# Order on

## True up for FY 2022-23

## Annual Performance Review for

## FY 2023-24

## &

## ARR for FY 2024-25

## Uttarakhand Power Corporation Ltd.

**March 28, 2024**

**UTTARAKHAND ELECTRICITY REGULATORY COMMISSION**

**Vidyut Niyamak Bhawan,**

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

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# Before

# UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

**Petition No.: 53 of 2023**

**In the Matter of:**

Petition filed by Uttarakhand Power Corporation Limited for True Up of FY 2022-23, Annual Performance Review for FY 2023-24 and ARR & Tariff for FY 2024-25.

**AND**

**In the Matter of:**

Uttarakhand Power Corporation Limited

Urja Bhawan, Kanwali Road, Dehradun …Petitioner

**Coram**

**Shri D.P. Gairola Member (Law) / Chairman (I/c)**

**Shri M.L. Prasad Member (Technical)**

**Date of Order: March 28, 2024**

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 and 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 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 2021-22 based on the above referred Tariff Regulations and had also carried out the Annual Performance Review and truing up for the years under the three 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, 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.

In compliance with the provisions of the Act and Regulation 10 of UERC Tariff Regulations, 2021, Uttarakhand Power Corporation Limited (hereinafter referred to as "UPCL" or "Licensee" or "Petitioner") filed a Petition (Petition No. 53 of 2023 hereinafter referred to as the "Petition") giving details of its revised projections of Annual Revenue Requirement (ARR) for FY 2024-25 based on the true up of FY 2022-23 and Annual Performane Review (APR) of FY 2023-24 on December 18, 2023.

The Petition filed by UPCL had certain infirmities/deficiencies which were informed to UPCL vide Commission's letter no. UERC/6/TF-707/2023-24/2023/986 dated December 21, 2023 and UPCL was directed to rectify the said infirmities in the Petition and submit certain additional information necessary for admission of the Petition. UPCL vide its letter no. 6073/UPCL/RM/B-27 dated December 26, 2023 submitted most of the information sought for admission of the Petition by the Commission. Based on the submission dated December 26, 2023 made by UPCL, the Commission vide its Order dated December 28, 2023 provisionally admitted the Petition 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 APR Petition filed by UPCL for true up for FY 2022-23, APR for FY 2023-24 and ARR 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 Truing up for FY 2022-23.

Chapter 4 – Petitioner's Submissions, Commission's Analysis, Scrutiny and Conclusion on APR for FY 2023-24 and ARR for FY 2024-25.

Chapter 5 - Tariff Rationalisation, Tariff Design, and related issues.

Chapter 6 - Review of Commercial Performance of UPCL.

Chapter 7 - 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 vide its Order dated March 30, 2023.

As mentioned earlier also, in accordance with the provisions of the Electricity Act, 2003 and Regulation 10 of the UERC Tariff Regulations, 2021, UPCL filed a Petition (Petition No. 53 of 2023 and hereinafter referred to as the "Petition"), giving details of its revised projections of Aggregate Revenue Requirement (ARR) for FY 2024-25, based on the true up for FY 2022-23 and Annual Performance Review for FY 2023-24 on December 18, 2023.

The Petition was provisionally admitted by the Commission vide Order dated December 28, 2023. The Commission, through its above admittance Order dated December 28, 2023, 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, also 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 | 06.01.2024 |
| 2. | Dainik Jagran | 06.01.2024 |
| 3. | The Times of India | 06.01.2024 |
| 4. | The Hindustan Times | 06.01.2024 |

Through above notice, the stakeholders were requested to submit their objections/ suggestions/comments latest by 31.01.2024 (copy of the notice is enclosed as **Annexure 3**). The Commission received in all 37 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. | Almora | 19.02.2024 |
| 2. | Rudrapur | 20.02.2024 |
| 3. | Tehri | 24.02.2024 |
| 4. | Dehradun | 26.02.2024 |

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 06, 2023, 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 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 Petition submitted by UPCL, the Commission vide its letter no. UERC/6/TF-707/2023-24/2023/986 dated December 21, 2023, letter no. UERC/6/TF-707/2023-24/2024/11133 dated January 23, 2024, letter no. UERC/6/TF-707/2023-24/2024/1201 dated February 08, 2024, letter no. UERC/6/TF-707/2023-24/2024/1226 dated February 14, 2024, letter no. UERC/6/TF-707/2023-24/2024/1243 dated February 17, 2024, letter no. UERC/6/TF-707/2023-24/2024/1271 dated February 28, 2024, 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:

- Resubmit all the Formats using formulae and appropriately link the same to the relevant formats for ensuring consistency and accuracy of the data submitted.
- Submit 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.

- Submit table indicating the existing and proposed category wise cross subsidy, in view of the proposed tariff revision.
- Submit all relevant duly filled in tariff formats.
- Audited Commercial Diary and COMDATA for FY 2022-23.
- Audited Statements of accounts and monthly trial balances for FY 2022-23.
- Submit reasons for increase in Distribution losses vis-à-vis FY 2021-22.
- Submit the DPS amount levied on government consumers for FY 2022-23.
- Details of Penalty paid included in A&G Expenses for FY 2022-23.
- Reasons for including additional GFA pertaining to transfer scheme under GFA.
- Monthly trial balances for the period April 2023 to November 2023.
- Submit 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 2022- 23.
- 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 2022-23.
- Submit all pending Electrical Inspector certificates in support of gross additional capitalization till FY 2022-23.
- Submit details of pre-paid meters available with it along with the details of connections released on prepaid metering basis.
- Submit the basis for considering the rate of power for THDC-PSP.
- Submit the details w.r.t. consumer category wise Bad Debts written off alongwith details regarding compliance/non-compliance of due procedure for the same, as per the approved policy on provisioning and writing off of bad and doubtful debts.

In order to have 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 19, 2024, for further deliberations on certain issues related to the Petition filed by

UPCL. Minutes of above Technical Validation Session were sent to the Petitioner vide Commission's letter no. UERC/6/TF-707/2023-24/2024/1133 dated January 23, 2024, for its response.

The Petitioner submitted the replies to data gaps vide its letter no. 6073/UPCL/RM/B-27 dated December 26, 2023, letter no. 136/UPCL/RM/B-27 dated January 08, 2024, letter no. 851/ UPCL/RM/B-27 dated February 16, 2024, letter no. 972/ UPCL/RM/B-27 dated February 21, 2024, letter no. 975/UPCL/RM/B-27 dated February 21, 2024, letter no. 982/UPCL/RM/B-27 dated February 22, 2024 and letter no. 1340/UPCL/RM/B-27 dated March 12, 2024. The Petitioner submitted the replies to the data gaps and clarifications sought during TVS vide its letter no. 486/UPCL/RM/B-27 dated February 01, 2024. 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 2022-23, Annual Performance Review for FY 2023-24, and Approval of Annual Revenue Requirement and Tariff for FY 2024-25. 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 deciding the ARR for UPCL.

## 2.1 Overall Tariff Increase

### 2.1.1 *Stakeholder's Comments*

Shri Ashok Bansal, President- M/s Kumaon Garhwal Chamber of Commerce & Industry Uttarakhand, Shri Sanjay Agarwal, Vice President, M/s KVS Casting private Limited, and Shri Pawan Agarwal, Uttarakhand Steel Manufacturers Association and few other stakeholders opposed the ARR and Tariff petition for the FY 2024-25 filed by UPCL before the Commission. They further submitted that UPCL has proposed average tariff hike of 27.06% and PTCUL, SLDC and UJVN Ltd. have also submitted their ARR and Tariff petition for the FY 2024-25 and if all the claims as proposed are accepted by the Commission, it would necessitate a hike of 38.66% in consumer tariff for FY 2024-25 which is unacceptable and unjustified.

Shri Adarsh Jaiswal of M/s Ambuja Cements Ltd. submitted that UPCL's proposal of tariff hike of 30% in FY 2024-25 is not justifiable and requested the Commission to consider all aspects before concluding any tariff hike in FY 2024-25.

Shri Shakeel Siddiqui, Advisor Legal, M /s Galwalia Ispat Udyog (P) Limited submitted that they oppose an increase in tariffs for UPCL, citing their 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 be evaluated to make them profitable. He further, submitted that the National Electricity Policy 2005 emphasizes on the importance of reliable, quality power at competitive rates for industries to become globally competitive and generate employment. He also submitted that they strongly oppose 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 H.V Joshi submitted that a good amount of electricity was generated from the rivers of the State and the people of Uttarakhand are still burdened with high electricity tariffs. He has requested to refrain from further increase in tariff.

Shri Jaikrit Kandwal, Peoples Forum of Uttarakhand has submitted that the hike in tariff is not in the interest of the people of the State and that no tariff hike should be allowed. He further, submitted that the tariff has consistently been increased and the same is being collected from the consumers in the name of fuel adjustment and power purchase cost.

Shri A.S Khullar, IAS (Retd.), President, All Mussoorie Senior Citizens Welfare Association (Regd.) has submitted that there should be no tariff hike as it will adversely affect the charitable trusts and senior citizens who are dependent on electricity for their survival.

Shri Sanjay Shah, President, Dev Bhoomi Udhyog Vyapar Mandal, Almora, Uttarakhand submitted that the proposed hike in tariff is not justified.

Shri Uma Shankar Pandey, Shri Deepak Pant, Shri Balram Prasad Deval, Shri Jaypal Singh Rawat, Shri Diwas Joshi, Shri Ashish Raturi, opposed the steep hike in the electricity tariff by UPCL citing that domestic consumers will not be able to afford such high rates of electricity and the Commission must take cognizance of the issue and not allow such high tariff to pass through.

Shri Pankaj Gupta, President, Industries Association of Uttarakhand has submitted that it is surprising to note that all utilities including UPCL are claiming expenses in True up as per their audited balance sheet. There is no justification as to the difference between what was approved by the Commission and what was actually incurred. Without proper justification, the Commission should not allow these expenses in True up.

Shri Pankaj Gupta, President, Industries Association of Uttarakhand also submitted that UPCL is claiming expenses of Rs. 922.13 Crore as against Rs. 558.33 Crore approved by the Commission towards transmission charges paid to PGCIL. He further, sought clarity on why these charges are so high as against that approved for FY 2022-23.

### 2.1.2 *Petitioner's Reply*

UPCL submitted that it is a commercial organization and is required to meet its Annual Revenue Requirement out of the revenue realized from the consumers through electricity tariffs. UPCL further submitted that the consolidated revenue deficit for FY 2024-25 (including the carrying cost of FY 2022-23) at existing tariff has been estimated at Rs. 2675.09 Crore (Rs. 12565.27 Crore – Rs. 9887.18 Crore). For recovery of the said gap of Rs. 2675.09 Crore, UPCL has proposed an overall tariff hike of 27.06%. Further, increase in all categories has been proposed in line with the Tariff Policy and the proposed ARR to be recovered in FY 2024-25. Moreover, the above hike of 27.06% includes 20% impact on account of True-up of expenses for FY 2022-23 as the said year was an unprecedented year in which the power purchase cost all over the country had increased abnormally. UPCL further submitted that in its view the situation faced in FY 2022-23 with regard to power deficit and high cost of power purchase will not arise in future.

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

With regards to the objections made by charitable institutions, UPCL submitted that the proposed tariff for them had been kept on the lower side.

UPCL further 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 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 of power purchase cost. As per the said provision, UPCL is making adjustment of incremental power purchase cost on monthly basis. Moreover, as per the above mechanism, the excess of actual power purchase cost over approved power purchase cost is recovered on monthly basis, which will reduce the impact on consumer tariffs for ensuing years.

UPCL further submitted that the true up for FY 2022-23 has been claimed as per the UERC Tariff Regulation, 2021 and all the details as required by the Commission is being provided by

UPCL. UPCL further submitted that the transmission charges have been claimed on actual basis and for projections for FY 2024-25 are based on the earlier methodology which is also in line with the approach of the Commission.

### 2.1.3 *Commission's Views*

The Commission is of the view that the overall tariff increase is a function of the projected ARR 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 2024-25 and truing up for FY 2022-23 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 as discussed in Chapter 5 of this Order.

Further, the tariff increase in FY 2023-24 by the Commission was only upto 31.03.2024 so as to enable UPCL to meet the high cost of power the same has been subsumed in the approved tariffs for FY 2024-25.

## 2.2 Tariff Hike – Industrial Tariff

### 2.2.1 *Stakeholder's Comments*

Shri Ashok Bansal, President- M/s Kumaon Garhwal Chamber of Commerce & Industry Uttarakhand has submitted that the UPCL's Petition for approval of ARR for FY 2024-25 along with, True up of FY 2022-23, APR of FY 2023-24 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 directs UPCL to procure low-cost power from the 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 already stressed industrial sector of the State.

Shri Pankaj Gupta, President, Industries Association of Uttarakhand has submitted that UPCL is not acting in the interest of the people as is evident from the proposed tariff and that 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 this hike in the electricity tariff is unacceptable.

Shri Shakeel Siddiqui, Advisor Legal, M /s Galwalia Ispat Udyog (P) Limited submitted that the industry in Uttarakhand is 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.

Shri Pawan Agarwal, Uttarakhand Steel Manufacturers Association, submitted that the tariff for the industries should be calculated at a maximum of 1%line loss as the industries draws power at high voltages and that there is very little to no line loss at that level.

M/s Parmatma Ferro Alloys Pvt. Ltd., President, SIDCUL Entrepreneur Welfare Society, Shri Munish Talwar of M/s Asahi India Glass Limited, Roorkee, Shri Bhushan Kumar Aggarwal have strongly opposed the increase in the Industrial tariff particularly 28% hike in Demand Charges & 24% hike in Energy Charges and have submitted that the escalation in power tariff will cause an increase in the manufacturing cost of the industries rendering them less competitive.

### 2.2.2 *Petitioner's Reply*

UPCL submitted that it 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 consolidated revenue deficit for FY 2024-25 (including the carrying cost of FY 2022-23) at existing tariff has been estimated at Rs. 2675.09 Crore (Rs. 12565.27 Crore – Rs. 9887.18 Crore). For recovery of the said gap of Rs. 2675.09 Crore, UPCL has proposed an overall tariff hike of 27.06%. Further, increase in all the categories has been proposed in line with the Tariff Policy and the proposed ARR to be recovered in FY 2024-25.

The Petitioner further submitted that the above hike of 27.06% includes 20% impact on account of True-up of expenses for FY 2022-23 as the said year was an unprecedented year in which the power purchase cost all over the Country had incraeased abnormally. UPCL submitted that in its view the situation will not arise in future. The revenue gap so computed is the result of difference between the increased/projected cost and revenue at existing tariff. The Petitioner being a regulated entity needs to be revenue neutral and, hence, the approved gap will have to be allowed in terms of tariff increase as per the principles laid down in the Tariff Policy and the approach adopted by the Commission in past.

### 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 2024-25 and truing up for FY 2022-23 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 as discussed in Chapter 5 of this Order.

Further, the tariff increase in FY 2023-24 by the Commission was only upto 31.03.2024 so as to enable UPCL to meet the high cost of power and the same has been subsumed in the approved tariffs for FY 2024-25. Besides it has been the endeavour of the Commission only the prudent expenses during the truing up exercise as also required under the provisions of the Act and the Tariff Policy. Regarding volage wise losses, in the absence of both segregation of losses as well as costs, it would not be proper to delve into fixing tariff based on voltage wise supply. The Commission is of the opinion that with the modernisation of UPCL's system it will be in a position to segregate voltage-wise costs. **Accordingly, the Commission directs UPCL 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.**

## 2.3 Distribution Loss

### 2.3.1 *Stakeholder's Comments*

Shri Munish Talwar of M/s Asahi India Glass Limited, submitted that there is an average loss of 15% in Distribution Loss as per Table 59 at Page 75 of the Petition, which doesn't speak of efficient utilization of utilities. Likewise, for FY 2024-25, Distribution Loss projecion has been of 13% which is very high. Distribution loss must be approved separately for Urban, Hilly and Rural areas and where it is higher, steps must be taken to reduce it. In some States like Himachal Pradesh and UP, distribution losses on open access units are bare minimum (approx. zero at 132 kV and above). Accordingly, distribution loss should be zero for 132 kV EHT Line connected consumers. Further, the loss should be applicable for connecting voltage level wise. Here in Uttarakhand, its same for 415V to 132 kV line (13.25%). It was requested that the Commission should intervene in this matter and let the distributing body provide authentic details with regards to distribution losses and make it applicable as per voltage level.

Shri Pankaj Gupta, President, Industries Association of Uttarakhand has submitted that the very reason of introduction of the Electricity Act of 2003 was to bring about efficiency in the sector so that the consumers in general get benefitted through optimum utilization of the resources. The setting of tariff shall also be guided by the same principles. Reduction of loss 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 loss approved by the Commission. Moreover, it is seen that even the billing efficiency which should be 100%, is very low in some areas. It was requested that the Commmission 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 UERC.

Shri R.K. Singh, Head (CPED & E), M/s Tata Motors Ltd. has submitted that Distribution loss for the month of Feb-23 is considered as only 0.21% in FY 2023-24 and 0.20% in FY 2024-25 that is too low with respect to loss trajectory. He further submitted that there is some mistake in data collection and needs to be reviewed by UPCL. It was also submitted that PTCUL losses has been considered higher in FY 2024-25 with respect to FY 2023-24 and, therefore, needs to be reviewed.

Shri Sanjay Agarwal, Vice President, M/s KVS Casting Private Limited, submitted that the Solar Policy, 2023 of the State of Uttarakhand allows to supply solar and other power through grid connectivity and for grid connectivity, the Open Access Regulations become applicable and as per Open Access Regulations, uniform distribution loss of 13.25% etc., is applicable on the energy supplied for their captive use or to UPCL, which is not viable for any RE generator. It was, therefore, requested to exempt Distribution losses for every renewal energy generator in the State of Uttarakhand which will result in an increase in the generation of renewal energy. Moreover, the Commission had approved 13.50% distribution loss for FY 2022-23 but UPCL has not achieved this loss level and has claimed 14.38% as distribution loss. UPCL is imposing these expenses upon consumers to the tune of Rs. 84.55 Crore.

The President, SIDCUL Entrepreneur Welfare Society, Shri Sunil Uniyal, Chairman - Uttarakhand Industrial Welfare Association submitted that the Utility needs to reduce its AT&C Losses & enhance its Operational Efficiency.

Shri A.S Khullar, IAS (Retd.), President, All Mussoorie Senior Citizens Welfare Association (Regd.) has pointed out that the losses in the State is higher than the national average and there is an urgent need to reduce it so as to provide some relief to the consumers.

Shri B.K Joshi submitted that instead of revising the electricity tariff the distribution companies should focus on reducing the line losses.

### 2.3.2 *Petitioner's Reply*

UPCL submitted that as per the trajectory approved by the Commission, UPCL has considered distribution losses @ 13.50% for FY 2022-23, 13.25% for FY 2023-24 and 13.00% for FY 2024-25 for computation of Annual Revenue Requirement. Apart from this the following actions are being taken to reduce the distribution losses:

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

UPCL further submitted that as reforms initiative – the Detailed Project Report and Action Plan of the Results linked, Performance based Revamped Distribution Sector Scheme is approved by Government of India vide its notification dated 20.07.2021, is under implementation by UPCL. The said scheme primarily aims for reduction of distribution and AT&C Losses.

UPCL further submitted that in its ARR Petition for FY 2024-25, it has proposed the distribution losses @ 13% as per trajectory approved by the Commission.

### 2.3.3 *Commission's Views*

The Commission has taken note of the concerns raised by the stakeholders and the initiatives taken by UPCL for reducing the losses. The Commission would like to clarify that the Commission approves the actual losses as per the actual data submitted by the Petitioner and the re-casted sales and excess loss is to be borne by the UPCL and no inefficiency is loaded on to the consumers. The issue has been dealt in detail in Chapter 3 and Chapter 4 of this Order. The issue of distribution/transmission losses and wheeling/transmission charges for open access consumers are dealt in accordance with the UERC (Open Access) Regulations.

## 2.4 Power Procurement Plan

### 2.4.1 *Stakeholder's Comments*

Shri Munish Talwar of M/s Asahi India Glass Limited, submitted that there is a huge variation in the actual gross power purchase cost and total power purchase cost which is inclusive of transmission charges. Apart from this, there is also a burden of extra power purchase cost from the open market, which ultimately is recovered from the consumers. He further submitted that year-on-year growth rate for connected load in FY 2016-17 was 9.68% and in FY 2022-23 was 2.68%. Same details of Load Growth (CAGR%) has been mentioned in Table 54 and Table 55, UPCL should clarify what initiatives have been taken by them and other generating bodies to cater to the increasing requirement of UPCL. He also submitted that there must be a systematic Trajectory plan for increase in Load Growth and, accordingly, steps must be taken to upgrade the existing system. Further, UPCL should procure hydro or solar power to meet the demand rather than burdening the consumers.

Shri R.K. Singh, Head (CPED & E), M/s Tata Motors Ltd has submitted that the per unit cost of NHPC Tanakpur station is not rational, at Rs. 17.23/Unit, similarly per unit cost of NTPC Anta gas station is also too high and UPCL needs to revisit their power purchase strategy.

Shri Pankaj Gupta, President, Industries Association of Uttarakhand has suggested that it is extremely important to control power purchase expenses. This can be best done by creating an exclusive power purchase cell, headed by an officer not ranked lower than Director. This cell should use 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 have the most reliable power available at all times. This is suggested more in view of the fact that UPCL in the same time block on numerous occasions has underdrawn power and at the same time bought short term power. This fact is highlighted in UPCL response to Commission's query.

Shri Pankaj Gupta, President, Industries Association of Uttarakhand has submitted that UPCL is claiming expenses of Rs. 6633.78 Crores as against Rs. 6008.96 Crores approved by the Commission for Power Purchase. The same should be investigated along with the rate at which the short term power was purchased. He also suggested that UPCL should always endeavor to have long term power purchase agreement as purchase from exchange comes with higher transmission charges of PGCIL.

Shri Sunil Uniyal, Chairman, Uttarakhand Industrial Welfare Association suggested that UPCL may engage in long-term low-cost power procurement from alternative sources.

Shri Pawan Agarwal, Uttarakhand Steel Manufacturers Association, submitted that the power purchase cost for FY 2022-23 and FY 2024-25 is high and requested for some clarity regarding high Fuel and Power purchase cost adjustment being proposed by UPCL.

Shri Adarsh Jaiswal of M/s Ambuja Cements Ltd., submitted that the proposed increase in the electricity tariff would adversely affect the business and, therefore, opposed the proposed hike as well as the increasing the Fuel and Power Purchase Cost Adjustment.

Shri R.K. Singh, Head (CPED & E), M/s Tata Motors Ltd has submitted, in reference to point no 6.12 and 6.13 and associated Table no. 160 and 161, that 25% promotional discounts for green power procurement is very low and may be kept at 50%.

Shri Sanjay Agarwal, Vice President, M/s KVS Casting private Limited, submitted that hydro power generation is cheaper as compared with other source of power generation and there is a huge scope of hydro power generation in Uttarakhand. They, therefore, requested the Commission to direct the concerned authorities to increase the hydroelectric power generation in the State and follow the footsteps of neighboring State of Himanchal Pradesh to reduce the cost of power as the tariff of Himachal Pradesh is reasonably lower than the tariff of Uttarakhand.

### 2.4.2 *Petitioner's Reply*

UPCL submitted that the major part of the ARR pertains to the Power purchase cost and also submitted that due actions are being taken to source cheaper power. UPCL further, submitted that the grid demand varies across the seasons as well as on daily basis, UPCL plans for the power procurement based upon 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 has to purchase power from short terms sources as well.

UPCL further submitted that the increase in power purchase cost is largely on account of non-availability of Energy from State Gas generating station during FY 2022-23, replacement of Energy from Gas Generating Station from Open market Purchase (Rs. 1,158.57 Crore), impact of arrears of Fixed and variable and Other Cost amounting to Rs. 158.80 Crore. The Commission recognizing the unavailability of power from gas-based stations (due to unprecedented increase in gas prices) as well as prevailing market conditions in the short-term power markets, had issued an Order dated 28.09.2022 in which additional power purchase surcharge was to be levied across various consumer categories. As per this Order, the Commission had allowed additional recovery of Rs. 379.06 Crore from consumers of the State during the period 01.09.2022 to 31.03.2023 and had directed UPCL to adjust the same at the time of truing up proceedings of FY 2022-23 when audited figures of sales and power purchase costs are available. Furthermore, the power purchase cost for FY 2024-25 has been estimated @ Rs. 5.34/kWh.

UPCL submitted that the projections of quantum and cost for FY 2024-25 are based on past year actuals as also detailed in the Tariff Petition for FY 2024-25. UPCL further submitted that the offtake of power from gas-based stations like Anta is low due to limitations in gas availability as well as lower requirement of power from these stations during hydro months. However, the utility is required to bear the fixed charges irrespective of the energy scheduled against the PPA capacity. As a result, the per unit rate projected from these stations are on the higher side. Further, in case of Tanakpur, other charges in the past have been on the higher side resulting in increased cost per unit. The Petitioner also clarified that power purchase being uncontrollable in nature, is subject to true-up at the end of the year based on actuals.

UPCL further submitted that it procures 80% power through long term power purchase agreements and the remaining 20% through short term sources. This 20% power includes replacement of power from gas based generating stations of the State in those time whenever the cost of power in energy exchange is less than the cost of variable charges of gas power. Considering the incremental power purchase cost for the period from April, 2022 to June, 2022, UPCL had estimated the incremental power purchase cost of Rs. 1355.41 Crore over and above the power purchase cost approved by the Commission for the said year. On the Petition claiming the said incremental power purchase cost of Rs. 1355.41 Crore, the Commission vide its order dated 28.09.2022 approved only Rs. 379.06 Crore as interim relief and held that the remaining power purchase cost shall be allowed at the time of truing up of expenses for FY 2022-23.

As against the approved power purchase cost of Rs. 4.35 per unit, the actual power purchase cost for FY 2022-23 is Rs. 5.16 per unit which resulted in incremental cost of Rs. 1281 Crore.

UPCL submitted that, as per direction of the Commission, UPCL vide its O.M. No. 1266/Dir (HR)/UPCL/Section A, dated 21.04.2023, no. 1315/Dir (HR)/UPCL, dated 26-04-2023 and no. 1664/Dir (HR)/UPCL/A, dated 19.05.2023 has created the "Dedicated Power Management Cell". This cell is headed by Director (Projects) as Chairman of the cell.

With regards to the hike in fuel and power purchase cost adjustment 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 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 of power purchase cost. As per the said provision, UPCL is making adjustment of incremental power purchase cost on monthly basis. The excess of actual power purchase cost over the approved power purchase cost is recovered on monthly basis, and this will ensure that substantial impact is not there in the consumer tariff for ensuing years.

The Petitioner regarding the green power procurement has submitted that the Commission may take a view on the request of the consumer subject to condition that the revenue from tariff applicable for the categories meets the Annual Revenue Requirement of UPCL including true up gap for FY 2022-23 with carrying cost.

UPCL also submitted that the benefit of cheaper hydro power of State and State royalty power of GoU is being passed on by UPCL to the consumers.

### 2.4.3 *Commission's Views*

The Commission has noted the comments and suggestions of the stakeholders. Further, the issues related to source-wise power purchase quantum and costs have been deliberated by the Commission in Chapter 3 & 4 of this Order.

## 2.5 Collection Efficiency

### 2.5.1 *Stakeholder's Comments*

Shri A.S Khullar, IAS (Retd.), President, All Mussoorie Senior Citizens Welfare Association

(Regd.) has submitted that regular collection should be ensured from that local bodies like gram panchayats that use the electricity for lighting the street lights etc.

Shri Pankaj Gupta, President, Industries Association of Uttarakhand has submitted that the collection data shows UPCL has only managed to achieve the overall collection efficiency approved by the Commission for FY 2022-23 of 99.15% for Industrial Consumers and Non-domestic consumers, while barely achieving the approved level for other categories. He further submitted that the collection efficiency ranges from 55% to 80% during the initial months of the year, gradually increasing towards the later parts of the year. However, collection from Govt. Utilities is lower in the initial months, ranging from 02%-60% during the year and reaching a maximum of 92% in March 2023. This indicates a situation of financial crunch during the initial months due to inadequate collection, potentially leading to outside borrowings to meet the annual cost of operations. This would impose additional financial burdens on the Corporation in the form of interest costs and will ultimately be borne by consumers. Proper measures to ensure timely collection of revenues from consumers and timely action against defaulters could have maintained discipline in collections and provided the necessary funds to meet operational needs at no extra cost.

Shri R.K. Singh, Head (CPED & E), M/s Tata Motors Ltd. has submitted that in this year's petition UPCL has not mentioned category wise receivables, but as per previous years data it was evident that the UPCL's overall collection efficiency was improving because of Industrial consumers only and for RTS-3 category (Govt Public Utilities) the same was consistently poor. Eventually this causes gap in the Commission approved figure vs actual achieved and consumers of all category bears its burden.

Shri Shakeel Siddiqui, Legal Advisor, M /s Kashi Vishwanath Textile (P) Limited highlighted the importance of collecting outstanding debts owed to the utility company (UPCL). To improve collection, he proposed an audit to analyze UPCL's debt recovery efforts and identify any shortcomings. He additionally recommended using all legal means available to collect the outstanding debts, ensuring timely collection of government dues from these debtors.

The President, SIDCUL Entrepreneur Welfare Society has submitted that the Utility needs to improve its Collection efficiency with respect to Government Category.

Shri Ashok Bansal, President- M/s Kumaon Garhwal Chamber of Commerce & Industry

Uttarakhand has submitted that as per UPCL the total collection deficit is Rs. 2200 Crore, if sincere efforts are made to recover these outstanding dues, there may not be any need for a hike in tariff.

Shri B.K Joshi has requested the Commission to direct the distribution companies to strengthen the recovery of pending dues and not revise the tariff with immediate effect.

Shri Deepak Pant has requested to ensure that all pending bills from government offices are collected.

### 2.5.2 *Petitioner's Reply*

UPCL 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 and, as against the assessment of Rs. 580.53 Crore during FY 2022-23, Rs. 563.01 Crore was collected during the said year. Further, payment of Rs. 306.79 Crore has been received till January, 2024, against the bills raised to the Govt. connections.

UPCL further submitted the year-wise collection efficiency as follows:

**Table 2.1: Year wise Collection Efficiency**

| Year | Collection Efficiency |
|---|---|
| 2020-21 | 95.55 % |
| 2021-22 | 98.14% |
| 2022-23 | 98.99% |

Hence, it is clear that there is 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.

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

### 2.5.3 *Commission's Views*

The Commission has given due consideration to the issues raised by the stakeholders and the replies submitted by the Petitioner. The Petitioner should continue to take all possible steps to reduce the arrears, in order to improve its cash flows. However, it is clarified that collection of arrears will not result in tariff reduction, as the tariffs are determined on accrual basis and not on cash basis and the Commission has been considering approved collection efficiency for computing ARR and Revenue.

## 2.6 Rebate on Prompt and Online payment of Electricity Bills

### 2.6.1 *Stakeholder's Comments*

Shir B.K Joshi has suggested that the distribution company may allow some rebate in the bill up to 15 days from the date of bill received by the consumer. Additionally, it was submitted that for digital payment rate of rebate should be between 1.5 % to 2% which will encourage consumers to pay electricity dues.

Shri Ganesh Roller Flour Mills suggested that Online payment rebate should be increased from 1.25% to 1.50%.

### 2.6.2 *Petitioner's Reply*

UPCL submitted that on the request of the consumers, the Commission vide its Tariff Order dated 30.03.2023 had increased the prompt payment rebate from 1.25% to 1.50% for payment of electricity bills to be made through digital mode and from 0.75% to 1% for payment of electricity bills not through digital mode.

UPCL submitted that there is no basis/logic either to increase the prompt payment rebate or to extend the time limit for entitlement of such rebate.

### 2.6.3 *Commission's Views*

The Commission, in the Tariff Order for FY 2023-24 had allowed the rebate of 1.50% towards timely payment of bills through digital modes, i.e. through NEFT/RTGS/IMPS, credit card etc. and 1% for payment of electricity bills through any other modes if payment of bills are made within 10 days. Accordingly, at present there seems no reason to increase the rebate further. Moreover, it is to be remembered that the rebate is offered for timely payment of bill. Normally 15 days due date is provided by UPCL for payment, hence, there appears no logic for extending the period of 10 days during which the rebate shall be admissible.

## 2.7 Open Access

### 2.7.1 *Stakeholder's Comments*

Shri Ashok Bansal, President- M/s Kumaon Garhwal Chamber of Commerce & Industry Uttarakhand has submitted that the industrial community is demoralized with such exorbitant open access charges approved by the Commission due to which the industries are forced to be dependent on the UPCL for the power needs and are not able to procure low cost-power from alternative sources. He further requested the Commission to not allow such high wheeling and cross subsidy surcharge proposed by UPCL so that industries may benefit from the provisions of open access.

Shri Shakeel Siddiqui, Legal Advisor, M /s Kashi Vishwanath Textile (P) Limited submitted that the proposed hike in open access charges contravenes with the National Tariff Policy and the Electricity Act, 2003. Open access grants consumers the right to select a supplier beyond the incumbent Licensee (UPCL). However, the proposed increase in charges disincentivizes the utilization of open access, thereby potentially bolstering UPCL's monopolistic position.

Shri Shakeel Siddiqui, Advisor Legal, M /s Galwalia Ispat Udyog (P) Limited submitted that the industry in Uttarakhand is facing challenges and higher charges on open access are enforced so that UPCL's monopoly doesn't end and limit the industry's options for better prices.

Shri Pawan Agarwal, Uttarakhand Steel Manufacturers Association, submitted that additional surcharge on open access energy should be reduced and that it has made this arrangemehnt unviable for the industrial consumers.

### 2.7.2 *Petitioner's Reply*

UPCL submitted that it is supplying electricity to all its consumers as per their demand and no consumer is being prevented to exercise the option of procuring power through open access. Further, the open access charges (wheeling charges) has been proposed as per the provisions of the Regulations.

UPCL also 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.

UPCL further submitted that the Commission vide its Order dated 25.09.2023 has approved the additional surcharge on open access energy @ Rs. 1.05 per unit for the period from 01.10.2023 to 31.03.2024. A separate proposal has also been filed before the Commission for levy of additional surcharge @ Rs. 1.18 per unit for the period from 01.04.2024 to 30.09.2024 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 proposal of UPCL. The detailed justification in support of levy of additional surcharge has been mentioned in the Petition.

### 2.7.3 *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 charges, wheeling charges, cross-subsidy and additional surcharges and transmission/distribution losses have already been specified in the Regulations and are, therefore, worked out on such specified principles.

## 2.8 Continuous Supply Surcharge

### 2.8.1 *Stakeholder's Comments*

Shri Shakeel Siddiqui, Advisor Legal, M /s Galwalia Ispat Udyog (P) Limited submitted that 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 or should be kept @ 2.5% as decided by the Commission in FY 2022-23.

Shri Ashok Bansal, President- M/s Kumaon Garhwal Chamber of Commerce & Industry Uttarakhand submitted that in the last tariff order, the Commission provided levy of 10% additional energy charges for continuous supply to those consumers who have opted to avail continuous supply during the year. The Commission had determined separate tariff accordingly to such HT industries. However, continuous supply has not been defined in the Tariff or Regulations, and no standards have been set for it. The tariff only exempts industries from load shedding during scheduled power cuts and restricted usage hours, except for emergency breakdowns and shutdowns. In Uttarakhand, no such restrictions have been imposed in the past, and continuous supply industries and general industries have been provided the same quality and duration of supply. Many industries have withdrawn their options due to this situation, and there is a need for defining continuous supply and setting performance standards, along with compensation from UPCL for interruptions and breakdowns.

Moreover, the Commission's order for levy of 10% additional charge for continuous supply needs to be reconsidered in accordance with the provisions of the Act and National Tariff Policy. Further, with the existing provision in tariff, consumer opting for continuous supply is subjected to 10% higher energy charge round the year even though load shedding may be warranted for a few weeks or months in the year. Therefore, if at all such additional charge is to be levied for whole of the year it should not be more than 5% of the energy charges of the opting consumer.

Shri Sunil Uniyal, Chairman, Uttarakhand Industrial Welfare Association submitted that excess power purchase cost should be charged only from the consumers to whom continuous supply is being given.

Shri Adarsh Jaiswal of M/s Ambuja Cements Ltd., submitted that the quality of power supplied by UPCL is not up to the mark and is prone to fluctuations, tripping, and outages and the proposed increase in the electricity tariff due to increase in the continuous supply surcharge would adversely affect the business.

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

### 2.8.2 *Petitioner's Reply*

UPCL 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 availing 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. For ensuring continuous supply, UPCL is required to incur extra infrastructure cost as well as arrangement for additional energy which is at a higher cost.

UPCL further submitted that the power purchase cost of the short-term sources is generally more than the power purchase cost of the long-term sources, and for ensuring the continuous supply to some of the consumers, it has to make additional arrangements 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 availing such benefit.

UPCL submitted that the Uttarakhand State was facing acute shortage of electricity since FY 2022-23 due to various factors vis-à-vis increase in the demand, less availability of power in energy exchange because of exceptionally high prices of coal and gas on account of international crisis, shut down of gas based generating stations of the State and sudden climate change in the first quarter of the financial year. UPCL further submitted that even in situation of acute shortage of power, UPCL has been providing continuous supply of electricity to the consumers who have opted for the same and no-load shedding is being done for these consumers. UPCL submitted that the cost of short-term power 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 after scrutiny and due diligence considered the extra-ordinary situation and had approved Continuous Supply Surcharge of 15% w.e.f. October 01, 2022 till March, 2023.

Further the Petitioner has also submitted that the Commission in the Tariff Order dated 30.03.2023 at Para 5.1.3.4 has held in the matter as follows:

> "*The Commission would like to clarify that the State of Uttarakhand is still facing power shortage and UPCL is procuring short term power from market to meet the demand at very high rates which in FY 2022-23 has gone up to Rs. 12 per unit, and the continuous supply surcharge at existing rate is also not sufficient to meet such costs. The situation is expected to remain the same even in FY 2023-24. For FY 2023-24, the Commission has estimated a total deficit of about 4093 MU for the year and deficit of 2370 MU in winter months during October to March 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. The Commission will review the same once the aforesaid deficit in UPCL's requirement is wiped off."*

As the power deficit situation is expected to continue during the next Financial Year, i.e. FY 2024-25, UPCL has proposed the continuous supply surcharge at the same rate of 15% of energy charge.

As regards availability of quality power, UPCL submitted that it has been making consistent efforts to provide uninterrupted power supply to its consumers. The load shedding during FY 2022-23 is only 1.62% of the overall energy demand. UPCL further submitted that no scheduled power cuts are being imposed and rostering is being done only in emergency conditions for grid stability. The consumers who have opted for continuous supplying are exempted from load shedding except load shedding required due to emergency break down/ shut down.

### 2.8.3 *Commission's Views*

Section 62(3) of the Electricity Act, 2003 stipulates as under:

*"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)***

Thus, Electricity Act, 2003 and the Tariff Policy allows imposition of continuous supply surcharge as premium for availing continuous supply of power. Further, 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 5 of this Order. **However, UPCL is directed 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.**

## 2.9 Cross Subsidy

### 2.9.1 *Stakeholder's Comments*

Shri Pawan Agarwal, Uttarakhand Steel Manufacturers Association, submitted that as per the National Tariff policy of the Government of India the cross subsidy cannot be more than 20% and if the State Government wishes to subsidize even further then that cost shall be borne by the State Government itself.

Shri A.S Khullar, IAS (Retd.), President, All Mussoorie Senior Citizens Welfare Association (Regd.) submitted that the cross subsidy should be stopped as it is unfair towards various categories of consumers, and it is not a sign of a developed or a developing nation.

### 2.9.2 *Petitioner's Reply*

UPCL submitted that it has proposed Cross subsidy surcharge in line with the provisions of Tariff Policy, 2016 and the UERC (Terms and Conditions of Intra State Open Access) Regulations, 2015 and its subsequent amendments. Cross subsidy surcharge is computed by reducing the average tariff from the tariff of the category.

Further, considering the quantum of tariff increase required as per the Petition, if the gap is spread across all the categories, it would have resulted in tariff shock for the consumers of subsidized categories. Keeping in consideration the social justice to those consumers utilizing electricity at domestic levels, the tariff hike has been adjusted accordingly which results in cross subsidy (%) difference between consumer categories.

UPCL submitted that Commission in its Tariff Order dated 30.03.2023 at Para 5.1.5 has held as follows regarding cross subsidy:

> ***"5.1.5 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 2022-23 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 maintained with respect to previous levels with few exceptions as discussed while discussing the cross- subsidy levels at approved tariffs."*

### 2.9.3 *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 2024-25 as deliberated in Chapter 5 of the Order.

## 2.10 Billable Demand

### 2.10.1 *Stakeholder's Comments*

Shri Shakeel Siddiqui, Advisor Legal, M /s Galwalia Ispat Udyog (P) Limited submitted that industry faces a lot of issues due to uncertainty of power, hence, uninterrupted 24x7 power should be ensured. If UPCL is not able to provide the same then no demand/fixed charges should be levied, since the industry should not be made to bear the fixed charges of idle lines. In case it is mandatory, the fixed charges should not be more than 20%. He also submitted that fixed charges should be chargeable in proportion to the power received by the consumer and the consumer shall not be made to pay fixed charges for the duration he does not receive power. He also submitted that the industry requires power on daily basis and the same is to be considered for deduction of fixed charges. Further, if the consumer is being penalised for non-payment of bills why UPCL should also not be penalised on the same pattern. Hence, he suggested that in order to levy fixed charges power should be provided 24x7.

Shri Girish Chandra Malhotra, Senior Member, "Day Care Society" and Social Worker has submitted that Fixed Demand Charges should be consumption basis not per load basis.

Shri Vijay Singh Verma suggested that fixed and energy charges should be uniform across all sub tariff categories of domestic consumers.

### 2.10.2 *Petitioner's Reply*

UPCL submitted that from entire ARR, all costs except variable costs of power purchase from Thermal based power plants (Coal & Gas) are fixed in nature, i.e. Power purchase fixed charges, O&M expenses and Financial Costs will be incurred/ claimed in ARR irrespective of sale of energy. The proportion of fixed and variable cost and revenue for the Petitioner is calculated for FY 2024-25, and has been presented in Table given below:

**Table 2.2: Proportion of Fixed/Variable Charges vis-à-vis Recovery from Energy/Fixed Charges for FY 2024-25**

| Particulars | Unit | Details |
|---|---|---|
| Total ARR (excluding recovery of past gap) | Rs. Crs | 8607.16 |
| Less: Variable cost component of Power purchase cost | Rs. Crs | 1593.51 |
| Net Fixed Charges component in ARR | Rs. Crs | 7013.65 |
| Proportion of Fixed Cost in ARR | % | 81.49% |
| Proportion of Variable Cost in ARR | % | 18.51% |
| Total Revenue from Sale of Power (proposed) | Rs. Crs | 12562.32 |
| Fixed/ Demand Charges | Rs. Crs | 1850.83 |
| Energy / Variable Charges | Rs. Crs | 10711.49 |
| Proportion of Fixed / Demand Charges | % | 14.73% |
| Proportion of Energy/ Variable Charges | % | 85.27% |

As can be seen from the above Table, the portion of fixed charge and variable charge in the total ARR is in ratio of 81%:19%, whereas the recovery of revenue from fixed charge and variable charge is in the ratio of 15%:85%. Further, the proposed revenue from HT Industries for FY 2024-25 is as follows:

- Revenue from fixed charges: Rs. 1041 Crore.
- Revenue from energy charges: Rs. 5656 Crore.
- **Total Revenue: Rs. 6697 Crore.**

UPCL submitted that revenue from fixed charges has been kept only at 15.54% for HT Industries. Hence, there is scope for improving the recovery from fixed charge rather than increasing the variable charge. The Petitioner submitted that the company 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 need to be recovered from demand/fixed charges of 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 and, hence, undesirable.

Further, 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 demand of the consumers.

### 2.10.3 *Commission's Views*

The Commission would like to clarify that the fixed charges component in the ARR have to be incurred by the Petitioner irrespective of the actual electricity consumption of the consumers. The Commission in Chapter 5 of this Order has discussed the same in detail while approving the Fixed/Demand Charges for each Consumer Category.

## 2.11 Voltage-Wise Cost of Supply

### 2.11.1 *Stakeholder's Comments*

Shri Ashok Bansal, President, M/s Kumaon Garhwal Chamber of Commerce & Industry Uttarakhand has submitted that in all the Tariff Orders issued by the Commission since its coming into office, the licensee has been directed to workout voltage wise & category wise losses and cost of supply for fixation of category wise tariffs. However, the licensee did not comply with the directions. On this account, the Commission has been fixing tariff on pooled average losses for all the categories. Section 61(g) of Electricity Act 2003 provides that appropriate Commission should be guided by the objective that the tariff progressively reflects the efficient & prudent cost of supply. In the absence of availability of voltage wise losses which is mix of technical losses & commercial losses, the distribution losses are required to be charged on average basis from consumer categories as well as open access consumers. This is a huge burden on the HT consumers.

He further submitted that the licensee has again ignored the direction of the Commission and the current ARR & Tariff proposed does not depict any such exercise carried out by the licensee. The Commission have to again make assumptions for category wise losses while approving the ARR & Tariffs for the financial year 2024-25. Such assumptions are not based on facts and figures and, hence, may be detrimental to the interest of the consumers. He further, requested the Commission to take appropriate action to protect interest of consumers in the State for compliance of provision of 61(g) of the Act 2003.

Shri Sanjay Agarwal, Vice President, M/s KVS Casting Private Limited, submitted that voltage wise cost of supply for fixation of tariff to various categories of consumes is still pending since last 10-12 years. The Commission has repeatedly directed UPCL to work out the same. They further requested the Commission to direct UPCL strictly to do so in proper manner.

Shri Shakeel Siddiqui, Legal Advisor, M /s Kashi Vishwanath Textile (P) Limited submitted that there should be Voltage wise losses/ Tariff and 13% distribution losses should not be imposed on Industry. He also submitted the following:

a) For 33 kV, the rebate should be minimum of 7.5% and for 132 kV it should be minimum of 15% in energy charges.
b) In the absence of voltage wise/category wise, similar rebate to be allowed on purchase of open access power.

### 2.11.2 *Petitioner's Reply*

UPCL submitted that presently, voltage wise/category wise losses are not available and category wise tariffs has been calculated on the basis of average cost of supply and permissible level of cross subsidy. This is as per Regulation 91 of the UERC Tariff Regulations, 2021. In the absence of availability of voltage wise losses, which is 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. Further, considering the fact that losses at higher voltage are on lower side, rebate in energy charge @ 3.5 % to the consumers getting supply at 33 kV and 7.5% to the consumers getting supply at 132 kV and above has been provided by the Commission. In such a situation, it does not seem appropriate to further segregate voltage level losses for the purpose of providing rebate. However, if the Commission decides to provide the benefit of higher voltage supply rebate to the consumers, the impact of the same may be considered in the ARR to ensure revenue neutrality for UPCL.

UPCL further submitted that Rebate for taking supply at higher voltage was revised by the Commission in its Tariff Order dated 10th April 2014 from 1.5% to 2.5% and 5% to 7.5% for taking supply at 33 kV and 132 kV and above respectively. Further, the said rebate was revised by the Commission vide its order dated 31st March, 2022 from 2.5% to 3.5% for taking supply at 33 kV. Hence, UPCL submitted that it is clear that the above voltage rebates are appropriate.

### 2.11.3 *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. The Commission is of the opinion that with the modernisation of UPCL's system it will be in a position to segregate voltage-wise costs. **Accordingly, the Commission directs UPCL 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.**

## 2.12 Load Factor based Tariff

### 2.12.1 *Stakeholder's Comments*

Shri R.K. Singh, Head (CPED & E), M/s Tata Motors Ltd has submitted, in reference to the proposed tariff to RTS-5 category, that as per the approved tariff for FY 2023-24, billable demand was actual maximum demand or 75% of the contracted load but in FY 2024-25, it is proposed 80% of the contracted load. In this context, he submitted that it needs to be kept at 75% of the contracted load (same as present tariff order). He also, submitted that the logic behind difference in peak hour charges based on load factor is not clear (earlier it was same irrespective of load factor). Other than this, prompt payment rebate is proposed as 1.50% with capping of Rs 100000/- for HT consumers. He suggested to remove this cap and keep it flat @ 1.50%, as it will aid UPCL to increase its collection efficiency.

Shri Ashok Bansal, President, M/s Kumaon Garhwal Chamber of Commerce & Industry Uttarakhand has submitted that the load factor-based tariff introduced since the 2005-06 Tariff order for HT industries has increased the cross-subsidy burden on consumers, indicating that the concept is contrary to the equitable principle and may be reviewed by the Commission. The Commission justified load factor-based tariff on HT industries due to increased consumption by industrial consumers. However, the Commission argued that the licensee should arrange power according to the agreed contract demand. The Commission's conclusion that UPCL must arrange marginal power from costlier sources contradicts the logic. The licensee's proposal did not provide any data to prove that marginal power is procured exclusively for the HT industrial category, while all other consumer categories can also draw power from the utility without load factor restrictions. The load factor-based tariff for HT industries is unfairly charging them higher energy charges for consumption within their contracted demand. He further submitted that if the Commission continues to implement this tariff, it should provide a telescopic basis for charging incremental consumption beyond the specified load factor limit at higher rates. This approach is used in income tax computation by the Income Tax Dept., where an assessee enjoys all rates of income tax (10%, 20% & 30%) based on their taxable income.

He also submitted that there is a discrepancy between chargeable demand and considered demand. To eradicate this discrepancy, the load factor should be calculated as below:

Load factor = Consumption during billing period x 100/ Billable Demand or contracted demand if billable demand is higher than contracted load x No. of hours in the billing period.

Shri Shakeel Siddiqui, Legal Advisor, M /s Kashi Vishwanath Textile (P) Limited suggested that UERC, may determine less 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.

### 2.12.2 *Petitioner's Reply*

UPCL submitted that the billable demand has wrongly been written as "actual maximum demand or 80% of contracted load whichever is higher" in place of "actual maximum demand or 75% of contracted load whichever is higher". Therefore, the billable demand may be read as "Actual maximum demand or 75% of contracted load whichever is higher". The Commission may take a view on the request of the consumer regarding peak hours' charges.

Further on the request of the consumer, 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 @ Rs. 10,000 p.m. for LT consumer and Rs. 1 Lakh for HT consumers. As per UPCL, the existing incentive for prompt payment rebate is adequate.

UPCL also submitted that in its tariff proposal for FY 2021-22 it had proposed lower tariff for higher load factor and vice versa, but the Commission did not accept the view of UPCL and continued with its previous approach, i.e. Higher energy charge for higher Load Factor and vice versa.

UPCL further submitted that it is making all out efforts to meet the demand of electricity of the consumers. In addition to long term sources, UPCL is buying electricity from energy exchanges/DEEP Portal on short term basis but in case of non-availability of power even from such short-term sources, emergency load shedding is done at the bare minimum level for grid stability. UPCL also submitted that 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.

### 2.12.3 *Commission's Views*

The issue of load factor based tariff had been dealt in detail by the Commission in the in-house paper issued during the MYT Order for the Second Control Period. Further, the Commission has deliberated on this issue in detail in Chapter 5 of the Order.

## 2.13 Load Enchancement

### 2.13.1 *Stakeholder's Comments*

Shri Ashok Bansal, President, M/s Kumaon Garhwal Chamber of Commerce & Industry Uttarakhand submitted that no margin has been provided for the consumers requiring enhancement in load. In case of even slight enhancement of load beyond the above specified limit, the consumer has to shift to higher supply voltage which necessarily require change of all existing power supply equipment/apparatus installed by him for the existing supply voltage. This puts heavy burden on such consumer. The Commission may consider this matter and allow such consumers to avail certain percentage of load enhancement (say up to 10% of existing load) without going into higher supply voltage category. This will be a great facility to the consumers desiring marginal load enhancement either to regularize exceeding maximum demand beyond contracted demand or for some minor expansion in the unit requiring load beyond existing threshold limits of supply voltage.

### 2.13.2 *Petitioner's Reply*

UPCL submitted that voltage levels for release of range of loads have been specified at minimum. The consumers whose load is expected to go beyond their existing estimated load may go for higher voltage level at the time of taking connection.

### 2.13.3 *Commission's Views*

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

## 2.14 Load Shedding

### 2.14.1 *Stakeholder's Comments*

Shri Shakeel Siddiqui, Advisor Legal, M /s Galwalia Ispat Udyog (P) Limited submitted that UPCL should ensure some minimum specified amount of time for which electricity is to be provided to the industries on per day basis. He further submitted that UPCL should publish the load shedding data seven days in advance so that the industries may manage their production, planning and procurement, accordingly. Moreover, the industry should be compensated for the loss incurred due to UPCL.

Shri Pankaj Gupta, President of the Industries Association of Uttarakhand, submitted that UPCL consistently experiences revenue shortfalls compared to Commission's projections, primarily due to load shedding of industrial consumers. These consumers pay the maximum tariff and are subjected to maximum scheduling, resulting in revenue shortfalls. In other States, load shedding of industrial consumers is used as a last resort to maintain grid balance and economic efficiency.

Mr. Sanjay Agarwal, Vice President of M/s KVS Casting Private Limited, raised concerns regarding the imposition of unscheduled power cuts by UPCL in industrial units. He emphasized that industrial units have repeatedly urged the Commission to mandate scheduled rostering by UPCL, yet this action has not been undertaken. He further requested the Commission to direct UPCL to make a rostering schedule and seek approval from the Commission.

Shri Vijay Singh Verma suggested that planned load shedding may be allowed to the consumers.

### 2.14.2 *Petitioner's Reply*

As regards availability of quality power, UPCL submitted that it has been making consistent efforts to provide uninterrupted power supply to its Consumers. The load shedding during FY 2022-23 is only 1.62% of the overall energy demand. UPCL further submitted that no scheduled power cuts are being imposed and rostering is being done only in emergency conditions for grid stability.

### 2.14.3 *Commission's Views*

The Commission has taken note of the Petitioner's reply. **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.**

## 2.15 Electricity Duty, Green Energy Cess, Water Tax

### 2.15.1 *Stakeholder's Comments*

Shri Shakeel Siddiqui, Advisor Legal, M /s Galwalia Ispat Udyog (P) Limited 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, roaring prices and the turmoil being faced by industries in the State.

Shri Munish Talwar of M/s Asahi India Glass Limited, submitted that the burden of high-power purchase cost has been adjusted by impact of water Tax (Rs. 303.24 Crore), inter and intra state transmission charges (PGCIL and PTCUL charges). Ultimately when the focus is to recover it by industrial consumers then generating bodies must give attention to find some alternate options like setting up of Hydro Power and wind power plants.

Shri Pawan Agarwal, Uttarakhand Steel Manufacturers Association, c/o Shree Sidhbali Industries Ltd. submitted that as per the direction issued by Ministry of Power, Government of India vide letter dated 25.04.2023, cess and royalty and, water tax should be withdrawn.

Shri Sanjay Agarwal, Vice President, M/s KVS Casting Private Limited, submitted that Ministry of Power vide their office memo No. l5/27/2023-Hydel-ii-(Mop) dated 25.04.2023, informed all the Chief Secretaries of State Government that levy of tax/cess/duty are illegal and unconstitutional and suggested to withdraw it promptly. He also requested the Commission not to consider the above tax etc., while determining the retail tariff for public and industries.

### 2.15.2 *Petitioner's Reply*

UPCL submitted that 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 submitted that it is charging electricity duty as per Government orders. The

Electricity duty charged from consumers is payable by UPCL to GoU. Therefore, the matter may be taken up with GoU.

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

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 to be paid by UPCL. Finally, the amount of cess and royalty is payable to GoU by the collecting agency.

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 hydroelectric projects situated in Uttarakhand (except the projects having capacity up to 5 MW). Therefore, the matter may be taken up with GoU.

### 2.15.3 *Commission's Views*

The levy of Electricity Duty, Green Cess etc. does not come under the jurisdiction of the Commission and relates to the Government and, accordingly, industries are advised to approach the Government in the matter.

## 2.16 Separate Tariff Order for the EHT Industries

### 2.16.1 *Stakeholder's Comments*

Shri Ashok Bansal, President, M/S Kumaon Garhwal Chamber of Commerce & Industry Uttarakhand submitted that the Commission may kindly consider to introduce a separate Tariff Schedule for EHT consumers. The consumers of this category have made huge expenditure for EHT lines, sub-stations & step-down transformers for supply to their process. As such a separate Tariff schedule is the urgent need to address their long pending issue.

Shri Ashok Bansal, President, M/s Kumaon Garhwal Chamber of Commerce & Industry Uttarakhand has submitted that in absence of a voltage wise categorization of the consumers the Commission is requested to introduce a separate tariff schedule for the EHT consumers.

### 2.16.2 *Petitioner's Reply*

The Petitioner submitted that in this connection, the Commission in its Tariff Order dated 31.03.2022 at Para 2.36.3 has held as follows in the matter:

> *"The Commission clarifies that the Commission has already provided substantial rebates to EHT consumers which do compensate such consumption to a large extent and, therefore, the Commission feels that the provisions of the prevalent voltage rebate are appropriate and, therefore, there is no need for any separate tariff category for EHT consumers. Further, 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, like HT lines and substations/O&M expenses, etc. is also essential for the same."*

### 2.16.3 *Commission's Views*

The Commission once again clarifies that the Commission has already provided substantial rebates to EHT industrial consumers which do compensate consumption by such EHT consumers to a large extent and, therefore, the Commission feels that the provisions of the prevalent voltage rebate are appropriate and, therefore, there is no need for any separate Tariff Order for EHT consumers. Further, 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, like HT lines and substations/O&M expenses, etc. is also essential for the same.

## 2.17 Consumer Security Deposit and Billing cycle

### 2.17.1 *Stakeholder's Comments*

Shri Ashok Bansal, President, M/s Kumaon Garhwal Chamber of Commerce & Industry Uttarakhand submitted that at present cash security equal to two months average billing in a financial year is required by UPCL. Industrial consumers pay initial security @ Rs. 1000/- per kVA at the time of connection in cash and thereafter on year-to-year basis as per above criteria. They find it difficult to arrange cash security. UPCL's bill can be securitized through bank guarantee also. Bank Guarantee will facilitate the industries and at the same time serve the purpose of UPCL. The Commission may kindly consider this matter.

Shri Sanjay Agarwal, Vice President, M/s KVS Casting Private Limited, submitted that the Commission directed UPCL while approving Retail Tariff for 2005 to make two electricity bills every month to solve money problem of power intensive units like Steel etc. Now the Commission has again passed an order to make single electricity bill for each and every consumer and collect additional security as per the Electricity Supply Code. He, therefore, requested the Commission to review its order and restore the condition of billing cycle for PIU as per tariff order of 2005. He further submitted that the issue is also sub-judice in APTEL and High Court of Uttarakhand.

Shri Shakeel Siddiqui, Advisor Legal, M /s Galwalia Ispat Udyog (P) Limited submitted that the power-intensive industry may be allowed to continue with the 15-day billing system that was in place since 2005, which will help UPCL recover its bills early and improve liquidity. The security amount should not be more than a one-month average bill, as in Himachal Pradesh and Delhi. The security should be in the form of a bank guarantee, and the cash security amount should be refunded to consumers. A minimum interest rate of 8% should be applied to the amount with UPCL. Prepaid meters should be installed at HT consumers' units to help UPCL get the bill amount in advance and eliminate bad debts. As of 31.03.2023, Rs. 1,225.15 Crore are un-secured, which is considered doubtful.

Shri Ganesh Roller Flour Mills suggested that Security Deposits should be accepted in the form of bank guarantee and rate of interest on the security deposit should align with rate of late payment surcharge.

Shri Sanjay Agarwal, Vice President, M/s KVS Casting private Limited, submitted that prepaid meters should be installed in place of requirement of security deposits.

### 2.17.2 *Petitioner's Reply*

UPCL 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. With respect to the mode of payment of security deposit, the Petitioner submitted that the Regulation 4.2 (2) of the UERC (The Electricity Supply Code, Release of New Connections and Related Matters) Regulations, 2020 is relevant to be quoted which clearly specified 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 licensee.

With regards to billing cycle of the industries the UPCL submitted that on the request of consumers, the Commission vide its Tariff Order dated 25.04.2005 for FY 2005-06 allowed the reduction of billing cycle of steel industries from 1 month to 15 days and corresponding adjustment in security deposits, i.e. 50%. Considering the dispute raised by various steel industries regarding playability of delayed payment surcharge in respect of first 15 days bill, UPCL during tariff proceedings for FY 2021-22 requested the Commission for conversion of their billing cycle from 15 days to 1 month. The Commission vide its Tariff Order dated 26.04.2021 modified the billing cycle of steel industries to 1 month and allowed UPCL to realize security deposits in accordance with the provisions of the Supply Code Regulations.

UPCL further submitted that in the matter regarding security deposit of the steel industries the Petitioner submitted that for the period up to FY 2020-21, all consumers categories were required to deposit the security deposits equivalent to average consumption of two billing cycle. In this way, steel industries were required to have their security deposits with UPCL equivalent to 1-month billing (15 days x 2). For the period after FY 2020-21, all consumer's categories are required to deposit the security deposits equivalent to the billing of average consumption of billing period + 1 month. In this way, steel industries are now required to have their security deposits with UPCL equivalent to two months billing (1 month + 1 month).

UPCL submitted that on the appeal filed by various steel units, Hon'ble Appellate Tribunal for Electricity vide its order dated 25.06.2021 directed as follows:

> *"Heard learned senior counsel, Mr. Sajan Poovayya, arguing for the appellants. We are not expressing any opinion on the IA for stay of the impugned order on merits. However, we direct the Respondent Discom not to disconnect electricity supply to the appellants as indicated in the notice issued to them and by insisting upon additional security deposit. However, the appellants shall continue to pay the energy charges which they used to do prior to the impugned order i.e. 15 days billing method by paying the current applicable charges."*

The Petitioner is complying with the above order issued by Hon'ble Appellate Tribunal.

UPCL further submitted that as per Section 47(4) of the Electricity Act, 2003, the Distribution Licensee is required to pay interest on the security deposit. As interest cannot be paid on the money held with UPCL as Bank Guarantee / Letter of Credit, the security deposits should only be in the form of cash / bank draft/RTGS/NEFT or any other electronic mode as accepted by UPCL. This is in accordance with the provisions of UERC (The Electricity Supply Code, Release of New Connections and Related Matters) Regulations, 2020. The Commission in its Tariff Order dated 27.02.2019 at para 2.16.1.3 has also held in the matter as follows:

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

As per the Order dated 27.07.2007, interest on security deposits is to be allowed 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. Finally, in view of the stakeholder's demand for the provision of prepaid meters in place of security deposit the Petitioner 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."*

UPCL submitted that 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 held 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.

### 2.17.3 *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, are hence, not dealt herein. However, with respect to the requests of the industrial consumers of billing cycle of 15 days, the Commission has dealt with the issue in Chapter 5 of the Order.

