



Uttarakhand Electricity Regulatory Commission

PRESS NOTE

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Tariff Order UPCL for FY 2019-20- Highlights

- UPCL filed the Petitions for approval of Business Plan and ARR for third Control Period from FY 2019-20 to FY 2021-22 & Tariff for FY 2019-20 (MYT Petition) before the Commission on November 30, 2018. Through, MYT Petition UPCL had also sought truing-up for FY 2017-18 based on audited accounts.
- To meet its power purchase cost and other expenses, UPCL had projected a total ARR of Rs. 7328.63 Crore for FY 2019-20, considering distribution loss of 14.67%, thus, projecting a total revenue gap of Rs. 883.41 Crore including truing up for FY 2017-18 with carrying cost. For recovery of this revenue gap, UPCL had requested for a tariff hike of about 13.7%.
- **In the present Order, the Commission has, accordingly, scrutinised and approved the following:**
 - a. Final Truing-Up for FY 2017-18 based on audited accounts
 - b. Business Plan for the third Control Period from FY 2019-20 to FY 2021-22
 - c. Tariff Determination for FY 2019-20
- Based on the scrutiny of data submitted by UPCL, the Commission has determined the ARR for the FY 2019-20 as Rs. 6549.39 Crore. The above ARR takes into account the impact of final truing-up for FY 2017-18. The Commission further estimated the revenues at existing tariffs on projected sale of 12398 MU for the FY 2019-20 as Rs. 6371.56 Crore, which left a revenue gap of Rs. 177.83 Crore. To recover this revenue gap of Rs. 177.83 Crore an annual tariff hike of around 2.79% was required.
- Based on above approved ARR of Rs. 6549.39 Crore and projected sales of 12398 MU for FY 2019-20, the average cost of supply of the Petitioner works out to Rs.5.28/kWh as compared to approved Average Cost of Supply of Rs 5.04/kWh for FY 2017-18.
- The Commission has approved the distribution loss trajectory of 14.25%, 14.00% and 13.75% for FY 2019-20, FY 2020-21 and FY 2021-22, respectively (UPCL has projected 14.67%, 14.42% and 14.27% for FY 2019-20, FY 2020-21 and FY 2021-22, respectively).

Considering the approved sales and distribution loss reduction trajectory, the total energy requirement for FY 2019-20 works out to 14,663 MU.

- The details of approved Annual Revenue Requirement (ARR) for FY 2019-20 are as below:-

Table 1 : ARR approved for FY 2019-20 (Rs.Crore)

S. No.	Particulars	Claimed by UPCL	Approved
1.	Power Purchase Cost	5380.20	5176.19
2.	Water Tax	269.49	226.72
3.	UJVN Ltd. Arrears		(2.17)
4.	Transmission Charges		
	PGCIL	559.21	509.73
	PTCUL	289.68	255.01
5.	SLDC Charges	17.51	11.35
6.	Interest on Loan	197.59	142.42
7.	Depreciation	166.72	143.38
8.	O&M expenses	635.77	551.95
9.	Interest on Working Capital	14.38	0.00
10.	Return on Equity	114.13	90.11
11.	Aggregate Revenue Requirement	7644.69	7104.70
12.	Less: Non-Tariff Income	149.29	250.00
13.	Add: True up impact Gap/(surplus)	(166.77)	(305.31)
14.	Net Revenue Requirement	7328.63	6549.39
15.	Revenue at Existing Tariff	6445.22	6371.56
16.	Gap/(Surplus)	883.41	177.83

- **Salient Points of Retail Tariff for the FY 2019-20**
 - The Commission has restricted the tariff hike to around 2.79% as against the proposal of UPCL of about 13.7% and overall tariff hike proposed by all the utilities of about 25.85%.
 - While revising the tariffs for different category of consumers, the Commission has attempted to reduce the cross-subsidies for all the categories.
 - No increase in tariff for BPL consumers (Around 4.5 Lakh consumers, 20% of domestic consumers) and Snow bound consumers.
 - Marginal increase of 10 paise/unit and no increase in Fixed Charges for Domestic consumers consuming upto 100 units per month (Around 10.5 Lakh consumers, 45% of domestic consumers).
 - Gaushalas/Gausadans having load upto 2 kW and consumption upto 200 units/month included in Domestic category.

