

**Before**

**UTTARAKHAND ELECTRICITY REGULATORY COMMISSION**

**In the matter of:**

UPCL's Petition on Aggregate Revenue Requirement and Tariff Proposal for FY 2009-10.

**AND**

**In the matter of:**

Uttarakhand Power Corporation Limited  
Urja Bhawan, Kanwali Road, Dehradun

.....Petitioner

**Coram**

<b>Shri V. J. Talwar</b>	<b>Chairman</b>
<b>Shri Anand Kumar</b>	<b>Member</b>

**Date of Order: 25<sup>th</sup> June, 2009**

**Order**

This order relates to the Petition on Annual Revenue Requirement and Tariff Petition for FY 2009-10 filed by Uttarakhand Power Corporation Limited (UPCL), hereinafter referred to as the Petitioner, on 15.06.2009.

2. The Commission hereby admits the Petition 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 within the time frame as may be stipulated by the
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Commission.

3. 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 ARR petitions & proposals filed by it for FY 2009-10 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 for comments by all stakeholders and public at large.

**(Anand Kumar)**  
**Member**

**(V.J. Talwar)**  
**Chairman**

**UTTARAKHAND POWER CORPORATION LIMITED**  
**Urja Bhawan, Kanwali Road, Dehradun**

**Public Notice**

**INVITING COMMENTS ON UPCL'S PETITION FOR APPROVAL OF ARR AND PROPOSED ELECTRICITY TARIFFS FOR**  
**FY 2009-10**

Uttarakhand Power Corporation Limited (UPCL), Distribution licensee in the State of Uttarakhand has filed a Petition with Uttarakhand Electricity Regulatory Commission (UERC or Commission) for approval of its Annual Revenue Requirement (ARR) for the financial year 2009-10 and has sought a revision of retail Tariff to be charged from consumers of electricity in the State. The summary of the ARR, Revenue Gap and the tariff proposal for the year is given below:

- 1. Annual Revenue Requirement and Revenue Gap:** On the basis of actual data for FY 2007-08, the revised estimates for FY 2008-09 and projections for FY 2009-10, the summary of ARR and the revenue Gap is given in following Table:

**Table: ARR Summary of UPCL (Figures in Rs Crore)**

Summary of the ARR of UPCL						
S.No.	Item	FY 2007-08		FY 2008-09		FY 2009-10
		Approved	Actual	Approved	Estimated	Projected
	<b>Expenditure</b>					
1	Power Purchase Expenses	1042.14	1073.09	1102.92	1525.21	2161.54
2	Income Tax Expenses of UJVNL		5.00			
3	Claims by UJVNL for Previous years		23.61			
4	Transmission Charges - PGCIL	45.00	54.18	47.25	212.10	185.94
5	Transmisison Charges- PTCUL	91.19	42.98	86.71		
6	O&M expenses	178.65	192.60	224.27	215.30	316.46
7	Interest charges	42.54	46.52	69.22	65.80	71.61

Summary of the ARR of UPCL						
S.No.	Item	FY 2007-08		FY 2008-09		FY 2009-10
		Approved	Actual	Approved	Estimated	Projected
8	Depreciation	22.61	61.40	25.07	72.40	83.66
9	Interest on Working Capital	11.35	10.56	13.92	14.58	39.20
	<b>Gross Expenditure</b>	<b>1433.48</b>	<b>1509.90</b>	<b>1569.36</b>	<b>2105.33</b>	<b>2858.42</b>
	<b>Less: Expense Capitalization</b>					
10	Interest capitalized					
	<b>Total Expense Capitalization</b>					
	<b>Other Expenses / Appropriations</b>					
11	Provision for Bad & Doubtful Debts	19.67	28.40	20.28	41.50	72.69
12	Return on Equity	0.70	0.70	0.70	2.10	4.90
13	Impact of revision of Tariff for Steel industry/Railway	25.00	25.00		56.30	
14	Interest Expenses @ 6% on total refund to steel units				10.00	
	<b>Net Expenditure</b>	<b>1478.85</b>	<b>1564.00</b>	<b>1590.34</b>	<b>2215.26</b>	<b>2936.01</b>
15	Less: Non Tariff Income	22.40	29.60	22.40	33.81	35.40
	<b>Net Annual Revenue Requirement</b>	<b>1456.45</b>	<b>1534.42</b>	<b>1567.94</b>	<b>2181.55</b>	<b>2900.61</b>
16	<b>Revenues at Prevailing Tariffs</b>	<b>1329.39</b>	<b>1136.14</b>	<b>1593.48</b>	<b>1660.68</b>	<b>1984.90</b>
	<b>Revenue Gap</b>	<b>-127.07</b>	<b>-398.28</b>	<b>25.54</b>	<b>-520.87</b>	<b>-915.71</b>

