Order on

Approval of Business Plan and
Multi Year Tariff Petition
For
Uttarakhand Power Corporation Ltd.
For
Control Period
(FY 2025-26 to FY 2027-28)

April 11, 2025

UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

Vidyut Niyamak Bhawan,

Near I.S.B.T., P.O. Majra, Dehradun – 248171

Table of Contents

List of Tables

Before

UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

Petition No.: 4 of 2025

and

Petition No.: 5 of 2025

In the Matter of:

Petition filed by Uttarakhand Power Corporation Limited for True Up of FY 2023-24, Annual Performance Review for FY 2024-25 and ARR & Tariff for FY 2025-26.

AND

In the Matter of:

Petition filed by Uttarakhand Power Corporation Limited for approval of Business Plan for Fifth Control Period from FY 2025-26 to FY 2027-28.

AND

In the Matter of:

Uttarakhand Power Corporation Limited

Urja Bhawan, Kanwali Road, Dehradun …Petitioner

Coram

Shri M.L. Prasad **Chairman**

Shri Anurag Sharma **Member (Law)**

Date of Order: April 11, 2025

Section 64(1) read with Section 61 and 62 of the Electricity Act, 2003 (hereinafter referred to as "the Act") requires the Generating Companies and the Licensees to file an application for determination of tariff before the Appropriate Commission in such manner and along with such fee as may be specified by the Appropriate Commission through Regulations.

In accordance with the relevant provisions of the Act, the Commission had notified Uttarakhand Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2011 (hereinafter referred to as "UERC Tariff Regulations, 2011") for the first Control Period from FY 2013-14 to FY 2015-16, Uttarakhand Electricity Regulatory Commission (Terms and Conditions for Determination of Multi Year Tariff) Regulations, 2015 (hereinafter referred to as "UERC Tariff Regulations, 2015") for the second Control Period from FY 2016-17 to FY 2018-19, Uttarakhand Electricity Regulatory Commission (Terms and Conditions for Determination of Multi Year Tariff) Regulations, 2018 (hereinafter referred to as "UERC Tariff Regulations, 2018") for the third Control Period from FY 2019-20 to FY 2021-22 and Uttarakhand Electricity Regulatory Commission (Terms and Conditions for Determination of Multi Year Tariff) Regulations, 2021 (hereinafter referred to as "UERC Tariff Regulations, 2021") for the fourth Control Period from FY 2022-23 to FY 2024-25 specifying therein terms, conditions and norms of operation for licensees, generating companies and SLDC.

The Commission had issued the Orders on approval of Business Plan and Multi Year Tariff for the above referred Control Periods from FY 2013-14 to FY 2024-25 based on the applicable Tariff Regulations and had also carried out the Annual Performance Review and truing up for the years under the four Control Periods.

Further, in accordance with the relevant provisions of the Act, the Commission had notified Uttarakhand Electricity Regulatory Commission (Terms and Conditions for Determination of Multi Year Tariff) Regulations, 2024 (hereinafter referred to as "UERC Tariff Regulations, 2024") for the Fifth Control Period from FY 2025-26 to FY 2027-28 specifying therein terms, conditions and norms of operation for licensees, generating companies and SLDC.

In compliance with the provisions of the Act and Regulation 8(1) and 10(1) of UERC Tariff Regulations, 2024, Uttarakhand Power Corporation Limited (hereinafter referred to as "UPCL" or "Licensee" or "Petitioner") filed separate Petitions for approval of its Business Plan for the Control Period from FY 2025-26 to FY 2027-28 (Petition No. 5 of 2025 hereinafter referred to as the "Business Plan Petition") and Multi Year Tariff Petition (Petition No. 4 of 2025 hereinafter referred to as the "MYT Petition") on December 26, 2024. UPCL, in its Business Plan Petition, has submitted the Capital Investment Plan, Financing Plan, Human Resource Plan and trajectory of performance parameters for the Fifth Control Period. Further, through the MYT Petition, UPCL has submitted the detailed calculations of its projected Annual Revenue Requirement (ARR) for the Fifth Control Period from FY 2025-26 to FY 2027-28 in accordance with UERC Tariff Regulations, 2024. Through the MYT Petition, the Petitioner has also requested for true up of FY 2023-24 based on the audited accounts in accordance with UERC Tariff Regulations, 2021.

The Business Plan Petition filed by UPCL had certain infirmities/deficiencies which were informed to UPCL vide Commission's letter no. UERC/6/TF-759/2024-25/2024/1290 dated December 30, 2024, and UPCL was directed to rectify the said infirmities in the Petition and submit certain additional information necessary for admission of the Business Plan Petition. UPCL vide its letter no. 67/UPCL/RM/B-28 dated January 06, 2025, and letter no. 248/UPCL/RM/B-28 dated January 15, 2025, submitted most of the information sought by the Commission.

Further, the MYT Petition filed by UPCL also had certain infirmities/deficiencies. The Commission, accordingly, vide its letter no. UERC/6/TF-758/2024-25/2024/1289 dated December 30, 2024, directed UPCL to rectify these infirmities/deficiencies and to submit certain additional information necessary for admission of the MYT Petition. UPCL vide its letter no. 68/UPCL/RM/B-28 dated January 06, 2025, and letter no. 246/UPCL/RM/B-28 dated January 15, 2025, submitted most of the information sought by the Commission.

The Commission vide its Order dated January 08, 2025 provisionally admitted the Petitions for further processing with the condition that UPCL shall furnish any further information/ clarifications as deemed necessary by the Commission during the processing of the Petition within the time frame, as may be stipulated by the Commission, failing which the Commission may proceed to dispose of the matter as it deems fit based on the information available with it.

This Order, accordingly, relates to the Business Plan Petition and MYT Petition filed by UPCL for approval of the Business Plan and determination of ARR for the Fifth Control Period from FY 2025-26 to FY 2027-28 and Tariff for FY 2025-26 as well as true up for FY 2023-24 and Annual Performance Review (APR) for FY 2024-25 and is based on the original as well as all the subsequent submissions made by UPCL during the course of the proceedings.

Tariff determination being the most vital function of the Commission, it has been the practice of the Commission to elaborate in detail the procedure and to explain the underlying principles in determination of tariffs. Accordingly, in the present Order also, in line with the past practices, the

Commission has tried to elaborate the procedure and principles followed by it in determining the ARR of the licensee. For the sake of convenience and clarity, this Order has further been divided into following Chapters:

Chapter 1 - Background and Procedural History.

Chapter 2 - Stakeholders' Objections/suggestions, Petitioner's Responses & Commission's Views.

Chapter 3 - Petitioner's Submissions, Commission's Analysis, Scrutiny and Conclusion on Business Plan for Fifth Control Period.

Chapter 4 - Petitioner's Submissions, Commission's Analysis, Scrutiny and Conclusion on Truing up for FY 2023-24.

Chapter 5 – Petitioner's Submissions, Commission's Analysis, Scrutiny and Conclusion on APR for FY 2024-25 and ARR for Fifth Control Period of FY 2025-26 to FY 2027-28.

Chapter 6 - Tariff Rationalisation, Tariff Design, and related issues.

Chapter 7 - Review of Commercial Performance of UPCL.

Chapter 8 - Commission's Directives.

1. Background and Procedural History

In accordance with the provisions of the Uttar Pradesh Reorganization Act 2000 (Act 29 of 2000), enacted by the Parliament of India on August 25, 2000, the State of Uttaranchal came into existence on November 9, 2000. Section 63(4) of the above Reorganization Act allowed the Government of Uttaranchal (hereinafter referred to as "GoU" or "State Government") to constitute a State Power Corporation at any time after the creation of the State. GoU, accordingly, established the Uttaranchal Power Corporation Limited (UPCL) under the Companies Act, 1956, on February 12, 2001, and entrusted it with the business of transmission and distribution in the State. Subsequently, from April 1, 2001, all works pertaining to the transmission, distribution, and retail supply of electricity in the area of Uttaranchal were transferred from UPPCL to UPCL, in accordance with the Memorandum of Understanding dated March 13, 2001, signed between the Governments of Uttaranchal and Uttar Pradesh. On May 31, 2004, GoU first vested all the interests, rights and liabilities related to Power Transmission and Load Despatch of "Uttaranchal Power Corporation Limited" into itself and, thereafter, re-vested them into a new company, i.e. "Power Transmission Corporation of Uttaranchal Limited" now renamed as "Power Transmission Corporation of Uttarakhand Limited" after change of name of the State. Since then, Uttarakhand Power Corporation Ltd. (UPCL) a company wholly owned by the Government of Uttarakhand became the sole distribution licensee engaged in the business of distribution and retail supply of power in the State of Uttarakhand.

The Commission vide its Order dated May 6, 2013, approved the Business Plan for UPCL for the first Control Period from FY 2013-14 to FY 2015-16 and Tariff for FY 2013-14. Further, the Commission had issued the Tariff Orders for FY 2014-15 and FY 2015-16 vide its Orders dated April 10, 2014, and April 11, 2015, respectively.

The Commission vide its Order dated April 5, 2016, issued the Order on approval of Business Plan for UPCL for the second Control Period from FY 2016-17 to FY 2018-19 and Tariff for FY 2016-17. Further, the Commission had issued the Tariff Orders for FY 2017-18 and FY 2018-19 vide its Orders dated March 29, 2017, and March 21, 2018, respectively.

The Commission, thereafter, vide its Order dated February 27, 2019, issued the Order on approval of Business Plan for UPCL for the third Control Period from FY 2019-20 to FY 2021-22 and

Tariff for FY 2019-20. Further, the Commission had issued the Tariff Order for FY 2020-21 and FY 2021-22 vide its Order dated April 18, 2020, and April 26, 2021, respectively.

The Commission, thereafter, vide its Order dated March 31, 2022, issued the Order on approval of Business Plan for UPCL for the fourth Control Period from FY 2022-23 to FY 2024-25 and Tariff for FY 2022-23. Further, the Commission had issued the Tariff Order for FY 2023-24 and FY 2024-25 vide its Order dated March 30, 2023, and March 28, 2024, respectively.

As mentioned earlier also, in accordance with the provisions of the Electricity Act, 2003 and Regulation 8(1) and 10(1) of the UERC Tariff Regulations, 2024, UPCL was required to submit Business Plan Petition and MYT Petition for the Fifth Control Period along with determination of its ARR by November 30, 2024. UPCL, however, sought extension of time to file the Petition, and the Commission vide its letter no. UERC/6/TF-750/2024-25/2024/1143 dated November 22, 2024, and letter no. UERC/6/TF-750/2024-25/2024/1252 dated December 17, 2024, allowed UPCL to file the Business Plan Petition and MYT Petition by December 26, 2024. UPCL subsequently filed the Business Plan Petition and MYT Petition for determination of ARR for the Fifth Control Period from FY 2025-26 to FY 2027-28 and Tariff for FY 2025-26 along with True up for FY 2023-24 on December 26, 2024.

The Business Plan and MYT Petitions respectively were provisionally admitted by the Commission vide two separate Orders dated January 08, 2025. The Commission, through its above admittance Orders dated January 08, 2025, to provide transparency to the process of tariff determination and give all the stakeholders an opportunity to submit their objections/suggestions/comments on the proposals of the Distribution Licensee, directed UPCL to publish the salient points of its Petitions in the leading newspapers. The salient points of the Petitions were published by the Petitioner in the following newspapers:

Table 1.1: Publication of Notice

S.No.	Newspaper Name	Date of Publication
1.	Amar Ujala	11.01.2025
2.	Dainik Jagran	11.01.2025
3.	The Times of India	
a)	*Business Plan Petition*	11.01.2025
b)	*MYT Petition*	12.01.2025
4.	The Hindustan Times	
a)	*Business Plan Petition*	11.01.2025
b)	*MYT Petition*	12.01.2025

Through above notice, the stakeholders were requested to submit their objections/ suggestions/comments latest by 15.02.2025 (copy of the notice is enclosed as **Annexure 3**). The Commission received in all 30 objections/suggestions/comments in writing on the Petition filed by UPCL. The list of stakeholders who have submitted their objections/ suggestions/comments in writing is enclosed as **Annexure-4**.

Further, for direct interaction with all the stakeholders and public at large, the Commission also held public hearings on the proposals filed by the Petitioner at the following places in the State of Uttarakhand.

Table 1.2: Schedule of Hearings

S. No	Place	Date
1.	Lohaghat	18.02.2025
2.	Rudrapur	19.02.2025
3.	Gopeshwar	25.02.2025
4.	Dehradun	28.02.2025

The list of participants who attended the Public Hearing is enclosed at **Annexure-5**.

The Commission also sent the copies of the salient features of the tariff Petitions to Members of the State Advisory Committee and the State Government. The salient features of the tariff Petitions submitted by UPCL were also made available on the website of the Commission, i.e. www.uerc.gov.in. The Commission also held a meeting with the Members of the Advisory Committee on March 19, 2025, wherein, detailed deliberations were held with the Members of the Advisory Committee on the various issues linked with the Petition filed by UPCL.

The objections/suggestions/comments, as received from the stakeholders through mail/ post as well as during the course of public hearing were sent to the Petitioner for its response. All the issues raised by the Stakeholders and the Petitioner's response and Commission's views thereon are detailed in Chapter 2 of this Order. In this context, it is also to underline that while finalizing this Order, the Commission has, as far as possible, tried to address the issues raised by the stakeholders.

Meanwhile, based on the scrutiny of the Petitions submitted by UPCL, the Commission vide its letter no. UERC/6/TF-759/2024-25/2025/1403 dated January 17, 2025, UERC/6/TF-759/2024-25/2025/1457 dated January 29, 2025, letter no. UERC/6/TF-758/2024-25/2025/1489 dated February 05, 2025, letter no. UERC/6/TF-758/2024-25/2025/1543 dated February 14, 2025, letter no. UERC/6/TF-758/2024-25/2025/1656 dated March 20, 2025, and further discussion with the

Officers of the utility, pointed out certain data gaps in the Petition and sought following additional information/clarifications from the Petitioner:

Business Plan Petition

- Resubmit all the Formats with proper formulae and linkages for ensuring consistency and accuracy of the data submitted.
- Confirm that the Capital Investment Plan submitted is in conformity with the perspective plan made by STU.
- Supporting document including commitment of State Government for equity contribution, if any, Lender's commitment, cost/benefit analysis, alternatives considered etc.
- Existing and projected wire availability as well as supply availability for the Control Period.
- Category wise monthly load shedding carried out in FY 2023-24 and in the first half of FY 2024-25.
- Submit whether the Petitioner has entered into any agreement or signed any MoU for power procurement from upcoming stations along with a copy of such agreement/MoU.
- Details of division wise contractual staffs recruited from UPNL and other agencies as on November, 2024.
- Details of actual number of employees.
- Justification for projecting procurement of short term power during the Control Period.

MYT Petition

- Audited Accounts along with Statutory Auditor and CAG's report.
- Justify the proposed tariff hike in terms of reduction of cross-subsidy between various consumer categories, in accordance with the provisions of the EA, 2003, Tariff Policy and previous Orders of the Commission.
- Table indicating the existing and proposed category wise cross subsidy, in view of the proposed tariff revision.
- All applicable tariff formats duly filled.

- Audited Commercial Diary and COMDATA for FY 2023-24.
- Audited Statements of accounts and monthly trial balances for FY 2023-24.
- Reasons for increase in Distribution losses vis-à-vis FY 2022-23.
- The amount of DPS levied on Government consumers for FY 2023-24.
- Details of Penalty paid included in A&G Expenses for FY 2023-24.
- Reasons for including additional GFA pertaining to transfer scheme under GFA.
- Monthly trial balances for FY 2023-24 and for the period April 2024 to November 2024.
- All the relevant information along with the supporting documents for substantiating the actual expenses incurred on account of Water Tax, for True up for FY 2023- 24.
- Segregate the additions of fixed assets into HT & LT works and submit the Clearance from the Electrical Inspector for capitalisation of various HT/EHT schemes for FY 2023-24.
- All pending Electrical Inspector certificates in support of gross additional capitalization till FY 2023-24.
- Details of pre-paid meters available with it along with the details of connections released on prepaid metering basis.
- The basis for considering the rate of power from THDC-PSP.

In order to deliberate on certain issues related to the Petition filed by UPCL and have a better clarity on the data submitted by the Petitioner and to remove inconsistency in the data, a Technical Validation Session (TVS) was also held with the Petitioner's officers on January 28, 2025. . Minutes of above Technical Validation Session were sent to the Petitioner vide Commission's letter no. UERC/6/TF-759/2024-25/2025/1457 dated January 29, 2025, for its response.

The Petitioner submitted the replies to data gaps vide its letter no. 67/UPCL/RM/B-28 dated January 06, 2025, letter no. 68/UPCL/RM/B-28 dated January 06, 2025, letter no. 530/UPCL/RM/B-28 dated January 27, 2025, letter no. 246/UPCL/RM/B-28 dated January 15, 2025, letter no. 248/ UPCL/RM/B-28 dated January 15, 2025, letter no. 871/UPCL/RM/B-28 dated February 14, 2025, letter no. 1151/UPCL/RM/B-28 dated February 28, 2025, letter no. 1456/UPCL/RM/B-28 dated March 17, 2025, and letter no. 1636/UPCL/RM/B-28 dated March 26,

2025. The Petitioner submitted the replies to the data gaps and clarifications sought during TVS vide its letter no. 690/UPCL/RM/B-28 dated February 07, 2025. The submissions made by UPCL in the Petition as well as additional submissions have been discussed by the Commission at appropriate places in the Order along with the Commission's views on the same.

2. Stakeholders' Objections/suggestions, Petitioner's Responses & Commission's Views

The Commission has received suggestions and objections on UPCL's Petition for True up for FY 2023-43, Annual Performance Review for FY 2024-25, Approval of Business Plan for Fifth Control Period from FY 2025-26 to FY 2027-28 and Approval of Annual Revenue Requirement and Tariff for FY 2025-26. The Commission also obtained responses from UPCL on the comments received from the stakeholders.

For the sake of clarity, the objections raised by the stakeholders and responses of the Petitioner have been consolidated and summarized issue-wise. In the subsequent Chapters of this Order, the Commission has kept in view the suggestions/objections/comments of the stakeholders and replies of the Petitioner while approving the Business Plan, ARR and Tariff for UPCL.

2.1 Overall Tariff Increase

2.1.1 *Stakeholder's Comments*

Shri Teeka Singh Saini of Bharatiya Kisan Union, Shri Balkar Singh and Shri Baljinder Singh Sandhu submitted that the increase in tariff of Private Tube wells should be discouraged as the farmers are finding it difficult to pay such huge amount of bills.

Shri Hyatt Singh Mehra submitted that the tariff for commercial category should not be increased in higher proportion.

Shri Chandrakant Bisht, Smt. Sarita Adhikari, Shri Yashveer Arya, Shri Daljeet Singh, Shri K.L. Sundrayal, Shri Thon Singh, Shri Manish Jukatia and Shri Arunesh Kumar Singh submitted that tariff hike proposed by UPCL is unreasonable and tariff should not be increased.

Shri Baljinder Singh Sandhu submitted that tariff of the consumers of the State should not be increased, and the telescopic rate of electricity should be reviewed.

Shri Manoj Tewari, Shri Ravinder Jhinkwan, Shri Arjun Bisht and Shri Pitambar Singh, also expressed their concern on the increase in tariffs. They also submitted that tariffs should be low for hilly areas and snow bound tariff needs to be promoted.

Shri Ashok Bansal, President, Kumaon Garhwal Chamber of Commerce and Industry, Shri

Shakeel Siddiqui, Legal Advisor, M /s Galwalia Ispat Udyog (P) and M/s Kashi Vishwanath Textile Mill (P) Limited opposed the increase in tariffs for UPCL, citing the need for uninterrupted power supply in Uttarakhand. They also requested the Commission to evaluate the proposal considering the demographics of the State and proposed that every substation should be evaluated to make UPCL profitable. They further submitted that the National Electricity Policy, 2005 emphasizes the importance of reliable, quality power at competitive rates for industries to become globally competitive and generate employment. The stakeholders strongly opposed the proposed tariff hike by the UPCL while adding that it has become a regular occurrence and is not in the interest of the people of the State.

Shri Dinesh Mudgal submitted that UPCL has projected a revenue gap of Rs. 1341.96 Crore for FY 2025-26 and seeks to recover this through a proposed tariff hike of 12.01%. However, analysis of UPCL's financial performance reveals that revenue generation has been consistently increasing while power purchase costs have declined, making the tariff hike unwarranted.

Given that revenue generation is increasing while operational costs are reducing, the proposed tariff hike of 12.01% is unjustified and would place an unnecessary burden on consumers. Instead of imposing higher tariffs, UPCL should focus on improving operational efficiency, recovering outstanding dues, and optimizing financial management. He further submitted that since UPCL procures electricity at an average rate, any gap between procurement cost and supply rate should be recovered from the Government or respective organizations instead of burdening the consumers.

Shri Dinesh Chandra Mathpal, Early Interventionist Cum Special Educator, DEIC, Nainital, submitted that frequent tariff hikes burdens consumers**,** with public hearings serving as a mere formality**.** He submitted that instead of increasing tariffs, distribution losses should be reduced, operational efficiency should be improved and power theft to be curbed**.** He further submitted that the Government should bear financial losses rather than shifting them onto the consumers**.** He urged that tariff decisions involve elected representatives for transparency**,** and the Commission **is** requested to reconsider frequent tariff hikes**.**

Shri Mahaveer Prasad Bhatt, President, District Advocates Association, submitted that electricity rates have been consistently increasing over the past two years, burdening the consumers despite Uttarakhand generating over 7000 MW from hydropower. It is submitted that instead of providing affordable electricity, tariffs continue to rise arbitrarily, making electricity costlier than in neighboring Himachal Pradesh, where consumers receive significant subsidies. The Commission is requested to regulate tariff increases and align electricity prices in Uttarakhand with those in Himachal Pradesh to prevent excessive financial hardship.

Shri Raghwendra Tiwari of M/s Pioneer Polyleathers Pvt Ltd, submitted that the proposed 12% tariff increase for HT industries will raise operational costs and reduce competitiveness, especially against industries in the State with lower electricity rates. He stated that Uttarakhand industries are already facing high transportation costs and the withdrawal of incentives has further affected profitability. Instead of passing inefficiencies onto the consumers, UPCL should focus on improving operational efficiency.

Shri Deepak Rana, President, Provincial Industry Trade Representative Board, submitted that despite Uttarakhand being an energy-producing State, local consumers, including traders and businesses, face high electricity tariffs, even after contributing land, water, and resources to power generation. It is requested that electricity rates for local consumers be reduced to reflect their contribution to energy generation and ensure affordability.

Shri Munish Talwar, Asahi India Glass Ltd., Roorkee submitted that UPCL's proposed 12% tariff hike, combined with ARR submissions from PTCUL, SLDC, and UJVN Ltd., could lead to an overall consumer tariff increase of 29.23%, which is unjustified and unsustainable. The increased power costs would place an additional financial burden on industries already struggling with high operational costs.

Shri Rakesh Bhatia, Integrated Industries Association, submitted that UPCL's proposed tariff hike of 12% for FY 2025-26, along with additional ARR submissions from PTCUL, SLDC, and UJVN Ltd., is unjustified and places an unnecessary financial burden on the consumers. Instead of increasing tariffs, UPCL should focus on reducing overhead costs, minimizing line losses, and improving efficiency through better monitoring and automation at all voltage levels. The stakeholder urges the Commission to reject the proposed tariff hike and direct UPCL to improve operational efficiencies before passing the additional costs onto the consumers.

Shri Vishal Sharma, Suraj Sewa Dal, submitted that the proposed increase in electricity tariffs should not be approved, furthermore, the department's claim of increased expenses is misleading, as funds have been misallocated toward non-essential infrastructure projects that do not improve services for consumers. Instead of raising electricity rates, UPCL should focus on reducing inefficiencies, improving service reliability, and ensuring fair billing practices.

Shri Ram Kumar Agarwal, Director, M/s Umashakti Steels Pvt. Ltd submitted that the proposed hike in energy charges should be avoided**.**

Shri Ajay Bhargava, Secretary, Mussoorie Hotels Association submitted that the increase of 12.66% in Energy charges of RTS-2 Category from Rs. 7.37/kVAh to Rs. 8.50/kVAh should not be allowed.

2.1.2 *Petitioner's Reply*

The Petitioner submitted that UPCL is a commercial organization and is required to meet its Annual Revenue Requirement out of the revenue realized from the consumers through electricity tariffs. The revenue deficit for FY 2025-26 is only on account of the true-up gap including the carrying cost of FY 2023-24 at existing tariff and has been estimated as Rs. 1,341.96 Crore, and for recovery of the said gap of Rs. 1,341.96 Crore, UPCL has proposed an overall tariff hike of 12.01%. Further, an increase in consumer categories has been proposed in line with the Tariff Policy and the proposed ARR to be recovered in FY 2025-26.

The revenue gap so computed is the result of the difference between the increased/projected cost and revenue at existing tariff. The Petitioner being a regulated entity needs to be revenue neutral and, hence, approved gap will have to be allowed in terms of the tariff increase as per principles laid down in the Tariff Policy and the approach adopted by the Commission in the past.

The Petitioner submitted that at present UPCL is using Machine Learning (ML) technology for the purpose of Demand Forecasting for deciding the power to be procured from the Open Market to bridge the demand-supply gap. Secondly, UPCL is also using ML technology to a certain extent for analyzing high value consumer behavior using various parameters such as kWh, kVAh consumption, current & voltage parameters, power & load factor, using their load survey data recorded maximum demand etc. based on the monthly AMR & MRI data of the consumers.

The Petitioner with respect to the hike for Private Tubewell Category, mentioned that against the proposed tariff hike of 12.01%, a nominal hike of only 5% is proposed for private tubewell category. Further, the tariff of PTW Category has been proposed only at 33% of the average cost of supply.

The Petitioner submitted that Section 65 of the Electricity Act, 2003 provides that in case the State Government wants to grant subsidy in electricity to any category of consumer, the State Government shall provide the amount of subsidy in advance to the Discom.

The Petitioner has implemented the following measures for reduction of electricity theft, line losses and management inefficiencies:

1. Vigilance raids are being conducted, and cases are being registered under Sections 126 and 135 of the Electricity Act, 2003. Legal proceedings are being initiated against the person(s) who is found indulging in theft of electricity.
2. Defective Meters are being replaced.
3. LT ABC is being laid in theft prone areas.
4. Automatic Meter Reading is being done of high value consumers.
5. Android based billing has been introduced for improvement in Billing Efficiency.
6. Installation of Smart meters is under process under RDSS scheme.
7. The Commission vide its Tariff Order dated 28-03-2023 for FY 2024-25 has approved the targets of collection efficiency of 99.15% and distribution losses at 13.00%. With a view to achieve collection efficiency and billing efficiency as approved by UERC, UPCL has fixed the month wise revenue collection targets of all the distribution divisions. The monitoring of these collection targets is being done at the Corporate Office.
8. For recovery of outstanding arrears, it is submitted that the connections of defaulting consumers are being disconnected and notices under Section 3 & 5 of the Uttarakhand (U.P. Government Electricity undertakings (Dues Recovery) Act, 1958) Adaptation and Modification order, 2002 are being issued regularly and the same shall be taken-up more promptly for ensuing early recovery of outstanding arrears.
9. UPCL has its dedicated team in the power purchase cell and the costly power from firm sources is replaced with the power from energy exchanges whenever the prices in exchange are lower than the variable cost of power from such plants.

The Petitioner further submitted that the revenue gap computation is on accrual basis and not cash basis. However, the Petitioner is taking efforts to improve its cash position so as to reduce its working capital burden.

2.1.3 *Commission's Views*

The Commission is of the view that an overall tariff increase is a function of projected Annual Revenue Requirement for the ensuing year (including impact of truing up of expenses and revenue for previous year) and projected revenue at existing tariffs. The Commission has carried out the detailed scrutiny of ARR for FY 2025-26 and truing up for FY 2023-24 in accordance with the provisions of the relevant Regulations as discussed in subsequent Chapters of this Order and as an outcome of scrutiny, the Commission has approved an overall tariff increase of around 5.38% as discussed in Chapter 6 of this Order. Further, most of the stakeholders have submitted that Uttarakhand being a hydro rich State, and, hence, no tariff increase should be allowed. In this regard it would be relevant to mention that only 25-30% of UPCL's requirement is being met from power generated from UJVN Ltd. Balance requirement is met through procurement of power from thermal and other sources which are costlier, and their prices vary which necessitates increase in cost for UPCL and in turn tariff hike.

Furthermore, the Commission agrees with the submissions of the stakeholders that efficiencies should be brought in the operations of the discom which would enable reduction in costs. The Commission in its previous Tariff Orders has been laying down norms for various performance parameters like distribution losses, collection efficiency, O&M expenses etc. In this tariff proceedings the Commission is going one step forward as the norms shall be fixed division wise also and regular monitoring of actual achievements vis-à-vis norms laid down shall be carried out not only at UPCL level but also at the Commission's end as has been discussed in the subsequent Chapters of this Order.

2.2 Tariff Hike – Industrial Tariff

2.2.1 *Stakeholder's Comments*

Shri Pankaj Gupta, President, Industries Association of Uttarakhand has submitted that UPCL is not acting in the interest of the consumers as it is evident from the proposed tariff hike and more discipline was expected from them. For the growth of the State, UPCL should play a vital role by providing the industries with low-cost power and the proposed tariff hike is unacceptable. He further submitted that as per UPCL there has been no increase in sales to LT and HT industries from 2022-23 to 2023-24. As against the approved sales of 7274 MU for HT industries, actual sales was 6568 MU. Similarly, as against the approved sales of 395 MU for LT industries, actual sales was 363 MU. This is an alarming trend and must be further examined as these two categories are paying the maximum charges with minimum losses. He submitted that every year UPCL shows a shortfall in revenue as against the revenue projected by the Commission. This is mainly due to load shedding resorted by UPCL of industrial consumers. It is to be noted that industrial consumers pay the maximum tariff and are subjected to maximum rostering. This will obviously result in shortfall in revenue for UPCL. In other States, rostering of Industrial consumers is done as a last resort to maintain grid balance and better economics.

Shri Ashok Bansal, President, M/s Kumaon Garhwal Chamber of Commerce & Industry Uttarakhand has submitted that UPCL's Petition for approval of ARR for FY 2025-26 along with, True up of FY 2023-24, APR of FY 2024-25 if approved as it is, would result in a massive tariff hike. He further requested the Commission to proceed with discretion and consider the interest of the business and industries of the State as well. It was further requested that the Commission should direct UPCL to procure low-cost power from renewable energy sources such as hydro and solar so that there may not be any need for a hike in tariff which would give some respite to the already stressed industrial sector of the State.

Shri Shakeel Siddiqui, Legal Advisor, M /s Galwalia Ispat Udyog (P) Limited submitted that the industries in Uttarakhand are facing challenges due to government bodies like UERC and UPCL. The industry has become a scapegoat for UPCL, with additional income realizations enforced on it. He further submitted the comparison of Industrial Tariff which is as follows:

Table 2.1: Comparison of HT Industrial Tariff

(Load: 1000 kW, LF: 40%, Consumption: 365000 Units per month)

Tariff Applicable from	Period	State	Energy Charge	Fixed Charges	Electrical Duty	Green Cess	Continuous Charge	Total	Subsidy	Effective Rate
1-Oct-21	2021-22	Delhi	7.75	0.68	0.39	-	-	8.82	-	8.82
1-Apr-24	2024-25	Gujrat	4.20	0.82	0.63	-	-	5.65	-	5.65
1-Apr-24	2024-25	Haryana	6.35	0.54	0.10	-	-	6.99	-	6.99
1-Apr-24	2024-25	Himachal	4.46	1.40	0.49	-	-	6.35	-	6.35
16-Jun-24	2024-25	Punjab	6.60	0.72	0.86	-	-	8.18	-	8.18
1-Jun-23	2023-24	Uttar Pradesh	7.10	0.82	0.53	-	-	8.45	-	8.45
1-Apr-24	2024-25	Uttarakhand	5.74	1.45	0.50	0.10	-	7.79	-	7.79
			5.74	1.45	0.50	0.10	0.86	8.65	-	8.65

2.2.2 *Petitioner's Reply*

The Petitioner submitted that UPCL is a commercial organization and is required to meet its Annual Revenue Requirement out of the revenue realized from the consumers through electricity tariffs. The revenue deficit for FY 2025-26 is only on account of true-up gap including the carrying cost of FY 2023-24 at existing tariff and has been estimated as Rs. 1,341.96 Crore. For recovery of the said gap of Rs. 1341.96 Crore, UPCL has proposed an overall tariff hike of 12.01%. Further, tariff increase in the consumer categories has been proposed in line with the Tariff Policy and the proposed ARR to be recovered in FY 2025-26. The revenue gap so computed is the result of difference between increased / projected cost and revenue at existing tariff. The Petitioner being regulated entity needs to be revenue neutral and, hence, the approved gap will have to be allowed in terms of tariff increase as per principles laid down in the Tariff Policy and approach adopted by the Commission in past.

The Petitioner submitted that the category wise sales for FY 2022-23 and 2023-24 are as follows:

Table 2.2: Comparison of Actual Category Wise Sales in FY 24 vis-à-vis FY 23

S. No.	Category	Actual Sales in FY24 (MU)	Actual Sales in FY23 (MU)	Variation in FY24 w.r.t FY23 (%)
1.	RTS-1: Domestic	3731.93	3552.16	5.06%
2.	RTS-2: Non-Domestic	1874.17	1736.56	7.92%
3.	RTS-3: Govt. Public Utilities	758.1	743.84	1.92%
a.	Public Lamps	74.35	64.9	14.56%
b.	Government Irrigation System	145.83	152.55	-4.41%
c.	Public Water Works	537.92	526.38	2.19%
4.	RTS-4: Private Tube-wells/Pumping sets	280.82	265.69	5.69%
5.	RTS-5: LT & HT Industry*	6951.18	6922.26	0.42%
a.	Total LT	363.26	343.11	5.87%
b.	Total HT	6587.91	6579.14	0.13%
6.	RTS-6: Mixed Load	194.08	194.62	-0.28%
7.	RTS-7: Railway Traction	79.89	75.93	5.22%
8.	RTS-8: Electric Vehicle	0.52	0.17	205.88%
	Total	**13870.69**	**13491.23**	**2.81%**

** Open access sales in FY 24 is 59 MUs as compared to 21 MUs in FY 23. Hence, it is clear that there is is no decrease in sales except in mixed load category during FY 2023-24.*

The Petitioner with respect to the shortfall in revenue due to rostering mentioned that as regards availability of reliable power, it is to inform that UPCL has been making consistent efforts to provide uninterrupted power supply to its consumers. The load shedding during FY 2023-24 is only 0.64% (102.46/16108.90 MU) of the overall energy demand. It is also to mention that no scheduled power cuts are being imposed, and rostering is being done only in emergency conditions. The average supply hours in Urban feeders have increased to 23:41 hrs/day in FY 2023-24 from 23:36 hours/ day in FY 2022-23 and in Rural feeders has increased to 23:28 hrs/day in FY 2023-24 from 23:15 hours/ day in FY 2022-23. Hence, UPCL does not agree with the contention of the consumer that shortfall in revenue is due to rostering whereas the deficit of revenue is on account of the reasons that earlier the Commission had allowed expenses on budgeted basis which were lower than the actual expenses for FY 2023-24.

2.2.3 *Commission's Views*

The Commission is of the view that the overall tariff increase is a function of projected Annual Revenue Requirement for the ensuing year (including impact of truing up of expenses and revenue for previous year) and projected revenue at existing tariffs. The Commission has carried out the detailed scrutiny of ARR for FY 2025-26 and truing up for FY 2023-24 in accordance with the provisions of the relevant Regulations as discussed in subsequent Chapters of this Order and as an outcome of the scrutiny, the Commission has approved an average tariff increase of 5.38% as discussed in Chapter 6 of this Order.

2.3 Tariff for BPL and Domestic Consumers

2.3.1 *Stakeholder's Comments*

Shri Vijay Singh Verma submitted that the tariff structure for Below Poverty Line (BPL) consumers should be revised to minimize the cross-subsidy burden on other consumer categories while ensuring affordability. Additionally, the energy and fixed charges for domestic consumers with consumption within 0-100 units, 100-200 units should be rationalized, as the current lower rates may lead to revenue shortfalls. Aligning these charges with higher consumption slabs would improve revenue sustainability while maintaining fairness for low-consumption consumers.

Shri Veeru Bisht submitted that rural and urban tariff structure should be similar to that prevalent in the State of Uttar Pradesh as supply hours in urban and rural feeders are different.

2.3.2 *Petitioner's Reply*

The Petitioner submitted that Electricity Tariff Policy, 2016 (para 8.3.1) provides as follows with respect to cross subsidy to the BPL category:

> *"Consumers below poverty line who consume below a specified level, as prescribed in the National Electricity Policy may receive a special support through cross subsidy. Tariffs for such designated group of consumers will be at least 50% of the average cost of supply."*

Hence, the Commission is requested to determine the tariff of BPL category considering the above provision of Tariff Policy. Further, as per provisions of Electricity Act, 2003 and Tariff Policy, 2016, the tariff of all categories should be determined based on cost of supply alongwith permissible limit of cross subsidy. The overall tariff of domestic category has been proposed only at (5.97 /8.07) 74% of average cost of supply. Within the domestic category, the rate of BPL and other low consuming consumers have been kept on lower side whereas the rate of consumers consuming higher energy have been kept on a higher side in a manner that the cross subsidy allowed for the low consumption is primarily met by the consumers of the same category consuming more energy.

2.3.3 *Commission's Views*

The Commission has taken note of the concerns raised by the stakeholders and UPCL. The Commission has dealt with the issue in detail in subsequent Chapters of this Order.

2.4 Distribution Loss

2.4.1 *Stakeholder's Comments*

Shri Pankaj Gupta, President, Industries Association of Uttarakhand has submitted that the very reason for introduction of the Electricity Act of 2003 was to bring about efficiency in the sector so that the consumer in general gets benefitted through optimum utilization of the resources. The setting of tariff shall also be guided by the same principles. Reduction of losses is the most important goal of this Act and the Commission in its Tariff Orders for the past years has fixed the loss reduction targets. From the trajectory of the losses, it is evident that the actual losses are always higher than the losses approved by the Commission. The Commission may direct UPCL to carry out energy audits at sub-station level so that the actual reason for the losses may be ascertained, and appropriate action may be taken to bring down the losses up to the level as directed by the Commission.

Shri Rajeev Gupta pointed out that UPCL has not yet submitted the voltage-wise loss details and suggested that the Commission should specify specific timeframe for the same.

Shri R.K. Singh, Tata Motors submitted that loss reduction trajectory proposed by UPCL should be reviewed and such trajectory may be approved by the Commission to bring the distribution losses to 10%.

Shri Ashok Bansal of M/s Kumaun Garhwal Chamber of Commerce & Industry and Shri Shakeel A. Siddiqui of Galwalia Ispat Udyog Private Limited submitted that distribution losses need to be assessed according to the study conducted by UPCL and in the absence of any exercise conducted by UPCL, the Commission may determine distribution losses in line with the voltage wise losses approved in the other States and, accordingly, apply the same for different category consumers separately and decide the tariff accordingly. For 33 kV, the rebates should be 7.5% and for 132 kV it should be 12%. He further submitted that the Commission should provide a long-term trajectory for loss reduction and ensure that the DISCOMs follow the trajectory.

Shri Pawan Agarwal, Uttarakhand Steel Manufacturers Association, submitted that the UPCL's proposed line loss of 13.50% is unjustifiably high and warrants reconsideration. Uttarakhand's high industrial consumption and concentration of load among a small number of HT consumers suggests potential for effective loss control, unlike Uttar Pradesh, which has a lower approved line loss despite a larger, more dispersed consumer base. The Commission should, therefore, approve a tariff based on a more realistic 8% pooled line loss or implement a retail tariff based on voltage-wise supply with zero-line loss for 33 kV/132 kV feeders, as permissible under the Electricity Act.

Shri Puneet Mohindra, M/s Kashi Vishwanath Steels Pvt. Ltd. (KVS), submitted that UPCL has failed to provide voltage-wise segregation of distribution losses, resulting in an unfair burden on 132 kV consumers. While actual losses at 132 kV network remains below 1%, consumers are being charged excessive distribution losses due to UPCL's failure to categorize losses as per voltage levels. It was further submitted that under the UERC Tariff Regulations, 2024, UPCL is mandated to submit voltage-wise loss data, but it has not complied with this requirement. The Commission, in its Tariff Order dated 28.03.2024, had directed UPCL to conduct a study on voltage-wise losses and submit compliance by 31.08.2024, which remains pending.

Shri Dinesh Mudgal submitted that UPCL had projected a 13.50% distribution loss for FY 2025-26, which is on a higher side. Instead of seeking a tariff hike, UPCL should focus on reducing losses through smart grid technologies, high-efficiency conductors, capacitor banks, and predictive maintenance. UPCL should improve efficiency before passing the costs onto consumers.

Shri Munish Talwar, Asahi India Glass Ltd., Roorkee, submitted that UPCL's distribution losses remains high at 13.50%, whereas many States have losses in single-digit. Despite multiple directives from the Commission, UPCL has not effectively implemented measures to reduce these losses. It is requested that UPCL strictly adheres to the RDSS Scheme, focus on high-loss feeder monitoring, replace faulty meters, and conduct regular internal audits to minimize distribution losses. The goal should be to bring distribution losses below 10%, similar to other States.

Shri Pankaj Agarwal submitted that feeder wise losses of UPCL should be monitored on regular basis.

2.4.2 *Petitioner's Reply*

The Petitioner submitted that Regulation 4(d) and Regulation 9 of the UERC MYT Regulations 2024 specify approval of trajectory for distribution losses. Further, as per the Tariff Regulations, the past performance of the utility shall be considered for determination of trajectory for distribution losses for the Control Period. As per the provisions of the Regulations, a rebate of 3.5% and 7.5% has been proposed for taking supply at 33 kV and 132 kV and above respectively. This is as per Regulation 91 of the UERC Tariff Regulations, 2024. In the absence of availability of voltage wise losses, which is a mix of technical losses and commercial losses, the distribution losses are required to be charged on average basis from all the categories of consumers as well as open access consumers. It is further submitted that the implementation of Government of India's RDSS Scheme is in process in UPCL which mainly aims for reduction of losses and under the scheme smart meters have to installed on feeders, DTs and consumer connections. Once the said metering is completed, UPCL will be in a position to compute the voltage wise losses and decision may be taken thereafter for increase in voltage wise rebates.

For the 5th Control Period, distribution losses have been proposed considering the actual loss level of 13.89% for FY 2023-24 (i.e. Base Year). The Proposed Distribution losses for the 5th Control Period are as follows:

Table 2.3: Proposed Distribution Losses for the Vth Control Period

Year	Projection
2025-26	13.50%
2026-27	13.21%
2027-28	12.95%

The Petitioner further submitted that as against the National Average AT&C Losses of 16.30%, the actual AT&C Losses of UPCL are 14.64% for FY 2023-24. Further, there is a regular reduction in AT&C Losses of UPCL on year-on-year basis as per the details mentioned here in below:

Table 2.4: Actual AT&C Losses from FY 2019-20 to FY 2023-24

Year	AT&C Losses
2019-20	20.44%
2020-21	17.79%
2021-22	15.75%
2022-23	15.25%
2023-24	14.64%

The target AT&C Losses for FY 2023-24 under RDSS was 14.99% whereas the actual AT&C Losses were 14.64% that is well below the target. Though UPCL has reduced its distribution losses in past years but the distribution losses during FY 2023-24 are 13.89%. The main reasons for distribution losses in UPCL are as follows:

i. Being hilly State, the length of electric lines in Uttarakhand is more due to which the loss per unit of consumption is higher as compared to the other States.

ii. As per CEA the HT:LT ratio should be 1 or higher whereas being the hilly state, the HT:LT ratio in Uttarakhand is 0.72 (HT – 55089 Ckt KM, LT- 76161 Ckt. KM) resulting in higher technical losses.

The Petitioner submitted that various actions are being taken for reduction in distribution losses, such as vigilance raids are being conducted and cases are being registered under Sections 126 and 135 of Electricity Act, 2003. Legal proceedings are being initiated against the person(s) who is found indulging in theft of electricity, defective Meters are being replaced, LT ABC is being laid in theft prone areas, Automatic Meter Reading is being done of high value consumers and Android based billing has been introduced for improvement in Billing Efficiency.

In addition to above, the Petitioner submitted that Revamped Distribution Sector Scheme (RDSS) as approved by Government of India vide its notification dated 20.07.2021, is under implementation. The said scheme primarily aims for a reduction in distribution and AT&C Losses.

The Petitioner further submitted that presently, voltage wise / category wise losses cannot be computed accurately by the existing system and, therefore, category wise tariff has been calculated on the basis of average cost of supply and permissible level of cross subsidy.

The Petitioner submitted the Bureau of Energy Efficiency (BEE), with approval of Ministry of Power, Government of India, notified the regulations viz. 'Bureau of Energy Efficiency (Manner and Intervals for Conduct of Energy Audit in Electricity Distribution Companies) Regulations, 2021' vide Notification No. 18/1/BEE/ DISCOM/2021 dated 06.10.2021, and amendment issued thereof on 28.10.2022. The Regulations specify the key aspects related to energy accounting and audit for Electricity Distribution companies. These regulations have been issued under the ambit of Energy Conservation Act, 2001, with an overall objective to reduce inefficiencies and losses in distribution sector thereby ensuring financial and economic viability of DISCOMs.

2.4.3 *Commission's Views*

The Commission has taken note of the concerns raised by the stakeholders and the initiatives taken by UPCL to reduce the losses. The Commission would like to clarify that the Petitioner has submitted the actual distribution losses for FY 2023-24. However, the Commission approves the actual losses as per the actual data submitted by the Petitioner and the re-casted sales and the same has been discussed in Chapter 3 and 5 of the Order. **With regard to energy audit UPCL is again directed to provide/ maintain the metering system at each feeder, 'T' points, DTs and consumers in its distribution network for effective energy auditing and accounting.** Further, with reference to the submissions of the stakeholders to adopt the voltage wise distribution losses approved by other States in the absence of actual voltage wise losses in the State, the Commission is of the view that voltage wise losses as applicable in other States cannot be applied onto the voltage levels in Uttarakhand as the voltage wise losses depends on the voltage wise line lengths and also the terrain having such lines as well as HT:LT ratio.

2.5 Power Procurement Plan

2.5.1 *Stakeholder's Comments*

Shri Pankaj Gupta of Industries Association of Uttarakhand submitted that Power purchase expenses are very closely related to Transmission and Distribution Losses. If these losses are on the lower side, it will result in less energy procurement for same level of consumption. He also submitted that UPCL should always endeavour to have long-term power purchase agreement, as purchase from Power Exchange is accompanied with high transmission charges of PGCIL.

Shri Pankaj Gupta of Industries Association of Uttarakhand further submitted that UPCL in the same time block has underdrawn power and has bought short term power. In view of the same, the creation of an exclusive Power purchase cell, headed by an officer of Director level can help UPCL to control their power purchase expenses. This cell should utilize the latest technology in terms of data analytics to arrive at the best possible power purchase model in order to lower the power purchase cost and always have the most reliable power available.

Shri Himanshu Chawla, Power Foundation of India (PFI), submitted that UPCL has continued imprudent power purchase planning despite the directions of the Commission, leading to excessive costs being passed on to the consumers. It was emphasized that such high-cost power should be restricted at the Average Power Purchase Cost (APPC) rate, derived from long-term sources, for FY 2023-24. PFI requested the Commission to disallow Rs. 669.78 Crore from the power purchase cost claimed for FY 2023-24, particularly costs associated with expensive gas-based plants. Furthermore, it was suggested that UPCL should surrender costly PPAs post-expiry and diversify its portfolio with round-the-clock renewable energy and energy storage solutions to mitigate high procurement costs.

Shri Pawan Agarwal, Uttarakhand Steel Manufacturers Association, submitted UPCL's projected average power purchase cost of Rs. 4.27 per unit for 2025-26 raises concerns, as it is higher than the previous year's approved cost and will significantly increase the burden on the consumers. The assumption of purchasing 8% of power from gas plants at Rs. 10 per unit appears unrealistic, given the availability of cheaper gas in the open market. The plan to purchase 1400 MU at Rs. 11.16 per unit seems inefficient when compared to the potential savings of procuring power from the open market. UJVNL's increased generation cost for 9 old hydro stations also warrants review. Addressing these issues could potentially reduce the average power purchase cost to Rs. 3.25 - Rs. 3.50 per unit.

Shri Munish Talwar, Asahi India Glass Ltd., Roorkee, submitted that Uttarakhand, being rich in hydro, solar, and wind energy resources, must focus on developing renewable energy projects to lower power purchase costs. UPCL and other generating bodies should formulate a comprehensive solar policy and increase hydro and wind power generation to ensure sustainable and affordable electricity supply.

Shri Rakesh Bhatia, Integrated Industries Association, submitted that UPCL should form an expert committee to optimize open access procurement, ensuring that power purchases are cost-effective and aligned with the market rates. Additionally, long-term PPAs should be prioritized, with a focus on solar and renewable energy integration to reduce dependence on costly short-term power purchases.

Shri Ajay Bhargava, Secretary, Mussoorie Hotels Association submitted that no Additional Power purchase Surcharge should be levied during the year.

2.5.2 *Petitioner's Reply*

The Petitioner submitted that a major part of the ARR pertains to the Power purchase cost and steps are being taken to identify cheaper sources of power. UPCL has procured approximately 80% power through long-term power purchase agreements and the remaining 20% through short term sources in FY 2023-24. UPCL further submitted that the demand varies across the seasons as well as on daily basis and UPCL plans for power procurement based on the availability of the generating stations as well as the cost of power from the generator. However, owing to mismatch in grid demand and supply in real time due to consumption pattern of the consumer, UPCL purchases power from short terms sources as well. Moreover, the short-term power also includes replacement of costlier power from firm sources including gas based generating stations of the State in the period when the cost of power in energy exchange is less than the cost of variable charges of firm sources.

The Petitioner further submitted that power purchase being uncontrollable in nature, is subject to true-up at the end of the year based on actuals. There is an increase in Power Purchase Cost (Approved Vs. Actual) in FY 2023-24 due to the following reasons:

Table 2.5: Reasons for Variance in Power Purchase Cost for FY 2023-24

Particulars	Amount (Rs. Crore)
Increase in the rate of Central Sector (Rs. 4.84 pu – Rs 4.03 pu) X 4705 MU	382.00
Increase in the rate of UJVNL (Rs. 2.84 pu – Rs 2.65 pu) X 4521 MU	86.00
Increase in PGCIL charges (Rs. 680 Crore – Rs 598 Crore)	82.00
Increase in the rate of Gas Power (Rs. 9.11 pu – Rs 5.42 pu) X 645 MU	239.00
Decrease in the rate of Market Purchases (Rs. 5.35 pu – Rs 5.41 pu) X 3125MU	(19.00)
Decrease in cost due to banking allowed by UERC (420 MU x Rs. 5.41 pu)	(227.00)
Decrease in cost due to net inward banking (actual) (64 MU x Rs. 5.35 pu)	(34.00)
Total increase in Power purchase cost	**509.00**

UPCL also submitted that there has been a regular reduction in short term power purchase cost as per details given hereinbelow:

Table 2.6: Short Term Purchases from FY 2022-23 to December, 2024

Year	Quantum (MU)	Amount (Rs. Crore)	Average Rate (Rs/kWh)
2022-23	2722.57	1792.46	6.58
2023-24	3605.60	1873.00	5.19
2024-25 (upto December)	2302.39	1069.39	4.64

The Petitioner further submitted that keeping in view the existing and future demand of electricity, UPCL has made proper arrangement of availability of power through long term and short term power purchase agreements. Further, UPCL is procuring power as mandated through Regulations.

The Petitioner submitted that the additional Power Purchase Surcharge was levied by UPCL for the period from September, 2022 to March, 2023 as per the Commission's Order dated 28.09.2022. No such surcharge is applicable from April, 2023.

The Petitioner with respect to procurement of Power from Open Market instead of costlier gas-based plant submitted that Gama (107 MW) and Shravanti Gas plants (214 MW) have long term agreement for power supply with UPCL. In view of the energy availability from the gas-based stations as per their contracted capacity, their high variable charges and the availability of cheaper power in open market (short Term), the energy availability from these Gas plants for the Control Period is considered at 40% PLF only. UPCL also submitted that the steps are being taken to identify cheaper sources of power from open markets and UPCL is trying to purchase power from cheaper sources through (IEX/PXIL/DEEP Portal) whenever the energy charges are less than the variable charges of Gas based plants.

2.5.3 *Commission's Views*

The Commission has noted the comments and suggestions of the stakeholders. Further, the Commission has time and again been cautioning UPCL on their over-reliance on the short term procurements. Many a time UPCL is left stranded as power does not get cleared in the exchanges owing to the huge demand in the country, especially during summer and winter months. The issues related to source-wise power purchase quantum and costs have been deliberated by the Commission in Chapter 3, 4 & 5 of this Order.

As regards the gas based IPPs, the Commission has approved the Power Purchase Agreements considering the shortage of power in the State and decision of the Government of

Uttarakhand and UPCL's proposal in this regard. In addition to procuring power from gas-based generators, UPCL has to procure short term power to meet the requirement. There are numerous Judgments of Higher Courts which says that PPA once approved cannot be rescinded unless there is an event of default.

2.6 Capital Expenditure and Capitalization

2.6.1 *Stakeholder's Comments*

Shri Pankaj Gupta of Industries Association of Uttarakhand submitted that the issue of Electrical Inspector certificate for capitalization should be taken seriously by UPCL as the same has substantial money involvement and safety requirement as well. He further submitted that a trend could be seen where all the utilities are projecting very high cost in capitalisation as that gives them better returns. He also submitted that UPCL is spending more so that they can earn better RoE, depreciation and interest on normative loan. He requested the Commission to examine whether such expenditure will result in benefit to the consumers. He further submitted that if the additional capitalization is without any appreciable benefit to consumers, then the same should not be approved. He submitted that in its previous Tariff Orders for UPCL, the Commission had given very prudent orders regarding additional capitalisation and requested the Commission to follow the same methodology this year also.

2.6.2 *Petitioner's Reply*

The Petitioner submitted that the Commission in its previous Orders for the True-up of FY 2016-17, FY 2017-18, FY 2018-19, FY 2019-20, FY 2020-21, FY 2021-22 and FY 2022-23 has disallowed part of Capitalization claimed by the Petitioner in the respective year's True-up claim. The Commission had disallowed the amounts due to unavailability of Electrical Inspector certificate pertaining to capitalized assets. Therefore, the GFA pertaining to said disallowance was not approved and the same were approved subsequently based on EI certificates being produced by the Petitioner in the subsequent Petitions. The Petitioner would like to highlight that while the Commission has considered the impact of asset capitalization during the subsequent year(s) the EI certificates were produced and the corresponding expenses were also allowed in line with the provisions contained in the Tariff Regulations, however, the impact of disallowance in capitalization during the year in which the capitalization was claimed had not been allowed in entirety thereby resulting in under recovery in the ARR parameters for the respective year. In this context, the Petitioner has claimed the impact of such disallowances based on the True-up of FY 2016-17 to FY 2022-23 and has resubmitted the revised claim for True-up considering the fact that the EI certificates for all the assets capitalized during each of the FY 2016-17 to FY 2022-23 have been submitted before the Commission. Based on the above, the overall claim owing to above is Rs. 252.10 Crore (Rs. 176.88 Crore + Rs. 75.22 Crore of carrying cost) which has been claimed additionally in the True-up of FY 2023-24. The carrying cost on truing-up of expenses/ARR is allowed as per Regulation 12(10) of UERC Tariff Regulations, 2021 and, accordingly, the same has been claimed in the Petition.

The Petitioner submitted that the opening GFA as approved by the Commission in the Order dated 28.03.2023 is Rs. 8356.62 Crore. The Commission while approving the above held that there were certain anomalies in the Electrical Inspector certificates (EIC) provided by UPCL and, hence, the Commission did not consider the EI certificates against the assets capitalized during the year amounting to Rs. 559.60 Crore. The Petitioner has submitted pending/corrected EI certificates for the past years and the Commission is requested to, therefore, consider the additional GFA of Rs. 559.60 Crore which was earlier disallowed in the absence/anomalies in EIC. UPCL also submitted that the opening GFA approved by the Commission did not include the complete amount of assets transferred to UPCL as the Commission had considered GFA value of Rs. 508 Crore only as against Rs. 1058.18 Crore of total GFA as per transfer scheme resulting in disallowance of Rs. 550.18 Crore. The GoU vide its Order no. 263/I(2)/2022-05-20/2007-TC, dated 08.03.2022 has notified the scheme for transfer of assets and liabilities executed between UPPCL and UPCL on 12.10.2003. It is requested that since the value of assets transferred to UPCL as per the transfer scheme has achieved finality, the Commission should consider the same as part of opening GFA for the purpose of true-up of FY 2023-24. The Petitioner has revised its GFA in line with the Transfer Scheme notified by the GoU as well as disallowed EI certificates in the previous Tariff Orders. Hence, the Petitioner has considered opening GFA of FY 2023-24 as Rs. 9223.23 Crore as per the audited accounts for the Truing-up exercise.

The Petitioner further submitted that the transfer scheme between UPPCL and UPCL for division of assets and liabilities was executed on 12.10.2003. As per the transfer scheme, the Gross Fixed Assets (GFA) amounting to Rs. 1058.18 Crore were transferred to UPCL but the Commission considered the value of opening GFA as Rs. 508 Crore only and has been allowing returns on equity, depreciation and interest on loan on the said amount. In the absence of notification of transfer scheme by the Government of Uttarakhand, the Commission did not consider the balance value of GFA, i.e. Rs. 550.18 Crore (Rs. 1058.18 Crore – Rs. 508.00 Crore) till the notification of the same from GoU. On the request of UPCL, GoU vide its Order dated 08.03.2022 notified the above scheme for transfer of assets and liabilities executed between UPPCL and UPCL. As GoU has now notified the said scheme, the Petitioner has worked out its various claims based on the notified Transfer Scheme from 12.10.2003. Further, UPCL also submitted that while past impact (along with revenue gap) is not claimed in the ARR, to prevent further build-up of the revenue gap and to avoid any future carrying cost due to disallowance, the GFA of the value of Rs. 550.18 Crore has been added in total GFA base of FY 2023-24. Considering the same, the Petitioner requested the Commission to consider the GFA as per the Audited Accounts of FY 2023-24.

2.6.3 *Commission's Views*

The Commission has duly scrutinised the actual capitalisation for FY 2023-24, and that projected for the Fifth Control Period in accordance with the provisions of UERC Tariff Regulations, 2021 and UERC Tariff Regulations, 2024 and the same has been discussed in Chapters 3, 4 and 5 of the Order.

While incurring any capital expenditure, UPCL is required to take note of the shortcomings pointed out by the stakeholder.

The Commission, in this regard, would like to clarify that the additional capitalization, both incurred and proposed by the Petitioner, are examined separately in detail while carrying out the truing up of expenses and also projecting tariffs and only legitimate expenses are allowed in accordance with UERC Tariff Regulations as applicable from time to time. The issue of Transfer scheme has been dealt with in subsequent chapters of this Order.

2.7 O&M Expenses

2.7.1 *Stakeholder's Comments*

Shri Munish Talwar, Asahi India Glass Ltd., Roorkee, submitted that the O&M expenses for FY 2025-26 have increased from Rs. 874.66 Crore to Rs. 1089.09 Crore, while Repair & Maintenance (R&M) expenses have surged from Rs. 334.17 Crore to Rs. 503.32 Crore, which is excessive and requires justification. Instead of burdening consumers with tariff hikes, UPCL should implement predictive maintenance, stricter administrative cost controls, and efficiency measures such as meter testing and better infrastructure management to keep costs within the reasonable limits. A detailed explanation of infrastructure upgrades and cost optimizations must be provided to ensure transparency and prevent unnecessary financial strain on the consumers.

Shri Puneet Mohindra, M/s Kashi Vishwanath Steels Pvt. Ltd. (KVS) submitted that UPCL has claimed Rs. 1089.09 Crore for O&M expenses in FY 2025-26, including employee expenses, R&M expenses, and A&G expenses, along with an additional Rs. 240.57 Crore for Smart Metering OPEX. Compared to FY 2024-25, where O&M expenses were Rs. 874.66 Crore and Smart Metering OPEX was Rs. 107.53 Crore, UPCL is seeking an additional Rs. 215 Crore for O&M expenses and Rs. 133 Crore for Smart Metering OPEX. He requested that UPCL should rationalize its O&M expenses and avoid unnecessary cost escalations.

Shri Himanshu Chawla, Power Foundation of India, submitted that UPCL's claimed Employee Expenses of Rs. 414 Crore for FY 2023-24 should be restricted to normative levels, disallowing Rs. 8 Crore. Additionally, Rs. 176.27 Crore under "Other Staff Cost" lacks justification, significantly exceeding salary wages of Rs. 293.05 Crore. Noting inconsistencies in UPCL's reporting, he urged the Commission to cap "Other Staff Cost" at Rs. 66.01 Crore and disallow Rs. 110.26 Crore from the claimed Employee Expenses. He further submitted that UPCL incorrectly computed R&M expenses for FY 2023-24 using Opening GFA, violating UERC Tariff Regulations, 2021. As per Regulation 84(3), R&M expenses should be based on the approved Closing GFA of FY 2022-23. PFI recalculated the R&M expenses, limiting them to Rs. 280 Crore, thereby requesting the Commission to disallow Rs. 29 Crore from UPCL's claim. Further, UPCL has claimed Rs. 67.49 Crore as A&G expenses for FY 2023-24, including Rs. 34.81 Crore (52% of the total) for Bandwidth, Data Centre, and Facility Management Service Charges, which have increased by 35% from Rs. 25.74 Crore in FY 2022-23. Given that the Commission has previously disallowed certain A&G expenses as being controllable, he requested to disallow Rs. 7.04 Crore from the A&G expenses. Additionally, the Commission had disallowed Rs. 2.85 Crore as penalty paid by UPCL and directed that HT works should not be charged without clearance from the EI, making such expenses inadmissible. Furthermore, UPCL has booked Rs. 5.58 Crore under Compensation and Other Expenses, which, as per Regulatory provisions, should not be passed through in the ARR. Therefore, a total disallowance of Rs. 12.62 Crore is requested from the A&G expenses.

2.7.2 *Petitioner's Reply*

The Petitioner submitted that O&M expenses are claimed as per the provision specified in UERC (Terms and Conditions for Determination of Multi Year Tariff) Regulations, 2024. O&M expenses mainly consists of the employee expenses such as salary, wages, allowances, terminal benefits along with Repair & maintenance expenses and Administrative and General expenses which are mostly uncontrollable in nature. UPCL also submitted that as against the national average of O&M Expenses of Rs. 0.65 per unit, the actual O&M Expenses of UPCL for FY 2022-23 are only Rs. 0.51 per unit. Uttarakhand is the 6th best State in this category (source: Annual Integrated Rating & Ranking Power Distribution Utilities: 2024).

The Petitioner further submitted that as per the audited accounts for FY 2023-24, actual gross employee expenses are Rs. 530 Crore and there is a capitalization of Rs. 102.02 Crore which works out to a capitalization rate of 19.25%. After adjusting for subsidized electricity of Rs. 14.07 Crore for the employees, the net employee expenses for FY 2023-24 are Rs. 413.92 Crore. It is submitted that the normative employee cost for FY 2023-24 as per the methodology adopted by the Commission is only Rs. 405.90 Crore as against the actual employee cost of Rs. 413.92 Crore, which is significantly lower. The Petitioner, therefore, in its Petition has requested to approve the actual employee cost as the various components including salary, wages, allowances, and terminal benefits are mostly uncontrollable. Disallowance of legitimate employee expenses would put financial stress on the utility and limit its capacity to pay salaries and terminal benefits. UPCL further submitted that Other Staff Costs of Rs. 118.71 Crore comprises of payments to outsourced employees engaged for day-to-day activities and the employee cost in the case of the Petitioner is amongst the lowest when compared with the approved figures of other DISCOMs.

As against the National average of employee cost of Rs. 0.53 per unit, the actual employee cost of UPCL for FY 2022-23 is only Rs. 0.28 per unit. Uttarakhand is 4th best State in this category (**source**: Annual Integrated Rating & Ranking Power Distribution Utilities: 2024)

2.7.3 *Commission's Views*

The issue of O&M expenses has been deliberated by the Commission in Chapters 3, 4 and 5 of this Order and the Commission has approved the O&M expenses on a normative basis in accordance with the provisions of UERC Tariff Regulations, 2021 and UERC Tariff Regulations, 2024.

2.8 Return on Equity

2.8.1 *Stakeholder's Comments*

Shri Pawan Agarwal, Uttarakhand Steel Manufacturers Association, submitted that UPCL's Return on Equity of 16.50% is excessive and places an undue burden on the consumers. He submitted that as a government-owned service provider, UPCL should not seek such high returns, especially when industries are struggling with minimal margins. Financial studies suggest a reasonable RoE of 7-10%, considering the cost of capital and corporate tax rates. The stakeholder requested the Commission to review and cap RoE at a lower level to prevent unnecessary tariff hikes. If Regulations mandate RoE @ 16.50%, amendment should be considered to align with economic conditions and consumer affordability.

2.8.2 *Petitioner's Reply*

The Petitioner submitted that the ROE claimed is as per Regulation 26(2) of UERC (Terms and Conditions for Determination of Multi Year Tariff) Regulations, 2024.

2.8.3 *Commission's Views*

The Commission has allowed RoE to the Petitioner as per the provisions of UERC Tariff Regulations and the same has been discussed in detail in Chapter 3 and 5 of this Order.

2.9 Department Employees and Pensioners

2.9.1 *Stakeholder's Comments*

Shri Vinod Kavi, Vidyut Samvida Ekta Manch, submitted that UPNL-engaged contract employees have served in UPCL/UJVNL/PTCUL for nearly 10 years, ensuring uninterrupted power supply. While regular employees receive concessional electricity, this is denied to contractual employees and those hired post-2020, which is deemed unjust. He stated that providing concessional electricity is standard practice in other institutions. He, Therefore, requested to provide at least 300 units of free/concessional electricity to these employees and restore the benefit for those hired post-2020.

Shri Munish Talwar, Asahi India Glass Ltd., Roorkee, submitted that UPCL's employee expenses, including pay commission revisions, arrears, and pension benefits, have been factored into the power unit rate calculation. However, employee growth rate and salary increments should not impact electricity tariffs. Instead, UPCL should manage these expenses through internal financial planning without burdening consumers with higher tariffs.

Shri Rakesh Bhatia, Integrated Industries Association, submitted that UPCL operates inefficiently and wastes public funds, offering unmonitored benefits such as free electricity to employees. Additionally, employees who resign after availing paid leave are not required to be reimbursed these costs, leading to financial mismanagement. UPCL should implement prepaid meters for all employees and revise service rules to prevent financial losses from unrecovered employee benefits.

Shri Ajay Bhargava, Secretary, Mussoorie Hotels Association submitted that the honest and hard-working employees of the organization should be rewarded and acknowledged, and the dishonest and undisciplined employees should be penalized. The wastage of electricity in the offices of the department should be reduced. Also, energy charges should be charged from the existing and the retired employees of the organization. They should be treated as normal consumers. This would prevent the wastage of electricity done by the employees due to free electricity provided to them. The burden of these expenses should not be borne by the honest consumers.

2.9.2 *Petitioner's Reply*

The Petitioner submitted that the employees are being given the facility of departmental electricity connection since U.P. State Electricity Board was in existence. Under this facility, a fix lump-sum amount is charged from the employees according to their designation towards electricity charges for electricity supplied to them. Erstwhile UPSEB was unbundled under the provisions of Uttar Pradesh Electricity Reforms Act, 1999 and Section 23(7) of the said Act provides that the "terms and conditions of service of the personnel shall not be less favorable to the terms and condition which were applicable to them before the transfer". The same spirit has been echoed under the first proviso of Section 133(2) of the Electricity Act, 2003. The benefits for employees/pensioners as provided in Section 12(b)(ii) of the Uttar Pradesh Reform Transfer Scheme, 2000 include "concessional rate of electricity", which means concession in rate of electricity to the extent it is not inferior to what was existing before 14.01.2000. The rates and charges indicated above for this category are strictly in adherence to the above statutory provisions. As UPCL is the successor entity of UPPCL (formed because of unbundling of UPSEB), the above legal provisions are also applicable on it (UPCL). All the three Corporations, i.e. UPCL, UJVNL and PTCUL vide their combined office memorandum bearing no. 5391/UPCL/RM/N-36 dated 17.07.2020 revised the fixed charges and imposed caps on electricity consumption by the working/retired employees and family pensioners of UPCL, UJVNL and PTCUL from 01.07.2020. The consumption over and above the cap fixed shall be charged at the rates specified for the domestic category.

UPCL submitted that the Commission in its Tariff Order dated 27.02.2019 at para 2.22.1.3 has also held in the matter as follows:

> *"...The Commission would like to clarify that in the previous Tariff Orders, the Commission had not been allowing the impact of concessional supply to departmental consumers including pensioners of UPCL, UJVN Ltd. and PTCUL and has been considering revenue corresponding to the ABR of domestic consumers and the same approach has been adopted while carrying out the truing up for FY 2017-18..."*

2.9.3 *Commission's Views*

In line with the earlier Orders of the Commission, the Commission had not been allowing the impact of concessional supply to departmental consumers including pensioners of UPCL, UJVN Ltd. and PTCUL and has been considering revenue corresponding to the ABR of domestic consumers. Further, the Petitioner itself has deducted the expenses on account of subsidized electricity while claiming the true-up of employee expenses for FY 2023-24, and accordingly, the same approach has been adopted while carrying out the truing up for FY 2023-24 as detailed in Chapter 3 of the Order.

2.10 Rebate on Online Payment of Electricity Bills

2.10.1 *Stakeholder's Comments*

Shri R.K. Singh, Tata Motors Ltd. submitted that no rebate is extended to fortnightly payment of bills by industries. Shri Pawan Agarwal, Uttarakhand Steel Manufacturers Association, submitted that the current ceiling of Rs. 1 lakh on online payment rebates should be removed. He stated that if the Commission and UPCL wish to continue the rebate, it should be 1.50% of the total payment made without any upper limit, ensuring timely and prompt payments. He further submitted that maintaining the ceiling may lead industries to split their payments, delaying part of the amount, ultimately causing financial losses to UPCL.

Shri Rahul Dev submitted that rebate on online payment of bills should be increased.

2.10.2 *Petitioner's Reply*

The Petitioner submitted that the Commission vide its Tariff Order dated 30.03.2023 has increased the prompt payment rebate from 1.25% to 1.50% for payment of electricity bills through digital mode and from 0.75% to 1% for payment of electricity bills not through digital mode. This rebate has been capped at Rs. 10000 p.m. for LT consumers and Rs. 1 Lakh for HT consumers. The existing incentive for prompt payment rebate is adequate.

2.10.3 *Commission's Views*

The Commission has taken note of the submission made by the stakeholders and UPCL. The Commission has dealt with the issue in detail in Chapter 6 of this Order.

2.11 Metering and Billing Efficiency

2.11.1 *Stakeholder's Comments*

Shri Vijay Singh Verma submitted that the reading of PTW connection should be done on a monthly basis, billing should be done after two months and surcharge for late payment should be levied after six months so as to abate the financial burden on the consumers.

Shri Munish Talwar, Asahi India Glass Ltd., Roorkee, submitted that UPCL's smart metering operational expenses have increased from Rs. 107.53 Crore in FY 2024-25 to Rs. 240.57 Crore in FY 2025-26. However, consumers have not been informed where these meters have been installed and how they are benefiting from electricity distribution. Additionally, industries are required to pay 15-day advance bills, and any delay of even one day results in heavy Late Payment Surcharges (LPS). He requested that smart meter deployment details should be disclosed and that the advance billing and LPS policies be reviewed to avoid unnecessary financial burden on industries.

Shri Himanshu Chawla, Power Foundation of India, submitted that UPCL has failed to address defective metering in Government Public Utilities and requested the Commission to take action under Section 142 of the Electricity Act, 2003. He urged the Commission to direct UPCL to replace all defective meters (15% of total meters in the category) within six months and mandate monthly compliance reports. To address UPCL's inefficiencies, he proposed that 33% of pending receivables be considered as revenue annually from FY 2023-24 onwards, ensuring that honest consumers do not bear the burden of past inefficiencies through tariff hikes. He further recommended that the Government of Uttarakhand bear the pending receivables of Government Public Utilities as a subsidy.

Shri Mahavir Prasad Bhatt, President, District Advocates Association, Uttarkashi, submitted that bi-monthly billing for domestic consumers leads to higher slab rates, late payment penalties, and financial strain, especially for middle-class and low-income households. They stated that while consumers in Dehradun receive monthly bills, consumers in other Districts face inconsistencies, creating disparity. They requested the Commission to implement a monthly uniform billing across Uttarakhand to ease financial burdens and ensure timely payments.

2.11.2 *Petitioner's Reply*

The Petitioner with respect to PTW connections submitted that the Commission may take a view on this matter.

The Petitioner with respect to monthly billing submitted that in compliance of the directions of the Commission, at present monthly billing is done for all the domestic category of consumers having load above 4 kW and monthly billing for domestic category consumers having load upto 4 kW is being shifted from bimonthly billing to monthly billing in a phased manner. Till now the monthly billing of domestic category has started in the various divisions, such as, EDD, Raipur, EDD, Dehradun (Central), EDD, Rishikesh, EDD, Haridwar (Urban), EDD, Kashipur, EDD, Jaspur, EDD, Bajpur, EDD, Sitarganj etc.

The Petitioner submitted that slab wise tariff is applicable for domestic consumers category. Monthly Consumption based Slabs are as follows:

a. 0-100 units
b. 101- 200 units
c. 201-400 units
d. Above 400 units

In case of bi-monthly billing, energy charges are determined on the basis of monthly consumption slabs (365 days / 12 months = 30.417 days) adjusted according to the consumption days. For example, if consumption days are 50 then monthly consumption days are as follows:

Table 2.7: Adjusted Monthly Slabs based on consumption days

Slabs	Adjusted monthly Slabs	
0 to 100 units per month	(100/30.417)*50	0 to 164.38 units
101 to 200 units per month	(200/30.417)*50	164.39 to 328.76 units
201 to 400 units per month	(400/30.417)*50	328.77 units to 657.53 units
Above 400 units per month		Above 657.53 units

Hence, it is clear that the benefit of slab wise tariff is being passed on to the consumers in the correct manner.

2.11.3 *Commission's Views*

The Commission has taken note of various suggestions received from the stakeholders regarding improvement in metering and billing. Further, the Commission would like to clarify that the ARR and tariffs of UPCL are determined on accrual basis and not on cash basis, hence, any arrears collected would not impact the ARR of UPCL, however, the same would aid in improving the financial position of UPCL. Further, it is a misnomer that due to bi-monthly billing, the consumers are losing the benefit of the slab system. As pointed out by the Petitioner in its reply, the benefits of slab system is passed on to the consumers. In case of any discrepancy, the consumer is free to approach the appropriate Forum for the redressal of the same. However, UPCL in its own interest is required to collect the bills on time. Moreover, since the billing activity has been outsourced by UPCL, it may introduce the monthly billing system as early as possible. **In this regard, the Commission directs UPCL to submit a time frame within which monthly billing will be introduced for domestic consumers in the State within 3 months of the date of this Order.** The Commission has also dealt with the other issues raised in subsequent Chapters of the Order.

2.12 Open Access Charges

2.12.1 *Stakeholder's Comments*

Shri Pawan Agarwal, Uttarakhand Steel Manufacturers Association, submitted that the additional surcharge on open access consumers should be removed, as Uttarakhand is an energy-deficient state. He stated that eliminating this charge would encourage industries to procure power from the open market, reducing UPCL's procurement burden while ensuring competitive electricity costs for consumers.

Shri Munish Talwar, M/s Asahi India Glass Ltd., Roorkee, submitted that UPCL has proposed an increase in wheeling charges from Rs. 15990 to Rs. 24330 per MW per day and cross-subsidy charges from Rs. 0.63 to Rs. 0.93 per kWh, making it unviable for industries to procure power from open access sources. Additionally, a 13.5% distribution loss on 132 kV EHT network is unjustified, as other states like Uttar Pradesh have only 0.25% loss at 132 kV levels. He requested that distribution losses be calculated based on actual feeder ratings and voltage levels, and that electricity duty and green cess be waived for open access green power, similar to Maharashtra's policy.

Shri Puneet Mohindra, M/s Kashi Vishwanath Steels Pvt. Ltd. (KVS) submitted that UPCL has failed to provide regular and steady power supply to industries, including (KVS), forcing industrial consumers to explore alternate power sources such as open access. However, exorbitant open access charges have made it nearly impossible for industries to switch to alternate suppliers, leaving them with no choice but to purchase expensive and unreliable power from UPCL. It was requested that open access charges be rationalized to provide industrial consumers with a viable alternative and ensure fair competition in the power market.

Shri Shakeel Siddiqui, Legal Advisor, M/s Galwalia Ispat Udyog Pvt. Ltd. and M /s Kashi Vishwanath Textile Mill Pvt. Ltd. and Shri Ashok Bansal, President, M/s Kumaon Garhwal Chamber of Commerce & Industry Uttarakhand submitted that high open access charges have deterred large industrial and commercial consumers from switching to open access, even if they could potentially access cheaper electricity from private generators. The higher charges on open access including the increasing trend in the cross-subsidy surcharge are enforced so that UPCL's monopoly doesn't end and limit the industry's options for better prices. Also, the additional surcharge needs to be reworked in the light of the methodology approved by other States, Electricity Rules 2005 and Tariff Policy. Further the wheeling charge (open access charge) proposed for the FY 2025-26 is Rs./MW/day 24330.62 (Rs. 15990 for FY 2023-24) which needs to be reanalyzed and worked out. It needs to be worked for different voltage levels, separately in accordance with the Rules which have not been done.

Shri Pawan Agarwal submitted that an additional surcharge is being levied on Open Access consumers despite the State facing a power deficit. As the State is having power deficit, consumption through open access needs to be encouraged and additional surcharge should not be levied.

2.12.2 *Petitioner's Reply*

The Petitioner submitted that it is supplying electricity to all its consumers as per their demand and no consumer is being prevented from exercising the option of procuring power through open access. Further, the open access charges (wheeling charges) and Cross Subsidy Surcharge have been proposed as per the provisions of the Regulations.

The Petitioner submitted that presently, voltage wise / category wise losses cannot be computed accurately by the existing system and, therefore, Category wise Tariff has been calculated based on average cost of supply and permissible level of cross subsidy. Further, as per provisions of Regulations a rebate of 3.5% and 7.5% have been proposed for taking supply at 33 kV and 132 kV and above respectively. This is as per Regulation 91 of the UERC Tariff Regulations, 2024. In the absence of availability of voltage wise losses, which is a mix of technical losses and commercial losses, the distribution losses are required to be charged on an average basis from all the categories of consumers as well as open access consumers. The Petitioner further submitted that the implementation of Government of India's RDSS Scheme is in progress in UPCL which mainly aims for reduction of losses and under the scheme smart meters have to be installed on feeders, DTs and consumer connections. Once the said metering is completed, UPCL will be in a position to compute the voltage wise losses.

The Petitioner with respect to additional surcharge to be specified as nil submitted that additional surcharge on open access consumers is determined by the Commission separately as per the provisions of UERC (Terms and Conditions of Intra State Open Access) Regulations, 2015. A separate Petition has also been filed before the Commission for the levy of additional surcharge of Rs. 1.20 per unit for the period from 01.04.2025 to 30.09.2025 as per provisions of UERC (Terms and Conditions of Intra State Open Access) Regulations, 2015. The Commission has also invited comments from the stakeholders on the said Petition of UPCL. The detailed justification in support of the levy of additional surcharge has been given in the Petition.

2.12.3 *Commission's Views*

Some of the stakeholders have raised the issues related to Open Access charges and the applicability, which are governed by Uttarakhand Electricity Regulatory Commission (Terms and Conditions of Intra State Open Access) Regulations, 2015 and its amendment thereof. The principles for calculating Transmission/rate charges, wheeling charges, cross-subsidy and additional surcharges and losses already specified in the Regulations and are, therefore, worked out on such specified principles. In case any change is warranted in those Regulations, the stakeholders can separately approach the Commission in this regard.

2.13 Billable Demand & Fixed Charges

2.13.1 *Stakeholder's Comments*

Shri Shakeel Siddiqui, Legal Advisor, M/s Galwalia Ispat Udyog Pvt. Ltd. and M /s Kashi Vishwanath Textile Mill Pvt. Ltd. and Shri Ashok Bansal, President, M/s Kumaon Garhwal Chamber of Commerce & Industry Uttarakhand submitted that fixed charges should not be increased and for calculation of billable demand, it should be on an average basis of whole month instead of peak load of a particular slot of a month.

Shri Kartikeya Tomar of M/s PSR Innovations submitted that small scale industries established in rural areas, whose power load requirement is up to or less than 500 kVA, should be given special concession in unit rates or Demand charges.

Shri Sudhir Kumar Saini, Manager, M/s Opto Electronics Factory, Raipur Dehradun, submitted that OLF Dehradun, a 33 kV consumer under RTS-5, is currently being charged Fixed Charges of Rs. 480/kVA, with UPCL proposing an increase to Rs. 540/kVA for FY 2025-26. He submitted that Fixed Charges have been increasing consistently, adding financial strain on industries that are already subject to Time-of-Day (TOD) charges. He further stated that industries drawing power at high voltage levels contribute to lower system losses and should not be subjected to excessive Fixed Charges. He requested that Fixed Charges be either waived off or capped at 40% of the Contracted or Recorded Maximum Demand, whichever is higher, and that the proposed increase be reconsidered.

Shri Mahavir Prasad Bhatt submitted that the electricity bills for domestic and commercial consumers include additional charges such as fixed charges, LPSC, E.D., and FPPCA, which significantly increase the effective per-unit cost beyond the base rate of Rs. 3.40/unit. He submitted that arbitrary charges result in consumers paying approximately Rs. 7-9 per unit, making electricity unaffordable, particularly for lower-income households. He further submitted that commercial consumers are also charged unjustified additional amounts and requested the Commission to review and remove excessive charges, ensuring that only justified costs are included in the consumer bills.

Shri Pawan Agarwal, Uttarakhand Steel Manufacturers Association, submitted that the existing fixed charges are disproportionately high for industrial consumers and should be rationalized. He stated that Uttarakhand, being an energy-deficient state, should primarily recover costs through energy charges rather than imposing high fixed charges. If fixed charges are to be applied, they should be uniform across all consumer categories or limited to a reasonable percentage variation. He further submitted that the current disparity, where domestic consumers pay as low as Rs. 75 per kW while industries pay up to Rs. 480 per kVA, is unjustified. The stakeholder requested the Commission to review and standardize fixed charges to ensure a fair cost recovery without overburdening industries.

Brig. (Retd.) K.G. Behl, All India Consumers Council (AICC), Uttarakhand, submitted that fixed charges were not initially part of the tariff but were later introduced without justification. He stated that these charges, based on sanctioned load, should be discontinued, and the amount collected should be refunded. He further submitted that charging fixed costs separately is unnecessary since Interest on Working Capital is already recovered through tariffs, leading to double recovery from consumers. He suggested that working capital should be funded by the Government to prevent additional financial burdens on consumers and requested the Commission to review and remove fixed charges.

Shri Rakesh Bhatia, Integrated Industries Association, submitted that UPCL increases the fixed charge every year, which is unjustified once infrastructure investments have already been made. Increasing fixed charges repeatedly for the same infrastructure is against consumer interest.

Shri Ram Kumar Agarwal, Director, M/s Umashakti Steels Pvt. Ltd submitted that the proposed hike in demand charges should be avoided.

Shri Baljinder Singh Sandhu submitted that Fixed charges should not be levied.

Shri Ajay Bhargava, Secretary, Mussoorie Hotels Association submitted that the increase of 13% in Fixed Charges of RTS-2 Category from Rs. 115/kVA to Rs. 130/kVA should not be allowed. He additionally added that the energy charges for connections of more than 25 kW are charged on kVA basis instead of kW. This is almost 20% more than the energy charges and fixed charges based on kW. The method of calculating the energy charge and other charges on kVA basis are misleading and unjust. This should be rectified, and all calculations should be made on kW basis only which has been pleaded since last so many years.

Shri Vivek Negi submitted that Hotal business mainly operates during 6 months in the year. Therefore, concession in fixed charges should be provided to Hotel Industry.

Shri K.L. Sundrayal submitted that Fixed Charges should be removed for load upto 10 kW.

2.13.2 *Petitioner's Reply*

The Petitioner submitted that out of its entire ARR, all costs except variable power purchase cost from Thermal based power plants (Coal & Gas) are fixed in nature, i.e. power purchase fixed charges, O&M expenses and Financial Costs, which will be incurred irrespective of sale of energy. The proportion of fixed and variable cost and revenue for the Petitioner is calculated for FY 2025-26, and has been presented in table given below:

Table 2.8: Projected Fixed Costs of UPCL for FY 2025-26 and their recovery through Fixed/ Demand Charges

Particulars	Unit	Details
Total ARR (excluding recovery of past gap)	Rs. Crore	11051.81
Less: Variable cost component of Power purchase cost	Rs. Crore	1665.828
Net Fixed Charges component in ARR	Rs. Crore	9385.982
Proportion of Fixed Cost in ARR	%	84.93%
Proportion of Variable Cost in ARR	%	15.07%
Total Revenue from Sale of Power (proposed)	Rs. Crore	12512.21
Fixed/ Demand Charges	Rs. Crore	1967.09
Energy / Variable Charges	Rs. Crore	10545.12
Proportion of Fixed / Demand Charges	%	15.72%
Proportion of Energy/ Variable Charges	%	84.28%

As can be seen from the above Table, the proportion of fixed charge and variable charge in the total ARR is in the ratio of 85%:15%, whereas the recovery of revenue from fixed charge and variable charge is in the ratio of 16%:84%. Hence, there is a scope for improving the recovery from fixed charges rather than increasing the variable charges. It is submitted that UPCL needs to be prepared with supply of power based on the contracted demand, irrespective of the consumption. Hence, the obligation of payment of fixed charges for power purchase arises and ideally all such fixed costs needs to be recovered from demand/ fixed charges of the consumers, so that the

Petitioner is able to manage its cash flow. It is because of such reason reduction in fixed charges may be detrimental to the Petitioner and, hence, undesirable.

The Petitioner further submitted that irrespective of the actual consumption of energy, UPCL is required to be ready to supply energy according to the contracted load of the consumer. For this purpose, a certain amount of expenditure has necessarily to be incurred by UPCL which is not related to energy consumed but related to the contracted load of the consumer. The recovery of this amount should be done through demand/fixed charges whether or not the consumer consumes electricity.

The proportion of fixed costs in ARR is around 85% whereas the proportion of fixed charges in tariff revenue is just 16%. Further, the fixed charges among the categories are fixed considering the usages of load factor of that category. The load factor of the domestic category is around 10% whereas the load factor of HT industry is around 40%. In the absence of Fixed Charge, the cost of creation of infrastructure pertaining to the consumers not using their electricity connections shall be shifted to the consumes who use their electricity connections. Therefore, Fixed / Demand Charges are required to be a part of Tariff and should not be reduced.

The Petitioner with respect to the bill against KVAh submitted that with a view to preventing the wastage of electricity due to low power factor, kVAh billing has been introduced in non-domestic category for consumers having load above 25 kW. The kVAh billing automatically provides incentive to the consumers in case of healthy power factor. In case the kVAh billing is converted into kWh billing the rate of kWh will be higher than the kVAh rates.

The Petitioner with respect to the demand charges submitted that, since the distribution network has to be laid down to meet the peak demand of the consumer, the demand charges are recovered to cover the system cost to meet the peak.

2.13.3 *Commission's Views*

The Commission would like to clarify that the fixed charges component in the ARR for FY 2025-26 is around 80%, which the Petitioner has to incur irrespective of the consumption. The Commission in Chapter 6 of this Order has discussed this issue in detail while approving the Fixed/Demand Charges for each Consumer Category.

2.14 Continuous Supply Surcharge

2.14.1 *Stakeholder's Comments*

Shri Sudhir Kumar Saini, M/s Opto electronics factory, submitted that UPCL should abolish the continuous supply surcharge as it is unfair to the high value consumers.

Shri Rakesh Bhatia, Integrated Industries Association, submitted that UPCL currently levies a 15% surcharge for continuous power supply, which is unjustified and in violation of the Electricity Act, 2020, which mandates that the utility must provide 24-hour electricity as its core responsibility. The stakeholder requested for the abolition of this surcharge, as consumers should not pay extra for an essential service.

Shri Shakeel Siddiqui, Legal Advisor, M/s Galwalia Ispat Udyog Pvt. Ltd. and M /s Kashi Vishwanath Textile Mill Pvt. Ltd. and Shri Ashok Bansal, President, M/s Kumaon Garhwal Chamber of Commerce & Industry Uttarakhand submitted that the continuous supply has neither been defined in the Tariff or Regulations nor any standards have been fixed for such supply. The tariff only provides that such industrial consumers who opt for continuous supply shall be exempted from load shedding during scheduled/ unscheduled power cuts and during restricted hours of the period of restriction on usage approved by the Commission except load shedding due to emergency breakdown and shutdown. The continuous supply surcharge should be limited to continuous process industry only, looking into the shortage of power faced by UPCL. To continue supply of power to industry requiring continuous power, other industry should not be punished with unplanned power cuts. The continuous charge needs to be abolished.

2.14.2 *Petitioner's Reply*

The Petitioner submitted that Para 8.2.1(1) of the Tariff Policy provides that the consumers willing to avail continuous and quality power supply are required to pay a tariff which reflects efficient costs. This is an additional charge (premium) payable by the consumer to have the facility of getting continuous supply of power. These consumers are exempted from load shedding during scheduled/unscheduled power cuts and during restricted hours of the period of restriction of usages approved by the Commission from time to time. However, load shedding required due to emergency break-down / shut-down is imposed on these consumers as and when the situation arises. To ensure continuous supply, UPCL is required to incur extra infrastructure costs as well as arrangement for additional energy which is at a higher cost.

UPCL further submitted that normally the power purchase cost of the short term sources is more than the power purchase cost of the long term sources, and for ensuring the continuous supply to some of the consumers, the Petitioner has to make additional arrangement for procuring such power during supply deficit scenario or resort to load shedding to other consumers and, therefore, the cost of such additional power needs to be recovered from the consumers getting such benefit.

In continuation to the above, the Petitioner also submitted that the State of Uttarakhand was facing acute shortage of electricity since the start of the FY 2022-23 due to various factors. The Petitioner submitted that even in a situation of acute shortage of power, the Petitioner is providing continuous supply of electricity to the consumers who have opted for the same and no load-shedding is being done for these consumers. The Petitioner submitted that the cost of short-term power purchases is very high and a portion of the same should be shared by the Industrial consumers who are getting continuous power supply in such a situation of shortage of power. The Commission in its Tariff Order dated 28.03.2024 at Para 5.1.3.3 has also accepted that State of Uttarakhand is still facing shortage of power and UPCL is procuring short term power from the market to meet the demand at a very high rates, and the Continuous supply surcharge at existing rate is also not sufficient to meet such costs and, therefore, they approved the continuous supply surcharge @ 15% of energy charges for FY 2024-25.

Considering the fact that the said situation of shortage and high prices of power will also continue during FY 2025-26, the rate of Continuous Supply Surcharge has been proposed at the same level of 15% of energy charge.

2.14.3 *Commission's Views*

The Commission has considered the submission made by the stakeholders and the Petitioner. As discussed in subsequent Chapters, UPCL is still having shortages in winter months, which are primarily met through short-term power purchase. The issue of continuous surcharge has been dealt in detail by the Commission in Chapter 6 of this Order.

2.15 Delayed Payment Surcharge

2.15.1 *Stakeholder's Comments*

Shri Puneet Mohindra, M/s Kashi Vishwanath Steels Pvt. Ltd., submitted that UPCL's delayed recovery should not be passed on to consumers through tariff hikes. Instead, UPCL should arrange working capital finance from banks, using Late Payment Surcharge (LPS) to cover interest costs, and repay loans after dues are recovered. Despite past directives by the Commission, UPCL has not taken any concrete steps to reduce arrears and improve cash flow. Hence, UPCL must address this issue without burdening consumers.

Shri Teeka Singh Saini of Bharatiya Kisan Union submitted that no surcharge should be imposed on the private tube wells.

2.15.2 *Petitioner's Reply*

The Petitioner submitted that on the demand of public representatives, the PTW consumers have been allowed the facility for issuance of their bills only twice in the year, i.e. by end of December (for period June to November) and end of June (for period December to May). The bill raised in December may be paid by the consumer either in lump-sum or in parts (not more than four times) till 30th April next year for which no DPS shall be levied. Similarly, the bill raised in June may be paid by 31st October without any DPS.

The Petitioner further submitted that funds are borrowed from Banks to bridge the gap of billing and recovery. The money borrowed for such purpose is called working capital. Interest on working capital has been computed as per provisions of tariff regulations and included in the ARR. On the other hand, delayed payment surcharge accrued for FY 2025-26 has been reduced from the ARR.

2.15.3 *Commission's Views*

The Commission has gone through the comments of the stakeholders and submissions of the Petitioner. DPS is a penalty on the defaulting consumers leviable only in case the consumer is unable to pay, in full, the amount by the due date and, hence, the rate should be on a higher side to act as a deterrent for making timely payments.

2.16 Provision for Bad & Doubtful Debts

2.16.1 *Stakeholder's Comments*

Shri Munish Talwar, Asahi India Glass Ltd., Roorkee and Shri Puneet Mohindra, M/s Kashi Vishwanath Steels Pvt. Ltd. submitted that UPCL has increased the provision for bad and doubtful debts from Rs. 105.03 Crore in FY 2024-25 to Rs. 111.71 Crore in FY 2025-26. Instead of passing this burden onto consumers, UPCL should strengthen its debt recovery process by working with local authorities to collect outstanding dues and reduce non-recoverable losses.

Shri Rakesh Bhatia, Integrated Industries Association, submitted that UPCL frequently adjusts bad debts by passing them onto consumers, which reflects inefficiency in debt collection rather than actual financial losses. He requested that bad debts should not be loaded on the consumer tariffs and that zonal officers be held accountable for non-recoverable dues.

Shri Dinesh Mudgal submitted that instead of imposing a 12.01% tariff hike, UPCL should focus on recovering outstanding dues, improving billing efficiency, and implementing prepaid metering for high-risk consumers. He requested that UPCL recovers pending dues before passing additional costs onto paying consumers.

Shri Pankaj Agarwal submitted UPCL should make all the efforts to collect the pending arrears from the consumers.

2.16.2 *Petitioner's Reply*

The Petitioner submitted that against the electricity sold to the consumers the amount of revenue as indicated in the records as an income is on the accrual basis, however, if the recovery of any portion of the amount of the revenue is doubtful then the same results in over-statement of income in the books of accounts of the Corporation, which does not give a true picture of profit and loss in the accounts of the Corporation. Besides it's a well-known fact that some bad debts are bound to be there in the electricity business. With a view to remove this lacuna, it is necessary that the amount of revenue indicated more than the recoverable amount of revenue should be written off in the books of accounts. Provision related to bad debt has been proposed as per UERC (Terms and Conditions for Determination of Multi Year Tariff) Regulations, 2024.

The Petitioner further submitted that the payment of bills against Govt. connections including local bodies is being regularly collected. As against the assessment of Rs. 508.99 Crore during FY

2021-22, Rs. 593.59 Crore was collected during the said year, as against the assessment of Rs. 576.83 Crore during FY 2022-23, Rs. 580.53 Crore was collected during the said year, as against the assessment of Rs. 590.91 Crore during FY 2023-24, Rs. 603.50 Crore was collected during the said year. Further, payment of Rs. 281.11 Crore has been received till December, 2024, against the bills raised to the Govt. connections. UPCL further submitted the year-wise collection efficiency as follows:

Table 2.9: Year Wise Collection Efficiency

Year	Collection Efficiency
2020-21	95.55%
2021-22	98.14%
2022-23	98.99%
2023-24	99.14%

Hence, it is clear that there is a consistent improvement in collection efficiency. UPCL further submitted that the connections of defaulting consumers are being disconnected and notices under Section 3 & 5 of the Uttarakhand (U.P. Government Electricity undertakings (Dues Recovery) Act, 1958) Adaptation and Modification order, 2002 are being issued regularly and the same shall be taken-up more promptly for ensuring early recovery of outstanding arrears.

The Petitioner also submitted that there is a regular improvement in collection efficiency from last three years, it has increased from 95.55% in FY 2020-21 to 99.14% in FY 2023-24. National average for FY 2023-24 is 96.14% and for recovery of outstanding arrears, it is submitted that the connections of defaulting consumers are being disconnected and notices under Section 3 & 5 of the Uttarakhand (U.P. Government Electricity undertakings (Dues Recovery) Act, 1958) Adaptation and Modification order, 2002 are being issued regularly and the same shall be taken-up more promptly for ensuing early recovery of outstanding arrears.

2.16.3 *Commission's Views*

The issue of the provision for Bad & Doubtful debts has been deliberated by the Commission in detail in Chapter 5 of the Order.

2.17 Theft

2.17.1 *Stakeholder's Comments*

Shri S.P. Chauhan, Shri Virendra Singh Rawat and Shri Teeka Singh Saini of Bhartiya Kisan

Union submitted that theft of electricity should be stopped and efforts should be made to curb corruption cases in the department.

Shri Rakesh Bhatia, Integrated Industries Association, submitted that UPCL has failed to control electricity theft in high-loss districts (Haridwar, Udham Singh Nagar, Laksar, Roorkee, etc.), and these losses are unfairly adjusted under the line loss component, passing the burden to paying consumers. UPCL should submit a transparent report differentiating line losses from theft before any tariff increase is considered.

Shri Vijay Verma submitted that the significant electricity theft is occurring under the BPL category and recommended corrective actions to control the same.

2.17.2 *Petitioner's Reply*

The Petitioner submitted that following action is being taken for reduction of theft of energy:

a) Vigilance raids are being conducted, and cases are being registered under Section 126 and 135 of the Electricity Act, 2003. Legal proceedings are being initiated against the person(s) who are found indulging in theft of electricity.
b) Defective Meters are being replaced.
c) LT ABC is being laid in theft prone areas.
d) Automatic Meter Reading is being done for high value consumers.
e) Android based billing has been introduced for improvement in Billing Efficiency.
f) Installation of Smart meters is under process under RDSS scheme.

2.17.3 *Commission's Views*

The Commission has taken note of the concerns raised by the stakeholders and the initiatives taken by UPCL for reducing the theft and losses. This issue has been dealt in Chapter 3 & 5 of the Order.

2.18 KCC Data

2.18.1 *Stakeholder's Comments*

Shri Pankaj Gupta of Industries Association of Uttarakhand submitted that UPCL has done a good job in compiling data in KCC cell. Though the compilation is excellent, it seems that sufficient benefits have not been derived from the scrutiny of this data. He further requested the Commission to set up one cell either in the office of the Commission or in UPCL for scrutiny of this data. This cell should be independent and should not be reporting to UPCL. He also submitted that this initiative would help with proper diagnostics of ills and malafides prevailing in UPCL at division level and will highlight the vital areas to be settled.

2.18.2 ***Petitioner's Reply***

The Petitioner submitted that the work for one-year monthly meter data analysis through various reports of 8000 consumers was awarded to M/s Sai Computers Ltd., Meerut vide letter no. 590/UPCL/CE/CCP-II/41/2021-22 (Sai Computers), dated 19.09.2022. The data analysis covers the following attributes:

a. Tamper analysis by way of PT missing, CT short, CT open, CT interchange /reversal, voltage imbalance, current imbalance, neutral disturbed, power failure, magnetic tamper, transactions, 35 kV spark Test, Cover open temper, high voltage/ frequency surges.
b. Percentage slots for which demand is less than a given percentage when demand is available. (Default 5%)
c. Percentage black out slots when power is available.
d. Current month consumption Vs last month consumption or current month consumption Vs that of same month last year is less than a given percentage (Default 20%).
e. Contract demand violation.
f. Number of slots for which power factor is less than or more than or in between for a given value.
g. Consumption vis-a-vis usage index for the industry (process) wise, based on the data provided. Process wise load factor will be provided to vendor.
h. Ratio of Average/ contracted demand, maximum/ contracted demand, average/ maximum demand, average demand shall be calculated for the number of months as specified from time to time.
i. Double meter /Main meter/ Independent feeder meter/ Net Off meter/ Bi-directional meter/ ABT meter comparison difference of load survey data for every 30 minutes / 15 minutes slot on per day & per month basis demand and consumption is more than given percentage (Default 3%) for entire months.
j. Consumption comparison of main meter with check meter/other end meter in terms of kWh, kVAh, MD on each & every month is to be complied checked and if difference of main

meter w.r.to check meter/other end meter is more /less than the standardized value or as fixed by UPCL the check-out list is to be submitted.

k. Any other comparison, detail, analysis, report etc in desired format of UPCL from time to time for desired period and in desired timeline shall mandatorily be provided by the contractor.

l. Complete analysis of all the consumers' alongwith reports, recommendations/ comments in desired formats complete in all respect shall be submitted by bidder not later than 25th of every month.

m. Contractor shall ensure to do the MRI analysis of consumers having load above 25 kW and shall also ensure that all the HT consumers across the State shall be analyzed atleast three times during the currency of work. The contractor shall also ensure that none of the HT consumer gets left out from the analysis due to any reason whatsoever.

n. All type of analysis reports shall be submitted by the bidder to respective distribution division and test division of UPCL along with the copy of the same to the Nodal Officer/ Engineer In charge of the Project.

UPCL submitted the status of MRI checked as per the report of consultant as follows:

Table 2.10: Updated status of MRI checked as per the Report of the Consultant

S. No.	Particulars	Oct, 22 to Feb, 24
1.	Average monthly MRI analyzed (No.)	8493
2.	Total suspected cases reported (No.)	1569
3.	Pending suspected case (No.)	539
4.	Total cases checked by division (No.)	1030
5.	Total cases wherein irregulatries found and assessment proposed (No.)	484
6.	Total cases wherein proposed assessment is realized (No.)	416
7.	Assessment (Rs. Lakh)	1738
8.	Realization (Rs. Lakh)	962
9.	Assessment (%) (5/4)	47%

UPCL further submitted the MRI status of KCC consumers as follows:

Table 2.11: MRI Status of KCC Consumers

Status	No. of consumers					
	March, 20	March, 21	March, 22	March, 23	March, 24	Sep, 24
Total Nos. of KCC Consumers	25123	26503	28853	32992	38762	41393
Consumers having load factor more than 75%	616	812	665	959	1045	1205
Consumers having load factor more than 50%	1625	2045	1783	2440	2727	3295
Consumers having load factor more than 30%	4302	4989	4753	6141	6893	8899
Consumers having load factor more than 20%	7406	8066	8140	9851	11541	15132
Consumers having load factor more than 10%	13507	14221	14906	17475	20312	25261
Consumers having load below 10%	11616	12282	13947	15517	18450	16132
Consumers exceeding sanctioned demand	4856	4655	5415	5684	7000	8340

2.18.3 *Commission's Views*

As regards the suggestion for scrutiny of KCC data, **the Commission directs UPCL to continue monitoring KCC data including low load factor cases, meter tamper cases, etc. The Commission also directs UPCL to submit the report on analysis and monitoring of KCC data on monthly basis by 15th of every month.**

2.19 Tariff Structure

2.19.1 *Stakeholder's Comments*

Shri Rakesh Bhatia, Integrated Industries Association, submitted that current tariff structure favours high-voltage consumers (220 kV and 133 kV) by providing them special discounts, which shifts the financial burden to MSMEs and small-scale industries at 11 kV and 440 V supply. It is requested that either MSMEs should be provided similar benefits or the subsidy to larger industries should be removed, ensuring fairness in pricing for all the consumer categories. Additionally, he also submitted UPCL has unfairly shifted the cost of infrastructure (poles, transformers, and cables) onto the consumers. Since these assets eventually become UPCL's property, either these charges should be eliminated, or a minimum justified cost should be set. If these costs are transferred to consumers, they should be compensated when the assets become UPCL's property.

Shri Yashveer Arya submitted that the current telescopic tariff structure should be replaced with a simplified single-tariff system.

Shri Sunil Kumar Gupta submitted that telescopic slabs are not justified as increase proposed by UPCL is on higher side

2.19.2 *Petitioner's Reply*

The Petitioner submitted that as the distribution losses at higher voltages, i.e. 33 kV and 132 kV are lower than the distribution losses at 11 kV and below, therefore, rebate in energy charges at the rate of 3.5% for 33 kV consumers and 7.5% for 132 kV consumers is applicable.

The Petitioner further submitted that Section 46 of the Electricity Act, 2003 mandates for recovery of expenditure in providing any electric line or electrical plant used for the purpose of giving the supply of power. The relevant extract of Section 46 is reproduced hereinbelow:

> *"The State Commission may, by regulations, authorise a distribution licensee to charge from a person requiring a supply of electricity in pursuance of section 43 any expenses reasonably incurred in providing any electric line or electrical plant used for the purpose of giving that supply."*

2.19.3 *Commission's Views*

The Commission has gone through the suggestions of the stakeholders and the replies of the Petitioner. The Commission would like to clarify that in the absence of voltage wise losses and cost, the rebate in energy charges at the rate of 3.5% for 33 kV consumers and 7.5% for 132 kV consumers is applicable and no other subsidy/benefit is being passed on to HT Industries. The approach adopted by the Commission in designing the tariffs for various categories has been discussed in detail in Chapter 6 of the Order.

2.20 Load Reduction and Load Enhancement

2.20.1 *Stakeholder's Comments*

Shri Ram Kumar Agarwal, Director, M/s Umashakti Steels Pvt. Ltd submitted that application for Enhancement/Reduction of sanctioned load should be online and with a time bound disposal process. At least, a reduction in sanctioned load should be implemented from the date of application of the consumer because no feasibility study is required by the department in reduction of contracted load.

Shri Mavendra Pal, Shri Manish Negi and Shri Devendra Singh Negi submitted that since the hotel business operates only for six months—with peak operations lasting two months—load enhancement on its own by UPCL, during the operational period is not a feasible solution for the hotel industry. Infact industries should be offered seasonal benefits.

Shri Virendra Singh Rawat submitted that UPCL is not issuing notices for load enhancement in a timely manner.

2.20.2 *Petitioner's Reply*

The Petitioner submitted that the enhancement / reduction of sanctioned load is done as per the procedure specified in Regulation 4.1 of the UERC (The Electricity Supply Code, Release of New Connections and Related Matters) Regulations, 2020.

