

Before

UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

In the matter of:

UPCL's Petition for True-up for FY 2016-17, Annual Performance Review of FY 2017-18 and Determination of Annual Revenue Requirement for FY 2018-19.

AND

In the matter of:

Uttarakhand Power Corporation Limited

...Petitioner

Urja Bhawan, Kanwali Road, Dehradun

Coram

Shri Subhash Kumar Chairman

Date of Order: December 21, 2017

Order

This order relates to the Petition for True-up for FY 2016-17, Annual Performance Review of FY 2017-18 and determination of Annual Revenue Requirement for FY 2018-19 filed by Uttarakhand Power Corporation Limited (UPCL), hereinafter referred to as the Petitioner, on 29.11.2017.

2. The Petition filed by UPCL had certain critical infirmities/deficiencies. The Commission vide its letter dated 07.12.2017 informed the same to UPCL asking it to rectify the said infirmities so that the Petition could be admitted. UPCL submitted the information to the deficiencies pointed by the Commission on 15.12.2017.
3. Based on the submissions of UPCL, the Commission decides to admit the Petition provisionally for further processing subject to the condition that UPCL shall furnish any further information/clarifications as deemed necessary by the Commission during the processing of the Petition and provide such information and clarifications to the satisfaction of the Commission within the time frame as may be stipulated by the Commission failing which the Commission would proceed to dispose off the matter as it deems fit based on the information available with it.
4. The Commission further directs the Petitioner to publish a public notice within 3 days from

the date of this Order detailing the salient information and facts of the Petition filed by it in the format given at **Annexure 1** in at least two daily newspapers (one Hindi and one English) widely circulated in the area of its operation both in Hindi and English languages for comments by all stakeholders and public at large. The Petitioner is also directed to place the Petition on its website and its headquarters/other offices for inspection or making relevant extracts available to the public.

5. Further, during the Tariff proceedings of previous year, the Commission had received a suggestion from stakeholders/consumers that drop boxes should be made available for people at different places in the State so as to ensure maximum participation during the tariff proceedings. In this regard, the Commission in its Tariff Order for FY 2017-18 had agreed that necessary steps in this regard will be taken during the next tariff proceedings and hence UPCL was required to start preparations in this regard. Accordingly, the Commission directs UPCL to ensure that suggestion boxes are made available at all the Sub-Stations of UPCL to ensure maximum participation of people during the tariff proceedings. The concerned SDO of the sub-station should ensure sending all the comments/suggestions on the tariff Petition received in the drop boxes to the Commission's office every week.

(Subhash Kumar)
Chairman

UTTARAKHAND POWER CORPORATION LIMITED
PUBLIC NOTICE

Inviting Comments on the Petition for True-up of FY 2016-17, Annual Performance Review of FY 2017-18 and determination of Annual Revenue Requirement for FY 2018-19 filed by UPCL before the Uttarakhand Electricity Regulatory Commission

Salient Points of the ARR/Tariff Petition

1. Uttarakhand Power Corporation Limited (UPCL), the sole Distribution and Retail Supply Licensee in the State, has filed a Petition before Uttarakhand Electricity Regulatory Commission (UERC or Commission) for determination of Annual Revenue Requirement (ARR) for FY 2018-19 and has sought revision in Retail Tariffs to be charged from different category of electricity consumers in the State for FY 2018-19.
2. Through the above Petition, UPCL has also sought truing up of expenses for FY 2016-17 (based on audited accounts). The summary of the revised ARR and the revised revenue Gap for FY 2016-17 and projected ARR & projected Revenue gap for FY 2018-19 are given in the following Table:

(Figures in ₹Crore)

S. No.	Particulars	FY 2016-17		FY 2017-18		FY 2018-19
		Approved by the Commission	Final truing up claimed by UPCL	Approved by the Commission ^{\$}	Revised Estimates submitted by UPCL	Projected by UPCL
A.	Expenditure					
1	Power Purchase Expenses	4200.95*	4281.88	4902.79*	4691.83	5161.55
2	UJVN Ltd.'s arrears	-35.19		-5.98	-	-
3	SLDC charges	10.08		15.15	-	19.51
4	Transmission Charges- PGCIL	385.26	415.37	506.40	400.02	412.68
5	Transmission Charges- PTCUL	261.04	273.78	237.63	252.78	323.40
6	O&M expenses	574.73	437.32	507.67	525.64	647.68
7	Interest charges	79.83	97.01	163.65	165.42	181.39
8	Interest on Consumer Security Deposit	52.56	42.89	-	-	-
9	Guarantee Fee	3.40	11.31	3.42	-	-
10	Depreciation	125.32	118.74	136.36	127.63	144.87
11	Return on Equity	47.12	66.45	50.54	74.89	93.38
12	Interest on Working Capital	23.48	0.00	12.31	7.08	26.06
13	Additional ROE for past years	-	28.07	-		
14	Net Impact of Gain/Loss Sharing	-	-9.91#	-		
15	Gross Expenditure	5728.58	5762.91	6529.94	6245.29	7010.52
B.	Less: Non-tariff income	178.60	354.32	185.70	147.86	155.26
	True up impact of previous year	-175.10	-175.10	-141.54	-141.54	417.12
	Past year adjustment	-122.01	-122.01	-139.16	-139.16	-158.71
	Adjustment of free power cost against shortfall in recovery from BPL/agricultural consumers					-191.14
C.	Aggregate Revenue Requirement	5252.87	5111.49	6063.54	5816.71	6922.53
D.	Revenues from Existing/Approved Tariffs	5253.82	4791.11	6064.21	5726.08	6102.24
E.	Revenue Surplus/(Gap) (C -D)	0.95	-320.38	0.67	(90.64)	(820.29)

