



Uttarakhand Electricity Regulatory Commission

Date : 21-03-2018

PRESS NOTE

Tariff Order UPCL for FY 2018-19- Highlights

- UPCL filed the Petition for approval of True up for FY 2016-17, Annual Performance Review for FY 2017-18 and Aggregate Revenue Requirement & Tariff for FY 2018-19 before the Commission on November 29, 2017.
- To meet its power purchase cost and other expenses, UPCL had projected a total ARR of Rs. 6922.54 Crore for FY 2018-19, considering distribution loss of 15.00%, thus projecting a total revenue gap of Rs. 820.29 Crore including truing up for FY 2016-17 with carrying cost. For recovery of this revenue gap, UPCL had requested for a tariff hike of about 16.57%. The overall tariff hike (considering the hike proposed by other Utilities UJVNL, PTCUL and SLDC) was about 21.15%.
- **In the present Order, the Commission has, accordingly, scrutinised and approved the following:**
 - a. Final Truing-Up for FY 2016-17 based on audited accounts
 - b. ARR for FY 2018-19
 - c. Tariff Determination for FY 2018-19
- Based on scrutiny of data submitted by UPCL, the Commission has determined the ARR for the FY 2018-19 as Rs. 5997.50 Crore. The above ARR takes into account the impact of final truing-up for FY 2016-17. The Commission further estimated the revenues at existing tariffs (tariffs approved vide Order dated 29.03.2017) on projected sale of 11854 MU for the FY 2018-19 as Rs. 5859.95 Crore, which left a revenue gap of Rs. 137.55 Crore. To recover this revenue gap of Rs. 137.55 Crore an annual tariff hike of 2.35% was required. The Commission in its Review Order dated August 3, 2017 had approved the recovery of Additional Energy Charge (AEC) during the last three quarters of FY 2017-18 and hence currently the consumers are paying AEC, which is applicable till March 31, 2018.
- Based on above approved ARR of Rs. 5997.50 Crore and projected sales of 11,854 MU for FY 2018-19, the average cost of supply of the Petitioner works out to Rs.5.04/kWh as compared to approved Average Cost of Supply of Rs 4.92/kWh for FY 2017-18

approved vide Order dated 29.3.2017, subsequently revised to Rs 5.11/kWh in Review Order dated August 3,2017.

- The Commission has approved the distribution loss of 14.50% for FY 2018-19 (UPCL has projected distribution loss of 15.00%).Considering the projected sales and distribution loss reduction trajectory, the total energy requirement for FY 2018-19 works out to 14124MU, respectively.
- While revising the tariffs for different category of consumers, the Commission has attempted to reduce the cross-subsidies for all the categories.
- The details of approved Annual Revenue Requirement (ARR) for FY 2018-19 are as below:-

Table 1 : ARR approved for FY 2018-19 (Rs. Crore)

S. No.	Particulars	Claimed by UPCL	Approved
1.	Power Purchase Cost	5161.55	4932.43
2.	UJVN Ltd. Arrears		-47.09
3	Free Power Adjustment (Excess Allowed)		-100.74
4.	Transmission Charges		
	PGCIL	412.68	388.08
	PTCUL	342.91	192.46
5.	SLDC Charges		16.84
6.	Interest on Loan	181.39	138.47
7.	Depreciation	144.87	142.42
8.	O&M expenses	647.68	505.57
9.	Interest on Working Capital	26.06	0.00
10.	Return on Equity	93.38	78.24
11.	Aggregate Revenue Requirement	7010.52	6246.69
12.	Less: Non-Tariff Income	155.26	155.26
13.	Add: True up impact Gap/(surplus)	417.12	64.78
14.	Free Power Adjustment - Cross Subsidy	-191.14	
15.	Previous year adjustment	-158.71	-158.71
16.	Net Revenue Requirement	6922.54	5997.50
17.	Revenue at Existing Tariff	6102.24	5859.95
18.	Gap/(Surplus)	820.29	137.55

- **Salient Points of Retail Tariff for the FY 2018-19**
 - The Commission has restricted the tariff increase to around 2.35% with respect to tariffs approved in Order dated 29.3.2017 as against the proposal of petitioner of about 16.57% and overall tariff hike (considering the hike proposed by other Utilities UJVNL , PTCUL and SLDC) of 21.15%.

