



Uttarakhand Electricity Regulatory Commission

Vidyut Niyamak Bhawan',

Near ISBT, PO- Majra, Dehradun-248171

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No. UERC/6/TF-567/2019-20/2020/1521

Date: 28 January, 2020

To,

Managing Director,
Uttarakhand Power Corporation Ltd.,
Victoria Cross Vijeta Gabar Singh Bhawan,
Kanwali Road, Dehradun

Sub.: Annual Revenue Requirement (ARR) petition for the FY 2020-21, alongwith tariff determination for FY 2020-21, True-up for FY 2018-19 and Annual Performance review for FY 2019-20.

Sir,

This is with reference to the Technical Validation Session held on 27.01.2019 at 11:00 AM at the Commission's office on the above-mentioned subject. In this regard, the minutes of the said TVS meeting are enclosed as Annexure-A for information and necessary action at your end. You are required to submit your reply in seven copies alongwith the soft copy of the same accompanied with an affidavit latest by 05.02.2020.

Yours sincerely,

(Neeraj Sati)
Secretary

Encl: as above

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**Minutes of Technical Validation Session held on January 27, 2020 in the matter of
UPCL's Petition for Approval of Annual Revenue Requirement for FY 2020-21 along
with Tariff Determination for FY 2020-21, True up of FY 2018-19, Annual Performance
Review (APR) of FY 2019-20**

Present:

UERC

1. Shri D.P. Gairola, Member (Law) / Chairman-Incharge, UERC
2. Shri M.K. Jain, Member (Technical), UERC
3. Shri Neeraj Sati, Secretary, UERC
4. Shri Deepak Pandey, Director (Finance), UERC
5. Shri Prabhat Kishor Dimri, Director (Technical), UERC
6. Shri Rajnish Mathur, Director (Costing/Licensing), UERC
7. Shri Yashwardhan Dimri, Dy. Director (Technical), UERC
8. Shri Gaurav Lohani, Assistant Director (Tariff), UERC
9. Shri Gaurav Sabharwal, Assistant Director (Finance/Tariff), UERC
10. Shri Suresh Gehani, Consultant (ABPS Infrastructure Advisory Pvt. Ltd.)
11. Shri Sanjiv Kumar Singh, Consultant (ABPS Infrastructure Advisory Pvt. Ltd.)
12. Shri Vishwateja Bodla, Consultant (ABPS Infrastructure Advisory Pvt. Ltd.)

UPCL

1. Shri B.C.K. Mishra, Managing Director, UPCL.
2. Shri K.B. Choubey, General Manager (HR), UPCL.
3. Mohammad Iqbal, General Manager (Finance), UPCL.
4. Shri Atul Kr. Agarwal, Director (Operations), UPCL.
5. Shri N.K. Gupta, Director (Finance), UPCL.
6. Shri J.M.S. Rauthan, Director (Project), UPCL.
7. Shri G.S. Dharmshaktu, Chief Engineer (Comml.), UPCL.

8. Shri Satish Chand, Chief Engineer (Project), UPCL.
9. Shri A.K. Singh, Chief Engineer, UPCL.
10. Shri M.S. Rana, Superintending Engineer, UPCL.
11. Shri M.L. Tamta, Superintending Engineer, UPCL.
12. Shri Rahul Jain, Superintending Engineer, UPCL.
13. Shri V.S. Rana, Executive Engineer, UPCL.
14. Shri M.D. Singh, Executive Engineer, UPCL.
15. Shri Arjun Pratap Singh, Executive Engineer, UPCL.
16. Shri S.D.S. Bisht, Executive Engineer (Project), UPCL.
17. Shri Vikas Gupta, Executive Engineer, UPCL.
18. Shri Manish Pandey, Asstt. Engineer (Comml.), UPCL.
19. Shri S.K. Mehta, Accounts Officer, UPCL.
20. Shri Parvesh Kr. Gupta, Accountant, UPCL.
21. Shri Himank Prakash, Sr. Consultant, UPCL.
22. Shri Siddarth Jain, Consultant, UPCL.