*including Water tax

#Since O&M expenses have been considered based on normative expenses, consumer's share from the net gain has been reduced from the net expenditure.
\$as per Tariff order dated 29.03.2017 and Review order dated 03.08.2017

3. UPCL has, accordingly, for FY 2016-17 and FY 2018-19 taken together, projected a total revenue gap of ₹ 820.29 Crore.
4. For FY 2018-19, UPCL has projected the distribution loss level of 15.50% against the approved loss level of 14.50%. It is also to mention that for projecting the power purchase cost for FY 2018-19 from Central Sector Generating Stations, UPCL has escalated energy charge for first four months of FY 2017-18 by 4% to arrive at energy charge for FY 2018-19. Fixed charge for FY 2018-19 have been considered as approved in the orders of CERC. Inter-state transmission charges (PGCIL charges) have been projected on “per unit basis”, i.e., power projected to be procured from outside based on the actual per unit cost paid from April, 2016 to March, 2017 escalated by 5%. UPCL has considered Intra-state transmission charges (PTCUL charges) and SLDC charges as per ARR approved by the Commission for PTCUL for FY 2018-19 vide the Tariff Order dated 05.04.2016.
5. UPCL has considered the cost of power through Banking as Rs. 350.26 Crore in FY 2016-17 and cost of purchasing RE Certificates (RECs) for meeting RPO shortfall of Rs. 9.69 Crore for FY 2018-19.
6. UPCL has proposed to recover the revenue gap of ₹ 820.29 Crore through increase in tariffs in the FY 2018-19. However, this revenue gap has been arrived at by duly adjusting the revenue of Rs. 191.14 Crore out of the total revenue from free power available to the State Government against shortfall in recovery from BPL/agricultural consumers for which no Government Orders is available as of now and, accordingly, UPCL has, proposed an average tariff hike of 13.44% in the existing retail tariffs of consumers. However, if the State Government declines to allow any subsidy in the tariffs, the proposed average hike would be 16.57%.
7. Further, PTCUL, SLDC and UJVN Ltd. have also submitted their ARR and Tariff Petition for the FY 2018-19 before the Commission. If all the claims as proposed are accepted by the Commission it would necessitate a hike of 18.02% in consumer tariffs for FY 2018-19. However, if the State Government does not approve any subsidy in the tariffs, in such case the total hike in consumer tariffs for FY 2018-19 would be 21.15%.
8. UPCL has proposed to revise the applicable tariffs for FY 2018-19 to meet the revenue gap of Rs. 820.29 Crore. However, if no subsidy is available from the State Government, the tariff proposals of UPCL may undergo change.

The tariff proposals are as below:

Category	Fixed/Demand Charges		Energy Charges		Minimum consumption charges	
	Existing	Proposed	Existing	Proposed	Existing	Proposed
RTS-1: DOMESTIC						
1.1 Domestic Metered						
1.1.1 Life line consumers						
Below Poverty Line and Kutir Jyoti having load upto 1 kW and consumption upto 30 units per month	₹ 18/Connection/month	₹ 20/connection/month	₹ 1.61/kWh	₹ 1.65/kWh		
1.2 Other domestic consumers						
Consumption upto 100 units	₹ 45/connection/month	₹ 55/connection/month	₹ 2.75/kWh	₹ 3.10/kWh		
Consumption between 101-200 units	₹ 70/connection/month	₹ 85/connection/month	₹ 3.50/kWh	₹ 4.05/kWh		