- If the tariffs approved in this Order are compared with existing tariff plus Additional Energy Charge (AEC), the tariffs for some categories have remained same and for some categories, there is marginal reduction in tariffs.
- No increase in fixed charges for BPL consumers with only 11 paise/kWh increase in Energy Charges for these consumers which is the tariff currently being paid by these consumers including the additional energy charge of Rs. 0.11/kWh approved for FY 2017-18. **Thus, there is practically no change in tariff for BPL consumers. Further, consumption level for BPL category has been increased from the current level of 30 kWh per month to 60 kWh per month.**
- Domestic consumers consuming 100 units are currently paying average tariff of Rs 3.20/kWh including AEC and with approved tariffs, their average tariff will remain at Rs 3.20/kWh
- The Commission in order to simplify tariff structure has decided to reduce the slabs for levying fixed charges for Domestic category from 6 slabs to 4 slabs by aligning to the same slabs as applicable for energy charges. Accordingly, the differential fixed charges linked to consumption shall be as per the following slabs:
 - For Consumption upto first 100 units/month
 - For Consumption between 101-200 units/month
 - For Consumption between 201-400 units/month
 - For Consumption above 400 units/month
- The Commission in order to gradually reduce the cross subsidy has increased the energy charge for PTW category from Rs 1.75/kWh to Rs 1.84/kWh. Currently, the consumers of this category are paying Energy Charges of Rs 1.84/kWh including AEC. **Thus, there is practically no change in tariff for this category.**
- **Minimum Consumption Guarantee (MCG) across all the categories have been abolished.**
- Industrial consumers who are existing continuous supply consumers shall continue to remain continuous supply consumers and they need not apply again for continuous supply option. **Continuous Supply Surcharge reduced from 15% to 10%.**
- As a progressive step towards demand side management **TOD incentive for consumption during off-peak hours increased from 10% to 15% of energy charge.**
- Consumers having Prepaid Metering shall be eligible for a rebate of 4% (for Domestic) and 3% (for other LT Consumers) on energy charges as earlier. Other conditions of pre-paid tariff have been approved as part of Tariff Order

- Demand Charges of HT Industrial consumers, who do not receive minimum average supply of 18hours per day during the month, shall be levied at 80% of approved Demand Charges during that month.
- **The Commission has merged Government Irrigation System (GIS), Public Water Works (PWW) and Public Lamps categories into one category named Government Public Utilities to simplify tariff structure.**
- **Departmental Consumers to be billed as per the tariff applicable for Domestic Category and any concession given by Utilities will have to be shown as expenses in ARR.**
- General increase in tariff of category of consumers resulting in the following increase in Average Billing Rate:

Table 2: Increase in Average Billing Rate during FY 2018-19 w

Category	Average Billing Rate		Increase (Rs. Per unit)
	Existing Tariff approved vide Order 29.3.2017	Approved in this Order	
	Rs/kWh	Rs/kWh	
Domestic	3.81	4.04	0.23
Non Domestic	5.69	5.83	0.14
Government Public Utilities	5.08	5.27	0.20
PTW	1.75	1.84	0.09
LT Industrial	5.45	5.50	0.05
HT Industrial	5.45	5.53	0.08
Mixed Load	5.04	5.11	0.07
Railway	5.27	5.39	0.12

- For Domestic category, with the approved tariffs, the cross subsidy level is - 19.85% which is within range of +/-20% as provided in the Tariff Policy.
- For PTW category, the cross subsidy level is -63.55%. The Tariff Policy provides for the cross subsidy to be in range of +/- 20%. In order to achieve the -20% cross-subsidy level, the tariff increase required was around 130% which would have resulted in huge tariff shock.
- The criteria of $\pm 20\%$ of the average cost of supply for all the categories including subsidised categories as specified in Tariff Policy depends upon the consumption mix. In the State of Uttarakhand, the consumption mix is skewed towards subsidising categories with subsidising categories constituting almost two third of total sales, while the consumption by subsidised categories is around one third of the total consumption. Therefore, though the tariff for all the subsidising categories have been within 120% of the overall average cost of supply of the Petitioner, the average tariff for some of the subsidised categories is less than 80% of the overall average cost of supply.