## 2.18 Employee Expenses

### 2.18.1 *Stakeholder's Comments*

Shri Munish Talwar of M/s Asahi India Glass Limited, submitted that as per the Petition, the employee expenses have been calculated taking into account recurrent financial assistance to employees, like Pay commission revision, arrears, retirement benefits etc. He further submitted that the same should not have any impact in the unit rate of electricity as it is the prerogative of every Central and State government to take into budget the financial liabilities of employees connected with organization. It was further submitted that there is a difference of Rs. 50.70 Crore in normative employee expenses if we look at approved and actual expense and, therefore, the bifurcation of this gap needs to be submitted. The stakeholder further submitted that the Commission has also directed that if UPCL intends to give benefits of concessional electricity supply to its employees, it can do so from its own resources and the same cannot be passed on its consumers. He also submitted that the rate of electricity are increased by taking into consideration Employee Growth rate, CPI inflation, enhanced pension and impact of several pay commissions instead there should be separate budget that needs to be allocated for all such heads and should not be mingled with the objective to have impact on electricity rates.

Shri Pankaj Gupta, President, Industries Association of Uttarakhand submitted that UPCL is claiming actual employee expenses of Rs. 449.14 Crore as against the approved expenses of Rs. 398.44 Crore without providing any proper reasoning. If actual expenses became the basis for True-up then why this entire exercise of tariff fixation is needed. He further requested the Commission to allow Employee expenses as per Tariff Regulations.

Mr. Deepak Pant has encouraged the government officials to give-up the subsidy on electricity availed by them.

Shri Sudhir Kumar Saini of M/s Opto electronics factory, submitted that UPCL should stop giving free electricity to its employees.

### 2.18.2 *Petitioner's Reply*

UPCL submitted that as per audited accounts for FY 2022-23, actual gross employee expenses are Rs. 542.43 Crore. Further, there is a capitalization of Rs. 83.89 Crore which works out to a capitalization rate of 15.16%. After adjusting for subsidized electricity of Rs. 9.40 Crore for the employee, the net employee expenses for the FY 2022-23 is Rs. 449.14 Crore.

UPCL submitted that the normative employee cost for FY 2022-23 as per the methodology adopted by the Commission is only Rs. 390.82 Crore as against the actual employee cost of Rs. 449.14 Crore, which is significantly lower. Also, the revised normative employee expenses for FY 2022-23 of Rs. 390.82 Crore is significantly lower due to high capitalization rate, lower CPI Inflation and zero growth factor.

UPCL, therefore, submitted in its Petition to approve the actual employee cost as the various components including salary, wages, allowances, terminal benefits are mostly uncontrollable in nature. UPCL further highlighted that the actual employee cost includes terminal benefits of Rs. 64.46 Crore which is an increase of 34% over the past year (Rs. 48.18 Crore in FY 2021-22) due to increase in number of employees retired this year. The payment of terminal benefits is obligation of the utility and depends on number of aspects. UPCL further submitted that such increase on account of terminal liabilities is uncontrollable in nature and cannot be sufficiently met by the CPI inflation as per the methodology prescribed in the Regulations. Disallowance of legitimate employee expense (Rs. 58.32 Crore) would put financial pressures on the utility and limit its capacity to pay salaries and terminal benefits.

UPCL further submitted that the employee cost in case of the Petitioner is amongst the lowest when compared with the approved figures of other DISCOMs in the States like Himachal Pradesh, Punjab, Gujarat, and Haryana based on actual true-up for FY 2021-22.

With regards to free power to the employees, UPCL 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 favourable to the terms and condition which were applicable to them before the transfer". The same spirit has been echoed under 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 14th January, 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 as a result 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..."*

### 2.18.3 *Commission's Views*

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

## 2.19 IT Implementation

### 2.19.1 *Stakeholder's Comments*

Shri Anagha Pujari has requested to provide the information regarding current initiative regarding use of technology like AI/ML within UPCL, future plan and roadmap (capex plan proposed and roadmap with regards to implementation of advance analytics), cross departmental implementation (whether analytics technologies are being utilized uniformly across different departments within UPCL or if there are plans to expand their usage), setting up analytics (establishing a Center of Excellence dedicated to analytics).

### 2.19.2 *Petitioner's Reply*

UPCL submitted that at present UPCL is majorly using ML technology for the purpose of Demand Forecasting for deciding the power to be procured from Open Market to bridge the demand-supply gap. Secondly, UPCL is also using ML technology to a certain extent for analyzing high values 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. using monthly AMR & MRI data of the consumers. These activities are being done on Opex Models.

UPCL further submitted that these activities are being done by UPCL through outsourced agencies selected through competitive bidding process.

UPCL further submitted that MoP, GoI is taking several initiatives to introduce AI/ML technologies especially for the distribution sector. Installation of smart meters and solar rooftop decentralized renewable generation, large scale deployment of EV charging stations along with adoption of AI/ML tools will act as a catalyst in providing better consumer services, reduction in T&D losses etc. At present UPCL has planned to carry out implementation of smart meters and AMI for around 16 Lakh consumers under RDSS scheme of MoP/GoI where AI/ML technology is expected to be used and with the upcoming smart meter installation, ERP stabilization and renewable integration there will definitely be a need for AI/ML tools that will help in cross department data sharing and business analytics. At present UPCL is in the process of integrating its IT system with ERP system.

UPCL further submitted that no feasibility study has been conducted till date in this regard, however, as mentioned above, all utilities will definitely have to take steps to work on this front in the coming months and will have to use different AI/ML tools suitable to meet their business requirements.

### 2.19.3 *Commission's Views*

The Commission has taken note of the concerns raised by the stakeholders and the initiatives taken by UPCL.

## 2.20 Capital Expenditure

### 2.20.1 *Stakeholder's Comments*

Shri Pankaj Gupta, President of the Industries Association of Uttarakhand, submitted that UPCL has claimed additional Rs. 550.18 Crore to the opening GFA pertaining to the transfer scheme without undergoing a prudence check at the Commission level. Further, requested the Commisison to verify the financing methods and disallow any claims on return on equity or depreciation.

Shri Sanjay Agarwal, Vice President, M/s KVS Casting private Limited, submitted that UPCL has claimed an additional expenses of Rs. 800 Crore on account of capital expenditure as against Rs. 811 Crore spent in FY 2023-24 which is not justified.

Shri Pankaj Gupta, President, Industries Association of Uttarakhand submitted that stakeholders are opposing the practice of utilities projecting high costs in capitalisation to improve returns. He further requested the Commission to scrutinize any addition in capitalisation. UPCL's focus is on spending more on additional capitalisation to achieve a better ROE, more depreciation, and interest on normative loans allowed on capitalisation. The Commission should examine whether this expenditure will result in any appreciable benefit to consumers. Previous tariff orders for UPCL have shown prudent approaches to additional capitalisation, and this approach is expected to be followed this year as well. He also submitted that it is surprising to note that clearances from Electrical inspectors are being taken very casually, whereas, this is a serious matter and involves significant money involvement and safety as well.

Shri R.K. Singh, Head (CPED & E), M/s Tata Motors Ltd, with reference to Table 126, capitalization for system reliability and safety improvement, submitted that it is clear that UPCL is planning to capitalize Rs. 186.5 Crore for system strengthening activities and hopes that UPCL shall increase the funding under this head in future.

### 2.20.2 *Petitioner's Reply*

UPCL submitted that to supply reliable electricity, the necessary capitalization is done by UPCL on regular basis. All the details in respect of capitalization done and proposed capitalization has been provided by UPCL to the Commission. The capital expenditure is recovered over a specified time period as per Regulations in the form of depreciation which is included in the ARR and recovered through Tariff. Return on Equity is the cost of capital invested by the Discom in its business and also needs to be included in the ARR and be recovered through Tariff. UPCL further submitted that equity invested in business has an opportunity cost and if invested elsewhere will earn income on the same.

UPCL 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 has considered the value of opening GFA as Rs. 508 Crore only and has been allowing return 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 denied considering the balance value of GFA, i.e. Rs. 550.18 Crore (Rs. 1058.18 Crore – Rs. 508.00 Crore). But 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 now worked out its various claims on the basis of notified Transfer Scheme from 12.10.2003. However, the impact of transfer scheme is not being claimed in the ARR and Tariff Petition now as UPCL vide its letter no. 5621/UPCL/RM/B-27, dated 30.11.2023 requested GoU to provide subsidy in tariff equivalent to Rs. 4370.11 Crore which was payable by UPCL to GoU. The said proposal is under consideration of GOU. Once the decision on the same is received from GoU, the tariff proposal in the matter shall be put-up by UPCL to the Commission. Considering the same, UPCL has requested the Commission to consider the Opening GFA and Net Capitalisation as per the Audited Accounts of FY 2022-23.

### 2.20.3 *Commission's Views*

The Commission has duly scrutinised the actual and proposed capitalisation for FY 2022-23, and that projected for the ARR of FY 2024-25 in accordance with the provisions of UERC Tariff Regulations, 2021 and the same has been discussed in Chapters 3 and 4 of the Order. While carrying out 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 while determing tariff and only legitimate expenses are allowed in accordance with UERC Tariff Regulations as applicable from time to time.

## 2.21 Provision for Bad and Doubtful Debts

### 2.21.1 *Stakeholder's Comments*

Shri Ashok Bansal, President, M/s Kumaon Garhwal Chamber of Commerce & Industry Uttarakhand submitted that as per UPCL's submissions, sufficient provisioning was available with them, hence, the Commission had not approved any provision in ARR on percentage basis till the available provisions from past years is exhausted/utilized. He further submitted that the Commission had rightly/ordered to allow provisioning on the basis of the actual amount of bad debts written off in concerned year. He requested the Commission to carefully scrutinise the claim of UPCL and and only those arrears which were actually due but could not be realised even after permanent disconnection & issue of recovery certificates to District Magistrate and certified that such dues cannot be recovered for various reasons such as death of consumer & non availability of any assets for such recovery of dues etc. needs to be removed from the Books of Account & considered in the ARR of UPCL.

Shri Pankaj Gupta, President of the Industries Association of Uttarakhand, submitted that even though UPCL has not provided any amount against Bad and Doubtful debts this year but they have justified their earlier analogy in this ARR also and have asked Commission to allow for Bad and Doubtful debts at the time of true-up in future years. He further requested the Commission to be very careful in this, as amount claimed by UPCL against Bad and Doubtful debts is very high.

Shri Sunil Uniyal, Chairman, Uttarakhand Industrial Welfare Association suggested that Revenue Gap may be met from the recovery of Bad & doubtful debts and by reducing Line Loss and other expenditures.

### 2.21.2 *Petitioner's Reply*

UPCL 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 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.

UPCL had filed its claim of bad debts written off to be allowed in the Annual Revenue Requirement and Tariff Petition for FY 2023-24 but the Commission did not consider the same and directed UPCL as follows at para 3.2.3 of the Tariff Order dated March 30, 2023:

> *"In the absence of specific approval and details and reasons of year wise surcharge waived off, the Commission has not approved any Bad Debts for FY 2021-22. The Petitioner is, however, at liberty to submit its claim duly certified by Statutory Auditor along with specific approval of BoD along with the next tariff Petition justifying the write offs."*

UPCL further submitted that on the basis of details certified by the Statutory Auditor, the claim of Bad Debts Written Off to be included in the true-up of expenses for FY 2022-23 (Rs. 212.96 Crore) has been prepared and the same has been included in the ARR and Tariff Petition with the approval of the Board of Director.

#### 2.21.3 *Commission's Views*

The issue of the provision for Bad & Doubtful debts has been deliberated by the Commission in Chapters 3 and Chapter 4 of the Order.

### 2.22 Net Revenue gap with carrying cost

#### 2.22.1 *Stakeholder comments*

Shri R.K. Singh, Head (CPED & E), M/s Tata Motors Ltd submitted that UPCL has claimed a revenue gap of Rs. 1592.26 Crore for FY 2022-23, based on true-up of FY 2022-23. As the basis is truing up, there should not be carrying cost of Rs 89.85 crore of 6 months taken into consideration.

#### 2.22.2 *Petitioner's Reply*

UPCL submitted that Regulation 12(10) of Uttarakhand Electricity Regulatory Commission (Terms and Conditions for Determination of Multi Year Tariff) Regulations, 2021 provides as follows regarding applicability of carrying cost:

> *"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, along with 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."*

The gap of Rs. 1592.26 Crore during FY 2022-23 arose from April, 2022 to March, 2023 and, therefore, the average gap for the year is Rs. 1592.26 / 2 = Rs. 796.13 Crore and carrying cost on the same at the rate of 11.29% is Rs. 89.85 Crore.

### 2.22.3 *Commission's Views*

The Commission has carried out the detailed scrutiny of ARR for FY 2024-25 and truing up for FY 2022-23 in accordance with the provisions of the relevant Regulations as discussed in the subsequent Chapters of this Order.

## 2.23 Time of Day peak tariff/hour reduction

### 2.23.1 *Stakeholder comments*

Shri Pawan Agarwal, Uttarakhand Steel Manufacturers Association, submitted that under ToD tariff, the energy charges during peak hours are 30% more and is, accordingly, charged from the consumers whereas the computation of revenue during tariff determination exercise is computed at normal tariff.

Shri Ganesh Roller Flour Mills submitted that there should be a reduction in the ToD peak hours.

### 2.23.2 *Petitioner's Reply*

UPCL submitted that while computing the revenue at existing tariff for FY 2024-25 for industries, slot wise energy charges have been considered. The energy charges during normal hours have been considered at the base energy charge whereas the energy charge during peak hours has been considered (at base energy charge plus ToD surcharge) and energy charge during off peak hours has been considered (at base energy charge minus ToD rebate).

UPCL further submitted that the objective of introduction of ToD Tariff is to minimize the gap between maximum (peak) demand and minimum demand and to bring the peak demand as close to the average demand as possible. On every reduction of this gap, the generation cost, transmission cost and distribution cost and power cuts will be reduced and the higher demand can be catered from the available capacity. In other words, ToD Tariff is a very effective tool of demand side management which makes the optimum utilization of the available capacity of Generation, Transmission and Distribution possible, resulting in reduction of costs. The benefit of such reduction in costs is passed on to the consumers.

UPCL further submitted that the peak hours are decided as per the peak demand during the season. During winters, the peak demand is in the morning also and, therefore, morning peak hours have been kept in the winter season whereas there is no peak in the morning during summer season, therefore, no morning peak hours have been kept during summer season. Similarly, the evening peak hours have been decided keeping in view the peak demand during different time slots in summer season and winter season.

UPCL further submitted that the Commission vide its Tariff Order dated 27.02.2019 revised the Time-of-Day slots and reduced the morning peak hours from 3.50 hours to 3.00 hours and evening peak hours from 4.50 hours to 4.00 hours.

### 2.23.3 *Commission's Views*

The Commission has gone through the suggestions of the stakeholder and has discussed the issue in detail in Chapter 5 of this Order.

## 2.24 Treatment of Telecom Service Providers

### 2.24.1 *Stakeholder comments*

Shri Divyanshu Bhatt, Advocate, on behalf of M/s Bharti Airtel Limited submitted that, in reference to the National Telecom Policy, 2012 and guidelines by the department of telecommunications, the category of tariff levied upon the stakeholder and other telecom service provider shall be Industrial and not commercial/non-domestic.

### 2.24.2 *Petitioner's Reply*

UPCL 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 Hon'ble 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 Hon'ble 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 Hon'ble 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."*

UPCL requested the Commission to take decision on the request of the consumer in view of the above provisions mentioned in the FoR report.

### 2.24.3 *Commission's Views*

The Commission has gone through the suggestions of the stakeholder and is of the view keeping in view the Judgment of Hon'ble Supreme Court and Hon'ble ATE as referred by UPCL above, no change in the tariff categorization is warranted.

## 2.25 Private Tube Wells and Agriculture Activities

### 2.25.1 *Stakeholder comments*

Shri Teeka Singh Saini, Block President, Bhartiya Kisan Union submitted that electricity bills of PTW category should be issued on six-month basis, as per earlier practice.

Shri Vijay Singh Verma submitted that under RTS-4 power shall be supplied to private tube-wells/pumping sets for irrigation purposes only. Chaff cutter, thrasher, cane crusher and rice huller consume more electricity as the rating of the motor used in the said process is higher than 10 kW, hence, the same should not be included in RTS-4.

Shri Vijay Singh Verma suggested that the rate of category RTS-4A should be higher by at least 55% of rate of RTS-4.

### 2.25.2 *Petitioner's Reply*

UPCL submitted that the Commission vide its order dated 30.03.2023 had specified the billing of PTW category on bimonthly basis but on demand of farmers representatives and submission made by UPCL, the Commission vide its order dated 25.09.2023 converted the billing of PTW category from bimonthly basis to half yearly basis. Pursuant to the order issued by the Commission, UPCL vide its O.M. No. 4701/UPCL/RM/B-26, dated 05.10.2023 ordered for billing of PTW consumers on half yearly basis.

UPCL further submitted that with regard to the revision of tariff for the RTS-4 category the Commission may take a view.

### 2.25.3 *Commission's View*

The Commission has gone through the suggestions of the stakeholder and is of the view that chaff cutter, thrasher, cane crusher and rice huller are allowed under RTS-4 only for incidental agricultural processes. UPCL should check for any misuse of such connections as pointed out by the stakeholder.

## 2.26 Central Sector Schemes

### 2.26.1 *Stakeholder comments*

Shri Munish Talwar of M/s Asahi India Glass Limited, submitted that the last financial year saw a significant increase in the capitalization of central sector schemes, with Rs. 378.59 Crore. Two main schemes, DDUGJY and RDSS, are mainly centrally funded, with 85% funding provided by the GOI. The burden of the revision in tariff structure is unclear, as these schemes are forecasted for electrification of villages and off-grid solar systems. Old schemes like Revamped Reformed Distribution Schemes are about to be closed, aiming to reduce AT&C to 12% to 15% and ACS-ARR Gap to zero by FY 2024-25. There is a contradiction in clauses 3.84 and 3.90, and concerns are raised about the emphasis on the R-APDRP scheme. UPCL has proposed to recover a revenue gap of Rs. 2675.10 Crore through tariff hike in FY 2024-25. However, there is no firm commitment from the Government regarding subsidy, resulting in the entire gap being recoverable through tariff hike.

### 2.26.2 *Petitioner's Reply*

UPCL submitted that Uttarakhand has emerged as one of the leading States in achieving each & every milestone of R-APDRP Part-A implementation from concept to commissioning phases of the program across the country, the credit of best implementation of the program goes to proper planning at the inception level with timely preparation of Detailed Project Reports, appointment of

IT Consultant & IT Implementation Agency, Readiness of Data Center/Customer Care Center & other GIS & Meter related activities.

UPCL further submitted that it has implemented R-APDRP commercial modules all across the utility (including non-RAPDRP areas also) in an integrated manner which has resulted in extending benefits of R-APDRP across length and breadth of the State & resulted in optimum utilization of IT investments done in the program & brought uniformity in all business processes of UPCL. Moreover, R-APDRP implementation provided the integrated IT backbone to UPCL wherein UPCL started from scratch as all the billing applications before R-APDRP were running in different islands and were based on manual processes including human interventions & errors. UPCL implemented all mandatory modules & is running them satisfactorily in an integrated manner.

UPCL submitted that R-APDRP resulted in bringing transparency & accountability in the system, focused monitoring at the feeder level, enabled accurate measurement of reliability of power, improved consumer services through 24x7 customer care center, strict monitoring over consumer requests & applications for New Service Connections & provision of multiple bill payments options to consumers. With the impact of implementation, the AT&C losses have reduced in all 31 towns.

UPCL submitted that it has successfully implemented SCADA (Supervisory Control and Data Acquisition System) in Dehradun Town and the financial closure of the project is completed. The implementation of the project has resulted in better maintenance of electrical network of the Town besides early detection of faults along with improvement in power reliability indices.

UPCL further submitted that work of ERP implementation has been awarded under IPDS. Agreement with system integrator M/s PWC Ltd. has been executed on February 26, 2020. Business Blueprint documentation has been completed and the realization/development phase along with Master Data Collection has started from December 21, 2020. All efforts were made to make critical process operational from September, 2021.

UPCL also submitted that DC/DR Augmentation Works: Replacement/upgradation of EOL/EOS hardware items of DC, DR & Field offices of UPCL including server, storage, network, security hardware and software. Application software (MBC and other software): Upgradation/ new development for Application Modules - (MBC, NSC, DND, CIS, CRM, WSS, MDM), Call Centre Application (Dialer), Chat Bot Services, WhatsApp Integration etc.

UPCL further submitted that GPS based GIS survey of assets, mapping and digitization: GPS based GIS survey of all assets except in RAPDRP and IPDS towns, asset mapping of the surveyed assets & their digitization with relevant attributes. For detailed summary of various schemes and capitalization works, UPCL refered to Para 3.81 to 3.121 of the Petition.

#### 2.26.3 *Commission's Views*

The Commission has taken note of the concerns raised by the stakeholders and the initiatives taken by UPCL and has dealt with the issue of additional captialisation in detail in Chapter 3 and 4 of this Order.

### 2.27 Free Power and Subsidy

#### 2.27.1 *Stakeholder comments*

Colonel Sunil Kotnala (Retired), Uttarakhand Kranti Dal suggested that power should be free for the farmers, small industries and handicrafts industries.

Shri Bhawani Pratap Singh Panwar – President - Purani Tehri Baandh Visthapit Sangharsh Samiti submitted that as per the recommendation given by Hanumant Rao Committee, subsidy should be given to the beneficiary of Old Tehri Residents.

Shri Pawan Agarwal, Uttarakhand Steel Manufacturers Association, submitted that the State government had failed to forecast the increase in electricity demand and did not plan for adequate hydro projects for the State rather it was dependent on the 12 % free power. Now that the State is facing severe power shortage and has to procure power from outside, the State government should forego the revenue earned from the free power and provide it to the people of the State.

#### 2.27.2 *Petitioner's Reply*

UPCL submitted that the Electricity (Removal of Difficulty) Third Order, 2005 provides as follows regarding free royalty power:

> ***"Disposal of free electricity received by a State Government from hydro power generating stations:***
> *The State Government receiving free electricity from hydro power generating stations shall have discretion to dispose off such electricity in the manner it deems fit according to the provisions of the Act:*

*Provided that if such electricity is sold by the State Government to a distribution licensee, the concerned State Commission shall have powers to regulate the price at which such electricity is procured by the distribution licensee."*

Hence, GoU may take a view in the matter.

UPCL submitted that in reference to the comments regarding the residents of Tehri, the following decision inter-alia, was taken regarding Tehri Hydro Project (1000 MW) affected persons according to the recommendations of Hanumant Rao Committee:

*"Regarding electricity, the State Govt. of U.P. may consider extending to the project affected families the benefits of granting one electric connection at a nominal flat charge of Rs. 15/- per month."*

UPCL further submitted that the provision of Section 65 of the Electricity Act, 2003 which provides that if the State Government requires the grant of any subsidy to any consumer or class of consumers in the tariff determined by the State Commission, the State Government shall pay the said amount of subsidy to the distribution company.

### 2.27.3 *Commission's Views*

The Commission has gone through the suggestions of the stakeholder and has duly considered the same while designing and rationalizing the tariff and has discussed the issues in detail in Chapter 5 of this Order. Further, the matter of providing subsidized/free electricity relates to the Government and the consumers may approach the Government in this regard.

## 2.28 Billing Cycle

### 2.28.1 *Stakeholder comments*

Shri Ashok Bansal, President, M/s Kumaon Garhwal Chamber of Commerce & Industry Uttarakhand has submitted that the current billing practices by the Licensee (UPCL) contravenes with the provisions established in the UERC (Electricity Supply Code) Regulations, 2007. These Regulations mandate that bills be delivered to consumers fifteen days prior to the designated due date, followed by a subsequent grace period of fifteen days before late payment surcharges are imposed. Consequently, consumers are entitled to a thirty-day window to settle their bills after receipt without incurring any late fees. In contravention of these regulations, UPCL's current practice establishes due dates only three to four days following bill generation, while still offering the mandated fifteen-day grace period. This practice effectively reduces the pre-due date notice period mandated by the Regulations, potentially leading to consumers being unfairly penalized for late payments due to the Licensee's non-compliance. To rectify this anomaly, the stakeholder recommended the intervention by the Commission and the implementation of an automated billing system. This system should be programmed to automatically set due dates fifteen days after bill generation and incorporate the following fifteen-day grace period, ensuring adherence to the Regulations and eliminating the potential for undue late payment surcharges.

#### 2.28.2 *Petitioner's Reply*

UPCL submitted that the Commission has abolished the grace period in its Tariff Order dated April 18, 2020. The same has been made applicable in the billing software of UPCL from 1st May, 2020 and 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 along with the hard copy to consumer. SMS alerts for bills generation are also sent to consumers with a link to view & pay bills through UPCL website.

#### 2.28.3 *Commission's Views*

The Commission has taken note of suggestion received from the stakeholders regarding improvement in billing. **UPCL is 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.**

### 2.29 Formation of a Consultative Committee

#### 2.29.1 *Stakeholder comments*

The Commission was previously requested to form a consultative committee consisting of utility representatives, UERC, and stakeholders. The Committee was established by UPCL to facilitate better understanding between stakeholders and utilities. However, the Committee is not functioning satisfactorily due to lack of clear directions and representatives from UERC, UJVNL, and PTCUL. The Committee's purpose is to facilitate frequent meetings and presentations on working issues.

#### 2.29.2 *Petitioner's Reply*

UPCL submitted that as per direction of the Commission, UPCL vide its O.M. No. 2267/

UPCL/Com/RMC-Misc/CE, dated 12.05.2023 has constituted the Consultative Committee having the following members:

**Members of Consultative Committee**

| S. No | Name | Designation in Committee |
|---|---|---|
| 1. | Director (Project), UPCL V.C.V.G.S. Urja Bhawan, Kanwali Road, Dehradun. | Chairman |
| 2. | Chief Engineer (Commercial), V.C.V.G.S. Urja Bhawan, Kanwali Road, Dehradun. | Member |
| 3. | Chief Engineer (D), Garhwal Zone, 120 Haridwar Road, Dehradun. | Member |
| 4. | Superintending Engineer (A), Director (O), V.C.V.G.S. Urja Bhawan, Kanwali Road, Dehradun. | Secretary |
| 5. | Sh. R.S. Yadav, M/s Indian Glycols Ltd., Kashipur. | Member (Open Access Consumer) |
| 6. | President, Kumaon Garhwal Chamber of Commerce and Industries (KGCCI), Kashipur. | Member (Industrial Consumer) |
| 7. | Sh. Rajiv Agarwal, C/o Satya Industries, Mohabbewala Industrial Area, Dehradun. | Member (Domestic/Commercial Consumer) |
| 8. | Sh. Hussain Ahmed, Green Valley Farm, Shimla Road, Dehradun. | Member (Agriculture Consumer) |
| 9. | Sh. Pankaj Gupta, President, Industries Association of Uttarakhand, Mohabbewala, Industrial Area, Dehradun. | Member (Industrial Consumer) |
| 10. | Sh. Pawan Kumar Agarwal, Vice President, Uttarakhand Steel Manufacturer Association, C/o Shri Sidhbali Industries Ltd., Kotdwar. | Member (Steel Consumer) |

UPCL further submitted that regular meetings of the Committee are being held.

### 2.29.3 *Commission's Views*

The Commission has taken note of suggestion received from the stakeholders and is of the view that UPCL should consider the suggestion given by stakeholder and also include representatives from UJVN Ltd. and PTCUL in the Committee and hold regular meetings to understand each other's concerns.

## 2.30 Tariff Structure

### 2.30.1 *Stakeholder comments*

Shri Vijay Singh Verma submitted that the energy charges of BPL category may be revised so that the burden of electricity rates can be reduced from the other categories of consumers.

Shri Vijay Singh Verma further submitted that action should be taken against those domestic consumers who use excess load with respect to the sanctioned load.

Shri Ashok Goswami, Shetre Mai Jivani Ram Sukhdevi Ram Trust submitted that Utility should charge electricity rate from Aashram / Trust/ Mandir, as per Domestic Category.

Shri Narayan Singh from Bageshwar district has submitted that existing slab for domestic category may be maintained.

### 2.30.2 *Petitioner's Reply*

UPCL submitted that Electricity Tariff Policy, 2016 (para 8.3.1) provides as follows regarding 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."*

UPCL requestd the Commission to kindly determine the tariff of BPL category considering the above provision of the Tariff Policy. Further, the Petitioner submitted that as per Para 5.2.3 of the UERC (The Electricity Supply Code, Release of New Connections and Related Matters) Regulations, 2020 provides to enhance the contracted load of those domestic consumers who use load more than the contracted load. UPCL is taking action as per these provisions.

UPCL further submitted that the electricity tariff of the Charitable Institutions registered under the Income Tax Act, 1961 and whose income is exempted from tax under this Act is lower than other non-domestic consumers. The tariff applicable on Charitable Institutions registered under the Income Tax Act, 1961 and other non-domestic consumers is very near to the domestic category.

UPCL further submitted that the slabs in domestic category have been proposed for FY 2024-25 as approved by the Commission vide its Tariff Order dated 30.03.2023 for FY 2023-24.

### 2.30.3 *Commission's Views*

The Commission has gone through the suggestions of the stakeholder and has duly considered the same while designing and rationalizing the tariff and has discussed the issues in detail in Chapter 5 of this Order.

## 2.31 Solarization and Local Generation

### 2.31.1 *Stakeholder comments*

Mr Deepak Pant has requested for data regarding the status of the solarization of government buildings, hospitals, universities, colleges and has suggested to expedite the process and cover the pending institutions as soon as possible and the data regarding the total amount of electricity being produced in the State and the share that has been allocated to the home State should be available. He also requested to make it mandatory for all upcoming malls and hi-tec buildings to install solar Panels.

### 2.31.2 *Petitioner's Reply*

UPCL submitted that under IPDS Additional Solar Roof Top Scheme, Solar Roof Top Project has been implemented on Government offices/buildings of Dehradun and Haridwar towns. Solar Roof Top Plants of capacity 2587 kWp have been installed on 40 no. Govt. buildings and commissioned.

UPCL further submitted that it has significant share of Solar in its total power purchase portfolio. Considering the geographical factors, and difficult terrain in the State of Uttarakhand, UPCL submitted that it is of the opinion that it may maximize its Solar/RE portfolio by procuring power from different States at competitive prices. UPCL also submitted that it shall also procure renewable energy as per policy of GoU/GoI and Regulations issued by the Commission in the matter.

UPCL submitted that out of total requirement of 15866.46 MU during FY 2022-23, 4948.24 MU were made available to UPCL from UJVNL plants, which is 31.19%. Balance energy is being procured from other sources.

### 2.31.3 *Commission's Views*

The Commission in order to promote Renewable generation vide its UERC (Tariff and Other Terms for Supply of Electricity from Renewable Energy Sources and non-fossil fuel-based Cogeneration Stations) Regulations, 2023 has increased RPO Targets of the Petitioner which will increase procurement of power from RE Sources. Further, the matter of allowing any industries to set up a solar generating station is not a tariff related matter and is governed by UERC RE Regulations/policies of the State Government and any industries willing to install a solar plant may take necessary action in accordance with the RE Regulations and Policies of the State Government in this regard. For any dispute between the developer and the licensee, they may approach the Commission for adjudication under the Act.

## 2.32 Miscellaneous

### 2.32.1 *Stakeholder comments*

Shri Sanjay Agarwal, Vice President, M/s KVS Casting private Limited, submitted that the growth rate of HT category of Industries in FY 2023-24 is assessed (-33%) as against estimated growth UPCL has projected and now UPCL has estimated 2.76% growth for this category which is not justified and the Commission is requested not to approve additional expenses on the wrong estimation.

Shri Pankaj Gupta, President of the Industries Association of Uttarakhand, submitted that UPCL is claiming only Rs. 172.65 as non-tariff income, despite the approved amount of Rs. 286.81 Crore. The company has not provided any explanation for this shortfall, which should not be allowed. The balance sheet for FY 2022-23 shows extra income of Rs. 8721.04 Lakhs for electrification and Rs. 1709.24 Lakhs for REC against NEF interest, which should be included in non-tariff income, as it directly impacts tariffs.

Shri Ashok Bansal, President, M/s Kumaon Garhwal Chamber of Commerce & Industry Uttarakhand has submitted that considering the energy demand of the industries, more land should be provided for establishment of more sub-stations and infrastructure development near industrial areas.

Shri Sunil Uniyal, Chairman, - Uttarakhand Industrial Welfare Association submitted that the Minimum Consumption Charges should be stopped.

Shri Vijay Singh Verma suggested that mushroom Cultivation process should be covered in industrial category.

### 2.32.2 *Petitioner's Reply*

UPCL submitted that for FY 23-24 & FY 24-25, 7Y CAGR (FY 2016-FY 2023) over FY 2022-23 is considered for calculation of growth rate for HT categories which comes out to be 2.76%. Further, the Petitioner submitted that UPCL has proposed non-tariff income as per audited accounts for FY

2022-23 and all the desired clarification are being provided to the Commission in the matter.

UPCL submitted that it agrees to the suggestion of the stakeholder regarding allocation of more land towards infrastructure development. Further, the Petitioner submitted that the Commission vide its order dated 21.03.2018 had already abolished Minimum Consumption Guarantee Charges for all the categories.

### 2.32.3 *Commission's Views*

The Commission has gone through the suggestions of the stakeholder. With regards to non-Tariff income, the Commission has deliberated the same in the Chapter 3 of this Order.

Further, the Commission vide its Tariff Order dated 21.3.2018 has abolished the Minimum Consumption Guarantee Charges for all the consumer categories.

### 2.32.4 *Views of the State Advisory Committee*

During the State Advisory Committee Meeting held on March 06, 2023, the Members made the following suggestions on the Petition for True up of FY 2022-23, APR of FY 2023-24 and ARR and Tariff for FY 2024-25:

a) Opposed the tariff increase proposed by UPCL as the existing tariff is already on the higher side and increase in tariff sought was irrational and, hence, should not be accepted.

b) There is no justification for seeking huge truing up impact by UPCL.

c) Variation in the approved and actual expenses should be duly supported by appropriate justification.

d) UPCL cannot seek past impact corresponding to capitalisation for which Electrical Inspector Certificate submissions were delayed.

e) UPCL should make each Sub-station as profit centre which will enable UPCL to perform better.

f) Loss data as per forms CS-3 and CS-4 shows that the losses have increased, the industrial consumers have low losses which implies that other areas have higher losses where the Utility must give reasons as to why these losses are so high and the measures taken to reduce these losses.

g) UPCL should not be allowed a carrying cost on the gap during Truing-up.

h) Prudence should be done on power purchased at high prices up to Rs. 10/unit by UPCL.

i) Power Purchase plan to be optimized to reduce the cost.

j) Cross-subsidy on private tubewell consumers should be in reducing nature and should be restricted to +/- 20% as per Tariff Policy and any further increase, should be supported by the Government through subsidies.

k) Time-of-day-Tariff, peak hours should be penalised to 120% and not 130%. There is a need to re-visit the morning peak hours as they are for 6 months, along with evening peak hours which do not exist in real conditions. Also, the off-peak hours should be incentivised more to better utilise those hours.

l) The forms CS-3 and CS-4 should be automatic and not manually maintained, such data cannot be stated as authentic.

m) The billing cycles are being done for a period of 24 days or 25 days which results in a total of 13 bills in a year increasing an additional fixed charge of one month every year, such practices should be stopped and should be checked by the Commission.

n) Open access charges should be reduced.

o) Bad Debt write-off should not be allowed as the Utility is not able to maintain billing efficiency.

p) Water tax should not be charged on Hydro generation, the Commission should give direction to the State government to stop charging the same.

q) Update on directives issued by the Commission should be presented to the SAC members by the respective utilities.

r) The subsidy from the Government to be received by UPCL should be considered without the actual amount being disbursed from the Government.

s) UPCL needs to submit actual values of intra-state losses rather than considering the normative values approved by the Commission.

t) UPCL needs to submit justification for purchasing power through UI for Rs 15.98/unit.

u) UPCL needs to submit details of Rs. 46 Crore capitalised in FY 2022-23 against office equipment.

v) UPCL needs to submit a justification for an increase in Other financial and bank charges in FY 2022-23 as compared to FY 2021-22.

w) UJVN Ltd. should inform its shutdown time to UPCL, which when not done, the consumer has to bear the impact of the same as UPCL is not able to manage power demand and supply.

x) UPCL should submit the justification for the reduction in Non-Tariff Income.

y) UPCL needs to state the reason for not taking late payment surcharges from the Government categories.

z) The practice of advance billing from industries based on provisional billing for improving collection efficiency should be stopped.

aa) Snowbound areas should see some relief in Tariffs.

bb) Security deposit of two months should not be asked from all the consumers, instead prepaid meters should be given as an option and industries are ready for such a change or 15-day billing cycle could be implemented or any other payment security options should be explored.

### 2.32.5 *Petitioner's Reply*

1. UPCL with regard to tariff hike submitted that it has made claims as per the actual situation and no additional claim has been made on the part of UPCL. The situations are forced and adverse which required a higher increase in Tariff. The deviation in actual power purchase cost for coal, gas, central hydro stations, PGCIL and approved cost has a major difference.
2. UPCL further submitted that generation from Hydro generation in the State varies from 400 MW to 1200 MW at a point of time due to which shortage of power occured and UPCL had to resort to procurement from IEX for short-term power which is market linked and at a time was even limited to Rs. 20/unit by the Government since there was a power shortage in the whole country and the prices were informed and approved by the Commission.

3. UPCL submitted that it once had AT&C loss of 24%and today it is 15.15% which is less than the national average of 22.38%.
4. The Collection efficiency as approved by the Commission is almost achieved and there is scope of improvement and UPCL will put all its efforts to improve.
5. Feeder segregation has been taken up under the RDSS scheme, although the fund requirement for such work is high and the RDSS fund is limited and UPCL is required to make progress in phases for the same.
6. The billing cycle issue will be resolved by switching to a pre-paid meter and the same is being implemented in plain areas first. The works are in progress and will start in May 2024.
7. Imposition of Water tax, Cess, Royalty is prerogative of GoU and UPCL has not much say on the same.

### 2.32.6 *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 Truing Up for FY 2022-23, APR for FY 2023-24 and ARR & Tariff for FY 2024-25 as detailed in subsequent Chapters of this Order. **Further, UPCL is directed to submit a plan to recover arrears from the defaulting consumers within one month of the date of the Order. UPCL is also directed to update the Commission with its preparedness to meet power requirement for the State of Uttarakhand. Moreover, UPCL is directed to stop its practice of collecting money in advance from the industries specially in the month of February and March.**

# 3. Petitioner's Submissions, Commission's Analysis, Scrutiny and Conclusion on Truing Up for FY 2022-23

## 3.1 Truing-up for FY 2022-23

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 31, 2022 had approved the expenses and revenues of the Petitioner for FY 2022-23 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 2022-23 in the succeeding paragraphs. The head-wise details of variations in expenses and revenues are enumerated below.

### 3.1.1 *Sales*

The Commission had approved the energy sales for FY 2022-23 in its Tariff Order dated March 31, 2022 as 13097.90 MU with efficiency improvement. The Petitioner in the current Petition has submitted the actual sales for FY 2022-23 as 13491.21 MU and 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 2022-23 to check the division wise sales and revenue. The Petitioner in its reply submitted the same. The Commission while analysing the same found that the ABR of almost all the categories for some of the divisions were abnormally low as compared to the ABR approved by the Commission for FY 2022-23. The Commission further observed that instead of any improvement vis-à-vis earlier years, the ABR related anomalies have only increased in FY 2022-23.

The Commission during the Technical Validation Session held on January 19, 2024 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 after considering the additional energy charges approved vide Order dated September 28, 2022, and FCA approved vide Orders dated August 29, 2022, November 15, 2022 and February 13, 2023.

In view of the above discrepancies observed in the sales data in the commercial diary submitted by the Petitioner for FY 2022-23 and reply submitted, the Commission in this Tariff Order has again re-casted 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 2022-23 is discussed hereunder:

**a) Domestic Consumers**

Based on the detailed analysis of the division wise sales and ABR submitted by the

Petitioner for FY 2022-23, it is observed that the following divisions have abnormally low ABR.

**Table 3.1: UPCL Divisions with Lower ABR for Domestic Category**

| S.No. | Name of Division/Circles | No. of Consumers | Load (KW) | Energy Sold (MU) | Revenue Booked (Rs. Lakh) | ABR Actual (Rs./kWh) |
|---|---|---|---|---|---|---|
| **Domestic (Except RTS 1.1)** | | | | | | |
| 1. | EDD, Nainidanda | 26204 | 26350 | 3.95 | 206.78 | 5.23 |
| 2. | EDD, Ramnagar | 45297 | 70336 | 72.15 | 3213.14 | 4.33 |
| 3. | EDD, Bhikiyasain | 25035 | 30988 | 8.16 | 430.67 | 4.83 |
| 4. | EDD, Dharchula | 20384 | 20446 | 12.95 | 510.52 | 3.94 |
| **RTS 1.1 (BPL/Lifeline)** | | | | | | |
| 1. | EDD Vikasnagar | 23711 | 23711 | 20.53 | 739.18 | 3.60 |
| 2. | EDD (N), Dehradun | 1022 | 1022 | 1.07 | 37.68 | 3.53 |
| 3. | EDD, Nainidanda | 10455 | 10455 | 1.35 | 38.56 | 2.87 |
| 4. | EDD (U), Haldwani | 1108 | 1108 | 1.77 | 57.81 | 3.27 |
| 5. | EDD, Ramnagar | 6076 | 6076 | 5.32 | 191.42 | 3.60 |
| 6. | EDD (R), Haldwani | 1242 | 1196 | 1.86 | 61.03 | 3.29 |
| 7. | EDD, Rudrapur-I | 5130 | 5130 | 5.53 | 173.38 | 3.13 |
| 8. | EDD Rudrapur-II | 4656 | 4656 | 4.09 | 135.63 | 3.32 |
| 9. | EDD, Sitarganj | 14446 | 14446 | 12.04 | 446.50 | 3.71 |
| 10. | EDD, Khatima | 9563 | 9563 | 7.89 | 289.26 | 3.67 |

In line with the approach followed in the Tariff Order dated March 30, 2023 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 additional energy charges approved vide Order dated September 28, 2022, and FCA approved vide Orders dated August 29, 2022, November 15, 2022 and February 13, 2023 ) and considering the consumption per consumer per month for 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 3.2: Excess Sales to be disallowed for Domestic Category (Except RTS 1.1)**

| S. No | Name of Division/Circles | Consumer | Energy Sold (MU) | Revenue Booked (Rs. Lakh) | ABR actual (Rs./kWh) | Consumption /Consumer/ Month | ABR (Normative) Rs./kWh | Excess Sales (MU) |
|---|---|---|---|---|---|---|---|---|
| 1. | EDD, Nainidanda | 26204 | 3.95 | 206.78 | 5.23 | 12.57 | 7.75 | 1.29 |
| 2. | EDD, Ramnagar | 45297 | 72.15 | 3213.14 | 4.33 | 132.74 | 4.38 | 0.78 |
| 3. | EDD, Bhikiyasain | 25035 | 8.16 | 430.67 | 4.83 | 27.16 | 5.19 | 0.56 |
| 4. | EDD, Dharchula | 20384 | 12.95 | 510.52 | 3.94 | 52.95 | 4.11 | 0.54 |
| **Total** | | | | | | | | **3.17** |

**Table 3.3: Excess Sales to be disallowed for Domestic Category (RTS 1.1 – BPL/Lifeline)**

| 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 : RTS-1.1 (BPL)** | | | | | | | | |
| 1. | EDD Vikasnagar | 23711 | 20.53 | 739.18 | 3.60 | 72.16 | 3.78 | 0.99 |
| 2. | EDD (N), Dehradun | 1022 | 1.07 | 37.68 | 3.53 | 87.08 | 3.64 | 0.03 |
| 3. | EDD, Nainidanda | 10455 | 1.35 | 155.39 | 3.25 | 10.72 | 3.33 | 0.19 |
| 4. | EDD (U), Haldwani | 1108 | 1.77 | 778.33 | 3.96 | 132.90 | 3.75 | 0.23 |
| 5. | EDD, Ramnagar | 6076 | 5.32 | 38.56 | 2.87 | 72.95 | 3.77 | 0.25 |
| 6. | EDD (R), Haldwani | 1242 | 1.86 | 57.81 | 3.27 | 124.60 | 3.71 | 0.21 |
| 7. | EDD, Rudrapur-I | 5130 | 5.53 | 191.42 | 3.60 | 89.88 | 3.62 | 0.74 |
| 8. | EDD Rudrapur-II | 4656 | 4.09 | 61.03 | 3.29 | 73.11 | 3.77 | 0.49 |
| 9. | EDD, Sitarganj | 14446 | 12.04 | 173.38 | 3.13 | 69.45 | 3.82 | 0.34 |
| 10. | EDD, Khatima | 9563 | 7.89 | 135.63 | 3.32 | 68.72 | 3.82 | 0.32 |
| **Total** | | | | | | | | **3.79** |

Accordingly, based on the above, the total re-casted sales for Domestic Category for FY 2022-23 works out to 3545.20 MU against 3552.16 MU submitted by UPCL.

**b) Non-Domestic:**

Based on the detailed analysis of the division wise sales and ABR submitted for FY 2022-23, it is observed that for consumer category with load upto and 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 additional energy charges approved vide Order dated September 28, 2022, and FCA approved vide Orders dated August 29, 2022, November 15, 2022 and February 13, 2023) and fixed charges applicable for the consumers which works out to Rs. 6.61/kWh for contracted capacity upto 75 kW and Rs. 7.09/kWh for contracted capacity above 75 kW. The Commission has re-casted the sales of the following divisions for which the ABR has been found to be considerably lower than Rs. 6.61/kWh (upto 75 kW) and Rs. 7.09/kWh (above 75 kW).

**Table 3.4: UPCL Divisions with Lower ABR for Non-Domestic Category**

| S. No. | Name of Division/Circles | No. of Consumers | Load (KW) | Energy Sold (MU) | Revenue Booked (Rs. Lakh) | Actual ABR (Rs./kWh) |
|---|---|---|---|---|---|---|
| **RTS:2 - Non-Domestic (Upto 75 kW)** | | | | | | |
| 1. | EDD Vikasnagar | 9158 | 28213 | 32.04 | 2037.22 | 6.36 |
| 2. | EDD, Srinagar | 4105 | 18581 | 25.42 | 1094.89 | 4.31 |
| 3. | EDD, Gopeshwar | 3555 | 8819 | 14.67 | 966.07 | 6.59 |
| 4. | EDD (U), Haldwani | 10256 | 31320 | 46.44 | 3213.59 | 6.54 |
| 5. | EDD, Jaspur | 4218 | 12042 | 9.90 | 536.46 | 4.91 |
| 6. | EDD, Bageshwar | 4290 | 12108 | 10.64 | 724.65 | 6.50 |
| 7. | EDD, Ranikhet | 3041 | 8928 | 12.36 | 835.95 | 6.40 |
| 8. | EDD, Rudrapur-I | 9904 | 43428 | 46.83 | 2917.91 | 6.23 |
| 9. | EDD, Sitarganj | 5064 | 16983 | 16.34 | 1078.24 | 6.60 |
| 10. | EDD, Champawat | 4961 | 14418 | 12.01 | 790.30 | 6.58 |
| 11. | EDD, Dharchula | 2139 | 4872 | 6.52 | 413.16 | 6.34 |
| **RTS:2 - Non-Domestic (Above 75 kW)** | | | | | | |
| 1. | EDD, Raipur | 35 | 11196 | 9.92 | 685.03 | 6.91 |
| 2. | EDD, Rishikesh | 35 | 11226 | 34.96 | 1977.24 | 5.66 |
| 3. | EDD, Doiwala | 11 | 6640 | 18.37 | 1031.01 | 5.61 |
| 4. | EDD, Mohanpur | 44 | 12375 | 19.55 | 1280.99 | 6.55 |
| 5. | EDD (N), Dehradun | 94 | 28391 | 69.50 | 4700.41 | 6.76 |
| 6. | EDD (S), Dehradun | 950 | 31516 | 62.09 | 4255.44 | 6.85 |
| 7. | EDD (C), Dehradun | 85 | 19975 | 37.57 | 2590.75 | 6.90 |
| 8. | EDD, Tehri | 38 | 10076 | 15.41 | 1055.98 | 6.85 |
| 9. | EDD, Rudraprayag | 34 | 3192 | 5.69 | 388.73 | 6.84 |
| 10. | EDD (U), Roorkee | 7 | 1,221 | 2.75 | 124.80 | 4.54 |
| 11. | EDD (U), Hardwar | 67 | 11,851 | 17.58 | 1,198.53 | 6.82 |
| 12. | EDD (R), Hardwar | 14 | 9,633 | 27.36 | 1,904.61 | 6.96 |
| 13. | EDD, Laksar | 2 | 200 | 0.37 | 25.51 | 6.93 |
| 14. | EDD, Nainital | 33 | 6521 | 0.83 | 0 | 0.00 |
| 15. | EDD (R), Haldwani | 18 | 4427 | 14.03 | 959.65 | 6.84 |
| 16. | EDD, Kashipur | 539 | 17649 | 15.33 | 1046.94 | 6.83 |
| 17. | EDD, Bageshwar | 3 | 300 | 0.75 | 50.83 | 6.82 |
| 18. | EDD, Bhikiyasain | 20 | 1515 | 3.17 | 200.4 | 6.33 |
| 19. | EDD Rudrapur-I | 27 | 13660 | 28.67 | 1776.25 | 6.20 |
| 20. | EDD Rudrapur-II | 7 | 910 | 1.45 | 99.38 | 6.84 |
| 21. | EDD, Champawat | 6 | 806 | 1.08 | 73.58 | 6.81 |

Based on the normative ABR as discussed above and revenue booked, excess sales to be disallowed has been computed for each division. The excess sales to be disallowed for the above divisions is as shown below:

**Table 3.5: 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 Vikasnagar | 28213 | 32.04 | 2037.22 | 6.36 | 6.61 | 1.23 |
| 2. | EDD, Srinagar | 18581 | 25.42 | 1094.89 | 4.31 | 6.61 | 8.86 |
| 3. | EDD, Gopeshwar | 8819 | 14.67 | 966.07 | 6.59 | 6.61 | 0.06 |
| 4. | EDD (U), Haldwani | 31320 | 46.44 | 3213.59 | 6.54 | 6.61 | 0.53 |
| 5. | EDD, Jaspur | 12042 | 9.90 | 536.46 | 4.91 | 6.61 | 2.55 |
| 6. | EDD, Bageshwar | 12108 | 10.64 | 724.65 | 6.50 | 6.61 | 0.19 |
| 7. | EDD, Ranikhet | 8928 | 12.36 | 835.95 | 6.40 | 6.61 | 0.40 |
| 8. | EDD, Rudrapur-I | 43428 | 46.83 | 2917.91 | 6.23 | 6.61 | 2.70 |
| 9. | EDD, Sitarganj | 16983 | 16.34 | 1078.24 | 6.60 | 6.61 | 0.03 |
| 10. | EDD, Champawat | 14418 | 12.01 | 790.30 | 6.58 | 6.61 | 0.05 |
| 11. | EDD, Dharchula | 4872 | 6.52 | 413.16 | 6.34 | 6.61 | 0.27 |
| **Total** | | | | | | | **16.88** |
| **RTS:2 - Non-Domestic (Above 75 kW)** | | | | | | | |
| 1. | EDD, Raipur | 11196 | 9.92 | 685.03 | 6.91 | 7.09 | 0.25 |
| 2. | EDD, Rishikesh | 11226 | 34.96 | 1977.24 | 5.66 | 7.09 | 7.08 |
| 3. | EDD, Doiwala | 6640 | 18.37 | 1031.01 | 5.61 | 7.09 | 3.83 |
| 4. | EDD, Mohanpur | 12375 | 19.55 | 1280.99 | 6.55 | 7.09 | 1.48 |
| 5. | EDD (N),Dehradun | 28391 | 69.50 | 4700.41 | 6.76 | 7.09 | 3.20 |
| 6. | EDD (S), Dehradun | 31516 | 62.09 | 4255.44 | 6.85 | 7.09 | 2.07 |
| 7. | EDD (C), Dehradun | 19975 | 37.57 | 2590.75 | 6.90 | 7.09 | 1.03 |
| 8. | EDD, Tehri | 10076 | 15.41 | 1055.98 | 6.85 | 7.09 | 0.51 |
| 9. | EDD, Rudraprayag | 3192 | 5.69 | 388.73 | 6.84 | 7.09 | 0.20 |
| 10. | EDD (U), Roorkee | 1,221 | 2.75 | 124.80 | 4.54 | 7.09 | 0.99 |
| 11. | EDD (U), Haridwar | 11,851 | 17.58 | 1,198.53 | 6.82 | 7.09 | 0.67 |
| 12. | EDD (R), Haridwar | 9,633 | 27.36 | 1,904.61 | 6.96 | 7.09 | 0.50 |
| 13. | EDD, Laksar | 200 | 0.37 | 25.51 | 6.93 | 7.09 | 0.01 |
| 14. | EDD, Nainital | 6521 | 0.83 | 0 | 0.00 | 7.09 | 0.83 |
| 15. | EDD (R), Haldwani | 4427 | 14.03 | 959.65 | 6.84 | 7.09 | 0.50 |
| 16. | EDD, Kashipur | 17649 | 15.33 | 1046.94 | 6.83 | 7.09 | 0.56 |
| 17. | EDD, Bageshwar | 300 | 0.75 | 50.83 | 6.82 | 7.09 | 0.03 |
| 18. | EDD, Bhikiyasain | 1515 | 3.17 | 200.4 | 6.33 | 7.09 | 0.34 |
| 19. | EDD Rudrapur-I | 13660 | 28.67 | 1776.25 | 6.20 | 7.09 | 3.62 |
| 20. | EDD Rudrapur-II | 910 | 1.45 | 99.38 | 6.84 | 7.09 | 0.05 |
| 21. | EDD, Champawat | 806 | 1.08 | 73.58 | 6.81 | 7.09 | 0.04 |
| **Total** | | | | | | | **27.80** |

Accordingly, based on the above, the total re-casted sales for Non-Domestic Category for FY 2022-23 works out to 1691.87 MU as against 1736.56 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 additional energy charges approved vide Order dated September 28, 2022, and FCA approved vide Orders dated August 29, 2022, November 15, 2022 and February 13, 2023) 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 34.73 MU.

Accordingly, based on the above, the total re-casted sales for Government Public Utilities for FY 2022-23 works out to 709.10 MU as against 743.83 MU submitted by UPCL.

**d) PTW Category:**

The Commission observed that the ABR for some of the divisons for PTW category were lower than the approved rate of Rs. 2.20/kWh and, therefore, the Commission during the technical validation session sought explanation from UPCL for low ABR. UPCL in its reply submitted that the lower ABR is because of the billing cycle of PTW consumers which is 6 monthly and billing for the period of December to March of previous year is reflected in the current year. The Commission observes that previous year's consumption for three months has been billed at the tariff of Rs. 2.08/kWh which was applicable for FY 2021-22 and consumption of rest of the nine months were billed at Rs. 2.20/kWh. The Commisison, therefore, for the purpose of re-casting the PTW sales, has considered the weighted average tariff of Rs. 2.17/kWh for PTW consumers. The Commission has re-casted the sales of the following divisions for which the ABR has been found to be considerably low.

**Table 3.6: UPCL Divisions with Lower ABR for PTW Category**

| S. No. | Name of Division/Circles | No. of Consumers | Load (KW) | Energy Sold (MU) | Revenue Booked (Rs. Lakh) | ABR actual (Rs./kWh) |
|---|---|---|---|---|---|---|
| **RTS 4 – Private Tube Well** | | | | | | |
| 1. | EDD Vikasnagar | 522 | 5026 | 1.97 | 42.31 | 2.15 |
| 2. | EDD (R), Roorkee | 4681 | 36241 | 42.30 | 912.12 | 2.16 |
| 3. | EDD Bhagwanpur | 4984 | 36998 | 32.93 | 683.86 | 2.08 |
| 4. | EDD Ramnagar (Roorkee) | 1009 | 7214 | 6.98 | 148.86 | 2.13 |
| 5. | EDD, Ramnagar | 498 | 3325 | 4.09 | 87.7 | 2.15 |
| 6. | EDD Rudrapur-I | 2,606 | 11,429 | 8.60 | 185 | 2.15 |
| 7. | EDD Rudrapur-II | 4,144 | 19,743 | 12.60 | 271.33 | 2.15 |
| 8. | EDD, Sitarganj | 3,461 | 14,033 | 6.37 | 136.5 | 2.14 |
| 9. | EDD, Khatima | 1,566 | 6,983 | 4.22 | 90.05 | 2.13 |

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 above divisions is as shown below:

**Table 3.7: 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 | 5026 | 1.97 | 42.31 | 2.15 | 2.17 | 0.02 |
| 2. | EDD (R), Roorkee | 4681 | 42.30 | 912.12 | 2.16 | 2.17 | 0.29 |
| 3. | EDD Bhagwanpur | 4984 | 32.93 | 683.86 | 2.08 | 2.17 | 1.43 |
| 4. | EDD Ramnagar (Roorkee) | 1009 | 6.98 | 148.86 | 2.13 | 2.17 | 0.13 |
| 5. | EDD, Ramnagar | 498 | 4.09 | 87.7 | 2.15 | 2.17 | 0.05 |
| 6. | EDD Rudrapur-I | 2,606 | 8.60 | 185 | 2.15 | 2.17 | 0.08 |
| 7. | EDD Rudrapur-II | 4,144 | 12.60 | 271.33 | 2.15 | 2.17 | 0.10 |
| 8. | EDD, Sitarganj | 3,461 | 6.37 | 136.5 | 2.14 | 2.17 | 0.09 |
| 9. | EDD, Khatima | 1,566 | 4.22 | 90.05 | 2.13 | 2.17 | 0.07 |
| **Total** | | | | | | | **2.28** |

Accordingly, based on the above, the total re-casted sales for PTW Category for FY 2022-23 works out to 241.64 MU as against 243.92 MU submitted by UPCL.

**e) Agriculture and Allied Activities**

The Commission observed that ABR for some of the divisons for Agriculture and allied Activities consumers (RTS-4A) were lower than the approved rate (including additional energy charges approved vide Order dated September 28, 2022, and FCA approved vide Orders dated August 29, 2022, November 15, 2022 and February 13, 2023) of Rs. 2.99/kWh. The Commisison, therefore, for the purpose of re-casting, has considered the approved tariff of Rs. 2.99/kWh for RTS-4A consumers.

**Table 3.8: UPCL Divisions with Lower ABR for RTS 4A Category**

| S. No. | Name of Division/Circles | No. of Consumers | Load (KW) | Energy Sold (MU) | Revenue Booked (Rs. Lakh) | ABR actual (Rs./kWh) |
|---|---|---|---|---|---|---|
| **RTS-4A: Agriculture Allied Activities** | | | | | | |
| 1. | EDD, Doiwala | 22 | 1015 | 4.38 | 124.91 | 2.85 |
| 2. | EDD (R), Roorkee | 11 | 684 | 2.26 | 66.97 | 2.96 |
| 3. | EDD Bhagwanpur | 38 | 2090 | 4.73 | 141.5 | 2.99 |
| 4. | EDD (U), Hardwar | 2 | 175 | 0.80 | 22.98 | 2.87 |
| 5. | EDD, Ramnagar | 15 | 394 | 0.30 | 8.65 | 2.86 |
| 6. | EDD (R), Haldwani | 8 | 78 | 0.24 | 6.69 | 2.83 |
| 7. | EDD, Kashipur | 65 | 347 | 6.25 | 178.25 | 2.85 |
| 8. | EDD Rudrapur-I | 4 | 544 | 0.42 | 12.03 | 2.85 |

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 above divisions is as shown below:

**Table 3.9: 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, Doiwala | 1015 | 4.38 | 124.91 | 2.85 | 2.99 | 0.21 |
| 2. | EDD (R), Roorkee | 684 | 2.26 | 66.97 | 2.96 | 2.99 | 0.02 |
| 3. | EDD Bhagwanpur | 2090 | 4.73 | 141.5 | 2.99 | 2.99 | 0.01 |
| 4. | EDD (U), Hardwar | 175 | 0.80 | 22.98 | 2.87 | 2.99 | 0.03 |
| 5. | EDD, Ramnagar | 394 | 0.30 | 8.65 | 2.86 | 2.99 | 0.01 |
| 6. | EDD (R), Haldwani | 78 | 0.24 | 6.69 | 2.83 | 2.99 | 0.01 |
| 7. | EDD, Kashipur | 347 | 6.25 | 178.25 | 2.85 | 2.99 | 0.29 |
| 8. | EDD Rudrapur-I | 544 | 0.42 | 12.03 | 2.85 | 2.99 | 0.02 |
| **Total** | | | | | | | **0.63** |

Accordingly, based on the above, the total re-casted sales for RTS-4A Category for FY 2021-22 works out to 21.14 MU as against 21.77 MU submitted by UPCL.

