

Before

UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

In the matter of:

UPCL's Petition for True-up for FY 2019-20, Annual Performance Review of FY 2020-21 and determination of Annual Revenue Requirement for FY 2021-22.

AND

In the matter of:

Uttarakhand Power Corporation Limited
Urja Bhawan, Kanwali Road, Dehradun

...Petitioner

Coram

Shri D.P. Gairola Chairman (I/c)

Date of Order: February 09, 2021

Order

This order relates to the Petition for True-up for FY 2019-20, Annual Performance Review of FY 2020-21 and determination of Annual Revenue Requirement for FY 2021-22 filed by Uttarakhand Power Corporation Limited (UPCL), hereinafter referred to as the Petitioner, on 14.01.2021.

2. The Petition filed by UPCL had certain critical infirmities/deficiencies. The Commission vide its letter dated 25.01.2021 informed the same to UPCL asking it to rectify the said infirmities so that the Petition could be admitted. UPCL submitted its replies rectifying the deficiencies pointed by the Commission on 04.02.2021.
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.

(D.P. Gairola)
Chairman (I/c)

**UTTARAKHAND POWER CORPORATION LIMITED
PUBLIC NOTICE**

Inviting Comments on the Petition for True-up of FY 2019-20, Annual Performance Review of FY 2020-21 and determination of Annual Revenue Requirement for FY 2021-22 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 2021-22 and has sought revision in Retail Tariffs to be charged from different category of electricity consumers in the State for FY 2021-22.
2. Through the above Petition, UPCL has also sought truing up of expenses for FY 2019-20 (based on audited accounts). The summary of the revised ARR and the revised revenue Gap for FY 2019-20 and projected ARR & projected Revenue gap for FY 2021-22 are given in the following Table:

(Figures in Rs. Crore)

S. No.	Particulars	FY 2019-20		FY 2020-21		FY 2021-22
		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 incl. Water Charges	5400.74*	5289.46	5541.65*	4786.36	5322.16
2	Power Purchase Cost of FY 2018-19 carried forward to FY 2019-20	295.95#	295.95#	-	-	-
3	Balance Power Purchase Cost of FY 2018-19	-	99.82	-	-	-
4	SLDC charges	11.35	331.82^	13.83	249.57	351.98
5	Transmission Charges- PTCUL	255.01		272.66		
6	Transmission Charges- PGCIL	509.73	755.68	429.89	607.68	636.39
7	O&M expenses	551.96	563.00*	554.19	554.52	600.70
8	Interest charges (including interest on consumer security deposit)	137.06	130.60	135.94	162.50	174.58
9	Guarantee Fee	5.36	1.24	1.52	1.24	1.24
10	Depreciation	143.38	158.40	167.478	169.61	186.64
11	Return on Equity	90.11	93.96	114.55	102.29	113.89
12	Interest on Working Capital	-	-	-	-	-
13	Net Impact of Gain/(Loss) Sharing.	-	18.82	-	-	-
14	Gross Expenditure	7400.65	7738.75	7231.69	6633.77	7387.56
B.	Less: Non-tariff income	250.00	282.70	244.41	282.72	282.72
	True up impact of previous year Gap/(Surplus)	-305.31	-305.31	-30.16	-	943.09
C.	Aggregate Revenue Requirement	6845.34	7150.74	6957.12	6351.06	8047.93
D.	Revenues from Existing/Approved Tariffs	6888.47	6506.42	7052.99	-	7095.46
E.	Add: Revenue on account of sharing of gains for lower Distribution Loss	-	42.73	-	-	-
F.	Revenue (Surplus)/Gap (C -D+E)	-43.13	687.05	-95.87	-	952.48

*including Water tax, RPO and UJVN Ltd. Arrears.

^including UITP charges of Rs. 62.90 Cr. for FY 2016-17 and FY 2017-18.

