



Uttarakhand Electricity Regulatory Commission

PRESS NOTE

Date : 30.03.2023

Tariff Order UPCL for FY 2023-24 - Highlights

- UPCL filed the Petitions for approval of True Up of FY 2021-22, Annual Performance Review for FY 2022-23 and Aggregate Revenue Requirement and Tariff for FY 2023-24 before the Commission on December 15, 2022.
- To meet its power purchase cost and other expenses, UPCL had projected a total ARR of Rs. 10,394.42 Crore for FY 2023-24, considering distribution loss of 13.25%, thus, projecting a total revenue gap of Rs. 1507.13 Crore including truing up for FY 2021-22 with carrying cost. For recovery of this revenue gap, UPCL had requested for a tariff hike of about 16.96%.
- **In the present Order, the Commission has, accordingly, scrutinised and approved the following:**
 - a. Truing-Up for FY 2021-22 based on the audited accounts,
 - b. ARR for FY 2023-24,
 - c. Tariff Determination for FY 2023-24
- Based on the scrutiny of data submitted by UPCL, the Commission has determined the ARR for FY 2023-24 as Rs. 9900.54 Crore. The above ARR takes into account the impact of final truing-up for FY 2021-22. The Commission further estimated the revenues at existing tariffs (Tariffs as approved in Order dated 31st March 2022) on projected sale of 14854.84 MU for FY 2023-24 as Rs. 9029.69 Crore, which left a revenue gap of Rs. 870.85 Crore. To recover this revenue gap of Rs. 870.85 Crore an annual tariff hike of around 9.64% has been allowed.
- Based on above approved ARR of Rs. 9900.54 Crore and projected sales of 14854.84 MU for FY 2023-24, the average cost of supply of the Petitioner works out to Rs. 6.66/kWh as compared to the approved Average Cost of Supply of Rs 5.89/kWh for FY 2022-23.
- The Commission has approved the distribution loss trajectory of 13.25% for FY 2023-24, as also projected by UPCL in accordance with the Business Plan Order dated 31.03.2022. Considering the approved sales and distribution loss reduction trajectory, the total energy requirement for FY 2023-24 works out to 17,366.87 MU. In addition to

the standalone requirement of FY 2023-24, additional 420 MUs of power has been considered to be procured in FY 2023-24 in order to return banked power which was received in FY 2022-23.

- The details of approved Annual Revenue Requirement (ARR) for FY 2023-24 are as below:-

Table 1 : ARR approved for FY 2023-24 (Rs. Crore)

S. No.	Particulars	Claimed by UPCL	Approved
1.	Power Purchase Cost	6796.5	7352.92
2.	UJVN Ltd. Arrears		(25.60)
3.	Transmission Charges		
	PGCIL	775.34	598.40
	PTCUL & SLDC Charges	408.52	369.75
4.	Interest on Loan	158.98	150.12
5.	Depreciation	311.54	244.41
6.	O&M expenses	770.99	741.04
7.	Interest on Working Capital	140.24	139.41
8.	Return on Equity	183.3	176.91
9.	Aggregate Revenue Requirement	9545.41	9747.35
10.	Less: Non-Tariff Income	272.5	429.57
11.	Add: True up impact Gap/(surplus)	1121.51	582.76
12.	Net Revenue Requirement	10394.42	9900.54
13.	Revenue at Existing Tariff	8887.29	9029.69
14.	Gap/(Surplus)	1507.13	870.85

- **Salient Points of Retail Tariff for the FY 2023-24**
 - The Commission has restricted the tariff hike to around 9.64% with respect to tariffs approved in Order dated 31st March, 2022 as against the proposal of UPCL of tariff hike of about 16.96% and overall tariff hike proposed by all the utilities of about 28.57%.
 - The Commission had approved the Additional Power Purchase Surcharge (APPS) w.e.f 01.09.2022 vide its Order dated 28.09.2022 to be recovered from the consumers resulting in the increase in the effective tariff of the consumers. Thus, the consumers currently are paying Tariffs approved in the Order dated 31st March, 2022 and APPS approved vide Order dated 28.09.2022. Considering the current tariffs applicable including APPS, the effective tariff increase works out to be only 1.79%.

