



Uttarakhand Electricity Regulatory Commission

'Vidyut Niyamak Bhawan',

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No. UERC/6/TF-284/15-16/2016/1467

Date: 05-January, 2016

To,

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

Sub.: UPCL's Petition on MYT for the Control Period FY 2016-17 to FY 2018-19 and True-up for FY 2014-15.


Sir,

This is with reference to your Petition on the above-mentioned subject. In this regard, additional deficiencies/shortcomings have been observed which are enclosed as Annexure-I. You are required to submit the point-wise replies duly quoting titles/sub-titles and Sl. No. identical with the deficiencies referred to in enclosed Annexure-I. You are also required to submit your reply on the same latest by 11.01.2016 in seven copies alongwith the soft copy of the reply accompanied with an affidavit.

Further, this is also to inform you that a Technical Validation Session is scheduled to be held on 13.01.2016 at 11:00 AM to discuss the submissions made by you with respect to your Petition. In this regard, you are requested to attend the same alongwith the concerned officials.

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

Information required for analysis of the Petition

1. UPCL was required to submit the category wise load shedding data for FY 2014-15. However, UPCL has submitted the month wise load shedding data for FY 2014-15. In this regard, UPCL is required to submit the actual category wise load shedding data for FY 2014-15.
2. UPCL in its reply dt. 29.12.2015 has shown the comparison of approved and actual power purchase cost for FY 2014-15. In this regard, UPCL is required to submit:
 - a) The basis of arriving at a banking cost of Rs. 299.38 Crore.
 - b) Commission had approved transmission charges for PTCUL as Rs 238.7 Crore against which UPCL has shown the same as Rs. 236.78 Crore. UPCL is required to submit the reason for claiming lower expenses than those approved by the Commission.
3. UPCL at point No. 9 of its reply dt. 29.12.2015 has submitted the details of scheme wise capitalization during FY 2013-14 and 2014-15. In this regard, UPCL is also required to submit the segregation of the assets capitalized during the two years into LT and HT/EHT works along with the means of financing of the same.
4. UPCL at point No. 10(e) of its reply dt. 29.12.2015 has submitted that RoE has been calculated on average equity. In this regard, UPCL is required to submit its capitalization policy and also the period when the assets are capitalized in its accounts.
5. UPCL at point No. 11 of its reply dt. 29.12.2015 has submitted that it has initiated the process of writing off the bad debts. In this regard, UPCL is required to submit the progress made so far in this regard along with the details of amount written off during FY 2014-15.
6. UPCL at point No. 15 of its reply dt. 29.12.2015 has submitted the actual details of power purchase for the period of April to October 2015. In this regard, UPCL is required to give the basis of the average rates worked out with respect to Uttar Bharat, RV Akash Ganga, Metro Forzen and Jay Ace Technologies with reference to the rates specified by the

Commission in the Regulations.

7. UPCL at point No. 27 of its reply dt. 29.12.2015 has shown the details of non-tariff income wherein material cost variance has been shown as Rs. 198.86 Crore. However, the same has not been considered while calculating its revised ARR for FY 2014-15. In this regard, UPCL is required to submit the reasons for not including the same as non-tariff income and also provide the accounting entries for material cost variance.

UPCL has also included reversal of provision for obsolete stock material of Rs. 14.52 Crore as its NTI. However, the same has not been considered by calculating its revised ARR for FY 2014-15. In this regard, UPCL is required to submit the reasons for not including the same as non-tariff income.

8. UPCL is required to submit trial balances for FY 2014-15 and also trial balance as on 30.09.2015
9. UPCL at point No. 30(a) of its reply dt. 29.12.2015 has referred to the average consumption per employee as 320 units per month based on the analysis made by committee constituted by it. In this regard, UPCL is required to submit the report of the committee and also the details of sample size available before the committee for making the conclusion.
10. UPCL at point No. 30(e) of its reply dt. 29.12.2015 has submitted the treatment of assets sent for repairs. In this regard, UPCL is also required to submit the cost at which deductions from GFA are made by it. Further, UPCL is also required to segregate the deductions made including the financing from FY 2001-02 onwards in compliance with the directions issued by the Commission its previous Tariff Orders within one month.
11. UPCL at point No. 30(f) of its reply dt. 29.12.2015 has submitted that Chief Engineer (Dist.) was directed to conduct the study and assess the load consumption of thrasher, cane crusher and rice huller consumers but the said study could not be completed. UPCL is required to submit the reasons for not completing the said study.
12. UPCL is required to submit the details of number of employees as on 01.04.2014, employees recruited & retired during the year and number of employees as on 31.03.2014.
13. UPCL is also required to submit the details of penalty/compensation paid by it during FY 2014-15 and FY 2015-16.

