



Uttarakhand Electricity Regulatory Commission

PRESS NOTE

Order on approval of Business Plan & Multi Year Tariff for

UPCL

For FY 2016-17 to FY 2018-19 - Highlights

- UPCL filed the Petitions for approval of Business Plan for second Control Period from FY 2016-17 to FY 2018-19 (Business Plan Petition) and ARR for second Control Period from FY 2016-17 to FY 2018-19 & Tariff for FY 2016-17 (MYT Petition) before the Commission on November 30, 2015. Through, MYT Petition UPCL had also sought truing-up for FY 2014-15 based on audited accounts.
- To meet its power purchase cost and other expenses, UPCL had projected a total ARR of Rs. 6109.83 Crore for FY 2016-17, considering distribution loss of 17.29%, thus projecting a total revenue gap of Rs. 1220.26 Crore including truing up for FY 2014-15 including carrying cost. For recovery of this revenue gap, UPCL had requested for a tariff hike of about 24.96%.
- **In the present Order, the Commission has, accordingly, scrutinised and approved the following:**
 - a. Final Truing-Up for FY 2014-15 based on audited accounts.
 - b. Business Plan for the second Control Period from FY 2016-17 to FY 2018-19.
 - c. Tariff Determination for FY 2016-17.
- Based on scrutiny of data submitted by UPCL, the Commission has determined the ARR for the FY 2016-17 as Rs. 5252.87 Crore. The above ARR takes into account the impact of final truing-up for FY 2014-15. The Commission further estimated the revenues at existing tariffs on projected sale of 11,188 MU for the FY 2016-17 as Rs. 5003.31 Crore, which left a revenue gap of Rs. 249.56 Crore. To recover this revenue gap of Rs. 249.56 Crore an annual tariff hike of **4.99%** was required.
- Based on above approved ARR of Rs. 5252.87 Crore and projected sales of 11,188 MU for FY 2016-17, the Average Cost of Supply of the Petitioner works out to Rs 4.70/kWh as compared to approved Average Cost of Supply of Rs 4.41/kWh for FY 2015-16. Thus, the average Cost of Supply has increased by around 6.58%.

- The Commission has approved the distribution loss trajectory of 15.00%, 14.75% and 14.50% for FY 2016-17, FY 2017-18 and FY 2018-19, respectively (UPCL has projected 17.29%, 16.79% and 16.29% for FY 2016-17, FY 2017-18 and FY 2018-19 respectively). Considering the projected sales and distribution loss reduction trajectory, the total energy requirement for FY 2016-17 works out to 13,401 MU, respectively.
- While revising the tariffs for different category of consumers, the Commission has attempted to reduce the cross-subsidies for all the categories except PTW.
- The details of approved Aggregate Revenue Requirement (ARR) for FY 2016-17 are as below:-

Table 1: Aggregate Revenue Requirement for FY 2016-17 (Rs. Crore)

Particulars	Projected by UPCL	Approved by Commission
Power Purchase Cost	3996.08	4047.13
Impact of True-up of UJVN Ltd.	-	-35.19
Transmission Charges		
PGCIL	385.26	385.26
PTCUL	307.11	261.04
SLDC Charges		10.08
Water Tax	-	153.82
Interest on Loan	105.76	79.83
Interest on Consumer Security Deposit	52.56	52.56
Guarantee Fee	3.40	3.40
Depreciation	145.59	125.32
O&M expenses	542.50	574.73
Interest on Working Capital	31.49	23.48
Return on Equity	118.63	47.12
Provision for Bad and doubtful debts	55.65	0.00
Aggregate Revenue Requirement	5744.04	5728.58
Less: Non-Tariff Income	178.60	178.60
Add: True up impact of FY 2014-15	544.39	-175.10
Past year adjustments	-	-122.01
Net Revenue Requirement	6109.83	5252.87
Revenue at existing Tariff	4889.57	5003.31
Gap/(Surplus)	1220.26	249.56

- **Salient Points of Retail Tariff for the FY 2016-17**
 - The Commission has restricted the tariff hike to around 5% as against the proposal of Petitioner of about 24.96% and increase in Average Cost of Supply by around 6.58%.
 - An increase of Rs. 3/ connection per month in fixed charges for lifeline consumers with no change in Energy Charges for these consumers.