- While revising the tariffs for different category of consumers, the Commission has attempted to reduce the cross-subsidies for all the categories.
- UPCL has been directed to issue monthly bills to all the domestic consumers.
- No increase in Fixed Charges for Domestic and Non Domestic Category.
- Marginal increase of 10 paise/kWh in tariff for BPL consumers. (Around 4 Lakh consumers, 20% of domestic consumers) and Snow bound consumers.
- Marginal increase of 25 paise/unit in Energy Charges for Domestic consumers consuming upto 100 units per month (Around 12.54 Lakh consumers, 47% of domestic consumers).
- The Commission has increased the tariff for Domestic to keep the Cross Subsidy at 20% of Average Cost of Supply as per National Tariff Policy. Even with increased tariffs, the cross subsidy of domestic category is increasing from 19.8% to 20%. As per Tariff policy the tariff for all the categories has to be ideally within the band of +/- 20% of Average Cost of Supply. To keep the tariff for lowest slab of domestic category at 80% of Average Cost of Supply, tariff needs to be kept at Rs. 5.33/kWh as against approved tariff of Rs 3.75/kWh for 100 units consumption. In order to achieve overall cross subsidy for Domestic Category at 20%, tariff for higher slabs has been kept higher.
- The Commission has marginally increased the energy charge for PTW category from Rs. 2.15/kWh to Rs. 2.30/kWh even though less hike has resulted in the increase in cross subsidy from 62.73% (FY 2022-23) to 64.47%. 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. 5.33/kWh. Such increase would result in the tariff shock, hence tariff for PTW kept at 64.47% below Average Cost of Supply.
- The Commission has now included fisheries in RTS – 4A category. Earlier these consumers were being charged tariff under the Commercial category, owing to demand from various consumers the same have been shifted from Commercial category to Agriculture Allied Activities category.
- The Commission has increased the solar water heater rebate to Rs. 75 for each 50 litre of capacity as against the existing rebate of Rs. 100 for each 100 litre of capacity
- The Commission has increased the prompt payment rebate from 1.25% to 1.5% for payment of electricity bills to be made through digital mode and from 0.75% to 1% for payment of electricity bills through any other mode.

- The Commission has changed the Billable Demand to actual maximum demand or 75% of the contracted load whichever is higher as against the existing provision of Billable Demand to actual maximum demand or 80% of the contracted load whichever is higher.
- The Commission has introduced bi-monthly billing for PTW consumers with 5% rebate in bill amount if payment is done within 30 days from the date of billing. The PTW consumers are allowed the facility to pay their bills within 4 months from the date of bills without attracting Delayed Payment Surcharge.
- UPCL has been directed to ensure 24 hours supply to industries opting continuous supply failing which action may be initiated against it.
- The Commission has retained the Peak Hour Tariff equivalent to 130% and off peak hour rebate of 20% of Normal hour tariff.
- Demand Charges of HT Industrial consumers, who do not receive minimum average supply of 18 hours per day during the month, shall be levied at 80% of the approved Demand Charges during that month.
- The Commission has approved the Green Tariff for HT consumers having contracted load of above 75 kW/88 kVA who intends to consume power generated only through renewable energy sources for a small premium of Rs. 0.26/kWh over and above approved tariff. The same has been reduced from existing Rs. 0.45/kWh to Rs. 0.26/kWh in this Tariff Order.
- General increase in tariff of consumers resulting in the increase in the Average Billing Rate vis-à-vis Tariff approved in the Order dated 31.03.2022 and existing tariff post levy of APPS vide Order dated 28.09.2022 are as under:

Table 2: Increase in Average Billing Rate during FY 2023-24

Category	Approved Tariff	Existing Tariff (with APPS)	Now Revised ABR	Increase in ABR w.r.t 31.03.2022	Increase in ABR including APPS	% Increase	% Increase
	As per T.O 31.03.2022	As per Order dt. 28.09.022 (with APPS)	ABR (Rs/KWh)			As per T.O 31.03.2022	with APPS
Domestic	4.98	5.15	5.33	0.35	0.18	6.98%	3.44%
Non Domestic	6.95	7.70	7.74	0.79	0.04	11.41%	0.57%
Govt Public Utilities	6.74	7.57	7.70	0.95	0.12	14.16%	1.62%
PTW	2.20	2.26	2.37	0.17	0.11	7.61%	4.73%
LT Industrial	6.47	7.10	7.20	0.73	0.10	11.21%	1.34%
HT Industrial	6.54	7.17	7.26	0.72	0.10	11.05%	1.34%
Mixed Load	6.01	6.74	6.95	0.93	0.20	15.54%	3.03%

