

Before

UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

In the matter of:

UPCL's Petition on MYT for the Control Period FY 2016-17 to FY 2018-19 and True-up for FY 2014-15.

AND

In the matter of:

Uttarakhand Power Corporation Limited ...Petitioner
Urja Bhawan, Kanwali Road, Dehradun

Coram

Shri Subhash Kumar Chairman

Shri C.S. Sharma Member

Date of Order: December 22, 2015

Order

This order relates to the Petition on MYT for the Control Period FY 2016-17 to FY 2018-19 and True-up for FY 2014-15 filed by Uttarakhand Power Corporation Limited (UPCL), hereinafter referred to as the Petitioner, on 30.11.2015.

2. The Petition filed by UPCL had certain critical infirmities/deficiencies. The Commission vide its letter dated 08.12.2015 informed the same to UPCL asking it to rectify the said infirmities so that the Petition could be admitted. UPCL submitted the information to the deficiencies pointed by the Commission on 17.12.2015.
3. The Petitioner has yet not submitted the following crucial information:

- Details of Income from Wheeling Charges (Form 12)
- Details of Revenue from Cross-subsidy Charges (Form 1)
- Category-wise load shedding (Form 18.4)

The Commission directs the Petitioner to submit the aforesaid details within 15 days from the date of this Order

4. Based on the submissions of UPCL, the Commission directs 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.
5. 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.

(C.S. Sharma)
Member

(Subhash Kumar)
Chairman

UTTARAKHAND POWER CORPORATION LIMITED
PUBLIC NOTICE

Inviting Comments on the Multi Year Tariff Petition for the Control Period from FY 2016-17 to FY 2018-19 and determination of tariff for FY 2016-17 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 approval of its Annual Revenue Requirement (ARR) for the FY 2016-17 to FY 2018-19 and has sought revision of Retail Tariffs to be charged from different category of electricity consumers in the State for the FY 2016-17.
2. Through the above Petition, UPCL has also sought truing up of expenses for FY 2014-15 (based on audited accounts). The summary of the revised ARR and the revised revenue Gap for FY 2014-15 and projected ARR & projected Revenue gap for the FY 2016-17 to FY 2018-19 are given in the following Table:

(Figures in ₹Crore)

S. No.	Particulars	FY 2014-15		FY 2015-16		Projected by UPCL for		
		Approved by the Commission	Final truing up claimed by UPCL	Approved by the Commission	Revised Estimates submitted by UPCL	FY 2016-17	FY 2017-18	FY 2018-19
A.	Expenditure							
1	Power Purchase Expenses	3040.86	3267.69	3274.39	3228.77	3834.19	4239.71	4738.04
2	UJVN Ltd.'s arrears	156.40	160.48	155.10	155.10	-	-	-
3	SLDC charges	6.02	6.02	7.45	-	7.75	8.06	8.38
4	Transmission Charges- PGCIL	254.92	246.54	226.72	349.48	385.26	441.27	497.57
5	Transmission Charges- PTCUL	232.68	230.76	295.30	295.30	299.36	311.34	323.79
6	Cost to meet RPO	0.00	-	-	79.90	161.89	138.67	152.49
7	O&M expenses	404.23	371.70	491.52	508.28	542.50	626.30	723.59
8	Interest charges	121.82	135.49	139.44	139.66	161.72	191.30	223.81
9	Depreciation	69.38	105.86	94.54	122.37	145.59	175.61	209.88
10	Provision for Bad and Doubtful Debts	-	37.55	0.00	46.07	55.65	61.90	69.73
11	Return on Equity	40.42	78.17	48.88	93.60	118.63	147.20	179.82
12	Interest on Working Capital	6.36	0.00	8.38	21.29	31.49	36.01	42.78
B.	Gross Expenditure	4333.09	4640.27	4741.72	5039.82	5744.04	6377.37	7169.88
C.	Less: Non-tariff income	70.04	162.00	73.54	170.10	178.60	187.54	196.91
	Less: Revenue from sharing of losses	-	22.81	-	-	-	-	-
	Add: gap/(surplus) of previous years	(138.13)	(138.13)	(77.30)	(77.30)	-	-	-
D.	Aggregate Revenue Requirement (A-B)	4124.92	4362.95	4590.88	4792.42	5565.44	6189.84	6972.96
E.	Revenues from Existing/Approved Tariffs	4145.84	3950.12	-	-	4889.57	-	-
F.	Additional Gap/(Surplus) from truing up of previous years with carrying cost	-	-	-	-	544.39	-	-
G.	Revenue Surplus/(Gap) ((E) -(F)- (D))	20.92	(412.83)	-	-	(1220.26)	-	-

