

UPCL's comments on Stakeholders' suggestions in the matter of MYT petition & Business Plan

UPCL's comments on the response / suggestion received from Dr. V.K. Garg, A-24/E, DDA Flats, Munirka, New Delhi-110067 on the Multi-Year Tariff (MYT) Petition and Business Plan of UPCL for the control period from 01-04-2016 to 31-03-2019.

S. No.	Objections/Comments/Suggestions	Response
1	<p><u>Interstate PGCIL Charges:</u></p> <p>Payment to PGCIL The figures need to be checked. PGCIL charges during 15-16 are showing an increase from 228 crs. to 349 crs. which needs clarification as to whether there have been huge capital expenditure on new lines in the State or is it merely because of PoC/ pricing of transmission charges.</p>	<p>PGCIL charges have been calculated in the following manner. During the first six months of FY 2015-16, the Petitioner has received bills of Rs 174.72 Cr on account of revised POC Charges starting from May 2015 as per various CERC amendments notified during Jan to July 2015. Due to these amendments the Petitioner has incurred an additional expenditure of Rs. 42 approx. on account of adjustments for FY 2015-16 in the first six months.</p> <p>Subsequently, for estimating PGCIL transmission charges for FY 2015-16, the Petitioner has assumed the same amount for remaining six months. The per MU PGCIL Charge for FY 2015-16 has been calculated using the estimated charges and energy coming from outside Uttarakhand during FY 2015-16. The per MU rate thus calculated is escalated by 4% per annum and then multiplied by the projected power purchase quantum for each year of the control period to arrive at the total estimated PGCIL charges</p>
2	<p><u>Depreciation:</u></p> <p>Which was 94 crs. approved for FY 15-16 has been revised to 122 crs in revised estimates and has been proposed at 145 crs. in FY 16-17 and further going up to 209 crs. in FY 18-19. It needs to be clarified whether it is a carried over by the Kedarnath Tragedy damages or its write off</p>	<p>(i) Hon'ble Commission in its Tariff Order for FY 2015-16 approved depreciation @ 4.57% on the depreciable opening GFA (net of grant) of Rs. 2068.62 Cr. In this computation, rate of depreciation was assumed as was computed for FY 2013-14. Depreciation approved Rs. 94.54 Cr.</p> <p>(ii) UPCL in the MYT Petition computed depreciation @ 5.20% on the depreciable average GFA (net of grant) of (Rs. 2187.56 Cr. + Rs. 2519.14 Cr.) / 2 = Rs. 2353.15 Cr. for FY 2015-16. Depreciation</p>

S. No.	Objections/Comments/Suggestions	Response
	<p>process or something else. Or incremental capital expenditure – if so, what are the rates of depreciation used.</p>	<p>computed Rs. 122.37 Cr. Detailed computation of depreciation is mentioned at page 18, 19, 20 and 122 of the MYT Petition.</p> <p>(iii) In this connection, it is to confirm that no Kedarnath Tragedy damages or write offs have been considered in the computation of depreciation in MYT Petition. It is also to confirm that the value of GFA and its financing from FY 2001-02 to FY 2012-13 has been considered the same which has been considered by the Hon'ble Commission in its Tariff Orders. There is little difference in the financing of FY 2013-14 and FY 2014-15. UPCL considered Audited values for FY 2014-15 whereas Hon'ble Commission considered the estimated values for the said year in the absence of actuals at that time.</p>
3	<p><u>Return on Equity:</u></p> <p>Return on equity was 48 crs. approved for FY 15-16 now increased to 93 crs. whether the equity has been doubled needs a copy of the GO contributing the equity for FY 16-17 to 112 crs.</p>	<p>(i) Hon'ble Commission in its Tariff Order for FY 2015-16 approved Return on Equity @ 16% on the opening equity of Rs. 305.49 Cr. Hon'ble Commission computed the value of equity for each year equivalent to 30% of (capitalization as reduced by grant and loans). Remaining 70% of capitalization has been considered normative loan. Return on Equity computed Rs. 48.88 Cr.</p> <p>(ii) UPCL in the MYT Petition computed return on equity @ 16% on the average equity of (Rs. 535.27 Cr. + Rs. 634.75 Cr.) / 2 = Rs. 585.01 Cr. for FY 2015-16. Year wise addition of equity has been considered at maximum of 30% of the capitalization excluding grants for each year.</p>

S. No.	Objections/Comments/Suggestions	Response
		<p>In the year when the equity deployed was less than 30%, actual equity has been considered. The equity in excess of 30% has been considered as normative loan. Detailed computation of return on equity is mentioned at page 21,22 and 106 of the MYT Petition.</p>
	<p><u>Bad and Doubtful Debts:</u> Provision at 46 crs. for FY 15-16 and 55 crs. for FY 16-17 and 61 crs. for FY 17-18 and 89 crs. for FY 18-19 is not understood how the bad debts are decided and proposed in advance to increased year after year. On time bad and doubtful debt for Kedarnath Tragedy is understandable. But not an increased write off every year.</p>	<p>(i) Regulation 31 of the UERC Tariff Regulations, 2015 provides that Hon'ble Commission may allow a provision for Bad and Doubtful Debts @ 1% of the estimated Annual Revenue subject to the (i) actual writing off of Bad Debts in previous years (ii) the total amount of such provisioning allowed in the previous years should not exceeds 5% of the receivables at the beginning of the year.</p> <p>(ii) UPCL at the time of transfer of Assets and Liabilities got a provision for Bad and Doubtful Debts amounting to Rs. 230.01 Cr. UPCL started its functioning w.e.f. 09-11-2001 and Hon'ble Commission so far allowed a provision for Bad and Doubtful Debts of Rs. 103.74 Cr. UPCL for the period upto FY 2014-15 written off the bad debts amounting to Rs. 139.15 Cr. Accordingly, the entire provision allowed by Hon'ble Commission has been exhausted by UPCL. Thus, claim of provision of 1% of Annual Revenue for each year is in line with the provisions of the Regulations.</p>

UPCL's comments on the response / suggestion received from Sh. Pramod Singh Tomar, Director, M/s Galwalia Ispat Udyog Ltd., Narain Nagar Industrial Estate, Bazpur Road, Kashipur-244713, Distt. Udham Singh Nagar on the Multi-Year Tariff (MYT) Petition and Business Plan of UPCL for the control period from 01-04-2016 to 31-03-2019.

S. No.	Objections/Comments/Suggestions	Response																																																
1	To conduct a category wise cost of supply study	Presently, voltage wise / category wise losses are not available and Category wise Tariff has been calculated on the basis of average cost of supply and permissible level of cross subsidy. This is as per Regulation 91 of the UERC Tariff Regulations, 2015. Further, it is to apprise the Hon'ble Commission that UPCL is in process to calculate the voltage wise cost of supply and will be able to file the next ARR on the basis of the same.																																																
2	How the tariff proposed in current ARR is helping in reducing cross subsidy	<p>The existing and proposed cross subsidy levels have been maintained for each category as follows:-</p> <table border="1" data-bbox="1288 798 1848 1284"> <thead> <tr> <th align="center">S No</th> <th align="center">Category</th> <th align="center">Existing</th> <th align="center">Proposed</th> </tr> </thead> <tbody> <tr> <td align="center">1</td> <td>Domestic</td> <td align="center">-32.74%</td> <td align="center">-32.59%</td> </tr> <tr> <td align="center">2</td> <td>Non Domestic</td> <td align="center">15.19%</td> <td align="center">15.15%</td> </tr> <tr> <td align="center">3</td> <td>Public Lamps</td> <td align="center">-0.89%</td> <td align="center">-0.68%</td> </tr> <tr> <td align="center">4</td> <td>Private Tube</td> <td align="center">-68.86%</td> <td align="center">-68.89%</td> </tr> <tr> <td align="center">5</td> <td>Govt. Irrigation</td> <td align="center">1.85%</td> <td align="center">1.97%</td> </tr> <tr> <td align="center">6</td> <td>Public Water</td> <td align="center">2.07%</td> <td align="center">1.80%</td> </tr> <tr> <td align="center">7</td> <td>Industry</td> <td></td> <td></td> </tr> <tr> <td></td> <td>LT Industry*</td> <td align="center">14.66%</td> <td align="center">14.70%</td> </tr> <tr> <td></td> <td>HT Industry*</td> <td align="center">14.80%</td> <td align="center">14.58%</td> </tr> <tr> <td align="center">8</td> <td>Mixed Load</td> <td align="center">-3.64%</td> <td align="center">-4.22%</td> </tr> <tr> <td align="center">9</td> <td>Railway</td> <td align="center">10.55%</td> <td align="center">20.87%</td> </tr> </tbody> </table> <p>Thus it can be clearly observed that the cross subsidy has been maintained at the existing level and the level of cross subsidy in respect of all subsidizing</p>	S No	Category	Existing	Proposed	1	Domestic	-32.74%	-32.59%	2	Non Domestic	15.19%	15.15%	3	Public Lamps	-0.89%	-0.68%	4	Private Tube	-68.86%	-68.89%	5	Govt. Irrigation	1.85%	1.97%	6	Public Water	2.07%	1.80%	7	Industry				LT Industry*	14.66%	14.70%		HT Industry*	14.80%	14.58%	8	Mixed Load	-3.64%	-4.22%	9	Railway	10.55%	20.87%
S No	Category	Existing	Proposed																																															
1	Domestic	-32.74%	-32.59%																																															
2	Non Domestic	15.19%	15.15%																																															
3	Public Lamps	-0.89%	-0.68%																																															
4	Private Tube	-68.86%	-68.89%																																															
5	Govt. Irrigation	1.85%	1.97%																																															
6	Public Water	2.07%	1.80%																																															
7	Industry																																																	
	LT Industry*	14.66%	14.70%																																															
	HT Industry*	14.80%	14.58%																																															
8	Mixed Load	-3.64%	-4.22%																																															
9	Railway	10.55%	20.87%																																															