- Industrial consumers who are existing continuous supply consumers shall continue to remain continuous supply consumers and they need not to apply again for continuous supply option.
- Non Continuous Processing industry can now opt for continuous supply of power by paying surcharge of 15% of energy charge. Such willing consumers can make an application for such supply by April 30, 2016.
- Tariff of sub-category "Agriculture Allied Activities" (covering nurseries growing plants/saplings, polyhouses growing flowers/vegetables and fruits which doesn't involve any kind of processing of product except for storing and preservation) kept equivalent to the tariff of RTS-4: Private Tube Wells/Pumping Sets.
- The Consumers having Prepaid Metering shall continue to be eligible for a rebate of 4% (for Domestic) and 3% (for other LT Consumers) on energy charges as earlier. Other conditions of pre-paid tariff have been approved as part of Tariff Order.
- For other general improvement the Commission has asked UPCL to submit a concrete action plan for:
 - Reduction in AT&C loss
 - Reduction in Defective meters
 - Improvement & augmentation of its Bill collection system
 - Improvement in recovery of arrears
 - Classifying and writing off bad debts
 - Conducting of energy audit
- Minimum Consumption Guarantee (MCG) (of LT industries & Non domestic categories) retained at 50 units /kW or kVA/month with corresponding changes in Annual MCG. Further, MCG for Atta chakkis have been retained at 30 kWh/kW/month. MCG of HT Industries retained at 100 kVAh/kVA/month or 1200 kVAh/kVA/annum.
- MCG for PTW consumers has been retained at 60 units/BHP/Month or 720 kWh/BHP/year
- 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 approved Demand Charges during that month.

- General increase in tariff of category of consumers (at approved sales for FY 2016-17) resulting in the following increase in Average Billing Rate:

Table 2: Increase in Average Billing Rate during FY 2016-17

Category	Average Billing Rate		Increase (Rs. Per unit)
	Existing	Approved	
	Rs/kWh	Rs/kWh	
Domestic	3.30	3.56	0.26
Non Domestic	5.16	5.44	0.28
Public Lamps	4.47	4.79	0.32
PTW	1.40	1.55	0.15
GIS	4.59	4.84	0.25
PWW	4.58	4.81	0.23
LT Industrial	4.86	5.15	0.29
HT Industrial	4.98	5.17	0.19
Mixed Load	4.35	4.74	0.39
Railway	4.58	5.04	0.46

- The details of retail tariffs as applicable to different categories of consumers w.e.f. 01.04.2016 are as below:-

Existing, Proposed and Approved Tariffs for different category of Consumers Category Wise Tariff

RTS-1: Domestic Tariff

Table 1 : Tariff for Domestic Consumers

S. No	Description	Existing Tariff		UPCL Proposed Tariff		Approved	
		Fixed Charge (Per Month)	Energy Charges	Fixed Charge (Per Month)	Energy Charges	Fixed Charge (Per Month)	Energy Charges
	RTS-1: Domestic						
1.1	Life Line Consumers	Rs. 11/ Connection	Rs. 1.50/kWh	Rs. 11/ Connection	Rs. 1.50/kWh	Rs. 14/ Connection	Rs. 1.50/kWh
1.2	Other Domestic Consumers						
(i)	0-100 Units / Month	Rs.35/ Connection	Rs. 2.40/kWh	Rs. 45/ Connection	Rs. 3.00/kWh	Rs. 40/ Connection	Rs. 2.45/kWh
(ii)	101-200 Units / Month	Rs.50/ Connection	Rs. 2.90/kWh	Rs. 65/ Connection	Rs. 3.80/kWh	Rs. 60/ Connection	Rs. 3.10/kWh
(iii)	201-300 Units /Month	Rs.70/ Connection	Rs. 3.80/kWh	Rs. 90/ Connection	Rs. 4.80/kWh	Rs. 85/ Connection	Rs. 4.10/kWh
(iv)	301-400 Units /Month	Rs.95/ Connection	Rs. 3.80/kWh	Rs. 120/ Connection	Rs. 4.80/kWh	Rs. 110/ Connection	Rs. 4.10/kWh
(v)	401-500 Units /Month	Rs.120/ Connection	Rs. 4.00/kWh	Rs. 145/ Connection	Rs. 5.00/kWh	Rs. 150/ Connection	Rs. 4.50/kWh
(vi)	Above 500 Units/Month	Rs.145/ Connection	Rs. 4.00/kWh	Rs. 175/ Connection	Rs. 5.00/kWh	Rs. 175/ Connection	Rs. 4.50/kWh
2	Single point bulk supply	Rs. 40/kW	Rs. 3.40/kWh	Rs. 50/kW	Rs. 4.30/kWh	Rs. 50/kW	Rs. 3.70/kWh