The queries raised by the Commission and the replies submitted by UPCL were discussed in detail as follows:

True Up and APR Petition

1. The Petitioner agreed to submit the monthly trial balance for the period April 2019 to September 2019.
2. The Petitioner agreed to provide justification for reduction in PTW sales by 32.24% in FY 2018-19 even though there was increase in number of PTW connections by 5.50%.
3. The Petitioner agreed to provide justification for the cost projected towards issuance of new PTW connections @ Rs. 2.75 lakh/connection.
4. The Petitioner agreed to submit the details of actual metered sales and assessed sales as per the format annexed as **Annexure 1**.
5. The Petitioner agreed to submit detailed action plan to control AT&C losses in towns with

AT&C Loss higher than 50%. The Petitioner also agreed to submit town wise nos. of vigilance raids conducted on these towns in FY 2018-19.

6. The Petitioner also agreed to submit the Division wise nos. of visits with proper details conducted by SE/Chief Engineer for KCC consumers along with site visit reports.
7. The Petitioner agreed to submit the reasons for outstanding arrears against the following and also agreed to submit the action taken along with future actions for recovery of the arrears:
 - a) Rs. 243 Crore arrears outstanding against HT consumers of Dehradun and Srinagar Circle.
 - b) Consistent arrears being generated in Roorkee and Haridwar Circle in Domestic and Non-Domestic Category.
 - c) Outstanding arrears from Public Utilities (PWW & GIS) in Haldwani Division.
8. The Petitioner agreed to submit the reason for increase in amount paid to NTPC and clarify its reply dated 20.02.2020 along with CERC Orders in support of refund and arrears billed for FY 2017-18 and FY 2018-19 respectively.
9. The Petitioner also agreed to submit on account of what Rs. 58.37 Crore arrears were raised by THDC in FY 2018-19 along with supporting CERC Orders.
10. The Petitioner with regards to short term power/tender purchase submitted that it had exercised the backing down of power to the extent allowed under the agreements executed by it in view of reduced demand. The Petitioner agreed to submit complete details along with documentary evidence in support of such action taken for the months of October to March 2019.
11. It was pointed out that the average power purchase cost and quantum submitted in the audited COMDATA for FY 2018-19 is not matching for most of the stations in FY 2018-19. The Petitioner agreed to submit justification for the same along with reconciliation of the figures.
12. It was pointed out that the documents in support of equity was submitted for an amount of Rs. 122.87 Crore, however, the total equity claimed in FY 2018-19 was Rs. 130.56 Crore. The Petitioner agreed to submit the source of balance equity infused.
13. The Petitioner agreed to submit justification for not completely utilizing its OD facility to pay power purchase expenses which has resulted in foregoing of rebate. The Petitioner should also

submit justification as to why such costs should be allowed when the OD facility has not resulted in benefiting the consumers in terms of lower power purchase cost.

14. The Petitioner agreed to submit EI certificates for all the schemes capitalised during FY 2016-17 to FY 2018-19 and also break of capitalisation in LT & HT works.
15. The Petitioner submitted that the financial progress of schemes are prepared on the basis of actual payments made. The Petitioner is required to confirm the same.
16. The Petitioner agreed to submit the detailed break up of cost booked under Form 4.1 under the following heads for FY 2018-19:
 - a) Under the Head "Other Cost" under the sub head "Any Other Item" for an amount of Rs. 72.66 Crore.
 - b) Under the Head "Contribution to Terminal Benefit" under the sub head "Any Other Items" for an amount Rs. 51.69 Crore.
17. It was pointed out that the closing number of employees as per Form 4.1 is 2797 however the same has been submitted as 2899 in CS-3 statement. The Petitioner agreed to submit reconciliation of the same.
18. With regards to Format 4.3 (A&G Expenses) the Petitioner agreed to submit details and justification for the following abrupt increase in the expenses in FY 2018-19 under following sub-heads:
 - a) Rent and Lease - 0.48 Cr to 1.09 Cr.
 - b) Compensation for death and damages - 0.98 Cr. To 2.30 Cr.
 - c) Other Professional Charges - 0.93 Cr to 5.39 Cr.
 - d) Conveyance charges increases Rs. 1.46 Cr. to Rs. 7 Cr.
 - e) What are Miscellaneous expenses of Rs. 4.40 Crore.
 - f) Cleaning Expenses - New Expense Head Introduced - Nature of such expenses incurred.
19. The Petitioner clarified that an amount of Rs.10.28 Crore booked as electricity charges to its