3. UPCL has, accordingly, for the FY 2014-15 and FY 2016-17 taken together, projected a total revenue gap of ₹1,220.26 Crore.
4. For FY 2016-17, UPCL has projected the distribution loss level of 17.29% based on the loss trajectory proposed in the business plan. It is also to mention that for projecting the power purchase cost for FY 2016-17 from Central Sector Generating Stations, UPCL has escalated applicable rates for FY 2015-16 by 5% based on actual energy bills and rates as approved in the orders of CERC. Inter-state transmission charges (PGCIL charges) have been projected on “per MU basis”, i.e. power projected to be procured from outside the state for each year is multiplied by 4% escalated rate of PU estimated PGCIL charges for FY 2015-16 and quantum of power procured from outside the state in that particular year. Similarly, Intra-state transmission charges (PTCUL charges) have been projected by increasing ARR approved by the Commission for PTCUL for FY 2015-16 by 4% for each year of the control period.
5. UPCL has proposed to recover the revenue gap of ₹ 1,220.26 Crore relating to FY 2014-15 and FY 2016-17 through tariffs in the FY 2016-17. UPCL has, accordingly, proposed an average tariff hike of 24.99% in the existing retail tariffs of consumers.
6. Further, PTCUL, SLDC and UJVN Ltd. have also submitted their ARR and Tariff Petition for the Control Period FY 2013-14 to FY 2015-16 before the Commission. If their claims are accepted by the Commission it would necessitate a hike of 31.77% in consumer tariffs for FY 2016-17.
7. UPCL has proposed to revise the applicable tariffs for FY 2016-17.

The tariff proposals are as below:

Category	Fixed/Demand Charges		Energy Charges		Minimum consumption charges	
	Existing	Proposed	Existing	Proposed	Existing	Proposed
RTS-1: DOMESTIC						
1.1 Domestic Metered						
1.1.1 Life line consumers						
Below Poverty Line and Kutir Jyoti having load upto 1 kW and consumption upto 30 units per month	₹ 11/ connection/month	₹ 11/ connection/month	₹ 1.50/kWh	₹ 1.50/kWh		
1.2 Other domestic consumers						
Consumption upto 100 units	₹ 35/connection/month	₹ 45/connection/month	₹ 2.40/kWh	₹ 3.00/kWh		
Consumption between 101-200 units	₹ 50/connection/month	₹ 65/connection/month	₹ 2.90/kWh	₹ 3.80/kWh		
Consumption between 201-300 units/month	₹ 70/connection/month	₹ 90/connection/month	₹ 3.80/kWh	₹ 4.80/kWh		
Consumption between 301-400 units/month	₹ 95/connection/month	₹ 120/connection/month	₹ 3.80/kWh	₹ 4.80/kWh		
Consumption between 401-500 units/month	₹ 120/connection/month	₹ 145/connection/month	₹ 4.00/kWh	₹ 5.00/kWh		
Consumption Above 500 units/month	₹ 145/connection/month	₹ 175/connection/month	₹ 4.00/kWh	₹ 5.00/kWh		
1.3 Single Point Bulk Supply	₹ 40/kW/month	₹ 50/kW/month	₹ 3.40/kWh	₹ 4.30/kWh		
RTS-1A: SNOWBOUND						