S. No.	Objections/Comments/Suggestions	Response
		categories is maintained below 20% as per the provision of Tariff Policy. Further, UPCL has proposed a slightly higher increase in tariff for Railway traction category as has been observed in other states with railways being charged comparably higher tariff for its consumption.
3	Increase in power purchase cost is 8% y-o-y however tariff hike for HT category is 24.87%	<p>UPCL proposed a Tariff hike of 24.99% for FY 2016-17. The basis of such increase may be shown in the table given below:-</p> <p>(i) Increase in total cost in FY 17 over revenue of FY 16 (4.24/3.70) – 14.59%</p> <p>(ii) Gap of FY 2014-15 to be recovered in FY 17 - 11.13% (544.39/4889.57)</p> <p>(iii) Total increase required - 25.72%</p> <p>Hence, it is clear that out of required increase of 25.72%, UPCL has proposed a tariff increase of 24.99%, balance recovery through performance improvement.</p>
4	Exorbitant increase in costs other than the power purchase cost	It is submitted that UPCL in its MYT Petition has proposed various improvement and other works for providing continuous and quality supply and other services to the consumers. Impact of these works is reflecting in the increased level of other costs. Further, increase in power purchase cost has been kept at minimum which is major part of cost of supply and increased level of such cost may lead to abnormal hike in consumer tariffs. Projections of all the expenses has been made as per the provisions of UERC Tariff Regulations, 2015.
5	The emphasis of UPCL should be on reducing line losses, losses by theft, collection inefficiency,	(i) During last 05 years UPCL reduced its AT&C Losses by 10.77% at an yearly average of 2.154 % , increased collection efficiency by 6.34% at an yearly average of 1.268%. The level of AT&C Losses and

S. No.	Objections/Comments/Suggestions	Response
	<p>strong mechanism of recovering bad debts, instead of directly increasing the tariff. For e.g. online bill payment facility should be introduced for faster realization of bill with less manpower.</p>	<p>Collection Efficiency in FY 2014-15 is 18.64% and 99.87% respectively.</p> <p>(ii) In order to curb theft of energy, the following measures have been taken up by UPCL:</p> <ul style="list-style-type: none"> • Vigilance Raids are being conducted and cases are being registered under Sections 126 and 135 of Electricity Act., 2003. Legal proceedings are being initiated against the person(s) who is found indulging in theft of electricity. • Mechanical meters are being replaced by electronic meters. 25,042 meters have been replaced so far in this year. • All defective meters are being replaced. 93,691 meters have been replaced so far in this year. • AB cable is being laid in theft prone areas. 1706 Km. cable has been laid so far in this year. • New connections are being released by installing meters outside the premises of the consumers. • Meters installed on the connections of existing consumers are being shifted outside the premises of the consumers. <p>(iii) The following consumer services have also been started by UPCL.</p> <ul style="list-style-type: none"> • Online billing of all the consumers • Online bill payment facility for all the consumers • Bill payment facility in the branches of Punjab National Bank • An agreement has been signed with M/s CSC to collect the payment of bills in various locations of the State. Presently,

S. No.	Objections/Comments/Suggestions	Response
		1,119 centers are operative.
6	UPCL every year proposes capital expenditure across various areas however nowhere mentions the target and actual works executed	Year wise and work wise details of capital expenditure is mentioned in the MYT Petition and Business Plan.
7	Proposition to increase the voltage rebate as the distribution losses are lesser on higher voltage	<p>(i) Rebate for taking supply at higher voltage was revised by the Hon'ble Commission in its Tariff Order dated 10th April 2014 from 1.5% and 5% to 2.5% and 7.5% for taking supply at 33 kV and 132 kV and above respectively. The Petitioner believes that voltage rebate approved by the Hon'ble Commission is very high and was done without hearing the Petitioner's view point. UPCL therefore proposed to keep the rates of rebate which were applicable in FY 2013-14. Moreover, the proposed rates of rebates are higher than the rebates applicable in neighbouring States like Madhya Pradesh, Haryana, Delhi and Punjab.</p> <p>(ii) As mentioned at para 1 above, UPCL is in process to compute voltage wise cost of supply.</p>

UPCL's comments on the response / suggestion received from Sh. Pankaj Gupta, President, Industries Association of Uttarakhand, Mohabewala Industrial Area, Dehradun-248110 on the Multi-Year Tariff (MYT) Petition and Business Plan of UPCL for the control period from 01-04-2016 to 31-03-2019.

S. No.	Objections/Comments/Suggestions	Response
1	<p>Comments on directive given by the Hon'ble Commission in the last order:</p> <p>Tariff/ARR Fixation exercise is not only approving the revenue, it is also an exercise in taking stock of the past work done and also fixes the road map for future performance. In this respect Hon'ble commission gave various directions to UPCL. These directions have big implications on the overall performance and cost to the consumers. These directive are being reiterated in every A.R.R. Tariff Order</p> <p>It is with great regret, it is pointed out that UPCL is giving casual replies in respect of the follow up in respect of these directives. The Hon'ble Commission is requested to take up seriously with UPCL for the proper follow-up on these directives.</p>	<p>The compliance status of the directions issued by Hon'ble Commission has been submitted. The progress reports in respect of various works are submitted by UPCL as and when required by the Hon'ble Commission.</p>
2	<p>Depreciation - Opening GFA as on 08-11-2001 should be considered only as Rs. 508 Cr.</p>	<p>In this connection, it is submitted that the value of GFA and its financing from FY 2001-02 to FY 2012-13 has been considered the same which has been considered by the Hon'ble Commission in its Tariff Orders. There is</p>

S. No.	Objections/Comments/Suggestions	Response
		<p>little difference in the financing of FY 2013-14 and FY 2014-15. UPCL considered Audited values for FY 2014-15 whereas Hon'ble Commission considered the estimated values for the said year in the absence of actuals at that time. UPCL in its computation considered GFA as on 08-11-2001 as Rs. 508 Cr. Detailed computation of depreciation is mentioned at page 18 , 19, 20 and 122 of the MYT Petition.</p>
3	<p>Capitalization of Assets pending Electrical Inspector Certificate should not be considered</p>	<p>In this connection, it is submitted that out of total HT / EHT works amounting to Rs. 1630.45 Cr. capitalized for the period from FY 2007-08 to FY 2013-14, UPCL submitted Electrical Inspector Certificates in respect of Assets amounting to Rs. 1330.52 Cr. Now there is a balance of Rs. 299.93 Cr. only and the certification work in respect of these assets is in progress and the certificates shall be provided to the Hon'ble Commission shortly. Secondly, as against the HT/EHT works capitalized during FY 2014-15 amounting to Rs. 209.77 Cr., certificates in respect of HT works amounting to Rs. 107.15 Cr. have been submitted to the Hon'ble Commission. Certification works is in progress and certificates for the balance works shall be provided to the Hon'ble Commission shortly. Thus, it is clear that UPCL is very near to the target of submission of Electrical Inspector Certificate and should be allowed return for the same.</p>
4	<p>Assets created out of Grants – no return should be allowed on the Assets created out of grant.</p>	<p>UPCL in its MYT Petition has not claimed any return (depreciation / interest) on the assets created out of grant.</p>
5	<p>UPCL should be directed to carry out Energy Audit at</p>	<p>(i) The Petitioner would like to submit that Hon'ble Commission had</p>

S. No.	Objections/Comments/Suggestions	Response
	<p>substation level and also at different voltage levels so that actual reason of losses can be as certain and action be taken to bring down the losses to the level that directed by UERC</p>	<p>estimated the distribution losses of UPCL for FY 2002-03 as 44.32%. These losses for FY 2014-15 are 18.79%. Thus, UPCL reduced these losses by 25.53 % within a period of 12 years at an yearly average of 2.1275 % . This may be treated a good achievement of UPCL.</p> <p>(ii) Presently, voltage wise / category wise losses are not available and Category wise Tariff has been calculated on the basis of average cost of supply and permissible level of cross subsidy. This is as per Regulation 91 of the UERC Tariff Regulations, 2015. Further, it is to apprise the Hon'ble Commission that UPCL is in process to calculate the voltage wise losses and cost of supply and will be able to file the next ARR on the basis of the same.</p>
6	<p>Return of equity</p>	<p>UPCL in the MYT Petition computed return on equity @ 16% on the average equity. for FY 2015-16 and 16.50% on the average equity for FY 2016-17 to FY 2018-19 for each year. Year wise addition of equity has been considered at maximum of 30% of the capitalization excluding grants for each year. In the year when the equity deployed was less than 30%, actual equity has been considered. The equity in excess of 30% has been considered as normative loan. Detailed computation of return on equity is mentioned at page 21,22 and 106 of the MYT Petition. The computation of return on equity by UPCL is as per fundamentals of costing and provisions of Regulations.</p>

S. No.	Objections/Comments/Suggestions	Response
7	<p><u>Bad and Doubtful Debts:</u></p> <p>Bad and doubtful debts considered are not justified</p>	<p>(i) Regulation 31 of the UERC Tariff Regulations, 2015 provides that Hon'ble Commission may allow a provision for Bad and Doubtful Debts @ 1% of the estimated Annual Revenue subject to the (i) actual writing off of Bad Debts in previous years (ii) the total amount of such provisioning allowed in the previous years should not exceeds 5% of the receivables at the beginning of the year.</p> <p>(ii) UPCL at the time of transfer of Assets and Liabilities got a provision for Bad and Doubtful Debts amounting to Rs. 230.01 Cr. UPCL started its functioning w.e.f. 09-11-2001 and Hon'ble Commission so far allowed a provision for Bad and Doubtful Debts of Rs. 103.74 Cr. UPCL for the period upto FY 2014-15 written off the bad debts amounting to Rs. 139.15 Cr. Accordingly, the entire provision allowed by Hon'ble Commission has been exhausted by UPCL. Thus, claim of provision of 1% of Annual Revenue for each year is in line with the provisions of the Regulations.</p>
8	<p>Shortfall in Revenue in FY 2014-15</p> <p>Every year UPCL shows shortfall in revenue as against the same projected by commission. This is mainly due to load shedding resorted by UPCL on industrial consumers. It should not be disregarded that industrial consumers pay the maximum tariff and</p>	<p>(i) In this connection, it is submitted that the gap of revenue and expenditure for FY 2014-15 is mainly due to less rate of power purchase approved by Hon'ble Commission. The actual power purchase cost was Rs. 3.29 / unit whereas Hon'ble Commission had approved only 3.13/ unit. This increased the gap by Rs. 190 Cr. The second main reason is low level of distribution losses</p>