- Home-Stay registered under “Deendayal Upadhyay Home-Stay Development Policy Rules, 2018” included in Domestic category.
- The Commission in order to gradually reduce the cross subsidy has increased the energy charge for PTW category from Rs 1.84/kWh to Rs 1.95/kWh. As per Tariff policy the tariff for all the categories has to ideally within the band of +/- 20% of Average Cost of Supply. To keep the tariff for PTW category at 80% of Average Cost of Supply, tariff is to be kept at Rs 4.22/kWh. Such increase would result in tariff shock, hence tariff for PTW kept at 63.07% below Average Cost of Supply as against 63.55% less than Average Cost of Supply in previous Order.
- 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 retained at 10%.
- The 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.
- Considering the requests made by the stakeholders and load pattern, the Time of Day Slots during winter months have been modified in such a manner that the General Industries get 8 hours of working with one hour break at normal tariff. The revised TOD slots are as under:

Season/Time of day	Morning Peak hours	Normal hours	Evening Peak Hours	Off-peak Hours
Winters 01.10 to 31.03	0600-0900 hrs	0900-1800 hrs	1800-2200 hrs	2200-0600 hrs
Summers 01.04 to 30.09	--	0700-1800 hrs	1800-2300 hrs	2300-0700 hrs

- 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.
- Departmental Consumers to be billed as per the tariff applicable for Domestic Category.

- 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 2019-20

Category	Average Billing Rate		Increase (Rs. Per unit)
	Existing	Approved	
	Rs/kWh	Rs/kWh	
Domestic	4.08	4.23	0.15
Non Domestic	5.83	6.10	0.27
Government Public Utilities	5.31	5.45	0.14
PTW	1.84	1.95	0.11
LT Industrial	5.65	5.76	0.11
HT Industrial	5.62	5.79	0.18
Mixed Load	5.09	5.35	0.27
Railway	5.58	5.65	0.07

- For Domestic category, with the average tariff increase of around 3.83%, the cross subsidy level is -19.79% which is within range of +/-20% as provided in the Tariff Policy.
- 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 cross subsidy by all the subsidising categories is within 20% of the overall average cost of supply of the Petitioner, the subsidy for PTW category is more than 20% of the overall average cost of supply.
- The details of retail tariffs as applicable to different categories of consumes w.e.f. 01.04.2019 are as below:-