2.20.3 *Commission's Views*

The Commission is of the view that the issues raised regarding Load Enhancement/Reduction are governed by the provisions of the UERC Supply Code Regulations as amended from time to time.

2.21 Tariff for Cane Crusher

2.21.1 *Stakeholder's Comments*

Shri Vijay Singh Verma submitted that under RTS-4, cane crusher, rice huller, chuff cutter, mushroom cultivation plant should be separated from PTW connection. It should be placed in another category like RTS 4(A).

2.21.2 *Petitioner's Reply*

The Petitioner submitted that the Commission may take a view on the same.

2.21.3 *Commission's Views*

The Commission has considered the submission made by the stakeholder and has dealt with this issue in detail in Chapter 6 of this Order.

2.22 Electricity Duty, Green Energy Cess, Water Tax

2.22.1 *Stakeholder's Comments*

Shri Shakeel Siddiqui, Legal Advisor, M/s Galwalia Ispat Udyog Pvt. Ltd. and M /s Kashi Vishwanath Textile Mill Pvt. Ltd. and Shri Ashok Bansal, President, M/s Kumaon Garhwal Chamber of Commerce & Industry, Uttarakhand submitted that in the State three charges are levied which directly-indirectly affects tariff in the State namely, green cess, electricity duty and royalty on water, which is a violation of the law and requested relaxation of taxes on electricity generation giving broad view of the condition of electricity supply, soaring prices and the turmoil being faced by industries in the State.

Shri Pawan Agarwal submitted that that cess, water tax, and royalty should not be included in the costs of UPCL.

2.22.2 *Petitioner's Reply*

The Petitioner submitted that the Water Tax is levied to avail the facility to draw water from any sources for generation of electricity in the State of Uttarakhand under the provisions of the Uttarakhand Water Tax on Electricity Generation Act, 2012. Water tax is applicable on the electricity generation by all the hydroelectric projects situated in Uttarakhand (except the projects having capacity up to 5 MW). As per Section 4 of the Act, Green Energy Cess up to 10 paise per unit shall be levied on the electricity supplied to Commercial and Industrial Consumers of the State. This Cess will be levied, collected and payable by UPCL. As per GoU notification dated 17.06.2015, rate of Cess has been determined @ 10 paise per unit. The Cess and Royalty is imposed on the saleable energy generated from the existing hydro power projects of the State Government under UJVN Limited which are under Commercial Operation for more than 10 years and whose cost of electricity generation is not more than Rs. 2 per unit. The rate of Cess and Royalty is Rs. 0.30 per unit and Rs. 0.10 per unit respectively. These cess and royalty are imposed by UJVNL in its electricity bills which are required to be paid by UPCL. Finally, the amount of cess and royalty is payable to GoU by the collecting agency. Also as per Section 3 of Uttar Pradesh Electricity (Duty) Act (Uttarakhand adaptation and modification) Order 2001, the State Government is empowered to fix the rates of Electricity Duty to be charged from various category of consumers. Government of Uttarakhand vide its notification no. 79/I/2016-01(3)/01/2003, dated 25.01.2016 has fixed these rates applicable w.e.f. 01.01.2016. UPCL submits that it is charging electricity duty as per Government orders. Electricity duty charged from consumers is payable by UPCL to GoU.

The Petitioner further submitted that all the taxes levied are paid by UPCL to the GoU. Therefore, the matter may be taken up with GoU.

2.22.3 *Commission's Views*

The levy of Electricity Duty, Green Cess, Water Tax etc. does not come under the jurisdiction of the Commission and relates to the Government and, accordingly, industries are advised to approach the State Government in the matter. However, through this Order the Commission would also like to advise the State Government under its power under Section 86(2) of the Electricity Act, 2003 that keeping in view the increasing costs of electricity in the State and also in light of the Ministry of Power, Government of India, letter dated 25.04.2023 and letter dated 25.10.2023, wherein imposition of Water Tax/Cess by various State Government on Hydro Electric Plants (HEPs) has been declared by MoP, GoI as illegal and unconstitutional. Accordingly, any taxes/duty levied on generation of electricity, may be reduced or withdrawn in the interests of the consumers of the State.

2.23 Cross Subsidy

2.23.1 *Stakeholder's Comments*

Shri Dinesh Mudgal submitted that to ensure fair electricity pricing, cross-subsidy among consumer categories should remain within reasonable limits. As per Tariff Policy 2016, a roadmap should be established to gradually bring tariffs within ±20% of the average cost of supply, ensuring that pricing aligns more closely with actual costs. However, industrial consumers often face tariffs significantly above this range, leading to an undue financial burden. It is recommended that tariff structures be progressively adjusted to reflect cost of supply more accurately, preventing excessive cross-subsidization and ensuring a balanced tariff framework for all consumer categories.

2.23.2 *Petitioner's Reply*

The Petitioner submitted that it has proposed Cross subsidy in line with the provisions of Tariff Policy, 2016. Cross subsidy is computed by reducing the average tariff from the tariff of the category. The Commission is designing tariffs on a year-on-year basis in such a manner that there is a gradual reduction in cross subsidies.

2.23.3 *Commission's Views*

The Commission has been designing the tariffs for previous years with gradual reduction in cross subsidies and similar approach has been followed while designing the tariffs for FY 2025-26 as deliberated in Chapter 6 of the Order.

2.24 Review of peak hours

2.24.1 *Stakeholder's Comments*

Shri Pawan Agarwal, Uttarakhand Steel Manufacturers Association, submitted that the surcharge during peak hour and rebate during off-peak hour should be equal.

Shri Himanshu Chawla, Power Foundation of India, submitted that UPCL has not proposed Peak Hour Time of Day (ToD) Tariff for Domestic consumers up to 10 kW despite Smart Meter installation, violating the Electricity (Rights of Consumers) Amendment Rules, 2023. UPCL also failed to provide the tariff category-wise ToD status, which is essential for optimizing power procurement, flattening the load curve, and reducing peak-hour costs. It is requested that the Commission may formulate the ToD Tariff for all the eligible consumers as per MoP rules and ensure its implementation.

2.24.2 *Petitioner's Reply*

The Petitioner submitted that the Commission vide its Tariff Order dated 31.03.2022 has reduced the peak hour surcharge from 50% of energy charge to 30% of energy charge. The Commission vide its Tariff Order dated 31.03.2022 has increased the off-peak hour rebate from 15% of energy charge to 20% of energy charge which was further increased to 25% of energy charge vide Order dated 28.03.2024.

The Petitioner further submitted that the implementation of "Revamped Reform- based and Results-linked Distribution Sector Scheme (RDSS Scheme)" is in progress where works are divided into Smart metering- Consumer, Feeder and DTR and Loss Reduction. Replacement of existing meters with smart meters (pre-paid smart meter for load upto 25 kW) is ongoing. Smart meters are being installed on Government connections first followed by commercial and other consumers. For HT consumers smart meters on post-paid mode are installed as auto disconnection through MDM command is not possible at present. UPCL has planned to deploy smart meters (pre-paid smart meter for load upto 25 kW) with TOD functionality, under RDSS scheme, as follows:

Table 2.12: Roadmap for Smart Meter Deployment

Financial Year	Feeder	DT Meter	1-Ph	3-Ph	LTCT Consumer	HT Consumer	Total
FY 2024-25	2602	38247	510670	30020	2024	1854	585417
FY 2025-26	0	20965	886577	64860	5033	1480	978915
FY 2026-27	0	0	80,837	4,134	381	0	85,352
Total	2602	59212	1478084	99014	7438	3334	1649684

Further, based on the above plan of smart meter deployment, UPCL has proposed to introduce TOD tariffs for consumer categories other than agriculture consumers from FY 2026-27, i.e. when sufficient deployment of smart meters is there.

2.24.3 ***Commission's Views***

The Commission has gone through the submissions made by the stakeholders and the response of the Petitioner. The Commission has dealt with this issue of ToD tariffs in Chapter 6 of the Order.

2.25 Fuel Adjustment Charges

2.25.1 ***Stakeholder's Comments***

Shri Munish Talwar, Asahi India Glass Ltd., Roorkee, submitted that UPCL does not provide clear and timely communication regarding FPPCA charges, which significantly impact the consumer bills. Currently, no information about FPPCA charges is available on public platforms, UPCL's website, or official communication channels. He requested that UPCL should publish FPPCA charges by the 3rd of each month on its official website.

Shri Ram Kumar Agarwal, Director, M/s Umashakti Steels Pvt. Ltd. submitted that no additional FCA/ Energy charges should be levied.

2.25.2 ***Petitioner's Reply***

The Petitioner submitted that as per Rule 14 of The Electricity (Amendment) Rules, 2022, the difference between approved power purchase cost and actual power purchase cost has to be charged / refunded to the consumers on a monthly basis. In accordance with the above provisions of the Electricity (Amendment) Rules, 2022, the Commission has also specified the mechanism/ procedure for charging/refunding the difference in power purchase cost. As per the said provision, UPCL is making adjustment of incremental power purchase cost on monthly basis and the excess of actual power purchase cost over approved power purchase cost is recovered on monthly basis, which will not have an adverse impact during truing up in the ensuing years. The monthly rates of FPPCA on HT industries are as follows:

Table 2.13: Monthly FPPCA Charges Levied on HT Industries

Consumption month	Rate of FPPCA
April, 24	Rs. 0.06 /kVAh (Surcharge)
May, 24	Rs. 0.04 /kVAh (Surcharge)
June, 24	Rs. 0.42 /kVAh (Surcharge)
July, 24	Rs. 0.32 /kVAh (Rebate)
August, 24	Rs. 0.56 /kVAh (Rebate)
September,24	Rs. 0.25 /kVAh (Rebate)
October, 24	Rs. 0.75 /kVAh (Rebate)
November, 24	Rs. 0.94 /kVAh (Rebate)
December, 24	Rs. 0.91 /kVAh (Rebate)
January, 25	Rs. 0.14 /kVAh (Surcharge)
February, 25	Rs. 0.31 /kVAh (Surcharge)
March,25	Rs. 1.27 /kVAh (Rebate)

Hence, as is evident from the above Table, rebate allowed to the consumers is more than the surcharge levied on them.

2.25.3 *Commission's Views*

With regard to FPPCA recovery allowed by the Commission, it is clarified that the FPPCA adjustment of tariffs is allowed under Section 62(4) of the Electricity Act, 2003, under MoP, GoI Rules and as per the provisions of Tariff Regulations. As regards the issue of publication of FPPCA charges, **the Commission directs UPCL to publish the monthly FPPCA charges alongwith the computations of the same on its website.**

2.26 Load Shedding

2.26.1 *Stakeholder's Comments*

Shri Kartikeya Tomar of M/s PSR Innovations submitted that frequent power cuts by UPCL are often observed several times in a month which indicates the administrative failure.

2.26.2 *Petitioner's Reply*

The Petitioner submitted that with regard to the availability of quality power, UPCL has been making consistent efforts to provide uninterrupted power supply to its consumers. The load shedding during FY 2023-24 is only 0.64% (102.46/16108.90 MU) of overall energy demand. It is also to mention that no scheduled power cuts are being imposed, and rostering is being done only in emergency conditions. The average supply hours in Urban feeders have increased to 23:41 hrs/day in FY 2023-24 from 23:36 hours/ day in FY 2022-23 and in Rural feeders has increased to 23:28 hrs/day in FY 2023-24 from 23:15 hours/ day in FY 2022-23.

2.26.3 *Commission's Views*

In this regard, the Commission in its Tariff Order dated 18.04.2020 has already directed the Petitioner to obtain prior approval of the Commission for load shedding to be carried out continuously for a certain number of hours in a day for 15 days or more. Further, UPCL has an obligation to supply 24X7 power and, accordingly, UPCL needs to ensure that load shedding is eliminated so that consumers are not impacted due to intermittency of supply.

2.27 Voltage-wise Cost of Supply

2.27.1 *Stakeholder's Comments*

Shri Shakeel Siddiqui, Legal Advisor, M/s Galwalia Ispat Udyog Pvt. Ltd. and M /s Kashi Vishwanath Textile Mill Pvt. Ltd. and Shri Ashok Bansal, President, M/s Kumaon Garhwal Chamber of Commerce & Industry Uttarakhand submitted that the repeated directives in tariff orders regarding segregation of voltage-wise loss have yielded no concrete results. Hence, acknowledging the lack of segregated data, the Commission continues to rely on average cost of supply while determining tariffs. They argued that actual losses at 33 kV range between 1-3% and at 132 kV are below 1%, warranting either tariff adjustments based on real losses or an increase in rebates from 3.5% to 5% for 33 kV and from 7.5% to 10% for 132 kV, with an annual 0.25% increment until UPCL provides accurate data or aligns rebates with actual losses. They emphasized that unless voltage-wise costs and losses are determined, merely extending rebates is insufficient and lacks transparency.

2.27.2 *Petitioner's Reply*

The Petitioner submitted that voltage wise/category wise losses cannot be computed accurately by the existing system and, therefore, category wise tariff has been determined based on the average cost of supply and permissible levels of cross subsidy. Further, as per the provisions of the Regulations, a rebate of 3.5% and 7.5% have been proposed for taking supply at 33 kV and 132 kV and above respectively. This is as per Regulation 91 of the UERC Tariff Regulations, 2024. In the absence of availability of voltage wise losses, which is a mix of technical losses and commercial losses, the distribution losses are required to be charged on an average basis on all the categories of consumers as well as on the open access consumers. It is further submitted that the implementation of Government of India's RDSS Scheme is in process which mainly aims for reduction of losses and under the scheme smart meters have to be installed on feeders, DTs and consumer connections. Once the said metering is completed, UPCL will be in position to compute the voltage wise losses.

2.27.3 *Commission's Views*

The Commission has taken note of the concerns raised by the stakeholders. In this regard it would be relevant to mention that not only voltage wise losses are required for fixing voltage wise tariffs, but segregation of voltage wise costs is also essential for the same. However, to compensate voltage wise losses, voltage wise rebates have been allowed to the industrial consumers. It is submitted that the Commission in the previous Tariff Orders had directed UPCL to compute Voltage-wise losses & also segregate voltage wise costs for each category of consumers and submit the data on voltage-wise losses and cost of supply along with next Tariff Petition failing which action may be initiated against it. **However, considering the ongoing smart meter deployment under the RDSS scheme, which will significantly enhance data accuracy and enable on-line energy audit & accounting, UPCL is hereby directed to compile and submit the voltage-wise loss data and voltage-wise cost of supply information alongwith next Tariff Petition.**

2.28 Load Factor based Tariff

2.28.1 *Stakeholder's Comments*

Shri Ashok Bansal of M/s Kumaun Garhwal Chamber of Commerce & Industry and Shri Shakeel A. Siddiqui of Galwalia Ispat Udyog Private Limited submitted that most of the prominent industrial active States have defined tariff slabs load wise, the cost of service to HT consumer connected at high voltage is much less than the average cost of supply, since the distribution losses are very low in comparison to low voltage consumers. They further requested that the Commission may determine lower rates for high load factor and high rates for low load factor to promote energy consumption by HT industries who are the maximum contributor of revenue to UPCL.

2.28.2 *Commission's Views*

This issue was dealt in detail by the Commission in the in-house paper issued during the MYT Order for the second Control Period. Since the marginal cost of power is higher than the average cost of power, hence, to have cost reflective tariffs, the energy charges should increase with load factor. Further, the Commission has deliberated this issue in detail in Chapter 6 of the Order.

2.29 Tariff for Hotels

2.29.1 *Stakeholder's Comments*

Shri Deepak Rana, President, Provincial Industry Trade Representative Board, submitted that since the peak travel season lasts only 35-40 days, most hotels and restaurants remain closed for nearly six months in the off-season but continue to be billed at commercial rates. It is requested that during the off-season, electricity bills for hotels and restaurants be charged at domestic rates to provide financial relief to the tourism industry and support local businesses.

Shri Harish Purohit and Shri Atul Shah submitted that seasonal tariff should be approved for Hotel Industry.

Shri Atul Shah submitted that the Hotel Industry is facing severe challenges due to higher tariffs and requested the Commission to rationalize the same.

2.29.2 *Petitioner's Reply*

The Petitioner submitted that being a regulated entity UPCL needs to be revenue neutral and, hence, the tariff to be allowed should be as per the principles laid down in the Tariff Policy, 2016, i.e. on Average of cost of supply with permissible level of cross subsidy. In case the non-domestic consumers are billed at the rate of domestic category, there will be imbalance in the level of cross subsidy and the subsidizing category shall be converted into subsidized category which is against the principle of the laid down category.

2.29.3 *Commission's Views*

The Commission has gone through the suggestions of the stakeholders and has duly considered the same while designing and rationalizing the tariff and has discussed the issues in detail in Chapter 6 of this Order.

2.30 Consumer Security Deposit and Billing Cycle

2.30.1 *Stakeholder's Comments*

Shri Kartikeya Tomar of M/s PSR Innovations submitted that facility of bank guarantee on security deposit may be made available for the consumers.

Shri Chandrakant Bisht, Shri Yashveer Arya, Shri Daljeet Singh and Shri Manish Jukatia submitted that additional security deposit should not be charged from the consumers.

Shri Pawan Agarwal submitted that all industrial consumers with a load exceeding 2 MVA should be permitted a 15-day billing cycle.

Shri Pawan Agarwal, Uttarakhand Steel Manufacturers Association submitted that the Commission has allowed a 15-day billing cycle for consumers above 3 MVA, but it should also be extended to those above 2 MVA, as some Steel Units and 33 kV-connected consumers have loads between 2200-2300 kVA. Additionally, the security deposit should be limited to one month, whereas UPCL is demanding 1.50 months of security deposit under the Supply Code, which is unjustified.

Brig. (Retd.) K.G. Behl, All India Consumers Council (AICC), Uttarakhand, submitted that UPCL has arbitrarily increased security deposits without prior notice, burdening consumers by charging the increase in monthly installments. He stated that the deposit remains with UPCL for years without refunds or interest to consumers, despite being utilized by the utility. He further submitted that security should not be increased for excess load on temporary basis instead, consumers should be charged higher rates only for excess units consumed. The stakeholder requested the Commission to rationalize security deposit policies and ensure refunds where applicable.

Shri Vijay Singh Verma submitted that the provision of an additional security deposit should not be imposed on PTW connections, as the declining groundwater levels have increased the need for irrigation, leading to higher energy consumption for running motors. Given this unavoidable increase in electricity usage, imposing an additional financial burden on PTW consumers would be unfair.

Shri Rakesh Bhatia, Integrated Industries Association, submitted that the interest rate provided on security deposits is significantly lower than UPCL's own borrowing costs. It is requested that interest on security deposits be adjusted at repo rates or at the same rate UPCL charges consumers for delayed payments.

Shri Ram Kumar Agarwal, Director, M/s Umashakti Steels Pvt. Ltd submitted that interest on security deposit is on a very lower side. Either the ROI should be increased, or consumers should be allowed to deposit Bank Guarantee (so that it will help industries in availability of cash funds for working capital requirements). He also submitted that each HT consumer has to pay security deposits towards the average electricity consumption of 45 days billing which puts huge financial burden on the consumer. In this regard, UPCL should adopt alternatives like prepaid metering for the HT consumers instead of having huge security deposits, or Bank Guarantee can be taken by UPCL as security deposit to ease the consumers for working capital funds for full amount or half amount of the security deposit.

Shri Teeka Singh Saini of Bharatiya Kisan Union submitted that the Additional Security Deposit (ASD) charged in domestic electricity bills has doubled from Rs. 186 to Rs. 372 in January 2025 without any explanation, creating financial stress on the consumers. Additionally, ASD charges have been arbitrarily imposed on private tube wells, and the amount varies from Rs. 1,752 to Rs. 4,404, adding to the burden on the farmers. It was requested that clear justification be provided for these charges and that ASD charges on private tube wells be removed immediately to prevent undue financial hardship.

Shri Shakeel Siddiqui, Legal Advisor, M/s Galwalia Ispat Udyog Pvt. Ltd. and M /s Kashi Vishwanath Textile Mill Pvt. Ltd., Shri R.K. Singh, Tata Motors Ltd. and Shri Ashok Bansal, President, M/s Kumaon Garhwal Chamber of Commerce & Industry Uttarakhand requested the Commission to allow security deposit of two billing cycles (15 days x 2) which is also the spirit of the Regulation where it says N+1, it should be read as N=Billing Cycle and 1=15 days bill. Further, they also requested the Commission to allow bank guarantee in place of security deposit thereby saving the consumers from interest loss on the amount as it pays 10-11% interest on loans and fetches only 6-7% from UPCL.

2.30.2 *Petitioner's Reply*

The Petitioner submitted that Security deposits is received from the consumers to securitize the credit sales made by the DISCOM. In case a consumer defaults in making the payment of his electricity bills, the recovery of such electricity dues may be made by adjusting the security deposit of the consumer. The provisions of UERC (The Electricity Supply Code, Release of New Connections and Related Matters) Regulations, 2020 provides for review of security deposits based on consumption / billed amount of the previous year. In case the required security deposit is less than the security deposit of the consumer, UPCL is required to raise demand for the same to the consumers. Accordingly, the demand of additional security deposits is being raised on the consumers as per the provisions of the Regulations.

Further, the Commission vide its Order dated 31.10.2023 provided facility to the consumers for making the payment of additional security deposits in 12 equated monthly installments (EMI). UPCL has extended this facility to the consumers.

The Petitioner also submitted that as per the Order dated 27.07.2007, interest on security deposits is paid to the consumers equivalent to the bank rate, as notified by Reserve Bank of India under Section 49 of the Reserve Bank of India Act, 1934 as on 1st April of the financial year for which interest is due. Accordingly, Interest on Security Deposits for FY 2024-25 is payable to the consumer @ 6.75% p.a.

With respect to the mode of payment of security deposit, the Petitioner submitted that Regulation 4.2(2) of the UERC (The Electricity Supply Code, Release of New Connections and Related Matters) Regulations, 2020 clearly specifies that the amount of additional security deposit shall be in the form of Cash/ DD/ RTGS/ NEFT or any other electronic mode accepted by distribution license.

The Petitioner further submitted that Section 47(5) of Electricity Act, 2003 provides as follows:

> *"A distribution licensee shall not be entitled to require security in pursuance of clause (a) of sub-section (1) if the person requiring the supply is prepared to take the supply through a pre-payment meter."*

Ministry of Power, Government of India vide its letter no. 25/25/2004-R&R(Pt), dated 11-02-2005 clarified the matter of taking security deposits for supply of electricity, as follows:

> *"A clarification has been sought from this Ministry as to whether in a situation where the distribution licensee has not started to supply through pre-payment meters, the consumer is entitled to exemption from payment of the security in respect of the electricity supplied to him. The matter has been considered in this Ministry and it is clarified that as and when distribution licensee provides a choice to consumers to opt for pre-paid meters, he will not be entitled to demand security from those consumers who are prepared to take supply of electricity through such meters."*

In the case of Sarwottam Ispat Ltd. Vs. Southern Power Distribution Company of Telengana Ltd., 2016, Hon'ble High Court, Hyderabad held as follows:

> *"Section 47(2) enables the distribution licensee to demand additional security, if the security provided by the consumer is invalid or insufficient. Sub-section (3) further vests power in the licensee to stop supply of electricity if the additional amount demanded is not paid. When this provision vests power*

in the licensee, a demand made by the licensee in terms thereof cannot be considered as arbitrary or illegal. As long as prepaid meters are not installed, it is mandatory for the consumers to pay the security deposit as demanded by the licensee. Therefore, waiving of security deposit merely because a request for provision of HT prepaid meter is made when no such meters are available does not arise. Such a request is contrary to statutory scheme and liable to be rejected. It is not the case of the petitioners that the amount of deposit demanded is in excess of what is required by the tariff determined by the Regulatory Commission. They cannot insist for supply of electricity without complying with the demand for additional security deposit. Section 47 does not envisage waiver of security deposit nor prescribe alternative mode of providing security, such as bank guarantee. There is no ambiguity in the provision. Thus, there is no scope for playing in the joints to grant the relief of waver/reduction of deposit. When the statute vests power in the licensee to demand security deposit and licensee exercises such power and no provision is made for waiver/reduction/alternative mode of providing security, it is not permissible for this Court, in exercise of equity jurisdiction under Article 226 of the constitution of India, to direct the distribution licensee to dispense with payment of security deposit or to furnish bank guarantee or reduce the security deposit demanded. Contrary to the statutory mandate, no direction can be issued. When the language of the provision is plain, simple and clear, it is not permissible for the Court to interpret the same in different manner or issue directions contrary to the statutory mandate. No case is made out by petitioners to waive additional security deposit.

In view of the above legal position, it is clear that till the time prepaid metering is not operationalized in UPCL, consumers are required to pay security deposits for supply of electricity to UPCL.

The Petitioner further submitted that the Commission in the Tariff order for FY 2024-25 dated 28.03.2024 has approved the fortnightly billing cycle for large industrial consumers having Contracted Demand of 3 MVA and above. Accordingly, UPCL is raising the bills for large consumers having Contracted Demand of 3 MVA and above on a fortnightly basis (every 15 days) from the month of April, 2024.

As per the provisions of UERC (The Electricity Supply Code, Release of New Connections and Related Matters) Regulations, 2020, all consumers are required to pay security deposits equivalent to the billing of average consumption of billing period plus one month. Accordingly, in case of fortnightly billing, the required security deposit should be for 1.5 months. In the case of 15 days billing, atleast 20 days are required for billing and collection (due date) and further 15 days time is allowed for disconnection. Therefore, one month is required in addition to the billing period for security deposits**.**

2.30.3 *Commission's Views*

The Commission is of the view that the issues raised regarding mode of payment of Security Deposit are governed by the provisions of the Supply Code Regulations and, hence, cannot be modified through the Tariff Order.

2.31 Prepaid Meters

2.31.1 *Stakeholder's Comments*

Shri Kartikeya Singh Tomar, M/s PSR Innovations LLP, submitted that the installation of prepaid meters should be implemented in a time-bound manner.

Shri Rakesh Bhatia, Integrated Industries Association, submitted that all new connections, including temporary power supply for events such as weddings and public functions, should be equipped with prepaid meters. Additionally, tube wells and short-term supply connections should be metered from the start to ensure accurate billing and prevent revenue losses.

Shri Teeka Singh Saini of Bharatiya Kisan Union and Shri Balkar Singh submitted that prepaid meters should not be installed on private tube wells of farmers, as they cannot afford to recharge them regularly. Farmers receive income only after selling their crops every six months, making it impractical to maintain a prepaid system. Additionally, for essential agricultural activities and other necessary expenses, farmers often rely on loans, and a prepaid meter system would further increase their financial burden. It was requested that the installation of prepaid meters on private tube wells be reconsidered and withdrawn.

Shri Vishal Sharma, Suraj Sewa Dal, submitted that the installation of smart meters should be rejected, as they do not serve the interests of rural and agricultural consumers. Smart meters are being introduced as a step toward privatization, primarily benefiting large industrial groups, while imposing unnecessary financial burdens on ordinary consumers.

Shri Shakeel Siddiqui, Legal Advisor, M/s Galwalia Ispat Udyog Pvt. Ltd. and M /s Kashi Vishwanath Textile Mill Pvt. Ltd. and Shri Ashok Bansal, President, M/s Kumaon Garhwal Chamber of Commerce & Industry Uttarakhand requested to get the pre-paid meter installed on industrial connections and thereby, refund of the security amount or the adjustment of the said security to re-charge the meter.

2.31.2 *Petitioner's Reply*

The Petitioner submitted that all consumer connections of UPCL are metered.

The Petitioner further submitted that under the RDSS scheme of Government of India, smart meters are being installed on feeders, DTs and consumer connections. As per MoP, GoI letter dated 10-12-2024 priority of installation of smart meters have been fixed and firstly these meters have to be installed on Government Establishments including offices/ institutions/Local bodies as well as Government residential colonies/buildings. Smart metering will facilitate complete energy accounting and real time data of demand shall be available with UPCL. This will help in the prevention of theft of electricity and better power purchase planning resulting in substantial reduction in cost of supply.

For HT consumers smart meters on post-paid mode are being installed, as auto disconnection through MDM command is not possible at present in pre-paid maters.

In view of the above legal position, till the time prepaid metering is not operationalized, consumers are required to pay security deposits for supply of electricity to UPCL.

2.31.3 *Commission's Views*

The Commission has taken note of the suggestion received from the stakeholder regarding improvement in metering and billing through prepaid meters and **directs UPCL to roll-out the prepaid metering scheme in a time bound manner ensuring that the time frame mentioned in the Tariff Petition is met and also submit a quarterly report within 15 days of the end of each quarter to the Commission.**

2.32 Absence of Cost Reflective Tariffs

2.32.1 *Stakeholder's Comments*

Shri Puneet Mohindra, M/s Kashi Vishwanath Steels Pvt. Ltd., submitted that UPCL, being a distribution company, should not operate with a profit maximization motive as electricity is an essential service. The primary objective under the Electricity Act, 2003 is to provide uninterrupted and affordable power to all the consumers. While profit maximization is essential for corporate sustainability, it should be achieved through cost efficiency rather than burdening consumers with tariff hikes. It was requested that the Commission regulates UPCL's cost approvals to prevent unjustified tariff increases.

Shri Himanshu Chawla, representing Power Foundation of India, submitted that the Commission should ensure a cost-reflective tariff for FY 2025-26, in line with the principles stipulated in the Ministry of Power Rules dated 10.01.2024. He highlighted the need to consider the persistent defaults by UPCL due to imprudent power procurement planning, lower collection efficiency, and related inefficiencies observed in the True-up of FY 2023-24.

2.32.2 *Petitioner's Reply*

The Petitioner submitted that the ARR and Tariff are as per the provisions of the Tariff Regulations notified by the Commission and past practices, methodology and normative approach adopted by the Commission. Certain parameters/elements of the ARR are claimed on actual basis as per the actual expenses incurred. However, certain expenses are allowed on normative basis so as to cover the same to the extent of actual expenses. These expenses are subject to the prudence check by the Commission. The tariff determined by the Commission is reflective of the Cost of Supply and the ARR for the year.

2.32.3 *Commission's Views*

The Commission appreciates the concern of the stakeholder and informs that certain parameters/elements of the ARR are claimed on an actual basis as per the actual expenses incurred. However, certain expenses are allowed on a normative basis so as to cover the same to the extent of actual expenses. These expenses are trued-up after carrying out the prudence check by the Commission. In this Tariff Order, the Commission has carried out the true-up for FY 2023-24 in accordance with the provisions of the UERC Tariff Regulations, 2021 and past practices and methodology adopted by the Commission. It is further clarified that no undue carrying cost is being allowed in case the Petitioner has defaulted in submitting timely information.

2.33 Formation of Consultative Committee

2.33.1 *Stakeholder's Comments*

Shri Pankaj Gupta, President, Industries Association of Uttarakhand, submitted that in the past, stakeholders had requested the Commission to constitute a Consultative Committee comprising of representatives from the utility, the Commission, and the stakeholders. This Committee was subsequently set up on the Commission's directions. However, he expressed concerns that the Committee is not functioning effectively due to the lack of clear guidelines and the absence of representatives from the Commission, UJVNL and PTCUL. He requested the Commission to ensure that the Committee operates as originally intended, with regular meetings where utilities present their working and addresses concerns of the stakeholders, facilitating better coordination and transparency.

2.33.2 ***Petitioner's Reply***

The Petitioner submitted that it had vide its letter no. 3622/UPCL/D(P)/PTCUL, dated 24-07-2024 and no. 3621/UPCL/D(P)/UJVNL, dated 24.07.2024 had requested UJVNL and PTCUL to propose the name of Officers to be included in the Consultative Committee. UJVNL vide its letter dated 29.07.2024 informed UPCL to include the following representatives of UJVNL in the Consultative Committee:

a) Shri Sanjay Joshi, General Manager (Lakhwar-Vyasi), UJVNL Limited, Dakpathar

b) Shri K.K. Jaiswal, General Manager (Commercial), UJVNL Limited, Dehradun

However, the said information is still awaited from PTCUL. On receipt of the said information from PTCUL, orders for the revised Committee including the officers of UJVNL and PTCUL shall be issued by UPCL.

2.33.3 ***Commission's Views***

The Commission has taken note of the suggestions received from the stakeholder and is of the view that UPCL should consider the suggestion given by the stakeholder and also include representatives from UJVN Ltd. and PTCUL in the Committee and hold regular meetings to understand each other's concerns**. MD, PTCUL is hereby directed to nominate atleast one officer not below the level of Chief Engineer in the Consultative Committee constituted under orders/ directions of the Commission within one month of the from the issuance of the Tariff Order.**

2.34 Distribution System Strengthening

2.34.1 *Stakeholder's Comments*

Shri Puneet Mohindra, representing M/s Kashi Vishwanath Steels Pvt. Ltd. (KVS), submitted that UPCL has projected AT&C losses at 13.74% for FY 2024-25, with several circles such as Tehri (23.1%), Karnprayag (19.2%), Roorkee (25.95%), Ranikhet (22.75%), and Pithoragarh (24.4%) experiencing excessive losses. While UPCL has claimed that these losses will improve after the full implementation of the Revamped Distribution Sector Scheme (RDSS), the scheme is still in the process of implementation. As a result, the consumers continue to bear tariff increases due to high AT&C losses, despite financial assistance being provided under RDSS. It was requested that UPCL be held accountable for loss reduction, and tariff increases should not be justified solely based on high AT&C losses.

Shri Vijay Singh Verma submitted that clarity is required regarding feeder segregation activities carried out under the R-APDRP scheme in Roorkee Circle over the past four to five years. Specifically, details needs to be sought on whether segregation of agricultural and domestic feeders has been proposed or implemented to enhance distribution efficiency. Additionally, he requested to provide information on the names of the sub-stations and feeders operating under this scheme to assess the impact and effectiveness of feeder segregation in the region.

Shri Vijay Singh Verma submitted that a request should be forwarded by UPCL to PTCUL regarding strengthening the capacity of the 33 kV transmission line from the 220 kV Ramnagar substation to Jhabrera, as the existing 450 Ampere line capacity and the Ramnagar Substation remains overloaded. Given the increasing demand, it is essential to review and upgrade the transmission infrastructure. Additionally, one representative from UPCL and another from PTCUL should attend a meeting to discuss and assess the strengthening of the line and substation capacity to ensure system stability and reliability.

Shri Deepak Rana, President, Provincial Industry Trade Representative Board and Shri Manish Negi submitted that the issue of low voltage and frequent power cuts during the travel season remains unresolved. Shri Deepak Rana, President, Provincial Industry Trade Representative Board further submitted that some of these power cuts are made in the name of line repairs and lopping-chopping, due to which the consumers are facing problems. Such work should be completed before the travel season. He also submitted that additional transformers should be installed, and the proposed electricity substation at Garud Ganga, Pakhi should be commissioned at the earliest to address low voltage issues and frequent power cuts affecting businesses and local consumers.

Shri Praveen Singh of M/s Sanjay Techno Plast Pvt. Ltd requested to appoint adequate linemen in the sub-stations, so that the problem of tripping can be resolved quickly.

The farmers of village Banskhera, Kashipur submitted that the LT line connected to a transformer near SAI Gas Agency is damaged and frequently falls, posing a serious risk of accidents. Despite repeated complaints to SDO, Kashipur, no action has been taken. To ensure safety and reliable power supply, they requested for the immediate replacement of the damaged LT line with an insulated cable and urgent repairs to the transformer setup.

Shri Pawan Rathor and Shri Atul Shah submitted that UPCL is not conducting lopping and chopping activities near high-tension lines. Shri Pawan Rathore further highlighted that UPCL's linemen lack essential protective gear for working on such lines and pointed out that the Corporation has employed untrained personnel for these tasks.

Shri Atul Shah and Shri Manish Negi submitted that that additional transformers should be installed to address the issue of rising demand within the State.

2.34.2 *Petitioner's Reply*

The Petitioner submitted that the field units have been directed to look into the matter.

2.34.3 *Commission's Views*

The Commission has taken note of suggestions received from the stakeholders and directs UPCL to examine all the concerns raised and take prompt, time-bound action to address them effectively. Compliance reports on the actions taken must be submitted to the Commission for review, ensuring transparency and accountability in the process within 3 months of the date of Order.

2.35 Separate Consumer Category for UKMRC

2.35.1 *Stakeholder's Comments*

Shri Jitendra Tyagi, Managing Director, UKMRC, submitted that UKMRC should be classified as a separate consumer category in the tariff structure, as it will take electricity directly at the inter-connection points of PTCUL/UPCL and operate its own distribution network without relying on DISCOM infrastructure. He stated that Metro Rail should not be placed under Railway or commercial tariff categories, as unlike Indian Railways, it does not cross-subsidize passenger fares with freight revenues.

He further submitted that electricity is the primary operational cost for Metro Rail, and its financial viability is significantly lower than conventional railways. He, therefore, requested that UKMRC's tariff be determined based on the actual cost of supply at interconnection points, excluding additional charges related to DISCOM operations, as UKMRC does not utilize their distribution network. Given that Metro Rail serves as a public utility with a social objective, he requested the Commission to introduce a separate tariff classification to ensure financial sustainability and fair cost allocation.

2.35.2 *Petitioner's Reply*

The Petitioner submitted that UPCL is a commercial organization and is required to meet its Annual Revenue Requirement (ARR) out of the revenue realized from the consumers through electricity tariffs. ARR consists of expenses related to Power Purchase, Employees, repair and maintenance, Administrative overheads, working capital requirement, etc.

The Petitioner, being a regulated entity needs to be revenue neutral and, hence, the tariff to be allowed should be as per principles laid down in the Tariff Policy, i.e. on Average cost of supply with permissible limit of cross subsidy. The Commission may consider the request of the consumer in view of the provisions of the Electricity Act, 2003 read with the provisions of Tariff Policy.

2.35.3 *Commission's Views*

The Commission has examined the proposal for creating a separate consumer category for Metro Rail and is of the view that Metro shall continue to be classified under the existing Railway tariff category as there are operational similarities between Metro and Indian Railways as rail-based mass transit systems. Futher, the tariff for Railway category is also very close to the Average Cost of Supply. The creation of new category is against the basic principle of tariff rationalization.

2.36 Renewable Energy

2.36.1 *Stakeholder's Comments*

Shri Rakesh Bhatia, Integrated Industries Association, submitted that while solar power adoption is encouraged, the installation of meters for solar plants takes several months, delaying the benefits for consumers. He requested that this process be streamlined, fixed deadlines be introduced, and approvals be granted through a fully online system.

Shri Dinesh Mudgal submitted that advancements in technology allow for efficient storage of surplus electricity, which can be utilized during peak demand periods. Implementing energy storage systems would reduce reliance on high-cost electricity purchases during peak hours, enhance grid stability, and improve cost efficiency. It is recommended that efforts be made to develop energy storage infrastructure, ensuring better power availability, reducing procurement costs, and maintaining a stable electricity supply for consumers.

Shri Puneet Mohindra, M/s Kashi Vishwanath Steels Pvt. Ltd. (KVS), raised concerns over the inadequate number of 33/132/220 kV substations, which hindered renewable energy integration and industrial power reliability. The lack of sufficient substations led to voltage fluctuations, power outages, and inefficiencies in transmitting renewable energy into the grid. To address these challenges, he requested the Commission to direct UPCL/PTCUL to conduct feasibility studies and take necessary steps to establish additional substations. This would ensure uninterrupted power supply, reduce voltage fluctuations, and support economic growth by facilitating renewable energy integration.

Shri Himanshu Chawla, representing Power Foundation of India, submitted that UPCL has not proposed any plan for compliance with the ESS target in its ARR for FY 2025-26. He emphasized that Energy Storage is a crucial tool for DISCOMs to optimize Power Purchase Costs through energy arbitrage. Battery Energy Storage Systems (BESS) enable charging during off-peak hours and discharging during peak hours, reducing reliance on costly short-term power purchases. With battery prices declining in FY 2024 and increasing participation by DISCOMs, UPCL should integrate Energy Storage into its Power Procurement Planning, aligning with the Resource Adequacy Planning formulated by CEA. He further submitted that UPCL had not proposed any measures under PM Surya Ghar – Muft Bijli Yojana or DSM initiatives, both crucial for enhancing renewable energy adoption and optimizing energy consumption. He requested the Commission to direct UPCL to integrate these initiatives into its planning to support net metering, reduce peak demand, and align with national energy goals.

2.36.2 *Petitioner's Reply*

The Petitioner submitted that a detailed capital investment plan required for FY 2024-2025 and for the 5th Control Period, i.e. FY 2025-26 to FY 2027-28, based on various technical and physical requirements of the network has been proposed. The proposed capital investment plan aims to achieve loss reduction, cater to increasing load demands of the State besides improving reliability of the system as well as improving the quality of supply to the consumer.

The Petitioner submitted that PPA has been executed with THDC Tehri Pump Storage Plant for 200 MW. COD of Tehri PSP is anticipated in FY 2025-26. Further, feasibility of energy storage systems is being explored by UPCL.

The Petitioner further submitted that the Government of India has approved the PM Surya Ghar: Muft Bijli Yojana on 29.02.2024 to increase the share of solar rooftop capacity and empower residential households to generate their own electricity. UPCL has installed about 4838 Roof top Solar Plants of total capacity of 17.66 MW till 19.09.2024 and aims for 40000 installations by 2027.

2.36.3 *Commission's Views*

The Commission has taken note of the suggestions made by the stakeholders and the submission made by the Petitioner and directs the Petitioner to ensure compliances of the RPO targets fixed by the Commission in its Regulations and, accordingly, facilitate in the development of renewable sources of energy with the State namely soar, wind, battery storage, PSP etc.

2.37 Miscellaneous

2.37.1 *Stakeholder's Comments*

Shri R.K. Singh, Tata Motors Ltd. submitted that green power tariff should be reasonable and the consumers should be encouraged to avail green power. Shri Rakesh Bhatia, Integrated

Industries Association, submitted that large industries face complex approval processes for high-load connections, causing delays. He requested that the process be simplified, unnecessary conditions be eliminated, and direct approvals be granted under a structured and transparent policy. The Commission should also monitor approvals of large connections to ensure efficiency.

Shri Arunesh Kumar Singh submitted that industrial feeders are connected to rural feeders which leads to trippings. He also submitted that double circuit line which was long overdue has not been connected at Gangapur Sub-station. Shri Himanshu Chawla, representing Power Foundation of India, submitted that due to the unavailability of commercial data for FY 2023-24 in the public domain, PFI is unable to verify whether the Average Billing Rate (ABR) of different consumer categories aligns with the approved ABR. While the Commission has sought this information from UPCL, the data has only been provided in soft copy to the Commission and remains inaccessible to the stakeholders. In view of this, he requested the Commission to conduct a prudence check on consumer category-wise ABR for FY 2023-24 to ensure transparency and accuracy.

Shri Arunesh Kumar Singh raised concerns regarding the competence of the staff at the sub-stations and suggested the recruitment of diploma holders to address the issue.

Shri Than Singh submitted that cost of "contracted staff" of UPCL should be examined properly.

Shri Rajeev Gupta submitted that solar energy production should be encouraged within the State.

Shri Daljeet Singh submitted that subsidized electricity should be provided to the consumers of the State.

Shri Pitambar Singh submitted that subsidized electricity should be provided for home stay businesses.

Shri Gajendra Singh submitted that solar power tariff has reduced from Rs 3.10/unit to Rs. 2.65/unit.

Shri Manoj Bhandari submitted that free power should be utilised to subsidize the tariff by 50%.

Shri Manvendra Pal submitted that subsidized electricity should be provided in border areas of the State.

Shri Sunil Kumar Gupta submitted that details of debtors and creditors are not provided by the utility. He also submitted that the arrear amount due from Kreate Power has not been recovered. He further submitted that proposal under RDSS scheme by UPCL needs to be reviewed.

Shri Harak Singh Negi submitted that approved tariffs should be notified in the newspaper.

Shri Prakash Bartwal submitted that seasonal tariff should be allowed during rainy season to the hotel industries.

Shri Veeru Bisht submitted that UPCL's collection efficiency remained suboptimal during the period from April to November in the financial year. He further pointed out deficiencies in meter reading practices by TDS Management Corporation.

Shri Veeru Bisht submitted that no drop boxes are present in the Sub-stations of UPCL.

Shri Yashveer Arya submitted that name of the defaulters should be published in the newspaper.

Shri Pankaj Agarwal submitted that rate of Interest on Working Capital should be reviewed and that the Commission should conduct an audit of UPCL.

Shri Suresh Kumar submitted that coaching centres and shops in various mohallas are being incorrectly charged under the domestic consumer tariff.

Shri Ayodhya Pd. Hatwal submitted that there is a supply shortage during the yatra season, particularly during peak hours, with line personnel often unavailable at that time.

Shri Bhagat Singh Bisht and Shri Manish Negi submitted that separate transformers should be provided for Hotel Industry. Shri Bhagat Singh Bisht also submitted that UPCL should provide meter cubicals, as is being done by the other States Licensees.

Shri Kartikeya Singh Tomar, M/s PSR Innovations LLP, submitted that while separate feeders are provided for rural private tube wells, small and medium industries (SMEs) face frequent power disruptions (8-10 trippings per day) due to the absence of dedicated industrial feeders. This affects productivity and industrial growth. It is recommended that UPCL follows the Gujarat model by separating industrial power lines from domestic and irrigation supply, ensuring uninterrupted and stable electricity for SMEs in rural areas. He further submitted that a special package should also be given by the Power Corporation to encourage industries in rural areas.

Lt. Gen. Dr. S.P. Kochhar, Director General, COAI, submitted that telecom infrastructure, including telecom towers, MSCs, and data centers, should be charged under the industrial tariff category, citing its essential role in digital connectivity and economic growth. He referred to TRAI and FOIR recommendations and judicial precedents from Maharashtra and Himachal Pradesh, where telecom services are treated as an industrial activity. He requested the Commission to consider this classification and review the proposed tariff hikes, as these increase would negatively impact the telecom sector and its dependent sectors/activities.

Shri Mahavir Prasad Bhatt, President, District Advocates Association, Uttarkashi, submitted that the Government should provide free electricity up to 200 units per month to consumers below the poverty line and economically weaker sections. They stated that essential services like electricity should be made affordable under the Directive Principles of State Policy, as is being done in Delhi. Given Uttarakhand's surplus hydropower generation, they requested the Commission to implement a subsidized or free electricity scheme for vulnerable consumers to ensure energy access for basic needs.

Shri Vijay Singh Verma submitted that a company supplying inferior-quality AB cables has been given repeated orders despite its bad track record. UPCL should blacklist such suppliers and contractors from future assignments.

Shri Vijay Singh Verma submitted that UPCL is executing the RDSS project for the installation of approximately sixteen lakh smart meters across the State. As per the Government of India notification, no additional financial burden should be imposed on the consumers for smart meter installation. He requested to recover the expenditure on smart meters from the benefits accrued due to the implementation of the RDSS project.

Shri Vishal Sharma, Suraj Sewa Dal, submitted that multiple instances of financial mismanagement, unauthorized contract allocations, and violations of departmental rules have occurred under Executive Engineer, Shri Ajit Kumar Yadav in the Electricity Distribution Division, Jaspur, resulting in significant financial losses. These include the unauthorized increase of electrical load for M/s Vishwanath Paper Mill, causing a Rs. 1.23 Crore loss, the unapproved shifting of a 33 kV line during NH 74 widening, leading to a Rs. 95 lakh financial loss, and fraudulent duplicate contracts misappropriating Rs. 58 lakh. Additionally, false work measurements for steel poles led to a Rs. 6.5 lakh loss, while the use of substandard materials in NH 74 widening and the Pandit Deendayal Yojana rendered critical infrastructure ineffective. Further, contract allocations to unqualified agencies, irregular staff promotions, and destruction of key records indicate deliberate financial misconduct. Given the seriousness of these allegations, a thorough investigation is requested to assess financial irregularities, recover departmental losses, and ensure accountability of the involved officials to prevent further malpractice in the Electricity department. He further submitted that corruption and financial mismanagement within UPCL have led to significant revenue losses and inefficiencies, ultimately increasing the burden on consumers. Cases such as the Bazpur line scam have exposed embezzlement worth Crore of rupees through fraudulent infrastructure projects, illegal line shifting, fake estimates, and unauthorized payments to contractors. Despite clear evidence and reports to higher authorities, no action has been taken, and officials involved in corruption continue to hold key positions. Instead of transferring the financial burden of mismanagement onto consumers through tariff hikes, UPCL should focus on recovering misused funds, enforcing strict financial discipline, and preventing further misallocation of resources. The stakeholder requested that an independent and transparent investigation be conducted to hold those responsible accountable and ensure fair electricity pricing for consumers.

Shri Rakesh Bhatia, Integrated Industries Association, submitted that consumers who wish to build their own power lines should not be forced to use department-approved contractors for installation. Additionally, supervision charges should be abolished, and third-party audits should be introduced to ensure compliance while allowing consumer-led infrastructure development. He further submitted that the financial penalties imposed on UPCL for service failures are minimal, leading to negligence in consumer service improvements. It is recommended that compensation for service failures be increased fivefold, ensuring greater accountability from UPCL officers and better service for consumers.

Shri Dinesh Mudgal submitted that the financial instability of distribution utilities due to high losses and limited investment requires urgent reforms. Since State-owned distribution companies lack resources to improve performance, adopting the PPP model can help bridge funding gaps, reduce AT&C losses, and ensure predictable cashflows. Distribution franchisees have already shown success in high-loss areas. He recommended a time-bound plan for PPP implementation in areas with losses above 25%, backed by State Government support and a clear regulatory framework to enhance efficiency, reliability, and private sector participation in the power sector.

Shri Dinesh Mudgal submitted that several State Governments provide electricity subsidies or free power to specific consumer categories, such as agricultural and domestic users, either through direct subsidies or cross-subsidization, where industrial and private consumers bear the cost. As per Section 65 of the Electricity Act, 2003, any subsidy granted by the State Government must be fully reimbursed to the utility. However, non-receipt of full subsidy payments has financially weakened distribution utilities, leading to inefficiencies and tariff burdens on other consumers. It is recommended that all subsidies be transferred directly to the consumers through Direct Benefit Transfer (DBT), ensuring financial stability for utilities while making consumers more responsible for their electricity usage.

Shri Ram Kumar Agarwal, Director, M/s Umashakti Steels Pvt. Ltd submitted that UPCL had implemented an NOC provision for HT consumers, which has to be renewed every year despite no change in the sanctioned load, making the process irrelevant. This NOC renewal provision should be abolished.

Shri Pankaj Gupta, President, Industries Association of Uttarakhand, submitted that CS-3 and CS4 Commercial diaries should be system generated instead of them being maintained manually as per the present practice. He further submitted that UPCL is claiming only Rs. 253.10 Crore as non-tariff income against Rs. 429.57 Crore as approved. UPCL has not given any reason for this shortfall. This shortfall should not be allowed.

Shri Shakeel Siddiqui, Legal Advisor, M/s Galwalia Ispat Udyog Pvt. Ltd., M /s Kashi Vishwanath Textile Mill Pvt. Ltd. and Shri Ashok Bansal, President, M/s Kumaon Garhwal Chamber of Commerce & Industry Uttarakhand submitted that there is a provision for penalizing non achievement of power factor but, whoever, performs better is not awarded, hence, the same should be made at par with that of the other States. They also mentioned that according to the Electricity (Rights of Consumers) Rules, 2020, (8B) Display of Tariff, *"The tariff for each category of consumers shall be displayed on distribution licensee's website and consumers shall be notified of change in tariff excluding fuel surcharge and other charges, at least one month ahead of time, through distribution licensee's website as well as through energy bills or Short Message Service or Mobile Application and the like*."

The above Rule needs to be adhered by UPCL, as UPCL always delays posting every tariff increase circular or memorandum on its website. They further submitted that the Petition filing has been delayed, and the performance rating of UPCL has been downgraded. These issues highlight concerns regarding the operational efficiency and regulatory compliance of the entity, necessitating corrective measures to address delays and improve performance standards.

2.37.2 *Petitioner's Reply*

The Petitioner submitted that UPCL is a fully owned State Government Company and the decision in the matter of providing free electricity may be taken by GoU. UPCL also submitted that as per direction of GoU, UPCL is providing subsidy in electricity tariff @ 50% of electricity charges (including electricity duty) to the domestic consumers of snow bound area having monthly consumption upto 200 units and to other domestic consumers having load upto 1 kW and monthly consumption upto 100 units.

The Petitioner further submitted that the following is mentioned in the Report of the Working Group on Preferential Tariff for Telecom Towers issued by Forum of Regulators in August, 2016:

"Para 3.2.2 (c):

In Bharat Sanchar Nigam Limited & anr Vs Union of India &Ors reported in (2006) 3 SCC 1, the Supreme Court considered the nature of the transaction by which mobile phone connection is made available by the telecom company to the consumers, namely, whether it is carrying out any process of manufacturing of goods or supply of any goods (and is an industry). The Apex court held that it was simply rendering service to customers."

"Para 3.2.2 (b):

In the order dated 16.08.2007 of the Appellate Tribunal of Electricity (APTEL), Appeal no. 50 of 2007 & IA No. 90/07 & Appeal no. 80 of 2007 it is highlighted that only the consumers involved in the activity of manufacturing of goods are to be considered and billed as industrial units. Therefore, Telecom tariff is not to be considered under industrial category by the States."

"Para 4.2:

"From the point of view of Tariff policy and the Electricity Act 2003, providing special category for telecom towers would be in violation of the right to equality guaranteed by Article14 of the Constitution of India."

Further, the Commission in its Tariff order for FY 2024-25 dated 28.03.2024 at Para 2.24.3 has held in the matter as follows:

"The Commission has gone through the suggestions of the stakeholder and is of the view the judgement of Supreme Court and APTEL as referred by UPCL above, no change in tariff categorization is warranted."

The Petitioner submitted that the Central Government has approved a Revamped Distribution Sector Scheme, a Reforms-based and Results-linked Scheme (RDSS) with the following objectives:

a) Reduction of AT&C losses to Pan-India levels of 12-15%.

b) Reduction of ACS-ARR gap to zero.

c) Improvement in the quality, reliability, and affordability of power supply to consumers through a financially sustainable and operationally efficient Distribution Sector.

The grant provided for RDSS to Uttarakhand is as follows:

Table 2.14: Grant Available for RDSS Scheme

S No.	Item Description	GBS (%)
1.	Smart metering - consumer, DT, and feeder level	22.5% (limited up to Rs.1350 per meter for Consumer metering, Rs 5175 per meter for DTR metering and Rs 9450 per meter for feeder metering)
2.	Loss Reduction	90%

The Petitioner submitted that for the assets created out of grant only operation and maintenance expenses to be incurred are claimed. Balance amount required is sourced from equity/GoU or loan, on which ARR is computed as per MYT Regulations 2024. Further, UPCL submitted that implementation of RDSS will benefit consumers in the following ways:

1. Transparent billing
2. Timely redressal of issues
3. Reliable power supply

Real time monitoring of consumption will result into optimization of power purchase and subsequently reduction in tariff. As per the directives of the Government of Uttarakhand (GoU), UPCL is providing a 50% subsidy on electricity charges, including electricity duty, for domestic consumers in snowbound areas with a monthly consumption of up to 200 units. Additionally, the subsidy is extended to other domestic consumers with a connected load of up to 1 kW and a monthly consumption of up to 100 units.

The Petitioner with regards to a special power package for rural areas industries submitted that the policy matter may be taken up with GoU.

The Petitioner with regards to CS-3 and CS-4 Commercial diaries being system generated submitted that the implementation of ERP is in process in UPCL. Once the ERP is operationalized, the commercial diary shall also be generated through the system.

The Petitioner with respect to non-tariff income being less than the approved submitted that NTI approved by Commission in the Tariff order for FY 2023-24 is based on actual approved NTI in true-up of FY 2021-22. However, NTI for FY 2023-24 has been considered on actual basis in the tariff Petition.

The Petitioner with respect to the Power Incentive submitted that the tariff of HT Industries is based on kVA/kVAh which automatically provides incentive to the consumers in case of healthy power factor.

The Petitioner with respect to the display of tariff related circulars, submitted that circulars are available at UPCL's website, https://www.upcl.org/electricity-tariff-orders/.

The Petitioner with respect to the delay in filing the Petition mentioned that the Petitions of Multi Year Tariff and Business Plan for the Control Period from FY 2025-26 to 2027-28 have been filed within stipulated time as allowed by the Commission vide its letter no. UERC / 6/TF-750 /2024-25/2024/1252, dated 17.12.2024.

The Petitioner also mentioned that in the latest distribution utility rankings issued by GoI, UPCL is ranked 1st in special category States and 8th out of 66 utilities in overall rating.

2.37.3 ***Commission's Views***

With reference to the comment regarding subsidized or free electricity scheme for vulnerable consumers, the Commission has already provided a subsidized tariff for BPL consumers, small consumers in domestic and non-domestic categories, consumers in snow bound areas and agricultural consumers in accordance with the provisions of the Act and Tariff Policy. With respect to free electricity, the consumers may approach the State Government for the same. **UPCL is directed to submit a factual position of the issues of financial irregularities raised by Shri Vijay Singh Verma and Shri Vishal Sharma within 3 months of the date of this Order. UPCL is also directed to submit its comments on the issue of NOC raised by Shri Ram Kumar Agarwal within**

3 months of the date of this Order. UPCL is also directed to display on its website any change in tariff and other charges within 3 days of the issue of any such order by the Commission. UPCL is also directed to submit the status of the double circuit line to be connected at Gangapur Sub-station.

The Commission has also gone through the other suggestions of the stakeholder. The Commission has dealt with the various issues raised in the subsequent Sections of this Order.

2.38 Views of State Advisory Committee

During the State Advisory Committee Meeting held on March 19, 2025, the Members made the following suggestions on the Business Plan and MYT Petitions for the Fifth Control Period from FY 2025-26 to FY 2027-28:

a) Shri Pankaj Gupta submitted that UPCL must provide a detailed progress report on all the ongoing solar initiatives.

b) Shri Pankaj Gupta submitted that quarterly report should be published by the utilities regarding status of compliance of directives which have been given by the Commission.

c) Shri Ashok Bansal submitted that, the geographical condition of Uttarakhand is adverse. The higher tariff has created problems for the industrial consumers, due to which the consumers are moving to different States. He submitted that the inefficiency of UPCL should not be passed on to the industrial consumers.

d) Shri Ashok Bansal submitted that the industry is currently being charged for feeder and line costs when relocating within the State, even after providing land to the utility for installation. This practice should be discontinued, as it imposes an unjustified financial burden on industries.

e) Shri Ashok Bansal submitted that target should be given for installation of solar energy system in the industry premises to reduce their load.

f) Shri Ashok Bansal submitted that the maximum limit of 1 MW of solar installation be increased and the solar installation may not be linked to the Contracted load.

g) Shri Atul Agarwal recommended for regular energy audit of UPCL.

h) Shri R.P. Mamgain submitted that research-based studies should be funded so that operational efficiency of the utilities can be improved.

i) Shri R.P. Mamgain submitted that proper justification for increase in expenses is not submitted by the utilities. The same should be provided by them.

j) Shri R.P. Mamgain suggested that differential rates for industries located in hilly areas and plain areas may be introduced to boost economic activity in far flung areas.

k) Shri Mukesh Kumar Pathak submitted that technological intervention is required so that the data from the utilities can be stored and analysed properly.

l) Shri Mukesh Kumar Pathak submitted that data Centres should be opened so that data can be easily accessed.

m) Shri Mukesh Kumar Pathak submitted that modernization of the sub-station and lines is required to improve the efficiency of the UPCL.

n) Shri Mukesh Kumar Pathak submitted that it should be ensured that Rules and Regulations are being strictly adhered.

o) Shri Mukesh Kumar Pathak submitted that a system should be maintained for regular monitoring of the progress made by the Utilities regarding the directives given by the Commission.

p) Shri Pankaj Gupta submitted that given Uttarakhand's abundant hydro resources, the tariff within the State should be lower than adjoining States. Further, the tariffs in the State should be rationalised.

q) Shri Mukesh Kumar Pathak submitted that high tariff hike should not be allowed.

r) Shri Rajeev Agarwal submitted that consumption of the HT Industry has reduced significantly due to the higher tariff being charged from them, despite the State being energy rich State, and, hence, no tariff increase should be allowed.

s) Shri Sanjay Agarwal submitted that UPCL is claiming higher expenses during truing up exercise as compared to the expenses approved by the Commission and the same should not be allowed to be passed on to the consumers.

t) Shri Ashok Bansal submitted that UPCL should make a proper plan for augmentation of transformer capacity within a time bound manner so that load sheading can be reduced.

This plan should be included in the annual plan of the utility.

u) Shri Rajeev Agarwal submitted that the ARR claimed by the utilities are on a higher side as compared to FY 2023-24 due to higher additional capitalisation claimed by the utilities. The additional capitalisation should be allowed only if they can be linked with the consumer interest/benefit.

v) Shri Rajeev Agarwal submitted that the utilities are increasing investment on yearly basis as returns on the same is assured to them and cost effectiveness of the investment is not being analysed.

w) Shri Atul Agarwal submitted that Capital Investment made by UPCL should be linked with the reduction in losses within the area. Further, technical audit is required for the capital investment made by the utility for proper cost benefit analysis.

x) Shri Pankaj Gupta submitted that given UPCL high AT&C losses, curtailment of O&M expenses is required to align the O&M expenses with the performance of the utility.

y) Shri Pankaj Gupta submitted that a performance-based incentive mechanism should be established to identify and reward model towns demonstrating exceptionally low distribution losses.

z) Shri Sanjay Agarwal submitted that UPCL has proposed 13.50% distribution loss for FY 2025-26, which is on a higher side. UPCL has not taken any steps for the curtailment of distribution loss, and the same needs to be reviewed by the Commission.

aa) Shri Sanjay Agarwal submitted that the burden of higher losses in an area should be confined to the consumers of that area and should not be passed on to all the consumers of the State.

bb) Shri Ashok Bansal submitted that line loss for the industries is around 2%. UPCL, by considering overall line loss of around 13%-15%, is trying to hide its inefficiency and is unnecessary putting the burden of high losses on industrial consumers. Further, it is to be noted that the billing and collection efficiency for industrial Consumer is around 100%, whereas UPCL is only collecting 40% to 50% revenue from other than industrial consumers.

cc) Shri Rajeev Agarwal submitted that industrial consumption is around 56%, and the loss for them is around 1%-2%, whereas for other consumers the losses are around 30% to 40%. Further, in various towns of the State, the billing efficiency of UPCL is around 30%. This is required to be analysed properly, and steps should be taken to reduce higher losses within the State.

dd) Shri Ashok Bansal submitted that UPCL is not complying with the Commission's directives, particularly, the submission of voltage-wise loss data which remains pending. It is to be noted that UPCL is continuously analysing the consumption data through AMR (Automated Meter Reading) and MRI (Meter Reading Instrumentation) systems for high-value consumers. This shows that the data is available with the utility, however, the same is not submitted before the Commission.

ee) Shri Atul Agarwal submitted that distribution loss should be around 11% to 12% as UPCL is also deploying smart meter within the State.

ff) Shri Mukesh Kumar Pathak submitted that voltage wise losses are required to be factored in the tariffs of the consumers.

gg) Shri Ashok Bansal submitted that Open Access charges in the State are on a very higher side due to various surcharges levied by UPCL. The same needs to be reviewed.

hh) Shri Ashok Bansal submitted that immediate amendment of the Open Access Regulations, 2015, is necessary.

ii) Shri Ashok Bansal submitted that the Commission should adopt a balanced approach in determining additional surcharge, considering the viability of the Utility as well as consumer interests.

jj) Shri Rajeev Agarwal submitted that data regarding bifurcation of power procured from the open market, during peak and off-peak hours should be provided by UPCL.

kk) Shri Pankaj Gupta submitted that peak hours and off-peak hours in winter seasons should be rationalised.

ll) Shri Pankaj Gupta submitted that UPCL has submitted inflated figures regarding collection efficiency as they collect revenue in advance for the month of April in March. UPCL is not able to bill the consumers as shown by the lower billing efficiency of the utility. Therefore, the claim of utility regarding distribution losses, billing efficiency, collection efficiency and bad debts needs to be examined thoroughly.

mm) Shri Ashok Bansal submitted that in towns where billing efficiency is below 70% and collection efficiency is also on the lower side, UPCL should identify and take initiatives to improve its performance within a time bound manner.

nn) Shri Ashok Bansal submitted that given UPCL's consistently low collection efficiency during the first three quarters of the financial year, it is recommended that a third-party agency may be engaged for revenue collection.

oo) Shri Pankaj Gupta submitted that Water Cess and Water Royalty being charged by GoU is unconstitutional and illegal. The Commission should issue advisory to GoU for not charging any Water Cess and Water Royalty.

pp) Shri Rajeev Agarwal submitted that the Commission should advise the State Government to discontinue the imposition of water tax on hydroelectric generation, as this levy is an undue burden on the consumers.

qq) Shri Ashok Bansal submitted that imposition of Water Cess and Green Cess is unconstitutional.

rr) Shri Ashok Bansal submitted that the utility's persistent bad debts indicate systemic inefficiencies in arrears recovery. Additionally, discrepancies between provisional data and CS-4 reports require proper prudence analysis.

ss) Shri Atul Agarwal submitted that R&M cost of UPCL has increased substantially over the years. The same needs to be analysed by the Commission.

tt) Shri Rajeev Agarwal submitted that UPCL has made claims w.r.t the pending EI certificates in the current tariff proceedings. This claim is not maintainable as the submission of EI certificates was entirely within UPCL's control.

uu) Shri Ashok Bansal submitted that consumer security deposits should be refunded as the utility is in the process of installing the smart meters. He further submitted that UPCL should not be allowed to collect any additional security deposit.

vv) Shri Sanjay Agarwal submitted that to promote the tourism industry, tariffs should be kept lower. Tourism being a seasonal industry, hotels face higher fixed charges during off-seasons. The fixed charges should be abolished.

ww) Shri Ashok Bansal submitted that Continuous Supply Surcharge should be abolished.

xx) Shri Ashok Bansal submitted that the Commission should provide detailed guidelines on load factor provisions to eliminate interpretational ambiguities and ensure uniform implementation.

2.38.1 *Petitioner's Reply*

The Petitioner submitted the following replies:

a) UPCL submitted that its claims are strictly based on actual conditions and does not include any unwarranted additions. The substantial tariff increase has become necessary due to adverse external factors that are beyond the utility's control mainly due to the increase in power purchase expenses. Regarding power procurement composition, market purchases represent 16% of total procurement costs, with the overall increase in power purchase costs for FY 2023-24 amounting to around Rs. 500 Crore due to prevailing market conditions. On regulatory compliance matters, UPCL has submitted all the pending EI certificates for FY 2022-23 to the Commission. For FY 2023-24, certificates for Rs. 398 Crore have been submitted against total capitalizations of Rs. 838 Crore, with the balance certificates to be furnished imminently.

b) The industrial tariff for Uttarakhand is around Rs. 7.70 per unit which is lower than the other neighbouring States.

c) It is to be noted that only about 35% of the power is supplied through hydro power plant and rest of the power comes from CGS and open market. The power supplied from hydro power plant is seasonal in nature and to manage the imbalance arising from the same, UPCL has to purchase power from short term sources.

d) UPCL's O&M expenses is around 0.51 paisa/unit whereas national average is around 0.65 paisa/unit. Employee cost of UPCL is around 0.28 paisa per unit whereas national average is around 0.53 paisa/unit.

e) UPCL acknowledges the high levels of distribution losses in certain towns, particularly Roorkee and Udham Singh Nagar, and confirms that concerted efforts are underway to address this issue. The increased losses are attributable to multiple factors, including defaults by some domestic and industrial consumers on outstanding arrears. While these losses are reducible, improvement requires substantial capital investment in infrastructure modernization.

f) Underground cabling initiative is proposed, which holds significant potential for minimizing technical losses. The project demands considerable funding, and accordingly, the utility is actively pursuing for Central Government grants to facilitate this capital-intensive investment. UPCL remains committed to implementing both technical and operational measures to enhance distribution efficiency, subject to the availability of adequate financial resources. Further, it is to be noted that, there are some areas where the whole village/societies are not paying electricity bills due to political intervention, affecting the performance of UPCL.

g) UPCL clarified that while the Commission sets annual targets for losses rather than monthly benchmarks, the utility has demonstrated consistent improvement in key performance indicators. The current collection efficiency stands at 99.14%, complemented by a billing efficiency of 86.11%, resulting in AT&C losses at the level of 14.64%. It is to be noted that there are fluctuations in payment patterns, particularly the seasonal surge in collections during March when numerous consumers settle their outstanding dues.

h) UPCL has proposed the establishment of 25 new sub-stations under the RDSS scheme to enhance network infrastructure. While the comprehensive modernization scheme was not approved by the Central Government, UPCL has submitted a revised proposal to the Ministry of Power (MoP) seeking approval for 8 critical Sub-stations.

i) UPCL submitted that continuous supply surcharges should not be abolished, as UPCL has to make arrangement from the market for supplying continuous power to the consumers who opt for it.

j) Regarding deployment of Pre-paid meters, UPCL submitted that pre-paid meters under RDSS scheme are being deployed for consumers having load upto 25 kW and smart meters are being deployed for other consumer categories

2.38.2 *Commission's View*

The issues raised by the Members of the Advisory Committee have been taken into consideration while deciding on the Petitioner's claims in the Petition filed for approval of Business Plan for the Fifth Control Period from FY 2025-26 to FY 2027-28 and Truing Up for FY 2023-24, APR for FY 2024-25 and Tariff FY 2025-26 as detailed in subsequent Chapters of this Order.

3. Petitioner's Submissions, Commission's Analysis, Scrutiny and Conclusion on Business Plan for Fifth Control Period

3.1 Statutory Requirement

The Commission had notified the Uttarakhand Electricity Regulatory Commission (Terms and Conditions for Determination of Multi Year Tariff) Regulations, 2018 on September 14, 2018, in accordance with the provisions of the Act for determination of Tariff for the third Control Period from FY 2019-20 to FY 2021-22, the Uttarakhand Electricity Regulatory Commission (Terms and Conditions for Determination of Multi Year Tariff) Regulations, 2021 on September 14, 2021, applicable for determination of Tariff for the fourth Control Period from FY 2022-23 to FY 2024-25. The Commission had further notified the Uttarakhand Electricity Regulatory Commission (Terms and Conditions for Determination of Multi Year Tariff) Regulations, 2024 on September 17, 2024, applicable for determination of Tariff for the Fifth Control Period from FY 2025-26 to FY 2027-28

3.2 Multi Year Tariff Framework

As regards the Multi Year Tariff Framework, UERC Tariff Regulations, 2024 specifies as follows:

*"4. **Multi-year Framework***

The Multiyear tariff framework shall be based on the following:-

a) *Business plan submitted by the applicant for the entire Control Period for the approval of the Commission prior to the beginning of the Control Period;*

b) *Applicant's forecast of expected ARR for each year of the Control Period, based on reasonable assumptions and financial & operational principles/parameters laid down under these Regulations submitted alongwith the MYT petition for determination of Aggregate Revenue Requirement and Tariffs for first year of the Control Period;*

c) *Review of Control Period ending on 31.03.2025 shall also be taken up alongwith the ARR/Tariff petition for the first year of ensuing Control Period;*

d) Trajectory for specific parameters as may be stipulated by the Commission based on submissions made by the Licensee, actual performance data of the Applicants and performance achieved by similarly placed utilities;

e) Annual review of performance shall be conducted vis-à-vis the approved forecast and categorization of variations in performance into controllable factors and uncontrollable factors;

Sharing of excess profit or loss due to controllable and uncontrollable factors as per provisions of these Regulations.

…

7. Determination of Baseline

The baseline values (operating and cost parameters) for the base year of the Control Period shall be determined by the Commission and shall be based on the approved values by the Commission, the latest audited accounts, estimates for the relevant year, prudence check and other factors considered by the Commission.

The Commission may re-determine the baseline values for the base year based on the actual audited accounts of the base year.

3.3 Business Plan for the Fifth Control Period

Regarding Business Plan, Regulation 8 of the UERC Tariff Regulations, 2024 specifies as follows:

*"**8. Business Plan***

(1) An Applicant shall submit, under affidavit and as per the UERC Conduct of Business Regulations as amended from time to time, a Business Plan by November 30th, 2024, for the Control Period of three (3) financial years from April 1, 2025 to March 31, 2028;

…

c) The Business Plan for the Distribution Licenses shall be for the entire control period and shall, interalia, contain-

(i) Sales/demand forecast for each customer category and sub-categories for each year of the control period;

(ii) Distribution loss reduction trajectory for each year of the control period; including details of the measures proposed to be taken for achieving the target loss;

(iii) Power procurement plan in case of long term, medium term and short term based on the sales forecast and distribution loss trajectory for each year of the business plan period; the power procurement plan may also include energy efficiency and demand side management measures;

(iv) Collection efficiency improvement trajectory for each year of the Control Period;

(v) Capital investment plan considering the sales/demand forecast, power procurement plan, distribution loss trajectory, targets for quality of supply, etc. The capital investment plan shall be consistent with the perspective plan drawn by the State Transmission Utility (STU), and the investment plan should also include yearly phasing of capital expenditure alongwith the source of funding, financing plan and corresponding capitalisation schedule;

(vi) The appropriate capital structure of each scheme proposed and cost of financing (interest on debt and return on equity), terms of the existing loan agreements, etc;

(vii) Details related to availability of power from renewable energy sources and actions proposed for complying with the RPO specified by the Commission.

...

(2) The Applicant shall also submit the details in respect of its manpower planning for the Control Period as part of Business Plan.

(3) The Commission shall scrutinize and approve the business plan after following the due consultation process."

With regard to Sales Forecast, Regulation 77 of the UERC Tariff Regulations, 2024 specifies as follows:

"77. Sales Forecast

(1) Considering the importance of capturing seasonal variation, Monthly Sales Forecast for the Control Period shall be done in respect of each consumer category/sub-category and to each tariff slab within such consumer category/sub-category, based on the past trends, as far as possible and shall be submitted to the Commission for approval along with the Business Plan. Suitable adjustments shall be made to reflect the effect of known and measurable

changes with respect to number of consumers, the connected load and the energy consumption, thereby removing any abnormality in the past data.

Provided that where the Commission has stipulated a methodology for forecasting sales to any particular tariff category, the Distribution Licensee shall incorporate such methodology in developing the sales forecast for such tariff category.

(2) The sales forecast shall be consistent with the load forecast prepared as part of the long-term power procurement plan submitted as a part of Business Plan under these Regulations and shall be based on past data and reasonable assumptions regarding the future.

(3) The Commission shall examine the forecasts for reasonableness based on growth in number of consumers, the connected load and the energy consumption in previous years and anticipated growth in the next year and any other factor, which the Commission may consider relevant and approve the projected sale of electricity to consumers with such modifications as deemed fit."

Regarding Distribution losses, Regulation 79 of the UERC Tariff Regulations, 2024 specifies as follows:

"79. Distribution losses

(1) Energy loss in the distribution system shall be called Distribution Loss.

(2) Distribution Loss above and up to a particular voltage level shall be calculated as the difference between the energy initially injected into the distribution system and the sum of energy sold up to that level and energy delivered to next voltage level.

% Distribution Loss above and up to a particular voltage level shall be expressed in terms of Distribution Loss up to that level as a percentage of the energy initially injected into the distribution system.

(3) The Commission may require information on Circle-wise/Division-wise and/or month-wise Distribution loss calculation.

(4) To substantiate the Distribution Loss calculations, the Commission may require the Distribution Licensee to conduct proper and reliable energy audit.

(5) The Distribution Licensee shall also propose voltage-wise losses for each year of the Control Period for the determination of voltage-wise cost of supply. The Commission shall examine

the filings made by the licensee for the distribution loss trajectory for each year of the Control Period and approve the same with modification as it may consider necessary.

(6) *The Commission may ask Distribution Licensee to submit detailed information on voltage-wise Distribution Losses segregating them into Technical loss (i.e. Ohmic/Core loss in the lines, substations and equipment) and Commercial Loss (i.e. unaccounted energy due to metering inaccuracies/inadequacies, pilferage of energy, etc.). The Commission shall examine the filings made by the Distribution Licensee in respect of distribution loss (segregated into technical loss and commercial loss) and approve the same with modification, as it may consider necessary.*

(7) *The Commission may fix targets, both long term and short term, for each year of Control Period for loss reduction to bring down the Distribution loss levels (both technical and commercial) gradually to acceptable norms of efficiency."*

Regarding Power procurement plan, Regulation 73 of the UERC Tariff Regulations, 2024 specifies as follows:

"73. Power procurement plan

(1) *The Distribution Licensee shall prepare a plan for procurement of power to serve the demand for electricity in its area of supply and submit such plan to the Commission for approval:*

Provided that such power procurement plan shall be submitted for the Fifth Control Period commencing on April 1, 2025:

Provided further that the power procurement plan, approved as a part of the Business Plan, shall be submitted along with the application for determination of tariff.

Provided that the power procurement plan submitted by the Distribution Licensee may include long-term, medium-term and short-term power procurement sources of power, in accordance with these Regulations. However, the distribution licensee should as far as possible, not plan for short-term purchases except for conditions specified in Regulations 75 and should endeavor to meet its requirement from long term and medium term power procurement and make a plan accordingly.

(2) *The power procurement plan of the Distribution Licensee shall comprise of the following:*

a) *A quantitative forecast of the unrestricted demand for electricity for each tariff category,* *within its area of supply over the Control Period;*

b) *An estimate of the quantities of electricity supply from the identified sources of generation and power purchase;*

c) *An estimate of availability of power to meet the base load and Peak load requirement.*

Provided that estimate should be monthly estimation of demand and supply expressed both in Mega-Watt (MW) as well as in Million Units (MUs).

d) *Standards to be maintained with regard to quality and reliability of supply, in accordance with the UERC (Standards of Performance) Regulations, 2007, as amended from time to time;*

e) *Measures proposed to be implemented as regards energy conservation and energy efficiency;*

f) *The requirement for new sources of power generation and/or procurement, including augmentation of generation capacity and identified new sources of supply, based on (a) to (d) above;*

g) *The plan for procurement of power including quantities and cost estimates for such procurement:*

Provided that the forecast/estimate contained in the long-term procurement plan shall be separately stated for peak and off-peak periods, in terms of quantities of power to be procured (in millions of units of electricity) and maximum demand (in MW/ MVA):

Provided further that the forecasts/estimates shall be prepared for each month of the Control Period:

Provided also that the long-term procurement plan shall be a cost-effective plan based on available information regarding costs of various sources of supply.

h) *Short-term power procurement proposed shall be in accordance with Regulation 75 of these Regulations.*

(3) *The forecasts/estimates shall be prepared using forecasting techniques based on past data and reasonable assumptions regarding the future:*

Provided that the forecasts/estimates shall take into account factors such as overall economic *growth, consumption growth of electricity-intensive sectors, advent of competition in the electricity industry, trends in captive power, impact of loss reduction initiatives, improvement in Generating Station Plant Load Factors and other relevant factors.*

(4) *Where the Commission has stipulated a percentage of the total consumption of electricity in the area of a Distribution Licensee to be purchased from co-generation and renewable sources of energy, the power procurement plan of such Distribution Licensee shall include the plan for procurement from such sources at least upto the stipulated level.*

(5) *The Distribution Licensee shall be required to forward a copy of the power procurement plan to the State Transmission Utility for verification of its consistency with the transmission system plan for the intra-State transmission system;*

Provided that the Distribution Licensee may also consult the State Transmission Utility at the time of preparation of the power procurement plan to ensure consistency of such plan with the transmission system plan.

(6) *The Distribution Licensee may, as a result of additional information not previously known or available to him at the time of submission of the procurement plan under sub-Regulation (1) above, apply for a modification in the power procurement plan, for the remainder of the Control Period, as part of the application for Annual Performance Review:*

(7) *The Commission may, as a result of additional information not previously known or available to the Commission at the time of submission of the procurement plan under sub-Regulation (1) above, if it so deems, either on suo motu basis or on an application made by any interested or affected party, modify the procurement plan of the Distribution Licensee, for the remainder of the Control Period, as part of the Annual Performance Review.*

(8) *The Commission shall review the power procurement plan of the Distribution Licensee, or any proposed modification thereto, and upon such review being completed, the Commission shall either-*

a) *Issue an order approving the power procurement plan, or modifications thereto, subject to such modifications and conditions as it may deem appropriate; or*

b) *Reject the power procurement plan or application for modification thereto, for reasons recorded in writing, if such plan is not in accordance with the guidelines contained in this Part, and direct the Distribution Licensee to submit a revised plan based on such* *considerations as it may specify:*

Provided that the Distribution Licensee shall be given reasonable opportunity of being heard before rejecting its power procurement plan."

Regarding Capital Investment Plan, Regulation 71 of the UERC Tariff Regulations, 2024 specifies as follows:

"71. Capital Investment Plan

(1) The Distribution Licensee shall file a detailed capital investment plan, financing plan and physical targets for each financial year of the Control Period, for meeting the requirement of load growth, reduction in distribution losses, improvement in quality of supply, reliability, metering, consumer services, etc. to the Commission for approval as a part of Business Plan. The capital investment plan should be filed at the beginning of the Control Period.

(2) The investment plan shall be a least cost plan for undertaking investments on strengthening and augmentation of the distribution system for meeting the requirement of load growth, reduction in distribution losses, improvement in quality of supply, reliability, metering, etc.

(3) The investment plan shall cover all capital expenditure projects to be undertaken by the Distribution Licensee in the Control Period and shall be in such form as may be stipulated by the Commission from time to time.

(4) The prior approval of the Commission shall be required for all capital expenditure schemes of the value exceeding the ceiling specified by the Commission in the distribution license.

(5) The investment plan shall be accompanied by such information, particulars and documents as may be required showing the need for the proposed investments, alternatives considered, cost/benefit analysis and other aspects that may have a bearing on the wheeling tariff and retail tariffs. The investment plan shall also include capitalisation schedule and financing plan.

(6) The Distribution Licensee shall submit, along with the MYT Petition or along with the application for Annual Performance Review, details showing the progress of capital

expenditure projects, together with such other information, particulars or documents as the Commission may require for assessing such progress"

In accordance with Regulation 8, Regulation 71, Regulation 73, Regulation 77 & Regulation 79 of UERC Tariff Regulations, 2024, the Petitioner submitted the Business Plan for the Fifth Control Period from FY 2025-26 to FY 2027-28. The Petitioner in its Business Plan Petition and subsequent submissions has submitted the Sales Forecast, distribution loss reduction trajectory, power procurement plan, collection efficiency trajectory, capital expenditure plan, capitalisation plan, and human resources plan for the Fifth Control Period from FY 2025-26 to FY 2027-28. The Petitioner's submissions and the Commission's analysis on the approval of the Business Plan of UPCL for the Fifth Control Period from FY 2025-26 to FY 2027-28 are detailed below.

3.4 Sales Forecast

The Petitioner submitted that various measures including tax incentives, etc. for providing boost to the economic activities in the State led to an increase in energy demand in the State. Further, increasing population growth, per capita consumption and electrification level has resulted in significant increase in consumer base and sales in the State. The Petitioner further submitted that the actual sales had increased from 10,298.14 MUs in FY 2015-16 to 13,870.71 MUs in FY 2023-24 along with the increase in consumer base from 19.89 lakhs in FY 2015-16 to 29.13 lakhs in FY 2023-24. The Petitioner further submitted that the Central Schemes with their focus on village and household electrification like DDUGJY, Power For All, SAUBHAGYA etc. have spurred demand in the State, which has resulted in an increase in the share of domestic sales from 23.22% in FY 2015-16 to 26.91% in FY 2023-24. On the other hand, completion of tax holiday period, bottlenecks in approvals, difficult terrain etc., have dampened industrial consumption in the State. This has resulted in a reduction in the share of industrial consumption from 55.54% in FY 2015-16 to 50.11% in FY 2023-24. The Petitioner submitted the actual consumer category wise sales for the past 7 years which are as shown in the Table below:

Table 3.1: Actual consumer category wise sales from FY 2017-18 to FY 2023-24 (MU)

Consumer Category	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
RTS 1: Domestic	2,741.53	2,849.20	3,113.85	3,307.62	3,357.70	3,552.16	3,731.93
RTS 2: Non-domestic, incl. Commercial	1,235.23	1,301.34	1,397.84	1,215.52	1,389.31	1,736.56	1,874.17
RTS 3: Government Public Utilities							
Public Lamps	57.32	49.16	46.45	54.03	62.34	64.90	74.35
Government Irrigation System	165.70	154.42	178.84	170.82	153.07	152.55	145.83
Public Water Works	367.23	411.07	453.03	500.23	503.49	526.38	537.92
RTS 4: Private Tube well/Pump Sets	271.37	190.13	202.62	225.40	276.93	265.69	280.82
RTS 5: Industrial Consumers							
LT Industry	302.21	309.93	311.94	311.19	341.83	343.11	363.26
HT Industry	5,858.07	6,355.76	6,105.24	5,451.85	6,212.16	6,579.14	6,587.91
RTS 6: Mixed Load	182.43	177.75	182.47	169.55	175.62	194.62	194.08
RTS 7: Railway Traction	27.73	27.91	29.08	26.39	46.30	75.93	79.89
RTS 8: Electric Vehicle	0.00	0.00	0.00	0.00	0.04	0.17	0.52
Total	**11,208.82**	**11,826.68**	**12,021.35**	**11,432.59**	**12,518.80**	**13,491.23**	**13,870.70**

The Petitioner submitted that the State has witnessed year-on-year growth in energy sales since FY 2017-18, except in FY 2020-21 due to the nationwide lockdown and pandemic situation, which started from the end of March 2020.

The Petitioner submitted that for projecting the consumer category-wise sales for FY 2025-26 and for each year of the Fifth Control Period, the Petitioner has considered a mix of long to medium term trend of actual sales along with adjustments on account of past abnormalities and impact of recent developments that would have a bearing on the future consumption in select consumer categories. The Petitioner submitted that in line with the methodology adopted by the Commission in the past, the Petitioner has adopted the CAGR approach to project the sales for each consumer category while excluding any outliers (relative to the trend) observed in the growth rates over the period of 7 years.

The Petitioner submitted the past growth trends in each consumer category as tabulated in the Table given below:

Table 3.2: Computed CAGR of Sales as submitted by the Petitioner

S.No.	Consumer Category	7 Year FY 16-17 To FY 23-24	6 Year FY 17-18 To FY 23-24	5 Year FY 18-19 To FY 23-24	4 Year FY 19-20 To FY 23-24	3 Year FY 20-21 to FY 23-24	2 Year FY 21-22 to FY 23-24	Y-o-Y FY 22-23 to FY23 -24
1.	RTS 1: Domestic	5.97%	5.27%	5.55%	4.63%	4.11%	5.43%	5.06%
2.	RTS 2: Non-domestic, incl. Commercial	6.86%	7.20%	7.57%	7.61%	15.53%	16.15%	7.92%
3.	RTS 3: Government Public Utilities							
	Public Lamps	6.32%	4.43%	8.62%	12.48%	11.23%	9.21%	14.56%
	Government Irrigation System	0.07%	-2.11%	-1.14%	-4.97%	-5.14%	-2.39%	-4.41%
	Public Water Works	5.99%	6.57%	5.53%	4.39%	2.45%	3.36%	2.19%
4.	RTS 4: Private Tube well/Pump Sets	-3.12%	0.57%	8.11%	8.50%	7.60%	0.70%	5.70%
5.	RTS 5: Industrial Consumers							
	LT Industry	2.76%	3.11%	3.23%	3.88%	5.29%	3.09%	5.87%
	HT Industry	2.59%	1.98%	0.72%	1.92%	6.51%	2.98%	0.13%
6.	RTS 6: Mixed Load	1.23%	1.04%	1.77%	1.55%	4.61%	5.12%	-0.28%
7.	RTS 7: Railway Traction	22.56%	19.29%	23.41%	28.74%	44.67%	31.36%	5.22%
8.	RTS 8: Electric Vehicle	0.00%	0.00%	0.00%	0.00%	0.00%	276.33%	215.66%

The Petitioner submitted the growth rates considered for various consumer category along with the rationale for considering the same which is as shown in the Table below:

Table 3.3: Rationale for considering CAGR for the Sales for the Control Period by the Petitioner

S. No.	Category	Growth Rate Considered (%)	Rationale
1.	RTS 1: Domestic	5.55%	The growth rate of 5.55 % based on CAGR (%) of last 5 years is considered for Domestic category.
2.	RTS 2: Non-domestic, incl. Commercial	7.57%	The growth rate of 7.57% based on CAGR (%) of last 5 years is considered for this category.
3.	RTS 3: Government Public Utilities		
	Public Lamps	8.62%	The growth rate of 8.62% for Public Lamps, 0.07% for Govt. Irrigation system and 5.53% for Public Water works based on CAGR (%) of last 7 years is considered for this category.
	Government Irrigation System	0.07%	
	Public Water Works	5.53%	
4.	RTS 4: Private Tube well/Pump Sets	8.11%	The growth rate of 8.11% based on CAGR (%) of last 5 years is considered for this category.
5.	RTS 5: Industrial Consumers		
	LT Industry	2.76%	The growth rate of 2.76% for LT Industry and 2.59% for HT Industry based on CAGR (%) of last 7 years is considered for this category.
	HT Industry	2.59%	
6.	RTS 6: Mixed Load	1.77%	The growth rate of 1.77% based on CAGR (%) of last 5 years is considered for this category.
7.	RTS 7: Railway Traction	5.22%	The growth rate of 5.22% based on CAGR (%) of last 1 year is considered for this category.
8.	RTS 8: Electric Vehicle	215.66	Electric Vehicles are emerging consumer category whose number primarily depends on Government Policies and incentives. In recent years due to favourable policies there has been significant growth of consumer base in this category and the same is expected in the 5th Control Period. The growth rate of 215.66% based on 1 year trend is considered for this category

The Petitioner further submitted that based on the growth rates considered across various categories as discussed above, the energy sales for FY 2025-26 to FY 2027-28 is projected on revised estimates of FY 2024-25. The Petitioner submitted that the sales for FY 2024-25 have been re-estimated based on the actual for 6 months.

The projections of consumer category-wise sales for the Fifth Control Period from FY 2025-26 to FY 2027-28 submitted by the Petitioner is shown in the Table below:

Table 3.4: Consumer Category wise sales projected by the Petitioner for FY 2025-26 to FY 2027-28

Consumer Category	FY 2024-25 (Revised Estimate)	Growth Rate	FY 2025-26 (Projected)	FY 2026-27 (Projected)	FY 2027-28 (Projected)
RTS 1: Domestic	4,239.45	5.55%	4,474.57	4,722.73	4,984.66
RTS 2: Non-domestic, incl. Commercial	2,080.87	7.57%	2,238.35	2,407.76	2,589.98
RTS 3: Government Public Utilities					
Public Lamps	78.59	8.62%	85.37	92.73	100.73
Government Irrigation System	160.06	0.07%	160.18	160.29	160.41
Public Water Works	599.57	5.53%	632.70	667.66	704.55
RTS 4: Private Tube well/Pump Sets	284.18	8.11%	307.24	332.16	359.11
RTS 5 : Industrial Consumers					
LT Industry	372.03	2.76%	382.32	392.89	403.75
HT Industry	6,718.92	2.59%	6,892.98	7,071.54	7,254.73
RTS 6: Mixed Load	197.52	1.77%	201.02	204.58	208.21
RTS 7: Railway Traction	115.63	5.22%	121.66	128.01	134.69
RTS 9 : Electric Vehicle Charging Station	0.75	215.66%	2.36	7.44	23.48
Total	**14,847.55**		**15,498.73**	**16,187.79**	**16,924.30**

The Petitioner submitted that for projecting number of consumers for all the categories, a mix of 5 or 7 year CAGR (%) has been considered for the 5th Control Period. The number of consumers for each year of the Control Period is then projected based on the growth rate considered for each consumer category over no. of consumers for FY 2024-25 respectively.

The projected no. of consumers for FY 2025-26 to FY 2027-28 for each consumer category is as shown in the Table below:

Table 3.5: Consumer Category wise no. of consumers projected by the Petitioner for FY 2025-26 to FY 2027-28 (Nos.)

Consumer Category	FY 2024-25 (Revised Estimate)	Growth Rate	FY 2025-26	FY 2026-27	FY 2027-28
RTS 1: Domestic	26,13,576	3.52%	27,05,460	28,00,574	28,99,032
RTS 2: Non-domestic, incl. Commercial	3,29,867	4.74%	3,45,497	3,61,868	3,79,014
RTS 3: Government Public Utilities					
Public Lamps	3,629	11.62%	4,051	4,522	5,048
Government Irrigation System	2,046	1.77%	2,082	2,119	2,157
Public Water Works	3,260	10.59%	3,605	3,987	4,409
RTS 4: Private Tube well/Pump Sets	49,500	6.08%	52,511	55,705	59,093
RTS 5 : Industrial Consumers					
LT Industry	17,079	6.79%	18,239	19,478	20,801
HT Industry	2,751	4.34%	2,870	2,994	3,124
RTS 6: Mixed Load	92	3.48%	95	98	101
RTS 7: Railway Traction	5	14.87%	6	7	8
RTS 9: Electric Vehicle Charging Station	73	180.00%	204	571	1,599
Inter -State/Country Supply	4	0.00%	4	4	4
Total	**30,21,882**		**31,34,624**	**32,51,927**	**33,74,390**

The Petitioner submitted that for projecting connected load, CAGR(%) growth rate is calculated considering FY 2023-24 as the base year. The actual connected load for FY 2023-24 for each consumer category is escalated as per the CAGR(%) growth rate considered for each consumer category to make projections from FY 2024-25 and onwards.

The projected connected load for FY 2025-26 to FY 2027-28 for each consumer category is as shown in the Table below:

Table 3.6: Consumer Category wise connected load projected by the Petitioner for FY 2025-26 to FY 2027-28 (in kW)

Consumer Category	FY 2024-25 (Revised Estimate)	Growth Rate	FY 2025-26	FY 2026-27	FY 2027-28
RTS 1: Domestic	40,79,074	4.50%	42,62,521	44,54,219	46,54,538
RTS 2: Non-domestic, incl. Commercial	17,09,215	8.31%	18,51,279	20,05,152	21,71,814
RTS 3: Government Public Utilities					
Public Lamps	21,981	3.99%	22,858	23,771	24,719
Government Irrigation System	80,873	3.48%	83,687	86,599	89,612
Public Water Works	1,72,384	9.32%	1,88,450	2,06,014	2,25,214
RTS 4: Private Tube well/Pump Sets	3,14,907	8.97%	3,43,139	3,73,903	4,07,425
RTS 5 : Industrial Consumers					
LT Industry	4,29,107	11.68%	4,79,207	5,35,157	5,97,640
HT Industry	20,29,874	3.22%	20,95,233	21,62,697	22,32,333
RTS 6: Mixed Load	60,974	1.85%	62,104	63,255	64,427
RTS 7: Railway Traction	33,842	14.52%	38,756	44,385	50,831
RTS 9 : Electric Vehicle Charging Station	2,047	177.79%	5,687	15,799	43,887
Total	**89,34,275**		**94,32,922**	**99,70,950**	**1,05,62,442**

The Commission observed that the sales projections made by the Petitioner for the Fifth Control Period are the restricted sales projections as the Petitioner has computed the growth rates based on the actual restricted sales and then applied the growth rates on the estimated restricted sales of FY 2024-25. It would be important to note that the actual load shedding in FY 2022-23 and FY 2023-24 was to the extent of 260.21 MU and 102.46 MU respectively. It is observed that the quantum of load shedding in FY 2019-20 was around 18.79 MUs which has increased, with FY 2022-23 and FY 2023-24 experiencing considerable load shedding of 260.21 MU and 102.46 MU respectively. The Commission, therefore, would like to stress on the importance of planning and considers it more appropriate to project the unrestricted sales for the Fifth Control Period from FY 2025-26 to FY 2027-28 so that UPCL can arrange to procure additional power through various sources. Accordingly, the Commission has projected unrestricted sales for the Fifth Control Period.

The Commission while carrying out the truing up of sales for each category, recasts the sales for certain categories. Accordingly, the Commission while carrying out the truing up of sales for FY 2023-24 has re-casted the sales for certain categories as discussed in detail in Chapter 4 of this Order. The Commission has, therefore, considered the actual re-casted sales of previous 7 years. For projecting the category-wise sales for the Fifth Control Period from FY 2025-26 to FY 2027-28, the Commission analysed the growth rates derived based on the re-casted unrestricted sales data for the previous 7 years. The Commission, to realistically estimate the sales figures for a particular category of consumers for each year of the Control Period, has normalized the growth rate (CAGR), wherever considered appropriate, based on the ground reality. The Commission, for projecting the sales for the Fifth Control Period has considered the approved unrestricted sales for FY 2023-24 and has then escalated the same by the approved CAGR to arrive at the estimated unrestricted sales for FY 2024-25. The Commission has then applied the approved CAGR on the estimated unrestricted sales figures for FY 2024-25 to project the category wise sales for FY 2025-26 and for the remaining years of the Fifth Control Period.

The category-wise growth rates considered by the Commission for different categories of consumers and sales projections for the Control Period are discussed in the following paras.

3.4.1 *Domestic (RTS-1)*

The Petitioner has considered a growth rate of 5.55%, i.e. 5 Year CAGR worked out on the basis of the growth rate observed for the category between FY 2018-19 to FY 2023-24. Accordingly, the Petitioner has projected energy sales for domestic consumers for FY 2025-26 as 4474.57 MU.

The 5 years, 4 years, 3 years, 2 years and 1-year CAGR of unrestricted sales for domestic category works out to 5.61%, 4.65%, 4.11%, 5.44% and 4.99% respectively. The Commission considering the CAGR of previous years and year on year variations has projected the sales for the Fifth Control Period considering the five year CAGR of 5.61%. Hence, the sales for domestic category projected by the Commission for FY 2025-26, FY 2026-27 and FY 2027-28 works out to 4151.39 MU, 4384.20 MU and 4630.08 MU respectively.

3.4.2 *Non-Domestic (RTS-2)*

The Petitioner has considered a growth rate of 7.57%, i.e. 5 Year CAGR worked out on the basis of growth rate observed for the category between FY 2018-19 to FY 2023-24. Accordingly, the Petitioner has projected energy sales for non- domestic consumers for FY 2025-26 as 2238.35 MU.

The 5 years, 4 years, 3 years, 2 years and 1-year CAGR of unrestricted sales for non-domestic category works out to 7.37%, 7.93%, 15.66%, 16.30% and 9.34% respectively. Considering the CAGR of previous years and year on year variation in sales, the Commission for projecting the sales for the Fifth Control Period has considered five years CAGR of 7.37%. Hence, the sales for non-domestic Category projected by the Commission for FY 2025-26, FY 2026-27 and FY 2027-28 works out to 2132.78 MU, 2290.01 MU and 2458.84 MU respectively.

3.4.3 *Government Public Utilities (RST-3)*

The Petitioner has separately projected the sales for Public Lamps, GIS and PWW consumers by considering a growth rate of 8.62%, 0.07% and 5.53% respectively, i.e. 7 Year CAGR worked out on the basis of the growth rate observed for the sub-categories between FY 2016-17 to FY 2023-24. Accordingly, the Petitioner has projected total sales for Public utilities as 878.24 MU for FY 2025-26.

The 5 years, 4 years, 3 years, 2 years and 1-year CAGR of unrestricted sales for Government Public Utilities category works out to 3.92%, 2.12%, 1.31%, 2.15% and 2.45% respectively. Considering the CAGR of previous years and year on year variation in sales, the Commission for projecting the sales for the Fifth Control Period has considered five years CAGR of 3.92%. Hence, the sales for Government Public Utilities Category projected by the Commission for FY 2025-26, FY 2026-27 and FY 2027-28 works out to 784.49 MU, 815.21 MU and 847.13 MU respectively.

3.4.4 *Private Tube-Wells (RTS-4)*

The Petitioner has considered the growth rate of 8.11% for Private Tube-Wells consumers by considering a growth rate of 8.11%, i.e. 5 year CAGR worked out on the basis of the growth rate observed for the category between FY 2018-19 to FY 2023-24. Accordingly, the Petitioner has projected energy sales for Private Tube-Wells consumers for FY 2025-26 as 307.24 MU.

The 5 years, 4 years, 3 years, 2 years and 1-year CAGR of unrestricted sales for PTW category works out to 7.45%, 8.56%, 6.38%, -0.74% and 3.16% respectively. Considering the CAGR of previous years and year on year variation in sales, the Commission for projecting the sales for the Fifth Control Period has considered year on year growth rate of 3.16%. Hence, the sales for Private Tube-Wells Category projected by the Commission for FY 2025-26, FY 2026-27 and FY 2027-28 works out to 288.45 MU, 297.55 MU and 306.94 MU respectively.

3.4.5 *Industry (RTS-5)*

The Petitioner has considered the growth rate of 2.76% for LT category consumers, i.e. 7 years CAGR worked out on the basis of the growth rate observed for the category between FY 2016-17 to FY 2023-24. Accordingly, the Petitioner has projected sales for LT consumers at 382.32 MU for FY 2025-26.

The 5 years, 4 years, 3 years, 2 years and 1 year CAGR of unrestricted sales for LT industries works out to 2.15%, 2.47%, 3.94%, 0.50% and 5.59% respectively. Considering the CAGR of previous years and year on year variation in sales, it is observed that the 5 year to 1 year CAGR is in the range of 2-6% suggesting no clear trend. Therefore, the Commission for projecting the sales for the Fifth Control Period has considered a growth rate of 4.00% considering the growth in connected load and nos. of consumers projected by the Petitioner. Hence, the sales for LT Industry category projected by the Commission for FY 2025-26, FY 2026-27 and FY 2027-28 works out to be 365.57 MU, 380.20 MU and 395.40 MU respectively.

The Petitioner has considered the growth rate of 2.59% for HT category consumers, i.e. 7 years CAGR worked out on the basis of growth rate observed for the category between FY 2016-17 to FY 2023-24. Accordingly, the Petitioner has projected sales for HT consumers at 6892.98 MU for FY 2025-26.

The 5 years, 4 years, 3 years, 2 years and 1-year CAGR of unrestricted sales for HT industries works out to be 0.48%, 1.80%, 6.09%, 2.49% and 2.02% respectively. It is observed that there is no clear trend in sales in these years. The Commission, anticipating a modest revival in demand, for projecting the sales for the Fifth Control Period has considered a nominal growth rate of 4.00%. Hence, the sales for HT Industry Category projected by the Commission for FY 2025-26, FY 2026-27 and FY 2027-28 works out to 7041.62 MU, 7323.28 MU and 7616.21 MU respectively.

3.4.6 *Mixed Load (RTS-6)*

The Petitioner has considered the growth rate of 1.77% for Mixed Load consumers, i.e. 5 years CAGR worked out on the basis of the growth rate observed for the category between FY 2018-19 to FY 2023-24. Accordingly, the Petitioner has projected sales for Mixed Load consumers at 201.02 MU for FY 2025-26.

The 5 years, 4 years, 3 years, 2 years and 1-year CAGR of unrestricted sales for Mixed Load category works out to 1.90%, 1.74%, 6.33%, 6.14% and 2.92% respectively. Considering the CAGR of previous years and year on year variation in sales, the Commission for projecting the sales for the Fifth Control Period has considered year on year growth rate of 2.92%. Hence, the sales for this Category projected by the Commission for FY 2025-26, FY 2026-27 and FY 2027-28 works out to 205.34 MU, 211.33 MU and 217.49 MU respectively.

3.4.7 *Railway Traction (RTS-7)*

The Petitioner has considered a growth rate of 5.22% for Railway Traction consumers, i.e. 1 year CAGR worked out on the basis of year on year growth rate observed for the category between FY 2022-23 to FY 2023-24. Accordingly, the Petitioner has projected sales for Railway Traction consumers at 121.66 MU for FY 2025-26.

The 5 years, 4 years, 3 years, 2 years and 1-year CAGR of unrestricted sales for this category works out to 23.40%, 28.92%, 44.92%, 31.84% and 5.99%. Further, it is observed that the actual sales from December 2023 to December 2024 has increased by 54.55%. Therefore, the Commission for projecting the sales for Railway Traction for the Fifth Control Period has considered the growth rate of 15.00%. Hence, the sales for this Category projected by the Commission for FY 2025-26, FY 2026-27 and FY 2027-28 works out to be 106.43 MU, 122.40 MU and 140.76 MU respectively.

3.4.8 *EV Charging Stations (RTS-9)*

The Petitioner on the basis of its projections of nos. of consumers has projected energy sales of 2.36 MU, 7.44 MU and 23.48 MU for FY 2025-26, FY 2026-27 and FY 2027-28 respectively.

The Commission has approved the sales for the category for the Fifth Control Period as projected by the Petitioner.

The summary of the category-wise sales projected by the Petitioner and as approved by the Commission for the Fifth Control Period is given in the Table below:

Table 3.7: Category Wise Sales Projections for the Fifth Control Period (MU)

Consumer Category	FY 2025-26		FY 2026-27		FY 2027-28	
	Claimed	Approved	Claimed	Approved	Claimed	Approved
RTS-1: Domestic	4474.57	4151.39	4722.73	4384.20	4,984.66	4630.08
RTS-2: Non-Domestic	2238.35	2132.78	2407.76	2290.01	2,589.98	2458.84
RTS-3: Govt. Public Utilities	878.24	784.49	920.69	815.21	965.70	847.13
RTS-4: Private Tube-wells/ Pumping sets	307.24	288.45	332.16	297.55	359.11	306.94
RTS-5: LT & HT Industry						
Total LT	382.32	365.57	392.89	380.20	403.75	395.40
Total HT	6892.98	7041.62	7071.54	7323.28	7,254.73	7616.21
Total	7275.29	7407.19	7464.43	7703.48	7658.48	8011.62
RTS-6: Mixed Load	201.02	205.34	204.58	211.33	208.21	217.49
RTS-7: Railway Traction	121.66	106.43	128.01	122.40	134.69	140.76
RTS 8: EV Charging Stations	2.36	2.36	7.44	7.44	23.48	23.48
Total	**15498.73**	**15078.43**	**16187.79**	**15831.62**	**16924.30**	**16636.33**

3.5 Efficiency Parameters

3.5.1 *Distribution Losses*

The Petitioner submitted the year-wise status of distribution losses as shown in the Table below:

Table 3.8: Year wise distribution losses as submitted by the Petitioner

Year	Approved by the Commission	Actual Estimated by the Commission	Actual as per UPCL's record
2015-16	15.00%	18.39%	18.81%
2016-17	15.00%	16.68%	15.00%
2017-18	14.75%	15.17%	14.75%
2018-19	14.50%	14.32%	15.31%
2019-20	14.25%	13.40%	14.25%
2020-21	14.00%	13.96%	14.00%
2021-22	13.75%	14.15%	13.75%
2022-23	13.50%	14.38%	13.50%
2023-24	13.25%	13.89%	-
2024-25	13.00%	-	-

The Petitioner submitted that at the time of approval of Business Plan for the previous Control Period, the Commission had considered the distribution loss reduction target of 0.25% for each year of the Control Period as reduction in commercial losses of the Petitioner. Further, the Commission has noted that Loss reduction below 15% is very difficult to achieve considering difficult terrain of Uttarakhand. The Petitioner further submitted that, in spite of significant measures and prudent capital expenditure under various schemes, due to difficult terrain of Uttarakhand, UPCL is not able to meet the distribution loss targets. The Petitioner submitted that the non-achievement of the distribution loss target for the previous Control Period has resulted into significant financial loss to the company as the Commission has been considering deemed revenue at the time of truing-up for respective years due to non-achievement of the loss target. Therefore, the Petitioner requested the Commission to consider actual loss level of 13.89% for FY 2023-24 for approval of Distribution loss trajectory for the Fifth Control Period. The Petitioner also submitted that the Commission has been re-casting the sales under true-up process and as a result the distribution loss is revised, however, the same is not being taken into account while approving distribution loss trajectories. The Petitioner requested that actual distribution loss for FY 2023-24 may be considered as base line figure for determining the distribution loss trajectory for the 5th Control Period.

