



Uttarakhand Electricity Regulatory Commission

'Vidyut Niyamak Bhawan',

Near ISBT, PO- Majra, Dehradun-248171

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No. UERC/6/TF-284/15-16/2015/1358

Date: 08-Dec., 2015

To,

Managing Director,
Uttarakhand Power Corporation Ltd. (UPCL),
Urja Bhawan, Kanwali Road,
Dehradun.

Sub.: Filing of Petition for Multi Year Tariff for the Control Period FY 2016-17 to FY 2018-19.

Sir,

This is with reference to your petition dated 30.11.2015 on the above-mentioned subject. In this regard, additional 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 31.12.2015 in seven copies alongwith the soft copy of the reply accompanied with an affidavit.

Encl. as above

Yours sincerely,

(Neeraj Sati)

Secretary

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Uttarakhand Power Corporation Limited (UPCL) MYT Petition for the Control Period from FY 2016-17 to FY 2018-19 in accordance with UERC (Terms and Conditions for Determination of Multi Year Tariff) Regulations, 2015

Additional information required for analysis of Petition

A. True up for FY 2014-15

1. UPCL should submit actual month-wise load shedding data for FY 2014-15.
2. UPCL should submit details of banking of energy during FY 2014-15, in the following format:

(MU)

Particulars	April	May	June	March
Energy Banked						
Return Banking						
Net banked energy						

3. UPCL should submit the comparison of source-wise power purchase quantum, cost in Rs Crore, and rate in Rs/kWh, as approved by the Commission for FY 2014-15, and actually incurred by UPCL, for truing up purposes.
4. As regards Depreciation, UPCL should confirm that depreciation in FY 2014-15 is less than 90% of GFA for all assets, since assets cannot be depreciated beyond 90% of GFA in accordance with the UERC MYT Regulations, 2011.
5. UPCL should submit documentary evidence for interest rate charged by banks for new loans for FY 2014-15.
6. UPCL should submit details of actual interest on Consumer Security Deposit paid to consumers/adjusted in consumers' bills, and the variation with the interest on Consumer Security Deposit booked as per Audited Accounts, for FY 2014-15.
7. UPCL should revise the truing up requirement, by considering the variation with respect to the O&M expenses approved by the Commission in the Tariff Order for FY 2014-15, rather than w.r.t. revised O&M expenses calculated by UPCL.
8. UPCL should submit the data on the savings in employee expenses, on account of lower number of new employees employed, as compared to the number of new employees considered by the Commission, while approving the O&M expenses in the MYT Order

9. UPCL should submit the data on scheme-wise capex approved by the Commission, for all schemes capitalised in FY 2013-14 and FY 2014-15.
10. UPCL should submit the calculation of RoE by considering the equity capital eligible for RoE, as considered by the Commission in the Tariff Order for FY 2014-15, and submit justification for the variation between UPCL's calculation of RoE and the Commission's approved numbers. In case of any discrepancy, UPCL should submit the revised calculations of RoE.
11. UPCL should submit justification for seeking pass through of the actual bad debts written off in FY 2014-15, when the provisioning for bad debts has already been allowed in the ARR earlier, and the write off of bad debts is against the accumulated provision for bad debts.
12. UPCL has stated that it shall submit the proposed modification to the pre-paid metering system by January 31, 2016. UPCL should submit any such proposed modification, by 31st December, so that views of the public can be sought and the same may be dealt along with the tariff petition.

B. MYT Petition for FY 2016-17 to FY 2018-19

13. UPCL should submit the data of actual category-wise sales for the period from April to October 2015.
14. UPCL should submit the justification for the growth rate considered for projecting sales to RTS-9: Railways.
15. UPCL should submit the data of actual source-wise quantum, cost, and rate of power purchase for the period from April to October 2015.
16. UPCL should include a summary Table indicating the source-wise summary of power purchase quantum, cost in Rs. Crore, and rate in Rs/kWh, giving the actuals for FY 2014-15, as approved by the Commission for FY 2015-16, and as projected for each year of the Control Period.
17. UPCL should submit the back-up data on actual source-wise monthly generation for each source of power purchase for FY 2012-13 to FY 2014-15, which has been considered by UPCL for projecting the power purchase for the Control Period.
18. UPCL should submit data on actual inter-State Transmission Loss for the past 52 weeks (1 year), based on bills received from CGS sources.
19. UPCL should submit the economics of the forward and reverse banking projected during the Control Period.
20. As regards projected Power purchase expenses, UPCL should submit the basis for the following assumptions:
 - a) Escalating the fixed cost of power purchase from NHPC at 5% p.a
 - b) Escalating the fixed cost of power purchase from NTPC Koldam at 5% p.a