- The details of retail tariffs as applicable to different categories of consumers w.e.f. 01.04.2018 are as below:-

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

RTS-1: Domestic Tariff

Table No 3 : Tariff for Domestic Consumers

S. No	Description	Existing Tariff		UPCL Proposed Tariff		Approved	
		Fixed Charge (Per Month)	Energy Charges	Fixed Charge (Per Month)	Energy Charges	Fixed Charge (Per Month)	Energy Charges
RTS-1: Domestic							
1.1	Life Line Consumers	Rs. 18/ Connection	Rs. 1.50/kWh	Rs. 20/ Connection	Rs. 1.65/kWh	Rs. 18/ Connection	Rs. 1.61/kWh
1.2	Other Domestic Consumers						
(i)	0-100 Units/Month	Rs. 45/ Connection	Rs. 2.55/kWh	Rs. 55/ Connection	Rs. 3.10/kWh	Rs. 55/ Connection	Rs. 2.65/kWh
(ii)	101-200 Units/Month	Rs. 70/ Connection	Rs. 3.30/kWh	Rs. 85/ Connection	Rs. 4.05/kWh	Rs. 80/ Connection	Rs. 3.45/kWh
(iii)	201-300 Units/Month	Rs. 110/ Connection	Rs. 4.50/kWh	Rs. 135/ Connection	Rs. 5.50/kWh	Rs. 135/ Connection	Rs. 4.70/kWh
(iv)	301-400 Units/Month	Rs. 135/ Connection	Rs. 4.50/kWh	Rs. 165/ Connection	Rs. 5.50/kWh	Rs. 135/ Connection	Rs. 4.70/kWh
(v)	401-500 Units/Month	Rs. 180/ Connection	Rs. 5.10/kWh	Rs. 220/ Connection	Rs. 6.25/kWh	Rs. 220/ Connection	Rs. 5.40/kWh
(vi)	Above 500 Units/Month	Rs. 210/ Connection	Rs. 5.10/kWh	Rs. 255/ Connection	Rs. 6.25/kWh	Rs. 220/ Connection	Rs. 5.40/kWh
2	Single point bulk supply	Rs. 60/kW	Rs. 4.05/kWh	Rs. 75/kW	Rs. 4.95/kWh	Rs. 70/kW	Rs. 4.25/kWh

RTS-1A: Concessional Snowbound Areas Tariff

Table 4 : Concessional Tariff for Snowbound Areas

S. No	Description	Existing Tariff		UPCL Proposed Tariff		Approved	
		Fixed Charge (Per Month)	Energy Charges	Fixed Charge (Per Month)	Energy Charges	Fixed Charge (Per Month)	Energy Charges
RTS-1A: Snowbound							
1	Domestic	Rs. 18/ Connection	Rs. 1.50/kWh	Rs. 20/ Connection	Rs. 1.65/kWh	Rs. 18/ Connection	Rs. 1.61/kWh
2	Non-Domestic upto 1 kW	Rs. 18/ Connection	Rs. 1.50/kWh	Rs. 20/ Connection	Rs. 1.65/kWh	Rs. 18/ Connection	Rs. 1.61/kWh
3	Non-Domestic above 1 kW & upto 4 kW	Rs. 18/ Connection	Rs. 2.25/kWh	Rs. 20/ Connection	Rs. 2.50/kWh	Rs. 18/ Connection	Rs. 2.36/kWh
4	Non-Domestic above 4 kW	Rs. 30/ Connection	Rs. 3.40/kWh	Rs. 35/ Connection	Rs. 3.75/kWh	Rs. 30/ Connection	Rs. 3.51/kWh