RTS-1A: Concessional Snowbound Areas Tariff

Table 2 : Concessional Tariff for Snowbound Areas

S. No	Description	Existing Tariff		UPCL Proposed Tariff		Approved	
		Fixed Charge (Per Month)	Energy Charges	Fixed Charge (Per Month)	Energy Charges	Fixed Charge (Per Month)	Energy Charges
	RTS-1A: Snowbound						
1	Domestic	Rs. 11/ Connection	Rs. 1.50/kWh	Rs. 11/ Connection	Rs. 1.50/kWh	Rs. 14/ Connection	Rs. 1.50/kWh
2	Non-Domestic upto 1 kW	Rs. 11/ Connection	Rs. 1.50/kWh	Rs. 11/ Connection	Rs. 1.50/kWh	Rs. 14/ Connection	Rs. 1.50/kWh
3	Non-Domestic above 1 kW & upto 4 kW	Rs. 11/ Connection	Rs. 2.25/kWh	Rs. 11/ Connection	Rs. 2.25/kWh	Rs. 14/ Connection	Rs. 2.25/kWh
4	Non-Domestic above 4 kW	Rs. 20/ Connection	Rs. 3.40/kWh	Rs. 20/ Connection	Rs. 3.40/kWh	Rs. 25/ Connection	Rs. 3.40/kWh

RTS-2: Non-Domestic Tariff

Table 3: Tariff for Non-domestic consumers

Sl. No.	Description	Existing Tariff			UPCL Proposed Tariff			Approved		
		Fixed/Charges (Per Month)	Energy Charges	MCG	Fixed/Demand Charges (Per Month)	Energy Charges	MCG	Fixed/Demand Charges (Per Month)	Energy Charges	MCG
1	Government, Educational Institutions and Hospitals etc.									
1.1	Upto 25 kW	Rs. 40/ kW	Rs. 4.05/ kWh		Rs. 50/ kW	Rs. 5.00/ kWh		Rs. 45/ kW	Rs. 4.15/ kWh	
1.2	Above 25 kW	Rs. 45/ kVA	Rs. 3.65/ kVAh	50 kVAh /kVA /month & 600 kVAh/ kVA/ annum	Rs. 57/ kVA	Rs. 4.55/ kVAh	50 kVAh /kVA /month & 600 kVAh/ kVA/ annum	Rs. 55/ kVA	Rs. 3.85/ kVAh	50 kVAh /kVA /month & 600 kVAh/ kVA/ annum
2	Other Non-Domestic Users									
2.1	Upto 4 kW and consumption upto 50 units per month	Rs. 45 / kW	Rs. 4.20/ kWh		Rs. 57 / kW	Rs. 5.20/ kWh		Rs. 50 / kW	Rs. 4.30/ kWh	
2.2	Others upto 25 kW not covered in 2.1 above	Rs. 45 / kW	Rs. 4.85/ kWh		Rs. 57 / kW	Rs. 6.10/ kWh		Rs. 55 / kW	Rs. 5.10/ kWh	
2.3	Above 25 kW	Rs. 45 / kVA	Rs. 4.75/ kVAh	50 kVAh /kVA /month & 600 kVAh/ kVA/ annum	Rs. 57 / kVA	Rs. 5.95/ kVAh	50 kVAh /kVA /month & 600 kVAh/ kVA/ annum	Rs. 55 / kVA	Rs. 5.00/ kVAh	50 kVAh /kVA /month & 600 kVAh/ kVA/ annum
3	Single Point Bulk Supply above 75 kW	Rs. 45 / kVA	Rs. 4.65/ kVAh	50 kVAh /kVA /month & 600 kVAh/ kVA/ annum	Rs. 57 / kVA	Rs. 5.80/ kVAh	50 kVAh /kVA /month & 600 kVAh/ kVA/ annum	Rs. 55 / kVA	Rs. 4.90/ kVAh	50 kVAh /kVA /month & 600 kVAh/ kVA/ annum
4	Independent Advertisement Hoardings	Rs. 60/ kW	Rs. 4.90/kWh		Rs. 75/ kW	Rs. 6.10/kWh		Rs. 70/ kW	Rs. 5.20/kWh	