## 2. Summary of Tariff Proposal:

The total Revenue Gap for FY 2007-08, FY 2008-09 and FY 2009-10 proposed is Rs 1834.86 Crore which after adjusting Rs. 237.77 Crore of available surplus at the end of 2006-07, as determined by the Commission in its Tariff Order dated 18.03.2008, shall be Rs. 1,597.09 Crore, if prevailing tariffs continue to be applicable. Out of this, a gap of Rs. 922.65 Crore is proposed to be bridged through an average increase of 46.13% for FY 2009-10 and balance gap of Rs. 674.44 Crore has been proposed to be carried forward as Regulatory Asset to be recovered in future years' ARRs. In case, the Commission does not allow the creation of Regulatory Asset, this will cause an additional increase of 33.98% in tariff proposed for FY 2009-10.

The following table shows the summary of the existing and the proposed Tariff:

**Table: Summary of Existing and Proposed Tariff Schedule and Effective Tariff**

Category	Fixed/Demand Charges (Rs./month)		Energy Charges (Rs./Kwh)		Minimum consumption charges	
	Existing	Proposed	Existing	Proposed	Existing	Proposed
<b>RTS-1: DOMESTIC</b>						
<b>1.1 For consumers getting un-metered supply in Rural Areas</b>						
<b>1.1.1 Hilly areas</b>	Rs. 120/ connection/month	Rs. 120/ kW/month				
<b>1.1.2 Other Areas</b>	Rs. 150/ connection/month	Rs. 150/ kW/month				
<b>1.2 Domestic Metered</b>						
1.2.1 Life line consumers						
Below Poverty Line and Kutir Jyoti having load upto 1kW and consumption upto 30 units per month	Nil	Nil	Rs 1.50/kWh	Rs 1.50/kWh		
<b>1.3 Other domestic consumers</b>	Rs. 15/connection/month	Rs. 25/connection/month	Rs 2.00/kWh	Rs 3.00/kWh		
<b>1.4 Single Point Bulk Supply</b>	Rs. 15/kW/month	Rs. 20/kW/month	Rs 1.90/kWh	Rs 2.50/kWh		
<b>RTS-1A: SNOWBOUND</b>						
1) Domestic	Nil	Nil	Rs	Rs		
2) Non-domestic upto 1 kW	Nil	Nil	1.50/kWh	1.50/kWh		
2) Non-domestic more than 1 & upto 4 kW	Nil	Nil	Rs 2.00/kWh	Rs 2.00/kWh		
2) Non-domestic more than 4 kW	Nil	Nil	Rs 3.00/kWh	Rs 3.00/kWh		
<b>RTS-2: NON-DOMESTIC</b>						
<b>1. Educational Institutions and Hospitals, Other Charitable Institutions and Other Non Domestic / Commercial Users</b>	Rs. 15/kW/month	Rs. 50/kW/month	Rs 3.00/kWh	Rs 4.00/kWh		