### f) LT Industry

Based on the detailed analysis of the division wise sales submitted for FY 2022-23, it is observed that the ABR for the category was abnormally lower in case of the following divisions:

**Table 3.10: UPCL Divisions with Lower ABR for LT Industry**

| S. No. | Name of Division/Circles | No. of Consumers | Load (KW) | Energy Sold (MU) | Revenue Booked (Rs. Lakh) | ABR actual (Rs./kWh) |
|---|---|---|---|---|---|---|
| 1. | EDD Vikasnagar | 269 | 4042 | 4.35 | 300.97 | 6.93 |
| 2. | EDD, Uttarkashi | 107 | 825 | 0.45 | 35.10 | 7.85 |
| 3. | EDD, Kotdwar | 605 | 9969 | 5.76 | 463.12 | 8.04 |
| 4. | EDD, Nainidanda | 73 | 491 | 0.08 | 8.63 | 10.65 |
| 5. | EDD, Gairsain | 40 | 368 | 0.12 | 11.10 | 9.02 |
| 6. | EDD, Rudraprayag | 120 | 899 | 1.29 | 82.44 | 6.39 |
| 7. | EDD Ramnagar (Roorkee) | 345 | 10648 | 13.61 | 875.25 | 6.43 |
| 8. | EDD, Laksar | 508 | 4802 | 3.89 | 276.23 | 7.10 |
| 9. | EDD, Jwalapur | 967 | 20835 | 18.85 | 1273.53 | 6.76 |
| 10. | EDD, Nainital | 161 | 2358 | 1.07 | 80.08 | 7.51 |
| 11. | EDD (R), Haldwani | 547 | 7251 | 7.22 | 469.8 | 6.51 |
| 12. | EDD, Kashipur | 1030 | 21392 | 22.01 | 1406.69 | 6.39 |
| 13. | EDD, Bajpur | 411 | 10998 | 10.47 | 668.77 | 6.39 |
| 14. | EDD, Jaspur | 639 | 17950 | 26.56 | 1550.24 | 5.84 |
| 15. | EDD, Almora | 123 | 929 | 0.78 | 50.51 | 6.47 |
| 16. | EDD, Bageshwar | 345 | 2515 | 1.26 | 80.1 | 6.38 |
| 17. | EDD, Ranikhet | 164 | 1717 | 0.54 | 46.85 | 8.68 |
| 18. | EDD, Bhikiyasain | 135 | 989 | 0.75 | 32.59 | 4.32 |
| 19. | EDD Rudrapur-I | 1810 | 51817 | 60.23 | 3774.87 | 6.27 |
| 20. | EDD Rudrapur-II | 893 | 25583 | 24.23 | 1468.4 | 6.06 |
| 21. | EDD, Sitarganj | 787 | 17146 | 13.12 | 860.76 | 6.56 |

**Table 3.10: UPCL Divisions with Lower ABR for LT Industry**

| S. No. | Name of Division/Circles | No. of Consumers | Load (KW) | Energy Sold (MU) | Revenue Booked (Rs. Lakh) | ABR actual (Rs./kWh) |
|---|---|---|---|---|---|---|
| 22. | EDD, Khatima | 524 | 8317 | 8.53 | 538.43 | 6.31 |
| 23. | EDD, Pithoragarh | 206 | 1611 | 0.71 | 62.42 | 8.78 |
| 24. | EDD, Champawat | 146 | 1947 | 1.29 | 95.03 | 7.35 |
| 25. | EDD, Dharchula | 49 | 479 | 0.25 | 17 | 6.75 |

The division wise normative ABR has been worked out considering the energy charge (including additional energy charges approved vide Order dated September 28, 2022, and FCA approved vide Orders dated August 29, 2022, November 15, 2022 and February 13, 20234) 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 above divisions is as shown below:

**Table 3.11: 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 | 4042 | 4.35 | 300.97 | 6.93 | 89.60 | 6.99 | 0.04 |
| 2. | EDD, Uttarkashi | 825 | 0.45 | 35.10 | 7.85 | 45.15 | 8.83 | 0.05 |
| 3. | EDD, Kotdwar | 9969 | 5.76 | 463.12 | 8.04 | 48.15 | 8.60 | 0.38 |
| 4. | EDD, Nainidanda | 491 | 0.08 | 8.63 | 10.65 | 13.75 | 17.30 | 0.03 |
| 5. | EDD, Gairsain | 368 | 0.12 | 11.10 | 9.02 | 27.85 | 11.13 | 0.02 |
| 6. | EDD, Rudraprayag | 899 | 1.29 | 82.44 | 6.39 | 119.58 | 6.53 | 0.03 |
| 7. | EDD Ramnagar (Roorkee) | 10648 | 13.61 | 875.25 | 6.43 | 106.50 | 6.70 | 0.54 |
| 8. | EDD, Laksar | 4802 | 3.89 | 276.23 | 7.10 | 67.48 | 7.61 | 0.26 |
| 9. | EDD, Jwalapur | 20835 | 18.85 | 1273.53 | 6.76 | 75.40 | 7.35 | 1.51 |
| 10. | EDD, Nainital | 2358 | 1.07 | 80.08 | 7.51 | 37.71 | 9.56 | 0.23 |
| 11. | EDD (R), Haldwani | 7251 | 7.22 | 469.8 | 6.51 | 82.98 | 7.14 | 0.64 |
| 12. | EDD, Kashipur | 21392 | 22.01 | 1406.69 | 6.39 | 85.75 | 7.08 | 2.14 |
| 13. | EDD, Bajpur | 10998 | 10.47 | 668.77 | 6.39 | 79.33 | 7.24 | 1.23 |
| 14. | EDD, Jaspur | 17950 | 26.56 | 1550.24 | 5.84 | 123.30 | 6.48 | 2.65 |
| 15. | EDD, Almora | 929 | 0.78 | 50.51 | 6.47 | 70.06 | 7.51 | 0.11 |
| 16. | EDD, Bageshwar | 2515 | 1.26 | 80.1 | 6.38 | 41.62 | 9.15 | 0.38 |
| 17. | EDD, Ranikhet | 1717 | 0.54 | 46.85 | 8.68 | 26.21 | 11.51 | 0.13 |
| 18. | EDD, Bhikiyasain | 989 | 0.75 | 32.59 | 4.32 | 63.53 | 7.76 | 0.33 |
| 19. | EDD Rudrapur-I | 51817 | 60.23 | 3774.87 | 6.27 | 96.86 | 6.85 | 5.15 |
| 20. | EDD Rudrapur-II | 25583 | 24.23 | 1468.4 | 6.06 | 78.94 | 7.25 | 3.97 |
| 21. | EDD, Sitarganj | 17146 | 13.12 | 860.76 | 6.56 | 63.78 | 7.75 | 2.02 |
| 22. | EDD, Khatima | 8317 | 8.53 | 538.43 | 6.31 | 85.47 | 7.08 | 0.93 |
| 23. | EDD, Pithoragarh | 1611 | 0.71 | 62.42 | 8.78 | 36.78 | 9.68 | 0.07 |
| 24. | EDD, Champawat | 1947 | 1.29 | 95.03 | 7.35 | 55.34 | 8.15 | 0.13 |
| 25. | EDD, Dharchula | 479 | 0.25 | 17 | 6.75 | 43.84 | 8.94 | 0.06 |
| **Total** | | | | | | | | **23.02** |

Accordingly, based on the above, the total re-casted sales for LT Industry for FY 2022-23 works out to 320.09 MU as against 343.11 MU submitted by UPCL.

**g) HT Industry**

The Petitioner submitted the sales to HT Industry of 6579.14 MU for FY 2022-23. The Commission carried out detailed analysis of the division wise sales and ABR submitted by the Petitioner for FY 2022-23, and from the same it is observed that following divisions have abnormally low ABR.

**Table 3.12: UPCL Divisions with Lower ABR for HT Industries**

| S. No. | Name of Division/Circles | No. of Consumers | Load (KW) | Energy Sold (MU) | Revenue Booked (Rs. Lakh) | ABR Actual (Rs./kWh) |
|---|---|---|---|---|---|---|
| **HT Industry (Upto 1000 kVA)** | | | | | | |
| 1. | EDD, Rishikesh | 3 | 1328 | 1.32 | 115.36 | 8.76 |
| 2. | EDD, Tehri | 17 | 5450 | 4.86 | 446.81 | 9.20 |
| 3. | EDD, Uttarkashi | 6 | 1375 | 1.02 | 89.80 | 8.77 |
| 4. | EDD, Narayanbagarh | 1 | 400 | 0.31 | 30.01 | 9.78 |
| 5. | EDD, Rudraprayag | 5 | 1954 | 4.07 | 262.05 | 6.43 |
| 6. | EDD (U), Roorkee | 7 | 1750 | 2.17 | 175.25 | 8.07 |
| 7. | EDD Ramnagar (Roorkee) | 40 | 23107 | 40.60 | 2758.36 | 6.79 |
| 8. | EDD, Laksar | 31 | 12772 | 16.24 | 1230.55 | 7.58 |
| 9. | EDD, Nainital | 9 | 3077 | 2.43 | 213.78 | 8.79 |
| 10. | EDD, Ramnagar | 63 | 20213 | 32.14 | 2391.05 | 7.44 |
| 11. | EDD (R), Haldwani | 63 | 23587 | 43.01 | 2862.3 | 6.66 |
| 12. | EDD, Kashipur | 145 | 58652 | 122.44 | 7873.34 | 6.43 |
| 13. | EDD, Bajpur | 71 | 24958 | 44.47 | 2864.37 | 6.44 |
| 14. | EDD, Jaspur | 59 | 21342 | 52.59 | 3088.52 | 5.87 |
| 15. | EDD, Bageshwar | 6 | 1530 | 3.08 | 198.82 | 6.45 |
| 16. | EDD, Sitarganj | 136 | 47223 | 77.21 | 5132.39 | 6.65 |
| 17. | EDD, Khatima | 10 | 1936 | 5.75 | 373.42 | 6.50 |
| 18. | EDD, Dharchula | 2 | 480 | 0.24 | 23.46 | 9.61 |
| **HT Industry (Above 1000 kVA)** | | | | | | |
| 1. | EDD Vikasnagar | 2 | 3050 | 14.72 | 941.09 | 6.39 |
| 2. | EDD, Doiwala | 2 | 3400 | 12.86 | 808.88 | 6.29 |
| 3. | EDD, Kotdwar | 19 | 49938 | 245.29 | 15869.47 | 6.47 |
| 4. | EDD, Rudraprayag | 2 | 3000 | 10.09 | 646.02 | 6.40 |
| 5. | EDD (U), Roorkee | 2 | 5520 | 14.77 | 1001.75 | 6.78 |
| 6. | EDD (R), Roorkee | 22 | 106860 | 450.69 | 29375.27 | 6.52 |
| 7. | EDD Bhagwanpur | 22 | 69050 | 305.21 | 20177.25 | 6.61 |
| 8. | EDD Ramnagar (Roorkee) | 5 | 12020 | 36.64 | 2378.71 | 6.49 |
| 9. | EDD (R), Hardwar | 67 | 154094 | 619.10 | 41514.73 | 6.71 |
| 10. | EDD, Laksar | 9 | 59950 | 237.21 | 15929.88 | 6.72 |
| 11. | EDD, Jwalapur | 3 | 15600 | 41.45 | 2616.08 | 6.31 |
| 12. | EDD (R), Haldwani | 2 | 12300 | 53.15 | 3560.71 | 6.70 |
| 13. | EDD, Kashipur | 23 | 129650 | 556.72 | 35769.25 | 6.43 |
| 14. | EDD, Bajpur | 15 | 53253 | 315.48 | 20169.3 | 6.39 |
| 15. | EDD, Jaspur | 22 | 86771 | 318.43 | 18266.3 | 5.74 |
| 16. | EDD, Sitarganj | 20 | 52000 | 324.04 | 19492.25 | 6.02 |
| 17. | EDD, Khatima | 4 | 20800 | 145.42 | 8777.55 | 6.04 |

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 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 above divisions is as shown below:

**Table 3.13: 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, Rishikesh | 1328 | 1.32 | 115.36 | 8.76 | 82.64 | 8.94 | 0.03 |
| 2. | EDD, Tehri | 5450 | 4.86 | 446.81 | 9.20 | 74.25 | 9.34 | 0.07 |
| 3. | EDD, Uttarkashi | 1375 | 1.02 | 89.80 | 8.77 | 62.06 | 10.13 | 0.14 |
| 4. | EDD, Narayanbagarh | 400 | 0.31 | 30.01 | 9.78 | 63.96 | 9.99 | 0.01 |
| 5. | EDD, Rudraprayag | 1954 | 4.07 | 262.05 | 6.43 | 173.70 | 7.05 | 0.35 |
| 6. | EDD (U), Roorkee | 1750 | 2.17 | 175.25 | 8.07 | 103.36 | 8.21 | 0.04 |
| 7. | EDD Ramnagar (Roorkee) | 23107 | 40.60 | 2758.36 | 6.79 | 146.43 | 7.37 | 3.16 |
| 8. | EDD, Laksar | 12772 | 16.24 | 1230.55 | 7.58 | 105.93 | 8.14 | 1.13 |
| 9. | EDD, Nainital | 3077 | 2.43 | 213.78 | 8.79 | 65.89 | 9.85 | 0.26 |
| 10. | EDD, Ramnagar | 20213 | 32.14 | 2391.05 | 7.44 | 132.50 | 7.58 | 0.60 |
| 11. | EDD (R), Haldwani | 23587 | 43.01 | 2862.3 | 6.66 | 151.95 | 7.29 | 3.76 |
| 12. | EDD, Kashipur | 58652 | 122.44 | 7873.34 | 6.43 | 173.96 | 7.04 | 10.68 |
| 13. | EDD, Bajpur | 24958 | 44.47 | 2864.37 | 6.44 | 148.49 | 7.34 | 5.44 |
| 14. | EDD, Jaspur | 21342 | 52.59 | 3088.52 | 5.87 | 205.36 | 6.78 | 7.06 |
| 15. | EDD, Bageshwar | 1530 | 3.08 | 198.82 | 6.45 | 167.86 | 7.11 | 0.28 |
| 16. | EDD, Sitarganj | 47223 | 77.21 | 5132.39 | 6.65 | 136.25 | 7.52 | 8.95 |
| 17. | EDD, Khatima | 1936 | 5.75 | 373.42 | 6.50 | 247.29 | 6.54 | 0.03 |
| 18. | EDD, Dharchula | 480 | 0.24 | 23.46 | 9.61 | 42.36 | 12.37 | 0.05 |
| **HT Industry (Above 1000 kVA)** | | | | | | | | |
| 1. | EDD Vikasnagar | 3050 | 14.72 | 941.09 | 6.39 | 402.30 | 6.62 | 0.52 |
| 2. | EDD, Doiwala | 3400 | 12.86 | 808.88 | 6.29 | 315.20 | 6.87 | 1.08 |
| 3. | EDD, Kotdwar | 49938 | 245.29 | 15869.47 | 6.47 | 409.32 | 6.61 | 5.19 |
| 4. | EDD, Rudraprayag | 3000 | 10.09 | 646.02 | 6.40 | 280.33 | 6.60 | 0.31 |
| 5. | EDD (U), Roorkee | 5520 | 14.77 | 1001.75 | 6.78 | 222.98 | 6.93 | 0.31 |
| 6. | EDD (R), Roorkee | 106860 | 450.69 | 29375.27 | 6.52 | 351.46 | 6.75 | 15.68 |
| 7. | EDD Bhagwanpur | 69050 | 305.21 | 20177.25 | 6.61 | 368.34 | 6.71 | 4.34 |
| 8. | EDD Ramnagar (Roorkee) | 12020 | 36.64 | 2378.71 | 6.49 | 253.99 | 6.73 | 1.31 |
| 9. | EDD (R), Hardwar | 154094 | 619.10 | 41514.73 | 6.71 | 334.81 | 6.80 | 8.88 |
| 10. | EDD, Laksar | 59950 | 237.21 | 15929.88 | 6.72 | 329.74 | 6.82 | 3.62 |
| 11. | EDD, Jwalapur | 15600 | 41.45 | 2616.08 | 6.31 | 221.39 | 6.94 | 3.75 |
| 12. | EDD (R), Haldwani | 12300 | 53.15 | 3560.71 | 6.70 | 360.12 | 6.73 | 0.23 |
| 13. | EDD, Kashipur | 129650 | 556.72 | 35769.25 | 6.43 | 357.83 | 6.73 | 25.60 |
| 14. | EDD, Bajpur | 53253 | 315.48 | 20169.3 | 6.39 | 493.68 | 6.46 | 3.31 |
| 15. | EDD, Jaspur | 86771 | 318.43 | 18266.3 | 5.74 | 305.82 | 6.90 | 53.85 |
| 16. | EDD, Sitarganj | 52000 | 324.04 | 19492.25 | 6.02 | 519.29 | 6.43 | 20.68 |
| 17. | EDD, Khatima | 20800 | 145.42 | 8777.55 | 6.04 | 582.63 | 6.35 | 7.22 |
| **Total** | | | | | | | | **197.87** |

Accordingly, based on the above, the total re-casted sales for HT Industry for FY 2022-23 works out to 6381.27 MU as against 6579.14 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 2022-23, it is observed that following divisions have abnormally low ABR.

**Table 3.14: UPCL Divisions with Lower ABR for Mixed Load**

| S. No. | Name of Division /Circles | No of Consumers | Load (KW) | Energy Sold (MU) | Revenue Booked (Rs. Lakh) | ABR Actual (Rs./kWh) |
|---|---|---|---|---|---|---|
| 1. | EDD, Rishikesh | 2 | 1787 | 7.92 | 502.09 | 6.34 |
| 2. | EDD, Doiwala | 2 | 1188 | 0.33 | 19.51 | 5.91 |
| 3. | EDD (N), Dehradun | 7 | 9690 | 29.28 | 1886.93 | 6.44 |
| 4. | EDD (S), Dehradun | 3 | 5110 | 23.41 | 1456.37 | 6.22 |
| 5. | EDD, Tehri | 5 | 6300 | 19.05 | 1199.31 | 6.29 |
| 6. | EDD, Uttarkashi | 2 | 540 | 0.70 | 48.22 | 6.91 |
| 7. | EDD, Gopeshwar | 5 | 1495 | 1.87 | 123.98 | 6.64 |
| 8. | EDD (U), Roorkee | 4 | 12172 | 49.74 | 3025.17 | 6.08 |
| 9. | EDD (U), Hardwar | 1 | 4260 | 20.09 | 1274.91 | 6.35 |
| 10. | EDD (U), Haldwani | 2 | 650 | 2.13 | 138.8 | 6.51 |
| 11. | EDD, Ramnagar | 3 | 774 | 2.24 | 145.79 | 6.51 |
| 12. | EDD (R), Haldwani | 2 | 949 | 0.83 | 53.52 | 6.49 |
| 13. | EDD, Bageshwar | 3 | 265 | 0.71 | 43.34 | 6.08 |
| 14. | EDD Rudrapur-I | 3 | 1450 | 3.61 | 238.19 | 6.59 |
| 15. | EDD, Pithoragarh | 4 | 2306 | 8.13 | 508.84 | 6.26 |
| 16. | EDD, Champawat | 7 | 2684 | 4.46 | 291.41 | 6.53 |
| 17. | EDD, Dharchula | 2 | 1175 | 2.08 | 140.23 | 6.75 |

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 additional energy charges approved vide Orders dated August 28, 2022, September 28, 2022, November 15, 2022 and February 13, 2022) 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 above divisions is as shown below:

**Table 3.15: 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, Rishikesh | 1787 | 7.92 | 502.09 | 6.34 | 369.24 | 6.42 | 0.09 |
| 2. | EDD, Doiwala | 1188 | 0.33 | 19.51 | 5.91 | 23.15 | 11.34 | 0.16 |
| 3. | EDD (N), Dehradun | 9690 | 29.28 | 1886.93 | 6.44 | 251.81 | 6.57 | 0.56 |
| 4. | EDD (S), Dehradun | 5110 | 23.41 | 1456.37 | 6.22 | 381.69 | 6.40 | 0.67 |
| 5. | EDD, Tehri | 6300 | 19.05 | 1199.31 | 6.29 | 252.01 | 6.57 | 0.79 |
| 6. | EDD, Uttarkashi | 540 | 0.70 | 48.22 | 6.91 | 107.72 | 7.22 | 0.03 |
| 7. | EDD, Gopeshwar | 1495 | 1.87 | 123.98 | 6.64 | 104.01 | 7.26 | 0.16 |
| 8. | EDD (U), Roorkee | 12172 | 49.74 | 3025.17 | 6.08 | 340.54 | 6.44 | 2.79 |
| 9. | EDD (U), Hardwar | 4260 | 20.09 | 1274.91 | 6.35 | 392.92 | 6.40 | 0.15 |

**Table 3.15: Excess Sales to be disallowed for Mixed Load**

| S. | Name of | Load | Energy | Revenue | ABR actual | Consumption | ABR | Excess |
|---|---|---|---|---|---|---|---|---|
| 10. | EDD (U), Haldwani | 650 | 2.13 | 138.8 | 6.51 | 273.33 | 6.53 | 0.01 |
| 11. | EDD, Ramnagar | 774 | 2.24 | 145.79 | 6.51 | 241.28 | 6.59 | 0.03 |
| 12. | EDD (R), Haldwani | 949 | 0.83 | 53.52 | 6.49 | 72.44 | 7.77 | 0.14 |
| 13. | EDD, Bageshwar | 265 | 0.71 | 43.34 | 6.08 | 224.21 | 6.63 | 0.06 |
| 14. | EDD Rudrapur-I | 1450 | 3.61 | 238.19 | 6.59 | 207.59 | 6.67 | 0.04 |
| 15. | EDD, Pithoragarh | 2306 | 8.13 | 508.84 | 6.26 | 293.69 | 6.50 | 0.30 |
| 16. | EDD, Champawat | 2684 | 4.46 | 291.41 | 6.53 | 138.54 | 6.96 | 0.28 |
| 17. | EDD, Dharchula | 1175 | 2.08 | 140.23 | 6.75 | 147.38 | 6.91 | 0.05 |
| **Total** | | | | | | | | **6.25** |

Accordingly, based on the above, the total re-casted sales for Mixed Load category for FY 2022-23 works out to 188.37 MU as against 194.62 MU submitted by UPCL.

Based on the above analysis, the category wise sales for FY 2022-23 as recasted by the Commission is as shown in the Table below:

**Table 3.16: Category-wise Sales for FY 2022-23 (MU)**

| Categories | Approved in the Tariff Order dated March 31, 2022 | Claimed in the Petition | Approved after Truing Up |
|---|---|---|---|
| Domestic (RTS - 1) | 3929.36 | 3552.16 | 3545.20 |
| Non-domestic, incl. Commercial (RTS - 2) | 1398.46 | 1736.56 | 1691.87 |
| Govt. Public Utilities (RTS - 3) | 848.03 | 743.83 | 709.10 |
| Private Tubewell/Pump Sets (RTS - 4) | 254.25 | 243.92 | 241.64 |
| Agriculture and Allied Activities (RTS-4A) | | 21.77 | 21.14 |
| LT & HT Industry (RTS-5) | 6398.87 | 6922.25 | 6701.36 |
| *Total LT* | 340.64 | 343.11 | 320.09 |
| *Total HT* | 6058.23 | 6579.14 | 6381.27 |
| Mixed Load (RTS - 6) | 183.76 | 194.62 | 188.37 |
| Railway Traction (RTS - 7) | 29.79 | 75.93 | 75.93 |
| EV Charging Stations | 17.52 | 0.17 | 0.17 |
| Additional sales (efficiency improvement) | 37.86 | - | - |
| **Total** | **13097.90** | **13491.21** | **13174.79** |

### 3.1.2 *Distribution Losses*

The Petitioner in its Petition has submitted its distribution losses for FY 2022-23 as 14.38%. The Commission for FY 2022-23 had approved the distribution losses of 13.50% based on the loss reduction trajectory approved in the MYT Order for the 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 2022-23 works out to 16.39%.

The Commission observed that even though sales to HT industries increased by 5.91% and sales to Commercial consumers increased by 14.15% vis-à-vis FY 2021-22, the distribution loss for FY 2022-23 is even higher than the actual losses of 14.70% approved for FY 2021-22. The

Commission during Technical Validation Session sought justification from UPCL on increased losses. UPCL submitted that there has been substantial increase in length of LT line from 70748 Km. in March 2022 to 73599 Km. in March 2023 (increase by 2851 Km.) and in length of 11 kV line from 46201 Km. in March 2022 to 47461 Km. in March 2023 (increase by 1259 Km.). Further, the number of Distribution transformers has increased from 83400 in March 2022 to 87368 in March 2023 (increase by 3968 no.). The Petitioner further submitted that it is undertaking significant steps through Central Government scheme such as RDSS towards loss reduction works and modernization of distribution network across various divisions, which also covers replacement of consumer meters to smart meters and metering of DTR, etc., and the scheme shall enable the utility in reducing its distribution loss going forward. The Petitioner, thus, requested to approve the Distribution losses of 14.38% instead of the loss trajectory approved by the Commission.

While the technical part of the losses could be explained using HT:LT sales but the billing efficiency contributes to the non-technical part of the Distribution losses. No plausible reason has been offered by UPCL for reduction in billing efficiency when meter reading activity has majorly been outsourced by UPCL. Besides, it is unimaginable that despite increase in industry sales as well as commercial sales where distribution losses are less, overall distribution losses of UPCL are increasing. Further, the losses are high specially in urban areas like Rudrapur, Kashipur, Gadarpur, Bajpur, Roorkee, Khatima, etc. which is beyond comprehension. 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 15757.27 MU at distribution periphery (T&D interface) for FY 2022-23 and applying the approved loss level of 13.50% for the year, the Commission re-estimated the sales of 13630.04 MU for FY 2022-23. As against this sale of 13630.04 MU, the actual re-casted sales approved by the Commission for FY 2022-23 is 13174.79 MU. Therefore, there is a loss of sales to the tune of 455.24 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. 6.24/kWh on the approved re-casted sales of 13174.79 MU. The Commission for FY 2022-23 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. The Commission considered the sales revenue for FY 2022-23 as Rs. 8218.09 Crore. Further, the Commission has computed the additional revenue on account of loss in sales due to higher distribution loss of Rs. 283.97 Crore for FY 2022-23. 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.

### 3.1.3 *Power Purchase Expenses (Including Transmission Charges)*

The Petitioner has submitted the power purchase cost (including transmission charges) of Rs. 8182.75 Crore as against the approved expenses of Rs. 7061.26 Crore (Rs. 6682.20 Crore approved in tariff Order dated 31.03.2022 *plus* Rs. 379.06 Crore approved vide Order dated 28.09.2022) for FY 2022-23.

The Petitioner further submitted that it has reduced Rs. 277.80 Crore from the power purchase cost pertaining to banking power which is a non-cash transaction and revenue towards sale of surplus power amounting to Rs. 172.56 Crore, and, accordingly, has claimed net power purchase cost of Rs. 6937.02 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 computed the rate of free power as per the audited accounts as Rs. 2.23/kWh which is the same as booked in the audited accounts and, therefore, no adjustment on account of rate of free power has been carried out.

With regards to the claim of Water Tax amounting to Rs. 303.24 Crore, the Commission sought supporting documents to substantiate the actual expenses incurred towards the same. The Petitioner in its reply dated January 08, 2024, submitted the same stating that in the total claim of Rs. 303.24 Crore, Rs. 224.86 Crore relates to FY 2022-23 and Rs. 78.38 Crore relates to arrears of previous years. The Commission has gone through the submissions of the Petitioner and has approved the same.

UPCL has claimed PGCIL charges of Rs. 922.13 Crore as against the approved expenses of Rs. 558.33 Crore. It is observed that the variation is on account of Other Charges amounting to Rs. 147.22 Crore, which includes arrears of Rs. 145.62 Crore and Rs. 1.60 Crore towards deferred taxes. Further, NRLDC and other miscellaneous charges amounts to Rs. 160.65 Crore. The Commission has approved the Inter-State Transmission Charges of Rs. 922.13 Crore for FY 2022-23.

However, the Commission would like to point out that Inter-State Transmission charges are increasing as dependency on short term power is also increasing. In FY 2022-23 UPCL had purchased about 2334.47 MU from IEX (Net Purchase) and Tender Purchase at an average rate of Rs. 7.93 per unit and Rs. 6.61 per unit respectively. The Commission had allowed deficit purchase at State periphery at Rs. 3.56 per unit for FY 2022-23. While carrying out truing up for FY 2021-22, the Commission in its Order dated March 30, 2023 had directed the Petitioner to seek Commission's approval in case the rate of short term power is over and above the rate approved by the Commission. The Commission, accordingly, during the TVS sought explanation from the Petitioner for buying power at higher price vis-à-vis that approved by the Commission without seeking prior approval. In reply to the same, the Petitioner vide its reply dated February 01, 2024, submitted that the power has been procured by UPCL through short term tender and under long duration contract for which in-principle approval has also been sought by UPCL and in-principle approval has been accorded by the Commission. The Petitioner submitted the details as mentioned below: -

(1) In-principle approval for purchase of power through Short term tender has been issued by the Commission vide letter no. UERC/6/TF-658/22-23/2022/749 dated 19.09.2022 for the month of May & June 2022.

(2) In-principle approval for purchase of power through Short term tender has been issued by the Commission vide letter no. UERC/6/TF-533A/22-23/2022/1043 dated 23.11.2022 for the month of December 2022 to February 2023.

(3) In-principle approval for purchase of power under long duration contract has been issued by the Commission vide letter no. UERC/6/TF-665/2022-23/2022/1179 dated 28.12.2022 for the period from January 2023 to 15$^{th}$ of February 2023.

(4) In-principle approval for purchase of power has been accorded by the Commission vide letter no. UERC/6/TF-533(A)/2022-23/2023/1414 dated 16-02-2023 for the period from 18.02.2023 to 28.02.2023.

The Petitioner further submitted that it has also been sending intimation regarding purchase of power under DAM/RTM to the Commission on quarterly basis.

The Commission during the TVS also sought explation from the Petitioner on UI overdrawals at the rate of Rs. 15.96/kWh for FY 2022-23. The Petitioner in response to the same submitted that the DSM rate was linked to the market rate and it increases and decreases with Grid frequency range. The market rate was high during the morning and evening peaks and Over Drawals was mostly during peak hours where power was not cleared in the exchanges/spot market even at the market ceiling price. The Petitioner further submitted that in the month of December 2022, there were several amendments made by CERC in DSM regulation for FY 2022-23 wherein the rate of DSM was linked to Maximum discovered rate from Exchange and Ancillary Market. The Ancillary power rate was discovered more than Rs. 40/kWh in peak hour slots resulting in higher penalties.

The Commission has gone through the submissions of the Petitioner and observes that the reliance on short term sources to meet deficit energy has resulted in huge increase in the power purchase cost. The Commission time and again through various Orders has been directing UPCL to prepare a long-term power procurement plan and has also cautioned the Petitioner that such a situation may arise in case UPCL continues to completely depend on short term sources. However, as evident from the power purchase details submitted for FY 2022-23, UPCL has not been able to rectify the situation.

The Commission is not going into the details of landed price of power procured by UPCL during FY 2022-23 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 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 UPCL. Further, penal action may also be taken against the power purchase committee constituted by UPCL.**

However, with regard to UI drawal, it is observed that apart from UI charges, the Petitioner has paid UI penalty amounting to Rs. 19.54 Crore. The Commission has taken serious note of the same and has not allowed the penalty amount paid as the same arose due to over drawals from the Grid without going for medium/long term procurement of power.

With regard to the Intra-State transmission charges, UPCL has claimed PTCUL and SLDC Charges of Rs. 323.61 Crore which includes incentives on account of higher availability. 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 RPO for FY 2022-23 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, 2018 (RE Regulations, 2018). The Petitioner requested the Commission to consider the excess RPO under 'Other than Solar' for meeting the shortfall in Wind RPO.

**Table 3.17: RPO Status for FY 2022-23 (MU)**

| Particulars | FY 2022-23 |
|---|---|
| Renewable Purchase Obligation - Non-solar | 23.44% |
| Renewable Purchase Obligation - Solar | 0.00% |
| Renewable Purchase Obligation - HPO | 0.35% |
| Renewable Purchase Obligation - Wind | 0.81% |
| Total Energy (at State Periphery) (In MU) | 15866.00 |
| Total Hydro Energy | 7608.04 |
| Energy Excluding Hydro | 7304.17 |
| RPO Target (Non-Solar) | 4095.00 |
| RPO Target (Solar) | - |
| RPO Target (HPO) | 56.00 |
| RPO Target (Wind) | 129.00 |
| RE Energy Purchased (Non-Solar) | 8097.00 |
| RE Energy Purchased (Solar) | - |
| RE Energy Purchased (HPO) | 419.00 |
| RE Energy Purchased (Wind) | - |
| **Energy deficit for achieving RPO (Non-solar) {(-ve) Surplus/(+) Deficit}** | **-4002** |
| **Energy deficit for achieving RPO (Solar) {(-ve) Surplus/(+) Deficit}** | **-** |
| **Energy deficit for achieving RPO (HPO) {(-ve) Surplus/(+) Deficit}** | **-363** |
| **Energy deficit for achieving RPO (Wind) {(-ve) Surplus/(+) Deficit}** | **129.00** |

The Commission has gone through the submissions of the Petitioner and has taken serious note of the non-compliance of RPO targets specified in the RE Regulations, 2018. 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 3.18: Power Purchase Cost claimed by UPCL and approved by the Commission for FY 2022-23 (Rs. Crore)**

| Particulars | Claimed by UPCL | Approved by the Commission |
|---|---|---|
| Power Purchase Expenses | 6937.02 | 6917.48* |
| Transmission Charges-Inter-State | 922.13 | 922.13 |
| Intra-State Transmission & SLDC Charges | 323.61 | 323.61 |
| **Total Power Purchase Cost** | **8182.75** | **8163.22** |

** after deducting UI Penalty of Rs. 19.54 Crore*

### 3.1.4 *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."*

### *3.1.4.1 Employee Expenses*

The Petitioner submitted that the actual gross employee expenses as per audited account is Rs. 542.43 Crore. The Petitioner further submitted that it has capitalized employee expenses of Rs. 83.89 Crore and has claimed net employee expenses of Rs. 449.14 Crore after excluding the subsidized electricity to its employees amounting to Rs. 9.40 Crore.

The Petitioner submitted that the normative employee expenses for FY 2022-23 has 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. 436.59 Crore as approved by the Commission in truing up of FY 2021-22 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 2022-23. Further, actual capitalization rate as per the audited accounts has been considered as 15.47% for arriving at the normative employee cost. The normative net employee expenses worked out by the Petitioner is Rs. 390.82 Crore.

The Petitioner has, however, claimed the actual net employee expenses, after adjusting for cost of subsidized electricity, for FY 2022-23 of Rs. 449.14 Crore as shown in the Table below:

**Table 3.19: Revised Employee Expenses as claimed by the Petitioner for FY 2022-23 (Rs. Crore)**

| Particulars | Approved in Order dt. March 31, 2022 | Revised normative | Actuals as per Audted Accounts Claimed |
|---|---|---|---|
| $Emp_{n-1}$ | 436.59 | 436.59 | - |
| Inflation Factor | 6.00% | 5.89% | - |
| Growth Factor | 0.23% | 0.00% | - |
| Gross Employee Expenses | 463.88 | 462.32 | 542.43 |
| Capitalisation Rate | 14.10% | 15.47% | 15.47% |
| Less: Employee Expenses Capitalised | 65.42 | 71.50 | 83.89 |
| Less: Cost of Subsidised Electricity | - | - | **9.40** |
| **Net Employee Expenses** | **398.44** | **390.82** | **449.14** |

The Commission sought reasons for increase in Employee expenses in FY 2022-23 as compared to FY 2021-22. In response the Petitioner submitted the following reasons of increase:

- An increase of Rs. 40.11 Crore was due to additional provision for earned leave,
- Rs. 4.07 Crore were due to provisioning of gratuity of 6 months pertaining to employees covered under EPF,
- An increase of Rs. 19.42 Crore were due to joining of 259 new employees,
- An increase of Rs. 30.58 Crore due to sanction of ACP to the eligible employees,
- An increase of Rs. 7.12 Crore on payment of outsourced employees.

In this regard, it has been observed that almost Rs. 44 Crore increase in employee expenses are towards provisioning of gratuity as well as leave encashment. Considering the financial status of UPCL, the Commission is not inclined to allow any provisions at this instant till UPCL corrects its financial affairs or else this provision would be utilized elsewhere instead of for the purpose the same has been allowed. Further, the employee details submitted by UPCL vide its letter dated 01.02.2024 shows that terminal benefits has increased by merely Rs. 16 Crore in FY 2022-23 as compared to FY 2021-22, which again shows different set of numbers being submitted by UPCL. **Accordingly, the Commission directs UPCL not to propose any such provisions in the tariff of future years and utilize the available provisions for making such payments and any shortfall will be allowed by the Commission on cash basis, as and when the need arises.**

Moreover, UPCL submitted that increase of Rs. 19.42 Crore was due to the reason that 259 new employees had joined, however, in its Petition UPCL had submitted that during FY 2022-23, 97 new employees were recruited and 127 employees had retired, hence, neither the number of new employees joining matches with the submissions made by UPCL in its Petition nor the reason for increase in employee expenses due to new employees joining holds ground as the number of retirement exceeded the number of recruitments in FY 2022-23.

Further, the accounting being followed by UPCL is incomprehensible. On one hand, it says that employee expenses increased by Rs. 7.12 Crore, on account of outsourced employees and on the other, it has booked salary of outsourced employees under R&M expenses. **UPCL is directed to reconcile the same.** With respect to ACP to existing employees, the Commission in its Tariff Order for FY 2015-16 had held as under:

> *"Further, UPCL has included certain additional expenses on account of enhanced pensions and new/increased allowances. The Commission is of the view that since O&M expenses have been allowed to it based on certain norms and moreover, these expenses are controllable in nature, accordingly, UPCL should exercise proper prudence while incurring these expenses as a commercial entity. Anything and everything cannot be allowed to be a pass through in tariff. However, as a one-time exception, the Commission has allowed UPCL the recovery of the burden of enhanced pension through tariffs since this is a statutory liability of UPCL and has already been approved by the GoU,* ***however, any further allowance or incentives or benefits granted to its employees will have to be borne by UPCL from its own resources or through increased efficiency.****"*

***(Emphasis added)***

Thus, as already opined by the Commission, O&M expenses are allowed based on certain norms to encourage efficiency and, moreover, these expenses are controllable in nature, accordingly, UPCL should exercise proper prudence while incurring these expenses as a commercial entity. Any further allowance or incentives or benefits granted to its employees will have to be borne by UPCL from its own resources or through increased efficiency which is rather deteriorating day by day. Thus, the Commission does not find any reason to allow O&M expenses based on actuals.

The Commission had approved the normative gross employee expenses of Rs. 428.66 Crore for FY 2021-22 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 2022-23. Regarding the growth factor, the Commission observed that the number of employees has reduced in FY 2022-23, therefore, the Gn has been considered as 0.00%. The employee expenses so computed has then been escalated by the CPI inflation of 5.89%.

The Commission further observed that a cost of Rs. 9.40 Crore was booked towards subsidised 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 2022-23.

The Commission has computed the capitalisation rate of employee expenses as worked out based on the actual employee expenses capitalized, as reflected in the audited accounts of FY 2022-23 which works out to 15.47% and is same as that considered by the Petitioner.

The normative employee expense approved by the Commission for FY 2022-23 is as shown in the Table below:

**Table 3.20: Approved Employee Expenses for FY 2022-23 (Rs. Crore)**

| Particulars | Approved in the Tariff Order | Actual as per Audited Accounts | Actual for sharing | Normative | |
|---|---|---|---|---|---|
| | | | | Claimed by UPCL | Approved |
| EMPn-1 | **436.59** | 458.54 | 458.54 | 458.54 | 428.66 |
| Gn | 0.23% | | | | 0.00% |
| CPIinflation | 6.00% | | | | 5.89% |
| **EMPn = (EMPn-1) x (1+Gn) x (1+CPIinflation)** | **463.86** | | | | **453.92** |
| Capitalisation rate | 14.10% | | | | 15.47% |
| Less: Employee expenses capitalized | 65.42 | | | | 70.20 |
| **Net Employee Expenses** | **398.44** | | | | **383.72** |
| Impact of enhanced Pension & Pay Commission | - | | | | - |
| **Less:** Subsidised Electricity to Employees | | | 9.40 | **9.40** | - |
| **Total Employee Expenses** | **398.44** | **458.54** | **449.14** | **449.14** | **383.72** |

#### 3.1.4.2 Repair and Maintenance

The Commission had approved the R&M expenses of Rs. 229.91 Crore for FY 2022-23 in its Order dated March 31, 2022. As against the same, the actual R&M expenses for FY 2022-23 as per the audited accounts are Rs. 312.59 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 2022-23 as Rs. 8406.43 Crore in line with the Audited Accounts which includes assets transferred against the transfer scheme as well as the assets against all pending Electrical Inspector certificates.

The Commission in its Order dated March 31, 2022 had considered the 'K' factor of 3.11% for computation of the normative R&M expenses for FY 2022-23 in accordance with the UERC Tariff Regulations, 2021. With regard to Opening GFA, it is observed that the Petitioner has considered entire value of assets transferred through Transfer Scheme along with all the 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 2022-23. In this regard, the Commission observed that the Petitioner is yet to submit EI certificates corresponding to net capitalization of Rs. 161.93 crore pertaining to FY 2020-21 and FY 2021-22. It is also observed that the Petitioner without seeking the impact of finalized transfer scheme in the ARR, has simply sought relief in terms of higher R&M expenses by considering the entire assets value of the transferred assets. 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.

The Commission, has, therefore, for the computation of R&M expenses for FY 2022-23, has considered opening GFA for FY 2022-23, 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 2022-23 has considered the same K factor and has reworked the R&M expenses considering the Opening GFA for FY 2022-23 as Rs. 7937.50 Crore. The Commission has considered the inflation factor as 5.32%, as the average of WPI inflation for the preceding three years of FY 2022-23. The normative R&M expenses trued up by the Commission for FY 2022-23 is as shown in the Table below:

**Table 3.21: Approved R&M Expenses for FY 2022-23 (Rs. Crore)**

| Particulars | Approved in the Tariff Order | Actual as per Audited Accounts | Actual for sharing | Normative | |
|---|---|---|---|---|---|
| | | | | Claimed by UPCL | Approved |
| R&M Expenses | 229.91 | 312.59 | 312.59 | 275.35 | 260.36 |

### *3.1.4.3 A&G Expenses*

The Commission had approved the A&G expenses of Rs. 53.52 Crore for FY 2022-23 in its Tariff Order dated March 31, 2022. As against the same, the actual net A&G expenses for FY 2022-23 as per the audited accounts was Rs. 65.60 Crore which includes expenses towards UERC Fees and Bandwidth and FMS Charges amounting to Rs. 30.44 Crore.

The Petitioner in line with the Commission's approach in Order dated March 31, 2022 requested the Commission to allow Data Centre Expenses and Licence Fees on actual basis. UPCL submitted the cost against data centre of Rs. 25.74 Crore and Licence fee of Rs. 4.70 Crore.

The Commission examined the actual A&G expenses of UPCL for FY 2022-23 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 submitted that the A&G expenses claimed includes the following.

- Penalty amount of Rs. 0.05 Crore paid to the Commission on account of delay in release of new LT connection.
- Provison for Penalty payable to the Commission for FY 2022-23 amounting to Rs. 2.48 Crore pertaining to delay in release of new LT connection.
- Compensation for death, injuries and damage to staff and outsiders amounting to Rs. 2.19 Crore.
- On account of other reasons amounting to Rs. 0.32 Crore.

The Commission observed that UPCL has included an amount of Rs. 2.85 Crore paid as penalty as a part of its claim. The Commission has, therefore, excluded the penalty paid from the actual A&G Expenses. Further, w.r.t. to amount of Rs. 2.19 Crore for compensation for death, injusries and damage to staff and outsiders, the Commission is allowing the same in the present Petition, however, the Petitioner should take note that charging of HT works without seeking proper EI certificate can be directly attributable to such mishaps where UPCL has to bear the cost, which is ultimately levied on the consumers in the form of tariff. The Petitioner, in future, should 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 not be considered by the Commission.

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. It has been observed from the information of A&G expenses submitted by UPCL vide letter dated 01.02.2024, that during FY 2022-23, certain expenses have increased substantially when compared with FY 2021-22, like telephone, postage etc. which was Rs. 1.70 Crore in FY 2021-22 and has increased to Rs. 4.92 Crore in FY 2022-23, similarly Conveyance and travelling expenses which was Rs. 1.09 Crore in FY 2021-22 increased to Rs. 10.04 Crore in FY 2022-23. These expenses are controllable in nature and cannot be allowed to increase drastically without any justification.

The Commission had approved the trued up normative gross A&G expenses of Rs. 31.07 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 2022-23. The Commission had considered WPI inflation as 5.32% which is the average of WPI Inflation for the preceding three years of FY 2022-23. 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 data centre cost approved by the Commission for FY 2022-23 is as shown in the Table below:

**Table 3.22: Normative A&G expenses approved for FY 2022-23 (Rs. Crore)**

| Particulars | Allowable |
|---|---|
| A&Gn-1 | 31.07 |
| WPIinflation | 5.32% |
| Gross A&G expenses | 32.72 |
| Capitalisation rate | 39.74% |
| Less: A&G expenses capitalised | 13.00 |
| **Net A&G expenses** | **19.72** |
| Provision & License fee | 30.44 |
| **A&Gn = A&Gn-1 x (1+WPIinflation) + Provision** | **50.16** |

The A&G expense claimed and approved by the Commission for truing up including licence fees and data centre costs approved by the Commission for FY 2022-23 is as shown in the Table below:

**Table 3.23: Approved A&G expenses for FY 2022-23 (Rs. Crore)**

| Particulars | Approved in the Tariff Order | Actual as per Audited Accounts | Actual for sharing | Normative | |
|---|---|---|---|---|---|
| | | | | Claimed by UPCL | Approved |
| A&G expenses | 53.52 | 65.60 | 62.75 | 51.36 | 50.16 |

Accordingly, the Commission has allowed the O&M Expenses as shown in the Table below:

**Table 3.24: Approved O&M Expenses for FY 2022-23 (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 | 398.44 | 449.14 | 449.14 | 449.14 | 383.72 |
| 2. | R&M expenses | 229.91 | 312.59 | 312.59 | 275.35 | 260.36 |
| 3. | A&G expenses | 53.52 | 65.60 | 62.75 | 51.36 | 50.16 |
| **Total** | | **681.87** | **827.33** | **824.48** | **775.85** | **694.24** |

The normative O&M expenses approved by the Commission in the true up are higher in comparison to the normative O&M expenses approved in the Tariff Order mainly on account of increase in GFA, Provisioning towards data centre cost and variation in capitalization rate and CPI & WPI 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.

## 3.2 Cost of Assets and Financing

### 3.2.1 *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 observes that even though the Petitioner has not filed any consequential claims on this account, the Petitioner has increased the opening GFA value after considering the impact of the aforesaid notification. As the Petitioner has not sought any consequential impact of the notification, the Commission in the current tariff proceedings has not considered the same. The Petitioner is, however, at liberty to claim the same in the next tariff filing.

The Commission vide its previous Orders has already carried out the truing up till FY 2021-22. The year wise GFA addition allowed by the Commission till FY 2021-22 is as shown below:

**Table 3.25: Assets base approved by the Commission after truing up (Rs. Crore)**

| Particulars | FY 2008-09 | FY 2009-10 | FY 2010-11 | FY 2011-12 | FY 2012-13 | FY 2013-14 | FY 2014-15 | FY 2015 -16 | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20 | FY 2020-21 | FY 2021-22 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Opening Balance | 1540.46 | 1698.88 | 2019.76 | 2449.87 | 2787.04 | 3017.55 | 3202.56 | 3695.78 | 3980.56 | 4218.85 | 4616.40 | 5554.13 | 5867.65 | 6606.71 |
| Net additions | 158.42 | 320.88 | 430.11 | 337.17 | 230.50 | 185.01 | 493.22 | 284.78 | 238.29 | 397.55 | 937.73 | 313.52 | 739.06 | 1159.82 |
| Closing Balance | 1698.88 | 2019.76 | 2449.87 | 2787.04 | 3017.55 | 3202.56 | 3695.78 | 3980.56 | 4218.85 | 4616.40 | 5554.13 | 5867.65 | 6606.71 | 7766.53 |

With regard to FY 2022-23, the Petitioner has claimed a net capitalisation of Rs. 816.80 Crore as per the audited accounts. The Petitioner was directed to submit the segregation of fixed assets added into HT and LT works and to submit the Electrical Inspector clearance for HT works for FY 2022-23 alongwith all the pending capitalisation which were disallowed till FY 2021-22. The Petitioner was also directed to rectify the anomalies in the EI certificate provided for FY 2016-17 to FY 2021-22 and submit the details as per the format specified by the Commission. The Petitioner has, however, failed to rectify the anomalies pointed in the past EI certificates and instead has made a claim of Rs. 170.70 Crore towards the impact of non-consideration of capitalisation on account of non-submission of EI certificates. With regard to FY 2022-23, the Petitioner submitted the EI certificates and details of LT works and other works amounting to gross captialisation of Rs. 878.04 Crore, out of which the Commission has considered an amount of Rs. 454.52 towards the capitalization related to LT works based on the details provided by the Petitioner and the balance amount related to HT works has not been considered for the reasons discussed in subsequent paras of this Order. Further, an amount of Rs. 61.24 Crore has been considered towards other assets that do not require EI certificates, in FY 2022-23.

The Commission, while carrying out truing up for FY 2019-20 had observed as follows.

*"The Commission examined the Electrical Inspector certificates submitted by the Petitioner and observed as follows:*

*i) Duplicate EI certificates towards same works were submitted for certain projects.*

*ii) Some EI certificates were not legible, hence, works cannot be ascertained.*

*iii) EI certificates did not reconcile with the schemes provided in the summary of the covering letter.*

*iv) Multiple EI certificates for 7-8 schemes issued by same Electrical Inspector on a single day.*

*v) Details of work inspected not mentioned specifically.*

*In this regard, the Commission sought information from UPCL in response to which it was submitted by the Petitioner that the field units of UPCL were engaged in the Revenue Collection drive as the month of March being the peak month of revenue collection, and the information collation would take a lot of time, therefore, the submission of the requisite information seems quite difficult and time taking. The Petitioner, accordingly, requested the Commission to grant waiver from submission of the same. "*

The Commission further directed the Petitioner as follows:

*"…. **The Commission directs the Petitioner to submit the complete requisite information***

***within 6 months from the date of this Order or otherwise, the Commission shall not allow the disallowed capitalisation for FY 2019-20**."*

It is observed that the Petitioner did not comply with the above. The Commission in the current proceedings vide its letter dated January 23, 2024, provided the Petitioner another opportunity to remedy the above. The Petitioner, however, could not remedy the above defects. 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."***

The Petitioner submitted E.I. Certificates for works capitalised during FY 2022-23. However, following anomalies were observed in the EI certificates submitted by the Petitioner.

1. Works have been certified by Electrical Inspector although the fees for said certification has been deposited at a subsequent date, that too almost after 1.5 years from the date of certification by the EI, for eg. EDD Gairsain where inspection has been done on 23.04.2022 and inspection fees has been deposited on 22.01.2024.
2. It has not been mentioned in most of the certificates that whether the works have been found to be satisfactory or not.
3. The respective certificates were not signed by the concerned Electrical Inspector, for eg. EDD Rishikesh.
4. The fees for inspection have been deposited on one single date whereas inspection has been done on different dates, for eg. in EDD Rudrapur-2 the inspection fees for more than 300 certificates has been deposited on 07.12.2023.

5. Multiple inspection carried on one single date, for eg. EDD Rudrapur-2.

The Commission, accordingly, vide its letter dated February 14, 2024 directed the Petitioner to submit justification for such discrepancies in the certificates submitted. In response to the query, the Petitioner vide its letter dated February 21, 2024, submitted as follows:

> *"(a) As per the Report received from concerned Executive Engineer of EDD, Gairsain it is to inform that due to scarcity of staff, the fee could not be deposited on a prior date, but when realized by the office of Executive Engineer, the same was deposited on a later date. In this matter letter no. 1118 dated 19.02.2024 of EE, EDD, Gairsain is being annexed as Annexure-2.*
>
> *(b) The certificates wherein "satisfactory" has not been checked are only due to overlooking by the officer. They are satisfactory works, so Hon'ble UERC is requested to consider those certificates, as the works were satisfactory.*
>
> *(c) The Electrical Inspector certificates of HT works pertaining to the Rishikesh Division has been again obtained and are being annexed as Annexure-3.*
>
> *(d) In this connection, it is to inform that works related lines and transformers were constructed/installed in nearby areas, so the fee were submitted on the same date and multiple inspections were carried out on single date under EDD, Rudrapur-2."*

Subsequently, the Commission vide its letter dated 28.02.2024, clarified to the Petitioner that the Commission had pointed out certain divisions as an example to highlight the discrepancy, however, the same is not limited to those divisions only. The Commission observed the similar discrepancies w.r.t. other divisions as well, and UPCL was required to check the similar issues in other divisions as well and provide a detailed justification for the same alongwith the justifications that how the assets have been capitalised before proper clearances from the Electrical Inspector as the certificates submitted before the Commission were incomplete.

In response to the same, the Petitioner once again submitted certificates related to certain divisions before the Commission, stating that the rectification has been made in them, and submitted that the Petitioner shall ensure that such anomalies are not repeated in future.

The Commission has gone through the submissions of the Petitioner and has taken serious note of the way unauthentic data without any verification is being furnished by the Petitioner. Moreover, the Petitioner has never been able to provide a proper justification for the anomalies pointed out by the Commission, rather, time and again same certificates have been rectified and submitted before the Commission without even analysing the root cause of such problem. This raises a question on the sanctity of the documents submitted by the Petitioner before the Commission, as the EI certificate by their nature are unique document, which by no means can be created/rectified at a later date to rectify the deficiency observed. Moreover, the rectification on a later date dissolves the purpose of EI certificate as they could not be said to be based on actual inspection, rather they take shape of merely a paper formality to be complied by the utility. This has become a long drawn issue and inspite of categorical directions by the Commission, the Petitioner is not giving a serious note to this issue, and continuously charging the HT assets without proper EI certificate which may pose a danger/safety issue if any material thing gets overlooked.

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 certicates 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 re-categorise 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**.

The status of details/Electrical Inspector Certificates submitted by the Petitioner is as shown below.

**Table 3.26: Pending Electrical Inspector Certificates (Rs. Crore)**

| Particulars | Gross Capitalisation | Trued Up in Previous Orders | Details Provided now | Total Submitted | Balance Pending |
|---|---|---|---|---|---|
| **FY 2016-17** | 321.99 | 321.99 | - | 321.99 | - |
| **FY 2017-18** | 465.14 | 465.14 | - | 465.14 | - |
| **FY 2018-19** | 1009.9 | 1009.9 | - | 1009.9 | - |
| **FY 2019-20** | 424.43 | 424.43 | - | 424.43 | - |
| **FY 2020-21** | 866.59 | 803.15 | 19.89 | 823.04 | 43.55 |
| **FY 2021-22** | 1514.51 | 1243.46 | 152.67 | 1396.13 | 118.38 |
| **FY 2022-23** | 913.43 | | 515.76 | 515.76 | 397.67 |
| **Total** | **5515.99** | **4268.07** | **688.32** | **4956.39** | **559.60** |

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 2022-23 for which details have been submitted for FY 2016-17 to FY 2021-22. However, the Commission is not carrying out truing up for these years since the Petitioner is yet to rectify the anomalies in the past EI certificates as mentioned above.

The Petitioner has submitted the details of LT works (including other assets) amounting to Rs. 515.76 Crore capitalized during FY 2022-23. The Commission has, therefore, only allowed LT works and other assets amounting to Rs. 515.76 Crore after considering Decapitalization against these assets amounting to Rs. 96.63 Crore based on the deletions of assets, as per books of accounts in FY 2022-23. The Commission has, therefore, approved net additional capitalisation of Rs. 419.13 Crore for FY 2022-23.

The Commission has, accordingly, approved the Opening GFA and net additions for FY 2022-23 as follows:

**Table 3.27: 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 |
|---|---|---|---|---|---|---|---|
| Opening Balance | 3980.56 | 4218.85 | 4616.40 | 5554.13 | 5867.65 | 6625.01 | 7937.50 |
| Net additions | 238.29 | 397.55 | 937.73 | 313.52 | 757.37 | 1312.49 | 419.13 |
| **Closing Balance** | **4218.85** | **4616.40** | **5554.13** | **5867.65** | **6625.01** | **7937.50** | **8356.62** |

### 3.2.2 *Financing of Capital Cost*

#### *3.2.2.1 Truing Up of Capital Related Expenses for FY 2022-23*

The Petitioner has claimed net GFA addition of Rs. 816.80 Crore for FY 2022-23. The means of finance submitted by the Petitioner in its Petition is as shown in the Table below:

**Table 3.28: Means of Finance for FY 2022-23 as submitted by the Petitioner (Rs. Crore)**

| Particulars | Amount |
|---|---|
| Loan | 342.41 |
| Deposit Works | 327.64 |
| Grant | |
| Internal resources | 146.75 |
| **Total** | **816.80** |

As discussed above, the Commission has approved net additional capitalisation of Rs. 419.13 Crore during FY 2022-23. The pro-rated means of finance as approved by the Commission is as follows:

**Table 3.29: Means of Finance as approved by the Commission for FY 2022-23 (Rs. Crore)**

| Particulars | Amount |
|---|---|
| Loan | 175.70 |
| Grant/Deposit Works | 168.12 |
| Equity | 75.30 |
| **Total** | **419.13** |

##### *3.2.2.1.1 Interest and Finance Charges*

The Petitioner has claimed Interest and Finance Charges of Rs. 106.75 Crore for FY 2022-23 against the amount of Rs. 139.86 Crore approved by the Commission in the Tariff Order dated March 31, 2022.

The Petitioner submitted that it has claimed interest expenses as per the audited accounts after considering the following adjustments:

a) Interest on REC (Old) loans has been taken in accordance with the re-schedulement package of REC (Old) loans determined by the Commission in its Tariff Order for FY 2009-10 dated 23rd October, 2009.

b) Government Guarantee fees has been considered as per the audited accounts.

c) Interest on consumer security deposit has been claimed as per the actual interest paid.

d) The Petitioner has considered the interest on GPF as per the audited accounts. The Petitioner submitted that the GoU has in the past refused to provide support on account of Interest on GPF. The Petitioner added that GoU is already bearing the terminal liability of the old employees unlike other States.

e) Provision for interest on loans towards assets which shall be converted to grants after successful implementation of the works have been excluded.

f) Other financial and bank charges have been considered after reducing the interest on overdraft / short term loans.

Actual interest accrued during the year has been claimed which is net off capitalisation as follows:

**Table 3.30: Interest expense on capital loans as submitted by the Petitioner for FY 2022-23 (Rs. Crore)**

| Particulars | As per Accounts |
|---|---|
| **Net Interest Expenses as per Accounts** | **217.09** |
| **Less:** | |
| Interest on GPF | 10.24 |
| Interest on Old REC Loans | 1.00 |
| Interest on Consumer Security Deposits | 44.36 |
| Guarantee Fee | - |
| Interest on Bank Short Term Loan/ Overdraft | 41.18 |
| Bank Charges & Other Commission | 11.26 |
| Rebate towards Online Payment | 35.91 |
| **Net Interest Expense Claimed towards Capitalized Assets** | **73.14** |

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 2022-23 considering the loan amount corresponding to the assets capitalised in the year based on the approved means of finance, and the interest rate of 10.76% 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 2022-23 on cash basis as Rs. 38.44 Crore. The Commission has approved the interest on CSD for FY 2022-23 as Rs. 38.44 Crore on cash basis.

Further, the interest on REC Old Loan has been allowed as claimed by UPCL. The Petitioner has not claimed guarantee fee for FY 2022-23. The Commission has, therefore, not considered any guarantee fee.

The Petitioner further submitted the details of bank charges of Rs. 11.26 Crore, which includes Interest on Overdraft accounts of Rs. 9.89 Crore and bank charges of Rs. 1.37 Crore. The Commission has allowed actual bank charges amounting to Rs. 1.37 Crore as the Interest on Overdraft is being considered separately under IWC. The Petitioner has also adjusted an amount of Rs. 17.09 Crore received from REC against NEF Interest for FY 2020-21. The Commission has considered the adjustment of amount received from REC in the interest on loan for FY 2022-23.

The Commission has worked out the Interest and Finance Charges for FY 2022-23 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 3.31: Interest and Finance Charges approved for FY 2022-23 (Rs. Crore)**

| Particulars | Tariff Order | Claimed by UPCL | Approved |
|---|---|---|---|
| Interest on Loan corresponding to assets capitalised | 86.62 | 73.14 | 87.70 |
| REC Old Loan | 1.00 | 1.00 | 1.00 |
| Interest on Normative Loans | - | - | - |
| Guarantee Fee | 0.55 | - | - |
| Financing Charges | 4.07 | 11.26 | 1.37 |
| Interest on Security Deposit | 47.63 | 38.44 | 38.44 |
| Less: Received from REC against NEF Interest for FY 2020-21 | - | 17.09 | 17.09 |
| **Net Interest and Finance Charges** | **139.86** | **106.75** | **111.42** |

### *3.2.2.1.2 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 2022-23, the depreciation in the audited accounts as submitted by the Petitioner is Rs. 456.69 Crore. The Petitioner submitted that it has calculated depreciation on the Opening GFA for FY 2022-23 considering the depreciation rate of 5.12%. The Petitioner has, accordingly, claimed total depreciation of Rs. 280.34 Crore as against Rs. 226.65 Crore approved by the Commission in the Tariff Order for FY 2022-23.

The Commission observed that UPCL has considered opening grants of Rs. 2926.22 Crore towards opening GFA of Rs. 8406.43 Crore for FY 2022-23 as against the trued-up value of Rs. 3528.59 Crore towards opening GFA of Rs. 7766.53 Crore, as approved in Tariff Order dated March 30, 2023. The Commission, accordingly, sought explanation from UPCL on the variation in the opening GFA considered by it. UPCL vide its reply dated February 01, 2024 submitted that it has considered the impact of transfer scheme and all pending EI certifcates while claiming GFA. With regard to grants, the Petitioner has revised its grant contribution in the Opening GFA for FY 2022-23 and in the previous tariff proceeding while dealing with truing up of FY 2021-22 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 (Rs. 2,605 Crore) and the balance as submitted in the latest response as per Audited Accounts (Rs. 2,094.85 Crore). 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, has already been assigned on 31.10.2021 initially for 4 months and is still being carried out by M/s K.G. Somani & Co., LLP, Chartered Accountants and is expected to be completed by the end of FY 2023-24. 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 actual funding submitted by the Petitioner based on the audited accounts and after carrying out due prudence check, and truing up till FY 2021-22 has been carried out based on the same. The submission made by UPCL in the current tariff proceedings raises serious concern on the quality of information being supplied by UPCL in support of its claims. The Commission, therefore, do 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 30, 2023. **The Petitioner is directed 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.**

The Commission has allowed depreciation at a weighted average rate of 5.12% based on the audited balance sheet for FY 2022-23. 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 2022-23 is as shown in the Table below:

**Table 3.32: Depreciation approved for FY 2022-23 (Rs. Crore)**

| Particulars | Tariff Order | Claimed by UPCL | Approved |
|---|---|---|---|
| **Opening GFA** | **7208.03** | **8406.43** | **7937.50** |
| Grants | 3111.51 | 2926.22 | 3623.47 |
| **Depreciable opening GFA** | **4096.52** | **5480.21** | **4314.02** |
| Net addition during the year | 494.76 | 489.16 | 251.00 |
| **Closing GFA** | **4591.29** | **5969.37** | **4565.03** |
| Depreciation Rate | 5.53% | 5.12% | 5.12% |
| **Depreciation** | **226.65** | **280.34** | **220.69** |

### 3.2.3 *Provisions for Bad and Doubtful Debts*

The Petitioner in its Petition has submitted that the annual provision towards bad & doubtful debts is as per Generally Accepted Accounting Principle and considering the peculiarity of the retail supply business, the same has also been recognized by other SERCs. The Petitioner added that the amount, if any, written off towards bad debts is only adjusted against the accumulated provisions in the books, irrespective of the actual amounts of bad debts written off during any particular financial year.

The Petitioner requested the Commission to allow provision for bad and doubtful debts on actual basis after considering the geographical spread of the large consumer base across the State including a large part of the same prevailing in the difficult terrain and hilly region and the problem of realizing energy dues from retail consumers.

The Petitioner submitted that as per Regulation 31 of UERC Tariff Regulations, 2021 it is allowed to make provision of Bad and Doubtful Debts and further submitted that it has been making provision for bad-debts but the Commission has not been allowing the same on account of pending Bad debt policy.

The Petitioner further submitted that the Commission vide letter no. UERC/6/TF-540/2021-22/2021/671 dated 12.10.2021 has approved the Policy for Provisioning and Writing Off Bad & Doubtful Debts. The Petitioner further submitted that a total of Rs. 659.76 Crore has been written off during the period FY 2001-02 to FY 2022-23. In the instant Petition the Petitioner has claimed the Provision for bad and doubtful debts/actual writing off bad and doubtful debts amounting to Rs. 212.96 Crore.

The Petitioner further submitted that based on the above terms of the Policy, UPCL is taking corrective action and expects to write-off fictitious receivables/arrears after due process is followed/approval is taken from management. The recovery of provisioning towards Bad debts would help UPCL achieve firmness in writing off bad debts, collection of dues in effective and efficient manner, ensure bad debts are kept within reasonable proportions.

