

Before

UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

In the matter of:

UPCL's Petition on Aggregate Revenue Requirement and Tariff Proposal for FY 2011-12.

AND

In the matter of:

Uttarakhand Power Corporation Limited
Urja Bhawan, Kanwali Road, Dehradun

.....Petitioner

Coram

Shri Anand Kumar Member

Date of Order: 10th December 2010

Order

This order relates to the Petition on Annual Revenue Requirement and Tariff for FY 2011-12 filed by Uttarakhand Power Corporation Limited (UPCL), hereinafter referred to as the Petitioner, on 29.11.2010.

2. The Petition filed by UPCL had certain infirmities/deficiencies which were discussed by the Commission on 04/12/2010 with Director (F), UPCL and other officers of UPCL and a list of the same was handed over to them. The Commission also issued a letter dated 06/12/2010 informing UPCL of the same and asking it to rectify the said infirmities so that the Petition may be admitted by the Commission. UPCL vide its
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- letter dated 06/12/2010 submitted most of the information sought by the Commission.
3. Based on the submissions dated 06/12/2010 by UPCL, the Commission provisionally admits the Petition for further processing subject to the condition that UPCL shall furnish any further information/clarifications as deemed necessary by the Commission during the processing of the Petition and provides such information and clarifications to the satisfaction of the Commission within the time frame as may be stipulated by the Commission failing which the Petition would be treated as deemed returned on the due date for last information sought by the Commission and the Commission would proceed to dispose off the matter as it deems fit based on the information available with it.
 4. The Commission further directs the Petitioner to publish a public notice within 3 days from the date of this Order detailing the salient information and facts of the ARR/Tariff proposals filed by it for FY 2011-12 in the format given at Annexure 1 in at least two daily newspapers (one Hindi and one English) widely circulated in the area of its operation both in Hindi and English languages for comments by all stakeholders and public at large. The Petitioner is also directed to place the Petition on its website and its headquarters/other offices for inspection or making relevant extracts available to the public.

Sd-
(Anand Kumar)
Member

**UTTARAKHAND POWER CORPORATION LIMITED
PUBLIC NOTICE**

Inviting Comments on the ARR/Tariff Petition for the FY 2011-12 filed by UPCL before the Uttarakhand Electricity Regulatory Commission

Salient Points of the ARR/Tariff Petition

1. Uttarakhand Power Corporation Limited (UPCL), the sole Distribution and Retail Supply Licensee in the State, has filed a Petition before Uttarakhand Electricity Regulatory Commission (UERC or Commission) for approval of its Annual Revenue Requirement (ARR) for the FY 2011-12 and has sought revision of Retail Tariffs to be charged from different category of electricity consumers in the State for the FY 2011-12.
2. Through above petition UPCL has also sought truing up of expenses for FY 2005-06 (based on audited accounts) and for FY 2009-10 (based on provisional accounts). However, in absence of actual/reliable data for the FY 2010-11, while providing revised estimates for different expense items, UPCL has not sought any true up for the FY 2010-11. The summary of the revised ARR and the revised revenue Gap for FY 2009-10 & FY 2010-11 and projected ARR & projected Revenue gap for the FY 2011-12 are given in the following Table:

(Figures in ₹ Crore)

S No	Particulars	FY 2009-10		FY 2010-11		FY 2011-12 (Projected by UPCL)
		Approved by Commission	Revised Estimated by UPCL	Approved by Commission	Revised Estimated by UPCL	
	Expenditure					
1	Power Purchase Expenses	1373.57	1975.55	1720.49	2206.47	2759.53
2	Transmission Charges- PGCIL	85.94	99.82	107.94	107.95	113.35
3	Transmission Charges- PTCUL	75.81	75.81	101.74	101.74	106.83
4	O&M expenses	264.25	254.82	279.85	279.85	317.54
5	Interest charges	62.89	75.46	67.80	66.86	76.59
6	Depreciation	21.70	31.05	25.03	38.54	47.20
7	Interest on Working Capital	16.08	11.59	14.10	24.00	27.29
	Gross Expenditure	1900.24	2524.10	2316.95	2825.41	3448.33
	Other Expenses					
1	Provision for Bad and Doubtful Debts	28.80	27.09	35.34	61.04	67.58
2	Return on Equity	0.84	0.84	5.47	23.74	103.82
3	Adjustment for refund to industries	0.00	21.78	30.00	0.00	0.00
A	Net Expenditure	1929.84	2573.81	2387.76	2910.19	3619.73
B.	Less: Non-tariff income	35.40	51.94	38.77	32.74	35.20
C.	Annual Revenue Requirement (A-B)	1894.49	2521.87	2348.99	2877.45	3584.53
D	Deficit of Revenue upto 2008-09	68.51	68.51	0.00	0.00	0.00
E	Carrying Cost of deficit	0.00	60.10	0.00	0.00	0.00
F	Aggregate Revenue Requirement	1963.00	2650.48	2348.99	2877.45	3584.53
G	Revenues from Existing/ Approved Tariffs	1965.88	1806.23	2355.98	2441.54	2703.00
H	Revenue Surplus/(Gap) ((G) - (F))	2.88	(844.25)	7.00	(435.91)	(881.53)