offices does not include any subsidized electricity supplied to its employees. The Petitioner is required to check and confirm the same.

20. The Petitioner agreed to submit the reasons for considering capitalization rate of 17.21% though as per notes to account the same is mentioned as 18.45%.
21. The Petitioner agreed to submit the amount of actual consumer security deposit paid in FY 2018-19.
22. The Petitioner agreed to reconcile loan balances as submitted in Form 7.3 and Form 7.4.
23. It was pointed out that the loan balance against R-APDRP Part B is shown as zero in form 4 of the balance sheet however, Form 7.3 shows closing balance as Rs. 332.60 Crore. The Petitioner agreed to reconcile the same.
24. The government equity received by UPCL is in the later part of FY 2018-19, in this regard the Petitioner is required to submit justification how capex funding has been managed for the entire year.
25. The Petitioner agreed to submit the reason for drastic increase in the short term borrowings from Rs. 452.93 Crore in FY 2017-18 to Rs. 803.44 Crore in FY 2018-19. The Petitioner should further submit the reason why IPDS amount has been booked under the head.
26. The Petitioner agreed to submit the reasons for increase in the current assets from Rs. 39.50 Crore in FY 2017-18 to Rs. 301.06 Crore in FY 2018-19.
27. The Petitioner agreed to submit the Nature of expenses booked under "Prior Period Retention Money" of Rs. 17.70 Crore in schedule 26 of Balance Sheet. The Petitioner should further submit the details of the same.
28. The Petitioner should submit the category wise monthly load shedding data for FY 2018-19.
29. The Petitioner agreed to submit the reason for variation in ABR for supply of power to UPCL, UJVN Ltd. and PTCUL offices.
 - a. UPCL - Rs. 3.95/kWh
 - b. UJVN Ltd. - Rs. 5.48/kWh

c. PTCUL – Rs. 6.30/kWh.

30. It was pointed out that though the Petitioner has billed Rs. 7.04 Crore towards supply to its offices however the cost booked towards the same has been submitted as Rs. 6.35 Crore in Form 4.3. The Petitioner agreed to submit the justification for the same.

ARR for FY 2020-21

1. The Petitioner clarified that the cost claimed towards “Replacement & Upgradation of End of Life IT Hardware at DC and DR after Yr. 2020” which has been claimed under A&G expenses should have been capitalized as the same is of capital nature. The Petitioner has agreed to capitalise the same.
2. The Petitioner is required to submit agreement with State based Gas Generating Station along with details of power purchase quantum sought to be supplied for FY 2020-21.
3. The Petitioner agreed to submit revised Format F 18.11 rectifying summation errors and load projection assumptions considered by it.
4. The Petitioner is required to submit the realistic recruitment plan and manpower addition projection for FY 2019-20 and FY 2020-21.

Commercial Diary

1. The Petitioner is required to provide justification for arrear amount appearing in the following divisions under “Govt. Public utilities – public water works (functioning under other local bodies):RTS-3” where the no. of consumer is nil:
 - a. EDD Raipur
 - b. EDD Vikasnagar
2. The Petitioner is required to submit the reasons for the contracted load in following division in excess of 1 KW in case of BPL consumers:
 - a. EDD Doiwala
 - b. EDD Pauri
 - c. EDD Kotdwar
 - d. EDD Rudraprayag

- e. EDD Roorkee
 - f. EDD Bhagwanpur
 - g. EDD Ramnagar (Roorkee)
 - h. EDD Jwalapur
2. It was pointed out that the audited commercial diary submitted for FY 2018-19 vide reply dated 20.01.2020 had several anomalies pertaining to the following three aspects.
- a. Drastic increase and decrease in the number of consumers submitted in commercial diary for February 2019 vis-à-vis March 2019. Few such instances have been mentioned in **Annexure 2**.
 - b. Abnormal Consumption per kW of contracted load across consumer categories. Few such instances have been mentioned in **Annexure 2**.
 - c. Abnormally high and low ABR have also been observed in various division. Few such instances have been mentioned in **Annexure 2**.