The Commission after going through the submission of the Petitioner directed the Petitioner to submit the approval of Board of Directors (BoD) of the Petitioner's Company approving the write off of bad debts and to also submit the category wise Bad Debts written off along with segregation of DPS waived. The Petitioner in its reply submitted the BoD approval not for writing off the Bad Debts, but for claiming the bad debts written off in the Tariff Petition. The Petitioner subsequently also submitted category wise bad debts written off till FY 2022-23 as follows:

**Table 3.33: Category wise Bad Debt written off as submitted by the Petitioner (Rs. Crore)**

| Category | FY 22-23 | FY 21-22 | FY 20-21 | FY 19-20 | FY 18-19 | FY 17-18 | FY 16-17 | FY 15-16 | FY 14-15 | FY 13-14 | FY 12-13 | FY 11-12 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| RTS-1: Domestic | 16.29 | 61.26 | 39.38 | 10.99 | 24.40 | 38.66 | 20.60 | 40.60 | 20.16 | 24.76 | 28.12 | 1.98 |
| RTS-2: Non-Domestic | 8.85 | 29.87 | 16.59 | 3.26 | 8.05 | 5.33 | 4.19 | 10.48 | 8.73 | 7.82 | 9.17 | 7.00 |
| RTS-3: Govt. Public Utilities | 33.72 | 0.11 | 23.77 | 0.62 | 2.25 | 0.00 | 0.00 | 0.00 | 1.66 | 0.00 | 0.11 | 1.02 |
| RTS-4: Private Tube-wells / Pumping sets | 0.81 | 4.89 | 3.51 | 0.96 | 12.53 | 3.18 | 1.08 | 2.66 | 0.16 | 1.72 | 4.37 | 0.57 |
| RTS-5: LT & HT Industry | 4.10 | 7.99 | 48.59 | 7.69 | 12.04 | 0.00 | 7.75 | 2.37 | 5.92 | 12.70 | 2.27 | 0.40 |
| RTS-6: Mixed Load | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.17 | 0.00 | 0.51 | 0.00 | 0.00 | 0.00 |
| RTS-7: Railway Traction | 0.00 | 0.00 | 0.30 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Inter - State/ Country Supply | 0.00 | 0.00 | 0.00 | 0.73 | 0.01 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **Total** | **63.75** | **104.11** | **132.14** | **24.25** | **59.28** | **47.17** | **33.79** | **56.11** | **37.14** | **47.00** | **44.04** | **10.97** |

The Petitioner also submitted the segregation of DPS waived off from FY 2001-02 till 30.06.2023 amounting to Rs. 139.67 Crore as shown below.

**Table 3.34: Details of Surcharge waived off as submitted by the Petitioner (Rs. Crore)**

| S. No. | Duration of Scheme | Category | Amount of Surcharge Waived Off (Rs. Cr.) |
|---|---|---|---|
| 1. | 1.10.2021 to 31.03.2022 | Domestic | 39.92 |
| | | Non-Domestic (upto 75 kW) | 9.75 |
| | | PTW | 3.70 |
| | | LT Industry | 1.20 |
| | | **Total** | **54.57** |
| 2. | 19.02.2021 to 18.05.2021 | Domestic | 29.01 |
| | | Non-Domestic (upto 75 kW) | 2.93 |
| | | PTW | 4.13 |
| | | LT Industry | 0.45 |
| | | **Total** | **36.52** |
| 3. | 14.04.2020 to 30.06.2020 | PTW | 0.76 |
| 4. | 18.03.2019 to 31.03.2019 | PTW | 2.72 |
| 5. | 18.07.2016 to 30.09.2016 | LT Industry | 0.04 |
| 6. | 08.02.2016 to 31.03.2016 | Domestic | 17.21 |
| | | PTW | 1.23 |
| | | **Total** | **18.44** |
| 7. | 05.03.2014 to 15.08.2014 | Domestic | 6.44 |
| | | PTW | 0.45 |
| | | LT Industry | 0.31 |
| | | **Total** | **7.20** |
| 8. | 14.12.2012 to 30.06.2013 | Domestic | 15.97 |
| | | PTW | 3.45 |
| | | **Total** | **19.42** |
| **Grand Total** | | | **139.67** |

The Commission has gone through the submissions of the Petitioner and observes that out of the total Bad Debt written off amounting to Rs. 659.76 Crore, surcharge waiver amounts to Rs. 139.67 Crore. It is further observed that the Petitioner has not submitted the year wise surcharge waived off for necessary co-relation with the principal amount writen off. The Commission is of the view that surcharge waiver is a voluntary relief provided by the Petitioner mostly at the behest of Government and, therefore, honest consumers cannot be loaded with the impact of such waiver. Excluding the amount of surcharge waived off, the principal amount written off works out to Rs. 520.09 Crore. The Commission has already allowed the Petitioner a total provision of Rs. 333.75 Crore till FY 2008-09 which also includes the opening balance of the provision inherited from UPPCL. Hence, the amount of bad debts written off by UPCL works out to Rs. 186.34 Crore.

The Commision further in its MYT Order dated March 31, 2022, observed as follows.

*"The Commission has gone through the submissions of the Petitioner and observes that the Petitioner has failed to submit any specific approval of its BoD for writing off Bad Debts and,*

*therefore, has not considered the same in the current proceedings. Merely mentioning that the financial statements have been approved by its BoD and hence, write offs have also been approved is devoid of merits. When a particular action requires specific approval of BoD, the same has to be taken specifically and it cannot be inferred that the approval has been accorded indirectly. Moreover, the Commission has in its past tariff orders held that any surcharge waiver will have to be borne by UPCL and it cannot be allowed to be passed on to the consumers. Thus, UPCL is required to submit the details of bad debts written off year wise giving separate details of surcharge waived off. The Commission shall consider the same once specific approvals are submitted in future tariff filings alongwith the requiste details."*

Further, the Commission asked the Petitioner, apart from other details, to submit whether the due procedure as laid down in the approved policy on provisioning and writing off of bad and doubtful debts, has been followed by the Petitioner, and also whether any officer of the corporation has been held responsible towards increasing irrecoverable revenue/fictitious arrears. The Commission also asked the Petitioner to submit the Age wise category wise receivables as on 31.03.2023 and steps taken to recover the dues. In response to the same, the Petitioner submitted as follows:

i. The information w.r.t. to details of the amount of fictitious arrears as per Form-6 of the policy has not been maintained properly by the field units, which shall be ensured from FY 2024-25 onwards.

ii. The Committee for review and monitoring of matters related to Permannent disconnection has not been constituted till date and the steps shall be taken for constitution of the Committee during FY 2024-25.

iii. The information related to age wise category wise receivable is not available with UPCL.

The Commission analysed the submissions made by the Petitioner and is surprised by the lackluster approach of the Petitioner in complying with the basic requirements of policy, which was approved by the Commission way back in the year 2021 on a specific request made by the Petitioner in this regard. The submission of the Petitioner that they would ensure that data in Form-6 is captured properly, and the steps shall be taken for constitution of Committee in the FY 2024-25 shows that had the Commission not asked for such details, the Petitioner on its own would not have taken any steps to ensure the same.

Further, from Table 3.33 above, it is surprising to note that Rs. 23.77 Crore and Rs. 33.72 Crore has been written off as bad debts of the Government Public Utilities in FY 2020-21 and FY 2022-23 respectively. The dues of Government utilities cannot be treated as bad. Furthermore, in LT & HT Industries Rs. 48.59 Crore has been written off as bad debts in FY 2020-21. It is beyond explanation as to how such figures can be termed as fictitious arrears. The only explanation to the same can be booking of fictitious sales and revenues to camouflage the losses and then subsequently writing off such revenues considering them as fictitious. Besides the figures of arrears as on 31.03.2022 in 2 statements of UPCL varies considerably. In its CS-4 statement the arrears as on 31.03.2023 is Rs. 2201.53 Crore, however, in its audited statement of accounts, the arrears as on 31.03.2023 is Rs. 1462.65 Crore. UPCL is also required to reconcile the two figures.

The Commission, accordingly, does not find any merit in allowing the claims of the Petitioner with respect to writing off of bad and doubtful debts while carrying out true up of FY 2022-23.

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.

### 3.2.4 *Interest on Working Capital (IoWC)*

The Petitioner has submitted that it has computed interest on working capital as per UERC Tariff Regulations (First Amendment), 2020. The Petitioner has submitted that it has claimed normative IoWC of Rs. 139.17 Crore as per the Regulations.

The Petitioner also submitted that the actual interest on working capital/overdraft facility is Rs. 41.19 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 3.35: Interest on Working Capital Claimed by the Petitioner for FY 2022-23 (Rs. Crore)**

| Particulars | Amount |
|---|---|
| Operation and Maintenance Expenses (one month) | 64.65 |
| Maintenance Spares @ 15% of O&M Expenses | 116.38 |
| Receivables (2 months) | 1635.06 |
| Capital required to finance such shortfall in collection of current dues | 83.39 |
| Less: Power Purchase for 1 month | 666.26 |
| **Net working capital** | **1233.22** |
| **Interest on working capital** | **139.17** |

It is observed that the Petitioner has erroneously claimed IoWC as per First Amendment to UERC Tariff Regulations, 2018 instead of UERC Tariff Regulations, 2021.

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

2022-23 as shown in the Table below.

**Table 3.36: Interest on Working Capital as approved by the Commission for FY 2022-23 (Rs. Crore)**

| Particulars | Amount |
|---|---|
| Operation and Maintenance Expenses (one month) | 57.85 |
| Maintenance Spares @ 15% of O&M Expenses | 104.14 |
| Receivables (2 months) | 1369.68 |
| Capital required to finance such shortfall in collection of current dues | 70.57 |
| Less: Power Purchase for 1 month | 680.27 |
| **Net working capital** | **921.97** |
| **Interest on working capital** | **96.81** |

The Petitioner further submitted that it has been availing overdraft facility from various banks which has been primarily utilized for the purpose of payments of power purchase expenses and also 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 such overdraft facility and interest expenses for FY 2022-23 as submitted by the Petitioner is as shown in the Table below.

**Table 3.37: Interest on OverDraft availed by the Petitioner for FY 2022-23 (Rs. Crore)**

| Month | Overdraft availed at the end of the month (Rs. Cr.) | Interest on OD (Rs. Cr.) |
|---|---|---|
| April, 22 | 145.23 | 0.24 |
| May, 22 | 247.74 | 0.53 |
| June, 22 | 288.01 | 0.78 |
| July, 22 | 214.95 | 0.80 |
| Aug, 22 | 152.31 | 0.71 |
| Sept, 22 | 87.66 | 0.66 |
| Oct, 22 | 88.61 | 0.60 |
| Nov, 22 | 82.15 | 0.54 |
| Dec, 22 | 309.10 | 1.28 |
| Jan, 23 | 305.77 | 1.31 |
| Feb, 23 | 281.76 | 1.20 |
| March, 23 | 319.35 | 1.26 |
| **Total** | | **9.91** |

The Petitioner submitted that in addition to the overdraft facility, the Petitioner has availed special loan @ 9.50% to meet the working capital requirement. The Petitioner submitted that the total actual interest on working capital for FY 2022-23 is Rs. 41.19 Crore (Interest on OD of Rs. 9.91

Crore and interest on special loan of Rs. 31.28 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. 41.19 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 initial 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 2022-23 also observed that the collection efficiency in the month of April 2022 was merely 56.20% as against approved collection efficiency of 99.15%. The Commisison 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 re-state 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 3.38: Interest on Overdraft Re-instated for FY 2022-23 (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-22 | 657.44 | 369.49 | 56.20% | 287.95 | 145.23 | 0.24 | 5.59 | 0.01 |
| May-22 | 706.92 | 588.71 | 83.28% | 118.21 | 247.74 | 0.53 | 6.01 | 0.01 |
| Jun-22 | 785.48 | 680.40 | 86.62% | 105.08 | 288.01 | 0.78 | 6.68 | 0.02 |
| Jul-22 | 761.51 | 698.48 | 91.72% | 63.03 | 214.95 | 0.80 | 6.47 | 0.02 |
| Aug-22 | 777.69 | 742.01 | 95.41% | 35.68 | 152.31 | 0.71 | 6.61 | 0.03 |
| Sep-22 | 761.96 | 699.36 | 91.78% | 62.60 | 87.66 | 0.66 | 6.48 | 0.05 |
| Oct-22 | 776.42 | 700.65 | 90.24% | 75.78 | 88.61 | 0.60 | 6.60 | 0.04 |
| Nov-22 | 744.16 | 749.59 | 100.73% | -5.43 | 82.15 | 0.54 | - | - |
| Dec-22 | 774.77 | 734.60 | 94.81% | 40.17 | 309.10 | 1.28 | 6.59 | 0.03 |
| Jan-23 | 768.69 | 726.73 | 94.54% | 41.96 | 305.77 | 1.31 | 6.53 | 0.03 |
| Feb-23 | 741.17 | 804.66 | 108.57% | -63.48 | 281.76 | 1.20 | - | - |
| Mar-23 | 655.58 | 1,327.07 | 202.43% | -671.49 | 319.35 | 1.26 | - | - |
| **Total** | **8911.80** | **8821.76** | **98.99%** | **90.04** | | **9.91** | | **0.24** |

Therefore, for the current proceedings, the re-stated interest of Rs. 0.24 Crore and actual interest on loan corresponding to the special loan of Rs. 31.28 Crore has been considered for sharing of IoWC in accordance with UERC MYT Regulations, 2021 as amended from time to time.

### 3.2.5 *Return on Equity*

The Petitioner submitted that it has computed Return on Equity (RoE) for FY 2022-23 considering the opening equity of Rs. 1198.56 Crore and the rate of RoE of 16.50%.

Regulation 26 (2) of the UERC Tariff Regulations, 2021 specifies as follows:

*"26. Return on Equity*

*…*

*(2) Return on equity shall be computed on at the 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 cut-off date beyond the original scope excluding additional capitalization due to Change in Law, shall be computed at the weighted average rate of interest on actual loan portfolio of the distribution company or the generating station or the transmission system;*

*…"*

As per proviso to sub-regulation (2) above, the RoE in respect of additional capitalization after cut-off date beyond the original scope excluding additional capitalization due to Change in Law, shall be computed at the weighted average rate of interest on actual loan portfolio of the distribution company. The Petitioner in the current Petition has not provided any such segregation nor claimed the RoE as per the said proviso. Accordingly, the Commission, in the absence of relevant data has not carried out any segregation w.r.t. equity addition for works after cut-off date beyond the original scope, and **directs the Petitioner to submit such segregation alongwith next tariff filing including the impact of the same duly considering the FY 2022-23 as well.**

The Commission has considered the closing equity of Rs. 1009.55 Crore for FY 2021-22 as the opening equity for FY 2022-23. 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 2022-23 is as shown in the Table below:

**Table 3.39: Return on Equity approved by the Commission for FY 2022-23 (Rs. Crore)**

| Particulars | Approved in the Tariff Order | Claimed by UPCL | Approved |
|---|---|---|---|
| Return on Equity | 154.73 | 197.76 | 166.58 |

### 3.2.6 *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. 172.65 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 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. 125.87 Crore collected as Delayed Payment Surcharge as part of non tariff income.

The Commission futher observed that UPCL has not considered DPS amount on the amounts recoverable from the Government consumers. The Commssion during the technical validation session sought explanation from the Petitioner for not recovering the same. The Petitioner vide its reply dated February 01, 2024, 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. 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 applicablility 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. The Commission observed that in FY 2022-23 the total amount billed to Government consumers (Public Lamps, Government Irrigation system and Public water works) as per commercial diary of March, 2023 is Rs. 511.27 Crore. Similarly, the said amount for FY 2021-22 is Rs. 567.91 Crore as per commercial diary for March, 2022. Further, as per audited Financial Statements of FY 2021-22, the DPS on Government Consumers for FY 2021-22 was 124.84 Crore. Accordingly, the pro-rata amount for FY 2022-23 has been worked out based on the amount billed to Government Consumers, therefore, the Commisison has considered Rs. 112.39 Crore as the amount of DPS on receivable from Government consumers as part of NTI for FY 2022-23.

The Commission also observed that as per Note 29 of audited accounts details of prior period income for FY 2022-23 have been provided. The Commission, therefore, sought clarification from the Petitioner on the nature of such items and necessary adjustment made by the Petitioner. The Petitioner submitted the required details along with its reply dated February 01, 2024. The Commission observed that an amount of Rs. 87.21 Crore was towards deposit work for electrification service connection and an amount of Rs. 0.85 Crore were recoverable from employees. The Commission has considered the said amounts as a part of non tariff income as the

Commission has already provided for funding of all works in the past and any prior deposit amount that have been received needs to be passed on to the consumers.

Further, the Commission has also adjusted Liability for supplies/works for capital/O&M etc., Rs. 4.20 Crore, Advance to contractors written back, Rs. (-)0.10 Crore, CWIP written off after reconciliation, Rs. (-)0.94 Crore and Inventory balances written off after reconciliation, Rs. (-)1.40 Crore, as appearing under the head prior period income in the audited financial statements of the Petitioner for FY 2022-23, amounting to net adjustment of Rs. 1.76 Crore from NTI in FY 2022-23. The Petitioner, w.r.t. to these adjustments submitted that these are book adjustment entries, hence, it has not claimed the same in the ARR, however, the Commission is of the view that although these are book entries for writing off the unclaimed balances from the books of accounts but the Petitioner must have gained the benefit of the same in earlier years while claiming the ARR for the respective years, and, accordingly, has adjusted the same from the NTI of FY 2022-23.

Accordingly, the non-tariff income claimed by the Petitioner and that approved by the Commission for the purpose of truing up for FY 2022-23 is as given in the Table below:

**Table 3.40: Non-tariff Income approved by the Commission for FY 2022-23 (Rs. Crore)**

| Particulars | Approved in the Tariff Order | Claimed by UPCL | Approved |
|---|---|---|---|
| Non-tariff income | 286.81 | 172.65 | 374.86 |

## 3.3 Tariff Revenue

The Petitioner submitted the revenue at existing tariff as Rs. 8218.09 Crore as against the revenue of Rs. 7714.40 Crore, approved by the Commission for FY 2022-23 and AEC of Rs. 379.06 Crore as approved vide Order dated 28.09.2022.

The Petitioner submitted that after making significant improvements, the actual distribution loss of 14.38% for FY 2022-23 were higher by 88 bps than the baseline value of 13.50% approved by the Commission for FY 2022-23. The Petitioner further submitted the loss to be passed on, which is as shown in the Table below:

**Table 3.41: Additional Revenue from Sale for FY 2022-23 (Rs. Crore)**

| S. No. | Particulars | Actuals |
|---|---|---|
| 1. | Actual Sales (MU) | 13491.22 |
| 2. | Actual Distribution Loss Level (%) | 14.38% |
| 3. | Actual Energy Input at T-D Interface (MU) | 15757.27 |
| 4. | Sales at Actual Energy Input with 13.75% Loss (MU) | 13630.04 |
| 5. | Loss of Sales (MU) | 138.81 |
| 6. | Revenue at Existing Tariff (Rs. Crore) | 8218.09 |
| 7. | ABR (Rs./kWh) | 6.09 |
| 8. | Loss of Revenue due to higher distribution losses (Rs. Crore) | 84.56 |
| **9.** | **Loss to be retained by the Petitioner (2/3 of 8) (Rs. Crore)** | **56.37** |

The Petitioner has separately claimed sharing of the above loss to be allowed in FY 2022-23.

The Commission has considered the trued-up distribution loss for FY 2022-23 and has, accordingly, computed the loss of sales as 455.24 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 Deparmental employees and other Domestic Consumers. However, from the Commercial Diary for FY 2022-23 it is observed that the ABR of Departmental employees is marginally higher than the ABR of Rs. 4.92/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 2022-23.

Based on the above, the revenue from the sale of power, as worked out by the Commission is shown in the Table below:

**Table 3.42: Revenue from Sale of Power for FY 2022-23 (Rs. Crore)**

| Particulars | Amount |
|---|---|
| Actual Revenue as per books of accounts | 8554.30 |
| Less: Sale of Surplus Power | 172.56 |
| Less: Income frm DPS | 125.87 |
| Less: Wheeling Charges | 0.11 |
| Less: CSS | 0.81 |
| Less: Additional Surcharge | 0.95 |
| Less: Rebate online payment of Bills | 35.91 |
| **Total Revenue** | **8218.09** |

The Commission for computation of Average Billing Rate (ABR), in order to determine the additional revenue from sale due to inefficiency of the Petitioner in FY 2022-23, has considered the revenue as Rs. 8218.09 Crore as stated above.

Further, as discussed herein above there is a loss of 455.24 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. 283.97 Crore at an average billing rate (ABR) of Rs. 6.24 kWh for this additional loss of sale on account of higher distribution losses while truing up the ARR for FY 2022-23 as shown in the Table below:

**Table 3.43: Additional Revenue from Sale due to inefficiency for FY 2022-23 (Rs. Crore)**

| S. No. | Particulars | Claimed by UPCL | Approved |
|---|---|---|---|
| 1. | Actual/ Re-casted Sales (MU) | 13491.22 | 13174.79 |
| 2. | Actual Distribution Loss Level (%) | 14.38% | 16.39% |
| 3. | Actual Energy Input at T-D Interface (MU) | 15757.27 | 15757.27 |
| 4. | Sales at Approved Loss of 13.50% (MU) | 13630.04 | 13630.04 |
| 5. | Loss of Sales due to Inefficiency (MU) | 138.81 | 455.24 |
| 7. | ABR (Rs./kWh) | 6.09 | 6.24 |
| 8. | Loss of Revenue due to higher distribution losses (Rs. Crore) | 84.56 | 283.97 |
| 9. | Losses to borne by Petitioner (2/3rd of 8) (Rs. Crore) | 56.37 | 189.31 |

Accordingly, the Commission has considered a tariff revenue of Rs. 8407.40 Crore including Rs. 189.31 Crore as deemed revenue on account of excess distribution loss for FY 2022-23 as against total revenue of Rs. 8218.09 Crore claimed by the Petitioner.

## 3.4 Sharing of Gains and Losses

The sharing of gains and losses claimed by the Petitioner for FY 2022-23 is as shown in the Table below:

**Table 3.44: Sharing of Gains and Losses for FY 2022-23 claimed by the Petitioner (Rs. Crore)**

| Particulars | Amount Gain/(Loss) | Consumer Share | UPCL Share |
|---|---|---|---|
| **Gain** | | 1/3rd | 2/3rd |
| IoWC | 97.98 | 32.66 | 65.32 |
| O&M Expenses | (51.48) | (17.16) | (34.32) |
| Rebate Earned on Discharge of Power Purchase Liability | 60.06 | 20.02 | 40.04 |
| **Sub-Total** | **79.29** | **35.52** | **71.04** |
| Distribution Loss – Adjustment in Revenue | 84.56 | **56.37** | 28.19 |
| **Total to be Reduced from ARR** | | **91.89** | |

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, 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 2022-23 is as shown in the Table given below:

**Table 3.45: Sharing of Gains on Account of Controllable Factors approved by the Commission for FY 2022-23 (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<br>(Loss) D=1/3 x C | E=C-D |
| O&M expenses | 824.48 | 694.24 | (130.24) | (43.41) | (86.83) |
| Distribution Loss | 16.39% | 13.50% | (283.97) | (94.66) | (189.31) |
| IoWC | 31.52 | 96.81 | 65.29 | 21.76 | 43.52 |
| PP Rebate | 60.06 | 0 | 60.06 | 20.02 | 40.04 |
| **Total** | | | **(288.86)** | **(96.29)** | **(192.58)** |

## 3.5 ARR and Revenue for FY 2022-23

The Commission in its Tariff Order dated March 31, 2022 had approved the Net Revenue Requirement for FY 2022-23 as Rs. 7709.01 Crore. The Petitioner has now claimed an ARR of Rs. 9810.34 Crore for FY 2022-23. 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 2022-23 is given in the Table below:

**Table 3.46: Summary of True up for FY 2022-23 approved by the Commission (Rs. Crore)**

| Particulars | Tariff Order | Claimed by UPCL | Approved |
|---|---|---|---|
| Power Purchase Cost incl. UJVN Arrears & Water Tax | 5803.76 | 6937.02 | 6917.48 |
| PGCIL | 558.33 | 922.13 | 922.13 |
| PTCUL and SLDC | 320.11 | 323.61 | 323.61 |
| Interest on Loan and guarantee fee | 139.86 | 106.75 | 111.42 |
| Depreciation | 226.65 | 280.34 | 220.69 |
| O&M expenses after sharing | 681.87 | 793.01 | 737.65 |
| Interest on Working Capital | 101.90 | 139.17 | 96.81 |
| Impact of Sharing on Interest on Working Capital | - | (32.66) | (21.76) |
| Return on Equity | 154.73 | 197.76 | 166.58 |
| Provision for Bad and doubtful debts | | 212.96 | 0.00 |
| Sharing on account of Rebate and LPS | - | (20.02) | (20.02) |
| **Aggregate Revenue Requirement** | **7987.21** | **9860.07** | **9454.58** |
| Less: Non-Tariff Income | 286.81 | 172.65 | 374.86 |
| Gap/(Surplus) of previous year | 8.61 | 8.61 | 8.61 |
| **Net ARR** | **7709.01** | **9696.03** | **9088.33** |
| Add: Additional claim of pending certificates till last year | - | 170.70 | - |
| **Revenue** | | | |
| Revenue at Existing Tariff | 7513.09 | 8218.09 | 8218.09 |
| Revenue from Addl Sales. (after sharing) | | 56.37 | 189.31 |
| **Total Revenue** | **7513.09** | **8274.46** | **8407.40** |
| **Adjusted Revenue (Surplus)/Gap** | **195.92** | **1592.26** | **680.93** |

The Petitioner in its Petition had requested the Commission to approve the gap of Rs. 1592.26 Crore. However, the Commission has approved a gap of Rs. 680.93 Crore for FY 2022-23. The Commission has allowed the same alongwith the carrying cost in truing up of FY 2022-23.

**Table 3.47: Total gap including carrying cost (Rs. Crore)**

| Particulars | FY 2022-23 | FY 2023-24 | FY 2024-25 |
|---|---|---|---|
| Opening Gap/(Surplus) | 0.00 | 716.68 | 806.27 |
| Addition | 680.93 | 0.00 | |
| Closing | 680.93 | 716.68 | 806.27 |
| Interest Rate | 10.50% | 11.30% | 11.30% |
| Carrying/(Holding) Cost | 35.75 | 80.98 | 91.11 |
| Closing Balance | 716.68 | 806.27 | 897.38 |

The Commission has, accordingly, considered the total gap of Rs. 897.38 Crore including carrying cost, in the ARR of FY 2024-25.

# 4. Petitioner's Submissions, Commission's Analysis, Scrutiny and Conclusion on APR for FY 2023-24 and ARR for FY 2024-25

## 4.1 Background

As regard the MYT Framework and determination of ARR, UERC Tariff Regulations, 2021 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 31.03.2019 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;*

*f) 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."*

In accordance with the above provisions of the Regulations, the Commission had approved the Aggregate Revenue Requirement of the Petitioner for all the years of the fourth Control Period, i.e. from FY 2022-23 to FY 2024-25 excluding the power purchase cost for FY 2023-24 and FY 2024-25 vide its MYT Order dated March 31, 2022.

As regards the Annual Performance Review, Regulations 12(3) of the UERC (Terms and Conditions for Determination of Tariff) Regulations, 2021 specifies as follows:

> *"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 in the present APR Petition requested the Commission to approve the revised estimates for FY 2023-24 based on the revised submissions in the APR Petition. The Commission had already approved most of the ARR components for the fourth Control Period from FY 2022-23 to FY 2024-25 after detailed analysis, scrutiny and prudence check of the Petitioner's submissions vide its MYT Order dated March 31, 2022. As the Commission had not approved the power purchase cost for FY 2024-25 in its MYT Order dated March 31, 2022, hence, in the present Order the Commission has approved the power purchase quantum and cost associated therewith based on the analysis and scrutiny of the Petitioner's projections in the Petition and considering the subsequent submissions including actual audited data available for FY 2022-23. As discussed in the previous Chapter, the Commission in this Order has carried out the Truing up for FY 2022-23 in accordance with the UERC Tariff Regulations, 2021. In accordance with Regulation 12(3) of the UERC Tariff Regulations, 2021 the scope of annual performance review is limited to the revision of the estimates for the ensuing year, if required, based on the audited financial results for the previous year and give resultant effect on this account in the estimates of the said current year.

## 4.2 Sales

The Petitioner submitted the year wise actual sales for FY 2016-17 to FY 2022-23 along with the year on year growth in sales as shown in the Table below.

**Table 4.1: Actual Energy sales for consumer categories during FY 2016-17 to FY 2022-23 (MU)**

| Consumer Category | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
|---|---|---|---|---|---|---|---|
| RTS-1: Domestic | 2486.15 | 2741.53 | 2849.20 | 3113.85 | 3307.62 | 3357.70 | 3,552.16 |
| RTS-2: Non-Domestic | 1178.02 | 1235.23 | 1301.34 | 1397.84 | 1215.52 | 1389.31 | 1,736.56 |
| RTS-3: Govt. Public Utilities | 551.52 | 590.25 | 614.66 | 678.32 | 725.08 | 718.91 | 743.84 |
| RTS-4: Private Tube-wells/ Pumping sets | 350.49 | 271.37 | 190.13 | 202.62 | 225.40 | 276.93 | 265.69 |
| RTS-5: LT & HT Industry | | | | | | | 6,922.26 |
| *Total LT* | 300.13 | 302.21 | 309.93 | 311.94 | 311.19 | 341.83 | 343.11 |
| *Total HT* | 5508.03 | 5858.07 | 6355.76 | 6105.24 | 5451.85 | 6212.16 | 6,579.14 |
| RTS-6: Mixed Load | 178.11 | 182.43 | 177.75 | 182.47 | 169.55 | 175.62 | 194.62 |
| RTS-7: Railway Traction | 19.23 | 27.73 | 27.91 | 29.08 | 26.39 | 46.30 | 75.93 |
| RTS-8: Electric Vehicle | | | | | | 0.04 | 0.17 |
| **Total** | **10571.68** | **11208.82** | **11826.67** | **12021.36** | **11432.60** | **12518.80** | **13491.23** |
| **Year on Year Growth (%)** | | **6.03%** | **5.51%** | **1.65%** | **-4.90%** | **9.50%** | **7.77%** |

The Petitioner submitted that for the purpose of projecting the sales, it has reviewed past year actual sales and CAGRs corresponding to various time frames for projecting the sales for FY 2023-24 and FY 2024-25.

The Petitioner submitted that for the purpose of projecting the sales for FY 2023-24, actual sales growth (across each consumer category) during first four months of FY 2023-24 with respect to FY 2022-23 has been computed and averaged with long-term growth rate in each category to arrive at appropriate growth rate for estimating the category-wise sales for FY 2023-24. The Petitioner further submitted that for FY 2024-25 category-wise sales has been projected by applying long-term growth rates over the estimated sales of FY 2023-24, except in case of domestic category where the growth estimated for FY 2023-24 has been retained in view of flat growth seen during initial months of FY 2023-24.

The category wise growth rate considered by the Petitioner for projecting sales for FY 2023-24 and FY 2024-25 is as shown in the Table below.

**Table 4.2: Category Wise Growth rate in Sales considered by the Petitioner (%)**

| S. No | Category | Assumptions (UPCL) FY 24 | | Assumptions (UPCL) FY 25 | |
|---|---|---|---|---|---|
| | | Growth (%) | Basis | Growth (%) | Basis |
| 1 | Domestic | 3.63% | 2 Y CAGR (FY 2021-2023) is considered | 3.63% | 2 Y CAGR (FY 2021-2023) is considered |
| 2 | Non-Domestic | 6.45% | 7Y CAGR (FY 2016-2023) over FY 2022-23 is considered | 6.45% | 7Y CAGR (FY 2016-2023) over FY 2022-23 is considered |
| 3 | Public Lamps | 4.43% | Avg of actual growth rate during FY 2023-24 ad long term growth rate (7 Years) | 5.25% | 7 year CAGR (FY 2016-2023) over FY 2022-23 is considered |
| 4 | GIS | 1.13% | 7 year CAGR (FY 2016-2023) over FY 2022-23 is considered | 1.13% | |
| 5 | PWW | 3.40% | Avg of actual growth rate during FY 2023-24 and long term growth rate (7 Years) | 6.13% | |
| 6 | PTW | 2.00% | Since 5Y CAGR was negative, a nominal growth rate of 2% is considered over FY 2022-23 | 2.00% | Since 5Y CAGR was negative, a nominal growth rate of 2% is considered over FY 2022-23 |
| 7 | LT Industry | 2.83% | 7 year CAGR (FY 2016-2023) over FY 2022-23 is considered | 2.83% | 7 year CAGR (FY 2016-2023) over FY 2022-23 is considered |
| 8 | HT Industry | 2.76% | 7 year CAGR (FY 2016-2023) over FY 2022-23 is considered | 2.76% | 7 year CAGR (FY 2016-2023) over FY 2022-23 is considered |
| 9 | Mixed Load | 1.30% | 5 year CAGR (FY 2018-2023) over FY 2022-23 is considered | 1.30% | 5 year CAGR (FY 2018-2023) over FY 2022-23 is considered |
| 10 | Railway Traction | 3.45% | Energy Sales for Railway Traction for FY 2023-24 is considered as per the actual growth rate of FY 2023-24 without any escalation | 3.45% | Energy Sales for Railway Traction for FY 2023-24 is considered as per the actual growth rate of FY 2023-24 without any escalation |
| 11 | EV Charging Stations | 100% | Energy Sales for EV for FY 2023-24 is considered double of FY 2022-23 | 100% | Energy Sales for EV for FY 2024-25 is considered double of FY 2023-24 |

The Petitioner has considered the base year as FY 2022-23 for projecting the sales for FY 2023-24 and FY 2024-25. The Petitioner has, accordingly, projected the energy sales for FY 2024-25 as shown in the Table below:

**Table 4.3: Sales projected by the Petitioner for FY 2024-25 (MU)**

| S. No. | Category Wise Sales | FY 2024-25 |
|---|---|---|
| 1. | RTS-1: Domestic | 3814.78 |
| 2. | RTS-2: Non-Domestic | 1967.87 |
| 3. | RTS-3: Govt. Public Utilities | 804.98 |
| 4. | RTS-4: Private Tube-wells / Pumping sets | 276.42 |
| 5. | RTS-5: LT & HT Industry | |
| | *Total LT* | 362.78 |
| | *Total HT* | 6947.42 |
| 6. | RTS-6: Mixed Load | 199.73 |
| 7. | RTS-7: Railway Traction | 81.26 |
| 8. | RTS-8: Electric Vehicle | 0.66 |
| | **Total** | **14455.88** |

The Commission has gone through the submissions of the Petitioner. The Commission observed that the sales of 14455.88 MU projected by the Petitioner is marginally lower than 14523.00 MU estimated by the Commission for FY 2024-25 in the MYT Order primarily because the Petitioner considers the restricted sales for sales projection while the Commission considers un-restricted sales for sales projection.

As discussed in Chapter 3, the Commission has carried out the truing up of sales for FY 2022-23. Considering the actual re-casted sales as trued up sales for FY 2022-23, the Commission has re-worked the sales of FY 2024-25 as discussed below.

(i) Base year has been considered as FY 2022-23 as the actual sales data is available. The Commission has considered the re-casted sales for FY 2022-23 and has added the category wise load shedding carried out during FY 2022-23 as submitted by the Petitioner to derive the un-restricted sales for FY 2022-23.

(ii) Growth rate of RTS 1: The Commission has considered 3 Year CAGR (FY 2019-20 to FY 2022-23) of 5.20% for Domestic category.

(iii) Growth rate of RTS 2: For Non-Domestic Category the growth rate has been considered as 5 Year CAGR of 7.06%.

(iv) Growth rate of RTS 3: Govt. Public Utilities: The Commission has considered 5 Year CAGR of 4.81% for the combined category.

(v) Growth rate of RTS 4: PTW: The Commission has considered the nominal growth rate of 2% as also considered by the Petitioner.

(vi) Growth rate of RTS 5: LT & HT Industry: The Commission has considered 5 Year CAGR of 3.23% for LT Industry and 3.61% for HT Industry.

(vii) Growth rate of RTS 6: Mixed Load: The Commission has considered growth rate of 1.30% as also considered by the Petitioner.

(viii) Growth rate of RTS 7: Railway Traction: The Commission has considered the growth rate of 3.45% as also considered by the Petitioner.

(ix) Growth rate of RTS 8: Electric Vehicle: As the actual consumption is negligible and in the absence of any clear trend, the Commission has considered sales as projected by the Petitioner.

On the basis of the above, the total sales works out to 14665.75 MU which is higher than the sales of 14481.27 MU (excluding efficiency sales) approved in the MYT Order dated March 31, 2022 by 184.48 MU. The Commission observes that there is a considerable difference in the sales approved in the MYT Order and that projected now. The Commission has, therefore, revised the sales considering the revised growth rates as discussed above for FY 2024-25 and the same is as shown below:

**Table 4.4: Consumer Category wise sales approved by the Commission for FY 2024-25 (MU)**

| S. No. | Category | Claimed | Approved |
|---|---|---|---|
| 1. | Domestic | 3814.78 | 3999.27 |
| 2. | Non-Domestic | 1967.87 | 1977.55 |
| 3. | Public Utilities | 804.98 | 794.69 |
| 4. | Private Tube Wells (PTW) | 276.42 | 278.73 |
| 5. | Industrial Consumers | | |
| | LT Industries | 362.78 | 348.15 |
| | HT Industries | 6947.42 | 6986.74 |
| 6. | Mixed Load | 199.73 | 197.15 |
| 7. | Railway Traction | 81.26 | 82.82 |
| 8. | Electric Vehicle | 0.66 | 0.66 |
| | **GRAND TOTAL** | **14455.88** | **14665.75** |

## 4.3 Distribution Loss Trajectory

The Commission has approved the Distribution Loss Trajectory for the fourth Control Period from FY 2022-23 to FY 2024-25 in the MYT Order dated March 31, 2022. The distribution loss trajectory approved by the Commission for the fourth Control Period from FY 2022-23 to FY 2024-25 is as shown in the Table given below:

**Table 4.5: Distribution Loss Trajectory approved by the Commission for the fourth Control Period from FY 2022-23 to FY 2024-25**

| Particulars | FY 2022-23 | FY 2023-24 | FY 2024-25 |
|---|---|---|---|
| | Approved | Approved | Approved |
| Distribution Losses | 13.50% | 13.25% | 13.00% |

The Petitioner has proposed Distribution loss of 13.00% for FY 2024-25 as approved by the Commission in its MYT Order dated March 31, 2022.

The Commission approves the Distribution Loss for FY 2023-24 as 13.00% in accordance with the trajectory approved for the fourth Control Period. The Distribution Loss as projected by the Petitioner and as approved by the Commission is as shown below:

**Table 4.6: Distribution Losses approved for FY 2024-25**

| Particulars | Proposed | Approved |
|---|---|---|
| Distribution Losses | 13.00% | 13.00% |

In line with the approach adopted by the Commission in its previous Tariff Orders, the Commission has considered the entire distribution loss reduction target 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 distribution periphery, State periphery and approved loss level for FY 2024-25 is given in the Table below:

**Table 4.7: Energy Input requirement approved by the Commission for FY 2024-25**

| Particulars | Quantum |
|---|---|
| Distribution Sales (MU) | 14665.75 |
| Loss level for Energy Input (%) | 13.25% |
| Energy Input required at T-D interface (MU) | 16905.77 |
| Commercial Loss reduction (%) | 0.25% |
| Commercial Loss reduction (Additional sales due to efficiency improvement) (MU) | 42.26 |
| Total sales with efficiency improvement (MU) | 14708.02 |
| Overall Distribution Loss (%) | 13.00% |
| PTCUL Loss (%) | 1.40% |
| **Energy Input at State periphery (MU)** | **17145.81** |

## 4.4 Aggregate Revenue Requirement

Regulation 69 of the UERC Tariff Regulations, 2021 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 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 the financial year, if any, and shall comprise 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*

*(3) Net Revenue Requirement from sale of electricity = Aggregate Revenue Requirement, as above, minus:*

*(a) Non-Tariff Income;*

*(b) Income from wheeling charges recovered from open access customers;*

*(c) Income from Other Business, to the extent specified in these Regulations;*

*(d) Receipts from cross-subsidy surcharge from open access consumers; and*

*(e) Receipts from additional surcharge on charges of wheeling from open access consumers.*

*(f) Any revenue subsidy or grant received from the State Government other than the subsidy under Section 65 of Electricity Act, 2003."*

The Commission in this Order has determined the Net Revenue Requirement for FY 2024-25 as detailed in the subsequent Paras of this Chapter.

## 4.5 Power Purchase Cost

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

- NTPC Ltd.
- NHPC Ltd.
- NPCIL.
- SJVNL.
- THDC Ltd.
- State generating stations of UJVN Ltd.
- 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 Petitioner in its Petition submitted the source wise power purchase from various sources along with the cost of power purchase. For projecting the ex-bus availability of power for FY 2024-25, the Petitioner has considered the average of the actual monthly energy generation during FY 2022-23 and estimated monthly energy generation during FY 2023-24. Further, for FY 2023-24, the Petitioner has considered actual monthly energy availability for April 2023 to September 2023 and for the balance months the Petitioner has considered average of monthly energy availability for FY 2019-20 and FY 2022-23.

With regard to transmission losses, the Petitioner has considered Inter-State losses of 4% to estimate the energy availability at State Periphery. The energy availability from various sources has been projected by the Petitioner based on the following:

- **UJVN Ltd. –** For 10 LHPs and SHPs, for FY 2024-25, the Petitioner has considered the average of the actual monthly energy generation during FY 2022-23, and the estimated energy generation during FY 2023-24. Further, for FY 2023-24, the Petitioner has considered actual monthly energy availability for April 2023 to September 2023 and for the balance months the Petitioner has considered average of actual monthly energy availability for FY 2019-20 and FY 2022-23.
- **NTPC –** For Singrauli, Unchahar-I, II, III & IV, NCT Dadri II, Rihand STPS I, II & III, Kahalgaon-II, Jhajjar, Singrauli SHEP, Koldam for FY 2024-25, the Petitioner has

considered the average of the actual monthly energy generation during FY 2022-23 and the estimated energy generation during FY 2023-24. Further, for FY 2023-24, the Petitioner has considered actual monthly energy availability for April 2023 to September 2023 and for the balance months the Petitioner has considered average of monthly energy availability for FY 2019-20 and FY 2022-23.

- **For Gas based Power Plants -** The availability has been considered based on the actual monthly energy availability from April, 23 to September 23 for FY 2023-24. Further, the actual monthly energy availability of balance months of FY 2019-20 is considered to arrive at the total energy availability. Subsequently, for FY 2024-25 the monthly energy availability of FY 2019-20 is considered to arrive at the total energy availability.
- **Bongaigaon TPS -** The Petitioner has considered actual energy availability for FY 2022-23 for the period April 2023 to September 2023. Further, the actual monthly energy availability of balance months of FY 2022-23 is considered to arrive at the total energy availability. Subsequently, for FY 2024-25, Nil energy availability has been considered as it is unallocated power and no share has been allocated for FY 2024-25.
- **Tanda-II –** The Petitioner has considered actual energy availability for FY 2022-23 for the period April 2023 to September 2023. Further, the actual monthly energy availability of balance months of FY 22-23 is considered to arrive at the total energy availability. Subsequently, for FY 2024-25 the average of monthly energy availability of last 2 years (FY 2022-23 & FY 2023-24) is considered to arrive at the total energy availability.
- **NHPC –** For all stations, the Petitioner has considered Actual monthly energy availability from April, 23 to September, 23 for FY 2023-24. Further, the average of actual monthly energy availability of balance months of past 2 years (FY 2019-20 & FY 2022-23) is considered to arrive at the total energy availability for the balance months of FY 2023-24. Subsequently, for FY 2024-25, average of monthly energy availability of last 2 years (actual for FY 2022-23 & estimated for FY 2023-24) is considered to arrive at the total energy availability.
- **SJVNL, THDC & NPCIL-** The Petitioner has considered Actual monthly energy availability from April, 23 to September 23 for FY 2023-24. Further, the average of actual monthly energy availability of balance months of past 2 years (FY 2019-20 & FY 2022-23)

is considered to arrive at the total energy availability for the balance months of FY 2023-24. Subsequently, for FY 2024-25, the average of monthly energy availability of last 2 years (actual for FY 22-23 & estimated for FY 23-24) is considered to arrive at the total energy availability.

- **UREDA Stations and IPPs -** The Petitioner has considered Actual monthly energy availability from April, 23 to September 23 for FY 2023-24. Further, the average of actual monthly energy availability of balance months of 2 years (FY 2019-20 & FY 2022-23) is considered to arrive at the total energy availability for the balance months of FY 2023-24. Subsequently, for FY 2024-25 the average of monthly energy availability of last 2 years (FY 2022-23 & FY 2023-24) is considered to arrive at the total energy availability.
- **State Gas Stations –** Actual monthly energy availability from April, 2023 to September, 2023 has been considered for FY 2023-24. Further, a total of 823.59 MUs has been considered to be scheduled from both the stations during FY 2023-24. Accordingly, the balance energy availability (after reducing the actual energy) has been distributed for the balance months. Subsequently, for FY 2024-25, 896 MUs energy on a consolidated basis has been estimated from both the state gas stations based on the utility requirement.
- **Upcoming Stations –** For Suringad-II and Madhmaheshwar, the Petitioner has projected the monthly energy availability for FY 2023-24 and FY 2024-25 by considering the PLF of 45%. For Khurja Super Thermal Power Plant, monthly energy availability for FY 2023-24 is considered based on energy availability at 50% of allocated capacity of 51.8 MW (commissioning of one unit) for February 2024 to March 2024 considering the Plant Availability Factor of 85% across the financial year. Subsequently, for FY 2024-25, energy availability for one unit from April 2024 to July 2024 and two units from August 2024 to March 2025, based on Plant Availability Factor of 85% across the financial year. For Tapovan Vishnugad, monthly energy availability for FY 2024-25 is considered based on the monthly energy distribution of Plants and considering energy availability at 45% PLF from December 2024 to March 2025 and full year for FY 2024-25. For SECI Solar project of 100 MW, the Petitioner has projected the monthly energy considering annual CUF of 17% throughout the year. For SECI Solar RTC (100 MW), the Petitioner has projected 700.80 MUs for the complete year of FY 2024-25 comprising of solar and wind capacity. For

SJVNL Ltd. Solar, the Petitioner has considered energy availability for the entire year based on the complete capacity of 100 MW and a CUF of 17% throughout the year.

- **Transmission Losses -** The Petitioner has considered Inter-State Transmission Losses of 4% based on the report published by NRLDC for every 52 weeks. Intra-State transmission losses of 1.40% has been considered as approved by the Commission in its MYT Order dated March 31, 2022.
- **Deficit Power Purchase –** The Petitioner has proposed to procure energy in deficit months through open market.

The Petitioner has proposed the total power purchase of 16949.93 MU at State Periphery for FY 2024-25.

The Commission for projection of power purchase for FY 2024-25 has considered the energy availability from various generating stations based on the three years month-wise energy availability from all the generating stations. Further, the Commission has computed the deficit/ surplus quantum of power which the Petitioner would be required to purchase/bank depending on its requirement on the basis of monthly energy availability and estimated energy requirement. The Commission for projecting power purchase has considered existing generating stations as well as the upcoming generating stations likely to be commissioned by FY 2024-25 in which UPCL has firm allocation. The detailed approach for approving the power purchase quantum has been discussed below.

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

- Status of Commissioning of new generating stations from which power has been projected for FY 2024-25.
- Expected COD of Tapovan Vishnugad.

In reply, UPCL submitted the following:

- The Petitioner submitted the current status of new generating stations considered.
- With regards to COD of Tapovan Vishnugad, the Petitioner submitted that the construction activities are on hold as per the order of the ADM (Joshimath) dated

05.01.2023.

The Commission while projecting the quantum of energy available from various sources for FY 2024-25 has made the following assumptions as detailed below.

### 4.5.1 *Power Purchase from UJVN Ltd.*

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

**Table 4.8: Power Purchase from UJVN Ltd.**

| Stations of UJVN Ltd. | Basis | Rationale |
|---|---|---|
| 9 LHPs | Average of actual month wise gross generation in FY 2021-22, FY 2022-23 & FY 2023-24 (actual for 10 months, projections for 2 months); Further, impact of non-availability on account of RMU in Dhakrani and Dhalipur has been considered. | Three Year's average as per the Commission's earlier approach. |
| Maneri Bhali-II | Average of actual month wise gross generation in FY 2021-22, FY 2022-23 & FY 2023-24 (actual for 10 months, projections for 2 months); | |
| Vyasi | Monthwise generation as projected by the Petitioner. | Projections in line with Design Energy. |
| SHPs viz. Pathri, Mohammadpur & Galogi | Average of actual month wise gross generation in FY 2021-22, FY 2022-23 & FY 2023-24 (actual for 10 months, projections for 2 months); | Three Year's average as per the Commission's earlier approach. |

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. The summary of energy availability from UJVN Ltd. for FY 2024-25 as estimated by the Petitioner and the Commission is shown in the Table below:

**Table 4.9: Summary of Energy Availability from UJVN Ltd. for FY 2024-25 (MU)**

| Particulars | Claimed | Approved |
|---|---|---|
| 9 Old LHPs | 3030.75 | 2888.09 |
| Maneri Bhali-II | 1252.18 | 1279.89 |
| Vyasi | 353.84 | 353.00 |
| Small Hydro | 165.92 | 170.40 |
| *Pathri* | *109.88* | *112.48* |
| *Mohammadpur* | *48.07* | *48.86* |
| *Galogi* | *7.97* | *9.06* |
| **Total** | **4802.69** | **4691.38** |

### 4.5.2 *Power Purchase from NHPC Ltd.*

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

**Table 4.10: Power Purchase from NHPC Ltd.**

| Stations of NHPC | Basis | Rationale |
|---|---|---|
| Salal | Average of actual month wise gross generation in FY 2021-22, FY 2022-23 & FY 2023-24 (actual for 10 months, projections for 2 months) | Three Year's Average as per the Commission's earlier approach |
| Chamera I | | |
| Chamera II | | |
| Chamera III | | |
| Uri | | |
| Dulhasti | | |
| Sewa II | | |
| Uri II | | |
| Prabati III | | |
| Tanakpur | | |
| Dhauliganga | | |
| 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 2023 to December 2023 and considering the allocation to Uttarakhand. The summary of energy availability from NHPC Ltd. for FY 2024-25 as estimated by the Petitioner and the Commission is shown in the Table below:

**Table 4.11: Energy Availability from NHPC Ltd. for FY 2024-25 (MU)**

| Station | Estimated by UPCL | Approved |
|---|---|---|
| Salal | 37.59 | 38.69 |
| Tanakpur | 11.81 | 18.74 |
| Chamera I | 68.49 | 63.85 |
| Chamera II | 22.80 | 34.38 |
| Chamera III | 52.48 | 58.13 |
| Uri | 92.28 | 94.42 |
| Dhauliganga | 59.49 | 74.88 |
| Dulhasti | 108.69 | 132.98 |
| Sewa II | 31.76 | 31.11 |
| Uri II | 81.59 | 65.77 |
| Parbati III | 25.75 | 30.81 |
| Kishanganga | 22.96 | 33.88 |
| Free Power-Tanakpur | 49.60 | 57.80 |
| Free Power-Dhauliganga | 135.71 | 138.07 |
| **Total** | **801.00** | **873.51** |

### 4.5.3 *Power Purchase from THDC India Ltd.*

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

**Table 4.12: Power Purchase from THDC India Ltd.**

| Stations of THDCIL | Basis | Rationale |
|---|---|---|
| Tehri HEP | Average of actual month wise gross generation in FY 2021-22, FY 2022-23 & FY 2023-24 (actual for 10 months, projections for 2 months). | Three years average considered as per the standard approach followed by the Commission in past. |
| 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 2023 to December 2023 and considering the share allocation to Uttarakhand. The summary of energy availability from THDC Ltd. for FY 2024-25 at State periphery as estimated by the Petitioner and the Commission is shown in the Table below:

**Table 4.13: Energy Availability at State periphery from THDC Ltd. for FY 2024-25 (MU)**

| State | Estimated by UPCL | Approved |
|---|---|---|
| Tehri HEP | 109.99 | 131.10 |
| Free Power-Tehri HEP | 376.49 | 369.44 |
| Koteshwar HEP | 73.70 | 84.30 |
| Free Power-Koteshwar HEP | 140.41 | 139.95 |
| **Total** | **700.59** | **724.79** |

### 4.5.4 *Power Purchase from NTPC Ltd*

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

**Table 4.14: Power Purchase from NTPC Ltd.**

| Stations of NTPC | Basis | Rationale |
|---|---|---|
| Singrauli STPS | Average of actual month wise gross generation in FY 2021-22, FY 2022-23 & FY 2023-24 (actual for 10 months, projections for 2 months) | Actual monthly generation of past 3 years as per the standard approach followed by 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 | | |
| Unchahar IV | | |
| Tanda-II | | |
| Meja TPS | As considered in the MYT Order. | New Plant - 3 year generation not available. |

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 2023 to December 2023 and considering the share allocation to Uttarakhand. The summary of energy availability from NTPC Ltd. for FY 2024-25 at State periphery as estimated by the Petitioner and the Commission is shown in the Table below:

**Table 4.15: Energy Availability from NTPC Ltd. at State periphery for FY 2024-25 (MU)**

| Station | Estimated by UPCL | Approved |
|---|---|---|
| Singrauli STPS | 694.31 | 713.63 |
| Rihand STPS | | |
| *Rihand I* | 261.88 | 299.39 |
| *Rihand II* | 272.83 | 272.62 |
| *Rihand III* | 300.10 | 313.13 |
| Unchahar TPS | | |
| *Unchahar I* | 141.82 | 178.29 |
| *Unchahar II* | 81.58 | 84.70 |
| *Unchahar III* | 72.92 | 68.59 |
| Anta CCPP | 4.58 | 11.42 |
| Auraiya CCPP | 16.06 | 25.23 |
| Dadri CCPP | 68.70 | 45.29 |
| Dadri (NCTPP) | 13.43 | 40.53 |
| Jhajjar | 83.27 | 86.10 |
| Kahalgaon TPS | 183.10 | 264.30 |
| Koldam | 195.55 | 200.97 |
| Unchahar IV | 142.62 | 161.98 |
| Tanda-II | 234.32 | 228.32 |
| Meja TPS | 173.73 | 288.10 |
| **Total** | **2940.80** | **3282.61** |

### 4.5.5 *Power Purchase from SJVN Ltd.*

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

**Table 4.16: Power Purchase from SJVN Ltd.**

| Stations of SJVNL | Basis | Rationale |
|---|---|---|
| Nathpa Jhakri HEP | Average of actual month wise gross generation in FY 2021-22, FY 2022-23 & FY 2023-24 (actual for 10 months, projections for 2 months). | Actual monthly generation of past 3 years as per the standard approach followed by the Commission. |
| Rampur HPS | | |

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 2023 to December 2023 and considering the share allocation to

Uttarakhand. The summary of energy availability from SJVN Ltd. for FY 2024-25 as estimated by the Commission is shown in the Table below:

**Table 4.17: Energy Availability from SJVN Ltd. at State periphery for FY 2024-25 (MU)**

| Station | Estimated by UPCL | Approved |
|---|---|---|
| Nathpa Jhakri HEP | 63.19 | 101.93 |
| Rampur HPS | 209.16 | 220.06 |
| **Total** | **272.35** | **321.98** |

### 4.5.6 *Power Purchase from NPCIL Stations*

For estimating the energy availability from these stations, the Commission has considered the monthly average generation for the last three years, i.e. FY 2021-22 to FY 2023-24 (10 months actual and 2 months projection). 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 2023 to December 2023 and considering the share allocation to Uttarakhand. The summary of energy availability from NPCIL for FY 2024-25 as estimated by the Commission is shown in the Table below:

**Table 4.18: Energy Availability from NPCIL at State periphery for FY 2024-25 (MU)**

| Station | Estimated by UPCL | Approved |
|---|---|---|
| NAPP | 147.38 | 156.02 |
| RAPP | 167.87 | 285.23 |
| **Total** | **315.26** | **441.24** |

### 4.5.7 *Power Purchase from Renewable Energy Sources*

The existing renewable energy sources include the small hydro power stations of UJVN Ltd., UREDA, IPPs, co-generation plants, and existing as well as upcoming solar power plants within the State and solar power to be received from outside the State. 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 2024-25 as estimated by the Petitioner and the Commission is shown in the Table below:

**Table 4.19: Energy Availability from Renewable Energy Sources for FY 2024-25 (MU)**

| Station | Estimated by UPCL | Approved |
|---|---|---|
| Existing renewable energy sources | 1203.54 | 1203.54 |

### 4.5.8 *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 2020-21, FY 2022-23 and FY 2023-24 (actual for 10 months, projections 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, POC losses for the period from October 2023 to December 2023 and considering the free power share of 12% to Uttarakhand. The Commission has considered the energy availability from SJVN's Mauri as proposed by the Petitioner during FY 2024-25. The summary of energy availability from these stations as estimated by the Petitioner and the Commission is shown in the Table below:

**Table 4.20: Energy Availability from State Royalty Power for FY 2024-25 (MU)**

| Station | Estimated by UPCL | Estimated by Commission |
|---|---|---|
| Vishnu Prayag HEP (State Royalty Power) | 196.44 | 202.51 |
| GVK Srinagar | 161.03 | 134.16 |
| SJVN Mauri | 31.82 | 31.82 |

### 4.5.9 *Power Purchase from Sasan UMPP*

For estimating the energy availability from Sasan UMPP, the Commission has considered the actual monthly generation of FY 2021-22, FY 2022-23 and FY 2023-24 (actual for 10 months, projections for 2 months).

The Commission has estimated the energy available to UPCL at State Periphery after considering the normative auxiliary consumption, station wise POC losses for the period from October 2023 to December 2023 and considering share allocation to Uttarakhand. The summary of energy availability from Sasan UMPP for FY 2024-25 as estimated by the Petitioner and the Commission is shown in the Table below:

**Table 4.21: Energy Availability from Sasan UMPP at State periphery for FY 2024-25 (MU)**

| Station | Estimated by UPCL | Approved |
|---|---|---|
| Sasan UMPP | 674.94 | 713.25 |

### 4.5.10 *Power purchase from State Gas Generating Station*

The Commission to project energy availability from gas based generating stations sought the station wise energy availability for FY 2024-25 from the Petitioner. The Petitioner in its reply submitted that out of total 896 MUs considered from gas based generating stations, energy availability from Shravanti gas based station is 597.33 MUs and from Gama Infraprop gas based station is 298.67 MUs. The Commission observes that the Petitioner has considered Rs. 7.37/kWh as variable cost of generation based on the current tie-up with state base gas generator (11.7 $/MMBtu). As the current price of the gas is expected to be the same in the next six months also, the Commission has, therefore, considered the energy availability from the gas based stations based on the contracted capacity and by considering PLF of 50%. The summary of energy availability from these stations for FY 2024-25 as estimated by the Petitioner and the Commission is shown in the Table below:

**Table 4.22: Energy Availability from State Gas Generating Stations at State periphery for FY 2024-25 (MU)**

| Station | Estimated by UPCL | Estimated by Commission |
|---|---|---|
| Gama Infraprop | 298.67 | 456.94 |
| Shravanthi Energy | 597.33 | 913.89 |
| **Total** | **896.00** | **1,370.83** |

### 4.5.11 *Power purchase from Greenko Budhil Hydro*

The Commission has considered the energy availability from Greenko Budhil Hydro with whom UPCL has a PPA for 70 MW, 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 2023 to December 2023 and also excluding the free share of Himachal Pradesh. The summary of energy availability from Greenko Budhil Hydro for FY 2024-25 as estimated by the Commission is shown in the Table below:

**Table 4.23: Energy Availability from Greenko Budhil Hydro at State periphery for FY 2024-25 (MU)**

| Station | Estimated by UPCL | Approved |
|---|---|---|
| Greenko Budhil Hydro | 220.47 | 225.68 |

### 4.5.12 *Power purchase from upcoming generating stations*

With regard to Tapovan Vishnugad, the Commission observes that the commissioning of the station is delayed and is expected to spill over and, therefore, the power from the same has not been considered.

### 4.5.13 *Energy available from Firm Sources*

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

**Table 4.24: Energy Availability from Firm Sources at State periphery for FY 2024-25 (MU)**

| Generating Stations | UPCL | Approved |
|---|---|---|
| UJVN Ltd. | 4802.69 | 4691.38 |
| NHPC | 801.00 | 873.51 |
| THDC | 700.59 | 724.79 |
| NTPC | 2940.80 | 3282.61 |
| NPCIL | 315.26 | 441.24 |
| SJVNL | 272.35 | 321.98 |
| Renewables | 1,203.54 | 1,203.54 |
| Vishnu Prayag | 196.44 | 202.51 |
| Tehri PSP | 0.00 | 0.00 |
| Sasan UMPP | 674.94 | 713.25 |
| Gamma Infra | 298.67 | 456.94 |
| Shravanthi Energy | 597.33 | 913.89 |
| Greenko Budhil Hydro | 220.47 | 225.68 |
| GVK Srinagar Free Power | 161.03 | 134.16 |
| L&T Free Power | 56.11 | 56.11 |
| Rajwakti and Debal Free Power | 4.00 | 4.00 |
| Vishnu Ghad Tapovan | 236.14 | - |
| SJVN Mauri | 31.82 | 31.82 |
| Tapovan Vishnugad (520 MW)_NTPC | 77.45 | - |
| SECI_Solar (100 MW)_Vanila | 142.96 | 142.96 |
| SECI_Solar (100 MW)_RTC | 672.77 | 672.77 |
| Khurja Super thermal power plant | 308.39 | 308.39 |
| SJVN Ltd_Solar (200 MW) 50 MW in 23-24 & 200 MW from 24-25 | 285.93 | 285.93 |
| **Total Firm Sources** | **15000.66** | **15687.47** |

### 4.5.14 *Power Purchase for fulfilling RPO*

UPCL in accordance with UERC (Tariff and Other Terms for Supply of Electricity from Renewable Energy Sources and non-fossil fuel based Co-Generating Stations) Regulations, 2018 had proposed to fulfil the RPO over and above the estimated power purchase from renewable energy sources by purchase of RECs. The Petitioner submitted that wind power obligation was expected to be covered under the proposal of 100 MW RTC Power (70 MW Wind and 30 MW Solar) proposed by M/s SECI which was supposed to be commissioned in April 2024, however, the 70 MW wind power has been commissioned and M/s SECI and UPCL are exploring the way to purchase this power under the same agreement. The Petitioner further submitted that the deficit with regards to

WPO may be allowed to be met out by excess HPO which is already in excess. The Commission has gone through the submissions of the Petitioner, and it is observed that the Commission has notified the UERC (Tariff and Other Terms for Supply of Electricity from Renewable Energy Sources and non-fossil fuel based Co-Generating Stations) Regulations, 2023 on 16th August 2023. The Commission, in accordance with the Regulations has computed the RPO compliance for FY 2024-25.

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 2024-25 as follows.