The Petitioner further submitted that the implementation of upcoming "Revamped Reform based and Results-linked Distribution Sector Scheme (RDSS Scheme)" which is aimed towards improving the operational and financial sustainability by providing financial assistance to Discom's for strengthening of supply infrastructure based on meeting pre-qualifying criteria and achieving basic minimum benchmarks in reforms would also assist in loss reduction by the end of the Control Period. The Petitioner submitted that the objective of the Scheme is to improve the quality, reliability and affordability of power supply to the consumers through a financially sustainable and operationally efficient Distribution Sector, reduce the AT&C losses to Pan-India levels of 12-15% by FY 2024-25 etc. The Petitioner also submitted that in FY 2023-24, circles such as Tehri (23.1%), Karanprayag (19.32%), Roorkee (25.95%), Ranikhet (22.75%) and Pithoragarh (24.40%) recorded high distribution losses and it is envisaged that these circles will have major improvement in distribution losses after the implementation of measures under RDSS Scheme. In view of the difficult terrain and the objectives of RDSS Scheme, the Petitioner submitted that it has proposed the distribution loss trajectory for the Fifth Control period.

The Petitioner submitted that it has already reduced the losses below 14% and scope for further loss reduction is very difficult to achieve, as part of these losses are technical in nature that will prevail in the system. However, going forward, the Petitioner proposed to take following measures for loss reduction to the permissible level:

- Installation of smart meters at consumer, DTR and feeder.
- Installation of new 11 kV feeders against overloaded feeders.
- Augmentation/Re-conducting of old/frayed 11 kV/LT conductors.
- Installation of meters at T-point of rural feeders catering industrial load.
- Installation of Capacitor Bank at 33/11 kV substations.
- Laying of 11 kV/33 kV covered conductors
- Replacement of Defective Meters to reduce the percentage of defective meters.
- LT Arial Bunch Cable is being laid in theft prone areas.
- Prepaid metering has been made mandatory for new temporary LT connections, for advertisements / hoardings and for Government connections up to 25 kW.
- Monitoring of high loss feeders.
- Implementation of RDSS scheme.
- Installation of Double metering in selected 11 kV & 33 kV consumers.

The Petitioner has proposed to reduce the distribution losses by 0.28% in FY 2025-26, 0.29% in FY 2026-27 and 0.26% in FY 2027-28 of the Control Period considering the actual distribution loss achieved in the base year FY 2023-24. The proposed distribution loss trajectory for the Fifth Control Period from FY 2025-26 to FY 2027-28 is as shown in the Table below:

Table 3.9: Distribution Loss trajectory proposed by the Petitioner for FY 2025-26 to FY 2027-28

Particulars	FY 2023-24 (Actual)	FY 2024-25 (Approved)	FY 2025-26 (Projected)	FY 2026-27 (Projected)	FY 2027-28 (Projected)
Distribution Losses	13.89%	13.00%	13.50%	13.21%	12.95%

The distribution loss target approved by the Commission and the actual distribution loss achieved from FY 2021-22 to FY 2023-24 is as shown in the Table below:

Table 3.10: Distribution Losses for FY 2021-22 to FY 2023-24

Particulars	FY 2021-22		FY 2022-23		FY 2023-24	
	Approved	Actual	Approved	Actual	Approved	Actual
Distribution Losses	13.75%	14.70%	13.50%	16.39%	13.25%	15.63%

It is observed that the Petitioner made a similar submission in the previous Control Period in support of 0.25% loss reduction target, which the Commission had approved. The Petitioner since then claims to have made significant investments aimed at loss reduction. The Commission observes that even with the investments, the actual losses are substantially higher than the target approved thereby raising doubts on the efficiency of the investments made. Further, the Commission has been repeatedly directing the Petitioner in its previous Tariff Orders, to carry out the energy audit to ascertain actual losses in the system. However, the Petitioner has so far not made any substantial progress in this regard and the Commission also observed that the Petitioner has consistently failed to address the issues of replacement of defective meters and meter reading in each billing cycle. The Commission in view of the above and rationale provided in earlier orders has already opined that the under-achievement of losses by UPCL was not due to the stringent targets fixed by the Commission but due to its own inefficiency and callous approach which does not merit the same to be passed on to the consumers.

Further, in this regard the Commission would like to point out towards the loss reduction initiatives proposed by UPCL. UPCL has been proposing the same initiatives over the years, the results of which should have started accruing by now. However, from the submissions of the Petitioner, as given in the Table below, it emerges that the AT&C losses (%) for the following town is more than 25%, during FY 2023-24, inspite of the fact that these towns are covered under the RAPDRP scheme.

Table 3.11: High Loss feeders in RAPDRP towns in FY 2023-24

S. No.	Town	Electricity Distribution Division (EDD)	AT&C Loss (%)
1.	Gadarpur	Rudrapur-II	30.58
2.	Jaspur	Jaspur	27.00
3.	Joshimath	Gopeshwar	53.92
4.	Khatima	Khatima	53.00
5.	Laksar	Laksar	27.00
6.	Landhora	Roorkee (R)	69.40
7.	Manglaur		47.62
8.	Sitarganj	Sitarganj	27.25

As can be seen from the above Table, except for Joshimath which is a hilly area, other towns are situated at plain areas, hence, loss reduction in these towns should not have been a challenge for UPCL. The Commission further analysed the distribution loss for the past three years ending FY 2023-24 of the aforementioned EDD's, as summarized in the Table given below:

Table 3.12: Division wise Distribution Loss

S. No.	Loss Division	Distribution Loss (%)		
		FY 2021-22	FY 2022-23	FY 2023-24
1.	EDD, Rudrapur-II	34.88%	30.76%	26.16%
2.	EDD, Jaspur	13.37%	9.24%	7.73%
3.	EDD, Gopeshwar	19.58%	26.10%	18.20%
4.	EDD, Khatima	14.43%	19.82%	16.84%
5.	EDD, Laksar	27.99%	28.07%	27.93%
6.	EDD, Roorkee (R)	31.21%	31.09%	31.50%
7.	EDD, Sitarganj	8.50%	14.83%	12.40%

From the above Table, it is evident that no significant loss reduction has taken place in EDD Khatima, EDD Laksar, EDD Roorkee (R). The Commission vide letter dated February 14, 2025 sought division wise details of O&M expenditure and capital expenditure from FY 2021-22 to FY 2023-24, the Petitioner in response submitted the requisite details. The Commission analysed the same and worked out the percentage O&M Expenses and Capital Expenditure for aforementioned EDD's, during the past three years ending on FY 2023-24, as a percentage of total O&M Expenses and Capital Expenditure respectively as summarized in the Table given below:

Table 3.13: Division wise share of O&M expenses and Capital Expenditure

S. No.	Loss Division	O&M Expenses (as a %'age of total)			Capital Expenditure (as a %'age of total)		
		FY 2021-22	FY 2022-23	FY 2023-24	FY 2021-22	FY 2022-23	FY 2023-24
1.	EDD, Rudrapur-II	0.15%	0.46%	0.37%	2.51%	5.15%	2.96%
2.	EDD, Jaspur	0.56%	0.58%	0.85%	0.53%	1.84%	1.24%
3.	EDD, Gopeshwar	1.96%	1.67%	1.80%	0.37%	0.83%	0.29%
4.	EDD, Khatima	0.09%	0.67%	0.59%	1.16%	5.48%	3.51%
5.	EDD, Laksar	0.87%	0.77%	0.92%	0.86%	1.85%	2.73%
6.	EDD, Roorkee (R)	1.60%	1.17%	0.85%	1.10%	3.09%	2.84%
7.	EDD, Sitarganj	0.59%	0.63%	0.45%	-	1.83%	1.53%

As can be seen from the above table, UPCL is regularly incurring expenses in the aforesaid divisions under the head O&M Expenses and Capital Expenditure, however, the same has not resulted in any significant improvement in the distribution losses. The Petitioner has been regularly claiming expenses in the tariff Petitions in the name of improvement in efficiency parameter, however, the same is not reflected on ground. The only inference that could be drawn here is that the Petitioner has not made any serious and focused efforts in reducing division wise losses despite the same being pointed out by the Commission in its previous orders.

Further, the Commission observed that the division wise break up provided by the Petitioner for Capital Expenditure in its various divisions pertains to booking of expenses in 95 Cost Centres of UPCL, comprising of EDD, Test Divisions, IPDS scheme, RDSS scheme etc. In FY 2023-24 major expenses booked of around 40% have been booked in 11 Cost Centres out of the total 95 listed by the Petitioner as shown in the Table below:

Table 3.14: Cost Centres where majority of Capital Expenditure has been booked in FY 2023-24

S.No.	Cost Centre	%'age of Total
1.	ADB Project	3.09%
2.	Electricity Distribution Division, Ramnagar	3.00%
3.	Electricity Distribution Division, Rudraprayag	3.68%
4.	Elect. Distribution Division (R), Dehradun	3.19%
5.	Urban Distribution division(N), D.dun	3.22%
6.	Electricity Distribution Division, Kotdwar	3.21%
7.	Urban Electy. Distn. Div. (Central), Dehradun	3.51%
8.	EDD-Bhagwanpur	3.62%
9.	Electricity Distribution Division, Tehri	4.68%
10.	EDD, Vikas Nagar, Dehradun	4.73%
11.	EDD, Khatima	3.51%

The Commission also anlaysed the loss trajectory of the divisions covered in the above Table for past 3 years and observed that no substantial improvement has taken place in the same, like in EDD, Khatima the distribution loss has increased from 12.59% in FY 2021-22 to 16.84% in FY 2023-24. Similarly, the distribution loss in EDD, Ramnagar has increased from 13.70% in FY 2021-22 to 16.96% in FY 2023-24. The same trend has been observed for most of the other divisions also. The Commission is, therefore, of the view that the Capital Expenditure being incurred by UPCL towards loss reduction has not been yielding any results, and therefore, the Commission does not find it prudent to allow UPCL to continue with this approach of seeking approval for expenses without establishing the benefits achieved out of the same, and, accordingly, **directs UPCL to submit division wise (for all EDD's) distribution loss target, budget for O&M expenses (separately for Employee expenses, R&M expenses and A&G expenses) and Capital Expenditure for each month of FY 2025-26 for approval of the Commission, alongwith cost benefit analysis and improvement in efficiency expected over the past period, within 30 days of the date of Order. UPCL is further**

directed to submit before the Commission, division wise status and actual O&M expenses and capital expenditure incurred against the targets approved by the Commission within 15 days from the end of the respective quarters on periodic basis.

Further, the Commission would like to state here that UPCL's failure to meet the division wise distribution loss target, as approved by the Commission, would attract personnel responsibility of the Chief Engineer/ Superintending Engineer/ Executive Engineer/SDO of the concerned division.

Further, it was observed in the previous years, as per the submission made by the Petitioner, UPCL could not get administrative support while carrying raids in various divisions as a result of which its own field staff was harassed and sometimes beaten also by the natives of those areas. This also was one of the reasons that losses in high loss divisions could not be controlled. Moreover, during a meeting at the Commission office, UPCL raised concerns about its limitations w.r.t. safety of its personnel while carrying out vigilance drives/raids in the theft prone/sensitive areas. UPCL also stated few real-life incidents where their officers were harassed and assaulted while carrying out the vigilance drives/raids. The Commission takes a serious note of the same and is of the view that for efficient discharge of official duty by any personnel, the assurance that his security is not getting jeopardised is of utmost importance. In this regard, **UPCL is directed to study the practices being adopted in other States to deal with such situation and submit an action plan within one month of the date of the Order as to how it proposes to deal with the aforesaid issues.**

Further, the Petitioner has submitted that implementation of measures under RDSS scheme will also reduce the distribution losses. The RDSS scheme shall amongst other also includes metering of all the feeders and DTs with communicable & AMI/AMR meters so as to enable energy accounting and calculation of SAIFI and SAIDI. Accordingly, it is expected from UPCL to make the full use of real time data available from feeders and DTs to identify the problematic arears and take corrective actions. This would necessitate proper monitoring at UPCL's end. **Accordingly, UPCL is directed to submit the data received from the feeders and DTs on a quarterly basis to the Commission within 15 days from the end of each quarter alongwith its observations on the same. Further, UPCL is also directed to submit an action plan within 1 month of the date of the Order as to how it proposes to make use of the real time data coming to it in loss reduction as well as conducting energy audit.**

Since, it is observed that as per the smart meter implementation plan submitted by the Petitioner, UPCL has projected to achieve 100% smart meter coverage under the RDSS scheme by July 2026. It is high time now that UPCL needs to put its act together and focus on reducing losses or else the RDSS scheme would also become futile like other major capital expenditures incurred by UPCL in the past in the name of controlling losses. Hence, in view of the same the Commission has set the target of loss reduction to the extent of 0.25% in FY 2025-26, 0.50% in FY 2026-27 and 0.50% in FY 2027-28 relative to the distribution loss approved by the Commission for FY 2024-25 in the 4th Control Period.

The distribution loss trajectory proposed by the Petitioner and that approved by the Commission for the Fifth Control Period from FY 2025-26 to FY 2027-28 is shown in the Table below:

Table 3.15: Distribution Losses for FY 2025-26 to FY 2027-28

Particulars	FY 2024-25	FY 2025-26		FY 2026-27		FY 2027-28	
	Approved	Proposed	Approved	Proposed	Approved	Proposed	Approved
Distribution Losses	13.00%	13.50%	12.75%	13.21%	12.25%	12.95%	11.75%

In line with the approach adopted by the Commission in its previous Tariff Orders, the Commission has considered the entire distribution loss reduction target for each year of the Control Period as reduction in commercial losses of the Petitioner and has, therefore, considered the impact of distribution loss reduction in terms of increase in sales due to efficiency improvement. Besides intra-State transmission losses has been considered as 1.03% for the Fifth Control Period. Accordingly, the estimated energy requirement at distribution periphery, State periphery and approved loss level for the Fifth Control Period from FY 2025-26 to FY 2027-28 are given in the Table below:

Table 3.16: Energy Input requirement approved by the Commission for the Fifth Control Period from FY 2025-26 to FY 2027-28

Particulars	FY 2025-26	FY 2026-27	FY 2027-28
Distribution Sales	15078.43	15831.62	16636.33
Loss level for Energy Input (MU)	13.00%	12.75%	12.25%
Energy Input required at T-D interface (MU)	17331.53	18145.13	18958.78
Commercial Loss reduction (%)	0.25%	0.50%	0.50%
Commercial Loss reduction (Additional sales due to efficiency improvement) (MU)	43.33	90.73	94.79
Total sales with efficiency improvement (MU)	15121.76	15922.35	16731.13
Overall Distribution Loss (%)	12.75%	12.25%	11.75%
PTCUL Loss (%)	1.03%	1.03%	1.03%
Energy Input at State periphery (MU)	**17511.90**	**18333.97**	**19156.09**
THDC PSP Requirement at State periphery (MU)	**492.50**	**591.32**	**591.32**
Total Energy Input at State periphery (MU)	**18004.40**	**18925.29**	**19747.41**

3.5.2 *Collection Efficiency*

The Petitioner submitted that UPCL has achieved collection efficiency of 99.14% during FY 2023-24 as against the approved collection efficiency of 99.15%. The Petitioner submitted that it expects to maintain the current level of collection efficiency. However, any further improvement in collection efficiency beyond 99% will be difficult to achieve given the increase in consumption in LT side and with the existing large consumer base. The Petitioner further submitted that it has undertaken several initiatives such as organizing revenue realization camps, agreement with third parties for increasing payment centres, AMR billing for high value consumers, IT enablement of day-to-day business processes of metering, billing and collection, etc. Therefore, UPCL has proposed to continue the collection efficiency of 99.15% during the Fifth Control Period.

The Petitioner submitted that the following measures are planned to be carried out to achieve the proposed collection efficiency for the Fifth Control Period:

- Android based billing system.
- Installation of pre-paid meters.
- AMR based billing for high value consumers.
- Instant Bill delivery on Consumer Premises using Spot Billing Machines.
- Photo based billing started in some areas to remove meter reader malpractices & improve customer satisfaction.

- SMS based alerts on bill generation, payment reminders & other customer centric actions
- SMS based services using 8108114333.
- Pre-Paid Metering for Temporary Connections.

The collection efficiency trajectory proposed by the Petitioner is as shown in the Table below:

Table 3.17: Collection efficiency trajectory proposed by the Petitioner for FY 2025-26 to FY 2027-28

Particulars	FY 2023-24 (Actual)	FY 2024-25 (Rev. Estimate)	FY 2025-26 (Projected)	FY 2026-27 (Projected)	FY 2027-28 (Projected)
Collection Efficiency	99.14%	99.15%	99.15%	99.15%	99.15%

It is observed that the Petitioner has achieved collection efficiency of 99.14% as against the approved collection efficiency of 99.15% for FY 2023-24. It is to be noted that the Petitioner in its Business Plan Petition for the fourth Control Period had projected collection efficiency in the range of 96.50% to 97.50%.

The Commission is of the view that collection efficiency needs to be improved and cannot be lowered down vis-à-vis earlier targets. However, with regards to the present norms, the Commission is of the view that improving collection efficiency beyond 99.15% as approved for FY 2024-25, would not be easy, and therefore, the Commission has approved the collection efficiency of 99.15% for FY 2025-26 to FY 2027-28. However, the Commission, based on the deployment of Smart Meters under RDSS scheme, shall review the collection efficiency percentage in subsequent years, if so required. Accordingly, the collection efficiency trajectory approved by the Commission for the Fifth Control Period from FY 2025-26 to FY 2027-28 is as shown in the Table below:

Table 3.18: Collection Efficiency for FY 2025-26 to FY 2027-28

Particulars	FY 2024-25	FY 2025-26		FY 2026-27		FY 2027-28	
	Approved	Proposed	Approved	Proposed	Approved	Proposed	Approved
Collection Efficiency	99.15%	99.15%	99.15%	99.15%	99.15%	99.15%	99.15%

The Commission would however like to point out that it does not determine the ARR and Tariffs of UPCL based on the AT&C loss levels but based on the distribution loss levels. The shortfall in collections is covered through an allowance in working capital for the distribution licensee to the extent of collection inefficiency. The licensee should strive for maximum collections to improve its financial health and prevent any receivables turning bad. Further, the scheme of surcharge waiver should not be encouraged as it gives a wrong signal to the honest consumers who pay their dues in time. The Petitioner is required and is expected to improve its bill collection system and monitor its receivables to prevent them from turning into bad and unrealizable.

3.6 Power Procurement Plan

The Petitioner submitted that the power requirement of UPCL is met from various sources which includes the generating stations of:

- NTPC Ltd.
- NHPC Ltd.
- NPCIL.
- SJVNL.
- THDC India Ltd.
- State generating stations of UJVNL.
- UREDA.
- State based Gas Generating Stations.
- State Royalty Power.
- Co-generation stations.
- Independent Power Producers (IPPs).
- Renewable Sources.
- Short-term power arrangements: Banking, open market purchase etc.

For projecting the availability of power for FY 2025-26, the Petitioner has considered the average of actual generation in the FY 2022-23 and FY 2023-24. The ex-bus energy availability from various sources has been projected based on the following:

- **UJVN Ltd. –** The monthly availability from UJVN Ltd.'s 10 Large Hydro Plants, Maneri Bhali-II and Small Hydro Plants of UJVN Ltd. has been considered based on the average of actual generation in the FY 2022-23 to FY 2023-24 for projecting availability of power for the Fifth Control Period.
- **NTPC Ltd. –** For all stations except for unallocated share of the stations and Telangana STPS-1, monthly availability has been estimated based on the average of actual generation in the FY 2022-23 to FY 2023-24 for projecting availability of power for the

Fifth Control Period. Regarding unallocated share, a quantum of electricity from the unallocated share of the CGS at different interval during the year is received, accordingly, for FY 2024-25 actual generation has been considered from April, 2024 to October, 2024, and for remaining months Power is estimated @ 50% PLF for 350 MW unallocated quota. Further, generation from Telangana STPS-1 (unallocated) is considered from October, 2024 to June, 2025 @ 85% PLF.

- **NHPC Ltd., SJVNL, THDC, NPCIL –** For all stations monthly availability has been estimated based on the average of actual generation in the FY 2022-23 to FY 2023-24 for projecting availability of power for the Fifth Control Period.
- **UREDA stations and IPPs –** For all stations, except IPPs, monthly availability has been estimated based on the average of actual power from respective stations in the FY 2022-23 and FY 2023-24. The energy availability is considered without any escalation. For IPPs small hydro (except for Gunsola, Bhilangana, Vanala, Birahi Ganga & Motighat), projections for power availability during the Control Period has been considered based on the average of actual power received from respective stations in the FY 2022-23 and FY 2023-24. The energy availability is considered without any escalation. For Gunsola, Bhilangana, Vanala, Birahi Ganga & Motighat SHPs projections for power availability during the Fifth Control Period has been considered based on the average of actual power received from respective stations in the FY 2022-23 and FY 2023-24 after deduction of 10% free power. For other large IPPs (except for ReNew Surya Vihaan Pvt. Ltd. and ReNew Surya Roshini Pvt. Ltd.), projections for power availability during the Control Period has been considered based on the average of actual power received from respective stations in the FY 2022-23 and FY 2023-24. For ReNew Surya Vihaan Pvt. Ltd. and ReNew Surya Roshini Pvt. Ltd. (hybrid) projections for power availability during the Control Period has been considered @ 20% PLF and @ 80% PLF respectively.

- **State Gas Stations:** The Petitioner has considered actual energy availability corresponding to 40% PLF.
- **Upcoming stations –** For upcoming generating stations the Petitioner has estimated the availability from new stations on the basis of tentative plan discussed with the Generating Stations.
- **Forward banking of power –** The Petitioner has proposed a forward banking of 715.11 MU for all the years of the Fifth Control Period, expecting surplus power during the summer months which shall be returned back during the winter months to meet the deficit.
- **Transmission Losses –** The Petitioner, for each year of the Control Period, has considered the ISTS losses of 4% on the basis of the trend observed in losses for FY 2022-23, FY 2023-24 and FY 2024-25 (H1). Further, intra-state transmission losses have been considered as 1.10% for each year of the Control Period in line with the transmission losses approved by the Commission for FY 2024-25.
- **State Royalty Power -** The Petitioner has projected the royalty power based on the approach adopted for computing the energy availability from the respective station considered for royalty power. Further, the Petitioner has also considered additional power through LADF of 8.21 MUs in each year of the Control Period.
- **Short term purchases -** Based on the energy balance at UPCL periphery, after considering the energy availability from firm sources, the Petitioner has projected a shortfall of 2612.85 MU in FY 2025-26, 3082.97 MU in FY 2026-27, and 3725.27 MU in FY 2027-28 at State periphery after considering energy purchase for Tehri PSP processing.
- The Petitioner has proposed the total power purchase of 18107.53 MU in FY 2025-26, 18850.07 MU in FY 2026-27 and 19648.90 MU in FY 2027-28 at State periphery.

The Commission has gone through the submissions of the Petitioner. The Commission for projection purposes has considered the energy availability from various generating stations on the basis of month-wise energy availability from all the generating stations which has been further used to compute the deficit quantum of power which the Petitioner would be required to purchase from open market, energy exchange, medium/short term basis depending on its requirement. The

Commission for projecting power purchase has considered both the existing generating stations and upcoming stations to be commissioned during the Control Period, in which UPCL has share allocation. The Commission, however, has projected the power purchase cost only for FY 2025-26 in Chapter 5 of the Order while analysing the ARR for FY 2025-26 as projecting power purchase cost at this point of time for FY 2026-27 and FY 2027-28 will be of no relevance as the fuel costs varies significantly over a period of time and further CERC is also yet to issue the Orders for most of the Central Generating stations for the tariff period FY 2024-25 to FY 2028-29. Further, as per UERC Tariff Regulations, 2024, the Petitioner shall be filing Petitions for tariff determination for FY 2026-27 and FY 2027-28 along with the Annual Performance Review for FY 2025-26 and FY 2026-27 and power purchase cost would require detailed scrutiny while processing those Petitions. The detailed approach for approving the power purchase quantum has been discussed below and the detailed approach for projecting power purchase cost for FY 2025-26 is discussed in Chapter 5 of the Order.

For projecting the energy availability quantum from various sources, the Commission sought the following information from the Petitioner:

- Copies of agreements executed with upcoming generating stations.
- Likely COD of the upcoming generating stations along with the basis.

In reply, UPCL submitted the following:

- Copies of PPAs for the upcoming generating stations.
- Likely COD of the upcoming generating stations.

The Commission while projecting the quantum of energy available from various sources for FY 2025-26 to FY 2027-28 has made the assumptions as detailed below.

3.6.1 *Power Purchase from UJVN Ltd.*

The Commission has considered the availability from generating stations of UJVN Ltd. as under:

Table 3.19: Power Purchase from UJVN Ltd.

Stations of UJVN Ltd.	Basis	Rationale
UJVN Ltd. (9 LHPs)	Average of actual month wise gross generation in FY 2022-23, FY 2023-24 & FY 2024-25 (actual for 9 months and projected for 3 months); The impact of loss in generation during the relevant months due to approved RMU works for the respective stations in the 9 LHPs has been considered in FY 2025-26 to FY 2026-27.	In line with previous approach of the Commission
Vyasi HEP	Based on the Design Energy	
Maneri Bhali-II	Average of actual month wise gross generation in FY 2022-23, FY 2023-24 & FY 2024-25 (actual for 9 months and projected for 3 months).	
SHPs, viz. Pathri, Mohammadpur, Galogi etc.	Average of actual month wise gross generation in FY 2022-23, FY 2023-24 & FY 2024-25 (actual for 10 months and projected for 2 months).	

The Commission has estimated the energy availability from these generating stations to UPCL at State Periphery after considering the normative auxiliary consumption and excluding the share allocation to Himachal Pradesh. Further, the Commission has also factored in the upcoming RMU works to be undertaken by UJVN Ltd. for Dhakrani and Chilla. The summary of energy availability from UJVN Ltd. for FY 2025-26 to FY 2027-28 as estimated by the Petitioner and the Commission is shown in the Table below:

Table 3.20: Energy Availability from UJVN Ltd. For FY 2025-26 to FY 2027-28(MU)

Station	FY 2025-26		FY 2026-27		FY 2027-28	
	Estimated by UPCL	Estimated by Commission	Estimated by UPCL	Estimated by Commission	Estimated by UPCL	Estimated by Commission
UJVN Ltd. (10 LHPs)	2952.04	2900.06	2952.04	2900.06	2952.04	2900.06
Vyasi HEP	328.96	348.76	328.96	348.76	328.96	348.76
Maneri Bali II	1238.50	1255.50	1238.50	1255.50	1238.50	1255.50
Small Hydro						
Pathri	111.04	110.37	111.04	110.37	111.04	110.37
Mohammadpur	47.47	46.89	47.47	46.89	47.47	46.89
Galogi	7.87	7.85	7.87	7.85	7.87	7.85
Total	**4685.87**	**4669.44**	**4685.87**	**4669.44**	**4685.87**	**4669.44**

3.6.2 *Power Purchase from NHPC Ltd.*

The Commission has considered the availability from generating stations of NHPC Ltd. as under:

Table 3.21: Power Purchase from NHPC Ltd.

Stations of NHPC	Basis	Rationale
Salal	Average of actual month wise gross generation in FY 2022-23, FY 2023-24 & FY 2024-25 (actual for 9 months, projections for 3 months).	In line with the previous approach of the Commission.
Tanakpur		
Chamera I		
Chamera II		
Chamera III		
Uri		
Dhauliganga		
Dulhasti		
Sewa II		
Uri II		
Parbati III		
Kishanganga		

The Commission has estimated the energy availability from these generating stations to UPCL at State Periphery after considering the normative auxiliary consumption, station wise POC losses for the period from October, 2024 to December, 2024 and considering the allocation to Uttarakhand. The summary of energy availability from NHPC Ltd. for FY 2025-26 to FY 2027-28 as estimated by the Petitioner and the Commission is shown in the Table below:

Table 3.22: Energy Availability from NHPC Ltd. for FY 2025-26 to FY 2027-28 (MU)

Station	Estimated by UPCL			Estimated by Commission
	FY 2025-26	FY 2026-27	FY 2027-28	FY 2025-26 to FY 2027-28
Salal	36.92	36.92	36.92	38.06
Tanakpur	11.71	11.71	11.71	17.61
Chamera I	66.71	66.71	66.71	66.68
Chamera II	25.96	25.96	25.96	34.67
Chamera III	51.49	51.49	51.49	58.07
Uri	83.37	83.37	83.37	82.19
Dhauliganga	59.28	59.28	59.28	70.36
Dulhasti	115.97	115.97	115.97	133.17
Sewa II	31.36	31.36	31.36	29.75
Uri II	76.22	76.22	76.22	60.95
Parbati III	25.28	25.28	25.28	29.04
Kishanganga	24.18	24.18	24.18	31.69
Free Power-Tanakpur	48.79	48.79	48.79	55.24
Free Power-Dhauliganga	134.14	134.14	134.14	129.74
Total	**791.38**	**791.38**	**791.38**	**837.22**

3.6.3 *Power Purchase from THDC India Ltd.*

The Commission has considered the availability from generating stations of THDC Ltd. as under:

Table 3.23: Power Purchase from THDC India Ltd.

Stations of THDCIL	Basis	Rationale
Tehri HEP	Average of actual month wise gross generation in FY 2022-23, FY 2023-24 & FY 2024-25 (actual for 9 months, projections for 3 months)	In line with the previous approach of the Commission.
Koteshwar HEP		

The Commission has estimated the energy availability from these generating stations to UPCL at State Periphery after considering the normative auxiliary consumption, station wise POC losses for the period from October, 2024 to December, 2024 and considering the share allocation to Uttarakhand. The summary of energy availability from THDC Ltd. for FY 2025-26 to FY 2027-28 at State periphery as estimated by the Petitioner and the Commission is shown in the Table below:

Table 3.24: Energy Availability at State periphery from THDC Ltd. for FY 2025-26 to FY 2027-28 (MU)

Stations of THDCIL	Estimated by UPCL			Estimated by Commission
	FY 2025-26	FY 2026-27	FY 2027-28	FY 2025-26 to FY 2027-28
Tehri HEP	119.30	119.30	119.30	133.20
Free Power-Tehri HEP	373.08	373.08	373.08	375.36
Koteshwar HEP	76.70	76.70	76.70	83.94
Free Power-Koteshwar HEP	138.93	138.93	138.93	139.36
Total	**708.01**	**708.01**	**708.01**	**731.87**

3.6.4 *Power Purchase from NTPC Ltd.*

The Commission has considered the availability from generating stations of NTPC Ltd. as under:

Table 3.25: Power Purchase from NTPC Ltd.

Stations of NTPC	Basis	Rationale
Singrauli STPS	Average of actual month wise gross generation in FY 2022-23, FY 2023-24 & FY 2024-25 (actual for 9 months, projections for 3 months).	In line with the previous approach of the Commission.
Rihand STPS		
Rihand I		
Rihand II		
Rihand III		
Unchahar TPS		
Unchahar I		
Unchahar II		
Unchahar III		
Anta CCPP		
Auraiya CCPP		
Dadri CCPP		
Dadri (NCTPP)		
Jhajjar		
Kahalgaon TPS		
Koldam		
Tanda II		
Telangana STPS	As projected by UPCL	Unallocated Power

The Commission has estimated the energy availability from these generating stations to UPCL at State Periphery after considering the normative auxiliary consumption, station wise POC losses for the period from October, 2024 to December, 2024 and considering the share allocation to Uttarakhand. The summary of energy availability from NTPC Ltd. for FY 2025-26 to FY 2027-28 at State periphery as estimated by the Petitioner and the Commission is shown in the Table below:

Table 3.26: Energy Availability from NTPC Ltd. at State periphery for FY 2025-26 to FY 2027-28 (MU)

Station	Estimated by UPCL	Estimated by Commission
Singrauli STPS	723.06	733.56
Rihand STPS		
Rihand I	296.32	302.57
Rihand II	277.93	275.51
Rihand III	317.48	316.45
Unchahar TPS		
Unchahar I	132.19	184.59
Unchahar II	83.73	87.69
Unchahar III	70.57	71.02
Anta CCPP	3.32	17.75
Auraiya CCPP	4.63	29.01
Dadri CCPP	9.62	43.05
Dadri (NCTPP)	17.97	47.76
Jhajjar	99.70	92.84
Kahalgaon TPS	188.54	276.64
Koldam	197.45	206.18
Unchahar IV	135.40	167.70
Tanda II	253.89	241.73
Telangana	320.79	320.79
Total	**3132.59**	**3414.82**

3.6.5 *Power Purchase from SJVN Ltd.*

The Commission has considered the availability from generating stations of SJVN Ltd. as under:

Table 3.27: Power Purchase from SJVN Ltd.

Stations of SJVNL	Basis	Rationale
Nathpa Jhakri HEP and Rampur HPS	Average of actual month wise gross generation in FY 2022-23, FY 2023-24, and FY 2024-25 (actual for 9 months, projections for 3 months).	In line with the previous approach of the Commission.

The Commission has estimated the energy availability from these generating stations to UPCL at State Periphery after considering the normative auxiliary consumption, station wise POC losses for the period from October, 2024 to December, 2024 and considering the share allocation to

Uttarakhand. The summary of energy availability from SJVN Ltd. for FY 2025-26 to FY 2027-28 as estimated by the Commission is shown in the Table below:

Table 3.28: Energy Availability from SJVN Ltd. at State periphery for FY 2025-26 to FY 2027-28 (MU)

Station	Estimated by UPCL	Estimated by Commission
Nathpa Jhakri HEP	75.53	103.63
Rampur HPS	209.03	223.46
Total	**284.56**	**327.09**

3.6.6 *Power Purchase from NPCIL*

The Commission has considered the availability from generating stations of NPCIL as under:

Table 3.29: Power Purchase from NPCIL

Stations of NPCIL	Basis	Rationale
NAPP/ RAPP	Average of actual month wise gross generation in FY 2022-23, FY 2023-24, and FY 2024-25 (actual for 9 months, projections for 3 months)	In line with the previous approach of the Commission

The Commission has estimated the energy availability from these generating stations to UPCL at State Periphery after considering the normative auxiliary consumption, station wise POC losses for the period from October, 2024 to December, 2024 and considering the share allocation to Uttarakhand. The summary of energy availability from NPCIL for FY 2025-26 to FY 2027-28 as estimated by the Commission is shown in the Table below:

Table 3.30: Energy Availability from NPCIL at State periphery for FY 2025-26 to FY 2027-28 (MU)

Station	Estimated by UPCL	Estimated by Commission
Narora APP	140.83	164.51
Rajasthan APP	184.29	166.96
Total	**325.13**	**331.47**

3.6.7 *Power Purchase from Renewable Energy Sources*

The existing renewable energy sources include the small hydro power stations of UREDA, IPPs, co-generation plants, and solar power plants within the State. For these generating stations, the Commission has considered the energy availability at State periphery as projected by UPCL.

The summary of energy availability from existing renewable energy sources for FY 2025-26 to FY 2027-28 as estimated by the Petitioner and the Commission is shown in the Table below:

Table 3.31: Energy Availability from Existing RE Sources for FY 2022-23 to FY 2024-25 (MU)

Station	FY 2025-26		FY 2026-27		FY 2027-28	
	Estimated by UPCL	Estimated by Commission	Estimated by UPCL	Estimated by Commission	Estimated by UPCL	Estimated by Commission
Existing RE Sources	1083.25	1083.25	1083.25	1083.25	1083.25	1083.25

3.6.8 *Power Purchase from Vishnu Prayag HEP, GVK Srinagar and SJVN Mauri (State Royalty Power)*

For estimating the State Royalty power from Vishnu Prayag HEP, GVK Srinagar HEP, the Commission has considered the average of actual monthly generation for the years FY 2022-23, FY 2023-24 and FY 2024-25 (actual for 9 months, projections for 3 months). The Commission has estimated the energy availability from these generating stations to UPCL at State Periphery after considering the normative auxiliary consumption, POC losses for the period from October, 2024 to December, 2024 and considering the free power share of 12% to Uttarakhand and energy through Local Area Development Fund (LADF) as forecasted by the Petitioner. The Commission has considered the energy availability from Loharghat, Naptha Mori, Vanala, Gunsola and Swasti as proposed by the Petitioner during FY 2025-26. The summary of energy availability from the said stations as estimated by the Petitioner and the Commission is shown in the Table below:

Table 3.32: Energy Availability from State Royalty Power at State Periphery for FY 2025-26 to FY 2027-28 (MU)

Station	Estimated by UPCL	Estimated by Commission
Vishnu Prayag HEP (State Royalty Power)	193.10	204.99
GVK Srinagar	155.62	134.16
Loharghat	1.77	1.77
LADF	8.21	8.21
Naptha Mori	55.61	55.61
Vanala	5.47	5.47
Gunsola	1.36	1.36
Swasti	9.43	9.43
Total	**430.57**	**421.00**

3.6.9 *Power Purchase from Sasan UMPP*

For estimating the energy availability from Sasan UMPP the Commission has considered the actual monthly generation of FY 2022-23, FY 2023-24 and FY 2024-25 (actual for 9 months, projections for 3 months). The Commission has estimated the energy availability from these generating stations to UPCL at State Periphery after considering the normative auxiliary consumption, POC losses for the period from October, 2024 to December, 2024 and considering share allocation to Uttarakhand. The summary of energy availability from Sasan UMPP for FY 2025-26 to FY 2027-28 as estimated by the Petitioner and the Commission is shown in the Table below:

Table 3.33: Energy Availability from Sasan UMPP at State periphery for FY 2025-26 to FY 2027-28 (MU)

Station	Estimated by UPCL	Estimated by Commission
Sasan UMPP	692.71	711.66

3.6.10 *Power Purchase from State Gas Generating Stations*

The Commission observed that the Petitioner has projected energy availability from gas based generating station considering a PLF of 40%. The Commission sought the basis of such assumptions from the Petitioner along with the quantity of gas tied up and how UPCL intends to operate the plants in the next Control Period. The Petitioner in its reply submitted that due to the high variable charges, the energy availability from these plants has been considered @ 40% PLF. The Petitioner further submitted that 1096.66 MUs has been considered out of which energy availability from Shravanti gas-based station is 731.11 MUs and from Gama Infra prop gas-based station is 365.55 MUs. The Petitioner further submitted that the approach is also in line with past years actual purchases from Gas based plants, which is in the range of 25% to 40%. The Commission observes that the Petitioner has considered Rs. 11.16/kWh as the average cost of generation based on the current tie-up with the State based gas generator. Further, the Petitioner, earlier while giving presentation before the Commission regarding its power procurement planning for FY 2025-26, projected the energy availability from Gas plants at 85% PLF. The Commission does not foresee any major drop in the prices of the gas in the upcoming period, and has, therefore, considered the energy availability from the gas based stations based on the contracted capacity and considering 85% PLF for 6 months, i.e. to meet the peak demand in summer and winter months of FY 2025-26 (April, 2025 to June, 2025 – Summer peak and December, 2025 to February, 2026 – Winter peak) when UPCL is in deficit. However, the Petitioner is advised to go for a long term gas tie ups so that these plants can be operated as a base load plant as UPCL has a long term PPA with them.

The summary of energy availability from these stations for FY 2025-26 to FY 2027-28 as estimated by the Petitioner and the Commission is shown in the Table below:

Table 3.34: Energy Availability from Gas based generating stations located in Uttarakhand at State periphery for FY 2025-26 to FY 2027-28 (MU)

Station	Estimated by UPCL for FY 2025-26 to FY 2027-28	Estimated by Commission		
		FY 2025-26	FY 2026-27	FY 2027-28
Gamma Infraprop	365.55	387.01	387.01	387.01
Shravanti Energy	731.11	774.02	774.02	774.02
Total	**1096.66**	**1161.02**	**1161.02**	**1161.02**

3.6.11 *Power purchase from Greenko Budhil Hydro*

The Commission vide its Order dated December 26, 2016, approved the PPA between UPCL and Greenko Budhil Hydro for sale of power corresponding to 70 MW (gross capacity) to UPCL. The Commission has estimated the energy availability from the generating station based on the month wise Design Energy. The Commission has estimated the energy available from the generating station to UPCL at State Periphery after considering the normative auxiliary consumption, POC losses for the period from October, 2024 to December, 2024 and also excluding the free share of Himachal Pradesh. The summary of energy availability from Greenko Budhil Hydro for FY 2025-26 to FY 2027-28 as estimated by the Commission is shown in the Table below:

Table 3.35: Energy Availability from Greenko Budhil Hydro at State periphery for FY 2025-26 to FY 2027-28 (MU)

Station	Estimated by UPCL	Estimated by Commission
Greenko Budhil Hydro	216.33	225.68

3.6.12 *Power purchase from upcoming generating stations*

The upcoming generating stations include the power plants of UJVN Ltd, solar power plants within and outside the State and other Generating Stations expected to be commissioned during the Fifth Control Period. For estimating the energy availability, the Commission has considered the actual progress of such generating stations and the likely commissioning dates. The Commission has considered the energy availability from all upcoming stations including solar generation capacity as projected by the Petitioner.

The summary of energy availability from upcoming generating stations expected to achieve COD during the Fifth Control Period as estimated by the Petitioner and the Commission is shown in the Table below:

Table 3.36: Energy Availability from upcoming generating stations at State periphery for FY 2025-26 to FY 2027-28 (MU)

Station	FY 2025-26		FY 2026-27		FY 2027-28	
	Estimated by UPCL	Estimated by Commission	Estimated by UPCL	Estimated by Commission	Estimated by UPCL	Estimated by Commission
Madhmaheshwar	52.56	52.56	52.56	52.56	52.56	52.56
Tehri PSP	412.27	412.27	495.00	495.00	495.00	495.00
Vishnugad Pipalkoti	-	-	248.78	248.78	248.78	248.78
Rayat_Aglar Pvt. Ltd.	-	-	21.02	21.02	21.02	21.02
Guptkashi	-	-	-	-	5.26	5.26
Tapovan	-	-	-	-	7.01	7.01
Khutani_Shayam Power					73.58	73.58
Tankul	-	-	-	-	42.05	42.05
Khurja STPP	340.64	340.64	370.27	370.27	371.29	371.29
SJVN Solar	264.38	264.38	319.56	319.56	319.56	319.56
MSSY-250 MW	249.66	249.66	416.10	416.10	416.10	416.10
UJVNL - Solar	76.98	76.98	151.46	151.46	181.42	181.42
Total	**1396.49**	**1396.49**	**2074.75**	**2074.75**	**2233.63**	**2233.63**

3.6.13 *Energy available from Firm Sources*

The total energy available from firm sources estimated by the Petitioner and the Commission is as shown in the Table given below:

Table 3.37: Energy available from Long Term Sources (MU)

Station	FY 2025-26		FY 2026-27		FY 2027-28	
	Estimated by UPCL	Estimated by Commission	Estimated by UPCL	Estimated by Commission	Estimated by UPCL	Estimated by Commission
UJVN Ltd.	4356.91	4320.67	4356.91	4320.67	4356.91	4320.67
Vyasi	328.96	348.76	328.96	348.76	328.96	348.76
NHPC Ltd.	791.38	837.22	791.38	837.22	791.38	837.22
THDC Ltd.	708.01	731.87	708.01	731.87	708.01	731.87
NTPC Ltd.	3132.59	3414.82	3132.59	3414.82	3132.59	3414.82
NPCIL	325.13	331.47	325.13	331.47	325.13	331.47
SJVN Ltd.	284.56	327.09	284.56	327.09	284.56	327.09
Renewables	1083.25	1083.25	1083.25	1083.25	1083.25	1083.25
Free Power-Vishnu Prayag	193.10	204.99	193.10	204.99	193.10	204.99
Sasan UMPP	692.71	711.66	692.71	711.66	692.71	711.66
Gamma Infra	365.55	387.01	365.55	387.01	365.55	387.01
Shravanthi Energy	731.11	774.02	731.11	774.02	731.11	774.02
Meja Power Plant	219.14	288.10	219.14	288.10	219.14	288.10
Renew Surya Vihaan Pvt. Ltd.	168.19	168.19	168.19	168.19	168.19	168.19
ReNew Surya Roshni Pvt. Ltd.	672.77	672.77	672.77	672.77	672.77	672.77
Greenko Budhil	216.33	225.68	216.33	225.68	216.33	225.68

Table 3.37: Energy available from Long Term Sources (MU)

Station	FY 2025-26		FY 2026-27		FY 2027-28	
	Estimated by UPCL	Estimated by Commission	Estimated by UPCL	Estimated by Commission	Estimated by UPCL	Estimated by Commission
Hydro						
GVK Srinagar	155.62	134.16	155.62	134.16	155.62	134.16
L&T Free Power	51.71	51.71	51.71	51.71	51.71	51.71
Rajwakti and Debal	3.73	3.73	3.73	3.73	3.73	3.73
LoharKhet (parvatiya power)	1.77	1.77	1.77	1.77	1.77	1.77
LADF	8.21	8.21	8.21	8.21	8.21	8.21
Vanala	5.47	5.47	5.47	5.47	5.47	5.47
Gunsola	1.36	1.36	1.36	1.36	1.36	1.36
Swasti	9.43	9.43	9.43	9.43	9.43	9.43
Naptha Mauri	55.61	55.61	55.61	55.61	55.61	55.61
Rayat_Aglar Pvt. Ltd.	-	-	21.02	21.02	21.02	21.02
Guptkashi	-	-	-	-	5.26	5.26
Tapovan	-	-	-	-	7.01	7.01
Khutani Shayam Power	-	-	-	-	73.58	73.58
Tankul	-	-	-	-	42.05	42.05
Vishnugad Pipalkoti	-	-	248.78	248.78	248.78	248.78
Madhmaheshwar	52.56	52.56	52.56	52.56	52.56	52.56
SJVN Ltd_Solar	264.38	264.38	319.56	319.56	319.56	319.56
MSSY_250 MW	249.66	249.66	416.10	416.10	416.10	416.10
UJVNL_SOLAR	76.98	76.98	151.46	151.46	181.42	181.42
Khurja Super thermal	340.64	340.64	370.27	370.27	371.29	371.29
Total	**15546.81**	**16083.25**	**16142.35**	**16678.77**	**16301.23**	**16837.65**

3.6.14 *Power Purchase for fulfilling RPO*

UPCL submitted that it has considered the energy requirement and capacity of renewable sources and requested the Commission to allow achievement of any shortfall as per the provisions specified in UERC (Tariff and Other Terms for Supply of Electricity from Renewable Energy Sources and non-fossil fuel based Co-Generating Stations) Regulations, 2023.

The Commission had specified the RPO target for FY 2025-26 to FY 2027-28 in its UERC (Tariff and Other Terms for Supply of Electricity from Renewable Energy Sources and non-fossil fuel based Co-Generating Stations) Regulations, 2023.

The Commission, based on the estimated power purchase from renewable energy sources, has computed additional power procurement required from Solar and Non-Solar sources for FY 2025-26 only.

Table 3.38: Additional Purchase for fulfilling RPO for FY 2025-26

Particulars	Units	Approved
Total Consumption	MU	18004
RPO		
Wind	%	1.45%
HPO	%	1.22%
Distributed RPO	%	1.05%
Other RPO	%	29.29%
RPO		
Wind	MU	261
HPO	MU	220
Distributed RPO	MU	189
Other RPO	MU	5273
Purchase from Renewable Source		
Wind	MU	-
HPO	MU	401
Distributed RPO	MU	826
Other RPO	MU	8205
Unmet Target		
Wind	MU	261
HPO	MU	-
Distributed RPO	MU	-
Other RPO	MU	-

As can be seen from the above Table, there is a surplus of 182 MU from HPO sources. The Petitioner has requested to allow achievement of any shortfall as per the provisions specified in UERC (Tariff and Other Terms for Supply of Electricity from Renewable Energy Sources and non-fossil fuel based Co-Generating Stations) Regulations, 2023. The Commission has gone through the submissions of the Petitioner and is of the view that the relaxation sought cannot be dealt with in this tariff proceedings. The Commission advises UPCL to bring a separate Petition seeking adjustment of unmet RPO in accordance with UERC (Compliance of Renewable Purchase Obligation) Regulations, 2010. The Commission has considered additional power procurement amounting to 261 MU to meet the RPO from wind sources. The Commission has separately included the cost towards meeting the above RPO through procurement of power from wind sources as discussed in the subsequent chapter of this Order.

3.6.15 *Energy Requirement from THDC-PSP*

The Petitioner has submitted that total share of UPCL in Tehri PSP is 200 MW, i.e. 20% of the installed capacity. The Petitioner submitted that it has projected to supply 492.50 MU during off peak hours and after considering the conversion losses of 80.23 MU, the Petitioner shall receive around 412.27 MU. The Commission has, accordingly, considered the energy requirement and availability projections of the Petitioner for THDC-PSP while projecting the power purchase requirement of the Fifth Control Period.

3.6.16 *Deficit/(Surplus) Energy*

The Petitioner, in its Petition has submitted that as per the monthly energy balance, the Petitioner shall remain in surplus during the summer months and deficit during the winter months. Therefore, the Petitioner has proposed to bank surplus power during the summer months and meet the deficit by return banking during the winter months in each year under advance banking arrangement.

The position of surpluses during the summer months is also depleting each year. For FY 2025-26, the Commission has estimated a surplus of only 567 MU during April, 2025 to June, 2025 and August, 2025, however, deficit from September, 2025 to March, 2026 would be around 2526 MU (including net banking payable). The licensee will have to plan accordingly, to utilise the surpluses available with it in the best possible manner so as to offset the deficit during winter months to some extent. The Commission has been encouraging the Petitioner to enter into banking arrangements so that the surplus energy during the summer months can be utilised during the winter months and, therefore, for computing gap/surplus for the year, the Commission has considered the same.

The energy deficit/surplus scenario estimated by the Commission for FY 2025-26 to FY 2027-28 after considering power procurement to meet RPO and Tehri-PSP is as shown in the Table given below:

Table 3.39: Energy deficit/surplus Scenario for FY 2025-26 to FY 2027-28 (MU)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28
Energy requirement at State periphery	18004.40	18925.29	19747.41
Net Banking Payable	42.53	42.53	42.53
Total energy requirement at State periphery	**18046.93**	**18967.82**	**19789.94**
Total Energy available from firm sources	16083.25	16678.77	16837.65
Power Procurement to meet RPO	261.06	-	-
Tehri PSP	412.27	495.00	495.00
Deficit/(Surplus)	**1290.35**	**1794.05**	**2457.29**
Deficit Purchase through Short-term	**902.35**		
Deficit Purchase through Medium Term/Long Term/Gas	**388.00**		

In view of persistent deficit scenario during the Control Period, the Petitioner should put its sincere efforts to procure the deficit energy primarily through long term/medium term procurement process thereby optimizing the cost of power purchase and reliable power, keeping minimal reliance on short term/exchange procurement. **The Commission has, therefore, restricted the purchase of power from short term sources to 5% of the total energy availability at State Periphery, in line with the provisions of the MYT Regulations, and considered the procurement of balance deficit power through Medium/Long term sources. The Commission, accordingly, directs the Petitioner to prepare its power procurement in line with the above approach and submit the same to the Commission within one month from the date of this Order.**

3.7 Capital Expenditure Plan and Capitalisation Plan

The Petitioner submitted that in compliance to Regulation 8(1)(c)(v) of the UERC Tariff Regulations, 2024 it has prepared capital investment plan taking into account the factors specified by the Commission and required for smooth operations of the Company. The Petitioner submitted that the plan aims to achieve the anticipated load growth and targeted loss reduction besides improving reliability of the system as well as improving the quality of supply to the consumers. The Petitioner further submitted that the plan shall also reduce energy costs, GHG emissions as well as help easing the pressure on coal supply. The capital expenditure plan proposed by the Petitioner for the Fifth Control Period from FY 2025-26 to FY 2027-28 is as shown in the Table below:

Table 3.40: Capital Expenditure Plan for FY 2024-25 to FY 2027-28 as submitted by the Petitioner (Rs. Crore)

S. No.	Capex Schemes	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	Total Capex
A.	**Central Schemes**					
1.	ADB	400.00	483.99	-	-	883.99
2.	RDSS	335.80	1267.79	-	-	1603.59
Other Works						
A.	**Load Growth**					
1.	New Sub station projects	33.24	8.18	11.32	0.00	52.74
2.	Augmentation of Existing Substations	0.00	0.00	0.00	0.00	0
3.	Construction of New 33 kV line/Augmentation of Existing 33 kV line and substations	26.81	11.38	8.02	0.00	46.21
4.	Construction of 33 kV line for evacuation of power generated of Solar PV Plants	8.21	1.00	0.00	0.00	9.21
5.	Release of New PTW Connections	75.00	69.00	77.00	73.50	294.5
6.	Installation of meters for giving new connections	21.36	23.31	24.28	25.25	94.2
7.	Installation of breakers (new)	3.45	4.31	4.72	5.10	17.58
8.	CSS 990 kVA where two transformers are	19.50	24.50	28.00	33.75	105.75

Table 3.40: Capital Expenditure Plan for FY 2024-25 to FY 2027-28 as submitted by the Petitioner (Rs. Crore)

S. No.	Capex Schemes	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	Total Capex
	installed at the same place					
9.	Laying of 33 kV lines for new connections	10.50	15.20	15.20	16.00	56.9
10.	Laying of 11 kV lines for new connections	42.00	49.00	59.50	76.00	226.5
11.	Laying of LT lines for new connections	71.50	77.00	83.38	90.00	321.88
B.	**Loss Reduction**					
12.	Installation of Double metering in all the 11 kV & 33 kV consumer	0.00	0.00	0.00	0.00	0.00
13.	Implementation of AMR (Other than R-APDRP)	0.00	0.00	0.00	0.00	0.00
14.	Laying of 11 kV & 33 kV covered conductor for forest area	90.00	120.00	125.00	0.00	335.00
	Laying of LT ABC Cable in theft prone areas	105.00	75.00	75.00	80.00	335.00
15.	Replacement of defective single phase and three phase meters	7.96	5.62	5.15	4.68	23.41
16.	Installation of 11 kV & 33 kV underground cables	33.80	38.50	40.60	45.00	157.90
17.	Replacement of GI Wire with Weasel Conductor	0.00	0.00	0.00	0.00	0.00
C.	**System Reliability and Safety Improvement**					
18.	Additional Transformers installation with associated 11 kV & LT lines	192.00	227.50	266.00	300.00	**985.50**
19.	LT Protection System on Transformer	35.00	67.50	80.75	100.00	**283.25**
20.	Safety measures	11.00	9.40	12.25	12.50	**45.15**
21.	Smart Grid projects for industrial areas	0.00	0.00	0.00	0.00	**0.00**
D.	**Creation of infrastructure facilities & miscellaneous works**					
22.	Sub-station, Offices, Residences, Boundary wall, Approach Road, etc.	45.80	57.25	71.57	89.45	**264.07**
	Total Other Works	**832.14**	**883.65**	**987.74**	**951.23**	**3654.76**
	Grand Total	**1567.94**	**2635.43**	**987.74**	**951.23**	**6142.34**

The Petitioner has submitted that based on the progress of each scheme it has estimated the capitalisation plan for the Fifth Control Period as shown in the Table below:

Table 3.41: Capitalisation Plan for FY 2025-26 to FY 2027-28 as submitted by the Petitioner (Rs. Crore)

Particulars	Capital expenditure	Capitalisation
FY 2025-26	2635.43	2180.87
FY 2026-27	987.74	1982.55
FY 2027-28	951.23	946.49
Total	**4574.40**	**5109.91**

The Commission has gone through the submissions of the Petitioner and observes that the net GFA addition by UPCL during the last 5 years is as shown in the Table below:

Table 3.42: Actual GFA addition of UPCL (Rs. Crore)

Year	Amount
FY 2019-20	313.52
FY 2020-21	797.44
FY 2021-22	1430.87
FY 2022-23	816.80
FY 2023-24	797.81

It is observed that in comparison to the actual capitalisation during the last 5 years, the year wise capitalisation proposed during the Fifth Control Period from FY 2025-26 to FY 2027-28 is substantially higher. Further, the Distribution Licensee is required to seek prior approval of the Commission for all the capital expenditure schemes of the value exceeding the ceiling specified by the Commission in the distribution licence and Regulation 22(4) of UERC Tariff Regulations, 2024.

In view of the actual performance of the Petitioner in the past, the Commission finds the proposed year wise capital expenditure and capitalisation by the Petitioner on a higher side. Moreover, the works listed by the Petitioner under 'Other Works' are almost similar to what the Petitioner had earlier proposed at the time of claiming capital expenditure for the fourth Control Period, i.e. FY 2022-23 to FY 2024-25. This shows that the Petitioner is not carrying out due deliberation before projecting the Capital Expenditure for the Control Period. As many of the schemes are also yet to be accorded investment approval by the Commission, the Commission does not find it prudent to approve scheme wise capitalisation for the Fifth Control Period from FY 2025-26 to FY 2027-28 based on the estimated cost submitted by the Petitioner. Hence, the Commission for the purpose of approval of Business Plan has considered the capitalisation for each year of the Control Period based on the approved total Capital Expenditure and Capital Works in Progress (CWIP). However, during the Annual Performance Review/Truing-up exercise, the Commission shall consider the Capitalisation on actual basis subject to Capitalisation of only those Schemes which fulfil the conditions as stipulated by the Commission. The approach adopted by the Commission in approval of year wise capital expenditure and capitalisation for the Fifth Control Period is detailed below.

The Commission analyzed the trends of amount capitalised by the Petitioner as a percentage of the sum of opening CWIP and Capital Expenditure for the past 5 years from FY 2019-20 to FY 2023-24, based on the audited accounts submitted by the Petitioner. The same is shown in the Table below:

Table 3.43: Capitalisation as % of sum of opening CWIP and Capital Expenditure (Rs. Crore)

Particulars	Legend	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Opening CWIP	A	663.75	1,067.22	983.67	613.17	613.93
Addition to CWIP (Capital Expenditure)	B	784.39	779.64	1133.47	912.95	1082.35
Deduction from CWIP (Tfd. To GFA)	C	380.92	863.19	1503.97	912.19	836.51
Closing CWIP	A+B-C	1067.22	983.67	613.17	613.93	859.77
Capitalisation as % of opening CWIP plus capital expenditure	C÷(A+B)	26.30%	46.74%	71.04%	59.77%	49.31%
Average of 5 years		50.63%				

As discussed earlier, the capital expenditure proposed by the Petitioner during each year of the Fifth Control Period is substantially higher than the actual capital expenditure incurred during the last five years. Further, the maximum Capitalisation in the last five years is Rs. 1430.87 Crore which was done in FY 2021-22. Considering the past performance of the Petitioner and the status of capital investment approval of the schemes, the capital expenditure plan submitted by the Petitioner for the Fifth Control Period appears to be over ambitious and is unlikely to materialize. The Commission for the purpose of approval of Business Plan is approving the capital expenditure of Rs. 938.56 Crore equivalent to the average of the actual capital expenditure incurred during last five years, i.e. FY 2019-20 to FY 2023-24.

The Commission further observed that the amount capitalised by the Petitioner during the past 5 years is in the range of 26.30% to 71.04% of the sum of opening CWIP and Capital Expenditure during the year. For approving the capitalisation for each year of the Fifth Control Period from FY 2025-26 to FY 2027-28, the Commission has considered the average capitalisation percentage as, %'age of the amount transferred from CWIP to GFA over the sum of opening CWIP and capital expenditure for the past 5 years, i.e., 50.63%.

The year wise capital expenditure and capitalisation approved by the Commission for the Fifth Control Period from FY 2025-26 to FY 2027-28 is shown in the Table below:

Table 3.44: Capital expenditure and Capitalisation approved by the Commission (Rs. Crore)

Particulars	FY 2025-26		FY 2026-27		FY 2027-28	
	Claimed	Approved	Claimed	Approved	Claimed	Approved
Opening CWIP	1359.02	939.65	1813.58	927.21	818.77	921.07
Capital Expenditure	2635.43	938.56	987.74	938.56	951.23	938.56
Capitalisation	2180.87	951.00	1982.54	944.70	946.49	941.59
Closing CWIP	1813.58	927.21	818.77	921.07	823.51	918.04

The Commission will consider the actual capital expenditure/capitalization as a part of Annual Performance Review/Truing-up exercise subject to prudence check in accordance with the conditions stipulated by the Commission.

3.8 Financing Plan

The financing plan for the proposed capitalisation for the Fifth Control Period as submitted by the Petitioner is shown in the Table below.

Table 3.45: Financing Plan proposed by the Petitioner (Rs. Crore)

Particulars	Capitalisation	Grant	Debt	Internal Resource/ State Govt. Equity
FY 2025-26	2180.87	965.84	850.52	364.51
FY 2026-27	1982.55	837.08	801.82	343.64
FY 2027-28	946.49	-	662.55	283.95

The Commission has approved the funding of the approved capitalisation for the Fifth Control Period as proposed by the Petitioner. Accordingly, the financing plan approved by the Commission for the Fifth Control Period from FY 2025-26 to FY 2027-28 is shown in the Table below:

Table 3.46: Financing Plan approved by the Commission (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28
Capitalisation	**951.00**	**944.70**	**941.59**
Financing			
Debt	370.88	382.08	659.11
Equity-State Government	158.95	163.75	282.48
Grant-Central Government	421.17	398.88	-
Total	**951.00**	**944.70**	**941.59**

The Commission will consider the actual funding of schemes capitalized during the year as part of Annual Performance Review/Truing-up exercise subject to prudence check in accordance with the conditions stipulated by the Commission.

In this regard, the Commission would like to point out that Regulation 24 of MYT Regulations, 2024 lays down what all elements shall comprise of Equity, i.e. share capital, free reserves and any premium while issuing share capital. Accordingly, the Petitioner will have to demonstrate that equity claimed by it should fall under the equity as defined in the Regulations and only then the same would qualify to be eligible for return purposes. The Petitioner has formed a practice to withhold payments to the State Government and utilise the same for creation of assets. Infact during FY 2023-24, the Government liabilities has increased by Rs. 588 Crore to arrive at a closing balance of Rs. 4958.92 Crore as on 31.03.2024. This assertion is also validated by the Cash Flow Statements for FY 2023-24. Except for electricity duty, the dues payable to the State Government has been allowed as pass through in tariffs, and then utilising the same in creation of assets and then claiming RoE on the same would be double loading the consumers of the electricity. This practice will not be allowed during the Fifth Control Period.

3.9 Human Resource Plan

The Petitioner submitted that although there has been a rapid growth in power sector and the energy sales in Uttarakhand has increased at a CAGR of 3.62% in the last six years and the number of customers has increased by 3.05% over the last year, the number of employees of UPCL has reduced from 2458 in FY 2020-21 to 2411 in FY 2023-24. The Petitioner submitted that it is facing following challenges to fulfil the manpower requirements.

- Restrictions imposed by GoU on direct recruitment of employees.
- Total of 100, 100, 300 recruitments of Junior Engineer (E&M), Office Assistance-III/Data Entry Operator and T.G-III (Electrical) respectively, are pending subject to decision of the Hon'ble High Court, Nainital.
- Availability of skilled manpower as per the specified role.
- Impact on consumer tariff.

The Petitioner further submitted that in order to address the shortfall it has taken the following steps.

- Recruited personnel from Uttarakhand Purv Sainik Kalyan Limited (UPNL) on contractual basis to fill a major portion of the vacant posts which are within the total number of sanctioned posts.
- Letters have been sent to GoU seeking permission for recruitment against the vacant positions.

- A Committee was setup to submit a report to Secretary(Finance), GoU regarding the current manpower situation at UPCL, and the report has been submitted to Government of Uttarakhand.

The Petitioner, in its Petition submitted that it has planned to fill 922 number of posts in the 5th Control Period in the manner proposed below subject to the approval of High Court of Nainital and GoU as required:

Table 3.47: Employee addition plan proposed by the Petitioner

Particulars	FY 2025-26	FY 2026-27	FY 2027-28
Opening number of employees	2318	2399	2336
Add: Recruitment	144	15	763
Less: Retirement	63	78	59
Closing number of employees	2399	2336	3040

The Petitioner also submitted the recruitment plan for the Fifth Control Period as follows:

Table 3.48: Recruitment Plan for the Fifth Control Period as submitted by the Petitioner

Group	Post	FY 2025-26	FY 2026-27	FY 2027-28
1.	**TOP Mgt**	-	-	-
1.1	MD And Dir.	-	-	-
2.	**OFFICERS**	-	-	-
2.1	Technical Cadre	-	-	-
2.1.1	Class A	-	-	-
2.1.2	Class B	-	9	-
2.2	**Accounts Cadre**	-	-	-
2.2.1	Class A	-	-	-
2.2.2	Class B	9	-	-
2.3	**HR/Adm. Cadre**	-	-	-
2.3.1	Class A	-	-	-
2.3.2	Class B	5	-	-
3.	**STAFF**	-	-	-
3.1	**Technical Cadre**	-	-	-
3.1.1	Class C	52	6	-
3.2	**Accounts Cadre**	-	-	-
3.2.1	Class C	60	-	-
3.3	**HR/Admin Cadre**	-	-	-
3.3.1	Class C	-	-	267*
3.4	**Operating Cadre**	-	-	-
3.4.1	Class C	18	-	496**
4.	**Others (Class D + Dying Cadre)**	-	-	-
5.	**Total Employees**	**144**	**15**	**763**

** Permission sought-267, Permission granted-100 (OA III/DEO), Subjected to Hon'ble High Court Stay Order dated 03-01-2018*
***Posts advertised in 2013-496, Permission granted-300 (TG II), Subjected to Hon'ble High Court Stay Order dated 03-01-2018*

The Petitioner on a specific query sought by the Commission submitted the updated status of nos. of employees and updated retirements in FY 2024-25 vide reply dated 15.01.2025 which is as shown in the Table below:

Table 3.49: Employee addition plan proposed by the Petitioner

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
Opening number of employees	2411	2341	2422	2359
Add: Recruitment	12	144	15	763
Less: Retirement	82	63	78	59
Closing number of employees	2341	2422	2359	3063

Further, the Petitioner in response to the Commission query regarding preparedness of recruitment proposed during FY 2025-26, alongwith current status of recruitment process, and approvals from GoU, has submitted that a letter has been submitted to GoU regarding finalizing the nomination of the recruiting agency for the 9 nos. of post of Account Officer, 3 nos. post of Personnel Officer and 2 nos. post of Law Officer and to unfreeze the 52 nos. post of Junior Engineer (E&M), 60 nos. post of Assistant Accountant and 18 nos. post of Assistant Store keeper.

The Commission is of the view that even if the GoU unfreezes these 130 post, it is highly unlikely that the recruitment process for these post can be completed by UPCL in FY 2025-26. Therefore, the Commission has considered these 130 posts to be filled in FY 2026-27 along with 15 other recruitments projected by the Petitioner in FY 2026-27.

Further, it is observed that the Petitioner has not submitted any justification or supporting plan for the proposed recruitment of 763 posts in FY 2027-28. **The Petitioner is hereby advised to ensure that all recruitment is strictly need-based**. Given that the maximum number of recruitments made by the Petitioner in last 5 years was 165 (in FY 2021-22), the same is being considered for FY 2027-28.

The Commission shall consider the actual recruitment and retirement status during the truing up for the respective years. In case the actual addition to the no. of employees is lower than the recruitments considered in this Order, the same shall not be considered as efficiency and no sharing on account of the same shall be allowed while carrying out the truing up. Accordingly, the HR plan approved by the Commission is shown in the Table below:

Table 3.50: HR Plan approved by the Commission

Particulars	FY 2025-26		FY 2026-27		FY 2027-28	
	Claimed	Approved	Claimed	Approved	Claimed	Approved
Opening no. of employees	2341	2341	2422	2292	2359	2359
Recruitment during the year	144	14	15	145	763	165
Retirement during the year	63	63	78	78	59	59
Closing no. of employees	2422	2292	2359	2359	3063	2465

4. Petitioner's Submissions, Commission's Analysis, Scrutiny and Conclusion on Truing Up for FY 2023-24

4.1 Truing-up for FY 2023-24

Regulation 12(3) of the UERC (Terms and Conditions for Determination of Tariff) Regulations, 2021 specifies as under:

"(3) The scope of the Annual Performance Review shall be a comparison of the actual performance of the Applicant with the approved forecast of Aggregate Revenue Requirement and expected revenue from tariff and charges and shall comprise of following:

a) A comparison of the audited performance of the applicant for the previous financial year with the approved forecast for such previous financial year and truing up of expenses and revenue subject to prudence check including pass through of impact of uncontrollable factors;

b) Categorisation of variations in performance with reference to approved forecast into factors within the control of the applicant (controllable factors) and those caused by factors beyond the control of the applicant (un-controllable factors).

c) Revision of estimates for the current and/or ensuing financial year, if required, based on audited financial results for the previous financial year;

d) Computation of the sharing of gains and losses on account of controllable factors for the previous year."

The Petitioner submitted that the Commission vide its Tariff Order dated March 30, 2023 had approved the expenses and revenues of the Petitioner for FY 2023-24 based on the UERC Tariff Regulations, 2021, the historical trends and the revised projections of the Petitioner.

The Commission has analysed the head-wise elements of ARR and revenue for FY 2023-24 in the succeeding paragraphs. The head-wise details of variations in expenses and revenues are enumerated below.

4.1.1 *Sales*

The Commission had approved the energy sales for FY 2023-24 in its Tariff Order dated March 30, 2023 as 14854.84 MU with efficiency improvement. The Petitioner in the current Petition has submitted the actual sales for FY 2023-24 as 13870.70 MU and has requested the Commission to approve the actual sales as claimed for true-up.

The Commission in its previous Tariff Orders has been analysing the division wise commercial statements of UPCL and observed that the average billing rate (ABR) of certain categories of consumers in some divisions were even less than the energy charge approved for that category and had directed the Petitioner to rectify such anomalies. However, no efforts have been noticed from the Petitioner's end to rectify such anomalies, nor any satisfactory reply has been provided to the Commission on the same. Accordingly, the Commission during truing up of previous years has been re-casting the category wise sales of those categories that were having abnormally low ABR.

The Commission in the current proceedings also sought the commercial diary for FY 2023-24 to check the division wise sales and revenue. The Petitioner in its reply submitted the same. The Commission while analysing the same for some of the divisions, found that the ABR of almost all the categories were abnormally low as compared to the ABR approved by the Commission for FY 2023-24. The Commission further observed that instead of any improvement vis-à-vis earlier years, the ABR related anomalies have only increased in FY 2023-24.

The Commission during the Technical Validation Session held on January 28, 2025, pointed out various deficiencies in the Commercial diary and sought written justification of such abnormally low ABR. The Petitioner, however, could not submit the specific reasons for divisions where the ABR was abnormally lower, i.e. in some cases even lower than the approved Energy Charges and also considering the monthly FPPCA recovered over and above the tariff approved by the Commission.

In view of the above discrepancies observed in the sales data in the commercial diary submitted by the Petitioner for FY 2023-24 and reply submitted, the Commission in this Tariff Order has to again re-cast the category wise sales of those divisions that have abnormally low ABR. The approach adopted for re-casting the category wise sales of UPCL for FY 2023-24 is discussed hereunder:

a) Domestic Consumers

In line with the approach followed in the Tariff Order dated March 28, 2024 division wise re-casting has been done where the actual ABR is found to be considerably lower than the approved tariffs. In order to assess the normative ABR, the Commission has computed the ABR for Domestic Consumers including RTS 1.1 (BPL/Lifeline Consumers), based on the approved energy charges and fixed charges (including monthly FPPCA levied by UPCL) and upon considering the consumption per consumer per month for such domestic consumers. The tariff of BPL/lifeline consumers is applicable to the consumers having load upto 1 kW and consumption upto 60 units/month. Based on the normative ABR and revenue booked, excess sales to be disallowed has been computed for each division which is as shown below:

Table 4.1: Excess Sales to be disallowed for Domestic Category

S. No	Name of Division/Circles	Consumer	Energy Sold (MU)	Revenue Booked (Rs. Lakh)	ABR actual (Rs./kWh)	Consumption /Con./month	ABR (Normative) Rs./kWh	Excess Sales (MU)
Domestic : BPL RTS-1								
1.	EDD, Raipur	2050	5.43	212.47	3.91	220.85	4.55	0.77
2.	EDD Vikasnagar	24403	21.05	795.20	3.78	71.89	4.16	1.95
3.	EDD (N), Dehradun	1014	0.92	32.75	3.56	75.61	4.12	0.13
4.	EDD (U), Roorkee	5156	9.88	297.42	3.01	159.68	4.25	2.88
5.	EDD (U), Hardwar	2037	1.76	70.52	4.00	72.08	4.16	0.07
6.	EDD, Laksar	3420	11.04	221.64	2.01	268.92	4.90	6.51
7.	EDD (U), Haldwani	1108	2.61	82.78	3.17	196.30	4.35	0.71
8.	EDD, Ramnagar	6338	5.77	233.40	4.05	75.83	4.12	0.10
9.	EDD Rudrapur-II	4656	4.32	175.51	4.06	77.32	4.10	0.04
10.	EDD, Sitarganj	14606	13.15	501.99	3.82	75.04	4.13	0.99
11.	EDD, Khatima	9636	8.24	308.75	3.75	71.22	4.17	0.83
Total								**14.98**
Domestic : Other than BPL RTS-1								
1.	EDD, Barkot	11268	11.96	477.63	4.00	88.41	4.01	0.04
2.	EDD, Nainidana	27145	7.65	443.10	5.79	23.49	5.88	0.12
3.	EDD (R),Roorkee	48968	105.52	4155.36	3.94	179.58	4.75	18.06
4.	EDD, Laksar	57776	90.13	4139.87	4.59	130.00	4.74	2.79
5.	EDD, Dharchula	20780	11.88	491.03	4.13	47.64	4.59	1.18
Total								**22.18**

Accordingly, based on the above, the total re-casted sales for Domestic Category for FY 2023-24 works out to 3694.77 MU against 3731.93 MU submitted by UPCL.

b) Non-Domestic:

Based on the detailed analysis of the division wise sales and ABR submitted for FY 2023-24, it is observed that for consumer category with load upto 75 kW and also above 75 kW the ABR in some of the divisions was considerably lower than the average ABR of the category for the State as a whole. In order to assess normative ABR on the basis of Rate Schedule approved by the Commission, the Commission has computed the same, for the category considering the energy charges (including monthly FPPCA levied by UPCL) and fixed charges applicable for the consumers, which works out to Rs. 7.23/kWh for contracted capacity upto 75 kW and Rs. 7.51/kWh for contracted capacity above 75 kW. The Commission has re-casted the sales of the divisions for which the ABR has been found to be considerably lower than Rs. 7.23/kWh (upto 75 kW) and Rs. 7.51/kWh (above 75 kW) respectively.

Based on the normative ABR as discussed above and revenue booked, excess sales to be disallowed has been computed for each division. The division wise excess sales to be disallowed is as shown in the Table below:

Table 4.2: Excess Sales to be disallowed for Non-Domestic Category

S. No.	Name of Division/Circles	Load (KW)	Energy Sold (MU)	Revenue Booked (Rs. Lakh)	ABR actual (Rs./kWh)	ABR normative (Rs./kWh)	Excess sales (MU)
RTS:2 - Non-Domestic (Upto 75 kW)							
1.	EDD Barkot	8382	11.64	734.75	6.31	7.23	1.48
2.	EDD, Shrinagar	18986	21.87	1438.63	6.58	7.23	1.98
3.	EDD, Gopeshwar	8958	21.61	1491.60	6.90	7.23	0.99
4.	EDD (R), Roorkee	19198	30.49	1782.37	5.85	7.23	5.85
5.	EDD, Bajpur	15346	22.77	1558.27	6.84	7.23	1.23
6.	EDD, Jaspur	12294	14.66	1020.29	6.96	7.23	0.56
7.	EDD, Kichha	15813	17.20	1203.45	7.00	7.23	0.56
8.	EDD, Pithoragarh	14686	17.38	1210.81	6.97	7.23	0.65
Total							**13.29**
RTS:2 - Non-Domestic (Above 75 kW)							
1.	EDD, Raipur	10473	10.71	738.60	6.90	7.51	0.87
2.	EDD Vikasnagar	2185	5.33	382.41	7.17	7.51	0.24
3.	EDD, Rishikesh	11883	38.01	2322.49	6.11	7.51	7.08
4.	EDD, Doiwala	6640	19.45	1201.63	6.18	7.51	3.45
5.	EDD, Mohanpur	14298	27.81	2052.84	7.38	7.51	0.47
6.	EDD (N), Dehradun	28391	75.43	5636.99	7.47	7.51	0.35
7.	EDD (S), Dehradun	31516	67.51	4798.61	7.11	7.51	3.60
8.	EDD (C), Dehradun	22986	44.02	3284.88	7.46	7.51	0.27
9.	EDD, Tehri	11095	18.65	1380.89	7.41	7.51	0.25
10.	EDD, Barkot	200	0.52	34.81	6.69	7.51	0.06
11.	EDD, Kotdwar	2695	3.34	239.84	7.18	7.51	0.15
12.	EDD Bhagwanpur	2,414	2.63	193.20	7.34	7.51	0.06
13.	EDD (R), Hardwar	9,633	21.61	1,576.25	7.29	7.51	0.62
14.	EDD, Jwalapur	3,376	5.61	407.72	7.27	7.51	0.18
15.	EDD (U), Haldwani	10,059	1.14	84.12	7.35	7.51	0.02
16.	EDD, Nainital	6521	0.83	0.00	0.00	7.51	0.83
17.	EDD, Almora	6047	4.22	305.140	7.23	7.51	0.16
18.	EDD, Bageshwar	300	0.84	59.21	7.05	7.51	0.05
19.	EDD, Kichha	4973	21.44	1291.53	6.02	7.51	4.24
20.	EDD, Champawat	836	1.65	0.00	0.00	7.51	1.65
Total							**24.60**

Accordingly, based on the above, the total re-casted sales for Non-Domestic Category for FY 2023-24 works out to 1836.28 MU as against 1874.17 MU submitted by UPCL.

c) Government Public Utilities:

Similarly, for Government Public Utilities, normative ABR has been computed for each division considering the energy charges (including monthly FPPCA levied by UPCL) and fixed charges approved by the Commission and the same has been compared with the average division wise ABR and, wherever, the actual division wise ABR is found to be lower than the normative ABR, sales have been re-estimated based on the actual revenue and normative ABR. The excess sales worked out based on the above approach is 37.23 MU.

Accordingly, based on the above, the total re-casted sales for Government Public Utilities for FY 2023-24 works out to 720.87 MU as against 758.10 MU submitted by UPCL.

d) PTW Category:

The Commission observed that the ABR for some of the divisions for PTW category were lower than the approved rate of Rs. 2.32/kWh and, therefore, the Commission during the technical validation session sought explanation from UPCL for low ABR. UPCL in its reply submitted that it had directed the field officials to correct all the anomalies in the Commercial diary as pointed by the Commission and assured that these corrections would be implemented in the Commercial Dairy for FY 2024-25. The Commission observes that previous year's consumption for three months has been billed at the tariff of Rs. 2.20/kWh which was applicable for FY 2022-23 and consumption of rest of the nine months were billed at Rs. 2.35/kWh (including average FPPCA of Rs. 0.05/kWh levied by UPCL for last three quarters of FY 2023-24). The Commission, therefore, for the purpose of re-casting the PTW sales, has considered the weighted average tariff of Rs. 2.32/kWh for PTW consumers. The Commission has re-casted the sales of the divisions for which the ABR has been found to be considerably low.

The re-casting is done division wise where actual ABR is found to be considerably lower. Based on the normative ABR equivalent to the tariff for this category and revenue booked, excess sales to be disallowed has been computed for each division. The excess sales to be disallowed for the following divisions is as shown in the Table below:

Table 4.3: Excess Sales to be disallowed for PTW Category

S. No.	Name of Division/Circles	Load (KW)	Energy Sold (MU)	Revenue Booked (Rs. Lakh)	ABR actual (Rs./kWh)	ABR normative (Rs./kWh)	Excess sales (MU)
RTS 4 – Private Tube Well							
1.	EDD Vikasnagar	5177	1.92	44.30	2.30	2.32	0.01
2.	EDD, Doiwala	1090	0.72	16.55	2.30	2.32	0.004
3.	EDD (N), Dehradun	37	0.07	1.53	2.25	2.32	0.002
4.	EDD (S), Dehradun	195	0.18	4.11	2.28	2.32	0.003
5.	EDD (U), Roorkee	5160	16.18	300.67	1.86	2.32	3.20
6.	EDD, Laksar	40914	21.80	402.70	1.85	2.32	4.41
7.	EDD, Jwalapur	8406	5.12	118.23	2.31	2.32	0.02
8.	EDD, Nainital	165	0.14	2.56	1.79	2.32	0.03
9.	EDD (R), Haldwani	167	0.10	2.17	2.28	2.32	0.001
10.	EDD, Bajpur	25637	25.72	567.96	2.21	2.32	1.20
11.	EDD Rudrapur-I	1,813	3.62	79.29	2.19	2.32	0.20
12.	EDD, Kichha	10,690	9.17	202.51	2.21	2.32	0.43
13.	EDD, Rudrapur-II	22,513	20.13	429.54	2.13	2.32	1.58
14.	EDD, Sitarganj	15,319	19.78	454.00	2.30	2.32	0.18
15.	EDD, Khatima	8,317	7.19	165.48	2.30	2.32	0.04
Total							**11.30**

Accordingly, based on the above, the total re-casted sales for PTW Category for FY 2023-24 works out to 240.90 MU as against 252.20 MU submitted by UPCL.

e) Agriculture and Allied Activities

The Commission observed that ABR for some of the divisions for Agriculture and allied Activities consumers (RTS-4A) were lower than the approved rate (including monthly FPPCA levied by UPCL) of Rs. 3.31/kWh. The Commission, therefore, for the purpose of re-casting, has considered the approved tariff of Rs. 3.31/kWh for RTS-4A consumers.

The re-casting is done division wise where actual ABR is found to be considerably lower. Based on the normative ABR equivalent to the tariff for this category and revenue booked, excess sales to be disallowed has been computed for each division. The excess sales to be disallowed for the following divisions is as shown in the Table below:

Table 4.4: Excess Sales to be disallowed for RTS 4A Category

S. No.	Name of Division/Circles	Load (KW)	Energy Sold (MU)	Revenue Booked (Rs. Lakh)	ABR actual (Rs./kWh)	ABR normative (Rs./kWh)	Excess sales (MU)
RTS-4A: Agriculture Allied Activities							
1.	EDD, Raipur	111	0.11	3.39	3.23	3.31	0.002
2.	EDD Vikasnagar	170	0.08	2.63	3.25	3.31	0.001
3.	EDD, Rishikesh	10	0.01	0.30	2.73	3.31	0.002
4.	EDD, Doiwala	1076	4.27	139.96	3.27	3.31	0.04
5.	EDD (S), Dehradun	46	0.12	3.86	3.22	3.31	0.003
6.	EDD, Tehri	133	0.24	5.94	2.52	3.31	0.06
7.	EDD (U), Roorkee	707	1.00	32.07	3.20	3.31	0.03
8.	EDD Bhagwanpur	2099	3.30	106.54	3.22	3.31	0.08
9.	EDD, Kashipur	347	14.50	471.14	3.25	3.31	0.25
10.	EDD, Bajpur	99	0.05	1.32	2.87	3.31	0.01
11.	EDD Rudrapur-I	326	0.11	2.81	2.55	3.31	0.03
12.	EDD, Rudrapur-II	38	0.03	0.95	3.17	3.31	0.001
13.	EDD, Khatima	88	0.20	6.53	3.25	3.31	0.004
Total							**0.51**

Accordingly, based on the above, the total re-casted sales for RTS-4A Category for FY 2023-24 works out to 28.12 MU as against 28.62 MU submitted by UPCL.

f) LT Industry

Based on the detailed analysis of the division wise sales submitted for FY 2023-24, it is observed that the ABR for the category was abnormally lower in case of some of the divisions. The division wise normative ABR has been worked out considering the energy charge (including monthly FPPCA levied by UPCL) and fixed charges applicable for the consumer category considering the consumption per kW per month. Based on the normative ABR and revenue booked, excess sales to be disallowed has been computed for each division. The excess sales to be disallowed for the following divisions is as shown below:

Table 4.5: Excess Sales to be disallowed for LT Industry

S. No.	Name of Division/Circles	Load (KW)	Energy Sold (MU)	Revenue Booked (Rs. Lakh)	ABR actual (Rs./kWh)	Consumption /kW/Month	ABR (Normative) Rs./kWh	Excess Sales (MU)
1.	EDD Vikasnagar	8286	4.98	433.38	8.70	50.11	9.01	0.17
2.	EDD (C), Dehradun	2451	1.02	81.40	7.96	34.75	10.53	0.25
3.	EDD, Uttarkashi	825	0.45	34.37	7.67	45.25	9.38	0.08
4.	EDD, Barkot	785	0.64	40.68	6.41	67.41	8.13	0.13
5.	EDD, Kotdwar	10609	6.60	524.44	7.95	51.83	8.90	0.70
6.	EDD, Nainidanda	496	0.13	13.94	10.56	22.18	13.34	0.03
7.	EDD, Gairsain	368	0.11	10.22	9.73	23.78	12.82	0.03
8.	EDD, Rudraprayag	1049	0.94	69.81	7.40	74.99	7.87	0.06
9.	EDD (R), Roorkee	6092	7.08	498.98	7.05	58.69	8.51	0.12
10.	EDD Bhagwanpur	65446	30.39	1974.59	6.50	96.82	7.35	0.29
11.	EDD Ramnagar (Roorkee)	10648	12.65	941.51	7.44	38.70	10.02	10.69
12.	EDD, Laksar	7827	3.37	310.46	9.21	35.87	10.37	0.38
13.	EDD, Jwalapur	29180	19.97	1498.62	7.50	57.04	8.59	2.53
14.	EDD, Nainital	2358	0.96	82.59	8.58	34.03	10.63	0.19
15.	EDD (R), Haldwani	7519	7.40	537.68	7.27	81.98	7.67	0.39
16.	EDD, Kashipur	21392	23.21	1671.05	7.20	90.42	7.48	0.86
17.	EDD, Bajpur	10997	12.88	836.61	6.50	97.57	7.34	1.47
18.	EDD, Bageshwar	2499	1.00	72.23	7.22	33.35	10.74	0.33
19.	EDD, Ranikhet	1761	0.42	41.95	10.08	19.69	14.33	0.12
20.	EDD, Bhikiyasain	959	0.34	26.82	7.91	29.46	11.42	0.10
21.	EDD Rudrapur-I	32647	36.32	2475.91	6.82	92.71	7.43	2.99
22.	EDD, Kichha	22500	27.77	1766.93	6.36	102.83	7.25	3.38
23.	EDD, Rudrapur-II	26407	21.64	1621.87	7.50	68.28	8.09	1.60
24.	EDD, Sitarganj	18491	14.29	1115.79	7.81	64.39	8.25	0.76
25.	EDD, Khatima	9609	9.30	708.47	7.62	80.66	7.71	0.11
26.	EDD, Champawat	1827	1.21	102.73	8.49	55.19	8.69	0.03
27.	EDD, Pithoragarh	1575	0.71	61.41	8.65	37.57	10.16	0.11
28.	EDD, Dharchula	485	0.25	19.83	7.87	43.30	9.55	0.04
Total								**27.93**

Accordingly, based on the above, the total re-casted sales for LT Industry for FY 2023-24 works out to 335.33 MU as against 363.26 MU submitted by UPCL.

g) HT Industry

The Petitioner submitted the sales to HT Industry of 6587.91 MU for FY 2023-24. The Commission carried out detailed analysis of the division wise sales and ABR submitted by the Petitioner for FY 2023-24, and from the same it is observed that various divisions have abnormally low ABR. In order to assess normative ABR on the basis of the Rate Schedule approved by the Commission, the Commission has computed the same considering the energy charges (including monthly FPPCA levied by UPCL) and fixed charges applicable for the consumer category considering the consumption per kW per month for the respective divisions. Based on the normative ABR and revenue booked, excess sales to be disallowed has been computed for each division. The excess sales to be disallowed for the following divisions is as shown below:

Table 4.6: Excess Sales to be disallowed for HT Industry

S. No.	Name of Division/Circles	Load (KW)	Energy Sold (MU)	Revenue Booked (Rs. Lakh)	ABR actual (Rs./kWh)	Consumption / kW/Month	ABR (Normative) Rs./kWh	Excess Sales (MU)
HT Industry (Upto 1000 kVA)								
1.	EDD Vikasnagar	14813	12.61	1009.81	8.01	70.96	10.00	2.52
2.	EDD, Rishikesh	1180	1.03	98.07	9.56	72.46	9.92	0.04
3.	EDD (C), Dehradun	341	0.44	37.10	8.36	108.50	8.54	0.01
4.	EDD, Uttarkashi	1375	1.39	123.16	8.85	84.30	9.34	0.07
5.	EDD, Barkot	1552	2.48	175.88	7.11	132.89	8.04	0.29
6.	EDD, Kotdwar	13182	23.99	1825.82	7.61	151.64	7.76	0.45
7.	EDD, Nainidanda	600	0.74	60.00	8.13	102.50	8.71	0.05
8.	EDD, Gopeshwar	125	0.08	5.59	6.65	56.00	11.13	0.03
9.	EDD Ramnagar (Roorkee)	23107	46.08	3401.50	7.38	166.17	7.59	1.23
10.	EDD, Laksar	26082	23.11	2071.49	8.96	73.85	9.84	2.06
11.	EDD, Nainital	3077	2.20	215.76	9.81	59.55	10.81	0.20
12.	EDD (R), Haldwani	24359	47.37	3512.02	7.41	162.06	7.63	1.35
13.	EDD, Kashipur	63752	123.08	8935.29	7.26	160.89	7.64	6.20
14.	EDD, Bajpur	27946	64.24	4207.05	6.55	191.55	7.35	6.97
15.	EDD, Jaspur	24546	53.18	3579.42	6.73	180.55	7.44	5.08
16.	EDD, Bageshwar	1530	2.70	196.89	7.29	147.06	7.82	0.18
17.	EDD, Kichha	38819	75.76	5228.77	6.90	162.63	7.62	7.18
18.	EDD, Sitarganj	49214	83.50	6533.35	7.82	141.40	7.90	0.82
19.	EDD, Dharchula	780	0.52	52.66	10.23	55.02	11.23	0.05
HT Industry (Above 1000 kVA)								
1.	EDD Vikasnagar	4800	15.01	1067.61	7.11	260.59	7.14	0.05
2.	EDD, Doiwala	4123	18.10	1282.60	7.08	365.91	7.15	0.17
3.	EDD, Kotdwar	64350	216.20	14978.22	6.93	279.98	7.04	3.58
4.	EDD, Rudraprayag	3000	10.63	771.69	7.26	295.22	7.38	0.18
5.	EDD (U), Roorkee	5520	10.40	817.92	7.86	157.02	8.03	0.22
6.	EDD (R), Roorkee	98860	383.80	26837.85	6.99	323.52	7.28	15.09
7.	EDD Ramnagar (Roorkee)	5620	26.31	1853.67	7.05	390.12	7.09	0.17
8.	EDD, Jwalapur	3000	26.36	1649.69	6.26	732.14	6.67	1.62
9.	EDD, Kashipur	141100	537.45	39001.96	7.26	317.42	7.30	3.17
10.	EDD, Bajpur	50703	306.49	20037.86	6.54	503.74	6.89	15.59
11.	EDD, Jaspur	89178	346.86	22915.44	6.61	324.13	7.28	31.95
12.	EDD, Kichha	37245	112.89	7767.26	6.88	252.58	7.18	4.73
13.	EDD, Sitarganj	79684	329.19	22644.41	6.88	344.26	7.21	15.25
Total								**126.54**

Accordingly, based on the above, the total re-casted sales for HT Industry for FY 2023-24 works out to 6461.37 MU as against 6587.91 MU submitted by UPCL.

h) Mixed Load

Based on the detailed analysis of the division wise sales and ABR submitted by the Petitioner for FY 2023-24, it is observed that various divisions have abnormally low ABR. In order to assess normative ABR on the basis of Rate Schedule approved by the Commission, the Commission has computed the same considering the energy charges (including monthly FPPCA levied by UPCL) and fixed charges applicable for the consumers considering the consumption per kW per month for the respective divisions. Based on the normative ABR and revenue booked, excess sales to be disallowed has been computed for each division. The excess sales to be disallowed for the following divisions is as shown in the Table below:

Table 4.7: Excess Sales to be disallowed for Mixed Load

S. No.	Name of Division/Circles	Load (KW)	Energy Sold (MU)	Revenue Booked (Rs. Lakh)	ABR actual (Rs./kWh)	Consumption /kW/Month	ABR (Normative) Rs./kWh	Excess Sales (MU)
1.	EDD (N), Dehradun	9146	27.76	1987.50	7.16	252.90	7.17	0.04
2.	EDD (S), Dehradun	5110	25.05	1733.14	6.92	408.58	6.97	0.18
3.	EDD, Tehri	6300	17.04	1211.51	7.11	225.38	7.24	0.30
4.	EDD, Gopeshwar	1495	1.96	146.67	7.48	109.31	7.87	0.10
5.	EDD (U), Roorkee	12422	50.79	3534.36	6.96	340.75	7.03	0.55
6.	EDD, Ramnagar	774	2.28	162.80	7.16	244.94	7.19	0.01
7.	EDD (R), Haldwani	949	1.26	90.76	7.18	110.99	7.85	0.11
8.	EDD, Bageshwar	265	0.75	51.79	6.95	234.28	7.21	0.03
9.	EDD, Ranikhet	1895	6.06	420.17	6.93	266.49	7.14	0.18
10.	EDD, Kichha	450	0.80	57.70	7.19	148.52	7.55	0.04
11.	EDD, Rudrapur-II	176	0.04	4.16	10.40	18.94	13.74	0.01
12.	EDD, Champawat	2420	4.41	325.26	7.38	151.83	7.53	0.09
13.	EDD, Pithoragarh	2306	8.31	586.34	7.06	300.27	7.09	0.04
	Total							**1.66**

Accordingly, based on the above, the total re-casted sales for Mixed Load for FY 2023-24 works out to 192.42 MU as against 194.08 MU submitted by UPCL.

The Commission has been carrying out this recasting exeecise since past so many years while carrying out the true up of the utility for the respective years, and has been asking UPCL to establish practices such that these type of anomalies are reduced to bare a minimum and the need for sales recasting do not arise. Moreover, the recasting is based on the data submitted by UPCL itself, and the utility is in the best position to carryout the said exercise inhouse and take timely corrective action to rectify the anomalies. **The Commission, accordingly, directs UPCL to carryout**

a monthly review of its ABR for all the divisions vis-à-vis ABR approved by the Commission for the respective financial year and submit the report of analysis alongwith proposed corrective action on monthly basis. The findings of the report shall be placed before the BoD on quarterly basis and Board's recommendation/action on the same shall be submitted to the Commission within 15 days of such BoD meeting but not later than end of the month succeeding such quarter. UPCL is further directed to fix responsibility and take action against the concerned Superintending Engineer/Executive Engineer of the respective division for the anomalies in the commercial diary, and submit report of the same to the Commission alongwith the monthly report of review of division wise ABR.

Based on the above analysis, the category wise sales for FY 2023-24 as re-casted by the Commission is as shown in the Table below:

Table 4.8: Category-wise Sales for FY 2023-24 (MU)

Categories	Approved in the Tariff Order dated March 30, 2023	Claimed in the Petition	Approved after Truing Up
Domestic (RTS - 1)	3996.99	3731.93	3694.77
Non-domestic, incl. Commercial (RTS - 2)	1764.11	1874.17	1836.28
Govt. Public Utilities (RTS - 3)	788.02	758.10	720.87
Private Tubewell/Pump Sets (RTS - 4)	290.81	252.20	240.90
Agriculture and Allied Activities (RTS-4A)		28.62	28.12
LT & HT Industry (RTS-5)	7668.89	6951.18	6796.70
Total LT	395.01	363.26	335.33
Total HT	7273.88	6587.91	6461.37
Mixed Load (RTS - 6)	211.02	194.08	192.42
Railway Traction (RTS - 7)	88.19	79.89	79.89
EV Charging Stations	4.00	0.52	0.52
Additional sales (efficiency improvement)	42.81	-	-
Total	**14854.84**	**13870.70**	**13590.49**

4.1.2 *Distribution Losses*

The Petitioner in its Petition has submitted its distribution losses for FY 2023-24 as 13.89%. The Commission for FY 2023-24 had approved the distribution losses of 13.25% based on the loss reduction trajectory approved in the MYT Order for the fourth Control Period from FY 2022-23 to FY 2024-25. However, as per the actual data submitted by the Petitioner and the re-casted sales approved by the Commission, the actual distribution losses for FY 2023-24 works out to 15.63%.

The Commission observed that even though distribution loss for FY 2023-24 is lower than the actual losses of 16.39% trued up for FY 2022-23, it remains higher than the approved losses of

13.25% for FY 2023-24. The Commission during Technical Validation Session sought justification from UPCL on increased losses. UPCL submitted that it has made significant efforts to reduce the distribution losses and has observed only a marginally increase compared to the approved loss trajectory of the Commission. UPCL further submitted that it is facing difficulty in assessing and reducing losses with present infrastructure and aims to overcome this hurdle with implementation of various measures under RDSS scheme such as smart metering, feeder metering, DTR metering and system strengthening. The Petitioner further submitted that distribution losses are combination of both technical and commercial, however, there is a very limited scope in reduction of technical losses. The Petitioner submitted that in order to reduce the distribution losses, majorly the following actions are being taken:

a) Vigilance raids are being conducted and cases are being registered under Section 126 and 135 of the Electricity Act, 2003. Legal proceedings are being initiated against the person(s) who is found indulging in the theft of electricity.

b) Defective Meters are being replaced.

c) LT AB Cable is being laid in theft prone areas.

d) Automatic Meter Reading is being done of high value consumers.

e) Android based billing has been introduced for improvement in Billing Efficiency.

f) Installation of Smart meters is under process under RDSS scheme.

The Commission observes that while there is a limited scope in reduction of technical part of the loss, the actual loss of 15.63% for FY 2023-24 is not solely attributable to technical losses, as it also includes non-technical/commercial losses. The billing efficiency contributes to the non-technical part of the distribution losses, which has only slightly increased from 85.62% in FY 2022-23 to 86.11% in FY 2023-24 and is still a major contributor to the higher distribution loss. The Petitioner further submitted that significant investments are being taken through Central Government schemes such as RDSS which among other works also covers replacement of consumer meters with smart meters and metering of DTR, which will enable the utility in reducing the distribution loss going forward and, thus, requested to approve the Distribution losses of 13.89% instead of the loss as per the trajectory approved by the Commission.

The Commission observes that the Petitioner has been carrying out regular capital expenditure to reduce distribution loss which have been allowed by the Commission from time to time and as no plausible reason has been offered by UPCL for lower billing efficiency when meter reading activity has majorly been outsourced by UPCL. Besides the submissions made by UPCL regarding initiative taken by UPCL to reduce the losses, are merely repetitive in nature and are being reproduced in the Petition as such, without any evident improvements in the distribution losses. It is further observed that in some of the towns covered under RAPDRP, the billing efficiency is as low as 36%. Hence, the Commission does not find any reason to allow actual losses to UPCL as claimed by it. The Commission, in accordance with the approach adopted in its previous Orders, has allowed the actual quantum of power purchase made by the Petitioner. Considering the actual energy input of 16108.93 MU at distribution periphery (T&D interface) for FY 2023-24 and applying the approved loss level of 13.25% for the year, the Commission re-estimated the sales of 13974.50 MU for FY 2023-24. As against this sale of 13974.50 MU, the actual re-casted sales trued up by the Commission for FY 2023-24 is 13590.49 MU. Therefore, there is a loss of sales to the tune of 384.01 MU on account of commercial inefficiencies of the Petitioner resulting from its failure to achieve the distribution losses target approved by the Commission. The Commission has worked out the average billing rate of Rs. 6.80/kWh on the trued up re-casted sales of 13590.49 MU and considering the sales revenue for FY 2023-24 as Rs. 9235.84 Crore, as submitted by the Petitioner. The Commission for FY 2023-24 has not carried out revenue adjustment for supply of power to UPCL's employees & pensioners as the Average billing rate is similar to the ABR of other domestic consumers. Further, the Commission has computed the additional revenue on account of loss in sales due to higher distribution loss of Rs. 260.97 Crore for FY 2023-24. Moreover, since distribution loss is a controllable parameter, the Commission has carried out the sharing of the impact of excess distribution loss in accordance with the provisions of UERC Tariff Regulations, 2021.

4.1.3 *Power Purchase Expenses (Including Transmission Charges)*

The Petitioner has submitted the power purchase cost (including transmission charges and water tax) of Rs. 8369.65 Crore as against the approved expenses of Rs. 8295.47 Crore for FY 2023-24.

The Petitioner further submitted that it has reduced expenses of Rs. 6.38 Crore pertaining to banking of power from the power purchase cost as the same is a non-cash transaction. The Petitioner has further reduced the actual cost by Rs. 0.11 Crore which was incurred towards late payment surcharge and has also reduced revenue towards sale of power outside the State amounting to Rs. 190.22 Crore and has, accordingly, claimed net power purchase cost of Rs. 7309.42 Crore, excluding transmission charges.

The Commission in its previous Tariff Orders had laid down the principle for calculating the rate of free power based on the average rate of power purchase from large hydro stations by UPCL. The Commission in the Tariff Order for FY 2023-24 had approved the rate of free power as Rs. 2.23/kWh. The Commission now observed that as per Comdata of UPCL for FY 2023-24, the average rate of free power is Rs. 2.23/kWh, which is same as booked in the audited accounts for FY 2023-24 and, therefore, no adjustment on account of the rate of free power has been carried out.

With regard to the claim of Water Tax amounting to Rs. 201.51 Crore, the Commission sought supporting documents to substantiate the actual expenses incurred towards the same. The Petitioner in its reply dated January 15, 2024, submitted the same. The Commission has gone through the submissions of the Petitioner and has approved the same.

UPCL has claimed PGCIL charges of Rs. 686.30 Crore as against the approved expenses of Rs. 598.40 Crore for FY 2023-24. The Petitioner submitted that the same comprises of PGCIL Charges amounting to Rs. 1.06 Crore, CTU Charges amounting to Rs. 675.52 Crore, and Other Charges amounting to Rs. 9.71 Crore. The Commission has, accordingly, approved the Inter-State Transmission Charges of Rs. 686.30 Crore for FY 2023-24.

The Commission, however, would like to point out that Inter-State Transmission charges are increasing as dependency on short term power is also increasing. In FY 2023-24 UPCL had purchased about 2374.84 MU from IEX (Net Purchase) at an average rate of Rs. 5.41 per unit and Tender Purchase of 750.55 MU at an average rate of Rs. 5.18 per unit. The Commission had allowed the deficit power purchase at State periphery at Rs. 5.42 per unit in the Tariff Order dated 30.03.2023 for FY 2023-24.

The Petitioner in response to the comments of stakeholder, as discussed in Chapter 2 of this Order, submitted that major reason for increase in power purchase cost is on account of increase in the rate of Central Sector Generating Stations and high rate of Gas Power.

The Commission has gone through the submissions of the Petitioner and observes that the reliance on short term sources to fulfil deficit energy is not in the interest of UPCL, for the primary reason that the rates in the market are very volatile and are directly influenced by the demand and supply scenario, thus, making it very unpredictable as to the quantum and the rate the utility can secure power in times of need. Many a times, during peak hours the quantum of power bid at exchange does not get clear even at Rs. 10 per unit thereby leading to distress purchase which is not beneficial for the State. Moreover, the short-term power involves continuous monitoring of the market scenario, and being a Govt. undertaking, UPCL has to go through approvals at various level, thus, making the task very cumbersome. These exercises hamper the efficiency which the utility can achieve by utilising its manpower in other areas where there is a larger scope for improvement. The minimalistic reliance on short term sources will help the utility to serve the power needs of the consumers of the State in a smooth manner.

The Commission time and again through various Orders and official communications has been directing UPCL to prepare a long-term power procurement plan, however, as evident from the power purchase details submitted for FY 2023-24, UPCL has not been able to remedy the situation.

The Commission is not going into the details of landed price of power procured by UPCL during FY 2023-24 from the energy exchange, as the same would include not only the price of power but SToA charges and PoC losses as well. In this regard, **the Commission directs UPCL to ensure that actual power purchase to meet the deficit should not exceed the rate approved by the Commission in the relevant tariff orders at the State periphery. Any procurement over and above the rate at the State periphery approved by the Commission shall be disallowed unless prior approval for the same is sought by UPCL. Moreover, the Commission also directs UPCL to minimise its reliance on short term procurement within 5% of its overall power requirement in the financial year.**

With regard to the Intra-State transmission charges, UPCL has claimed PTCUL and SLDC Charges of Rs. 373.92 Crore. The Commission has approved the Intra-State Transmission Charges and SLDC charges as claimed by the Petitioner.

UPCL submitted that it has fulfilled the RPO targets except Wind and Solar RPO for FY 2023-24 in accordance with the provisions of the UERC (Tariff and Other Terms for Supply of Electricity from Renewable Energy Sources and non-fossil fuel based Co-Generating Stations) Regulations, 2023 (RE Regulations, 2023). The Petitioner requested the Commission to consider the excess RPO under ‘HPO’ and ‘Other than Solar’ for meeting the shortfall in Wind and Solar RPO.