Category	Fixed/Demand Charges		Energy Charges		Minimum consumption charges	
	Existing	Proposed	Existing	Proposed	Existing	Proposed
Consumption between 201-300 units/month	₹ 110/connection/month	₹ 135/connection/month	₹ 4.70/kWh	₹ 5.50/kWh		
Consumption between 301-400 units/month	₹ 135/connection/month	₹ 165/connection/month	₹ 4.70/kWh	₹ 5.50/kWh		
Consumption between 401-500 units/month	₹ 180/connection/month	₹ 220/connection/month	₹ 5.30/kWh	₹ 6.25/kWh		
Consumption Above 500 units/month	₹ 210/connection/month	₹ 255/connection/month	₹ 5.30/kWh	₹ 6.25/kWh		
1.3 Single Point Bulk Supply	₹ 60 Rs/kW/month	₹ 75/kW/month	₹ 4.25/kWh	₹ 4.95/kWh		
RTS-1A: SNOWBOUND						
1) Domestic	₹ 18/connection/month	₹ 20/connection/month	₹ 1.61/kWh	₹ 1.65/kWh		
2) Non-domestic upto 1 kW	₹ 18/ connection/month	₹ 20/connection/month	₹ 1.61/kWh	₹ 1.65/kWh		
3) Non-domestic above 1 kW & upto 4 kW	₹ 18/connection/month	₹ 20/connection/month	₹ 2.36/kWh	₹ 2.50kWh		
4) Non-domestic above 4 kW	₹ 30/connection/month	₹ 35/connection/month	₹ 3.51/kWh	₹ 3.75/kWh		
RTS-2: NON-DOMESTIC						
1. Government/Municipal Hospitals, Government/Government aided Educational Institutions, Charitable Institutions registered under the Income Tax Act, 1961 and whose income is exempted from tax under this Act						
(a) Upto 25 kW	₹ 55/kW/month	₹ 65/kW/month	₹ 4.59/kWh	₹ 5.10/kWh		
(b) Above 25 kW	₹ 65/kVA/month	₹ 75/kVA/month	₹ 4.28/kVAh	₹ 4.75/kVAh	50 kVAh/kVA/month & 600 kVAh/kVA/annum	50 kVAh/kVA/month & 600 kVAh/kVA/annum
2. Other Non-Domestic/Commercial Users						
(a) Upto 4 kW and consumption upto 50 units per month	₹ 60/kW/month	₹ 70/kW/month	₹ 4.74/kWh	₹ 5.30/kWh		
(b) Others upto 25 kW not covered in above (a)	₹ 65/kW/month	₹ 75/kW/month	₹ 5.54/kWh	₹ 6.25/kWh		
(c) Above 25 kW	₹ 65/kVA/month	₹ 75/kVA/month	₹ 5.43/kVAh	₹ 6.15/kVAh	50 kVAh/kVA/month & 600 kVAh/kVA/annum	50 kVAh/kVA/month & 600 kVAh/kVA/annum
3. Single Point Bulk Supply (above 75 kW)	₹ 65/kVA/month	₹ 75/kVA/month	₹ 5.33/kVAh	₹ 6.00/kVAh	50 kVAh/kVA/month & 600 kVAh/kVA/annum	50 kVAh/kVA/month & 600 kVAh/kVA/annum
4. Independent Advertisement Hoardings as covered under para 1.4	₹ 80/kW/month	₹ 95/kW/month	₹ 5.79/kWh	₹ 6.55/kWh		
RTS-3: PUBLIC LAMPS - In addition to Tariff, Maintenance charge of ₹ 10/- per light point per month.						
1. Urban Metered	₹ 55/kVA/month	₹ 65/kVA/month	₹ 5.00/kVAh	₹ 5.80/kVAh		
2. Rural Metered	₹ 45/ kVA /month	₹ 55/kVA/month	₹ 5.00/kVAh	₹ 5.80/kVAh		
RTS-4: PRIVATE TUBE WELLS/PUMPING SETS						
Metered	Nil	Nil	₹ 1.84/kWh	₹ 2.15/kWh		
RTS-4 A: AGRICULTURE ALLIED ACTIVITIES						
Agriculture Allied Activities	Nil	Nil	₹ 1.84/kWh	₹ 2.15/kWh		
RTS-5: GOVERNMENT IRRIGATION SYSTEM						
Upto 75 kW	₹ 55/kVA/month	₹ 65/kVA/month	₹ 4.85/kVAh	₹ 5.65/kVAh		
More than 75 kW	₹ 55/kVA/month	₹ 65/kVA/month	₹ 4.85/kVAh	₹ 5.65/kVAh		
RTS-6: PUBLIC WATER WORKS						
Urban	₹ 55/kVA/month	₹ 65/kVA/month	₹ 4.95/kVAh	₹ 5.75/kVAh		