**Table 4.25: Additional Purchase for fulfilling RPO for FY 2024-25**

| Particulars | Units | Approved |
|---|---|---|
| Total Power Purchase at State Periphery (excl. Banking Payable) | MU | 17145.81 |
| RPO | | |
| Wind | % | 2.46% |
| Other RPO | % | 26.37% |
| HPO | % | 1.08% |
| RPO | | |
| Wind | MU | 421.79 |
| Other RPO | MU | 4521.35 |
| HPO | MU | 185.17 |
| **Total** | **MU** | **5128.31** |
| Purchase from Renewable Sources | | |
| Wind | MU | 0.00 |
| Other RPO | MU | 7780.27 |
| HPO | MU | 353.00 |
| **Total** | **MU** | **8133.27** |
| Unmet target | | |
| Wind | MU | 421.79 |
| Other RPO | MU | 0.00 |
| HPO | MU | 0.00 |
| **Total** | **MU** | **421.79** |

As can be seen from the above Table, there is a surplus of 167.83 MU from HPO sources. The Petitioner has requested that any shortfall in achievement of 'Wind RPO' in a particular year may be allowed to be met with excess energy consumed from Hydro Power Plants, which is in excess of 'HPO' for that year. The Petitioner has further requested to allow adjustment of any shortfall in achieving other RPO with excess wind and excess HPO. 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 421.79 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 in the subsequent section of this Chapter.

### 4.5.15 *Deficit/(Surplus) Energy*

The Petitioner, in its Petition has submitted that the availability from the existing stations and upcoming stations shall not be sufficient to meet the increasing demand of the State. Therefore, the Petitioner has to rely on other sources to meet the demand of the State. Accordingly, the Petitioner has projected monthly purchase of power through open market in power deficit months for FY 2024-25.

The Commission observes that in addition to the energy required for meeting the projected sales for FY 2024-25, the Petitioner has to return banked power to the tune of 525.29 MUs which the Petitioner received during FY 2023-24. The Commission sought details of the month wise quantum of power to be returned, the Petitioner in its reply submitted the same and the Commission has, therefore, included the same while computing deficit for FY 2024-25. In addition to the return Banking, the Petitioner has also projected that it will require additional 118.80 MU of energy towards conversion losses of Tehri PSP. The Commission has considered the same while projecting the energy deficit.

The energy deficit estimated by the Commission for FY 2024-25 after considering power procurement to meet RPO, return Banking and additional energy required by Tehri PSP is as shown in the Table given below:

**Table 4.26: Quantum Energy deficit for FY 2024-25 (MU)**

| Particulars | Approved |
|---|---:|
| Energy requirement at State periphery | **17145.81** |
| Less: Total Energy available from firm sources | **15687.47** |
| Less: Power Procurement to meet RPO | 421.79 |
| Add: Return Banking | 525.29 |
| Add: Tehri PSP – Conversion Losses | 118.80 |
| **Deficit/(Surplus)** | **1680.64** |

The Commission while projecting the power purchase, has first projected the monthly power purchase requirement of the Petitioner and monthly availability from various sources. Based on the monthly requirement and availability, it is observed that the Petitioner is in deficit in all the months, except in the month of August 2024, after considering the quantum of power to be returned which was banked earlier.

In this regard it is relevant to refer to the third proviso to Regulation 73(1) of the MYT Regulations, 2021 which 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 Regulation 75 and should endeavor to meet its requirement from long term and medium term power procurement and make a plan accordingly."*

Regulation 75 of MYT Regulations, 2021 lays down conditions under which the distribution licensee can resort to short-term power procurement. However, it has been observed that the Petitioner has been consistently relying continuously on short term procurement, i.e. by way of tender through DEEP Portal or by purchase from exchange. The Commission in its past Orders have been warning the Petitioner for its over reliance on short term purchases, however, despite several directions, the Petitioner has failed to tie up atleast 90-95% of its total power requirement on long/medium term basis for which hefty price is being paid by the consumers of the State by way of costlier power purchases/load sheddings when power is not cleared from exchanges.

**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 also directed to submit its power purchase plan for FY 2024-25 latest by 15$^{th}$ May, 2024.**

### 4.5.16 *Cost of Power Purchase*

The Petitioner submitted that the cost of power purchase has been projected based on the following assumptions.

- **UJVN Ltd.**: The Petitioner for FY 2024-25 has considered fixed charges approved by the Commission for FY 2023-24 without any arrears and escalation. Variable Cost for

FY 2024-25 has been computed by pro-rating the variable cost of 6 months of FY 2023-24 without arrears and escalation is considered.

- **NTPC, NHPC, SJVNL, THDC, NPCIL, UREDA solar, UREDA Biomass, Co-Generating Station and IPP Hydro:** For FY 2024-25, the Petitioner has considered pro-rated Fixed Cost of 6-months of FY 2023-24 without arrears & escalation. Further, pro-rated variable cost of 6 months of FY 2023-24 without arrears and escalation is considered for FY 2024-25.

- **State Gas Generating Station:** The Petitioner for FY 2024-25 has considered fixed charges approved by the Commission for FY 2023-24 without any arrears and escalation. For projecting variable charges, the Petitioner has submitted that the variable cost has been considered taking into account the prevailing rate of $11.7 per MMBTu, based on current tie-up with state base gas generator. Considering the same, the Petitioner has considered cost of gas as Rs. 11.7 $/MMBTU translating to a variable charge of Rs. 7.37 /kWh.

- **Cost of Power from new stations:** For Tehri PSP, the Commission sought justification for projecting cost of Rs. 222.75 Crore. The Petitioner in its reply submitted that the annual energy that shall be pumped from Tehri PSP is 3104 MUs. Considering round trip efficiency of 79.73% total annual energy generated is 2475 MUs. Further as UPCL's share is 20%, therefore, the energy received at UPCL periphery shall be 495 MU. The Petitioner submitted that levelised charge of Rs. 4.50 per unit has been considered towards delivered energy. The Petitioner also submitted supporting working as per CERC Tariff Regulations.

- **Cost of Free Power:** The cost of free power has been calculated based on the approach adopted by the Commission in its earlier Tariff orders. The rate of State royalty/free power has been considered equal to the average rate of power procured by the Petitioner from large hydro stations.

- **Short Term Purchase for deficit power:** The Petitioner has proposed to procure the net deficit through short term purchase at the rate of Rs. 5.62/kWh at State Periphery.

The Petitioner in its Petition has projected the average power purchase cost of Rs. 4.43/kWh for FY 2024-25 at State Periphery.

The Commission has estimated the cost of power purchase from various sources as detailed below:

**Table 4.27: Approach of the Commission in estimating the Cost of Power Purchase for FY 2024-25**

| Source | Approach of the Commission in estimating the cost of power purchase |
|---|---|
| UJVN Ltd. | The Commission has considered the approved Tariff of UJVN Ltd. (9 LHPs) for FY 2024-25. 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 provisionally approved by the Commission has been considered.<br>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.<br>Further, the Commission has considered the Water Tax equivalent to Water Tax paid in FY 2022-23. |
| NHPC Ltd., THDC Ltd., SJVN Ltd. | The tariff for these stations has been considered equal to approved Annual Fixed Charges (AFC) for FY 2024-25 for stations whose tariff has been approved for 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 2024-25 for stations whose tariff has been approved for 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 2024-25, to avoid substantial impact on FPPCA, the weighted average rate of actual Energy Charges for the months of October 2023 to December 2023 has been considered. |
| NPCIL | The tariff for NPCIL stations has been considered based on the actual billing during FY 2023-24 without any escalation. |
| Renewable energy sources | For solar generating sources, cost has been considered as projected by the Petitioner, and w.r.t. other renewable sources, the cost as determined by the Commission in accordance with applicable RE Regulations has been considered. |
| Sasan UMPP | The applicable tariff for FY 2024-25 as per the PPA has been considered. |
| Gama and Shravanthi CCPP | The tariff for this station has been considered as approved by the Commission for FY 2024-25. Further, the Commission has also considered impact of truing up of FY 2022-23 including true up of Energy Charges. Further, variable charge of Rs. 7.37/kWh has been taken as considered by the Petitioner. |
| Greenko Budhil Hydro | The tariff for this station has been considered as approved by the Commission for FY 2024-25 including truing up impact of FY 2022-23. |
| Additional purchase for fulfilling RPO | 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 power to meet the RPO. |
| Upcoming Stations | Tariff as considered by UPCL has been approved. |
| Deficit purchase | The tariff for deficit purchase has been considered as Rs. 5.62/kWh at State periphery, as considered by the Petitioner. |

- **Power Purchase Rate for Free Power:** The Commission in the past has been approving rate of free power considering average rate of power procurement by the Petitioner from Large Hydro generating stations which included UJVNL main stations, Maneri Bhali-II, NHPC stations, and stations of THDC and SJVNL. In this regard, the Government of India's Electricity (Removal of Difficulty) Third Order, 2005 issued vide its notification dated June 8, 2005 on the subject stipulates as follows:

  *"**2. Disposal of free electricity received by a State Government from hydro generating stations:-***

  *The State Government receiving free electricity from hydro power generating stations shall have the discretion to dispose off such electricity in the manner it deems fit according to the provisions of the Act.*

  *Provided that if such electricity is sold by the State Government to a distribution licensee, the concerned State Commission shall have powers to regulate the price at which such electricity is procured by the distribution licensee."*

As per the statutory framework, the Commission is empowered to regulate the price at which the UPCL will purchase free power from GoU. The State Government gets free power from all the small and large hydro generating stations in Uttarakhand except those owned by UJVN Ltd./UREDA and in turn sells it to UPCL, the distribution licensee in the State. The total AFC of the Central Generating stations are recovered based on the balance generation, i.e. the total generation less free share, thereby, implying that in effect they do not bear the burden of giving free electricity. Hence, the total AFC is shared by the States having allocation in the generation of the generating station. This also indicates that the consumers in the State of Uttarakhand bears some portion of the cost and are also burdened additionally by way of cost of free power to UPCL. However, the impact of this grossed up rate as discussed above of CGS is marginal on the State consumers, as only 3-4% of total capacity of these CGS is actually allocated to the State by the MoP/Central Government.

The Commission, accordingly, in the interest of consumers of the State has revisited the methodology adopted by it for computation of rate of free power. The previous methodology no more holds good on account of steep revisions in the capital cost of new hydro generating stations and in turn their tariffs, as is evident from the tariffs claimed for Vyasi HEP. Moreover, all the old stations of UJVN Ltd. are also undergoing RMU which will further increase the costs. the consumer will not only have to bear the burden of higher tariffs of hydro generating stations but will also have an additional burden of cost of free power getting increased as a resultant of the higher tariffs of new generating stations. Accordingly, the Commission is of the view that the free power rate should reflect a fair and reasonable price to the consumers also. Hence, the Commission is of the opinion that only the large hydro generating stations commissioned prior to 31.03.2022 shall be considered for calculation of the rate of free power.

Accordingly, the rate of free power, by this principle for FY 2024-25 works out to Rs. 2.32/ kWh as shown in the Table below:

**Table 4.28: Rate of Free Power for FY 2024-25**

| Particulars | Quantum | Total Cost | Average Cost |
|---|---|---|---|
| | MU | Rs. Crore | Rs./kWh |
| UJVN Ltd. (9 LHPs) | 2888.09 | 503.11 | 1.74 |
| Maneri Bhali II | 1279.89 | 207.05 | 1.62 |
| NHPC | 643.76 | 232.41 | 3.61 |
| THDC | 215.40 | 109.70 | 5.09 |
| SJVNL | 321.98 | 120.21 | 3.73 |
| Greenko | 225.68 | 78.23 | 3.47 |
| Koldam | 200.97 | 88.09 | 4.38 |
| Kishanganga | 33.88 | 9.78 | 2.89 |
| **Average** | **5809.65** | **1348.57** | **2.32** |

The summary of estimated power purchase cost for FY 2024-25 is as shown in the Table below:

**Table 4.29: Summary of Power Purchase Cost for FY 2024-25**

| Generating Stations | Claimed | | | 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) | 3030.75 | 690.69 | 2.28 | 2888.09 | 593.85 | 2.06 |
| Maneri Bhali II | 1252.18 | 265.11 | 2.12 | 1279.89 | 258.24 | 2.02 |
| Small Hydro | 165.92 | 33.99 | 2.05 | 170.40 | 28.46 | 1.67 |
| **Total UJVN Ltd.** | **4448.85** | **989.79** | **2.22** | **4338.38** | **880.55** | **2.03** |
| NHPC | | | | | | |
| Salal | 37.59 | 15.53 | 4.13 | 38.69 | 7.59 | 1.96 |
| Tanakpur | 11.81 | 20.35 | 17.23 | 18.74 | 10.91 | 5.82 |
| Chamera I | 68.49 | 16.43 | 2.40 | 63.85 | 14.71 | 2.30 |
| Chamera II | 22.80 | 7.46 | 3.27 | 34.38 | 8.19 | 2.38 |
| Chamera III | 52.48 | 28.05 | 5.35 | 58.13 | 26.47 | 4.55 |
| Uri | 92.28 | 26.53 | 2.87 | 94.42 | 20.82 | 2.20 |
| Dhauliganga | 59.49 | 27.42 | 4.61 | 74.88 | 18.28 | 2.44 |
| Dulhasti | 108.69 | 64.31 | 5.92 | 132.98 | 53.77 | 4.04 |
| Sewa II | 31.76 | 20.48 | 6.45 | 31.11 | 14.23 | 4.57 |

**Table 4.29: Summary of Power Purchase Cost for FY 2024-25**

| Generating Stations | Claimed | | | 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 |
| Uri II | 81.59 | 48.68 | 5.97 | 65.77 | 33.31 | 5.06 |
| Parbati III | 25.75 | 25.21 | 9.79 | 30.81 | 24.14 | 7.84 |
| Kishanganga | 22.96 | 12.44 | 5.42 | 33.88 | 9.78 | 2.89 |
| Free Power-Tanakpur | 49.60 | 16.66 | 3.36 | 57.80 | 13.42 | 2.32 |
| Free Power-Dhauliganga | 135.71 | 45.57 | 3.36 | 138.07 | 32.05 | 2.32 |
| **Total NHPC** | **801.00** | **375.11** | **4.68** | **873.51** | **287.66** | **3.29** |
| THDC | | | | | | |
| Tehri HEP | 109.99 | 59.74 | 5.43 | 131.10 | 56.17 | 4.28 |
| Free Power-Tehri HEP | 376.49 | 126.43 | 3.36 | 369.44 | 85.76 | 2.32 |
| Koteshwar HEP | 73.70 | 52.28 | 7.09 | 84.30 | 53.53 | 6.35 |
| Free Power-Koteshwar HEP | 140.41 | 47.15 | 3.36 | 139.95 | 32.49 | 2.32 |
| **Total THDC** | **700.59** | **285.59** | **4.08** | **724.79** | **227.94** | **3.14** |
| NTPC | | | | | | |
| Singrauli STPS | 694.31 | 176.76 | 2.55 | 713.63 | 176.72 | 2.48 |
| Rihand STPS | | | | | | |
| Rihand I | 261.88 | 68.41 | 2.61 | 299.39 | 76.22 | 2.55 |
| Rihand II | 272.83 | 68.19 | 2.50 | 272.62 | 67.56 | 2.48 |
| Rihand III | 300.10 | 103.48 | 3.45 | 313.13 | 99.04 | 3.16 |
| Unchahar TPS | | | | | | |
| Unchahar I | 141.82 | 101.42 | 7.15 | 178.29 | 112.16 | 6.29 |
| Unchahar II | 81.58 | 45.18 | 5.54 | 84.70 | 48.00 | 5.67 |
| Unchahar III | 72.92 | 50.24 | 6.89 | 68.59 | 43.17 | 6.29 |
| Anta CCPP | 4.58 | 42.83 | 93.52 | 11.42 | 17.62 | 15.43 |
| Auraiya CCPP | 16.06 | 42.70 | 26.59 | 25.23 | 36.06 | 14.30 |
| Dadri CCPP | 68.70 | 97.44 | 14.18 | 45.29 | 41.53 | 9.17 |
| Dadri (NCTPP) | 13.43 | 12.08 | 8.99 | 40.53 | 25.74 | 6.35 |
| Jhajjar | 83.27 | 59.39 | 7.13 | 86.10 | 59.76 | 6.94 |
| Kahalgaon TPS | 183.10 | 78.77 | 4.30 | 264.30 | 103.66 | 3.92 |
| Koldam | 195.55 | 119.52 | 6.11 | 200.97 | 88.09 | 4.38 |
| Unchahar IV | 142.62 | 111.06 | 7.79 | 161.98 | 109.85 | 6.78 |
| Tanda II | 234.32 | 145.88 | 6.23 | 228.32 | 114.16 | 5.00 |
| **Total NTPC** | **2767.07** | **1323.35** | **4.78** | **2994.51** | **1219.34** | **4.07** |
| NPCIL | | | | | | |
| Narora APP | 147.38 | 47.65 | 3.23 | 156.02 | 48.68 | 3.12 |
| Rajasthan APP | 167.87 | 65.57 | 3.91 | 285.23 | 116.37 | 4.08 |
| **Total NPCIL** | **315.26** | **113.23** | **3.59** | **441.24** | **165.05** | **3.74** |
| SJVNL | | | | | | |
| Nathpa Jhakri HEP | 63.19 | 22.74 | 3.60 | 101.93 | 26.04 | 2.55 |
| Rampur HPS | 209.16 | 104.63 | 5.00 | 220.06 | 94.17 | 4.28 |
| **Total SJVNL** | **272.35** | **127.37** | **4.68** | **321.98** | **120.21** | **3.73** |
| Renewables | 1,203.54 | 625.39 | 5.20 | 1203.54 | 625.39 | 5.20 |
| Free Power-Vishnu Prayag | 196.44 | 65.96 | 3.36 | 202.51 | 47.01 | 2.32 |
| Sasan UMPP | 674.94 | 102.86 | 1.52 | 713.25 | 99.86 | 1.40 |
| Gamma Infra | 298.67 | 342.04 | 11.45 | 456.94 | 428.80 | 9.38 |
| Shravanthi Energy | 597.33 | 684.05 | 11.45 | 913.89 | 929.02 | 10.17 |
| **Total Gas** | **896.00** | **1,026.08** | **11.45** | **1,370.83** | **1,357.82** | **9.91** |
| Meja Power Plant | 173.73 | 112.89 | 6.50 | 288.10 | 187.21 | 6.50 |
| Greenko Budhil Hydro | 220.47 | 77.85 | 3.53 | 225.68 | 78.23 | 3.47 |
| GVK Srinagar | 161.03 | 54.08 | 3.36 | 134.16 | 31.14 | 2.32 |
| Vyasi | 353.84 | 268.92 | 7.60 | 353.00 | 268.28 | 7.60 |

### Table 4.29: Summary of Power Purchase Cost for FY 2024-25

| Generating Stations | Claimed | | | 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 |
| L&T Free Power | 56.11 | 18.09 | 3.22 | 56.11 | 13.03 | 2.32 |
| Rajwakti and Debal | 4.00 | 1.29 | 3.23 | 4.00 | 0.93 | 2.32 |
| Tapovan Vishnu Gad | 236.14 | 79.30 | 3.36 | - | - | - |
| SJVN Mauri | 31.82 | 10.26 | 3.22 | 31.82 | 7.39 | 2.32 |
| Tapovan Vishnugad (520 MW)_NTPC | 77.45 | 32.27 | 4.17 | - | - | - |
| SECI_Solar (100 MW)_Vanila | 142.96 | 35.44 | 2.48 | 142.96 | 35.44 | 2.48 |
| SECI_Solar (100 MW)_RTC | 672.77 | 203.23 | 3.02 | 672.77 | 203.23 | 3.02 |
| Khurja Super thermal power plant | 308.39 | 115.97 | 3.76 | 308.39 | 115.96 | 3.76 |
| SJVN Ltd_Solar (200 MW)<br>50 MW in 23-24 & 200 MW from 24-25 | 285.93 | 76.54 | 2.68 | 285.93 | 76.54 | 2.68 |
| **Total Firm Sources** | **15000.66** | **6120.86** | **4.08** | **15687.47** | **6048.18** | **3.86** |
| Bank Received | 361.92 | 199.69 | 5.52 | - | - | - |
| Deficit Purchase | 2074.68 | 1166.39 | 5.62 | 1155.35 | 649.54 | 5.62 |
| Cost of meeting RPO | - | - | - | 421.79 | 168.71 | 4.00 |
| Fixed Charges for THDC-PSP | -118.80 | 222.75 | 0.00 | - | 222.75 | 0.00 |
| Banking payable | -368.55 | -195.22 | 0.00 | 525.29 | 295.32 | 5.62 |
| **Total** | **16949.93** | **7514.47** | **4.43** | **17789.90** | **7384.50** | **4.15** |

**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 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.**

### Table 4.30: Quarterly Power Purchase approved by the Commission for FY 2024-25

| Quarter | Sales (MU) | Power Purchase Quantum (MU) | Power Purchase Cost (Rs. Crore) |
|---|---|---|---|
| April – June | 3672.75 | 4442.33 | 1843.99 |
| July – September | 3868.22 | 4678.76 | 1942.13 |
| October – December | 3617.86 | 4375.94 | 1816.43 |
| January – March | 3549.19 | 4292.88 | 1781.95 |
| **Total** | **14708.02** | **17789.90** | **7384.50** |

Further, the monthly sales for FY 2024-25 as approved by the Commission is as follows:

**Table 4.31: Monthly Sales approved by the Commission for FY 2024-25**

| Month | Sales (MU) |
|---|---|
| Apr-24 | 1,132.20 |
| May-24 | 1,198.94 |
| Jun-24 | 1,341.61 |
| Jul-24 | 1,320.04 |
| Aug-24 | 1,292.63 |
| Sep-24 | 1,255.55 |
| Oct-24 | 1,203.28 |
| Nov-24 | 1,192.90 |
| Dec-24 | 1,221.68 |
| Jan-25 | 1,232.21 |
| Feb-25 | 1,168.24 |
| Mar-25 | 1,148.74 |
| **Total** | **14,708.02** |

Moreover, it has been observed that the Petitioner has been continuously resorting to short term power purchase. As dealt in above, in this regard, third proviso of Regulation 73(1) of UERC Tariff Regulations, 2021 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 endeavour 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 FY 2024-25, it has been observed that the Petitioner is having deficits in all the months. **Accordingly, the Petitioner is directed 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.**

## 4.6 Transmission Charges

### 4.6.1 *Inter-State Transmission Charges Payable to PGCIL*

The Petitioner submitted that it has considered the actual inter-state transmission charges excluding arrears of FY 2022-23 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 PGCIL network from April, 2023 to March, 2024. The Petitioner has proposed the Inter-State Transmission Charges of Rs. 1007.33 Crore. The Commission observes that the transmission charges as per Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022, is dependent on the Access quantum and not on per unit basis. The Commission, therefore, has escalated actual ISTS transmission charges paid for FY 2022-23 by 5% considering that the access quantum will increase due to increase in sales projected. In accordance with the above approach the Commission has estimated Inter-State transmission charges as Rs. 765.82 Crore which shall be subject to true up based on the actual expenses incurred.

### 4.6.2 *Intra-State Transmission Charges payable to PTCUL*

The Petitioner submitted that the Intra-State Transmission Charges including SLDC charges for FY 2024-25 has been projected by considering the total Annual transmission charges approved by the Commission in its Tariff Order dated March 30, 2023.

The Commission has approved the Annual Transmission Charges for PTCUL and SLDC charges of Rs. 380.60 Crore for FY 2024-25 (Rs. 364.37 Crore for PTCUL and Rs. 16.23 Crore for SLDC) for FY 2024-25 vide its Order dated March 28, 2024. Hence, the Commission has considered the same in the approval of ARR for FY 2024-25 for the Petitioner.

The Transmission Charges claimed by the Petitioner and approved by the Commission for

FY 2024-25 is as shown in the Table given below:

**Table 4.32: Transmission Charges for FY 2024-25 (Rs. Crore)**

| Particulars | Claimed by UPCL | Approved |
|---|---|---|
| Inter-State Transmission Charges | 1007.33 | 765.82 |
| Intra-State Transmission Charges | 456.40 | 380.60 |
| **Total** | **1463.73** | **1146.42** |

## 4.7 Water tax

The Petitioner in its Petition has not sought water tax for FY 2024-25. The Commission has, however, approved the water tax of Rs. 224.86 Crore for FY 2024-25 same as that actually incurred in FY 2022-23.

## 4.8 GFA and Additional Capitalisation

### 4.8.1 *GFA base for FY 2024-25*

The Commission vide its MYT Order dated March 31, 2022 on approval of ARR for FY 2022-23 had approved the capitalisation of Rs. 877.79 Crore and Rs. 858.68 Crore for FY 2023-24 and FY 2024-25 respectively. As against the same, the Petitioner has proposed the capitalisation of Rs. 763.41 Crore and Rs. 1212.36 Crore for FY 2023-24 and FY 2024-25 respectively.

The Petitioner in its Petition has submitted that the capital investment plan aims to achieve loss reduction, cater to increasing load demand besides improving the quality of supply to the consumers as well as improving reliability of the system. The Petitioner submitted that it has carried out the detailed analysis of capital investment required for FY 2023-24 and FY 2024-25. The Petitioner projected capital expenditure for FY 2023-24 as Rs. 811.65 Crore and for FY 2024-25 as Rs. 1610.71 Crore. The Petitioner further submitted that the capital investment is proposed under the following benefit centres:

a) Load growth.
b) Loss reduction.
c) System reliability and safety improvement.
d) Creation of Infrastructure Facilities & other misc. works.

The Petitioner has further submitted various schemes to achieve the above targets as shown below:

a) Load growth:
   i. New substation projects.
   ii. Augmentation of existing substations
   iii. Release of New PTW Connections.
   iv. Installation of meters for giving new connections.
   v. Installations of Breakers (new).
   vi. CSS 990 kVA where two transformers are installed at the same place.
   vii. Laying of LT lines for new connections.

b) Loss reduction:
   i. 11 kV and 33 kV covered cable for forest area.
   ii. Laying of LT ABC cables in theft prone areas.
   iii. Replacement of defective single phase and three phase meters.
   iv. Laying of 11 kV and 33 kV underground cables.

c) System reliability & safety improvement:
   i. Additional Transformers installation with associated 11 kV.
   ii. Installation of LT protection system on the transformers.
   iii. Safety Measures.
   iv. Smart Grid projects for industrial areas.

d) Creation of infrastructure facilities & other misc. works:
   i. Procurement of Sub-station and consumer meter testing equipment.
   ii. Consumer care centres, e-payment of bills and cash collection centres.
   iii. New and emerging technologies and miscellaneous works like, new vehicles, office infrastructure, IT infrastructure, etc.

The Petitioner submitted that the majority of the old schemes of Government of India, i.e. R-APDRP, IPDS, Saubhagya, etc. have either been closed or have been merged with new RDSS scheme. Therefore, it has considered the schemes which are currently under progress viz. DDUGJY (which is also expected to be completed in FY 2023-24) and RDSS.

The capital expenditure and additional capitalisation as proposed in the Petition is as shown in the Table below:

**Table 4.33: Proposed Capital Expenditure and Capitalisation for FY 2023-24 and FY 2024-25 (Rs. Crore)**

| Particulars | Proposed Capital expenditure | Capitalization As per Tariff Petition |
|---|---|---|
| FY 2023-24 | 811.65 | 763.40 |
| FY 2024-25 | 1610.71 | 1212.35 |
| **Total** | **2422.36** | **1975.76** |

The Commission has gone through the submissions of the Petitioner. It is observed that the Petitioner has projected lower capitalisation in FY 2023-24 and higher capitalisation in FY 2024-25 than that approved in the MYT Order dated March 31, 2022.

The Commission observed that the Petitioner has made a considerable upward revision of additional capitalisation and there is considerable gap between the amount approved vis-à-vis now projected by the Petitioner for FY 2024-25 without much basis. The Commission, in the absence of any justification has approved the capitalisation for FY 2024-25 as approved in the MYT Order dated March 31, 2022.

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 Commission has, accordingly, approved the capitalization and GFA for FY 2024-25.

Based on the above, the GFA base approved by the Commission for FY 2024-25 is as shown in the Table below:

**Table 4.34: 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 | 8998.03 | 9986.63 | 9019.14 |
| 2. | Total addition during the year | 858.68 | 1212.36 | 858.68 |
| 3. | Closing value | 9856.70 | 11198.99 | 9877.82 |

## 4.9 Means of Finance

The Commission, as discussed above, has considered the capitalisation for FY 2024-25 as Rs. 858.68 Crore. The Commission with regards to funding proposed by the Petitioner observed that the percentage of equity funding after taking out the grant component is more than the permissible normative limit of 30%. The Commission has, therefore, considered the financing for FY 2023-24 as approved in tariff Order dated 30.03.2023 and for FY 2024-25 as approved in MYT Order dated

31.03.2022. The approved financing is as shown in the Table below.

**Table 4.35: Means of Finance approved by the Commission (Rs. Crore)**

| Particulars | FY 2023-24 | FY 2024-25 |
|---|---|---|
| Capitalisation | 662.52 | 858.68 |
| **Financing** | | |
| Grant | 282.73 | 392.95 |
| Debt | 265.85 | 329.12 |
| Equity | 113.94 | 136.61 |
| **Total** | **662.52** | **858.68** |

## 4.10 Interest and Finance Charges

The Petitioner submitted that the interest on loan for FY 2024-25 has been computed by considering the revised closing balance of FY 2022-23 based on the addition in FY 2022-23. Further, the closing balance of FY 2022-23 has been considered as opening balance for FY 2023-24 and subsequently the proposed capitalisation for FY 2023-24 has been added to arrive at the closing balance of FY 2023-24 which has then been taken as the opening balance of FY 2024-25. The Petitioner further submitted that new loans for FY 2023-24 and FY 2024-25 has been considered as per the means of financing of capitalization, while the repayment has been considered equivalent to the depreciation for FY 2023-24 and FY 2024-25 in line with the UERC Tariff Regulations, 2021. Rate of interest of 10.76% has been applied which is in line with the existing arrangement of loans with REC and PFC and other financial institutions. The Petitioner has, accordingly, claimed Interest on Normative loan balance for FY 2024-25 as Rs. 148.52 Crore.

The Petitioner submitted that it has considered interest against REC (Old Loans) as per the repayment schedule in accordance with the Tariff Order for FY 2009-10 dated October 23, 2009 and is as shown in the Table below.

**Table 4.36: Repayment Schedule for REC old loans**

| Particulars | Amount (Rs. Crore) |
|---|---|
| FY 2023-24 | 1.00 |
| FY 2024-25 | - |

The Petitioner has claimed yearly financing charges of Rs. 11.26 Crore for 2024-25. Further, for computing the interest on security deposit, the Petitioner has considered addition in consumer security deposit for FY 2022-23 and has escalated the same based on the number of consumers projected and the average amount of consumer security deposit per consumer. The Petitioner has considered interest rate of 6.75% and has, accordingly, claimed the interest on consumer security deposit of Rs. 67.07 Crore for FY 2024-25.

Accordingly, the Petitioner has claimed the total interest and financing charges of Rs. 226.85 Crore for FY 2024-25.

Regulation 27 of the UERC Tariff Regulations, 2021 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 01.04.2022 shall be worked out by deducting the cumulative repayment as admitted by the Commission up to 31.03.2022 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 2022-23 as opening loan balance for FY 2023-24 as discussed in Chapter 3 of the Order. Thereafter, the Commission has considered the loan addition during FY 2023-24 and FY 2024-25 as per the approved means of finance for the respective years. The Commission has considered the depreciation for FY 2023-24 and FY 2024-25 as the normative repayment for these years. Accordingly, the Commission has worked out the closing loan balance for FY 2023-24 and FY 2024-25.

With regard to the computation of the rate of interest, the Commission has considered the weighted average rate of interest of 10.76% as approved for FY 2022-23.

The Commission has determined the interest on loan by applying the interest rate of 10.76% on the amount of average of the opening loan & closing loan excluding the loan additions corresponding to the assets capitalised during FY 2024-25.

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.

Further, the financing charges of Rs. 1.37 Crore as approved for FY 2022-23 has been considered for FY 2024-25. Interest on security deposit has been considered as Rs. 67.07 Crore as claimed by the Petitioner. Thus, the total interest expenses approved for FY 2024-25 works out to Rs. 153.05 Crore as against the Petitioner's claim of Rs. 226.85 Crore.

Accordingly, the interest on loan approved by the Commission for FY 2024-25 is as shown in the Table given below:

**Table 4.37: Interest on Loan approved by the Commission for FY 2024-25 (Rs. Crore)**

| Particulars | Claimed | Allowable |
|---|---|---|
| Opening Loan balance | 1303.98 | 912.88 |
| Drawal during the year | 491.09 | 329.12 |
| Repayment during the year | 338.23 | 252.95 |
| Closing Loan balance | 1456.85 | 989.05 |
| Interest Rate | 10.76% | 10.76% |
| **Interest on Loan** | **148.52** | **84.61** |
| Other finance charges | 11.26 | 1.37 |
| Guarantee fee | - | - |
| Interest on CSD | 67.07 | 67.07 |
| Rebate for online payments | - | - |
| **Total Interest** | **226.85** | **153.05** |

## 4.11 Depreciation

The Petitioner submitted that the asset class wise depreciation has been computed considering the average GFA and the rates of depreciation specified in the UERC Tariff Regulations, 2021. The Petitioner submitted that the average depreciation rate of 5.12% has been applied on the Opening GFA for FY 2024-25. Assets created from grants and deposit works have been excluded for the purpose of depreciation as per the provisions of the UERC Tariff Regulations, 2021.

Accordingly, the Petitioner has proposed the depreciation of Rs. 338.23 Crore for FY 2024-25.

Regulation 28 of the UERC Tariff Regulations, 2021 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 and for reasons discussed in Chapter 3 of this Order, the Commission at this stage has considered the weighted average rate of 5.12% computed for FY 2022-23 and has applied the same on the opening depreciable GFA for FY 2024-25.

The depreciation approved by the Commission for FY 2024-25 is as shown in the Table given below:

**Table 4.38: Depreciation approved for FY 2024-25 (Rs. Crore)**

| Particulars | Claimed | Allowable |
|---|---|---|
| Opening GFA | 9986.63 | 9019.14 |
| Grants | 3374.91 | 4074.33 |
| **Depreciable opening GFA** | **6611.72** | **4944.82** |
| Net addition during the year | 752.84 | 465.73 |
| Closing GFA | 7364.56 | 5410.54 |
| Depreciation rate | 5.12% | 5.12% |
| **Depreciation** | **338.23** | **252.95** |

## 4.12 Operation and Maintenance expenses

Regulation 84 of the UERC Tariff Regulations, 2021, with regard to the Operation and Maintenance expenses, specifies as follows:

*"**84. Operation and Maintenance Expenses***

*(1) The O&M expenses for the first year of the Control Period will be approved by the Commission taking into account 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., FY 2018-19 shall be approved based on the formula given below: -*

$O\&M_n = R\&M_n + EMP_n + A\&G_n$

*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:*

$EMP_n = (EMP_{n-1}) \times (1+G_n) \times (1+CPI_{inflation})$

$R\&Mn = K \times (GFA_{n-1}) \times (1+WPI_{inflation})$ *and*

$A\&Gn = (A\&G_{n-1}) \times (1+WPI_{inflation}) + Provision$

*Where –*

- $EMP_{n-1}$ *– Employee Costs for the (n-1)th year;*
- *A&Gn-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 approved by the Commission after prudence check.*

- *"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;*
- *CPI inflation – is the average increase in the Consumer Price Index (CPI) for immediately preceding three years;*
- *WPI inflation – 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 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 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, 2021, the O&M expenses for FY 2024-25 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 FY 2024-25 is detailed below.

### 4.12.1 *Employee Expenses*

The Commission had approved the employee expenses of Rs. 464.43 Crore for FY 2024-25 in its MYT Order dated March 31, 2022. As against the same, the Petitioner has computed the employee expenses as Rs. 451.72 Crore as per the UERC Tariff Regulations, 2021 considering the normative employee expenses for FY 2022-23.

The Petitioner has considered the CPI inflation of 5.40% per annum which is the average increase in CPI for preceding three years till the base year (FY 2020-21 to FY 2022-23). The Petitioner has considered growth factor as 2.00% for FY 2024-25. Further, the Petitioner has considered the capitalisation rate of 15.47% similar to actual capitalisation rate for FY 2022-23.

In accordance with the UERC Tariff Regulations, 2021, the Gn (growth factor) is to be considered in the computation of employee expenses. The Commission has considered the Gn as 0%

based on the actual status of recruitment process submitted by the Petitioner from which it has been observed that there are more retirements than recruitments. Moreover, the submissions made by the Petitioner with respect to the proposed recruitment do not provide any satisfactory assurance that the Petitioner will be able to conclude the proposed recruitment within the projected timelines as in some cases approval for the posts is yet to come from the State Government and in some cases recruitment notices have not been issued.

In accordance with UERC Tariff Regulations, 2021, CPI inflation which is the average increase in the Consumer Price Index (CPI) for the preceding three years, is to be considered. The Commission has calculated the annual growth in values of CPI (overall) based on the average of preceding three full years upto FY 2022-23 as 5.40%.

The Commission has considered the gross normative employee expenses approved in the true up for FY 2022-23 for projecting the employee expense for initially FY 2023-24 and then for FY 2024-25 in accordance with the UERC Tariff Regulations, 2021. Further, the Commission has considered the capitalisation rate of employee expenses as 15.47% based on the actual rate of capitalisation for FY 2022-23.

The normative employee expenses approved by the Commission for FY 2024-25 are as shown in the Table below:

**Table 4.39: Employee expenses approved by the Commission for FY 2024-25 (Rs. Crore)**

| Particulars | Claimed by UPCL | Approved |
|---|---|---|
| EMPn-1 | 497.03 | 478.44 |
| Gn | 2.00% | 0.00% |
| CPIinflation | 5.40% | 5.40% |
| **EMPn = (EMPn-1) x (1+Gn) x (1+CPIinflation)** | **534.36** | **504.28** |
| Capitalisation rate | 15.47% | 15.47% |
| Less: Employee expenses capitalized | 82.64 | 77.99 |
| **Net Employee expenses** | **451.72** | **426.29** |

### 4.12.2 *R&M expenses*

The Commission had approved the R&M expenses of Rs. 287.00 Crore for FY 2024-25 in its MYT Order dated March 31, 2022. As against the same, the Petitioner has computed the R&M expenses as Rs. 355.14 Crore as per the UERC Tariff Regulations, 2021.

The Petitioner submitted that the R&M expenses for FY 2024-25 has been proposed as per the UERC Tariff Regulations, 2021. The Petitioner has considered the K factor of 3.11% as approved by the Commission in its MYT Order dated March 31, 2022. Further, the Petitioner has considered the WPI inflation of 7.91% considering the average increase in the Wholesale Price Index (WPI) for FY 2020-21 to FY 2022-23. Accordingly, the Petitioner has proposed the R&M expenses of Rs. 335.14 Crore for FY 2024-25.

The Commission has determined the R&M expenses for FY 2024-25 in accordance with UERC Tariff Regulations, 2021. The Commission has considered the same K factor of 3.11% as considered by it in its MYT Order dated March 31, 2022. The Commission for computation of R&M expenses has considered the opening GFA for FY 2024-25. The Commission has further considered the WPI inflation of 7.90% which is the average increase in the Wholesale Price Index (WPI) for FY 2020-21 to FY 2022-23.

The R&M expenses approved by the Commission for FY 2024-25 is as shown in the Table below:

**Table 4.40: R&M Expenses approved by the Commission for FY 2024-25 (Rs. Crore)**

| Particulars | Claimed by UPCL | Approved |
|---|---|---|
| K | 3.11% | 3.11% |
| GFAn-1 | 9986.63 | 9019.14 |
| WPIinflation | 7.91% | 7.90% |
| **R&Mn = K x (GFAn-1) x (1+WPIinflation)** | **335.14** | **303.08** |

### 4.12.3 *A&G Expenses*

The Commission had approved the A&G expenses of Rs. 62.90 Crore for FY 2024-25 in its MYT Order dated March 31, 2022. As against the same, the Petitioner has computed the A&G expenses for FY 2024-25 as Rs. 63.83 Crore as per the UERC Tariff Regulations, 2021.

The Petitioner submitted that the A&G expenses for FY 2024-25 consists of two main components comprising of existing expenses, new initiatives and provisions. The Petitioner submitted that it has computed A&G Expenses in line with the methodology adopted by the Commission. The approach submitted by the Petitioner is as stated below:

a) An escalation factor, i.e. WPI inflation of 7.91% as computed in earlier section has been applied for FY 2023-24 and FY 2024-25 to arrive at the normative A&G expenses for subsequent years.

b) Capitalization rate of 36.09% based on actual capitalization rate of FY 2022-23 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) In line with the approach adopted by the Commission for approving Data centre expenses on actual basis (over and above normative computations), the same has been estimated for FY 2023-24 and FY 2024-25.

Accordingly, the Petitioner has proposed the A&G expenses of Rs. 63.83 Crore for FY 2024-25.

The Commission has considered the normative gross A&G expenses approved in the true up of FY 2022-23 as the gross base A&G expenses. This normative opening gross A&G expenses has been escalated by the WPI inflation of 7.90% to arrive at A&G expenses for FY 2023-24. The gross A&G expenses so arrived at have been considered as the gross A&G expenses (A&Gn-1) for FY 2024-25 which has again been escalated by WPI Inflation of 7.90% to arrive at the A&G expenses for FY 2024-25. Further, the Commission has considered the actual capitalisation rate of A&G expenses for FY 2022-23 to be the capitalisation rate for FY 2024-25. In addition, the Commission has provisionally considered the licence fee as Rs. 5.18 Crore as also claimed by the Petitioner for FY 2024-25.

In line with the approach adopted in the MYT Order dated March 31, 2022, the Commission has approved the additional expenses of Rs. 34.29 Crore towards data centre cost for FY 2024-25. However, the Commission is of the view that with the roll out of smart prepaid metering many costs such as meter reading, bill distributions etc. will be saved. The Commission is not taking any view on the same at this stage and will consider such expenses based on actuals during truing up for FY 2024-25. 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.

The normative A&G expenses approved by the Commission for FY 2024-25 is as shown in the Table below:

**Table 4.41: A&G expenses approved by the Commission for FY 2024-25 (Rs. Crore)**

| Particulars | Claimed | Allowable |
|---|---|---|
| A&Gn-1 | 35.31 | 35.31 |
| WPIinflation | 7.91% | 7.90% |
| **Gross A&G expenses** | **38.10** | **38.10** |
| Capitalisation rate | 36.09% | 39.74% |
| Less: A&G expenses capitalized | 13.75 | 15.14 |
| **Net A&G expenses** | **24.35** | **22.96** |
| Provision (Data Centre) | 34.29 | 34.29 |
| License Fee | 5.18 | 5.18 |
| **Total A&G Expenses** | **63.83** | **62.43** |

### 4.12.4 *O&M Expenses*

The summary of O&M expenses approved by the Commission for FY 2024-25 is as shown in the Table below:

**Table 4.42: O&M Expenses approved by the Commission for FY 2024-25 (Rs. Crore)**

| Particulars | Claimed by UPCL | Approved |
|---|---|---|
| Employee expenses | 451.72 | 426.29 |
| R&M expenses | 335.14 | 303.08 |
| A&G expenses | 63.83 | 62.43 |
| **Total O&M expenses** | **850.69** | **791.80** |

## 4.13 Interest on Working Capital

The Petitioner has submitted that the interest on working capital (IWC) for FY 2024-25 has been proposed in accordance with the UERC Tariff Regulations, 2021. Accordingly, the Petitioner has proposed the normative IWC of Rs. 147.21 Crore for FY 2024-25.

Regulation 33(2) of the UERC Tariff Regulations, 2021 specifies as follows:

*"(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 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 has determined the interest on working capital for FY 2024-25 in accordance with the UERC Tariff Regulations, 2021.

#### 4.13.1 *One Month O&M Expenses*

The annual O&M expenses approved by the Commission are Rs. 791.80 Crore for FY 2024-25. Based on the approved O&M expenses, one month's O&M expenses work out to Rs. 65.98 Crore for FY 2024-25.

#### 4.13.2 *Maintenance Spares*

The Commission has considered the maintenance spares as 15% of annual O&M expenses, which works out to Rs. 118.77 Crore for FY 2024-25.

#### 4.13.3 *Receivables*

The Commission has approved the receivables for two months equivalent to the expected revenue at existing tariff of Rs. 9997.69 Crore for FY 2024-25, which works out to Rs. 1666.28 Crore for FY 2024-25.

#### 4.13.4 *Capital required to finance shortfall in collection of current dues*

The Commission has approved the collection efficiency of 99.15% for FY 2024-25 while approving the Business Plan of UPCL for the Control Period from FY 2022-23 to FY 2024-25. In accordance with the provisions of the UERC Tariff Regulations, 2021, the Commission has approved the capital required to finance shortfall in collection of current dues as 0.85% of the revenue at existing tariff of Rs. 9997.69 Crore for FY 2024-25, which work out to Rs. 84.98 Crore.

#### 4.13.5 *Adjustment for Credit by power suppliers*

The Petitioner has proposed one month of power purchase cost as Rs. 748.18 Crore for FY 2024-25. As per the Power Purchase approved, one month of power purchase cost worked out by the Commission is Rs. 677.04 Crore.

Based on the above, the total working capital requirement of the Petitioner for FY 2024-25, works out to Rs 1258.97 Crore. The interest on working capital for FY 2024-25 approved by the Commission is as shown in the Table below:

**Table 4.43: Interest on working capital approved by the Commission for FY 2024-25 (Rs. Crore)**

| Particulars | Claimed by UPCL | Approved |
|---|---|---|
| O&M expenses for 1 month | 70.89 | 65.98 |
| Maintenance Spares | 127.60 | 118.77 |
| 2 months of expected revenue at prevailing tariffs | 1764.12 | 1666.28 |
| Capital required to finance shortfall in collection of current dues | 89.97 | 84.98 |
| Minus: one month power purchase cost | 748.18 | 677.04 |
| **Net Working Capital** | **1304.40** | **1258.97** |
| Rate of Interest on Working Capital | 11.29% | 11.30% |
| **Interest on Working Capital** | **147.21** | **142.26** |

### 4.13.6 *Return on Equity*

The Petitioner has considered the opening Equity for FY 2024-25 as Rs. 1546.90 Crore. The Petitioner has considered the equity addition during the year as per the proposed financing plan for the 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. 255.24 Crore for FY 2024-25.

Regarding the Return on Equity, Regulation 26 of the UERC Tariff Regulations, 2021 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 cut-off date beyond the original scope excluding additional capitalization due to Change in Law, shall be computed at the weighted average rate of interest on actual loan portfolio of the distribution company or the generating station or the transmission system;"*

In accordance with the UERC Tariff Regulations, 2021, Return on Equity is allowable on the opening equity for the year. Hence, the Commission has determined the Return on Equity considering the eligible opening equity for return purposes for FY 2024-25.

Further, the proviso to the above-mentioned Regulation on RoE provides that if the licensee is able to demonstrate 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 3 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.

Further, as discussed in Chaper 3 of this Order, in the absence of segregation of additional capitalization after cut-off date beyond the original scope of works, the Commission has not segregated the equity additions into equity on capitalization after cut-off date beyond the original scope of works or otherwise, which shall, however, be reviewed by the Commission at the time of truing up of respective year. **Accordingly, the Petitioner is directed to submit the details of capitalization of new works and additional capitalization segregating those works which are within the original scope and otherwise, separately during the truing up proceedings.**

Accordingly, the Commission has considered the closing eligible equity approved for FY 2022-23 as the opening balance for FY 2023-24 as discussed in Chapter 3 of the Order. Thereafter, the Commission has considered the equity addition during FY 2023-24 as per the approved means of finance for FY 2023-24. The Commission has considered the closing balance for FY 2023-24 as the opening balance for FY 2024-25.

The Return on Equity approved by the Commission for FY 2024-25 is as shown in the Table below:

**Table 4.44: Return on Equity approved by the Commission for FY 2024-25 (Rs. Crore)**

| Particulars | Claimed by UPCL | Approved |
|---|---|---|
| Opening Equity | 1546.90 | 1198.79 |
| Addition during the year | 261.75 | 136.61 |
| Closing Equity | 1808.64 | 1335.40 |
| Rate of Return | 16.50% | 16.50% |
| **Return on Equity** | **255.24** | **197.80** |

### 4.13.7 *Income Tax*

The Petitioner has not claimed any Income Tax in its ARR proposals for FY 2024-25.

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 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 FY 2024-25.

### 4.13.8 *Provisions for Bad and Doubtful Debts*

Regulation 31 of the UERC Tariff Regulations, 2021 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 regulations, the Petitioner has claimed 1% of net ARR towards provisions of Bad and Doubtful Debts for FY 2024-25 and has requested the Commission to consider the claim on the basis of actual written off at the time of truing up process.

The Commission as discussed in Chapter 3 of the Order and for reasons stated therein, has not considered any amount towards provision of bad and doubtful debts while carrying out the truing up for FY 2022-23. The Commission shall, however, consider the same once specific approvals are in place in accordance with the Policy approved by the Commission and compliances to the requirements mentioned by the Commission in Chapter 3 of the Order are submitted, at the time of true up on actual basis of the respective years subject to prudence check.

### 4.13.9 *Non-Tariff Income*

The Petitioner has proposed non-tariff income of Rs. 310.56 Crore for FY 2024-25 based on the average NTI approved by the Commission in the last seven years (FY 2016-17 to FY 2022-23). In the absence of any yardstick for estimating the non-tariff income of the Petitioner, the Commission provisionally approves the NTI approved for FY 2022-23. The same shall, however, be Trued up based on the actual audited accounts for the year.

### 4.13.10 *Revenue Requirement for FY 2024-25*

Based on the above, the net Revenue Requirement approved by the Commission for FY 2024-25 is as shown in the Table below:

**Table 4.45: Revenue Requirement approved by the Commission for FY 2024-25 (Rs. Crore)**

| S. No. | Particulars | UPCL | Approved |
|---|---|---|---|
| 1 | Power Purchase Cost including RPO & Water Tax | 7514.47 | 7609.36 |
| 2 | UJVN Ltd. Arrears/(Surplus) | | (126.14) |
| 3 | Transmission Charges | | |
| | PGCIL | 1007.33 | 765.82 |
| | PTCUL & SLDC | 456.4 | 380.60 |
| 4 | Interest on Loan and finance charges | 159.78 | 85.98 |
| 5 | Interest on consumer security deposit | 67.07 | 67.07 |
| 6 | Depreciation | 338.23 | 252.95 |
| 7 | O&M expenses | 850.69 | 791.80 |
| 8 | Interest on Working Capital | 147.21 | 142.26 |
| 9 | Return on Equity | 255.24 | 197.80 |
| 10 | Provisions for bad debts | 98.87 | - |
| **11** | **Aggregate Revenue Requirement** | **10895.27** | **10167.51** |
| 12 | Less: Non-Tariff Income | 310.56 | 374.86 |
| 13 | True up impact Gap/(Surplus) | 1977.56 | 897.38 |
| **14** | **Net Revenue Requirement** | **12562.27** | **10690.03** |

## 4.14 Revenue at Existing Tariff

The Petitioner has projected the revenue of Rs. 9887.17 Crore for FY 2024-25 at the existing Tariffs. The Petitioner in its Petition has projected the category-wise revenue for FY 2024-25 based on the existing fixed and energy charges as approved by the Commission in the tariff Order dated March 30, 2023.

The revenue at existing Tariff as proposed by the Petitioner and estimated by the Commission is shown in the Table given below:

**Table 4.46: Revenue for FY 2024-25 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 | 3814.78 | 2042.32 | 5.35 | 3999.27 | 2130.77 | 5.33 |
| 2. | RTS-2: Non-Domestic | 1967.87 | 1504.15 | 7.64 | 1977.55 | 1510.91 | 7.64 |
| 3. | RTS-3: Govt Public Utilities | 804.98 | 594.29 | 7.38 | 794.69 | 613.19 | 7.72 |
| 4. | RTS-4: Private Tube Wells | 276.42 | 65.73 | 2.38 | 278.73 | 66.28 | 2.38 |
| 7. | RTS-5: Industry | 7310.19 | 5480.92 | 7.50 | 7334.89 | 5452.46 | 7.43 |
| | *LT Industry* | 362.78 | 271.34 | 7.48 | 348.15 | 262.23 | 7.53 |
| | *HT Industry* | 6947.42 | 5209.58 | 7.50 | 6986.74 | 5190.22 | 7.43 |
| 8. | RTS-6: Mixed Load | 199.73 | 142.01 | 7.11 | 197.15 | 137.88 | 6.99 |
| 9. | RTS-7: Railway Traction | 81.26 | 57.33 | 7.06 | 82.82 | 57.07 | 6.89 |
| 10. | RTS-8: EV Sharging | 0.66 | 0.42 | 6.25 | 0.66 | 0.41 | 6.25 |
| | Revenue from Incremental Sales | - | - | - | 42.26 | 28.73 | 6.80 |
| | **Total** | **14455.88** | **9887.17** | **6.84** | **14708.02** | **9997.69** | **6.80** |

## 4.15 Revenue Gap for FY 2024-25 at existing Tariff

Based on the net revenue requirement of Rs. 12562.27 Crore (including the proposed True up amount for FY 2022-23) and revenue at existing Tariff of Rs. 9887.17 Crore, the Petitioner has proposed the revenue gap of Rs. 2675.10 Crore. Out of this total amount, the standalone gap for FY 2024-25 works out to Rs. 697.54 Crore. Accordingly, the Petitioner has proposed the recovery of Rs. 2675.10 Crore in FY 2024-25 through tariff increase in FY 2024-25.

Considering the net revenue requirement of Rs. 10690.03 Crore and revenue at existing Tariff of Rs. 9997.69 Crore, the Commission has approved the revenue gap of Rs. 692.34 Crore for FY 2024-25. The Commission allows the same to be recovered through tariff increase in FY 2024-25. The revenue gap for FY 2024-25 proposed by the Petitioner and approved by the Commission is as shown in the Table given below:

**Table 4.47: Revenue Gap for FY 2024-25 (Rs. Crore)**

| Particulars | Proposed by the Petitioner | Approved |
|---|---|---|
| Net Revenue Requirement | 12562.27 | 10690.03 |
| Revenue at existing Tariff | 9887.17 | 9997.69 |
| **Revenue Gap** | **2675.10** | **692.34** |

# 5. Tariff Rationalisation, Tariff Design and related issues

## 5.1 Tariff Rationalisation and Tariff Design for FY 2024-25

### 5.1.1 *General*

In Chapter 4 of this Order, it has been concluded that the revenue projected to be earned by UPCL during FY 2024-25 at tariffs approved vide Tariff Order dated 30.03.2023 will be Rs. 9997.69 Crore. Against this, the ARR approved by the Commission for FY 2024-25 including gap and surplus on account of truing up of previous years works out to Rs. 10690.03 Crore, leaving a total gap of Rs. 692.34 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.

### 5.1.2 *Petitioner's Proposals*

The Petitioner submitted that the tariff proposal has been formulated to recover the projected ARR for FY 2024-25.

The Petitioner also proposed the following amendment in the Tariff structure for FY 2024-25:

#### *5.1.2.1 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 has approved the Green Power Tariff of 26 paise/unit applicable for RTS-5 HT Industry.

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 the FY 2024-25 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 5.1: Power Purchase Cost as projected by UPCL**

| Particulars | FY 2024-25 |
|---|---|
| **Computation of cost for Non-RE power (Total Power minus RE power)** | |
| Net Generation at State periphery (MU) | 14,819 |
| Total power purchase cost (Rs. Crore) | 4391 |
| Net Rate of Non-RE power (Rs./kWh) | 2.96 |
| **Computation of cost for RE power** | |
| Net Generation (MU) | 2517 |
| Total Cost (Rs. Crore) | 974 |
| Net Rate of RE power (Rs./kWh) | 3.87 |
| **Total cost for Non-RE power & RE power** | |
| Net Generation at State periphery (MU) | 17,336 |
| Total cost excluding Transmission charges (Rs. Crore) | 5365 |
| Net Rate (Rs./kWh) | 3.09 |

In view of the above, Green Power Tariff proposed by UPCL is as follows:

**Table 5.2: Computation of Green Power Tariff for FY 2024-25**

| Particulars | Computation |
|---|---|
| Average cost of RE for FY 2024-25 (Rs./kWh) | 3.87 |
| Less: Average cost of Non-RE for FY 2024-25 (Rs./kWh) | 2.96 |
| Difference (Rs./kWh) | 0.91 |
| Less: Promotional discount for Green Power | 25% |
| **Applicable Green Power Charges (Rs/kWh)** | **0.68** |

The Petitioner submitted that the Green Power Tariff is proposed for all the categories of consumers as approved by the Commission in its Order dated 25.09.2023 on the Petition No. 39 of 2023.

### *5.1.2.2 Recovery from Fixed Charges*

The Petitioner requested the Commission for Rationalisation of Tariff, i.e. Fixed/ Demand Charges linked to its fixed cost components and Energy Charges linked to variable components. The Petitioner submitted that out of the total ARR, all costs except variable power purchase cost of thermal power plants like coal and gas are fixed in nature, i.e. O&M and Financial Costs will be incurred/claimed in the ARR irrespective of sale of energy.

The Petitioner submitted that Tariff for Fixed charges and Energy charges should be adjusted gradually, say over a period of three to five years, so as to make the retail tariff cost structure reflective of the actual Fixed Cost. This will ensure that fixed charges obligation of the Petitioner is recovered from fixed/demand charges realized from consumers and there is a better management of working capital.

##### *5.1.2.2.1 Prepaid metering*

The Petitioner has proposed to continue with the existing terms of the pre-paid metered supply approved by the Commission for FY 2023-24 in its Tariff Order dated March 30, 2023.

### 5.1.3 *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.

#### *5.1.3.1 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 Petitioner has proposed the Green Power Tariff for FY 2024-25 in line with the approach adopted by the Commission while approving Green Power Tariff for FY 2023-24 with the difference that the Commission in its Order had considered 50% of the difference of weighted average rate of RE procurement and weighted average rate of non-RE procurement, while the Petitioner has considered 75% of the difference of weighted average rate of RE procurement and weighted average rate of non-RE procurement.

The Commission opines that the Renewable Energy Power 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 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 2024-25 is shown in the Table below:

**Table 5.3: Green Power Tariff approved by the Commission for FY 2024-25**

| RE Power Procurement for the Period FY 2024-25 | | | Non-RE Power Procurement for the Period FY 2024-25 | | | 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% |
| 2901.38 | 1138.69 | 3.92 | 14888.52 | 5000.75 | 3.36 | 0.57 | 0.28 |

In view of the above, the Commission approves the Green Power Tariff of Rs. 0.28/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.

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 consumers 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 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.

### *5.1.3.2 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.

UPCL has requested the Commission to rationalise the tariffs in such a manner that over next 3 to 5 years, the fixed costs of the ARR is recovered from the Fixed Charges/Demand Charges. The Commission appreciates 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. Accordingly, the Commission in this Order also has marginally increased the fixed charges for all the categories.

#### *5.1.3.3 Continuous Supply Surcharge*

The Commission, in its Tariff Order dated October 23, 2009, had approved 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 21.03.2018, 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 18.04.2020 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 26.04.2021 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 31.03.2022 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.

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 supply industries and not for all the industries.

The Commission would like to clarify that the State of Uttarakhand is still facing power shortage and UPCL is procuring short term power from market to meet the demand at very high rates, and the continuous supply surcharge at existing rate is also not sufficient to meet such costs. The situation is expected to remain the same even in FY 2024-25. For FY 2024-25, the Commission has estimated a total deficit of about 2565 MU for the year and deficit of 1764 MU in winter months during October to March 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. 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 considering the huge deficit situation in the State of Uttarakhand accepts the suggestion. 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 industuries as the licensee would be under ttotememdous pressure to procure electricity at costlier rates to meet the supply to the continuous process industries under the contractual obligations which would unnecessarily burden the tariffs. However, as dealt in Chapter-3 and Chapter-4 of this Order, the Petitioner is directed to explore all means under long term/ medium term to arrange power to meet its deficit.

Hence, 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, 2024 or in case of new consumers from the date of new connection, till March 31, 2025 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, 2025, irrespective of 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, 2024 till March 31, 2025. 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, 2024.
- 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, 2024 till March 31, 2025. 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, 2025, 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, 2024 and they shall continue to pay continuous supply surcharge alongwith the tariff approved in this Order till April 30, 2024. 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.
- 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, 2024 and they shall pay continuous supply surcharge alongwith the tariff approved in this Order only till April 30, 2024..
- 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.

### *5.1.3.4 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, 2021, specifically empowers the Commission to design load-factor based tariffs for any category of consumers and is reproduced below:

> *"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 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 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 increase 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.

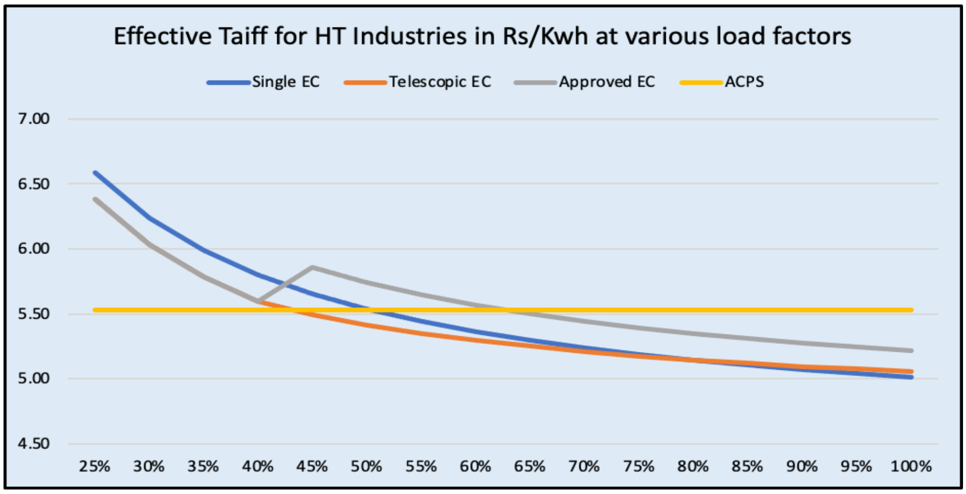
Some of the stakeholders represented that the tariff structure for HT Industries should also be telescopic. In Uttarakhand, as the cross-subsidies are very low, the tariff needs to be corrected at different load factors to ensure that steepness of the effective tariff curve does not reduce the cross-subsidies 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. 360/kVA/month and Energy Charges in two slabs of Rs. 3.95 and 4.35/kVAh for FY 2019-20, where Average Cost of Supply was taken as Rs. 5.28/kWh and average tariff from HT industrial consumers including ToD surcharge and rebate was designed to be Rs. 5.79/kWh. It is evident that in case of single energy charge of Rs. 4.10/kVAh and demand charge of Rs. 360/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 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. 370/kVA/monthly, Energy Charges: for consumption upto LF 40%: Rs. 4.20/kVAh & for consumption exceeding LF 40%: Rs. 4.60 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 > 45%) is not only incorrect but also highly undesirable.