Table 4.9: RPO Status for FY 2023-24 (MU)

Particulars	FY 2023-24
Renewable Purchase Obligation – Other than solar	19.81%
Renewable Purchase Obligation - Solar	5.00%
Renewable Purchase Obligation - HPO	0.66%
Renewable Purchase Obligation - Wind	1.60%
Total Energy (at State Periphery) (In MU)	16432.19
RPO Target (Other than Solar)	3255.22
RPO Target (Solar)	821.61
RPO Target (HPO)	108.45
RPO Target (Wind)	262.92
RE Energy Purchased (Other than Solar)	7239.26
RE Energy Purchased (Solar)	556.73
RE Energy Purchased (HPO)	373.09
RE Energy Purchased (Wind)	4.62
Deficit(+)/Surplus(-)	
Other than Solar	-3984.04
HPO	-264.88
Wind	264.64
Solar	258.30
Deficit(+)/Surplus(-) after offsetting allowed as per Regulation	
Energy deficit for achieving RPO (Other than Solar) {(-ve) Surplus/(+) Deficit}	-3719.16
Energy deficit for achieving RPO (Solar) {(-ve) Surplus/(+) Deficit}	-
Energy deficit for achieving RPO (HPO) {(-ve) Surplus/(+) Deficit}	-6.33
Energy deficit for achieving RPO (Wind) {(-ve) Surplus/(+) Deficit}	-

The Petitioner submitted that it has fulfilled the RPO targets for FY 2023-24 in accordance with the provision of UERC (Tariff and Other Terms for Supply of Electricity from Renewable Energy Sources and non-fossil fuel based Co-Generating Stations) Regulations, 2023.

The Commission has gone through the submissions of the Petitioner and has taken serious note of the non-compliance of RPO targets for solar as well as wind sources specified in the RE Regulations, 2023. However, since the matter cannot be dealt with in this Tariff proceedings, the Commission advises UPCL to bring a separate Petition seeking adjustment of unmet RPO in accordance with UERC (Compliance of Renewable Purchase Obligation) Regulations, 2010.

The Commission for allowing the power purchase cost has relied upon the cost booked in the audited accounts and approves the power purchase cost as follows:

Table 4.10: Power Purchase Cost claimed by UPCL and approved by the Commission for FY 2023-24 (Rs. Crore)

Particulars	Claimed by UPCL	Approved by the Commission
Power Purchase Expenses	7309.42	7309.42
Transmission Charges-Inter-State	686.30	686.30
Intra-State Transmission & SLDC Charges	373.92	373.92
Total Power Purchase Cost	**8369.65**	**8369.65**

4.1.4 *Operation and Maintenance (O&M) Expenses*

O&M expenses comprises of Employee Expenses, A&G Expenses and R&M Expenses, i.e. expenditure on staff, administration and general expenses and repairs and maintenance expenses etc. O&M expenses for the fourth Control Period has to be calculated in accordance with Regulation 84 of UERC Tariff Regulations, 2021 which specifies as under:

"(1) The O&M expenses for the first year of the Control Period shall be approved by the Commission taking into account the actual O&M expenses for last five years till Base Year subject to prudence check and any other factors considered appropriate by the Commission.

(2) The O&M expenses for the nth year and also for the year immediately preceding the Control Period, i.e. 2021-22, shall be approved based on the formula given below:-

O&Mn = R&Mn + EMPn + A&Gn

Where –

- *O&Mn – Operation and Maintenance expense for the nth year;*
- *EMPn – Employee Costs for the nth year;*
- *R&Mn – Repair and Maintenance Costs for the nth year;*
- *A&Gn – Administrative and General Costs for the nth year;*

(3) The above components shall be computed in the manner specified below:

EMPn = (EMPn-1) x (1+Gn) x (1+CPIinflation)

R&Mn = K x (GFAn-1) x (1+WPIinflation) and

A&Gn = (A&Gn-1) x (1+WPIinflation) + Provision

Where -

- *EMPn-1 – Employee Costs for the (n-1)th year;*
- *A&G n-1 – Administrative and General Costs for the (n-1)th year;*

Provision: Cost for initiatives or other one-time expenses as proposed by the Distribution Licensee and validated by the Commission.

- *'K' is a constant specified by the Commission in %. Value of K for each year of the control* *period shall be determined by the Commission in the MYT Tariff order based on licensee's filing, benchmarking of repair and maintenance expenses, approved repair and maintenance expenses vis-à-vis GFA approved by the Commission in past and any other factor considered appropriate by the Commission;*

- *CPIinflation – is the average increase in the Consumer Price Index (CPI) for immediately preceding three years;*
- *WPIinflation - is the average increase in the Wholesale Price Index (CPI) for immediately preceding three years;*
- *GFAn-1 – Gross Fixed Asset of the distribution licensee for the n-1th year;*
- *Gn is a growth factor for the nth year and it can be greater than or less than zero based on the actual performance. Value of Gn shall be determined by the Commission in the MYT tariff order for meeting the additional manpower requirement based on licensee's filings, benchmarking, and any other factor that the Commission feels appropriate:*

Provided that repair and maintenance expenses determined shall be utilised towards repair and maintenance works only.

Provided further that, repair and maintenance expenses for IT related assets and non-IT related assets shall be computed separately under these Regulations if the distribution utility maintains separate record of assets wise detail of R&M expenses claimed under these Regulations."

4.1.4.1 Employee Expenses

The Petitioner submitted that the actual gross employee expenses as per audited account is Rs. 530.00 Crore. The Petitioner further submitted that it has capitalized employee expenses of Rs. 102.02 Crore and has claimed net employee expenses of Rs. 413.92 Crore after excluding cost of Rs. 14.07 Crore towards subsidized electricity to its employees.

The Petitioner submitted that the normative employee expenses for FY 2023-24 have been arrived at as per the methodology adopted by the Commission in its previous orders and in accordance with UERC Tariff Regulations, 2021. The Petitioner further submitted that the opening EMP_{n-1} has been considered as Rs. 453.92 Crore as approved by the Commission in truing up of FY 2022-23 and CPI inflation has been considered as the average increase in the consumer price index for the preceding three years. The Petitioner has further considered growth in number of employees as 0.00% based on actual recruitments and retirements during FY 2023-24. Further, actual capitalization rate as per the audited accounts has been considered as 19.25% for arriving at the normative employee cost. The normative net employee expenses worked out by the Petitioner is Rs. 405.90 Crore.

The Petitioner has, accordingly, claimed the actual net employee expenses for FY 2023-24 amounting to Rs. 413.92 Crore, after adjusting cost of subsidized electricity to employees, as shown in the Table below:

Table 4.11: Revised Employee Expenses as claimed by the Petitioner for FY 2023-24 (Rs. Crore)

Particulars	Approved in Order dt. March 30, 2023	Revised Normative	Actuals as per Audited Accounts
Emp_{n-1}	454.38	453.92	-
Inflation Factor	5.89%	5.40%	-
Growth Factor	0.00%	0.00%	-
Gross Employee Expenses	481.16	478.44	530.00
Capitalisation Rate	15.16%	15.16%	19.25%
Less: Employee Expenses Capitalised	72.93	72.53	102.02
Less: Cost of Subsidised Electricity	**-**	**-**	**14.07**
Net Employee Expenses	**408.23**	**405.90**	**413.92**

The Commission had approved the normative gross employee expenses of Rs. 453.92 Crore for FY 2022-23 during truing up. Considering the same as the base and in accordance with the UERC Tariff Regulations, 2021, the Commission has computed the normative employee expenses for FY 2023-24.

In this regard it has also been observed that during FY 2023-24 Rs. 118.71 Crore was the payment made to outsourced employees recruited by UPCl through Uttarakhand Purv Sainik Kalyan Nigam Ltd., Self Help Groups and manpower supply through contractors. Besides this, UPCL has booked expenses of around Rs. 53 Crore towards manpower supply of contractual employees under R&M expenses which are showing an increasing trend. These expenses towards outsourced employees are almost 32% of the gross employee expenses and appear on a higher side. Furthermore, on one hand UPCL gives reasons for low staffing as one of the reason for its inefficiencies, and on the other it has recruited 3663 employees on outsourced basis in the year 2024. UPCL needs to review the need for such a high number of employees recruited on outsourced basis. Further, proper accounting of employee expenses needs to be carried out. **UPCL is directed to book the Salary paid to all the employees- regular and outsourced under employee expenses. UPCL is**

directed to submit the basis of recruiting outsourced employees alongwith any policy for the same within 1 month of the date of Order.

The Commission observed that the Petitioner has considered the opening no. of employees in FY 2023-24 as 2506 as against 2517 approved during true-up of FY 2022-23, as closing number of employees at the end of FY 2022-23. In this regard, the Petitioner submitted to consider 2506 as the opening number of employees for FY 2023-24, as some errors creeped in during the previous year due to delay in updating information in UPCL's central database. The Petitioner submitted that the Gn may be considered as 0.00% in line with the past approach.

Regarding the growth factor, the Commission observed that the number of employees has reduced in FY 2023-24, therefore, the Gn has been considered as 0.00%. The employee expenses so computed has then been escalated by the CPI inflation of 5.40%. The Commission further observed that the cost of Rs. 14.07 Crore was booked towards subsidized electricity provided to the employees and pensioners of UPCL. The Commission, in line with its approach adopted in its earlier tariff Orders has, therefore, deducted the above amount for computing actual employee expenses for FY 2023-24.

The Commission has computed the capitalization rate for employee expenses based on the actual employee expenses capitalized, as reflected in the audited accounts of FY 2023-24, which works out to 19.25% and is same as that considered by the Petitioner.

The normative employee expense approved by the Commission for FY 2023-24 is as shown in the Table below:

Table 4.12: Approved Employee Expenses for FY 2023-24 (Rs. Crore)

Particulars	Approved in the Tariff Order	Actual as per Audited Accounts	Actual for sharing	Normative	
				Claimed by UPCL	Approved
EMPn-1	454.38				453.92
Gn	0.00%				0.00%
CPIinflation	5.89%				5.40%
EMPn = (EMPn-1) x (1+Gn) x (1+CPIinflation)	**481.16**				**478.44**
Capitalisation rate	15.16%	427.98	427.98	427.98	19.25%
Less: Employee expenses capitalized	72.93				92.09
Net Employee Expenses	**408.23**				**386.33**
Impact of enhanced Pension & Pay Commission	-				-
Less: Subsidised Electricity to Employees	-	-	14.07	14.07	-
Total Employee Expenses	**408.23**	**427.98**	**413.92**	**413.92**	**386.33**

4.1.4.2 *Repair and Maintenance*

The Commission had approved the R&M expenses of Rs. 271.87 Crore for FY 2023-24 in its Order dated March 30, 2023. As against the same, the actual R&M expenses for FY 2023-24 as per the audited accounts are Rs. 380.20 Crore. The Petitioner submitted that for computing normative R&M expenses, it has considered K factor of 3.11% as approved by the Commission and has considered opening GFA for FY 2023-24 as Rs. 9223.23 Crore in line with the Audited Accounts which includes assets transferred to it from UPPCL against the transfer scheme as well as the assets capitalized against all the pending Electrical Inspector certificates.

The Commission observed that there is a significant increase in actual R&M expenses in FY 2023-24 under "Buildings" and "lines and cables" from Rs. 223.19 Crore in FY 2022-23 to Rs. 308.61 Crore in FY 2023-24. The Commission vide letter no. UERC/6/TF-758/2024-25/2024/1289 dated December 30, 2024 directed the Petitioner to submit the reasons for such a huge increase in R&M expenses. The Petitioner vide letter dated January 15, 2025 submitted the following reasons for increase in R&M expenses in FY 2023-24 towards "Buildings" and "lines and cables":

a. Uttarakhand faces frequent disasters, necessitating infrastructure reconstruction. Expenditure increased from Rs. 27 Crore (FY 2022-23) to Rs. 34.22 Crore (FY 2023-24).

b. In FY 2023-24, UPCL added 4350 distribution transformers, 42 km of 33 kV lines, 687 km of 11 kV lines, and 1,057 km of LT lines, which resulted in higher O&M expenses.

c. Transformer repair costs (previously booked under System Improvement Works) and IDF meter replacement costs were booked under R&M expenses, leading to a Rs. 44.22 Crore rise in this head for FY 2023-24.

d. Following BoD/State Govt. directives in FY 2022-23, UPCL secured its assets (substations, boundary walls, offices) through phased civil works, which was completed by FY 2023-24.

The Commission, apart from other information, asked UPCL to submit the division wise details of expenditure incurred on account of disaster related works, alongwith details of works undertaken for securing the valuable assets of the State, as submitted by UPCL. The Commission also asked UPCL to confirm that no double accounting of the meter replacement cost is being done in the books of account, i.e. the same being claimed under R&M expenses as well as capitalization. In response to the same, UPCL vide its submission dated 07.02.2025, provided the requisite details and confirmed that meter replacement costs are being solely booked under R&M expenses. UPCL further confirmed that the expenditure incurred for securing the valuable assets of the State have not been claimed under capitalization in FY 2023-24.

The Commission asked UPCL to provide the details of operational efficiency improvements achieved in FY 2023-24 compared to FY 2022-23, and clarification on whether the addition of fixed assets in a year contributes to increased R&M expenses from the same year, supported by relevant justifications. In response to the same, UPCL submitted the details of operational efficiency achieved in FY 2022-23 and FY 2022-24 as follows:

1. **Improvement in DT Failure Rate:**

FY	DT Failure Rate (%)
2021-22	6.67
2022-23	5.75
2023-24	4.58

2. **Improvement in SAIFI &SAIDI:**

Particular	FY 2022-23		FY 2023-24	
	SAIFI (Nos.)	SAIDI (Min)	SAIFI (Nos.)	SAIDI (Min)
Urban (Average)	30	744	20	579
Rural (Average)	41	1,390	26	967

3. **Improvement in Supply Hours:**

	FY 2022-23	FY 2023-24
Urban feeders	23:36 hours/ day	23:41 hrs/day
Rural feeders	23:15 hours/ day	23:28 hrs/day

4. **Improvement in Billing efficiency:**

FY 2022-23	FY 2023-24
85.62%	86.11%

5. **Improvement in Collection efficiency:**

FY 2022-23	FY 2023-24
98.99%	99.14%

6. **Improvement in IDF:**

	Commission's Approved	UPCL achievement FY 2023-24
Plain Area	2%	1.68%
Hill Area	3%	

The Petitioner further submitted that R&M cost of old assets is increasing y-o-y and assets added in recent years also led to minor R&M expenses. Further, addition of new assets led to hiring of additional manpower for its operation and maintenance. As already discussed in the preceding Paras, any expenses towards hiring of manpower for operation and maintenance should be booked under employee expenses and not under R&M expenses.

The Commission has taken note of the submissions made by UPCL and has considered the same. The Commission in its Order dated March 30, 2023 had considered the 'K' factor of 3.11% for computation of the normative R&M expenses for FY 2023-24 in accordance with the UERC Tariff Regulations, 2021. With respect to Opening GFA to be considered, it is observed that the Petitioner has claimed the entire asset value transferred through Transfer Scheme along with all pending EI certificates that it is yet to submit to the satisfaction of the Commission, for the purpose of claiming R&M expenses for FY 2023-24. In this regard, despite providing opportunities in the current tariff proceedings, the Petitioner has not been able to rectify the anomalies in the EI certificates provided for FY 2016-17 to FY 2021-22 as per directions of the Commission in its earlier Tariff Order dated 30.03.2024 and same is discussed in detail in subsequent section of this Order. It is also observed that the Petitioner, without seeking the impact of the finalized transfer scheme, has sought relief in terms of higher R&M expenses by considering the entire assets value of the transferred assets. Earlier, the transfer scheme was not notified by the State Government, but the same has been notified by the Government in FY 2022, hence, there seems no reason as to why the impact of the same has not been filed before the Commission. The Commission does not appreciate such an approach on the part of the Petitioner as the same would reflect pseudo approval for the assets that have not yet been recognized by the Commission under the regulatory regime. Moreover, the Petitioner has itself submitted that the impact of transfer scheme is not being claimed in the ARR and Tariff Petition. Further, the Petitioner vide its letter no. 7868/MD/UPCL/R-14, dated 5.12.2024 has requested M/s Power Finance Corporation (nodal agency of RDSS appointed by MoP, GoI), for allowing UPCL the proposal of the creation of Regulatory Assets against the pending claim of transfer scheme for the period from 12.10.2003 to 31.03.2023, and on receipt of clarification further action shall be taken by UPCL in the matter. The Petitioner has not submitted any communication in this regard during the course of the tariff proceedings. Accordingly, the Commission does not find any merit for considering any claims on account of the transfer scheme. **The Commission directs UPCL to claim the impact of the transfer scheme, if any, alongwith the next tariff filing failing which the Commission will not consider any impact of the same.**

The Commission, has, therefore, for the computation of R&M expenses for FY 2023-24, has considered the opening GFA for FY 2023-24, as approved in this Order which has been subsequently discussed in detail in subsequent Paras of this Order.

The Commission for truing up of FY 2023-24 has considered the same K factor and has reworked the R&M expenses considering the Opening GFA for FY 2023-24 as Rs. 8738.34 Crore. The Commission has considered the inflation factor as 7.90%, as the average of WPI inflation for the preceding three years of FY 2023-24. The normative R&M expenses trued-up by the Commission for FY 2023-24 is as shown in the Table below:

Table 4.13: Approved R&M Expenses for FY 2023-24 (Rs. Crore)

Particulars	Approved in the Tariff Order dt. 30.03.2023	Actual as per Audited Accounts	Actual for sharing	Normative	
				Claimed by UPCL	Approved
R&M Expenses	271.87	380.20	380.20	309.50	293.64

4.1.4.3 A&G Expenses

The Commission had approved the A&G expenses of Rs. 60.93 Crore for FY 2023-24 in its Tariff Order dated March 30, 2023. As against the same, the actual net A&G expenses for FY 2023-24 as per the audited accounts was Rs. 75.32 Crore which includes expenses towards UERC Fees and Bandwidth and FMS Charges amounting to Rs. 39.58 Crore.

The Petitioner in line with the Commission's approach in Order dated February 27, 2019, requested the Commission to allow Data Centre Expenses and Licence Fees on actual basis. UPCL submitted the cost against data centre of Rs. 34.81 Crore and Licence fee of Rs. 4.77 Crore.

The Commission examined the actual A&G expenses of UPCL for FY 2023-24 and asked the Petitioner to submit the details of any penalty or compensation paid and included in the A&G expenses claimed. The Petitioner in response to the same submitted that the A&G expenses claimed includes the following.

- Compensation for death, injuries and damage to staff and outsiders amounting to Rs. 1.50 Crore.
- Provision for Penalty payable to the Commission for FY 2023-24 amounting to Rs 3.92 Crore for delay in release of new LT connection.
- Sundry debit balance written off amounting to Rs 0.15 Crore.

- Others amounting to Rs. 0.01 Crore.

The Commission vide its letter no. UERC/6/TF-759/2024-25/2025/1457 dated 29.01.2025 directed the Petitioner to submit the requisite orders of the Electrical Inspector in support of the compensation paid towards death, injuries and damage to staff and outsiders. The Petitioner vide letter dated 07.02.2025 submitted the required details.

After going through the documents provided by the Petitioner, it was observed that out of total compensation of Rs. 1.50 Crore paid by the Petitioner for deaths, injuries, and damages to staff and outsiders, only Rs. 0.30 Crore was attributable to the fault of the victims, while the remaining amount was due to the Petitioner's negligence. The primary reasons for the incidents included inadequate earthing, high-voltage lines passing over residential rooftops, and insufficient lopping and chopping of vegetation near overhead lines etc.

The Commission has, therefore, considered only Rs. 0.30 Crore towards compensation of deaths, injuries and damage to staff and outsiders. The Commission would like to highlight here the importance of seeking proper clearance from the Electrical Inspector before charging any HT work. as it would ensure that all the protective measures are in place, thus, minimizing the risks of accidents and loss of human life and non-human assets. The Commission would like to further state that the purpose of disallowing the partial amount for compensation towards deaths, injuries and damage to staff and outsiders, as discussed above, is not to discourage the utility to honour the legitimate claims on account of such incidents, rather this would serve as a purpose of awakening the utility to take corrective actions such that these incidents gets reduced significantly. Accordingly, **the Commission directs the Petitioner to take corrective measures, including ensuring proper earthing of poles, covering of lines passing through public areas with insulated conductors, and conducting regular lopping and chopping of vegetation near overhead lines, particularly in forested areas and also regular maintenance of its assets, to prevent future incidents**. The Petitioner, in future, should also ensure that no HT works are charged without obtaining clearance from the EI, failing which the expenses in the form of compensation of this nature will continue to be disallowed by the Commission.

The Commission further observed that UPCL has included an amount of Rs. 4.08 Crore towards penalty & other debits as part of its claim. The Commission has, accordingly, excluded the amount of Rs. 5.28 Crore from the actual A&G Expenses.

It is to be noted when the expenses are allowed on normative basis, the actual expenses may be higher or lower in comparison to the normative expenses. It is for this reason, the MYT Regulations, 2021 provides for sharing of gains and losses in controllable factors. Section 61 of the Electricity Act, 2003 also lays down that the Tariff Regulations should be guided by factors that would encourage efficiency, economical use of resources, good performance and optimum investments.

The Commission had approved the trued-up normative gross A&G expenses of Rs. 32.72 Crore for FY 2022-23. Considering the same as the base and in accordance with the UERC Tariff Regulations, 2021, the Commission has computed the normative A&G expenses for FY 2023-24. The Commission had considered WPI inflation as 7.90% which is the average of WPI Inflation for the three years preceeding FY 2023-24. The Commission has computed the capitalisation of expenses in the same proportion of actual capitalisation of expenses to the actual gross A&G expenses excluding provision, penalty paid & licence fees.

The normative A&G expense including licence fees and provisions approved by the Commission for FY 2023-24 is as shown in the Table below:

Table 4.14: Normative A&G expenses approved for FY 2023-24 (Rs. Crore)

Particulars	Allowable
A&Gn-1	32.72
WPIinflation	7.90%
Gross A&G expenses	35.31
Capitalisation rate	39.81%
Less: A&G expenses capitalised	14.06
Net A&G expenses	**21.25**
Provision & License fee	39.58
A&Gn = A&Gn-1 x (1+WPIinflation) + Provision	**60.83**

The A&G expense claimed and approved by the Commission for truing up including licence fees and provisions approved by the Commission for FY 2023-24 is as shown in the Table below:

Table 4.15: Approved A&G expenses for FY 2023-24 (Rs. Crore)

Particulars	Approved in the Tariff Order	Actual as per Audited Accounts	Actual for sharing	Normative	
				Claimed by UPCL	Approved
A&G expenses	60.93	75.32	70.05	67.49	60.83

Accordingly, the Commission has allowed the O&M Expenses as shown in the Table below:

Table 4.16: Approved O&M Expenses for FY 2023-24 (Rs. Crore)

S. No.	Particulars	Approved in the Tariff Order	Actual as per Audited Accounts	Actual for sharing	Normative	
					Claimed by UPCL	Approved
1.	Employee expenses	408.23	427.98	413.92	413.92	386.33
2.	R&M expenses	271.87	380.20	380.20	309.50	293.64
3.	A&G expenses	60.93	75.32	70.05	67.49	60.83
Total		**741.03**	**883.50**	**864.17***	**790.91**	**740.81**

**Actual for sharing have been derived by excluding a penalty disallowed of Rs. 5.28 Crore from total O&M expenses of Rs. 869.44 Crore claimed by UPCL.*

The normative O&M expenses approved by the Commission in the true up are lower in comparison to the normative O&M expenses approved in the Tariff Order mainly on account of variation in capitalization rate and CPI Inflation.

As O&M expenses are controllable in nature, the Commission has further carried out sharing on account of actual and normative O&M expenses in the subsequent section of this Order.

4.2 Cost of Assets and Financing

4.2.1 *Capital cost of Original Assets*

As regards the capital cost of original assets, the Commission vide its Order dated April 11, 2015 held as under:

*"**3.2.5.1 Capital Cost of Original Assets***

The Commission observed that the issue of original value of fixed assets for the Petitioner examined in detail in Paras 5.3.1 and 5.3.2 of the Order dated April 25, 2005. For reasons provided in the said Order, the original value of GFA as on November 09, 2001 was fixed at Rs. 508 Crore for the Petitioner, instead of the value of Rs. 1058.18 Crore assigned in the Provisional Transfer Scheme. The Commission had already recorded the reasons for the same in its previous Tariff Orders. Since, there is no change in the factual position and the matter is pending before the Hon'ble ATE, the Commission decides to maintain Status-quo ante."

In this regard, Hon'ble ATE in its Judgment dated May 18, 2015 in Appeal No. 180 of 2013 ruled as under:

"25. We feel that since it is matter of transfer scheme and apportioning of value of assets between two States after reorganization, the Appellant should take up the matter with State Government for

issuance of notification on transfer of assets to Uttarakhand from UP. Accordingly decided."

In light of the Judgment of the Hon'ble ATE, the Commission in its Tariff Order dated April 05, 2016 did not find the need to revise the capital cost of original assets from the earlier approved value of Rs. 508 Crore for the Petitioner.

The Government of Uttarakhand vide its Notification dated March 08, 2022 sanctioned the Scheme for division of assets and liabilities executed between Uttar Pradesh Power Corporation Ltd. and Uttarakhand Power Corporation Ltd. on October 12, 2003. The aforesaid Notification further stated that GFA amounting to Rs. 1058.18 Crore is included in the notified Scheme. The Commission has taken note of the Notification and observed that the Petitioner has not filed any consequential claims on this account in the tariff Petition, however, the Petitioner has increased the opening GFA value after considering the impact of aforesaid notification. As the Petitioner has not sought any consequential impact of the notification, therefore, the Commission in the current tariff proceedings has not considered the same. **However, the Petitioner is, directed to claim the same in the next tariff filing failing which this claim shall not be allowed by the Commission as the matter cannot be left lingering on till perpetuity.**

The Commission vide its previous Orders has already carried out the truing up till FY 2022-23. The year wise GFA addition allowed by the Commission till FY 2022-23 is as shown below:

Table 4.17: Assets base approved by the Commission after truing up (Rs. Crore)

Particulars	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Opening Balance	4616.40	5554.13	5867.65	6625.01	7937.50
Net additions	937.73	313.52	757.37	1312.49	419.13
Closing Balance	**5554.13**	**5867.65**	**6625.01**	**7937.50**	**8356.62**

The Commission vide its Tariff Order dated 30.03.2024 directed the Petitioner to submit the Electrical Inspector clearance for HT works alongwith all the pending capitalisation which were disallowed till FY 2022-23. The Petitioner was also directed to rectify the anomalies in the EI certificate provided for FY 2016-17 to FY 2022-23 and submit the details as per the format specified by the Commission. The relevant extract of the same is as below:

"Further, due to incomplete and erroneous submission of EI certifcates since FY 2016-17, the Commission has not been able to carry out the final truing up of the past two control periods. The Commission, time and again has been providing opportunity to the Petitioner to submit the pending EI

certificates complete in all respect, however, the Petitioner, even after multiple opportunities has failed to rectify the issues. The callous attitude with which the Petitioner is being working is quite evident from the replies submitted above, wherein frivolous reasons are being submitted as an excuse to justify submission of incomplete and unauthenticated data. ***The Commission is of the view that it cannot allow the Petitioner to continue with the current approach and, therefore, directs the Petitioner to submit the pending EI certificates properly tagged and indexed in the format provided by the Commission within six months from the date of this Order failing which the Commission may not allow these assets to be capitalised in the previous years and any such capitalisation, if allowed may be allowed prospectively after the date of submissions of such EI certificates****.*

Further, while making such submissions in future, the Petitioner is directed to recategorise the asset capitalisation as per the following:

The assets shall be capitalised in the year in which the last of the following activity is completed.

a. Date of Inspection Certifcate certifying satisfactory work.

b. Date of submission of fees for Inspection.

c. Date of Capitalisation in the books of account*.*

In this regard, the Commission will also like to direct the Director (Finance) of the Petitioner Company to prepare a policy and ensure that no HT works are capitalized in the books of accounts, unless all activities related to EI certification is completed, failing which he shall be personally held responsible for the non-compliance of the Commission's directions."

It is observed that the Petitioner did not comply with the above. The Commission, in the current proceedings vide its letter dated January 29, 2025, provided the Petitioner with another opportunity to remedy the above. The Petitioner, however, could not remedy the above defects for all the previous years from FY 2016-17 to FY 2021-22.

The Commission in the tariff Order dated 28.03.2024, while carrying out true up for FY 2022-23, noted that the pending EI certificates for FY 2022-23 stands at Rs. 397.67 Crore. The Commission while carrying out the true up of FY 2022-23 did not allow any capitalization for HT works in the absence of information from the Petitioner. The Petitioner, as against the same, during the current tariff proceedings submitted the EI certificate for HT works amounting to Rs. 370.69 Crore and details of LT works amounting to Rs. 26.99 Crore for FY 2022-23, as per the prescribed format. The

Commission in the Tariff Order dated 28.03.2024, in view of the repeated anomalies in the EI certificates submitted by the Petitioner in the past years, opined that the assets shall be capitalised in the year in which the last of the following activity is completed:

a. Date of Inspection Certificate certifying satisfactory work.

b. Date of submission of fees for Inspection.

c. Date of Capitalisation in the books of account.

Based on the above, out of the total amount of Rs. 370.69 Crore pertaining to HT works, the amount to be capitalized in FY 2022-23 worked out to Rs. 203.21 Crore only, and balance amount of Rs. 167.47 Crore and Rs. 0.01 Crore has been considered as part of capitalization in FY 2023-24 and FY 2024-25 respectively. Further, the LT works amounting to Rs. 26.99 Crore have been considered in FY 2022-23 itself.

Accordingly, the Commission in addition to additional capitalisation approved in its Order dated 28.03.2024 has now considered additional capitalisation of Rs. 230.20 Crore (HT Rs. 203.21 Crore + LT Rs. 26.99 Crore) in FY 2022-23. Further, additional capitalization of FY 2022-23, spilled over to FY 2023-24, amounting to Rs. 167.47 Crore has been considered with the same funding ratio as approved in the truing up of FY 2022-23. The Commission has not modified the capitalization of FY 2024-25 and the same will be considered at the time of truing up of the respective year.

Similarly, the Petitioner also submitted pending EI certificate of Rs. 49.15 Crore pertaining to FY 2021-22, comprising of HT works of Rs. 11.93 Crore, LT works of Rs. 37.22 Crore and other miscellaneous assets amounting to Rs. 69.21 Crore. Following the above approach, the LT and other works of Rs. 106.43 Crore have been considered in FY 2021-22, and HT works amounting to Rs. 11.93 Crore have been considered in FY 2021-22, FY 2022-23 and FY 2023-24 for an amount of Rs. 3.70 Crore, Rs. 1.31 Crore and Rs. 6.93 Crore respectively. Accordingly, the additional capitalization of FY 2021-22 spilled over to subsequent years has been considered in the funding ratio approved for FY 2021-22.

Similarly, the Petitioner also submitted pending EI certificate of Rs. 43.57 Crore pertaining to FY 2020-21, comprising of HT works of Rs. 5.59 Crore and LT works of Rs. 37.98 Crore. Following the above approach, the HT works of Rs. 5.59 Crore and LT works of Rs. 37.98 Crore have been considered in FY 2020-21. Further, the Commission has considered the pro-rata balance decapitalization against these assets amounting to Rs. 3.50 Crore. Accordingly, the additional capitalization of FY 2020-21 of Rs. 40.07 Crore has been considered in the funding ratio as approved for FY 2020-21, without any retrospective adjustment for the reasons discussed above.

With regard to FY 2023-24, the Petitioner has claimed gross capitalisation amounting to Rs. 838.62 Crore, comprising of Plant and Machinery & Lines etc. amounting to Rs. 804.62 Crore and other miscellaneous assets amounting to Rs. 34 Crore. The Petitioner has also decapitalised assets amounting to Rs. 40.81 Crore in FY 2023-24. The Petitioner during the tariff proceedings submitted the EI Certificates and the details of HT/LT & other works amounting to Rs. 487.71 Crore, out of which the amount pertaining to HT works is Rs. 208.64 Crore and the balance amount of Rs. 279.07 Crore pertains to LT works. The Commission has considered an amount of Rs. 279.07 towards the capitalization related to LT works in FY 2023-24. Further, based on the approach discussed in the preceding Paras, i.e. allowing the HT related works based on the date of capitalisation, or date of inspection or date of deposit of fees for inspection, whichever is later, an amount of Rs. 38.38 Crore has been considered towards the capitalisation related to HT works in FY 2023-24. The balance amount of Rs. 170.25 Crore related to HT works has been considered in FY 2024-25. Further, an amount of Rs. 34.00 Crore has been considered towards other assets such as furniture and fixtures etc., that do not require EI certificates, in FY 2023-24.

Accordingly, the Commission has allowed an amount of Rs. 351.45 Crore towards the gross capitalization pertaining to FY 2023-24. Further, as discussed above, an additional amount of Rs. 174.40 Crore has been allowed in FY 2023-24 towards capitalization related to FY 2021-22 and FY 2022-23, spilled over in FY 2023-24.

It is observed that, in the previous tariff proceedings, even after providing multiple opportunities, the Petitioner has failed to rectify the anomalies pointed in the EI certificates pertaining to FY 2016-17 to FY 2021-22 and did not submit the capitalisation details for FY 2016-17 to FY 2021-22 in the prescribed format as per the direction of the Commission. The Commission during the current tariff proceedings again provided the Petitioner several opportunity to submit the pending EI Certificates and provide the details of EI certificates for previous years in the prescribed format, however, the Petitioner has reiterated its earlier submission that the EI certificates for past years has already been submitted to the Commission.

It is to be noted that the Commission had pointed out several anomalies in the EI certificates for FY 2016-17 to FY 2022-23 and had directed the Petitioner to submit the EI certificate after recategorizing them as per the date of activity completed. However, the Petitioner did not comply with the directions of the Commission, even after providing ample opportunities for submission of pending EI certificates. The Petitioner was only able to work out the aforesaid details for FY 2022-23, which, as discussed above, has been considered by the Commission. The Commission has only given the subsequent impact of EI certificates submitted for previous years, and is not carrying out truing up for these years, since the Petitioner is yet to submit the complete details of all the past years, after rectification of anomalies as pointed out in the earlier years tariff orders, in the prescribed format.

Accordingly, the Commission is of the view that the impact of the pending EI certificates for FY 2016-17 to FY 2022-23 will not be considered on retrospective basis. The same shall be assumed to be capitalised from the date of submission of such complete data and no retrospective adjustments shall be made.

Accordingly, the capitalization related to HT & LT works, based on the approach as discussed above, is summarized in the Table given below:

Table 4.18: Capitalization for past years (Rs. Crore)

Particulars	FY in which the same has been considered				
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Capitalization of FY 2020-21	40.07*				
Capitalization of FY 2021-22		110.13	1.31	6.93	
Capitalization of FY 2022-23			230.20	167.47	0.01
Capitalization of FY 2023-24				317.45#	170.25
Total	**43.57**	**110.13**	**231.51**	**491.85**	**170.26**

**after adjusting decapitalisation of Rs. 3.50 Crore*
#does not include other works

For FY 2023-24, the Petitioner did not submit the details of Rs. 316.91 Crore in the prescribed format as per the direction of the Commission.

Furthermore, while granting investment approvals to various projects carried out by the Petitioner, the Commission has time and again been directing the Petitioner to submit the completed cost and financing of the works after completion of the project alongwith various documents/information listed out in the Orders. However, the Petitioner has been found wanting in ensuring compliance of the same failing which prudence check of the costs is not possible. **The Petitioner is directed to ensure strict regulatory compliances failing which any such capitalisation will not be allowed by the Commission in future years.**

In view of the decision taken above, the Commission has continued with its approach and allowed the impact of capitalization in the truing up for FY 2023-24 for which details have been submitted.

As mentioned in the Para above, the Commission for FY 2023-24 has considered an amount of Rs. 279.07 towards the capitalization related to LT works, Rs. 38.38 Crore towards the capitalisation related to HT works and Rs. 34.00 Crore towards other assets. The Commission has therefore, allowed works amounting to Rs. 351.45 Crore in FY 2023-24. Further, the impact of earlier years capitalization of Rs. 174.40 Crore has also been considered in FY 2023-24. The Commission has considered decapitalization against these assets amounting to Rs. 40.81 Crore based on the deletions of assets, as per the books of accounts in FY 2023-24. The Commission has, therefore, approved net additional capitalisation of Rs. 310.64 Crore for FY 2023-24 and Rs. 174.40 Crore pertaining to past years in FY 2023-24.

The Commission has, accordingly, approved` the Opening GFA and net additions for FY 2023-24 as follows:

Table 4.19: Assets base approved by the Commission (Rs. Crore)

Particulars	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Opening Balance	3980.56	4218.85	4616.40	5554.13	5867.65	6665.08	8087.71	8738.34
Net additions	238.29	397.55	937.73	313.52	797.44	1422.63	650.63	485.04
Closing Balance	4218.85	4616.40	5554.13	5867.65	6665.08	8087.71	8738.34	9223.38

In addition, the Petitioner has claimed the additional impact of Rs. 253.10 Crore towards EI Certificates not allowed earlier by the Commission from FY 2016-17 to FY 2023-24 alongwith the carrying cost on the same.

In this regard, the Commission in its Order dated March 31, 2022 had observed as follows:

"It is observed that the Petitioner on one hand is making submissions before the Commission that it is facing severe cash flow issues and on the other hand it is falling behind in claiming ARR by furnishing proper capitalisation details. This exhibits a callous and indifferent approach in complying with the directions of the Commission. ***Since, the delay is on account of the inefficiency of the Petitioner, hence, no carrying cost will be allowed to the Petitioner for delayed approval of pending capitalisation of FY 2016-17, FY 2017-18, FY 2018-19 & FY 2019-20****.* ***The Commission is further of the view that unless the complete capitalisation details for FY 2016-17 to FY 2019-20 is***

provided, truing up for these years shall not be done. *The Commission has, however, allowed the impact of capitalisation details submitted for FY 2016-17 to FY 2019-20 in the truing up for FY 2020-21."*

(Emphasis Added)

Hence, as discussed above, since the Petitioner has not submitted complete details as required by the Commission, it would not be proper to allow part expenses in a year and then allow balance expenses in some other years when complete details are submitted. Hence, the Commission is not allowing any impact towards the same in the current tariff proceedings and the same may be considered when complete details to the satisfaction of the Commission are furnished by the Petitioner as held in the previous Orders. However, the Commission has been analysing the details of pending EI certificates and to the extent they are furnished by the Petitioner, the additional capitalisations are included in the corresponding years of their capitalisation and added to the GFA of the respective financial years and its incidence is factored in the gross GFA of the financial year during ture-up in accordance with MYT Regulations. Further, in its previous Orders the Commission has already held that the delay in furnishing proper clearances of the Electrical Inspector is on account of the inefficiency of the Petitioner, hence, no carrying cost will be allowed to the Petitioner for delayed approval of pending capitalization.

4.2.2 *Financing of Capital Cost*

4.2.2.1 Truing Up of Capital Related Expenses for FY 2023-24

The Petitioner has claimed net GFA addition of Rs. 797.81 Crore for FY 2023-24. The means of finance submitted by the Petitioner in its Petition is as shown in the Table below:

Table 4.20: Means of Finance for FY 2023-24 as submitted by the Petitioner (Rs. Crore)

Particulars	Amount
Loan	382.00
Deposit Works	252.10
Grant	
Internal resources	163.71
Total	**797.81**

As discussed above, the Commission has approved net additional capitalisation of Rs. 310.64 Crore during FY 2023-24, balance capitalisation of FY 2022-23 amounting to Rs. 167.47 Crore in FY 2023-24 (with the same funding ratio as approved in the truing up of FY 2022-23), and balance capitalisation of FY 2021-22 amounting to Rs. 6.93 Crore in FY 2023-24 (with the same funding ratio as approved in the truing up of FY 2021-22). Accordingly, the means of finance as approved by the Commission is shown in the Table below:

Table 4.21: Means of Finance as consolidated and approved by the Commission in FY 2023-24 (Rs. Crore)

Particulars	Amount
Loan	220.98
Grant/Deposit Works	169.36
Equity	94.70
Total	**485.04**

4.2.2.1.1 Interest and Finance Charges

The Petitioner has claimed Interest and Finance Charges of Rs. 128.58 Crore for FY 2023-24 against the amount of Rs. 150.12 Crore approved by the Commission in the Tariff Order dated March 30, 2023.

The Petitioner submitted that it has claimed interest expenses as per the audited accounts after considering the following adjustments:

a) Government Guarantee fees has been considered as per audited accounts.
b) Interest on consumer security deposit has been claimed as per the actual interest paid during the year.
c) The Petitioner has considered interest on GPF as per the audited accounts.
d) Provision for interest on loans towards assets which shall be converted to grants after successful implementation of the works are excluded at present.
e) Other financial and bank charges have been considered after reducing the interest on overdraft / short term loans.
f) Rebate for online payment.
g) Actual interest accrued during the year has been claimed which is net off capitalisation

The Petitioner, accordingly, claimed the Interest on loan capital as summarized in the Table given below:

Table 4.22: Interest expense on capital loans as submitted by the Petitioner for FY 2023-24 (Rs. Crore)

Particulars	As per Accounts
Net Interest Expenses as per Accounts	**297.84**
Less:	
Rebate for online payment of bills	51.63
Interest on GPF	8.82
Interest on Old REC Loans	-
Interest on Consumer Security Deposits	80.12
Guarantee Fee	-
Interest on Bank Short Term Loan/ Overdraft	79.20
Bank Charges & Other Commission	33.68
Net Interest Expense Claimed towards Capitalized Assets	**44.38**

Regulation 27 of the UERC Tariff Regulations, 2021 specifies the methodology for computation of interest expenses. The Commission in accordance with the above Regulations has worked out the Interest and Finance Charges for FY 2023-24 considering the loan amount corresponding to the assets capitalised in the year based on the approved means of finance, and the interest rate of 8.56% computed on the basis of weighted average interest rate on the actual loan portfolio, i.e. opening loan as reduced by average repayment during the year.

The Petitioner has claimed interest on consumers' security deposits (CSD) for FY 2023-24 on cash basis as Rs. 50.52 Crore, and the Commission has approved the same.

The Petitioner further submitted the details of bank charges of Rs. 33.68 Crore, which includes Interest on Overdraft amount of Rs. 32.97 Crore and bank charges of Rs. 0.71 Crore. The Commission has allowed actual bank charges amounting to Rs. 0.71 Crore as the Interest on Overdraft is being considered separately under IWC.

The Commission has worked out the Interest and Finance Charges for FY 2023-24 considering the loan amounts corresponding to the assets capitalised in the year based on the approved means of finance, as shown in the Table below:

Table 4.23: Interest and Finance Charges approved for FY 2023-24 (Rs. Crore)

Particulars	Tariff Order	Claimed by UPCL	Approved
Interest on Loan corresponding to assets capitalised	96.13	44.38	80.97
REC Old Loan	-	-	-
Interest on Normative Loans	-	-	-
Guarantee Fee	0.24	-	-
Financing Charges	-2.47	33.68	0.71
Interest on Security Deposit	56.21	50.52	50.52
Less: Received from REC against NEF Interest for FY 2020-21	-	-	-
Net Interest and Finance Charges	**150.12**	**128.58**	**132.20**

4.2.2.1.2 *Depreciation*

The Petitioner submitted that the Commission has been allowing depreciation on opening GFA as the same was provided in the notes to accounts for the respective years. For FY 2023-24, the depreciation in the audited accounts as submitted by the Petitioner is Rs. 509.67 Crore. The Petitioner submitted that it has calculated depreciation on the Opening GFA for FY 2023-24 considering the depreciation rate of 3.24%. The Petitioner has, accordingly, claimed total depreciation of Rs. 193.55 Crore as against Rs. 244.41 Crore approved by the Commission in the Tariff Order for FY 2023-24.

The Commission observed that UPCL has considered opening grants of Rs. 3253.86 Crore towards opening GFA of Rs. 9223.23 Crore for FY 2023-24 as against the trued-up value of Rs. 3791.60 Crore towards opening GFA of Rs. 8356.62 Crore approved in the Order dated March 28, 2024. The Commission, accordingly, sought explanation from UPCL on the variation in the opening GFA considered by it. UPCL vide its reply dated January 06, 2025, submitted that it has considered the impact of transfer scheme and all pending EI certificates while claiming GFA. With regard to grants, the Petitioner has revised its grant contribution in the Opening GFA for FY 2023-24 and in the previous tariff proceeding while dealing with truing up of FY 2022-23 the Petitioner had submitted that there is a great difficulty in identifying the assets created out of grants and consumer contribution and corresponding depreciation to be charged as well as writing back of the same (in case of scrap) at the time of dismantling of such assets. UPCL submitted that the same has also been covered in the Capitalization Policy of UPCL approved by the Commission, wherein it has been mentioned that the linking of receipts of capital grant, consumer contribution and subsidy to the creation of fixed assets and charging depreciation/ writing back proportionate amount is practically not possible. UPCL submitted that this has resulted in variance in the balance of the GFA as submitted in the past and the balance as submitted in the latest response as per the Audited Accounts. The Petitioner in the current tariff proceedings has continued with its earlier values of grant and has further submitted that as per the directions of the Commission the exercise of identification of such assets along with their source of funding and their corresponding depreciation, had already been assigned to M/s K.G. Somani & Co., LLP, Chartered Accountants, however, the identification of source of funding could not be done by the Firm. UPCL, accordingly, requested the Commission to currently consider the value of Grants as per the Audited Accounts.

The Commission has gone through the submissions of the Petitioner and observes that the Commission has been approving the funding of Assets, since the creation of UPCL, based on actuals funding submitted by the Petitioner based on the audited accounts and after carrying out due prudence check, and truing up till FY 2022-23 has been carried out based on the same. The submission made by UPCL raises serious concern on the quality of information being supplied by UPCL in support of its claims. The Commission, therefore, does not find any merit for such re-instatement of funding as no material explanation has been provided by UPCL. The Commission has, therefore, considered the amount of grant as approved by it in its Order dated March 28, 2024.

The Commission has allowed depreciation at a weighted average rate of 3.24% based on the audited balance sheet for FY 2023-24. Further, the Commission in the past has been allowing depreciation on the value of opening GFA keeping in line with the practice being followed by the Petitioner of capitalising the asset in its accounts on the last day of the financial year.

The depreciation approved by the Commission for FY 2023-24 is as shown in the Table below:

Table 4.24: Depreciation approved for FY 2023-24 (Rs. Crore)

Particulars	Tariff Order	Claimed by UPCL	Approved
Opening GFA	8288.49	9223.23	8738.34
Grants	3765.72	3253.86	3962.23
Depreciable opening GFA	**4522.77**	5969.37	4776.11
Net addition during the year	379.79	545.71	315.68
Closing GFA	4902.56	6515.08	5091.79
Depreciation Rate	5.40%	3.24%	3.24%
Depreciation	**244.41**	**193.55**	**154.86**

4.2.3 *Interest on Working Capital (IoWC)*

The Petitioner has submitted that it has computed interest on working capital as per UERC Tariff Regulations 2021. The Petitioner has submitted that it has claimed normative IoWC of Rs. 157.65 Crore as per the amended Regulation 33 of the UERC Tariff Regulations, 2021.

The Petitioner also submitted that the actual interest on working capital/overdraft facility is Rs. 79.20 Crore. The Petitioner has also claimed sharing of gains on account of the same.

The computation of interest on working capital as submitted by the Petitioner is detailed in the Table below:

Table 4.25: Interest on Working Capital Claimed by the Petitioner for FY 2023-24 (Rs. Crore)

Particulars	Amount
Operation and Maintenance Expenses (one month)	65.91
Maintenance Spares @ 15% of O&M Expenses	118.64
Receivables (2 months)	1731.85
Capital required to finance such shortfall in collection of current dues	88.32
Less: Power Purchase for 1 month	697.47
Net working capital	**1307.25**
Interest on working capital	**157.65**

Regulation 33 of the UERC Tariff Regulations, 2021 specifies as follows.

"33. Interest on Working Capital

Rate of interest on working capital shall be on normative basis and shall be equal to the weighted average of 'one year Marginal Cost of Funds based Lending Rate (MCLR)' as declared by the State Bank of India from time to time for the financial year in which the application for determination of tariff is made plus 350 basis points.

(2) Distribution:

a) The Distribution Licensee shall be allowed interest on the estimated level of working capital for the financial year, computed as follows:

(i.) Operation and maintenance expenses for one month;

(ii.) Maintenance spares @ 15% of operation and maintenance expenses; plus

(iii.) Two months equivalent of the expected revenue from sale of electricity at the prevailing tariffs;

(iv.) Capital required to finance such shortfall in collection of current dues as may be allowed by the Commission; minus

(v.) One-month equivalent of cost of power purchased, based on the annual power procurement plan."

The Commission in line with the above, has computed interest on working capital for FY 2023-24 as shown in the Table below:

Table 4.26: Interest on Working Capital as approved by the Commission for FY 2023-24 (Rs. Crore)

Particulars	Amount
Operation and Maintenance Expenses (one month)	61.73
Maintenance Spares @ 15% of O&M Expenses	111.12
Receivables (2 months)	1539.31
Capital required to finance such shortfall in collection of current dues	79.19
Less: Power Purchase for 1 month	673.07
Net working capital	1118.28
Interest on working capital	**126.37**

The Petitioner further submitted that the Petitioner has been availing overdraft facility from various banks which has been primarily utilized for the purpose of payments of power purchase expenses and to fund the receivables which are long overdue from consumers. The Petitioner further submitted that it considers the receipt of Delayed Payment Surcharge from the consumers in the year it is received but the funding cost for the same is not being approved by the Commission. The details of overdraft facility and interest expenses for FY 2023-24 as submitted by the Petitioner is as shown in the Table below:

Table 4.27: Interest on Overdraft availed by the Petitioner for FY 2023-24 (Rs. Crore)

Month	Overdraft availed at the end of the month (Rs. Cr.)	Interest on OD (Rs. Cr.)
April, 23	380.28	1.48
May, 23	423.95	2.35
June, 23	428.90	2.62
July, 23	381.40	2.60
Aug, 23	291.33	2.94
Sept, 23	419.66	2.73
Oct, 23	463.40	2.74
Nov, 23	488.70	2.73
Dec, 23	540.28	3.16
Jan, 24	528.71	3.26
Feb, 24	523.03	3.09
March, 24	334.86	3.27
Total		**32.97**

The Petitioner submitted that in addition to the overdraft facility, the Petitioner has availed special loan @ 9.50% and a special term loan @ 9.75% to meet the working capital requirement. The Petitioner submitted that the total actual interest on working capital for FY 2023-24 is Rs. 79.20

Crore (Interest on OD of Rs. 32.97 Crore, interest on special loan of Rs. 20.47 Crore and interest on special term loan of Rs. 25.76 Crore).

The Commission observes that the Petitioner for sharing the gain/loss on account of interest on working capital has considered actual interest on loan of Rs. 79.20 Crore. It is further observed that the Overdraft facility was availed for the dual purpose of meeting power purchase and to fund receivables. It is further observed that the collection efficiency of the Petitioner is very poor in the beginning months of the financial year resulting in increased requirement of OD. The Commission in the MYT Oder dated March 31, 2022 ruled as follows.

"The need of overdraft arises as UPCL does not meet the collection efficiency targets. In fact in the initial months of the financial year, Collection efficiency is found to be around 50%. Hence, due to inefficiencies of the field officers, the Petitioner Company is being loaded with the burden of LPS to generating companies and interest on overdrafts which ultimately passes on to the consumers. The Commission has taken a serious note of this and ***directs UPCL to submit the month wise division wise details of collection of dues by the 15th of the next month and action may be taken against the Executive Engineer of those divisions whose collection efficiency is less than the approved collection efficiency."***

The Commission for FY 2023-24 also observed that the collection efficiency in the month of April 2023 was merely 53.83% as against the approved collection efficiency of 99.15%. The Commission is, therefore, of the view that such inefficiency on the part of the Petitioner cannot be passed on to the consumers and, therefore, there is a need to reinstate the OD requirement to fund only the shortfall in the receivables at approved collection efficiency of 99.15%. Moreover, the Commission has clarified in the SoR to the amended Regulations that while comparing the normative Interest on Working Capital against the actual cost on borrowing paid by the discom, the Commission shall reinstate the actual borrowing cost considering the actual working capital requirement at the level of approved collection efficiency and not on actual collection efficiency which is abysmal in the initial months.

The Commission, therefore, sought month wise revenue billed and collected to compute the monthly OD requirement and based on the monthly shortfall if any, interest on OD has been pro-rated to compute the actual monthly interest on OD and is as shown in the Table below:

Table 4.28: Interest on Overdraft Re-instated for FY 2023-24 (Rs. Crore)

Month	Revenue Billed (Rs. Cr.)	Revenue Collected (Rs. Cr.)	Collection Efficiency (%)	Revenue Shortfall (Rs. Cr.)	Overdraft availed at the end of the month (Rs. Cr.)	Interest on OD (Rs. Cr.)	Shortfall in collection @ 99.15% collection efficiency (Rs. Cr.)	Interest pro-Rated to actual shortfall (Rs. Crore)
Apr-23	725.18	390.37	53.83%	334.81	380.28	1.48	6.16	0.02
May-23	742.11	671.62	90.50%	70.49	423.95	2.35	6.31	0.03
Jun-23	827.53	736.21	88.96%	91.32	428.90	2.62	7.03	0.04
Jul-23	867.84	753.78	86.86%	114.06	381.40	2.60	7.38	0.05
Aug-23	926.21	827.45	89.34%	98.76	291.33	2.94	7.87	0.08
Sep-23	878.20	827.97	94.28%	50.23	419.66	2.73	7.46	0.05
Oct-23	869.41	875.23	100.67%	-5.82	463.40	2.74		-
Nov-23	759.04	750.40	98.86%	8.64	488.70	2.73	6.45	0.04
Dec-23	816.53	790.32	96.79%	26.21	540.28	3.16	6.94	0.04
Jan-24	869.81	896.59	103.08%	-26.78	528.71	3.26		-
Feb-24	879.73	899.67	102.27%	-19.94	523.03	3.09		-
Mar-24	829.27	1,485.26	179.10%	-655.99	334.86	3.27		-
Total	**9990.86**	**9904.87**	**99.14%**	**85.99**		**32.97**		**0.36**

Therefore, for the current proceedings, the re-stated interest of Rs. 0.36 Crore alongwith actual interest on loan corresponding to the special loan of Rs. 46.23 Crore which works out to Rs. 46.59 Crore has been considered for sharing of IoWC in accordance with UERC MYT Regulations, 2021 as amended from time to time.

4.2.4 *Return on Equity*

The Petitioner submitted that it has computed Return on Equity (RoE) for FY 2023-24 considering the opening equity of Rs. 1365.58 Crore and the rate of RoE of 16.50%.

The Commission has considered the closing equity of Rs. 1148.18 Crore approved for FY 2022-23 as the opening equity for FY 2023-24. Accordingly, the Commission has approved the Return on Equity at the rate of 16.50% on the opening equity in accordance with the Regulations. The Return on Equity approved by the Commission for FY 2023-24 is as shown in the Table below:

Table 4.29: Return on Equity approved by the Commission for FY 2023-24 (Rs. Crore)

Particulars	Approved in the Tariff Order	Claimed by UPCL	Approved
Return on Equity	176.91	225.32	189.45

4.2.5 *Non-Tariff Income*

The Petitioner submitted that the Non-Tariff Income includes income from non-tariff sources such as income from investments, delayed payment surcharge, etc. The Petitioner has claimed non-tariff income as Rs. 253.10 Crore.

The Petitioner submitted that it has considered the wheeling charges, cross subsidy surcharge and additional surcharge as part of non-tariff income and has excluded the same from revenue from sale of power.

The Petitioner with regard to Rebate earned has submitted that the same has not been considered as part of NTI as it is to be considered for sharing of gains/losses as per the first amendment to UERC Tariff Regulations, 2021. The Commission agrees with the submissions made by the Petitioner and has not considered the Rebate earned as part of NTI.

The Petitioner has further considered an amount of Rs. 162.30 Crore collected as Delayed Payment Surcharge as part of non-tariff income.

The Commission observed that UPCL has not considered DPS amount that was to be recovered from Government consumers. The Commission during the Technical Validation Session sought explanation from the Petitioner for not recovering the same. The Petitioner vide its reply dated February 07, 2025, submitted that as per the policy direction of Government of Uttarakhand (GoUk), no interest/DPS is payable by UPCL on dues payable to GoU and by GoU on dues payable to UPCL. However, the Petitioner has also submitted calculation of normative DPS for FY 2023-24, as follows:

Table 4.30: Calculation of Normative DPS for FY 2023-24

S. No.	Category	Balance as on 31-03-2023	Balance as on 31-03-2024	Average Balance	DPS @ 1.25% p.m.
1.	Public Water Works (Jal Nigam/Jal Sansthan)	49.36	47.18	48.27	7.24
2.	Public Lamp	63.53	71.63	67.58	10.14
3.	Govt. Irrigation System	43.27	40.87	42.07	6.31
4.	Other Government Department	44.39	28.28	36.33	5.45
Total		**200.54**	**187.95**	**194.25**	**29.14**

The Commission has gone through the submissions of the Petitioner and observes that the Petitioner and GoU have come to an internal agreement on the applicability of DPS which is not as per the UERC Tariff Regulations, 2021. The Commission has been allowing UPCL all the costs that is to be paid to the Government, however, UPCL due to its inefficiencies and also imprudent financial management has either not been able to collect its dues from the consumers or is utilising the said amount in creation of fixed assets which can very well be ascertained from the fact that every year UPCL is claiming assets to be created out of its equity/internal resources when it is having negative net worth and is claiming RoE on the same. Hence, the entire burden of this inefficient practices cannot be loaded on to the consumers. The Commission, accordingly, is of the view that both the Petitioner as well as the Commission are bound by the provisions of UERC Tariff Regulations, 2021, and the Regulation is not subject to any such agreements which may be agreed between the Petitioner and its consumers. Therefore, any impact arising out of such agreement is to the account of the Petitioner. Further, it is observed that the Petitioner has calculated the normative DPS for FY 2023-24 based on the average balance payment of the Government consumer category at the year end. However, the approach adopted by the Petitioner for the calculation of DPS is not correct as the DPS amount should be computed on a monthly basis for the entire financial year.

Therefore, the Commission has continued with its earlier approach of calculating the DPS on Government Consumers. The Commission observed that in FY 2023-24 the total amount billed to Government consumers (Public Lamps, Government Irrigation system and Public water works) as per commercial diary of March, 2024 is Rs. 587.25 Crore. Similarly, the said amount for FY 2022-23 is Rs. 511.27 Crore as per commercial diary for March, 2023. Further, the Commission has calculated DPS on Government Consumers for FY 2022-23 as Rs. 112.39 Crore. Accordingly, the pro-rata amount for FY 2023-24 has been worked out based on the amount billed to Government Consumers, therefore, the Commission has considered Rs. 129.09 Crore as the amount of DPS on receivable from Government consumers as part of NTI for FY 2023-24.

Accordingly, the non-tariff income claimed by the Petitioner and that approved by the Commission for the purpose of truing up for FY 2023-24 is as given in the Table below:

Table 4.31: Non-tariff Income approved by the Commission for FY 2023-24 (Rs. Crore)

Particulars	Approved in the Tariff Order	Claimed by UPCL	Approved
Non-tariff income	429.57	253.10	382.20

4.3 Tariff Revenue

The Petitioner submitted the revenue at existing tariff as Rs. 9235.84 Crore as against the revenue of Rs. 9976.53 Crore, approved by the Commission for FY 2023-24 in the Tariff Order for FY 2023-24.

The Petitioner submitted that after making significant improvements, the actual distribution loss of 13.89% for FY 2023-24 were higher by 64 basis points than the baseline value of 13.25%

approved by the Commission for FY 2023-24. The Petitioner further submitted the loss to be passed on, which is as shown in the Table below:

Table 4.32: Claimed Additional Revenue from Sale for FY 2023-24 (Rs. Crore)

S. No.	Particulars	Actuals
1.	Actual Sales (MU)	13870.70
2.	Actual Distribution Loss Level (%)	13.89%
3.	Actual Energy Input at T-D Interface (MU)	16108.90
4.	Sales at Actual Energy Input with 13.75% Loss (MU)	13974.47
5.	Loss of Sales (MU)	103.76
6.	Revenue at Existing Tariff (Rs. Crore)	9235.84
7.	ABR (Rs./kWh)	6.66
8.	Loss of Revenue due to higher distribution losses (Rs. Crore)	**69.09**
9.	**Loss to be retained by the Petitioner (2/3 of 8) (Rs. Crore)**	**46.06**

The Petitioner has separately claimed sharing of the above loss to be allowed in FY 2023-24.

The Commission has considered the trued-up distribution loss for FY 2023-24 and has, accordingly, computed the loss of sales as 384.01 MU due to the commercial inefficiencies of UPCL.

The Commission in the past has been considering additional revenue due to substantial variation in the ABR of Departmental employees and other Domestic Consumers. However, from the Commercial Diary for FY 2023-24 it is observed that the ABR of Departmental employees is marginally higher than the ABR of Rs. 5.17/kWh of other Domestic consumers and, therefore, no adjustment has been carried out on account of the same.

In accordance with the earlier approach adopted by the Commission, rebate towards online payment of bills have been adjusted from the Revenue and, therefore, the same has been reduced while computing the gap/surplus for FY 2023-24.

Based on the above, the revenue from the sale of power, as worked out by the Commission is same as that claimed by the Petitioner and is shown in the Table below:

Table 4.33: Approved Revenue from Sale of Power for FY 2023-24 (Rs. Crore)

Particulars	Amount
Actual Revenue as per books of accounts	9648.12
Less: Sale of Surplus Power	190.22
Less: Income frm DPS	162.30
Less: Wheeling Charges	0.25
Less: CSS	3.45
Less: Additional Surcharge	4.43
Less: Rebate online payment of Bills	51.63
Total Revenue	**9235.84**

The Commission for the computation of ABR, to determine the additional revenue from sale due to inefficiency of the Petitioner in FY 2023-24, has considered the revenue as Rs. 9235.84 Crore as stated above.

Further, as discussed herein above, there is a loss of 384.01 MU on account of commercial inefficiencies of the Petitioner in failing to achieve the distribution loss target approved by the Commission. The Commission has considered the revenue of Rs. 260.97 Crore at an average billing rate of Rs. 6.80/kWh for this additional loss of sale on account of higher distribution losses while truing up the ARR for FY 2023-24 as shown in the Table below:

Table 4.34: Additional Revenue from Sale due to inefficiency for FY 2023-24 (Rs. Crore)

S. No.	Particulars	Claimed by UPCL	Approved
1.	Actual/ Re-casted Sales (MU)	13870.70	13590.49
2.	Actual Distribution Loss Level (%)	13.89%	15.63%
3.	Actual Energy Input at T-D Interface (MU)	16108.93	16108.93
4.	Sales at Approved Loss of 13.50% (MU)	13974.47	13974.50
5.	Loss of Sales due to Inefficiency (MU)	103.76	384.01
7.	ABR (Rs./kWh)	6.66	6.80
8.	Loss of Revenue due to higher distribution losses (Rs. Crore)	69.09	260.97
9.	**Losses to borne by Petitioner (2/3rd of 8) (Rs. Crore)**	**46.06**	**173.98**

Accordingly, the Commission has considered a tariff revenue of Rs. 9409.82 Crore including Rs. 173.98 Crore as deemed revenue on account of excess distribution loss for FY 2023-24 as against total revenue of Rs. 9235.84 Crore claimed by the Petitioner.

4.4 Sharing of Gains and Losses

The sharing of gains and losses claimed by the Petitioner for FY 2023-24 is as shown in the Table below:

Table 4.35: Sharing of Gains and Losses for FY 2023-24 claimed by the Petitioner (Rs. Crore)

Particulars	Amount Gain/(Loss)	Consumer Share	UPCL Share
Gain		1/3rd	2/3rd
IoWC	78.45	26.15	52.30
O&M Expenses	-78.53	-26.18	-52.35
Rebate Earned on Discharge of Power Purchase Liability	30.96	10.32	20.64
Late Payment Surcharge for delayed discharge of Power purchase liability	-0.11	-0.04	-0.07
Total to be reduced from ARR		**10.25**	

Regulation 12 of the UERC Tariff Regulations, 2021 specifies as under:

*"**12. Annual Performance Review***

…

(5) The "uncontrollable factors" shall include such of the factors which are beyond the control of, the applicant, as determined by the Commission. Some examples of uncontrollable factors are as follows :

…

c) Economy wide influences such as unforeseen changes in inflation rate, market interest rates, taxes and statutory levies;

…

(6) Some illustrative variations or expected variations in the performance of the applicant which may be attributed by the Commission to controllable factors shall include, but shall not be limited to, the following::

…

f) Variations in working capital requirements;

…

j) Variation in operation & maintenance expenses

k) Rebate earned on discharge of power purchase liability;

l) Late payment surcharge on account of delayed discharge of power purchase liability;

(10) Upon completion of the Annual Performance Review, the Commission shall pass an order recording--

a) The approved aggregate gain or loss to the Applicant on account of uncontrollable factors and the mechanism by which the Applicant shall be allowed such gains or losses in accordance with Regulation 13;

b) The approved aggregate gain or loss to the Applicant on account of controllable factors and sharing of such gains or such losses that may be shared in accordance with Regulation 14;

c) The approved modifications to the forecast of the Applicant for the current and/or ensuing year, if any;

The surplus/deficit determined by the Commission in accordance with these Regulations on account of truing up of the ARR of Applicant shall be carried forward to the ensuing financial year, alongwith carrying cost at the rate of interest applicable for the year of the tariff period, determined in accordance with the Regulation 33 of these Regulations."

Regulation 13 of the UERC Tariff Regulations, 2021 specifies as under:

"13. Sharing of Gains and Losses on account of Uncontrollable factors

The approved aggregate gain or loss to the Applicant on account of uncontrollable factors shall be allowed as an adjustment in the tariff/charges of the Applicant over such period as may be specified in the Order of the Commission;

..."

Regulation 14 of the UERC Tariff Regulations, 2021 specifies as under:

"14. Sharing of Gains and Losses on account of Controllable factors

(1) The approved aggregate gain and loss to the Applicant on account of controllable factors shall be dealt with in the following manner:

a) 1/3rd of such gain or loss shall be passed on as a rebate or allowed to be recovered in tariffs over such period as may be specified in the Order of the Commission;

b) The balance amount of such gain or loss may be utilized or absorbed by the Applicant."

Hence, in accordance with UERC Tariff Regulations, 2021 as amended from time to time, the O&M expenses, IoWC and Distribution losses, LPS on Power Purchase cost, Rebate on Power Purchase cost are controllable factors and any gain or loss on account of the controllable factors is to be dealt in accordance with the provisions of Regulation 14 of the above-mentioned Regulations.

The sharing of gains on account of controllable factors approved by the Commission for FY 2023-24 is as shown in the Table given below:

Table 4.36: Sharing of Gains on Account of Controllable Factors approved by the Commission for FY 2023-24 (Rs. Crore)

Particulars	Actual for truing up	Normative as Trued up	Aggregate gain/(loss)	Consumer's Share	Petitioner's Share of Gain/(Loss)
	A	B	C=B-A	Gain: D=1/3 x C (Loss) D=1/3 x C	E=C-D
O&M expenses	864.17	740.81	(123.36)	(41.12)	(82.24)
Distribution Loss	15.63%	13.25%	(260.97)	(86.99)	(173.98)
IoWC	46.59	126.37	79.77	26.59	53.18
PP Rebate	30.96	-	30.96	10.32	20.64
DPS	-0.11	-	-0.11	-0.04	-0.07
Total			**(273.71)**	**(91.24)**	**(182.47)**

4.5 ARR and Revenue for FY 2023-24

The Commission in its Tariff Order dated March 30, 2023 had approved the Net Revenue Requirement for FY 2023-24 as Rs. 9900.54 Crore. The Petitioner has now claimed an ARR of Rs. 10391.09 Crore for FY 2023-24. However, based on the various elements of the ARR as discussed above and approved by the Commission, the summary of final Truing up for FY 2023-24 is given in the Table below:

Table 4.37: Summary of True up for FY 2023-24 approved by the Commission (Rs. Crore)

Particulars	Tariff Order	Claimed by UPCL	Approved
Power Purchase Cost incl. UJVN Arrears & Water Tax	7352.92	7309.42	7309.42
UJVN Ltd. Arrears/(Surplus)	-25.6		
PGCIL	598.40	686.30	686.30
PTCUL and SLDC	369.75	373.92	373.92
Interest on Loan and guarantee fee	150.12	128.58	132.20
Depreciation	244.41	193.55	154.86
O&M expenses after sharing	741.04	817.09	781.93
Interest on Working Capital	139.41	157.65	126.37
Impact of Sharing on Interest on Working Capital/Rebate & DPS	-	-36.43	-36.87
Return on Equity	176.91	225.32	189.45
Additional Claim - Past ARR - EI Cert	-	252.10	-
Aggregate Revenue Requirement	**9747.35**	**10107.50**	**9717.58**
Less: Non-Tariff Income	429.57	253.10	382.20
Gap/(Surplus) of previous year	582.76	582.76	582.76
Net ARR	**9900.54**	**10437.16**	**9918.14**
Revenue			
Revenue at Existing Tariff	9029.69	9235.84	9235.84
Revenue from Addl Sales. (after sharing)	-	46.06	173.98
Total Revenue	**9029.69**	**9281.90**	**9409.82**
Adjusted Revenue (Surplus)/Gap	**870.85**	**1155.25**	**508.32**

The Petitioner in its Petition had requested the Commission to approve the gap of Rs. 1155.25 Crore. However, the Commission has approved a gap of Rs. 508.32 Crore for FY 2023-24. The Commission has allowed the same alongwith the carrying cost in truing up of FY 2023-24.

Table 4.38: Total gap including carrying cost (Rs. Crore)

Particulars	FY 2023-24	FY 2024-25	FY 2025-26
Opening Gap/(Surplus)	0.00	537.04	601.86
Addition	508.32	0.00	-601.86
Closing	508.32	537.04	0.00
Interest Rate	11.30%	12.07%	12.07%
Carrying/(Holding) Cost	28.72	64.82	36.32
Closing Balance	537.04	601.86	638.19

The Commission has, accordingly, considered the total gap of Rs. 638.19 Crore including carrying cost, in the ARR of FY 2025-26.

5. Petitioner's Submissions, Commission's Analysis, Scrutiny and Conclusion on APR for FY 2024-25 and ARR for Fifth Control Period of FY 2025-26 to FY 2027-28

5.1 Background

This Chapter deals with the determination of the projected ARR of the Petitioner for the Fifth Control Period from FY 2025-26 to FY 2027-28. To determine the ARR of the Petitioner for the ensuing year FY 2025-26, the Commission has first projected the monthly power purchase requirement of the Petitioner by estimating the category wise sales based on the past trends and considering the normative distribution losses. After determining the monthly power purchase requirement, the Commission has determined the overall power purchase cost. The Commission has discussed the Sales Projections, Distribution loss trajectory, Power Purchase Plan and Capital Expenditure in detail in Chapter 3 of this Order while approving the Business Plan components. The Commission has, thereafter, estimated the other elements of ARR such as Depreciation, O&M expenses, Interest and Finance Charges, Working Capital requirement and Return on Equity to project the ARR of the Petitioner for the Fifth Control Period from FY 2025-26 to FY 2027-28. Based on the analysis and scrutiny of the Petitioner's projections in the Petition and considering the subsequent submissions including actual data for the preceding years, the Commission has determined the total ARR for first year of the Fifth Control Period, i.e. FY 2025-26 and components of the ARR excluding Power Purchase Cost for the remaining two years of the Control Period, i.e. FY 2026-27 and FY 2027-28 as detailed in the subsequent Paras of this Chapter.

5.2 Sales

The Commission has already discussed in detail the approach adopted by it for approving the consumer category wise sales for each year of the Fifth Control Period from FY 2025-26 to FY 2027-28 in Chapter 3 of the Order. The consumer category wise sale approved by the Commission for the Fifth Control Period from FY 2025-26 to FY 2027-28 is as shown in the Table below:

Table 5.1: Category Wise Sales Projections for Fifth Control Period (MU)

Consumer Category	FY 2025-26		FY 2026-27		FY 2027-28	
	Claimed	Approved	Claimed	Approved	Claimed	Approved
RTS-1: Domestic	4474.57	4151.39	4722.73	4384.20	4,984.66	4630.08
RTS-2: Non-Domestic	2238.35	2132.78	2407.76	2290.01	2,589.98	2458.84
RTS-3: Govt. Public Utilities	878.24	784.49	920.69	815.21	965.70	847.13
RTS-4: Private Tube-wells / Pumping sets	307.24	288.45	332.16	297.55	359.11	306.94
RTS-5: LT & HT Industry						
Total LT	382.32	365.57	392.89	380.20	403.75	395.40
Total HT	6892.98	7041.62	7071.54	7323.28	7,254.73	7616.21
Total	7275.29	7407.19	7464.43	7703.48	7658.48	8011.62
RTS-6: Mixed Load	201.02	205.34	204.58	211.33	208.21	217.49
RTS-7: Railway Traction	121.66	106.43	128.01	122.40	134.69	140.76
RTS 8: EV Charging Stations	2.36	2.36	7.44	7.44	23.48	23.48
Total	**15498.73**	**15078.43**	**16187.79**	**15831.62**	**16924.30**	**16636.33**

The Commission would like to once again highlight that the Petitioner has projected the restricted sales for the Fifth Control Period from FY 2025-26 to FY 2027-28. The Commission as discussed in Chapter 3 of the Order has projected unrestricted sales for the Fifth Control Period.

5.3 Distribution Loss Trajectory

The Commission has approved the Distribution Loss Trajectory for the Fifth Control Period from FY 2025-26 to FY 2027-28 as discussed in Chapter 3 of the Order. The distribution loss trajectory approved by the Commission for the Fifth Control Period from FY 2025-26 to FY 2027-28 is as shown in the Table given below:

Table 5.2: Distribution Loss Trajectory approved by the Commission for the Fifth Control Period from FY 2025-26 to FY 2027-28

Particulars	FY 2025-26		FY 2026-27		FY 2027-28	
	Claimed by UPCL	Approved	Claimed by UPCL	Approved	Claimed by UPCL	Approved
Distribution Losses	13.50%	12.75%	13.21%	12.25%	12.95%	11.75%

In line with the approach adopted by the Commission in its previous Tariff Orders, the Commission has considered the entire distribution loss reduction target for each year of the Control Period as reduction in commercial losses of the Petitioner and has, therefore, considered the impact of distribution loss reduction in terms of increase in sales due to efficiency improvement.

Accordingly, the estimated energy requirement at the distribution periphery, State periphery and approved loss level for the Fifth Control Period from FY 2025-26 to FY 2027-28 are given in the

Table below:

Table 5.3: Energy Input requirement approved by the Commission for the Fifth Control Period from FY 2025-26 to FY 2027-28

Particulars	FY 2025-26	FY 2026-27	FY 2027-28
Distribution Sales	15078.43	15831.62	16636.33
Loss level for Energy Input (MU)	13.00%	12.75%	12.25%
Energy Input required at T-D interface (MU)	17331.53	18145.13	18958.78
Commercial Loss reduction (%)	0.25%	0.50%	0.50%
Commercial Loss reduction (Additional sales due to efficiency improvement) (MU)	43.33	90.73	94.79
Total sales with efficiency improvement (MU)	15121.76	15922.35	16731.13
Overall Distribution Loss (%)	12.75%	12.25%	11.75%
PTCUL Loss (%)	1.03%	1.03%	1.03%
Energy Input at State periphery (MU)	**17511.90**	**18333.97**	**19156.09**
THDC PSP Requirement at State periphery (MU)	**492.50**	**591.32**	**591.32**
Total Energy Input at State periphery (MU)	**18004.40**	**18925.29**	**19747.41**

5.4 Aggregate Revenue Requirement

Regulation 69 of the UERC Tariff Regulations, 2024 specifies as follows:

"69. Aggregate Revenue Requirement for each Financial Year of the Control Period

(1) The total annual expenses and return on equity of the Distribution Licensee for each financial year of the Control Period shall be worked out on the basis of expenses and return allowed in terms of these Regulations.

(2) The retail supply tariff of a Distribution Licensee for each financial year of the Control Period shall provide for recovery of the Aggregate Revenue Requirement of the Distribution Licensee for each financial year of the Control Period, as reduced by the amount of non-tariff income, income from wheeling in respect of open access customers, income from Other Business and receipts on account of cross-subsidy surcharge and additional surcharge for the relevant financial year, as approved by the Commission, and subsidy from the State Government for that financial year, if any, and shall comprise of the following:

(a) Cost of power purchase;

(b) Transmission charges;

(c) System Operation Charges, i.e. Fee and Charges paid to NLDC/RLDC/SLDC

(d) Interest and Finance charges on Loan Capital and on consumer security deposit;

(e) Depreciation, including and amortisation of intangible assets;

(f) Lease Charges

(g) Operation and Maintenance expenses;

(h) Interest on working capital; and

(i) Return on equity capital;

(j) Income-tax;

(k) Provision for Bad and doubtful debts and bad debts actually written off in case the existing provision is insufficient to meet the write-offs

(3) Net Revenue Requirement from sale of electricity = Aggregate Revenue Requirement, as above, minus:

(a) Non-tariff income;

(l) Income from wheeling charges recovered from open access customers;

(m) Income from Other Business, to the extent specified in these Regulations;

(n) Receipts from cross-subsidy surcharge from open access consumers; and

(o) Receipts from additional surcharge on charges of wheeling from open access consumers.

(p) Any revenue subsidy or grant received from the State Government other than the subsidy under Section 65 of the Electricity Act, 2003."

The Commission in this Order has determined the Net Revenue Requirement for the first year of the Control Period, i.e. FY 2025-26 and components of Net Revenue Requirement excluding Power Purchase Cost for the remaining two years of the Control Period, i.e. FY 2026-27 and FY 2027-28 as detailed in the subsequent Paras of this Chapter.

5.5 Power Purchase Cost

The power requirement of UPCL is met from various sources which include the generating stations of:

- NTPC Ltd.
- NHPC Ltd.
- NPCIL.
- SJVNL.
- THDC Ltd.
- State generating stations of UJVNL.
- UREDA.

- Gas Generating Stations in the State.
- Co-generation stations.
- Independent Power Producers (IPPs).
- Other Renewable Sources.
- Short-term power arrangements: Banking, open market purchase etc.

The Commission has approved the power procurement plan from various sources for each year of the Fifth Control Period from FY 2025-26 to FY 2027-28 in Chapter 3 of the Order. Further, as discussed in Chapter 3, the Commission is only projecting the power purchase cost for the first year of the Control Period, i.e. FY 2025-26 and for the reasons mentioned in Chapter 3, the Commission finds no relevance in approving the power purchase cost for remaining two years of the Fifth Control Period, i.e. FY 2026-27 and FY 2027-28.

5.5.1 *Cost of Power Purchase*

The Petitioner submitted that the cost of power purchase has been projected based on the following assumptions.

Table 5.4: Approach of the Petitioner in estimating the cost of power purchase

<table>
<tr><th>Name of the Station</th><th>Fixed Cost & Variable Cost</th></tr>
<tr><td>NHPC</td><td rowspan="15">For existing generators (except UJVN Large hydro), Variable charges & Other charges (Rs. /unit) is considered as per current year's actual charges with no escalation, and Fixed charges (Rs. Crore) is considered as per FY 2023-24 actual charges with no escalation.
For large hydro of UJVN Ltd., Charges as per their latest Tariff order is considered.
For upcoming SHPs, charges are considered as per the Generic Tariff determined by the Commission.
For the upcoming Large hydro power plants and Khurja Super thermal power plant, charges are considered as per the discussion with Generators.
For upcoming solar power plants of SECI and SJVNL, charges are considered as per PPA. For upcoming solar power plants under MSSY, UJVNL, charges are considered as per discussion with generators.
For the State Royalty Power, the actual cost of free power in FY 2024-25 has been considered.
For the power purchased from open market, the actual cost of FY 2024-25 has been considered.</td></tr>
<tr><td>SJVNL</td></tr>
<tr><td>THDC</td></tr>
<tr><td>NTPC</td></tr>
<tr><td>NPCIL</td></tr>
<tr><td>UJVNL`</td></tr>
<tr><td>UREDA SHPs</td></tr>
<tr><td>UREDA Solar</td></tr>
<tr><td>UREDA Biomass</td></tr>
<tr><td>IPP Hydro</td></tr>
<tr><td>Gas</td></tr>
<tr><td>Solar</td></tr>
<tr><td>Solar Rooftop</td></tr>
<tr><td>Other large private</td></tr>
<tr><td>Co- generation Station</td></tr>
</table>

The Petitioner has proposed forward banking of available surplus power during the summer months for each year of the Fifth Control Period which would be returned in the winter months in the same year.

The Petitioner submitted that the cost of power purchase from short term sources has been considered @ Rs. 4.93/kWh for the Fifth Control Period.

The Petitioner has projected the average power purchase cost of Rs. 4.27/kWh, Rs. 4.29/kWh and Rs. 4.50/kWh for FY 2025-26, FY 2026-27 and FY 2027-28 respectively.

The Commission has estimated the cost of power purchase from various sources for FY 2025-26 as detailed below:

Table 5.5: Approach of the Commission in estimating the Cost of Power Purchase for FY 2025-26

Source	Approach of the Commission in estimating the cost of power purchase
UJVN Ltd.	The Commission has considered the approved Tariff of UJVN Ltd.'s (10 LHPs) for FY 2025-26. As per the GoU Notification No. 601/1(2)/04(1)-1/2007 dated May 31, 2017, GoU imposed a cess of Rs. 0.30/kWh and royalty of Rs. 0.10/kWh on saleable energy generated from hydro generating stations which are under commercial operation for 10 or more years with cost of generation below Rs. 2/kWh with effect from the date of notification. Hence, additional impact on account of the same has been considered. For Vyasi, tariff approved by the Commission for FY 2025-26 has been considered For SHPs, the Commission has considered the applicable Tariff for such generating stations as specified in the Renewable Energy Regulations or Orders of the Commission. Further, the Commission has considered the Water Tax equivalent to actual Water Tax for FY 2023-24.
NHPC Ltd., THDC Ltd., SJVNL Ltd.	The tariff for these stations has been considered equal to the approved Annual Fixed Charges (AFC) for FY 2023-24 for stations whose tariff has been approved for the Control Period FY 2019-24. For stations whose tariff as per CERC Regulations, 2019 is yet to be determined, AFC approved for FY 2018-19 has been considered without any escalation.
NTPC Ltd.	The tariff for these stations has been considered equal to approved Annual Fixed Charges (AFC) for FY 2023-24 for stations whose tariff has been approved for the Control Period FY 2019-24. For stations whose tariff as per CERC Regulations, 2019 is yet to be determined, AFC approved for FY 2018-19 has been considered without any escalation. For estimating the Energy Charges for FY 2025-26, to avoid substantial impact on FPPCA, the weighted average rate of actual Energy Charges for the FY 2023-24, as per the Power Purchase data submitted by UPCL has been considered with an escalation of 5%.
NPCIL	The tariff for NPCIL stations has been considered based on the actual billing during FY 2023-24 without any escalation.
Renewable energy sources	The tariff as projected by UPCL has been considered for these stations.
Sasan UMPP	The applicable tariff for FY 2025-26 as per the PPA has been considered.
Gamma and Sravanthi CCPP	The tariff for these stations has been considered as approved by the Commission for FY 2025-26. Further, the Commission has also considered impact of truing up of FY 2023-24 including true up of Energy Charges. Further, variable charge of Rs. 7.74/kWh has been considered in view of the existing contracts of gas supply entered by the generators, and expected increase in price of gas in global market.

Table 5.5: Approach of the Commission in estimating the Cost of Power Purchase for FY 2025-26

<table>
<tr><th>Source</th><th>Approach of the Commission in estimating the cost of power purchase</th></tr>
<tr><td>Greenko Budhil Hydro</td><td>The annual fixed charges for this station has been considered as approved by the Commission for FY 2025-26 including truing up impact of FY 2023-24.</td></tr>
<tr><td>Additional purchase for fulfilling RPO</td><td>The tariff for the additional purchase for fulfilling the wind RPO has been considered as Rs. 4.00/kWh at State periphery and the Petitioner should seek to buy actual wind power to meet the RPO.</td></tr>
<tr><td>Tehri PSP</td><td>The tariff as projected by UPCL has been considered.</td></tr>
<tr><td>Upcoming Stations</td><td>The tariff as projected by UPCL has been considered.</td></tr>
<tr><td>Deficit purchase from short term</td><td>The tariff for deficit purchase has been considered as Rs. 4.93/kWh at State periphery as projected by the Petitioner.</td></tr>
<tr><td>Deficit purchase from Medium Term/Long term</td><td>The tariff for deficit purchase through Medium/Long term sources has been considered as Rs. 5.30/kWh at State periphery.</td></tr>
<tr><td>Cost of free power</td><td>The cost of free power has been computed in line with the methodology adopted by the Commission in its Tariff Order dated 28.03.2024., i.e. only the large hydro generating stations commissioned prior to 31.03.2022 have been considered for calculating the rate of free power and is as shown below:
<table>
<tr><th rowspan="2">Particulars</th><th>Quantum</th><th>Total Cost</th><th>Average Cost</th></tr>
<tr><th>MU</th><th>Rs. Crore</th><th>Rs. /kWh</th></tr>
<tr><td>UJVN Ltd. (9 LHPs)</td><td>2900.06</td><td>504.93</td><td>1.74</td></tr>
<tr><td>Maneri Bhali II</td><td>1255.50</td><td>269.93</td><td>2.15</td></tr>
<tr><td>NHPC</td><td>620.55</td><td>229.78</td><td>3.70</td></tr>
<tr><td>THDC</td><td>217.15</td><td>109.92</td><td>5.06</td></tr>
<tr><td>SJVNL</td><td>327.09</td><td>120.84</td><td>3.69</td></tr>
<tr><td>Greenko</td><td>225.68</td><td>51.82</td><td>2.30</td></tr>
<tr><td>Koldam</td><td>206.18</td><td>88.74</td><td>4.30</td></tr>
<tr><td>Kishanganga</td><td>31.69</td><td>9.51</td><td>3.00</td></tr>
<tr><td>Average</td><td>5783.90</td><td>1385.47</td><td>2.40</td></tr>
</table>
*Vyasi HEP has not been considered for computation of free power as the plant was Commissioned on 24.05.2022, i.e. post 31.03.2022. (In line with methodolody adopted in Tariff Order dated 28.03.2024)</td></tr>
</table>

The summary of estimated power purchase cost for FY 2025-26 is as shown in the Table given below:

Table 5.6: Summary of Power Purchase Cost for FY 2025-26

Station	Claimed by UPCL			Approved		
	PP at State periphery	Total Cost	Average Rate	PP at State periphery	Total Cost	Average Rate
	MU	Rs. Crore	Rs. /kWh	MU	Rs. Crore	Rs. /kWh
UJVN Ltd.						
UJVN Ltd. (9 LHPs)	2952.04	653.99	2.22	2900.06	581.81	2.01
Maneri Bhali II	1238.50	256.51	2.07	1255.50	269.93	2.15
Vyasi	328.96	250.01	7.60	348.76	339.54	9.74
Small Hydro	166.37	34.11	2.05	165.10	27.56	1.67
Total UJVN Ltd.	**4685.87**	**1194.62**	**2.55**	**4669.44**	**1218.84**	**2.61**
NHPC						
Salal	36.92	11.46	3.10	38.06	7.54	1.98
Tanakpur	11.71	10.76	9.19	17.61	10.77	6.11
Chamera I	66.71	15.67	2.35	66.68	15.04	2.26
Chamera II	25.96	8.56	3.30	34.67	8.23	2.37
Chamera III	51.49	25.94	5.04	58.07	26.47	4.56
Uri	83.37	24.80	2.97	82.19	19.60	2.39
Dhauliganga	59.28	25.34	4.27	70.36	17.72	2.52
Dulhasti	115.97	66.25	5.71	133.17	53.79	4.04
Sewa II	31.36	17.25	5.50	29.75	14.06	4.73
Uri II	76.22	41.84	5.49	60.95	32.71	5.37
Parbati III	25.28	18.54	7.33	29.04	23.86	8.22
Kishanganga	24.18	13.94	5.77	31.69	9.51	3.00
Free Power-Tanakpur	48.79	10.87	3.36	55.24	13.23	2.40
Free Power-Dhauliganga	134.14	29.87	3.36	129.74	31.08	2.40
Total NHPC	**791.38**	**321.09**	**4.06**	**837.22**	**283.60**	**3.39**
THDC						
Tehri HEP	119.30	63.17	5.30	133.20	56.43	4.24
Free Power-Tehri HEP	373.08	86.56	2.32	375.36	89.91	2.40
Koteshwar HEP	76.70	53.99	7.04	83.94	53.49	6.37
Free Power-Koteshwar HEP	138.93	32.23	2.32	139.36	33.38	2.40
Total THDC	**708.01**	**235.95**	**3.33**	**731.87**	**233.21**	**3.19**
NTPC						
Singrauli STPS	723.06	186.73	2.58	733.56	205.23	2.80
Rihand STPS						
Rihand I	296.32	77.64	2.62	302.57	82.05	2.71
Rihand II	277.93	72.21	2.60	275.51	72.72	2.64
Rihand III	317.48	103.51	3.26	316.45	102.72	3.25
Unchahar TPS						
Unchahar I	132.19	95.92	7.26	184.59	110.47	5.98
Unchahar II	83.73	51.01	6.09	87.69	52.30	5.96
Unchahar III	70.57	43.92	6.22	71.02	42.64	6.00
Anta CCPP	3.32	20.43	61.54	17.75	20.79	11.71

Table 5.6: Summary of Power Purchase Cost for FY 2025-26

Station	Claimed by UPCL			Approved		
	PP at State periphery	Total Cost	Average Rate	PP at State periphery	Total Cost	Average Rate
	MU	Rs. Crore	Rs. /kWh	MU	Rs. Crore	Rs. /kWh
Auraiya CCPP	4.63	30.81	66.54	29.01	37.95	13.08
Dadri CCPP	9.62	32.14	33.41	43.05	40.41	9.39
Dadri (NCTPP)	17.97	14.16	7.88	47.76	30.09	6.30
Jhajjar	99.70	76.47	7.67	92.84	66.30	7.14
Kahalgaon TPS	188.54	67.66	3.59	276.64	110.17	3.98
Koldam	197.45	107.32	5.44	206.18	88.74	4.30
Unchahar IV	135.40	97.49	7.20	167.70	107.66	6.42
Telangana STPS-I	320.79	139.79	4.36	320.79	139.79	4.36
Tanda II	253.89	137.68	5.42	241.73	131.09	5.42
Total NTPC	**3132.59**	**1354.89**	**4.33**	**3414.82**	**1441.10**	**4.22**
NPCIL						
Narora APP	140.83	45.89	3.26	164.51	51.33	3.12
Rajasthan APP	184.29	75.97	4.12	166.96	68.12	4.08
Total NPCIL	**325.13**	**121.87**	**3.75**	**331.47**	**119.45**	**3.60**
SJVNL						
Nathpa Jhakri HEP	75.53	26.69	3.53	103.63	26.25	2.53
Rampur HPS	209.03	104.83	5.02	223.46	94.59	4.23
Total SJVNL	**284.56**	**131.52**	**4.62**	**327.09**	**120.84**	**3.69**
Gamma Infra	365.55	381.78	11.45	387.01	398.51	10.30
Shravanthi Energy	731.11	841.67	11.45	774.02	858.19	11.09
Total Gas	**1096.66**	**1223.45**	**11.16**	**1161.02**	**1256.70**	**10.82**
Renewables	1,083.25	573.88	5.30	1,083.25	573.88	5.30
Free Power-Vishnu Prayag	193.10	44.80	2.32	204.99	49.10	2.40
Sasan UMPP	692.71	106.70	1.54	711.66	99.63	1.40
Meja Power Plant	219.14	130.40	5.95	288.10	171.44	5.95
Renew Surya Vihaan Pvt. Ltd.	168.19	42.75	2.54	168.19	42.75	2.54
ReNew Surya Roshni Pvt. Ltd.	672.77	206.74	3.07	672.77	206.74	3.07
Greenko Budhil Hydro	216.33	80.06	3.70	225.68	51.82	2.30
GVK Srinagar	155.62	36.10	2.32	134.16	32.14	2.40
L&T Free Power	51.71	12.00	2.32	51.71	12.39	2.40
Rajwakti and Debal	3.73	0.89	2.39	3.73	0.89	2.40
LoharKhet (parvatiya power)	1.77	0.41	2.32	1.77	0.41	2.32
LADF	8.21	1.91	2.33	8.21	1.91	2.33
Vanala	5.47	1.27	2.32	5.47	1.27	2.32
Gunsola	1.36	0.32	2.35	1.36	0.32	2.35
Swasti	9.43	2.19	2.32	9.43	2.19	2.32
Naptha Mauri	55.61	12.90	2.32	55.61	12.90	2.32
SJVN Ltd_Solar (200 MW) 50 MW in 23-24 &	264.38	70.78	2.68	264.38	70.78	2.68

Table 5.6: Summary of Power Purchase Cost for FY 2025-26

Station	Claimed by UPCL			Approved		
	PP at State periphery	Total Cost	Average Rate	PP at State periphery	Total Cost	Average Rate
	MU	Rs. Crore	Rs. /kWh	MU	Rs. Crore	Rs. /kWh
200 MW from 24-25						
MSSY_250 MW in three Years	249.66	115.84	4.64	249.66	115.84	4.64
UJVNL_SOLAR	10.40	4.64	4.46	10.40	4.64	4.46
UJVNL_SOLAR	15.81	7.05	4.46	15.81	7.05	4.46
UJVNL_SOLAR	2.08	0.93	4.46	2.08	0.93	4.46
UJVNL_SOLAR	48.68	21.71	4.46	48.68	21.71	4.46
Khurja Super thermal power plant	340.64	128.10	3.76	340.64	128.10	3.76
Madmaheshwar	52.56	39.63	7.54	52.56	39.63	7.54
Total Firm Sources	**15546.81**	**6225.39**	**4.00**	**16083.25**	**6322.20**	**3.93**
Banking Received	672.58	0.00	0.00	672.58	0.00	0.00
Deficit Purchase (short term)	2523.02	1243.44	4.93	902.35	444.71	4.93
Deficit Purchase through Medium Term/Long Term/Gas				388.00	205.64	5.30
Cost of meeting RPO				261.06	104.43	4.00
Additional energy for THDC-PSP	80.23	40.36	5.03	80.23	42.52	5.30
Tehri PSP	412.27	218.51	5.30	412.27	218.51	5.30
Banking payable	-715.11	0.00	0.00	-715.11	0.00	0.00
Total	**18107.53**	**7727.70**	**4.27**	**18046.93**	**7338.01**	**4.07**

The Commission, further, directs the Petitioner to seek prior approval of the Commission, in case the variation in power purchase quantum or total power purchase cost in any quarter exceeds by more than 5% of the approved power purchase quantum and cost for the respective quarter worked out on pro-rata basis from the total approved quantum and cost for FY 2025-26 as indicated in the Table below, failing which, the Commission may disallow power purchases so made while Truing up the ARR for FY 2025-26.

Table 5.7: Quarterly Power Purchase approved by the Commission for FY 2025-26

Quarter	Sales (MU)	Power Purchase Quantum (MU)	Power Purchase Cost (Rs. Crore)
April – June	3616.61	4316.22	1755.00
July – September	4075.18	4863.49	1977.53
October – December	3701.10	4417.04	1796.00
January – March	3728.87	4450.19	1809.48
Total	**15121.76**	**18046.93**	**7338.01**

Further, the monthly sales & power purchase for FY 2025-26 as approved by the Commission is as follows:

Table 5.8: Monthly Sales approved by the Commission for FY 2025-26

Generating Station	Sales (MU)	Power Purchase (MU)
Apr-25	1127.53	1,345.64
May-25	1145.27	1,366.81
June-25	1343.82	1,603.77
July-25	1379.64	1,646.52
Aug-25	1340.87	1,600.25
Sep-25	1354.67	1,616.72
Oct-25	1286.21	1,535.01
Nov-25	1179.01	1,407.08
Dec-15	1235.88	1,474.95
Jan-26	1259.61	1,503.27
Feb-26	1257.52	1,500.78
Mar-26	1211.74	1,446.15
Total	**15121.76**	**18,046.93**

Moreover, it has been observed that the Petitioner has been continuously resorting to short term power purchase. In this regard, third proviso of Regulation 73(1) of UERC Tariff Regulations, 2024 is reproduced hereunder:

"Provided that the power procurement plan submitted by the Distribution Licensee may include long-term, medium-term and short-term power procurement sources of power, in accordance with these Regulations. ***However, the distribution licensee should as far as possible, not plan for short-term purchases except for conditions specified in Regulations 75 and should endeavor to meet its requirement from long term and medium term power procurement and make a plan accordingly****."*

(Emphasis added)

Regulation 75 specifies the circumstances under which short term power procurement may be made by the distribution licensee without seeking prior approval of the Commission. However, Regulation 75(5) specifies as under:

"(5) Within fifteen (15) days from the date of entering into an agreement or arrangement for short-term power procurement for which prior approval is not required, the Distribution Licensee shall provide the Commission, full details of such agreement or arrangement, including quantum, tariff calculations, duration, supplier details, method for supplier selection and such other details as the Commission may require with regard to such agreement/arrangement to assess that the conditions specified in this Regulation have been complied with:"

While projecting the power purchase requirement of the Petitioner for each year of the Fifth Control Period, it has been observed that the Petitioner is having deficits in most of the months in a financial year particularly from August onwards which increases to a substantial proportion in winter months. **Accordingly, the Petitioner is directed to prepare its power purchase plan for the next three years and initiate the bidding process to meet the deficit, if any. The Petitioner is directed to submit an action plan in this regard within 15 days of the date of Order. The Petitioner is also directed to ensure compliance of the Regulations issued by the Commission from time to time, failing which any consequent liability would be to the account of the Petitioner.**

5.6 Transmission Charges

5.6.1 *Inter-State Transmission Charges Payable to PGCIL*

The Petitioner submitted that it has considered actual Inter-State transmission charges (without arrears) for FY 2023-24 to compute the average per unit rate of PGCIL transmission charges by dividing the total amount paid to PGCIL by the total units wheeled through inter-State network and then multiplied to the units wheeled through inter-state network for FY 2024-25. The computed rate is escalated by 3% for each year of the Control Period from FY 2025-26 to FY 2027-28 to arrive at the inter-State transmission charges. The Petitioner has proposed the Inter-State transmission charges of Rs. 782.97 Crore, Rs. 787.26 Crore, and Rs. 810.93 Crore for FY 2025-26, FY 2026-27 and FY 2027-28 respectively.

The Commission has computed the per unit transmission charges for FY 2023-24 on the basis of the actual inter-State transmission charges paid (including other costs) for wheeling of inter-State power, the rate so arrived has been escalated by 5% for projecting inter-state transmission charges for FY 2025-26. The Commission in accordance with the above approach has approved the inter-State transmission charges as Rs. 720.61 Crore which shall be subject to true up based on actual expenses incurred.

As the Commission has not approved the power purchase cost for FY 2026-27 and FY 2027-28, the Commission in this Order has not considered the inter-State Transmission Charges for FY 2026-27 and FY 2027-28. The Commission will carry out the truing up of transmission charges based on the actual transmission charges paid to PGCIL during the respective financial year.

5.6.2 *Intra-State Transmission & SLDC Charges*

The Petitioner submitted that for intra-State transmission and SLDC charges for FY 2024-25, the approved charges in the Tariff order dated 31.03.2024 for FY 2024-25 have been considered. Subsequently, 3% escalation is considered on previous year to arrive at the intra-state transmission and SLDC charges.

The Commission has approved the Annual Transmission Charges for PTCUL of Rs. 562.87 Crore (including SLDC Charges of Rs. 15.94 Crore and impact of allowance of RoE on PDF of previous years as Rs. 78.56 Crore) for FY 2025-26 vide its Order dated April 11, 2025. Hence, the Commission has considered the same in the approval of ARR for FY 2025-26 for the Petitioner.

5.6.3 *Transmission Charges*

The Transmission Charges claimed by the Petitioner and approved by the Commission for FY 2025-26 is as shown in the Table given below:

Table 5.9: Transmission Charges for FY 2025-26 (Rs. Crore)

Particulars	Claimed by UPCL	Approved
Inter-State Transmission Charges	782.97	720.61
Intra-State Transmission & SLDC Charges	392.02	562.87
Total	**1174.99**	**1283.48**

5.7 Water tax

The Petitioner has projected Rs. 211.00 Crore as water tax for the Fifth Control Period.

The Commission has approved the water tax of Rs. 201.51 Crore for FY 2025-26 equivalent to the water tax booked in the accounts for FY 2023-24 which shall be subject to true up based on actuals.

5.8 GFA and Additional Capitalisation

5.8.1 *GFA*

The Commission vide its Order dated March 28, 2024 on approval of ARR for FY 2024-25 had approved the capitalisation of Rs. 858.68 Crore for FY 2024-25. As against the same, the Petitioner has proposed the capitalisation of Rs. 1068.69 Crore for FY 2024-25.

The Commission has considered the closing GFA approved after truing up for FY 2023-24 as the opening GFA for FY 2024-25. The Commission, in Chapter 3 of the Order, on approval of capitalisation plan for the Fifth Control Period from FY 2025-26 to FY 2027-28 has considered the capitalisation of Rs. 858.68 Crore in FY 2024-25 (as approved in the tariff Order dated 28.03.2024).

Based on the above, the GFA base approved by the Commission for FY 2024-25 is as shown in the Table below:

Table 5.10: GFA base approved by the Commission for FY 2024-25 (Rs. Crore)

S. No.	Particulars	Approved in the Tariff Order	Claimed by UPCL	Approved
1.	Opening Value	9019.14	10021.04	9223.38
2.	Total addition during the year	858.68	1068.69	858.68
3.	Less: Deletions during the year	0.00	0.00	0.00
4.	Closing value	9877.82	11089.73	10082.06

5.8.2 *Capitalisation during the Fifth Control Period*

The Commission, in the approval of the Business Plan for the Fifth Control Period, as discussed in Chapter 3 of this Order, from FY 2025-26 to FY 2027-28 has approved the capitalisation of Rs. 951.00 Crore in FY 2025-26, Rs. 944.70 Crore in FY 2026-27 and Rs. 941.59 Crore in FY 2027-28. The Commission has considered the year wise capitalisation for the Fifth Control Period from FY 2025-26 to FY 2027-28 as approved in the Business Plan at Chapter 3. The GFA base approved by the Commission for the Fifth Control Period from FY 2025-26 to FY 2027-28 is as shown in the Table below:

Table 5.11: GFA base approved by the Commission for the Fifth Control Period from FY 2025-26 to FY 2027-28 (Rs. Crore)

Particulars	FY 2025-26		FY 2026-27		FY 2027-28	
	Claimed by UPCL	Approved	Claimed by UPCL	Approved	Claimed by UPCL	Approved
Opening GFA	11089.73	10082.06	13270.60	11033.06	15253.14	11977.76
GFA addition during the year	2180.87	951.00	1982.55	944.70	946.49	941.59
Closing GFA	**13270.60**	**11033.06**	**15253.14**	**11977.76**	**16199.64**	**12919.35**

5.9 Means of Finance

The Commission, in the approval of the Business Plan for the Fifth Control Period from FY 2025-26 to FY 2027-28 as discussed in Chapter 3 of the Order has approved the Financing Plan of the approved capitalisation for the Fifth Control Period. The Commission has considered the Financing

Plan for the Fifth Control Period from FY 2025-26 to FY 2027-28 as approved in the Business Plan. The Financing Plan for FY 2025-26 to FY 2027-28 approved by the Commission is as shown in the Tables given below:

Table 5.12: Details of Financing for FY 2025-26 (Rs. Crore)

Particulars	Grants etc.	Loan	Equity	Total
Opening Value	4524.54	3926.49	1631.03	**10082.06**
Addition during the year	421.17	370.88	158.95	**951.00**
Deletions				**0.00**
Closing Value of GFA	**4945.71**	**4297.38**	**1789.97**	**11033.06**

Table 5.13: Details of Financing for FY 2026-27 (Rs. Crore)

Particulars	Grants etc.	Loan	Equity	Total
Opening Value	4945.71	4297.38	1789.97	**11033.06**
Addition during the year	398.88	382.08	163.75	**944.70**
Deletions				**0.00**
Closing Value of GFA	**5344.59**	**4679.45**	**1953.72**	**11977.76**

Table 5.14: Details of Financing for FY 2027-28 (Rs. Crore)

Particulars	Grants etc.	Loan	Equity	Total
Opening Value	5344.59	4679.45	1953.72	**11977.76**
Addition during the year	0.00	659.11	282.48	**941.59**
Deletions				**0.00**
Closing Value of GFA	**5344.59**	**5338.57**	**2236.20**	**12919.35**

5.10 Interest and Finance Charges

The Petitioner submitted that the interest on loan for the Fifth Control Period from FY 2025-26 to FY 2027-28 has been computed by considering the revised closing balance of FY 2022-23 considering the capital additions of previous years that were disallowed by the Commission due to the absence of EI certificates. The Petitioner further submitted that the closing loan balance of FY 2023-24 has been considered for computation of interest on capital loans. Considering the funding pattern for various schemes and capitalization proposed for FY 2024-25 and each year of the 5th Control Period, the Petitioner has computed the loan balances for FY 2024-25 and each year of the 5th Control Period. Further, the repayment has been considered equivalent to the depreciation for FY 2024-25 and for each year of the Control Period in line with the UERC Tariff Regulations, 2024. A weighted average rate of interest of 8.56% has been applied which is equivalent to the weighted average rate of interest, in line with the existing arrangement of loans with REC and PFC and other financial institutions.

The Petitioner has claimed financial and bank charges, and guarantee fee as per actual of FY 2023-24.

For computing the interest on security deposit, addition in consumer security for FY 2024-25 and each year of the 5th Control Period has been projected by the Petitioner based on the addition in the number of consumers and by considering average security deposit per consumer. The Petitioner further submitted that the opening CSD balance for FY 2024-25 has been considered equal to closing balance of previous year, i.e. FY 2023-24 as per the audited accounts and the interest on CSD has been considered based on the provisions specified in the Supply Code, i.e. at the RBI Bank rate prevailing as on 1st April 2024. The Petitioner submitted that bank rate prevailing as on 1st April 2024 is 6.75% and, hence, the same has been considered for the purpose of computation of interest on security deposit. The Petitioner has, accordingly, claimed the interest on consumer security deposit of Rs. 104.03 Crore, Rs. 117.99 Crore and Rs. 132.54 Crore for FY 2025-26, FY 2026-27 and FY 2027-28 respectively.