The Petitioner agreed to submit the detailed justification for anomalies observed and requested the Commission to provide the list of such instances.

UPCL agreed to submit replies to all the queries as sought above latest by February 05, 2020.

Sr. No.	Category & their Sub-Category as per CS-3	Based on Actual Meter Reading			Based on Assessment			Unmetered			Total		
		Number of Consumers (No.)	Connected Load (KW)	Sales (MU)	Number of Consumers (No.)	Connected Load (KW)	Sales (MU)	Number of Consumers (No.)	Connected Load (KW)	Sales (MU)	Number of Consumers (No.)	Connected Load (KW)	Sales (MU)

1. No. of consumers & connected load increased/decreased substantially from Feb to March 2019.

S. No.	Division	No. of consumers (Feb'19)	No. of consumers (March'19)	Difference
1	Domestic: BPL RTS-1			
a.	EDD Pithoragarh	21917	23782	1865
2	Domestic Other than BPL: RTS-1			
a.	EDD Pauri	38415	37511	-904
b.	EDD Jwalapur	67790	71565	3775
c.	EDD Pithoragarh	43096	46495	3399
3	Non-Domestic: RTS-2 (above 75 Kw)			
a.	EDD (U), Haldwani	190	40	-150
b.	EDD, Nainital	176	37	-139
c.	EDD, Ramnagar	119	37	-82
d.	EDD (R), Haldwani	76	13	-63
e.	EDD, Kashipur	74	14	-60
f.	EDD, Bajpur	21	0	-21
g.	EDD, Jaspur	11	1	-10
h.	EDD, Almora	50	16	-34
i.	EDD, Bageshwar	16	2	-14
j.	EDD, Ranikhet	23	0	-23
k.	EDD, Bhikiyasain	16	4	-12
4	LT Industry: RTS - 5			
a.	EDD Sitarganj	348	707	359
b.	EDD, Pithoragarh	118	186	68 [@]
5	HT Industry (upto 1000 KVA): RTS - 5			
a.	EDD Sitarganj	73	104	31
6	HT Industry (above 1000 KVA): RTS - 5			
a.	EDD Sitarganj	12	16	4 [#]
7	Mixed Load : RTS-6			
a.	EDD (U), Roorkee	4	4	0 [§]
8	Government Public Utilities - Government Irrigation System (Lift Irrigation Schemes): RTS - 3			
a.	EDD Pithoragarh	10	12	2 [*]
9	Government Public Utilities - Public Water Works (other than functioning under other local bodies): RTS - 3			
a.	EDD (U) Roorkee	21	22	1 [^]

@ Corresponding load increase is only 3 KW/connection.

Corresponding load increase is only 275 KW/connection.

\$ Contracted load increased by 10900 KW.

* There is no increase in the contracted load inspite of addition of two new connections.

^ Due to increase of one connection, the contracted load has increased by 569 KW. Previously in the month of Feb'19, the contracted load was 80KW against 21 connections.