S. No.	Objections/Comments/Suggestions	Response
	<p>they are subjected to maximum rostering. This will obviously result in shortfall in revenue to UPCL. In other States, industrial consumer's rostering is done as the last measure to maintain grid balance.</p>	<p>approved by UERC as compared to actual. Actual distribution losses for FY 2014-15 are 18.79% whereas Hon'ble Commission approved only 15.50%. This loss is equivalent to the Revenue of Rs. 160 Cr. Thus, the reasons of gap are very clear.</p> <p>(ii) UPCL during FY 2014-15 met its 97% demand of Electricity. 3% unmet demand was due to gap of demand and availability of energy / transmission network / distribution network.</p> <p>(iii) UPCL has also prepared its power cut policy, which may be shown as follows:-</p> <p style="text-align: center;"><u>बिजली कटौती की नीति (पॉलिसी)</u></p> <ol style="list-style-type: none"> 1. सामान्यतः राज्य में कोई बिजली कटौती नहीं की जायेगी। 2. बिजली की मांग उपलब्धता से अधिक होने, राज्य के बाहर अथवा भीतर पारेषण/वितरण तंत्र के उपलब्ध न होने आदि आपातकालीन स्थितियों (Emergency Conditions) में राज्य में बिजली कटौती निम्नलिखित प्राथमिकता के अनुसार की जायेगी:-

S. No.	Objections/Comments/Suggestions	Response		
		क्रम संख्या	औद्योगिक श्रेणी	अन्य श्रेणियां
		1.	स्टील उद्योग/फरनेस उद्योग	ग्रामीण मैदानी क्षेत्र
		2.	अविरल विद्युत आपूर्ति का चुनाव न करने वाले अन्य उद्योग	छोटे नगरीय मैदानी क्षेत्र
		3.	अविरल विद्युत आपूर्ति का चुनाव करने वाले उद्योग	बड़े नगरीय मैदानी क्षेत्र
		4.	-	पर्वतीय क्षेत्र
		5.	-	राजधानी
		<p>औद्योगिक श्रेणी एवं अन्य श्रेणियों के मध्य बिजली कटौती का निर्णय दिन के समयकाल एवं इन श्रेणियों की बिजली आवश्यकता के अनुसार निदेशक (परिचालन) द्वारा प्रबन्ध निदेशक की सहमति से लिया जायेगा। शाम के पीक ऑवर्स की अवधि में अन्य श्रेणियों की तुलना में औद्योगिक श्रेणी को बिजली कटौती के लिये प्राथमिकता दी जायेगी।</p>		
		<p>3. सभी पर्यटन/तीर्थ स्थल तथा स्वतंत्र पोषक से पोषित अस्पताल एवं पेयजल योजनाओं पर कोई विद्युत कटौती नहीं की जायेगी।</p>		

S. No.	Objections/Comments/Suggestions	Response
		<p>4. किसी भी क्षेत्र में लगातार एक नियत अवधि में बिजली कटौती 14 दिनों से अधिक नहीं की जायेगी।</p> <p>5- सभी उद्योगों को माह में न्यूनतम औसत 18 घण्टे प्रतिदिन बिजली आपूर्ति सुनिश्चित की जायेगी।</p>
9	<p>Investigation in respect of losses:</p> <p>Hon'ble commission is empowered to investigate under sec 128 of Electricity Act. It is suggested that for investigating losses and energy audit, the commission should appoint an agency for carrying out this investigation. If HT consumers are consuming more than 50%, whose losses should not be more than 5-6% then the losses in other categories are more than 45%. This is enough reason for proper investigation.</p> <p>For UPCL to function property controlling losses is the most important issue. It is also suggested that UPCL should convert their sub-stations into Cost-Centres and any Sub-station found to be losing money should be subjected to penalties.</p>	<p>UPCL is in process to workout voltage wise / category wise losses and cost of supply, and will be able to file the next ARR on the basis of the same.</p>
10	<p>KCC Data:</p> <p>UPCL has done a good job in compiling data in KCC cell. Though the compilation is excellent but it seems that not enough benefit is being derived from scrutiny of this data. We would suggest that Commission may</p>	<p>UPCL has covered all the industrial consumers having load above 5 KW and non-domestic consumers having load above 10 KW under KCC billing. The MRI report and billing of the HT consumers are being checked at Corporate Office on regular basis. Corrective actions are being taken on the irregularities found in the checking of the metering system and billing of these consumers.</p>

S. No.	Objections/Comments/Suggestions	Response
	<p>set up one cell either in the office of the commission or in UPCL for scrutiny of this data. This cell should be independent and should not be reporting to UPCL. We are sure that the formation of this cell will help in proper diagnostics of ills and malafides prevailing in UPCL at division level and will highlight the vital areas to be settled.</p>	
11	<p>Quality of Power: Quality of power is reducing with the passage of time, issues like voltage variations amongst different phases, low voltage, high voltage, frequent breakdowns etc have become common practice. It is therefore suggested that Hon'ble Commission while fixing the ARR should give clear directions to UPCL for improvement of quality of power.</p>	<p>Efforts are regularly made by UPCL for improvement in quality of power. In this connection, it is worthwhile to mention here that the demand of electricity has become about four times from the date of creation of State and UPCL is meeting the demand of electricity to the satisfaction of the consumers. It is worthwhile to mention here that in the whole State average supply of electricity in a day is between 22-24 hours.</p>
12	<p>Minimum Consumption Guarantee: We strongly oppose continuance of Minimum Consumption Guarantee for any category as we had reached the stage of rationalized tariff structure after lot of deliberation in the past.</p>	<p>It is submitted that, Section- 45(3) of the Electricity Act, 2003, stipulates for levy of fixed charges as follows:</p> <p>“The charges for electricity supplied by a distribution licensee may include:</p> <ul style="list-style-type: none"> • a fixed charge in addition to the charge for the actual electricity supplied ; • a rent or other charges in respect of any electric meter or electrical

S. No.	Objections/Comments/Suggestions	Response
		<p>plant provided by the distribution licensee.”</p> <p>About 50% of the UPCL’s total costs are fixed in nature including the capacity/ fixed charge of power purchase, which should be recovered to a certain extent through fixed charges to ensure revenue stability. Levy of minimum consumption guarantee charge is a way of ensuring minimum revenue to the licensee from the consumers.</p> <p>Minimum Consumption Guarantee has been proposed at very low level of consumption i.e. at 6.85% load factor in respect of non-domestic category and LT industry category and at 13.70% in respect of HT industry category. In case during certain month, actual consumption is less than MCG, MCG is charged in those months. Any excess of billed consumption over (actual consumption or minimum consumption, whichever is higher) is adjusted at the end of the financial year.</p>
13	<p>Receipt from MCG UPCL has not projected revenue receipt on account of MCG. As per past data, this amount is very low and it causes very heavy burden on the consumer paying such MCG, it is therefore requested that MCG be removed from this A.R.R. Fixation</p> <p>It is also to be seen in perspective of cross subsidy to be within the range of target that latest by the end of year 2010-11 tariff are within ± 20 % of the average cost of supply. In case of LT, the Tariff is going as high as 100% in some cases being subjected to MCG.</p> <p>We would strongly request the Hon'ble Commission to remove this MCG as this is going back in the days of rationalization. This results in wastage of power by any consumer paying MCG as he is left with no incentive to save power. As most of the LT industries are paying MCG, this is resulting in an unnecessary</p>	<p>(i) UPCL while computing the Revenue for FY 2016-17 has also considered revenue from MCG as follows:-</p> <p style="margin-left: 40px;">RTS - 2 - Rs. 8.35 Cr.</p> <p style="margin-left: 40px;">RTS - 7 - Rs. 34.86 Cr.</p> <p>The description of the same may be seen in form F-14 (page no. 104–107) of the petition.</p> <p>(ii) The proposed level of cross subsidy may be shown as follows:-</p>