Accordingly, the Petitioner has claimed the total interest and financing charges of Rs. 321.22 Crore, Rs. 383.61 Crore and Rs. 435.28 Crore for FY 2025-26, FY 2026-27 and FY 2027-28 respectively.

Regulation 27 of the UERC Tariff Regulations, 2024 specifies as follows:

*"**27. Interest and finance charges on loan capital and on Security Deposit***

(1) The loans arrived at in the manner indicated in Regulation 24 shall be considered as gross normative loan for calculation of interest on loan.

(2) The normative loan outstanding as on 01.04.2025 shall be worked out by deducting the cumulative repayment as admitted by the Commission up to 31.03.2025 from the approved gross normative loan.

(3) The repayment for each year of the Control Period shall be deemed to be equal to the depreciation allowed for that year…

…

(5) The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio of the previous year after providing appropriate accounting adjustment for interest capitalised:

…

(6) The interest on loan shall be calculated on the normative average loan of the year by applying the weighted average rate of interest.

…"

The Commission has considered the closing loan balance for FY 2023-24 as opening loan balance for FY 2024-25 as discussed in Chapter 4 of the Order. Thereafter, the Commission has considered the loan addition during FY 2024-25 as per the approved means of finance for FY 2024-25. The Commission has considered the depreciation for FY 2024-25 as the normative repayment for the year. The Commission has considered the closing loan balance for FY 2024-25 as the opening loan balance for FY 2025-26. The Commission has considered the loan addition during each year of the Fifth Control Period from FY 2025-26 to FY 2027-28 as per the approved Financing Plan.

With regard to the computation of the rate of interest, the Commission has considered the weighted average rate of interest of 8.56% as approved for FY 2023-24.

The Commission has determined the interest on loan by applying the interest rate of 8.56% on the amount of average of the opening loan & closing loan excluding the loan additions corresponding to the assets capitalised during FY 2025-26.

The Commission has not allowed interest on additions during the year as the Petitioner capitalises the assets at the end of the financial year, and the amount of interest accrued during the year on the loan portion corresponding to the capital expenditure is treated as Interest during construction and is added to CWIP for the purposes of capitalisation. The interest on loan approved by the Commission for the Fifth Control Period from FY 2025-26 to FY 2027-28 is as shown in the Table given below:

Table 5.15: Interest on Loan approved by the Commission for the Fifth Control Period from FY 2025-26 to FY 2027-28 (Rs. Crore)

Particulars	FY 2025-26		FY 2026-27		FY 2027-28	
	Claimed by UPCL	Approved	Claimed by UPCL	Approved	Claimed by UPCL	Approved
Opening Loan balance	1838.42	1253.31	2448.20	1443.99	2969.88	1628.70
Drawal during the year	850.52	370.88	801.82	382.08	662.55	659.11
Repayment during the year	240.75	180.19	280.14	197.37	317.28	215.07
Closing Loan balance	2448.20	1443.99	2969.88	1628.70	3315.15	2072.74
Interest Rate	8.56%	8.56%	8.56%	8.56%	8.56%	8.56%
Interest	**183.51**	**99.59**	**231.94**	**115.18**	**269.06**	**130.24**

Further, the financing charges of Rs. 0.71 Crore as approved for FY 2023-24 has been considered by the Commission for FY 2025-26.

Further, the Petitioner has projected the consumer security for FY 2024-25 and for each year of 5th Control Period based on addition in consumers and by considering average security deposit per consumer. The Petitioner considered the interest rate of 6.75%, and, accordingly, claimed the interest on consumer security deposit of Rs. 104.03 Crore for FY 2025-26. Since the bank rate for 1st April, 2025 has been notified by the Reserve Bank of India as 6.50%, therefore, the Commission in line with the provisions of the Uttrakhand Electricity Regulatory Commission (Electricity Supply Code, Release of New Connections and Related Matters) Regulations, 2020, has considered the same while estimating the consumer security deposit for FY 2025-26, which works out to Rs. 100.98 Crore.

With regard to interest on security deposit, for FY 2025-26, it is observed that the Petitioner is currently deploying smart prepaid meters with ToD functionality under the RDSS scheme, which is expected to reduce commercial losses and improve billing efficiency. Moreover, in case of prepaid meters the requirement for security deposits will decrease as the existing security deposit of the consumers will be adjusted in their recharges and no further security deposit will be received from those consumers on whose connections prepaid meters are installed. In view of the same, the security deposits projected by UPCL needs to be restated. The Commission observed that the Petitioner during various meetings has submitted that prepaid metering would be installed only for LT connections, which implies that in case of HT consumers the smart meters with postpaid functionality will be installed. The Commission, based on the sales and no. of consumers projected by the Petitioner for FY 2025-26, worked out the ratio of LT consumer Sales (only those consumers for which smart pre-paid meter is expected to be deployed till the end of FY 2025-26) to the total total Sales. Accordingly, the Commission has proportionally reduced the security deposit in the aforesaid ratio, as summarized in the Table below:

Table 5.16: Pro-rata Reduction in Consumer Security Deposit

Particulars	FY 2025-26
Consumers	
Total no. of Consumers (A)	3134620
No. of HT Consumers (HT, Mixed Load, Railway Traction & Single Point Bulk Supply) (B)	3107
No. of LT Consumers (C) =(A)-(B)	3131513
No. of Smart Meters projected to be deployed for LT consumers as on March 2026 (D)	1499184
Ratio (E)=(D)/(C)	0.48
Sales	
Total Sales (F)	15499
HT Sales (HT, Mixed Load, Railway Traction & Single Point Bulk Supply) (G)	7302
LT Sales (H)=(F)-(G)	8197
Proportionate LT Sales for consumers having Smart Meter Connection by March 2026 (I)=(H)x(E)	3924
Proportion by which CSD is to be reduced (I)/(F)	25.32%

In view of the above, the amount of interest on Consumer Security Deposit to be approved for FY 2025-26 works out to Rs. 74.81 Crore.

The Commission further directs the Petitioner to ensure the deployment of smart meter in a phased manner as per the following schedule and a send a quarterly report to the Commission within 15 days of the end of respective quarter:

Phase 1: Installation of smart meter for all eligible HT consumers by June, 2025, and installation of smart meters with prepaid functionality for all employees of UPCL, PTCUL & UJVN Ltd. By end of June, 2025.

Phase 2: Installation of smart meters with prepaid functionality on all Government category consumers during the period by September, 2025.

Phase 3: Installation of smart meters with prepaid functionality on remaining LT consumers in the balance months of FY 2025-26 as per the deployment schedule.

Accordingly, the interest on loan approved by the Commission for FY 2025-26 is as shown in the Table given below:

Table 5.17: Interest on Loan approved by the Commission for FY 2025-26 (Rs. Crore)

Particulars	Claimed	Allowable
Opening Loan balance	1838.42	1253.31
Drawal during the year	850.52	370.88
Repayment during the year	240.75	180.19
Closing Loan balance	2448.20	1443.99
Interest Rate	8.56%	8.56%
Interest on Loan	**183.51**	**99.59**
Other finance charges	33.68	0.71
Interest on CSD	104.03	74.81
Total Interest	**321.22**	**175.12**

5.10.1 *Depreciation*

The Petitioner submitted that the asset class wise depreciation has been computed considering the proposed GFA for FY 2024-25 and for each year of the Fifth Control Period from FY 2025-26 to FY 2027-28 at the rates of depreciation specified in the UERC Tariff Regulations, 2024. The Petitioner submitted that the average depreciation rate of 3.24% has been applied on the opening GFA for each year, computed as per actual capitalization for FY 2023-24 and proposed capitalization for FY 2024-25 and each year of the Fifth Control Period from FY 2025-26 to FY 2027-28. The Petitioner further submitted that the assets created from grants and deposit works have been excluded for the purpose of depreciation as per the provisions of the UERC Tariff Regulations, 2024.

Accordingly, the Petitioner has proposed the depreciation of Rs. 240.75 Crore, Rs. 280.14 Crore, and Rs. 317.28 Crore for FY 2025-26, FY 2026-27 and FY 2027-28 respectively.

Regulation 28 of the UERC Tariff Regulations, 2024 specifies as follows:

*"**28. Depreciation***

(1) The value base for the purpose of depreciation shall be the capital cost of the asset admitted by the Commission.

Provided that no depreciation shall be allowed on assets funded through Consumer Contribution and Capital Subsidies/Grants.

(2) The salvage value of the asset shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of the capital cost of the asset.

...

(4) Depreciation shall be calculated annually based on Straight Line Method and at rates specified in Appendix - II to these Regulations.

…"

In the absence of complete Fixed Asset Register, the Commission at this stage has considered the weighted average rate of 3.24% computed for FY 2023-24 and has applied the same on the opening depreciable GFA for each year of the Fifth Control Period from FY 2025-26 to FY 2027-28.

The depreciation approved by the Commission for the Fifth Control Period from FY 2025-26 to FY 2027-28 is as shown in the Table given below:

Table 5.18: Depreciation approved by the Commission for the Fifth Control Period from FY 2025-26 to FY 2027-28 (Rs. Crore)

Particulars	FY 2025-26		FY 2026-27		FY 2027-28	
	Claimed by UPCL	Approved	Claimed by UPCL	Approved	Claimed by UPCL	Approved
Opening GFA	11089.73	10082.06	13270.60	11033.06	15253.14	11977.76
Grants	3664.56	4524.54	4630.40	4945.71	5467.48	5344.59
Depreciable opening GFA	7425.17	5557.52	8640.19	6087.35	9785.66	6633.17
Net addition during the year	1215.03	234.27	1145.46	529.83	946.49	223.13
Closing GFA	8640.19	5791.79	9785.65	6617.18	10732.15	6856.30
Depreciation rate	3.24%	3.24%	3.24%	3.24%	3.24%	3.24%
Depreciation	**240.75**	**180.19**	**280.14**	**197.37**	**317.28**	**215.07**

5.10.2 *Operation and Maintenance expenses*

Regarding the Operation and Maintenance expenses, Regulation 84 of the UERC Tariff Regulations, 2024 specifies as follows:

*"**84. Operation and Maintenance Expenses***

(1) The O&M expenses for the first year of the Control Period shall be approved by the Commission taking into account the actual O&M expenses for last five years till Base Year subject to prudence check and any other factors considered appropriate by the Commission.

(2) The O&M expenses for the nth year and also for the year immediately preceding the Control Period, i.e. 2024-25, shall be approved based on the formula given below:-

O&Mn = R&Mn + EMPn + A&Gn

Where –

- *O&Mn – Operation and Maintenance expense for the nth year;*
- *EMPn – Employee Costs for the nth year;*
- *R&Mn – Repair and Maintenance Costs for the nth year;*
- *A&Gn – Administrative and General Costs for the nth year;*

(3) The above components shall be computed in the manner specified below:

EMPn = (EMPn-1) x (1+Gn) x (1+CPIinflation)

R&Mn = K x (GFA n-1) x (1+WPIinflation) and

A&Gn = (A&Gn-1) x (1+WPIinflation) + Provision

Where -

- *EMP_{n-1} – Employee Costs for the (n-1)th year;*
- *A&G n-1 – Administrative and General Costs for the (n-1)th year;*

Provision: Cost for initiatives or other one-time expenses as proposed by the Distribution Licensee and validated by the Commission.

- *'K' is a constant specified by the Commission in %. Value of K for each year of the control period shall be determined by the Commission in the MYT Tariff order based on licensee's filing, benchmarking of repair and maintenance expenses, approved repair and maintenance expenses vis-à-vis GFA approved by the Commission in past and any other factor considered appropriate by the Commission;*
- *CPIinflation – is the average increase in the Consumer Price Index (CPI) for immediately preceding three years;*
- *WPIinflation – is the average increase in the Wholesale Price Index (CPI) for immediately preceding three years;*
- *GFAn-1 – Gross Fixed Asset of the distribution licensee for the n-1th year;*
- *Gn is a growth factor for the nth year and it can be greater than or less than zero based on the actual performance. Value of Gn shall be determined by the Commission in the MYT tariff order for meeting the additional manpower requirement based on licensee's filings, benchmarking, and any other factor that the Commission feels appropriate:*

Provided that repair and maintenance expenses determined shall be utilised towards repair and maintenance works only.

Provided further that, repair and maintenance expenses for IT related assets and non-IT related assets shall be computed separately under these Regulations if the distribution utility maintains separate record of assets wise detail of R&M expenses claimed under these Regulations."

The O&M expenses include Employee expenses, R&M expenses and A&G expenses. In accordance with Regulation 84 of the UERC Tariff Regulations, 2024, the O&M expenses for the first year of the Control Period shall be determined by the Commission taking into account the actual O&M expenses of the previous years and any other factors considered appropriate by the Commission. The submissions of the Petitioner and the Commission's analysis on the O&M expenses for the Fifth Control Period from FY 2025-26 to FY 2027-28 is detailed below.

5.10.2.1 Employee expenses

The Commission had approved the employee expenses of Rs. 426.29 Crore for FY 2024-25 in its Order dated March 28, 2024 on approval of ARR for FY 2024-25. As against the same, the Petitioner has computed the employee expenses for FY 2024-25 as Rs. 451.33 Crore considering the actual employee expenses for FY 2023-24.

The Petitioner submitted that the employee expenses for FY 2024-25 and the Fifth Control Period from FY 2025-26 to FY 2027-28 has been computed as per the following methodology.

a. The opening normative gross employee cost (EMPn-1) for FY 2024-25 has been considered as Rs. 530.00 Crore which is the actual gross employee cost of FY 2023-24 (EMPn-1).

b. Escalation factor: CPI inflation for FY 2024-25 and for 5th control period has been considered as 4.46%, which is the average increase in CPI for preceding three years till the base year (FY 2025-26 to FY 2027-28).

c. Growth Factor: Gn factor for each year of the 5^{th} Control Period has been considered based on the net addition of employees.

d. Actual Capitalisation of 19.25% has been considered for each year based on the actual capitalisation rate of FY 2023-24.

Accordingly, the Petitioner has proposed the employee expenses of Rs. 487.92 Crore, Rs. 509.65 Crore and Rs. 692.80 Crore for FY 2025-26, FY 2026-27 and FY 2027-28 respectively.

The Commission, in the approval of Business Plan for the Fifth Control Period from FY 2025-26 to FY 2027-28, as discussed in Chapter 3 of this Order, has approved the HR Plan. Based on the approved HR Plan, the Commission has computed the Gn factor as shown in the Table below:

Table 5.19: Gn approved by the Commission

Particulars	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
Closing no. of employees	2411	2341	2292	2359	2465
Gn		0.00%	0.00%	2.92%	4.49%

The UERC Tariff Regulations, 2024 specifies that the normative O&M expenses for the Fifth Control Period are to be approved taking into account the actual O&M expenses for the last five years. The Commission observed the Petitioner's employee expenses in FY 2020-21 were significantly impacted by the COVID-19 pandemic. Therefore, for the purpose of projecting the employee expenses for the 5th Control Period, the Commission has considered the following methodology:

a. Average of last 3 years actual employee expenses, i.e. from FY 2021-22 to FY 2023-24, after excluding the amount of subsidised electricty to the employess has been considered to compute the employee expenses for FY 2022-23.

b. The expenses for FY 2022-23 has then been escalated by the CPI inflation rate of 5.40% to compute the expenses for FY 2023-24,

c. Further CPI inflation of 5.46% has been applied for deriving the expenses for FY 2024-25.

d. The employee expenses for FY 2024-25 has further been escalated by CPI inflation of 4.84% to arrive at the employee expenses for FY 2025-26 to FY 2027-28.

e. Capitalization rate of 19.25% based on actual capitalization rate of FY 2023-24 has been considered for each year.

The average of actual employee expenses considered for computing the normative employee expenses is as shown in the Table below:

Table 5.20: Actual employee expenses considered by the Commission for past three year ending FY 2023-24 (Rs. Crore)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	Average of 3 years
Employee Expenses	387.33	533.02	515.94	478.76

The average employee expenses of Rs. 478.76 Crore pertains to the median year, i.e. FY 2022-23. The same has been escalated by the CPI inflation rate of FY 2023-24 and FY 2024-25 of 5.40% and 5.46% respectively to arrive at the opening employee expense of FY 2025-26, which works out to Rs. 532.15 Crore. Accordingly, the employee expenses of the Fifth Control Period as claimed by the Petitioner and approved by the Commission is shown in the Table below:

Table 5.21: Employee expenses approved by the Commission for the Fifth Control Period from FY 2025-26 to FY 2027-28 (Rs. Crore)

Particulars	FY 2025-26		FY 2026-27		FY 2027-28	
	Claimed by UPCL	Approved	Claimed by UPCL	Approved	Claimed by UPCL	Approved
EMPn-1	558.92	532.15	604.22	557.91	631.14	602.02
Gn	3.49%	0.00%	0.00%	2.92%	30.14%	4.49%
CPIinflation	4.46%	4.84%	4.46%	4.84%	4.46%	4.84%
EMPn = (EMPn-1) x (1+Gn) x (1+CPIinflation)	**604.22**	**557.91**	**631.14**	**602.02**	**857.94**	**659.52**
Capitalisation rate	19.25%	19.25%	19.25%	19.25%	19.25%	19.25%
Less: Employee expenses Capitalised	116.31	107.39	121.49	115.88	165.14	126.95
Total Employee Expenses	**487.92**	**450.52**	**509.65**	**486.14**	**692.80**	**532.57**

The O&M expenses and consequently the employee expenses are controllable in nature and, hence, the Petitioner needs to rationalise the same especially the number of outsourced employees working in UPCL during FY 2023-24 & FY 2024-25, so as to control the employee expenses.

5.10.2.2 R&M expenses

The Petitioner submitted that the R&M expenses for the Fifth Control Period from FY 2025-26 to FY 2027-28 has been proposed as per the UERC Tariff Regulations, 2024. For the 5th Control Period, the Petitioner has made projections for 'k' factor, based on the average growth rate of "R&M Expenses as a percentage of GFA in the respective years" in the past 5 years. The Petitioner has projected the K factor for each year of the Control Period separately as 4.39%, 4.65% and 4.92% respectively.

It is observed that the R&M expenses in FY 2020-21 were significantly affected by the COVID-19 pandemic, therefore, for determing the R&M expenses for the Fifth Control Period from FY 2025-

26 to FY 2027-28 in accordance with UERC Tariff Regulations, 2024, the Commission has computed the percentage of actual R&M expenses on the Opening GFA for each year of FY 2021-22 to FY 2023-24. The Commission for determining the K factor, has considered the actual R&M expenses trued up by the Commission for FY 2021-22 to FY 2023-24 vis-à-vis Gross Fixed Assets (including those assets for which EI certificates are yet to be submitted). The Commission has, however, not considered the GFA amount claimed on account of transfer scheme.

Further, it is observed that, "Manpower Supply through Contractors", "Metering Equipments" and "Overhead Lines requirements-reinforced concrete support" has substantially increased from Rs. 124.46 Crore in FY 2022-23 to Rs. 212.36 Crore in FY 2023-24. The Commission during the tariff proceedings asked the Petitioner to submit reasons for such huge increase in R&M expenses in FY 2023-24 vis-à-vis FY 2022-23, in response to which the Petitioner submitted that the same was on account of reconstruction works against damages due to disasters, increase in distribution infrastructure, cost of meter replacement and expenses incurred to secure valuable assets located in the State. The Commission is of the opinion that considering any abnormal increase in any cost component of R&M expenses which are not recurring in nature for projecting K factor would distort the projections and, therefore, the abnormal increase of almost Rs. 88 Crore in R&M expenses, in light of the justifications submitted by the Petitioner, cannot be projected to continue in the ensuing period. The Commission, accordingly, for determining the K factor, has reworked the expenses under "Manpower Supply through Contractors", "Metering Equipements" and "Overhead Lines requirements-inforced concrete support" for FY 2023-24, by applying the WPI inflation of 7.90% for FY 2023-24 on the actual expenses of FY 2022-23 which works out to Rs. 302.13 Crore.

The Commission has, therefore, considered the actual R&M expenses of Rs. 228.53 Crore, Rs. 312.59 Crore and Rs. 302.13 Crore for FY 2021-22, FY 2022-23, and FY 2023-24 respectively. The Commission has then computed the percentage of actual R&M expenses to opening GFA of the respective year from FY 2021-22 to FY 2023-24, and considered the average of such percentages as K factor which works out to 3.56%. Accordingly, the Commission has approved the K factor of 3.56% for each year of the Fifth Control Period.

The Commission has considered the opening GFA approved for each year of the Fifth Control Period from FY 2025-26 to FY 2027-28. The Commission has further considered the WPI inflation of

3.65% which is the average increase in the Wholesale Price Index (WPI) from FY 2022-23 to FY 2024-25.

Accordingly, the R&M expenses approved by the Commission for the Fifth Control Period from FY 2025-26 to FY 2027-28 is as shown in the Table below:

Table 5.22: R&M expenses approved by the Commission for the Fifth Control Period from FY 2025-26 to FY 2027-28 (Rs. Crore)

Particulars	FY 2025-26		FY 2026-27		FY 2027-28	
	Claimed by UPCL	Approved	Claimed by UPCL	Approved	Claimed by UPCL	Approved
K	4.39%	3.56%	4.65%	3.56%	4.92%	3.56%
GFAn-1	11089.73	10082.06	13270.60	11033.06	15253.14	11977.76
WPI inflation	3.44%	3.65%	3.44%	3.65%	3.44%	3.65%
R&Mn = K x (GFAn-1) x (1+WPI inflation)	**503.32**	**372.01**	**638.76**	**407.10**	**776.10**	**441.96**

5.10.2.3 A&G expenses

The Commission had approved the A&G expenses of Rs. 62.43 Crore for FY 2024-25 in its Order dated March 28, 2024 on approval of ARR for FY 2024-25. As against the same, the Petitioner has computed the A&G expenses for FY 2024-25 as Rs. 89.15 Crore as per the UERC Tariff Regulations, 2024.

The Petitioner submitted that the A&G expenses for FY 2024-25 and the Fifth Control Period from FY 2025-26 to FY 2027-28 has been computed as per the following methodology.

a. An escalation factor, i.e. WPI inflation of 7.23% for FY 2024-25 and 3.44% for 5th Control Period, which is the average increase of preceding three years till the base year (FY 2021-22 to FY 2023-24) for FY 2023-24 and FY 2024-25 to arrive at the normative A&G expenses.

b. Capitalization rate of 20.94% based on actual capitalization rate of FY 2023-24 has been considered for each year.

c. Additional expenditure on account of License fee has been considered, in line with the Commission's methodology and considering an increase of 5%.

d. Data center expenses has been considered on actual basis (over and above the normative computations) for FY 2024-25 and each year of the 5th Control Period.

The Petitioner has also submitted the details of additional expenses as provision under A&G

expenses, as shown in the Table below:

Table 5.23: Additional Provisioning for Data Centre (Rs. Crore)

Head	Current Party Name	Service Name	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
Man Power	M/s TDS Management Consultant Pvt Ltd	Meter Reading	17.86	18.75	19.69	20.67
	M/s Digitech Call Systems Pvt Ltd	Call Center	2.11	4.61	4.61	5.07
		IT & OT Services	2.51	2.83	2.97	3.12
	M/s SIEMENS Ltd	FMS	0.77	0.77	0.92	0.00
	M/s Infinite Computer Solutions	TSS/FMS	8.51	10.21	10.21	11.23
	M/s Dongfang Electronics Pvt Ltd	FMS of RTDAS	0.64	0.21	0.00	0.00
	M/s Synergy System and Solutions	FMS of RTDAS of 215 s/s	0.00	0.71	0.71	0.71
	Sub Total		**32.40**	**38.09**	**39.11**	**40.80**
Bandwith	M/s Vodafone Idea Ltd	ILL 50 / 200 Mpbs for DC	0.03	0.03	0.03	0.03
		GPRS Based SIM Service	0.05	0.06	0.06	0.06
	M/s Power Grid Corporation India Ltd	ILL 50 / 200 Mpbs for DC	0.03	0.03	0.06	0.06
	BSNL	Bandwidth Charges (MPLS, ILL at DC & DR)	0.13	0.09	0.09	0.09
	M/s Bharti Airtel Ltd	Bandwidth Charges (IT)	0.70	0.77	0.85	0.85
		MPLS Link for SCADA	0.09	0.09	0.09	0.00
		2G M2M SIM Connectivity	0.01	0.01	0.01	0.00
		SMS Gateway	0.35	0.00	0.00	0.00
	M/s Dongfang Electronics Pvt Ltd	Connectivity Charges for RTU	0.02	0.02	0.00	0.00
	M/s Synergy System and Solutions	Connectivity Charges for RTU	0.00	0.10	0.10	0.10
	M/s Reliance Jio	Bandwidth Charges	0.56	0.90	0.99	1.09
	ONE XTEL	SMS Gateway	0.41	0.61	0.61	0.61
	M/s ITDA (M/s Gupshup)	Whatsapp communication service	0.20	1.19	1.42	1.71
	Sub Total		**2.58**	**3.90**	**4.31**	**4.60**
Flexi-Toll & PRI	M/s Vodafone Idea Ltd	PRI	0.02	0.02	0.02	0.02
	M/s Tata Teleservices Ltd	Flexi-Toll	1.35	1.49	1.64	1.80
	Sub Total		**1.37**	**1.51**	**1.66**	**1.82**
Professional / Consulting Charges	Shree Siddhivinayak All Solutions	Support Charges of FAS	0.51	0.00	0.00	0.00
		Development of new report server for FAS	0.00	0.00	0.00	0.00
	M/s Allied Boston Consultant India Pvt Ltd	Security Audit	0.05	0.25	0.28	0.30
	Amit Madhwal & Associates	TDS on GST Return	0.00	0.00	0.00	0.00
	Rajnish & Arvind Associates	Fee for filling TDS Return	0.00	0.00	0.00	0.00
Other Misc.	United India Insurance Co. Ltd	Insurance of Inventory of UPCL DC & DR	0.01	0.02	0.02	0.02
	Sub Total		**0.58**	**0.27**	**0.29**	**0.32**
Total A&G			**36.93**	**43.76**	**45.37**	**47.55**

Accordingly, the Petitioner has proposed the total A&G expenses of Rs. 97.86 Crore, Rs. 101.41 Crore and Rs. 105.60 Crore for FY 2025-26, FY 2026-27 and FY 2027-28 respectively.

The UERC Tariff Regulations, 2024 specifies that the normative O&M expenses for the Fifth Control Period are to be approved taking into account the actual A&G expenses for the last five years. The Commission in line with the approach adopted for projecting the employee expenses for the 5th Control Period, has considered the following methodology:

a. Average of last 3 years actual A&G expenses, i.e. from FY 2021-22 to FY 2023-24 after excluding the penalty amount, has been considered to compute the A&G expenses for FY 2022-23. The Commission has also excluded the Data centre cost and Licence fees, which has been considered separately as a provision in each year of the Control Period.

b. The base year expenses has then beenescalated by the WPI inflation rate of 7.90% to compute the expenses for FY 2023-24.

c. Further WPI inflation of 7.23% has been applied for deriving the expenses for FY 2024-25.

d. The A&G expenses for FY 2024-25 has been further escalated by WPI inflation of 3.65% in each year to arrive at the A&G expenses for FY 2025-26 to FY 2027-28.

e. Capitalization rate of 39.81% based on actual capitalization rate of FY 2023-24 has been considered for each year.

The Commission observes that by the end of FY 2025-26, the Petitioner has projected to install around 15 lakh smart meters which will reduce the burden of meter reading cost that forms substantial portion of the cost of provisions. The Petitioner has not factored in the savings in the cost on account of the same while projecting the expenses. The Commission further observes that the Petitioner has sought additional opex cost towards implementation of smart metering. In view of the same, the Commission is of the view that, as implementation of smart meters will result in considerable savings towards meter reading and other costs, the projections of the Petitioner appears to be on the higher side and the same shall be reviewed during truing up proceedings based on prudence check of the actual expenses. The Commission as of now has considered the cost towards provision for data center including FMS/Bandwith charges for the Fifth Control Period equal to that approved by the Commission for FY 2023-24. The Commission would also like to caution the Petitioner to exercise full control on these expenses as they are controllable in nature and also avoid any wasteful expenditures as the same shall be disallowed.

Accordingly, the normative A&G expenses approved by the Commission for the Fifth Control Period from FY 2025-26 to FY 2027-28 is as shown in the Table below:

Table 5.24: A&G expenses approved by the Commission for the Fifth Control Period from FY 2025-26 to FY 2027-28 (Rs. Crore)

Particulars	FY 2025-26		FY 2026-27		FY 2027-28	
	Claimed by UPCL	Approved	Claimed by UPCL	Approved	Claimed by UPCL	Approved
A&Gn-1	59.72	57.91	61.77	60.03	63.89	62.22
WPIinflation	3.44%	3.65%	3.44%	3.65%	3.44%	3.65%
Gross A&G expenses	61.77	60.03	63.89	62.22	66.09	64.49
Capitalisation rate	20.94%	39.81%	20.94%	39.81%	20.94%	39.81%
Less: A&G expenses Capitalised	12.94	23.90	13.38	24.77	13.84	25.67
Net A&G expenses	48.83	36.13	50.51	37.44	52.25	38.81
Provisioning towards additional A&G expenses	43.76	34.81	45.37	34.81	47.55	34.81
License Fee	5.26	5.26	5.53	5.53	5.80	5.80
Total A&G expenses	**97.86**	**76.20**	**101.41**	**77.78**	**105.60**	**79.42**

5.10.2.4 O&M expenses

The summary of O&M expenses approved by the Commission for the Fifth Control Period from FY 2025-26 to FY 2027-28 is as shown in the Table below:

Table 5.25: O&M Expenses approved by the Commission for the Fifth Control Period from FY 2025-26 to FY 2027-28 (Rs. Crore)

Particulars	FY 2025-26		FY 2025-26		FY 2026-27	
	Claimed by UPCL	Approved	Claimed by UPCL	Approved	Claimed by UPCL	Approved
Employee Expenses	487.92	450.52	509.65	486.14	692.80	532.57
A&G Expenses	97.86	76.20	101.41	77.78	105.60	79.42
R&M Expenses	503.32	372.01	638.76	407.10	776.10	441.96
Total O&M Expenses	**1089.09**	**898.73**	**1249.83**	**971.01**	**1574.50**	**1053.95**

5.10.3 *Smart Metering Opex*

The Petitioner has submitted the provision of smart metering OPEX expenses under the RDSS scheme to be incorporated in the 5th Control Period. The details of the same is shown in the Table below:

Table 5.26: Smart Meter OPEX Expenses claimed by the Petitioner from FY 2024-25 to FY 2027-28 (Rs. Crore)

O&M Expense	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
Smart metering OPEX Expense	107.53	240.57	177.96	177.96

The Petitioner in view of the above has requested that Opex cost towards Smart Metering be allowed as per the above Table and consider the same as per actuals during true-up.

The Commission vide letter dated January 29, 2025, directed the Petitioner to submit the calculation for cost of smart meter considered under OPEX. In reply to the Commission's query the Petitioner submitted that based on RDSS guidelines issued by MoP, special States such as Uttarakhand are eligible for grant towards metering work @ 22.5% of the overall outlay towards metering or upto Rs. 1350 per meter on consumer metering, Rs. 5175 per meter for DTR metering and Rs. 9450 per meter for feeder metering. Rest of the expenditure is proposed to be met under TOTEX mode. Total 15,87,870 nos of consumer meter, 59,212 nos of DTR meter and 2602 nos. of feeder meter installation is planned.

The Petitioner further submitted that the total proposed outlay towards smart metering works is to the tune of Rs. 2027.02 Crore and expenses of Rs. 1779.56 Crore or Rs. 177.96 Crore per year after subtracting grant (@ 22.5% subject to ceiling as mentioned hereinabove, i.e. Rs. 247.46 Crore) is planned to be recovered in 10 years by AMISP. The yearly value of opex has been computed as shown in the Table below:

Table 5.27: Yearly OPEX Expenses claimed by the Petitioner

Particulars	No. of Meters	Grant Ceiling (Rs.)	Total Grant (Rs. Crore)
Consumer Smart Meter	1587870	1350	214.36
DTR Smart Meter	59212	5175	30.64
Feeder Smart Meter	2602	9450	2.46
Total Grant (Rs. Crore)			247.46
Contract Value (Rs. Crore)			2027.02
Net of Grant expenditure to be recovered in 10 years (Rs. Crore)			1779.56 (2027.02 minus 247.46)
Net of Grant expenditure to be recovered per year (Rs. Crore)			177.96

The Commission has gone through the submissions of the Petitioner and is of the view that in addition to the existing grant of up to Rs. 1350 per meter under the RDSS scheme, an additional grant of up to Rs. 675 per consumer meter was available to States/UTs for timely deployment of meters within the targeted timeline for first phase mission, i.e. by December 2023. Therefore, the Commission while computing the yearly value of smart metering Opex expenses has considered the additional grant, as the same would have been availed by UPCL if the prescribed timeline for deployment of smart meters under RDSS scheme was adhered to. As this is a controllable parameter, the financial impact of the same shall not be passed on to the consumers. Accordingly, the Commission has computed the yearly value of Opex expenses as shown in the Table below:

Table 5.28: Yearly OPEX Expenses approved by the Commission (Rs. Crore)

Particulars	No. of Meters	Grant Ceiling (Rs.)	Total Grant (Rs. Crore)
Consumer Smart Meter	1587870	2025	321.54
DTR Smart Meter	59212	5175	30.64
Feeder Smart Meter	2602	9450	2.46
Total Grant (Rs. Crore)			354.64
Contract Value (Rs. Crore)			2027.02
Net of Grant expenditure to be recovered in 10 years (Rs. Crore)			1672.38
Net of Grant expenditure to be recovered per year (Rs. Crore)			**167.24**

Accordingly, the smart metering OPEX expenses approved by the Commission for FY 2025-26 to FY 2027-28 is shown in the Table Below:

Table 5.29: Smart Meter OPEX Expenses approved by the Commission for Fifth Control Period from FY 2025-26 to FY 2027-28 (Rs. Crore)

O&M Expense	FY 2025-26	FY 2026-27	FY 2027-28
Smart metering OPEX Expense	167.24	167.24	167.24

The OPEX expenses shall be trued up, based on the timelines given under the RDSS scheme and actual deployment of smart prepaid meters by UPCL.

5.10.4 *Interest on Working Capital*

The Petitioner has submitted that the interest on working capital for the Fifth Control Period from FY 2025-26 to FY 2027-28 has been proposed in accordance with the UERC Tariff Regulations, 2024. Accordingly, the Petitioner has proposed the IWC of Rs. 151.14 Crore, Rs. 152.37 Crore and Rs. 179.33 Crore for FY 2025-26, FY 2026-27 and FY 2027-28 respectively.

Regulation 33(2) of the UERC Tariff Regulations, 2024 specifies as follows:

"(2) ***Distribution***

a) The Distribution Licensee shall be allowed interest on the estimated working capital for the financial year, computed as follows:

(i) Operation and maintenance expenses for one month;

(ii) Maintenance spares @ 15% of operation and maintenance expenses; plus

(iii) Two months equivalent of the expected revenue from sale of electricity at the prevailing tariffs;

(iv) Capital required to finance such shortfall in collection of current dues as may be allowed by the Commission; minus

(v) One month equivalent of cost of power purchase, based on the annual power procurement plan.

Provided that where supply to the consumers is through pre-paid meters, working capital shall not be allowed to the distribution licensee in case 100% supply is through prepaid meters or be reduced proportionately in case part supply is through prepaid meters and part through post-paid meters."

The Commission has determined the interest on working capital for the Fifth Control Period in accordance with the UERC Tariff Regulations, 2024.

Since the Commission has not approved the power purchase cost for FY 2026-27 and FY 2027-28, the Commission has determined the interest on working capital for FY 2025-26 only in this Order.

5.10.4.1 One Month O&M Expenses

The annual O&M expenses approved by the Commission are Rs. 898.73 Crore for FY 2025-26. Based on the approved O&M expenses, one month's O&M expenses work out to Rs. 74.89 Crore for FY 2025-26.

5.10.4.2 Maintenance Spares

The Commission has considered the maintenance spares as 15% of annual O&M expenses in accordance with UERC Tariff Regulations, 2024, which works out to Rs. 134.81 Crore for FY 2025-26.

5.10.4.3 Receivables

The Commission has approved the receivables for two months equivalent to the expected revenue from the sale of electricity at existing tariff of Rs. 10985.39 Crore for FY 2025-26, which works out to Rs. 1830.90 Crore for FY 2025-26.

5.10.4.4 Capital required to finance shortfall in collection of current dues

The Petitioner has claimed Rs. 93.94 Crore towards the capital required to finance the shortfall in collection of current dues for FY 2025-26. The Commission has approved the collection efficiency of 99.15% for FY 2025-26 while approving the Business Plan of UPCL for the Fifth Control Period from FY 2025-26 to FY 2027-28. In accordance with the provisions of the UERC Tariff Regulations, 2024 the Commission has approved the capital required to finance the shortfall in collection of current dues as 0.85% of the revenue at existing tariff of Rs. 10985.39 Crore for FY 2025-26, which work out Rs. 93.38 Crore.

5.10.4.5 Adjustment for credit by power suppliers

The Petitioner has proposed one month of power purchase cost as Rs. 741.89 Crore for FY 2025-26. As per the power purchase approved, one month of power purchase cost worked out by the Commission is Rs. 748.94 Crore.

5.10.4.6 Adjustment due to installation of pre-paid meter

The Petitioner has estimated the impact of pre-paid consumers added in an year, by considering the average of opening and closing balance of prepaid consumers in each year. Using this average number of prepaid consumers in a year, the share of prepaid consumers in total consumer base (category wise) is calculated and then multiplied by respective category's revenue, to estimate the revenue from prepaid consumers. The Petitioner has considered the two-month revenue estimated from prepaid metering as Rs. 195.00 Crore for FY 2025-26.

The Commission has considered the same methodology as considered in Table 5.16 above, for reducing the working capital requirement of the Petitioner due to the installation of smart meters under RDSS scheme.

Based on the above, the total interest on working capital of the Petitioner for FY 2025-26, works out to Rs. 124.85 Crore. The interest on working capital for FY 2025-26 as approved by the Commission is as shown in the Table below:

Table 5.30: Interest on working capital approved by the Commission for FY 2025-26 (Rs. Crore)

Particulars	Claimed by UPCL	Approved
O&M expenses for 1 month	90.76	74.89
Maintenance Spares	163.36	134.81
2 months of expected revenue at prevailing tariffs	1841.97	1830.90
Capital required to finance shortfall in collection of current dues	93.94	93.38
Minus: One month credit by power suppliers	546.96	748.94
Minus: 2 month revenue from pre-paid metering	195.00	-
Net Working Capital	**1252.22**	**1385.04**
Rate of Interest on Working Capital	12.06%	12.07%
Total Interest on Working Capital	**151.14**	**167.17**
Pro-rata reduction due to smart meter installation	**-**	**25.32%**
Interest on Working Capiatal	**151.14**	**124.85**

5.10.5 *Return on Equity*

The Petitioner has considered the opening Equity for FY 2025-26 as Rs. 1802.32 Crore. The Petitioner has considered the equity addition during each year of the Fifth Control Period from FY 2025-26 to FY 2027-28 as per the proposed financing plan for the respective year. The Petitioner has proposed the Return on Equity at the rate of 16.50% on the Opening Equity for the year. Accordingly, the Petitioner has proposed the Return on Equity of Rs. 297.38 Crore, Rs. 357.53 Crore, and Rs. 414.23 Crore for FY 2025-26, FY 2026-27 and FY 2027-28 respectively.

Regarding the Return on Equity, Regulation 26 of the UERC Tariff Regulations, 2024 specifies as follows:

*"**26. Return on Equity***

(1) Return on equity shall be computed on the equity base determined in accordance with Regulation 24.

Provided that, Return on Equity shall be allowed on amount of allowed equity capital for the assets put to use at the commencement of each financial year.

Provided further that, if the generating stations/licensees are able to demonstrate the actual date of asset being put to use and capitalized in its accounts of each asset for the purposes of business carried on by it through documentary evidence, including but not limited to 'asset put to use certificate', 'audited accounts' etc., then in such cases, after due satisfaction of the Commission, *the RoE shall be allowed on pro-rata basis after considering additional capitalization done during the year out of the equity capital.*

(2) Return on equity shall be computed on at the base rate of 15.5% for thermal generating stations, transmission licensee, SLDC and run of the river hydro generating station and at the base rate of 16.50% for the storage type hydro generating stations and run of river generating station with pondage and distribution licensee on a post-tax basis.

Provided that return on equity in respect of additional capitalization after 01.04.2025 beyond the original scope of work excluding additional capitalization due to Change in Law, shall be computed at the base rate of one-year marginal cost of lending rate (MCLR) of the State Bank of India plus 350 basis points as on 1st April of the year, subject to a ceiling of 14%;"

In accordance with the UERC Tariff Regulations, 2024, Return on Equity is allowable on the opening equity for the year. Hence, the Commission has determined the Return on Equity for each year of the Fifth Control Period from FY 2025-26 to FY 2027-28 considering the eligible opening equity for return purposes for the respective year.

Further, the proviso to the above-mentioned Regulation on RoE provides that if the licensee is able to demonstrate that the actual date of asset being put to use and capitalized in its accounts for the purposes of business carried on by it through documentary evidence, then Return on Equity shall be allowed on pro-rata basis considering additional capitalisation done during the year. However, at this stage it cannot be projected when the asset will be capitalised. Moreover, as discussed in Chapter 4 of this Order, it has been the practice of the Petitioner to capitalise the assets at the end of the year. Hence, the Commission may consider the Return on Equity on pro-rata basis at the time of truing-up, if complete details as per the proviso to the Regulations are submitted by the Petitioner.

Accordingly, the Commission has considered the closing eligible equity for return purposes approved for FY 2023-24 as the opening balance for FY 2024-25 as discussed in Chapter 4 of the Order. Thereafter, the Commission has considered the equity addition during FY 2024-25 as per the approved means of finance for FY 2024-25. The Commission has considered the closing balance for FY 2024-25 as the opening balance for FY 2025-26.

The Return on Equity approved by the Commission for the Fifth Control Period from FY 2025-26 to FY 2026-27 is as shown in the Table below:

Table 5.31: Return on Equity approved by the Commission for the Fifth Control Period from FY 2025-26 to FY 2027-28 (Rs. Crore)

Particulars	FY 2025-26		FY 2026-27		FY 2027-28	
	Claimed by UPCL	Approved	Claimed by UPCL	Approved	Claimed by UPCL	Approved
Opening Equity	1802.32	1379.49	2166.83	1538.44	2510.47	1702.19
Addition during the year	364.51	158.95	343.64	163.75	283.95	282.48
Closing Equity	2166.82	1538.44	2510.46	1702.19	2794.41	1984.67
Rate of Return	16.50%	16.50%	16.50%	16.50%	16.50%	16.50%
Return on Equity	**297.38**	**227.62**	**357.53**	**253.84**	**414.23**	**280.86**

5.10.6 *Income Tax*

The Petitioner has not claimed any Income Tax in its ARR proposals for the Fifth Control Period from FY 2025-26 to FY 2027-28.

Regulation 34 of the UERC Tariff Regulations, 2021 specifies as follows:

"34. Tax on Income

Income Tax, if any, on the income stream of the regulated business of Generating Companies, Transmission Licensees, Distribution Licensees and SLDC shall be reimbursed to the Generating Companies, Transmission Licensees, Distribution Licensees and SLDC as per actual income tax paid, based on the documentary evidence submitted at the time of truing up of each year of the Control Period, subject to the prudence check"

As stated above, Income Tax is admissible at the time of truing up and, hence, the Commission has not considered any Income Tax in the approval of ARR for the Fifth Control Period from FY 2025-26 to FY 2027-28.

5.10.7 *Provision for Bad and doubtful debts*

Regulation 31 of the UERC Tariff Regulations, 2024 specifies as follows:

"31. Bad and doubtful debts

(1) The Commission may allow a provision for bad and doubtful debts upto one percent (1%) of the estimated annual revenue of the distribution licensee, subject to actual writing off of bad debts by it in the previous years.

Provided further that where the total amount of such provisioning allowed in previous years for bad and doubtful debts exceeds five (5) per cent of the receivables at the beginning of the year, no such *appropriation shall be allowed which would have the effect of increasing the provisioning beyond the said maximum.."*

The Petitioner submitted that in line with the above provisions of the Regulations, it has claimed 1% of net ARR towards provision for bad and doubtful debts in the ARR of FY 2024-25 and each year of the 5th Control Period.

The Commission vide its Tariff Order dated March 28, 2024 had allowed the Petitioner to submit its claim of Bad Debts duly certified by Statutory Auditor along with specific approval of BoD in the next tariff Petition justifying the write offs, and after ensuring that the due process as per the approved policy has been complied with and also alongwith the replies of the observation of the Commission made therein. The relevant extract of the aforementioned tariff Order is reproduced hereunder:

"In view of the above, and in the absence of details of ficititious arrears waived off, the Commission is not inclined to approve any Bad Debts for FY 2022-23. The Petitioner is directed to submit the division wise category wise details of actual bad debts written off till date within 2 months of the date of Order. ***Furthermore, the Petitioner is, however, at liberty to submit its claim duly certified by Statutory Auditor along with specific approval of BoD alongwith the next tariff Petition justifying the write offs, and after ensuring that the due process as per the approved policy has been complied with and also alongwith the replies of the observation of the Commission made herein.****"*

It is observed that the Petitioner has neither justified the claims of the write off nor submitted the replies of the observation made by the Commission in the current Petition and also during the course of tariff Proceedings. Further, the Petitioner has not claimed any write off in truing up of FY 2023-24 and has projected 1% of net ARR as provision for bad and doubtful debts in the 5th Control Period without submitting any justification.

In this regard, the Commission, as discussed in the tariff Order dated 28.03.2024, while carrying out truing up for FY 2022-23 observed that the Petitioner had written off bad debts of Rs. 520.09 Crore (excluding the amount of surcharge waived off) during the period FY 2001-02 to FY 2022-23. As against the same, the Commission had already allowed the Petitioner a total provision of Rs. 333.75 Crore till FY 2008-09 including the opening balance of the provision inherited from UPPCL. The Commission, for the reasons mentioned in the tariff Order dt. 28.03.2024 and as discussed above, did not allow the claims of the Petitioner with respect to writing off of bad and doubtful debts while carrying out true up of FY 2022-23, however, mathematically the bad debts written off by the Petitioner till the end of FY 2022-23 have already surpassed the provisions allowed by the Commission. This implies that, as of now, no excess provision is available with the Petitioner for adjusting the writeoff of bad and doubtful debts under the regulatory regime.

Accordingly, recognising the fact that bad debt is an essential risk to the distribution licensee, as the Regulations provides for allowing a provision for bad and doubtful debts upto one percent (1%) of the estimated annual revenue of the distribution licensee, the Commission has provisionally allowed an amount of Rs. 109.85 Crore for FY 2025–26, calculated as 1% of the revenue from the existing tariff, subject to truing up. **Further, the Petitioner is directed to submit details as specified by the Commission in its tariff Order dated March 28, 2024 regarding provision for bad and doubtful debts. Failure to comply with this directive will result in the disallowance of such provisions/ write-offs during truing up of FY 2025-26.**

5.10.8 *Non-Tariff Income*

The Petitioner has proposed non-tariff income of Rs. 302.74 Crore, for all the years of the Control Period based on the average of NTI's approved by the Commission in the last 8 years (FY 2016-17 to FY 2023-24).

The Commission does not find any merit in the methodology adopted by the Petitioner for estimating the NTI for the Control Period. Further, in the absence of any yardstick to estimate the NTI, the Commission has projected Non-Tariff Income of Rs. 382.20 Crore based on the actual amount trued up for FY 2023-24.

5.10.9 *Revenue requirement for FY 2025-26*

Based on the above, the net Revenue Requirement approved by the Commission for FY 2025-26 is as shown in the Table below:

Table 5.32: Revenue Requirement approved by the Commission for FY 2025-26 (Rs. Crore)

Particulars	Claimed by UPCL	Approved
Power Purchase Cost including RPO Water Tax	7727.70	7539.52
UJVN Ltd. Arrears/(Surplus)		613.46*
Transmission Charges		
PGCIL	782.97	720.61
PTCUL & SLDC	392.02	562.87
Interest on Loan	321.22	175.12
Depreciation	240.75	180.19
O&M expenses	1089.09	898.73
Smart Meter OPEX expenses	240.57	167.24
Interest on Working Capital	151.14	124.85
Return on Equity	297.38	227.62
Provision of Bad & Doubtful Debt	111.70	109.85
Aggregate Revenue Requirement	**11354.54**	**11320.06**
Less: Non-Tariff Income	302.74	382.20
True up impact GAP/(SURPLUS)	1460.58	638.19
Net Revenue Requirement	**12512.38**	**11576.05**

** Includes Rs. 116.00 Crores towards Gap pertaining to Vyasi LHP for FY 2024-25. The same is subject to True up.*

5.10.10 *Revenue at Existing Tariff*

The Petitioner has projected the revenue of Rs. 11170.42 Crore for FY 2025-26 at the existing Tariff.

By applying the Tariff for FY 2024-25 as approved in Tariff Order dated March 28, 2024, the Commission has estimated the total consumer category wise revenue for FY 2025-26 as Rs. 10985.39 Crore.

The revenue at existing Tariff as proposed by the Petitioner and estimated by the Commission is shown in the Table given below:

Table 5.33: Revenue for FY 2025-26 at existing Tariff (Rs. Crore)

S. No.	Consumer Category	Proposed by the Petitioner			Estimated by the Commission		
		Sales (MU)	Revenue (Rs. Crore)	Average Billing Rate (Rs./kWh)	Sales (MU)	Revenue (Rs. Crore)	Average Billing Rate (Rs./kWh)
1.	RTS-1: Domestic	4475	2392.45	5.35	4151	2418.86	5.83
2.	RTS-2: Non-Domestic	2238	1881.42	8.41	2133	1801.65	8.45
3.	RTS-3: Govt Public Utilities	878	704.15	8.02	784	657.80	8.38
4.	RTS-4: Private Tube Wells	307	81.63	2.66	288	76.64	2.66
5.	RTS-5: Industry						
	LT Industry	382	324.76	8.49	366	287.70	7.87
	HT Industry	6893	5534.36	8.03	7042	5478.50	7.78
6.	RTS-6: Mixed Load	201	152.71	7.60	205	153.09	7.46
7.	RTS-7: Railway Traction	122	97.28	8.00	106	78.04	7.33
8.	RTS-8: EV charging stations	2	1.65	7.00	2	1.65	7.00
9.	Revenue from Incremental Sales	-	-	-	43	31.48	7.26
	Total	**15499**	**11170.42**	**7.21**	**15122**	**10985.39**	**7.26**

5.10.11 *Revenue Gap for FY 2025-26 at existing Tariff*

Based on the net revenue requirement of Rs. 12512.38 Crore (including the proposed True up amount for FY 2023-24) and revenue at existing Tariff of Rs. 11170.42 Crore, the Petitioner has proposed the revenue gap of Rs. 1341.96 Crore to be recovered by way of proposed Tariff hike for FY 2025-26.

Considering the net revenue requirement of Rs. 11576.05 Crore and revenue at existing Tariff of Rs. 10985.39 Crore, the Commission has approved the revenue gap of Rs. 590.66 Crore for FY 2025-26. The Commission has approved the increase in Retail Tariff for FY 2025-26 to cover the approved revenue gap of Rs. 590.66 Crore. The revenue gap for FY 2025-26 proposed by the Petitioner and approved by the Commission is as shown in the Table given below:

Table 5.34: Revenue Gap for FY 2025-26 (Rs. Crore)

Particulars	Proposed by the Petitioner	Approved
Net Revenue Requirement	12512.38	11576.05
Revenue at existing Tariff	11170.42	10985.39
Revenue Gap	**1341.96**	**590.66**

6. Tariff Rationalisation, Tariff Design and related issues

6.1 Tariff Rationalisation and Tariff Design for FY 2025-26

6.1.1 *General*

In Chapter 5 of this Order, it has been concluded that the revenue projected to be earned by UPCL during FY 2025-26 at tariffs approved vide Tariff Order dated March 28, 2024 will be Rs. 10985.39 Crore. Against this, the ARR approved by the Commission for FY 2025-26 including gap on account of truing up of previous years works out to Rs. 11576.05 Crore, leaving a total gap of Rs. 590.66 Crore.

In view of the objections received and the Petitioner's submissions, the Commission considers it appropriate to first take a view on the tariff rationalisation measures proposed by the Petitioner and the concerns voiced by other stakeholders.

6.1.2 *Petitioner's Proposals*

The Petitioner submitted that the tariff proposal has been formulated to recover the projected ARR for FY 2025-26.

The Petitioner also proposed the following amendment in the Tariff structure for FY 2025-26.

6.1.2.1 Green Power Tariff

The Petitioner submitted that the Central Government in August, 2021 has notified draft Electricity Rules (Promoting renewable energy through Green Open Access) 2021 where a separate tariff for Green energy was to be determined by the Appropriate Commission. The Petitioner had proposed for green power tariff along with its tariff Petition for FY 2023-24. In the Tariff Order for FY 2023-24, the Commission had approved the Green Power Tariff of 26 paise/unit applicable for RTS-5 HT Industry. Subsequently, in tariff Order for FY 2024-25, the Commission approved the Green Power Tariff of 28 paise/unit applicable to all thecategory of the consumers.

The Petitioner submitted that the rate of Green Power Tariff has been determined based on the projected cost of procurement from RE and non-RE sources of energy. The Petitioner based on estimated Power purchase cost from RE and non-RE sources of energy proposed Green Power Tariff for FY 2025-26 as follows:

Computation of Green Power Tariff

The total power purchase cost projected by the Petitioner for Non-RE power (excluding RE power eligible for RPO) is provided in the Table below:

Table 6.1: Power Purchase Cost as projected by UPCL

Particulars	FY 2025-26
Computation of cost for Non-RE power (Total Power minus RE power)	
Net Generation at State periphery (MU)	15,431.79
Total power purchase cost (Rs. Crore)	4,572.18
Net Rate of Non-RE power (Rs./kWh)	2.96
Computation of cost for RE power	
Net Generation (MU)	3,093.59
Total Cost (Rs. Crore)	1,217.99
Net Rate of RE power (Rs./kWh)	3.94
Total cost for Non-RE power & RE power	
Net Generation at State periphery (MU)	18,525.39
Total cost excluding Transmission charges (Rs. Crore)	5,790.17
Net Rate (Rs./kWh)	3.13

In view of the above, Green Power Tariff proposed by UPCL is as follows:

Table 6.2: Green Power Tariff Proposed by UPCL for FY 2025-26

Particulars	Computation
Average cost of RE for FY 2025-26 (Rs./kWh)	3.94
Less: Average cost of Non-RE for FY 2025-26 (Rs./kWh)	2.96
Difference (Rs./kWh)	0.97
Less: Promotional discount for Green Power	50%
Applicable Green Power Charges (Rs/kWh)	0.49

The Petitioner submitted that the Green Power Tariff is proposed for all the categories of consumers as approved by the Commission in its previous Orders.

6.1.2.2 LT industry consumers availing higher demand

The Petitioner submitted that LT Industrial consumers with a contracted load of up to 75 kW are subject to a fixed/demand charge of Rs. 185/kVA of contracted load per month, whereas, HT Industrial consumers with a contracted load exceeding 75 kW (88 kVA) and up to 1000 kVA are charged Rs. 410 per kVA of billable demand per month, which is 2.2 times of the fixed/demand charge per month levied on LT Industrial consumers.

The Petitioner submitted that some consumers having a sanctioned load limit of 75 kW, are consistently exceeding demand of 100 kVA in a month. These consumers continue to avail the benefit of lower LT tariff rates even after payment of demand penalty.

The Petitioner requested the Commission to specify that LT industry consumer having load upto 75 kW shall be billed under HT industry tariff schedules for any billing month where the demand exceeds 100 kVA.

6.1.2.2.1 *Prepaid metering*

The Petitioner in its MYT Petition proposed to continue with the existing terms of the pre-paid metered supply approved by the Commission for FY 2024-25 in its Tariff Order dated March 28, 2024.

In this regard, the Commission asked UPCL to submit that since the prepaid metering is mandatory for certain consumers under RDSS scheme, why option of pre-paid metering is being provided to all categories of consumers upto 25 kW load, which is in contravention to the RDSS scheme and asked the Petitioner to submit the revised pre-paid metering scheme. In response to the same, the Petitioner vide its submission dated 28.02.2025 requested the Commission to suitably approve the pre-paid metering scheme considering the pre-paid metering scheme as approved in the Tariff order for FY 2024-25 along with the investment approval dated 19.10.2023 on RDSS scheme (Petition no. 35 of 2023) and mechanism for recovery of electricity arrears and adjustment of security deposit at the time of conversion of post-paid meter to pre-paid meter approved vide Commission's letter no. UERC/6/TF-25/2024-25/2024/659 dated 05.08.2024.

6.1.2.2.2 *Time of Day Tariffs*

The Petitioner has proposed to introduce the TOD tariffs for consumer categories other than Industrial consumers from FY 2026-27 based on the smart meter deployment plan under RDSS scheme.

6.1.3 *Commission's Views on Tariff Rationalisation Measures*

The Commission believes that tariff rationalisation is a dynamic and ongoing process and is essential to accommodate the socio-economic and technological changes taking place in the system over a period of time.

The following Sections discuss the tariff rationalisation measures suggested by the Petitioner, Respondents, and the Commission's views on the same.

6.1.3.1 Green Power Tariff

The Commission in its MYT Order dated March 31, 2022 considering the request of the Petitioner approved the Green Power Tariff of Rs. 0.45/kWh applicable for consumers availing 100% RE power on payment of Green Power tariff in addition to the applicable tariff for RTS-5 HT Industry having contracted load above 88 kVA/75 kW (100 BHP).

The Commission in its Tariff Order for FY 2023-24 dated March 30, 2023 considering the request of the Petitioner approved the Green Power Tariff of Rs. 0.26/kWh applicable for consumers availing 100% RE power on payment of Green Power tariff in addition to the applicable tariff for RTS-5 HT Industry having contracted load above 88 kVA/75 kW (100 BHP).

Subsequently, the Commission in its Order dated September 25, 2023 in Petition No. 39 of 2023 (Suo-Motu) extended the applicability of Green Power Tariff to all the category of consumers without any restrictions in accordance with the provisions of the RE Regulations, 2023 and ruled as follows:

"2.2 The Commission analysed the submissions made by the UPCL and observed that as per Tariff Order for FY 2023-24, the Green Power Tariff is applicable only for RTS-5 (HT Industries) category consumers having contracted load above 88 kVA/75kW (100BHP). The Commission is of the view that extending the applicability of Green Power Tariff to other category of consumers will aid in promotion of Government of India's policy towards green energy, clean environment, and sustainable development goals.

2.3 In this regard, reference is drawn towards Regulation 8 of UERC (Tariff and Other Terms for Supply of Electricity from Renewable Energy Sources and non-fossil fuel based Co-generating Stations) Regulations, 2023 which states as follows:

"8. Green Energy (procurement of green energy from distribution licensee)

(1) Any consumer may elect to purchase green energy either upto a certain percentage of the consumption or its equivalent to 100% of its entire consumption and they may place a requisition for this with the distribution licensee, who shall procure such quantity of green energy and supply it and the consumer shall have the flexibility to give separate requisition for categories specified in Chapter-3 of these regulations.

(2) The consumer may purchase on a voluntary basis, more renewable energy, than he is obligated to

do and for ease of implementation, this may be in steps of twenty five percent and going upto hundred percent.

(3) The tariff for the green energy shall be specified by the Commission in the Tariff Orders of Distribution Licensee which shall comprise of the average pooled power purchase cost of the renewable energy, cross-subsidy charges if any, and service charges covering the prudent cost of the distribution licensee for providing the green energy.

(4) Any requisition for green energy from a distribution licensee shall be for a minimum period of one year.

(5) The green energy purchased from distribution licensee or from Renewable Energy sources other than distribution licensee in excess of Renewable Purchase Obligation of the obligated entity shall be counted towards Renewable Purchase Obligation compliance of the distribution licensee.

(6) The accounting of renewable energy supplied at distribution level shall be on a monthly basis."

2.4 Accordingly, the Commission in exercise of powers given under Regulation 103, Savings and 104, Power to Remove Difficulties, of the UERC Tariff Regulations, 2021 and in light of the provisions of RE Regulations, 2023 extends the applicability of Green Power Tariff to all the category of consumers without any restrictions in accordance with the provisions of the RE Regulations, 2023.

2.5 UPCL will provide RE power in accordance with the RE Regulations, 2023 to the interested eligible consumers on a request made by them and such consumers shall be required to pay applicable Green Power Tariff over and above the tariff applicable for that consumers category as per the relevant tariff schedule of the Tariff Order in force."

The Commission in its Tariff Order for FY 2024-25 dated March 28, 2024 considering the request of the Petitioner approved the Green Power Tariff of Rs. 0.28/kWh applicable for all category of consumers.

The Petitioner has proposed the Green Power Tariff for FY 2025-26 in line with the approach adopted by the Commission while approving Green Power Tariff for FY 2024-25.

The Commission, continuing with the approach adopted in the previous year's tariff Order, opines that the power from Renewable Energy source is intermittent in nature and in order to supply 100% RE power to any consumer it entails additional cost towards grid balancing and fixed cost of stranded capacity, which cannot be passed to other consumers of the State. Therefore, it is necessary to recover such additional cost from these consumers requiring 100% RE power only and not from the other consumers of the State. However, the Green Power Tariff should also be reasonable to the consumer, thereby acting as a catalyst for wider acceptance of RE.

The Commission has analysed the approach adopted by other State Electricity Regulatory Commission and opines that it is appropriate to compute Green Power Tariff as the difference of the weighted average rate of RE procurement and weighted average variable cost of non-RE procurement (except hydro and nuclear generating stations where total charges needs to be considered). However, since the cost of such RE procurement is already embedded in the base tariff being determined by the Commission some benefit needs to be passed on to the consumer as well. Accordingly, the Commission considers it appropriate to levy only 50% of the rate so arrived from the consumers willing to procure 100% RE power from DISCOMs to promote procurement of RE power. However, this approach may be reviewed by the Commission at the time of determining the tariff for subsequent period based on the experience gained during the course of time. Based on the above, Green Power Tariff approved by the Commission for FY 2025-26 is shown in the Table below:

Table 6.3: Green Power Tariff approved by the Commission for FY 2025-26

RE Power Procurement for the Period FY 2025-26			Non-RE Power Procurement for the Period FY 2025-26			Difference between RE & Non-RE Power	Approved Green Power Tariff
MU	**Rs. Crore**	**Rs./ Unit**	**MU**	**Rs. Crore**	**Rs./Unit**	**Rs./Unit**	**Rs./Unit**
A	B	C	D	E	F	G = (C – F)	H=G*50%
3079.54	1235.83	4.01	14555.12	4802.73	3.30	0.71	0.36

In view of the above, the Commission approves the Green Power Tariff of Rs. 0.36/kWh, which will be applicable for any consumer availing RE power on payment of Green Power tariff in addition to the applicable tariff. The Green Power Tariff will be applicable to all the category of consumers without any restrictions in accordance with the provisions of the RE Regulations, 2023, as amended from time to time.

The Petitioner will provide RE power in accordance with the RE Regulations, 2023 to the interested eligible consumers on a request made by them and such consumers shall be required to pay applicable Green Power Tariff over and above the tariff applicable for that consumer category as per the relevant tariff schedule of the Tariff Order in force.

The revenue earned by the Petitioner from such sale of green power shall be considered as Tariff Income at the time of truing up. Such treatment of revenue shall also ensure that the benefit of the same is passed on to the other consumers of the State.

The Commission would like to clarify that such green energy supplied by the Petitioner to consumers will be duly considered for meeting the RPO of UPCL in case it is in excess of the RPO of the obligated consumer or the RPO obligated consumers does not wish to consider the same for meeting its RPO obligations.

6.1.3.2 Fixed Charges, Minimum charges and Minimum Consumption Guarantee

It is a well-accepted economic principle that the fixed costs of the Utility should be recovered to a certain extent through fixed charges to ensure revenue stability. At the same time, the Commission recognises that if the entire fixed cost is recovered through fixed charges, then the utility shall have no incentive to be concerned about the sales and, hence, quality of supply may suffer. Historically, the recovery of fixed costs has been done through a mix of minimum charges and fixed charges. Levy of Minimum Consumption Guarantee Charges (MCG) is a way of ensuring minimum revenue to the utility from the consumers, however, if the consumption exceeds the specified units, then no MCG charges are levied on the consumers and the entire charges are recovered by the utility through energy/fixed charges.

The fixed charge component reflecting the fixed cost of providing the service to the consumer and the energy charge component reflecting the cost of energy actually consumed should ideally be taken in the two-part tariff structure.

Section 45(3) of the Electricity Act, 2003 also provides for levy of fixed charges. The relevant Section is reproduced below:

"The charges for electricity supplied by a distribution licensee may include:

(a) a fixed charge in addition to the charge for the actual electricity supplied;

..."

Further, the licensee is incurring fixed cost directly attributable to the individual consumers such as meter reading, bill preparation, bill distribution and collection, which should ideally be allocated to and recovered from each consumer. One of the guiding factors mentioned in Section 61 of the Electricity Act, 2003 for specifying terms and conditions of tariffs is that the tariff has to be gradually cost reflective. Considering that levy of higher fixed charges should not impact the consumers adversely, the Commission in its Tariff Order dated March 18, 2008, introduced a nominal fixed charge for all the categories as a progression towards designing a two part tariff structure linked to the cost structure. Further, in its subsequent Tariff Orders from FY 2009-10 to FY 2022-23, considering the level of proportion of fixed costs as a percentage of total costs of UPCL and level of revenue recovery from fixed charges, the Commission had marginally increased the fixed charges for most of the categories to increase the revenue recovery from fixed charges and at the same time avoiding tariff shock to any consumer category.

Further, the Commission opines that the recovery from Fixed Charges/Demand Charges should increase over a period of time, but the entire fixed costs is not allowed to be recovered through Fixed/Demand Charges as it will lead to tariff shock for the consumers. Further, if the Utility's entire fixed costs is allowed to be recovered through Fixed/Demand Charges, the Utility will not have any motivation to supply power to the consumers. The increase in recovery from Fixed/ Demand Charges should be gradually increased to a certain level. However, in the current tariff proceedings, it has been observed that to meet the deficit quantum the Petitioner has been resorting to short term procurement from exchanges, etc. which has no additional incidence on the fixed costs, and all the power available with it is being sold. Hence, the Commission in this Tariff Order has not increased the Fixed/Demand charges for any existing category of consumers as the licensee is also expected to bring in efficiency in its operations for recovery of its charges.

6.1.3.3 Continuous Supply Surcharge

The Commission, in its Tariff Order dated October 23, 2009, had approved the continuous supply surcharge @ 15% of the Energy Charge for consumers opting for supply during restricted hours (continuous). Further, all the consumers had an option to opt for continuous supply irrespective of whether they were on dedicated independent feeder or on mixed feeder. In accordance with the above provision, even if a single consumer in mixed feeder opted for continuous supply, its benefit got extended to all the consumers on that mixed feeder. This was a sort of discrimination amongst the consumers who had opted for continuous supply on mixed feeder and those who had not opted for continuous supply on mixed feeder as both enjoyed the benefit of continuous supply irrespective of the fact that they were paying any continuous supply surcharge or not. On the other hand, if the supply on the mixed feeder was required to be cut during rostering, the supply of continuous supply consumer also got unintentionally cut.

The Commission in order to rectify this anomaly had taken a view in its Tariff Order dated April 10, 2010 that the option of continuous supply should be made available only to consumers who are connected on a dedicated independent feeder or industrial feeder provided that all the industrial consumers on such feeder opt for continuous supply. The Commission was also of the view that considering the supply shortage position, this option was to be provided only to the continuous process industries requiring continuous supply due to the continuous nature of their process. In this connection, Regulation 3(2) of UERC (Release of new HT & EHT Connections, Enhancement and Reduction of Loads) Regulations, 2008 provided that loads for all HT consumers having continuous processes, irrespective of load applied for, shall be released through independent feeder only. The Commission in its Tariff Order dated April 10, 2010 had, therefore, decided that with effect from May 1, 2010, the option of continuous supply shall remain available only to continuous process industries operating twenty four hours a day and for seven days in a week without any weekly off. Further, this option was only to be available to continuous process industries connected through an independent feeder or industrial feeder provided that all the industrial consumers on such feeder opted for continuous supply option and for availing such an option, they were required to pay 15% extra energy charges at revised tariff with effect from May 1, 2010 or from the date of connection, whichever is later till 31st March, 2011 irrespective of actual period of continuous supply option. Further, the Commission in its Tariff Order dated April 10, 2010 also decided that the load shedding would be applicable for all the consumer categories except continuous process industries availing continuous supply option and, hence, the Commission abolished the mechanism of allowing utilisation of power upto 15% of the contracted load by industrial consumers who did not opt for continuous supply.

In its Tariff Order for FY 2011-12 dated May 24, 2011, Tariff Order for FY 2012-13 dated April 11, 2012, MYT Order dated May 06, 2013 and APR Order dated April 10, 2014 the Commission decided to continue with the same provisions for Continuous Supply as approved in its Order dated April 10, 2010.

The Commission in its ARR/Tariff Order dated April 11, 2015 after detailed deliberations on the issue after floating the in-house paper extended the option of continuous supply to non-continuous process industries in addition to the continuous process industries. The Commission in its Tariff Order dated March 21, 2018, considering the fact that the deficit in winter months had reduced as compared to the previous years, reduced the continuous supply surcharge from 15% of energy charges to 10% of energy charges. The Commission in its Tariff Order for FY 2019-20 dated 27.02.2019 decided to continue with the continuous supply surcharge of 10% of energy charges. Further, the Commission in its Tarif Order for FY 2020-21 dated April 18, 2020 considering the requests of various stakeholders decided to reduce the continuous supply surcharge from 10% of energy charges to 7.5% of energy charges. The Commission in its Tariff Order for FY 2021-22 dated April 26, 2021 considering the requests of various stakeholders decided to reduce the continuous supply surcharge from 7.5% of energy charges to 5% of energy charges. Further, the Commission in its Tariff Order for FY 2022-23 dated March 31, 2022 considering the requests of various stakeholders decided to reduce the continuous supply surcharge from 5% of energy charges to 2.5% of energy charges.

Subsequently, the Commission vide its Order dated October 19, 2022 in Petition No. 31 of 2022 considering the huge shortages and cost of power available in the market and also the influx of applications seeking continuous supply increased the Continuous Supply Surcharge from 2.5% of energy charges to 15% with effect from October 1, 2022.

The Commission in its Tariff Orders for FY 2023-24 and FY 2024-25 continued with the Continuous Supply Surcharge of 15%.

In these tariff proceedings, the Commission has received mixed responses from various stakeholders. Some of the industries submitted that the continuous supply surcharge be reduced or abolished. On the other hand, some of the stakeholders submitted that the continuous supply surcharge should be applicable only for continuous process industries and not for all the industries.

The Commission would like to clarify that the State of Uttarakhand is still facing power shortages and UPCL is procuring short term power from market to meet the demand at a very high rates, and the continuous supply surcharge at existing rate is also not sufficient to meet such costs. UPCL has invited medium term bids for procurement of power, however, the finalisation of the same will still take some more time, hence, the situation is expected to remain the same even in FY 2025-26. For FY 2025-26, the Commission has estimated a total deficit of about 2526 MU for the year and deficit of 2370 MU in winter months during October, 2025 to March, 2026 in the requirement of

UPCL which is of substantial nature. Hence, the Commission does not find any reason to reduce or abolish the continuous supply surcharge altogether as for the entire year UPCL is still having deficit. Hence, the Commission has decided to retain the Continuous Supply Surcharge of 15% as approved vide its Order dated October 19, 2022 in Petition No. 31 of 2022 as well as in Tariff Orders for FY 2023-24 and FY 2024-25. The Commission will review the same once the aforesaid deficit in UPCL's requirement is wiped off.

As regards the suggestion that the continuous supply should be allowed only to continuous process industries, the Commission in its previous Tariff Order dated 28.03.2024 had allowed the option of continuous supply to the continuous process industries only and, accordingly, considering the huge deficit situation in the State of Uttarakhand the Commission accepts the suggestion to allow option of continuous supply of power to only continuous process industries. It is undeniable that a Discom is obligated to supply 24 x 7 reliable power supply under Universal Service Obligation, however, in case of acute shortages when power is not available elsewhere at affordable rates, it would have to resort to load shedding to balance its demand and supply mismatch. Accordingly, it would not be proper at this stage to allow continuous supply option to all the industries as the licensee would be under tremendous pressure to procure electricity at costlier rates to meet the supply to the industries opting for continuous supply under the contractual obligations which would unnecessarily burden the tariffs. However, as dealt in Chapter-3 and Chapter-5 of this Order, the Petitioner is directed to explore all means under long term/ medium term to arrange power to meet its deficit.

Further, in this regard Para 8.2.1 (1) of the National Tariff Policy 2016 also stipulates as under:

"…The reduction of Aggregate Technical & Commercial (AT&C) losses needs to be brought about but not by denying revenues required for power purchase for 24 hours supply and necessary and reasonable O&M and investment for system upgradation. ***Consumers, particularly those who are ready to pay a tariff which reflects efficient costs have the right to get uninterrupted 24 hours supply of quality power****."*

(Emphasis added)

Hence, in line with the view taken by the Commission in its tariff Order dated 28.03.2024 for FY 2024-25, the option of continuous supply shall remain available only to continuous process industries operating twenty four hours a day and for seven days in a week, without any weekly off.

Further, this option will only be available to continuous process industries connected through an independent feeder or industrial feeder provided that all the industrial consumers on such feeder opts for continuous supply option.

The existing continuous process industrial consumers opting for continuous supply shall pay 15% extra energy charges with effect from April 01, 2025 or in case of new consumers from the date of new connection, till March 31, 2026 irrespective of actual period of continuous supply. However, in case of re-arrangement of supply through independent feeder, the Continuous Supply Surcharge shall be applicable from the date of energisation of aforesaid independent feeder till March 31, 2026, irrespective of the actual period of continuous supply option.

In this regard, the Commission would like to clarify certain key issues, pertaining to the applicability conditions for existing and new continuous process industrial consumers in order to avoid any misinterpretation of the conditions, and the same are discussed as under:

- Only Continuous Process Industry consumers operating 24 hours a day and for 7 days in a week, without any weekly off, connected on either independent feeders or industrial feeder can opt for continuous supply. For industrial feeder, all connected industries will have to opt for continuous supply and in case any one consumer on industrial feeder does not wish to opt for continuous supply, all the consumers on such feeder will not be able to avail continuous supply. Such Continuous Process Industry consumers who opt for continuous supply shall be exempted from load shedding during scheduled/unscheduled power cuts and during restricted hours of the period of restriction in usage approved by the Commission from time to time, except load shedding required due to emergency breakdown/shutdown.
- Continuous Process Industry consumers who have opted for Continuous supply, provided they meet the criteria of continuous process industry as discussed above, shall continue to remain Continuous Supply Consumers and they need not to apply again for seeking continuous supply option. Such consumers shall pay 15% extra energy charges, in addition to the energy charges approved, w.e.f. April 01, 2025 till March 31, 2026. However, in case of any pending dispute with UPCL in the matter of continuous supply on certain feeders, those consumers will have to apply afresh, for availing the facility of continuous supply by April 30, 2025.

- The existing Continuous Process Industry consumers who are new applicants for continuous supply of power (including those who are applying afresh as per above condition) can apply for seeking the continuous supply option at any time during the year. However, continuous supply surcharge for such existing consumers shall be applicable with effect from May 01, 2025 till March 31, 2026. UPCL shall provide the facility of continuous supply within 7 days from the date of application, subject to fulfilment of Conditions of Supply as mentioned in Clause 6 under Tariff Schedule of RTS-5. However, in case of re-arrangement of supply through independent feeder, UPCL shall provide the facility of continuous supply from the date of completion of work of independent feeder subject to fulfilment of Conditions of Supply and the continuous supply surcharge on such consumers shall be applicable from the date of energisation of aforesaid independent feeder till March 31, 2026, irrespective of actual period of continuous supply option.
- The existing Continuous Process Industry consumers availing continuous supply option, who wish to discontinue the continuous supply option granted to them earlier, will have to communicate, in writing, to UPCL latest by April 30, 2025 and they shall continue to pay continuous supply surcharge alongwith the tariff approved in this Order till April 30, 2025. Further, in this regard, if due to withdrawal by one consumer from availing continuous supply option on a particular feeder, the status of other continuous supply consumers in that feeder is affected, then UPCL shall inform all the affected consumers in writing, well in advance.
- UPCL shall not change the status of a continuous supply feeder to a non-continuous supply feeder.
- UPCL/PTCUL shall take up augmentation, maintenance and overhauling works on top priority, specially in the sub-stations where circuit breakers, other equipments, etc. are in dilapidated condition and, thereby, shall ensure minimisation of interruptions of the continuous supply feeders.
- UPCL/PTCUL shall carry out periodical preventive maintenance of the feeders supplying to continuous supply consumers. The licensees shall prepare preventive maintenance schedule, in consultation with continuous supply consumers, well in

advance, so that such consumers can plan their operations, accordingly.

- Continuous supply surcharge shall not be applicable on power procured by industrial consumers through open access.

6.1.3.4 Tariff Categorisation for HT Industries and Load Factor based Tariff

The Commission has considered the stakeholders/industries responses and observed that some of the consumers have again raised the issue of load factor based tariff for HT Industries. Some of the stakeholders submitted that the load factor based tariff for HT Industries is discriminatory as well as against the provisions of the Act, Tariff Policy and the Commission's Tariff Regulations. Some of the stakeholders also submitted that the higher consumption needs to be promoted, and discount/rebate should be provided for maintaining higher load factor.

The Commission would like to highlight Section 62(3) of the Act, which empowers the Appropriate Commission, while determining the tariff, to differentiate according to the consumer's load factor, power factor, voltage, total consumption of electricity etc. Section 62(3) of the Act is reproduced below:

"The Appropriate Commission shall not, while determining the tariff under this Act, show undue preference to any consumer of electricity but may differentiate according to the ***consumer's load factor****, power factor, voltage, total consumption of electricity during any specified period or the time at which the supply is required or the geographical position of any area, the nature of supply and the purpose for which the supply is required"* ***(emphasis added)****.*

Regulation 92(2) of UERC Tariff Regulations, 2024, specifically empowers the Commission to design load-factor based tariffs for any category of consumers and is reproduced below:

"(2) The Commission, shall not, while determining the tariff, show undue preference to any consumer of electricity but may differentiate according to consumer's load factor, voltage, total consumption of electricity during any specified period or time at which the supply is required or the geographical position of any area, the nature of supply and the purpose for which the supply is required."

The Commission in its Order dated April 11, 2015, after detailed deliberations in response to the in-house paper had modified the slabs for load factor based tariff from three slabs to two slabs.

Further, as discussed in Chapter 2 of the Order, some of the stakeholders submitted that the principle applied for the categorisation of the industry on the basis of load factor should be on the principle of higher the load factor, lower the tariff as prevalent in other States. They further expressed that the higher load factor implies that the consumer consumes nearly as much as it has contracted for and has paid the demand charges, accordingly, and the Utility stands to benefit by higher load factor because the utility is able to sell more electricity which it has arranged for meeting the demand of the consumer. They further opined that if the load factor is lower, the utility would find itself having contracted more power from generating companies than it would be able to sell to the consumers and in this process may suffer loss.

The Commission does not agree with the views of the stakeholders that higher load factor implies that the Utility stands to benefit from selling more electricity which it has arranged for meeting the demand of the consumer and load incidence on the system matches with the contracted demand/load of the consumers of the State. This economic principle is valid if the licensee receives a bulk discount on procurement of power or is in surplus, in which case it offers rebate to consumers as it cannot store the electricity, so the only option is to consume it. Further, the Commission would like to clarify that there is a diversity in the time of usage of electricity by different consumers and, hence, the actual simultaneous maximum demand of all the consumers put together shall always be less than the summation of their contracted loads. Further, nowhere, the Utility makes the power purchase arrangement equivalent to the contracted demand of its consumers. Further, increase or decrease of the contracted load, and/or, the load factor, by consumer does not actually influence the consumption pattern of consumers including diversity factor and, hence, the actual simultaneous maximum demand is the basis for contracting power from different sources by the licensee rather than the contracted load/load factor of the consumers. Further, the utilisation of the contracted capacity for State consumption from firm sources of generation by UPCL is only about 80%. With the increase in load factor of consumers, the energy requirement of the Utility will further increase, and the Petitioner will be left with no option than to resort to procurement of costly power. This inability of the Petitioner will require it to purchase power at a marginal price, i.e. the Petitioner will have to purchase costlier power to meet the increase in energy requirement at higher load factor.

The two part tariff tends to encourage high consumption as the same reduces the effective per unit composite rate. Accordingly, to correct this, tariff also needs to increase in a manner so as to achieve a near uniform composite rate. To achieve this, demand and energy charges will have to be increased with every small increase in contracted demand or load utilization percentage. Although theoretically possible, such an approach would make the tariffs too complex, incomprehensible and will pose serious problems in implementation. There is, therefore, a trade-off between the simplicity of the tariff structure and precision in correcting the above distortion. The Commission's attempt has been to strike a balance between the two by choosing a uniform rate of demand charge and different rates of energy charges linked to the consumption levels represented by the Load Factor. The Commission has avoided sharp increase in energy charges and has infact modified the three slabs in HT industry category prevalent earlier to only two slabs in its previous Tariff Order dated April 11, 2015.

As had been illustrated by the Commission in its previous Tariff Orders in case of single energy charge, without any load factor slabs, the effective tariff of an intended cross-subsidising consumer goes down steeply with increasing load factor, thereby, reducing the quantum of cross-subsidy charged from it. After a threshold level of load factor, this structure leads to an undesirable anomaly that the effective tariff becomes lower than the average Cost of Supply and the consumer instead of being subsidising consumer becomes subsidised consumer. Thus, this structure apart from leading to the above said anomaly is highly inequitable amongst the consumers of the same category with consumers having low load factor being loaded with much higher effective tariff and making up for loss on account of lower effective tariff even below the average cost of supply paid by high load factor consumers. Transition from subsidising consumer to subsidised consumer with increasing load factor is not only incorrect but is also highly undesirable.

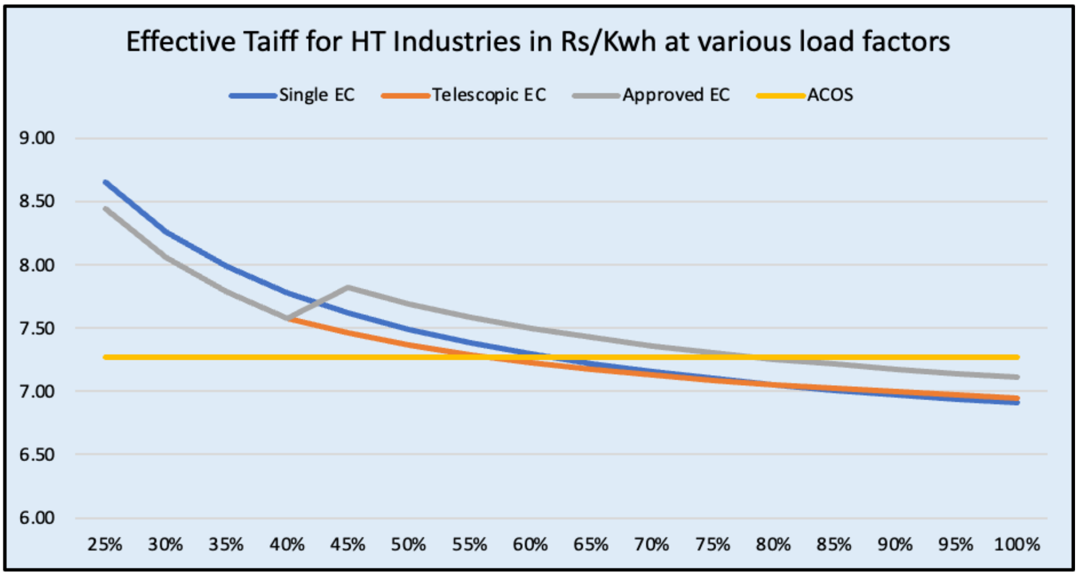
Some of the stakeholders represented that the tariff structure for HT Industries should also be telescopic. In Uttarakhand, as the cross-subsidies are very low, the tariff needs to be corrected at different load factors to ensure that steepness of the effective tariff curve does not reduce the cross-subsidies to very low level or make them negative (subsidised). Further, there is a practical difficulty in implementing slabs of tariffs for excess consumption only, due to ToD tariffs in vogue. Apportionment of various slabs of consumption for different time slots would be very complicated and would result in disputes between licensee and consumers as consumer would like to book cheapest load factor slab (1st slab) against peak hour consumption and highest load factor slab (last slab) against off-peak hour consumption. The licensee, on the other hand, would like to book first load factor slab against off-peak consumption and the last load factor slab under peak hour consumption. Thus, this structure would unnecessarily complicate the billing process and would also lead to disputes. Due to these reasons, the Commission is not implementing telescopic slab based tariff for HT industrial consumers.

The above reasoning can be easily explained by taking an example with the figures of approved tariff (Demand Charges Rs. 410/kVA/month and Energy Charges in two slabs of Rs. 6.00 and 6.40/kVAh for FY 2024-25, where Average Cost of Supply was taken as Rs. 7.27/kWh and average tariff from HT industrial consumers including ToD surcharge and rebate was designed to be Rs. 7.90/kWh. It is evident that in case of single energy charge of Rs. 6.20/kVAh and demand charge of Rs. 410/kVA/month, without any load factor slabs, the effective tariff of an intended cross-subsidising consumer goes down steeply with increasing load factor, thereby, reducing the quantum of cross-subsidy charged from it. After a threshold level of load factor, this structure leads to an undesirable anomaly that the effective tariff becomes lower than the average Cost of Supply and the consumer instead of being subsidising consumer becomes subsidised consumer. Thus, this structure apart from leading to the aforesaid anomaly is highly inequitable amongst the consumers of the same category with consumers having low load factor being loaded with much higher effective tariff and making up for loss on account of lower effective tariff even below the average Cost of Supply paid by high load factor consumers. The same applies to the condition if telescopic slab energy charges for HT industries [Demand Charges: Rs. 410/kVA/monthly, Energy Charges: for consumption upto LF 40%: Rs. 6.00/kVAh & for consumption exceeding LF 40%: Rs. 6.40 kVAh are considered], the reduction in effective tariffs is almost similar to the case where single energy charges are approved without any slab. The Table & Graph below shows these anomalies of consumers getting cross-subsidised falling below the average cost of supply after a particular load factor and wide range of tariffs over different load factors with the single energy charge without any slab and telescopic slabs. Increase of cross-subsidisation of HT industry with increasing load factor (particularly > 60%) is not only incorrect but also highly undesirable.

Table 6.4: Effective Tariff & Cross-subsidy for HT Industry having contracted load 1 kVA

Load Factor	Consumption (kVAh)	Demand Charge (Rs./ kVA)	Energy Charge (Rs./kVah)			Total Amount			Effective Tariff (Rs.kWh)			Cost of Supply	Cross Subsidy %		
			Single EC of Rs.6.20 /kVah	Telescopic Tariff	Approved Tariff	Single EC of Rs.6.20/ kVah	Telescopic Tariff	Approved Tariff	Single EC of Rs.6.20/kVah	Telescopic Tariff	Approved Tariff	Rs./ kWh	Single EC of Rs.6.20 /kVah	Telescopic Tariff	Approved Tariff
(1)	(2)	(3)	(4)	(5)	(6)	(7)=(3)+ (4)	(8)=(3)+ (5)	(9)=(3)+(6)	(10)=(7)/(2x 0.98)	(11)=(8)/(2x 0.98)	(12)=(9)/(2x 0.98)	-13	(14)=(10/13)-1	(15)=(11/13)-1	(16)=(12/13)-1
25%	180	410	1116	1080	1080	1526	1490	1490	8.65	8.45	8.45	7.27	18.99%	16.19%	16.19%
30%	216	410	1339	1296	1296	1749	1706	1706	8.26	8.06	8.06	7.27	13.66%	10.86%	10.86%
35%	252	410	1562	1512	1512	1972	1922	1922	7.99	7.78	7.78	7.27	9.86%	7.05%	7.05%
40%	288	410	1786	1728	1728	2196	2138	2138	7.78	7.58	7.58	7.27	7.00%	4.20%	4.20%
45%	324	410	2009	1958	2074	2419	2368	2484	7.62	7.46	7.82	7.27	4.78%	2.60%	7.59%
50%	360	410	2232	2189	2304	2642	2599	2714	7.49	7.37	7.69	7.27	3.01%	1.32%	5.81%
55%	396	410	2455	2419	2534	2865	2829	2944	7.38	7.29	7.59	7.27	1.55%	0.28%	4.36%
60%	432	410	2678	2650	2765	3088	3060	3175	7.29	7.23	7.50	7.27	0.34%	-0.59%	3.15%
65%	468	410	2902	2880	2995	3312	3290	3405	7.22	7.17	7.42	7.27	-0.68%	-1.33%	2.13%
70%	504	410	3125	3110	3226	3535	3520	3636	7.16	7.13	7.36	7.27	-1.56%	-1.96%	1.25%
75%	540	410	3348	3341	3456	3758	3751	3866	7.10	7.09	7.31	7.27	-2.32%	-2.51%	0.49%
80%	576	410	3571	3571	3686	3981	3981	4096	7.05	7.05	7.26	7.27	-2.99%	-2.99%	-0.18%
85%	612	410	3794	3802	3917	4204	4212	4327	7.01	7.02	7.21	7.27	-3.57%	-3.41%	-0.77%
90%	648	410	4018	4032	4147	4428	4442	4557	6.97	6.99	7.18	7.27	-4.10%	-3.78%	-1.29%
95%	684	410	4241	4262	4378	4651	4672	4788	6.94	6.97	7.14	7.27	-4.56%	-4.12%	-1.76%
100%	720	410	4464	4493	4608	4874	4903	5018	6.91	6.95	7.11	7.27	-4.98%	-4.42%	-2.18%

Graph 1 : Effective HT Industrial Tariff



Hence, in view of the above, the Commission is continuing with the existing load factor based tariff structure for HT Industry.

6.1.3.5 Time of Day Tariff

As discussed earlier the Petitioner has proposed to implement ToD tariffs for all the categories which shall be applicable to consumers once the smart meter for consumers is installed under RDSS.

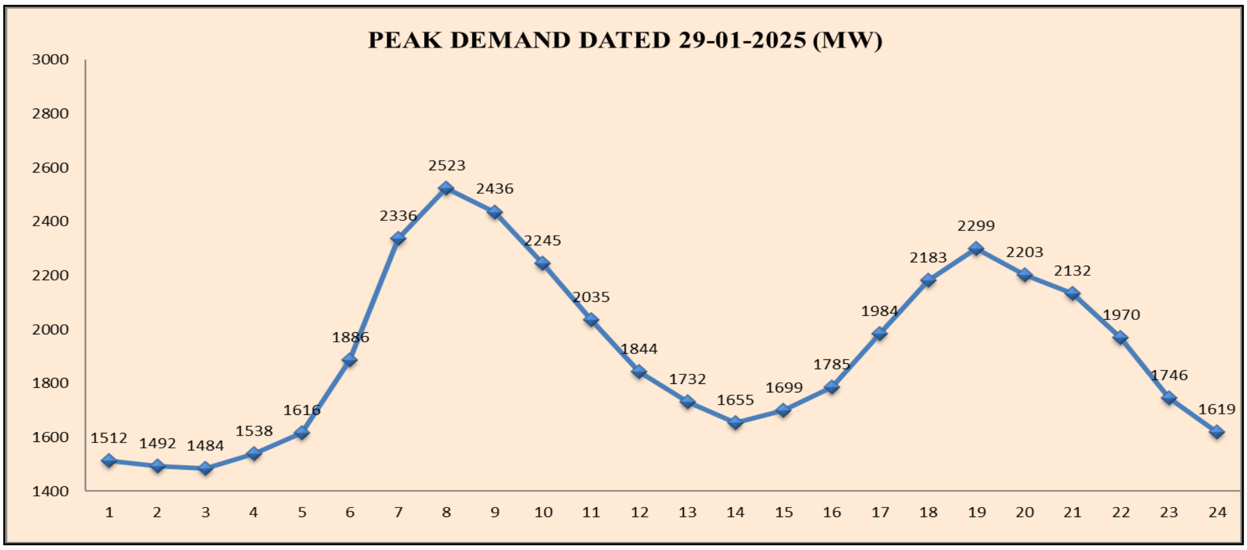
Regarding Time-of-Day Tariff, the stakeholders requested the following:

- Surcharge during peak hour and rebate during off-peak hour should be equal.
- ToD Tariff should be approved for all consumer categories as per MoP Rules.
- Abolish the morning peak hours.
- Reduce the evening peak hours from 1800-2300 hrs in summer months to 1800-2200 hours.
- Reduce the peak hours timings in such a manner that the Single Shift Industry can operate for 8 hours with normal tariff.
- The ToD charges should be retained at existing levels.
- The rebate for consumption during off-peak hours should be increased.

The Commission in its Tariff Order for FY 2010-11 dated April 10, 2010 approved the peak hour rate as 50% higher than the normal hour rate for Industrial Category. Further, in case of HT industries, the Commission has specified the peak hour rate as 50% higher than the normal hour rate applicable for highest load factor slab, i.e. energy charge for load factor above 50% for all the HT industrial consumers. The Commission kept the rebate during off peak hours to 10% to incentivise the shift in consumption from peak hours to off peak hours. The Commission in its Tariff Order dated 21.03.2018 in order to incentivise the consumers for shifting the demand from Peak hours to Off Peak hours, increased the off-peak hour rebate from existing level of 10% to 15% in energy charges.

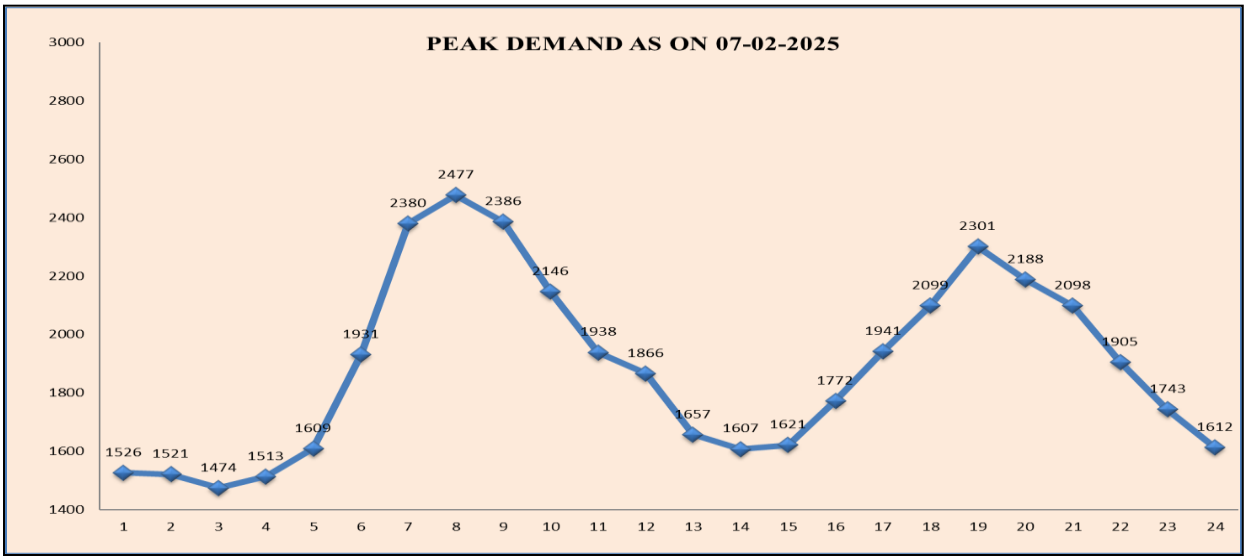
The Commission, in each of its tariff determination exercise, has been analysing the shift from the peak hours to normal and off-peak as well as the consumption pattern during the peak and off-peak hours in the State. The Commission has analysed the unrestricted load curves in summer as well as the winter month to assess the consumption during peak hours in these months. The load curves for the days having highest peak load in the months of summer and winter season, have been examined and the same are graphically presented below:

Chart 1: Load Curve for 29th January 2025 (MW) [Winter Month]



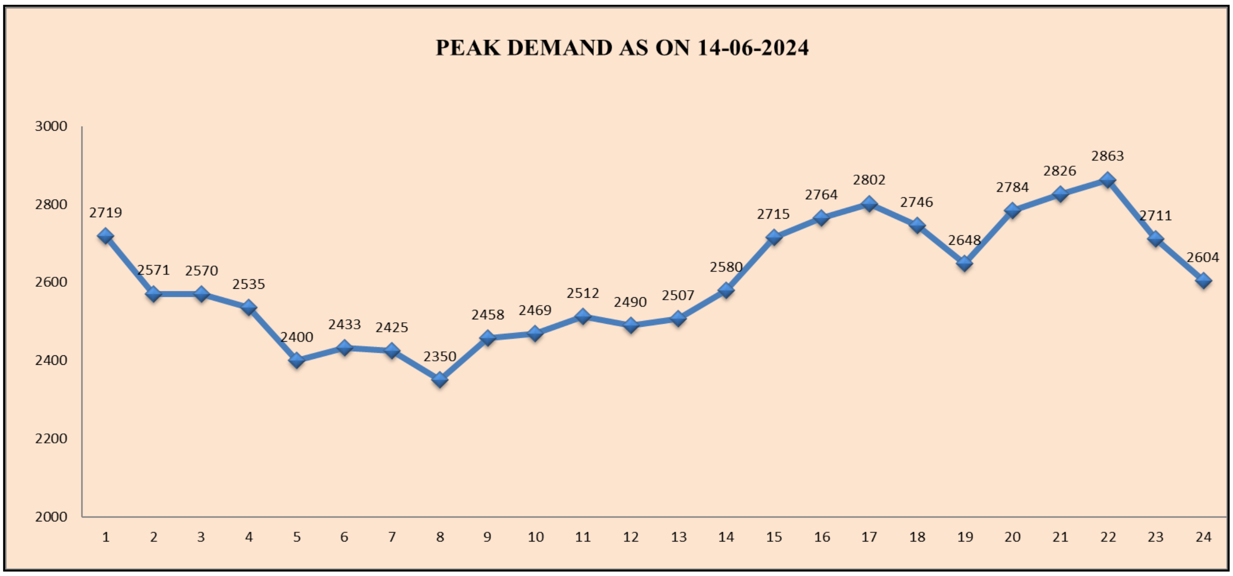
Morning Peak Demand – 2523 MW at 8.00 AM
Evening Peak Demand – 2299 MW at 7.00 PM

Chart 2: Load Curve for 7th February 2025 (MW) [Winter Month]



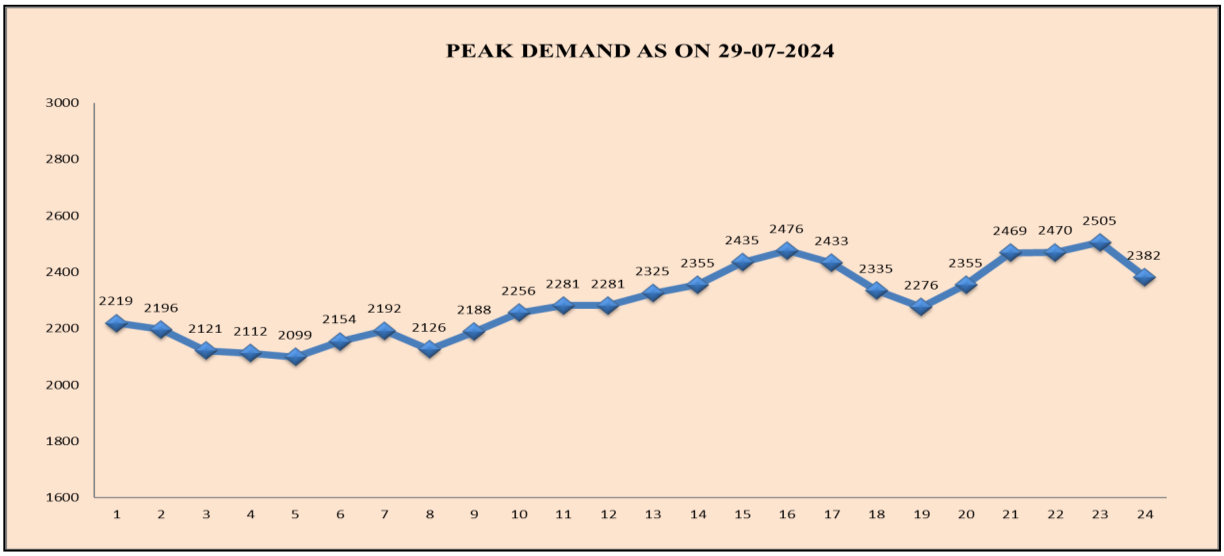
Morning Peak Demand – 2477 MW at 8.00 AM
Evening Peak Demand - 2301 MW at 7.00 PM

Chart 3: Load Curve for 14th June, 2024 (MW) [Summer Month]



Peak Demand – 2863 MW at 10.00 PM
No Morning Peak

Chart 4: Load Curve for 29th July, 2024 (MW) [Summer Month]



Evening Peak Demand – 2505 MW at 11.00 PM
No Morning Peak

It is observed from the above graphical presentations that during the winter season both morning as well as evening peak demand exists in the State. Infact, in the months of January and February, the morning peak demand has been found to be even more pre-dominant than the evening peak demand. From Chart 1 & 2 illustrating the load curve for January 29, 2025 and

February 07, 2025 respectively, it can be observed that the demand starts rising from 6.00 a.m. till it reaches the peak at about 8.00 a.m. and then starts falling around 9.00 a.m. in the morning. Hence, the request of the stakeholders regarding abolishing the morning peak hours or change in morning peak hours cannot be accepted since it would defeat the demand side management through tariffs in vogue in the State. Besides this situation of morning peak begins from October and lasts till March, i.e. during the entire winter season. Further, in the summer months the evening peak lasts upto 1-2 am in the morning, as can be corroborated from the data of IEX when bids of power are placed at a rate as high as Rs. 10/kWh.

The Commission feels the need for DSM and having ToD tariff as a measure for ensuring curtailment of morning as well as evening peaks. Considering all these aspects, the Commission in the present Order is continuing with the morning peak hours during winter season and evening peak hours for the entire year. During the Tariff Order for FY 2019-20, some of the stakeholders requested that the peak hour slots should be modified in such a way that the General Single Shift Industry should get clear 8 hours of operations at normal tariff. The Commission in its Order dated February 27, 2019 considering the requests of the stakeholders and the load pattern during peak hours modified the Peak, Normal and Off-Peak hour duration for ToD metering slots in such a manner that the industry gets nine hours for working during normal hours and they are able to operate eight hours in General Shift with one hour break, modified the normal hours to 0900-1800 hours in winters and 0700-1800 hours in summers.

The Commission in its Tariff Order dated March 31, 2022 considering the requests of the stakeholders modified the morning Peak Hours in winters from 0600-0800 hours. However, subsequently UPCL filed a Petition wherein it mentioned the procedural difficulties, like the possibility of breaching the meter protocols and risking the security of meters, in giving effect to the change in ToD hours approved in the Tariff Order dated March 31, 2022. The Commission in exercise of powers conferred under Regulation 103 & Regulation 104 of the MYT, Regulations 2021 directed that the modification of ToD metering slots as approved in Tariff Order dated March 31, 2022 be kept in abeyance till further orders in this regard, and the ToD metering slots as approved in the Tariff Order dated April 26, 2021 shall continue to be applicable for FY 2022-23 as well.

The Commission in its Tariff Order dated March 30, 2023 observed that since, UPCL under Revamped Distribution Sector Scheme (RDSS), will be required to replace the existing meters with smart meters, hence, it will not be practical to modify the peak hours at this moment as the same may lead to practical difficulties which may lead to consumer disputes and the Commission will take a view on the same when smart meters are installed for industries. The Commission continued with the aforementioned approach in the subsequent Tariff Order dated March 28, 2024, as UPCL had not yet commenced the installation of smart meters for industries at that time.

Infact Ministry of Power through its Electricity (Rights of Consumers) Amendment Rules, 2023 has stipulated as follows:

> *"(8A) Time of Day Tariff.-The Time of Day tariff for Commercial and Industrial consumers having maximum demand more than ten Kilowatt shall be made effective from a date not later than 1st April, 2024 and for other consumers except agricultural consumers, the Time of Day tariff shall be made effective not later than 1st April, 2025 and a Time of Day tariff shall be made effective immediately after installation of smart meters, for the consumers with smart meters:*
>
> ***Provided that, the Time-of-Day Tariff specified by the State Commission for Commercial and Industrial consumers during peak period of the day shall not be less than 1.20 times the normal tariff*** *and for other consumers, it shall not be less than 1.10 times the normal tariff:*
>
> ***Provided further that, tariff for solar hours of the day, specified by the State Commission shall be atleast twenty percent less than the normal tariff for that category of consumers:***
>
> *Provided also that the Time of Day Tariff shall be applicable on energy charge component of the normal tariff:*
>
> ***Provided also that the duration of peak hours shall not be more than solar hours as notified by the State Commission or State Load Despatch Centre."***

(Emphasis added)

It is observed that UPCL, as per its smart meter deployment plan under the RDSS, began the installation of smart meters in August 2024. The plan stipulates that smart meters for HT consumers will be installed by July 2025, while installation for all LT consumers is scheduled for completion by June 2026. Further, it is to be noted that Government of India (GoI) has amended the Electricity (Right of Consumer) Rules, 2020, to expedite the installation process and simplify the establishment of Rooftop Solar PV systems for prosumers. Given the anticipated increase in solar energy integration into the State's overall energy mix, fluctuations in peak and off-peak demand patterns are expected. A detailed study is therefore, necessary, to assess the impact of these changes on load profiles and ToD tariff structuring.

Accordingly, **the Commission directs UPCL to expedite the installation process and ensure completion of smart meters installation for HT Industrial consumers by June 2025 and for LT Industrial consumers by August 2025.** In the absence of any actual ToD slotwise consumption data for other categories, the Commission has not approved the implementation of ToD tariff for other consumer categories in this Order and will take a view on the same in the next tariff proceedings.

The Commission directs the Petitioner to submit the complete data of time block wise consumption data on monthly basis for all the HT consumers and LT consumers, for which the Smart Metres have been installed. This will enable the Commission to analyze the requisite data and take an informed decision regarding the modification of peak and Off-peak hours under the ToD tariff regime as well as implementation of ToD Tariffs for other consumer categories.