14. The Commission had approved Rs. 3.48 Crore as additional provision as part of A&G expenses for FY 2014-15. In this regard, UPCL is required to submit the details of amount booked under A&G expenses.
15. In its Petition, UPCL has again claimed interest on AREP loan which is not in line with the decision taking by the Commission in its previous Orders. UPCL is required to justify why the same has been claimed again. UPCL is also required to submit the basis of claiming guarantee fee payable to GoU for FY 2014-15.
16. In addition certain billing deficiencies have been observed in the CS-3/CS-4 statement submitted by UPCL for FY 2014-15 wherein the average rate for the categories given below are even lower than the Energy Charges for these categories. UPCL is required to submit the reasons and justifications for the same:
- a) Govt., Education Institutions and hospitals, etc. above 25 kW under RTS-2.
 - b) UPCL's & UJVN Ltd. offices.
 - c) Public lamps.
 - d) Steel Plants under HT industries.
 - e) Mixed Loads.
 - f) Under GIS category, State tubewells and pump canals having load upto 75 kW and, State tubewells and World bank tubewells having load above 75 kW.
 - g) Further, UPCL is also required to explain the following:
 - (i) Average Consumption of PTW unmetered category for FY 2014-15 is higher than metered category. Basis of considering the consumption of PTW unmetered category.
 - (ii) Average Consumption of Public Lamps unmetered category for FY 2014-15 is higher than metered category. Basis of considering the consumption of unmetered category
 - (iii) Reason why consumption of World Bank tubewells are higher than other other tubewells under GIS.
 - (iv) Reason why Jal Sansthan has consumption almost double that of Jal Nigam connections.

17. From the division wise commercial statement submitted by UPCL for FY 2014-15, certain anomalies like higher consumption per Kilowatt or lower revenue per unit than that approved by the Commission has been observed in some divisions for some of the categories, which are enclosed as Appendix-A. UPCL is required to submit the reasons and basis for the same.

Division wise anomalies in sales booked as per Commercial Statements for FY 2014-15

Sl. No.	Category	Division	Consumption/ kW	Revenue/unit (Rs. per unit)
1.	Mixed Load- RTS 8	EDD, Gopeshwar	546.10	2.60
2.		EDD (U), Roorkee	300.00	3.40
3.		EDD (R), Haridwar	733.33	4.00
4.		EDD Pithoragarh	184.04	3.73
5.	Non Domestic Other than Snow Bound RTS-2.1	EDD Kashipur	318.86	4.67
6.		EDD, Rudrapur	197.69	4.12
7.		EDD, Sitarganj	96.68	4.10
8.	LT Industry	EDD, Gopeshwar	110.74	3.93
9.		EDD, Kotdwar	138.75	2.90
10.		EDD (U), Roorkee	157.80	3.77
11.		EDD, Ramnagar	112.91	3.96
12.		EDD (R), Haldwani	127.12	3.98
13.		EDD, Rudrapur	201.62	3.94
14.		EDD, Sitarganj	120.26	3.91
15.	HT Industry (upto 1000 KVA)	EDD, Tehri	120.91	3.63
16.		EDD (R), Haldwani	222.41	3.74
17.		EDD, Sitarganj	250.66	3.83
18.	HT Industry (Above 1000 KVA)	EDD (R), Haldwani	213.33	3.62
19.		EDD, Sitarganj	502.39	3.72
20.	Private Tube Well (RTS 4.0)	EDD (R), Dehradun	89.04	1.02
21.		EDD, Vikasnagar	17.98	0.88
22.		EDD, Kotdwar	59.52	0.83
23.		EDD (U), Roorkee	238.49	1.07
24.		EDD (R), Roorkee	121.36	0.97
25.		EDD (U), Hardwar	107.66	1.01
26.		EDD, Laksar	41.70	0.99
27.		EDD, Rudrapur	135.51	1.08
28.		EDD, Champawat	94.66	1.05
29.	Public Lamps	EDD, Srinagar	531.81	4.04
30.		EDD (R), Roorkee	1152.78	2.14
31.		EDD (R), Hardwar	197.99	3.79
32.		EDD, Kashipur	1035.29	4.12
33.		EDD, Bajpur	737.24	4.17
34.		EDD, Pithoragarh	367.44	4.05
35.	Jal Sansthan	EDD (C), Dehradun	744.32	4.74
36.		EDD (R), Hardwar	504.14	3.93
37.		EDD, Kashipur	2148.19	4.15
38.		EDD, Bajpur	706.61	4.15
39.		EDD, Rudrapur	358.79	3.76
40.	Other Water Works/Plastic Recycling Plant	EDD (R), Dehradun	690.73	4.26
41.		EDD, Vikasnagar	1166.67	4.73
42.		EDD (U), Roorkee	243.83	3.79
43.		EDD, Bageshwar	52.63	0.42
44.		EDD, Ranikhet	591.23	4.07
45.	State Tubewell	EDD, Rishikesh	886.92	4.89
46.		EDD (R), Hardwar	884.55	1.17
47.		EDD, Rudrapur	385.78	3.01

Sl. No.	Category	Division	Consumption/ kW	Revenue/unit (Rs. per unit)
48.	<i>Pump Canal</i>	EDD, Vikasnagar	538.33	4.35
49.		EDD, Srinagar	42.86	2.38
50.		EDD, Gopeshwar	8.10	3.11
51.		EDD, Kotdwar	0.93	-
52.		EDD, Ramnagar	34.23	3.96