S. No.	Objections/Comments/Suggestions	Response																																					
	extra burden on them.	<table border="1"> <thead> <tr> <th data-bbox="1400 188 1473 263">S No</th> <th data-bbox="1473 188 1671 263">Category</th> <th data-bbox="1671 188 1794 263">Cross Subsidy</th> </tr> </thead> <tbody> <tr> <td data-bbox="1400 263 1473 304">1</td> <td data-bbox="1473 263 1671 304">Domestic</td> <td data-bbox="1671 263 1794 304">-32.59%</td> </tr> <tr> <td data-bbox="1400 304 1473 346">2</td> <td data-bbox="1473 304 1671 346">Non Domestic</td> <td data-bbox="1671 304 1794 346">15.15%</td> </tr> <tr> <td data-bbox="1400 346 1473 387">3</td> <td data-bbox="1473 346 1671 387">Public Lamps</td> <td data-bbox="1671 346 1794 387">-0.68%</td> </tr> <tr> <td data-bbox="1400 387 1473 429">4</td> <td data-bbox="1473 387 1671 429">Private Tube</td> <td data-bbox="1671 387 1794 429">-68.89%</td> </tr> <tr> <td data-bbox="1400 429 1473 470">5</td> <td data-bbox="1473 429 1671 470">Govt.</td> <td data-bbox="1671 429 1794 470">1.97%</td> </tr> <tr> <td data-bbox="1400 470 1473 512">6</td> <td data-bbox="1473 470 1671 512">Public Water</td> <td data-bbox="1671 470 1794 512">1.80%</td> </tr> <tr> <td data-bbox="1400 512 1473 553">7</td> <td data-bbox="1473 512 1671 553">Industry</td> <td data-bbox="1671 512 1794 553"></td> </tr> <tr> <td data-bbox="1400 553 1473 595"></td> <td data-bbox="1473 553 1671 595">LT Industry*</td> <td data-bbox="1671 553 1794 595">14.70%</td> </tr> <tr> <td data-bbox="1400 595 1473 636"></td> <td data-bbox="1473 595 1671 636">HT Industry*</td> <td data-bbox="1671 595 1794 636">14.58%</td> </tr> <tr> <td data-bbox="1400 636 1473 678">8</td> <td data-bbox="1473 636 1671 678">Mixed Load</td> <td data-bbox="1671 636 1794 678">-4.22%</td> </tr> <tr> <td data-bbox="1400 678 1473 703">9</td> <td data-bbox="1473 678 1671 703">Railway</td> <td data-bbox="1671 678 1794 703">20.87%</td> </tr> </tbody> </table>	S No	Category	Cross Subsidy	1	Domestic	-32.59%	2	Non Domestic	15.15%	3	Public Lamps	-0.68%	4	Private Tube	-68.89%	5	Govt.	1.97%	6	Public Water	1.80%	7	Industry			LT Industry*	14.70%		HT Industry*	14.58%	8	Mixed Load	-4.22%	9	Railway	20.87%	<p>(iii) Hence it is clear that the provisions of Tariff Policy are complied with by UPCL by having cross subsidy level of all subsidizing categories upto 20%.</p> <p>(iv) On the basis of submission made hereinabove, MCG is to be retained as per the existing provisions of Tariff Order and proposed in the MYT Petition.</p>
S No	Category	Cross Subsidy																																					
1	Domestic	-32.59%																																					
2	Non Domestic	15.15%																																					
3	Public Lamps	-0.68%																																					
4	Private Tube	-68.89%																																					
5	Govt.	1.97%																																					
6	Public Water	1.80%																																					
7	Industry																																						
	LT Industry*	14.70%																																					
	HT Industry*	14.58%																																					
8	Mixed Load	-4.22%																																					
9	Railway	20.87%																																					

UPCL's comments on the response / suggestion received from Sh. Sanjay Kumar Agrawal, Director & General Secretary, Shree Karuna Jan KalyanSamiti (Regd.), Sanjay Bhawan, Malla Joshi Khola, Almora, Uttarakhand-263601 on the Multi-Year Tariff (MYT) Petition and Business Plan of UPCL for the control period from 01-04-2016 to 31-03-2019.

S. No.	Objections/Comments/Suggestions	Response																																								
1	1) Tariff hike not to be more than 5% 2) In RTS-1:1.2 category, tariff hike should not be more than 5% 3) No Tariff Hike Should be allowed for consumers consuming 100-200 units	<p>UPCL is a commercial organization and is required to meet its Annual Revenue Requirement out of the revenue realized from the consumers through electricity tariffs.</p> <p>The revenue deficit for FY 2016-17 including the deficit of FY 2014-15 has been estimated at Rs.1220.26 Cr, which necessitates a tariff hike of 26.96%. Summary of gap to be recovered in FY 2016-17 is as follows:-</p> <table border="1"> <thead> <tr> <th align="center">S. No.</th> <th align="center">Particulars</th> <th align="center">Rs. Cr.</th> <th align="center">Rs./Unit</th> <th align="center">%</th> </tr> </thead> <tbody> <tr> <td align="center">1</td> <td>Cost of Power</td> <td align="right">4688.45</td> <td align="right">4.32</td> <td align="right">84.24%</td> </tr> <tr> <td align="center">2</td> <td>Cost of Service</td> <td align="right">876.99</td> <td align="right">0.81</td> <td align="right">15.76%</td> </tr> <tr> <td align="center">3</td> <td>ARR (1+2)</td> <td align="right">5565.44</td> <td align="right">5.12</td> <td align="right">100.00%</td> </tr> <tr> <td align="center">4</td> <td>Gap for previous years</td> <td align="right">544.39</td> <td align="right">0.50</td> <td align="right">9.78%</td> </tr> <tr> <td align="center">5</td> <td>Net ARR (3+4)</td> <td align="right">6109.83</td> <td align="right">5.62</td> <td align="right">109.78%</td> </tr> <tr> <td align="center">6</td> <td>Existing Tariff</td> <td align="right">4889.57</td> <td align="right">4.50</td> <td align="right">87.86%</td> </tr> <tr> <td align="center">7</td> <td>Gap during the year (5-6)</td> <td align="right">1220.26</td> <td align="right">1.12</td> <td align="right">24.96%</td> </tr> </tbody> </table>	S. No.	Particulars	Rs. Cr.	Rs./Unit	%	1	Cost of Power	4688.45	4.32	84.24%	2	Cost of Service	876.99	0.81	15.76%	3	ARR (1+2)	5565.44	5.12	100.00%	4	Gap for previous years	544.39	0.50	9.78%	5	Net ARR (3+4)	6109.83	5.62	109.78%	6	Existing Tariff	4889.57	4.50	87.86%	7	Gap during the year (5-6)	1220.26	1.12	24.96%
S. No.	Particulars	Rs. Cr.	Rs./Unit	%																																						
1	Cost of Power	4688.45	4.32	84.24%																																						
2	Cost of Service	876.99	0.81	15.76%																																						
3	ARR (1+2)	5565.44	5.12	100.00%																																						
4	Gap for previous years	544.39	0.50	9.78%																																						
5	Net ARR (3+4)	6109.83	5.62	109.78%																																						
6	Existing Tariff	4889.57	4.50	87.86%																																						
7	Gap during the year (5-6)	1220.26	1.12	24.96%																																						

S. No.	Objections/Comments/Suggestions	Response																												
		<p>* Cost of Power</p> <table border="1" data-bbox="1149 272 2056 730"> <thead> <tr> <th>S. No</th> <th>Particulars</th> <th>Rs./Unit</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Power Purchase</td> <td>2.99</td> <td>69.24%</td> </tr> <tr> <td>2</td> <td>Transmission Charges</td> <td>0.52</td> <td>12.00%</td> </tr> <tr> <td>3</td> <td>Transmission Loss</td> <td>0.06</td> <td>1.47%</td> </tr> <tr> <td>4</td> <td>Cost of Power at Distribution Periphery</td> <td>3.57</td> <td>82.71%</td> </tr> <tr> <td>5</td> <td>Distribution Loss</td> <td>0.75</td> <td>17.29%</td> </tr> <tr> <td>6</td> <td>Cost of Power</td> <td>4.32</td> <td>100.00%</td> </tr> </tbody> </table> <p>Thus, on the basis of estimates of expenses and revenue, tariff hike of 24.96% is required in the existing tariff.</p>	S. No	Particulars	Rs./Unit	%	1	Power Purchase	2.99	69.24%	2	Transmission Charges	0.52	12.00%	3	Transmission Loss	0.06	1.47%	4	Cost of Power at Distribution Periphery	3.57	82.71%	5	Distribution Loss	0.75	17.29%	6	Cost of Power	4.32	100.00%
S. No	Particulars	Rs./Unit	%																											
1	Power Purchase	2.99	69.24%																											
2	Transmission Charges	0.52	12.00%																											
3	Transmission Loss	0.06	1.47%																											
4	Cost of Power at Distribution Periphery	3.57	82.71%																											
5	Distribution Loss	0.75	17.29%																											
6	Cost of Power	4.32	100.00%																											
2	Fixed charges should be removed. Fixed charges should not be levied for RTS-3 consumers	<p>(i) Section-45(3) of the Electricity Act, 2003, stipulates for levy of fixed charges as follows:</p> <p><i>“The charges for electricity supplied by a distribution licensee may include:</i></p> <p>(a) <i>a fixed charge in addition to the charge for the actual electricity supplied ;</i></p> <p>(b) <i>a rent or other charges in respect of any electric meter or electrical plant provided by the distribution licensee.”</i></p> <p>About 50% of the UPCL’s total costs are fixed in nature including the capacity / fixed charge of power purchase, which should be recovered to a certain extent through fixed charges to ensure revenue stability. Hence, levy of fix charge is necessary and as per the provisions of law.</p>																												

S. No.	Objections/Comments/Suggestions	Response
3	Tariff of category “Independent Advertising Hoardings” should not be increased.	As per the provisions of Electricity Act, 2003 and tariff policy, the tariff of each category should be designed in a manner that the level of cross subsidy should be within $\pm 20\%$. In case the tariff of this category is not increased, this subsidizing category may convert into subsidized category. Thus, proposed increase in tariff for this category is justified and required.
4	<p>(i) For RTS-4, 4A, 5,6,7,8 and 9 tariff not to be increased and if required, than not more than 5% and further no fixed charges should be levied.</p> <p>(ii) Tariff increase for temporary supply should not be more than 5%</p>	Reply to this point is covered in reply to point no.1,2 and 3 above.
5	Bill distribution system should be improved.	<p>The meter reading of the consumers is being taken by the meter readers and the bill is being provided to the consumers at the time of meter reading. The following consumer services have also been started by UPCL.</p> <ul style="list-style-type: none"> • Online billing of all the consumers • Online bill payment facility for all the consumers • Bill payment facility in the branches of Punjab National Bank • An agreement has been signed with M/s CSC to collect the payment of bills in various locations of the State. Presently, 1,119 centers are operative.
6	Unscheduled load shedding	UPCL during FY 2014-15 met its 97% demand of Electricity. 3% unmet demand was due to gap of demand and availability of energy / transmission network / distribution network. This level is also being maintained in the current year.