Railway Traction	5.64	6.28	6.89	1.25	0.61	22.12%	9.68%
EV Charging Stations	5.50	5.95	6.25	0.75	0.30	13.64%	5.04%

- For Domestic category, with the average tariff increase of around 3.44% vis-à-vis existing tariff, the cross-subsidy level is -20% which is within the 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 the 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 the 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 cross 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. 01.04.2023 are as below:-

Existing Tariff (Tariff approved in Order dated 31st March, 2022), UPCL Proposed Tariff 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 (T.O. dt. 31.03.2022)	Energy Charges including APPS	Fixed Charge (Per Month)	Energy Charges	Fixed Charge (Per Month)	Energy Charges
RTS-1: Domestic								
1.1	Life Line Consumers	Rs. 18/ Connection	Rs. 1.65/kWh	Rs. 1.65/kWh	Rs. 20/ Connection	Rs. 1.70/kWh	Rs. 18/ Connection	Rs. 1.75/kWh
1.2 Other Domestic Consumers								
(i)	0-100 Units/Month	• Upto 1 kW-Rs. 60/kW/Month	Rs. 2.90/kWh	Rs. 2.95/kWh	• Upto 1 kW-Rs. 65/kW/Month	Rs. 3.00/kWh	• Upto 1 kW-Rs. 60/kW/Month	Rs. 3.15/kWh

Table 3: Tariff for Domestic Consumers

(ii)	101-200 Units/Month	<ul style="list-style-type: none"> Above 1 kW and upto 4 kW -Rs. 70/kW/month Above 4 kW- Rs. 80/kW/month 	Rs. 4.20/kWh	Rs. 4.40/kWh	<ul style="list-style-type: none"> Above 1 kW and upto 4 kW-Rs. 85 /kW/month Above 4 kW- Rs. 90/kW/month 	Rs. 4.55/kWh	<ul style="list-style-type: none"> Above 1 kW and upto 4 kW-Rs. 70/ kW/ month Above 4 kW- Rs. 80/kW/month 	Rs. 4.60/kWh
(iii)	201-400 Units/Month		Rs. 5.80 /kWh	Rs. 6.10 /kWh		Rs. 6.35/kWh		Rs. 6.30 /kWh
(iv)	Above 400 Units/Month		Rs. 6.55/kWh	Rs. 6.90/kWh		Rs. 7.15/kWh		Rs. 6.95/kWh
2	Single point bulk supply	Rs. 100/kVA	Rs. 5.40/kVAh	Rs. 5.85/kVAh	Rs.125/kW	Rs. 6.15/kVAh	Rs. 100/kVA	Rs. 6.25/kVAh

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 (T.O. dt. 31.03.2022)	Energy Charges including APPS	Fixed Charge (Per Month)	Energy Charges	Fixed Charge (Per Month)	Energy Charges
RTS-1A: Snowbound								
1.	Domestic	Rs. 18/ Connection	Rs. 1.65/kWh	Rs. 1.65/kWh	Rs. 20/ Connection	Rs. 1.75/kWh	Rs. 18/ Connection	Rs. 1.75/kWh
2.	Non-Domestic upto 1 kW	Rs. 18/ Connection	Rs. 1.65/kWh	Rs. 1.65/kWh	Rs. 20/ Connection	Rs. 1.75/kWh	Rs. 18/ Connection	Rs. 1.75/kWh
3.	Non-Domestic above 1 kW & upto 4 kW	Rs. 18/ Connection	Rs. 2.40/kWh	Rs. 2.40/kWh	Rs. 20/ Connection	Rs. 2.55/kWh	Rs. 18/ Connection	Rs. 2.60/kWh
4.	Non-Domestic above 4 kW	Rs. 30/ Connection	Rs. 3.55/kWh	Rs. 3.55/kWh	Rs. 35/ Connection	Rs. 3.70/kWh	Rs. 30/ Connection	Rs. 3.80/kWh