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

RTS-1: Domestic Tariff

Table 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. 1.61/kWh	Rs. 18/ Connection	Rs. 1.61/kWh	Rs. 18/ Connection	Rs. 1.61/kWh
1.2	Other Domestic Consumers						
(i)	0-100 Units/Month	Rs. 55/ Connection	Rs. 2.65/kWh	Rs. 55/ Connection	Rs. 2.75/kWh	Rs. 55/ Connection	Rs. 2.75/kWh
(ii)	101-200 Units/Month	Rs. 80/ Connection	Rs. 3.45/kWh	Rs. 85/ Connection	Rs. 3.60/kWh	Rs. 85/ Connection	Rs. 3.55/kWh
(iii)	201-400 Units/Month	Rs. 135/ Connection	Rs. 4.70/kWh	Rs. 145/ Connection	Rs. 5.10/kWh	Rs. 145/ Connection	Rs. 4.90/kWh
(iv)	Above 400 Units/Month	Rs. 220/ Connection	Rs. 5.40/kWh	Rs. 245/ Connection	Rs. 6.05/kWh	Rs. 230/ Connection	Rs. 5.65/kWh
2	Single point bulk supply	Rs. 70/kW	Rs. 4.25/kWh	Rs. 80/kW	Rs. 4.75/kWh	Rs. 75/kW	Rs. 4.40/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. 1.61/kWh	Rs. 18/ Connection	Rs. 1.61/kWh	Rs. 18/ Connection	Rs. 1.61/kWh
2	Non-Domestic upto 1 kW	Rs. 18/ Connection	Rs. 1.61/kWh	Rs. 18/ Connection	Rs. 1.61/kWh	Rs. 18/ Connection	Rs. 1.61/kWh
3	Non-Domestic above 1 kW & upto 4 kW	Rs. 18/ Connection	Rs. 2.36/kWh	Rs. 18/ Connection	Rs. 2.36/kWh	Rs. 18/ Connection	Rs. 2.36/kWh
4	Non-Domestic above 4 kW	Rs. 30/ Connection	Rs. 3.51/kWh	Rs. 30/ Connection	Rs. 3.51/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	Fixed Charges (Per Month)	Energy Charges	Fixed Charges (Per Month)	Energy Charges
1	Government, Educational Institutions and Hospitals etc.						
1.1	Upto 10 kW	Rs. 60/ kW	Rs. 4.35/ kWh	Rs. 70/ kW	Rs 4.95/ kWh	Rs. 65/ kW	Rs. 4.50/ kWh
1.2	Above 10 kW & upto 25 kW	Rs. 60/ kW	Rs. 4.35/ kWh	Rs. 80/ kVA	Rs 4.60/ kVAh	Rs. 65/ kW	Rs. 4.50/ kWh
1.3	Above 25 kW	Rs. 70/ kVA	Rs. 4.05/ kVAh	Rs. 80/ kVA	Rs. 4.60/kVAh	Rs. 75/ kVA	Rs. 4.25/ kVAh
2	Other Non-Domestic Users						
2.1	Upto 4 kW and consumption upto 50 units per month	Rs. 65 / kW	Rs. 4.55/ kWh	Rs. 70 / kW	Rs. 5.00/ kWh	Rs. 70 / kW	Rs. 4.70/ kWh
2.2	Others upto 10 kW not covered in 2.1 above	Rs. 70 / kW	Rs. 5.35/ kWh	Rs. 80 / kW	Rs. 6.10/ kWh	Rs. 75 / kW	Rs. 5.60/ kWh
2.2	Above 10 kW and Upto 25 kW	Rs. 70 / kW	Rs. 5.35/ kWh	Rs. 80 / kVA	Rs. 6.05/kVAh	Rs. 75 / kW	Rs. 5.60/ kWh
2.3	Above 25 kW	Rs. 70 / kVA	Rs. 5.25/ kVAh	Rs. 80 / kVA	Rs. 6.05/kVAh	Rs. 75 / kVA	Rs. 5.45/ kVAh
3	Single Point Bulk Supply above 75 kW	Rs. 70 / kVA	Rs. 5.15/ kVAh	Rs. 80 / kVA	Rs. 5.90/kVAh	Rs. 75 / kVA	Rs. 5.50/ kVAh
4	Independent Advertisement Hoardings	Rs. 85/ kW	Rs. 5.80/kWh	Rs. 100/ kW	Rs. 6.65/kWh	Rs. 90/ kW	Rs. 6.10/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. 60/kVA	Rs. 4.85/ kVAh	Rs. 70/kVA	Rs. 5.60/ kVAh	Rs. 60/kVA	Rs. 5.20/ kVAh
Rural	Rs. 50/kVA	Rs. 4.85/ kVAh	Rs. 60/kVA	Rs. 5.60/ kVAh	Rs. 50/kVA	Rs. 5.20/ kVAh

RTS-4: Private Tube Wells / Pump Sets Tariff**Table 7 : Tariff for Government Public Utilities**

Category	Existing Tariff		UPCL Proposed Tariff		Approved	
	Fixed Charges (Per Month)	Energy Charges	Fixed Charges (Per Month)	Energy Charges	Fixed Charges (Per Month)	Energy Charges
Private Tube-wells/Pumping Sets	Nil	Rs. 1.84/ kWh	Nil	Rs. 2.10/ kWh	Nil	Rs. 1.95/ kWh
Agriculture Allied Activities	Nil	Rs. 1.84/ kWh	Nil	Rs. 2.10/ kWh	Nil	Rs. 1.95/ kWh