S. No.	Objections/Comments/Suggestions	Response									
		<p>UPCL has also prepared its power cut policy, which may be shown as follows:-</p> <p style="text-align: center;"><u>बिजली कटौती की नीति (पॉलिसी)</u></p> <ol style="list-style-type: none"> सामान्यतः राज्य में कोई बिजली कटौती नहीं की जायेगी। बिजली की मांग उपलब्धता से अधिक होने, राज्य के बाहर अथवा भीतर पारेषण/वितरण तंत्र के उपलब्ध न होने आदि आपातकालीन स्थितियों (Emergency Conditions) में राज्य में बिजली कटौती निम्नलिखित प्राथमिकता के अनुसार की जायेगी:- <table border="1" data-bbox="1115 818 2011 1327"> <thead> <tr> <th data-bbox="1115 818 1227 938">क्रम संख्या</th> <th data-bbox="1227 818 1653 938">औद्योगिक श्रेणी</th> <th data-bbox="1653 818 2011 938">अन्य श्रेणियां</th> </tr> </thead> <tbody> <tr> <td data-bbox="1115 938 1227 1129">1.</td> <td data-bbox="1227 938 1653 1129">स्टील उद्योग/फरनेस उद्योग</td> <td data-bbox="1653 938 2011 1129">ग्रामीण मैदानी क्षेत्र</td> </tr> <tr> <td data-bbox="1115 1129 1227 1327">2.</td> <td data-bbox="1227 1129 1653 1327">अविरल विद्युत आपूर्ति का चुनाव न करने वाले अन्य उद्योग</td> <td data-bbox="1653 1129 2011 1327">छोटे नगरीय मैदानी क्षेत्र</td> </tr> </tbody> </table>	क्रम संख्या	औद्योगिक श्रेणी	अन्य श्रेणियां	1.	स्टील उद्योग/फरनेस उद्योग	ग्रामीण मैदानी क्षेत्र	2.	अविरल विद्युत आपूर्ति का चुनाव न करने वाले अन्य उद्योग	छोटे नगरीय मैदानी क्षेत्र
क्रम संख्या	औद्योगिक श्रेणी	अन्य श्रेणियां									
1.	स्टील उद्योग/फरनेस उद्योग	ग्रामीण मैदानी क्षेत्र									
2.	अविरल विद्युत आपूर्ति का चुनाव न करने वाले अन्य उद्योग	छोटे नगरीय मैदानी क्षेत्र									

S. No.	Objections/Comments/Suggestions	Response		
		3.	अविरल विद्युत आपूर्ति का चुनाव करने वाले उद्योग	बड़े नगरीय मैदानी क्षेत्र
		4.	—	पर्वतीय क्षेत्र
		5.	—	राजधानी
		<p>औद्योगिक श्रेणी एवं अन्य श्रेणियों के मध्य बिजली कटौती का निर्णय दिन के समयकाल एवं इन श्रेणियों की बिजली आवश्यकता के अनुसार निदेशक (परिचालन) द्वारा प्रबन्ध निदेशक की सहमति से लिया जायेगा। शाम के पीक ऑवर्स की अवधि में अन्य श्रेणियों की तुलना में औद्योगिक श्रेणी को बिजली कटौती के लिये प्राथमिकता दी जायेगी।</p>		
		<p>3. सभी पर्यटन/तीर्थ स्थल तथा स्वतंत्र पोषक से पोषित अस्पताल एवं पेयजल योजनाओं पर कोई विद्युत कटौती नहीं की जायेगी।</p> <p>4. किसी भी क्षेत्र में लगातार एक नियत अवधि में बिजली कटौती 14 दिनों से अधिक नहीं की जायेगी।</p> <p>5. सभी उद्योगों को माह में न्यूनतम औसत 18 घण्टे प्रतिदिन बिजली आपूर्ति सुनिश्चित की जायेगी।</p>		
7	Special rebate to be given to consumers using CFLs	It is submitted that, the consumers using CFLs / LEDs are automatically awarded in terms of reduced bills, on account of reduced consumption due		

S. No.	Objections/Comments/Suggestions	Response
	and non-conventional sources of energy.	to CFLs/ LEDs. Further, it is to inform that a scheme for distribution of LED Bulbs has been started in the State. Under the scheme all domestic consumers and non – domestic consumers (upto 10 Kw load) are being provided three LED Bulbs at a very low cost of Rs. 110 / bulb. This cost also is being subsidized by State Government by 75% in respect of BPL consumers and 25% in respect of domestic consumers having consumption upto 100 units/ month.

UPCL’s comments on the response / suggestion received from Sh. Shakeel A. Siddiqui, General Manager (Commercial), M/s Kashi Vishwanath Textile Mill (P) Ltd., 5th KM, Stone, Ramnagar Road, Kashipur-244713, Distt. Udham Singh Nagar on the Multi-Year Tariff (MYT) Petition and Business Plan of UPCL for the control period from 01-04-2016 to 31-03-2019.

S. No.	Objections/Comments/Suggestions	Response
1	To conduct a category wise cost of supply study	Presently, voltage wise / category wise losses are not available and Category wise Tariff has been calculated on the basis of average cost of supply and permissible level of cross subsidy. This is as per Regulation 91 of the UERC Tariff Regulations, 2015. Further, it is to apprise the Hon’ble Commission that UPCL is in process to calculate the voltage wise cost of supply and will be able to file the next ARR on the basis of the same.
2	How the tariff proposed in current ARR is helping in reducing cross subsidy	The existing and proposed cross subsidy levels have been maintained for each category as follows:-

S. No.	Objections/Comments/Suggestions	Response																																																			
		<table border="1" data-bbox="1339 188 1854 671"> <thead> <tr> <th>S No</th> <th>Category</th> <th>Existing</th> <th>Proposed</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Domestic</td> <td>-32.74%</td> <td>-32.59%</td> </tr> <tr> <td>2</td> <td>Non</td> <td>15.19%</td> <td>15.15%</td> </tr> <tr> <td>3</td> <td>Public Lamps</td> <td>-0.89%</td> <td>-0.68%</td> </tr> <tr> <td>4</td> <td>Private Tube</td> <td>-68.86%</td> <td>-68.89%</td> </tr> <tr> <td>5</td> <td>Govt.</td> <td>1.85%</td> <td>1.97%</td> </tr> <tr> <td>6</td> <td>Public Water</td> <td>2.07%</td> <td>1.80%</td> </tr> <tr> <td>7</td> <td>Industry</td> <td></td> <td></td> </tr> <tr> <td></td> <td>LT Industry*</td> <td>14.66%</td> <td>14.70%</td> </tr> <tr> <td></td> <td>HT Industry*</td> <td>14.80%</td> <td>14.58%</td> </tr> <tr> <td>8</td> <td>Mixed Load</td> <td>-3.64%</td> <td>-4.22%</td> </tr> <tr> <td>9</td> <td>Railway</td> <td>10.55%</td> <td>20.87%</td> </tr> </tbody> </table> <p data-bbox="1115 678 2085 986">Thus it can be clearly observed that the cross subsidy has been maintained at the existing level and the level of cross subsidy in respect of all subsidizing categories is maintained below 20% as per the provision of Tariff Policy. Further, UPCL has proposed a slightly higher increase in tariff for Railway traction category as has been observed in other states with railways being charged comparably higher tariff for its consumption.</p>				S No	Category	Existing	Proposed	1	Domestic	-32.74%	-32.59%	2	Non	15.19%	15.15%	3	Public Lamps	-0.89%	-0.68%	4	Private Tube	-68.86%	-68.89%	5	Govt.	1.85%	1.97%	6	Public Water	2.07%	1.80%	7	Industry				LT Industry*	14.66%	14.70%		HT Industry*	14.80%	14.58%	8	Mixed Load	-3.64%	-4.22%	9	Railway	10.55%	20.87%
S No	Category	Existing	Proposed																																																		
1	Domestic	-32.74%	-32.59%																																																		
2	Non	15.19%	15.15%																																																		
3	Public Lamps	-0.89%	-0.68%																																																		
4	Private Tube	-68.86%	-68.89%																																																		
5	Govt.	1.85%	1.97%																																																		
6	Public Water	2.07%	1.80%																																																		
7	Industry																																																				
	LT Industry*	14.66%	14.70%																																																		
	HT Industry*	14.80%	14.58%																																																		
8	Mixed Load	-3.64%	-4.22%																																																		
9	Railway	10.55%	20.87%																																																		
3	Increase in power purchase cost is 8% y-o-y however tariff hike for HT category is 24.87%	<p data-bbox="1115 1013 2085 1098">UPCL proposed a Tariff hike of 24.99% for FY 2016-17. The basis of such increase may be shown in the table given below:-</p> <p data-bbox="1115 1121 2085 1225">(i) Increase in total cost in FY 17 over revenue of FY 16 (4.24/3.70) – 14.59%</p> <p data-bbox="1115 1270 2085 1374">(ii) Gap of FY 2014-15 to be recovered in FY 17 - 11.13% (544.39/4889.57)</p>																																																			

S. No.	Objections/Comments/Suggestions	Response
		<p>(iii) Total increase required - 25.72%</p> <p>Hence, it is clear that out of required increase of 25.72%, UPCL has proposed a tariff increase of 24.99%, balance recovery through performance improvement.</p>
4	Exorbitant increase in costs other than the power purchase cost	<p>It is submitted that UPCL in its MYT Petition has proposed various improvement and other works for providing continuous and quality supply and other services to the consumers. Impact of these works is reflecting in the increased level of other costs. Further, increase in power purchase cost has been kept at minimum which is major part of cost of supply and increased level of such cost may lead to abnormal hike in consumer tariffs. Projections of all the expenses has been made as per the provisions of UERC Tariff Regulations, 2015.</p>
5	<p>The emphasis of UPCL should be on reducing line losses, losses by theft, collection inefficiency, strong mechanism of recovering bad debts, instead of directly increasing the tariff. For e.g. online bill payment facility should be introduced for faster realization of bill with less manpower.</p>	<p>(i) During last 05 years UPCL reduced its AT&C Losses by 10.77% at an yearly average of 2.154 % , increased collection efficiency by 6.34% at an yearly average of 1.268%. The level of AT&C Losses and Collection Efficiency in FY 2014-15 is 18.64% and 99.87% respectively.</p> <p>(ii) In order to curb theft of energy, the following measures have been taken up by UPCL:</p> <ul style="list-style-type: none"> • Vigilance Raids are being conducted and cases are being registered under Sections 126 and 135 of Electricity Act., 2003. Legal proceedings are being initiated against the person(s) who is found indulging in theft of electricity.