The Commission also directs the Petitioner to propose the modifications in ToD slots as well as implementation of ToD tariffs for other categories in its Tariff Petition for FY 2026-27 based on actual consumption data upon installation of Smart Meters and its impact on revenue.

Hence, the Commission in this Order has not made any change in the existing Peak and Off-Peak hours and has approved the same as per Tariff Order dated April 26, 2021 as follows:

Table 6.5: Peak and Off-Peak Hours

Season/Time of day	Morning Peak hours	Normal hours	Evening Peak Hours	Off-peak Hours
Winters 01.10 to 31.03	0600-0900 hrs	0900-1800 hrs	1800-2200 hrs	2200-0600 hrs
Summers 01.04 to 30.09	--	0700-1800 hrs	1800-2300 hrs	2300-0700 hrs

As regards the peak hour surcharge and off-Peak hour rebate, the Commission in its Tariff Order dated April 26, 2021 increased the off-Peak hour rebate from 15% to 20% in order to incentivise the consumers to shift the consumption to Off-peak hours. Considering the requests of the stakeholders, the Commission in its Tariff Order dated March 31, 2022 reduced the peak hour surcharge to 30%.

The Commission considering the power deficit situation in the State and in order to incentivise the consumers to shift the consumption to Off-peak hours has increased the off-Peak hour rebate from 20% to 25% and and has kept the peak hour surcharge as 30% in its Tariff Order dated March 28, 2024. Accordingly, the Commission, in the present Order, has maintained the off-peak hour rebate at 25% and the peak hour surcharge at 30% which is also in line with the stipulations made in the Electricity (Rights of Consumers) Amendment Rules, 2023 notified by MoP, GoI. Further, the peak hours in winters are equal to 7 hours and in summers are equal to 5 hours which are almost at par with the solar hours in line with the provision of the said MoP, GoI Rules.

6.1.3.6 LT industry consumers availing higher demand

The Commission has gone through the submission made by the Petitioner, regarding LT Industrial consumers having a sanctioned load of upto 75 kW, who persistently exceed demand of 100 kVA in billing months while continuing to avail the benefits of lower LT tariff rates, notwithstanding the payment of applicable demand penalties. It is observed that the existing demand penalty provisions under the Supply Code have proven inadequate in deterring such repeated violations, resulting in undue stress on UPCL's distribution infrastructure and consequent revenue losses to the utility.

The Petitioner has proposed that LT industrial consumers with sanctioned load up to 75 kW shall be billed under applicable HT industrial tariff schedules for any billing month where their recorded demand exceeds 100 kVA.

The Commission is of the view that permitting such consumers to remain a LT consumer category, despite consistent overloading, violates the fundamental principle of cost-reflective pricing and unnecessary burdens the other category of consumers.

Therefore, in view of the proposal made by the Petitioner and after due consideration, **the Commission directs that any LT Industrial consumer with a sanctioned load ≤ 75 kW shall be required to pay demand charges as applicable to HT Industrial consumers on the entire recorded demand, for the billing month in which the consumer's recorded demand exceeds 100 kVA. Also, accordingly, the said demand charges shall now be applicable for calculation of excess load/ demand penalty as per the provisions of the Supply Code.**

6.1.3.7 Tariff Categorisation for RTS-4A (Agricultural Allied Activities)

As per the current tariff structure, RTS-4A consumer category is applicable for supply of power for use in nurseries growing plants/saplings, polyhouses, fisheries and other units growing flowers/vegetables and fruits including mushroom cultivation which does not involve any kind of processing of product except for storing and preservation.

The Commission is of the view that the existing uniform tariff structure under the RTS-4A category, does not adequately account for the significant variations in load requirements and consumption patterns among different types of agricultural operations. Presently, the RTS-4A schedule applies uniformly for supply of power for use in nurseries growing plants/saplings, polyhouses, fisheries and other units growing flowers/vegetables and fruits including mushroom cultivation which does not involve any kind of processing of product except for storing and preservation.

To promote equitable and cost-reflective tariff, the Commission has decided to sub-categorize RTS 4A into the following sub-categories:

1. **Upto 25 kW** – This shall apply to consumers with contracted load up to and including 25 kW, maintaining the existing tariff structure to support small-scale agricultural operations.
2. **Above 25 kW & upto 75 kW**– This shall apply to consumers with contracted load exceeding 25 kW& upto 75 kW, who shall be subject to appropriate fixed charges.
3. **Above 75 kW** – This shall apply to HT consumers with contracted load exceeding 75 kW engaged in such activities, who shall be subject to appropriate fixed and energy charges

Further, the Commission is of the view that RTS-4A: Agriculture Allied Activities, shall also be applicable for supply of power for incidental agricultural processes confined to chaff cutter, thrasher, cane crusher and rice huller, while Tariff Schedule for RTS-4: Private Tube Wells/ Pumping Sets shall solely be applicable for supply of power to private tube-wells/pumping sets for irrigation purposes.

Therefore, the Commission approves the inclusion of “incidental agricultural processes confined to chaff cutter, thrasher, cane crusher and rice huller” under the Tariff Schedule of RTS-4A.

6.1.3.7.1 *Prepaid metering*

The Commission recognises that Prepaid Metering is expected to provide better services to the consumers, improve and secure the cash flow of the Petitioner and also lead to reduction in consumer grievance and dissatisfaction to the consumers.

The Petitioner in its MYT Petition proposed to continue with the existing terms of the pre-paid supply approved by the Commission for FY 2024-25. The Commission on analysis of the same observed that the prepaid metering is mandatory for certain consumers under RDSS scheme, however, the Petitioner has proposed to provide the option of pre-paid metering to all categories of consumers upto 25 kW load. Further, the mechanism of realising arrears from consumers as well as security deposit was already decided by the Commission, and the proposal of UPCL to recover arrears as well as security deposit is in contravention to the mode approved by the Commission. The Commission asked UPCL to re-submit the proposal w.r.t the pre-paid metering scheme after suitable modifications, in response to which the Petitioner submitted that the Commission may suitably approve the pre-paid metering scheme considering the pre-paid metering scheme as approved in Tariff order for FY 2024-25 along with the approval dated 19.10.2023 on RDSS scheme, and mechanism for recovery of electricity arrears and adjustment of security deposit at the time of conversion of post-paid meter to pre-paid meter as approved vide UERC letter no. UERC/6/TF-25/2024-25/2024/659 dated 05.08.2024.

The Commission, accordingly, approves the following conditions for Pre-Paid Metering:

a) The Pre-paid metering scheme shall be mandatory for the consumers that have been identified under the RDSS scheme, and for other consumers, the option of Pre-paid metering shall be available for all categories of consumers under LT category. Further, apart from above, the Prepaid Metering shall be mandatory for new Temporary LT connections, Advertisements/Hoardings and for Government LT connections.

   Provided that the option of prepaid metering shall not be available to the Seasonal industries covered under Rate Schedule RTS-5.

b) There shall be a minimum recharge of Rs. 100 and the maximum limit of recharge shall be Rs. 15,000 for both single phase and three phase connections. Validity of the recharge shall be continued till the amount is available in the account of the consumer. Any recharge shall be allowed only when the 20 digit special meter reading code shall be made available by the consumer.

c) As regards the charges for testing of meter, the Petitioner shall recover the amount as approved by the Commission under Schedule of Miscellaneous Charges directly from such prepaid consumers as is done for postpaid consumers and shall not be charged from the recharge amount.

d) The Petitioner shall issue an advertisement in the newspapers within 15 days of the issue of this Order, briefly mentioning salient features of the Prepaid Metering Scheme and to provide an option to the consumers (who are not mandatorily covered under the scheme) to express their interest to opt for the Prepaid metering scheme latest by June 15, 2025.

   It may be noted that the objective of calling applications for Prepaid metering shall be primarily for the purpose of estimation of the requirement of such meters based on the demand of the Scheme. Based on the requests received from the consumers opting for Prepaid metering, UPCL shall implement the Prepaid metering in a phased manner. Further, the Petitioner may also allow prepaid metering services to even those consumers who could not submit their request within the above stipulated time given in the advertisement and wish to opt for it subsequently.

e) The Petitioner is also directed to prepare a Salient Features of the Prepaid Metering Scheme (in 1-2 pages) and circulate the same along with the bills of May, 2025 to all the eligible consumers, to facilitate wide circulation as well as to provide salient features of the proposed mechanism of the Prepaid Metering Scheme.

f) In case, the consumer opting for Prepaid Metering have outstanding arrears, the following methodology for recovery of arrears from the consumers shall be followed:

   i. On the date of conversion of post-paid meter to prepaid meter, the final bill before adjustment of security deposits shall be prepared. This bill shall also include the value of the bill which has already been issued before the conversion of metering system and the due date of the bill is after the date of the conversion of the metering system and the said bill is unpaid on the date of conversion of metering system;

ii. Interest on security deposits shall be computed till the date of conversion of postpaid meter conversion to prepaid meter and the said interest shall be added in the existing security deposits. Sum of the existing security deposits and interest thereon shall be the final value of security deposit of the consumer.

iii. In case the value of security deposits is lower than final bill of the consumer, the differential amount of security deposit and final bill (electricity arrears) shall be recovered in equal daily instalments and the value of each instalment shall be maximum of the following:

   a. Arrear amount (Rs.) / 300 days.

   b. Billing value of previous 03 months (Rs.) x 25% / (3 x 30 days)

iv. The order of adjustment of arrear amount and current bill amount shall be as per the following priority:

   a. Arrear amount

   b. Current bill amount

v. Delayed Payment Surcharge shall be recovered as per existing provisions of Regulations / Tariff Order.

vi. Notwithstanding the provision of sub-clause (iii) above, the Consumer can approach the licensee at any time before the full and final recovery of arrears, for adjustment of balance amount of arrears in full, alongwith applicable DPS from the amount available in his prepaid account. In such case, the distribution licensee shall compute the balance amount of arrears alongwith applicable DPS thereon till the date of adjustment and adjust the same against the balance available in the prepaid account of the consumers, with an intimation to the respective consumer. However, no part adjustment shall be allowed in this manner.

g) On conversion of consumers connection from existing post-paid to prepaid metering system, the following methodology for refund of security deposit shall be followed:

i. On the date of conversion of post-paid meter to prepaid meter, the final bill before adjustment of security deposits shall be prepared. This bill shall also include the value of the bill which has already been issued before the conversion of metering system and the due date of the bill is after the date of the conversion of the metering system;

ii. Interest on security deposits shall be computed till the date of conversion of postpaid meter to prepaid meter and the said interest shall be added in the existing security deposits. Sum of the existing security deposits and interest thereon shall be the final value of security deposit of the consumer.

iii. In case value of security deposits is higher than final bill of the consumer, the differential amount of security deposit and final bill shall be adjusted in the account of the consumer at the time of conversion of metering system. This balance shall be used as recharge value of the consumer;

h) The Petitioner shall make necessary provisions to provide friendly credit hours/ limit to the consumers, in order to ensure uninterrupted supply to the consumer in the event of expiry of the balance during non-working hours, i.e. night time or during holiday, so as to provide reasonable time to the consumer to procure the recharge voucher at the next possible working hours or working day. However, the charges for the electricity consumed between expiry of balance during non-working hours and subsequent recharge voucher shall be adjusted from the recharge voucher.

i) All the Prepaid meters will be provided with an alarm to indicate low credit.

j) As per the guiding principles and Section 47(5) of the Electricity Act, 2003, the Petitioner shall not charge any security deposit, including amount towards Material Security Deposit, as is required in post-paid connections.

k) Voltage rebate/surcharge, low power factor surcharge and excess load penalty shall not be applicable for prepaid connections.

l) A rebate of 4% of Energy Charges for Domestic Category and 3% of Energy Charges for other categories shall be applicable as per tariff schedule for the consumers availing this scheme and the rebate shall only be applicable after installation and operationalization of Prepaid meters.

Provided that no rebate shall be applicable on (i) of Para 1 of RTS-9, i.e. Temporary Supply for Illumination/Public Address/ceremonies and festivities/ functions/temporary shops not exceeding 3 months.

m) The solar water heater rebate shall be adjusted as follows:-

i. The rebate for first month of implementation of prepaid metering scheme shall be credited immediately on the first recharge. Thereafter, rebate shall be credited on monthly basis if recharge is done every month.

ii. In case recharge is not being done on monthly basis, then based on the capacity of Solar Water Heater installed by the consumer, solar water heater rebate would be credited for all the past months for which the rebate was due either at the time of recharge or when the consumer approaches UPCL.

6.1.3.8 Prompt Payment Rebate

The Petitioner has proposed to continue with the existing prompt payment rebate approved by the Commission for FY 2024-25. The Commission, has decided to continue with the same rebate as UPCL is in migration mode from post-paid to pre-paid meters and once the migration is completes, prompt payment rebate would lose its relevance for LT consumers as they would be paying in advance to UPCL. However, for HT consumers the Commission may take a view thereafter. The Commission, accordingly, approves the following prompt payment rebate as approved in Tariff Order dated March 28, 2024:

(i) A prompt payment rebate of 1. 5% of the monthly bill (excluding Taxes and Duties) shall be provided to consumers for payment of electricity bills through various modes of digital payment such as credit cards, debit cards, UPI, BHIM, internet banking, mobile banking, mobile wallets, online Bank Transfer (RTGS/NEFT/IMPS) etc. within 10 days from the date of issuance of the bill/ bill date.

(ii) A prompt payment rebate of 1.00% of the monthly bill (excluding Taxes and Duties) shall be provided to consumers for payment of electricity bills not through digital mode but through other modes of payment, namely Cash/Cheque/Demand Draft etc., within 10 days from the date of issuance of the bill/bill date.

Provided that the prompt payment rebate shall be subject to cap of Rs 10,000/- per month for LT Consumers and Rs 1,00,000/- per month for HT consumers.

The prompt payment rebate as stated above, however, shall not be applicable for part payment of bills by the consumers.

6.1.3.9 Billing Cycle for RTS 4 – Private Tube Wells/Pumping Sets

Some of the stakeholders requested the Commission to approve the billing cycle as bi-monthly basis instead of half yearly basis and levy of DPS after six months.

It is to be noted that as per the provisions till FY 2022-23, the bills for PTW consumers were raised twice a year only, i.e by end of December (for period June to November) and end of June (for period December to May) and the PTW consumers were facilitated to pay the bills in four months, i.e. by 31st October for bills raised in June and by 30th April for bills raised in December.

The Commission in its Tariff Order for FY 2023-24 considering the suggestions of stakeholders modified the billing cycle for PTW consumers as follows:

"The bill shall be raised for this category on bi-monthly basis and the consumers will be required to make the payments within 4 months of the bill date, i.e. for bills raised in June, the payment can be made by the consumer either in lump-sum or in parts (not more than four times) till 31st October of the year for which no DPS shall be levied. In case consumer fails to make payment within the specified dates, a surcharge @ 1.25% per month for the period (months or part thereof) shall be payable on the principal outstanding amount of the Bill as per clause 7 of the General Conditions of Supply. However, in case the consumer makes the payment of Bi-Monthly Bill within 30 days from the date of bill, rebate of 5% of the bill amount (excluding Taxes and Duties) shall be provided to such consumers."

Subsequently, the Commission in its Order dated September 25, 2023 in Petition No. 39 of 2023 (Suo-Motu) considering the representations from PTW consumers and the Petitioner's submissions modified the billing cycle for RTS 4 – Private Tube Wells/Pumping Sets as follows:

"The bill shall be raised for this category twice a year only, i.e. by end of December (for period June to November) and end of June (for period December to May). The bill raised in December may be paid by the consumer either in lump-sum or in parts (not more than four times) till 30th April next year for which no DPS shall be levied. Similarly, bill raised in June may be paid by 31st October without any

DPS. In case consumer fails to make payment within the specified dates, a surcharge @ 1.25% per month for the period (months or part thereof) shall be payable on the principal outstanding amount of the Bill as per clause 7 of the General Conditions of Supply. "

In its Tariff Order dated March 28, 2024, the Commission has retained the billing cycle for RTS 4 – Private Tube Wells/Pumping Sets as approved in its Order dated September 25, 2023 in Petition No. 39 of 2023 (Suo-Motu).

The Commission is of the view that the change was made after due consideration of representations from PTW consumers, therefore, the Commission is continuing with the billing cycle for RTS 4 – Private Tube Wells/Pumping Sets as approved in its Order dated September 25, 2023 in Petition No. 39 of 2023 (Suo-Motu), and subsequently in the tariff Order dated 28.03.2024 for FY 2024-25.

6.1.3.10 Temporary Connection

The Petitioner vide its letter no 4345/UPCL/RM/F-4 dated 28.08.2024 had informed the Commission that, on some connections for temporary supply of electricity for construction of power-houses are being billed under rate schedule RTS-9 (RTS-2 plus 25%) whereas some other connections of such type are being billed under rate schedule RTS-9 (RTS-5 plus 25%). In this regard, the Petitioner sought clarity for billing the temporary connections availed for construction purposes from the Commission.

The Commission, in view of the provisions of the applicable tariff Order, vide its letter no. UERC/6/TF-25/2024-25/2-24/1019 dated 22.10.2024 had clarified that, if any consumer applies for a temporary connection, UPCL shall in accordance with the purpose for which the connection has been sought, apply the appropriate Rate Schedule read with RTS-9 (Temporary Supply), i.e. appropriate rate schedule plus 25%. However, in case where it is not explicit as to which Rate Schedule would apply, then in such case the rate schedule RTS-5 would apply and, accordingly, RTS-9 (Temporary Supply): RTS-5 plus 25% shall be applicable.

The Commission in this Order, considering the request of the Petitioner and to provide clarity in the matter, approves the following tariff for temporary supply of electricity for construction purposes:

1. For supply of electricity for the purpose of construction of Residential/domestic house: RTS-9 (Temporary Supply): **RTS-1: Domestic plus 25%.**
2. For supply of electricity for the purpose of other construction works not covered in 1. above: RTS-9 (Temporary Supply): Rs. 9.50/kWh

6.1.4 *Treatment of Revenue Gap*

As concluded in Chapter 5 of the Order, the revenue at existing tariffs leaves a revenue gap of Rs. 590.66 Crore to meet the Net Revenue Requirement for FY 2025-26, considering the gap determined after truing up of expenses and revenue based on the audited accounts for FY 2023-24.

The Commission in order to recover the gap has revised the tariffs for FY 2025-26. The approved tariff will be applicable from April 1, 2025 and will be effective till revised by the Commission.

6.1.5 *Cross Subsidy*

As per the provisions of Tariff Policy, the Regulatory Commission has to reduce the cross subsidies with respect to the cost of supply in a gradual manner. The Commission in its Tariff Order for FY 2024-25 had computed the cross subsidies for different category of subsidising consumers which were in accordance with the Tariff Policy.

The Commission has now revised the tariffs and has ensured that the cross subsidies have broadly reduced or is being maintained with respect to previous levels with few exceptions as discussed while discussing the cross-subsidy levels at approved tariffs.

6.1.6 *Category-wise Tariff Design*

The Commission has designed the category-wise tariffs for full recovery of approved Net Revenue Requirement for FY 2025-26. The category-wise tariffs approved by the Commission are discussed below and are also shown in the Approved Rate Schedule placed at **Annexure-1**. These rates shall be effective from April 1, 2025 and shall continue to be applicable till further revised by the Commission.

6.1.7 *RTS-1: Domestic Tariff*

The Commission, while recognising the fact that BPL/lifeline consumers were one of the most economically weaker sections of the consumers, in its Tariff Order for FY 2003-04 had approved a tariff of Rs. 1.50/kWh for such consumers when the average cost of supply was Rs. 2.28/kWh. Considering the fact that the Tariff Policy permits that the tariffs for such BPL/lifeline consumers can be determined at 50% of the average cost of supply, the Commission in order to gradually reduce the cross subsidy and also to enable the licensee to recover some of its Fixed Cost, in its Tariff Order for FY 2011-12 dated May 24, 2011 had introduced a Fixed Charges of Rs. 5/connection/month which was further nominally increased every year. The Commission has not increased the fixed charges for BPL category for FY 2025-26. The energy charges for BPL consumers have been fixed as Rs. 1.85/kWh.

For other domestic consumers, the Commission has marginally increased the energy charges to enable the licensee to recover its revenue gap without increasing the fixed charges. The energy charges for the first slab, i.e. for consumption upto 100 units have been fixed at Rs 3.65/kWh. The energy charges for the second slab, i.e. for consumption between 101-200 units/month have been fixed as Rs. 5.25/kWh. The energy charges for the third slab, i.e. for consumption between 201-400 units/month have been fixed as Rs. 7.15/kWh and energy charges for the last slab have been fixed at Rs. 7.80/kWh.

For single point bulk supply connections, the energy charges have been increased to Rs. 7.50/kVAh from Rs. 7.00/kVAh and fixed charges has not been changed.

A comparison of the tariff, i.e. existing, proposed by the Petitioner and that approved by the Commission, is given in the Table below:

Table 6.6: Tariff for Domestic Consumers

<table>
<tr><th rowspan="2">S. No.</th><th rowspan="2">Description</th><th colspan="2">Existing Tariff</th><th colspan="2">UPCL Proposed Tariff</th><th colspan="2">Approved</th></tr>
<tr><th>Fixed Charge (Per Month)</th><th>Energy Charges</th><th>Fixed Charge (Per Month)</th><th>Energy Charges</th><th>Fixed Charge (Per Month</th><th>Energy Charges</th></tr>
<tr><td></td><td>RTS-1: Domestic</td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>1.1</td><td>Life Line Consumers</td><td>Rs. 18/Connection</td><td>Rs. 1.75/kWh</td><td>Rs. 18/Connection</td><td>Rs. 1.84/kWh</td><td>Rs. 18/Connection</td><td>Rs. 1.85/kWh</td></tr>
<tr><td>1.2</td><td colspan="7">Other Domestic Consumers</td></tr>
<tr><td>(i)</td><td>0-100 Units/Month</td><td rowspan="4">• Upto 1 kW-Rs. 75/kW/Month
• Above 1 kW and upto 4 kW-Rs. 85/ kW/ month
• Above 4 kW-Rs. 100/kW/ month</td><td>Rs. 3.40/kWh</td><td rowspan="4">• Upto 1 kW-Rs. 84/kW/Month
• Above 1 kW and upto 4 kW-Rs. 95 /kW/month
• Above 4 kW-Rs. 112/kW/ month</td><td>Rs. 3.81/ kWh</td><td rowspan="4">• Upto 1 kW-Rs. 75/kW/Month
• Above 1 kW and upto 4 kW-Rs. 85/ kW/ month
• Above 4 kW-Rs. 100/kW/ month</td><td>Rs. 3.65/kWh</td></tr>
<tr><td>(ii)</td><td>101-200 Units/Month</td><td>Rs. 4.90/kWh</td><td>Rs. 5.48/ kWh</td><td>Rs. 5.25/kWh</td></tr>
<tr><td>(iii)</td><td>201-400 Units/Month</td><td>Rs. 6.70 /kWh</td><td>Rs. 7.50/ kWh</td><td>Rs. 7.15 /kWh</td></tr>
<tr><td>(iv)</td><td>Above 400 Units/Month</td><td>Rs. 7.35/kWh</td><td>Rs. 8.23/ kWh</td><td>Rs. 7.80/kWh</td></tr>
<tr><td>2</td><td>Single point bulk supply</td><td>Rs. 120/kVA</td><td>Rs. 7.00/kVAh</td><td>Rs.135/kVA</td><td>Rs. 7.88/ kVAh</td><td>Rs. 120/kVA</td><td>Rs. 7.50/kVAh</td></tr>
</table>

6.1.8 *RTS 1-A: Concessional Snowbound Area Tariff*

The tariff for this category has been marginally increased in this Order. A comparison of the tariff, i.e. existing, proposed by the Petitioner and that approved by the Commission, is given in the Table below:

Table 6.7: 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. 18/ Connection	Rs. 1.75/kWh	Rs. 20/ Connection	Rs. 1.97/kWh	Rs. 18/ Connection	Rs. 1.85/kWh
2.	Non-Domestic upto 1 kW	Rs. 18/ Connection	Rs. 1.75/kWh	Rs. 20/ Connection	Rs. 1.97/kWh	Rs. 18/ Connection	Rs. 1.85/kWh
3.	Non-Domestic above 1 kW & upto 4 kW	Rs. 18/ Connection	Rs. 2.60/kWh	Rs. 20/ Connection	Rs. 2.93/kWh	Rs. 18/ Connection	Rs. 2.75/kWh
4.	Non-Domestic above 4 kW	Rs. 30/ Connection	Rs. 3.80/kWh	Rs. 34/ Connection	Rs. 4.28/kWh	Rs. 30/ Connection	Rs. 4.00/kWh

6.1.9 *RTS-2: Non-Domestic Tariff*

For Non-domestic consumers, the Commission has marginally increased the energy charges to enable the licensee to recover its revenue gap without increasing the fixed charges. The Commission has separately specified the tariff for concessional sub-category of educational institutions, hospitals and charitable institutions, which shall include:

- Government/Municipal Hospitals;
- Government/Government Aided Educational Institutions; and
- Charitable Institutions registered under the provisions of Income Tax Act, 1961 and whose income is exempted from tax under this Act.

The existing tariff, tariff proposed by the licensee and that approved by the Commission is given in Table below:

Table 6.8: Tariff for Non-Domestic

S. No.	Description	Existing Tariff		UPCL Proposed Tariff		Approved	
		Fixed / Charges (Per Month)	Energy Charges	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. 90/ kW	Rs. 5.70/ kWh	Rs.101/kW	Rs 6.42/kWh	Rs. 90/ kW	Rs. 6.00/ kWh
1.2	Above 25 kW	Rs. 100/ kVA	Rs. 5.50/ kVAh	Rs. 113/kVA	Rs 6.19 /kVAh	Rs. 100/ kVA	Rs. 5.85/ kVAh
2	**Other Non-Domestic Users**						
2.1	Upto 4 kW and consumption upto 60 units per month	Rs. 90 / kW	Rs. 5.40/ kWh	Rs 107 /kW	Rs.6.08 /kWh	Rs. 90 / kW	Rs. 5.75/ kWh
2.2	Others upto 25 kW not covered in 2.1 above	Rs. 110 / kW	Rs. 7.35/ kWh	Rs. 124 /kW	Rs. 8.27 /kWh	Rs. 110 / kW	Rs. 7.75/ kWh
2.3	Above 25 kW	Rs. 115 / kVA	Rs. 7.35/ kVAh	Rs. 130 /kVA	Rs. 8.27/kVAh	Rs. 115 / kVA	Rs. 7.80/ kVAh
3	Single Point Bulk Supply above 75 Kw	Rs. 130 / kVA	Rs. 7.35/ kVAh	Rs. 154/ kVA	Rs. 8.27 /kVAh	Rs. 130 / kVA	Rs. 7.80/ kVAh
4	Independent Advertisement Hoardings	Rs. 140/ kW	Rs. 8.20/kWh	Rs. 158/ kW	Rs 9.23/kWh	Rs. 140/ kW	Rs. 8.60/kWh

6.1.10 *RTS-3: Government Public Utilities*

The existing tariff, tariff proposed by the licensee and that approved by the Commission is given in the Table below:

Table 6.9: Tariff for Government Public Utilities

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 (Metered)	Rs. 130/kVA	Rs. 7.45/ kVAh	Rs. 146/kVA	Rs. 8.39/ kVAh	Rs. 130/kVA	Rs. 7.85/ kVAh
Rural (Metered)	Rs. 120/kVA	Rs. 7.45/ kVAh	Rs. 135/kVA	Rs. 8.39/ kVAh	Rs. 120/kVA	Rs. 7.85/ kVAh

6.1.11 *RTS-4: Private Tube Wells/Pump Sets and Agriculture Allied Activities*

The Commission in order to gradually reduce the cross subsidy in this category has increased the energy charge from Rs. 2.55/kWh to Rs. 2.70/kWh for PTW consumers. For Agriculture Allied Activities, the Commission has fixed energy charge as Rs. 3.80/kWh for the first sub-category, i.e. for load upto 25 kW, for the second sub-category, i.e. for load above 25 kW & upto 75 kW, the Commission has fixed energy charge as Rs. 3.80/kVAh and fixed charge as Rs. 70 /kVA/month and for the third sub-category, i.e. for load above 75 kW, the Commission has fixed energy charges as Rs. 4.00/kVAh and fixed charges as Rs. 100/kVA/month.

The existing tariff, tariff proposed by the licensee and that approved by the Commission are given in the Table below:

Table 6.10: Tariff for Private tube Wells/ Pump Sets

Category	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-4: Private Tube-wells / Pumping sets						
Metered	Nil	Rs. 2.55/ kWh	Nil	Rs. 2.68/ kWh	Nil	Rs. 2.70/ kWh
RTS-: 4A: Agriculture Allied Activities						
Metered (Upto 25 kW)	Nil	Rs. 3.60/ kWh	Nil	Rs. 3.78/ kWh	Nil	Rs. 3.80/kWh
Metered (25 kW – 75 kW)					Rs. 75/kVA	Rs. 3.80/kVAh
Metered (Above 75 kW)					Rs. 100/kVA	Rs. 4.00/kVAh

6.1.12 *RTS-5: Industry*

The Commission while determining the tariff of HT and LT Industries has taken into consideration the average cost of supply and cross subsidy.

Further, as discussed above, the Commission has decided to retain the peak hour rate as 30% higher than the normal hour rate applicable for highest slab, i.e. with load factor above 40% for all the HT industrial consumers and off peak hour rebate as 25%. Further, continuous process industrial consumers opting for continuous supply as per eligibility given in this Order shall have to pay 15% additional energy charges as continuous supply surcharge only on energy supply made by UPCL, i.e. the surcharge will not be applicable if power is sourced through open access.

The existing tariff, tariff proposed by the licensee and that approved by the Commission for LT Industry is given in the Table below:

Table 6.11: Tariff for LT Industry

Category	Existing Tariff		UPCL Proposed Tariff		Approved	
	Fixed Charges (Per Month)	Energy Charges	Fixed Charges (Per Month)	Energy Charges	Fixed Charges (Per Month)	Energy Charges
RTS-5: Industry						
LT Industry						
Contracted Load upto 75 kW	Rs. 185/ kVA	Rs. 5.40/ kVAh	Rs. 185/ kVA	Rs. 6.08/ kVAh	Rs. 185/ kVA	Rs. 5.75/ kVAh

The existing tariff and tariff proposed by the licensee and that approved by the Commission for HT Industry is given in the Table below:

Table 6.12: Existing, Proposed and Approved Tariff for HT Industries

S. No.	Category	Load Factor	Existing Tariff		UPCL Proposed Tariff		Approved Tariff	
			Energy Charges (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%	6.00	Rs. 410/ kVA of the billable demand	6.75	Rs. 461/kVA of the billable demand	6.45	Rs. 410/ kVA of the billable demand
		Above 40%	6.40		7.20		6.85	
1.2	Contracted Load More than 1000 kVA	Upto 40%	6.00	Rs. 480/ kVA of the billable demand	6.75	Rs. 540/kVA of the billable demand	6.45	Rs. 480/ kVA of the billable demand
		Above 40%	6.40		7.20		6.85	

6.1.13 *RTS-6: Mixed Load*

The Commission has increased the tariff for this category to reduce the level of cross subsidy. The existing tariff, tariff proposed by the licensee and that approved by the Commission is given in the Table below:

Table 6.13: Tariff for Mixed Load

Description	Existing Tariff		UPCL Proposed Tariff		Approved Tariff	
	Fixed / Demand Charges Per Month)	Energy Charges	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. 150/kVA	Rs. 6.90/ kVAh	Rs. 169/kVA	Rs. 7.77/ kVAh	Rs. 150/kVA	Rs. 7.30/ kVAh

6.1.14 *RTS-7: Railway Traction*

The existing tariff, tariff proposed by the licensee and that approved by the Commission is given in the Table below:

Table 6.14: Tariff for Railway Traction

Description	Existing Tariff		UPCL Proposed Tariff		Approved Tariff	
	Fixed / Demand Charges (Per Month)	Energy Charges	Fixed / Demand Charges (Per Month)	Energy Charges	Fixed / Demand Charges (Per Month)	Energy Charges
RTS-7: Railway Traction	Rs. 330/kVA	Rs. 6.60/ kVAh	Rs. 392/kVA	Rs. 7.43/ kVAh	Rs. 330/kVA	Rs. 7.05/ kVAh

6.1.15 *RTS-8: Electric Vehicle Charging Stations*

The Commission has approved an increase in the energy charges from Rs. 7.00/kWh to Rs.

7.65/kWh.

The existing tariff, tariff proposed by the licensee and that approved by the Commission is given in the Table below:

Table 6.15: Tariff for Electric Vehicle Charging Stations

Description	Existing Tariff		UPCL Proposed Tariff		Approved Tariff	
	Fixed / Demand Charges (Per Month)	Energy Charges	Fixed / Demand Charges (Per Month)	Energy Charges	Fixed / Demand Charges (Per Month)	Energy Charges
RTS-8: Electric Vehicle	--	Rs. 7.00/ kWh	--	Rs. 7.35/ kWh	--	Rs. 7.65/ kWh

6.2 Revenue for FY 2025-26

Considering the revised tariffs, the Commission has projected revenue at the approved tariffs from each category for FY 2025-26. The summary of category-wise projected revenue for FY 2025-26 is given in the following Table:

Table 6.16: Summary of Category Wise Projected Revenue at Approved Tariffs

S. No.	Category	Sales	Revenue	Average Billing Rate (ABR)
		MU	Rs. Crore	Rs./Unit
1.	RTS-1: Domestic	4151.39	2555.79	6.16
2.	RTS-2: Non Domestic	2132.78	1891.13	8.87
3.	RTS-3: Govt. Public Utilities	784.49	690.83	8.81
4.	RTS-4: Private Tube Wells	288.45	82.64	2.86
5.	RTS-5: Industry			
	LT Industry	365.57	300.98	8.23
	HT Industry	7041.62	5802.50	8.24
6.	RTS-6: Mixed Load	205.34	161.31	7.86
7.	RTS-7: Railway Traction	106.43	82.92	7.79
8	RTS 8 : EV Charging Stations	2.36	1.80	7.65
9.	Additional Sales (Efficiency improvement)	43.33	33.25	7.67
Total		**15121.76**	**11603.14**	**7.67**

The estimated revenue for FY 2025-26 at approved tariffs works out to Rs 11603.14 Crore, as against the net ARR of Rs. 11576.05 Crore worked out after adjusting trued-up surplus/gaps of previous years leaving a surplus of Rs. 27.09 Crore with UPCL. The Commission while designing the tariffs for FY 2025-26 has kept some surplus to meet the differential cost of power purchase under exigencies.

The Commission will consider the actual sales and revenues while carrying out the truing up for FY 2025-26.

6.3 Cross Subsidy

As discussed above, the Commission has designed the tariffs for various categories with an objective of gradually reducing the cross subsidy with respect to average cost of supply. The extent of category-wise cross-subsidy at approved tariffs computed at average cost of supply is given in the Table below:

Table 6.17: Cross Subsidy at Average Cost of Supply for FY 2025-26

Category	Approved Average Billing Rate (ABR)	Average Cost of Supply (ACoS)	ABR / ACoS	Cross Subsidy
	Rs./kWh	Rs./kWh	%	%
RTS-1: Domestic	6.16	7.66	80.37%	-19.63%
RTS-2: Non Domestic	8.87	7.66	115.76%	15.76%
RTS-3: Govt. Public Utilities	8.81	7.66	114.96%	14.96%
RTS-4: Private Tube Wells	2.86	7.66	37.40%	-62.60%
RTS-5: Industry				
LT Industry	8.23	7.66	107.48%	7.48%
HT Industry	8.24	7.66	107.58%	7.58%
RTS-6: Mixed Load	7.86	7.66	102.55%	2.55%
RTS-7: Railway Traction	7.79	7.66	101.71%	1.71%
RTS 8: EV Charging Stations	7.65	7.66	99.87%	-0.13%

The comparison of Cross Subsidy at approved tariffs with respect to the average cost of supply in Tariff Order for FY 2024-25 and as approved in this Tariff Order for FY 2025-26 is given below:

Table 6.18: Cross Subsidy at Approved Tariffs in FY 2024-25 and FY 2025-26

Category	Cross Subsidy at Approved Tariff for FY 2024-25	Cross Subsidy at Approved Tariff for FY 2025-26
RTS-1: Domestic	-20.00%	-19.63%
RTS-2: Non Domestic	15.93%	15.76%
RTS-3: Govt. Public Utilities	15.0%	14.96%
RTS-4: Private Tube Wells	-63.7%	-62.60%
RTS-5: Industry		
LT Industry	7.91%	7.48%
HT Industry	8.67%	7.58%
RTS-6: Mixed Load	2.74%	2.55%
RTS-7: Railway Traction	2.23%	1.71%
RTS 8: EV Charging Stations	-3.71%	-0.13%

The Commission while designing the tariffs for FY 2025-26 has attempted to reduce the cross subsidies for most of the categories with respect to approved tariffs for FY 2024-25 and has ensured to bring the cross-subsidy levels within the range of ± 20% as specified in the National Tariff Policy.

Further, it can be seen from the Table above, cross-subsidies of all the subsidising consumers is within the range of 120% as required in the Tariff Policy.

Further, once the cross-subsidy level has been reduced to be within +20%, there is no mandate under the Act or Tariff Policy to reduce it further. The criteria of ± 20 % of the average cost of supply for all the categories including subsidised categories depends upon the consumption mix of the Licensee. However, in case of the Petitioner, the consumption mix is skewed towards subsidising categories having almost two third of total sales, while the consumption by subsidised categories is around one third of the total consumption. Therefore, in the case of Petitioner, though the tariff for all the subsidising categories have been within 120% of the overall average cost of supply of the Petitioner, the average tariff for some of the subsidised categories is less than 80% of the overall average cost of supply of the Petitioner.

Hon'ble Appellate Tribunal of Electricity, in its Judgment dated February 28, 2012, in Appeal No. 159 of 2011 has expressed similar views. The relevant extract given in Para 16 of the Judgment is reproduced as under:

> *"... Provision of restricting cross subsidy to +/- 20% in Tariff Policy is applicable to areas where proportion of both the categories, subsidizing and subsidized, are comparable. The same yard stick cannot be applied in areas where consumer mix is highly biased in favour on one category."*

6.4 Open Access Charges

Uttarakhand Electricity Regulatory Commission (Terms and Conditions of Intra State Open Access) Regulations, 2015 inter-alia specify wheeling charges applicable on the customers seeking open access through distribution system, based on the category/nature of open access these customers come under in accordance with the Regulations.

In this regard, Regulation 20(2) specifies as under:

> *"Wheeling charges payable to distribution licensee, by an open access customer for usage of its system shall be as determined as under:*
>
> *Wheeling Charges = (ARR–PPC–TC) /(PLSD X365) (Rs./MW/Day)*
>
> *Where,*
>
> *ARR=Annual Revenue Requirement of the distribution licensee for the relevant year*
>
> *PPC= Total Power Purchase Cost of distribution licensee for the relevant year*
>
> *TC = Total transmission charges paid by distribution licensee for State and Inter-State transmission system for the relevant year*

PLSD= Total Peak load served by the concerned distribution system for the previous year

Provided where Open Access is allowed up to contracted load, embedded open access consumer shall pay wheeling charges as determined by the Commission in the following manner:

*WC Embedded consumer = WC – [FC*0.85*12*1000/365] (in Rs./MW/day)*

Where,

WC Embedded consumer = Net wheeling charges for embedded consumers

WC= Wheeling charges as determined by the Commission in accordance with the methodology specified in Regulation 20(2) contained in Chapter 5 of these regulations.

FC= Fixed/demand charges in Rs/kVA/month as per rate schedule approved in the Tariff Order for the relevant year. For the purpose of conversion of kVA into kW power factor of 0.85 has been taken.

Note: In case Wheeling Charges for Embedded consumer worked out as above becomes negative, such charge shall be zero.

Provided that wheeling charges shall be payable on the basis of Approved Capacity.

Provided where open access is allowed beyond the contracted load, embedded open access consumer shall pay wheeling charges for the excess load as determined by the Commission in the following manner:

WC For excess load allowed= (ARR–PPC–TC) /(PLSD X365) (Rs./MW/Day)"

Thus, as can be seen from the above reading of the Regulations wheeling charges for the open access consumers shall be determined as under:

Wheeling Charges = (ARR–PPC–TC) /(PLSD X365) (Rs./MW/Day).

ARR for FY 2025-26 as approved by the Commission is Rs. 11320.06 Crore (excluding NTI & truing up impact of FY 2023-24) and after excluding the power purchase cost and Transmission Charges, the net amount works out to Rs. 1883.59 Crore.

The PLSD during FY 2024-25 is 2863 MW.

Hence, in accordance with the methodology provided in the aforesaid Regulations, the wheeling charges payable by customers seeking open access for FY 2025-26 (applicable upto 31st March, 2026) shall be:

Table 6.19: Wheeling Charges approved for FY 2025-26

Description	Rs./MW/day
Wheeling Charges	**18,025/-**

"Embedded open access consumers" who have been allowed open access up to the contracted load shall not pay the wheeling charge as above who shall otherwise pay net wheeling charges calculated in accordance with the methodology specified in the regulations and the same works out to Rs. 4611/MW/day for HT industry consumers having contracted load above 1000 kVA and Rs. 6567/MW/day for HT industry consumers having contracted load upto 1000 kVA. Non-Domestic consumers shall pay wheeling charges of Rs. 14811/MW/day. Moreover, "embedded open access consumers" who have been allowed open access beyond the contracted load shall pay wheeling charges for the excess load equal to Rs. 18025/MW/day. However, where a dedicated distribution system for open access has been constructed for exclusive use of an open access customer, the wheeling charges for such dedicated system shall be worked out by the distribution licensee for its respective system and shall get it approved by the Commission and will be borne entirely by such open access customer till such time the surplus capacity is allotted and used by other open access customers, where after, the cost of the above system will be shared on pro-rata basis depending upon open access capacity allotted to them. Provided that wheeling charges shall not be levied on the open access customers connected to the transmission system at 132 kV and above voltage levels. The distribution losses applicable to open access customers for FY 2025-26 shall be the pooled average system distribution losses, i.e. 12.75% considered in this Order. Cross subsidy surcharge applicable, in accordance with the Regulations, to open access customers for FY 2025-26 have been determined as Rs. 0.58/kWh for HT industrial consumers and Rs. 1.21/kWh for non-domestic consumers.

The Petitioner is hereby directed that the wheeling charges and cross subsidy surcharge recovered from open access customers shall be shown separately under the separate head of income in its ARR/Tariff filings.

7. Review of Commercial Performance of UPCL

7.1 General

Uttarakhand, the 27th State of India was created on 09.11.2000 as the 10th Himalayan State of the country blessed with abundant natural resources with an approx. 53,483 sq. km area and presently having a population of approximately 122.00 Lakh. The Electricity Distribution Network is managed by Uttarakhand Power Corporation Limited (UPCL) the sole distribution licensee in the State. UPCL had been entrusted to cater to the Transmission & Distribution Sector inherited after the de-merger from UPPCL (erstwhile UPSEB) since 01.04.2001. The Electricity Act, 2003 mandated the separation of Transmission functions under Power Sector Reforms. Consequently, on 01.06.2004, the Power Transmission Corporation of Uttarakhand Limited (PTCUL) was formed to maintain & operate EHV Transmission lines & substations in the State.

In Uttarakhand, UPCL is the sole power distribution utility in the State to cater the sub–transmission & distribution network which includes substations & distribution lines in 13 districts of Uttarakhand namely Dehradun, Pauri, Tehri, Uttarkashi, Rudraprayag, Chamoli, Haridwar, Pithoragarh, Bageshwar, Almora, Nainital, Champawat, & Udhamsingh Nagar, details of which are given below Table 7.1 & 7.2.

Table 7.1: Details of Substations (S/s) maintained by UPCL (As on 31.12.2024)

S.No.	Name of District	33/11 KV S/s			11/0.415 KV S/s	
		Nos.	No. of Transformers	Total MVA capacity	Nos.	Total MVA capacity
Garhwal Zone						
1	Dehradun	66	132	1193.50	10462	1159.13
2	Uttarkhashi	14	25	109.45	2193	105.16
3	Pauri	35	60	274.00	6305	300.40
4	Tehri	19	37	230.50	4370	199.68
5	Chamoli	16	25	123.05	2487	97.48
6	Rudraprayag	8	12	62.00	2032	71.95
	Total Garhwal Zone	**158**	**291**	**1992.50**	**27849**	**1933.80**
Haridwar Zone						
7	**Haridwar**	**68**	**147**	**1547.00**	**24742**	**1405.38**
Kumaon Zone						
8	Nainital	31	58	472.00	7103	640.44
9	U.S.Nagar (Kashipur, Bazpur Jaspur)	22	49	477.50	8797	471.94
10	Almora	29	51	204.50	4565	167.30
11	Bageshwar	9	13	47.50	2190	70.57
	Total Kumaon Zone	**91**	**171**	**1201.50**	**22655**	**1350.25**
Rudrapur Zone						
12	U.S.Nagar (Rudrapur-1, Rudrapur-2, Kiccha, Sitarganj & Khatima)	36	77	771.50	12225	704.46
13	Pithoragarh	20	36	177.00	4015	142.70
14	Champawat	7	11	66.50	1770	72.34
	Total Rudrapur Zone	**63**	**121**	**961**	**17290**	**911.39**
	Total UPCL	**380**	**733**	**5756.00**	**93256**	**5608.93**

Table 7.2: Detail of Lines maintained by UPCL (As on 31.12.2024)

S.No.	Name of District	33 KV Line (In Km.)	11 KV Line (In Km.)	LT Line (In Km.)
Garhwal Zone				
1	Dehradun	798.68	5245.75	13049.50
2	Uttarkhashi	321.62	2404.68	3791.55
3	Pauri	724.30	5551.32	8999.89
4	Tehri	437.90	4461.44	6758.19
5	Chamoli	335.34	2691.07	3907.34
6	Rudraprayag	170.19	1401.68	2026.80
Total Garhwal Zone		**2788.03**	**21755.94**	**38533.27**
Haridwar Zone				
7	**Haridwar**	**750.02**	**6060.08**	**7172.62**
Kumaon Zone				
8	Nainital	436.97	3234.83	5685.69
9	U.S.Nagar (Kashipur, Bazpur Jaspur)	329.60	2444.98	2269.07
10	Almora	546.74	5050.82	7965.08
11	Bageshwar	197.31	1807.67	2527.29
Total Kumaon Zone		**1510.62**	**12538.30**	**18447.13**
Rudrapur Zone				
12	U.S.Nagar (Rudrapur-1, Rudrapur-2, Kiccha, Sitarganj & Khatima)	540.71	3172.02	4707.06
13	Pithoragarh	438.99	3533.40	4258.44
14	Champawat	144.00	1857.57	3042.01
Total Rudrapur Zone		**1123.70**	**8562.99**	**12007.51**
Total UPCL		**6172.37**	**48917.31**	**76160.53**

Further, on examination of the details of sub-stations and lines maintained by UPCL as on 31.12.2024 vis-a-vis as on 31.12.2023, it has been observed that UPCL was able to increase its total transformation/sub-station capacity and total line length as detailed below:-

Table 7.3: Increase in Assets maintained by UPCL as on 31.12.2024 vis-a-vis 31.12.2023

Description	33 kV	11 kV	LT
Substation capacity as on 31.12.2023 (in MVA)	5460	5390	-
Substation capacity as on 31.12.2024 (in MVA)	5756	5609	-
Net Increase in Substation Capacity (in MVA)	**296**	**219**	**-**
Line length as on 31.12.2023 (in Km)	6109.52	47884	74385
Line length as on 31.12.2024 (in Km)	6172.37	48917	76161
Net Increase in line length (in Km)	**63**	**1033**	**1775**

The Distribution network of UPCL as on 31.12.2024 contains four Zones namely Garhwal, Haridwar, Kumaon & Rudrapur having total Fourteen Circles containing 46 Divisions. The new Circle which has been formed is Chakrata which has been carved-out from EDC, Dehradun (Rural) & EDC, Tehri. Now Chakrata Circle contains 02 Divisions namely Vikasnagar & Badkot. The State has a distinct advantage over other comparable States as a small number of consumers consume major share of power. Hence, a large portion of revenue of the Petitioner comes from these consumers.

Table 7.4: Details of Zone-wise, Circle-wise & Division-wise Consumers of UPCL (as on December, 2024)

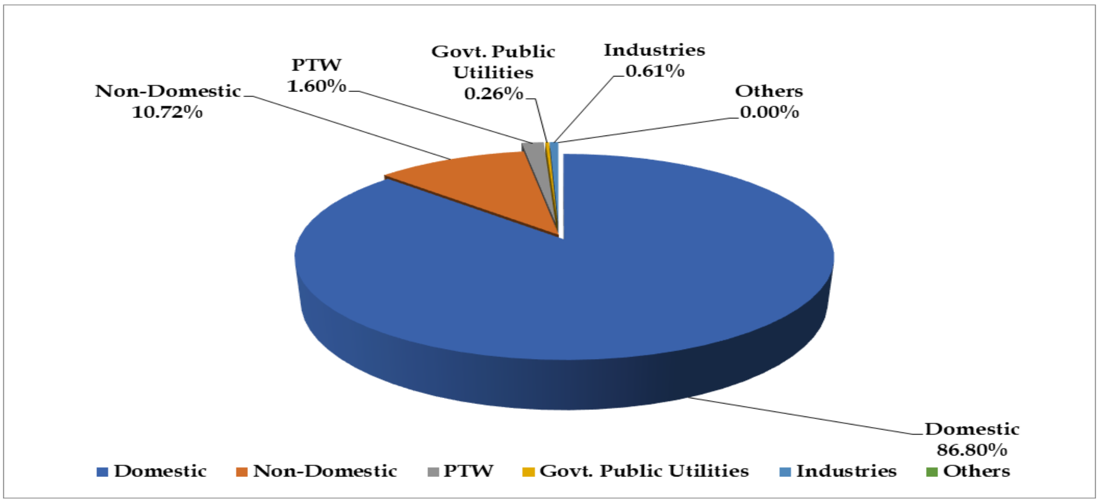
Zone & Consumers (in Nos)	Circle & Consumers (in Nos)	Division & Consumers (in Nos)
1. Kumaun (676553)	1. Ranikhet (218457)	1. Almora (69597)
		2. Ranikhet (46715)
		3. Bhikiyasain (38387)
		4. Bageshwar (63758)
	2. Haldwani (283966)	5. Nainital (67428)
		6. Haldwani (U) (50808)
		7. Haldwani (R) (102945)
		8. Ramnagar (62785)
	3. Kashipur (174130)	9. Kashipur (79387)
		10. Jaspur (49449)
		11. Bajpur (45294)
2. Rudrapur (450717)	4. Pithoragarh (111965)	12. Pithoragarh (75895)
		13. Dharchula (36070)
	5. Champawat (178074)	14. Champawat (58034)
		15. Sitarganj (63040)
		16. Khatima (57000)
	6. Rudrapur (160678)	17. Rudrapur (55450)
		18. Rudrapur II (64537)
		19. Kichha (40691)
3. Garhwal (1144854)	7. Srinagar (210343)	20. Pauri (52526)
		21. Srinagar (48726)
		22. Kotdwar (73855)
		23. Nainidanda (35236)
	8. Karanprayag (154661)	24. Rudraprayag (62436)
		25. Gairsain (28815)
		26. Gopeshwar (44074)
		27. Narayanbagar (19336)
	9. Tehri (149437)	28. Tehri (108909)
		29. Uttarkashi (40528)
	10. Dehradun (233992)	30. Dehradun North (57133)
		31. Dehradun Central (64607)
		32. Dehradun South (112252)
	11. Dehradun (R) (278139)	33. Rishikesh (72315)
		34. Dehradun (R) 89980
		35. Mohanpur (73326)
		36. Doiwala (42518))
	12. Chakrata (118282)	37. Vikasnagar (86937)
		38. Badkot (31345)
4. Haridwar (470868)	13. Haridwar (232856)	39. Haridwar (U) (49318)
		40. Jwalapur (106810)
		41. Haridwar (R) (8035)
		42. Laksar (68693)
	14. Roorkee (238012)	43. Roorkee (U) (68495)
		44. Ramnagar (59786)
		45. Roorkee (R) (58681)
		46. Bhagwanpur (51050)
Total No. of Billed Consumers in UPCL as on 31.12.2024 (Source CPM Reports)		**2742992**

The Consumer Mix, Consumption pattern, Contracted/Connected Load pattern & Revenue pattern for FY 2022-23 & FY 2023-24 are elaborated below:

7.1.1 *Consumer Mix during FY 2022-23 & FY 2023-24*

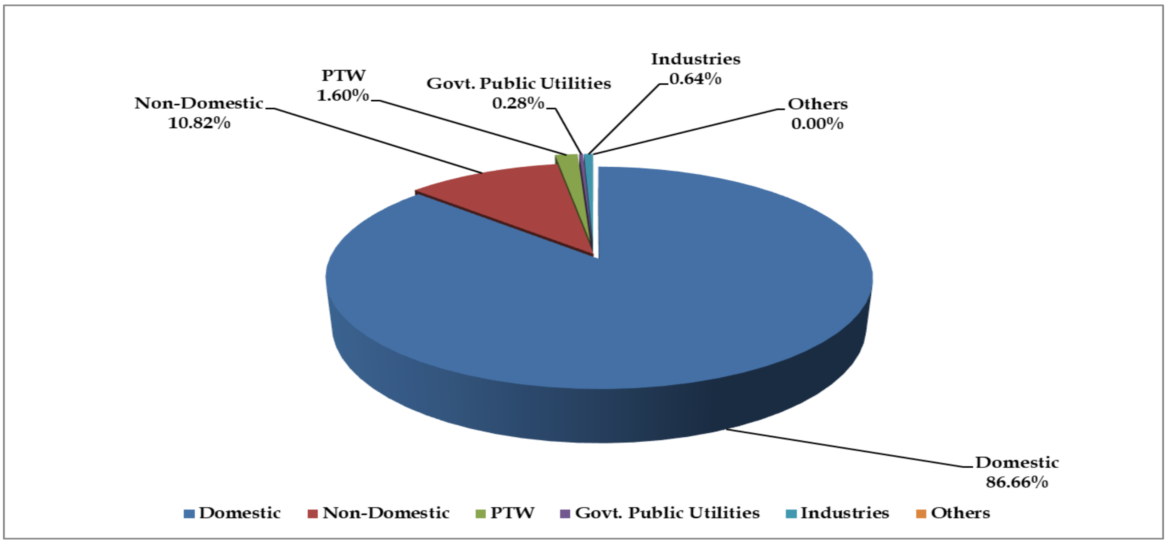
As per the CS-3/CS-4 report of UPCL as on March, 2023, out of the total approximately 28.27 Lakh consumers in the State, there were 86.80%-Domestic consumers, 10.72%-Non-Domestic consumers and only 0.61% consumers of the Industrial category. It is seen that these industrial (HT+LT Industries) consumers accounted for around 51.31% of the total consumption of the State and contribute to about 56.36% of Petitioner's revenue. The following Chart depicts the consumer mix in the State as on March 2023.

CHART 1: Consumer Mix (March, 2023)



As on March, 2024, out of the total approximately 29.13 Lakh consumers in the State, there were 86.66%-Domestic consumers, 10.82%-Non-Domestic consumers and only 0.64% consumers of the Industrial category. It is seen that these industrial (HT+LT Industries) consumers accounted for around 50.11% of the total consumption of the State and contribute to about 55.34% of Petitioner's revenue. The following Chart depicts the consumer mix in the State as on March 2024.

CHART 2: Consumer Mix (March, 2024)



On comparing the Consumer Mix as on March, 2024 vis-a-vis March, 2023, it has been observed that out of total increase of 86,219 consumers, majorly 70,611 consumers increased in Domestic category, 12,129 consumers in Non-Domestic category, 1,420 consumers in Govt. Public Utilities and 762 under PTW category. Industrial category experienced rise in 1,268 consumers.

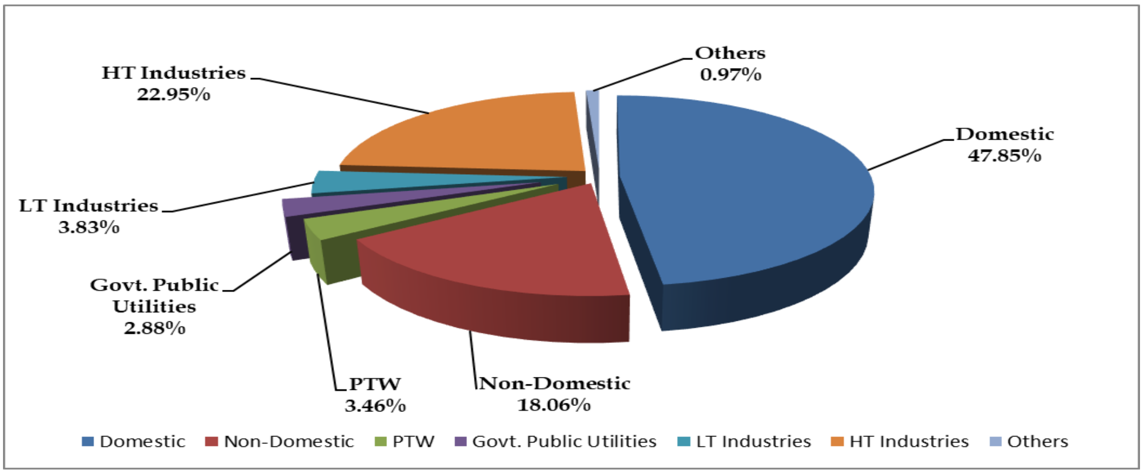
Further, under newly introduced category of 'electric vehicle charging station' addition of 23 number of connections was observed in FY 2023-24 in comparison to previous FY.

7.1.2 *Consumer Contracted/ Connected Load Pattern as on March, 2023 & March, 2024*

As on March, 2023, it was observed that the total Contracted/Connected load in the State was 8099.86 MW. The Contracted/Connected load of Industrial Consumers (HT+LT Industries) was 26.78% and the Contracted/Connected load of Domestic & Non-domestic consumers was 47.85% & 18.06% respectively.

The following Chart depicts the category-wise Contracted/Connected load in the State as on March, 2023.

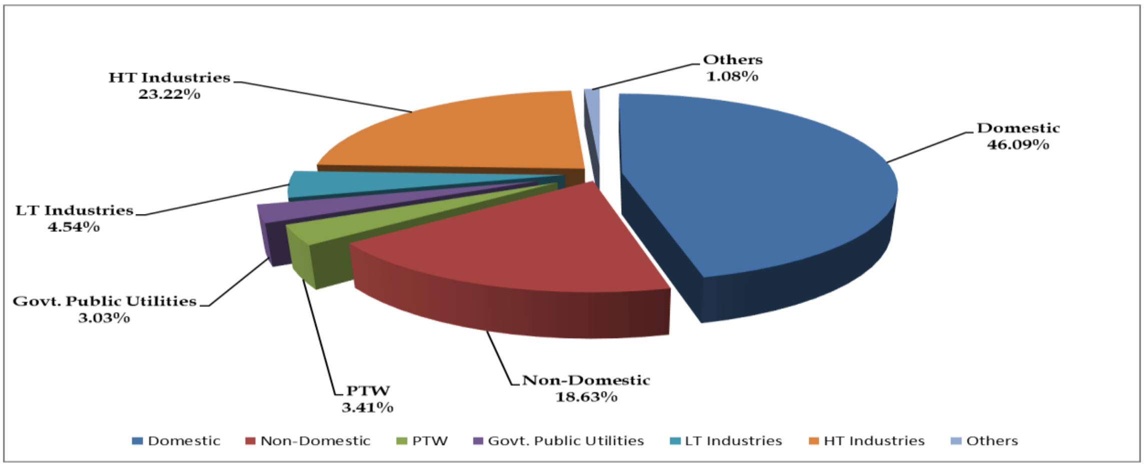
CHART 3: Consumer Contracted/Connected load (March, 2023)



As on March, 2024, it was observed that the total Contracted/Connected load in the State was 8468.49 MW. The Contracted/Connected load of Industrial Consumers (HT+LT Industries) was 27.76% and the Contracted/Connected load of Domestic & Non-domestic consumers was 46.09% & 18.63% respectively.

The following Chart depicts the category-wise Contracted/Connected load in the State as on March, 2024.

CHART 4: Consumer Contracted/Connected Load (March, 2024)

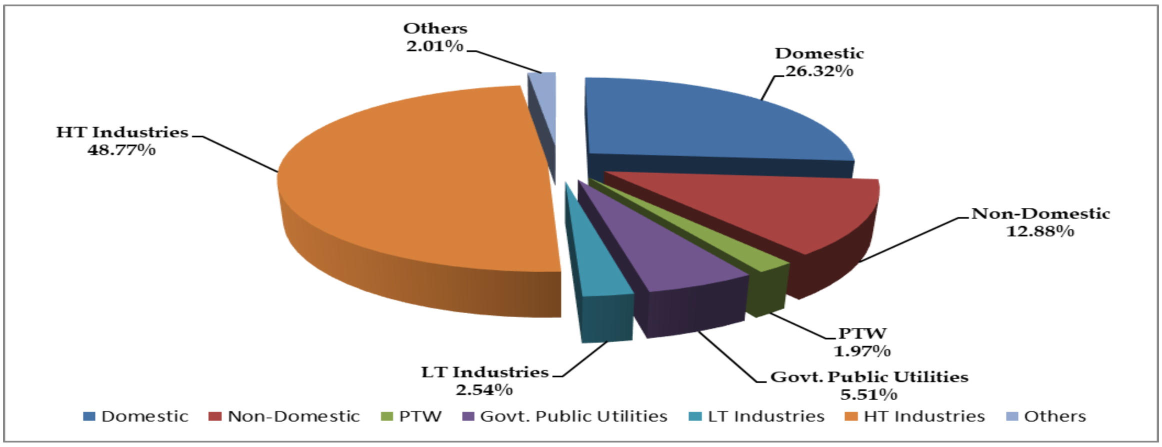


From the above chart, it has been observed that Domestic category constitute the major share followed by Industry category. In FY 2023-24, the total Contracted/Connected load has increased by 369 MW for the State in comparison to previous FY. The Contracted/Connected load of all the categories have increased by some amount with maximum increase in Industries, Non-domestic and Domestic category consumers by 181.87 MW, 115.39 MW and 26.71 MW respectively.

7.1.3 *Consumption Pattern during FY 2022-23 & FY 2023-24*

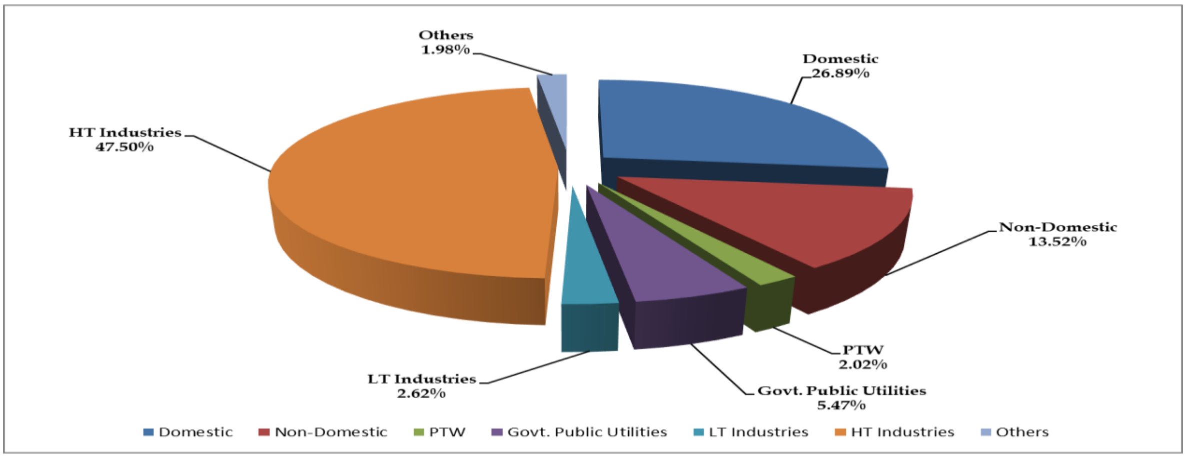
The total energy consumption in FY 2022-23 was 13491.23 MUs. Out of which the consumption of Industrial consumers (HT+LT Industries) was 51.31% and for Domestic & Non-Domestic consumers the consumption was 26.32% & 12.88% respectively. The following Chart shows the consumption pattern in the State during FY 2022-23.

CHART 5: Consumption Pattern during FY 2022-23



The total energy consumption in FY 2023-24 was 13870.71 MUs. In FY 2023-24, it was observed that with respect to total consumption of the State, the consumption of Industrial consumers (HT+LT Industries) was 50.11% and for Domestic & Non-Domestic consumers the consumption was 26.89% & 13.52% respectively. The following Chart shows the consumption pattern in the State during FY 2023-24.

CHART 6: Consumption Pattern during FY 2023-24



On comparing the energy consumption of Industries during FY 2023-24 vis-a-vis FY 2022-23, it has been observed that the energy consumption of Domestic, Non-domestic and Industrial category consumers increased by approx. 179 MUs, 138 MUs, and 29 MUs and respectively. It has been observed that the energy consumption of PTW increased by 15.14 MUs in FY 2023-24 in comparison to FY 2022-23.

Earlier, the quantum of power traded through exchanges (Open Access) by the embedded Open Access consumers was increasing on year-on-year basis upto FY 2017-18. However, in FY 2018-19 the quantum power traded through exchanges by the embedded open access consumers decreased vis-a-vis FY 2017-18 level, which had later increased in FY 2019-20 & FY 2020-21. Further, in FY 2021-22 & FY 2022-23, the quantum of power traded through open access by the consumers had decreased drastically vis-à-vis FY 2020-21. The probable reasons for such decline could be High Inter State transaction charges, installation of solar power projects by the industries, regulatory changes w.r.t. Renewable Energy Certificates etc. However, the same has been again found in rising trend in FY 2023-24 & FY 2024-25 (upto February, 2024).

The Commission has observed that as open access is sought mainly by industries and are subsidising consumers, therefore, any reduction in revenue from industries would affect the commercial viability of distribution business. Hence, the Petitioner should ensure the quality and reliability of power supply at competitive rates to its consumers otherwise the consumers would be utilising the option of Open Access for meeting their demand at market rates from the Power Exchanges. The details of quantum of power traded through Open Access in last ten years are given in the Table below:

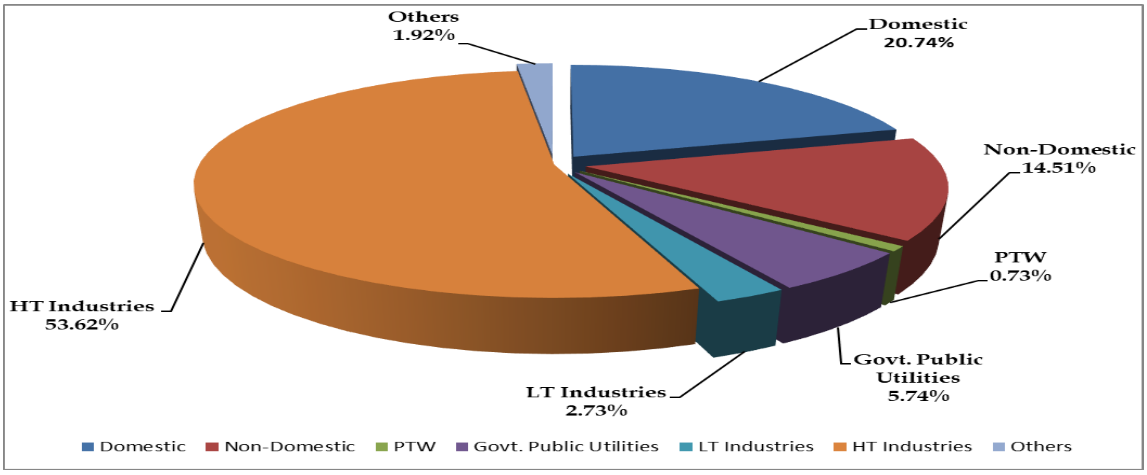
Table 7.5: Quantum of Power Traded through Open Access (at NR periphery)

Year	Quantum (MU)
FY 2015-16	274.52
FY 2016-17	385.81
FY 2017-18	440.37
FY 2018-19	249.66
FY 2019-20	275.45
FY 2020-21	370.12
FY 2021-22	63.04
FY 2022-23	18.65
FY 2023-24	67.90
FY 2024-25 (upto Feb, 2025	192.81

7.1.4 *Revenue Pattern during FY 2022-23 & FY 2023-24*

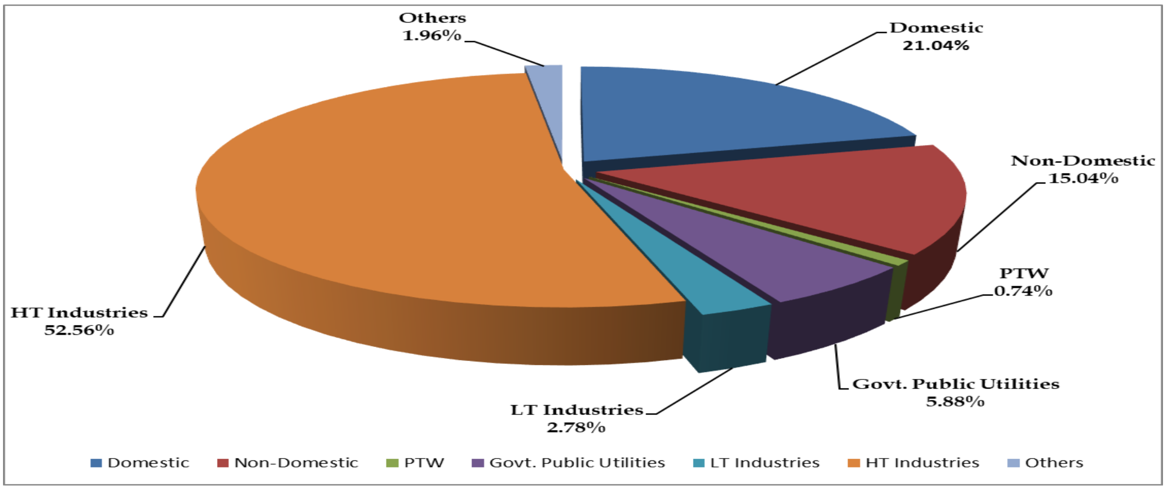
As per CS-4 report of UPCL, the total Revenue assessed in the State during FY 2022-23 was Rs. 891179.76 Lakh. The contribution of Industrial consumers was 56.36% [HT Industrial consumers was 53.62%, LT industrial consumers was 2.73%] whereas Domestic consumers and Non-Domestic consumers were contributing around 20.74% & 14.51% respectively.

CHART 7: Revenue Mix in FY 2022-23



Further, as per CS-4 report, the total Revenue assessed in the State during FY 2023-24 was Rs. 999085.52 Lakh. The contribution of Industrial consumers was 55.34% [HT Industrial consumers was 52.56%, LT industrial consumers was 2.78%] whereas Domestic consumers and Non-Domestic consumers were contributing around 21.04% & 15.04% respectively.

CHART 8: Revenue Mix in FY 2023-24



On comparing the revenue assessed pattern of FY 2022-23 and FY 2023-24, it is noticed that the total revenue assessed increased by Rs. 1,07,905.76 Lakh out of which the share of domestic consumers, Non-domestic & Industries were Rs. 25,345.04 Lakh, Rs. 20,973.39 Lakh and Rs. 50,637.08 Lakh respectively. Moreover, the total revenue for Govt. Public Utilities in FY 2023-24 increased by Rs. 7,595.26 Lakh in comparison to revenue of previous financial year i.e. FY 2022-23.

7.2 Commission's Analysis and Directions on Commercial Performances

The Commission has been monitoring & reviewing the performance of the Petitioner based on the information/reports submitted by it. Infact, higher distribution losses in distribution system are detrimental to financial and commercial viability of the Petitioner. Therefore, analysis of Petitioner's performance especially in respect of Metering, Billing and Revenue Collection is vital with the focus on reducing the Aggregate Technical and Commercial (AT&C) losses of the Petitioner. The Commission from its very first Tariff Order has been issuing various directions/Orders in this regard from time to time. However, the Petitioner has not been complying with the directions religiously. The Commission had, therefore, decided to monitor the commercial performance of the Petitioner in a more structured manner on a monthly basis and, accordingly, various formats were issued to the Petitioner vide the Commission's letter No. 284 dated 17.05.2012 with the direction to submit the above information in the said Formats regularly for each month by 15th day of the next month.

Despite, the specific directions issued by the Commission in its previous Tariff Orders, the Petitioner had neither been submitting the periodical reports timely nor in accordance with the prescribed formats.

Considering the fact that the Petitioner had 35 number of Distribution Divisions in the State at that period of time, the Commission felt the need to monitor UPCL on Distribution Division-wise basis and to quantify the improvement on monthly basis w.r.t. Commercial performance indicators. Further, it was found to be necessary that Division-wise targets on each parameter be provided by the licensee which would make the whole monitoring process more meaningful. Hence, the Commission vide its letter No. 1622 dated 27.11.2014 issued following revised Commercial Performance Monitoring (CPM) formats directing UPCL to submit information on the said formats in hard as well as in soft copy (MS-excel file in CD) on regular basis latest by 25th day of the next month from January, 2015 onwards.

Table 7.6: Revised Formats prescribed by the Commission vide letter dated 27.11.2014

S. No.	Description	Format
1.	No. of Consumers	1
2.	Quarterly Targets of NA/NR, IDF/ADF/RDF	2
3.	Status of Not Accessible (NA) Consumers (in Percentage)	2(A)
4.	Status of Not Read (NR) Consumers (in Percentage)	2(B)
5.	Status of Identified Defective Meters (IDF) (in Percentage)	2(C)
6.	Status of Appeared Defective Meters (ADF) (in Percentage)	2(D)
7.	Status of Reading Defective Meters (RDF) (in Percentage)	2(E)
8.	Quarterly Targets of IDF Meters/Mechanical Meters/Un-metered Consumers/Ghost Consumers	3
9.	Status of Identified Defective Meters (IDF)	3(A)
10.	Status of Un-metered Consumers	3(B)
11.	Status of Mechanical Meters	3(C)
12.	Status of Ghost Consumers	3(D)
13.	Status of Not Billed (NB)/Stop Billed (SB) Cases	4
14.	Status of Outstanding Arrears	5
15.	MRI Status of KCC Consumers	6
16.	Status of Revenue realisation per unit of Energy Sold	7
17.	Status of AT&C Losses of UPCL	8

However, the Commission observed that the Distribution Licensee has been inconsistent in furnishing the Commercial Performance Monitoring reports on the aforesaid formats in hard as well as in soft copy (MS-excel file in CD) on regular basis in accordance with the directions, i.e. latest by 25th day of the next month.

The Commission is of the view that the basic purpose of prescribing the formats by Commission vide its letter dated 27.11.2014 was to obtain the correct data within the stipulated time frame for analysis of the actual performance of UPCL on monthly basis vis-a-vis target performance of the Distribution licensee. Non-submission of the information in the prescribed format within the stipulated time frame shows a lackadaisical approach of the Petitioner towards compliance of the provisions of the Act/ Regulations/directions of the Commission.

Further, the Commission held the review meeting on 31.07.2024 w.r.t. the review of compliance of directives issued by the Commission in its Tariff Order for FY 2024-25 for the Petitioner. On the request of the Petitioner during the meeting for extending the timeline upto 45 days for submission of monthly CPM reports, the Commission accepted the said request of the Petitioner and accordingly allowed 45 days for submission of monthly CPM reports.

In this regard, the Commission directs Petitioner to submit timely monthly Commercial Performance Monitoring reports strictly in the prescribed formats on regular basis, so as to reach the Commission latest within 45 days (Format 7 & Format 8 within 60 days) and also submit the Quarterly Targets as per prescribed Format - 2 & 3 alongwith the Commercial Performance Monitoring report for the month of April, 2025. The Petitioner is further directed to upload these reports on its website so that the same is accessible to all consumers, failing which appropriate action may be taken against the officer responsible.

Over the period, Unmetered consumers, Mechanical Meters & Ghost consumers have reduced to 'Nil'. Accordingly, the Petitioner has stopped reporting such cases in above mentioned prescribed Format 3(B), 3(C) & 3(D) respectively.

Further, the Commission has observed that web-site link of the UPCL pertaining to commercial diary data is not being updated promptly and the CS-3/CS-4 data for a particular month is available after a delay of more than two months. In this regard, the Commission in its previous Tariff Order at Para 7.1.29 had directed UPCL to update and maintain the CS-3 & CS-4 report on its website regularly & promptly within 2 months. However, despite Commission's categorical directions, it has been observed that CS-3/CS-4 data in the web-site link of the UPCL is being published/uploaded with a delay of more than two months. This shows a lackadaisical approach of UPCL towards compliance of the Commission's direction.

Therefore, the Commission again cautions the Petitioner that the practices of uploading the delayed CS-3 & CS-4 reports on its website should be strictly avoided. In this regard, the Commission directs the Petitioner to update and maintain the CS-3 & CS-4 report on their website

regularly and promptly within 30 days from the end of the respective month in a manner it is accessible to general consumers, failing which appropriate action may be taken against the officer responsible

The Commission's analysis on the information submitted by the Petitioner for the period 01.01.2024 to 31.12.2024 through its various submissions is being discussed in paragraphs mentioned hereunder:

7.2.1 *Metering*

The Commission in its earlier Tariff Orders had been repeatedly giving directions to the Petitioner to energise new connections with the static/electronic meters and to replace all old mechanical meters with new electronic/static meters in accordance with CEA Regulations. Infact, the Commission has also directed UPCL to take benefit of centrally funded schemes such as 'Revamped Distribution System Scheme' which encompasses installation of Smart Meters in large scale and provides lucrative funding scheme for the same.

The reports pertaining to various performance parameters on metering and other issues have been analysed and findings thereof are being discussed below.

7.2.1.1 Replacement of Improper, Non-Functional, Stop/Stuck up defective meters (referred to as Identified defective meters (IDF))

In this regard, the Commission vide its Tariff Order dated 28.03.2024 had directed the Petitioner to restrict percentage defective meters (IDF) to 2% in plain and 3% for hilly areas of the State, failing which the concerned Chief Engineer (Distribution), Superintending Engineer (Distribution), Executive Engineer (Distribution) & Executive Engineer (Test) shall be held responsible for non-compliance of the Commission's directions and appropriate action under the Act/Rules/Regulations may be initiated.

With regard to compliance of the directive, the Petitioner has submitted the following Target vis-a-vis status of IDF cases:-

1. **Quarterly Target of IDF cases for FY 2024-25**

Table 7.7: Quarterly Target of Defective Meters (IDF) for FY 2024-25

Particulars	At the end of Q-1	At the end of Q-2	At the end of Q-3	At the end of Q-4
IDF cases	1.54%	1.34%	1.28%	1.10%

2. **Status of Defective Meters (IDF)**

Table 7.8: Status of Defective Meters (IDF)

As on	% Defective Meters
31.03.2023	1.25%
31.03.2024	1.68%
31.12.2024	1.34%

On examination of the Quarterly Targets submitted by UPCL in Format-2, it is observed that the target set for IDF cases at the end of 1st, 2nd and 3rd quarter of FY 2024-25 were 1.54%, 1.34% and 1.28% respectively against which UPCL has achieved IDF Percentage of 1.66%, 1.44% and 1.34% respectively, which shows that the Petitioner has attempted to meet the target set by itself to some extent.

The Commission opines that the Petitioner has made its efforts for reducing percentage IDF meter to below 2%. However, the Petitioner indeed requires improvement at division level also in order to reduce provisional billing cases and aim for achievement of overall target set for Provisional Billing cases i.e. NA/NR, RDF/ADF/IDF cases in the State in accordance with the Orders of the Commission.

Circle-wise number of defective meters reported by the Petitioner in the prescribed format 3(A) is shown in the Table given below:

Table 7.9: Status of Defective Meters

S. No.	Name of Circle	No. of Defective Meters as on 31.03.2021	No. of Defective Meters as on 31.03.2022	No. of Defective Meters as on 31.03.2023	No. of Defective Meters as on 31.03.2024	No. of Defective Meters as on 31.12.2024	% of Defective Meters as on 31.03.2024	% of Defective Meters as on 31.12.2024
1.	EDC Dehradun (R)	4576	2570	1720	3270	1622	0.93%	0.58%
2.	EDC Roorkee	6281	4623	1797	3990	979	1.71%	0.41%
3.	EDC Haridwar	5683	6540	2681	9118	4240	4.02%	1.82%
4.	EDC Srinagar	10785	3331	2422	1947	2245	0.94%	1.07%
5.	EDC Karnprayag		6780	6650	6152	6220	4.06%	4.02%
6.	EDC Dehradun	1581	4243	2441	3379	2464	1.47%	1.05%
7.	EDC Kashipur	1675	1312	875	1644	2360	0.97%	1.36%
8.	EDC Rudrapur	6016	5711	2596	2797	1092	1.03%	0.68%
9.	EDC Ranikhet	6170	5999	6045	6335	5923	2.94%	2.71%
10.	EDC Haldwani	3641	3441	1602	2809	3141	1.01%	1.11%
11.	EDC Tehri	4203	3721	3182	2854	966	1.61%	0.65%
12.	EDC Pithoragarh	1797	964	586	734	864	0.44%	0.77%
13.	EDC Champawat					2586		1.45%
14.	EDC Chakarata					2001		1.69%
Total		**52408**	**49235**	**32597**	**45029**	**36703**	**1.68%**	**1.34%**

From the above Table, it can be seen that the number of defective meters has decreased by 8,326 i.e. 45,029 defective meters as on 31.03.2024 to 36,703 defective meters as on 31.12.2024. It has been observed that the percentage defective meters as on 31.12.2024 against EDC Karnprayag is more than 3%. The percentage defective meters in UPCL's network as on 31.03.2024 & 31.12.2024 were 1.68% & 1.34% respectively which although are within the limit of defective meters as specified by the Commission i.e. 2% for plain areas and 3% for hilly areas. However, it has been observed that still some circles are left namely EDC-Karanprayag, EDC-Haridwar & EDC-Ranikhet where a lot of improvement with respect to replacement of defiective meters is required to be done. Therefore, the Petitioner should make its efforts for bringing defective meters well below the limit of % IDF meters i.e. 2% for plain and 3% for hilly areas as per directions issued in previous Tariff Order dated 28.03.2024. The Petitioner indeed requires improvement at aforesaid circles w.r.t. reduction in percentage defective meters through specific monitoring from the Head Office of the Petitioner and the Superintending Engineer

(Distribution) should be made responsible in case percentage defective meters (IDF) are not restricted below the specified 3% limit.

It is an admitted fact that by expeditious replacement of defective meters on the basis of well laid down defective meter replacement programme, the Petitioner would not only be able to control this menace but shall also comply with the provisions of SOP Regulations.

The Petitioner should put its all efforts for reducing the IDF cases below 2% in plains areas and 3% in hilly areas as per UERC (Standards of Performance) Regulations, 2022 where the actual IDF cases are above the target level so that Provisional Billing cases can be minimized and revenue can be enhanced.

With regard to Smart Meters, the Commission in its Order dated 19.10.2023 had accorded in-principle approval for Smart Prepaid Metering at approximately 16 Lakh Consumers across the State. The Commission opines that the Petitioner should make its all efforts for completing the project within the timelines approved by MoP, GoI for the same. Although, the service level agreement are signed between the Advanced Metering Infrastructure Service Provider (AMSIP) and the Petitioner for upkeeping of the system. The Commission opines that initial implementation problems may arise, however, the limit set by the Commission for the defective meters shall continue to prevail.

Accordingly, the Commission directs the Petitioner to restrict percentage defective meters (IDF) to 2% for plain areas and 3% for hilly areas, failing which the concerned Chief Engineer (Distribution), Superintending Engineer (Distribution), Executive Engineer (Distribution) and Executive Engineer (Test) shall be held responsible for non-compliance of the Commission's directions and appropriate action under the Act/Rules/Regulations may be initiated.

7.2.2 *Billing*

The Commission, vide its earlier Tariff Orders, and various directions issued from time to time in this regard has been directing the Petitioner to improve its quality of billing, bill distribution and revenue collection system. It is noted that the Petitioner has made a beginning in this direction and has developed a system for internet based online view/payment of electricity bill besides bill payment facility also through Common Service Centres (CSCs) situated across the State for its consumers which has not only benefitted the consumers of the State but has also improved the overall billing and bill collection system of the Petitioner. However, the Commission is of the view that still a majority of consumers are located in remote hilly/rural areas and they may not avail internet based online facilities hence, a lot of scope for improvement in billing, bill distribution and bill collection system is required at the Petitioner's end for consumers residing in such areas.

7.2.2.1 Provisional Billing: Status of NA/NR, IDF/ADF/RDF

The Commission vide its Tariff Order dated 28.03.2024, had issued directions to the Petitioner to reduce the percentage NA/NR cases to below 2% in the entire State latest by 30.09.2024, failing which the concerned Chief Engineer (Distribution), Superintending Engineer (Distribution), Executive Engineer (Distribution) & Executive Engineer (Test) shall be held responsible for non-compliance of the Commission's directions and appropriate action under the Act/Rules/Regulations may be initiated.

The Petitioner has submitted the following information on quarterly target of NA/NR for FY 2024-25 in Format 2 of CPM reports:

Table 7.10: Quarterly Target of NA/NR for FY 2024-25

Financial Year	Particulars	At the end of Q-1	At the end of Q-2	At the end of Q-3	At the end of Q-4
2024-25	NA cases	1.02%	0.88%	0.77%	0.64%
	NR cases	1.14%	0.97%	0.82%	0.60%
	Total NA/NR	2.16%	1.85%	1.59%	1.24%

Table 7.11: Status of NA/NR submitted in Commercial Performance Monitoring Report

Particulars	NA Cases	NR Cases	Total NA/NR
As on 31.03.2024	1.45%	1.10%	2.55%
As on 31.12.2024	0.96%	0.48%	1.44%

On examination of actual progress made in the field as on 31.12.2024, as against the Petitioner's target, it has been observed that NA/NR cases were 1.44%, which are within the target percentage NA/NR cases of 2% as restricted by the Commission.

On examination of the above Tables, it has been noticed that the Petitioner in FY 2024-25 (upto Dec,2024) has achieved 0.96% NA cases & 0.48% NR cases, the total NA/NR cases 1.44% against the set target of 1.59% for the Q-3 of FY 2024-25. Thus, during FY 2024-25 (upto Dec, 2024), the Petitioner has not only achieved the target level of 2% NA/NR as directed by the Commission but also has achieved quarterly target levels set by.

Hence, the Commission is of the view that the Petitioner should continue improvement at each division level in order to reduce & maintain the NA/NR cases to below 2% level as per the directions in this regard. Therefore, the Petitioner is required to diligently monitor & pursue each Distribution Division rigorously so as to align its actual percentage of NA/NR billing with the targets in accordance with the Commission's Orders/directions.

The Commission directs the Petitioner to put its sincere efforts in reducing & maintaining the percentage NA/NR cases to below 2% in the entire State, failing which the concerned Chief Engineer (Distribution), Superintending Engineer (Distribution) and Executive Engineer (Distribution) shall be held responsible for non-compliance of the Commission's directions and appropriate action under the Act/Rules/ Regulations would be initiated.

Further, the Commission has observed that the percentage of provisional billing cases namely NA/NR, RDF/ADF/IDF, furnished in prescribed formats 2(A), 2(B), 2(C), 2(D) & 2(E) for FY 2023-24 (upto December, 2024) are slightly reduced w.r.t. March, 2024 level vis-a-vis total number of billed consumers as shown in the Table given below:

Table 7.12: Status of Provisional billing Viz. NA/NR/IDF/ADF/RDF

Status	As on 31st March 2020	As on 31st March 2021	As on 31st March 2022	As on 31st March 2023	As on 31st March 2024	As on 31st December 2024
NA (%)	1.44	1.64	1.66	1.40	1.45	0.96
NR (%)	13.29	0.90	0.93	0.66	1.10	0.48
IDF (%)	2.96	2.15	1.95	1.25	1.68	1.34
ADF (%)	0.00	0.00	0.00	0.00	0.00	0.00
RDF (%)	0.96	0.93	1.10	1.09	1.25	1.03
Total (%)	**18.66**	**5.62**	**5.64**	**4.40**	**5.48**	**3.81**
Total Billed Consumers (Nos.)#	**23,63,726**	**2,439,959**	**2,521,628**	**2,601,170**	**2,680,066**	**2,742,992**

#Total billed consumers as furnished by Petitioner in prescribed Format-1.

From the above Table, it is observed that there has been substantial decrease in total percentage of NA/NR, IDF/ADF/RDF cases in month of December, 2024 vis-a-vis FY 2023-24 i.e. from 5.48% to 3.81%, which is within the limit prescribed in the directions/provisions of the SOP Regulations, 2022 issued by the Commission. Therefore, it can be said that the Petitioner has put in concerted efforts to bring the overall provisional billing percentage to within 4% of the total number of consumers in plain areas and 5% for hilly areas of the State.

Further, the Commission held the review meeting on 31.07.2024 w.r.t. the review of compliance of directives issued by the Commission in its Tariff Order for FY 2024-25 for the Petitioner, wherein, the Commission directed the Petitioner to submit division-wise percentage revenue billed on provisional billing basis alongwith its monthly CPM reports.

In this regard, the Commission again directs the Petitioner to restrict the provisional billing cases within the limit prescribed above as well as in Regulations (i.e. 4% for plain areas and 5% for hilly areas of the State), failing which the concerned Chief Engineer (Distribution), Superintending Engineer (Distribution), Executive Engineer (Distribution) and Executive Engineer (Test) shall be held responsible for non-compliance of the Commission's directions and appropriate action under the Act/Rules/Regulations may be initiated. Further, the Petitioner is directed to submit division-wise percentage revenue billed on provisional billing basis alongwith its monthly CPM reports. The Petitioner is further directed to upload these reports on its website so that the same is accessible to all consumers, failing which appropriate action may be taken against the officer responsible.

7.2.2.2 NB & SB Cases

The Commission, in its Tariff Order dated 28.03.2024, had taken a considerate view and had directed the Petitioner to liquidate and finalise atleast 5% of the NB/SB cases in each quarter and submit quarterly report before the Commission. In absence of the same, action under the provisions of Act/Rules/Regulations may be initiated against the Petitioner.

The Petitioner's submission in the prescribed Format-4 of Commercial Performance Monitoring Report pertaining to Not Billed (NB) and Stop Billed (SB) is being presented in the Table given below:

Table 7.13: Status of NB/SB Cases

Status		As on 03/20	As on 03/21	As on 03/22	As on 03/23	As on 03/24	As on 12/24
No. of NB/SB Cases	NB	158300	161580	154461	142962	131418	123758
	SB						

From the above Table, it is evident that no. of NB/SB have reduced in FY 2024-25 (upto 31.12.2024) w.r.t. cases as on March, 2024, which indicates that the Petitioner has shown some interest in reducing these NB/SB cases. Further, the Commission has observed that the Petitioner was able to liquidate only 5.83% in three quarters of FY 2024-25, whereas, it was required to liquidate atleast 5% in each quarters which is way behind its target.

Therefore, taking a serious note on non-compliance and under performance by the Petitioner with regard to liquidation and finalisation of NB/SB cases, **the Commission again directs the Petitioner to liquidate and finalise atleast 5% of the NB/SB cases in each quarter and submit quarterly report before the Commission. In absence of the same, action under the provisions of Act/Rules/Regulations may be initiated against the Petitioner.**

7.2.2.3 Outstanding Arrears

The Commission in its Tariff Order dated 28.03.2024 had directed the Petitioner to make sincere efforts in mobilizing its resources throughout the year for collection of Arrears under a structured receivable management programme besides taking corrective actions against the habitual defaulters. The Petitioner is, hereby, once again directed to submit an Action Plan within a month of issuance of this Order including the steps it proposes to take for collecting electricity dues from the beginning of the financial year with same vigour as it normally does in the last quarter of the financial year.

The status of Outstanding Arrears furnished by the Petitioner in the prescribed Format- 5 is given below:

Table 7.14: Status of Outstanding Arrears

Description	As on 03/21		As on 03/22		As on 03/23		As on 03/24		As on 12/24	
Arrear	No.	Amount (Rs. Lakh)	No.	Amount (Rs. Lakh)	No.	Amount (Rs. Lakh)	No.	Amount (Rs. Lakh)	No.	Amount (Rs. Lakh)
Arrear>=5 Lac	2423	104928.3	3034	120128.55	3078	119604.7	3020	106050.9	3527	127378.19
1=<Arrear<5 Lac	6675	11806.81	8547	15330.78	8444	14872.98	11051	19467.91	12507	22055.12
0.5 Lac=<Arrear<1 Lac	16580	11175.78	18017	12296.83	18679	12789.55	21470	14829.97	24152	16549.70
0.1 Lac=<Arrear<0.5 Lac	135154	28473.76	144588	30031.31	152275	31394.67	152484	32505.82	187703	39832.88
0.05 Lac=<Arrear <0.1 Lac	112244	8002.48	127774	9118.63	128893	9201.79	116093	8297.73	139062	9945.35
Total	**273076**	**164387.12**	**301960**	**186906.10**	**311369**	**187863.70**	**304118**	**181152.32**	**366951**	**215761.24**

From the above Table, it is evident that the Petitioner was able to reduce number of arrear cases and outstanding arrears in FY 2023-24 in comparison to FY 2022-23, however, while examine the same for FY 2024-25 (upto December, 2024) the no. of arrear cases and outstanding arrears have increased again. This is alarming and depicting that the Petitioner is not making sincere efforts for recovery of outstanding arrears.

The Commission is of the view that the Petitioner has been lackadaisical towards collection of arrears and lacks seriousness in laying down a planned programme/roadmap. This is a grave concern for the financial health of the Petitioner and may weed away the Petitioner's financial viability since 3.67 Lakh cases of arrears (which is around 13.38% of the total billed consumers of the Petitioner) have been pending as on 31.12.2024 with a staggering amount of Rs. 2,157.61 Crore pending recovery by the Petitioner which is about 20.18% of the Petitioner's approved Net ARR for FY 2024-25, i.e. Rs. 10690.03 Crore.

The comparison of Outstanding Arrears furnished by the Petitioner in the above Table vis-a-vis Outstanding Arrears shown in the Commercial Diary, i.e. CS-4 is given below:-

Table 7.15: Status of Outstanding Arrears (Rs. Crore)

Description	As on 31.03.2020	As on 31.03.2021	As on 31.03.2022	As on 31.03.2023	As on 31.03.2024	As on 31.12.2024
As per Commercial Performance Monitoring report *(excluding Arrears of amount below Rs. 5,000)*	701.29	1643.87	1869.06	1878.63	1811.52	2157.61
As per CS-4 report *(including Arrears of amount below Rs. 5,000)*	2287.79	2258.16	2297.48	2201.52	2248.62	3147.28

The Petitioner is aware of the fact that the CS-3 & CS-4 reports are being referred by Commission for analysing the Commercial Performance of the Petitioner. Moreover, for better transparency it is important that Petitioner should maintain its Commercial Diary data and update the same from time to time on its web-site in the interest of consumers of the State. However, while accessing the web-site for examination of the Commercial Performance Data, it has been found that the CS-3 & CS-4 reports are not being promptly updated on Petitioner's web-site. Despite the Commission's directions, the Petitioner is updating the CS-3 & CS-4 reports with delay.

From the above Table, it has been observed that the Petitioner has not made sincere efforts in recovering its arrears in FY 2024-25 (upto 31.12.2024). The total arrear as per CS-4 report to be realised as on 31.12.2024 is Rs. 3147.28 Crore which is approx. 29.44% of its approved Net ARR for FY 2024-25. Moreover, on examination of Commercial Performance Monitoring Report as mentioned in Table above, it has been observed that the performance of the Petitioner has deteriorated in FY 2024-25 (upto December, 2024).

The Commission is of the view that the Petitioner has to understand the gravity of the situation and should abstain from its legacy practice of remaining callous about recovery of arrears throughout the year and wakes from slumber in the last quarter of the Fiscal Year. This by all standards in any commercial organization is an in-appropriate practice and inculcates un-professional work culture in the organisation especially for the young field officers who adapt the same and are misguided by the false belief in the wrong historical practice. Further, the Commission cautions the Petitioner if such trend continues in ensuing years, it may result in incorrigible damage to the commercial & financial viability of the distribution business.

Therefore, the Commission hereby directs the Petitioner to make sincere efforts in mobilizing its resources throughout the year for collection of Arrears under a structured receivable management programme besides taking corrective actions against the habitual defaulters. The Petitioner is, hereby, once again directed to submit an Action Plan within a month of issuance of this Order including the steps it proposes to take for collecting electricity dues from the beginning of the financial year with same vigour as it normally does in the last quarter of the financial year.

7.2.2.4 Analysis of Load Factor of High Value Consumers

The load factor of the consumers, as submitted by the Petitioner in the prescribed Format-6 of Commercial Performance Monitoring Report has been shown in Table given below:

Table 7.16: Status of Consumers

Description	As on 03/20	As on 03/21	As on 03/22	As on 03/23	As on 03/24	As on 12/24
Total High value Consumers	25123	26503	28853	32992	38762	42268
*Abnormal cases	6927	7325	5415	5684	7000	7531
L.F<10%	11616	12282	13947	15517	18450	18773
L.F>10%	13507	14221	14906	17475	20312	23495

**Abnormal cases- Consumers exceeding sanctioned demand, Consumers having CT, PT by-pass Tamper Report, unbalanced Tamper Report & any other Tamper Report.*

From the above Table, it has been observed that UPCL has not been able to reduce the number of consumers having load factor less than 10% and the same are continuously increasing on year-on-year basis. Further, number of consumers as on 31.12.2024 having load factor less than 10% was 18773, which is around 44.41% of the total number of consumers analyzed. The Commission is of the view that the consumers having load factor less than 10% are in alarmingly high numbers.

Further, it has been observed that till August, 2021 UPCL had submitted the details of 'Consumers exceeding sanctioned demand', 'Consumers having CT by-pass Tamper Report', 'Consumers having PT by-pass Tamper Report', 'Consumers having unbalanced Tamper Report' & 'Consumers having any other Tamper Report' and the same comprised the abnormal cases. However, from September, 2021 onwards the Petitioner is submitting the details of only 'Consumers exceeding sanctioned demand' against the abnormal cases.

The Commission in its previous Tariff Order has been categorically directing the Petitioner for constituting a cell in its commercial wing for analysis and monitoring of consumer data including low load factor cases, meter tamper cases, etc. However, it is observed that UPCL is not submitting the abnormal cases against 'Consumers having CT by-pass Tamper Report', 'Consumers having PT by-pass Tamper Report', 'Consumers having unbalanced Tamper Report' & 'Consumers having any other Tamper Report' which shows indifferent approach of UPCL towards the Commission's directions.

In this regard, the Commission opines that the Petitioner should promptly analyse the consumer data w.r.t. 'abnormal cases' i.e. Consumers exceeding sanctioned demand, Consumers having CT/PT by-pass Tamper Report, unbalanced Tamper Report & any other Tamper Report etc. and submit the same to the Commission in the prescribed format.

The total billed consumer base of about 27.42 Lakh consumers in the State (as on 31.12.2024) as per CPM Report out of which 42,268 consumers are High value consumers whose data is furnished in Format-6 of CPM reports. The Industrial consumers which are only about 0.64% of the total consumer base of the Petitioner contribute nearly 55.34% of its total annual revenues.

Therefore, the Commission again directs the Petitioner to constitute a cell in its commercial wing for analysis and monitoring of consumer data including low load factor cases, meter tamper cases, etc. The Commission directs the Petitioner to submit details of abnormal cases strictly as per the prescribed Format-6 of monthly CPM reports. The Petitioner is further directed to upload these reports on its website so that the same is accessible to all consumers, failing which appropriate action may be taken against the officer responsible.

7.2.2.5 Status of Revenue realisation per unit sold

The Commission in its Tariff Order dated 28.03.2024 had directed the Petitioner to ensure that the data furnished in Commercial Performance Monitoring report should match with its Commercial Diary, i.e. CS-4 data and the Petitioner should ensure that in all future submissions of Commercial Performance Monitoring reports the Average Realisation Rate should be calculated on the basis of recoveries on account of Realisation Against energy dues only and the realisation shown should exclude recoveries from duties/cess, etc. Further, the realisation against energy dues should clearly bifurcate realisation against current dues & realisation against past dues, failing which appropriate action shall be initiated against the Petitioner/Licensee.

The status of Revenue Realisation per unit sold furnished by the Petitioner in the prescribed Format-7 is given below:

Table 7.17: Status of Revenue Realisation per unit sold

Year	Sold Energy (MU)	Total Revenue Realization (Rs. Lakh)	Average Realization Rate (Rs./unit)	Average Power Purchase Cost per Unit sold (Rs./unit)	Approved /Trued-up Average Cost of Supply (Rs/Unit)
FY 2016-17	10575.544	555300*	5.25	4.63	4.69
FY 2017-18	11208.82	603052*	5.38	4.58	4.77
FY 2018-19	11826.68	637700*	5.39	4.85	5.29
FY 2019-20	12021.35	656362*	5.46	5.65	5.94
FY 2020-21	11432.59	673707*	5.89	4.82	5.48
FY 2021-22	12518.80	699773#	5.59	5.03	6.13
FY 2022-23	13491.22	817248#	6.06	6.18	6.90
FY 2023-24	13873.34	918752#	6.62	5.38	7.29

**Including Duties/Cess/DPS & other recoveries*
#Excluding Duties/Cess/DPS & other recoveries

On examination of data provided in Format-7 of reports, it has been observed that data upto FY 2020-21 as illustrated in the table above includes Duties/Cess/DPS & other recoveries and the Commission in this regard vide its previous Tariff Orders had directed the Petitioner to ensure that the data furnished in Commercial Performance Monitoring report should match with its Commercial Diary, i.e. CS-4 data and the Petitioner should ensure that in all future submissions of Commercial Performance Monitoring reports the Average Realisation Rate should be calculated on the basis of recoveries on account of Realisation Against energy dues only and the realisation shown should exclude recoveries from duties/cess, etc. Further, the realisation against energy dues should clearly bifurcate realisation against current dues & realisation against past dues, failing which appropriate action shall be initiated against the Petitioner/Licensee.

Further, it has been observed that the Petitioner has attempted to calculate the 'Average Realisation Rate' by excluding Delayed Payment Surcharge, Electricity Duty & Green Energy Cess in Format-7 of CPM Reports.

The Commission again directs the Petitioner to ensure that the data furnished in Commercial Performance Monitoring report should match with its Commercial Diary, i.e. CS-4 data and the Petitioner should ensure that in all future submissions of Commercial Performance Monitoring reports the Average Realisation Rate should be calculated on the basis of recoveries on account of Realisation Against energy dues only and the realisation shown should exclude recoveries from duties/cess, etc. Further, the realisation against energy dues should clearly bifurcate realisation against current dues & realisation against past dues, failing which appropriate action shall be initiated against the Petitioner/Licensee. The Petitioner is further directed to upload these reports on its website so that the same is accessible to all consumers, failing which appropriate action may be taken against the officer responsible.

7.3 Energy Audit

The Commission in its earlier Tariff Orders had been reiterating its direction for conducting the energy audit of 11 kV feeders and submit the audit report before the Commission. The Commission in its Tariff Order dated 28.03.2024 had directed the Petitioner to provide/maintain the metering system including communication system at each feeder, 'T' points, DTs and consumers in its distribution network for effective energy auditing and accounting.

The Petitioner in its response to compliance to directives in its instant Petition submitted "*work of Smart Metering will be covered under RDSS Scheme which will include Smart Metering of 33&11 KV feeders, DTs. (excluding agricultural and 16 KVA Transformers) and Consumers. However, UPCL is doing Energy auditing and accounting as per norms prescribed by BEE*".

Further, the Regulation 3.16 (3) 'Energy Audit' of UERC (Distribution Code) Regulations, 2018 stipulates that distribution licensee is required to carry out energy audit of total system by compiling data and analysis of each substations and feeders within each distribution division/sub-division. Therefore, the Commission vide its letter dated 14.02.2025 had directed the Petitioner to submit energy audit report in accordance with Sub-Regulation (3) of the Regulation 3.16 of UERC (Distribution Code) Regulations, 2018 in the respect of Electricity Distribution Circles (EDCs) namely EDC Roorkee, EDC Rudrapur, EDC Kashipur, EDC Haldwani, EDC Haridwar, EDC Dehradun (Urban) and EDC Dehradun (Rural) latest by 30.04.2025. For rest of EDCs, report shall be submitted by 30.06.2025.

Therefore, the Petitioner is again directed to provide/maintain the metering system including communication system at each feeder, 'T' points, DTs and consumers in its distribution network for effective energy auditing and accounting. Further, the Petitioner is directed to submit energy audit report in accordance with Sub-Regulation (3) of the Regulation 3.16 of UERC (Distribution Code) Regulations, 2018 in the respect of Electricity Distribution Circles (EDCs) namely EDC Roorkee, EDC Rudrapur, EDC Kashipur, EDC Haldwani, EDC Haridwar, EDC Dehradun (Urban) and EDC Dehradun (Rural) latest by 30.04.2025. For rest of EDCs, report shall be submitted by 30.06.2025.

7.4 AT&C Losses

From the above comprehensive analysis of metering, billing & collection activities of the Petitioner, it is evident that still a lot of improvement, especially in the areas of provisional billing, liquidation of NB/SB cases, recovery of Outstanding Arrears and prompt revenue realization is required. The AT&C losses of the Petitioner as on 31.12.2024 as per Commercial Performance Monitoring report are 25%. The reason for such high AT&C loss is primarily high distribution losses (15.70%) and low collection efficiency (88.97%) till 31.12.2024. It is prudent to highlight that the Commission in its previous Order had categorically directed the Petitioner to ensure completion of the R-APDRP works within the specified timelines and also achieve the specified target for reduction of AT&C losses to the extent of 15% in the selected towns within the stipulated timeframe for availing the benefits of conversion of loan into grant. Similar directions were issued by the Commission in its Order dated 05.10.2016 pertaining to Capital Investment for the Integrated Power Development Scheme

(IPDS) Project, Ministry of Power (MoP), Government of India (GoI). Further, the Commission vide its Order dated 19.10.2023 pertaining to 'Revamped Distribution Sector Scheme' (RDSS) of MoP, GoI has categorically directed UPCL to strictly adhere the RDSS guidelines and achieve the specified target of AT&C losses.

Therefore, the Commission is of the view that with the linkage of cost of funding of Centrally funded Schemes with the AT&C loss achievement, such programs can be construed as a double-edged sword, which might cause adverse financial impact in case the Petitioner fails to achieve the required reduction in AT&C losses of the target area.

