

Before

## UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

**In the matter of:**

UPCL's Petition for True-up for FY 2018-19, Annual Performance Review of FY 2019-20 and determination of Annual Revenue Requirement for FY 2020-21.

**AND**

**In the matter of:**

Uttarakhand Power Corporation Limited  
Urja Bhawan, Kanwali Road, Dehradun

...Petitioner

**Coram**

**Shri D.P. Gairola      Member (Law)**

**Shri M.K.Jain         Member (Technical)**

**Date of Order: December 20, 2019**

**Order**

This order relates to the Petition for True-up for FY 2018-19, Annual Performance Review of FY 2019-20 and determination of Annual Revenue Requirement for FY 2020-21 filed by Uttarakhand Power Corporation Limited (UPCL), hereinafter referred to as the Petitioner, on 30.11.2019.

2. The Petition filed by UPCL had certain critical infirmities/deficiencies. The Commission vide its letter dated 09.12.2019 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 18.12.2019.
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 previous Tariff proceedings, the Commission had directed 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.

**(M.K. Jain)**  
**Member (Technical)**

**(D.P. Gairola)**  
**Member (Law)**

**UTTARAKHAND POWER CORPORATION LIMITED  
PUBLIC NOTICE**

**Inviting Comments on the Petition for True-up of FY 2018-19, Annual Performance Review of FY 2019-20 and determination of Annual Revenue Requirement for FY 2020-21 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 2020-21 and has sought revision in Retail Tariffs to be charged from different category of electricity consumers in the State for FY 2020-21.
2. Through the above Petition, UPCL has also sought truing up of expenses for FY 2018-19 (based on audited accounts). The summary of the revised ARR and the revised revenue Gap for FY 2018-19 and projected ARR & projected Revenue gap for FY 2020-21 are given in the following Table:

(Figures in Rs. Crore)

S. No.	Particulars	FY 2018-19		FY 2019-20		FY 2020-21
		Approved by the Commission	Final truing up claimed by UPCL	Approved by the Commission	Revised Estimates submitted by UPCL	Projected by UPCL
<b>A.</b>	<b>Expenditure</b>					
1	Power Purchase Expenses	4932.43*	5123.81	5402.91#	5279.49	5590.69
2	UJVN Ltd.'s arrears	-47.09		-2.17		
3	SLDC charges	16.84	311.88	11.35	266.36	415.45
4	Transmission Charges- PTCUL	192.46		255.01		
5	Transmission Charges- PGCIL	388.08	437.10	509.73	475.85	373.37
6	O&M expenses	505.57	518.02	551.96	591.40	743.60
7	Interest charges (including interest on consumer security deposit)	132.88	140.98	137.06	167.73	192.39
8	Guarantee Fee	5.59	3.04	5.36	3.04	3.04
9	Depreciation	142.42	122.60	143.38	173.12	201.30
10	Return on Equity	78.24	106.70	90.11	126.48	153.25
11	Interest on Working Capital	0.00	0.00	0.00	0.00	16.13
12	Net Impact of Gain/(Loss) Sharing	0.00	12.28	0.00	0.00	0.00
<b>13</b>	<b>Gross Expenditure</b>	<b>6347.43</b>	<b>6776.40</b>	<b>7104.70</b>	<b>7083.47</b>	<b>7689.24</b>
<b>B.</b>	<b>Less: Non-tariff income</b>	<b>155.26</b>	<b>244.41</b>	<b>250.00</b>	<b>244.41</b>	<b>244.41</b>
	True up impact of previous year	64.78	64.78	-305.31	-305.31	153.24
	Past year adjustment	-158.71	-158.71	0.00	0.00	-
	Adjustment of free power	-100.74	-100.74	0.00	0.00	-
<b>C.</b>	<b>Aggregate Revenue Requirement</b>	<b>5997.50</b>	<b>6337.32</b>	<b>6549.39</b>	<b>6533.75</b>	<b>7598.08</b>
<b>D.</b>	<b>Revenues from Existing/Approved Tariffs</b>	<b>6013.19</b>	<b>6211.19\$</b>	<b>6592.52</b>	<b>-</b>	<b>7062.37</b>
<b>E.</b>	<b>Revenue Surplus/(Gap) (C -D)</b>	<b>15.69</b>	<b>(126.14)</b>	<b>43.13</b>	<b>-</b>	<b>(535.71)</b>