S. No.	Objections/Comments/Suggestions	Response
		<ul style="list-style-type: none"> • Mechanical meters are being replaced by electronic meters. 25,042 meters have been replaced so far in this year. • All defective meters are being replaced. 93,691 meters have been replaced so far in this year. • AB cable is being laid in theft prone areas. 1706 Km. cable has been laid so far in this year. • New connections are being released by installing meters outside the premises of the consumers. • Meters installed on the connections of existing consumers are being shifted outside the premises of the consumers. <p>(iii) The following consumer services have also been started by UPCL.</p> <ul style="list-style-type: none"> • Online billing of all the consumers • Online bill payment facility for all the consumers • Bill payment facility in the branches of Punjab National Bank • An agreement has been signed with M/s CSC to collect the payment of bills in various locations of the State. Presently, 1,119 centers are operative.
6	UPCL every year proposes capital expenditure across various areas however nowhere mentions the target and actual works executed	Year wise and work wise details of capital expenditure is mentioned in the MYT Petition and Business Plan.
7	Proposition to increase the voltage rebate as the distribution losses are lesser on higher voltage	(i) Rebate for taking supply at higher voltage was revised by the Hon'ble Commission in its Tariff Order dated 10 th April 2014

S. No.	Objections/Comments/Suggestions	Response
		<p>from 1.5% and 5% to 2.5% and 7.5% for taking supply at 33 kV and 132 kV and above respectively. The Petitioner believes that voltage rebate approved by the Hon'ble Commission is very high and was done without hearing the Petitioner's view point. UPCL therefore proposed to keep the rates of rebate which were applicable in FY 2013-14. Moreover, the proposed rates of rebates are higher than the rebates applicable in neighbouring States like Madhya Pradesh, Haryana, Delhi and Punjab.</p> <p>(ii) As mentioned at para 1 above, UPCL is in process to compute voltage wise cost of supply.</p>
8	Continuous supply surcharge should be abolished	<p>Para-8.2.1 (1) of Tariff Policy provides that the consumers willing to avail continuous and quality power supply are required to pay a tariff which reflects efficient costs. Extra energy charge for continuous supply is charged from the consumers who have opted for continuous supply. These consumers are exempted from load shedding during scheduled/unscheduled power cuts and during restricted hours of the period of restriction of usages approved by the Hon'ble Commission from time to time. However, load shedding required due to emergency break-down / shut-down is imposed on these consumers as and when the situation arise. Purchase of power over and above the availability from firm sources is inter-alia required to give continuous supply to the desired industries and therefore keeping in view the rates of electricity in the open market and increase in rates of UI overdrawl, continuous supply surcharge is required for giving continuous supply and it cannot be kept below 15% of Energy Charges throughout the year.</p>
9	Rate of interest on consumer security deposit should be increased to 14.05% or 10.17% as rate of interest considered for working capital and weighted average of loans	<p>(i) Interest on Security Deposit is being paid as per the provision of section 47 (4) of the Electricity Act, 2003. The rate of Interest for FY 2015-16 is 8.50 % p.a.</p> <p>(ii) While computing the working capital consumer security deposit is reduced and UPCL is allowed interest on such value of working</p>

S. No.	Objections/Comments/Suggestions	Response
		<p>capital.</p> <p>(iii) Further, it is submitted that security deposits is received from the consumers to securitize the credit sales made by the DISCOM. In case a consumer defaults in making the payment of his electricity bills, the recovery of such electricity dues may be made by adjusting the security deposit of the consumer. Thus, the rate of interest on loans and working capital can not be compared with interest on security deposits.</p>
10	Open access should be promoted and all the departmental defaults should be minimized.	There is no centralized mechanism for monthly adjustment of Open Access Power Purchases by consumers. However, this adjustment of Open Access Energy is being done by division offices in the next billing cycle. Further, in order to make adjustment of Open Access Energy in the current billing cycle, a centralized system is being studied at head quarter level.
11	State of Uttarakhand had released its textile policy on 11-12-2014 extending attractive subsidies and relaxations to promote textile industry in the State comprising power bill rebate of Rs. 1/- per unit and 100% relief on electricity duty. Accordingly, textile industries in the State should be allowed power rebate @ Rs. 1/- per unit and waiver in electricity duty.	<p>(i) As per section 65 of the Electricity Act, 2003, if the State Government requires the grant of any subsidy to any consumer or class of consumer in the tariff determined by the State Commission, the State Government shall pay in advance the amount of subsidy to the DISCOM. Thus, the subsidy to any Industry may be given as per this provision.</p> <p>(ii) As per section 3 of Uttar Pradesh Electricity (Duty) Act (Uttarakhand adaptation and modification) order 2001, State Government is empowered to fix the rates of Electricity Duty to</p>

S. No.	Objections/Comments/Suggestions	Response
		<p>be charged from various category of consumers. Government of Uttarakhand vide its notification no. 79/I/2016-01(3)/01/2003, dated 25-01-2016 has fixed these rates applicable w.e.f. 1-01-2016. UPCL is charging electricity duty as per Government orders. The Electricity duty charged from consumers is payable by UPCL to GoU. Therefore, the matter may be taken up with GoU.</p>

UPCL's comments on the response / suggestion received from Sh. Pawan Agarwal, Vice-President, Uttarakhand Steel Manufacturers Association, C/o Shree Sidhali Industries Ltd., Kandi Road, Kotdwar, Uttarakhand on the Multi-Year Tariff (MYT) Petition and Business Plan of UPCL for the control period from 01-04-2016 to 31-03-2019.

S. No.	Objections/Comments/Suggestions	Response																																								
1	Tariff should not be increased	<p>UPCL is a commercial organization and is required to meet its Annual Revenue Requirement out of the revenue realized from the consumers through electricity tariffs.</p> <p>The revenue deficit for FY 2016-17 including the deficit of FY 2014-15 has been estimated at Rs.1220.26 Cr, which necessitates a tariff hike of 26.96%. Summary of gap to be recovered in FY 2016-17 is as follows:-</p> <table border="1"> <thead> <tr> <th align="center">S. No.</th> <th align="center">Particulars</th> <th align="center">Rs. Cr.</th> <th align="center">Rs./Unit</th> <th align="center">%</th> </tr> </thead> <tbody> <tr> <td align="center">1</td> <td>Cost of Power</td> <td align="right">4688.45</td> <td align="right">4.32</td> <td align="right">84.24%</td> </tr> <tr> <td align="center">2</td> <td>Cost of Service</td> <td align="right">876.99</td> <td align="right">0.81</td> <td align="right">15.76%</td> </tr> <tr> <td align="center">3</td> <td>ARR (1+2)</td> <td align="right">5565.44</td> <td align="right">5.12</td> <td align="right">100.00%</td> </tr> <tr> <td align="center">4</td> <td>Gap for previous years</td> <td align="right">544.39</td> <td align="right">0.50</td> <td align="right">9.78%</td> </tr> <tr> <td align="center">5</td> <td>Net ARR (3+4)</td> <td align="right">6109.83</td> <td align="right">5.62</td> <td align="right">109.78%</td> </tr> <tr> <td align="center">6</td> <td>Existing Tariff</td> <td align="right">4889.57</td> <td align="right">4.50</td> <td align="right">87.86%</td> </tr> <tr> <td align="center">7</td> <td>Gap during the year (5-6)</td> <td align="right">1220.26</td> <td align="right">1.12</td> <td align="right">24.96%</td> </tr> </tbody> </table>	S. No.	Particulars	Rs. Cr.	Rs./Unit	%	1	Cost of Power	4688.45	4.32	84.24%	2	Cost of Service	876.99	0.81	15.76%	3	ARR (1+2)	5565.44	5.12	100.00%	4	Gap for previous years	544.39	0.50	9.78%	5	Net ARR (3+4)	6109.83	5.62	109.78%	6	Existing Tariff	4889.57	4.50	87.86%	7	Gap during the year (5-6)	1220.26	1.12	24.96%
S. No.	Particulars	Rs. Cr.	Rs./Unit	%																																						
1	Cost of Power	4688.45	4.32	84.24%																																						
2	Cost of Service	876.99	0.81	15.76%																																						
3	ARR (1+2)	5565.44	5.12	100.00%																																						
4	Gap for previous years	544.39	0.50	9.78%																																						
5	Net ARR (3+4)	6109.83	5.62	109.78%																																						
6	Existing Tariff	4889.57	4.50	87.86%																																						
7	Gap during the year (5-6)	1220.26	1.12	24.96%																																						