Category	Fixed/Demand Charges		Energy Charges		Minimum consumption charges	
	Existing	Proposed	Existing	Proposed	Existing	Proposed
Rural	₹ 45/kVA/month	₹ 55/kVA/month	₹ 4.95/kVAh	₹ 5.75/kVAh		
**RTS-7: LT & HT INDUSTRIES						
1. LT Industry having contracted load upto 100 BHP/75 kW						
1.1 Contracted load up to 25 kW	₹ 140/kW of contracted load	₹ 180/kW/month	₹ 4.48/kWh	₹ 5.15/kWh	50 kWh/kW of contracted load/month & 600 kWh/kW of contracted load/annum and 30 kWh/kW of contracted load/month & 360 kWh/kW of contracted load/annum for Atta Chakki	50 kWh/kW of contracted load/month & 600 kWh/kW of contracted load/annum and 30 kWh/kW of contracted load/month & 360 kWh/kW of contracted load/annum for Atta Chakki
1.2 Contracted load more than 25 kW & upto 75 kW	₹ 140/kVA of contracted load	₹ 180/kVA/month	₹ 4.11/kVAh	₹ 4.70/kVAh	50 kVAh/kVA of contracted load/month & 600 kVAh/kVA of contracted load/annum	50 kVAh/kVA of contracted load/month & 600 kVAh/kVA of contracted load/annum
2. HT Industry having contracted load above 100 BHP/75 kW/88 kVA						
2.1 Contracted load upto 1000 kVA						
2.1.1 LF upto 40%	₹ 285/kVA of billable demand	₹ 335/kVA of billable demand	₹ 3.91 /kVAh	₹ 4.32/kVAh	100 kVAh/kVA of contracted load/month & 1200 kVAh/kVA of contracted load/annum	100 kVAh/kVA of contracted load/month & 1200 kVAh/kVA of contracted load/annum
2.1.2 LF above 40%			₹ 4.26/kVAh	₹ 4.72/kVAh		
2.2 Contracted load above 1000 kVA						
2.2.1 LF upto 40%	₹ 345/kVA of billable demand	₹ 390/kVA of billable demand	₹ 3.91/kVAh	₹ 4.32/kVAh	100 kVAh/kVA of contracted load/month & 1200 kVAh/kVA of contracted load/annum	100 kVAh/kVA of contracted load/month & 1200 kVAh/kVA of contracted load/annum
2.2.2 LF above 40%			₹ 4.26/kVAh	₹ 4.72/kVAh		
RTS-8: MIXED LOADS	₹ 70/kW/month	₹ 85/kW/month	₹ 5.01/kWh	₹ 5.80/kWh		
RTS-9: RAILWAY TRACTION	₹ 240/kVA/month	₹ 295/kVA/month	₹ 4.51/kVAh	₹ 5.20/kVAh		
RTS-10: TEMPORARY SUPPLY						
(1) For Illumination / public address/ ceremonies and festivities/functions/temporary shops not exceeding 3 months.	Corresponding rate of charge in appropriate schedule plus 25%	Corresponding rate of charge in appropriate schedule plus 25%				
(2) For construction purposes including civil work.						

** For industries opting continuous supply, UPCL has not proposed any change in the continuous supply surcharge of 15%. Besides this, UPCL has proposed the following

ToD charges for the industries:

Industries	Rate of charge during		
	Normal hours	Peak hours	Off-peak hours
LT Industries	₹ 4.70/kVAh	₹ 7.05/kVAh	₹ 4.23/kVAh
HT Industries with Load Factor			
Upto 40%	₹ 4.32/kVAh	₹ 7.08/kVAh	₹ 3.89/kVAh
Above 40%	₹ 4.72/kVAh	₹ 7.08/kVAh	₹ 4.25/kVAh

*In addition, UPCL has also proposed disconnection of consumers exceeding 110% of their contracted load / demand consecutively in three billing cycles in a financial year and such consumers shall be reconnected once they establish reduction in their load or apply for enhancement of their connected load/ demand.

9. Responses/suggestions, if any, are sought from consumers and other stakeholders on the Petition. Responses may be sent to the Secretary, Uttarakhand Electricity Regulatory Commission, either in person, or by post at 'Vidyut Niyamak Bhawan', Near ISBT, PO-Majra, Dehradun-248171 or through e-mail to secy.uerc@gov.in by 31.01.2018. Responses/suggestions, if any, may also be dropped at the drop boxes installed at every sub-stations of UPCL in an envelope addressed to Secretary, Uttarakhand Electricity Regulatory Commission by the stipulated date.
10. Detailed Petition can be seen free of cost on any working day at the Commission's office or at the offices of General Manager (Regulatory Management) at Victoria Cross Vijeta Gabar Singh Bhawan, Kanwali Road, Dehradun/General Manager (Distribution), Garhwal Zone, UPCL, 120-Haridwar Road, Dehradun/General Manager (Distribution), Kumaon Zone, UPCL, 132-KV Substation, Kathgodam, Haldwani. Relevant extracts can also be obtained from the above mentioned offices of the Petitioner.
11. The Petition is also available at the website of the Commission (www.uerc.gov.in) and at the Petitioner's website (www.upcl.org).