RTS-3: Public Lamps Tariff

Table 4 : Tariff for Public Lamps

Description	Existing Tariff		UPCL Proposed Tariff		Approved	
	Fixed / Demand Charges (Per Month)	Energy Charges	Fixed / Demand Charges (Per Month)	Energy Charges	Fixed / Demand Charges (Per Month)	Energy Charges
RTS-3: Public Lamps						
3.1 Urban						
1. Metered	Rs. 40/kW	Rs. 4.35/ kWh	Rs. 50/kW	Rs. 5.45/ kWh	Rs. 50/kW	Rs. 4.65/ kWh
3.2 Rural						
1. Metered	Rs. 35/kW	Rs. 4.35/ kWh	Rs. 45/kW	Rs. 5.45/ kWh	Rs. 40/kW	Rs. 4.65/ kWh

RTS-4: Private Tube Wells / Pump Sets Tariff

Table 5: Tariff for Private tube Wells/ Pump Sets

Category	Existing Tariff			UPCL Proposed Tariff			Approved		
	Fixed / Demand Charges (Per Month)	Energy Charges	Minimum Charges	Fixed / Demand Charges (Per Month)	Energy Charges	Minimum Charges	Fixed / Demand Charges (Per Month)	Energy Charges	Minimum Charges
RTS-4: Private Tube-wells / Pumping sets									
Metered	Nil	Rs. 1.40/ kWh	60 units/ BHP/ month & 720 units /BHP/ annum	Nil	Rs. 1.75/ kWh	60 units/ BHP/ month & 720 units /BHP/ annum	Nil	Rs. 1.55/ kWh	60 units/ BHP/ month & 720 units /BHP/ annum
RTS-4A: Agriculture Allied Activities									
Metered	Nil	Rs. 2.25/ kWh	60 units/ BHP/ month & 720 units /BHP/ annum	Nil	Rs. 2.80/ kWh	60 units/ BHP/ month & 720 units /BHP/ annum	Nil	Rs. 1.55/ kWh	60 units/ BHP/ month & 720 units /BHP/ annum

RTS-5: Government Irrigation System Tariff

Table 6: Tariff for Government Irrigation System

Description	Existing Tariff		UPCL Proposed Tariff		Approved	
	Fixed / Demand Charges (Per Month)	Energy Charges	Fixed / Demand Charges (Per Month)	Energy Charges	Fixed / Demand Charges (Per Month)	Energy Charges
RTS-5: Government Irrigation System						
Upto 75 kW	Rs. 40/kW	Rs. 4.35/ kWh	Rs. 50/kW	Rs. 5.45/ kWh	Rs. 50/kW	Rs. 4.55/ kWh
Above 75 kW	Rs. 40/kVA	Rs. 4.20/ kVAh	Rs. 50/kVA	Rs. 5.25/ kVAh	Rs. 50/kVA	Rs. 4.40/ kVAh

RTS-6: Public Water Works Tariff

Table 7 : Tariff for Public Water Works

Description	Existing Tariff		UPCL Proposed Tariff		Approved	
	Fixed / Demand Charges (Per Month)	Energy Charges	Fixed / Demand Charges (Per Month)	Energy Charges	Fixed / Demand Charges (Per Month)	Energy Charges
Urban	Rs. 40/kVA	Rs. 4.25/kVAh	Rs. 50/kVA	Rs. 5.30/kVAh	Rs. 50/kVA	Rs. 4.45/kVAh
Rural	Rs. 35/kVA	Rs. 4.25/kVAh	Rs. 45/kVA	Rs. 5.30/kVAh	Rs. 40/kVA	Rs. 4.45/kVAh