RTS-2: Non-Domestic Tariff

Table 5: Tariff for Non-domestic consumers

S. No.	Description	Existing Tariff			UPCL Proposed Tariff		Approved	
		Fixed/ Charges (Per Month)	Energy Charges (T.O. dt. 31.03.2022)	Energy Charges including APPS	Fixed/ Demand Charges (Per Month)	Energy Charges	Fixed/ Demand Charges (Per Month)	Energy Charges
1	Government, Educational Institutions and Hospitals etc.							
1.1	Upto 25 kW	Rs. 80/ kW	Rs. 4.75/ kWh	Rs. 5.37/ kWh	Rs.100/kW	Rs 5.40/kWh	Rs. 80/ kW	Rs. 5.40/ kWh
1.2	Above 25 kW	Rs. 90/ kVA	Rs. 4.50/ kVAh	Rs. 5.12/ kVAh	Rs. 110/kVA	Rs 5.30 /kVAh	Rs. 90/ kVA	Rs. 5.15/ kVAh

S. No.	Description	Existing Tariff			UPCL Proposed Tariff		Approved	
		Fixed/ Charges (Per Month)	Energy Charges (T.O. dt. 31.03.2022)	Energy Charges including APPS	Fixed/ Demand Charges (Per Month)	Energy Charges	Fixed/ Demand Charges (Per Month)	Energy Charges
2	Other Non-Domestic Users							
2.1	Upto 4 kW and consumption upto 50 units per month	Rs. 75 / kW	Rs. 4.80/ kWh	Rs. 5.10/ kWh	Rs 85 /kW	Rs. 5.25 /kWh	Rs. 75 / kW	Rs. 5.10/ kWh
2.2	Others upto 25 kW not covered in 2.1 above	Rs. 95 / kW	Rs. 5.90/ kWh	Rs. 6.67/ kWh	Rs. 120 /kW	Rs. 7.00 /kWh	Rs. 95 / kW	Rs. 6.70/ kWh
2.3	Above 25 kW	Rs. 95 / kVA	Rs. 5.90/ kVAh	Rs. 6.67/ kVAh	Rs. 120 /kVA	Rs. 7.00 /kVAh	Rs. 95 / kVA	Rs. 6.70/ kVAh
3	Single Point Bulk Supply above 75 kW	Rs. 110 / kVA	Rs. 6.00/ kVAh	Rs. 6.78/ kVAh	Rs. 140/ kVA	Rs. 7.10 /kVAh	Rs. 110 / kVA	Rs. 6.80/ kVAh
4	Independent Advertisement Hoardings	Rs. 120/ kW	Rs. 6.65/kWh	Rs. 7.51/kWh	Rs. 150/ kW	Rs 7.90 /kWh	Rs. 120/ kW	Rs. 7.50/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 (T.O. dt. 31.03.2022)	Energy Charges including APPS	Fixed/ Demand Charges (Per Month)	Energy Charges	Fixed/ Demand Charges (Per Month)	Energy Charges
Urban (Metered)	Rs. 100/kVA	Rs. 6.05/ kVAh	Rs. 6.84/ kVAh	Rs. 130/kVA	Rs. 7.40/ kVAh	Rs. 115/kVA	Rs. 6.90/ kVAh
Rural (Metered)	Rs. 90/kVA	Rs. 6.05/ kVAh	Rs. 6.84/ kVAh	Rs. 120/kVA	Rs. 7.40/ kVAh	Rs. 105/kVA	Rs. 6.90/ kVAh

RTS-4/4A: 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 (T.O. dt. 31.03.2022)	Energy Charges including APPS	Fixed/ Demand Charges (Per Month)	Energy Charges	Fixed/ Demand Charges (Per Month)	Energy Charges
RTS-4: Private Tube-wells / Pumping sets							
Metered	Nil	Rs. 2.15/ kWh	Rs. 2.20/ kWh	Nil	Rs. 2.35/ kWh	Nil	Rs. 2.30/ kWh
RTS-: 4A: Agriculture Allied Activities							