\*including Water tax  
# including RPO

\$including AEC approved by the Commission of Rs. 295.95 Crore

3. UPCL has, accordingly, projected a total revenue gap of Rs. 535.71 Crore.
4. For FY 2020-21, UPCL has projected the distribution loss level of 14.00% based on the loss trajectory proposed in the business plan. It is also to mention that for projecting the power purchase cost for FY 2019-20 from UJVN Ltd. stations and Central Sector Generating Stations, UPCL has considered AFC in FY 2019-20 based on actual half yearly data and multiplied it by two for the complete year, and used an escalation rate of 4% per annum to arrive at AFC for FY 2020-21. Further, the variable and other cost for same stations have been projected based on the per unit rate of the actual half yearly data for FY 2019-20 which is then multiplied by the total energy to project the variable and other cost for the complete year and used an escalation rate of 4% per annum to arrive at variable and other cost for FY 2020-21. 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, 2019 to September, 2019 escalated by 5%. UPCL has considered the Intra-state transmission charges (PTCUL charges) and SLDC charges as per ARR approved by the Commission for PTCUL in MYT Order dated 27.02.2019.
5. UPCL has proposed to recover the revenue gap of Rs. 535.71 Crore relating to true up for FY 2018-19 and projected ARR & tariff for FY 2020-21 through tariff hike in the FY 2020-21. UPCL has, accordingly, proposed an average tariff hike of 7.70% in the existing retail tariffs of consumers.
6. Further, PTCUL, SLDC and UJVN Ltd. have also submitted their ARR and Tariff Petition for the FY 2020-21 before the Commission. If all the claims as proposed are accepted by the Commission it would necessitate a hike of 13.31% in consumer tariffs for FY 2020-21.
7. UPCL has proposed to revise the applicable tariffs for FY 2020-21 to meet the revenue gap of Rs. 535.71 Crore.

The tariff proposals are as below:

Category	Fixed / Demand Charges		Energy Charges		
	Existing	Proposed	Existing		Proposed
			Energy Charges	Additional Energy Charge	
<b>RTS-1: Domestic</b>					
1.1 Life Line Consumers	18/Connection/month	18/Connection/month	1.61 Rs/kWh	0.22 Rs/kWh	1.90 Rs/kWh
1.2 Other Domestic Consumers					
(i) Upto 100 Units/month	55/connection/month	75/connection/month	2.75 Rs/kWh	0.39 Rs/kWh	3.26 Rs/kWh
(ii) 101-200 Units/month	85/connection/month	135/connection/month	3.55 Rs/kWh	0.39 Rs/kWh	5.25 Rs/kWh
(iii) 201-400 Units/month	145/connection/month		4.90 Rs/kWh	0.39 Rs/kWh	
(iv) Above 400 Units/month	230/connection/month		5.65 Rs/kWh	0.39 Rs/kWh	
1.3. Single Point Bulk Supply above 75 kW	75 Rs/kW/month	85 Rs/kW/month	4.40 Rs/kWh	0.39 Rs/kWh	4.85 Rs/kWh
<b>RTS-1A: Snowbound</b>					
Domestic	18/connection/month	25/Connection/month	1.61 Rs/kWh	-	1.61 Rs/kWh
Non-Domestic upto 1 kW			1.61 Rs/kWh	-	1.61 Rs/kWh
Non-Domestic above 1 kW & upto 4 kW			2.36 Rs/kWh	-	2.36 Rs/kWh
Non-Domestic above 4 kW			3.51 Rs/kWh	-	3.51 Rs/kWh
<b>RTS-2: Non-Domestic</b>					
1. (i) Government/Municipal Hospitals (ii) Government/Government Aided Educational Institutions (iii) Charitable Institutions registered under the Income Tax Act, 1961 and whose income is exempted from tax under this Act					