RTS-2: Non-Domestic Tariff

Table 5: Tariff for Non-domestic consumers

Sl. No.	Description	Existing Tariff			UPCL Proposed Tariff			Approved		
		Fixed / Charges (Per Month)	Energy Charges	MCG	Fixed / Demand Charges (Per Month)	Energy Charges	MCG	Fixed / Demand Charges (Per Month)	Energy Charges	MCG
1	Government, Educational Institutions and Hospitals etc.									
1.1	Upto 25 kW	Rs. 55/ kW	Rs. 4.30/ kWh		Rs. 65/ kW	Rs. 5.10/ kWh		Rs. 60/ kW	Rs. 4.35/ kWh	
1.2	Above 25 kW	Rs. 65/ kVA	Rs. 4.00/ kVAh	50 kVAh /kVA /month & 600 kVAh/ kVA/ annum	Rs. 75/ kVA	Rs. 4.75/ kVAh	50 kVAh /kVA /month & 600 kVAh/ kVA/ annum	Rs. 70/ kVA	Rs. 4.05/ kVAh	Nil
2	Other Non-Domestic Users									
2.1	Upto 4 kW and consumption upto 50 units per month	Rs. 60 / kW	Rs. 4.45/ kWh		Rs. 70 / kW	Rs. 5.30/ kWh		Rs. 65 / kW	Rs. 4.55/ kWh	
2.2	Others upto 25 kW not covered in 2.1 above	Rs. 65 / kW	Rs. 5.25/ kWh		Rs. 75 / kW	Rs. 6.25/ kWh		Rs. 70 / kW	Rs. 5.35/ kWh	
2.3	Above 25 kW	Rs. 65 / kVA	Rs. 5.15/ kVAh	50 kVAh /kVA /month & 600 kVAh/ kVA/ annum	Rs. 75 / kVA	Rs. 6.15/ kVAh	50 kVAh /kVA /month & 600 kVAh/ kVA/ annum	Rs. 70 / kVA	Rs. 5.25/ kVAh	--
3	Single Point Bulk Supply above 75 kW	Rs. 65 / kVA	Rs. 5.05/ kVAh	50 kVAh /kVA /month & 600 kVAh/ kVA/ annum	Rs. 75 / kVA	Rs. 6.00/ kVAh	50 kVAh /kVA /month & 600 kVAh/ kVA/ annum	Rs. 70 / kVA	Rs. 5.15/ kVAh	--
4	Independent Advertisement Hoardings	Rs. 80/ kW	Rs. 5.50/kWh		Rs. 95/ kW	Rs. 6.55/kWh		Rs. 85/ kW	Rs. 5.80/kWh	

RTS-3: Government Public Utilities

Table 6 : Tariff for Government Public Utilities

Description	Existing Tariff		UPCL Proposed Tariff		Approved	
	Fixed / Demand Charges (Per Month)	Energy Charges	Fixed / Demand Charges (Per Month)	Energy Charges	Fixed / Demand Charges (Per Month)	Energy Charges
Public Lamps						
Urban	Rs. 55/kVA	Rs. 4.75/ kVAh	Rs. 65/kVA	Rs. 5.80/ kVAh	Rs. 60/kVA	Rs. 4.85/ kVAh
Rural	Rs. 45/kVA	Rs. 4.75/ kVAh	Rs. 55/kVA	Rs. 5.80/ kVAh	Rs. 50/kVA	Rs. 4.85/ kVAh
GIS	Rs. 55/kVA	Rs. 4.60/ kVAh	Rs. 65/kVA	Rs. 5.65/ kVAh	Rs. 60/kVA	Rs. 4.85/ kVAh
PWW						
Urban	Rs. 55/kVA	Rs. 4.70/ kVAh	Rs. 65/kVA	Rs. 5.75/ kVAh	Rs. 60/kVA	Rs. 4.85/ kVAh
Rural	Rs. 45/kVA	Rs. 4.70/ kVAh	Rs. 55/kVA	Rs. 5.75/ kVAh	Rs. 50/kVA	Rs. 4.85/ kVAh

RTS-4: Private Tube Wells / Pump Sets Tariff

Table 7: Tariff for Private tube Wells/ Pump Sets

Category	Existing Tariff			UPCL Proposed Tariff			Approved		
	Fixed / Demand Charges (Per Month)	Energy Charges	Minimum Charges	Fixed / Demand Charges (Per Month)	Energy Charges	Minimum Charges	Fixed / Demand Charges (Per Month)	Energy Charges	Minimum Charges
RTS-4: Private Tube-wells / Pumping sets									
Metered	Nil	Rs. 1.75/ kWh	Nil	Nil	Rs. 2.15/ kWh	Nil	Nil	Rs. 1.84/ kWh	Nil
RTS-4A: Agriculture Allied Activities									
Metered	Nil	Rs. 1.75/ kWh	Nil	Nil	Rs. 2.15/ kWh	Nil	Nil	Rs. 1.84/ kWh	Nil