The status of AT&C losses of UPCL for the last ten financial years furnished by the Petitioner in the prescribed Format-8 is given below:

Table 7.18: Status of AT&C Losses

Year	Input Energy (MU)	Energy Sold (MU)	Assessment (Rs Lakh)	Collection (Rs Lakh)	Distribution Loss (%)	Approved Distribution Loss (%)	Collection Efficiency (%)	Actual AT&C Loss (%)	Computed AT&C losses (Based on Approved Norms) (%)
FY 2015-16	12559.60	10298.14	493267	524286	18.01	15.00	106.29	12.85	16.28
FY 2016-17	12780.32	10575.54	540075	555300	17.25	15.00	102.82	14.92	16.28
FY 2017-18	13213.73	11208.82	609821	603052	15.17	14.75	98.89	16.11	15.82
FY 2018-19	13803.71	11826.68	654424	637641	14.32	14.50	97.44	16.52	15.36
FY 2019-20	13880.96	12021.35	714458	656362	13.40	14.25	91.87	20.44	15.06
FY 2020-21	13287.59	11432.59	683958	673707	13.96	14.00	98.50	15.25	14.77
FY 2021-22	14581.68	12518.80	783863	769259	14.15	13.75	98.14	15.75	14.48
FY 2022-23	15757.27	13491.22	891180	882179	14.38	13.50	98.99	15.25	14.24
FY 2023-24	16118.90	13873.34	998682.00	987996.00	13.93	13.25	98.93	14.85	13.99
FY 2024-25 (upto Dec, 2024)	13326.71	11233.97	816333.00	726283.00	15.70	13.00	88.97	25.00	13.74

From the above Table, it has been observed that the collection efficiency in FY 2024-25 (upto 31.12.2024) i.e. 88.97% has drastically decreased vis-a-vis FY 2023-24 level i.e. 98.93%.

Further, from the above Table it has been observed that the distribution losses in FY 2024-25 (upto December, 2024) is 15.70% which is more than the approved distribution loss levels. Moreover, the actual AT&C losses for the above period is also higher than the computed AT&C losses (calculated on the basis of approved level of distribution losses & collection efficiency in respective Tariff Orders) due to low collection efficiency and high distribution losses.

From the above Table, it is observed that the collection efficiency in FY 2023-24 & FY 2024-25 (upto Dec, 2024) were 98.93% & 88.97% respectively. In this regard, as discussed in above section of Revenue realisation per unit sold, the petitioner has excluded the realisation against Delayed Payment Surcharge, Electricity Duty & Green Energy Cess in Format-7 of CPM Reports. However, while calculating its AT&C losses respectively the same have been included. This shows that the real AT&C losses would be much higher than the figures depicted by the distribution licensee in its Commercial Performance Monitoring reports.

Further, with regard to the collection efficiency performance during FY 2024-25 (upto 31.12.2024), the Commission has observed that despite Commission's specific directions for recovery of revenue whole through the year still the collection efficiency data is depicting that the revenue collection drive is being conducted rigorously during the fag end of the financial year only and sincere efforts at Petitioner's end are missing during the initial and mid period of the financial year.

The Commission is of the view that the major component of AT&C losses are the distribution losses which basically comprises of Technical and Commercial losses. Further, the Commission is of the view that since Technical & Commercial losses are more in LT network in comparison to HT network, hence, it would be prudent that in order to substantially reduce AT&C losses, the Petitioner needs to strengthen its LT network with energy efficient devices and energy conservation measures.

The Commission has observed that the percentage losses indicated in the Commercial Performance Monitoring Report are an average of losses occurring in EHT/HT and LT consumers. The Commission is of the view that the marginal AT&C losses occurring at EHT/HT consumers end are compensating the losses occurring at LT consumers end, therefore, the actual losses occurring against LT consumers would be way above the AT&C losses shown in the Table status of AT&C losses given above.

In light of the above, it should be the foremost endeavour of the licensee to reduce the distribution losses at LT level and increase its collection efficiency on priority basis. The Petitioner should take up the following works at the earliest for reducing the AT&C losses:

1. The Petitioner must conduct planned regular actions for early recovery of outstanding arrears.
2. The Petitioner must analyse High value consumers having load factor less than 10% on a regular basis and lay down mechanism for checking inspection/tamper analysis/ condition monitoring of MRI reports and metering equipment.
3. The Petitioner must ensure that all the meters of the consumers are read and their bills prepared and distributed within time. The Petitioner shall also ensure that no provisional bills namely NA/NR are issued for more than two billing cycles in accordance with the provisions of UERC (The Electricity Supply Code, Release of New Connections and Related Matters) Regulations, 2020 and amendments issued from time to time. Divisional head must be held accountable for not controlling provisional billings. The Petitioner should make

efforts to always issue computerized bills to its consumers requiring no human intervention.

4. The Petitioner should prepare a time bound plan/programme to replace all the bare overhead conductors with insulated aerial bunched conductors (AB conductor) in theft prone areas alongwith effective monitoring mechanism for its implementation.
5. The Petitioner should also prepare a time bound plan/programme for segregation of rural feeders into Agriculture and Non-Agriculture load basis which would be an effective measure for segregation of theft/pilferage of electricity in Agriculture and Non-Agricultural usage in villages/rural areas.
6. The Petitioner should make extra efforts to get the arrears realised from the defaulting Government departments. The Commission is of the view that the Petitioner should efficiently execute the Smart Metering Project so that revenue recovery can be enhanced and problems related to accumulation of arrears is resolved.
7. Replace the GI wire based power distribution system with suitable conductor so that technical losses in the system can be reduced and the same would also help in improving the quality of power supply to the consumers.
8. The Petitioner should ensure that meters are installed at each point (including T off points) for correct energy accounting and should be kept in proper working condition.
9. The Petitioner should also develop GIS based consumer indexing database in areas other than the areas covered under R-APDRP/IPDS, which shall be helpful in providing prompt services to consumer and shall be helpful in planning the new connections, transformer augmentation, phase change, localising fault, supply restoration and other services to consumers necessarily provided by any distribution utility having its vision & mission aligned to provide quality consumer services.
10. The Petitioner should make its all efforts for timely completion of the projects funded by the Central Government as any laxity on part of the Petitioner result in delay in completion of projects would result in conversion of grant into loans.

7.5 Commission's Analysis and Directions on Financial Performance

The Commission has been monitoring & reviewing the performance of the Petitioner based on the information/reports submitted by it. The Commission in earlier Tariff Orders carried out the analysis of financial performance of UPCL based on its statement of accounts in certain key areas. In line with the same methodology, the key performance ratios after considering the financial performance of UPCL in FY 2023-24 based on the audited financial statements are detailed below.

7.5.1 *Liquidity Ratio*

Liquidity ratio analyzes the ability of a company to pay off both its current liabilities as they become due as well as their long-term liabilities as they become current. In other words, these ratios show the cash levels of a company and the ability to turn other assets into cash to pay off liabilities and other current obligations.

Liquidity is not only a measure of how much cash a business has. It is also a measure of how easy it will be for the company to raise enough cash or convert assets into cash. Assets like accounts receivable, trading securities, and inventory are relatively easy for many companies to convert into cash in the short term. Thus, all of these assets go into the liquidity calculation of a company.

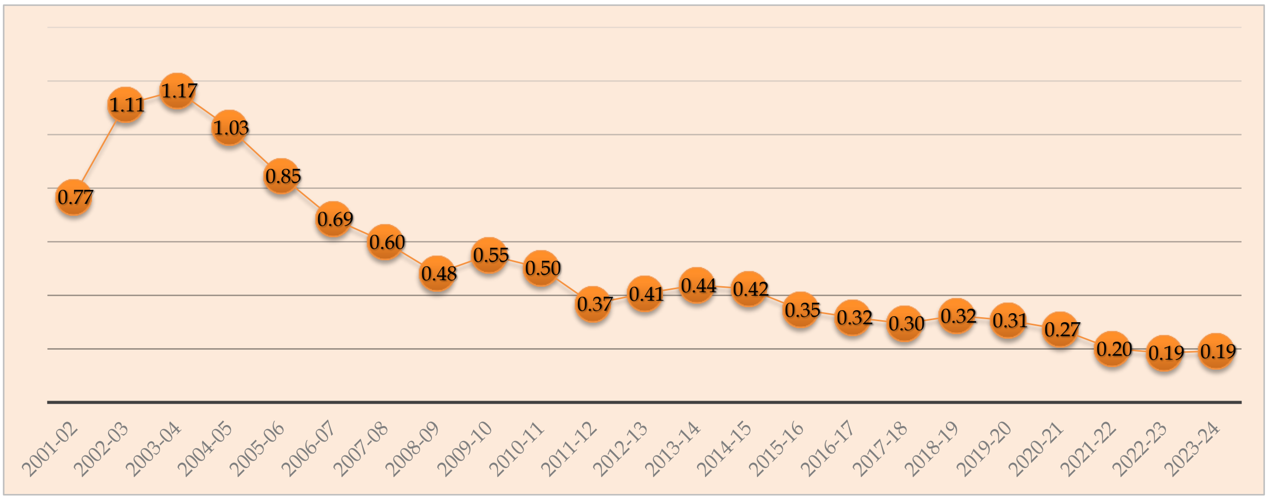
7.5.1.1 Quick Ratio or Acid Test Ratio

It is the ratio of (current asset – inventories) and current liabilities. The quick ratio or acid test ratio is a liquidity ratio that measures the ability of a company to pay its current liabilities when they become due with only quick assets. Quick assets are current assets that can be converted to cash within 90 days or in the short-term. Cash, cash equivalents, short-term investments or marketable securities and current accounts receivable are considered quick assets excluding inventories.

The quick ratio is often called the acid test ratio. The acid test shows how well a company can quickly convert its assets into cash in order to pay off its current liabilities. It also shows the level of quick assets to current liabilities.

Higher quick ratios are more favourable for companies because it shows that there are more quick assets than current liabilities. A company with a quick ratio of 1 indicates that quick assets equals current liabilities. This also shows that the company could pay off its current liabilities without selling any long-term assets.

Chart 9: UPCL Quick Ratio from FY 2001-02 to FY 2023-24



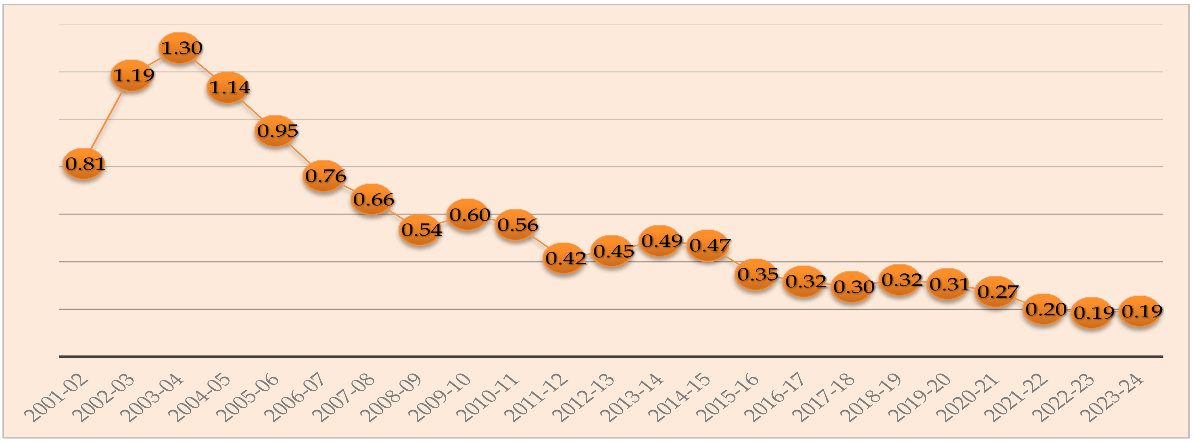
As can be seen from above graph, UPCL's Quick Ratio was almost 1 in the FY 2002-03 & FY 2003-04 and thereafter, shows a downward linear trend in the ensuing years, thus, showing the Corporation's inability to maintain its liquidity over a period of time, the primary reasons for the same could be its inability to realise its dues from the consumers and in turn discharging the current liabilities which are also increasing. Further, based on the financial performance of UPCL in FY 2023-24, the situation does not seem to improve, and the ratio has remained at similar level as in FY 2022-23, i.e., 0.19. This is not a good sign as far as this ratio is concerned and depicts that the Corporation is not putting any concrete efforts to overcome its inefficiencies. The major reason for the same can safely be attributed to low level of collection efficiency and high losses which cumulatively is a direct hit to the Corporation in terms of revenue relaization.

7.5.1.2 Current Ratio

It is the ratio of current assets and current liabilities. The current ratio is a liquidity and efficiency ratio that measures a firm's ability to pay off its short-term liabilities with its current assets. The current ratio is an important measure of liquidity because short-term liabilities are due within the next year, thus, implying that a company has a limited amount of time in order to raise the funds to pay for these liabilities. Current assets like cash, cash equivalents, marketable securities and inventories can easily be converted into cash in the short term. This means that companies with larger amounts of current assets will more easily be able to pay off current liabilities when they become due without having to sell off long-term, revenue generating assets.

A higher current ratio is always more favourable than a lower current ratio because it shows the company can more easily discharge the current liabilities. A Current Ratio of less than 1 indicates a high working capital leveraging and highly risky position since it indicates that the Current Liabilities are not fully backed up by the Current Assets and in the event of default, the Company may resort to selling its Assets to meet out its debts.

Chart 10: UPCL Current Ratio from FY 2001-02 to FY 2023-24



As can be seen from the above graph, apart from initial few years upto FY 2004-05, UPCL is not able to maintain its current assets in proportion to its current liabilities, thus, showing a highly leveraged position on the part of the Corporation. The current ratio mainly indicates that how much times the short-term liabilities are backed by the current assets, in case of UPCL as can be seen from above graph, in the past five years UPCL is not able to maintain the said ratio to even as low as 0.5 which is way low than the industry standard of 1.

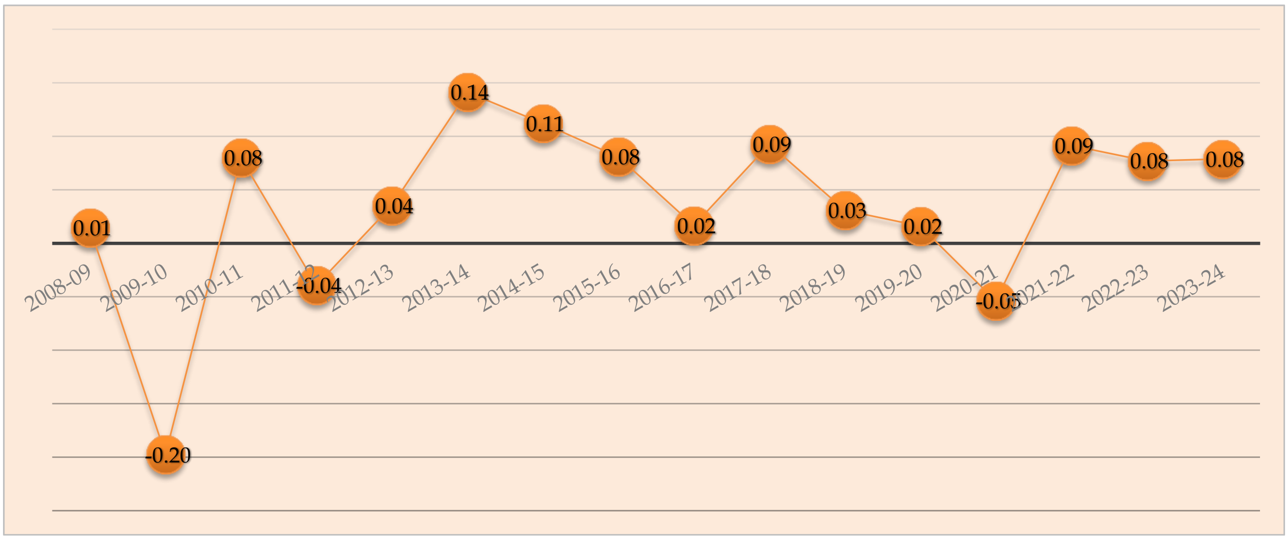
This indicates that for discharging its current liabilities, UPCL will either have to resort to liquidating its long-term assets or borrow additional working capital loans. This also is an indicator that on one side UPCL has failed to recover its current and past dues from the consumers efficiently and on the flip side the current liabilities have been used to finance the long-term assets of UPCL. The Commission has been pointing out towards this issue in its previous Tariff Orders that assets are being financed through current liabilities. UPCL has been claiming every year that internal resources are being used to finance certain asset additions. The internal resources in UPCL's case are nothing but funds which should have been used to discharge its current liabilities like Govt. Dues (Royalty, duties, PDF etc), instead have been utilised in creation of long-term assets.

In this regard, **the Petitioner is directed to carry out the age-wise analysis of its total current liabilities outstanding as on 31.03.2025 and based on the ageing analysis determine how much of the same would be required to be discharged and how much excess provision exists in the same so that the same may be reversed and submit the same to the Commission within 3 months from the date of Order.**

7.5.1.3 Operating Cash Flow Ratio

It is the ratio of cash flow from operation and the current liabilities. It is a measure of how well current liabilities are covered by the cash flow generated from a company's operations. The operating cash flow ratio can gauge a company's liquidity in the short term. Using cash flow as opposed to income is considered a cleaner, or more accurate measure to analyse the financial health of a company & also its operations. The operating cash flow ratio is a measure of the number of times a company can pay off current debts with cash generated in the same time period. A higher number means a company can cover its current debts more times, which is a good thing. Companies with a high or increasing operating cash flow ratio are in good financial health. Those that are struggling to cover liabilities may be in trouble, at least in the short term.

Chart 11: UPCL Operating Cash Flow Ratio from FY 2008-09 to FY 2023-24



As can be seen from the above graph, cash flow from operating activities is hardly able to meet its current liabilities. UPCL is struggling to cover its current liabilities, at least in the short term. In FY 2009-10 and FY 2011-12, cash flow operating ratio is negative due to huge losses on account of high distribution losses and poor collection efficicency resulting into negative Cash flow from Operating Activities. Further, in FY 2020-21 this ratio has again become negative. Further, as compared to FY 2022-23 the ratio has almost remained same as in FY 2023-24 which is not a good sign as far as operations of the utility is concerned, since it denotes that the improvement measures are not being carried by the utility. Moreover, in all the years the ratio is less than 1 which indicates that the company has generated less cash in the period than it needed to pay off its short-term liabilities. This may signal a need for more capital.

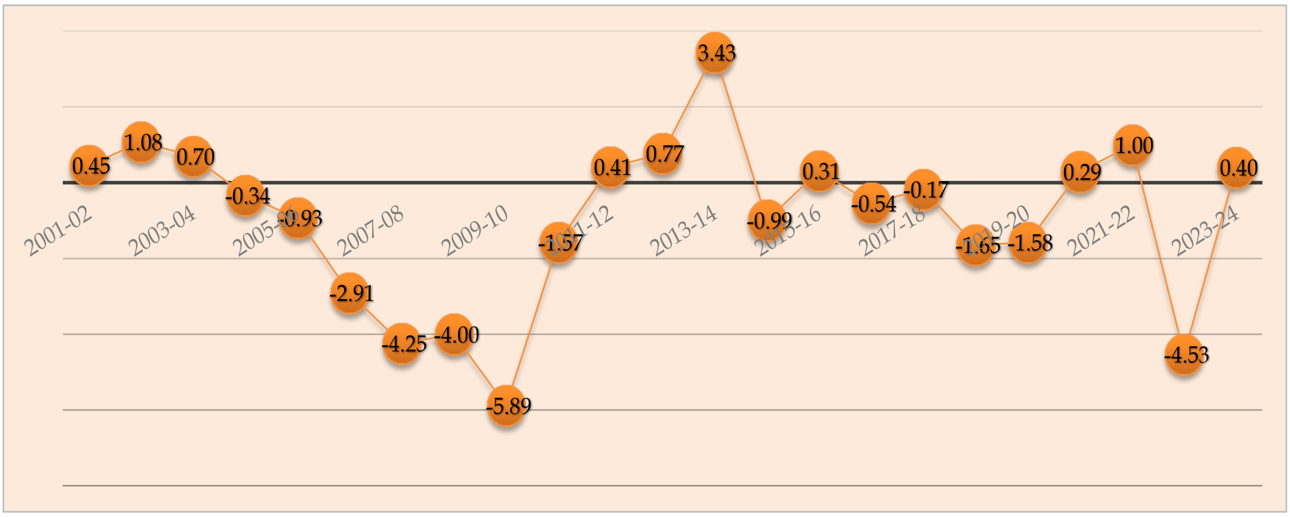
7.5.2 *Solvency Ratio*

Solvency ratios, also called leverage ratios, measures a company's ability to sustain operations indefinitely by comparing debt levels with equity, assets, and earnings. In other words, solvency ratios identify going concern issues and a firm's ability to pay its bills in the long term. Solvency ratios focusses more on the long-term sustainability of a company instead of the current liability payments. Better solvency ratios indicate a more creditworthy and financially sound company in the long-term.

7.5.2.1 Interest Coverage Ratio

It is a ratio of EBIT (operating Income) during a given period and the amount a company spends in interest payment on its debts during the same period. The interest coverage ratio is used to determine how easily a company can pay interest on outstanding debt. Essentially, the interest coverage ratio measures how many times over a company could pay its current interest payment with its available earnings. In other words, it measures the margin of safety a company has for paying interest during a given period, which a company needs in order to survive future (and perhaps unforeseeable) financial hardship, should it arise. A company's ability to meet its interest obligations is an aspect of a company's solvency, and is, thus, a very important factor in the return for shareholders. The lower a company's interest coverage ratio is, the more its debt expenses burden on the company. When a company's interest coverage ratio is 1.5 or lower, its ability to meet interest expenses may be questionable. 1.5 is generally considered to be a bare minimum acceptable ratio for a company and a tipping point below which lenders will likely refuse to lend the company more money, as the company's risk for default is too high. Moreover, an interest coverage ratio below 1 indicates the company is not generating sufficient revenues to service its interest expenses. If a company's ratio is below 1, it will likely need to spend some of its cash reserves in order to meet the difference or borrow more, which will be difficult for reasons stated above. Otherwise, even if earnings are low for a single month, the company risks falling into bankruptcy. Generally, an interest coverage ratio of 2.5 is often considered to be a warning sign, indicating that the company should be careful not to dip further.

Chart 12: UPCL Interest Coverage Ratio from FY 2001-02 to FY 2023-24



As can be seen from the above graph, UPCL was suffering losses in most of the financial years and was hardly able to meet its interest liability. The standard ratio is 1.5 times and it can be seen from the above graph, that only in FY 2013-14 UPCL earned sufficient profit to maintain the ratio above the standard ratio. Moreover, in FY 2022-23 the ratio has dipped to (-)4.53 as compared to 1 in the FY 2021-22, due to loss of around Rs. 1200 Crore faced by the corporation in FY 2022-23 mainly due to high power purchase cost in FY 2022-23 due to faulty plannings. However, the utility has been able to slightly recover in FY 2023-24 with the ratio rising to 0.40. The situation is very alarming and raises a question on planning done by the utility for meeting its major expenses, i.e. Power Purchase related expenses.

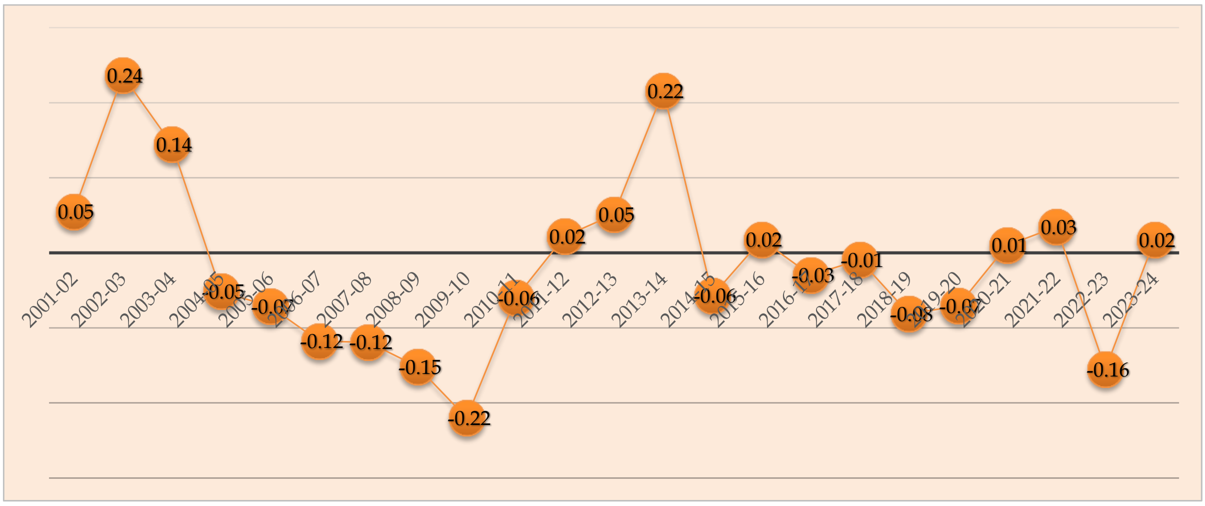
7.5.3 *Profitability Ratio*

Profitability ratios compare income statement accounts to show a company's ability to generate profits from its operations. Profitability ratios focus on a company's return on investment in inventory and other assets. These ratios basically show how well companies can achieve profits from their operations. Profitability is also important to the concept of solvency and going concern.

7.5.3.1 Return on Total Assets

It is a ratio of EBIT during a given period and average Fixed Assets. The ratio is considered to be an indicator of how effectively a company is using its assets to generate earnings before contractual/statutory obligations are paid. The greater a company's earnings in proportion to its assets (and the greater the coefficient from this calculation), the more effectively that company is said to be using its assets. This ratio allows to see the relationship between organisation's resources and its income, and it can provide a point of comparison to determine if an organization is using its assets more or less effectively than it had done previously.

Chart 13: UPCL Return on Assets Ratio from FY 2001-02 to FY 2023-24

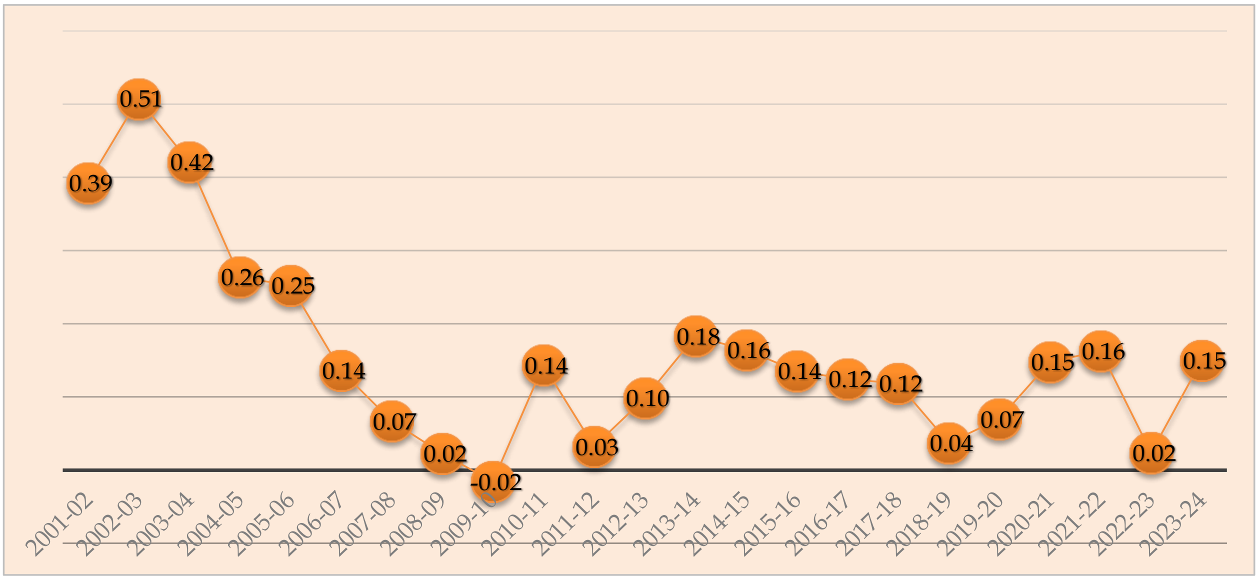


As can be seen from the above graph, UPCL earnings through its operations is not in parity with the investment made in building up its fixed assets over a period of time.

7.5.3.2 Gross Margin Ratio

Gross margin is the difference of average sales revenue and the average direct cost, ie. Power purchase cost in case of the Petitioner. Accordingly, gross margin ratio is the ratio of gross margin and the revenue of the company. Higher gross margin ratios are more favorable indicating that the company will have more money to pay its operating expenses.

Chart 14: UPCL Gross Margin Ratio from FY 2001-02 to FY 2023-24



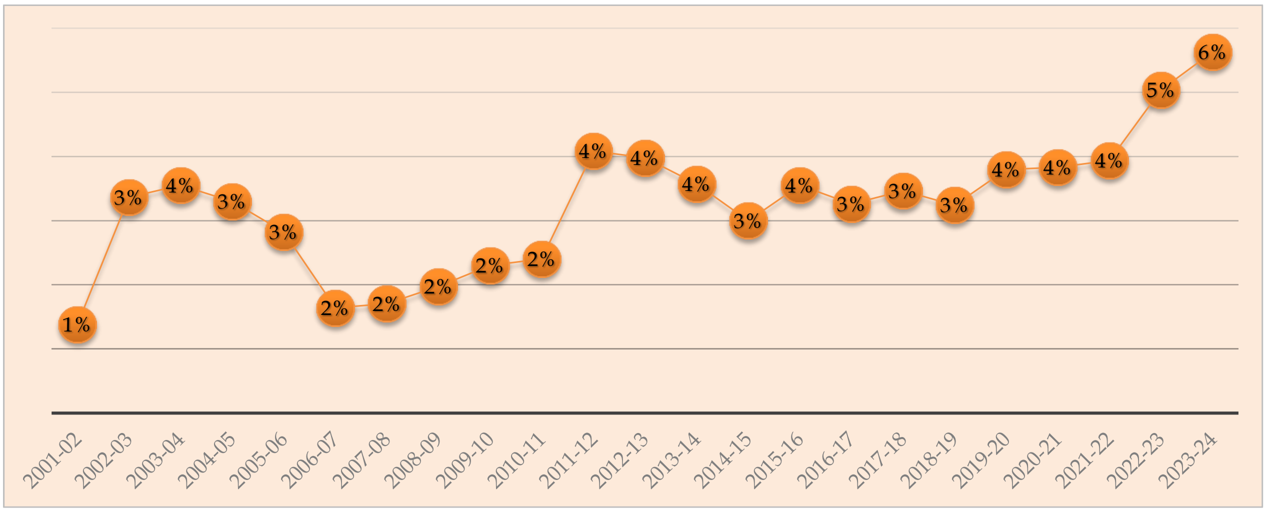
As can be seen from above graph, UPCL is having a positive gross margin ratio except for FY 2009-10. This indicates that the company is able to sell power at a rate higher than the procurement cost of the same, however, the overall ratio is not on the much higher side, with a maximum going upto 0.51 in FY 2002-03, indicating that the company would be left with meagre funds to meet its operational cost other than power procurement expense, and may land up in facing losses over a period of time.

7.5.4 *Operating or Activity Ratio*

7.5.4.1 Repair & Maintenance to Net Fixed Assets

The maintenance expense to fixed assets ratio allows to understand the age or condition of the company's equipment. An increase to a company's repairs and maintenance expense to fixed assets ratio over time can signal ageing equipment or assets that are being pushed to their operating limits.

Chart 15: UPCL R&M to Net Fixed Asset Ratio from FY 2001-02 to FY 2023-24



It can be seen from the above graph, that UPCL is incurring R&M expenses on an average of 3%-4% of the Net Fixed Assets. UPCL appears to be performing fairly on this ratio aspect merely on account of the reason that it has been continuously receiving funds (grants) from GOI under various schemes of MOP, GOI namely APDRP, RAPDRP, IPDS etc. which besides covering development of new substations/lines also include funding on augmentation/strengthening of old/existing assets, thus, reducing the requirements of Repair & Maintenance of old assets, as the same are either replaced by new assets or are augmented & strengthened. However, the ratio has marginally increased to 6% in FY 2023-24 as compared to 5% in FY 2022-23, which is also the highest since FY 2001-02. UPCL should endeavour to control its expenses and ensure optimum utilisation of its resources.

7.5.4.2 Repair & Maintenance to Inventory Ratio

This ratio depicts the relation between the R&M expenses to Net Inventory maintained by the Corporation. In case of UPCL, being an Electricity Distribution Company, the inventory is not converted into sales as part of the operations carried out by the entity. Further most of the project works are getting done by the Corporation on turn-key basis, wherein the material and labour is supplied by the Contractor, thus denying the need for maintenance of inventory for said purpose. The maintenance of inventory would be required by the Corporation for the purposes of meeting its requirement of Repair & Maintenance works as may be carried out from time to time during the course of its operation. In view of the above, the calculation of inventory turnover ratio would not hold good for the discoms like UPCL wherein the inventory is being maintained not for the purposes of sale, but to meet out the expenses arising in the course of operation. Hence, a customized ratio has been worked upon to analyse the relation between the inventories maintained by the entity and how much of the same is being actually used during the year for meeting the R&M expenses while carrying out the operations of the entity.

Further, the Commission in the past has observed that since FY 2015-16, UPCL has been showing nil inventory under Current Assets in its audited financial statements, and is showing the entire amount under the Fixed Assets as inventory for Capital Works.

In this regard, UPCL has given disclosure in its audited financial statements for showing the entire inventory under Fixed Assets as reproduced below:

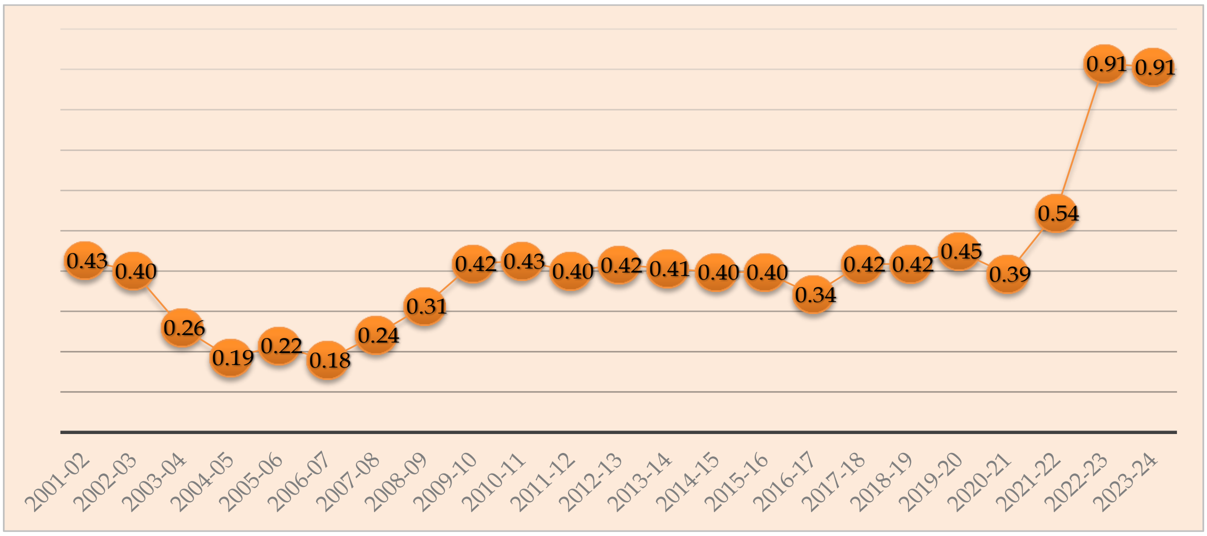
> *"Based on the consumption pattern of inventory comprising of stores and spares in the past, company is of the view that substantial portion of such inventory shall be consumed in future for construction/erection of the capital assets. Since the identification/determination of inventory to be consumed for other than capital purpose is not possible at this stage, the whole inventory of stores and spares has been classified as "Inventory for Capital Works.*

The company has not identified any obsolete, slow moving and dead stock except for those lying in the Centralised Stores Division as all the items in the store are usable inspite of the fact that they are very old."

In this regard, the Commission is of the view that the formulae used for calculating R&M to Inventory ratio till FY 2014-15 is not serving any purpose from FY 2015-16, since due to Nil inventory under the Current assets, the ratio has shown absurd variations. The Commission has accordingly modified the formulae to include the inventory for CWIP in the calculation.

The revised formulae for the same is as follows: R&M Expenses/Average Inventory (including Inventory for Capital Works).

Chart 16: UPCL R&M to Inventory Ratio Trend from FY 2001-02 to FY 2023-24



As can be seen from above graph UPCL is having an average inventory ratio between 0.30 to 0.45, which indicates that on an average almost 40% of the average inventory maintained by the company is being consumed for meeting out the R&M expenses during the year which also suggests that inventory being maintained by UPCL is at a very high level. The capital inventory of Rs. 449.87 Crore as on 31.03.2024 which is around 56.39% of the net additions to the GFA of Rs. 797.81 Crore during FY 2023-24 suggests that UPCL in FY 2023-24 has made substantial addition to the inventory for capital works, as the capital inventory in FY 2022-23 of Rs. 389.54 Crore was almost 47.69% of the net additions during the said year. The Commission finds inventory levels maintained by UPCL as very high.

Further, the R&M to Inventory ratio rose from 0.54 in FY 2021-22 to 0.91 in FY 2022-23 and is at the same level in FY 2023-24 indicating a substantial increase in R&M expenses in FY 2022-23 & FY 2023-24 as compared to FY 2021-22.

It appears that inventory levels have been so maintained so as to consume them in future for construction/erection of the capital assets. For future consumption maintaining such inventory level is a risky proposition as not only funds are blocked in purchasing the inventory but also the inventories carry holding costs. There is also a risk of loss/damages and obsolescence in technology if the inventories remain in stock for a long period of time as in power sector technologies are evolving with time.

Considering this as a prima-facie lapse on the part of the Petitioner with regard to inventory management, the Petitioner is directed to submit the following details within one month of the date of Order failing which appropriate action will be initiated under the Act:

- **a) List of inventory as on 31.03.2025.**
- **b) The accounting policies adopted in measuring inventories, including the cost formula used;**
- **c) Basis on which inventories issued: FIFO/LIFO/etc. and reason for choosing the same.**
- **d) Whether any inventory classification, such as ABC analysis has been done? If yes the same may be submitted and if no, reason for the same may be furnished?**
- **e) Whether the inventories are verified physically? If yes, the periodicity of the same, alongwith the report of last physical verification. If physical verification is not being conducted reasons for the same?**

7.5.5 *Efficiency Ratio*

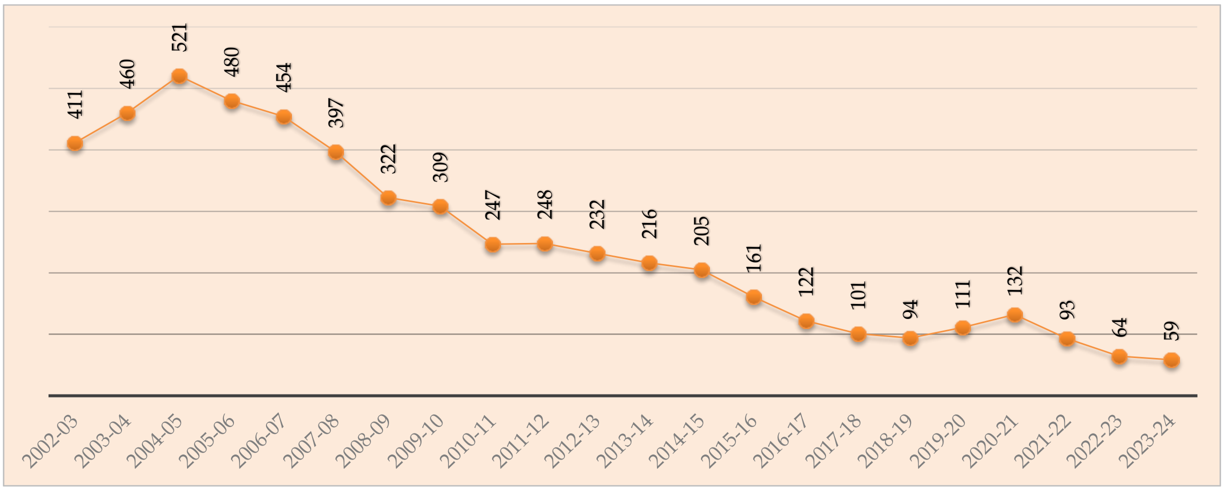
The efficiency ratio is typically used to analyze how well a company uses its assets and liabilities internally. An efficiency ratio can calculate the turnover of receivables, the repayment of liabilities, the quantity and usage of equity, and the general use of inventory and machinery.

7.5.5.1 Average Collection Period

Number of days of receivable represents collection period or age of receivables for distribution utilities. This measures effectiveness of a distribution utilities credit and collection efforts in allowing credit to customers, as well as its ability to collect cash from them. This comparison is used to evaluate how long customers are taking to pay a company. A low figure is considered best, since it means that a business is locking up less of its funds in accounts receivable, and so can use the funds for other purposes. Also, when receivables remain unpaid for a reduced period of time, there is less risk of payment default by customers. It is calculated based on the following formulae:

Average Collection Period: 365x(Average account receivables÷Revenue from sale of power).

Chart 17: UPCL Number of days of Receivable from FY 2002-03 to FY 2022-24



The collection period of receivables of UPCL shows a trend of improvement, it has come down from 520 days in FY 2004-05 to 59 days in FY 2023-24, which is within the range of national average of receivables in FY 2013 of 117 days. The collection period of 59 days reflects that UPCL takes almost 1.97 months to collect its dues. Although, the utility has shown improvement on this aspect, still it is an area of concern and needs immediate and corrective action. The utility like UPCL, which is facing cash crunches to meet its obligations of power purchase and other operational expenses need to be more prompt in realising its receivables, that too in the vague of the fact that the utility has started monthly billing, to its consumers, in most of its divisions, with a provision of fortnightly billing for large consumers having Contracted Demand of 3 MVA and above. **The Petitioner is directed to submit within 3 months, an action plan to improve its collection period.**

7.5.5.2 Collection Efficiency Ratio

The Collection efficiency ratio represents the efficiency and effectiveness of the dues recovery processes of the entity on periodic basis. With respect to power distribution/retail sector, a higher ratio represents that there are well established procedure for recovery mechanism and the sales of the company are being channelled through metered connections. On the contrary, a lower ratio may represent a very lenient approach of the Corporation in recovering its due from the consumers and lack of stringent processes to deal with the defaulting consumers.

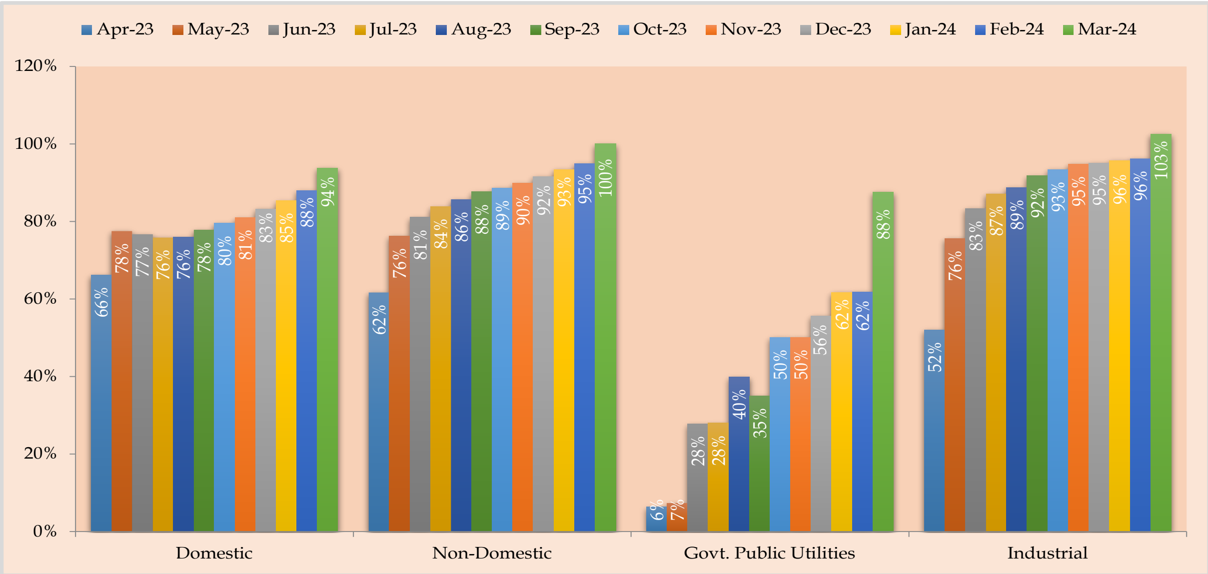
The Commission in its MYT Order dated 31.03.2022, while approving the Business Plan of UPCL for fourth control period, has approved the collection efficiency for FY 2023-24 as 99.15%.

In the present case, the Commission has calculated the Collection Efficiency ratio of UPCL for FY 2023-24 under the four broad Tariff categories, viz. Domestic Consumers, Non-Domestic Consumers, Industrial Consumers and Govt. Utilities, based on details submitted by UPCL and revenue collection and realization data submitted by it for FY 2023-24 during the current tariff proceedings.

The Collection Efficiency ratio has been calculated based on the following formulae **=**

Realisation of (Current Assessment+Arrears) ÷ Current Assessment

Chart 18: UPCL Collection Efficiency for FY 2023-24



As can be seen from the above graph, compared to overall Collection Efficiency approved by the Commission for FY 2023-24 of 99.15%, UPCL has been able to meet the same only in the last month of FY 2023-24 in case of Industrial Consumers and Non-domestic consumers, however, UPCL is barely able to achieve the approved level of collection efficiency for other categories as shown above. Further as can be seen from above, the rising graph on monthly basis clearly indicates that during the initial months of the year the collection efficiency ranges between 50% to 85%, which is gradually increasing towards the later parts of the year. Moreover, as far as collection from Govt. Utilities is concerned, the same is too lower in the initial months and is ranging in the average of 06%-60% during the year and going upto a maximum of 88% in the month of March'24.

This trend clearly shows that the organization will be facing financial crunches during the initial months due to lack of adequate collection and may have to resort to outside borrowings to meet the cost of operations. This in turn will lead to imposition of additional financial burden on the organization in the form of interest cost and ultimately the effect of inefficiency would have to be borne by the consumers. If proper measures to ensure the timely collection of revenues from the consumers is taken right from the beginning and also timely action against the defaulters are taken then a discipline in collections could have been maintained and the required funds to meet the operational needs of the organization would be readily available in the form of revenue from sales at no extra cost.

It has been observed based on the Petitions submitted by the UPCL and also on the basis of audited financial statements of various years, that UPCL has been resorting to over draft (OD) funding at high rate of interest to meet its operation cost which could surely be avoided if a proper discipline in collection of the assessed revenue is maintained on periodic basis. **In this regard, the Commission directs UPCL to constitute a Committee of Directors which shall sit by 15th of every month to monitor the collection of dues division wise and also division wise losses of the preceding month and also suggest measures to improve the collections & reduce losses and submit a report before the Commission of the meetings of the Committee of Directors in this regard, by the end of each month. Further, the Petitioner should also upload month-wise division wise Sales, Revenue Billed and Revenue Realised along with associated billing and collection efficiency on monthly basis, so that the same is accessible to general consumer, failing which appropriate action may be taken against the officer responsible.**

7.5.6 *Conclusion*

After analyzing the data related to the Petitioner's Commercial Performance, it is concluded that the Petitioner has to take immediate action in eliminating Ghost consumers, Provisional billing cases (NA/NR/IDF), replacing mechanical meters which are adversely inflicting upon the Petitioner's commercial & financial viability.

The performance improvement can be done by judiciously allocating the responsibilities in field as well as at corporate level. Moreover, the Petitioner should understand the significance of Commercial Performance Monitoring Reporting mechanism and should bring sincerity in its approach towards it. Further, a sense of belongingness/ownership has to be inculcated in every employee of the Petitioner's Organisation.

Further, it is imperative to highlight that the Commercial Performance Reporting mechanism not only brings transparency in the system but also is an eye-opener for the Petitioner for taking timely corrective actions. Therefore, authenticity of reports is of paramount importance. The Petitioner is required to strengthen its Commercial Wing so that timely authentic reports are furnished to the Commission, and it shall also help in prompt dissemination of information within the organization which shall be beneficial for the Petitioner as well as for consumers of the State.

Considering the business spread of the Petitioner among its constituent divisions, the Commission is of the view that performance monitoring of the Petitioner should be done at its each Distribution Division levels. For this purpose, it is imperative that Division-wise target setting on each parameter should be provided by the Petitioner in the first month of the Fiscal Year itself, so that the whole Technical & Commercial monitoring process becomes meaningful with conclusive inference on quantitative improvement on month-on-month basis.

8. Commission's Directives

The Commission in its previous Orders had issued a number of specific directions to the Petitioner with an objective of attaining operational efficiency, efficient manpower deployment and streamlining the flow of information. These objectives would be beneficial not only for the sector but also for the Petitioner's Company, both in terms of short-term and long-term perspective. These directions aim at creating a conducive, competitive and healthy environment for the Petitioner to provide good quality of electricity supply and service to the consumers of Uttarakhand at optimum and affordable costs. This Chapter deals with the compliance status and the Commission's views thereon on the directives issued vide Tariff Order for FY 2024-25 as well as the summary of new directions (given in preceding Chapters of this Order) for compliance and implementation by the Petitioner.

8.1 Compliance to the Directives Issued in Tariff Order for FY 2024-25

8.1.1 *Performance Report*

The Commission directs the Petitioner to submit timely monthly Commercial Performance Monitoring reports strictly in the prescribed formats on regular basis, so as to reach the Commission latest by 25th day of the following month (Format 7 & Format 8 within 02 months) and also submit the Quarterly Targets as per prescribed Format - 2 & 3 alongwith the Commercial Performance Monitoring report for the month of April, 2024.

Petitioner's Submissions

The Petitioner submitted that the commercial performance monitoring report in the prescribed formats for the month of August, 2024 has been submitted to the Commission vide its letter no. 5212 / CE (Comml.) / UPCL /SE-II/ BII (1) /CPM, dated October 21, 2024. The Petitioner further submitted that divison wise quarterly targets for NA/NR / IDF/ ADF/ RDF/ Mechanical Meters/Ghost consumers for FY 2024-25 have been submitted to the Commission vide its letter no. 3312/CE (Comml.) / UPCL /SE-II/ BII (1) /CPM, dated July 08, 2024. These targets are as follows:

Table 8.1: Quarterly targets of NA/NR/IDF/ADF etc. for FY 2024-25

Particulars	At the end of Q-1	At the end of Q-2	At the end of Q-3	At the end of Q-4
NA cases	1.02%	0.88%	0.77%	0.64%
NR cases	1.14%	0.97%	0.82%	0.60%
IDF cases	1.54%	1.34%	1.28%	1.10%
Mechanical Meters	Nil	Nil	Nil	Nil
Ghost Consumers	Nil	Nil	Nil	Nil

Note: There are no Mechanical Meters and Ghost Consumers available in the system.

The status of performance parameters as of August, 2024 as submitted by the Petitioner is as follows:

Table 8.2: Status of NA/NR/IDF cases as on March, 2024 vis-à-vis August, 2023

Particulars	At the end of March, 24	At the end of August, 24
NA cases	1.45%	1.23%
NR cases	1.10%	0.68%
IDF cases	1.68%	1.47%

The Commission observes that the Petitioner has not been punctual in its submissions of monthly reports. **Therefore, the Commission directs Petitioner to submit timely monthly Commercial Performance Monitoring reports strictly in the prescribed formats on regular basis, so as to reach the Commission latest within 45 days (Format 7 & Format 8 within 60 days) and also submit the Quarterly Targets as per prescribed Format - 2 & 3 alongwith the Commercial Performance Monitoring report for the month of April, 2025. The Petitioner is further directed to upload these reports on its website so that the same is accessible to all consumers, failing which appropriate action may be taken against the officer responsible.**

8.1.2 *Reliabilty Indices*

The Commission directed the Petitioner to submit the monthly report on Reliability Indices on regular basis and also submit the targets of Reliability Indices on the prescribed Format SoP-10 of UERC (Standards of Performance) Regulations, 2022 alongwith its ARR for FY 2025-26

The Petitioner submitted that steps have been taken at Corporate Office to ensure that the said report is timely submitted to the Commission on regular basis. The report for the month of August, 2024 has been submitted to the Commission vide UPCL's letter no. 5188/CE(Coml.)/UPCL/SE-II/B-II/M-SSM, dated October 18, 2024. The actual details of SAIFI, SAIDI & MAIFI are as follows:

Table 8.3: Actual Details of SAIFI, SAIDI & MAIFI

Year	SAIFI (No.)		SAIDI (Minutes)		MAIFI (No.)	
	Rural	Urban	Rural	Urban	Rural	Urban
March,22	34	24	1297	727	10	8
March, 23	29	23	898	579	6	4
March, 24	22	20	992	559	6	5
Upto Aug, 24	25	19	869	536	9	5

The targets of Reliability Indices for FY 2025-26 shall be submitted to the Commission alongwith ARR and Tariff Petition for FY 2025-26.

The Commission has noted the Petitioner's reply on Reliability Indices. The Commission once again directs the Petitioner to submit the monthly report on Reliability Indices on regular basis and also submit the targets of Reliability Indices on the prescribed Format SoP-10 of UERC (Standards of Performance) Regulations, 2022 alongwith its ARR for FY 2026-27. The Petitioner is further

directed to upload these reports on its website so that the same is accessible to all consumers, failing which appropriate action may be taken against the officer responsible.

8.1.3 *Analysis of Load Factors of High Value Consumers*

The Commission directed the Petitioner to constitute a cell in its commercial wing for analysis and monitoring of consumer data including low load factor cases, meter tamper cases, etc. Further, the Commission also directed to submit a report on analysis and monitoring of consumer data on monthly basis by 25th of every month in CPM reports.

The Petitioner submitted that it had awarded its work vide Order no. 590/UPCL/CE/CCP-II/41/2021-22 (Sai Computers), dated September 19, 2022 had awarded the work of monthly data analysis for a period of one year to M/s Sai Computers Ltd., Meerut. The data analysis cover the following attributes:

a. Tamper analysis by way of PT missing, CT short, CT open, CT interchange /reversal, voltage imbalance, current imbalance, neutral disturbed, power failure, magnetic tamper, transactions, 35 KV spark Test, Cover open temper, high voltage/ frequency surges.

b. Percentage slots for which demand is less than a given percentage when demand is available. (Default 5%)

c. Percentage black out slots when power is available.

d. Current month consumption Vs last month consumption or current month consumption Vs that of same month last year is less than given percentage (Default 20%).

e. Contract demand violation.

f. Number of slots for which power factor is less than or more than or in between for a given value.

g. Consumption vis-a-vis usage index for the industry (process) wise, based on the data provided. Process wise load factor will be provided to vendor.

h. Ratio of Average/ contracted demand, maximum/ contracted demand, average/ maximum demand, average demand shall be calculated for the number of months as specified time to time.

i. Double meter /Main meter/ Independent feeder meter/ Net Off meter/ Bi-directional meter/ ABT meter comparison difference of load survey data for every 30 minutes / 15 minutes slot on per day & per month basis demand and consumption is more than given percentage (Default 3%) for entire months.

j. Consumption comparison of main meter with check meter/other end meter in terms of KWH, KVAH, MD on each & every month is to be complied checked and if difference of main meter w.r.to check meter/other end meter is more /less than the standardized value or as fixed by UPCL the check-out list is to be submitted.

k. Any other comparison, detail, analysis, report etc in desired format of UPCL from time to time for desired period and in desired timeline shall mandatorily be provided by the contractor.

l. Complete analysis of all the consumers' alongwith reports, recommendations/comments in desired formats complete in all respect shall be submitted by bidder not later than 25th of every month.

m. Contractor shall ensure to do the MRI analysis of consumers having load above 25KW and shall also ensure that all the HT consumers across the State shall be analyzed atleast three times during the currency of work. The contractor shall also ensure that none of the HT consumer got left out from the analysis due to any reason whatsoever.

n. All type of analysis reports shall be submitted by the bidder to respective distribution division and test division of UPCL along with the copy of same to the Nodal Officer/ Engineer In charge of the Project.

The updated status of MRI checked as per report of consultant as submitted by the Petitioner is as follows:

Table 8.4: Status of MRI Checked as per report of consultant

S. No.	Particulars	Oct, 22 to Feb, 24
1.	Average monthly MRI analyzed (No.)	8493
2.	Total suspected cases reported (No.)	1569
3.	Pending suspected case (No.)	539
4.	Total cases checked by division (No.)	1030
5.	Total cases wherein irregulatries found and assessment proposed (No.)	484
6.	Total cases wherein proposed assessment is realized (No.)	416
7.	Assessment (Rs. Lakh)	1738
8.	Realization (Rs. Lakh)	962
9.	Assessment (%) (5/4)	47%

The MRI status of KCC consumers as submitted by the Petitioner is as follows:

Table 8.5: MRI Status of KCC Consumers

Status	No. of Consumers					
	March, 20	**March, 21**	**March, 22**	**March, 23**	**March, 24**	**Sep, 24**
Total Nos. of KCC Consumers	25123	26503	28853	32992	38762	41393
Consumers having load factor more than 75%	616	812	665	959	1045	1205
Consumers having load factor more than 50%	1625	2045	1783	2440	2727	3295
Consumers having load factor more than 30%	4302	4989	4753	6141	6893	8899
Consumers having load factor more than 20%	7406	8066	8140	9851	11541	15132
Consumers having load factor more than 10%	13507	14221	14906	17475	20312	25261
Consumers having load below 10%	11616	12282	13947	15517	18450	16132
Consumers exceeding sanctioned demand	4856	4655	5415	5684	7000	8340

The Petitioner submitted that vide its letter no. 4542/MD/UPCL/I-7, dated May 01, 2019, it had fixed the monthly targets of the officers at various levels for checking of consumers, study of consumers as vigilance checks.

The Commission has taken note of the submission made by the Petitioner. **The Commission again directs the Petitioner to constitute a cell in its commercial wing for analysis and monitoring of consumer data including low load factor cases, meter tamper cases, etc. The Commission directs the Petitioner to submit details of abnormal cases strictly as per the prescribed Format-6 of monthly CPM reports. The Petitioner is further directed to upload these reports on its website so that the same is accessible to all consumers, failing which appropriate action may be taken against the officer responsible.**

8.1.4 *Collection Efficiency*

The Commission directed the Petitioner to submit the month-wise division-wise details of collection of dues by the 15th of the next month and action under the Act may be taken against the Executive Engineer of those divisions who are found in default of making collections less than the approved collection efficiency.

Petitioner's Submissions

The Petitioner submitted that as per the direction of the Commission, UPCL vide its letter no. 4764/UPCL/RM/C-20, dated September 23, 2024 and no. 6290/UPCL/RM/C-20, dated December 12, 2024 provided the division wise collection efficiency for the period from April, 24 to June, 24 and July, 24 to September, 24 respectively. The division wise status of collection efficiency for the period from April, 24 to September, 24 is as follows:

Table 8.6: Division Wise Collection Efficiency

S. No.	Name of Division/ Circle/Zone	Collection Efficiency
1.	EDD, Raipur	84.34%
2.	EDD, Rishikesh	81.34%
3.	EDD, Doiwala	82.79%
4.	EDD, Mohanpur	88.70%
5.	EDC, (R) Dehradun	85.38%
6.	EDD (N), Dehradun	85.23%
7.	EDD (S), Dehradun	85.37%
8.	EDD (C), Dehradun	81.03%
9.	EDC, (U) Dehradun	84.10%
10.	EDD Vikasnagar	69.73%
11.	EDD, Barkot	75.93%
12.	EDC, Chakrata	70.42%
13.	EDD, Tehri	78.35%
14.	EDD, Uttarkashi	85.23%
15.	EDC, Tehri	79.27%
16.	EDD, Srinagar	78.34%
17.	EDD, Pauri	88.14%
18.	EDD, Kotdwar	89.10%
19.	EDD, Nainidanda	79.07%
20.	EDC, Srinagar	86.32%
21.	EDD, Narayanbagarh	92.06%
22.	EDD, Gairsain	85.86%
23.	EDD, Gopeshwar	76.31%
24.	EDD, Rudraprayag	90.62%
25.	EDC, Karnprayag	83.60%
26.	Garhwal Zone	83.67%
27.	EDD (U), Roorkee	79.56%
28.	EDD (R), Roorkee	84.10%
29.	EDD Bhagwanpur	90.90%
30.	EDD Ramnagar (Roorkee)	79.43%
31.	EDC, Roorkee	85.44%
32.	EDD (U), Hardwar	84.71%
33.	EDD (R), Hardwar	96.41%
34.	EDD, Laksar	81.39%
35.	EDD, Jwalapur	83.38%
36.	EDC, Haridwar	89.62%
37.	Haridwar Zone	87.88%
38.	EDD (U), Haldwani	67.13%
39.	EDD, Nainital	92.23%
40.	EDD, Ramnagar	70.58%
41.	EDD (R), Haldwani	84.79%
42.	EDC, Haldwani	78.21%
43.	EDD, Kashipur	85.35%
44.	EDD, Bajpur	67.51%
45.	EDD, Jaspur	78.73%
46.	EDC, Kashipur	79.06%
47.	EDD, Almora	68.03%
48.	EDD, Bageshwar	75.22%
49.	EDD, Ranikhet	69.85%
50.	EDD, Bhikiyasain	70.05%
51.	EDC, Ranikhet	70.36%
52.	Kumaon Zone	78.26%
53.	EDD Rudrapur-I	89.33%
54.	EDD, Kichha	83.68%
55.	EDD, Rudrapur-II	86.89%
56.	EDC, Rudrapur	87.86%
57.	EDD, Sitarganj	86.88%

Table 8.6: Division Wise Collection Efficiency

S. No.	Name of Division/ Circle/Zone	Collection Efficiency
58.	EDD, Khatima	83.80%
59.	EDD, Champawat	77.24%
60.	ED, Champawat	85.25%
61.	EDD, Pithoragarh	73.56%
62.	EDD, Dharchula	87.31%
63.	EDC Pithoragarh	76.33%
64.	Udhamsingh Nagar Zone	86.60%
65.	Total Uttarakhand	84.43%

In this regard, the Commission directs UPCL to constitute a Committee of Directors which shall hold its meeting by 15th of every month to monitor the collection of dues division wise and also division wise losses of the preceding month and also suggest measures to improve the collections & reduce losses and submit a report before the Commission of the meetings of the Committee of Directors in this regard, by the end of each month. Further, the Petitioner should also upload month-wise division wise Sales, Revenue Billed and Revenue Realised along with associated billing and collection efficiency on monthly basis, so that the same is accessible to general consumer, failing which appropriate action may be taken against the officer responsible.

8.1.5 *Average Collection Period and Collection Period*

The Commission directed the Petitioner to submit within 3 months, within 3 months, an action plan to improve its collection period. The Commission directs UPCL to submit a plan to demonstrate as to how it will work in the direction of improving its actual collection so that the gap between the actual collection efficiency and the collection efficiency approved by the Commission may be brought to minimum.

The Commission also directed the Petitioner to constitute a Committee of Directors which shall sit by 15th of every month to monitor the collection of dues division wise and also division wise losses of the proceeding month and also suggest measures to improve the collections & reduce losses and submit a report before the Commission of the meetings of the Committee of Directors in this regard, by the end of each month.

Petitioner's Submission

The Petitioner submitted that targets of billing efficiency, collection efficiency and AT&C losses for FY 2024-25, as fixed by the Commission and MoP under RDSS scheme are as follows:

Particulars	As per UERC	Under RDSS
Billing Efficiency	13%	13.00%
Collection Efficiency	99.15%	98.90%
AT&C Losses	13.74%	13.96%

The Petitioner submitted that with a view to achieve targets as fixed by the Commission, the targets of field units have been fixed and circulated vide its's letter no. 5796/UPCL/RM/L-17, dated

September 12, 2024. The summary of these targets is as follows:

Particulars	Target value
Distribution Loss	9.90%
Collection Efficiency	100%
AT&C Losses	9.90%
Through Rate excluding FPPCA: Non-Govt. Category	Rs. 6.42 / unit

The Petitioner submitted that monitoring of division wise performance against the above targets is being done at Corporate Office on regular basis. The following actions are being taken for increase in revenue collection:

a. Vigilance raids are being conducted and cases are being registered under Sections 126 and 135 of Electricity Act, 2003. Legal proceedings are being initiated against the person(s) who is found indulging in theft of electricity.
b. Defective Meters are being replaced.
c. LT ABC is being laid in theft prone areas.
d. Automatic Meter Reading is being done of high value consumers.
e. Android based billing has been introduced for improvement in Billing Efficiency.
f. Electricity connections of defaulting consumers are being disconnected on regular basis.
g. Actions are being taken against the defaulting consumers under Section 3 and 5 of the \ Uttarakhand (U.P. Government Electricity undertakings (Dues Recovery) Act, 1958) Adaptation and Modification order, 2002 for recovery of revenue arrears.
h. Implementation of prepaid metering is in process under RDSS scheme.

The Petitioner further submitted that vide its O.M. No. 4666/UPCL/RM/C-20, dated September 13, 2024 constituted the Committee of Directors (Director –Projects, Director – Operations, Director – Finance) to monitor the division wise collection of electricity dues and electricity losses.

The Commission has noted the Petitioner's submission in this regard and observes that the collection efficiency is still below the norms.

The Commission observes that the actual collection efficiency for FY 2023-24 is 99.14%, which is marginally lower than the approved norm of 99.15%. The Petitioner is expected to continue to hold review meetings by the committee of Directors and work towards further improving the collection efficiency.

8.1.6 *Provisions for Bad and Doubtful Debts*

The Commission directed the Petitioner to continue raising the issue of pending dues regularly on Government connections like Public Lamps, Public Water Works and GIS and settle the dues.

Petitioner's Submission

The Petitioner submitted that the issue for recovery of pending dues on Govt. connections is being regularly perused with GoU. The status of Assessment, Collection and Arrears against Government connections during FY 2023-24 and 2024-25 is as follows:

Table 8.7: Division Wise Collection Efficiency

S. No.	Category	Balance as on 31-03-2023	Assessment : April, 23 to March, 24	Payment (cash / adjustment) April, 23 to March, 24	Balance as on 31-03-2024	Balance as on 30-09-2024
1.	Public Water Works (Jal Nigam / Jal Sansthan)	**49.36**	373.00	375.18	**47.18**	**152.63**
2.	Public Lamp	**63.53**	43.35	35.25	**71.63**	**89.82**
Total ULBs and RLBs (1+2)		**112.89**	**416.35**	**410.43**	**118.81**	**242.45**
3.	Govt. Irrigation System	**43.27**	90.32	92.72	**40.87**	**93.05**
Total		**156.16**	**506.67**	**503.15**	**159.68**	**335.50**
4.	Other Government Department	**44.39**	84.24	100.35	**28.28**	**33.32**
Government Department Dues		**200.54**	**590.91**	**603.50**	**187.95**	**368.82**

The Commission has noted the submissions of the Petitioner in this regard. It is observed that the pending dues reduced in FY 2023-24 vis-à-vis FY 2022-23. However, the same has drastically increased as on 30.09.2024. **UPCL is directed to justify such drastic increase in pending dues within on month from the date of this Order. UPCL is also directed to continue raising the issue of pending dues regularly on Government connections like Public Lamps, Public Water Works and GIS and settle the dues.**

8.1.7 *Consulatative Committee*

The Commission directed the Petitioner to also include representatives from UJVN Ltd. and PTCUL in the Committee and hold regular meetings to understand each other's concerns.

Petitioner's Submission

The Petitioner submitted that vide its letter no. 3622/UPCL/D(P)/PTCUL, dated 24-07-2024 and no. 3621/UPCL/D(P)/UJVNL, dated 24-07-2024 had requested UJVNL and PTCUL to propose the name of officers to be included in the Consultative Committee. UJVNL vide its letter dated July 29, 2024 informed UPCL to include the following representatives of UJVNL for the Consultative Committee:

a. Shri Sanjay Joshi, General Manager (Lakhwar-Vyasi), UJVNL Limited, Dakpathar

b. Shri K.K. Jaiswal, General Manager (Commercial), UJVNL Limited, Dehradun

The Petitioner submitted that the said information is still awaited from PTCUL. On receipt of the said information from PTCUL, orders for the revised Committee including the officers of UJVNL and PTCUL shall be issued by UPCL.

The Commission has taken note of te submission made by the Petitioner**. The Commission directs MD, PTCUL to nominate atleast one officer not below the level of Chief Engineer in the Consultative Committee constituted under orders/ directions of the Commission within one month of the from the issuance of the Tariff Order.**

8.1.8 *To update and Maintain the CS-3 & CS-4 report on web-site*

The Commission directed the Petitioner to update and maintain the CS-3 & CS-4 report on their web-site regularly and promptly within 02 months.

Petitioner's Submission

The Petitioner submitted that the steps have been taken to update the commercial diary and the CS-3 & CS-4 statement for the month of September, 2024 has been posted on the website of UPCL. Further, UPCL vide its Office Memorandum No. 3313/UPCL/RM/L-20, dated August 16, 2022 had ordered that the commercial diary shall be finalized within 40 days from the end of the month. It is also informed to the Commission that earlier there were the provision for finalization of monthly billing data in R-APDRP billing system after a month, with a view to reduced the timing for preparation of commercial diary, UPCL vide its letter no. 1811/UPCL/RM/L-20, dated April 08, 2024 ordered for finalization of the billing data within 15 days from the end of the month and instructions have been issued to prepare the commercial diary within 30 days from the end of the month.

The Commission again cautions the Petitioner that the practices of uploading the delayed CS-3 & CS-4 reports on its website should be strictly avoided. In this regard, the Commission directs the Petitioner to update and maintain the CS-3 & CS-4 report on their website regularly and promptly within 30 days from the end of the respective month in a manner it is accessible to general consumers, failing which appropriate action may be taken against the officer responsible.

8.1.9 *Montheise division wise Collection*

The Commission directed the Petitioner to submit the month wise division wise details of collection of dues by the 15th of the next month and action may be taken against the Executive Engineer of those divisions whose collection efficiency is less than the approved collection efficiency.

Petitioner's Submission

The Petitioner submitted that as per the direction of the Commission, UPCL vide its letter no. 4764/UPCL/RM/C-20, dated 23-09-2024 and no. 6290/UPCL/RM/C-20, dated December 12, 2024 provided the division wise collection efficiency for the period from April, 24 to June, 24 and July, 24 to September, 24 respectively. The division wise status of collection efficiency for the period from April, 24 to September, 24 is as follows:

Table 8.8: Division-wise Collection Efficiency

S. No.	Name of Division/ Circle/Zone	Collection Efficiency
1.	EDD, Raipur	84.34%
2.	EDD, Rishikesh	81.34%
3.	EDD, Doiwala	82.79%
4.	EDD, Mohanpur	88.70%
5.	EDC, (R) Dehradun	85.38%
6.	EDD (N), Dehradun	85.23%
7.	EDD (S), Dehradun	85.37%
8.	EDD (C), Dehradun	81.03%
9.	EDC, (U) Dehradun	84.10%
10.	EDD Vikasnagar	69.73%
11.	EDD, Barkot	75.93%
12.	EDC, Chakrata	70.42%
13.	EDD, Tehri	78.35%
14.	EDD, Uttarkashi	85.23%
15.	EDC, Tehri	79.27%
16.	EDD, Srinagar	78.34%
17.	EDD, Pauri	88.14%
18.	EDD, Kotdwar	89.10%
19.	EDD, Nainidanda	79.07%
20.	EDC, Srinagar	86.32%
21.	EDD, Narayanbagarh	92.06%
22.	EDD, Gairsain	85.86%
23.	EDD, Gopeshwar	76.31%
24.	EDD, Rudraprayag	90.62%
25.	EDC, Karnprayag	83.60%
26.	Garhwal Zone	83.67%
27.	EDD (U), Roorkee	79.56%
28.	EDD (R), Roorkee	84.10%
29.	EDD Bhagwanpur	90.90%
30.	EDD Ramnagar (Roorkee)	79.43%
31.	EDC, Roorkee	85.44%
32.	EDD (U), Hardwar	84.71%
33.	EDD (R), Hardwar	96.41%
34.	EDD, Laksar	81.39%
35.	EDD, Jwalapur	83.38%
36.	EDC, Haridwar	89.62%
37.	Haridwar Zone	87.88%
38.	EDD (U), Haldwani	67.13%
39.	EDD, Nainital	92.23%
40.	EDD, Ramnagar	70.58%
41.	EDD (R), Haldwani	84.79%
42.	EDC, Haldwani	78.21%
43.	EDD, Kashipur	85.35%
44.	EDD, Bajpur	67.51%
45.	EDD, Jaspur	78.73%
46.	EDC, Kashipur	79.06%
47.	EDD, Almora	68.03%
48.	EDD, Bageshwar	75.22%
49.	EDD, Ranikhet	69.85%
50.	EDD, Bhikiyasain	70.05%
51.	EDC, Ranikhet	70.36%
52.	Kumaon Zone	78.26%

Table 8.8: Division-wise Collection Efficiency

S. No.	Name of Division/ Circle/Zone	Collection Efficiency
53.	EDD Rudrapur-I	89.33%
54.	EDD, Kichha	83.68%
55.	EDD, Rudrapur-II	86.89%
56.	EDC, Rudrapur	87.86%
57.	EDD, Sitarganj	86.88%
58.	EDD, Khatima	83.80%
59.	EDD, Champawat	77.24%
60.	ED, Champawat	85.25%
61.	EDD, Pithoragarh	73.56%
62.	EDD, Dharchula	87.31%
63.	EDC Pithoragarh	76.33%
64.	Udhamsingh Nagar Zone	86.60%
65.	Total Uttarakhand	84.43%

The Commission **directs the Petitioner to submit the month wise division wise details of collection of dues by the 15th of the next month and action may be taken against the Executive Engineer of those divisions whose collection efficiency is less than the approved collection efficiency**.

8.1.10 *Demand Side Management Measures*

The Commission directed the Petitioner to to submit the report on various Demand Side Management measures at regular quarterly intervals.

Petitioner's Submission

The Petitioner submitted that upto March, 2017, 38.845 lacs LED bulbs were distributed in the State. Out of which 2.02 lacs 7W LED bulbs to BPL consumers & 1.98 lacs 7W LED bulbs to other domestic consumers, having consumption upto 100 units have been distributed on subsidized rates.

The Petitioner further submitted that distribution of 9W LED bulbs, 20W LED Tube Light & 50W Energy Efficient Ceiling Fans was also initiated in the State w.e.f. 10th April, 2017 to March, 2022. The details of distribution are as follows:

9W LED Bulbs	20W EE Tube Lights	50W 5Star Rated Fans
20,31,155	38,103	5,323

The Commission has taken note of the submissions of the Petitioner.

8.1.11 *NB & SB Cases*

The Commission directed the Petitioner to liquidate and finalize atleast 5% of the NB/SB cases in each quarter and submit quarterly report before the Commission. In absence of the same, action under the provisions of Act/Rules/Regulations may be initiated against the UPCL.

Petitioner's Submissions

UPCL submitted that vide its letter No. 2602/UPCL/RM/C-20, dated May 27, 2024 it had directed all the field officers to liquidation and finalization of atleast 5% of NB/SB cases in each quarter.

UPCL submitted that the staus of NB/SB cases for the month of August, 2024 has been submitted to the Commission vide letter No. 3312/ CE (Comml.) / UPCL/SE-II/ BII (1) /CPM, dated July 08, 2024. The status of the same is as follows:

Table 8.9: Status of NA/NR cases

	NB/SB Cases
As on 31-03-2019	161500
As on 31-03-2020	158300
As on 31-03-2021	161580
As on 31-03-2022	154461
As on 31-03-2023	142962
As on 31-03-2024	131418
As on 31-08-2024	127873

The Petitioner submitted that, it is clear that there is regular reduction in no. of NB/SB cases. Further, in compliance of direction received from the Commission vide its letter no. UERC/6/TF-728/2024-25/2024/742, dated August 22, 2024, UPCL provided the details of division wise NB/SB cases (No. : 128738, amount : Rs. 415.67 Crore) to the Commission vide UPCL's letter no. 4764/ UPCL / RM / C-20, dated September 23, 2024.

The Cmmission has taken note of the submission made by the Petitioner. **The Commission again directs the Petitioner to liquidate and finalise atleast 5% of the NB/SB cases in each quarter and submit quarterly report before the Commission. In absence of the same, action under the provisions of Act/Rules/Regulations may be initiated against the Petitioner.**

8.1.12 *Location of Installation of Meters*

The Commission directed the Petitioner to submit quarterly status report with regard to shifting of meters in all the divisions to the Commission.

Petitioner's Submissions

UPCL submitted that vide its letter no. 2602 /UPCL/RM/C-20, dated May 27, 2024 it had directed all the field officers to comply with this direction of the Commission, i.e. shifting of the meters to the safer location in or around the premises of the consumers.

The Commission directs the Petitioner to submit quarterly status report with regards to shifting of meters in all the divisions to the Commission.

8.1.13 *Sales*

The Commission directed the Petitioner to record all the sales on assessment basis from FY 2023-24 in proper format with supporting documents, which shall be scrutinized in future tariff filings and inability to furnish such data may attract appropriate action under the Act against the officers responsible for the same.

Petitioner's Submission

The Petitioner submitted that vide its O.M. No. 3720/UPCL/RM/L-20, dated July 26, 2024 has directed its field officers that in case of bill revision any amount pertaining to previous year assessment has to be reduced from the billing of the consumer, the said amount should be reduced from the arrears of the previous years and not from the amount of assessment of current year. The detailed instructions have been issued in the matter.

The Commission has noted the submissions of the Petitioner. The Commission as discussed in Chapter 4 of this Order while approving sales for FY 2023-24 observed the similar anomalies wherein the ABR for some of the categories was less than the energy charge. The Commission has, therefore, carried out necessary adjustment in the revenue and sales in this regard. The Commission has noted the submissions of the Petitioner in this regard. **The Commission, accordingly, directs UPCL to carryout a monthly review of its ABR for all the divisions vis-à-vis ABR approved by the Commission for the respective financial year and submit the report of analysis alongwith proposed corrective action on monthly basis. The findings of the report shall be placed before the BoD on quarterly basis and Board's recommendation/action on the same shall be submitted to the Commission within 15 days of such BoD meeting but not later than end of the month succeeding such quarter. UPCL is further directed to fix responsibility and take action against the concerned Superintending Engineer/Executive Engineer of the respective division for the anomalies in the commercial diary, and submit report of the same to the Commission alongwith the monthly report of review of division wise ABR.**

8.1.14 *Return on Equity*

The Commission directed the Petitioner to submit such segregation alongwith next tariff filing including the impact of the same duly considering the FY 2022-23 as well.

Petitioner's Submission

The Petitioner submitted that it is not in position to submit such segregation.

The Commission has noted the submissions of the Petitioner. The Commission again **directs the Petitioner to submit such segregation alongwith next tariff filing including the impact of the same duly considering the FY 2023-24 as well.**

8.1.15 *AT&C*

The Commission directed the Petitioner to submit the division-wise target distribution losses for FY 2023-24 and actual distribution losses for FY 2023-24 by June 30, 2024. Further, the Commission directs the UPCL to submit the division-wise actual collection efficiency achieved during FY 2023-24 by June 30, 2024.

Petitioner's Submission

The Petitioner submitted that the information was provided to the Commission vide its letter no. 3486/UPCL/RM/C-20, dated July 15, 2024. The summary of the information is as follows:

i. Target distribution losses of UPCL for FY 2023-24: 12.25%

ii. Actual distribution losses for FY 2023-24: 13.89% (approved: 13.25%)

iii. Actual collection efficiency of UPCL for FY 2023-24: 99.14% (approved: 99.15%)

The Commission directed the Petitioner to submit the division-wise target distribution losses for FY 2024-25 and actual distribution losses for FY 2024-25 by June 30, 2025. Further, the Commission directs the UPCL to submit the division-wise actual collection efficiency achieved during FY 2024-25 by June 30, 2025

8.1.16 *Fixed Asset Register*

The Commission directed the Petitioner to submit the Fixed Asset Register updated up to FY 2022-23 within 3 months from the date of this Order.

Petitioner's Submission

In compliance of the above directions, the Petitioner submitted the following:

i) The Fixed Assets Registers for the period upto FY 2012-13 had already been submitted to the Commission. These registers were got prepared through a consulting firm i.e. M/s L.B. Jha & Co., Chartered Accountants, Kolkata.

ii) The Fixed Assets Register for the period from FY 2013-14 to FY 2015-16 had been submitted to the Commission vide UPCL's letter no. 1774/UPCL/RM/C-14, dated 28.04.2018.

iii) Fixed Assets registers for the FY 2016-17 had been submitted vide UPCL's letter no. 1199/UPCL/RM/C-14, dated 15.05.2018.

iv) Fixed Assets registers for the FY 2017-18 had been submitted vide UPCL's letter no. 3720/UPCL/RM/C-15, dated 25.11.2019.

v) The Fixed Assets Register for FY 2018-19 have been submitted to the Hon'ble Commission vide UPCL's letter no. 2768/UPCL/RM/C-16, dated 23.09.2020.

vi) The Fixed Assets Register for FY 2019-20 have been submitted to the Hon'ble Commission vide UPCL's letter no. 1901/UPCL/RM/C-17, dated 14.07.2021.

vii) The Fixed Assets Register for FY 2020-21 have been submitted to the Hon'ble Commission vide UPCL's letter no. 2809/UPCL/RM/C-18, dated 12.07.2022.

viii) The Fixed Assets Register for FY 2021-22 have been submitted to the Hon'ble Commission vide UPCL's letter no. 3749/UPCL/RM/C-20, dated 29.07.2024.

ix) The hiring of agency for preparation of Fixed Assets Register for FY 2022-23 and 2023-24 is being done.

The Comission has taken note of the submission of the Petitioner. T**he Commission directs the Petitioner to submit the Fixed Asset Register updated up to FY 2023-24 within 3 months from the date of this Order.**

8.1.17 *Voltage wise Cost of Supply*

The Commission directed the Petitioner to submit a compr ehensive plan for conducting energy audit for determination of voltage-wise losses and also segregation of voltage-wise costs within 3 months of the date of Order.

Petitioner's Submission

The Petitioner submitted that presently, presently UPCL is not in a position to compute Voltage wise Cost of Supply. It will be possible only after completion of Smart Metering Works under RDSS Scheme. The said scheme is under implementation.

The Commission has noted the submission of the Petitioner. **Considering the ongoing smart meter deployment under the RDSS scheme, which will significantly enhance data accuracy and enable on-line energy audit & accounting, UPCL is hereby directed to compile and submit the voltage-wise loss data and voltage-wise cost of supply information alongwith next Tariff Petition.**

8.1.18 *Status of NA/NR, IDF/ADF/RDF*

The Commission directed the Petitioner to put its sincere efforts in reducing the percentage NA/NR cases to below 2% in the entire State latest by 30.09.2024, failing which the concerned Chief Engineer (Distribution), Superintending Engineer (Distribution) and Executive Engineer (Distribution) shall be held responsible for non-compliance of the Commission's directions and appropriate action under the Act/Rules/ Regulations would be initiated.

Petitioner's Submission

The Petitioner submitted that vide its letter no. 2602/UPCL/RM/C-20, dated May 27, 2024, Petitioner had directed all the field officers to comply with this direction of the Commission i.e. to restrict percentage of NA/NR cases to 2%.

Table 8.10: Quarter Wise Targets of NA/NR Cases for FY 2024-25

Particulars	At the end of Q-1	At the end of Q-2	At the end of Q-3	At the end of Q-4
NA cases	1.02%	0.88%	0.77%	0.64%
NR cases	1.14%	0.97%	0.82%	0.60%

Table 8.11: Status of NA/NR cases

	NA Cases	NR Cases
As on 31-03-2018	3.54%	4.64%
As on 31-03-2019	4.25%	4.16%
As on 31-03-2020	1.44%	13.29%
As on 31-03-2021	1.64%	0.90%
As on 31-03-2022	1.66%	0.93%
As on 31-03-2023	1.40%	0.66%
As on 31-03-2024	1.45%	1.10%
As on 31-08-2024	1.23%	0.68%

The Petitioner further submitted that it has identified the division wherein the NA and NR cases at the start of FY 2024-25 are more than 2% and targeted these cases during FY 2024-25 below 2%. The list of such division is as follows:

Table 8.12: Division-wise NA/NR cases

S. No.	Name of Division	NA and NR cases (%)
1.	EDD, Barkot	10.75
2.	EDD, Narayanbagarh	8.55
3.	EDD, Gairsain	7.84
4.	EDD, Tehri	7.36
5.	EDD, Rudraprayag	6.60
6.	EDD, Laksar	6.07
7.	EDD, Mohanpur	5.99
8.	EDD, Bageshwar	5.98
9.	EDD, Gopeshwar	5.36
10.	EDD, Uttarkashi	5.23
11.	EDD, Pauri	4.57
12.	EDD, Ranikhet	4.34
13.	EDD, Bhikiyasain	3.98
14.	EDD, Dharchula	3.88
15.	EDD Bhagwanpur	3.48
16.	EDD Vikasnagar	2.78
17.	EDD, Nainidanda	2.73
18.	EDD, Raipur	2.53
19.	EDD, Kotdwar	2.30

The Commission has noted the submissions of the Petitioner and **again directs the Petitioner to put its sincere efforts in reducing the percentage NA/NR cases to below 2% in the entire State latest, failing which the concerned Chief Engineer (Distribution), Superintending Engineer (Distribution) and Executive Engineer (Distribution) shall be held responsible for non-compliance of the**

Commission's directions and appropriate action under the Act/Rules/ Regulations would be initiated.

The Commission further directs the Petitioner to restrict the provisional billing cases within the limit prescribed above as well as in Regulations (i.e. 4% for plain areas and 5% for hilly areas of the State), failing which the concerned Chief Engineer (Distribution), Superintending Engineer (Distribution), Executive Engineer (Distribution) and Executive Engineer (Test) shall be held responsible for non-compliance of the Commission's directions and appropriate action under the Act/Rules/Regulations may be initiated. Further, the Petitioner is directed to submit division-wise percentage revenue billed on provisional billing basis alongwith its monthly CPM reports. The Petitioner is further directed to upload these reports on its website so that the same is accessible to all consumers, failing which appropriate action may be taken against the officer responsible.

8.1.19 *Outstanding Arrears*

The Commission directed the Petitioner to make sincere efforts in mobilizing its resources throughout the year for collection of Arrears under a structured receivable management programme besides taking corrective actions against the habitual defaulters. The UPCL is directed to submit an Action Plan within a month of issuance of this Order including the steps it proposes to take to collect electricity dues from the beginning of the financial year with same vigour as it normally does in the last quarter of the financial year.

Petitioner's Submission

The Petitioner submitted that the Committee for review and monitoring of matters related to Permanent disconnection as per provisions of policy on provisioning and writing off of bad and doubtful debts has been constituted and information of the same is given to the Commission vide UPCL's letter no. 3453/UPCL/RM/B-27, dated July 11, 2024. Further, as regards to the difference in revenue arrears as per Annual Accounts and billing data base, the Petitioner submitted that it has assigned the work of reconciliation of arrears shown differently in various records to M/s KG Somani & Co. LLP Charted Accountants who submitted his report in June 2023 and pointed out the difference in electricity arrears in various records of UPCL as follows:

Particulars	Amount (Rs. Cr)
Arrears as per Audited Accounts	1462.65
Arrears as per Ledger	2910.09
Arrears as per Commercial Diary	2201.53

The Petitionr further submitted that as per the report of the Consultant, the arrears as on 31.03.2023 is Rs. 1614.68 Crore. The corrective action on the report of consultant is in progress. The Petitioner submitted that as per Audit report the summary of the balance which are irrecoverable and to be kept separately apart from normal balances in R-APDRP billing module has been arrived as follows:

a. Govt. Balances

Type of Consumer	Amount (Rs. Crore)
RTS-3A (Public Lamps)	20.77
RTS-3B (Govt. Irrigation System)	320.40
RTS-3C (Public Water Works)	720.35
Total	**1061.52**

b. Non-Govt. Balance

Type of Consumer	Amount (Rs. Crore)
Non KCC Non Live more than 5 years, Balances less than 1 Lakh	257.88

The Petitioner submitted that Director (Operation) vide its letter dated July 22, 2023 forwarded the above report to the field units for taking corrective action as per the recommendation of the Auditor. The office of Director (Operation) vide its letters dated September 13, 2023, October 25, 2023 and January 29, 2024 reminded the field officers to take immediate action in the matter.

In view of the above, the Commission, hereby, once again directs the Petitioner to make sincere efforts in mobilizing its resources throughout the year for collection of Arrears under a structured receivable management programme besides taking corrective actions against the habitual defaulters. The Petitioner is, hereby, once again directed to submit an Action Plan within a month of issuance of this Order including the steps it proposes to take for collecting electricity dues from the beginning of the financial year with same vigour as it normally does in the last quarter of the financial year.

8.1.20 *Conductor Augmentation*

The Commission directed to continue identifying such feeders/spans where the power distribution network is on GI wire and replace them with the ACSR or better conductors latest by September 30, 2024 and submit a compliance report under affidavit on the same.

The Commission also directed the Petitioner to prepare and submit an action plan for checking and refurbishment of protection systems at various 33/11 kV substations latest by June 30, 2024.

Petitioner's Submission

The Petitioner submitted that all Chief Engineers (Distribution) have been directed to replace GI wires, if any in the network latest by the end of September, 2024 and to submit compliance under Affidavit. Further, periodical testing and monitoring of 33/11 KV Sub Stations and protection systems is being carried out by respective Executive Engineer test on a regular basis.

The Petitioner further submitted that periodical testing and monitoring of 33/11 kV Sub Stations and protection systems is being carried out by respective Executive Engineer Test. It is also to inform the Commission that protection manual for UPCL is under final stage.

The Commission has noted the submissions of the Petitioner. **The Petitioner is again directed to continue identifying such feeders/spans where the power distribution network is on GI wire and replace them with the ACSR or better conductors latest by September 30, 2025 and submit a compliance report under affidavit on the same. The Petitioner is also directed to prepare and submit an action plan for checking and refurbishment of protection systems at various 33/11 kV substations latest by June 30, 2025.**

8.1.21 *Scrutiny of KCC Data*

The Commission directed the Petitioner to submit the summary of monthly data analysis report w.r.t. meter tamper and exception cases for the month of December, 2023 made by the agency to the Commission by April 25, 2024.

Petitioner's Submission

The Petitioner submitted the updated status of MRI checked as per report of consultant, which is as follows:

Table 8.13: Status of MRI checked

S. No.	Particulars	Oct, 22 to Feb, 24
1.	Average monthly MRI analyzed (No.)	8493
2.	Total suspected cases reported (No.)	1569
3.	Pending suspected case (No.)	539
4.	Total cases checked by division (No.)	1030
5.	Total cases wherein irregulatries found and assessment proposed (No.)	484
6.	Total cases wherein proposed assessment is realized (No.)	416
7.	Assessment (Rs. Lakh)	1738
8.	Realization (Rs. Lakh)	962
9.	Assessment (%) (5/4)	47%

The Commission has noted the submissions of the Petitioner in this regard. **The Commission directs UPCL to continue monitoring KCC data including low load factor cases, meter tamper cases, etc. The Commission also directs UPCL to submit the report on analysis and monitoring of KCC data on monthly basis by 15th of every month.**

8.1.22 *Procurement of Deficit Energy*

The Commission submitted that in view of persistent deficit scenario during the Control Period, the Petitioner should put its sincere efforts to procure the deficit energy primarily through long term/medium term procurement process thereby optimizing the cost of power purchase and reliable power keeping minimal reliance on short term/Exchange procurement. Further, the procurement should be done through transparent process of bidding. In this regard, the Petitioner is directed to submit its power purchase plan for FY 2024-25 latest by 15th May, 2024.

The Commission further directed the Petitioner to prepare its power purchase plan for the next year and initiate the bidding process to meet the deficit, if any. The Petitioner is directed to submit an action plan in this regard within 15 days of the date of Order. The Petitioner is also directed to ensure compliance of the Regulations issued by the Commission from time to time, failing which any consequent liability would be to the account of the Petitioner.

Petitioner's Submission

The Petitioner submitted that the power purchase plan for FY 2024-25 vide its letter no. 2809 dated June 05, 2024 and presentation on action plan has been made before the Commission. The Petitioner has always put its sincere efforts to procure the deficit energy primarily through long term/medium term procurement process and thereby optimizing the cost of power purchase.

The Petitioner further submitted that it has placed LOI of Banking from HPPC and UPPCL after getting in-principle approval from the Commission to meet the deficit in month of Dec 24 to March 25.

Similarly, the Petitioner has also placed LOI for power under short term tender after getting in-principle approval from thye Commission to meet the deficit in month of Oct 24 to Feb 25.

The Petitioner further submitted that the transparent bidding process to meet the deficit in the upcoming years is also under process. Long term Tender for 300 MW power procurement for 20 years has also been floated on DEEP portal in the month of Nov-24 and it is expected that power may flow from Dec-25. The Petitioner has procured power from different segments of Energy Exchanges for the months of Nov-24 and Dec-24 and process for power purchase for the months of Jan-25 to Mar-25 is also under pipeline.

The Petitioner submitted that partial quantum of deficit power will be managed in real time by DAM/RTM segment of the Exchanges.

The Commission has noted the submissions of the Petitioner in this regard. **the Commission directs UPCL to ensure that actual power purchase to meet the deficit should not exceed the rate approved by the Commission in the relevant tariff orders at the State periphery. Any procurement over and above the rate at the State periphery approved by the Commission shall be disallowed unless prior approval for the same is sought by UPCL. Moreover, the Commission also directs UPCL to minimise its reliance on short term procurement within 5% of its overall power requirement in the financial year.**

8.1.23 *Analysis of Current Liabilities*

The Commission directed the Petitioner to to carry out the age-wise analysis of its total current liabilities outstanding as on 31.03.2024 and based on the ageing analysis determine how much of the same would be required to be discharged and how much excess provision exists in the same so that the same may be reversed and submit the same to the Commission within 3 months from the date of Order.

Petitioner's Submission

The Petitioner submitted that the age position of Creditors for Power Purchase is as follows:

Table 8.14: Age Position of Creditors

Age	31.03.2023 (Rs. Cr.)	31.03.2024 (Rs. Crore) (Provisional)
0 to 90 days	1062.88	913.99
91 to 120 days	NIL	NIL
More than 120 days	NIL	NIL
Total	**1062.88**	**913.99**

The Petitioner submitted that the age-wise position of Amount payable to GoU as on 31.03.2023 is as follows:

Table 8.15: Age-Wise Position of Amount Payable to GoU as 0n 31.03.2023

Particulars	0 to 90 days	91 to 120 days	More than 120 days	Total
Electricity Duty	100.83	32.62	171.73	305.18
Green Energy Cess	24.30	10.86	123.53	158.69
Free Power	254.95	-	1541.21	1796.16
Water Tax	257.28	-	848.06	1105.34
Cess & Royalty	47.80	17.41	939.53	1004.74
Total	**685.17**	**60.88**	**3,624.06**	**4370.11**

The Petitioner further submitted that the age-wise position of Amount payable to GoU as on 31.03.2024 is as follows:

Table 8.16: Age-Wise Position of Amount Payable to GoU as 0n 31.03.2024

Particulars	0 to 90 days	91 to 120 days	More than 120 days	Total
Electricity Duty	104.47	33.57	192.77	330.81
Green Energy Cess	24.27	8.59	150.36	183.22
Free Power	229.41	-	1796.16	2025.57
Water Tax	63.53	42.33	1160.99	1266.85
Cess & Royalty	21.68	8.49	1122.30	1152.47
Total	**443.36**	**92.98**	**4,422.58**	**4958.92**

The Commission has noted the submissions of the Petitioner in this regard. **The Commission directs UPCL to carry out the age-wise analysis of its total current liabilities outstanding as on 31.03.2025 and based on the ageing analysis determine how much of the same would be required to be discharged and how much excess provision exists in the same so that the same may be reversed and submit the same to the Commission within 3 months from the date of Order.**

8.1.24 *Voltage wise losses and cost*

The Commission directed the Petitioner to ensure to initiate a study for determination of voltage wise losses and costs and submit compliance of the same latest by 31.08.2024 failing which action may be initiated against it.

Petitioner's Submission

The Petitioner submitted that it is not in position to compute Voltage wise Cost of Supply. It will be possible only after completion of Smart Metering Works under RDSS Scheme. The said scheme is under implementation.

Considering the ongoing smart meter deployment under the RDSS scheme, which will significantly enhance data accuracy and enable on-line energy audit & accounting, UPCL is hereby directed to compile and submit the voltage-wise loss data and voltage-wise cost of supply information alongwith next Tariff Petition.

8.1.25 *Arrears*

The Commission directed the Petitioner to submit a plan to recover arrears from the defaulting consumers within one month of the date of the Order. The Commission further directed the Petitioner to update the Commission with its preparedness to meet power requirement for the State of Uttarakhand. Moreover, the Commission further directed the Petitioner to stop its practice of collecting money in advance from the industries specially in the month of February and March.

Petitioner's Submission

The Petitioner submitted that the Committee for review and monitoring of matters related to Permanent disconnection as per provisions of policy on provisioning and writing off of bad and doubtful debts has been constituted and information of the same is given to the Commission vide its letter no. 3453/UPCL/RM/B-27, dated July 11, 2024. Further, as regards to the difference in revenue arrears as per Annual Accounts and billing data base, the Petitioner submitted that it has assigned the work of reconciliation of arrears shown differently in various records to M/s KG Somani & Co. LLP Charted Accountants who submitted his report in June 2023 and pointed out the difference in electricity arrears in various records of UPCL as follows:

Particulars	Amount (Rs. Cr)
Arrears as per Audited Accounts	1462.65
Arrears as per Ledger	2910.09
Arrears as per Commercial Diary	2201.53

The Petitionr further submitted that as per the report of the Consultant, the arrears as on 31.03.2023 is Rs. 1614.68 Crore. The corrective action on the report of consultant is in progress. The

Petitioner submitted that as per Audit report the summary of the balance which are irrecoverable and to be kept separately apart from normal balances in R-APDRP billing module has been arrived as follows:

c. Govt. Balances

Type of Consumer	Amount (Rs. Crore)
RTS-3A (Public Lamps)	20.77
RTS-3B (Govt. Irrigation System)	320.40
RTS-3C (Public Water Works)	720.35
Total	**1061.52**

d. Non-Govt. Balance

Type of Consumer	Amount (Rs. Crore)
Non KCC Non Live more than 5 years, Balances less than 1 Lakh	257.88

The Petitioner submitted that Director (Operation) vide its letter dated July 22, 2023 forwarded the above report to the field units for taking corrective action as per the recommendation of the Auditor. The office of Director (Operation) vide its letters dated September 13, 2023, October 25, 2023 and January 29, 2024 reminded the field officers to take immediate action in the matter.

The Petitioner further submitted that the power purchase plan for FY 2024-25 has been submitted to the Commission vide UPCL's letter no. 2809, dated July 05, 2024.

The Petitioner submitted that the direction with regard to collecting money in advance from Industries in the month of February and March of the Financial Year is noted and shall be complied with.

In view of the above, the Commission, hereby, directs the Petitioner to make sincere efforts in mobilizing its resources throughout the year for collection of Arrears under a structured receivable management programme besides taking corrective actions against the habitual defaulters. The Petitioner is, hereby, once again directed to submit an Action Plan within a month of issuance of this Order including the steps it proposes to take for collecting electricity dues from the beginning of the financial year with same vigour as it normally does in the last quarter of the financial year.

8.1.26 *Cost of Asset and Financing*

The Commission directed the Petitioner to submit the pending EI certificates properly tagged and indexed in the format provided by the Commission within six months from the date of this Order failing which the Commission may not allow these assets to be capitalized in the previous years and any such capitalization, if allowed may be allowed prospectively after the date of submissions of such

EI certificates. Further, while making such submissions in future, the UPCL is directed to re-categories the asset capitalization as per the following:

The assets shall be capitalised in the year in which the last of the following activity is completed.

a. Date of Inspection Certificate certifying satisfactory work.

b. Date of submission of fees for Inspection.

c. Date of Capitalisation in the books of account.

In this regard, the Commission also directed the Director (Finance) of the UPCL Company to prepare a policy and ensure that no HT works are capitalized in the books of accounts, unless all activities related to EI certification is completed, failing which he shall be personally held responsible for the non-compliance of the Commission's directions.

Petitioner's Submission

The Petitioner submitted that as regards preparation a policy and capitalization of HT works, it is submitted that Director (Finance) vide its letter dated May 30, 2024 has directed all the Chief Engineers of UPCL to ensure that the capitalization of HT works should not be permitted in the books of accounts until and unless all the activities related to Electrical Inspector Certificates is complete in all respect.

The Petitioner further submitted that instructions have been issued by the office of Director (Operation) to field units to comply with the direction given by the Commission. Capitalization reports are now being prepared in updated format as per direction of the Commission.

The Petitioner has failed to submit the requiste information as directed by the Commission. The Commission is of the view that the issue can't be kept unresolved in perpetuity. Further, any impact due to delay in submission of EI Certificate shall be allowed on prospective basis.

8.1.27 *Bad Debt*

The Commission directed the Petitioner to submit the division wise category wise details of actual bad debts written off till date within 2 months of the date of Order.

Petitioner's Submission

The Petitioner submitted that the details of division wise and category wise bad debts written off for the period from FY 2011-12 to FY 2022-23 has been submitted to the Commission vide UPCL's letter no. 3548/UPCL/RM/C-20, dated July 20, 2024. The division wise and category wise bad debts written off for FY 2023-24 have been submitted to the Hon'ble Commission vide UPCL's letter no. 6291/UPCL/RM/C-20, dated December, 2024.

The Petitioner submitted the details of year wise and category wise bad debts written off are as follows:

Category	Amount (Rs. Cr.)
RTS-1: Domestic	338.81
RTS-2: Non-Domestic	139.78
RTS-3: Govt. Public Utilities	64.01
RTS-4: Private Tube-wells / Pumping sets	36.64
RTS-5: LT & HT Industry	116.82
RTS-6: Mixed Load	0.68
RTS-7: Railway Traction	0.30
Inter - State/ Country Supply	1.19
Total	**698.25**

Financial Year	Amount (Rs. Cr.)
2011-12	10.96
2012-13	44.04
2013-14	47.00
2014-15	37.14
2015-16	56.11
2016-17	33.79
2017-18	47.17
2018-19	59.28
2019-20	24.25
2020-21	132.15
2021-22	104.11
2022-23	63.75
2023-24	38.49
Total	**698.25**

The Commission has taken note of the submission made by the Petitioner. **The Commission hereby once again directs the Petitioner to submit the division wise category wise details of actual bad debts written off till date within 2 months of the date of Order.**

8.1.28 *Inventory Management*

The Commission directed the Petitioner to submit the following details within one month from the date of Order failing which appropriate action will be initiated under the Act:

a) List of inventory as on 31.03.2024

b) The accounting policies adopted in measuring inventories, including the cost formula used;

c) Basis on which inventories issued: FIFO/LIFO/etc. and reason for choosing the same.

d) Whether any inventory classification, such as ABC analysis has been done? If yes the same may be submitted and if no, reason for the same may be furnished?

e) Whether the inventories are verified physically? If yes, the periodicity of the same, alongwith the report of last physical verification. If physical verification is not being conducted reasons for the same?

Petitioner's Submission

The Petitioner submitted that the desired information is submitted to the Commission vide its letter no. 3748/UPCL/RM/C-20, dated July 29, 2024.

Considering this as a prima-facie lapse on the part of the Petitioner with regard to inventory management. **The Commission directs the Petitioner to submit the following details within one month of the date of Order failing which appropriate action will be initiated under the Act:**

a) List of inventory as on 31.03.2025.

b) The accounting policies adopted in measuring inventories, including the cost formula used;

c) Basis on which inventories issued: FIFO/LIFO/etc. and reason for choosing the same.

d) Whether any inventory classification, such as ABC analysis has been done? If yes the same may be submitted and if no, reason for the same may be furnished?

e) Whether the inventories are verified physically? If yes, the periodicity of the same, alongwith the report of last physical verification. If physical verification is not being conducted reasons for the same?

8.1.29 *Load Shedding*

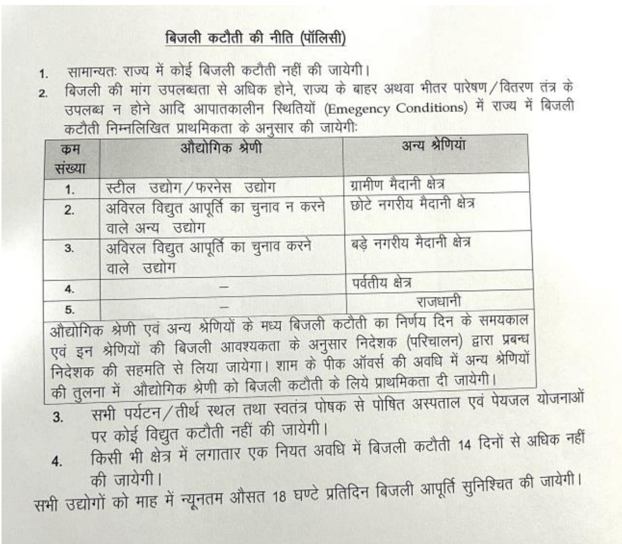
The Commission directed the Petittioner to obtain the prior approval of the Commission for load shedding to be carried out continuously for certain number of hours in a day for 15 or more days.

Petitioner's Submission

The Petitioner submitted that no load shedding has been carried out in any area continuously for certain number of hours in a day for 15 or more days. Prior approval of the Commission shall be obtained as and when required as per direction of the Commission.