Category	Fixed/Demand Charges (Rs./month)		Energy Charges (Rs./Kwh)		Minimum consumption charges	
	Existing	Proposed	Existing	Proposed	Existing	Proposed
<b>2. Other Non-Domestic/Commercial Users</b>						
2.1 Upto 25 kW	Rs. 15/kW/month	Rs. 50/kW/month	Rs 3.50/kWh	Rs 4.50/kWh		
All units exceeding 200 Units	Rs. 15/kW/month	Rs. 50/kW/month	Rs 3.50/kVAh	Rs 5.00/kVAh		
<b>RTS-3: PUBLIC LAMPS - In addition to Tariff, Maintenance charge of Rs 10/- per light point per month</b>						
1. Metered	Rs. 15/kW	Rs. 20/kW	Rs 2.95/kWh	Rs 4.00/kWh		
2. Unmetered Rural	Rs. 100/100 watt lamp	Rs. 125/100 watt lamp	Nil	Nil		
<b>RTS-4: PRIVATE TUBE WELLS/PUMPING SETS</b>						
1 Unmetered	Rs. 105/BHP/month*	Rs. 150/BHP/month*	Nil	Nil		
2 Metered	Nil	Nil	Rs 0.70/kWh	Rs 1.00/kWh		
<b>RTS-5: GOVERNMENT IRRIGATION SYSTEMS</b>						
Upto 75 kW	Rs. 15/kW	Rs. 20/kW	Rs. 2.95/kWh	Rs. 3.70/kWh		
More than 75 kW	Rs. 15/kVA	Rs. 20/kVA	Rs. 2.50/kVAh	Rs. 3.15/kVAh		
<b>RTS-6: PUBLIC WATER WORKS</b>	Rs 15/kWh	Rs 20/kWh	Rs 2.95/kWh	Rs 3.50/kVAh	Nil	Nil
<b>RTS-7: LT &amp; HT INDUSTRIES</b>						
1. LT Industry having contracted load upto 100 BHP/75kW						
1.1 Connected load up to 25 kW	Rs. 70/kW of connected load	Rs. 85/kW of connected load	Rs. 2.75/kWh	Rs. 3.30/kWh	Rs. 200/kW	Rs. 240/kW
1.2 Connected load more than 25 kW			Rs. 2.50/kVAh	Rs. 3.00/kVAh		
2. HT Industry having contracted load above 100 BHP/75kW/88kVA						

Category	Fixed/Demand Charges (Rs./month)		Energy Charges (Rs./Kwh)		Minimum consumption charges	
	Existing	Proposed	Existing	Proposed	Existing	Proposed
2.1 Connected load upto 1000 kVA						
2.1.1 Upto 33%	Rs. 150/kVA of billable demand	Rs. 190/kVA of billable demand	Rs. 2.20/kVAh	Rs. 3.00/kVAh	Rs. 250/kVA	Rs. 315/kVA
2.1.2 Above 33% and upto 50%			Rs. 2.40/kVAh	Rs. 3.50/kVAh		
2.1.3 Above 50%			Rs. 2.65/kVAh	Rs. 4.00/kVAh		
2.2 Connected load more than 1000 kVA						
2.2.1 Upto 33%	Rs. 200/kVA of billable demand	Rs. 250/kVA of billable demand	Rs. 2.20/kVAh	Rs. 3.00/kVAh	Rs. 250/kVA	Rs. 365/kVA
2.2.2 Above 33% and upto 50%			Rs. 2.40/kVAh	Rs. 3.50/kVAh		
2.2.3 Above 50%			Rs. 2.65/kVAh	Rs. 4.00/kVAh		
<b>RTS-8: MIXED LOADS</b>	Rs. 15/kW	Rs. 20/kW	Rs. 2.50/kWh	Rs. 3.50/kWh		
<b>RTS-9: RAILWAY TRACTION</b>	Rs. 150/kVA/month	Rs. 195/kVA/month	Rs. 2.75/kVAh	Rs. 3.60/kVAh		
<b>RTS-10: TEMPORARY SUPPLY</b>						
(1) For Illumination / public address/ ceremonies for load up to 15 kW	Rs. 750 per day	Rs. 1000 per day				
(2) Temporary shops set up during festivals / melas and having load upto 2 kW	Rs. 40 per day	Rs. 100 per day				
(3) Other Temporary shops/ Jhuggi /Jhopris for load upto 1 kW						
3.1) Rural	Rs. 75/month/connection	Rs. 100/month/connection				
3.2) Urban	Rs. 150/month /connection	Rs. 200/month /connection				

\* Plus Rs. 20/connection/month for lighting load of not more than two lamps.

Note:

Categories of consumers to be covered under RTS-2(1), viz. Educational Institutions and Hospitals, Other Charitable Institutions and Other Non Domestic / Commercial Users has been proposed to be revised to cover:

- (i) Government/Municipal Hospitals,
- (ii) Government Educational Institutions / Other Educational Institutions getting Government grant of atleast 70% of their annual expenditure; and
- (iii) Charitable Institutions registered under the provisions of Income Tax Act, 1961 and whose income is exempted from tax under this Act.

4. 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 or through e-mail to **uttaranchalerc@rediffmail.com** by 20.07.2009.

5. 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 Urja 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.

6. The Petition is also available at the website of the Commission ([www.uerc.in](http://www.uerc.in)) and at the Petitioner's website ([www.upcl.org](http://www.upcl.org)).