\$Including Prior Period A&G Expenses of Rs. 3.01 Cr.

as per Commission's Order dated 25.10.2019

3. UPCL has, accordingly, projected a total revenue gap of Rs. 952.48 Crore.
4. For FY 2021-22, UPCL has projected the distribution loss level of 13.75% based on the loss trajectory proposed in the business plan. It is also to mention that for projecting the power purchase cost for FY 2021-22 from UJVN Ltd. stations and Central Sector Generating Stations, UPCL has considered AFC in FY 2020-21 (without arrears) based on actual half yearly data and multiplied it by two for the complete year 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 2020-21 which is then multiplied by the total energy to project the variable for FY 2021-22. 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 March, 2020. 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 one-third of the total revenue gap amounting to Rs. 323.78 Crore relating to past year true up and has projected ARR & tariff for FY 2021-22 through tariff hike in the FY 2021-22. UPCL has, accordingly, proposed an average tariff hike of 4.56% in the existing retail tariffs of consumers.
6. Further, for the balance unrecovered Gap, UPCL has proposed for creation of Regulatory Assets under Regulation 35 of the UERC MYT Regulations, 2018 to be recovered in next 2 years alongwith carrying cost.
7. Further, PTCUL, SLDC and UJVN Ltd. have also submitted their ARR and Tariff Petition for the FY 2021-22 before the Commission. If all the claims as proposed are accepted by the Commission, it would necessitate a hike of 7.34% in consumer tariffs for FY 2021-22. Further, if creation of regulatory asset is not allowed, the same would necessitate a tariff hike of 16.20%.
8. UPCL has proposed to revise the applicable tariffs for FY 2021-22 to meet the revenue gap of Rs. 323.78 Crore.

The tariff proposals are as below:

Category	Fixed / Demand Charges		Energy Charges	
	Existing	Proposed	Existing	Proposed
RTS-1: Domestic				
1.1 Life Line Consumers	18 Rs/Connection/month	18 Rs/Connection/month	1.61 Rs/kWh	1.61 Rs/kWh
1.2 Other Domestic Consumers				
(i) Upto 100 Units/month	60 Rs/connection/month	60 Rs/connection/month	2.80 Rs/kWh	2.80 Rs/kWh
(ii) 101-200 Units/month	95 Rs/connection/month	124 Rs/connection/month	3.75 Rs/kWh	4.10 Rs/kWh
(iii) 201-300 Units/month	165 Rs/connection/month	124 Rs/connection/month	5.15 Rs/kWh	4.10 Rs/kWh
(iv) 301-400 Units/month	165 Rs/connection/month	260 Rs/connection/month	5.15 Rs/kWh	5.95 Rs/kWh
(v) Above 400 Units/month	260 Rs/connection/month	260 Rs/connection/month	5.90 Rs/kWh	5.95 Rs/kWh
1.3. Single Point Bulk Supply above 75 kW	85 Rs/kW/month	95 Rs/kW/month	4.85 Rs/kWh	5.25 Rs/kWh
RTS-1A: Snowbound				
Domestic			1.61 Rs/kWh	1.61 Rs/kWh
Non-Domestic upto 1 kW	18 Rs/connection/month	18 Rs/connection/month	1.61 Rs/kWh	1.61 Rs/kWh