RTS-7: Industries Tariff

Table 8: Tariff for LT Industries

Category	Existing Tariff			UPCL Proposed Tariff			Approved			
	Fixed Charges (Per Month)	Energy Charges	MCG	Fixed Charges (Per Month)	Energy Charges	MCG	Fixed Charges (Per Month)	Energy Charges	MCG	
RTS-7: Industry										
LT Industry										
1. LT Industries (upto 25 kW)	Rs. 105/kW	Rs. 3.95/kWh	*50 kWh/kW/month & 600 kWh /kW/annum	Rs. 132/kW	Rs. 4.95/kWh		*50 kWh/kW/month & 600 kWh /kW/annum	Rs. 130/kW	Rs. 4.05/kWh	*50 kWh/kW/month & 600 kWh /kW/annum
2. LT Industries (above 25kW & upto 75 kW)	Rs. 105/kVA	Rs. 3.60/kVAh	50 kVAh/kVA/month & 600 kVAh /kVA/ annum	Rs. 132/kVA	Rs. 4.55/kVAh		50 kVAh/kVA/month & 600 kVAh /kVA/ annum	Rs. 130/kVA	Rs. 3.70/kVAh	50 kVAh/kVA/month & 600 kVAh /kVA/ annum

*30 kWh/kW/month and 360 kWh/kW/annum for Atta Chakkis.

Table 9: Existing and Proposed Tariff for HT Industries

Sl. No.	Category	Load Factor	Existing Tariff			Proposed Tariff		
			Energy Charges (Rs./kVAh)	Fixed/Demand Charges (Rs./kVA)	MCG Charges	Energy Charges (Rs./kVAh)	Fixed /Demand Charges (Rs./kVA)	MCG Charges
1	HT Industry having contracted load above 88kVA/75 kW (100 BHP)							
1.1	Contracted Load up to 1000 kVA	Upto 40%	3.40	Rs. 230/kVA of the billable demand	100 kVAh/kVA/month & 1200 kVAh /kVA/annum	4.15	Rs. 285/kVA of the billable demand	100 kVAh/kVA/month & 1200 kVAh /kVA/annum
		Above 40%	3.75			4.70		
1.2	Contracted Load More than 1000 kVA	Upto 40%	3.40	Rs. 290/kVA of the billable demand		4.15	Rs. 365/kVA of the billable demand	
		Above 40%	3.75			4.70		

Table 10: Approved Tariff for HT Industry

S. No	Category	Load Factor	Energy Charges	Fixed Charges	MCG
			Rs./kVAh	Rs./kVA/month	kVAh/kVA of contracted load
1	HT Industry having contracted load above 88kVA/75 kW (100 BHP)				
1.1	Contracted Load up to 1000 kVA	Upto 40%	3.50	Rs. 255/kVA of the billable demand	100 kVAh/kVA/month & 1200 kVAh/kVA/annum
		Above 40%	3.85		
1.2	Contracted Load More than 1000 kVA	Upto 40%	3.50	Rs. 320/kVA of the billable demand	
		Above 40%	3.85		

RTS-8: Mixed Load Tariff**Table 11: Tariff for Mixed Load**

Description	Existing Tariff		UPCL Proposed Tariff		Approved	
	Fixed/Demand Charges (Per Month)	Energy Charges	Fixed/Demand Charges (Per Month)	Energy Charges	Fixed/Demand Charges (Per Month)	Energy Charges
RTS-8: Mixed Load						
Mixed Load Single Point Bulk Supply above 75 kW including MES as deemed licensee	Rs. 50/ kW	Rs. 4.15/ kWh	Rs. 65/ kW	Rs. 5.15/ kWh	Rs. 60/ kW	Rs. 4.50/ kWh

RTS-9: Railway Traction Tariff**Table 12: Tariff for Railway Traction**

Description	Existing Tariff		UPCL Proposed Tariff		Approved	
	Fixed/Demand Charges (Per Month)	Energy Charges	Fixed/Demand Charges (Per Month)	Energy Charges	Fixed/Demand Charges (Per Month)	Energy Charges
RTS-9: Railway Traction	Rs. 200/kVA	Rs. 3.60/kVAh	Rs. 260/kVA	Rs. 5.00/kVAh	Rs. 225/kVA	Rs. 3.95/kVAh