S. No.	Objections/Comments/Suggestions	Response																												
		<p data-bbox="1115 277 1330 304">* Cost of Power</p> <table border="1" data-bbox="1137 357 1989 815"> <thead> <tr> <th data-bbox="1137 357 1232 461">S. No</th> <th data-bbox="1232 357 1592 461">Particulars</th> <th data-bbox="1592 357 1771 461">Rs./Unit</th> <th data-bbox="1771 357 1989 461">%</th> </tr> </thead> <tbody> <tr> <td data-bbox="1137 461 1232 517">1</td> <td data-bbox="1232 461 1592 517">Power Purchase</td> <td data-bbox="1592 461 1771 517">2.99</td> <td data-bbox="1771 461 1989 517">69.24%</td> </tr> <tr> <td data-bbox="1137 517 1232 564">2</td> <td data-bbox="1232 517 1592 564">Transmission Charges</td> <td data-bbox="1592 517 1771 564">0.52</td> <td data-bbox="1771 517 1989 564">12.00%</td> </tr> <tr> <td data-bbox="1137 564 1232 624">3</td> <td data-bbox="1232 564 1592 624">Transmission Loss</td> <td data-bbox="1592 564 1771 624">0.06</td> <td data-bbox="1771 564 1989 624">1.47%</td> </tr> <tr> <td data-bbox="1137 624 1232 719">4</td> <td data-bbox="1232 624 1592 719">Cost of Power at Distribution Periphery</td> <td data-bbox="1592 624 1771 719">3.57</td> <td data-bbox="1771 624 1989 719">82.71%</td> </tr> <tr> <td data-bbox="1137 719 1232 767">5</td> <td data-bbox="1232 719 1592 767">Distribution Loss</td> <td data-bbox="1592 719 1771 767">0.75</td> <td data-bbox="1771 719 1989 767">17.29%</td> </tr> <tr> <td data-bbox="1137 767 1232 815">6</td> <td data-bbox="1232 767 1592 815">Cost of Power</td> <td data-bbox="1592 767 1771 815">4.32</td> <td data-bbox="1771 767 1989 815">100.00%</td> </tr> </tbody> </table> <p data-bbox="1115 858 2024 943">Thus, on the basis of estimates of expenses and revenue, tariff hike of 24.96% is required in the existing tariff.</p>	S. No	Particulars	Rs./Unit	%	1	Power Purchase	2.99	69.24%	2	Transmission Charges	0.52	12.00%	3	Transmission Loss	0.06	1.47%	4	Cost of Power at Distribution Periphery	3.57	82.71%	5	Distribution Loss	0.75	17.29%	6	Cost of Power	4.32	100.00%
S. No	Particulars	Rs./Unit	%																											
1	Power Purchase	2.99	69.24%																											
2	Transmission Charges	0.52	12.00%																											
3	Transmission Loss	0.06	1.47%																											
4	Cost of Power at Distribution Periphery	3.57	82.71%																											
5	Distribution Loss	0.75	17.29%																											
6	Cost of Power	4.32	100.00%																											
2	Power Purchase cost for CSGS power stations is decreasing due to decrease in coal prices therefore tariff should not be increased.	<p data-bbox="1115 970 2024 1390">It is not correct to say that the cost of NTPC Power is being reduced. The average power purchase price of NTPC Power is around Rs. 3.25 / unit this year which is similar with the rate of previous year. Further, the availability of power from firm sources is not being increased in the proportion of increase in demand. The deficit of power is being increased every year and the rate of deficit power to be procured from open market is high as compared to the rate of firm power. Therefore, weighted average rate of power for the coming years is going high</p>																												

S. No.	Objections/Comments/Suggestions	Response
		and accordingly power purchase cost has been proposed by UPCL.
3	Tariff of Industrial Category should be reduced due to improvement in line losses and reduction in cross subsidy.	<p>(i) As per the provisions of Electricity Act, 2003 read with Tariff Policy, the level of cross subsidy should be reduced to the level of $\pm 20\%$ by FY 2010-11. In the proposed tariff we have maintained this level, however there is no reduction in the level of cross subsidy with respect to the previous year. Such reduction is not required under law. Thus, there is no impact of cross subsidy on proposed tariff.</p> <p>(ii) The impact of improvement in distribution losses has been considered in the proposed tariff, which may be shown as follows:-</p> <ul style="list-style-type: none"> • Increase in total cost in FY 17 over revenue of FY 16 (4.24/3.70) – 14.59% • Gap of FY 2014-15 to be recovered in FY 17 - 11.13% (544.39/4889.57) • Total increase required - 25.72% • Total increase proposed - 24.99% (balance being passed on to the consumers due to reduction in losses and improvement in performance of UPCL.
4	Cess for UJVNL plants should be discontinued	This may be taken up with Government of Uttarakhand
5	ToD tariff should be in the range of 15-20% of normal tariff	The objective of introduction of ToD Tariff is to minimize the gap

S. No.	Objections/Comments/Suggestions	Response
		<p>between maximum (peak) demand and minimum demand and to bring the peak demand as closer to the average demand as possible. On every reduction of this gap, the generation cost, transmission cost and distribution cost and power cuts will be reduced and the higher demand can be catered from the available capacity. In other words, ToD Tariff is very effective tool of demand side management which make possible the optimum utilization of the available capacity of Generation, Transmission and Distribution, resulting in reduction of costs. The benefit of such reduction in cost is passed on to the consumers. With a view to effectively implement the ToD Tariff, substantial increase in tariff is required for consumption during peak hours.</p>
6	<p>Morning peak hours should be abolished.</p>	<p>The morning peak hours have been kept only in the winter season i.e. from October to March of the financial year. The timings of morning peak hours are from 06:00 hrs to 09:30 hrs. Morning peak hours have been provided due to heating load and reduced generation in winter season, whereas the Air Conditioning load during summer season in the State of Uttarakhand from 06:00 hrs to 09:30 hrs is negligible. Therefore, morning peak hours in winter are required to be continued. Further, it is also worthwhile to mention here that the own generation of Himachal Pradesh is much higher than Uttarakhand and therefore imposition of peak hours in both the States should not be compared.</p>

S. No.	Objections/Comments/Suggestions	Response
7	Rebate during Off Peak Hours should be increased from 10% to 20%.	<p>Keeping in view the situation as mentioned at para 5 hereinabove, peak hour extra charges have been kept at a rate more than the rate of rebate during off peak hours so that the load during peak hours may be shifted to the off peak hours and normal hours. Further, the gap of demand between normal hours and off peak hours is not too high and therefore keeping in view the level of this gap, this rebate should not be increased.</p>
8	<p>Unscheduled Load Shedding should be checked and load shedding be limited to 2hrs/day</p>	<p>UPCL during FY 2014-15 met its 97% demand of Electricity. 3% unmet demand was due to gap of demand and availability of energy / transmission network / distribution network. This level is also being maintained in the current year.</p> <p>UPCL has also prepared its power cut policy, which may be shown as follows:-</p> <p style="text-align: center;"><u>बिजली कटौती की नीति (पॉलिसी)</u></p> <ol style="list-style-type: none"> 1. सामान्यतः राज्य में कोई बिजली कटौती नहीं की जायेगी। 2. बिजली की मांग उपलब्धता से अधिक होने, राज्य के बाहर अथवा भीतर पारेषण/वितरण तंत्र के उपलब्ध न होने आदि आपातकालीन स्थितियों (Emergency Conditions) में राज्य में बिजली कटौती निम्नलिखित प्राथमिकता के अनुसार की

S. No.	Objections/Comments/Suggestions	Response		
		जायेगी:-		
	क्रम संख्या	औद्योगिक श्रेणी	अन्य श्रेणियां	
	1.	स्टील उद्योग / फरनेस उद्योग	ग्रामीण मैदानी क्षेत्र	
	2.	अविरल विद्युत आपूर्ति का चुनाव न करने वाले अन्य उद्योग	छोटे नगरीय मैदानी क्षेत्र	
	3.	अविरल विद्युत आपूर्ति का चुनाव करने वाले उद्योग	बड़े नगरीय मैदानी क्षेत्र	
	4.	-	पर्वतीय क्षेत्र	
	5.	-	राजधानी	
<p>औद्योगिक श्रेणी एवं अन्य श्रेणियों के मध्य बिजली कटौती का निर्णय दिन के समयकाल एवं इन श्रेणियों की बिजली आवश्यकता के अनुसार निदेशक (परिचालन) द्वारा प्रबन्ध निदेशक की सहमति से लिया जायेगा। शाम के पीक ऑवर्स की अवधि में अन्य श्रेणियों की तुलना में औद्योगिक श्रेणी को बिजली कटौती के लिये</p>				

S. No.	Objections/Comments/Suggestions	Response
		<p data-bbox="1122 193 2011 272">प्राथमिकता दी जायेगी।</p> <ol style="list-style-type: none"> <li data-bbox="1155 312 2018 472">3. सभी पर्यटन/ तीर्थ स्थल तथा स्वतंत्र पोषक से पोषित अस्पताल एवं पेयजल योजनाओं पर कोई विद्युत कटौती नहीं की जायेगी। <li data-bbox="1155 504 2018 600">4. किसी भी क्षेत्र में लगातार एक नियत अवधि में बिजली कटौती 14 दिनों से अधिक नहीं की जायेगी। <li data-bbox="1155 632 2018 743">5. सभी उद्योगों को माह में न्यूनतम औसत 18 घण्टे प्रतिदिन बिजली आपूर्ति सुनिश्चित की जायेगी।
9	Rebate of 20% is given if load shedding is more than 6hrs/ day, this should be reduced to 2hrs/day	As per the provisions of Tariff Order, if the minimum average supply to HT Industry Consumer is less than 18 hours per day during the month, demand charges for such industry is reduced by 20%. The supply hours of 18 per day should not be increased for this purpose.

UPCL's comments on the response / suggestion received from Sh. Munish Talwar, M/s Asahi India Glass Ltd., Integrated Glass Plant, Village- Latherdeva Hoon, Manglaur-Jhabrera Road, P.O. Jhabrera, Tehsil Roorkee, Distt. Haridwar, Uttarakhand on the Multi-Year Tariff (MYT) Petition and Business Plan of UPCL for the control period from 01-04-2016 to 31-03-2019.