2. Divisions for which Consumption Per KW/Month is very high

S. No.	Division	Consumption/KW /Month
1	Non-Domestic: RTS-2 (upto 75 Kw)	
a.	EDD (R), Haridwar	227.67
2	Non-Domestic: RTS-2 (above 75 Kw)	
a.	EDD Vikasnagar	414.73
b.	EDD, Nainital	299.43
3	Private Tube Wells/ Pumping Sets: RTS - 4	
a.	EDD, Mohanpur	117.14
b.	EDD (R), Haridwar	357.14
c.	EDD, Nainital	199.82
4	Agriculture Allied Activities: RTS - 4A	
a.	EDD (S), Dehradun	630.95
b.	EDD, Kashipur	458.88
c.	EDD, Bajpur	654.88
5	HT Industry (Above 1000 KVA): RTS -5	
a.	EDD Vikasnagar	475.24
b.	EDD, Rishikesh	575.12
c.	EDD, Doiwala	529.50
d.	EDD, Mohanpur	414.22
e.	EDD, Kotdwar	497.63
f.	EDD, Laksar	485.62
g.	EDD, Bajpur	533.22
h.	EDD, Khatima	565.97
6	Mixed Load: RTS- 6	
a.	EDD, Rishikesh	373.39
b.	EDD (N), Dehradun	307.50
c.	EDD (S), Dehradun	299.65
d.	EDD (U), Haridwar	339.98
e.	EDD, Rudrapur	488.11
f.	EDD, Pithoragarh	508.41
7	Government Public Utilities - Public Lamps: RTS - 3	
a.	EDD, Rudraprayag	1709.06

S. No.	Division	Consumption/KW /Month
b.	EDD (U), Roorkee	477.69
c.	EDD, Laksar	499.49
d.	EDD, Kashipur	1997.08
e.	EDD, Bajpur	1675.17
f.	EDD, Sitarganj	568.38
g.	EDD, Khatima	683.33
8	Government Public Utilities - Government Irrigation System (Other than Lift Irrigation Schemes): RTS - 3	
a.	EDD (S), Dehradun	421.69
b.	EDD (U), Haldwani	383.82
c.	EDD, Jaspur	568.74
d.	EDD, Rudrapur	741.62
e.	EDD, Khatima	454.86
9	Government Public Utilities - Public Water Works (Functioning under other local bodies): RTS - 3	
a.	EDD (S), Dehradun	367.99
b.	EDD, Gopeshwar	503.38
c.	EDD, Jwalapur	406.40
d.	EDD (U), Haldwani	413.97
e.	EDD, Jaspur	956.61
f.	EDD, Champawat	440.14
10	Government Public Utilities - Public Water Works (other than functioning under other local bodies): RTS - 3	
a.	EDD, Raipur	434.40
b.	EDD Vikasnagar	927.52
c.	EDD, Rishikesh	675.16
d.	EDD, Doiwala	515.34
e.	EDD (N), Dehradun	404.12
f.	EDD (S), Dehradun	371.75
g.	EDD (C), Dehradun	582.01
h.	EDD Bhagwanpur	763.59
i.	EDD (R), Haridwar	740.00

3. EDD where ABR is not tallying with the Consumption

BPL Category

S. No.	Name of Divisions/Circle	Nos. of Consumers	Sales (MU)	Monthly consumption per consumer (kWh)	Electricity Charges (Rs. Lakh)	ABR (Rs./kWh)
1	EDD, Raipur	3217	3.210	83.15	80.21	2.50
2	EDD Vikasnagar	22714	18.791	68.94	546.78	2.91
2	EDD, Pauri	11289	3.351	24.74	86.59	2.58
4	EDD, Gairsain	8054	3.244	33.57	82.41	2.54
5	EDD, Ramnagar	5958	0.387	5.41	10.79	2.79
6	EDD, Kashipur	1022	2.162	176.29	57.60	2.66
7	EDD, Jaspur	2775	3.417	102.61	93.42	2.73
8	EDD, Rudrapur	8080	8.531	87.98	176.17	2.07
9	EDD, Sitarganj	14289	12.580	73.37	352.31	2.80
10	EDD, Khatima	9085	6.479	59.43	176.80	2.73
11	EDD, Pithoragarh	23782	8.540	29.92	197.97	2.32
12	EDD, Champawat	20228	8.907	36.69	160.47	1.80