Category	Fixed/Demand Charges		Energy Charges		Minimum consumption charges	
	Existing	Proposed	Existing	Proposed	Existing	Proposed
1) Domestic	₹ 11/ connection/month	₹ 11/ connection/month	₹ 1.50/kWh	₹ 1.50/kWh		
2) Non-domestic upto 1 kW	₹ 11/ connection/month	₹ 11/ connection/month	₹ 1.50/kWh	₹ 1.50/kWh		
3) Non-domestic above 1 kW & upto 4 kW	₹ 11 connection/month	₹ 11 connection/month	₹ 2.25/kWh	₹ 2.25/kWh		
4) Non-domestic above 4 kW	₹ 20/ connection/month	₹ 20/ connection/month	₹ 3.40/kWh	₹ 3.40/kWh		
RTS-2: NON-DOMESTIC						
1. Government/Municipal Hospitals, Government/Government aided Educational Institutions, Charitable Institutions registered under the Income Tax Act, 1961 and whose income is exempted from tax under this Act						
(a) Upto 25 kW	₹ 40/kW/month	₹ 50/kW/month	₹ 4.05/kWh	₹ 5.00/kWh		
(b) Above 25 kW	₹ 45/ kVA/month	₹ 57/kVA/month	₹ 3.65/kVAh	₹ 4.55/kVAh	50 kVAh/kVA/month & 600/kVAh/kVA/annum	50 kVAh/kVA/month & 600/ kVAh/kVA/annum
2. Other Non-Domestic/Commercial Users						
(a) Upto 4 kW and consumption upto 50 units per month	₹ 45/kW/month	₹ 57/kW/month	₹ 4.20/kWh	₹ 5.20/kWh		
(b) Others upto 25 kW not covered in above (a)	₹ 45/kW/month	₹ 57/kW/month	₹ 4.85/kWh	₹ 6.10/kWh		
(c) Above 25 kW	₹ 45/kVA/month	₹ 57/kVA/month	₹ 4.75/kVAh	₹ 5.95/kVAh	50 kVAh/kVA/month & 600/kVAh/kVA/annum	50 kVAh/kVA/month & 600/ kVAh/kVA/annum
3. Single Point Bulk Supply (above 75 kW)	₹ 45/kVA/month	₹ 57/kVA/month	₹ 4.65/kVAh	₹ 5.80/kVAh	50 kVAh/kVA/month & 600/kVAh/kVA/annum	50 kVAh/kVA/month & 600/ kVAh/kVA/annum
4. Independent Advertisement Hoardings as covered under para 1.4	₹ 60/kW/month	₹ 75/kW/month	₹ 4.90/kWh	₹ 6.10/kWh		
RTS-3: PUBLIC LAMPS - In addition to Tariff, Maintenance charge of ₹ 10/- per light point per month.						
1. Urban Metered	₹ 40/kW/month	₹ 50/kW/month	₹ 4.35/kWh	₹ 5.45/kWh		
2. Rural Metered	₹ 35/kW/month	₹ 45/kW/month	₹ 4.35/kWh	₹ 5.45/kWh		
RTS-4: * PRIVATE TUBE WELLS/PUMPING SETS						
Metered	Nil	Nil	₹ 1.40/kWh	₹ 1.75/kWh	60 units/BHP/month & 720 units/BHP/ annum	60 units/BHP/month & 720 units/BHP/ annum
RTS-4 A: AGRICULTURE ALLIED ACTIVITIES						
Agriculture Allied Activities	Nil	Nil	₹ 2.25/kWh	₹ 2.80/kWh	60 units/BHP/month & 720 units/BHP/ annum	60 units/BHP/month & 720 units/BHP/ annum
RTS-5: GOVERNMENT IRRIGATION SYSTEM						
Upto 75 kW	₹ 40/kW/month	₹ 50/kW/month	₹ 4.35/kWh	₹ 5.45/kWh		
More than 75 kW	₹ 40/kVA/month	₹ 50/kVA/month	₹ 4.20/kVAh	₹ 5.25/kVAh		
RTS-6: PUBLIC WATER WORKS**						
Urban	₹ 40/kVA/month	₹ 50/kVA/month	₹ 4.25/kVAh	₹ 5.30/kVAh		
Rural	₹ 35/kVA/month	₹ 45/kVA/month	₹ 4.25/kVAh	₹ 5.30/kVAh		
RTS-7: LT & HT INDUSTRIES***						
1. LT Industry having contracted load upto 100 BHP/75 kW						
1.1 Contracted load up to 25 kW	₹ 105/kW of contracted load	₹ 132/kW/month	₹ 3.95/kWh	₹ 4.95/kWh	50 kWh/kW of contracted load/month & 600/ kWh/kW of contracted load /annum	50 kWh/kW of contracted load/month & 600/ kWh/kW of contracted load /annum