S. No.	Objections/Comments/Suggestions	Response																																								
1	Increase in tariff is not justified	<p>UPCL is a commercial organization and is required to meet its Annual Revenue Requirement out of the revenue realized from the consumers through electricity tariffs.</p> <p>The revenue deficit for FY 2016-17 including the deficit of FY 2014-15 has been estimated at Rs.1220.26 Cr, which necessitates a tariff hike of 26.96%. Summary of gap to be recovered in FY 2016-17 is as follows:-</p> <table border="1"> <thead> <tr> <th align="center">S. No.</th> <th align="center">Particulars</th> <th align="center">Rs. Cr.</th> <th align="center">Rs./Unit</th> <th align="center">%</th> </tr> </thead> <tbody> <tr> <td align="center">1</td> <td>Cost of Power</td> <td align="right">4688.45</td> <td align="right">4.32</td> <td align="right">84.24%</td> </tr> <tr> <td align="center">2</td> <td>Cost of Service</td> <td align="right">876.99</td> <td align="right">0.81</td> <td align="right">15.76%</td> </tr> <tr> <td align="center">3</td> <td>ARR (1+2)</td> <td align="right">5565.44</td> <td align="right">5.12</td> <td align="right">100.00%</td> </tr> <tr> <td align="center">4</td> <td>Gap for previous years</td> <td align="right">544.39</td> <td align="right">0.50</td> <td align="right">9.78%</td> </tr> <tr> <td align="center">5</td> <td>Net ARR (3+4)</td> <td align="right">6109.83</td> <td align="right">5.62</td> <td align="right">109.78%</td> </tr> <tr> <td align="center">6</td> <td>Existing Tariff</td> <td align="right">4889.57</td> <td align="right">4.50</td> <td align="right">87.86%</td> </tr> <tr> <td align="center">7</td> <td>Gap during the year (5-6)</td> <td align="right">1220.26</td> <td align="right">1.12</td> <td align="right">24.96%</td> </tr> </tbody> </table>	S. No.	Particulars	Rs. Cr.	Rs./Unit	%	1	Cost of Power	4688.45	4.32	84.24%	2	Cost of Service	876.99	0.81	15.76%	3	ARR (1+2)	5565.44	5.12	100.00%	4	Gap for previous years	544.39	0.50	9.78%	5	Net ARR (3+4)	6109.83	5.62	109.78%	6	Existing Tariff	4889.57	4.50	87.86%	7	Gap during the year (5-6)	1220.26	1.12	24.96%
S. No.	Particulars	Rs. Cr.	Rs./Unit	%																																						
1	Cost of Power	4688.45	4.32	84.24%																																						
2	Cost of Service	876.99	0.81	15.76%																																						
3	ARR (1+2)	5565.44	5.12	100.00%																																						
4	Gap for previous years	544.39	0.50	9.78%																																						
5	Net ARR (3+4)	6109.83	5.62	109.78%																																						
6	Existing Tariff	4889.57	4.50	87.86%																																						
7	Gap during the year (5-6)	1220.26	1.12	24.96%																																						

S. No.	Objections/Comments/Suggestions	Response																												
		<p data-bbox="1115 277 1330 304">* Cost of Power</p> <table border="1" data-bbox="1146 357 1975 842"> <thead> <tr> <th data-bbox="1146 357 1234 459">S. No</th> <th data-bbox="1234 357 1581 459">Particulars</th> <th data-bbox="1581 357 1771 459">Rs./Unit</th> <th data-bbox="1771 357 1975 459">%</th> </tr> </thead> <tbody> <tr> <td data-bbox="1146 459 1234 517">1</td> <td data-bbox="1234 459 1581 517">Power Purchase</td> <td data-bbox="1581 459 1771 517">2.99</td> <td data-bbox="1771 459 1975 517">69.24%</td> </tr> <tr> <td data-bbox="1146 517 1234 564">2</td> <td data-bbox="1234 517 1581 564">Transmission Charges</td> <td data-bbox="1581 517 1771 564">0.52</td> <td data-bbox="1771 517 1975 564">12.00%</td> </tr> <tr> <td data-bbox="1146 564 1234 624">3</td> <td data-bbox="1234 564 1581 624">Transmission Loss</td> <td data-bbox="1581 564 1771 624">0.06</td> <td data-bbox="1771 564 1975 624">1.47%</td> </tr> <tr> <td data-bbox="1146 624 1234 746">4</td> <td data-bbox="1234 624 1581 746">Cost of Power at Distribution Periphery</td> <td data-bbox="1581 624 1771 746">3.57</td> <td data-bbox="1771 624 1975 746">82.71%</td> </tr> <tr> <td data-bbox="1146 746 1234 794">5</td> <td data-bbox="1234 746 1581 794">Distribution Loss</td> <td data-bbox="1581 746 1771 794">0.75</td> <td data-bbox="1771 746 1975 794">17.29%</td> </tr> <tr> <td data-bbox="1146 794 1234 842">6</td> <td data-bbox="1234 794 1581 842">Cost of Power</td> <td data-bbox="1581 794 1771 842">4.32</td> <td data-bbox="1771 794 1975 842">100.00%</td> </tr> </tbody> </table> <p data-bbox="1115 903 2007 991">Thus, on the basis of estimates of expenses and revenue, tariff hike of 24.96% is required in the existing tariff.</p>	S. No	Particulars	Rs./Unit	%	1	Power Purchase	2.99	69.24%	2	Transmission Charges	0.52	12.00%	3	Transmission Loss	0.06	1.47%	4	Cost of Power at Distribution Periphery	3.57	82.71%	5	Distribution Loss	0.75	17.29%	6	Cost of Power	4.32	100.00%
S. No	Particulars	Rs./Unit	%																											
1	Power Purchase	2.99	69.24%																											
2	Transmission Charges	0.52	12.00%																											
3	Transmission Loss	0.06	1.47%																											
4	Cost of Power at Distribution Periphery	3.57	82.71%																											
5	Distribution Loss	0.75	17.29%																											
6	Cost of Power	4.32	100.00%																											
2	Power Purchase cost is on higher side.	<p data-bbox="1115 1018 2018 1382">Power Purchas cost has been projected for each source individually. The power purchase cost for CSGS stations has been projected based on the rates approved by the Hon'ble CERC and in case the cost has not been approved by CERC suitable assumptions has been taken in order to project the cost. Similarly, the cost from other stations i.e state generation and IPP's have been projected after considering suitable assumptions. A more detailed explanation can be seen from in</p>																												

S. No.	Objections/Comments/Suggestions	Response
		<p>the tariff petition submitted. UPCL would like to submit that the Petitioner while taking assumptions and projecting the power purchase cost has tried to be as conservative as possible. The tariff hike proposed is required by UPCL in order to keep it business viable.</p> <p>Further, an arrear of Rs 160 Cr was approved by the UERC in tariff order of FY 2014-15 and accordingly has been considered in the ARR for FY 14-15.</p>
3	Capital expenditure has been shown on higher side	<p>With a view to provide better power supply, consumer services and providing electricity to all the households / consumers of the State, UPCL has proposed many works to be executed for this purpose and accordingly capex plan has been prepared. In this capex plan, there are two central sponsored schemes (IPDS, DDUGGY) in which major part of funding is grant which will be passed on to the consumers and there will be no impact of such expenditure on the tariffs of the consumer.</p>
4	Higher Return of equity considered	<p>UPCL in the MYT Petition computed return on equity @ 16% on the average equity for FY 2015-16 and 16.50% on the average equity for FY 2016-17 to FY 2018-19 for each year. Year wise addition of equity has been considered at maximum of 30% of the capitalization excluding grants for each year. In the year when the equity deployed was less than 30%, actual equity has been considered. The equity in excess of 30% has been considered as normative loan. Detailed</p>

S. No.	Objections/Comments/Suggestions	Response
		computation of return on equity is mentioned at page 21,22 and 106 of the MYT Petition. The computation of return on equity by UPCL is as per fundamentals of costing and provisions of Regulations.
5	O&M Expenses claimed for the control period appear to be overestimated.	It is submitted that O&M Expenses are calculated as per UERC MYT Regulations 2015 and methodology prescribed by the Hon'ble Commission. The growth factor considered for projecting employee expenses are as per the recruitment plan to be carried out in the control period. It is hereby assured that UPCL has tried to keep the estimates as conservative as possible considering inflation rate as the average of past three years.
6	<p><u>Bad and Doubtful Debts:</u></p> <p>Bad and doubtful debts considered are on a higher side</p>	<p>(i) Regulation 31 of the UERC Tariff Regulations, 2015 provides that Hon'ble Commission may allow a provision for Bad and Doubtful Debts @ 1% of the estimated Annual Revenue subject to the (i) actual writing off of Bad Debts in previous years (ii) the total amount of such provisioning allowed in the previous years should not exceed 5% of the receivables at the beginning of the year.</p> <p>(ii) UPCL at the time of transfer of Assets and Liabilities got a provision for Bad and Doubtful Debts amounting to Rs. 230.01 Cr. UPCL started its functioning w.e.f. 09-11-2001 and Hon'ble Commission so far allowed a provision for Bad and</p>

S. No.	Objections/Comments/Suggestions	Response
		<p>Doubtful Debts of Rs. 103.74 Cr. UPCL for the period upto FY 2014-15 written off the bad debts amounting to Rs. 139.15 Cr. Accordingly, the entire provision allowed by Hon'ble Commission has been exhausted by UPCL. Thus, claim of provision of 1% of Annual Revenue for each year is in line with the provisions of the Regulations.</p>

UPCL's comments on the response / suggestion received from Smt. Poonam Uniyal, W/o Shri B. M. Uniyal, 236, Nehru Gram Road, Ring Road, Dehradun on the Multi-Year Tariff (MYT) Petition and Business Plan of UPCL for the control period from 01-04-2016 to 31-03-2019.

S. No.	Objections/Comments/Suggestions	Response
1	Commercial Tariff should not be charged for floriculture (फूलो की खेती).	As per the provisions of Tariff Orders issued by Hon'ble Commission from time to time electricity consumption for floriculture purpose is required to be charged under Rate Schedule RTS-7 (Industry) for the period upto 31-03-2015 and under Rate Schedule RTS – 4A (Agriculture Allied Activities) for the period from 01-04-2015.