- c) Escalating the cost of power purchase from NPCIL at 5% p.a
- d) Escalating the fixed cost of power purchase from THDC at 5% p.a
- e) Escalating the fixed and variable cost of power purchase from NTPC's thermal stations at 5% p.a.
- f) Rate for new large hydro plants developed by Central Sector as Rs. 5 per kWh.

21. As regards projected Transmission Charges:

- a) UPCL should submit the basis for considering per MU rate, rather than fixed charges, for projecting the Inter-State Transmission Charges
- b) Annual escalation rate of 4% on the per MU rate for projecting the Inter-State Transmission Charges.

22. UPCL has estimated the new loans at a rate of interest of 11.5% with 10 years of repayment period in line with existing arrangements of loans with REC and PFC. In this regard, UPCL should submit :

- a) Justification for not considering the weighted average interest rate of actual loans of 10.17%, instead of 11.5%, in accordance with the UERC Tariff Regulations, 2015
- b) Whether it has executed any loan agreements or has received Sanction Letters from the lenders and submit necessary documentary evidence in support of its submission?

23. In case of any revision in the opening GFA values for the Control Period, while addressing the earlier queries, UPCL should submit the revised calculation of RoE, interest, depreciation, and R&M expenses for the Control Period.

24. UPCL should submit justification for the O&M expenses projected for FY 2015-16, with respect to:

- a) O&M expenses approved by the Commission for FY 2015-16.
- b) Steep increase over the approved as well as the actual O&M expenses for FY 2014-15.

25. At Para 7.17, UPCL has mentioned the details of Employees' Cost. In this regard, UPCL is required to clarify as to whether it has considered the impact of VIIth Pay Commission while computing the same or not?

26. UPCL should submit justification for projecting Provision for bad debts, when the present provisioning already exceeds 5% of the amount of receivables.

27. As regards Non-Tariff income for each year of the Control Year, UPCL has considered an escalation of 5% over the actual NTI of FY 2014-15:

- a) UPCL should submit the basis of the assumption.
- b) UPCL should submit the break-up and nature of income under Miscellaneous Income from

Consumers.

- c) UPCL should classify all Non-Tariff income under recurring and non-recurring income, and submit the same.

28. UPCL has proposed the following key modifications in the tariff structure:

- a) Charging domestic tariff for the consumption on electricity operated water pumps by rural groups under Uttarakhand Rural Water Supply and Sanitation Project (URWSSP) scheme of the GoU.
- b) Abolishing Minimum Consumption Guarantee (MCG) from RTS-4 (Private Tube Well) category on the ground that they are not able to consume even the minimum consumption specified in the Tariff Schedule on account of various reasons like availability of water, higher ground water level, etc.

UPCL should provide the base data for the past three years, viz., number of consumers, connected load, sales and impact on revenue on account of the key modifications proposed by UPCL.

29. UPCL has proposed to revert to the voltage rebate prevailing earlier, on the ground that the voltage rebate approved by the Commission is very high, which has resulted in huge revenue loss to the Petitioner. UPCL should submit the data on the revenue loss suffered by UPCL on this account in FY 2015-16, and the impact on revenue on account of the modification proposed by UPCL.

C. Compliance to Directives

30. UPCL should submit proper compliance to the Commission's following directives:

Sl.	Directive No.	Particulars	Deficiency in submission
1	(2)	Report on Sales to Departmental Employees	Not submitted; all aspects not addressed
2	(3)	Prior approval for load shedding	Commission's prior approval not sought
3	(4)	Distribution Losses	Monthly target level not submitted
4	(17) & (18)	Details of Additional Surcharge	Not submitted
5	(22)	Treatment of Assets sent for Repairs	Not submitted
6	(32)	Load & Consumption data for thrashers, cane crushers, etc.	Not submitted
7	(43) to (48)	Report on abnormal sales	Not submitted
8	(50)	Electrical Inspector Certification	UPCL has stated that their own employees are certifying the capex, based on approval given by Government of Uttarakhand; UPCL should justify such measure along with the status of the same.