RTS-5: Industries Tariff

Table 8: Tariff for LT Industries

Category	Existing Tariff			UPCL Proposed Tariff			Approved		
	Fixed Charges (Per Month)	Energy Charges	MCG	Fixed Charges (Per Month)	Energy Charges	MCG	Fixed Charges (Per Month)	Energy Charges	MCG
RTS-5: Industry									
LT Industry									
1. LT Industries (upto 25 kW)	Rs. 140/ kW	Rs. 4.20/ kWh	*50 kWh/ kW/month & 600 kWh /kW/annum	Rs. 180/ kW	Rs. 5.15/ kWh	*50 kWh/ kW/month & 600 kWh /kW/annum	Rs. 145/ kW	Rs. 4.25/ kWh	--
2. LT Industries (above 25kW & upto 75 kW)	Rs. 140/ kVA	Rs. 3.85/ kVAh	50 kVAh/ kVA/month & 600 kVAh /kVA/ annum	Rs. 180/ kVA	Rs. 4.70/ kVAh	50 kVAh/ kVA/month & 600 kVAh /kVA/ annum	Rs. 145/ kVA	Rs. 3.90/ kVAh	---

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

Table 9: Existing and Proposed Tariff for HT Industries

Sl. No.	Category	Load Factor	Existing Tariff			Proposed Tariff		
			Energy Charges (Rs./kVAh)	Fixed/Demand Charges (Rs./kVA)	MCG Charges	Energy Charges (Rs./kVAh)	Fixed/Demand Charges (Rs./kVA)	MCG Charges
1	HT Industry having contracted load above 88kVA/75 kW (100 BHP)							
1.1	Contracted Load up to 1000 kVA	Upto 40%	3.65	Rs. 285/kVA of the billable demand	100 kVAh/kVA/month & 1200 kVAh/kVA/annum	4.32	Rs. 335/kVA of the billable demand	100 kVAh/kVA/month & 1200 kVAh/kVA/annum
		Above 40%	4.00			4.72		
1.2	Contracted Load More than 1000 kVA	Upto 40%	3.65	Rs. 345/kVA of the billable demand	100 kVAh/kVA/month & 1200 kVAh/kVA/annum	4.32	Rs. 390/kVA of the billable demand	100 kVAh/kVA/month & 1200 kVAh/kVA/annum
		Above 40%	4.00			4.72		

Table 10: Approved Tariff for HT Industry

S. No	Category	Load Factor	Energy Charges	Fixed Charges	MCG
			Rs./kVAh	Rs./kVA/ month	kVAh/kVA of contracted load
1	HT Industry having contracted load above 88kVA/75 kW (100 BHP)				
1.1	Contracted Load up to 1000 kVA	Upto 40%	3.85	Rs. 295/kVA of the billable demand	Nil
		Above 40%	4.20		
1.2	Contracted Load More than 1000 kVA	Upto 40%	3.85	Rs. 355/kVA of the billable demand	
		Above 40%	4.20		

RTS-6: Mixed Load Tariff

Table 11: Tariff for Mixed Load

Description	Existing Tariff		UPCL Proposed Tariff		Tariff Design	
	Fixed/Demand Charges Per Month)	Energy Charges	Fixed/Demand Charges Per Month)	Energy Charges	Fixed/Demand Charges (Per Month)	Energy Charges
RTS-6: Mixed Load						
Mixed Load Single Point Bulk Supply above 75 kW including MES as deemed licensee	Rs. 70/kW	Rs. 4.75/kWh	Rs. 85/kW	Rs. 5.80/kWh	Rs. 75/kW	Rs. 4.80/kWh

RTS-7: Railway Traction Tariff

Table 12: Tariff for Railway Traction

Description	Existing Tariff		UPCL Proposed Tariff		Tariff Design	
	Fixed/Demand Charges (Per Month)	Energy Charges	Fixed/Demand Charges (Per Month)	Energy Charges	Fixed/Demand Charges (Per Month)	Energy Charges
RTS-7: Railway Traction	Rs. 240/kVA	Rs. 4.25/kVAh	Rs. 295/kVA	Rs. 5.20/kVAh	Rs. 245/kVA	Rs. 4.35/kVAh