**Table 5.4: 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.3.60 /kVah | Telescopic Tariff | Approved Tariff | Single EC of Rs.3.60/ kVah | Telescopic Tariff | Approved Tariff | Single EC of Rs.3.60/kVah | Telescopic Tariff | Approved Tariff | Rs./kWh | Single EC of Rs.4.40 /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 | 370 | 792 | 756 | 756 | 1162 | 1126 | 1126 | 6.59 | 6.38 | 6.38 | 5.53 | 19.12% | 15.43% | 15.43% |
| 30% | 216 | 370 | 950 | 907 | 907 | 1320 | 1277 | 1277 | 6.24 | 6.03 | 6.03 | 5.53 | 12.80% | 9.11% | 9.11% |
| 35% | 252 | 370 | 1109 | 1058 | 1058 | 1479 | 1428 | 1428 | 5.99 | 5.78 | 5.78 | 5.53 | 8.28% | 4.59% | 4.59% |
| 40% | 288 | 370 | 1267 | 1210 | 1210 | 1637 | 1580 | 1580 | 5.80 | 5.60 | 5.60 | 5.53 | 4.90% | 1.21% | 1.21% |
| 45% | 324 | 370 | 1426 | 1375 | 1490 | 1796 | 1745 | 1860 | 5.66 | 5.50 | 5.86 | 5.53 | 2.26% | -0.61% | 5.95% |
| 50% | 360 | 370 | 1584 | 1541 | 1656 | 1954 | 1911 | 2026 | 5.54 | 5.42 | 5.74 | 5.53 | 0.15% | -2.06% | 3.85% |
| 55% | 396 | 370 | 1742 | 1706 | 1822 | 2112 | 2076 | 2192 | 5.44 | 5.35 | 5.65 | 5.53 | -1.57% | -3.25% | 2.12% |
| 60% | 432 | 370 | 1901 | 1872 | 1987 | 2271 | 2242 | 2357 | 5.36 | 5.30 | 5.57 | 5.53 | -3.01% | -4.24% | 0.68% |
| 65% | 468 | 370 | 2059 | 2038 | 2153 | 2429 | 2408 | 2523 | 5.30 | 5.25 | 5.50 | 5.53 | -4.22% | -5.07% | -0.53% |
| 70% | 504 | 370 | 2218 | 2203 | 2318 | 2588 | 2573 | 2688 | 5.24 | 5.21 | 5.44 | 5.53 | -5.26% | -5.79% | -1.57% |
| 75% | 540 | 370 | 2376 | 2369 | 2484 | 2746 | 2739 | 2854 | 5.19 | 5.18 | 5.39 | 5.53 | -6.17% | -6.41% | -2.48% |
| 80% | 576 | 370 | 2534 | 2534 | 2650 | 2904 | 2904 | 3020 | 5.15 | 5.15 | 5.35 | 5.53 | -6.96% | -6.96% | -3.27% |
| 85% | 612 | 370 | 2693 | 2700 | 2815 | 3063 | 3070 | 3185 | 5.11 | 5.12 | 5.31 | 5.53 | -7.65% | -7.44% | -3.96% |
| 90% | 648 | 370 | 2851 | 2866 | 2981 | 3221 | 3236 | 3351 | 5.07 | 5.10 | 5.28 | 5.53 | -8.27% | -7.86% | -4.58% |
| 95% | 684 | 370 | 3010 | 3031 | 3146 | 3380 | 3401 | 3516 | 5.04 | 5.07 | 5.25 | 5.53 | -8.83% | -8.25% | -5.14% |
| 100% | 720 | 370 | 3168 | 3197 | 3312 | 3538 | 3567 | 3682 | 5.01 | 5.05 | 5.22 | 5.53 | -9.33% | -8.59% | -5.64% |

**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.

#### *5.1.3.5 Time of Day Tariff*

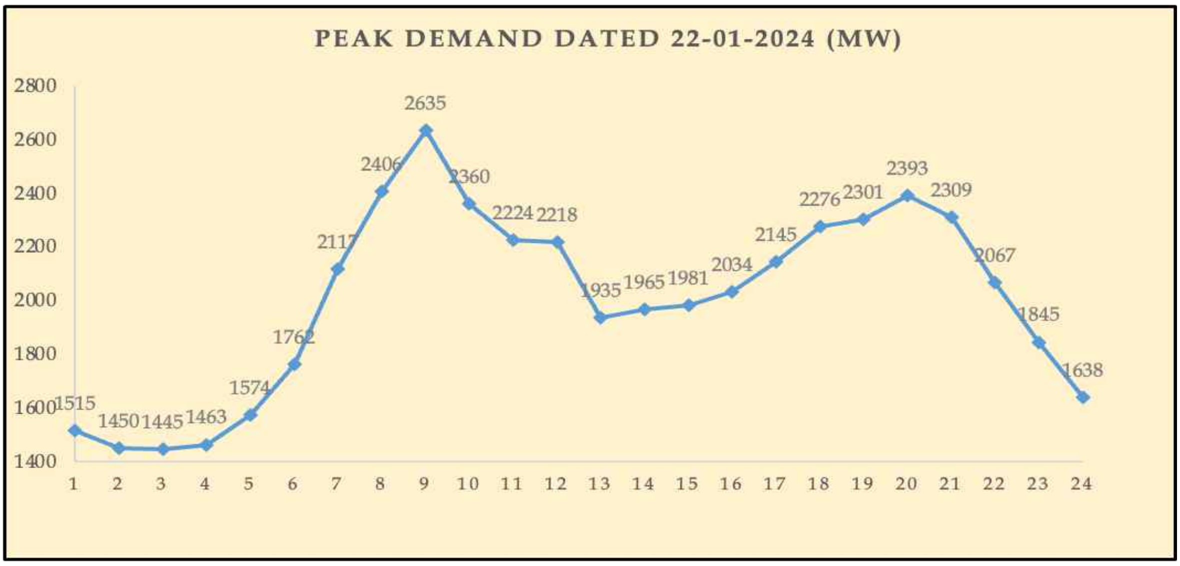
Regarding Time of Day Tariff, the stakeholders requested the following:

- 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.

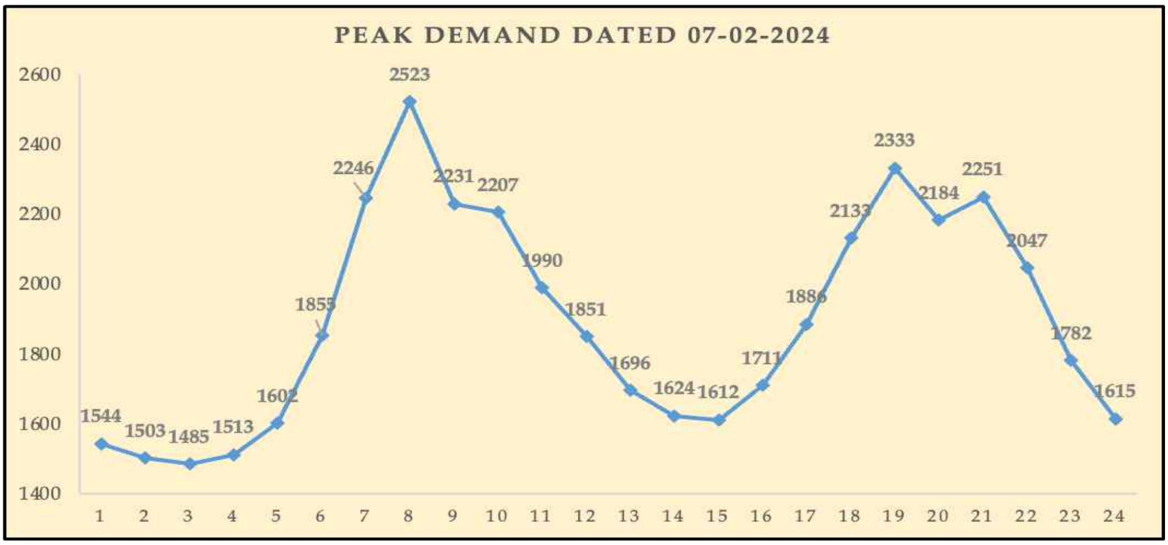
The Commission, in each of its tariff determination exercise, has been analysing the shift from the peak hours to normal and off-peak as well as the consumption pattern during the peak and off-peak hours in the State. The Commission has analysed the unrestricted load curves in summer as well as the winter 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 22nd January 2024 (MW) [Winter Month]**



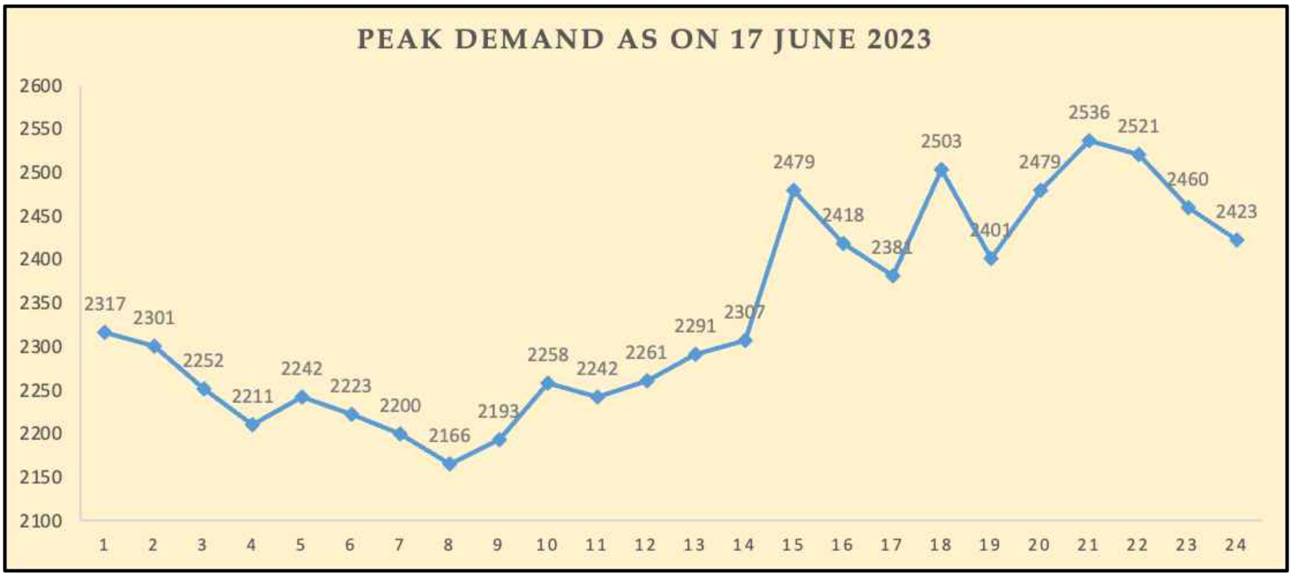

**Morning Peak Demand – 2635 MW at 9.00 AM**
**Evening Peak Demand – 2393 at 8.00 PM**

**Chart 2: Load Curve for 7th February 2024 (MW) [Winter Month]**



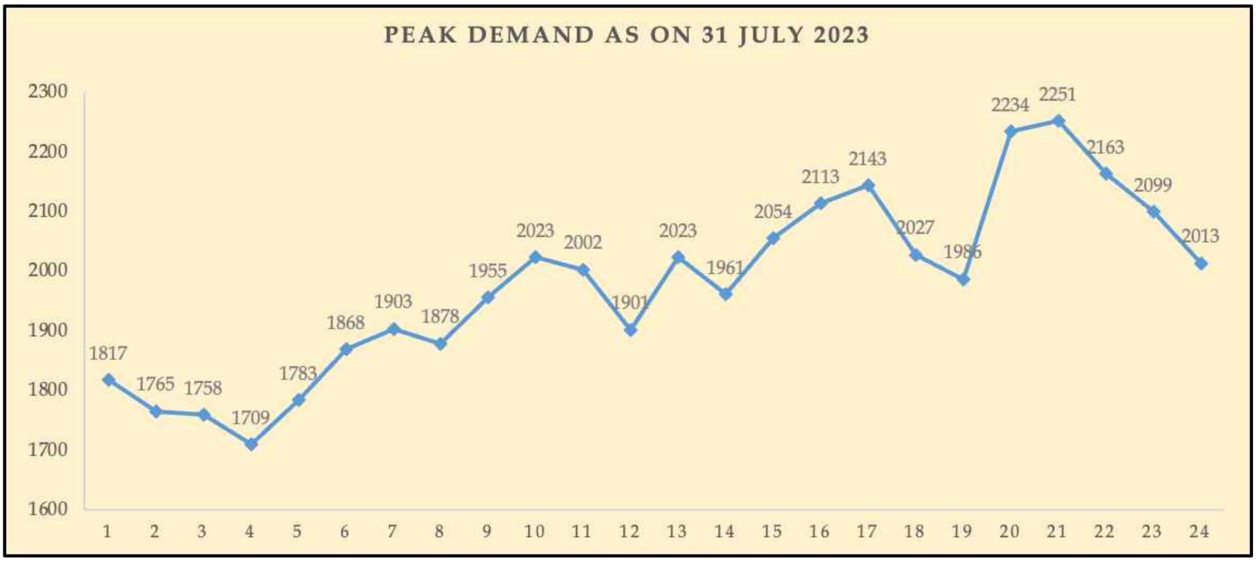

**Morning Peak Demand – 2523 MW at 8.00 AM**
**Evening Peak Demand - 2333 MW at 7.00 PM**

**Chart 3: Load Curve for 17th June, 2023 (MW) [Summer Month]**




**Peak Demand –2536 MW at 9.00 PM**
**No Morning Peak**

**Chart 4: Load Curve for 31th July, 2023 (MW) [Summer Month]**




**Evening Peak Demand – 2251 MW at 9.00 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 22, 2024 and February 07, 2024 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. or 9.00 am 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.

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 31.03.2022 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 31.03.2022. 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 31.03.2022 be kept in abeyance till further orders in this regard, and the ToD metering slots as approved in the Tariff Order dated 26.04.2021 shall continue to be applicable for FY 2022-23 as well.

The Commission in its Tariff Order dated 30.03.2023 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.

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 26.04.2021 as follows:

**Table 5.5: 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%.

### *5.1.3.6 Tariff Categorisation for LT Industry.*

As per the current tariff structure, there are two sub-categories for LT Industry, i.e. Contracted load upto 25 kW and Contracted load more than 25 kW. The Petitioner has proposed to merge these two sub-categories and has proposed a single category "LT Industry having contracted load upto 75 kW (100 BHP)" for all the LT Industrial consumers. No objection has been received from the stakeholders on the proposed merger of 2 sub-categories for LT Industry.

Considering the Petitioner proposal and in order to simplify the tariff structure, the Commission has accepted the proposal and has decided to merge two sub-categories of LT Industry as a single category "LT Industry having contracted load upto 75 kW (100 BHP)".

#### *5.1.3.6.1 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 has proposed to continue with the existing terms of the pre-paid supply approved by the Commission for FY 2023-24. The Commission, accordingly, approves the following conditions for Pre-Paid Metering as approved in Tariff Order dated March 30, 2023:

a) The option of Pre-paid metering shall be available for all categories of consumers upto 25 kW load under LT category. Prepaid Metering shall be mandatory for new Temporary LT connections, for Advertisements/Hoardings and for Government connections upto 25 kW.

   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 charging 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 for LT consumers upto 25 kW to provide an option to the consumer to express their interest to opt for the Prepaid metering scheme latest by June 15, 2024.

   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, 2024 to all the eligible consumers, i.e. LT consumers upto 25 kW, 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 Petitioner shall adjust 20% of the past arrears or 50% of the recharge amount, whichever is higher from the recharge voucher, subject to the maximum of the outstanding arrears. Further, the maximum limit of recharge as mentioned above, shall not be applicable in case of consumers having outstanding arrears and accordingly, such consumers having past arrears will have to take minimum recharge of more than 20% of the outstanding arrears.

g) 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.

h) All the Prepaid meters will be provided with an alarm to indicate low credit.

i) As per the guiding principles and Section 47(5) of the Electricity Act, 2003, the Petitioner shall not charge any security deposit as is required in post-paid connections but price equivalent to the material cost, i.e. cost of meter and associated equipment's shall be charged as material security which shall be returned after adjusting for the depreciation at the time of permanent disconnection. The approved material security deposit (except for BPL domestic) for

FY 2024-25 is Rs. 5000/- for single phase connection and Rs. 10,000/- for three phase connection. BPL domestic consumers shall be exempted for payment of material security deposit.

j) The consumer shall be allowed only one transfer from postpaid to prepaid or otherwise in a financial year.

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.

Provided further that the fixed charge in respect of other domestic consumers [(1.2) of para 2 of the RTS -1] shall be Rs. 75/kW/month.

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.

#### *5.1.3.7 Prompt Payment Rebate*

The Petitioner has proposed to continue with the existing prompt payment rebate approved by the Commission for FY 2023-24. The Commissionc, accordingly, approves the following prompt payment rebate as approved in Tariff Order dated March 30, 2023:

(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.*

#### 5.1.3.8 Billing Cycle for large Industrial Consumers

Some of the stakeholders requested the Commission to approve the Billing Cycle as fortnightly basis instead of monthly basis. The Commission is of the view that this suggestion will help in improving the cashflow of the Petitioner. Considering the requests of stakeholders, the Commission approves the fortnightly billing cycle for large industrial consumers having Contracted Demand of 3 MVA and above. **The Commission, accordingly, directs UPCL 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.**

#### 5.1.3.9 Billing Cycle for RTS 4 – Private Tube Wells/Pumping Sets

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 31$^{st}$ October for bills raised in June and by 30$^{th}$ April for bills raised in December.

The Commission in its Tariff Order for FY 2023-24 considering the suggestions of stakeholders modifid 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 31$^{st}$ 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 Septebmer 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. "*

As no suggestion has been received for modification in billing cycle for PTW consumers, the Commission is continuing with the billing cycle for RTS 4 – Private Tube Wells/Pumping Sets as approved in its Order dated Septebmer 25, 2023 in Petition No. 39 of 2023 (Suo-Motu).

### 5.1.4 *Treatment of Revenue Gap*

As concluded in Chapter 5 of the Order, the revenue at existing tariffs leaves a revenue gap of Rs. 692.34 Crore to meet the Net Revenue Requirement for FY 2024-25, considering the gap determined after truing up of expenses and revenue based on the audited accounts for FY 2022-23.

The Commission in order to recover the gap has revised the tariffs for FY 2024-25. The approved tariff will be applicable from April 1, 2024 and will be effective till revised by the Commission.

### 5.1.5 *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 2023-24 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 maintained with respect to previous levels with few exceptions as discussed while discussing the cross subsidy levels at approved tariffs.

### 5.1.6 *Category-wise Tariff Design*

The Commission has designed the category-wise tariffs for full recovery of approved Net Revenue Requirement for FY 2024-25. 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, 2024 and shall continue to be applicable till further revised by the Commission.

### 5.1.7 *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 tariff for BPL consumers has not been changed in this Order.

For other domestic consumers, the Commission has marginally increased the fixed and energy charges to enable the licensee to recover its revenue gap. The energy charges for the first slab, i.e. for consumption upto 100 units have been fixed at Rs 3.40/kWh. The energy charges for the second slab, i.e. for consumption between 101-200 units/month have been fixed as Rs. 4.90/kWh. The energy charges for the third slab, i.e. for consumption between 201-400 units/month have been fixed as Rs. 6.70/kWh and energy charges for the last slab have been fixed at Rs. 7.35/kWh.

For single point bulk supply connections, the energy charges have been increased to Rs. 7.00/kVAh from Rs. 6.25/kVAh and fixed charges has been increased to Rs. 120/kVA/month from Rs. 100 / kVA /month.

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 5.6: Tariff for Domestic Consumers**

| S. No. | Description | Existing Tariff | | UPCL Proposed Tariff | | Approved | |
|---|---|---|---|---|---|---|---|
| | | Fixed Charge (Per Month) | Energy Charges | Fixed Charge (Per Month) | Energy Charges | Fixed Charge (Per Month | Energy Charges |
| | **RTS-1: Domestic** | | | | | | |
| 1.1 | Life Line Consumers | Rs. 18/Connection | Rs. 1.75/kWh | Rs. 18/Connection | Rs. 1.93/kWh | Rs. 18/Connection | Rs. 1.75/kWh |
| **1.2** | **Other Domestic Consumers** | | | | | | |
| (i) | 0-100 Units/Month | • Upto 1 kW-Rs. 60/kW/Month<br>• Above 1 kW and upto 4 kW -Rs. 70/kW/ month<br>• Above 4 kW-Rs. 80/kW/ month | Rs. 3.15/ kWh | • Upto 1 kW-Rs. 70/kW/Month<br>• Above 1 kW and upto 4 kW-Rs. 81 /kW/month<br>• Above 4 kW-Rs. 93/kW/ month | Rs. 3.65/ kWh | • Upto 1 kW-Rs. 75/kW/Month<br>• Above 1 kW and upto 4 kW-Rs. 85/ kW/ month<br>• Above 4 kW-Rs. 100/kW/ month | Rs. 3.40/kWh |
| (ii) | 101-200 Units/Month | | Rs. 4.60/ kWh | | Rs. 5.43/ kWh | | Rs. 4.90/kWh |
| (iii) | 201-400 Units/Month | | Rs. 6.30 /kWh | | Rs. 7.56/ kWh | | Rs. 6.70 /kWh |
| (iv) | Above 400 Units/Month | | Rs. 6.95/ kWh | | Rs. 9.17/ kWh | | Rs. 7.35/kWh |
| 2 | Single point bulk supply | Rs. 100/kVA | Rs. 6.25/ kVAh | Rs.124/kVA | Rs. 7.88/ kVAh | Rs. 120/kVA | Rs. 7.00/kVAh |

### 5.1.8 *RTS 1-A: Concessional Snowbound Area Tariff*

As there is very marginal consumption in this category, tarif for this category has not been changed 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 5.7: 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. 21/ Connection | Rs. 2.01/kWh | Rs. 18/ Connection | Rs. 1.75/kWh |
| 2. | Non-Domestic upto 1 kW | Rs. 18/ Connection | Rs. 1.75/kWh | Rs. 21/ Connection | Rs. 2.01/kWh | Rs. 18/ Connection | Rs. 1.75/kWh |
| 3. | Non-Domestic above 1 kW & upto 4 kW | Rs. 18/ Connection | Rs. 2.60/kWh | Rs. 21/ Connection | Rs. 2.99/kWh | Rs. 18/ Connection | Rs. 2.60/kWh |
| 4. | Non-Domestic above 4 kW | Rs. 30/ Connection | Rs. 3.80/kWh | Rs. 35/ Connection | Rs. 4.37/kWh | Rs. 30/ Connection | Rs. 3.80/kWh |

### 5.1.9 *RTS-2: Non-Domestic Tariff*

For Non-domestic consumers, the Commission has marginally increased the fixed and energy charges to enable the licensee to recover its revenue gap. 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 5.8: 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. 80/ kW | Rs. 5.40/ kWh | Rs.104/kW | Rs 7.02/kWh | Rs. 90/ kW | Rs. 5.70/ kWh |
| 1.2 | Above 25 kW | Rs. 90/ kVA | Rs. 5.15/ kVAh | Rs. 117/kVA | Rs 6.70 /kVAh | Rs. 100/ kVA | Rs. 5.50/ kVAh |
| 2 | **Other Non-Domestic Users** | | | | | | |
| 2.1 | Upto 4 kW and consumption upto 60 units per month | Rs. 75 / kW | Rs. 5.10/ kWh | Rs 98 /kW | Rs.6.63 /kWh | Rs. 90 / kW | Rs. 5.40/ kWh |
| 2.2 | Others upto 25 kW not covered in 2.1 above | Rs. 95 / kW | Rs. 6.70/ kWh | Rs. 124 /kW | Rs. 8.71 /kWh | Rs. 110 / kW | Rs. 7.35/ kWh |
| 2.3 | Above 25 kW | Rs. 95 / kVA | Rs. 6.70/ kVAh | Rs. 124 /kVA | Rs. 8.71/kVAh | Rs. 115 / kVA | Rs. 7.35/ kVAh |
| 3 | Single Point Bulk Supply above 75 Kw | Rs. 110 / kVA | Rs. 6.80/ kVAh | Rs. 143/ kVA | Rs. 8.84 /kVAh | Rs. 130 / kVA | Rs. 7.35/ kVAh |
| 4 | Independent Advertisement Hoardings | Rs. 120/ kW | Rs. 7.50/kWh | Rs. 156/ kW | Rs 9.75 /kWh | Rs. 140/ kW | Rs. 8.20/kWh |

### 5.1.10 *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 5.9: 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. 115/kVA | Rs. 6.90/ kVAh | Rs. 152/kVA | Rs. 9.11/ kVAh | Rs. 130/kVA | Rs. 7.45/ kVAh |
| Rural (Metered) | Rs. 105/kVA | Rs. 6.90/ kVAh | Rs. 139/kVA | Rs. 9.11/ kVAh | Rs. 120/kVA | Rs. 7.45/ kVAh |

### 5.1.11 *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. 2.30/kWh to Rs. 2.55/kWh for PTW consumers and to Rs. 3.60/kWh for Agriculture Allied Activities.

The existing tariff, tariff proposed by the licensee and that approved by the Commission are given in the Table below:

**Table 5.10: 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. 2.30/ kWh | Nil | Rs. 2.65/ kWh | Nil | Rs. 2.55/ kWh |
| **RTS-: 4A: Agriculture Allied Activities** | | | | | | |
| Metered | Nil | Rs. 3.25/ kWh | Nil | Rs. 3.74/ kWh | Nil | Rs. 3.60/ kWh |

### 5.1.12 *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 increased the 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 5.11: 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** | | | | | | |
| 1. Contracted Load upto 25 kW | Rs. 170/ kW | Rs. 5.45/ kWh | Rs. 219/ kVA | Rs. 6.44/ kVAh | Rs. 185/ kVA | Rs. 5.40/ kVAh |
| 2. Contracted Load more than 25 kW | Rs. 175/ kVA | Rs. 5.15/ kVAh | Rs. 219/ kVA | Rs. 6.44/ kVAh | Rs. 185/ kVA | Rs. 5.40/ 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 5.12: 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% | 5.50 | Rs. 390/kVA of the billable demand | 7.10 | Rs. 507/kVA of the billable demand | 6.00 | Rs. 410/ kVA of the billable demand |
| | | Above 40% | 5.90 | | 7.63 | | 6.40 | |
| 1.2 | Contracted Load More than 1000 kVA | Upto 40% | 5.50 | Rs. 460/kVA of the billable demand | 7.10 | Rs. 598/kVA of the billable demand | 6.00 | Rs. 480/ kVA of the billable demand |
| | | Above 40% | 5.90 | | 7.63 | | 6.40 | |

### 5.1.13 *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 5.13: 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. 130/kVAh | Rs. 6.50/ kVAh | Rs. 166/kVA | Rs. 8.32/ kVAh | Rs. 150/kVA | Rs. 6.90/ kVAh |

### 5.1.14 *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 5.14: 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. 315/kVA | Rs. 6.10/ kVAh | Rs. 416/kVA | Rs. 8.05/ kVAh | Rs. 330/kVA | Rs. 6.60/ kVAh |

### 5.1.15 *RTS-8: Electric Vehicle Charging Stations*

The commission has approved an increase in the energy charges from Rs. 6.25/kWh to Rs. 7.00/kWh which is still lower than the Average Cost of Supply.

The existing tariff, tariff proposed by the licensee and that approved by the Commission is given in the Table below:

**Table 5.15: 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. 6.25/ kWh | -- | Rs. 7.56/ kWh | -- | Rs. 7.00/ kWh |

## 5.2 Revenue for FY 2024-25

Considering the revised tariffs, the Commission has projected revenue at the approved tariffs from each category for FY 2024-25. The summary of category-wise projected revenue for FY 2024-25 is given in the following Table:

**Table 5.16: 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 | 3999.27 | 2326.10 | 5.82 |
| 2. | RTS-2: Non Domestic | 1977.55 | 1666.75 | 8.43 |
| 3. | RTS-3: Govt. Public Utilities | 794.69 | 664.15 | 8.36 |
| 4. | RTS-4: Private Tube Wells | 278.73 | 73.47 | 2.64 |
| 5. | RTS-5: Industry | | | |
| | LT Industry | 348.15 | 273.12 | 7.84 |
| | HT Industry | 6986.74 | 5519.89 | 7.90 |
| 6. | RTS-6: Mixed Load | 197.15 | 147.26 | 7.47 |
| 7. | RTS-7: Railway Traction | 82.82 | 61.55 | 7.43 |
| 8 | RTS 8 : EV Charging Stations | 0.66 | 0.46 | 7.00 |
| 9. | Additional Sales (Efficiency improvement) | 42.26 | 30.92 | 7.32 |
| **Total** | | **14708.02** | **10763.68** | **7.32** |

The estimated revenue for FY 2024-25 at approved tariffs works out to Rs 10763.68 Crore, as against the net ARR of 10690.03 Crore worked out after adjusting trued-up surplus/gaps of previous years leaving a surplus of Rs. 73.65 Crore with UPCL. The Commission while designing the tariffs for FY 2024-25 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 2024-25.

## 5.3 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 5.17: Cross Subsidy at Average Cost of Supply for FY 2024-25**

| Category | Approved Average Billing Rate (ABR) | Average Cost of Supply (ACoS) | ABR / ACoS | Cross Subsidy |
|---|---|---|---|---|
| | Rs./kWh | Rs./kWh | % | % |
| RTS-1: Domestic | 5.82 | 7.27 | 80.00% | -20.0% |
| RTS-2: Non Domestic | 8.43 | 7.27 | 115.9% | 15.9% |
| RTS-3: Govt. Public Utilities | 8.36 | 7.27 | 115.0% | 15.0% |
| RTS-4: Private Tube Wells | 2.64 | 7.27 | 36.3% | -63.7% |
| RTS-5: Industry | | | | |
| LT Industry | 7.84 | 7.27 | 107.91% | 7.91% |
| HT Industry | 7.90 | 7.27 | 108.67% | 8.67% |
| RTS-6: Mixed Load | 7.47 | 7.27 | 102.74% | 2.74% |
| RTS-7: Railway Traction | 7.43 | 7.27 | 102.23% | 2.23% |
| RTS 8: EV Charging Stations | 7.00 | 7.27 | 96.29% | -3.71% |

The comparison of Cross Subsidy at approved tariffs with respect to the average cost of supply in Tariff Order for FY 2023-24 and as approved in this Tariff Order for FY 2024-25 is given below:

**Table 5.18: Cross Subsidy at Approved Tariffs in FY 2023-24 and FY 2024-25**

| Category | Cross Subsidy at Approved Tariff for FY 2023-24 | Cross Subsidy at Approved Tariff for FY 2024-25 |
|---|---|---|
| RTS-1: Domestic | -20.04% | -20.00% |
| RTS-2: Non Domestic | 16.27% | 15.93% |
| RTS-3: Govt. Public Utilities | 15.6% | 15.0% |
| RTS-4: Private Tube Wells | -64.5% | -63.7% |
| RTS-5: Industry | | |
| LT Industry | 8.06% | 7.91% |
| HT Industry | 9.07% | 8.67% |
| RTS-6: Mixed Load | 4.30% | 2.74% |
| RTS-7: Railway Traction | 3.40% | 2.23% |
| RTS 8: EV Charging Stations | -6.20% | -3.71% |

The Commission while designing the tariffs for FY 2024-25 has attempted to reduce the cross subsidies for most of the categories with respect to approved tariffs for FY 2023-24 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 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."*

## 5.4 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 2024-25 as approved by the Commission is Rs. 10167.51 Crore (excluding NTI & truing up impact of FY 2022-23) and after excluding the power purchase cost and Transmission Charges, the net amount works out to Rs. 1537.87 Crore.

The PLSD during FY 2023-24 is 2635 MW.

Hence, in accordance with the methodology provided in the aforesaid Regulations, the wheeling charges payable by customers seeking open access for FY 2024-25 (applicable upto 31st March, 2025) shall be:

**Table 5.19: Wheeling Charges approved for FY 2024-25**

| Description | Rs./MW/day |
|---|---|
| Wheeling Charges | **15,990/-** |

"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. 2576/MW/day for HT industry consumers having contracted load above 1000 kVA and Rs. 4532/MW/day for HT industry consumers having contracted load upto 1000 kVA. Non-Domestic consumers shall pay wheeling charges of Rs. 12776/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. 15990/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 2024-25 shall be the pooled average system distribution losses, i.e. 13.00% considered in this Order. Cross subsidy surcharge applicable, in accordance with the Regulations, to open access customers for FY 2024-25 have been determined as Rs. 0.63/kWh for HT industrial consumers and Rs. 1.16/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.**

# 6. Review of Commercial Performance of UPCL

## 6.1 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 in Table 1.1 & 1.2.

**Table 6.1: Detail of Substations (S/s) maintained by UPCL (As on 31.12.2023)**

| 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 | 1172.00 | 9942 | 1111.38 |
| 2 | Uttarkhashi | 14 | 25 | 109.45 | 2104 | 93.45 |
| 3 | Pauri | 35 | 60 | 272.00 | 6209 | 297.66 |
| 4 | Tehri | 18 | 34 | 200.00 | 3997 | 160.34 |
| 5 | Chamoli | 16 | 25 | 123.05 | 2459 | 96.39 |
| 6 | Rudraprayag | 8 | 12 | 62.00 | 1982 | 68.11 |
| **Total Garhwal Zone** | | **157** | **288** | **1938.50** | **26693** | **1827.32** |
| **Haridwar Zone** | | | | | | |
| **7** | **Haridwar** | **68** | **142** | **1414** | **23264** | **1346.44** |
| **Kumaon Zone** | | | | | | |
| 8 | Nainital | 31 | 55 | 436.00 | 6814 | 614.22 |
| 9 | U.S.Nagar (Kashipur, Bazpur Jaspur) | 22 | 48 | 458.50 | 8435 | 454.96 |
| 10 | Almora | 29 | 51 | 204.50 | 4565 | 167.30 |
| 11 | Bageshwar | 9 | 13 | 47.50 | 2146 | 68.42 |
| **Total Kumaon Zone** | | **91** | **167** | **1146.50** | **21960** | **1304.90** |
| **Rudrapur Zone** | | | | | | |
| **12** | U.S.Nagar (Rudrapur-1, Rudrapur-2, Sitarganj & Khatima) | 36 | 75 | 732.00 | 11575 | 700.38 |
| 13 | Pithoragarh | 20 | 35 | 170.00 | 3958 | 139.22 |
| 14 | Champawat | 7 | 11 | 59.00 | 1757 | 71.79 |
| **Total Rudrapur Zone** | | **63** | **121** | **961** | **17290** | **911.39** |
| **Total UPCL** | | **379** | **718** | **5460** | **89207** | **5390.06** |

**Table 6.2: Detail of Lines maintained by UPCL (As on 31.12.2023)**

| S.No. | Name of District | 33 kV Line (In Km.) | 11 kV Line (In Km.) | LT Line (In Km.) |
|---|---|---|---|---|
| **Garhwal Zone** | | | | |
| 1 | Dehradun | 794.92 | 4877.36 | 12698.55 |
| 2 | Uttarkhashi | 321.62 | 2349.85 | 3662.11 |
| 3 | Pauri | 722.10 | 5518.78 | 8953.96 |
| 4 | Tehri | 436.90 | 4364.33 | 6721.66 |
| 5 | Chamoli | 335.34 | 2688.96 | 3865.50 |
| 6 | Rudraprayag | 170.19 | 1395.45 | 2012.88 |
| **Total Garhwal Zone** | | **2781.07** | **21194.73** | **37914.66** |
| **Haridwar Zone** | | | | |
| **7** | **Haridwar** | **750.02** | **5952.83** | **6941.37** |
| **Kumaon Zone** | | | | |
| 8 | Nainital | 436.97 | 3180.35 | 5208.19 |
| 9 | U.S.Nagar (Kashipur, Bazpur Jaspur) | 319.60 | 2396.18 | 2217.51 |
| 10 | Almora | 546.48 | 5026.41 | 7635.76 |
| 11 | Bageshwar | 186.58 | 1807.52 | 2505.52 |
| **Total Kumaon Zone** | | **1489.63** | **12410.46** | **17566.98** |
| **Rudrapur Zone** | | | | |
| 12 | U.S.Nagar (Rudrapur-1, Rudrapur-2, Sitarganj & Khatima) | 534.71 | 3067.32 | 4707.06 |
| 13 | Pithoragarh | 413.09 | 3403.65 | 4217.89 |
| 14 | Champawat | 141.00 | 1854.94 | 3037.12 |
| **Total Rudrapur Zone** | | **1088.80** | **8325.91** | **11962.07** |
| **Total UPCL** | | **6109.52** | **47883.93** | **74385.08** |

Further, on examination of the details of sub-stations and lines maintained by UPCL as on 31.12.2023 vis-a-vis as on 31.12.2022, it has been observed that UPCL was able to increase its total transformation/sub-station capacity and total line length as detailed below:-

**Table 6.3: Increase in Assets maintained by UPCL as on 31.12.2023 vis-a-vis 31.12.2022**

| Description | 33 kV | 11 kV | LT |
|---|---|---|---|
| Substation capacity as on 31.12.2022 (in MVA) | 5369 | 5144 | - |
| Substation capacity as on 31.12.2023 (in MVA) | 5460 | 5390 | - |
| **Net Increase in Substation Capacity (in MVA)** | **91** | **246** | **-** |
| Line length as on 31.12.2022 (in Km) | 5929 | 46781 | 71627 |
| Line length as on 31.12.2023 (in Km) | 6110 | 47884 | 74385 |
| **Net Increase in line length (in Km)** | **180** | **1103** | **2758** |

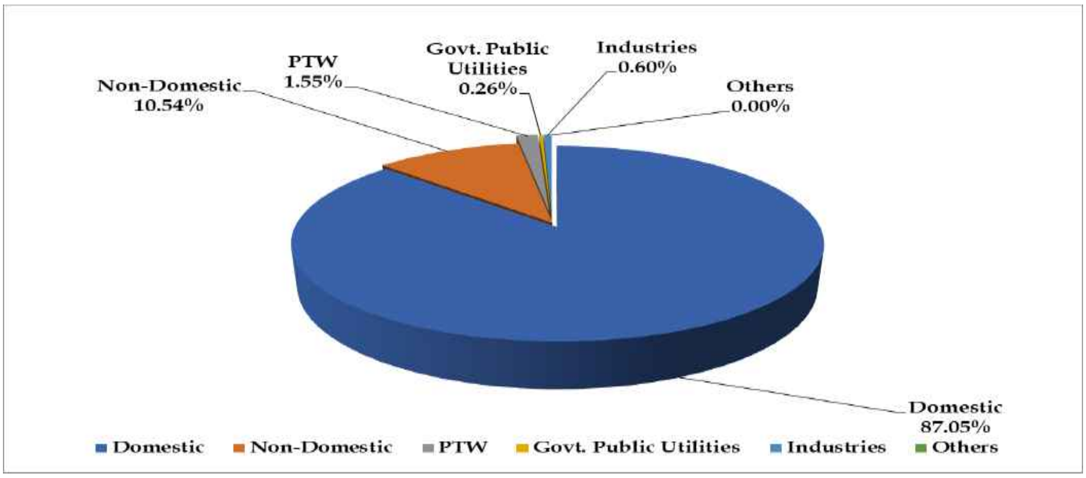
The Distribution network of UPCL as on 31.12.2023 contains four Zones namely Garhwal, Haridwar, Kumaon & Rudrapur having total Thirteen Circles containing 46 Divisions. The new Circle which has been formed in December, 2023 is Champawat which has been carved-out from Pithoragarh Circle. Now Champawat Circle contains 02 Divisions namely Champawat & Sitarganj. The new Division which has been formed in April, 2023 is Kichha under Rudrapur Circle. The State has a distinct advantage over other comparable States as a small number of consumers consume major share of power for which a Key Consumer Cell (KCC) has been constituted. Hence, a large portion of revenue of the Petitioner comes from these KCC consumers.

The Consumer Mix, Consumption pattern, Contracted/Connected Load pattern & Revenue pattern for FY 2021-22 & FY 2022-23 are elaborated below:

### 6.1.1 *Consumer Mix during FY 2021-22 & FY 2022-23*

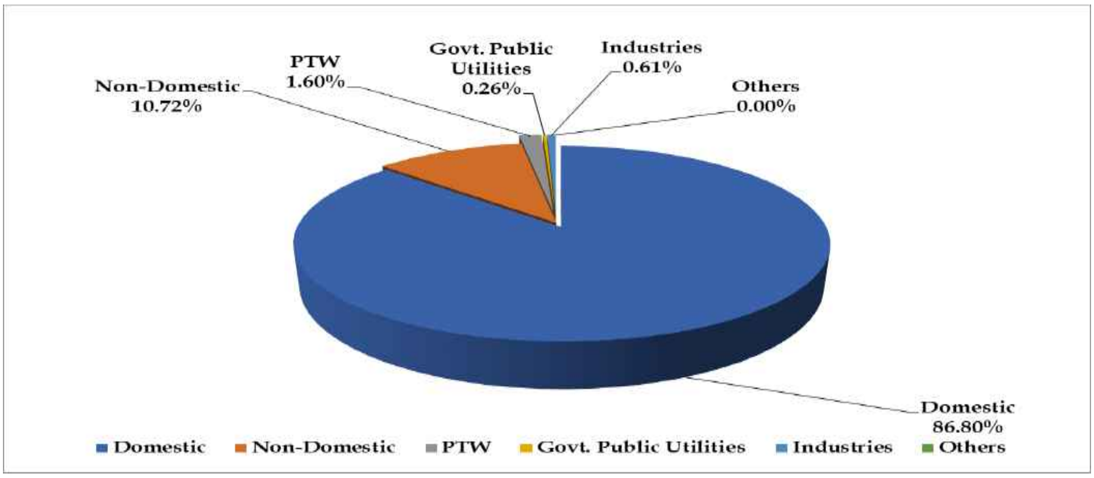
As per the CS-3/CS-4 report of UPCL as on March, 2022, out of the total approximately 27.50 Lakh consumers in the State, there were 87.05%-Domestic consumers, 10.54%-Non-Domestic consumers and only 0.60% consumers of the Industrial category. It is seen that these industrial (HT+LT Industries) consumers accounted for around 52.35% of the total consumption of the State and contributed to about 57.24% of the Petitioner's revenue. The following Chart depicts the consumer mix in the State as on March 2022.

**CHART 1: Consumer Mix (March, 2022)**




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 contributed to about 56.36% of the Petitioner's revenue. The following Chart depicts the consumer mix in the State as on March 2023.

**CHART 2: Consumer Mix (March, 2023)**




On comparing the Consumer Mix as on March, 2023 vis-a-vis March, 2022, it has been observed that out of total increase of 76,290 consumers, majorly 59,444 consumers increased in Domestic category, 13,065 consumers in Non-Domestic category, 2,524 consumers in Govt. Public Utilities and 364 under PTW category. Industrial category experienced rise in 889 consumers.

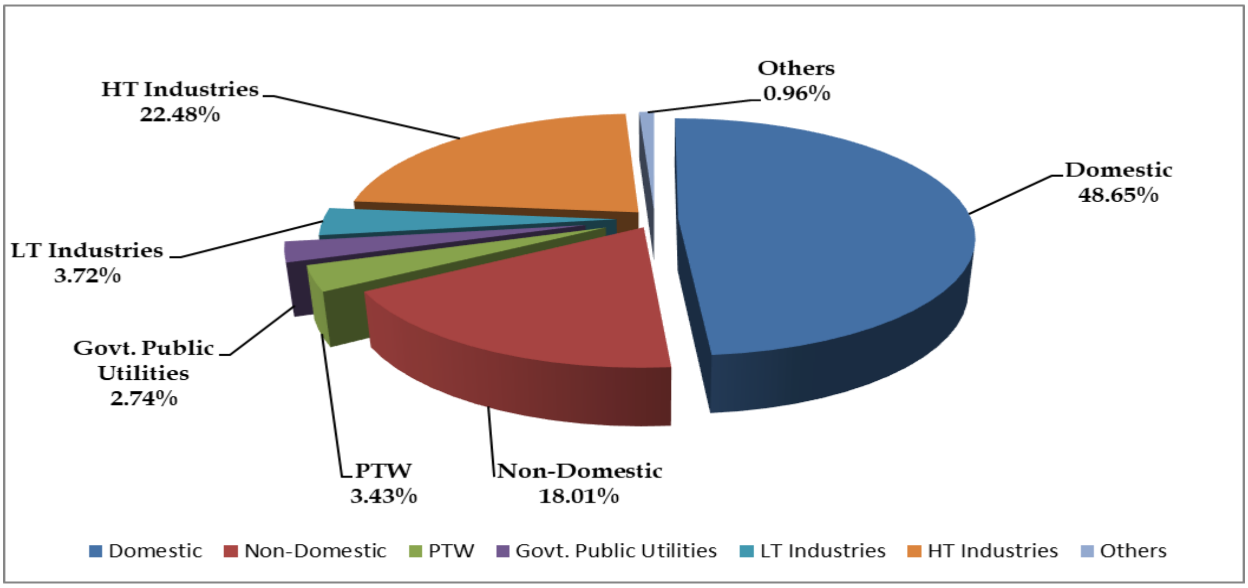
Further, under newly introduced category of 'electric vehicle charging station' no addition in number of connections was observed in FY 2022-23 in comparison to previous FY.

### 6.1.2 *Consumer Contracted/ Connected Load Pattern as on March, 2022 & March, 2023*

As on March, 2022, it was observed that the total Contracted/Connected load in the State was 7888.74 MW. The Contracted/Connected load of Industrial Consumers (HT+LT Industries) was 26.20% and the Contracted/Connected load of Domestic & Non-domestic consumers was 48.65% & 18.01% respectively.

The following Chart depicts the category-wise Contracted/Connected load in the State as on March, 2022.

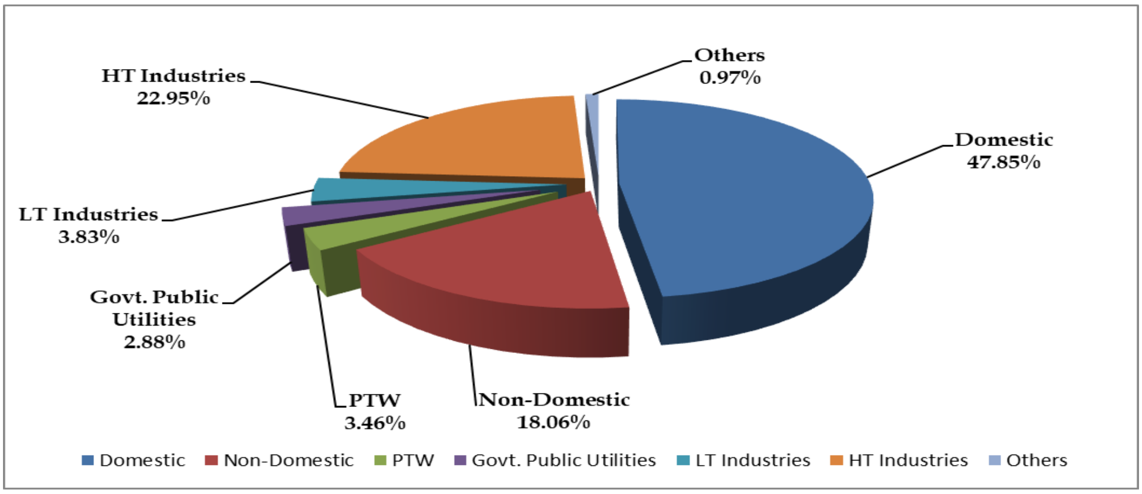
**CHART 3: Consumer Contracted/Connected load (March, 2022)**




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 4: Consumer Contracted/Connected Load (March, 2023)**

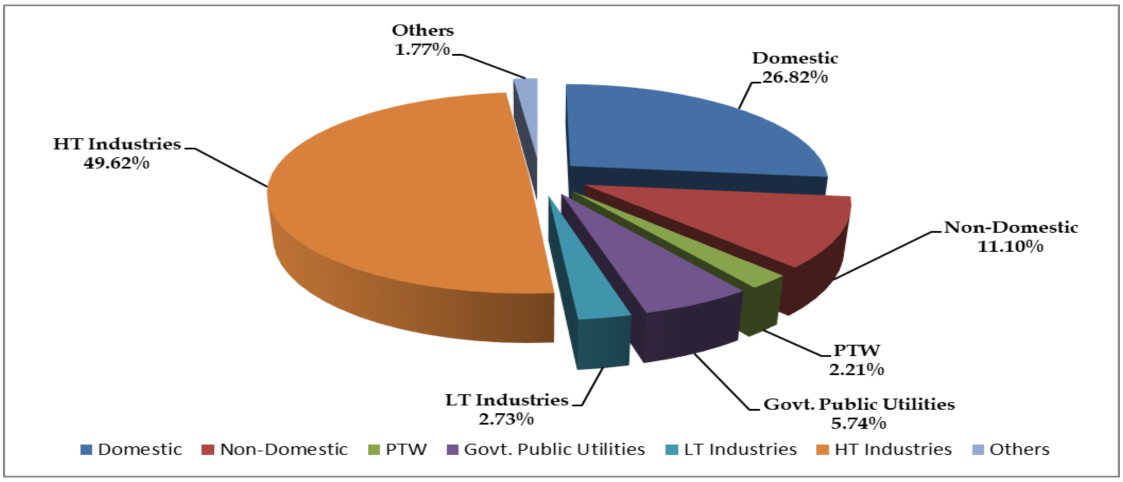



From the above chart, it has been observed that Domestic category constitute the major share followed by Industry category. In FY 2022-23, the total Contracted/Connected load has increased by 211 MW for the State in comparison to previous FY. The Contracted/Connected load of all the categories have increased by some amount with maximum increase in Industries, Non-domestic and Domestic category consumers by 102.07 MW, 41.34 MW and 38.05 MW respectively.

### 6.1.3 *Consumption Pattern during FY 2021-22 & FY 2022-23*

The total energy consumption in FY 2021-22 was 12518.80 MUs out of which the consumption of Industrial consumers (HT+LT Industries) was 52.35% and for Domestic & Non-Domestic consumers the consumption was 26.82% & 11.10% respectively. The following Chart shows the consumption pattern in the State during FY 2021-22.

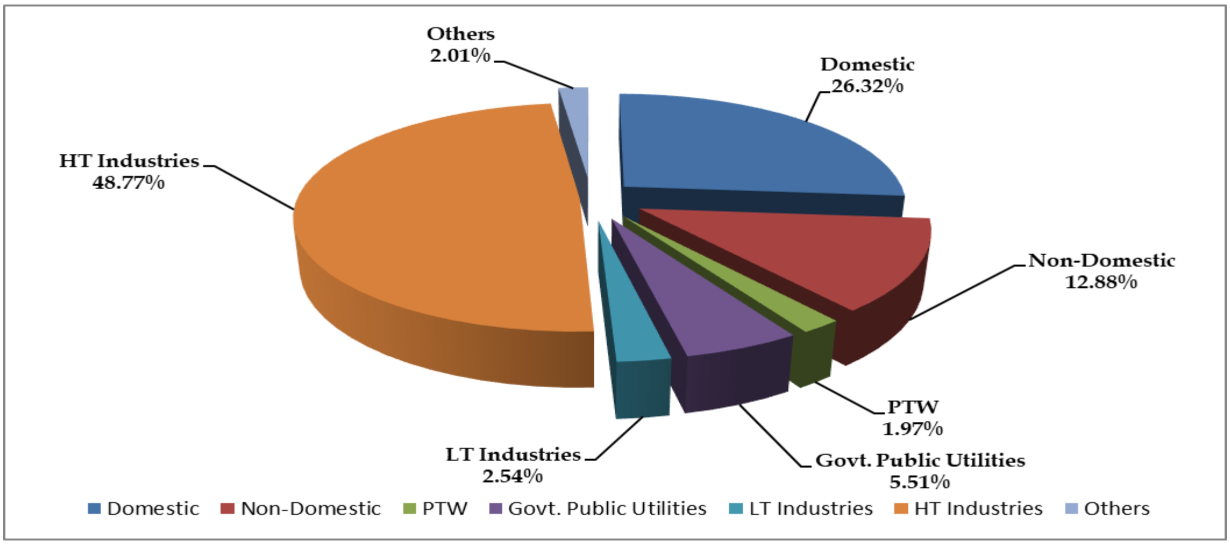
**CHART 5: Consumption Pattern during FY 2021-22**




The total energy consumption in FY 2022-23 was 13491.23 MUs. In FY 2022-23, it was observed that with respect to total consumption of the State, 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 6: Consumption Pattern during FY 2022-23**




On comparing the energy consumption of Industries during FY 2022-23 vis-a-vis FY 2021-22, it has been observed that the energy consumption of Industries, Non-domestic and Domestic category consumers increased by approx. 368 MUs, 347 MUs and 194 MUs respectively. It has been observed that the energy consumption of PTW increased by 24.93 MUs in FY 2022-23 in comparison to FY 2021-22.

Earlier, the quantum of power drawn 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 drawn through exchanges by the embedded open access consumers decreased vis-a-vis FY 2017-18 level, which had further increased in FY 2019-20 & FY 2020-21. However, in FY 2022-23 & 2023-24 the quantum of power drawn through open access by the consumers has decreased drastically vis-a-vis FY 2021-22 level 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, in FY 2023-24 (upto February, 2024), the quantum of power drawn through open access by the consumers has further increased vis-a-vis FY 2022-23 level.

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:

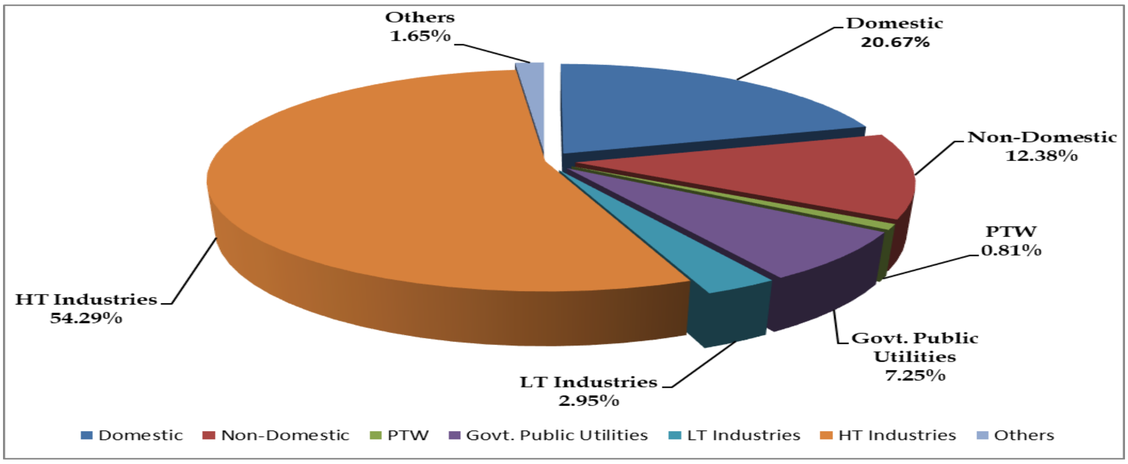
**Table 6.4: Quantum of Power Drawn through Open Access by consumers (at NR periphery)**

| Year | Quantum (MU) |
|---|---|
| FY 2014-15 | 181.37 |
| 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 (upto Feb, 2024) | 59.45 |

### 6.1.4 *Revenue Pattern during FY 2021-22 & FY 2022-23*

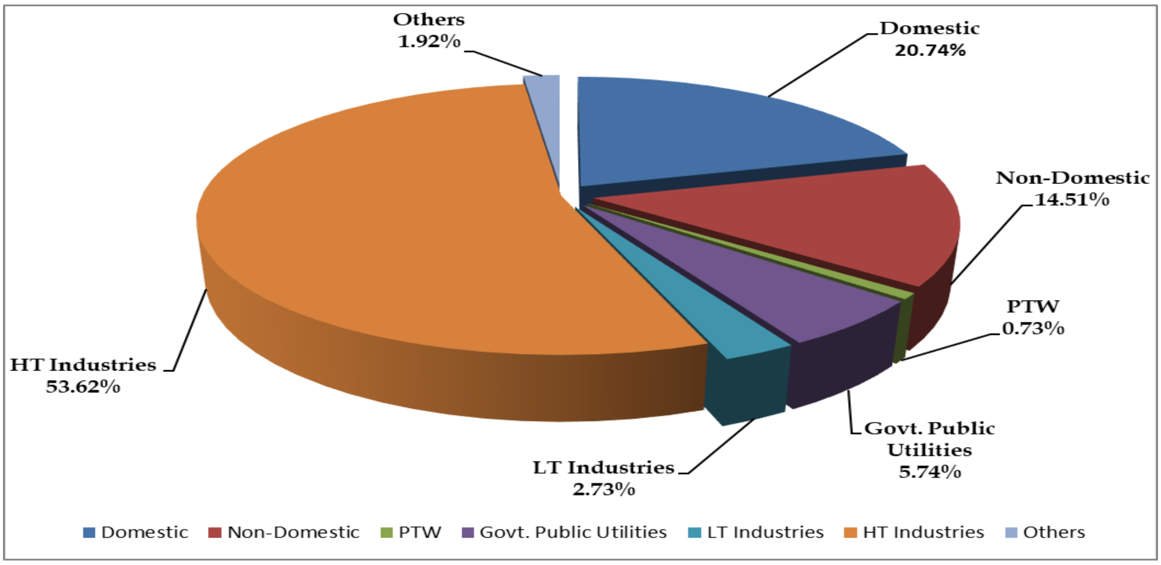
As per CS-4 report of UPCL, the total Revenue assessed in the State during FY 2021-22 was Rs. 783863.09 Lakh. The contribution of Industrial consumers was 57.24% [HT Industrial consumers was 54.29%, LT industrial consumers was 2.95%] whereas Domestic consumers and Non-Domestic consumers were contributing around 20.67% & 12.38% respectively.

**CHART 7: Revenue Mix in FY 2021-22**




Further, as per CS-4 report, 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 8: Revenue Mix in FY 2022-23**




On comparing the revenue assessed pattern of FY 2021-22 and FY 2022-23, it is noticed that the total revenue assessed increased by Rs. 1,07,316.67 Lakh out of which the share of domestic consumers, Non-domestic & Industries were Rs. 22,831.46 Lakh, Rs. 32,253.64 Lakh and Rs. 53,548.57 Lakh respectively. However, the total revenue for Govt. Public Utilities in FY 2022-23 reduced by Rs. 5,663.71 Lakh in comparison to revenue of previous financial year, i.e. FY 2021-22.

## 6.2 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 encompasses 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 6.5: 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 the 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.

**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 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.**

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 7.2.3 had directed UPCL to update and maintain the CS-3 & CS-4 report on its website regularly & promptly within 2 months. Further, the Commission during its meeting held on 01.12.2023 w.r.t. review on the issues pertaining to monthly Commercial Performance Report again directed UPCL to ensure compliance of the aforesaid directions pertaining to updation of CS-3 & CS-4 reports on its website. However, despite Commission's categorical directions UPCL has shown a lackadaisical approach in prompt updation of the same.

**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 web-site regularly and promptly within 02 months.**

The Commission's analysis on the information submitted by the Petitioner for the period 01.01.2023 to 31.12.2023 through its various submissions is being discussed in paragraphs mentioned hereunder:

### 6.2.1 *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:

#### *6.2.1.1 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 30.03.2023 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 2023-24**

**Table 6.6: Quarterly Target of Defective Meters (IDF) for FY 2023-24**

| 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 | 1.83% | 1.67% | 1.45% | 1.35% |

2. **Status of Defective Meters (IDF)**

**Table 6.7: Status of Defective Meters (IDF)**

| As on | % Defective Meters |
|---|---|
| 31.03.2022 | 1.95% |
| 31.03.2023 | 1.25% |
| 31.12.2023 | 1.96% |

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 2023-24 were 1.83%, 1.67% and 1.45% respectively against which UPCL has achieved IDF Percentage of 1.29%, 1.34% and 1.96% 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 6.8: Status of Defective Meters**

| S. No. | Name of Circle | No. of Defective Meters as on 31.03.2020 | 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 31.12.2023 | % of Defective Meters as on 31.03.2023 | % of Defective Meters as on 31.12.2023 |
|---|---|---|---|---|---|---|---|---|
| 1. | EDC Dehradun (R) | 6583 | 4576 | 2570 | 1720 | 2908 | 0.51% | 0.84% |
| 2. | EDC Roorkee | 6794 | 6281 | 4623 | 1797 | 7101 | 0.79% | 3.06% |
| 3. | EDC Haridwar | 7271 | 5683 | 6540 | 2681 | 10237 | 1.23% | 4.55% |
| 4. | EDC Srinagar | 12722 | 10785 | 3331 | 2422 | 2147 | 1.20% | 1.04% |
| 5. | EDC Karnprayag | | | 6780 | 6650 | 6306 | 4.50% | 4.18% |
| 6. | EDC Dehradun | 3521 | 1581 | 4243 | 2441 | 3162 | 1.09% | 1.38% |
| 7. | EDC Kashipur | 5570 | 1675 | 1312 | 875 | 3813 | 0.53% | 2.26% |
| 8. | EDC Rudrapur | 12428 | 6016 | 5711 | 2596 | 4538 | 0.98% | 1.67% |
| 9. | EDC Ranikhet | 4815 | 6170 | 5999 | 6045 | 5804 | 2.86% | 2.70% |
| 10. | EDC Haldwani | 4046 | 3641 | 3441 | 1602 | 2381 | 0.60% | 0.87% |
| 11. | EDC Tehri | 3718 | 4203 | 3721 | 3182 | 3009 | 1.84% | 1.71% |
| 12. | EDC Pithoragarh | 2586 | 1797 | 964 | 586 | 687 | 0.35% | 0.41% |
| **Total** | | **70054** | **52408** | **49235** | **32597** | **52093** | **1.25%** | **1.96%** |

From the above Table, it can be seen that the number of defective meters has increased by 19,496 i.e. 32,597 defective meters as on 31.03.2023 to 52,093 defective meters as on 31.12.2023. It has been observed that the percentage defective meters as on 31.12.2023 against EDC Karnprayag and EDC Haridwar is more than 3%. The percentage defective meters in UPCL's network as on 31.03.2023 & 31.12.2023 were 1.25% & 1.96% respectively which although are within the limit of 3% defective meters as directed by the Commission. However, it has been observed that the Petitioner has not put in sincere efforts for reducing the Defective Meters in its network in 1st 3 quarters of FY 2023-24. The Petitioner should make its efforts for bringing the limit of % IDF meters, i.e. 2% for plain and 3% for hilly areas as per directions issued in the previous Tariff Order dated 30.03.2023. The Petitioner indeed requires improvement at EDC Karnprayag and EDC Haridwar 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.

**Therefore, 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.**

### 6.2.2 *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.

#### *6.2.2.1 Provisional Billing: Status of NA/NR, IDF/ADF/RDF*

The Commission vide its Tariff Order dated 30.03.2023, had issued directions to the Petitioner to reduce the percentage NA/NR cases to below 2% in the entire State latest by 30.09.2023, 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 2023-24 in Format 2 of CPM reports:-

**Table 6.9: Quarterly Target of NA/NR for FY 2023-24**

| 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 |
|---|---|---|---|---|---|
| 2023-24 | NA cases | 1.31% | 1.19% | 1.02% | 0.83% |
| | NR cases | 0.67% | 0.59% | 0.51% | 0.44% |
| | Total NA/NR | 1.98% | 1.78% | 1.53% | 1.27% |

**Table 6.10: Status of NA/NR submitted in Commercial Performance Monitoring Report**

| Particulars | NA Cases | NR Cases | Total NA/NR |
|---|---|---|---|
| As on 31.03.2023 | 1.40% | 0.66% | 2.06% |
| As on 31.12.2023 | 1.43% | 1.69% | 3.12% |

On examination of Quarterly Targets furnished by the Petitioner vis-a-vis actual progress made in the field as on 31.03.2023, it has been observed that total NA/NR cases were 2.06% which is slightly above 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 2023-24 (upto Dec,2023) has achieved 1.43% NA cases & 1.69% NR cases, the total NA/NR cases 3.12% against the set target of 1.53% for the Q-3 of FY 2023-24. Thus, during FY 2023-24 (upto Dec, 2023), the Petitioner could not achieve the target level of 2% NA/NR as directed by the Commission.