Category	Fixed/Demand Charges		Energy Charges		Minimum consumption charges	
	Existing	Proposed	Existing	Proposed	Existing	Proposed
					and 30/kWh/kW of contracted load / month & 360 kWh /kW of contracted load / annum for Atta Chakki	and 30/kWh/kW of contracted load / month & 360 kWh /kW of contracted load /annum for Atta Chakki
1.2 Contracted load more than 25 kW	₹ 105/kVA of contracted load	₹ 132/kVA/month	₹ 3.60/kVAh	₹ 4.55/kVAh	50 kVAh/kVA of contracted load/month & 600/ kVAh/kVA of contracted load /annum	50 kVAh/kVA \$ of contracted load/month & 600/ kVAh/kVA of contracted load /annum
2. HT Industry having contracted load above 100 BHP/75 kW/88 kVA						
2.1 Contracted load upto 1000 kVA						
2.1.1 LF upto 40%	₹ 230/kVA of billable demand	₹ 285/kVA of billable demand	₹ 3.40 /kVAh	₹ 4.15/kVAh	100 kVAh/kVA of contracted load/month & 1200/ kVAh/kVA of contracted load/annum	100 kVAh/kVA of contracted load/month & 1200/ kVAh/kVA of contracted load/annum
2.1.2 LF above 40%			₹ 3.75/kVAh	₹ 4.70/kVAh		
2.2 Contracted load above 1000 kVA						
2.2.1 LF upto 40%	₹ 290/kVA of billable demand	₹ 365/kVA of billable demand	₹ 3.40/kVAh	₹ 4.15/kVAh	100 kVAh/kVA of contracted load/month & 1200/ kVAh/kVA of contracted load/annum	100 kVAh/kVA of contracted load/month & 1200/ kVAh/kVA of contracted load/annum
2.2.2 LF above 40%			₹ 3.75/kVAh	₹ 4.70/kVAh		
RTS-8: MIXED LOADS	₹ 50/kW/month	₹ 65/kW/month	₹ 4.15/kWh	₹ 5.15/kWh		
RTS-9: RAILWAY TRACTION	₹ 200/kVA/month	₹ 260/kVA/month	₹ 3.60/kVAh	₹ 5.00/kVAh		
RTS-10: TEMPORARY SUPPLY						
(1) For Illumination / public address/ ceremonies for load upto 15 kW	₹ 1200 per day	₹ 1500 per day				
(2) Temporary shops set up during festivals / melas and having load upto 2 kW	₹ 80 per day	₹ 100 per day				
(3) Other Temporary shops/ Jhuggi /Jhopris for load upto 1 kW						
3.1 Rural	₹ 110/month/connection	₹ 135/month/connection				
3.2 Urban	₹ 220/month /connection	₹ 275/month /connection				

*The Petitioner has submitted that it had received several representations from various farmer groups for abolishing Minimum Consumption Guarantee (MCG) from RTS-4 (Private Tube Well) category on the ground that they are not able to consume even the minimum consumption specified in the Tariff Schedule on account of various reasons like availability of water, higher ground water level, etc. The Petitioner proposes that MCG may be abolished for RTS-4, if the Government of Uttarakhand subsidizes the same.

** The Petitioner has submitted that Government of Uttarakhand (GoU) had directed it to submit tariff proposal for charging domestic tariff for the consumption on electricity operated water pumps by rural groups under Uttarakhand Rural Water Supply and Sanitation Project (URWSSP) scheme of the GoU which is being charged under RTS-6 (Public water works).UPCL has requested the Commission for considering the same.

*** For industries opting continuous supply, UPCL has not proposed any change in the continuous supply surcharge of 15%. Besides this, UPCL has proposed the following ToD charges for the industries:

Industries	Rate of charge during		
	Normal hours	Peak hours	Off-peak hours
LT Industries	₹ 4.55/kVAh	₹ 6.83/kVAh	₹ 4.10/kVAh
HT Industries with Load Factor			
Upto 40%	₹ 4.15/kVAh	₹ 7.05/kVAh	₹ 3.74/kVAh
Above 40%	₹ 4.70/kVAh	₹ 7.05/kVAh	₹ 4.23/kVAh

In addition to the above, Petitioner has proposed following key alterations in tariff for FY 2016-17:

- To revise the terms and conditions applicable on Seasonal Industries to bring more clarity and avoid any dispute.
 - In respect of supply through Pre-paid meter connection UPCL has raised issues/problems such as charging of MCG, Solar water heater system rebate, low power factor surcharge, handling of excess load, customisation according to number of slabs, seasonal tariff, time require to modify the charge out rate based on the revised tariff schedule, etc. UPCL has submitted that it is in the process of preparing a detailed submission on various issues faced by the Petitioner and solutions for it, if any.
 - UPCL has submitted that rebate for taking supply at higher voltage was revised by the vide Tariff Order dated 10th April 2014 from 1.5% and 5% to 2.5% and 7.5% for taking supply at 33 kV and 132 kV and above respectively. UPCL has submitted that this revision in voltage rebate has resulted in huge revenue loss to the Petitioner. It has requested the Commission to revise the Rebate for taking supply at higher voltage to 1.5% and 5% for taking supply at 33 kV and 132 kV and above respectively.
3. 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 uttaranchalerc@rediffmail.com by 10.02.2016.
 4. 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.
 3. The Petition is also available at the website of the Commission (www.uerc.gov.in) and at the Petitioner's website (www.upcl.org).