Category	Fixed / Demand Charges		Energy Charges		
	Existing	Proposed	Existing		Proposed
			Energy Charges	Additional Energy Charge	
1.1 Upto 25 kW	65 Rs/kW/month	90 Rs/kW/month	4.50 Rs/kWh	0.56 Rs/kWh	5.00 Rs/kWh
1.2 Above 25 kW	75 Rs/kVA/month	100 Rs/kVA/month	4.25 Rs/kVAh	0.53 Rs/kVAh	4.80 Rs/kVAh
<b>2. Other non-Domestic/Commercial Users</b>					
2.1 Small shops (Load upto 4 KW & consumption upto 50 units pm)	70 Rs/kW/month	80 Rs/kW/month	4.70 Rs/kWh	0.56 Rs/kWh	4.85 Rs/kWh
2.2 Upto 25 kW other than above	75 Rs/kW/month	90 Rs/kW/month	5.60 Rs/kWh	0.56 Rs/kWh	6.45 Rs/kWh
2.3 Above 25 kW	75 Rs/kVA/month	90 Rs/kVA/month	5.45 Rs/kVAh	0.53 Rs/kVAh	6.15 Rs/kVAh
3. Single Point Bulk Supply above 50 kW	75 Rs/kVA/month	90 Rs/kVA/month	5.50 Rs/kVAh	0.53 Rs/kVAh	6.20 Rs/kVAh
4.0 Independent Advertisement Hoardings	90 Rs/kW/month	-	6.10 Rs/kWh	0.56 Rs/kWh	-
<b>RTS-3: Govt. Public Utilities</b>					
1. Metered (Urban)	60 Rs/kVA/month	100 Rs/kVA/month	5.20 Rs/kVAh	0.47 Rs/kVAh	5.80 Rs/kVAh
2. Metered (Rural)	50 Rs/kVA/month	90 Rs/kVA/month	5.20 Rs/kVAh	0.47 Rs/kVAh	5.80 Rs/kVAh
<b>RTS-4: Private Tube-wells / Pumping sets</b>					
1. Metered	-	-	1.95 Rs/kWh	0.18 Rs/kWh	2.15 Rs/kWh
<b>RTS-4 A: Agriculture Allied Activities</b>					
1. Metered	-	-	1.95 Rs/kWh	0.18 Rs/kWh	2.15 Rs/kWh
<b>RTS-5: LT &amp; HT Industry</b>					
LT Industries- Contracted load upto 75kW (100 BHP)					
1.2 LT Industries (Upto 25 kW)	145 Rs/kW/month	180 Rs/kW/month	4.35 Rs/kWh	0.53 Rs/kWh	4.80 Rs/kWh
1.3 LT Industries (above 25kW & upto 75 kW)	145 Rs/kVA/month	180 Rs/kVA/month	4.00 Rs/kVAh	0.50 Rs/kVAh	4.40 Rs/kVAh
HT Industries (above 75 KW/88KVA)					
2.1 Contracted load upto 1000 kVA					
1- Load factor upto 40%	300 Rs/kVA of billable demand	350 Rs/kVA of billable demand	3.95 Rs/kVAh	0.50 Rs/kVAh	4.40 Rs/kVAh
2-Load factor above 40%	300 Rs/kVA of billable demand	350 Rs/kVA of billable demand	4.35 Rs/kVAh	0.50 Rs/kVAh	4.75 Rs/kVAh
2.2 Contracted load above 1000 kVA					
1- Load factor upto 40%	360 Rs/kVA of billable demand	445 Rs/kVA of billable demand	3.95 Rs/kVAh	0.50 Rs/kVAh	4.40 Rs/kVAh
2-Load factor above 40%	360 Rs/kVA of billable demand	445 Rs/kVA of billable demand	4.35 Rs/kVAh	0.50 Rs/kVAh	4.75 Rs/kVAh
<b>RTS-6: Mixed Load</b>					
Mixed Load Single Point Bulk Supply above 75 kW including MES	80 Rs/kW/month	110 Rs/kW/month	5.05 Rs/kWh	0.49 Rs/kWh	5.70 Rs/kWh
<b>RTS-7: Railway Traction</b>					
Railway Traction	250 Rs/kVA/month	320 Rs/kVA/month	4.40 Rs/kVAh	0.49 Rs/kVAh^	5.00 Rs/kVAh
<b>RTS-8: Electric Vehicle Charging Station</b>					
Electric Vehicle Charging Station	-	-	-	-	6.00 Rs/kWh

^ - Erroneously submitted as Rs. 0.49/kWh in the Petition

ToD charges for the industries:

Industries	Rate of charge during		
	Normal hours	Peak hours	Off-peak hours
LT Industries	Rs. 4.40/kVAh	Rs. 6.60/kVAh	Rs. 3.75/kVAh
<b>HT Industries with Load Factor</b>			
Upto 40%	Rs. 4.40/kVAh	Rs. 7.13/kVAh	Rs. 3.75/kVAh
Above 40%	Rs. 4.75/kVAh	Rs. 7.13/kVAh	Rs. 4.05/kVAh

8. In addition, UPCL has also proposed following Tariff Rationalisation measures:
- To reduce the no. of slabs under domestic category to two : 0-100 kWh and above 100 kWh.
  - Merge the independent advertisement hoarding category with non-domestic category of load upto 25 kW.
  - Introduction of new category RTS-8 (Electrical Vehicle Charging System).
  - Abolition of grace period.
  - Modification in prepaid metering scheme.
  - Revision in the conditions and tariffs of single point bulk supply.
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](mailto:secy.uerc@gov.in) by 31.01.2020. 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](http://www.uerc.gov.in)) and at the Petitioner's website ([www.upcl.org](http://www.upcl.org)).