Hence, the Commission is of the view that the Petitioner indeed requires improvement at each division level in order to reduce the NA/NR cases especially NR cases which have drastically increased in 3rd quarter of FY 2023-24 and the Petitioner should aim for achievement of overall target in accordance with the Orders of the Commission. 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 again directs 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.**

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 Dec, 2023) are still at higher levels vis-a-vis total number of billed consumers as shown in the Table given below:

**Table 6.11: Status of Provisional billing Viz. NA/NR/IDF/ADF/RDF**

| Status | As on 31st March 2019 | As on 31st March 2020 | As on 31st March 2021 | As on 31st March 2022 | As on 31st March 2023 | As on 31st December 2023 |
|---|---|---|---|---|---|---|
| NA (%) | 4.25 | 1.44 | 1.64 | 1.66 | 1.40 | 1.43 |
| NR (%) | 4.16 | 13.29 | 0.90 | 0.93 | 0.66 | 1.69 |
| IDF (%) | 3.52 | 2.96 | 2.15 | 1.95 | 1.25 | 1.96 |
| ADF (%) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| RDF (%) | 1.95 | 0.96 | 0.93 | 1.10 | 1.09 | 1.21 |
| **Total (%)** | **13.88** | **18.66** | **5.62** | **5.64** | **4.40** | **6.29** |
| **Total Billed Consumers (Nos.)#** | **22,03,032** | **23,63,726** | **2,439,959** | **2,521,628** | **2,601,170** | **26,64,060** |

*#Total billed consumers as furnished by Petitioner in prescribed Format-1.*

From the above Table, it is observed that there has been substantial increase in total percentage of NA/NR, IDF/ADF/RDF cases in the month of Dec, 2023 vis-a-vis FY 2022-23, i.e. from 4.40% to 6.29%, which is not 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 not 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.

**Therefore, 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.**

#### *6.2.2.2 NB & SB Cases*

The Commission, in its Tariff Order dated 30.03.2023, 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.

In this regard, the Commission during the review meeting held on 01.12.2023 expressed its displeasure over the lackadaisical approach of the Petitioner towards liquidation of NB/SB cases and directed it to make its all efforts for ensuring the compliance in the matter.

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 6.12: Status of NB/SB Cases**

| Status | | As on 03/19 | As on 03/20 | As on 03/21 | As on 03/22 | As on 03/23 | As on 12/23 |
|---|---|---|---|---|---|---|---|
| No. of NB/SB Cases | NB | 161500 | 158300 | 161580 | 154461 | 142962 | 128947 |
| | SB | | | | | | |

From the above Table, it is evident that no. of NB/SB have reduced in FY 2023-24 (upto 31.12.2023) w.r.t. cases as on March, 2023, 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 9.80% in three quarters of FY 2023-24, 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.**

#### *6.2.2.3 Outstanding Arrears*

The Commission in its Tariff Order dated 30.03.2023 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 Commission in the said Tariff Order had also directed the Petitioner to submit an Action Plan within a month of issuance of the 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.

The status of Outstanding Arrears furnished by the Petitioner in the prescribed Format- 5 is given below:

**Table 6.13: Status of Outstanding Arrears**

| Description | As on 03/20 | | As on 03/21 | | As on 03/22 | | As on 03/23 | | As on 12/23 | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Arrear** | **No.** | **Amount (Rs. Lakh)** | **No.** | **Amount (Rs. Lakh)** | **No.** | **Amount (Rs. Lakh)** | **No.** | **Amount (Rs. Lakh)** | **No.** | **Amount (Rs. Lakh)** |
| Arrear>=5 Lac | 950 | 38597.71 | 2423 | 104928.3 | 3034 | 120128.55 | 3078 | 119604.7 | 3383 | 128961.82 |
| 1=<Arrear<5 Lac | 3940 | 6461.14 | 6675 | 11806.81 | 8547 | 15330.78 | 8444 | 14872.98 | 12152 | 21240.70 |
| 0.5 Lac=<Arrear<1 Lac | 9745 | 6660.57 | 16580 | 11175.78 | 18017 | 12296.83 | 18679 | 12789.55 | 25553 | 17533.95 |
| 0.1 Lac=<Arrear<0.5 Lac | 67139 | 14547.86 | 135154 | 28473.76 | 144588 | 30031.31 | 152275 | 31394.67 | 190432 | 40247.93 |
| 0.05 Lac=<Arrear <0.1 Lac | 54201 | 3861.58 | 112244 | 8002.48 | 127774 | 9118.63 | 128893 | 9201.79 | 139156 | 9979.27 |
| **Total** | **135975** | **70128.86** | **273076** | **164387.12** | **301960** | **186906.10** | **311369** | **187863.70** | **370676** | **217963.67** |

From the above Table, it is evident that the Petitioner has not been able to reduce number of arrear cases and rather the same are increasing on year-on-year basis. The similar pattern can be observed while examining the outstanding arrears of FY 2023-24 (upto December, 2024) where the number of outstanding arrear cases and arrear amount are showing an increasing trend which is alarming and depicting that all is not good with financial/commercial condition of the Petitioner.

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 3.70 Lakh cases of arrears (which is around 13.91% of the total billed consumers of the Petitioner) have been pending as on 31.12.2023 with a staggering amount of Rs. 2,179.63 Crore pending recovery by the Petitioner which is about 22.01% of the Petitioner's approved Net ARR for FY 2023-24, i.e. Rs. 9,900.54 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 6.14: Status of Outstanding Arrears (Rs. Crore)**

| Description | As on 31.03.2019 | As on 31.03.2020 | As on 31.03.2021 | As on 31.03.2022 | As on 31.03.2023 | As on 31.12.2023 |
|---|---|---|---|---|---|---|
| As per Commercial Performance Monitoring report *(excluding Arrears of amount below Rs. 5,000)* | 1208.78 | 701.29 | 1643.87 | 1869.06 | 1878.63 | 2179.63 |
| As per CS-4 report *(including Arrears of amount below Rs. 5,000)* | 1731.08 | 2287.79 | 2258.16 | 2297.48 | 2201.52 | 2988.26 |

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 2023-24 (upto 31.12.2023). The total arrear as per CS-4 report to be realised as on 31.12.2023 is Rs. 2988.26 Crore which is approx. 30.18% of its approved Net ARR for FY 2023-24. 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 2023-24 (upto December, 2023).

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 waking up 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.**

#### *6.2.2.4 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 6.15: Status of Consumers**

| Description | As on 03/19 | As on 03/20 | As on 03/21 | As on 03/22 | As on 03/23 | As on 12/23 |
|---|---|---|---|---|---|---|
| Total High value Consumers | 23958 | 25123 | 26503 | 28853 | 32992 | 37564 |
| *Abnormal cases | 3961 | 6927 | 7325 | 5415 | 5684 | 6714 |
| L.F<10% | 10934 | 11616 | 12282 | 13947 | 15517 | 17731 |
| L.F>10% | 13051 | 13507 | 14221 | 14906 | 17475 | 19833 |

**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 31.12.2023 having load factor less than 10% was 17731, which is around 47.20% 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 Aug, 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 UPCL had submitted the details of only 'Consumers exceeding sanctioned demand' against the abnormal cases.

The Commission in its previous Tariff Order is categorically directing UPCL for constituting 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 during the review meeting held on 01.12.2023 directed the Petitioner to make all its efforts for compliance of directives issued in CPM chapter of Tariff Order. 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 26.64 Lakh consumers in the State (as on 31.12.2023) out of which 37,564 consumers are High value consumers whose data is furnished in Format-6 of CPM reports. The Industrial consumers which are only about 0.61% of the total consumer base of the Petitioner contribute nearly 56.36% 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 also directs the Petitioner to submit a report on analysis and monitoring of consumer data on monthly basis by 25$^{th}$ of every month in CPM reports.**

#### *6.2.2.5 Status of Revenue realisation per unit sold*

The Commission in its Tariff Order dated 30.03.2023 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 CPM 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 6.16: 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 2015-16 | 10298.14 | 524286* | 5.09 | 4.11 | 4.54 |
| 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 |

**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 Order 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. On corelating the data of Total Revenue Realisation excluding the Delayed Payment Surcharge, Electricity Duty & Green Energy Cess furnished in Format-7 of CPM report vis-à-vis the data in CS-4 report of commercial diary, it is observed that the total Revenue Realization in CPM report has been computed taking the collection efficiency into account w.r.t. the total electricity charges assessed in FY 2022-23 as per CS-4 report.

**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.**

### 6.2.3 *Bill Collection System*

Taking cognizance of various consumer complaints received by the Commission in writing and also during public hearing, the Commission earlier had directed the Petitioner to improve its existing Bill Collection System. Earlier, the Commission vide its Order dated 01.09.2005 had imposed a consolidated penalty of Rs. 1,00,000 and recurring additional penalty of Rs. 2,500 per day on UPCL for non-compliance of its directions with respect to Bill Collection System. Since then, multiple correspondences, directions, Orders have been issued by the Commission and the Petitioner has been submitting justification for the fragmentary progress in the matter.

However, it was only in the year 2017 when the Petitioner filed a Petition before the Commission seeking approval of an investment proposal of Rs. 11.20 Crore for construction of 158 Bill Collection Centres (BCCs) across the State within a period of one year. The said approval was accorded by the Commission vide its Order dated 15.05.2017 with the direction to complete the construction of BCC within the stipulated time.

Subsequently, the Commission considering progressive attempts of the Petitioner, viz., making available cash counters, mobile bill payment facilities in its field offices/Substations, bill payment through Banks, online payment facilities, integration of Common Service Centres (CSCs) etc., took a lenient view and vide its Order dated 10.04.2019, withdrew the daily penalty of Rs. 2500/- imposed on the Petitioner vide its earlier Order dated 01.09.2005, w.e.f. 01.08.2017. However, the penalty deposited by the Petitioner upto 31.07.2017 was not waived off.

Meanwhile, during periodical monitoring of status of construction of Bill Collection Centers and integration of CSCs, the Commission observed that despite Commission's emphasis on timely completion of Bill Collection Centers, works of 28 no. of BCCs of Kumaon Zone were not started even after an elapse of more than four and half years from the date of investment approval.

Thereafter, the Commission initiated a suo-moto proceedings in the matter of non-compliance of its directions and, accordingly, at Para 16 of its Order dated 11.02.2022 had directed UPCL that:-

"

*16.Much to the dismay of the Commission, as last and final opportunity in the matter, the Commission accepts the request of the Respondent that it shall complete the work by end of 31st July 2022 and further directs it to furnish monthly progress report before the Commission till completion of the said work."*

Accordingly, the Commission vide its Order dated 31.03.2022 directed the Petitioner to complete the balance works of construction of Bill Collection Centers and ensure integration of all CSCs in the State latest by 31.07.2022, in absence of which, without prejudice to earlier penal actions/stern action under the provisions of the Act/Rules/Regulations would be initiated against it. Further, the Commission directed the Petitioner to make widespread publicity/Advertisement/workshop of the bill collection facilities & list of VLEs operating in the vicinity of various electricity Sub-division/ division officers of UPCL across the State.

Further, during the review meeting held on 02.09.2022, the Petitioner had submitted that out of total 157 nos. BCCs to be constructed work is pending at only 03 nos. BCCs falling under Kumaon Zone.

The Petitioner in its compliance of directives alongwith its previous year Petition had furnished that all 157 nos. BCCs have been completed. Further, Petitioner had submitted that up-keeping and maintenance of the assets at the existing bill collection centers is being done on regular basis.

The Petitioner in compliance to directives in instant Petition has mentioned that "*As regards widespread publicity / advertisement / workshop of the bill collection facilities, it is submitted that following measure are taken at the end of various wings of UPCL for bill collection facility at CSC counters (VLEs):*

- *Payment option printed on back side of paper bills includes information of bill payment through CSC.*
- *SMS sent to consumers regarding digital mode of payments also states about CSC payment option from time to time.*
- *UPCL website also shows the CSC mode of payment.*
- *Flex/Pamplets at Division / Sub Division offices printed by EE (CM) have already been circulated by him as per directions from commercial wing."*

The Commission has noted the submission of the Petitioner.

## 6.3 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 30.03.2023 had directed the Petitioner to provide/maintain the metering system at each feeder, 'T' points, DTs and consumers in its distribution network for effective energy auditing and accounting. The Petitioner was also directed to submit compliance report in this regard by

30.09.2022, failing which appropriate action may be taken against the Petitioner in accordance with the Act/Rules/Regulations.

The Petitioner in its response to compliance to directives in its instant Petition submitted "*About 11,602 nos DTs have been metered under IPDS/R-APDRP scheme. UPCL is unable to maintain healthy communication from Distribution Transformer Locations due to lack of manpower and AMC. Also there is poor communication from remote locations as modems installed are based on 2G technology and network companies are now focusing on 4G technology.*

*GoI has sanctioned Smart Metering under RDSS Scheme wherein smart metering of Feeders/DTR/Consumers will be done. Under this scheme 2602 nos. feeders, 59,212 Nos. DTRs and 15,87,870 no. consumers will be covered.*

*UPCL has also instructed its field units to provide T-point metering at rural feeders catering to industrial loads more than 75 kW. It is targeted to be completed by the end of 31-03-2024.*"

The Commission has taken the serious note that the corporate office is merely issuing/passing the direction to its field offices and not proactively ensuring/monitoring the compliance status of the same from its field offices. The Commission is of the view that the corporate office should not act like the Post Office, i.e. passing the direction of the Commission to its field offices but should also effectively monitor the compliance status of the same and **thus, the Petitioner is accordingly directed 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 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.**

## 6.4 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 31.12.2023 as per Commercial Performance Monitoring report are 23.41%. The reason for such high AT&C loss is primarily high distribution losses (14.29%) and low collection efficiency (89.36%) till 31.12.2023. The Commission in its previous Orders had also 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 6.17: 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 2014-15 | 11888.23 | 9685.16 | 418940 | 418388 | 18.53 | 15.50 | 99.87 | 18.64 | 17.19 |
| 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 (upto Dec, 2023) | 12192.38 | 10450.33 | 741205 | 662335 | 14.29 | 13.25 | 89.36 | 23.41 | 13.99 |

From the above Table, it has been observed that during FY 2022-23 the Petitioner has made some effort in reducing its distribution losses vis-à-vis the approved AT&C losses. The collection efficiency in FY 2022-23, i.e. 98.99% has improved vis-a-vis FY 2021-22 level, i.e. 98.14%, however, still the actual AT&C losses are high w.r.t. approved AT&C losses.

It is evident from the above Table, that the Petitioner has not made its sincere efforts in reducing its distribution losses and increasing the collection efficiency in FY 2023-24 (upto Dec, 2023) due to which it was not able to bring its distribution losses and AT&C losses below the approved distribution loss and AT&C loss levels.

Further, from the above Table it has been observed that the distribution losses in FY 2023-24 (upto December, 2023) is 14.29% 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 2022-23 & FY 2023-24 (upto Dec, 2023) were 98.99% & 89.36% 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 pragmatically the real AT&C losses would be to the tune of 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 2023-24 (upto 31.12.2023), the Commission has observed that despite Commission's specific directions for recovery of revenue through out 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 the 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 HT/EHT and LT consumers. The Commissions is of the view that the marginal AT&C losses occurring at HT/EHT 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 Key/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 promote and implement the Smart metering 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 all its efforts for timely completion of the projects funded by the Central Government as any laxity on part of the Petitioner would result in delay in completion of projects and inturn in conversion of grant into loans.

## 6.5 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 taking into account the financial performance of UPCL in FY 2022-23 based on the audited financial statements are detailed below.

### 6.5.1 *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.

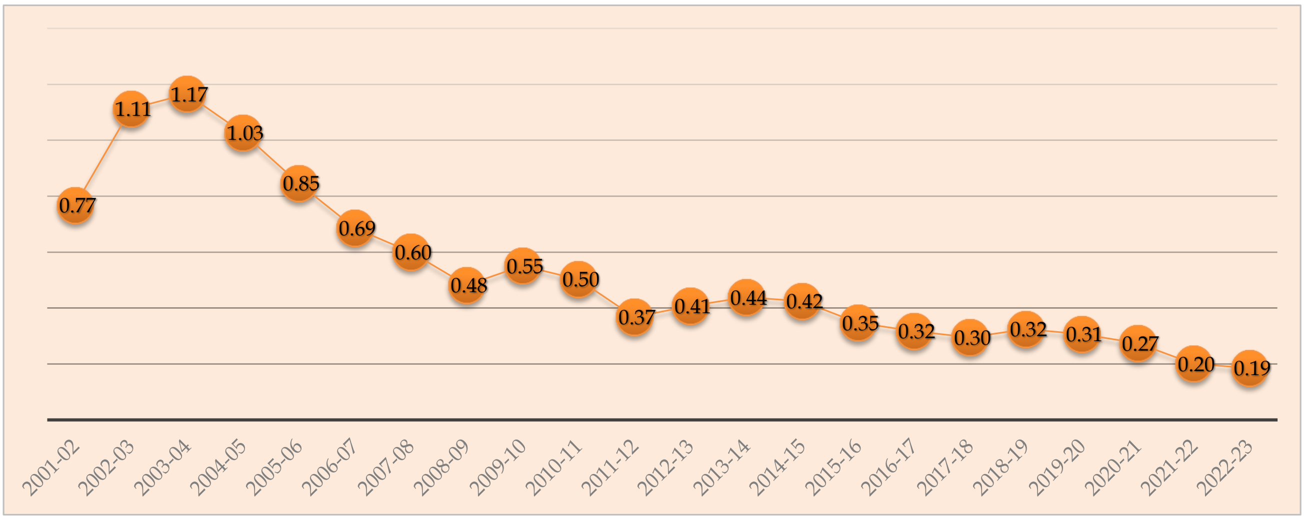
#### *6.5.1.1 Quick Ratio or Acid Test Ratio*

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 8: UPCL Quick Ratio from FY 2001-02 to FY 2022-23**



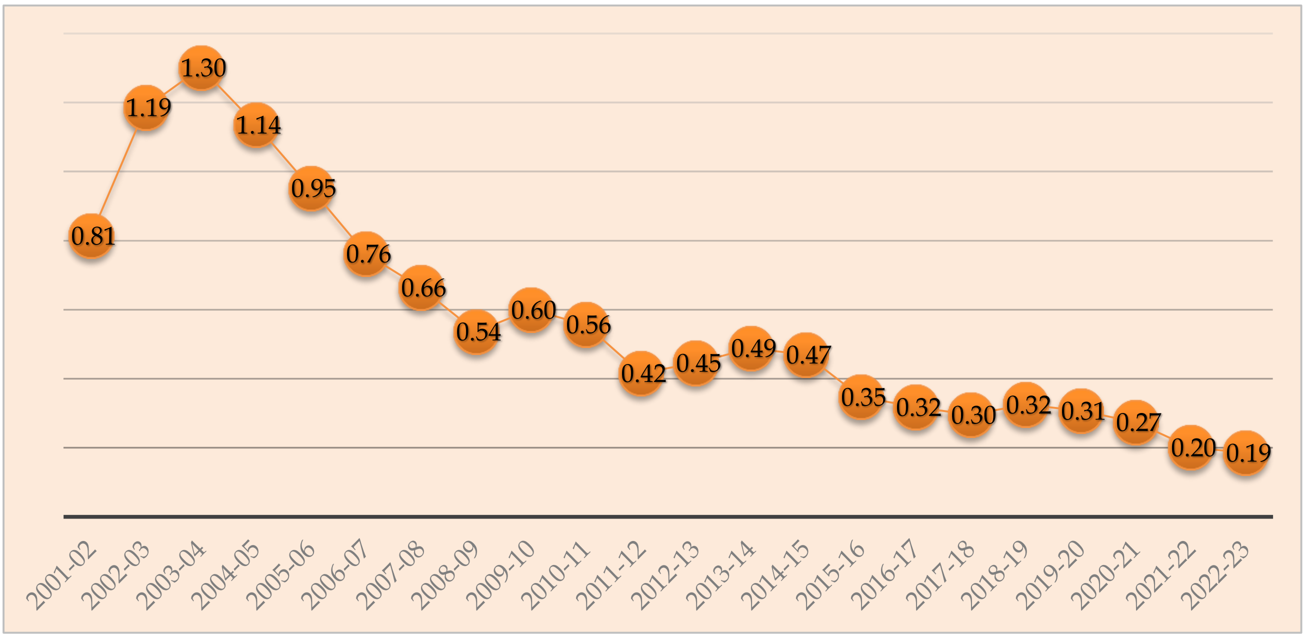

As can be seen from above graph, UPCL's Quick Ratio was almost 1 in the FY 2002-03 & FY 2003-04 and thereafter, shows a downward linear trend in the ensuing years, thus, showing the Corporation's inability to maintain its liquidity over a period of time, the primary reasons for the same could be its 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 2022-23, the situation has further deteriorated, and the ratio has decreased from 0.20 in FY 2021-22 to 0.19 in FY 2022-23, which does not appears to be a good sign as far as this ratio is concerned.

### *6.5.1.2 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 9: UPCL Current Ratio from FY 2001-02 to FY 2022-23**




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.

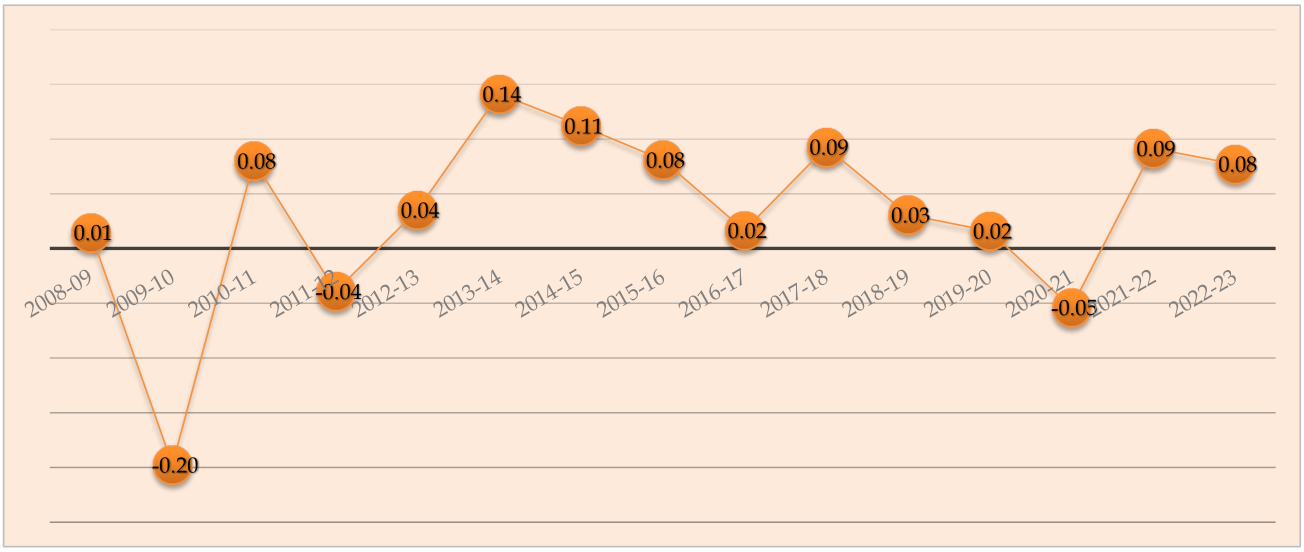
This indicates that for discharging its current liabilities, UPCL will either have to resort to liquidating its long-term assets or borrow additional working capital loans. This also is an indicator that on one side UPCL has failed to recover its current and past dues from the consumers efficiently and 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 which in the current proceedings has also been admitted by UPCL.

In this regard, **the Petitioner is directed 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.**

#### 6.5.1.3 *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 10: UPCL Operating Cash Flow Ratio from FY 2008-09 to FY 2022-23**




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 2021-22 the ratio has dipped slightly in FY 2022-23 which is not a good sign as far as operations of the utility is concerned. 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.

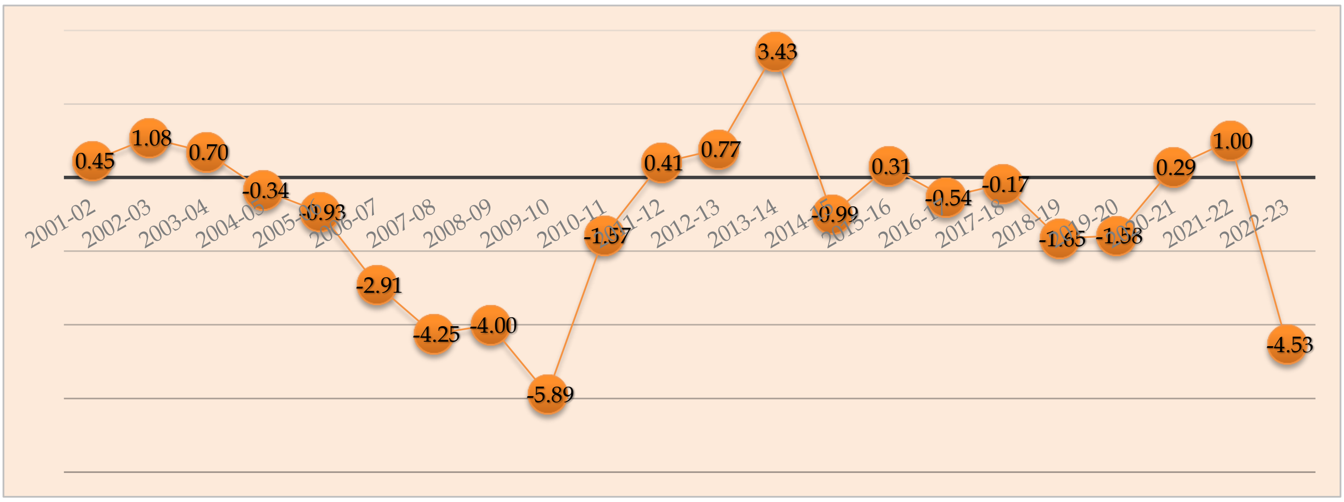
### 6.5.2 *Solvency Ratio*

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.

#### *6.5.2.1 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 11: UPCL Interest Coverage Ratio from FY 2001-02 to FY 2022-23**



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. Such a 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.

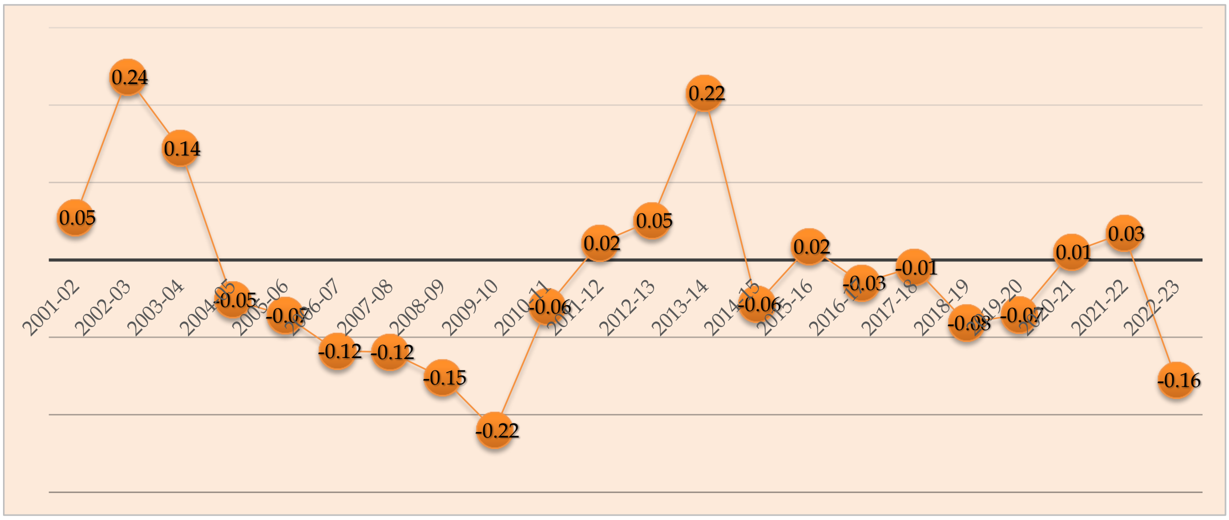
### 6.5.3 *Profitability Ratio*

Profitability ratios compares 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.

#### *6.5.3.1 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 12: UPCL Return on Assets Ratio from FY 2001-02 to FY 2022-23**

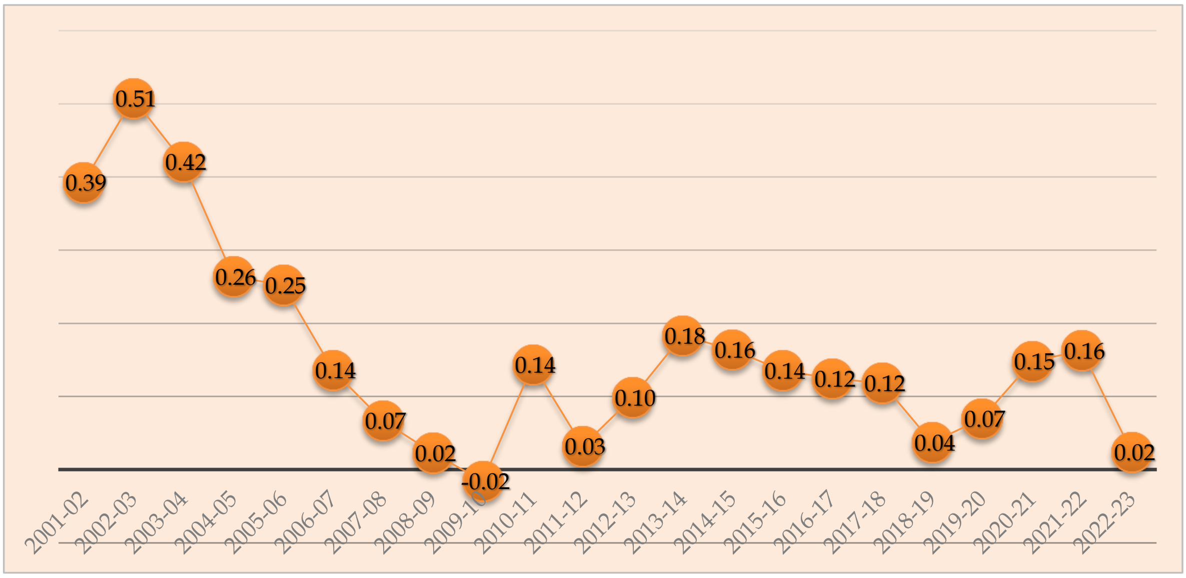


As can be seen from the above graph, UPCL earnings through its operations is not in parity with the investment made in building up its fixed assets over a period of time.

#### *6.5.3.2 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 13: UPCL Gross Margin Ratio from FY 2001-02 to FY 2022-23**



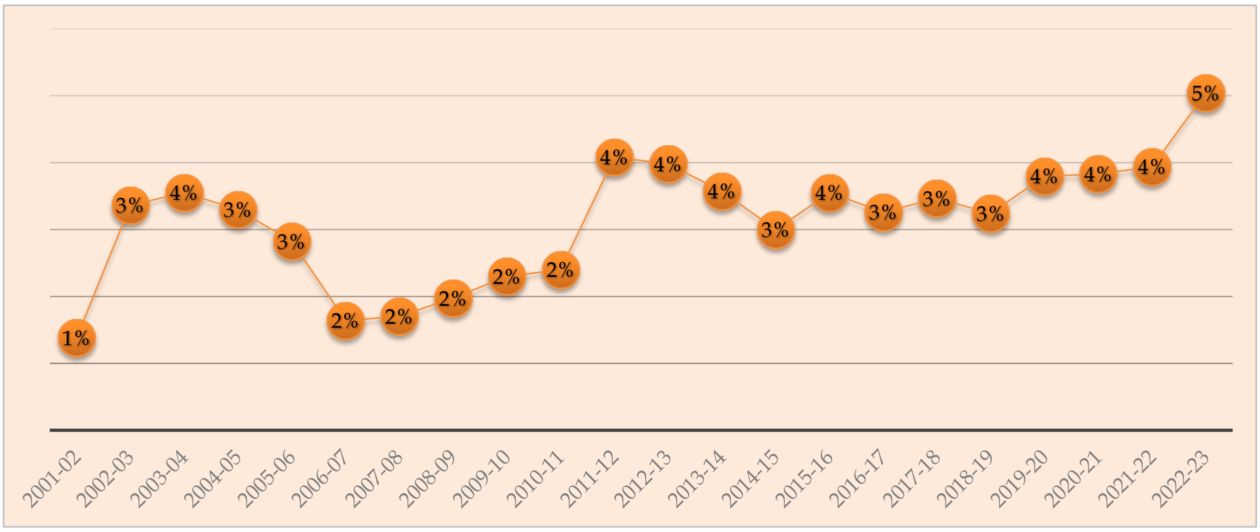

As can be seen from above graph, UPCL is having a positive gross margin ratio except for FY 2009-10. This indicates that the company is able to sell power at a rate higher than the procurement cost of the same, however, the overall ratio is not on the much higher side, with a maximum going upto 0.51 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.

### 6.5.4 *Operating or Activity Ratio*

#### *6.5.4.1 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 14: UPCL R&M to Net Fixed Asset Ratio from FY 2001-02 to FY 2022-23**




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 substaions/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 5% in FY 2022-23 as compared to 4% in FY 2021-22, which is also the highest since FY 2001-02. UPCL should endeavour to control its expenses and ensure optimum utilisation of its resources.

#### *6.5.4.2 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.

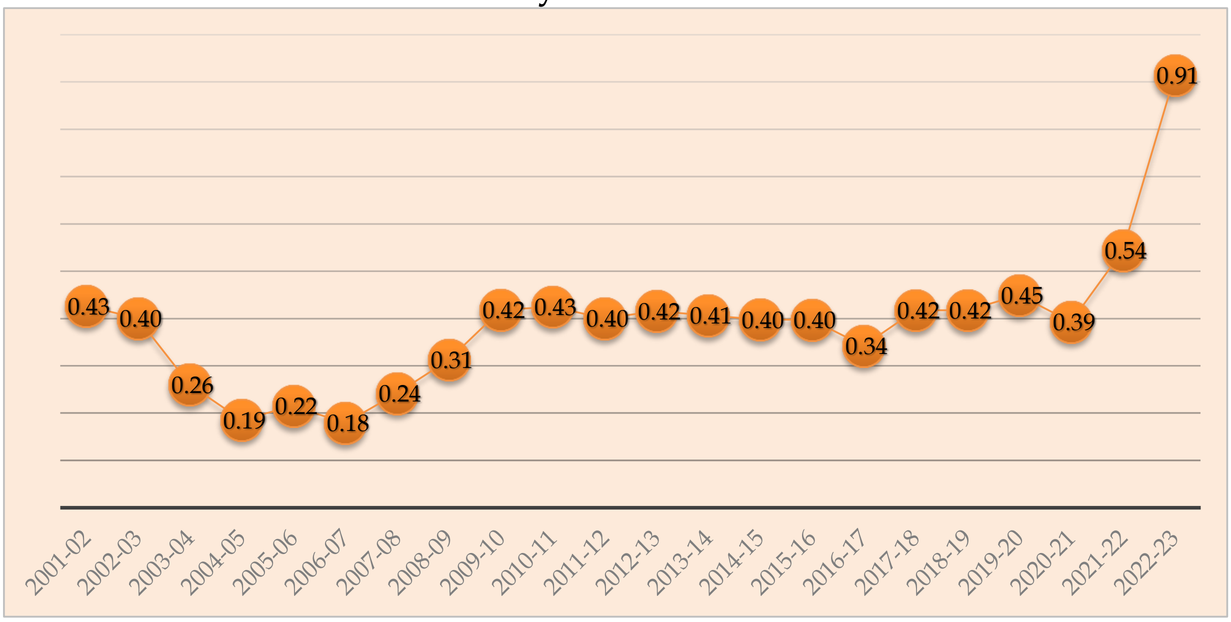
In this regard, UPCL has given disclosure in its audited financial statements for showing the entire inventory under Fixed Assets as reproduced below:

> *"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 15: UPCL R&M to Inventory Ratio Trend from FY 2001-02 to FY 2022-23**




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. 389.54 Crore as on 31.03.2023 which is around 47.70% of the net additions to the GFA of Rs. 816.80 Crore during FY 2022-23 suggests that UPCL in FY 2022-23 has made substantial addition to the inventory for capital works, as the capital inventory in FY 2021-22 of Rs. 294.38 Crore was almost 20.50% 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 indicating a substantial increase in R&M expenses in FY 2022-23 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 31.03.2024.**
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?**

### 6.5.5 *Efficiency Ratio*

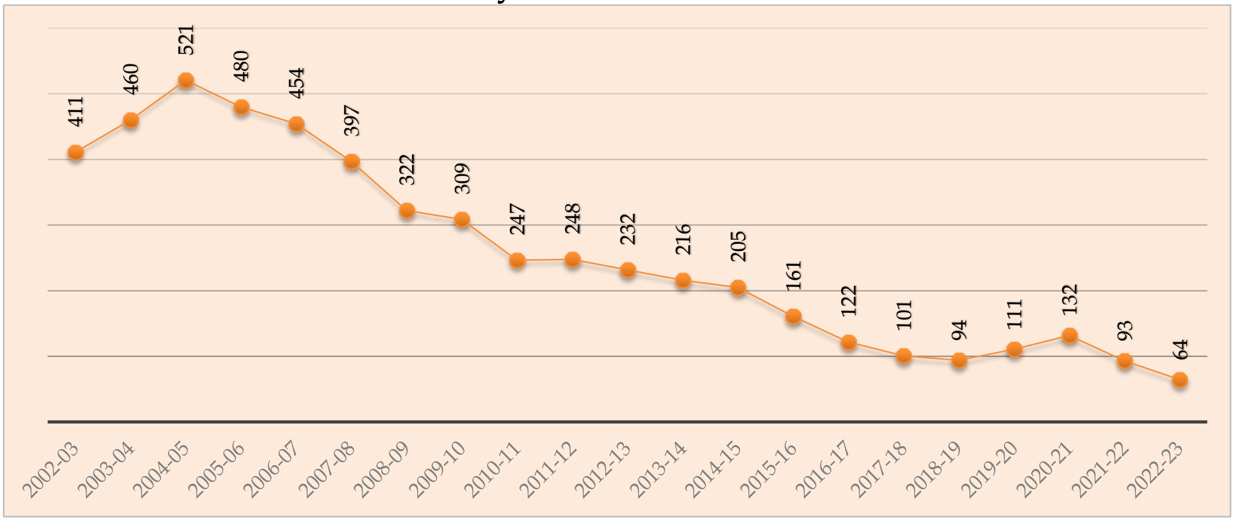
The efficiency ratio is typically used to analyze how well a company uses its assets and liabilities internally. An efficiency ratio can calculate the turnover of receivables, the repayment of liabilities, the quantity and usage of equity, and the general use of inventory and machinery.

#### *6.5.5.1 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 16: UPCL Number of days of Receivable from FY 2002-03 to FY 2022-23**




The collection period of receivables of UPCL shows a trend of improvement, it has come down from 520 days in FY 2004-05 to 64 days in FY 2022-23, which is within the range of national average of receivables in FY 2013 of 117 days. The collection period of 64 days reflects that UPCL takes almost 2.13 months to collect its dues. This is an area of concern and needs immediate and corrective action which is not a good sign for utility like UPCL, which is facing cash crunches to meet its obligations of power purchase and other operational expenses. There are other utilities in the country which have a collection period of less than 60 days. **The Petitioner is directed to submit within 3 months, an action plan to improve its collection period.**

### *6.5.5.2 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.

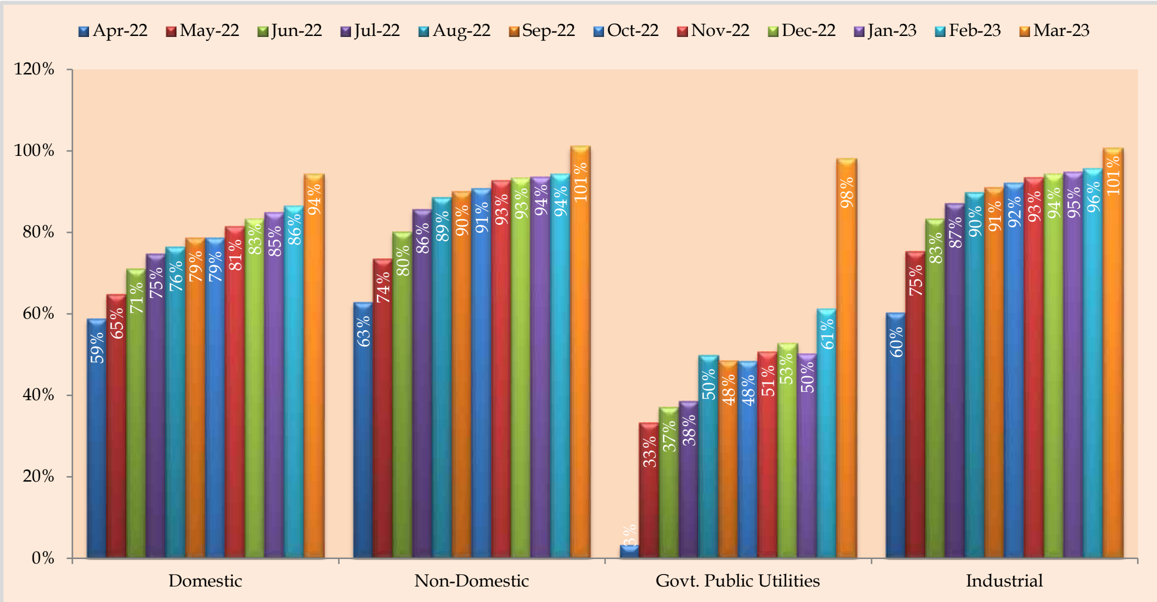
The Commission in its MYT Order dated 31.03.2022, while approving the Business Plan of UPCL for fourth control period, has approved the collection efficiency for FY 2022-23 as 99.15%.

In the present case, the Commission has calculated the Collection Efficiency ratio of UPCL for FY 2022-23 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 2022-23 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 17: UPCL Collection Efficiency for FY 2022-23**




As can be seen from the above graph, compared to overall Collection Efficiency approved by the Commission for FY 2022-23 of 99.15%, UPCL has been able to meet the same only in the last month of FY 2022-23 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 55% 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 02%-60% during the year and going upto a maximum of 98% in the month of March'23.

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 preceeding 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.**

### 6.5.6 *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.

# 7. 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 2023-24 as well as the summary of new directions (given in preceding Chapters of this Order) for compliance and implementation by the Petitioner.

## 7.1 Compliance to the Directives Issued in Tariff Order for FY 2022-23

### 7.1.1 *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 and also submit the Quarterly Targets as per the prescribed Format - 2 & 3 along with the Commercial Performance Monitoring report for the month of April, 2023.

***Petitioner's Submissions***

The Petitioner submitted that the commercial performance monitoring report in the prescribed formats for the month of May, 2023 has been submitted to the Commission vide UPCL's letter no. 4484/ CE (Comml.) / UPCL/SE-II/ BII (1) /CPM, dated September 20, 2023. The Petitioner further submitted that divison wise quarterly targets for NA/NR / IDF/ ADF/ RDF/ Mechanical Meters/Ghost consumers for FY 2023-24 have been submitted to the Commission vide UPCL's letter no. 5059/CE (Comml.) / UPCL /SE-II/ BII /CPM, dated October 26, 2023. These targets are as follows:

**Table 7.1: Quarterly targets of NA/NR/IDF/ADF etc. for FY 2023-24**

| 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 | 1.32 % | 1.19% | 1.02% | 0.83% |
| NR cases | 0.67% | 0.59% | 0.51% | 0.44% |
| IDF cases | 1.83% | 1.67% | 1.45% | 1.35% |
| 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, 2022 as submitted by the Petitioner is as follows:

**Table 7.2: Status of NA/NR/IDF cases as on May, 2023 vis-à-vis March, 2023**

| Particulars | At the end of March, 23 | At the end of May, 23 |
|---|---|---|
| NA cases | 1.40% | 1.30% |
| NR cases | 0.66% | 0.71% |
| IDF cases | 1.25% | 1.38% |

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 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.**

### 7.1.2 *Sales*

The Commission directed the Petitioner to record all the sales on assessment basis from FY 2022-23 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 letter no. 1313/UPCL/RM/C-14, dated April 04, 2018, it has directed all its concerned field officers to carry out the corresponding corrections in sales (units) in cases where sales / billing (Rs.) is withdrawn. The instructions to this effect had also been circulated to the field officers vide UPCL's letter dated July 01, 2017. Further, UPCL vide its letter no. 2204/UPCL/ RM/C-19, dated May 09, 2023 again directed all the field officers to comply with the direction of the Commission.

The Commission has noted the submissions of the Petitioner. The Commission as discussed in Chapter 3 of this Order while approving sales for FY 2022-23 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 directs 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**.

### 7.1.3 *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 by UPCL 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 7.3: 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**.

### 7.1.4 *AT&C Losses*

The Commission directed the Petitioner to submit the division-wise target distribution losses for FY 2022-23 and actual distribution losses for FY 2022-23 by June 30, 2023. Further, the Commission directed the Petitioner to submit the division-wise actual collection efficiency achieved during FY 2022-23 by June 30, 2023.

***Petitioner's Submission***

The Petitioner submitted that the desired information was provided to the Commission vide UPCL's letter no. 2349/UPCL/RM/C-19, dated May 16, 2023. The revised information was submitted in the matter to the the Commission vide UPCL's letter no. 5047/UPCL/RM/C-19, dated October 25, 2023. The summary of the information is as follows:

| | |
|---|---|
| Target distribution losses of UPCL for FY 2022-23 | : 10.00% |
| Actual distribution losses for FY 2022-23 | : 14.38% |
| Actual collection efficiency of UPCL for FY 2022-23 | : 98.99% |

The Petitioner further submitted that the distribution loss trajectory for FY 2022-23 allowed by the Commission was 13.50%.

The Comission has taken noted the submission of the Petitioner. **The Commission directs 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 Petitioner to submit the division-wise actual collection efficiency achieved during FY 2023-24 by June 30, 2024.**

### 7.1.5 *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 exceeded 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 2023-24, failing which, the Commission may disallow power purchases so made while Truing up the ARR for FY 2023-24. The Petitioner was required to put its sincere efforts to procure the deficit energy optimizing the cost of power purchase and reliable power.

***Petitioner's Submission***

The Petitioner submitted that the written submission in the matter was made to the Commission vide UPCL's letter no. 4039/UPCL/CE(Comml)/PP-quarterly data, dated August 24, 2023, as follows:

As per Tariff Order the total quantum and cost of power purchase allowed in the First quarter of FY 2023-24 was 4277.50 MU & Rs. 1725.26 Crore. Further 105% of approved power purchase quantum cost for the First quarter comes to 4491.37 MU in terms of energy & Rs. 1811.52 Crore in terms of cost respectively.

**Table 7.4: Details of provisional quantum of power purchased and cost incurred during first quarter**

| S. No. | Particulars | MU | Rs. Cr. |
|---|---|---|---|
| A | Power Purchase from firm sources | 3725.43 | 1726.88 |
| B | Power from Unallocated sources | 0 | 0 |
| C | Net UI | 3.06 | 27.19 |
| D | Net Purchase through IEX | 380.47 | 274.05 |
| E | Net Banking | -20.28 | -2.47 |
| F | Reactive Paybles-Reactive Receivables | 0 | 0 |
| G | Tender purchase | 200.78 | 101.75 |
| | Total Power Purchase & cost incurred | 4288.62 | 2127.40 |

The Petitioner submitted that the power purchase quantum in First Quarter was within the limit of 105% as allowed by the Commission in the tariff order. And the power purchase cost was a little on higher side than the approved cost. The Commission was already aware that UPCL purchased Power from Gas based power plant for which Energy charges were around Rs. 9.60/kWh which was more than the approved ECR in Tariff Order, i.e Rs. 5.42/kWh.

The Petitioner submitted that the Commission was also aware of the power availability scenario, that due to high demand in the last quarter, overall price of the power either through short Term Tenders or through power exchanges increased considerably, as they were directly linked to Demand/Supply Conditions of Markets.

Considering the above facts, the Commission was requested to kindly approve the Power Purchase of UPCL for First quarter of FY 2023-24.

The Commission has noted the submissions of the Petitioner in this regard. **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 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 Petitioner 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.**

### 7.1.6 *Fixed Asset Register*

The Commission directed the Petitioner to submit the Fixed Asset Register updated up to FY 2021-22 within 3 months from the date of this Order.

***Petitioner's Submission***

In compliance of the above directions, the Petitioner submitted the following:

i) Fixed Assets Register for the period upto FY 2012-13 had already been submitted to 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 April 28, 2018.

iii) Fixed Assets registers for the FY 2016-17 had been submitted vide UPCL's letter no. 1199/UPCL/RM/C-14, dated May 15, 2018.

iv) Fixed Assets registers for the FY 2017-18 had been submitted vide UPCL's letter no. 3720/UPCL/RM/C-15, dated November 25, 2019.

v) The Fixed Assets Register for FY 2018-19 have been submitted to the Commission vide UPCL's letter no. 2768 /UPCL/RM/C-16, dated September 23, 2020.

vi) The Fixed Assets Register for FY 2019-20 have been submitted to the Commission vide UPCL's letter no. 1901 /UPCL/RM/C-17, dated July 14, 2021.

vii) The Fixed Assets Register for FY 2020-21 have been submitted to the Commission vide UPCL's letter no. 2809 /UPCL/RM/C-18, dated July 12, 2022.

viii) The Fixed Assets Register for FY 2021-22 is under preparation and shall be submitted to the Commission by December 31, 2023.

The Comission has taken noted the submission of the Petitioner. T**he Commisison directs the Petitioner to submit the Fixed Asset Register updated up to FY 2022-23 within 3 months from the date of this Order.**

### 7.1.7 *Reliability 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 along with its ARR for FY 2024-25.

***Petitioner's Submission***

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 June, 23 has been submitted to the Commission vide UPCL's letter no. 4708/UPCL/RM/M-SSM, dated October 05, 2023.

**Table 7.5: Reliablity Indices of Urban for FY 2023-24 and FY 2024-25**

| Particulars | FY 2023-24 | FY 2024-25 |
|---|---|---|
| SAIFI (Nos./ month) | 7.60 | 6.08 |
| SAIDI (Minutes /month) | 304.17 | 304.17 |
| MAIFI (Nos./month) | 6.08 | 6.08 |

**Table 7.6: Reliablity Indices of Rural for FY 2023-24 and FY 2024-25**

| Particulars | FY 2023-24 | FY 2024-25 |
|---|---|---|
| SAIFI (Nos./ month) | 12.17 | 12.17 |
| SAIDI (Minutes /month) | 608.33 | 608.33 |
| MAIFI (Nos./month) | 9.13 | 9.13 |

**Table 7.7: Actual Details of SAIFI, SAIDI and 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 |
| April,23 | 25 | 19 | 973 | 522 | 6 | 4 |
| May,23 | 26 | 20 | 1015 | 676 | 7 | 5 |
| June,23 | 26 | 20 | 808 | 567 | 9 | 5 |
| July, 23 | 31 | 24 | 1047 | 701 | 9 | 6 |

**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 2025-26.**

### 7.1.8 *Voltage wise Cost of Supply*

The Commission directed the Petitioner to submit a comprehensive 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, voltage wise / category wise losses are not available and Category wise Tariff has been calculated on the basis of average cost of supply and permissible level of cross subsidy. This is as per Regulation 91 of the UERC Tariff Regulations, 2021. In the absence of availability of voltage wise losses, which is mix of technical losses and commercial losses, the distribution losses are required to be charged on average basis from all category of consumers as well as open access consumers.

The Commission has noted the Petitioner's reply which is being reiterated by UPCL every year. **The Commission directs UPCL to submit a comprehensive 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.**

### 7.1.9 *Demand Side Management Measures*

The Commission directed the Petitioner to submit the the report on various Demand Side Management measures at regular quarterly intervals to the Commission.

***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:

**Table 7.8: Details of Energy Efficient Equipments Distributed by UPCL**

| Month | 9W LED Bulbs | 20W EE Tube Lights | 50W 5 Star Rated Fans |
|---|---|---|---|
| April, 17 | 20376 | 323 | 23 |
| May, 17 | 73771 | 899 | 376 |
| June, 17 | 89892 | 1865 | 688 |
| July, 17 | 51633 | 1999 | 141 |
| August, 17 | 93605 | 3914 | 711 |
| September, 17 | 95476 | 4885 | 595 |
| October, 17 | 80530 | 2487 | 158 |
| November, 17 | 77352 | 828 | 37 |
| December, 17 | 75387 | 1544 | 33 |
| January, 18 | 108243 | 2169 | 336 |
| February, 18 | 66282 | 1206 | 137 |
| March, 18 | 198655 | 11636 | 230 |
| April, 18 | 96085 | 267 | 51 |
| May, 18 | 82110 | 595 | 227 |
| June, 18 | 34959 | 2975 | 783 |
| July, 18 | 41370 | 17 | 45 |
| August, 18 | 120570 | 181 | 62 |
| September, 18 | 43576 | 78 | 20 |
| October, 18 | 47569 | 21 | 8 |
| November, 18 | 34696 | 31 | 50 |
| December, 18 | 29236 | 7 | 0 |
| January, 19 | 29492 | 42 | 98 |
| February, 19 | 37745 | 2 | 48 |
| March, 19 | 31548 | 0 | 0 |
| April, 19 | 17089 | 10 | 0 |
| May, 19 | 12564 | 8 | 0 |
| June, 19 | 15139 | 0 | 0 |
| July, 19 | 29847 | 102 | 75 |

**Table 7.8: Details of Energy Efficient Equipments Distributed by UPCL**

| Month | 9W LED Bulbs | 20W EE Tube Lights | 50W 5 Star Rated Fans |
|---|---|---|---|
| August, 19 | 27142 | 12 | 242 |
| September,19 | 23607 | 0 | 39 |
| October, 19 | 23986 | 00 | 08 |
| November, 19 | 18692 | 00 | 02 |
| December, 19 | 18778 | 00 | 45 |
| January, 20 | 16137 | 00 | 32 |
| February, 20 | 17337 | 00 | 21 |
| March, 20 | 69174 | 00 | 02 |
| April, 20 | 5004 | 00 | 0 |
| May, 20 | 5657 | 00 | 0 |
| June, 20 | 7400 | 00 | 0 |
| July, 20 | 10502 | 00 | 00 |
| August, 20 | 9757 | 00 | 00 |
| September, 20 | 14726 | 00 | 00 |
| October, 20 | 4413 | 00 | 00 |
| November, 20 | 2931 | 00 | 00 |
| December, 20 | 3742 | 00 | 00 |
| January, 21 | 4512 | 00 | 00 |
| February, 21 | 2063 | 00 | 00 |
| March, 21 | 3032 | 00 | 00 |
| April, 21 | 809 | 00 | 00 |
| May, 21 | 398 | 00 | 00 |
| June, 21 | 698 | 00 | 00 |
| July, 21 | 867 | 00 | 00 |
| August, 21 | 962 | 00 | 00 |
| September, 21 | 2,777 | 00 | 00 |
| October, 21 | 913 | 00 | 00 |
| November, 21 | 613 | 00 | 00 |
| December, 21 | 34 | 00 | 00 |
| January, 22 | 69 | 00 | 00 |
| February, 22 | 164 | 00 | 00 |
| March, 22 | 429 | 00 | 00 |
| April, 22 | 0 | 00 | 00 |
| May, 22 | 0 | 00 | 00 |
| June, 22 | 21 | 00 | 00 |
| July, 22 | 12 | 00 | 00 |
| August, 22 | 00 | 00 | 00 |
| September, 22 | 00 | 00 | 00 |
| October, 22 | 00 | 00 | 00 |
| **Total** | **20,31,155** | **38,103** | **5,323** |

The Commission has taken note of the submissions of the Petitioner. It has been observed that during FY 2022-23, no measures have been taken by UPCL, despite having shortages of electricity. **The Commission, hereby, re-directs the Petitioner to submit the report on various Demand Side Management measures at regular quarterly intervals to the Commission.**

### 7.1.10 *Status of NA/NR, IDF/ADF/RDF*

The Commission directed the Petitioner to maintain the NA/NR cases to below 2% and submit the compliance report along with tariff petitions.

*Petitioner's Submission*

The Petitioner submitted that vide its letter no. 2204/UPCL/RM/C-19, dated May 09, 2023, 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 7.9: Quarter Wise Targets of NA/NR Cases for FY 2023-24**

| 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 | 1.32 % | 1.19% | 1.02% | 0.83% |
| NR cases | 0.67% | 0.59% | 0.51% | 0.44% |

**Table 7.10: 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 31-05-2023 | 1.30% | 0.71% |

The Commission has noted the submissions of the Petitioner and **directs 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.**

### 7.1.11 *Replacement of Improper, Non-Functional, Stop/Stuck up defective or IDF Meters*

The Commission directed the Petitioner to restrict the percentage of 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. 2204/UPCL/RM/C-19, dated May 09, 2023, the Petitioner had directed all the field officers to comply with this direction of the Commission, i.e. to restrict the percentage of defective (IDF) meters to 3%.

**Table 7.11: Quarter Wise Targets of IDF Cases For FY 2023-24**

| 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 | 1.83% | 1.67% | 1.45% | 1.35% |

**Table 7.12: 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 31-05-2023 | 1.38% |

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.**

### 7.1.12 *NB & SB Cases*

The Commission 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 the absence of the same, action under the provisions of Act/Rules/Regulations may be initiated against the Petitioner.

***Petitioner's Submissions***

UPCL submitted that vide its letter No. 2204/UPCL/RM/C-19, dated May 09, 2023, it had directed all the field officers to liquidate and finalise atleast 5% of NB/SB cases in each quarter.

UPCL submitted that the staus of NB/SB cases for the month of May, 2023 has been submitted to the Commission vide letter No. 4484/ CE(Comml.)/UPCL/SE-II/BII (1)/CPM, dated September 20, 2023. The total no. of cases as on May 31, 202 were 1,31,149.

**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.**

### 7.1.13 *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 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 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 with a view to collection of revenue uniformly throughout the year, UPCL vide its letter no. 2704/UPCL/RM/L-17, dated June 06, 2023 has fixed the monthly revenue collection targets in respect of Non – Govt. categories of the distribution divisions. The month wise revised revenue collection targets in respect of Non-Govt. Categories are as follows:

**Table 7.13: Month Wise Target Collection for FY 2023-24**

| Month | Collection (Rs. Cr.) |
|---|---|
| April, 23 | 703.46 |
| May,23 | 733.74 |
| June,23 | 804.91 |
| July,23 | 787.18 |
| August,23 | 809.31 |
| September,23 | 789.78 |
| October,23 | 736.91 |
| November,23 | 785.39 |
| December,23 | 765.45 |
| January,24 | 782.19 |
| February,24 | 790.45 |
| March,24 | 1259.62 |
| **Total** | **9748.37** |

The Petitioner further submitted that the above revenue collection targets have been fixed keeping in view the actual energy consumed during the previous month. Moreover, the revenue collection targets in respect of Government category for FY 2023-24 have been fixed equivalent to Rs. 600 Crore and as against these targets payment of Rs. 137.20 Crore has been received till October, 2023 from GoU.

**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 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.**

### 7.1.14 *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. The Commission also directs the Petitioner to submit a report on analysis and monitoring of consumer data on monthly basis by 25th of every month in CPM reports.

***Petitioner's Submission***

The Pettioner submitted that vide its work order no. 590/UPCL/CE/CCP-II/41/2021-22 (Sai Computers), dated September 19, 2022 UPCL awarded the work of monthly data analysis for a period of one year to M/s Sai Computers Ltd., Meerut. 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 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 standardised 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 analysed at least 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 the same to the Nodal Officer/ Engineer In charge of the Project.

**Table 7.14: Status of MRI checked as per report of consultant**

| Particulars | Oct. 2022 to Oct. 2023 |
|---|---|
| Average monthly MRI analyzed (No.) | 8752 |
| Total suspected cases reported (No.) | 1211 |
| Pending suspected case (No.) | 484 |
| Total cases checked by division (No.) | 727 |
| Total cases wherein irregulatries found and assessment proposed (No.) | 377 |
| Total cases wherein proposed assessment is realized (No.) | 301 |
| Assessment (Rs. Lakh) | 1304 |
| Realization (Rs. Lakh) | 677 |
| Assessment (%) (5/4) | 52% |

**Table 7.15: MRI Status of KCC Consumers**

| Status | No. of consumers | | | | |
|---|---|---|---|---|---|
| | March, 20 | Mar, 21 | Mar, 22 | Mar, 23 | Oct, 23 |
| Total Nos. of KCC Consumers | 25123 | 26503 | 28853 | 32992 | 36887 |
| Consumers having load factor more than 75% | 616 | 812 | 665 | 959 | 1119 |
| Consumers having load factor more than 50% | 1625 | 2045 | 1783 | 2440 | 3006 |
| Consumers having load factor more than 30% | 4302 | 4989 | 4753 | 6141 | 7859 |
| Consumers having load factor more than 20% | 7406 | 8066 | 8140 | 9851 | 13034 |
| Consumers having load factor more than 10% | 13507 | 14221 | 14906 | 17475 | 21963 |
| Consumers having load below 10% | 11616 | 12282 | 13947 | 15517 | 14924 |
| Consumers exceeding sanctioned demand | 4856 | 4655 | 5415 | 5684 | 7276 |

It has been observed that the Petitioner is not submitting the details of 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' since September, 2021 and the same has been discussed at Chapter 6 of this Order. 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.

**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 also directs the Petitioner to submit a report on analysis and monitoring of consumer data on monthly basis by 25th of every month in CPM reports.**

### 7.1.15 *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 Petitioner/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 6 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.**

### 7.1.16 *Departmental Employees*

The Commission directed the Petitioner to reconcile the figures of departmental employees in the commercial data as well as that claimed for calculation of employee in future fillings. As regards the concession provided to these consumers, the Petitioner was directed to show the same separately as expenses in its accounts.

The Petitioner was further directed to ensure compliance of the directions of the Commission given in the Tariff Order dated March 21, 2018, failing which action may be taken against it for non-compliance of the orders of the Commission.

***Petitioner's Submissions***

UPCL submitted that the the concession in electricity provided by UPCL to its 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'.

UPCL submitted that as per Annual Accounts for for FY 2022-23, the concession in electricity provided by UPCL to its employees and pensioners is Rs. 9.40 Crore.

The Commission has noted the submissions of the Petitioner. **The Commission once again directs the Petitioner to continue showing the expenses incurred on account of concessional supply separately as expenses in its accounts.**

### 7.1.17 *Location of Installation of Meters*

The Commission directed the Petitioner to submit quarterly status report with regard to shifting of meters for all the divisions to the Commission.

***Petitioner's Submissions***

UPCL submitted that vide its letter no. 2204 /UPCL/RM/C-19, dated May 09, 2023 and no. 2295 / UPCL /RM/C-19, dated May 12, 2023 it had already 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.**

### 7.1.18 *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, 2023 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, 2023.