Category	Fixed / Demand Charges		Energy Charges	
	Existing	Proposed	Existing	Proposed
Non-Domestic above 1 kW & upto 4 kW			2.36 Rs/kWh	2.36 Rs/kWh
Non-Domestic above 4 kW	30 Rs/connection	30 Rs/connection	3.51 Rs/kWh	3.51 Rs/kWh
RTS-2: Non-Domestic				
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				
1.1 Upto 25 kW	70 Rs/kW/month	80 Rs/kW/month	4.60 Rs/kWh	4.70 Rs/kWh
1.2 Above 25 kW	80 Rs/kVA/month	90 Rs/kVA/month	4.35 Rs/kVAh	4.45 Rs/kVAh
2. Other non-Domestic/Commercial Users				
2.1 Small shops (Load upto 4 KW & consumption upto 50 units pm)	70 Rs/kW/month	70 Rs/kW/month	4.70 Rs/kWh	4.70 Rs/kWh
2.2 Upto 25 kW other than above	85 Rs/kW/month	95 Rs/kW/month	5.75 Rs/kWh	5.90 Rs/kWh
2.3 Above 25 kW	85 Rs/kVA/month	95 Rs/kVA/month	5.60 Rs/kVAh	5.80 Rs/kVAh
3. Single Point Bulk Supply above 75 kW	85 Rs/kVA/month	95 Rs/kVA/month	5.65 Rs/kVAh	5.75 Rs/kVAh
4.0 Independent Advertisement Hoardings	100 Rs/kW/month	110 Rs/kW/month	6.25 Rs/kWh	6.40 Rs/kWh
RTS-3: Govt. Public Utilities				
1. Metered (Urban)	70 Rs/kVA/month	90 Rs/kVA/month	5.40 Rs/kVAh	5.94 Rs/kVAh
2. Metered (Rural)	60 Rs/kVA/month	80 Rs/kVA/month	5.40 Rs/kVAh	5.94 Rs/kVAh
RTS-4: Private Tube-wells / Pumping sets				
1. Metered	-	-	2.03 Rs/kWh	2.03 Rs/kWh
RTS-4 A: Agriculture Allied Activities				
1. Metered	-	-	2.25 Rs/kWh	2.25 Rs/kWh
RTS-5: LT & HT Industry				
LT Industries- Contracted load upto 75 kW (100 BHP)				
1.2 LT Industries (Upto 25 kW)	155 Rs/kW/month	155 Rs/kW/month	4.60 Rs/kWh	4.60 Rs/kWh
1.3 LT Industries (above 25kW & upto 75 kW)	150 Rs/kVA/month	160 Rs/kVA/month	4.25 Rs/kVAh	4.35 Rs/kVAh
HT Industries (above 75 KW/88KVA)				
2.1 Contracted load upto 1000 kVA				
1- Load factor upto 40%	310 Rs/kVA of billable demand	At 11 kV - 400 Rs/kVA of billable demand/month	4.20 Rs/kVAh	4.98 Rs/kVAh
2-Load factor above 40%	310 Rs/kVA of billable demand		4.60 Rs/kVAh	4.84 Rs/kVAh
2.2 Contracted load above 1000 kVA				
1- Load factor upto 40%	370 Rs/kVA of billable demand	At 33 kV - 380 Rs/kVA of billable demand/month At 132 kV and above - 360 Rs/kVA of billable demand/month	4.20 Rs/kVAh	4.98 Rs/kVAh
2-Load factor above 40%	370 Rs/kVA of billable demand		4.60 Rs/kVAh	4.84 Rs/kVAh
RTS-6: Mixed Load				
Mixed Load Single Point Bulk Supply above 75 kW including MES	90 Rs/kW/month	100 Rs/kW/month	5.30 Rs/kWh	5.45 Rs/ kWh
RTS-7: Railway Traction				
Railway Traction	250 Rs/kVA/month	270 Rs/kVA/month	4.65 Rs/kVAh	4.80 Rs/kVAh
RTS-8: Electric Vehicle Charging Station				
Electric Vehicle Charging Station	-	-	5.50 Rs/kWh	5.75 Rs/kWh

Note: For other domestic consumers shown at RTS-1 : 1.2 in the above Rate Schedule, UPCL has proposed recovery of fixed charges as per connection / month basis subject to minimum fixed charges of Rs. 60/kW/month.

ToD charges for the industries:

Industries	Rate of charge during		
	Normal hours	Peak hours	Off-peak hours
LT Industries	Rs. 4.35/kVAh	Rs. 6.09/kVAh	Rs. 3.70/kVAh
HT Industries with Load Factor			
Upto 40%	Rs. 4.98/kVAh	Rs. 6.77/kVAh	Rs. 4.23/kVAh
Above 40%	Rs. 4.84/kVAh	Rs. 6.58/kVAh	Rs. 4.11/kVAh

9. In addition, UPCL has also proposed following Tariff Rationalisation measures:
- (a) No. of slabs under domestic category proposed to be reduced to three: 0-100 kWh, 101-300 kWh and above 300 kWh.
 - (b) Voltage wise fixed charges proposed for HT industries under three categories – At 11 kV, 33 kV and 132 kV and above.
 - (c) Continuing with current approved Pre-paid metering Scheme.
 - (d) Abolition of grace period.
 - (e) Online Payment Rebate of 1% subject to maximum of Rs. 10,000 for LT consumers and Rs. 1 lakh for HT consumers for making payment within due date.
10. 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 **31.03.2021**. 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.
11. 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.
12. The Petition is also available at the website of the Commission (www.uerc.gov.in) and at the Petitioner's website (www.upcl.org).