3. UPCL has accordingly for the FY 2009-10, FY 2010-11 and FY 2011-12 taken together projected a total revenue gap of ₹2161.69 Crore. In addition it has also sought true up for FY 2005-06 based on audited results which throws a surplus revenue of ₹ 9.74 Crore. Considering surplus for the FY 05-06 of Rs. 9.74 Crore net revenue gap upto FY 2011-12 becomes Rs. 2151.95 Crore.
4. The increase in revenue gap from the figures approved by the Commission for different financial years (as indicated above) is primarily due to increase in the power purchase cost of UPCL during the last two years and also due to higher losses than those approved by the Commission. For FY 2011-12 UPCL has projected the distribution loss level of 20.53%. It is also to mention that for projecting the power purchase cost from Central Sector Generating Stations, UPCL has taken the rates as approved by the Commission in its Tariff Order for FY 2010-11 and not the existing rates as determined by the CERC, since the same are due for revision. Similarly, in the absence any approved transmission charges for FY 2011-12 for PGCIL & PTCUL, for projecting the transmission charges of for FY 2011-12, UPCL has taken a nominal increase of 5% over the charges approved by the Commission for FY 2010-11.
5. So as to moderate the tariff hike, UPCL has not proposed to recover the entire revenue gap through tariffs for the FY 2011-12, instead it has requested the Commission to allow it to recover part of the total revenue gap. For the FY 2011-12, UPCL has accordingly proposed an average tariff hike of approximately 31% in the existing retail tariffs of consumers. UPCL has further requested the Commission to allow it to claim the revenue gap for the FY 2010-11 i.e. ₹ 435.91 crore at the time of trueing up exercise along with the next ARR filing based on actual expenses and revenues. For the remaining revenue gap, UPCL has requested the Commission to create a Regulatory Asset and allow it recover the same over a period of three years alongwith the carrying cost.
6. Further, PTCUL and UJVNL have also submitted their ARR and Tariff Petition for FY 2011-12 before the Commission. If their claims are accepted by the Commission it would necessitate a hike of 18% (approx) in consumer tariffs in addition to the hike of 31% proposed by UPCL for FY 2011-12.

The tariff proposals are as below:

Table: Summary of Existing and Proposed Tariff Schedule

Category	Fixed/Demand Charges (₹/month)		Energy Charges (₹/ kWh)		Minimum consumption charges	
	Existing	Proposed	Existing	Proposed	Existing	Proposed
RTS-1: DOMESTIC						
1.1 For consumers getting un-metered supply in Rural Areas						
1.1.1 Hilly areas	₹ 120/ connection/month	₹ 120/ connection/month				
1.1.2 Other Areas	₹ 250/ connection/month	₹ 250/ connection/month				
1.2 Domestic Metered						
1.2.1 Life line consumers						
Below Poverty Line and Kutir Jyoti having load upto 1kW and consumption upto 30 units per month	Nil	Nil	₹ 1.50/kWh	₹ 1.50/kWh		
1.3 Other domestic consumers						
Consumption upto 100 units	Upto 4 kW: ₹ 20/connection/month More than 4 kW: 40/connection/month	Upto 4 kW: ₹ 30/connection/month More than 4 kW: 60/connection/month	₹ 2.20/kWh	₹ 2.90/kWh		
Consumption between 101-200 units			₹ 2.40/kWh	₹ 3.27/kWh		
Consumption above 200 units			₹ 2.60/kWh	₹ 3.57/kWh		