Metered	Nil	Rs. 2.85/ kWh	Rs. 3.05/ kWh	Nil	Rs. 3.25/ kWh	Nil	Rs. 3.25/ kWh
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RTS-5: Industries Tariff

Table 8: Tariff for LT Industries

Category	Existing Tariff			UPCL Proposed Tariff		Approved	
	Fixed Charges (Per Month)	Energy Charges (T.O. dt. 31.03.2022)	Energy Charges including APPS	Fixed Charges (Per Month)	Energy Charges	Fixed Charges (Per Month)	Energy Charges
RTS-5: Industry							
LT Industry							
1. Contracted Load upto 25 kW	Rs. 165/ kW	Rs. 4.80/ kWh	Rs. 5.42/ kWh	Rs. 195/ kW	Rs. 5.60/ kWh	Rs. 170/ kW	Rs. 5.45/ kWh
2. Contracted Load more than 25 kW	Rs. 170/ kVA	Rs. 4.50/ kVAh	Rs. 5.12/ kVAh	Rs. 210/ kVA	Rs. 5.30/ kVAh	Rs. 175/ kVA	Rs. 5.15/ kVAh

Table 9: Tariff for HT Industries

S. No.	Category	Load Factor	Existing Tariff			UPCL Proposed Tariff		Approved Tariff	
			Energy Charges as per T.O. dt. 31.03.2022 (Rs./kVAh)	Energy Charges including APPS (Rs./kVAh)	Fixed /Demand Charges (Rs./kVA)	Energy Charges (Rs./kVAh)	Fixed /Demand Charges (Rs./kVA)	Energy Charges (Rs./kVAh)	Fixed /Demand 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%	4.80	5.42	Rs. 360/kVA of the billable demand	5.70	Rs. 440/kVA of the billable demand	5.50	Rs. 390/kVA of the billable demand
		Above 40%	5.20	5.82		6.20		5.90	
1.2	Contracted Load More than 1000 kVA	Upto 40%	4.80	5.42	Rs. 430/kVA of the billable demand	5.70	Rs. 530/kVA of the billable demand	5.50	Rs. 460/kVA of the billable demand
		Above 40%	5.20	5.82		6.20		5.90	

RTS-6: Mixed Load Tariff

Table 10: Tariff for Mixed Load

Description	Existing Tariff			UPCL Proposed Tariff		Tariff Design	
	Fixed/ Demand Charges Per Month)	Energy Charges (T.O. dt. 31.03.2022)	Energy Charges including APPS	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. 120/kVA	Rs. 5.60/kVAh	Rs. 6.33/kVAh	Rs. 145/kVA	Rs. 6.70/kVAh	Rs. 130/kVA	Rs. 6.50/kVAh

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

Description	Existing Tariff			UPCL Proposed Tariff		Tariff Design	
	Fixed/ Demand Charges (Per Month)	Energy Charges (T.O. dt. 31.03.2022)	Energy Charges including APPS	Fixed/ Demand Charges (Per Month)	Energy Charges	Fixed/ Demand Charges (Per Month)	Energy Charges
RTS-7: Railway Traction	Rs. 285/kVA	Rs. 4.90/ kVAh	Rs. 5.54/ kVAh	Rs. 320/kVA	Rs. 5.70/ kVAh	Rs. 315/kVA	Rs. 6.10/ kVAh

RTS-8: Electric Vehicle Charging Stations**Table 12: Tariff for Electric Vehicle Charging Stations**

Description	Existing Tariff			UPCL Proposed Tariff		Tariff Design	
	Fixed/ Demand Charges (Per Month)	Energy Charges (T.O. dt. 31.03.2022)	Energy Charges including APPS	Fixed/ Demand Charges (Per Month)	Energy Charges	Fixed/ Demand Charges (Per Month)	Energy Charges
RTS-8: Electric Vehicle	--	Rs. 5.50/ kWh	Rs. 5.95/ kWh	--	Rs. 6.25/ kWh	--	Rs. 6.25/ kWh