RTS-5: Industries Tariff**Table 8 : Tariff for LT Industries**

Category	Existing Tariff		UPCL Proposed Tariff		Approved	
	Fixed Charges (Per Month)	Energy Charges	Fixed Charges (Per Month)	Energy Charges	Fixed Charges (Per Month)	Energy Charges
1. LT Industries (upto 10 kW)	Rs. 145/ kW	Rs. 4.25/ kWh	Rs. 165/ kW	Rs. 4.85/ kWh	Rs. 145/ kW	Rs. 4.35/ kWh
2 LT Industries (Above 10 kW and upto 25 kW)	Rs. 145/ kW	Rs. 4.25/ kWh	Rs. 165/ kVA	Rs. 4.45/ kVAh	Rs. 145/ kW	Rs. 4.35/ kWh
3. LT Industries (above 25kW & upto 75 kW)	Rs. 145/ kVA	Rs. 3.90/ kVAh	Rs. 165/ kVA	Rs. 4.45/ kVAh	Rs. 145/ kVA	Rs. 4.00/ kVAh

Table 9 : Tariff for HT Industries

Sl. No.	Category	Load Factor	Existing Tariff		UPCL Proposed Tariff		Approved Tariff	
			Energy Charges (Rs./kVAh)	Fixed Charges (Rs./kVA)	Energy Charges (Rs./kVAh)	Fixed Charges (Rs./kVA)	Energy Charges (Rs./kVAh)	Fixed Charges (Rs./kVA)
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	4.46	Rs. 340/kVA of the billable demand	3.95	Rs. 300/kVA of the billable demand
		Above 40%	4.20		4.86		4.35	
1.2	Contracted Load More than 1000 kVA	Upto 40%	3.85	Rs. 355/kVA of the billable demand	4.46	Rs. 410/kVA of the billable demand	3.95	Rs. 360/kVA of the billable demand
		Above 40%	4.20		4.86		4.35	

RTS-6: Mixed Load Tariff**Table 10 : Tariff for Mixed Load**

Description	Existing Tariff		UPCL Proposed Tariff		Tariff Design	
	Fixed Charges (Per Month)	Energy Charges	Fixed Charges (Per Month)	Energy Charges	Fixed Charges (Per Month)	Energy Charges
RTS-8: Mixed Load						
Mixed Load Single Point Bulk Supply above 75 kW including MES as deemed licensee	Rs. 75/kW	Rs. 4.80/kWh	Rs. 85/kW	Rs. 5.50/kWh	Rs. 80/kW	Rs. 5.05/kWh

RTS-7: Railway Traction Tariff**Table 11 : Tariff for Railway Traction**

Description	Existing Tariff		UPCL Proposed Tariff		Tariff Design	
	Fixed Charges (Per Month)	Energy Charges	Fixed Charges (Per Month)	Energy Charges	Fixed Charges (Per Month)	Energy Charges
RTS-9: Railway Traction	Rs. 245/kVA	Rs. 4.35/kVAh	Rs. 280/kVA	Rs. 5.00/kVAh	Rs. 250/kVA	Rs. 4.40/kVAh

Billing Impact for Domestic Consumers

Consumption	Current Tariffs				Approved Tariffs				% Increase
	Fixed Charge	Energy Charge	Total Amount	Average Tariff	Fixed Charge	Energy Charge	Total Amount	Average Tariff	
Units per month	Rs	Rs	Rs	Rs/KWh	Rs	Rs	Rs	Rs/kWh	
100	55	265	320	3.20	55	275	330	3.30	3.12%
200	80	610	690	3.45	85	630	715	3.58	3.62%
300	135	1080	1215	4.05	145	1120	1265	4.22	4.12%
400	135	1550	1685	4.21	145	1610	1755	4.39	4.15%
500	220	2090	2310	4.62	230	2175	2405	4.81	4.11%