Category	Fixed/Demand Charges (₹/month)		Energy Charges (₹/ kWh)		Minimum consumption charges	
	Existing	Proposed	Existing	Proposed	Existing	Proposed
1.4 Single Point Bulk Supply	₹ 20/kW/month	₹ 30/kW/month	₹ 2.35/kWh	₹ 3.10/kWh		
RTS-1A: SNOWBOUND						
1) Domestic	Nil	Nil	₹	₹		
2) Non-domestic upto 1 kW	Nil	Nil	1.50/kWh	1.50/kWh		
2) Non-domestic more than 1 & upto 4 kW	Nil	Nil	₹ 2.00/kWh	₹ 2.00/kWh		
2) Non-domestic more than 4 kW	Nil	Nil	₹. 3.00/kWh	₹. 3.00/kWh		
RTS-2: NON-DOMESTIC						
1. Government/Municipal Hospitals, Government/Government aided Educational Institutions, Charitable Institutions registered under the Income Tax Act, 1961 and whose income is exempted from tax under this Act						
(a) Upto 25 kW	₹ 20/kW/month	₹ 30/kW/month	₹ 3.30/kWh	₹ 4.32/kWh	75 kVAh/kW/month & 900/ kVAh/kW/month	75 kVAh/kW/month & 900/ kVAh/kW/month
(b) Above 25 kW	₹ 20/kW/month	₹ 30/kW/month	₹ 3.00/kVAh	₹ 3.93/kVAh	kVAh/kW/month	
2. Other Non-Domestic/Commercial Users						
(a) Upto 25 kW	₹ 20/kW/month	₹ 30/kW/month	₹ 4.00/kWh	₹ 5.24/kWh	75 kVAh/kW/month & 900/ kVAh/kW/month	75 kVAh/kW/month & 900/ kVAh/kW/month
(b) Above 25 kW	₹ 20/kW/month	₹ 30/kW/month	₹ 4.00/kVAh	₹ 5.24/kVAh	kVAh/kW/month	
3. Single Point Bulk Supply	₹ 20/kW/month	₹ 30/kW/month	₹ 3.80/kWh	₹ 4.98/kVAh	75 kVAh/kW/month & 900/ kVAh/kW/month	75 kVAh/kW/month & 900/ kVAh/kW/month
RTS-3: PUBLIC LAMPS - In addition to Tariff, Maintenance charge of ₹ 10/- per light point per month. Further, for every 50 W or part thereof increase over and above 100 W lamp, additional ₹ 60/month has been proposed to increase to ₹ 80/month.						
1. Metered	₹ 15/kW	₹ 20/kW	₹ 3.30/kWh	₹ 4.32/kWh		
2. Unmetered Rural	₹ 115/100 watt lamp	₹ 150/100 watt lamp	Nil	Nil		
RTS-4: PRIVATE TUBE WELLS/PUMPING SETS						
1 Unmetered	₹ 150/BHP/month*	₹. 200/BHP/month*	Nil	Nil		
2 Metered	Nil	Nil	₹ 0.90/kWh	₹ 1.17/kWh		
RTS-5: GOVERNMENT IRRIGATION SYSTEMS						
Upto 75 kW	₹ 15/kW	₹ 20/kW	₹ 3.30/kWh	₹ 4.32/kWh		
More than 75 kW	₹ 15/kVA	₹ 20/kVA	₹ 3.00/kVAh	₹ 3.93/kVAh		