Domestic Other than BPL

S. No.	Name of Divisions/Circle	Nos. of Consumers	Sales (MU)	Monthly consumption per consumer (kWh)	Electricity Charges (Rs. Lakh)	ABR (Rs./kWh)
1	EDD, Narayanbagarh	10649	5.087	39.81	195.09	3.84
2	EDD, Gairsain	16872	10.410	51.42	378.89	3.64
3	EDD, Rudraprayag	34916	21.639	51.65	700.28	3.24
4	EDD, Nainital	42842	31.491	61.25	984.53	3.13
5	EDD, Kashipur	45110	120.569	222.73	4,551.39	3.77
6	EDD, Jaspur	33167	57.389	144.19	1,736.52	3.03
7	EDD, Bageshwar	38292	21.236	46.22	768.71	3.62

Non-Domestic (upto 75 kW)

S. No.	Name of Divisions/Circle	Nos. of Consumers	Sales (MU)	Electricity Charges (Rs. Lakh)	ABR (Rs./kWh)
1	EDD Vikasnagar	7366	18.833	1,012.40	5.38
2	EDD, Rishikesh	10650	31.551	1,726.50	5.47
3	EDD, Gairsain	1946	4.637	252.72	5.45
4	EDD, Rudraprayag	4133	9.411	506.44	5.38
5	EDD, Sitarganj	4032	14.793	826.26	5.59
6	EDD, Khatima	3277	9.340	514.03	5.50
7	EDD, Pithoragarh	5079	11.530	636.66	5.52
8	EDD, Champawat	3991	10.338	553.54	5.35
9	EDD, Dharchula	1840	6.467	354.00	5.47

Non - Domestic (Above 75 kW)

S. No.	Name of Divisions/Circle	Nos. of Consumers	Sales (MU)	Electricity Charges (Rs. Lakh)	ABR (Rs./kWh)
1	EDD Vikasnagar	10	7.928	439.27	5.54
2	EDD, Tehri	27	9.518	524.73	5.51
3	EDD, Srinagar	7	6.278	345.33	5.50
4	EDD, Rudraprayag	4	2.270	123.87	5.46
5	EDD Bhagwanpur	7	2.541	138.98	5.47
6	EDD (U), Haldwani	40	14.622	795.97	5.44
7	EDD, Bageshwar	2	0.516	27.80	5.39

LT Industry

S. No.	Name of Divisions/Circle	Nos. of Consumers	Sales (MU)	Electricity Charges (Rs. Lakh)	ABR (Rs./kWh)
1	EDD, Kashipur	396	19.403	874.90	4.51
2	EDD, Jaspur	418	16.350	859.87	5.26
3	EDD, Rudrapur	1158	70.600	3521.07	4.99

HT Industry (upto 1000 kVA)

S. No.	Name of Divisions/Circle	Nos. of Consumers	Sales (MU)	Electricity Charges (Rs. Lakh)	ABR (Rs./kWh)
1	EDD, Bajpur	56	39.234	2089.68	5.33
2	EDD, Jaspur	46	35.586	1862.60	5.23
3	EDD, Rudrapur	359	347.184	17604.66	5.07
4	EDD, Sitarganj	104	69.600	3673.02	5.28

HT Industry above 1000 kVA

S. No.	Name of Divisions/Circle	Nos. of Consumers	Sales (MU)	Electricity Charges (Rs. Lakh)	ABR (Rs./kWh)
1	EDD, Doiwala	1	12.708	646.66	5.09
2	EDD Ramnagar (Roorkee)	5	53.082	2745.84	5.17
3	EDD, Laksar	8	284.079	14910.43	5.25
4	EDD, Jwalapur	4	85.541	4491.37	5.25
5	EDD, Jaspur	17	323.735	16447.00	5.08
6	EDD, Rudrapur	70	847.667	43215.09	5.10
7	EDD, Sitarganj	16	225.947	11327.70	5.01

Mixed Load

S. No.	Name of Divisions/Circle	Nos. of Consumers	Sales (MU)	Electricity Charges (Rs. Lakh)	ABR (Rs./kWh)
1	EDD (S), Dehradun	3	21.970	1100.17	5.01
2	EDD (U), Roorkee	4	38.133	1907.08	5.00