kWh | 60 units/ BHP/ month & 720 units /BHP/ annum |
| RTS-4A: Agriculture Allied Activities | | | | | | | | | |
| Metered | | | | | | | Nil | Rs. 2.25/ kWh | 60 units/ BHP/ month & 720 units /BHP/ annum |

RTS-5: Government Irrigation System Tariff

Table 7: Tariff for Government Irrigation System

| Description | Existing Tariff | | UPCL Proposed Tariff | | Approved | |
|--|---|-------------------|--|-------------------|---|-------------------|
| | Fixed/ Demand Charges (Per Month) | Energy Charges | Fixed/ Demand Charges (Per Month) | Energy Charges | Fixed/ Demand Charges (Per Month) | Energy Charges |
| RTS-5: Government Irrigation System | | | | | | |
| Upto 75 kW | Rs. 30/kW | Rs. 4.10/ kWh | Rs. 40/kW | Rs. 5.15/ kWh | Rs. 40/kW | Rs. 4.35/ kWh |
| Above 75 kW | Rs. 30/kVA | Rs. 3.95/ kVAh | Rs. 40/kVA | Rs. 5.00/ kVAh | Rs. 40/kVA | Rs. 4.20/ kVAh |

RTS-6: Public Water Works Tariff

Table 8 : Tariff for Public Water Works

| Description | Existing Tariff | | UPCL Proposed Tariff | | Approved | |
|-------------|------------------------------------|----------------|------------------------------------|----------------|------------------------------------|----------------|
| | Fixed / Demand Charges (Per Month) | Energy Charges | Fixed / Demand Charges (Per Month) | Energy Charges | Fixed / Demand Charges (Per Month) | Energy Charges |
| Urban | Rs. 30/kVA | Rs. 4.00/kVAh | Rs. 45/kW | Rs. 5.10/kWh | Rs. 40/kVA | Rs. 4.25/kVAh |
| | | | Rs. 45/kVA | Rs. 5.10/kVAh | | |
| Rural | Rs. 30/kVA | Rs. 4.00/kVAh | Rs. 45/kVA | Rs. 5.10/kVAh | Rs. 35/kVA | Rs. 4.25/kVAh |

RTS-7: Industries Tariff

Table 9 : Tariff for LT Industries

| Category | Existing Tariff | | | UPCL Proposed Tariff | | | Approved | | |
|--|---------------------------|----------------|--|---------------------------|----------------|--|---------------------------|----------------|--|
| | Fixed Charges (Per Month) | Energy Charges | MCG | Fixed Charges (Per Month) | Energy Charges | MCG | Fixed Charges (Per Month) | Energy Charges | MCG |
| RTS-7: Industry | | | | | | | | | |
| LT Industry | | | | | | | | | |
| 1. LT Industries (upto 25 kW) | Rs. 100/kW | Rs 3.75/kWh | *60 kWh/kW/month & 720 kWh /kW/annum | Rs. 130/kW | Rs 4.65/kWh | *60 kWh/kW/month & 720 kWh /kW/annum | Rs. 105/kW | Rs 3.95/kWh | *50 kWh/kW/month & 600 kWh /kW/annum |
| 2. LT Industries (above 25kW & upto 75 kW) | Rs. 100/kVA | Rs 3.40/kVAh | 60 kVAh/kVA/month & 720 kVAh /kVA/ annum | Rs. 130/kVA | Rs 4.30/kVAh | 60 kVAh/kVA/month & 720 kVAh /kVA/ annum | Rs. 105/kVA | Rs 3.60/kVAh | 50 kVAh/kVA/month & 600 kVAh /kVA/ annum |

**30 kWh/kW/month and 360 kWh/kW/annum for Atta Chakkis.*

Table 10: Approved Tariff for HT Industry

| Category | Existing Tariff | | | | UPCL Proposed Tariff | | | | Approved | | | |
|------------------------------------|-----------------|----------|------------------------------------|---|----------------------|--------------|-------------------------------------|--|-------------|----------|------------------------------------|--|
| | Load Factor# | Rs./kVAh | Fixed /Demand Charge per month | MCG | Load Factor | Rs./kVAh | Fixed /Demand Charge per month | MCG | Load Factor | Rs./kVAh | Fixed /Demand Charge per month | MCG |
| RTS-7: Industry | | | | | | | | | | | | |
| LT Industry | | | | | | | | | | | | |
| Contracted Load up to 1000 kVA | Upto 33% | 3.05 | Rs. 210/kVA of the billable demand | 110 kVAh/kVA of contracted load / month & | upto 33% | 3.85Rs/kVAh | Rs. 270/kVA of the billable demand* | 110 kVAh/kVA of contracted load/ month & | Upto 40% | 3.40 | Rs. 230/kVA of the billable demand | 100 kVAh/kVA/month & 1200 kVAh /kVA/ annum |
| | 33% to 50% | 3.30 | | | 33% to 50% | 4.15 Rs/kVAh | | | Above 40% | 3.75 | | |
| | Above 50% | 3.60 | | | Above 50% | 4.55 Rs/kVAh | | | Above 40% | 3.75 | | |
| Contracted Load More than 1000 kVA | upto 33% | 3.05 | Rs. 270/kVA of the billable demand | 1320 kVAh/kVA of contracted load / annum | upto 33% | 3.85Rs/kVAh | Rs.345/kVA of the billable demand* | 1320 kVAh/kVA of contracted load/ annum | Upto 40% | 3.40 | Rs. 290/kVA of the billable demand | |
| | 33% to 50% | 3.30 | | | 33% to 50% | 4.15 Rs/kVAh | | | Above 40% | 3.75 | | |
| | Above 50% | 3.60 | | | Above 50% | 4.55 Rs/kVAh | | | Above 40% | 3.75 | | |

RTS-8: Mixed Load Tariff

Table 11: Tariff for Mixed Load

| Description | Existing Tariff | | UPCL Proposed Tariff | | Tariff Design | |
|--|---|-------------------|---|-------------------|--|-------------------|
| | Fixed/ Demand Charges Per Month) | Energy Charges | Fixed/ Demand Charges Per Month) | Energy Charges | Fixed/ Demand Charges (Per Month) | Energy Charges |
| RTS-8: Mixed Load | | | | | | |
| Mixed Load Single Point Bulk Supply above 75 kW including MES as deemed licensee | Rs. 40/ kW | Rs. 3.80/ kWh | Rs. 50/ kW | Rs. 4.80/ kWh | Rs. 50/ kW | Rs. 4.15/ kWh |

RTS-9: Railway Traction Tariff

Table 12 : Tariff for Railway Traction

| Description | Existing Tariff | | UPCL Proposed Tariff | | Tariff Design | |
|-------------------------------|--|-------------------|--|-------------------|--|-------------------|
| | Fixed/ Demand Charges (Per Month) | Energy Charges | Fixed/ Demand Charges (Per Month) | Energy Charges | Fixed/ Demand Charges (Per Month) | Energy Charges |
| RTS-9: Railway Traction | Rs. 190/KVA | Rs. 3.25/ kVAh | Rs. 240/KVA | Rs. 4.10/ kVAh | Rs. 200/KVA | Rs. 3.60/ kVAh |