Category	Fixed/Demand Charges (₹/month)		Energy Charges (₹/ kWh)		Minimum consumption charges	
	Existing	Proposed	Existing	Proposed	Existing	Proposed
RTS-6: PUBLIC WATER WORKS	₹ 15/kW	₹ 20/kW	₹ 3.00/kVAh	₹ 3.93/kVAh	Nil	Nil
RTS-7: LT & HT INDUSTRIES **						
1. LT Industry having contracted load upto 100 BHP/75kW						
1.1 Connected load up to 25 kW	₹ 80/kW of connected load	₹ 105/kW of connected load	₹ 3.25/kWh	₹ 4.25/kWh	75 kWh/kW/month & 900/kWh/kW/month	75 kWh/kW/month & 900/kWh/kW/month
1.2 Connected load more than 25 kW			₹ 2.95/kVAh	₹ 3.87/kVAh	75 kVAh/kW/month & 900/kVAh/kW/month	75 kVAh/kW/month & 900/kVAh/kW/month
2. HT Industry having contracted load above 100 BHP/75kW/88kVA						
2.1 Connected load upto 1000 kVA						
2.1.1 Upto 33%	₹ 160/kVA of billable demand	₹ 210/kVA of billable demand	₹ 2.60/kVAh	₹ 3.40/kVAh	110 kVAh/kVA/month & 1320/kVAh/kVA/month	110 kVAh/kVA/month & 1320/kVAh/kVA/month
2.1.2 Above 33% and upto 50%			₹ 2.85/kVAh	₹ 3.73/kVAh		
2.1.3 Above 50%			₹ 3.10/kVAh	₹ 4.06/kVAh		
2.2 Connected load more than 1000 kVA						
2.2.1 Upto 33%	₹ 220/kVA of billable demand	₹ 290/kVA of billable demand	₹ 2.60/kVAh	₹ 3.40/kVAh	110 kVAh/kVA/month & 1320/kVAh/kVA/month	110 kVAh/kVA/month & 1320/kVAh/kVA/month
2.2.2 Above 33% and upto 50%			₹ 2.85/kVAh	₹ 3.73/kVAh		
2.2.3 Above 50%			₹ 3.10/kVAh	₹ 4.06/kVAh		
RTS-8: MIXED LOADS	₹ 20/kW	₹ 25/kW	₹ 3.10/kWh	₹ 4.06/kWh		
RTS-9: RAILWAY TRACTION	₹ 160/kVA/month	₹ 210/kVA/month	₹ 3.10/kVAh	₹ 4.06/kVAh		
RTS-10: TEMPORARY SUPPLY						
(1) For Illumination / public address/ ceremonies for load up to 15 kW	₹ 850 per day	₹ 1000 per day				
(2) Temporary shops set up during festivals / melas and having load upto 2 kW	₹ 50 per day	₹ 100 per day				
(3) Other Temporary shops/ Jhuggi / Jhopris for load upto 1 kW						

Category	Fixed/Demand Charges (₹/month)		Energy Charges (₹/ kWh)		Minimum consumption charges	
	Existing	Proposed	Existing	Proposed	Existing	Proposed
3.1) Rural	₹ 80/month/connection	₹ 100/month/connection				
3.2) Urban	₹ 165/month /connection	₹ 200/month /connection				

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

** For industries opting continuous supply UPCL has proposed to increase continuous supply surcharge from 15% to 20%. Further, for industries not opting for continuous supply UPCL has proposed not to allow them use of power in excess of 15% of their contracted demand during restricted hours of the period of restriction in usage and has introduced a penalty mechanism for industries violating the usage during the restricted hours.

Besides this, UPCL has proposed the following ToD charges for the industries:

Industries	Rate of charge during		
	Normal hours	Peak hours	Off-peak hours
LT Industries	₹ 3.87/kVAh	₹ 5.81/kVAh	₹ 3.48/kVAh
HT Industries with Load Factor			
Less than 33%	₹ 3.40/kVAh	₹ 6.09/kVAh	₹ 3.06/kVAh
Above 33% and upto 50%	₹ 3.73/kVAh	₹ 6.09/kVAh	₹ 3.36/kVAh
Above 50%	₹ 4.06/kVAh	₹ 6.09/kVAh	₹ 3.65/kVAh

4. Responses/suggestions, if any, are sought from consumers and other stakeholders on the Petition. Responses may be sent to the Secretary, Uttarakhand Electricity Regulatory Commission, either in person, or by post at Uttarakhand Electricity Regulatory Commission, 1st Floor of Institution of Engineers (I), Near I.S.B.T., Majra, Dehradun or through e-mail to uttaranchalerc@rediffmail.com by 10.01.2011.
5. Detailed Petition can be seen free of cost on any working day at the Commission's office or at the offices of General Manager (Regulatory Management) at Urja Bhawan, Kanwali Road, Dehradun/General Manager (Distribution), Garhwal Zone, UPCL, 120-Haridwar Road, Dehradun/General Manager (Distribution), Kumaon Zone, UPCL, 132-KV Substation, Kathgodam, Haldwani. Relevant extracts can also be obtained from the above mentioned offices of the Petitioner.
6. The Petition is also available at the website of the Commission (www.uerc.gov.in) and at the Petitioner's website (www.upcl.org).