***Petitioner's Submission***

The Petitioner submitted that vide its letter no. 2204/UPCL/RM/C-19, dated May 09, 2023, the Petitioner directed all the field officers to comply with this direction of the Commission, i.e. to identify such feeders/spans where the power distribution network is on GI wire and replace them with the ACSR or better conductors. Considering the adverse geographical terrain of the State, after identification of such feeders/spans where GI has been in use, 462 km. of GI wire has been replaced in FY 2023-24 (upto Sept, 2023) and it is envisaged to replace the remaining 1679 km. of GI wire by December 2024.

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, 2024 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, 2024.**

### 7.1.19 *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, 2022 made by the agency to the Commission by April 25, 2023.

***Petitioner's Submission***

The Petitioner submitted that vide its work order no. 590/UPCL/CE/CCP-II/41/2021-22 (Sai Computers), dated September 19, 2022, the Petitioner awarded the work of monthly data analysis for a period of one year to M/s Sai Computers Ltd., Meerut. The data analysis covers the following attributes. The updated status of MRI checked as per report of consultant is as follows:

**Table 7.16: Status of MRI checked**

| S. No. | Particulars | Oct, 22 to Oct, 23 |
|---|---|---|
| 1. | Average monthly MRI analyzed (No.) | 8752 |
| 2. | Total suspected cases reported (No.) | 1211 |
| 3. | Pending suspected case (No.) | 484 |
| 4. | Total cases checked by division (No.) | 727 |
| 5. | Total cases wherein irregulatries found and assessment proposed (No.) | 377 |
| 6. | Total cases wherein proposed assessment is realized (No.) | 301 |
| 7. | Assessment (Rs. Lakh) | 1304 |
| 8. | Realization (Rs. Lakh) | 677 |
| 9. | Assessment (%) (5/4) | 52% |

The Commission has noted the submissions of the Petitioner in this regard. **The Commission directs 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.**

### 7.1.20 *Collection Efficiency*

The Commission directed UPCL to submit the month-wise division-wise details of collection of dues by the 15$^{th}$ of the next month and that 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 the Commission vide its Tariff Order dated March 31, 2023 for FY 2023-24 approved the targets of distribution losses, collection efficiency & AT&C Losses as follows:

**Table 7.17: Targets approved by the Commission**

| Year | 2022-23 | 2023-24 | 2024-25 |
|---|---|---|---|
| Distribution Loss | 13.50% | 13.25% | 13.00% |
| Collection Efficiency | 99.15% | 99.15% | 99.15% |
| AT&C Loss | 14.24% | 13.99% | 13.74% |

UPCL further submitted that Ministry of Power, Government of India fixed the following targets of UPCL under Revamped Distribution Sector Scheme:

**Table 7.18: Targets fixed by MoP, GoI under RDSS**

| Year | 2022-23 | 2023-24 | 2024-25 |
|---|---|---|---|
| Distribution Loss | 13.50% | 13.25% | 13.00% |
| Collection Efficiency | 97.00% | 98.00% | 98.90% |
| AT&C Loss | 16.10% | 14.99% | 13.96% |

With a view to achieve the losses as approved by the Commission and MoP under RDSS, UPCL vide its letter no. 2704/UPCL/RM/L-17, dated June 06, 2023 fixed the targets of distribution losses @ 12.25% and AT&C Losses @ 13.00% for FY 2023-24. Further, as per the direction of the Commission vide its letter no. UERC/6/TF-685/2023-24/2023/424, dated July 18, 2023, UPCL vide its letter no. 4658/UPCL/RM/C-19, dated September 30, 2023 provided the division wise collection efficiency for the period from April, 23 to June, 23.

The Petitioner submitted that the division wise status of actual revenue collection as against the target fixed by Corporate office of UPCL in respect of Non-Government categories is as follows:

**Table 7.19: Actual Collection vs. Target Collection**

| S. No. | Name of Divisions /Circles/Zones | Target (April 23 to October, 23) | | Actual (April 23 to October 23) | |
|---|---|---|---|---|---|
| | | Input Energy (MU) | Revenue Collection (Rs. Cr.) | Input Energy (MU) | Revenue Collection (Rs. Cr.) |
| 1 | EDD, Raipur | 193.82 | 96.37 | 188.31 | 72.20 |
| 2 | EDD Vikasnagar | 158.21 | 61.99 | 153.66 | 44.07 |
| 3 | EDD, Rishikesh | 202.08 | 106.30 | 191.10 | 81.80 |
| 4 | EDD, Doiwala | 114.36 | 54.64 | 110.82 | 41.03 |
| 5 | EDD, Mohanpur | 360.41 | 228.66 | 352.61 | 183.48 |
| | **EDC, (R) Dehradun** | **1028.88** | **547.96** | **996.50** | **422.58** |
| 1 | EDD (N), Dehradun | 210.16 | 116.15 | 199.84 | 86.55 |
| 2 | EDD (S), Dehradun | 326.34 | 185.62 | 311.78 | 138.04 |
| 3 | EDD (C), Dehradun | 208.50 | 118.26 | 204.44 | 83.49 |
| | **EDC, (U) Dehradun** | **745.00** | **420.03** | **716.06** | **308.08** |
| 1 | EDD, Tehri | 195.58 | 77.28 | 196.29 | 66.04 |
| 2 | EDD, Uttarkashi | 41.41 | 14.88 | 39.56 | 11.21 |
| 3 | EDD, Badkot | 28.57 | 9.77 | 28.74 | 7.29 |
| | **EDC, Tehri** | **265.56** | **101.93** | **264.59** | **84.55** |
| 1 | EDD, Srinagar | 74.14 | 36.80 | 82.89 | 33.08 |

## Table 7.19: Actual Collection vs. Target Collection

| S. No. | Name of Divisions /Circles/Zones | Target (April 23 to October, 23) | | Actual (April 23 to October 23) | |
|---|---|---|---|---|---|
| | | Input Energy (MU) | Revenue Collection (Rs. Cr.) | Input Energy (MU) | Revenue Collection (Rs. Cr.) |
| 2 | EDD, Pauri | 53.69 | 14.00 | 52.18 | 16.70 |
| 3 | EDD, Kotdwar | 291.92 | 175.15 | 233.44 | 123.75 |
| 4 | EDD, Nainidanda | 13.66 | 5.86 | 13.58 | 4.10 |
| | **EDC, Srinagar** | **433.41** | **231.81** | **382.09** | **177.63** |
| 1 | EDD, Narayanbagarh | 11.76 | 3.65 | 9.96 | 2.72 |
| 2 | EDD, Gairsain | 24.71 | 12.84 | 22.53 | 13.97 |
| 3 | EDD, Gopeshwar | 46.10 | 26.46 | 51.60 | 16.61 |
| 4 | EDD, Rudraprayag | 51.76 | 25.62 | 54.85 | 19.97 |
| | **EDC, Karnprayag** | **134.33** | **68.57** | **138.93** | **53.27** |
| | **Garhwal Zone** | **2607.16** | **1370.29** | **2498.18** | **1046.11** |
| 1 | EDD (U), Roorkee | 306.80 | 106.44 | 290.69 | 80.98 |
| 2 | EDD (R), Roorkee | 595.40 | 257.09 | 554.07 | 171.31 |
| 3 | EDD Bhagwanpur | 498.68 | 276.27 | 474.75 | 234.06 |
| 4 | EDD Ramnagar (Roorkee) | 243.73 | 92.72 | 239.22 | 70.63 |
| | **EDC, Roorkee** | **1644.61** | **732.52** | **1558.73** | **556.98** |
| 1 | EDD (U), Haridwar | 240.75 | 144.83 | 222.79 | 107.74 |
| 2 | EDD (R), Haridwar | 712.82 | 546.66 | 665.58 | 426.01 |
| 3 | EDD, Laksar | 361.94 | 143.81 | 353.52 | 120.02 |
| 4 | EDD, Jwalapur | 406.44 | 178.29 | 370.40 | 128.95 |
| | **EDC, Haridwar** | **1721.95** | **1013.58** | **1612.29** | **782.72** |
| | **Haridwar Zone** | **3366.56** | **1746.10** | **3171.03** | **1339.70** |
| 1 | EDD (U), Haldwani | 154.86 | 57.15 | 147.00 | 42.94 |
| 2 | EDD, Nainital | 81.29 | 37.56 | 76.61 | 28.60 |
| 3 | EDD, Ramnagar | 160.41 | 69.23 | 151.05 | 52.25 |
| 4 | EDD (R), Haldwani | 294.74 | 140.62 | 275.37 | 103.32 |
| | **EDC, Haldwani** | **691.30** | **304.55** | **650.04** | **227.10** |
| 1 | EDD, Kashipur | 663.70 | 385.61 | 592.54 | 286.03 |
| 2 | EDD, Bajpur | 388.70 | 194.01 | 353.69 | 144.92 |
| 3 | EDD, Jaspur | 357.79 | 181.39 | 343.18 | 145.33 |
| | **EDC, Kashipur** | **1410.20** | **761.02** | **1289.41** | **576.28** |
| 1 | EDD, Almora | 54.66 | 18.78 | 51.60 | 14.45 |
| 2 | EDD, Bageshwar | 39.13 | 14.23 | 40.40 | 10.50 |
| 3 | EDD, Ranikhet | 36.72 | 13.55 | 35.14 | 9.48 |
| 4 | EDD, Bhikiyasain | 25.33 | 6.21 | 26.17 | 5.16 |
| | **EDC, Ranikhet** | **155.84** | **52.78** | **153.31** | **39.58** |
| | **Kumaon Zone** | **2257.33** | **1118.35** | **2092.75** | **842.96** |
| 1 | EDD, Rudrapur I | 768.28 | 511.93 | 734.82 | 404.35 |
| 2 | EDD, Rudrapur II | 291.42 | 108.25 | 276.29 | 108.58 |
| 3 | EDD, Sitarganj | 395.20 | 214.26 | 374.98 | 197.17 |
| 4 | EDD, Khatima | 211.25 | 95.97 | 189.40 | 87.97 |
| 5 | EDD, Kichha | 256.21 | 144.39 | 245.56 | 126.03 |
| | **EDC, Rudrapur** | **1922.36** | **1074.80** | **1821.05** | **1006.09** |
| 1 | EDD, Pithoragarh | 78.10 | 23.43 | 77.79 | 21.90 |
| 2 | EDD, Champawat | 53.29 | 24.02 | 57.45 | 20.96 |
| 3 | EDD, Dharchula | 28.70 | 8.27 | 25.62 | 7.84 |
| | **EDC Pithoragarh** | **160.08** | **55.73** | **160.86** | **50.70** |
| | **Udhamsingh Nagar Zone** | **2082.44** | **1130.53** | **1981.92** | **1056.79** |
| | **Total Uttarakhand** | **10313.50** | **5365.28** | **9743.87** | **4897.76** |

UPCL further submitted that monitoring of revenue collection targets is being done at Corporate Office and meetings with field officers are being conducted on regular basis to achieved the targets fixed by Corporate Office. Further, the annual appraisal report of field officers i.e. SDOs/ EEs/ SEs/ CEs has weightage inter-alia for collection efficiency and officers not meeting the targets loose marks on this account.

The Commission has noted the Petitioner's submission in this regard. **The Commission directs UPCL 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.**

### 7.1.21 *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 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 in accordance to the deficit energy in the upcoming months of FY 2023-24, UPCL is making all the necessary efforts to procure the deficit energy in all the transparent ways possible.

**Power Procurement through Long Term**

- A Long Term Tender has been floated in the DEEP Portal for procurement of power for a period of 9 years for 300 MW RTC power from coal/thermal based sources.

**Power Procurement through Medium Term**

- A Medium-Term Tender has also been floated in the DEEP Portal for procurement of RTC power from Dec-23 to Mar-27 for 300 MW RTC power.

**Banking Arrangement**

- A banking tender was floated in NIC Portal of Government of Uttarakhand for advance banking to UPCL from 21st Nov-23 to Feb-24 and the banked energy shall be returned back to the firm/utility through trader from Jun-24 to Sep-24 in equal monthly quantum and the in-principle approval for the same has been granted by the Commission.

**Power Procurement through Exchange platform**

- UPCL is also procuring the deficit energy for such period (upto 1 year) through tender in DEEP Portal and further deficit is being arranged through LDC/TAM platform of Power Exchanges which are approved platform by CERC.

**Gas Power**

- UPCL has also procured Ninety Lac Seventy Two Thousand MMBTU of Gas from M/s SEPL & M/s GIPL for scheduling of power from Dec-23 to Jul-24 with makeup period of Aug-24 to

Oct-24 @ gas rate of $ 11.70/MMBTU and the in-principle approval for the same has been granted by the Commission.

The Commission has noted the submissions of the Petitioner in this regard. **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 also directed to submit its power purchase plan for FY 2024-25 latest by 15th May, 2024.**

**Further, the Petitioner is directed 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.**

### 7.1.22 *Depreciation*

The Commission directed the Petitioner to claim the 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.**

### 7.1.23 *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 Petitioner 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 about 11,602 nos DTs have been metered under IPDS/R-APDRP scheme. UPCL is unable to maintain healthy communication from Distribution Transformer Locations due to lack of manpower and AMC. Also there is poor communication from remote locations as modems installed are based on 2G technology and network companies are now focusing on 4G technology.

The Petitioner further submitted that GoI has sanctioned Smart Metering under RDSS Scheme wherein smart metering of Feeders/DTR/Consumers will be done. Under this scheme 2602 nos. feeders, 59,212 Nos. DTRs and 15,87,870 no. consumers will be covered.

The Petitioner submitted that it has also instructed its field units to provide T-point metering at rural feeders catering to industrial loads more than 75 kW. It is targeted to be completed by the end of March 31, 2024.

The Commission has taken the serious note that the corporate office is merely issuing/passing the direction to its field offices and not proactively ensuring/monitoring the compliance status of the same from its field offices. The Commission is of the view that the corporate office should not act like the Post Office, i.e. passing the direction of the Commission to its field offices but should also effectively monitor the compliance status of the same and **thus, the Petitioner is, accordingly, directed 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 Petitioner 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.**

### 7.1.24 *Analysis of Current Liabilities*

The Commission directed the Petitioner to carry out the age-wise analysis of its current liabilities outstanding as on 31.03.2022 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 as on March 31, 2023 is as follows:

| Age | Amount (Rs. Crore) |
|---|---|
| 0 to 90 days | 1062.88 |
| 91 to 120 days | NIL |
| More than 120 days | NIL |
| **Total** | **1062.8** |

UPCL was required to carry out agewise analysis of its current liabilities. However, UPCL has only submitted agewise position of creditors for power purchase as on 31.03.2023. On examination of its statement of accounts as on 31.03.2023, it is observed that besides above, UPCL has other current liabilities of about Rs. 6004.62 Crore. Accordingly, complete agewise analysis should be carried out.

The Commission has noted the submissions of the Petitioner in this regard. **The Commission directs the Petitioner 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.**

### 7.1.25 *Average Collection Period and Collection Efficiency Ratio*

The Commission directed the Petitioner to submit 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.

***Petitioner's Submission***

The Petitioner submitted that the Commission vide its Tariff Order dated 30-03-2023 for FY 2023-24 approved the targets of distribution losses, collection efficiency & AT&C Losses as follows:

| Year | 2023-24 | 2024-25 |
|---|---|---|
| Distribution Loss | 13.25% | 13.00% |
| Collection Efficiency | 99.15% | 99.15% |
| AT&C Loss | 13.99% | 13.74% |

The Petitioner further submitted that Ministry of Power, Government of India fixed the following targets of UPCL under Revamped Distribution Sector Scheme:

| Year | 2023-24 | 2024-25 |
|---|---|---|
| Distribution Loss | 13.25% | 13.00% |
| Collection Efficiency | 98.00% | 98.90% |
| AT&C Loss | 14.99% | 13.96% |

The Petitioner submitted that with a view to achieve the losses as approved by the Commission and MoP under RDSS, UPCL vide its letter no. 2704/UPCL/RM/L-17, dated 06-06-2023 fixed the targets for FY 2023-24, as follows:

1. Input Energy (MU) : 16901.59
2. Billed Energy (MU) : 14831.15
3. Assessment (Rs. Cr.) : 10437.62
4. Collection Target (Rs. Cr.) :10348.41
5. Distribution Losses (%) : 12.25%
6. AT&C Losses (%) : 13.00%

The Petitioner submitted that monitoring of above collection targets is being done at Corporate Office and on the basis of energy received during the previous month, revenue collection targets for the next month are being communicated to the field units by Corporate Office. UPCL vide its letter no. 4542/MD/UPCL/I-7, dated May 01, 2019 had also fixed the monthly targets of the officers at various levels for checking of consumers, study of consumers as vigilance checks. Further, 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 ensuring early recovery of outstanding arrears.

The Commission has noted the Petitioner's submission in this regard and observes that the collection efficiency is still below the norms. **The Petitioner is directed to submit 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 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 preceeding 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.**

### 7.1.26 *Provision 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 it is regularly pursuing for payment of electricity dues from GoU and GoU has made the following payments in FY 2022-23 & 2023-24:

**Payment made by Government Utilities**

| Particulars | 2022-23 | 2023-24 (upto Oct, 23) |
|---|---|---|
| Jal Sansthan | Rs. 375.99 Cr. | Rs. 137.20 Cr. |
| Government Irrigation System | Rs. 85.33 Cr. | Rs. 00.00 Cr |

The Commission has noted the submissions of the Petitioner in this regard. **UPCL is directed to continue raising the issue of pending dues regularly on Government connections like Public Lamps, Public Water Works and GIS ad settle the dues.**

### 7.1.27 *Consultative Committee*

The State Advisory Committee Meeting held on March 9, 2022, the members suggested to establish a consultative forum wherein consumer representatives and Petitioner can more frequently discuss the challenges being faced and try to remedy the problems. The Commission directed UPCL to submit a proposal to the Commission for constitution of such committee within 60 days from this Order.

***Petitioner's Submission***

The Petitioner submitted that the steps has been taken and the proposal in this regard shall be submitted to the Commission shortly. In the absence of guidelines, UPCL is facing difficulty for constitution of the consultative committee as directed by Commission.

**The Commission directs UPCL should also include representatives from UJVN Ltd. and PTCUL in the Committee and hold regular meetings to understand each other's concerns**.

### 7.1.28 *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.**

### 7.1.29 *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 website 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 June, 2023 has been posted on the website of UPCL. Further, UPCL vide its Office Memorandum No. 3313/UPCL/RM/L-20, dated August 16, 2022, ordered that the commercial diary shall be finalized within 40 days from the end of the month.

Despite the Commission's repeated direction, the Petitioner in this digital era is unable to leverage the power of information technology wherein the exchange/transmission/compilation of information is easier, hassle free and less time consuming. 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 web-site regularly and promptly within 02 months.**

### 7.1.30 *Interest on Working Capital*

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 directions of the Commission vide its letter no. UERC/6/TF-685/2023-24/2023/424, dated July 18, 2023, UPCL vide its letter no. 4658/UPCL/RM/C-19, dated September 30, 2023 provided the division wise collection efficiency for the period from April, 23 to June, 23.

The Commission has noted the submissions of the Petitioner in this regard. **UPCL is again directed 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.**

### 7.1.31 *AT&C*

The Commission directed the Petitioner to submit half yearly status report towards the implementation of the works related to steps taken by the Petitioner to minimize AT&C losses.

***Petitioner's Submission***

The Petitioner submitted that tenders floated for these Loss reduction works proposed under RDSS scheme have been scrapped on dated October 13, 2023. Retendering has been processed and published on dated October 13, 2023. Part-1 of tender will open on dated 05-01-2024. Further, tender for Smart Metering works has been finalized and is under evaluation.

**The Commission has noted the submissions of the Petitioner. The Commission directs the Petitioner to submit half yearly status report towards the implementation of the above works**.

## 7.2 Fresh Directives

### 7.2.1 *Voltage wise losses and cost*

UPCL is hereby directed to ensure to 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. **(Refer 2.2.3).**

### 7.2.2 *Continuous Supply*

UPCL is directed 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. **(Refer 2.8.3).**

### 7.2.3 *Billing Cycle*

UPCL is 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. **(Refer 2.28.3).**

### 7.2.4 *Arrear*

UPCL is directed to submit a plan to recover arrears from the defaulting consumers within one month of the date of the Order. UPCL is also directed to update the Commission with its preparedness to meet power requirement for the State of Uttarakhand. Moreover, UPCL is directed to stop its practice of collecting money in advance from the industries specially in the month of February and March. **(Refer 2.32.6).**

### 7.2.5 *Deficit power purchase*

The Commission directs UPCL 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 UPCL. Further, penal action may also be taken against the power purchase committee constituted by UPCL. **(Refer 3.1.3).**

### 7.2.6 *Employee Expenses*

UPCL is directed not to propose any such provisions in the tariff of future years and utilize the available provisions for making such payments and any shortfall will be allowed by the Commission on cash basis, as and when the need arises.

Further, UPCL is directed to reconcile the salary of outsourced employees booked under R&M expenses and employee expenses. **(Refer 3.1.4.1).**

### 7.2.7 *Cost of Asset and Financing*

UPCL is directed to 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, Further, while making such submissions in future, the Petitioner is directed to re-categorise 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. **(Refer 3.2.1).**

### 7.2.8 *Asset identification and associated funding*

The Petitioner is directed 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. (**Refer 3.2.2.1.2).**

### 7.2.9 *Bad Debt*

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. (**Refer 3.2.3)**

### 7.2.10 *Return on Equity*

The Petitioner is directed to submit such segregation alongwith next tariff filing including the impact of the same duly considering the FY 2022-23 as well. **(Refer 3.2.5 & 4.13.6)**

### 7.2.11 *Billing Cycle for Large Industrial Consumers*

The Commission, accordingly, directs the UPCL 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. **(Refer 5.1.3.8).**

### 7.2.12 *Wheeling charges and CSS*

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. **(Refer 5.4).**

### 7.2.13 *Inventory Management*

The Petitioner is directed 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? **(Refer 6.5.4.2).**

## 7.3 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 2024-25 annexed hereto as Annexure-1. These Tariffs will be effective from April 01, 2024.

(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.

| | |
|---|---|
| **(M.L. Prasad)**<br>**Member (Technical)** | **(D.P. Gairola)**<br>**Member (Law)/Chairman (I/c)** |

# 8. Annexures

## 8.1 Annexure 1: Rate Schedule Effective from 01.04.2024

### 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 75 kW (88 kVA) and up to 2550 kW (3000 kVA) shall be released at 11 kV or above, loads above 2550 kW (3000 kVA) and upto 8500 kW (10000 kVA) shall be released at 33 kV or above, loads above 8500 kW (10000 kVA) and upto 42500 kW (50000 kVA) shall be released at 132 kV or above, for loads above 42500 kW (50000 kVA) 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.

**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

## 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**

| Description | Fixed Charges* | Energy Charges |
|---|---|---|
| 1) Domestic | | |
| 1.1)BPL/Life line consumers | | |
| Below Poverty Line and Kutir Jyoti having load upto 1 kW and consumption upto 60 units per month | Rs. 18/ connection/month | Rs. 1.75/kWh |
| 1.2) Other Domestic Consumers | | |
| Upto 100 units per month | • Upto 1 kW-Rs. 75/kW/Month<br>• Above 1 kW and upto 4 kW-Rs. 85/kW/month<br>• Above 4 kW-Rs. 100/kW/month | Rs. 3.40/kWh |
| 101-200 units per month | | Rs. 4.90/kWh |
| 201-400 units per month | | Rs. 6.70/kWh |
| Above 400 units per month | | Rs. 7.35/kWh |
| 2) Single Point Bulk Supply | Rs. 120/kVA/month | Rs. 7.00/kVAh |

** 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. 1.75/kWh |
| 2) Non-domestic upto 1 kW | | Rs. 1.75/kWh |
| 3) Non-domestic more than 1 kW & upto 4 kW | | Rs. 2.60/kWh |
| 4) Non-Domestic more than 4 kW | Rs. 30/connection/month | Rs. 3.80/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.<br>(ii) Government/Government Aided Educational Institutions.<br>(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. 5.70/ kWh |
| | (b) Above 25 kW | Rs. 100/ kVA | Rs. 5.50/ 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. 5.40/ kWh |
| | (b) Others upto 25 kW not covered in 1.2(a) above. | Rs. 110 / kW | Rs. 7.35/ kWh |
| | (c) Above 25 kW | Rs. 115 / kVA | Rs. 7.35/ kVAh |
| 1.3 | Single Point Bulk Supply** | Rs. 130 / kVA | Rs. 7.35/ kVAh |
| 1.4 | Independent Advertisement Hoardings. | Rs. 140/kW | Rs. 8.20/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. 7.45/ kVAh |
| Rural (Metered) | Rs. 120/kVA/month | Rs. 7.45/ 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 and for incidental agricultural processes confined to chaff cutter, thrasher, cane crusher and rice huller only. However, the tariff applicable for RTS-4 shall only be applicable if such incidental agricultural processes are being carried out for agricultural produce of the connection sanctioned for irrigation purposes.

### 2. Rate of charge

| Category | Fixed Charges Rs./BHP/Month | Energy Charges Rs./kWh |
|---|---|---|
| RTS 4: PTW (Metered) | Nil | 2.55 |

### 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 and fruits including mushroom cultivation which does not involve any kind of processing of product except for storing and preservation.

### 2. Rate of charge

| Category | Fixed Charges Rs./BHP/Month | Energy Charges Rs./kWh |
|---|---|---|
| RTS 4(A): Agricultural Allied Services | Nil | 3.60 |

## 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. 5.40/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% | 6.00 | Rs. 410/kVA of the billable demand* |
| | Above 40% | 6.40 | |
| 2.2 Contracted Load More than 1000 kVA | Upto 40% | 6.00 | Rs. 480/kVA of the billable demand* |
| | Above 40% | 6.40 | |

** 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 =*

$$\frac{\text{Consumption (excluding the energy received through open access) during the billing period}}{\text{Maximum Demand or Contracted Demand whichever is less x No. of hours in the billing period}} \text{ X 100}$$

*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. 5.40/kVAh | Rs. 7.02/kVAh | Rs. 4.05/kVAh |

**For HT Industry**

| Load Factor* | Energy Charge during | | |
|---|---|---|---|
| | **Normal Hours** | **Peak Hours** | **Off-peak Hours** |
| Upto 40% | Rs. 6.00/kVAh | Rs. 8.32/kVAh | Rs. 4.50/kVAh |
| Above 40% | Rs. 6.40/kVAh | Rs. 8.32/kVAh | Rs. 4.80/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.

**6. 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, 2024 till March 31, 2025. 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, 2024.

(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, 2024 till March 31, 2025. 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, 2025, 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, 2024 and they shall continue to pay continuous supply surcharge alongwith the tariff approved in this Order till April 30, 2024. 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 $30^{th}$ April, 2024 and they shall continue to pay continuous supply surcharge alongwith the tariff approved in this Order till April 30, 2024.

(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) from the month of April 2024.

## 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. 6.90/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. 6.60 |

### 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 Public 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. 7.00 |

## 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**

The rate of charge will be corresponding rate of charge in appropriate Schedule Plus 25%. The appropriate rate schedule for the temporary supplies for cane crusher upto 15 BHP given for maximum period of four (4) months will be RTS-5.

## 8.2 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 | 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 |

## 8.3 Annexure 3: Public Notice

**UTTARAKHAND POWER CORPORATION LTD.**

(A Govt. of Uttarakahnd Undertaking) (Corporate Identity No. U40109UR2001SGC025867)

Victoria Cross Vijeta Gabar Singh Bhawan, Kanwali Road, Dehradun-248001

E-mai ID:-cgmupcl@yahoo.com, Website: www.upcl.org, Telephone No. 0135-2768895, Fax No. 0135-2768867

**PUBLIC NOTICE**

**Inviting Comments on the Petition for True-up for FY 2022-23 and Annual Performance Review for FY 2023-24 and determination of Tariff for FY 2024-25 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 2024-25 and determination of tariff for FY 2024-25 and has sought revision in Retail Tariffs to be charged from different category of electricity consumers in the State for FY 2024-25.
2. Through the above Petition, UPCL has also sought truing up of expenses for FY 2022-23 (based on audited accounts). The summary of the revised ARR and the revised revenue Gap for FY 2022-23 and projected ARR from FY 2024-25 & projected Revenue gap for FY 2024-25 are given in the following Table:

*(Figures in Rs. Crore)*

| S. No. | Particulars | FY 2022-23 | | FY 2023-24 | | FY 2024-25 |
|---|---|---|---|---|---|---|
| | | Approved by the Commission | Final truing up claimed by UPCL | Approved by the Commission | Revised Estimates submitted by UPCL | Projected by UPCL |
| A. | **Expenditure** | | | | | |
| 1 | Power Purchase Expenses# | 5866.73 | 6633.78 | 7352.92 | 7496.46 | 7514.47 |
| 2 | UJVN Ltd. Arrears Gap /(Surplus) | -62.97 | 303.24 | -25.60 | | |
| 3 | SLDC charges | 320.11 | 323.61 | 369.75 | 354.23 | 456.40 |
| 4 | Transmission Charges- PTCUL | | | | | |
| 5 | Transmission Charges- PGCIL | 558.33 | 922.13 | 598.40 | 899.31 | 1007.33 |
| 6 | O&M expenses | 681.87 | 775.85 | 741.04 | 791.40 | 850.69 |
| 7 | Interest charges (including interest on consumer security deposit) | 139.31 | 106.75 | 149.88 | 200.47 | 226.85 |
| 8 | Guarantee Fee | 0.55 | | 0.24 | | |
| 9 | Depreciation | 226.65 | 280.34 | 244.41 | 305.37 | 338.23 |
| 10 | Return on Equity | 154.73 | 197.76 | 176.91 | 221.98 | 255.24 |
| 11 | Interest on Working Capital | 101.90 | 139.17 | 139.41 | 149.90 | 147.21 |
| 12 | Provisions for Bad and Doubtful Debt | | 212.96 | | | 98.87 |
| 13 | Net Impact of Loss/(Gain) Sharing | | -91.89 | | | |
| 14 | Additional Claim of Pending Certificates till last year | | 170.70* | | | |
| 15 | **Gross Expenditure** | **7987.21** | **9974.40** | **9747.35** | **10419.11** | **10895.27** |
| B. | Less: Non-tariff income | 286.81 | 172.65 | 429.57 | 310.56 | 310.56 |
| | True up impact of previous year Gap/(Surplus) | 8.61 | 8.61 | 582.76 | 582.76 | 1977.56^ |
| C. | **Aggregate Revenue Requirement** | **7709.01** | **9810.34** | **9900.54** | **10691.31** | **12562.27** |
| D. | Revenues from Existing/Approved Tariffs | 7714.40 | 8218.09 | 9976.53 | - | 9887.17 |
| E. | **Revenue Gap/(Surplus) (C –D)** | **(5.39)** | **1592.26** | **(75.99)** | **-** | **2675.10** |

***#including Water tax & RPO***
****Including Carrying Cost of Rs. 50.26 Crore***
***^Including Carrying Cost of Rs. 385.31 Crore***

3. UPCL has, accordingly, projected a total revenue gap of Rs. 2675.10 Crore including truing up impact for FY 2022-23.
4. For FY 2024-25, UPCL has projected the distribution loss level of 13.00% based on the loss trajectory approved by the Commission in its MYT Order dated 31.03.2022.
5. For projecting the power purchase cost for FY 2024-25 from Central Sector Generating Stations, UPCL has prorated actual Fixed Cost excluding arrears of first 6 months of FY 2023-24 to arrive at Fixed Cost for FY 2024-25. Further, the variable cost has been projected based on the per unit rate of the actual variable cost excluding arrears for the first six months of FY 2023-24. Further, for projecting the power purchase cost for FY 2024-25 from UJVN Ltd. stations (Except Vyasi LHP), UPCL has considered the Fixed Cost and Variable Cost as approved by the Commission in MYT Order dated 31.03.2022. 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. 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 MYT Order dated 31.03.2022.
6. UPCL has proposed to recover the revenue gap of Rs. 2675.10 Crore relating to true up for FY 2022-23 and projected ARR & tariff for FY 2024-25 through tariff hike in the FY 2024-25.
7. To recover part of the proposed gap of Rs. 2675.10 Crore, UPCL has sought subsidy from government which UPCL has submitted that if the same is received the Gap to be recovered shall decrease to Rs. 2238.22 Crore. However, since there is no firm commitment as of now from the Government regarding subsidy to UPCL, hence, the entire gap of Rs. 2675.10 Crore shall be recoverable through tariff hike.
8. UPCL has,accordingly, proposed an average tariff hike of 27.06% (without subsidy) in the existing retail tariffs of consumers.
9. Further, PTCUL, SLDC and UJVN Ltd. have also submitted their ARR and Tariff Petition for the FY 2024-25 before the Commission. If all the claims as proposed are accepted by the Commission, it would necessitate a hike of 38.66% in consumer tariffs for FY 2024-25.
10. UPCL has proposed to revise the applicable tariffs for FY 2024-25 to meet the revenue gap of Rs. 2675.10 Crore.

**The tariff proposal to recover revenue gap without subsidy support is as below:**

| Category | Fixed / Demand Charges | | Energy Charges | |
|---|---|---|---|---|
| | Existing | Proposed | Existing | Proposed |
| **RTS-1: Domestic** | | | | |
| 1.1 Life Line Consumers | 18/Connection/month | 18/Connection/month | 1.75 Rs/kWh | 1.93 Rs/kWh |
| 1.2 Other Domestic Consumers | | | | |
| (i) Upto 100 Units/month | Upto 1 kW 60 Rs./kW/month Above 1 kW and up to 4 kW 70 Rs./kW/month Above 4 kW 80 Rs./ kW/month | Upto 1 kW : 70 Rs./kW/month Above 1 kW and up to 4 kW: 81 Rs./kW/month Above 4 kW : 93 Rs./kW/month | 3.15 Rs/kWh | 3.65 Rs/kWh |
| (ii) 101-200 Units/month | | | 4.60 Rs/kWh | 5.43 Rs/kWh |
| (iii) 201-400 Units/month | | | 6.30 Rs/kWh | 7.56 Rs/kWh |
| (iv) Above 400 Units/month | | | 6.95 Rs/kWh | 9.17 Rs/kWh |
| 1.3. Single Point Bulk Supply above 75 kW | 100 Rs/kVA/month | 124 Rs/kVA/month | 6.25 Rs/kVAh | 7.88 Rs/kVAh |

| | | | | |
|---|---|---|---|---|
| **RTS-1A: Snowbound** | | | | |
| Domestic | 18 Rs/Con/Month | 21 Rs/Con/Month | 1.75 Rs/kWh | 2.01 Rs/kWh |
| Non-Domestic upto 1 kW | 18 Rs/Con/Month | 21 Rs/Con/Month | 1.75 Rs/kWh | 2.01 Rs/kWh |
| Non-Domestic above 1 kW & upto 4 kW | 18 Rs/Con/Month | 21 Rs/Con/Month | 2.60 Rs/kWh | 2.99 Rs/kWh |
| Non-Domestic above 4 kW | 30 Rs/Con/Month | 35 Rs/Con/Month | 3.80 Rs/kWh | 4.37 Rs/kWh |
| **RTS-2: Non-Domestic** | | | | |
| 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. | | | | |
| 1.1 Upto 25 kW | 80 Rs/kW/month | 104 Rs/kW/month | 5.40 Rs/kWh | 7.02 Rs/kWh |
| 1.2 Above 25 kW | 90 Rs/kVA/month | 117 Rs/kVA/month | 5.15 Rs/kVAh | 6.70 Rs/kVAh |
| **2. Other non-Domestic/Commercial Users** | | | | |
| 2.1 Small shops (Load upto 4 KW & consumption upto 50 units pm) | 75 Rs/kW/month | 98 Rs/kW/month | 5.10 Rs/kWh | 6.63 Rs/kWh |
| 2.2 Upto 25 kW (other than 2.1 above) | 95 Rs/kW/month | 124 Rs/kW/month | 6.70 Rs/kWh | 8.71 Rs/kWh |
| 2.3 Above 25 kW | 95 Rs/kVA/month | 124 Rs/kVA/month | 6.70 Rs/kVAh | 8.71 Rs/kVAh |
| 3. Single Point Bulk Supply above 75 kW | 110 Rs/kVA/month | 143 Rs/kVA/month | 6.80 Rs/kVAh | 8.84 Rs/kVAh |
| 4.0 Independent Advertisement Hoardings | 120 Rs/kW/month | 156 Rs/kW/month | 7.50 Rs/kWh | 9.75 Rs/kWh |
| **RTS-3: Govt. Public Utilities** | | | | |
| 1. Metered (Urban) | 115 Rs/kVA/month | 152 Rs/kVA/month | 6.90 Rs/kVAh | 9.11 Rs/kVAh |
| 2. Metered (Rural) | 105 Rs/kVA/month | 139 Rs/kVA/month | 6.90 Rs/kVAh | 9.11 Rs/kVAh |
| **RTS-4: Private Tube-wells/Pumping sets** | | | | |
| 1. Metered | - | - | 2.30 Rs/kWh | 2.65 Rs/kWh |
| **RTS-4 A: Agriculture Allied Activities** | | | | |
| 1. Metered | - | - | 3.25 Rs/kWh | 3.74 Rs/kWh |
| **RTS-5: LT & HT Industry** | | | | |
| LT Industries- Contracted load upto75kW (100 BHP) | | | | |
| 1.1 LT Industries (Upto 25 kW) | 170 Rs/kW/month | 213 Rs/kW/month | 5.45 Rs/kWh | 6.81 Rs/kWh |
| 1.2 LT Industries (above 25kW & upto 75 kW) | 175 Rs/kVA/month | 219 Rs/kVA/month | 5.15 Rs/kVAh | 6.44 Rs/kVAh |
| HT Industries (above 75 KW/88KVA) | | | | |
| 2.1 Contracted load upto 1000 kVA | | | | |
| 1- Load factor upto 40% | 390 Rs/kVA of billable demand | 507 Rs/kVA of billable demand | 5.50 Rs/kVAh | 7.10 Rs/kVAh |
| 2-Load factor above 40% | 390 Rs/kVA of billable demand | 507 Rs/kVA of billable demand | 5.90 Rs/kVAh | 7.63 Rs/kVAh |
| 2.2 Contracted load above 1000 kVA | | | | |
| 1- Load factor upto 40% | 460 Rs/kVA of billable demand | 598 Rs/kVA of billable demand | 5.50 Rs/kVAh | 7.10 Rs/kVAh |
| 2-Load factor above 40% | 460 Rs/kVA of billable demand | 598 Rs/kVA of billable demand | 5.90 Rs/kVAh | 7.63 Rs/kVAh |
| **RTS-6: Mixed Load** | | | | |
| Mixed Load Single Point Bulk Supply above 75 kW including MES | 130 Rs/kVA/month | 166 Rs/kVA/month | 6.50 Rs/kVAh | 8.32 Rs/kVAh |
| **RTS-7: Railway Traction** | | | | |
| Railway Traction | 315 Rs/kVA/month | 416 Rs/kVA/month | 6.10 Rs/kVAh | 8.05 Rs/kVAh |
| **RTS-8: Electric Vehicle Charging Station** | | | | |
| Electric Vehicle Charging Station | - | - | 6.25 Rs/kWh | 7.56 Rs/kWh |

**ToD charges for the industries:**

| Industries | Rate of charge during | | |
|---|---|---|---|
| | **Normal hours** | **Peak hours** | **Off-peak hours** |
| **LT Industries** | Rs. 6.44/kVAh | Rs. 8.37/kVAh | Rs. 5.15/kVAh |
| **HT Industries with Load Factor** | | | |
| Upto 40% | Rs. 7.10/kVAh | Rs. 9.93/kVAh | Rs.5.68/kVAh |
| Above 40% | Rs. 7.63/kVAh | Rs. 9.91/kVAh | Rs. 6.10/kVAh |

11. In addition, UPCL has also proposed following:
(a) Continuation of prepaid metering scheme.
(b) Rationalisation of Fixed Charges.
(c) Green Power Tariff for all consumer categories.
(d) Continuation of existing rebate on online payment of electricity bills.
(e) Average 20% hike in all the slabs of other Domestic category.
(f) Average 30% hike in Non-domestic category.
(g) Average 32% hike in Government Public Utilities category.
(h) Average 15% hike in Private tube wells category.
(i) Average 28% hike in LT & HT Industrial category.
(j) Average 28% hike in Mixed load category.
(k) Average 32% hike in Railway traction category.
(l) Average 21% hike in Electric vehicle and charging station category.

12. Detailed Petition can be seen free of cost on any working day at the Commission's office or at the offices of Chief Engineer (Commercial) at Victoria Cross Vijeta Gabar Singh Urja Bhawan, Kanwali Road, Dehradun/Chief Engineer (Distribution), Garhwal Zone, UPCL, 120-Haridwar Road, 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. Relevant extracts can also be obtained from the above mentioned offices of the Petitioner. 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 **31.01.2024**. 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 **31.01.2024**.

**No.: 02/1/EE/CM/UPCL/A2 Dt.: 02/01/2024** **Managing Director**

**"SAVE ELECTRICITY IN THE INTEREST OF NATION" / Use L.E.D. 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 / Fax: 0135-2760911)**

## 8.4 Annexure 4: List of Respondents

| Sl. No. | Name | Designation | Organization | Address |
|---|---|---|---|---|
| 1. | Sh. Deepak Pant | - | - | Upper Bhaktiyana, near Tehsil-Srinagar, Srinagar (Garhwal)-246174. |
| 2. | Sh. Balram Prasad | - | - | Deval Chaur Kham, Rampur Road, Haldwani, Distt. Nainital. |
| 3. | Sh. Bhushan Kumar Aggarwal | - | - | 202, Godavari Block, Siddharth Paradise, Vasant Vihar, Kanwali Road, Panditwari, Dehradun. |
| 4. | Sh. Anagha Pujari | - | - | - |
| 5. | Sh. Jaypal Singh Rawat | - | - | - |
| 6. | Sh. H.V. Joshi | - | - | - |
| 7. | Sh. B.K. Joshi | - | - | LIG-43-A, Awas Vikas Colony, Bhotia Parao, Haldwani-263139, Nainital. |
| 8. | Sh. Uma Shankar Pandey | Sr. Minister | Uttarakhand Kranti Manch | Office-Almora Bhawan, Vijay Laxmi Niwas, Shravan Nath Nagar, Haridwar-249401. |
| 9. | Sh. Adarsh Jaiswal | Senior Manager (E&I) | M/s Ambuja Cement Ltd. (Unit-Roorkee) | Village Lakeshwari, P.O. Sikandarpur Bhainswal, Tehsil Roorkee, Distt. Haridwar-247661, Uttarakhand. |
| 10. | Sh. Pawan Agarwal | Vice-President | Uttarakhand Steel Manufacturers Association | C/o Shree Sidhbali Industries Ltd., Kandi Road, Kotdwar, Uttarakhand. |
| 11. | Prof. A.S. Khullar | President | All Mussoorie Senior Citizens Welfare Association (Regd.) | Near Mount Rose Complex, Camel Back Road, Mussoorie-248179, Dehradun. |
| 12. | Sh. Sudhir Kumar Saini | Work Manager | Opto Electronics Factory | Office of General Manager, Raipur-248008, Dehradun. |
| 13. | 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. |
| 14. | Sh. Sanjay Agarwal | Vice President | M/s KVS Castings Pvt. Ltd. | Works: B-25-29, Industrial Estate, Bazpur Road, Kashipur-244713, Distt. Udhamsingh Nagar. |
| 15. | Sh. Devendra Kumar Agarwal | Managing Director | M/s Kashi Vishwanath Steels Pvt. Ltd. | Narain Nagar Industrial Estate, Bazpur Road, Kashipur-244713, Distt. Udham Singh Nagar. |
| 16. | Sh. Shakeel A. Siddiqui | Legal Advisor | M/s Galwalia Ispat Udyog Pvt. Ltd. | Narain Nagar Industrial Estate, Bazpur Road, Kashipur-244713, Distt. Udham Singh Nagar. |
| 17. | Sh. Narayan Singh | - | - | S/o Sh. Bhagwan Singh, Village & P.O.-Chaurson, Dangoli-263635, Distt. Bageshwar, Uttarakhand. |
| 18. | Sh. Pankaj Gupta | President | Industries Association of Uttarakhand | Mohabewala Industrial Area, Dehradun-248110. |
| 19. | 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. |

| Sl. No. | Name | Designation | Organization | Address |
|---|---|---|---|---|
| 20. | Sh. Divyanshu Bhatt | Advocate | - | Law Offices of Divyanshu Bhatt, Counsel for M/s Bharti Airtel Ltd., 1st Floor, C-1058, Sector-B, Mahanagar, Luknow-226006, Uttar Pradesh. |
| 21. | Sh. Jaikrit Kandwal | - | Peoples Forum Uttarakhand | - |
| 22. | Sh. Ashok Bansal | President | M/s Kumaon Garhwal Chamber of Commerce & Industry Uttarakhand | Chamber House, Industrial Estate, Bazpur Road, Kashipur, Udhamsingh Nagar. |
| 23. | Sh. Sanjay Shah | President | Devbhoomi Udhyog Vyapar Mandal | Almora. |
| 24. | Sh. Girish Chandra Malhotra | Member | Day Care Committee & Social Activist | Almora. |
| 25. | Sh. Teeka Singh Saini | Block President | Bhartiya Kisan Union | Office-33, Katoratal, Kashipur, Distt. Udhamsingh Nagar. |
| 26. | - | President | SIDCUL Entrepreneur Welfare Society | C/o Plot No. 1, Sector 9, IIE, SIDCUL, Pantnagar, Rudrapur-263153, Udham Singh Nagar. |
| 27. | - | - | M/s Parmatama Ferro Alloys Pvt. Ltd. | Works : Ramraj Road, Village-Vikrampur, Bazpur, Distt. Udham Singh Nagar. |
| 28. | Sh. Gulshan Rai | - | M/s Ganesh Roller Flour Mills | Mohabewala Industrial Area, Subhash Nagar, Dehradun. |
| 29. | Sh. Sunil Uniyal | President | M/s Uttarakhand Industrial Welfare Association | Off. G-31, UPSIDC, Industrial Area, Selaqui, Dehradun, Uttarakhand. |
| 30. | Col. Sunil Kotnala | Organization General Secretary | Uttarakhand Kranti Dal | B/4/274, Defence Colony, Dehradun, Uttarakhand. |
| 31. | Sh. Bhawani Pratap Singh Panwar | President | Old Tehri Dam Rehabilitation Committee | Sector 8-E, House No. 524, Bauradi, New Tehri-249001, Uttarakhand. |
| 32. | Sh. Ashok Goswami | Manager | Shetra Mai Jeevni Ram Sukhdevi Ram Trust | Haridwar Road, Rishikesh-249201, Dehradun. |
| 33. | Sh. Vijay Singh Verma | - | - | Village-Delna, P.O.-Jhabrera-247665, Distt. Haridwar. |
| 34. | Sh. Diwas Joshi | - | - | House No. 22/3, Engineers Enclave, Phase-2, near Lords Residency Apartments, GMS Road, Dehradun-248001. |
| 35. | Sh. Ashish Raturi | - | - | House No. 1, Badowala, near petrol pump, Shimla Bypass Road, Dehradun-248007. |

## 8.5 Annexure 4: List of Participants in Public Hearings

**List of Participants in Hearing at Almora on 19.02.2024**

| S.No. | Name of the Participants | Designation | Organization | Postal Address |
|---|---|---|---|---|
| 1. | Dr. R.S. Shahi | - | - | Near CMO Office, Pandeykhola, Distt. Almora, Uttarakhand. |
| 2. | Sh. Gopal Singh | - | - | New Indira Colony, Khatyari-263656, Distt. Almora, Uttarakhand. |
| 3. | Sh. Girish Chand Malhotra | - | - | G.S. Sadan, Gopaldhara, Dharanaula-263601, Distt. Almora, Uttarakhand. |
| 4. | Smt. Halima Ansari | - | - | Near Haldwani Taxi Stand, Gurudwara, Tilakpur-263601, Distt. Almora, Uttarakhand. |
| 5. | Sh. Manjul Mittal | - | - | Ashirwad Bhawan, Ranidhara Road, Distt. Almora, Uttarakhand. |
| 6. | Sh. N.C. Pant | - | - | Pant Bhawan, West Pokharkhali-263601, Near District Jail, Distt. Almora, Uttarakhand. |
| 7. | Sh. P.C. Tewari | President | Uttarakhand Parivartan Party | Dipti Niwas, Dharanaula-263601, Distt. Almora, Uttarakhand. |
| 8. | Sh. Prakash Chand | - | - | S/o Sh. Nathuram, Village-Chitai Pant, Post Office-Chitai, Distt. Almora, Uttarakhand. |
| 9. | Sh. Shubham Joshi | - | - | House No. 1, Gangola Mohalla-263601, Distt. Almora, Uttarakhand. |
| 10. | Sh. Amit Shah | Ward Member | - | Near Petrol Pump, Pandeykhola, Distt. Almora, Uttarakhand. |
| 11. | Sh. Atul Pandey | - | - | Pandeykhola, Deen Dayal Upadhyay Park, Distt. Almora, Uttarakhand. |
| 12. | Sh. Akash Mehra | - | - | Village-Kasar Devi, Freedom Guest House, Distt. Almora, Uttarakhand. |
| 13. | Sh. Pan Singh | - | - | S/o Sh. Soban Singh, Village-Surchaura, Tehsil-Jaiti, Distt. Almora, Uttarakhand. |
| 14. | Sh. Sushil Shah | - | - | S/o Late Sh. Lal Shah, Khajanchi Bazar-263601, Distt. Almora, Uttarakhand. |

## List of Participants in Hearing at Rudrapur on 20.02.2024

| S.No. | Name of the Participants | Designation | Organization | Postal Address |
|---|---|---|---|---|
| 1. | Sh. Shakeel A. Siddiqui | Legal Advisor | M/s Kashi Vishwanath Textile Mill (P) Ltd. | House No. T-4, Prakash City, Bazpur Road, Kashipur, Distt. Udham Singh Nagar. |
| 2. | 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. |
| 3. | Sh. Shreekar Sinha | President | SIDCUL Entrepreneur Welfare Society | SHIRDI Industries, SIDCUL, Pantnagar, Rudrapur-263153, Distt. Udhamsingh Nagar. |
| 4. | Sh. Ashok Bansal | President | M/s Kumaon Garhwal Chamber of Commerce & Industry Uttarakhand | Chamber House, Industrial Estate, Bazpur Road, Kashipur, Distt. Udhamsingh Nagar. |
| 5. | Sh. Vicky Sachdeva | - | M/s Bhagwati Alloys | Khasra No. 280/10/2, Bannakhera Road, Village-Vikrampur, Bazpur, Distt. Udhamsingh Nagar. |
| 6. | Sh. Devesh Pant | - | M/s Tata Motors Ltd. | Plot No. 1, Sector 11, Integrated Industrial Estate, SIDCUL, Pantnagar-263153, Distt. Udham Singh Nagar |
| 7. | Sh. Mahesh Chand Pandey | - | - | Village-Sufi Bhagwanpur, Lalkuan, Haldwani, Uttarakhand. |
| 8. | Sh. Teeka Singh Saini | Block President | Bhartiya Kisan Union | Office-33, Katoratal, Kashipur, Distt. Udhamsingh Nagar |
| 9. | Sh. Mukesh Tyagi | - | SIDCUL Entrepreneur Welfare Society | Plot No. 1, Sector-9, IIE, SIDCUL, Pantnagar, Distt. Udhamsingh Nagar. |
| 10. | Sh. Rahul Jain | - | M/s Bhagwati Alloys | Khasra No. 280/10/2, Bannakhera Road, Village-Vikrampur, Bazpur, Distt. Udhamsingh Nagar. |
| 11. | Sh. Balkar Singh Fauzi | - | - | Village-Raipur Khurd, P.O.-Kashipur, Distt. Udhamsingh Nagar |
| 12. | Sh. Baljinder Singh Sandhu | District General Secretary | Bhartiya Kisan Union | Pega Farm, P.O.-Mahuakheraganj, Kashipur, Distt. Udhamsingh Nagar |
| 13. | Shri Kalyan Singh | - | Bhartiya Kisan Union | Village-Gurdei, P.O.-Mahuakhera, Kashipur, Distt. Udhamsingh Nagar |
| 14. | Sh. Rajeev Gupta | - | M/s Kashi Vishwanath Steels Pvt. Ltd. | Narain Nagar Industrial Estate, Bazpur Road, Kashipur-244713, Distt. Udham Singh Nagar |
| 15. | Sh. Sanjay Agarwal | Vice President | M/s KVS Castings Pvt. Ltd. | Works: B-25-29, Industrial Estate, Bazpur Road, Kashipur-244713, Distt. Udhamsingh Nagar. |
| 16. | Sh. Chandresh Agarwal | - | M/s India Glycols Ltd. | A-1, Industrial Area, Bazpur Road, Kashipur-244713, Distt. Udham Singh Nagar. |
| 17. | Sh. Rajesh Chand Saxena | - | M/s India Glycols Ltd. | A-1, Industrial Area, Bazpur Road, Kashipur-244713, Distt. Udham Singh Nagar. |
| 18. | Sh. Neeraj Bhatt | - | M/s Ashok | Plot No. 1, Sector-12, IIE, SIDCUL, |

| S.No. | Name of the Participants | Designation | Organization | Postal Address |
|---|---|---|---|---|
| | | | Leyland Ltd. | Pantnagar, Rudrapur-263153, Distt. Udhamsingh Nagar |
| 19. | Shri Rajeev Sharma | - | M/s Varroc Engg. Pvt. Ltd. | Plot No. 20, Sector-9, SIDCUL, Pantnagar, Distt. Udhamsingh Nagar |
| 20. | Sh. Ashok Tiwari | - | M/s Roqueete India Pvt. Ltd. | Plot No. 12, Sector–9, IIE, SIDCUL Pantnagar, Rudrapur-263153, Distt. Udhamsingh Nagar. |
| 21. | Sh. Bhupinder Singh | - | M/s Roqueete India Pvt. Ltd. | Plot No. 12, Sector–9, IIE, SIDCUL Pantnagar, Rudrapur-263153, Distt. Udhamsingh Nagar. |
| 22. | Sh. K.R. Pathak | - | M/s Belrise Industries Ltd. | Plot No. 15, Sector–10, IIE, SIDCUL Pantnagar, Rudrapur, Distt. Udhamsingh Nagar. |
| 23. | Sh. Ram Kumar Agarwal | - | M/s Umashakti Steels Pvt. Ltd. | Village-Vikrampur, Post Off.-Bazpur–262401, Distt. Udhamsingh Nagar |
| 24. | Sh. Thakur Jagdish Singh | - | - | Village-Dharampur, P.O.-Chhatarpur, Rudrapur-263153, Distt. Udhamsingh Nagar |
| 25. | Sh. Rajesh Mishra | - | SIDCUL Association | Plot No. 1, Sector–9, IIE, SIDCUL Pantnagar, Rudrapur, Distt. Udhamsingh Nagar. |
| 26. | Sh. Ajay Kumar Agarwal | - | - | D-69, Old Allahabad Bank Lane, Main Market, Rudrapur, Distt. Udhamsingh Nagar |
| 27. | Sh. R.B. Biradar | Sr. General Manager | M/s Radico Khaitan Ltd. | A-1, A-2, B-3, Industrial Area, Bazpur, Distt. Udhamsingh Nagar |
| 28. | Sh. Anil Kumar | - | M/s La Opala RG Ltd. | B-108, Eldeco Sidcul Industrial Park, Sitarganj, Distt. Udhamsingh Nagar |
| 29. | Sh. Prem Narayan Singh | - | M/s Uttaranchal Ispat (P) Ltd. | Plot No. D-1 to D-8, Pipalia Industrial Area, Village-Jagannathpur, Kashipur, Distt. Udhamsingh Nagar. |
| 30. | Sh. Sanjeev Jindal | - | M/s Vishwanath Papers & Boards Ltd. | Village-Halduashahu, Patti-Jagatpur, Kashipur-Jaspur Road, Jaspur-244712, Distt. Udhamsingh Nagar. |
| 31. | Sh. Mukesh Kumar Pant | - | RSB Transmission India Ltd. | Plot No. 23, Sector-11, Tata Vendor Park, SIDCUL, Pantnagar, Rudrapur-263153, Distt. Udhamsingh Nagar |
| 32. | Sh. Devkinandan Dumka | - | RSB Transmission India Ltd. | Plot No. 23, Sector-11, Tata Vendor Park, SIDCUL, Pantnagar, Rudrapur-263153, Distt. Udhamsingh Nagar |
| 33. | Sh. Ashwani Gupta | - | M/s Parmatama Ferro Alloys Pvt. Ltd. | Works : Ramraj Road, Village-Vikrampur, Bazpur, Distt. Udham Singh Nagar |
| 34. | Sh. Sukhwinder Pal | - | - | Village-Bhajuanagla, Bazpur, Distt. Udham Singh Nagar |
| 35. | Sh. Jaspal | - | - | Village-Bhajuanagla, Bazpur, Distt. Udham Singh Nagar |

## List of Participants in Hearing at Tehri on 24.02.2024

| S.No. | Name of the Participants | Designation | Organization | Postal Address |
|---|---|---|---|---|
| 1. | Sh. Jagjeet Singh Negi | - | - | L-Block, Type - 4, 1/4, New Tehri, Uttarakhand. |
| 2. | Sh. C.P. Dabral | - | - | Sector-4D, II, Building No. 17, Village-Moldhar, Block-Jaunpur, New Tehri, Uttarakhand. |
| 3. | Sh. Arvind Nautiyal | - | - | 33/4, C-Block, Type–3, New Tehri, Uttarakhand. |
| 4. | Sh. Kamal Singh Mehar | - | - | 305, 7-C, Bauradi, New Tehri, Uttarakhand. |
| 5. | Sh. Kishori Lal Chamoli | - | - | House No. 215, Sector-8B, Bauradi, New Tehri, Uttarakhand. |
| 6. | Sh. Rajesh Vyas | - | - | House No. 365, Sector-7C, Bauradi, New Tehri, Uttarakhand. |
| 7. | Sh. Chandra Mohan | - | - | Near Dheeraj Pundir General Store, Talla Chamba, Tehri Garhwal |
| 8. | Sh. Ayush Kaintura | - | - | C-Block, Type-5, New Tehri, Uttarakhand. |
| 9. | Sh. Rakesh Uniyal | - | - | E-Block, 20/4, New Tehri, Uttarakhand. |
| 10. | Sh. Peetambar Dutt Chamoli | - | - | Village-Pata, P.O. Gyansyun, Tehri Garhwal, Uttarakhand. |
| 11. | Sh. Ajay Gusain | - | - | Gusain Sadan, Near Thana Building, New Tehri, Uttarakhand. |
| 12. | Sh. Vijay Singh Parmar | - | - | House No. 524, Sector-8 E, Bauradi, New Tehri, Uttarakhand. |
| 13. | Sh. Anand Prakash Ghildiyal | - | - | House No. 524, Sector-8 E, Bauradi, New Tehri, Uttarakhand. |
| 14. | Sh. Mukesh Raturi | - | - | J-15/1, Type-2, New Tehri, Uttarakhand. |
| 15. | Sh. Munendra Negi | - | - | J-15/2, Type-2, New Tehri, Uttarakhand. |

## List of Participants in Hearing at Dehradun on 26.02.2024

| S.No. | Name of the Participants | Designation | Organization | Postal Address |
|---|---|---|---|---|
| 1. | Sh. Pankaj Gupta | President | Industries Association of Uttarakhand | Mohabewala Industrial Area, Dehradun-248110 |
| 2. | Sh. Rajiv Agarwal | - | M/s Industries Association of Uttarakhand | Mohabewala Industrial Area, Dehradun-248110 |
| 3. | Sh. Sanjeev Kumar | Office Executive | M/s Industries Association of Uttarakhand | C/o Satya Industries, Mohabbewala Industrial Area, Dehradun |
| 4. | Sh. Sunil Kashyap | - | - | Near Madhur Milan Tent House, Daurwala, Mothrowala, Dehradun. |
| 5. | Sh. Gulshan Khanduja | - | M/s Shree Ganesh Roller Flour Mills | Mohabewala Industrial Area, Subhash Nagar, Dehradun |
| 6. | Sh. Pawan Agarwal | Vice-President | M/s Uttarakhand Steel Manufacturers Association | C/o Shree Sidhbali Industries Ltd., Kandi Road, Kotdwar, Uttarakhand |
| 7. | Sh. Suresh Bansal | - | M/s Kukreti Steel Ltd. | Jasodharpur Industrial Area, Kotdwar |
| 8. | Sh. Ashish Raturi | - | - | House No. 1, Badowala, near petrol pump, Shimla Bypass Road, Dehradun-248007. |
| 9. | Sh. Ramesh Joshi | State President | Suraj Sewa Dal | Office-Kaulagarh Road, Sirmaur Marg, Dehradun. |
| 10. | Sh. Shanti Prasad Bhatt | - | Uttarakhand Kranti Dal | Residence-124, Mitralok Colony, Ballupur Road, Dehradun, Uttarakhand. |
| 11. | Sh. Sunil Kotnala | - | Uttarakhand Kranti Dal | Residence-124, Mitralok Colony, Ballupur Road, Dehradun, Uttarakhand. |
| 12. | Sh. Sunil Masson | General Secretary | C/o Doon Udhyog Vyapar Mandal | 1, Saraffa Bazar, Dhamawala, Dehradun. |
| 13. | Sh. Mohit Bhatia | - | C/o Doon Udhyog Vyapar Mandal | 47/21, West Patelnagar, Dehradun. |
| 14. | Sh. Ashok Goswami | Manager | Shetra Mai Jeevni Ram Sukhdevi Ram Trust | Haridwar Road, Rishikesh-249201, Dehradun. |
| 15. | Sh. Uma Shankar Pandey | - | Budget Hotel Association | Office-Almora Bhawan, Vijay Laxmi Niwas, Shravan Nath Nagar, Haridwar-249401. |
| 16. | Sh. Surya Prakash | - | - | 271/153, Araghar, Dehradun. |
| 17. | Sh. Vijay Singh Verma | - | - | Village-Delna, P.O. Jhabrera, Roorkee-247665, Haridwar |
| 18. | Sh. Rakesh Bhatia | State Chairman | Patelnagar Industrial Association | E-8, Govt. Industrial Area, Patel Nagar, Dehradun. |
| 19. | Sh. Veeru Bisht | - | - | Mohanpur, Post Off.-Premnagar, Dehradun-248007 |
| 20. | Sh. Yashveer Arya | - | - | Surbhi Enclave, Canal Road, Jakhan, Rajpur Road, Dehradun. |

| S.No. | Name of the Participants | Designation | Organization | Postal Address |
|---|---|---|---|---|
| 21. | Sh. Vijay Mohan Mishra | - | M/s Jubilant Generics Limited | Sikandarpur Bhainswal, Bhagwanpur, Roorkee, Haridwar. |
| 22. | Sh. Sunil Uniyal | President | M/s Uttarakhand Industrial Welfare Association | 222/5, Gandhi Gram, Dehradun-248001, Uttarakhand. |
| 23. | Sh. D.K. Maajhi | - | M/s Indian Extrusions Pvt. Ltd. | Address-1393, Langha Road, Industrial Area, Chharba-248142, Dehradun. |
| 24. | Sh. Mukesh Sharma | - | M/s Uttarakhand Industrial Welfare Association | 222/5, Gandhi Gram, Dehradun-248001, Uttarakhand. |