The Petitioner further submitted that it has also prepared a policy on power cuts. This policy was approved by the Board of UPCL in the meeting held on July 23, 2015 and also submitted to the Commission. The policy is as follows:

Table 8.17: Policy for Load Shedding



बिजली कटौती की नीति (पॉलिसी)

1. सामान्यतः राज्य में कोई बिजली कटौती नहीं की जायेगी।
2. बिजली की मांग उपलब्धता से अधिक होने, राज्य के बाहर अथवा भीतर पारेषण/वितरण तंत्र के उपलब्ध न होने आदि आपातकालीन स्थितियों (Emegency Conditions) में राज्य में बिजली कटौती निम्नलिखित प्राथमिकता के अनुसार की जायेगी:

कम संख्या	औद्योगिक श्रेणी	अन्य श्रेणियां
1.	स्टील उद्योग/फरनेस उद्योग	ग्रामीण मैदानी क्षेत्र
2.	अविरल विद्युत आपूर्ति का चुनाव न करने वाले अन्य उद्योग	छोटे नगरीय मैदानी क्षेत्र
3.	अविरल विद्युत आपूर्ति का चुनाव करने वाले उद्योग	बड़े नगरीय मैदानी क्षेत्र
4.	–	पर्वतीय क्षेत्र
5.	–	राजधानी
औद्योगिक श्रेणी एवं अन्य श्रेणियों के मध्य बिजली कटौती का निर्णय दिन के समयकाल एवं इन श्रेणियों की बिजली आवश्यकता के अनुसार निदेशक (परिचालन) द्वारा प्रबन्ध निदेशक की सहमति से लिया जायेगा। शाम के पीक ऑवर्स की अवधि में अन्य श्रेणियों की तुलना में औद्योगिक श्रेणी को बिजली कटौती के लिये प्राथमिकता दी जायेगी।		

3. सभी पर्यटन/तीर्थ स्थल तथा स्वतंत्र पोषक से पोषित अस्पताल एवं पेयजल योजनाओं पर कोई विद्युत कटौती नहीं की जायेगी।
4. किसी भी क्षेत्र में लगातार एक नियत अवधि में बिजली कटौती 14 दिनों से अधिक नहीं की जायेगी।

सभी उद्योगों को माह में न्यूनतम औसत 18 घण्टे प्रतिदिन बिजली आपूर्ति सुनिश्चित की जायेगी।

The Commission has noted the submissions of the Petitioner. **The Commission hereby once again, directs the Petitioner to obtain the prior approval of the Commission for load shedding to be carried out continuously for certain number of hours in a day for 15 or more days**.

8.1.30 *Power Purchase Quantum and Cost*

The Commission directed the Petitioner to seek prior approval of the Commission, in case the variation in power purchase quantum or total power purchase cost in any quarter exceeds by more than 5% of the approved power purchase quantum and cost for the respective quarter worked out on pro-rata basis from the total approved quantum and cost for FY 2024-25 as indicated in the Table below, failing which, the Commission may disallow power purchases so made while Truing up the ARR for FY 2024-25.

The Petitoner should put its sincere efforts to procure the deficit energy optimizing the cost of power purchase and reliable power. Further, the procurement should be through transparent process of bidding.

Petitioner's Submission

The Petitioner submitted that as per the Tariff Order the total quantum and cost of power purchase allowed in the First quarter of FY 2024-25 is 4442.33 MU and Rs. 1843.99 Crore. Further 105% of approved power purchase quantum cost for the First quarter comes to 4664.45 MU in terms of energy and Rs. 1936.19 Crore in terms of cost respectively.

The Petitioner submitted that for the first quarter the data of quantum and cost of power purchase are for 4772.96 MU and 2314.11 Crore and that for the second quarter the data of quantum and cost of power purchase will be apprised in due course of time as finalization of data is in progress.

The in-principle approval for variation in power purchase quantum was also taken vide various letters as follows:

1. Letter No. UERC/6/TF-533(B)/2024-25/2024/89 dated 22/04/24
2. Letter No. UERC/6/TF-533(B)/2024-25/2024/252 dated 17/05/24
3. Letter No. UERC/6/TF-533(B)/2024-25/2024/292 dated 29/05/24
4. Letter No. UERC/6/TF-533(B)/2024-25/2024/305 dated 30/05/24

The Petitioner further submitted that is doing sincere effort to procure the deficit energy at lower cost by discovering rates at different mode of exchange as well as through Tenders on DEEP portal and only procuring power from the mode which is lowest among them. Also, the Petitioner has kept a strict vigil on the controlling the overall power purchase by replacing high cost gas power to cheaper power whenever available in various products of energy exchanges.

The Commission has noted the submissions of the Petitioner in this regard. **The Commission, further, the Petitioner to seek prior approval of the Commission, in case the variation in power purchase quantum or total power purchase cost in any quarter exceeds by more than 5% of the approved power purchase quantum and cost for the respective quarter worked out on pro-rata basis from the total approved quantum and cost for FY 2025-26 as indicated in the Table below, failing which, the Commission may disallow power purchases so made while Truing up the ARR for FY 2025-26.**

The Petitioner is directed to to prepare its power purchase plan for the next three years and initiate the bidding process to meet the deficit, if any. The Petitioner is directed to submit an action plan in this regard within 15 days of the date of Order. The Petitioner is also directed to ensure compliance of the Regulations issued by the Commission from time to time, failing which any consequent liability would be to the account of the Petitioner.

8.1.31 *Replacement of Improper, Non-Functional, Stop/Stuck up defective or IDF Meters*

The Commission directed the Petitioner to restrict percentage defective meters (IDF) to 2% for plain areas and 3% for hilly areas, failing which the concerned Chief Engineer (Distribution), Superintending Engineer (Distribution), Executive Engineer (Distribution) and Executive Engineer (Test) shall be held responsible for non-compliance of the Commission's directions and appropriate action under the Act/Rules/Regulations may be initiated.

Petitioner's Submission

The Petitioner submitted that vide its letter no. 2602/UPCL/RM/C-20, dated May 27, 2024 had directed all the field officers to comply with this direction of Hon'ble Commission i.e. to restrict percentage of defective (IDF) meters to 3% for hilly areas and to 2% for plain areas.

Table 8.18: Quarter Wise Targets of IDF Cases For FY 2024-25

Particulars	At the end of Q-1	At the end of Q-2	At the end of Q-3	At the end of Q-4
IDF cases	1.54%	1.34%	1.28%	1.10%

Table 8.19: Status of Defective Meters

As on 31-03-2018	3.37%
As on 31-03-2019	3.52%
As on 31-03-2020	2.96%
As on 31-03-2021	2.15%
As on 31-03-2022	1.95%
As on 31-03-2023	1.25%
As on 31-03-2024	1.68%
As on 31-08-2024	1.47%

The Petitioner submitted that it is clear that the IDF cases are within limit as specified by Hon'ble UERC. that the IDF cases are within limit as specified by the Commission. The Petitioner further submitted that it has identified those divisions where the IDF cases at the start of FY 2024-25 are beyond limit specified by the Commission. These divisions are as follows:

> *"Percentage defective meters as on 2023-24 in respect of divisions **Bhikiyasain (5.64%), Gairsain (5.43%), Rudraprayag (4.65%), Bageshwar (3.43%), Narayanbagarh (3.29%), Barkot (3.09%), Gopeshwar (2.66%), Ranikhet (2.58%), Lakshar (7.51%), Jwalapur (3.21%) and Bhagwanpur (2.77%)".***

The Petitioner submitted that it has targeted to reduce the IDF cases in the above division as per limit specified by the Commission.

The Commission has noted the submissions of the Petitioner and **directs the Petitioner to restrict percentage defective meters (IDF) to 2% for plain areas and 3% for hilly areas, failing which the concerned Chief Engineer (Distribution), Superintending Engineer (Distribution), Executive Engineer (Distribution) and Executive Engineer (Test) shall be held responsible for non-compliance of the Commission's directions and appropriate action under the Act/Rules/Regulations may be initiated.**

8.1.32 *Status of Revenue realization per unit sold*

The Commission directed that the data furnished in Commercial Performance Monitoring report should match with its Commercial Diary, i.e. CS-4 data and the Petitioner should ensure that in all future submissions of Commercial Performance Monitoring reports the Average Realisation Rate should be calculated on the basis of recoveries on account of Realisation Against energy dues only and the realisation shown should exclude recoveries from duties/cess, etc. Further, the realisation against energy dues should clearly bifurcate realisation against current dues & realisation against past dues, failing which appropriate action shall be initiated against the UPCL/Licensee.

Petitioner's Submission

The Petitioner submitted that the desired information is being provided to the Commission as per direction.

The Commission's observation in this regard has been detailed at Chapter 7 of this Order.

The Commission again directs the Petitioner to ensure that the data furnished in Commercial Performance Monitoring report should match with its Commercial Diary, i.e. CS-4 data and the Petitioner should ensure that in all future submissions of Commercial Performance Monitoring reports the Average Realisation Rate should be calculated on the basis of recoveries on account of Realisation Against energy dues only and the realisation shown should exclude recoveries from

duties/cess, etc. Further, the realisation against energy dues should clearly bifurcate realisation against current dues & realisation against past dues, failing which appropriate action shall be initiated against the Petitioner/Licensee. The Petitioner is further directed to upload these reports on its website so that the same is accessible to all consumers, failing which appropriate action may be taken against the officer responsible.

8.1.33 *Departmental Employees*

The Commission directed the Petitioner to continue showing the expenses incurred on account of concessional supply separately as expenses in its accounts.

Petitioner's Submission

The Petitioner submitted that the concession in electricity provided to the employees and pensioners are regularly being booked by various units as employee costs under the separate GL 75.625 'Electricity Expenses on Departmental Employees/ Pensioners'.

The Commission has taken note of the submission made by the Petitioner. **The Commission hearby once again directs the Petitioner to continue showing the expenses incurred on account of concessional supply separately as expenses in its accounts**.

8.1.34 *Depreciation*

The Commission directed the Petitioner to claim depreciation in line with its practice followed in the accounts as it capitalises the assets on the last day of the Financial Year or submit proper justification that the accounting policy has changed alongwith justifying the capitalisation claimed as reflected in its accounts with date of capitalisation.

Petitioner's Submission

The Petitioner submitted that depreciation is being charged as per the following policy of UPCL:

Depreciation and **Amortization**

a) Depreciation on Property, Plant and Equipment has been charged on Straight line method, on pro-rata basis from the beginning of next month in which the asset is available for use and depreciation on deductions/ deletions during the year is charged up to the month in which the asset is disposed/ deleted, as per rates and methodology as notified by Uttarakhand Electricity Regulatory Commission (UERC), in accordance with Schedule II of the Companies Act, 2013.
b) Leasehold Land is amortized as per rates and methodology notified by UERC.
c) Temporary erections including Kutcha Road are depreciated fully (100%) in the year of acquisition/Capitalization.

The Commission has noted the submissions of the Petitioner in this regard. The Commission finds no justification to depart from the practice adopted in the previous Tariff Orders of allowing depreciation on the opening balance of GFA. **The Commission directs the Petitioner to claim depreciation in line with its practice followed in the accounts as it capitalises the assets on the last day of the Financial Year or submit proper justification that the accounting policy has changed alongwith justifying the capitalisation claimed as reflected in its accounts with date of capitalisation.**

8.1.35 *Energy Audit*

The Commission directed the Petitioner not to restrict its responsibilities upto issuing directions to the field units rather it should adopt a proactive approach of compliance monitoring at each division level. Further, the UPCL is again directed to provide/ maintain the metering system at each feeder, 'T' points, DTs and consumers in its distribution network for effective energy auditing and accounting.

Petitioner's Submission

The Petitioner submitted that work of Smart Metering will be covered under RDSS Scheme which will include Smart Metering of 33&11 KV feeders, DTs. (excluding agricultural and 16 KVA Transformers) and Consumers. However, UPCL is doing Energy auditing and accounting as per norms prescribed by BEE.

The Commission vide its letter dated 14.02.2025 had directed the Petitioner to submit energy audit report in accordance with Sub-Regulation (3) of the Regulation 3.16 of UERC (Distribution Code) Regulations, 2018 in the respect of Electricity Distribution Circles (EDCs) namely EDC Roorkee, EDC Rudrapur, EDC Kashipur, EDC Haldwani, EDC Haridwar, EDC Dehradun (Urban), EDC Dehradun (Rural) latest by 30.04.2025 and for rest of EDCs, report shall be submitted by 30.06.2025.

Therefore, the Petitioner is again directed to provide/maintain the metering system including communication system at each feeder, 'T' points, DTs and consumers in its distribution network for effective energy auditing and accounting. Further, the Petitioner is directed to submit energy audit report after BoD approval in accordance with Sub-Regulation (3) of the Regulation 3.16 of UERC (Distribution Code) Regulations, 2018 in the respect of Electricity Distribution Circles (EDCs) namely EDC Roorkee, EDC Rudrapur, EDC Kashipur, EDC Haldwani, EDC Haridwar, EDC Dehradun (Urban) and EDC Dehradun (Rural) latest by 30.04.2025. For rest of EDCs, report shall be submitted by 30.06.2025.

8.1.36 *Submitting the Correct Information*

The Commission directed the Petitioner to submit the correct information/figures/data before the Commission within the stipulated time frame after thorough check by the concerned officers of the

Petitioner.

Petitioner's Submission

The Petitioner submitted that the concerned officers have been directed to properly check the information before submitting the same to the the Commission.

The Commission is of the view that merely passing instructions/directions down the organisational hierarchy would not serve the purpose. The information brought before the Commission has to be cross-checked at the corporate level and only correct information should be furnished before the Commission. The Commission is deeply concerned about the superficial replies being furnished by the Petitioner and, thus, cautions the Petitioner that the practices of furnishing the unvalidated/ incorrect information before the Commission should be strictly avoided, and this should not be repeated in future else appropriate action under the Act/Rules/Regulations would be initiated. **Therefore, the Commission directs the Petitioner to submit the correct information/figures/data before the Commission within the stipulated time frame after thorough check by the concerned officers of the Petitioner.**

8.1.37 *AT&C Losses*

The Commission directed the Petitioner to submit half yearly status report towards the implementation of the works related to Smart Metering works and Loss reduction works under RDSS scheme.

Petitioner's Submission

The Petitioner submitted that the report towards implementation of works related to Smart Metering and Loss reduction under RDSS is being regularly provided to the Commission regularly on quarterly basis. The said report for the quarter ending March, 2024 was provided to the Commission vide UPCL's letter no. 788/ Dir.(Projects)/ UPCL/UERC(C-4), dated April 20, 2024. The said report of the quarter ending September, 2024 shall be submitted to the Commission shortly. The status of works under RDSS at the end of September, 2024 is as follows:

Table 8.20: Works Status detail under RDSS

Works/Projects		Details of the present status of the project
Revamped Reforms-Linked Results-Based Distribution Sector Scheme (RDSS):		
A. Smart Metering Works	Garhwal Region(PKG-A)	Feeder and DTR Smart Meter installation work has been started. Till now the total Progress: DTR:- 512, Feeder:- 265.
	Kumaon Region(PKG-B)	Feeder and DTR Smart Meter installation work has been started. Till now the total Progress: DTR:- 32, Feeder:- 667
	Smart Metering Works Total	Feeder and DTR Smart Meter installation work has been started. Till now the total Progress: DTR:- 544, Feeder:- 932. **Revised Sanction Cost 1099.84 Cr (1045.04 + 54.80 in 37th MCM)**
	EDC-Dehradun	Survey work is under progress.

	Urban (PKG-A)	
	EDC-Dehradun Rural (PKG-B)	Survey work is under progress.
	EDC-Tehri (PKG-C)	Survey work is under progress.
	EDC- SriNagar (PKG-D)	Survey work is under progress.
	EDC-Karanprayag (PKG-E)	Survey work is under progress.
	EDC- Roorkee (PKG-F)	Survey work is under progress.
	EDC-Haridwar (PKG-G)	Survey work is under progress.
	EDC-Haldwani (PKG-H)	Survey work is under progress.
	EDC-Kashipur (PKG-I)	Survey work is under progress.
	EDC-Ranikhet (PKG-J)	Survey work is under progress.
	EDC-Rudrapur (PKG-K)	Survey work is under progress.
	EDC-Pithoragarh (PKG-L)	Survey work is under progress.
B. Loss Reduction Works Total		Survey work is under progress.
B(i). IT-OT		Appointment of billing system & ITOT work tender Part-1 opened on 01-06-24. Retender on 28.08.2024.
B(i)a. RT-DAS		Installation & commissioning work is in progress on various 33/11kV substations. Also, MPLS link for control center connectivity is established. Integration of substations with control center is also in progress.
B(i)b. ERP (Subsumed RDSS)		System under stabilization. Work is being executed under RDSS.
B(i)c. ERP Upgrade	ERP License	Work completed.
	ERP Hardware	NIT for additional ERP Hardware upgrade is floated on 21.02.24 and Pre-Bid queries are submitted, date for submission extended upto 26-10-24.
Total of B (Loss Reduction Works)		
PMA (M/s Medhaj, M/s PFCCL) (Modernization Work)		PMA work going on (M/s Medhaj Techno Concept Pvt Ltd.,).
		DPR preparation for modernization works is under progress.

The Commission has noted the submission made by the Petitioner. The Commission once again directs the Petitioner to submit quarterly yearly status report towards the implementation of the works related to Smart Metering works and Loss reduction works under RDSS scheme. The Petitioner is further directed to upload these reports on its website so that the same is accessible to all consumers, failing which appropriate action may be taken against the officer responsible.

8.1.38 *Continous Supply*

The Commission directed the Petitioner to ensure that consumers opting for continuous supply gets uninterrupted supply of electricity except for load shedding required due to emergency break-down/shut-down failing which action may be initiated against it under the Electricity Act, 2003.

Petitioner's Submission

The Pettioner submitted that the continuous supply of electricity is being provided to the consumers as per provisions of the Tariff Order dated March 28, 2024.

The Commission has taken note of the submission made by the Petitioner. **The Commission again directs the Petitioner to ensure that consumers opting for continuous supply gets uninterrupted supply of electricity except for load shedding required due to emergency break-down/shut-down failing which action may be initiated against it under the Electricity Act, 2003.**

8.1.39 *Billing Cycle*

The Commission directed to ensure that a consumer gets a clear 15 days time for payment of bills from receipt of bill without attracting the levy of DPS.

Petitioner's Submission

The Petitioner submitted that the due date for bills are being kept as + 15 days from the date of issuance of bills. The bills are also delivered through e-mail to the consumers having valid e-mail id registered in billing software. SMS alerts for bills generation are also sent to consumers with a link to view & pay bills through UPCL website. Also, consumer can view his bill by creating login on webportal & mobile app of UPCL.

The Commission's observation in this regard has been detailed at Chapter 7 of this Order. **The Commission again directs the Petitioner to ensure that a consumer gets a clear 15 days time for payment of bills from receipt of bill without attracting the levy of DPS.**

8.1.40 *Deficit Power Purchase*

The Commission directed the Petitioner to ensure that actual power purchase to meet the deficit should not exceed the rate given by the Commission in the relevant tariff orders at the State periphery. Any procurement over and above the rate at the State periphery approved by the Commission shall be disallowed unless prior approval for the same is sought by the Petitioner. Further, penal action may also be taken against the power purchase committee constituted by the Petitioner.

Petitioner's Submissions

UPCL submitted that it has always try to procure power at lower rate so that actual power purchase to meet the deficit should not exceed the rate given by the Commission in the relevant tariff orders at the State periphery. If in any month, Rate of energy go beyond the rate approved by the Commission, then prior approval is also taken as per direction of the Commission.

The Commission has noted the submissions of the Petitioner. **The Commission has restricted the purchase of power from short term sources to 5% of the total energy availability at State Periphery, in line with the provisions of the MYT Regulations, and considered the procurement of balance**

deficit power through Medium/Long term sources. The Commission, accordingly, directs the Petitioner to prepare its power procurement in line with the above approach and submit the same to the Commission within one month from the date of this Order.

8.1.41 *Employee Expenses*

The Commission directed the Petitioner to propose any such provisions in the tariff of future years and utilize the available provisions for making such payments (Rs. 44 Crore increase in employee expenses are towards provisioning of gratuity as well as leave encashment) and any shortfall will be allowed by the Commission on cash basis, as and when the need arises. Further, the Commission directed the Petitioner to reconcile the salary of outsourced employees booked under R&M expenses and employee expenses.

Petitioner's Submissions

The Petitioner submitted that the books of accounts are being prepared on accrual basis and thus, accordingly provision for gratuity is being booked. However, the claim of employee expenses shall be made in the ARR as per direction of the Commission.

The booking of payment to outsourced employees of Uttarakahnd PurvSainik Kalyan Nigam Ltd., Prantiya Raksha Dal and Self Helf Group are made under the GL of R&M expense i.e. 74.551, 74.551A and 74.551B and GL of A&G expenses i.e. 76.171, 76.171A and 76.171B. However, at the time of preparation of Financial Statements, the above expenses pertaining to outsourced employees are clubbed under Employee Cost only.

The Commission has taken note of the submission made by the Petitioner**. The Commission directs UPCL to book the Salary paid to all the employees- regular and outsourced under employee expenses. UPCL is directed to submit the basis of recruiting outsourced employees alongwith any policy for the same within 1 month of the date of order**

8.1.42 *Asset identification and associate funding*

The Commission directed the Petitioner to complete the ongoing study being carried out by M/s K.G. Somani & Co., LLP, Chartered Accountants for identification of assets and associated funding.

Petitioner's Submission

The Petitioner submitted that the Fixed Asset Register for the FY 2021-22 has been submitted by M/s K.G. Somani & Co., however, the identification of source of funding could not be done by the Firm.

It is observed that the Petitioner has failed to identify the source of funding for the assets. Therefore, the Commission is continuing wth the funding as per approved in its Tariff Orders.

8.1.43 *Billing Cycle for Large Industrial Consumers*

The Commission directed the Petitioner to raise the bills for large consumers having Contracted Demand of 3 MVA and above on fortnightly basis (every 15 days) from the month of April 2024.

Petitioner's Submission

The Petitioner submitted that pursuant to the direction issued by the Commission, it is hereby ordered that the billing for electricity consumption of large industrial consumers having contracted demand of 3 MVA and above shall be done on fortnightly basis (every 15 days). The methodology for such billing on fortnightly basis, as approved by the Commission vide its letter no. UERC/6/TF-707/2024-25/2024/202, dated May 06, 2024 is specified as follows:

1. The bill for first half (15 days) of the month shall be computed dividing the bill for electricity consumption of the previous whole month by two. The amount of last bill issued to the consumer shall also be shown in this bill.
2. The bill for the second half of the month shall be computed for the consumption of whole month, as reduced by the value of bill for the first half of the month.
3. The bill for first half of the month shall be issued on provisional basis that will be 50% of the bill of the previous month, within 3 days of the end of fortnight, however the due date of the bill for the first half of the month shall be last date of the month.
4. The payment of the bill for first half of the month shall be accepted with the unpaid amount of bill for second half of the previous month plus Delayed Payment Surcharge on the unpaid amount.
5. On non - payment of any bill (either bill for first half or second half), Delayed Payment Surcharge shall be levied as per the provisions of the Tariff Order, however overall DPS, if any (i.e. pertaining to the bill for first half of the month and pertaining to the bill for second half of the month) shall only be shown in the bill for the second half of the month. Similarly, the prompt payment rebate shall be applicable as per provisions of Tariff Order.
6. In case of new connection, the first bill shall be issued for the consumption of whole month as per existing rules / practice.
7. These consumers shall be required to maintain their security deposits for credit sale of electricity equivalent to the average billing of 1.5 months of previous year and the installment of additional security deposits as per UPCL's O.M. No. 390/UPCL/RM/F-4, dated 25-01-2024, if any, shall be assessed / revised accordingly.

The Commission has noted the compliance of the Petitioner.

8.1.44 *Wheeling Charges and CSS*

The Commission directed the Petitioner that the wheeling charges and cross subsidy surcharge recovered from open access customers shall be shown separately under the separate head of income in its ARR/Tariff filings.

Petitioner's Submission

The Petitioner submitted that vide its O.M. No. 424/UPCL/DGM(F)/AH, dated 20-05-2016 had created the following heads of accounts to capture the separate information of wheeling charges and cross subsidy surcharge:

Accounting Head	Description
61.511	Wheeling charges (L&H Power above 100 HP)
61.512	Cross subsidy surcharge (L&H Power above 100 HP)

The Petitioner further submitted that vide its O.M. No. 51/UPCL/DGM(F), dated 17-07-2021 has created the following heads of accounts to capture the separate information of Additional Surcharge on Open Access Energy:

Accounting Head	Description
61.512A	Additional Surcharge (L&H Power above 100 HP)

The Petitioner further submitted that as per the direction of the Commission wheeling charges and cross subsidy surcharge is being shown separately in non-tariff income in the true-up petition / claim. The Petitioner also submitted that the Corporate Office has instructed the Zonal Accounts Officers vide mail dated May 30, 2024 to ensure booking under the following heads in their subordinate offices in books of accounts for FY 2023-24.

a. GL 61.511 : Wheeling Charges s (L&H Power above 100 HP)

b. GL 61.512 : Cross Subsidy Charges (L&H Power above 100 HP)

c. GL 61.512A : Addl. Surcharge (L&H Power above 100 HP)

The Commission has noted the compliance of the Petitioner. **The Commission again directs the Petitioner to ensure that the wheeling charges and cross subsidy surcharge recovered from open access customers shall be shown separately under the separate head of income in its ARR/Tariff filings.**

8.2 Fresh Directives

8.2.1 *Monthly Billing*

The Petitioner is directed to submit a time frame within which monthly billing will be introduced for domestic consumers in the State within 3 months of the date of this Order **(Refer 2.11.3).**

8.2.2 *Monthly FPPCA charges*

UPCL is hereby directed to ensure to publish the monthly FPPCA charges alongwith the computations of the same on its website. **(Refer 2.25.3).**

8.2.3 *Prepaid Metering*

UPCL is hereby directed to ensure that the roll-out the prepaid metering scheme in a time bound manner ensuring that the time frame mentioned in the Tariff Petition is met and also submit a quarterly report within 15 days of the end of each quarter to the Commission. **(Refer 2.31.3).**

8.2.4 *RPO*

UPCL is directed to to ensure compliances of the RPO targets fixed by the Commission in its Regulations and accordingly facilitate in the development of renewable sources of energy with the State namely soar, wind, battery storage, PSP etc. **(Refer 2.36.3).**

8.2.5 *Consumer Grievances*

UPCL is directed to ensure that all the concerns raised by stakeholders are examined and prompt, time-bound action is taken to address them effectively. Compliance reports on the actions taken must be submitted to the Commission for review, ensuring transparency and accountability in the process within 3 months of the date of Order. **(Refer 2.34.3).**

UPCL is also directed to submit a factual position of the issues of financial irregularities raised by Shri Vijay Singh Verma and Shri Vishal Sharma within 3 months of the date of this Order. UPCL is also directed to submit its comments on the issue of NOC raised by Shri Ram Kumar Agarwal, Director within 3 months of the date of this Order**.(Refer 2.37.3).**

8.2.6 *Updation of Information*

UPCL is directed to display on its website any change in tariff and other charges within 3 days of the issue of any such order by the Commission. **(Refer 2.37.3).**

8.2.7 *Status of double circuit line to be connected at Gangapur Sub-station*

UPCL is directed to submit the status of the double circuit line to be connected at Gangapur Sub-station. **(Refer 2.37.3).**

8.2.8 *Distribution Loss Target*

The Commission directs UPCL to submit division wise (for all EDD's) distribution loss target duly approved by BoD, budget for O&M expenses (separately for Employee expenses, R&M expenses and A&G expenses) and Capital Expenditure for each month of FY 2025-26 for approval of the Commission, alongwith cost benefit analysis and improvement in efficiency expected over the past period, within 30 days of the date of Order. UPCL is further directed to submit before the Commission, division wise status and actual O&M expenses and capital expenditure incurred against the targets approved by the Commission within 15 days from the end of the respective quarters on periodic basis. **(Refer 3.5.1).**

The Commission also directs UPCL to submit the data received from the feeders and DTs on a quarterly basis to the Commission within 15 days from the end of each quarter alongwith its observations on the same. Further, UPCL is also directed to submit an action plan within 1 month of the date of the Order as to how it proposes to make use of the real time data coming to it in loss reduction as well as conducting energy audit. **(Refer 3.5.1).**

8.2.9 *Vigilance Drive*

UPCL is directed to study the practice being adopted in other States to deal with uch situation and submit an action plan within one month of the date of the issuance of the Order as to how it proposes to deal with the aforesaid issues. **(Refer 3.5.1).**

8.2.10 *Maintenance of Distribution Infrastructure*

UPCL is directed to to take corrective measures, including ensuring proper earthing of poles, covering of lines passing through public areas with insulated conductors, and conducting regular lopping and chopping of vegetation near overhead lines, particularly in forested areas and also regular maintenance of its assets, to prevent future incidents. **(Refer 4.1.4.3).**

8.2.11 *Transfer Scheme*

The Petitioner is directed to to claim the same in the next tariff filing failing which this claim shall not be allowed by the Commission as the matter cannot be left lingering on till perpetuity. (**Refer 4.2.1).**

8.2.12 *Pending EI Certificate*

The Petitioner is directed to ensure strict regulatory compliances failing which any such capitalisation will not be allowed by the Commission in future years. (**Refer 4.2.1)**

8.2.13 *Smart Meter deployment Plan*

The Commission directs the Petitioner to ensure the deployment of smart meter in a phased manner as per the following schedule and a send a quarterly report to the Commission within 15 days of the end of respective quarter:

Phase 1: Installation of smart meter for all eligible HT consumers by June, 2025, and installation of smart meters with prepaid functionality for all employees of UPCL, PTCUL & UJVN Ltd. By end of June, 2025.

Phase 2: Installation of smart meters with prepaid functionality on all Government category consumers during the period by September, 2025.

Phase 3: Installation of smart meters with prepaid functionality on remaining LT consumers in the balance months of FY 2025-26 as per the deployment schedule**. (Refer 5.10)**

8.2.14 *Provision for Bad Bebts*

The Commission directs UPCL to submit details as specified by the Commission in its tariff Order dated March 28, 2024 regarding provision for bad and doubtful debts. Failure to comply with this directive will result in the disallowance of such provisions/ write-offs during truing up of FY 2025-26. **(Refer 5.10.7).**

8.2.15 *ToD Tariff*

The Commission directs UPCL to expedite the installation process and ensure completion of smart meters installation for HT Industrial consumers by June 2025 and for LT Industrial consumers by August 2025. The Commission directs the Petitioner to submit the complete data of time block wise consumption data on monthly basis for all the HT consumers and LT consumers, for which the Smart Metres have been installed. The Commission also directs the Petitioner to propose the modifications in ToD slots as well as implemention of ToD tariffs for other categories in its Tariff Petition for FY 2026-27 based on actual consumption data upon installation of Smart Meters and its impact on revenue. **(Refer 6.1.3.5).**

8.2.16 *LT Industry Consumers availing higher demand*

The Commission directs that any LT Industrial consumer with a sanctioned load ≤ 75 kW shall be required to pay demand charges as applicable to HT Industrial consumers on the entire recorded demand, for the billing month in which the consumer's recorded demand exceeds 100 kVA. Also, accordingly, the said demand charges shall now be applicable for calculation of excess load/ demand penalty as per the provisions of the Supply Code. **(Refer 6.1.3.6).**

8.2.17 *Average Collection Period*

The Commission directs UPCL to submit within 3 months, an action plan to improve its collection period. **(Refer 7.5.5.1).**

8.3 Conclusion

Having considered the submissions made by the Petitioner, the responses of various stakeholders and the relevant provisions of the Electricity Act, 2003 and Regulations of the Commission, the Commission hereby approves that:

(i) Uttarakhand Power Corporation Ltd., the distribution and retail supply licensee in the State will be entitled to charge the tariffs from consumers in its licensed area of supply as given in the Rate Schedule for FY 2025-26 annexed hereto as Annexure-1. These Tariffs will be effective from April 01, 2025.

(ii) Uttarakhand Power Corporation Ltd., the distribution and retail supply licensee in the State will realize from consumers of electricity in the State, miscellaneous charges as listed out in Annexure- 2 of this Order and shall not recover any other charge, fee, deposit, etc., unless approved by the Commission.

(iii) The above tariffs shall continue to be applicable till revised by the Commission.

The Petitioner shall forward a report on compliance of the directions given in this Order within the time stipulated for compliance.

(Anurag Sharma) **Member (Law)**	**(M.L. Prasad)** **Chairman**

9. Annexures

9.1 Annexure 1: Rate Schedule Effective from 01.04.2025

A. General Conditions of Supply

1. Character of Service

i) Alternating Current 50 Hz., single phase, 230 Volts (with permissible variations) up to a load of 4 kW.

ii) Alternating Current 50 Hz, three phase, 4 wire, 400 Volts or above (with permissible variations) for loads above 4 kW depending upon the availability of voltage of supply.

2. Conditions for New Connections

i) Supply to new connections of more than 88 kVA and up to 3 MVA shall be released at 11 kV or above, loads above 3 MVA and upto 10 MVA shall be released at 33 kV or above, loads above 10 MVA and upto 50 MVA shall be released at 132 kV or above, for loads above 50 MVA shall be released at 220 kV or above.

ii) All new connections shall be given with meter conforming to CEA Regulations on Installation and Operation of Meters.

iii) All new 3 phase connections above 4 kW shall be released with Electronic Tri-vector Meter having Maximum Demand Indicator.

iv) All new Single Point Bulk Connection shall be given only for Load of more than 75 kW.

v) Consumers having motive loads of more than 5 BHP shall install Shunt Capacitor of appropriate rating and confirming to BIS specification.

vi) All new connections at HT/EHT should be released only with 3 phase 4 wire meters.

3. Point of Supply

Energy will be supplied to a consumer at a single point.

4. Billing in Defective Meter (ADF/IDF), Meter Not Accessible/ Not Read (NA/NR) and Defective Reading (RDF) Cases

In NA/NR cases, the energy consumption shall be assessed and billed as per average consumption of last one year average consumption (as per the Electricity Supply Code) which shall be subject to adjustment when actual reading is taken. Such provisional billing shall not continue for more than two billing cycles at a stretch. Thereafter, the licensee shall not be entitled to raise any bill on provisional basis. In case of Appear defective meter (ADF) Identified defective meter (IDF) and Reading defect (RDF) cases, the consumers shall be billed on the basis of the average consumption of the past three billing cycles immediately preceding the date of the meter being found or being reported defective (as per the Electricity Supply Code). These charges shall be leviable for a maximum period of two billing cycle in case of bi-monthly billing only during which time the licensee is required to replace the defective meter. Thereafter, the licensee shall not be entitled to raise any bill without correct meters.

The checking and replacement of defective meter cases namely IDF and ADF and defective reading cases namely RDF shall be done by the licensee in accordance with the provisions of the Electricity Supply Code as applicable.

5. Billing in case of domestic metered consumers in rural/hilly areas whose meters are not being read

For cases relating to domestic metered consumers in rural/hilly areas, where meter reading is either not being taken regularly or taken randomly over delayed interval of time, the provisional billing under these circumstances for such consumers shall be done at the normative levels of consumption as given below, which shall be subject to annual adjustment based on actual meter reading.

Category	Normative Consumption
Domestic (Rural-Hilly Areas)	30 kWh/kW/month
Domestic (Rural-Other Areas)	50 kWh/kW/month

For this purpose, the contracted load shall be rounded off to next whole number. Billing on this basis is subject to annual adjustment and the licensee is to ensure meter reading of such consumers at least once a year.

6. Billing in New Connection

For cases such as new connections, where past reading is not available, the provisional billing shall be done at the normative levels of consumption as given below, which shall be subject to adjustment when actual reading is taken.

Category	Normative Consumption
Domestic (Urban)	100 kWh/kW/month
Domestic (Rural-Hilly Areas)	30 kWh/kW/month
Domestic (Rural-Other Areas)	50 kWh/kW/month
Non-domestic (Urban)	150 kWh/kW/month
Non-domestic (Rural)	100 kWh/kW/month
Private Tube Wells	60 kWh/BHP/month
Industry	
LT Industry	150 kWh/kW/month
HT Industry	150 kVAh/kVA /month

For this purpose, the contracted load shall be rounded off to next whole number. Billing on this basis shall continue only for a maximum period of 2 billing cycles, during which the licensee should ensure actual reading. Thereafter, the licensee shall not be entitled to raise any bill without correct meter reading. In all other categories, 1st bill shall be raised only on actual reading.

7. Delayed Payment Surcharge (DPS) (for all categories except PTW)

In the event of electricity bill rendered by licensee, not being paid in full by the due date, simple interest in the form of a surcharge @ 1.25% per month on the principal amount of the bill which has not been paid, shall be levied from the due date for each successive month or part thereof until the payment is made in full without prejudice to the right of the licensee to disconnect the supply in accordance with Section 56 of the Electricity Act, 2003. The licensee shall clearly indicate in the bill itself the total amount, including DPS, payable for different dates after the due date, taking month as the unit.

8. Solar Water Heater rebate

If a consumer installs and uses solar water heating system, rebate of Rs. 75/- p.m. for each 50 litre capacity of the system or actual bill for that month whichever is lower shall be given subject to the condition that consumer gives an affidavit to the licensee to the effect that he has installed such system, which the licensee shall be free to verify from time to time. If any such claim is found to be false, in addition to punitive legal action that may be taken against such consumer, the licensee will recover tche total rebate allowed to the consumer with 100% penalty and debar him from availing such rebate for the next 12 months.

9. Prepaid Metering

Prepaid metering scheme approved by the Commission in this Order shall be applicable. A rebate of 4% of energy charges for Domestic category (RTS-1 and RTS-1A) and 3% of energy charges for other LT consumers shall be allowed to the consumers under the Prepaid Metering Scheme from the date of installation and operationalisation of Prepaid Meters. However, no rebate shall be applicable on RTS-9, i.e. Temporary Supply. Solar water rebate as provided above in the Rate Schedule shall be applicable on prepaid consumers also subject to fulfillment of conditions provided therein.

10. Voltage Rebate/ Surcharge

(i) For consumers having contracted load upto 75 kW/88 kVA - If the supply is given at voltage above 400 Volts and upto 11 kV, a rebate of 5% would be admissible on the Energy Charge.

(ii) For consumers having contracted load above 75 kW/88 kVA – In case the supply is given at 400 Volts, the consumer shall be required to pay an extra charge of 10% on the bill amount calculated at the Energy Charge.

(iii) For consumers having contracted load above 75 kW/88 kVA – In case of supply at 33 kV the consumer shall receive a rebate of 3.5% on the Energy Charge.

(iv) For consumers having contracted load above 75 kW/88 kVA and receiving supply at 132 kV and above, the consumer shall receive a rebate of 7.5% on the Energy Charge.

(v) All voltages mentioned above are nominal rated voltages.

(vi) No rebate or surcharges would be applicable on consumers having pre-paid connections."

11. Low Power Factor Surcharge (not applicable to Domestic, PTW categories and also to other categories having kVAh based Tariff)

(i) On the consumers without Electronic Tri Vector Meters, who have not installed shunt capacitors of appropriate ratings and specifications, a surcharge of 5% on the current energy charges shall be levied.

(ii) On consumers with Electronic Tri Vector Meters, a surcharge of 5% on current energy charges will be levied for having power factor below 0.85 and upto 0.80 and a surcharge of 10% of current energy charges will be levied for having power factor below 0.80.

(iii) No surcharge would be applicable on consumers having pre-paid connections.

12. Prompt Payment Rebate

(i) A prompt payment rebate of 1.50% of the monthly bill (excluding Taxes and Duties) shall be provided to consumers for payment of electricity bills through various modes of digital payment such as credit cards, debit cards, UPI, BHIM, internet banking, mobile banking, mobile wallets, online Bank Transfer (RTGS/NEFT/IMPS) etc. within 10 days from the date of issuance of the bill/ bill date.

(ii) A prompt payment rebate of 1.00% of the monthly bill (excluding Taxes and Duties) shall be provided to consumers for payment of electricity bills not through digital mode but through other modes of payment, namely Cash/Cheque/Demand Draft etc., within 10 days from the date of issuance of the bill/bill date.

Provided that the prompt payment rebate shall be subject to cap of Rs 10,000/- per month for LT Consumers and Rs 1,00,000/- per month for HT consumers.

The prompt payment rebate as stated above shall, however, not be applicable for part payment of bills by the consumers.

13. Excess Load/Demand Penalty (Not applicable to Domestic, Snow bound and PTW categories)

In case of consumers where electronic meters with MDI have been installed, if the maximum demand recorded in any month exceeds the contracted load/demand, charges for such excess load/ demand shall be levied equal to twice the normal rate of fixed/demand charge as applicable. Such excess load penalty shall be levied only for the month in which maximum demands exceeds contracted load. However, no excess load penalty would be applicable on consumers having pre-paid connections.

Example:

(i) For consumers where fixed charges on the basis of contracted load/demand have been specified:

Contracted load 30 kW, Maximum Demand 43 kW,

Excess Demand 43-30=13 kW, Rate of Fixed Charges= Rs. 140/kW

Fixed Charges for contracted load = 30 x 140=Rs. 4200

Fixed Charges for excess load = 13x (2 x140) =Rs. 3640

Total Fixed Charges = 4200+3640= Rs. 7840

(ii) For industrial consumers billed on billable demand:

Contracted demand 2500 kVA, Maximum Demand 2800 kVA, Billable Demand =2800 kVA

Excess Demand =2800-2500=300 kVA, Rate of Demand Charges= Rs. 480/kVA

Demand Charges for contracted demand =2500 x 480=Rs. 1200000

Demand Charges for excess demand = 300x (2 x 480) =Rs. 288000

Total Demand Charges = 1200000+288000= Rs. 1488000

Provided that any LT Industrial consumer with a sanctioned load ≤ 75 kW shall be required to pay demand charges as applicable to HT Industrial consumers on the entire recorded demand, for the billing month in which the consumer's recorded demand exceeds 100 kVA. Accordingly, the said demand charges shall now be applicable for calculation of excess load/ demand penalty as per the provisions of the Supply Code.

14. Single Point Bulk Supply for Domestic, Non Domestic and Mixed Load Categories

(i) Single Point Bulk Supply connection shall only be allowed for Sanctioned/Contracted Load above 75 kW with single point metering for further distribution to the end users. However, this shall not restrict the individual owner/occupier from applying for individual connection from UPCL. In case the individual owner/occupier avails individual connection, the tariff as applicable for that category shall be levied.

(ii) The person who has taken the single point supply shall be responsible for all payments of electricity charges to the Licensee. He is authorized to bill the end consumers as per the approved tariff for the single point bulk supply of the concerned category as per the Rate Schedule and the distribution licensee shall ensure the compliance of the same.

(iii) The person who has taken the single point supply shall also be deemed to be an agent of Licensee to undertake distribution of electricity for the premises for which single point supply is given under seventh proviso to section 14 of the Electricity Act, 2003 and distribution licensee shall be responsible for compliance of all provisions of the Act and Rules & Regulations thereunder within such area.

(iv) Single Point Bulk Supply under "Domestic" shall only be applicable for Residential Colonies/Residential Multistoreyed Buildings including common facilities (such as Lifts, Common Lighting and Water Pumping system) of such Residential Colonies/ Residential Multistoreyed Buildings. In case these Residential Colonies/Residential Multistoreyed Buildings also have some shops or other commercial establishments, the tariff of Mixed Load shall be applicable for such premises subject to conditions provided in the Rate Schedule of Mixed Load Category.

(v) Single Point Bulk Supply Under "Non-Domestic" shall only be applicable for Shopping Complexes/Multiplex/Malls.

15. Rounding off

(i) The contracted load/demand shall be expressed in whole number only and fractional load/demand shall be rounded off to next whole number.

Example:

Contracted/Sanctioned Load of 0.15 kW shall be reckoned as 1 kW for tariff purposes. Similarly, contracted/sanctioned load of 15.25 kW/kVA shall be taken as 16 kW/kVA.

(ii) All bills will be rounded off to the nearest rupee.

16. Other Charges

Apart from the charges provided in the Rate of Charge and those included in the Schedule of Miscellaneous Charges, no other charge shall be recovered from the consumer unless approved by the Commission.

B. Tariffs

RTS-1: Domestic

1. Applicability

This schedule shall apply to supply of power to:

(i) Residential premises (including premises of Departmental Employees & Pensioners of UPCL, PTCUL and UJVN Ltd.) for light, fan, power and other domestic purposes including common facilities (such as Lifts, Common Lighting and Water Pumping system).

(ii) Single Point Bulk Supply above 75 kW for Residential Colonies, Residential Multi-storeyed buildings where energy is exclusively used for domestic purpose including common facilities (such as Lifts, Common Lighting and Water Pumping system) of such Residential Colonies/Residential Multistoreyed Buildings.

(iii) Places of worship, i.e. Mandir, Masjid, Gurudwara, Church, etc. (only for standalone places of worship and not for the places of worship which have other facilities such as Dharamshala, Community Hall, Dormatories, etc. attached with it).

(iv) Gaushalas/Gausadans and Dairy Farms having load upto 4 kW and consumption upto 600 kWh/ month.

(v) Home-stay registered under Deendayal Upadhyay Home-Stay Development Policy Rules, 2018.

(This rate schedule shall also be applicable to consumers having contracted load upto 2 kW as also consumption upto 200 kWh/month and who are using some portion of the premises mentioned above for non-domestic purposes. However, if either contracted load for such premises is above 2 kW or consumption is more than 200 kWh/month, then the entire energy consumed shall be charged under the appropriate Rate Schedule unless such load is segregated and separately metered).

2. Rate of Charge

<table>
<tr><th>Description</th><th>Fixed Charges*</th><th>Energy Charges</th></tr>
<tr><td>1) Domestic</td><td></td><td></td></tr>
<tr><td>1.1)BPL/Life line consumers</td><td></td><td></td></tr>
<tr><td>Below Poverty Line and Kutir Jyoti having load upto 1 kW and consumption upto 60 units per month</td><td>Rs. 18/ connection/month</td><td>Rs. 1.85/kWh</td></tr>
<tr><td>1.2) Other Domestic Consumers</td><td></td><td></td></tr>
<tr><td>Upto 100 units per month</td><td rowspan="4">• Upto 1 kW-Rs. 75/kW/Month
• Above 1 kW and upto 4 kW-Rs. 85/kW/month
• Above 4 kW-Rs. 100/kW/month</td><td>Rs. 3.65/kWh</td></tr>
<tr><td>101-200 units per month</td><td>Rs. 5.25/kWh</td></tr>
<tr><td>201-400 units per month</td><td>Rs. 7.15/kWh</td></tr>
<tr><td>Above 400 units per month</td><td>Rs. 7.80/kWh</td></tr>
<tr><td>2) Single Point Bulk Supply</td><td>Rs. 120/kVA/month</td><td>Rs. 7.50/kVAh</td></tr>
</table>

** Fixed Charges based on sanctioned load*

RTS-1A: Snowbound

1. Applicability

This schedule shall apply to supply of power to:

(i) Domestic and non-domestic consumers in snowbound areas.

(ii) This Schedule applies to areas notified as snowbound/snowline areas by the concerned District Magistrate.

2. Rate of Charge

Description	Fixed Charges	Energy charges
1) Domestic	Rs. 18/connection/month	Rs. 1.85/kWh
2) Non-domestic upto 1 kW		Rs. 1.85/kWh
3) Non-domestic more than 1 kW & upto 4 kW		Rs. 2.75/kWh
4) Non-Domestic more than 4 kW	Rs. 30/connection/month	Rs. 4.00/kWh

3. All other conditions of this Schedule shall be same as those in RTS-1.

RTS-2: Non-Domestic

1. Applicability

This schedule should apply to supply of power to:

1.1 (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.

1.2 Small Non Domestic Consumers with connected load upto 4 kW and consumption upto 60 units per month.

1.3 Other Non-Domestic Users including single point bulk supply above 75 kW for shopping complexes/multiplex/malls including common facilities (such as lifts, common lighting and water pumping system).

1.4 Independent Advertisement Boards/Hoardings - All commercial (road side/roof top or on the side of the buildings etc.) standalone independent advertisement hoardings such as private advertising sign posts/sign boards/sign glows/flex that are independently metered through a separate meter.

2. Rate of Charge

S. No.	Description	Fixed Charges	Energy Charges
1.1	(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.		
	(a) Upto 25 kW	Rs. 90/ kW	Rs. 6.00/ kWh
	(b) Above 25 kW	Rs. 100/ kVA	Rs. 5.85/ kVAh
1.2	**Other Non-Domestic Users**		
	(a) Small Non-Domestic Consumers with connected load upto 4 kW and consumption upto 60 units per month*.	Rs. 90 / kW	Rs. 5.75/ kWh
	(b) Others upto 25 kW not covered in 1.2(a) above.	Rs. 110 / kW	Rs. 7.75/ kWh
	(c) Above 25 kW	Rs. 115 / kVA	Rs. 7.80/ kVAh
1.3	Single Point Bulk Supply**	Rs. 130 / kVA	Rs. 7.80/ kVAh
1.4	Independent Advertisement Hoardings.	Rs. 140/kW	Rs. 8.60/kWh

** If consumption exceeds 60 units/month, then on the entire energy consumed tariff as per sub-category 1.2(b) shall be charged.*

*** For loads above 75 kW for shopping complexes/multiplex/malls.*

3. Other Conditions

3.1 ToD Meters shall be read by Meter Reading Instrument (MRI) only with complete dump with phasor diagram, Tamper Reports, full load survey reports etc. shall be downloaded for the purpose of complete analysis.

3.2 All consumers above 25 kW shall necessarily have ToD Meters.

3.3 No meter shall be read at zero load or very low load. Licensee shall carry appropriate external load and shall apply the same, wherever, necessary to take MRI at load.

3.4 Copy of MRI Summary Report shall be provided alongwith the Bill. Full MRI Report including load survey report shall be provided on demand and on payment of Rs. 15/ Bill.

RTS-3: Govt. Public Utilities

1. Applicability

This schedule shall apply to supply of power to:

(i) Public lamps including street lighting system, traffic control signals, lighting of public parks, etc. The street lighting of Harijan Bastis and villages are also covered by this Rate Schedule.

(ii) State Tubewells, World Bank Tubewells, Pumped Canals and Lift irrigation schemes, Laghu Dal Nahar etc.,

(iii) Irrigation system owned and operated by any Government department.

(iv) Public Water Works, Sewage Treatment Plants and Sewage Pumping Stations functioning under Jal Sansthan, Jal Nigam or other local bodies and Plastic Recycling Plants.

2. Rate of Charge

Category	Fixed Charges*	Energy Charge
Urban (Metered)	Rs. 130/kVA/month	Rs. 7.85/ kVAh
Rural (Metered)	Rs. 120/kVA/month	Rs. 7.85/ kVAh

** The Urban and Rural differentiation will apply only for supply of power to 1(i) & 1(iv) above.*

3. Maintenance Charge for Public Lamps

In addition to the "Rate of Charge" mentioned above, a sum of Rs. 10/- per light point per month shall be charged for operation and maintenance of street lights covering only labour charges where all material required will be supplied by the local bodies. However, the local bodies will have the option to operate and maintain the public lamps themselves and in such case no maintenance charge will be charged.

4. Provisions of Street Light Systems

In case, the maintenance charge, as mentioned above, is being charged then the labour involved in the subsequent replacement or renewals of lamps shall be provided by the licensee but all the material shall be provided by the local bodies. If licensee provides material at the request of local body, cost of the same shall be chargeable from the local body.

The cost involved in extension of street light mains (including cost of sub-stations if any) in areas where distribution mains of the licensee have not been laid, will be paid for by the local bodies.

RTS-4: Private Tube Wells/ Pumping Sets

1. Applicability

This schedule shall apply to supply of power to private tube-wells/pumping sets for irrigation purposes.

2. Rate of charge

Category	Fixed Charges Rs./BHP/Month	Energy Charges Rs./kWh
RTS 4: PTW (Metered)	Nil	2.70

3. Payments of bills and Surcharge for Late Payment

The bill shall be raised for this category twice a year only, i.e. by end of December (for period June to November) and end of June (for period December to May). The bill raised in December may be paid by the consumer either in lump-sum or in parts (not more than four times) till 30th April next year for which no DPS shall be levied. Similarly, bill raised in June may be paid by 31st October without any DPS. In case consumer fails to make payment within the specified dates, a surcharge @ 1.25% per month for the period (months or part thereof) shall be payable on the principal outstanding amount of the Bill as per clause 7 of the General Conditions of Supply.

RTS-4A: Agriculture Allied Activities

1. Applicability

This schedule shall apply to supply of power for use in nurseries growing plants/saplings, polyhouses, fisheries and other units growing flowers/vegetables, fruits including mushroom cultivation which does not involve any kind of processing of product except for storing and preservation. This schedule shall also apply for incidental agricultural processes confined to chaff cutter, thrasher, cane crusher and rice huller only.

2. Rate of charge

Category	Fixed Charges	Energy Charges
RTS 4(A): Agricultural Allied Services (Metered)		
Upto 25 kW	Nil	Rs. 3.80 / kWh
Above 25 kW & upto 75 kW	Rs. 75/kVA/month	Rs. 3.80 / kVAh
Above 75 kW	Rs. 100/kVA/month	Rs. 4.00 / kVAh

RTS-5: LT and HT Industry

1. Applicability

This schedule shall apply to supply of power to:

(i) Industries and/or processing or agro- industrial purposes, power loom as well as to Arc/Induction Furnaces, Rolling/Re-rolling Mills, Mini Steel Plants and to other power consumers not covered under any other Rate Schedule.

(ii) The vegetable, fruits, floriculture & Mushroom integrated units engaged in processing, storing and packaging in addition to farming and those not covered under RTS-4A shall also be covered under this Rate Schedule.

2. Specific Conditions of Supply

(i) All connections shall be connected with MCB (Miniature Circuit Breaker) or Circuit Breaker/Switch Gear of appropriate rating and BIS Specification.

(ii) The supply to Induction and Arc Furnaces shall be made available only after ensuring that the loads sanctioned are corresponding to the load requirements of tonnage of furnaces. The minimum load of 1 Tonne furnace shall in no case be less than 400 kVA and all loads will be determined on this basis. No supply will be given for loads below this norm.

(iii) Supply to Steel Units shall be made available at a voltage of 33 kV or above through a dedicated individual feeder only with check meter at sub-station end. Difference of more than 3%, between readings of check meter and consumer meter(s), shall be immediately investigated by the licensee and corrective action shall be taken.

(iv) Supply to all new connections with load above 1000 kVA should be released on independent feeders only with provisions as at (iii) above.

Description	Energy Charge		Fixed /Demand Charge per month
1. LT Industry having contracted load upto 75 kW (100 BHP)	Rs. 5.75/kVAh		Rs. 185/ kVA of contracted load
2. HT Industry having contracted load above 88 kVA/75 kW (100 BHP)	Load Factor#	Rs./kVAh	
2.1 Contracted Load up to 1000 kVA	Upto 40%	6.45	Rs. 410/kVA of the billable demand*
	Above 40%	6.85	
2.2 Contracted Load More than 1000 kVA	Upto 40%	6.45	Rs. 480/kVA of the billable demand*
	Above 40%	6.85	

** Billable demand shall be the actual maximum demand or 75 % of the contracted load whichever is higher.*

#For tariff purposes Load Factor (%) would be deemed to be =

$$\frac{\text{Consumption (excluding the energy received through open access) during the billing period}}{\text{Maximum Demand or Contracted Demand whichever is less x No. of hours in the billing period}} \times 100$$

Provided that in cases where maximum demand during the month occurs in a period when open access is being availed by the consumer, then maximum demand for the purpose of computation of load factor shall be that occurring during the period when no open access is being availed.

3. Time of Day Tariff

(i) The rates of energy charge given above for LT industry with load more than 25 kW and HT industry shall be subject to ToD rebate/surcharge.

(ii) ToD Meters shall be read by Meter Reading Instrument (MRI) only with complete dump with phasor diagram, Tamper Reports, full load survey reports etc. shall be downloaded for the purpose of complete analysis and bills shall be raised as per ToD rate of charge.

(iii) No meter shall be read at zero load or very low load. Licensee shall carry appropriate external load and shall apply the same, wherever, necessary to take MRI at load.

(iv) Copy of MRI Summary Report shall be provided along with the Bill. Full MRI Report including load survey report shall be provided on demand and on payment of Rs. 15/ Bill.

(v) ToD Load shall be as under:

Season/Time of day	Morning Peak hours	Normal hours	Evening Peak Hours	Off-peak Hours
Winters 01.10 to 31.03	0600-0900 hrs	0900-1800 hrs	1800-2200 hrs	2200-0600 hrs
Summers 01.04 to 30.09	--	0700-1800 hrs	1800-2300 hrs	2300-0700 hrs

The, ToD Rate of Energy Charges shall be as under:

For LT Industry

Energy Charge during		
Normal Hours	**Peak Hours**	**Off-peak Hours**
Rs. 5.75/kVAh	Rs. 7.48/kVAh	Rs. 4.31/kVAh

For HT Industry

Load Factor*	Energy Charge during		
	Normal Hours	**Peak Hours**	**Off-peak Hours**
Upto 40%	Rs. 6.45/kVAh	Rs. 8.91/kVAh	Rs. 4.84/kVAh
Above 40%	Rs. 6.85/kVAh	Rs. 8.91/kVAh	Rs. 5.14/kVAh

** Load Factor shall be as defined in Clause 2 above.*

4. Seasonal Industries

Where a consumer having load in excess of 18 kW (25 BHP) and ToD meter and avails supply of energy for declared Seasonal industries during certain seasons or limited period in the year, and his plant is regularly closed down during certain months of the financial year, he may be levied for the months during which the plant is shut down (which period shall be referred to as off-season period) as follows:

(i) The tariff for 'Season' period shall be same as "Rate of Charge" as given in this schedule.

(ii) Where actual demand in 'Off Season' Period is not more than 30% of contracted load, the energy charges for "Off-Season" period shall be same as energy charges for "Season" period given in Rate of Schedule above. However, the contracted demand in the "Off Season" period shall be reduced to 30%.

(iii) During 'Off-season' period, the maximum allowable demand will be 30% of the contracted demand and the consumers whose actual demand exceeds 30% of the contracted demand in any month of the 'Off Season' will be denied the above benefit of reduced contracted demand during that season. In addition, a surcharge at the rate of 10% of the demand charge shall be payable for the entire 'Off Season' period.

Terms and Conditions for Seasonal Industries

(i) The period of operation should not be more than 9 months in a financial year.

(ii) Where period of operation is more than 4 months in a financial year, such industry should operate for at least consecutive 4 months.

(iii) The seasonal period once notified cannot be reduced during the year. The off-season tariff is not applicable to composite units having seasonal and other categories of loads.

(iv) Industries in addition to sugar, ice, rice mill, frozen foods and tea shall be notified by Licensee only after prior approval of the Commission.

5. Factory Lighting

The electrical energy supplied under this schedule shall also be utilised in the factory premises for lights, fans, coolers, etc. which shall mean and include all energy consumed for factory lighting in the offices, the main factory building, stores, time keeper's office, canteen, staff club, library, creche, dispensary, staff welfare centres, compound lighting, etc.

7. Continuous and Non-continuous supply

(i) Only Continuous Process Industry consumers operating 24 hours a day and for 7 days in a week without any weekly off connected on either independent feeders or industrial feeder can opt for continuous supply. For industrial feeder, all connected industries will have to opt for continuous supply and in case any one consumer on industrial feeder does not wish to opt for continuous supply, all the consumers on such feeder will not be able to avail continuous supply. Such Continuous Process Industry consumers who opt for continuous supply shall be exempted from load shedding during scheduled/unscheduled power cuts and during restricted hours of the period of restriction in usage approved by the Commission from time to time, except load shedding required due to emergency breakdown/shutdown.

(ii) Continuous Process Industry consumers who have opted for Continuous supply shall continue to remain Continuous Supply Consumers and they need not to apply again for seeking continuous supply option. Such consumers shall pay 15% extra energy charges, in addition to the energy charges approved, w.e.f. April 01, 2025 till March 31, 2026. However, in case of any pending dispute with UPCL in the matter of continuous supply on certain feeders, those consumers will have to apply afresh, for availing the facility of continuous supply by April 30, 2025.

(iii) The existing Continuous Process Industry consumers who are new applicants for continuous supply of power (including those who are applying afresh as per above condition) can apply for seeking the continuous supply option at any time during the year. However, continuous supply surcharge for such existing consumers shall be applicable with effect from May 01, 2025 till March 31, 2026. UPCL shall provide the facility of continuous supply within 7 days from the date of application, subject to fulfilment of Conditions of Supply as mentioned in Clause 6 under Tariff Schedule of RTS-5. However, in case of re-arrangement of supply through independent feeder, UPCL shall provide the facility of continuous supply from the date of completion of work of independent feeder subject to fulfilment of Conditions of Supply and the continuous supply surcharge on such consumers shall be applicable from the date of energisation of aforesaid independent feeder till March 31, 2026, irrespective of actual period of continuous supply option.

(iv) The existing Continuous Process Industry consumers availing continuous supply option, who wish to discontinue the continuous supply option granted to them earlier, will have to communicate, in writing, to UPCL latest by April 30, 2025 and they shall continue to pay continuous supply surcharge alongwith the tariff approved in this Order till April 30, 2025. Further, in this regard, if due to withdrawal by one consumer from availing continuous supply option on a particular feeder, the status of other continuous supply consumers in that feeder is affected, then UPCL shall inform all the affected consumers in writing, well in advance.

(v) The non continuous process industrial consumers will not have an option to avail continuous supply. The existing non continuous process industrial consumers who have opted for continuous supply will get continuous supply only till 30th April, 2025 and they shall continue to pay continuous supply surcharge alongwith the tariff approved in this

Order till April 30, 2025.

(vi) UPCL shall not change the status of a continuous supply feeder to a non-continuous supply feeder.

(vii) UPCL/PTCUL shall take up augmentation, maintenance and overhauling works on top priority, specially in the sub-stations where circuit breakers, other equipments, etc. are in dilapidated condition and, thereby, shall ensure minimisation of interruptions of the continuous supply feeders.

(viii) UPCL/PTCUL shall carry out periodical preventive maintenance of the feeders supplying to continuous supply consumers. The licensees shall prepare preventive maintenance schedule, in consultation with continuous supply consumers, well in advance, so that such consumers can plan their operations, accordingly.

(ix) Continuous supply surcharge shall not be applicable on power procured by industrial consumers through open access.

(x) The Licensee should show the energy charges and continuous supply surcharge thereon separately in the bills.

7. Demand Charges for HT Industry

If the minimum average supply to any HT Industry Consumers is less than 18 hours per day during the month, the Demand Charges applicable for such HT Industry Consumer shall be 80% of the approved Demand Charges for HT Industry.

8. Billing Cycle for Large Industrial Consumers

UPCL shall raise the bills for large industrial consumers having Contracted Demand of 3 MVA and above on fortnightly basis (every 15 days).

RTS 6: Mixed Load

1. Applicability

This schedule applies to single point bulk supply connection of more than 75 kW where the supply is used predominantly for domestic purposes (with more than 60% domestic load) and also for other non-domestic purposes. This schedule also applies to supply to MES.

2. Rate of Charge

The following rates shall apply to consumers of this category:

Fixed Charges	Energy Charges
Rs. 150/kVA/month	Rs. 7.30/kVAh

3. Other conditions

Apart from the above, other conditions of tariff shall be same as those for RTS-1 consumers. However, excess load penalty shall be applicable as per clause 13 of General Conditions of Supply.

RTS 7: Railway Traction

1. Applicability

This schedule applies to Railways utilizing power for traction purposes.

2. Rate of Charge

The following rates of energy and demand charge shall apply to this category:

Demand Charges	Energy Charges
Rs./kVA/month	Rs./kVAh
Rs. 330/-	Rs. 7.05

3. Other conditions

Apart from the above, other conditions of tariff shall be same as those for General HT Industries under RTS-5 consumers except applicability of ToD tariff and surcharge for continuous supply.

RTS 8: Electric Vehicle Charging Stations

1. Applicability

This schedule applies to Electric Vehicle Charging Stations set up for providing Electric Vehicle Charging facilities.

2. Rate of Charge

The following rates of energy and demand charge shall apply to this category:

FixedCharges	Energy Charges
Rs./kW/month	Rs./kWh
---	Rs. 7.65

RTS-9: Temporary Supply

1. Applicability

(i) This schedule shall apply to temporary supplies of light, fan and power loads for all purposes including illumination/public address/ceremonies and festivities/functions/ temporary shops not exceeding three months.

(ii) This schedule shall also apply for power taken for construction purposes including civil work by all consumers including Government Departments. Power for construction purposes for any work / project shall be considered from the date of taking first connection for the construction work till completion of the work / project.

However, use of electricity through a permanent connection sanctioned for premises owned by the consumer for construction, repair or renovation of existing building, shall not be considered as unauthorised use of electricity as long as the intended purpose/use of the building/apartments being constructed is same/permissible in the sanctioned category of the connection.

2. Rate of Charge

(i) The rate of charge for 1 (i) above shall be corresponding rate of charge in appropriate Schedule Plus 25%.

(ii) The appropriate rate schedule for the temporary supply for construction of house or any residential premises shall be RTS-1 and, accordingly, the rate of charge shall be rate applicable for RTS-1 plus 25%.

(iii) The following rate of energy and fixed charges shall apply for the temporary supplies for other construction works not covered above:

FixedCharges	Energy Charges
Rs./kW/month	Rs./kWh
---	Rs. 9.50

9.2 Annexure 2: Schedule of Miscellaneous Charges

Sl. No.	Nature of Charges	Unit	Approved (Rs.)
1	**Checking and Testing of Meters**		
	a. Single Phase Meters	Per Meter	100.00
	b. Three Phase Meters	Per Meter	150.00
	c. LT Tri-vector Meters	Per Meter	700.00
	d. 11 kV Tri-vector Meters	Per Meter	2,000.00
	e. 33 kV Tri-vector Meters	Per Meter	2,500.00
2	**Initial testing of Bidirectional / Net Meters**		
	a. Single Phase Meters	Per Meter	200.00
	b. Three Phase Meters	Per Meter	300.00
	c. LT Tri-vector Meters	Per Meter	1000.00
	d. 11 kV Tri-vector Meters	Per Meter	1500.00
	e. 33 kV Tri-vector Meters	Per Meter	2000.00
3	**Replacement of Meters**		
	a. Installation of Meter and its subsequent removal in case of Temporary Connections	Per Job	150.00
	b. Changing of position of Meter Board at the consumer's request	Per Job	200.00
4	**Checking of Capacitors (other than initial checking) on consumer's request:**		
	a. At 400 V/ 230 V	Per Job	300.00
	b. At 11 kV and above	Per Job	500.00
5	**Charges for special reading of consumer meter**	Per Job	100.00

Sl. No.	Nature of Charges	Unit	Miscellaneous Charges* (Rs.) for Disconnection/Reconnection		
			Permanent Disconnection on consumer's request	For Non-payment of Dues: Disconnection	For Non-payment of Dues: Reconnection
6	a. Consumer having load above 100 BHP/75 kW	Per Job	1000.00	500.00	500.00
	b. Industrial and Non Domestic consumers upto 100 BHP/75 kW	Per Job	600.00	300.00	300.00
	c. All other categories of consumers	Per Job	300.00	150.00	150.00

9.3 Annexure 3: Public Notice

UTTARAKHAND POWER CORPORATION LTD.

(A Govt. of Uttarakahnd Undertaking) Victoria Cross Vijeta Gabar Singh Urja Bhawan, Kanwali Road, Dehradun,
(Corporate Identity No. U40109UR2001 SGC 025867/2358) Telephone: 0135-2768895, Fax: 0135-2768867, Email: cgmupcl@yahoo.co.in, Website: www.upcl.org

PUBLIC NOTICE

Inviting Comments on the Petition for MYT for the Control Period from FY 2025-26 to FY 2027-28, True-up for FY 2023-24 and Annual Performance Review for FY 2024-25 and determination of Tariff for FY 2025-26 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 FY 2025-26 to FY 2027-28 and determination of tariff for FY 2025-26 and has sought revision in Retail Tariffs to be charged from different category of electricity consumers in the State for FY 2025-26.
2. Through the above Petition, UPCL has also sought truing up of expenses for FY 2023-24 (based on audited accounts). The summary of the revised ARR and the revised revenue Gap for FY 2024-25 and projected ARR from FY 2025-26 to FY 2027-28 & projected Revenue gap for FY 2025-26 are given in the following Table:

(Figures in Rs. Crore

Sl. No.	Particulars	FY 2023-24		FY 2024-25		Projected by UPCL		
		Approved by the Commission	Final truing up claimed by UPCL	Approved by the Commission	Revised Estimates submitted by UPCL	FY 2025-26	FY 2026-27	FY 2027-28
A	**Expenditure**							
1	Power Purchase Expenses#	7352.92	7,309.42	7609.36	7,121.01	7,727.70	8,084.94	8,839.59
2	UJVN Ltd. Arrears Gap /(Surplus)	(25.60)	-	(126.14)	-	-	-	-
3	SLDC charges	369.75	373.92	380.60	380.60	392.02	403.78	415.89
4	Transmission Charges- PTCUL							
5	Transmission Charges- PGCIL	598.40	686.30	765.82	710.62	782.97	787.26	810.93
6	O&M expenses	741.04	790.91	791.80	874.66	1089.09	1249.83	1574.50
7	Smart Metering OPEX Expenses				107.53	240.57	177.96	177.96
8	Interest charges (including interest on consumer security deposit)	149.88	128.58	153.05	265.48	321.22	383.61	435.28
9	Guarantee Fee	0.24						
10	Depreciation	244.41	193.55	252.95	211.24	240.75	280.14	317.28
11	Return on Equity	176.91	225.32	197.80	252.33	297.38	357.53	414.23
12	Interest on Working Capital	139.41	157.65	142.26	170.09	151.14	152.37	179.33
13	Provisions for Bad and Doubtful Debt				105.03	111.71	117.06	122.32
14	Net Impact of Loss/(Gain) Sharing		(56.32)					
15	Additional Claim of Pending Certificates till last year		252.10					
16	**Gross Expenditure**	**9747.35**	**10061.44**	**10167.51**	**10198.61**	**11354.54**	**11994.48**	**13287.31**
B	Less: Non-tariff income	429.57	253.10	374.86	302.74	302.74	302.74	302.74
	True up impact of previous year Gap/(Surplus)	582.76	582.76	897.38	897.38	1460.58*	0.00	0.00
C	**Aggregate Revenue Requirement**	**9900.54**	**10391.09**	**10690.03**	**10793.25**	**12512.38**	**11691.75**	**12984.57**
D	Revenues from Existing/Approved Tariffs	9029.69	9235.84	9997.69	-	11170.42	-	-
E	**Revenue Gap/(Surplus) (C –D)**	**870.85**	**1155.25**	**692.34**	-	**1341.96**	-	-

#including Water tax & RPO
****including Carrying Cost of Rs. 84.75 Crore***

3. UPCL has, accordingly, projected a total revenue gap of Rs. 1341.96 Crore for FY 2025-26 including truing up impact of FY 2023-24.
4. For FY 2025-26, UPCL has projected the distribution loss level of 13.50% based on the loss trajectory proposed in business plan.
5. For projecting the power purchase cost for FY 2025-26 from UJVN Ltd. stations (Except large hydro), and Central Sector Generating Stations, UPCL has considered the Fixed Cost as per FY 2023-24 with no escalation. Further, the variable cost and other cost has been considered as per current year's actual charges with no escalation. 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 (excluding arrears) for FY 2023-24 escalated by 3%.For Intra-state transmission charges (PTCUL charges) and SLDC charges, UPCL has considered the ARR approved by the Commission for FY 2024-25 in its Tariff Order dated 31.03.2024 and escalated the same by 3% on previous year to arrive at the PTCUL and SLDC charges for the control period, i.e., FY 2025-26 to FY 2027-28.
6. UPCL has proposed to recover the revenue gap of Rs. 1341.96 Crore relating to true up for FY 2023-24 and projected ARR & tariff for FY 2025-26 through tariff hike in the FY 2025-26.
7. UPCL has, accordingly, proposed an average tariff hike of 12.01% in the existing retail tariffs of consumers.
8. Further, PTCUL, SLDC and UJVN Ltd. have also submitted their ARR and Tariff Petition for the FY 2025-26 including truing up for FY 2023-24 before the Commission. If all the claims as proposed are accepted by the Commission, it would necessitate a hike of 29.23% in consumer tariffs for FY 2025-26.
9. UPCL has proposed to revise the applicable tariffs for FY 2025-26 to meet the revenue gap of Rs. 1341.96 Crore.
The tariff proposal to recover revenue gap without subsidy support is as below:
Proposal:

Consumer Category	Existing Tariff		Proposed Tariff	
	Fixed / Demand Charges	Energy Charges	Fixed / Demand Charges	Energy Charges
RTS 1: Domestic Consumer				
1.1 BPL / Lifeline Consumers	18.00 Rs/Con/Month	1.75 Rs/kWh	18.00 Rs/Con/Month	1.84 Rs/kWh
1.2 Other Domestic Consumers				
Upto 1 kW				
(i) upto 100 Units/month	75 Rs/kW/Month	3.40 Rs/kWh	84 Rs/kW/Month	3.81 Rs/kWh
(ii) 101-200 Units/month	75 Rs/kW/Month	4.90 Rs/kWh	84 Rs/kW/Month	5.48 Rs/kWh
(iii) 201-400 Units/month	75 Rs/kW/Month	6.70 Rs/kWh	84 Rs/kW/Month	7.50 Rs/kWh
(iv) Above 400 Units/month	75 Rs/kW/Month	7.35 Rs/kWh	84 Rs/kW/Month	8.23 Rs/kWh
Above 1 kW and upto 4 kW				
(i) upto 100 Units/month	85 Rs/kW/Month	3.40 Rs/kWh	95 Rs/kW/Month	3.81 Rs/kWh
(ii) 101-200 Units/month	85 Rs/kW/Month	4.90 Rs/kWh	95 Rs/kW/Month	5.48 Rs/kWh
(iii) 201-400 Units/month	85 Rs/kW/Month	6.70 Rs/kWh	95 Rs/kW/Month	7.50 Rs/kWh
(iv) Above 400 Units/month	85 Rs/kW/Month	7.35 Rs/kWh	95 Rs/kW/Month	8.23 Rs/kWh
Above 4 kW				
(i) upto 100 Units/month	100 Rs/kW/Month	3.40 Rs/kWh	112 Rs/kW/Month	3.81 Rs/kWh
(ii) 101-200 Units/month	100 Rs/kW/Month	4.90 Rs/kWh	112 Rs/kW/Month	5.48 Rs/kWh
(iii) 201-400 Units/month	100 Rs/kW/Month	6.70 Rs/kWh	112 Rs/kW/Month	7.50 Rs/kWh
(iv) Above 400 Units/month	100 Rs/kW/Month	7.35 Rs/kWh	112 Rs/kW/Month	8.23 Rs/kWh
2. Single Point Bulk Supply	120 Rs/kVA/Month	7.00 Rs/kVAh	135 Rs/kVA/Month	7.88 Rs/kVAh
RTS-1A: Snowbound				
1. Domestic	18.00 Rs/Con/Month	1.75 Rs/kWh	20.00 Rs/Con/Month	1.97 Rs/kWh
2. Non-Domestic upto 1 kW	18.00 Rs/Con/Month	1.75 Rs/kWh	20.00 Rs/Con/Month	1.97 Rs/kWh
3. Non-Domestic above 1 kW & upto 4 kW	18.00 Rs/Con/Month	2.60 Rs/kWh	20.00 Rs/Con/Month	2.93 Rs/kWh

4. Non-Domestic above 4 kW	30.00 Rs/Con/Month	3.80 Rs/kWh	34.00 Rs/Con/Month	4.28 Rs/kWh
RTS 2: Non-Domestic Consumer				
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	90 Rs/kW/Month	5.70 Rs/kWh	101 Rs/kW/Month	6.42 Rs/kWh
1.2 Above 25 kW	100 Rs/kVA/Month	5.50 Rs/kVAh	113 Rs/kVA/Month	6.19 Rs/kVAh
2. Other non-Domestic Users				
2.1 Upto 4 kW and consumption upto 60 units per month	90 Rs/kW/Month	5.40 Rs/kWh	107 Rs/kW/Month	6.08 Rs/kWh
2.2 Others upto 25 kW not covered in 2.1 above	110 Rs/kW/Month	7.35 Rs/kWh	124 Rs/kW/Month	8.27 Rs/kWh
2.3 Above 25 kW	115 Rs/kVA/Month	7.35 Rs/kVAh	130 Rs/kVA/Month	8.27 Rs/kVAh
3. Single Point Bulk Supply above 75 kW	130 Rs/kVA/Month	7.35 Rs/kVAh	154 Rs/kVA/Month	8.27 Rs/kVAh
4. Independent Advertisement Hoardings	140 Rs/kW/Month	8.20 Rs/kWh	158 Rs/kW/Month	9.23 Rs/kWh
RTS 3: Government Public Utilities				
1. Urban	130 Rs/kVA/Month	7.45 Rs/kVAh	146 Rs/kVA/Month	8.39 Rs/kVAh
2. Rural	120 Rs/kVA/Month	7.45 Rs/kVAh	135 Rs/kVA/Month	8.39 Rs/kVAh
RTS 4: Private Tubewells/Pumping Sets				
1. Metered		2.55 Rs/kWh		2.68 Rs/kWh
RTS- 4A: Agriculture Allied Services				
1. Metered		3.60 Rs/kWh		3.78 Rs/kWh
RTS 5: HT & LT Industry				
LT Industry				
1. LT Industries (upto 75 kW)	185 Rs/kVA /Month		185 Rs/kVA/Month	
1.1 Normal Hour Charges		5.40 Rs/kVAh		6.08 Rs/kVAh
1.2 Peak Hour Charges		7.02 Rs/kVAh		7.90 Rs/kVAh
1.3 Off Peak Hour Charges		4.05 Rs/kVAh		4.56 Rs/kVAh
HT Industry				
1. HT Industries (contracted load upto 1000 KVA)				
1.1 Load factor upto 40% -Normal Hours	410 Rs./KVA of billable demand/Month	6.00 Rs/kVAh	461 Rs./KVA of billable demand/Month	6.75 Rs/kVAh
1.2 Load factor above 40%- Normal Hours	410 Rs./KVA of billable demand/Month	6.40 Rs/kVAh	461 Rs./KVA of billable demand/Month	7.20 Rs/kVAh
1.3 Peak Hour Charges (Load Factor upto 40%)		8.32 Rs/kVAh		9.36 Rs/kVAh
1.4 Peak Hour Charges (Load Factor above 40%)		8.32 Rs/kVAh		9.36 Rs/kVAh
1.5 Off Peak Charges- Load Factor upto 40%		4.50 Rs/kVAh		5.06 Rs/kVAh
1.6 Off Peak Charges- Load Factor above 40%		4.80 Rs/kVAh		5.40 Rs/kVAh
2. HT Industries (above 1000 KVA)				
2.1 Load factor upto 40% -Normal Hours	480 Rs./KVA of billable demand	6.00 Rs/kVAh	540 Rs./KVA of billable demand	6.75 Rs/kVAh
2.2 Load factor above 40%- Normal Hours	480 Rs./KVA of billable demand	6.40 Rs/kVAh	540 Rs./KVA of billable demand	7.20 Rs/kVAh
3.1 Peak Hour Charges (Load Factor upto 40%)		8.32 Rs/kVAh		9.36 Rs/kVAh
3.2 Peak Hour Charges (Load Factor above 40%)		8.32 Rs/kVAh		9.36 Rs/kVAh
3.3 Off Peak Charges- Load Factor upto 40%		4.50 Rs/kVAh		5.06 Rs/kVAh
3.4 Off Peak Charges- Load Factor above 40%		4.80 Rs/kVAh		5.40 Rs/kVAh
RTS 6: Mixed Load				
Mixed Load Single Point Bulk Supply above 75 kW including MES as deemed licensee	150 Rs/kVA/Month	6.90 Rs/kVAh	169 Rs/kVA/Month	7.77 Rs/kVAh
RTS 7: Railway Traction				
Railway Traction	330 Rs/kVA/Month	6.60 Rs/kVAh	392 Rs/kVA/Month	7.43 Rs/kVAh
RTS 8: Electric Vehicle and Charging Station				
Electric Vehicle and Charging Station		7.00 Rs/kWh		7.35 Rs/kWh

ToD charges proposed for the industries:

Industries	Rate of charge during		
	Normal hours	Peak hours	Off-peak hours
LT Industries	Rs. 6.08/kVAh	Rs. 7.90/kVAh	Rs. 4.56/kVAh
HT Industries with Load Factor			
Upto 40%	Rs. 6.75/kVAh	Rs. 9.36/kVAh	Rs. 5.06/kVAh
Above 40%	Rs. 7.20/kVAh	Rs. 9.36/kVAh	Rs. 5.40/kVAh

10. In addition, UPCL has also proposed following:
    (a) Continuation of prepaid metering scheme.
    (b) Green Power Tariff for all consumer categories.
    (c) Time of Day Tariffs for all consumer categories other than Agriculture consumers tentatively from FY 2026-27 based on smart meter deployment plan under RDSS
    (d) Continuation of existing rebate on online payment of electricity bills.
    (e) Energy charge hike is limited to 5% for BPL/Lifeline consumers, with no increase in fixed charges.
    (f) Average hike of 11.92% is proposed for all slabs of the domestic category other than BPL.
    (g) Average hike of 12.66% is proposed for Non-Domestic category.
    (h) Average 13.14% hike is proposed for the single point bulk supply category (Non Domestic Category).
    (i) Average hike of 12.54 % is proposed for Government Public utilities.
    (j) Average hike of only 5% is proposed for the private tube well.
    (k) Average hike of 11.91% is proposed for Industrial category.
    (l) Average hike of 12.56% is proposed for the mixed load category.
    (m) Average hike of 13.54% is proposed for the railway traction category.
    (n) A hike of 5% is proposed for energy charges for the electric vehicle and charging station category.
    (o) 5% escalation is proposed in Miscellaneous charges.
    (p) Applicability of rate schedule of HT Industry on LT Industrial consumers having load upto 75 kW where demand exceeds 100 kVA in a month.
11. Detailed Petition can be seen free of cost on any working day at the Commission's office or at the office of Chief Engineer (Commercial) at Victoria Cross Vijeta Gabar Singh Urja Bhawan, Kanwali Road, Dehradun/Chief Engineer (Distribution), Garhwal Zone, UPCL, Shivalik Complex, 2nd Floor, Near LIC Divisional Office, Haridwar Road, Dharmpur, Dehradun/Chief Engineer (Distribution), Kumaon Zone, UPCL, 132-KV Substation, Kathgodam, Haldwani/ Chief Engineer (Distribution), Haridwar Zone, UPCL, Roshnabad, Haridwar / Chief Engineer (Distribution), Udham Singh Nagar Zone, UPCL, 33KV Sub-Station, Sector-2, SIDCUL, Pantnagar, Rudrapur-263153.
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).
13. 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 **15.02.2025.** 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 **15.02.2025.**

No.: 15/1EE(cm)/UPCL/A-2 Dt.: 10/01/2025 **Managing Director**

SAVE ELECTRICITY IN THE INTEREST OF THE NATION **Use LED Bulb Save Electricity. (Toll-Free- 1912) "Pay Electricity Bill Online 24x7 from www.upcl.org" (For information on Electricity Theft, Informer may report to Toll Free No. 18001804185/ Fax No. 0135-2760911)**

UTTARAKHAND POWER CORPORATION LIMITED
(A Govt. of Uttarakhand Undertaking)
Victoria Cross Vijeyta Gabar Singh Urja Bhawan, Kanwali Road, Dehradun-248001,
Corporate Identity No. UA40109UP2001SGC025867/2358, E-mail: cgmupcl@yahoo.co.in
Website : www.upcl.org, Telephone - 0135-2768895, Fax No. - 0135-2768867

PUBLIC NOTICE

Inviting Comments on the Petition filed by UPCL for approval of Business Plan for the fifth Control Period from FY 2025-26 to FY 2027-28 before the Uttarakhand Electricity Regulatory Commission

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 Business Plan for the Control Period FY 2025-26 to FY 2027-28 giving details of the activities proposed to be carried out by it during this Control Period.
2. Detailed Petition can be seen free of cost on any working day at the Commission's office or at the office of Chief Engineer (Commercial) at Victoria Cross Vijeta Gabar Singh Urja Bhawan, Kanwali Road, Dehradun/Chief Engineer (Distribution), Garhwal Zone, UPCL, Shivalik Complex, 2nd Floor, Near LIC Divisional Office, Haridwar Road, Dharmpur, Dehradun/Chief Engineer (Distribution), Kumaon Zone, UPCL, 132-KV Substation, Kathgodam, Haldwani/ Chief Engineer (Distribution), Haridwar Zone, UPCL, Roshnabad, Haridwar / Chief Engineer (Distribution), Udham Singh Nagar Zone, UPCL, 33KV Sub- Station, Sector-2, SIDCUL, Pantnagar, Rudrapur-263153.
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).
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 at 'Vidyut Niyamak Bhawan', Near I.S.B.T, PO- Majra, Dehradun-248171 or through e-mail to secy.uerc@gov.in by **15.02.2025**. 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.

No. : 12/1/EE(CM)/UPCL/A-2, Dt. 10.01.2025 **Managing Director**

"SAVE ELECTRICITY IN THE INTEREST OF THE NATION" Use LED Bulb to Save Electricity
(Toll Free No. : 1912) "Pay Electricity Bill Online 24x7 from www.upcl.org" (For information on Electricity theft, informer may report to Toll Free No. : 1800 180 4185/ 1800 419 0405, Fax No. 0135-2760911)

9.4 Annexure 4: List of Respondents

Sl. No.	Name	Designation	Organization	Address
1.	Sh. Jitendra Tyagi	Member (Transport), Electricity Advisory Committee (Uttarakhand) & Managing Director	Uttarakhand Metro Rail, Urban Infrastructure and Building Construction Corporation Ltd.	4th Floor, SCI Tower, Haridwar Bypass Road, NH-72, Near Mahindra Showroom, Ajabpur, Dehradun-248121.
2.	Sh. Sudhir Kumar Saini	Chief General Manager	Opto Electronics Factory	Raipur, Dehradun- 248008.
3.	Sh. Dinesh Chandra Mathpal	-	-	Gangotri Vihar, Gali No. 1, Ramnagar-244715, Nainital.
4.	Lt. Gen. Dr. S.P. Kochhar	Director General	Cellular Operators Association of India (COAI)	14, Bhai Veer Singh Marg, New Delhi – 110001.
5.	Sh. Pawan Agarwal	Vice-President	M/s Uttarakhand Steel Manufacturers Association	C/o Shree Sidhbali Industries Ltd., Kandi Road, Kotdwar, Uttarakhand.
6.	Sh. K.G. Behl	President	All India Consumer Council (AICC)-Uttarakhand	8-A, Nemi Road, Dalanwala, Dehradun.
7.	Sh. Pankaj Gupta	President	M/s Industries Association of Uttarakhand	Mohabewala Industrial Area, Dehradun-248110.
8.	Sh. Mahaveer Prasad Bhatt	President	District Advocates Association	Chamber No. 05, District Court Compound, Distt. Uttarkashi-249193, Uttarakhand.
9.	Sh. Raghwendra Tiwari	Factory Manager (Works)	M/s Pioneer Polyleathers Pvt. Ltd.	Plot No. 74, 75 & 76, Sector-IV, IIE, Sidcul, Pantnagar, Rudrapur, Distt. Udham Singh Nagar.
10.	Sh. Puneet Mohindra	President (Finance & Admn.)	M/s Kashi Vishwanath Steels Pvt. Ltd.	Narain Nagar Industrial Estate, Bazpur Road, Kashipur-244713, Distt. Udham Singh Nagar.
11.	Sh. Himanshu Chawla	Senior Specialist (Regulatory)	Power Foundation of India	B-28, Qutab Institutional Area, New Delhi-110016.
12.	Sh. Shakeel A. Siddiqui	Industrial Advisor	M/s Kashi Vishwanath Textile Mill (P) Ltd.	5th KM., Stone, Ramnagar Road, Kashipur-244713, Distt. Udham Singh Nagar.
13.	Sh. Shakeel A. Siddiqui	Industrial Advisor	M/s Galwalia Ispat Udyog Pvt. Ltd.	Narain Nagar Industrial Estate, Bazpur Road, Kashipur-244713, Distt. Udham Singh Nagar.
14.	Sh. Ashok Bansal	President	M/s Kumaon Garhwal Chamber of Commerce & Industry Uttarakhand	Chamber House, Industrial Estate, Bazpur Road, Kashipur, Udhamsingh Nagar.
15.	Sh. Kartikay Tomar	Partner	M/s PSR Innovations LLP	Village-Gopipura, Post-R.T.C. Hempur-244716, Kashipur, Distt. Udham Singh Nagar.
16.	Sh. Teeka Singh Saini	Block President	Bhartiya Kisan Union	Office-33, Katoratal, Kashipur, Distt. Udhamsingh Nagar.
17.	Sh. Vishal Sharma	President	Suraj Sewa Dal (Kumaon Division)	Office-Shree Hari Enclave Colony, Phase-2, Cheenpur, Haldwani-263139, Nainital, Uttarakhand.

Sl. No.	Name	Designation	Organization	Address
18.	Sh. Ram Kumar Agarwal	Director	M/s Umashakti Steels Pvt. Ltd.	Village-Vikrampur, Post Off.-Bazpur–262401, Distt. Udhamsingh Nagar.
19.	Sh. Praveen Singh	Plant Head	M/s Sanjay Technoplast Pvt. Ltd.	Pant Nagar Plant, Khata No. 182, Khasra No. 301, Min. Village-Fulsunga, Tehsil-Kichha, Rudrapur-263153, Distt. Udham Singh Nagar.
20.	Sh. Balkar Singh	-	Bhartiya Kisan Union	Village-Raipur Khurd, P.O.-Kashipur, Distt. Udhamsingh Nagar.
21.	Sh. Ajay Bhargava	Secretary	Mussoorie Hotels Association	Hotel Surya Kiran, Mall Road, Mussoorie, Dehradun.
22.	Sh. Munish Talwar	-	M/s Asahi India Glass Ltd.	Integrated Glass Plant, Village-Latherdeva Hoon, Manglaur-Jhabrera Road, P.O. Jhabrera, Tehsil Roorkee, Distt. Haridwar, Uttarakhand.
23.	Sh. Deepak Rana	President	Prantiya Udhyog Vyapaar Pratinidhi Mandal-Pipalkoti	P.O.- Pipalkoti, Distt. Chamoli Garhwal-246472, Uttarakhand.
24.	Sh. Dinesh Mudgal	-	Industries Association of Uttarakhand	Mohabewala Industrial Area, Dehradun-248110.
25.	Sh. Rakesh Kumar Bhatia	-	M/s Integrated Industries Association	E-8, Govt. Industrial Area, Patelnagar, Dehradun.
26.	Sh. Vinod Kavi	Convenor	Vidyut Samvida Ekta Manch	Hydel Colony, Near 33/11 kV Sub station, Araghar, Dehradun-248001.
27.	Sh. Vijay Singh Verma	-	-	Village-Delna, P.O.-Jhabrera-247665, Distt. Haridwar.

9.5 Annexure 5: List of Participants in Public Hearings

List of Participants in Hearing at Lohaghat on 18.02.2025

S.No.	Name of the Participants	Designation	Organization	Postal Address
1.	Sh. Manohar Singh	-	-	Village-Matiyani, Rausal, P.O.-Madhuwa, Lohaghat, Distt. Champawat.
2.	Sh. Vivek Rai	-	-	Hathrangia, P.O.-Lohaghat-262524, Distt. Champawat.
3.	Sh. Chandar Chandra	-	-	Village-Jindi, Dhouni Shilang, Block-Lohaghat-262524, Distt. Champawat.
4.	Sh. Mukesh Kharkwal	-	-	Village-Patan, Chandmari Talli, P.O.-Lohaghat-262524, Distt. Champawat.
5.	Sh. Mahesh Chandra Joshi	-	-	Village-Kanera Patan, P.O.- Lohaghat-262524, Distt. Champawat.
6.	Sh. Rajendra Singh Bohra	-	-	Village-Gallagaon, P.O.- Gallagaon, Block Barakot-262524, Distt. Champawat.
7.	Sh. Manoj Kharkwal	-	-	Village-Patan, Chandmari Talli, P.O.-Lohaghat-262524, Distt. Champawat.
8.	Sh. Hayat Singh Mehra	-	-	Chandmari Talli, P.O.-Lohaghat-262524, Distt. Champawat.
9.	Sh. Manoj Kumar Joshi	-	-	Khari Bazaar, P.O.- Lohaghat-262524, Distt. Champawat.
10.	Sh. D.K. Joshi	-	-	Chandmari Talli, P.O.- Lohaghat-262524, Distt. Champawat.
11.	Sh. Harish Chandra Pant	-	-	Village-Chhulape, P.O.- Bardakhan - Distt. Champawat.
12.	Sh. Suresh Singh Vohra	-	-	Village-Koyati, Block-Lohaghat-262524, Distt. Champawat.
13.	Sh. Chandrakant Bisht	-	-	Village-Patan, Chandmari Talli, P.O.-Lohaghat-262524, Distt. Champawat.
14.	Sh. Manish Jukaria	-	RD Jukaria & Sons	Station Bazaar, P.O.- Lohaghat-262524, Distt. Champawat.
15.	Smt. Sarita Adhikari	-	-	Village-Kimtoli, P.O.- Malla Khadera, Block-Lohaghat-262524, Distt. Champawat.
16.	Sh. Ramesh Chandra Patni	-	-	Village-Patan Patani, P.O.-Lohaghat-262524, Distt. Champawat.
17.	Sh. Dinesh Singh	-	-	Village-Sirtoli, P.O.-Chaumel-262525, Lohaghat, Distt. Champawat.
18.	Sh. Ganga Datt Ghaitoria	-	-	Patan, near Alpine Convent School, Pithoragarh Road, P.O.- Lohaghat-262524, Distt. Champawat.

List of Participants in Hearing at Rudrapur on 19.02.2025

S.No.	Name of the Participants	Designation	Organization	Postal Address
1.	Sh. Teeka Singh Saini	Block President	Bhartiya Kisan Union	Office-61, Katoratal, Kashipur, Distt. Udhamsingh Nagar
2.	Sh. Balkar Singh Fauzi	-	-	Village-Raipur Khurd, P.O.-Kashipur, Distt. Udhamsingh Nagar
3.	Sh. Baljinder Singh Sandhu	District General Secretary	Bhartiya Kisan Union	Pega Farm, P.O.-Mahuakheraganj, Kashipur, Distt. Udhamsingh Nagar
4.	Sh. R.K. Singh	Head (CPED & E)	M/s Tata Motors Ltd.	Plot No. 1, Sector 11, Integrated Industrial Estate, SIDCUL, Pantnagar-263153, Udhamsingh Nagar.
5.	Sh. Shakeel A. Siddiqui	Industrial Advisor	M/s Galwalia Ispat Udyog Pvt. Ltd.	Narain Nagar Industrial Estate, Bazpur Road, Kashipur-244713, Distt. Udham Singh Nagar.
6.	Sh. Vipin Kumar	-	M/s Kashi Vishwanath Textile Mill (P) Ltd.	5th KM, Stone, Ramnagar Road, Kashipur-244713, Distt. Udham Singh Nagar.
7.	Sh. Ashok Bansal	President	M/s Kumaon Garhwal Chamber of Commerce & Industry Uttarakhand	Chamber House, Industrial Estate, Bazpur Road, Kashipur, Distt. Udhamsingh Nagar.
8.	Sh. Sanjay Kumar Adhlakha	Director	M/s Ambashakti Glass India Pvt. Ltd.	Plot No. 41, Sector-3, IIE, SIDCUL, Pantnagar, Rudrapur-263153, Distt. Udhamsingh Nagar.
9.	Sh. Arunesh Kumar Singh	-	-	Village-Fulsunga, P.O.-Transit Camp, Rudrapur-263153, Distt. Udham Singh Nagar.
10.	Sh. Rajeev Gupta	-	M/s Kashi Vishwanath Steels Pvt. Ltd.	Narain Nagar Industrial Estate, Bazpur Road, Kashipur-244713, Distt. Udham Singh Nagar
11.	Sh. Devendra Dwivedi	-	-	Village-Fulsunga, P.O.-Transit Camp, Rudrapur-263153, Distt. Udham Singh Nagar.
12.	Sh. Than Singh Sammal	-	-	Village-Fulsunga, Bankhandi Colony, Phase-1, Rudrapur-263153, Distt. Udham Singh Nagar.
13.	Sh. Deepak Chandra	-	-	Village-Fatehpur, Barsati Road, Haldwani, Nainital.
14.	Sh. Vishal Sharma	President	Suraj Sewa Dal (Kumaon Division)	Office-Shree Hari Enclave Colony, Phase-2, Cheenpur, Haldwani-263139, Nainital, Uttarakhand.
15.	Sh. D.K. Bisht	-	Suraj Sewa Dal (Kumaon Division)	Office-Shree Hari Enclave Colony, Phase-2, Cheenpur, Haldwani-263139, Nainital, Uttarakhand.
16.	Sh. Ram Kumar Agarwal	Director	M/s Umashakti Steels Pvt. Ltd.	Village-Vikrampur, Post Off.-Bazpur–262401, Distt. Udhamsingh Nagar.
17.	Sh. Govind Ballabh	-	Suraj Sewa Dal (Kumaon Division)	Office-Shree Hari Enclave Colony, Phase-2, Cheenpur, Haldwani-263139, Nainital, Uttarakhand.

S.No.	Name of the Participants	Designation	Organization	Postal Address
18.	Sh. Sushil Kumar Tulsiyar	-	M/s Umashakti Steels Pvt. Ltd.	Village-Vikrampur, Post Off.-Bazpur–262401, Distt. Udhamsingh Nagar.
19.	Sh. Nishant Kumar	-	M/s Ideal Energy Solutions Pvt. Ltd.	2nd Floor, B-205, Pacific Business Park, 37/1, Maharajpur, Sahibabad Industrial Area, Site-IV, Ghaziabad-201010, Uttar Pradesh.
20.	Sh. Akash Agarwal	-	M/s Ideal Energy Solutions Pvt. Ltd.	2nd Floor, B-205, Pacific Business Park, 37/1, Maharajpur, Sahibabad Industrial Area, Site-IV, Ghaziabad-201010, Uttar Pradesh.
21.	Sh. Praveen Singh	Plant Head	M/s Sanjay Technoplast Pvt. Ltd.	Pant Nagar Plant, Khata No. 182, Khasra No. 301, Min. Village-Fulsunga, Tehsil-Kichha, Rudrapur-263153, Distt. Udham Singh Nagar.
22.	Sh. Rahul Dev	Sr. Manager	M/s India Glycols Ltd.	A-1, Industrial Area, Bazpur Road, Kashipur-244713, Distt. Udham Singh Nagar.
23.	Sh. Daljeet Singh	-	District Court	Chamber No. 14, Rudrapur, Distt. Udham Singh Nagar.
24.	Sh. Sarabjeet Singh	-	District Court	Chamber No. 20, Rudrapur, Distt. Udham Singh Nagar.

List of Participants in Hearing at Gopeshwar on 25.02.2025

S.No.	Name of the Participants	Designation	Organization	Postal Address
1.	Sh. Gajendra Singh Rawat	-	-	Village-Gauna, Block Dhasoli-246424, Distt. Chamoli
2.	Sh. Manoj Tiwari	-	-	Hari Om Colony, Upper Bazaar, Gopeshwar, Distt. Chamoli
3.	Sh. Ravindra Jhinkwan	-	-	Village-Dungri, P.O.-Malkot-246426, Distt. Chamoli
4.	Sh. Arjun Bisht	-	-	CGRF, Gauchar, Karanprayag, Distt. Chamoli
5.	Sh. Pitambar Singh	Gram Pradhan	-	Village-Mana, Block Dhasoli- 246424, Distt. Chamoli
6.	Sh. Hikmat Singh Negi	-	-	Kund Colony, Gopeshwar, Distt. Chamoli
7.	Sh. Manoj Bhandari	District Vice President	-	Garhwal Hotel, near Bus Stand, Gopeshwar-246401, Distt. Chamoli
8.	Sh. Vivek Negi	-	-	Hotel Comfort INN, NH-58, Badrinath Highway, Pipalkoti, Distt. Chamoli
9.	Sh. Pancham Singh Rawat	-	-	Near Govt. P.G. College, Stadium Gate, Gopeshwar-246401, Distt. Chamoli
10.	Sh. Surendra Singh Bisht	-	-	Vikrant Hotel, Peepalkoti, Distt. Chamoli
11.	Sh. Manvendra Pal	-	-	Hotel Vinayak, Village-Gari, Batula, Pipalkoti-246472, Distt. Chamoli
12.	Sh. Manmohan Singh	-	-	Mehra General Store, Peepalkoti-246472, Distt. Chamoli
13.	Sh. Sachin Sati	-	-	Village-Kothiyalsain, Near Hanuman Mandir, Opp. Institute of Technology, Tehsil Chamoli-246424, Distt. Chamoli
14.	Sh. Harish Purohit	-	-	Village-Mayapur, Peepalkoti, Distt. Chamoli
15.	Sh. Devendra Singh Negi	Former District Panchayat Member	-	Village- Raitoli, Gram Sabha-Salla Raitoli, Vikaskhand-Dasholi, P.O.-Peepalkoti, Distt. Chamoli
16.	Sh. Ayodhya Prasad Hatwal	-	-	Nagar Panchayat & P.O.-Gadora, Peepalkoti, Distt. Chamoli
17.	Sh. Anil Negi	-	-	S/o Surendra Singh Negi, Village-Raitoli, P.O.-Peepalkoti- 246472, Distt. Chamoli
18.	Sh. Atul Shah	-	-	C/o Hotel Ajay Palace, Main Market, P.O.-Peepalkoti, Distt. Chamoli
19.	Sh. Sandeep Rawat	Chairman	Nagar Palika	Gopeshwar-246401, Distt. Chamoli
20.	Sh. Virendra Singh Rawat	Zonal President	-	Village-Lasi, Block-Dasoli-249146, Distt. Chamoli
21.	Sh. Pushpendra	-	-	Village-Gweelol, P.O.-Gopeshwar, Distt. Chamoli
22.	Sh. Deepak Rana	President	Vyapar Sangh	Peepalkoti, Distt. Chamoli
23.	Sh. Bhagat Singh Bisht	-	-	Village-Koteshwar, Block-Dasholi, Baragaon, Distt. Chamoli

S.No.	Name of the Participants	Designation	Organization	Postal Address
24.	Sh. Pradeep Singh Bisht	-	-	S/o Late Sh. Bhopal Singh Bisht, Gopinath Mandir Marg, Gopeshwar-246401, Distt. Chamoli
25.	Sh. Manoj Bisht	-	-	Near Jal Nigam Colony, Gopeshwar-246401, Distt. Chamoli
26.	Sh. Vikram Singh Bartwal	District Panchayat Member	-	Kothiyalsain, Gopeshwar-246424, Distt. Chamoli
27.	Sh. Manish Negi	-	Hotel Rajput	Near Indralok Hotel, Main Station, Peepalkoti, Distt. Chamoli
28.	Sh. Pawan Rathore	-	-	Main Market Chamoli, Gopeshwar-246424, Distt. Chamoli
29.	Sh. Prakash Bartwal	-	-	Main Market Chamoli, Gopeshwar-246424, Distt. Chamoli
30.	Sh. Manish Parmar	-	-	Village-Malla Negwar, Gopeshwar-246401, Distt. Chamoli
31.	Sh. Harak Singh Negi	Former District President	Bhartiya Janta Party	Distt. Chamoli
32.	Sh. Sanjay Bisht	-	-	Aadarsh Colony, Gopeshwar, Distt. Chamoli
33.	Sh. Surendra Singh Pharswan	-	-	Village-Sartoli Dharkot, Block-Dasoli, Distt. Chamoli

List of Participants in Hearing at Dehradun on 28.02.2025

S.No.	Name of the Participants	Designation	Organization	Postal Address
1.	Sh. Pankaj Gupta	President	M/s Industries Association of Uttarakhand	Mohabewala Industrial Area, Dehradun-248110
2.	Sh. Rajiv Agarwal	-	M/s Industries Association of Uttarakhand	Patelnagar Cooperative Area, Patelnagar, Dehradun.
3.	Sh. Sanjeev Kumar Sharma	Office Executive	M/s Industries Association of Uttarakhand	C/o Satya Industries, Mohabewala Industrial Area, Dehradun-248110
4.	Shri Anil Goyal	-	Prantiya Udyog Vyapar Pratinidhi Mandal-Uttaranchal	13- Gandhi Road, Dehradun.
5.	Sh. Dinesh Mudgal	-	M/s Industries Association of Uttarakhand	Mohabewala Industrial Area, Dehradun-248110.
6.	Sh. Sunil Kumar Gupta	Editor	Teesri Aankh ka Tehalka	16, Chakrata Road (Tiptop Gali), Dehradun-248001.
7.	Sh. Gulshan Khanduja	-	M/s Shree Ganesh Roller Flour Mills	Mohabewala Industrial Area, Subhash Nagar, Dehradun
8.	Sh. Pawan Agarwal	Vice-President	M/s Uttarakhand Steel Manufacturers Association	C/o Shree Sidhbali Industries Ltd., Kandi Road, Kotdwar, Uttarakhand.
9.	Sh. Suresh Bansal	-	M/s Kukreti Steels Ltd.	F-23-27, E-73-76, Jasodharpur Industrial Area, Kotdwar.
10.	Sh. Veeru Bisht	-	-	Mohanpur, Post Off.-Premnagar, Dehradun-248007.
11.	Sh. Shashi Kant Singhal	-	M/s Shree Sidhbali Industries Ltd.	Kandi Road, Kotdwar-246149, Uttarakhand.
12.	Sh. Rakesh Bhatia	-	M/s Integrated Industries Association	E-8, Govt. Industrial Area, Patelnagar, Dehradun.
13.	Sh. Vinod Kavi	Convenor	Vidyut Samvida Ekta Manch	Hydel Colony, Near 33/11 kV Sub station, Araghar, Dehradun-248001.
14.	Sh. Vijay Singh Verma	-	-	Village-Delna, P.O. Jhabrera, Roorkee-247665, Haridwar
15.	Sh. Yashveer Arya	-	-	Surbhi Enclave, Canal Road, Jakhan, Rajpur Road, Dehradun-248001.
16.	Sh. K.L. Sundriyal	General Secretary	M/s Prantiya Electrical Contractors Association-Uttarakhand	2(4/3), New Road, Near Hotel Relax, (Amrit Kaur Road), Dehradun.
17.	Sh. Shivraj Sarhadi	-	-	4/2, Punjabi Colony, Vikasnagar, Dehradun.
18.	Sh. Pankaj Agarwal	-	-	19, Dwarika Puri Extension, Shahid Ramesh Thapa Marg, GMS Road, Dehradun.
19.	Sh. Pankaj Bhatt	-	-	Shiv Shakti Colony, Zero Point Stand, Lower Nakronda, Dehradun-248008.
20.	Sh. Suresh Kumar	-	-	House No. 9, Chaman Vihar, Majra, Dehradun.